

MAINE STATE LEGISLATURE

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*Report of the
Maine State Retirement System*

PENSIONS, CIVIL

Maine



**REPORT
of the
MAINE STATE RETIREMENT SYSTEM**

**for the
FISCAL BIENNIUM
ENDED JUNE 30, 1962**

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Report of the Board of Trustees

MAINE STATE RETIREMENT SYSTEM

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REPORT OF THE MAINE STATE RETIREMENT SYSTEM

FOR THE BIENNIUM ENDED JUNE 30, 1962

In accordance with the provisions of the Revised Statutes, the report of the Maine State Retirement System for the biennium ended June 30, 1962, is hereby submitted.

The Maine State Retirement System Law was first enacted by a special session of the Legislature in 1942 and became effective as of July 1 that year. The System is administered under the law by a Board of Trustees--seven in number: the State Bank Commissioner, the State Controller, the State Treasurer, and the Chairman of the Personnel Board ex officio; one Member elected by the Maine Teachers Association; one Member elected by the State Employees Association; and one Member appointed by the Governor.

Since this is, for all practical purposes, a part-time Board, the actual day-by-day administration is conducted by the Executive Secretary and his staff. A Consulting Actuary is employed, under the provisions of the law, whose duty it is to make all computations required with respect to allocation of benefits provided for under the law and to determine what appropriation requests shall be made of the Legislature to keep the System operating in a solvent manner. A Medical Board consisting of three non-member positions is also provided for under the law. The precise duty of this Board is to make determinations with respect to disability retirement cases.

In addition to administering the basic Retirement Law, our department is also charged with administering the Group Life Insurance Plan, the Survivor Benefit Plan, and under the provisions of Chapter 65 of the Revised Statutes we are also responsible for administering the Social Security Plan so far as its applications to political subdivisions of the State are concerned.

At its inception the Retirement System covered only State employees and employees of such political subdivisions of the State as might elect to join the System. As a result of amendments to the law made over the years, the coverage is now extended to all public school teachers, and the growth in the membership over-all has reached a point where we are now handling some over 30,000 open accounts on our books.

The initial appropriation made by the Legislature to institute the plan was \$500,000.00. The appropriation requests for the current biennium will approximate \$5,000,000.00 for each year of the biennium.

As of the close of the last fiscal year the total assets of the System amounted to approximately \$67,000,000.00 and as of this present date closely approximate \$70,000,000.00.

The funds of the System are invested in such securities as are legal for savings banks in the State of Maine. These include highly rated Bonds, FHA guaranteed mortgages, and equities purchased under the "Prudent Man" rule.

Our current retirement pay rolls are running close to \$5,000,000.00 a year and the average monthly benefit being paid to all retirants as of the end of June 1962 was approximately \$94.00

The number of retirants on the pay roll as of that date was somewhat in excess of 4,000.

The Group Life Insurance Plan is available to all State employees and public school teachers and as of the end of the last fiscal year the total number of persons covered under the plan was approximately 16,850.

Total benefits paid to the beneficiaries of insured persons under the plan as of the last fiscal year amounted to some over \$565,000.00 and the total benefits paid to all beneficiaries since the inception of the plan in 1955 amounted at that time to approximately \$3,200,000.00.

The Survivor Benefit Plan paid, during the fiscal year ended June 30, 1962, an amount of approximately \$218,000.00.

Our only function with respect to the Social Security Program is to enter into Agreements with political subdivisions of the State of Maine and collect the amount of taxes involved. We are presently under agreement for this purpose with some 475 reporting units consisting of counties, cities, towns and other quasi-municipal agencies. We have nothing whatever to do with the benefit side of the program. This is handled entirely by the Social Security Administration.

The cost of administering these various plans, so far as local entities are concerned, is prorated and charged back to and collected from the units involved.

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 19th Annual Valuation Report of the Consulting Actuary of the System is also included.

BOARD OF TRUSTEES

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State of Maine
MAINE STATE RETIREMENT SYSTEM
AUGUSTA

December 15, 1962

Board of Trustees
Maine State Retirement System
Augusta, Maine

Gentlemen:

I submit herein the nineteenth valuation report of the actual and prospective Assets and Liabilities of the Maine State Retirement System as of June 30, 1962. Also a valuation of the Survivor Benefits provision.

The valuation covered 20,855 active and 3,626 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, reading "Alfred W. Perkins".

Alfred W. Perkins
Actuary

STATE EMPLOYEES
VALUATION BALANCE SHEET

JUNE 30, 1962

ASSETS

Members Contribution Fund		\$13,171,443
Retirement Allowance Fund		
Membership Service	\$11,258,649	
Prior Service	<u>1,098,098</u>	12,356,747
Present Value of Future		
Contribution For		
Membership Service	21,831,221	
Prior Service	<u>17,194,002</u>	<u>39,025,223</u>
Total Assets		\$64,553,413

LIABILITIES

Members Contribution Fund		\$13,171,443
Past Membership Service		
Active	\$10,481,382	
Retired	<u>7,442,546</u>	17,923,928
Prior Service Reserve		
Active	8,869,409	
Retired	<u>9,422,691</u>	18,292,100
Future Membership Reserve		<u>15,165,942</u>
Total Liabilities		\$64,553,413

TEACHERS - MTRA
VALUATION BALANCE SHEET

JUNE 30, 1962

Members Contribution Fund		\$13,684,760
Retirement Allowance Fund		
Membership Service	\$7,772,288	
Prior Service	<u>7,030,507</u>	14,802,795
Present Value of Future		
Contributions For		
Membership Service	24,957,441	
Prior Service	<u>5,421,542</u>	<u>30,378,983</u>
Total Assets		\$58,866,538

