

MAINE STATE LEGISLATURE

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REPORT of the

MAINE STATE RETIREMENT SYSTEM

for the
FISCAL YEAR
ENDED JUNE 30, 1980

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MAINE STATE RETIREMENT SYSTEM

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



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

MAINE STATE RETIREMENT SYSTEM

BOARD OF TRUSTEES

Robert Bourgault, Chairman, Biddeford
Representing Maine Teachers Association

Fred L. Kenney, Member, Augusta
Representing Retired Persons

Mary L. Kurr, Member, Bangor
Representing Public

Patricia M. McDonough, Member, Portland
Representing Public

Richard J. McDonough, Member, Portland
Representing Maine State Employees Association

Paul G. Poulin, Member, Augusta
Representing Maine Municipal Association

Nathan W. Watson, Member, Bath
Representing Maine Retired Teachers Association

Ex-officio

Jerrold Speers, State Treasurer

ACTUARY

Robert J. Towne, F.S.A., Towne & Associates

INVESTMENT ADVISORS

Alliance Capital Management Corporation
David L. Babson & Company, Inc.
Massachusetts Financial Services, Inc.
Merchants National Bank of Bangor
Merrill Trust Company
Morgan Guaranty Trust Company
Putnam Advisory Company, Inc.
The Travelers Insurance Company

INVESTMENT CUSTODIAN

Northeast Bank N.A. of Lewiston and Auburn

INVESTMENT EVALUATION CONSULTANT

Evaluation Associates, Inc.

MEDICAL BOARD

H. C. Cheng, M.D., Chairman and Secretary, Augusta
Paul D. Giddings, M.D., Member, Augusta

DISABILITY REVIEW CONSULTANT

Claims Service International, Inc.

STATE OF MAINE
AUGUSTA, MAINE

MAY 25 1989

MAINE STATE RETIREMENT SYSTEM
ORGANIZATION CHART

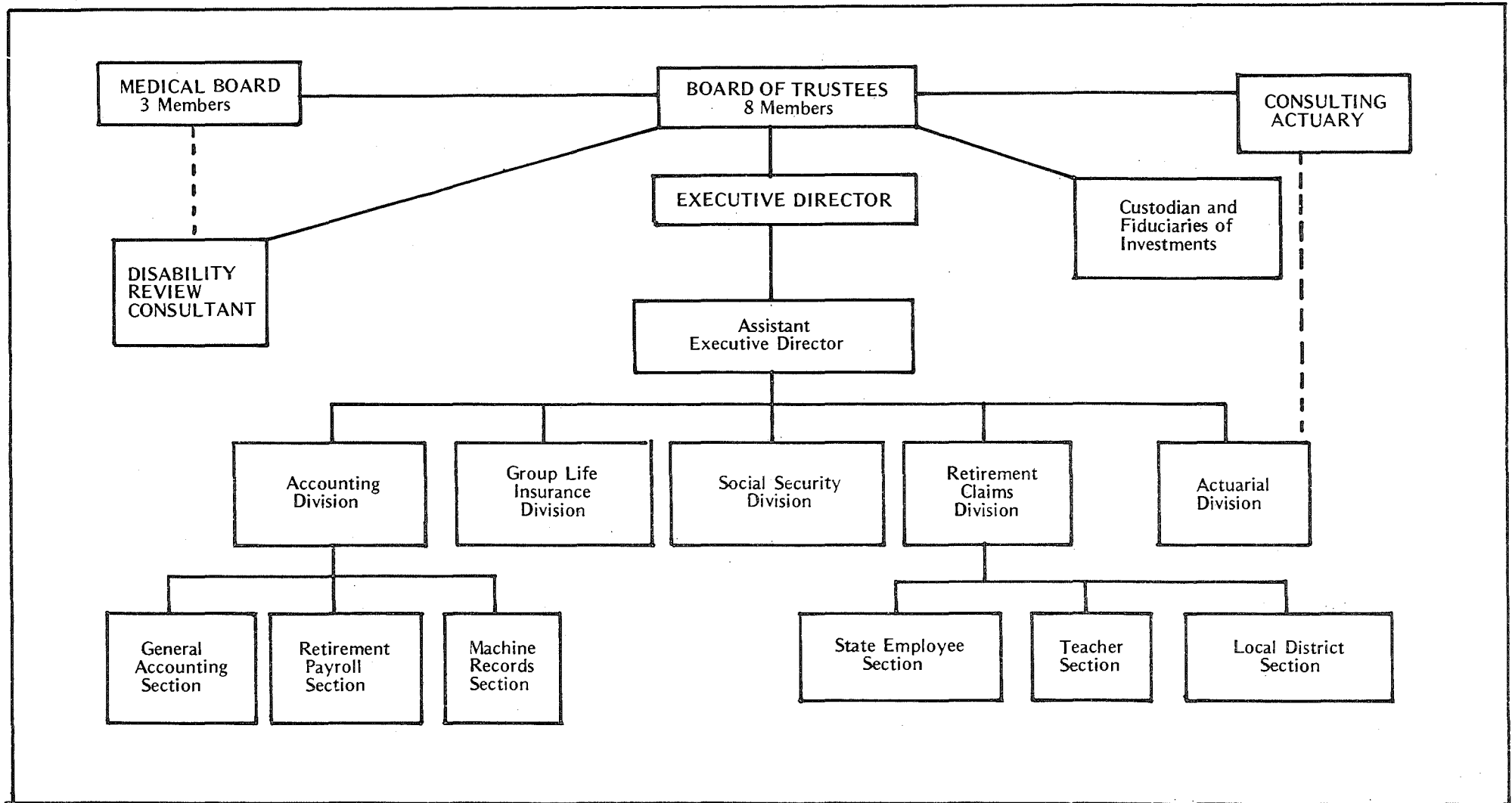


TABLE OF CONTENTS
REPORT OF THE TRUSTEES

	<u>Page(s)</u>
Letter of Transmittal.....	1-3
Graphs - Financial Highlights - Statistics.....	4-7
Report of the Executive Director.....	8-13
Report of the Investment Counsel.....	14-15
Report of the Actuary.....	16-68

MAINE STATE RETIREMENT SYSTEM

Comparative Balance Sheet.....	69-70
Balance Sheet.....	71
Investments:	
Bonds.....	72-74
Stocks/Time Deposits.....	75-80
Mortgages.....	81-82
Statement of Trust Fund Balances.....	83-90
Changes in Trust Fund Reserves.....	91-92
Retirement Allowance Payroll.....	93-98
Survivor Benefit Payroll.....	99
Investment Losses/Income/Interest Distributed.....	100
Summary of Investment Earnings.....	101
Administration.....	102-103

GROUP LIFE INSURANCE

Comparative Balance Sheet.....	104
Statement of Operations.....	105
Group Life Insurance Report:	
Unionmutual - Underwriter.....	107-112

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

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

Tel. 207-289-3461



STATE OF MAINE

MAINE STATE RETIREMENT SYSTEM

STATE OFFICE BUILDING
STATE HOUSE STATION 46
AUGUSTA, MAINE 04333

Board of Trustees
Robert Bourgault,
Chairman
Fred Kenney
Mary Kurr
Patricia McDonough
Richard McDonough
Paul G. Poulin
Nathan W. Watson
Ex officio
Jerrold Speers,
State Treasurer

January 29, 1981

Honorable Joseph E. Brennan
Governor of Maine
State House, Augusta

Members, 110th Legislature

Dear Governor Brennan and Members of the Legislature:

In accordance with the provisions of 5 MRSA, Section 1005, the Trustees of the Maine State Retirement System submit herewith an annual report showing the fiscal transactions of the Retirement System for the fiscal year ending June 30, 1980, together with the assets and liabilities of the System at the end of that year. This report includes the following:

Report of the Actuary for the Year Ended June 30, 1980

Report of the Investment Consultant

Report of the Executive Director

Group Life Insurance Underwriter's Report for the
policy year ended June 30, 1980

Membership on the Board of Trustees is comprised of eight persons; seven voting members and the State Treasurer who is an ex-officio non-voting member. Three members of the Board are appointed by the Governor, subject to review and approval by the Joint Standing Committee on Aging, Retirement & Veterans and confirmation by the Legislature, one of whom is named from a list of three persons submitted by the Maine Retired Teachers Association; one member elected 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 under the System, selected by the foregoing members.

The value of the System's investments at June 30, 1980, was \$272,523,379. Investments were comprised of bonds (\$117,101,913), common stocks (\$120,126,223), mortgage and mortgage type (\$26,295,241), and other investments (\$9,000,000).

Investment earnings credited to the System totalled \$34,543,688 during the year. The rate of return on these investments, based on book value, was 7.88%.

At year end there was cash on deposit with the State Treasurer's office amounting to \$39,149,222, which was invested in the State Treasurer's "Cash Pool." Interest is credited on a monthly basis and the average interest earnings credited to these funds during the year was 12.72%.

Investment return from securities under management by investment managers is measured as the "time-weighted rate of return," and is based upon the market value of securities, including market value gains and losses and investment earnings. The time-weighted rate of return for the year ending June 30, 1980, was 14% as compared to 11.1% for the previous fiscal year. The time-weighted rate of return on equity investments was 23% and on fixed income investments 2.1%.

The Trustees have held two meetings during the past year with investment managers, for the purpose of reviewing the performance of respective investments under management, and understanding the techniques and strategies used by managers in the past, and plans for the future. Subsequent to the close of the fiscal year the Trustees took an action to authorize the investment of an additional \$6,000,000 for equity management by Merrill Trust Company of Bangor, \$6,000,000 for equity management by Alliance Capital Management Corp., \$6,000,000 for management by The Travelers Insurance Company (real estate equity fund), and the employment of an additional fixed income manager (FMR Investment Service, Inc. of Boston). This investment action was taken after various available investment vehicles were reviewed by the Board at a special Board meeting held in the spring.

The Trustees have taken an action to request funding for the so-called "non-contributory" teacher group in the amount of \$12,000,000 in the first year of the biennium, and \$13,200,000 in the second year of the biennium. Expenditures for retirement benefits on this group, together with interest charges, have exceeded appropriations and other credits to the extent of \$141,017,263 as of June 30, 1980. It is believed that funding for this item is essential to maintain the integrity of the total System.

Under date of March 4, 1980, the Joint Select Committee to Study the Maine State Retirement System, appointed by the 109th Legislature, submitted a report to the Legislature with numerous recommendations. This report included a report prepared by The Wyatt Company, an actuarial firm which had been engaged by the Committee. The Wyatt Company recommended actuarial assumptions, which if adopted, would result in significantly higher appropriation funding for the System. After a careful review of The Wyatt Company recommendations as to

Governor Joseph E. Brennan
Members, 110th Legislature
Page 3 - January 29, 1981

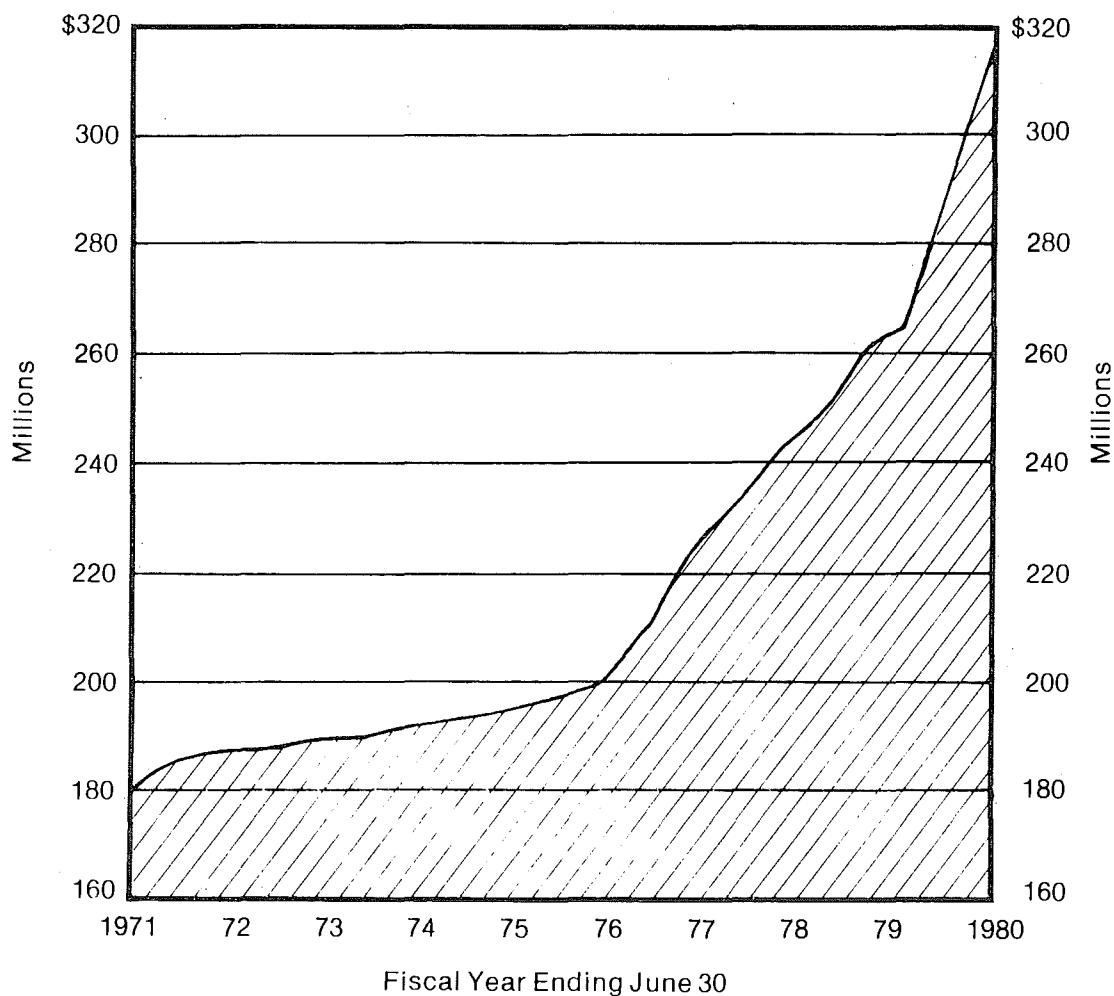
actuarial assumptions with the System's Actuary (Towne & Associates), it was the Trustees position that the current assumptions continue to be valid until the experience study covering these assumptions, which is currently in progress, is completed and the System's Actuary reports to the Board of Trustees in 1981.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William G. Blodgett".

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

MAINE STATE RETIREMENT SYSTEM ASSETS OF FUND



RETIREMENT AND SURVIVOR PAYMENTS

<u>Fiscal Year Ending June 30</u>	<u>Retirement Payments</u>	<u>Survivor Benefit Payments</u>
1980	\$76,476,530	\$1,495,620
1979	70,807,529	1,461,604
1978	64,002,405	1,392,108
1977	54,069,526	1,265,695
1976	47,393,602	1,196,581
1975	44,817,112	1,165,766
1974	38,001,288	1,061,102
1973	30,512,101	992,463
1972	25,477,441	922,512
1971	19,888,968	808,550

MEMBERS AND EMPLOYERS CONTRIBUTIONS

<u>Fiscal Year Ending June 30</u>	<u>Employees</u>	<u>Employers</u>
1980	\$33,705,766	\$70,249,466
1979	30,544,619	52,000,495
1978	28,002,557	46,456,338
1977	25,890,129	44,340,036
1976	23,888,254	28,450,370
1975	22,241,103	30,386,051
1974	18,772,056	26,255,827
1973	14,744,244	19,503,529
1972	13,578,508	19,217,928
1971	12,816,848	16,075,383

RETIREMENT ALLOWANCE RECIPIENTS

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Teachers</u>	<u>State Employees</u>	<u>Local District Employees</u>
1980	15,557	6,774	5,878	2,905
1979	14,991	6,626	5,677	2,688
1978	14,272	6,394	5,413	2,465
1977	13,446	6,179	5,035	2,232
1976	12,718	5,967	4,735	2,016
1975	12,070	5,761	4,471	1,838
1974	11,346	5,386	4,301	1,659
1973	10,311	5,020	3,805	1,486
1972	9,321	4,466	3,539	1,316
1971	8,308	4,066	3,081	1,161

FINANCIAL HIGHLIGHTS

	<u>1980</u>	<u>1979</u>
Assets of the Fund at Year End	\$317,501,210	\$263,819,656
Net Income From Investments	33,905,754	17,376,101
Year End Investments (Cost)	272,523,379	247,923,508
Year End Investments (Market)	288,391,829	258,369,957
Corporate Stocks in Portfolio (Cost)	120,126,223	105,688,128
Percent of Portfolio	44.1%	42.7%
Bonds in Portfolio (Cost)	117,101,914	111,107,156
Percent of Portfolio	42.9%	44.8%
Mortgages in Portfolio (Cost)	5,848,492	6,445,242
Percent of Portfolio	2.2%	2.6%
Insured Guaranteed Contract (Cost)	5,000,000	5,000,000
Percent of Portfolio	1.8%	2.0%
Time Deposits in Portfolio (Cost)	4,000,000	999,726
Percent of Portfolio	1.5%	.4%
Commingled Trust Fund	20,446,750	18,683,256
Percent of Portfolio	7.5%	7.5%

RETIREMENT ALLOWANCES paid - June 30, 1980

	<u>VALUE</u>		<u>PERSONS</u>	
	<u>Dollars</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
State Employees	\$2,235,840	34.7%	5,878	37.8%
Teachers	3,376,514	52.4%	6,774	43.5%
Participating Local Districts	<u>833,957</u>	12.9%	<u>2,905</u>	18.7%
TOTAL	<u>\$6,446,311</u>		<u>15,557</u>	

SURVIVOR BENEFITS paid - June 30, 1980

	<u>VALUE</u>		<u>PERSONS</u>	
	<u>Dollars</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
State Employees	\$ 71,459	57.1%	413	57.0%
Teachers	33,182	26.7%	172	23.7%
Participating Local Districts	<u>20,283</u>	16.2%	<u>140</u>	19.3%
TOTAL	<u>\$ 124,924</u>		<u>725</u>	

STATISTICS

MEMBERSHIP - June 30, 1980:

	<u>ACTIVE</u>	<u>INACTIVE</u>
State Employees	14,394	7,126
Teachers	17,735	12,503
Participating Local Districts	<u>10,678</u>	<u>3,093</u>
TOTAL	<u>42,807</u>	<u>22,722</u>

RETIREMENT ALLOWANCES - Authorized Year Ended June 30, 1980:

		<u>Percent</u>
State Employees	337	38.1%
Teachers	321	36.3%
Participating Local Districts	<u>226</u>	25.6%
TOTAL	<u>884</u>	

SURVIVOR BENEFITS - Authorized Year Ended June 30, 1980:

		<u>Percent</u>
State Employees	17	44.7%
Teachers	10	26.3%
Participating Local Districts	<u>11</u>	29.0%
TOTAL	<u>38</u>	

Participating Local Districts

Towns	103
Sewer & Water Districts	40
Cities	19
S.A.D.'s	17
Counties	16
Housing Authorities	12
Public Libraries	4
Miscellaneous	<u>41</u>
TOTAL	<u>252</u>

REPORT OF THE EXECUTIVE DIRECTOR

In 1947 the State Legislature merged the Maine Teachers Retirement Association and the State Employees Retirement System into a new unit called the Maine State Retirement System. Today the System's membership includes all public school teachers in the State, all state employees and the employees of 252 participating local districts, i.e., cities, towns, counties, water districts, sewer districts, etc.

The responsibility for the proper operation of the System is vested in a Board of eight trustees. The Board formulates policies and exercises general supervision under the provisions of 5 MRSA, and appoints an Executive Director who is charged with administrative responsibility of the System and approval of all benefits. The Board is comprised of a member elected by the Maine State Employees Association, the Maine Teachers Association, a member appointed by the Maine Municipal Association, three members appointed by the Governor, one of whom is a retired teacher nominated by the Maine State Retired Teachers Association, a person retired under the System who is selected by the foregoing members of the Board from a list or lists submitted by retired state employees and retired participating district employees, and the State Treasurer who serves as an ex-officio member. The Board employs a consulting actuary whose duties include the certification of all benefits, the recommendation as to funding requests to the Legislature, is the technical advisor to the Board on matters regarding the operation of funds, and performs annual valuations of the assets and liabilities of the System on the basis of actuarial assumptions adopted by the Board. The Actuary is also required to make such investigations of the experience of the System as he deems necessary. A Medical Board, consisting of three physicians not eligible to participate in the System, assists the Board in evaluating disability retirement claims.

As of June 30, 1980, there were 42,807 active members under the System (17,735 teachers, 14,394 state employees and 10,678 employees of participating local districts). In addition there were 22,722 inactive accounts representing former members whose services have been terminated and whose contributions have been left on deposit with the System.

ASSETS

Total assets at year end were \$317,501,210, an increase of \$53,678,471 over total assets at the beginning of the year. These assets were comprised of corporate stocks (\$120,126,223), corporate bonds (\$117,101,914), mortgages and mortgage type investments (\$26,295,242), cash on deposit in the State Treasurer's "Cash Pool" (\$39,149,222) and other assets (\$14,828,609). The book value on investments amounted to \$272,523,379 at year end which compared with a market value on these investments of \$288,391,828.

There were no major changes in the investment allocations during the fiscal year; however, subsequent to the year end the Board employed a new fixed income investment manager, FMR Investment Management Service, Inc. of Boston, Massachusetts. The Board allocated \$12,000,000 for management by this firm, and in addition, allocated \$6,000,000 each to Merrill Trust Company of Bangor and Alliance Capital Management Corp. of New York for equity investment, and

\$6,000,000 to Travelers Insurance Company of Hartford, Connecticut, for investment in the Company's pooled real estate equity fund.

The time-weighted rate of return on investments under management by the System's investment managers was 14% for the fiscal year ended June 30, 1980, as compared with 11.1% for the fiscal year ended June 30, 1979. The time-weighted rate of return on equities during the year was 23% and was 2.1% on fixed income investments. This return measurement is based upon market value of investments under management and should not be confused with the return based upon book value of investments, which was 7.88% for the same period.

TRUST FUND RESERVES

Total trust fund reserves of the System were \$315,411,214 as of June 30, 1980, an increase of \$52,591,704 over reserves at the beginning of the year. A comparison of these reserves by category is as follows:

	<u>June 30, 1980</u>	<u>June 30, 1979</u>
State Employees	\$143,689,410	\$121,741,250
Teachers (Post-7/1/24)	205,298,232	175,746,937
Teachers (Pre-7/1/24)	(141,017,263)	(122,108,772)
Participating Local Districts	<u>107,440,835</u>	<u>87,440,095</u>
Total	<u>\$315,411,214</u>	<u>\$262,819,510</u>

The deficit in the Pre-7/1/24 teacher account continues to grow, inasmuch as no funding is being provided for these benefit payments. The deficit (\$141,017,263) represents the excess of benefit payments together with interest charges to the account over and above contributions made by the State and the individual teachers under this particular category. Previous requests by the Board of Trustees for funding of benefits for this group of teachers have been denied; however, funding requests to be presented to the upcoming Legislature will include funding for this group, under the same funding time frame period as the other teacher and the state employee groups. Increased reserves under the state employee, teacher (Post-7/1/24) and participating local district accounts were reflected in both the Members Contribution Fund and the Retirement Allowance Fund.

1979-80 OPERATIONS

Total trust fund operations during the year resulted in net additions to the fund of \$52,591,704, due in part to additional state contributions on account of teachers (\$8,748,800) and state employees (\$7,652,717). These increases were due to higher salary bases on which costs are based, and in part to changes in mortality tables adopted by the Board of Trustees as the result of actuarial studies making this change necessary. Individual members' contributions were \$3,161,147 greater than the previous year and were due primarily to higher salaries upon which members contribute. Net income from investments was \$16,529,653 more than the previous year, as a result of gains in the sale of securities of \$10,765,983, and increased investment income of \$5,846,341.

Expenditures and deductions from the fund totalled \$85,274,316, and were comprised of retirement benefits of \$76,476,530, payments to survivors of former members of \$1,495,620, refunds to former members and beneficiaries of former members of \$7,250,698, and other charges of \$51,468. During the year there were 884 retirement allowances processed, as follows: teachers - 321, state employees - 337, and local districts - 226. This represents a decrease of 108 retirements as compared with the previous year and continues the decrease noted in the 1978/79 year as compared with the 1977/78 year. Higher retirement benefit payments were due in part to the additional number of persons drawing retirement benefits during the year and in part to a 4% cost-of-living increase granted under the System's statutes in September of 1979.

The following data reflects the average retirement allowance under full benefits and age at retirement (exclusive of special groups):

	<u>State Employees</u>	
	<u>Annual Benefit</u>	<u>Retirement Age</u>
1976	\$4,059.00	62.35 yrs.
1977	\$4,102.00	62.19 yrs.
1978	\$4,839.00	61.23 yrs.
1979	\$4,400.00	62.07 yrs.
1980	\$4,734.00	61.63 yrs.
	<u>Teachers</u>	
1976	\$4,557.00	62.12 yrs.
1977	\$5,372.00	62.55 yrs.
1978	\$6,026.00	61.06 yrs.
1979	\$6,372.00	60.29 yrs.
1980	\$6,001.00	60.67 yrs.

At year end there were 15,557 retirement allowance recipients, comprised of 6,774 teachers, 5,878 state employees and 2,905 local district employees.

Survivor benefit payments are made to certain survivors (spouse-children-parents) of former members of the System whose death occurred prior to retirement. Payments of \$1,495,620 were made to this group during the year as compared to \$1,461,604 during the previous year.

DISABILITY RETIREMENT

Of continued concern and an administrative problem to the Maine State Retirement System staff is the processing of disability retirement claims for state employees and teachers, as well as the review of existing disability retirement benefits. The state employee and teacher group receive disability retirement benefits equal to 2/3 of the average final compensation of the member, which is payable regardless of the length of service of the member, although members with less than five years of service and a disability which existed prior to employment are not eligible to apply for this benefit. This disability plan is considered extremely liberal and was enacted into law by the 107th Legislature to be effective July 1, 1977. Included in the legislation was a provision that all persons receiving a disability retirement allowance

under the former statute would be given an opportunity to accept the provisions of the 1975 legislation. All of these individuals accepted the new benefit program, inasmuch as the old program provided, in most cases, for a benefit of 25% of average final compensation.

