Maine Public Employees Retirement System

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017

75 YEARS 1942-2017

2017

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, 2017

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.

Cover photo courtesy of Exploringthisrock.com

Public Pension Coordinating Council

Recognition Award for Funding
2017

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
Program Administrator

MainePERS Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2017

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INTRODUCTORY SECTION

maine PERS Public Employees Retirement System

Sandra J. Matheson, *Executive Director*

LETTER OF TRANSMITTAL

December 22, 2017

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, 2017. 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.

Berry Dunn, LLC, has issued an unqualified opinion on the MainePERS' financial statements for the year ended June 30, 2017. The independent auditor's report is located at the front of the financial section.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's 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 seven retirement programs, often referred to as "plans." In addition, the System operates a Group Life Insurance Program (GLI) providing life insurance coverage for both active employees and for retirees, 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 (PLD) Consolidated Retirement Plan. In addition, the System continues to administer twelve closed single-employer plans on behalf of participating local districts who at the time of consolidation, opted not to join the PLD Consolidated Plan. These plans are collectively referred to as the PLD Agent 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 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 funding 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 directly 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 supplemented 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. The lengthy and sustained low-interest environment has increased the sensitivity of the trust fund to market fluctuations as more of the trust fund income is earned from equities.

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. Subsequent market gains and losses resulted in a funding ratio of 82.2% as of the end of fiscal year 2015. Smoothing the two-year period of low investment returns lowered the funding ratio to 80.4% as of June 30, 2016, and increased it to 80.9% as of June 30, 2017 as investment returns increased.

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 this plan increased again as of June 30, 2016 to 100.9 percent; at June 30, 2017, the funded ratio rose to 102.7 percent.

The funded ratio of the Legislative Retirement Program has been above 100 percent for many years, and continues to be this year due primarily to member turnover in the Plan. As of June 30, 2017, the funded ratio was 145.9 percent, compared to 148.5 percent at June 30, 2016 and 148.4 percent at June 30, 2015.

The funded ratio of the Participating Local District Consolidated Retirement Plan was 86.5 percent as of June 30, 2017. This compares to 86.1 percent as of June 30, 2016 and 89.4 percent as of June 30, 2015. 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 20. 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, provide 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 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 12.5% while the group life insurance program had a return of 12.9% for fiscal year 2017. Total value of the defined benefit portfolio increased to $13.6 billion at June 30, 2017 from $12.3 billion at June 30, 2016. This increase in the total value of the portfolio is due to high earnings that substantially exceeded the negative cash flow experienced by the mature defined benefit programs.

The current target asset allocation was last modified in September 2017 to increase investments in alternative strategies such as private equity, private credit, infrastructure, real estate, natural resources and risk diversifiers.

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 a combination of contributions and 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 continued throughout this past fiscal year and the new system was placed into operation in September 2017.

ACKNOWLEDGEMENTS

We are pleased to acknowledge that for the thirteenth 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 2017 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

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 seven defined benefit retirement programs that cover State employees, the State's public school teachers, judges, legislators, and employees of the 312 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 State employees and teachers, judges, and legislators as well as employees of those PLDs who have chosen to offer the Group Life Insurance Program. The System also administers defined contribution plans for eligible employers who choose to participate in the plans.

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. With the exception of the State Treasurer, 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, 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, the Group Life Insurance Programs, the Defined Contribution Plans, 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 2016 and 2017 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 administration 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.

Appendix A to Letter of Transmittal

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.

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 and defined contribution 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 Maine 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 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; employers may opt to contribute all or a portion of that percentage on behalf of their employees. 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.

Appendix A to Letter of Transmittal

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 2017 is 11 years, requiring full payment of the UAAL by the end of FY 2028.

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 and in the actuarial valuation for each program.

Financial Reporting

Total operating expenses for staff and all other costs of operations 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. 34, Basic Financial Statements - Management's Discussion and Analysis for State and Local Governments, GASB Statement No. 67, Financial Reporting for Pension Plans, and, with respect to the Group Life Insurance Program, GASB Statement No. 74, 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 internal controls and efficiencies 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, Berry Dunn, 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 Berry Dunn 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 also reports the Group Life Insurance Program for active employees and two multiple-employer cost sharing Other Post-Employment Benefit (OPEB) plans providing life insurance coverage in retirement for state employees and teachers as well as for employees of those PLDs that participate in the life insurance program. In addition, the System reports the MaineSTART Defined Contribution plans as well as the Retiree Health Insurance Trust Fund. 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, 2017

BOARD OF TRUSTEES

SENIOR ADMINISTRATIVE STAFF

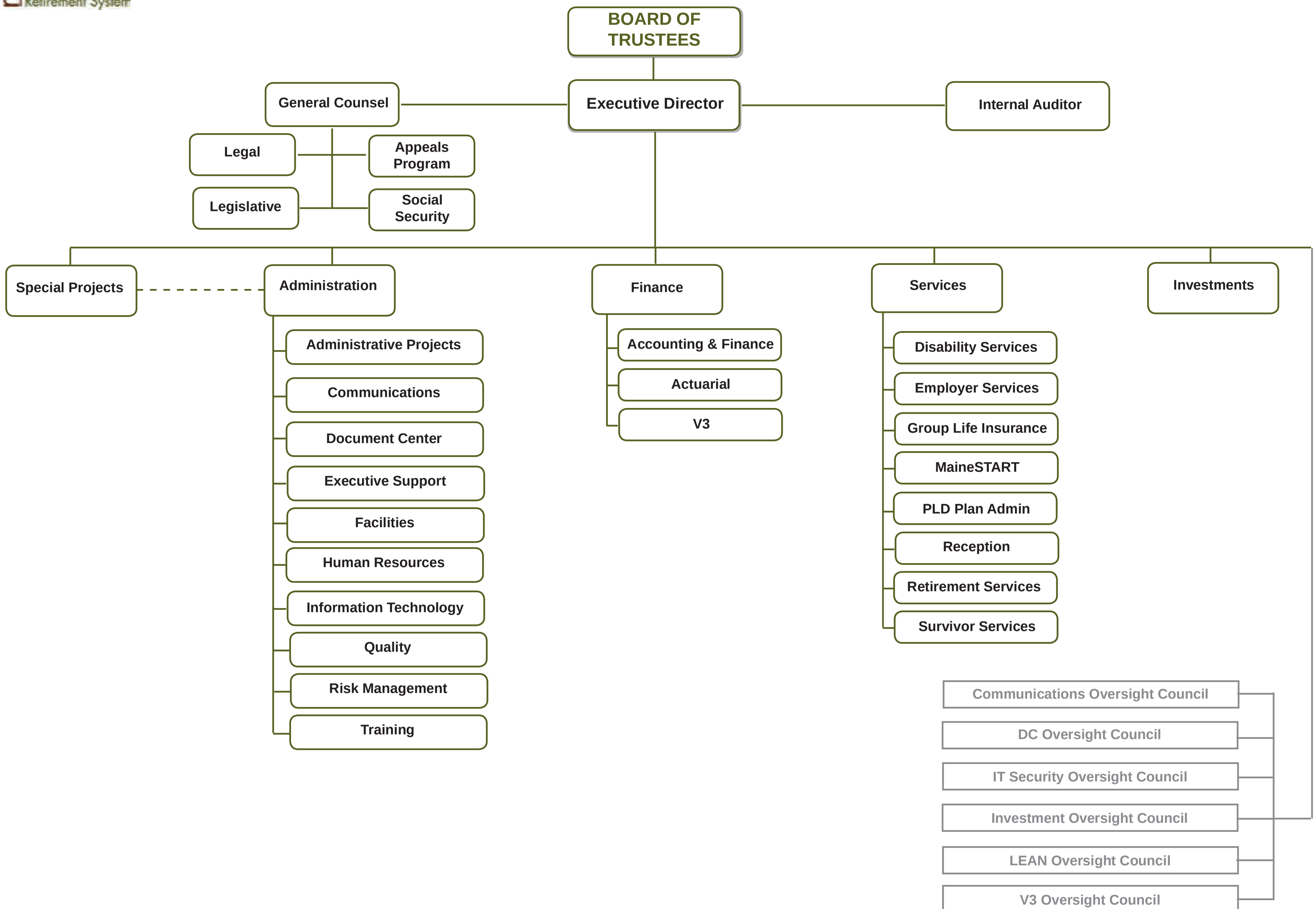
Sandra J. Matheson	Executive Director
Michael J. Colleran	General Counsel
Andrew H. Sawyer, CFA, CAIA	Chief Investment Officer
Rebecca A. Grant	Deputy Executive Director
James Dusch	Deputy Executive Director
Sherry Tripp Vandrell, CMA, CGFM	Director of Finance
Valerie E. Scott	Associate Deputy Director

PRINCIPAL PROFESSIONAL CONSULTANTS

Actuary:	Cheiron, Inc.
Investment Consultant:	Cambridge Associates
Auditors:	BerryDunn
Internal Auditor:	Randal L. Lloyd

See page 82 for a list of professional investment management firms. Information regarding commissions paid can be found on page 89.

Organizational Chart by Function



September 2017

2017 Legislative Update

LEGISLATION ENACTED IN THE FIRST REGULAR SESSION OF THE 128TH LEGISLATURE

An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2017

PL 2017, c. 2 [L.D. 302]
Effective Date: March 15, 2017

This law is the State supplemental budget for fiscal year 2017. The one item in the law relevant to MainePERS removes the requirement that the Maine Community College System make payments toward the unfunded actuarial liability based on the salaries of employees who opt not to join MainePERS. The law includes an appropriation to MainePERS for the amounts due in the FYs 2016-17 and 2018-19 biennia. Future pension rates provided to the State will be calculated to exclude the salaries of the employees who are not MainePERS members.

An Act to Except from the Freedom of Access Act Certain Information in the Possession of the Maine Public Employees Retirement System

PL 2017, c. 46 [L.D. 410]
Effective Date: November 1, 2017

This law expands the categories of non-public information to include medical information used in the System's administrative appeals and personal financial information.

An Act to Amend the Laws Pertaining to the Maine Public Employees Retirement System

PL 2017, c. 88 [L.D. 409]
Effective Date: November 1, 2017

This law primarily makes technical corrections. Included in the less technical changes are updates related to the Governmental Accounting Standards Board (GASB) reporting requirements, expansion of the Medical Board composition to include clinical psychologists, and clarification of how monies appropriated for military service purchases can be allocated.

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2017 Legislative Update

(concluded)

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, 2018 and June 30, 2019

PL 2017, c. 284 [L.D. 390]
Effective Date: July 4, 2017

This law is the State budget for fiscal years 2018 and 2019. It includes funding for the State Employee/Teacher, Legislative and Judicial Retirement Programs and the Group Life Insurance Program, and appropriations for the pay-as-you-go benefit plans for retired Governors and certain retired Judges. This law also establishes a limitation on compensation and benefits for active retired judges, consistent with the limitations that apply to other retired state employees who retire and return to work.

Resolution, Proposing an Amendment to the Constitution of Maine To Reduce Volatility in State Pension Funding Requirements Caused by the Financial Markets

Constitutional Resolution, c. 1 [L.D. 723]
Effective Date: July 20, 2017

This Resolution proposes to amend the Constitution of Maine to change the period over which experience losses are amortized from 10 years to 20 years. This change would apply to experience losses currently being amortized over 10 years and losses experienced in the future. It would not impact the unfunded actuarial liability that existed as of June 30, 1996. This proposal will be included on the statewide election ballot in November 2017.

Resolve, To Require a Review of the State Employee and Teacher Retirement Plan

Resolve, c. 14 [L.D. 917]
Effective Date: June 7, 2017

This Resolve establishes a working group to evaluate and design plan options for state employees and teachers. The working group is required to report its recommendations to the Legislature no later than January 1, 2018.

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FINANCIAL SECTION

BerryDunn

INDEPENDENT AUDITOR'S REPORT

Board of Trustees of
Maine Public Employees Retirement System

Report on the Financial Statements

We have audited the accompanying statement of fiduciary net position of Maine Public Employees Retirement System (the System), a component unit of the State of Maine, as of June 30, 2017 and the 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 U.S. generally accepted accounting principles; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 fiduciary net position of the System as of June 30, 2017, and the changes in its fiduciary net position for the year then ended, in accordance with U.S. generally accepted accounting principles.

Bangor, ME • Portland, ME • Manchester, NH • Charleston, WV • Phoenix, AZ
berrydunn.com

Board of Trustees of
Maine Public Employees Retirement System

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that Management's Discussion and Analysis and the 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 U.S. generally accepted auditing, 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.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements. The accompanying additional supplementary information as listed in the table of contents is presented for the purpose 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 U.S generally accepted auditing standards. 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 June 30, 2016 basic financial statements and we expressed an unmodified opinion on those statements in our report dated October 31, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2017 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
October 31, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2017 Financial Report

Introduction

This Management's 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 reports five defined benefit retirement plans consisting of the State Employee and Teacher Plan, a multiple-employer cost sharing plan with a special funding situation; the Judicial Plan, a single employer plan; the Legislative Plan, a single employer plan; the PLD Consolidated Plan, a multiple-employer cost sharing plan; and the PLD Agent Plan, an agent multiple-employer plan. The System also reports a Group Life Insurance Plan covering active state employees (including judges and legislators), teachers, and participating employees of the PLDs Plan as well as two multiple-employer cost sharing OPEB plans providing life insurance coverage in retirement for retired state employees and teachers and eligible retirees of the PLD Plans. In addition, the System reports certain defined contribution plans, the MainePERS OPEB Trust, and the Retiree Health Insurance Trust Fund.

Basic Financial Statements

The Statement of Fiduciary Net Position reports the balance of Fiduciary Net Position restricted for future benefits as of the fiscal year end, with summarized values reported as of the previous fiscal year end. The Statement of Changes in Fiduciary Net Position reports the net change in Fiduciary Net Position for the fiscal year, with summarized values reported for the previous fiscal year. The System reports each 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) present 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 Schedules also present each Plan's net pension liability as a percentage of the covered payroll.

The Schedules of Employer Contributions (Required Supplementary Information) present the actuarially determined contributions for each defined benefit 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 Investment Returns (Required Supplementary Information) presents the annual money-weighted rate of return, net of investment expenses, for all of the defined benefit plans for each year presented.

The Schedule of Changes in the Plan's Net OPEB Liability and Related Ratios for the Group Life Insurance Plans (Required Supplementary Information) present the total OPEB liability and information indicating the source of changes in the liability for each multiple-employer cost sharing OPEB plan administered by the System. In addition, the Schedules show summary information regarding each Plan's net position for the years presented. The Schedules also present each Plan's net OPEB liability as a percentage of the covered payroll.

The Schedule of Employer Contributions for the Group Life Insurance Plans (Required Supplementary Information) present the actuarially determined contributions for each multiple-employer cost sharing OPEB plan and compares them to actual employer contributions for the periods presented. It also provides the actual contributions as a percentage of covered payroll for each year.

The Schedule of Investment Returns (Required Supplementary Information) presents the annual money-weighted rate of return, net of investment expenses, for all of the OPEB plans for each year presented.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2017 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, 2017, 2016, and 2015:

Condensed Comparative Statements of Fiduciary Net Position
(Dollar Values Expressed in Millions)

	June 30, 2017		June 30, 2016		June 30, 2015	
Cash and Receivables	$	76.6	$	65.8	$	109.5
Investments at Fair Value		13,950.8		12,716.4		13,030.8
Collateral on Loaned Securities		19.5		108.4		148.1
Other Assets		7.5		7.4		9.2
Total Assets	**$**	**14,054.4**	**$**	**12,898.0**	**$**	**13,297.6**
Investment Management Fees Payable	$	15.2	$	10.7	$	10.8
Other Liabilities		34.3		122.9		211.3
Total Liabilities	**$**	**49.5**	**$**	**133.6**	**$**	**222.1**
Fiduciary Net Position - Held in Trust	**$**	**14,004.9**	**$**	**12,764.4**	**$**	**13,075.5**

Condensed Comparative Statements of Changes in Fiduciary Net Position
(Dollar Values Expressed in Millions)

	June 30, 2017		June 30, 2016		June 30, 2015	
ADDITIONS:						
Member Contributions	$	194.1	$	175.8	$	169.6
Employer Contributions		274.2		262.5		227.6
Non-Employer Contributing Entities Contributions		119.7		112.4		147.3
Total Investment Income		1,613.3		54.6		248.9
Transfers from Other Plans		0.3		6.6		-
Total Additions	**$**	**2,201.6**	**$**	**611.9**	**$**	**793.4**
DEDUCTIONS:						
Benefits Paid	$	921.5	$	879.9	$	850.7
Other		39.6		43.1		83.2
Total Deductions	**$**	**961.1**	**$**	**923.0**	**$**	**933.9**
Net Increase (Decrease)	**$**	**1,240.5**	**$**	**(311.1)**	**$**	**(140.5)**
Fiduciary Net Position - Held in Trust, Beginning of Year	**$**	**12,764.4**	**$**	**13,075.5**	**$**	**13,216.0**
Fiduciary Net Position - Held in Trust, End of Year	**$**	**14,004.9**	**$**	**12,764.4**	**$**	**13,075.5**

Fiduciary Net Position

The Fiduciary Net Position of the System increased in fiscal year 2017 by $1,240.5 million (9.7%) from the prior year Fiduciary Net Position. Investment income was significantly higher than in the prior year due to strong returns on public equities and alternative assets. Investment income was $1,613.3 million in fiscal year 2017 compared to $54.6 million in fiscal year 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2017 Financial Report
(continued)

Comparatively, the Fiduciary Net Position of the System decreased in fiscal year 2016 by $311.1 million (2.4%) from the prior year Fiduciary Net Position. While there was an expected increase in employer contributions for the year, investment income was down significantly from the prior year due to the low return environment. Investment income was $54.6 million in fiscal year 2016 compared to $248.9 million in fiscal year 2015.

Assets

Investments at Fair Value increased by $1,234.4 million (9.7%) in fiscal year 2017. This increase in Investments at Fair Value combined with a decrease of $88.9 million in collateral on loaned securities and an increase in cash and receivables of $10.8 million contributed to an increase in total assets of $1,156.4 million during the fiscal year. The System records the collateral on loaned securities due to its securities lending activity as an asset and corresponding liability. The decrease of $89 million on collateral on loaned Securities arose due to the timing of a portfolio restructure in the domestic equity account. Non-cash collateral is not recorded in total assets on the System's financial statements.

Comparatively, Investments at Fair Value decreased by $314.4 million (2.4%) in fiscal year 2016. This decrease in Investments at Fair Value combined with a decrease of $39.7 million in collateral on loaned securities and a decrease in cash and receivables of $43.7 million contributed to a decrease in total assets of $399.6 million during the fiscal year. Total securities lending activity decreased by $128 million (43%) due to a decreased utilization rate for domestic equities.

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. On June 30, 2017, total loans outstanding in the securities lending program were $19.5 million. On June 30, 2016 and 2015, the total loans outstanding in the securities lending program were $108.4 million and $148.1 million, respectively.

There were no trades outstanding at June 30, 2017 or June 30, 2016. Trades outstanding at June 30, 2015 totaled $0.6 million.

Additions to Fiduciary Net Position

Additions to Fiduciary Net Position during fiscal year 2017 totaled $2,201.6 million compared to additions of $611.9 million to Fiduciary Net Position in fiscal year 2016. This was largely due to the fact that investment income, net of fees and other deductions, increased by $1,558.7 million. The increase in investment income is primarily attributable to public equity and alternative market returns.

Additions to Fiduciary Net Position during fiscal year 2016 totaled $611.9 million compared to additions of $793.4 million to Fiduciary Net Position in fiscal year 2015. This was largely due to the fact that investment income, net of fees and other deductions, decreased by $194.3 million. The decrease in investment income is primarily attributable to weak performance in the public equity markets.

The State's contributions on behalf of State employees totaled $163.0 million, $144.1 million, and $116.6 million for fiscal years 2017, 2016, and 2015, respectively. The State's contributions on behalf of teachers totaled $116.4 million, $112.5 million, and $147.3 million, for fiscal years 2017, 2016, and 2015, respectively. The State's contribution on behalf of judges totaled $1.1 million, $1.1 million, and $951.4 thousand, for fiscal years 2017, 2016, and 2015, respectively. Based on the funding methodology used and considering the funded status of the Legislative Plan, no employer contribution was required in fiscal years 2017, 2016 or 2015.

The balance of employer contributions reported is from local school district employers and Participating Local District (PLD) employers. Local school district employers pay the normal cost contribution on behalf of public school teachers. The normal cost rate as a percentage of earnable compensation for fiscal years 2017 and 2016 was 3.36%; for fiscal year 2015 the normal cost rate was 2.65%. The range of employer contributions in the PLD Consolidated Plan, as a percent of earnable compensation in fiscal year 2017 was 4.6% to 14.2%; for fiscal year 2016 the range was 4.4% to 14%; and for fiscal year 2015 the range was 4% to 13.4%. Historically, the PLD Consolidated Plan's funded status and established funding approach resulted in employers of the PLD Consolidated Plan paying less than what the true normal cost would otherwise require. The employer rates have been incrementally increased over the past several 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2017 Financial Report
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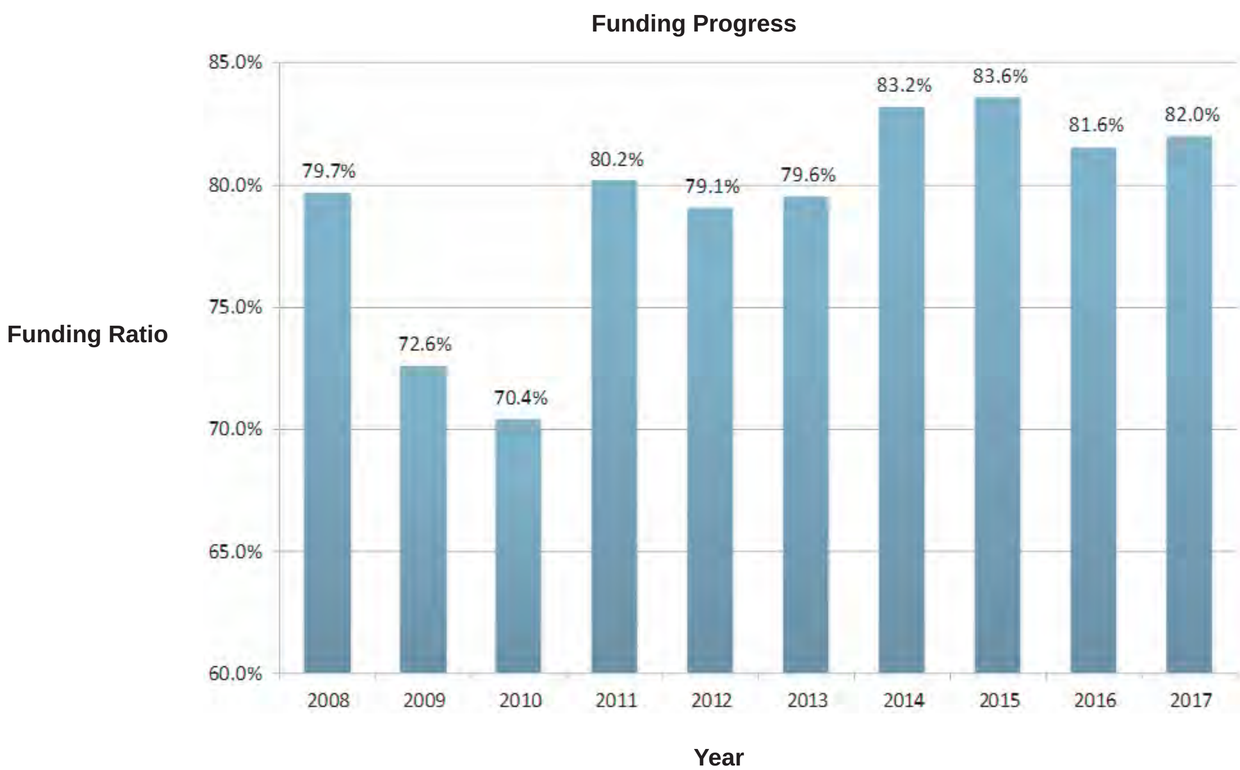
Deductions from Fiduciary Net Position

Total deductions from Fiduciary Net Position restricted for benefits during fiscal year 2017 increased by $38.1 million (4.1%). The fiscal year 2017 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. Benefit payments in fiscal year 2017 exceeded contributions by $333.5 million. Contributions totaled $588 million, and benefit payments totaled $921.5 million.