LIABILITIES

Members Contribution Fund		\$13,684,760
Past Membership Service		
Active	\$11,378,836	
Retired	<u>990,189</u>	12,369,025
Prior Service Reserve		
Active	11,107,811	
Retired	<u>1,344,238</u>	12,452,049
Future Membership Reserve		<u>20,360,704</u>
Total Liabilities		\$58,866,538

COMBINED STATE EMPLOYEES & MTRA TEACHERS

VALUATION BALANCE SHEET

JUNE 30, 1962

ASSETS

Members Contribution Fund		\$ 26,856,203
Retirement Allowance Fund		
Membership Service	\$19,030,937	
Prior Service	<u>8,128,605</u>	27,159,542
Present Value of Future		
Contribution For		
Membership Service	46,788,662	
Prior Service	<u>22,615,544</u>	<u>69,404,206</u>
Total Assets		\$123,419,951

LIABILITIES

Members Contribution Fund		\$ 26,856,203
Past Membership Service		
Active	\$21,860,218	
Retired	<u>8,432,735</u>	30,292,953
Prior Service Reserve		
Active	19,977,220	
Retired	<u>10,766,929</u>	30,744,149
Future Membership Reserve		<u>35,526,646</u>
Total Liabilities		\$123,419,951

DEVELOPMENT OF 1963-65 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	9,592	\$38,512,200
Teachers MTRA	10,022	42,932,794
Teachers 1913	1,241	5,210,765
Total Teachers	<u>11,263</u>	<u>48,143,559</u>
Grand Total	20,855	\$86,655,759

*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	1,591	\$1,720,028
Teachers MTRA	175	181,675
Teachers 1913	1,860	2,075,258
Total Teachers	<u>2,035</u>	<u>2,256,933</u>
Total Employees	3,626	\$3,976,961

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	\$22,273,013	3.79%	\$844,147*
Other Revenue Funds	<u>16,239,187</u>	<u>3.79%</u>	<u>615,470</u>
Total State Employees	\$38,512,200	3.79%	\$1,459,617
 MTRA	 \$42,932,794	 3.79%	 \$1,627,153
1913 Teachers	<u>5,210,765</u>	<u>3.79%</u>	<u>197,488</u>
Total Teachers	\$48,143,559	3.79%	\$1,824,641
 Grand Total	 \$86,655,759	 3.79%	 \$3,284,258

*In addition, during the fiscal year 1963 the State needs to pay \$12,672 for Military leave.

Accrued Liability (Prior Service)

In general the Accrued Liability contribution rate is 3.74% of Annual Salaries for fiscal 1963-64 and 3.85% for fiscal 1964-65.

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 noncontributory teachers system.

Last year pensions in this group increased at the rate of about \$267,000 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 \$267,000.

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

<u>Classification</u>	<u>Accrued Liability</u>	
	<u>1963-64</u>	<u>1964-65</u>
General Fund	\$833,010	\$857,511
Other Revenue Funds	<u>607,341</u>	<u>625,205</u>
Total State Employees	\$1,440,351	\$1,482,716
MTRA	\$1,605,686	\$1,652,913
1913 Teachers	194,883	200,614
Amortization of Prior Lapses	1,770	1,770
Military Leave	5,102	-
Pre 1947 Teachers	266,575	266,575
\$100 Increase S.S. 1954	77,200	77,200
C 396 P.L. 1961	80,000	80,000
C 414 P.L. 1961	<u>2,500</u>	<u>2,500</u>
Total	\$2,233,716	\$2,281,572
Grand Total	\$3,674,067	\$3,764,288

Excess Interest

During the last biennium the Trust Funds earned more than 3%.
The earned interest rate for 1960-61 was 4.005% and for 1961-62 was 4.158%.

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>
1960	4.005%	\$1,848,583.64	\$1,392,814.37	\$455,769.27
1961	4.158%	<u>2,186,307.47</u>	<u>1,587,787.19</u>	<u>598,520.28</u>
		\$4,034,891.11	\$2,980,601.56	\$1,054,289.55

The split of excess interest by general categories follows:

<u>Departments</u>	<u>Excess Interest</u>		
	<u>1960-61</u>	<u>1961-62</u>	<u>Total</u>
State Employees	\$225,352.92	\$298,973.46	\$524,326.38
Teachers	229,969.72	298,982.47	528,952.19
Maine Port Authority	<u>446.63</u>	<u>564.35</u>	<u>1,010.98</u>
Totals	\$455,769.27	\$598,520.28	\$1,054,289.55

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

MEMBERSHIP HISTORY

Progress of Membership - 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
1943	456	175	24	35	2,865	1944
1944	761	230	24	65	3,307	1945
1945	758	318	24	90	3,633	1946
1946	978	472	28	101	4,010	1947
1947	1,098	414	27	94	4,573	1948
1948	913	545	20	55	4,866	1949
1949	898	437	32	59	5,236	1950
1950	726	720	21	70	5,151	1951
1951	922	481	25	75	5,492	1952
1952	953	607	43	96	5,699	1953
1953	907	573	26	102	5,905	1954
1954	865	488	25	90	6,167	1955
1955	1,067	564	29	130	6,511	1956
1956	1,236	578	34	133	7,002	1957
1957	2,036	888	34	137	7,979	1958
1958	1,486	794	42	122	8,507	1959
1959	1,481	903	55	198	8,831	1960
1960	1,631	987	46	188	9,240	1961
1961	<u>1,343</u>	<u>768</u>	<u>34</u>	<u>183</u>	<u>9,592</u>	1962
Totals	23,277	11,042	595	2,040	9,592	