The following data, reflecting the number of disability retired persons and benefits paid during the fiscal years indicated, reveals the significant increases in benefits and beneficiaries during the past six years:

<u>Year Ending June 30</u>	<u>Number of Disability Retirees</u>	<u>Disability Retirement Benefits</u>
1974	245	\$ 816,712
1977	347	\$1,398,345
1980	531	\$3,668,863

In October of 1974 the Board of Trustees entered into a contract with an independent disability review firm, to assist the System's staff and the Medical Board in ascertaining the degree of disability and the medical prognosis of disability retirees. It has been the feeling of the staff that this arrangement is not working to the maximum advantage of the System and in March of 1980 the Trustees authorized the creation of a disability review examiner position, to work directly with the M.S.R.S. staff and Medical Board. It is believed the employee in this position will allow a more indepth review of disability claims, more direct contact with the departmental and school personnel as to the ability of individuals to continue work, and overall provide more consistency in the processing of disability claims. In addition, it is believed the individual in this position will provide for a more adequate verification of existing disability claims than the present procedures.

GROUP LIFE INSURANCE

The Trustees of the Maine State Retirement System administer a 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. By regulation the Trustees have excluded certain part-time and temporary positions whose employment is known to be for short periods. There are three parts to the Group Life Insurance program: a Basic plan, a Supplemental plan and a Dependent plan. The Basic and Supplemental plans provide for \$1,000 of insurance for each \$1,000 of annual salary up to a maximum of \$25,000 under each plan. The Dependent plan provides coverage of \$2,000 on the life of the 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 \$9,076,234 at June 30, 1980, an increase of \$1,683,764 over assets at the end of the previous year. These assets were comprised of cash on deposit in the State Treasurer's "Cash Pool" of \$9,020,539, and accounts receivable of \$55,695. Cash held in the State Treasurer's "Cash Pool" is credited with earnings on the "Pool" on a monthly basis. Interest earnings on this Fund for the past fiscal year

amounted to \$1,103,524, an increase of \$409,669 over earnings for the previous year. The following is a tabulation of earnings and a rate of return for the past three fiscal years:

	<u>Earnings</u>	<u>Rate of Return</u>
1980	\$1,103,524	12.73%
1979	\$ 699,255	9.57%
1978	\$ 440,218	6.80%

Total premiums collected during the past year amounted to \$3,060,101, augmented by dividends received during the year of \$1,550,682, an appropriation from the General Fund for retired premiums of \$359,000, earnings on investments of \$1,103,524 and other credits of \$55,695.

Charges against the above funds were for the payment of premiums for active employees (\$3,060,101) and retired (\$695,520), a Supplemental dividend distribution (\$460,800), a distribution of dividends to participating districts (\$205,529), and charges for administration expenses (\$55,695).

The difference between available funds, expenditures and other charges totalled \$1,651,347, which was distributed by additions to the reserve for retiree premiums (\$1,464,803) and the reserve for Supplemental dividend distribution (\$186,543). Dividends earned by participating local districts are paid back to the respective districts following the close of the dividend year, after a pro rata charge for administrative services. All reserves and other funds at June 30 are held on account of state employee and public school teacher participation under the plan.

It should be noted that the reserve for Supplemental dividend distribution, representing the accumulation of dividends on the Supplemental plan, is currently being distributed to the beneficiaries of active employees and retirees on the basis of 30% of the Supplemental insurance carried at the date of death, in the case of active employees, and the date of retirement in the case of retired employees. It is the Trustees' hope that distribution at a 30% rate will be maintainable for an extended number of years.

The reserve for retiree premiums is used to fund the premiums on account of retired state employees and teachers. Retired persons who participated in the Group Life Insurance plan for ten continuous years prior to retirement carry this insurance into retirement at no cost under the statutes. The funding of these premiums has traditionally been on the basis of 50% from state appropriations and 50% from dividends received on the Basic plan.

SOCIAL SECURITY

The 1951 session of the Legislature designated the Maine State Retirement System as the state agency to administer the Social Security program for political subdivisions in the State of Maine, which elect to provide Social Security benefits to their employees. As of June 30, 1980, there were 625 agreements in force between the State and reporting units. The System administers

the collection of the Social Security (FICA) contributions; however, Social Security benefits are administered directly by the Social Security Administration.

During the year units reported wages of \$189,534,252, and remitted FICA contributions of \$23,236,899. There were nine new units covered by agreements, four terminations and two revised modifications executed during this past year.

As noted in our previous years' reports a change in the FICA contribution depositing schedule became effective July 1, 1980, and requires the monthly depositing of FICA contributions. Effective January 1, 1981, the reporting of FICA wages and contributions will be on an annual basis. These new procedures, mandated by Social Security Administration regulations, will result in a significant increase in the workload of the System, and it is anticipated there will be reduced earnings from the cash flow of FICA contributions. Earnings will be adequate, together with interest earnings on previous years' reserves, to finance the administration of this activity. Financing this activity through interest earnings obviates the necessity of charging the various cities, towns, counties and other municipal units which participate in the Social Security program for administrative costs.

The System's staff performed seventy-two on-site reviews during the past year and participated with federal examiners in five on-site reviews, to determine compliance with Social Security regulations.

Earnings on investments of FICA contributions through the State Treasurer's "Cash Pool" totalled \$319,580 during the past fiscal year, and administrative costs applied against these earnings amounted to \$55,404.

A handwritten signature in dark ink, appearing to read "William G. Blodgett" followed by a stylized flourish or initial.

William G. Blodgett, Executive Director



Evaluation Associates, Incorporated

25 Sylvan Road South, Westport, Connecticut 06880 (203) 226-7864

January 5, 1981

Board of Trustees
Maine State Retirement System
Augusta, Maine 04333

Dear Board Member:

This report covers our firm's work with the Board on investment related matters for the fiscal year ending June 30, 1980. The year proved to be even better than fiscal 1979 in terms of both absolute and relative rates of return earned by the MSRS Fund.

The major focus of our work again this year was to evaluate and recommend alternative investment opportunities. These included primarily ways to reduce the Fund's volatility and protect it during periods of high inflation, in particular guaranteed insurance contracts, options, inflation-indexed bond management, immunized bond management, and real estate. In addition, the custodian requirements were reviewed to evaluate the feasibility of instituting a market inventory fund that might reduce transaction costs.

During the year we continued to caution against increasing the Fund's exposure to equity investments, concentrating instead on analyzing the Fund's current equity managers and providing commentary as requested on other potential investment management organizations. Our equity analysis system became a standard part of reports used each quarter to review the managers' effectiveness along with our bond graphics analytical reports.

Special reports were also prepared from time to time in support of these activities, including an investigation of the managers' fees and transaction costs, the preparation of exhibits explaining the MSRS performance results compared to the performance of other employee benefit funds, and a review by the managers of the investment objectives and guidelines of the Fund.

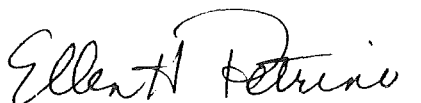
In related matters, the Fund's custodian bank improved its method of giving credit for fail float and developed the ability to keep all cash balances invested in cash reserves on a daily basis. The securities lending program continued to provide modest incremental income to the Fund.

The following results represent time-weighted total rates of return (realized and unrealized gains and losses plus dividend and interest income) for the two most recent fiscal years. Stocks and Treasury bills again outperformed bonds, and by a wider margin than in 1979.

	Fiscal Year 1980 <u>6/30/79 - 6/30/80</u>	Fiscal Year 1979 <u>6/30/78 - 6/30/79</u>
MSRS Total Fund	14.0%	11.1%
<u>INVESTMENT MANAGER PROFILES - Median Performance</u>		
Balanced Fund Managers	12.6%	10.5%
Equity Fund Managers	18.0	12.8
Bond Fund Managers	4.8	8.0
<u>Market Indices</u>		
Standard & Poor's 500 Index	17.3%	13.6%
Dow Jones Industrials	9.5	8.9
Salomon Brothers Long Bond Index	-2.4	7.2
Kuhn Loeb Bond Index	-1.0	7.1
90 Day U. S. Treasury Bills	11.0	8.6
50% S&P 500 Index/50% Salomon Bond	7.4	10.4

The 14.0% earned by the MSRS total Fund substantially exceeds the median of balanced fund managers monitored by our firm through our publication INVESTMENT MANAGER PROFILES. This universe includes over 90 investment management organizations with approximately 2000 discretionary balanced employee benefit accounts with assets in excess of \$45 billion. The Fund's asset mix with its relatively high orientation toward equities contributed to these above average results, as did the performance of the individual managers.

Sincerely,


Ellen H. Petrino
Senior Vice President

TOWNE & ASSOCIATES

Actuaries

Management Consultants

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ROBERT E. AKER
QUECHEE, VERMONT


January 26, 1981

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, 1980, 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

ACTUARIAL VALUATIONS
AS OF JUNE 30, 1980
MAINE STATE RETIREMENT SYSTEM

Submitted
January 26, 1981

— TOWNE —

TABLE OF CONTENTS

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
A	<u>SUMMARY OF REPORT</u>	
	1. Scope of Report	1
	2. Contribution Rates	3
	3. Financial Condition	9
B	<u>VALUATION RESULTS</u>	
	1. Actuarial Balance Sheet	12
	2. Unfunded Accrued Benefit Reserve	15
	3. Survivor Benefits Reserve	21
	4. Disability Benefits Reserve	21
	5. Accidental Death Benefits Reserve	22
	6. Employer - Employee Contributions	23
	7. Fiscal Year Experience	24
C	<u>EMPLOYEE STATISTICS AS OF JULY 1, 1980</u>	
	1. Distribution of Active Employees (State and Teachers)	30
	2. Distribution of Retired Employees (State and Teachers)	33
	3. Distribution of Participating District Employees	37
D	<u>ACTUARIAL ASSUMPTIONS</u>	
	1. Amount of Benefits	38
	2. Probability of Receipt of Benefits	38
	3. Investment Income	39
	4. Contributions	39
	5. Administrative Expenses	40
	6. Funding Method	40
E	<u>RETIREMENT SYSTEM BENEFIT PROVISIONS</u>	
	I Bases for Benefits	45
	II Retirement Conditions	46
	III Benefit Formulas	47
	IV Optional Methods of Retirement Payment	48
	V Cost of Living Adjustments	48
	VI Death Benefits	49
	VII Termination of Employment Before Retirement	50
	VIII Employee Contributions	50

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 1981 - 82 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 243 participating districts for the fiscal period 1981 - 82 and the results thereof submitted to them. A summary of such results is contained in this report. Actuarial valuations had previously been made for 4 additional districts that had joined the system on or after July 1, 1979 and whose membership in the system was for less than one year on July 1, 1980.

c) Benefits covered

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

d) Bases for valuations

Valuations were determined by using i) employee data as of June 30, 1980, 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 1978 Revision of the Maine State Retirement System Laws, including amendments thereto enacted prior to July 1, 1980, which are outlined in Section E hereof.

e) Period of report

This report is with respect to the financial condition of the retirement system for the fiscal period July 1, 1979 through June 30, 1980, the state contribution requirements for the biennial 1981 - 83 fiscal period and participating district contribution requirements for the annual 1981 - 82 fiscal period.

2. Contribution Rates

a) State contributions under regular funding provisions

The contribution rates, as percentages of total employee compensation, payable by the state under the provisions of the retirement system, which were determined for the biennial fiscal period 1981 - 83, based upon the actuarial valuation as of June 30, 1980, are as follows:

		<u>Fiscal Period</u>	
		<u>1981 - 82</u>	<u>1982 - 83</u>
i) <u>State employees</u>			
(A) <u>Retirement benefits</u>			
(I) <u>All state employees</u>			
	Future service	3.69%	3.69%
	Accrued service	<u>8.65</u>	<u>8.89</u>
	Total	12.34	12.58
(II) Special state groups - contributions additional to those payable in (I) above:-			
	State police	18.43	18.43
	Sea and shore workers	17.26	17.26
	Game wardens	19.36	19.36
	Prison wardens	6.16	6.16
	Liquor inspectors	3.47	3.47
	Forest rangers	4.23	4.23
(B) <u>Disability benefits</u>			
(I) Regular state employees			
		1.48	1.48
(II) Special state groups			
	State police	1.86	1.86
	Sea and shore workers	1.80	1.80
	Game wardens	1.86	1.86
	Prison wardens	1.83	1.83
	Liquor inspectors	1.92	1.92
	Forest rangers	1.68	1.68
(C) <u>Accidental death benefits</u>			
(I) Regular state employees			
		.03	.03
(II) Special state groups			
		.50	.50

		Fiscal Period	
		1981 - 82	1982 - 83
(D)	<u>Survivor benefits</u>		
(I)	All state employees	.83%	.83%
(E)	<u>All benefits</u>		
(I)	Regular state employees	14.68	14.92
(II)	Special state groups		
	State police	33.96	34.20
	Sea and shore workers	32.73	32.97
	Game wardens	34.89	35.13
	Prison wardens	21.66	21.90
	Liquor inspectors	19.06	19.30
	Forest rangers	19.58	19.82

ii) Teachers

(A)	<u>Retirement benefits</u>		
	Future service	4.16	4.16
	Accrued service	9.68	9.95
	Total	13.84	14.11
(B)	<u>Disability benefits</u>	1.46	1.46
(C)	<u>Accidental death benefits</u>	.03	.03
(D)	<u>Survivor benefits</u>	.38	.38
(E)	<u>All benefits</u>	15.71	15.98

The total contribution rate for regular state employees for the 1981 - 82 fiscal period increased by .90 from the rate for the 1980 - 81 fiscal period which was due to the following:-

- (A) .03 increase in the yearly term cost of the disability benefits which is based on tabular factors and is redetermined each biennium;
- (B) .23 increase in the accrued service contribution rate which is the 3% regular increase in such rate;

- (C) .61 increase in the accrued service contribution rate to liquidate the actuarial experience losses for the biennium ending June 30, 1980 (.37% for the 12 months ending June 30, 1979 plus .24 for the 12 months ending June 30, 1980); and
- (D) .03 increase for the accidental death benefit cost not previously charged.

The total contribution rate for teachers for the 1981 - 82 fiscal period increased by .94 from the rate for the 1980 - 81 fiscal period which was due to the following for the same reasons as stated above for regular state employees:-

- (A) .04 increase in the yearly term cost of the disability benefits;
- (B) .26 increase in the accrued service contribution rate, the 3% regular increase;
- (C) .61 increase in the accrued service rate to liquidate the actuarial experience losses; and
- (D) .03 increase for the accidental death benefit charge.

b) State contributions for special benefits

The costs for certain additional retirement benefits for state employees and teachers that have been granted by legislative acts effective prior to July 1, 1980, are funded by additional state contributions into the system that are determined specifically for each such act.

c) State contributions for old system teachers benefits

The state contribution rates set forth preceding in a) of this subsection do not include any provision for contributions to liquidate the unfunded liability for benefits of the old system teachers.

State contributions have, in previous years, been made to the retirement allowance fund based on only the future service rate determined for MTRA teachers, applied to the salaries paid to old system teachers. However, such teachers have all retired and therefore state contributions have ceased. Also, since state contributions never included any payment to liquidate the accrued service reserve for the old system teachers, state contributions and balances in the old system retirement allowance account have been insufficient since 1959 to provide the amount of retirement allowances paid to old system teachers. As a result, the funds required for payment of such retirement allowances have been borrowed from other trust fund accounts.

State contributions sufficient to provide for the funding of the accrued benefit reserve liability for the old system teachers benefits have been determined to be as follows, assuming that contributions would commence for the fiscal period ending June 30, 1982 and would continue until the period ending June 30, 2000, which is the period when the accrued benefit reserve liability for state employees and mtra teachers benefits will be liquidated under the actuarial funding method currently used for such benefits, viz:-

Annual contributions would be an increasing percentage of total state employees and teachers payroll for each of the fiscal periods commencing with 3.22% for the fiscal period ending June 30, 1982 and increasing at 3% each year to 5.48% for the fiscal period ending June 30, 2000. The amount of the contribution was estimated to be \$12,100,000 for the fiscal period ending June 30, 1982 and \$13,200,000 for the period ending June 30, 1983, based on an initial payroll of approximately \$376,000,000.

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d) State contributions required by section 1062 (3) (D) of chapter 101

Section 1062, subsection 3, paragraph D of Chapter 101 of the Maine State Retirement Laws requires that the aggregate payment by the state into the retirement allowance fund shall be at least sufficient, when combined with the amount in the retirement allowance fund, to provide the benefits payable out of the fund during the current year.

The total retirement allowance fund for state employees and teachers had a deficit as of June 30, 1980 in the amount of \$14,093,353 and therefore an additional contribution equal to such amount is payable by the state for the fiscal period July 1, 1979 through June 30, 1980. Such contribution will not reduce the amount of regular state contributions payable for the fiscal period July 1, 1980 through June 30, 1981 but it will reduce the amount of unfunded accrued benefit reserve at the end of the fiscal period.

The amount of the retirement allowance fund at the end of the last 4 fiscal periods has been as follows:- (thousands)

<u>Employee classification</u>	<u>6/30/80</u>	<u>Retirement Allowance Fund</u>		<u>6/30/77</u>
		<u>6/30/79</u>	<u>6/30/78</u>	
1. State employees	\$ 53,075	\$ 47,071	\$ 46,106	\$ 45,198
2. MTRA teachers	73,849	65,828	63,064	60,727
3. Old system teachers	(141,017)	(122,109)	(105,882)	(91,720)
All employees	(14,093)	(9,210)	3,288	14,205

The amount of the retirement allowance payroll (annual) at the end of the last 4 fiscal periods has been as follows:- (Thousands)

<u>Employee classification</u>	<u>6/30/80</u>	<u>6/30/79</u>	<u>6/30/78</u>	<u>6/30/77</u>
1. State employees	\$26,478	\$24,790	\$22,786	\$19,056
2. MTRA teachers	31,499	28,780	25,278	21,001
3. Old system teachers	8,860	9,238	8,979	8,651
All retirees	66,837	62,808	57,043	48,708

The lack of adequate state contributions for the old system teachers retirement benefits has been the principal reason for the deficit that has occurred in the total retirement allowance fund for state employees and mtra teachers, which may be noted from the yearly increase in the deficit of the old system teachers retirement allowance fund shown in the chart on the previous page.

Section 1062, subsection 3 paragraph F provides that benefits shall be paid from the retirement allowance fund, except those payable from the members contribution fund and the survivors benefit fund. Therefore, any deficits in the retirement allowance fund constitute borrowings from the other funds which are not provided for in the retirement system laws. A primary purpose of the section is to ensure that the members contribution fund will always be sufficient to refund members contributions if they should terminate employment before retirement or the system should be terminated.

e) 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 1981 - 82, based upon the actuarial valuations as of June 30, 1980, were submitted to each district in separate actuarial valuation reports. The weighted average contribution rates for the 243 districts with total salaries of \$104,849,472 are shown following as well as those for the period 1980 - 81.

i) <u>Retirement benefits</u>	<u>1981 - 82 Period</u>	<u>1980 - 81 Period</u>
Future service	6.83%	6.29%
Accrued service	<u>6.43</u>	<u>8.74</u>
Total service	13.26	15.03

ii) Survivor benefits

There are 75 districts, with total annual salaries of \$66,001,288, that have elected survivor benefits for their employees. The average annual contribution rate payable by those districts is .31%, weighted by salaries, for each period.

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. Certain aspects of the unfunded accrued benefit reserve are also set forth in that section.

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 result in fluctuations in the rate of accrued benefit contribution payment. Also, contributions are adjusted when changes in the actuarial assumptions are made because of changes in future expectations as a result of studies of the factors included in the actuarial assumptions, as required in the retirement system laws, or when changes are made either in the benefits of the system or in the conditions for the receipt thereof.

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 where there are no changes in benefit provisions from those of the preceding fiscal period. However, experience fluctuations may, at times, require an adjustment in the scheduled period, or when changes in the actuarial assumptions are made.

c) Revision of actuarial assumptions

The actuarial valuations which are made yearly to determine the financial condition of the retirement system and the contribution rates required to provide the benefits are based upon various assumptions as to the amounts of benefits that will be paid in the future, the periods during which such benefits will be paid and the rates of income that will be received from the invested assets of the system. The actuarial assumptions upon which the valuations summarized in this report were based are set

forth in Section D hereof. They were adopted by the board of trustees to be effective for all contributions payable under the retirement system on or after July 1, 1978. Previous assumptions were revised as of that date based on an experience study of the actuarial assumptions which had been made for the fiscal periods 1970 through 1975, as required by Section 1031, subsection 12, paragraph C.

SECTION B
VALUATION RESULTS

The results of the actuarial valuations as to contribution requirements are summarized in Section A hereof. This section contains certain additional details of the financial condition of the system, including an analysis of the factors affecting the fiscal experience of the system during the last fiscal period.

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, 1980 actuarial valuation of state employee and teacher benefits is presented on the next following page.

The state contribution rates required, together with member contribution rates, to produce the present value of future contributions shown in asset item (2) of the balance sheet are those set forth in subsection 2 of Section A of this report on the actuarial valuation as of June 30, 1980. The allocation of the total contributions of the state and employees between future membership service and accrued service is affected by certain legislative enactments in 1970 and later which is commented on in subsection 6 of this section and subsection 6 of section D of this report.

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 not a proper measurement of past funding of accrued benefits for purposes not related to determining future contribution requirements under the retirement system.

ACTUARIAL BALANCE SHEET - JUNE 30, 1980

<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>				
(b) Members contribution fund	\$ 81,031,502	\$116,177,396	0	\$ 197,208,898
(c) Retirement allowance fund	57,336,996	79,888,627	(\$145,499,128)	(8,273,505)
Value invested funds (a + b)	138,368,498	196,066,023	(145,499,128)	188,935,393
(2) <u>Future Contributions</u>				
(a) Future membership service	129,359,806	176,546,033	0	305,905,839
(b) Accrued service	341,427,444	389,438,852	211,515,016	942,381,312
Value contribution income (a + b)	470,787,250	565,984,885	211,515,016	1,248,287,151
(3) <u>Value Total Income (1 + 2)</u>	609,155,748	762,050,908	66,015,888	1,437,222,544
<u>Liabilities</u> (Expected benefit payments)				
(1) <u>Active Employees</u>				
(a) Future membership service	129,359,806	176,546,033	0	305,905,839
(b) Accrued service	196,758,190	211,146,026	0	407,904,216
Value active benefits (a + b)	326,117,996	387,692,059	0	713,810,055
(2) <u>Retired Employees</u>				
(a) Past membership service	188,014,443	213,277,694	16,167,714	417,459,851
(b) Prior service	25,405,054	69,484,072	20,305,655	115,194,781
(c) Cost of living	69,618,255	91,597,083	29,542,519	190,757,857
Value retired benefits (a + b + c)	283,037,752	374,358,849	66,015,888	723,412,489
(3) <u>Value Total Benefits (1 + 2)</u>	609,155,748	762,050,908	66,015,888	1,437,222,544

Note:- Items indicated as applicable to active employees also include the benefits of terminated employees who a) have vested benefits payable to them at a future date and b) currently have no vested benefits but to date have not withdrawn their employee contributions.

2. Unfunded Accrued Benefit Reserve

The reserve value of the total accrued benefits 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 19 shows the changes in the unfunded accrued benefit reserve of state employee and teacher benefits for the last five fiscal periods ending June 30, 1976, June 30, 1977, June 30, 1978, June 30, 1979 and June 30, 1980. 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 even though the funding contributions are adequate and the funding period is reducing as scheduled, due to contributions being related to an increasing salary scale, and in the case of the accrued service contribution rate increasing at a constant percentage each year, which may produce a pattern of contributions which do not completely provide for the benefit requirements of each future fiscal period. This

TOWNE

may occur, in particular, where a large percentage of the unfunded reserve results from the reserve for retired employee benefits and the funding period is greater than the average future benefit period.

- 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.
- iv) In order to reach any valid conclusions based on a comparison of the unfunded accrued benefit reserve of different retirement systems using any of the indices shown in the chart it is necessary to know the time a system has been in effect and the extent and times changes have been made in the benefits of a system particularly since benefit improvements are normally applicable to all service prior to the date of change and may be applicable to present retirees as well as future retirees.

The Maine Retirement System has existed since 1941 for state employees and since 1924 for teachers. Benefit changes since 1970 have increased the basic formula by 40% applicable to both active employees and retirees. Such changes have naturally increased the accrued benefit reserve to a considerable extent which has in turn increase the unfunded reserve in amount, increased its ratio to salaries and decreased its funded percentage. As noted from the actuarial balance sheet on page 14 hereof the value of retired benefits is currently 52% of the value of total benefits which reflects the maturity of the system. (64% of the value excluding future membership service).

When comparing the unfunded accrued benefit reserve of the Maine Retirement System with that of a system with benefits that are either supplemental to or integrated with those of the Social Security system that system's share of the unfunded accrued benefit reserve of the Social Security system should be taken into consideration.

- v) The net financial experience for the fiscal period ending June 30, 1980 with respect to state employees and mtra teachers was unfavorable compared with the experience encompassed by the actuarial assumptions resulting in a decrease of .8 years in the funding period (column (5) of the chart) instead of the scheduled decrease of one year. Therefore an increase of .24 resulted in the accrued service contribution rate for the fiscal period commencing July 1, 1981. The increase is apparently 65% of the increase required for the fiscal period ending July 1, 1981.
- vi) If funding of the accrued benefit reserve for old system teachers is provided by contributions commencing with the fiscal period ending June 30, 1982 as recommended by the board of trustees the unfunded accrued benefit reserve for all employees will be liquidated with the fiscal period ending June 30, 2000.
- vii) Unfunded accrued benefit reserve comparisons for fiscal years prior to June 30, 1978 should take into consideration the effect of the change in actuarial assumptions for June 30, 1978 as explained in the actuarial valuation report for that period.

