

MAINE STATE LEGISLATURE

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AUGUSTA, MAINE

REPORT of the

MAINE STATE RETIREMENT SYSTEM

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1982

for the
FISCAL YEAR
ENDED JUNE 30, 1982

JAN 10 1983

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 therefrom, of the Maine State Retirement System or any successor system and all contributions 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 providing for such benefits and shall not be encumbered 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

John Bibber, Member, Brunswick
Representing Maine Municipal 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

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

Ex-officio
Samuel Shapiro, State Treasurer

ACTUARY

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

MEDICAL BOARD

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

LEGAL COUNSEL

Attorney General, State of Maine

AUDITOR

State Auditor, State of Maine

INVESTMENT CONSULTANT

Evaluation Associates, Inc.

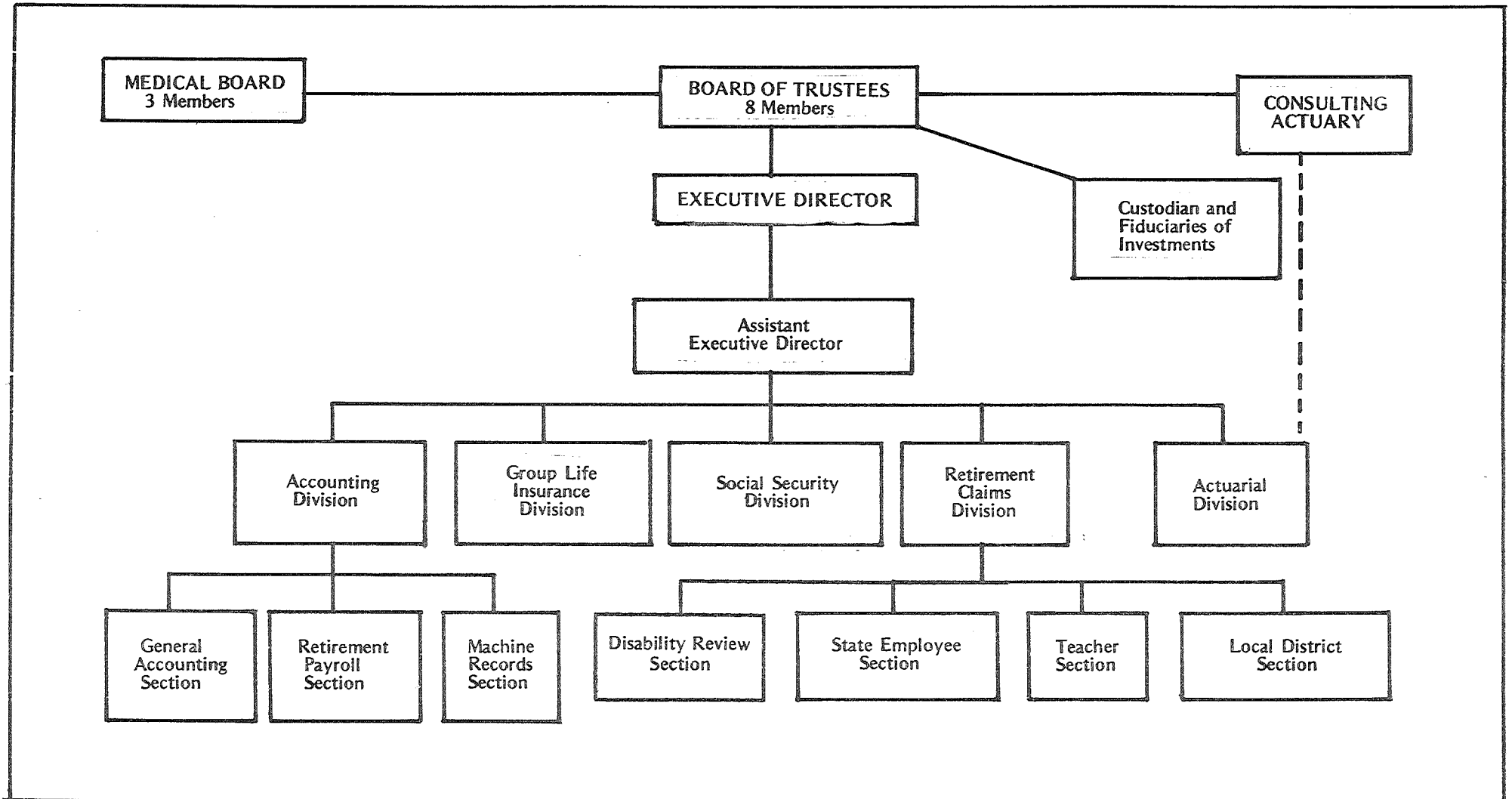
INVESTMENT ADVISORS

Alliance Capital Management Corp.	Maine National Bank
David L. Babson & Company, Inc.	Merrill Trust Company
FMR Investment Management Services, Inc.	Morgan Guaranty Trust Co.
Massachusetts Financial Services, Co.	Putnam Advisory Company, Inc.
The Travelers Insurance Company	

INVESTMENT CUSTODIAN

Northeast Bank N.A. of Lewiston and Auburn

MAINE STATE RETIREMENT SYSTEM
ORGANIZATION CHART



Revised 6/30/82

MAINE STATE RETIREMENT SYSTEM

REPORT OF THE TRUSTEES

TABLE OF CONTENTS

	<u>Page(s)</u>
Letter of Transmittal from the Chairman of the Board of Trustees.....	1

INTRODUCTION

Executive Director's Letter of Transmittal and Annual Report Summary.....	2-8
Summary Statistical Data.....	9-12

FINANCIAL AND STATISTICAL DATA

Comparative Balance Sheet.....	13-14
Balance Sheet.....	15
Changes in Trust Fund Reserves.....	16-17

Investments:

Investment Losses/Income/Interest Distributed.....	18
Bonds.....	19-23
Stocks/Time Deposits.....	24-29
Mortgages.....	30-31
Statement of Trust Fund Balances.....	32-39
Retirement Allowance Payroll.....	40-45
Survivor Benefit Payroll.....	46
Summary of Investment Earnings.....	47
Administration.....	48-49
Report of the Investment Consultant.....	50-51
State Audit Report.....	52-67

ACTUARIAL DATA

Actuary's Letter of Transmittal.....	68
Actuarial Valuations as of June 30, 1982.....	69-119

GROUP LIFE INSURANCE PROGRAM

Executive Director's Report.....	120-121
Comparative Balance Sheet.....	122
Statement of Operations.....	123
Report of the Group Life Insurance Underwriter.....	124-131

Roberta M. Weil, *Executive Director*
Philip R. Gingrow,
Assistant Executive Director

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
John Bibber
Fred Kenney
Patricia McDonough
Richard McDonough
Gerald Tabenken
Nathan W. Watson

Ex officio
Samuel Shapiro,
State Treasurer

January 31, 1983

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

Members, 111th Legislature

Dear Governor Brennan and Members of the Legislature:

Enclosed herewith is a copy of the 1982 Annual Report of the Maine State Retirement System as required by law (5 MRSA, Section 1031, subsection 9) and addressed to its members.

Sincerely,

A handwritten signature in cursive script that reads 'Robert Bourgault'.

Robert Bourgault
Chairman
Board of Trustees
Maine State Retirement System

Roberta M. Weil, *Executive Director*
Philip R. Gingrow,
Assistant Executive Director

Tel. 207-289-3461



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Ex officio
Samuel Shapiro,
State Treasurer

January 31, 1983

Dear Member:

The Annual Report of the Maine State Retirement System for the fiscal year ended June 30, 1982 is submitted herewith. The report consists of four sections: an Introduction which contains the Executive Director's Letter of Transmittal and summary statistical data on membership, contributions, payments and financial highlights; the Financial and Statistical Data section which contains the report of the investment consultant and the opinion of the Department of Audit; the Actuarial Data including the independent consulting actuary's opinion and results of the most recent actuarial valuation; and, finally, the Group Life Insurance Program section containing the Executive Director's Report, financial data and the report of the Group Life Insurance underwriter.

Total assets of the System based on book value at June 30, 1982 were \$465,038,868 as compared with \$384,224,527 on June 30, 1981. This represents a gain of \$80,814,341. The book value of the System's investments rose to \$383,750,616 from \$346,806,885, an increase of \$36,943,431 during the same period. The cash account, funds in the Treasurer's Cash Pool, rose \$43,484,162 during the fiscal year from \$33,892,718 to \$77,376,880.

Net income from the System's investments totalled \$46,531,615, or 25.6 per cent of the increase in trust fund reserves during fiscal 1982. This income included gains of \$8,647,848 on the sales of securities and dividends and interest totaling \$38,644,971. These earnings were reduced by advisory service and custodial fees totaling \$761,204. This represents a decrease in earnings from the 1981 level of \$47,071,952.

Contributions from employers and employees during 1982 totaled \$136,003,379 as compared with \$110,481,040 during 1981. Employers faced substantial increases in contributions to meet costs of improved benefits. The rate of employee contributions remained unchanged.

Total outpayments during fiscal year 1982 rose to \$102,257,664 from \$91,600,560 in 1981. Trust fund revenues of \$182,534,994 exceeded expenses of \$102,257,664 during 1982.

The System's rate of return, based on book value and cost of investments, during fiscal 1982 was 9.4101 per cent as compared with 8.5695 per cent during the previous fiscal year. This rate of return excludes all capital gains.

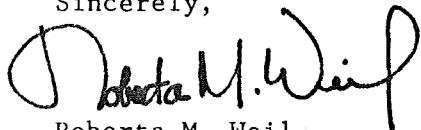
The future accrued service contributions that will be required for the payment of accrued benefits for state employees and teachers, commonly referred to as the "unfunded liability" rose to \$1,077,005,000, as of June 30, 1982 from \$1,001,280,385 as of June 30, 1981. Of this amount \$404,035,000 is attributable to state employee members, \$431,378,000 to teachers and \$241,592,000 to the "non-contributory" or "old system" teachers. The unfunded reserves for participating districts are maintained individually and presented in the consulting actuary's valuation report.

In 1970 the System began a 30-year amortization of its unfunded liability for state employees and teachers. As of June 30, 1982 the remaining number of years for funding this liability was reduced to an average of 17.7 years.

The Governor and the Legislature in the Legislative Appropriation Act, PL 1981, c. 316, provided \$12,100,000 in fiscal year 1982 toward funding benefit payments made to non-contributory teachers. If funding for this group continues at the actuarially-determined level, this continuing liability which has been of great concern to the Board of Trustees, will be amortized in 18 years.

William G. Blodgett, Executive Director of the Maine State Retirement System since June 1973, retired effective February 12, 1982.

Sincerely,

A handwritten signature in black ink, appearing to read "Roberta M. Weil". The signature is fluid and cursive, with a large initial "R" and "W".

Roberta M. Weil,
Executive Director for
the Board of Trustees,
Maine State Retirement System

ANNUAL REPORT OF THE EXECUTIVE DIRECTOR

A contributory retirement system covering all public school teachers, state employees (except members of the judiciary), and the employees of 256 cities, towns, counties and other municipal and educational units, the Maine State Retirement System was created by the Legislature in 1947.

The responsibility for the proper operation of the retirement system is vested in a board of eight trustees. The Board formulates policies for and exercises general supervision over the system under the provisions of 5 MRSA; and appoints an executive director who is charged with administrative responsibility of the system including approval of payments of benefits. The Board is comprised of members elected by the Maine State Employees Association, the Maine Teachers Association, 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 local district employees, and the State Treasurer, who serves as an ex-officio member. The Board employs an actuary whose duties include recommendations as to funding for the Legislature, and making 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 composed of physicians not eligible to participate in the system assists the Board in evaluating disability retirement claims.

As of June 30, 1982, there were 42,004 active members (17,469 teachers, 13,992 state employees, 10,543 employees of participating local districts). In addition there were 23,243 inactive accounts representing deposits by former members who have terminated service and whose contributions have been left on deposit with the System.

ASSETS

As of June 30, 1982, total assets of the M.S.R.S. were \$465,038,868, representing an increase of \$80,814,341 over assets at the beginning of the year. These assets were comprised of corporate stocks, (\$175,651,853), corporate bonds (\$151,623,919), mortgage type investments (\$32,725,659), cash on deposit in the State Treasurer's Cash Pool (\$77,376,880), and other assets (\$3,911,671). Assets classified as investments totalled \$383,750,316 (at cost) and had a market value of \$356,652,348 at year end.

During fiscal year 1982, the System earned a composite 9.4104 per cent rate of return, excluding capital appreciation, on its investments as compared with 8.5695 per cent last year. Using the time-weighted rate of return, a measure of performance that also identifies gains attributable to new cash, the System's return was -2.0 per cent for the year ended June 30, 1982. This sharp drop in 1982 performance was due to declines in the stock market: the time-weighted rate of return on equity investments was -12.2 per cent while the time-weighted rate of return on bonds was +11.1 per cent. The System's managers performed less well in equities and better on bonds than the market indices.

The Board of Trustees voted not to renew the contract of David L. Babson and Company, which expired on June 30, 1982.

TRUST FUND RESERVES

The System's trust fund reserves totalled \$461,653,508 as of June 30, 1982, an increase of \$80,277,330 over reserves at the beginning of the year. A comparison of these reserves by membership grouping is as follows:

	<u>June 30, 1982</u>	<u>June 30, 1981</u>
State Employees	\$201,037,826	\$172,092,328
Teachers (Post-7/1/24)	276,502,834	239,142,388
Teachers (Pre-7/1/24)	(173,917,051)	(162,572,899)
Participating Local Districts	156,150,490	132,714,361
Undistributed Earnings	<u>1,879,419</u>	<u>-</u>
Total	<u>\$465,038,868</u>	<u>\$381,376,178</u>

The Pre-7/1/24 teacher account deficit continued to grow this year although funding is now being provided for these benefit payments. The accumulated deficit represents the excess of benefit payments with interest charges over any funding or contributions made by the state and individual teachers in this particular category. The appropriations approved by the Governor, commenced funding of the old system teacher (Pre-7/1/24) plan in the amounts of \$12,100,000 in the first year of the 1981-82 biennium and \$13,200,000 in the second year of the biennium. Continued funding on this basis will place this particular retirement obligation in the same funding position as the regular teacher and state employee plans.

Employer contributions to the System for benefits during the past fiscal year totalled \$100,029,408, of which \$44,981,182 was made on account of teachers and \$37,031,352 was made on account of state employees. Participating local districts made contributions on behalf of employees totalling \$18,016,873.

Individual member contributions totalled \$35,973,971, as compared with \$36,001,782 during the previous year.

Net income from investments amounted to \$46,531,615, summarized as follows:

Net Gain on Sale of Securities	\$ 8,647,848
Income from Investments	
Bond Interest	30,758,656
Stock Dividends	6,897,389
Interest on Time Deposits	731,181
Mortgage Interest	<u>257,745</u>
	38,644,971
Less	
Investment Management Fees	<u>761,204</u>
Net Income From Investments	<u>\$46,531,615</u>

Profit on sale of stock during the year end totalled \$9,363,023, which was offset in part by losses on the sale of bonds of \$715,175.

Expenditures and other charges to the fund totalled \$102,257,664 during the year ended June 30, 1982, and were comprised of retirement benefits totalling \$90,499,330, payments to survivors of former members of \$1,656,799, and refunds to former members and beneficiaries of former members of \$10,101,535. During the year there were 1,047 retirement allowances processed: 465 state employees, 320 teachers and 262 employees of participating local districts.

The June 1982 retirement allowance payroll amounted to \$7,696,169, and was comprised as follows:

Teachers	\$4,031,502	7,182
State Employees	2,748,557	6,518
Participating Local Districts	<u>916,110</u>	<u>3,332</u>
Total	<u>\$7,696,169</u>	<u>17,032</u>

Retirement allowance payments during the recent fiscal year were \$8,325,014 more than retirement allowance payments during the previous year. The increase in payments was due to a larger number of retirees and a 4% cost-of-living increase granted in September of 1981.

The following data reflects the average age and retirement allowance benefit (Full Benefits), exclusive of special groups, for state employees and teachers:

	<u>State Employees</u>	
	<u>Annual Benefit</u>	<u>Retirement Age</u>
1982	\$5,876	61.64 yrs.
1981	\$5,290	61.74 yrs.
1980	\$4,734	61.63 yrs.
1979	\$4,400	62.07 yrs.
1978	\$4,839	61.23 yrs.

	<u>Teachers</u>	
	<u>Annual Benefit</u>	<u>Retirement Age</u>
1982	\$6,866	59.52 yrs.
1981	\$6,627	59.65 yrs.
1980	\$6,001	60.67 yrs.
1979	\$6,372	60.29 yrs.
1978	\$6,026	61.06 yrs.

Survivor benefit payments made to certain survivors (spouse-children-parents) of former members of the System, whose death occurred prior to retirement, totalled \$1,656,799 during the past fiscal year as compared with \$1,543,470 in the previous fiscal year.

LEGISLATION

Three significant pieces of legislation affecting the System were adopted by the 110th Session of the Legislature.

Chapter 702, Part U, PL 1981, provided a one-time increase of \$.50 for each year of creditable service to each retiree receiving benefits as a former teacher or state employee. Recipients of survivor or disability benefits, or any other recipient of a benefit not based on years of creditable service, received an increase of 2 per cent above the regular 4 per cent cost-of-living increase. This

benefit could be adopted by participating local districts for former employees and their beneficiaries.

Chapter 596, PL 1981, allows participating local districts to withdraw from the System and the Group Life Insurance program without legislative approval. The Retirement System must receive a certified vote of the governing body of the participating district before approving withdrawal from the System. Even after withdrawal, the district must continue to participate in the System for present retirees and all employees who do not withdraw their contributions from the System. If withdrawing from the Group Life Insurance program, equivalent coverage must be made available to current active and retired employees. The district must certify to the Board of Trustees of the System that equivalent coverage is being provided.

Chapter 590, PL 1981, allows the employees of those participating districts also covered by the Social Security System the option of withdrawing from the Maine State Retirement System.

GROUP LIFE INSURANCE

The State Group Life Insurance Program is administered by the Board of Trustees of the Maine State Retirement System and is available to all public school teachers, state employees and the employees of those participating local districts which elect to provide the plan for their employees. There are three sections of the Group Life Insurance Program: the Basic plan, the Supplemental plan, and the Dependent plan. The Basic and Supplemental plans each provide for \$1,000 of coverage for each \$1,000 of the participant's annual salary up to a maximum of \$25,000. The Dependent plan provides \$2,000 coverage on the life of a spouse, \$500 and \$100 on the lives of children up to the age of 19 years and 6 months respectively. Participation is optional by the employee under all plans.

The Group Life Insurance Fund assets totalled \$13,163,299 at the year end, and represents an increase of \$2,128,785 over assets at the end of the previous year. These assets are comprised of cash on deposit in the State Treasurer's "Cash Pool" of \$13,102,949, accounts receivable of \$10,350, and amounts due from other funds of \$50,000; cash held in the Treasurer's "Cash Pool" is credited with earnings on the pool on a monthly basis. Interest earned on this Fund during the past fiscal year amounted to \$1,887,318, an increase of \$387,581 over earnings in the previous year. Following is a tabulation of earnings and the rate of return for the past three fiscal years:

	<u>Earnings</u>	<u>Rate of Return</u>
1982	\$1,887,318	15.43%
1981	\$1,499,737	14.54%
1980	\$1,103,524	12.73%

Total available funds in 1981-82 amounted to \$7,250,578, being comprised of premiums collected from employees totalling \$3,416,124, dividends received during the year of \$1,461,785, a general fund appropriation on account of retiree premiums of \$425,000, earnings on investments of \$1,887,318, and other credits totalling \$60,350.

Charges to the above funds included payment of premiums for active employees (\$3,416,124), for retired persons (\$783,822), supplemental dividend distributions

(\$688,260), distribution of dividends to participating local districts (\$226,136), and administrative expenses (\$60,350).

The supplemental dividend distribution represents payments made to the beneficiaries of those persons who had participated in the supplemental group life insurance plan, both active and retired, and is based on 30% of the supplemental insurance carried at the date of death in the case of an active employee, and at the date of retirement in the case of retired employees. The 30% distribution rate was made effective in July of 1972 and current dividend levels appear adequate to support the current distribution rate.

The reserve for future premiums, which amounted to \$10,323,618, at June 30, 1982, is held for the payment of premiums on account of retired state employees and teachers. Retired persons who participate in the group life plan for 10 continuous years prior to retirement carry this insurance into retirement at no cost under the statutes. Premiums for retired persons totalled \$783,822 during the past year, of which \$425,000 was funded by state appropriation.

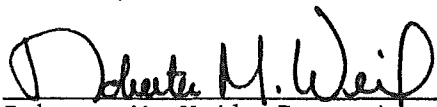
SOCIAL SECURITY

The 1951 Legislature designated the Maine State Retirement System as the state agency to administer the Social Security program for those political subdivisions in the State of Maine which elect to provide social security benefits to their employees. As of June 30, 1982, there were 640 agreements between the State of Maine and local political subdivisions to provide social security benefits. There were nine new agreements entered into during the fiscal year. These agreements provide that this office administer the collection of FICA contributions, prepare audits of the accompanying returns, and make field audits where necessary. Social Security benefits under these agreements are administered directly by the Social Security Administration. Those units which have been under the agreement for five years are permitted to exit from the Social Security program by giving notice, and at the completion of a two-year period their coverage is terminated. During the year four units terminated their coverage under the Social Security program.

During the fiscal year wages reported under the several agreements totaled \$213,062,022, and resulted in FICA contributions of \$28,430,196 (adjusted) being collected. Earnings on these contributions reached \$482,655 during fiscal year 1982.

Although the statutes permit the charging of administrative fees to the various participating units to cover costs of operating the social security activity, there have been no administrative fees charged to local units in Maine for administrative expenses during the past three years.

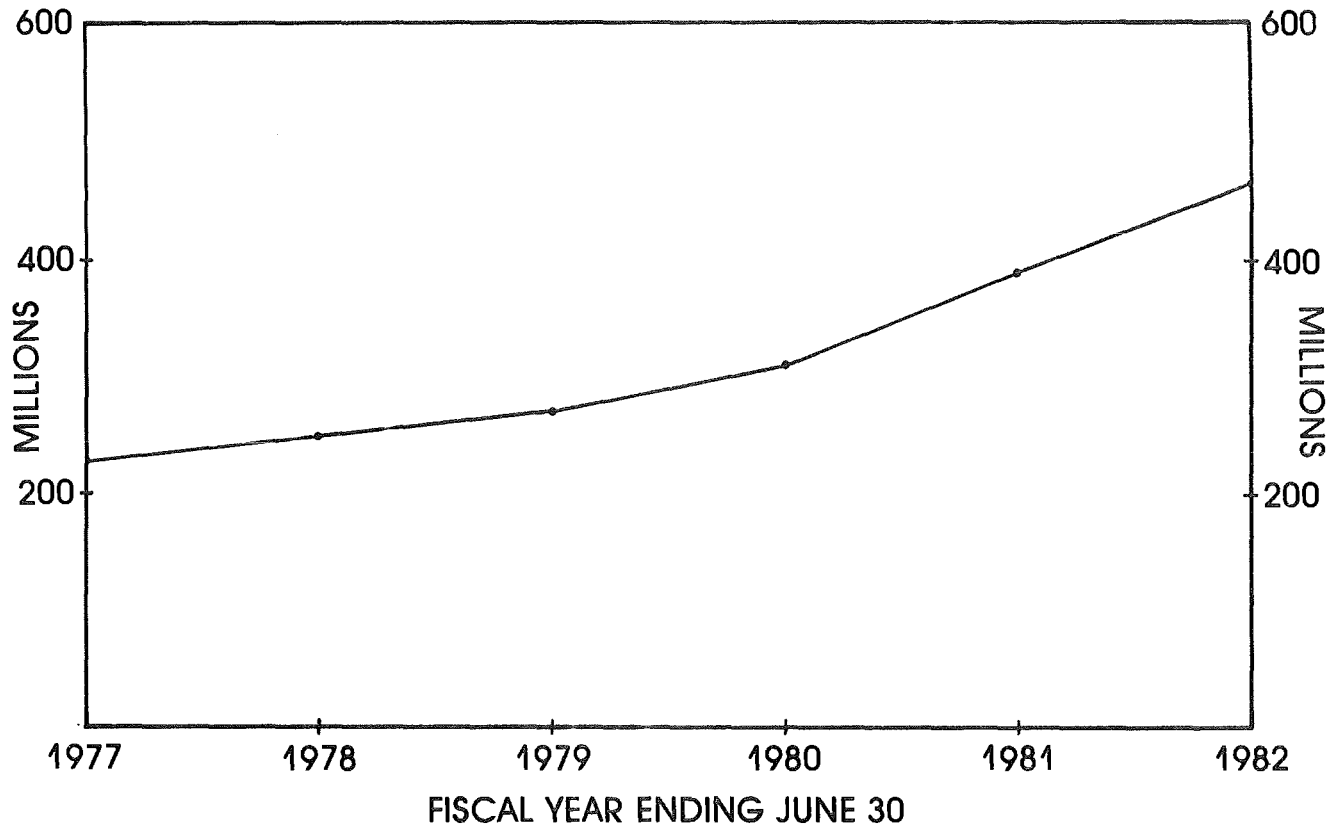
The System's staff performed 68 onsite reviews or audits during the fiscal year ended June 30, 1982.