MEMBERSHIP HISTORY

Progress of Membership - Contributory MTRA

<u>Year Commencing July 1</u>	<u>New Members</u>	<u>Withdrawals</u>	<u>Deaths</u>	<u>Retired</u>	<u>Trans.to "O.S."</u>	<u>Total Members</u>	<u>Year Ending June 30</u>
1947	4,084	242	4	2	-	3,836	1948
1948	437	223	2	2	1	4,045	1949
1949	508	188	8	4	37	4,316	1950
1950	703	503	3	3	7	4,503	1951
1951	677	373	5	5	1	4,796	1952
1952	1,227	593	9	10	-	5,411	1953
1953	916	468	9	3	1	5,846	1954
1954	786	431	10	3	2	6,186	1955
1955	870	475	7	14	1	6,559	1956
1956	884	537	12	9	1	6,884	1957
1957	1,228	515	11	16	2	7,568	1958
1958	1,175	515	15	27	2	8,184	1959
1959	1,208	478	21	24	3	8,866	1960
1960	1,214	709	20	37	2	9,312	1961
1961	<u>1,275</u>	<u>500</u>	<u>20</u>	<u>39</u>	<u>6</u>	<u>10,022</u>	1962
Totals	17,192	6,750	156	198	66	10,022	

MEMBERSHIP HISTORY

Progress of Membership - Non-Contributory Teachers

<u>Year Commencing July 1</u>	<u>New Members</u>	<u>Withdrawals</u>	<u>Deaths</u>	<u>Retired</u>	<u>Trans. to MTRA</u>	<u>Total Members</u>	<u>Year Ending June 30</u>
1947	2,570	29	7	103	-	2,431	1948
1948	35	29	9	95	-	2,333	1949
1949	32	7	10	124	-	2,224	1950
1950	99	37	9	102	1	2,174	1951
1951	119	12	10	158	-	2,113	1952
1952	156	20	8	115	1	2,125	1953
1953	104	15	10	133	1	2,070	1954
1954	106	19	12	129	-	2,016	1955
1955	63	12	14	154	-	1,899	1956
1956	76	11	12	151	-	1,801	1957
1957	183	17	13	257	1	1,696	1958
1958	123	15	8	211	-	1,585	1959
1959	132	8	13	214	2	1,480	1960
1960	99	9	11	215	1	1,343	1961
1961	<u>88</u>	<u>6</u>	<u>6</u>	<u>178</u>	<u>-</u>	<u>1,241</u>	1962
Totals	3,985	246	152	2,339	7	1,241	

RETIREMENT HISTORY

Experience of Retireds - State Employees

<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
1943	35	1	-	-	51	1944
1944	65	5	2	-	109	1945
1945	90	8	-	-	191	1946
1946	101	7	-	-	285	1947
1947	94	16	1	-	362	1948
1948	55	11	3	3	406	1949
1949	59	23	3	3	442	1950
1950	70	24	1	6	493	1951
1951	75	25	4	11	550	1952
1952	96	28	9	18	627	1953
1953	102	31	5	19	712	1954
1954	90	39	3	13	773	1955
1955	130	44	1	19	877	1956
1956	133	44	5	23	984	1957
1957	137	48	5	19	1,087	1958
1958	122	60	7	15	1,157	1959
1959	198	59	4	20	1,312	1960
1960	188	56	5	24	1,463	1961
1961	<u>183</u>	<u>70</u>	<u>3</u>	<u>18</u>	<u>1,591</u>	1962
Totals	2,040	599	61	211	1,591	

RETIREMENT HISTORY

Prior to 1942 By Governor and Council
Experience of Retireds - State Employees

<u>Year Commencing July 1</u>	<u>New Pensioners</u>	<u>Deaths</u>	<u>Re- employed</u>	<u>Total Pensioners</u>	<u>Year Ending June 30</u>
1942	128	-	-	128	1943
1943	-	2	-	126	1944
1944	-	5	-	121	1945
1945	3	7	-	117	1946
1946	-	8	1	108	1947
1947	1	2	-	107	1948
1948	-	1	-	106	1949
1949	-	12	-	94	1950
1950	-	5	-	89	1951
1951	-	6	-	83	1952
1952	-	9	-	74	1953
1953	-	3	-	71	1954
1954	-	4	1	66	1955
1955	-	6	1	59	1956
1956	-	6	-	53	1957
1957	-	5	-	48	1958
1958	-	7	1	40	1959
1959	-	6	-	34	1960
1960	-	3	-	31	1961
1961	-	2	-	29	1962
Totals	132	99	4	29	

RETIREMENT HISTORY

Experience of Retired Teachers - Contributory MTRA

Year Commencing July 1	New Pensioners	Deaths	Re- employed	Beneficiaries	Total Pensioners	Year Ending June 30
1947	2	1	-	-	1	1948
1948	2	-	-	-	3	1949
1949	4	-	-	-	7	1950
1950	3	-	-	-	10	1951
1951	5	1	-	-	14	1952
1952	10	1	-	1	24	1953
1953	3	3	-	1	25	1954
1954	3	-	-	-	28	1955
1955	14	2	-	-	40	1956
1956	9	1	3	1	46	1957
1957	16	2	4	1	57	1958
1958	27	-	-	1	85	1959
1959	24	5	3	1	102	1960
1960	37	4	2	4	137	1961
1961	<u>39</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>175</u>	1962
Totals	198	22	14	13	175	

