

MAINE STATE LEGISLATURE

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AUGUSTA, MAINE



REPORT of the

MAINE STATE RETIREMENT SYSTEM

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1977

for the
FISCAL YEAR
ENDED JUNE 30, 1977

MAR 22 1978

MAINE STATE RETIREMENT SYSTEM

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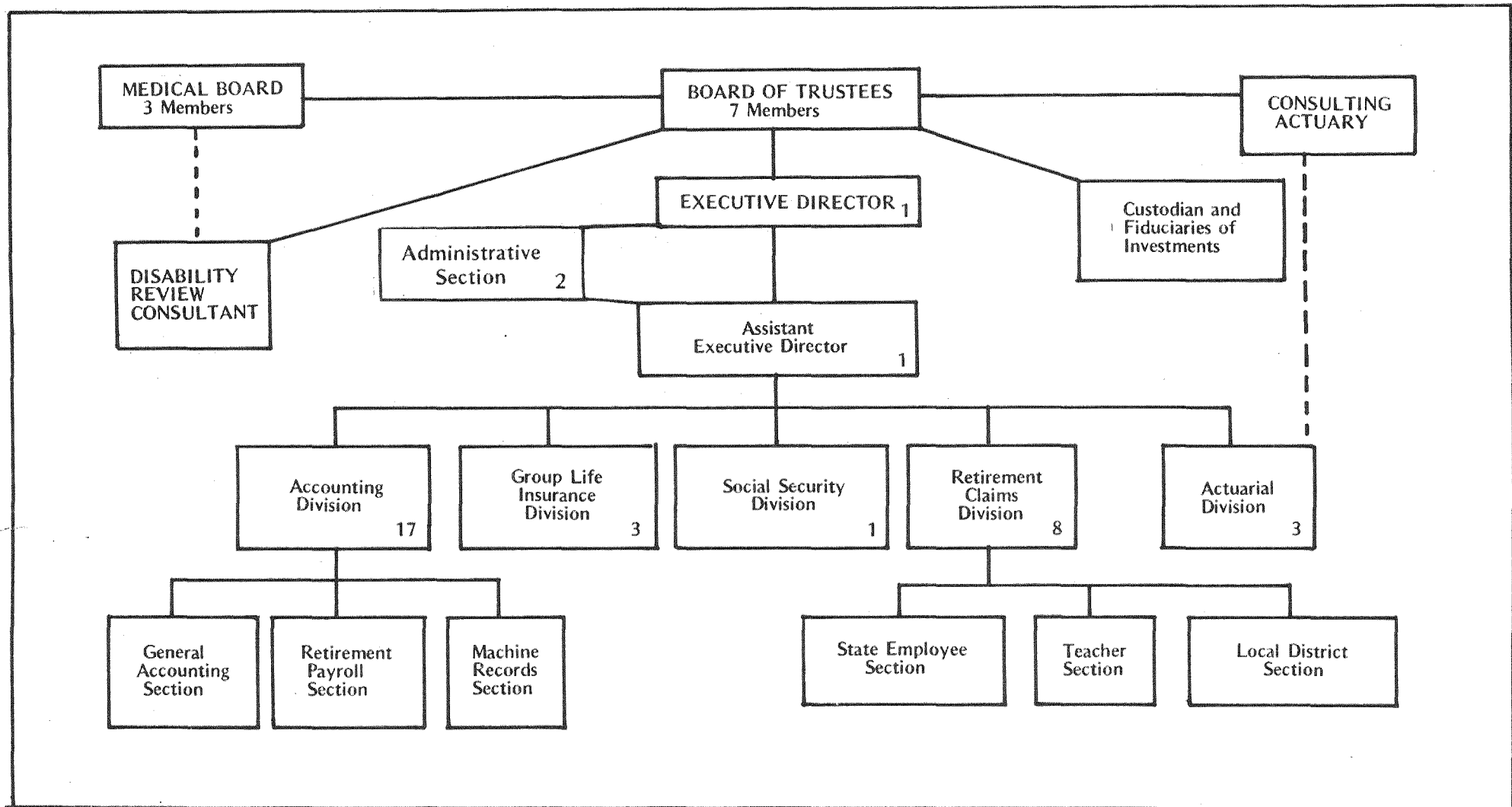
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MAINE STATE RETIREMENT SYSTEM
ORGANIZATION CHART



Revised
6/30/77

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William G. Blodgett, *Executive Director*
Philip R. Gingrow,
Assistant Executive Director

Consulting Actuary:
Robert J. Towne, F.S.A.

Tel. 207-289-3461



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MAINE STATE RETIREMENT SYSTEM

AUGUSTA, MAINE 04333

January 18, 1978

Honorable James B. Longley
Governor of Maine
State House, Augusta

Members, 108th Legislature

Dear Governor Longley and Members of the Legislature:

In accordance with the provisions of 5 MRSA, Section 1005, the Trustees of the Maine State Retirement System herewith submit an annual report and a review of the financial condition of the System for the fiscal year ending June 30, 1977. This report includes the following:

Report of the Actuary for the year ending June 30, 1977

Report of the Investment Consultant

Report of the Executive Director

Group Life Insurance Underwriter's Report for the
policy year ending June 30, 1977

Membership of the Board comprises two members appointed by the Governor subject to review of the Joint Standing Committee on Veterans and Retirement and the confirmation of the Legislature, one member appointed by the Governor from a list of three nominees submitted by the Maine Retired Teachers Association, one member selected by the Maine Teachers Association, one member elected by the Maine State Employees Association, one member appointed by the Maine Municipal Association and one member who is a recipient of a retirement allowance through the System selected by the foregoing members.

During the year ending June 30, 1977 the following Board members were named: by the Governor, Llewellyn W. Jensen, John O'Donnell, and Frank B. Tupper, representing retired teachers; Fred L. Kenney, representing other retired members of the System; and Leslie Hilton, representing the Maine State Employees Association.

Governor James B. Longley
Members, 108th Legislature
Page 2 - January 18, 1978

During the past fiscal year several changes in the investment management were made by the Trustees, namely, the appointment of three new equity managers: David L. Babson & Company, Inc. of Boston, Massachusetts; Merchants National Bank of Bangor; and Merrill Trust Company of Bangor, were assigned segments of the System's equity holdings for management. In addition, the Board has nominated Morgan Guaranty Trust Company of New York as the manager of an \$8,000,000 segment of the fund under its pooled commingled pension trust funds, which are represented by fixed income direct placement medium and long term leasebacks and private placement investments.

Funding request for the "non-contributory" teacher group was made during the past legislative session and was denied in the budget process. Expenditures for retirement benefits to this group, together with interest application, have exceeded appropriations and other credits as of June 30, 1977 by an amount of \$91,079.898. The report of the Actuary dated June 30, 1976 revealed that the accrued unfunded benefit contribution payment period of the System would be 19.6 years if additional funding was provided for the "non-contributory" teacher group, whereas if no additional funding is provided for this group, the total unfunded accrued benefit contribution payment period would be 26.2 years.

The Trustees have met with the representatives of their investment managers twice during the fiscal year to review the performance and planned investment programs. The investment performance for the fiscal year ending June 30, 1977 was 2.68%, on a total return basis, i.e., the "time weighted rate of return."

Very truly yours,



William G. Blodgett,
Executive Director for
the Board of Trustees,
Maine State Retirement System

TOWNE & ASSOCIATES

ROBERT J. TOWNE, F.S.A.
164 MAIN STREET
YARMOUTH, MAINE 04098
(207) 846-4204

TOWNE & EDDY
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BOSTON, MASSACHUSETTS

January 19, 1978

Robert Bourgault, Chairman
Board of Trustees
Maine State Retirement System

Dear Mr. Bourgault,

Enclosed is our report on the actuarial valuations we have made, as of June 30, 1977, of the assets and liabilities of the funds of the Maine State Retirement System. The valuations have been made on the basis of the actuarial assumptions that the board of trustees has adopted, in accordance with the provisions of the Maine State Retirement System Laws.

Respectfully submitted,
Towne & Associates


By 
Robert J. Towne, President
Fellow, Society of Actuaries

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SECTION A
SUMMARY OF REPORT

1. Scope of Report

a) Purpose of the actuarial valuations

The purpose of the actuarial valuations was to secure the following information that is required under the Maine State Retirement System Laws:

- i) The financial condition of the retirement system as revealed by an actuarial valuation of the assets and liabilities of the system, to be shown in the annual report of the board of trustees of the retirement system, as provided in subsection 9 of section 1031 of said laws, and
- ii) The percentage rates of contributions payable by the state and participating districts under the system for the 1978 - 9 fiscal period, as provided in section 1062 and section 1092 of said laws.

The actuarial valuations thus measured the amount of the prospective benefits under the Maine State Retirement System and determined the sufficiency of future contributions by the members of the system, the state and the participating districts, together with the present invested assets of the system, in providing the funds for payment of the prospective benefits.

b) Employees covered

Several valuations covered state employees and teachers. Separate valuations were also made for 220 participating districts for the fiscal period 1978 - 9 and the results thereof submitted to them. A summary of such results is contained in this report. Actuarial valuations had previously been made for 7 additional districts that had joined the system on or after July 1, 1976 and whose membership in the system was for less than one year on July 1, 1977.

c) Benefits covered

The valuations covered all employee benefits provided by the system except those included in the group life insurance coverage.

d) Bases for valuations

Valuations were determined by using i) employee data as of June 30, 1977, which is summarized in Section C hereof, ii) the actuarial assumptions adopted by the board of trustees, which are set forth in Section D hereof, and iii) the provisions of the 1976 Revision of the Maine State Retirement System Laws, including amendments thereto enacted in 1976, which are outlined in Section E hereof.

e) Period of report

This report is for an interim annual period of a biennium. It covers the financial condition of the retirement system for the fiscal period from July 1, 1976 through June 30, 1977 and participating district contribution requirements for the fiscal period from July 1, 1978 through June 30, 1979. It does not include an evaluation of state contribution requirements since such requirements for the 1977 - 9 biennial fiscal period were presented in the report on the actuarial valuation as of June 30, 1976.

2. Contribution Rates

a) Participating district contributions

The contribution rates, as percentages of employee compensation, payable by the participating districts under the provisions of the retirement system, that were determined for the annual fiscal period 1978 - 9, based upon the actuarial valuations as of June 30, 1977, were submitted to each district in separate actuarial valuation reports. The average contribution rates for the 220 districts with total annual salaries of \$78,175,165 were as follows:-

i) Retirement benefits

Future service	4.44%
Accrued service	<u>5.85</u>
Total service	10.29

ii) Survivor benefits

There are 63 districts, with total annual salaries of \$50,100,445, that have elected survivor benefits for their employees. The average annual contribution rate payable by those districts is .39%.

3. Financial Condition

a) Actuarial balance sheet

An actuarial balance sheet resulting from the actuarial valuations for state employees and teachers is presented in the next section. It shows the values of the various items of assets and liabilities that are involved in determining the funding requirements for retirement benefits of the system.

b) Funding of costs of benefits

The method of funding used to determine the contributions payable under the system will adequately provide, on an actuarial basis, for payment of the benefits of the system. Year to year experience fluctuations in the actuarial assumptions used in the funding determination will result in fluctuations in the accrued benefit contribution payment period. Also, contributions will be periodically adjusted when changes in the actuarial assumptions are made in the benefits of the system or in the conditions for the receipt thereof.

i) State employees and teachers benefits

The effect of experience fluctuations for the fiscal period July 1, 1976 through June 30, 1977 on the financial condition of the system may be summarized by the changes in the accrued benefit contribution payment period from that of the immediately preceding fiscal period, viz:

<u>Accrued Benefit Contribution Payment Period</u>		
	<u>1977 Actuarial Valuation</u>	<u>1976 Actuarial Valuation</u>
(A) State employees and mtra teachers	20.5 years	19.6 years
(B) All employees (including o s teachers)	26.9 years	26.2 years

The schedule of the accrued benefit funding period is a reduction in the payment period by one year in each successive annual fiscal period. The net financial experience for the last fiscal period was unfavorable compared with the experience encompassed by the actuarial assumptions resulting in an increase in the funding period instead of the scheduled decrease of one year. The results are analyzed in Section B following.

ii) Participating district employees benefits

The contributions determined from the actuarial valuations as of June 30, 1977 are payable during the fiscal period July 1, 1978 through June 30, 1979.

The payment period of the accrued benefit contribution for any fiscal period is normally determined to be at least one year less than the period for the preceding fiscal period in the case of all districts without any changes in benefit provisions from those of the preceding fiscal period. However, experience fluctuations may, at times, require an adjustment in the scheduled period.

SECTION B

VALUATION RESULTS

The results of the actuarial valuations are summarized in Section A hereof. This section contains certain additional details of the results, including a review of the factors affecting the fiscal experience of the system.

1. Actuarial Balance Sheet

An actuarial balance sheet presents the numerical results of the solution of the basic cost equation for benefits under a retirement system, viz:

$$\text{Contributions} + \text{Investment Income} = \text{Benefits}$$

The actuarial mathematical techniques used in solving the equation remove investment income as a separate item by combining it with contributions and benefits through a discounting process for a designated period of time. This changes the expression for the equation to:

$$\begin{aligned} &\text{Discounted Value of Future Contributions} + \\ &\text{Invested Assets (Balance of Accumulated Past Contributions)} = \\ &\text{Discounted Value of Future Benefits} \end{aligned}$$

In the actuarial balance sheet the items of the left hand side of the equation are designated as "assets" and those of the right hand side as "liabilities". However, an actuarial balance sheet is not a presentation of net worth as in an accounting balance sheet and, for example, there is no such item as surplus. Also, liabilities do not represent present amounts of debt but are merely measurements of future benefit payments determined under a given set of assumptions as to future occurrence.

The actuarial balance sheet for the June 30, 1977 actuarial valuation of state employee and teacher benefits is presented on the next following page.

The contribution rates required to produce the present value of future membership service contributions shown in asset item (2) of the balance sheet are those set forth in subsection 2 of Section A of the report on the actuarial valuation as of June 30, 1976.

Asset item (2) (b) of the balance sheet is the present value of the future accrued service contributions that will be required for payment of accrued benefits, i.e. benefits measured by past membership service and prior service not provided by current invested assets. It is equal to the amount of unfunded accrued benefit reserve which is commonly referred to as the "unfunded liability".

It may be noted that the unfunded value of accrued benefits as shown in the balance sheet reflects the amount of such benefits projected by the salary scale and cost of living assumptions used in the actuarial valuation. Therefore, the amount of such accrued benefits is greater than the amount determined on salary experience to date of valuation, which would apply in the determination of the amount of accrued benefits applicable in the case of either employees terminating employment with vested benefits or termination of the plan. The "unfunded liability" is therefore not a proper measurement of past funding of accrued benefits for purposes not related to determining future contribution requirements under the retirement system, such as accrued benefit liabilities under the provisions of ERISA with respect to minimum vested benefits or plan termination insurance.

ACTUARIAL BALANCE SHEET - JUNE 30, 1977

<u>Assets</u> (Expected income)	<u>State</u> <u>Employees</u>	<u>MTRA</u> <u>Teachers</u>	<u>Old System</u> <u>Teachers</u>	<u>All</u> <u>Employees</u>
(1) <u>Invested Assets</u>				
(a) Members contribution fund	\$ 58,755,406	\$ 83,064,581	\$ 515,103	\$142,335,090
(b) Retirement allowance fund	46,783,377	62,920,061	(93,109,802)	16,593,636
Value invested funds (a + b)	105,538,783	145,984,642	(92,594,699)	158,928,726
(2) <u>Future Contributions</u>				
(a) Future membership service	84,648,158	128,359,313	0	213,007,471
(b) Accrued service	206,690,907	235,126,085	147,208,043	589,025,035
Value contribution income (a + b)	291,339,065	363,485,398	147,208,043	802,032,506
(3) <u>Value Total Income (1 + 2)</u>	396,877,848	509,470,040	54,613,344	960,961,232
<u>Liabilities</u> (Expected benefit payments)				
(1) <u>Active Employees</u>				
(a) Future membership service	84,648,158	128,359,313	0	213,007,471
(b) Past membership service	118,018,481	151,120,129	0	269,138,610
(c) Prior service	2,231,960	1,794,133	0	4,026,093
Value active benefits (a + b + c)	204,898,599	281,273,575	0	486,172,174
(2) <u>Retired Employees</u>				
(a) Past membership service	130,842,773	135,412,814	16,122,566	282,378,153
(b) Prior service	24,970,371	52,079,333	18,801,549	95,851,253
(c) Cost of Living	36,166,105	40,704,318	19,689,229	96,559,652
Value retired benefits (a + b + c)	191,979,249	278,196,465	54,613,344	474,789,058
(3) <u>Value Total Benefits (1 + 2)</u>	396,877,848	509,470,040	54,613,344	960,961,232

2. Unfunded Accrued Benefit Reserve

The discounted value of the accrued benefit reserve is equal to the value of the total benefits shown in the actuarial balance sheet (item (3) of the liabilities) after elimination of the value of the active employees future membership service benefits (item (1) (a) of the liabilities). The unfunded value of such reserve is the balance remaining after subtraction of the amount of invested assets (item (1) of the assets), which is equal to the amount of future contributions for accrued service (item (2) (b) of the assets).

a) State employee and teacher valuations

The chart on page 11 shows the changes in the unfunded accrued benefit reserve of state employee and teacher benefits for the last four fiscal periods ending June 30, 1974, June 30, 1975, June 30, 1976 and June 30, 1977. Also, for comparative purposes, salaries, remaining funding period of the unfunded reserve, and the percentage of total reserve funded, are shown for each period.

The following considerations should be noted when interpreting the results shown in the chart:-

- i) The most reliable index of the adequacy of the funding method and contributions is the progress in the reduction of the remaining funding years, which is intended to reduce by one year for each succeeding fiscal period.
- ii) The unfunded reserve may increase in amount due to larger benefits influenced by salary increases, even though the funding contributions are adequate and the funding period is reducing as scheduled, since benefits and contributions

are a direct function of salaries (see ratios of unfunded reserve to salaries shown in items (B) of the chart).

- iii) The percentage of accrued benefits funded will be affected by any increase in benefits due to accrued service that is to be funded by future contributions. Also, it will be affected by the required yearly percentage increase in the accrued benefit contribution rate since that will result in an accelerated increase in the funding ratio in future years.
- v) The future funding years for all teachers is about the same as for state employees but the percentage of accrued benefits funded is lower because of the old system teachers unfunded reserve.

Unfunded Accrued Benefit Reserve - State Employees and Teachers

Employee Group	(1) State	(Amount shown in thousands)			(5) (1) + (2) S & MTRA	(6) (1) + (2) + (3) All Employees
		(2) MTRA Teachers	(3) Old System Teachers	(4) (2) + (3) All Teachers		
June 30, 1977						
(A) Annual Salaries	\$110,785	\$190,356		\$190,356	\$301,141	\$301,141
Ave - Ratio/1976	101	101		101	101	101
(B) Unfunded Reserve	206,691	235,126	\$147,208	382,334	441,817	589,025
- Ratio/salaries	187	124		201	147	196
- % funded	33.8	38.3		12.3	36.3	21.2
- Funding years	27.2	17.0		26.7	20.5	26.9
June 30, 1976						
(A) Annual Salaries	106,875	176,250		176,250	283,125	283,125
Ave - Ratio/1975	104	105		105	105	105
(B) Unfunded Reserve	180,745	206,287	141,355	347,642	387,032	528,387
- Ratio/salaries	169	117		197	137	187
- % funded	36.1	40.1		13.1	38.3	22.6
- Funding years	25.3	16.5		26.7	19.6	26.2
June 30, 1975						
(A) Annual Salaries	102,859	158,110		158,110	260,969	260,969
Ave - Ratio/1974	112	104		104	107	107
(B) Unfunded Reserve	175,793	192,709	127,344	320,054	368,502	495,846
- Ratio/salaries	171	122		202	141	190
- % funded	34.0	39.8		16.1	37.2	23.4
- Funding years	27.1	17.5		28.1	21.0	27.7
June 30, 1974						
(A) Annual Salaries	90,812	141,054		141,054	231,865	231,865
Ave - Ratio/1973	99	100		100	100	100
(B) Unfunded Reserve	151,924	195,468	117,324	312,792	347,392	464,716
- Ratio/salaries	167	139		222	150	200
- % funded	36.1	38.4		18.0	37.4	25.0
- Funding years	26.5	19.1		30.7	21.7	28.8

b) Participating district employee valuations

The funding period of the accrued benefit reserve for the 220 participating districts included in the valuation varies as follows:

Funding Period (Years)	Number of Participating Districts		Percentage of Participating Districts	
	For Period	Accumulated	For Period	Accumulated
0	54	54	25	25
1 to 10	115	169	52	77
11 to 15	20	189	9	86
16 to 20	18	207	8	94
21 to 25	9	216	4	98
26 and over	4	220	2	100
Total	220	220	100	100

An analysis of the total unfunded accrued benefit reserve of the 166 districts which had any unfunded reserves as of June 30, 1977 is as follows:

- i) Annual salaries \$72,140,630
- ii) Unfunded reserve 75,441,200
 - (A) Ratio/salaries 105
 - (B) % funded 40.9%
 - (C) Average funding period 9.3 years, arithmetic average;
24.1 years, weighted by unfunded reserve; or 18.1 years, all districts.

It may be noted that the average funding status (% funded and funding years) for the districts with any unfunded reserve is similar to that for the state employees and MTRA teachers. Also, the 10.29% average contribution rate for retirement benefits for all the districts (page 5 hereof) may be compared with the rate of 10.34% for state employees and teachers for the fiscal period 1978-9 (page 3 of 1976 report).

3. Survivor Benefits Reserve

The funding of the survivor benefits provided under the system for all members, i.e. state employees, teachers and participating district employees, is based upon a group term funding method and the system is liable for the payment of all survivor benefits to beneficiaries.

The assets of the system, creditable to the reserve for survivor benefits payable, amounted to \$8,096,418 on June 30, 1977. The contributions paid into the survivor benefits fund for the fiscal period ending June 30, 1977 were adequate in amount to provide for the reserve for new benefits incurred during the period and for an amortization payment on a deficit which arose in previous years. With a continuance of present experience, the deficit will be eliminated within 4 years.

4. Employer - Employee Contributions

Section 1031, subsection 12, para. A, of the retirement system laws states that the results of the actuary's annual valuation of the assets and liabilities of the system shall be separated between those applicable to benefits payable by employer contributions and employee contributions, where properly determinable. This requires separation of the invested assets of the system both as to the amount of the members contribution fund which currently exists for members who have not yet elected the commencement of benefits and as to the balance of the assets which has been allocated for payment of retirement benefits, and arises from both employer and employee past contributions. Also, it requires the separation of the liabilities for retirement benefits provided by the enactments in 1970 and later, in accordance with the provisions of section 1095, subsection 8 of the laws.

Complete information is currently not available as to the separation of invested assets between past employer and employee contributions and therefore it is not possible to determine the separation of the unfunded accrued benefit reserve as to future employer and employee contribution requirements. However, the proportions of the liabilities for expected benefit payments that are applicable to benefits payable by employer and employee contributions may be estimated from the following chart which shows the percentages of benefit liabilities that are due to benefits based on the retirement benefit provisions of the system that were in effect prior to the enactment of chapter 415, which was effective January 1, 1970. Presumably, the costs of the pre January 1, 1970 membership service benefits are to be paid equally by the employer and employees while the cost of the pre January 1, 1970 prior service benefits is to be paid by the employer. Also, increases in membership service and prior service benefits since January 1, 1970 are to be paid by the employees.

<u>Benefits</u>		<u>Percentage of June 30, 1977 Liabilities Due to Pre January 1, 1970 Benefits</u>
a)	<u>Membership service</u> (regular employee benefits- state and teachers)	69%
b)	<u>Prior service</u>	
	(i) Regular employee benefits- state employees	97
	(ii) Regular employee benefits- active teachers	80
	retired teachers	87

The above percentages are based on data that was available for the June 30, 1974 valuation. Percentages for present active teachers would be lower and will approach 69% in the future, as will the percentage for retired teachers, but at a slower rate of change.

5. Fiscal Year Experience

The experience during the fiscal period July 1, 1976 through June 30, 1977 as to certain items which affected the financial condition of the retirement system are discussed in this subsection. It includes all of the actuarial assumptions except those factors that require an extended period for analysis and are reviewed in the periodic actuarial investigation, viz: mortality, disability and withdrawal rates.

a) Investment experience

i) Investment rates

The rates of investment return for the fiscal period were as follows:

(A) Fixed income	7.64% on book basis
(B) Equities	2.67% on book basis 1.47% with 5 year average market gains.
(C) All assets	5.19% on book basis 3.56% on book basis plus 5 year average stock market gains, which is the asset base of the actuarial valuation.

The investment earnings rate on all investments determined on the actuarial valuation assumption basis has been as follows for the last 5 fiscal periods: 4.53%, 3.23%, 5.67%, 5.77%, and 3.56%. Since the experience rate has been below the actuarial assumption rate of 6.50%, actuarial losses have occurred in each fiscal period. Thus, there were no excess amounts available to apply against the cost of living adjustments.