- viii) 22% of the unfunded accrued benefit reserve of all employees is represented by the unfunded reserve of the old system teachers and 69% of the unfunded accrued benefit reserve of the old system teachers (\$145,499,128 - item (1) (c) of the actuarial balance sheet on page 14) is the accumulated value of the borrowings from the state employees and mtra teachers retirement allowance accounts to provide the payments for retired old system teachers not funded by state contributions. The value of such borrowings increased by \$20,100,519 for the fiscal period ending June 30, 1980 and the total retirement allowance account of state employees and teachers had a deficit of \$14,093,000 as of June 30, 1980 which is shown on page 7 of this report.
- ix) The percentage of funded accrued benefit reserve for state employees and mtra teachers increased for the June 30, 1980 fiscal period, as for the previous fiscal period, and the ratio of unfunded accrued benefit reserve to salaries decreased.

Unfunded Accrued Benefit Reserve - State Employees and Teachers

Employee Group	(Amounts shown in thousands)					
	(1) State	(2) MTRA Teachers	(3) Old System Teachers	(4) (2) + (3) All Teachers	(5) (1) + (2) S & MTRA	(6) (1) + (2) + (3) All Employees
June 30, 1980						
(A) Annual Salaries	\$160,576	\$214,265	0	\$214,265	\$374,840	\$374,840
Ave - Ratio/1979	116	106	0	106	110	110
(B) Unfunded Reserve	341,427	389,439	\$211,515	600,954	730,866	942,381
-Ratio/salaries	213	182	0	280	195	251
-% funded	28.8	33.5	0	7.8	31.4	16.7
-Funding years	23.2	17.6	0	26.2	19.8	25.0
June 30, 1979						
(A) Annual Salaries	134,717	203,073	0	203,073	337,790	337,790
Ave - Ratio/1978	103	113	0	113	109	109
(B) Unfunded Reserve	306,034	372,053	195,305	567,358	678,087	873,392
-Ratio/salaries	227	183	0	279	201	259
-% funded	28.5	31.8	0	7.8	30.4	16.3
-Funding years	25.3	17.9	0	26.5	20.6	26.1
June 30, 1978						
(A) Annual Salaries	126,578	188,666	0	188,666	315,243	315,243
Ave - Ratio/1977	114	99	0	99	105	105
(B) Unfunded Reserve	284,244	336,733	177,667	514,400	620,977	798,644
-Ratio/salaries	225	178	0	273	197	253
-% funded	28.2	31.9	0	9.0	30.3	16.9
-Funding years	25.7	18.1	0	26.8	20.9	26.4
June 30, 1977 *						
(A) Annual Salaries	110,785	190,356	0	190,356	301,141	301,141
Ave - Ratio/1976	101	101	0	101	101	101
(B) Unfunded Reserve	206,691	235,126	147,208	382,334	441,817	589,025
-Ratio/salaries	187	124	0	201	147	196
-% funded	33.8	38.3	0	12.3	36.3	21.2
-Funding years	27.2	17.0	0	26.7	20.5	26.9
June 30, 1976 *						
(A) Annual Salaries	106,875	176,250	0	176,250	283,125	283,125
Ave - Ratio/1975	104	105	0	105	105	105
(B) Unfunded Reserve	180,745	206,287	141,355	347,642	387,032	528,387
-Ratio/salaries	169	117	0	197	137	187
-% funded	36.1	40.1	0	13.1	38.3	22.6
-Funding years	25.3	16.5	0	26.7	19.6	26.2

*The valuations for these years were on different actuarial assumptions than for 1978 and later.

b) Participating district employee valuations

The funding period of the accrued benefit reserve for the 243 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	106	106	44%	44%
1 - 09	99	205	41	85
10 - 14	18	223	7	92
15 - 19	12	235	5	97
20 - 24	6	241	2	99
25 and over	2	243	1	100
Total	243	243	100	100

An analysis of the total unfunded accrued benefit reserve of the 137 districts which had any unfunded reserves as of June 30, 1980 is as follows:

i) Annual salaries	\$84,256,014
ii) Unfunded reserve	98,821,439
(A) Ratio/salaries	117
(B) % funded	49.1
(C) Average funding period	7.3 years, arithmetic average or 21.7 years, weighted by unfunded reserves.

Compared with the results of the 1979 actuarial valuation of the districts, the percentage of districts with no unfunded reserve increased from 34% to 44%, the percentage funded increased from 44.8% to 49.1% and the average remaining funding period decreased by .7 years when weighted by the amount of unfunded reserve. Also, the ratio of unfunded reserve to salaries including districts without any unfunded reserve was 94%.

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 state is liable for the payment of all survivor benefits to beneficiaries after such benefits have been incurred.

The trust fund reserves applicable to the survivor benefits account amounted to \$13,654,949 on June 30, 1980. The contributions paid into the survivor benefits fund for the fiscal period ending June 30, 1980 were adequate in amount to provide for the reserves for new benefits incurred during the period and for an amortization payment on a reserve deficit which arose in previous years. With a continuance of present experience, the deficit, equal to 9.4% of trust fund reserves on June 30, 1980, will be eliminated within 1 year.

4. Disability Benefits Reserve

The funding of the disability benefits determined on the 2/3 salary formula that was effective July 1, 1977 is based upon a group term funding method of the same nature as that used for survivor benefits.

For the fiscal period ending June 30, 1980 the state contributions for the disability benefits of state employees, teachers and the participating district contributions adequately provided for the reserves for new benefits incurred during that period. The trust fund reserves applicable to the disability benefits account amounted to \$13,022,254 on June 30, 1980 and claim reserves were approximately 57% of such amount.

The financial requirements of the disability claims incurred since the 2/3 benefits program commenced on July 1, 1977 have been adequately provided for through June 30, 1980.

5. Accidental Death Benefits Reserve

Section 1125 of the Maine State Retirement System Laws provides for certain survivor benefits in the event of the death of any member of the Retirement System in the line of duty, which automatically applies to all state employees, teachers and participating district employees.

The funding of the accidental death benefits is based upon a group term funding method of the same nature as that used for survivor benefits and the 2/3 disability benefits.

A separate trust fund account was first established for the accidental death benefits as of June 30, 1980. For the fiscal period ending June 30, 1980 state and participating district contributions adequately provide for the reserves for new benefits incurred during that period. The trust fund reserves applicable to the accidental death benefits account amounted to \$320,609 and claim reserves were approximately 77% of such amount. Thus, the financial requirements of the death claims incurred have been adequately provided for through June 30, 1980.

6. Employer - Employee Contributions

Section 1031, subsection 12, paragraph B, 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 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 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 cost of the pre January 1, 1970 membership service benefits is 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.

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Employee liabilities are based on actuarial assumptions in effect prior to July 1, 1978.

<u>Benefits</u>	<u>Percentage of Total Benefits 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 for prior service are based on data that was available for the June 30, 1974 valuation. The proportion of the total benefits of active employees represented by prior service has become insignificant and, for retired employees, it will steadily decrease in future years.

7. Fiscal Year Experience

The experience during the fiscal period July 1, 1979 through June 30, 1980 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 investigations, viz: mortality, disability and withdrawal rates.

a) Accrued benefit reserve

- i) The effect on the accrued benefit reserve of the experience during the fiscal period ending June 30, 1980 is discussed in subsection 2 preceding in this section.

The net effect on the accrued service contribution rate was an increase of .24 compared with .37 for the previous period.

b) Actuarial experience gains and losses

The experience under the actuarial assumptions described at the beginning of this subsection, for the fiscal year ending June 30, 1980, is discussed following in this subsection. Net experience losses for the period were approximately 40% of those for the previous period.

c) Investment experience

i) Investment rates

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

(A) Fixed income	10.58% on book basis (9.22% after losses)
(B) Equities	3.96% on book basis 6.22% with 5 year average market gains.
(C) All assets	7.88% on book basis
(C) All assets	7.92% on book basis plus 5 year average stock market gains, which is the asset base of the actuarial valuation. (8.72% before fixed income losses).

The investment earnings rate on all investments determined on the actuarial valuation assumption basis has been as follows for the last 5 fiscal periods: 5.77%, 3.56%, 5.32%, 7.94% and 7.92%. Since the experience rate has been below the actuarial assumption rate of 8.50%, actuarial losses resulted in each fiscal period, when measured against that assumption. However, the rate for the last period excluding fixed income losses was in excess of the 8.50% assumption.

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) \$12,131, \$2,477, \$2,502, \$11,395 and \$21,618 for the years ending June 30, 1976 through June 30, 1980.

For the fiscal period ending June 30, 1980 trust fund balances of the system were increased by \$11,987,408 due to asset gains which reduced the negative balance of the reserve against future losses. The net investment experience for the fixed period resulted in actuarial gains which were equivalent to a decrease in the accrued service contribution rate of approximately .29% of employee compensation.

d) Salary scales

Average salaries used in the valuations increased approximately 10% from the previous fiscal period for combined state employees and teachers (16% for state employees and 6% for teachers). Therefore, accrued service benefits of all active employees increased more than expected. Employee contributions increased more than expected as did state contributions for state employees. However, state contributions for teachers benefits were less than required since such contributions are paid as fixed amount contributions for the fiscal period instead of as a percentage of employee compensation which is the basis for all employee contributions and the state contributions for state employee benefits. The state contribution for teacher benefits is always determined as a percentage of employee compensation and therefore state contributions for teacher benefits are always less than required for any fiscal period as long as salaries increase from year to year.

For the fiscal period ending June 30, 1980 net actuarial losses due to salary scale experience were equivalent to an increase in the accrued service contribution rate of approximately .39% of employee compensation.

e) Retirement age

The normal retirement age for regular employees commences at age 60 with continuance thereafter at the employee's option. The average retirement age was generally close, prior to 1972, to age 65, the actuarial assumption, but it has generally decreased slowly since that time. However, in the last fiscal period it was approximately 62.9 years for state employees and teachers combined, weighted by benefit reserves, which is somewhat higher than for the last fiscal period when it was 62.6 years. There was an actuarial loss during the fiscal period due to the higher than expected reserves required for new retirees electing normal retirement since the actuarial assumption is age 65.

The retirement benefits of employees who retire prior to age 60 are classified in pension parlance as subsidized early retirement benefits since the amounts of the early retirement benefits are of greater amounts than the actuarial equivalent of the benefits that have accrued to commence at age 60, the earliest normal retirement age. Therefore, actuarial losses result from early retirements since the accrued benefit reserve to be funded is increased. For the last fiscal period such losses increased benefit reserves by approximately 7%. The amount of such subsidy losses for the fiscal period ending June 30, 1980 is 49% of the amount for the previous fiscal period.

For the fiscal period ending June 30, 1980 net actuarial losses due to an average retirement age less than expected and subsidized early retirement benefits were equivalent to an accrued service contribution rate of approximately .25% of employee compensation.

The future experience as to average retirement age is uncertain, particularly as to the effects of the removal of any mandatory retirement age. However, if the future average age is consistently lower than age 65 it may be necessary to change the actuarial assumptions to anticipate such lower age, which will increase the regular funding contribution, instead of periodically increasing the accrued service contribution to reflect actuarial losses.

f) 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 equivalence. Therefore, actuarial losses occur from such elections since the benefit reserve is increased. For the last fiscal period the reserve increase was less than 2% as a result of such losses.

SECTION CEMPLOYEE STATISTICS AS OF JULY 1, 1980

This section of the report present 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 Years Serv. at Ret.
		Total	Average	Average	% Salaries	
i) <u>Males</u>						
65 & over	233	\$ 2,628,501	\$11,281	\$ 3,815	34%	15
60 - 64	487	6,395,741	13,133	5,406	41	19
55 - 59	824	11,752,431	14,263	7,509	53	24
50 - 54	988	14,216,910	14,390	8,793	61	29
45 - 49	927	13,330,483	14,380	9,605	67	32
40 - 44	853	12,520,188	14,678	10,557	72	35
35 - 39	1069	14,896,019	13,935	10,632	76	37
30 - 34	1475	17,901,490	12,137	9,658	80	39
25 - 29	1080	10,275,056	9,514	7,918	83	41
24 & under	662	3,889,259	5,875	5,234	89	45
Total	8598	107,806,078	12,539	8,599	69	34
ii) <u>Females</u>						
65 & over	108	1,137,149	10,529	3,587	34	16
60 - 64	322	3,584,185	11,131	4,337	39	18
55 - 59	506	5,393,497	10,659	4,912	46	21
50 - 54	535	5,533,901	10,344	5,142	50	24
45 - 49	521	5,084,772	9,760	5,539	57	27
40 - 44	535	5,376,594	10,050	6,480	64	31
35 - 39	568	5,559,013	9,787	7,013	72	35
30 - 34	842	8,108,342	9,630	7,496	78	38
25 - 29	968	8,208,846	8,480	7,093	84	42
24 & under	771	4,783,339	6,204	5,566	90	45
Total	5676	52,769,638	9,297	6,136	66	33
iii) <u>All</u>						
65 & over	341	3,765,650	11,043	3,743	34	15
60 - 64	809	9,979,926	12,336	4,981	40	18
55 - 59	1330	17,145,928	12,892	6,521	51	23
50 - 54	1523	19,750,811	12,968	7,511	58	27
45 - 49	1448	18,415,255	12,718	8,142	64	30
40 - 44	1388	17,896,782	12,894	8,986	70	33
35 - 39	1637	20,455,032	12,495	9,376	75	36
30 - 34	2317	26,009,832	11,226	8,873	79	39
25 - 29	2048	18,483,902	9,025	7,528	83	41
24 & under	1433	8,672,598	6,052	5,413	89	45
Total	14274	160,575,716	11,250	7,620	68	34

b) Teachers

Age Group	No.	Annual Salaries		Annual Retirement Benefits		Average Years Serv. at Ret.
		Total	Average	Average	% Salaries	
i) <u>Males</u>						
65 & over	16	\$ 261,790	\$16,362	\$ 7,470	46%	23
60 - 64	86	1,260,722	14,660	7,615	52	24
55 - 59	262	4,347,068	16,592	9,829	59	29
50 - 54	470	7,820,935	16,640	11,343	68	33
45 - 49	794	13,174,447	16,593	11,820	71	35
40 - 44	950	15,139,624	15,936	11,976	75	37
35 - 39	1353	20,333,014	15,028	11,768	78	39
30 - 34	1684	21,658,636	12,861	10,433	81	40
25 - 29	880	9,125,587	10,370	8,643	83	42
24 & under	134	1,097,734	8,192	7,004	85	43
Total	6629	94,219,557	14,213	10,783	76	38
ii) <u>Females</u>						
65 & over	89	1,123,042	12,618	6,401	51	24
60 - 64	372	4,783,957	12,860	6,700	52	24
55 - 59	668	8,312,562	12,444	6,959	56	26
50 - 54	922	11,125,256	12,066	7,238	60	29
45 - 49	1058	12,406,203	11,726	7,582	65	31
40 - 44	1268	14,910,453	11,759	8,257	70	34
35 - 39	1542	17,261,541	11,194	8,305	74	36
30 - 34	2292	25,146,084	10,971	8,816	80	40
25 - 29	2233	21,373,377	9,572	8,006	84	42
24 & under	471	3,602,725	7,649	6,581	86	43
Total	10915	120,045,200	10,998	7,958	72	36
iii) <u>All</u>						
65 & over	105	1,384,832	13,189	6,564	50	24
60 - 64	458	6,044,679	13,198	6,871	52	24
55 - 59	930	12,659,630	13,613	7,767	57	27
50 - 54	1392	18,946,191	13,611	8,624	63	30
45 - 49	1852	25,580,650	13,812	9,399	68	33
40 - 44	2218	30,050,077	13,548	9,850	73	35
35 - 39	2895	37,594,555	12,986	9,924	76	37
30 - 34	3976	46,804,720	11,772	9,501	81	40
25 - 29	3113	30,498,964	9,797	8,186	84	42
24 & under	605	4,700,459	7,769	6,675	86	43
Total	17544	214,264,757	12,213	9,026	74	37

c) Summary of All Active Employees

i)	Number of employees	31,818
ii)	Distribution by sex	48% male, 52% female
iii)	Annual salaries	\$374,840,473
iv)	Average annual salaries	\$11,781
v)	Average annual benefit	\$8,395
vi)	% benefits of salaries	71%
vii)	Average years service at retirement	35 years

2. Distribution of Retired Employees (State and Teachers)

a) State Employees

Number of Employees		Average Annual Benefits			
		<u>Membership Service</u>	<u>Prior Service</u>	<u>Cost of Living</u>	<u>Total</u>
i) <u>Regular Benefits</u>					
F	2010	\$2,096	\$412	\$1,094	\$3,602
M	1359	2,460	496	1,198	4,154
	3369	2,243	446	1,136	3,825
ii) <u>Option 1 Benefits</u>					
F	319	2,307	502	1,463	4,272
M	305	2,581	480	1,592	4,653
	624	2,441	491	1,527	4,459
iii) <u>Option 2 Benefits</u>					
F	53	2,234	450	908	3,592
M	560	2,814	454	1,011	4,279
	613	2,764	454	1,002	4,220
iv) <u>Option 3 Benefits</u>					
F	78	3,361	645	1,420	5,426
M	697	4,373	755	1,830	6,958
	775	4,271	744	1,788	6,803
v) <u>Option 4 Benefits</u>					
F	48	2,346	155	470	2,971
M	194	4,531	463	1,021	6,015
	242	4,098	402	912	5,412
vi) <u>2/3 Disability Benefits</u>					
F	12	5,161	-	67	5,228
M	53	6,388	-	128	6,516
	65	6,161	-	117	6,278
vii) <u>Other Disability Benefits</u>					
F	42	4,322	65	1,433	5,820
M	135	5,646	101	1,575	7,322
	177	5,332	93	1,542	6,967
viii) <u>All Benefits</u>					
F	2562	2,219	418	1,135	3,772
M	3303	3,250	516	1,324	5,090
	5865	2,800	473	1,242	4,515

b) MTRA Teachers

Number of		Average Annual Benefits			
<u>Employees</u>		<u>Membership Service</u>	<u>Prior Service</u>	<u>Cost of Living</u>	<u>Total</u>
i) <u>Regular Benefits</u>					
F	3066	\$3,129	\$1,231	\$1,542	\$5,902
M	398	2,994	907	1,418	5,319
	<u>3464</u>	<u>3,114</u>	<u>1,193</u>	<u>1,528</u>	<u>5,835</u>
ii) <u>Option 1 Benefits</u>					
F	378	2,858	1,469	2,085	6,412
M	67	3,875	1,437	2,471	7,783
	<u>445</u>	<u>3,011</u>	<u>1,464</u>	<u>2,143</u>	<u>6,618</u>
iii) <u>Option 2 Benefits</u>					
F	140	2,924	1,205	1,483	5,612
M	209	4,554	1,216	1,744	7,514
	<u>349</u>	<u>3,900</u>	<u>1,211</u>	<u>1,639</u>	<u>6,750</u>
iv) <u>Option 3 Benefits</u>					
F	262	3,766	1,390	1,618	6,774
M	218	5,436	1,698	2,538	9,672
	<u>480</u>	<u>4,524</u>	<u>1,530</u>	<u>2,036</u>	<u>8,090</u>
v) <u>Option 4 Benefits</u>					
F	49	3,422	926	947	5,295
M	72	4,885	850	1,294	7,029
	<u>121</u>	<u>4,293</u>	<u>881</u>	<u>1,153</u>	<u>6,327</u>
vi) <u>2/3 Disability Benefits</u>					
F	31	7,879	-	160	8,039
M	20	9,890	-	187	10,077
	<u>51</u>	<u>8,668</u>	<u>-</u>	<u>171</u>	<u>8,839</u>
vii) <u>Other Disability Benefits</u>					
F	62	5,612	547	1,741	7,900
M	40	8,185	78	1,638	9,901
	<u>102</u>	<u>6,621</u>	<u>363</u>	<u>1,701</u>	<u>8,685</u>
viii) <u>All Benefits</u>					
F	3988	3,217	1,239	1,582	6,038
M	1024	4,360	1,119	1,768	7,247
	<u>5012</u>	<u>3,451</u>	<u>1,214</u>	<u>1,620</u>	<u>6,285</u>

c) Old System Teachers

Number of Employees		Average Annual Benefits			
		<u>Membership Service</u>	<u>Prior Service</u>	<u>Cost of Living</u>	<u>Total</u>
i) <u>Regular Benefits</u>					
F	1245	\$1,023	\$1,493	\$2,139	\$ 4,655
M	92	1,009	1,580	2,392	4,981
	<u>1337</u>	<u>1,022</u>	<u>1,499</u>	<u>2,156</u>	<u>4,677</u>
ii) <u>Option 1 Benefits</u>					
F	239	1,502	1,802	2,914	6,218
M	20	2,041	1,759	2,974	6,774
	<u>259</u>	<u>1,544</u>	<u>1,798</u>	<u>2,919</u>	<u>6,261</u>
iii) <u>Option 2 Benefits</u>					
F	33	1,744	1,580	2,270	5,594
M	8	653	1,302	1,705	3,660
	<u>41</u>	<u>1,531</u>	<u>1,525</u>	<u>2,159</u>	<u>5,215</u>
iv) <u>Option 3 Benefits</u>					
F	69	1,727	1,789	2,686	6,202
M	19	2,057	2,899	4,302	9,258
	<u>88</u>	<u>1,799</u>	<u>2,029</u>	<u>3,035</u>	<u>6,863</u>
v) <u>Option 4 Benefits</u>					
F	8	2,426	2,373	2,454	7,253
M	10	2,404	2,994	4,709	10,107
	<u>18</u>	<u>2,413</u>	<u>2,718</u>	<u>3,707</u>	<u>8,838</u>
vi) <u>Other Disability Benefits</u>					
F	1	1,691	2,991	2,750	7,432
M	0	0	0	0	0
	<u>1</u>	<u>1,691</u>	<u>2,991</u>	<u>2,750</u>	<u>7,432</u>
vii) <u>All Benefits</u>					
F	1595	1,148	1,559	2,283	4,990
M	149	1,356	1,852	2,833	6,041
	<u>1744</u>	<u>1,165</u>	<u>1,584</u>	<u>2,330</u>	<u>5,079</u>

d) Summary of All Retired Employees

i)	Number of employees	\$12,628
ii)	Annual benefits	\$66,863,630
iii)	Average annual benefit	\$5,295
iv)	Distribution by sex	62% female, 38% male
v)	Distribution by option:	
-	no option	= 64%
-	option 1	= 11
-	option 2	= 08
-	option 3	= 11
-	option 4	= 03
-	2/3 disability	= 02
-	other disability	= 01
vi)	Distribution of benefit credits:	
-	membership credit	= 54
-	prior service credit	= 17
-	cost of living benefits	= 29

The cost of living benefits have thus increased
the regular plan benefits by 41%.

3. Distribution of Participating District Employees

a) Number of districts	243
b) Number of active employees	10,670
c) Annual salaries	\$104,849,472
d) Average annual salary	9,827
e) Distribution of districts by membership credit:	
i) 1/50th	79%
ii) 1/60th	20%
iii) 1/70th	01%
f) Districts with special benefits	16%
g) Districts with retirement allowance adjustments	38%
h) Retired employees:	
i) Districts with retired employees	68%
ii) Number of retired employees	2,997
iii) Annual retirement benefits	\$9,698,813
vi) Average annual retirement benefit	\$3,236
v) Retired employees with retirement allowance adjustments	79%
vi) Percentage of retirement allowance adjustment of total benefits for employees with the adjustment	23%

SECTION D
ACTUARIAL ASSUMPTIONS

The actuarial assumptions upon which the valuations as of June 30, 1979 were based were adopted by the board of trustees to be effective with liabilities determined on and after July 1, 1978. The assumptions are presented following in this section of the report.

1. Amount of Benefits

- a) Benefit formula under the 1978 law revision.
- b) Salary scales salaries increase at the rate of $5\frac{1}{2}\%$ by attained age.
- c) Cost of living adjustment benefits increase after commencement at the rate of 4% per year, the maximum under current provisions.

2. Probability of Receipt of Benefits

- a) Mortality rates after retirement
 - i) Teachers 1971 group annuity tables, ages set back 2 years.
 - ii) State employees 1971 group annuity tables.
 - iii) Participating district employees 1951 group annuity tables.
- b) Disability rates claim costs based on 1964 commissioners disability table; sample annual costs per \$100 monthly benefit are as follows:

Disability rates per \$100 monthly benefit	Age	Annual Cost
	22	\$ 5.05
	27	5.37
	32	6.96
	37	9.61
	42	13.95
	47	21.79
	52	31.97
	57	45.17

TOWNE

- c) Termination rates before retirement, all causes

sample annual probabilities of termination are as follows:

<u>Age</u>	<u>Rate of Termination</u>
20	.08
30	.07
40	.06
50	.05
60	.05

- d) Retirement age

65 or earliest normal retirement date for special groups.

3. Investment Income

- a) Rates of future income

8½% per annum.

- b) Value of investments

- i) fixed income
ii) equities

book value.
cost adjusted by spreading market gains and losses over 5 years.

4. Contributions

- a) Employees

6½% of compensation for teachers and state employees except 7½% for some special state employee groups, 6½% or 5% for district employees except 8% for some policemen and firemen.

- b) Employer

normal cost plus cost of unfunded accrued benefit reserve liquidation; the accrued benefit contribution rate of the state increases by 3% of itself in successive fiscal periods.

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 in subsection 6 of this section of this report.

5. Administrative Expenses

provided by separate employer contributions.

6. Funding Method

normal cost plus an accrued benefit reserve contribution for any year that is sufficient to reduce the remaining funding period of any unfunded accrued benefit reserve by one year from that of the previous fiscal period; experience gains and losses resulting from variations from actuarial assumptions are amortized over the remaining funding period of the accrued benefit reserve, creating credits to or charges against employer contributions; 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 for state contributions.
- (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, unless otherwise provided by legislative enactments.

The interest assumption of the actuarial basis for contributions has been increased at various times since 1968 to lower 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 following chart.

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 Chapter 542)
October 3, 1973	6½	Chapter 542	6.5

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 than stated in the Retirement System Laws.

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.