RETIREMENT HISTORY

Experience of Retired Non-Contributory Teachers

<u>Year Commencing July 1</u>	<u>New Pensioners</u>	<u>Deaths</u>	<u>Re- employed</u>	<u>Beneficiaries</u>	<u>Trans.to MTRA</u>	<u>Total Pensioners</u>	<u>Year Ending June 30</u>
1947	103	1	-	-	-	102	1948
1948	95	7	1	2	-	192	1949
1949	124	6	2	-	-	307	1950
1950	102	7	11	-	-	391	1951
1951	158	13	6	6	-	536	1952
1952	115	18	9	3	1	626	1953
1953	133	20	19	8	-	728	1954
1954	129	15	20	9	-	831	1955
1955	154	23	8	12	-	966	1956
1956	151	32	20	10	-	1075	1957
1957	257	30	14	10	-	1298	1958
1958	211	37	21	7	-	1458	1959
1959	214	41	30	8	-	1609	1960
1960	215	46	24	6	1	1759	1961
1961	<u>178</u>	<u>57</u>	<u>26</u>	<u>6</u>	<u>-</u>	<u>1860</u>	1962
Totals	2339	353	211	87	2	1860	

Survivor Benefits

The following table shows the present status of the Survivor Benefits Fund:

Survivor Benefits Fund

Valuation 6/30/62

Assets

Total Contributions	\$1,367,127.36
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Liabilities

Reserves for Future Payments	<u>1,874,652.57</u>
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Deficit	\$ 507,525.21
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The above valuation does not take into consideration the rate of remarriage. Such rate will definitely affect the liabilities stated above. Until such time as we have compiled the experience of remarriage, valuations will be based on the assumption that there will be no remarriages.

This presumption will mean that the liabilities are overstated and must be taken into consideration in determining whether or not the plan is actually in a solvent condition.

MAINE STATE RETIREMENT SYSTEM

Comparative Balance Sheet At June 30, 1962, Compared to June 30, 1961

		ASSETS		Increase or (Decrease)	
		1962	1961		
Cash - Augusta	\$	130,418.63	\$ 60,191.91	\$	70,226.72
Cash - New York		3,432.65	424,791.46		(421,358.81)
Accounts Receivable, Net		32,771.13	12,963.25		19,807.88
Investments - Bonds - Note I		48,035,094.03	43,378,137.51		4,656,956.52
Investments - Stocks - Note II		6,257,823.45	4,861,205.32		1,396,618.13
Investments - Mortgage Loans - Note III		12,195,019.65	9,394,430.88		2,800,588.77
Foreclosures		10,310.95			10,310.95
TOTAL ASSETS		<u>\$66,664,870.49</u>	<u>\$58,131,720.33</u>		<u>\$8,533,150.16</u>
LIABILITIES AND TRUST RESERVES					
Accounts Payable	\$	(329.99)	\$ 1,370.50	\$	(1,700.49)
Reserve for Authorized Expense		29,428.92	28,599.67		829.25
TOTAL LIABILITIES		\$ 29,098.93	\$ 29,970.17		\$ (871.24)
Members Contribution Fund - Current	\$32,645,505.44		\$29,060,213.24		\$3,585,292.20
Members Contribution Fund - Prior	2,385,443.65		2,371,561.30		13,882.35
Retirement Allowance Fund	29,614,144.29		25,177,766.18		4,436,378.11
Survivors Benefit Fund	1,555,778.43		1,178,611.71		377,166.72
Reserve Against Future Losses	434,899.75		313,597.73		121,302.02
TOTAL TRUST RESERVES		<u>\$66,635,771.56</u>	<u>\$58,101,750.16</u>		<u>\$8,534,021.40</u>
		<u>\$66,664,870.49</u>	<u>\$58,131,720.33</u>		<u>\$8,533,150.16</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

Page 1

Statement of Trust Fund Balances and
Number of Open Accounts by Activity
June 30, 1962

