Comprehensive Annual Financial Report 2015

MainePERS

Maine Public Employees Retirement System

For the Fiscal Year Ended

June 30, 2015

MainePERS is a component unit of the State of Maine.

Maine Public Employees Retirement System

A Component Unit of the State of Maine

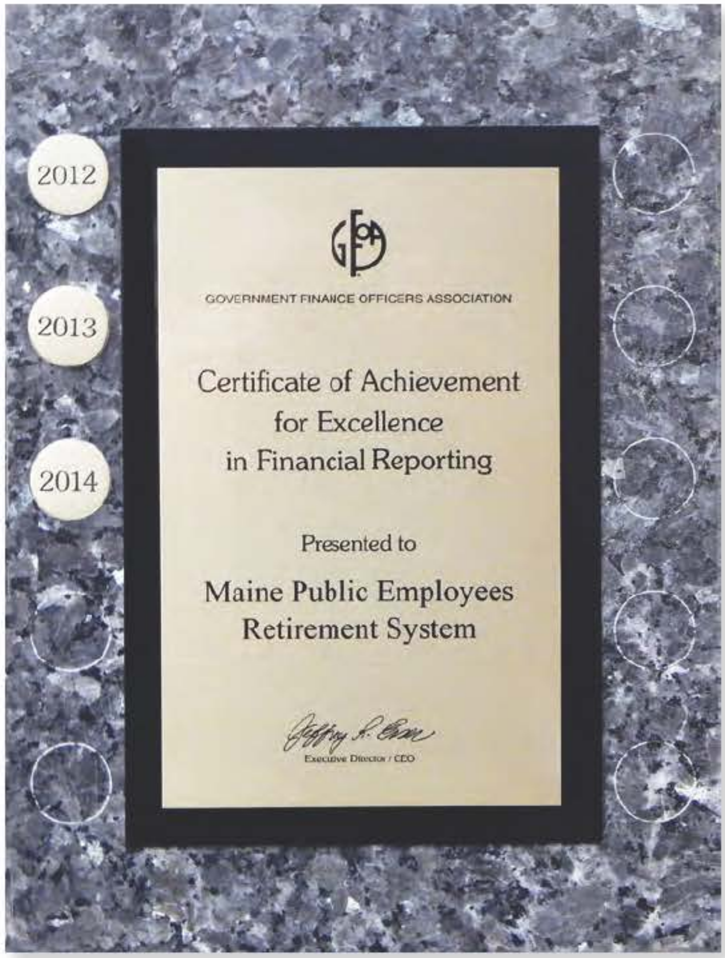
P.O. Box 349, Augusta, Maine 04332-0349

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2015

This report has been produced as required by 5 M.R.S.A. §17102 (10), which states that the Maine Public Employees Retirement System must publish an annual report showing "the fiscal transactions of the retirement system for the fiscal year and the assets and liabilities of the retirement system at the end of the fiscal year; and the actuary's report on the actuarial valuation of the financial condition of the retirement system for the fiscal year."

This report was prepared by the Financial, Administrative and Investment staff of the Maine Public Employees Retirement System. Costs for producing this report were paid from the operating budget of the Maine Public Employees Retirement System. This CAFR is printed and also made available online. We respect the environment by printing on recycled paper and using soy-based inks—for a cleaner, healthier planet.



PPC

Public Pension Coordinating Council

Recognition Award for Funding
2015

Presented to

Maine Public Employees Retirement System

In recognition of meeting professional standards for
plan funding as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H Winkle

Alan H Winkle
Program Administrator

MainePERS Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2015

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INTRODUCTORY SECTION

Sandra J. Matheson, *Executive Director*

John C. Milazzo, *General Counsel and Chief Deputy Executive Director*

LETTER OF TRANSMITTAL

December 22, 2015

In accordance with the requirements of 5 M.R.S.A. §17102, I am pleased to present the Comprehensive Annual Financial Report ("CAFR" or "Annual Report") of the Maine Public Employees Retirement System ("MainePERS" or the "System") for the fiscal year ended June 30, 2015. This CAFR, taken as a whole, provides information on all aspects of the System. It is written to conform to Governmental Accounting Standards Board (GASB) requirements. Management of the System takes full responsibility for the accuracy, completeness and fairness of the representations made in this report.

Baker, Newman, and Noyes, LLC, Certified Public Accountants, have issued an unqualified opinion on the MainePERS' financial statements for the year ended June 30, 2015. The independent auditors' report is located at the front of the financial section.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

FUNDING OF SYSTEM PROGRAMS

The System administers six retirement programs, often referred to as "plans." In addition, the System operates a Group Life Insurance Program (GLI) and a program of defined contribution retirement plans under sections 401(a), 403(b) and 457(b) of the Internal Revenue Code, collectively referred to as MaineSTART. The System also manages the Retiree Health Insurance Post-Employment Investment Trust on behalf of the State of Maine. The Trust is an irrevocable trust established for the purpose of accumulating assets to provide funding for the State's liability for retiree health benefits. Assets for the purpose of providing funding for the liability for retiree health and other post-employment benefits (OPEB) for the System's employees are held in the MainePERS OPEB Trust, also managed by the System.

The System's defined benefit retirement programs are the dominant element in its financial activities and position. The four major programs are the State Employee and Teacher Retirement Program, the Judicial Retirement Program, the Legislative Retirement Program and the Participating Local District Consolidated Retirement Plan.

The System also administers two pay-as-you-go retirement programs, one for judges who retired prior to the establishment of the Judicial Retirement Program in 1984 and their survivng spouses, and the other for former governors and their surviving spouses. The programs are funded each biennium by a direct appropriation from the Legislature and, in the case of the active governor, by employee contributions required by statute.

The basic defined benefit retirement plan equation provides that, over the long term, contributions plus investment earnings must be equal to benefits. While investment market performance affects plan funding requirements, it does not affect benefits owed in the future.

The return on invested contributions has historically supplied a significant amount of the benefit funding resources of defined benefit plans. In periods when the investment markets provide lower returns than expected, the resulting funding shortfall has historically been made up by a combination of increased employer contributions and investment market returns in other periods that exceeded expectations. For this reason, the performance of the investment markets is a significant factor affecting the financial activities or position of the System, and the effects of market performance flow through to contributions made by participating employers.

As with all actuarially-funded defined benefit plans, the System uses actuarial methods and procedures that integrate short-term market behavior with the long-term time horizon of the plan. One of these methods is "smoothing" of investment results which moderates the volatility of employer contribution requirements.

The interplay of liabilities (i.e., the obligation to pay benefits) and assets (i.e., contributions and investment earnings on contributions) can be observed in changes in the programs' actuarial funded ratios over time. The funded ratio of the State Employee and Teacher Retirement Program had improved steadily since the mid-1980s until 2008. High negative investment returns in fiscal years 2008 and 2009 adversely affected the funding ratio. Fiscal years 2010 and 2011 experienced strong investment returns, and in combination with changes to plan provisions, the funding ratio improved. Break-even returns in fiscal year 2012, combined with increased deductions for benefits, contributed to a modest decrease in the funding ratio that year. Strong investment returns in fiscal years 2013 and 2014 contributed to an increase in funding ratio to 77.6 percent and 81.3 percent, respectively. In fiscal year 2015, the funding level of the plan increased slightly to 82.2 percent. Although investment returns were lower than expected, the Plan experienced an actuarial gain in liabilities which contributed to this increase in overall funding level.

The funded ratio of the Judicial Retirement Program has in recent years remained close to 100 percent. The funded ratio as of June 30, 2013 was 97.5 percent. In fiscal year 2014, the funded ratio of the plan increased to 101.6 percent and as of June 30, 2015 the funded ratio was 96.9 percent.

The funded ratio of the Legislative Retirement Program has been above 100 percent for many years, and continues to be this year. As of June 30, 2015, the funded ratio was 148.4 percent, compared to 143.6 percent at June 30, 2014 and 142.2 percent at June 30, 2013.

The funded ratio of the Participating Local District Consolidated Retirement Plan was 89.4 percent as of June 30, 2015. This compares to 88.4 percent as of June 30, 2014 and 86.6 percent as of June 30, 2013. Information concerning the funded status of the non-consolidated participating local district plans administered by the System is available by contacting the System.

Information regarding overall funding progress appears in the MD&A beginning on page 21. More information on the funding levels of all of the System's retirement programs can be obtained from the System.

The System's defined contribution plans, collectively called MaineSTART, had 67 participating employers with 987 participants at June 30, 2015. This program provides an important supplement for our defined benefit participants and a valuable alternative for other participants. MaineSTART offers a family of funds from Vanguard designed to be very low cost and easy for participants to manage. The investment strategy for these assets is determined by each participant.

The Group Life Insurance Program is funded by premiums paid by its participants and the employers of those participants, and by investment returns on the Group Life Insurance Program assets. The investment strategy for these assets is a similar strategy to the strategy employed for the defined benefit programs' assets.

The Retiree Health Insurance Post-Employment Investment Trust is funded through direct appropriations from the State of Maine.

INVESTMENTS

The focal point of the investment policy is the mix of investment types in which assets are invested and the allocation of assets among asset classes. The System's Board of Trustees (Board) is responsible for establishing the policy that is the framework for investment of the programs' assets. The Board employs in-house investment professionals and outside investment consultants to advise it on investment matters, including policy.

The defined benefit program had a return of 2.0% while the group life insurance program had a return of 2.6% for fiscal year 2015. Total value of the defined benefit portfolio decreased to $12.6 billion at June 30, 2015 from $12.7 billion at June 30, 2014. This decrease in the total value of the portfolio is due to a combination of low earnings and negative cash flow experienced by the defined benefit program.

The current target asset allocation was last modified in December 2012 to increase investments in alternative strategies such as private equity, infrastructure, real estate, and natural resources.

The Board's choice of asset classes reflects its assessment of expected investment returns and the nature, level and management of risk. The defined benefit programs' assets perform two functions; they collateralize the benefits owed to participants, and they provide investment earnings. All benefit payments must eventually be funded from contributions and/or investment earnings.

HIGHLIGHTS OF THE PAST YEAR

In the fall of 2014, we began the implementation phase of a new version of the integrated pension benefits information and operating system which was first put into operation in fiscal year 2012. This project is expected to be complete in the winter of 2017 and will provide for more robust reporting capabilities as well as the introduction of a member self-service portal for active members and retirees.

ACKNOWLEDGEMENTS

We are pleased to acknowledge that for the eleventh consecutive year, the System was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association ("GFOA"). In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report ("CAFR"), with contents that meet or exceed program standards. We are pleased that we are recognized for handling and accounting for retirement funds in a manner that conforms to generally accepted accounting practices and all applicable legal requirements. We fully expect to be in compliance with all of the Certificate of Achievement program requirements into the future. This 2015 CAFR will also be submitted to the GFOA.

The System, through its management staff, is responsible for establishing and maintaining an internal control structure that is designed to provide reasonable assurance that assets are protected from theft, fraud, or misuse and that financial recordkeeping is transparent, complete and accurate. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management. Management believes that the existing internal controls accomplish these objectives. Management is also responsible for the completeness, accuracy and fair presentation of financial information and for all disclosures. This responsibility notably encompasses the System's financial statements themselves, including the amounts therein that, necessarily, are based on estimates and judgments.

The preparation of this report has been a collaborative effort of Executive Management, the Accounting and Finance Department, the Investment Department and the Communications Department. The System takes responsibility for all of the information contained in the report and confidently presents it as a basis for the many decisions of the Board of Trustees, staff, and others who will rely on it.

I am joined in transmitting this Comprehensive Annual Financial Report to all of our constituencies by the System's Director of Finance.

Respectfully submitted,

Sandra J. Matheson
Executive Director

Sherry Tripp Vandrell
Director of Finance

Appendix A to Letter of Transmittal

OVERVIEW OF THE SYSTEM

The Maine Public Employees Retirement System (MainePERS) is an independent public agency of the State of Maine that traces its history to 1942. By the authority granted to it by the Maine Legislature, the System administers retirement programs that cover State employees, the State's public school teachers, judges, legislators, and employees of the 289 municipalities and other public entities, called "participating local districts" (PLDs) that have chosen to provide retirement plans to their employees through MainePERS. The System is also responsible for the payment of retirement and survivors' benefits to former governors and their surviving spouses and to former judges who retired prior to the establishment of the Judicial Retirement Program in 1984 and their surviving spouses. In addition, the System administers a Group Life Insurance Program that provides or makes available life insurance benefits for active and retired System members and for the employees of a few PLDs for whom MainePERS administers only the Group Life Insurance Program. The System also administers defined contribution plans for some PLD employees.

Board of Trustees

Responsibility for the operation of the Maine Public Employees Retirement System rests with the System's Board of Trustees, which is comprised of eight members. State law specifies the Board's composition. Each trustee is subject to the legislative confirmation process. Three trustees are System members, one of whom is proposed and elected by the Maine Education Association, one of whom is proposed and elected by the Maine State Employees Association, and one of whom is a PLD member appointed by the governing body of the Maine Municipal Association. Four other trustees are appointed by the Governor. Of these, one must be selected by the Governor from a list of nominees submitted by the Maine Retired Teachers Association and one must be a MainePERS retiree selected from a list of nominees submitted by State and/or PLD retirees. The remaining two appointees are direct gubernatorial appointments, both of whom must be qualified through training or experience in investments, accounting, banking or insurance or as actuaries. All appointed trustees are required to have "a working knowledge of retirement policy and legal issues and a general knowledge and understanding of banking, finance, and investment practices." The eighth trustee is the State Treasurer, who serves ex-officio. All trustee terms are three years, except for the two-year term of the State Treasurer. The Board annually elects its chair and vice chair from among its members.

The MainePERS Trustees serve as Trustees of the State and Teacher, Judicial and Legislative Retirement Programs as well as for the PLD Consolidated Program and the Retiree Health Insurance Post-Employment Benefits Investment Trust.

The Board contracts for the services of an actuary to prepare annual valuations of the assets and liabilities of each of the retirement programs administered by the System. The actuary also provides information and recommendations as to sound and appropriate actuarial assumptions, which are utilized, together with valuation information, to determine the programs' funding requirements. The System's actuary in fiscal years 2014 and 2015 was Cheiron, Inc.

The Board's management of MainePERS investments is embodied in its investment policy. The policy states the Board's underlying investment objectives, sets out the investment strategies intended to realize the objectives, and establishes guidelines and criteria for implementation of the strategies. The Board has engaged Cambridge Associates to advise it on the investment policy and the carrying out of the investment program.

The Board is the final administrative decision maker in matters involving the rights, credits, and benefits of members. It has established an administrative appeals process for the making of such decisions; in this process relevant factual information and legal requirements are identified and analyzed by independent Hearing Officers who serve under contract. In decisions on disability retirement appeals, statutorily established medical boards and individual medical advisors provide recommendations as to the medical aspects of disability. The Board's final administrative decisions are appealable to the Maine Superior Court.

Administration

The Office of the Executive Director has administrative responsibility for all aspects of the System and its operations. The Executive Director oversees all actuarial work and investments, and has administrative responsibility for the internal audit function. Actuarial work is carried out with the assistance of an actuary; investment operations are carried out with the assistance of the System's Chief Investment Officer and staff, one or more investment consultants, investment managers and other appropriate advisors. In addition, the Office performs the executive functions of the System and has day-to-day responsibility for legal and legislative matters, appeals, federal, state, and local governmental relations, planning, organizational development, accounting and financial reporting, and numerous special projects.

The Department of Service Programs administers the service and disability retirement programs, MaineSTART defined contribution plans, employer programs, survivor benefit and group life insurance programs. The Department is the System's primary contact for members, participating employers, and benefit recipients.

Appendix A to Letter of Transmittal

The Department of Administration is responsible for most administrative and support functions, including information technology supports, communications, facilities, and human resources.

The System's primary responsibility is the administration of defined benefit retirement plans. Retirement and related benefits provided by MainePERS include:

- service retirement benefits, that provide retirement income to qualified members;
- disability retirement benefits, that provide income to a member who becomes disabled under MainePERS law while the member is in service and before the member retires; and
- death benefits that are paid to a member's designated beneficiaries.

Administration of these programs includes financial administration, investments, recordkeeping of members' work and compensation data, and provision of retirement-related services to members, employers, and retirees.

The System also administers the MaineSTART defined contribution retirement plans that are established under sections 401(a), 403(b), and 457(b) of the Internal Revenue Code. These plans are presently available to employees of those employers in the PLD Consolidated Retirement Plan that have adopted one or more of the plans.

The System itself and all of its programs are established by and operate within the scope of Maine statutes. The operation of the System's defined benefit retirement plans is also governed by provisions of the Maine Constitution, not all of which apply to all of the plans.

Membership and Contributions

State employees and teachers are covered under the Maine Public Employees Retirement System's State Employee and Teacher Retirement Program. State employees are required by law to become members of MainePERS when hired. There is an exception to this rule for elected and appointed officials, for whom membership is optional. Public school teachers, other than substitute teachers, for whom membership is also optional, must also become members of MainePERS when hired. PLD employees become members of MainePERS when they are hired if their employer participates as a PLD in MainePERS at that time and if they meet the membership eligibility requirements in effect when they are hired. For some PLD employees, membership is optional. These employees include those employed by their PLD before the PLD joined MainePERS, those whose employers provide Social Security or a qualified replacement plan under federal law, elected and appointed officials, and chief administrative officers.

The Legislative Retirement Program, also administered by MainePERS, was established to provide a retirement program for those serving in the Maine Legislature. Except as provided otherwise by statute, membership in the Maine Legislative Retirement Program is mandatory for legislators entering service on or after December 3, 1986.

The Judicial Retirement Program was established to provide a retirement program for Maine's judges. Membership in the Judicial Retirement Program is a condition of employment for all judges serving on or after December 1, 1984.

All members of the System contribute a percentage of their compensation to the System. Each employer also contributes to the System an amount for the normal costs of the programs that is a percentage of total wages paid to members who are employees of that employer.

Prior to July 1, 2013 the State paid the normal cost employer contributions and unfunded actuarial liability contributions on behalf of all State employee and teacher members. As of July 1, 2013, teacher employers began paying the normal cost employer contributions on behalf of those teacher members they employed while the state continued to pay toward the unfunded actuarial liability associated with teacher members. The employer contribution percentages are actuarially determined by plan and vary from year to year.

Employer normal cost contributions, along with current member contributions, support benefits currently being earned by active members. The State's unfunded actuarial accrued liability (UAAL) contribution is a payment on the amortized debt that represents the liability for benefits in excess of the amount supported by assets of the System. The Maine Constitution requires that the UAAL established as of June 30, 1996 be fully funded in not more than 31 years from July 1, 1997. The amortization period at the end of FY 2015 is 13 years, requiring full payment of the UAAL by the end of FY 2028.

Appendix A to Letter of Transmittal

The System also administers pay-as-you-go retirement programs for former judges who retired prior to the establishment of the Judicial Retirement Program in 1984 and their surviving spouses and former governors and their surviving spouses. The programs are funded each biennium by a direct appropriation from the Legislature and, in the case of the active governor, by employee contributions required by statute.

The Group Life Insurance Program is provided or made available to all eligible State employees, public school teachers, and employees of those PLDs who elect to offer this coverage to their employees, as well as to members of the Legislative and Judicial Retirement Programs. Basic coverage for the employee is equal to the employee's annual base compensation rounded up to the next $1,000; supplemental coverage for the employee and coverage for dependents are also available.

Further details regarding program and plan provisions can be found elsewhere in this report in the actuarial valuation for each program.

Financial Reporting

Beginning in fiscal year 2008, the System began drawing the funds formerly provided by the State of Maine to support its operating expenses directly from the trust funds. In the past, the State, as employer, contributed a certain amount for the System's administrative costs. Total operating expenses for staff and all other costs of operations, with the exception of certain investment related expenses required by law to be paid directly from investments, are allocated among each of the Programs administered by the System. The System's administrative budget is approved annually by the Board of Trustees, and is reported to the Legislature.

The System's financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis, in accordance with the standards and requirements of the Governmental Accounting Standards Board (GASB). The financial statements are presented in accordance with GASB Statement No. 67, Financial Reporting for Pension Plans, GASB Statement No. 34, Basic Financial Statements - Management's Discussion and Analysis for State and Local Governments, and, with respect to the Group Life Insurance Program, GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. Financial information presented throughout this Report is consistent with the financial statements. The financial statements are prepared on the accrual basis of accounting.

The System has an Internal Audit program, staffed by one internal auditor. This program focuses on a plan of in-depth audits of internal controls in all of the departments at the System. The internal auditor presents audit reports to both management and the Finance and Audit Committee of the Board of Trustees.

The independent auditor, Baker Newman Noyes (BNN), has conducted an audit of the financial statements in accordance with, as stated in its audit report, generally accepted auditing standards and including those tests and procedures BNN deemed necessary to express its opinion in its audit report.

The auditors have unrestricted access to the Board and the Board's Finance and Audit Committee to discuss the audit and their findings with respect to the integrity of the System's financial reporting and adequacy of the System's internal controls.

The System reports five defined benefit pension plans including two multiple-employer cost sharing plans (the State Employee and Teacher Plan and the PLD Consolidated Plan), two single employer plans (the Judicial and Legislative Plans) and an agent multiple employer plan which is an aggregation of single employer plans of those PLDs that elected not to join the consolidated cost sharing plan. Separate actuarial valuations are performed for each of the retirement programs that the System administers; contributions, inflows, and benefits payments are separately tracked and recorded, and separate trust fund balances are attributed to each such program. The System reports the Group Life Insurance Program and the MaineSTART Defined Contribution plans as separate plans. The System's financial statements, notes thereto and required supplementary information are prepared accordingly.

BOARD OF TRUSTEES, MANAGEMENT STAFF, and PRINCIPAL PROFESSIONAL CONSULTANTS
June 30, 2015

SENIOR ADMINISTRATIVE STAFF

Sandra J. Matheson	Executive Director
John C. Milazzo	General Counsel and Chief Deputy Executive Director
Andrew H. Sawyer, CFA, CAIA	Chief Investment Officer
Rebecca A. Grant	Deputy Executive Director
Sherry Tripp Vandrell	Director of Finance
Marlene McMullen-Pelsor	Manager, Employer and Ancillary Services
Kathy J. Morin	Manager, Actuarial and Legislative Affairs

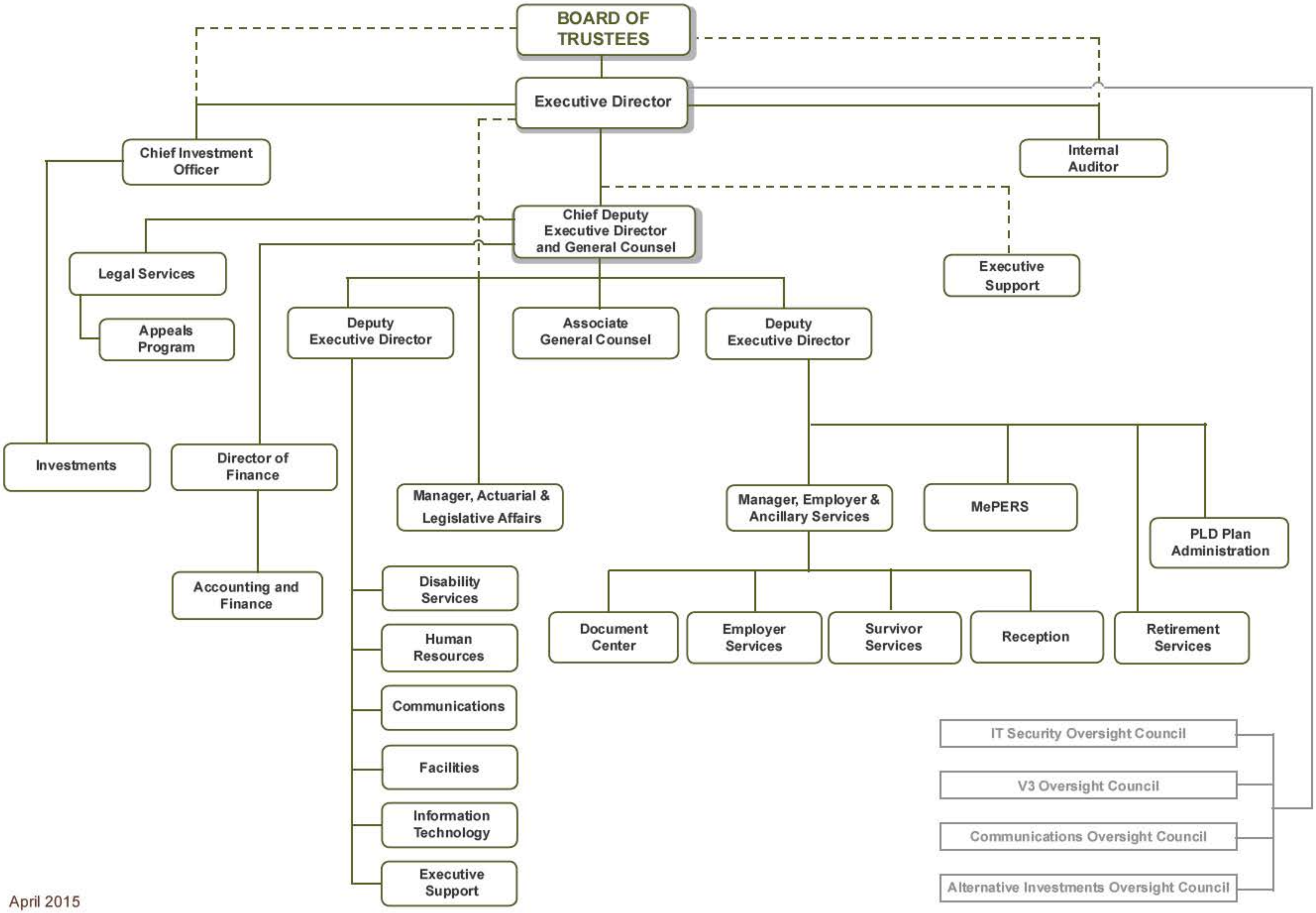
PRINCIPAL PROFESSIONAL CONSULTANTS

Actuary:	Cheiron, Inc.
Investment Consultant:	Cambridge Associates
Auditors:	Baker Newman & Noyes, LLC
Internal Auditor:	Sally Merritt

See page 77 for a list of professional investment management firms.

maine PERS Public Employees Retirement System

Organizational Chart by Function



April 2015

2015 Legislative Update

LEGISLATION ENACTED IN THE FIRST REGULAR SESSION OF THE 127TH LEGISLATURE

An Act to Require Proper Notification of Life Insurance Cancellation

PL 2015, c. 61 [L.D. 220]
Effective Date: May 10, 2015

This bill allows State employees, teacher members, legislators and judges who participate in the Group Life Insurance Program to designate a 3rd party to be notified along with the participant if coverage is scheduled to terminate due to nonpayment of premiums. The bill also requires that by July 1, 2015, MainePERS must provide covered participants with the opportunity to designate a 3rd party for notification of cancellation purposes.

An Act to Amend the Boundaries of the Capitol Area

PL 2015, c. 168 [L.D. 1390]
Effective Date: June 12, 2015

This bill redefines the boundaries of the Capitol area. The MainePERS building at 96 Sewall Street is removed from the Capitol Area as a result of the enactment of this bill.

An Act to Implement the Recommendations of the Right to Know Advisory Committee to Create a Remedy for Unduly Burdensome and Oppressive Requests

PL 2015, c. 248 [L.D. 1086]
Effective Date: October 15, 2015

This bill amends the Freedom of Access Act to authorize the denial of a request for inspection or copying of public records on the basis that the request is unduly burdensome or oppressive. The entity denying the request on this basis must seek protection from an unduly burdensome or oppressive request by filing an action in Superior Court.

An Act to Implement the Recommendations of the Right to Know Advisory Committee Concerning Response Deadlines and Appeals

PL 2015, c. 249 [L.D. 1087]
Effective Date: October 15, 2015

This bill clarifies the timeframe within which a written notice of denial of a public records request must be provided and makes clear that the response may be that the agency expects to deny the request in full or in part but cannot make that determination until such time as the requested records are reviewed. It also clarifies the procedures for an appeal from a denial of a request to inspect or copy public records.

continued on next page

2015 Legislative Update
(continued)

An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2015, June 30, 2016 and June 30, 2017

PL 2015, c. 267 [L.D. 1019]
Effective Date: June 30, 2015

This bill is the State budget for FYs 2016-2017. It includes several items relevant to MainePERS. In addition to funding for the State Employee/Teacher, Legislative and Judicial Retirement Programs and the Group Life Insurance Program, it includes the appropriation for the pay-as-you-go benefit plans for retired Governors and certain retired Judges. The budget also includes funding for subsidized military purchases for the remaining members who have requested to make a military service credit purchase under the subsidized provisions. Language is also included in the budget to permit future retirees to elect to pay the necessary contributions to include lost merit pay and/or longevity pay from FY 2013 as compensation towards their benefit calculation.

An Act to Clarify a Recently Enacted Law Designed to Expand the Number of Qualified Educators

PL 2015, c. 321 [L.D. 522]
Effective Date: October 15, 2015

This law expands the restoration to service provisions for classroom-based employees enacted by PL 2013, chapter 486 to include classroom-based employees in schools in unorganized territories.

An Act to Allow a Former Spouse of a Member of the Maine Public Employees Retirement System to Begin Collecting Benefits When the Former Spouse Reaches the Member's Retirement Age

PL 2015, c. 322 [L.D. 822]
Effective Date: October 15, 2015

This bill permits an alternate payee under a pre-retirement Qualified Domestic Relations Order ("QDRO") to begin to receive a benefit when s/he reaches the member's normal retirement age.

An Act to Improve Retirement Security for Retired Public Employees

PL 2015, c. 334 [L.D. 86]
Effective Date: July 12, 2015

This bill establishes a minimum cost-of-living adjustment (COLA) in fiscal years 2016 and 2017 of 2.55% of the portion of benefit subject to COLA for eligible retirees under the State/Teacher, Legislative and Judicial Retirement Programs. This adjustment is cumulative.

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FINANCIAL SECTION

BAKER
NEWMAN
NOYES

Baker Newman & Noyes, LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Maine Public Employees Retirement System

Report on the Financial Statements

We have audited the accompanying financial statements of Maine Public Employees Retirement System (the System), a component unit of the State of Maine, which comprise the statement of fiduciary net position as of June 30, 2015 and related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements which collectively comprise the System's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the System as of June 30, 2015 and changes in net position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

The Board of Trustees
Maine Public Employees Retirement System

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The accompanying additional supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the System's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Baker Newman & Noyes
Limited Liability Company

Portland, Maine
October 30, 2015

2.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015 Financial Report

Introduction

This Management Discussion and Analysis (MD&A) is prepared by the management staff of the Maine Public Employees Retirement System (MainePERS or the System) for the purpose of providing an overview of the System's financial statements.

Financial Reporting Structure

The System's financial statements are prepared on an accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) pronouncements. The accrual basis of accounting requires the recognition and recording of financial transactions and other related events when they occur and not just in conjunction with the inflows and outflows of cash and other resources.

The funds managed by the System are held in trust and consistent with state and federal law, can only be used for the payment of pension and related benefits to its members or, in the case of the Retiree Health Insurance Trust Fund, for the payment of retiree health insurance premiums for eligible retirees of the State of Maine. The System's Board of Trustees, as fiduciary, establishes the System's investment policies and oversees their overall implementation.

The System has historically reported as an agent multiple employer pension plan, aggregating the financial activity of all defined benefit pension plans for financial reporting purposes in its basic financial statements. Legislation enacted in 2014 provided clarification regarding plan structure and the System began reporting three separate plans beginning with our report for the year ended June 30, 2014. These plans included the State Employee and Teacher Plan, a multiple-employer cost sharing plan with a special funding situation; the PLD Consolidated Plan, a multiple-employer cost sharing plan; and the PLD Agent Plan, an agent multiple-employer plan. Effective with this report, the System began reporting two additional plans, the Judicial Plan and the Legislative Plan, both of which were previously included as part of the State Employee and Teacher Plan.

Basic Financial Statements

The Statement of Fiduciary Net Position reports the balance of Net Position restricted for future benefits as of the fiscal year end, with comparative values reported as of the previous fiscal year end. The Statement of Changes in Fiduciary Net Position reports the net change in Net Position for the fiscal year, with comparative values reported for the previous fiscal year. The System reports the State Employee and Teacher Retirement Plan, the Judicial Plan, the Legislative Plan, the PLD Consolidated Plan, the PLD Agent Plan, the Defined Contribution (DC) Plans, the Group Life Insurance (GLI) Plan, the MainePERS OPEB Trust and the Retiree Health Insurance Trust as separate funds and in separate columns in the financial statements. Condensed versions of both statements are included in the following section.

The Schedules of Changes in the Plan's Net Pension Liability and Related Ratios (Required Supplementary Information) presents the total pension liability and information indicating the source of changes in the liability for each multiple-employer cost sharing defined benefit retirement plan administered by the System. In addition, the Schedules show summary information regarding each Plan's net position for the years presented. The Schedule also presents each Plan's net pension liability as a percentage of the covered payroll of all members.

The Schedules of Employers' Contributions (Required Supplementary Information) presents the actuarially determined contributions for each multiple-employer cost sharing plan and compares them to actual employer contributions for the period presented. It also provides the actual contributions as a percentage of covered payroll for each year.

The Schedule of Funding Progress for the Group Life Insurance Plan (Required Supplementary Information) compares the actuarial value of plan assets with actuarial liabilities, as of actuarial valuation dates over a period of six years, and presents the unfunded actuarial accrued liability (UAAL). The Schedule also presents the actuarial funded ratio and the UAAL as a percentage of covered payroll of all participants.

The Schedule of Employers' Contributions for the Group Life Insurance Plan (Required Supplementary Information) presents the annual required contributions as defined by GASB for all employers participating in MainePERS group life insurance plan and compares them to actual employer contributions, over a period of six years. It also provides the percentage of the required to actual contributions for each year.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015 Financial Report
(continued)

Financial Highlights and Analysis

The following are the Condensed Comparative Statements of Fiduciary Net Position and Condensed Comparative Statements of Changes in Fiduciary Net Position for the System for the fiscal years ended June 30, 2015, 2014, and 2013:

Condensed Comparative Statements of Fiduciary Net Position

(Dollar Values Expressed in Millions)

	June 30, 2015		June 30, 2014		June 30, 2013	
Cash and Receivables	$	109.5	$	55.2	$	55.1
Investments at Fair Value		13,030.8		13,179.7		11,568.5
Collateral on Loaned Securities		148.1		253.9		1,481.5
Other Assets		9.2		8.7		8.9
Total Assets	**$**	**13,297.6**	**$**	**13,497.5**	**$**	**13,114.0**
Investment Management Fees Payable	$	10.8	$	8.3	$	5.2
Other Liabilities		211.3		273.2		1,498.6
Total Liabilities	**$**	**222.1**	**$**	**281.5**	**$**	**1,503.8**
Fiduciary Net Position - Held in Trust	**$**	**13,075.5**	**$**	**13,216.0**	**$**	**11,610.2**

Condensed Comparative Statements of Changes in Fiduciary Net Position

(Dollar Values Expressed in Millions)

	June 30, 2015		June 30, 2014		June 30, 2013	
ADDITIONS:						
Member Contributions	$	169.6	$	163.2	$	160.8
Employer Contributions		227.6		205.3		153.1
Non-Employer Contributing Entities		147.3		142.3		148.8
Net Investment and Other Income		248.9		1,943.5		1,191.9
Total Additions	**$**	**793.4**	**$**	**2,454.3**	**$**	**1,654.6**
DEDUCTIONS:						
Benefits	$	850.7	$	805.9	$	783.0
Other		83.2		42.6		36.4
Total Deductions	**$**	**933.9**	**$**	**848.5**	**$**	**819.4**
Net Increase (Decrease)	**$**	**(140.5)**	**$**	**1,605.8**	**$**	**835.2**
Fiduciary Net Position - Held in Trust, Beginning of Year	**$**	**13,216.0**	**$**	**11,610.2**	**$**	**10,775.0**
Fiduciary Net Position - Held in Trust, End of Year	**$**	**13,075.5**	**$**	**13,216.0**	**$**	**11,610.2**

Net Position

The Net Position of the System decreased in fiscal year 2015 by $140.5 million (1%) from the prior year's Net Position. While there was an expected increase in employer contributions for the year, income from investment activities was down significantly from prior years. Net Income from investment activities was $248.9 million in fiscal year 2015 compared to $1,943.5 million in fiscal year 2014. As of June 30, 2015, approximately 27% of the System's assets were invested in domestic common stocks, 25% in foreign

MANAGEMENT'S DISCUSSION AND ANALYSIS
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common stocks, 24% in domestic bonds, 10% in real estate, 4% in other strategies, 5% in infrastructure, and 5% in private equity, either with direct holdings or through investment in common/collective trusts.

The Net Position of the System increased in fiscal year 2014 by $1,605.8 million (14%) from the prior year's Net Position. This increase was due primarily to a significant increase in Net Income from investment activities during fiscal year 2014, and in part to a normal increase in employer contributions. For fiscal year 2014, Net Income from investment activities was $1,943.5 million. By comparison, Net Income from investment activities during fiscal year 2013 was $1,191.9 million. As of June 30, 2014, approximately 32% of the System's assets were invested in domestic common stocks, 26% in foreign common stocks, 24% in domestic bonds, 7% in real estate, 5% in other strategies, 3% in infrastructure, and 3% in private equity, either with direct holdings or through investment in common/collective trusts.

Assets

Investments at Fair Value decreased by $149 million (1%) in fiscal year 2015. This decrease in Investments at Fair Value combined with a decrease of $106 million in collateral on loaned securities and an increase in cash and receivables of $54 million contributed to a decrease in total assets of $200 million during the fiscal year. The increase in cash at fiscal year-end was in anticipation of a one-time disbursement in System assets of approximately $41 million. The System records the cash collateral it holds due to its securities lending activity as an asset and corresponding liability. Total securities lending activity actually increased by $41 million (16%) due to an increased utilization rate for domestic equities, however non-cash collateral is not recorded in total assets on the System's financial statements.

Comparatively, Investments at Fair Value increased by $1,611.2 million (14%) in fiscal year 2014. This increase in Investments at Fair Value combined with a decrease of $1,228 million in collateral on loaned securities, contributed to an increase in total assets of $383.5 million during the fiscal year. Total securities lending activity decreased by $1,196 million (77%) due to structural changes implemented by the MainePERS staff regarding acceptable utilization rates. The System's custodian records an Investment Purchase or Sale Receivable between the time it enters into a trade and the time that trade is settled. There were no major trades pending at fiscal year-end.

Please refer to the Investment Section for more information on the System's investments.

Liabilities

The System's custodian records an Investment Purchase or Sale between the time it enters into a trade and the time that trade is settled. At June 30, 2015, trades outstanding totaled $.6 million. The System records the cash collateral it holds due to its securities lending activity as an asset and corresponding liability. On June 30, 2015, total loans outstanding in the securities lending program were $148.1 million.

Trades outstanding at June 30, 2014 totaled $.1 million. At June 30, 2013 trades outstanding totaled $.2 million. On June 30, 2014 and 2013, the total loans outstanding in the securities lending program were $253.9 million and $1,449.9 million, respectively.

Additions to Net Position Restricted for Benefits

Additions to net position restricted for benefits during fiscal year 2015 totaled $793.4 million compared to additions of $2,454.3 million to net position in fiscal year 2014. This was largely due to the fact that investment income net of fees and other deductions decreased by $1,694.6 million. The decrease in investment income is primarily attributable to smaller increases in the public markets.

Additions to net position restricted for benefits during fiscal year 2014 totaled $2,454.3 million compared to additions of $1,654.6 million to net position in fiscal year 2013. This was largely due to the fact that investment income net of fees and other deductions increased by $751.6 million. The increase in investment income is primarily attributable to positive returns in the equity markets. US equities rose nearly 25% and international equities were up 22%, while fixed income rose nearly 4%.

Pension Contributions

The State's contributions on behalf of State employees totaled $116.6 million, $109.6 million, and $86.4 million for fiscal years 2015, 2014, and 2013, respectively. The State's contributions on behalf of teachers totaled $147.3 million, $142.3 million, and $148.8 million, for fiscal years 2015, 2014, and 2013, respectively. The State's contribution on behalf of judges totaled

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015 Financial Report
(continued)

$951.4 thousand, $932.2 thousand, and $811 thousand, for fiscal years 2015, 2014, and 2013, respectively. Based on the funding methodology used and considering the funded status of the Maine Legislative Retirement Plan, no employer contribution on behalf of Legislators was required in fiscal years 2015, 2014 or 2013.

