

MAINE STATE LEGISLATURE

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PENSIONS, CIVIL

Maine

R E P O R T

of the

MAINE STATE RETIREMENT SYSTEM

for the

FISCAL BIENNIUM ENDED JUNE 30, 1958

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1958

MAINE STATE RETIREMENT SYSTEM

BOARD OF TRUSTEES

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Verna F. Crowe, Supervisor, Actuarial Section
Barbara B. Griffin, Secretary

REPORT OF THE MAINE STATE RETIREMENT SYSTEM

FOR THE BIENNIUM ENDED JUNE 30, 1958

In accordance with the provisions of the Revised Statutes, the report of the Maine State Retirement System for the biennium ended June 30, 1958 is hereby submitted.

The Maine State Retirement System was created by act of the Legislature at a special session held early in 1942 and became operative as of July 1 that year. The original act provided for retirement coverage for all State employees and employees of such political subdivisions of the State as might elect to affiliate with the State System.

In 1947 a general revision of the law was enacted by the Legislature, at which time all public school teachers were included under the general State retirement plan.

In 1951 the Legislature enacted Chapter 395 of the Public Laws of that year under the provisions of which the State Retirement System was named as the "State Agency" through the medium of which political subdivisions of the State might secure Social Security coverage for the employees of such governmental units under such conditions as the Federal Social Security Act and the State Enabling Act imposed.

Up to the present time there are 390 reporting units under the Social Security Program and it is anticipated that during the next biennium other political subdivisions of the State will cover their employees under this Program.

New amendments to both State and Federal law now permit coverage of Local employees (other than teachers, firemen and police) even though they may be under a retirement system.

There are at the present time 53 Participating Local Districts operating under the provisions of the Maine State Retirement System, including towns, cities, counties and certain quasi-municipal agencies.

The Group Life Insurance Plan as provided for at the 1955 session of the Legislature and which provides for life insurance, accidental death and dismemberment insurance, together with the Survivors' Benefit Plan enacted at the last session of the Legislature which provides for death benefits to certain dependents of deceased State employees and teachers whose death occurs prior to retirement, places the Maine State Retirement System in a rather enviable position in relation to other State retirement systems throughout the country. These two new additions to the State Retirement System provide for a well-rounded retirement program.

The attention of the readers of this Report is directed particularly to the "Statement of Transactions" for the Group Life Insurance fund to be found on page 14 of the Report.

Other tabulations and schedules included in this Report reflect the financial status of the System and give other information which we trust will be of interest to all participants in the various programs administered by this department, as well as to the Legislature and the general public.

MAINE STATE RETIREMENT SYSTEM
Comparative Balance Sheet
At June 30, 1958 Compared to June 30, 1957

ASSETS

	<u>1958</u>	<u>1957</u>
Cash, Demand Deposits	\$ 148,917.64	\$ 190,030.31
Accounts Receivable		
Less Reserve for Uncollectibles	20,509.81	25,217.65
Due from other Funds	- - - - -	2,733.00
Investments, Bonds, Note 1	31,919,612.03	27,757,860.24
Investments, Stocks, Note 2	3,041,453.73	2,937,198.28
Investments, Mortgage Loans, Note 3	<u>3,341,745.53</u>	<u>2,442,876.57</u>
	<u>\$38,472,238.74</u>	<u>\$33,355,916.05</u>

LIABILITIES and TRUST RESERVES

LIABILITIES

Accounts Payable	\$ 194.08	\$ 1,444.32
Reserve for Authorized Expenditures	<u>24,757.43</u>	<u>18,056.11</u>
	\$ 24,951.51	\$ 19,500.43

TRUST RESERVES

Members Contribution Fund, Current	\$19,288,728.61	\$16,734,723.69
Members Contribution Fund, Prior	2,132,861.72	2,075,327.92
Retirement Allowance Fund	16,691,646.56	14,465,884.58
Survivor Benefit Fund	267,661.42	- - - - -
Reserve Against Future Losses	66,388.92	60,479.43
	<u>\$38,447,287.23</u>	<u>\$33,336,415.62</u>
	<u>\$38,472,238.74</u>	<u>\$33,355,916.05</u>