Roberta M. Weil, Executive Director

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>
1982	\$90,499,330	\$1,656,799
1981	82,174,316	1,543,470
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

MEMBERS AND EMPLOYERS CONTRIBUTIONS

<u>Fiscal Year Ending June 30</u>	<u>Employees</u>	<u>Employers</u>
1982	\$35,973,971	\$99,268,203*
1981	36,001,782	74,479,257
1980	33,705,766	70,249,466
1979	30,544,619	52,000,495
1978	28,002,557	45,456,338
1977	25,890,129	44,340,036

RETIREMENT ALLOWANCE RECIPIENTS

<u>Fiscal Year Ending June 30</u>	<u>State Employees</u>	<u>Teachers</u>	<u>Local District Employees</u>	<u>Total</u>
1982	6,518	7,182	3,332	17,032
1981	6,152	6,972	3,092	16,216
1980	5,878	6,774	2,905	15,557
1979	5,677	6,626	2,688	14,991
1978	5,413	6,394	2,465	14,272
1977	5,035	6,179	2,232	13,446

* - Includes \$12,100,000 funding for the non-contributory teachers provided by the Legislative Appropriation Act (PL 1981, c. 316)

FINANCIAL HIGHLIGHTS

	<u>1982</u>	<u>1981</u>
Assets of the Fund at Year End	\$465,038,868	\$384,224,527
Net Income From Investments	47,292,819	47,071,952
Year End Investments (Cost)	383,750,316	346,806,885
Year End Investments (Market)	356,652,348	364,724,813
Corporate Stocks in Portfolio (Cost)	175,651,853	170,133,130
Percent of Portfolio	45.8	49.1
Bonds in Portfolio (Cost)	151,623,919	131,375,922
Percent of Portfolio	39.5	37.9
Mortgages in Portfolio (Cost)	4,877,203	5,350,947
Percent of Portfolio	1.3	1.5
Insured Guaranteed Contract (Cost)	8,876,484	8,069,531
Percent of Portfolio	2.3	2.3
Time Deposits in Portfolio (Cost)	9,995,198	2,500,078
Percent of Portfolio	2.6	.7
Commingled Trust Fund (Cost)	32,725,659	29,377,277
Percent of Portfolio	8.5	8.5

RETIREMENT ALLOWANCES paid - June 30, 1982

	<u>VALUE</u>		<u>PERSONS</u>	
	<u>Dollars</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
State Employees	\$2,748,557	35.7%	6,518	38.3%
Teachers	4,031,502	52.4%	7,182	42.2%
Participating Local Districts	<u>916,110</u>	11.9%	<u>3,332</u>	19.5%
TOTAL	<u>\$7,696,169</u>		<u>17,032</u>	

SURVIVOR BENEFITS Paid - June 30, 1982

	<u>VALUE</u>		<u>PERSONS</u>	
	<u>Dollars</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
State Employees	\$ 80,226	56.2%	431	55.3%
Teachers	39,198	27.5%	191	24.5%
Participating Local Districts	<u>23,246</u>	16.3%	<u>158</u>	20.2%
TOTAL	<u>\$ 142,670</u>		<u>780</u>	

STATISTICS

	<u>ACTIVE</u>	<u>INACTIVE</u>
<u>MEMBERSHIP - June 30, 1982:</u>		
State Employees	13,992	6,690
Teachers	17,469	13,873
Participating Local Districts	<u>10,543</u>	<u>2,680</u>
TOTAL	<u>42,004</u>	<u>23,243</u>

RETIREMENT ALLOWANCES - Authorized Year Ended June 30, 1982:

		<u>Percent</u>
State Employees	465	44.4%
Teachers	320	30.6%
Participating Local Districts	<u>262</u>	25.0%
TOTAL	<u>1,047</u>	

SURVIVOR BENEFITS - Authorized Year Ended June 30, 1982

		<u>Percent</u>
State Employees	20	41.6%
Teachers	14	29.2%
Participating Local Districts	<u>14</u>	29.2%
TOTAL	<u>48</u>	

Participating Local Districts

Towns	104
Sewer & Water Districts	39
Cities	20
S.A.D.'s	18
Counties	14
Housing Authorities	12
Public Libraries	3
Miscellaneous	<u>46</u>
TOTAL	<u>256</u>

MAINE STATE RETIREMENT SYSTEM

Comparative Balance Sheet

at June 30

ASSETS

		<u>1982</u>	<u>1981</u>	Increase or (Decrease)
Investments:				
Bonds	Note I	\$151,623,918.81	\$131,375,921.76	\$ 20,247,997.05
Common Stocks	Note I	175,651,853.17	170,133,129.57	5,518,723.60
Mortgages	Note I	4,877,203.36	5,350,947.28	(473,743.92)
Commingled Fund				
Morgan Guaranty Trust				
Company	Note I	20,893,789.00	18,756,691.52	2,137,097.48
Travelers Insurance				
Company	Note I	11,831,869.65	10,620,586.02	1,211,283.63
Insured Guaranteed Contract	Note I	8,876,483.93	8,069,530.85	806,953.08
Cash - Time Deposits	Note I	9,995,197.98	2,500,077.82	7,495,120.16
Total Investments		<u>383,750,315.90</u>	<u>346,806,884.82</u>	<u>36,943,431.08</u>
Other Assets:				
Cash - Demand Deposit	Note II	77,376,880.00	33,892,717.56	43,484,162.44
Cash - Fiduciary		522,311.89	574,568.47	(52,256.58)
Accrued Interest		3,375,618.74	2,932,865.54	442,753.20
Accounts Receivable		13,741.34	13,737.21	4.13
Miscellaneous		---	3,753.66	(3,753.66)
Total Other Assets		<u>81,288,551.97</u>	<u>37,417,642.44</u>	<u>43,870,909.53</u>
Total Assets		<u>465,038,867.87</u>	<u>384,224,527.26</u>	<u>80,814,340.61</u>

TRUST RESERVES & LIABILITIES

Trust Reserves:				
Members Contribution Fund - Current		287,120,567.05	261,979,140.48	25,141,426.57
Members Contribution Fund - Prior		156,362.44	206,983.31	(50,620.87)
Retirement Allowance Fund		154,984,647.88	102,770,004.07	52,214,643.81
Survivor Benefit Fund		19,391,930.46	16,420,050.35	2,971,880.11
Total Trust Reserves		<u>461,653,507.83</u>	<u>381,376,178.21</u>	<u>80,277,329.62</u>

Liabilities & Operating Reserves:			
Accounts Payable	826,679.79	248,346.54	578,333.25
Reserves for Expenditures	835,992.42	721,821.80	114,170.62
State Retirees Health Insurance	<u>1,722,687.83</u>	<u>1,878,180.71</u>	(<u>155,492.88</u>)
Total Liabilities & Operating Reserves	<u>3,385,360.04</u>	<u>2,848,349.05</u>	<u>537,010.99</u>
Total Reserves & Liabilities	<u>\$465,038,867.87</u>	<u>\$384,224,527.26</u>	<u>\$ 80,814,340.61</u>

Note I Cost.

Note II Invested in State Treasurer's Cash Pool.

* * * * *

Book Value of Investments per Northeast Banks of Lewiston & Auburn, Maine 383,146,626.05

Additions:

Trade-date items not settled 603,689.85

Book Value of Investments per Maine State Retirement System 383,750,315.90

* * * * *

Market Value of Securities at June 30, 1982:

	BONDS	STOCKS	MORTGAGES	COMMINGLED FUND		UNIONMUTUAL	CASH	TOTAL
				MORGAN GUARANTY	TRAVELERS INS.	G.I.C.	TIME DEPOSIT	
Putnam	\$ 34,414,069.00	\$ 47,432,213.00	--	--	--	--	\$9,995,197.98	\$ 91,841,479.98
Alliance	37,125,747.00	64,626,271.00	--	--	--	--	--	101,752,018.00
Mass. Finance	35,957,608.00	--	--	--	--	--	--	35,957,608.00
Merrill Trust	5,032,020.00	15,620,665.00	--	--	--	--	--	20,652,685.00
Maine Nat'l	2,040,500.00	8,979,407.00	--	--	--	--	--	11,019,907.00
Babson	2,193,300.00	32,297,938.00	--	--	--	--	--	34,491,238.00
FMR	14,122,067.00	--	--	--	--	--	--	14,122,067.00
Northeast Bank	<u>336,000.00</u>	<u>--</u>	(a) <u>4,877,203.36</u>	<u>20,893,789.00</u>	<u>11,831,869.00</u>	<u>8,876,483.93</u>	<u>--</u>	<u>46,815,345.29</u>
Total	<u>\$131,221,311.00</u>	<u>\$168,956,494.00</u>	<u>\$4,877,203.36</u>	<u>\$20,893,789.00</u>	<u>\$11,831,869.00</u>	<u>\$8,876,483.93</u>	<u>\$9,995,197.98</u>	<u>\$356,652,348.27</u>

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

¹Unfunded Accrued Benefits (Liability) at June 30, 1982 - State & Teachers \$1,077,005,000.00

²Included in Unfunded Benefits (Liability)¹ is an amount of \$173,917,050.76, 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, 1982 - Participating Districts \$ 92,099,428.00

MAINE STATE RETIREMENT SYSTEM

Balance Sheet

June 30, 1982

<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	\$151,623,918.81	Members Contribution				
Common Stocks	175,651,853.17	Fund - Current	\$287,120,567.05	\$ 96,203,566.13	\$141,205,182.61	\$ 49,711,818.31
Mortgages	4,877,203.36	Members Contribution				
Commingled Fund		Fund - Prior	156,362.44	--	156,362.44	--
Morgan Guaranty Trust		Retirement Allowance				
Company	20,893,789.00	Fund**	153,105,238.31	97,781,789.57	124,539,348.81	(173,917,050.76)
Travelers Insurance		Undistributed Earnings				104,701,150.69
Company	11,831,869.65	Note I	1,879,409.57	--	--	--
Insured Guaranteed		Total Retirement				
Contract	8,876,483.93	Allowance Fund	154,984,647.88			
Cash - Time Deposit	9,995,197.98	Survivor Benefit				
		Fund	19,391,930.46	7,052,469.96	10,601,939.72	1,737,520.78
Total Investments	383,750,315.90	Total Trust Reserves	461,653,507.83	201,037,825.66	276,502,833.58	(173,917,050.76)
Other Assets:		Liabilities & Operating Reserves:				
Cash (Demand Deposit)*	77,376,880.00	Accounts Payable	826,679.79	262,057.49	360,432.39	--
Cash (Fiduciary)	522,311.89	Reserves for Expenditures	835,992.42	354,605.15	353,149.71	--
Accrued Interest	3,375,618.74	State Retirees Health				
Accounts Receivable (Net)	13,741.34	Insurance	1,722,687.83	1,722,687.83	--	--
Total Other Assets	81,288,551.97	Total Liabilities & Operating Reserves	3,385,360.04	2,339,350.47	713,582.10	--
Total Assets	465,038,867.87	Total Reserves & Liabilities	465,038,867.87	203,377,176.13	277,216,415.68	(173,917,050.76)

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 contributions until 1945.

* - Invested in State Treasurer's Cash Pool.

** - State includes \$12,798,539.78 and Teachers include \$16,289,050.62 from the Disability and Accidental Death Benefits accounts.

Note I - Undistributed Earnings - are interest, dividends and loss or sale of securities for June 30 not available at time of distribution.

Interest - Dividends	\$2,419,861.87
Loss on Bonds	(540,452.30)
Total	<u>\$1,879,409.57</u>

MAINE STATE RETIREMENT SYSTEM
ANALYSIS OF CHANGES IN TRUST FUND RESERVES
YEAR ENDING JUNE 30, 1982

Balance July 1, 1982	\$381,376,178.21
	<u>381,376,178.21</u>

ADDITIONS

State Contributions

Teachers:

General Fund	\$42,423,065.00	
Revenue Sharing	<u>1,558,117.40</u>	
		\$44,981,182.40

State Employees:

General Fund	18,925,213.07	
Highway Fund	7,915,740.16	
Federal Program Fund	4,861,908.37	
Special Revenue Fund	2,508,415.46	
All Other Funds	<u>2,820,075.06</u>	
		37,031,352.12

Total State Contributions		\$ 82,012,534.52
Participating Local Districts		18,016,873.14
Individual Members		<u>35,973,971.11</u>
Total Contributions		136,003,378.77
Net Income From Investments		<u>46,531,614.94</u>

TOTAL ADDITIONS	<u>182,534,993.71</u>
-----------------	-----------------------

DEDUCTIONS

<u>Retirement Allowance Paid</u>	<u>Number</u>	
Council Orders	2	1,611.48
Legislative Resolves	8	44,837.88
Retirement Full Benefits	7121	27,380,692.96
Ordinary Disability		
Old Law	82	312,950.86
Chapter 622, PL 1975	244	1,997,572.11
Service Incurred Disability	129	550,116.40
Disability, Chapter 622 -		
July 1, 1978	162	1,145,185.29
Option I	1540	5,448,787.98
Option II	1539	5,694,720.28
Option III	1692	8,603,091.06
Option IV	698	3,334,261.36
Option II - Beneficiary	478	1,033,793.42
Automatic Option II -		
Beneficiary	473	1,206,165.72
Option III - Beneficiary	511	857,549.82
Option IV - Beneficiary	603	1,047,316.72
Automatic Option IV -		
Beneficiary	95	246,942.25
Service Incurred Death	11	70,365.24
15-Year Teachers	129	130,443.33
10-Year Vested Right	1075	1,670,634.94
Accidental Death Benefits -		
July 1, 1979	11	86,730.45
20-Year Teachers	29	28,486.44
Law Enforcement Officers -		
Marine Resources	27	198,298.38
Fish & Wildlife	77	502,489.44
State Police	136	981,328.32
25-Year Service-Age 55	10	50,326.27
Forest Rangers	5	34,874.88
Firefighters & Police -		
Spec. Prov. - Sec. 1121	8	59,832.48
Spec. Prov. - Sec. 1092	54	331,535.78
Benefits by P & S Laws	55	114,391.15
Prison Guards - Sec. 1121		
Sub-Section 2-F	15	81,306.85
Special Benefits - Sec. 1092		
Sub-Section 4	13	<u>30,717.87</u>
		63,277,357.41

Analysis of Changes in Trust Fund Reserves - Continued

Retirement Allowance Adjustment Paid

Council Orders	\$	4,263.56	
Legislative Resolves		5,816.76	
Retirement Full Benefits		12,674,858.59	
Ordinary Disability			
Old Law		93,993.77	
Chapter 622, PL 1975		125,437.09	
Service Incurred Disability		238,713.53	
Disability, Chapter 622 -			
July 1, 1978		325,720.98	
Option I		3,266,487.12	
Option II		1,982,356.57	
Option III		3,846,804.53	
Option IV		657,241.72	
Option II - Beneficiary		663,284.64	
Automatic Option II -			
Beneficiary		660,797.63	
Option III - Beneficiary		686,532.23	
Option IV - Beneficiary		212,250.72	
Automatic Option IV -			
Beneficiary		71,538.42	
Service Incurred Death		36,339.10	
15-Year Teacher		122,602.36	
10-Year Vested Right		761,769.00	
Accidental Death Benefits -			
July 1, 1979		3,999.28	
20-Year Teacher		30,308.10	
Law Enforcement Officers -			
Marine Resources		62,354.84	
Fish & Wildlife		182,092.99	
State Police		334,035.27	
25-Year Service-Age 55		38,082.70	
Forest Rangers		8,280.84	
Firefighters & Police -			
Spec. Prov. - Sec. 1121		23,890.46	
Spec. Prov. - Sec. 1092		60,277.49	
Benefits by P & S Laws		20,008.47	
Prison Guards - Sec. 1121			
Sub-Section 2-F		18,888.70	
Special Benefits - Sec. 1092			
Sub-Section 4		2,945.31	
			27,221,972.77

Survivor Benefits

	<u>Number</u>		
Accidental Death - Service			
Incurred	10	20,812.29	
Spouse - Age 60	261	448,710.28	
Spouse - 10-year Clause	179	323,735.33	
Spouse - Children	245	689,714.56	
Children	50	103,133.35	
Parents	35	70,693.23	
			1,656,799.04

Refunds

To Former Members	9,585,613.04	
To Beneficiaries of Deceased Members	326,724.43	
To Survivors of Disability Recipients	66,194.92	
To Beneficiaries of Deceased - Option I	123,002.48	
		10,101,534.87

TOTAL DEDUCTIONS

102,257,664.09

Balance June 30

\$461,653,507.83

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

Net Profit on Sales and Exchanges Through June 30, 1981	\$ 7,974,563.74
ADDITIONS:	
Profit on Sale of Stocks	9,363,022.95
DEDUCTIONS:	
Loss on Sale of Bonds	(715,174.73)
Net Cumulative Profit on Sale or Exchange of Securities Through June 30, 1982	<u>16,622,411.96</u>

* * * * *

STATEMENT OF INVESTMENT OPERATIONS
Year Ending June 30, 1982

Net Gain on Sale of Securities	8,647,848.22
Income from Investments:	
Interest - Time Deposits	\$ 731,180.58
Interest - Bonds Note I	30,758,655.85
Interest - Mortgages	257,745.23
Dividend on Stocks	<u>6,897,389.37</u>
Total Earnings from Investments	<u>47,292,819.25</u>
Deductions from Investment Income:	
Investment Advisor Fees	606,819.23
Custodial Fees	123,385.08
Investment Evaluation Consultant Fees	<u>31,000.00</u>
Net Income from Investments	<u>46,531,614.94</u>

Note 1 - Includes Accrued Interest earned to June 30, 1982.

* * * * *

INTEREST DISTRIBUTED TO ACCOUNT BALANCES
Year Ending June 30, 1982

Net Income from Investments	46,531,614.94
DEDUCTIONS:	
Net Gain on Sale of Securities	8,647,848.22
Undistributed Interest Note 1	<u>2,419,861.87</u>
Net Interest Distributed (Accrual Basis)	<u>11,067,710.09</u>
	<u>35,463,904.85</u>

Note 1 - Interest to be Distributed

MAINE STATE RETIREMENT SYSTEM
INVESTMENTS - BONDS - BY ISSUER
June 30, 1982

Alliance Capital Management Corp.

<u>Par Value</u>	<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
<u>CASH EQUIVALENTS</u>			
	Chase Manhattan Bank Repur. Agmt.	\$ 650,000.00	\$ 650,000.00
	TOTAL CASH EQUIVALENTS	<u>650,000.00</u>	<u>650,000.00</u>
<u>U.S. GOVERNMENT</u>			
1,000	Federal Farm Cr. Bks. 14.9% 9/3/85	987,500.00	1,000,000.00
1,500	U. S. Treas. Bonds 7.875% 2/15/2000	907,965.00	1,384,452.50
1,000	U. S. Treas. Bonds 8.625% 11/15/93	699,370.00	984,375.00
1,500	U. S. Treas. Bonds 9% 2/15/94	1,084,215.00	1,425,125.00
3,500	U. S. Treas. Bonds 10.375% 11/15/2009	2,657,795.00	2,792,500.00
3,000	U. S. Treas. Bonds 12.75% 11/15/2010	2,756,250.00	2,801,201.20
1,000	U. S. Treas. Nts. 13.25% 5/15/84	976,250.00	1,003,437.50
1,000	U. S. Treas. Nts. 13% 11/15/90	934,370.00	959,375.00
1,000	U. S. Treas. Nts. 12.375% 1/15/88	921,250.00	991,055.00
1,000	U. S. Treas. Nts. 13.25% 4/15/88	948,120.00	980,000.00
500	U. S. Treas. Nts. 16.125% 11/15/86	518,435.00	498,750.00
1,000	U. S. Treas. Nts. 12.75% 2/15/87	938,750.00	987,360.00
500	U. S. Treas. Nts. 15.125% 2/29/84	502,185.00	500,545.00
750	U. S. Treas. Nts. 14% 3/31/86	735,000.00	747,765.00
2,000	U. S. Treas. Nts. 14.375% 4/15/89	1,976,240.00	1,998,750.00
1,000	U. S. Treas. Nts. 13.75% 5/15/92	965,000.00	998,395.00
927	Govt. Natl. Mtg. Assn. 9% 5/15/2009	615,405.00	875,889.99
1,008	Govt. Natl. Mtg. Assn. 9.5% 10/15/2009	688,959.00	945,912.02
924	Govt. Natl. Mtg. Assn. 11% 12/15/2009	700,937.00	829,124.50
<u>24,109</u>	TOTAL U.S. GOVERNMENT	<u>20,513,996.00</u>	<u>22,704,012.71</u>
<u>CORPORATE & OTHER</u>			
600	Archer Daniels Midland Co. 16% 5/15/2011	579,000.00	597,000.00
1,000	Armco Inc. 15.25% 3/15/89	996,250.00	1,000,000.00
1,000	Continental Group Inc. 12.3% 5/1/2005	793,750.00	948,540.00
1,500	DuPont E. I. De Nemours & Co. 11/15/84	1,021,500.00	1,031,250.00
1,000	European Inv't. Bk. Nt. 14.625% 11/15/91	956,250.00	1,002,500.00
750	Ford Motor Co. 9.15% 8/1/2004	392,813.00	748,750.00
500	New Jersey Bell Tel. Co. 7.375% 6/1/2012	253,125.00	420,000.00
1,250	Public Svc. Co. Ind. Inc. 14.75% 2/1/2011	1,150,000.00	1,231,250.00
500	Southern Calif. Edison Co. 16% 4/15/2012	491,875.00	493,220.00
1,500	Standard Oil Co. 7.875% 8/1/2007	832,500.00	1,224,190.00
500	Texas Eastn. Transmission Corp. 14.75% 6/1/91	486,875.00	493,500.00
500	Upjohn Co. 14% 6/1/91	473,125.00	495,625.00
500	Wheelabrator Frye Inc. 11.75% 7/15/2005	395,000.00	500,000.00
250	Xerox Cr. Corp. 16% 9/15/91	254,688.00	249,062.50
<u>11,350</u>	TOTAL CORPORATE & OTHER	<u>9,076,751.00</u>	<u>10,434,887.50</u>
	TOTAL BONDS	<u>30,240,747.00</u>	<u>33,788,900.21</u>

Fidelity Management Trust Company

<u>CASH EQUIVALENTS</u>			
	Trust for Short Term U. S. Govt. Sec.	34,000.00	34,000.00
	Chase Manhattan Bk. Repur. Agmt.	510,000.00	510,000.00
	TOTAL CASH EQUIVALENTS	<u>544,000.00</u>	<u>544,000.00</u>
<u>U.S. GOVERNMENT</u>			
3,650	Federal Natl. Mtg. Assn. 9.1% 7/10/87	2,828,750.00	2,959,535.00
1,500	U. S. Treas. Nts. 12.75% 2/15/87	1,408,125.00	1,458,750.00
2,839	Federal Home Ln. Mtg. Corp. 12/45% 9/15/2009	2,765,186.00	2,555,100.00
960	Federal Home Ln. Mtg. Corp. 13.5% 10/1/2010	806,440.00	940,856.40
480	Federal Home Ln. Mtg. Corp. 13.5% 11/1/2010	402,978.00	470,450.99
<u>9,429</u>	TOTAL U.S. GOVERNMENT	<u>8,211,479.00</u>	<u>8,384,692.39</u>

Fidelity Management Trust Company - Continued

<u>Par Value</u>	<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
<u>CORPORATE & OTHER</u>			
1,000	Associated Dry Goods Corp. 5/1/87	\$ 510,700.00	\$ 491,450.00
300	CIT Finl. Corp. 15.5% 10/15/87	300,000.00	298,875.00
500	General Mtrs. Accep. Corp. 7% 5/15/87	312,300.00	367,590.00
1,000	ITT Finl. Corp. 5/15/87	621,400.00	492,620.00
1,000	Private Expt. Fdg. Corp. 7.7% 3/31/87	750,000.00	759,660.00
2,500	Private Expt. Fdg. Corp. 11.75% 10/30/87	2,193,750.00	2,268,750.00
1,000	Security Pac. Corp. 6/1/87	495,000.00	510,700.00
250	U. S. Bancorp. 7.75% 2/15/87	183,438.00	190,322.50
<u>7,550</u>	<u>TOTAL CORPORATE & OTHER</u>	<u>5,366,588.00</u>	<u>5,379,967.50</u>
TOTAL BONDS		<u>14,122,067.00</u>	<u>14,308,659.89</u>

Massachusetts Financial Services, Company

<u>CASH EQUIVALENTS</u>			
	Money Mkt. Tr. Sh. Ben. Int.	127,700.00	127,700.00
	Chase Manhattan Bk. Repur. Agnt.	510,000.00	510,000.00
	<u>TOTAL CASH EQUIVALENTS</u>	<u>637,700.00</u>	<u>637,700.00</u>
<u>U.S. GOVERNMENT</u>			
575	Federal Farm Cr. Bks. 11.6% 7/22/85	523,250.00	547,423.00
1,000	Federal Home Ln. Bks. 8.1% 11/25/85	821,250.00	1,023,595.63
1,250	U. S. Treas. Bds. 7.875% 2/15/2000	756,638.00	1,227,338.40
2,145	U. S. Treas. Bds. 8.25% 5/15/2005	1,347,317.00	2,167,063.00
800	U. S. Treas. Bds. 7.875% 2/15/93	536,000.00	795,054.00
500	U. S. Treas. Bds. 8.625% 8/15/93	350,625.00	507,225.00
3,725	U. S. Treas. Bds. 8.625% 11/15/93	2,605,153.00	3,662,487.24
500	U. S. Treas. Bds. 9% 2/15/94	361,405.00	494,921.88
1,000	U. S. Treas. Bds. 9.125% 5/15/2009	680,940.00	1,014,375.00
250	U. S. Treas. Bds. 8.75% 8/15/94	175,625.00	239,101.56
1,000	U. S. Treas. Bds. 10.375% 11/15/2009,	759,370.00	963,437.50
1,500	U. S. Treas. Bds. 14% 11/15/2011	1,508,430.00	1,567,500.00
7,898	U. S. Treas. Nts. 7.875% 5/15/86	6,412,149.00	8,082,287.46
475	U. S. Treas. Nts. 8% 8/15/86	383,857.00	482,837.46
1,250	U. S. Treas. Nts. 7.25% 2/15/84	1,130,075.00	1,257,715.13
250	U. S. Treas. Nts. 7.25% 8/15/84	219,688.00	250,546.88
850	U. S. Treas. Nts. 8.25% 5/15/88	654,500.00	837,593.75
3,000	U. S. Treas. Nts. 10.75% 8/15/90	2,493,750.00	2,991,930.00
600	U. S. Treas. Nts. 14.375% 11/15/84	595,500.00	596,250.00
1,300	U. S. Treas. Nts. 14.25% 11/15/91	1,284,556.00	1,339,005.00
750	U. S. Treas. Nts. 14.625% 2/15/85	746,715.00	745,312.50
1,000	U. S. Treas. Nts. 14.625% 2/15/92	1,006,250.00	993,750.00
500	U. S. Treas. Nts. 13.75% 5/15/92	482,500.00	497,070.00
<u>32,118</u>	<u>TOTAL U.S. GOVERNMENT</u>	<u>25,835,543.00</u>	<u>32,283,820.39</u>
<u>CORPORATE & OTHER</u>			
250	American Tel. & Teleg. Co. 4.625% 2/1/94	121,250.00	178,145.00
1,000	American Tel. & Teleg. Co. 4.375% 10/1/96	411,250.00	633,010.00
509	Avco Finl. Svcs. Inc. 9.75% 8/1/99	387,476.00	509,000.00
1,250	Beneficial Corp. 8.35% 2/15/88	918,750.00	1,233,229.50
1,500	CIT Finl. Corp. 11.5% 6/15/2005	1,076,250.00	1,485,000.00
500	Chesapeake & Potomac Tel. Co. 9.5% 4/15/2019	310,625.00	486,875.00
1,000	Columbia Gas Sys. Inc. 10.25% 5/1/99	690,000.00	994,120.00
250	Ford Motor Cr. Co. 8.7% 4/1/99	126,875.00	256,576.02
750	General Mtrs. Accep. Corp. 8.75% 2/1/2000	435,938.00	778,750.00
750	General Mtrs. Accep. Corp. 8.25% 11/15/2006	397,500.00	748,125.00
450	General Mtrs. Accep. Corp. 11.75% 7/15/2000	346,500.00	445,500.00
250	New York Tel. Co. 11.625% 8/1/2019	184,688.00	243,247.50
500	Pacific Northwest Bell Tel. Co. 4.5% 11/1/94	221,875.00	411,750.00
600	Penney J. C. Inc. 10.75% 6/15/90	468,750.00	600,000.00
500	Penney J. C. Inc. 12% 7/15/2010	388,125.00	500,000.00
900	Southern Ry. Co. Equip. 14.125% 6/1/94	838,125.00	900,000.00

Massachusetts Financial Services, Company - Continued

<u>Par Value</u>	<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
<u>CORPORATE & OTHER - Continued</u>			
1,000	Tenneco Inc. 14.5% 4/1/2006	\$ 886,250.00	\$ 986,250.00
810	Union Pac. R.R. Co. 10.125% 7/1/91	608,513.00	743,968.80
750	Wells Fargo & Co. 10.625% 12/15/85	665,625.00	747,750.00
13,519	TOTAL CORPORATE & OTHER	9,484,365.00	12,881,296.82
	TOTAL BONDS	35,957,608.00	45,802,817.21

The Putnam Advisory Company, Inc.