The balance of employer contributions reported are from Participating Local District (PLD) employers. For PLDs in the Consolidated Plan, the range of employer contributions as a percent of earnable compensation in fiscal year 2015 was 4% to 13.4%; for fiscal year 2014 the range was 3.4% to 12.8%; and for fiscal year 2013 the range was 2.8% to 12.2%. The Consolidated Plan's funded status and established funding approach results in employers of the Consolidated Plan currently paying less than what the true normal cost would otherwise require. The employer rates have been incrementally increased over the past three years to reach a contribution rate closer to true normal cost.

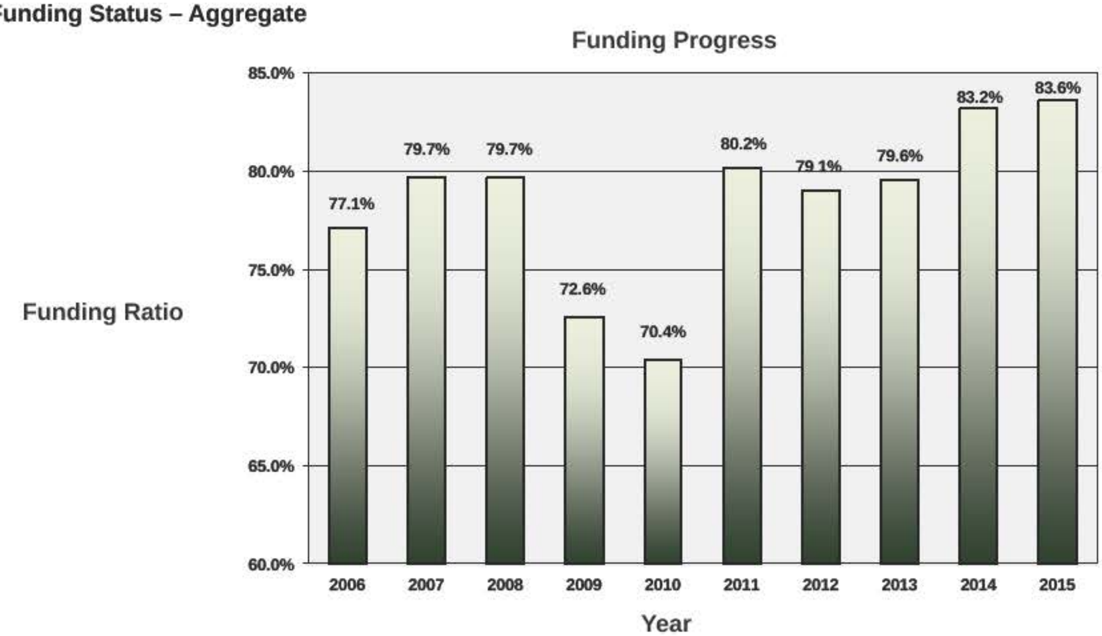
Member and employer data, contribution and benefit data for the 12 non-consolidated PLDs are specific to each PLD and are obtainable from the System.

Deductions from Net Position Restricted for Benefits

Total deductions from net position restricted for benefits during fiscal year 2015 increased by $85 million (10%). The fiscal year 2015 increase was due in part to an increase in the number of recipients receiving benefits, as well as the increased cost of benefits paid and refunds and withdrawals of contributions. In addition, a one-time refund of plan assets previously held in closed plans was reflected in the amount of $41 million. Benefit payments in fiscal year 2015 exceeded contributions by $306 million. Contributions totaled $545 million, and benefit payments totaled $851 million.

Total deductions from net position restricted for benefits during fiscal year 2014 increased by $29.1 million (3%). The fiscal year 2014 increase was due to an increase in the number of recipients receiving benefits, as well as the increased cost of benefits paid and refunds and withdrawals of contributions. Benefit payments in fiscal year 2014 exceeded contributions by $295 million. Contributions totaled $511 million, and benefit payments totaled $806 million.

System Funding Status – Aggregate



At June 30, 2015, the State/Teacher, Judicial, Legislative and PLD defined benefit plans were actuarially funded at 83.6%, an increase from the actuarial funding level of 83.2% at June 30, 2014. As illustrated in the chart, the actuarial funded ratio of the System increased more than two percentage points between 2006 and 2007 to 79.7%, where it remained for 2008. This was followed by two consecutive significant declines in 2009 to 72.6% and in 2010 to 70.4%. The 2009 decline was due primarily to low returns in the investment market downturn. In 2010, investment markets and returns improved, although not enough to offset the prior years' investment declines. Significant improvement in investment returns in 2011, combined with a decrease in the overall unfunded liabilities of the plan resulting from changes in assumptions adopted following the completion of an experience study in 2011, pushed the funding level to a high of 80.2% for this year. Modest investment returns combined with increased deductions

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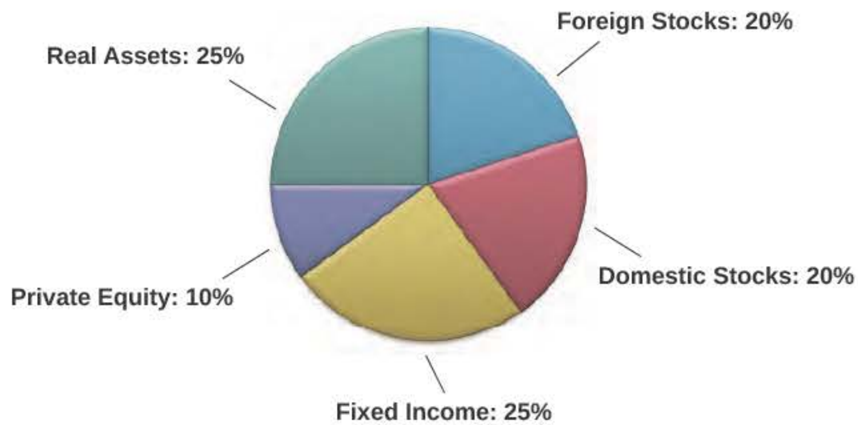
from the plan for benefits, contributed to the decrease in 2012. The increase in the funded ratio for 2013 and 2014 is attributable in part to strong investment returns during those years, in addition to the changes in plan provisions and increased contribution rates. Lower investment returns combined with increased contribution rates in 2015 contributed to keeping the funding ratio level.

Investments

The assets of all the defined benefit retirement plans that the System administers are commingled for investment purposes. Investments of the Group Life Insurance Plan and the Retiree Health Insurance Trust are invested following the same Target Asset Allocation but are not commingled with the assets of the defined benefit retirement plans.

TARGET ASSET ALLOCATION



Essentially all of the assets administered by the System in its investment portfolio are currently invested in seven asset classes: publicly traded domestic stocks, publicly traded foreign stocks, cash and cash-like securities, publicly traded domestic bonds, infrastructure, private equity, and real estate. Publicly traded derivative securities are used in some portfolios to emulate one or more of the seven asset classes. The investment policy established by the System's Board of Trustees in 2012 assigns strategic target allocations for each of five asset categories. These targets are 20% for domestic stocks, 20% for foreign stocks, 25% for fixed income, 10% for private equity, and 25% for real assets. Real assets include infrastructure (10%), real estate (10%), and natural resources (5%). The Board of Trustees anticipates it may take three to five years to fully reach the new asset allocation targets.

All of the assets invested by the System are in portfolios managed by professional investment management firms. These managers act as fiduciaries and invest the assets assigned to them in accordance with the Board's investment policy and their separate contractual arrangements. At June 30, 2015, total fair value of assets in these portfolios (together with the amounts otherwise managed) was $13 billion. The total fair value of assets as of June 30, 2014 was $13.2 billion. The investment return for the fiscal year ending June 30, 2015 was 2%. The investment return for the fiscal year ending June 30, 2014 was 16.7%. Investment returns in fiscal year 2015 were less than in fiscal year 2014, due primarily to smaller increases in the public markets. Over the five, ten and thirty year periods ended June 30, 2015, the average annual investment return for the total fund was 10.3%, 5.9%, and 8.7%, respectively.

System Membership – Aggregate

The following membership counts are derived from actuarial valuation data:

	June 30		Percentage
	2015	**2014**	**change**
Current active participants:			
Vested and nonvested	51,145	50,782	0.7%
Terminated participants			
Vested	9,768	9,656	1.2%
Inactives Due Refunds	43,267	42,767	1.2%
Retirees and beneficiaries receiving benefits	42,258	41,135	2.7%
Total Membership	**146,438**	**144,340**	**1.5%**

MANAGEMENT'S DISCUSSION AND ANALYSIS
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The number of active State employees at June 30, 2015 in the Regular and Special plans was 12,816, a decrease of 90 from June 30, 2014. The number of Teachers at June 30, 2015 was 27,200, an increase of 437 from June 30, 2014. Membership for judges was 56, a decrease of 4 from the previous year. Membership for Legislators was 180, a decrease of 1 from June 30, 2014. The Consolidated Plan for Participating Local Districts (PLDs) offers 11 retirement plans. Each PLD participating in the Consolidated Plan chooses the plan or plans under which its employees will be covered. Total active membership in the Consolidated Plan and the 12 non-consolidated plans at June 30, 2015 was 10,893, an increase of 21 from June 30, 2014.

Group Life Insurance Plan

The following summarized data is derived from actuarial valuation data for the Group Life Insurance Plan:

Group Life Insurance Plan Actuarial Data
(Dollar Values Expressed in Millions)

	June 30		
	2015	**2014**	**2013**
Actuarial Value of Assets	$95.6	$92.1	$76.2
Actuarial Liability	194.3	186.7	180.9
Unfunded Actuarial Liability	**$98.7**	**$94.6**	**$104.7**

Defined Contribution Plans

The Section 401(a), Section 457, and Section 403(b) Plans administered by the System's Board of Trustees are defined contribution plans. These plans are available as supplemental plans to the basic retirement benefits of employees of PLDs that elect to participate in the Defined Contribution Plans. Contributions may be made to the Plans subject to plan and Internal Revenue Code limitations. Investments in the Defined Contribution Plans are individually directed and controlled by plan participants.

Retiree Health Insurance Trust Fund

The Maine State Legislature established the Retiree Health Insurance Post Employment Investment Trust as an irrevocable trust for the sole purpose of holding and investing funds appropriated or otherwise provided to the Fund for the purpose of accumulating assets to provide funding to the State's unfunded liability obligations for retiree health benefits. The Trustees of the Maine Public Employees Retirement System were named Trustees of the Investment Trust Fund. At June 30, 2015, the fiduciary net position held in trust for the Fund was $195,120,447.

Currently Known Facts, Decisions, or Conditions

The Maine Public Employees Retirement System will conduct an experience study for each of the plans administered by the System in the coming year. An experience study is a summarization of actual experience over a defined period of time and is used as a guide in setting future actuarial assumptions. The 2015 experience study will address both economic and demographic assumptions.

Legislation enacted in July 2015 establishes a minimum cost-of-living adjustment (COLA) in fiscal years 2016 and 2017 of 2.55% of the portion of benefit subject to COLA for eligible retirees under the State/Teacher, Legislative and Judicial Retirement Programs. This adjustment is cumulative. Additional information regarding legislative changes impacting the System and effective dates can be found on the System's website at www.mainepers.org.

Requests for Information

Questions concerning this Management Discussion and Analysis, other parts of the System's financial statements or the System's financial activities should be directed to Maine Public Employees Retirement System, Sherry Tripp Vandrell, Director of Finance, at PO Box 349, Augusta, Maine 04332 or at (207) 512-3100 or toll-free at (800) 451-9800.

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2015
With Summarized Information as of June 30, 2014

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan
Assets:				
Cash and cash equivalents (note 3)	$ 29,449,357	273,765	$ 52,423	$ 43,097,896
Investments at fair value (notes 3 and 4):				
Common equity securities	2,485,211,781	13,671,002	2,687,806	582,808,405
Common/collective trusts	5,850,361,518	32,182,489	6,327,281	1,371,971,552
Mutual funds	211,819,342	1,165,206	229,087	49,673,872
Partnerships	1,653,579,876	9,096,244	1,788,379	387,781,942
Total investments	10,200,972,517	56,114,941	11,032,553	2,392,235,771
Receivables:				
State and local agency contributions and premiums (notes 6 and 7)	20,387,868	–	–	9,101,067
Accrued interest and dividends	4,379,156	24,089	4,736	1,026,958
Due from brokers for securities sold	622,054	3,422	673	145,878
Total receivables	25,389,078	27,511	5,409	10,273,903
Collateral on loaned securities (note 5)	119,018,175	654,712	128,721	27,911,019
Capital assets, net of accumulated depreciation	7,340,673	40,381	7,939	1,721,465
Total assets	10,382,169,800	57,111,310	11,227,045	2,475,240,054
Liabilities:				
Accounts payable	5,436,661	29,907	5,880	41,779,164
Due to brokers for securities purchased	500,898	2,755	542	117,466
Other liabilities	6,411,430	35,269	6,934	1,503,548
Accrued investment management fees	8,697,045	47,842	9,406	2,039,549
Obligations under securities lending activities (note 5)	119,018,175	654,712	128,721	27,911,019
Total liabilities	140,064,209	770,485	151,483	73,350,746
Fiduciary net position – held in trust	$10,242,105,591	$ 56,340,825	$ 11,075,562	$2,401,889,308

See accompanying notes.

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2015
With Summarized Information as of June 30, 2014

(continued)

PLD Agent Plan	Group Life Insurance	Defined Contribution	MainePERS OPEB Trust	Retiree Health Insurance Trust	2015 Total	2014 Summarized
$ 95,216	$ –	$ 64,358	$ –	$ –	$ 73,033,015	$ 31,272,767
8,607,782	–	–	–	–	3,092,986,776	3,967,803,227
20,263,318	101,013,852	27,090,082	11,798,989	195,253,315	7,616,262,396	7,575,173,962
733,658	–	–	–	–	263,621,165	265,349,886
5,727,341	–	–	–	–	2,057,973,782	1,371,421,762
35,332,099	101,013,852	27,090,082	11,798,989	195,253,315	13,030,844,119	13,179,748,837
83,315	674,189	48,950	–	–	30,295,389	19,368,460
15,168	–	–	–	–	5,450,107	4,388,415
2,155	–	–	–	–	774,182	99,185
100,638	674,189	48,950	–	–	36,519,678	23,856,060
412,231	–	–	–	–	148,124,858	253,859,314
25,425	–	–	–	–	9,135,883	8,719,339
35,965,609	101,688,041	27,203,390	11,798,989	195,253,315	13,297,657,553	13,497,456,317
18,830	31,652	–	–	–	47,302,094	6,211,246
1,735	–	–	–	–	623,396	533,230
22,207	6,089,717	6,053	1,025,456	117,844	15,218,458	12,543,160
30,123	9,010	–	871	15,024	10,848,870	8,259,333
412,231	–	–	–	–	148,124,858	253,859,314
485,126	6,130,379	6,053	1,026,327	132,868	222,117,676	281,406,283
$ 35,480,483	$ 95,557,662	$ 27,197,337	$ 10,772,662	$ 195,120,447	$13,075,539,877	$13,216,050,034

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2015
With Summarized Information for the Year Ended June 30, 2014

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan
Additions:				
Investment income:				
From investing activities:				
Net appreciation in the fair value of plan investments	$ 127,067,522	$ 699,877	$ 136,152	$ 30,857,302
Interest	188,605	1,038	204	61,242
Dividends	106,803,658	587,521	115,510	25,046,586
Less: investment expenses	(43,969,302)	(242,653)	(47,292)	(10,297,540)
Net income from investing activities	190,090,483	1,045,783	204,574	45,667,590
From securities lending activities:				
Securities lending income	484,630	2,666	524	113,651
Securities lending expenses:				
Borrower rebates refunded	1,560,710	8,585	1,688	366,003
Management fees	(306,766)	(1,688)	(332)	(71,940)
Total securities lending expenses	1,253,944	6,897	1,356	294,063
Net income from securities lending activities	1,738,574	9,563	1,880	407,714
Total net investment income	191,829,057	1,055,346	206,454	46,075,304
Contributions and premiums (notes 6 and 7):				
Members	123,528,807	549,691	193,356	37,202,921
State and local agencies	173,935,492	979,281	4,418	43,366,730
Non-employer contributing entities	147,283,716	–	–	–
Total contributions	444,748,015	1,528,972	197,774	80,569,651
Total additions	636,577,072	2,584,318	404,228	126,644,955
Deductions:				
Benefits paid, net	703,292,105	3,383,995	327,875	129,476,010
Refunds and withdrawals	19,432,153	–	111,237	48,939,042
Claims processing expenses (note 7)	–	–	–	–
Administrative expenses	9,386,695	49,399	9,584	2,117,266
Total deductions	732,110,953	3,433,394	448,696	180,532,318
Net (decrease) increase in fiduciary net position	(95,533,881)	(849,076)	(44,468)	(53,887,363)
Fiduciary net position – held in trust, beginning of year	10,337,639,472	57,189,901	11,120,030	2,455,776,671
Fiduciary net position – held in trust, end of year	$10,242,105,591	$ 56,340,825	$ 11,075,562	$2,401,889,308

See accompanying notes.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2015
With Summarized Information for the Year Ended June 30, 2014
(continued)

PLD Agent Plan	Group Life Insurance	Defined Contribution	MainePERS OPEB Trust	Retiree Health Insurance Trust	2015 Total	2014 Summarized
$ 439,957	$ 2,687,350	$ 809,191	$ 348,988	$ 5,464,866	$ 168,511,205	$ 1,855,602,816
654	405	184	–	–	252,332	66,040
369,925	–	–	–	–	132,923,200	126,463,725
(153,878)	(53,720)	(89,608)	(6,282)	(59,428)	(54,919,703)	(41,311,867)
656,658	2,634,035	719,767	342,706	5,405,438	246,767,034	1,940,820,714
1,679	–	–	–	–	603,150	1,494,320
5,406	–	–	–	–	1,942,392	1,671,312
(1,063)	–	–	–	–	(381,789)	(469,262)
4,343	–	–	–	–	1,560,603	1,202,050
6,022	–	–	–	–	2,163,753	2,696,370
662,680	2,634,035	719,767	342,706	5,405,438	248,930,787	1,943,517,084
94,468	4,820,666	3,165,927	–	–	169,555,836	163,219,098
916,671	8,250,204	131,589	5,730	–	227,590,115	205,296,239
–	–	–	–	–	147,283,716	142,303,104
1,011,139	13,070,870	3,297,516	5,730	–	544,429,667	510,818,441
1,673,819	15,704,905	4,017,283	348,436	5,405,438	793,360,454	2,454,335,525
2,780,492	11,137,510	–	251,016	–	850,649,003	805,848,613
–	–	1,718,286	–	–	70,200,718	31,225,426
–	818,901	–	–	–	818,901	835,215
32,253	357,984	130,964	–	117,844	12,201,989	10,624,352
2,812,745	12,314,395	1,849,250	251,016	117,844	933,870,611	848,533,606
(1,138,926)	3,390,510	2,168,033	97,420	5,287,594	(140,510,157)	1,605,801,919
36,619,409	92,167,152	25,029,304	10,675,242	189,832,853	13,216,050,034	11,610,248,115
$ 35,480,483	$ 95,557,662	$ 27,197,337	$ 10,772,662	$ 195,120,447	$13,075,539,877	$13,216,050,034

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

1. Overview of the Maine Public Employees Retirement System Benefit Plans

Background

The Maine Public Employees Retirement System (the System), which is a component unit of the State of Maine, is the administrator of a public employee retirement system established and administered under the Laws of the State of Maine. The System was formerly named the Maine State Retirement System. The System provides pension, disability, and death benefits to its members, which include employees of the State, public school teachers (as defined by Maine law) and employees of 301 local municipalities and other public entities (participating local districts, or PLDs) in Maine, each of which contracts for participation in the System under provisions of the relevant statutes.

Individual PLDs are permitted by law to withdraw from participation in the System. Withdrawal precludes the PLD's nonmember employees, if any, and its employees hired subsequent to withdrawal from membership in the System. Depending on the circumstances and requirements of the PLD's participation under the System, a withdrawn PLD has continuing funding obligations after withdrawal with respect to its employees who are active members at the time of withdrawal and who continue to be members thereafter, to its terminated vested employee members, and to its former employee members who are retired at the time of withdrawal.

Board of Trustees

The System's Board of Trustees is comprised of eight members. State law specifies the composition of the Board, whose members are confirmed by the Legislature. Three trustees are System members, one of whom is proposed and elected by the Maine Education Association, one of whom is proposed and elected by the Maine State Employees Association, and one of whom is a PLD member appointed by the governing body of the Maine Municipal Association. Four other trustees are appointed by the Governor. Of these, one must be selected by the Governor from a list of nominees submitted by the Maine Retired Teachers Association and one must be a MainePERS retiree selected from a list of nominees submitted by State and/or PLD retirees. The remaining two appointees are direct gubernatorial appointments, both of whom must be qualified through training or experience in investments, accounting, banking or insurance or as actuaries. All appointed trustees are required to have "a working knowledge of retirement policy and legal issues and a general knowledge and understanding of banking, finance, and investment practices." The eighth trustee is the State Treasurer, who serves ex-officio. All trustee terms are three years, except for the two-year term of the State Treasurer. The Board annually elects its chair and vice chair from among its members.

Defined Benefit Plans

Pension funds managed by the System are constitutionally restricted and held in trust for the payment of pension and related benefits. The System's Board of Trustees, in its fiduciary capacity, establishes the System's investment policies and oversees their overall implementation. The System administers five defined benefit pension plans including the State Employee and Teacher Plan which includes the Governors' Plan, the Judicial Plan, the Legislative Plan, the PLD Consolidated Plan, and the PLD Agent Plan. The System maintains separate reserves and accounts and performs separate actuarial valuations for each pension plan. Additional information regarding each plan can be found in Note 6 of this report.

Group Life Insurance Plan

The Group Life Insurance Plan was established by the State Legislature to provide group life insurance benefits, during active service as well as in retirement, to State employees, Teachers, members of the Judiciary and the Legislature, as well as Elected and Appointed Officers of the State, that are eligible for membership in the System. Group Life Insurance benefits are also provided to the employees of PLDs that elect to participate in the Group Life Insurance Plan. Employees are eligible for coverage under the Plan, subject to their membership in one or more of the aforementioned eligible employment classes and any other conditions of eligibility that the Board of Trustees of the System may prescribe by rule or decision.

Group Life Insurance funds managed by the System are held in trust for the payment of benefits to participants and/or their beneficiaries. The System's Board of Trustees, in its fiduciary capacity, establishes the System's investment policies and oversees their overall implementation. The System maintains separate reserves and accounts for each of the employment classes and a single actuarial valuation for the plan is performed that provides separate data for each of the five classes. In those years where a full actuarial valuation is not completed, a roll-forward of plan liabilities from the previous valuation to the current fiscal year end with expected benefit payments and accruals is conducted. The liabilities for fiscal year ended June 30, 2015 were calculated using this roll-forward approach.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

At June 30, 2015, the Group Life Insurance participant counts are as follows:

	Group Life Insurance Participants					
	State	Teachers	Judges	Legislators	PLD	Total
Actives	11,821	13,829	58	–	5,486	31,194
Retirees	8,446	6,545	41	10	2,673	17,715
	20,267	20,374	99	10	8,159	48,909

Defined Contribution Plans

The Section 401(a), Section 457 and Section 403(b) Plans, administered by the System's Board of Trustees with funds held in trust, are defined contribution plans. These plans are available as supplemental plans to the basic retirement benefits of employees of PLDs that elect to participate in the Defined Contribution Plans. Contributions may be made to the Plans by plan participants subject to plan and Internal Revenue Code limitations. At June 30, 2015, participation in the defined contribution plans was as follows:

	401(a) Plan	457 Plan	403(b) Plan
Employers	10	56	1
Participants	76	559	352

Investments in the Defined Contribution Plans are individually directed and controlled by plan participants.

MainePERS OPEB Trust

The MainePERS OPEB Trust is an irrevocable trust established for the purpose of accumulating assets to provide funding for retiree health benefits and life insurance in retirement for qualified individuals who retire from the Maine Public Employees Retirement System. The Trustees of the Maine Public Employees Retirement System were named Trustees of the MainePERS OPEB Trust.

Retiree Health Insurance Trust Fund

The Maine State Legislature established the Retiree Health Insurance Post Employment Investment Trust as an irrevocable trust formed solely to hold and invest funds appropriated or otherwise provided to the Fund for the purpose of accumulating assets to provide funding to the State's unfunded liability obligations for retiree health benefits. The Trustees of the Maine Public Employees Retirement System were named Trustees of the Investment Trust Fund.

2. Summary of Significant Accounting Policies

Basis of Accounting

The System's financial statements are prepared using the accrual basis of accounting.

Comparative Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the System's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

Reclassifications

Certain 2014 numbers have been reclassified to conform to the 2015 financial statement presentation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make significant estimates and assumptions. These estimates affect the reported amounts of net position restricted for benefits at the date of the financial statements, the actuarial information included in the required supplementary information as of the actuarial information date, the changes in net position during the reporting period and, when applicable, the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Revenue Recognition

Pension contributions and group life insurance premiums, as well as contributions to the Retiree Health Insurance Trust, are recognized as additions in the period when they become due pursuant to formal commitments or statutory or contractual requirements. Contributions to Defined Contribution Plans are recognized in the period they are contributed.

Net investment income includes net appreciation or depreciation in the fair value of investments, interest and dividend income, foreign currency transaction gains and losses, and securities lending income, less investment expenses, which include investment management and custodial fees and all other significant investment related costs. Dividends include income returns from partnerships. Investment income is recognized when earned and investment expenses are recorded when incurred.

Benefits and Refunds

Pension and group life insurance benefits and contributions and premium refunds to the System's members and beneficiaries are recognized as deductions when due and payable in accordance with the terms of the statutes. In addition, an estimate is made for group life insurance death benefits incurred before year end but not reported to the System until after year end. These are reflected as other liabilities. Distributions from Defined Contribution Plans and the Retiree Health Insurance Trust are recognized in the period the disbursement is made.

Investments

Investments are reported at fair value. Debt and equity securities that are traded on recognized exchanges are valued at the last sales price and the current exchange rates on the reporting date. Other regularly traded securities, including derivatives, are valued by the System's custodians through a variety of external sources. Investments that do not have an established market are reported at estimated fair value. The fair value of shares in common collective trusts is based on unit values reported by the funds. The fair value of other investments, including private market partnerships, is based on third-party appraisals and valuations provided by the sponsor of the partnerships. Management reviews and approves all such appraisals and valuations prepared by other parties. Investment purchases and sales are recorded as of their trade date. Proceeds related to securities sold not yet purchased are carried as a liability and are adjusted to the fair value of the securities.

Assets of the defined benefit pension plans are pooled for investment purposes and are allocated to each plan based on each plan's net fiduciary position, as are investment expenses and administrative expenses. Assets of the Group Life Insurance Plan are invested separately from the assets of the defined benefit pension plans.

Due to/from Brokers

Amounts due to/from brokers for securities purchased or sold consist of trades not yet settled.

Cash and Cash Equivalents

The System considers all highly liquid debt instruments that have a maturity of 90 days or less when purchased to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

Administrative Expenses

The cost of administering the Plans is financed primarily by investment income, with a small percentage of contributions from select employers.

Capital Assets

All capital assets with a unit cost of $5,000 or greater are capitalized and reported in the accompanying financial statements. Purchased assets are valued at cost where historical records exist. Where necessary, for real estate, estimates of original cost are derived from historical real estate appraisals, historical real estate tax valuation records, and relevant accounting information derived from the records.

Capital asset costs include the purchase price or construction cost, plus those costs necessary to place the asset in its intended location and condition for use.

Depreciation is calculated using the straight-line method with estimated useful lives of 3 to 40 years.

Risks and Uncertainties

The System makes investments in accordance with the Board of Trustees' investment policy in a combination of equities, fixed income securities, infrastructure, private equity, real estate, derivative financial instruments, other investment securities and mutual funds and common/collective trusts holding such investments. The investment policy specifically prohibits investment managers from using derivative financial instruments to introduce leverage without specific prior approval by the Board. Investment securities and securities underlying certain investments are exposed to various risks, such as interest rate risk, market risk, custodial credit risk and credit risk. Investments in the Defined Contribution Plans are individually directed and controlled by plan participants. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, changes in the values of investment securities are likely to occur in the near term and it is at least possible that such changes could materially affect the amounts reported in the statement of fiduciary net position and the statement of changes in fiduciary net position.

Employers' contributions to the Defined Benefit Plans are established by an actuarial valuation on the basis of actuarial assumptions related to economic indicators (e.g., interest rates, inflation rates), and member and retiree compensation and demographics. By law, the assumptions are adopted by the Board of Trustees based on recommendation of the System's actuary. The System is also required by Maine law to perform an actuarial experience study whenever the Board of Trustees, on recommendation of its actuary, determines such a study to be necessary for actuarial soundness or prudent administration.

New Accounting Pronouncements

The System adopted GASB Statement No. 68 (Statement 68), *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 (Statement 71), *Pension Transition for Contributions Made Subsequent to the Measurement Date an amendment of GASB Statement No. 68* for the year ended June 30, 2015. Statement 68 replaced the requirements of Statement No. 27, *Accounting for Pension by State and Local Government Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual cost of pension benefits. Statement 71 requires that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability being reported under GASB Statement No. 68. The impact of adopting these statements can be found in Note 12.

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application.* This statement addresses financial reporting and accounting issues related to fair value measurements and is effective for financial statements beginning after June 15, 2015. The System is currently evaluating the impact this guidance will have on its financial statements.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68.* This statement establishes requirements for pensions that are not within the scope of Statement 68 and clarifies certain provisions of Statements 67 and 68. This statement is effective with financial statements beginning after June 15, 2015. The System is currently evaluating the impact this guidance will have on its financial statements.

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. For defined benefit OPEB plans that are administered through trusts that meet the specified criteria, this Statement requires two financial statements – a statement of fiduciary net position and a statement of changes in fiduciary net position. In addition, certain footnote disclosures and required supplementary information will be presented. This Statement also requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position

This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

In June 2015, GASB issued Statement No. 75, Accounting and *Financial Reporting for Postemployment Benefits Other Than Pensions.* This statement establishes requirements for governments providing postemployment benefits other than pensions to recognize their long-term obligation for those benefits. The statement is effective with financial statements beginning after June 15, 2017. The System is currently evaluating the impact this guidance will have on its financial statements.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* This statement supersedes Statement No. 55, T*he Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* The statement is effective with financial statements beginning after June 15, 2015, with earlier application permitted. The System adopted Statement 76 for the fiscal year ending June 30, 2015; adoption of the statement had no impact on the System's financial statements.

3. Cash and Investments

The Board of Trustees is responsible for identifying the System's investment objective and establishing an investment policy to meet that objective. The Board relies on staff and consultants with appropriate expertise to establish investment policy, monitor compliance with that policy, and determine whether the investment objective has been met. The Board established the strategic asset allocation as part of its overall investment policy. The policy identifies the following investment classes and targets: US equities (20%), non-US equities (20%), private equity (10%), fixed income (25%), and real assets (25%). Within real assets, the allocation is further defined to include: real estate (10%), infrastructure (10%), and natural resources (5%). The investment policy was last revised in November 2013 to refine the rebalancing process.

Custodial credit risk is the risk that in the event of a financial institution failure, the System's deposits may not be returned to it. The System has no formal policy for custodial credit risk. Cash and cash-like securities are held at two institutions: Bangor Savings Bank and JP Morgan. Cash balances at Bangor Savings Bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Bangor Savings Bank mitigates custodial credit risk through use of securities repurchase arrangements.

Cash equivalents at JP Morgan are invested in the JP Morgan Prime Money Market Fund. The JP Morgan Prime Money Market fund is composed of short term debt securities held in a collective fund for the benefit of the System and other investors. All securities purchased in the Prime Money Market must either be payable on demand or have a maturity not exceeding eighteen months from the time of purchase. The System's aggregate custodial credit risk exposure for cash and investments at June 30 is summarized in the table below:

	2015	2014
Exposed to Custodial Credit Risk (uninsured and uncollateralized)	$ 370,921	$ 393,417
Not Exposed to Custodial Credit Risk	13,103,506,213	13,210,628,187
Total Fair Value	$ 13,103,877,134	$ 13,211,021,604

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

Amounts are not exposed to custodial credit risk (a) because the underlying investments are registered in the name of the System and held by the System's custodian or (b) because their existence is not evidenced by securities that exist in physical or book entry form.

These amounts are disclosed in the financial statements at June 30 as follows:

	2015	2014
Cash and Cash Equivalents	$ 73,033,015	$ 31,272,767
Investments	13,030,844,119	13,179,748,837
Total Fair Value	$ 13,103,877,134	$ 13,211,021,604

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations to the System. The following table summarizes the System's aggregate fixed income portfolio credit ratings for the fiscal years ended June 30:

Moody's Quality Rating	2015	2014
Aaa	$ 2,258,487,650	$ 2,281,107,617
Aa1	11,072,089	56,500,000
Aa2	171,592,766	123,408,101
A2	328,891,520	304,785,141
Baa1	285,436,170	–
Baa2	11,599,332	278,191,144
Ba1	–	23,000,000
Ba2	15,026,406	–
Not rated	–	597,618
Total credit risk debt	$ 3,082,105,933 (1)	$ 3,067,589,621 (2)

(1) Includes direct investments in debt securities held by the System as well as debt securities underlying investments in common collective trusts and mutual funds. In 2015, the amount included from common collective trusts is $2,976,393,846; the amount included from mutual funds is $105,712,087.

(2) Includes direct investments in debt securities held by the System as well as debt securities underlying investments in common collective trusts and mutual funds. In 2014, the amount included from common collective trusts is $2,988,089,621; the amount included from mutual funds is $79,500,000.

Individual investments that constitute 5% or more of total investments as of June 30, 2015 are as follows:

Pooled fixed income funds:	
BlackRock 0-5 Year TIPS	$ 1,120,421,708
BlackRock MSCI ACWI Ex US	3,149,256,912

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of investment in a single issue. The System's investment policy places no limit on the amount the System may invest in any one issuer. The resulting credit risk is consistent with the Barclays Capital Aggregate Index.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System has no formal investment policy related to managing interest rate risk. All of the System's fixed income portfolios are managed in accordance with contractual guidelines. Contractual guidelines generally specify a range of effective duration for the portfolio. Duration is widely used in the management of fixed income portfolios as a measure of a debt investment's exposure to fair value changes arising from changing interest rates. The System's interest rate risk is closely aligned with the Barclays Capital Aggregate Index. The following table details the System's interest rate risk for its debt investments at June 30, 2015, using the segmented time distribution method. Maturities are based on the weighted average maturities of underlying investments in the common/collective trusts and mutual funds.

	Maturities as of June 30, 2015				
Investment Type	Fair Value	Less than 1 Year	1 to 6 Years	6 to 10 Years	10+ Years
Common/ Collective Trusts	$ 2,976,393,846	$ 264,601,413	$ 1,928,554,392	$ 472,800,163	$ 310,437,878
Mutual Funds	105,712,087	90,685,681	–	15,026,406	–
Total	$ 3,082,105,933	$ 355,287,094	$ 1,928,554,392	$ 487,826,569	$ 310,437,878

	Maturities as of June 30, 2014				
Investment Type	Fair Value	Less than 1 Year	1 to 6 Years	6 to 10 Years	10+ Years
Common/ Collective Trusts	$ 2,988,089,621	$ 222,612,676	$ 2,069,252,063	$ 422,814,682	$ 273,410,200
Mutual Funds	79,500,000	11,600,000	56,500,000	11,400,000	–
Total	$ 3,067,589,621	$ 234,212,676	$ 2,125,752,063	$ 434,214,682	$ 273,410,200

Foreign currency risk is the risk that changes in exchange rates will adversely impact the recorded fair value of an investment. The System does not have a formal investment policy limiting the amount of foreign currency exposure of its investments. The System's currency exposures reside primarily in the System's international equity investments. The System may or may not hedge a portfolio's foreign currency exposure with currency forward contracts depending on their views of the currency relative to the dollar. All of the System's portfolios are managed in accordance with contractual guidelines. The System has nearly eliminated all direct exposure to foreign currency by using index funds which means the System owns units of dollar denominated commingled funds rather than conducting transactions directly in foreign currency. The System is still indirectly exposed to all the foreign currencies within the index.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

The System's direct exposure to foreign currency risk in U.S. dollars as of June 30, 2015 is highlighted in the table below:

Currency	Cash	Equity	Total
Australian Dollar	$ –	$ 142,521,345	$ 142,521,345
Brazilian Dollar	–	51,031,105	51,031,105
Canadian Dollar	710	207,706,774	207,707,484
Swiss Franc	361,885	208,240,313	208,602,198
Chilean Peso	–	8,425,314	8,425,314
Chinese Yuan Renminbi	–	643,539	643,539
Columbian Peso	–	3,983,370	3,983,370
Czech Koruna	–	1,227,260	1,227,260
Danish Krone	–	37,407,917	37,407,917
Egyptian Pound	–	1,553,929	1,553,929
Euro	8,326	746,474,926	746,483,252
British Pound Sterling	–	6,233,116	6,233,116
Hong Kong Dollar	–	241,298,008	241,298,008
Hungarian Forint	–	1,407,648	1,407,648
India Rupee	–	52,557,721	52,557,721
Indonesian Rupiah	–	16,094,579	16,094,579
New Israeli Shekel	–	13,524,227	13,524,227
Japanese Yen	–	508,089,796	508,089,796
South Korean Won	–	95,238,717	95,238,717
Mexican Peso	–	28,937,560	28,937,560
Malaysian Ringgit	–	21,868,146	21,868,146
Norwegian Krone	–	14,515,840	14,515,840
New Zealand Dollar	–	2,786,724	2,786,724
Philippine Peso	–	9,320,337	9,320,337
Polish Zloty	–	10,066,168	10,066,168
Qatar Rival	–	6,292,246	6,292,246
Russian Ruble	–	14,479,682	14,479,682
Swedish Krona	–	65,811,750	65,811,750
Singapore Dollar	–	29,697,646	29,697,646
Thai Baht	–	15,599,656	15,599,656
Turkish Lira	–	9,983,971	9,983,971
New Taiwan Dollar	–	87,632,248	$ 87,632,248
South African Rand	–	51,909,925	51,909,925
United Arab Emirates Dirham	–	4,795,161	4,795,161
United Kingdom Pound Sterling	–	451,650,842	451,650,842
Total	$ 370,921	$ 3,169,007,506	$ 3,169,378,427

The System has entered into contracts to invest up to approximately $5.2 billion into common collective trusts and partnerships with a focus on private equity, infrastructure, opportunistic and real estate investment strategies. As of June 30, 2015, approximately $2.8 billion has been invested; the remaining commitment is approximately $2.4 billion.

For the year ended June 30, 2015, the annual money-weighted rate of return on all pension plan investments, net of pension plan investment expense, was 2%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested, based on monthly calculations.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

4. Derivative Securities

Derivative financial instruments are financial contracts whose value depends on the value of one or more underlying assets, reference rates or financial indices. They include futures, forwards, options, and swap contracts. In addition, some traditional securities can have derivative-like characteristics, e.g., asset-backed securities, including collateralized mortgage obligations (CMOs), which are sensitive to changes in interest rates and to prepayments.

The System may be a party, both directly and indirectly, to various derivative financial investments that are used in the normal course of investing to enhance expected returns on investments, to manage the risk of exposure to changes in value of investments due to fluctuations in market conditions, and to gain passive exposure to markets. In addition to normal market risks these investments may involve, to varying degrees, elements of interest rate risk, credit risk, leverage risk, counterparty risk, and custodial credit risk.

Interest rate risk is the risk that fixed income securities and derivatives will decline in value because of changes in interest rates.

Credit risk is the risk that an issuer or guarantor of a fixed income security or derivative is unable or unwilling to make timely principal payments and/or interest payments.

Leverage risk may be created with derivatives. Financial leverage generally involves borrowing and then reinvesting the proceeds with the hope of earning a higher rate of return than the borrowing costs. With derivative instruments economic leverage may be effectively created without any explicit borrowing. Leveraged investments may be more volatile than if an investment had not been leveraged. Leveraging tends to exaggerate the effect of any increase or decrease in the value of an underlying investment. In a leveraged transaction an amount more than the initial investment may be lost. The System's investment policy requires specific Board approval of any investment strategy that involves the use of direct financial leverage.