The experience as to some of the assumptions may be determined for each current fiscal period and such experience for the fiscal period 1978-79 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 any of the following reasons:

1. Termination of employment under
 - a) Normal or early retirement conditions,
 - b) Ordinary disability retirement conditions, or
 - c) Occupational disability retirement conditions.
2. Death while
 - a) In active employment, or
 - b) After retirement; and
3. Termination of employment before completing any conditions for 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, 1980.

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 asset deficiency. However, contributions to provide the benefits under the retirement system would have to be sufficient to meet the minimum funding standards of ERISA.

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

Compensation

Years of Service Credits

- | | | |
|------------------------------------|---|--|
| a) State employees and teachers | average during 3 highest years, not necessarily consecutive | The following service credits are provided for state employees and teachers and may be chosen by any political subdivision: |
| b) Political subdivision employees | same as a) or prior law election | <ul style="list-style-type: none"> (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

<u>Employee Classification</u>	Normal Retirement	Early Retirement	Disability Retirement Regular and Occupational
a) State employees and teachers	age 60	25 yrs. service before age 60	anytime while in service and before normal retire- ment age
b) Political subdivision employees-regular benefits	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.	same as normal	same as a)
ii) Law enforcement- Marine Resources and Inland Fisheries and Wildlife	20 yrs.	"	"
iii) Forest rangers	25 yrs. and age 50	"	"
iv) Law enforcement- Maine State Prison	20 yrs. and age 50	"	"
v) Airplane pilots	25 yrs. and age 55	"	"
vi) Liquor inspectors	25 yrs. and age 55	"	"
vii) Political subdivisions- all or only police- men or firemen	20 to 25 yrs. or may, for policemen or firemen, be 25 yrs. and age 55	"	same as a) or prior law election

III - BENEFIT FORMULAS

Employee Classification	Normal Retirement	Early Retirement	Disability Retirement Regular and Occupational
a) State employees and teachers	2% of pay per yr. service; e.g. - 10 yrs. - 20% 20 40 25 50 35 70 50 100 - \$100 minimum, 10 yrs. service	normal retire- 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 compen- sation benefits; changed to service retirement with disabi- lity years credited and pay assumed increased by cost of living adjustments when service benefit equals disability benefit but not later than 10 years after normal retirement age.
b) Political subdivision employees-regular benefits	same as a) or prior law election	same as a) or prior law election	same as a) or prior law election; reduced by social security disa- bility benefits if district has elected social security coverage.
c) Special classifications i) State group	50% of pay plus 2% additional for years past normal retirement	same as normal	same as a)
ii) Political subdivisions	50% of pay, may be 66-2/3% for policemen and firemen, may elect 2% additional for years past normal retire- ment	same as normal	same as a) or prior law election.

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 provided by employee contributions have not totalled employee contributions. |
| b) 100% survivor option | a reduced allowance 100% of 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

Adjustments are made in September of each year in the retirement allowances of retirees and dependents based on the percentage change in the Consumer Price Index for the preceding 12 months period from July 1st through June 30th, subject to a maximum change of 4%.

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

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) Ordinary death yes 1 or 2 yrs salary \$100 to \$300 per month,
lieu of contribution refund

(B) Service connected
death

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

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.

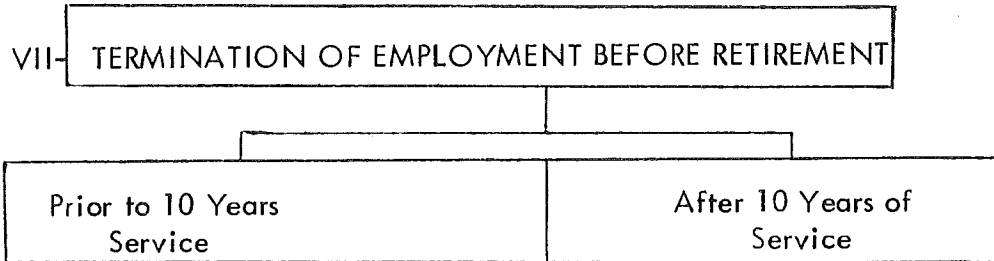
b) Death After Retirementi) Service retirement

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

-state police, marine if elected same as above 50% of allowance to spouse
resources and inland under option without option 3 reduction;
fisheries and wildlife, political subdivision election
political subdivisions includes children

ii) Disability retirement

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



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.

MAINE STATE RETIREMENT SYSTEM
Comparative Balance Sheet
at June 30

ASSETS

		<u>1980</u>	<u>1979</u>	Increase or (Decrease)
Investments:				
Bonds	Note I	\$117,101,913.87	\$111,107,155.78	\$ 5,994,758.09
Common Stocks	Note I	120,126,223.11	105,688,127.74	14,438,095.37
Mortgages	Note II	5,848,491.79	6,445,242.03	(596,750.24)
Commingled Fund				
Morgan Guaranty Trust Co.	Note I	16,998,065.81	15,533,248.40	1,464,817.41
Travelers Insurance Co.	Note I	3,448,684.69	3,150,007.57	298,677.12
		<u>20,446,750.50</u>	<u>18,683,255.97</u>	<u>1,763,494.53</u>
Insured Guaranteed Contract	Note I	5,000,000.00	5,000,000.00	--
Cash - Time Deposit		<u>4,000,000.00</u>	<u>999,726.29</u>	<u>3,000,273.71</u>
Total Investments		<u>272,523,379.27</u>	<u>247,923,507.81</u>	<u>24,599,871.46</u>
Other Assets:				
Cash (Demand Deposit)	Note III	39,149,222.41	11,422,435.33	27,726,787.08
Cash (Fiduciary)		1,598,509.89	707,726.48	890,783.41
Accrued Interest		4,228,247.73	3,586,374.86	641,872.87
Accounts Receivable (Net)		1,851.00	179,611.77	(177,760.77)
Miscellaneous		<u>--</u>	<u>3,082.22</u>	<u>(3,082.22)</u>
Total Other Assets		<u>44,977,831.03</u>	<u>15,899,230.66</u>	<u>29,078,600.37</u>
Total Assets		<u>\$317,501,210.30</u>	<u>\$263,822,738.47</u>	<u>\$ 53,678,471.83</u>

TRUST RESERVES & LIABILITIES

Trust Reserves:				
Members Contribution Fund - Current		\$236,662,246.64	\$209,911,048.27	\$ 26,751,198.37
Members Contribution Fund - Prior		265,133.47	332,591.01	(67,457.54)
Retirement Allowance Fund		65,249,503.92	41,686,545.43	23,562,958.49
Survivor Benefit Fund		<u>13,234,330.06</u>	<u>10,889,325.21</u>	<u>2,345,004.85</u>
Total Trust Reserves		<u>315,411,214.09</u>	<u>262,819,509.92</u>	<u>52,591,704.17</u>

Liabilities & Operating Reserves:

Accounts Payable	352,030.22	78,131.85	273,898.37
Reserve for Expenditures	572,136.12	353,411.23	218,724.89
State Retirees Health Insurance	1,165,774.77	571,685.47	594,089.30
Suspense (Credit Balance)	55.10	--	55.10
Total Liabilities & Operating Reserves	<u>2,089,996.21</u>	<u>1,003,228.55</u>	<u>1,086,767.66</u>
Total Reserves & Liabilities	<u>\$317,501,210.30</u>	<u>\$263,822,738.47</u>	<u>\$ 53,678,471.83</u>

Note I Cost
 Note II Cost less principal received and 1/15 discount
 Note III Invested in State Treasurer's "Cash Pool"

Book Value of Investments per Northeast Banks of Lewiston & Auburn, Maine \$272,792,341.86
 Deduct:
 Trade-date Items not settled 268,962.59

Book Value of Investments per Maine State Retirement System \$272,523,379.27

Market Value of Securities, June 30, 1980

	<u>PUTNAM</u>	<u>ALLIANCE</u>	<u>MASS. FINANCE</u>	<u>MERRILL</u>	<u>MERCHANTS</u>	<u>BABSON</u>	<u>NORTHEAST BANK</u>	<u>TOTAL</u>
Bonds	\$35,338,460.00	\$34,333,038.00	\$33,812,789.00	\$ 3,410,000.00	\$2,475,440.00	\$ 395,000.00	\$ 149,500.00	\$109,914,227.00
Common Stocks	44,411,630.00	50,358,190.00	--	7,658,469.00	6,658,176.00	32,707,312.00	--	141,793,777.00
Mortgages	--	--	--	--	--	--	(a) 5,848,491.79	5,848,491.79
Commingled Fund-								
Morgan Guaranty Trust	--	--	--	--	--	--	16,033,844.00	16,033,844.00
Travelers Insurance Co.	--	--	--	--	--	--	3,448,684.69	3,448,684.69
Insured Guaranteed								
Contract (Unionmutual)	--	--	--	--	--	--	(b) 7,352,804.43	7,352,804.43
Cash-Time Deposit	--	--	--	--	--	--	4,000,000.00	4,000,000.00
Total	<u>\$79,750,090.00</u>	<u>\$84,691,228.00</u>	<u>\$33,812,789.00</u>	<u>\$11,068,469.00</u>	<u>\$9,133,616.00</u>	<u>\$33,102,312.00</u>	<u>\$36,833,324.91</u>	<u>\$288,391,828.91</u>

(a) Book Value - Market Value not available/Custodial Service only

(b) Accrued Interest of \$2,352,804.43 set up as an asset as of June 30, 1980

¹Unfunded Accrued Benefits (Liability) at June 30, 1980 - State Employees & Teachers

²Included in Unfunded Benefits (Liability¹) is an amount of \$141,017,263.47, 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, 1980 - Participating Districts

\$942,381,012.00

\$ 98,821,439.00

MAINE STATE RETIREMENT SYSTEM

Balance Sheet

June 30, 1980

<u>Assets</u>		<u>Trust Reserves & Liabilities</u>					
		<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	\$117,101,913.87	Members Contribution					
Common Stocks	120,126,223.11	Fund - Current	\$236,662,246.64	\$ 81,031,501.69	\$115,912,262.08	\$ --	\$ 39,718,482.87
Mortgages	5,848,491.79						
Commingled Fund		Members Contribution					
Morgan Guaranty		Fund - Prior	265,133.47	--	265,133.47	--	--
Trust Company	16,998,065.81						
Travelers Insurance Co.	3,448,684.69	Retirement Allowance					
	20,446,750.50	Fund**	65,249,503.92	58,487,011.95	81,378,632.25	(141,017,263.47)	66,401,123.19
Insured Guaranteed							
Contract	5,000,000.00	Survivor Benefit					
Cash - Time Deposit	4,000,000.00	Fund	13,234,330.06	4,170,896.70	7,742,204.34	--	1,321,229.02
Total Investments	<u>272,523,379.27</u>	Total Trust Reserves	<u>315,411,214.09</u>	<u>143,689,410.34</u>	<u>205,298,232.14</u>	(<u>141,017,263.47</u>)	<u>107,440,835.08</u>
Other Assets:		Liabilities & Operating Reserves:					
Cash (Demand Deposit)*	39,149,222.41	Accounts Payable	352,030.22	110,819.11	158,343.19	--	82,867.92
Cash (Fiduciary)	1,598,509.89	Reserve for Expenditures	572,136.12	229,941.51	248,135.44	--	94,059.17
Accrued Interest	4,228,247.73	State Retirees Health					
Accounts Receivable (Net)	1,851.00	Insurance	1,165,774.77	1,165,774.77	--	--	--
		Suspense (Credit Balance)	55.10	--	--	--	55.10
		Total Liabilities &					
Total Other Assets	<u>44,977,831.03</u>	Operating Reserves	<u>2,089,996.21</u>	<u>1,506,535.39</u>	<u>406,478.63</u>	<u>--</u>	<u>176,982.19</u>
Total Assets	<u>\$317,501,210.30</u>	Total Reserves &	<u>\$317,501,210.30</u>	<u>\$145,195,945.73</u>	<u>\$205,704,710.77</u>	(<u>\$141,017,263.47</u>)	<u>\$107,617,817.27</u>
		Liabilities					

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

* - Invested in State Treasurer's "Cash Pool"

** - State includes \$5,412,233.19 and the Teachers includes \$7,529,500.89 from the Disability and Accidental Death Benefits accounts

MAINE STATE RETIREMENT SYSTEM

Investments - Bonds - By Issuer

June 30, 1980

Alliance Capital Management Corp.

<u>Par Value</u>	<u>Security</u>	<u>Book Value</u>	<u>Market Value</u>
	<u>U.S. GOVERNMENT</u>		
6,252	Govt. Natl. Mtg. Assn.	\$ 5,647,745.27	\$ 5,623,947.00
13,500	United States Treas. Bonds	13,188,571.24	11,860,261.00
<u>19,752</u>	<u>TOTAL U.S. GOVERNMENT</u>	<u>18,836,316.51</u>	<u>17,484,208.00</u>
	<u>CORPORATE & OTHER</u>		
1,000	Atlantic Richfield Co.	997,500.00	1,055,000.00
500	BP North Amer. Fin. Corp.	527,500.00	498,750.00
1,250	Bell Tel. Co. Pa.	1,210,685.00	1,216,250.00
500	Exxon Pipeline Co.	464,375.00	415,000.00
750	Ford Mtr. Co.	748,750.00	613,125.00
1,000	International Bk. for Recon. & Dev.	996,250.00	827,500.00
1,250	New Jersey Bell Tel. Co.	1,037,327.50	898,125.00
500	Ohio Bell Tel. Co.	372,595.00	386,250.00
1,000	Pacific Northwest Bell Tel. Co.	993,750.00	990,000.00
1,000	Southern Bell Tel. & Teleg. Co.	937,500.00	883,125.00
1,550	Southwestern Bell Tel. Co.	1,174,723.00	1,034,625.00
1,000	Standard Oil Co. Ind.	926,040.00	785,000.00
1,145	Irving Trust Co. Repur. Agmt.	1,145,000.00	1,145,000.00
<u>12,445</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>11,531,995.50</u>	<u>10,747,750.00</u>
<u>32,197</u>	<u>TOTAL BONDS</u>	<u>30,368,312.01</u>	<u>28,231,958.00</u>

Massachusetts Financial Services, Inc.

	<u>U.S. GOVERNMENT</u>		
1,000	Federal Home Ln. Bks.	1,023,595.63	925,000.00
10,723	United States Treas. Nts.	10,910,980.68	9,910,764.00
10,170	United States Treas. Bonds	10,107,566.08	8,810,184.00
<u>21,893</u>	<u>TOTAL U.S. GOVERNMENT</u>	<u>22,042,142.39</u>	<u>19,645,948.00</u>
	<u>CORPORATE & OTHER</u>		
1,250	American Tel. & Teleg. Co.	811,155.00	716,563.00
509	Avco Finl. Svcs. Inc.	509,000.00	456,191.00
1,250	Beneficial Corp. Reg.	1,233,229.50	1,089,063.00
1,500	C.I.T. Finl. Corp.	1,485,000.00	1,455,000.00
500	Chesapeake & Potomac Tel. Co.	486,875.00	448,750.00
1,000	Columbia Gas Sys. Inc.	994,120.00	913,750.00
589	Deere John Cr. Co.	585,940.47	588,817.00
250	Ford Mtr. Cr. Co.	256,576.02	199,375.00
1,632	General Mtrs. Accep. Corp.	1,657,983.95	1,371,989.00
1,362	Internorth Inc.	1,356,552.00	1,358,282.00
1,581	Massachusetts Natl. Life Ins.	1,576,591.86	1,578,834.00
500	Pacific Northwest Bell Tel. Co.	411,750.00	292,500.00
600	Penney J. C. Inc.	600,000.00	597,000.00
1,556	Prulease Inc.	1,549,845.15	1,556,000.00
250	Southern Calif. Edison Co.	248,007.50	252,500.00
1,294	Wisconsin Elec. Pwr. Co.	1,288,280.34	1,292,227.00
<u>15,623</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>15,050,906.79</u>	<u>14,166,841.00</u>
<u>37,516</u>	<u>TOTAL BONDS</u>	<u>37,093,049.18</u>	<u>33,812,789.00</u>

The Putnam Advisory Co., Inc.

	<u>U.S. GOVERNMENT</u>		
6	Federal Home Loan Mtg.	5,806.35	5,407.00
5,005	Govt. Natl. Mtg. Assn.	4,651,976.31	4,556,353.00
3,500	United States Treas. Bonds	3,241,384.25	2,935,295.00
<u>8,511</u>	<u>TOTAL U.S. GOVERNMENT</u>	<u>7,899,166.91</u>	<u>7,497,055.00</u>

The Putnam Advisory Co., Inc. - Continued

<u>Par Value</u>	<u>Security</u>	<u>Book Value</u>	<u>Market Value</u>
	<u>CORPORATE & OTHER</u>		
1,000	Bell Tel. Co.	\$ 978,750.00	\$ 895,000.00
500	Commonwealth Edison Co.	496,580.00	505,000.00
544	Deere John Cr. Co.	544,000.00	544,000.00
1,186	Ford Mtr. Cr. Co.	1,176,015.00	1,013,500.00
2,250	General Mtrs. Accep. Corp.	2,212,502.50	1,953,750.00
1,000	General Tel. Co.	933,030.00	916,250.00
721	General Elec. Cr. Corp.	721,000.00	721,000.00
827	General Mtrs. Accep. Corp.	827,000.00	827,000.00
60	Grumman Corp.	66,000.00	66,750.00
270	Household Fin. Corp.	270,000.00	270,000.00
1,000	Hydro-Quebec Reg.	993,750.00	993,750.00
500	Michigan Bell Tel. Co.	490,770.00	427,500.00
850	Nobil Corp.	569,355.50	701,250.00
750	Mountain Sts. Tel. & Teleg. Co.	728,437.50	585,000.00
1,000	National Rural Utils. Coop.	995,200.00	860,000.00
500	New England Mut. Life Ins. Co.	489,048.61	497,395.00
1,000	New England Tel. & Teleg. Co.	921,560.00	727,500.00
500	Ohio Edison Co.	498,750.00	475,000.00
1,000	Pacific Tel. & Teleg. Co.	1,001,250.00	847,500.00
750	Pfizer Inc.	736,875.00	671,250.00
1,000	Philadelphia Elec. Co.	1,037,500.00	1,010,000.00
750	RCA Corp.	750,000.00	783,750.00
500	Reynolds R. J. Inds. Inc.	500,000.00	505,000.00
348	Sears Roebuck Accep. Corp.	348,000.00	348,000.00
1,250	South Cent. Bell Tel. Co.	1,180,527.50	975,000.00
1,000	Southwestern Bell Tel. Co.	939,970.00	868,125.00
500	Virginia Elec. & Pwr. Co.	404,375.00	423,125.00
<u>21,556</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>20,810,246.61</u>	<u>19,411,395.00</u>
<u>30,067</u>	<u>TOTAL BONDS</u>	<u>28,709,413.52</u>	<u>26,908,450.00</u>

Alliance Capital Management Corp. - Stock Account

	<u>CORPORATE & OTHER</u>		
827	First Boston Corp. Repur. Agmt.	827,000.00	827,000.00
2,000	General Mtrs. Accep. Corp.	1,987,062.50	1,994,540.00
2,000	Kerr McGee Cr. Corp.	1,985,333.33	1,994,540.00
1,285	Irving Trust Co. Repur. Agmt.	1,285,000.00	1,285,000.00
<u>6,112</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>6,084,395.83</u>	<u>6,101,080.00</u>
<u>6,112</u>	<u>TOTAL BONDS</u>	<u>6,084,395.83</u>	<u>6,101,080.00</u>

David L. Babson & Co., Inc. - Stock Account

	<u>CORPORATE & OTHER</u>		
395	Irving Trust Co. Repur. Agmt.	395,000.00	395,000.00
<u>395</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>395,000.00</u>	<u>395,000.00</u>
<u>395</u>	<u>TOTAL BONDS</u>	<u>395,000.00</u>	<u>395,000.00</u>

Merchants National Bank - Stock Account

	<u>U.S. GOVERNMENT</u>		
500	United States Treas. Bills	490,925.28	492,740.00
<u>500</u>	<u>TOTAL U.S. GOVERNMENT</u>	<u>490,925.28</u>	<u>492,740.00</u>
	<u>CORPORATE & OTHER</u>		
158	Ford Mtr. Cr. Co.	158,000.00	158,000.00
288	General Elec. Cr. Corp.	288,000.00	288,000.00
221	General Mtrs. Accep. Corp.	221,000.00	221,000.00
223	Penney J. C. Finl. Corp.	223,000.00	223,000.00

Merchants National Bank - Stock Account - Continued

<u>Par Value</u>	<u>Security</u>	<u>Book Value</u>	<u>Market Value</u>
	<u>CORPORATE & OTHER - Continued</u>		
295	Prulease Inc.	\$ 295,000.00	\$ 295,000.00
798	Trust for Short Term U.S. Govt.	797,700.00	797,700.00
<u>1,983</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>1,982,700.00</u>	<u>1,982,700.00</u>
<u>2,483</u>	<u>TOTAL BONDS</u>	<u>2,473,625.28</u>	<u>2,475,440.00</u>

Merrill Trust Co. - Stock Account

	<u>CORPORATE & OTHER</u>		
665	Allstate Finl. Corp.	665,000.00	665,000.00
823	General Elec. Cr. Corp.	823,000.00	823,000.00
1,020	Prulease Inc.	1,020,000.00	1,020,000.00
617	Sears Roebuck Accep. Corp.	617,000.00	617,000.00
285	Irving Trust Co. Repur. Agmt.	285,000.00	285,000.00
<u>3,410</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>3,410,000.00</u>	<u>3,410,000.00</u>
<u>3,410</u>	<u>TOTAL BONDS</u>	<u>3,410,000.00</u>	<u>3,410,000.00</u>

The Putnam Advisory Co., Inc. - Stock Account

	<u>CORPORATE & OTHER</u>		
1,000	Chase Manhattan Bk.	995,208.33	997,270.00
1,500	Citicorp	1,511,250.00	1,477,500.00
183	Deere John Cr. Co.	183,000.00	183,000.00
1,399	Ford Mtr. Cr. Co.	1,399,000.00	1,399,000.00
921	General Elec. Cr. Corp.	921,000.00	921,000.00
472	General Mtrs. Accep. Corp.	472,000.00	472,000.00
115	Household Fin. Corp.	115,000.00	115,000.00
500	Nestle Cap Corp.	496,375.00	498,050.00
500	Republic Tex. Corp.	501,562.50	495,000.00
297	Sears Roebuck Accep. Corp.	297,000.00	297,000.00
500	Shell Oil Co.	495,222.22	499,315.00
642	Wells Fargo & Co.	642,000.00	642,000.00
390	Grumman Corp.	390,000.00	433,875.00
<u>8,419</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>8,418,618.05</u>	<u>8,430,010.00</u>
<u>8,419</u>	<u>TOTAL BONDS</u>	<u>8,418,618.05</u>	<u>8,430,010.00</u>

Security Loan Account

	<u>CORPORATE & OTHER</u>		
24	Trust for Short Term U.S. Govt.	24,500.00	24,500.00
115	Chase Manhattan Bk.	115,000.00	115,000.00
10	Irving Trust Co. Repur. Agmt.	10,000.00	10,000.00
<u>149</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>149,500.00</u>	<u>149,500.00</u>
<u>149</u>	<u>TOTAL BONDS</u>	<u>149,500.00</u>	<u>149,500.00</u>
<u>120,748</u>	<u>TOTAL BONDS ALL ACCOUNTS</u>	<u>\$117,101,913.87</u>	<u>\$109,914,227.00</u>

MAINE STATE RETIREMENT SYSTEM

Investments - Stocks

June 30, 1980

Alliance Capital Management Corp.