<u>CASH EQUIVALENTS</u>			
	Chase Manhattan Bk. Repur. Agmt.	470,000.00	470,000.00
	First Natl. Bk. Boston Bankers Accep. 8/20/82	983,360.00	973,100.00
	Morgan J. P. & Co. Inc. 7/23/82	992,850.00	975,466.67
	TOTAL CASH EQUIVALENTS	2,446,210.00	2,418,566.67
<u>U.S. GOVERNMENT</u>			
1,000	U. S. Treas. Bds. 7.875% 2/15/2000	605,310.00	896,228.00
2,500	U. S. Treas. Bds. 8.375% 8/15/2000	1,600,000.00	2,345,156.25
2,700	U. S. Treas. Bds. 10.375% 11/15/2009	2,050,299.00	2,521,969.13
750	U. S. Treas. Nts. 14% 3/31/86	735,000.00	748,125.00
479	Govt. Natl. Mtg. Assn. 9.5% 10/15/2009	327,244.00	440,772.62
234	Govt. Natl. Mtg. Assn. 11% 1/15/2010	177,680.00	236,379.21
238	Govt. Natl. Mtg. Assn. 11% 3/15/2010	180,287.00	241,184.08
971	Govt. Natl. Mtg. Assn. 11.5% 10/15/2010	701,389.00	805,757.26
8,872	TOTAL U.S. GOVERNMENT	6,377,209.00	8,235,571.55

<u>CORPORATE & OTHER</u>			
1,000	Aluminum Co. Amer. 7% 4/15/2011	477,500.00	473,750.00
500	American Can Co. 11.375% 7/1/2010	358,750.00	421,320.00
1,000	Bell Tel. Co. Pa. 9.25% 1/15/2019	618,750.00	978,750.00
500	Bethlehem Stl. Corp. 8.45% 3/1/2005	252,500.00	290,530.00
1,000	Chase Manhattan Corp. Flt. Rt. 14.5% 5/1/2009	872,500.00	890,000.00
850	Cities Svc. Co. 7% 4/15/2011	405,875.00	427,125.00
1,000	Cities Service Gas Co. 13% 9/15/2005	825,000.00	1,000,000.00
500	Commonwealth Edison Co. 11.125% 6/15/2010	345,000.00	386,875.00
3,000	DuPont E. I. De Nemours & Co. 6% 12/1/2001	1,342,500.00	1,413,520.00
500	Ford Mtr. Cr. Co. 9.7% 7/15/2000	285,625.00	496,875.00
500	Ford Mtr. Cr. Co. 9.125% 6/1/2001	273,125.00	493,140.00
1,000	General Mtrs. Accep. Corp. 8.875% 6/1/99	587,500.00	970,315.00
1,250	General Mtrs. Accep. Corp. 9.4% 7/15/2004	768,750.00	1,242,187.50
1,500	General Tel. Co. Calif. 10.75% 10/1/2009	1,008,750.00	1,319,760.00
1,000	Hydro-Quebec Deb. Ser. 10.75% 6/15/2010	667,500.00	993,750.00
500	Michigan Bell Tel. Co. 9.125% 12/1/2018	300,000.00	490,770.00
750	Mountain Sts. Tel. & Teleg. Co. 8% 9/15/2017	397,500.00	728,437.50
1,000	New England Tel. & Teleg. Co. 7.375% 10/15/2007	513,750.00	921,560.00
250	New England Tel. & Teleg. Co. 12.2% 5/15/2017	193,125.00	237,730.00
1,000	New York Tel. Co. 15.625% 7/15/2021	961,250.00	965,000.00
1,000	Pacific Gas & Elec. Co. 12.875% 8/1/2013	790,000.00	839,315.00
500	Pacific Tel. & Teleg. Co. 9.625% 11/1/2014	300,625.00	500,000.00
500	Pacific Tel. & Teleg. Co. 9.875% 2/15/2016	311,250.00	501,250.00
1,000	Shell Oil Co. 14.25% 6/15/2011	947,500.00	1,000,000.00
1,250	South Cent. Bell Tel. Co. 8.25% 11/1/2015	678,125.00	1,180,527.50
500	Southern Calif. Edison Co. 13.5% 11/15/2010	418,750.00	471,365.00
500	Southwestern Bell Tel. Co. 16.125% 9/18/2021	494,375.00	509,075.00
1,500	Virginia Elec. & Pwr. Co. 9.625% 7/1/2008	924,375.00	1,204,065.00
25,350	TOTAL CORPORATE & OTHER	16,320,250.00	21,346,992.50
	TOTAL BONDS	25,143,669.00	32,001,130.72

Alliance Capital Management Corp. - Equity

<u>Par Value</u>	<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
<u>CASH EQUIVALENTS</u>			
	Chase Manhattan Bk. Repur. Agmt.	\$ 6,885,000.00	\$ 6,885,000.00
	TOTAL CASH EQUIVALENTS	<u>6,885,000.00</u>	<u>6,885,000.00</u>

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

<u>CASH EQUIVALENTS</u>			
	Trust for Short Term U. S. Govt. Sec.	1,253,300.00	1,253,300.00
	Chase Manhattan Bk. Repur. Agmt.	940,000.00	940,000.00
	TOTAL CASH EQUIVALENTS	<u>2,193,300.00</u>	<u>2,193,300.00</u>

Maine National Bank - Stock Account

<u>CASH EQUIVALENTS</u>			
	Trust for Short Term U. S. Govt. Sec.	1,135,500.00	1,135,500.00
	Chase Manhattan Bk. Repur. Agmt.	5,000.00	5,000.00
	Prudential Funding Corp. 13.46415% 6/3/82	450,000.00	450,000.00
	Sears Roebuck Accep. Corp. 13.41291% 6/3/82	450,000.00	450,000.00
	TOTAL CASH EQUIVALENTS	<u>2,040,500.00</u>	<u>2,040,500.00</u>

Merrill Trust Co. - Stock Account

<u>CASH EQUIVALENTS</u>			
	Chase Manhattan Bk. Repur. Agmt.	2,025,000.00	2,025,000.00
	TOTAL CASH EQUIVALENTS	<u>2,025,000.00</u>	<u>2,025,000.00</u>
<u>U.S. GOVERNMENT</u>			
1,500	Federal Farm Cr. Bks. 13.8% 10/1/82	1,494,840.00	1,500,000.00
1,500	Federal Home Ln. Bks. 16.5% 12/27/82	1,512,180.00	1,513,359.38
3,000	TOTAL U.S. GOVERNMENT	<u>3,007,020.00</u>	<u>3,013,359.38</u>
	TOTAL BONDS	<u>5,032,020.00</u>	<u>5,038,359.38</u>

The Putnam Advisory Co., Inc. - Stock Account

<u>CASH EQUIVALENTS</u>			
	Chase Manhattan Bk. Repur. Agmt.	1,895,000.00	1,895,000.00
	Chase Manhattan Corp. Nt. 8/10/82	988,260.00	976,405.56
	Chase Manhattan Corp. Nt. 7/27/82	990,770.00	986,616.67
	Citicorp Nt. 7/28/82	990,770.00	964,358.33
	Citicorp Nt. 7/30/82	1,956,500.00	1,970,091.67
	Morgan J. P. & Co., Inc. 7/23/82	992,850.00	975,466.67
	TOTAL CASH EQUIVALENTS	<u>7,814,150.00</u>	<u>7,767,938.90</u>
<u>CORPORATE & OTHER</u>			
500	Citicorp Flt. Rt. Nt. 14.95% 5/1/2004	448,125.00	503,750.00
500	Republic Tex. Corp. Flt. Rt. Nt. 14.9% 5/1/2004	451,250.00	501,562.50
450	Grumman Corp. 11% 4/1/2000	556,875.00	456,000.00
1,450	TOTAL CORPORATE & OTHER	<u>1,456,250.00</u>	<u>1,461,312.50</u>
	TOTAL BONDS	<u>9,270,400.00</u>	<u>9,229,251.40</u>

Security Loan Account

<u>Par</u> <u>Value</u>	<u>Security</u>	<u>Market</u> <u>Value</u>	<u>Book</u> <u>Value</u>
	<u>CASH EQUIVALENTS</u>		
	Money Mkt. Tr. Sh. Ben. Int.	\$ 5,300.00	\$ 5,300.00
	Trust for Short Term U. S. Govt. Sec.	<u>330,700.00</u>	<u>330,700.00</u>
	TOTAL CASH EQUIVALENTS	<u>336,000.00</u>	<u>336,000.00</u>
	 TOTAL BONDS	 <u>336,000.00</u>	 <u>336,000.00</u>
	 TOTAL BONDS ALL ACCOUNTS	 <u>\$131,221,311.00</u>	 <u>\$151,623,918.81</u>

MAINE STATE RETIREMENT SYSTEM

Investments - Stocks

June 30, 1982

Alliance Capital Management Corp.

<u>Shares</u>	<u>Security</u> <u>Common Stocks</u>	<u>Market Value</u>	<u>Book Value</u>
	<u>FINANCIAL & CREDIT RELATED</u>		
36,000	Bankers Tr. N.Y. Corp.	\$ 976,500.00	\$ 1,246,002.50
25,000	Morgan J. P. & Co. Inc.	1,293,750.00	1,423,842.80
31,700	Cigna Corp.	1,077,800.00	1,617,273.60
55,000	Farmers Group Inc.	1,677,500.00	1,234,900.00
30,000	Safeco Corp.	986,250.00	1,200,500.00
50,000	Merrill Lynch & Co. Inc.	1,287,500.00	1,722,344.60
	TOTAL FINANCIAL & CREDIT RELATED	<u>7,299,300.00</u>	<u>8,444,863.50</u>
	<u>UTILITIES</u>		
25,000	American Tel. & Teleg. Co.	1,275,000.00	1,458,110.00
30,000	MCI Communications Corp.	1,361,250.00	637,500.00
55,000	Tele Communications Inc.	893,750.00	1,358,681.60
65,000	Commonwealth Edison Co.	1,389,375.00	1,296,712.30
90,000	Florida Progress Corp.	1,406,250.00	1,390,626.00
	TOTAL UTILITIES	<u>6,325,625.00</u>	<u>6,141,629.90</u>
	<u>ENERGY</u>		
40,000	Kerr McGee Corp.	1,050,000.00	1,646,233.04
56,000	Mesa Pete Co.	777,000.00	974,434.24
33,000	Mesa Rty. Tr.	701,250.00	1,267,316.00
30,000	Southland Rty. Co.	603,750.00	632,100.00
20,075	Superior Oil Co.	562,100.00	259,258.37
50,000	McDermott Inc.	918,750.00	1,351,416.88
25,000	Coastal Corp.	515,625.00	1,308,460.50
30,000	El Paso Co.	547,500.00	791,850.00
	TOTAL ENERGY	<u>5,675,975.00</u>	<u>8,231,069.03</u>
	<u>CONSUMER</u>		
40,000	General Mtrs. Corp.	1,785,000.00	2,085,963.90
70,000	Sony Corp.	910,000.00	1,627,825.00
40,700	Cone Mls. Corp.	1,165,038.00	1,431,944.50
25,000	Eastman Kodak Co.	1,843,750.00	2,723,833.30
63,706	Norton Simon Inc.	1,059,112.00	1,215,076.37
35,000	American Broadcasting Cos. Inc.	1,343,125.00	1,252,180.00
30,000	Donnelley R R & Sons Co.	1,203,750.00	845,122.89
52,300	Knight Ridder Newspapers Inc.	1,647,450.00	1,725,070.90
43,000	Storer Broadcasting Co.	1,257,750.00	1,260,921.70
52,600	Taft Broadcasting Co.	1,650,325.00	1,488,175.00
40,000	Albertsons Inc.	1,340,000.00	1,100,600.00
25,000	Federated Dept. Stores Inc.	1,076,250.00	713,215.62
20,000	Columbia Picture Inds. Inc.	1,440,000.00	627,646.15
53,400	Holiday Inns Inc.	1,468,500.00	1,681,830.00
18,500	MCA Inc.	1,100,750.00	886,365.31
30,951	Ryder Sys. Inc.	893,710.00	840,014.77
20,000	Warner Communications Inc.	965,000.00	1,040,544.50
	TOTAL CONSUMER	<u>22,149,510.00</u>	<u>22,546,329.91</u>
	<u>DRUG & HEALTH</u>		
60,000	National Med. Enterprises Inc.	870,000.00	1,009,462.50
20,000	Smithkline Beckman Corp.	1,287,444.00	1,178,853.42
	TOTAL DRUG & HEALTH	<u>2,157,444.00</u>	<u>2,188,315.92</u>
	<u>SCIENCE & TECHNOLOGY</u>		
50,000	Dataproducts Corp.	862,500.00	1,530,715.50
13,000	Honeywell Inc.	871,000.00	1,166,720.00
31,000	Intl. Business Machines Corp.	1,879,375.00	1,889,718.60
32,000	NCR Corp.	1,684,000.00	2,069,227.00
20,100	Motorola Inc.	1,231,125.00	1,060,074.71
12,000	Teledyne Inc.	1,194,000.00	1,420,578.00
	TOTAL SCIENCE & TECHNOLOGY	<u>7,722,000.00</u>	<u>9,137,033.81</u>

Alliance Capital Management Corp. - Continued

<u>Shares</u>	<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
	<u>Common Stocks</u>		
	<u>INTERMEDIATE & CAPITAL GOODS</u>		
40,000	American Cyanamid Co.	\$ 1,090,000.00	\$ 1,371,909.00
47,800	Koppers Inc.	627,375.00	1,120,988.20
25,000	Monsanto Co.	1,471,875.00	1,620,023.40
40,901	Boise Cascade Corp.	884,484.00	1,139,810.20
31,100	Potlatch Corp.	726,963.00	1,209,225.76
14,600	Homestake Mng. Co.	304,775.00	968,648.20
18,000	Newmont Mng. Corp.	582,750.00	988,845.00
35,500	McGraw Edison Co.	985,125.00	1,098,977.50
30,500	Raymond Intl. Inc.	327,875.00	882,572.20
30,048	Litton Inds. Inc.	1,295,820.00	1,434,732.27
35,000	Lockheed Corp.	1,859,375.00	1,629,453.00
	<u>INTERMEDIATE & CAPITAL GOODS</u>	<u>10,156,417.00</u>	<u>13,465,184.73</u>
	<u>TRANSPORTATION</u>		
40,000	American Airls. Inc.	710,000.00	585,835.00
35,000	Delta Air Lines Inc.	1,190,000.00	1,197,275.00
40,000	Southern Pac. Co.	1,240,000.00	1,737,937.10
	<u>TOTAL TRANSPORTATION</u>	<u>3,140,000.00</u>	<u>3,521,047.10</u>
	<u>TOTAL COMMON STOCKS</u>	<u>64,626,271.00</u>	<u>73,675,473.90</u>
 <u>David L. Babson & Co., Inc.</u>			
	<u>Common Stocks</u>		
	<u>FINANCIAL & CREDIT RELATED</u>		
35,000	Citicorp	879,375.00	1,212,983.81
28,000	Cigna Corp.	952,000.00	998,725.00
40,000	General Re Corp.	1,555,000.00	761,200.00
	<u>TOTAL FINANCIAL & CREDIT RELATED</u>	<u>3,386,375.00</u>	<u>2,972,908.81</u>
	<u>ENERGY</u>		
40,000	Exxon Corp.	1,110,000.00	1,030,653.50
35,000	Atlantic Richfield Co.	1,290,625.00	874,482.67
40,000	General Amern. Oil Co.	1,200,000.00	1,549,147.22
40,000	Superior Oil Co.	1,120,000.00	1,468,020.00
50,000	Dresser Inds. Inc.	893,750.00	1,073,496.50
30,000	Halliburton Co.	843,750.00	946,210.00
80,000	Parker Drilling Co.	940,000.00	1,591,437.50
33,750	Schlumberger Ltd.	1,290,938.00	675,100.00
	<u>TOTAL ENERGY</u>	<u>8,689,063.00</u>	<u>9,208,547.39</u>
	<u>CONSUMER</u>		
35,000	Beatrice Foods Co.	678,125.00	845,545.00
25,000	Pepsico Inc.	962,500.00	606,278.00
8,000	McDonalds Corp.	573,000.00	483,003.80
15,000	Nielsen A. C. Co.	688,125.00	361,250.00
	<u>TOTAL CONSUMER</u>	<u>2,901,750.00</u>	<u>2,296,076.80</u>
	<u>DRUG & HEALTH</u>		
24,000	Abbott Labs	687,000.00	269,667.50
22,000	American Home Prods. Corp.	833,250.00	622,336.46
21,000	Johnson & Johnson	829,500.00	589,475.96
10,000	Lilly Eli & Co.	572,500.00	366,076.78
6,000	Merck & Co. Inc.	405,000.00	328,635.00
	<u>TOTAL DRUG & HEALTH</u>	<u>3,327,250.00</u>	<u>2,176,191.70</u>
	<u>SCIENCE & TECHNOLOGY</u>		
36,000	Data Gen. Corp.	922,500.00	1,843,250.00
15,000	Digital Equip. Corp.	1,048,125.00	496,457.78
40,000	Intl. Business Machines Corp.	2,425,000.00	2,546,584.39
10,000	Reynolds & Reynolds Co.	200,000.00	261,750.00
22,000	Hewlett Packard Co.	935,000.00	987,340.00
18,000	Tektronix Inc.	947,250.00	803,945.00
	<u>TOTAL SCIENCE & TECHNOLOGY</u>	<u>6,477,875.00</u>	<u>6,939,327.17</u>

David L. Babson & Co., Inc. - Continued

<u>Shares</u>	<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
	<u>Common Stocks</u>		
	<u>INTERMEDIATE & CAPITAL GOODS</u>		
25,000	Air Prods. & Chems. Inc.	\$ 759,375.00	\$ 661,037.50
42,000	Big Three Inds. Inc.	698,250.00	668,046.10
17,500	Loctite Corp.	385,000.00	431,050.10
30,000	Lubrizol Corp.	536,250.00	854,932.50
32,000	Nalco Chem. Co.	608,000.00	558,102.00
15,000	Weyerhaeuser Co.	375,000.00	390,737.50
20,000	Emerson Elec. Co.	895,000.00	675,337.50
10,000	General Elec. Co.	636,250.00	622,425.00
15,000	Grainger W. W. Inc.	566,250.00	559,775.00
36,000	Cameron Iron Works Inc.	783,000.00	1,262,212.00
18,000	Caterpillar Tractor Co.	668,250.00	746,237.85
22,000	Cooper Inds. Inc.	605,000.00	756,764.90
	TOTAL INTERMEDIATE & CAPITAL GOODS	<u>7,515,625.00</u>	<u>8,186,657.95</u>
	TOTAL COMMON STOCKS	<u>32,297,938.00</u>	<u>31,779,709.82</u>
	 <u>Maine National Bank</u>		
	<u>Common Stocks</u>		
	<u>FINANCIAL & CREDIT RELATED</u>		
8,250	First Natl. Boston Corp.	196,969.00	154,382.83
7,000	Manufacturers Hanover Corp.	189,875.00	255,276.90
4,000	Morgan J. P. & Co. Inc.	207,000.00	187,459.57
8,000	Wachovia Corp.	195,000.00	216,272.33
10,000	Crum & Forster	247,500.00	319,190.10
	TOTAL FINANCIAL & CREDIT RELATED	<u>1,036,344.00</u>	<u>1,132,581.73</u>
	 <u>UTILITIES</u>		
5,000	American Tel. & Teleg. Co.	255,000.00	286,126.55
10,000	General Tel. & Electrs. Corp.	275,000.00	298,028.40
8,000	Florida Pwr. & Lt. Co.	257,000.00	218,104.57
15,000	Southwestern Pub. Svc. Co.	204,375.00	196,037.50
10,000	Teco Energy Inc.	187,500.00	178,856.35
11,000	Texas Utils. Co.	239,250.00	215,521.21
	TOTAL UTILITIES	<u>1,418,125.00</u>	<u>1,392,674.58</u>
	 <u>ENERGY</u>		
10,000	Exxon Corp.	277,500.00	289,459.33
6,000	Gulf Oil Corp.	163,500.00	175,932.27
5,000	Atlantic Richfield Co.	184,375.00	248,966.15
6,000	Phillips Pete Co.	178,500.00	183,187.07
5,000	McDermott Inc.	91,875.00	191,949.87
8,000	Tenneco Inc.	198,000.00	260,521.38
	TOTAL ENERGY	<u>1,093,750.00</u>	<u>1,350,016.07</u>
	 <u>CONSUMER</u>		
2,000	General Mtrs. Corp.	89,250.00	158,232.00
5,000	Avon Prods. Inc.	117,500.00	217,611.01
5,000	Philip Morris Inc.	256,250.00	209,583.95
6,000	Reynolds R. J. Inds. Inc.	272,250.00	188,580.88
7,000	Coca Cola Co.	236,250.00	244,955.77
5,000	Dart & Kraft Inc.	260,000.00	227,974.32
6,000	General Foods Corp.	226,500.00	187,792.60
6,000	Pillsbury Co.	231,750.00	250,026.31
10,000	Ara Svcs Inc.	275,000.00	274,729.00
7,000	Jewel Cos. Inc.	232,750.00	202,687.00
10,000	Southland Corp.	335,000.00	295,625.45
15,000	Sears Roebuck & Co.	290,625.00	282,809.86
	TOTAL CONSUMER	<u>2,823,125.00</u>	<u>2,740,608.15</u>
	 <u>DRUG & HEALTH</u>		
4,500	Bristol Myers Co.	250,313.00	156,479.40
6,000	Pfizer Inc.	331,500.00	178,321.41
9,000	Warner Lambert Co.	182,250.00	176,997.19
	TOTAL DRUG & HEALTH	<u>764,063.00</u>	<u>511,798.00</u>

Maine National Bank - Continued

<u>Shares</u>	<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
	<u>Common Stocks</u>		
	<u>SCIENCE & TECHNOLOGY</u>		
5,000	Intl. Business Machines Corp.	\$ 303,125.00	\$ 325,206.28
6,000	Xerox Corp.	192,750.00	329,977.73
	<u>TOTAL SCIENCE & TECHNOLOGY</u>	<u>495,875.00</u>	<u>655,184.01</u>
	<u>INTERMEDIATE & CAPITAL GOODS</u>		
10,000	American Cyanamid Co.	272,500.00	266,347.80
7,000	Dow Chem. Co.	145,250.00	227,787.91
7,000	DuPont E. I. De Nemours & Co.	231,000.00	265,174.33
10,000	Champion Intl. Corp.	122,500.00	203,746.46
5,000	General Elec. Co.	318,125.00	267,237.07
10,000	Westinghouse Elec. Corp.	258,750.00	271,170.06
	<u>TOTAL INTERMEDIATE & CAPITAL GOODS</u>	<u>1,348,125.00</u>	<u>1,501,463.63</u>
	<u>TOTAL COMMON STOCKS</u>	<u>8,979,407.00</u>	<u>9,284,326.17</u>

Merrill Trust Company

	<u>Preferred Stocks</u>		
3,950	Cigna Corp.	86,900.00	73,733.48
		<u>86,900.00</u>	<u>73,733.48</u>
	<u>Common Stocks</u>		
	<u>FINANCIAL & CREDIT RELATED</u>		
20,000	Citicorp	502,500.00	536,560.00
15,000	Manufacturers Hanover Corp.	406,875.00	545,100.00
21,335	Cigna Corp.	725,390.00	775,642.46
	<u>TOTAL FINANCIAL & CREDIT RELATED</u>	<u>1,634,765.00</u>	<u>1,857,302.46</u>
	<u>UTILITIES</u>		
20,000	American Tel. & Teleg. Co.	1,020,000.00	1,056,875.54
35,000	General Tel. & Electrs. Corp.	962,500.00	962,153.11
50,000	United Telecommunications Inc.	875,000.00	956,125.00
	<u>TOTAL UTILITIES</u>	<u>2,857,500.00</u>	<u>2,975,153.65</u>
	<u>ENERGY</u>		
30,000	Mobil Corp.	671,250.00	1,050,200.00
5,000	Getty Oil Co.	248,750.00	374,373.61
20,000	Phillips Pete Co.	595,000.00	867,000.00
17,000	Standard Oil Co. Ohio	535,500.00	1,054,919.71
	<u>TOTAL ENERGY</u>	<u>2,050,500.00</u>	<u>3,346,493.32</u>
	<u>CONSUMER</u>		
20,000	Philip Morris Inc.	1,025,000.00	888,090.92
16,000	Dun & Bradstreet Corp.	1,076,000.00	987,530.76
30,000	Allied Stores Corp.	862,500.00	646,519.23
35,000	Associated Dry Goods Corp.	1,190,000.00	1,012,325.00
35,000	Macy R. H. & Co. Inc.	1,330,000.00	784,218.75
	<u>TOTAL CONSUMER</u>	<u>5,483,500.00</u>	<u>4,318,684.66</u>
	<u>DRUG & HEALTH</u>		
20,000	Bristol Myers Co.	1,112,500.00	1,013,226.00
	<u>TOTAL DRUG & HEALTH</u>	<u>1,112,500.00</u>	<u>1,013,226.00</u>
	<u>INTERMEDIATE & CAPITAL GOODS</u>		
20,000	International Minerals & Chem. Corp.	530,000.00	952,400.00
45,000	Stauffer Chem. Co.	821,250.00	1,025,550.00
50,000	Kidde Inc.	1,043,750.00	1,040,500.00
	<u>TOTAL INTERMEDIATE & CAPITAL GOODS</u>	<u>2,395,000.00</u>	<u>3,018,450.00</u>
	<u>TOTAL COMMON STOCKS</u>	<u>15,620,665.00</u>	<u>16,603,043.57</u>

The Putnam Advisory Company, Inc.

<u>Shares</u>	<u>Security</u> <u>Common Stocks</u>	<u>Market Value</u>	<u>Book Value</u>
	<u>FINANCIAL & CREDIT RELATED</u>		
41,250	Chemical New York Corp.	\$ 1,268,438.00	\$ 1,523,859.20
60,000	Citicorp	1,507,500.00	1,582,162.40
40,000	Aetna Life & Cas. Co.	1,400,000.00	1,906,800.00
24,000	American Intl. Group Inc.	1,398,000.00	916,550.20
59,000	Travelers Corp.	1,268,500.00	1,434,280.00
	<u>TOTAL FINANCIAL & CREDIT RELATED</u>	<u>6,842,438.00</u>	<u>7,363,651.80</u>
	<u>ENERGY</u>		
58,000	Schlumberger Ltd.	2,218,500.00	1,906,340.24
20,000	Texas Oil & Gas Corp.	520,000.00	646,793.86
	<u>TOTAL ENERGY</u>	<u>2,738,500.00</u>	<u>2,553,134.10</u>
	<u>CONSUMER</u>		
22,500	Eastman Kodak Co.	1,659,375.00	1,638,969.00
50,000	Mattel Inc.	806,250.00	748,385.60
41,200	Philip Morris Inc.	2,111,500.00	1,156,674.52
46,600	Pepsico Inc.	1,794,100.00	1,616,294.90
23,000	Capital Cities Communications Inc.	1,661,750.00	1,052,249.67
32,000	McDonalds Corp.	2,292,000.00	1,592,761.92
25,000	Toys R Us	1,000,000.00	806,189.56
39,000	Marriott Corp.	1,345,500.00	900,552.33
35,000	Warner Communications Inc.	1,688,750.00	774,766.97
	<u>TOTAL CONSUMER</u>	<u>14,359,225.00</u>	<u>10,286,844.47</u>
	<u>DRUG & HEALTH</u>		
26,300	American Home Prods. Corp.	996,113.00	915,816.30
45,000	Baxter Travenol Labs Inc.	1,636,875.00	1,541,452.10
22,000	Smithkline Beckman Corp.	1,416,250.00	1,410,437.20
39,100	Sterling Drug Inc.	816,213.00	823,065.56
	<u>TOTAL DRUG & HEALTH</u>	<u>4,865,451.00</u>	<u>4,690,771.16</u>
	<u>SCIENCE & TECHNOLOGY</u>		
23,000	Digital Equip. Corp.	1,607,125.00	1,222,426.02
55,000	Intl. Business Machines Corp.	3,334,375.00	3,370,808.42
73,600	Lanier Bus. Prod. Inc.	1,104,000.00	1,298,269.11
25,000	Tandem Computers Inc.	575,000.00	659,447.80
60,000	Wang Labs Inc.	1,657,500.00	2,004,317.00
50,000	General Instr. Corp.	1,743,750.00	1,213,155.60
16,500	Computervision Corp.	456,810.00	99,984.93
	<u>TOTAL SCIENCE & TECHNOLOGY</u>	<u>10,478,560.00</u>	<u>9,868,408.88</u>
	<u>INTERMEDIATE & CAPITAL GOODS</u>		
59,500	Cabot Corp.	1,182,563.00	1,659,056.30
18,500	Monsanto Co.	1,089,188.00	1,409,571.40
57,500	Tracor Inc.	1,142,813.00	1,113,260.50
29,000	Wheelabrator Frye Inc.	851,875.00	1,165,211.70
28,500	Grumman Corp.	827,250.00	791,937.60
28,000	Sundstrand Corp.	738,500.00	798,413.50
	<u>TOTAL INTERMEDIATE & CAPITAL GOODS</u>	<u>5,832,189.00</u>	<u>6,937,451.00</u>
	<u>TRANSPORTATION</u>		
25,300	Burlington Northn. Inc.	1,125,850.00	1,525,008.80
35,000	Delta Air Lines Inc.	1,190,000.00	1,084,029.50
	<u>TOTAL TRANSPORTATION</u>	<u>2,315,850.00</u>	<u>2,609,038.30</u>
	<u>TOTAL COMMON STOCKS</u>	<u>47,432,213.00</u>	<u>44,309,299.71</u>
	<u>TOTAL COMMON STOCKS - ALL ACCOUNTS</u>	<u>\$168,956,494.00</u>	<u>\$175,651,853.17</u>

MAINE STATE RETIREMENT SYSTEM

Investments - Time Deposits

June 30, 1982

The Putnam Advisory Co., Inc. - Stock Account

<u>Security</u>	<u>Market Value</u>	<u>Book Value</u>
Bankers Trust Company 13.8% 9/9/82	\$ 1,000,000.00	\$1,000,000.00
Chemical Bank New York 13.75% 9/20/82	1,000,000.00	999,608.58
Continental Ill. Natl. Bank 13.85% 9/7/82	3,000,000.00	3,000,000.00
Security Pac. Natl. Bank 13.35% 8/27/82	<u>3,000,000.00</u>	<u>2,996,692.05</u>
	<u>8,000,000.00</u>	<u>7,996,300.63</u>