Counterparty risk is the risk that the counterparty to a derivative transaction is unwilling or unable to deliver on their obligations to the System.

The System manages interest rate risk, leverage risk, and counterparty risk on a manager by manager basis by establishing guidelines with each manager. The manager is customarily allowed to invest within these predetermined guidelines.

Custodial credit risk is the risk that in the event of a financial institution failure, the System's investments may not be returned to it. Derivative securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the System, and are held by either the counterparty or the counterparty's trust department or agent but not in the System's name.

The System's investments in derivative securities only have nominal exposure to custodial credit risk. Credit risk is managed, in the case of exchange-traded derivatives, by the execution of trades through a clearinghouse and, in the case of over-the-counter transactions, by managers' due diligence assessment and approval of counterparties. Market risk arises due to adverse changes in market price or to interest rate or foreign exchange rate fluctuations that may result in a decrease in the market value of a financial investment and/or increase its funding cost. Market risk is managed by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. These limits are approved by the Board of Trustees and are monitored by the Chief Investment Officer, and the risk positions of the investment managers are reviewed on a periodic basis to monitor compliance with the limits.

Foreign currency forward contracts may be used to hedge against the currency risk in the System's foreign equity and fixed income security portfolios. A foreign currency forward contract is an agreement to buy or sell a specific amount of a foreign currency at a specified delivery or maturity date for an agreed upon price. The contracts are valued at forward exchange rates, and the changes in value of open contracts are recognized in the statement of changes in fiduciary net position. The unrealized gain or loss on forward currency contracts represents the difference between the value of the original contracts and the closing value of such contracts and is included in the statement of changes in fiduciary net position.

The System's fixed income managers may invest in CMOs and Asset-Backed Securities to improve the yield or adjust the duration of the fixed income portfolio. As of June 30, 2015 and 2014, the System held no material positions in CMOs or Asset-Backed Securities.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

The System's managers may also invest in swaps. Interest rate swaps are used to adjust interest rate and yield curve exposures and substitute for physical securities. Long swap positions increase exposure to long term rates; short positions decrease exposure. Credit default swaps are used to manage credit exposure. Purchased credit default swaps decrease credit exposure, while written credit default swaps increase exposure. Total return swaps are a means to gain exposure to an index.

The System may also hold investments in futures and options, which are used to manage various risks within the portfolio. A financial futures contract is an agreement between two parties to buy or sell units of a particular index or a certain amount of a security at a set price on a future date. The System may purchase and sell financial futures contracts to hedge against the effect of changes in the values of securities it owns or expects to purchase.

Upon entering into such a contract, the System is required to pledge to the broker an amount of cash or securities equal to a certain percentage of the contract amount (initial margin deposit). Pursuant to the contract, the System agrees to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as "variation margin" and are recorded by the custodial bank on behalf of the System as unrealized gains or losses. When the contract is closed, the custodial bank on behalf of the System records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The potential risk to the System is that the change in value of futures contracts primarily corresponds to the value of the underlying instruments, which may not correspond to the change in value of the hedged instruments. In addition, there is a risk the System may not be able to close out its futures positions due to an illiquid secondary market or the potential inability of a counterparty to meet the terms of a contract.

In addition to the derivative financial instruments directly held, the System may have indirect exposure to risk through its ownership interests in commingled investment funds, which use, hold or write derivative financial instruments. There also may be indirect exposure in the securities lending programs in which the System participates, in which some collateral pools may include derivatives (note 5). Where derivatives are held in those funds/pools, risks and risk management are as described above.

The following table details the System's aggregate derivative investments at June 30. All changes in fair value are reported in net (depreciation) appreciation in fair value of plan investments in 2015 and 2014.

	2015 Change in Fair Value	Fair Value at June 30, 2015 Classification	Fair Value at June 30, 2015 Amount	June 30, 2015 Notional Amount
Investment derivatives:				
Futures:				
Equity Index Futures Contracts	$ (95,310)	Investments	$ –	$ –

	2014 Change in Fair Value	Fair Value at June 30, 2014 Classification	Fair Value at June 30, 2014 Amount	June 30, 2014 Notional Amount
Investment derivatives:				
Futures:				
Equity Index Futures Contracts	$ 304,630	Investments	$ 95,310	$ 75,920,310

The System has entered into agreements with its master custodian to lend to broker-dealers and other entities any type of security held in the System's portfolio and held with the master custodian. Securities are loaned against collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned against collateral generally valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned against collateral valued at 105% of the market value of the securities plus any accrued interest.

Noncash collateral cannot be pledged or sold unless the borrower defaults. As a result, those securities are excluded from both assets and liabilities.

All securities loans can be terminated on demand by either the lender or the borrower. The average term of the System's loans was approximately 67 days and 110 days as of June 30, 2015 and 2014, respectively.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

Cash collateral is invested in a short-term investment account which had an interest sensitivity of 15 and 29 days as of June 30, 2015 and 2014, respectively. Cash collateral may also be invested separately in "term loans," in which case the investments match the loan term. These loans can be terminated on demand by either lender or borrower.

During fiscal years 2015 and 2014, there were no violations of legal or contractual provisions, and no borrower or lending agent default losses identified to the System by the securities lending agent. Securities lending earnings are credited to the System on approximately the fifteenth day of the following month.

Custodial credit risk is the risk that the System's securities are not returned due to the insolvency of a borrower and the master custodian has failed to live up to its contractual responsibilities relating to the lending of those securities. The master custodian's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending. At June 30, 2015 and 2014, all of the collateral for securities lending is subject to custodial credit risk.

Because of the program's collateralization of loans, generally at 102% (or more), plus accrued interest for fixed income securities, the System believes that there is no credit risk as defined in GASB Statement No. 28 and GASB Statement No. 40.

Some of the System's assets are held in common/collective trusts and are subject to similar agreements arranged by those trusts. The income from those arrangements and the associated collateral are not included in the securities lending amounts reported.

Aggregate securities on loan by asset class:

	2015	2014
Domestic equity securities on loan	$ 294,427,309	$ 253,639,212
Aggregate securities lending collateral:		
Short-term investment collateral pool	$ 148,124,858	$ 253,859,313
Noncash collateral (debt and equity securities, at fair value)	153,361,711	6,364,766
Total collateral	$ 301,486,569	$ 260,224,079
Collateral ratio	102.4%	102.6%

6. Defined Benefit Plans

State Employee and Teacher Plan

The State Employee and Teacher Plan administered by MainePERS is a multiple-employer cost sharing plan with a special funding situation. As of June 30, 2015 there were 231 employers, including the State of Maine, participating in the plan. The State of Maine is also a non-employer contributing entity in that the State pays the unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members.

Plan membership counts for the State Employee and Teacher Plan at June 30 are as follows:

State Employee and Teacher Plan Membership	2015	2014
Current participants:		
Vested and non-vested	40,016	39,669
Terminated participants:		
Vested	7,511	7,447
Inactive due refunds	36,810	36,611
Retirees and beneficiaries receiving benefits	33,260	32,391
	117,597	116,118

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

Judicial Plan

The Judicial Plan administered by MainePERS is a single-employer plan offered by the State of Maine.

Plan membership counts for the Judicial Plan at June 30 are as follows:

Judicial Plan Membership	2015	2014
Current participants:		
Vested and non-vested	56	60
Terminated participants:		
Vested	3	2
Inactive due refunds	1	1
Retirees and beneficiaries receiving benefits	71	67
	131	130

Legislative Plan

The Legislative Plan administered by MainePERS is a single-employer plan offered by the State of Maine.

Plan membership counts for the Legislative Plan at June 30 are as follows:

Legislative Plan Membership	2015	2014
Current participants:		
Vested and non-vested	180	181
Terminated participants:		
Vested	127	122
Inactive due refunds	115	94
Retirees and beneficiaries receiving benefits	170	153
	592	550

Participating Local District (PLD) Consolidated Plan

The PLD Consolidated Plan is a multiple-employer cost sharing plan. Eligible employers (districts) are defined in Maine statute As of June 30, 2015 there were 289 employers participating in the plan.

Plan membership counts for the PLD Consolidated Plan at June 30 are as follows:

PLD Consolidated Plan Membership	2015	2014
Current participants:		
Vested and non-vested	10,870	10,848
Terminated participants:		
Vested	2,112	2,071
Inactive due refunds	6,341	6,061
Retirees and beneficiaries receiving benefits	8,581	8,333
	27,904	27,313

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

PLD Agent Plan

The PLD Agent Plan is an agent multiple-employer plan for financial reporting purposes. This plan is an aggregation of single employer plans that were open when the PLD Consolidated Plan began. Under the legislation that created the consolidated plan, single employers could either join the consolidated plan whereby the single employer plan would end, or they could opt to not join the plan and continue to maintain their single employer plan as a closed plan until there were no further liabilities for pension, at which time the single employer plan would be dissolved. As of June 30, 2015 there were 12 employers in the plan.

Plan membership counts for the PLD Agent Plan at June 30 are as follows:

PLD Agent Plan Membership	2015	2014
Current participants:		
Vested and non-vested	23	24
Terminated participants:		
Vested	15	14
Inactive due refunds	–	–
Retirees and beneficiaries receiving benefits	176	191
	214	229

Benefits

Benefit terms are established in Maine statute; in the case of the PLD Consolidated Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers; separate legislation enacted the same reduced requirement for judges, legislators, and employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers, judges and legislative members is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members and by contract with other participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.

Funding Policy

The Maine Constitution, Maine statutes and the System's funding policy provide for periodic employer contributions in addition to the normal cost contributions for the State Employee and Teacher Program. These are actuarially determined amounts that, based on certain actuarial assumptions are sufficient to fully fund, on an actuarial basis, the State Employee and Teacher Retirement Program by the year 2028 (Unfunded Actuarial Accrued Liability (UAAL) payments). Level percentage of payroll employer contribution rates are determined using the entry age normal actuarial funding method. The System also uses the level percentage of payroll method to amortize the unfunded liability of the State Employee and Teacher Retirement Program. For participating employers in the PLD Agent Plan, the level percentage of payroll method is also used.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

Net Pension Liability – State Employee and Teacher Plan Employers

The components of the net pension liability of the State of Maine and participating teacher employers, stated in millions of dollars as of June 30, 2015, was as follows:

Total pension liability (TPL)	$ 12,616.3
Plan fiduciary net position	10,242.1
Net pension liability (NPL)	$ 2,374.2
Plan fiduciary net position as a percentage of the total pension liability	81.2%

Net Pension Liability – Judicial Retirement Plan

The components of the net pension liability of the State of Maine for the Judicial Retirement Plan, stated in millions of dollars as of June 30, 2015, were as follows:

Total pension liability (TPL)	$ 58.9
Plan fiduciary net position	56.3
Net pension liability (NPL)	$ 2.6
Plan fiduciary net position as a percentage of the total pension liability	95.6%

Net Pension Liability – Legislative Retirement Plan

The components of the net pension liability of the State of Maine for the Legislative Retirement Plan, stated in millions of dollars as of June 30, 2015, were as follows:

Total pension liability (TPL)	$ 7.6
Plan fiduciary net position	11.1
Net pension asset (NPA)	$ (3.5)
Plan fiduciary net position as a percentage of the total pension liability	146.1%

Net Pension Liability – PLD Consolidated Plan Employers

The components of the net pension liability of the PLD Consolidated Plan participating employers, stated in millions of dollars as of June 30, 2015, was as follows:

Total pension liability (TPL)	$ 2,720.9
Plan fiduciary net position	2,401.9
Net pension liability (NPL)	$ 319.0
Plan fiduciary net position as a percentage of the total pension liability	88.3%

Actuarial valuations of ongoing plans involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Assumptions in an actuarial valuation typically include projections concerning future employment, mortality, and inflation. Actuarially determined contributions are subject to continual periodic revision as actual results are compared to past expectations and new estimates are made concerning the future. The Schedules of Changes in Net Pension Liabilities and Related Ratios, presented as Required Supplementary Information immediately following the Notes to Financial Statements, present multi-year trend information about whether the fiduciary net position of the plan is increasing or decreasing over time relative to the total pension liability of the plan.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the provisions of the plan in effect at the time of each valuation and the historical pattern of sharing of costs between the employer and plan members. Actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the funding methodologies.

The actuarial method employed sets the actuarial value equal to the expected value plus one-third of the difference between the actual market value of assets and the expected value of assets. The expected value of assets takes the prior year's actuarial value of assets and adjusts it for contributions, benefit payments, and expected interest earnings at the assumed rate for each plan.

Costs are developed using the entry age normal cost method (based on a level percentage of covered payroll).

The initial unfunded actuarial (IUAL) pension liability of the State Employee and Teacher Program is amortized on a level percentage of payroll on a closed basis. The remaining amortization period as of June 30, 2015 was 13 years. All other gains, losses, and changes are amortized over ten-year periods beginning on the date as of which they occur. The net pension liability of the Judicial and Legislative Plans is amortized on an open basis over a period of ten years. The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement period. These same assumptions were used in the actuarial valuation as of June 30, 2014, except as noted.

	State Employee & Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan
Investment Rate of Return	7.125% per annum, compounded annually			7.125% per annum, compounded annually; 7.25% was used for the period ending June 30, 2014
Inflation Rate	3.50%			
Annual Salary Increases, including inflation	State employees, 3.50% - 10.50%; Teachers, 3.50% - 13.50%	3.50%	3.50%	3.50% - 9.50%
Cost of Living Benefit Increases	2.55%	2.55%	2.55%	2.55%; 3.12% was used for the period ending June 30, 2014
Mortality Rates	For active members and non-disabled retirees of the State employees, legislative, judicial, and PLD plans, the RP2000 Tables projected forward to 2015 using Scale AA are used; the ages are set back two years for employees of the teacher plan. Mortality assumptions were also reviewed and updated in 2011 for the PLD Consolidated Plan, and in 2012 for the other Plans, based on actual demographic data of the Plans. For all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.			

The actuarial assumptions used in the June 30, 2015 and June 30, 2014 valuations were based in part on the results of an actuarial experience study for the period of July 1, 2005 to June 30, 2010.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
US equities	5.2%
Non-US equities	5.5
Private equity	7.6
Real assets	
Real estate	3.7
Infrastructure	4.0
Hard assets	4.8
Fixed income	0.0

Discount Rate

The discount rate used to measure the total pension liability was 7.125% for the State Employee and Teacher Plan, including the Legislative and Judicial Plans as well as for the PLD Consolidated Plan and PLD Agent Plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the net pension liability for the State Employee and Teacher Plan, Judicial Plan, Legislative Plan, and PLD Consolidated Plan calculated using the discount rate of 7.125%, as well as what the net pension liability would be if it were calculated using a discount rate of one percentage point lower (6.125%) or one percentage point higher (8.125%) than the current rate:

	1% Decrease (6.125%)	Current Rate (7.125%)	1% Increase (8.125%)
Net Pension Liability/(Asset):			
State Employee and Teacher Plan	$ 3,883,075,518	$ 2,374,190,033	$ 1,111,875,248
Judicial Plan	7,745,300	2,570,792	(1,945,813)
Legislative Plan	(2,736,115)	(3,517,271)	(4,174,063)
PLD Consolidated Plan	635,635,545	319,046,699	18,900,921

Sensitivity of the net pension liability to changes in the discount rate for individual single employer plans making up the PLD Agent Plan can be found in each Plan's annual actuarial report, available by contacting the System.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings from investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer normal cost contributions are each a percentage of applicable member compensation. Member contribution rates are defined by law or Board rule and depend on the terms of the plan under which a member is covered. Employers' contributions are determined by actuarial valuations.

Included in the State and Local Agency Contributions reported in the statement of changes in fiduciary net position are contributions received from the State of Maine on behalf of state employees and teachers in the total amount of $263.8 million and $251.9 million, and for judges in the total amount of $1.0 million and $.9 million, for the years ended

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

June 30, 2015 and 2014, respectively. There were no contributions due from the State of Maine on behalf of legislators in 2015 or 2014. Also included is a contribution from the State of Maine to fund a one-time, non-cumulative COLA payment for eligible state employees, judges, legislators, and teachers. The total amount of this contribution was $9.8 million and $7.0 million for the years ended June 30, 2015 and 2014, respectively.

Retirement contribution rates for all employee members are set by law. Employer normal cost retirement contribution rates as applied to State employee members' and teacher members' compensation are the actuarially determined rates. The UAAL rate as applied to State employee members' compensation is first established through the annual valuation process as an amount that will meet the required unfunded actuarial accrued liability payment amount; it is then adjusted in the State's budget process to take into account differences in salary growth projections of the State Budget Office. This adjusted rate, expressed as a percentage of payroll, is the actual rate paid by the State as payment of the required UAAL payment amount for State employees. For teachers, the actuarially determined UAAL amount is paid in twelve equal monthly installments. PLD employer contribution rates are the actuarially determined rates. The rates in effect in 2015 and 2014 are as follows.

Contribution Rates[1] (effective July 1 through June 30 of each fiscal year)

	2015	2014
State:		
Employees[2]	7.65 – 8.65%	7.65 – 8.65%
Employer[2]	18.43 – 41.05%	18.14 – 40.43%
Teachers:		
Employees	7.65%	7.65%
Employer	2.65%	2.65%
Non-employer entity	13.03%	13.03%
Judges:		
Employees	7.65%	7.65%
Employer	13.24%	13.25%
Legislative:		
Employees	7.65%	7.65%
Employer	0.00%	0.00%
Participating local districts:		
Employees[2]	3.5 – 8.5%	3.0 – 8.0%
Employers[2]	4.0 – 13.4%	3.4 – 12.8%

[1] Employer Contribution Rates include normal cost and UAAL required payment, expressed as a percentage of payroll.

[2] Employer and Employee retirement contribution rates vary depending on specific terms of plan benefits for certain classes of employees or, in the case of PLDs, on benefit plan options selected by a particular PLD. The contributions of withdrawn entities that do not have active employees but continue to have other liabilities are set in dollar amounts, not as rates.

7. Group Life Insurance Plan

Plan Description

Group Life Insurance Plan coverage is available to eligible participants and includes Basic insurance which consists of life insurance and accidental death and dismemberment insurance in the amount equal to the participant's annual base compensation rounded up to the next $1,000. Additional Supplemental insurance coverage is available to those participants who elect Basic coverage. Participants may also elect to insure the life of a dependent not otherwise insured under the Basic and Supplemental insurance provisions of the plan.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

The Group Life Insurance Plan provides Basic group life insurance benefits, during retirement, to retirees who participated in the group life insurance plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of Basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or $2,500. Eligible employment classes include retirees who were State employees, Teachers, and members of the Judiciary and the Legislature. Group Life Insurance benefits are also provided to the retired employees of PLDs in the retirement program and those that elect to participate only in the Group Life Insurance Plan. At June 30, 2015, the employees of the State of Maine, the Judiciary, the Legislature, as well as 230 school districts and 163 PLDs, were participating in the Group Life Insurance Plan.

Funding Policy

Premium rates are those determined by the System's Board of Trustees to be actuarially sufficient to pay anticipated claims. For state employee, judicial and legislative employment classes, the premiums for retiree life insurance coverage are factored into the premiums paid for Basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State of Maine as the total dollar amount of each year's annual required contribution. Employers of retired PLD employees are required to remit a premium of $0.46 per $1,000 of coverage per month during the post-employment retired period.

Annual Required Contribution

The annual required contributions and contributions made for all employment classes are as follows:

Year Ended	Annual Required Contribution	Annual Contribution
2015	$ 8,900,000	$ 8,250,204
2014	9,018,298	7,950,385
2013	8,955,065	7,138,693

Funded Status and Funding Progress

The funded status of the plan, stated in millions of dollars, as of June 30, 2015 was as follows:

Actuarial accrued liability (AAL)	$ 194.5
Actuarial value of plan assets	95.6
Unfunded actuarial accrued liability (UAAL)	$ 98.9
Funded ratio (actuarial value of plan assets/AAL)	49.2%
Covered payroll (active plan members)	$ 1,481.3
UAAL as a percentage of covered payroll	6.7%

Actuarial valuations of ongoing plans involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Assumptions in an actuarial valuation typically include projections concerning future employment, mortality, and inflation. Actuarially determined contribution requirements are subject to continual periodic revision as actual results are compared to past expectations and new estimates are made concerning the future. The Schedules of Funding Progress, presented as Required Supplementary Information immediately following the Notes to Financial Statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the provisions of the plan in effect at the time of each valuation and the historical pattern of sharing of premium costs between the employer and plan members. Actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the funding methodologies.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

Costs are developed using the individual entry age normal cost method.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2015 and June 30, 2014 are as follows:

	State Employees, including judges and legislators	Teachers	PLD Employees
Investment Rate of Return	7.125% per annum, compounded annually		7.125% per annum, compounded annually; 7.25% was used for the period ending June 30, 2014
Inflation Rate	3.50%		
Annual Salary Increases, including inflation	3.50% - 10.50%	3.50% - 13.50%	3.50% - 9.50%
Mortality Rates	For active members and non-disabled retirees of the State employees, legislative, judicial, and PLD plans, the RP2000 Tables projected forward to 2015 using Scale AA are used; the ages are set back two years for these employees of the teacher plan. For all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.		
Participation Rate for Future Retirees	100% of those currently enrolled		
Conversion Charges	Apply to the cost of active group life insurance not retiree group life insurance		
Form of Benefit Payment	Lump Sum		

The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 30-year period on a closed basis. As of June 30, 2015, there were 22 years (PLDs over 15 years) remaining in the amortization schedule.

Premiums

The basic life benefits for participants are funded by the State, school districts, participating local districts and individuals. Participants pay additional premiums for Supplemental and Dependent insurance based upon the coverage selected.

The statutes require the System's Board of Trustees to establish on a regular basis the premium rates for participants in the Group Life Insurance Plan. The premium rates are determined to be actuarially sufficient to pay anticipated claims and cover administrative costs. The State remits premiums at a single rate that supports basic coverage for active and retired state employees (including Legislative and Judicial employees). This rate is $.63 per month for every $1,000 of coverage. The State remits premiums for retired teachers at a rate of $.33 per month for every $1,000 of coverage. As per individual collective bargaining agreements between employers and employees, individual school districts or teachers themselves pay premiums at the rate of $.11 per month for every $1,000 of coverage while active, and employees of participating local districts or the district itself pay premiums of $.46 per month for every $1,000 in coverage for employees while active and retired. Employees' premiums are usually deducted from employees' compensation and remitted to the System.

Included in the State and Local Agencies Premiums in the statement of changes in fiduciary net position are group life insurance premiums received from the State of Maine on behalf of active and retired state employees, retired teachers, legislators, and judges in the total amount of $7.9 and $7.6 million, respectively, for the years ended June 30, 2015 and 2014.

Benefits

Upon service retirement, only basic life insurance in an amount equal to the retiree's average final compensation will continue at no cost to the participant as long as the retiree participated in the group life insurance plan prior to retirement for a minimum of 10 years.

If a participant becomes eligible for disability retirement, the amount of Basic insurance in force at the time of such retirement will be continued until normal retirement age, after which the amount will be reduced at the same rate as for a service retiree. The 10-year participation requirement does not apply to recipients of disability retirement benefits.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

Under the Accidental Death and Dismemberment provisions of the plan, no legal action can be brought to recover under any benefit after 3 years from the deadline for filing claims. The deadline for filing claims under the Accidental Death and Dismemberment provisions of the plan is 90 days after the date of the loss giving rise to the claim.

All benefits are processed and paid by a third-party administrator (TPA). The fees incurred for services performed by the TPA totaled $818,901 and $835,215 for the years ended June 30, 2015 and 2014, respectively, and are listed as claims processing expenses in the basic financial statements.

8. Defined Contribution Plans

The Defined Contribution Plans are funded by participants through voluntary deferrals of compensation into the plan, within the limits of plan provisions, and by employer contributions made into the Plan on behalf of employees. The recognition of deferred compensation, employer contributions, and earnings on the accounts are not recognized by Plan participants for income tax purposes until actually paid to the participant or beneficiary.

9. MainePERS OPEB Trust

The MainePERS OPEB Trust is an irrevocable trust established for the purpose of accumulating assets to provide funding for retiree health benefits and life insurance in retirement for qualified individuals who are employees of the System and who retire from the Maine Public Employees Retirement System. Contributions are made to the Trust on an annual basis in an amount equal to the actuarially determined contribution amount.

10. Retiree Health Investment Trust Fund

The Maine State Legislature established the Retiree Health Insurance Post Employment Investment Trust as an irrevocable trust for the sole purpose of holding and investing funds appropriated or otherwise provided to the Fund for the purpose of accumulating assets to provide funding to the State's unfunded liability obligations for retiree health benefits. The Trustees of the Maine Public Employees Retirement System were named Trustees of the Investment Trust Fund. The effective date of the establishment of the Fund was July 1, 2007. The assets in the Investment Trust Fund are unrelated to and not available to pay benefits for any plan administered by the System. Additionally, the State of Maine is obligated to comply with reporting requirements under GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

11. Statutory and Constitutional Requirements

An amendment to the Maine constitution approved in November 1995 requires the State to fund the unfunded actuarial liabilities of the State Employee and Teacher Retirement Program existing on June 30, 1996, over a period not to exceed 31 years beginning July 1, 1997, and not later than June 30, 2028. The amendment prohibits the creation of new unfunded liabilities in that Program except those arising from experience losses, which must be funded over a period of not more than ten years. In addition, the amendment requires the use of actuarially sound current cost accounting, reinforcing existing statutory requirements.

12. System's Employee Benefits

Defined Benefit Plan

The System, as the employer of its staff, is a participating employer (i.e., a PLD) in the Consolidated Plan for Participating Local Districts administered by the System. As such, System employees are required by statute to contribute 7.0% of their annual covered salaries. The System is required to contribute at the contribution rate established by the Board of Trustees under the actuarial valuation of the Consolidated Plan. The contribution rate was 7.8% of annual covered payroll for 2015, 6.5% of annual covered payroll for 2014, and 5.3% of annual covered payroll for 2013. The employer contributions on behalf of its employees, equal to the required contribution, were $487,021, $369,870 and $275,355 for 2015, 2014 and 2013, respectively. The actuarial assumptions used in the Consolidated Plan valuation are described in the actuarial assumptions and methods footnote to the required supplementary information.

NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014 *continued*

The System's contributions to the PLD Consolidated Plan are treated as administrative costs of the Plan and are funded as a component of normal cost and included in the contribution rates paid by all employers in each of the plans administered by the system. Accordingly, the System does not reflect a portion of the collective net pension liability or related deferred inflows and outflows of resources related to pension in the System's basic financial statements.

Group Life Insurance Plan

The System, as the employer of its staff, is a participating employer (i.e., a PLD) in the Group Life Insurance plan administered by the System. The System pays the premiums for Basic only coverage for all active employees. Employees who elect additional coverage under the Supplemental and/or Dependent provisions have the additional required premiums withheld from their pay in order to fund such coverage.

The System was required to pay premiums for Basic coverage at the rate of $0.46 per $1,000 of coverage for the 2015, 2014, and 2013 fiscal years. The total premiums the System paid on behalf of its active employees, equal to the required contributions, were $31,849, $29,530, and $27,491 for 2015, 2014, and 2013, respectively.

Other Post-Employment Benefits

The System provides Other Post-Employment Benefits to its retirees in the form of health insurance coverage and group life insurance coverage. The System's annual other post-employment benefits (OPEB) costs are actuarially determined based on the parameters of the Governmental Accounting Standards Board Statement No. 45.

The total contributions for retiree health insurance coverage, equal to the required contributions, were $0, $0, and $109,377, for 2015, 2014, and 2013, respectively. The other post-employment benefits liability for this plan is immaterial and the Plan's assets exceed its actuarial liability at June 30, 2015 and 2014. The actuarial liability is calculated using assumptions similar to those used for the System's defined benefit plan.

The total contributions for retiree group life insurance coverage, equal to the required contributions, were $5,730, $6,108, and $6,105, for 2015, 2014, and 2013, respectively. The other post-employment benefits liability for this plan is immaterial.

13. Risk Management

The system carries insurance to cover its exposure to various risks of loss. There were no uninsured losses during the last three years.

REQUIRED SUPPLEMENTAL SCHEDULES

SCHEDULE OF HISTORICAL PENSION INFORMATION
STATE EMPLOYEE AND TEACHER PLAN

June 30, 2015
(UNAUDITED)

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS

*Last Ten Fiscal Years **

	2015	2014
Total pension liability		
Service cost	$ 191,528,649	$ 186,376,754
Interest	861,682,508	842,229,062
Changes of benefit terms	9,778,106	–
Differences between expected and actual experience	(44,287,643)	(17,694,276)
Changes of assumptions	–	167,650,573
Benefit payments, including refunds of member contributions	(722,573,349)	(689,053,212)
Net change in total pension liability	296,128,271	489,508,901
Total pension liability, beginning	12,320,158,783	11,830,649,882
Total pension liability, ending (a)	$ 12,616,287,054	$ 12,320,158,783
Plan fiduciary net position		
Contributions – member	$ 123,528,807	$ 121,033,152
Contributions – employer	173,935,492	162,920,147
Contributions – non-employer contributing entities	147,283,716	142,303,104
Net investment income	191,829,057	1,517,432,345
Benefit payments, including refunds of member contributions	(722,724,258)	(689,191,030)
Administrative expenses	(9,386,695)	(8,246,740)
Other	–	–
Net change in fiduciary net position	(95,533,881)	1,246,250,978
Plan fiduciary net position, beginning	10,337,639,472	9,091,388,494
Plan fiduciary net position, ending (b)	$ 10,242,105,591	$ 10,337,639,472
Plan's net pension liability, ending (a)-(b)	$ 2,374,181,463	$ 1,982,519,311
Plan fiduciary net position as a percentage of the total pension liability	81.18%	83.91%
Covered employee payroll	$ 1,699,160,889	$ 1,676,857,294
Plan net pension liability as a percentage of covered-employee payroll	139.73%	118.23%

See notes to historical pension information.

* Retroactive information is not required to be presented. This information will be presented each year until 10 years of such information is available.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULES

SCHEDULE OF HISTORICAL PENSION INFORMATION
JUDICIAL PLAN

June 30, 2015
(UNAUDITED)

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS

*Last Ten Fiscal Years **

	2015	2014
Total pension liability		
Service cost	$ 1,605,751	$ 1,530,119
Interest	3,863,455	3,773,959
Changes of benefit terms	27,931	–
Differences between expected and actual experience	2,237,833	(324,891)
Changes of assumptions	–	426,150
Benefit payments, including refunds of member contributions	(3,383,995)	(3,219,480)
Net change in total pension liability	4,350,975	2,185,857
Total pension liability, beginning	54,560,642	52,374,785
Total pension liability, ending (a)	$ 58,911,617	$ 54,560,642
Plan fiduciary net position		
Contributions – member	$ 549,691	$ 528,192
Contributions – employer	979,281	932,223
Contributions – non-employer contributing entities	–	–
Net investment income	1,055,346	8,416,042
Benefit payments, including refunds of member contributions	(3,383,995)	(3,219,480)
Administrative expenses	(49,399)	(41,681)
Net change in fiduciary net position	(849,076)	6,615,297
Plan fiduciary net position, beginning	57,189,901	50,574,604
Plan fiduciary net position, ending (b)	$ 56,340,825	$ 57,189,901
Plan's net pension liability, ending (a)-(b)	$ 2,570,792	$ (2,629,259)
Plan fiduciary net position as a percentage of the total pension liability	95.64%	104.82%
Covered employee payroll	$ 7,185,501	$ 6,742,444
Plan net pension liability as a percentage of covered-employee payroll	35.78%	(39.00)%

See notes to historical pension information.

* Retroactive information is not required to be presented. This information will be presented each year until 10 years of such information is available.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULES

SCHEDULE OF HISTORICAL PENSION INFORMATION
LEGISLATIVE PLAN

June 30, 2015
(UNAUDITED)

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
*Last Ten Fiscal Years **

	2015	2014
Total pension liability		
Service cost	$ 451,393	$ 400,072
Interest	544,526	510,813
Changes of benefit terms	4,418	–
Differences between expected and actual experience	(508,125)	(46,483)
Changes of assumptions	–	85,783
Benefit payments, including refunds of member contributions	(439,112)	(317,606)
Net change in total pension liability	53,100	632,579
Total pension liability, beginning	7,505,193	6,872,614
Total pension liability, ending (a)	$ 7,558,293	$ 7,505,193
Plan fiduciary net position		
Contributions – member	$ 193,356	$ 139,501
Contributions – employer	4,418	3,857
Contributions – non-employer contributing entities	–	–
Net investment income	206,454	1,622,296
Benefit payments, including refunds of member contributions	(439,112)	(317,606)
Administrative expenses	(9,584)	(7,975)
Other	–	–
Net change in fiduciary net position	(44,468)	1,440,073
Plan fiduciary net position, beginning	11,120,030	9,679,957
Plan fiduciary net position, ending (b)	$ 11,075,562	$ 11,120,030
Plan's net pension asset, ending (a)-(b)	$ (3,517,269)	$ (3,614,837)
Plan fiduciary net position as a percentage of the total pension asset	146.54%	148.16%
Covered employee payroll	$ 2,527,525	$ 2,534,740
Plan net pension asset as a percentage of covered-employee payroll	(139.16)%	(142.61)%

See notes to historical pension information.

* Retroactive information is not required to be presented. This information will be presented each year until 10 years of such information is available.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULES

SCHEDULE OF HISTORICAL PENSION INFORMATION
STATE EMPLOYEE AND TEACHER PLAN

June 30, 2015
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	$ 302,028,725	$ 304,328,386	$ 263,553,204	$ 252,019,252	$ 327,087,524	$ 317,030,874	$ 318,844,303	$ 304,149,938	$ 302,161,554	$ 285,576,244
Contributions in relation to the actuarially determined contribution	302,028,725	304,328,386	263,533,204	252,019,252	332,956,361	328,246,031	318,44,303	304,149,938	302,161,554	302,576,244
Contribution deficiency (excess)	$ –	$ –	–	$ –	$ (5,868,837)	$ (11,215,157)	$ –	$ –	$ –	$ (17,000,000)
Covered-employee payroll	$1,699,160,889	$1,676,857,294	$1,672,857,294	$1,718,449,172	$1,643,389,735	$1,672,252,868	$1,699,885,710	$1,619,705,846	$1,586,436,561	$1,538,201,110
Contributions as a percentage of covered-employee payroll	17.78%	18.15%	15.85%	14.67%	20.26%	19.63%	18.76%	18.78%	19.05%	19.67%

See notes to historical pension information.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULES

SCHEDULE OF HISTORICAL PENSION INFORMATION
JUDICIAL PLAN

June 30, 2015
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	$ 951,351	$ 932,223	$ 841,397	$ 810,721	$ 987,261	$ 961,083	$ 1,267,869	$ 1,211,358	$ 914,220	$ 862,366
Contributions in relation to the actuarially determined contribution	951,351	932,223	841,397	810,721	987,261	961,083	1,267,869	1,211,358	914,220	862,366
Contribution deficiency (excess)	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Covered-employee payroll	$ 7,185,501	$ 6,742,444	$ 6,742,444	$ 6,790,274	$ 6,790,233	$ 6,956,364	$ 6,718,453	$ 6,461,343	$ 6,611,028	$ 5,775,800
Contributions as a percentage of covered-employee payroll	13.24%	13.83%	12.48%	11.94%	14.54%	13.82%	18.87%	18.75%	13.83%	14.93%

See notes to historical pension information.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULES

SCHEDULE OF HISTORICAL PENSION INFORMATION
LEGISLATIVE PLAN

June 30, 2015
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Contributions in relation to the actuarially determined contribution	–	–	–	–	–	–	–	–	–	–
Contribution deficiency (excess)	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Covered-employee payroll	$ 2,527,525	$ 2,534,740	$ 2,534,740	$ 2,424,480	$ 2,395,694	$ 2,384,083	$ 2,326,785	$ 2,254,173	$ 2,151,925	$ 2,124,786
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

See notes to historical pension information.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULES

SCHEDULE OF HISTORICAL PENSION INFORMATION
PLD CONSOLIDATED PLAN

June 30, 2015
(UNAUDITED)

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years *

	2015	2014
Total pension liability		
Service cost	$ 75,805,492	$ 72,651,025
Interest	187,928,503	178,293,576
Changes of benefit terms	–	–
Differences between expected and actual experience	(54,634,905)	19,939,857
Changes of assumptions	37,593,598	–
Benefit payments, including refunds of member contributions	(135,414,526)	(127,161,357)
Net change in total pension liability	111,278,162	143,723,101
Total pension liability, beginning	2,609,657,845	2,465,934,744
Total pension liability, ending (a)	$ 2,720,936,007	$ 2,609,657,845
Plan fiduciary net position		
Contributions – member	$ 37,202,921	$ 33,210,510
Contributions – employer	43,366,730	32,706,160
Refund of IUUAL account balances	(43,000,526)	–
Net investment income	46,075,304	361,125,177
Benefit payments, including refunds of member contributions	(135,414,526)	(127,161,358)
Administrative expenses	(2,117,266)	(1,779,304)
Net change in fiduciary net position	(53,887,363)	298,101,185
Plan fiduciary net position, beginning	2,455,776,671	2,157,675,486
Plan fiduciary net position, ending (b)	$ 2,401,889,308	$ 2,455,776,671
Plan's net pension liability, ending (a)-(b)	$ 319,046,699	$ 153,881,174
Plan fiduciary net position as a percentage of the total pension liability	88.27%	94.10%
Covered employee payroll	$ 497,616,846	$ 460,029,637
Plan net pension liability as a percentage of covered-employee payroll	64.11%	33.45%

See notes to historical pension information.

* Retroactive information is not required to be presented. This information will be presented each year until 10 years of such information is available.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULES

SCHEDULE OF HISTORICAL PENSION INFORMATION
PLD CONSOLIDATED PLAN

June 30, 2015
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	$ 40,302,580	$ 35,263,952	$ 29,704,314	$ 25,056,574	$ 19,995,608	$ 15,384,689	$ 14,701,513	$ 13,699,552	$ 14,022,965	$ 12,214,494
Contributions in relation to the actuarially determined contribution	40,302,580	35,263,952	29,704,314	25,372,687	19,995,608	15,384,689	14,701,513	13,699,552	14,292,405	12,343,375
Contribution deficiency (excess)	$ –	$ –	–	$ (316,113)	$ –	$ –	$ –	$ –	$ (269,440)	$ (128,881)
Covered-employee payroll	$ 497,616,846	$ 460,029,637	$ 458,424,764	$ 474,828,262	$ 435,012,940	$ 395,747,663	$ 380,541,135	$ 360,693,816	$ 342,528,740	$ 323,834,104
Contributions as a percentage of covered-employee payroll	8.10%	7.67%	6.48%	5.34%	4.60%	3.89%	3.86%	3.80%	4.17%	3.81%

See notes to historical pension information.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULES

SCHEDULE OF HISTORICAL PENSION INFORMATION
ALL DEFINED BENEFIT PLANS

June 30, 2015
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years *

	2015	2014
Annual money-weighted rate of return, net of investment expenses	1.98%	16.66%

See notes to historical pension information.

* Retroactive information is not required to be presented. This information will be presented each year until 10 years of such information is available.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULE

SCHEDULE OF HISTORICAL PENSION INFORMATION
GROUP LIFE INSURANCE PLAN

June 30, 2015
(UNAUDITED)

SCHEDULE OF FUNDING PROGRESS
Dollars in Millions

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Entry Age	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
June 30, 2015	$ 95.6	$ 194.5	$ 98.9	49.2%	$ 1,481.3	6.7%
June 30, 2014	92.1	186.7	94.6	49.3	1,481.3	6.4
June 30, 2013	76.2	180.9	104.7	42.1	1,481.2	7.1
June 30, 2012	66.4	173.9	107.5	38.2	1,431.2	7.5
June 30, 2011	63.6	167.4	103.8	38.0	1,546.1	6.7
June 30, 2010	50.8	150.9	100.1	33.7	1,519.5	6.6

See notes to historical pension information.

See accompanying independent auditors' report.