	Number Open Accounts	Members Contribution Fund	Retirement Allow. Fund	Survivors Benefit Fund
State Employees	10,775	\$13,143,268.87	\$12,334,756.02	\$ 294,029.87
Maine Port Authority	15	28,173.85	21,981.38	2,663.00
Teachers - Current	12,399	15,459,683.68	14,802,794.63	360,940.49
Teachers - Prior Service	4,104	2,385,443.65	(4,359,957.10)	
City of Portland	891	1,103,428.24	780,033.33	47,778.67
Town of Millinocket	11	30,243.41	79,341.59	1,706.79
City of Presque Isle	55	62,226.96	71,970.43	1,059.28
County of Cumberland	59	78,068.44	134,964.45	5,334.22
Town of Camden	21	14,478.60	52,306.65	
City of South Portland	193	237,494.90	244,618.45	
Town of Houlton	53	67,103.46	124,117.68	5,315.99
County of Penobscot	34	52,608.32	139,152.76	
Kittery Water District	11	23,603.82	35,375.82	1,401.59
City of Ellsworth	50	24,347.85	41,755.23	719.30
Town of Kittery	19	15,145.43	35,410.61	2,337.56
Town of Bar Harbor	44	41,294.17	79,168.68	
Town of Mt. Desert	23	33,592.14	29,158.73	
Town of Fort Fairfield	24	33,847.87	50,288.18	4,898.90
City of Rockland	62	76,720.31	82,965.83	
Bath Water District	11	18,709.11	23,680.91	
City of Bangor	334	401,928.76	514,451.51	29,781.54
Boothbay Harbor Water System	5	4,365.29	13,415.89	
Bangor Public Library	38	51,502.95	106,286.26	
City of Augusta	176	219,251.85	246,773.31	21,922.99
City of Gardiner	32	23,735.08	41,192.25	
Houlton Water Company	31	57,741.43	113,982.93	5,553.10
City of Auburn	172	169,378.84	260,728.38	16,882.09
Town of York	5	5,236.46	4,787.05	577.58
Kennebec Water District	19	21,575.36	25,852.80	
Livermore Falls Water Dist.	4	5,678.46	9,093.81	840.45
County of Knox	23	20,620.62	31,958.04	
Augusta Water District	18	27,796.71	65,086.19	
City of Belfast	30	28,275.36	46,477.56	2,784.18
City of Calais	55	37,583.08	53,160.23	
County of York	30	26,112.47	57,183.27	
Maine Maritime Academy	46	48,933.15	24,093.13	
York Water District	6	16,862.35	24,536.04	1,103.79
County of Washington	22	24,430.54	46,289.34	
Portland Public Library	28	30,179.63	46,184.39	
Town of Brunswick	136	123,069.34	123,642.93	
Auburn Public Library	7	8,808.34	27,453.29	
Maine - New Hampshire Bridge Auth.	9	19,859.25	24,791.71	
Town of Jay	13	6,392.16	20,537.13	
County of Waldo	19	16,280.67	51,280.25	2,193.81
County of Kennebec	26	23,023.69	66,574.01	
City of Lewiston	268	266,009.15	281,868.70	
Maine Turnpike Authority	180	211,577.29	218,635.69	31,259.32

SCHEDULE IV-Continued:

Page 2

	Number Open Accounts	Members Contribution Fund	Retirement Allow. Fund	Survivors Benefit Fund
Auburn Sewerage Dist.	6	\$ 8,383.56	\$ 10,939.15	\$
Auburn Water District	10	13,883.86	37,668.64	
Portland Slum Clearance	5	3,762.09	4,251.62	
Town of East Millinocket	23	23,348.92	33,981.50	
Maine Municipal Assn.	5	4,260.30	5,166.87	
County of Hancock	19	10,657.36	54,174.99	
County of Oxford	26	15,832.10	33,804.22	
Falmouth Memorial Library	1	641.21	1,181.06	
Bangor Water District	30	49,515.09	40,301.41	
Town of Rumford-Police & Fire Dept.	25	24,211.86	40,837.65	4,101.10
Town of Orono	24	10,021.35	14,166.96	
Kennebunk Light & Pwr Dist.	12	4,980.37	14,015.95	
City of Brewer	21	4,896.29	3,902.13	
Augusta Sewerage District	14	6,844.58	1,902.81	429.23
Rumford Water District	4	2,121.78	9,131.78	
City of Waterville-Police & Fire Dept.	21	6,006.70	5,716.61	270.77
County of Androscoggin	49	9,366.81	15,264.79	
Brewer Water District	8	1,621.76	3,054.15	
Town of Baileyville	8	1,419.39	2,169.98	
City of Westbrook-Police & Fire Dept. (1/1/62)	21	1,699.62	2,709.50	398.82
Greater Portland Public Devel. Comm. (1/1/62)	17	1,782.73	3,634.26	
State Share Cost - Sur. Ben. State & Teachers				\$ 709,494.00
	30,935	\$35,030,949.09	\$27,688,176.38	\$1,555,778.43

* Includes Prior Service Contributions

** Excludes Earnings on Investments - - - \$1,925,967.91

MAINE STATE RETIREMENT SYSTEM
Analysis of Changes in Reserves
For Year July 1, 1961, Through June 30, 1962

Balance July 1, 1961 \$58,101,750.16

ADDITIONS

General Fund, State Employees	\$1,718,858.00	
General Fund, Contributing Teachers	2,498,747.00	
General Fund, Non-Contributing Teachers	723,195.00	
Highway Funds	575,292.00	
Special Revenue Funds	305,417.28	
Bond Funds	37.00	
Public Service Enterprises	104,669.00	
Working Capital Funds	80,588.00	
Participating Districts	850,019.41	
Individuals	4,900,830.61	
Social Security Entities	12,223.75	
Due from other funds	46,202.00	
Dividend Received	211,939.99	
Dedicated Revenue - Insurance Account	2,806.66	
Earnings on Investments	2,547,568.85	
Profit on Sale of Securities	121,302.02	
From General Ledger Account	6,527.00	
Adjustment of Balance Forward	812.87	
Administration Reserve	28,599.67	
Reserve for Future Premiums	<u>6,242.36</u>	
TOTAL ADDITIONS		\$14,741,878.47

DEDUCTIONS

Pensions Paid

Council Order	\$ 22,891.07	
Legislative Resolve	11,430.46	
Retirement Full Benefits	4,049,362.09	
Ordinary Disability	85,155.07	
Option II	50,690.69	
Automatic Option II	161,715.68	
Option III	37,772.90	
Option IV	2,540.85	
Automatic Option IV	5,961.33	
Service Incurred Disability	17,600.75	
Service Incurred Death - Police & Firemen	1,974.24	
15-Year Teachers	67,882.27	
10-Year Vested Right	86,685.43	
Service Incurred Death-Sheriffs & Deputies	<u>3,535.92</u>	\$4,605,198.75