The Putnam Advisory Co., Inc. - Bond Account

Continental Ill. Natl. Bank 13.85% 9/7/82	1,000,000.00	1,000,000.00
Security Pac. Natl. Bank 13.35% 8/27/82	<u>1,000,000.00</u>	<u>998,897.35</u>
	<u>2,000,000.00</u>	<u>1,998,897.35</u>
 TOTAL - ALL ACCOUNTS	 <u>\$10,000,000.00</u>	 <u>\$9,995,197.98</u>

MAINE STATE RETIREMENT SYSTEM

Investments - Mortgages

June 30, 1982

Northeast Banks

<u>SECURITY</u>	<u>BOOK VALUE</u>
Farmer Home Administrative	
Inds. Lns. - 5.00% Various Maturities	\$ 185,144.73
Hillcrest Manor Partic. Ctf.	
1st Mtg. Nt. 5.25% 4/1/87	35,657.76
Misc. FHA & VA 5.25% Mtges.	
Georgia, Final Mat. 1/1/94	306,135.66
Misc. FHA & VA 5.50% Mtges.	
Georgia, Final Mat. 6/1/92	61,719.26
Misc. FHA & VA 5.75% Mtges.	
Georgia, Final Mat. 6/1/92	108,035.93
Misc. FHA & VA 5.25% Mtges.	
New Jersey, PA. & VA., Final Mat. 3/1/96	69,967.11
Misc. FHA & VA 5.25% Mtges.	
Mississippi, Final Mat. 1/1/94	236,915.41
Misc. FHA & VA 5.50% Mtges.	
Mississippi, Final Mat. 11/1/91	102,022.35
Misc. FHA & VA 5.75% Mtges.	
Mississippi, Final Mat. 9/1/91	90,020.22
Misc. FHA & VA 5.75% Mtges.	
Arizona, Final Mat. 11/1/90	161,347.81
Misc. FHA & VA 5.25% Mtges.	
North Carolina, Final Mat. 3/1/94	199,876.13
Misc. FHA & VA 5.50% Mtges.	
North Carolina, Final Mat. 2/1/92	19,341.75
Misc. FHA & VA 5.75% Mtges.	
North Carolina, Final Mat. 12/1/91	158,131.91
Misc. FHA & VA 4.50% Mtges.	
Connecticut, Final Mat. 1/11/86	5,582.67
Misc. FHA & VA 4.50% Mtges.	
Virginia, Final Mat. 5/1/87	5,493.36
Misc. FHA & VA 5.00% Mtges.	
Virginia, Final Mat. 9/1/87	13,472.46
Misc. FHA & VA 5.25% Mtges.	
Virginia, Final Mat. 4/1/96	1,322,569.30
Misc. FHA & VA 5.50% Mtges.	
Virginia, Final Mat. 7/1/96	110,536.03
Misc. FHA & VA 5.75% Mtges.	
Virginia, Final Mat. 12/1/96	49,869.74
Misc. FHA & VA 6.00% Mtges.	
Virginia, Final Mat. 9/1/97	77,295.70
Misc. FHA & VA 4.50% Mtges.	
California, Final Mat. 2/1/86	5,894.39
Misc. FHA & VA 5.25% Mtges. California	
New Mexico, Okla. & Texas, Final Mat. 2/1/95	906,885.03
Misc. FHA & VA 5.50% Mtges.	
Texas, Final Mat. 5/1/93	8,934.07
Misc. FHA & VA 5.75% Mtges.	
California & Texas, Final Mat. 1/1/92	303,440.00
Misc. FHA & VA 4.50% Mtges.	
Florida & Georgia, Final Mat. 1/1/88	1,428.43
Misc. FHA & VA 5.25% Mtges.	
Florida, Final Mat. 1/1/94	267,334.87
Misc. FHA & VA 5.50% Mtges.	
Florida, Final Mat. 5/1/92	6,744.59
Misc. FHA & VA 5.75% Mtges.	
Florida, Final Mat. 2/1/92	57,406.69
TOTAL MORTGAGES	<u>\$4,877,203.36</u>

Note: Market Value not available

Northeast Bank

Insured Guaranteed Contract 10% 2/1/86 (Unionmutual)	<u>\$8,876,483.93</u>
Effective Date: June 30, 1982	

Commingled Trust Fund

Morgan Guaranty Trust Company (Book Value)	\$20,893,789.00
Effective Date: June 30, 1982	

The Travelers Insurance Company (Book Value)	<u>11,831,869.65</u>
Effective Date: June 30, 1982	

Value at June 30, 1982	<u>\$32,725,658.65</u>
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MAINE STATE RETIREMENT SYSTEM
Statement of Trust Fund Balances and
Open Accounts by Activity
June 30, 1982

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
State Employees		20,682	\$ 96,203,566.13	\$ 80,044,635.62	\$ 4,938,614.17	\$181,186,815.92
Teachers - Contributory		31,342	141,361,545.05	101,435,885.91	6,814,412.28	249,611,843.24
Teachers - Non-Contributory		--	--	(173,917,050.76)	--	(173,917,050.76)
Disability - Chapter 622, 7/1/78	7/01/78	--	--	27,363,022.95	705,050.46	28,068,073.41
Accidental Death Benefits, 7/1/79	7/01/79	--	--	995,025.58	24,491.41	1,019,516.99
Androscoggin County	1/24/61	53	178,877.40	439,725.18	17,591.94	636,194.52
Androscoggin Valley Reg. Plan. Comm.	11/01/76	14	39,156.34	33,986.53	2,128.20	75,271.07
Aroostook County	1/01/68	87	239,640.37	737,233.90	27,117.33	1,003,991.60
Auburn	1/01/48	395	1,515,920.73	3,815,978.80	146,124.63	5,478,024.16
Auburn Housing Authority	1/01/71	12	36,747.84	83,004.71	3,260.94	123,013.49
Auburn-Lewiston Airport Committee	6/01/79	4	9,080.90	12,696.61	497.72	22,275.23
Auburn Public Library	7/01/50	10	47,060.94	140,042.23	5,543.61	192,646.78
Auburn Sewer District	10/01/53	13	48,242.12	158,552.77	5,938.35	212,733.24
Auburn Water District	10/01/53	19	88,751.49	470,216.71	15,515.23	574,483.43
Augusta	10/01/47	364	1,565,009.71	3,191,711.10	132,634.62	4,889,355.43
Augusta Sanitary District	1/04/60	32	170,647.51	268,395.70	11,928.19	450,971.40
Augusta Water District	7/01/49	22	179,022.47	278,174.27	12,580.38	469,777.12
Baileyville	4/01/60	28	91,843.89	141,203.95	6,521.89	239,569.73
Bangor	7/01/47	891	4,660,971.10	7,657,182.69	343,943.80	12,662,097.59
Bangor Public Library	7/01/47	35	194,337.97	315,422.79	14,433.97	524,194.73
Bangor Water District	5/21/57	32	167,647.30	262,303.56	11,996.84	441,947.70
Bar Harbor	4/01/46	59	223,327.46	580,684.47	22,397.54	826,409.47
Bath	4/01/63	177	729,149.84	2,574,696.84	89,899.08	3,393,745.76
Bath Water District	12/01/46	11	87,247.81	263,483.90	9,937.30	360,669.01
Belfast	7/01/49	43	165,743.45	283,137.41	12,357.26	461,238.12
Belfast Water District	7/01/69	5	35,251.51	92,107.11	3,621.36	130,979.98
Berwick	4/01/68	12	28,296.47	56,057.17	2,316.99	86,670.63
Berwick Sewer District	11/04/74	7	26,688.06	41,206.26	1,870.75	69,765.07
Bethel	4/01/78	10	23,793.56	19,864.19	1,132.75	44,790.50

	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	255	\$ 824,958.52	\$ 1,089,068.55	\$ 52,329.57	\$ 1,966,356.64
Bingham Water District	1/01/72	1	68.86	27,838.62	858.14	28,765.62
Boothbay-Boothbay Harbor CSD	7/01/74	9	18,478.77	38,987.88	1,544.66	59,011.31
Boothbay Harbor	3/01/71	24	64,521.52	100,859.37	4,565.32	169,946.21
Boothbay Harbor Water System	7/01/47	5	35,389.67	77,863.42	3,157.97	116,411.06
Bradford	4/01/74	—	—	3,726.03	102.98	3,829.01
Brewer	1/02/60	186	557,578.18	844,712.13	39,165.66	1,441,455.97
Brewer Housing Authority	8/01/78	3	8,692.18	12,987.96	583.54	22,263.68
Brewer Water District	5/01/61	9	38,553.70	111,503.34	4,204.90	154,261.94
Bridgton	3/01/73	25	67,434.81	125,014.18	5,474.95	197,923.94
Bridgton Water District	2/01/79	2	2,126.15	4,018.07	188.79	6,333.01
Brownville	4/05/73	11	23,931.74	30,403.84	1,476.01	55,811.59
Brunswick	7/01/50	255	1,020,601.29	2,268,930.28	91,443.74	3,380,975.31
Brunswick Sewer District	1/01/63	9	52,643.94	110,092.31	4,462.34	167,198.59
Bucksport	7/01/69	79	235,645.87	362,328.77	16,510.68	614,485.32
Calais	7/01/49	102	258,993.11	411,355.80	18,759.01	689,107.92
Camden	4/01/44	45	169,450.68	258,485.24	11,739.40	439,675.32
Cape Elizabeth	4/01/66	127	470,655.68	847,833.53	36,213.64	1,354,702.85
Caribou - Fire & Police	5/01/75	23	109,782.09	201,008.08	8,289.66	319,079.83
Castle Hill	7/01/80	7	4,507.36	7,733.58	205.95	12,446.89
Chapman	7/01/80	4	366.32	78.97	17.16	462.45
Chevrus High School	11/01/74	28	96,281.43	127,925.99	6,161.47	230,368.89
China	3/05/77	2	7,970.44	6,356.21	360.42	14,687.07
Community School District #912	1/22/79	3	3,147.14	4,556.10	205.95	7,909.19
Community School District #915	7/01/76	31	19,828.25	27,407.74	1,304.38	48,540.37
Corinna	4/01/75	6	21,783.04	66,553.85	2,454.29	90,791.18
Corinna Sewer District	1/01/79	2	3,145.61	10,499.50	394.75	14,039.86
Cranberry Isles	3/01/71	—	—	1,809.51	51.49	1,861.00
Cumberland	10/01/74	28	103,725.62	87,016.76	5,406.30	196,148.68
Cumberland County	1/01/44	95	300,165.92	900,845.69	32,111.72	1,233,123.33
Damariscotta	1/01/74	3	9,285.50	10,430.90	532.05	20,248.45
Dexter	3/01/67	21	80,041.06	152,661.95	6,436.07	239,139.08
Dixfield	4/01/74	15	30,583.09	59,540.26	2,540.10	92,663.45
Dover-Foxcroft	7/01/72	26	77,203.73	113,221.14	5,166.02	195,590.89
Dover-Foxcroft Water District	5/01/70	1	1,893.70	40,085.97	1,218.56	43,198.23

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
Durham	9/01/76	13	\$ 10,657.31	\$ 8,875.16	\$ 497.72	\$ 20,030.19
East Millinocket	1/01/56	44	275,174.23	451,004.34	20,149.20	746,327.77
Easton	7/01/77	21	33,572.03	49,216.72	2,111.03	84,899.78
Eliot	4/01/73	16	59,398.39	105,275.23	4,376.53	169,030.15
Ellsworth	1/01/46	138	305,241.89	584,562.27	24,216.80	914,020.96
Erschine Academy	9/01/78	4	5,647.61	6,788.02	291.77	12,727.40
Exeter	10/01/71	1	3,076.10	6,509.96	257.44	9,843.50
Fairfield	1/01/80	18	41,272.91	25,697.97	1,630.47	68,601.35
Falmouth	5/01/66	90	299,128.08	406,948.38	19,188.08	725,264.54
Falmouth Memorial Library	1/01/57	2	7,671.41	40,584.83	1,355.87	49,612.11
Farmington	4/01/67	33	160,395.91	412,200.39	15,532.39	588,128.69
Farmington Village Corp.	9/01/68	3	6,841.17	59,104.40	1,887.92	67,833.49
Fort Fairfield	7/01/46	34	140,858.23	333,114.38	13,592.99	487,565.60
Fort Fairfield Utilities District	4/01/69	5	25,597.64	86,304.02	3,175.13	115,076.79
Fort Kent	1/01/67	26	90,693.56	161,355.00	6,950.96	258,999.52
Franklin County	7/01/67	24	64,325.29	167,680.25	6,590.54	238,596.08
Franklin County Comm. Action Council	9/01/77	22	33,507.13	85,159.01	4,084.76	122,750.90
Freeport	9/01/70	19	67,320.21	148,249.08	6,968.12	222,537.41
Frenchville	7/01/74	2	6,596.21	43,543.96	1,441.68	51,581.85
Fryeburg	5/01/71	2	8,812.90	18,924.30	720.84	28,458.04
Gardiner	9/01/47	48	264,704.50	570,538.52	23,478.80	858,721.82
Gardiner Water District	1/01/76	13	56,974.91	45,283.61	2,780.38	105,038.90
Garland	7/01/71	2	146.41	1,308.95	51.49	1,506.85
Georgetown	1/01/80	1	1,222.81	1,304.30	51.49	2,578.60
Glenburn	4/01/72	2	2,967.74	13,645.80	497.72	17,111.26
Gorham	9/01/69	67	217,174.28	311,386.77	14,657.09	543,218.14
Gould Academy	1/01/75	11	27,961.93	83,349.54	3,072.15	114,383.62
Greater Portland Council of Govt.	7/01/74	30	88,854.65	172,373.48	7,345.71	268,573.84
Greater Portland Public Dev. Comm.	1/01/62	5	63,699.59	153,078.30	6,109.98	222,887.87
Greenville	5/01/68	7	24,859.41	48,338.79	2,093.87	75,292.07
Hallowell	4/01/72	17	41,127.79	52,320.18	2,557.27	96,005.24
Hampden	6/01/71	25	157,651.45	214,962.26	10,314.88	382,928.59
Hampden Water District	6/01/70	4	18,729.94	17,646.30	995.45	37,371.69
Hancock County	1/01/57	42	142,483.73	429,708.29	15,892.81	588,084.83
Harpswell	3/14/81	7	3,842.26	4,838.97	154.47	8,835.70

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
Hermion	5/01/71	36	\$ 71,033.74	\$ 96,928.72	\$ 4,582.48	\$ 172,544.94
Hodgdon	4/01/75	5	8,263.37	31,054.51	1,098.42	40,416.30
Houlton	1/01/45	74	367,922.34	683,492.68	29,932.04	1,081,347.06
Houlton Water District	1/01/48	28	340,137.22	599,196.45	26,001.74	965,335.41
Howland	11/01/76	4	13,090.36	15,103.17	772.33	28,965.86
Indian Township Passamaquoddy RHA	1/01/73	3	39.68	28,111.03	823.82	28,974.53
Indian Township Tribal Govt.	1/01/77	82	135,705.55	82,834.00	5,612.26	224,151.81
Jackman Water District	3/01/76	1	3,083.83	10,253.82	377.58	13,715.23
Jay	10/01/50	66	201,451.19	285,504.32	13,352.71	500,308.22
Kennebec County	7/01/51	80	162,829.33	555,606.29	20,440.97	738,876.59
Kennebec Sanitary Treatment District	10/01/75	22	66,096.30	79,999.54	3,844.48	149,940.32
Kennebec Water District	1/01/49	36	124,717.94	155,148.12	7,637.47	287,503.53
Kennebunk	4/01/66	46	108,102.05	338,298.48	11,945.35	458,345.88
Kennebunk, Kennebunkport & Wells Water District	6/01/79	37	97,237.41	372,449.88	8,512.78	478,200.07
Kennebunk Light & Power	8/30/59	13	124,230.56	288,231.61	11,378.98	423,841.15
Kennebunk Sewer District	8/01/74	5	19,279.23	46,837.53	1,699.12	67,815.88
Kennebunkport	9/01/73	31	107,549.05	277,757.68	10,503.67	395,810.40
Kittery	4/01/46	119	226,773.06	748,910.17	27,529.23	1,003,212.46
Kittery Water District	2/01/46	16	87,666.33	167,508.75	7,174.08	262,349.16
Knox County	3/01/49	15	28,673.66	182,859.87	6,727.84	218,261.37
Lebanon	3/10/73	11	11,474.68	35,601.22	1,355.87	48,431.77
Lewiston	7/01/51	595	2,758,881.88	6,766,834.64	264,754.34	9,790,470.86
Lewiston-Auburn Water Pol CA	3/01/72	19	55,404.56	98,321.97	4,170.58	157,897.11
Lewiston Housing Authority	4/01/71	29	54,892.52	63,314.51	3,072.15	121,279.18
Limestone	4/01/78	12	25,946.06	20,892.95	1,304.38	48,143.39
Limestone Water & Sewer District	7/01/74	6	18,342.05	26,552.61	1,201.40	46,096.06
Lincoln	4/01/64	39	174,165.85	331,682.99	14,107.87	519,956.71
Lincoln Academy	9/01/69	8	22,868.08	18,217.82	1,115.59	42,201.49
Lincoln County	1/01/67	31	96,289.20	329,246.89	11,996.84	437,532.93
Lincoln Sanitary District	9/01/75	7	10,405.16	9,927.77	600.70	20,933.63
Lincoln Water District	1/01/74	3	18,509.47	38,302.43	1,544.66	58,356.56
Linneus	4/01/75	2	6,150.36	9,682.33	429.07	16,261.76
Lisbon	1/01/68	106	250,194.22	642,097.15	24,457.08	916,748.45
Lisbon Water District	10/01/77	3	10,008.70	17,518.31	703.68	28,230.69

	Date Entered	Number of	Members	Retirement	Reserve Against	Total Trust
	System	Open Accounts	Contribution Fund	Allowance Fund	Future Losses (Net Losses)	Reserves
Livermore Falls	4/01/68	21	\$ 52,362.62	\$ 115,736.50	\$ 4,822.76	\$ 172,921.88
Livermore Falls Water District	3/01/49	4	51,642.66	103,111.58	4,204.90	158,959.14
Lubec	3/01/68	5	7,791.87	10,390.75	497.72	18,680.34
Lubec Water & Electric	7/01/66	12	25,215.02	126,400.93	4,307.88	155,923.83
Madawaska	9/01/65	66	252,432.94	462,655.53	18,964.97	734,053.44
Madawaska Water District	4/01/77	4	21,330.39	10,991.95	840.98	33,163.32
Maine County Commissioners Assoc.	1/01/76	3	8,317.46	8,481.71	480.56	17,279.73
Maine Development Foundation	3/27/78	8	34,201.28	20,419.50	1,424.52	56,045.30
Maine Housing Authority	6/20/72	53	166,706.30	131,599.10	7,809.10	306,114.50
Maine Maritime Academy	7/01/59	206	898,167.82	3,317,496.61	115,282.96	4,330,947.39
Maine Municipal Association	11/05/56	39	114,184.66	165,761.97	7,774.78	287,721.41
Maine Municipal Bond Bank	10/01/73	2	17,670.34	22,964.96	1,098.42	41,733.72
Maine-New Hampshire Bridge Auth.	8/01/50	10	81,987.72	177,254.40	7,225.57	266,467.69
Maine School Management Assoc.	7/01/77	12	94,045.39	130,775.27	5,904.03	230,724.69
Maine Secondary School Principals Association	8/07/67	5	39,704.32	127,134.99	4,719.79	171,559.10
Maine Turnpike Authority	9/01/52	279	1,477,479.53	6,384,289.03	218,672.05	8,080,440.61
Maine Vocational Region #7	2/01/76	6	8,263.72	19,793.16	892.47	28,949.35
Mapleton	7/01/80	7	5,036.55	4,690.72	205.95	9,933.22
Mars Hill	5/01/76	5	12,657.52	27,878.65	1,115.59	41,651.76
Mechanic Falls	4/01/68	24	63,955.99	125,514.40	5,200.35	194,670.74
Medway	3/01/74	13	33,097.47	59,195.23	2,454.29	94,746.99
Mexico	3/01/63	24	88,090.62	140,150.06	6,607.70	234,848.38
Milford	7/01/73	6	9,216.88	25,662.98	978.28	35,858.14
Millinocket	7/01/43	102	464,598.00	1,196,830.22	44,932.38	1,706,360.60
Milo	1/01/68	15	54,151.39	131,464.18	5,371.98	190,987.55
Milo Water District	6/01/77	4	13,707.33	47,666.18	1,613.31	62,986.82
Monson	7/01/73	2	7,166.21	8,341.76	429.07	15,937.04
Mount Desert	4/01/46	32	203,102.67	419,606.37	17,729.24	640,438.28
Mount Desert Regional School District	8/01/68	22	49,203.23	63,879.26	3,106.48	116,188.97
Naples	5/01/70	1	4,999.63	14,547.17	532.05	20,078.85
New Canada Plantation	11/01/72	3	2,091.94	10,133.56	326.09	12,551.59
New Gloucester	4/01/75	15	50,091.71	65,493.24	3,089.32	118,674.27
North Berwick	1/01/79	5	12,809.33	4,056.05	411.91	17,277.29
Norway	4/01/69	25	120,273.13	143,669.85	7,294.22	271,237.20
Norway Water District	5/01/70	3	29,414.03	32,539.98	1,664.80	63,618.81

	Date Entered	Number of	Members	Retirement	Reserve Against	Total Trust
	System	Open Accounts	Contribution Fund	Allowance Fund	Future Losses (Net Losses)	Reserves
Old Orchard Beach	7/01/70	59	\$ 287,873.86	\$ 636,678.30	\$ 25,074.94	\$ 949,627.10
Old Town	1/01/68	155	547,035.06	1,238,800.15	49,343.23	1,835,178.44
Old Town Housing Authority	4/01/80	7	6,397.38	6,520.01	274.61	13,192.00
Old Town Water District	1/01/65	9	74,366.80	93,696.68	4,668.30	172,731.78
Orland	1/01/72	18	18,475.01	88,569.32	3,157.97	110,202.30
Orono	7/01/59	70	270,390.93	398,376.89	18,896.31	687,664.13
Orrington	5/01/75	34	46,322.64	52,411.26	2,591.59	101,325.49
Otisfield	10/01/73	8	2,472.73	4,339.53	171.63	6,983.89
Oxford	9/01/74	2	8,794.76	37,262.01	1,270.05	47,326.82
Oxford County	7/01/57	67	157,234.02	482,395.46	17,471.80	657,101.28
Paris	4/01/69	15	62,643.86	135,296.91	5,440.63	203,381.40
Paris Utilities District	1/01/72	17	51,789.51	73,737.16	3,466.90	128,993.57
Penobscot County	1/01/45	116	222,629.91	930,185.38	32,935.54	1,185,750.83
Penquis C.A.P., Inc.	6/01/77	115	198,533.72	270,084.74	12,219.96	480,838.42
Phippsburg	7/01/74	5	4,973.05	11,556.27	463.40	16,992.72
Piscataquis County	1/01/69	42	105,179.68	222,983.53	8,976.18	337,139.39
Pittsfield	5/02/68	43	63,322.20	114,052.11	5,028.72	182,403.03
Pleasant Point Passamaquoddy RHA	1/01/72	50	6,812.15	35,935.84	1,218.56	43,966.55
Portland	3/01/43	1,608	7,281,237.15	7,269,344.09	405,592.81	14,956,174.05
Portland Housing Authority	7/01/73	47	236,354.65	401,771.76	17,591.94	655,718.35
Portland Public Library	5/01/50	53	266,012.57	655,504.43	25,744.30	947,261.30
Presque Isle	1/01/43	102	679,569.61	1,135,154.26	49,789.47	1,864,513.34
Princeton	6/01/79	12	12,256.30	6,886.69	514.89	19,657.88
Project Lodestone	8/20/79	2	5,367.39	4,286.45	257.44	9,911.28
Readfield	2/24/75	3	6,700.77	5,671.39	343.26	12,715.42
Richmond	5/01/75	39	58,402.46	61,984.38	3,157.97	123,544.81
Richmond Utilities District	9/01/77	2	5,087.77	10,221.53	360.42	15,669.72
Rockland	11/01/46	89	440,821.98	1,118,639.90	42,821.35	1,602,283.23
Rockport	4/01/72	18	53,533.19	82,683.07	3,707.18	139,923.44
Rumford	4/01/65	147	512,688.74	805,533.62	36,505.41	1,354,727.77
Rumford Fire & Police	2/10/58	26	199,001.24	754,212.56	26,482.30	979,696.10
Rumford Water District	4/01/60	5	57,633.05	127,154.58	5,114.53	189,902.16
Rumford-Mexico Sewer District	1/20/78	7	7,542.86	12,178.89	549.21	20,270.96
Sabattus	1/01/73	34	38,168.84	55,666.77	2,608.76	96,444.37
Saco	12/31/73	112	374,827.22	1,053,394.01	40,143.94	1,468,365.17
Sagadahoc County	1/01/67	27	79,630.78	304,895.66	10,606.65	395,133.09

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
St. Agatha	7/01/74	9	\$ 20,628.08	\$ 50,532.89	\$ 1,939.40	\$ 73,100.37
Sanford	1/01/66	207	816,396.13	1,748,050.64	70,230.44	2,634,677.21
Sanford Housing Authority	6/01/71	8	30,152.14	48,733.44	2,111.03	80,996.61
Sanford Sewer District	11/01/66	17	39,239.19	121,723.40	4,050.44	165,013.03
Sanford Water District	11/01/72	22	87,838.26	134,556.12	5,955.51	228,349.89
Scarborough	5/01/71	133	379,497.45	710,447.95	30,721.53	1,120,666.93
School Administrative District #2	3/05/73	4	19,531.18	45,835.41	1,767.78	67,134.37
School Administrative District #9	9/01/68	50	194,788.40	277,718.07	12,923.64	485,430.11
School Administrative District #13	2/01/76	18	29,566.32	51,555.32	2,214.01	83,335.65
School Administrative District #16	10/01/73	23	34,565.06	94,650.01	3,638.53	132,853.60
School Administrative District #21	7/01/75	31	54,571.45	46,610.47	2,643.08	103,825.00
School Administrative District #28	12/02/64	—	—	8,827.22	257.44	9,084.66
School Administrative District #29	9/01/72	17	36,245.42	151,782.21	5,148.86	193,176.49
School Administrative District #31	2/01/74	37	77,148.69	180,669.04	7,225.57	265,043.30
School Administrative District #34	4/18/64	194	163,157.36	342,212.26	13,713.13	519,082.75
School Administrative District #41	10/01/70	70	136,231.38	272,152.11	11,224.51	419,608.00
School Administrative District #49	4/01/73	43	72,433.14	135,006.39	5,457.79	212,897.32
School Administrative District #51	7/01/74	46	114,865.02	118,458.79	6,212.96	239,536.77
School Administrative District #53	9/15/69	11	32,145.76	35,108.27	1,853.59	69,107.62
School Administrative District #54	5/01/68	42	111,757.98	271,854.92	10,606.65	394,219.55
School Administrative District #56	7/01/75	14	46,148.47	76,497.75	3,295.27	125,941.49
School Administrative District #60	7/01/73	105	97,680.24	170,123.47	7,259.89	275,063.60
School Administrative District #66	12/01/67	1	—	76,052.94	2,179.68	78,232.62
School Administrative District #67	7/01/68	126	158,802.07	298,329.65	12,769.17	469,900.89
School Administrative District #71	5/01/69	81	163,539.84	282,050.10	12,340.10	457,930.04
Searsport	4/01/68	13	27,048.57	65,985.47	2,883.36	95,917.40
Searsport Water District	1/01/69	4	25,879.32	35,483.85	1,664.80	63,027.97
Skowhegan	4/01/65	57	208,164.71	494,770.20	19,153.76	722,088.67
Somerset County	7/10/67	39	79,139.96	228,189.15	9,147.81	316,476.92
South Berwick	7/01/70	28	73,974.12	70,324.61	3,792.99	148,091.72
South Berwick Water District	11/01/72	1	8,750.10	12,868.63	600.70	22,219.43
South Portland	9/01/44	369	1,920,650.74	3,780,495.15	158,653.52	5,859,799.41
South Portland Housing Authority	1/01/75	13	43,862.94	79,583.99	3,295.27	126,742.20
Southern Kennebec Valley RPC	1/01/70	3	6,253.84	16,225.05	635.03	23,113.92
Southern Penobscot Voc. School-Reg.#4	2/06/81	5	4,101.17	1,434.61	102.98	5,638.76

