

MAINE STATE LEGISLATURE

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REPORT
of the
MAINE STATE RETIREMENT SYSTEM
for the
FISCAL BIENNIUM
ENDED JUNE 30, 1960

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MAINE STATE RETIREMENT SYSTEM

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REPORT OF THE MAINE STATE RETIREMENT SYSTEM

FOR THE BIENNIUM ENDED JUNE 30, 1960

In accordance with the provisions of the Revised Statutes, the report of the Maine State Retirement System for the biennium ended June 30, 1960 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 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 440 reporting units under the Social Security Program clearing tax reports through this office each quarter.

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, provided proper action is taken prior to July 1, 1961.

Twenty-three Local Participating Districts now have both the Retirement Plan and Social Security.

There are at the present time 57 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 1957 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.

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.

The 16th Annual Valuation Report of the Consulting Actuary of the System is also included.

MAINE STATE RETIREMENT SYSTEM

Comparative Balance Sheet
At June 30, 1960 Compared to June 30, 1959

	1960	1959	Increase or (Decrease)
Cash - Augusta	\$ 111,211.47	\$ 165,950.13	\$ (54,738.66)
Cash - New York	207,058.92	- 0 -	207,058.92
Accounts Receivable, Net	22,415.54	16,177.30	6,238.24
Investments - Bonds - Note I	42,471,679.91	38,381,468.53	4,090,211.38
Investments - Stocks - Note II	3,394,316.05	2,531,958.12	862,357.93
Investments - Mortgage Loans	<u>5,014,178.76</u>	<u>3,597,644.23</u>	<u>1,416,534.53</u>
TOTAL ASSETS	<u>\$51,220,860.65</u>	<u>\$44,693,198.31</u>	<u>\$6,527,662.34</u>

LIABILITIES and TRUST RESERVES

Accounts Payable	\$ 44.30	\$ 895.82	\$ (851.52)
Reserve for Authorized Expense	<u>27,784.61</u>	<u>26,521.52</u>	<u>1,263.09</u>
TOTAL LIABILITIES	\$ 27,828.91	\$ 27,417.34	411.57
Members Contribution Fund, Current	\$25,551,896.13	\$22,474,005.54	\$3,077,890.59
Members Contribution Fund, Prior	2,241,622.51	2,255,391.22	(13,768.71)
Retirement Allowance Fund	22,133,347.57	18,929,367.83	3,203,979.74
Survivors Benefit Fund	867,185.83	548,177.54	319,008.29
Reserve Against Future Losses	<u>398,979.70</u>	<u>458,838.84</u>	<u>(59,859.14)</u>
TOTAL TRUST RESERVES	<u>\$51,193,031.74</u>	<u>\$44,665,780.97</u>	<u>\$6,527,250.77</u>
	<u>\$51,220,860.65</u>	<u>\$44,693,198.31</u>	<u>\$6,527,662.34</u>

Note I - At Cost Less Ratable Amortization

Note II - At Cost

Note III - At Cost Less Principal Received and 1/15th Discount

MAINE STATE RETIREMENT SYSTEM

SCHEDULE IV

Statement of Trust Fund Balances and
Number of Open Accounts by Activity
June 30, 1960