Survivor Benefits

Spouse - Age 60	\$ 34,950.00	
Spouse - 17½ Year Clause	20,175.00	
Spouse & Children	99,325.00	
Children	13,650.00	
Parents	10,050.00	
Accidental Death - Service Incurred	<u>4,725.00</u>	\$ 182,875.00

Refunds

To former members	\$ 809,183.75	
To beneficiary of deceased members	39,075.11	
To survivor of a disability pensioner	576.08	
To beneficiary of deceased Option I	43,296.12	
To beneficiary of deceased Option IV	<u>7,550.91</u>	\$ 899,681.97

Other Deductions

Amortization of Premiums	\$ 23,890.86	
Investment Costs	13,892.22	
Interest Accrued at Purchase, Bonds	23,419.09	
Interest Accrued at Purchase, Mtg. Loans	7,204.99	
Administration Costs	146,415.02	
Group Insurance Premiums	166,417.78	
Res. for Authorized Expenditures	29,428.92	
Res. for Future Premiums	65,130.52	
Res. for Deficiency	5,000.00	
Participating Districts Dividend	<u>39,301.95</u>	<u>\$ 520,101.35</u>

TOTAL DEDUCTIONS **\$ 6,207,857.07**

BALANCE June 30, 1962 **\$66,635,771.56**

MAINE STATE RETIREMENT SYSTEM

PENSION PAYROLL

Month of June, 1962, Man Count and Cost

Compared to Month of June, 1961, Man Count and Cost

	Number of Persons Receiving Benefits at		Increase or (Decrease)	Gross Pension Cost For Month Of		Increase or (Decrease)	Average Monthly Payment
	6-30-62	6-30-61		June, 1962	June, 1961		
01 State	1557	1435	122	143,335.66	125,921.56	17,414.10	92.06
06 Maine Port Authority	4	4	--	448.83	448.83	---	112.21
02 City of Portland	122	115	7	8,842.01	8,029.99	812.02	72.48
03 Town of Millinocket	3	3	--	299.46	299.46	---	99.82
04 City of Presque Isle	1	1	--	211.38	211.38	---	211.38
05 County of Cumberland	28	27	1	2,714.75	2,488.37	226.38	96.96
07 Teachers - Contributory	154	111	43	15,139.56	9,979.91	5,159.65	98.31
25 Teachers - Non Contributory	1766	1632	134	172,938.20	150,723.55	22,214.65	97.93
25 Teachers - Pensioned Prior to 1947	219	238	(19)	23,168.39	23,475.76	(307.37)	105.79
08 Town of Camden	5	4	1	325.72	310.95	14.77	65.14
09 City of South Portland	23	21	2	2,662.77	2,564.08	98.69	115.77
10 Town of Houlton	4	2	2	350.97	211.85	139.12	87.74
11 County of Penobscot	3	4	(1)	348.88	485.57	(136.69)	116.29
12 Kittery Water District	1	1	--	181.17	181.17	---	181.17
13 City of Ellsworth	4	4	--	94.77	94.77	---	23.69
14 Town of Kittery	4	4	--	173.11	173.11	---	43.28
15 Town of Bar Harbor	13	12	1	683.12	748.93	(65.81)	52.55
16 Town of Mt. Desert	2	3	(1)	106.40	109.96	(3.56)	53.20
17 Town of Ft. Fairfield	3	4	(1)	139.07	245.54	(106.47)	46.36
18 Town of Rockland	7	6	1	324.30	253.86	70.44	46.33
19 Bath Water District	4	5	(1)	390.27	470.89	(80.62)	97.57
20 City of Bangor	31	30	1	2,453.24	2,501.36	(48.12)	79.14
21 Boothbay Harbor Water System	3	4	(1)	184.92	219.15	(34.23)	61.64
22 Bangor Public Library	5	4	1	451.75	271.67	180.08	90.35
23 City of Augusta	29	30	(1)	2,366.70	2,482.61	(115.91)	81.61
24 City of Gardiner	7	8	(1)	358.64	372.53	(13.89)	51.23
26 Houlton Water Co.	8	8	--	825.36	819.89	5.47	103.17
27 City of Auburn	19	16	3	1,443.76	1,067.39	376.37	75.99
31 Kennebec Water District	1	1	--	192.96	192.96	---	192.96
33 County of Knox	7	8	(1)	517.97	568.97	(51.00)	74.00
34 Augusta Water District	2	1	1	162.10	30.03	132.07	81.05
35 City of Belfast	6	6	--	240.90	240.90	---	40.15