The asset base of the actuarial valuation reflected the following adjustments for the excess or deficit of the market value of stocks over the book value of stocks at the respective endings of the last 5 fiscal periods, viz:- (values in thousands) \$6,756, \$-11,115, \$6,899, \$12,131 and \$2,477 for the years ending June 30, 1973 through June 30, 1977.

b) Salary scales

Average salaries increased approximately 1% from the previous fiscal period for both state employees and teachers. Therefore, accrued membership benefits increased less than expected but the value of contribution income also increased less than expected, resulting in a net actuarial loss. It may be noted that the salaries that are used in the actuarial valuations are based on the compensation of employees for the calendar year preceding the valuation date.

c) Cost of living adjustment

The cost of living adjustment to benefits payable under the system for the fiscal period totaled 7.7% of benefits, which was at a greater rate than the actuarial assumption and resulted in an actuarial loss. However, there was no cost of living adjustment effective for the previous fiscal period which has the effect of distorting the relative actuarial experience of the current period.

d) Retirement age

The normal retirement age span for regular employee benefits is age 60 to age 70. The average retirement age has generally been close, in prior years, to age 65, the actuarial assumption, but it has been decreasing slowly since 1972. In the last fiscal period it was approximately 63.7 years for both state employees and teachers. Therefore, there was an actuarial loss during the fiscal period due to the higher than expected reserves required for new retirees.

TOWNE

The retirement benefits of teachers and regular state employees who retire prior to age 60 are classified as subsidized early retirement benefits since the amount of the early retirement benefits are of greater amount than the actuarial equivalent of the benefits that have accrued to commence at age 60. Therefore, actuarial losses result from early retirements which amounted to approximately \$3,400,000 for the last fiscal period.

e) Optional methods of payment of retirement allowances

Options 2 and 3 of the optional methods of payment of retirement allowances provide subsidized benefits when elected by male employees with their spouse as beneficiary, since the benefits in such cases are greater than the actuarial equivalent. Therefore, actuarial losses occur from such elections which amount to approximately \$900,000 for the last fiscal period.

f) Funding period

The progress of the contributions paid under the retirement system and the investment income received on the assets of the system in meeting the funding requirements of the system may be measured by the change between fiscal periods in the remaining funding years of the accrued benefit reserve. The funding objective is a reduction of one such year in successive fiscal periods.

The trend in the funding year period for the various employee groups as shown on page 11 generally decreased for the years 1974, 1975 and 1976 but increased for 1977, although it remained below the 1975 level for most groups. The major factor affecting the year to year experience has been the cost of living adjustment. There was no such adjustment in the 1976 fiscal year which benefited that year's experience in comparison with the 1977 fiscal year for which there was an adjustment of 7.7%.

The funding years as of June 30, 1977 would have been as follows for the various employee groups, if the cost of living adjustment had been at the indicated rates:-

Rate of Cost of Living Adjustment	Funding Years				
	<u>State</u>	<u>MTRA Teachers</u>	<u>All Teachers</u>	<u>State + MTRA</u>	<u>All</u>
i) 4.0%	26.6	16.5	26.1	19.9	26.2
ii) 2.0	26.3	16.3	25.7	19.6	25.9
iii) 0	26.0	16.0	25.4	19.3	25.5

SECTION CEMPLOYEE STATISTICS AS OF JULY 1, 1977

This section of the report presents certain compilations of the individual employee data which was used in the actuarial valuations.

1. Distribution of Active Employees (State and Teachers)a) State Employees

Age Group	No.	Annual Salaries		Annual Retirement Benefits		Average Yrs. Serv. at Ret.
		Total	Average	Average	% Salaries	
i) <u>Males</u>						
65 & over	200	\$ 1,693,113	\$ 8,466	\$2,641	31%	14
60 - 64	532	5,181,039	9,739	3,750	39	18
55 - 59	840	8,385,589	9,983	4,947	50	23
50 - 54	977	10,479,628	10,726	6,350	59	28
45 - 49	991	10,911,568	11,011	7,159	65	31
40 - 44	911	9,943,210	10,915	7,701	71	34
35 - 39	870	9,051,710	10,404	7,822	75	37
30 - 34	1206	11,200,105	9,287	7,293	79	39
25 - 29	1137	7,989,800	7,027	5,854	83	41
24 & under	724	3,164,628	4,371	3,858	88	44
Total	8388	78,000,390	9,299	6,200	67	33
ii) <u>Females</u>						
65 & over	88	669,762	7,611	2,623	34	14
60 - 64	309	2,445,876	7,915	2,983	38	18
55 - 59	510	3,827,748	7,505	3,418	46	21
50 - 54	548	4,085,078	7,455	3,740	50	24
45 - 49	444	3,288,164	7,406	4,192	57	27
40 - 44	452	3,248,216	7,186	4,514	63	30
35 - 39	452	3,100,401	6,859	4,844	71	34
30 - 34	514	3,663,607	7,128	5,486	77	38
25 - 29	798	5,078,063	6,363	5,276	83	41
24 & under	739	3,377,499	4,570	4,039	88	44
Total	4854	32,784,414	6,754	4,152	64	32
iii) <u>All</u>						
65 & over	288	2,362,875	8,204	2,635	32	14
60 - 64	841	7,626,915	9,069	3,468	38	18
55 - 59	1350	12,213,337	9,047	4,340	48	22
50 - 54	1525	14,564,706	9,551	5,412	57	26
45 - 49	1435	14,199,731	9,895	6,241	63	30
40 - 44	1363	13,191,426	9,678	6,644	69	33
35 - 39	1322	12,152,111	9,192	6,804	74	36
30 - 34	1720	14,863,713	8,642	6,753	78	39
25 - 29	1935	13,067,863	6,753	5,615	83	41
24 & under	1463	6,542,127	4,472	3,950	88	44
Total	13242	110,784,804	8,366	5,517	66	33

b) Teachers

Age Group	No.	Annual Salaries		Annual Retirement Benefits		Average Yrs. Serv. at Ret.
		Total	Average	Average	% Salaries	
i) <u>Males</u>						
65 & over	36	\$ 319,906	\$ 8,886	\$3,377	38%	14
60 - 64	124	1,423,710	11,482	5,516	48	21
55 - 59	281	3,428,350	12,201	7,296	60	28
50 - 54	467	6,087,838	13,036	8,347	64	30
45 - 49	714	9,587,491	13,428	9,349	70	34
40 - 44	968	12,524,913	12,939	9,574	74	36
35 - 39	1243	15,264,974	12,281	9,539	78	38
30 - 34	1983	20,436,450	10,306	8,296	80	40
25 - 29	1780	13,923,328	7,822	6,518	83	42
24 & under	307	1,768,809	5,762	4,947	86	43
Total	7903	84,765,769	10,726	8,114	76	38
ii) <u>Females</u>						
65 & over	132	1,137,113	8,614	4,598	53	21
60 - 64	483	5,012,453	10,378	5,630	54	25
55 - 59	871	8,894,784	10,212	5,875	58	27
50 - 54	993	9,528,610	9,596	5,685	59	27
45 - 49	1172	10,772,797	9,192	5,919	64	30
40 - 44	1264	10,840,428	8,576	5,919	69	33
35 - 39	1469	12,010,794	8,176	6,057	74	36
30 - 34	2214	17,622,576	7,960	6,345	80	39
25 - 29	3483	24,979,318	7,172	6,011	84	42
24 & under	858	4,791,707	5,585	4,804	86	43
Total	12939	105,590,580	8,161	5,913	72	36
iii) <u>All</u>						
65 & over	168	1,457,019	8,673	4,336	50	19
60 - 64	607	6,436,163	10,603	5,607	53	24
55 - 59	1152	12,323,134	10,697	6,222	58	27
50 - 54	1460	15,616,448	10,696	6,536	61	28
45 - 49	1886	20,360,288	10,795	7,217	67	31
40 - 44	2232	23,365,341	10,468	7,504	72	34
35 - 39	2712	27,275,768	10,057	7,653	76	37
30 - 34	4197	38,059,026	9,068	7,267	80	40
25 - 29	5263	38,902,646	7,392	6,183	84	42
24 & under	1165	6,560,516	5,631	4,842	86	43
Total	20842	190,356,349	9,133	6,748	74	37

c) Summary of All Active Employees

i)	Number of employees	34,084
ii)	Distribution by sex	48% male 52% female
iii)	Annual salaries	\$301,141,153
iv)	Average annual salaries	\$8,835
v)	Average annual benefit	\$6,270
vi)	% benefits of salaries	71%
vii)	Average years service at retirement	35 yrs.

2. Distribution of Retired Employees (State and Teachers)

a)		State Employees			
Number of Employees		Average Annual Benefits			
		Membership Service	Prior Service	Cost of Living	Total
i) Regular Benefits					
F	1632	\$1,850	\$ 475	\$ 787	\$3,112
M	1308	2,096	565	749	3,410
	2940	1,959	515	770	3,244
ii) Option 1 Benefits					
F	313	\$2,068	522	1,026	3,615
M	338	2,213	541	1,077	3,831
	651	2,143	532	1,052	3,727
iii) Option 2 Benefits					
F	44	\$1,919	463	568	2,949
M	479	2,431	541	577	3,550
	523	2,388	535	576	3,499
iv) Option 3 Benefits					
F	67	\$3,019	733	833	4,586
M	638	3,818	891	1,105	5,814
	705	3,742	876	1,079	5,697
v) Option 4 Benefits					
F	22	\$2,223	190	395	2,807
M	71	4,297	1,056	1,511	6,864
	93	3,806	851	1,247	5,905
vi) Occupational Disability Benefits					
F	11	\$2,270	147	1,446	3,864
M	44	3,972	54	1,271	5,298
	55	3,632	73	1,306	5,011
vii) Regular Disability Benefits					
F	26	\$3,666	82	401	4,149
	84	4,706	113	335	5,154
	110	4,460	106	350	4,917
viii) All Benefits					
F	2115	\$1,949	480	814	3,243
M	2962	2,689	620	850	4,159
	5077	2,381	562	835	3,777

b) MTRA Teachers

Number of Employees		Average Annual Benefits			
		Membership Service	Prior Service	Cost of Living	Total
i) <u>Regular Benefits</u>					
F	2531	\$2,792	\$1,203	\$ 911	\$4,906
M	317	2,623	1,007	943	4,573
	<u>2848</u>	<u>2,733</u>	<u>1,181</u>	<u>915</u>	<u>4,869</u>
ii) <u>Option 1 Benefits</u>					
F	362	\$2,654	1,358	1,267	5,278
M	63	3,307	1,506	1,686	6,498
	<u>425</u>	<u>2,751</u>	<u>1,380</u>	<u>1,329</u>	<u>5,459</u>
iii) <u>Option 2 Benefits</u>					
F	122	\$2,549	1,112	836	4,497
M	176	3,925	1,278	988	6,191
	<u>298</u>	<u>3,362</u>	<u>1,210</u>	<u>926</u>	<u>5,497</u>
iv) <u>Option 3 Benefits</u>					
F	214	\$3,276	1,389	996	5,662
M	195	4,677	1,737	1,471	7,885
	<u>409</u>	<u>3,944</u>	<u>1,555</u>	<u>1,223</u>	<u>6,722</u>
v) <u>Option 4 Benefits</u>					
F	27	\$3,064	1,311	844	5,219
M	28	3,697	1,560	1,638	6,895
	<u>55</u>	<u>3,387</u>	<u>1,438</u>	<u>1,248</u>	<u>6,072</u>
vi) <u>Occupational Disability Benefits</u>					
F	5	\$2,243	1,558	1,914	5,715
M	4	7,569	-	1,082	8,651
	<u>9</u>	<u>4,610</u>	<u>1,558</u>	<u>1,544</u>	<u>7,020</u>
vii) <u>Regular Disability Benefits</u>					
F	58	\$4,280	445	514	5,239
M	25	6,004	78	378	6,462
	<u>83</u>	<u>4,799</u>	<u>334</u>	<u>473</u>	<u>5,607</u>
viii) <u>All Benefits</u>					
F	3319	\$2,826	1,217	947	4,990
M	808	3,622	1,267	1,145	6,034
	<u>4127</u>	<u>2,982</u>	<u>1,227</u>	<u>986</u>	<u>5,194</u>

c) Old System Teachers

Number of Employees		Average Annual Benefits			
		Membership Service	Prior Service	Cost of Living	Total
i) <u>Regular Benefits</u>					
F	1482	\$ 975	\$1,400	\$1,443	\$3,818
M	114	1,006	1,430	1,624	4,059
	<u>1596</u>	<u>977</u>	<u>1,402</u>	<u>1,456</u>	<u>3,835</u>
ii) <u>Option 1 Benefits</u>					
F	274	\$1,458	1,614	1,939	5,011
M	20	2,041	1,564	1,921	5,527
	<u>294</u>	<u>1,498</u>	<u>1,610</u>	<u>1,938</u>	<u>5,046</u>
iii) <u>Option 2 Benefits</u>					
F	37	\$1,704	1,376	1,348	4,428
M	12	762	1,315	1,431	3,508
	<u>49</u>	<u>1,473</u>	<u>1,361</u>	<u>1,369</u>	<u>4,203</u>
vi) <u>Option 3 Benefits</u>					
F	77	\$1,699	1,544	1,692	4,935
M	26	1,820	2,363	2,698	6,881
	<u>103</u>	<u>1,730</u>	<u>1,751</u>	<u>1,946</u>	<u>5,427</u>
v) <u>Option 4 Benefits</u>					
F	10	\$2,335	2,155	1,502	5,992
M	12	2,313	2,610	3,079	8,002
	<u>22</u>	<u>2,323</u>	<u>2,403</u>	<u>2,363</u>	<u>7,088</u>
vi) <u>Occupational Disability Benefits</u>					
F	1	\$1,691	2,991	1,576	6,258
M	-	-	-	-	-
	<u>1</u>	<u>1,691</u>	<u>2,991</u>	<u>1,576</u>	<u>6,258</u>
vii) <u>Regular Disability Benefits</u>					
F	1	\$.48	1,395	1,336	2,732
M	-	-	-	-	-
	<u>1</u>	<u>.48</u>	<u>1,395</u>	<u>1,336</u>	<u>2,732</u>
viii) <u>All Benefits</u>					
F	1882	\$1,096	1,442	1,521	4,059
M	184	1,303	1,646	1,890	4,839
	<u>2066</u>	<u>1,115</u>	<u>1,460</u>	<u>1,557</u>	<u>4,131</u>

d) Summary of All Retired Employees

i)	Number of employees	11,283
ii)	Annual benefits	\$49,189,641
iii)	Average annual benefit	\$4,360
iv)	Distribution by sex	65% female, 35% male
v)	Distribution by option:	
-	no option	= 65%
-	option 1	= 12
-	option 2	= 08
-	option 3	= 11
-	option 4	= 01
-	occupational disability	= 01
-	regular disability	= 02
vi)	Distribution of benefit credits:	
-	membership credit	= 54
-	prior service credit	= 22
-	cost of living benefits	= 24

The cost of living benefits have thus increased
the regular plan benefits by 31%.

3. Distribution of Participating District Employees

a) Number of districts	220
b) Number of active employees	10,021
c) Annual salaries	\$78,175,165
d) Average annual salary	\$7,801
e) Distribution of districts by membership credit:	
i) 1/50th	73%
ii) 1/60th (56)	26%
iii) 1/70th (3)	1%
f) Districts with special benefits	16%
g) Districts with retirement allowance adjustments	30%
h) Retired employees:	
i) Districts with retired employees	79%
ii) Number of retired employees	2,246
iii) Annual retirement benefits	\$6,554,474
iv) Average annual retirement benefit	\$2,920
v) Retired employees with retirement allowance adjustments	74%
vi) Percentage of retirement allowance adjustment of total benefits for employees with the adjustment.	18%

SECTION D
ACTUARIAL ASSUMPTIONS

The actuarial assumptions upon which the valuations as of June 30, 1977 were based were adopted by the board of trustees under date of December 14, 1972. The assumptions are presented following in this section of the report.

1. Amount of Benefits

- | | |
|------------------------------|---|
| a) Benefit formula | under the 1976 law revision. |
| b) Salary scales | scales by attained age were compounded with cost of living adjustment and a net increase of $3\frac{1}{2}\%$ was used for all ages; increased by any additional provision in cost of living adjustment. |
| c) Cost of living adjustment | 2% per year before and after retirement; additional provision expected from investment rate experience in excess of investment income rate assumption. |

2. Probability of Receipt of Benefits

- | | |
|---------------------|--|
| a) Mortality rates | a - 49 mortality table modified rates. |
| b) Disability rates | claim costs based on 1964 commissioners disability table; sample annual costs per \$100 monthly benefit are shown on the following page. |

Disability rates per \$100
monthly benefit

<u>Age</u>	<u>Annual Cost</u>
22	\$ 5.05
27	5.37
32	6.96
37	9.61
42	13.95
47	21.79
52	31.97
57	45.17

c) Withdrawal rates

sample annual probabilities of withdrawal
after 5 or more years of service are as
follows:

<u>Age</u>	<u>Rate of Withdrawal</u>
20	.08
30	.07
40	.05
50	.03
60	.00

d) Retirement age

65 or earliest normal retirement date for
special groups.

3. Investment Income

a) Rates of future income

i) new investments

6½% for fixed income and equities.

ii) current assets

7.64% for fixed income and 6½% for
equities.

Based on the July 1, 1977 valuation, current assets constituted 17 % of the value
of total assets for all benefits and new investments were 83%. Fixed income
investments were 52% of current assets. The average yield assumption was

therefore 6.60% and 6.5% was used in the valuation.

It is expected that the future rate of investment income that is obtained on total assets, including the rate of market value appreciation on equity investments, will exceed the actuarial assumption investment income rate by an amount that, when added to the actuarial assumption cost of living adjustment rate, will at least equal the future cost of living adjustment rate that is experienced.

b) Value of investments

- | | |
|-----------------|--|
| i) fixed income | book value |
| ii) equities | cost adjusted by spreading market gains and losses over 5 years. |

4. Contributions

- | | |
|---------------------|---|
| a) <u>Employees</u> | 6½% of compensation except 7½% for some special state employee groups, 5% for some districts employees and 8% for some districts policemen and firemen. |
| b) <u>Employer</u> | normal cost plus accrued benefit cost. |

The contributions of the state, as an employer, and state employees and teachers, are affected by the provisions of subsection 8 of section 1095 of the retirement system laws, the effect of which is outlined on the following page.

5. Administrative Expenses

provided by separate employer contributions.

6. Funding Method

normal cost plus liquidation of accrued benefit liability over period of years for regular retirement benefits; yearly term costs for ancillary death and disability benefits.

The allocation of cost between member contributions and employer contributions is determined as follows for regular state employees and teachers under the provisions of subsection 8 of section 1095 of the retirement system laws:-

i) Membership service benefits

- (A) based on 1/70th formula and 5 year average compensation - matching share
- (B) based on increases over (A) - member contributions only.

ii) Prior service benefits

- (A) based on 1/50th for state employees and 1/70th for teachers and 5 year average compensation - state contributions only
- (B) based on increases over (A) - member contributions only.

The interest assumption of the actuarial basis for contributions has been increased at various times since 1968 to lower the member contribution rates otherwise payable when benefits have been increased, with no change in state contribution rates.

Such changes have been as shown in the chart on the next page.

Effect Of Changes In Interest Assumption

<u>Effective Date</u>	<u>Interest Assumption</u>	<u>Benefit Change</u>	<u>Member Contribution Rate</u>
Prior to 1968	3%	original retirement allowances, retirement allowance adjustments and survivor benefits	5-3/4%
September 1, 1968	4	no change	5
January 1, 1970	5	Chapter 415	6.14
September 1, 1970	5½	no change	5
January 1, 1972	5½	1/60th prior service for teachers	5.7 (made effective as part of C. 542)
October 3, 1973	6½	Chapter 542	6.5

State contribution rates effective on June 30, 1977 are 4.50% for the normal contribution rate and 5.84% for the accrued liability contribution rate for the 1978-79 fiscal period.

The accrued liability contribution rate increases by 3% of itself in successive fiscal periods.

After accrued benefits become fully funded only the normal contribution rate will be payable. The required rate will be affected by the then composition of the group of state employees and teachers as to employment ages and sex, each of which has a major effect on the normal contribution rate. The experience as to the factors included in the actuarial assumptions will, of course, also affect the contribution rate. Also, the meaning of "matching share" for member and state contributions might require more explicit definition.

The actuarial assumptions are reviewed periodically to determine how effectively the yearly financial requirements of the system are met by the projected experience. Although the actuarial assumptions are individually examined, the net result of the interplay of all the assumptions is the primary consideration. Since changes in the actuarial assumptions will normally affect both employee and employer contributions it is important that the financial effect on the contributions of all parties be carefully evaluated before any substantial changes are made in the budgeting requirements of the system.

The experience as to some of the assumptions may be determined for each current fiscal period and such experience for the fiscal period 1976-77 is presented in section B hereof. Other assumptions require analyses over longer periods of time in order to determine probable trends. The retirement system laws currently require such investigations of the experience of the system by the actuary as he deems necessary but at least once in each 3 year period following January 1, 1976.

SECTION E

RETIREMENT SYSTEM BENEFIT PROVISIONS

An outline of the conditions under which benefits become payable in accordance with the provisions of the Retirement System is presented in this section of the report. Benefits become available when an employee's status is changed for the following reasons:

1. Retirement from employment under
 - a) Normal, mandatory or early conditions,
 - b) Ordinary disability conditions, or
 - c) Occupational disability conditions.
2. Death while
 - a) In active employment, or
 - b) After retirement; and
3. Termination of employment before retirement when
 - a) Retirement benefits are vested, or
 - b) No benefits except refund of employee contributions are payable.

The provisions are based upon the retirement system laws in effect June 30, 1977.

The Maine State Retirement System has received, in the past, favorable determination letters from the Federal Internal Revenue Service, stating the system is a qualified retirement plan for state employees and teachers under the Federal Internal Revenue Code as in effect prior to the Employee Retirement Income Security Act of 1974 (ERISA).

Although it is not required that the system conform to the provisions of ERISA as respects the provisions for state employees and teachers it is necessary that the system continue to conform to the provisions of the pre - ERISA Internal Revenue Code.

For practical purposes, the present provisions of the Maine State Retirement System meet the major ERISA requirements. The primary changes would be to increase the rate of interest credited on employee contributions to 5% and to allow employees to withdraw their contributions upon termination of employment after completing 10 years of service (the vesting conditions) and retain the right to receive the balance of their accrued benefits not provided by their contributions.

An additional feature that would arise because of ERISA would be automatic coverage under the termination insurance provided by the Pension Benefit Guaranty Corporation, the current annual premium for which is \$2.60 per participant, which includes active, terminated vested and retired employees. The insurance guarantees the sufficiency of plan assets in providing payment of accrued benefits if a plan is terminated, subject to assessment against the employer, up to 30% of the employer's net worth, for the amount of any plan deficiency.

The qualification of the Maine State Retirement System under the requirements of the Federal Internal Revenue Code or ERISA as related to the participating districts would appear to depend upon the status of the individual districts.

I- BASES FOR BENEFITS



Employee
Classification

- | | | | |
|----|--|---|--|
| a) | State employees and teachers | average during 3 highest years, not necessarily consecutive | The following service credit are provided for state employees and teachers and may be chosen by any political subdivision: |
| b) | Political subdivision employees - regular benefits | same as a) or may have 5 year average prior election | |
| c) | Special retirement benefits: | | |
| | i) Political subdivisions | same as a) or, until July 1, 1977, annual salary at retirement. | (1) Service prior to commencement of system.
(2) Service while member contributes.
(3) Military service - time of war
(4) Additional service credits may be available for out of state service, military service, federal employment service, and private and parochial school service where membership began prior to January 1, 1976. |

II- RETIREMENT CONDITIONS				
Employee Classification				
	Normal Retirement	Mandatory Retirement	Early Retirement	Disability Retirement Regular and Occupational
a) State employees and teachers	age 60	age 70, unless extended	25 yrs service before age 60	anytime while in service, before age 60 and before any earlier mandatory retirement age
b) Political subdivision employees-regular benefits	same as a)	same as a)	same as a) or prior law election	same as a) or prior law election
c) Special classifications				
i) State police	20 yrs	age 55, exceptions	same as normal	same as a)
ii) Law enforcement-Inland Fisheries and Game or Sea and Shore Fisheries	20 yrs	age 55 or later 20 yrs	"	"
iii) Forest rangers	25 yrs and age 50	age 60	"	"
iv) Law enforcement-Maine State Prison	20 yrs and age 50	age 60, unless extended	"	"
v) Airplane pilots	25 yrs and age 55	age 60, unless extended	"	"
vi) Liquor inspectors	25 yrs and age 55	age 65, exceptions to age 70	"	"
vii) Political subdivisions-all or only policemen or firemen	20 to 25 yrs or may, for policemen or firemen, be 25 yrs and age 55	same as a)	"	same as a) or prior law election

Note: Mandatory retirement provisions will be deleted, effective July 1, 1978.

III-

BENEFIT FORMULAS

Employee Classification	BENEFIT FORMULAS			
	Normal Retirement	Mandatory Retirement	Early Retirement	Disability Retirement Regular and Occupational
a) State employees and teachers	2% of pay per yrs service; e.g. - 10 yrs - 20% 20 40 25 50 35 70 50 100 - \$100 minimum, 10 yrs service	normal retirement formula	normal retirement formula, reduced by age, e.g. - 25 yrs service, 50% reduced to age % 55 44 50 39 45 35	66-2/3% of average final pay, reduced by workmen's compensation benefits; changed to service retirement with disability years credited and pay assumed increased by cost of living adjustments
-teachers only	1 - 2/3% for yrs before 1942			
b) Political subdivision employees-regular benefits	same as a) or prior law election	same as a)	same as a) or prior law election	same as a) or prior law election
c) Special classifications				
i) State group	50% of pay plus 2% additional for yrs over minimum	normal retirement formula	same as normal	same as a)
ii) Political subdivisions	50% of pay, may be 66-2/3% for policemen or firemen; may elect 2% additional for years over minimum.	normal retirement formula	same as normal	

IV -

OPTIONAL METHODS OF
RETIREMENT PAYMENT

An employee may elect to receive his retirement allowance, normally payable only during his lifetime, under one of the following methods of payment:

- | | |
|----------------------------|--|
| a) Cash refund option | a reduced allowance with refund at death if payments have not totalled employee contributions. |
| b) 100% survivor option | a reduced allowance which is continued to another person after the employee's death. |
| c) 50% survivor option | a reduced allowance 50% of which is continued to another person after the employee's death. |
| d) Equivalent value option | benefits paid under some arrangement of equal value, as agreed to by the Board of Trustees. |

V -

COST OF LIVING ADJUSTMENTS

Upon each general adjustment in state employees' salaries the then amount of allowance being paid to a retired member or a beneficiary is increased or decreased by the percentage of salary adjustment.