	Number Open Accounts	Members Contri Fund	Retirement Allow. Fund	Survivors Benefit Fund
State Employees	9670	\$10,486,338.59	\$ 9,045,549.72	\$ 571,970.44
Maine Port Authority	13	23,537.06	19,163.03	1,144.60
Teachers - Current	11900	11,934,601.25	9,890,496.37	212,523.65
Teachers - Prior Service	4285	2,241,622.51	(1,761,389.96)	-
City of Portland	795	875,801.13	586,084.82	3,027.35
Town of Millinocket	12	25,790.11	59,611.20	562.30
City of Presque Isle	44	44,400.92	54,797.74	-
County of Cumberland	59	73,218.96	123,060.23	4,040.50
Town of Camden	20	17,789.39	45,131.41	-
City of South Portland	176	187,995.19	207,408.58	-
Town of Houlton	52	63,131.55	94,416.67	4,167.83
County of Penobscot	39	44,735.50	115,837.16	-
Kittery Water District	10	17,566.37	30,280.63	775.12
City of Ellsworth	49	22,016.81	35,341.34	3,394.86
Town of Kittery	20	9,793.52	29,333.33	809.13
Town of Bar Harbor	43	34,919.01	61,027.90	-
Town of Mt. Desert	18	24,372.34	22,228.74	-
Town of Fort Fairfield	39	43,240.42	35,696.86	2,423.49
City of Rockland	63	59,988.76	62,854.14	-
Bath Water District	13	17,333.10	13,758.32	-
City of Bangor	324	299,027.66	397,285.50	12,411.17
Boothbay Harbor Water System	6	2,308.01	9,192.42	-
Bangor Public Library	36	44,093.78	78,074.23	-
City of Augusta	177	165,041.60	194,592.91	13,817.45
City of Gardiner	31	15,702.05	30,123.59	-
Houlton Water Company	33	52,710.55	97,692.96	2,918.55
City of Auburn	123	140,246.40	193,808.78	7,703.86
Town of York	5	3,863.82	3,555.49	294.91
Kennebec Water District	17	15,919.40	23,486.78	-
Livermore Falls Water Dist.	3	4,292.19	7,059.10	496.75
County of Knox	19	14,962.20	24,334.38	-
Augusta Water District	19	23,463.97	47,770.92	-
City of Belfast	29	20,413.33	41,834.90	2,257.77
City of Calais	48	24,611.69	41,836.31	-
County of York	32	19,444.85	51,676.86	-
Maine Maritime Academy	45	35,638.10	6,908.99	-
York Water District	6	13,021.49	20,688.23	568.76
County of Washington	22	19,035.74	36,071.05	-
Portland Public Library	27	25,950.43	29,778.62	-
Town of Brunswick	117	88,887.51	93,649.36	-
Auburn Public Library	6	6,404.03	22,559.58	-
Maine-New Hampshire Bridge Auth.	9	17,072.39	17,838.99	-
Town of Jay	13	6,376.76	17,427.70	-
County of Waldo	19	13,881.40	41,492.75	1,060.47
County of Kennebec	23	16,122.78	52,775.80	-
City of Lewiston	235	183,783.61	214,721.24	-
Maine Turnpike Auth	185	155,123.15	147,077.15	18,221.91
Auburn Sewerage District	7	6,111.96	8,165.55	-
Auburn Water District	10	9,233.86	29,723.35	-
Portland Slum Clearance	4	3,463.85	2,413.52	-
Town of East Millinocket	19	14,641.79	19,893.00	-
Maine Municipal Assn	4	3,135.49	3,033.11	-
County of Hancock	25	8,378.51	34,098.40	-
County of Oxford	24	9,116.11	20,447.82	-
Falmouth Memorial Library	1	357.94	690.86	-
Bangor Water District	29	42,322.12	19,800.02	-
Town of Rumford - Police & Fire D.	25	12,788.44	17,897.55	2,540.57
Town of Orono	26	3,312.05	4,517.45	-
Kennebunk L & P District	11	1,497.27	4,093.78	-
City of Brewer	10	484.65	(.73)	-
Augusta Sewerage District	8	3,025.22	371.79	54.39
Rumford Water District	3	58.00	1,002.75	-
TOTALS	29,135	* \$27,793,518.64**	\$20,880,151.04	\$867,185.83

* Includes Prior Service Contributions

** Excludes Earnings on Investments \$1,253,196.53

MAINE STATE RETIREMENT SYSTEM
Analysis of Changes in Reserves
for Year July 1, 1959 through June 30, 1960

Balance July 1, 1959 \$44,665,780.97

ADDITIONS

General Fund, State Employees	\$1,474,406.77	
General Fund, Contributing Teachers	1,863,148.23	
General Fund, Non Contributing Teachers	427,594.00	
Highway Funds	340,942.00	
Special Revenue Funds	257,909.46	
Public Service Enterprise Funds	80,179.00	
Working Capital Funds	70,964.00	
Participating Districts	709,695.19	
Individuals	4,244,653.36	
Social Security Entities	10,910.00	
Earnings on Investments	1,775,060.86	
Due from other Funds	41,000.00	
Insurance Dividend Account	89,970.06	
Dedicated Revenue - Insurance Account	4,709.52	
Administration Reserve	26,521.52	
Adjustment of balance forward	1,130.88	
TOTAL ADDITIONS		\$11,418,794.85