<u>Shares</u>	<u>Security</u>	<u>Book Value</u>	<u>Market Value</u>
	<u>Common Stocks</u>		
	<u>FINANCIAL & CREDIT RELATED</u>		
32,400	Chubb Corp.	\$ 1,217,800.00	\$ 1,296,000.00
40,000	Farmers Group Inc.	823,750.00	1,115,000.00
23,500	American Express Co.	740,797.30	819,563.00
30,000	Great Westn. Finl. Corp.	570,000.40	637,500.00
	TOTAL FINANCIAL & CREDIT RELATED	<u>3,352,347.70</u>	<u>3,868,063.00</u>
	<u>COMMUNICATIONS</u>		
24,498	Communications Satellite Corp.	934,897.15	900,302.00
	TOTAL COMMUNICATIONS	<u>934,897.15</u>	<u>900,302.00</u>
	<u>CONSTRUCTION</u>		
36,000	Owens Corning Fiberglas Corp.	1,071,205.00	958,500.00
	TOTAL CONSTRUCTION	<u>1,071,205.00</u>	<u>958,500.00</u>
	<u>ENERGY</u>		
27,000	Murphy Oil Corp.	282,927.00	924,750.00
30,000	Mesa Pete Co.	800,768.40	1,147,500.00
30,000	Mesa Rty. Tr. Unit	1,157,363.00	1,065,000.00
10,015	Superior Oil Co.	646,694.70	1,604,904.00
35,000	Williams Cos.	1,141,044.00	1,071,875.00
22,000	Dresser Inds. Inc.	980,667.00	1,366,750.00
18,000	Halliburton Co.	1,124,717.50	1,971,000.00
50,000	McDermott J. Ray & Co. Inc.	1,474,694.80	1,418,750.00
30,000	Santa Fe Intl. Corp.	885,663.10	1,192,500.00
13,500	Schlumberger Ltd.	538,395.00	1,559,250.00
30,000	Houston Nat. Gas Corp.	1,127,149.90	1,278,750.00
30,000	Texas Oil & Gas Corp.	729,300.00	1,425,000.00
	TOTAL ENERGY	<u>10,889,384.40</u>	<u>16,026,029.00</u>
	<u>CONSUMER</u>		
10,000	Seagram Ltd.	308,906.60	535,000.00
32,000	Archer Daniels Midland Co.	1,079,032.00	1,072,000.00
56,706	Norton Simon Inc.	1,109,887.37	786,796.00
16,000	Eastman Kodak Co.	2,059,783.30	896,000.00
16,800	Cone Mls. Corp.	581,056.00	573,300.00
35,500	American Broadcasting Cos. Inc.	1,046,493.50	1,033,938.00
18,000	Capital Cities Communications Inc.	501,120.00	918,000.00
35,000	Donnelley R R & Sons Co.	963,851.50	1,032,500.00
35,000	Federated Dept. Stores Inc.	975,695.00	1,015,000.00
	TOTAL CONSUMER	<u>8,625,825.27</u>	<u>7,862,534.00</u>
	<u>DRUGS & MEDICAL</u>		
18,000	Smithkline Corp.	837,431.40	1,050,750.00
	TOTAL DRUGS & MEDICAL	<u>837,431.40</u>	<u>1,050,750.00</u>
	<u>SCIENCE & TECHNOLOGY</u>		
10,000	Digital Equip. Corp.	470,853.00	668,750.00
28,800	International Business Machs. Corp.	1,759,373.60	1,692,000.00
28,000	NCR Corp.	1,872,445.00	1,592,500.00
12,750	Intel Corp.	396,422.00	838,313.00
30,000	E. Sys. Inc.	922,500.00	1,068,750.00
	TOTAL SCIENCE & TECHNOLOGY	<u>5,421,593.60</u>	<u>5,860,313.00</u>
	<u>INTERMEDIATE & CAPITAL GOODS</u>		
42,800	Koppers Inc.	987,580.40	995,100.00
33,801	Boise Cascade Corp.	882,374.60	1,221,061.00
31,500	Inco Ltd.	939,427.50	673,313.00
25,000	Phelps Dodge Corp.	871,380.50	775,000.00
11,800	Texasgulf Inc.	498,857.90	445,450.00
18,000	Caterpillar Tractor Co.	854,380.50	949,500.00
22,000	Joy Mfg. Co.	815,340.80	855,250.00
22,500	Boeing Co.	213,557.00	787,500.00

Alliance Capital Management Corp. - Continued

<u>Shares</u>	<u>Security</u>	<u>Book Value</u>	<u>Market Value</u>
	<u>Common Stocks</u>		
	<u>INTERMEDIATE & CAPITAL GOODS - Continued</u>		
18,000	Combustion Engr. Inc.	\$ 640,440.00	\$ 1,084,500.00
12,000	General Dynamics Corp.	372,773.00	793,500.00
20,000	Litton Inds. Inc.	812,420.00	977,500.00
25,900	McDonnell Douglas Corp.	614,319.40	777,000.00
10,700	Pullman Inc.	315,410.20	302,275.00
25,000	Signal Cos. Inc.	547,713.20	825,000.00
25,000	Waste Mgmt. Inc.	687,175.30	1,343,750.00
	TOTAL INTERMEDIATE & CAPITAL GOODS	<u>10,053,150.30</u>	<u>12,805,699.00</u>
	<u>TRANSPORTATION</u>		
24,000	Union Pac. Corp.	<u>1,055,040.00</u>	<u>1,026,000.00</u>
	TOTAL TRANSPORTATION	<u>1,055,040.00</u>	<u>1,026,000.00</u>
	TOTAL COMMON STOCKS	<u>42,240,874.82</u>	<u>50,358,190.00</u>
 <u>David L. Babson & Co. Inc.</u>			
	<u>Common Stocks</u>		
	<u>FINANCIAL & CREDIT RELATED</u>		
35,000	Citicorp	1,212,983.81	774,375.00
15,000	Colonial Penn Group Inc.	332,701.00	277,500.00
23,000	Connecticut Gen. Ins. Corp.	797,000.00	885,500.00
10,000	General Reins Corp. Del.	761,200.00	920,000.00
29,500	American Express Co.	1,046,527.00	1,028,813.00
10,000	American Tel. & Teleg. Co.	474,430.90	525,000.00
	TOTAL FINANCIAL & CREDIT RELATED	<u>4,624,842.71</u>	<u>4,411,188.00</u>
	<u>ENERGY</u>		
16,000	Exxon Corp.	796,513.50	1,060,000.00
15,000	Atlantic Richfield Co.	673,637.67	1,402,500.00
25,000	Marathon Oil Co.	622,046.00	1,431,250.00
19,000	Dresser Inds. Inc.	782,916.50	1,180,375.00
14,000	Halliburton Co.	875,010.00	1,533,000.00
15,000	Parker Drilling Co.	620,712.50	699,375.00
15,000	Schlumberger Ltd.	675,100.00	1,732,500.00
	TOTAL ENERGY	<u>5,045,936.17</u>	<u>9,039,000.00</u>
	<u>CONSUMER</u>		
20,000	Pepsico Inc.	483,328.00	482,500.00
8,500	Avon Prods. Inc.	309,952.50	303,875.00
15,000	Revlon Inc.	569,115.00	669,375.00
35,000	Beatrice Foods Co.	845,545.00	770,000.00
20,000	Colgate Palmolive Co.	447,962.74	280,000.00
8,000	McDonalds Corp.	483,003.80	386,000.00
15,000	Nielsen A C Co.	361,250.00	408,750.00
	TOTAL CONSUMER	<u>3,500,157.04</u>	<u>3,300,500.00</u>
	<u>DRUGS & MEDICAL</u>		
12,000	Abbott Labs	269,667.50	505,500.00
24,000	American Home Prods. Corp.	678,912.50	684,000.00
14,000	Lilly Eli & Co.	512,507.50	686,000.00
10,000	Merck & Co. Inc.	547,725.00	707,500.00
10,000	Johnson & Johnson	842,108.52	785,000.00
	TOTAL DRUGS & MEDICAL	<u>2,850,921.02</u>	<u>3,368,000.00</u>
	<u>SCIENCE & TECHNOLOGY</u>		
10,000	Automatic Data Processing Inc.	293,600.00	382,500.00
10,000	Burroughs Corp.	1,045,358.50	642,500.00
16,000	Compugraphic Corp.	463,792.00	280,000.00
7,500	Data Gen. Corp.	441,255.00	490,313.00
4,000	Datapoint Corp.	138,752.50	207,000.00
15,000	Digital Equip. Corp.	496,457.78	1,003,125.00

David L. Babson & Co. Inc. - Continued

<u>Shares</u>	<u>Security</u>	<u>Book Value</u>	<u>Market Value</u>
	<u>Common Stocks</u>		
	<u>SCIENCE & TECHNOLOGY - Continued</u>		
30,000	International Business Machs. Corp.	\$ 1,957,159.39	\$ 1,762,500.00
5,000	Reynolds & Reynolds Co.	139,000.00	128,750.00
27,500	Beckman Instrs. Inc.	702,525.00	687,500.00
16,000	Tektronix Inc.	696,420.00	796,000.00
3,000	Millipore Corp.	90,875.00	92,250.00
	<u>TOTAL SCIENCE & TECHNOLOGY</u>	<u>6,465,195.17</u>	<u>6,472,438.00</u>
	<u>INTERMEDIATE & CAPITAL GOODS</u>		
20,000	Air Prods. & Chems. Inc.	492,107.50	775,000.00
21,000	Big Three Inds. Inc.	668,046.10	1,008,000.00
6,000	Lubrizol Corp.	336,452.50	391,500.00
25,000	Mallinckrodt Inc.	1,052,500.00	850,000.00
12,300	Nalco Chem. Co.	418,284.00	442,800.00
20,774	Georgia Pac. Corp.	577,130.98	571,285.00
22,500	Crouse Hinds Co.	504,587.50	548,438.00
20,000	Emerson Elec. Co.	675,337.50	730,000.00
15,150	Caterpillar Tractor Co.	614,140.35	799,163.00
	<u>TOTAL INTERMEDIATE & CAPITAL GOODS</u>	<u>5,338,586.43</u>	<u>6,116,186.00</u>
	<u>TOTAL COMMON STOCKS</u>	<u>27,825,638.54</u>	<u>32,707,312.00</u>

Merchants National Bank

	<u>Common Stocks</u>		
	<u>FINANCIAL & CREDIT RELATED</u>		
5,500	First Natl. Boston Corp.	154,382.83	167,750.00
5,000	Manufacturers Hanover Corp.	189,345.06	165,625.00
3,500	Morgan J P & Co. Inc.	159,878.70	169,750.00
6,000	Continental Corp.	150,000.00	160,500.00
6,000	General Tel. & Electrs. Corp.	177,429.76	168,000.00
4,000	Allegheny Pwr. Sys. Inc.	66,440.00	67,000.00
5,000	Florida Pwr. & Lt. Co.	135,650.00	136,250.00
10,000	Southwestern Pub. Svc. Co.	137,647.50	116,250.00
9,000	Tampa Elec. Co.	158,001.40	159,750.00
9,000	Texas Utils. Co.	179,544.28	164,250.00
	<u>TOTAL FINANCIAL & CREDIT RELATED</u>	<u>1,508,319.53</u>	<u>1,475,125.00</u>
	<u>CONSTRUCTION</u>		
3,000	American Std. Inc.	164,598.54	173,250.00
	<u>TOTAL CONSTRUCTION</u>	<u>164,598.54</u>	<u>173,250.00</u>
	<u>ENERGY</u>		
3,000	Exxon Corp.	170,440.00	198,750.00
5,000	Gulf Oil Corp.	139,000.05	201,875.00
3,000	Mobil Corp.	92,310.00	213,750.00
5,000	Phillips Pete Co.	139,783.00	227,500.00
5,000	Tenneco Inc.	162,604.07	196,875.00
	<u>TOTAL ENERGY</u>	<u>704,137.12</u>	<u>1,038,750.00</u>
	<u>CONSUMER</u>		
3,000	General Mtrs. Corp.	237,348.00	139,500.00
9,000	Goodyear Tire & Rubr. Co.	188,472.48	117,000.00
5,000	Avon Prods. Inc.	217,611.01	178,750.00
6,000	General Foods Corp.	187,792.60	183,750.00
4,000	Kraft Inc.	181,734.61	184,500.00
4,000	Philip Morris Inc.	162,857.50	161,000.00
6,000	Reynolds R J Inds. Inc.	188,580.88	233,250.00
5,000	Donnelley R R & Sons Co.	117,783.27	147,500.00
6,000	Jewel Cos. Inc.	167,818.83	169,500.00
	<u>TOTAL CONSUMER</u>	<u>1,649,999.18</u>	<u>1,514,750.00</u>

Merchants National Bank - Continued

<u>Shares</u>	<u>Security</u>	<u>Book Value</u>	<u>Market Value</u>
	<u>Common Stocks</u>		
	<u>DRUGS & MEDICAL</u>		
4,500	Bristol Myers Co.	\$ 156,479.40	\$ 174,938.00
5,000	Pfizer Inc.	136,772.83	206,250.00
7,000	Warner Lambert Co.	139,755.00	129,500.00
	<u>TOTAL DRUGS & MEDICAL</u>	<u>433,007.23</u>	<u>510,688.00</u>
	<u>SCIENCE & TECHNOLOGY</u>		
4,000	International Business Machs. Corp.	271,072.00	235,000.00
	<u>TOTAL SCIENCE & TECHNOLOGY</u>	<u>271,072.00</u>	<u>235,000.00</u>
	<u>INTERMEDIATE & CAPITAL GOODS</u>		
5,000	American Cyanamid Co.	138,456.30	149,375.00
5,000	Dow Chem. Co.	172,030.22	168,125.00
4,100	Union Carbide Corp.	223,075.06	178,863.00
6,000	Champion Intl. Corp.	121,313.93	144,750.00
5,000	St. Regis Paper Co.	145,932.57	142,500.00
4,000	General Elec. Co.	211,671.85	206,000.00
3,000	ACF Inds. Inc.	109,333.80	98,250.00
4,000	Martin Marietta Corp.	170,093.22	184,000.00
4,000	TRW Inc.	152,542.75	155,000.00
	<u>TOTAL INTERMEDIATE & CAPITAL GOODS</u>	<u>1,444,449.70</u>	<u>1,426,863.00</u>
	<u>TRANSPORTATION</u>		
2,000	Southern Ry. Co.	123,985.78	127,500.00
	<u>TOTAL TRANSPORTATION</u>	<u>123,985.78</u>	<u>127,500.00</u>
	<u>OTHER</u>		
5,000	Internorth Inc.	175,575.00	156,250.00
	<u>TOTAL OTHER</u>	<u>175,575.00</u>	<u>156,250.00</u>
	<u>TOTAL COMMON STOCKS</u>	<u>6,475,144.08</u>	<u>6,658,176.00</u>

Merrill Trust Co.

	<u>Common Stocks</u>		
	<u>FINANCIAL & CREDIT RELATED</u>		
10,000	Ina Corp.	283,984.65	352,500.00
10,000	American Tel. & Teleg. Co.	507,526.41	525,000.00
20,000	General Tel. & Electrs. Corp.	558,178.11	560,000.00
20,000	Southern Ind. Gas & Elec. Co.	339,917.18	360,000.00
	<u>TOTAL FINANCIAL & CREDIT RELATED</u>	<u>1,689,606.35</u>	<u>1,797,500.00</u>
	<u>ENERGY</u>		
6,000	Atlantic Richfield Co.	305,097.07	561,000.00
10,000	Dresser Inds. Inc.	536,852.99	621,250.00
10,000	N L Inds. Inc.	174,650.00	476,250.00
	<u>TOTAL ENERGY</u>	<u>1,016,600.06</u>	<u>1,658,500.00</u>
	<u>CONSUMER</u>		
10,000	Swank Inc.	211,000.00	181,250.00
10,000	Revlon Inc.	420,900.00	446,250.00
	<u>TOTAL CONSUMER</u>	<u>631,900.00</u>	<u>627,500.00</u>
	<u>DRUGS & MEDICAL</u>		
11,000	Bristol Myers Co.	398,783.67	427,625.00
	<u>TOTAL DRUGS & MEDICAL</u>	<u>398,783.67</u>	<u>427,625.00</u>
	<u>INTERMEDIATE & CAPITAL GOODS</u>		
11,250	Freeport Minerals Co.	299,187.50	442,969.00
15,000	Amsted Inds. Inc.	416,766.40	538,125.00
15,000	Boeing Co.	462,398.67	525,000.00
10,000	Kidde Inc.	301,467.50	347,500.00
20,000	Rockwell Intl. Corp.	468,700.00	537,500.00

Merrill Trust Co. - Continued

<u>Shares</u>	<u>Security</u>	<u>Book Value</u>	<u>Market Value</u>
	<u>Common Stocks</u>		
	<u>INTERMEDIATE & CAPITAL GOODS - Continued</u>		
10,000	Trans. Un. Corp.	\$ 320,800.00	\$ 337,500.00
10,000	United Technologies Corp.	370,965.07	418,750.00
	TOTAL INTERMEDIATE & CAPITAL GOODS	<u>2,640,285.14</u>	<u>3,147,344.00</u>
	TOTAL COMMON STOCKS	<u>6,377,175.22</u>	<u>7,658,469.00</u>

The Putnam Advisory Co., Inc.

	<u>Common Stocks</u>		
	<u>FINANCIAL & CREDIT RELATED</u>		
29,000	Citicorp	846,494.03	641,625.00
31,000	Western Bancorporation	953,239.70	957,125.00
10,000	American Intl. Group Inc.	513,050.20	670,000.00
50,000	Crum & Forster	1,294,298.10	1,362,500.00
4,100	General Reins Corp. Del.	410,149.30	377,200.00
40,000	Transamerica Corp.	710,640.80	665,000.00
	TOTAL FINANCIAL & CREDIT RELATED	<u>4,727,872.13</u>	<u>4,673,450.00</u>
	<u>CONSTRUCTION</u>		
17,300	Fluor Corp.	1,088,149.20	1,208,838.00
	TOTAL CONSTRUCTION	<u>1,088,149.20</u>	<u>1,208,838.00</u>
	<u>ENERGY</u>		
13,500	Atlantic Richfield Co.	721,149.57	1,262,250.00
35,000	Standard Oil Co. Ind.	1,410,525.70	2,003,750.00
48,000	Mesa Pete Co.	1,478,728.30	1,836,000.00
3,900	Dresser Inds. Inc.	238,001.40	242,288.00
10,000	Gearhart Owen Inds. Inc.	393,675.50	627,500.00
11,000	Halliburton Co.	552,316.45	1,204,500.00
22,000	Schlumberger Ltd.	1,353,855.00	2,541,000.00
11,000	Sedco Inc.	738,925.00	943,250.00
27,500	Houston Nat. Gas Corp.	996,052.80	1,172,188.00
	TOTAL ENERGY	<u>7,883,229.92</u>	<u>11,832,726.00</u>
	<u>CONSUMER</u>		
5,500	Revlon Inc.	252,806.30	245,438.00
30,100	Archer Daniels Midland Co.	695,869.70	1,008,350.00
21,700	Staley A E Mfg. Co.	916,677.50	1,033,463.00
40,000	Philip Morris Inc.	1,105,889.32	1,610,000.00
18,000	American Broadcasting Cos. Inc.	763,775.20	524,250.00
26,000	Capital Cities Communications Inc.	1,178,876.80	1,326,000.00
15,660	Gannett Inc.	624,429.40	712,530.00
32,000	McDonalds Corp.	1,592,761.92	1,544,000.00
15,800	Tandy Corp.	522,402.80	655,700.00
29,000	Marriott Corp.	655,109.30	619,875.00
40,000	Ryder Sys. Inc.	962,271.77	725,000.00
19,099	Warner Communications Inc.	742,425.81	811,708.00
	TOTAL CONSUMER	<u>10,013,295.82</u>	<u>10,816,314.00</u>
	<u>DRUGS & MEDICAL</u>		
20,000	Lilly Eli & Co.	1,076,854.50	980,000.00
18,000	Smithkline Corp.	503,594.30	1,050,750.00
42,600	Sterling Drug Inc.	868,650.30	894,600.00
20,000	Baxter Travenol Labs Inc.	986,379.86	890,000.00
	TOTAL DRUGS & MEDICAL	<u>3,435,478.96</u>	<u>3,815,350.00</u>
	<u>SCIENCE & TECHNOLOGY</u>		
15,500	Digital Equip. Corp.	507,008.74	1,036,563.00
46,000	International Business Machs. Corp.	2,875,925.80	2,702,500.00
11,500	NCR Corp.	661,055.40	654,063.00
29,000	Bausch & Lomb Inc.	1,128,004.00	1,247,000.00
15,000	Computervision Corp.	289,522.60	817,500.00
	TOTAL SCIENCE & TECHNOLOGY	<u>5,461,516.54</u>	<u>6,457,626.00</u>

The Putnam Advisory Co., Inc. - Continued

<u>Shares</u>	<u>Security</u>	<u>Book Value</u>	<u>Market Value</u>
	<u>Common Stocks</u>		
	<u>INTERMEDIATE & CAPITAL GOODS</u>		
23,400	Georgia Pac. Corp.	\$ 605,673.28	\$ 643,500.00
14,300	Wheelabrator Frye Inc.	464,280.00	538,038.00
12,500	General Dynamics Corp.	505,536.00	826,563.00
24,500	Grumman Corp.	695,717.40	551,250.00
5,100	Pengo Inds. Inc.	83,172.00	73,950.00
19,500	Sundstrand Corp.	379,499.50	828,750.00
25,500	Thiokol Corp.	939,166.50	1,383,375.00
12,500	Transportation Federal Express Corp.	737,965.00	575,000.00
8,400	Tiger Intl. Inc.	186,838.20	186,900.00
	TOTAL INTERMEDIATE & CAPITAL GOODS	<u>4,597,847.88</u>	<u>5,607,326.00</u>
	TOTAL COMMON STOCKS	<u>37,207,390.45</u>	<u>44,411,630.00</u>
	TOTAL STOCKS - ALL ACCOUNTS	<u>\$120,126,223.11</u>	<u>\$141,793,777.00</u>

Investments - Time Deposits

June 30, 1980

Alliance Capital Management Corp.

<u>Security</u>	<u>Book Value</u>	<u>Market Value</u>
First Natl. Bank Minneapolis	\$2,000,000.00	\$2,000,000.00
Northern Trust Co. Chicago	1,000,000.00	1,000,000.00
Union Bank Los Angeles	<u>1,000,000.00</u>	<u>1,000,000.00</u>
TOTAL ALL ACCOUNTS	<u>\$4,000,000.00</u>	<u>\$4,000,000.00</u>

MAINE STATE RETIREMENT SYSTEM

Investments - Mortgages

June 30, 1980

Northeast Banks

<u>SECURITY</u>	<u>BOOK VALUE</u>
Farmer Home Administration	
Inds. Lns. - 5.00% Various Maturities	\$ 214,180.16
Hancock Dev. Corp. Partic. Ctf.	
1st Mtg. Nt. 6.00% 9/1/81	11,221.33
Hillcrest Manor Partic. Ctf.	
1st Mtg. Nt. 5.25% 4/1/87	47,967.57
Misc. FHA & VA 5.25% Mtges.	
Georgia, Final Mat. 1/1/94	355,904.61
Misc. FHA & VA 5.50% Mtges.	
Georgia, Final Mat. 6/1/92	95,560.20
Misc. FHA & VA 5.75% Mtges.	
Georgia, Final Mat. 6/1/92	126,531.03
Misc. FHA & VA 5.25% Mtges.	
New Jersey, PA. & VA., Final Mat. 3/1/96	76,945.12
Misc. FHA & VA 5.25% Mtges.	
Mississippi, Final Mat. 1/1/94	271,090.62
Misc. FHA & VA 5.50% Mtges.	
Mississippi, Final Mat. 11/1/91	118,361.60
Misc. FHA & VA 5.75% Mtges.	
Mississippi, Final Mat. 9/1/91	106,876.28
Misc. FHA & VA 4.50% Mtges.	
Arizona, Final Mat. 11/1/87	5,483.16
Misc. FHA & VA 5.00% Mtges.	
Arizona, Final Mat. 11/1/87	3,649.92
Misc. FHA & VA 5.75% Mtges.	
Arizona, Final Mat. 11/1/90	203,043.68
Misc. FHA & VA 5.25% Mtges.	
North Carolina, Final Mat. 3/1/94	267,449.57
Misc. FHA & VA 5.50% Mtges.	
North Carolina, Final Mat. 2/1/92	23,249.89
Misc. FHA & VA 5.75% Mtges.	
North Carolina, Final Mat. 12/1/91	200,185.71
Misc. FHA & VA 4.50% Mtges.	
Connecticut, Final Mat. 1/11/86	11,492.97
Misc. FHA & VA 4.50% Mtges.	
Virginia, Final Mat. 5/1/87	21,024.73
Misc. FHA & VA 5.00% Mtges.	
Virginia, Final Mat. 9/1/87	28,584.52
Misc. FHA & VA 5.25% Mtges.	
Virginia, Final Mat. 4/1/96	1,507,551.50
Misc. FHA & VA 5.50% Mtges.	
Virginia, Final Mat. 7/1/96	123,383.82
Misc. FHA & VA 5.75% Mtges.	
Virginia, Final Mat. 12/1/96	55,820.50
Misc. FHA & VA 6.00% Mtges.	
Virginia, Final Mat. 9/1/97	94,778.67
Misc. FHA & VA 4.50% Mtges.	
California, Final Mat. 2/1/86	9,186.30
Misc. FHA & VA 5.25% Mtges. California	
New Mexico, Okla. & Texas, Final Mat. 2/1/95	1,057,296.39
Misc. FHA & VA 5.50% Mtges.	
Texas, Final Mat. 5/1/93	10,195.23
Misc. FHA & VA 5.75% Mtges.	
California & Texas, Final Mat. 1/1/92	382,864.87
Misc. FHA & VA 4.50% Mtges.	
Florida & Georgia, Final Mat. 1/1/88	2,968.01
Misc. FHA & VA 5.25% Mtges.	
Florida, Final Mat. 1/1/94	331,218.90
Misc. FHA & VA 5.50% Mtges.	
Florida, Final Mat. 5/1/92	7,750.29

<u>SECURITY</u>	<u>BOOK VALUE</u>
Misc. FHA & VA 5.75% Mtges. Florida, Final Mat. 2/1/92	\$ <u>76,674.64</u>
TOTAL MORTGAGES	\$ <u>5,848,491.79</u>

Note: Market Value not available

<u>Northeast Bank</u>	
Insured Guaranteed Contract 9½% 12/31/80 (Unionmutual) Effective Date: March 31, 1976	\$ 5,000,000.00
Interest earned to June 30, 1980	<u>2,352,804.43</u>
Fund Balance at June 30, 1980	\$ <u>7,352,804.43</u>

Commingled Trust Fund

Morgan Guaranty Trust Company (Book Value) Effective Date: November 1, 1977	\$16,998,065.81
The Travelers Insurance Company (Book Value) Effective Date: December 29, 1978	<u>3,448,684.69</u>
Value at June 30, 1980	\$ <u>20,446,750.50</u>

MAINE STATE RETIREMENT SYSTEM
Statement of Trust Fund Balances and
Open Accounts by Activity
June 30, 1980