SCHEDULE V a - Cont.
Page 2

	Number of Persons Receiving Benefits at		Increase or (Decrease)	Gross Pension Cost For Month of		Increase or (Decrease)	Average Monthly Payment
	6-30-62	6-30-61		June, 1962	June, 1961		June, 1962
36 City of Calais	10	10	--	299.75	299.75	-----	29.98
37 County of York	13	13	--	850.91	850.91	-----	65.45
38 Maine Maritime Academy	2	2	--	269.33	269.33	-----	134.67
40 County of Washington	2	3	(1)	181.02	230.05	(49.03)	90.51
41 Portland Public Library	5	4	1	324.29	259.30	64.99	64.86
42 Town of Brunswick	6	5	1	363.12	359.47	3.65	60.52
43 Auburn Public Library	3	3	--	332.27	332.27	-----	110.76
44 Maine-New Hampshire Bridge Auth.	1	1	--	106.47	106.47	-----	106.47
45 Town of Jay	6	4	2	291.07	207.59	83.48	48.51
46 County of Waldo	6	7	(1)	297.56	349.56	(52.00)	49.59
47 County of Kennebec	8	8	--	306.18	306.18	-----	38.27
48 City of Lewiston	32	32	--	3,271.18	3,232.62	38.56	102.22
49 Maine Turnpike Auth.	5	5	--	308.55	268.82	39.73	61.71
51 Auburn Sewerage District	1	1	--	46.15	46.15	-----	46.15
52 Auburn Water District	3	3	--	356.13	356.13	-----	118.71
54 Town of East Millinocket	1	--	1	151.16	---	151.16	151.16
56 County of Hancock	4	3	1	207.96	192.29	15.67	51.99
57 County of Oxford	3	2	1	316.23	205.68	110.55	105.41
59 Bangor Water District	3	2	1	291.57	175.43	116.14	97.19
60 Rumford Fire & Police	1	1	--	172.69	172.69	-----	172.69
62 Kennebunk Light & Power Dist.	4	3	1	247.75	210.68	37.07	61.94
69 Town of Baileyville	2	1	1	106.95	52.73	54.22	53.48
	<u>4,166</u>	<u>3,865</u>	<u>301</u>	<u>391,175.38</u>	<u>344,681.05</u>	<u>46,494.33</u>	<u>93.90</u>

SURVIVOR BENEFIT PAYROLL

	83	68	15	8,975.00	7,550.00	1,425.00
01 State	1	1	--	75.00	75.00	--
02 City of Portland	1	1	--	75.00	75.00	--
05 Cumberland County	46	35	11	5,550.00	4,375.00	1,175.00
07 Teachers	2	2	--	225.00	225.00	--
10 Town of Houlton	2	2	--	225.00	225.00	--
13 City of Ellsworth	2	1	1	225.00	175.00	50.00
23 City of Augusta	1	1	--	75.00	75.00	--
35 City of Belfast	1	1	--	200.00	150.00	50.00
49 Maine Turnpike Auth.	1	1	--	75.00	75.00	--
60 Rumford- Police & Fire	<u>140</u>	<u>113</u>	<u>27</u>	<u>15,700.00</u>	<u>13,000.00</u>	<u>2,700.00</u>

SCHEDULE V b

MAINE STATE RETIREMENT SYSTEM

Summary of
Reserve Against Future Losses
for year
July 1, 1961 through June 30, 1962

Balance July 1, 1961

\$313,597.73

Profits:

Sale or Call or Maturity--Bonds

25M	Bangor & Aroostook RR	\$	440.11
	2 3/4% 11/1/61		
20M	Bangor & Aroostook RR		397.33
	2 7/8% 6/1/62		
5M	Alberta Municipal Finance		70.00
	5% 12/15/84		
4M	Alberta Municipal Finance		20.00
	4 7/8% 6/15/85		
40M	Public Service Elec & Gas		800.00
	3 1/8% 10/1/65		
12M	Prov. of Nova Scotia		37.20
	5 1/8% 4/1/80		
SUB-TOTAL		\$	1,764.64

Sale of Stocks

1400 shrs	New England Merchants Bank	18,564.92
100 "	United States Steel Corp.	2,388.70
3 "	Springfield Fire Ins. Co. PFD.	306.00
1000 "	State Street Bank & Trust Co.	25,270.80
800 "	First National Stores	7,975.00
525 "	United States Trust Co.	49,993.52
SUB-TOTAL		\$104,498.94

Mortgage Loans

Discount @ 1/15 - Mortgage Loan	22,430.53	
TOTAL PROFITS		\$128,694.11

Losses:

Sale or Call of Bonds

100M	Pacific Pwr & Light	7,374.22
	4 3/8% 7/1/88	
1M	Inland Steel Co.	17.87
	3.2% 3/1/82	
TOTAL LOSSES		\$ 7,392.09

Balance June 30, 1962

\$434,899.75

MAINE STATE RETIREMENT SYSTEM

Income Derived from Investments
July 1, 1961, through June 30, 1962
On Accrual Basis

ADDITIONS:

Interest on Bonds	\$1,762,822.97	
Dividends on Stocks	249,344.22	
Interest on Mortgage Loans	<u>535,401.66</u>	
		\$2,547,568.85
Interest Accrued at June 30, 1962		<u>499,979.44</u>
TOTAL ADDITIONS		\$3,047,548.29

DEDUCTIONS:

Premiums Amortized		\$ 23,890.86
Investment Costs		
Postage	\$ 34.77	
Comm, Sh Ch, Registration	11,356.44	
Security Insurance	151.85	
Custody	1,493.54	
Legal Fee a/c Foreclosures	\$3,011.44	
Less Receipts, Bal Escrow,		
Ins. Prem.	<u>2,155.82</u>	
NET	<u>855.62</u>	
		13,892.22
Accrued Interest at Purchase		30,624.08
Interest Accrued at June 30, 1961		<u>462,408.11</u>
TOTAL DEDUCTIONS		\$ 506,924.41