SCHEDULE OF EMPLOYERS' CONTRIBUTIONS

Year Ended:	Annual Required Contribution	Annual Contribution	Percentage Contributed
2015	$ 8,900,000	$ 8,250,204	92.7%
2014	9,018,298	7,950,385	88.2
2013	8,955,065	7,138,693	79.7
2012	10,900,000	7,005,992	64.3
2011	8,200,000	6,836,808	83.4
2010	7,900,000	6,825,209	86.4

See notes to historical pension information.

See accompanying independent auditors' report.

NOTES TO HISTORICAL PENSION INFORMATION
June 30, 2015
(UNAUDITED)

1 Basis of Presentation

The schedule of investment returns applies to the State Employee and Teacher Plan, the Judicial Plan, the Legislative Plan, the PLD Consolidated Plan, and the PLD Agent Plans, as investments of these plans are commingled. Assets in the Group Life Insurance Program are invested separately.

2. Actuarial Methods and Assumptions – State, Teacher, Judicial, Legislative, and PLD Valuations

The information in the historical pension information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, June 30, 2015, is as follows:

Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his expected future salary. The normal cost for each employee is the product of his pay and his normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

The net pension liability of the State Employee and Teacher Retirement Program is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements (note 11 to the Financial Statements). The net pension liabilities of the Legislative Retirement Program and the Judicial Retirement Program are amortized on a level percentage of payroll over open ten year periods.

The Initial Unpooled Unfunded Actuarial Liabilities (IUUALs) of PLDs are amortized over periods established for each PLD separately. There were no additional, or excess, contributions in fiscal year 2015 to payoff individual IUUALs. The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

NOTES TO HISTORICAL PENSION INFORMATION
June 30, 2015
(UNAUDITED)

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2015 are as follows:

	State Employee & Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan
Investment Rate of Return	7.125% per annum, compounded annually			7.125% per annum, compounded annually; 7.25% was used for the period ending June 30, 2014
Inflation Rate	3.50%			
Annual Salary Increases, including inflation	State employees, 3.50% - 10.50%; Teachers, 3.50% - 13.50%	3.50%	3.50%	3.50% - 9.50%
Cost of Living Benefit Increases	2.55%	2.55%	2.55%	2.55%; 3.12% was used for the period ending June 30, 2014
Mortality Rates	For active members and non-disabled retirees of the State employees, legislative, judicial, and PLD plans, the RP2000 Tables projected forward to 2015 using Scale AA are used; the ages are set back two years for employees of the teacher plan. Mortality assumptions were also reviewed and updated in 2011 for the PLD Consolidated Plan, and in 2012 for the other Plans, based on actual demographic data of the Plans. For all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.			

The actuarial assumptions used in the June 30, 2015 and June 30, 2014 valuations were based on the results of an actuarial experience study for the period of July 1, 2005 to June 30, 2010.

3. Actuarial Methods and Assumptions – Group Life Insurance Plan

Many of the assumptions used to determine the actuarial liability in this plan are the same as for the pension plan.

The information in the historical group life information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, June 30, 2015, is as follows:

Actuarial Cost Method

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his expected future salary. The normal cost for each employee is the product of his pay and his normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

The actuarial accrued liability is defined as the present value of future benefits less the present value of future normal cost contributions. The unfunded actuarial accrued liability is the total of the actuarial liability for all members less the actuarial value of the System's assets.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

NOTES TO HISTORICAL PENSION INFORMATION
June 30, 2015
(UNAUDITED)

Asset Valuation Method

Asset amounts are taken as reported to the actuaries by the System without audit or change, except that State assets are allocated to State, Legislators, and Judges based on total actuarial liability.

Amortization

The unfunded actuarial accrued liability is being amortized as a level percentage of pay over a 30-year period on a closed basis. As of June 30, 2015, there were 22 years (PLDs over 15 years) remaining in the amortization schedule.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2015 are as follows:

	State Employees, including judges and legislators	Teachers	PLD Employees
Investment Rate of Return	7.125% per annum, compounded annually		7.125% per annum, compounded annually; 7.25% was used for the period ending June 30, 2014
Inflation Rate	3.50%		
Annual Salary Increases, including inflation	3.50% - 10.50%	3.50% - 13.50%	3.50% - 9.50%
Mortality Rates	For active members and non-disabled retirees of the State employees, legislative, judicial, and PLD plans, the RP2000 Tables projected forward to 2015 using Scale AA are used; the ages are set back two years for these employees of the teacher plan. For all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.		
Participation Rate for Future Retirees	100% of those currently enrolled		
Conversion Charges	Apply to the cost of active group life insurance not retiree group life insurance		
Form of Benefit Payment	Lump Sum		

SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT EXPENSES
For the Year Ended June 30, 2015

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan	Group Life Insurance Plan	Defined Contri-bution Plans	Retiree Health Insurance Trust	MainePERS OPEB Trust	Total
Consultants:										
Cambridge Associates	$ 63,289	$ 349	$ 68	$ 14,822	$ 221	$ –	$ –	$ –	$ –	$ 78,749
Cliffwater Infrastructure	40,183	222	43	9,411	141	–	–	–	–	50,000
Cliffwater – Private Equity	442,018	2,439	475	103,520	1,547	–	–	–	–	549,999
ORG – Real Estate	243,241	1,342	262	56,967	851	–	–	–	–	302,663
Strategic Investment Solutions – General	226,032	1,247	243	52,936	791	–	–	–	–	281,249
Infrastructure:										
Alinda Infrastructure	564,525	3,115	607	132,211	1,976	–	–	–	–	702,434
ArcLight V	644,672	3,558	693	150,981	2,256	–	–	–	–	802,160
Brookfield Infrastructure II	944,039	5,210	1,015	221,092	3,304	–	–	–	–	1,174,660
Carlyle Infrastructure	284,818	1,572	306	66,704	997	–	–	–	–	354,397
Cube Infrastructure	397,846	2,196	428	93,175	1,392	–	–	–	–	495,037
First Reserve Energy Infrastructure	471,024	2,599	507	110,313	1,648	–	–	–	–	586,091
First Reserve Energy Infrastructure II	642,596	3,546	691	150,495	2,249	–	–	–	–	799,577
GIP II	949,252	5,239	1,021	222,313	3,322	–	–	–	–	1,181,147
Global Infrastructure	645,116	3,560	694	151,085	2,258	–	–	–	–	802,713
IFM Global Infrastructure	373,059	2,059	401	87,370	1,306	–	–	–	–	464,195
KKR Infrastructure	424,334	2,342	456	99,378	1,485	–	–	–	–	527,995
KKR Infrastructure II	602,222	3,323	648	141,039	2,108	–	–	–	–	749,340
Meridiam	450,590	2,487	485	105,528	1,577	–	–	–	–	560,667

SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT EXPENSES
For the Year Ended June 30, 2015 *(continued)*

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan	Group Life Insurance Plan	Defined Contri-bution Plans	Retiree Health Insurance Trust	MainePERS OPEB Trust	Total
Natural resources:										
Agriculture Cultural										
Management (ACM)	$ 246,124	$ 1,358	$ 265	$ 57,642	$ 861	$ –	$ –	$ –	$ –	$ 306,250
Taurus Mining	150,688	832	162	35,291	527	–	–	–	–	187,500
Other investments:										
Grantham, Mayo, Van Oterloo										
(GMO)	2,404,656	13,271	2,586	563,166	8,415	–	–	–	–	2,992,094
Windham Capital	1,674,355	9,240	1,801	392,131	5,860	–	–	–	–	2,083,387
Domestic equity:										
Blackrock Extended Equity	–	–	–	–	–	4,316	–	591	9,244	14,151
Blackrock DJ Total Stock										
Market	1,255,045	6,926	1,350	293,929	4,392	–	–	–	–	1,561,642
International equity:										
Blackrock ACWIEX_US	763,386	4,213	821	178,784	2,672	7,006	–	803	13,381	971,066
Fixed income:										
Blackrock Custom Fixed										
Income	239,939	1,324	258	56,193	840	–	–	–	–	298,554
Blackrock US Debt Index										
Fund B	–	–	–	–	–	13,140	–	1,485	28,063	42,688
Private equity:										
ABRY ASE IV	97,441	538	105	22,821	341	–	–	–	–	121,246
ABRY ASF II	302,710	1,671	326	70,894	1,059	–	–	–	–	376,660
ABRY ASF III	523,927	2,891	564	122,703	1,834	–	–	–	–	651,919

SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT EXPENSES
For the Year Ended June 30, 2015 *(continued)*

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan	Group Life Insurance Plan	Defined Contri-bution Plans	Retiree Health Insurance Trust	MainePERS OPEB Trust	Total
Private equity (continued):										
ABRY Partners VII	$ 75,927	$ 419	$ 82	$ 17,782	$ 266	$ –	$ –	$ –	$ –	$ 94,476
ABRY Partners VIII	288,273	1,591	310	67,513	1,009	–	–	–	–	358,696
Advent GPE VII	361,655	1,996	389	84,699	1,266	–	–	–	–	450,005
Advent LAPEF VI	89,873	496	97	21,048	315	–	–	–	–	111,829
Affinity Asia Pacific IV	834,336	4,604	897	195,400	2,920	–	–	–	–	1,038,157
Berkshire VIII	239,099	1,320	257	55,997	837	–	–	–	–	297,510
Blackstone Capital Partners VI	163,758	904	176	38,352	573	–	–	–	–	203,763
Carlyle Asia Partners III	79,482	439	85	18,615	278	–	–	–	–	98,899
Carlyle Asia Partners IV	723,303	3,992	778	169,396	2,531	–	–	–	–	900,000
Centerbridge III	64,404	355	69	15,083	225	–	–	–	–	80,136
Charterhouse IX	53,814	297	58	12,603	188	–	–	–	–	66,960
Charterhouse VIII	36,526	202	39	8,554	128	–	–	–	–	45,449
CVC Capital VI	899,315	4,963	967	210,618	3,147	–	–	–	–	1,119,010
Encap Energy IX	309,161	1,706	333	72,405	1,082	–	–	–	–	384,687
Encap Energy VIII	239,689	1,323	258	56,135	839	–	–	–	–	298,244
Encap Energy X	147,069	812	158	34,443	515	–	–	–	–	182,997
Encap Flatrock Midstream III	250,374	1,382	269	58,637	876	–	–	–	–	311,538
GTCR X	243,035	1,341	261	56,918	851	–	–	–	–	302,406
GTCR XI	245,137	1,353	264	57,411	858	–	–	–	–	305,023
Hellman & Friedman PE	351,461	1,940	378	82,312	1,230	–	–	–	–	437,321
HIG Bayside III Europe	482,202	2,661	519	112,931	1,688	–	–	–	–	600,001
HIG Bayside Loan Opp II	401,838	2,218	432	94,110	1,406	–	–	–	–	500,004
HIG Capital Europe II	341,135	1,883	367	79,893	1,194	–	–	–	–	424,472
HIG Capital V	241,101	1,331	259	56,465	844	–	–	–	–	300,000
HIG Buyouts II	281,284	1,552	303	65,876	984	–	–	–	–	349,999
HIG Middle Market LBO II	642,917	3,548	692	150,570	2,250	–	–	–	–	799,977

SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT EXPENSES
For the Year Ended June 30, 2015 *(continued)*

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan	Group Life Insurance Plan	Defined Contri-bution Plans	Retiree Health Insurance Trust	MainePERS OPEB Trust	Total
Private equity (continued):										
Inflexion Buyout IV	$ 45,695	$ 252	$ 49	$ 10,702	$ 160	$ –	$ –	$ –	$ –	$ 56,858
Inflexion Capital I	80,903	446	87	18,947	283	–	–	–	–	100,666
Kelso VIII	18,713	103	20	4,382	65	–	–	–	–	23,283
KKR North America	412,420	2,276	444	96,588	1,443	–	–	–	–	513,171
KKR Special Situations I	506,475	2,795	545	118,616	1,772	–	–	–	–	630,203
KKR Special Situations II	30,912	171	33	7,240	108	–	–	–	–	38,464
Oaktree	205,729	1,135	221	48,181	720	–	–	–	–	255,986
Onex Partners III	47,653	263	51	11,160	167	–	–	–	–	59,294
Onex Partners IV	749,574	4,137	806	175,549	2,623	–	–	–	–	932,689
Paine & Partners	844,386	4,660	908	197,754	2,955	–	–	–	–	1,050,663
Riverside Capital Appreciation VI	964,404	5,322	1,037	225,862	3,375	–	–	–	–	1,200,000
Riverside Micro-Cap III	711,181	3,925	765	166,557	2,489	–	–	–	–	884,917
Shoreview Capital III	321,085	1,772	345	75,197	1,124	–	–	–	–	399,523
Sovereign Capital	764,477	4,219	822	179,039	2,675	–	–	–	–	951,232
Summit GE VIII	430,748	2,377	463	100,880	1,507	–	–	–	–	535,975
Summit Partners Credit II	421,927	2,328	454	98,815	1,477	–	–	–	–	525,001
Summit VC III	226,046	1,247	243	52,940	791	–	–	–	–	281,267
TCV VIII	263,886	1,456	284	61,802	924	–	–	–	–	328,352
Thomas Bravo Special Opportunities II	60,120	332	65	14,081	210	–	–	–	–	74,808
Thomas Bravo XI	814,494	4,495	876	190,753	2,850	–	–	–	–	1,013,468
Water Street Healthcare III	394,724	2,178	425	92,444	1,381	–	–	–	–	491,152
Wayzata OPP III	361,651	1,996	389	84,698	1,266	–	–	–	–	450,000

SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT EXPENSES
For the Year Ended June 30, 2015 *(continued)*

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan	Group Life Insurance Plan	Defined Contri-bution Plans	Retiree Health Insurance Trust	MainePERS OPEB Trust	Total
Real estate:										
Blackrock US Real Estate Securities Fund B	$ –	$ –	$ –	$ –	–	$ 4,159	$ –	$ 557	$ 8,740	$ 13,456
BREP VII	904,128	4,990	972	211,745	3,164	–	–	–	–	1,124,999
H/2 Credit Partners	810,446	4,473	872	189,805	2,836	–	–	–	–	1,008,432
Harrison Street Real Estate	560,552	3,094	603	131,280	1,962	–	–	–	–	697,491
High Street IV	161,872	893	174	37,910	566	–	–	–	–	201,415
Invesco US Income	152,239	840	164	35,654	533	–	–	–	–	189,430
JP Morgan	1,417,819	7,825	1,525	332,051	4,962	–	–	–	–	1,764,182
KKR REPA I	236,849	1,307	255	55,470	829	–	–	–	–	294,710
Mesa West Core	513,468	2,834	552	120,253	1,797	–	–	–	–	638,904
PMIT	187,238	1,033	201	43,851	655	–	–	–	–	232,978
Principal Global Investors	706,588	3,899	760	165,482	2,473	–	–	–	–	879,202
Prudential Real Estate (PRISA)	740,314	4,086	796	173,380	2,591	–	–	–	–	921,167
Prudential Senior Housing V	83,715	462	90	19,606	293	–	–	–	–	104,166
Smart Markets	665,581	3,673	716	155,878	2,329	–	–	–	–	828,177
Walton Street RE VII	491,128	2,710	528	115,021	1,719	–	–	–	–	611,106
Westbrook IX	162,744	897	177	38,117	571	–	–	–	–	202,506
Other investment expenses	650,587	3,590	700	152,366	2,277	–	89,608	–	–	899,128
In-house investment management	2,693,536	14,865	2,897	630,824	9,426	25,099	–	2,846	–	3,379,493
Total investment expenses	$ 43,969,302	$ 242,653	$ 47,292	$ 10,297,540	$ 153,878	$ 53,720	$ 89,608	$ 6,282	$ 59,428	$ 54,919,703

SUPPLEMENTARY INFORMATION
SCHEDULE OF PROFESSIONAL FEES
For the Year Ended June 30, 2015

Professional services:	
Audit	$ 155,644
Actuarial services	400,085
Legal services	128,424
Medical consulting	149,832
Other services	1,052,137
Total professional services	$ 1,886,122

SUPPLEMENTARY INFORMATION
SCHEDULE OF ADMINISTRATIVE EXPENSES
For the Year Ended June 30, 2015

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan	Group Life Insurance Plan	Defined Contribution Plans	Retiree Health Insurance Trust	Total
Personal services	$ 5,088,173	$ 26,777	$ 5,195	$ 1,147,690	$ 17,483	$ 194,050	$ 70,991	$ 63,879	$ 6,614,238
Professional services	1,450,948	7,636	1,481	327,276	4,986	55,335	20,244	18,216	1,886,122
Communications	335,464	1,765	343	75,667	1,153	12,794	4,680	4,212	436,078
Computer support and system development	503,541	2,650	514	113,579	1,730	19,204	7,025	6,322	654,565
Office rent and building operations	286,650	1,509	293	64,657	985	10,932	3,999	3,599	372,624
Miscellaneous:									
Computer maintenance and supplies	577,499	3,039	590	130,261	1,984	22,024	8,057	7,250	750,704
Depreciation	423,045	2,226	432	95,422	1,454	16,134	5,902	5,311	549,926
Office equipment and supplies	28,119	148	29	6,343	97	1,072	392	353	36,553
Professional development	38,175	201	39	8,611	131	1,456	533	479	49,625
Maintenance and repair - vehicle	-	-	-	-	-	-	-	-	-
Maintenance and repair - facilities	-	-	-	-	-	-	-	-	-
Medical records and exams	19,433	102	20	4,383	67	741	271	244	25,261
Miscellaneous operating expenses	635,648	3,346	648	143,377	2,183	24,242	8,870	7,979	826,293
Total miscellaneous	1,721,919	9,062	1,758	388,397	5,916	65,669	24,025	21,616	2,238,362
Total administrative expenses	$ 9,386,695	$ 49,399	$ 9,584	$ 2,117,266	$ 32,253	$ 357,984	$ 130,964	$ 117,844	$ 12,201,989

INVESTMENT SECTION

Photo by Brian Beard, CIP

CAMBRIDGE C|A ASSOCIATES

December 21, 2015

Board of Trustees (the "Board")
Maine Public Employees Retirement System
46 State House Station
Augusta, ME 04333-0046

RE: Maine Public Employees Retirement System ("MainePERS" or the "System")

To the Board:

Cambridge Associates, LLC has been retained by the Board of Trustees to advise on MainePERS' investment policy, perform quarterly reviews of performance and provide other general investment advice.

It is our opinion that MainePERS' assets are managed under detailed and well-articulated policies, appropriate to the circumstances of the System. It is our understanding that all measurements and comparisons have been made using standard performance evaluation methods, consistent with industry standards. It is also our opinion that the Board, Executive Director, and staff have taken appropriate measures for overseeing the management of the System's assets and ensuring that investments have conformed with the Systems' investment policy statement. Furthermore, based upon our interactions with the Board, we believe the Board is providing prudent oversight of MainePERS' investments.

Sincerely,

Brian M. McDonnell
Managing Director

ARLINGTON
BEIJING
BOSTON
DALLAS
LONDON
MENLO PARK
SINGAPORE
SYDNEY

125 High Street | Boston, Massachusetts 02110-2112 | tel 617.457.7500 | fax 617.457.7501 | www.cambridgeassociates.com

INVESTMENT ACTIVITY

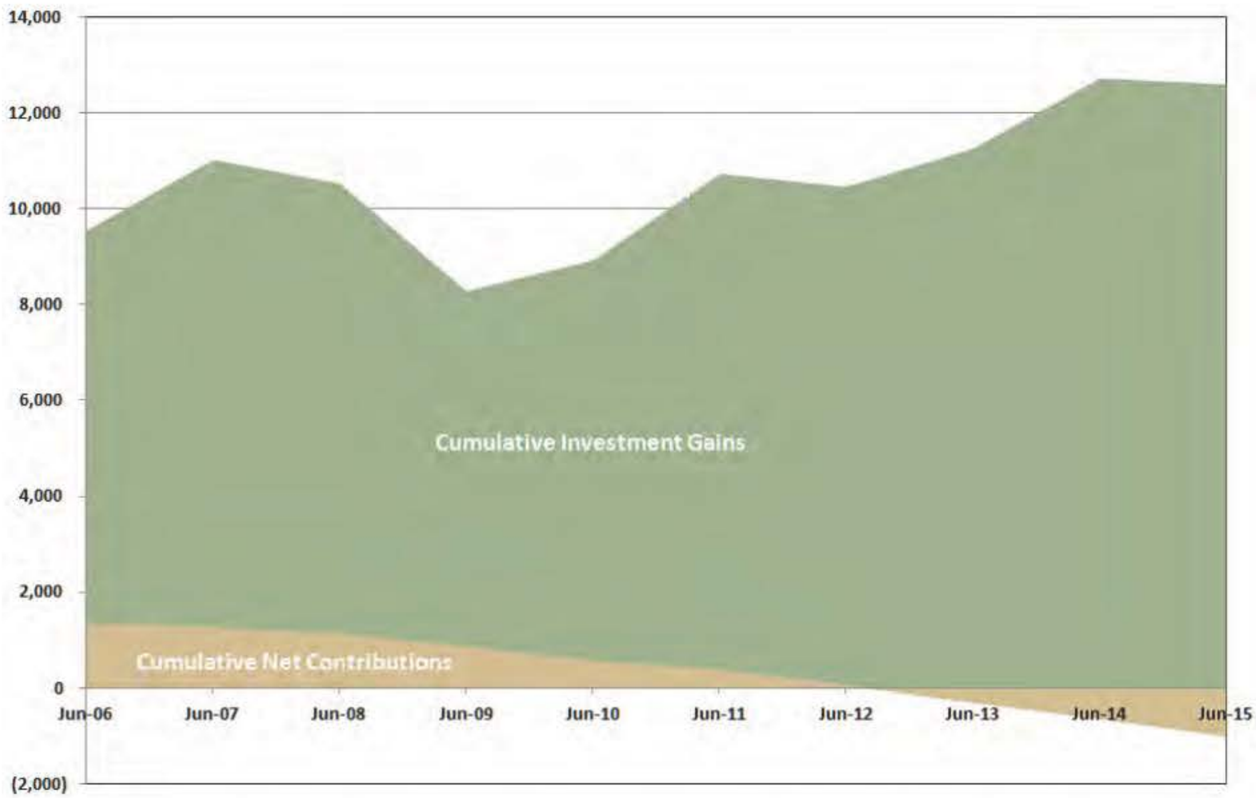
The table and graph below summarize the defined benefit portfolio activity for the ten years ended June 30, 2015. During this period, assets grew by $3.7 billion from $8.9 billion to $12.6 billion. Substantially all of this increase is attributable to net investment gains. In the year ended June 30, 2015, benefit payments exceeded contributions, and this is expected to continue in the future.

The rates of return displayed in the table are time weighted rates of return. The table displays the net invested assets of the investment portfolio. Securities lending liabilities are netted against securities lending collateral. Certain assets, such as cash in the System's operating bank accounts are not considered part of the investment portfolio, and are therefore not included in the table or graph.

SUMMARY OF INVESTMENT ACTIVITY

FY Ended June 30	Opening Market Value ($ millions)	Closing Market Value ($ millions)	Rate of Return
2015	$12,732	$12,610	2.0%
2014	$11,264	$12,732	16.7%
2013	$10,470	$11,264	11.1%
2012	$10,739	$10,470	0.6%
2011	$8,934	$10,739	22.4%
2010	$8,291	$8,934	11.1%
2009	$10,538	$8,291	-18.8%
2008	$11,031	$10,538	-3.1%
2007	$9,559	$11,031	16.2%
2006	$8,921	$9,559	7.5%
2005	$8,021	$8,921	11.8%
2004	$6,919	$8,021	16.6%
		Annualized 10-year period	5.9%
		Cumulative 10-year period	77.9%

SUMMARY OF INVESTMENT ACTIVITY
(continued)



INVESTMENT PORTFOLIO

The graph above illustrates the importance of investment returns to the financing of the System's benefit plans. In this section, the investment strategy MainePERS has adopted to optimize the financial health of the plans is reviewed.

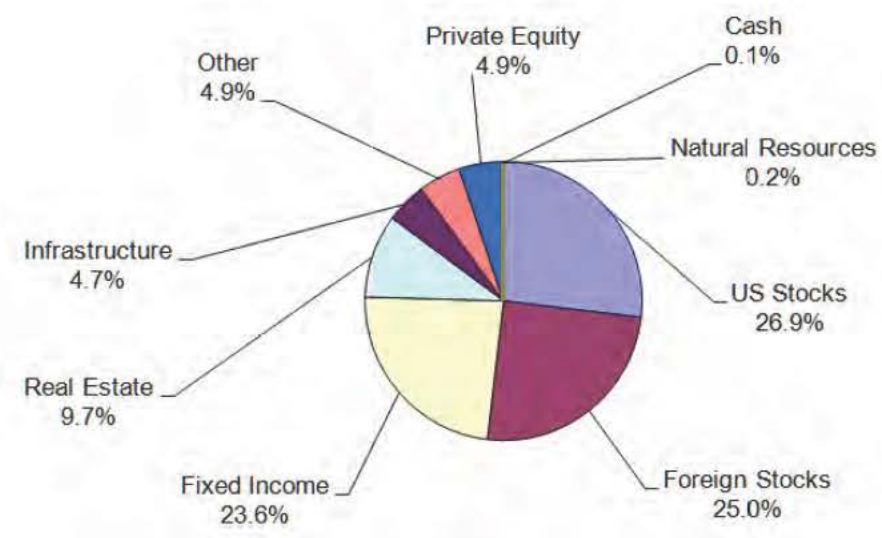
The System invests essentially all of the plan assets in a number of major asset classes: publicly traded domestic stocks, publicly traded foreign stocks, cash and cash-like securities, publicly traded domestic bonds, infrastructure, private equity, and real estate. MainePERS may use derivative positions to emulate these asset classes. The table and pie charts on the following page display the actual allocations at June 30, 2015. MainePERS assigns acceptable ranges and target allocations for each asset class. The current strategic targets are 20% for domestic stocks, 20% for foreign stocks, 25% for fixed income and 35% for alternatives including infrastructure, private equity, real estate and natural resources.

The Board of Trustees is of the view that a prudent investment strategy for these plan assets involves accepting some level of investment risk. The Board allocates 60% to 80% of assets to equities and equity like securities and is of the view that this provides a prudent compromise between low risk and high return for the plans.

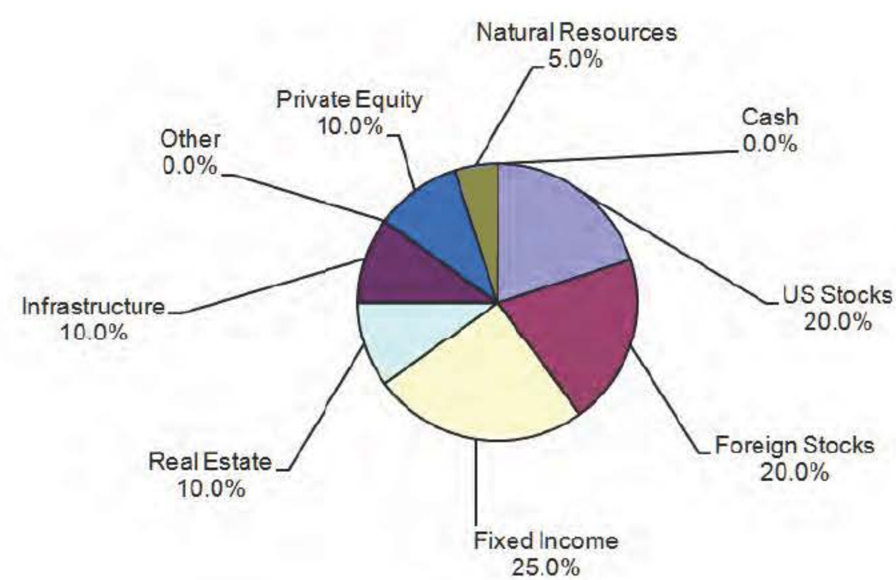
STRATEGIC ASSET ALLOCATION

	US Stocks	Foreign Stocks	Fixed Income	Real Estate	Infrastructure	Other	Private Equity	Natural Resources	Cash	Total
Actual Allocation	26.9%	25.0%	23.6%	9.7%	4.7%	4.9%	4.9%	0.2%	0.1%	100.0%
Target Allocation	20.0%	20.0%	25.0%	10.0%	10.0%	0.0%	10.0%	5.0%	0.0%	100.0%

Actual Allocation at June 30, 2015



Strategic Target Allocation



The System's Investment Policy has long-term, strategic asset class targets and requires the investment team to rebalance the portfolio to these targets as needed. In 2012, the System changed its target allocation to 20% domestic publicly traded stocks, 20% international publicly traded stocks, 25% fixed income investments, and 35% alternative investments. Alternative investments include private equity, infrastructure, real estate, and natural resources. While the Board has approved the new Asset Allocation targets, it will take several years to implement and fully fund the alternatives allocation.

Because most of its benefit payments are not due for several decades into the future, the System has concluded it is prudent to invest a substantial portion of its assets in equities and other return-seeking investments. For the past ten years, the System has invested between 60% and 70% of its assets in equities. Over sufficiently long periods, equities have generally outperformed bonds. The System expects this relationship to hold in the future.

Essentially all of the assets of the System's plans are in portfolios managed by professional investment management firms. These managers act as fiduciaries and invest the assets assigned to them in accordance with the System's investment policies and the individual agreements between MainePERS and the investment managers.

Approximately 75% of assets were invested in passively managed index funds at June 30, 2015. The Board of Trustees views index funds as a cost-effective way of investing in most of the world's capital markets. However, the System does make use of actively managed portfolios where it has identified managers who are thought to be able to add value over an index fund, net of all costs.

The System uses a single firm to manage all of its passive investments. This enables the System to obtain attractive fees and also provides other cost savings on certain kinds of transactions. Since passively managed portfolios have a low risk of significantly underperforming their benchmarks, the Board, the investment staff, and the System's investment consultant find this concentration of assets to be appropriate.

In fiscal year 2013, the System conducted a thorough review of its strategic asset allocation. This type of review is typically conducted every three years with the assistance of the System's actuary and the general investment consultant.

BENEFIT PLANS - INVESTMENT PORTFOLIO

	at 06/30/2015			at 06/30/2014		
	millions of dollars		% of assets	millions of dollars		% of assets
Passive Equity						
BlackRock (Domestic)	$	3,392	26.9%	$	4,045	31.8%
BlackRock (International)		3,149	25.0%		3,316	26.0%
Total Passive Equity	**$**	**6,541**	**51.9%**	**$**	**7,361**	**57.8%**
Passive Fixed Income						
BlackRock Custom Index Fund	$	2,976	23.6%	$	2,988	23.5%
Total Passive Fixed Income	**$**	**2,976**	**23.6%**	**$**	**2,988**	**23.5%**
Real Estate						
Blackstone RE Partners VII	$	74	0.6%	$	63	0.5%
H/2 Credit Partners		98	0.8%		92	0.7%
Harrison Street		95	0.7%		87	0.7%
High Street IV		24	0.2%		9	0.1%
Invesco US Income		56	0.4%		0	0.0%
JP Morgan Strategic Property Fund		209	1.7%		186	1.5%
KKR REPA I		26	0.2%		12	0.1%
Mesa West Core		97	0.8%		64	0.5%
Prima Advisors Mortgage Fund		92	0.7%		85	0.7%
Principal US Property Fund		95	0.8%		84	0.7%
Prudential PRISA Fund		145	1.2%		127	1.0%
Prudential Senior Housing V		4	0.0%		0	0.0%
Smart Markets		160	1.3%		102	0.8%
Walton Street VII		41	0.3%		19	0.1%
Westbrook IX		9	0.1%		5	0.0%
Total Real Estate	**$**	**1,225**	**9.7%**	**$**	**933**	**7.3%**
Infrastructure						
Alinda Infrastructure Fund II	$	54	0.4%	$	44	0.3%
ArcLight Co-Invest		11	0.1%		9	0.1%
ArcLight Energy Partners V		44	0.3%		54	0.4%
Brookfield II		63	0.5%		26	0.2%
Carlyle Infrastructure Fund		40	0.3%		42	0.3%
Cube Infrastructure Fund		43	0.3%		50	0.4%
First Reserve Energy		45	0.4%		31	0.2%
First Reserve Energy		4	0.0%		0	0.0%
Global Infrastructure Partners Fund		36	0.3%		44	0.3%
Global Infrastructure Partners Fund II		42	0.3%		33	0.3%
IFM Global Infrastructure		99	0.8%		0	0.0%
KKR Infrastructure		67	0.5%		64	0.5%
KKR Infrastructure II		4	0.0%		0	0.0%
KKR Co-Invest Project Atlanta		21	0.2%		0	0.0%
Meridiam Infrastructure		23	0.2%		25	0.2%
Total Infrastructure	**$**	**596**	**4.7%**	**$**	**421**	**3.3%**
Other Strategies						
Grantham, Mayo, Van Oterloo		$ 325	2.6%	$	330	2.6%
Windham Capital		294	2.3%		311	2.4%
	$	**619**	**4.9%**	**$**	**641**	**5.0%**

BENEFIT PLANS - INVESTMENT PORTFOLIO
(continued)

	at 06/30/2015			at 06/30/2014		
	millions of dollars		% of assets	millions of dollars		% of assets
Private Equity						
ABRY Advanced Securities Fund II	$	15	0.1%	$	13	0.1%
ABRY Advanced Securities Fund III		6	0.0%		0	0.0%
ABRY Senior Equity IV		5	0.0%		3	0.0%
ABRY VII		10	0.1%		9	0.1%
ABRY VIII		4	0.0%		0	0.0%
Advent International		24	0.2%		15	0.1%
Affinity Asia Pacific IV		17	0.1%		2	0.0%
Berkshire VIII		9	0.1%		5	0.0%
Blackstone Cap VI		22	0.2%		16	0.1%
Carlyle Asia Partners Fund III		10	0.1%		12	0.1%
Carlyle Asia Partners Fund IV		16	0.1%		6	0.0%
Centerbridge Capital		2	0.0%		0	0.0%
Charterhouse VIII		3	0.0%		6	0.1%
Charterhouse IX		3	0.0%		4	0.0%
CVC Capital Partner VI		4	0.0%		0	0.0%
EnCap Energy Capital Fund VIII		19	0.2%		22	0.2%
EnCap Energy Capital Fund VIII Co-Invest		12	0.1%		13	0.1%
EnCap Energy Capital Fund IX		14	0.1%		5	0.0%
EnCap Energy Capital Fund X		1	0.0%		0	0.0%
EnCap Flatrock Midstream III		1	0.0%		0	0.0%
GTCR X		28	0.2%		29	0.2%
GTCR XI		8	0.1%		0	0.0%
Hellman & Friedman		20	0.2%		19	0.2%
HIG Bayside Loan Opportunity II		18	0.1%		15	0.1%
HIG Bayside Loan Opportunity III (Europe)		14	0.1%		9	0.1%
HIG Buyouts II		6	0.1%		4	0.0%
HIG Capital Partners V		2	0.0%		0	0.0%
HIG Capital Partners II (Europe)		0	0.0%		0	0.0%
HIG Middle Market LBO Fund II		1	0.0%		0	0.0%
Inflexion Buyout Fund IV		0	0.0%		0	0.0%
Inflexion Partnership Capital Fund I		0	0.0%		0	0.0%
Kelso VIII		3	0.0%		3	0.0%
KKR North America XI		37	0.3%		30	0.2%
KKR Special Situations		64	0.5%		46	0.4%
KKR Special Situations II		3	0.0%		0	0.0%
Oaktree Opportunity Fund VIII		18	0.1%		25	0.2%
Onex Partners III		10	0.1%		10	0.1%
Onex Partners IV		16	0.1%		0	0.0%
Paine & Partner		5	0.0%		0	0.0%
Riverside Capital Appreciation VI		21	0.2%		6	0.0%
Riverside Micro Cap Fund III		23	0.2%		0	0.0%
Shoreview Capital III		4	0.0%		4	0.0%
Sovereign Capital IV		7	0.1%		0	0.0%
Summit GE VIII		16	0.1%		13	0.1%
Summit VC III		12	0.1%		8	0.1%
Summit Credit Partners II		14	0.1%		0	0.0%
Summit Co-Invest Paradigm		16	0.1%		0	0.0%
TCV III		21	0.2%		3	0.0%
Thoma Bravo XI		24	0.2%		1	0.0%
Thoma Bravo Spec Opp Fund		4	0.0%		0	0.0%
Water Street Healthcare		4	0.0%		2	0.0%
Wayzata		7	0.1%		3	0.0%
Total Private Equity	**$**	**620**	**4.9%**	**$**	**364**	**2.9%**
Natural Resources						
ACM Permanent Crops		12	0.1%		0	0.0%
Taurus Mining Finance		11	0.1%		0	0.0%
Total Natural Resources	**$**	**22**	**0.2%**		**$0**	**0.0%**
Cash						
Liquidity Account		11	0.1%		23	0.2%
Total Cash	**$**	**11**	**0.1%**	**$**	**23**	**0.2%**
Total Assets	**$**	**12,610**	**100%**	**$**	**12,732**	**100%**

LARGEST HOLDINGS
at June 30, 2015

Top 10 Direct Common Stock Holdings		Market Value	% of Assets
Apple	$	98,281,525	0.78%
Microsoft		48,571,181	0.39%
Exxon Mobil		47,221,824	0.37%
General Electric		36,730,170	0.29%
Johnson & Johnson		36,699,343	0.29%
Wells Fargo		35,792,373	0.28%
JP Morgan Chase		34,164,795	0.27%
Berkshire Hathaway		33,738,947	0.27%
Procter & Gamble		28,753,278	0.23%
Pfizer		28,160,137	0.22%

Some of the System's index fund investments are made through commingled funds, with MainePERS owning units in the funds, and having beneficial, rather than direct ownership of the securities. The largest holdings list reports direct holdings held outside of the commingled funds. For a complete list of the System's holdings, please contact MainePERS.

SECURITIES LENDING

MainePERS earns additional income on its investment portfolio by lending its securities. The System pays its custodian for managing the securities lending program. Information regarding the results of the securities lending program for the current and prior fiscal years may be found in the Financial Section starting on page 18.

Several of the collective trusts through which the System holds interests in commingled funds also lend securities. Because these trusts are legal entities separate from MainePERS, their lending activities are not reflected in the securities lending results reported in the financial statements. The System shares in the income and the risks of the securities lending activity in the commingled funds, and the income is included in the total income and return figures in this Investment Section and the Financial Statements.

PERFORMANCE: ACTUAL RETURNS VS. BENCHMARK RETURNS

(All returns are time weighted)

Fiscal Yead Ended June 30	TOTAL FUND Actual Return	TOTAL FUND Benchmark [5] Return	TOTAL FUND Excess Return [1]	DOMESTIC EQUITY Actual Return	DOMESTIC EQUITY Benchmark [6] Return	DOMESTIC EQUITY Excess Return [1]	FOREIGN EQUITY Actual Return	FOREIGN EQUITY Benchmark [7] Return	FOREIGN EQUITY Excess Return [1]
2015	2.0%	1.8%	0.3%	7.2%	7.2%	0.0%	-5.1%	-4.9%	-0.2%
2014	16.7%	15.6%	1.1%	24.8%	25.0%	-0.2%	22.0%	22.3%	-0.3%
2013	11.1%	10.4%	0.8%	21.5%	21.5%	0.1%	13.9%	14.1%	-0.2%
2012	0.6%	1.4%	-0.8%	3.8%	4.0%	-0.2%	-14.3%	-14.2%	-0.2%
2011	22.4%	21.5%	0.9%	32.6%	32.4%	0.2%	30.0%	30.3%	-0.3%
2010	11.1%	11.9%	-0.8%	18.3%	16.1%	2.2%	9.7%	10.9%	-1.2%
2009	-18.8%	-19.4%	0.5%	-29.3%	-26.4%	-2.9%	-32.1%	-30.5%	-1.6%
2008	-3.1%	-1.9%	-1.2%	-15.0%	-12.5%	-2.4%	-7.5%	-6.2%	-1.3%
2007	16.2%	16.3%	-0.2%	19.9%	20.5%	-0.6%	29.8%	30.2%	-0.4%
2006	7.5%	7.3%	0.2%	9.4%	9.9%	-0.6%	28.0%	27.9%	0.1%
2005	11.8%	12.1%	-0.4%	7.9%	8.2%	-0.3%	15.7%	16.5%	-0.8%
2004	16.6%	15.9%	0.7%	21.3%	21.2%	0.1%	30.5%	32.0%	-1.5%
2003	5.3%	4.3%	1.0%	0.9%	1.3%	-0.4%	-4.5%	-4.6%	0.1%
2002	-7.5%	-6.8%	-0.7%	-17.4%	-16.6%	-0.9%	-9.5%	-8.4%	-1.1%
2001	-7.9%	-7.8%	-0.1%	-14.8%	-15.3%	0.6%	-24.0%	-24.1%	0.1%
3 years ending 2015	9.8%	9.1%	0.7%	17.6%	17.6%	0.0%	9.7%	9.9%	-0.2%
5 years ending 2015	10.2%	9.8%	0.4%	17.5%	17.5%	0.0%	8.0%	8.2%	-0.2%
10 years ending 2015	5.9%	5.9%	0.1%	7.6%	8.3%	-0.7%	5.3%	6.0%	-0.6%

Notes:

1. Excess Return is Actual Return minus Benchmark Return

2. The asset class of General Fixed Income was closed in the 1st quarter of 2007 and re-opened in the 4th quarter of 2008.