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
State Employees		21,520	\$ 81,031,501.69	\$ 57,343,373.67	(\$ 4,268,594.91)	\$134,106,280.45
Teachers - Contributory		30,740	116,177,395.55	79,981,585.39	(6,132,454.03)	190,026,526.91
Teachers - Non-Contributory		--	--	(141,017,263.47)	--	(141,017,263.47)
Disability - Chapter 622, 7/1/78	7/01/78	--	--	12,380,461.86	240,662.81	12,621,124.67
Accidental Death Benefits, 7/1/79	7/01/79	--	--	316,163.28	4,446.13	320,609.41
Androscoggin County	1/24/61	67	151,775.60	327,295.87	(9,872.90)	469,198.57
Androscoggin Valley Reg. Plan. Comm.	11/01/76	22	28,344.48	16,764.67	1,273.28	46,382.43
Aroostook County	1/01/68	99	183,328.24	469,474.78	937.92	653,740.94
Auburn	1/01/48	410	1,177,537.76	2,575,448.01	(34,443.59)	3,718,542.18
Auburn Housing Authority	1/01/71	10	21,254.81	57,353.27	1,427.86	80,035.94
Auburn-Lewiston Airport Committee	6/01/79	3	2,175.09	2,538.66	65.93	4,779.68
Auburn Public Library	7/01/50	12	44,314.11	123,441.95	(5,037.62)	162,718.44
Auburn Sewerage District	10/01/53	14	37,339.69	132,097.02	469.54	169,906.25
Auburn Water District	10/01/53	17	71,218.19	325,741.08	(2,278.18)	394,681.09
Augusta	10/01/47	389	1,209,979.16	2,313,135.41	(27,032.66)	3,496,081.91
Augusta Sanitary District	1/04/60	28	129,698.24	150,186.96	1,014.87	280,900.07
Augusta Water District	7/01/49	24	140,875.24	203,422.48	(10,245.49)	334,052.23
Baileyville	4/01/60	32	67,345.01	99,464.23	(1,086.01)	165,723.23
Bangor	7/01/47	953	3,924,315.18	5,320,328.10	(70,942.03)	9,173,701.25
Bangor Public Library	7/01/47	35	162,110.73	270,657.52	(18,005.61)	414,762.64
Bangor Water District	5/21/57	38	142,149.39	183,971.30	(8,691.44)	317,429.25
Bar Harbor	4/01/46	63	191,221.18	401,461.66	(11,263.72)	581,419.12
Bath	4/01/63	187	576,986.91	1,555,290.10	2,915.36	2,135,192.37
Bath Water District	12/01/46	11	74,448.38	191,223.94	(4,010.94)	261,661.38
Belfast	7/01/49	47	134,103.58	178,367.33	(5,414.91)	307,056.00
Belfast Water District	7/01/69	5	25,604.63	74,851.39	737.33	101,193.35
Berwick	4/01/68	12	23,594.32	35,253.93	(771.20)	58,077.05
Berwick Sewer District	11/04/74	7	19,812.92	19,098.01	991.19	39,902.12
Bethel	4/01/78	10	12,529.34	6,722.24	419.74	19,671.32

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
Biddeford	1/01/72	266	\$ 616,361.37	\$ 629,641.84	\$ 19,492.04	\$ 1,265,495.25
Bingham Water District	1/01/72	3	830.20	27,767.33	572.99	29,170.52
Boothbay-Boothbay Harbor C.S.D.	7/01/74	6	9,280.78	25,427.51	1,025.94	35,734.23
Boothbay Harbor	3/01/71	25	47,189.02	65,599.40	1,506.46	114,294.88
Boothbay Harbor Water System	7/01/47	5	25,057.95	63,079.42	(2,326.99)	85,810.38
Bradford	4/01/74	--	--	3,129.15	120.22	3,249.37
Brewer	1/02/60	169	479,539.35	502,005.48	6,386.18	987,931.01
Brewer Housing Authority	8/01/78	4	4,590.39	6,814.20	206.84	11,611.43
Brewer Water District	5/01/61	8	32,224.13	94,099.02	(2,270.59)	124,052.56
Bridgton	3/01/73	24	47,195.20	84,203.52	2,699.61	134,098.33
Bridgton Water District	2/01/79	2	2,032.71	1,357.93	61.11	3,451.75
Brownville	4/05/73	11	16,099.68	16,615.22	656.69	33,371.59
Brunswick	7/01/50	268	784,088.08	1,636,802.25	(17,454.00)	2,403,436.33
Brunswick Sewer District	1/01/63	9	31,038.89	80,910.51	(562.39)	111,387.01
Bucksport	7/01/69	79	178,617.79	237,653.45	3,522.64	419,793.88
Calais	7/01/49	107	204,485.51	315,922.70	(4,096.37)	516,311.84
Camden	4/01/44	41	125,908.13	184,411.89	(3,843.57)	306,476.45
Cape Elizabeth	4/01/66	139	366,067.28	531,075.83	5,586.99	902,730.10
Caribou - Fire & Police	5/01/75	25	69,950.82	100,035.81	4,559.34	174,545.97
Chevrus High School	11/01/74	24	79,991.45	82,177.59	4,025.49	166,194.53
China	3/05/77	3	3,922.73	2,675.79	147.80	6,746.32
Community School District #912	1/22/79	2	1,132.62	2,407.90	80.68	3,621.20
Community School District #915	7/01/76	23	14,003.05	14,175.28	716.34	28,894.67
Corinna	4/01/75	6	19,508.87	39,308.75	1,818.84	60,636.46
Corinna Sewer District	1/01/79	3	3,023.76	4,006.57	116.67	7,147.00
Cranberry Isles	3/01/71	--	--	1,408.92	(168.55)	1,240.37
Cumberland	10/01/74	24	60,412.30	42,909.44	2,897.86	106,219.60
Cumberland County	1/01/44	86	216,885.11	560,134.74	(12,019.40)	765,000.45
Damariscotta	1/01/74	5	5,966.48	5,455.27	232.54	11,654.29
Dexter	3/01/67	23	59,337.25	98,468.73	(1,317.86)	156,488.12
Dixfield	4/01/74	16	22,854.56	39,122.11	1,610.87	63,587.54
Dover-Foxcroft	7/01/72	29	52,341.65	74,831.00	2,741.49	129,914.14
Dover-Foxcroft Water District	5/01/70	3	10,975.29	20,534.41	384.00	31,893.70
Durham	9/01/76	9	6,650.19	3,518.10	243.22	10,411.51
East Millinocket	1/01/56	44	234,718.13	294,670.65	(6,709.03)	522,679.75

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
Easton	7/01/77	23	\$ 14,908.82	\$ 14,296.23	\$ 622.09	\$ 29,827.14
Eliot	4/01/73	15	32,625.55	56,685.48	2,014.97	91,326.00
Ellsworth	1/01/46	154	283,329.43	360,653.78	(4,071.20)	639,912.01
Erskine Academy	9/01/78	3	1,903.99	2,201.89	93.10	4,198.98
Exeter	10/01/71	1	1,658.65	4,640.94	21.84	6,321.43
Fairfield	1/01/80	15	9,566.39	7,511.09	239.75	17,317.23
Falmouth	5/01/66	95	237,519.85	290,012.30	(3,232.82)	524,299.33
Falmouth Memorial Library	1/01/57	2	11,368.37	22,420.05	(39.32)	33,749.10
Farmington	4/01/67	36	110,256.34	266,054.30	4,693.97	381,004.61
Farmington Village Corporation	9/01/68	5	13,867.96	36,427.09	79.31	50,374.36
Fort Fairfield	7/01/46	38	105,107.55	264,919.04	1,536.25	371,562.84
Fort Fairfield Utilities District	4/01/69	7	22,787.33	55,244.01	(169.65)	77,861.69
Fort Kent	1/01/67	21	63,917.99	112,674.85	838.93	177,431.77
Franklin County	7/01/67	28	63,036.86	126,161.13	(2,850.45)	186,347.54
Franklin County Comm. Action Council	9/01/77	71	57,843.42	36,031.83	2,146.96	96,022.21
Freeport	9/01/70	38	99,865.72	92,564.43	2,443.08	194,873.23
Frenchville	7/01/74	2	4,194.70	34,534.26	1,105.06	39,834.02
Fryeburg	5/01/71	2	5,383.22	9,452.23	155.26	14,990.71
Gardiner	9/01/47	49	222,420.58	446,672.31	(7,208.69)	661,884.20
Gardiner Water District	1/01/76	15	38,228.20	29,404.83	1,838.91	69,471.94
Garland	7/01/71	2	143.57	1,643.08	(7.80)	1,778.85
Georgetown	1/01/80	1	207.26	204.76	5.99	418.01
Glenburn	4/01/72	4	2,239.73	11,544.09	165.55	13,949.37
Gorham	9/01/69	67	180,099.80	163,438.58	5,005.82	348,544.20
Gould Academy	1/01/75	9	17,402.50	58,785.05	1,821.37	78,008.92
Greater Portland Council of Governments	7/01/74	42	69,238.04	129,286.75	6,317.58	204,842.37
Greater Portland Public Dev. Comm.	1/01/62	7	68,926.62	111,599.20	(8,772.98)	171,752.84
Greenville	5/01/68	9	24,591.65	25,216.80	472.86	50,281.31
Hallowell	4/01/72	17	27,838.89	29,627.04	666.36	58,132.29
Hampden	6/01/71	26	109,323.61	135,760.54	3,589.83	248,673.98
Hampden Water District	6/01/70	3	12,401.75	11,960.60	383.44	24,745.79
Hancock County	1/01/57	46	123,870.10	304,302.22	(5,246.87)	422,925.45
Hermon	5/01/71	39	52,322.54	60,556.80	1,412.10	114,291.44
Hodgdon	4/01/75	6	8,559.21	16,699.35	774.41	26,032.97
Houlton	1/01/45	83	308,057.60	521,738.26	(17,673.25)	812,122.61

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
Houlton Water District	1/01/48	31	\$ 286,594.47	\$ 435,471.83	(\$ 13,327.46)	\$ 708,738.84
Howland	11/01/76	5	7,484.61	8,293.40	405.88	16,183.89
Indian Township Passamaquoddy R.H.A.	1/01/73	3	39.68	23,636.58	721.35	24,397.61
Indian Township Tribal Government	1/01/77	68	70,888.86	28,275.60	2,204.89	101,369.35
Jackman Water District	3/01/76	1	1,271.09	8,084.90	272.25	9,628.24
Jay	10/01/50	63	144,069.93	186,688.09	(291.04)	330,466.98
Kennebec County	7/01/51	107	191,664.22	436,414.09	(4,726.35)	623,351.96
Kennebec Sanitary Treatment District	10/01/75	20	42,649.58	45,269.60	2,364.12	90,283.30
Kennebec Water District	1/01/49	37	90,658.28	107,498.62	(4,752.57)	193,404.33
Kennebunk	4/01/66	47	84,042.57	173,318.68	188.21	257,549.46
Kennebunk, Kennebunkport & Wells Water District	6/01/79	35	30,934.72	23,850.86	770.79	55,556.37
Kennebunk Light & Power	8/30/59	13	88,394.18	209,535.84	(4,856.56)	293,073.46
Kennebunk Sewer District	8/01/74	3	9,397.09	22,531.01	827.74	32,755.84
Kennebunkport	9/01/73	33	82,940.17	170,055.77	6,052.38	259,048.32
Kittery	4/01/46	124	192,438.94	515,435.11	2,502.93	710,376.98
Kittery Water District	2/01/46	16	67,064.35	141,829.91	(5,885.53)	203,008.73
Knox County	3/01/49	32	39,669.12	193,153.28	(7,554.34)	225,268.06
Lebanon	3/10/73	11	9,224.07	25,030.77	747.62	35,002.46
Lewiston	7/01/51	636	2,343,561.41	4,670,611.17	(12,688.95)	7,001,483.63
Lewiston-Auburn Water Pol. C.A.	3/01/72	22	41,419.55	57,015.83	2,512.64	100,948.02
Lewiston Housing Authority	4/01/71	28	38,356.18	34,840.36	1,638.95	74,835.49
Limestone	4/01/78	11	15,552.12	8,032.28	426.14	24,010.54
Limestone Water & Sewer District	7/01/74	3	11,369.09	16,364.29	779.77	28,513.15
Lincoln	4/01/64	37	145,934.95	222,602.21	804.75	369,341.91
Lincoln Academy	9/01/69	6	17,095.72	9,883.89	433.39	27,413.00
Lincoln County	1/01/67	34	77,562.53	225,413.99	2,188.05	305,164.57
Lincoln Sanitary District	9/01/75	4	9,711.58	4,768.65	402.11	14,882.34
Lincoln Water District	1/01/74	3	11,539.60	22,945.14	908.90	35,393.64
Linneus	4/01/75	2	3,776.93	6,009.38	280.75	10,067.06
Lisbon	1/01/68	101	171,541.80	425,854.86	8,428.73	605,825.39
Lisbon Water District	10/01/77	4	5,959.85	8,450.63	334.23	14,744.71
Livermore Falls	4/01/68	22	44,763.45	91,908.35	1,441.02	138,112.82
Livermore Falls Water District	3/01/49	4	39,510.50	60,925.33	(31.89)	100,403.94
Lubec	3/01/76	4	4,875.66	5,762.61	324.07	10,962.34

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
Lubec Water & Electric	7/01/66	11	\$ 24,922.99	\$ 90,825.95	(\$ 1,409.61)	\$ 114,339.33
Madawaska	9/01/65	66	178,256.62	241,855.26	5,155.85	425,267.73
Madawaska Water District	4/01/77	4	10,933.09	4,598.06	372.71	15,903.86
Maine County Commissioners Assoc.	1/01/76	4	7,454.57	2,858.58	231.59	10,544.74
Maine Development Foundation	3/27/78	6	14,467.75	5,411.48	279.31	20,158.54
Maine Housing Authority	6/20/72	49	110,696.14	66,607.93	2,949.77	180,253.84
Maine Maritime Academy	7/01/59	209	705,938.96	2,040,530.68	12,162.24	2,758,631.88
Maine Municipal Association	11/05/56	58	90,865.70	93,890.01	(2,463.71)	182,292.00
Maine Municipal Bond Bank	10/01/73	2	10,884.78	14,100.35	702.77	25,687.90
Maine-New Hampshire Bridge Authority	8/01/50	9	62,681.99	146,290.35	(7,516.82)	201,455.52
Maine School Management Association	7/01/77	11	64,743.48	73,948.19	3,177.08	141,868.75
Maine Turnpike Authority	9/01/52	282	1,258,282.26	4,261,375.85	(10,678.85)	5,508,979.26
Maine Vocational Region #7	2/01/76	9	7,815.93	9,958.17	455.66	18,229.76
Mars Hill	5/01/76	6	12,377.44	12,581.42	650.55	25,609.41
Mechanic Falls	4/01/68	26	58,400.55	71,338.53	1,063.32	130,802.40
Medway	3/01/74	11	19,834.36	31,240.09	1,408.02	52,482.47
Mexico	3/01/63	26	92,042.49	84,376.55	(718.11)	175,700.93
Milford	7/01/73	7	9,016.95	15,172.22	583.58	24,772.75
Millinocket	7/01/43	94	390,022.33	764,498.27	3,246.88	1,157,767.48
Milo	1/01/68	20	44,905.24	107,837.11	763.72	153,506.07
Milo Water District	6/01/77	5	9,011.48	20,422.67	681.10	30,115.25
Monson	7/01/73	4	6,757.19	4,953.02	264.88	11,975.09
Mount Desert	4/01/46	33	153,152.84	333,947.71	(4,506.24)	482,594.31
Mount Desert Regional School District	8/01/68	22	35,246.88	44,284.41	180.71	79,712.00
Naples	5/01/70	1	3,822.76	9,325.52	113.46	13,261.74
New Canada Plantation	11/01/72	3	1,653.84	5,606.23	195.63	7,455.70
New Gloucester	4/01/75	15	30,553.88	37,612.04	1,659.11	69,825.03
North Berwick	1/01/79	6	6,222.26	908.53	100.69	7,231.48
Norway	4/01/69	25	90,166.71	103,758.52	113.14	194,038.37
Norway Water District	5/01/70	3	21,467.93	17,602.74	424.89	39,495.56
Old Orchard Beach	7/01/70	60	220,675.76	385,260.96	9,100.25	615,036.97
Old Town	1/01/68	162	396,272.59	803,909.17	7,462.55	1,207,644.31
Old Town Housing Authority	4/01/80	3	479.69	416.62	13.19	909.50
Old Town Water District	1/01/65	10	51,106.81	66,683.41	(314.68)	117,475.54
Orland	1/01/72	17	14,001.44	78,109.24	2,428.59	94,539.27

	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	67	\$ 200,431.96	\$ 300,995.16	(\$ 3,692.55)	\$ 497,734.57
Orrington	5/01/75	30	27,309.70	25,144.76	1,392.42	53,846.88
Otisfield	10/01/73	6	1,392.27	2,236.86	92.04	3,721.17
Oxford	9/01/74	2	5,708.63	24,167.00	873.61	30,749.24
Oxford County	7/01/57	58	121,016.41	301,679.88	(3,057.92)	419,638.37
Paris	4/01/69	16	49,899.40	86,181.52	997.06	137,077.98
Paris Utilities District	1/01/72	20	37,657.93	50,937.78	1,881.51	90,477.22
Penobscot County	1/01/45	116	173,683.48	704,719.09	(2,277.42)	876,125.15
Penquis C.A.P., Inc.	6/01/77	99	109,133.52	106,016.27	4,928.10	220,077.89
Phippsburg	7/01/74	6	3,480.21	7,657.01	296.63	11,433.85
Piscataquis County	1/01/69	47	96,824.53	125,930.60	1,984.15	224,739.28
Pittsfield	5/02/68	45	43,492.39	80,733.75	(55.89)	124,170.25
Pleasant Point Passamaquoddy R.H.A.	1/01/72	54	5,456.16	28,792.84	1,107.21	35,356.21
Portland	3/01/43	1,756	6,115,053.28	4,612,677.08	(172,446.67)	10,555,283.69
Portland Housing Authority	7/01/73	46	149,826.33	263,972.03	9,772.94	423,571.30
Portland Public Library	5/01/50	54	215,989.12	466,444.12	(1,812.36)	680,620.88
Portland Renewal Authority	10/01/55	9	7,054.75	230,773.16	(3,661.89)	234,166.02
Presque Isle	1/01/43	102	548,213.51	727,176.47	(5,017.83)	1,270,372.15
Princeton	6/01/79	10	4,723.91	3,771.62	119.87	8,615.40
Readfield	2/24/75	4	4,456.96	2,929.86	209.33	7,596.15
Richmond	5/01/75	37	37,765.44	28,210.28	1,701.56	67,677.28
Richmond Utilities District	9/01/77	2	3,776.52	4,815.41	208.76	8,800.69
Rockland	11/01/46	107	351,247.90	724,958.80	(4,547.06)	1,071,659.64
Rockport	4/01/72	19	33,913.40	44,891.81	813.43	79,618.64
Rumford	4/01/65	151	382,345.87	574,646.92	(1,735.32)	955,257.47
Rumford - Fire & Police	2/10/58	22	142,806.79	568,354.09	(4,187.15)	706,973.73
Rumford Water District	4/01/60	5	50,919.05	86,309.36	(2,350.81)	134,877.60
Rumford-Mexico Sewer District	1/20/78	5	4,116.52	5,082.78	281.12	9,480.42
Sabattus	1/01/73	24	29,082.44	34,551.45	1,401.10	65,034.99
Saco	12/31/73	109	275,135.34	730,116.21	27,136.27	1,032,387.82
Sagadahoc County	1/01/67	24	49,663.93	200,260.36	(536.30)	249,387.99
St. Agatha	7/01/74	7	13,721.70	30,372.71	1,163.35	45,257.76
Sanford	1/01/66	211	642,843.25	1,082,970.89	5,026.14	1,730,840.28
Sanford Housing Authority	6/01/71	11	21,798.56	23,053.19	826.52	45,678.27
Sanford Sewerage District	11/01/66	13	21,239.88	72,571.02	(1,010.11)	92,800.79

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
Sanford Water District	11/01/72	21	\$ 53,006.95	\$ 79,945.16	\$ 2,577.36	\$ 135,529.47
Scarborough	5/01/71	138	297,375.28	493,550.12	12,878.94	803,804.34
School Administrative District #2	3/05/73	4	12,274.77	27,717.39	615.09	40,607.25
School Administrative District #9	9/01/68	51	157,231.16	159,787.85	1,099.47	318,118.48
School Administrative District #13	2/01/76	17	18,347.66	35,968.29	1,456.91	55,772.86
School Administrative District #16	10/01/73	23	25,381.07	70,702.93	2,341.45	98,425.45
School Administrative District #21	7/01/75	26	22,280.39	20,772.83	1,238.47	44,291.69
School Administrative District #28	12/02/64	--	--	7,454.70	(187.99)	7,266.71
School Administrative District #29	9/01/72	18	33,247.17	84,633.82	2,416.91	120,297.90
School Administrative District #31	2/01/74	38	53,859.66	112,940.95	4,665.14	171,465.75
School Administrative District #34	4/18/64	194	120,611.97	213,345.27	(1,004.84)	332,952.40
School Administrative District #41	10/01/70	69	105,772.38	177,763.11	5,059.89	288,595.38
School Administrative District #49	4/01/73	25	49,803.60	78,124.04	2,844.66	130,772.30
School Administrative District #51	7/01/74	47	75,149.16	58,852.79	3,512.88	137,514.83
School Administrative District #53	9/15/69	16	24,559.53	24,055.76	(46.67)	48,568.62
School Administrative District #54	5/01/68	42	84,237.14	179,588.14	1,962.16	265,787.44
School Administrative District #56	7/01/75	15	28,198.76	44,391.31	2,076.05	74,666.12
School Administrative District #60	7/01/73	106	63,339.30	95,431.55	3,697.89	162,468.74
School Administrative District #66	12/01/67	2	981.14	64,428.73	(1,907.14)	63,502.73
School Administrative District #67	7/01/68	114	109,482.78	199,538.06	4,277.65	313,298.49
School Administrative District #71	5/01/69	90	120,878.94	153,070.32	48.26	273,997.52
Searsport	4/01/68	13	28,231.05	46,349.29	631.75	75,212.09
Searsport Water District	1/01/69	4	17,460.04	22,177.63	251.15	39,888.82
Skowhegan	4/01/65	55	163,562.61	294,312.75	1,820.03	459,695.39
Somerset County	7/10/67	57	76,266.15	164,549.94	487.31	241,303.40
South Berwick	7/01/70	29	43,018.80	38,891.55	820.12	82,730.47
South Berwick Water District	11/01/72	2	6,351.50	8,289.15	356.63	14,997.28
South Portland	9/01/44	383	1,622,119.70	2,582,701.09	(43,063.41)	4,161,757.38
South Portland Housing Authority	1/01/75	11	28,690.31	45,313.40	1,815.23	75,818.94
Southern Kennebec Valley Reg. Plan. Comm.	1/01/70	9	9,874.81	12,819.45	(109.98)	22,584.28
State Principals Association	8/07/67	5	29,573.07	93,821.89	3,282.37	126,677.33
Thomaston	5/01/72	22	46,078.30	71,505.94	2,341.27	119,925.51
Topsham	3/01/65	23	42,045.36	97,875.11	(218.05)	139,702.42
Van Buren	6/01/73	29	34,543.78	33,410.03	1,620.28	69,574.09
Van Buren Housing Authority	7/01/76	5	11,671.80	16,119.72	721.86	28,513.38

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
Vassalboro	7/01/71	10	\$ 6,990.51	\$ 26,090.41	\$ 581.96	\$ 33,662.88
Waldoboro	6/01/74	18	54,693.70	68,339.16	3,315.44	126,348.30
Waldo County	1/01/51	42	95,273.22	242,907.03	(3,482.59)	334,697.66
Wallagrass Plantation	4/01/72	3	1,957.83	6,235.36	142.39	8,335.58
Washburn	9/01/76	10	21,484.98	21,142.20	1,138.89	43,766.07
Washington County	1/01/50	62	77,517.34	291,739.55	(2,104.55)	367,152.34
Waterville - Fire & Police	2/01/61	50	542,356.91	550,650.76	(2,382.46)	1,090,625.21
Waterville Sewerage District	10/01/75	14	28,655.74	33,085.03	1,689.37	63,430.14
Waterville Urban Renewal Authority	4/01/74	1	6,075.70	7,165.39	417.38	13,658.47
Wells	1/01/68	110	197,814.17	399,566.28	6,486.86	603,867.31
Westbrook	3/01/69	114	361,873.31	636,807.76	9,701.53	1,008,382.60
Westbrook - Fire & Police	1/01/62	50	336,601.17	783,407.41	9,749.20	1,129,757.78
Westbrook Housing Authority	11/01/79	6	1,974.90	76.71	28.77	2,080.38
Wilton	5/01/66	33	60,879.36	94,290.17	1,009.40	156,178.93
Winslow	9/01/70	73	143,577.40	120,300.80	5,323.88	269,202.08
Winter Harbor Utilities District	10/01/78	1	1,246.35	272.58	30.82	1,549.75
Winthrop	5/01/73	70	109,161.04	152,364.04	6,084.06	267,609.14
Yarmouth	4/01/68	117	244,827.90	578,886.33	9,738.30	833,452.53
York	7/01/48	69	162,602.49	203,811.48	508.11	366,922.08
York County	10/01/49	88	191,380.48	513,191.49	(1,894.92)	702,677.05
York Sewerage District	5/01/70	6	21,943.76	35,731.51	900.44	58,575.71
York Water District	10/01/49	10	26,458.26	173,169.95	(3,479.96)	196,148.25
Survivor Benefit - Consolidated	<u>\$13,279,741.61</u>				(45,411.55)	<u>13,234,330.06</u>
TOTALS	<u>\$13,279,741.61</u>	<u>66,030</u>	<u>\$236,927,380.11</u>	<u>\$ 75,672,585.89</u>	<u>(\$10,468,493.52)</u>	<u>\$315,411,214.09</u>

MAINE STATE RETIREMENT SYSTEM
ANALYSIS OF CHANGES IN TRUST FUND RESERVES
YEAR ENDING JUNE 30, 1980

Balance July	\$262,819,509.92
Adjustment of Balance Forward	<u>5,033.07</u>
	262,824,542.99

ADDITIONS

State Contributions

Teachers:

Revenue Sharing	\$15,575,000.00	
General Fund	<u>13,237,838.00</u>	
		\$28,812,838.00

State Employees:

General Fund	11,189,653.89	
Highway Fund	6,612,179.92	
Federal Program Fund	4,320,539.05	
Special Revenue Fund	1,932,205.07	
All Other Funds	<u>1,785,361.95</u>	
		25,839,939.88

Total State Contributions	\$ 54,652,777.88
Participating Local Districts	15,551,842.55
Academies	44,846.18
Individual Members	<u>33,705,766.48</u>
Total Contributions	103,955,233.09
Net Income From Investments	<u>33,905,754.42</u>

TOTAL ADDITIONS	<u>137,860,987.51</u>
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DEDUCTIONS