	Date Entered System	Number of Open Accounts	Members Contribution Fund	Retirement Allowance Fund	Reserve Against Future Losses (Net Losses)	Total Trust Reserves
Thomaston	5/01/72	21	\$ 50,782.76	\$ 116,695.74	\$ 4,805.60	\$ 172,284.10
Topsham	3/01/65	28	51,611.37	152,386.75	5,612.26	209,610.38
Tri-Community Sanitary Landfill	1/01/81	5	4,696.38	2,394.76	137.30	7,228.44
Van Buren	6/01/73	34	63,552.17	68,031.14	3,449.74	135,033.05
Van Buren Housing Authority	7/01/76	4	11,310.95	30,445.54	1,098.42	42,854.91
Vassalboro	7/01/71	7	11,880.02	35,355.06	1,338.70	48,573.78
Waldoboro	6/01/74	19	74,325.02	118,241.18	5,269.00	197,835.20
Waldo County	1/01/51	43	112,073.93	337,912.14	12,666.19	462,652.26
Wallagrass Plantation	4/01/72	3	2,810.98	11,418.00	377.58	14,606.56
Washburn	9/01/76	9	28,289.11	49,015.04	2,008.06	79,312.21
Washington County	1/01/50	53	92,163.54	494,952.64	16,493.51	603,609.69
Waterville Fire & Police	2/01/61	44	588,471.22	923,085.87	42,203.48	1,553,760.57
Waterville Sewerage District	10/01/75	11	37,583.31	60,111.24	2,643.08	100,337.63
Waterville Urban Renewal Authority	4/01/74	1	6,570.02	9,172.56	463.40	16,206.68
Wells	1/01/68	81	218,467.37	502,984.59	19,891.76	741,343.72
Wells-Ogunquit CSD	7/01/80	22	38,337.16	107,048.17	3,981.78	149,367.11
Westbrook	3/01/69	113	405,426.57	986,628.51	38,719.42	1,430,774.50
Westbrook Fire & Police	1/01/62	50	439,014.26	1,301,673.29	47,352.34	1,788,039.89
Westbrook Housing Authority	11/01/79	9	14,294.04	6,325.39	497.72	21,117.15
Wilton	5/01/66	32	84,701.44	141,847.48	6,264.45	232,813.37
Winslow	9/01/70	86	241,399.35	327,237.58	15,566.72	584,203.65
Winter Harbor Utilities District	10/01/78	1	3,125.55	856.69	102.98	4,085.22
Winthrop	5/01/73	69	155,433.28	251,979.04	11,241.68	418,654.00
Yarmouth	4/01/68	110	324,173.23	862,568.91	32,987.03	1,219,729.17
York	7/01/48	74	228,425.93	316,633.70	15,000.34	560,059.97
York County	10/01/49	67	174,024.18	719,304.77	25,418.20	918,747.15
York Sewerage District	5/01/70	5	33,687.22	70,574.12	2,780.38	107,041.72
York Water District	10/01/49	10	37,685.43	212,082.30	7,019.61	256,787.34
Survivor Benefits-Consolidated	\$18,870,007.76				521,922.70	19,391,930.46
Undistributed Earnings		1,879,409.57				1,879,409.57
TOTALS	\$18,870,007.76	\$1,879,409.57	\$287,276,929.49	\$136,464,296.75	\$17,162,864.26	\$461,653,507.83

MAINE STATE RETIREMENT SYSTEM
RETIREMENT ALLOWANCE PAYROLL
June 1982 and 1981

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1982	June 1981		June 1982	June 1981		June 1982	June 1981
State Employees	6,518	6,152	366	\$2,748,557.93	\$2,426,757.83	\$321,800.10	\$421.69	\$394.47
Teachers - Contributory	5,580	5,287	293	3,178,790.30	2,866,032.28	312,758.02	569.68	542.09
Teachers - Non-Contributory	1,599	1,682	(83)	745,671.52	739,217.59	6,453.93	466.34	439.49
Teachers - Retired Prior to 1947	3	3	-	1,070.40	1,009.80	60.60	356.80	336.60
Androscoggin County	39	38	1	7,969.11	7,540.56	428.55	204.34	198.44
Aroostook County	18	18	-	4,308.26	3,890.37	417.89	239.35	216.73
Auburn	81	76	4	18,324.02	17,115.04	1,208.98	226.23	225.20
Auburn Housing Authority	1	1	-	104.85	104.85	-	104.85	104.85
Auburn Public Library	5	5	-	865.40	865.40	-	173.08	173.08
Auburn Sewer District	3	4	(1)	810.30	930.36	(120.06)	270.10	232.59
Auburn Water District	9	8	1	3,246.56	3,019.74	226.82	360.73	377.47
Augusta	122	116	6	54,787.36	48,322.48	6,464.88	449.08	416.57
Augusta Sanitary District	6	6	-	1,141.98	981.23	160.75	190.33	163.54
Augusta Water District	10	10	-	4,958.83	4,678.14	280.69	495.89	467.81
Baileyville	5	5	-	1,189.83	1,189.53	-	237.97	237.97
Bangor	254	243	11	95,060.42	88,428.24	6,632.18	374.26	363.90
Bangor Public Library	25	24	1	9,427.69	8,409.44	1,018.25	377.11	350.39
Bangor Water District	11	10	1	2,599.32	2,143.30	456.02	236.31	214.33
Bar Harbor	18	17	1	4,320.49	4,189.85	130.64	240.03	246.46
Bath	61	57	4	25,159.67	22,906.72	2,252.95	412.46	401.87
Bath Water District	4	4	-	1,497.43	1,412.68	84.75	374.36	353.17
Belfast	16	13	3	1,818.67	1,374.11	444.56	113.67	105.70
Belfast Water District	2	2	-	950.98	914.41	36.57	475.49	457.21
Berwick	1	1	-	205.73	205.73	-	205.73	205.73
Bethel	1	1	-	24.85	87.03	(62.18)	24.85	87.03
Biddeford	41	36	5	8,378.76	7,614.28	764.48	204.36	211.51
Bingham Water District	3	3	-	215.91	215.91	-	71.97	71.97
Boothbay-Boothbay Harbor CSD	1	1	-	114.29	114.29	-	114.29	114.29
Boothbay Harbor	2	2	-	201.42	201.42	-	100.71	100.71
Boothbay Harbor Water District	3	3	-	506.76	478.08	28.68	168.92	159.36
Brewer	24	22	2	4,348.48	3,716.98	631.50	181.19	168.95
Brewer Water District	3	4	(1)	1,065.30	1,089.13	(23.83)	355.10	272.28

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1982	June 1981		June 1982	June 1981		June 1982	June 1981
Bridgton	3	3	-	\$ 555.53	\$ 555.53	\$ -	\$185.18	\$185.18
Brownville	1	1	-	75.14	75.14	-	75.14	75.14
Brunswick	79	74	5	18,171.21	15,767.92	2,403.29	230.02	213.08
Brunswick Sewer District	3	3	-	284.64	268.53	16.11	94.88	89.51
Bucksport	13	11	2	1,047.62	826.07	221.55	80.59	75.10
Calais	21	22	(1)	2,540.57	3,889.32	(1,348.75)	120.98	176.79
Camden	13	14	(1)	1,665.76	1,752.17	(86.41)	128.14	125.16
Cape Elizabeth	43	37	6	5,492.47	4,078.79	1,413.68	127.74	110.24
Chevrus High School	4	4	-	452.99	416.45	36.54	113.25	104.11
Corinna	3	2	1	741.51	531.13	210.38	247.17	265.57
Corinna Sewer District	1	1	-	167.15	172.72	(5.57)	167.15	172.72
Cranberry Isles	2	2	-	138.38	138.38	-	69.19	69.19
Cumberland	1	-	1	111.38	-	111.38	111.38	-
Cumberland County	35	33	2	7,826.36	7,345.77	480.59	223.61	222.60
Dexter	7	7	-	1,171.98	1,171.98	-	167.43	167.43
Dixfield	1	1	-	100.00	83.33	16.67	100.00	83.33
Dover-Foxcroft	2	1	1	146.84	7.64	139.20	73.42	7.64
Dover-Foxcroft Water District	2	2	-	346.58	333.25	13.33	173.29	166.63
East Millinocket	21	19	2	6,646.07	5,007.56	1,638.51	316.48	263.56
Easton	2	1	1	266.58	576.08	(309.50)	133.29	576.08
Eliot	2	2	-	471.55	453.42	18.13	235.78	226.71
Ellsworth	23	19	4	4,013.78	2,889.63	1,124.15	174.52	152.09
Exeter	1	1	-	87.53	87.53	-	87.53	87.53
Falmouth	26	24	2	5,927.33	4,826.00	1,101.33	227.98	201.08
Falmouth Memorial Library	2	1	1	350.24	100.00	250.24	175.12	100.00
Farmington	7	7	-	2,236.98	2,150.94	86.04	319.57	307.28
Farmington Village Corp.	3	2	1	663.29	539.07	124.22	221.10	269.54
Fort Fairfield	9	9	-	2,372.28	2,238.01	134.27	263.59	248.67
Fort Fairfield Utilities District	1	1	-	407.64	384.57	23.07	407.64	384.57
Fort Kent	4	4	-	1,038.31	1,038.31	-	259.58	259.58
Franklin County	9	9	-	1,569.74	1,312.54	257.20	174.42	145.84
Freeport	5	4	1	546.84	418.69	128.15	109.37	104.67
Frenchville	1	1	-	417.37	417.37	-	417.37	417.37
Gardiner	14	14	-	3,238.83	3,238.83	-	231.35	231.35
Gardiner Water District	1	1	-	420.84	420.84	-	420.84	420.84

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1982	June 1981		June 1982	June 1981		June 1982	June 1981
Garland	1	1	-	\$ 98.44	\$ 98.44	\$ -	\$ 98.44	\$ 98.44
Glenburn	1	1	-	90.17	90.17	-	90.17	90.17
Gorham	11	7	4	2,865.47	1,472.04	1,393.43	260.50	210.29
Gould Academy	2	2	-	312.44	312.44	-	156.22	156.22
Greater Portland Council of Govts.	1	1	-	850.37	817.66	32.71	850.37	817.66
Greater Portland Public Development Comm.	6	6	-	4,009.99	3,165.15	844.84	668.34	527.53
Greenville	2	1	1	229.55	47.91	181.64	114.78	47.91
Hampden	6	7	(1)	1,013.91	1,107.09	(93.18)	168.99	158.16
Hampden Water District	1	1	-	88.21	88.21	-	88.21	88.21
Hancock County	15	17	(2)	2,795.51	3,192.68	(397.17)	186.37	187.81
Harpswell	1	-	1	81.00	-	81.00	81.00	-
Hermon	4	4	-	235.60	235.60	-	58.90	58.90
Hodgdon	1	-	1	102.75	-	102.75	102.75	-
Houlton	20	18	2	3,986.87	4,706.55	(719.68)	199.35	261.48
Houlton Water District	12	12	-	5,963.74	5,626.15	337.59	496.98	468.85
Howland	2	1	1	52.20	41.73	10.47	26.10	41.73
Jackman Water District	1	1	-	58.74	58.74	-	58.74	58.74
Jay	9	8	1	1,010.09	566.79	443.30	112.24	70.85
Kennebec County	25	22	3	4,393.40	3,500.76	892.64	175.74	159.13
Kennebec Water District	12	12	-	3,816.61	3,528.36	288.25	318.05	294.03
Kennebunk	9	7	2	1,425.78	661.25	764.53	158.42	94.46
Kennebunk, Kennebunkport & Wells Water District	2	2	-	1,582.21	1,058.93	523.28	791.11	529.47
Kennebunk Light & Power	9	9	-	2,742.09	2,586.88	155.21	304.68	287.43
Kennebunkport	6	5	1	1,452.91	1,210.22	242.69	242.16	242.04
Kittery	15	14	1	4,120.12	3,637.83	482.29	274.68	259.85
Kittery Water District	5	5	-	2,800.42	2,641.90	158.52	560.09	528.38
Knox County	17	17	-	3,908.14	3,757.82	150.32	229.89	221.05
Lewiston	196	174	22	64,337.67	54,709.06	9,628.61	328.26	314.42
Lewiston-Auburn Water Pol. Cont. Authority	1	-	1	113.99	-	113.99	113.99	-
Lewiston Housing Authority	1	1	-	408.29	408.29	-	408.29	408.29
Limestone Water & Sewerage District	1	1	-	35.94	34.56	1.38	35.94	34.56
Lincoln	6	6	-	1,346.87	1,346.87	-	224.48	224.48
Lincoln County	11	11	-	1,318.14	1,267.43	50.71	119.83	115.22
Lisbon	15	13	2	2,456.56	2,220.93	235.63	163.77	170.84
Livermore Falls	5	5	-	781.25	781.25	-	156.25	156.25

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1982	June 1981		June 1982	June 1981		June 1982	June 1981
Livermore Falls Water District	1	1	-	\$ 410.75	\$ 394.95	\$ 15.80	\$410.75	\$394.95
Lubec Water & Electric	5	3	2	1,637.83	757.27	880.56	327.57	252.42
Madawaska	15	12	3	3,084.62	2,585.54	499.08	205.65	215.46
Maine Maritime Academy	39	36	3	10,889.80	8,286.93	2,602.87	279.23	230.19
Maine Municipal Association	3	3	-	1,072.15	1,537.81	(465.66)	357.39	512.60
Maine-New Hampshire Bridge Authority	6	6	-	1,827.53	1,724.09	103.44	304.59	287.35
Maine School Management Association	1	1	-	650.24	625.23	25.01	650.24	625.23
Maine Turnpike Authority	126	115	11	40,634.44	36,072.52	4,561.92	322.50	313.67
Mars Hill	1	1	-	57.25	55.05	2.20	57.25	55.05
Mechanic Falls	4	2	2	575.89	200.00	375.89	143.98	100.00
Medway	3	3	-	232.44	232.44	-	77.48	77.48
Mexico	4	4	-	1,102.99	1,142.12	(39.13)	275.75	285.53
Milford	1	1	-	108.94	108.94	-	108.94	108.94
Millinocket	33	33	-	18,812.65	17,531.14	1,281.51	570.08	531.25
Milo	5	5	-	1,089.34	1,089.34	-	217.87	217.87
Milo Water District	1	-	1	216.03	-	216.03	216.03	-
Mount Desert	11	9	2	2,520.81	1,720.59	800.22	229.17	191.18
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	15	16	(1)	3,858.57	4,021.31	(162.74)	257.24	251.33
Old Town	32	31	1	6,180.69	6,187.01	(6.32)	193.15	199.58
Old Town Water District	1	1	-	477.09	477.09	-	477.09	477.09
Orland	5	5	-	487.97	487.97	-	97.59	97.59
Orono	13	13	-	2,452.21	2,452.21	-	188.63	188.63
Otisfield	1	1	-	21.89	21.89	-	21.89	21.89
Oxford	2	2	-	268.00	268.00	-	134.00	134.00
Oxford County	20	19	1	2,965.48	2,602.24	363.24	148.28	136.96
Paris	4	2	2	1,841.60	490.39	1,351.21	460.40	245.20
Paris Utilities District	4	4	-	1,431.07	4,821.50	(3,390.43)	357.77	1,205.38
Penobscot County	28	28	-	5,952.47	5,829.44	123.03	212.59	208.19
Penquis CAP, Inc.	6	3	3	657.57	347.00	310.57	109.60	115.67
Piscataquis County	8	6	2	831.91	543.23	288.68	103.99	90.54
Pittsfield	3	3	-	236.64	224.33	12.31	78.88	74.78
Portland	629	582	47	278,513.40	244,991.93	33,521.47	442.79	420.95

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1982	June 1981		June 1982	June 1981		June 1982	June 1981
Portland Housing Authority	5	5	-	\$ 1,384.22	\$ 1,330.98	\$ 53.24	\$276.85	\$266.20
Portland Public Library	11	11	-	6,153.56	5,805.24	348.32	559.42	527.75
Portland Renewal Authority	8	8	-	1,637.70	1,820.42	(182.72)	204.72	227.55
Presque Isle	28	24	4	10,943.87	9,366.19	1,577.68	390.86	390.26
Princeton	1	1	-	232.75	232.75	-	232.75	232.75
Richmond Utilities District	1	1	-	623.41	110.04	513.37	623.41	110.04
Rockland	32	31	1	9,778.60	9,144.70	633.90	305.59	294.99
Rockport	1	-	1	224.13	-	224.13	224.13	-
Rumford	35	34	1	7,775.27	7,380.08	395.19	222.15	217.06
Rumford Fire & Police	18	17	1	11,256.84	10,544.33	712.51	625.38	620.26
Rumford Water District	3	3	-	627.05	611.92	15.13	209.02	203.97
Saco	14	14	-	3,698.58	3,698.58	-	264.18	264.18
Sagadahoc County	8	8	-	1,317.39	1,317.39	-	164.67	164.67
Sanford	57	52	5	9,989.63	7,937.85	2,049.78	175.26	152.65
Sanford Housing Authority	1	1	-	150.77	144.97	5.80	150.77	144.97
Sanford Sewer District	6	6	-	1,078.65	1,078.65	-	179.78	179.78
Sanford Water District	1	1	-	163.22	163.22	-	163.22	163.22
Scarborough	26	25	1	3,277.13	3,062.92	214.21	126.05	122.52
School Administrative District #2	1	1	-	319.82	319.82	-	319.82	319.82
School Administrative District #9	10	8	2	1,260.36	952.91	307.45	126.04	119.11
School Administrative District #13	2	2	-	421.75	421.75	-	210.88	210.88
School Administrative District #16	4	4	-	322.08	322.08	-	80.52	80.52
School Administrative District #21	1	1	-	178.12	178.12	-	178.12	178.12
School Administrative District #29	7	4	3	1,156.03	719.96	436.07	165.15	179.99
School Administrative District #31	4	2	2	530.46	200.00	330.46	132.62	100.00
School Administrative District #34	9	8	1	983.71	720.07	263.64	109.31	90.00
School Administrative District #41	6	6	-	668.01	646.19	21.82	111.34	107.70
School Administrative District #49	5	6	(1)	448.60	573.59	(124.99)	89.72	95.60
School Administrative District #53	1	1	-	179.03	179.03	-	179.03	179.03
School Administrative District #54	16	17	(1)	1,540.89	1,640.89	(100.00)	96.31	96.52
School Administrative District #56	2	2	-	261.28	261.28	-	130.64	130.64
School Administrative District #60	2	1	1	175.69	48.60	127.09	87.85	48.60
School Administrative District #66	1	1	-	4.33	4.33	-	4.33	4.33
School Administrative District #67	7	6	1	788.36	704.48	83.88	112.63	117.41
School Administrative District #71	6	5	1	773.79	426.96	346.83	128.97	85.39

	Retired Persons		Increase or (Decrease)	Retirement Allowance Payroll		Increase or (Decrease)	Average Monthly Payments	
	June 1982	June 1981		June 1982	June 1981		June 1982	June 1981
Searsport	6	3	3	\$ 594.82	\$ 232.13	\$ 362.69	\$ 99.14	\$ 77.38
Skowhegan	12	11	1	2,695.56	2,069.30	626.26	224.63	188.12
Somerset County	9	8	1	1,294.55	979.96	314.59	143.84	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	161	157	4	51,104.94	47,925.91	3,179.03	317.43	305.26
Thomaston	2	2	-	430.99	414.42	16.57	215.50	207.21
Topsham	5	5	-	1,140.71	1,096.84	43.87	228.15	219.37
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	10	10	-	2,220.43	1,803.70	416.73	222.05	180.37
Washburn	1	-	1	378.01	-	378.01	378.01	-
Washington County	21	19	2	4,726.59	4,317.91	408.68	225.08	227.26
Waterville Fire & Police	13	5	8	7,531.14	3,157.71	4,393.43	579.32	627.54
Waterville Sewerage District	1	-	1	216.47	-	216.47	216.47	-
Wells	10	9	1	2,460.81	1,659.07	801.74	246.09	184.34
Wells-Ogunquit CSD	2	1	1	325.64	231.45	94.19	162.82	231.45
Westbrook	40	39	1	7,397.58	7,006.93	390.65	184.94	179.67
Westbrook Fire & Police	7	6	1	3,946.63	1,656.36	2,290.27	563.81	276.06
Wilton	5	4	1	661.62	532.40	129.22	132.33	133.10
Winslow	8	7	1	860.96	957.95	(96.99)	107.62	136.85
Winthrop	8	9	(1)	1,603.65	1,832.33	(228.68)	200.46	203.59
Yarmouth	15	13	2	3,020.50	2,468.40	552.10	201.37	189.88
York	6	5	1	1,060.17	546.85	513.32	176.70	109.37
York County	31	29	2	6,612.94	5,844.43	768.51	213.32	201.53
York Water District	6	6	-	2,431.61	2,338.09	93.52	405.20	389.68
TOTAL	<u>17,032</u>	<u>16,216</u>	<u>816</u>	<u>\$7,696,169.23</u>	<u>\$6,942,340.23</u>	<u>\$753,829.00</u>	<u>\$451.87</u>	<u>\$428.12</u>

MAINE STATE RETIREMENT SYSTEM

Survivor Benefit Payroll

June 30, 1982 and 1981

	Persons Receiving Benefits		Increase or (Decrease)	Benefits Paid		Increase or (Decrease)
	June 1982	June 1981		June 1982	June 1981	
State	431	419	12	\$ 80,226.22	\$ 74,354.99	\$ 5,871.23
Teachers	191	181	10	39,197.80	35,663.09	3,534.71
Androscoggin County	2	2	-	255.34	245.52	9.82
Auburn	11	11	-	1,800.00	1,800.00	-
Augusta	2	2	-	200.00	200.00	-
Augusta Sanitary District	1	-	1	100.00	-	100.00
Bangor	20	17	3	2,600.00	2,050.00	550.00
Bath	4	4	-	529.03	499.09	29.94
Brewer	2	2	-	200.00	200.00	-
Camden	1	1	-	112.49	108.16	4.33
Cumberland County	4	4	-	500.00	500.00	-
East Millinocket	1	1	-	100.00	100.00	-
Ellsworth	2	2	-	200.00	200.00	-
Fort Fairfield	1	1	-	100.00	100.00	-
Fort Fairfield Utilities District	1	-	1	100.00	-	100.00
Gardiner	2	1	1	200.00	100.00	100.00
Greater Portland Public Development	1	1	-	100.00	100.00	-
Houlton	2	2	-	200.00	200.00	-
Houlton Water District	2	2	-	331.93	313.14	18.79
Kennebec Water District	1	1	-	114.65	108.16	6.49
Kittery	3	2	1	450.00	200.00	250.00
Kittery Water District	2	1	1	634.52	332.56	301.96
Lewiston	8	5	3	1,312.37	955.07	357.30
Maine Turnpike Authority	20	20	-	3,564.58	3,362.79	201.79
Millinocket	1	1	-	100.00	100.00	-
Penobscot County	1	1	-	238.47	224.97	13.50
Portland	44	42	2	6,046.64	5,496.64	550.00
Presque Isle	5	4	1	650.00	700.00	(50.00)
Rumford	2	2	-	200.00	200.00	-
Scarborough	1	1	-	100.00	100.00	-
South Portland	6	7	(1)	920.29	1,102.17	(181.88)
Waterville Fire & Police	2	2	-	500.00	500.00	-
Wells	2	2	-	537.67	507.24	30.43
Westbrook Fire & Police	-	1	(1)	-	100.00	(100.00)
York County	1	1	-	248.01	233.97	14.04
TOTALS	<u>780</u>	<u>746</u>	<u>34</u>	<u>\$142,670.01</u>	<u>\$130,957.56</u>	<u>\$11,712.45</u>

MAINE STATE RETIREMENT SYSTEM

Summary of Earnings - July 1, 1942 through June 30, 1982

Year Ending June 30	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	20,012,312.28	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	96,930,762.57	11,017,004.05	3,870,496.12	4.3196
1966	108,555,742.38	11,624,979.81	4,475,359.34	4.4431
1967	120,564,775.29	12,009,032.91	5,070,389.31	4.5177
1968	135,081,371.78	14,516,596.49	5,741,943.99	4.5899
1969	150,501,422.09	15,420,050.31	6,103,338.79	4.3610
1970	163,500,431.87	12,999,009.78	6,310,034.78	4.0939
1971	175,261,654.19	11,761,222.32	6,357,344.92	3.8132
1972	184,789,453.85	9,527,799.66	6,593,475.25	3.7203
1973	185,867,989.22	1,078,535.37	6,651,554.76	3.6460
1974	188,846,484.91	2,978,495.69	8,344,366.67	4.5292
1975	188,397,103.61	(449,381.30)	9,386,916.98	5.0539
1976	193,878,411.56	5,481,307.95	8,861,728.87	4.6566
1977	206,401,915.73	12,523,504.17	10,751,249.86	5.2269
1978	230,676,904.21	24,274,988.48	12,899,069.24	5.6902
1979	247,923,507.81	17,246,603.60	16,314,180.33	6.6881
1980	272,523,379.27	24,599,871.46	21,918,345.94	7.8799
1981	346,806,884.82	74,283,505.55	28,628,894.51	8.5695
1982	383,750,315.90	36,943,431.08	37,883,766.72	9.4104

** - Earnings and Rate of Return applicable to total trust fund reserves (\$461,653,507.83 as of June 30, 1982)

MAINE STATE RETIREMENT SYSTEM
Administration Funds
Fiscal Year Ending June 1982 and 1981

	<u>General Administration</u>		<u>General Administration</u>		<u>Participating Districts</u>	
	<u>1982</u>		<u>1981</u>		<u>Actuarial Services</u>	
					<u>1982</u>	<u>1981</u>
Revenue:						
State Contributions						
Teachers (Federal Funds)	\$	\$ 18,697.41	\$	\$	\$	\$
General Fund		409,830.00				
State Employees						
General Fund	171,525.17		166,322.54			
Highway Funds	82,947.62		80,523.11			
Federal Program Funds	70,186.45		68,107.25			
Special Revenue Funds	22,895.05		22,284.92			
Other State Funds	33,454.10		26,851.37	364,089.19		
Total State Contributions		381,008.39		726,349.19		
Participating Districts		164,177.00		131,628.63	65,937.00	60,894.00
Academies		--		527.53		
Miscellaneous Income		84.00		30.00		
Total Revenue		<u>973,796.80</u>		<u>858,535.35</u>	<u>65,937.00</u>	<u>60,894.00</u>
Expenditures:						
Personal Services		399,701.00		349,967.49		
Actuarial Services						
Towne & Associates		29,898.24		19,714.04	65,937.00	60,894.00
Data Processing		66,818.03		84,321.15		
Utilities		9,621.11		8,442.26		
Postage & Mailing		38,430.47		36,750.55		
Repairs to Equipment		12,744.84		10,244.10		
Printing & Binding		15,638.04		9,334.06		
Office Supplies		9,131.18		11,333.76		
Retirement Costs		69,904.52		59,513.14		
Research & Legal Services		12,681.69		11,804.28		

Health Insurance	16,496.44	11,721.69		
STA-CAP Costs	158,879.27	75,069.52		
General Operating Costs	2,823.11	1,458.65		
Travel	16,858.24	8,247.31		
Office Equipment	—	10,927.67		
Total Expenditures	<u>859,626.18</u>	<u>708,849.67</u>	<u>65,937.00</u>	<u>60,894.00</u>
Current Year Reserves	114,170.62	149,685.68		
Prior Year Reserves	<u>721,821.80</u>	<u>572,136.12</u>		
Balance of Reserves	<u>\$835,992.42</u>	<u>\$721,821.80</u>	<u>-0-</u>	<u>-0-</u>

Note: Expenditures have been reduced for the 1982 year by \$144,896.10 and charged to the Insurance (\$60,350.00) and Social Security (\$84,636.10) administration accounts

State Employee Retiree Health Insurance
Fiscal Year Ending June 1982 and 1981

	<u>1982</u>	<u>1981</u>
<u>Revenue:</u>		
General Fund	\$ 541,071.28	\$ 778,816.01
Highway Funds	261,655.92	377,054.65
Federal Program Funds	221,401.16	318,916.62
Special Revenue Funds	72,221.77	104,350.56
Other State Funds	<u>105,529.99</u>	<u>125,733.25</u>
Total Revenue	1,201,880.12	1,704,871.09
<u>Expenditures:</u>		
Health Insurance Premiums	<u>1,357,373.00</u>	<u>992,465.15</u>
Current Year Reserves	(155,492.88)	712,405.94
Prior Year Reserves	<u>1,878,180.71</u>	<u>1,165,774.77</u>
Balance of Reserves	<u>\$1,722,687.83</u>	<u>\$1,878,180.71</u>



Evaluation Associates, Incorporated

25 Sylvan Road South, Westport, Connecticut 06880 (203) 226-7804

January 3, 1983

Board of Trustees
Maine State Retirement System
Augusta, ME 04333

Dear Board Member:

This letter highlights developments over the past fiscal year and discusses some of the analyses performed over that period that subsequently led to investment decisions made by the Board.