These adjustments apply to all state and teacher employees and to participating district employees if elected by a district.

Note: Commencing in November, 1977 adjustments shall be made in the retirement allowances of retirees and dependents based on the percentage change in the Consumer Price Index for the preceding period from July 1st through June 30th. After 1977 increases shall be made in September of each year.

VI- DEATH BENEFITS

Conditions for
Death Benefits

Employee Contribution Refund	Group Life Insurance	Survivor Benefits
------------------------------------	----------------------	-------------------

a) Death In Active Employ-
ment or on Disabilityi) Before eligibility for
retirement

(A) <u>Ordinary death</u>	yes	1 or 2 yrs salary	\$100 to \$300 per month, lieu of contribution refund
---------------------------	-----	-------------------	--

(B) Service connected
death

-all employees, except for prior law election by participating districts	no	same as ordinary	66-2/3% to 100% of average final pay, lieu of other benefits
--	----	------------------	--

ii) After eligibility for
retirement

same as before eligibility for retirement except survivor benefits based on option 2 retirement payment may apply in lieu thereof.

b) Death After Retirementi) Service retirement

-all employees

if elected under option	1 yr's salary reducing to 25% at age 70; 10 yrs service required, exceptions
----------------------------	--

if elected under option

-state police, inland
and sea or shore
fisheries, political
subdivisions election

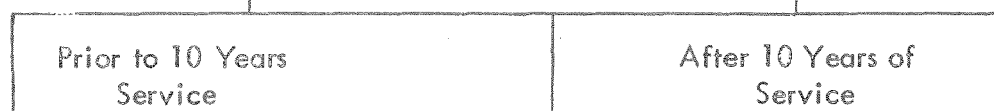
no same as above

50% of allowance to spouse
without option 3 reduction;
political subdivision
includes children

ii) Disability retirement

same as death in active employment per 1 above, except for prior law election by participating districts.

VII- TERMINATION OF EMPLOYMENT BEFORE RETIREMENT



Members contributions with interest credits are refunded except no interest is credited for any period beyond 5 years after termination of employment.

Retirement benefits will commence at age 60 based upon credited service and compensation during employment, unless member withdraws contributions prior to the commencement of benefits.

VIII- EMPLOYEE CONTRIBUTIONS

a) Mandatory employee contribution rates are currently as follows:

- | | |
|---|---|
| i) Regular state employees and teachers | 6.5% |
| ii) State law enforcement officers including state police, forest rangers, wardens and prison guards. | 7.5 |
| iii) Participating district employees | |
| (A) Regular benefits | 6.5 or prior law election (6.14 or 5.0) |
| (B) Special benefits | 8.0, 6.5 or prior law election (5.0) |

b) Additional employee contributions may be made, up to 10% current compensation, to provide additional retirement benefits. Other additional amounts may be paid under prior law elections.



EVALUATION ASSOCIATES, INCORPORATED
277 Park Avenue
New York, New York 10017
(212) 826-1810

September 26, 1977

Board of Trustees
Maine State Retirement System
Augusta, Maine 04333

Dear Board Member:

A review of the Board's investment management related activities during the fiscal year ending June 30, 1977 reveals a continued focus on the fund's asset mix as the key determinant of investment performance. With our assistance, the investment guidelines were revised, new managers were interviewed and selected, and the asset mix was continuously monitored. In addition, new members were provided background information on the status of the fund and decisions affecting it, and the quarterly reporting format was expanded.

Investment Guidelines. -- Changes to the guidelines under which the investment managers operate were considered by the trustees and managers during the year and adopted in June. The thrust of the changes was to recognize that in the last few years money managers have no longer been hired to manage both stocks and bonds, but have been hired as experts in one or the other, so that goals, asset mix, diversification and restrictions were no longer necessarily applicable. The major changes are outlined here. First, the goals have been restated to reflect a long-term (10 year) total fund return of 8%, holding stock managers to outperform the S&P 500 Index by 10% per year over a market cycle and bond managers to outperform the Salomon Brothers Bond Index by 100 basis points per year over a market cycle. Second, the total fund asset mix was increased to a minimum of 40% in fixed income securities, with stock managers free to purchase fixed income investments as appropriate. Third, the risk section was expanded to reflect the quantitative and diversification monitoring that is prepared quarterly. Finally, the section outlining absolute restrictions was amended to permit the trustees to hire managers for specific purposes, such as private placements.

Manager Selection. -- In the early part of the fiscal year it was decided to hire permanent managers for the second stock portfolio managed by Alliance since 1974 when one of the managers was terminated. The type of manager to be sought was explored by the Board, and four were invited to make presentations: The Equitable, Lionel D. Edie & Company, David L. Babson & Company and F. Eberstadt & Company. Concurrently, banks located in Maine were invited to submit their performance records to the Board, and after further information as to performance, philosophy, system and staff was received, seven banks were reviewed and two gave presentations

to the Board: The Merrill Trust Company and Merchants National Bank of Bangor. The trustees selected David L. Babson & Company to manage approximately \$25 million (management began July 1, 1977) and each of the two Maine banks to manage approximately \$6 million each (management began February 1, 1977). It was decided that new funds available for contribution, and held in the Treasurer's Fund, were to be invested in a fixed income vehicle, preferably one with low volatility. After determining that attractive insured guarantee contracts were unavailable, the trustees considered private placement managers, interviewing the Equitable and Morgan Guaranty Trust Company of New York, both of which had managed their commingled private placement funds for a number of years. With its emphasis on higher credit quality, Morgan Guaranty was selected to manage \$8 million (management is projected to begin October 1, 1977).

Asset Mix. -- The minimum 40% fixed income content for the total fund was reaffirmed. The investment managers were pressed for their views on the appropriate asset mix for the fund, and various studies were used to provide outside perspective. In essence, it is felt that if our economic system is to continue, albeit with changes, then the borrowers of capital (the corporations, whose owners are stockholders) have to earn more than the lenders (bondholders) or they would not borrow. Also in favor of stocks long-term, many are now selling below book value, and below their absolute and relative historical price-earnings ratios. With the heavy flow of new pension fund assets into bonds, the downside cushion for stock prices has been pushed down, but it also appears that bonds may be becoming less attractive now as they are bid up in price due to the higher demand.

Performance. -- Whereas during the 1976 fiscal year the stockmarket outperformed the bond market, in the 1977 fiscal year the reverse was true, with stock market performance near zero and bonds up 15%. For the past two years, the stock managers have not kept pace with the stock market as the managers did not own enough utility stocks or high yielding smaller capitalization cyclical stocks which carried the market for most of the period. The larger growth stocks are less prominent in the MSRS portfolio than before, but remain substantial enough so that their relative better performance over the past several months should benefit portfolio results.

During the past year our firm has issued a publication called INVESTMENT MANAGER PROFILES, containing performance and other related information on many of the larger managers of employee benefit funds in the United States. The following comparisons include such results, although it must be realized that by and large the better performing managers are the ones that have been willing to have their performance published. The bank pooled funds are compiled by a firm called CDA Associates. The following results are total rates of return, including capital appreciation and interest and dividend income, and therefore the total fund excludes returns from both the insured guarantee plan and the mortgage portfolio, neither of which is valued at market. When we examine yield, we take these assets into account in our regular monitoring.

	<u>Fiscal Year 1976</u>	<u>Fiscal Year 1977</u>
MSRS Total Fund	7.7%	2.7%
Standard & Poor's 500	13.9	0.4
Dow Jones Industrials	18.9	-4.6
Standard & Poor's Utilities	12.1	30.2
Salomon Brothers Bond	10.4	15.2
Kuhn Loeb Bond	12.8	15.1
90 Day Treasury Bills	5.6	4.8
CDA Bank Pooled Funds		
Total Funds	9.0	4.2
Equity Funds	8.9	-2.7
Bond Funds	10.5	12.5
PROFILES		
Balanced Funds	9.7	4.9
Equity Fund Managers	9.5	0.7
Bond Fund Managers	10.5	12.3

The purpose of comparing the fund with not only market indices, which are unmanaged portfolios, but also with managed portfolios, as represented by the pooled fund numbers or PROFILES balanced managers, is that there can be substantial differences between managed and unmanaged portfolios, and it is important to gauge whether it is the general equity environment or the specific manager that is not meeting established goals. In the case of the Maine State Retirement System fund, it has been primarily the volatile and poor equity markets rather than primarily poor performance of the managers that has affected the fund's results, and this is why the fund's asset mix has remained the focal point throughout the year.

Sincerely,



Ellen H. Petrino
Vice President

REPORT OF THE EXECUTIVE DIRECTOR

The Maine State Retirement System was created in 1947 and represented the merger of the State Employees Retirement System and the Maine Teachers Retirement System. A board of trustees is responsible for the proper operation of the System and is charged with the formulation of policies and exercising general supervision under the statutes.

The seven-member board of trustees, each member serving for a term of three years, includes three members appointed by the Governor and subject to review by the Joint Standing Committee on Veterans and Retirement and to confirmation of the Legislature; one of whom shall be a retired teacher selected from a list of three nominees submitted by the Maine Retired Teachers Association; one elected by the Maine State Employees Association; one elected by the Maine Teachers Association; one appointed by the Maine Municipal Association, who is a member of the System through a participating local district; and one selected by the foregoing members of the Board, who receives a retirement allowance through the System. The Board elects a chairman from its membership and appoints an Executive Director to perform administrative duties. A consulting actuary is employed whose duties are to make all computations of benefits, recommend funding requests of the Legislature and to maintain the System in a solvent position. A Medical Board, consisting of three physicians not eligible to participate in the System, is also provided for under the law. This Board has a primary function of determining the validity of disability claims.

Consultants are retained by the Board of Trustees for investment advisory, custody and management services.

The administrative responsibility and approval of the payment of all retirement benefits is vested in the Executive Director appointed by the Board. Membership in the System is comprised of public school teachers, state employees and the employees of participating local districts which elect to provide retirement and disability benefits for their employees. Participating local districts, comprised of cities, towns, counties, water districts, sewer districts, and other quasi-municipal corporations within the State of Maine, numbered 229 as of June 30, 1977. Total membership in the System of both active and inactive members at June 30, 1977, was 57,364, representing 26,185 teacher accounts, 18,705 state employee accounts and 12,474 participating local district employee accounts.

During the past year the Trustees entered into contractual agreements with three investment managers: David L. Babson & Company of Boston, Merchants National Bank of Bangor, and Merrill Trust Company of Bangor, to manage segments of the System's equity portfolio.

Total trust fund reserves of the System as of June 30, 1977 were \$223,136,972, an increase of \$24,142,385 over reserves at the beginning of the year. Contributions by the State of Maine on account of state employees and teachers totaled \$35,004,560, of which \$14,274,071 was made on account of state employees and \$20,730,489 on account of teachers. Appropriations for teacher retirement during the year included \$6,800,000 which had not been appropriated in the prior year but was scheduled for appropriation in the year covered by this report. Participating local districts made contributions on account of employees in these units in the amount of \$9,335,476, and represented an increase from these employers in contributions of \$1,341,885 over the previous year.

Contributions to the System by members totaled \$25,890,129 during the 1976/77 year, an increase of \$2,001,875 over the previous year, as follows:

	<u>1976/77</u>	<u>1975/76</u>
Teachers	\$12,181,041	\$11,103,542
State Employees	8,341,022	8,043,779
Participating District Employees	<u>5,368,066</u>	<u>4,740,933</u>
Total	<u>\$25,890,129</u>	<u>\$23,888,254</u>

Retirement allowances authorized during the year ending June 30, 1977 totaled 1,071, being comprised of 391 teachers; 449 state employees; and 231 participating district employees. The retirement allowance payroll for June, 1977, included 13,446 persons and an expenditure of \$4,606,832. There were 6,179 teachers, 5,035 state employees, and 2,232 participating district retired persons included on this payroll.

There were 728 more persons on the retirement payroll than at the previous year end, an increase of approximately 5.7%.

Payments to retired persons during the year totaled \$54,069,527, which included retirement allowance adjustment payments (cost-of-living) of \$12,176,315. Retirement allowances were paid to the following groups: teachers \$29,568,580; state employees \$18,275,458; and the retired employees of participating local districts \$6,225,489. Retirement payments were \$6,675,925 more than the previous fiscal year, resulting in part from the additional number of retired persons and in part to cost-of-living increases granted during the year. In July of 1976 a 6% cost-of-living increase was paid to retired persons, in November of 1976 a .4% increase in cost-of-living benefits was paid, and in June of 1977 a 1.3% cost-of-living increase was paid, making total cost-of-living increases granted during the year of 7.7%.

Benefits being paid to survivors of former members of the System, whose death occurred prior to retirement, through the year ending June 30, 1977, totaled \$1,265,696. There were 45 claims for survivor benefits authorized during the year, which included 21 state employees; 9 teachers; and 15 participating local district employee survivors. The June 30, 1977, Survivor Benefit payroll totaled \$109,175, and included the survivors of 389 state employees, 160 teachers, and 125 participating district employees.

Total assets of the System at June 30, 1977, amounted to \$223,586,246, an increase of \$24,219,003 over the previous year end. These assets were comprised of investments with a book value of \$206,401,916, cash of \$17,179,066, and miscellaneous items totaling \$5,264. Cash held in the State Treasurer's "Cash Pool" totaled \$15,533,894 and earned interest from short term investments being made by the State Treasurer. Of this amount \$8,000,000 has been earmarked for investment in long term and medium term investments by Morgan Guaranty Trust Company, which has recently been nominated by the Trustees as an investment manager for the System. The balance of cash in the State Treasurer's Pool is being held for payment of retirement and survivors benefits. Cash held in the custodian bank of \$1,645,172 is to meet security purchase commitments by the System's investment managers.

The cost, or book value, of investments at year end was \$206,401,916 and had a market value of \$210,352,615. The investment portfolio was comprised of 51.9% in common and preferred stocks, 41.2% in corporate and other bonds, 4.5% in mortgages and 2.4% in an insured guaranteed contract.

The investment performance reports submitted by the System's investment evaluation consultant revealed that investments under management had a time-weighted rate of return of 2.7% for the fiscal year ending June 30, 1977. This compares with a return of 7.7% in the previous year. This investment performance covers only investments under management by the System's investment managers, i.e., Alliance Capital Management Corporation, Massachusetts Financial Services, Inc., Putnam Advisory Company, Inc., Merrill Trust Company and Merchants National Bank. The time-weighted rate of return includes appreciation and/or depreciation of investments on a market value basis, and takes into consideration earnings on investments and new funds turned over for management. The unmanaged mortgage portfolio, cash deposits in the State Treasurer's "Cash Pool" and insured guaranteed contracts are not included in the above investment performance percentages. Care should be taken not to confuse the earnings rate of return reported elsewhere in this report which is computed on the basis of trust reserves owned by the System. The rate of return on this basis was determined to be 5.2269% during the year and does not recognize the market value of assets.

The 108th Legislature enacted the following legislation, which directly affects active members and retirees of the System:

Chapter 36, Private & Special Laws, provided a cost-of-living increase to recipients of retirement allowances and survivor benefits equivalent to 1.3%, making a total cost-of-living adjustment during the past fiscal year of 7.7%, and comparable with the Hay reclassification study salary adjustments to active state employees.

Chapter 450, Public Laws, amended the provisions for members to qualify for disability retirement by providing that a member whose physical or mental disability existed prior to employment, must have 5 years of continuous creditable service immediately preceding the application for a disability retirement allowance, to qualify for benefits.

Chapter 573, Public Laws, establishes the "Consumer Price Index" compiled by the Bureau of Labor Statistics of the United States Department of Labor as the basis for granting cost-of-living increases or decreases to retired persons under the M.S.R.S., with the first adjustment to be paid in November of 1977. Annual adjustments will be made in September in future years up to a maximum annual increase or decrease of 4%. This statute also provides that in February of each year the Trustees will report to the Legislature as to the percentage increase or decrease granted as well as the actual "Consumer Price Index" movement during the preceding 12 months ending June 30.

Chapter 580 of the Public Laws, becomes effective July 1, 1978, and eliminates any mandatory retirement age under the Maine State Retirement System. Heretofore mandatory retirement ages were 70 for the general plan, and 55, 60 and 65 for certain special plans under the law enforcement group.

Chapter 35, Private & Special Laws, permits the Town of Cranberry Isles to withdraw from the Maine State Retirement System, however, requires that the Town provide funding for persons who have retired or who have acquired a vested right in the M.S.R.S.

Administrative expenses during the fiscal year were \$975,190, an increase of \$120,885 over the previous year. This increase was reflected for the most part in costs for retirees health insurance premiums which were \$556,785, an increase of 28.7% over the previous year. Additional retirees and an increase in hospital insurance premium rates account for this cost increase.

During the 12 months ending June 30, 1977, staff members of the M.S.R.S. have met with 35 groups of public school teachers, state employees and the employees of participating local districts, for the purpose of reviewing the System's programs relating to retirement and survivors benefits, disability retirement, and group life insurance coverage.

GROUP LIFE INSURANCE

The Trustees of the System administer the State Group Life Insurance program which is available to all public school teachers, state employees, and the employees of those participating local districts which elect to participate. The insurance plan is made up of three sections: a Basic plan, a Supplemental plan and a Dependent plan. The Basic and Supplemental plans provide for \$1000 of coverage for each \$1000 of the participant's annual salary, up to a maximum of \$25,000 under the Basic plan and \$25,000 under the Supplemental plan. The Dependent plan offers coverage of \$2000 on the life of a spouse, \$500 and \$100 on the life of children up to the age of 19 years and 6 months respectively. Participation is optional by the employee under all plans.

Total assets of the Group Life Insurance Fund amounted to \$5,485,197 as of June 30, 1977, and were comprised of reserves and working capital of \$5,197,417 and accounts payable to the underwriter of \$287,791 for premiums. Premiums payable represented June premiums which were paid to the underwriter in July.

Assets of the Fund consisted of cash held in the State Treasurer's "Cash Pool" on which interest is credited monthly. The average interest credited to this fund through the Treasurer's "Cash Pool" during the 12 months ending June 30, 1977 was 5.732% and totaled \$331,697.

Premiums collected during the year amounted to \$2,656,687, a decrease of \$223,159 from the previous year. This decrease is attributable to a reduction in the premium rate effective July 1, 1976; said reduction was approximately 20% on average, and was offset in part by additional premiums due to higher salaries and additional participation in the plan.

Reserves at the year end totaled \$5,147,417, and were comprised of reserves for retired state employee and teacher premiums of \$3,365,443 and Supplemental dividend reserves of \$1,781,974. Retired state employees and teachers do not pay premiums on Group Life Insurance under the statutes. Supplemental dividend reserves are currently being distributed to beneficiaries of members who participated in this program at a 30% level.

SOCIAL SECURITY

In 1951 the State Legislature designated the Maine State Retirement System to

administer the Social Security program for those political subdivisions within the State of Maine, which elect to provide these benefits for their employees. As of June 30, 1977, there were 605 agreements in force between the State and reporting units. The System administers the collection of the F.I.C.A. tax, however, the benefits under Social Security are administered directly by the Social Security Administration.

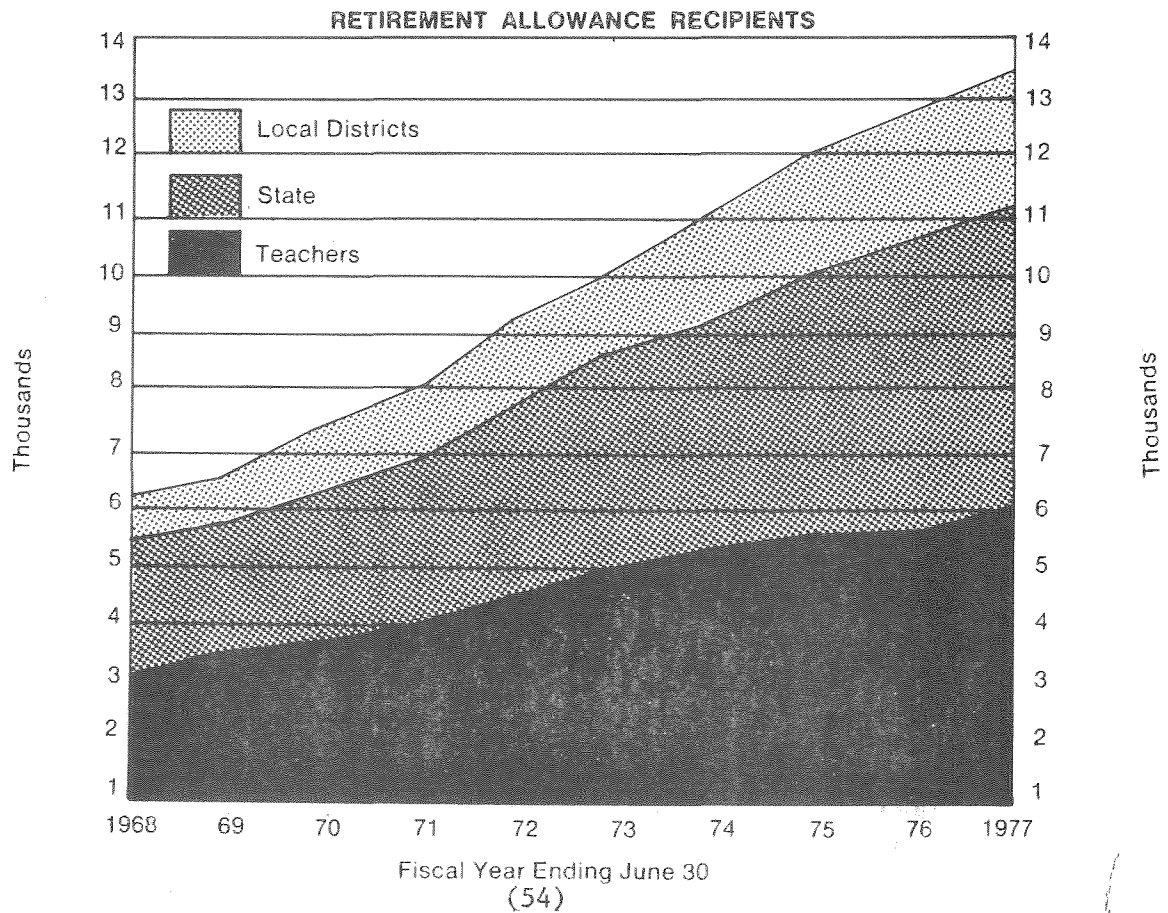
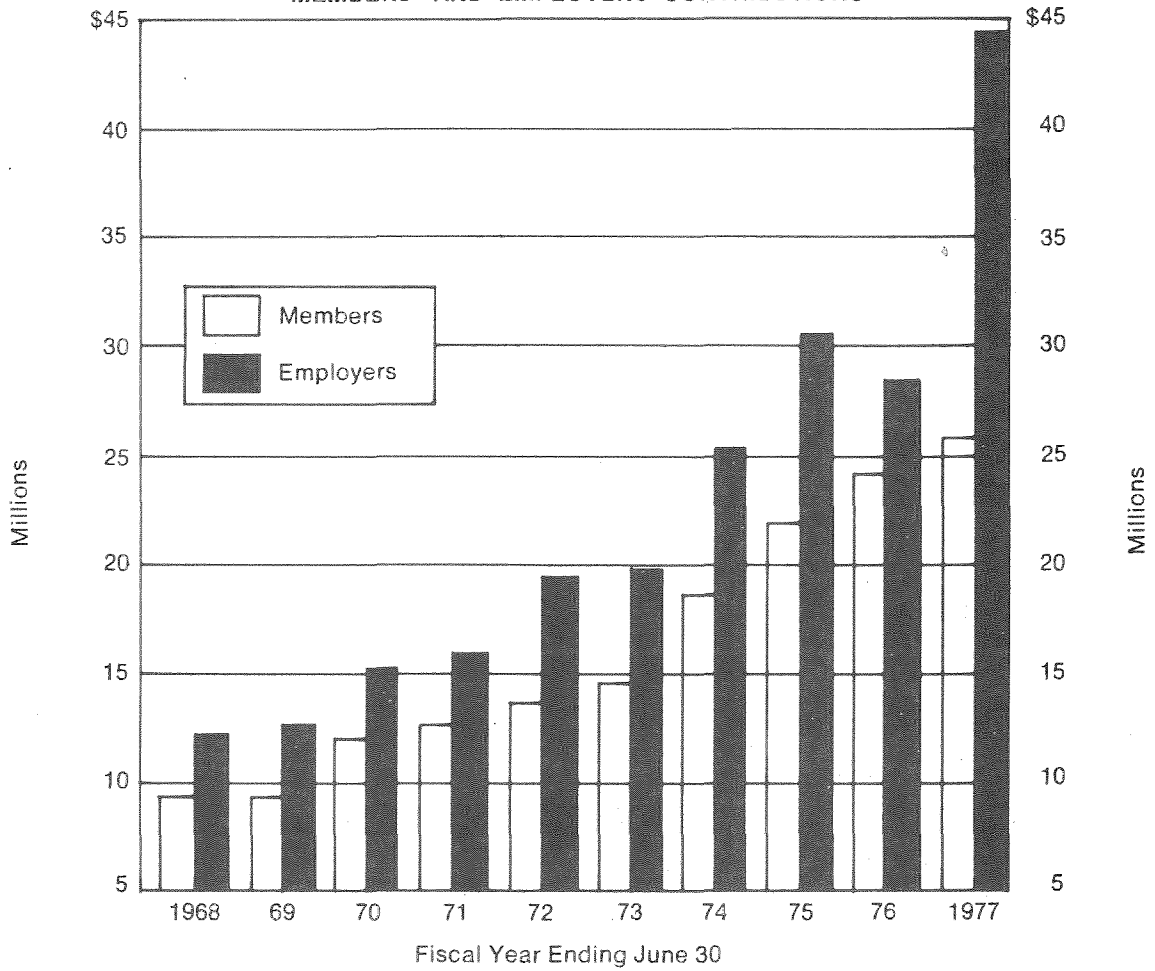
The Social Security Administration has filed proposed changes in regulations which would require states to collect and deposit F.I.C.A. tax collections on a monthly basis, and report salary earnings on an annual basis, versus the deposit and reporting on a quarterly basis at present. State Social Security Administrators have filed vigorous protests, with the Social Security Administration and the state congressional delegations, to the proposed change in reporting procedures. The end result of the proposed changes would be to deprive the states of short term earnings on temporary investments of F.I.C.A. tax collections, which earnings are used by the Maine State Retirement System to defray administrative expenses involved in the Social Security program. The Maine State Retirement System has not assessed local units in Maine for administrative expenses during the past 8 years.