Note 1 - At Cost Less Ratable Amortization

Note 2 - At Cost

Note 3 - At Cost Less Principal Payments Received

MAINE STATE RETIREMENT SYSTEM

STATEMENT of TRUST FUND BALANCES by ACTIVITY June 30, 1958

	Members Contribution Fund	Retirement Allowance Fund	Survivors Benefit Fund
State Employees	\$ 7,935,361.28	\$ 6,694,865.80	\$186,611.05
Teachers - Current	8,993,502.78	6,283,068.16	66,032.00
Teachers - Prior Service	2,132,861.72	112,981.10	1,870.29
City of Portland	664,039.64	445,532.50	- - -
Town of Millinocket	18,988.38	44,959.87	- - -
City of Presque Isle	37,427.18	43,834.99	- - -
County of Cumberland	69,081.08	103,120.97	3,825.67
Maine Port Authority	16,334.50	20,123.12	199.25
Town of Camden	13,610.64	37,553.98	- - -
City of South Portland	158,188.42	172,591.14	- - -
Town of Houlton	55,052.02	71,041.18	- - -
County of Penobscot	36,783.98	96,625.23	- - -
Kittery Water District	12,483.03	28,731.29	82.72
City of Ellsworth	12,164.95	32,937.76	1,527.16
Town of Kittery	13,507.09	21,524.61	- - -
Town of Bar Harbor	27,294.13	52,763.17	- - -
Town of Mount Desert	17,778.77	16,980.16	- - -
Town of Fort Fairfield	36,197.12	30,652.45	233.99
City of Rockland	50,155.06	47,883.67	- - -
Bath Water District	11,572.61	8,901.67	- - -
City of Bangor	202,564.56	297,475.68	- - -
Boothbay Harbor Water System	5,478.45	2,423.74	- - -
Bangor Public Library	35,295.27	56,379.49	- - -
City of Augusta	135,779.42	143,905.03	2,588.55
City of Gardiner	13,056.80	17,626.91	- - -
Houlton Water Company	47,028.28	77,045.92	568.22
City of Auburn	107,836.47	139,777.68	- - -
Town of York	2,680.20	2,885.90	42.41
Kennebec Water District	14,765.32	16,469.31	- - -
Livermore Falls Water District	3,425.75	5,117.99	149.30
County of Knox	12,310.50	20,573.31	- - -
Augusta Water District	18,401.95	33,075.87	- - -
City of Belfast	17,743.74	34,154.24	187.85
City of Calais	17,285.99	31,334.15	- - -
County of York	13,990.38	48,640.40	- - -
Maine Maritime Academy	21,751.92	2,077.83	233.30
York Water District	9,356.21	17,323.07	53.16
County of Washington	14,580.98	27,628.19	- - -
Portland Public Library	19,337.74	16,852.14	- - -
Town of Brunswick	62,389.98	61,897.15	- - -
Auburn Public Library	4,089.10	19,857.18	- - -

STATEMENT OF TRUST FUND BALANCES - (Continued)

	Members Contribution Fund	Retirement Allowance Fund	Survivors Benefit Fund
Me.-New Hampshire Bridge Authority	\$ 12,477.19	\$ 12,214.89	\$ - - - -
Town of Jay	5,313.72	15,619.40	- - - -
County of Waldo	9,067.73	33,968.48	261.92
County of Kennebec	13,246.74	37,306.02	- - - -
City of Lewiston	121,877.71	159,197.54	- - - -
Maine Turnpike Authority	104,531.71	86,146.27	2,805.56
Auburn Sewerage District	3,274.95	5,407.39	- - - -
Auburn Water District	7,832.13	23,214.75	- - - -
Portland Slum Clearance & Redevelopment Authority	1,853.68	1,334.78	- - - -
Town of East Millinocket	7,673.68	8,741.13	- - - -
Maine Municipal Association	1,102.93	1,028.87	- - - -
County of Hancock	3,177.22	14,503.83	- - - -
County of Oxford	2,520.75	7,372.34	- - - -
Falmouth Memorial Library	136.71	290.74	- - - -
Bangor Water District	34,503.41	4,333.87	- - - -
Town of Rumford - Police & Fire Dept.	<u>1,466.68</u>	<u>3,549.53</u>	<u>389.02</u>
TOTALS	<u>\$21,421,590.33*</u>	<u>\$15,853,423.83**</u>	<u>\$267,661.42</u>

* Includes Teachers Prior Service Contributions

** Excludes Earnings on Investments, \$838,222.73

MAINE STATE RETIREMENT SYSTEM
Analysis of Changes in Reserves
for year July 1, 1957 through June 30, 1958

Balance July 1, 1957

\$33,336,415.62

ADDITIONS

Gen. Fund, State Employees	\$1,001,537.00	
Gen. Fund, Contributory Teachers	1,382,672.25	
Gen. Fund, Non-Contributory Teachers	964,798.63	
Highway Fund	246,488.00	
Working Capital Funds	50,029.75	
Liquor Commission	63,238.00	
Other Public Service Enterprise Funds	5,685.00	
Employment Security Commission	67,844.00	
Other Special Revenue Fund	123,966.08	
Participating Districts	545,327.15	
Individuals	3,381,542.20	
Group Insurance, Dividend Account	42,238.90	
Group Insurance, Due from other Funds	43,527.36	
Earnings on Investments	1,212,014.99	
Profit on Sales	5,909.49	
Administration Reserve	18,056.11	
Adj. of Uncashed Checks Written Off	871.61	
TOTAL ADDITIONS		\$ 9,155,746.52