<u>Retirement Allowance Paid</u>	<u>Number</u>	
Council Order	2	1,887.31
Legislative Resolves	9	43,693.61
Retirement Full Benefits	6706	24,586,144.54
Ordinary Disability:		
Old Law	85	342,903.08
Chapter 622, PL 1975	197	1,694,170.84
Service Incurred Disability	125	502,060.38
Disability, Chapter 622 -		
July 1, 1978	124	575,332.98
Option I	1545	5,136,511.70
Option II	1415	4,970,618.46
Option III	1673	8,284,299.90
Option IV	439	1,938,926.63
Option II - Beneficiary	385	818,576.24
Automatic Option II -		
Beneficiary	451	1,069,168.87
Option III - Beneficiary	439	702,706.69
Option IV - Beneficiary	307	556,489.32
Automatic Option IV -		
Beneficiary	94	220,338.25
Service Incurred Death -		
Other	11	74,289.60
15-Year Teachers	146	146,599.77
10-Year Vested Right	1014	1,510,129.20
Accidental Death Benefits -		
July 1, 1979	3	11,063.13
20-Year Teachers	32	31,452.30
Law Enforcement Officers -		
Marine Resources	24	158,492.08
Fish & Wildlife	67	409,502.00
State Police	125	803,504.41
25-Year Service-Age 55*	13	53,574.84
Forest Rangers*	4	16,813.78
Fire Fighters & Police -		
Spec. Prov. - Sec. 1121	7	49,194.84
Spec. Prov. - Sec. 1092	37	215,981.91
Benefits by P & S Laws	60	104,536.89

Analysis of Changes in Trust Fund Reserves - continued

<u>Retirement Allowance Paid</u>		<u>Number</u>	
Prison Guards - Section 1121			
Sub-Section 2-F	9		\$ 47,280.12
Special Benefits - Sec. 1092			
Sub-Section 4	9		<u>17,133.21</u>
			\$ 55,093,376.88
<u>Retirement Allowance Adjustment Paid</u>			
Council Order			4,364.30
Legislative Resolves			4,881.41
Retirement Full Benefits			10,059,122.75
Ordinary Disability:			
Old Law			86,994.90
Chapter 622, PL 1975			262,509.84
Service Incurred Disability			193,411.23
Disability, Chapter 622 - July 1, 1978			11,479.98
Option I			2,818,213.99
Option II			1,476,083.94
Option III			3,007,339.08
Option IV			454,526.53
Option II - Beneficiary			454,300.21
Automatic Option II - Beneficiary			566,541.67
Option III - Beneficiary			501,164.12
Option IV - Beneficiary			115,498.84
Automatic Option IV - Beneficiary			52,554.19
Service Incurred Death - Other			29,104.28
15-Year Teachers			112,693.69
10-Year Vested Right			611,511.88
20-Year Teachers			28,166.74
Law Enforcement Officers -			
Marine Resources			43,140.66
Fish & Wildlife			137,044.57
State Police			228,719.04
25-Year Service-Age 55			32,508.96
Forest Rangers			5,269.04
Fire Fighters & Police -			
Spec. Prov. - Sec. 1121			17,732.48
Spec. Prov. - Sec. 1092			36,080.42
Benefits by P & S Laws			16,120.18
Prison Guards - Section 1121			
Sub-Section 2-F			15,098.56
Special Benefits - Section 1092			
Sub-Section 4			<u>975.52</u>
			21,383,153.00
<u>Survivor Benefits</u>		<u>Number</u>	
Accidental Death -			
Service Incurred	11		22,248.48
Spouse - Age 60	255		413,165.80
Spouse - 10-Year Clause	184		305,729.37
Spouse - Children	196		584,279.26
Children	51		111,770.97
Parents	32		<u>58,426.56</u>
			1,495,620.44
<u>Refunds</u>			
To Former Members			6,843,147.09
To Beneficiaries of Deceased Members			253,742.50
To Survivors of Disability Recipients			50,960.19
To Beneficiaries of Deceased - Option I			<u>102,848.31</u>
			7,250,698.09
<u>Other Deductions</u>			
Other Charges to Retirement Allowance Fund			51,468.00
TOTAL DEDUCTIONS			<u>85,274,316.41</u>
Balance June 30			<u>\$315,411,214.09</u>

* - Includes only those who elected Full Benefits - others under respective options

MAINE STATE RETIREMENT SYSTEM
RETIREMENT ALLOWANCE PAYROLL
June 30, 1979 and 1980

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1980	June 1979		June 1980	June 1979		June 1980	June 1979
State Employees	5,878	5,677	201	\$2,235,840.97	\$2,065,800.39	\$170,040.58	\$380.37	\$363.89
Teachers - Contributory	4,977	4,717	260	2,621,266.23	2,398,371.25	222,894.98	526.68	508.45
Teachers - Non-Contributory	1,790	1,900	(110)	753,049.50	767,122.71	(14,073.21)	420.70	403.75
Teachers - Retired Prior to 1947	7	9	(2)	2,199.25	2,694.58	(495.33)	314.18	299.40
Androscoggin County	38	38	-	6,996.91	6,515.18	481.73	184.13	171.45
Aroostook County	18	17	1	3,618.20	3,334.15	284.05	201.01	196.13
Auburn	72	70	2	16,324.05	15,640.33	683.72	226.72	223.43
Auburn Housing Authority	2	2	-	112.71	222.71	(110.00)	56.36	111.36
Auburn Public Library	5	5	-	865.40	865.40	--	173.08	173.08
Auburn Sewer District	3	3	-	722.83	695.03	27.80	240.94	231.68
Auburn Water District	7	7	-	2,731.85	2,626.78	105.07	390.26	375.25
Augusta	112	87	25	44,951.24	32,518.92	12,432.32	401.35	373.78
Augusta Sanitary District	6	6	-	943.49	940.23	3.26	157.25	156.71
Augusta Water District	11	9	2	5,137.25	4,128.16	1,009.09	467.02	458.68
Baileyville	4	4	-	798.19	798.19	--	199.55	199.55
Bangor	232	214	18	83,805.49	75,909.21	7,896.28	361.23	354.72
Bangor Public Library	23	20	3	7,770.44	6,980.95	789.49	337.85	349.05
Bangor Water District	11	11	-	2,222.61	2,221.79	.82	202.06	201.98
Bar Harbor	18	17	1	4,559.81	4,032.75	527.06	253.32	237.22
Bath	56	54	2	21,365.16	20,454.86	910.30	381.52	378.79
Bath Water District	4	4	-	1,358.35	1,306.11	52.24	339.59	326.53
Belfast	11	10	1	1,015.65	916.74	98.91	92.33	91.67
Belfast Water District	2	1	1	879.24	285.99	593.25	439.62	285.99
Berwick	1	1	-	205.73	205.73	--	205.73	205.73
Biddeford	34	35	(1)	5,937.73	6,480.62	(542.89)	174.64	185.16
Bingham Water District	3	2	1	215.91	135.91	80.00	71.97	67.96
Boothbay-Boothbay Harbor C.S.D.	1	--	1	114.29	--	114.29	114.29	--
Boothbay Harbor	2	1	1	201.42	72.34	129.08	100.71	72.34
Boothbay Harbor Water District	3	3	-	459.69	459.69	--	153.23	153.23
Brewer	18	16	2	2,438.36	2,316.32	122.04	135.46	144.77
Brewer Water District	4	3	1	1,208.30	676.19	532.11	302.08	225.40
Bridgton	3	2	1	555.53	387.20	168.33	185.18	193.60

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1980	June 1979		June 1980	June 1979		June 1980	June 1979
Brownville	1	--	1	\$ 75.14	\$ --	\$ 75.14	\$ 75.14	\$ --
Brunswick	73	70	3	15,592.76	18,177.58	(2,584.82)	213.60	259.68
Brunswick Sewer District	3	3	-	258.20	256.02	2.18	86.07	85.34
Bucksport	8	7	1	571.88	471.88	100.00	71.49	67.41
Calais	20	19	1	2,015.85	2,065.38	(49.53)	100.79	108.70
Camden	13	13	-	1,628.75	1,628.75	--	125.29	125.29
Cape Elizabeth	35	30	5	3,481.75	2,808.12	673.63	99.48	93.60
Chevrus High School	3	3	-	233.72	233.72	--	77.91	77.91
Corinna	2	2	-	531.13	531.13	--	265.57	265.57
Cranberry Isle	2	2	-	138.38	138.38	--	69.19	69.19
Cumberland County	33	33	-	7,353.49	7,543.55	(190.06)	222.83	228.59
Dexter	6	7	(1)	1,041.67	1,141.67	(100.00)	173.61	163.10
Dover-Foxcroft	2	2	-	56.95	56.95	--	28.48	28.48
East Millinocket	19	19	-	4,700.84	4,498.17	202.67	247.41	236.75
Eliot	2	2	-	435.98	486.77	(50.79)	217.99	243.39
Ellsworth	17	16	1	2,219.27	1,945.23	274.04	130.55	121.58
Exeter	1	1	-	87.53	87.53	--	87.53	87.53
Falmouth	24	23	1	5,236.00	4,375.43	860.57	218.17	190.24
Falmouth Memorial Library	1	1	-	100.00	100.00	--	100.00	100.00
Farmington	6	5	1	1,965.92	1,334.41	631.51	327.65	266.88
Farmington Village Corporation	1	1	-	104.07	104.07	--	104.07	104.07
Fort Fairfield	8	7	1	1,929.85	1,683.07	246.78	241.23	240.44
Fort Fairfield Utilities District	1	1	-	369.78	369.78	--	369.78	369.78
Fort Kent	4	4	-	1,038.31	1,239.69	(201.38)	259.58	309.92
Franklin County	9	9	-	1,262.07	1,213.54	48.53	140.23	134.84
Freeport	4	4	-	418.69	418.69	--	104.67	104.67
Frenchville	1	--	1	417.37	--	417.37	417.37	--
Gardiner	15	12	3	3,569.05	2,016.45	1,552.60	237.94	168.04
Garland	1	1	-	98.44	98.44	--	98.44	98.44
Glenburn	1	1	-	90.17	90.17	--	90.17	90.17
Gorham	7	4	3	1,023.02	525.23	497.79	146.15	131.31
Gould Academy	1	1	-	150.74	150.74	--	150.74	150.74
Greater Portland Council of Governments	1	--	1	786.21	--	786.21	786.21	--
Greater Portland Public Development Comm.	6	6	-	3,043.41	2,926.35	117.06	507.24	487.73
Greenville	1	1	-	47.91	36.49	11.42	47.91	36.49

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1980	June 1979		June 1980	June 1979		June 1980	June 1979
Hampden	7	7	-	\$ 1,107.09	\$ 1,107.09	\$ --	\$158.16	\$158.16
Hampden Water District	1	--	1	88.21	--	88.21	88.21	--
Hancock County	13	13	-	2,107.05	2,026.01	81.04	162.08	155.85
Hermon	3	3	-	188.24	188.24	--	62.75	62.75
Houlton	16	16	-	2,971.16	2,573.37	397.79	185.70	160.84
Houlton Water District	11	11	-	5,051.24	4,856.97	194.27	459.20	441.54
Howland	1	--	1	41.73	--	41.73	41.73	--
Jackman	1	1	-	58.74	58.74	--	58.74	58.74
Jay	7	6	1	537.54	425.61	111.93	76.79	70.94
Kennebec County	19	20	(1)	3,030.22	3,005.60	24.62	159.49	150.28
Kennebec Water District	12	12	-	3,392.64	3,177.77	214.87	282.72	264.81
Kennebunk	7	7	-	635.82	635.82	--	90.83	90.83
Kennebunk Light & Power	9	9	-	2,487.38	2,391.72	95.66	276.38	265.75
Kennebunkport	5	5	-	1,210.22	795.09	415.13	242.04	159.02
Kittery	13	12	1	3,237.19	3,542.80	(305.61)	249.01	295.23
Kittery Water District	5	5	-	2,540.29	2,442.59	97.70	508.06	488.52
Knox County	15	15	-	3,426.85	3,295.03	131.82	228.46	219.67
Lewiston	163	135	28	58,859.23	39,369.85	19,489.38	361.10	291.63
Lewiston Housing Authority	1	1	-	408.29	408.29	--	408.29	408.29
Limestone Water & Sewerage District	1	1	-	34.56	34.56	--	34.56	34.56
Lincoln	6	7	(1)	1,346.87	1,396.70	(49.83)	224.48	199.53
Lincoln County	10	7	3	1,137.91	865.15	272.76	113.79	123.59
Lisbon	10	9	1	1,624.46	1,520.39	104.07	162.45	168.93
Livermore Falls	4	4	-	678.14	678.14	--	169.54	169.54
Livermore Falls Water District	1	1	-	379.76	365.15	14.61	379.76	365.15
Lubec Water & Electric	3	3	-	728.14	700.14	28.00	242.71	233.38
Madawaska	11	9	2	2,444.19	1,820.49	623.70	222.20	202.28
Maine Maritime Academy	34	30	4	6,963.76	6,492.22	471.54	204.82	216.41
Maine Municipal Association	3	3	-	1,108.77	1,066.12	42.65	369.59	355.37
Maine-New Hampshire Bridge Authority	6	6	-	1,657.78	1,594.04	63.74	276.30	265.67
Maine Turnpike Authority	109	105	4	33,276.22	28,145.44	5,130.78	305.29	268.05
Medway	3	3	-	232.44	232.44	--	77.48	77.48
Mexico	2	2	-	413.54	413.54	--	206.77	206.77
Millinocket	27	24	3	14,112.92	11,068.78	3,044.14	522.70	461.20
Milo	4	4	-	919.60	919.60	--	229.90	229.90

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1980	June 1979		June 1980	June 1979		June 1980	June 1979
Mount Desert	9	9	-	\$ 1,654.40	\$ 1,590.77	\$ 63.63	\$183.82	\$176.75
Mount Desert Island Regional School District	2	2	-	48.86	48.86	--	24.43	24.43
New Canada Plantation	1	1	-	80.00	80.00	--	80.00	80.00
Norway	6	6	-	1,045.83	1,045.83	--	174.31	174.31
Old Orchard Beach	13	13	-	2,730.30	2,739.63	(9.33)	210.02	210.74
Old Town	25	20	5	4,955.11	3,394.08	1,561.03	198.20	169.70
Old Town Water District	1	1	-	477.09	477.09	--	477.09	477.09
Orland	4	6	(2)	404.97	517.30	(112.33)	101.24	86.22
Orono	13	9	4	2,452.21	1,509.73	942.48	188.63	167.75
Otisfield	1	1	-	21.89	21.89	--	21.89	21.89
Oxford	2	2	-	268.00	268.00	--	134.00	134.00
Oxford County	18	17	1	2,418.86	2,044.41	374.45	134.38	120.26
Paris	2	2	-	490.39	490.39	--	245.20	245.20
Paris Utility District	2	2	-	335.27	322.38	12.89	167.64	161.19
Penobscot County	25	25	-	4,749.99	4,645.21	104.78	190.00	185.81
Penquis C.A.P., Inc.	1	--	1	153.71	--	153.71	153.71	--
Piscataquis County	4	2	2	230.80	34.72	196.08	57.70	17.36
Pittsfield	4	4	-	255.78	326.79	(71.01)	63.95	81.70
Portland	571	548	23	232,697.72	224,961.84	7,735.88	407.53	410.51
Portland Housing Authority	5	4	1	1,279.78	845.01	434.77	255.96	211.25
Portland Public Library	9	8	1	4,321.79	3,877.45	444.34	480.20	484.68
Portland Renewal Authority	8	6	2	1,750.40	1,476.38	274.02	218.80	246.06
Presque Isle	21	20	1	6,798.39	6,012.98	785.41	323.73	300.65
Rockland	29	31	(2)	7,723.64	7,601.36	122.28	266.33	245.21
Rumford	33	27	6	7,000.07	5,014.10	1,985.97	212.12	185.71
Rumford Fire & Police	18	17	1	10,676.36	9,780.17	896.19	593.13	575.30
Rumford Water District	2	2	-	378.09	378.09	--	189.05	189.05
Saco	15	13	2	3,820.05	3,381.63	438.42	254.67	260.13
Sagadahoc County	8	8	-	1,317.39	1,317.39	--	164.67	164.67
Sanford	48	45	3	7,315.44	6,358.86	956.58	152.41	141.31
Sanford Sewer District	6	6	-	1,078.65	1,078.65	--	179.78	179.78
Sanford Water District	1	--	1	359.08	--	359.08	359.08	--
Scarborough	26	25	1	3,046.49	2,771.89	274.60	117.17	110.88
School Administrative District #2	1	1	-	319.82	319.82	--	319.82	319.82
School Administrative District #9	7	6	1	783.77	623.49	160.28	111.97	103.92

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1980	June 1979		June 1980	June 1979		June 1980	June 1979
School Administrative District #13	1	--	1	\$ 318.23	\$ --	\$ 318.23	\$318.23	\$ --
School Administrative District #16	4	4	-	322.08	330.10	(8.02)	80.52	82.53
School Administrative District #21	2	2	-	287.76	287.76	--	143.88	143.88
School Administrative District #29	4	4	-	692.27	665.65	26.62	173.07	166.41
School Administrative District #31	2	2	-	200.00	200.00	--	100.00	100.00
School Administrative District #34	8	5	3	844.77	455.98	388.79	105.60	91.20
School Administrative District #41	3	3	-	290.89	279.70	11.19	96.96	93.23
School Administrative District #49	5	5	-	437.47	437.47	--	87.49	87.49
School Administrative District #53	1	1	-	179.03	179.03	--	179.03	179.03
School Administrative District #54	14	12	2	1,217.15	986.32	230.83	86.94	82.19
School Administrative District #56	2	2	-	261.28	261.28	--	130.64	130.64
School Administrative District #60	1	--	1	48.60	--	48.60	48.60	--
School Administrative District #66	1	1	-	4.33	4.33	--	4.33	4.33
School Administrative District #67	6	5	1	677.38	633.54	43.84	112.90	126.71
School Administrative District #71	5	4	1	426.96	204.81	222.15	85.39	51.20
Searsport	3	3	-	232.13	232.13	--	77.38	77.38
Skowhegan	11	11	-	2,022.80	2,022.80	--	183.89	183.89
Somerset County	8	8	-	979.96	979.96	--	122.50	122.50
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	146	135	11	41,958.44	40,735.03	1,223.41	287.39	301.74
Thomaston	1	1	-	163.58	157.29	6.29	163.58	157.29
Topsham	5	5	-	1,054.66	1,014.10	40.56	210.93	202.82
Van Buren Housing Authority	2	2	-	121.19	121.19	--	60.60	60.60
Vassalboro	2	2	-	94.94	94.94	--	47.47	47.47
Waldoboro	2	2	-	199.21	199.21	--	99.61	99.61
Waldo County	9	9	-	1,324.54	1,553.61	(229.07)	147.17	172.62
Washington County	18	16	2	4,025.14	3,617.67	407.47	223.62	226.10
Waterville Fire & Police	5	5	-	3,137.71	3,137.71	--	627.54	627.54
Wells	9	10	(1)	1,595.26	1,702.75	(107.49)	177.25	170.28
Westbrook	34	30	4	5,754.56	5,223.06	531.50	169.25	174.10
Westbrook Fire & Police	6	6	-	1,570.75	1,488.42	82.33	261.79	248.07
Wilton	4	4	-	532.40	532.40	--	133.10	133.10
Winslow	4	2	2	429.33	201.79	227.54	107.33	100.90
Winthrop	8	6	2	1,567.83	1,604.33	(36.50)	195.98	267.39

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1980	June 1979		June 1980	June 1979		June 1980	June 1979
Yarmouth	13	9	4	\$ 2,337.24	\$ 1,653.14	\$ 684.10	\$179.79	\$183.68
York	5	5	-	525.82	505.59	20.23	105.16	101.12
York County	23	22	1	4,256.58	3,648.45	608.13	185.07	165.84
York Water District	<u>6</u>	<u>6</u>	<u>-</u>	<u>2,248.15</u>	<u>2,161.68</u>	<u>86.47</u>	<u>374.69</u>	<u>360.28</u>
TOTALS	<u>15,557</u>	<u>14,991</u>	<u>566</u>	<u>\$6,446,313.05</u>	<u>\$5,984,500.66</u>	<u>\$461,812.39</u>	<u>\$414.37</u>	<u>\$399.21</u>

Note: Monthly payments include Disability and Accidental Death Benefits, where applicable

MAINE STATE RETIREMENT SYSTEM
SURVIVOR BENEFIT PAYROLL
June 30, 1980 and 1979

	Persons Receiving Benefits		Increase or (Decrease)	Benefits Paid		Increase or (Decrease)
	June 1980	June 1979		June 1980	June 1979	
State	413	409	4	\$ 71,747.52	\$ 71,218.89	\$ 528.63
Teachers	174	169	5	33,500.14	32,264.75	1,235.39
Androscoggin County	2	3	(1)	236.07	534.46	(298.39)
Auburn	11	8	3	1,800.00	1,100.00	700.00
Augusta	4	4	--	400.00	400.00	--
Bangor	18	18	--	2,450.00	2,350.00	100.00
Bath	3	3	--	383.73	368.97	14.76
Brewer	2	1	1	200.00	100.00	100.00
Camden	1	1	--	104.00	100.00	4.00
Cumberland County	5	5	--	700.00	700.00	--
East Millinocket	1	1	--	100.00	100.00	--
Ellsworth	2	2	--	200.00	200.00	--
Fort Fairfield	1	1	--	100.00	200.00	(100.00)
Gardiner	1	-	1	100.00	--	100.00
Greater Portland Public Development Commission	1	1	--	100.00	100.00	--
Houlton	2	2	--	300.00	300.00	--
Houlton Water District	2	2	--	301.10	426.42	(125.32)
Kennebec Water District	1	1	--	104.00	100.00	4.00
Kittery	1	2	(1)	100.00	200.00	(100.00)
Kittery Water District	1	2	(1)	319.77	614.94	(295.17)
Lewiston	4	2	2	3,363.23	597.49	2,765.74
Maine Turnpike Authority	20	20	--	3,374.82	3,321.28	53.54
Millinocket	1	1	--	150.00	150.00	--
Penobscot County	1	1	--	270.40	260.00	10.40
Portland	38	37	1	4,750.00	4,600.00	150.00
Presque Isle	4	4	--	500.00	500.00	--
Rumford	2	2	--	200.00	200.00	--
South Portland	7	6	1	1,163.77	878.62	285.15
Waterville Fire & Police	2	2	--	500.00	500.00	--
Wells	2	2	--	487.73	468.97	18.76
Westbrook Fire & Police	1	1	--	100.00	100.00	--
York County	1	1	--	224.97	270.40	(45.43)
TOTALS	<u>729</u>	<u>714</u>	<u>15</u>	<u>\$128,331.25</u>	<u>\$123,225.19</u>	<u>\$5,106.06</u>

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

Net (Loss) on Securities Sales and Exchanges Through June 30, 1979	(\$22,455,902.00)
 ADDITIONS:	
Profit on Sale of Stocks	\$13,998,633.30
Discount on Mortgage Loans	<u>171,876.91</u>
	14,170,510.21
 DEDUCTIONS:	
Loss on Sale of Bonds	(<u>2,183,101.73</u>)
 Net Cumulative (Losses) on Sale or Exchange of Securities Through June 30, 1980	 (\$10,468,493.52)

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STATEMENT OF INVESTMENT OPERATIONS
Year Ending June 30, 1980

Net Gain on Sale of Securities	\$11,815,531.57
 Income From Investments:	
Interest - Time Deposits	\$ 262,011.74
Interest - Bonds Note I	17,365,537.84
Interest - Mortgages Note II	477,791.98
Dividends on Stocks	<u>4,622,814.93</u>
	22,728,156.49
Total Earnings From Investments	<u>34,543,688.06</u>
 Deductions From Investment Income:	
Investment Advisor Fees	499,174.17
Custodial Fees	111,759.47
Investment Evaluation Consultant Fees	<u>27,000.00</u>
	637,933.64
Net Income From Investments	<u>\$33,905,754.42</u>

Note I - Includes accrued interest earned to June 30, 1980

Note II - Includes discount on Mortgage Loans written off during 1979-80

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INTEREST DISTRIBUTED TO ACCOUNT BALANCES
Year Ending June 30, 1980

Net Income From Investments	\$33,905,754.42
 DEDUCTIONS:	
Net Gain on Sale of Securities	\$11,815,531.57
Discount on Mortgage Loans	<u>171,876.91</u>
	11,987,408.48
Net Interest Distributed (Accrual Basis)	<u>\$21,918,345.94</u>

MAINE STATE RETIREMENT SYSTEM

Summary of Earnings - July 1, 1942 through June 30, 1980

Year Ending June 30	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 %
1943	\$	\$ 576,142.97	\$ 318,000.00	\$ 1,884.35	
1944		1,026,142.97	450,000.00	12,154.46	
1945		1,486,142.97	460,000.00	25,560.90	
1946		1,930,142.97	444,000.00	50,140.29	
1947		2,489,142.97	559,000.00	52,522.09	2.590
1948		7,263,648.72	4,774,505.75	159,487.91	2.517
1949		9,038,648.72	1,775,000.00	206,934.14	2.566
1950		11,023,648.72	1,985,000.00	256,668.07	2.578
1951		12,934,768.72	1,911,120.00	317,497.98	2.649
1952		15,432,488.89	2,497,720.17	386,620.65	2.722
1953		17,823,719.34	2,391,230.45	464,578.19	2.799
1954		21,346,256.29	3,522,536.95	576,314.21	2.953
1955		24,801,155.43	3,454,899.14	713,411.34	3.095
1956		29,012,312.28	4,211,156.85	820,511.51	3.068
1957		33,137,935.09	4,125,622.81	1,014,162.82	3.3035
1958		38,302,811.29	5,164,876.20	1,233,750.20	3.4975
1959		44,511,070.88	6,208,259.59	1,473,324.30	3.609
1960		50,880,174.72	6,369,103.84	1,781,368.02	3.787
1961		57,633,773.71	6,753,598.99	2,145,427.31	4.0045
1962		66,498,248.08	8,864,474.37	2,540,623.88	4.1582
1963		75,022,765.44	8,524,517.36	2,925,300.13	4.2023
1964		85,913,758.52	10,890,993.08	3,328,056.40	4.2074
1965	94,667,062.00	96,930,762.57	11,017,004.05	3,870,496.12	4.3196
1966	101,309,145.00	108,555,742.38	11,624,979.81	4,475,359.34	4.4431
1967	106,476,959.00	120,564,775.29	12,009,032.91	5,070,389.31	4.5177
1968	119,861,036.70	135,081,371.78	14,516,596.49	5,741,943.99	4.5899
1969	126,512,881.54	150,501,422.09	15,420,050.31	6,103,338.79	4.3610
1970	115,813,988.62	163,500,431.87	12,999,009.78	6,310,034.78	4.0939
1971	158,897,761.53	175,261,654.19	11,761,222.32	6,357,344.92	3.8132
1972	187,053,699.54	184,789,453.85	9,527,799.66	6,593,475.25	3.7203
1973	186,239,980.28	185,867,989.22	1,078,535.37	6,651,554.76	3.6460
1974	170,627,572.09	188,846,484.91	2,978,495.69	8,344,366.67	4.5292
1975	193,791,992.58	188,397,103.61	(449,381.30)	9,386,916.98	5.0539
1976	205,710,550.54	193,878,411.56	5,481,307.95	8,861,728.87	4.6566
1977	210,352,614.94	206,401,915.73	12,523,504.17	10,751,249.86	5.2269
1978	230,171,364.60	230,676,904.21	24,274,988.48	12,899,069.24	5.6902
1979	258,369,956.50	247,923,507.81	17,246,603.60	16,314,180.33	6.6881
1980	288,391,828.91	272,523,379.27	24,599,871.46	21,918,345.94	7.8799