3. Fixed Income includes TIPS as of 7/31/04

4. The Real Estate Return for the year ending 06/30/05 is attributable to REIT's only.

5. Total Fund Benchmark: A combination of the benchmarks for the five major asset classes using the target asset class weights.

6. Domestic Equity Benchmark: Dow Jones US Total Stock Market Index

TABLE CONTINUED ON NEXT PAGE

PERFORMANCE: ACTUAL RETURNS VS. BENCHMARK RETURNS

(All returns are time weighted)

FIXED INCOME (2,3)			REAL ESTATE (4)			INFRASTRUCTURE			PRIVATE EQUITY		
Actual Return	Benchmark (8) Return	Excess Return (1)	Actual Return	Benchmark (9) Return	Excess Return (1)	Actual Return	Benchmark (10) Return	Excess Return (1)	Actual Return	Benchmark (11) Return	Excess Return (1)
-0.4%	1.9%	-2.3%	11.4%	8.8%	2.6%						
3.8%	4.4%	-0.6%	10.7%	5.5%	5.1%						
-1.9%	-0.7%	-1.3%	10.2%	7.8%	2.4%						
8.8%	9.0%	-0.1%	11.1%	13.4%	-2.3%						
6.2%	3.9%	2.3%	22.5%	16.0%	6.5%						
10.8%	9.5%	1.3%	-4.1%	-1.5%	-2.6%	Data Not Meaningful[12]			Data Not Meaningful[12]		
-0.8%	6.1%	-6.9%	-35.0%	-19.6%	-15.4%						
17.5%	7.1%	10.3%	3.0%	9.2%	-6.2%						
3.4%	6.1%	-2.7%	16.5%	17.2%	-0.7%						
-5.6%	-0.8%	-4.8%	20.2%	20.5%	-0.4%						
16.1%	6.8%	9.3%	6.6%	6.6%	0.0%						
4.2%	0.3%	3.9%									
13.1%	10.4%	2.7%									
7.2%	8.6%	-1.4%									
9.7%	11.2%	-1.6%									
0.5%	1.8%	-1.4%	10.8%	7.4%	3.4%						
3.2%	3.6%	-0.4%	13.1%	10.2%	2.8%						
4.0%	4.6%	-0.6%	5.2%	7.1%	-1.9%						

Notes *(continued)*:

7. Foreign Equity Benchmark: Morgan Stanley Capital International All Country World Ex-U.S. Free, since Jan. 1, 1998

8. General Fixed Income Benchmark: Barclays Capital Aggregate Bond Index less Governments plus TIPS, since Oct 2008

9. Real Estate Benchmark: A combination of DJ Wilshire Real Estate Securities Index and National Council of Real Estate Investment Fiduciaries Property Index since July 1, 2005

10. Infrastructure Benchmark: Consumer Price Index + 5%

11. Private Equity Benchmark: Dow Jones US Total Stock Market Index + 3%

12. Infrastructure and Private Equity returns are not meaningful at this stage of the program.

TABLE CONTINUED FROM PREVIOUS PAGE

INVESTMENT PERFORMANCE

The table on the preceding pages displays the rates of return on the System's investment portfolio over the last ten fiscal years, and for the three, five, and ten-year periods ended June 30, 2015. Because the System's investment strategy has changed very little from year to year, and because the majority of the System's assets are indexed, these results are determined almost entirely by the behavior of the capital markets. Negative returns for the fiscal years ended June 30, 2008, and 2009 were the result of declines in domestic and foreign stock markets, partially offset by gains in the domestic bond market.

Over the ten-year period, the annualized rate of return on the System's assets was 5.9%. MainePERS experienced eight years of positive returns and two years of negative returns. These results are consistent with the long-term risk/return strategy that forms the basis of the System's policies. At 5.9%, the ten-year return has underperformed relative to the 7.125% investment return assumption utilized in the actuarial process.

The total return figures in the table on pages 80 and 81 are net of all expenses that can be directly attributed to the investment program (see Expenses, page 83). The table reports time weighted rates of return and all figures for periods greater than one year are annualized.

INVESTMENT EXPENSES

The table below displays investment management expenses directly attributable to the investment program and paid directly by the System. Examples of directly attributable expenses include fees paid to investment managers and compensation and expenses of the System's own investment professionals, including time spent on investment matters by staff other than full-time investment professionals to the extent it can be separately identified. Other expenses not paid directly by the System include the expenses of securities lending programs conducted by managers of the commingled funds.

The increase of expenses in 2015 can be attributed to continued funding of the Alternatives Programs and the addition of internal investment professionals.

INVESTMENT MANAGEMENT EXPENSES

Detail for year ended 6/30/2015	Dollar Expense
Passive Equity	$ 2,511,519
Passive Fixed Income	298,554
Real Estate	9,698,862
Infrastructure	9,200,413
Private Equity	22,008,356
Natural Resources	493,750
Opportunistic Strategies	5,075,481
Consultants	1,262,662
Other Investment Expenses	809,520
In House Expenses	3,351,547
DC Investment Expenses	89,609
Retiree Health Insurance Trust Expenses	59,428
Group Life Insurance Expenses	53,720
MainePERS OPEB	6,282
Total Investment Expenses - All Plans	$ 54,919,703

Total for FY ended June 30 Defined Benefit Plans	$ Millions	% of Total Assets
2015	54.7	0.44%
2014	41.1	0.32%
2013	31.4	0.28%
2012	24.3	0.23%
2011	19.7	0.18%
2010	22.0	0.25%
2009	23.1	0.28%
2008	34.6	0.19%
2007	19.7	0.33%
2006	18.8	0.20%

BROKERAGE COMMISSIONS
Year Ended June 30, 2015

Broker	Commissions	Amount Traded (Millions)	Cost of Trade (%)	Total Shares (Millions)	Commissions (Cents per Share)
Wallachbeth	$ 100,297	$ 545	0.018%	10.0	0.010
UBS	18,168	377	0.005%	0.6	0.003
Morgan Stanley	13,290	180	0.007%	4.6	0.034
Deutsche Bank	12,822	231	0.006%	4.3	0.033
Merrill Lynch	9,780	183	0.005%	3.9	0.040
Citigroup	7,509	142	0.005%	3.6	0.049
Bank of New York/Goldman	5,600	93	0.006%	1.8	0.033
Barclays	5,003	94	0.005%	2.0	0.040
Instinet	4,762	94	0.005%	1.7	0.035
Credit Suisse First Boston	4,132	77	0.005%	1.7	0.040
Other	6,996	147	0.005%	2.8	0.041
Total	$ 188,359	$ 2,162	0.009%	37.0	0.020

Commissions reported above are those paid directly by MainePERS. The table does not include other transaction costs the System may incur, nor does it include brokerage commissions incurred indirectly through investments in commingled funds. Brokerage commissions and other transaction costs are excluded from the expense table on page 83. Those commissions and expenses are accounted for in the net income and total return figures reported elsewhere in this report.

Selection of brokers is at the discretion of the System's investment managers, subject to their fiduciary obligations. MainePERS does not have any directed brokerage programs, commission recapture programs, or similar arrangements. Some of the System's managers have soft dollar arrangements with brokers, in which the broker agrees to provide additional services to the manager beyond trade execution. In addition some of the System's managers employ placement agents to market their funds. MainePERS does not pay placement agent fees and requires managers that do use placement agents to disclose the identity of said parties and the method and amount of payment.

GROUP LIFE INSURANCE PROGRAM

The Group Life Insurance program is supported by premiums paid by its participants and by reserves. Substantially all the reserves are maintained in an investment portfolio, for which the summary results are displayed below. (Certain assets, such as the cash in the operating bank account, are not considered part of the investment portfolio.) Over this period, the increase in portfolio value is attributable to positive investment return and positive cash flow.

SUMMARY OF INVESTMENT ACTIVITY

FY Ended June 30	Opening Fair Market Value	Closing Fair Market Value	Actual Return	Benchmark Return	Performance
2015	92.2	95.2	2.6%	2.7%	-0.1%
2014	78.3	92.2	18.6%	18.3%	0.3%
2013	68.1	78.3	13.4%	13.1%	0.3%
2012	66.4	68.1	0.6%	0.5%	0.1%
2011	58.0	66.4	24.5%	24.4%	0.1%
2010	50.2	58.0	15.1%	15.1%	0.1%
2009	53.0	50.2	-18.8%	-19.0%	0.2%
2008	52.3	53.0	-3.1%	-1.9%	-1.2%
2007	44.3	52.3	16.2%	16.3%	-0.1%
2006	42.9	44.3	3.1%	3.9%	-0.8%
		3 yrs ended 2015	11.3%	11.2%	0.2%
		5 yrs ended 2015	11.5%	11.4%	0.1%
		10 yrs ended 2015	6.5%	6.6%	-0.1%

In fiscal year 2009, the Group Life Insurance assets were separated from the defined benefit plan assets while maintaining the same type of investment strategy. Up until this change, beginning in November 2005, the assets had been combined with those of the other plans in the general investment portfolio. Prior to November 2005, the assets had been invested in either a medium term, investment grade fixed income portfolio or similar commingled funds. While the assets were invested in a mutual fund, they were not available for the System's own securities lending program. Any securities lending undertaken by the mutual fund is not covered in this report, although any results are reflected in the total return or gain/loss figures.

Over the ten-year period ended June 30, 2015, the actual return on the portfolio was essentially equivalent to the return of the performance benchmark.

The fees paid by the portfolio are consistent with those detailed in the fees and expenses tables of the previous section. For the period of time the portfolio was invested in a mutual fund, fees were consistent with other holders of the institutional class of shares, as detailed in the fund's prospectus.

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ACTUARIAL SECTION

October 27, 2015

Board of Trustees
Maine Public Employees Retirement System
#46 State House Station
Augusta, Maine 04333-0046

Dear Members of the Board:

At your request, we have conducted our annual actuarial valuation of each of the funded pension programs administered by the Public Employees Retirement Board of the Maine Public Employees Retirement System (MainePERS) as of June 30, 2015. The purpose of this report is to present the annual actuarial valuation results for the various Programs. This report is for the use of the Public Employees Retirement Board and its auditors in preparing financial reports in accordance with applicable law and accounting requirements. Any other user of this report is not an intended user and is considered a third party. This valuation report is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

Funding Objective

The funding objective of the Programs administered by MainePERS is to establish contribution rates that, over time, will remain level as a percentage of payroll. In order to achieve this, we developed a contribution rate that will provide for current cost (i.e., normal cost expressed as a level percentage of payroll) plus a level percentage of payroll amortization of the unfunded liability over a specified period.

To our knowledge, the State has consistently funded the full amounts required based on the actuarial valuations and specific statutory provisions.

Assumptions and Methods

The actuarial assumptions and methods used in these valuations have been recommended by the actuary, and adopted by the Board of Trustees, based on the actuary's most recent review of each Program's experience.

We believe that all the costs, liabilities, rates of interest, and other factors for MainePERS have been determined on the basis of actuarial assumptions and methods that are individually reasonable (taking into account the experience of the Programs administered by MainePERS and reasonable expectations) and that, in the aggregate, offer our best estimate of anticipated experience affecting the Programs. Nevertheless, the emerging costs rely on future plan experience conforming to the underlying assumptions and methods outlined in this report. To the extent that the actual experience of the Programs deviates from the underlying assumptions and methods, or there are any changes in plan provisions or applicable lay, the results will vary accordingly.

The calculations in the following exhibits have been made on a basis consistent with our understanding of MainePERS's funding requirements and goals. The Group Life Insurance (GLI) numbers disclosed in the Financial Section were produced in accordance with our understanding of the requirements of Governmental Accounting Standards Board (GASB) Statement No. 43. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Reliance on Others

In preparing our report, we relied on information, some oral and some written, supplied by the Maine Public Employees Retirement System. This information includes, but is not limited to, the plan provisions, membership data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

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8200 Greensboro Drive, Suite 1125, McLean, VA 22102 Tel: 877 CHEIRON (243.4766) Fax: 703.893.2006 www.cheiron.us

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable. Such a review was beyond the scope of our assignment.

Determination of Discount Rate

We have not performed a formal cash flow projection as described under Paragraph 41 of GASB Statement No. 67. However, Paragraph 43 allows for alternative methods to confirm the sufficiency of the Net Position if the evaluations "can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan…" In our professional judgment, adherence to the actuarial funding policy described above will result in the pension plan's projected fiduciary net position being greater than or equal to the benefit payments projected for each future period.

Supporting Schedules

Cheiron is responsible for the following schedules included within the Financial and Actuarial Sections of the MainePERS Comprehensive Annual Financial Report:

- Schedule of Active Member Valuation Data
- Schedule of Benefit Recipients Valuation Data
- Schedule of Retirees and Beneficiaries Added to and Removed from the Rolls
- Schedule of Change in Net Pension Liability
- Sensitivity of Net Pension Liability to Changes in Discount Rate
- Analysis of Financial Experience
- Solvency Test

Certification

We believe that the State's pension plans are adequately and appropriately financed, in that the contributions are determined and funded on a level cost as a percentage of payroll basis using reasonable actuarial methods and assumptions.

To the best of our knowledge, this report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices that are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

Sincerely,
Cheiron

Gene Kalwarski, FSA, EA	Fiona E. Liston, FSA, EA
Principal Consulting Actuary	Principal Consulting Actuary

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CHEIRON

SECTION I
DEMOGRAPHIC INFORMATION

Schedule of Active Member Valuation Data

Valuation Date June 30,	Number of Active Members	Annual Salaries of Active Members *	Average Annual Pay	Percentage Increase in Average Pay
State Employee and Teacher Program				
2015	40,016	$ 1,745,075,075	$ 43,609	1.62%
2014	39,669	1,702,310,338	42,913	7.92%
2013	41,809	1,662,390,557	39,762	(8.93%)
2012	39,360	1,718,449,172	43,660	2.97%
2011	38,759	1,643,389,735	42,400	1.13%
2010	39,884	1,672,252,868	41,928	1.65%
2009	40,486	1,669,885,710	41,246	5.83%
2008	41,561	1,619,705,846	38,972	3.63%
2007	42,184	1,586,201,110	37,602	4.26%
2006	42,643	1,538,201,110	36,072	2.60%
Consolidated Plan for Participating Local Districts				
2015	10,870	$ 490,974,092	$ 45,168	6.51%
2014	10,848	460,029,637	42,407	2.79%
2013	11,112	458,424,764	41,255	(6.41%)
2012	10,772	474,828,262	44,080	7.55%
2011	10,614	435,012,940	40,985	6.99%
2010	10,331	395,747,663	38,307	(2.16%)
2009	9,719	380,541,135	39,154	3.80%
2008	9,562	360,693,816	37,722	5.58%
2007	9,587	342,528,740	35,728	3.12%
2006	9,347	323,834,104	34,646	5.88%
Withdrawn Participating Local Districts				
2015	23	$ 1,207,796	$ 52,513	3.86%
2014	24	1,213,514	50,563	(0.92%)
2013	28	1,428,984	51,035	0.97%
2012	28	1,415,305	50,547	0.38%
2011	31	1,561,053	50,357	23.11%
2010	43	1,758,909	40,905	(10.90%)
2009	43	1,974,113	45,910	9.86%
2008	50	2,089,427	41,789	(0.56%)
2007	59	2,479,392	42,024	6.85%
2006	62	2,438,504	39,331	(1.53%)
Judicial Retirement System				
2015	56	$ 6,851,612	$ 122,350	9.76%
2014	60	6,688,159	111,469	(0.81%)
2013	60	6,742,444	112,374	(2.36%)
2012	59	6,790,274	115,089	0.00%
2011	59	6,790,233	115,089	(2.39%)
2010	59	6,956,364	117,904	0.03%
2009	57	6,718,453	117,868	7.63%
2008	59	6,461,343	109,514	(0.61%)
2007	60	6,611,028	110,184	8.18%
2006	56	5,703,886	101,855	2.13%
Legislative Retirement Program *				
2015	180	$ 2,534,548	$ 14,081	1.24%
2014	181	2,517,431	13,908	(0.14%)
2013	182	2,534,740	13,927	0.53%
2012	175	2,424,480	13,854	0.04%
2011	173	2,395,694	13,848	(1.25%)
2010	170	2,384,083	14,024	3.67%
2009	172	2,326,786	13,528	2.02%
2008	170	2,254,173	13,260	4.76%
2007	170	2,151,925	12,658	3.66%
2006	174	2,124,786	12,211	7.49%

* Legislative salaries in even-numbered valuation years have been increased to approximate a full session amount because data was based on that from the previous odd-numbered year.

SECTION I
DEMOGRAPHIC INFORMATION *(continued)*

Schedule of Benefit Recipients Valuation Data

Valuation Date June 30,	Total Number of Benefit Recipients at Year End	Annual Payments to Benefit Recipients	Average Annual Benefit	Percentage Increase in Average Benefit
State Employee and Teacher Program				
2015	33,260	$ 691,848,265	$ 20,801	2.30%
2014	32,391	658,595,271	20,333	0.87%
2013	31,624	637,482,081	20,158	0.03%
2012	30,485	614,303,923	20,151	2.33%
2011	28,900	569,141,838	19,693	1.69%
2010	28,248	547,042,219	19,366	1.46%
2009	27,544	525,718,969	19,087	5.44%
2008	26,821	485,529,823	18,103	4.21%
2007	26,301	456,863,471	17,371	5.84%
2006	25,731	422,302,916	16,412	1.50%
Consolidated Plan for Participating Local Districts				
2015	8,581	$ 130,647,324	$ 15,225	3.02%
2014	8,333	123,149,154	14,778	2.99%
2013	8,122	116,539,396	14,349	(2.11%)
2012	7,520	110,230,682	14,658	5.77%
2011	7,409	102,681,024	13,859	2.70%
2010	7,172	96,787,246	13,495	1.61%
2009	7,021	93,249,060	13,281	5.86%
2008	6,939	87,059,562	12,546	4.93%
2007	6,872	82,159,217	11,956	5.27%
2006	6,777	76,975,417	11,358	0.74%
Withdrawn Participating Local Districts				
2015	176	$ 2,666,644	$ 15,151	6.69%
2014	191	2,712,331	14,201	6.82%
2013	196	2,605,703	13,294	0.53%
2012	199	2,631,584	13,224	6.95%
2011	201	2,485,447	12,365	3.93%
2010	198	2,355,639	11,897	8.08%
2009	214	2,355,639	11,008	5.24%
2008	252	2,636,025	10,460	6.68%
2007	253	2,280,655	9,014	6.08%
2006	260	2,403,244	9,243	(5.11%)
Judicial Retirement Program				
2015	71	$ 3,401,651	$ 47,911	(1.25%)
2014	67	3,250,749	48,519	(3.23%)
2013	65	3,258,916	50,137	0.94%
2012	63	3,129,136	49,669	(0.64%)
2011	62	3,099,334	49,989	0.19%
2010	56	2,794,145	49,895	1.56%
2009	53	2,603,792	49,128	(1.13%)
2008	50	2,484,586	49,692	(1.18%)
2007	43	2,162,196	50,284	2.57%
2006	43	2,108,084	49,025	(0.42%)
Legislative Retirement Program				
2015	170	$ 327,469	$ 1,926	3.55%
2014	153	284,588	1,860	2.42%
2013	155	281,433	1,816	(3.25%)
2012	141	264,716	1,877	1.19%
2011	145	268,980	1,855	1.31%
2010	131	239,823	1,831	3.50%
2009	130	229,960	1,769	3.33%
2008	120	205,417	1,712	10.95%
2007	117	180,530	1,543	5.04%
2006	107	157,216	1,469	1.10%

SECTION I
DEMOGRAPHIC INFORMATION *(continued)*

Schedule of Retirees and Beneficiaries Added to and Removed from the Rolls						
Year Ended June 30,	Added to Rolls		Removed from Rolls		On Rolls at Year End	
	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance
State Employee and Teacher Program						
2015	1,834	$ 49,547,474	965	$ 16,294,480	33,260	$ 691,848,265
2014	1,668	36,572,188	901	15,458,998	32,391	658,595,271
2013	1,995	37,073,840	856	13,895,682	31,624	637,482,081
2012	2,402	58,170,235	817	13,008,150	30,485	614,303,923
2011	1,515	35,608,087	863	13,508,468	28,900	569,141,838
2010	1,659	36,147,606	955	14,824,356	28,248	547,042,219
2009	1,645	53,170,359	912	12,981,213	27,544	525,718,969
2008	1,462	42,000,560	942	13,334,208	26,821	485,529,823
2007	1,486	46,699,912	916	12,139,357	26,301	456,863,471
2006	1,439	30,429,167	831	14,346,893	25,731	422,302,916
PLDs (Consolidated and Non-Consolidated Plans)						
2015	623	$ 12,030,018	390	$ 4,577,535	8,757	$ 133,313,968
2014	522	9,978,396	316	3,262,010	8,524	125,861,485
2013	881	9,563,286	300	3,280,453	8,318	119,145,099
2012	425	10,710,058	316	3,014,263	7,719	112,862,266
2011	516	8,796,407	276	2,862,417	7,610	105,166,471
2010	422	6,462,161	287	2,834,379	7,370	99,232,481
2009	326	8,821,806	287	2,912,694	7,235	95,604,699
2008	366	7,295,589	295	2,239,222	7,196	89,695,587
2007	333	7,007,117	245	2,110,419	7,125	84,639,220
2006	375	7,131,207	318	3,460,785	7,037	79,742,522
Judicial Retirement Program						
2015	6	$ 312,332	2	$ 161,430	71	$ 3,401,651
2014	6	254,034	4	262,201	67	3,250,749
2013	3	148,384	1	18,604	65	3,258,916
2012	3	142,235	2	112,433	63	3,129,136
2011	6	305,189	0	0	62	3,099,334
2010	3	190,353	0	0	56	2,794,145
2009	5	266,650	2	147,444	53	2,603,792
2008	8	394,226	1	71,836	50	2,484,586
2007	1	114,167	1	60,055	43	2,162,196
2006	2	80,525	2	89,355	43	2,108,084
Legislative Retirement Program						
2015	25	$ 53,264	8	$ 10,383	170	$ 327,469
2014	5	10,934	7	7,779	153	284,588
2013	18	24,752	4	8,035	155	281,433
2012	2	9,025	6	13,289	141	264,716
2011	18	36,695	4	7,538	145	268,980
2010	5	15,259	4	5,396	131	239,823
2009	18	34,185	8	9,642	130	229,960
2008	9	28,388	6	3,501	120	205,417
2007	15	29,215	5	5,901	117	180,530
2006	4	8,035	1	1,915	107	157,216

Schedule of Change in Net Pension Liability as of June 30, 2015

Total Pension Liability	State Employee & Teacher Program	PLDs (Consolidated and Non-Consolidated Plans)	Judicial Retirement Program	Legislative Retirement Program
Service Cost	$ 191,528,649	$ 75,957,301	$ 1,605,751	$ 451,393
Interest	861,682,508	190,707,341	3,863,455	544,526
Change in benefit terms	9,778,106	0	27,931	4,418
Difference between expected and actual experience	(44,287,643)	(56,530,077)	2,237,833	(508,125)
Change in assumptions	0	38,110,583	0	0
Benefit payments, including refunds	(722,573,349)	(138,195,018)	(3,383,995)	(439,112)
Net change in Total Pension Liability	$ 296,128,271	$ 110,050,130	$ 4,350,975	$ 53,100
Total Pension Liability – beginning of year	$ 12,320,158,783	$ 2,649,404,619	$ 54,560,642	$ 7,505,193
Total Pension Liability – end of year	$ 12,616,287,054	$ 2,759,454,749	$ 58,911,617	$ 7,558,293
Plan Fiduciary Net Position				
Contributions – Employer	$ 320,619,068	$ 44,283,400	$ 979,281	$ 4,418
Contributions – Member	123,528,807	37,297,389	549,691	193,356
Refund of IUUAL Accounts	0	(43,000,526)	0	0
Net Investment Income	191,823,704	46,737,983	1,055,347	206,454
Benefit payments, including refunds	(722,573,349)	(138,195,018)	(3,383,995)	(439,112)
Administrative Expenses	(8,917,135)	(2,149,519)	(49,399)	(9,584)
Net Change in Plan Fiduciary Net Position	$ (95,518,905)	$ (55,026,291)	$ (849,075)	$ (44,468)
Plan Fiduciary Net Position – beginning of year	$ 10,337,615,927	$ 2,492,396,080	$ 57,189,900	$ 11,120,032
Plan Fiduciary Net Position – end of year	$ 10,242,097,022	$ 2,437,369,789	$ 56,340,825	$ 11,075,564
Net Pension Liability/(Asset) – end of year	$ 2,374,190,032	$ 322,084,960	$ 2,570,792	$ (3,517,271)

SECTION II
ACCOUNTING INFORMATION *(continued)*

Sensitivity of Net Pension Liability to Changes in Discount Rate
as of June 30, 2015

	State Employee & Teacher Program	PLDs (Consolidated and Non-Consolidated Plans)	Judicial Retirement Program	Legislative Retirement Program
Discount Rate				
1% Decrease	6.125%	6.125%	6.125%	6.125%
Current Discount Rate	7.125%	7.125%	7.125%	7.125%
1% Increase	8.125%	8.125%	8.125%	8.125%
Net Pension Liability				
1% Decrease	$ 3,883,075,518	$ 642,836,924	$ 7,745,300	$ (2,736,115)
Current Discount Rate	2,374,190,032	322,084,960	2,570,792	(3,517,271)
1% Increase	1,111,875,248	18,032,008	(1,945,813)	(4,174,063)

ANALYSIS OF FINANCIAL EXPERIENCE
Gain and Loss in Accrued Liability During Year
Resulting from Differences Between Assumed Experience and Actual Experience
For Year Ended June 30, 2015

Type of Activity		State Employee & Teacher Program		Consolidated Plan for PLDs		Judicial Retirement Program		Legislative Retirement Program
Investment Income	$	(67,533,511)	$	(15,798,973)	$	(372,699)	$	(73,732)
Combined Liability Experience		44,287,643		54,634,906		(2,237,833)		508,125
Gain (or Loss) During Year from Financial Experience	$	(23,245,868)	$	38,835,933	$	(2,610,532)	$	434,393
Non-Recurring Items		(9,778,106)		(37,593,598)		(27,931)		(4,418)
Composite Gain (or Loss) During Year	**$**	**(33,023,974)**	**$**	**1,242,335**	**$**	**(2,638,463)**	**$**	**429,975**

SECTION II
ACCOUNTING INFORMATION *(continued)*

SOLVENCY TEST
Aggregate Actuarial Liabilities For

Valuation Date June 30,		(1) Active Member Contributions		(2) Retirees, Vested Terms, Beneficiaries		(3) Active Members (Employer Financed Portion)		Reported Assets	Portion of Actuarial Liabilities Covered by Reported Assets (1)	(2)	(3)
State Employee and Teacher Program											
2015	$	2,339,138,044	$	7,831,348,903	$	2,445,800,107	$	10,375,552,498	100%	100%	8%
2014		2,315,075,905		7,572,038,284		2,433,044,594		10,017,512,006	100%	100%	5%
2013		2,290,505,939		7,181,259,077		2,358,884,866		9,177,749,627	100%	96%	0%
2012		2,271,164,594		6,656,860,191		2,625,281,496		8,880,730,120	100%	99%	0%
2011		2,229,984,967		6,453,384,730		2,598,295,489		8,736,885,121	100%	100%	2%
2010		2,117,903,830		6,856,828,427		3,642,411,748		8,313,459,810	100%	90%	0%
2009		2,002,784,767		6,622,143,609		3,696,290,956		8,325,951,236	100%	95%	0%
2008		1,898,148,565		6,209,005,616		3,560,878,330		8,631,557,629	100%	100%	15%
2007		1,789,362,929		5,850,882,771		3,517,524,438		8,245,520,019	100%	100%	17%
2006		1,678,240,981		5,367,785,679		3,501,272,534		7,504,219,546	100%	100%	14%
Consolidated Plan for Participating Local Districts											
2015	$	438,925,747	$	1,543,532,803	$	738,477,459	$	2,433,186,149	100%	100%	61%
2014		423,097,001		1,462,031,828		724,529,016		2,379,733,634	100%	100%	68%
2013		412,347,408		1,378,065,748		675,521,588		2,179,961,872	100%	100%	58%
2012		398,895,449		1,262,186,227		707,745,483		2,103,481,277	100%	100%	63%
2011		379,478,840		1,175,482,545		676,024,931		2,084,982,632	100%	100%	78%
2010		347,801,024		1,083,097,662		654,598,374		2,011,019,138	100%	100%	89%
2009		319,531,110		1,039,566,071		641,162,528		2,046,361,132	100%	100%	107%
2008		294,627,592		990,913,007		628,335,716		2,151,832,580	100%	100%	138%
2007		270,986,236		938,899,387		629,089,299		2,085,117,271	100%	100%	139%
2006		239,876,523		884,015,065		596,238,152		1,926,451,099	100%	100%	135%
Withdrawn Participating Local Districts											
2015	$	4,640,093	$	29,733,833	$	4,144,814	$	35,942,796	100%	100%	38%
2014		4,667,251		31,696,569		3,382,954		35,485,488	100%	97%	0%
2013		4,764,800		29,539,283		4,180,808		33,454,845	100%	97%	0%
2012		4,757,033		27,810,149		4,313,899		33,172,070	100%	100%	14%
2011		4,815,718		26,832,938		4,939,550		34,483,299	100%	100%	57%
2010		4,695,405		27,353,693		5,287,301		34,317,862	100%	100%	43%
2009		5,096,286		25,975,475		1,405,938		37,349,924	100%	100%	447%
2008		5,617,830		28,899,915		5,234,960		49,820,012	100%	100%	292%
2007		5,551,190		27,559,626		7,599,770		49,515,951	100%	100%	216%
2006		7,051,438		27,270,415		4,620,595		47,632,900	100%	100%	288%
Judicial Retirement Program											
2015	$	9,717,368	$	30,422,680	$	18,771,569	$	57,074,951	100%	100%	90%
2014		9,466,378		28,785,537		16,308,727		55,419,017	100%	100%	105%
2013		9,464,604		26,605,274		16,304,907		51,055,251	100%	100%	92%
2012		9,379,428		24,731,810		12,229,440		49,735,004	100%	100%	128%
2011		9,028,737		24,690,578		14,148,982		49,324,784	100%	100%	110%
2010		8,510,723		26,915,670		17,723,306		47,677,635	100%	100%	69%
2009		7,980,202		25,570,008		16,993,110		48,478,344	100%	100%	88%
2008		7,481,505		24,943,576		15,209,371		50,418,942	100%	100%	118%
2007		6,941,423		21,133,577		18,767,351		48,225,053	100%	100%	107%
2006		6,463,859		20,608,730		16,029,820		44,350,649	100%	100%	108%
Legislative Retirement Program											
2015	$	2,444,638	$	5,581,571	$	(467,916)	$	11,219,880	100%	100%	683%
2014		2,464,847		5,073,388		(33,042)		10,775,701	100%	100%	9,798%
2013		2,363,217		4,965,686		(456,289)		9,771,955	100%	100%	535%
2012		2,321,819		3,895,976		25,844		9,322,419	100%	100%	12,013%
2011		2,228,233		4,002,993		(506,033)		9,040,180	100%	100%	555%
2010		2,099,683		3,680,940		292,741		8,634,635	100%	100%	975%
2009		2,005,895		3,636,651		(142,737)		8,717,885	100%	100%	2,155%
2008		1,892,250		3,237,876		474,879		9,099,133	100%	100%	836%
2007*		1,783,293		3,101,175		211,170		8,721,571	100%	100%	1817%
2006		1,648,363		2,634,954		3,661,151		7,944,468	100%	100%	100%

* The funding method was changed for the Legislative Plan from the Aggregate to Entry Age Normal in 2007.

STATE EMPLOYEE AND TEACHER PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

State Employee and Teacher Program

1. Membership:

Membership is a condition of employment for state employees and teachers, and optional for elected and appointed officials.

Membership ceases on the earlier of withdrawal of contributions, retirement, or death.

2. Member Contributions:

Except as otherwise described below, members are required to contribute 7.65% of earnable compensation.

Contribution Requirements for Special State Employee Groups

State police and inland fisheries and wildlife officers employed before September 1, 1984: required to contribute 8.65% of earnable compensation for 20 years of service and 7.65% thereafter.

Forest rangers and state prison employees employed before September 1, 1984: required to contribute 8.65% of earnable compensation until eligible for retirement and 7.65% thereafter.

1998 Special Plan employees which include state prison employees, airplane pilots, forest rangers, defense, veterans and emergency management firefighters employed at Bangor International Airport, corrections employees, Baxter State Park Authority rangers, fire marshals, investigators and inspectors, oil and hazardous materials emergency response workers and capitol security officers: required to contribute 8.65% of earnable compensation for 25 years and 7.65% thereafter.

State police employed on or after September 16, 1984 and special agent investigators hired before June 21, 1982: required to contribute 8.65% of earnable compensation for 25 years and 7.65% thereafter.

Inland fisheries and wildlife officers and marine resources officers employed on or after September 1, 1984: required to contribute 8.65% of earnable compensation for 25 years and 7.65% thereafter.

3. Average Final Compensation:

For purposes of determining benefits payable, average final compensation is the average annual rate of earnable compensation for the three years of creditable service (not necessarily consecutive) that produce the highest such average.
For compensation paid on or after July 1, 1993, increases in earnable compensation of greater than 5% per year or greater than 10% over the highest three years are not included in calculating average final compensation unless the employer pays the cost of including such compensation. Earnable compensation does not include sick and vacation pay for those members who had less than ten years of service at July 1, 1993. For members for whom sick and vacation pay is includable in earnable compensation, these payments are included in applying the caps described above.

4. Creditable Service:

Creditable service includes service while a member, certain service prior to the establishment of the Program, purchased military service credit, other purchased service credit, and service while receiving disability benefits under the Program.

5. Service Retirement Benefits:

A. Regular Plan (State Employees and Teachers)

i. Provisions for Members with at Least Ten Years of Creditable Service on July 1, 1993

Normal Retirement Age: 60

Eligibility for Members in Active Service and Inactive Members: 25 years of creditable service.

STATE EMPLOYEE AND TEACHER PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS
(continued)

Eligibility Alternative for Members in Active Service: At least one year of creditable service immediately before retirement and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement, and not in Active Service on or After October 1, 1999: At least ten years of creditable service and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement, but in Active Service on or After October 1, 1999: At least five years of creditable service and at least normal retirement age.

Benefit: 1/50 of average final compensation multiplied by years of membership service and up to 25 years of prior service, reduced by approximately 2¼% for each year retirement age is less than age 60.

Form of Payment: Life annuity.

ii. Provisions for Members with Less Than Ten Years of Creditable Service on July 1, 1993

Normal Retirement Age: 62
Eligibility for Members in Active Service and Inactive Members: 25 years of creditable service.

Eligibility Alternative for Members in Active Service: At least one year of creditable service immediately before retirement age and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement, and not in Active Service on or After October 1, 1999: At least ten years of creditable service and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement, but in Active Service on or After October 1, 1999: At least five years of creditable service and at least normal retirement age.

Benefit: 1/50 of average final compensation multiplied by years of membership service and up to 25 years of prior service, reduced by 6% for each year retirement age is less than age 62.

Form of Payment: Life annuity.

iii. Provisions for Members with Less Than Five Years of Creditable Service on July 1, 2011

Normal Retirement Age: 65

Eligibility for Members in Active Service and Inactive Members: 25 years of creditable service.

Eligibility Alternative for Members in Active Service: At least one year of creditable service immediately before retirement age and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement, and not in Active Service on or After October 1, 1999: At least ten years of creditable service and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement, but in Active Service on or After October 1, 1999: At least five years of creditable service and at least normal retirement age.

Benefit: 1/50 of average final compensation multiplied by years of membership service and up to 25 years of prior service, reduced by 6% for each year retirement age is less than age 65.

Form of Payment: Life annuity.

STATE EMPLOYEE AND TEACHER PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS
(continued)

B. Special Plans (State Employees)

i. State Police Employed Before September 16, 1984 and Inland Fisheries and Wildlife Officers Employed Before September 1, 1984

Eligibility: 20 years of creditable service in named positions.

Benefit: one-half of average final compensation plus 2% for each year of service in excess of 20. If greater, the pro-rated portion of the benefit for service before July 1, 1976 is based on annual pay instead of average final pay.

Form of Payment: 50% joint and survivor annuity, or life annuity.

ii. Forest Rangers Employed Before September 1, 1984

Eligibility: Age 50 with 25 years of creditable service as a forest ranger.

Benefit: one-half of average final compensation plus 2% for each year of service earned after qualification for retirement. If greater, the pro-rated portion of the benefit for service before July 1, 1976 is based on annual pay instead of average final pay.

Form of Payment: Life annuity.

iii. Liquor Inspectors Employed Before September 1, 1984

Eligibility: Age 55 and 25 years of creditable service as a liquor inspector.

Benefit: one-half of average final compensation plus 2% for each year of service earned after qualification for retirement. If greater, the pro-rated portion of the benefit for service before July 1, 1976 is based on annual pay instead of average final pay.

Form of Payment: Life annuity.

iv. State Prison Employees Employed Before September 1, 1984

Eligibility: Age 50 and 20 years of creditable service as a prison employee.

Benefit: one-half of average final compensation plus 2% for each year of service earned after qualification for retirement.

Form of Payment: Life annuity.

v. 1998 Special Plan

1998 Entrants: State prison employees, airline pilots, forest rangers and liquor inspectors, employed after August 31, 1984; defense, veterans and emergency management firefighters employed on and after July 1, 1998.

2000 Entrants: Baxter State Park Authority rangers, correctional employees and state fire marshals employed on or after January 1, 2000.

2002 Entrants: Capitol security officers and oil and hazardous materials emergency response workers.

Eligibility: Ten years of creditable service under the 1998 Special Plan in one or a combination of the covered capacities and the attainment of age 55 – OR – 25 years of creditable service in one or a combination of the covered capacities.

STATE EMPLOYEE AND TEACHER PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS
(continued)

Benefit: For service prior to coverage in the 1998 Special Plan, 1/50 of average final compensation multiplied by years of service reduced for retirement before age 60 or 62, except oil and hazardous materials emergency response workers and certain prison employee benefits are reduced for retirement before age 55.

-AND-

For service under the 1998 Special Plan, 1/50 of average final compensation multiplied by years of service reduced for retirement before age 55.

Form of Payment: Life annuity.

vi. 25 & Out Plan

1998 Entrants: State police employed on or after September 16, 1984 and special agent investigators hired before June 21, 1982.

2002 Entrants: Inland fisheries and wildlife officers and marine resources officers employed on and after August 31, 1984.

Eligibility: 25 years of creditable service in named positions.

Benefit: 1/50 of average final compensation multiplied by years of service.

Form of Payment: Life annuity.

Members in Special Plans who fail to qualify for special plan benefits can receive regular plan benefits when and as eligible and qualified.

6. Disability Retirement Benefits Other Than No Age Benefits (See Item 7):

Eligibility: Disabled as defined in the MainePERS statutes prior to normal retirement age, employed prior to October 16, 1992 and did not elect No Age Disability Benefits, and either disabled in the line-of-duty or disabled with at least five years of creditable service.

Benefit: 66⅔% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: Payment begins on termination of service and ceases on cessation of disability or after two years, unless the member is unable to engage in any substantially gainful activity; in which case, payments cease on the earlier of ten years following normal retirement age or on the date that the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation is increased at same rate as any cost-of-living adjustments for which the member is eligible (not subject to a cap) (see item 11). On the date when service benefits reach a level of 66⅔% of average final compensation or ten years after the normal retirement date, if earlier, the disability converts to a service retirement benefit based on service and average final compensation at that time.