DEDUCTIONS

<u>Pension Paid</u>		
Council Order	\$ 41,705.76	
Legislative Resolve	9,601.37	
Retirement, Full Benefits	2,734,749.92	
Ordinary Disability	59,888.01	
Service Incurred Disability	7,876.20	
Option II	25,233.60	
Automatic Option II	85,544.70	
Option III	15,639.24	
Option IV	1,901.76	
Automatic Option IV	1,541.35	\$2,983,681.91
<u>Survivor Benefits Paid</u>		
Spouse - Age 60	2,025.00	
Spouse - 17½ year clause	1,800.00	
Spouse and Children	7,025.00	
Parents	1,425.00	12,275.00
<u>Refunds</u>		
To Former Members	763,084.31	
To Bene. of Deceased Member	24,816.85	
To Bene. of Deceased Mem. Opt. IV Ret.	1,490.94	
To Bene. of Deceased Member Dis. Ret.	347.31	
To Bene. of Deceased Member Opt. I Ret.	14,914.47	804,653.88
Amortization of Premium	21,319.47	
Investment Costs	311.42	
Interest Accrued at Purchase, Bonds	13,919.96	
Int. Accrued at Purchase, Mortgage Loans	2,663.20	
Insurance on Securities	1,104.37	
Administration	113,402.20	
Group Insurance Premiums	66,238.90	
Reserve for Authorized Expenditures	24,757.43	
Prior Year Adjustment	547.17	244,264.12
TOTAL DEDUCTIONS		\$ 4,044,874.91
Balance at June 30, 1958		\$38,447,287.23

MAINE STATE RETIREMENT SYSTEM

INCOME DERIVED from INVESTMENTS July 1, 1957 through June 30, 1958 On Accrual Basis

ADDITIONS:

Interest on Bonds		\$924,494.91	
Interest on Mortgage Loans		129,166.07	
Dividends on Stock		158,354.01	
Profit on:			
Bonds	\$ 5,347.71		
Mortgage Loans	544.90		
Canadian Exchange	<u>16.82</u>	5,909.49	
Interest Accrued at June 30, 1958		<u>304,813.80</u>	
Total Additions			\$1,522,738.28

DEDUCTIONS:

Premiums Amortized		21,319.47	
Investment Costs			
Comm. & Shipping Charges - Bonds	93.75		
Comm. & Shipping Charges - Stocks	100.70		
Registration Fees - Mortgage Loans	54.75		
Postage	62.22		
Insurance Premium - Securities	<u>1,104.37</u>	1,415.79	
Interest Accrued at Purchase			
Bonds	13,919.96		
Mortgage Loans	<u>2,663.20</u>	15,583.16	
Interest Accrued at June 30, 1957		<u>243,760.17</u>	
Total Deductions			\$ 283,078.59
Earnings for year			\$1,239,659.69
Less Transfer to Reserve, Profit			<u>5,909.49</u>
Net Earnings			<u>\$1,233,750.20</u>

INVESTMENT PORTFOLIO CLASSIFYING THE TYPE OF SECURITY

<u>Bonds</u>	Net Book Value	Per Cent to Total	
	<u>6/30/58</u>	<u>1958</u>	<u>1957</u>
Railroads	\$ 9,048,146.84	23.6	23.6
Public Utilities	13,657,342.28	35.7	34.1
Industrials	4,125,178.65	10.7	10.2
Financial Corporations			0.7
Canadian	755,584.36	2.0	1.7
United States Government	<u>4,333,359.40</u>	<u>11.3</u>	<u>13.5</u>
	<u>31,919,612.03</u>	<u>83.3</u>	<u>83.8</u>
 <u>Stocks</u>			
Banks	1,672,135.36	4.4	4.9
Insurance Cos.	494,980.75	1.3	1.5
Utilities	684,343.41	1.8	1.9
Industrials	<u>189,489.21</u>	<u>0.5</u>	<u>0.5</u>
	<u>3,041,453.73</u>	<u>8.0</u>	<u>8.8</u>
Mortgage Loans	<u>3,341,745.53</u>	<u>8.7</u>	<u>7.4</u>
Total	<u>\$38,302,811.29</u>	<u>100.0</u>	<u>100.00</u>

MAINE STATE RETIREMENT SYSTEM

Number of Open Accounts
at June 30, 1958

State Employees	8,365	
Teachers, Current	10,709	
Teachers, Prior, Contributory	3,196	
Teachers, Prior, Non-Contributory	<u>1,217</u>	
TOTAL		23,437

Participating Districts

City of Portland	771
Town of Millinocket	12
City of Presque Isle	48
County of Cumberland	54
Maine Port Authority	16
Town of Camden	25
City of South Portland	166
Town of Houlton	52
County of Penobscot	31
Kittery Water District	8
City of Ellsworth	37
Town of Kittery	18
Town of Bar Harbor	39
Town of Mount Desert	18
Town of Fort Fairfield	39
City of Rockland	63
Bath Water District	11
City of Bangor	288
Boothbay Harbor Water System	5
Bangor Public Library	36
City of Augusta	168
City of Gardiner	33
Houlton Water Company	34
City of Auburn	112
Town of York	5
Kennebec Water District	16
Livermore Falls Water District	4
County of Knox	22
Augusta Water District	18
City of Belfast	25
City of Calais	46
County of York	35
Maine Maritime Academy	33
York Water District	6
County of Washington	19
Portland Public Library	20
Town of Brunswick	118
Auburn Public Library	6
Maine-N. H. Bridge Authority	9

Maine State Retirement System
Number of Open Accounts at June 30, 1958 (Continued)

Participating Districts: (Continued)