Earnings on investments (short term U. S. Government securities) totaled \$83,839 during the fiscal year, and administrative costs amounted to \$37,471. The staff has conducted 90 administrative audits on units under the Social Security program during the past year, and has participated in 5 on-site reviews in cooperation with representatives of the Social Security Administration. Reports have been rendered on all audits and on-site reviews, recommendations were made which we believe will materially assist the local municipality personnel in the collection of F.I.C.A. taxes and reporting of same.



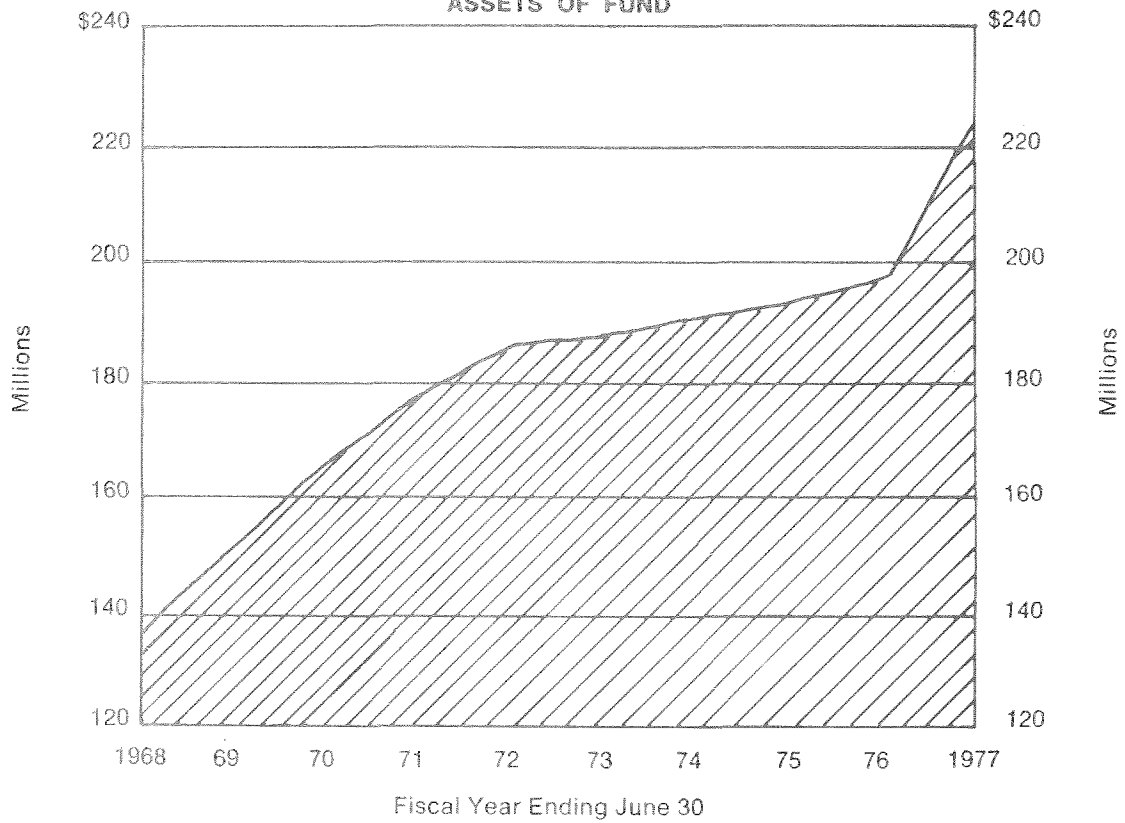
William G. Blodgett, Executive Director

MAINE STATE RETIREMENT SYSTEM MEMBERS' AND EMPLOYERS CONTRIBUTIONS

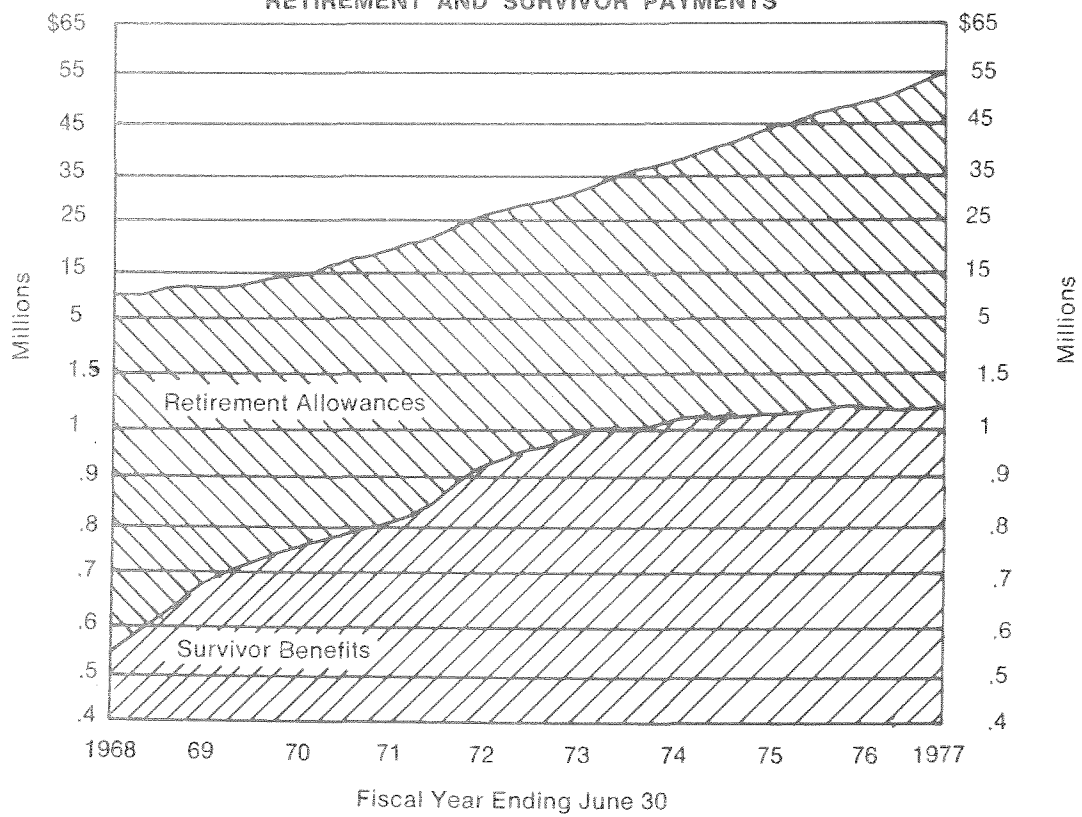


MAINE STATE RETIREMENT SYSTEM

ASSETS OF FUND



RETIREMENT AND SURVIVOR PAYMENTS



FINANCIAL HIGHLIGHTS

	<u>1977</u>	<u>1976</u>
Assets of the Fund at Year End	\$223,586,246	\$199,367,243
Earned Income on Investments	\$ 10,751,250	\$ 8,861,729
Year End Investments (Cost)	\$206,401,916	\$193,878,412
Year End Investments (Market)	\$210,352,615	\$205,710,550
Corporate Stock in Portfolio (Cost)	\$107,085,060	\$100,873,794
Percent of Portfolio	51.9%	52.0%
Bonds in Portfolio (Cost)	\$ 84,967,665	\$ 70,652,563
Percent of Portfolio	41.2%	36.5%
Mortgages in Portfolio (Cost)	\$ 9,349,191	\$ 10,629,055
Percent of Portfolio	4.5%	5.4%
Insured Guaranteed Contract (Cost)	\$ 5,000,000	\$ 5,000,000
Percent of Portfolio	2.4%	2.6%
Time Deposits in Portfolio (Cost)	--	\$ 6,723,000
Percent of Portfolio	--	3.5%

RETIREMENT ALLOWANCES paid - June 30, 1977	<u>VALUE</u>		<u>PERSONS</u>	
	<u>Dollars</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
State Employees	\$1,588,036	34.5%	5,035	37.4%
Teachers	\$2,474,411	53.7%	6,179	46.0%
Participating Local Districts	\$ 544,385	11.8%	2,232	16.6%
TOTAL	<u>\$4,606,832</u>		<u>13,446</u>	

SURVIVOR BENEFITS paid - June 30, 1977	<u>VALUE</u>		<u>PERSONS</u>	
	<u>Dollars</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
State Employees	\$ 62,208	57.0%	389	57.7%
Teachers	29,273	26.8%	160	23.7%
Participating Local Districts	<u>17,694</u>	16.2%	<u>125</u>	18.6%
TOTAL	<u>\$ 109,175</u>		<u>674</u>	

STATISTICS

MEMBERSHIP - June 30, 1977:

	<u>Total</u> (Active & Inactive)
State Employees	18,705
Teachers	26,185
Participating Local Districts	<u>12,474</u>
TOTAL	<u>57,364</u>

RETIREMENT ALLOWANCES - Authorized Year Ended June 30, 1977:

		<u>Percent</u>
State Employees	449	41.9%
Teachers	391	36.5%
Participating Local Districts	<u>231</u>	21.6%
TOTAL	<u>1,071</u>	

SURVIVOR BENEFITS - Authorized Year Ended June 30, 1977:

		<u>Percent</u>
State Employees	21	46.7%
Teachers	9	20.0%
Participating Local Districts	<u>15</u>	33.3%
TOTAL	<u>45</u>	

Participating Districts

Towns	92
Sewer & Water Districts	42
Miscellaneous	27
Cities	20
S.A.D.'s	19
Counties	16
Housing Authorities	9
Public Libraries	<u>4</u>
TOTAL	<u>229</u>

MAINE STATE RETIREMENT SYSTEM
Comparative Balance Sheet
at June 30

ASSETS

	<u>1977</u>	<u>1976</u>	Increase or (Decrease)
Investments:			
Bonds Note I	\$ 84,967,664.82	\$ 70,652,562.60	\$ 14,315,102.22
Stocks			
Common Note II	106,460,179.70	99,544,649.17	6,915,530.53
Preferred Note II	624,880.00	1,329,145.00	(704,265.00)
	<u>107,085,059.70</u>	<u>100,873,794.17</u>	<u>6,211,265.53</u>
Mortgages Note III	9,349,191.21	10,629,054.79	(1,279,863.58)
Cash - Time Deposits	-	6,723,000.00	(6,723,000.00)
Insured Guaranteed Contract (Unionmutual)	<u>5,000,000.00</u>	<u>5,000,000.00</u>	<u>-</u>
Total Investments	<u>206,401,915.73</u>	<u>193,878,411.56</u>	<u>12,523,504.17</u>
Other Assets:			
Cash (Demand Deposit)	15,533,894.38	4,960,397.51	10,573,496.87
Cash (Fiduciary)	1,645,171.98	525,147.57	1,120,024.41
Prepaid Expenses	3,360.12	2,932.09	428.03
Accounts Receivable (Net)	1,854.27	354.77	1,499.50
Suspense Account-Debit Balance	<u>50.00</u>	<u>-</u>	<u>50.00</u>
Total Other Assets	<u>17,184,330.75</u>	<u>5,488,831.94</u>	<u>11,695,498.81</u>
Total Assets	<u>\$223,586,246.48</u>	<u>\$199,367,243.50</u>	<u>\$ 24,219,002.98</u>
<u>TRUST RESERVES AND LIABILITIES</u>			
Trust Reserves:			
Members Contribution Fund-Current	\$168,960,559.61	\$150,397,916.68	\$ 18,562,642.93
Members Contribution Fund-Prior	515,102.54	663,261.41	(148,158.87)
Retirement Allowance Fund	45,564,892.42	41,040,185.73	4,524,706.69
Survivor Benefit Fund	<u>8,096,417.66</u>	<u>6,893,223.61</u>	<u>1,203,194.05</u>
Total Trust Reserves	<u>223,136,972.23</u>	<u>198,994,587.43</u>	<u>24,142,384.80</u>

Liabilities:

Suspense Account-Credit Balance	-	90.00	(90.00)
Accounts Payable	224,725.09	223,499.70	1,225.39
Reserve for Expenditures	221,189.04	146,134.28	75,054.76
Due to Other Funds	<u>3,360.12</u>	<u>2,932.09</u>	<u>428.03</u>
Total Liabilities	<u>449,274.25</u>	<u>372,656.07</u>	<u>76,618.18</u>
Total Trust Reserves & Liabilities	<u>\$223,586,246.48</u>	<u>\$199,367,243.50</u>	<u>\$ 24,219,002.98</u>

Note I Cost less ratable amortization

Note II Cost

Note III Cost less principal received and 1/15 discount

Book Value of Investments per Northeast Banks of Lewiston & Auburn, Maine

\$209,057,323.61

Deduct:

Amortization of bond premiums

98,199.48

Trade-date Items not settled

2,557,208.40

Book Value of Investments per Maine State Retirement System

\$206,401,915.73

Market Value of Securities, June 30, 1977

	PUTNAM	ALLIANCE	ALLIANCE #2	MASS. FINANCE	MERRILL	MERCHANTS	NORTHEAST BANK	TOTAL
Bonds	\$27,876,832.89	\$29,368,622.09	\$ -	\$26,402,149.40	\$1,006,884.40	\$1,786,829.80	\$ -	\$ 86,441,318.58
Stocks - Common	37,645,512.50	37,124,988.00	28,624,435.25	-	3,165,181.90	2,279,312.50	-	108,839,430.15
Stocks - Preferred	722,675.00	-	-	-	-	-	-	722,675.00
Mortgages	-	-	-	-	-	-	9,349,191.21	*9,349,191.21
Insured Guaranteed Contract	-	-	-	-	-	-	-	-
(Unionmutual)	-	-	-	-	-	-	5,000,000.00	*5,000,000.00
Total	<u>\$66,245,020.39</u>	<u>\$66,493,610.09</u>	<u>\$28,624,435.25</u>	<u>\$26,402,149.40</u>	<u>\$4,172,066.30</u>	<u>\$4,066,142.30</u>	<u>\$14,349,191.21</u>	<u>\$210,352,614.94</u>

*Book Value - Market Value not available/Custodial Service Only

¹Unfunded Accrued Benefits (Liability) at June 30, 1977 - State Employees & Teachers

\$589,025,000.00

²Included in Unfunded Benefits (Liability)¹ is an amount of \$91,719,086.31, representing benefits paid and interest costs on "non-contributory" teachers in excess of funding which is considered payable by the State of Maine.

³Unfunded Accrued Benefits (Liability) at June 30, 1977 - Participating Districts.

\$ 75,441,200.00

MAINE STATE RETIREMENT SYSTEM

Balance Sheet

June 30, 1977

Assets

Trust Reserves & Liabilities

			<u>Total Fund</u>	<u>State</u>	<u>Teachers Post - 7/1/24</u>	<u>Teachers Pre - 7/1/24</u>	<u>Participating Districts</u>
Investments:		Trust Reserves:					
Bonds	\$ 84,967,664.82	Members Contribution					
Stocks		Fund - Current	\$168,960,559.61	\$ 58,755,405.99	\$ 83,064,581.03	\$ --	\$ 27,140,572.59
Common	106,460,179.70	Members Contribution					
Preferred	624,880.00	Fund - Prior	515,102.54	--	515,102.54	--	--
	107,085,059.70	Retirement Allowance					
Mortgages	9,349,191.21	Fund	45,564,892.42	44,363,795.85	59,584,010.25	(91,079,898.09)	32,696,984.41
Insured Guaranteed		Survivor Benefit					
Contract (Union Mutual)	5,000,000.00	Fund	8,096,417.66	1,942,318.79	5,178,164.73	--	975,934.14
Total Investments	<u>206,401,915.73</u>	Total Trust Reserves	<u>223,136,972.23</u>	<u>105,061,520.63</u>	<u>148,341,858.55</u>	<u>(91,079,898.09)</u>	<u>60,813,491.14</u>
Other Assets:		Liabilities:					
(09) Cash (Demand Deposit)	15,533,894.38	Accounts Payable	224,725.09	75,058.18	106,070.24	--	43,596.67
Cash (Fiduciary)	1,645,171.98	Reserve for Expenditures	221,189.04	95,221.88	84,007.60	--	41,959.56
Accounts Receivable							
(Net)	1,854.27	Due to Other Funds	3,360.12	1,446.53	1,276.17	--	637.42
Suspense Account (Debit							
Balance)	50.00	Total Liabilities	<u>449,274.25</u>	<u>171,726.59</u>	<u>191,354.01</u>	<u>--</u>	<u>86,193.65</u>
Prepaid Expense	<u>3,360.12</u>	Total Trust Reserves					
Total Other Assets	<u>17,184,330.75</u>	and Liabilities	<u>\$223,586,246.48</u>	<u>\$105,233,247.22</u>	<u>\$148,533,212.56</u>	<u>(\$91,079,898.09)</u>	<u>\$ 60,899,684.79</u>
Total Assets	<u>\$223,586,246.48</u>						

Post 7/1/24 - Includes teachers who began teaching after this date and have made retirement contributions since July 1924

Pre 7/1/24 - Includes teachers who began teaching before this date and who were not required to make retirement contributions until 1945

MAINE STATE RETIREMENT SYSTEM

Investments - Bonds - By Issuer

June 30, 1977

Alliance Capital Management Corp.

<u>Par</u> <u>Value</u>	<u>Security</u>	<u>Market</u> <u>Value</u>	<u>Book</u> <u>Value</u>
	<u>U.S. GOVERNMENT</u>		
7,300M	United States Treas. Nts.	\$ 7,463,570.00	\$ 7,438,078.14
5,250	United States Treas. Bds.	5,616,572.50	5,351,431.85
<u>12,550</u>	<u>TOTAL U. S. GOVERNMENT</u>	<u>13,080,142.50</u>	<u>12,789,509.99</u>
	<u>CORPORATE & OTHER</u>		
500	Anheuser Busch Inc.	551,250.00	525,666.76
500	Arkansas La.Gas Co.	499,865.00	498,895.83
1,000	Beneficial Corp. Reg.	1,037,500.00	1,000,000.00
25	Chicago Rock Is. & Pac. RR Co.	23,875.00	25,000.00
1,000	Diamond St. Tel. Co.	997,840.00	995,625.00
825	Ford Mtr. Cr. Co.	824,808.84	823,493.84
1,000	Halliburton Co.	1,100,000.00	1,046,718.75
1,500	International Bk. for Recon. & Dev.	1,546,250.00	1,532,355.75
1,000	Minnesota Mng. & Mfg. Co.	1,085,000.00	1,034,533.24
1,250	Mobil Oil Corp.	1,250,000.00	1,244,713.54
1,700	Pacific Gas & Elec. Co.	1,786,580.00	1,719,389.01
1,000	Southern Calif. Edison Co.	997,840.00	996,645.83
500	Standard Oil Co. Ohio	508,125.00	500,000.00
<u>11,800</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>12,208,933.84</u>	<u>11,943,037.55</u>
<u>24,350</u>	<u>TOTAL BONDS</u>	<u>25,289,076.34</u>	<u>24,732,547.54</u>

Massachusetts Financial Services, Inc.

	<u>U.S. GOVERNMENT</u>		
250	Federal Home Ln. Mtg. Corp.	231,562.50	223,785.00
995	General Svcs. Admin.	929,062.50	951,147.50
5,352	Govt. Natl. Mtg. Assn.	5,150,587.97	5,121,199.56
250	Twelve Fed. Inter. Cr. Bks.	244,062.50	240,096.88
6,898	United States Treas. Nts.	7,188,140.74	7,100,681.04
5,150	United States Treas. Bds.	5,417,140.00	5,286,780.65
<u>18,895</u>	<u>TOTAL U. S. GOVERNMENT</u>	<u>19,160,556.21</u>	<u>18,923,690.63</u>
	<u>CORPORATE & OTHER</u>		
878	Allstate Finl. Corp.	878,000.00	876,995.18
1,250	American Tel. & Teleg. Co.	858,780.00	811,155.00
300	Exxon Pipeline Co.	325,500.00	299,250.00
1,303	Ford Mtr. Cr. Co.	1,312,090.69	1,308,498.36
2,000	General Mtrs. Accep. Corp.	2,087,242.50	2,051,512.50
500	Pacific Northwest Bell Tel. Co.	346,250.00	411,750.00
400	Pennsylvania Pwr. & Lt. Co.	434,000.00	397,375.00
1,000	Union Alaska Pipeline Corp.	999,730.00	997,938.89
<u>7,631</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>7,241,593.19</u>	<u>7,154,474.93</u>
<u>26,526</u>	<u>TOTAL BONDS</u>	<u>26,402,149.40</u>	<u>26,078,165.56</u>

The Putnam Advisory Co., Inc.

	<u>U.S. GOVERNMENT</u>		
500	Federal Home Ln. Bks.	519,375.00	509,444.40
2,550	Federal Natl. Mtg. Assn.	2,598,875.00	2,550,572.28
1,205	General Svcs. Admin.	1,110,106.25	1,082,617.70
3,994	Govt. Natl. Mtg. Assn.	4,017,442.30	3,972,431.65
1,250	Twelve Fed. Ld. Bks.	1,265,625.00	1,257,500.00
3,600	United States Treas. Nts.	3,719,361.00	3,646,228.00
250	United States Treas. Bds.	251,015.00	247,500.00
<u>13,349</u>	<u>TOTAL U. S. GOVERNMENT</u>	<u>13,481,799.55</u>	<u>13,266,294.03</u>

The Putnam Advisory Co., Inc. - Continued

<u>Par Value</u>	<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
	<u>STATE & MUNICIPAL</u>		
75M	Biddeford & Saco Wtr. Co.	\$ 63,750.00	\$ 75,000.00
<u>75</u>	<u>TOTAL STATE & MUNICIPAL</u>	<u>63,750.00</u>	<u>75,000.00</u>
	<u>CORPORATE & OTHER</u>		
500	Bethlehem Stl. Corp.	512,500.00	479,812.50
250	Columbia Gas Sys. Inc.	272,500.00	249,467.50
500	Exxon Pipeline Co.	542,500.00	531,200.00
1,279	Ford Mtr. Cr. Co.	1,311,464.91	1,254,168.12
986	General Mtrs. Accep. Corp.	976,521.98	983,023.25
970	General Elec. Cr. Corp.	966,259.80	964,355.08
300	Lone Star Gas Co.	331,500.00	301,326.87
250	Mobil Corp.	258,750.00	253,432.00
350	Penney J. C. Finl. Corp.	346,500.00	335,926.50
500	Scott Paper Co.	501,250.00	504,600.00
778	Sears Roebuck Accep. Corp.	777,058.62	775,563.35
500	Shell Oil Co.	536,250.00	516,293.20
1,400	South Cent. Bell Tel. Co.	1,269,387.00	1,223,644.00
600	Standard Oil Co. Ind.	661,500.00	601,911.00
925	Woolworth F. W. Co.	841,750.00	775,538.50
<u>10,088</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>10,105,692.31</u>	<u>9,750,261.87</u>
<u>23,512</u>	<u>TOTAL BONDS</u>	<u>23,651,241.86</u>	<u>23,091,555.90</u>

Alliance Capital Management Corp. - No. 1 Stock Account

	<u>CORPORATE & OTHER</u>		
2,085	Kentucky Utilities Co.	2,076,514.05	2,074,661.87
1,150	Baltimore Gas & Elec. Co.	1,149,689.50	1,144,333.85
755	Weyerhaeuser Real Estate Co.	753,369.20	751,554.26
<u>100</u>	<u>Arkansas La. Gas Co.</u>	<u>99,973.00</u>	<u>99,708.33</u>
<u>4,090</u>	<u>TOTAL BONDS</u>	<u>4,079,545.75</u>	<u>4,070,258.31</u>

Merchants National Bank - Stock Account

	<u>U.S. GOVERNMENT</u>		
1,055	U. S. Treasury Bills	1,044,829.80	1,041,554.85
<u>1,055</u>	<u>TOTAL U. S. GOVERNMENT</u>	<u>1,044,829.80</u>	<u>1,041,554.85</u>
	<u>CORPORATE & OTHER</u>		
455	General Electric Credit Corp.	455,000.00	455,000.00
287	General Motors Accept. Corp.	287,000.00	287,000.00
<u>742</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>742,000.00</u>	<u>742,000.00</u>
<u>1,797</u>	<u>TOTAL BONDS</u>	<u>1,786,829.80</u>	<u>1,783,554.85</u>