7. No Age Disability Retirement Benefits

Eligibility: Disabled as defined in the MainePERS statutes, employed on or after October 16, 1992 or employed prior to October 16, 1992 and elected the provisions of No Age Disability, and either disabled in the line-of-duty or disabled with at least five years of creditable service.

Benefit: 59% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

STATE EMPLOYEE AND TEACHER PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS
(continued)

Form of Payment: Payment begins on termination of service and ceases on cessation of disability or after two years, unless the member is unable to engage in any substantially gainful activity; in which case, payments cease on the date the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation is increased at the same rate as any cost-of-living adjustments for which the member is eligible (not subject to a cap) (see item 11). On the date when service benefits reach a level of 59% of average final compensation, the disability benefit converts to a service retirement benefit based on service and average final compensation at that time.

8. Pre-Retirement Ordinary Death Benefits:

Eligibility: Death while active, inactive eligible to retire, or disabled.

Benefit: Designated beneficiary, spouse, child(ren), or parents entitled to benefit calculated as if deceased member had retired under Option 2 (see item 12); however, beneficiary may elect survivor benefits payable to a surviving spouse, dependent child(ren), parent, or other designated beneficiaries in monthly amounts varying by status of beneficiary and number of eligible survivors. Otherwise accumulated contributions with interest are payable to designated beneficiary, spouse, child(ren), older parents, or estate.

9. Pre-Retirement Accidental Death Benefits:

Eligibility: Death while active or disabled resulting from an injury received in the line-of-duty.

Benefit:

- If the member leaves no dependent children, two-thirds of the member's average final compensation to the surviving spouse until death.
- If the member is survived by a spouse who has the care of dependent child(ren) of the member, the surviving spouse shall receive an annual sum equal to the member's average final compensation while having the care of dependent child(ren). When there are no longer any dependent children, the surviving spouse shall receive two-thirds of member's average final compensation until death.
- If the member is survived by a spouse who does not have the care of the member's dependent child(ren), the surviving spouse and dependent child(ren) shall share equally an annual sum equal to the member's average final compensation. When there are no longer any dependent children, the surviving spouse shall receive two-thirds of the member's average final compensation until death.
- If the member leaves no spouse, the dependent child(ren) shall share an annual amount equal to the member's average final compensation. Benefits will cease when the last dependent child no longer meets the definition of "dependent child."

10. Refund of Contributions:

Eligibility: Termination of service other than by retirement or death.

Benefit: Member's accumulated contributions with interest.

11. Cost-of-Living Adjustments:

All service and disability retirement and survivor benefits are adjusted each year that there is a percentage change in the Consumer Price Index, based on the Index. If the percentage change is negative, then no adjustment is made in that year. In subsequent years, the adjustment that would have been made will be adjusted downward to the extent necessary to recoup the full actuarial value of not having made the previous year's negative adjustment. This process of adjustment may occur over a multi-year period if needed to recoup the full value of negative changes in the Index.

STATE EMPLOYEE AND TEACHER PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS
(continued)

Cost-of-living adjustments (COLA) are effective September 1 of each year and are applied to that portion of the benefit which is not in excess of a COLA cap whose value grows annually with the same adjustment as the COLA (see values below) for all benefits that have been in payment for at least twelve months as of that date. The maximum annual increase is 3%. Average final compensation used in determining disability benefits for disabled members is similarly adjusted for purposes of determining the recipient's service retirement benefit if and when the recipient moves to service retirement.

COLA Cap History: (value as of September 1 of listed year when COLA effective):

2014 - $20,000.00

2015 - $20,420.00

Members who did not have ten years of service on July 1, 1993 will begin receiving cost-of-living adjustments at the latter of 12 months after their normal retirement age and the first September 1 following a minimum of twelve months of being in receipt of their benefit.

12. Methods of Payment of Service Retirement Benefits:

At retirement, a member who retires with a benefit must choose from the following methods of payment:

Full Benefit: Unadjusted benefit paid for the life of the member only.

Option 1: Cash refund equal to the remaining member contribution balance, if any, at the date of death (where the member contribution balance has been reduced each month by the portion of the monthly benefit deemed to be provided by member contributions).

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

Option 4: Joint and survivor annuity at any percentage other than those available under Option 2 and Option 3.

Option 5: Designated percentage of the benefit (not less than 51%) payable to the member, with the remaining percentage (the two to equal 100%) payable to a beneficiary (may only be a sole beneficiary) while both are alive. At the death of either, the higher of the two percentages is paid to the survivor for the survivor's life, and the lower-percentage benefit ceases to be paid.

Option 6: 100% joint and survivor annuity (Option 2) with pop-up*.

Option 7: 50% joint and survivor annuity (Option 3) with pop-up*.

Option 8: Option 4 with pop-up*.

* The "pop-up" feature attached to a given Option means that in the case of a beneficiary predeceasing the member, the member's benefit will be revised prospectively to the amount that the benefit would have been had the member selected Full Benefit payment upon retirement.

13. Plan Changes since Prior Valuation:

None.

STATE EMPLOYEE AND TEACHER PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

A. Actuarial Assumptions

1. Rate of Investment Return:

State Employees	7.125%
Teachers	7.125%

Rate is net of both administrative and investment expense.

2. Cost-of-Living Increases in Benefits:

State Employees	2.55%
Teachers	2.55%

3. Rates of Salary Increase (% at Selected Years of Service):

Service	State Employees	Teachers
0	10.50%	13.50%
5	6.00	6.25
10	4.50	5.00
15	3.95	4.50
20	3.70	3.70
25 and over	3.50	3.50

The above rates include a 3.50% across-the-board increase at each year of service.

4. Rates of Termination (% at Selected Service):

Service	State Employees	Teachers
0	30.00%	37.00%
5	7.50	12.00
10	4.40	6.90
15	4.00	5.50
20	4.00	5.50
25	4.00	5.50

Non-vested members are assumed to take a refund of contributions with interest. Once vested, the member is assumed to elect the greater of the deferred vested benefit or a refund.

STATE EMPLOYEE AND TEACHER PROGRAM ACTUARIAL ASSUMPTIONS and METHODS

(continued)

5. Rate of Mortality for Active Healthy Lives and Retired Healthy Lives at Selected Ages (number of deaths per 10,000 members)*:

	State Employees		Teachers	
Age	Male	Female	Male	Female
50	16	13	14	11
55	27	24	22	20
60	53	47	41	36
65	103	90	81	71
70	177	155	142	125
75	306	249	246	204
80	554	413	448	338
85	997	708	807	571
90	1,727	1,259	1,418	1,026
95	2,596	1,888	2,267	1,654

* For State Regular and Teachers 5% of deaths assumed to arise out of and in the course of employment; for State Special 20% of deaths are assumed to arise out of and in the course of employment.

Rates for State Employees are based on the RP 2000 Mortality Table for Males and Females projected forward for 2015 using Scale AA. Rates for Teachers are based on the same projected table but with a two-year set back. These assumptions were set in 2011 with a margin for future improvement based on the five-year experience study process and will be examined following this valuation based on the experience from 2010 to 2015 to determine the base and projection tables to use for the 2016 valuation forward as well as ascertain the margin for future improvements.

6. Rates of Mortality for Disabled Lives and Retired Disabled Lives at Selected Ages (number of deaths per 10,000 members):

	State Employees		Teachers	
Age	Male	Female	Male	Female
25	92	72	92	72
30	112	89	112	89
35	134	109	134	109
40	160	126	160	126
45	193	144	193	144
50	236	165	236	165
55	295	191	295	191
60	362	226	362	226
65	446	272	446	272
70	576	331	576	331

Rates are based on the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females.

STATE EMPLOYEE AND TEACHER PROGRAM ACTUARIAL ASSUMPTIONS and METHODS

(continued)

7. Rates of Retirement at Selected Ages (number retiring per 1,000 members):

	State Employees			Teachers		
Age	**Tier 1**	**Tier 2**	**Tier 3**	**Tier 1**	**Tier 2**	**Tier 3**
45	3	NA	NA	13	NA	NA
50	19	NA	NA	29	NA	NA
55	19	NA	NA	79	NA	NA
59	58	75	75	150	225	225
60	300	100	100	225	225	225
61	300	100	100	230	225	225
62	270	250	125	250	300	225
63	270	250	125	260	300	225
64	250	250	125	270	300	225
65	250	250	250	300	300	300
70	1,000	1,000	1,000	1,000	1,000	1,000

* Members of Special Groups are assumed to retire at a rate of 50% per year, once they reach eligibility for unreduced benefits at every age.

In the case of State Regular and Teacher employees, Tier 1 refers to those who had accrued at least ten years of service by July 1, 1993. Tier 2 are those who had not or were hired after that date but had five years of service by July 1, 2011. Tier 3 are those who did not have five years of service by July 1, 2011.

8. Rates of Disability at Selected Ages (members becoming disabled per 10,000 members)*:

Age	State Employees	Teachers
25	6.8	3.5
30	7.6	3.8
35	10.2	3.8
40	19.0	5.1
45	27.9	11.6
50	42.7	18.2
55	53.0	24.8
60	63.0	31.3

* 10% assumed to receive Workers Compensation benefits offsetting disability benefit; also, rates for State Special groups are higher by 7 per 10,000 at all ages.

9. Family Composition Assumptions:

80% of active members are married and have two children born when the member is 24 and 28; children are dependent until age 18; female spouse is three years younger than male spouse; member has no dependent parents; unmarried members have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

STATE EMPLOYEE AND TEACHER PROGRAM ACTUARIAL ASSUMPTIONS and METHODS

(continued)

10. Vacation/Sick Leave Credits:

For members who had ten years of service on July 1, 1993, credits for unused vacation and sick leave may be used to increase final average compensation and/or creditable service. In order to reflect this, projected retirement benefits are increased by 0.48% for state (regular) employees and 0.75% for teachers.

11. Rationale for Assumptions

The assumptions were adopted by the Trustees as a result of the latest experience study review performed in 2011 and covering the period July 1, 2005 through June 30, 2010.

The Board continually reviews the investment return and inflation assumptions and adopted a reduced rate of 7.125%, effective with the 2014 valuation, at the advice of its investment consultants.

12. Changes since Last Valuation

None.

B. Actuarial Methods

1. Funding Method:

For the plans in this Program, the funding methodology employed is the entry age normal funding method. Under this method, there are two components to the total contribution: the normal cost rate (NC rate), and the unfunded actuarial liability rate (UAL rate). Both of these rates are developed for each plan within the Program, consisting of the Teachers Program, the State Regular Plan, and several State Special Plans.

For each plan in the Program, an individual entry age normal cost rate is determined for each active member. The normal cost is determined by the following steps. First, an individual normal cost rate is determined by taking the value, as of entry age into a plan, of each active member's projected future benefit. Second, this value is then divided by the value, also at entry age, of the member's expected future salary. Finally, the rate is reduced by the member contribution rate to produce the employer normal contribution rate. These rates are then multiplied by each member's salary as of the valuation date to get the total normal cost dollars as of the valuation date for that plan and then divided by the total payroll at the valuation for the plan to get the normal cost rate for that plan. This process results in specific normal cost rates for each of the plans in the Program.

The unfunded actuarial liability under the entry age normal funding method equals the present value, at the time of valuation, of the future benefit payments less the present value of future employer normal cost contributions, future member contributions, future UAL payments, and current assets. The UAL rate determined is the percentage that applied to member payroll is expected to amortize the UAL according to the Program's amortization policy. Specifically, the remaining original UAL has 13 years of its amortization period remaining and all other gains, losses, and changes are amortized over ten-year periods beginning on the date as of which they occur.

2. Asset Valuation Method:

For purposes of determining the employer contributions to the Program and the Program's funded ratio, we use an actuarial value of assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

In determining the actuarial value of assets, we calculate an expected actuarial value based on cash flow for the year and imputed returns at the actuarial assumption. This expected value is compared to the market value and one-third of the difference is added to the preliminary actuarial value to arrive at the final actuarial value.

3. Changes since Last Valuation:

None.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS SUMMARY OF PROGRAM AND PLAN PROVISIONS

Consolidated Plan for Participating Local Districts

1. **Member Contributions:**

Members are required to contribute a percentage of earnable compensation, which varies by Plan as follows:

Regular AC & AN	7.5%
Regular BC	4.0%
Special 1C & 1N	7.5%
Special 2C & 2N	7.5%
Special 3C & 3N	9.0% for first 25 years, 7.5% after
Special 4C & 4N	8.5% for first 25 years, 7.5% after

Member contributions to increase by 0.5% in FY 17 (for 3C/3N & 4C/4N, both pre-25 years and post 25-years rates to increase by this amount).

2. **Average Final Compensation:**

For purposes of determining benefits payable, average final compensation is the average annual rate of earnable compensation for the three years of creditable service (not necessarily consecutive) that produce the highest such average.

3. **Creditable Service:**

Creditable service includes service while a member, certain service prior to the establishment of the Plan, purchased service credit of which there are several types, and service while receiving disability benefits under the Plan.

4. **Service Retirement Benefits:**

Regular Plan AC

Normal Retirement Age:

Plan members prior to July 1, 2014:	60
New members to the Plan on or after July 1, 2014:	65

Eligibility for Members in Active Service and Inactive Members: 25 years of creditable service.

Eligibility Alternative for Members in Active Service: At least one year of creditable service immediately before retirement and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement and not in Active Service on or after October 1, 1999: At least ten years of creditable service and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement but in Active Service on or after October 1, 1999: At least five years of creditable service and at least normal retirement age.

Benefit: 1/50 of average final compensation multiplied by years of membership service under Consolidated Plan AC reduced by:

Plan members prior to July 1, 2014:	approximately 2¼% for each year that a member is younger than age 60 at retirement.
New members to the Plan on or after July 1, 2014:	6% for each year that a member is younger than age 65 at retirement.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

Form of Payment: Life annuity ("full benefit"), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

Regular Plan AN

This benefit plan is the same as Regular Benefit Plan AC, except that there is no provision for cost-of-living adjustments.

Regular Plan BC

Normal Retirement Age:

Plan members prior to July 1, 2014:	60
New members to the Plan on or after July 1, 2014:	65

Eligibility for Members in Active Service and Inactive Members: 25 years of creditable service.

Eligibility Alternative for Members in Active Service: At least one year of creditable service immediately before retirement and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement and not in Active Service on or after October 1, 1999: At least 10 years of creditable service and at least normal retirement age.

Eligibility for Members not in Active Service at Retirement but in Active Service on or after October 1, 1999: At least five years of creditable service and at least normal retirement age.

Benefit: 1/100 of average final compensation multiplied by years of membership service under Consolidated Plan BC reduced by:

Plan members prior to July 1, 2014:	approximately 2¼% for each year that a member is younger than age 60 at retirement.
New members to the Plan on or after July 1, 2014:	6% for each year that a member is younger than age 65 at retirement.

Form of Payment: Life annuity ("full benefit"), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

Regular Plan Notes

1. Under certain circumstances, Regular Plan service can count, on a pro rata basis specific to the applicable Special Plan, toward meeting Special Plan benefit eligibility requirements.

2. The actual benefit for service earned prior to coverage under the Consolidated Plan may be based on a variable percentage of average final compensation multiplied by years of service under any previous plan(s) (the percentage depends on the previous plan(s)).

Special Plan 1C

Eligibility: 20 years of creditable service in named positions.

Benefit: One-half of average final compensation plus 2% for each year of service in excess of 20 years of service.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

Form of Payment: Life annuity ("full benefit"), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

Special Plan 1N

This benefit plan is identical to Special Benefit Plan 1C, except that there is no provision for cost-of-living adjustments.

Special Plan 2C

Eligibility: 25 years of creditable service in named positions.

Benefit: One-half average final compensation plus 2% for each year of service in excess of 25 years of service.

Form of Payment: Life annuity ("full benefit"), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

Special Plan 2N

This benefit plan is identical to Special Benefit Plan 2C, except that there is no provision for cost-of-living adjustments.

Special Plan 3C

Eligibility: 25 years of creditable service in named positions.

Benefit: Two thirds of average final compensation plus 2% for each year of service in excess of 25 years of service.

Form of Payment: Life annuity ("full benefit"), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

Special Plan 3N

This benefit is identical to Regular Benefit Plan 3C, except that there is no provision for cost-of-living adjustments.

Special Plan 4C

Eligibility: Age 55 with 25 years of creditable service in named positions.

Benefit: 1/50 of average final compensation multiplied by years of membership service under Consolidated Plan 4C reduced by:

Plan members prior to July 1, 2014:	approximately 2¼% for each year that a member is younger than age 55 at retirement.
New members to the Plan on or after July 1, 2014:	6% for each year that a member is younger than age 55 at retirement.

Form of Payment: Life annuity ("full benefit"), unless an optional method of payment is selected.

Cost-of-Living Adjustment: See item 10.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

Special Plan 4N

This benefit plan is identical to Special Benefit Plan 4C, except that there is no provision for cost-of-living adjustments.

Special Plan Notes

1. If a Special Plan member fails to meet the Special Plan eligibility criteria, their service retirement benefit is that provided by the applicable underlying Regular Plan; Special Plan service credits are used toward Regular Plan eligibility requirements.

2. Service in all Special Plans counts, on a percentage basis, toward meeting the benefit eligibility requirements of any Special Plan.

3. The actual benefit for service earned prior to coverage under the Consolidated Plan may be based on a variable percentage of average final compensation multiplied by years of service under any previous plan(s) (the percentage depends on the previous plan(s)).

5. Pre-Retirement Accidental Death Benefits:

Eligibility: Death while active or disabled resulting from injury received in the line of duty.

Benefit:

- If the member leaves no dependent children, two-thirds of the member's average final compensation to the surviving spouse until death.

- If the member is survived by a spouse who has the care of dependent child(ren) of the member, the surviving spouse shall receive an annual sum equal to the member's average final compensation while having the care of dependent child(ren). When there are no longer any dependent children, the surviving spouse shall receive two-thirds of member's average final compensation until death.

- If the member is survived by a spouse who does not have the care of the member's dependent child(ren), the surviving spouse and dependent child(ren) shall share equally an annual sum equal to the member's average final compensation. When there are no longer any dependent children, the surviving spouse shall receive two-thirds of the member's average final compensation until death.

- If the member leaves no spouse, the dependent child(ren) shall share an annual amount equal to the member's average final compensation. Benefits will cease when the last dependent child no longer meets the definition of "dependent child."

6. Pre-Retirement Ordinary Death Benefits:

Eligibility: Death while active, inactive eligible to retire, or disabled.

Benefit: Designated beneficiary, spouse, child(ren), or parents entitled to benefit calculated as if deceased member had retired under Option 2 (see item 11); however, beneficiary may elect survivor benefits payable to a surviving spouse, dependent child(ren), parent, or other designated beneficiaries in monthly amounts varying by status of beneficiary and number of eligible survivors. Otherwise accumulated contributions with interest are payable to designated beneficiary, spouse, child(ren), older parents, or estate.

7. Disability Retirement Benefits Other Than No Age Benefits (See Item 8):

Eligibility: Disabled as defined in the MainePERS statutes prior to normal retirement age, employed prior to October 16, 1992 and did not elect No Age Disability Benefits, and either disabled in the line-of-duty or disabled with at least five years of creditable service.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

Benefit: 66⅔% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: Payment begins upon termination of service and ceases on cessation of disability or after five years, unless the member is unable to engage in any substantially gainful activity, in which case payments cease on the earlier of ten years following normal retirement age or the date that the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation is increased at same rate as any cost-of-living adjustments for which the member is eligible (see item 10). On the date when service benefits reach a level of 66⅔% of average final compensation or ten years after the normal retirement date, if earlier, the disability converts to a service retirement benefit based on service and average final compensation at that time.

8. No-Age Disability Benefits:

Eligibility: Disabled as defined in the MainePERS statutes, employed on or after October 16, 1992 or employed prior to October 16, 1992 and elected the provisions of No-Age Disability, and either disabled in the line-of-duty or disabled with at least five years of creditable service.

Benefit: 59% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: Payment begins upon termination of service and ceases on cessation of disability or after five years, unless the member is unable to engage in any substantially gainful activity; in which case, payments cease on the date the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation is increased at the same rate as any cost-of-living adjustments for which the member is eligible (see item 10). On the date when service benefits reach a level of 59% of average final compensation, the disability benefit converts to a service retirement benefit based on service and average final compensation at that date.

9. Refund of Contributions:

Eligibility: Termination of service other than by retirement or death.

Benefit: Member's accumulated contributions with interest.

10. Cost-of-Living Adjustments (COLA):

All service and disability retirement and survivor benefits payable to (or in relation to) benefit recipients who were employed by a PLD that elected a plan that provides for a COLA are adjusted each year that there is a percentage change in the Consumer Price Index, based on the Index. If the percentage change is negative, then no adjustment is made in that year. In subsequent years, the adjustment that would have been made will be adjusted downward to the extent necessary to recoup the full actuarial value of not having made the previous year's negative adjustment. This process of adjustment may occur over a multi-year period if needed to recoup the full value of negative changes in the Index.

Cost-of-living adjustments are effective September 1 and are applied to all benefits which have been in payment for twelve months for retirees who retired on or after September 1, 2015 or for six months for retirees who retire prior to September 1, 2015. The maximum annual increase is 3% (4% prior to the 2014 COLA).

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

11. Methods of Payment of Service Retirement Benefits:

At retirement, a member who retires with a benefit must choose from the following methods of payment:

Full Benefit: Unadjusted benefit paid for the life of the member only.

Option 1: Cash refund equal to the remaining member contribution balance, if any, at the date of death (where the member contribution balance has been reduced each month by the portion of the monthly benefit deemed to be provided by member contributions).

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

Option 4: Joint and survivor annuity at any percentage other than those available under Option 2 and Option 3.

Option 5: Designated percentage of the benefit (not less than 51%) payable to the member, with the remaining percentage (the two to equal 100%) payable to a beneficiary (may only be a sole beneficiary) while both are alive. At the death of either, the higher of the two percentages is paid to the survivor for the survivor's life, and the lower-percentage benefit ceases to be paid.

Option 6: 100% joint and survivor annuity (Option 2) with pop-up*.

Option 7: 50% joint and survivor annuity (Option 3) with pop-up.*

Option 8: Option 4 with pop-up*.

* The "pop-up" feature attached to a given Option means that in the case of a beneficiary predeceasing the member, the member's benefit will be revised prospectively to the amount that the benefit would have been had the member selected Full Benefit payment upon retirement.

12. Plan Changes since Prior Valuation:

None.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
ACTUARIAL ASSUMPTIONS and METHODS

A. Actuarial Assumptions

1. **Annual Rate of Investment Return:** 7.125% (net of investment and administrative expenses)

2. **Cost-of-Living Increases in Benefits:** 3.12% through 2014, then 2.55% thereafter (where applicable)

3. **Rates of Termination at Selected Years of Service*:**

Service	Regular	Special
0	20.0%	25.0%
1	17.5	12.5
2	15.0	10.0
3	12.5	7.5
4	10.0	5.0
5	7.5	4.0
10	2.5	2.5
15	2.5	2.5

* Members with five or more years of service whose present value of their deferred vested benefits is greater than the present value of their accumulated member contributions with interest are assumed to elect deferred vested benefits; other terminations are assumed to receive refunds.

4. **Rates of Active Healthy Life Mortality at Selected Ages (number of deaths per 10,000 members)*:**

Age	Male	Female
50	16	13
55	27	24
60	53	47
65	103	90
70	177	155
75	306	249
80	554	413
85	997	708
90	1,727	1,259
95	2,596	1,888

* For Regulars, 5% of deaths are assumed to arise out of and in the course of employment; for Specials, 20% of deaths are assumed to arise out of and in the course of employment.

Rates are based on the RP-2000 Combined Healthy Mortality Table for Males and Females, projected with Scale AA to 2015. This assumption was set in 2011 with a margin for future improvement based on the five-year experience study process and will be examined following this valuation based on the experience from 2010 to 2015 to determine the base and projection tables to use for the 2016 valuation forward as well as ascertain the margin for future improvement.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
ACTUARIAL ASSUMPTIONS and METHODS

(continued)

5. Rates of Mortality for Disabled Lives at Selected Ages (number of deaths per 10,000 members):

Age	Male	Female
25	92	72
30	112	89
35	134	109
40	160	126
45	193	144
50	236	165
55	295	191
60	362	226
65	446	272
70	576	331

Rates are based on the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females.

6. Rates of Retirement at Selected Ages (number retiring per 1,000 members):

Regular Plans

Age	Assumption
45	50
50	50
55	100
60	270
65	300
70	1,000

Special Plans

Service	Assumption
20	400
21-24	300
25	400
26-29	300
30	400
31-34	300
35+	1,000

Note that the rates are only applied once the member is eligible to retire, so those in 25 year plans are not assumed to retire at 20 years of service.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS ACTUARIAL ASSUMPTIONS and METHODS

(continued)

7. Rates of Disability at Selected Ages (members becoming disabled per 10,000 members)*:

Age	All Plans
25	3
30	4
35	5
40	7
45	15
50	33
55	61

* 10% assumed to receive Worker's Compensation benefits offsetting disability benefit.

8. Family Composition Assumptions:

80% of active members are married and have two children born when the member is 24 and 28; children are dependent until age 18; spouses are same age; member has no dependent parents; unmarried members have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

9. Salary Growth Assumption at Selected Years of Service:

Rates of Increases at Selected Years	
Years of Service	Increase
0	9.5%
1	7.5
2	6.0
3	4.7
4	4.3
5	4.0
10	3.5
15	3.5
20	3.5
25	3.5
30	3.5

The above rates include a 3.50% across-the-board increase at each year of service.

10. Rationale for Actuarial Assumptions:

The economic assumptions and mortality tables were adopted by the Trustees as a result of the latest experience study review performed in 2011 and covering the period July 1, 2005 through June 30, 2010. Other demographic assumptions were adopted by the Trustees as a result of the experience study review performed in 2008 and covering the period July 1, 2000 through June 30, 2008.

The Board continually reviews the investment return and inflation assumptions and adopted a reduced rate of 7.125%, effective with the 2015 valuation, at the advice of its investment consultants.

11. Assumption Changes Since Last Valuation:

Rate of investment return assumption was reduced from 7.25% to 7.125%.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS ACTUARIAL ASSUMPTIONS and METHODS

(continued)

B. Actuarial Methods

1. Funding Method:

The entry age normal actuarial funding method is used to determine costs. Under this funding method, the total PLD contribution rate consists of two elements: the PLD normal cost rate and the Pooled Unfunded Actuarial Liability (PUAL) rate. The actual contribution for a given PLD will include an Individual Unpooled Unfunded Actuarial Liability (IUUAL) payment as well, unless the PLD came into the Plan without an IUUAL or has paid off its IUUAL.

For each of the Regular and Special Plans in the Consolidated Plan, an individual entry age normal cost rate is determined for each active member. The normal cost is determined by the following steps. First, an individual normal cost rate is determined by taking the value, as of entry age into a plan, of each active member's projected future benefits. Second, this value is then divided by the value, also at entry age, of the member's expected future salary. Finally, the rate is reduced by the member contribution rate to produce the employer normal contribution rate. These rates are then multiplied by each member's salary as of the valuation date to get the total normal cost dollars as of the valuation date for that plan and then divided by the total payroll at the valuation for the plan to get the normal cost rate for that plan. This process results in specific normal cost rates for each of the Regular and Special Plans in the Consolidated Plan.

The unfunded actuarial liability under the entry age normal funding method equals the present value, at the time of valuation, of the future benefit payments less the present value of future normal costs, future member contributions, future IUUAL payments, and current assets. Under the Consolidated Plan, a PUAL Rate is calculated for the Consolidated Plan in the Aggregate based on the PUAL being amortized over a 20-year period commencing with the June 30, 2015 valuation date and any layers of PUAL arising after that date amortized over individual 20-year periods. This amortization uses a level percentage of pay method with payroll assumed to increase at 3.5% per year. The amortization payment thus derived for the valuation year is then divided by the total payroll to develop a rate that is then allocated to each plan within the Consolidated Plan on the basis of total normal cost plus member contributions for each such plan. That is, those plans that constitute a larger portion of the overall liability will pay a larger portion of the pooled UAL payment when this rate is positive and receive a larger UAL credit when this rate is negative.

The Initial Unpooled Unfunded Actuarial Liability (IUUAL) was calculated at entry into the Consolidated Plan for each PLD that entered with liabilities in excess of their assets and is paid off through payment of a specific dollar amount until paid off.

2. Asset Valuation Method:

For purposes of determining PLD contribution to the Plan and the Plan's funding status, we use an actuarial value of assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

In determining the actuarial value of assets, we calculate an expected actuarial value based on cash flow for the year and imputed returns at the actuarial assumption. This expected value is compared to the market value and one-third of the difference is added to the preliminary actuarial value to arrive at the final actuarial value.

3. Changes since Last Valuation:

The amortization of PUAL was changed from a level dollar open 15-year method, to a closed 20-year period as of June 30, 2015 with amortization as a level percentage of payroll. As additional layers of PUAL are produced in the future, each will be amortized over its own 20-year period.

JUDICIAL RETIREMENT PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

Judicial Retirement Program

1. Membership:

Membership is a condition of employment for all judges serving on or after December 1, 1984.

Membership ceases on the earlier of withdrawal of contributions, retirement, or death.

Judges who retired prior to December 1, 1984 are covered under a different plan.

2. Member Contributions:

Members are required to contribute 7.65% of earnable compensation.

3. Average Final Compensation:

For purposes of determining benefits payable, average final compensation is the average annual rate of earnable compensation for the three years of creditable service (not necessarily consecutive) that produce the highest such average.

For active judges as of July 1, 2003, July 1, 2004, and July 1, 2010, average final compensation shall be increased to reflect missed salary increases.

4. Creditable Service:

Creditable service includes the following:

A. all judicial service as a member after November 30, 1984;

B. all judicial service before December 1, 1984;

C. service credited while receiving disability benefits under the Program; and,

D. all service creditable under the State Employee and Teacher Program provided the member elects to have the member's own and the employer's contributions on behalf of such service transferred to the Judicial Program.

5. Service Retirement Benefits:

Eligibility:

A. Eligibility for Members with at Least Ten Years of Creditable Service on July 1, 1993

i. Eligibility for members in active service and inactive members:

25 years of creditable service.

ii. Eligibility alternative for members in active service:

Attainment of age 70 with at least one year of service immediately before retirement.

iii. Eligibility for members not in active service at retirement and not in active service on or after October 1, 1999:

Attainment of age 60 and ten years of creditable service.

iv. Eligibility for members not in active service at retirement but in active service on or after October 1, 1999:

Attainment of age 60 and five years of creditable service.

JUDICIAL RETIREMENT PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

B. Eligibility for Members with Less Than Ten Years of Creditable Service on July 1, 1993

i. Eligibility for members in active service and inactive members:

25 years of creditable service.

ii. Eligibility alternative for members in active service:

Attainment of age 70 with at least one year of service immediately before retirement.

iii. Eligibility for members not in active service at retirement and not in active service on or after October 1, 1999:

Attainment of age 62 with ten years of creditable service.

iv. Eligibility for Members not in active service at retirement but in active service on or after October 1, 1999:

Attainment of age 62 and five years of creditable service.

C. Eligibility for Members with Less Than Five Years of Creditable Service on July 1, 2011

i. Eligibility for members in active service and inactive members:

25 years of creditable service.

ii. Eligibility alternative for members in active service:

Attainment of age 70 with at least one year of service immediately before retirement.

iii. Eligibility for members not in active service at retirement and not in active service on or after October 1, 1999:

Attainment of age 65 with ten years of creditable service.

iv. Eligibility for Members not in active service at retirement but in Active Service on or after October 1, 1999:

Attainment of age 65 and five years of creditable service.

Benefit:

Sum of:

(1) for service after November 30, 1984 and before July 1, 1998 and creditable service allowed under Section 1302(3), 2% of average final compensation multiplied by years of service;
(2) for service on or after July 1, 1998, 3% of average final compensation multiplied by years of service; and,
(3) for judicial service prior to December 1, 1984, 75% of November 30, 1984 salary for the position held at retirement, pro-rated for prior service less than ten years.

The benefit is reduced for retirement before age 60 at the rate of approximately 2¼% for each year retirement age is less than 60, for members with at least ten years creditable service on July 1, 1993; reduced for retirement before age 62 by 6% for each year the member's age is less than age 62, if less than ten years creditable service on July 1, 1993, but at least five years creditable service on July 1, 2011; reduced for retirement before age 65 by 6% for each year the member's age is less than age 65, if less than five years creditable service on July 1, 2011.

Maximum Benefit: Total benefit cannot exceed 70% of average final compensation except as provided under the minimum benefit provision.

JUDICIAL RETIREMENT PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

Minimum Benefit: For a judge in service and age 50 or older on December 1, 1984, 75% of salary on June 30, 1984 for the position held at retirement, increased by 6% per year from June 30, 1984 to June 30, 1989 or retirement date if earlier, and increased beyond June 30, 1989 by the cost-of-living increase granted the previous September.

Form of Payment: Life annuity; except, for a judge in service and age 50 before December 1, 1984, 50% joint and survivor annuity to surviving spouse.

6. Disability Retirement Benefits Other Than No Age Benefits (See Item 7):

Eligibility: Disabled as defined in the Judicial Retirement Program statutes prior to normal retirement age, employed prior to October 16, 1992 and did not elect the No Age Disability Option, and either disabled in the line-of-duty or disabled with at least five years of creditable service.

Benefit: 66⅔% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: Payment begins on termination of service and ceases on cessation of disability or after two years, unless the member is unable to engage in any substantially gainful activity, in which case payments cease on the earlier of age 70 and the date the service retirement benefit exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation is increased at same rate as any cost-of-living adjustments for which the member is eligible (not subject to a cap) (see item 11). On the date when service benefits reach a level of 66⅔% of average final compensation or at age 70, if earlier, the disability converts to a service retirement benefit based on service and average final compensation at that time.

7. No Age Disability Retirement Benefits:

Conditions: Disabled as defined in the Judicial Retirement Program statutes, employed on or after October 16, 1992 or employed prior to October 16, 1992 and elected the provisions of No Age Disability, and either disabled in the line-of-duty or disabled with at least five years of creditable service.

Benefit: 59% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation. A member in service on November 30, 1984, may elect benefits applicable for retirement before December 1, 1984.

Form of Payment: Payment begins on termination of service and ceases on cessation of disability or after two years, unless the member is unable to engage in any substantially gainful activity; in which case, payments cease on the date the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation is increased at the same rate as any cost-of-living adjustments for which the member is eligible (not subject to a cap) (see item 11). On the date when service benefits reach a level of 59% of average final compensation, the disability benefit converts to a service retirement benefit based on service and average final compensation at that time.

8. Pre-Retirement Ordinary Death Benefits:

Eligibility: Death while active, inactive eligible to retire, or disabled.

Benefit: Designated beneficiary, spouse, child(ren), or parents entitled to benefit calculated as if deceased member had retired under Option 2 (see item 12); however, beneficiary may elect survivor benefits payable to a surviving spouse, dependent child(ren), parent, or other designated beneficiaries in monthly amounts varying by status of beneficiary and number of eligible survivors. Otherwise accumulated contributions with interest are payable to designated beneficiary, spouse, child(ren), older parents, or estate.

Minimum Benefit: For a judge in service prior to December 1, 1984, one-half of the judge's retirement benefit determined on date of death, payable to the spouse and/or dependent children.

JUDICIAL RETIREMENT PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

9. Pre-Retirement Accidental Death Benefits:

Eligibility: Death while active or disabled resulting from an injury received in the line-of-duty.

Benefit:

- If the member leaves no dependent children, two-thirds of the member's average final compensation to the surviving spouse until death.
- If the member is survived by a spouse who has the care of dependent child(ren) of the member, the surviving spouse shall receive an annual sum equal to the member's average final compensation while having the care of dependent child(ren). When there are no longer any dependent children, the surviving spouse shall receive two-thirds of member's average final compensation until death.
- If the member is survived by a spouse who does not have the care of the member's dependent child(ren), the surviving spouse and dependent child(ren) shall share equally an annual sum equal to the member's average final compensation. When there are no longer any dependent child(ren), the surviving spouse shall receive two-thirds of the member's average final compensation until death.
- If the member leaves no spouse, the dependent child(ren) shall share an annual amount equal to the member's average final compensation. Benefits will cease when the last dependent child no longer meets the definition of "dependent child."

10. Refund of Contributions:

Eligibility: Termination of service other than by retirement or death.

Benefit: Member's accumulated contributions with interest.

11. Cost-of-Living Adjustments:

All service and disability retirement and survivor benefits are adjusted each year that there is a percentage change in the Consumer Price Index, based on the Index. If the percentage change is negative, then no adjustment is made in that year. In subsequent years, the adjustment that would have been made will be adjusted downward to the extent necessary to recoup the full actuarial value of not having made the previous year's negative adjustment. This process of adjustment may occur over a multi-year period if needed to recoup the full value of negative changes in the Index.

Cost-of-living adjustments (COLA) are effective September 1 of each year and are applied to that portion of the benefit which is not in excess of a COLA cap whose value grows annually with the same adjustment as the COLA (see values below) for all benefits that have been in payment for at least twelve months as of that date. The maximum annual increase is 3%. Average final compensation used in determining disability benefits for disabled members is similarly adjusted for purposes of determining the recipient's service retirement benefit if and when the recipient moves to service retirement.

COLA Cap History: (value as of September 1 of listed year when COLA effective):

2014 - $20,000.00

2015 - $20,420.00

Members who did not have ten years of service on July 1, 1993 will begin receiving cost-of-living adjustments at the latter of 12 months after their normal retirement age and the first September 1 following a minimum of twelve months of being in receipt of their benefit.

Minimum benefits are increased 6% per year from July 1985 through June 1989, and as described above thereafter.

JUDICIAL RETIREMENT PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

12. Methods of Payment of Service Retirement Benefits:

At retirement, a member who retires with a benefit must choose from the following methods of payment:

Full Benefit: Unadjusted benefit paid for the life of the member only.

Option 1: Cash refund equal to the remaining member contribution balance, if any, at the date of death (where the member contribution balance has been reduced each month by the portion of the monthly benefit deemed to be provided by member contributions).

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

Option 4: Joint and survivor annuity at any percentage other than those available under Option 2 and Option 3.

Option 5: Designated percentage of the benefit (not less than 51%) payable to the member, with the remaining percentage (the two to equal 100%) payable to a beneficiary (may only be a sole beneficiary) while both are alive. At the death of either, the higher of the two percentages is paid to the survivor for the survivor's life, and the lower-percentage benefit ceases to be paid.

Option 6: 100% joint and survivor annuity (Option 2) with pop-up*.

Option 7: 50% joint and survivor annuity (Option 3) with pop-up.*

Option 8: Option 4 with pop-up*.

* The "pop-up" feature attached to a given Option means that in the case of a beneficiary predeceasing the member, the member's benefit will be revised prospectively to the amount that the benefit would have been had the member selected Full Benefit payment upon retirement.

13. Plan Changes since Prior Valuation:

None.

JUDICIAL RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

A. Actuarial Assumptions

1. **Annual Rate of Investment Return:** 7.125% (net of administrative and investment expenses)

2. **Annual Rate of Salary Increase:** 3.50%

3. **Annual Cost-of-Living Increase:** 2.55%

4. **Rates of Retirement:**

   100% retirement assumed to occur at age 60 for members with at least ten years of creditable service on July 1, 1993.

   For members with less than ten years of creditable service on July 1, 1993, but five or more years of creditable service on July 1, 2011, 50% are assumed to retire each year after reaching age 62, with 100% retirement assumed at age 70.

   For members with less than five years of creditable service on July 1, 2011, 50% are assumed to retire each year after reaching age 65, with 100% retirement assumed at age 70.