Comparatively, total deductions from Fiduciary Net Position restricted for benefits during fiscal year 2016 decreased by $10.9 million (1.2%). The fiscal year 2016 decrease was due to the absence of a one-time refund of plan assets previously held in closed plans which was reflected in the 2015 deductions in the amount of $41 million, offset by 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 2016 exceeded contributions by $329.2 million. Contributions totaled $550.7 million, and benefit payments totaled $879.9 million.

System Funding Status – Aggregate

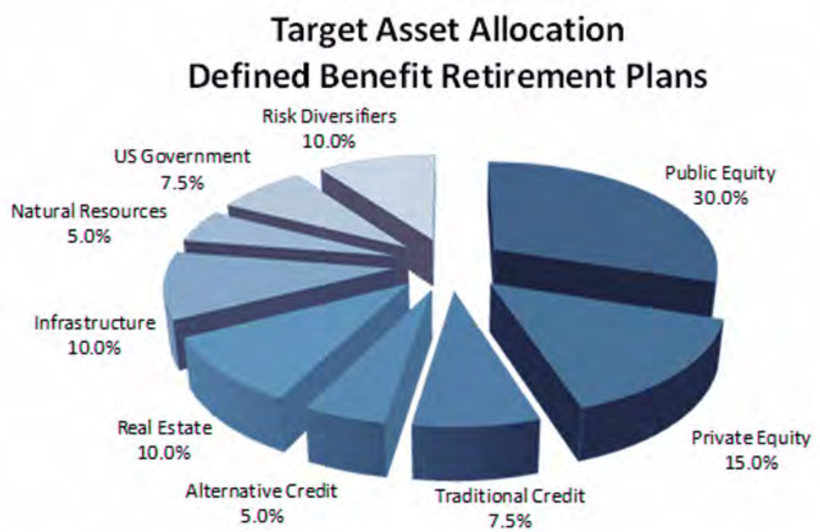


At June 30, 2017, the State Employee and Teacher, Judicial, Legislative and PLD defined benefit plans were actuarially funded at 82%, an increase from the actuarial funding level of 81.6% at June 30, 2016. As illustrated in the chart, the actuarial funded ratio of the System was 79.7% at June 30, 2008. 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 recessionary 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 plan benefit structure and changes in assumptions adopted following the completion of an experience study in 2011, pushed the funding level to 80.2% for this year. Modest investment returns, combined with increased deductions 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 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. The decrease in funding level in 2016 is attributable, in large part, to low investment returns due to the low return environment, combined with an increase in the overall liabilities of the plans resulting from changes in assumptions adopted following the completion of an experience study in 2016. The modest increase in 2017 is attributable, in large part, to investment returns during that year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2017 Financial Report
(continued)

Investments

The assets of all the defined benefit retirement plans that the System administers are commingled for investment purposes.



The System's investment portfolio for the defined benefit retirement plans is invested across nine asset classes: public equity, private equity, traditional credit, alternative credit, real estate, infrastructure, natural resources, US Government, and risk diversifiers. Publicly traded derivative securities are used in some portfolios to emulate one or more of the asset classes. The investment policy established by the System's Board of Trustees (the Board) in 2012 and as amended in June 2017 assigned strategic target allocations for these asset classes, as shown in the above chart.

Investments of the Group Life Insurance Plans and the Retiree Health Insurance Trust are invested separately from the assets of the defined benefit retirement plans. These target allocations for these assets are public equity (70%), real estate (5%), traditional credit (16%), and US Government (9%).

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, 2017, total fair value of assets in these portfolios (together with the amounts otherwise managed) was $14 billion. The total fair value of assets as of June 30, 2016 and June 30, 2015, respectively, was $12.7 billion and $13.0 billion. The investment return, net of all fees, for the fiscal year ended June 30, 2017 was 12.5%. The investment return for the fiscal years ended June 30, 2016 and June 30, 2015, respectively, was 0.6% and 2.0%. Investment returns in fiscal year 2017 were greater than in fiscal year 2016, due primarily to Public Equity and Alternative market returns. Over the five, ten and thirty year periods ended June 30, 2017, the average annual investment return for the total fund was 8.4%, 4.9%, and 7.9%, respectively.

System Membership – Aggregate

The following membership counts for all of the defined benefit plans are derived from actuarial valuation data:

	2017	2016	% Change
Current active participants:			
Vested and nonvested	51,298	51,221	0.2%
Terminated participants			
Vested	10,379	10,140	2.4%
Inactives Due Refunds	45,850	44,615	2.8%
Retirees and beneficiaries receiving benefits	44,310	43,448	2.0%
Total Membership	**151,837**	**149,424**	**1.6%**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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(concluded)

The number of active State employees at June 30, 2017 in the State Employee and Teacher plan was 12,683, a decrease of 207 from June 30, 2016. The number of Teachers at June 30, 2017 was 27,153, an increase of 101 from June 30, 2016. Membership for judges was 63, an increase of 1 from the previous year. Membership for Legislators was 185, an increase of 8 from June 30, 2016. Total active membership in the PLD Consolidated Plan and the 12 non-consolidated plans at June 30, 2017 was 11,214, an increase of 174 from June 30, 2016.

Group Life Insurance Plan

The Group Life Insurance Plans provide life insurance coverage for eligible members of the defined benefit plans administered by the System. Eligible members include State, teacher and those PLD employees whose employers have elected to participate in the program, and whose positions are eligible for coverage. Eligible employees who elect coverage receive life insurance coverage while actively employed and may carry coverage into retirement. The following summarized data, stated in millions, is derived from actuarial valuation data for the Group Life Insurance Plan with respect to benefits in retirement:

	2017	2016	% Change
Total OPEB Liability	$ 215.5	$ 212.2	1.6%
Plan Net Position	102.0	91.4	11.6%
Net OPEB Liability	**$ 113.5**	**$ 120.8**	**-6.0%**

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 provided 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 (the Fund) 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 System were named Trustees of the Investment Trust Fund. At June 30, 2017, the Fiduciary Net Position Held in Trust for the Fund was $233,595,562.

Currently Known Facts, Decisions, or Conditions

The 128th Legislature of the State of Maine enacted a Constitutional Resolution (L.D. 723), *Resolution Proposing an Amendment to the Constitution of Maine to Reduce Volatility in State Pension Funding Requirements Caused by the Financial Markets.* This Resolution proposes to amend the Constitution of Maine to change the period over which experience losses in each of the State sponsored plans are amortized from 10 years to 20 years. This proposal will be included on the statewide election ballot in November 2017.

As previously reported, the System began upgrading its current benefits administration system in the fall of 2014. We are pleased to report that the upgrade is complete and the new system was placed into operation in September of 2017.

Requests for Information

Questions concerning this Management's 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, 2017
With Summarized Information as of June 30, 2016

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan
Assets:					
Cash and cash equivalents (note 3)	$ 18,653,986	$ 324,978	$ 54,275	$ 4,236,467	$ 96,636
Investments at fair value (note 3):					
Common equity securities	2,243,270,693	13,738,264	2,450,458	536,908,187	7,359,784
Common/collective trusts	5,132,922,653	31,435,104	5,606,996	1,228,522,355	16,840,234
Mutual funds	231,295,974	1,416,505	252,658	55,358,768	758,842
Partnerships	3,245,096,344	19,873,656	3,544,811	776,686,826	10,646,602
Total investments	10,852,585,664	66,463,529	11,854,923	2,597,476,136	35,605,462
Receivables:					
Contributions and premiums (notes 6 and 7)	34,860,988	–	1,001	8,573,460	76,616
Accrued interest and dividends	2,233,074	13,676	2,439	534,467	7,326
Due from brokers for securities sold	281,032	1,721	307	67,263	922
Total receivables	37,375,094	15,397	3,747	9,175,190	84,864
Collateral on loaned securities (note 5)	15,637,138	95,765	17,081	3,742,619	51,303
Capital assets, net of accumulated depreciation	5,978,792	36,615	6,531	1,430,974	19,615
Total assets	10,930,230,674	66,936,284	11,936,557	2,616,061,386	35,857,880
Liabilities:					
Accounts payable	6,117,734	37,466	6,683	1,464,229	20,071
Due to brokers for securities purchased	18,427	113	20	4,410	60
Other liabilities	3,010,124	18,435	3,288	720,448	9,876
Accrued investment management fees	12,141,781	74,356	13,260	2,906,036	39,832
Obligations under securities lending activities (note 5)	15,637,138	95,765	17,081	3,742,619	51,303
Total liabilities	36,925,204	226,135	40,332	8,837,742	121,142
Fiduciary net position – held in trust	$10,893,305,470	$ 66,710,149	$ 11,896,225	$ 2,607,223,644	$ 35,736,738

See accompanying notes.

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2017
With Summarized Information as of June 30, 2016

Group Life Insurance Plan Active	Group Life Insurance Plan Retired SET	Group Life Insurance Plan Retired PLD	Defined Contribution Plans	MainePERS OPEB Trust	Retiree Health Insurance Trust Fund	2017 Total	2016 Summarized
$ 153,002	$ 1,270,595	$ 263,338	$ 11,400	$ –	$ –	$ 25,064,677	$ 31,217,841
–	–	–	–	–	–	2,803,727,386	2,579,694,402
8,313,924	87,071,440	15,115,671	34,139,926	12,540,440	229,618,134	6,802,126,877	6,734,162,359
–	–	–	–	–	–	289,082,747	256,498,923
–	–	–	–	–	–	4,055,848,239	3,146,049,630
8,313,924	87,071,440	15,115,671	34,139,926	12,540,440	229,618,134	13,950,785,249	12,716,405,314
787,823	–	34,869	53,787	–	4,000,000	48,388,544	31,330,085
–	–	–	–	–	–	2,790,982	3,019,835
–	–	–	–	–	–	351,245	208,830
787,823	–	34,869	53,787	–	4,000,000	51,530,771	34,558,780
–	–	–	–	–	–	19,543,906	108,482,475
–	–	–	–	–	–	7,472,527	7,372,893
9,254,749	88,342,035	15,413,878	34,205,113	12,540,440	233,618,134	14,054,397,130	12,898,037,273
1,079	11,303	1,962	–	–	–	7,660,527	6,789,467
–	–	–	–	–	–	23,030	–
956,702	1,436,872	327,073	6,230	575,563	5,844	7,070,455	7,636,162
1,050	10,996	1,909	–	1,616	16,728	15,207,564	10,702,252
–	–	–	–	–	–	19,543,906	108,482,475
958,831	1,459,171	330,944	6,230	577,179	22,572	49,505,482	133,610,356
$ 8,295,918	$ 86,882,864	$ 15,082,934	$ 34,198,883	$ 11,963,261	$ 233,595,562	$ 14,004,891,648	$ 12,764,426,917

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2017
With Summarized Information for the Year Ended June 30, 2016

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan
Additions:					
Investment income:					
From investing activities:					
Net appreciation in the fair value of plan investments	$ 1,270,143,238	$ 7,886,227	$ 1,381,155	$ 303,076,569	$ 4,209,862
Interest	528,697	3,239	577	126,335	1,743
Dividends	59,429,142	363,957	64,918	14,223,871	194,977
Less: investment expenses	(74,949,653)	(459,380)	(81,402)	(17,859,395)	(249,397)
Net income from investing activities	1,255,151,424	7,794,043	1,365,248	299,567,380	4,157,185
From securities lending activities:					
Securities lending income	454,484	2,783	496	108,777	1,491
Borrower rebates refunded	595,232	3,645	650	142,464	1,953
Management fees	(157,403)	(964)	(172)	(37,673)	(516)
Net securities lending income	437,829	2,681	478	104,791	1,437
Net income from securities lending activities	892,313	5,464	974	213,568	2,928
Total investment income	1,256,043,737	7,799,507	1,366,222	299,780,948	4,160,113
Contributions and premiums (notes 6 and 7):					
Members	139,464,284	584,451	202,388	46,080,851	76,783
Employers	210,702,960	1,144,445	–	51,387,011	630,639
Non-employer contributing entities	116,414,568	–	–	–	–
Transfers from other plans	19,749	–	–	124,177	–
Total contributions and premiums	466,601,561	1,728,896	202,388	97,592,039	707,422
Total additions	1,722,645,298	9,528,403	1,568,610	397,372,987	4,867,535
Deductions:					
Benefits paid	762,449,709	3,651,927	399,142	140,413,488	2,777,307
Refunds and withdrawals	17,876,272	–	69,901	5,750,078	–
Transfers to other plans	143,926	–	–	186,378	–
Claims processing expenses (note 7)	–	–	–	–	–
Administrative expenses	9,216,028	56,436	10,003	2,209,324	4,005
Total deductions	789,685,935	3,708,363	479,046	148,559,268	2,781,312
Net increase in fiduciary net position	932,959,363	5,820,040	1,089,564	248,813,719	2,086,223
Fiduciary net position – held in trust, beginning of year	9,960,346,107	60,890,109	10,806,661	2,358,409,925	33,650,515
Fiduciary net position – held in trust, end of year	$10,893,305,470	$ 66,710,149	$ 11,896,225	$ 2,607,223,644	$ 35,736,738

See accompanying notes.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2017
With Summarized Information for the Year Ended June 30, 2016

Group Life Insurance Plan Active	Group Life Insurance Plan Retired SET	Group Life Insurance Plan Retired PLD	Defined Contribution Plans	MainePERS OPEB Trust	Retiree Health Insurance Trust Fund	2017 Total	2016 Summarized
$ 953,091	$ 9,942,502	$ 1,748,884	$ 3,495,725	$ 1,597,629	$ 26,577,803	$ 1,631,012,685	$ 67,136,205
183	1,908	336	26	–	–	663,044	354,259
–	–	–	–	–	–	74,276,865	61,607,440
(5,610)	(58,513)	(10,306)	(48,324)	(8,289)	(64,731)	(93,795,000)	(76,172,851)
947,664	9,885,897	1,738,914	3,447,427	1,589,340	26,513,072	1,612,157,594	52,925,053
–	–	–	–	–	–	568,031	773,216
–	–	–	–	–	–	743,944	1,229,945
–	–	–	–	–	–	(196,728)	(300,468)
–	–	–	–	–	–	547,216	929,477
–	–	–	–	–	–	1,115,247	1,702,693
947,664	9,885,897	1,738,914	3,447,427	1,589,340	26,513,072	1,613,272,841	54,627,746
4,464,169	–	–	3,218,801	–	–	194,091,727	175,757,556
1,066,443	3,650,300	1,037,124	560,505	5,943	4,000,000	274,185,370	262,486,813
–	3,270,928	–	–	–	–	119,685,496	112,477,836
–	–	–	186,378	–	–	330,304	6,564,497
5,530,612	6,921,228	1,037,124	3,965,684	5,943	4,000,000	588,292,897	557,286,702
6,478,276	16,807,125	2,776,038	7,413,111	1,595,283	30,513,072	2,201,565,738	611,914,448
4,149,279	6,003,967	1,394,586	–	273,449	–	921,512,854	879,928,788
–	–	–	2,072,166	–	–	25,768,417	23,835,734
–	–	–	–	–	–	330,304	6,564,497
72,851	755,104	134,562	97,824	–	–	1,060,341	1,076,036
56,138	580,641	104,294	186,378	–	5,844	12,429,091	11,622,353
4,278,268	7,339,712	1,633,442	2,356,368	273,449	5,844	961,101,007	923,027,408
2,200,008	9,467,413	1,142,596	5,056,743	1,321,834	30,507,228	1,240,464,731	(311,112,960)
6,095,910	77,415,451	13,940,338	29,142,140	10,641,427	203,088,334	12,764,426,917	13,075,539,877
$ 8,295,918	$ 86,882,864	$ 15,082,934	$ 34,198,883	$ 11,963,261	$ 233,595,562	$ 14,004,891,648	$ 12,764,426,917

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

1. <u>Overview of the Maine Public Employees Retirement System Benefit Plans</u>

<u>Background</u>

The Maine Public Employees Retirement System (the System or MainePERS), 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 312 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 may have 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.

<u>Board of Trustees</u>

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.

<u>Defined Benefit Plans</u>

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 (the Board), 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.

<u>Group Life Insurance Plans</u>

The Group Life Insurance Plans (the Plans) were 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 Plans. Generally, benefit plan provisions can only be amended through statutory change. Employees are eligible for coverage under the Plans, subject to their membership in one or more of the aforementioned eligible employment classes and any other conditions of eligibility that the Board 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 both active and retiree coverage and biennial actuarial valuations are performed for each plan within the program. 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, 2017 were calculated as part of a roll-forward actuarial valuation.

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

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, 2017, participation in the defined contribution plans was as follows:

	401(a) Plan	457 Plan	403(b) Plan
Employers	9	66	1
Participants	72	604	376

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

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 MainePERS. The Trustees of the System were named Trustees of the MainePERS OPEB Trust. Contributions are made to the Trust on an annual basis in the amount equal to the actuarially determined contribution amount.

Retiree Health Insurance Trust Fund

The Maine State Legislature established the Retiree Health Insurance Post Employment Investment Trust (Investment Trust Fund) as an irrevocable trust formed solely to hold and invest funds appropriated or otherwise provided to the Investment Trust 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 System were named Trustees of the Investment Trust Fund. Contributions are made to the Trust on an annual basis in the amount equal to the actuarially determined contribution amount.

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, 2016, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (US GAAP) requires management to make significant estimates and assumptions. These estimates affect the reported amounts of fiduciary net position 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 fiduciary net position during the reporting period and, when applicable, the disclosure of contingent assets and liabilities at the date of the financial statements, as reported in the notes to 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

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

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.

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 Paid and Refunds and Withdrawals

Pension and group life insurance benefits and contributions and premium refunds and withdrawals 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 fiduciary net position, as are investment expenses and administrative expenses. Assets of the Group Life Insurance Plans are pooled for investment purposes and are allocated to each plan based on each plan's fiduciary net position, as are investment expenses and administrative expenses. Other assets managed by the System are invested separately from the assets of the defined benefit pension plans and the group life insurance plan.

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.

Capital Assets

All capital assets with a unit cost of $5,000 or greater are capitalized and reported in the accompanying financial statements. Purchased capital 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.

Administrative Expenses

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

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.

Contributions to the Defined Benefit Plans from employers and non-employer contributing entities 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 Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* for the year ended June 30, 2017. 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. Adopting this statement required additional note disclosures related to OPEB as well as additional required supplemental schedules. The System began reporting the Group Life Insurance Plans as three distinct plans in the financial statements. Prior to adopting Statement No. 74, the System had reported one plan for group life insurance. There was no impact to the System's fiduciary net position as a result of this change.

The System adopted GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* for the year ended June 30, 2017. This statement amends GASB Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through certain cost-sharing multiple-employer defined benefit pension plans meeting the requirements in the statement. Adopting this statement had no impact on the System's financial reporting.

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 2017, GASB issued Statement No. 87, *Leases*. This statement establishes a single model for lease accounting for governments based on the principal that a lease is a financing of the right to use an underlying asset. The statement is effective with financial statements beginning after December 15, 2019. The System is currently evaluating the impact this guidance will have on its financial statements.

3. Cash and Cash Equivalents 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 for all defined benefit pension plan assets: public equities (30%), private equities (15%), traditional credit (7.5%), alternative credit (5%), real estate (10%), infrastructure (10%), natural resources (5%), US Government (7.5%), and risk diversifiers (10%). For the group life insurance plan assets, the policy identifies four investment classes and targets: public equities (70%), real estate (5%), traditional credit (16%), and US Government (9%).

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2015 *continued*

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 JP Morgan 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:

	2017	2016
Exposed to Custodial Credit Risk (uninsured and uncollateralized)	$ -	$ -
Not Exposed to Custodial Credit Risk	13,975,849,927	12,747,623,155
Total Fair Value	$ 13,975,849,927	$ 12,747,623,155

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:

	2017	2016
Cash and Cash Equivalents	$ 25,064,678	$ 31,217,841
Investments	13,950,785,249	12,716,405,314
Total Fair Value	$ 13,975,849,927	$ 12,747,623,155

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations to the System. The System has no formal policy on credit risk. The following table summarizes the System's aggregate fixed income portfolio credit ratings at June 30:

Moody's Quality Rating	2017	2016
Aaa	$ 2,215,353,977	$ 2,186,860,834
Aa1	289,083	–
Aa2	133,831,771	141,299,351
A	330,747,375	–
A2	–	351,015,152
Baa1	373,495,374	364,982,883
Baa2	27,376,136	30,266,873
Total credit risk debt	$ 3,081,093,716 (1)	$ 3,074,425,093 (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 2017, the amount included from common/collective trusts is $3,053,428,497; the amount included from mutual funds is $27,665,219.

(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 2016, the amount included from common/collective trusts is $3,036,463,253; the amount included from mutual funds is $37,961,840.

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *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.

Individual investments that constitute 5% or more of fiduciary net positon for the defined benefit pension plans administered by the System at June 30 are as follows:

	2017	2016
Pooled fixed income funds:		
BlackRock 0-5 Year TIPS	$ 1,020,258,202	$ 1,001,117,483

There were no individual investments that constitute 5% or more of fiduciary net positon for the other post-employment benefit plans administered by the System as of June 30, 2017.

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, 2017, 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, 2017			
Investment Type	Fair Value	Less than 1 Year	1 to 6 Years	6 to 10 Years	10+ Years
Common/ Collective Trusts	$ 3,053,428,497	$ 234,197,966	$ 2,007,629,236	$ 547,174,387	$ 264,426,908
Mutual Funds	27,665,219	14,627,587	-	13,037,632	-
Total	$ 3,081,093,716	$ 248,825,553	$ 2,007,629,236	$ 560,212,019	$ 264,426,908

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 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 U.S. 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, 2017 and 2016 *continued*

The System's direct and indirect exposure to foreign currency risk in U.S. dollars as of June 30, 2017 is highlighted in the following table:

Currency		Total
Australian Dollar	$	121,862,224
Bermuda Dollar		2,704,827
Brazilian Real		40,089,977
British Pound Sterling		309,374,706
Canadian Dollar		165,444,213
Chilean Peso		6,823,524
Chinese Yuan Renminbi		140,378,279
Colombian Peso		2,563,909
Czech Koruna		985,830
Danish Krone		31,616,575
Egyptian Pound		993,460
Euro		846,053,156
Hong Kong Dollar		83,768,676
Hungarian Forint		1,839,683
India Rupee		53,136,913
Indonesian Rupiah		14,907,427
Japanese Yen		410,750,556
Macau Pataca		2,166,957
Malaysian Ringgit		14,402,628
Mexican Peso		22,948,729
New Israeli Shekel		11,706,298
New Taiwan Dollar		75,059,851
New Zealand Dollar		3,103,441
Norwegian Krone		11,001,936
Pakistani Rupee		802,190
Papua New Guinean Kina		915,889
Peruvian Sol		285,664
Phillippine Peso		7,031,873
Polish Zloty		7,789,963
Qatar Riyal		4,049,218
Russian Ruble		18,916,161
Singapore Dollar		22,843,594
South African Rand		37,544,853
South Korean Won		94,250,950
Swedish Krona		50,932,258
Swiss Franc		156,835,864
Thai Baht		13,159,797
Turkish Lira		7,021,873
United Arab Emirates Dirham		4,479,441
Total	$	2,800,543,363

The System has entered into contracts to invest in common/collective trusts and partnerships with a focus on private equity, infrastructure, and real estate investment strategies. As of June 30, 2017, the value of these investments is approximately $4.3 billion and the remaining funding commitment is approximately $2.8 billion.

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

For the year ended June 30, 2017, the annual money-weighted rate of return on all defined benefit plan investments, net of pension plan investment expense, was 12.5%. For the year ended June 30, 2017, the annual money-weighted rate of return on all OPEB plan investments, net of pension plan investment expense, was 12.88%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested, based on monthly calculations.