The favorable investment performance experienced by the Fund during Fiscal Year 1981 was not repeated during the most recent fiscal year (ending June 30, 1982). As you can see from the following table, the assets that performed best in Fiscal Year 1981 did poorly in Fiscal Year 1982. More specifically, common stocks did poorly in Fiscal Year 1982, bonds did relatively well; both classes of assets reversed their investment performance trends from Fiscal Year 1981.

Investment Performance: Total Fund

	<u>Fiscal Year 1982</u> <u>6/30/81-6/30/82</u>	<u>Fiscal Year 1981</u> <u>6/30/80-6/30/81</u>	<u>5 Years</u> <u>6/30/77-6/30/82</u>
<u>MSRS Total Fund</u>	-2.0%	15.7%	7.8%
EAI Data Base (Balanced Manager Median)	0.4	13.2	7.5
<u>Market Indices</u>			
Standard & Poors 500	-11.5	20.6	7.3
Dow Jones Industrials	-11.4	19.1	3.5
Salomon Bros. Bond Index	8.7	-13.0	-0.4
90-day Treasury Bills	13.1	12.5	10.2
50% S&P 500/50% Salomon Bond Index	-1.4%	3.8%	3.5%

Such volatility in investment experience has been characteristic of the investment markets over the past few years. The recent fiscal year comparisons highlight this phenomenon.

The majority of the Fund's assets have been invested with equity managers that, because of their long-term strategic investment perspective, have not actively increased the cash position of their portfolios when interim market weakness was anticipated. Thus, the volatility of the long-term capital markets was mirrored in the investment performance of the Total Pension Fund. When common stocks fared poorly (as was the case in Fiscal Year 1982), the performance of the Total Fund deteriorated.

Some steps have been taken since the close of Fiscal Year 1982 to introduce more flexibility in the asset mix decision. A common stock manager was terminated because of poor investment performance coupled with a relatively inflexible asset allocation style. These assets were redistributed among existing managers with a more active asset allocation style. Additionally, a search for a new "more active" common stock manager was conducted and at the end of 1982, Forstmann-Leff Associates was retained.

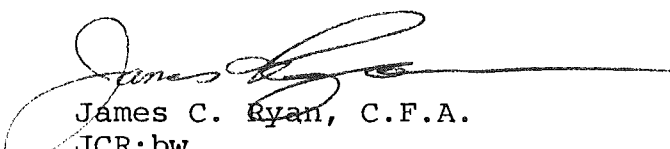
It is important to note that while during Fiscal Year 1982, the Fund had lackluster performance, the long-term (5-year) investment experience is above median compared to balanced managers in the EAI Data Base. Furthermore, the manager changes effected after the close of Fiscal Year 1982 will enhance the asset mix flexibility of the Fund and serve to better insulate the Fund from periods of general investment market decline.

During Fiscal Year 1982, an analysis was conducted regarding the investment capabilities of Maine banks. Additional funding to these managers was accomplished after the close of the fiscal year. Additionally, the investment of Fund assets in some non-traditional vehicles (residential mortgages, oil participations) was investigated. No action was taken.

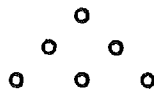
During Fiscal Year 1982, the Fund accumulated cash reserves in the Treasurer's account, benefitting the Fund from the relatively high returns available from short-term securities. Concerned that these reserves had accumulated to a level that exposed the Fund to some strategic risk, these funds have since been allocated to the investment managers.

We at EAI are confident that changes made in the investment manager structure will enhance the long-term performance of the Fund, and find our consulting relationship with the Board both professionally and personally satisfying.

Sincerely yours,



James C. Ryan, C.F.A.
JCR:bw



AUDIT REPORT

MAINE STATE RETIREMENT SYSTEM

FISCAL YEAR ENDED

JUNE 30, 1981

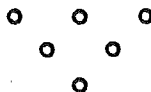


TABLE OF CONTENTS

Auditors' Report

Maine State Retirement System - Comparative Balance Sheet	Exhibit A
Maine State Retirement System - Statement of Operations - By Fund	Exhibit B
Maine State Retirement System - Comparative Statement of Net Income From Investments, Including Profit or Loss on Sales of Securities, Investment Costs and Adjustments	Exhibit C
Maine State Retirement System - Comparative Statement of Trust Fund Reserves	Exhibit D
Maine State Retirement System - Expense Fund - Comparative Statement of Operations	Exhibit E
Group Life Insurance Fund - Comparative Balance Sheet	Exhibit F
Group Life Insurance Fund - Comparative Statement of Operations	Exhibit G
Federal Social Security Fund - Comparative Balance Sheet	Exhibit H
Notes to Financial Statements	
Audit Findings and Recommendations	



STATE OF MAINE
DEPARTMENT OF AUDIT
STATE HOUSE STATION 68
AUGUSTA, MAINE 04233
Area Code 207
Tel. 223-2201

GEORGE J. RAINVILLE
STATE AUDITOR

To the President of the Senate and the
Speaker of the House of Representatives

In accordance with Title 5, Section 243, Maine Revised Statutes Annotated of 1964, as amended, an audit has been conducted of the financial records of the Maine State Retirement System, including the Federal Social Security and Group Life Insurance Funds, for the fiscal year ended June 30, 1981.

The examination, except as disclosed in the following paragraph, was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such auditing procedures as were considered necessary in the circumstances.

Our examination of the investment portfolio of the Maine State Retirement System was limited to the review of the financial reports furnished by the fiduciary. We did not perform physical inventories of the investments held for safekeeping by the fiduciary.

In our opinion, except for the effects, if any, of the matter discussed in the preceding paragraph, the aforementioned financial statements present fairly the financial position of the Maine State Retirement System at June 30, 1981, and the results of its operations and its change in financial position for the year then ended, in conformity with generally accepted accounting principles on a basis consistent with that of the preceding year.

George J. Rainville
State Auditor

March 5, 1982

MAINE STATE RETIREMENT SYSTEM

COMPARATIVE BALANCE SHEET

AS OF JUNE 30,

	<u>1981</u>	<u>1980</u>
<u>ASSETS</u>		
Current Assets:		
Equity in Treasurer's Demand		
Cash and/or Investments	\$ 33,892,717.56	\$ 39,149,222.41
Fiduciary Time Deposits	2,500,077.82	4,000,000.00
Fiduciary Fiscal Agent - Cash	<u>574,568.47</u>	<u>1,598,509.89</u>
	\$ 36,967,363.85	\$ 44,747,732.20
Accounts Receivable	13,837.21	1,851.00
Less - Reserve	<u>100.00</u>	<u>-0-</u>
	13,737.21	1,851.00
Prepaid Expense	3,753.66	
Accrued Interest	2,932,865.54	4,228,247.73
Investments:		
Bonds	131,375,921.76	117,101,913.97
Stocks	170,133,129.57	120,126,223.11
Commingled Trust Fund -		
Morgan Guaranty Trust	18,756,691.52	16,998,065.81
Travelers Insurance Company	10,620,586.02	3,448,684.69
Insured Guaranteed Contract		
Union Mutual)	8,069,530.85	5,000,000.00
Mortgage Loans (net)	<u>5,350,947.28</u>	<u>5,848,491.79</u>
	344,306,807.00	268,523,379.27
Total	<u>\$384,224,527.26</u>	<u>\$317,501,210.30</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 11,921.43	\$ 352,030.22
Due to Other Funds	3,753.66	
Blue Cross - Blue Shield	232,671.45	
Suspense Account - Credit Balance		55.10
State Retirees Health Insurance	1,878,180.71	1,165,774.77
<u>RESERVES</u>		
Members' Contribution Fund	\$262,186,123.79	\$236,927,380.11
Retirement Allowance Fund	95,291,906.09	75,672,585.89
Survivors' Benefit Fund	<u>15,923,584.59</u>	<u>13,279,741.61</u>
	373,401,614.47	325,879,707.61
Authorized Expenditures	721,821.80	572,136.12
Future Losses on Investments	<u>7,974,563.74</u>	<u>(10,468,493.52)</u>
Total	<u>\$384,224,527.26</u>	<u>\$317,501,210.30</u>

MAINE STATE RETIREMENT SYSTEM
STATEMENT OF OPERATIONS - BY FUNDS
FISCAL YEAR ENDED JUNE 30, 1981

	Total	Members' Contribution Fund	Retirement Allowance Fund	Retirement Allowance Adjustment Fund	Survivors' Benefit Fund
Balance - July 1 (adjusted)	\$325,892,239.58	\$236,928,766.73	\$75,480,996.63	\$2,704.75	\$12,277,771.47
Additions:					
Contributions	67,750,482.79	35,971,747.93	31,033,720.06	403.67	744,012.13
Earnings on Investments	29,304,937.41		29,304,937.41		
Interfund Transfers	37,765,453.09	7,786,032.37	26,536,748.69		3,442,672.23
Total Additions	134,820,873.29	43,757,780.30	86,875,406.16	403.67	4,186,684.36
Total	460,713,112.87	280,686,547.03	162,556,402.79	3,108.42	17,464,455.83
Deductions:					
Retirement Pensions Paid	60,182,129.68		58,638,659.64		1,543,470.04
Refund on Contributions	7,500,904.65	7,500,879.52	25.13		
Refunds to Beneficiaries	270,193.21	270,193.21			
Refunds to Survivors	23,647,332.01		111,675.33	23,535,696.68	
Interfund Transfers	12,682,256.98	10,729,350.51	120,940.77	(23,532,548.26)	
Interest Payments on Employee Accounts	7,717,152.93		7,717,152.93		
Other Deductions	676,042.90		676,042.90		
Total Deductions	87,311,498.40	18,500,423.24	67,264,496.70	3,108.42	1,543,470.04
Balance - June 30	\$373,401,614.47	\$262,186,123.79	\$95,291,906.09	\$-0-	\$15,920,985.79

MAINE STATE RETIREMENT SYSTEM
 COMPARATIVE STATEMENT OF NET INCOME FROM INVESTMENTS,
 INCLUDING PROFIT OR LOSS ON SALE OF SECURITIES,
 INVESTMENT COSTS AND ADJUSTMENTS
 FISCAL YEARS ENDED JUNE 30,

	<u>1 9 8 1</u>	<u>1 9 8 0</u>
Income from Investments:		
Interest -		
Bonds	\$22,710,928.64	\$17,365,537.94
Mortgages	271,175.94	305,915.97
Time Deposits	445,616.66	262,011.74
	<u>23,427,721.24</u>	<u>17,933,464.65</u>
Dividends -		
Stocks	<u>5,877,216.17</u>	<u>4,622,814.92</u>
Other -		
Discount on Mortgages	<u>1,322.74</u>	<u>171,876.91</u>
Total Income from Investments	<u>29,306,260.15</u>	<u>22,728,156.48</u>
Add:		
Profit on Sale of Securities	<u>24,284,438.52</u>	<u>14,005,242.32</u>
	<u>53,590,698.67</u>	<u>36,733,398.81</u>
Less:		
Loss on Sale of Securities	5,842,704.00	2,189,710.75
Investment Costs	<u>676,042.90</u>	<u>637,933.64</u>
	<u>6,518,746.90</u>	<u>2,827,644.39</u>
Total	<u>\$47,071,951.77</u>	<u>\$33,905,754.49</u>

MAINE STATE RETIREMENT SYSTEM
COMPARATIVE STATEMENT OF TRUST FUND RESERVES
FISCAL YEARS ENDED JUNE 30,

	<u>1 9 8 1</u>	<u>1 9 8 0</u>
Members' Contribution Fund -		
State Employees	\$ 89,756,233.59	\$ 81,031,501.69
Teachers (Post 7/1/24)	127,482,799.37	116,177,395.55
Participating Districts	<u>44,947,090.83</u>	<u>39,718,482.87</u>
	<u>262,186,123.79</u>	<u>236,927,380.11</u>
Retirement Allowance Fund -		
State Employees	66,605,008.62	57,343,373.67
Teachers (Post 7/1/24)	89,113,906.27	79,981,585.39
Teachers (Pre 7/1/24)	(162,572,899.33)	(141,017,263.47)
Disability Retirements	19,349,919.11	12,380,461.86
Accidental Death Benefits	635,055.69	316,163.28
Participating Districts	<u>82,160,915.73</u>	<u>66,668,265.16</u>
	<u>95,291,906.09</u>	<u>75,672,585.89</u>
Survivors' Benefit Fund -		
State Employees	5,451,855.44	4,119,784.57
Teachers (Post 7/1/24)	8,968,763.32	7,822,624.98
Participating Districts	<u>1,502,965.83</u>	<u>1,337,322.06</u>
	<u>15,923,584.59</u>	<u>13,279,741.61</u>
Total	373,401,614.47	325,879,707.61
Add:		
Reserve for Future Losses	<u>7,974,563.74</u>	<u>10,468,493.52</u>
Total Trust Fund Reserves	<u>\$381,376,178.21</u>	<u>\$315,411,214.09</u>

MAINE STATE RETIREMENT SYSTEM
EXPENSE FUND
COMPARATIVE STATEMENT OF OPERATIONS
FISCAL YEARS ENDED JUNE 30,

	<u>1 9 8 1</u>	<u>1 9 8 0</u>
Balance - July 1 (adjusted)	\$ <u>572,166.12</u>	\$ <u>353,411.23</u>
Contributions From:		
General Fund	528,582.54	513,083.60
General Highway Fund	80,523.11	78,566.59
Other Special Revenue Fund	22,284.92	21,107.37
Bond Fund	29.97	78.50
State Cost Allocation Fund		3.99
Public Service Enterprise Fund	9,748.86	9,128.00
Intra Governmental Fund	9,556.83	9,110.49
Trust and Agency Fund	835.54	779.48
Participating Districts	131,628.63	137,576.43
Social Security Administrative Costs (contra)	69,251.00	55,404.70
University of Maine and Indian Education	6,680.17	5,944.44
Federal Expenditure Fund	68,107.25	60,619.33
Actuarial Services (contra)	60,894.00	59,459.00
Academies	527.53	586.07
Miscellaneous		50.00
Total Contributions	<u>988,650.35</u>	<u>951,497.99</u>
Total	<u>\$1,560,816.47</u>	<u>\$1,304,909.22</u>
Expenditures:		
Retirement System -		
Personal Services -		
Salaries and Wages	\$ 349,967.49	\$ 328,299.88
Employer Retirement Costs	59,513.14	55,445.84
Other Benefits and Allowances	11,989.31	11,779.25
Capital Expenditures	10,700.51	4,565.14
All Other -		
Contractual Services	190,048.78	188,950.25
Commodities	11,560.92	8,669.21
Contributions to General Fund	75,069.52	20,199.83
	<u>708,849.67</u>	<u>617,909.40</u>
Social Security Administrative Costs (contra)	69,251.00	55,404.70
Reimbursable Actuarial Services (contra)	60,894.00	59,459.00
	<u>130,145.00</u>	<u>114,863.70</u>
Total Expenditures	838,994.67	732,773.10
Balance Carried - June 30	<u>721,821.80</u>	<u>572,136.12</u>
Total	<u>\$1,560,816.47</u>	<u>\$1,304,909.22</u>

MAINE STATE RETIREMENT SYSTEM
 GROUP LIFE INSURANCE FUND
 COMPARATIVE BALANCE SHEET
 FISCAL YEARS ENDED JUNE 30,

	<u>1981</u>	<u>1980</u>
<u>ASSETS</u>		
Equity in Treasurer's Demand Cash and/or Investments	\$10,974,004.73	\$9,020,139.44
Accounts Receivable	10,510.00	5,895.00
Due From Other Funds	50,000.00	50,000.00
Total	<u>\$11,034,514.73</u>	<u>\$9,076,034.44</u>
 <u>RESERVES, LIABILITIES AND WORKING CAPITAL</u>		
Accounts Payable	\$ 273,405.20	\$ 245,120.57
Working Capital Advance	50,000.00	50,000.00
Reserve for Future Premiums	8,236,954.11	6,766,345.62
Reserve for Deficiency -		
Basic	\$ 25,000.00	\$ 25,000.00
Supplemental	<u>2,449,155.42</u>	<u>1,971,699.25</u>
	<u>2,474,155.42</u>	<u>1,996,699.25</u>
Total	<u>\$11,034,514.73</u>	<u>\$9,076,034.44</u>

MAINE STATE RETIREMENT SYSTEM
GROUP LIFE INSURANCE FUND
COMPARATIVE STATEMENT OF OPERATIONS
FISCAL YEARS ENDED JUNE 30,

EXHIBIT C

	1 9 8 1	1 9 8 0
Available Funds:		
Premiums -		
Basic	\$2,181,494.98	\$2,027,268.58
Supplemental	998,438.48	956,924.17
Dependent	<u>75,849.56</u>	<u>75,909.07</u>
	\$3,255,783.02	\$3,060,101.82
Dividends Received -		
State and Teachers	1,178,878.00	1,345,143.00
Participating Districts	<u>254,402.00</u>	<u>205,539.00</u>
	1,433,280.00	1,550,682.00
Appropriation from General Fund -		
Retired Employees Premiums	359,000.00	359,000.00
Reimbursement of Administration Costs -		
State	50,000.00	50,000.00
Participating Districts	<u>10,510.00</u>	<u>5,695.00</u>
	60,510.00	55,695.00
Earnings on Investments -		
Treasurer's Cash Pool	<u>1,499,737.25</u>	<u>1,103,524.60</u>
Total	<u>\$6,608,310.27</u>	<u>\$6,129,003.42</u>
Expenditures, Dividend Distribution and Additions to Reserves:		
Premiums Paid to Insurer -		
Active Employees:		
Employees and Employers Contributions -		
Basic	\$2,181,494.98	\$2,027,268.58
Supplemental	998,438.48	956,924.17
Dependent	<u>75,849.56</u>	<u>75,909.07</u>
	\$3,255,783.02	\$3,060,101.82
Retired Persons:		
Retirees Life Insurance Premiums	<u>856,870.59</u>	<u>695,520.17</u>
	\$4,112,653.61	\$3,755,621.99
Supplemental Distribution	232,680.00	460,800.00
Administration Expense	60,510.00	55,695.00
Dividend Distribution to Participating Districts -		
Cash Payment	249,260.00	200,508.28
Retained for Administrative Costs	<u>5,142.00</u>	<u>5,030.72</u>
	254,402.00	205,539.00
Addition to Reserves -		
Reserve for Retirees Premiums	1,470,603.49	1,464,803.75
Reserve for Supplemental Distribution	<u>477,456.17</u>	<u>126,543.68</u>
	1,948,064.66	1,651,347.43
Total	<u>\$6,608,310.27</u>	<u>\$6,129,003.42</u>

MAINE STATE RETIREMENT SYSTEM
 FEDERAL SOCIAL SECURITY FUND
 COMPARATIVE BALANCE SHEET
 FISCAL YEARS ENDED JUNE 30,

	<u>1981</u>	<u>1980</u>
<u>ASSETS</u>		
Equity in Treasurer's Demand Cash and/or Investments	\$1,303,402.57	\$854,979.14
Accounts Receivable	<u>22,758.15</u>	<u>36,108.45</u>
Total	<u>\$1,326,160.72</u>	<u>\$891,087.59</u>
 <u>LIABILITIES, WORKING CAPITAL AND RESERVES</u>		
Federal Accounts Payable	\$ 291,843.61	\$204,091.85
Reserve for Authorized Expenditures	1,024,317.11	676,995.74
Working Capital Advance	<u>10,000.00</u>	<u>10,000.00</u>
Total	<u>\$1,326,160.72</u>	<u>\$891,087.59</u>

MAINE STATE RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1981

NOTE A - Summary of Organizational Structure

The State Employees Retirement System, a joint contributory retirement program, was first created in 1942. In 1947, the Teachers Retirement Association, originally established in 1923, was abolished and its duties assumed by the presently renamed Maine State Retirement System.

The responsibility for the proper administration of the System is vested in an eight member Board of Trustees. The Board includes three members appointed by the Governor, subject to review and approval by the Joint Standing Committee on Aging, Veterans and Retirement and to confirmation by the Legislature. One member is elected by the Maine State Employees' Association, one elected by the Maine Teachers Association, one who is a member of the System through a participating district and is appointed by the Maine Municipal Association, one who is the recipient of a retirement allowance through the system and is elected by the members of the Board, and the State Treasurer who is an ex-officio non-voting member.

In 1953 the Board of Trustees was assigned administrative responsibility for the State's Group Life Insurance plan. The Maine State Retirement System has also been designated by the Legislature 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 for their employees.

A consulting actuary is employed under provisions of the law whose duties are to make all computations of benefits and to determine what appropriation requests shall be made to the Legislature to maintain the System in a solvent position.

A Medical Board consisting of three physicians not eligible to participate in the System, is also provided under the law. This Board has a primary function of determining the validity of disability and service incurred disability claims.

NOTE B - Significant Accounting Policies

The accounts of the Maine State Retirement System are maintained in accordance with the balanced fund principle of accounting. The System operates on the accrual basis for its revenue and expenditures.

Title 5, Chapter 101, Subchapter III, Section 1062, Maine Revised Statutes Annotated of 1964, as amended, provides that all of the assets of the Retirement System be credited, according to the purpose for which they are held, among five funds, namely, the Members' Contribution Fund, the Retirement Allowance Fund, the Expense Fund, the Survivors' Benefit Fund and the Retirement Allowance Adjustment Fund.

NOTE C - Assets

Total assets at the end of the fiscal year were \$384,224,527.26; an increase of \$66,723,316.96 as compared with the previous fiscal year. These assets were comprised of an equity in the State Treasurer's demand cash and/or investment account amounting to \$33,892,717.56, corporate bonds of \$131,375,921.76; corporate stocks of \$170,133,129.57; mortgages and mortgage type investments of \$34,728,224.82; fiduciary time deposits of \$2,500,077.82 and other assets of \$11,594,455.73.

The book value of investments amounted to \$346,806,884.82 as compared with a market value on these investments of \$364,724,813.15.

NOTE D - Trust Fund Reserves

Trust fund reserves for membership contributions, allowances and survivor benefits totaled \$381,376,178.21 at June 30, 1981. These reserves were as follows:

	Year Ended June 30, 1981	Increase
Members' Contribution Fund -		
State Employees	\$ 89,756,233.59	\$ 8,724,731.90
Teachers	127,482,799.37	11,305,403.82
Participating Districts	44,947,090.83	5,228,607.96
	<u>262,186,123.79</u>	<u>25,258,743.68</u>
Retirement Allowance Fund -		
State Employees	66,605,008.62	9,261,634.95
Teachers (Post - 7/1/24)	89,113,906.27	9,132,320.83
Teachers (Pre - 7/1/24)	(162,572,899.33)	(21,555,635.86)
Disability Retirements	19,349,919.11	6,969,457.25
Accidental Death Benefits	635,055.69	318,892.41
Participating Districts	82,160,915.73	15,492,650.57
	<u>95,291,906.09</u>	<u>19,619,320.20</u>
Survivors' Benefit Fund -		
State	5,451,855.44	1,332,070.87
Teachers	8,968,763.32	1,146,128.34
Participating Districts	1,502,965.83	165,643.77
	<u>15,923,584.59</u>	<u>2,643,842.98</u>
Total	373,401,614.47	47,521,906.86
Add: Reserve for Future Losses	<u>7,974,563.74</u>	<u>18,443,057.26</u>
Total Trust Fund Reserves	<u>\$381,376,178.21</u>	<u>\$65,964,964.12</u>

The deficit in the Pre - 7/1/24 teachers account in the Retirement Allowance Fund increased by \$21,555,635.86 to \$162,572,399.33. The deficit results from unfunded benefit payments together with interest charges over and above contributions made by the State and individual teachers in this group. However, the appropriations approved by the 110th Legislature will commence the funding of the old system teacher plan in the 1981-82 fiscal year.

The reserve for future losses amounted to \$7,974,563.74; an increase of \$18,443,057.26 as compared with the previous fiscal year. The increase resulted, mainly, from gains realized on the sale of stock offset, in part, by losses taken on the sale of bonds.

NOTE E - Income from Investments

Income from investments totaled \$47,071,951.77; an increase of \$13,166,197.35 as compared with the previous fiscal year. A two year comparison of income is as follows:

	<u>1 9 8 1</u>	<u>1 9 8 0</u>	<u>Increase (Decrease)</u>
Income from Investments:			
Interest -			
Bonds	\$22,710,928.64	\$17,365,537.84	\$ 5,345,390.80
Mortgages	271,175.94	305,915.07	(34,739.13)
Time Deposits	445,616.66	262,011.74	183,604.92
	<u>23,427,721.24</u>	<u>17,933,464.65</u>	<u>5,494,256.59</u>
Dividends -			
Stock	<u>5,877,216.17</u>	<u>4,622,814.93</u>	<u>1,254,401.24</u>
Other -			
Discount on Mortgages	<u>1,322.74</u>	<u>171,876.91</u>	<u>(170,554.17)</u>
Total Income from Investments	<u>29,306,260.15</u>	<u>22,728,156.49</u>	<u>6,578,103.66</u>
Add:			
Profit on Sale of Securities	<u>24,284,438.52</u>	<u>14,005,242.32</u>	<u>10,279,196.20</u>
	<u>53,590,698.67</u>	<u>36,733,398.81</u>	<u>16,857,299.86</u>
Less:			
Loss on Sale of Securities	<u>5,842,704.00</u>	<u>2,189,710.75</u>	<u>3,652,993.25</u>
Investment Costs	<u>676,042.90</u>	<u>637,933.64</u>	<u>38,109.26</u>
	<u>6,518,746.90</u>	<u>2,827,644.39</u>	<u>3,691,102.51</u>
Total	<u>\$47,071,951.77</u>	<u>\$33,905,754.42</u>	<u>\$13,166,197.35</u>

NOTE F - Expenditures

Expenditures for the year totaled \$838,994.67; an increase of \$106,221.57 as compared with the previous fiscal year. The increase was reflected in all categories.

NOTE G - Federal Social Security Fund

The Maine State Retirement System is designated by statute as the State Agency to administer social security coverage to the employees of political subdivisions in Maine. The System administers the collection of the F.I.C.A. tax and periodically remits the amounts collected directly to the Social Security Administration.

Contributions received from subdivisions and their employees amounted to \$29,767,719.18; an increase of \$6,719,594.64 as compared with the previous fiscal year. These contributions, added to the amount brought forward of \$204,091.85; less \$291,843.61 carried forward for payment in the ensuing year, were paid to the Treasurer of the United States in accordance with the provisions of the Social Security Act.

NOTE H - Group Life Insurance Fund

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 local districts who elect to participate.

Total assets of the Group Life Insurance Fund at June 30, 1981 were \$11,034,514.73 and were comprised of an equity in the Treasurer's Cash Pool, accounts receivable, and due from other funds. Cash held in the Cash Pool earned interest of \$1,499,737.25 during the fiscal year.

Premiums collected and paid to the insurer during the fiscal year totaled \$3,255,783.02. Dividends received from the insurer amounted to \$1,433,280.00 and reserves were increased by \$1,948,064.66.

AUDIT FINDINGS AND RECOMMENDATIONS

Group Life Insurance Dividend

A review of dividends received from Union Mutual Life Insurance Company for 1980-81 revealed that a reduction of \$7,214.00 had been taken into consideration because of a deficit in the City of Bangor account. The deficit was a result of incurred claims plus gross retention being greater than the earned premium plus interest credits. It was further noted that dividends for the prior year had been reduced by \$3,965.00 because of a like situation. The total deficit was applied against dividends due the State and Teachers account and has not been cleared as of the date of audit. This situation continues to reduce interest earnings which could be realized by the State and Teachers account.