NET EARNINGS

\$2,540,623.88

Yield for 1961-62 4.1582%

MAINE STATE RETIREMENT SYSTEM

Administration Funds
July 1, 1961 to June 30, 1962

	<u>Gen. Adm.</u>	<u>Past. Dist. Act. Serv.</u>	<u>Group Life Insurance</u>	<u>Social Security</u>	<u>Totals</u>
<u>Revenue</u>					
General Fund	\$70,619.00	\$ -	\$ 30,000.00	\$ -	\$100,619.00
General Fund - SB	5,600.00	-	-	-	5,600.00
Highway Fund	7,578.00	-	-	-	7,578.00
MESC	1,512.00	-	-	-	1,512.00
Liquor Commission	1,240.00	-	-	-	1,240.00
Participating Districts	13,117.27	-	-	-	13,117.27
Actuarial Services - PD	-	8,514.25	-	-	8,514.25
Members Social Sec. Program	-	-	-	12,223.75	12,223.75
Due From Other Funds	-	-	46,202.00	-	46,202.00
Members Ins. Program - PD	-	-	4,638.00	-	4,638.00
Dividend Received	-	-	211,939.99	-	211,939.99
Dedicated Revenue	-	-	2,806.66	-	2,806.66
PD - Deficiency Costs	-	-	861.24	-	861.24
TOTAL RECEIVED	<u>\$99,666.27</u>	<u>\$8,514.25</u>	<u>\$296,447.89</u>	<u>\$12,223.75</u>	<u>\$416,852.16</u>
<u>Expenditures</u>					
Salaries	\$72,626.19	\$ -	\$ 19,459.85	\$10,379.00	\$102,465.04
Actuarial Services	3,764.65	8,514.25	-	-	12,278.90
Medical Services	255.00	-	-	-	255.00
Investment, Consultant	5,200.00	-	-	-	5,200.00
Consultant & Research Svcs.	-	-	1,530.71	-	1,530.71
Inspection & Investigation-Mtgs.	1,178.46	-	-	-	1,178.46
Tel. & Tel.	620.76	-	372.45	248.30	1,241.51
Travel Expense	1,053.98	-	59.96	296.33	1,410.27
Repairs to Equipment	1,173.25	-	586.63	195.55	1,955.43
Postage	1,384.26	-	358.05	220.66	1,962.97
Printing & Binding	556.85	-	629.15	-	1,186.00
Office Supplies	2,639.10	-	1,217.43	202.98	4,059.51
Office Equipment	3,322.20	-	1,384.04	30.00	4,736.24
General Operating Expense	415.10	-	1.60	11.28	427.98
Transfer - Retirement Costs	4,647.22	-	1,240.13	639.65	6,527.00
Emp. Ins. Prem. - Active	-	-	24,000.00	-	24,000.00
Emp. Ins. Prem. - Inactive	-	-	142,417.78	-	142,417.78
Participating Districts Dividend	-	-	39,301.95	-	39,301.95
TOTAL EXPENSE	<u>\$98,837.02</u>	<u>\$8,514.25</u>	<u>\$232,559.73</u>	<u>\$12,223.75</u>	<u>\$352,134.75</u>
Current Year Reserve	829.25	-	58,888.16	-	59,717.41
Previous Years Reserve	28,599.67	-	6,242.36	-	-
Balance of Reserve	<u>\$29,428.92</u>	<u>\$ -</u>	<u>\$ 65,130.52</u>	<u>\$ -</u>	<u>\$ -</u>
Current Year Res. For Deficiency			<u>\$ 5,000.00</u>		\$ 5,000.00
Total Increase to Reserves					\$ 64,717.41

MAINE STATE GROUP LIFE INSURANCE PLAN

This is the report on the seventh dividend payable under the Maine State Group Life Insurance program. It covers the period from July 1, 1961, to June 30, 1962. It includes the State Employees and Teachers Regular plan, the State Employees and Teachers Supplemental plan and 81 Participating Local District plans.

The total dividend payable to the State by Union Mutual Life Insurance Company is \$390,325.94. The split of the dividend is as follows:

<u>Classification</u>	<u>Amount</u>
State and Teachers (Regular)	\$278,284.86
State and Teachers (Supplemental)	26,174.03
City of Portland	25,714.64
City of Bangor	5,129.44
Pooled Districts	<u>55,022.97</u>
Total Dividend	\$390,325.94

State Employees and Teachers Regular Plan

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

<u>Class</u>	<u>Number</u>	<u>Amount</u>	<u>Average</u>
State Employees	7,521	\$36,262,000	4,821
Teachers	<u>6,851</u>	<u>37,337,000</u>	<u>5,450</u>
Total	14,372	\$73,599,000	5,121

Paid Claims

During the 12 month period, actual paid claims were \$355,945.00.

Conversion Charges

During the 12 month period, employees and teachers converted \$36,500 of insurance. The charge at \$75/1000 amounted to \$2,737.50.

Disability Claims

During the 12 month period, 3 employees with insurance retired on disability and were still alive on June 30, 1962. During the same period waiver of premium was approved for 1 person not retired on disability. The total amount of insurance for this group was \$18,000. At \$600 per 1000, the disability reserve charge was \$10,800.

State Employees and Teachers (Supplemental)

On March 5, 1962, a Supplemental plan for State Employees and Teachers became effective.

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

<u>Class</u>	<u>Number</u>	<u>Amount</u>	<u>Average</u>
State Employees	6,017	\$29,479,000	4,899
Teachers	<u>3,768</u>	<u>20,373,000</u>	<u>5,407</u>
Total	9,785	\$49,852,000	5,095

"Social Security" Data

Fiscal Year 1961 - 1962

Administered by "State Agency" for Political Sub-divisions of the State of
Maine

<u>No. of Reporting Units</u>	<u>Total Employees Covered</u>	<u>Total Amount Payrolls</u>	<u>Total Tax Reported</u>
485	10,850	\$25,343,657	\$1,570,229