The System categorizes its fair value measurements within the fair value hierarchy established by US GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are other significant observable inputs. Level 3 inputs are unobservable inputs. The System has the following recurring fair value measurements at June 30:

GASB 72 Disclosure		Fair Value Measurements Using		
	June 30, 2017	Level 1	Level 2	Level 3
Investments by fair value level				
Common Equity Securities	$ 2,803,727,386	$ 2,803,727,386	$ -	$ -
Common/Collective Trusts	6,802,126,877	-	6,802,126,850	-
Mutual Funds	289,082,747	289,082,747	-	-
Collateral from loaned securities	19,543,906	-	19,543,906	-
Total investments by fair value level	9,914,480,916	$ 3,092,810,133	$ 6,821,670,756	$ -
Investments measured at net asset value (NAV)				
Alternative Credit	132,641,219			
Infrastructure	1,112,730,413			
Natural Resources	477,507,847			
Private Equity	1,079,017,398			
Real Estate (1)	1,253,951,362			
Total investments measured at NAV	4,055,848,239			
Total investments measured at fair value	$ 13,970,329,155			

(1) Includes common/collective trust funds containing real estate.

GASB 72 Disclosure		Fair Value Measurements Using		
	June 30, 2016	Level 1	Level 2	Level 3
Investments by fair value level				
Common Equity Securities	$ 2,579,694,402	$ 2,579,694,402	$ -	$ -
Common/Collective Trusts	6,286,086,523	-	6,286,086,523	-
Mutual Funds	256,498,923	256,498,923	-	-
Collateral from loaned securities	108,482,475	-	108,482,475	
Total investments by fair value level	9,230,762,323	$ 2,836,193,325	$ 6,394,568,998	$ -
Investments measured at net asset value (NAV)				
Infrastructure	840,844,251			
Natural Resources	399,141,834			
Private Equity	1,034,685,633			
Real estate (1)	1,319,453,748			
Total investments measured at NAV	3,594,125,466			
Total investments measured at fair value	$ 12,824,887,789			

(1) Includes common/collective trust funds containing real estate.

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

Equity and Fixed Income Securities

Equity and fixed income securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The mutual funds classified in Level 1 of the fair value hierarchy are valued based on their holdings of equity and fixed income securities which are valued using prices quoted in active markets for those securities.

Investments Measured at NAV

Alternative investments are generally reported at the net asset value (NAV) obtained from statements provided by the investment managers and assessed by the System as reasonable.

NAVs determined by investment managers generally consider variables including operating results, projected cash flows, recent sales prices and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Due to the inherent uncertainties in valuation, the estimated fair values in NAV calculations may differ significantly from values that would have been used had a ready marked existed. Differences could be material.

The fair value method for investments measured at NAV per share (or its equivalent) is presented in the following tables:

	June 30, 2017	
Investments Measured at NAV	Fair Value	Unfunded Commitments
Alternative Credit (1)	$ 132,641,219	$ 46,519,372
Infrastructure funds (2)	1,112,730,413	366,746,623
Natural Resources (3)	477,507,847	294,627,100
Private Equity (4)	1,079,017,398	2,096,240,305
Real estate funds (5)	1,253,951,362	343,425,348
Total investments measured at NAV	$ 4,055,848,239	$ 3,147,558,748

	June 30, 2016	
Investments Measured at NAV	Fair Value	Unfunded Commitments
Infrastructure (2)	$ 840,844,251	$ 949,445,198
Natural Resources (3)	399,141,834	241,284,960
Private Equity (4)	1,034,685,633	1,597,629,668
Real estate (5)	1,319,453,748	361,800,352
Total investments measured at NAV	$ 3,594,125,466	$ 3,150,160,178

(1) Alternative Credit funds are funds that invest primarily in debt instruments issued by non-investment grade and unrated entities. Alternative credit investments are expected to pay or accrue periodic interest and to return principal at maturity. The fair values in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital.

(2) Infrastructure funds are funds that invest primarily in infrastructure assets such as roads, ports, pipelines, and airports, primarily in the US and Europe. The fair values in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. These funds are generally not available for redemption, and distributions are received as underlying investments within the funds are liquidated, which on average can occur over a span of 10 or more years.

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

(3) Natural Resource funds are funds that invest primarily in assets and businesses related to natural resources such as farming, timber, and mining. The fair values in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. These funds are generally not available for redemption, and distributions are received as underlying investments within the funds are liquidated, which on average can occur over a span of 10 or more years.

(4) Private Equity funds are funds that invest primarily in debt and equity securities of private businesses. The fair values in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. These funds are generally not available for redemption, and distributions are received as underlying investments within the funds are liquidated, which on average can occur over a span of 10 or more years.

(5) Real Estate funds are funds that invest primarily in commercial real estate and real estate debt. The fair values in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. The majority of these investments (85% of dollar value) are available for redemption, subject to the timing of asset disposition. The remaining funds are generally not available for redemption, and distributions are received as underlying investments within the funds are liquidated, which on average can occur over a span of 10 or more years.

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, 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.

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 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.

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.

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 System did not have any derivative investments as of June 30, 2017 or 2016 or during the years then ended.

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

5. Securities Lending

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 6 days and 1 day as of June 30, 2017 and 2016, respectively.

Cash collateral is invested in a short-term investment account which had an interest sensitivity of 11 and 10 days as of June 30, 2017 and 2016, 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 2017 and 2016, 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 in the event of 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 System's securities are not returned to it. 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, 2017 and 2016, 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 material credit risk.

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 are as follows:

	2017	2016
Domestic equity securities on loan	$ 65,665,101	$ 168,693,689
Aggregate securities lending collateral:		
Short-term investment collateral pool	$ 19,543,906	$ 108,482,475
Noncash collateral (debt and equity securities, at fair value)	47,655,294	64,728,274
Total collateral	$ 67,199,200	$ 173,210,749
Collateral ratio	102.3%	102.7%

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, 2017 there were 236 employers, including the State of Maine, participating in the plan. The

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

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:

	2017	2016
Current participants:		
Vested and non-vested	39,836	39,942
Terminated participants:		
Vested	8,010	7,783
Inactive due refunds	38,463	37,656
Retirees and beneficiaries receiving benefits	34,870	34,181
	121,179	119,562

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:

	2017	2016
Current participants:		
Vested and non-vested	63	62
Terminated participants:		
Vested	2	2
Inactive due refunds	1	1
Retirees and beneficiaries receiving benefits	75	74
	141	139

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:

	2017	2016
Current participants:		
Vested and non-vested	185	177
Terminated participants:		
Vested	120	121
Inactive due refunds	110	107
Retirees and beneficiaries receiving benefits	185	174
	600	579

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

PLD Consolidated Plan

The PLD Consolidated Plan administered by MainePERS is a multiple-employer cost sharing plan. Eligible employers (districts) are defined in Maine statute. As of June 30, 2017 there were 300 employers participating in the plan.

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

	2017	2016
Current participants:		
Vested and non-vested	11,195	11,019
Terminated participants:		
Vested	2,234	2,221
Inactive due refunds	7,274	6,849
Retirees and beneficiaries receiving benefits	9,006	8,847
	29,709	28,936

PLD Agent Plan

The PLD Agent Plan administered by MainePERS 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, 2017 there were 12 employers in the plan.

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

	2017	2016
Current participants:		
Vested and non-vested	19	21
Terminated participants:		
Vested	13	13
Inactive due refunds	2	2
Retirees and beneficiaries receiving benefits	174	172
	208	208

Benefits

Benefit terms are established in Maine statute; in the case of the PLD Consolidated Plan, an advisory group, also established by Maine 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.

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

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 2.45%.

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 Plan. 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 Plan 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 Plan. For participating employers in the PLD Agent Plan, the level percentage of payroll method is also used.

Net Pension Liability – State Employee and Teacher Plan

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, 2017, were as follows:

Total pension liability	$13,484.9
Plan fiduciary net position	10,893.3
Net pension liability	$ 2,591.6
Plan fiduciary net position as a percentage of the total pension liability	80.8%

Net Pension Liability – Judicial Plan

The components of the net pension asset of the State of Maine for the Judicial Plan, stated in millions of dollars as of June 30, 2017, were as follows:

Total pension liability	$ 65.0
Plan fiduciary net position	66.7
Net pension (asset)	$ (1.7)
Plan fiduciary net position as a percentage of the total pension liability	102.6%

Net Pension Liability – Legislative Plan

The components of the net pension asset of the State of Maine for the Legislative Plan, stated in millions of dollars as of June 30, 2017, were as follows:

Total pension liability	$ 8.2
Plan fiduciary net position	11.9
Net pension (asset)	$ (3.7)
Plan fiduciary net position as a percentage of the total pension liability	145.7%

Net Pension Liability – PLD Consolidated Plan

The components of the net pension liability of the PLD Consolidated Plan participating employers, stated in millions of dollars as of June 30, 2017, were as follows:

Total pension liability	$ 3,016.6
Plan fiduciary net position	2,607.2
Net pension liability	$ 409.4
Plan fiduciary net position as a percentage of the total pension liability	86.4%

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

Actuarial Methods and Assumptions

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.

Projections of benefits for financial reporting purposes are based on the provisions of the plans 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 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. One-third of the difference between this expected value of assets and the actual market value of assets is added to the expected value to provide the actuarial value of assets.

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

The initial unfunded actuarial 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, 2017 was 11 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, 2017, 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, 2016.

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan
Investment Rate of Return	6.875% per annum, compounded annually			
Inflation Rate	2.75%			
Annual Salary Increases, including Inflation	State employees, 2.75% - 8.75%; Teachers, 2.75% - 14.50%	2.75%	2.75%	2.75% - 9.00%
Cost of Living Benefit Increases	2.20%			
Mortality Rates	For active members and non-disabled retirees of the State employees, legislative, judicial, and PLD plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.			

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

The actuarial assumptions used in the June 30, 2017 and June 30, 2016 actuarial valuations were based on the results of an actuarial experience study for the period of June 30, 2012 to June 30, 2015.

The long-term expected rate of return on Defined Benefit 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 investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected 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 target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Public equities	6.0%
US Government	2.3
Private equity	7.6
Real assets	
Real estate	5.2
Infrastructure	5.3
Natural resources	5.0
Traditional Credit	3.0
Alternative Credit	4.2
Diversifiers	5.9

Discount Rate

The discount rate used to measure the total pension liability for each of the Defined Benefit Plans was 6.875%. 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 Defined Benefit 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 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 6.875%, as well as what the net pension liability would be if it were calculated using a discount rate of one percentage point lower (5.875%) or one percentage point higher (7.875%) than the current rate:

	1% Decrease (5.875%)	Current Rate (6.875%)	1% Increase (7.875%)
Net Pension Liability/(Asset):			
State Employee and Teacher Plan	$ 4,247,999,358	$ 2,591,594,648	$ 1,227,549,301
Judicial Plan	4,199,564	(1,710,006)	(6,809,148)
Legislative Plan	(2,899,011)	(3,732,915)	(4,455,575)
PLD Consolidated Plan	821,456,578	409,437,077	99,250,226

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

cost contributions are each a percentage of applicable member compensation. Member contribution rates are defined by law or MainePERS' 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 Employer and Non-employer Contributing Entities 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 $279.4 million and $257.3 million, and for judges in the total amount of $1.1 million and $1.1 million, for the years ended June 30, 2017 and 2016, respectively. There were no contributions due from the State of Maine on behalf of legislators in 2017 or 2016.

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 UAAL 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 2017 and 2016 are as follows:

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

	2017	2016
State:		
Employees[2]	7.65 – 8.65%	7.65 – 8.65%
Employer[2]	21.99 – 42.18%	21.64 – 41.59%
Teachers:		
Employees	7.65%	7.65%
Employer	3.66%	3.36%
Non-employer entity	10.02%	10.02%
Judges:		
Employees	7.65%	7.65%
Employer	14.98%	14.99%
Legislative:		
Employees	7.65%	7.65%
Employer	0.00%	0.00%
Participating local districts:		
Employees[2]	4.0 – 9.0%	4.0 – 9.0%
Employers[2]	4.6 – 14.2%	4.4 – 14.0%

(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.

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

7. Group Life Insurance Program

Plan Description

The Group Life Insurance Program administered by MainePERS is comprised of two multiple-employer cost-sharing defined benefit OPEB plans in addition to a multiple-employer cost-sharing plan providing life insurance benefits to active employees. Group Life Insurance Program coverage for active employees is available to eligible participants and includes basic insurance consisting 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 program. Beginning with the financial statements for the year ended June 30, 2017, the System began reporting each of the plans separately and in separate columns in the basic financial statements.

Group Life Insurance Plan for Retired State Employees and Teachers

The Group Life Insurance Plan for Retired State Employees and Teachers is a multiple-employer cost sharing plan with a special funding situation. As of June 30, 2017 there were 225 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 contributions for retired public school teachers in the plan.

Plan membership counts are based on the June 30, 2016 valuation and roll forward procedures to June 30, 2017 utilize the same information; plan membership counts for the Group Life Insurance Plan for Retired State Employees and Teachers as of the valuation date are as follows:

	2016
Retired State Employees	8,538
Retired Teachers	7,003
	15,541

Group Life Insurance Plan for Retired PLD Employees

The Group Life Insurance Plan for Retired PLD employees is a multiple-employer cost sharing plan. As of June 30, 2017 there were 130 employers participating in the plan.

Plan membership counts are based on the June 30, 2016 valuation and roll forward procedures to June 30, 2017 utilize the same information; plan membership counts for the Group Life Insurance Plan for Retired PLD Employees as of the valuation date are as follows:

	2016
Retired PLD Employees	2,671

Benefits

The Group Life Insurance Plans provide 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.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *continued*

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. PLD employers with 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.

Net OPEB Liability – State Employee and Teacher Plan

The components of the net OPEB liability of the State of Maine and participating teacher employers, stated in millions of dollars as of June 30, 2017, were as follows:

Total OPEB liability	$ 183.7
Plan fiduciary net position	86.9
Net OPEB liability	$ 96 8
Plan fiduciary net position as a percentage of the total OPEB liability	47.3%

Net OPEB Liability – PLD Plan

The components of the net OPEB liability of the PLD Plan participating employers, stated in millions of dollars as of June 30, 2017, were as follows:

Total OPEB liability	$ 31.8
Plan fiduciary net position	15.1
Net OPEB liability	$ 16 7
Plan fiduciary net position as a percentage of the total OPEB liability	47.4%

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 Schedule of Historical OPEB Information, presented as Required Supplementary Information immediately following the Notes to Financial Statements, will 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.

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

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June 30, 2017 and 2016 *continued*

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2017 and June 30, 2016 are displayed in the table below. The valuation date is June 30, 2016 projected to June 30, 2017.

	State employees, including judges and legislators	Teachers	PLD employees
Investment Rate of Return	6.875% per annum, compounded annually		
Inflation Rate	2.75%		
Annual Salary Increases, including Inflation	2.75% - 8.75%	2.75% - 14.50%	2.75% - 9.00%
Mortality Rates	For active members and non-disabled retirees of the State employees, legislative, judicial, and PLD plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant 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, 2017, there were 20 years remaining in the amortization schedule for state employees and teachers, and 13 years remaining for PLD employees.

The actuarial assumptions used in the June 30, 2017 and June 30, 2016 actuarial valuations were based on the results of an actuarial experience study conducted for the period of June 30, 2012 to June 30, 2015.

The long-term expected rate of return on Other Post-employment Benefit 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 investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected 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 long-term real rates of return for each major asset class included in the target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Public equity	6.0%
Real estate	5.2
Traditional credit	3.0
US Government securities	2.3

Discount Rate

The discount rate used to measure the total OPEB liability for the State Employee and Teacher Plan was 6.875%. The projection of cash flows used to determine the discount rate assumed that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the 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 investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The discount rate used to measure the total OPEB liability for the PLD Plan was 5.41% which is a blend of the assumed long-term expected rate of return of 6.875% and a municipal bond index rate of 3.58%, based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2017. Projections of the Plan's fiduciary net positon indicate that it is not expected to be sufficient to

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June 30, 2017 and 2016 *continued*

make projected benefit payments for current members beyond 2052. Therefore, the portion of future projected benefit payments after 2052 are discounted at the municipal bond index rate. The projection of cash flows used to determine the discount rate assumed that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined.

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

The following table presents the net OPEB liability for the State Employee and Teacher Plan calculated using the discount rate of 6.875%, as well as what the net OPEB liability would be if it were calculated using a discount rate of one percentage point lower (5.875%) or one percentage point higher (7.875%) than the current rate:

	1% Decrease (5.875%)	Current Rate (6.875%)	1% Increase (7.875%)
Net OPEB Liability	$ 123,486,316	$ 96,839,829	$ 75,183,622

The following table presents the net OPEB liability for the PLD Plan calculated using the discount rate of 5.41%, as well as what the net OPEB liability would be if it were calculated using a discount rate of one percentage point lower (4.41%) or one percentage point higher (6.41%) than the current rate:

	1% Decrease (4.41%)	Current Rate (5.41%)	1% Increase (6.41%)
Net OPEB Liability	$ 22,441,348	$ 16,721,502	$ 12,205,977

Premiums

The basic life benefits for participants are funded by the State, school districts, PLDs and individuals. Participants pay additional premiums for supplemental and dependent insurance based upon the coverage selected.

Maine statute requires 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 of Maine 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 Employer and Non-employer Contributions and 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 $8.0 and $7.8 million, respectively, for the years ended June 30, 2017 and 2016.

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.

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.

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016 *concluded*

Claims Processing Expenses

All benefits are processed and paid by a third-party administrator (TPA). The fees incurred for services performed by the TPA totaled $962,517 and $983,616 for the years ended June 30, 2017 and 2016, respectively, and are listed as claims processing expenses in the basic financial statements.

8. Statutory and Constitutional Requirements

An amendment to the Maine constitution approved in November 1995 requires the State of Maine to fund the unfunded actuarial liability of the State Employee and Teacher Retirement Plan 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 Plan 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.

9. The System's Employee Benefits

Defined Benefit Plan

The System, as the employer of its staff, is a PLD in the PLD Consolidated Plan. As such, the System's employees are required by statute to contribute 8.0% 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 PLD Consolidated Plan. The contribution rate was 9.5% of annual covered payroll for 2017 and 8.9% of annual covered payroll for 2016.

The employer contributions on behalf of its employees, equal to the required contribution, were $617,448 and $551,360 for 2017 and 2016, respectively. The actuarial assumptions used in the PLD Consolidated Plan valuation are described in the actuarial assumptions and methods footnote to the required supplementary information.

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 obligations in the System's basic financial statements.

Group Life Insurance Plan

The System, as the employer of its staff, is a PLD in the Group Life Insurance Plan. 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 2017 and 2016 fiscal years. The total premiums the System paid on behalf of its active employees, equal to the required contributions, were $33,609 and $31,261 for 2017 and 2016, respectively.

Other Post-Employment Benefits

The System provides OPEB to its retirees in the form of health insurance coverage and group life insurance coverage. The System's annual OPEB costs are actuarially determined based on the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*

The total contributions for retiree health insurance coverage, equal to the required contributions, were $0 for each year 2017, 2016, and 2015. The OPEB liability for this plan is immaterial and the Plan's assets exceed its actuarial liability at June 30, 2017 and 2016. 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 $5,943, $6,768 and $5,730, for 2017, 2016, and 2015, respectively. The OPEB liability for this plan is immaterial.

10. 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, 2017
(UNAUDITED)

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 213,047,075	$ 203,297,053	$ 191,528,649	$ 186,376,754
Interest	886,834,221	882,785,134	861,682,508	842,229,062
Changes of benefit terms	-	-	9,778,106	-
Differences between expected and actual experience	95,207,531	81,506,700	(44,287,643)	(17,694,276)
Changes of assumptions	-	30,436,605	-	167,650,573
Benefit payments, including refunds of member contributions	(780,157,263)	(744,357,598)	(722,573,349)	(689,053,212)
Net change in total pension liability	414,931,564	453,667,894	296,128,271	489,508,901
Total pension liability, beginning	13,069,954,948	12,616,287,054	12,320,158,783	11,830,649,882
Total pension liability, ending (a)	$ 13,484,886,512	$ 13,069,954,948	$ 12,616,287,054	$ 12,320,158,783
Plan fiduciary net position				
Contributions - member	$ 139,464,284	$ 125,523,986	$ 123,528,807	$ 121,033,152
Contributions - employer	211,037,365	199,212,719	173,935,492	162,920,147
Contributions - non-employer	116,080,164	112,477,836	147,283,716	142,303,104
Net investment income	1,256,043,735	40,540,758	191,829,057	1,517,432,345
Benefit payments, including refunds of member contributions	(780,325,980)	(744,523,743)	(722,724,258)	(689,191,030)
Administrative expenses	(9,216,027)	(8,649,030)	(9,386,695)	(8,246,740)
Other	(124,178)	(6,342,010)	-	-
Net change in fiduciary net position	932,959,363	(281,759,484)	(95,533,881)	1,246,250,978
Plan fiduciary net position, beginning	9,960,346,107	10,242,105,591	10,337,639,472	9,091,388,494
Plan fiduciary net position, ending (b)	$ 10,893,305,470	$ 9,960,346,107	$ 10,242,105,591	$ 10,337,639,472
Plan's net pension liability, ending (a)-(b)	$ 2,591,581,042	$ 3,109,608,841	$ 2,374,181,463	$ 1,982,519,311
Plan fiduciary net position as a percentage of the total pension liability	80.78%	76.21%	81.18%	83.91%
Covered payroll	$ 1,860,294,435	$ 1,816,435,084	$ 1,699,160,889	$ 1,676,857,294
Plan net pension liability as a percentage of covered payroll	139.31%	171.19%	139.73%	118.23%

See notes to historical pension and OPEB information.

* 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, 2017
(UNAUDITED)

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS *

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 1,465,977	$ 1,396,704	$ 1,605,751	$ 1,530,119
Interest	4,358,175	4,154,433	3,863,455	3,773,959
Changes of benefit terms	-	2,016,584	27,931	-
Differences between expected and actual experience	(893,352)	(1,745,956)	2,237,833	(324,891)
Changes of assumptions	-	2,489,800	-	426,150
Benefit payments, including refunds of member contributions	(3,651,927)	(3,501,911)	(3,383,995)	(3,219,480)
Net change in total pension liability	1,278,873	4,809,654	4,350,975	2,185,857
Total pension liability, beginning	63,721,271	58,911,617	54,560,642	52,374,785
Total pension liability, ending (a)	$ 65,000,144	$ 63,721,271	$ 58,911,617	$ 54,560,642
Plan fiduciary net position				
Contributions - member	$ 584,451	$ 549,845	$ 549,691	$ 528,192
Contributions - employer	1,144,445	1,077,545	979,281	932,223
Contributions - non-employer	-	-	-	-
Net investment income	7,799,507	129,372	1,055,346	8,416,042
Benefit payments, including refunds of member contributions	(3,651,927)	(3,501,911)	(3,383,995)	(3,219,480)
Administrative expenses	(56,436)	(47,577)	(49,399)	(41,681)
Other	-	6,342,010	-	-
Net change in fiduciary net position	5,820,040	4,549,284	(849,076)	6,615,296
Plan fiduciary net position, beginning	60,890,109	56,340,825	57,189,901	50,574,605
Plan fiduciary net position, ending (b)	$ 66,710,149	$ 60,890,109	$ 56,340,825	$ 57,189,901
Plan's net pension liability, ending (a)-(b)	$ (1,710,005)	$ 2,831,162	$ 2,570,792	$ (2,629,259)
Plan fiduciary net position as a percentage of the total pension liability	102.63%	95.56%	95.64%	104.82%
Covered payroll	$ 7,639,818	$ 7,188,426	$ 7,185,501	$ 6,742,444
Plan net pension liability as a percentage of covered payroll	-22.38%	39.39%	35.78%	-39.00%

See notes to historical pension and OPEB information.