DEDUCTIONS

<u>Pensions Paid</u>		
Council Order	\$ 30,064.89	
Legislative Resolve	11,311.44	
Retirement Full Benefits	3,265,619.43	
Ordinary Disability	68,871.26	
Option II	34,278.93	
Automatic Option II	119,663.92	
Option III	28,923.71	
Option IV	2,510.13	
Automatic Option IV	3,975.78	
Service Incurred Disability	11,084.38	
Service Incurred Death - Police & Fire	1,974.24	
15 year teachers	42,949.11	
10 year vested right	54,944.28	
Sheriffs & Deputies	2,907.32	\$3,679,078.82
<u>Survivor Benefits</u>		
Spouse - age 60	\$ 17,400.00	
Spouse - 17 1/2 year clause	9,900.00	
Spouse and children	64,875.00	
Children	1,750.00	
Parents	5,025.00	
Accidental Death - Service Incurred	1,675.00	\$ 100,625.00
<u>Refunds</u>		
To former members	\$ 662,151.02	
To beneficiary of deceased members	41,003.87	
To beneficiary of disability pensioners	3,948.05	
To beneficiary of deceased Option I	17,494.44	
To beneficiary of deceased Option IV	6,231.34	\$ 730,828.72
Amortization of Premiums	\$ 24,973.13	
Investment Cost	37.74	
Interest Accrued at Purchase, Bonds	14,447.22	
Interest Accrued at Purchase, Mtg. Loans	2,668.31	
Insurance on Securities	647.89	
Custody of Securities	1,223.04	
Commissions, Shipping & Registration Chg.	5,084.28	
Loss on Sales of Securities	59,859.14	
Administration	125,606.60	
Group Insurance Premiums	113,524.45	
Res. for Authorized Expenditures	27,784.61	
Res for Future Premiums	5,155.13	\$ 381,011.54
 TOTAL DEDUCTIONS		 \$ 4,891,544.08
 Balance June 30, 1960		 \$51,193,031.74

MAINE STATE RETIREMENT SYSTEM

SCHEDULE V a

PENSION PAYROLL

Month of June 1960 Man Count and Cost

Compared to Month of June 1959 Man Count and Cost

	Number Persons Receiving	Benefits at	Increase or (Decrease)	Gross Pension Cost for Month of June 1960	Gross Pension Cost for Month of June 1959	Increase or (Decrease)	Average Monthly Payment June 1960
	6-30-60	6-30-59					
State	1294	1157	137	\$109,830.90	\$ 94,556.83	\$ 15,274.07	\$ 84.87
Maine Port Authority	3	4	(1)	358.02	437.27	(79.25)	119.34
City of Portland	106	98	8	7,299.39	6,537.75	761.64	68.86
Town of Millinocket	2	3	(1)	234.44	282.08	(47.64)	117.22
City of Presque Isle	1	1	-	211.38	211.38	- - -	211.38
County of Cumberland	24	20	4	2,088.16	1,742.27	345.89	87.00
Teachers - Contributory	88	69	19	7,624.99	5,570.63	2,054.36	86.64
Teachers - Non Contributory	1524	1356	168	138,313.18	120,390.93	17,922.25	90.75
Teachers - Pensioned Prior to 1947	267	302	(35)	26,177.22	29,700.51	(3,523.29)	98.04
Town of Camden	2	2	-	100.02	100.02	- - - -	50.01
City of South Portland	19	19	-	2,548.59	2,328.96	219.63	134.13
Town of Houlton	1	1	-	27.27	27.27	- - - -	27.27
County of Penobscot	4	5	(1)	296.92	338.32	(41.40)	74.23
Kittery Water District	1	1	-	181.17	181.17	- - - -	181.17
City of Ellsworth	5	6	(1)	227.93	253.86	(25.93)	50.77
Town of Kittery	4	4	-	173.11	173.11	- - - -	43.27
Town of Bar Harbor	11	12	(1)	724.02	788.66	(64.64)	65.82
Town of Mount Desert	3	3	-	115.32	115.32	- - - -	38.44
Town of Fort Fairfield	4	4	-	233.84	233.84	- - - -	58.46
City of Rockland	5	5	-	228.25	228.25	- - - -	45.65
Bath Water District	4	4	-	351.17	351.17	- - - -	87.79
City of Bangor	23	22	1	1,798.93	1,569.49	229.49	78.21
Boothbay Harbor Water District	4	2	2	219.15	160.61	58.54	54.78
Bangor Public Library	3	3	-	153.01	153.01	- - - -	51.00
City of Augusta	34	30	4	2,623.60	2,378.18	245.42	77.16
City of Gardiner	8	6	2	372.48	369.80	2.68	46.56
Houlton Water Company	6	4	2	555.22	305.77	249.45	92.53
City of Auburn	16	14	2	1,056.90	944.99	111.91	66.05
Kennebec Water District	1	-	1	192.96	- - - -	192.96	192.96
County of Knox	8	6	2	568.97	274.31	294.66	71.12
Augusta Water District	1	-	1	30.03	- - - -	30.03	30.03
City of Belfast	6	5	1	240.88	217.94	22.94	40.14
City of Calais	11	11	-	303.34	304.89	(1.55)	27.57
County of York	15	15	-	900.52	956.87	(56.35)	60.03
Maine Maritime Academy	1	1	-	69.31	69.31	- - - -	69.31
County of Washington	3	3	-	230.05	230.05	- - - -	76.68
Portland Public Library	3	2	1	204.37	121.56	82.81	68.12