Merrill Trust Co. - Stock Account

	<u>U.S. GOVERNMENT</u>		
40	U. S. Treasury Bills	39,884.40	39,842.11
<u>40</u>	<u>TOTAL U. S. GOVERNMENT</u>	<u>39,884.40</u>	<u>39,842.11</u>
	<u>CORPORATE & OTHER</u>		
500	Sears Roebuck Accept. Corp.	500,000.00	500,000.00
467	Ford Motor Credit Co.	467,000.00	467,000.00
<u>967</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>967,000.00</u>	<u>967,000.00</u>
<u>1,007</u>	<u>TOTAL BONDS</u>	<u>1,006,884.40</u>	<u>1,006,842.11</u>

The Putnam Advisory Co., Inc. - Stock Account

<u>Par Value</u>	<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
	<u>U.S. GOVERNMENT</u>		
<u>1,100M</u>	Federal Farm Credit Banks	<u>\$ 1,099,139.00</u>	<u>\$ 1,090,444.45</u>
<u>1,100</u>	TOTAL U. S. GOVERNMENT	<u>1,099,139.00</u>	<u>1,090,444.45</u>
	<u>CORPORATE & OTHER</u>		
1,055	Ford Motor Credit Co.	1,054,383.48	1,052,763.49
1,694	General Elec. Credit Corp.	1,688,988.68	1,681,020.75
<u>384</u>	Sears Roebuck Accep. Corp.	<u>383,079.87</u>	<u>380,511.86</u>
<u>3,133</u>	TOTAL CORPORATE & OTHER	<u>3,126,452.03</u>	<u>3,114,296.10</u>
<u>4,233</u>	TOTAL BONDS	<u>4,225,591.03</u>	<u>4,204,740.55</u>
<u>85,515</u>	TOTAL BONDS ALL ACCOUNTS	<u>\$86,441,318.58</u>	<u>\$84,967,664.82</u>

MAINE STATE RETIREMENT SYSTEM

Investments - Stocks

June 30, 1977

Alliance Capital Management Corp. - No. 1

<u>Shares</u>	<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
	<u>Common Stocks</u>		
	<u>CREDIT RELATED</u>		
40,000	Farmers Group Inc.	\$ 870,000.00	\$ 823,750.00
5,000	General Reins Corp. Del.	895,000.00	761,200.00
20,000	Communications Satellite Corp. Com. Ser. 1	660,000.00	784,493.60
25,000	Wisconsin Elec. Pwr. Co.	759,375.00	718,750.00
	<u>TOTAL CREDIT RELATED</u>	<u>3,184,375.00</u>	<u>3,088,193.60</u>
	<u>CONSTRUCTION</u>		
25,300	Armstrong World Inds. Inc.	559,762.50	641,085.50
11,000	Owens Corning Fiberglas Corp.	738,375.00	663,990.00
	<u>TOTAL CONSTRUCTION</u>	<u>1,298,137.50</u>	<u>1,305,075.50</u>
	<u>ENERGY</u>		
18,400	Atlantic Richfield Co.	1,113,200.00	784,014.00
10,000	Kerr McGee Corp.	655,000.00	669,445.50
15,000	Marathon Oil Co.	789,375.00	839,734.00
25,000	Murphy Oil Corp.	928,125.00	785,916.00
13,700	Standard Oil Co. Ohio	1,215,875.00	953,286.00
20,000	Dresser Inds. Inc.	915,000.00	884,123.00
12,000	Halliburton Co.	801,000.00	715,920.00
14,000	Schlumberger Ltd.	959,000.00	837,505.00
	<u>TOTAL ENERGY</u>	<u>7,376,575.00</u>	<u>6,469,943.50</u>
	<u>CONSUMER</u>		
13,000	Whirlpool Corp.	318,500.00	372,158.00
20,000	General Mls. Inc.	590,000.00	351,314.62
44,337	Norton Simon Inc.	786,981.75	935,247.50
16,000	Eastman Kodak Co.	952,000.00	2,059,783.30
20,000	CBS Inc.	1,177,500.00	1,109,550.05
20,000	Gannett Inc.	722,500.00	632,860.11
30,000	K Mart Corp.	855,000.00	1,062,492.50
25,000	McDonalds Corp.	1,150,000.00	1,311,640.02
45,000	Revco D. S. Inc.	826,875.00	730,587.50
	<u>TOTAL CONSUMER</u>	<u>7,379,356.75</u>	<u>8,565,633.60</u>
	<u>DRUGS & MEDICAL</u>		
10,000	Johnson & Johnson	706,250.00	836,458.32
	<u>TOTAL DRUGS & MEDICAL</u>	<u>706,250.00</u>	<u>836,458.32</u>
	<u>SCIENCE & TECHNOLOGY</u>		
12,000	Burroughs Corp.	748,500.00	1,332,149.00
20,000	Digital Equip. Corp.	937,500.00	915,386.00
10,000	International Business Machs. Corp.	2,640,000.00	2,454,485.40
7,500	Texas Instrs. Inc.	674,062.50	517,068.42
	<u>TOTAL SCIENCE & TECHNOLOGY</u>	<u>5,000,062.50</u>	<u>5,219,088.82</u>
	<u>INTERMEDIATE & CAPITAL GOODS</u>		
28,500	Big Three Inds. Inc.	908,437.50	974,637.00
39,000	Boise Cascade Corp.	1,092,000.00	1,018,094.50
30,615	Georgia Pac. Corp.	956,718.75	727,988.07
35,000	Koppers Inc.	822,500.00	821,825.00
15,000	Weyerhaeuser Co.	534,375.00	411,761.16
11,000	Amax Inc.	459,250.00	370,903.24
7,800	RCA Corp.	244,725.00	249,639.00
18,000	Caterpillar Tractor Co.	1,039,500.00	799,565.50
20,000	Cooper Inds. Inc.	920,000.00	792,643.00
25,000	Deere & Co.	712,500.00	739,385.60
15,000	Boeing Co.	868,125.00	640,675.00
30,000	McDonnell Douglas Corp.	750,000.00	699,893.00
	<u>TOTAL INTERMEDIATE & CAPITAL GOODS</u>	<u>9,308,131.25</u>	<u>8,247,010.07</u>

Alliance Capital Management Corp. - No. 1 - Continued

<u>Shares</u>	<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
	<u>Common Stocks</u>		
	<u>TRANSPORTATION</u>		
12,400	Burlington Northn. Inc.	\$ 623,100.00	\$ 580,302.00
23,000	Missouri Pac. Corp.	1,104,000.00	799,153.00
20,000	Union Pac. Corp.	1,145,000.00	987,670.00
	TOTAL TRANSPORTATION	<u>2,872,100.00</u>	<u>2,367,125.00</u>
	TOTAL COMMON STOCKS	<u>37,124,988.00</u>	<u>36,098,528.41</u>

Alliance Capital Management Corp. - No. 2

	<u>Common Stocks</u>		
	<u>CREDIT RELATED</u>		
25,000	Citicorp	684,375.00	981,558.81
5,000	General Reins Corp. Del.	895,000.00	761,200.00
12,600	American Tel. & Teleg. Co.	800,100.00	597,782.70
	TOTAL CREDIT RELATED	<u>2,379,475.00</u>	<u>2,340,541.51</u>
	<u>CONSTRUCTION</u>		
25,000	Armstrong World Inds. Inc.	553,125.00	640,287.50
	TOTAL CONSTRUCTION	<u>553,125.00</u>	<u>640,287.50</u>
	<u>ENERGY</u>		
12,000	Atlantic Richfield Co.	726,000.00	523,652.67
10,000	Kerr McGee Corp.	655,000.00	654,500.00
17,800	Phillips Pete Co.	551,800.00	497,620.62
12,200	Standard Oil Co. Ohio	1,082,750.00	693,754.25
14,500	Texas Eastn. Corp.	648,875.00	726,594.30
	TOTAL ENERGY	<u>3,664,425.00</u>	<u>3,096,121.84</u>
	<u>CONSUMER</u>		
6,000	Ford Motor Co. Del.	351,564.00	431,876.98
7,100	General Mtrs. Corp.	492,562.50	561,721.49
30,000	Whirlpool Corp.	735,000.00	858,853.50
20,000	Revlon Inc.	825,000.00	758,820.00
30,750	Norton Simon Inc.	545,812.50	655,220.00
22,000	Pillsbury Co.	841,500.00	761,305.00
12,000	Eastman Kodak Co.	714,000.00	945,158.34
8,000	Philip Morris Inc.	446,000.00	361,326.19
24,000	Capital Cities Communications Inc.	1,236,000.00	813,153.56
20,000	Gannett Inc.	722,500.00	746,236.00
30,000	K Mart Corp.	855,000.00	1,011,453.40
15,000	McDonalds Corp.	690,000.00	905,634.80
16,006	Disney Walt Prodtns.	590,221.25	772,119.91
	TOTAL CONSUMER	<u>9,045,160.25</u>	<u>9,582,879.17</u>
	<u>DRUGS & MEDICAL</u>		
10,000	Johnson & Johnson	706,250.00	842,108.52
	TOTAL DRUGS & MEDICAL	<u>706,250.00</u>	<u>842,108.52</u>
	<u>SCIENCE & TECHNOLOGY</u>		
9,200	Burroughs Corp.	573,850.00	995,862.50
15,000	Digital Equip. Corp.	703,125.00	496,457.78
7,000	International Business Machs. Corp.	1,848,000.00	1,897,501.39
6,500	Texas Instrs. Inc.	584,187.50	439,923.54
17,400	Watkins Johnson Co.	424,125.00	478,394.79
	TOTAL SCIENCE & TECHNOLOGY	<u>4,133,287.50</u>	<u>4,308,140.00</u>

Alliance Capital Management Corp. - No. 2 - Continued

<u>Shares</u>	<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
	<u>Common Stocks</u>		
	<u>INTERMEDIATE & CAPITAL GOODS</u>		
16,000	Big Three Inds. Inc.	\$ 510,000.00	\$ 548,082.50
20,000	Mallinckrodt Inc.	735,000.00	913,750.00
20,000	Stauffer Chem. Co.	782,500.00	775,028.00
25,000	Boise Cascade Corp.	700,000.00	632,055.00
9,180	Georgia Pac. Corp.	286,875.00	244,311.50
6,000	Union Camp Corp.	325,500.00	212,901.10
15,000	Weyerhaeuser Co.	534,375.00	411,736.04
10,000	Amax Inc.	417,500.00	327,638.85
23,200	Bethlehem Stl. Corp.	716,300.00	784,703.61
15,150	Caterpillar Tractor Co.	874,912.50	614,140.35
10,000	Boeing Co.	578,750.00	414,900.00
25,000	McDonnell Douglas Corp.	625,000.00	598,879.00
	TOTAL INTERMEDIATE & CAPITAL GOODS	<u>7,086,712.50</u>	<u>6,478,125.95</u>
	<u>TRANSPORTATION</u>		
22,000	Missouri Pac. Corp.	<u>1,056,000.00</u>	<u>741,825.00</u>
	TOTAL TRANSPORTATION	<u>1,056,000.00</u>	<u>741,825.00</u>
	TOTAL COMMON STOCKS	<u>28,624,435.25</u>	<u>28,030,029.49</u>

Merchants National Bank

	<u>Common Stocks</u>		
	<u>CREDIT RELATED</u>		
3,000	Continental Corp.	169,500.00	150,000.00
5,000	General Tel. & Electrs. Corp.	<u>162,500.00</u>	<u>148,074.76</u>
	TOTAL CREDIT RELATED	<u>332,000.00</u>	<u>298,074.76</u>
	<u>ENERGY</u>		
8,000	Phillips Pete Co.	248,000.00	223,652.00
4,000	Pittston Co.	<u>115,500.00</u>	<u>115,445.00</u>
	TOTAL ENERGY	<u>363,500.00</u>	<u>339,097.00</u>
	<u>CONSUMER</u>		
3,000	General Mtrs. Corp.	208,125.00	237,348.00
2,000	Avon Prods. Inc.	101,000.00	91,520.00
3,000	Kraft Inc.	147,375.00	135,236.44
2,500	Reynolds R. J. Inds. Inc.	166,562.50	160,435.00
6,000	Donnelley R. R. & Sons Co.	<u>145,500.00</u>	<u>141,340.27</u>
	TOTAL CONSUMER	<u>768,562.50</u>	<u>765,879.71</u>
	<u>DRUGS & MEDICAL</u>		
5,000	Pfizer Inc.	<u>130,000.00</u>	<u>136,118.87</u>
	TOTAL DRUGS & MEDICAL	<u>130,000.00</u>	<u>136,118.87</u>
	<u>SCIENCE & TECHNOLOGY</u>		
1,000	International Business Machs. Corp.	<u>264,000.00</u>	<u>271,072.00</u>
	TOTAL SCIENCE & TECHNOLOGY	<u>264,000.00</u>	<u>271,072.00</u>
	<u>INTERMEDIATE & CAPITAL GOODS</u>		
5,000	American Cyanamid Co.	133,750.00	140,500.00
3,000	Union Carbide Corp.	146,625.00	176,293.63
7,000	Goodyear Tire & Rubr. Co.	<u>140,875.00</u>	<u>147,862.48</u>
	TOTAL INTERMEDIATE & CAPITAL GOODS	<u>421,250.00</u>	<u>464,656.11</u>
	TOTAL COMMON STOCKS	<u>2,279,312.50</u>	<u>2,274,898.45</u>

Merrill Trust Company

<u>Shares</u>	<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
<u>Common Stocks</u>			
<u>CREDIT RELATED</u>			
7,500	United States Fid. & Gty. Co.	\$ 295,312.50	\$ 252,331.38
4,000	American Tel. & Teleg. Co.	254,000.00	189,772.00
	<u>TOTAL CREDIT RELATED</u>	<u>549,312.50</u>	<u>442,103.38</u>
<u>ENERGY</u>			
4,400	Atlantic Richfield Co.	266,200.00	192,007.20
	<u>TOTAL ENERGY</u>	<u>266,200.00</u>	<u>192,007.20</u>
<u>CONSUMER</u>			
4,600	Ford Motor Co. Del.	269,532.40	331,108.00
4,000	Philip Morris Inc.	223,000.00	180,664.00
5,000	McDonalds Corp.	230,000.00	301,880.00
8,000	Warner Communications Inc.	243,000.00	218,960.00
	<u>TOTAL CONSUMER</u>	<u>965,532.40</u>	<u>1,032,612.00</u>
<u>SCIENCE & TECHNOLOGY</u>			
733	International Business Machs. Corp.	193,512.00	198,695.78
5,000	Foxboro Co.	253,125.00	224,686.72
	<u>TOTAL SCIENCE & TECHNOLOGY</u>	<u>446,637.00</u>	<u>423,382.50</u>
<u>INTERMEDIATE & CAPITAL GOODS</u>			
7,500	Big Three Inds. Inc.	239,062.50	256,912.50
6,426	Georgia Pac. Corp.	200,812.50	171,013.50
4,000	Union Camp Corp.	217,000.00	141,932.00
5,000	Amsted Inds. Inc.	280,625.00	240,975.00
	<u>TOTAL INTERMEDIATE & CAPITAL GOODS</u>	<u>937,500.00</u>	<u>810,833.00</u>
	<u>TOTAL COMMON STOCKS</u>	<u>3,165,181.90</u>	<u>2,900,938.08</u>

The Putnam Advisory Co., Inc.

<u>Common Stocks</u>			
<u>CREDIT RELATED</u>			
29,000	Citicorp	793,875.00	846,494.03
5,500	General Reins Corp. Del.	984,500.00	1,142,715.00
18,000	Safeco Corp.	843,750.00	666,097.50
20,000	American Express Co.	810,000.00	865,200.00
20,000	Duke Pwr. Co.	447,500.00	433,572.00
	<u>TOTAL CREDIT RELATED</u>	<u>3,879,625.00</u>	<u>3,954,078.53</u>
<u>CONSTRUCTION</u>			
37,000	Masco Corp.	869,500.00	1,048,705.00
36,500	American Std. Inc.	1,263,812.50	989,190.50
25,000	Ideal Basic Inds. Inc.	534,375.00	551,510.50
19,100	Walter Jim Corp.	649,400.00	783,591.60
	<u>TOTAL CONSTRUCTION</u>	<u>3,317,087.50</u>	<u>3,372,997.60</u>
<u>ENERGY</u>			
15,000	Exxon Corp.	802,500.00	785,200.00
12,000	Atlantic Richfield Co.	726,000.00	578,655.87
30,000	Occidental Pete Corp.	877,500.00	669,568.50
8,500	Union Oil Co. Calif.	462,187.50	451,712.50
10,800	Falcon Seaboard Inc.	306,450.00	242,265.00
22,500	Halliburton Co.	1,501,875.00	1,129,736.95
30,000	Mapco Inc.	1,368,750.00	945,592.68
25,000	Texas Eastn. Corp.	1,118,750.00	1,011,687.50
22,000	Texas Oil & Gas Corp.	673,750.00	535,146.50
	<u>TOTAL ENERGY</u>	<u>7,837,762.50</u>	<u>6,349,565.50</u>

The Putnam Advisory Co., Inc. - Continued

<u>Shares</u>	<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
	<u>Common Stocks</u>		
	<u>CONSUMER</u>		
20,000	General Mtrs. Corp.	\$ 1,387,500.00	\$ 1,248,490.00
10,000	Avon Prods. Inc.	505,000.00	463,700.00
25,000	Northwest Inds. Inc.	1,481,250.00	1,118,417.50
25,000	Philip Morris Inc.	1,393,750.00	1,359,234.32
30,000	K Mart Corp.	855,000.00	1,208,414.77
22,000	McDonalds Corp.	1,012,000.00	1,161,956.32
10,000	Melville Corp.	236,250.00	245,950.00
17,000	Sears Roebuck & Co.	986,000.00	1,226,964.50
	TOTAL CONSUMER	<u>7,856,750.00</u>	<u>8,033,127.41</u>
	<u>DRUGS & MEDICAL</u>		
30,000	Bristol Myers Co.	982,500.00	942,975.19
11,000	Smithkline Corp.	385,000.00	420,495.50
32,000	Baxter Travenol Labs. Inc.	1,032,000.00	1,578,207.86
15,000	Medtronic Inc.	378,750.00	640,369.15
	TOTAL DRUGS & MEDICAL	<u>2,778,250.00</u>	<u>3,582,047.70</u>
	<u>SCIENCE & TECHNOLOGY</u>		
9,000	Burroughs Corp.	561,375.00	963,913.15
10,000	Data Gen. Corp.	460,000.00	509,510.00
24,000	Digital Equip. Corp.	1,125,000.00	722,745.24
7,300	International Business Machs. Corp.	1,927,200.00	1,769,816.70
4,000	Intel. Corp.	196,000.00	197,000.00
	TOTAL SCIENCE & TECHNOLOGY	<u>4,269,575.00</u>	<u>4,162,985.09</u>
	<u>INTERMEDIATE & CAPITAL GOODS</u>		
20,000	Diamond Shamrock Corp.	640,000.00	705,625.00
15,000	Monsanto Co.	1,048,125.00	1,008,746.86
10,500	Stauffer Chem. Co.	410,812.50	453,800.00
25,000	Georgia Pac. Corp.	781,250.00	663,810.08
15,000	Great Northn. Nekoosa Corp.	416,250.00	431,330.00
20,000	Inland Stl. Co.	810,000.00	1,025,097.50
20,000	Reynolds Metals Co.	765,000.00	717,089.00
15,000	Midland Ross Corp.	489,375.00	446,391.50
10,300	Sola Basic Inds. Inc.	193,125.00	186,117.00
17,000	Cooper Inds. Inc.	782,000.00	665,050.50
11,700	Sundstrand Corp.	476,775.00	446,045.00
	TOTAL INTERMEDIATE & CAPITAL GOODS	<u>6,812,712.50</u>	<u>6,749,102.44</u>
	<u>TRANSPORTATION</u>		
25,000	Delta Air Lines Inc. Del.	893,750.00	951,881.00
	TOTAL TRANSPORTATION	<u>893,750.00</u>	<u>951,881.00</u>
	TOTAL COMMON STOCKS	<u>37,645,512.50</u>	<u>37,155,785.27</u>

The Putnam Advisory Co., Inc. - Stock Account

	<u>Preferred Stocks</u>		
800	United Technologies Corp.	140,800.00	124,880.00
	TOTAL PREFERRED STOCKS	<u>140,800.00</u>	<u>124,880.00</u>

The Putnam Advisory Co., Inc. - Bond Account

	<u>Preferred Stocks</u>		
5,000	Kansas City Power & Light Co.	581,875.00	500,000.00
	TOTAL PREFERRED STOCKS	<u>581,875.00</u>	<u>500,000.00</u>

	TOTAL STOCKS - ALL ACCOUNTS	<u>\$109,562,105.15</u>	<u>\$107,085,059.70</u>
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MAINE STATE RETIREMENT SYSTEM

Investment - Mortgages

June 30, 1977

Northeast Banks

<u>SECURITY</u>	<u>BOOK VALUE</u>
Belfast Industrial Development Corp.	\$ 15,775.76
1st Mtg. Nt. Gtd. - with Mtg. Deed 7.875% 3/1/77	
Chandler Nursing Home, Inc.	141,610.85
1st Mtg. Nt. 5.50% 11/1/87	
Farmer Home Administration	524,004.66
Inds. Lns. - 5.00% Various Maturities	
Hancock Dev. Corp. Partic. Ctf.	36,790.50
1st Mtg. Nt. 6.00% 9/1/81	
Hillcrest Manor Partic. Ctf.	64,165.24
1st Mtg. Nt. 5.25% 4/1/87	
Misc. FHA & VA 5.25% Mtges.	503,988.83
Georgia, Final Mat. 1/1/94	
Misc. FHA & VA 5.50% Mtges.	121,776.83
Georgia, Final Mat. 6/1/92	
Misc. FHA & VA 5.75% Mtges.	157,756.57
Georgia, Final Mat. 6/1/92	
Misc. FHA & VA 5.25% Mtges.	84,880.69
New Jersey, PA. & VA., Final Mat. 3/1/96	
Misc. FHA & VA 5.25% Mtges.	380,009.08
Mississippi, Final Mat. 1/1/94	
Misc. FHA & VA 5.50% Mtges.	155,333.18
Mississippi, Final Mat. 11/1/91	
Misc. FHA & VA 5.75% Mtges.	132,829.94
Mississippi, Final Mat. 9/1/91	
Misc. FHA & VA 4.50% Mtges.	15,870.72
Arizona, Final Mat. 11/1/87	
Misc. FHA & VA 5.00% Mtges.	7,842.65
Arizona, Final Mat. 11/1/87	
Misc. FHA & VA 5.75% Mtges.	257,494.00
Arizona, Final Mat. 11/1/90	
Misc. FHA & VA 5.25% Mtges.	353,278.75
North Carolina, Final Mat. 3/1/94	
Misc. FHA & VA 5.50% Mtges.	34,896.26
North Carolina, Final Mat. 2/1/92	
Misc. FHA & VA 5.75% Mtges.	272,784.75
North Carolina, Final Mat. 12/1/91	
Misc. FHA & VA 4.50% Mtges.	25,947.94
Conn., Final Mat. 1/11/86	
Misc. FHA & VA 4.50% Mtges.	74,114.38
Virginia, Final Mat. 5/1/87	
Misc. FHA & VA 5.00% Mtges	53,255.36
Virginia, Final Mat. 9/1/87	
Misc. FHA & VA 5.25% Mtges.	2,081,963.24
Virginia, Final Mat. 4/1/96	
Misc. FHA & VA 5.50% Mtges.	190,450.04
Virginia, Final Mat. 7/1/96	
Misc. FHA & VA 5.75% Mtges.	75,665.45
Virginia, Final Mat. 12/1/96	
Misc. FHA & VA 6.00% Mtges.	101,248.01
Virginia, Final Mat. 9/1/97	
Misc. FHA & VA 4.50% Mtges.	22,872.08
California, Final Mat. 2/1/86	
Misc. FHA & VA 5.00% Mtges.	5,960.87
Arkansas, Final Mat. 4/1/88	
Misc. FHA & VA 5.25% Mtges. California	1,429,003.70
New Mexico, Okla. & Texas, Final Mat. 2/1/95	
Misc. FHA & VA 5.50% Mtges.	21,682.92
Texas, Final Mat. 5/1/93	
Misc. FHA & VA 5.75% Mtges.	526,797.93
California & Texas, Final Mat. 1/1/92	

<u>SECURITY</u>	<u>BOOK VALUE</u>
Misc. FHA & VA 4.50% Mtges.	\$ 33,121.17
Florida & Georgia, Final Mat 1/1/88	
Misc. FHA & VA 5.25% Mtges.	456,318.68
Florida, Final Mat. 1/1/94	
Misc. FHA & VA 5.50% Mtges.	8,914.23
Florida, Final Mat. 5/1/92	
Misc. FHA & VA 5.75% Mtges.	97,345.78
Florida, Final Mat. 2/1/92	
Centex - Winston Corp. Purchase Leaseback	883,440.17
Rec. Area & 3.6519% undivided interest in	
Common Elements - Winston Towers 200	
Condominium	
Net Annual Rental 11.5%	
TOTAL MORTGAGES	<u>\$9,349,191.21</u>

Note: Market Value not available

<u>Northeast Bank</u>	
Insured Guaranteed Contract 9½% 12/31/80 (Unionmutual)	\$5,000,000.00
Effective Date: March 31, 1976	
Interest earned to June 30, 1977	<u>600,271.81</u>
Fund Balance at June 30, 1977	<u>\$5,600,291.81</u>

MAINE STATE RETIREMENT SYSTEM
Statement of Trust Fund Balances and
Open Accounts by Activity
June 30, 1977