* 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, 2017
(UNAUDITED)

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS *

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 264,807	$ 411,624	$ 451,393	$ 400,072
Interest	530,313	547,268	544,526	510,813
Changes of benefit terms	-	-	4,418	-
Differences between expected and actual experience	157,775	(245,867)	(508,125)	(46,483)
Changes of assumptions	-	(146,529)	-	85,783
Benefit payments, including refunds of member contributions	(469,043)	(445,331)	(439,112)	(317,606)
Net change in total pension liability	483,852	121,165	53,100	632,579
Total pension liability, beginning	7,679,458	7,558,293	7,505,193	6,872,614
Total pension liability, ending (a)	$ 8,163,310	$ 7,679,458	$ 7,558,293	$ 7,505,193
Plan fiduciary net position				
Contributions - member	$ 202,388	$ 137,893	$ 193,356	$ 139,501
Contributions - employer	-	-	4,418	3,857
Contributions - non-employer	-	-	-	-
Net investment income	1,366,222	47,890	206,454	1,622,296
Benefit payments, including refunds of member contributions	(469,043)	(445,331)	(439,112)	(317,606)
Administrative expenses	(10,003)	(9,353)	(9,584)	(7,975)
Other	-	-	-	-
Net change in fiduciary net position	1,089,564	(268,901)	(44,468)	1,440,073
Plan fiduciary net position, beginning	10,806,661	11,075,562	11,120,030	9,679,957
Plan fiduciary net position, ending (b)	$ 11,896,225	$ 10,806,661	$ 11,075,562	$ 11,120,030
Plan's net pension liability, ending (a)-(b)	$ (3,732,915)	$ (3,127,203)	$ (3,517,269)	$ (3,614,837)
Plan fiduciary net position as a percentage of the total pension liability	145.73%	140.72%	146.54%	148.16%
Covered payroll	$ 2,651,195	$ 2,590,011	$ 2,527,525	$ 2,534,740
Plan net pension liability as a percentage of covered payroll	-140.80%	-120.74%	-139.16%	-142.61%

See notes to historical pension and OPEB information.

* 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, 2017
(UNAUDITED)

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS *

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 76,271,766	$ 74,208,414	$ 75,805,492	$ 72,651,025
Interest	198,972,490	192,774,429	187,928,506	178,293,576
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(2,160,603)	(9,142,757)	(54,634,906)	19,939,857
Changes of assumptions	-	50,884,219	37,593,598	-
Benefit payments, including refunds of member contributions	(146,163,566)	(139,919,680)	(135,414,526)	(127,161,357)
Net change in total pension liability	126,920,087	168,804,625	111,278,164	143,723,101
Total pension liability, beginning	2,889,740,634	2,720,936,009	2,609,657,845	2,465,934,744
Total pension liability, ending (a)	$ 3,016,660,721	$ 2,889,740,634	$ 2,720,936,009	$ 2,609,657,845
Plan fiduciary net position				
Contributions - member	$ 46,080,851	$ 40,861,405	$ 37,202,921	$ 33,210,510
Contributions - employer	51,387,011	47,624,182	43,366,730	32,706,160
Refund of IUUAL account balances	-	-	(43,000,526)	-
Net investment income	299,780,948	10,200,342	46,075,304	361,125,177
Benefit payments, including refunds of member contributions	(146,163,566)	(139,919,680)	(135,414,526)	(127,161,358)
Administrative expenses	(2,209,324)	(2,028,294)	(2,117,266)	(1,779,304)
Other	(62,201)	(217,338)	-	-
Net change in fiduciary net position	248,813,719	(43,479,383)	(53,887,363)	298,101,185
Plan fiduciary net position, beginning	2,358,409,925	2,401,889,308	2,455,776,671	2,157,675,486
Plan fiduciary net position, ending (b)	$ 2,607,223,644	$ 2,358,409,925	$ 2,401,889,308	$ 2,455,776,671
Plan's net pension liability, ending (a)-(b)	$ 409,437,077	$ 531,330,709	$ 319,046,701	$ 153,881,174
Plan fiduciary net position as a percentage of the total pension liability	86.43%	81.61%	88.27%	94.10%
Covered payroll	$ 542,572,528	$ 521,870,235	$ 497,616,846	$ 460,029,637
Plan net pension liability as a percentage of covered payroll	75.46%	101.81%	64.11%	33.45%

See notes to historical pension and OPEB information.

* 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, 2017
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	$ 312,751,835	$ 301,891,511	$ 302,028,725	$ 304,328,386	$ 263,533,204	$ 252,019,252	$ 327,087,524	$ 317,030,874	$ 318,844,303	$ 304,149,938
Contributions in relation to the actuarially determined contribution	312,751,835	301,891,511	302,028,725	304,328,386	263,533,204	252,019,252	332,956,361	328,246,031	318,844,303	304,149,938
Contribution deficency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ (5,868,837)	$ (11,215,157)	$ -	$ -
Covered payroll	$ 1,860,294,435	$ 1,816,435,084	$ 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
Contributions as a percentage of covered payroll	16.81%	16.62%	17.78%	18.15%	15.75%	14.67%	20.26%	19.63%	18.76%	18.78%

See notes to historical pension and OPEB information.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULES

SCHEDULE OF HISTORICAL PENSION INFORMATION
JUDICIAL PLAN

June 30, 2017
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	$ 1,144,445	$ 1,077,545	$ 951,351	$ 932,223	$ 841,397	$ 810,721	$ 987,261	$ 961,083	$ 1,267,869	$ 1,211,358
Contributions in relation to the actuarially determined contribution	1,144,445	1,077,545	951,351	932,223	841,397	810,721	987,261	961,083	1,267,869	1,211,358
Contribution deficency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 7,639,818	$ 7,188,426	$ 7,185,501	$ 6,742,444	$ 6,742,444	$ 6,790,274	$ 6,790,233	$ 6,956,364	$ 6,718,453	$ 6,461,343
Contributions as a percentage of covered payroll	14.98%	14.99%	13.24%	13.83%	12.48%	11.94%	14.54%	13.82%	18.87%	18.75%

See notes to historical pension and OPEB information.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULES

SCHEDULE OF HISTORICAL PENSION INFORMATION
LEGISLATIVE PLAN

June 30, 2017
(UNAUDITED)

<u>SCHEDULE OF EMPLOYER CONTRIBUTIONS</u>
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 2,651,195	$ 2,590,011	$ 2,527,525	$ 2,534,740	$ 2,534,740	$ 2,424,480	$ 2,395,694	$ 2,384,083	$ 2,326,785	$ 2,254,173
Contributions as a percentage of covered 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 and OPEB information.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULES

SCHEDULE OF HISTORICAL PENSION INFORMATION
PLD CONSOLIDATED PLAN

June 30, 2017
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	$ 51,387,011	$ 46,968,321	$ 40,302,580	$ 35,263,952	$ 29,704,314	$ 25,056,574	$ 19,995,608	$ 15,384,689	$ 14,701,513	$ 13,699,552
Contributions in relation to the actuarially determined contribution	51,387,011	46,968,321	40,302,580	35,263,952	29,704,314	25,372,687	19,995,608	15,384,689	14,701,513	13,699,552
Contribution deficency (excess)	$ -	$ -	$ -	$ -	$ -	$ (316,113)	$ -	$ -	$ -	$ -
Covered payroll	$ 542,572,528	$ 521,870,235	$ 497,616,846	$ 460,029,637	$ 458,424,764	$ 474,828,262	$ 435,012,940	$ 395,747,663	$ 380,541,135	$ 360,693,816
Contributions as a percentage of covered payroll	9.47%	9.00%	8.10%	7.67%	6.48%	5.34%	4.60%	3.89%	3.86%	3.80%

See notes to historical pension and OPEB information.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTAL SCHEDULES

SCHEDULE OF HISTORICAL PENSION INFORMATION ALL DEFINED BENEFIT PLANS

June 30, 2017
(UNAUDITED)

SCHEDULE OF INVESTMENT RETURNS
*Last Ten Fiscal Years **

	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses	12.49%	0.48%	1.98%	16.66%

See notes to historical pension and OPEB 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 auditor's report.

REQUIRED SUPPLEMENTAL SCHEDULES

SCHEDULE OF HISTORICAL OPEB INFORMATION
STATE EMPLOYEE AND TEACHER PLAN

June 30, 2017
(UNAUDITED)

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

*Last Ten Fiscal Years **

	2017
Total OPEB liability	
Service cost	$ 2,065,283
Interest	12,014,739
Changes of benefit terms	–
Differences between expected and actual experience	–
Changes of assumptions	–
Benefit payments	(6,003,967)
Net change in total OPEB liability	8,076,055
Total OPEB liability, beginning	175,646,638
Total OPEB liability, ending (a)	$ 183,722,693
Plan fiduciary net position	
Contributions – members	$ –
Contributions – employers	6,921,228
Investment income	9,885,897
Benefits paid	(6,003,967)
Administrative expenses	(1,335,745)
Other	–
Net change in fiduciary net position	9,467,413
Plan fiduciary net position, beginning	77,415,451
Plan fiduciary net position, ending (b)	$ 86,882,864
Plan's net OPEB liability, ending (a)-(b)	$ 96,839,829
Plan fiduciary net position as a percentage of the total OPEB liability	47.29%
Covered payroll	$ 1,277,009,000
Plan net OPEB liability as a percentage of covered payroll	7.58%

See notes to historical pension and OPEB information.

*This information will be presented each year until 10 years of such information is available.
See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY SCHEDULES

SCHEDULE OF HISTORICAL OPEB INFORMATION
PLD CONSOLIDATED PLAN

June 30, 2017
(UNAUDITED)

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

	2017
Total OPEB liability	
Service cost	$ 619,735
Interest	1,616,253
Changes of benefit terms	–
Differences between expected and actual experience	–
Changes of assumptions	(5,591,242)
Benefit payments	(1,394,586)
Net change in total OPEB liability	(4,749,840)
Total OPEB liability, beginning	36,554,276
Total OPEB liability, ending (a)	$ 31,804,436
Plan fiduciary net position	
Contributions – members	$ –
Contributions – employers	1,037,124
Investment income	1,738,914
Benefits paid	(1,394,586)
Administrative expenses	(238,856)
Other	–
Net change in fiduciary net position	1,142,596
Plan fiduciary net position, beginning	13,940,338
Plan fiduciary net position, ending (b)	$ 15,082,934
Plan's net OPEB liability, ending (a)-(b)	$ 16,721,502
Plan fiduciary net position as a percentage of the total OPEB liability	47.42%
Covered payroll	$ 260,552,680
Plan net OPEB liability as a percentage of covered payroll	6.42%

See notes to historical pension and OPEB information.

*This information will be presented each year until 10 years of such information is available.

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY SCHEDULES

SCHEDULE OF HISTORICAL OPEB INFORMATION
STATE EMPLOYEE AND TEACHER PLAN

June 30, 2017
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
*Last Ten Fiscal Years**

		2017
Actuarially determined contribution	$	8,239,903
Contributions in relation to the actuarially determined contribution		6,921,228
Contribution deficiency	$	1,318,675
Covered payroll	$	1,277,009,000
Contributions as a percentage of covered payroll		0.54%

See notes to historical pension and OPEB information.

*This information will be presented each year until 10 years of such information is available.
See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL OPEB INFORMATION
PLD PLAN

June 30, 2017
(UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

		2017
Actuarially determined contribution	$	1,146,324
Contributions in relation to the actuarially determined contribution		1,037,124
Contribution deficiency	$	109,200
Covered payroll	$	260,552,680
Contributions as a percentage of covered payroll		0.40%

See notes to historical pension and OPEB information.

*This information will be presented each year until 10 years of such information is available.
See accompanying independent auditor’s report.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF HISTORICAL OPEB INFORMATION
ALL OPEB PLANS

June 30, 2017
(UNAUDITED)

SCHEDULE OF INVESTMENT RETURNS
Last Ten Fiscal Years *

	2017
Annual money-weighted rate of return, net of investment expenses	12.88%

See notes to historical pension and OPEB 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 auditor’s report.

NOTES TO HISTORICAL PENSION AND OPEB INFORMATION
June 30, 2017
(UNAUDITED)

1. **Basis of Presentation**

The schedule of investment returns for pension plans 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 Plans, including assets to provide life insurance benefits to active employees, are commingled for investment purposes but separately from the pension plan assets.

2. **Actuarial Methods and Assumptions – Defined Benefit Plans**

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, 2017, 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 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

An actuarial value of assets is used for determining employer contributions. The use of an actuarial value of assets for this purpose helps mitigate volatility in contribution rates that might otherwise occur due to fluctuations in market conditions. 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 6 to the Financial Statements). The net pension liabilities of the Legislative Plan and the Judicial Plan are amortized on a level percentage of payroll over open ten year periods.

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 AND OPEB INFORMATION
June 30, 2017
(UNAUDITED)

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30 for each year indicated are as follows:

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan
Investment Rate of Return	Per annum, compounded annually: 6.875% for June 30, 2017 and June 30, 2016; 7.125% for June 30, 2015 and June 30, 2014, except 7.25% for June 30, 2014 for the PLD Consolidated Plan			
Inflation Rate	2.75% for June 30, 2017 and June 30, 2016; 3.50% for June 30, 2015 and June 30, 2014			
Annual Salary Increases, including Inflation	For the periods ended June 30, 2017 and June 30, 2016:			
	State employees, 2.75% - 8.75%; Teachers, 2.75% - 14.50%	2.75%	2.75%	2.75% - 9.00%
	For the periods ended June 30, 2015 and June 30, 2014:			
	State employees, 3.50% - 10.50%; Teachers, 3.50% - 13.50%	3.50%	3.50%	3.50% - 9.50%
Cost of Living Benefit Increases	2.20% for June 30, 2017 and June 30, 2016; 2.55% for June 30, 2015 and June 30, 2014, except 3.12% for June 30, 2014 for the PLD Consolidated Plan			
Mortality Rates	For the periods ended June 30, 2017 and June 30, 2016:			
	For active members and non-disabled retirees of the State employees, legislative, judicial, and PLD plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.			
	For the periods ended June 30, 2015 and June 30, 2014:			
	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.			

3. Actuarial Methods and Assumptions – Group Life Insurance Plans

The actuarial assumptions used in the June 30, 2016 and 2017 valuations were based on the results of an actuarial experience study for the period of June 30, 2012 to June 30, 2015. The actuarial assumptions used in the June 30, 2014 and 2015 valuations were based on the results of an actuarial experience study for the period of July 1, 2005 to June 30, 2010.

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

The information in the historical Group Life Insurance Plan information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, June 30, 2017, 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.

NOTES TO HISTORICAL PENSION AND OPEB INFORMATION
June 30, 2017
(UNAUDITED)

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.

Asset Valuation Method

Asset amounts are taken as reported to the actuaries by the System without audit or change, except that State of Maine 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 payroll over a 30-year period on a closed basis. As of June 30, 2017, there were 20 years remaining in the amortization schedule for state employees and teachers, and 13 years remaining for PLD employees.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30 for each year indicated are as follows:

	State employees, including judges and legislators	Teachers	PLD employees
Investment Rate of Return	Per annum, compounded annually: 6.875%		
Inflation Rate	2.75%		
Annual Salary Increases, including Inflation	2.75% - 8.75%	2.75% - 14.50%	2.75% - 9.00%
Mortality Rates	For active members and non-disabled retirees of the State employees, legislative, judicial, and PLD plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant 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		

ADDITIONAL SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT EXPENSES
For the Year Ended June 30, 2017
(UNAUDITED)

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan	Group Li e Insurance Plan - Actives	Group Li e Insurance Plan - State/ Teacher Retirees	Group Li e Insurance Plan - PLD Retirees	Defined Contribution Plans	MainePERS OPEB Trust	Retiree Health Insurance Trust	Total
Infrastructure												
Alinda Infrastructure	502,163	3,078	545	119,658	1,671	-	-	-	-	-	-	627,115
ArcLight V	511,108	3,133	555	121,789	1,701	-	-	-	-	-	-	638,286
ArcLight VI	1,711,605	10,491	1,859	407,850	5,695	-	-	-	-	-	-	2,137,500
Brookfield Infrastructure II	1,004,800	6,159	1,091	239,429	3,343	-	-	-	-	-	-	1,254,822
Brookfield Infrastructure III	1,006,982	6,172	1,094	239,949	3,351	-	-	-	-	-	-	1,257,548
Carlyle Infrastructure	164,766	1,010	179	39,261	548	-	-	-	-	-	-	205,764
Cube Infrastructure	356,035	2,182	387	84,838	1,185	-	-	-	-	-	-	444,627
First Reserve Energy Infrastructure	450,020	2,758	489	107,233	1,497	-	-	-	-	-	-	561,997
First Reserve Energy Infrastructure II	692,318	4,243	752	164,969	2,304	-	-	-	-	-	-	864,586
Global Infrastructure	209,032	1,281	227	49,809	696	-	-	-	-	-	-	261,045
Global Infrastructure II	603,969	3,702	656	143,917	2,010	-	-	-	-	-	-	754,254
Global Infrastructure III	1,950,499	11,955	2,118	464,775	6,490	-	-	-	-	-	-	2,435,837
IFM Global Infrastructure	1,851,130	11,346	2,010	441,097	6,160	-	-	-	-	-	-	2,311,743
KKR Infrastructure	375,514	2,302	408	89,479	1,250	-	-	-	-	-	-	468,953
KKR Infrastructure II	1,882,236	11,537	2,044	448,509	6,263	-	-	-	-	-	-	2,350,589
Meridiam Europe I	64,650	396	70	15,405	215	-	-	-	-	-	-	80,736
Meridiam Europe II	155,123	951	168	36,964	516	-	-	-	-	-	-	193,722
Meridiam Europe III	671,108	4,113	729	159,915	2,233	-	-	-	-	-	-	838,098
Meridiam NA II	720,676	4,417	783	171,726	2,398	-	-	-	-	-	-	900,000
Meridiam NA II Secondary	192,180	1,178	209	45,794	639	-	-	-	-	-	-	240,000
Stonepeak	1,681,577	10,307	1,826	400,695	5,595	-	-	-	-	-	-	2,100,000
Natural Resources												
Agriculture Cultural Management (ACM)	438,387	2,687	476	104,461	1,459	-	-	-	-	-	-	547,470
Agriculture Cultural Management II (ACM)	462,472	2,835	502	110,200	1,539	-	-	-	-	-	-	577,548
Amerra III	731,722	4,485	795	174,359	2,435	-	-	-	-	-	-	913,796
Homestead Farmland II	538,548	3,301	585	128,328	1,792	-	-	-	-	-	-	672,554

ADDITIONAL SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT EXPENSES
For the Year Ended June 30, 2017
(UNAUDITED)

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan	Group Li e Insurance Plan - Actives	Group Li e Insurance Plan - State/ Teacher Retirees	Group Li e Insurance Plan - PLD Retirees	Defined Contribution Plans	MainePERS OPEB Trust	Retiree Health Insurance Trust	Total
IFC US Farming	746,841	4,578	811	177,961	2,485	-	-	-	-	-	-	932,676
Orion II	660,619	4,049	717	157,416	2,198	-	-	-	-	-	-	824,999
Taurus Annex	134,501	824	146	32,050	448	-	-	-	-	-	-	167,969
Taurus Mining	500,469	3,067	544	119,254	1,665	-	-	-	-	-	-	624,999
Other Investments												
Grantham, Mayo, Van Oterloo (GMO)	2,435,122	14,925	2,645	580,254	8,103	-	-	-	-	-	-	3,041,049
Windham Capital	1,624,600	9,957	1,764	387,118	5,406	-	-	-	-	-	-	2,028,845
Domestic equity												
Blackrock Extended Equity	-	-	-	-	-	369	3,844	677	-	626	10,686	16,202
Blackrock DJ Total Stock Market	835,742	5,122	908	199,145	2,781	-	-	-	-	-	-	1,043,698
International Equity												
Blackrock ACWI EX_US	595,811	3,652	647	141,973	1,983	558	5,820	1,025	-	823	14,573	766,865
Fixed income												
Blackrock Custom Fixed Income	243,457	1,492	264	58,012	810	-	-	-	-	-	-	304,035
Blackrock US Debt Index Fund B	-	-	-	-	-	1,145	11,943	2,103	-	1,640	29,424	46,255
Private equity												
ABRY ASE IV	320,300	1,963	348	76,323	1,066	-	-	-	-	-	-	400,000
ABRY ASE V	480,450	2,945	522	114,484	1,599	-	-	-	-	-	-	600,000
ABRY ASF II	144,918	888	157	34,532	482	-	-	-	-	-	-	180,977
ABRY ASF III	113,364	695	123	27,013	377	-	-	-	-	-	-	141,572
ABRY Heritage	65,050	399	71	15,500	216	-	-	-	-	-	-	81,236
ABRY Partners VII	58,067	356	63	13,837	193	-	-	-	-	-	-	72,516
ABRY Partners VIII	320,300	1,963	348	76,323	1,066	-	-	-	-	-	-	400,000
Advent GPE VII	229,629	1,407	249	54,717	764	-	-	-	-	-	-	286,766
Advent GPE VIII	684,513	4,196	743	163,109	2,278	-	-	-	-	-	-	854,839
Advent LAPEF VI	320,300	1,963	348	76,323	1,066	-	-	-	-	-	-	400,000
Affinity Asia Pacific IV	831,306	5,095	903	198,088	2,766	-	-	-	-	-	-	1,038,158
Berkshire VIII	235,088	1,441	255	56,018	782	-	-	-	-	-	-	293,584

ADDITIONAL SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT EXPENSES
For the Year Ended June 30, 2017
(UNAUDITED)

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan	Group Li e Insurance Plan - Actives	Group Li e Insurance Plan - State/ Teacher Retirees	Group Li e Insurance Plan - PLD Retirees	Defined Contribution Plans	MainePERS OPEB Trust	Retiree Health Insurance Trust	Total
Berkshire IX	437,367	2,681	475	104,218	1,455	-	-	-	-	-	-	546,196
Blackstone Capital Partners VI	124,092	761	135	29,569	413	-	-	-	-	-	-	154,970
Blackstone Capital Partners VII	428,802	2,628	466	102,177	1,427	-	-	-	-	-	-	535,500
Carlyle Asia Partners III	36,318	223	39	8,654	121	-	-	-	-	-	-	45,355
Carlyle Asia Partners IV	719,683	4,411	782	171,490	2,395	-	-	-	-	-	-	898,761
Carlyle Power Partners II	559,754	3,431	608	133,381	1,863	-	-	-	-	-	-	699,037
Centerbridge III	359,842	2,206	391	85,745	1,197	-	-	-	-	-	-	449,381
Charterhouse VIII	(17,461)	(107)	(19)	(4,161)	(58)	-	-	-	-	-	-	(21,806)
Charterhouse IX	30,809	189	33	7,341	103	-	-	-	-	-	-	38,475
Charterhouse X	1,655,520	10,147	1,798	394,486	5,509	-	-	-	-	-	-	2,067,460
CVC Capital VI	750,074	4,597	815	178,732	2,496	-	-	-	-	-	-	936,714
Encap Energy VIII	233,187	1,429	253	55,565	776	-	-	-	-	-	-	291,210
Encap Energy IX	263,676	1,616	286	62,830	877	-	-	-	-	-	-	329,285
Encap Energy X	480,450	2,945	522	114,484	1,599	-	-	-	-	-	-	600,000
Encap Flatrock Midstream III	240,225	1,472	261	57,242	799	-	-	-	-	-	-	299,999
GTCR X	360,338	2,209	391	85,863	1,199	-	-	-	-	-	-	450,000
GTCR XI	420,394	2,577	457	100,174	1,399	-	-	-	-	-	-	525,001
Hellman & Friedman PE VII	116,810	716	127	27,834	389	-	-	-	-	-	-	145,876
Hellman & Friedman PE VIII	650,390	3,986	706	154,978	2,164	-	-	-	-	-	-	812,224
HIG Bayside III Europe	373,183	2,287	405	88,924	1,242	-	-	-	-	-	-	466,041
HIG Bayside Loan Opp II	480,450	2,945	522	114,484	1,599	-	-	-	-	-	-	600,000
HIG Brazil	1,201,126	7,362	1,305	286,211	3,997	-	-	-	-	-	-	1,500,001
HIG Capital Europe II	280,263	1,718	304	66,782	933	-	-	-	-	-	-	350,000
HIG Capital V	240,225	1,472	261	57,242	799	-	-	-	-	-	-	299,999
HIG Buyouts II	400,375	2,454	435	95,404	1,332	-	-	-	-	-	-	500,000
HIG Middle Market LBO II	640,601	3,926	696	152,646	2,132	-	-	-	-	-	-	800,001
Inflexion Buyout IV	520,790	3,192	566	124,096	1,733	-	-	-	-	-	-	650,377
Inflexion Capital I	338,185	2,073	367	80,585	1,125	-	-	-	-	-	-	422,335
Inflexion Supplemental IV	18,488	113	20	4,405	62	-	-	-	-	-	-	23,088

ADDITIONAL SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT EXPENSES
For the Year Ended June 30, 2017
(UNAUDITED)