SCHEDULE Va

	Number Persons Receiving Benefits at		Increase or (Decrease)	Gross Pension Cost for Month of		Increase or (Decrease)	Average Monthly Payment
	6-30-60	6-30-59		June 1960	June 1959		June 1960
Town of Brunswick	5	3	2	\$ 388.69	\$ 268.59	\$ 120.10	\$ 77.73
Auburn Public Library	3	3	-	332.27	332.27	- - -	110.75
Town of Jay	4	4	-	207.59	207.59	- - -	51.89
County of Waldo	9	9	-	310.92	310.92	- - -	34.54
County of Kennebec	8	7	1	306.18	281.01	25.17	38.27
City of Lewiston	30	27	3	2,889.83	2,530.44	359.39	96.32
Maine Turnpike Authority	5	5	-	268.82	268.82	- - -	53.76
Auburn Sewerage District	1	1	-	46.15	46.15	- - -	46.15
Auburn Water District	3	3	-	356.13	356.13	- - -	118.71
County of Hancock	3	3	-	192.29	190.03	2.26	64.09
County of Oxford	1	1	-	80.43	80.43	- - -	80.43
Bangor Water District	1	2	(1)	161.80	279.22	(117.42)	161.80
Rumford Fire & Police	1	1	-	172.69	172.69	- - -	172.69
Kennebunk L & P	3	-	3	188.47	- - -	188.47	62.82
TOTALS	3,592	3,269	323	\$312,767.27	\$277,930.62	\$34,836.65	\$ 87.07

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SURVIVOR BENEFIT PAYROLL

SCHEDULE V b

State	54	31	23	\$ 6,375.00	\$ 3,650.00	\$ 2,725.00
Cumberland County	1	1	-	75.00	75.00	- - -
Teachers	25	16	9	3,600.00	2,275.00	1,325.00
City of Ellsworth	2	1	1	225.00	75.00	150.00
City of Augusta	1	-	1	175.00	- - -	175.00
City of Belfast	1	1	-	75.00	75.00	- - -
Maine Turnpike Auth.	1	1	-	175.00	175.00	- - -
TOTALS	85	51	34	\$ 10,700.00	\$ 6,325.00	\$ 4,375.00

MAINE STATE RETIREMENT SYSTEM

Summary of
Reserve Against Future Losses
for year
July 1, 1959 through June 30, 1960

Balance July 1, 1959 \$458,838.84

Profits:

Sale of Mortgage Loans	\$ 1,000.42	
Sale of Bonds, C & O 2-7/8	270.03	
Canadian Exchange	29.11	
Discount on Mortgage Loans	<u>10,085.67</u>	
Total Profits		\$11,385.23

Losses:

Sale & Exchange of Bonds		
50 US Treasury 2.76/66	\$ 1,650.00	
250 US Treasury 2 1/2/65	14,557.50	
10 US Treasury 2 1/2/61	140.00	
10 US Treasury 2 1/2/62	210.00	
35 US Treasury 2.76/66	1,085.00	
115 US Treasury 2.76/66	3,680.00	
500 US Treasury 2 3/4/80	<u>49,921.87</u>	
Total Losses		<u>\$71,244.37</u>

Balance June 30, 1960 \$398,979.70

MAINE STATE RETIREMENT SYSTEM

Income Derived from Investments
July 1, 1959 through June 30, 1960
On Accrual Basis

ADDITIONS:

Interest on Bonds	\$1,437,969.28	
Dividends on Stock	145,211.64	
Interest on Mortgage Loans	<u>191,879.94</u>	
		\$1,775,060.86
Interest Accrued at June 30, 1960		<u>437,457.82</u>
TOTAL ADDITIONS		\$2,212,518.68

DEDUCTIONS:

Premiums Amortized		\$ 24,973.13
Investment Costs		
Postage	\$ 37.74	
Comm Sh Ch Registration	5,084.28	
Security Insurance	647.89	
Custody	<u>1,223.04</u>	
		6,992.95
Interest Accrued at Purchase		17,115.53
Interest Accrued at June 30, 1959		<u>382,069.05</u>
TOTAL DEDUCTIONS		\$ 431,150.66
NET EARNINGS		<u>\$1,781,368.02</u>

Yield for 1959-60 3.787%

MAINE STATE RETIREMENT SYSTEM

Administration Funds
July 1, 1959 to June 30, 1960

	<u>Gen.</u> <u>Adm.</u>	<u>Part Dist.</u> <u>Act. Serv.</u>	<u>Group Life</u> <u>Insurance</u>	<u>Social</u> <u>Security</u>	<u>Totals</u>
<u>Revenue</u>					
General Fund-Retirement	\$ 62,010.00	\$ -	\$ -q	\$ -	\$ 62,010.00
General Fund - SB	5,400.00	-	-	-	5,400.00
Highway-Fund	5,000.00	-	-	-	5,000.00
MESC	1,250.00	-	-	-	1,250.00
Liquor Comm.	1,250.00	-	-	-	1,250.00
Participating District	11,572.69	-	-	-	11,572.69
Trans from Res for Auth Exp.	26,521.52	-	-	-	26,521.52
Actuarial Services PD	-	9,047.00	-	-	9,047.00
Members Social Security Program	-	-	-	10,910.00	10,910.00
Trans from Unappropriated Surp.	-	-	41,000.00	-	41,000.00
Members Ins Program-P D	-	-	3,430.00	-	3,430.00
Trans from Dividend Account	-	-	89,970.06	-	89,970.06
Dedicated Revenue	-	-	4,709.52	-	4,709.52
TOTAL RECEIVED	\$113,004.21	\$9,047.00	\$139,109.58	\$10,910.00	\$272,070.79
<u>Expenditures</u>					
Salaries	\$ 63,689.50	\$ -	\$ 16,692.81	\$ 9,662.94	\$ 90,045.25
Actuarial Services	3,820.25	9,047.00	-	-	12,867.25
Medical Services	445.00	-	-	-	445.00
Investment Consultant	5,133.33	-	-	-	5,133.33
Tel & Tel	496.36	-	302.15	201.44	999.95
Travel Expense	1,107.94	-	11.55	350.42	1,469.91
Repairs to Equipment	1,035.32	-	517.66	172.55	1,725.53
Meter Postage	1,091.95	-	250.63	234.96	1,577.54
Printing & Binding	39.21	-	39.19	-	78.40
Office Supplies	2,945.38	-	1,388.46	264.03	4,597.87
Office Equipment	4,965.44	-	1,227.55	12.52	6,205.51
Dues	154.00	-	-	-	154.00
General Operating Expense	295.92	-	-	11.14	307.06
Emp. Ins Prem State-Active	-	-	24,000.00	-	24,000.00
Emp. Ins Prem State-Inactive	-	-	89,524.45	-	89,524.45
TOTAL EXPENSE	\$ 85,219.60	\$9,047.00	\$133,954.45	\$10,910.00	\$239,131.05
To res for auth expenditures	\$ 27,784.61	-	-	-	
To res for future premiums	-	-	\$ 5,155.13	-	
TOTAL RESERVES					\$ 32,939.74

BOARD OF TRUSTEES
CARLETON L. BRADBURY, CHAIRMAN
FRANK S. CARPENTER, MEMBER
THOMAS J. ANTHOINE, MEMBER
HENRY L. CRANSHAW, MEMBER
FRED L. KENNEY, MEMBER
ARNO A. BITTUES, MEMBER
LEWIS E. WEBBER, MEMBER



MEDICAL BOARD
WILSON H. McWETHY, M.D., AUGUSTA
CHARLES E. TOWNE, M.D., WATERVILLE
HENRY A. BRANN, M.D., AUGUSTA

ALFRED W. PERKINS, ACTUARY
EARLE R. HAYES, EX. SECRETARY

State of Maine
MAINE STATE RETIREMENT SYSTEM
AUGUSTA

December 15, 1960

Board of Trustees
Maine State Retirement System
Augusta, Maine

Gentlemen:

I submit herein the eighteenth valuation report of the actual and prospective Assets and Liabilities of the Maine State Retirement System as of June 30, 1960. Also a valuation of the Survivor Benefits provisions.