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
State Employees		18,705	\$ 58,755,405.99	\$53,260,001.44	\$(8,061,751.55)	\$103,953,655.88
Teachers - Membership Service		25,235	83,064,581.03	72,262,913.68	(11,535,451.24)	143,792,043.47
Teachers - Prior Service		950	515,102.54	(91,719,086.31)	-	(91,203,983.77)
Androscoggin County	1/24/61	67	151,757.62	252,552.85	(23,220.40)	381,090.07
Androscoggin Valley Reg. Plan. Comm.	11/01/76	14	5,154.69	1,732.61	45.68	6,932.98
Aroostook County	1/01/68	65	121,115.68	288,036.32	(16,851.70)	392,300.30
Auburn	1/01/48	384	863,936.92	1,555,915.98	(134,889.97)	2,284,962.93
Auburn Housing Authority	1/01/71	9	16,554.10	24,982.77	(785.67)	40,751.20
Auburn Public Library	7/01/50	6	25,522.60	119,490.78	(9,696.24)	135,317.14
Auburn Sewerage District	10/01/53	11	24,529.04	71,638.59	(4,051.95)	92,115.68
Auburn Urban Renewal Authority	3/01/69	-	-	-	(1,479.12)	(1,479.12)
Auburn Water District	10/01/53	16	38,688.67	204,691.72	(12,953.19)	230,427.20
Augusta	10/01/47	358	1,163,184.00	1,253,238.10	(122,933.59)	2,293,488.51
Augusta Sanitary District	1/04/60	28	74,852.11	87,225.24	(6,486.68)	155,590.67
Augusta Water District	7/01/49	24	115,737.29	159,656.71	(19,841.96)	255,552.04
Baileyville	4/01/61	25	45,080.32	52,177.26	(5,568.63)	91,688.95
Bangor	7/01/47	964	2,865,850.71	3,103,680.45	(321,820.24)	5,647,710.92
Bangor Public Library	7/01/47	37	108,204.47	273,473.25	(30,369.34)	351,308.38
Bangor Water District	5/21/57	28	103,091.98	136,514.85	(17,648.86)	221,957.97
Bar Harbor	4/01/46	55	139,541.46	308,682.94	(27,638.59)	420,585.81
Bath	4/01/63	153	394,527.29	799,249.33	(52,270.63)	1,141,505.99
Bath Water District	12/01/46	12	58,257.36	135,405.35	(11,153.81)	182,508.90
Belfast	7/01/49	40	84,339.58	120,702.01	(13,863.09)	191,178.50
Belfast Water District	7/01/69	6	22,676.90	37,740.28	(2,032.27)	58,384.91
Berwick	4/01/68	13	24,333.14	23,579.28	(2,323.23)	45,589.19
Berwick Sewer District	11/04/74	6	5,965.32	975.06	52.93	6,993.31
Biddeford	1/01/72	237	344,839.63	254,290.48	(13,598.97)	585,531.14
Bingham Water District	1/01/72	5	886.01	13,757.61	(226.86)	14,416.76
Boothbay-Boothbay Harbor C.S.D.	7/01/74	4	5,875.47	9,065.07	82.51	15,023.05
Boothbay Harbor	3/01/71	22	32,057.00	26,995.32	(1,503.96)	57,548.36
Boothbay Harbor Water District	7/01/47	5	14,740.10	49,134.16	(4,715.78)	59,158.48

	Date Entered	Number of	Members	Retirement	Reserve Against	Total Trust
	System	Open Accounts	Contribution Fund	Allowance Fund	Future Losses (Net Losses)	Reserves
Bradford	4/01/74	3	3,178.12	1,354.61	9.16	4,541.89
Brewer	1/02/60	145	264,332.06	229,785.97	(19,244.40)	474,873.63
Brewer Water District	5/01/61	7	35,805.72	56,859.69	(5,798.93)	86,866.48
Bridgton	3/01/73	22	23,403.15	32,057.07	(713.39)	54,746.83
Brownville	4/05/73	10	8,678.96	6,322.49	(199.04)	14,802.41
Brunswick	7/01/50	239	576,023.39	1,023,023.73	(83,906.74)	1,515,140.38
Brunswick Sewer District	1/01/63	8	16,528.53	45,347.69	(3,586.81)	58,289.41
Bucksport	7/01/69	64	90,806.38	128,413.44	(7,863.64)	211,356.18
Calais	7/01/49	94	131,052.61	224,723.09	(18,510.96)	337,264.74
Camden	4/01/44	38	92,038.99	116,447.70	(12,220.50)	196,266.19
Cape Elizabeth	4/01/66	127	209,024.93	262,912.80	(17,899.32)	454,038.41
Caribou - Fire & Police	5/01/75	20	20,631.04	21,755.96	329.65	42,716.65
Chevrus High School	11/01/74	15	16,120.87	18,137.91	185.63	34,444.41
China	3/05/77	2	338.65	155.60	3.42	497.67
Community School District #915	7/01/76	16	2,608.34	1,994.82	30.31	4,633.47
Corinna	4/01/75	6	6,657.74	16,950.02	228.90	23,836.66
Cranberry Isles	3/01/71	5	888.43	4,063.05	(231.05)	4,720.43
Cumberland County	1/01/44	88	169,470.38	317,521.07	(32,670.10)	454,321.35
Cumberland	10/01/74	27	27,036.11	8,951.91	329.62	36,317.64
Damariscotta	1/01/74	2	2,111.85	2,101.87	(53.69)	4,160.03
Dexter	3/01/67	19	24,294.10	66,691.51	(5,567.93)	85,417.68
Dixfield	4/01/74	16	16,052.49	16,128.50	(51.44)	32,129.55
Dover-Foxcroft	7/01/72	32	40,766.37	42,602.49	(741.73)	82,627.13
Dover-Foxcroft Water District	5/01/70	2	6,392.33	7,411.91	(426.07)	13,378.17
East Millinocket	1/01/56	42	172,653.04	200,006.12	(21,139.53)	351,519.63
Eliot	4/01/73	13	15,021.19	21,815.73	(244.65)	36,592.27
Ellsworth	1/01/46	142	174,550.66	229,339.67	(21,431.75)	382,458.58
Exeter	10/01/71	1	340.68	4,201.81	(143.36)	4,399.13
Falmouth	5/01/66	80	196,848.59	177,358.46	(17,843.70)	356,363.35
Falmouth Memorial Library	1/01/57	2	6,955.86	11,118.39	(929.92)	17,144.33
Farmington	4/01/67	33	74,055.95	113,164.79	(5,489.81)	181,730.93
Farmington Village Corp.	9/01/68	4	6,686.01	19,379.72	(1,242.80)	24,822.93
Fort Fairfield	7/01/46	35	71,062.65	143,218.18	(9,133.50)	205,147.33
Fort Fairfield Utilities District	4/01/69	6	7,768.39	28,208.47	(2,161.43)	33,815.43
Fort Kent	1/01/67	18	39,848.10	61,543.24	(3,932.23)	97,459.11
Franklin County	7/01/67	33	50,439.37	110,215.12	(8,056.52)	152,597.97
Freeport	9/01/70	32	56,066.43	45,737.18	(2,776.37)	99,027.24
Frenchville	7/01/74	2	2,929.51	10,378.58	89.07	13,397.16

	Date Entered	Number of	Members	Retirement	Reserve Against	Total Trust
	System	Open Accounts	Contribution Fund	Allowance Fund	Future Losses (Net Losses)	Reserves
Fryeburg	5/01/71	1	2,951.87	4,775.71	(240.57)	7,487.01
Gardiner	9/01/47	54	167,151.81	276,514.21	(25,653.06)	418,012.96
Gardiner Water District	1/01/76	12	9,858.42	6,514.72	132.60	16,505.74
Garland	7/01/71	2	836.89	7,956.05	(166.43)	8,626.51
Glenburn	4/01/72	4	2,513.56	7,792.46	(228.47)	10,077.55
Gorham	9/01/69	51	96,443.25	50,161.97	(3,748.18)	142,857.04
Gould Academy	1/01/75	9	7,200.71	39,483.99	(227.66)	46,457.04
Greater Portland Council of Governments	7/01/74	35	57,727.91	56,965.17	636.90	115,329.98
Greater Portland Public Development Comm.	1/01/62	7	55,454.06	103,282.89	(13,746.28)	144,990.67
Greenville	5/01/68	9	14,355.06	15,001.30	(864.59)	28,491.77
Hallowell	4/01/72	11	14,744.31	15,179.93	(831.22)	29,093.02
Hampden	6/01/71	22	58,535.21	64,625.84	(2,926.04)	120,235.01
Hampden Water District	6/01/70	4	7,539.62	2,892.42	(258.86)	10,173.18
Hancock County	1/01/57	44	78,828.97	227,948.79	(17,078.58)	289,699.18
Heron	5/01/71	30	27,563.10	25,902.14	(1,534.50)	51,930.74
Hodgdon	4/01/75	6	3,308.53	8,149.24	100.21	11,557.98
Houlton	1/01/45	72	194,403.38	435,115.79	(40,679.92)	588,839.25
Houlton Water District	1/01/48	30	225,264.51	292,467.12	(32,883.88)	484,847.75
Howland	11/01/76	3	777.58	417.70	8.11	1,203.39
Indian Township Passamaquoddy R.H.A.	1/01/73	9	5,179.77	19,415.76	39.26	24,634.79
Jackman Water District	3/01/76	1	848.42	2,107.52	22.52	2,978.46
Jay	10/01/50	58	86,650.76	100,436.98	(9,077.49)	178,010.25
Kennebec County	7/01/51	95	126,634.92	265,710.24	(22,079.75)	370,265.41
Kennebec Sanitary Treatment District	10/01/75	13	4,011.23	11,821.64	163.91	15,996.78
Kennebec Water District	1/01/49	32	75,981.26	67,849.66	(10,164.51)	133,666.41
Kennebunk	4/01/66	39	53,809.48	91,080.90	(6,717.70)	138,172.68
Kennebunk Light & Power	8/30/59	10	50,146.80	157,106.06	(12,966.13)	194,286.73
Kennebunk Sewer District	8/01/74	1	1,563.94	5,064.09	24.02	6,652.05
Kennebunkport	9/01/73	33	31,436.94	72,662.90	(550.10)	103,549.74
Kittery	4/01/46	63	161,270.77	264,235.83	(16,505.47)	409,001.13
Kittery Water District	2/01/46	17	42,020.08	131,651.12	(11,721.52)	161,949.68
Knox County	3/01/49	18	40,167.96	158,069.67	(14,053.79)	184,183.84
Lebanon	3/10/73	10	4,859.29	16,051.53	(177.49)	20,733.33
Lewiston	7/01/51	593	1,784,384.59	2,546,293.45	(204,254.75)	4,126,423.29
Lewiston-Auburn Water Pol. C.A.	3/01/72	20	25,971.87	32,280.91	(165.83)	58,086.95
Lewiston Housing Authority	4/01/71	24	16,140.57	14,897.84	(316.89)	30,721.52
Limestone Water & Sewer District	7/01/74	5	6,208.45	5,135.14	34.21	11,377.80
Lincoln	4/01/64	42	92,911.62	124,975.91	(9,284.99)	208,602.54

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
Lincoln Academy	9/01/69	6	8,453.12	3,130.83	(260.03)	11,323.92
Lincoln County	1/01/67	34	57,798.06	114,954.63	(5,806.59)	166,946.10
Lincoln Sanitary District	9/01/75	3	2,876.54	898.24	33.86	3,808.64
Lincoln Water District	1/01/74	3	6,513.50	8,753.30	15.10	15,281.90
Linneus	4/01/75	2	1,029.42	1,662.93	24.08	2,716.43
Lisbon	1/01/68	90	112,314.13	193,410.31	(7,339.43)	298,385.01
Livermore Falls	4/01/68	24	33,431.68	51,475.30	(2,420.78)	82,486.20
Livermore Falls Water District	3/01/49	4	26,345.42	30,459.93	(2,698.76)	54,106.59
Lubec	3/01/76	5	2,841.40	1,643.90	34.50	4,519.80
Lubec Water & Electric	7/01/66	10	16,354.77	70,521.82	(4,556.88)	82,319.71
Madawaska	9/01/65	28	73,280.13	71,247.03	(5,621.53)	138,905.63
Madawaska Water District	4/01/77	3	383.63	136.19	3.42	523.24
Maine County Commissioners Association	1/01/76	3	1,766.69	544.25	15.37	2,326.31
Maine Housing Authority	6/20/72	39	51,227.86	19,109.86	(1,698.46)	68,639.26
Maine Maritime Academy	7/01/59	166	438,230.91	986,225.04	(60,001.38)	1,364,454.57
Maine Municipal Association	11/05/56	36	71,803.03	70,633.48	(7,665.24)	134,771.27
Maine Municipal Bond Bank	10/01/73	2	2,783.83	7,694.45	40.42	10,518.70
Maine-New Hampshire Bridge Authority	8/01/50	8	45,517.20	130,559.40	(13,299.72)	162,776.88
Maine Turnpike Authority	9/01/52	285	930,448.90	1,819,699.18	(155,108.22)	2,595,039.86
Maine Vocational Region #7	2/01/76	8	1,937.83	1,476.95	32.03	3,446.81
Mars Hill	5/01/76	4	2,860.50	2,206.81	37.66	5,104.97
Mechanic Falls	4/01/68	20	29,334.08	31,390.89	(2,387.67)	58,337.30
Medway	3/01/74	12	9,484.55	8,263.98	84.88	17,833.41
Mexico	3/01/63	24	62,449.01	46,988.47	(5,449.91)	103,987.57
Milford	7/01/73	6	5,154.16	6,705.47	(64.68)	11,794.95
Millinocket	7/01/43	77	257,606.71	384,019.80	(27,566.49)	614,060.02
Milo	1/01/68	18	26,810.17	78,476.41	(3,461.65)	101,824.93
Monson	7/01/73	3	3,583.07	2,042.35	(36.69)	5,588.73
Mount Desert	4/01/46	34	94,899.38	221,859.23	(17,777.28)	298,981.33
Mount Desert Regional School District	8/01/68	19	19,783.16	28,186.85	(1,950.20)	46,019.81
Naples	5/01/70	1	2,428.99	4,950.25	(239.72)	7,139.52
New Canada Plantation	11/01/72	2	992.58	442.40	9.82	1,444.80
New Gloucester	4/01/75	12	8,454.43	6,792.67	120.05	15,367.15
Norway	4/01/69	19	43,917.44	72,411.63	(5,034.60)	111,294.47
Norway Water District	5/01/70	3	12,110.72	7,217.52	(612.38)	18,715.86
Old Orchard Beach	7/01/70	63	148,829.06	187,429.79	(7,085.95)	329,172.90
Old Town	1/01/68	142	238,747.38	307,654.92	(24,250.05)	522,152.25
Old Town Water District	1/01/65	7	29,365.41	45,382.04	(3,437.21)	71,310.24
Orland	1/01/72	15	7,273.16	37,391.73	(72.93)	44,591.96

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
Orono	7/01/59	59	136,079.47	171,405.32	(17,397.92)	290,086.87
Orrington	5/01/75	25	10,064.42	3,735.05	114.63	13,914.10
Otisfield	10/01/73	5	796.36	1,107.73	(6.77)	1,897.32
Oxford	9/01/74	3	3,794.45	10,396.46	41.90	14,232.81
Oxford County	7/01/57	57	76,488.54	181,656.22	(14,169.04)	243,975.72
Paris	4/01/69	16	33,704.54	47,796.38	(2,676.47)	78,824.45
Paris Utilities District	1/01/72	15	17,473.49	27,711.17	(507.95)	44,676.71
Penobscot County	1/01/45	98	114,089.29	450,127.14	(26,613.81)	537,602.62
Phippsburg	7/01/74	5	2,100.02	3,063.67	16.10	5,179.79
Piscataquis County	1/01/69	52	51,723.78	35,412.40	(3,593.87)	83,542.31
Pittsfield	5/02/68	36	29,195.66	50,470.42	(3,446.58)	76,219.50
Pleasant Point Passamaquoddy R.H.A.	1/01/72	87	19,617.55	7,060.69	(129.48)	26,548.76
Portland	3/01/43	1,719	4,569,009.76	2,640,943.82	(462,793.54)	6,747,160.04
Portland Housing Authority	7/01/73	35	75,436.54	92,058.61	(772.69)	166,722.46
Portland Public Library	5/01/50	51	156,197.32	291,814.82	(20,530.60)	427,481.54
Portland Renewal Authority	10/01/55	11	57,459.90	121,655.25	(11,281.40)	167,833.75
Presque Isle	1/01/43	102	391,576.67	405,950.64	(39,915.02)	757,612.29
Readfield	2/24/75	3	1,614.03	667.59	15.98	2,297.60
Richmond	5/01/75	13	6,116.44	3,913.27	92.84	10,122.55
Rockland	11/01/46	84	212,281.83	437,514.70	(32,953.04)	616,843.49
Rockport	4/01/72	13	21,709.60	22,907.13	(1,287.94)	43,328.79
Rumford	4/01/65	156	275,007.34	317,178.87	(27,685.68)	564,500.53
Rumford - Fire & Police	2/10/58	28	134,200.14	359,644.87	(24,121.77)	469,723.24
Rumford Water District	4/01/60	5	32,894.38	64,025.84	(6,092.08)	90,828.14
Sabattus	1/01/73	20	19,969.66	15,554.38	(289.83)	35,234.21
Saco	12/31/73	126	175,855.78	313,562.86	(666.62)	488,752.02
Sagadahoc County	1/01/67	26	33,071.64	124,739.27	(7,097.89)	150,713.02
St. Agatha	7/01/74	6	3,615.00	7,862.16	51.30	11,528.46
Sanford	1/01/66	206	427,536.12	512,755.72	(41,152.29)	899,139.55
Sanford Housing Authority	6/01/71	7	10,790.60	5,929.69	(316.68)	16,403.61
Sanford Sewerage District	11/01/66	11	16,155.02	54,227.02	(3,576.62)	66,805.42
Sanford Water District	11/01/72	17	28,935.29	30,735.94	(875.94)	58,795.29
Scarborough	5/01/71	110	161,574.83	208,341.99	(8,080.57)	361,836.25
School Administrative District # 2	3/05/73	4	5,526.22	11,516.60	(436.35)	16,606.47
School Administrative District # 9	9/01/68	45	105,170.77	58,890.14	(7,213.09)	156,847.82
School Administrative District #13	2/01/76	11	4,526.81	7,801.88	99.98	12,428.67
School Administrative District #16	10/01/73	19	12,961.01	43,181.62	(311.94)	55,830.69
School Administrative District #21	7/01/75	9	7,215.41	5,459.17	120.24	12,794.82

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	Date Entered	Number of	Members	Retirement	Reserve Against	Total Trust
	System	Open Accounts	Contribution Fund	Allowance Fund	Future Losses (Net Losses)	Reserves
School Administrative District #28	12/02/64	-	-	6,203.39	(396.19)	5,807.20
School Administrative District #29	9/01/72	16	19,743.40	30,742.05	(671.64)	49,813.81
School Administrative District #31	7/01/74	35	24,174.67	42,993.08	182.95	67,350.70
School Administrative District #34	4/18/64	142	83,826.14	107,158.76	(9,753.16)	181,231.74
School Administrative District #41	10/01/70	64	56,820.09	89,451.70	(2,640.60)	143,631.19
School Administrative District #49	4/01/73	26	24,613.45	39,018.06	(691.98)	62,939.53
School Administrative District #51	7/01/74	44	25,775.96	9,823.73	118.96	35,718.65
School Administrative District #53	9/15/69	14	14,084.03	18,986.78	(1,392.27)	31,678.54
School Administrative District #54	5/01/68	34	50,556.85	86,418.77	(5,047.63)	131,923.99
School Administrative District #56	7/01/75	11	10,252.58	13,966.31	222.29	24,441.18
School Administrative District #60	7/01/73	78	30,893.64	37,190.54	(421.87)	67,662.31
School Administrative District #66	12/01/67	1	981.14	53,626.74	(3,733.71)	50,874.17
School Administrative District #67	7/01/68	94	65,382.32	75,198.30	(3,735.34)	136,845.28
School Administrative District #71	5/01/69	71	83,708.27	84,763.54	(7,336.85)	161,134.96
Searsport	4/01/68	11	19,118.95	21,206.30	(1,519.71)	38,805.54
Searsport Water District	1/01/69	4	9,423.08	12,672.86	(800.80)	21,299.14
Skowhegan	4/01/65	55	97,706.62	126,653.59	(10,220.34)	214,139.87
Somerset County	7/10/67	54	48,175.52	100,256.96	(5,953.72)	142,478.76
South Berwick	7/01/70	22	24,177.22	20,705.55	(1,262.25)	43,620.52
South Berwick Water District	11/01/72	2	3,294.29	5,186.12	(36.13)	8,444.28
South Portland	9/01/44	379	1,249,317.54	1,492,312.51	(156,881.98)	2,584,748.07
South Portland Housing Authority	1/01/75	5	2,409.06	2,687.81	31.89	5,128.76
Southern Kennebec Valley Reg. P.C.	1/01/70	9	18,526.13	8,550.84	(719.91)	26,357.06
State Principals Association	8/07/67	4	20,008.29	64,901.69	(151.65)	84,758.33
Thomaston	5/01/72	17	20,742.20	28,277.38	(606.41)	48,413.17
Topsham	3/01/65	19	27,071.02	63,879.57	(3,851.38)	87,099.21
Van Buren	6/01/73	9	7,494.92	7,490.56	(101.95)	14,883.53
Van Buren Housing Authority	7/01/76	3	2,282.56	3,616.50	38.85	5,937.91
Vassalboro	7/01/71	8	5,826.91	17,752.98	(305.34)	23,274.55
Waldoboro	6/01/74	16	20,640.55	22,806.52	81.81	43,528.88
Waldo County	1/01/51	37	59,613.16	143,164.06	(12,811.57)	189,965.65
Wallagrass Plantation	4/01/72	3	1,033.79	2,590.74	(76.35)	3,548.18
Washburn	9/01/76	8	3,137.66	2,301.87	35.86	5,475.39
Washington County	1/01/50	431	49,147.31	169,700.97	(11,768.27)	207,080.01
Waterville - Fire & Police	2/01/61	46	344,625.91	309,068.13	(31,738.38)	621,955.66
Waterville Sewerage District	10/01/75	9	6,830.64	8,324.48	132.10	15,287.22
Waterville Urban Renewal Authority	4/01/74	1	5,416.97	5,690.89	36.53	11,144.39
Wells	1/01/68	92	127,912.25	183,485.77	(9,449.00)	301,949.02

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	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
Westbrook	3/01/69	108	245,009.21	327,827.44	(17,638.14)	555,198.51
Westbrook - Fire & Police	1/01/62	55	232,538.86	356,437.35	(20,292.54)	568,683.67
Wilton	5/01/66	31	39,181.40	45,270.71	(3,263.56)	81,188.55
Winslow	9/01/70	65	45,558.44	39,009.86	(1,571.80)	82,996.50
Winthrop	5/01/73	47	50,005.33	59,561.48	(747.85)	108,818.96
Yarmouth	4/01/68	107	149,350.54	270,925.94	(12,346.89)	407,929.59
York	7/01/48	36	79,316.64	101,198.78	(8,592.06)	171,923.36
York County	10/01/49	71	129,002.88	250,356.05	(20,358.99)	358,999.94
York Sewer District	5/01/70	6	16,951.21	35,441.27	(1,156.88)	51,235.60
York Water District	10/01/49	6	11,530.40	135,190.56	(8,996.34)	137,724.62
Survivor Benefit - Consolidated	\$8,511,430.66				(415,013.00)	8,096,417.66
Adjustments:						
Accrued Interest Distributed				(1,786,839.49)		(1,786,839.49)
TOTALS	<u>\$8,511,430.66</u>	<u>57,364</u>	<u>\$169,475,662.15</u>	<u>\$68,289,841.21</u>	<u>(\$23,139,961.79)</u>	<u>\$223,136,972.23</u>

MAINE STATE RETIREMENT SYSTEM
ANALYSIS OF CHANGES IN TRUST FUND RESERVES
YEAR ENDING JUNE 30, 1977

Balance July	\$198,994,587.43
Adjustment of Balance Forward	27,700.39
	199,022,287.82

ADDITIONS:

<u>Contributions:</u>	
General Fund, State Employees & U of M	\$ 6,027,708.29
General Fund, Contributory Teachers	20,824,549.00
General Fund, Non-Contributory Teachers	422,214.00
Highway Funds	3,871,301.90
Special Revenue Funds	3,179,402.75
Enterprise Funds	351,649.05
Intragovernmental Service Funds	349,700.97
All Other State Funds	34,093.85
Total State Contributions	\$35,060,619.81
Participating Districts	9,279,416.98
Individuals	25,890,129.33
Total Contributions	70,230,166.12
Net Income From Investments	14,322,236.03
TOTAL ADDITIONS	84,552,402.15

DEDUCTIONS:

<u>Retirement Allowance Paid</u>	<u>Number</u>	
Council Order	4	3,082.80
Legislative Resolves	13	38,318.54
Retirement Full Benefits	6037	19,811,396.52
Ordinary Disability	244	737,505.85
Option I	1565	4,777,451.88
Option II	1152	3,620,103.76
Option III	1490	6,787,258.14
Option IV	183	812,364.52
Option II - Beneficiary	285	551,015.94
Automatic Option II - Beneficiary	426	934,516.19
Option III - Beneficiary	350	469,884.46
Option IV - Beneficiary	77	159,463.93
Automatic Option IV - Beneficiary	70	70,769.76
Service Incurred Disability	103	430,972.04
Service Incurred Death - P&F	6	26,066.36
15-Year Teachers	172	170,477.25
10-Year Vested Right	931	1,209,457.59
Service Incurred Death - Sheriffs & Deputies	3	16,598.52
20-Year Teachers	39	37,140.30
Law Enforcement Officers - Marine Resources	18	86,274.54
Fish & Wildlife	56	269,556.06
State Police	100	511,635.50
25-Year Service-Age 55	15	61,515.23
Forest Rangers	3	13,128.10
Fire Fighters & Police		
Spec. Prov. - Sec. 1121	7	45,313.79
Spec. Prov. - Sec. 1092	18	86,387.23
Benefits by P & S Laws	69	108,368.22
Prison Guards - Section 1121		
Sub-Section 2-F	10	47,188.68
		41,893,211.70