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan	Group Li e Insurance Plan - Actives	Group Li e Insurance Plan - State/ Teacher Retirees	Group Li e Insurance Plan - PLD Retirees	Defined Contribution Plans	MainePERS OPEB Trust	Retiree Health Insurance Trust	Total
Kelso VIII	15,022	92	16	3,580	50	-	-	-	-	-	-	18,760
Kelso IX	692,393	4,244	752	164,987	2,304	-	-	-	-	-	-	864,680
KKR North America	477,999	2,930	519	113,900	1,591	-	-	-	-	-	-	596,939
KKR Special Situations I	760,959	4,664	826	181,325	2,532	-	-	-	-	-	-	950,306
KKR Special Situations II	356,950	2,188	388	85,056	1,188	-	-	-	-	-	-	445,770
Oaktree	141,600	868	154	33,741	471	-	-	-	-	-	-	176,834
Onex ONCAP IV	156,279	958	170	37,239	520	-	-	-	-	-	-	195,166
Onex Partners III	42,403	260	46	10,104	141	-	-	-	-	-	-	52,954
Onex Partners IV	808,885	4,958	879	192,745	2,692	-	-	-	-	-	-	1,010,159
Paine & Partners	921,201	5,646	1,001	219,509	3,065	-	-	-	-	-	-	1,150,422
Rhone V	872,774	5,349	948	207,969	2,904	-	-	-	-	-	-	1,089,944
Riverside Capital Appreciation VI	960,901	5,890	1,044	228,968	3,197	-	-	-	-	-	-	1,200,000
Riverside Micro-Cap III	707,314	4,335	768	168,543	2,354	-	-	-	-	-	-	883,314
Riverside Micro-Cap IV	1,624,138	9,955	1,764	387,008	5,404	-	-	-	-	-	-	2,028,269
Shoreview Capital III	384,360	2,356	417	91,587	1,279	-	-	-	-	-	-	479,999
Sovereign Capital	922,289	5,653	1,002	219,768	3,069	-	-	-	-	-	-	1,151,781
Summit GE VIII	540,507	3,313	587	128,795	1,799	-	-	-	-	-	-	675,001
Summit Partners Credit II	320,300	1,963	348	76,323	1,066	-	-	-	-	-	-	400,000
Summit VC III	253,362	1,553	275	60,373	843	-	-	-	-	-	-	316,406
Summit VC IV	364,044	2,231	395	86,746	1,211	-	-	-	-	-	-	454,627
TCV VIII	955,111	5,854	1,037	227,589	3,178	-	-	-	-	-	-	1,192,769
TCV IX	271,428	1,664	295	64,677	903	-	-	-	-	-	-	338,967
Thoma Bravo Special Opportunities II	120,113	736	130	28,621	400	-	-	-	-	-	-	150,000
Thoma Bravo XI	800,751	4,908	870	190,807	2,665	-	-	-	-	-	-	1,000,001
Thoma Bravo XII	720,676	4,417	783	171,726	2,398	-	-	-	-	-	-	900,000
Tillridge II	347,451	2,130	377	82,792	1,156	-	-	-	-	-	-	433,906
Water Street Healthcare III	284,572	1,744	309	67,809	947	-	-	-	-	-	-	355,381
Wayzata OPP III	360,338	2,209	391	85,863	1,199	-	-	-	-	-	-	450,000
Wynnchurch IV	640,601	3,926	696	152,646	2,132	-	-	-	-	-	-	800,001

ADDITIONAL SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT EXPENSES
For the Year Ended June 30, 2017

(UNAUDITED)

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan	Group Li e Insurance Plan - Actives	Group Li e Insurance Plan - State/ Teacher Retirees	Group Li e Insurance Plan - PLD Retirees	Defined Contribution Plans	MainePERS OPEB Trust	Retiree Health Insurance Trust	Total
Real estate												
Blackrock US Real Estate Securities Fund B	-	-	-	-	-	369	3,844	677	-	641	10,048	15,579
BREP VII	593,249	3,636	644	141,362	1,974	-	-	-	-	-	-	740,865
BREP VIII	600,563	3,681	652	143,105	1,998	-	-	-	-	-	-	749,999
H/2 Credit Partners	791,052	4,849	859	188,496	2,632	-	-	-	-	-	-	987,888
Harrison Street Real Estate	643,438	3,944	699	153,322	2,141	-	-	-	-	-	-	803,544
High Street IV	292,806	1,795	318	69,771	974	-	-	-	-	-	-	365,664
High Street V	262,425	1,608	285	62,532	873	-	-	-	-	-	-	327,723
Invesco US Income	1,114,581	6,831	1,211	265,588	3,709	-	-	-	-	-	-	1,391,920
JP Morgan	1,163,638	7,132	1,264	277,278	3,872	-	-	-	-	-	-	1,453,184
KKR REPA I	500,950	3,070	544	119,369	1,667	-	-	-	-	-	-	625,600
KKR REPE	353,302	2,165	384	84,187	1,176	-	-	-	-	-	-	441,214
Mesa West Core	636,451	3,901	691	151,657	2,118	-	-	-	-	-	-	794,818
PMIT	131,595	807	143	31,357	438	-	-	-	-	-	-	164,340
Principal Global Investors	660,183	4,046	717	157,312	2,197	-	-	-	-	-	-	824,455
Prudential Real Estate (PRISA)	833,460	5,108	905	198,601	2,773	-	-	-	-	-	-	1,040,847
Prudential Senior Housing V	897,099	5,498	974	213,765	2,985	-	-	-	-	-	-	1,120,321
Rubenstein III	510,789	3,131	555	121,713	1,700	-	-	-	-	-	-	637,888
Smart Markets	873,856	5,356	949	208,227	2,908	-	-	-	-	-	-	1,091,296
Walton Street RE VII	539,115	3,304	586	128,463	1,794	-	-	-	-	-	-	673,262
Walton Street RE VIII	80,506	493	87	19,183	268	-	-	-	-	-	-	100,537
Westbrook IX	123,155	755	134	29,346	410	-	-	-	-	-	-	153,800
Westbrook X	516,679	3,167	561	123,117	1,719	-	-	-	-	-	-	645,243
Other investment expenses	13,217	81	14	3,149	44	-	-	-	48,325	-	-	64,830
In-house investment management	4,139,799	25,373	4,499	986,459	13,773	3,169	33,062	5,824	-	4,559	-	5,216,517
Total Investment Expenses	**$ 74,949,652**	**$ 459,380**	**$ 81,402**	**$ 17,859,395**	**$ 249,397**	**$ 5,610**	**$ 58,513**	**$ 10,306**	**$ 48,325**	**$ 8,289**	**$ 64,731**	**$ 93,795,000**

ADDITIONAL SUPPLEMENTARY INFORMATION
SCHEDULE OF ADMINISTRATIVE EXPENSES
For the Year Ended June 30, 2017
(UNAUDITED)

	State Employee and Teacher Plan	Judicial Plan	Legislative Plan	PLD Consolidated Plan	PLD Agent Plan	Group Life Insurance Plan Active	Group Life Insurance Retired SETP	Group Life Insurance Retired PLD	Defined Contribution Plans	Retiree Health Insurance Trust	Total
Personal services	$ 5,415,050	$ 33,160	$ 5,877	$ 1,298,130	$ 2,353	$ 32,985	$ 341,166	$ 61,280	$ 109,510	$ 3,434	$ 7,302,945
Professional services	1,503,622	9,208	1,632	360,458	653	9,159	94,733	17,016	30,408	953	2,027,842
Communications	291,257	1,784	316	69,822	127	1,774	18,350	3,296	5,890	185	392,801
Computer support and system developm	206,901	1,267	225	49,601	90	1,260	13,035	2,341	4,184	131	279,035
Office rent and building operations	196,488	1,203	213	47,103	85	1,197	12,379	2,224	3,974	125	264,991
Miscellaneous:											
Computer maintenance and supplie	676,783	4,144	736	162,242	293	4,123	42,639	7,659	13,687	429	912,735
Depreciation	577,000	3,533	626	138,322	251	3,515	36,353	6,530	11,669	366	778,165
Office equipment and supplies	22,561	138	24	5,408	10	137	1,421	255	456	14	30,424
Professional development	53,563	328	58	12,841	23	326	3,375	606	1,083	34	72,237
Medical records and exams	22,853	140	25	5,478	10	139	1,440	259	462	14	30,820
Miscellaneous operating expenses	249,950	1,531	271	59,919	110	1,523	15,750	2,828	5,055	159	337,096
Total miscellaneous	1,602,710	9,814	1,740	384,210	697	9,763	100,978	18,137	32,412	1,016	2,161,477
Total administrative expenses	$ 9,216,028	$ 56,436	$ 10,003	$ 2,209,324	$ 4,005	$ 56,138	$ 580,641	$ 104,294	$ 186,378	$ 5,844	$ 12,429,091

ADDITIONAL SUPPLEMENTARY INFORMATION
SCHEDULE OF PROFESSIONAL FEES
For the Year Ended June 30, 2017
(UNAUDITED)

Professional fees:	
Audit	$ 75,950
Actuarial services	415,650
IT service	727,550
Legal services	160,253
Medical consulting	166,087
Other services	482,352
Total professional fees	$ 2,027,842

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INVESTMENT SECTION

Photo by Daly Grogan

CAMBRIDGE C|A ASSOCIATES

December 21, 2017

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. Per the MainePERS' Investment Policy Statement, the portfolio's investment objectives attempt to balance the System's twin goals of generating investment returns (to ensure growth of the trust funds) and minimizing investment risks (loss of capital and cash flow shortfalls). It is our understanding that all performance 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.

ARL NGTON
BEIJING
BOSTON
DALLAS
LONDON
MENLO PARK
S NGAPORE
SYDNEY

Sincerely,

Brian M. McDonnell
Managing Director

125 High Street | Boston, Massachusetts 02110-2112 | tel 617 457 7500 | fax 617 457 7501 | www.cambridgeassociates.com

INVESTMENT ACTIVITY

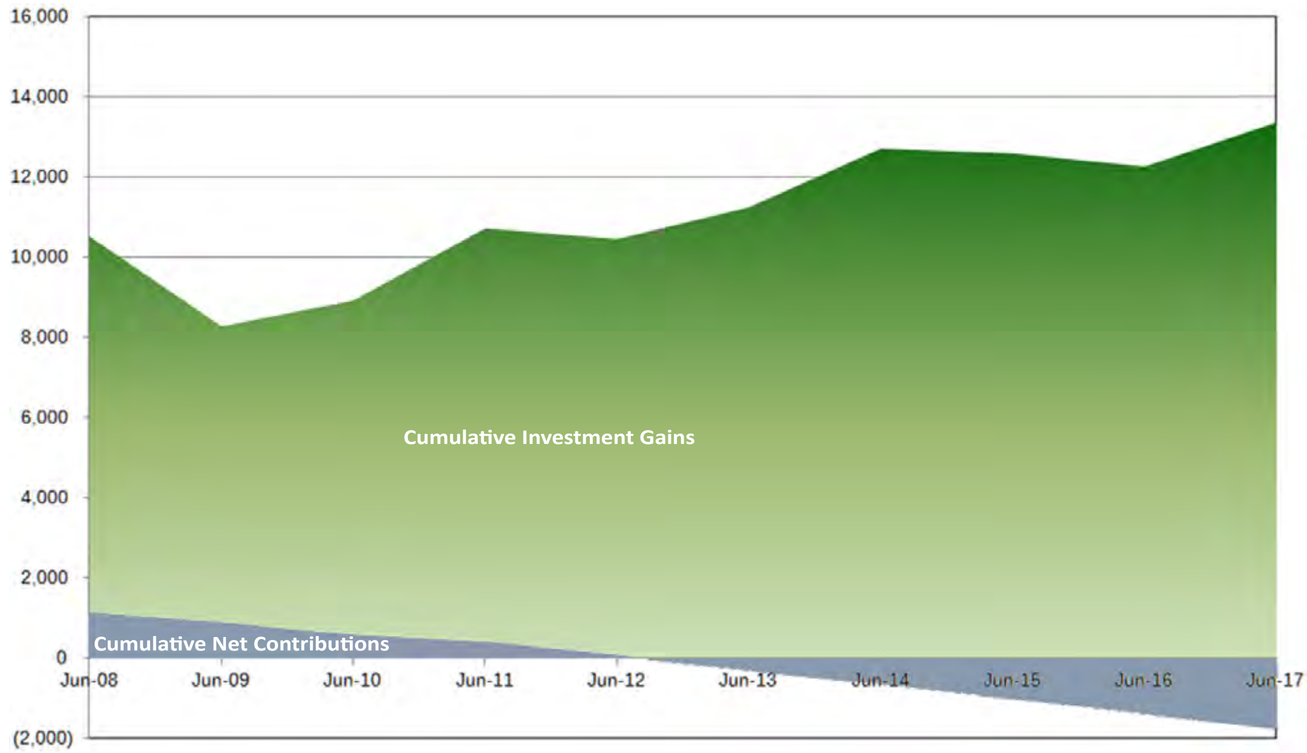
The table and graph below summarize the defined benefit portfolio activity for the ten years ended June 30, 2017. During this period, assets grew by $2.4 billion from $11.0 billion to $13.4 billion. Substantially all of this increase is attributable to net investment gains. In the year ended June 30, 2017, 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
2017	$12,283	$13,385	12.5%
2016	$12,610	$12,283	0.6%
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%
		Annualized 10-year period	4.9%
		Cumulative 10-year period	61.1%

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.

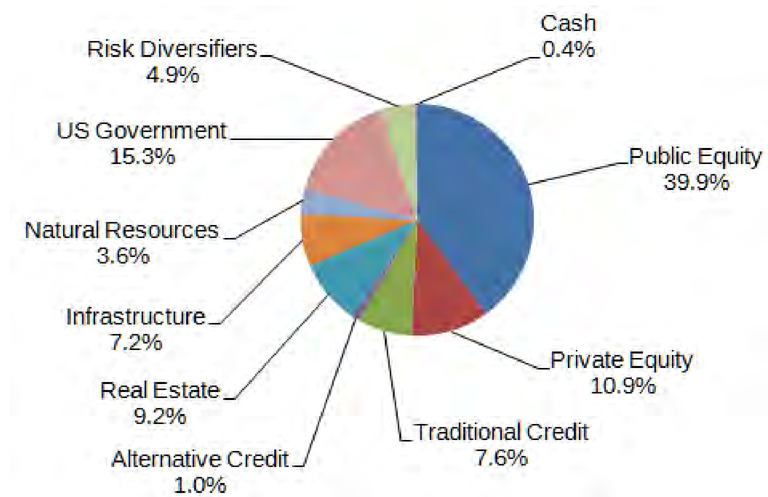
The System invests essentially all of the plan assets in a number of major asset classes: Cash and Cash-like Securities, Public Equity, Private Equity, Risk Diversifiers, Real Estate, Infrastructure, Natural Resources, Traditional Credit, Alternative Credit, and US Government Securities. MainePERS may use derivative positions to emulate these asset classes. The table and pie charts on the following page display the actual allocations at June 30, 2017. MainePERS assigns acceptable ranges and target allocations for each asset class. The current strategic targets are 30% Public Equity, 15% Private Equity, 10% Risk Diversifiers, 10% Real Estate, 10% Infrastructure, 5% Natural Resources, 7.5% Traditional Credit, 5% Alternative Credit, and 7.5% US Government Securities.

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.

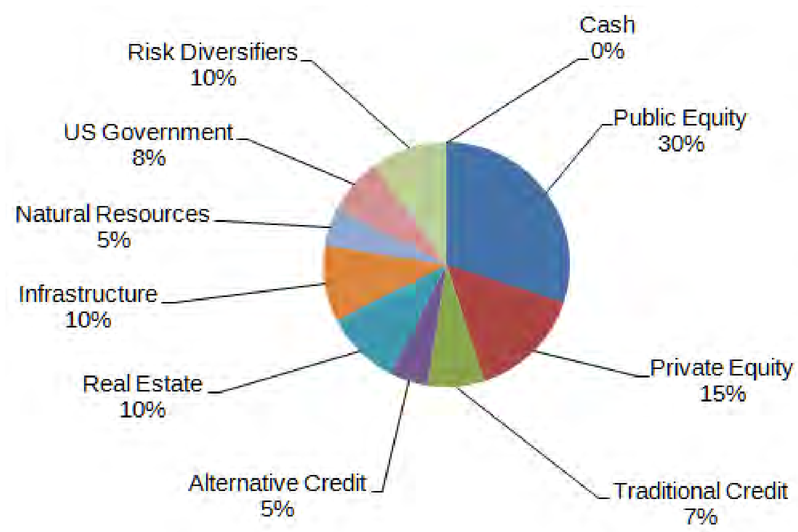
STRATEGIC ASSET ALLOCATION

	Public Equity	Private Equity	Traditional Credit	Alternative Credit	Real Estate	Infrastructure	Natural Resources	US Government	Risk Diversifiers	Cash	Total
Actual Allocation	40.0%	10.9%	7.6%	1.0%	9.2%	7.2%	3.6%	15.3%	4.9%	0.4%	100.0%
Target Allocation	30.0%	15.0%	7.5%	5.0%	10.0%	10.0%	5.0%	7.5%	10.0%	0.0%	100.0%

Actual Allocation at June 30, 2017



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 2017, the System changed its target allocation to 30% Public Equity, 15% Private Equity, 10% Risk Diversifiers, 10% Real Estate, 10% Infrastructure, 5% Natural Resources, 7.5% Traditional Credit, 5% Alternative Credit, and 7.5% US Government Securities. While the Board has approved the new Asset Allocation targets, it will take several years to implement and fully fund the new 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 80% 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 63% of assets were invested in passively managed index funds at June 30, 2017. 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 2017, 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 06/30/2017		at 06/30/2016	
	millions of dollars	% of assets	millions of dollars	% of assets
Public Equity				
BlackRock	$ 5,350	40.0%	$ 5,177	42.2%
Total Public Equity	**$ 5,350**	**40.0%**	**$ 5,177**	**42.2%**
Traditional Credit				
BlackRock	$ 1,012	7.6%	$ 1,012	8.2%
Total Traditional Credit	**$ 1,012**	**7.6%**	**$ 1,012**	**8.2%**
US Government				
BlackRock	$ 2,042	15.3%	$ 2,024	16.5%
Total US Government	**$ 2,042**	**15.3%**	**$ 2,024**	**16.5%**
Private Equity				
ABRY Advanced Securities Fund II	$ 8	0.1%	$ 14	0.1%
ABRY Advanced Securities Fund III	15	0.1%	11	0.1%
ABRY Senior Equity IV	9	0.1%	8	0.1%
ABRY Senior Equity V	1	0.0%	-	0.0%
ABRY Heritage	2	0.0%	-	0.0%
ABRY VII	6	0.0%	10	0.1%
ABRY VIII	16	0.1%	11	0.1%
Advent International GPE VII	28	0.2%	29	0.2%
Advent International GPE VIII	12	0.1%	-	0.0%
Advent LAPEF VI	6	0.0%	3	0.0%
Affinity Asia Pacific IV	34	0.3%	23	0.2%
Berkshire VIII	14	0.1%	11	0.1%
Berkshire IX	5	0.0%	-	0.0%
Blackstone Cap VI	27	0.2%	28	0.2%
Blackstone Cap VII	7	0.1%	-	0.0%
Carlyle Asia Partners Fund III	7	0.1%	9	0.1%
Carlyle Asia Partners Fund IV	43	0.3%	27	0.2%
Centerbridge Capital	10	0.1%	8	0.1%
Charterhouse VIII	-	0.0%	-	0.0%

BENEFIT PLANS - INVESTMENT PORTFOLIO
(continued)

	at 06/30/2017		at 06/30/2016	
	millions of dollars	% of assets	millions of dollars	% of assets
Private Equity (continued)				
Charterhouse IX	$ 1	0.0%	$ 2	0.0%
Charterhouse X	17	0.1%	-	0.0%
CVC Capital Partner VI	42	0.3%	22	0.2%
EnCap Energy Capital Fund VIII	13	0.1%	11	0.1%
EnCap Energy Capital Fund IX	21	0.2%	20	0.2%
EnCap Energy Capital Fund X	18	0.1%	8	0.1%
EnCap Flatrock Midstream III	8	0.1%	3	0.0%
GTCR X	20	0.2%	21	0.2%
GTCR XI	21	0.2%	15	0.1%
Hellman & Friedman VII	35	0.3%	29	0.2%
Hellman & Friedman VIII	3	0.0%	-	0.0%
HIG Bayside Loan Opportunity II	14	0.1%	16	0.1%
HIG Bayside Loan Opportunity II (Europe)	2	0.0%	-	0.0%
HIG Bayside Loan Opportunity III (Europe)	20	0.2%	16	0.1%
HIG Bayside Brazil & Latin America	1	0.0%	1	0.0%
HIG Buyouts II	12	0.1%	4	0.0%
HIG Capital Partners V	3	0.0%	3	0.0%
HIG Middle Market LBO Fund II	10	0.1%	2	0.0%
Inflexion Buyout Fund IV	13	0.1%	7	0.1%
Inflexion Supplemental Fund IV	3	0.0%	1	0.0%
Inflexion Partnership Capital Fund I	7	0.1%	2	0.0%
Kelso VIII	2	0.0%	2	0.0%
Kelso IX	32	0.2%	20	0.2%
KKR Americas XII	-	0.0%	-	0.0%
KKR North America XI	67	0.5%	44	0.4%
KKR Special Situations	65	0.5%	61	0.5%
KKR Special Situations II	18	0.1%	10	0.1%
Oaktree Opportunity Fund VIII	7	0.1%	11	0.1%
ONCAP IV	1	0.0%	-	0.0%
Onex Partners III	6	0.0%	8	0.1%
Onex Partners IV	40	0.3%	19	0.2%
Paine & Partner	27	0.2%	10	0.1%
Rhone V	11	0.1%	-	0.0%
Riverside Capital Appreciation VI	52	0.4%	38	0.3%
Riverside Micro Cap Fund III	42	0.3%	36	0.3%
Riverside Micro Cap Fund IV	18	0.1%	-	0.0%
Shoreview Capital III	12	0.1%	8	0.1%
Sovereign Capital IV	12	0.1%	7	0.1%
Summit GE VIII	26	0.2%	21	0.2%
Summit GE IX	3	0.0%	-	0.0%
Summit VC III	17	0.1%	16	0.1%
Summit Credit Partners II	31	0.2%	38	0.3%
Summit VC IV	11	0.1%	1	0.0%
TCV VIII	54	0.4%	42	0.3%
TCV IX	5	0.0%	-	0.0%
Thoma Bravo XI	59	0.4%	46	0.4%
Thoma Bravo XII	23	0.2%	3	0.0%
Thoma Bravo Spec Opp Fund	17	0.1%	13	0.1%
Water Street Healthcare III	18	0.1%	12	0.1%
Wayzata Opportunities III	9	0.1%	10	0.1%
Wynnchurch Capital	8	0.1%	4	0.0%
Co-Investments	240	1.8%	104	0.0%
Total Private Equity	**$ 1,464**	**10.9%**	**$ 960**	**7.0%**
Real Estate				
Blackstone RE Partners VII	$ 65	0.5%	$ 76	0.6%
Blackstone RE Partners VIII	23	0.2%	20	0.2%
H/2 Credit Partners	88	0.7%	97	0.8%
Harrison Street	107	0.8%	101	0.8%
High Street IV	2	0.0%	25	0.2%
High Street V	10	0.1%	7	0.1%
Invesco US Income	172	1.3%	158	1.3%
JP Morgan Strategic Property Fund	162	1.2%	156	1.3%
KKR REPA I	25	0.2%	30	0.2%
KKR REPE	10	0.1%	-	0.0%
Prima Advisors Mortgage Fund	91	0.7%	91	0.7%
Principal US Property Fund	89	0.7%	82	0.7%
Prudential PRISA Fund	112	0.8%	110	0.9%