The valuation covered 19,177 active and 3,023 retired employees and teachers.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Alfred W. Perkins".
Alfred W. Perkins
Actuary

THE BALANCE SHEET

For the first time we have been able to provide comparative balance sheets for State Employees and the Teachers who are members of M.T.R.A.

There are several things that will be brought out in a comparison of balance sheets.

For example, membership in M.T.R.A. is not as old as membership in the State Employees system. This can be readily seen by comparing the amounts of the Prior Service reserve.

The present value of the present and future liabilities for Prior Service is \$17,167,838 for State Employees while it is only \$9,769,578 for M.T.R.A. members.

It can also be seen that on introduction of the State Employees system many employees were eligible for retirement. This is revealed in two places. First, the present Prior Service outstanding contributions for the State Employees system are small, being only \$421,288. This means that a large number of retirements have taken place.

Secondly, the retired liability is relatively large, being \$7,775,744.

This is not true in the case of M.T.R.A. as can be seen by the relatively large unexpended Prior Service balance of \$4,586,638, and the small retired reserve of \$729,850.

We would expect the Prior Service reserve for M.T.R.A. to be liquidated at an earlier date than for State Employees, although this will depend to some extent on the amounts proportioned for each.

It is interesting to note that the present value of the expected payments for Membership (current) Service is about the same for each group. This is to be expected as total salaries are presently very similar. In developing the present valuation the State Employees salaries

were \$33,695,409 and those for M.T.R.A. members were \$34,128,109.

While not shown in the balance sheet itself, a by-product of the balance sheet is a test of the Membership (current) contribution rate.

A comparison of the amounts expected by the tables and the actual amounts determined by applying the present Membership Service contribution rate to the above salaries follows:

<u>Activity</u>	<u>Membership Service Rate</u>	<u>Salaries</u>	<u>Actual Amount</u>	<u>Table Amount</u>
State Employees	3.79%	\$33,695,409	\$1,277,056	\$1,230,284
Teachers (M.T.R.A.)	3.79%	34,128,109	1,293,455	1,232,474

Thus, it would appear if the tables are satisfactory the present Membership Service contribution rate is satisfactory.

STATE EMPLOYEES

VALUATION BALANCE SHEET

JUNE 30, 1960

ASSETS

Members Contribution Fund		\$10,509,876
Retirement Allowance Fund		
Membership Service	\$8,643,425	
Prior Service	<u>421,288</u>	9,064,713
Present Value of Future		
Contribution For		
Membership Service	20,114,379	
Prior Service	<u>16,746,550</u>	<u>36,860,929</u>
Total Assets		\$56,435,518

LIABILITIES

Members Contribution Fund		\$10,509,876
Past Membership Service		
Active	\$9,404,946	
Retired	5,010,123	14,415,069
Prior Service Reserve		
Active	9,392,094	
Retired	<u>7,775,744</u>	17,167,838
Future Membership Reserve		<u>14,342,735</u>
Total Liabilities		\$56,435,518

TEACHERS - MTRA
VALUATION BALANCE SHEET
JUNE 30, 1960

ASSETS

Members Contribution Fund		\$11,934,601
Retirement Allowance Fund		
Membership Service	\$5,303,858	
Prior Service	<u>4,586,638</u>	9,890,496
Present Value of Future		
Contribution For		
Membership Service	19,506,575	
Prior Service	<u>5,182,940</u>	<u>24,689,515</u>
Total Assets		\$46,514,612

LIABILITIES

Members Contribution Fund		\$11,934,601
Past Membership Service		
Active	\$7,859,380	
Retired	<u>440,684</u>	8,300,064
Prior Service Reserve		
Active	9,039,728	
Retired	<u>729,850</u>	9,769,578
Future Membership Reserve		<u>16,510,369</u>
Total Liabilities		\$46,514,612