We recommend that the City of Bangor be billed for all amounts due.

Capital Equipment Records

A review of the capital equipment detail records revealed that postings have not been made since June 30, 1980.

We recommend that the capital equipment records be brought up-to-date and maintained on a current basis.

TOWNE & ASSOCIATES

Actuaries

Management Consultants

EMPLOYEE BENEFIT PLANS

ROBERT J. TOWNE, F.S.A.
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ATLANTA, GEORGIA

SEAL & LOHSE
GARDEN CITY, NEW YORK
&
GENEVA, SWITZERLAND

LLEWELLYN W. JENSEN
CAPE ELIZABETH, MAINE

January 14, 1983

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, 1982, 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



Robert J. Towne, President
Fellow, Society of Actuaries

RJT/bgb

ACTUARIAL VALUATIONS
AS OF JUNE 30, 1982
MAINE STATE RETIREMENT SYSTEM

Submitted
January 14, 1983

— 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	8
B	<u>VALUATION RESULTS</u>	
	1. Actuarial Balance Sheet	10
	2. Accrued Benefit Reserve Funding	13
	3. Survivor Benefits Reserve	20
	4. Disability Benefits Reserve	20
	5. Accidental Death Benefits Reserve	21
	6. Employer - Employee Contributions	22
	7. Fiscal Year Actuarial Experience	23
C	<u>EMPLOYEE STATISTICS AS OF JULY 1, 1982</u>	
	1. Distribution of Active Employees (State and Teachers)	29
	2. Distribution of Retired Employees (State and Teachers)	32
	3. Distribution of Participating District Employees	36
D	<u>ACTUARIAL ASSUMPTIONS</u>	
	1. Amount of Benefits	37
	2. Probability of Receipt of Benefits	37
	3. Investment Income	38
	4. Contributions	38
	5. Administrative Expenses	39
	6. Funding Method	39
E	<u>RETIREMENT SYSTEM BENEFIT PROVISIONS</u>	
	I Bases for Benefits	44
	II Retirement Conditions	45
	III Benefit Formulas	46
	IV Optional Methods of Retirement Payment	47
	V Cost of Living Adjustments	47
	VI Death Benefits	48
	VII Termination of Employment Before Retirement	49
	VIII Employee Contributions	49

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SECTION A
SUMMARY OF REPORT

1. Scope of Report

a) Purpose of the actuarial valuations

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

- i) The financial condition of the retirement system as revealed by an actuarial valuation of the assets and liabilities of the system, to be shown in the annual report of the board of trustees of the retirement system, as provided in subsection 9 of section 1031 of said laws, and
- ii) The percentage rates of contributions payable by the state and participating districts under the system 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 and investment earnings on such assets and future additions thereto, 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 252 participating districts for the fiscal period 1983 - 84 and the results thereof submitted to them. A summary of such results is contained in this report. The districts consisted of 122 cities and towns, 17 counties, 17 school administrative districts and 96 others (e.g. water districts).

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, 1982, 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, 1982, 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, 1981 through June 30, 1982, the state contribution requirements for the biennial 1983 - 85 fiscal period and participating district contribution requirements for the annual 1983 - 84 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 1983 - 85, based upon the actuarial valuations as of June 30, 1982, are as follows:

Fiscal Period	
<u>1983 - 84</u>	<u>1984 - 85</u>

i) State employees

(A) Retirement benefits

(I) All state employees

Future service	3.69%	3.69%
Accrued service	<u>9.14</u>	<u>9.40</u>
Total	<u>12.83</u>	<u>13.09</u>

(II) Special state groups - contributions additional to those payable in (I) above:-

State police	18.72	18.72
Sea and shore wardens	18.25	18.25
Game wardens	20.63	20.63
Prison wardens	5.52	5.52
Liquor inspectors	3.08	3.08
Forest rangers	3.93	3.93

(B) Disability benefits

(I) Regular state employees	1.47	1.47
(II) Special state groups		
State police	1.89	1.89
Sea and shore wardens	1.95	1.95
Game wardens	2.01	2.01
Prison wardens	1.80	1.80
Liquor inspectors	1.83	1.83
Forest rangers	1.55	1.55

(C) Accidental death benefits

(I) Regular state employees	.05	.05
(II) Special state groups	.60	.60

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		Fiscal Period	
		<u>1983 - 84</u>	<u>1984 - 85</u>
(D)	<u>Survivor benefits</u>		
(I)	All state employees	.42%	.42%
(E)	<u>All benefits</u>		
(I)	Regular state employees	14.77	15.03
(II)	Special state groups		
	State police	34.46	34.72
	Sea and shore wardens	34.05	34.31
	Game wardens	36.49	36.75
	Prison wardens	21.17	21.43
	Liquor inspectors	18.76	19.02
	Forest rangers	19.33	19.59
(III)	All state employees	<u>15.89</u>	<u>16.15</u>

ii) Teachers

(A)	<u>Retirement benefits</u>		
	Future service	4.16	4.16
	Accrued service	10.23	10.52
	Total	<u>14.39</u>	<u>14.68</u>
(B)	<u>Disability benefits</u>	1.52	1.52
(C)	<u>Accidental death benefits</u>	.05	.05
(D)	<u>Survivor benefits</u>	<u>.31</u>	<u>.31</u>
(E)	<u>All benefits</u>	16.27	16.56

The total contribution rate for regular state employees for the 1983 - 84 fiscal period decreased by .15 from the rate for the 1982 - 83 fiscal period which was due to the following:-

- (A) .25 increase in the accrued service contribution rate which reflects the regular 3% increase in such rate;
- (B) .01 decrease in the yearly term cost of the disability benefits which is based on tabular factors and is redetermined each biennium;

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- (C) .02 increase in the accidental death benefit cost due to unfavorable actuarial experience, and
- (D) .41 decrease in the survivor benefits rate which is based on tabular factors and is redetermined each biennium, the decrease also reflecting the reduction in the unfunded liability reserve.

The total contribution rate for all state employees for the 1983 - 84 fiscal period decreased by .13 from the rate for the 1982 - 83 fiscal period due to the same reasons stated above for regular state employees, although the change in rates for the special state groups varied for the individual group, the rates for state police, sea and shore workers and game wardens being somewhat greater for the 1983 - 84 fiscal period and less for the other groups.

The total contribution rate for MTRA teachers for the 1983 - 84 fiscal period increased by .29 from the rate for the 1982 - 83 fiscal period which was due due to the following similar reasons stated above for regular state employees:-

- (A) .28 increase in the accrued service contribution rate, the regular 3% increase;
- (B) .06 increase in the yearly term cost of the disability benefits;
- (C) .02 Increase in the accidental death benefit charge, and
- (D) .07 decrease in the survivor benefits rate

b) State contributions for old system teachers benefits

The state, since the fiscal period ending June 30, 1982, makes annual contributions to provide for the funding of the accrued benefit liability of the old system teachers benefits, which are separate from the contributions determined under a) of this subsection. The amounts of such contributions for the fiscal period ending June 30, 1984 and June 30, 1985 are \$14,300,000 and \$15,500,000, respectively.

c) 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, 1982, are funded by additional state contributions into the system that are determined specifically for each such act.

d) 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 1983 - 84, based upon the actuarial valuations as of June 30, 1982, were submitted to each district in separate actuarial valuation reports. The weighted average contribution rates for the 252 districts with total salaries of \$122,965,950 are shown following as well as corresponding rates for the periods 1981 - 82 and 1982 - 83.

i) <u>Retirement benefits</u>	<u>1981 - 82 Period</u>	<u>1982 - 83 Period</u>	<u>1983 - 84 Period</u>
Future service	6.83%	6.77%	6.90%
Accrued service	<u>6.43</u>	<u>6.01</u>	<u>5.68</u>
Total service	13.26	12.78	12.58

ii) Survivor benefits

There are 81 districts, with total annual salaries of \$76,017,024, that have elected survivor benefits for their employees. The average annual contribution rate payable by those districts for the 1983 - 84 period is .29%, weighted by salaries, the same for the 1982 - 83 period and .31% for the 1981 - 82 period.

— TOWNE —

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, on an actuarial basis, the contributions payable under the system will adequately provide 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 and were a revision of assumptions in effect prior to that date. The revision was based on an experience study for the fiscal periods 1970 through 1975 which was made as required by Section 1031, subsection 12, paragraph C. A further experience study, the results of which were submitted to the board of trustees under date of January 27, 1982, was made for the fiscal periods from 1975 through 1980, in accordance with said Section 1031, which did not result in any further changes in the assumptions last adopted.

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 actuarial 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, 1982 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, 1982. 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 on the basis of the funding method adopted for the system.

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ACTUARIAL BALANCE SHEET - JUNE 30, 1982

<u>Assets</u> (Value expected income)	<u>State</u> <u>Employees</u>	<u>MTRA</u> <u>Teachers</u>	<u>Old System</u> <u>Teachers</u>	<u>All</u> <u>Employees</u>
(1) <u>Invested Assets</u>				
(a) Members contribution fund	\$ 94,677,977	\$138,991,597	\$ 0	\$ 233,669,574
(b) Retirement allowance fund	92,232,555	118,239,735	(180,901,875)	29,570,415
(c) Total invest. income (a + b)	186,910,532	257,231,332	(180,901,875)	263,239,989
(2) <u>Future Contributions</u>				
(a) Future membership service	166,051,196	209,401,793	0	375,452,989
(b) Accrued service	404,035,446	431,378,311	241,591,726	1,077,005,483
(c) Total cont. income (a + b)	570,086,642	640,780,104	241,591,726	1,452,458,472
(3) <u>Value Total Income (1 + 2)</u>	756,997,174	898,011,436	60,689,851	1,715,698,461
<u>Liabilities</u> (Value expected benefit payments)				
(1) <u>Active Employees</u>				
(a) Future membership service	166,051,196	209,401,793	0	375,452,989
(b) Accrued service	246,697,557	246,934,188	0	493,631,745
(c) Total active benefits (a + b)	412,748,753	456,335,981	0	869,084,734
(2) <u>Retired Employees</u>				
(a) Past membership service	232,609,992	254,354,660	13,681,315	500,645,967
(b) Prior service	23,519,791	67,339,692	17,248,092	108,107,575
(c) Cost of living	88,118,638	119,981,103	29,760,444	237,860,185
(d) Total ret. benefits (a + b + c)	344,248,421	441,675,455	60,689,851	846,613,727
(3) <u>Value Total Benefits (1 + 2)</u>	756,997,174	898,011,436	60,689,851	1,715,698,461

Note: Items indicated as applicable to active employees also include the benefits of terminated employees who have vested benefits payable to them at a future date.

2. Accrued Benefit Reserve Funding

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 18 shows the funding position of the accrued benefit reserve of state employee and teacher benefits for the last four fiscal periods, i.e. those ending June 30, 1979, June 30, 1980, June 30, 1981 and June 30, 1982. The valuations for 1977 and prior years were on different actuarial assumptions and therefore the accrued benefit reserve amounts for those years are not comparable.

The items in the chart include (1) the amount of the total annual salaries and the change in the amount from the previous year, (2) the amount of the accrued benefit reserve and the percentage of the reserve funded by the assets of the system and (3) the amount of the unfunded accrued benefit reserve to be liquidated by future contributions, the remaining years in the funding period, and the ratio of the amount of the unfunded reserve to the amount of the annual salaries.

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 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 normally increase with the decrease in the funding period. However, it 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. Also, increases have been made in the cost of living benefits of currently retired persons in addition to the regular increases. Such changes have increased the accrued benefit reserve to a considerable extent which has in turn increased the unfunded reserve in amount and decreased its funded percentage. As noted from the actuarial balance sheet on page 12 hereof the value of retired benefits is currently 49% of the value of total benefits which reflects the maturity of the system. (63% of the value of accrued benefits).

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) Contribution rates for accrued benefits are determined on the actuarial assumption that total annual salaries will increase $5\frac{1}{2}\%$ per year. Therefore, if the increase rate is greater than $5\frac{1}{2}\%$ actuarial gains will result; if less than $5\frac{1}{2}\%$ losses will result.
- vi) Accrued benefits are a function of salaries and therefore the amount of the accrued benefit reserve will normally increase with an increase in the total amount of salaries. The amount of unfunded reserve may also increase but its ratio to the total amount of salaries will normally decrease if the regular funding requirements are being met.

The results for the fiscal period ending June 30, 1982 show the following:-

- i) The percentage increase of the total amount of salaries of state employees and teachers was 12% which produced an actuarial gain.
- ii) The percentage of funded accrued benefit reserve increased for state employees, intra teachers and all employees, which has been a continuing trend during the four years.
- iii) The net actuarial experience for the fiscal period ending June 30, 1982 with respect to all employees, was favorable compared with the experience encompassed by the actuarial assumptions, which is indicated by the decrease of 1.0 year in the funding period (column (6) of the chart), the same as the scheduled decrease of one year.

The funding years for all employees for the years 1979 and 1980 are not comparable to those for 1981 and 1982 since the funding of the old system teachers accrued benefit reserve did not commence until 1981. However, for the state employee and mtra teacher group (column (5) of the chart) it will be noted that the funding years for 1982 are exactly 3 years less than for 1979, which is in accordance with the actuarial assumptions.

- iv) The ratio of the amount of the unfunded reserve to the amount of annual salaries decreased, which has generally been the trend of the four fiscal years.

Accrued Benefit Reserve Funding - State Employees and Teachers

18

Employee Group	(1) State	(\$Amounts shown in thousands)			(5) (1)+(2) S & MTRA	(6) (1)+(2)+(3) All Employees
		(2) MTRA Teachers	(3) Old System Teachers	(4) All Teachers		
		June 30, 1982				
(1) Annual Salaries	\$208,781	\$243,827	\$ 0	\$243,827	\$ 452,608	\$ 452,608
(a) Ratio/1981	117	109	0	109	112	112
(2) Acc. Benefit Res.	590,946	688,610	60,690	749,299	1,279,556	1,340,245*
(a) % funded	31.6	37.4	(298.1)	10.2	34.7	19.6*
(3) Unfunded Reserve	404,035	431,378	241,592	672,970	835,414	1,077,005*
(a) Funding years	19.5	16.1	18.0	16.7	17.6	17.7
(b) Ratio/salaries	194	177	0	276	185	238
		June 30, 1981				
(1) Annual Salaries	179,017	\$224,224	0	224,224	403,241	403,241
(a) Ratio/1980	111	105	0	105	108	108
(2) Acc. Benefit Res.	526,043	629,157	62,086	691,243	1,155,200	1,217,286
(a) % funded	30.5	35.7	(272.6)	8.0	33.3	17.7
(3) Unfunded Reserve	365,413	404,546	231,321	635,867	769,959	1,001,280
(a) Funding years	21.1	16.9	19.0	17.6	18.7	18.7
(b) Ratio/salaries	204	180	0	284	191	248
		June 30, 1980				
(1) Annual Salaries	160,576	214,265	0	214,265	374,840	374,840
(a) Ratio/1979	119	106	0	106	111	111
(2) Acc. Benefit Res.	479,796	585,505	66,016	651,521	1,065,301	1,131,317
(a) % funded	28.8	33.5	(220.4)	7.8	31.4	16.7
(3) Unfunded Reserve	341,427	389,439	211,515	600,954	730,866	942,381
(a) Funding years	23.2	17.6	0	26.2	19.8	25.0
(b) Ratio/salaries	213	182	0	280	195	251
		June 30, 1979				
(1) Annual Salaries	134,717	203,073	0	203,073	337,790	337,790
(a) Ratio/1978	106	108	0	108	107	107
(2) Acc. Benefit Res.	427,857	545,768	69,906	615,674	973,624	1,043,530
(a) % funded	28.5	31.8	(179.4)	7.8	30.4	16.3
(3) Unfunded Reserve	306,034	372,053	195,305	567,358	678,087	873,392
(a) Funding years	25.3	17.9	0	26.5	20.6	26.1
(b) Ratio/salaries	227	183	0	279	201	259

*The accrued benefit reserve and the unfunded accrued benefit reserve increased by \$15,607,518 due to the extra 2% increase in retirement benefits in September 1981, which is being funded by additional state contributions. Excluding such increase, the accrued benefit reserve % funded is 19.9%.

b) Participating district employee valuations

The funding period of the accrued benefit reserve for the 252 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	151	151	60%	60%
1 - 09	76	227	30	90
10 - 14	13	240	5	95
15 - 19	8	248	3	98
20 - 24	3	251	1	99
25 and over	1	252	less than 1	100
Total	252	251	100	100

An analysis of the total unfunded accrued benefit reserve of the 101 districts which had any unfunded reserves as of June 30, 1982 is as follows:

i)	Annual salaries	\$82,012,241
ii)	Unfunded reserve	99,104,734
	(A) Ratio/salaries	121
	(B) % funded	47.0
	(C) Average funding period	7.3 years, arithmetic average or 21.1 years, weighted by unfunded reserves.

Compared with previous years the results of the actuarial valuations of the districts show that the percentage of districts with no unfunded reserve has increased each year since 1979, viz:- 34%, 44%, 54% and 60%, and the average remaining funding period decreased in the last two years by .6 and .5 years, when weighted by the amount of unfunded reserve. The ratio of unfunded reserve to salaries, for districts with any unfunded reserve increased somewhat in 1982 while the % funded of the districts was 47.0% in 1982 compared with 48.3% in 1981 for the same districts, which reflected the increase in accrued benefit reserves to be funded by additional future contributions for districts electing improved benefit provisions, including the additional cost of living provisions.

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, determined on the actuarial funding basis, amounted to \$20,166,795 on June 30, 1982, which fully provided for the reserve liability of the then total incurred benefits. The contributions paid into the survivor benefits fund for the fiscal period ending June 30, 1982 were adequate in amount to provide for the reserves to liquidate the reserve deficit on state and teachers survivor reserves which arose in previous years.

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, 1982 the state contributions for the disability benefits of state employees and teachers, and the participating district contributions, adequately provided for the reserves for new benefits incurred during that period (reserves were 65% of contributions). The trust fund reserves applicable to the disability benefits account, determined on the actuarial funding basis, amounted to \$29,181,332 on June 30, 1982 and claim reserves were approximately 53% of such amount. Thus the financial requirements of the disability claims incurred under the $2/3$ benefits program have been adequately met.

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.

For the fiscal period ending June 30, 1982 claim reserves for new benefits incurred during that period were 93% of state and participating district contributions. The trust fund reserves applicable to the accidental death benefits account, determined on the actuarial funding basis, amounted to \$1,059,778 and claim reserves were approximately 161% of such amount.

The claim experience was adverse for the two fiscal years ending June 30, 1981 resulting in the current reserve deficit. Although a fairly long period is required to evaluate the claim experience under this type of benefit because of the infrequency of claim occurrence and the large amount of the individual claim reserves it was considered that some increase was desirable in contribution rates in order to provide greater adequacy to meet possible future claim experience and to liquidate the current reserve deficit. Therefore, the contribution rate was increased by .02% for regular employees and teachers and .10% for special employee group, for the fiscal period commencing July 1, 1983.

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. Further, such a separation may not be necessary until the accrued benefit reserve has been completely funded.

7. Fiscal Year Actuarial Experience

The experience during the fiscal period July 1, 1981 through June 30, 1982 as to certain actuarial items which affected the funding of the retirement system benefits are discussed in this subsection. It includes all of the actuarial assumptions except those assumptions that require an extended period for analysis and are reviewed in the periodic actuarial investigations, e.g. mortality 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, 1982 is discussed in subsection 2 preceding in this section.

The net effect on the accrued service contribution rate of the experience during the biennium ending June 30, 1982 was that no change in the rate for the biennium commencing July 1, 1983 was required due to actuarial gains or losses. For the previous biennium an increase of .61% resulted from net unfavorable experience.

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, 1982, is discussed following in this subsection. For practical purposes, the net experience as to the actuarial assumptions resulted in a balance of gains and losses, i.e. the actuarial assumptions were adequate in total for funding purposes.

The experience for those assumptions not evaluated following in this subsection, which was reviewed in the actuarial investigation for the fiscal period ending June 30, 1980, was determined to be favorable for the period of investigation and probably contributed to actuarial gains for the fiscal period ending June 30, 1982.

c) Investment experience

i) Investment rates

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

- (A) Fixed income 13.26% on book basis, excluding capital gains and losses;
12.93% including 1982 capital gains and losses
- (B) Equities 3.88% on book basis
9.68% with 5 year average market gains
- (C) All assets 9.41% on book basis
11.80% on book basis plus 5 year average stock market
changes, which is the asset base of the actuarial valuation,
excluding fixed income capital gains and losses;
11.61% including 1982 fixed income capital gains and
losses.

The investment earnings rate on all investments determined on a book basis plus 5 year average stock market changes and plus the current year's capital gains and losses on fixed income capital gains and losses, has been in excess of the actuarial assumption rate of 8.50% since 1980 and actuarial gains have resulted in each fiscal period, when measured against that 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 five fiscal periods, viz:- (values in thousands) \$2,502, \$11,395, \$21,618, \$40,160 and \$6,695 for the years ending June 30, 1978 through June 30, 1982. The five year average for the years ending June 30, 1982 showed a small gain over the average for the years ending June 30, 1981.

TOWNE

For the fiscal period ending June 30, 1982 trust fund balances of the system were increased by \$8,647,848 due to net asset gains which resulted in a positive balance of \$16,622,412 for the reserve against future losses, the second positive balance since 1971.

The net investment experience for the fiscal period resulted in actuarial gains which were equivalent to a decrease in the accrued service contribution rate of approximately .32% of employee compensation.

d) Salary scales

Average salaries used in the valuations increased approximately 12% from the previous fiscal period for combined state employees and teachers. Therefore, accrued service benefits of all active employees increased more than expected, the assumption rate being $5\frac{1}{2}\%$.

Employee contributions increased more than expected as did state contributions for state employee benefits. However, state contributions for teacher 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.

The salary base for accrued contributions also increased by approximately 12% compared with an actuarial assumption of 5.5%, which produced actuarial gains.

For the fiscal period ending June 30, 1982 net actuarial losses due to the total salary scale and salary base experience were equivalent to an increase in the accrued service contribution rate of approximately .35% 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 normal 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 62.6 years for state employees and teachers combined, weighted by benefit reserves, compared with 62.6 years, also, for 1981, 62.9 for the 1980 fiscal period and 62.6 for the 1979 fiscal period. Thus there was an actuarial loss during the fiscal period due to the higher than expected reserves required for new retirees electing normal retirement.

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 equivalence 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 17%. The amount of such subsidy losses for the fiscal period ending June 30, 1982 was about 52% greater than the amount for the 1981 fiscal period.

For the fiscal period ending June 30, 1982 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 .30% of employee compensation.

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 actuarial losses were equivalent to an accrued service contribution rate of approximately .01% of employee compensation.

SECTION CEMPLOYEE STATISTICS AS OF JULY 1, 1982

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

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	195	\$ 2,986,304	\$15,314	\$ 5,633	37%	17
60 - 64	454	7,560,543	16,653	7,259	44	20
55 - 59	804	14,580,668	18,135	9,753	54	25
50 - 54	908	16,354,013	18,011	10,898	61	29
45 - 49	887	16,424,771	18,517	12,538	68	33
40 - 44	885	16,549,772	18,700	13,537	72	35
35 - 39	1213	21,920,147	18,071	13,760	76	37
30 - 34	1315	20,991,483	15,963	12,642	79	39
25 - 29	936	12,125,056	12,954	10,792	83	41
24 & under	553	4,451,796	8,050	7,168	89	45
Total	8150	133,944,553	16,435	11,364	69	34

ii) Females

65 & over	101	1,379,886	13,662	4,960	36	18
60 - 64	284	4,088,545	14,396	5,692	40	18
55 - 59	523	7,348,065	14,050	6,338	45	21
50 - 54	501	6,941,378	13,855	6,829	49	24
45 - 49	546	7,605,293	13,929	7,982	57	28
40 - 44	551	7,598,938	13,791	8,977	65	32
35 - 39	685	9,742,158	14,222	10,105	71	35
30 - 34	900	12,668,792	14,076	10,998	78	39
25 - 29	946	11,531,291	12,190	10,206	84	42
24 & under	647	5,931,669	9,168	8,248	90	45
Total	5684	74,836,015	13,166	8,791	67	33

iii) All

65 & over	296	4,366,190	14,751	5,405	37	17
60 - 64	738	11,649,088	15,785	6,656	42	19
55 - 59	1327	21,928,733	16,525	8,407	51	24
50 - 54	1409	23,295,391	16,533	9,451	57	27
45 - 49	1433	24,030,064	16,769	10,802	64	31
40 - 44	1436	24,148,710	16,817	11,787	70	34
35 - 39	1898	31,662,305	16,682	12,441	75	37
30 - 34	2215	33,660,275	15,197	11,974	79	39
25 - 29	1882	23,656,347	12,570	10,497	84	42
24 & under	1200	10,383,465	8,653	7,750	90	45
Total	13834	208,780,568	15,092	10,307	68	34

b) Teachers

Age Group	No.	Annual Salaries		Annual Retirement Benefits		Average Years Serv. at Ret.
		Total	Average	Average	% Salaries	
i) Males						
65 & over	16	\$ 284,950	\$17,809	\$ 9,803	55%	27
60 - 64	95	1,629,232	17,150	8,996	52	25
55 - 59	302	5,517,633	18,270	10,960	60	29
50 - 54	513	9,951,302	19,398	13,402	69	34
45 - 49	835	15,621,738	18,709	13,686	73	36
40 - 44	1031	18,737,092	18,174	13,839	76	38
35 - 39	1571	26,291,517	16,736	13,207	79	39
30 - 34	1390	19,518,008	14,042	11,371	81	40
25 - 29	607	7,007,900	11,545	9,606	83	41
24 & under	102	965,358	9,464	8,134	86	43
Total	6462	105,524,730	16,330	12,396	76	38
ii) Females						
65 & over	94	1,301,124	13,842	6,960	50	24
60 - 64	307	4,270,110	13,909	6,870	49	23
55 - 59	670	9,531,815	14,227	7,789	55	26
50 - 54	1012	14,036,070	13,870	8,496	61	29
45 - 49	1138	15,312,919	13,456	8,878	66	31
40 - 44	1415	18,663,040	13,189	9,275	70	34
35 - 39	1888	24,592,970	13,026	9,854	76	37
30 - 34	2415	29,646,256	12,276	9,931	81	40
25 - 29	1705	18,014,707	10,566	8,842	84	42
24 & under	363	2,933,723	8,082	6,981	86	43
Total	11007	138,302,734	12,565	9,085	72	36
iii) All						
65 & over	110	1,586,074	14,419	7,365	51	24
60 - 64	402	5,899,342	14,675	7,372	50	23
55 - 59	972	15,049,448	15,483	8,774	57	27
50 - 54	1525	23,987,372	15,729	10,146	65	31
45 - 49	1973	30,934,657	15,679	10,912	70	33
40 - 44	2446	37,400,132	15,290	11,199	73	35
35 - 39	3459	50,884,487	14,711	11,377	77	38
30 - 34	3805	49,164,264	12,921	10,457	81	40
25 - 29	2312	25,022,607	10,823	9,043	84	42
24 & under	465	3,899,081	8,385	7,234	86	43
Total	17469	243,827,464	13,958	10,310	74	37

c) Summary of All Active Employees

i)	Number of employees	31,303
ii)	Distribution by sex	47% male - 53% female
iii)	Annual salaries	\$452,608,032
iv)	Average annual salaries	14,459
v)	Average annual benefit	10,309
vi)	% benefits of salaries	71%
vii)	Average years service at retirement	35%