Town of Jay	15	
County of Waldo	18	
County of Kennebec	20	
City of Lewiston	185	
Maine Turnpike Authority	199	
Auburn Sewerage District	7	
Auburn Water District	11	
Slum Clearance & Redevelopment Authority	4	
Town of East Millinocket	19	
Maine Municipal Association	4	
County of Hancock	24	
Oxford County	24	
Falmouth Memorial Library	1	
Bangor Water District	30	
Town of Rumford	<u>22</u>	
Total Participating Districts		<u>3,049</u>
TOTAL		<u><u>26,536</u></u>

MAINE STATE RETIREMENT SYSTEM
PENSION PAYROLL
Month of June 1958 Man Count and Cost Compared
with Month of June 1957 Man Count & Cost

	Number of Persons Receiving Benefits at June 30, 1958 - June 30, 1957		Increase or (Decrease)
State	1091	1006	85
City of Portland	99	99	-
Town of Millinocket	3	3	-
City of Presque Isle	1	1	-
County of Cumberland	19	20	(1)
Maine Port Authority	5	6	(1)
Teachers - Contributory	51	40	11
Teachers - Non-Contributory	1195	993	202
Teachers - Pensioned Prior to 1947	334	375	(41)
Town of Camden	2	3	(1)
City of South Portland	14	9	5
Town of Houlton	1	1	-
County of Penobscot	4	3	1
Kittery Water District	1	-	1
City of Ellsworth	5	5	-
Town of Kittery	4	3	1
Town of Bar Harbor	11	11	-
Town of Mount Desert	3	3	-
Town of Fort Fairfield	5	2	3
City of Rockland	3	3	-
Bath Water District	4	5	(1)
City of Bangor	21	19	2
Boothbay Harbor Water System	3	3	-
Bangor Public Library	2	2	-
City of Augusta	29	22	7
City of Gardiner	6	8	(2)
Houlton Water Company	3	3	-
City of Auburn	13	12	1
County of Knox	5	5	-
City of Belfast	5	5	-
City of Calais	9	9	-
County of York	14	15	(1)
Maine Maritime Academy	1	1	-
County of Washington	2	2	-
Portland Public Library	2	2	-
Town of Brunswick	5	5	-
Auburn Public Library	3	3	-
Town of Jay	4	4	-
County of Waldo	9	9	-
County of Kennebec	7	7	-
City of Lewiston	21	13	8
Maine Turnpike Authority	7	7	-
Auburn Sewerage District	1	-	1
Auburn Water District	2	1	1
County of Hancock	2	-	2
County of Oxford	1	-	1
Bangor Water District	<u>1</u>	<u>-</u>	<u>1</u>
TOTALS	<u>3033</u>	<u>2748</u>	<u>285</u>

(Table Continued)

Gross Pension Cost for Month of June 30, 1958 - June 30, 1957		Increase or (Decrease)	Average Monthly Payment June 30, 1958
\$ 89,214.73	\$ 80,480.05	\$ 8,734.68	\$ 98.04
6,358.12	6,358.89	(.77)	64.22
282.08	287.12	(5.04)	94.02
211.38	211.38	- - - -	211.38
1,276.49	1,321.49	(45.00)	67.18
526.40	800.26	(273.86)	105.28
3,357.44	2,675.10	682.34	65.83
106,287.52	83,955.72	22,331.80	88.94
32,900.63	29,032.85	3,867.78	98.50
100.02	155.59	(55.57)	50.01
1,349.67	630.94	718.73	96.41
27.27	27.27	- - - -	27.27
201.63	113.12	88.51	50.41
181.17	- - -	181.17	181.17
240.15	269.99	(29.84)	48.03
173.11	144.62	28.49	43.28
713.34	713.34	- - - -	64.85
115.32	115.32	- - - -	38.44
633.31	44.04	589.27	126.66
172.89	176.71	(3.82)	57.63
351.17	433.72	(82.55)	87.79
1,489.54	1,472.04	17.50	70.93
265.15	309.96	(44.81)	88.38
100.90	100.90	- - - -	50.45
2,277.82	1,616.69	661.13	78.56
369.80	434.96	(65.16)	61.63
76.55	76.55	- - - -	25.52
940.18	923.36	16.82	72.32
207.97	207.97	- - - -	41.59
217.94	217.94	- - - -	43.59
261.67	261.67	- - - -	29.07
936.64	950.13	(13.49)	66.90
69.31	69.31	- - - -	69.31
98.08	98.08	- - - -	49.04
121.56	121.56	- - - -	60.78
435.74	435.74	- - - -	87.15
332.27	332.27	- - - -	110.76
207.59	207.59	- - - -	51.90
310.92	310.92	- - - -	34.55
263.41	348.61	(85.20)	37.63
1,703.86	1,068.76	635.10	81.14
317.94	291.05	26.89	45.42
46.15	- - -	46.15	46.15
214.99	121.30	93.69	107.50
210.80	- - -	210.80	105.40
80.43	- - -	80.43	80.43
161.80	- - -	161.80	161.80
<u>\$256,392.85</u>	<u>\$217,924.88</u>	<u>\$38,467.97</u>	<u>\$ 84.53</u>