Retirement Allowance Adjustment Paid

Council Order	5,477.68
Legislative Resolves	5,279.86
Retirement Full Benefits	5,907,572.62
Ordinary Disability	120,576.12
Option I	1,881,934.28
Option II	684,636.94
Option III	1,595,651.34
Option IV	239,020.75

Analysis of Changes in Trust Fund Reserves - continued

DEDUCTIONS:

Retirement Allowance Adjustment Paid - Cont'd

Option II - Beneficiary	222,405.17	
Automatic Option II - Beneficiary	373,510.26	
Option III - Beneficiary	259,252.81	
Option IV - Beneficiary	47,933.36	
Automatic Option IV - Beneficiary	34,034.06	
Service Incurred Disability	109,292.52	
Service Incurred Death - P & F	9,106.08	
15-Year Teachers	84,471.35	
10-Year Vested Right	328,979.87	
Service Incurred Death -		
Sheriffs & Deputies	5,225.76	
20-Year Teachers	22,203.06	
Law Enforcement Officers -		
Marine Resources	17,739.14	
Fish & Wildlife	60,757.74	
State Police	94,921.42	
25-Year Service - Age 55	21,025.35	
Forest Rangers	1,786.81	
Fire Fighters & Police		
Spec. Prov. - Sec. 1121	8,931.22	
Spec. Prov. - Sec. 1092	14,702.42	
Benefits by P & S Laws	12,954.29	
Prison Guards - Sec. 1121		
Sub-Section 2-F	6,932.79	
		12,176,315.07

Survivor Benefits

Number

Accidental Death -		
Service Incurred	11	24,693.18
Spouse - Age 60	233	331,272.13
Spouse - 10-Year Clause	172	251,259.44
Spouse - Children	171	497,123.56
Children	64	122,540.15
Parents	23	38,807.20
		1,265,695.66

Refunds

To Former Members	4,758,455.54	
To Beneficiary of Deceased Members	193,495.16	
To Survivor of a Disability Pensioner	8,778.87	
To Beneficiary of Deceased - Option I	132,199.50	
		5,092,929.07

Other Deductions

Other Charges to General Ledger	9,566.24	
		9,566.24

TOTAL DEDUCTIONS 60,437,717.74

BALANCE JUNE 30 \$223,136,972.23

MAINE STATE RETIREMENT SYSTEM
RETIREMENT ALLOWANCE PAYROLL
June 30, 1977 and 1976

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1977	June 1976		June 1977	June 1976		June 1977	June 1976
State Employees	5035	4735	300	\$1,588,036.27	\$1,374,552.55	\$213,483.72	\$315.40	\$290.30
Teachers - Contributory	4063	3737	326	1,750,095.05	1,485,850.70	264,244.35	430.74	397.61
Teachers - Non-Contributory	2103	2213	(110)	720,903.63	699,745.76	21,157.87	342.80	316.20
Teachers - Retired Prior to 1947	13	17	(4)	3,412.36	4,163.23	(750.87)	262.49	244.90
Androscoggin County	32	25	7	4,552.47	3,561.18	991.29	142.26	142.45
Aroostook County	13	12	1	2,368.95	2,457.53	(88.58)	182.23	204.79
Auburn	60	59	1	11,693.48	10,867.42	826.06	194.89	184.19
Auburn Public Library	5	5	-	865.40	865.40	-	173.08	173.08
Auburn Sewer District	4	4	-	807.41	749.69	57.72	201.85	187.42
Auburn Water District	7	8	(1)	2,156.46	2,283.37	(126.91)	308.07	285.42
Augusta	65	64	1	20,309.51	18,499.62	1,809.89	312.45	289.06
Augusta Sanitary District	5	3	2	1,028.27	328.55	699.72	205.65	109.52
Augusta Water District	9	9	-	3,579.09	3,323.22	255.87	397.68	369.25
Baileyville	4	5	(1)	798.19	984.72	(186.53)	199.55	196.94
Bangor	169	145	24	53,812.58	38,428.30	15,384.28	318.42	265.02
Bangor Public Library	20	21	(1)	6,271.08	6,058.80	212.28	313.55	288.51
Bangor Water District	12	11	1	2,392.06	2,028.35	363.71	199.34	184.40
Bar Harbor	14	13	1	2,985.58	2,239.25	746.33	213.26	172.25
Bath	49	44	5	16,572.98	14,834.51	1,738.47	338.22	337.15
Bath Water District	4	4	-	1,352.80	1,256.09	96.71	338.20	314.02
Belfast	9	8	1	781.48	538.64	242.84	86.83	67.33
Berwick	1	1	-	205.73	205.73	-	205.73	205.73
Biddeford	26	25	1	4,933.40	4,121.13	812.27	189.75	164.85
Bingham Water District	2	2	-	135.91	135.91	-	67.96	67.96
Boothbay Harbor	1	1	-	86.80	86.80	-	86.80	86.80
Boothbay Harbor Water District	4	5	(1)	470.74	556.40	(85.66)	117.69	111.28
Brewer	8	4	4	1,099.41	741.71	357.70	137.43	185.43
Brewer Water District	2	2	-	387.42	387.42	-	193.71	193.11
Bridgton	1	2	(1)	204.95	270.67	(65.72)	204.95	135.34
Brunswick	61	56	5	11,698.10	10,042.64	1,655.46	191.77	179.33
Brunswick Sewer District	1	1	-	44.12	44.12	-	44.12	44.12

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1977	June 1976		June 1977	June 1976		June 1977	June 1976
Bucksport	7	2	5	468.95	96.06	372.89	66.99	48.03
Calais	17	16	1	1,529.41	1,266.98	262.43	89.97	79.19
Camden	10	9	1	1,047.45	947.01	100.44	104.75	105.22
Cape Elizabeth	29	26	3	2,677.71	2,472.62	205.09	92.33	95.10
Chevrus High School	1	0	1	140.42	--	140.42	140.42	--
Corinna	1	0	1	102.10	--	102.10	102.10	--
Cranberry Isle	2	2	--	138.38	138.38	--	69.19	69.16
Cumberland County	30	30	--	6,130.26	5,600.08	530.18	204.34	186.67
Dexter	8	7	1	1,265.13	877.03	388.10	158.14	125.29
Dover-Foxcroft	2	1	1	84.88	7.64	77.24	42.44	7.64
East Millinocket	14	12	2	3,222.01	2,246.08	975.93	230.14	187.17
Eliot	1	0	1	236.20	--	236.20	236.20	--
Ellsworth	13	12	1	1,461.17	1,328.15	133.02	112.40	110.68
Exeter	1	0	1	87.53	--	87.53	87.53	--
Falmouth	17	13	4	2,799.79	1,802.80	996.99	164.69	138.68
Falmouth Memorial Library	1	1	--	100.00	100.00	--	100.00	100.00
Farmington	3	3	--	894.33	830.39	63.94	298.11	276.80
Farmington Village Corporation	1	1	--	104.07	104.07	--	104.07	104.07
Fort Fairfield	6	6	--	1,102.84	1,097.52	5.32	183.81	182.92
Fort Fairfield Utilities District	1	1	--	369.78	369.78	--	369.78	369.78
Fort Kent	2	1	1	559.71	194.68	365.03	279.86	194.68
Franklin County	11	8	3	1,221.12	728.77	492.35	111.01	91.10
Freeport	3	1	2	304.97	109.59	195.38	101.66	109.59
Gardiner	11	11	--	1,863.16	1,863.16	--	169.38	169.38
Garland	1	0	1	276.18	--	276.18	276.18	--
Glenburn	1	1	--	90.17	90.17	--	90.17	90.17
Greater Portland Public Development Commission	6	6	--	2,562.60	2,379.37	183.23	427.10	396.56
Greenville	1	1	--	36.49	36.49	--	36.49	36.49
Hampden	4	3	1	524.81	304.43	220.38	131.20	101.48
Hancock County	12	12	--	1,700.58	1,621.02	79.56	141.72	135.09
Heron	1	1	--	67.10	67.10	--	67.10	67.10
Houlton	18	18	--	2,939.17	3,023.96	(84.79)	163.29	168.00
Houlton Water District	10	10	--	3,476.90	3,374.45	102.45	347.69	337.45
Jay	9	9	--	403.56	456.90	(53.34)	44.84	50.77
Kennebec County	19	19	--	2,613.71	2,425.67	188.04	137.56	127.67
Kennebec Water District	9	9	--	2,006.62	1,863.15	143.47	222.96	207.02
Kennebunk	8	8	--	676.50	676.50	--	84.56	84.56
Kennebunk Light & Power	10	10	--	2,163.86	2,049.93	113.93	216.39	204.99

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1977	June 1976		June 1977	June 1976		June 1977	June 1976
Kennebunkport	4	2	2	592.57	349.91	242.66	148.14	174.96
Kittery	9	8	1	2,172.32	1,475.16	697.16	241.37	184.40
Kittery Water District	5	5	-	2,138.95	1,986.02	152.93	427.79	397.20
Knox County	15	15	-	2,527.27	2,346.58	180.69	168.48	156.44
Lewiston	97	85	12	22,484.67	17,149.23	5,335.44	231.80	201.76
Lincoln	5	4	1	1,150.14	690.40	459.74	230.03	172.60
Lincoln County	6	5	1	670.05	400.79	269.26	111.68	80.16
Lisbon	7	6	1	1,078.69	808.90	269.79	154.10	134.82
Livermore Falls	3	2	1	345.62	232.84	112.78	115.21	116.42
Livermore Falls Water District	1	1	-	319.77	296.91	22.86	319.77	296.91
Lubec Water & Electric	3	2	1	700.14	343.10	357.04	233.38	171.55
Madawaska	6	5	1	1,116.63	993.23	123.40	186.11	198.65
Maine Maritime Academy	30	28	2	5,534.90	4,205.36	1,329.54	184.50	150.19
Maine Municipal Association	2	1	1	754.82	179.12	575.70	377.41	179.12
Maine-New Hampshire Bridge Authority	6	6	-	1,541.65	1,431.42	110.23	256.94	238.57
Maine Turnpike Authority	84	73	11	18,046.43	15,713.34	2,333.09	214.84	215.25
Medway	3	3	-	232.44	232.44	---	77.48	77.48
Mexico	3	3	-	445.35	456.93	(11.58)	148.45	152.31
Millinocket	19	17	2	8,002.19	6,934.78	1,067.41	421.17	407.93
Milo	5	6	(1)	1,012.43	1,119.97	(107.54)	202.49	131.70
Mount Desert	9	9	-	1,465.69	1,284.82	180.87	162.85	142.76
Mount Desert Island Regional School District	1	1	-	17.60	14.66	2.94	17.60	14.66
New Canada Plantation	1	1	-	80.00	80.00	---	80.00	80.00
Norway	6	3	3	1,045.83	347.04	698.79	174.31	115.68
Old Orchard Beach	10	9	1	2,252.08	1,710.88	541.20	225.21	190.10
Old Town	15	14	1	1,654.85	1,437.09	217.76	110.32	102.65
Old Town Water	1	1	-	477.09	477.09	---	477.09	477.09
Orland	5	4	1	504.97	404.97	100.00	100.99	101.24
Orono	7	6	1	1,436.49	1,152.68	283.81	205.21	192.11
Otisfield	1	1	-	21.89	21.89	---	21.89	21.89
Oxford County	18	18	-	1,922.77	1,999.77	(77.00)	106.82	111.10
Oxford	2	2	-	268.00	268.00	---	134.00	134.00
Paris	1	1	-	111.59	111.59	---	111.59	111.59
Paris Utility District	2	2	-	309.98	309.98	---	154.99	154.99
Penobscot County	21	21	-	3,701.05	3,518.42	182.63	176.24	167.54
Piscataquis County	2	2	-	33.39	33.39	---	16.70	16.70
Pittsfield	4	3	1	307.17	174.74	132.43	76.79	58.25

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1977	June 1976		June 1977	June 1976		June 1977	June 1976
Portland	471	431	40	168,306.25	139,811.59	28,494.66	357.34	324.39
Portland Housing Authority	3	3	-	319.33	319.33	-	106.44	106.44
Portland Public Library	8	9	(1)	3,394.36	3,312.42	81.94	424.30	368.05
Portland Renewal Authority	6	6	-	1,311.02	1,202.53	108.49	218.50	200.42
Presque Isle	14	13	1	3,107.43	2,805.58	301.85	221.96	215.81
Rockland	28	26	2	5,820.76	6,818.82	(998.06)	207.88	262.26
Rumford	23	21	2	4,077.71	3,443.37	634.34	177.29	163.97
Rumford Fire & Police	15	14	1	6,984.18	5,744.89	1,239.29	465.61	410.35
Rumford Water District	2	2	-	378.09	378.09	-	189.05	189.05
Saco	6	4	2	1,431.01	741.41	689.60	238.50	185.35
Sagadahoc County	8	7	1	1,390.09	1,297.01	93.08	173.76	185.29
Sanford	40	35	5	5,196.57	4,168.87	1,027.70	129.21	119.11
Sanford Sewer District	4	3	1	869.52	418.49	451.03	217.38	139.50
Scarborough	20	16	4	2,084.13	1,547.34	536.79	104.21	96.71
School Administrative District # 2	1	1	-	319.82	319.82	-	319.82	319.82
School Administrative District # 9	1	1	-	20.01	14.29	5.72	20.01	14.29
School Administrative District #16	1	1	-	82.08	82.08	-	82.08	82.08
School Administrative District #21	2	2	-	287.76	287.76	-	143.88	143.88
School Administrative District #29	3	3	-	457.14	424.45	32.69	152.38	141.48
School Administrative District #31	2	1	1	200.00	100.00	100.00	100.00	100.00
School Administrative District #34	4	2	2	329.24	146.31	182.93	82.31	73.16
School Administrative District #41	3	2	1	233.69	189.02	44.67	77.90	94.51
School Administrative District #49	4	2	2	302.86	126.03	176.83	75.72	63.02
School Administrative District #53	1	1	-	179.03	179.03	-	179.03	179.03
School Administrative District #54	10	6	4	689.94	412.14	277.80	68.99	68.69
School Administrative District #56	1	1	-	123.11	123.11	-	123.11	123.11
School Administrative District #66	1	1	-	4.33	4.33	-	4.33	4.33
School Administrative District #67	3	3	-	412.08	488.74	(76.66)	137.36	162.91
School Administrative District #71	4	4	-	204.81	204.81	-	51.20	51.20
Searsport	2	2	-	88.73	88.73	-	44.37	44.37
Skowhegan	8	7	1	1,170.01	1,066.79	103.22	146.25	152.40
Somerset County	7	7	-	846.14	690.42	155.72	120.88	98.63
South Berwick	1	1	-	47.97	47.97	-	47.97	47.97
South Berwick Water District	1	1	-	100.00	100.00	-	100.00	100.00
South Portland	105	97	8	28,361.61	23,648.40	4,713.21	270.11	243.80
Thomaston	0	1	(1)	-	4.85	(4.85)	-	4.85
Topsham	5	3	2	888.03	454.16	433.87	177.61	151.39

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1977	June 1976		June 1977	June 1976		June 1977	June 1976
Vassalboro	2	1	1	94.94	36.24	58.70	47.47	36.24
Waldo County	8	8	-	1,213.26	1,178.27	34.99	151.66	147.28
Washington County	15	16	(1)	2,672.45	2,788.55	(116.10)	178.16	174.28
Waterville - Fire & Police	4	2	2	2,448.60	1,192.65	1,255.95	612.15	596.33
Wells	7	6	1	792.16	542.12	250.04	113.17	90.35
Westbrook	27	24	3	3,720.71	3,213.47	507.24	137.80	133.89
Westbrook - Fire & Police	3	2	1	721.19	579.42	141.77	240.40	289.71
Wilton	1	1	-	196.10	196.10	-	196.10	196.10
Winthrop	4	3	1	909.60	722.88	186.72	227.40	240.96
Yarmouth	7	5	2	1,123.25	843.92	279.33	160.46	168.78
York County	19	19	-	2,833.37	2,581.73	251.64	149.12	135.88
York	3	2	1	225.37	129.27	96.10	75.12	64.64
York Water District	6	3	3	1,892.95	1,070.07	822.88	315.49	356.69
Totals	<u>13,446</u>	<u>12,718</u>	<u>728</u>	<u>\$4,606,831.56</u>	<u>\$4,017,740.45</u>	<u>\$589,091.11</u>	<u>\$342.62</u>	<u>\$315.91</u>

MAINE STATE RETIREMENT SYSTEM

SURVIVOR BENEFIT PAYROLL

June 1977 and 1976

	Persons Receiving Benefits		Increase or (Decrease)	Benefits Paid		Increase or (Decrease)
	June 1977	June 1976		June 1977	June 1976	
State	389	374	15	\$ 62,208.36	\$ 57,954.64	\$4,253.72
Teachers	160	150	10	29,272.50	25,156.88	4,115.62
Androscoggin County	2	2	--	372.48	400.00	(27.52)
Auburn	6	5	1	700.00	500.00	200.00
Augusta	4	4	--	400.00	400.00	--
Bangor	17	17	--	2,250.00	2,250.00	--
Bath	3	3	--	319.26	300.00	19.26
Brewer	1	0	1	100.00	--	100.00
Cumberland County	5	3	2	700.00	400.00	300.00
East Millinocket	1	1	--	100.00	100.00	--
Ellsworth	2	2	--	200.00	200.00	--
Fort Fairfield	1	1	--	200.00	200.00	--
Gardiner	0	1	(1)	--	100.00	(100.00)
Greater Portland Public Development Commission	1	1	--	100.00	100.00	--
Houlton	2	3	(1)	350.00	450.00	(100.00)
Houlton Water District	2	2	--	487.44	458.01	29.43
Kittery Water District	2	2	--	638.54	600.00	38.54
Lewiston	1	1	--	250.00	250.00	--
Maine Turnpike Authority	19	18	1	2,744.27	2,396.16	348.11
Millinocket	1	1	--	150.00	150.00	--
Portland	39	39	--	5,050.00	5,300.00	(250.00)
Presque Isle	4	4	--	500.00	500.00	--
Rumford	2	2	--	300.00	300.00	--
South Portland	5	5	--	612.84	600.00	12.84
Waterville Fire & Police	2	1	1	500.00	300.00	200.00
Wells	1	1	--	319.27	300.00	19.27
Westbrook Fire & Police	1	1	--	100.00	100.00	--
York	1	0	1	250.00	--	250.00
TOTALS	<u>674</u>	<u>644</u>	<u>30</u>	<u>\$109,174.96</u>	<u>\$ 99,765.69</u>	<u>\$9,409.27</u>

MAINE STATE RETIREMENT SYSTEM
CUMULATIVE STATEMENT OF NET GAINS (LOSSES) ON SALE OF SECURITIES
(Memo Account - Reserve Against Future Losses)

Net (Losses) on Securities Sales and Exchanges Through June 30, 1976	(\$27,409,335.28)
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ADDITIONS:

Profit on Sale of Bonds	\$2,305,726.19	
Profit on Sale of Stocks	<u>1,949,445.46</u>	
Net Gain on Securities Transactions	4,255,171.65	
Discount on Mortgage Loans	<u>14,201.84</u>	<u>4,269,373.49</u>

Net Cumulative (Losses) on Sales or Exchange of Securities Through June 30, 1977	(\$23,139,961.79)
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STATEMENT OF INVESTMENT OPERATIONS
Year Ended June 30, 1977

Net Gain on Sale of Securities	4,255,171.65
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Income From Investments:

Interest - Time Deposits	187,442.41	
Interest - Bonds	6,716,914.18	
Interest - Mortgages	618,971.36	
Dividends on Stocks	<u>2,944,172.87</u>	<u>10,467,500.82</u>

Total Earnings From Investments	14,722,672.47
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Deductions From Investment Income:

Custodial Fees	76,957.22	
Investment Advisor Fees	296,005.47	
Investment Evaluation Consultant Fees	27,000.00	
Miscellaneous	<u>473.75</u>	<u>400,436.44</u>

Net Income From Investments (Cash Basis)	\$14,322,236.03
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INTEREST DISTRIBUTED TO ACCOUNT BALANCES
Year Ended June 30, 1977

Net Income From Investments	14,322,236.03
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Add:

Increase in Accrued Investment Income

Interest Receivable - 6/30/77	1,786,839.49	
Interest Receivable - 6/30/76	<u>1,088,452.17</u>	698,387.32

Less:

Net Gain on Sale of Securities	4,255,171.65	
Discount on Mortgage Loans	<u>14,201.84</u>	<u>4,269,373.49</u>

Net Interest Distributed (Accrual Basis)	\$10,751,249.86
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MAINE STATE RETIREMENT SYSTEM
Summary of Earnings - July 1, 1942 through June 30, 1977

Year Ending	Market Value of Investments	Book Value of Investments	Net Increase in Book Value of Investments for the year	Earnings During Year Accrual Basis	Rate of Return %
June 30, 1943	\$	\$ 576,142.97	\$ 318,000.00	\$ 1,884.35	
June 30, 1944		1,026,142.97	450,000.00	12,154.46	
June 30, 1945		1,486,142.97	460,000.00	25,560.90	
June 30, 1946		1,930,142.97	444,000.00	50,140.29	
June 30, 1947		2,489,142.97	559,000.00	52,522.09	2.590
June 30, 1948		7,263,648.72	4,774,505.75	159,487.91	2.517
June 30, 1949		9,038,648.72	1,775,000.00	206,934.14	2.566
June 30, 1950		11,023,648.72	1,985,000.00	256,668.07	2.578
June 30, 1951		12,934,768.72	1,911,120.00	317,497.98	2.649
June 30, 1952		15,432,488.89	2,497,720.17	386,620.65	2.722
June 30, 1953		17,823,719.34	2,391,230.45	464,578.19	2.799
June 30, 1954		21,346,256.29	3,522,536.95	576,314.21	2.953
June 30, 1955		24,801,155.43	3,454,899.14	713,411.34	3.095
June 30, 1956		29,012,312.28	4,211,156.85	820,511.51	3.068
June 30, 1957		33,137,935.09	4,125,622.81	1,014,162.82	3.3035
June 30, 1958		38,302,811.29	5,164,876.20	1,233,750.20	3.4975
June 30, 1959		44,511,070.88	6,208,259.59	1,473,324.30	3.609
June 30, 1960		50,880,174.72	6,369,103.84	1,781,368.02	3.787
June 30, 1961		57,633,773.71	6,753,598.99	2,145,427.31	4.0045
June 30, 1962		66,498,248.08	8,864,474.37	2,540,623.88	4.1582
June 30, 1963		75,022,765.44	8,524,517.36	2,925,300.13	4.2023
June 30, 1964		85,913,758.52	10,890,993.08	3,328,056.40	4.2074
June 30, 1965	94,667,062.00	96,930,762.57	11,017,004.05	3,870,496.12	4.3196
June 30, 1966	101,309,145.00	108,555,742.38	11,624,979.81	4,475,359.34	4.4431
June 30, 1967	106,476,959.00	120,564,775.29	12,009,032.91	5,070,389.31	4.5177
June 30, 1968	119,861,036.70	135,081,371.78	14,516,596.49	5,741,943.99	4.5899
June 30, 1969	126,512,881.54	150,501,422.09	15,420,050.31	6,103,338.79	4.3610
June 30, 1970	115,813,988.62	163,500,431.87	12,999,009.78	6,310,034.78	4.0939
June 30, 1971	158,897,761.53	175,261,654.19	11,761,222.32	6,357,344.92	3.8132
June 30, 1972	187,053,699.54	184,789,453.85	9,527,799.66	6,593,475.25	3.7203
June 30, 1973	186,239,980.28	185,867,989.22	1,078,535.37	6,651,554.76	3.6460
June 30, 1974	170,627,572.09	188,846,484.91	2,978,495.69	8,344,366.67	4.5292
June 30, 1975	193,791,992.58	188,397,103.61	(449,381.30)	9,386,916.98	5.0539
June 30, 1976	205,710,550.54	193,878,411.56	5,481,307.95	8,861,728.87	4.6566
June 30, 1977	210,352,614.94	206,401,915.73	12,523,504.17	10,751,249.86	5.2269

*Market Value data not available prior to 1965

MAINE STATE RETIREMENT SYSTEM
Administration Funds
Fiscal Year Ending June 1977 and 1976

Revenue:	General Administration		Participating Districts	
	1977	1976	1977	1976
General Fund - State	\$ 330,981.37	\$286,526.91	\$	\$
General Fund - Teachers	187,380.00	187,380.00		
Highway Funds	195,240.66	171,012.35		
Special Revenue Funds	178,354.93	155,584.70		
All Other State Funds	45,605.47	40,577.11		
University of Maine & Indian Education	18,928.92	15,465.11		
Participating Districts	93,589.16	87,033.80		
Actuarial Services	144.76	181.77	\$51,563.50	45,777.75
Miscellaneous Income	20.40	96.50		
Total Revenue	1,050,245.67	943,858.25	51,563.50	45,777.75
<u>Expenditures:</u>				
Personal Services	251,241.90	241,205.10		
Actuarial Services				
Towne & Associates	14,049.86	11,777.30	51,563.50	45,777.75
Towers, Perrin, Forster & Crosby	—	23,013.10		
Data Processing	26,491.45	35,827.25		
Utilities	4,386.03	3,798.19		
Postage & Mailing	30,450.67	26,653.56		
Repairs to Equipment	8,092.77	7,398.54		
Printing & Binding	11,988.27	9,004.94		
Office Supplies	7,766.27	7,304.00		
Retirement Costs	29,713.28	28,252.01		
Research & Legal Services	11,305.81	11,858.43		
Health Insurance				
Active Employees	9,037.42	5,142.34		
Retirees	556,785.42	432,460.46		
General Operating Costs	10,368.42	10,511.91		
Office Equipment	3,513.34	98.70		
Total Expenditures	975,190.91	854,305.83	51,563.50	45,777.75
Current Year Reserves	75,054.76	89,552.42		
Prior Year Reserves	146,134.28	56,581.86		
Balance of Reserves	\$ 221,189.04	\$146,134.28	-0-	-0-