COMBINED STATE EMPLOYEES & MTRA TEACHERS

VALUATION BALANCE SHEET

JUNE 30, 1960

ASSETS

Members Contribution Fund		\$22,444,477
Retirement Allowance Fund		
Membership Service	\$13,947,283	
Prior Service	<u>5,007,926</u>	18,955,209
Present Value of Future		
Contributions For		
Membership Service	39,620,954	
Prior Service	<u>21,929,490</u>	<u>61,550,444</u>
Total Assets		\$102,950,130

LIABILITIES

Members Contribution Fund		\$22,444,477
Past Membership Service		
Active	\$17,264,326	
Retired	<u>5,450,807</u>	22,715,133
Prior Service Reserve		
Active	18,431,822	
Retired	<u>8,505,594</u>	26,937,416
Future Membership Reserve		<u>30,853,104</u>
Total Liabilities		\$102,950,130

DEVELOPMENT OF 1961-63 COSTS

Summary of Data for Calculations

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

*Active Employees

<u>Classification</u>	<u>Number</u>	<u>Annual Payroll</u>
State Employees	8831	\$33,695,409
Teachers MTRA	8866	34,128,109
Teachers 1913	1480	5,659,408
Total Teachers	<u>10,346</u>	<u>39,787,517</u>
Total Employees	19,177	\$73,482,926

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

Retired Employees

<u>Classification</u>	<u>Number</u>	<u>Annual Allowance</u>
State Employees	1312	\$1,632,097
Teachers MTRA	102	91,500
Teachers 1913	1609	1,659,758
Total Teachers	<u>1711</u>	<u>1,751,258</u>
Total Employees	3023	\$3,383,355

Normal Contribution (Membership)

For each year of the biennium the following contributions will be required for current service:

<u>Classification</u>	<u>Salaries</u>	<u>Rate</u>	<u>Cost</u>
General Fund	\$19,248,592	3.79%	\$729,522
Other Revenue Funds	<u>14,446,817</u>	<u>3.79%</u>	<u>547,534</u>
Total State Employees	\$33,695,409	3.79%	\$1,277,056
MTRA	\$34,128,109	3.79%	\$1,293,455
1913 Teachers	<u>5,659,408</u>	<u>3.79%</u>	<u>214,492</u>
Total Teachers	\$39,787,517	3.79%	\$1,507,947
Grand Total	\$73,482,926	3.79%	*\$2,785,003

*Final figures subject to minor adjustments.

Accrued Liability (Prior Service)

In general the Accrued Liability contribution rate is 3.52% of Annual Salaries for fiscal 1961-62 and 3.63% for fiscal 1962-63.

In addition, it is important to start amortizing the increased pension load that will be experienced during the next 20 years due to retirements under the non-contributory teachers system.

Last year pensions in this group increased at the rate of about \$215,000 per year. Our first step should be to offset any additional increase by direct additional appropriations. This has been done through a yearly contribution of \$225,000.

The table below shows the Accrued Liability contribution for each year of the biennium.

<u>Classification</u>	<u>Accrued Liability</u>	
	<u>1961-62</u>	<u>1962-63</u>
General	\$677,552	\$698,725
Other Revenue	<u>508,522</u>	<u>524,416</u>
Total State Employees	\$1,186,074	\$1,223,141
MTRA	\$1,201,309	\$1,238,850
1913 Teachers	424,211	430,437
Amortization of Prior Lapses	<u>1,770</u>	<u>1,770</u>
Total Teachers	\$1,627,290	\$1,671,057
Grand Total	\$2,813,364	\$2,894,198

Excess Interest

During the last biennium the Trust Funds earned more than 3%. The earned interest rate for 1958-59 was 3.609% and for 1959-60 was 3.787%.

The amount of interest in excess of 3% is 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>
1958	3.609%	\$1,473,324.30	\$1,228,271.94	\$245,052.36
1959	3.787%	<u>1,781,368.02</u>	<u>1,416,632.70</u>	<u>364,735.32</u>
		\$3,254,692.32	\$2,644,904.64	\$609,787.68

The split of excess interest by general categories follows:

	<u>Excess Interest</u>		
<u>Departments</u>	<u>1958-59</u>	<u>1959-60</u>	<u>Total</u>
State Employees	\$100,956.86	\$153,097.39	\$254,054.25
Teachers	110,256.66	160,906.04	271,162.70
Maine Port Authority	<u>223.72</u>	<u>315.85</u>	<u>539.57</u>
Totals	\$211,437.24	\$314,319.28	\$525,756.52

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