5. **Probabilities of Employment Termination at Selected Ages Due to:**

			Death	
Age	Disability	Termination	Male	Female
25	.0006	.07	.0003	.0002
30	.0006	.06	.0004	.0002
35	.0007	.05	.0007	.0004
40	.0011	.04	.0010	.0006
45	.0022	.03	.0012	.0009
50	.0042	.02	.0016	.0013
55	.0072	.01	.0027	.0024

6. **Rate of Healthy Life Mortality at Selected Ages:**

Age	Male	Female
55	.0027	.0024
60	.0053	.0047
65	.0103	.0090
70	.0177	.0155
75	.0306	.0249
80	.0554	.0413

Rates are based on the RP-2000 Combined Healthy Mortality Table for Males and Females, projected with Scale AA to 2015. This assumption was set in 2011 with a margin for future improvement based on the five-year experience study process and will be examined following this valuation based on the experience from 2010 to 2015 to determine the base and projection tables to use for the 2016 valuation forward as well as ascertain the margin for future improvement.

JUDICIAL RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

(continued)

7. **Rates of Disabled Life Mortality at Selected Ages:**

Age	Male	Female
25	.0092	.0072
30	.0112	.0089
35	.0134	.0109
40	.0160	.0126
45	.0193	.0144
50	.0236	.0165
55	.0295	.0191

Rates are based on the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females.

8. **Family Composition Assumptions:**

80% of active members are married and have two children born when the member is 24 and 28; children are dependent until age 18; female spouse is three years younger than male spouse; member has no dependent parents; unmarried members have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

9. **Rationale for Actuarial Assumptions:**

The assumptions were adopted by the Trustees as a result of the latest experience study review performed in 2011, covering the period July 1, 2005 through June 30, 2010.

The Board continually reviews the investment return and inflation assumptions and adopted a reduced rate of 7.125%, effective with the 2014 valuation, at the advice of its investment consultants.

10. **Assumption Changes since Last Valuation:**

None.

B. Actuarial Methods

1. **Funding Method:**

The entry age normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the employer normal cost rate and the unfunded actuarial liability (UAL) rate.

Under this method, the actuarial present value of the projected benefits of each active included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to the year beginning on the valuation date is called the normal cost. For each active, the normal cost is determined by taking the value, as of entry age into the Program, of the member's projected benefits, reduced by the value of future member contributions, and then dividing it by the value, also as of the member's entry age, of the member's expected future salary. This rate is then multiplied by the member's salary at the valuation date to produce the normal cost for each member, which are then aggregated across all members to get the total normal cost for the Program. This total normal cost is then divided by the total salary for the Program at the valuation date to get the normal cost rate for the Program.

The portion of the actuarial present value not provided for at the valuation date by the actuarial present value of the future normal costs is called the actuarial liability. The unfunded actuarial liability is defined as the total actuarial liability at the valuation date less the actuarial value of Program assets at the valuation date. Contributions are made to fund this unfunded actuarial liability (UAL). The UAL rate for this program is developed by amortizing the unfunded liability over an open ten-year period, assuming these amortization payments increase over the previous year at a rate of 3.50% per year. The resulting amortization for the year beginning on the valuation date is then divided by the total payroll for the Program to develop the UAL rate.

JUDICIAL RETIREMENT PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

The total rate for the Program is produced by adding the normal cost rate and the UAL rate, subject to the requirement that the total rate cannot be less than 0%.

By using an open amortization period, this funding method results in the expectation that any unfunded liability in the Program as of a valuation date will never be fully reduced to zero if all of the valuation assumptions are exactly met.

2. **Asset Valuation Method:**

For purposes of determining the State contribution to the Program and the Program's funded ratio, we use an actuarial value of assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

In determining the actuarial value of assets, we calculate an expected actuarial value based on cash flow for the year and imputed returns at the actuarial assumption. This expected value is compared to the market value and one-third of the difference is added to the preliminary actuarial value to arrive at the final actuarial value.

Please refer to the Maine Public Employees Retirement System State Employee and Teacher Retirement Program Actuarial Valuation Report as of June 30, 2015 for additional information about the actuarial value of assets, including its development.

3. **Changes since Last Valuation**

None.

LEGISLATIVE RETIREMENT PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

Legislative Retirement Program

1. **Membership:**

   Except as provided by statute, membership is mandatory for every Legislator in service in the Legislature on or after December 3, 1986, and optional for those who were members of the Retirement System on December 2, 1986.

   Membership ceases on the earlier of withdrawal of contributions, retirement, or death.

2. **Member Contributions:**

   Members are required to contribute 7.65% of earnable compensation.

3. **Average Final Compensation:**

   For purposes of determining benefits payable, average final compensation is the average annual rate of earnable compensation for the three years of creditable service (not necessarily consecutive) that produce the highest such average.

4. **Creditable Service:**

   Creditable service includes the following:

   A. all legislative service as a member after December 2, 1986;

   B. all legislative service before December 3, 1986, for which contributions have been made to the Retirement System at the applicable rate, including appropriate interest;

   C. service credited while receiving disability benefits under the Program; and,

   D. all service creditable under the Retirement System as a State Employee, provided the member elects to have the member's own and the employer's contributions on behalf of such service transferred to the Legislative Program.

5. **Service Retirement Benefits:**

   Eligibility:

   A. Eligibility for Members with at Least Ten Years of Creditable Service on July 1, 1993

   i. Eligibility for members in active service and inactive members:

      25 years of creditable service.

   ii. Eligibility alternative for members in active service:

      Attainment of age 60.

   iii. Eligibility for members not in active service at retirement, and not in active service on or after October 1, 1999:

      Attainment of age 60 and ten years of creditable service.

   iv. Eligibility for members not in active service at retirement, but in active service on or after October 1, 1999:

      Attainment of age 60 and five years of creditable service.

LEGISLATIVE RETIREMENT PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

B. *Eligibility for Members with Less Than Ten Years of Creditable Service on July 1, 1993*

i. Eligibility for members in active service and inactive members:

25 years of creditable service.

ii. Eligibility alternative for members in active service:

Attainment of age 62.

iii. Eligibility for members not in active service at retirement, and not in active service on or after October 1, 1999:

Attainment of age 62 with ten years of creditable service.

iv. Eligibility for members not in active service at retirement, but in active service on or after October 1, 1999:

Attainment of age 62 and five years of creditable service.

C. Eligibility for Members with Less Than Five Years of Creditable Service on July 1, 2011

i. Eligibility for members in active service and inactive members:

25 years of creditable service.

ii. Eligibility alternative for members in active service:

Attainment of age 65.

iii. Eligibility for members not in active service at retirement, and not in active service on or after October 1, 1999:

Attainment of age 65 with ten years of creditable service.

iv. Eligibility for Members not in Active Service at Retirement, but in Active Service on or After October 1, 1999:

Attainment of age 65 and five years of creditable service.

Benefit: 1/50 of average final compensation multiplied by years of creditable service, reduced for retirement before age 60 at the rate of approximately 2¼% for each year retirement age is less than age 60, for members with at least ten years creditable service on July 1, 1993; reduced for retirement before age 62 at the rate of 6% for each year retirement age is less than age 62, for members with less than ten years creditable service on July 1, 1993, but at least five years creditable service on July 1, 2011; reduced for retirement before age 65 at the rate of 6% for each year retirement age is less than age 65, for members with less than five years creditable service on July 1, 2011; minimum benefit $100 per month if at least ten years of creditable service.

Form of Payment: Life annuity.

6. Disability Retirement Benefits Other Than No Age Benefits (See Item 7):

Eligibility: Disabled as defined in the MainePERS statutes prior to normal retirement age, employed prior to October 16, 1992 and did not elect No Age Disability Benefits, and either disabled in the line-of-duty or disabled with at least five years of creditable service.

Benefit: 66⅔% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: Payment begins on termination of service and ceases on cessation of disability or after two years, unless the member is unable to engage in any substantially gainful activity; in which case, payments cease on the earlier of ten years following normal retirement age or on the date that the service retirement benefit equals or exceeds the disability benefit.

LEGISLATIVE RETIREMENT PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation is increased at same rate as any cost-of-living adjustments for which the member is eligible (not subject to a cap) (see item 11). On the date when service benefits reach a level of 66⅔% of average final compensation or ten years after the normal retirement date, if earlier, the disability converts to a service retirement benefit based on service and average final compensation at that time.

7. No Age Disability Retirement Benefits:

Eligibility: Disabled as defined in the MainePERS statutes, employed on or after October 16, 1992 or employed prior to October 16, 1992 and elected the provisions of No Age Disability, and either disabled in the line-of-duty or disabled with at least five years of creditable service.

Benefit: 59% of average final compensation, reduced by employment earnings over the specified statutory limit, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: Payment begins on termination of service and ceases on cessation of disability or after two years, unless the member is unable to engage in any substantially gainful activity; in which case, payments cease on the date the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation is increased at the same rate as any cost-of-living adjustments for which the member is eligible (not subject to a cap) (see item 11). On the date when service benefits reach a level of 59% of average final compensation, the disability benefit converts to a service retirement benefit based on service and average final compensation at that time.

8. Pre-Retirement Ordinary Death Benefits:

Eligibility: Death while active, inactive eligible to retire, or disabled.

Benefit: Designated beneficiary, spouse, child(ren), or parents entitled to benefit calculated as if deceased member had retired under Option 2 (see item 12); however, beneficiary may elect survivor benefits payable to a surviving spouse, dependent child(ren), parent, or other designated beneficiaries in monthly amounts varying by status of beneficiary and number of eligible survivors. Otherwise accumulated contributions with interest are payable to designated beneficiary, spouse, child(ren), older parents, or estate.

9. Pre-Retirement Accidental Death Benefits:

Eligibility: Death while active or disabled resulting from an injury received in the line-of-duty.

Benefit:

- If the member leaves no dependent child(ren), two-thirds of the member's average final compensation to the surviving spouse until death.
- If the member is survived by a spouse who has the care of dependent child(ren) of the member, the surviving spouse shall receive an annual sum equal to the member's average final compensation while having the care of dependent child(ren). When there are no longer any dependent child(ren), the surviving spouse shall receive two-thirds of member's average final compensation until death.
- If the member is survived by a spouse who does not have the care of the member's dependent child(ren), the surviving spouse and dependent child(ren) shall share equally an annual sum equal to the member's average final compensation. When there are no longer any dependent child(ren), the surviving spouse shall receive two-thirds of the member's average final compensation until death.
- If the member leaves no spouse, the dependent child(ren) shall share an annual amount equal to the member's average final compensation. Benefits will cease when the last dependent child no longer meets the definition of "dependent child."

10. Refund of Contributions:

Eligibility: Termination of service other than by retirement or death.

Benefit: Member's accumulated contributions with interest.

LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

11. Cost-of-Living Adjustments:

All service and disability retirement and survivor benefits are adjusted each year that there is a percentage change in the Consumer Price Index, based on the Index. If the percentage change is negative, then no adjustment is made in that year. In subsequent years, the adjustment that would have been made will be adjusted downward to the extent necessary to recoup the full actuarial value of not having made the previous year's negative adjustment. This process of adjustment may occur over a multi-year period if needed to recoup the full value of negative changes in the Index.

Cost-of-living adjustments (COLA) are effective September 1 of each year and are applied to that portion of the benefit which is not in excess of a COLA cap whose value grows annually with the same adjustment as the COLA (see values below) for all benefits that have been in payment for at least twelve months as of that date. The maximum annual increase is 3%. Average final compensation used in determining disability benefits for disabled members is similarly adjusted for purposes of determining the recipient's service retirement benefit if and when the recipient moves to service retirement.

COLA Cap History: (value as of September 1 of listed year when COLA effective):

2014 - $20,000.00

2015 - $20,420.00

Members who did not have ten years of service on July 1, 1993 will begin receiving cost-of-living adjustments at the latter of 12 months after their normal retirement age and the first September 1 following a minimum of twelve months of being in receipt of their benefit.

12. Methods of Payment of Service Retirement Benefits:

At retirement, a member who retires with a benefit must choose from the following methods of payment:

Full Benefit: Unadjusted benefit paid for the life of the member only.

Option 1: Cash refund equal to the remaining member contribution balance, if any, at the date of death (where the member contribution balance has been reduced each month by the portion of the monthly benefit deemed to be provided by member contributions).

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

Option 4: Joint and survivor annuity at any percentage other than those available under Option 2 and Option 3.

Option 5: Designated percentage of the benefit (not less than 51%) payable to the member, with the remaining percentage (the two to equal 100%) payable to a beneficiary (may only be a sole beneficiary) while both are alive. At the death of either, the higher of the two percentages is paid to the survivor for the survivor's life, and the lower-percentage benefit ceases to be paid.

Option 6: 100% joint and survivor annuity (Option 2) with pop-up*.

Option 7: 50% joint and survivor annuity (Option 3) with pop-up.*

Option 8: Option 4 with pop-up*.

* The "pop-up" feature attached to a given Option means that in the case of a beneficiary predeceasing the member, the member's benefit will be revised prospectively to the amount that the benefit would have been had the member selected Full Benefit payment upon retirement.

13. Plan Changes since Prior Valuation:

None.

LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

(continued)

A. Actuarial Assumptions

1. **Annual Rate of Investment Return:** 7.125% (net of administrative and investment expenses)

2. **Annual Rate of Salary Increase:** 3.50%

3. **Annual Cost-of-Living Increase:** 2.55%

4. **Rates of Retirement:**

100% retirement assumed to occur at age 60 for members with at least ten years of creditable service on July 1, 1993.

For members with less than ten years of creditable service on July 1, 1993, but five or more years of creditable service on July 1, 2011, 100% retirement assumed to occur at age 62.

For members with less than five years of creditable service on July 1, 2011, 100% retirement assumed to occur at age 65.

5. **Probabilities of Employment Termination at Selected Ages Due to:**

			Death	
Age	Disability	Termination	Male	Female
25	.0006	.07	.0003	.0002
30	.0006	.06	.0004	.0002
35	.0007	.05	.0007	.0004
40	.0011	.04	.0010	.0006
45	.0022	.03	.0012	.0009
50	.0042	.02	.0016	.0013
55	.0072	.01	.0027	.0024

6. **Rate of Healthy Life Mortality at Selected Ages:**

Age	Male	Female
55	.0027	.0024
60	.0053	.0047
65	.0103	.0090
70	.0177	.0155
75	.0306	.0249
80	.0554	.0413

Rates are based on the RP-2000 Combined Healthy Mortality Table for Males and Females, projected with Scale AA to 2015. This assumption was set in 2011 with a margin for future improvement based on the five-year experience study process and will be examined following this valuation based on the experience from 2010 to 2015 to determine the base and projection tables to use for the 2016 valuation forward as well as ascertain the margin for future improvement.

LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

(continued)

7. Rates of Disabled Life Mortality at Selected Ages:

Age	Male	Female
25	.0092	.0072
30	.0112	.0089
35	.0134	.0109
40	.0160	.0126
45	.0193	.0144
50	.0236	.0165
55	.0295	.0191

Rates are based on the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females.

8. Family Composition Assumptions:

80% of active members are married and have two children born when the member is 24 and 28; children are dependent until age 18; female spouse is three years younger than male spouse; member has no dependent parents; unmarried members have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

9. Rationale for Actuarial Assumptions:

The assumptions were adopted by the Trustees as a result of the latest experience study review performed in 2011, covering the period July 1, 2005 through June 30, 2010.

The Board continually reviews the investment return and inflation assumptions and adopted a reduced rate of 7.125%, effective with the 2014 valuation, at the advice of its investment consultants.

10. Assumption Changes since Last Valuation

None.

B. Actuarial Methods

1. Funding Method:

The entry age normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the employer normal cost rate and the unfunded actuarial liability (UAL) rate.

Under this method, the actuarial present value of the projected benefits of each active included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to the year beginning on the valuation date is called the normal cost. For each active, the normal cost is determined by taking the value, as of entry age into the Program, of the member's projected benefits, reduced by the value of future member contributions, and then dividing it by the value, also as of the member's entry age, of the member's expected future salary. This rate is then multiplied by the member's salary at the valuation date to produce the normal cost for each member, which are then aggregated across all members to get the total normal cost for the Program. This total normal cost is then divided by the total salary for the Program at the valuation date to get the normal cost rate for the Program.

The portion of the actuarial present value not provided for at the valuation date by the actuarial present value of the future normal costs is called the actuarial liability. The unfunded actuarial liability is defined as the total actuarial liability at the valuation date less the actuarial value of Program assets at the valuation date. Contributions are made to fund this unfunded actuarial liability (UAL). The UAL rate for this program is developed by amortizing the unfunded liability over an open ten-year period, assuming these amortization payments increase over the previous year at a rate of 3.50% per year. The resulting amortization for the year beginning on the valuation date is then divided by the total payroll for the Program to develop the UAL rate.

LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

(continued)

The total rate for the Program is produced by adding the normal cost rate and the UAL rate, subject to the requirement that the total rate cannot be less than 0%.

By using an open amortization period, this funding method results in the expectation that any unfunded liability in the Program as of a valuation date will never be fully reduced to zero if all of the valuation assumptions are exactly met.

2. **Asset Valuation Method:**

For purposes of determining the State contribution to the Program and the Program's funded ratio, we use an actuarial value of assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

In determining the actuarial value of assets, we calculate an expected actuarial value based on cash flow for the year and imputed returns at the actuarial assumption. This expected value is compared to the market value and one-third of the difference is added to the preliminary actuarial value to arrive at the final actuarial value.

Please refer to the Maine Public Employees Retirement System State Employee and Teacher Retirement Program Actuarial Valuation Report as of June 30, 2015 for additional information about the actuarial value of assets, including its development.

3. **Changes since Last Valuation**

None.

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STATISTICAL SECTION

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
STATISTICAL SECTION
(unaudited)

This section of the Maine Public Employees Retirement System's Comprehensive Annual Financial Report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information has not been audited by the independent auditor.

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DEFINED BENEFIT PLAN
CHANGES IN NET POSITION - STATE EMPLOYEE AND TEACHER PLAN

LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Additions										
Member contributions	$ 123,528,807	$ 121,033,152	$ 121,059,118	$ 121,071,500	$ 124,356,774	$ 125,814,746	$ 124,008,170	$ 122,250,278	$ 121,491,868	$ 118,708,498
Employer contributions	173,465,932	162,920,145	114,866,338	105,548,857	133,488,737	135,018,387	135,268,752	127,298,700	122,051,606	122,842,655
Non-employer entity contributions	147,283,716	142,303,104	148,833,840	146,634,324	199,662,984	193,415,278	183,701,708	177,054,037	189,169,755	187,878,631
Investment Income (net of expenses	191,829,057	1,517,432,346	929,806,763	43,821,833	1,583,177,117	748,522,308	(1,575,697,005)	(267,689,416)	1,213,499,639	520,925,590
Total additions to plan net position	636,107,512	1,943,688,747	1,314,566,059	417,076,514	2,040,685,612	1,202,770,719	(1,132,718,375)	158,913,599	1,646,212,868	950,355,374
Deductions										
Benefit payments	703,292,105	667,506,633	651,525,831	612,512,717	574,135,971	548,688,977	524,001,241	485,447,952	455,153,299	421,862,031
Refunds	19,432,153	21,684,397	17,891,255	21,024,589	20,747,235	17,214,437	37,390,056	21,737,697	16,964,468	14,849,722
Administrative expenses	8,917,135	8,246,740	7,651,937	7,268,111	7,553,424	7,461,728	7,882,567	8,148,530	8,834,507	7,683,724
Total deductions from plan net positi	731,641,393	697,437,770	677,069,023	640,805,417	602,436,630	573,365,142	569,273,864	515,334,179	480,952,274	444,395,477
Change in net position	$ (95,533,881)	$ 1,246,250,977	$ 637,497,036	$ (223,728,903)	$ 1,438,248,982	$ 629,405,577	$ (1,701,992,239)	$ (356,420,580)	$ 1,165,260,594	$ 505,959,897

DEFINED BENEFIT PLAN
CHANGES IN NET POSITION - JUDICIAL PLAN
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Additions										
Member contributions	$ 549,691	$ 528,192	$ 518,094	$ 517,419	$ 518,138	$ 530,521	$ 508,074	$ 540,082	$ 477,564	$ 437,189
Employer contributions	979,281	932,223	841,397	810,721	987,261	961,083	1,212,080	1,211,358	914,220	862,366
Non-employer entity contributions	-	-	-	-	-	-	55,789	-	-	-
Investment Income (net of expenses)	1,055,346	8,416,042	5,195,908	238,871	9,044,929	4,368,320	(9,135,484)	(1,560,206)	7,137,801	3,115,480
Total additions to plan net position	2,584,318	9,876,457	6,555,399	1,567,011	10,550,328	5,859,924	(7,359,541)	191,234	8,529,585	4,415,035
Deductions										
Benefit payments	3,383,995	3,219,480	3,282,344	3,171,846	3,034,095	2,799,764	2,582,178	2,337,289	2,176,006	2,112,111
Refunds	-	-	-	-	124	-	29,128	-	-	-
Administrative expenses	49,399	41,681	42,858	40,852	43,534	30,222	31,024	30,473	32,731	27,238
Total deductions from plan net position	3,433,394	3,261,161	3,325,202	3,212,698	3,077,753	2,829,986	2,642,330	2,367,762	2,208,737	2,139,349
Change in net position	$ (849,076)	$ 6,615,296	$ 3,230,197	$ (1,645,687)	$ 7,472,575	$ 3,029,938	$ (10,001,871)	$ (2,176,528)	$ 6,320,848	$ 2,275,686

DEFINED BENEFIT PLAN
CHANGES IN NET POSITION - LEGISLATIVE PLAN
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Additions										
Member contributions	$ 193,356	$ 139,501	$ 194,669	$ 133,579	$ 182,065	$ 129,308	$ 179,037	$ 124,354	$ 160,058	$ 143,663
Employer contributions	4,418	3,857	6,507	-	-	-	-	(10,020)	-	6
Non-employer entity contributions	-	-	-	-	-	-	-	-	-	-
Investment Income (net of expenses)	206,454	1,622,296	975,524	48,846	1,634,304	780,615	(1,633,767)	(281,187)	1,278,703	550,736
Total additions to plan net position	404,228	1,765,654	1,176,700	182,425	1,816,369	909,923	(1,454,730)	(166,853)	1,438,761	694,405
Deductions										
Benefit payments	327,875	308,770	280,254	274,088	255,181	245,572	230,373	218,540	180,846	159,389
Refunds	111,237	8,836	82,768	5,613	93,809	58,762	134,503	21,220	32,458	33,414
Administrative expenses	9,584	7,975	8,040	7,241	7,551	7,741	10,111	9,762	10,382	8,905
Total deductions from plan net position	448,696	325,581	371,062	286,942	356,541	312,075	374,987	249,522	223,686	201,708
Change in net position	$ (44,468)	$ 1,440,073	$ 805,638	$ (104,517)	$ 1,459,828	$ 597,848	$ (1,829,717)	$ (416,375)	$ 1,215,075	$ 492,697

DEFINED BENEFIT PLAN
CHANGES IN NET POSITION - PLD CONSOLIDATED PLAN
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Additions										
Member contributions	$ 37,202,921	$ 33,210,510	$ 31,658,619	$ 32,343,655	$ 35,022,928	$ 32,332,068	$ 29,710,526	$ 27,473,405	$ 32,751,311	$ 24,838,611
Employer contributions	43,366,730	32,706,160	26,465,471	22,257,294	17,462,511	12,311,355	11,582,485	12,179,699	11,236,146	10,312,516
Non-employer entity contributions	-	-	-	-	-	-	-	-	-	-
Investment Income (net of expenses)	46,075,304	361,125,177	221,304,489	10,111,043	381,299,731	182,525,441	(390,037,197)	(66,322,263)	309,156,215	133,121,252
Total additions to plan net position	126,644,955	427,041,847	279,428,579	64,711,992	433,785,170	227,168,864	(348,744,186)	(26,669,159)	353,143,672	168,272,379
Deductions										
Benefit payments	129,476,010	121,559,257	114,627,512	108,646,611	101,270,632	96,702,118	93,095,725	85,735,837	81,416,856	75,348,098
Refunds *	48,939,042	5,602,101	6,051,774	22,911,290	11,353,634	5,822,392	8,041,146	5,496,757	4,913,684	3,913,903
Administrative expenses	2,117,266	1,779,304	1,810,389	1,732,139	1,827,135	1,668,738	1,754,829	1,941,924	1,965,164	1,656,346
Total deductions from plan net position	180,532,318	128,940,662	122,489,675	133,290,040	114,451,401	104,193,248	102,891,700	93,174,518	88,295,704	80,918,347
Change in net position	$ (53,887,363)	$ 298,101,185	$ 156,938,904	$ (68,578,048)	$ 319,333,769	$ 122,975,616	$ (451,635,886)	$ (119,843,677)	$ 264,847,968	$ 87,354,032

* Refunds in fiscal year 2015 reflect the return of approximately $41 million of non-Plan cash being managed by the System on behalf of PLD Consolidated Plan employers.

DEFINED BENEFIT PLAN
CHANGES IN NET POSITION - PLD AGENT PLAN
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Additions										
Member contributions	$ 94,468	$ 94,136	$ 106,000	$ 105,380	$ 124,472	$ 132,049	$ 146,253	$ 155,015	$ 180,492	$ 269,986
Employer contributions	916,671	667,846	656,047	105,342	299,504	9,024	2,776	3,133	5,121	4,847
Non-employer entity contributions	-	-	-	-	-	-	-	-	-	-
Investment Income (net of expenses)	662,680	5,581,964	3,601,386	79,872	6,760,501	6,005,408	(11,619,730)	(1,576,140)	7,794,089	6,180,099
Total additions to plan net position	1,673,819	6,343,946	4,363,433	290,594	7,184,477	6,146,481	(11,470,701)	(1,417,992)	7,979,702	6,454,932
Deductions										
Benefit payments	2,780,492	2,702,486	2,644,060	2,608,985	2,460,591	2,397,937	2,695,479	2,606,044	2,460,991	3,546,256
Refunds	-	1,897,634	-	201,244	9,190	141	17,109	52,877	28,141	110,539
Administrative expenses	32,253	27,981	30,704	30,884	33,977	31,457	41,741	49,134	49,585	83,119
Total deductions from plan net position	2,812,745	4,628,101	2,674,764	2,841,113	2,503,758	2,429,535	2,754,329	2,708,055	2,538,717	3,739,914
Change in net position	$ (1,138,926)	$ 1,715,845	$ 1,688,669	$ (2,550,519)	$ 4,680,719	$ 3,716,946	$ (14,225,030)	$ (4,126,047)	$ 5,440,985	$ 2,715,018

GROUP LIFE INSURANCE PLAN CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Additions										
Member contributions	$ 4,820,666	$ 4,708,184	$ 4,580,678	$ 4,504,407	$ 4,633,560	$ 4,578,292	$ 4,501,396	$ 5,643,608	$ 6,614,117	$ 6,462,425
Employer contributions	8,250,204	7,950,385	7,138,693	7,005,992	6,836,808	6,825,209	6,812,155	6,363,100	2,223,692	2,170,510
Other contributions	-	-	-	-	-	-	-	220,933	243,115	216,103
Investment Income (net of expenses)	2,634,035	14,763,783	9,380,206	467,352	11,060,639	5,522,062	(8,851,694)	(1,755,010)	6,978,299	1,290,819
Total additions to plan net position	15,704,905	27,422,352	21,099,577	11,977,751	22,531,007	16,925,563	2,461,857	10,472,631	16,059,223	10,139,857
Deductions										
Benefit payments	11,137,510	10,273,054	10,426,687	8,197,040	8,664,079	8,555,182	9,966,568	8,210,909	8,020,342	7,571,942
Refunds	-	-	-	3,702	18,145	25,819	32,291	20,511	30,157	32,002
Administrative expenses	1,176,885	1,153,841	892,115	1,035,953	970,354	1,053,242	987,371	842,136	856,436	812,833
Total deductions from plan net position	12,314,395	11,426,895	11,318,802	9,236,695	9,652,578	9,634,243	10,986,230	9,073,556	8,906,935	8,416,777
Change in net position	$ 3,390,510	$ 15,995,457	$ 9,780,775	$ 2,741,056	$ 12,878,429	$ 7,291,320	$ (8,524,373)	$ 1,399,075	$ 7,152,288	$ 1,723,080

DEFINED CONTRIBUTION PLAN
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS *

	Fiscal Year							
	2015	2014	2013	2012	2011	2010	2009	2008
Additions								
Member contributions	$ 3,165,927	$ 3,505,423	$ 2,662,317	$ 2,888,874	$ 2,790,771	$ 2,381,995	$ 1,967,488	$ 1,181,618
Employer contributions	131,589	109,515	111,327	43,434	47,377	53,956	153,334	16,583
Other contributions	-	-	-	-	-	-	-	-
Investment Income (net of expenses)	719,767	3,210,308	1,815,398	318,640	1,939,674	742,235	(1,173,821)	(512,020)
Total additions to plan net position	4,017,283	6,825,246	4,589,042	3,250,948	4,777,822	3,178,186	947,001	686,181
Deductions								
Benefit payments	-	-	-	-	-	-	-	-
Refunds and withdrawals	1,718,286	2,032,458	643,765	1,055,018	770,630	411,390	470,750	570,014
Administrative expenses	130,964	112,015	113,827	45,964	50,143	56,686	159,635	16,583
Total deductions from plan net position	1,849,250	2,144,473	757,592	1,100,982	820,773	468,076	630,385	586,597
Change in net postion	$ 2,168,033	$ 4,680,773	$ 3,831,450	$ 2,149,966	$ 3,957,049	$ 2,710,110	$ 316,616	$ 99,584

*The System currently has this information available for the years indicated. Additional information will be added to the schedule each year until the requisite ten years is obtained.

RETIREE HEALTH INVESTMENT TRUST
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS *

	Fiscal Year								
	2015	2014	2013	2012	2011	2010	2009	2008*	
Additions									
Member contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
Employer contributions	-	-	1,840,385	6,000,000	14,411,368	-	-	100,000,000	
Other contributions	-	-	-	-	-	-	-	-	
Investment Income (net of expenses)	5,405,438	29,564,596	18,706,315	959,334	23,350,728	13,143,997	(16,084,427)	(1,609,855)	
Total additions to plan net position	5,405,438	29,564,596	20,546,700	6,959,334	37,762,096	13,143,997	(16,084,427)	98,390,145	
Deductions									
Benefit payments	-	-	-	-	-	-	-	-	
Refunds	-	-	-	-	-	-	-	-	
Administrative expenses	117,844	90,030	85,609	68,643	64,510	56,754	55,695	28,347	
Total deductions from plan net position	117,844	90,030	85,609	68,643	64,510	56,754	55,695	28,347	
Change in net position	$ 5,287,594	$ 29,474,566	$ 20,461,091	$ 6,890,691	$ 37,697,586	$ 13,087,243	$ (16,140,122)	$ 98,361,798	$

*The Retiree Health Investment Trust was established in FY2008.

DEFINED BENEFIT PLAN
BENEFIT AND REFUND DEDUCTIONS FROM NET POSITION
BY TYPE

LAST TEN FISCAL YEARS

STATE EMPLOYEE AND TEACHER PLAN

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Type of Benefit										
Service retirement benefits	$ 658,113,295	$ 622,008,923								
Disability benefits	27,863,125	28,930,711								
Pre-Retirement death benefits	17,315,685	16,567,000								
Total benefits	$ 703,292,105	$ 667,506,634	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Type of Refund										
Death	$ 3,120,006	$ 3,247,581								
Separation	16,312,147	18,436,816								
Other	-	-								
Total refunds	$ 19,432,153	$ 21,684,397	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Data by type of refund, by plan, was not readily available for the years prior to 2014. This information will continue to be populated until the requisite ten years is displayed.

JUDICIAL PLAN

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Type of Benefit										
Service retirement benefits	$ 3,383,995	$ 3,194,250								
Disability benefits	-	25,230								
Pre-Retirement death benefits	-	-								
Total benefits	$ 3,383,995	$ 3,219,480	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Type of Refund										
Death	$ -	$ -								
Separation	-	-								
Other	-	-								
Total refunds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Data by type of refund, by plan, was not readily available for the years prior to 2014. This information will continue to be populated until the requisite ten years is displayed.

DEFINED BENEFIT PLAN
BENEFIT AND REFUND DEDUCTIONS FROM NET POSITION BY TYPE *(continued)*

LAST TEN FISCAL YEARS

LEGISLATIVE PLAN

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Type of Benefit										
Service retirement benefits	$ 289,432	$ 271,025								
Disability benefits	8,142	7,994								
Pre-Retirement death benefits	30,301	29,751								
Total benefits	$ 327,875	$ 308,770	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Type of Refund										
Death	$ 11,524	$ -								
Separation	99,713	8,836								
Other	-	-								
Total refunds	$ 111,237	$ 8,836	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Data by type of refund, by plan, was not readily available for the years prior to 2014. This information will continue to be populated until the requisite ten years is displayed.

PLD CONSOLIDATED PLAN

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Type of Benefit										
Service retirement benefits	$ 118,281,904	$ 110,537,271								
Disability benefits	6,994,050	7,133,396								
Pre-Retirement death benefits	4,200,056	3,888,590								
Total benefits	$ 129,476,010	$ 121,559,257	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Type of Refund										
Death	$ 1,141,276	$ 613,327								
Separation	4,797,240	4,988,774								
Other *	43,000,526	-								
Total refunds	$ 48,939,042	$ 5,602,101	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

* Refunds in fiscal year 2015 reflect the return of approximately $43 million of non-Plan cash being managed by the System on behalf of PLD Consolidated Plan employers.

Data by type of refund, by plan, was not readily available for the years prior to 2014. This information will continue to be populated until the requisite ten years is displayed.

DEFINED BENEFIT PLAN
BENEFIT AND REFUND DEDUCTIONS FROM NET POSITION
BY TYPE *(continued)*

LAST TEN FISCAL YEARS

PLD AGENT PLAN

	Fiscal Year 2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Type of Benefit										
Service retirement benefits	$ 2,780,492	$ 2,702,486								
Disability benefits	-	-								
Pre-Retirement death benefits	-	-								
Total benefits	$ 2,780,492	$ 2,702,486	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Type of Refund										
Death	$ -	$ -								
Separation	-	-								
Other	-	1,897,634								
Total refunds	$ -	$ 1,897,634	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Data by type of refund, by plan, was not readily available for the years prior to 2014. This information will continue to be populated until the requisite ten years is displayed.

PENSION COMBINED

	Fiscal Year 2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Type of Benefit										
Service retirement benefits	$ 782,849,118	$ 738,713,955	$ 714,823,347	$ 670,876,190	$ 625,577,713	$ 595,870,176	$ 564,341,497	$ 516,877,544	$ 484,050,311	$ 448,493,907
Disability benefits	34,865,317	36,097,330	37,020,969	36,778,342	36,289,226	35,862,703	45,703,611	53,404,352	51,475,049	48,853,164
Pre-Retirement death benefits	21,546,043	20,485,341	20,515,684	19,559,715	19,289,534	19,001,489	12,559,888	6,063,767	5,862,639	5,680,814
Total benefits	$ 839,260,478	$ 795,296,626	$ 772,360,000	$ 727,214,247	$ 681,156,473	$ 650,734,368	$ 622,604,996	$ 576,345,663	$ 541,387,999	$ 503,027,886
Type of Refund										
Death	$ 4,272,805	$ 3,860,908	$ 4,359,439	$ 4,406,322	$ 5,139,665	$ 2,533,464	$ 4,833,774	$ 3,517,392	$ 3,272,721	$ 2,002,560
Separation	21,209,100	23,434,426	18,412,052	21,003,032	20,567,589	18,099,434	38,700,530	21,950,987	17,176,811	15,494,157
Other *	43,000,526	1,897,634	1,254,306	18,733,381	6,496,738	2,462,834	2,077,637	1,840,172	1,489,218	1,410,862
Total refunds	$ 68,482,431	$ 29,192,968	$ 24,025,797	$ 44,142,736	$ 32,203,992	$ 23,095,732	$ 45,611,942	$ 27,308,551	$ 21,938,751	$ 18,907,578

* Refunds in fiscal year 2015 reflect the retum of approximately $43 million of non-Plan cash being managed by the System on behalf of PLD Consolidated Plan employers.

GROUP LIFE INSURANCE PLAN
BENEFIT AND REFUND DEDUCTIONS FROM NET POSITION BY TYPE *(continued)*

LAST TEN FISCAL YEARS

GROUP LIFE INSURANCE PLAN

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Type of Benefit										
Basic active claims	$ 3,679,454	$ 3,201,313	$ 3,150,890	$ 2,579,586	$ 1,670,491	$ 1,401,542	$ 2,109,195	$ 1,667,981	$ 1,650,657	$ 1,553,776
Supplemental claims	1,412,000	1,506,000	1,861,008	549,000	972,344	1,242,024	1,520,346	1,471,000	1,505,000	1,280,000
Dependent claims	175,000	205,000	190,000	160,000	300,000	210,000	190,477	245,000	182,942	218,988
Accidental Death & Dismemberment claims	130,000	233,000	415,000	212,000	408,000	166,000	801,156	95,000	21,000	147,042
Basic retiree claims	5,660,521	5,081,721	4,670,754	4,600,319	5,131,699	5,373,083	5,215,134	4,647,103	4,509,130	4,169,092
	11,056,975	10,227,034	10,287,652	8,100,905	8,482,534	8,392,649	9,836,308	8,126,084	7,868,729	7,368,899
Conversion expense	80,535	46,020	139,035	96,135	181,545	162,533	130,260	84,825	151,613	203,044
Total benefits	$ 11,137,510	$ 10,273,054	$ 10,426,687	$ 8,197,040	$ 8,664,079	$ 8,555,182	$ 9,966,568	$ 8,210,909	$ 8,020,342	$ 7,571,942
Type of Refund										
Group Life Insurance premiums	$ -	$ -	$ -	$ 3,702	$ 18,145	$ 25,819	$ 32,291	$ 20,511	$ 30,157	$ 32,002
Total refunds	$ -	$ -	$ -	$ 3,702	$ 18,145	$ 25,819	$ 32,291	$ 20,511	$ 30,157	$ 32,002

DEFINED BENEFIT PLAN - RETIRED MEMBERS BY TYPE OF BENEFIT
LAST TEN FISCAL YEARS

STATE EMPLOYEE AND TEACHER PLAN

Fiscal Year Ending June 30:	Service Retirees	Service Retiree Beneficiary Recipients	Disability Benefit Recipients	Pre-Retirement Death Benefits Recipients	Total Pension Benefit Recipients
2015	24,880	6,059	1,684	637	33,260
2014	24,039	6,015	1,699	638	32,391
2013	23,314	5,983	1,684	643	31,624
2012	22,145	5,948	1,754	638	30,485
2011	20,689	5,842	1,714	655	28,900
2010	20,021	5,823	1,720	684	28,248
2009	19,368	5,797	1,683	696	27,544
2008	18,746	5,588	1,690	797	26,821
2007	18,251	5,553	1,687	810	26,301
2006	17,720	5,460	1,673	878	25,731

JUDICIAL PLAN

Fiscal Year Ending June 30:	Service Retirees	Service Retiree Beneficiary Recipients	Disability Benefit Recipients	Pre-Retirement Death Benefits Recipients	Total Pension Benefit Recipients
2015	49	21	1	0	71
2014	47	19	1	0	67
2013	46	17	2	0	65
2012	45	17	1	0	63
2011	43	18	1	0	62
2010	39	17	0	0	56
2009	36	17	0	0	53
2008	35	14	1	0	50
2007	31	11	1	0	43
2006	31	11	1	0	43

LEGISLATIVE PLAN

Fiscal Year Ending June 30:	Service Retirees	Service Retiree Beneficiary Recipients	Disability Benefit Recipients	Pre-Retirement Death Benefits Recipients	Total Pension Benefit Recipients
2015	139	25	1	5	170
2014	124	23	1	5	153
2013	126	23	1	5	155
2012	114	21	1	5	141
2011	116	22	1	6	145
2010	104	21	1	5	131
2009	108	18	0	4	130
2008	97	18	0	5	120
2007	96	18	0	3	117
2006	87	17	0	3	107

DEFINED BENEFIT PLAN - RETIRED MEMBERS BY TYPE OF BENEFIT
LAST TEN FISCAL YEARS *(continued)*

PLD CONSOLIDATED PLAN

Fiscal Year Ending June 30:	Service Retirees	Service Retiree Beneficiary Recipients	Disability Benefit Recipients	Pre-Retirement Death Benefits Recipients	Total Pension Benefit Recipients
2015	6,061	1,947	406	167	8,581
2014	5,853	1,898	408	174	8,333
2013	5,659	1,883	406	174	8,122
2012	5,181	1,826	347	166	7,520
2011	5,060	1,827	348	174	7,409
2010	4,830	1,824	347	171	7,172
2009	5,382	1,134	339	166	7,021
2008	5,253	1,065	396	225	6,939
2007	5,182	1,056	397	237	6,872
2006	5,118	1,045	386	228	6,777

PLD AGENT PLAN

Fiscal Year Ending June 30:	Service Retirees	Service Retiree Beneficiary Recipients	Disability Benefit Recipients	Pre-Retirement Death Benefits Recipients	Total Pension Benefit Recipients
2015	129	47	0	0	176
2014	137	54	0	0	191
2013	140	56	0	0	196
2012	143	56	0	0	199
2011	201	0	0	0	201
2010	198	0	0	0	198
2009	214	0	0	0	214
2008	252	0	0	0	252
2007	253	0	0	0	253
2006	260	0	0	0	260

DEFINED BENEFIT PLAN - AVERAGE BENEFIT PAYMENTS

LAST TEN FISCAL YEARS

STATE EMPLOYEE AND TEACHER PLAN

Retirement Effective Dates
July 1, 2012 - June 30, 2015*

	Years of Creditable Service						
	Less than 5	5-10	10-15	15-20	20-25	25-30	Greater than 30
Period 7/1/2014 to 6/30/2015							
Average Monthly Benefit	$ 178	$ 472	$ 755	$ 1,188	$ 1,757	$ 2,050	$ 2,970
Average Final Salary	$ 11,307	$ 31,831	$ 31,809	$ 35,631	$ 40,059	$ 42,711	$ 49,231
Number of Active Retirants	930	1,182	2,550	2,332	3,283	6,569	8,889
Period 7/1/2013 to 6/30/2014							
Average Monthly Benefit	$ 189	$ 463	$ 725	$ 1,153	$ 1,715	$ 2,002	$ 2,907
Average Final Salary	$ 12,446	$ 31,627	$ 30,576	$ 34,457	$ 38,903	$ 41,888	$ 48,257
Number of Active Retirants	786	1,105	2,426	2,245	3,215	6,430	8,586
Period 7/1/2012 to 6/30/2013							
Average Monthly Benefit	$ 210	$ 465	$ 708	$ 1,139	$ 1,700	$ 1,987	$ 2,877
Average Final Salary	$ 40,079	$ 33,962	$ 30,962	$ 33,820	$ 38,005	$ 41,170	$ 47,284
Number of Active Retirants	650	1,009	2,319	2,160	3,123	6,337	8,360

*This table will continue to be populated until the requisite ten years of data is presented.