MAINE STATE RETIREMENT SYSTEM

ADMINISTRATION FUNDS

For the Year July 1, 1957 through June 30, 1958

	GENERAL ADMINISTRATION RETIREMENT	GENERAL ADMINISTRATION SURVIVOR BENEFITS
<u>Revenues</u>		
Contributions from:		
General Fund	\$56,525.00	\$14,000.00
Highway Fund	4,500.00	
Employment Security Fund	452.83	
Liquor Commission	1,000.00	
Transfer from Res. for Auth. Exp.	18,056.11	
Participating Districts	9,094.23	
Actuarial Services		
Social Security Service		
Due from other Funds		
Dividend Account		
TOTAL RECEIVED	\$89,628.17	\$14,000.00
<u>Expenditures</u>		
Salaries	\$51,526.95	\$ 2,909.00
Actuarial Service	3,804.10	
Medical Service	435.00	
Investment Counsel	4,000.00	
Travel Expense	724.10	
Telephone & Telegraph	500.68	
Repairs to Equipment	771.84	
Meter Postage	717.17	
General Operating Expenses	624.09	
Office Supplies	2,163.35	
Office Equipment	663.45	10,000.00
Employee Bonds	23.27	
Insurance, Fleet, Excess	2.74	
Insurance Premium Active		
Insurance Premium Inactive		
TOTAL EXPENDITURES	\$65,961.74	\$12,909.00
Transferred to Reserve for Authorized Expenditure	\$23,666.43	\$ 1,091.00

(Table Continued)

PARTICIPATING DISTRICT ACTUARIAL SERVICES	GROUP LIFE INSURANCE	SOCIAL SECURITY ADMINISTRATION	TOTAL
\$	\$	\$	\$ 70,525.00
			4,500.00
			452.83
			1,000.00
			18,056.11
			9,094.23
5,190.35			5,190.35
		9,813.75	9,813.75
	43,527.36		43,527.36
	42,238.90		42,238.90
<u>\$5,190.35</u>	<u>\$85,766.26</u>	<u>\$9,813.75</u>	<u>\$204,398.53</u>
\$	\$13,638.70	\$8,215.40	\$ 76,290.05
5,190.35			8,994.45
			435.00
			4,000.00
	11.25	417.61	1,152.96
	300.42	200.28	1,001.38
	371.21	137.74	1,280.79
	153.04	152.87	1,023.08
	480.40	12.25	1,116.74
	1,061.23	319.36	3,548.94
	3,511.11	358.24	14,532.80
			23.27
			2.74
	24,000.00		24,000.00
	42,238.90		42,238.90
<u>\$5,190.35</u>	<u>\$85,766.26</u>	<u>\$9,813.75</u>	<u>\$179,641.10</u>
-0-	-0-	-0-	\$ 24,757.43

MAINE STATE RETIREMENT SYSTEM

GROUP LIFE INSURANCE FUND

STATEMENT OF TRANSACTIONS

Fiscal Year Ended June 30, 1958

Excerpts from the report of the Union Mutual Life Insurance Co.
to the Board of Trustees and the Advisory Council on Group Insurance

The following number of State Employees and Teachers were insured for the indicated amounts:

<u>Active</u>	<u>Number</u>	<u>Amount</u>	<u>Average</u>
State Employees	6,321	\$26,580,000	4,205
Teachers	<u>5,200</u>	<u>21,420,000</u>	<u>4,119</u>
Total	11,521	\$48,000,000	4,166

The average life rate per \$1,000 according to the C.S.O. minimum for State Employees and Teachers is \$1.31 monthly. The manual A. D. & D. rate is \$.09 monthly per \$1,000, making the **total** manual premium \$1.40 per \$1,000.

Premiums actually paid are as follows:

State contributions Active Employees	\$ 24,000.00
State contributions Retired Employees	42,238.90
Employee and Teacher contributions	<u>373,411.11</u>
	\$439,650.01

Dividend Third Policy Year

Manual Premium (State Employees and Teachers)		\$846,508.98
Less: Experience Credit	\$120,640.51	
Advance Discounts	286,218.46	
Paid Claims	320,450.00	
New Reported and Approved		
Disability Claims	14,400.00	
Reported but unpaid death claims	0	
Reported but unapproved		
Disability Claims	0	
Conversion Charges	2,700.00	
Company Retention	<u>44,277.98</u>	<u>788,686.95</u>
Net		\$ 57,822.03
Plus: Disability Recoveries	2,400.00	
Reduction in Disability Claims	1,260.00	
Deaths of Disabled Claimants	<u>0</u>	<u>3,660.00</u>
Third Policy Year Dividend, State Share		\$ 61,482.03

GROUP LIFE INSURANCE FUND (Continued)

In Accordance with Section 23, subsection IX, the State has contributed for retired employees during the policy year.

For this past year we have the following experience:

<u>Retired</u>	<u>Premiums</u>	<u>Losses</u>
State Employees	\$24,396.07	\$40,450.00
Teachers	<u>17,842.83</u>	<u>5,000.00</u>
	*\$42,238.90	\$45,450.00

*Premiums are for 11 months only.