BENEFIT PLANS - INVESTMENT PORTFOLIO
(continued)

	at 06/30/2017			at 06/30/2016		
		millions of dollars	% of assets		millions of dollars	% of assets
Real Estate (continued)						
Prudential Senior Housing V	$	24	0.2%	$	11	0.1%
Rubenstein Partners III		5	0.0%		-	0.0%
Smart Markets		181	1.3%		172	1.4%
Walton Street VII		37	0.3%		44	0.4%
Walton Street VIII		13	0.1%		-	0.0%
Westbrook IX		10	0.1%		13	0.1%
Westbrook X		8	0.1%		-	0.1%
Total Real Estate	**$**	**1,231**	**9.2%**	**$**	**1,192**	**10.6%**
Infrastructure						
Alinda Infrastructure Fund II	$	40	0.3%	$	57	0.5%
ArcLight Energy Partners V		43	0.3%		33	0.3%
ArcLight Energy Partners VI		86	0.6%		48	0.4%
Brookfield II		99	0.7%		81	0.7%
Brookfield III		25	0.2%		8	0.1%
Carlyle Infrastructure Fund		14	0.1%		29	0.2%
Carlyle Power Partners II		14	0.1%		16	0.1%
Cube Infrastructure Fund		52	0.4%		45	0.4%
First Reserve Energy		28	0.2%		46	0.4%
First Reserve Energy II		23	0.2%		17	0.1%
Global Infrastructure Partners Fund		30	0.2%		31	0.3%
Global Infrastructure Partners Fund II		71	0.5%		55	0.5%
Global Infrastructure Partners Fund III		25	0.2%		-	0.0%
IFM Global Infrastructure		118	0.9%		108	0.9%
KKR Infrastructure		54	0.4%		68	0.6%
KKR Infrastructure II		58	0.4%		33	0.3%
Meridiam Infrastructure Europe I (Secondary)		22	0.2%		21	0.2%
Meridiam Infrastructure Europe I Class B (Secondary)		-	0.0%		-	0.0%
Meridiam Infrastructure Europe II (Secondary)		20	0.2%		11	0.1%
Meridiam Infrastructure Europe II Class B (Secondary)		-	0.0%		3	0.0%
Meridiam Infrastructure Europe III		1	0.0%		-	0.0%
Meridiam Infrastructure North America II		40	0.3%		33	0.3%
Meridiam Infrastructure North America II (CIP)		-	0.0%		-	0.0%
Meridiam Infrastructure North America II (Secondary)		10	0.1%		9	0.1%
Stonepeak Infrastructure II		87	0.7%		36	0.3%
Total Infrastructure	**$**	**963**	**7.2%**	**$**	**786**	**6.7%**
Alternative Credit						
Mesa West Core	$	100	0.7%		100	0.8%
Owl Rock		32	0.2%		-	0.0%
Total Alternative Credit	**$**	**132**	**1.0%**	**$**	**100**	**0.8%**
Risk Diversifiers						
Grantham, Mayo, Van Oterloo	$	356	2.7%	$	320	2.6%
Windham Capital		303	2.3%		276	2.3%
Total Risk Diversifiers	**$**	**660**	**4.9%**	**$**	**597**	**4.9%**
Natural Resources						
ACM Fund II	$	6	0.0%	$	-	0.0%
ACM Permanent Crops		35	0.3%		26	0.2%
AMERRA Agri Fund II		30	0.2%		41	0.3%
Homestead Farmland II		9	0.1%		-	0.0%
Orion Mine Finance II		29	0.2%		3	0.0%
Taurus Mining Finance		13	0.1%		9	0.1%
Taurus Mining Finance Annex		1	0.0%		-	0.0%
Teays River		224	1.7%		210	1.7%
Tillridge Global Agribusiness II		-	0.0%		-	0.0%
Twin Creeks Timber		92	0.7%		88	0.7%
US Farming Realty III		40	0.3%		18	0.1%
Total Natural Resources	**$**	**478**	**3.6%**	**$**	**394**	**3.2%**
Cash						
Liquidity Account		54	0.4%		41	0.3%
Total Cash	**$**	**54**	**0.4%**	**$**	**41**	**0.3%**
Total Assets	**$**	**13,385**	**100%**	**$**	**12,283**	**100%**

LARGEST HOLDINGS
at June 30, 2017

Top 10 Direct Common Stock Holdings	Market Value	% of Assets
Apple	$ 82,542,759	0.62%
Alphabet	60,605,134	0.45%
Microsoft	56,784,810	0.42%
Amazon	42,312,248	0.32%
Johnson & Johnson	39,238,140	0.29%
Facebook	38,755,056	0.29%
Exxon Mobil	37,642,219	0.28%
Berkshire Hathaway	35,824,804	0.27%
JP Morgan Chase	35,532,847	0.27%
Wells Fargo	27,338,241	0.20%

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.

INVESTMENT PERFORMANCE

The table on the following 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, 2017. 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 4.9%. 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 4.9%, the ten-year return has underperformed relative to the 6.875% investment return assumption utilized in the actuarial process.

The total return figures in the table on pages 86 and 87 are net of all expenses that can be directly attributed to the investment program (see Expenses, page 88). The table reports time weighted rates of return and all figures for periods greater than one year are annualized.

PERFORMANCE: ACTUAL RETURNS VS. BENCHMARK RETURNS

(All returns are time weighted)

	TOTAL FUND			DOMESTIC EQUITY			FOREIGN EQUITY			FIXED NCOME (2,3)			REAL ESTATE		
Fiscal Year Ended June 30	Actual Return	Benchmark Return (4)	Excess Return (1)	Actual Return	Benchmark Return (5)	Excess Return (1)	Actual Return	Benchmark Return (6)	Excess Return (1)	Actual Return	Benchmark Return ( )	Excess Return (1)	Actual Return	Benchmark Return (8)	Excess Return (1)
2017	12.5%	11.4%	1.1%	18 5%	18 5%	0.0%	20.8%	20.5%	0.4%	0.6%	-0.3%	0.9%	9 8%	5 6%	4.1%
2016	0.6%	1 0%	-0.4%	1 8%	2 0%	-0.3%	-10.1%	-9.8%	-0 3%	3.6%	6.0%	-2.4%	10 2%	9.4%	0.8%
2015	2.0%	1 8%	0.3%	7 2%	7 2%	0.0%	-5.1%	-4.9%	-0 2%	-0.4%	1.9%	-2.3%	11.4%	8 8%	2.6%
2014	16.7%	15 6%	1.1%	24 8%	25 0%	-0.2%	22.0%	22.3%	-0 3%	3.8%	4.4%	-0.6%	10.7%	5 5%	5.1%
2013	11.1%	10.4%	0.8%	21 5%	21 5%	0.1%	13.9%	14.1%	-0 2%	-1.9%	-0.7%	-1.3%	10 2%	7 8%	2.4%
2012	0.6%	1.4%	-0.8%	3 8%	4 0%	-0.2%	-14.3%	-14.2%	-0 2%	8.8%	9.0%	-0.1%	11.1%	13.4%	-2.3%
2011	22.4%	21 5%	0.9%	32 6%	32.4%	0.2%	30.0%	30.3%	-0 3%	6.2%	3.9%	2.3%	22 5%	16 0%	6.5%
2010	11.1%	11 9%	-0.8%	18 3%	16.1%	2.2%	9.7%	10.9%	-1 2%	10.8%	9.5%	1.3%	-4.1%	-1 5%	-2.6%
2009	-18.8%	-19.4%	0.5%	-29 3%	-26.4%	-2.9%	-32.1%	-30.5%	-1 6%	-0.8%	6.1%	-6.9%	-35 0%	-19 6%	-15.4%
2008	-3.1%	-1 9%	-1.2%	-15 0%	-12 5%	-2.4%	-7.5%	-6.2%	-1 3%	17.5%	7.1%	10.3%	3 0%	9 2%	-6.2%
3 years ending 2017	4.9%	4 6%	0.3%	8 9%	9 0%	-0.1%	1.0%	1.1%	-0.1%	1.2%	2.5%	-1.3%	10 5%	7 9%	2.5%
5 years ending 2017	8.4%	7 9%	0.5%	14.4%	14 5%	-0.1%	7.5%	7.6%	-0.1%	1.1%	2.2%	-1.1%	10.4%	7.4%	3.0%
10 years ending 2017	4.9%	4 8%	0.1%	6.7%	7 3%	-0.6%	1.0%	1.5%	-0 6%	4.6%	4.6%	0.0%	3.7%	5 0%	-1.3%

Notes:

1. Excess Return is Actual Return minus Benchmark Return.

2. The asset class of General Fixed Income was re-opened in the 4th quarter of 2008.

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

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

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

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

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

TABLE CONTINUED ON NEXT PAGE

PERFORMANCE: ACTUAL RETURNS VS. BENCHMARK RETURNS

(All returns are time weighted)

NFRASTRUCTURE			PRIVATE EQUITY			NATURAL RESOURCES			ALTERNATIVE CREDIT			RISK DIVERS FIERS		
Actual Return	Benchmark Return (9)	Excess Return (1)	Actual Return	Benchmark Return (10)	Excess Return (1)	Actual Return	Benchmark Return (11)	Excess Return (1)	Actual Return	Benchmark Return (13)	Excess Return (1)	Actual Return	Benchmark Return (14)	Excess Return (1)
Data Not Meaningful[12]			Data Not Meaningful[12]			Data Not Meaningful[12]			Data Not Meaningful[12]			Data Not Meaningful[12]		

Notes (continued):

8. Real Estate Benchmark: A combination of DJ Wilshire Real Estate Securities and National Council of Real Estate Investment Fiduciaries Property Indexes.

9. Infrastructure Benchmark: CA Infrastructure Median.

10. Private Equity Benchmark: Russell 3000 Index + 3%.

11. Natural Resources Benchmark: CA Natural Resources Median.

12. Infrastructure, Private Equity, Natural Resources, Alternative Credit, and Risk Diversifiers returns are not meaningful at this stage of the program.

13. Alternative Credit Benchmark:50% Bank of America US High Yield II + 50% S&P/Loan Syndications & Trading Association US Leverage Loan Index.

14. Risk Diversifiers Benchmark: 0.3 Beta Morgan Stanley Capital International All Country World Index.

TABLE CONTINUED FROM PREVIOUS PAGE

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 2017 can be attributed to continued funding of the Alternatives Programs.

Detail for year ended 6/30/2017		**Dollar Expense**
Domestic Equity	$	1,043,698
Passive Fixed Income		304,035
Other Investments		5,069,894
Real Estate		15,134,408
Infrastructure		20,927,222
International Equity		744,066
Private Equity		39,927,484
Natural Resources		5,262,011
Consultants		1,911,945
Other Investment Expenses		16,505
In House Expenses		3,257,958
DC Investment Expenses		48,325
Retiree Health Insurance Trust Expenses		64,731
Group Life Insurance Expenses		74,429
MainePERS OPEB		8,289
Total Investment Expenses - All Plans	$	93,795,000

Total for FY ended June 30 Defined Benefit Plans	$ Millions	% of Total Assets
2017	93.8	0.70%
2016	76.0	0.62%
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%

BROKERAGE COMMISSIONS
Year Ended June 30, 2017

Broker	Commissions	Amount Traded (Millions)	Cost of Trade (%)	Total Shares (Millions)	Commissions (Cents per Share)
UBS	$ 45,415	$ 338	0.013%	4.5	1.033
CITIGROUP	34,268	147	0.023%	4.4	0.779
MORGAN STANLEY	31,331	99	0.032%	3.4	0.917
ITG	17,438	24	0.071%	1.7	1.000
MERRILL LYNCH	16,387	208	0.008%	3.8	0.436
JP MORGAN CHASE	5,508	216	0.003%	1.7	0.327
CREDIT SUISSE	4,569	116	0.004%	2.6	0.179
DEUTSCHE BANK	1,613	29	0.006%	0.6	0.250
SOCIETE GENERALE	1,185	9	0.014%	0.0	272.485
INDUSTRIAL & COMMERCIAL BANK	1,185	13	0.009%	0.4	0.300
Other	3,742	538	0.001%	14.1	0.027
Total	$ 162,640	$ 1,736	0.009%	37.2	0.437

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 88. 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
2017	$ 97.9	$ 110.5	12.8%	13.0%	-0.2%
2016	$ 95.2	$ 97.9	0.9%	1.0%	-0.1%
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%
		3 yrs ended 2017	5.3%	5.4%	-0.1%
		5 yrs ended 2017	9.4%	9.4%	0.0%
		10 yrs ended 2017	5.9%	6.0%	-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, 2017, 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.

ACTUARIAL SECTION

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CHEIRON

Classic Values, Innovative Advice

October 31, 2017

Board of Trustees
Maine Public Employees Retirement System
P.O. Box 349
Augusta, Maine 04332-0349

Dear Members of the Board:

At your request, we have conducted our annual actuarial valuation for each of the funded pension and group life insurance Programs administered by the Maine Public Employees Retirement System (MainePERS) as of June 30, 2017. 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 MainePERS Board of Trustees 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 for the pension Programs administered by MainePERS is to establish contribution rates that, over time, will remain level as a percentage of payroll while fully funding the Programs. In order to achieve this, we develop contribution rates that will provide for the current costs (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 plan sponsors have consistently funded the full amounts required based on the actuarial valuations and specific statutory provisions.

MainePERS's funding policy for retiree group life insurance Programs is to contribute at least the Actuarially Determined Contribution annually for Teacher retirees to fully fund the benefits over a specified period. The funding policy for State employees is to fully fund the benefits via a premium rate load on contributions for active employees. For PLDs the funding policy is a fixed premium that covers active and retiree benefits.

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 as 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 law, 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 Program (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. 74. 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 MainePERS. This information includes, but is not limited to, the plan provisions, membership data, and financial information. We performed a limited review of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23 and have found no material defects in the data. If there are material defects in the data, it

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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

For the pension Programs we have not performed formal cash flow projections as described under Paragraph 41 of GASB Statement No. 67. However, Paragraph 43 allows for alternative methods to confirm the sufficiency of the fiduciary 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 and detailed further in the individual valuation reports will result in the pension Programs having projected fiduciary net positions being greater than or equal to the benefit payments projected for each future period for each Program within the System.

For the group life insurance Programs, we have performed a formal cash flow projection as described under Paragraphs 48-53 of GASB Statement 74. For the State Sponsored Plans, the discount rate at June 30, 2017 is 6.875%, which is the assumed long-term expected rate of return on plan investments. The fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. For the PLD plan, following the procedures described in paragraphs 43 - 53 of GASB Statement 74, projections of the System's fiduciary net position have indicated that it is not expected to be sufficient to make projected benefit payments for current plan members after 2052. Therefore the portion of future projected benefit payments after 2052 are discounted at the municipal bond index rate. This calculation resulted in a blended discount rate of 4.43% as of June 30, 2016 and 5.41% as of June 30, 2017.

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
- Schedule of Change in Net OPEB Liability

Certification

We believe that the pension Programs administered by MainePERS are adequately and appropriately financed including contributions that are determined and funded on a level cost as a percentage of payroll basis using reasonable actuarial methods and assumptions. We believe that the group life insurance Programs administered by MainePERS are adequately and appropriately financed by the funding policies in place.

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, including the use of assumptions and methods for funding purposes that comply with the Actuarial Standards of Practice. 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
Principal Consulting Actuary

Fiona E. Liston, FSA, EA
Principal Consulting Actuary

cc: Elizabeth Wiley, FSA

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SECTION I
DEMOGRAPHIC INFORMATION

Schedule of Active Member Valuation Data

Valuation Date June 30,	Number of Active Members	Annual Payroll of Active Members	Average Annual Pay	Percentage Increase in Average Pay
State Employee and Teacher Retirement Program				
2017	39,836	$ 1,837,608,866	$ 46,129	2.82%
2016	39,942	1,792,004,417	44,865	2.88%
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%
Consolidated Plan for Participating Local Districts				
2017	11,195	$ 531,168,594	$ 47,447	3.37%
2016	11,019	505,798,133	45,902	1.63%
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%
Nonconsolidated Participating Local Districts				
2017	19	$ 1,072,561	$ 56,451	5.54%
2016	21	1,123,218	53,487	1.85%
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)%
Judicial Retirement Program				
2017	63	$ 7,770,523	$ 123,342	6.44%
2016	62	7,184,400	115,877	(5.29)%
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)%
Legislative Retirement Program*				
2017	185	$ 2,651,195	$ 14,331	(2.06)%
2016	177	2,590,011	14,633	3.92%
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%

* Legislative salaries in even-numbered valuation years have been increased to approximate a full session amount.

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 Retirement Program				
2017	34,870	$ 761,472,435	$ 21,837	2.51%
2016	34,181	728,131,830	21,302	2.41%
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%
Consolidated Plan for Participating Local Districts				
2017	9,006	$ 141,460,984	$ 15,707	2.45%
2016	8,847	135,629,476	15,331	0.70%
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	4.94%
Nonconsolidated Participating Local Districts				
2017	174	$ 2,694,654	$ 15,487	(0.14)%
2016	172	2,667,586	15,509	2.36%
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	0.01%
2010	198	2,445,239	12,350	12.19%
2009	214	2,355,639	11,008	5.24%
2008	252	2,636,025	10,460	6.68%
Judicial Retirement Program				
2017	75	$ 3,684,373	$ 49,125	1.05%
2016	74	3,597,415	48,614	1.47%
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	0.84%
Legislative Retirement Program				
2017	185	$ 374,529	$ 2,024	1.05%
2016	174	348,592	2,003	4.00%
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%

SECTION I
DEMOGRAPHIC INFORMATION
(concluded)

Schedule of Retirees and Beneficiaries Added to and Removed from the Rolls

Year Ended June 30,	Added to Rolls No.	Added to Rolls Annual Allowance	Removed from Rolls No.	Removed from Rolls Annual Allowance	On Rolls at Year End No.	Annual Allowance
State Employee and Teacher Retirement Program						
2017	1,641	$ 49,809,275	952	$ 16,468,670	34,870	$ 761,472,435
2016	1,840	52,295,379	919	16,011,814	34,181	728,131,830
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
Consolidated Plan for Participating Local Districts*						
2017	521	$ 10,098,997	362	$ 4,267,489	9,006	$ 141,460,984
2016	543	8,643,493	277	3,661,341	8,847	135,629,476
2015	620	11,937,098	372	4,438,928	8,581	130,647,324
2014	516	9,816,061	305	3,206,304	8,333	123,149,154
Nonconsolidated Participating Local Districts*						
2017	6	$ 106,640	4	$ 79,572	174	$ 2,694,654
2016	2	64,941	6	63,999	172	2,667,586
2015	3	92,920	18	138,607	176	2,666,644
2014	6	162,335	11	55,706	191	2,712,331
PLDs (Consolidated and Non-Consolidated Plans)*						
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
Judicial Retirement Program						
2017	1	$ 86,958	0	$ 0	75	$ 3,684,373
2016	7	426,643	4	230,879	74	3,597,415
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
Legislative Retirement Program						
2017	20	$ 48,314	9	$ 22,377	185	$ 374,529
2016	12	38,391	8	17,268	174	348,592
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

* This schedule was developed in aggregate for the Participating Local Districts prior to 2014. Beginning with 2014, it was developed split between the Consolidated Plan and the Nonconsolidated PLDs.

SECTION II
ACCOUNTING INFORMATION
(continued)

Schedule of Changes in Net Pension Liability as of June 30, 2017

Total Pension Liability	State Employee & Teacher Retirement Program	Consolidated Plan for PLDs	Nonconsolidated Participating Local Districts	Judicial Retirement Program	Legislative Retirement Program
Service Cost	$ 213,047,075	$ 76,271,766	$ 140,038	$ 1,465,977	$ 264,807
Interest	886,834,221	198,972,490	2,531,475	4,358,175	530,313
Change in benefit terms	0	0	0	0	0
Difference between expected and actual experience	95,207,531	(2,160,603)	87,096	(893,352)	157,775
Change in assumptions	0	0	0	0	0
Benefit payments, including refunds	(780,157,263)	(146,163,566)	(2,777,307)	(3,651,927)	(469,043)
Net change in Total Pension Liability	$ 414,931,564	$ 126,920,087	$ (18,698)	$ 1,278,873	$ 483,852
Total Pension Liability – beginning of year	$ 13,069,954,948	$ 2,889,740,634	$ 38,046,985	$ 63,721,271	$ 7,679,458
Total Pension Liability – end of year	$ 13,484,886,512	$ 3,016,660,721	$ 38,028,287	$ 65,000,144	$ 8,163,310
Plan Fiduciary Net Position					
Contributions – Employer	$ 326,951,485	$ 51,387,012	$ 630,639	$ 1,144,445	$ 0
Contributions – Member	139,464,284	46,080,851	76,783	584,451	202,388
Transfers	(129,737)	(62,201)	0	0	0
Net Investment Income	1,256,043,732	299,780,947	4,160,114	7,799,508	1,366,222
Benefit payments, including refunds	(780,157,263)	(146,163,566)	(2,777,307)	(3,651,927)	(469,043)
Administrative Expenses	(9,216,027)	(2,209,324)	(4,005)	(56,436)	(10,003)
Net Change in Plan Fiduciary Net Position	$ 932,956,474	$ 248,813,719	$ 2,086,224	$ 5,820,041	$ 1,089,564
Plan Fiduciary Net Position – beginning of year	$ 9,960,335,390	$ 2,358,409,925	$ 33,650,515	$ 60,890,109	$ 10,806,661
Plan Fiduciary Net Position – end of year	$ 10,893,291,864	$ 2,607,223,644	$ 35,735,739	$ 66,710,150	$ 11,896,225
Net Pension Liability/(Asset) end of year	$ 2,591,594,648	$ 409,437,077	$ 2,291,548	$ (1,710,006)	$ (3,732,915)

SECTION II
ACCOUNTING INFORMATION

Sensitivity of Net Pension Liability to Changes in Discount Rate as of June 30, 2017

	State Employee & Teacher Retirement Program	Consolidated Plan for PLDs	Nonconsolidated Participating Local Districts	Judicial Retirement Program	Legislative Retirement Program
Discount Rate					
1% Decrease	5.875%	5.875%	5.875%	5.875%	5.875%
Current Discount Rate	6.875%	6.875%	6.875%	6.875%	6.875%
1% Increase	7.875%	7.875%	7.875%	7.875%	7.875%
Net Pension Liability					
1% Decrease	$ 4,247,999,358	$ 821,456,578	$ 6,094,377	$ 4,199,564	$ (2,899,011)
Current Discount Rate	2,591,594,648	409,437,077	2,291,548	(1,710,006)	(3,732,915)
1% Increase	1,227,549,301	99,250,226	(1,165,569)	(6,809,148)	(4,455,575)

SECTION II
ACCOUNTING INFORMATION
(continued)

The table below is a gain/loss analysis of the changes in the actuarial liability, reflecting variances between actual experience and assumed experience for different kinds of risk as specified in the GFOA GAAFR.

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, 2017

Type of Activity	State Employee & Teacher Retirement Program	Consolidated Plan for PLDs	Nonconsolidated Participating Local Districts	Judicial Retirement Program	Legislative Retirement Program
Investment Income	$ (18,117,992)	$ (76,616)	$ (40,470)	$ 80,211	$ (6,238)
Combined Liability Experience	(95,207,531)	2,160,603	(87,094)	893,352	(157,775)
Gain (or Loss) During Year from Financial Experience	$ (113,325,523)	$ 2,083,987	$ (127,564)	$ 973,563	$ (164,013)
Non-Recurring Items	0	0	0	0	0
Composite Gain (or Loss) During Year	**$ (113,325,523)**	**$ 2,083,987**	**$ (127,564)**	**$ 973,563**	**$ (164,013)**

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 Retirement Program							
2017	$ 2,402,112,525	$ 8,727,549,999	$ 2,355,223,988	$ 10,904,082,221	100%	97%	0%
2016	2,359,818,665	8,399,121,582	2,311,014,701	10,512,524,178	100%	97%	0%
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%
Consolidated Plan for Participating Local Districts							
2017	$ 472,362,260	$ 1,721,058,286	$ 823,240,175	$ 2,609,806,231	100%	100%	51%
2016	452,446,198	1,654,981,662	782,312,774	2,489,157,281	100%	100%	49%
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%
Withdrawn Participating Local Districts							
2017	$ 4,468,152	$ 30,140,204	$ 3,419,931	$ 35,772,138	100%	100%	34%
2016	4,494,490	30,215,191	3,337,304	35,516,058	100%	100%	24%
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%
Judicial Retirement Progam							
2017	$ 10,933,820	$ 33,422,798	$ 20,643,526	$ 66,776,230	100%	100%	109%
2016	10,592,002	33,418,288	19,710,981	64,265,782	100%	100%	103%
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%
Legislative Retirement Program							
2017	$ 2,516,620	$ 6,172,223	$ (525,533)	$ 11,908,009	100%	100%	613%
2016	2,505,647	5,795,917	(622,106)	11,405,769	100%	100%	499%
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%

* Reported assets are measured at actuarial value. Results would be different if market value of assets were used. Despite the name of this exhibit, the liabilities presented in this schedule are not an appropriate measurement of the settlement value of the Program.