Note: Expenditures have been reduced for the 1977 year by \$70,130.74 and charged to the Insurance (\$32,660.00) and Social Security (\$37,470.74) administration accounts

MAINE STATE RETIREMENT SYSTEM
Comparative Balance Sheet
Group Life Insurance
At June 30, 1976, Compared to June 30, 1977

	<u>ASSETS</u>		Increase or (Decrease)
	<u>1977</u>	<u>1976</u>	
Assets:			
Cash (Demand Deposit) Note I	\$5,428,537.31	\$5,492,554.49	(\$64,017.18)
Accounts Receivable (Net)	6,660.00	4,985.00	1,675.00
Due From Other Funds	<u>50,000.00</u>	<u>50,000.00</u>	<u>--</u>
Total Assets	<u>\$5,485,197.31</u>	<u>\$5,547,539.49</u>	<u>(\$62,342.18)</u>

RESERVES, LIABILITIES AND WORKING CAPITAL

Reserves and Working Capital:			
Reserve For Retiree Premiums	\$3,340,443.74	\$2,646,115.04	\$694,328.70
Reserve For Contingencies	25,000.00	25,000.00	--
Reserve For Supplemental Distribution	1,781,974.20	1,843,658.82	(61,684.62)
Working Capital	<u>50,000.00</u>	<u>50,000.00</u>	<u>--</u>
Total Reserves and Working Capital	<u>\$5,197,417.94</u>	<u>\$4,564,773.86</u>	<u>\$632,644.08</u>
Liabilities:			
Accounts Payable	<u>287,779.37</u>	<u>982,765.63</u>	<u>(694,986.26)</u>
Total Reserves, Liabilities and Working Capital	<u>\$5,485,197.31</u>	<u>\$5,547,539.49</u>	<u>(\$62,342.18)</u>

Note I - Invested in State Treasurer's "Cash Pool"

MAINE STATE RETIREMENT SYSTEM

Statement of Operations

Group Life Insurance Fund

Year Ending June 30, 1977

Available Funds:

Premiums Collected (1975-76) Brought Forward		\$ 980,711.85
Premiums Collected (1976-77)		
Basic	\$1,770,736.08	
Supplemental	810,350.80	
Dependent	<u>75,600.82</u>	
		2,656,687.70

Dividend Received -		
State & Teachers	958,253.82	
Participating Districts	<u>242,226.34</u>	
		1,200,480.16

Appropriation from General Fund -		
Active Employees	24,000.00	
Retired Employees	<u>359,000.00</u>	
		383,000.00

Reimbursement of Administration Costs -		
State	26,000.00	
Participating Districts	<u>6,660.00</u>	
		32,660.00

Earnings on Investments -		
Treasury "Cash Pool"		331,697.33

TOTAL		<u>\$5,585,237.04</u>
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Expenditures, Dividend Distribution and
Addition to Reserves:

Premiums Paid to Insurance -		
Active Employees:		
State Fund	\$ 24,000.00	
Employees & Employers Contributions		
Basic	1,770,743.64	
Supplemental	810,355.12	
Dependent	<u>75,600.82</u>	
		2,680,699.58

Retired Persons -		
Employees Insurance Premiums	<u>641,217.07</u>	
		3,321,916.65
Supplemental Distribution		375,090.00
Administration Expense		32,660.00
Overpayment of Premiums to Insurance		(11.88)

Dividend Distributed to Participating Districts -		
Cash Payments	238,253.11	
Retained for Administration Costs	<u>3,973.23</u>	
		242,226.34

Addition to Reserves -		
Reserve for Retiree Premiums	694,328.70	
Reserve for Supplemental Distribution	<u>(61,684.62)</u>	
		632,644.08
Premiums Collected (1975-76) Applied to Dividend		980,711.85

TOTAL		<u>\$5,585,237.04</u>
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MAINE STATE RETIREMENT SYSTEM
GROUP LIFE INSURANCE FUND

The following is a dividend summary of the State of Maine Group Life Insurance program covering the year July 1, 1976 to June 30, 1977, submitted by the Underwriter, Unionmutual.

The dividend shown in this report totaled \$1,040,547, and is applicable to units under the group plan, as follows:

	<u>Amount</u>
State & Teacher (Basic)	\$ 593,986.18
State & Teacher (Supplemental)	238,250.19
City of Portland	60,224.52
City of Bangor	23,078.48
Pooled Districts (Basic)	98,556.82
Pooled Districts (Supplemental)	<u>26,451.64</u>
TOTAL	<u>\$1,040,547.83</u>

The Basic dividend (State and Teacher) will be added to the existing reserve for future premiums and used to pay premiums on retired lives. The Supplemental dividend (State and Teacher) will be added to the existing reserve for Supplemental dividend distribution, which is paid to beneficiaries of retired and active participants in the Supplemental plan at the rate of 30% of coverage, if a participant in the plan for five or more years. Beneficiaries of participants with less than five years in the plan receive a pro-rated dividend distribution.

Participating district dividends, including the Cities of Portland and Bangor, will be distributed in December in the amounts indicated less an administrative charge.

Reserves which had been held by the Underwriter on account of disability cases, in the amount of \$477,174, were refunded to the policyholder after it had been determined that no waiver of premium requests had been filed.

Interest credited on cash balances held by the Underwriter during the year totaled \$81,718.95. This is the first year that interest credits have been received and were generated from the cash flow and waiver reserves (\$54,884.00), preliminary dividend (\$19,283.78), retired disabled reserves (\$12,354.23), less interest charges on the Supplemental dividend distribution (\$4,803.06). These credits, with the exception of the retired disabled reserves, were the result of Board of Trustee negotiations with the Underwriter.

A cash flow Supplemental interest distribution of \$6,089.39 was made by the Underwriter which is not included in the following report, however, will be included in credits to the several Group Life Insurance units in next year's interest distribution.

The Underwriter's report is covered on the following pages.

DIVIDEND SUMMARY (ALL PLANS) 7/1/76 to 7/1/77

MAINE STATE RETIREMENT SYSTEM-GROUP POLICY NUMBER: 2200

	STATE & TEACHER BASIC	STATE & TEACHER SUPPLEMENTAL	PORTLAND	BANGOR	DISTRICT BASIC	DISTRICT SUPPLEMENTAL	ALL PLANS
EARNED PREMIUM	\$1,867,796.84	\$739,301.78	\$141,482.81	\$65,796.18	\$436,485.70	\$71,053.34	\$3,321,916.65
PAID CLAIMS*	1,098,049.71	421,069.84	81,458.34	32,111.19	292,079.75	37,264.10	1,962,032.93
BEGINNING RESERVE	655,573.95	132,181.96	9,706.68	.00	23,456.07	11,323.55	832,242.21
END RESERVE**	756,889.86	190,913.54	2,284.35	6,578.70	42,221.65	13,800.00	1,012,688.10
INCURRED CLAIMS	1,199,365.62	479,801.42	74,036.01	38,689.89	310,845.33	39,740.55	2,142,478.82
GROSS RETENTION	74,445.04	21,250.17	7,222.28	4,027.81	27,083.55	4,861.15	138,890.00
INTEREST CREDITS	30,859.34	12,214.59	2,337.55	1,087.07	7,211.52	1,173.93	54,884.00
NET RETENTION	43,585.70	9,035.58	4,884.73	2,940.74	19,872.03	3,687.22	84,006.00
GROSS DIVIDEND	624,845.52	250,464.78	62,562.07	24,165.55	105,768.34	27,625.57	1,095,431.83
INT. ON PRELIM. DIV. TO 9/1	8,502.00	3,600.00	.00	.00	.00	.00	12,102.00
INT. ON ADD'L DIV. DUE TO 10/15	1,298.91	183.82	1,619.76	625.66	2,738.39	715.24	7,181.78
INT. ON SUPPL. DIV.	.00	- 4,803.06	.00	.00	.00	.00	- 4,803.06
DIV. PLUS NET INT.	634,646.43	249,445.54	64,181.83	24,791.21	108,506.73	28,340.81	1,109,912.55
LESS PRELIM. PAYMENT	583,178.00	246,965.00	.00	.00	.00	.00	830,143.00
BALANCE DUE ON DIV. PLUS INT.	51,468.43	2,480.54	64,181.83	24,791.21	108,506.73	28,340.81	279,769.55
DISABLED RETIREE RESERVE	477,174.00	.00	.00	.00	.00	.00	477,174.00
INTEREST TO 10/15	12,354.23	.00	.00	.00	.00	.00	12,354.23
TOTAL PAYMENT	\$ 540,996.66	\$ 2,480.54	\$ 64,181.83	\$24,791.21	\$108,506.73	\$28,340.81	\$ 769,297.78

MAINE STATE RETIREMENT SYSTEM GROUP POLICY #2200

BASIC LIFE (DISTRICTS)

<u>PD</u> <u>NUMBER</u>	<u>DISTRICT</u>	<u>EARNED</u> <u>PREMIUM</u>	<u>PAID</u> <u>CLAIMS</u>	<u>LOSS</u> <u>RATIO</u>	<u>DIVIDEND</u>	<u>INTEREST</u>	<u>TOTAL</u>
04	City of Presque Isle	\$ 8,473.74	\$.00	--	\$ 2,831.28	\$ 73.30	\$ 2,904.58
05	County of Cumberland	6,907.89	17,221.16	249.3	.00	.00	.00
08	Town of Camden	3,364.22	1,105.06	32.8	1,124.06	29.10	1,153.16
09	City of South Portland	47,733.38	33,574.58	70.3	.00	.00	.00
10	Town of Houlton	6,017.10	1,492.40	24.8	2,010.45	52.05	2,062.50
11	County of Penobscot	8,388.76	.00	--	2,802.88	72.57	2,875.45
12	Kittery Water	1,370.51	.00	--	457.92	11.86	469.78
13	City of Ellsworth	3,667.77	10,297.98	280.8	.00	.00	.00
15	Town of Bar Harbor	3,937.84	.00	--	1,315.72	34.06	1,349.78
16	Town of Mt. Desert	4,354.36	10,035.96	230.5	.00	.00	.00
17	Town of Fort Fairfield	3,940.85	1,387.46	35.2	1,316.73	34.09	1,350.82
18	City of Rockland	7,651.66	12,699.23	166.0	.00	.00	.00
21	Town of Boothbay Harbor	675.47	.00	--	225.69	5.84	231.53
22	Bangor Public Library	3,552.59	6,908.77	194.5	.00	.00	.00
23	City of Augusta	26,487.71	8,299.94	31.3	8,850.14	229.13	9,079.27
24	City of Gardiner	3,995.80	.00	--	1,335.09	34.57	1,369.66
26	Houlton Water	3,989.79	1,404.60	35.2	1,333.08	34.51	1,367.59
28	Town of York	1,807.82	.00	--	604.03	15.64	619.67
29	Limestone Water	203.90	.00	--	68.13	1.76	69.89
30	Town of St. Agatha	217.36	.00	--	72.62	1.88	74.50
31	Kennebec Water	2,418.48	1,004.95	41.6	808.08	20.92	829.00
32	Livermore Water	653.89	.00	--	218.48	5.66	224.14
33	County of Knox	1,764.26	2,011.51	114.0	.00	.00	.00
34	Augusta Water	3,046.37	.00	--	1,017.86	26.35	1,044.21
35	City of Belfast	2,900.30	.00	--	969.05	25.09	994.14
38	Maine Maritime	18,135.24	7,486.34	41.3	6,059.39	156.88	6,216.27
39	York Water	1,832.74	.00	--	612.36	15.85	628.21
40	County of Washington	3,172.98	761.11	24.0	1,060.16	27.45	1,087.61
41	Portland Public Library	2,309.50	7,160.54	310.0	.00	.00	.00
42	Town of Brunswick	20,502.94	7,817.41	38.1	6,850.50	177.36	7,027.86
46	County of Waldo	1,978.82	1,504.96	76.1	.00	.00	.00
49	Maine Turnpike Authority	34,820.66	20,082.46	57.7	11,634.38	301.22	11,935.60
51	Auburn Sewerage	1,027.57	.00	--	343.33	8.89	352.22
52	Auburn Water	2,413.58	9,076.93	376.1	.00	.00	.00
54	Town of E. Millinocket	4,127.49	.00	--	1,379.09	35.71	1,414.80
55	Maine Municipal-Bond Bank	932.34	.00	--	311.51	8.07	319.58
59	Bangor Water	4,956.77	.00	00	1,656.18	42.88	1,699.06
60	Rumford Police and Fire	5,464.39	27,865.39	509.9	.00	.00	.00
61	Town of Orono	3,163.30	.00	--	1,056.93	27.36	1,084.29

MAINE STATE RETIREMENT SYSTEM GROUP POLICY #2200

BASIC LIFE (DISTRICTS)

PD NUMBER	DISTRICT	EARNED PREMIUM	PAID CLAIMS	LOSS RATIO	DIVIDEND	INTEREST	TOTAL
62	Kennebunk Light	\$ 2,596.25	\$.00	--	\$ 867.46	\$ 22.47	\$ 889.93
64	Augusta Sewerage	2,991.35	.00	--	999.48	25.89	1,025.37
65	Rumford Water	900.37	.00	--	300.83	7.80	308.63
67	County of Androscoggin	7,381.82	9,047.34	122.6	.00	.00	.00
72	Brunswick Sewerage	1,090.08	10,026.30	919.8	.00	.00	.00
73	City of Bath	11,764.31	2,013.52	17.1	3,930.72	101.78	4,032.50
77	S.A.D. #34	2,097.79	.00	--	700.92	18.15	719.07
78	S.A.D. #28	250.68	.00	--	83.76	2.17	85.93
80	Town of Skowhegan	5,116.95	1,515.32	29.6	1,709.69	44.26	1,753.95
81	Town of Topsham	460.50	.00	--	153.86	3.98	157.84
83	Town of Sanford	17,195.98	.00	--	5,745.56	148.75	5,894.31
84	Town of Kennebunk	2,906.45	.00	--	971.11	25.14	996.25
85	Town of Cape Elizabeth	7,877.79	8,657.57	109.9	.00	.00	.00
86	Town of Wilton	1,097.59	.00	--	366.73	9.49	376.22
87	Town of Falmouth	8,352.14	.00	--	2,790.64	72.25	2,862.89
89	Sanford Sewerage	688.82	.00	--	230.15	5.96	236.11
90	Rumford (General)	8,903.18	3,020.61	33.9	2,974.75	77.02	3,051.77
93	Maine Municipal Bond Bank	104.59	.00	--	34.95	.90	35.85
94	Gr. Portland Council of Govt.	1,242.19	.00	--	415.04	10.75	425.79
96	Sagadahoc County	1,734.93	.00	--	579.68	15.01	594.69
98	Town of Frenchville	166.96	.00	--	55.78	1.44	57.22
104	Town of Milo	1,767.80	1,253.42	70.9	.00	.00	.00
105	State Principals Assoc.	315.52	.00	--	105.42	2.73	108.15
109	Town of Livermore Falls	1,359.52	9,040.13	665.0	.00	.00	.00
114	Town of Mechanic Falls	1,406.09	.00	--	469.81	12.16	481.97
115	S.A.D. #54	3,412.14	.00	--	1,140.08	29.52	1,169.60
116	Town of Yarmouth	3,479.52	.00	--	1,162.59	30.10	1,192.69
121	County of Piscataquis	1,886.86	.00	--	630.44	16.32	646.76
125	Town of Norway	1,732.98	.00	--	579.03	14.99	594.02
127	Town of Paris	1,954.48	2,009.21	102.8	.00	.00	.00
128	S.A.D. #71	1,966.38	.00	--	657.01	17.01	674.02
130	Town of Bucksport	8,158.05	1,256.01	15.4	2,725.79	70.57	2,796.36
131	Fort Fairfield Utilities	603.54	.00	--	201.66	5.22	206.88
132	Belfast Water	691.94	.00	--	231.19	5.99	237.18
133	Town of Gorham	5,975.34	.00	--	1,996.50	51.69	2,048.19
135	So. Kennebec Valley	127.82	.00	--	42.71	1.11	43.82
143	S.A.D. #41	2,134.44	1,255.93	58.8	713.16	18.46	731.62
145	Auburn Housing Authorities	1,275.39	.00	--	426.14	11.03	437.17
150	Town of Hermon	1,061.81	7,033.37	662.4	.00	.00	.00
152	Sanford Housing Authorities	523.31	.00	--	174.85	4.53	179.38

MAINE STATE RETIREMENT SYSTEM GROUP POLICY #2200

BASIC LIFE (DISTRICTS)

<u>PD</u> <u>NUMBER</u>	<u>DISTRICT</u>	<u>EARNED</u> <u>PREMIUM</u>	<u>PAID</u> <u>CLAIMS</u>	<u>LOSS</u> <u>RATIO</u>	<u>DIVIDEND</u>	<u>INTEREST</u>	<u>TOTAL</u>
159	Paris Utility	\$ 845.37	\$.00	--	\$ 282.46	\$ 7.31	\$ 289.77
161	Town of Rockport	608.64	.00	--	203.36	5.27	208.63
163	Lewiston/Auburn Water	1,473.22	10,037.81	681.4	.00	.00	.00
164	Town of Thomaston	1,120.85	.00	--	374.50	9.70	384.20
167	Town of Dover Foxcroft	4,667.41	.00	--	1,559.49	40.37	1,599.86
169	Maine Housing Authorities	1,109.84	.00	--	370.82	9.60	380.42
179	Town of Winthrop	2,408.98	.00	--	804.89	20.84	825.73
185	Portland Housing Authorities	2,734.94	9,044.01	330.7	.00	.00	.00
195	Town of Waldoboro	747.24	.00	--	249.67	6.46	256.13
198	S.A.D. #51	1,140.83	.00	--	381.18	9.87	391.05
205	Gould Academy	716.57	.00	--	239.42	6.20	245.62
215	Town of Hodgdon	199.60	.00	--	66.69	1.73	68.42
219	Lincoln Sanitary District	179.63	.00	--	60.02	1.55	61.57
220	Kennebec Sanitary District	589.54	.00	--	196.98	5.10	202.08
222	Waterville Sewerage	1,430.52	.00	--	477.97	12.37	490.34
702	Milo Water	520.68	.00	--	173.97	4.50	178.47
717	Town of Wiscasset	3,260.39	1,253.49	38.4	1,089.37	28.20	1,117.57
718	Town of Ashland	331.82	.00	--	110.87	2.87	113.74
721	Town of Anson	752.90	1,004.22	133.3	.00	.00	.00
727	Hallowell Water	735.79	.00	--	245.84	6.36	252.20
729	Town of Fairfield	4,289.88	8,303.76	193.6	.00	.00	.00
730	Town of Lubec	195.24	.00	--	65.23	1.69	66.92
733	Town of Limestone	1,164.02	.00	--	388.92	10.07	398.99
734	Presque Isle Water	951.45	.00	--	317.90	8.23	326.13
736	Town of West Paris	180.27	.00	--	60.23	1.56	61.79
739	S.A.D. #1	3,749.72	.00	--	1,252.87	32.44	1,285.31
742	Brunswick & Topsham Water	1,764.96	.00	--	589.71	15.27	604.98
744	Anson Water	157.31	.00	--	52.56	1.36	53.92
746	S.A.D. #17	507.75	.00	--	169.65	4.39	174.04
227	Town of Mars Hills	645.70	.00	--	215.74	5.59	221.33
748	S.A.D. #36	855.90	.00	--	285.98	7.40	293.38
750	M.S.E.A.	795.77	.00	--	265.88	6.88	272.76
751	S.A.D. #40	377.53	.00	--	126.14	3.27	129.41
753	S.A.D. #50	873.92	.00	--	291.99	7.56	299.55
755	Presque Isle Sewerage	570.23	.00	--	190.53	4.93	195.46
757	Waldoboro Sewerage	17.74	.00	--	5.93	.15	6.08
758	S.A.D. #68	849.15	.00	--	283.72	7.35	291.07
760	S.A.D. #74	1,170.34	.00	--	391.04	10.12	401.16
761	S.A.D. #52	416.32	.00	--	139.10	3.60	142.70
224	Region #7	181.22	.00	--	60.55	1.57	62.12

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MAINE STATE RETIREMENT SYSTEM GROUP POLICY #2200

BASIC LIFE (DISTRICTS)

<u>PD</u> <u>NUMBER</u>	<u>DISTRICT</u>	<u>EARNED</u> <u>PREMIUM</u>	<u>PAID</u> <u>CLAIMS</u>	<u>LOSS</u> <u>RATIO</u>	<u>DIVIDEND</u>	<u>INTEREST</u>	<u>TOTAL</u>
763	Town of Castine	\$ 713.00	\$.00	--	\$ 238.23	\$ 6.17	\$ 244.40
117	Town of Searsport	1,454.00	.00	--	485.81	12.58	498.39
36	Town of Calais	1,527.94	.00	--	510.52	13.22	523.74
229	Van Buren Housing Authorities	387.79	17,108.99	4411.9	.00	.00	.00
TOTAL		\$436,485.70	\$292,079.75		\$105,768.34	\$2,738.39	\$108,506.73

MAINE STATE RETIREMENT SYSTEM - GROUP POLICY #2200

SUPPLEMENTAL LIFE (DISTRICTS)

<u>PD</u> <u>NUMBER</u>	<u>DISTRICT</u>	<u>EARNED</u> <u>PREMIUM</u>	<u>PAID</u> <u>CLAIMS</u>	<u>LOSS</u> <u>RATIO</u>	<u>DIVIDEND</u>	<u>INTEREST</u>	<u>TOTAL</u>
05	Cumberland County	\$ 5,829.52	\$10,058.09	172.5	\$.00	\$.00	\$.00
12	Kittery Water	1,014.98	.00	--	597.39	15.46	612.85
26	Houlton Water	3,593.77	.00	--	2,115.19	54.76	2,169.95
39	York Water	199.84	.00	--	117.63	3.04	120.67
49	Maine Turnpike Authority	33,403.20	20,082.46	60.1	11,583.77	299.91	11,883.68
85	Town of Cape Elizabeth	4,565.13	7,123.55	156.0	.00	.00	.00
86	Town of Wilton	1,055.77	.00	--	621.41	16.09	637.50
93	Maine Municipal Bond Bank	94.45	.00	--	55.59	1.44	57.03
94	Gr. Portland Council of Govt.	252.02	.00	--	148.33	3.84	152.17
96	Sagadahoc County	1,578.41	.00	--	929.01	24.05	953.06
105	State Principals Assoc.	308.24	.00	--	181.42	4.70	186.12
109	Town of Livermore Falls	522.53	.00	--	307.55	7.99	315.54
121	County of Piscataquis	1,554.27	.00	--	914.80	23.68	938.48
130	Town of Bucksport	6,152.97	.00	--	3,621.46	93.76	3,715.22
131	Fort Fairfield Utilities	570.95	.00	--	336.04	8.70	344.74
135	So. Kennebec Valley	121.00	.00	--	71.22	1.84	73.06
164	Town of Thomaston	1,154.29	.00	--	679.38	17.59	696.97
169	Maine Housing Authority	632.82	.00	--	372.46	9.64	382.10
195	Town of Waldoboro	592.40	.00	--	348.67	9.03	357.70
205	Gould Academy	661.10	.00	--	389.10	10.07	399.17
219	Lincoln Sanitary District	179.63	.00	--	105.72	2.74	108.46
220	Kennebec Sanitary Treat. Dist.	247.96	.00	--	145.94	3.78	149.72
222	Waterville Sewerage	1,250.72	.00	--	736.14	19.06	755.20
717	Town of Wiscasset	2,400.39	.00	--	1,412.80	36.58	1,449.38
721	Town of Anson	739.20	.00	--	435.07	11.26	446.33
727	Hallowell Water	659.93	.00	--	388.41	10.06	398.47
744	Anson Water	148.55	.00	--	87.43	2.26	89.69
747	Town of Mars Hill	239.48	.00	--	140.95	3.65	144.60
750	M.S.E.A.	554.70	.00	--	326.48	8.45	334.93
757	Waldoboro Sewerage	10.30	.00	--	6.06	.16	6.22
761	S.A.D. #52	305.41	.00	--	179.76	4.65	184.41
760	S.A.D. #74	318.51	.00	--	187.46	4.85	192.31
	Region 7	135.73	.00	--	79.89	2.07	81.96
152	Sanford Housing Authority	5.17	.00	--	3.04	.08	3.12
TOTAL		\$71,053.34	\$37,264.10		\$27,625.57	\$715.24	\$28,340.81

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MAINE STATE RETIREMENT SYSTEM

For Public School Teachers,
Employees of the
State of Maine
Participating Local Districts



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Constitution
of the State of Maine

All of the assets, and proceeds there-
from, of the Maine State Retirement System
or any successor system and all contribu-
tions and payments made to the system to
provide for retirement and related benefits
shall be held, invested or disbursed as in
trust for the exclusive purpose of provid-
ing for such benefits and shall not be en-
cumbered for, or diverted to, other purposes.

Chapter 95 Resolves 1961
Voted, General Election, November 6, 1962
Proclaimed, November 21, 1962
Adopted and Effective December 21, 1962