The total dividend received was \$126,468.11. Of this amount \$61,482.03 represents the dividend for State Employees and Teachers. The remaining \$64,986.08 is on behalf of the Participating Local Districts.

The State dividend is used to meet the premiums for retired State Employees and Teachers and the Participating District dividend has been distributed in cash to the districts.

Summary of Claims Incurred July 1, 1957 through June 30, 1958

	<u>Natural Deaths</u>		<u>Accidental Deaths</u>		<u>Retired Deaths</u>		<u>TOTALS</u>	
	No.	Cost	No.	Cost	No.	Cost	No.	Cost
State	36	\$157,000.00	3	\$26,000.00	12	\$40,450.00	51	\$223,450.00
Teachers	22	91,000.00	0	0	3	5,000.00	25	96,000.00
Participating Districts	<u>24</u>	<u>83,000.00</u>	<u>2</u>	<u>14,000.00</u>	<u>0</u>	<u>0</u>	<u>26</u>	<u>97,000.00</u>
Totals	82	\$331,000.00	5	\$40,000.00	15	\$45,450.00	102	\$416,450.00

Average Claim \$4,083.00

MAINE STATE RETIREMENT SYSTEM
FEDERAL SOCIAL SECURITY FUND
COMPARATIVE STATEMENT OF TRANSACTIONS
Fiscal Years Ended June 30

	<u>1 9 5 8</u>	<u>1 9 5 7</u>	<u>1 9 5 6</u>
Balance - July 1	\$ 2,451.93	\$ 1,693.88	\$ 2,371.89
Additions:			
Contributions-Participants	<u>761,937.41</u>	<u>511,383.96</u>	<u>441,059.41</u>
Total Available	764,389.34	513,077.84	443,431.30
Deductions:			
Payments to U. S. Treasury	<u>760,011.32</u>	<u>510,625.91</u>	<u>441,737.42</u>
Balance - June 30	<u>\$ 4,378.02</u>	<u>\$ 2,451.93</u>	<u>\$ 1,693.88</u>

Approximately 390 Reporting Units covered,
involving some 7700 employees of political
sub-divisions of the State with an annual
payroll of approximately \$16,000,000.00.

BOARD OF TRUSTEES

HARLAN H. HARRIS, CHAIRMAN
FRANK S. CARPENTER, MEMBER
CARLETON L. BRADBURY, MEMBER
THOMAS J. ANTHOINE, MEMBER
FRED L. KENNEY, MEMBER
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ALFRED W. PERKINS, ACTUARY
EARLE R. HAYES, EX. SECRETARY

State of Maine
MAINE STATE RETIREMENT SYSTEM
AUGUSTA

December 15, 1958

Board of Trustees
Maine State Retirement System
Augusta, Maine

Gentlemen:

I submit herein the sixteenth valuation report of the actual and prospective Assets and Liabilities of the Maine State Retirement System as of June 30, 1958. Also a valuation of the Survivor Benefits provisions.

The valuation covered 17,243 active and 2,773 retired employees and teachers.

Valuations for the Participating Local Districts have been done separately and are not included in this report.

Respectfully submitted,

/s/ Alfred W. Perkins

Alfred W. Perkins
Actuary

ACTUARIAL BALANCE SHEET

June 30, 1958

ASSETS

	<u>State Employees</u>	<u>Teacher</u>	<u>Total</u>
Funds on Hand:			
Employee Contributions	\$ 7,951,696	\$11,126,365	\$19,078,061
State Contributions	<u>6,714,989</u>	<u>6,396,049</u>	<u>13,111,038</u>
Total	\$14,666,685	\$17,522,414	\$32,189,099
Value of Future State Contributions For:			
Membership Service	\$14,327,739	\$12,179,822	\$26,507,561
Unfunded Prior Service	<u>15,054,373</u>	<u>24,221,073</u>	<u>39,275,446</u>
Total	\$29,382,112	\$36,400,895	\$65,783,007
Total Assets	\$44,048,797	\$53,923,309	\$97,972,106

LIABILITIES

Employee Contributions	\$ 7,951,696	\$11,126,365	\$19,078,061
Present value of allowances being paid to Pensioners	<u>10,540,564</u>	<u>10,464,476</u>	<u>21,005,040</u>
Total	\$18,492,260	\$21,590,841	\$40,083,101
Present Value of Future Benefits to present active Employees:			
Future Membership Service	\$10,967,558	\$10,543,548	\$21,511,106
Past Membership Service	6,550,009	5,185,957	11,735,966
Prior Service	<u>8,038,970</u>	<u>16,602,963</u>	<u>24,641,933</u>
Total	\$25,556,537	\$32,332,468	\$57,889,005
Total Liabilities	\$44,048,797	\$53,923,309	\$97,972,106

Data for Calculations

The actuarial calculations presented herein were based upon the following statistics:

*Active Employees

<u>Classification</u>	<u>No.</u>	<u>Annual Payroll</u>
State Employees	7,979	\$27,659,244
Teachers MTRA	7,568	26,150,944
Teachers, 1913	1,696	5,769,590
Total Teachers	<u>9,264</u>	<u>31,920,534</u>
Total Employees	17,243	\$59,579,778

Retired Employees

<u>Classification</u>	<u>No.</u>	<u>Annual Allowance</u>
State Employees	1,087	\$1,076,894
Teachers MTRA	57	40,289
Teachers, 1913	1,629	1,670,258
Total Teachers	<u>1,686</u>	<u>1,710,547</u>
Total Employees	2,773	\$2,787,441

*Any member who has left his contributions with the State, for purposes of numberation, has been classified as active.