SECTION II
ACCOUNTING INFORMATION
(concluded)

The Maine Public Employees Retirement System covers Post-retirement Group Life Insurance obligations for the participants of the State Employee and Teacher Retirement Program, the Judicial Retirement Program, and the Legislative Retirement Program, which we collectively call the State Sponsored Plans and the Participating Local Districts Plans (PLDs).

Schedule of Changes in Net OPEB Liability as of June 30, 2017

	State Sponsored Plans Retiree Group Life Insurance	PLD Retiree Group Life Insurance
Total OPEB Liability		
Service cost (BOY)	$ 2,065,283	$ 619,735
Interest (includes interest on service cost)	12,014,739	1,616,253
Change in benefit terms	0	0
Difference between expected and actual experience	0	0
Change in assumptions	0	(5,591,242)
Benefit payments, including refunds	(6,003,967)	(1,394,586)
Net change in total OPEB liability	$ 8,076,055	$ (4,749,840)
Total OPEB Liability - beginning of year	$ 175,646,638	$ 36,554,276
Total OPEB Liability - end of year	$ 183,722,693	$ 31,804,436
Plan Fiduciary Net Position		
Contributions - Employer	$ 6,921,228	$ 1,037,124
Contributions - Member	0	0
Net Investment Income	9,885,896	1,738,914
Benefit payments, including refunds	(6,003,967)	(1,394,586)
Administrative Expense	(1,335,744)	(238,856)
Net Change in Plan Fiduciary Net Position	$ 9,467,413	$ 1,142,596
Plan Fiduciary Net Position - beginning of year	$ 77,415,451	$ 13,940,338
Plan Fiduciary Net Position - end of year	$ 86,882,864	$ 15,082,934
Net OPEB Liability - end of year	$ 96,839,829	$ 16,721,502

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. Member contributions earn 5% annual interest.

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 includes 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.

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

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

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 creditable service and up to 25 years of prior service, reduced by the following approximate percentages for each year retirement age is less than age 60.

Age	Reduction	Age	Reduction
45	29.3%	53	16.6%
46	28.0%	54	14.6%
47	26.6%	55	12.5%
48	25.2%	56	10.3%
49	23.6%	57	7.9%
50	22.0%	58	5.4%
51	20.3%	59	2.8%
52	18.5%	60	0.0%

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.

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

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.

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, 62, or 65 (as determined by the applicable Regular Plan provisions described in 5.A.), except oil and hazardous materials emergency response workers and certain prison employee benefits are reduced for retirement before age 55.

-PLUS-

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.

vii. Minimum Service Retirement Benefit

$100 per month

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

Eligibility: Disabled as defined in the MainePERS statutes prior to applicable 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 12). 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.

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

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 12). 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, children, or parents entitled to benefit calculated as if deceased member had retired under Option 2 (see item 13); however, beneficiary may elect survivor benefits payable to a surviving spouse, dependent children, 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, children, 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 children 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 children. 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 children, the surviving spouse and dependent children 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 children 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. Termination Benefit

Eligibility: Termination of service other than by retirement or death with at least five years of credible service.

Benefit: The member's choice of a refund of the accumulated contributions with interest or a retirement benefit using creditable service and average final compensation as of date of termination, deferred to normal retirement age.

11. Refund of Contributions

Eligibility: Termination of service other than by retirement or death with less than five years of creditable service.

Benefit: Refund of member's accumulated contributions with interest.

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

12. 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 that 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
2016 - $20,940.71
2017 - $21,474.70

Members who did not have ten years of service on July 1, 1993 will begin receiving cost-of-living adjustments at the later 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.

13. 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.

14. Plan Changes since Prior Valuation

None.

This Appendix B is intended to be a brief summary of provisions. In the event of a dispute, applicable statutes and administrative policy supersede this report description.

STATE EMPLOYEE AND TEACHER PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

A. Actuarial Assumptions

1. Annual Rate of Investment Return

State Employees	6.875%
Teachers	6.875%

Rate is net of both administrative and investment expense.

2. Cost-of-Living Adjustment (COLA) Assumed Rate

State Employees	2.20%
Teachers	2.20%

3. Annual Rate of Individual Salary Increase (% at Selected Years of Service)

Service	State Employees	Teachers
0	8.75%	14.50%
5	5.00%	5.75%
10	3.75%	4.75%
15	3.20%	4.00%
20	2.95%	2.75%
25 and over	2.75%	2.75%

The above rates include a 2.75% across-the-board increase at each year of service.

4. Sample Rates of Termination (% at Selected Years of Service)

Service	State Employees And Teachers
0	33.50%
5	10.50%
10	5.95%
15	4.25%
20	4.00%
25	4.00%

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 of member contributions with interest based on present value at time of termination.

STATE EMPLOYEE AND TEACHER PROGRAM ACTUARIAL ASSUMPTIONS and METHODS

(continued)

5. Sample Rates of Mortality for Healthy Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

(Showing values in 2017)				
	State Employees		Teachers	
Age	Male	Female	Male	Female
50	41	32	39	26
55	58	43	55	36
60	79	63	75	52
65	112	96	107	79
70	173	155	165	128
75	282	253	269	209
80	475	428	452	353
85	829	760	789	627
90	1,460	1,358	1,390	1,120
95	2,306	2,234	2,195	1,843

Rates for State Employees are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020. Proposed rates for Teachers are based on 99% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table for both males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, respectively, both projected using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

6. Sample Rates of Mortality for Active Healthy Lives at Selected Ages (number of deaths per 10,000 members) *

(Showing values in 2017)				
	State Employees		Teachers	
Age	Male	Female	Male	Female
20	4	2	4	1
25	5	2	4	2
30	4	3	4	2
35	5	4	5	3
40	6	5	6	4
45	10	8	9	6
50	17	13	16	10
55	28	20	27	16
60	47	29	45	24
65	84	44	80	36

* 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 104% and 120% of the RP-2014 Total Dataset Employee Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Healthy Annuitant Mortality Table rates after the end of the Total Employee Mortality Table, both projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020. Proposed rates for Teachers are based on 99% of the RP-2014 Total Dataset Healthy

STATE EMPLOYEE AND TEACHER PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS
(continued)

Annuitant Mortality Table for both males and females, using the RP-2014 Total Dataset Healthy Annuitant Mortality Table rates after the end of the Total Employee Mortality Table, respectively, both projected using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

7. Sample Rates of Mortality for Disabled Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

	(Showing values in 2017)			
	State Employees		Teachers	
Age	Male	Female	Male	Female
25	83	24	83	24
30	79	30	79	30
35	93	42	93	42
40	112	58	112	58
45	174	91	174	91
50	214	120	214	120
55	246	151	246	151
60	280	179	280	179
65	335	218	335	218
70	433	296	433	296

Rates are based on 108% and 105% of the RP-2014 Total Dataset Disabled Annuitant Mortality Table, respectively, for males and females, projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

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

Teachers and State Regular Plans

	State Employees and Teachers		
Age	Tier 1	Tier 2	Tier 3
45	13	NA	NA
50	29	NA	NA
55	40	40	40
59	150	40	40
60	250	75	40
61	200	175	40
62	200	250	40
63	200	150	75
64	250	200	225
65	350	250	300
70	200	200	300
75	1,000	1,000	1,000

In the case of State Regular and Teacher employees, Tier 1 refers to those who had accrued at least 10 years of service by July 1, 1993. Tier 2 refers to those who had not accrued at least 10 years of service by July 1, 1993 or were hired after that date but had five years of service by July 1, 2011. Tier 3 refers to those who did not have five years of service by July 1, 2011. Rates are only applied for early retirement when the member is at least age 57. Earlier rates are applicable for normal retirement.

STATE EMPLOYEE AND TEACHER PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS
(continued)

State Special Plans

Members of State Special Plans other than the 25 & Out Plan and the 1998 Special Plan are all currently assumed to retire at a rate of 50% per year, beginning when they reach eligibility for unreduced benefits, with a 100% assumed rate at age 70.

Members of the State Special 25 & Out Plan are previously assumed to retire at a rate of 25% per year beginning at 25 years of service, increasing to 50% per year after reaching 30 years of service, and finally to 100% per year beginning at 35 years of service.

Members of the 1998 Special Plan are assumed to retire at rates that vary by age and whether service is less than 25 years or not. Sample revised rates are as follows:

1998 Special Plan Retirement		
Age	Service < 25	Service >= 25
55	20.00%	25.00%
57	10%	25%
60	20%	30%
62	15%	30%
65	23.4%	30%
67	36.8%	50%
70	100%	100%

9. Sample Rates of Disability at Selected Ages (number becoming disabled per 10,000 members)*

Age	State Employees		Teachers
	Regular	Special	
25	5	5.4	2.1
30	6.1	6.5	2.3
35	9.3	9.9	2.3
40	14.8	15.8	3.1
45	22.8	24.4	7
50	34	36.4	10.9
55	39.9	42.6	14.9
60	43.4	46.4	18.8

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

10. Family Composition Assumptions

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

11. 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.

STATE EMPLOYEE AND TEACHER PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

(concluded)

12. Technical and Miscellaneous Assumptions

Decrement Timing: Middle of the valuation year

Pay Increase Timing: Salary provided is treated as the rate of pay as of valuation date. Annual increases are applied as of the beginning of each subsequent valuation.

Member Contribution Interest Rate: 5%

COLA Timing: September 1

13. Rationale for Assumptions

The assumptions were adopted by the Board of Trustees at their July 14, 2016 meeting. The demographic assumptions adopted are based on an experience study covering the period from June 30, 2012 through June 30, 2015 and the economic assumptions are based on this experience study along with advice of the MainePERS investment consultants.

14. 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 Teacher 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 11 years of its prescribed amortization period remaining and all other gains and losses 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	8.0%
Regular BC	4.5%
Special 1C & 1N	8.0%
Special 2C & 2N	8.0%
Special 3C & 3N	9.5% for first 25 years, 8.0% after
Special 4C & 4N	9.0% for first 25 years, 8.0% after

Member contributions earn 5% annual interest.

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 2.25% 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 11.

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

(continued)

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 11.

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.

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

Cost-of-Living Adjustment: See item 11.

Special Plan 1N

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

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

(continued)

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 11.

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 11.

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 11.

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.

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

(continued)

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 children 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 children. 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 children, the surviving spouse and dependent children 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 children 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, children, 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 children, 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, children, 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.

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 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.

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

(continued)

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 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 date.

9. Termination Benefit

Eligibility: Termination of service other than by retirement or death with at least 5 years of credible service.

Benefit: The member's choice of a refund of the accumulated contributions with interest or a retirement benefit using creditable service and average final compensation as of date of termination, deferred to normal retirement age.

10. Refund of Contributions

Eligibility: Termination of service other than by retirement or death with less than 5 years of Creditable Service.

Benefit: Refund of member's accumulated contributions with interest.

11. 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 that 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

(concluded)

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.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
ACTUARIAL ASSUMPTIONS and METHODS

A. Actuarial Assumptions

1. Annual Rate of Investment Return

PLDs	6.875%

Rate is net of both administrative and investment expense.

2. Cost-of-Living Adjustment (COLA) Assumed Rate

PLDs	2.20%

3. Sample Rates of Individual Salary Increases (% at Selected Years of Service)

Years of Service	
0	9.00%
1	4.80%
2	3.60%
3	3.10%
4	2.75%
5	2.75%
10	2.75%
15	2.75%
20	2.75%
25	2.75%
30	2.75%

The rates include a 2.75% across-the-board increase at each year of service.

4. Sample Rates of Termination (% at Selected Years of Service)

Service	Regular	Special
0	25.00%	25.00%
1	20%	12.5%
2	15%	10%
3	12%	7.5%
4	10%	5%
5	9%	4%
10	6%	2.5%
15	4%	2.5%
20	2.5%	2.5%

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 of member contributions with interest based on present value at time of termination.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS ACTUARIAL ASSUMPTIONS and METHODS

(continued)

5. Sample Rates of Mortality for Healthy Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

	(Showing values in 2017)	
Age	Male	Female
50	41	32
55	58	43
60	79	63
65	112	96
70	173	155
75	282	253
80	475	428
85	829	760
90	1,460	1,358
95	2,306	2,234

Rates are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

6. Sample Rates of Mortality for Active Lives at Selected Ages (number of deaths per 10,000 members) *

	(Showing values in 2017)	
Age	Male	Female
20	4	2
25	5	2
30	4	3
35	5	4
40	6	5
45	10	8
50	17	13
55	28	20
60	47	29
65	84	44

* For Regular Plans, 5% of deaths assumed to arise out of and in the course of employment, while for Special Plans, 20% of deaths are assumed to arise out of and in the course of employment.

Rates are based on 104% and 120% of the RP-2014 Total Dataset Employee Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Healthy Annuitant Mortality Table rates after the end of the Total Employee Mortality Table, both projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS ACTUARIAL ASSUMPTIONS and METHODS

(continued)

7. Sample Rates of Mortality for Disabled Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

	(Showing values in 2017)	
Age	Male	Female
25	83	24
30	79	30
35	93	42
40	112	58
45	174	91
50	214	120
55	246	151
60	280	179
65	335	218
70	433	296

Rates are based on 108% and 105% of the RP-2014 Total Dataset Disabled Annuitant Mortality Table, respectively, for males and females, projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

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

Regular Plans

	Regular Plans	
Age	Tier 1	Tier 2
45	50	50
50	50	50
55	50	50
60	200	50
65	250	200
70	1,000	1,000

In the case of PLD employees, Tier 1 refers to those who were hired prior to July 1, 2014, and Tier 2 refers to those who were hired on or after July 1, 2014.

Special Plans

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

Note that the all retirement 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. For Special Plan retirements with less than 20 years of service, we assume 250 retirements per 1,000 members.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS
ACTUARIAL ASSUMPTIONS and METHODS

(continued)

9. Sample Rates of Disability at Selected Ages (number becoming disabled per 10,000 members) *

Age	Revised Assumption
25	1.8
30	2.4
35	3.0
40	4.2
45	9.0
50	19.8
55	36.6
60	65.0

* 10% assumed to receive Workers Compensation benefits offsetting disability benefit.

10. Family Composition Assumptions

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

11. Technical and Miscellaneous Assumptions:

Decrement Timing: Middle of the valuation year

Pay Increase Timing: Salary provided is treated as the rate of pay as of valuation date. Annual increases are applied as of the beginning of each subsequent valuation.

Member Contribution Interest Rate: 5%

COLA Timing: September 1

12. Rationale for Assumptions:

The assumptions were adopted by the Board of Trustees at their July 14, 2016 meeting. The demographic assumptions adopted are based on an experience study covering the period from June 30, 2012 through June 30, 2015 and the economic assumptions are based on this experience study along with advice of the MainePERS investment consultants.

13. 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 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.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS ACTUARIAL ASSUMPTIONS and METHODS

(concluded)

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 2.75% 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

None.

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 program.

2. Member Contributions

Members are required to contribute 7.65% of earnable compensation. Member contributions earn 5% annual interest.

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 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 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 approximate rates listed in the table below, for members with at least ten years creditable service on July 1, 1993.

Age	Reduction	Age	Reduction
45	29.3%	53	16.6%
46	28.0%	54	14.6%
47	26.6%	55	12.5%
48	25.2%	56	10.3%
49	23.6%	57	7.9%
50	22.0%	58	5.4%
51	20.3%	59	2.8%
52	18.5%	60	0.0%

JUDICIAL RETIREMENT PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

The benefit is 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.

The benefit is 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.

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 that 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 12). 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

Eligibility: 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 12). 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.

JUDICIAL RETIREMENT PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

8. Pre-Retirement Ordinary Death Benefits

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

Benefit: Designated beneficiary, spouse, children, or parents entitled to benefit calculated as if deceased member had retired under Option 2 (see item 13); however, beneficiary may elect survivor benefits payable to a surviving spouse, dependent children, 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, children, 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.

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 children 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 children. 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 children, the surviving spouse and dependent children 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 children 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. Termination Benefit

Eligibility: Termination of service other than by retirement or death with at least five years of credible service.

Benefit: The member's choice of a refund of the accumulated contributions with interest or a retirement benefit using creditable service and average final compensation as of date of termination, deferred to normal retirement age.

11. Refund of Contributions

Eligibility: Termination of service other than by retirement or death with less than five years of creditable service.

Benefit: Refund of member's accumulated contributions with interest.

12. 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.

JUDICIAL RETIREMENT PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(concluded)

Cost-of-living adjustments (COLA) are effective September 1 of each year and are applied to that portion of the benefit that 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
2016 - $20,940.71
2017 - $21,474.70

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.

13. 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.

14. Program Changes since Prior Valuation

None.

JUDICIAL RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

A. Actuarial Assumptions

1. Annual Rate of Investment Return

Judicial	6.875%

Rate is net of both administrative and investment expense.

2. Cost-of-Living Adjustment (COLA) Assumed Rate

Judicial	2.20%

3. Annual Rate of Individual Salary Increase:

Judicial	2.75%

4. Sample Rates of Termination (% at Selected Ages)

Age	Termination Rate
25	7%
30	6%
35	5%
40	4%
45	3%
50	2%
55	1%

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 of member contributions with interest based on present value at time of termination.

5. Sample Rates of Mortality for Healthy Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

	(Showing values in 2017)	
Age	Male	Female
50	41	32
55	58	43
60	79	63
65	112	96
70	173	155
75	282	253
80	475	428
85	829	760
90	1,460	1,358
95	2,306	2,234

Rates are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

JUDICIAL RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

(continued)

6. Sample Rates of Mortality for Active Healthy Lives at Selected Ages (number of deaths per 10,000 members)*

	(Showing values in 2017)	
Age	Male	Female
20	4	2
25	5	2
30	4	3
35	5	4
40	6	5
45	10	8
50	17	13
55	28	20
60	47	29
65	84	44

* 5% of deaths assumed to arise out of and in the course of employment.

Rates are based on 104% and 120% of the RP-2014 Total Dataset Employee Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Healthy Annuitant Mortality Table rates after the end of the Total Employee Mortality Table, both projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

7. Sample Rates of Mortality for Disabled Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

	(Showing values in 2017)	
Age	Male	Female
25	83	24
30	79	30
35	93	42
40	112	58
45	174	91
50	214	120
55	246	151
60	280	179
65	335	218
70	433	296

Rates are based on 108% and 105% of the RP-2014 Total Dataset Disabled Annuitant Mortality Table, respectively, for males and females, projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

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

Age	Tier 1	Tier 2	Tier 3
60-61	1,000	NA	NA
62-64	1,000	500	NA
65-69	1,000	500	500
70-74	1,000	500	500
75+	1,000	1,000	1,000

JUDICIAL RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

(continued)

In the case of Judicial employees, Tier 1 refers to those who had accrued at least 10 years of service by July 1, 1993. Tier 2 refers to those who had not accrued at least 10 years of service by July 1, 1993 or were hired after that date but had five years of service by July 1, 2011. Tier 3 refers to those who did not have five years of service by July 1, 2011.

9. Sample Rates of Disability at Selected Ages (number becoming disabled per 10,000 members)

Age	
25	0
30	0
35	0
40	0
45	0
50	0
55	0
60	0

10. Family Composition Assumptions

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

11. Technical and Miscellaneous Assumptions

Decrement Timing: Middle of the valuation year

Pay Increase Timing: Salary provided is treated as the rate of pay as of valuation date. Annual increases are applied as of the beginning of each subsequent valuation.

Member Contribution Interest Rate: 5%

COLA Timing: September 1

12. Rationale for Actuarial Assumptions

The assumptions were adopted by the Board of Trustees at their July 14, 2016 meeting. The demographic assumptions adopted are based on an experience study covering the period from June 30, 2012 through June 30, 2015 and the economic assumptions are based on this experience study along with advice of the MainePERS investment consultants.

13. 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

JUDICIAL RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

(concluded)

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 the Program's 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 2.75% 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.

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, 2017 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. Member contributions earn 5% annual interest.

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.

The benefit is reduced for retirement before age 60 at the approximate rates listed in the table below, for members with at least ten years creditable service on July 1, 1993.

Age	Reduction	Age	Reduction
45	29.3%	53	16.6%
46	28.0%	54	14.6%
47	26.6%	55	12.5%
48	25.2%	56	10.3%
49	23.6%	57	7.9%
50	22.0%	58	5.4%
51	20.3%	59	2.8%
52	18.5%	60	0.0%

The benefit is 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.

LEGISLATIVE RETIREMENT PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(continued)

The benefit is 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.

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 Legislative Retirement Program statutes prior to normal retirement age, employed prior to October 16, 1992 and did not elect 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 ten years following normal retirement age and 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 12). 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 Legislative 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.

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 12). 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, children, or parents entitled to benefit calculated as if deceased member had retired under Option 2 (see item 13); however, beneficiary may elect survivor benefits payable to a surviving spouse, dependent children, 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, children, older parents, or estate.

LEGISLATIVE 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 children 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 children. 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 children, the surviving spouse and dependent children 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 children 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. Termination Benefit

Eligibility: Termination of service other than by retirement or death with at least five years of credible service.

Benefit: The member's choice of a refund of the accumulated contributions with interest or a retirement benefit using creditable service and average final compensation as of date of termination, deferred to normal retirement age.

11. Refund of Contributions

Eligibility: Termination of service other than by retirement or death with less than five years of creditable service.

Benefit: Refund of member's accumulated contributions with interest.

12. 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 that 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
2016 - $20,940.71
2017 - $21,474.70

LEGISLATIVE RETIREMENT PROGRAM
SUMMARY OF PROGRAM AND PLAN PROVISIONS

(concluded)

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.

13. 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.

14. Program Changes since Prior Valuation

None.

LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

A. Actuarial Assumptions

1. Annual Rate of Investment Return

Legislative	6.875%

Rate is net of both administrative and investment expense.

2. Cost-of-Living Adjustment (COLA) Assumed Rate

Legislative	2.20%

3. Annual Rate of Individual Salary Increase

Legislative	2.75%

4. Sample Rates of Termination (% at Selected Years of Service)

Service	Termination Rate
0	0%
1	0%
2	30%
3	30%
4	25%
5	25%
6	10%
7	10%
8	50%
9	50%
10	25%
11	25%
12	25%
13	25%
14	25%
15	25%
16+	50%

The rates shown are only applicable in the fiscal years ending in odd years while zero terminations are assumed in the fiscal years ending in even years.

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 of member contributions with interest based on present value at time of termination.

LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

(continued)

5. Sample Rates of Mortality for Healthy Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

	(Showing values in 2017)	
Age	Male	Female
50	41	32
55	58	43
60	79	63
65	112	96
70	173	155
75	282	253
80	475	428
85	829	760
90	1,460	1,358
95	2,306	2,234

Rates are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

6. Sample Rates of Mortality for Active Healthy Lives at Selected Ages (number of deaths per 10,000 members)*

	(Showing values in 2017)	
Age	Male	Female
20	4	2
25	5	2
30	4	3
35	5	4
40	6	5
45	10	8
50	17	13
55	28	20
60	47	29
65	84	44

* 5% of deaths assumed to arise out of and in the course of employment.

Rates are based on 104% and 120% of the RP-2014 Total Dataset Employee Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Healthy Annuitant Mortality Table rates after the end of the Total Employee Mortality Table, both projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

(continued)

7. Sample Rates of Mortality for Disabled Annuitant Lives at Selected Ages (number of deaths per 10,000 members)

	(Showing values in 2017)	
Age	Male	Female
25	83	24
30	79	30
35	93	42
40	112	58
45	174	91
50	214	120
55	246	151
60	280	179
65	335	218
70	433	296

Rates are based on 108% and 105% of the RP-2014 Total Dataset Disabled Annuitant Mortality Table, respectively, for males and females, projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85, grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

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

Age	Fiscal Years Ending Even	Fiscal Years Ending Odd
57-69	0	250
70+	0	1,000

Note that the all retirement rates are only applied once the member is eligible to retire, so those in with 62 or 65 normal retirement ages are not assumed to retire until eligible. No retirements are assumed prior to age 57, regardless of service amount.