JUDICIAL PLAN

Retirement Effective Dates
July 1, 2012 - June 30, 2015*

	Years of Creditable Service						
	Less than 5	5-10	10-15	15-20	20-25	25-30	Greater than 30
Period 7/1/2014 to 6/30/2015							
Average Monthly Benefit	$ 388	$ 1,689	$ 4,606	$ 4,154	$ 4,655	$ 5,499	$ 5,190
Average Final Salary	$ 17,129	$ 57,420	$ 79,169	$ 86,262	$ 103,183	$ 110,586	$ 111,931
Number of Active Retirants	4	12	13	15	5	9	5
Period 7/1/2013 to 6/30/2014							
Average Monthly Benefit	$ 315	$ 1,590	$ 4,861	$ 4,000	$ 4,621	$ 5,464	$ 5,164
Average Final Salary	$ 8,279	$ 54,733	$ 78,970	$ 84,290	$ 103,183	$ 110,586	$ 111,931
Number of Active Retirants	1	9	15	12	5	9	5
Period 7/1/2012 to 6/30/2013							
Average Monthly Benefit	$ 315	$ 1,623	$ 5,070	$ 4,229	$ 4,750	$ 5,464	$ 5,541
Average Final Salary	$ 118,269	$ 112,541	$ 87,240	$ 93,463	$ 110,809	$ 110,586	$ 109,339
Number of Active Retirants	1	5	17	9	6	9	4

*This table will continue to be populated until the requisite ten years of data is presented.

LEGISLATIVE PLAN

Retirement Effective Dates
July 1, 2012 - June 30, 2015*

	Years of Creditable Service						
	Less than 5	5-10	10-15	15-20	20-25	25-30	Greater than 30
Period 7/1/2014 to 6/30/2015							
Average Monthly Benefit	$ 79	$ 155	$ 254	$ 382	$ -	$ -	$ -
Average Final Salary	$ 10,270	$ 11,994	$ 11,153	$ 13,204	$ -	$ -	$ -
Number of Active Retirants	24	96	16	4	0	0	0
Period 7/1/2013 to 6/30/2014							
Average Monthly Benefit	$ 67	$ 149	$ 247	$ 374	$ -	$ -	$ -
Average Final Salary	$ 9,603	$ 11,643	$ 11,138	$ 13,204	$ -	$ -	$ -
Number of Active Retirants	22	84	14	4	0	0	0
Period 7/1/2012 to 6/30/2013							
Average Monthly Benefit	$ 69	$ 148	$ 256	$ 374	$ -	$ -	$ -
Average Final Salary	$ 18,728	$ 11,778	$ 11,339	$ 13,204	$ -	$ -	$ -
Number of Active Retirants	24	87	11	4	0	0	0

*This table will continue to be populated until the requisite ten years of data is presented.

DEFINED BENEFIT PLAN - AVERAGE BENEFIT PAYMENTS

LAST TEN FISCAL YEARS *(continued)*

PLD CONSOLIDATED PLAN

Retirement Effective Dates
July 1, 2012 - June 30, 2015*

	Years of Creditable Service						
	Less than 5	5-10	10-15	15-20	20-25	25-30	Greater than 30
Period 7/1/2014 to 6/30/2015							
Average Monthly Benefit	$ 139	$ 497	$ 727	$ 1,256	$ 1,797	$ 2,206	$ 3,004
Average Final Salary	$ 7,777	$ 23,320	$ 26,728	$ 32,942	$ 32,952	$ 41,008	$ 46,870
Number of Active Retirants	1,186	1,050	1,130	1,167	1,090	1,037	638
Period 7/1/2013 to 6/30/2014							
Average Monthly Benefit	$ 139	$ 471	$ 675	$ 1,178	$ 1,748	$ 2,138	$ 2,919
Average Final Salary	$ 8,018	$ 23,316	$ 25,525	$ 31,381	$ 31,737	$ 40,026	$ 46,278
Number of Active Retirants	1,007	926	1,064	1,046	1,072	1,063	656
Period 7/1/2012 to 6/30/2013							
Average Monthly Benefit	$ 136	$ 449	$ 629	$ 1,103	$ 1,710	$ 2,086	$ 2,858
Average Final Salary	$ 39,573	$ 35,552	$ 28,806	$ 36,407	$ 32,317	$ 39,707	$ 46,137
Number of Active Retirants	882	779	1,002	906	1,083	1,076	656

*This table will continue to be populated until the requisite ten years of data is presented.

PLD AGENT PLAN

Retirement Effective Dates
July 1, 2012 - June 30, 2015*

	Years of Creditable Service						
	Less than 5	5-10	10-15	15-20	20-25	25-30	Greater than 30
Period 7/1/2014 to 6/30/2015							
Average Monthly Benefit	$ 45	$ 337	$ 455	$ 837	$ 1,820	$ 2,189	$ 2,501
Average Final Salary	$ 1,609	$ 15,644	$ 13,693	$ 24,755	$ 31,406	$ 36,887	$ 45,304
Number of Active Retirants	21	5	21	20	33	33	21
Period 7/1/2013 to 6/30/2014							
Average Monthly Benefit	$ 45	$ 275	$ 457	$ 833	$ 1,795	$ 2,118	$ 2,483
Average Final Salary	$ 1,661	$ 16,653	$ 13,692	$ 24,627	$ 30,255	$ 36,436	$ 45,304
Number of Active Retirants	20	4	23	22	34	34	21
Period 7/1/2012 to 6/30/2013							
Average Monthly Benefit	$ 37	$ 273	$ 450	$ 797	$ 1,748	$ 2,065	$ 2,319
Average Final Salary	$ 39,810	$ 20,825	$ 13,898	$ 26,695	$ 29,884	$ 35,644	$ 42,989
Number of Active Retirants	23	4	25	23	35	34	19

*This table will continue to be populated until the requisite ten years of data is presented.

DEFINED BENEFIT PLAN - AVERAGE BENEFIT PAYMENTS

LAST TEN FISCAL YEARS *(continued)*

ALL DEFINED BENEFIT PENSION PLANS, COMBINED

Retirement Effective Dates
July 1, 2005 - June 30, 2015

Years of Creditable Service

	Less than 5	5-10	10-15	15-20	20-25	25-30	Greater than 30
Period 7/1/2014 to 6/30/2015							
Average Monthly Benefit	$ 173	$ 490	$ 759	$ 1,222	$ 1,772	$ 2,077	$ 2,973
Average Final Salary	$ 8,697	$ 27,354	$ 30,250	$ 34,875	$ 38,303	$ 42,528	$ 49,081
Number of Active Retirants	2,143	2,340	3,719	3,529	4,410	7,652	9,561
Period 7/1/2013 to 6/30/2014							
Average Monthly Benefit	$ 179	$ 470	$ 727	$ 1,168	$ 1,728	$ 2,026	$ 2,908
Average Final Salary	$ 9,877	$ 27,332	$ 29,082	$ 33,579	$ 37,127	$ 41,680	$ 48,133
Number of Active Retirants	1,821	2,123	3,537	3,320	4,328	7,537	9,274
Period 7/1/2012 to 6/30/2013							
Average Monthly Benefit	$ 364	$ 433	$ 681	$ 1,105	$ 1,698	$ 2,006	$ 2,881
Average Final Salary	$ 28,688	$ 30,446	$ 28,554	$ 32,680	$ 36,429	$ 41,244	$ 47,413
Number of Active Retirants	440	1,482	3,112	2,860	4,288	7,658	9,194
Period 7/1/2011 to 6/30/2012							
Average Monthly Benefit	$ 647	$ 427	$ 671	$ 1,083	$ 1,678	$ 1,979	$ 2,845
Average Final Salary	$ 25,200	$ 59,515	$ 27,199	$ 31,429	$ 35,443	$ 40,189	$ 46,386
Number of Active Retirants	568	1,402	3,013	2,777	4,182	7,413	8,863
Period 7/1/2010 to 6/30/2011							
Average Monthly Benefit	$ 419	$ 399	$ 636	$ 1,035	$ 1,599	$ 1,877	$ 2,681
Average Final Salary	$ 26,382	$ 27,791	$ 25,452	$ 29,842	$ 34,108	$ 38,836	$ 44,693
Number of Active Retirants	551	1,276	2,913	2,681	4,083	7,060	8,221
Period 7/1/2009 to 6/30/2010							
Average Monthly Benefit	$ 617	$ 388	$ 617	$ 1,016	$ 1,583	$ 1,867	$ 2,653
Average Final Salary	$ 25,338	$ 26,322	$ 23,944	$ 28,556	$ 32,700	$ 37,655	$ 43,265
Number of Active Retirants	559	1,175	2,819	2,594	3,898	6,782	7,868
Period 7/1/2008 to 6/30/2009							
Average Monthly Benefit	$ 388	$ 398	$ 616	$ 1,017	$ 1,625	$ 1,907	$ 2,737
Average Final Salary	$ 23,532	$ 24,858	$ 22,828	$ 27,456	$ 31,630	$ 36,735	$ 42,107
Number of Active Retirants	451	1,132	2,810	2,570	3,827	6,657	7,501
Period 7/1/2007 to 6/30/2008							
Average Monthly Benefit	$ 148	$ 371	$ 585	$ 966	$ 1,565	$ 1,831	$ 2,643
Average Final Salary	$ 19,644	$ 23,981	$ 21,766	$ 26,250	$ 30,720	$ 35,744	$ 41,078
Number of Active Retirants	371	1,065	2,796	2,510	3,718	6,412	6,789
Period 7/1/2006 to 6/30/2007							
Average Monthly Benefit	$ 143	$ 357	$ 561	$ 931	$ 1,514	$ 1,769	$ 2,549
Average Final Salary	$ 18,663	$ 22,659	$ 20,722	$ 25,350	$ 29,825	$ 34,774	$ 39,620
Number of Active Retirants	371	1,009	2,806	2,484	3,682	6,264	6,476
Period 7/1/2005 to 6/30/2006							
Average Monthly Benefit	$ 137	$ 339	$ 534	$ 884	$ 1,449	$ 1,688	$ 2,429
Average Final Salary	$ 18,131	$ 21,370	$ 19,934	$ 24,207	$ 28,918	$ 33,712	$ 38,236
Number of Active Retirants	372	972	2,801	2,472	3,644	6,033	6,205

DEFINED BENEFIT PLAN
RETIRED MEMBERS BY TYPE OF BENEFIT AND OPTION
As of June 30, 2015

STATE EMPLOYEE AND TEACHER PLAN

		Type of Retirement				Option Selected									
Amount of Monthly Benefit	Number of Retired Members	1	2	3	4	0	1	2	3	4	5	6	7	8	Other
$0 - $250	2,203	1,193	812	8	190	612	196	255	57	17	717	73	31	25	220
$251 - $500	3,025	1,343	1,266	9	407	698	205	266	101	12	1,151	82	22	26	462
$501 - $750	3,025	1,457	982	19	567	766	199	262	119	15	882	93	26	34	629
$751 - $1,000	2,307	1,626	526	30	125	823	195	241	186	20	485	86	42	46	183
$1,001 - $1,250	2,283	1,772	319	62	130	840	224	233	161	21	427	72	49	47	209
$1,251 - $1,500	2,529	2,077	263	108	81	951	268	271	146	9	483	97	43	66	195
$1,501 - $1,750	2,625	2,208	206	141	70	992	306	255	156	25	471	86	55	61	218
$1,751 - $2,000	2,575	2,193	177	139	66	986	282	270	120	25	458	83	66	75	210
Over $2,001	12,981	11,866	444	545	126	5,782	1,485	1,208	626	230	1,572	435	439	532	672
Totals	**33,553**	**25,735**	**4,995**	**1,061**	**1,762**	**12,450**	**3,360**	**3,261**	**1,672**	**374**	**6,646**	**1,107**	**773**	**912**	**2,998**

JUDICIAL PLAN

		Type of Retirement				Option Selected									
Amount of Monthly Benefit	Number of Retired Members	1	2	3	4	0	1	2	3	4	5	6	7	8	Other
$0 - $250	2,203	1	0	0	0	1	0	0	0	0	0	0	0	0	0
$251 - $500	3	2	1	0	0	2	0	0	0	0	1	0	0	0	0
$501 - $750	1	0	1	0	0	0	0	0	0	0	1	0	0	0	0
$751 - $1,000	5	1	4	0	0	1	0	0	0	0	2	0	0	0	2
$1,001 - $1,250	4	1	3	0	0	0	0	1	0	0	2	0	0	0	1
$1,251 - $1,500	3	2	1	0	0	0	0	0	1	0	2	0	0	0	0
$1,501 - $1,750	6	5	1	0	0	0	0	6	0	0	0	0	0	0	0
$1,751 - $2,000	2	2	0	0	0	0	1	1	0	0	0	0	0	0	0
Over $2,001	61	49	12	0	0	16	3	15	11	1	10	2	0	2	1
Totals	**2,288**	**63**	**23**	**0**	**0**	**20**	**4**	**23**	**12**	**1**	**18**	**2**	**0**	**2**	**4**

LEGISLATIVE PLAN

		Type of Retirement				Option Selected									
Amount of Monthly Benefit	Number of Retired Members	1	2	3	4	0	1	2	3	4	5	6	7	8	Other
$0 - $250	2,203	127	24	0	1	64	11	39	10	1	15	8	1	1	2
$251 - $500	15	13	0	0	2	8	3	2	0	0	0	0	0	0	2
$501 - $750	4	0	0	1	3	0	0	0	0	0	0	0	0	0	4
$751 - $1,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$1,001 - $1,250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$1,251 - $1,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$1,501 - $1,750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$1,751 - $2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Over $2,001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals	**2,222**	**140**	**24**	**1**	**6**	**72**	**14**	**41**	**10**	**1**	**15**	**8**	**1**	**1**	**8**

DEFINED BENEFIT PLAN
RETIRED MEMBERS BY TYPE OF BENEFIT AND OPTION
As of June 30, 2015 *(continued)*

PLD CONSOLIDATED PLAN

		Type of Retirement				Option Selected									
Amount of Monthly Benefit	**Number of Retired Members**	**1**	**2**	**3**	**4**	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**Other**
$0 - $250	2,203	1,367	528	8	120	671	190	290	95	18	456	81	39	43	140
$251 - $500	1,500	938	460	17	85	416	153	256	65	11	379	56	23	20	121
$501 - $750	1,355	858	288	18	191	338	137	206	72	14	256	56	24	26	226
$751 - $1,000	872	637	160	28	47	268	95	148	68	12	134	35	19	11	82
$1,001 - $1,250	781	621	114	27	19	232	90	153	59	9	112	41	18	16	51
$1,251 - $1,500	624	507	65	30	22	180	67	102	21	8	132	31	13	16	54
$1,501 - $1,750	558	460	45	35	18	151	54	97	34	6	118	24	15	6	53
$1,751 - $2,000	491	395	46	44	6	156	48	55	27	6	112	21	5	11	50
Over $2,001	1,726	1,515	70	117	24	596	165	220	92	25	287	104	45	51	141
Totals	**10,110**	**7,298**	**1,776**	**324**	**532**	**3,008**	**999**	**1,527**	**533**	**109**	**1,986**	**449**	**201**	**200**	**918**

PLD AGENT PLAN

		Type of Retirement				Option Selected									
Amount of Monthly Benefit	**Number of Retired Members**	**1**	**2**	**3**	**4**	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**Other**
$0 - $250	43	30	10	0	3	17	2	7	1	0	7	4	0	2	3
$251 - $500	34	14	16	0	4	8	2	1	3	0	15	1	0	0	4
$501 - $750	30	17	12	0	1	7	6	2	1	0	11	1	0	0	2
$751 - $1,000	12	6	2	1	3	1	0	3	2	0	1	0	0	0	5
$1,001 - $1,250	18	16	2	0	0	7	0	3	1	1	3	1	2	0	0
$1,251 - $1,500	9	8	1	0	0	3	0	3	1	0	1	0	0	1	0
$1,501 - $1,750	12	11	0	0	1	2	2	3	1	1	2	0	0	0	1
$1,751 - $2,000	7	7	0	0	0	2	0	2	0	0	3	0	0	0	0
Over $2,001	49	45	4	0	0	7	3	7	6	1	21	4	0	0	0
Totals	**214**	**154**	**47**	**1**	**12**	**54**	**15**	**31**	**16**	**3**	**64**	**11**	**2**	**3**	**15**

EMPLOYEE CONTRIBUTION RATES
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Judicial Employees	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
Legislative Employees	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
School Teacher Employees	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
State of Maine Employees										
Employee Class:										
General	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
Police - Grandfathered	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%
Marine Wardens - Grandfathered	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%
Game Wardens - Grandfathered	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%
Prison Wardens - Grandfathered	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%
Forest Rangers - Grandfathered	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%
1998 Special Groups	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%
HazMat/DEP 24030	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%
Participating Local District Employees										
Employee Class:										
AC - General COLA	7.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
BC - General COLA	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
1C - Special COLA	7.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
2C - Special COLA	7.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
3C - Special COLA	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4C - Special COLA	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
AN - General No COLA	7.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
1N - Special No COLA	7.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
2N - Special No COLA	7.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
3N - Special No COLA	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4N - Special No COLA	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%

EMPLOYER CONTRIBUTION RATES
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Judicial Employees	13.24%	13.25%	11.98%	11.99%	14.12%	14.35%	15.85%	15.87%	15.01%	15.09%
Legislative Employees	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School Teacher Employees	15.68%	15.68%	13.85%	13.85%	17.28%	17.28%	16.72%	16.72%	17.23%	17.23%
State of Maine Employees										
Employee Class:										
General	18.43%	18.14%	14.21%	14.18%	16.92%	16.38%	17.37%	17.01%	15.88%	15.52%
Police - Grandfathered	41.05%	40.43%	39.36%	39.22%	51.26%	50.19%	48.69%	47.70%	44.04%	43.02%
Marine Wardens - Grandfathered	31.62%	31.20%	33.44%	33.33%	54.49%	53.32%	40.67%	39.94%	45.63%	44.55%
Game Wardens - Grandfathered	36.50%	35.98%	38.60%	38.47%	54.48%	53.30%	50.14%	49.11%	47.07%	45.94%
Prison Wardens - Grandfathered	29.51%	29.05%	26.83%	26.74%	27.03%	25.81%	25.68%	25.15%	24.29%	23.70%
Forest Rangers - Grandfathered	22.73%	22.36%	13.69%	13.65%	22.32%	21.84%	22.18%	21.70%	18.21%	17.79%
1998 Special Groups	23.04%	22.65%	17.39%	17.33%	19.06%	18.27%	19.50%	19.09%	18.11%	17.68%
HazMat/DEP	23.04%	22.65%	17.39%	17.33%	19.06%	18.27%	19.50%	19.09%	18.11%	17.68%
Participating Local District Employees										
Employee Class:										
AC - General COLA	7.80%	6.50%	5.30%	4.40%	3.50%	2.80%	2.80%	2.80%	2.80%	2.80%
BC - General COLA	4.70%	3.90%	3.20%	2.70%	2.10%	1.70%	1.70%	1.70%	1.70%	1.70%
1C - Special COLA	13.40%	12.80%	12.20%	10.20%	8.10%	6.50%	6.50%	6.50%	6.50%	6.50%
2C - Special COLA	8.30%	7.90%	7.50%	6.30%	5.00%	4.00%	4.00%	4.00%	4.00%	4.00%
3C - Special COLA	11.00%	10.50%	10.00%	8.30%	6.60%	5.30%	5.30%	5.30%	5.30%	5.30%
4C - Special COLA	7.20%	6.90%	6.60%	5.50%	4.40%	3.50%	3.50%	3.50%	3.50%	3.50%
AN - General No COLA	4.10%	3.40%	2.80%	2.40%	1.90%	1.50%	1.50%	1.50%	1.50%	1.50%
1N - Special No COLA	7.50%	7.10%	6.80%	5.60%	4.50%	3.60%	3.60%	3.60%	3.60%	3.60%
2N - Special No COLA	4.40%	4.20%	4.00%	3.30%	2.60%	2.20%	2.20%	2.20%	2.20%	2.20%
3N - Special No COLA	6.10%	5.80%	5.50%	4.50%	3.60%	2.90%	2.90%	2.90%	2.90%	2.90%
4N - Special No COLA	4.00%	3.80%	3.60%	3.00%	2.40%	1.90%	1.90%	1.90%	1.90%	1.90%

PRINCIPAL PARTICIPATING EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

2015

Participating Entity	Covered Employees	Rank	Percentage of Total System
State of Maine	14,312	1	25.14
Maine Veterans Home - Central Office	1,434	2	2.52
Portland School Department	1,195	3	2.10
City of Portland	877	4	1.54
Lewiston School Department	819	5	1.44
Bangor School Department	585	6	1.03
RSU #6 - MSAD #6 Bar Mills	569	7	1.00
RSU #14	543	8	0.95
Auburn School Department	536	9	0.94
South Portland School Department	527	10	0.93
All Others	35,537	11	62.41
Total (540 Participating Entities)	56,934		100.00

2006

Participating Entity	Covered Employees	Rank	Percentage of Total System
State of Maine	16,314	1	23.99
Portland School Department	1,333	2	1.96
Portland, City of	844	3	1.24
Lewiston School Department	782	4	1.15
Bangor School Department	734	5	1.08
RSU #75 - MSAD #75 Topsham	696	6	1.02
Sanford School Department	618	7	0.91
Auburn School Department	607	8	0.89
RSU #6 - MSAD #6 Bar Mills	601	9	0.88
RSU #54 - MSAD #54 Skowhegan	598	10	0.88
All Others	44,874	11	66.00
Total (561 Participating Entities)	68,001		100.00

Note: "All Others" includes employees covered under two or more employer types. In 2015, "All Others" consisted of:

	Employer Count	Member Count
Judicial Retirement System	1	60
Legislative Retirement System	1	182
Participating Local Districts	319	9,952
School Districts	219	25,343
Totals:	540	35,537

Note: Covered employees of these employers are eligible to participate in the Defined Benefit Plans administered by MainePERS, which provide normal and disability retirement benefits and certain survivor benefits, as well as benefits under the Group Life Insurance Plan.

Data for this table are derived from the System's Benefit Administration System.

PARTICIPATING EMPLOYERS, DETAILED LISTING

PROGRAM: STATE EMPLOYEE / TEACHER RETIREMENT PROGRAM

Participants: **State Employees**
Employer: **State of Maine**
Reporting Entity: **State of Maine**

Participants: **State Employees**
Employers: **Various**
Reporting Entity: **(as follows)**

Central Maine Community College
Eastern Maine Community College
Kennebec Valley Community College
Maine Community College System - Admin
Maine Dairy & Nutrition Council
Maine Developmental Disabilities Council
Maine Potato Board
ME Community College - Career Advantage
MECDHH/Gov. Baxter School for the Deaf
Northern Maine Community College
Northern New England Passenger Rail Authority
Southern Maine Community College
Washington County Community College
Wild Blueberry Commission of Maine
York County Community College

Participants: **Teachers**
Employers: **State of Maine; School Administrative Units**
Reporting Entity: **(as follows)**

Acton School Department
AOS #43 Central Office
AOS #43 Howland
AOS #43 Milo
AOS #47 Central Office
AOS #47 Dedham
AOS #47 Orrington
AOS #77 Alexander
AOS #77 Central Office
AOS #77 Charlotte
AOS #77 Eastport
AOS #77 Lubec
AOS #77 Pembroke
AOS #77 Perry
AOS #77 Robbinston
AOS #81 Central Office
AOS #81 CSD #8 Airline
AOS #81 Holden
AOS #90 Baileyville
AOS #90 Central Office
AOS #90 East Range
AOS #90 Lee
AOS #90 Princeton
AOS #91 Bar Harbor
AOS #91 Central Office
AOS #91 Cranberry Isle
AOS #91 Frenchboro
AOS #91 MDI High School
AOS #91 Mt Desert
AOS #91 Southwest Harbor
AOS #91 Swans Island
AOS #91 Tremont
AOS #91 Trenton
AOS #92
AOS #92 Vassalboro
AOS #92 Waterville
AOS #92 Winslow
AOS #93 Bristol
AOS #93 Central Office
AOS #93 Great Salt Bay
AOS #93 Jefferson
AOS #93 Nobleboro
AOS #93 South Bristol
AOS #94 Central Office
AOS #94 Harmony
AOS #94 MSAD 46
AOS #96 Central Office
AOS #96 Cutler
AOS #96 East Machias
AOS #96 Jonesboro
AOS #96 Machias
AOS #96 Machiasport
AOS #96 Marshfield
AOS #96 Northfield
AOS #96 Roque Bluffs
AOS #96 Wesley
AOS #96 Whiting
AOS #96 Whitneyville
AOS #98 Boothbay Harbor
AOS #98 Central Office
AOS #98 Edgecomb
AOS #98 Georgetown
AOS #98 Southport
Athens School Department
Auburn School Department
Augusta School Department
Bangor School Department
Biddeford School Department
Brewer School Department
Brunswick School Department
Calais School Department
Cape Elizabeth School Department
Caswell School Department
Chebeague Island School Department
Cherryfield School Department
CSD # 19 Five Town Csd
CSD #13 Deer Isle - Stonington
CSD #17 Moosabec
CSD #18 Wells-Ogunquit
Dayton School Department
East Millinocket School Department
Eastern Aroostook RSU #39
Easton School Department
Ellsworth School Department
Erskine Academy
Eustis School Department
Falmouth School Department
Fayette School Department
Foxcroft Academy
Fryeburg Academy
George Stevens Academy
Glenburn School Department
Gorham School Department
Gould Academy
Greenbush School Department
Hancock School Department
Hermon School Department
Indian Island
Indian Township
Isle Au Haut School Department
Islesboro School Department
K.I.D.S. RSU #2
Kittery School Department
Lamoine School Department
Lee Academy
Lewiston School Department
Lincoln Academy
Lincolnville School Department
Lisbon School Department
Long Island School Department
Madawaska School Department
Maine Central Institute
Maine Education Association
Maine Indian Education
Maine School of Science & Mathematics
Medway School Department
Milford School Department
Millinocket School Department

PARTICIPATING EMPLOYERS, DETAILED LISTING *(continued)*

TEACHERS *(continued)*

Monhegan Plantation School Department
MSAD #4 Guilford
MSAD #7 North Haven
MSAD #8 Vinalhaven
MSAD #12 Jackman
MSAD #13 Bingham
MSAD #20 Fort Fairfield
MSAD #23 Carmel
MSAD #24 Van Buren
MSAD #27 Fort Kent
MSAD #28 Camden
MSAD #32 Ashland
MSAD #33 St. Agatha
MSAD #42 Mars Hill
MSAD #45 Washburn
MSAD #53 Pittsfield
MSAD #58 Kingfield
MSAD #59 Madison
MSAD #65 Matinicus
Otis School Department
Oxford Hill Technical School #11
Pleasant Point School
Portland School Department
Region 2 Southern Aroostook County
Region 3 Northern Penobscot County
Region 4 United Technologies Center
Region 7 Waldo County Technical Center
Region 8 Cooperative Board for Vocationa
Region 9 School of Applied Technology
Region 10 - Cumberland-Sagadahoc County
Regional School Unit #1
Regional School Union #26
Regional School Unit No. 22
Regional School Unit #78
RSU #3 - MSAD #3 Unity
RSU #4
RSU #5
RSU #6 - MSAD #6 Bar Mills
RSU #9 - MSAD #9 Farmington
RSU #10
RSU #11 - MSAD #11 Gardiner
RSU #13
RSU #14
RSU #15 - MSAD #15 Gray
RSU #16
RSU #17 - MSAD #17 South Paris
RSU #18
RSU #19
RSU #20
RSU #21
RSU #23
RSU #24
RSU #25
RSU #29 - MSAD #29 Houlton
RSU #34
RSU #35 - MSAD #35 Eliot
RSU #37 - MSAD #37 Harrington
RSU #38
RSU #40 - MSAD #40 Waldoboro
RSU #44 - MSAD #44 Bethel
RSU #49 - MSAD #49 Fairfield
RSU #50
RSU #51 - MSAD #51 Cumberland Center
RSU #52 - MSAD #52 Turner
RSU #54 - MSAD #54 Skowhegan
RSU #55 - MSAD #55 Cornish
RSU #57 - MSAD #57 Waterboro
RSU #60 - MSAD #60 North Berwick
RSU #61 - MSAD #61 Bridgton
RSU #64 - MSAD #64 East Corinth
RSU #67 - MSAD #67 Lincoln
RSU #68 - MSAD #68 Dover-Foxcroft
RSU #70 d/b/a MSAD #70
RSU #72 - MSAD #72 Fryeburg
RSU #73
RSU #74 - MSAD #74 North Anson
RSU #75 - MSAD #75 Topsham
RSU #79 - MSAD #1 Presque Isle
RSU #84 d/b/a MSAD #14
Saco School Department
Sanford School Department
Scarborough School Department
School Agent Carrabassett
School Agent Coplin Plantation
School Agent Pleasant Ridge Plantation
Sheepscot Valley RSU #12
South Portland School Department
Thornton Academy
Union 60 Greenville
Union 60 Shirley
Union 69 Appleton
Union 69 Hope
Union 76 Brooklin
Union 76 Sedgwick
Union 93 Blue Hill
Union 93 Brooksville
Union 93 Castine
Union 93 Penobscot
Union 93 Surry School Department
Union 103 Beals
Union 103 Jonesport
Union 122 New Sweden
Union 122 Westmanland
Union 122 Woodland
Vanceboro School Department
Veazie School Department
Washington Academy
Westbrook School Department
Winthrop School Department
Wiscasset School Department
Yarmouth School Department
York School Department

PROGRAM: **LEGISLATIVE RETIREMENT PROGRAM**
Participants: **Legislators**
Employer: **State of Maine**
Reporting Entity: **Office of the Executive Director, Maine Legislature**

PROGRAM: **JUDICIAL RETIREMENT PROGRAM**
Participants: **Judges**
Employer: **State of Maine**
Reporting Entity: **Administrative Office of the Courts**

PROGRAM: **PARTICIPATING LOCAL DISTRICT RETIREMENT PROGRAM**
Employers: **PLDs (Active and Withdrawn)**
Reporting Entities: **(as follows)**

Androscoggin County
Androscoggin Valley Council of Government
Aroostook County
Auburn Housing Authority
Auburn Lewiston Airport
Auburn Public Library
Auburn Water And Sewer District
Auburn, City of
Augusta, City of
Augusta Housing Authority
Baileyville, Town of
Bangor Housing Authority
Bangor Public Library
Bangor Water District
Bangor, City of
Bar Harbor, Town of
Bath Water District
Bath, City of

PARTICIPATING EMPLOYERS, DETAILED LISTING *(continued)*

CONSOLIDATED PLAN FOR PLDs *(continued)*

Baxter Academy of Technology and Sciences
Belfast Water District
Belfast, City of
Berwick Sewer District
Berwick, Town of
Bethel, Town of
Biddeford Housing Authority
Biddeford, City of
Boothbay Harbor, Town of
Boothbay Region Water District
Bowdoinham Water District
Brewer Housing Authority
Brewer, City of
Brownville, Town of
Brunswick Fire & Police
Brunswick Public Library Association
Brunswick Sewer District
Brunswick, Town of
Buckfield, Town of
Bucksport, Town of
Calais, City of
Camden, Town of
Cape Elizabeth Police
Caribou Fire & Police
Carrabassett Valley, Town of
Chesterville, Town of
Cheverus High School
China, Town of
Coastal Counties Workforce
Community School District #912
Community School District #918
Corinna Sewer District
Corrinna, Town of
Cornville Regional Charter School
Cumberland County
Cumberland, Town of
Damariscotta, Town of
Dayton, Town of
Dexter, Town of
Dover-Foxcroft Water District
Dover-Foxcroft, Town of
Durham, Town of
Eagle Lake Water & Sewer District
East Millinocket, Town of
Easton, Town of
Eliot, Town of
Ellsworth, City of
Erskine Academy
Fairfield, Town of
Falmouth Memorial Library
Falmouth, Town of
Farmington Village Corporation
Farmington, Town of
Fayette, Town of
Fort Fairfield Housing Authority
Fort Fairfield Utilities District
Fort Fairfield, Town of
Franklin County
Freeport, Town of
Frenchville, Town of
Fryeburg, Town of
Gardiner Water District
Gardiner, City of
Glenburn, Town of
Good Will Home Association
Gorham Fire and Police
Gorham, Town of
Gould Academy
Grand Isle, Town of
Greater Augusta Utility District
Greenville, Town of
Hallowell, City of
Hampden Water District
Hampden, Town of
Hancock County
Hancock, Town of
Harpswell, Town of
Harrison, Town of
Hermon, Town of
Hodgdon, Town of
Holden, Town of
Houlton Water Company
Houlton, Town of
Jackman Utility District
Jay, Town of
Kennebec County
Kennebec Sanitary Treatment District
Kennebec Water District
Kennebunk Kennebunkport Wells Water District
Kennebunk Light & Power District
Kennebunk Sewer District
Kennebunk, Town of
Kennebunkport, Town of
Kittery Water District
Kittery, Town of
Lebanon, Town of
Levant, Town of
Lewiston Auburn 911
Lewiston Housing Authority
Lewiston, City of
Lewiston-Auburn Water Pollution Control Authority
Limestone, Town of
Lincoln & Sagadahoc Multi-County Jail Authority
Lincoln Academy
Lincoln County
Lincoln County Sheriffs
Lincoln Sanitary District
Lincoln Water District
Lincoln, Town of
Linneus, Town of
Lisbon Water Department
Lisbon, Town of
Livermore Falls Water District
Livermore Falls, Town of
Lovell, Town of
Lubec Water District
Lubec, Town of
M.A.D.S.E.C.
Madawaska Water District
Madawaska, Town of
Maine Academy of Natural Sciences
Maine County Commissioners Association
Maine Maritime Academy
Maine Municipal Association
Maine Municipal Bond Bank
Maine Principals' Association
Maine Public Employees Retirement System
Maine School Management Association
Maine School of Science and Mathematics
Maine State Housing Authority
Maine Turnpike Authority
Maine Veterans' Homes
Mapleton, Town of
Mars Hill Utility District
Mars Hill, Town of
Mechanic Falls Sanitary District
Mechanic Falls, Town of
Medway, Town of
Midcoast Council of Governments
Milford, Town of
Millinocket, Town of
Milo Water District
Monmouth, Town of
Monson, Town of
Mount Desert Island Regional School District
Mount Desert Water District

PARTICIPATING EMPLOYERS, DETAILED LISTING *(continued)*

CONSOLIDATED PLAN FOR PLDs *(continued)*

MSAD #13 Bingham
MSAD #31 Howland
MSAD #41 Milo
MSAD #53 Pittsfield
Mt. Desert, Town of
New Gloucester, Town of
Newport, Town of
Newport Water District
North Berwick Water District
North Berwick, Town of
Northern Oxford Regional Solid Waste Board
Norway Water District
Norway, Town of
Old Orchard Beach, Town of
Old Town Housing Authority
Old Town Water District
Old Town, City of
Orono, Town of
Orrington, Town of
Otisfield, Town of
Ogunquit, Town of
Orland, Town of
Oxford County
Oxford, Town of
Paris Utility District
Paris, Town of
Penobscot County
Penquis C.A.P.
Phippsburg, Town of
Piscataquis County
Pittsfield, Town of
Pleasant Pt. Passamaquoddy Reservation Housing Authority
Poland, Town of
Portland Housing Authority
Portland Public Library
Portland, City of
Princeton, Town of
Region 4 So. Penobscot
Regional School Unit #1
Regional School Unit #2
Regional School Unit #4
Regional School Unit #5
Regional School Unit #9
Regional School Unit #10
Regional School Unit #16
Regional School Unit #20
Regional School Unit #21
Regional School Unit #23
Regional School Unit #24
Regional School Unit #25
Regional School Unit #26
Regional School Unit #29
Regional School Unit #34
Regional School Unit #39
Regional School Unit #49
Regional School Unit #51
Regional School Unit #54
Regional School Unit #60
Regional School Unit #67
Regional School Unit #73
Richmond Utility District
Richmond, Town of
Rockland, City of
Rockport, Town of
Rumford Fire & Police
Rumford Mexico Sewerage District
Rumford Water District
Rumford, Town of
Sabattus, Town of
Saco, City of
Sagadahoc County
Sanford Housing Authority
Sanford Sewerage District
Sanford Water District
Sanford, Town of
Scarborough, Town of
Searsport Water District
Searsport, Town of
Skowhegan, Town of
Somerset County
South Berwick Sewer District
South Berwick Water District
South Berwick, Town of
South Portland Housing Authority
South Portland, City of
St. Agatha, Town of
Thomaston, Town of
Thompson Free Library
Topsham Sewer District
Topsham, Town of
Trenton, Town of
Tri-Community Recycle/Sanitary Landfill
Union, Town of
Van Buren Housing Authority
Van Buren, Town of
Vassalboro, Town of
Veazie Fire & Police
Waldo County
Waldo County Technical Center
Waldoboro, Town of
Washburn Water and Sewer District
Washburn, Town of
Washington County
Waterboro, Town of
Waterville Fire & Police
Waterville Sewer District
Wells Fire and Police
Wells, Town of
West Bath, Town of
Westbrook Fire & Police
Westbrook, City of
Wilton, Town of
Windham, Town of
Winslow, Town of
Winter Harbor Utility District
Winterport Water & Sewer Districts
Winthrop Utilities District
Winthrop, Town of
Wiscasset, Town of
Yarmouth Water District
Yarmouth, Town of
York County
York Sewer District
York Water District
York, Town of

PROGRAM:	**PARTICIPATING LOCAL DISTRICT RETIREMENT PROGRAM**
Employers:	**PLDs (Non-Consolidated)**
Reporting Entities:	**(as follows)**

Bingham Water District
Bridgton, Town of
Cape Elizabeth, Town of
Community School District #903
Fort Kent, Town of
Knox County
Limestone Water & Sewer District
Milo, Town of
New Canada, Town of
Norway-Paris Solid Waste Incorporated
Presque Isle, City of
Western Maine Community Action

Public Employees Retirement System

www.mainepers.org