Annual Cost Calculation

It was determined that the percentages developed by the Recess Committee study for Membership and Prior Service should be used in determining the cost for the 1959-60 biennium.

The table below develops the Normal Contribution (Membership) cost for each year of the 1959-60 biennium.

<u>Normal Contribution</u>			
<u>Classification</u>	<u>Salaries</u>	<u>Rate</u>	<u>Cost</u>
General	\$17,549,129	3.79%	\$665,111
*Highway	4,818,900	"	182,637
Liquor Commission	1,009,320	"	38,253
M. E. S. C.	1,230,112	"	46,621
Other	<u>3,051,783</u>	<u>"</u>	<u>115,663</u>
Total State Employees	\$27,659,244	3.79%	\$1,048,285
M. T. R. A.	\$26,150,944	3.79%	\$ 991,121
1913 Teachers	<u>5,769,590</u>	<u>"</u>	<u>218,667</u>
Total Teachers	\$31,920,534	3.79%	\$1,209,788
Grand Total	\$59,579,778	3.79%	\$2,258,073

*This is total for all Highway activities including special revenue accounts.

The table below shows the Accrued Liability contribution (Prior Service) for each year of the 1959-60 biennium. The contribution rate is 3.32% for fiscal 1959-60 and 3.42% for fiscal 1960-61.

<u>Classification</u>	<u>Accrued Liability</u>	
	<u>1959-60</u>	<u>1960-61</u>
General	\$ 582,634	\$ 600,179
Highway	159,988	164,807
Liquor Commission	33,509	34,519
M. E. S. C.	40,840	42,070
Other	<u>101,316</u>	<u>104,372</u>
Total State Employees	\$ 918,287	\$ 945,947
M. T. R. A.	\$ 868,211	\$ 894,362
1913 Teachers	<u>191,550</u>	<u>197,320</u>
Total Teachers	\$1,059,761	\$1,091,682
Grand Total	\$1,978,048	\$2,037,629
<u>Additional Contributions</u>		
Health & Welfare	\$18,919	\$18,919
Military Leave	5,996	-
Teachers Amortization of Prior Lapses	<u>1,770</u>	<u>1,770</u>
Total	\$26,685	\$20,689
<u>Total of Normal and Accrued</u>		
Grand Total	\$4,262,806	\$4,316,391
<u>Excess Interest</u>		

During the last biennium the Trust Funds earned more than 3%. The earned interest rate for 1956-57 was 3.304% and for 1957-58 was 3.498%. The excess earned interest above 3% for the two past fiscal years is also shown in the following tables.

<u>Fiscal Year</u>	<u>Earned Interest Rate</u>	<u>Interest Earned</u>	<u>Interest Required</u>	<u>Excess Interest</u>
1956	3.304%	\$1,014,162.82	\$ 922,259.98	\$91,902.84
1957	3.498%	<u>1,233,750.20</u>	<u>1,060,842.90</u>	<u>172,907.30</u>
		\$2,247,913.02	\$1,983,102.88	\$264,810.14

The split of the excess interest by general categories

follows:

	<u>Excess Interest</u>		
<u>Departments</u>	<u>1956-57</u>	<u>1957-58</u>	<u>Total</u>
State Employees	\$37,390.64	\$70,328.22	\$107,718.86
Teachers	42,012.84	78,824.72	120,837.56
Maine Port Authority	116.14	179.62	295.76
Maine Maritime Academy	<u>53.49</u>	<u>102.43</u>	<u>155.92</u>
Totals	\$79,573.11	\$149,434.99	\$229,008.10

The balance of the excess interest has been allocated to the funds of the Participating Local Districts.

State Employees

The following table traces the history of membership since inception for state employees:

<u>Year Commencing July 1</u>	<u>New Members</u>	<u>Withdrawals</u>	<u>Deaths</u>	<u>Retired</u>	<u>Total Members</u>	<u>Year Ending June 30</u>
1942	2,762	100	2	17	2,643	1943
43	456	175	24	35	2,865	44
44	761	230	24	65	3,307	45
45	758	318	24	90	3,633	46
46	978	472	28	101	4,010	47
47	1,098	414	27	94	4,573	48
48	913	545	20	55	4,866	49
49	898	437	32	59	5,236	50
50	726	720	21	70	5,151	51
51	922	481	25	75	5,492	52
52	953	607	43	96	5,699	53
53	907	573	26	102	5,905	54
54	865	488	25	90	6,167	55
55	1,067	564	29	130	6,511	56
56	1,236	578	34	133	7,002	57
57	<u>2,033</u>	<u>888</u>	<u>31</u>	<u>137</u>	<u>7,979</u>	58
	17,333	7,590	415	1,349	7,979	