2. Distribution of Retired Employees (State and Teachers)

a) State Employees

<u>Number of Employees</u>		<u>Average Annual Benefits</u>			
		<u>Membership Service</u>	<u>Prior Service</u>	<u>Cost of Living</u>	<u>Total</u>
i) <u>Regular Benefits</u>					
F	2379	\$2,283	\$378	\$1,222	\$3,883
M	1354	2,688	454	1,405	4,547
	<u>3733</u>	<u>2,430</u>	<u>406</u>	<u>1,288</u>	<u>4,124</u>
ii) <u>Option 1 Benefits</u>					
F	331	2,623	461	1,688	4,772
M	286	2,924	428	1,818	5,169
	<u>617</u>	<u>2,762</u>	<u>446</u>	<u>1,748</u>	<u>4,956</u>
iii) <u>Option 2 Benefits</u>					
F	59	2,501	407	1,158	4,066
M	601	3,242	398	1,260	4,900
	<u>660</u>	<u>3,176</u>	<u>399</u>	<u>1,251</u>	<u>4,826</u>
iv) <u>Option 3 Benefits</u>					
F	82	3,449	603	1,756	5,808
M	759	5,144	624	2,292	8,060
	<u>841</u>	<u>4,979</u>	<u>622</u>	<u>2,239</u>	<u>7,840</u>
v) <u>Option 4 Benefits</u>					
F	64	2,617	138	553	3,308
M	320	5,221	323	1,009	6,553
	<u>384</u>	<u>4,787</u>	<u>293</u>	<u>933</u>	<u>6,012</u>
vi) <u>Other Disability Benefits</u>					
F	35	4,384	78	2,014	6,475
M	114	5,651	66	2,249	7,966
	<u>149</u>	<u>5,353</u>	<u>69</u>	<u>2,194</u>	<u>7,616</u>
vii) <u>All Benefits</u>					
F	2950	2,390	385	1,282	4,058
M	3434	3,682	455	1,601	5,738
	<u>6384</u>	<u>3,085</u>	<u>423</u>	<u>1,454</u>	<u>4,961</u>

b) MTRA 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	3412	\$3,322	\$1,140	\$1,918	\$6,379
M	518	3,421	696	1,475	5,592
	3930	3,335	1,081	1,859	6,276
ii) <u>Option 1 Benefits</u>					
F	398	3,130	1,425	2,514	7,068
M	71	4,157	1,287	2,905	8,348
	469	3,285	1,404	2,573	7,262
iii) <u>Option 2 Benefits</u>					
F	154	3,035	1,106	1,871	6,012
M	223	5,043	1,123	2,295	8,460
	377	4,223	1,116	2,122	7,460
iv) <u>Option 3 Benefits</u>					
F	276	4,066	1,350	2,141	7,557
M	223	5,565	1,620	3,352	10,537
	499	4,736	1,471	2,682	8,889
v) <u>Option 4 Benefits</u>					
F	98	4,319	671	782	5,772
M	128	6,009	487	1,160	7,656
	226	5,276	567	996	6,839
vi) <u>Other Disability Benefits</u>					
F	48	5,972	446	2,480	8,899
M	33	8,116	62	2,523	10,701
	81	6,845	290	2,498	9,633
vii) <u>All Benefits</u>					
F	4386	3,392	1,160	1,965	6,517
M	1196	4,573	943	2,058	7,574
	5582	3,645	1,113	1,985	6,744

TOWNE

c) Old System Teachers

<u>Number of Employees</u>		<u>Average Annual Benefits</u>			
		<u>Membership Service</u>	<u>Prior Service</u>	<u>Cost of Living</u>	<u>Total</u>
i) <u>Regular Benefits</u>					
F	1108	\$1,062	\$1,493	\$2,611	\$5,166
M	84	976	2,633	2,867	6,475
	<u>1192</u>	<u>1,056</u>	<u>1,573</u>	<u>2,629</u>	<u>5,258</u>
ii) <u>Option 1 Benefits</u>					
F	209	1,548	1,821	3,556	6,925
M	17	2,055	1,653	3,603	7,311
	<u>226</u>	<u>1,586</u>	<u>1,808</u>	<u>3,559</u>	<u>6,954</u>
iii) <u>Option 2 Benefits</u>					
F	30	1,783	1,570	2,784	6,137
M	4	848	1,322	1,992	4,162
	<u>34</u>	<u>1,673</u>	<u>1,541</u>	<u>2,691</u>	<u>5,904</u>
iv) <u>Option 3 Benefits</u>					
F	61	1,827	1,857	3,392	7,077
M	18	2,102	2,945	5,333	10,380
	<u>79</u>	<u>1,890</u>	<u>2,105</u>	<u>3,834</u>	<u>7,829</u>
v) <u>Option 4 Benefits</u>					
F	6	3,196	2,902	3,684	9,783
M	6	2,294	2,879	5,508	10,681
	<u>12</u>	<u>2,745</u>	<u>2,891</u>	<u>4,596</u>	<u>10,232</u>
vi) <u>Other Disability Benefits</u>					
F	1	1,691	2,991	3,511	8,193
M	-	-	-	-	-
	<u>1</u>	<u>1,691</u>	<u>2,991</u>	<u>3,511</u>	<u>8,193</u>
vii) <u>All Benefits</u>					
F	1415	1,192	1,566	2,793	5,550
M	129	1,332	2,518	3,404	7,254
	<u>1544</u>	<u>1,203</u>	<u>1,645</u>	<u>2,844</u>	<u>5,693</u>

d) Summary of All Retired Employees

i)	Number of employees	13,510
ii)	Annual benefits	\$78,105,786
iii)	Average annual benefits	\$5,781
iv)	Distribution by sex	62% female - 38% male
v)	Distribution by option:	
-	no option	59%
-	option 1	10
-	option 2	08
-	option 3	15
-	option 4	05
-	other disability	02
vi)	Distribution of benefit credits:	
-	membership credit	54%
-	prior service credit	15
-	cost of living benefits	32

The cost of living benefits have increased
the regular plan benefits by 40%.

3. Distribution of Participating District Employees

a) Number of districts	252
b) Number of Active employees	10,541
c) Annual salaries	\$122,965,950
d) Average annual salary	\$11,665
e) Distribution of districts by membership credit:	
i) 1/50th	81%
ii) 1/60th	18
iii) 1/70th	01
f) Districts with special benefits	17
g) Districts with retirement allowance adjustments	41
h) Retired employees:	
i) Districts with retired employees	186
ii) Number of retired employees	3,296
iii) Annual retirement benefits	\$11,935,642
vi) Average annual retirement benefit	\$3,621
v) Percentage of retired employees	78%
with retirement allowance adjustments	
vi) Percentage retirement allowance adjustment	26%
of total benefits for employees with the	
adjustment	

SECTION D
ACTUARIAL ASSUMPTIONS

The actuarial assumptions upon which the valuations as of June 30, 1982 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, with amendments.
- 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

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, 6½% if no cost of living adj.

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 - state contributions only

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 as 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 1981 - 82 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. The last investigation was for the five fiscal periods ending June 30, 1980.

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, 1981.

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 change would be 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

b) Political subdivision employees

same as a) or prior law election

The following service credits are provided for state employees and teachers and may be chosen by any political subdivision:

- (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 <u>age</u> <u>%</u> 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 disabili ty 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 disability 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.

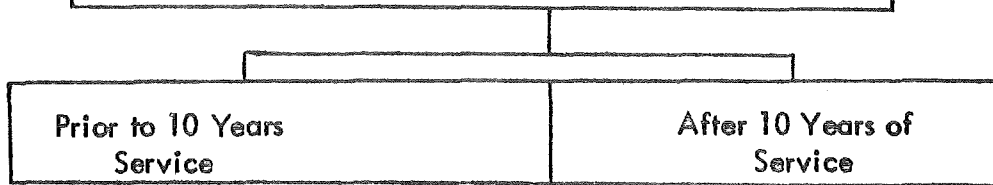
b) Death After Retirementi) Service retirement

-all employees	if elected under option	1 yr's salary reducing to 25% at age 70; 10 yrs service required, exceptions	if elected under option
-state police, marine resources and inland fisheries and wildlife, political subdivisions	if elected under option	same as above	50% of allowance to spouse without option 3 reduction; political subdivision election includes children

ii) Disability retirement

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

VII- TERMINATION OF EMPLOYMENT BEFORE RETIREMENT



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

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

VIII- EMPLOYEE CONTRIBUTIONS

a) Mandatory employee contribution rates are currently as follows:

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

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.

Roberta M. Weil, *Executive Director*
Philip R. Gingrow,
Assistant Executive Director



STATE OF MAINE

MAINE STATE RETIREMENT SYSTEM

STATE OFFICE BUILDING
STATE HOUSE STATION 46
AUGUSTA, MAINE 04333

Board of Trustees
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Tel. 207 289 3461

GROUP LIFE INSURANCE FUND

Dear Member:

The following report on the Group Life Insurance program, which is underwritten by the Unionmutual Life Insurance Company and administered by the Board of Trustees, covers the activities of the plan for the policy year July 1, 1981 to June 30, 1982.

Total dividends plus interest for all units under the plan for the policy year ended June 30, 1982, amounted to \$1,815,131, an increase of \$354,074 more than the previous year, as follows:

	Year Ended June 30	
	1982	1981
State & Teacher (Basic)	\$1,096,523	\$ 932,426
State & Teacher (Supplemental)	417,983	314,832
City of Portland	(4,160)	52,169
City of Bangor	(31,863)	(7,226)
Pooled Districts (Basic)	278,116	119,295
Pooled Districts (Supplemental)	<u>58,532</u>	<u>49,561</u>
Total	<u>\$1,815,131</u>	<u>\$1,461,057</u>

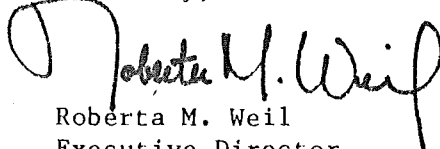
Dividends from the State and Teacher Basic plan are credited to a Reserve for Future Premiums account, and are used to fund approximately one-half of the cost of premiums for retired state employees and teachers. The balance of the cost of premiums for retirees is funded from a State General Fund appropriation and the Reserve for a Supplemental Distribution account, which when combined with interest earnings on this account, is used to pay a 30% distribution to the beneficiaries of those individuals insured under the Supplemental plan for five years. The beneficiaries of those individuals under the Supplemental plan for less than five years receive a pro-rata supplemental distribution.

Local district dividends were distributed in December after application of the applicable administrative charges. The City of Bangor had a negative dividend for the third consecutive year raising its deficit to \$43,042. The City of

Portland also had a negative dividend of \$4,160. These deficits, which reflect changes in experience, will be recovered by changes in ratings in 1984.

Gross retention by the Underwriter during the year was \$163,184 which was offset in part by interest credits totalling \$80,624.

Sincerely,



Roberta M. Weil
Executive Director

MAINE STATE RETIREMENT SYSTEM

Comparative Balance Sheet

Group Life Insurance

At June 30

	ASSETS		Increase or (Decrease)
	<u>1982</u>	<u>1981</u>	
Assets:			
Cash (Demand Deposit) Note 1	\$13,102,949.32	\$10,974,004.73	\$2,128,944.59
Accounts Receivable	10,350.00	10,510.00	(160.00)
Due From Other Funds	<u>50,000.00</u>	<u>50,000.00</u>	<u>--</u>
Total Assets	<u>\$13,163,299.32</u>	<u>\$11,034,514.73</u>	<u>\$2,128,784.59</u>

RESERVES, LIABILITIES AND WORKING CAPITAL

Reserves and Working Capital:			
Reserve for Future Premiums	\$10,323,618.07	\$ 8,236,954.11	\$2,086,663.96
Reserve for Contingencies	25,000.00	25,000.00	--
Reserve for Supplemental Distribution	2,443,377.06	2,449,155.42	(5,778.36)
Working Capital (Group Life Insurance Fund)	<u>50,000.00</u>	<u>50,000.00</u>	<u>--</u>
Total Reserves and Working Capital	<u>12,841,995.13</u>	<u>10,761,109.53</u>	<u>2,080,885.60</u>
Liabilities:			
Accounts Payable	<u>321,304.19</u>	<u>273,405.20</u>	<u>47,898.99</u>
Total Liabilities	<u>321,304.19</u>	<u>273,405.20</u>	<u>47,898.99</u>
Total Reserves, Liabilities and Working Capital	<u>\$13,163,299.32</u>	<u>\$11,034,514.73</u>	<u>\$2,128,784.59</u>

Note 1 - Invested in State Treasurer's "Cash Pool."

MAINE STATE RETIREMENT SYSTEM

Statement of Operations

Group Life Insurance Fund

Year Ending June 30, 1982

Available Funds:

Premiums Collected (1981-82) -		
Basic	\$2,309,826.41	
Supplemental	1,032,559.71	
Dependent	<u>73,738.35</u>	
		\$3,416,124.47
Dividend Received -		
State & Teachers	1,240,649.00	
Participating Districts	<u>221,136.00</u>	
		1,461,785.00
Appropriation from General Fund -		
Retired Employees Premiums		425,000.00
Reimbursement of Administration Costs -		
State	50,000.00	
Participating Districts	<u>10,350.00</u>	
		60,350.00
Earnings on Investments -		
Treasurer's Cash Pool		<u>1,887,318.46</u>
TOTAL		<u>\$7,250,577.93</u>

Expenditures, Dividend Distributions and
Additions to Reserves:

Premiums Paid to Insurer -		
Employee & Employer Contributions		
Basic	\$2,309,826.41	
Supplemental	1,032,559.71	
Dependent	<u>73,738.35</u>	
		3,416,124.47
Retired Persons -		
Employers Insurance Premiums	<u>783,821.86</u>	
		4,199,946.33
Supplemental Distribution		688,260.00
Administration Expense		60,350.00
Dividend Distribution to Participating Districts -		
Cash Payments	216,662.00	
Retained for Administration Costs	<u>9,474.00</u>	
		226,136.00
Increase (Decrease) to Reserves -		
Reserves for Retired Premiums	2,086,663.96	
Reserve for Supplemental Distribution (Decrease)	<u>(5,778.36)</u>	
		<u>2,080,885.60</u>
TOTAL		<u>\$7,250,577.93</u>

MAINE STATE RETIREMENT SYSTEM
POLICY #2200
DIVIDEND SUMMARY
7/1/81 to 7/1/82

	STATE BASIC	STATE SUPPL	TEACHER BASIC	TEACHER SUPP.	PORTLAND	BANGOR	P.D. BASIC	P.D. SUPPL	ALL PLANS
Earned Premium	1,410,949	611,896	1,176,646	342,094	127,045	69,229	457,310	78,570	4,273,739
Paid Claims	1,025,991	405,517	424,998	152,937	126,255	98,335	181,200	17,052	2,432,285
Beginning Reserves	199,082	77,800	78,020	24,320	4,833	1,129	66,257	4,200	455,641
End Reserve	190,266	49,250	78,623	10,200	2,848	-	46,407	4,200	381,794
Incurred Claims	1,017,175	376,967	425,601	138,817	124,270	97,206	161,350	17,052	2,358,438
Gross Retention	47,694	16,014	39,773	8,953	8,486	4,732	31,821	5,711	163,184
Interest Credits	17,230	7,472	14,369	4,178	1,551	846	5,585	959	52,190
Net Retention	30,464	8,542	25,404	4,775	6,935	3,886	26,236	4,752	110,994
Gross Dividend	363,310	226,387	725,641	198,502	-4,160	-31,863	269,724	56,766	1,804,307
Interest Charge on Supp. Dividend	-0-	6,666	-0-	3,726	-0-	-0-	-0-	-0-	10,392
Interest on Prelim. Div. @ 11.99% to 8/27/82	6,941	4,186	13,561	3,703	-0-	-0-	-0-	-0-	28,391
Int. on Addl Div. Due @ 11.99% to 10/18	-0-	-0-	277	-0-	-0-	-0-	8,392	1,766	10,435
Div. Plus Interest	370,251	223,907	739,479	198,479	-4,160	-31,863	278,116	58,532	1,832,741
Less Prelim Div.	372,576	224,649	727,910	198,770	-0-	-0-	-0-	-0-	1,523,905
Less Adj. fr. 80-81 Calc.	3,698	2,510	9,509	1,893	-0-	-0-	-0-	-0-	17,610
Balance Due on Div. Plus Interest	-6,023	-3,252	2,060	-2,184	-4,160	-31,863	278,116	58,532	291,226



MAINE STATE RETIREMENT SYSTEM
 POLICY #2200
 DIVIDEND SUMMARY
 7/1/81 TO 7/1/82

	<u>STATE BASIC</u>	<u>STATE SUPPL</u>	<u>TEACHER BASIC</u>	<u>TEACHER SUPPL</u>	<u>PORTLAND</u>	<u>BANGOR</u>	<u>P.D. BASIC</u>	<u>P.D. SUPPL</u>	<u>ALL PLANS</u>
Adj. to J. Milligan for 80-81 calculation charged to District rather than State	12,038	12,038					(12,038)	(12,038)	-0-
TOTALS	6,015	8,786	2,060	-2,184	-4,160	-31,863	266,078	46,494	291,226



MAINE STATE RETIREMENT SYSTEM
POLICY #2200
BASIC & DEPENDENT
7/1/81 to 7/1/82

PD #	DISTRICT	PAID PREMIUM	PAID CLAIMS PLUS CONVERSIONS	L/R	DIVIDEND	INTEREST	DIVIDEND PLUS INTEREST
04	City of Presque Isle	10,278			6,062	189	6,251
05	County of Cumberland	11,196			6,603	205	6,808
08	Town of Camden	2,711			1,599	50	1,649
09	City of South Portland	33,909	9,766	28.8%	20,000	622	20,622
10	Town of Houlton	7,187	1,989	27.7%	4,239	132	4,371
11	County of Penobscot	7,595			4,480	139	4,619
12	Kittery Water Dist.	879			518	16	534
13	City of Ellsworth	2,997	6,830	227.9%	1,768	55	1,823
15	Town of Bar Harbor	3,847	5,522	143.5%	2,269	70	2,339
16	Town of Mt. Desert	4,482			2,644	82	2,726
17	Town of Ft. Fairfield	2,475			1,460	45	1,505
18	City of Rockland	6,818	2,285	33.5%	4,021	125	4,146
21	Boothbay Harbor Water	638			376	12	388
22	Bangor Public Library	3,321			1,959	61	2,020
23	City of Augusta	30,052			17,725	551	18,276
24	City of Gardiner	4,941			2,914	91	3,005
26	Houlton Water Dist.	4,443			2,621	81	2,702
28	Town of York	3,369	11,035	327.5%	1,987	62	2,049
29	Limestone Water & Sewer	596			352	11	363
30	Town of St. Agatha	584			344	11	355
31	Kennebec Water Dist.	3,169	2,010	63.4%	1,869	58	1,927
32	Livermore Falls Water Dis.	1,039			613	19	632
33	County of Knox	1,428			842	26	868
34	Augusta Water Dist.	3,966	9,029	227.7%	2,339	73	2,412
35	City of Belfast	4,285			2,527	79	2,608
36	City of Calais	3,663			2,160	67	2,227
38	Maine Maritime Acad.	29,098	48,699	167.4%	17,162	534	17,696
39	York Water District	820			484	15	499
40	County of Washington	2,706			1,596	50	1,646
41	Portland Public Library	2,703			1,594	50	1,644
42	Town of Brunswick	18,513	4,077	22.%	10,919	340	11,259
46	County of Waldo	2,819	7,081	251.2%	1,663	52	1,715
49	Maine Turnpike Auth.	42,874	2,009	4.7%	25,287	787	26,074



MAINE STATE RETIREMENT SYSTEM
POLICY # 2200
BASIC & DEPENDENT
7/1/81 to 7/1/82

PD #	DISTRICT	PAID PREMIUM	PAID CLAIMS PLUS CONVERSIONS	L/R	DIVIDEND	INTEREST	DIVIDEND PLUS INTEREST
51	Auburn Sewerage Dist.	833			491	15	506
52	Auburn Water District	1,860	1,008	54.2%	1,097	34	1,131
54	Town of E. Millinocket	4,910			2,896	90	2,986
55	Me. Municipal Assoc.	1,203	3,017	250.8%	710	22	732
59	Bangor Water Dist.	3,535			2,085	65	2,150
60	Town of Rumford P&F	2,251	1,457	64.7%	1,328	41	1,369
61	Town of Orono	3,669			2,164	67	2,231
62	Kennebec Light & Power	2,979			1,757	55	1,812
64	Augusta Sewerage	2,798			1,650	51	1,701
65	Rumford Water Dist.	1,374			810	25	835
67	County of Androscoggin	4,078	1,764	43.3%	2,405	75	2,480
72	Brunswick Sewer	734			433	13	446
73	City of Bath	13,906	1,255	9%	8,202	255	8,457
77	SAD #34	2,309			1,362	42	1,404
78	SAD #28	234			138	4	142
80	Town of Skowhegan	4,183			2,467	77	2,544
81	Town of Topsham	538			317	10	327
83	Town of Sanford	10,750			6,340	197	6,537
84	Town of Kennebeck	3,177			1,874	58	1,932
85	Town of Cape Elizabeth	7,492			4,419	137	4,556
86	Town of Wilton	777			458	14	472
87	Town of Falmouth	8,679	2,015	23.2%	5,119	159	5,278
89	Sanford Sewerage	1,043			615	19	634
90	Town of Rumford	12,144			7,163	223	7,386
93	Maine Mun. Bond Bank	218			129	4	133
94	Gr. Port. Council of Gvts	1,373			810	25	835
96	Sagadahoc County	2,864	17,055*	175.2%	1,689	53	1,742
98	Town of Frenchville	287			169	5	174
104	Town of Milo	1,013			597	19	616
105	St. Principals Assoc.	439			259	8	267
109	Town of Livermore	833			491	15	506
114	Town of Mechanic Falls	1,948			1,149	36	1,185
115	SAD #54	2,321			1,369	43	1,412



MAINE STATE RETIREMENT SYSTEM

POLICY #2200

BASIC & DEPENDENT

7/1/81 to 7/1/82

PD #	DISTRICT	PAID PREMIUM	PAID CLAIMS PLUS CONVERSIONS	L/R	DIVIDEND	INTEREST	DIVIDEND PLUS INTEREST
116	Town of Yarmouth	4,248			2,505	78	2,583
117	Town of Searsport	1,532			904	28	932
121	County of Piscataquis	2,756			1,626	51	1,677
124	Searsport Water Dist.	479			283	9	292
125	Town of Norway	1,410			832	26	858
127	Town of Paris	1,618	28,145	1739.5%	954	30	984
128	SAD #71	3,706			2,186	68	2,254
130	Town of Bucksport	6,235			3,677	115	3,792
131	Ft. Fairfield Utilities	1,113	12,036	1081.4%	656	21	677
132	Belfast Water Dist.	676			399	13	412
133	Town of Gorham	7,131			4,206	131	4,337
143	SAD #41	2,409			1,421	44	1,465
145	Auburn Housing Auth.	1,266			747	23	770
150	Town of Herman	688			406	13	419
152	Sanford Housing Auth.	689			406	13	419
159	Paris Utility Dist.	868			512	16	528
161	Town of Rockport	761			449	14	463
163	Lewiston-Auburn Water	2,311			1,363	43	1,406
164	Town of Thomaston	1,263	502	39.7%	745	23	768
167	Town of Dover-Foxcroft	3,611	1,760	48.7%	2,130	66	2,196
169	Maine Housing Auth.	293			173	6	179
179	Town of Winthrop	1,976	1,829	92.6%	1,165	36	1,201
185	Portland Housing Auth.	4,205			2,480	77	2,557
195	Town of Waldoboro	1,427			842	26	868
198	SAD #51	1,710			1,009	31	1,040
205	Gould Academy	694			409	13	422
215	Town of Hodgdon	347			205	6	211
216	Town of Cumberland	1,553			916	29	945
219	Lincoln Sanitary Dist.	236			139	4	143
220	Kennebec Sanitary Dist.	2,138			1,261	39	1,300
222	Waterville Sewerage	1,325	7,041	531.3%	781	24	805
224	Region #7	229			135	4	139
227	Town of Mars Hill	140			82	3	85



MAINE STATE RETIREMENT SYSTEM
POLICY #2200
BASIC & DEPENDENT
7/1/81 to 7/1/82

PD #	DISTRICT	PAID PREMIUM	PAID CLAIMS PLUS CONVERSIONS	L/R	DIVIDEND	INTEREST	DIVIDEND PLUS INTEREST
228	Town of Lubec	182			107	3	110
229	Van Buren Housing	404			238	7	245
238	Milo Water Dist.	663			391	12	403
245	Town of Limestone	702			414	13	427
247	Rumford-Mexico Sew.	374			221	7	228
260	Town of Fairfield	3,374			1,990	62	2,052
717	Town of Wiscasset	3,083			1,818	57	1,875
718	Town of Ashland	136			80	3	83
721	Town of Anson	443			261	8	269
727	Halloweld Water Dist.	671	1,505	224.3%	396	12	408
734	Presque Isle Water Dist.	1,339			790	25	815
736	Town of West Paris	364			215	7	222
739	SAD #1	5,275	504	9.6%	3,111	97	3,208
742	Bruns. & Topsham Water	1,442			851	26	877
744	Anson Water Dist.	290			171	5	176
746	SAD #17	775			457	14	471
748	SAD #36	790			466	15	481
750	Me. St. Empl. Assoc.	1,324			781	24	805
751	SAD #10	218			129	4	133
753	SAD #50	1,734			1,023	32	1,055
755	Pres. Isle Sewer Dist.	598			353	11	364
757	Waldoboro Sewer Dist.	17			10	-	10
758	SAD #68	1,480			873	27	900
761	SAD #52	172			101	3	104
763	Town of Castine	602			355	11	366
764	Reg. 8 Co-op Board	107			63	2	65
261	Town of Georgetown	93			55	2	57
1760	SAD #74	1,939			1,144	36	1,180
119	SAD #9	1,523	2,013		898	28	926
		457,310	181,200		269,724	8,392	278,116

* includes claim of \$12,038 for J. Milligan charged to District rather than State in 80-81 Calculation



MAINE STATE RETIREMENT SYSTEM
POLICY #2200
SUPPLEMENTAL ONLY
7/1/81 to 7/1/82

PD #	DISTRICT	PAID PREMIUM	PAID CLAIMS PLUS CONVERSIONS	L/R	DIVIDEND	INTEREST	DIVIDEND PLUS INTEREST
05	Cumberland County	7,842			5,666	176	5,842
12	Kittery Water	656			474	15	489
26	Houlton Water	3,939			2,846	89	2,935
49	Me. Turnpike Auth.	38,928			28,125	875	29,000
85	Cape Elizabeth	3,515			2,540	79	2,619
86	Wilton	694			501	16	517
93	Me. Munic. Bond Bank	203			147	5	152
94	Gr. Portl. Council	201			145	5	150
96	Sagadahoc County	2,768	17,054*	181.2%	2,000	62	2,062
105	St. Principals Assoc.	432			312	10	322
109	Livermore Falls	69			50	2	52
121	City of Pascataquis	1,550			1,120	35	1,155
130	Town of Bucksport	4,737			3,422	106	3,528
131	Ft. Fairfield Utilities	1,043	12,036	1154.%	754	23	777
152	Sanford Housing	395			285	9	294
164	Town of Thomaston	1,097			793	25	818
169	Me. Housing Auth.	125			90	3	93
195	Town of Waldoboro	1,166			842	26	868
205	Gould Academy	334			241	8	249
216	Town of Cumberland	1,003			725	23	748
219	Lincoln Sanitary	147			106	3	109
220	Kennebec Sanitary	365			264	8	272
224	Region #7	99			72	2	74
227	Town of Mars Hill	-			-	-	-
717	Town of Wiscasset	2,094			1,513	47	1,560
721	Town of Anson	359			259	8	267
727	Hallowell Water Dist.	551			398	12	410
744	Anson Water Dist.	284			205	6	211
750	Me. St. Empl. Assoc.	1,189			859	27	886
751	SAD #10	-			-	-	-



MAINE STATE RETIREMENT SYSTEM
POLICY #2200
SUPPLEMENTAL ONLY
7/1/81 to 7/1/82

PD #	DISTRICT	PAID PREMIUM	PAID CLAIMS PLUS CONVERSIONS	L/R	DIVIDEND	INTEREST	DIVIDEND PLUS INTEREST
757	Waldoboro Sewerage	9			7	-	7
760	SAD #74	207			150	5	155
764	Reg. #8 Co-op	101			73	2	75
247	Rumford Sewerage	226			163	5	168
222	Waterville Sewerage	1,127			814	25	839
261	Town of Georgetown	93			67	2	69
119	SAD #9	693			500	15	515
32	Livermore Falls Water	329			238	7	245
		<u>78,570</u>	<u>29,090</u>		<u>56,766</u>	<u>1,766</u>	<u>58,532</u>

* includes claim of \$12,038 for J. Milligan charged to District rather than State in 80-81 calculation.