*Market Value data not available prior to 1965

MAINE STATE RETIREMENT SYSTEM
Administration Funds
Fiscal Year Ending June 1980 and 1979

				Participating Districts Actuarial Services	
		<u>1980</u>	<u>1979</u>	<u>1980</u>	<u>1979</u>
Revenue:					
<u>State Contributions:</u>					
<u>Teachers:</u>					
General Fund		\$362,260.00	\$ 84,109.00		
Revenue Sharing		--	252,327.00		
Academies		<u>586.07</u>	<u>-0-</u>		
		\$362,846.07	\$336,436.00		
<u>State Employees:</u>					
General Fund		150,823.60	124,226.61		
Highway Funds		78,566.59	69,273.01		
Federal Program Funds		60,619.37	47,333.74		
Special Revenue Funds		21,107.33	20,034.85		
Other State Funds		<u>25,044.90</u>	<u>21,916.61</u>		
		336,161.79	282,784.82		
Total State Contributions		699,007.86	619,220.82		
Participating Districts		137,576.43	132,320.55	\$59,459.00	\$53,305.00
Miscellaneous Income		<u>50.00</u>	<u>100.00</u>		
Total Revenue		836,634.29	751,641.37	59,459.00	53,305.00
<u>Expenditures:</u>					
Personal Services		329,129.82	322,147.78		
Actuarial Services:					
Towne & Associates		22,016.38	22,690.80	59,459.00	53,305.00
Seal & Lohse, Inc.		--	7,000.00		
Data Processing		76,128.12	54,717.03		
Utilities		7,989.84	4,685.97		
Postage & Mailing		36,212.08	36,616.45		
Repairs to Equipment		10,376.81	8,285.02		
Printing & Binding		8,841.45	14,915.87		
Office Supplies		8,576.81	7,618.27		
Retirement Costs		55,445.84	40,515.24		
Research & Legal Services		18,490.62	19,285.06		
Health Insurance		10,949.31	11,086.48		

STA-CAP Costs	20,199.83	65,983.92		
General Operating Costs	8,987.35	8,097.45		
Office Equipment	4,565.14	175.40		
Total Expenditures	617,909.40	623,820.74	59,459.00	53,305.00
Current Year Reserves	218,724.89	127,820.63		
Prior Year Reserves	353,411.23	225,590.60		
Balance of Reserves	<u>\$572,136.12</u>	<u>\$353,411.23</u>	<u>-0-</u>	<u>-0-</u>

Note: Expenditures have been reduced for the 1980 year by \$111,099.70 and charged to the Insurance (\$55,695.00) and Social Security (\$55,404.70) administration accounts

State Employee Retiree Health Insurance
Fiscal Year Ending June 1980 and 1979

	<u>1980</u>	<u>1979</u>
<u>Revenue:</u>		
General Fund	\$ 706,397.86	\$ 569,058.63
Highway Funds	367,974.68	317,326.60
Federal Program Funds	283,917.02	216,826.94
Special Revenue Funds	98,858.36	91,775.85
Other State Funds	117,300.39	100,395.90
Total Revenue	<u>1,574,448.31</u>	<u>1,295,383.92</u>
<u>Expenditures:</u>		
Health Insurance Premiums	<u>980,359.01</u>	<u>938,377.25</u>
Current Year Reserves	594,089.30	357,006.67
Prior Year Reserves	<u>571,685.47</u>	<u>214,678.80</u>
Balance of Reserves	<u>\$1,165,774.77</u>	<u>\$ 571,685.47</u>

MAINE STATE RETIREMENT SYSTEM
Group Life Insurance
Comparative Balance Sheet
at June 30

	<u>ASSETS</u>		
	<u>1980</u>	<u>1979</u>	Increase or (Decrease)
Assets:			
Cash (Demand Deposit) Note I	\$9,020,539.44	\$7,335,788.24	\$1,684,751.20
Accounts Receivable (Net)	5,695.00	6,670.00	(975.00)
Due From Other Funds	50,000.00	50,000.00	--
Miscellaneous	--	11.70	(11.70)
Total Assets	<u>\$9,076,234.44</u>	<u>\$7,392,469.94</u>	<u>\$1,683,764.50</u>

RESERVES, LIABILITIES AND WORKING CAPITAL

Reserves and Working Capital:			
Reserve for Retiree Premiums	\$6,766,345.62	\$5,301,541.87	\$1,464,803.75
Reserve for Contingencies	25,000.00	25,000.00	--
Reserve for Supplemental Distribution	1,971,699.25	1,785,155.57	186,543.68
Working Capital	50,000.00	50,000.00	--
Total Reserves and Working Capital	<u>8,813,044.87</u>	<u>7,161,697.44</u>	<u>1,651,347.43</u>
Liabilities:			
Accounts Payable	263,189.57	230,772.50	32,417.07
Total Liabilities	<u>263,189.57</u>	<u>230,772.50</u>	<u>32,417.07</u>
Total Reserves, Liabilities and Working Capital	<u>\$9,076,234.44</u>	<u>\$7,392,469.94</u>	<u>\$1,683,764.50</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, 1980

Available Funds:

Premiums Collected (1979-80) -		
Basic	\$2,027,268.58	
Supplemental	956,924.17	
Dependent	<u>75,909.07</u>	\$3,060,101.82
Dividend Received -		
State & Teachers	1,345,143.00	
Participating Districts	<u>205,539.00</u>	1,550,682.00
Appropriation from General Fund -		
Retired Employees Premiums		359,000.00
Reimbursement of Administration Costs -		
State	50,000.00	
Participating Districts	<u>5,695.00</u>	55,695.00
Earnings on Investments -		
Treasurer's "Cash Pool"		<u>1,103,524.60</u>
TOTAL		<u>\$6,129,003.42</u>

Expenditures, Dividend Distribution and
Additions to Reserves:

Premiums Paid to Insurer -		
Employees & Employers Contributions		
Basic	\$2,027,268.58	
Supplemental	956,924.17	
Dependent	<u>75,909.07</u>	\$3,060,101.82
Retired Persons -		
Employees Insurance Premiums	<u>695,520.17</u>	\$3,755,621.99
Supplemental Distribution		460,800.00
Administration Expense		55,695.00
Dividend Distribution to Participating Districts -		
Cash Payments	200,508.28	
Retained for Administration Costs	<u>5,030.72</u>	205,539.00
Addition to Reserves -		
Reserve for Retirees Premiums	1,464,803.75	
Reserve for Supplemental Distribution	<u>186,543.68</u>	<u>1,651,347.43</u>
TOTAL		<u>\$6,129,003.42</u>

MAINE STATE RETIREMENT SYSTEM
GROUP LIFE INSURANCE FUND

The Group Life Insurance program administered by the Board of Trustees, is underwritten by Unionmutual. The following exhibits were prepared and submitted by the Underwriter for the dividend year ending June 30, 1980.

The following is a dividend summary of this program covering the past two policy years, revealing a total dividend for the year ending June 30, 1980, of \$1,433,280, which was \$114,641 less than the previous year's dividend, as shown below:

	<u>Year Ended June 30</u>	
	<u>1980</u>	<u>1979</u>
State & Teacher (Basic)	\$ 798,881	\$ 970,499
State & Teacher (Supplemental)	374,345	382,581
City of Portland	17,715	46,192
City of Bangor	(3,965)	24,846
Pooled Districts (Basic)	195,340	133,420
Pooled Districts (Supplemental)	50,964	(9,617)
Total	<u>\$1,433,280</u>	<u>\$1,547,921</u>

The Basic group life insurance dividend under the State and Teacher group was added to the Reserve for Retiree Premiums, which is used in conjunction with a General Fund appropriation to fund the cost of retired state employee and teacher group life insurance premiums. Retiree premiums during the past year amounted to approximately \$695,520. The State and Teacher Supplemental dividends are credited to a Reserve for a Supplemental Distribution account, which together with interest earnings will be used to make payments to the beneficiaries of retired and active participants in the Supplemental plan, of a 30% dividend distribution to those individuals who have been under the plan for at least five years. Beneficiaries of individuals under this plan for less than five years receive a prorata Supplemental dividend distribution.

Dividends received on account of local district activities are distributed to the local districts after an applicable administrative charge has been made. The previous year's report noted a deficit in the pooled district Supplemental account which has been more than made up during the past dividend year. This policy year's dividend resulted in a deficit of \$3,965 under the Bangor account, recovery of which is planned during the following policy year.

Interest credited on the cash flow by the Underwriter totalled \$66,465, against which was charged retention fees of \$137,208 and reverse interest charges of \$6,143. The interest charges were made on Supplemental dividend distributions which are initially funded by the Underwriter and reimbursed periodically by the M.S.R.S.

MAINE STATE RETIREMENT SYSTEM
DIVIDEND SUMMARY
POLICY NUMBER: 2200
7/1/79 to 7/1/80

	<u>State & Teacher Basic</u>	<u>State & Teacher Supplemental</u>	<u>Portland</u>	<u>Bangor</u>	<u>PD Basic</u>	<u>PD Supplemental</u>	<u>All Plans</u>
EARNED PREMIUM	\$2,279,218	\$887,193	\$116,079	\$63,322	\$403,297	\$69,731	\$3,818,840
PAID CLAIMS *	1,445,444	589,099	92,968	59,649	198,507	22,109	2,407,776
BEGINNING RESERVE	263,191	148,155	-0-	-0-	43,479	10,200	465,025
END RESERVE **	261,625	60,000	-0-	4,344	35,754	4,200	365,923
INCURRED CLAIMS	1,443,878	500,944	92,968	63,993	190,782	16,109	2,308,674
GROSS RETENTION	73,543	20,993	7,135	3,979	26,756	4,802	137,208
INTEREST CREDITS	24,654	9,597	1,256	685	4,363	754	* 41,309
NET RETENTION	48,889	11,396	5,879	3,294	22,393	4,048	95,899
GROSS DIVIDEND	786,451	374,853	17,232	(3,965)	190,122	49,574	1,414,267
INT. CHARGED ON SUPP. DIVIDEND	-0-	6,143	-0-	-0-	-0-	-0-	6,143
INT. ON PREL. DIV. AT 9.61% TO 9/1/80	12,819	6,265	-0-	-0-	-0-	-0-	19,084
INT. ON ADD'L DIV. DUE AT 9.61% TO 10/15	(389)	(630)	483	-0-	5,218	1,390	6,072
DIV. PLUS INTEREST	798,881	374,345	17,715	(3,965)	195,340	50,964	1,433,280
LESS PRELIM. PMT. 9/1	812,604	397,170	-0-	-0-	-0-	-0-	1,209,774
BALANCE DUE ON DIV. PMT. PLUS INTEREST	(13,723)	(22,825)	17,715	(3,965)	195,340	50,964	223,506



MAINE STATE RETIREMENT SYSTEM
BASIC AND DEPENDENT
7/1/79 to 7/1/80

PD NUMBER	PD NAME	PAID PREM- BASIC & DEP	PAID CLAIMS & CONVERSIONS	PAID LOSS RATIO	DIVIDEND	INTEREST	DIVIDEND PLUS INT
04	City of Presque Isle	\$ 8,945	\$ 5,299	59%	\$ 4,217	\$116	\$ 4,333
05	County of Cumberland	8,970	25,378	283%	4,228	116	4,344
08	Town of Camden	2,592	-0-	-0-	1,222	34	1,256
09	City of So. Portland	35,087	19,166	55%	16,541	454	16,995
10	Town of Houlton	6,183	1,253	20%	2,915	80	2,995
11	County of Penobscot	6,221	2,392	38%	2,933	80	3,013
12	Kittery Water District	985	-0-	-0-	464	13	477
13	City of Ellsworth	3,392	2,005	59%	1,599	44	1,643
15	Town of Bar Harbor	3,942	1,028	26%	1,858	51	1,909
16	Town of Mt. Desert	3,496	-0-	-0-	1,648	45	1,693
17	Town of Ft. Fairfield	2,692	-0-	-0-	1,269	35	1,304
18	City of Rockland	6,987	7,371	105%	3,294	90	3,384
21	Boothbay Harbor Water District	544	-0-	-0-	256	7	263
22	Bangor Public Library	2,947	2,478	84%	1,389	38	1,427
23	City of Augusta	26,329	-0-	-0-	12,412	341	12,753
24	City of Gardiner	3,919	10,329	264%	1,847	51	1,898
26	Houlton Water District	3,724	-0-	-0-	1,756	48	1,804
28	Town of York	2,470	-0-	-0-	1,164	32	1,196
29	Limestone Water & Sewer	278	-0-	-0-	131	4	135
30	Town of St. Agatha	345	-0-	-0-	163	4	167
31	Kennebec Water District	2,582	-0-	-0-	1,217	33	1,250
32	Livermore Falls Water District	747	-0-	-0-	352	10	362
33	County of Knox	2,018	529	26%	951	26	977
34	Augusta Water District	2,660	-0-	-0-	1,254	34	1,288
35	City of Belfast	3,442	-0-	-0-	1,623	45	1,668
36	Calais	3,632	-0-	-0-	1,712	47	1,759
38	Maine Maritime Academy	21,889	3,465	16%	10,319	283	10,602
39	York Water District	613	-0-	-0-	289	8	297
40	County of Washington	3,189	4,030	126%	1,503	41	1,544
41	Portland Public Library	2,532	-0-	-0-	1,194	33	1,227
42	Town of Brunswick	17,082	12,451	73%	8,053	221	8,274
46	County of Waldo	2,553	1,680	66%	1,204	33	1,237
49	Maine Turnpike Authority	37,356	17,066	46%	17,610	483	18,093



MAINE STATE RETIREMENT SYSTEM
BASIC AND DEPENDENT
7/1/79 to 7/1/80

PD NUMBER	PD NAME	PAID PREM- BASIC & DEP	PAID CLAIMS & CONVERSIONS	PAID LOSS RATIO	DIVIDEND	INTEREST	DIVIDEND PLUS INT
51	Auburn Sewerage District	\$ 763	\$ -0-	-0-	\$ 360	\$ 10	\$ 370
52	Auburn Water District	1,893	-0-	-0-	892	24	916
54	Town of E. Millinocket	3,655	-0-	-0-	1,723	47	1,770
55	Maine Municipal Association	995	-0-	-0-	469	13	482
59	Bangor Water District	3,580	2,517	70%	1,688	46	1,734
60	Rumford Police & Fire	3,491	1,683	48%	1,646	45	1,691
61	Town of Orono	3,389	-0-	-0-	1,598	44	1,642
62	Kennebunk Light & Power	2,311	-0-	-0-	1,089	30	1,119
64	Augusta Sanitary District	2,696	-0-	-0-	1,271	35	1,306
65	Rumford Water District	1,030	-0-	-0-	486	13	499
67	County of Androscoggin	5,529	-0-	-0-	2,606	72	2,678
72	Brunswick Sewer	781	-0-	-0-	368	10	378
73	City of Bath	11,907	3,814	32%	5,613	154	5,767
77	S.A.D. #34	2,044	-0-	-0-	964	26	990
78	S.A.D. #28	300	-0-	-0-	141	4	145
80	Town of Skowhegan	3,446	-0-	-0-	1,625	45	1,670
81	Town of Topsham	506	-0-	-0-	239	7	246
83	Town of Sanford	13,655	9,825	72%	6,437	177	6,614
84	Town of Kennebunk	2,423	3,099	128%	1,142	31	1,173
85	Town of Cape Elizabeth	6,976	9,241	132%	3,289	90	3,379
86	Town of Wilton	726	-0-	-0-	342	9	351
87	Town of Falmouth	9,200	9,821	107%	4,337	119	4,456
89	Sanford Sewerage	455	-0-	-0-	214	6	220
90	Town of Rumford	8,826	1,783	20%	4,161	114	4,275
93	Maine Municipal Bond Bank	177	-0-	-0-	83	2	85
94	Gr. Portland Council of Govt.	1,458	-0-	-0-	687	19	706
96	Sagadahoc County	2,458	-0-	-0-	1,159	32	1,191
98	Town of Frenchville	214	-0-	-0-	101	3	104
104	Town of Milo	1,115	-0-	-0-	526	14	540
105	Maine Sec. Sch. Prin. Assn.	420	-0-	-0-	198	5	203
109	Town of Livermore Falls	611	-0-	-0-	288	8	296
114	Town of Mechanic Falls	1,603	-0-	-0-	756	21	777
115	S.A.D. #54	2,381	-0-	-0-	1,122	31	1,153



MAINE STATE RETIREMENT SYSTEM
BASIC AND DEPENDENT
7/1/79 to 7/1/80

PD NUMBER	PD NAME	PAID PREM- BASIC & DEP	PAID CLAIMS & CONVERSIONS	PAID LOSS RATIO	DIVIDEND	INTEREST	DIVIDEND PLUS INT
116	Town of Yarmouth	\$ 3,573	\$10,033	280%	\$ 1,684	\$ 46	\$ 1,730
117	Town of Searsport	1,292	-0-	-0-	609	17	626
121	County of Piscataquis	2,336	-0-	-0-	1,101	30	1,131
124	Searsport Water District	353	-0-	-0-	166	5	171
125	Town of Norway	1,425	7,035	494%	672	18	690
127	Town of Paris	937	2,009	214%	442	12	454
128	S.A.D. #71	2,368	-0-	-0-	1,116	31	1,147
130	Town of Bucksport	4,503	1,362	30%	2,122	58	2,180
131	Ft. Fairfield Utilities	1,007	-0-	-0-	475	13	488
132	Belfast Water District	719	-0-	-0-	339	9	348
133	Town of Gorham	6,022	-0-	-0-	2,839	78	2,917
143	S.A.D. #41	1,632	-0-	-0-	769	21	790
145	Auburn Housing Authority	768	-0-	-0-	362	10	372
150	Town of Hermon	688	-0-	-0-	324	9	333
152	Sanford Housing Authority	850	-0-	-0-	401	11	412
159	Paris Utility District	773	-0-	-0-	364	10	374
161	Town of Rockport	606	-0-	-0-	286	8	294
163	Lewiston-Auburn Water	1,498	-0-	-0-	706	19	725
164	Town of Thomaston	1,259	-0-	-0-	594	16	610
167	Town of Dover-Foxcroft	2,902	-0-	-0-	1,368	38	1,406
169	Maine Housing Authority	99	-0-	-0-	47	1	48
179	Town of Winthrop	2,479	-0-	-0-	1,169	32	1,201
185	Portland Housing Authority	3,635	-0-	-0-	1,714	47	1,761
195	Town of Waldoboro	957	-0-	-0-	451	12	463
198	S.A.D. #51	1,391	-0-	-0-	656	18	674
205	Gould Academy	493	-0-	-0-	232	6	238
215	Town of Hodgdon	303	-0-	-0-	143	4	147
216	Town of Cumberland	722	-0-	-0-	340	9	349
219	Lincoln Sanitary District	194	-0-	-0-	91	3	94
220	Kennebec Sanitary District	1,272	-0-	-0-	600	16	616
222	Waterville Sewerage	1,091	-0-	-0-	514	14	528
224	Region #7	428	-0-	-0-	202	6	208
227	Town of Mars Hill	333	-0-	-0-	157	4	161



MAINE STATE RETIREMENT SYSTEM
BASIC AND DEPENDENT
7/1/79 to 7/1/80

PD NUMBER	PD NAME	PAID PREM- BASIC & DEP	PAID CLAIMS & CONVERSIONS	PAID LOSS RATIO	DIVIDEND	INTEREST	DIVIDEND PLUS INT
228	Town of Lubec	\$ 133	\$ -0-	-0-	\$ 63	\$ 2	\$ 65
229	Van Buren Housing	562	-0-	-0-	265	7	272
238	Milo Water District	640	-0-	-0-	302	8	310
245	Town of Limestone	675	4,099	607 %	318	9	327
247	Rumford-Mexico Sewerage	319	375	118 %	150	4	154
260*	Town of Fairfield	925	-0-	-0-	436	12	448
717	Town of Wiscasset	2,950	-0-	-0-	1,391	38	1,429
718	Town of Ashland	47	-0-	-0-	22	1	23
721	Town of Anson	689	-0-	-0-	325	9	334
727	Hallowell Water District	464	-0-	-0-	219	6	225
729*	Town of Fairfield	1,012	-0-	-0-	477	13	490
734	Presque Isle Water District	1,466	-0-	-0-	691	19	710
736	Town of West Paris	362	-0-	-0-	171	5	176
739	S.A.D. #1	3,120	5,756	184 %	1,471	40	1,511
742	Brunswick & Topsham Water	1,229	2,610	212 %	579	16	595
744	Anson Water District	301	-0-	-0-	142	4	146
746	S.A.D. #17	1,065	7,525	707 %	502	14	516
748	S.A.D. #36	668	-0-	-0-	315	9	324
750	Maine State Employees Assn.	864	-0-	-0-	407	11	418
751	S.A.D. #40	341	-0-	-0-	161	4	165
753	S.A.D. #50	1,029	-0-	-0-	485	13	498
755	Presque Isle Sewer District	426	-0-	-0-	201	6	207
757	Waldoboro Sewer District	21	-0-	-0-	10	-0-	10
758	S.A.D. #68	1,148	-0-	-0-	541	15	556
760	S.A.D. #74	1,630	-0-	-0-	768	21	789
761	S.A.D. #52	69	-0-	-0-	33	1	34
763	Town of Castine	738	-0-	-0-	348	11	359
764	Region #8 Co-op Board	139	-0-	-0-	67	3	70
TOTAL		\$403,297	\$198,507		\$190,122	\$5,218	\$195,340

*Changed from an insurance only group to a participating district effective 1/80.



MAINE STATE RETIREMENT SYSTEM

SUPPLEMENTAL LIFE 7/1/79 to 7/1/80

PD NUMBER	PD NAME	PAID PREMIUM	PAID CLAIMS & CONVERSION	PAID LOSS RATIO	DIVIDEND	INTEREST	DIVIDEND PLUS INT
05	Cumberland County	\$ 6,978	\$22,109	317%	\$ 4,960	\$139	\$ 5,099
12	Kittery Water District	726	-0-	-0-	516	14	530
26	Houlton Water District	3,202	-0-	-0-	2,276	64	2,340
49	Maine Turnpike Authority	34,408	-0-	-0-	24,462	686	25,148
85	Cape Elizabeth	3,755	-0-	-0-	2,670	75	2,745
86	Wilton	638	-0-	-0-	454	13	467
93	Maine Municipal Bond Banks	162	-0-	-0-	115	3	118
94	Gr. Portland Council of Govt.	457	-0-	-0-	325	9	334
96	Sagadahoc County	2,309	-0-	-0-	1,642	46	1,688
105	Maine Sec. Sch. Prin. Assn.	412	-0-	-0-	293	8	301
109	Livermore Falls	197	-0-	-0-	140	4	144
121	City of Piscataquis	1,744	-0-	-0-	1,240	35	1,275
130	Town of Bucksport	3,518	-0-	-0-	2,501	70	2,571
131	Ft. Fairfield Utilities	929	-0-	-0-	660	19	679
152	Sanford Housing	510	-0-	-0-	363	10	373
164	Town of Thomaston	1,195	-0-	-0-	850	24	874
169	Maine Housing Authority	99	-0-	-0-	70	2	72
195	Town of Waldoboro	812	-0-	-0-	577	16	593
205	Gould Academy	373	-0-	-0-	265	7	272
216	Town of Cumberland	632	-0-	-0-	449	13	462
219	Lincoln Sanitary District	194	-0-	-0-	138	4	142
220	Kennebec Sanitary District	306	-0-	-0-	218	6	224
222	Waterville Sewerage	981	-0-	-0-	697	20	717
224	Region #7	167	-0-	-0-	119	3	122
227	Town of Mars Hill	272	-0-	-0-	193	5	198
717	Town of Wiscasset	2,158	-0-	-0-	1,534	43	1,577
721	Town of Anson	469	-0-	-0-	333	9	342
727	Hallowell Water District	434	-0-	-0-	309	9	318
744	Anson Water District	294	-0-	-0-	209	6	215



MAINE STATE RETIREMENT SYSTEM

SUPPLEMENTAL LIFE
7/1/79 to 7/1/80

<u>PD NUMBER</u>	<u>PD NAME</u>	<u>PAID PREMIUM</u>	<u>PAID CLAIMS & CONVERSION</u>	<u>PAID LOSS RATIO</u>	<u>DIVIDEND</u>	<u>INTEREST</u>	<u>DIVIDEND PLUS INT</u>
750	Maine State Employee Assoc	\$ 758	\$ -0-	-0-	\$ 539	\$ 15	\$ 554
751	S.A.D. #40	235	-0-	-0-	167	5	172
757	Waldoboro Sewer District	14	-0-	-0-	10	-0-	10
760	S.A.D. #74	260	-0-	-0-	185	5	190
764	Region #8 Co-op	133	-0-	-0-	95	3	98
		\$69,731	\$22,109		\$49,574	\$1,390	\$50,964