The following table traces the history of retired state employees since inception:

<u>Year Commencing July 1</u>	<u>New Pensioners</u>	<u>Deaths</u>	<u>Re-Employed</u>	<u>Beneficiaries</u>	<u>Total Pensioners</u>	<u>Year Ending June 30</u>
1942	17	-	-	-	17	1943
43	35	1	-	-	51	44
44	65	5	2	-	109	45
45	90	8	-	-	191	46
46	101	7	-	-	285	47
47	94	16	1	-	362	48
48	55	11	3	3	406	49
49	59	23	3	3	442	50
50	70	24	1	6	493	51
51	75	25	4	11	550	52
52	96	28	9	18	627	53
53	102	31	5	19	712	54
54	90	39	3	13	773	55
55	130	44	1	19	877	56
56	133	44	5	23	984	57
57	<u>137</u>	<u>48</u>	<u>5</u>	<u>19</u>	<u>1,087</u>	58
	1,349	354	42	134	1,087	

Teachers

The following table traces the history of membership since inception for the M. T. R. A. teachers:

<u>Year Commencing July 1</u>	<u>New Members</u>	<u>With- drawals</u>	<u>Terminations</u>		<u>Trans. to O. S.</u>	<u>Total Members</u>	<u>Year Ending June 30</u>
			<u>Deaths</u>	<u>Retired</u>			
1947	4,084	242	4	2	-	3,836	1948
48	437	223	2	2	1	4,045	49
49	508	188	8	4	37	4,316	50
50	703	503	3	3	7	4,503	51
51	677	373	5	5	1	4,796	52
52	1,227	593	9	10	-	5,411	53
53	916	468	9	3	1	5,846	54
54	786	431	10	3	2	6,186	55
55	870	475	7	14	1	6,559	56
56	885	537	12	10	1	6,884	57
57	<u>1,228</u>	<u>515</u>	<u>11</u>	<u>16</u>	<u>2</u>	<u>7,568</u>	58
	12,321	4,548	80	72	53	7,568	

The following table traces the history of retired M.T.R.A. teachers since inception:

<u>Year Commencing July 1</u>	<u>New Pensioners</u>	<u>Deaths</u>	<u>Re- employed</u>	<u>Beneficiaries</u>	<u>Total Pensioners</u>	<u>Year Ending June 30</u>
1947	2	1	-	-	1	1948
48	2	-	-	-	3	49
49	4	-	-	-	7	50
50	3	-	-	-	10	51
51	5	1	-	-	14	52
52	10	1	-	1	24	53
53	3	3	-	1	25	54
54	3	-	-	-	28	55
55	14	2	-	-	40	56
56	9	1	3	1	46	57
57	<u>16</u>	<u>2</u>	<u>4</u>	<u>1</u>	<u>57</u>	58
	71	11	7	4	57	

The following table traces the history of membership since inception of the 1913 teachers:

<u>Year Commencing July 1</u>	<u>New Members</u>	<u>With- drawals</u>	<u>Terminations</u>		<u>Trans. to MTRA</u>	<u>Total Members</u>	<u>Year Ending June 30</u>
			<u>Deaths</u>	<u>Retired</u>			
1947	2,570	29	7	103	-	2,431	1948
48	35	29	9	95	-	2,333	49
49	32	7	10	124	-	2,224	50
50	99	37	9	102	1	2,174	51
51	119	12	10	158	-	2,113	52
52	156	20	8	115	1	2,125	53
53	104	15	10	133	1	2,070	54
54	106	19	12	129	-	2,016	55
55	63	12	14	154	-	1,899	56
56	76	11	12	151	-	1,801	57
57	<u>183</u>	<u>17</u>	<u>13</u>	<u>257</u>	<u>1</u>	<u>1,696</u>	58
	3,543	208	114	1,521	4	1,696	

The following table traces the history of retired 1913 teachers since inception:

<u>Year Commencing July 1</u>	<u>New Pensioners</u>	<u>Deaths</u>	<u>Re- employed</u>	<u>Beneficiaries</u>	<u>Trans.to M.T.R.A.</u>	<u>Total Pension- ers</u>	<u>Year Ending June 30</u>
1947	103	1	-	-	-	102	1948
48	95	7	1	2	-	192	49
49	124	6	2	-	-	307	50
50	102	7	11	-	-	391	51
51	158	13	6	6	-	536	52
52	115	18	9	3	1	626	53
53	133	20	19	8	-	728	54
54	129	15	20	9	-	831	55
55	154	23	8	12	-	966	56
56	151	32	20	10	-	1,075	57
57	<u>257</u>	<u>30</u>	<u>14</u>	<u>10</u>	<u>-</u>	<u>1,298</u>	58
	1,521	172	110	60	1	1,298	

In addition pensions are being paid to 331 teachers who were retired prior to joining the System.

Survivor Benefits

The following table shows the present status of the Survivor Benefits

Fund:

Survivor Benefits Fund

Valuation 6/30/58

Assets

Total Contributions	\$267,661.42
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Liabilities

Reserves for Future Payments	247,549.00
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Surplus	<u>20,112.42</u>
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Total	\$ 267,661.42
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