9. Sample Rates of Disability at Selected Ages (number becoming disabled per 10,000 members)

Age	
25	0
30	0
35	0
40	0
45	0
50	0
55	0
60	0

10. Family Composition Assumptions

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

LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

(continued)

11. Technical and Miscellaneous Assumptions

Decrement Timing: Middle of the valuation year

Pay Increase Timing: Salary provided is treated as the rate of pay as of valuation date. Annual increases are applied as of the beginning of each subsequent valuation.

Member Contribution Interest Rate: 5%

COLA Timing: September 1

12. Rationale for Actuarial Assumptions

The assumptions were adopted by the Board of Trustees at their July 14, 2016 meeting. The demographic assumptions adopted are based on an experience study covering the period from June 30, 2012 through June 30, 2015 and the economic assumptions are based on this experience study along with advice of the MainePERS investment consultants.

13. 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 the Program's 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 2.75% 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.

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.

LEGISLATIVE RETIREMENT PROGRAM
ACTUARIAL ASSUMPTIONS and METHODS

(concluded)

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, 2017 for additional information about the actuarial value of assets, including its development.

3. Changes since Last Valuation

None.

RETIREE GROUP LIFE INSURANCE
SUMMARY OF PROGRAM AND PLAN PROVISIONS

Membership

Service Retirement:	A retiree must have participated in the group life insurance program for at least ten years and possess coverage just prior to retirement.
Disability Retirement:	An employee must have participated in the group life insurance program immediately prior to disablement.

Basic Insurance

Average final compensation calculated for retirement purposes.

Amount of Insurance for a Retiree

Service Retirement:	The Basic Insurance will be reduced by 15% per year until the amount equal to the greater of (a) 40% of the initial Basic Insurance, or (b) $2,500.
Disability Retirement:	The amount of basic life insurance in force prior to retirement will be continued until normal retirement age. At normal retirement age, the amount of insurance will be reduced as for service retirement.

Retiree Contribution

State Employees:	None
Teachers:	None
Judges:	None
Legislators:	None
PLD:	PLD must pay $0.46 per month per $1,000 of base benefit, based on the coverage amounts declining from 100% to 40%.

Normal Retirement Age

The specified age, the years of service requirement or any age and years of service combination at which a participant may become eligible for unreduced service retirement benefits.

Discontinued Coverages at Retirement

- Supplemental Life
- Accidental Death and Dismemberment
- Dependent Life

(Discontinued coverage may be ported to another group term product or converted to an individual policy. MainePERS is charged a fee for those active employees who convert to an individual policy upon termination from employment. Conversion charges are considered a cost of active, not retiree group life insurance. Therefore, it is not included in these liabilities.)

For GLI only, the 2017 numbers were developed from the June 30, 2016 valuation using standard roll-forward techniques.

RETIREE GROUP LIFE INSURANCE
ACTUARIAL ASSUMPTIONS AND METHODS

Economic Assumptions	
Valuation Date:	June 30, 2016
State Sponsored Plans Investment Return:	6.875% per year
PLD GASB Beginning of Year Investment Return:	4.43% per year
PLD GASB End of Year Investment Return:	5.41% per year
Cost-of-Living Increases in Life Benefits:	N/A. Unlike pension benefits, Life Benefits do not increase with Cost of Living.
Premium Expense Assumption:	To reflect administrative expenses associated with the distribution of benefits, the following loads have been added to the liabilities, normal cost, and benefit payments.
State Employees, Judges and Legislators:	9.52%
Teachers:	13.07%
Participating Local Districts:	8.66% of claims
Conversion Charges:	Applies to the cost of active group life insurance, not retiree group life insurance.
Form of Benefit Payment:	Lump Sum.
Other Assumptions and Methods:	All other assumptions and methods match those used for the pension valuation as of June 30, 2016.

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.

TABLE OF CONTENTS

These tables contain trend information that may assist the reader in assessing the System's current financial performance by placing it in historical perspective. Unless otherwise noted, the information in the Financial Trends tables is derived from the annual financial reports for the relevant year.

These tables contain service and infrastructure indicators that can enhance one's understanding of how the information in the System's financial statements relates to the services the System provides and the activities it performs. Unless otherwise noted, the information in these tables is derived from the System's pension administration records.

DEFINED BENEFIT PLANS
CHANGES IN FIDUCIARY NET POSITION - STATE EMPLOYEE AND TEACHER PLAN

LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Additions										
Member contributions	$ 139,464,284	$ 125,523,987	$ 123,528,807	$ 121,033,152	$ 121,059,118	$ 121,071,499	$ 124,356,773	$ 125,814,747	$ 124,008,211	$ 122,250,236
Employer contributions	204,378,333	199,212,719	173,465,932	155,000,664	136,937,972	125,839,206	184,423,671	183,937,026	187,865,547	168,706,479
Non-employer entity contributions	122,739,195	112,477,836	147,283,716	149,443,199	126,762,206	126,343,975	148,728,049	144,496,637	131,104,913	127,457,492
Investment Income (net of expenses)	1,256,043,736	40,540,759	191,829,057	1,517,432,345	929,806,764	43,821,836	1,583,183,960	748,522,308	(1,575,728,247)	(267,689,374)
Transfer from other funds	19,749	5,149	-	-	-	-	-	-	-	-
Total additions to fiduciary net position	1,722,645,297	477,760,450	636,107,512	1,942,909,360	1,314,566,060	417,076,516	2,040,692,453	1,202,770,718	(1,132,749,576)	150,724,833
Deductions										
Benefit payments	762,449,709	727,717,178	703,292,105	667,506,634	651,525,831	612,512,717	574,135,970	548,688,977	524,001,240	485,447,952
Refunds	17,876,272	16,806,566	19,432,153	21,684,397	17,891,255	21,024,589	20,747,236	17,214,436	37,390,057	21,737,697
Administrative expenses	9,216,027	8,649,031	8,917,135	7,467,351	7,651,938	7,268,110	7,553,424	7,461,728	7,882,567	-
Transfer to other funds	143,926	6,347,159	-	-	-	-	-	-	-	-
Total deductions from fiduciary net position	789,685,934	759,519,934	731,641,393	696,658,382	677,069,024	640,805,416	602,436,630	573,365,141	569,273,864	507,185,649
Change in fiduciary net position	$ 932,959,363	$ (281,759,484)	$ (95,533,881)	$ 1,246,250,978	$ 637,497,036	$ (223,728,900)	$ 1,438,255,823	$ 629,405,577	$ (1,702,023,440)	$ (356,460,816)
Fiduciary Net Position										
Beginning of Year	$ 9,960,346,107	$ 10,242,105,591	$ 10,337,639,472	$ 9,091,388,494	$ 8,453,891,458	$ 8,677,620,358	$ 7,239,364,535	$ 6,609,958,958	$ 8,311,982,398	$ 8,668,443,214
End of Year	$ 10,893,305,470	$ 9,960,346,107	$ 10,242,105,591	$ 10,337,639,472	$ 9,091,388,494	$ 8,453,891,458	$ 8,677,620,358	$ 7,239,364,535	$ 6,609,958,958	$ 8,311,982,398

DEFINED BENEFIT PLANS
CHANGES IN FIDUCIARY NET POSITION - JUDICIAL PLAN

LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Additions										
Member contributions	$ 584,451	$ 549,845	$ 549,691	$ 528,192	$ 518,094	$ 517,419	$ 518,138	$ 530,521	$ 508,074	$ 540,082
Employer contributions	1,144,445	1,077,545	979,281	932,223	841,397	810,721	987,261	961,083	1,267,869	1,211,358
Non-employer entity contributions	-	-	-	-	-	-	-	-	-	-
Investment Income (net of expenses)	7,799,507	129,372	1,055,347	8,416,042	5,195,908	238,870	9,044,929	4,368,320	(9,198,191)	(1,560,205)
Transfer from other funds	-	6,342,010	-	-	-	-	-	-	-	-
Total additions to fiduciary net position	9,528,403	8,098,772	2,584,319	9,876,457	6,555,399	1,567,010	10,550,328	5,859,924	(7,422,248)	191,235
Deductions										
Benefit payments	3,651,927	3,501,911	3,383,995	3,219,480	3,282,344	3,171,846	3,034,095	2,799,764	2,582,178	2,337,289
Refunds	-	-	-	-	-	-	124	-	29,128	-
Administrative expenses	56,436	47,577	49,399	41,681	42,858	40,852	43,534	30,222	31,024	-
Transfer to other funds	-	-	-	-	-	-	-	-	-	-
Total deductions from fiduciary net position	3,708,363	3,549,488	3,433,394	3,261,161	3,325,202	3,212,698	3,077,753	2,829,986	2,642,330	2,337,289
Change in fiduciary net position	$ 5,820,040	$ 4,549,284	$ (849,075)	$ 6,615,296	$ 3,230,197	$ (1,645,688)	$ 7,472,575	$ 3,029,938	$ (10,064,578)	$ (2,146,054)
Fiduciary Net Position										
Beginning of Year	$ 60,890,109	$ 56,340,825	$ 57,189,900	$ 50,574,604	$ 47,344,407	$ 48,990,095	$ 41,517,520	$ 38,487,582	$ 48,552,160	$ 50,698,214
End of Year	$ 66,710,149	$ 60,890,109	$ 56,340,825	$ 57,189,900	$ 50,574,604	$ 47,344,407	$ 48,990,095	$ 41,517,520	$ 38,487,582	$ 48,552,160

DEFINED BENEFIT PLANS
CHANGES IN FIDUCIARY NET POSITION - LEGISLATIVE PLAN

LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Additions										
Member contributions	$ 202,388	$ 137,893	$ 193,356	$ 139,501	$ 194,669	$ 133,579	$ 182,065	$ 129,308	$ 179,037	$ 124,354
Employer contributions	-	-	4,418	3,857	6,507	-	-	-	-	(10,020)
Non-employer entity contributions	-	-	-	-	-	-	-	-	-	-
Investment Income (net of expenses)	1,366,222	47,890	206,453	1,622,295	975,524	48,845	1,634,305	780,615	(1,645,122)	(281,186)
Transfer from other funds	-	-	-	-	-	-	-	-	-	-
Total additions to fiduciary net position	1,568,610	185,783	404,227	1,765,653	1,176,700	182,424	1,816,370	909,923	(1,466,085)	(166,852)
Deductions										
Benefit payments	399,142	367,545	327,875	308,770	280,254	274,088	255,181	245,572	230,373	218,540
Refunds	69,901	77,786	111,237	8,836	82,768	5,613	93,809	58,762	134,503	21,220
Administrative expenses	10,003	9,353	9,584	7,975	8,040	7,241	7,551	7,741	10,111	-
Transfer to other funds	-	-	-	-	-	-	-	-	-	-
Total deductions from fiduciary net position	479,046	454,684	448,696	325,581	371,062	286,942	356,541	312,075	374,987	239,760
Change in fiduciary net position	$ 1,089,564	$ (268,901)	$ (44,469)	$ 1,440,072	$ 805,638	$ (104,518)	$ 1,459,829	$ 597,848	$ (1,841,072)	$ (406,612)
Fiduciary Net Position										
Beginning of Year	$ 10,806,661	$ 11,075,562	$ 11,120,031	$ 9,679,959	$ 8,874,321	$ 8,978,839	$ 7,519,010	$ 6,921,162	$ 8,762,234	$ 9,168,846
End of Year	$ 11,896,225	$ 10,806,661	$ 11,075,562	$ 11,120,031	$ 9,679,959	$ 8,874,321	$ 8,978,839	$ 7,519,010	$ 6,921,162	$ 8,762,234

DEFINED BENEFIT PLANS
CHANGES IN FIDUCIARY NET POSITION - PLD CONSOLIDATED PLAN

LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Additions										
Member contributions	$ 46,080,851	$ 40,861,405	$ 37,202,921	$ 33,210,510	$ 31,658,619	$ 32,343,655	$ 35,022,928	$ 32,332,068	$ 29,710,526	$ 27,473,405
Employer contributions	51,387,011	47,624,182	43,366,730	32,706,160	26,465,471	22,260,128	17,459,677	12,311,355	11,582,485	12,179,699
Non-employer entity contributions	-	-	-	-	-	-	-	-	-	-
Investment Income (net of expenses)	299,780,948	10,200,342	46,075,304	361,125,177	221,313,918	10,111,043	381,383,555	182,525,441	(389,931,938)	(66,322,263)
Transfer from other funds	124,177	-	-	-	-	-	-	-	-	-
Total additions to fiduciary net position	397,372,987	98,685,929	126,644,955	427,041,847	279,438,008	64,714,826	433,866,160	227,168,864	(348,638,927)	(26,669,159)
Deductions										
Benefit payments	140,413,488	134,834,445	129,476,010	121,559,257	114,627,512	108,646,611	101,288,867	96,702,118	93,095,725	85,735,837
Refunds *	5,750,078	5,085,235	48,939,042	5,602,101	6,051,774	22,911,291	11,353,634	5,822,392	8,041,146	5,496,757
Administrative expenses	2,209,324	2,028,294	2,117,266	1,779,304	1,810,389	1,732,139	1,827,587	1,668,738	1,754,829	1,941,924
Transfer to other funds	186,378	217,338	-	-	-	-	-	-	-	-
Total deductions from fiduciary net position	148,559,268	142,165,312	180,532,318	128,940,662	122,489,675	133,290,041	114,470,088	104,193,248	102,891,700	93,174,518
Change in fiduciary net position	$ 248,813,719	$ (43,479,383)	$ (53,887,363)	$ 298,101,185	$ 156,948,333	$ (68,575,215)	$ 319,396,072	$ 122,975,616	$ (451,530,627)	$ (119,843,677)
Fiduciary Net Position										
Beginning of Year	$ 2,358,409,925	$ 2,401,889,308	$ 2,455,776,671	$ 2,157,675,486	$ 2,000,727,153	$ 2,069,302,368	$ 1,749,906,296	$ 1,626,930,680	$ 2,078,461,307	$ 2,198,304,984
End of Year	$ 2,607,223,644	$ 2,358,409,925	$ 2,401,889,308	$ 2,455,776,671	$ 2,157,675,486	$ 2,000,727,153	$ 2,069,302,368	$ 1,749,906,296	$ 1,626,930,680	$ 2,078,461,307

* 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 PLANS
CHANGES IN FIDUCIARY NET POSITION - PLD AGENT PLAN

LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Additions										
Member contributions	$ 76,783	$ 83,614	$ 94,468	$ 94,136	$ 106,000	$ 105,380	$ 124,472	$ 132,049	$ 146,253	$ 155,015
Employer contributions	630,639	783,608	916,671	667,846	656,047	102,509	302,338	9,024	2,776	3,133
Non-employer entity contributions	-	-	-	-	-	-	-	-	-	-
Investment Income (net of expenses)	4,160,113	112,396	662,680	5,581,964	3,591,957	79,872	6,669,837	6,005,408	(11,619,730)	(1,576,140)
Transfer from other funds	-	-	-	-	-	-	-	-	-	-
Total additions to fiduciary net position	4,867,535	979,618	1,673,819	6,343,946	4,354,004	287,761	7,096,647	6,146,481	(11,470,701)	(1,417,992)
Deductions										
Benefit payments	2,777,307	2,779,624	2,780,492	2,702,486	2,644,060	2,608,985	2,442,356	2,397,937	2,695,479	2,606,044
Refunds	-	-	-	1,897,634	-	201,244	9,190	141	17,109	52,877
Administrative expenses	4,005	29,962	32,253	27,981	30,704	30,884	33,525	31,457	41,741	49,134
Transfer to other funds	-	-	-	-	-	-	-	-	-	-
Total deductions from fiduciary net position	2,781,312	2,809,586	2,812,745	4,628,101	2,674,764	2,841,113	2,485,071	2,429,535	2,754,329	2,708,055
Change in fiduciary net position	$ 2,086,223	$ (1,829,968)	$ (1,138,926)	$ 1,715,845	$ 1,679,240	$ (2,553,352)	$ 4,611,576	$ 3,716,946	$ (14,225,030)	$ (4,126,047)
Fiduciary Net Position										
Beginning of Year	$ 33,650,515	$ 35,480,483	$ 36,619,409	$ 34,903,564	$ 33,224,324	$ 35,777,676	$ 31,166,100	$ 27,449,154	$ 41,674,184	$ 45,800,231
End of Year	$ 35,736,738	$ 33,650,515	$ 35,480,483	$ 36,619,409	$ 34,903,564	$ 33,224,324	$ 35,777,676	$ 31,166,100	$ 27,449,154	$ 41,674,184

GROUP LIFE INSURANCE PLAN
CHANGES IN FIDUCIARY NET POSITION

LAST TEN FISCAL YEARS *

GROUP LIFE INSURANCE PLAN - ACTIVE EMPLOYEES

	Fiscal Year 2017
Additions	
Member contributions	$ 4,464,169
Employer contributions	1,066,443
Non-employer entity contributions	-
Investment Income (net of expenses)	947,664
Total additions to fiduciary net position	6,478,276
Deductions	
Benefit payments	4,149,279
Refunds	-
Administrative expenses	128,989
Transfer to other funds	-
Total deductions from fiduciary net position	4,278,268
Change in fiduciary net position	$ 2,200,008
Fiduciary Net Position	
Beginning of Year	$ 6,095,910
End of Year	$ 8,295,918

GROUP LIFE INSURANCE PLAN - STATE EMPLOYEE & TEACHER RETIREES

	Fiscal Year 2017
Additions	
Employer contributions	$ 3,650,300
Non-employer entity contributions	3,270,928
Investment Income (net of expenses)	9,885,897
Transfer from other funds	-
Total additions to fiduciary net position	16,807,125
Deductions	
Benefit payments	6,003,967
Refunds	-
Administrative expenses	1,335,745
Total deductions from fiduciary net position	7,339,712
Change in fiduciary net position	$ 9,467,413
Fiduciary Net Position	
Beginning of Year	$ 77,415,451
End of Year	$ 86,882,864

GROUP LIFE INSURANCE PLAN - PLD RETIREES

	Fiscal Year 2017
Additions	
Employer contributions	$ 1,037,124
Non-employer entity contributions	-
Investment Income (net of expenses)	1,738,914
Transfer from other funds	-
Total additions to fiduciary net position	2,776,038
Deductions	
Benefit payments	1,394,586
Refunds	-
Administrative expenses	238,856
Total deductions from fiduciary net position	1,633,442
Change in fiduciary net position	$ 1,142,596
Fiduciary Net Position	
Beginning of Year	$ 13,940,338
End of Year	$ 15,082,934

* 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.

DEFINED CONTRIBUTION PLANS
CHANGES IN FIDUCIARY NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Additions										
Member contributions	$ 3,218,801	$ 3,628,460	$ 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	560,505	47,768	131,589	109,515	111,327	43,434	47,377	53,956	153,334	16,583
Other contributions	-	-	-	-	-	-	-	-	-	-
Investment Income (net of expenses)	3,447,427	226,942	719,767	3,210,308	1,815,398	318,640	1,939,674	742,235	(1,173,821)	(512,020)
Transfer from other funds	186,378	217,338	-	-	-	-	-	-	-	-
Total additions to fiduciary net position	7,413,111	4,120,508	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	2,072,166	1,866,147	1,718,286	2,032,458	643,765	1,055,018	770,630	411,390	470,750	570,014
Administrative expenses	284,202	309,558	130,964	112,015	113,827	45,964	50,143	56,686	159,635	16,583
Transfer to other funds	-	-	-	-	-	-	-	-	-	-
Total deductions from fiduciary net position	2,356,368	2,175,705	1,849,250	2,144,473	757,592	1,100,982	820,773	468,076	630,385	586,597
Change in fiduciary net postion	$ 5,056,743	$ 1,944,803	$ 2,168,033	$ 4,680,773	$ 3,831,450	$ 2,149,966	$ 3,957,049	$ 2,710,110	$ 316,616	$ 99,584
Fiduciary Net Position										
Beginning of Year	$ 29,142,140	$ 27,197,337	$ 25,029,304	$ 20,348,531	$ 16,517,081	$ 14,367,115	$ 10,410,066	$ 7,699,956	$ 7,383,340	$ 7,283,756
End of Year	$ 34,198,883	$ 29,142,140	$ 27,197,337	$ 25,029,304	$ 20,348,531	$ 16,517,081	$ 14,367,115	$ 10,410,066	$ 7,699,956	$ 7,383,340

RETIREE HEALTH INVESTMENT TRUST FUND
CHANGES IN FIDUCIARY NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Additions										
Member contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer contributions	4,000,000	5,584,992	-	-	1,840,385	6,000,000	14,411,368	-	-	100,000,000
Other contributions	-	-	-	-	-	-	-	-	-	-
Investment Income (net of expenses)	26,513,072	2,388,249	5,405,438	29,564,596	18,706,315	959,334	23,350,728	13,143,997	(16,084,427)	(1,609,855)
Transfer from other funds	-	-	-	-	-	-	-	-	-	-
Total additions to fiduciary net position	30,513,072	7,973,241	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	5,844	5,354	117,844	90,030	85,609	68,643	64,510	56,754	55,695	28,347
Transfer to other funds	-	-	-	-	-	-	-	-	-	-
Total deductions from fiduciary net position	5,844	5,354	117,844	90,030	85,609	68,643	64,510	56,754	55,695	28,347
Change in fiduciary net position	$ 30,507,228	$ 7,967,887	$ 5,287,594	$ 29,474,566	$ 20,461,091	$ 6,890,691	$ 37,697,586	$ 13,087,243	$ (16,140,122)	$ 98,361,798
Fiduciary Net Position										
Beginning of Year	$ 203,088,334	$ 195,120,447	$ 189,832,853	$ 160,358,287	$ 139,897,196	$ 133,006,505	$ 95,308,919	$ 82,221,676	$ 98,361,798	$ -
End of Year	$ 233,595,562	$ 203,088,334	$ 195,120,447	$ 189,832,853	$ 160,358,287	$ 139,897,196	$ 133,006,505	$ 95,308,919	$ 82,221,676	$ 98,361,798

DEFINED BENEFIT PLANS
BENEFIT AND REFUND DEDUCTIONS FROM FIDUCIARY NET POSITION
BY TYPE

LAST TEN FISCAL YEARS

STATE EMPLOYEE AND TEACHER PLAN

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Type of Benefit										
Service retirement benefits	$ 718,059,271	$ 683,518,206	$ 658,113,295	$ 622,008,923	$ 604,712,027	$ 566,668,373	$ 528,676,257	$ 503,788,858	$ 475,556,492	$ 435,315,763
Disability benefits	26,232,096	26,795,729	27,863,125	28,930,711	30,077,965	29,864,477	29,632,446	29,273,855	38,239,104	45,460,361
Pre-Retirement death benefits	18,158,342	17,403,242	17,315,685	16,567,000	16,735,839	15,979,866	15,827,267	15,626,264	10,205,645	4,671,828
Total benefits	$ 762,449,709	$ 727,717,177	$ 703,292,105	$ 667,506,634	$ 651,525,831	$ 612,512,716	$ 574,135,970	$ 548,688,977	$ 524,001,241	$ 485,447,952
Type of Refund										
Death	$ 4,373,110	$ 2,778,790	$ 3,120,006	$ 3,247,581	$ 3,955,186					
Separation	13,503,162	14,027,776	16,312,147	18,436,816	13,936,069					
Other	-	-	-	-	-					
Total refunds	$ 17,876,272	$ 16,806,566	$ 19,432,153	$ 21,684,397	$ 17,891,255	$ -	$ -	$ -	$ -	$ -

Data by type of refund, by plan, was not readily available for the years prior to 2013. This information will continue to be populated until the requisite ten years is displayed.

JUDICIAL PLAN

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Type of Benefit										
Service retirement benefits	$ 3,651,927	$ 3,501,911	$ 3,383,995	$ 3,194,250	$ 3,207,656	$ 3,107,935	$ 2,996,751	$ 2,762,420	$ 2,514,193	$ 2,265,789
Disability benefits	-	-	-	25,230	74,688	63,911	37,344	37,344	67,985	71,500
Pre-Retirement death benefits	-	-	-	-	-	-	-	-	-	-
Total benefits	$ 3,651,927	$ 3,501,911	$ 3,383,995	$ 3,219,480	$ 3,282,344	$ 3,171,846	$ 3,034,095	$ 2,799,764	$ 2,582,178	$ 2,337,289
Type of Refund										
Death	$ -	$ -	$ -	$ -	$ -					
Separation	-	-	-	-	-					
Other	-	-	-	-	-					
Total refunds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Data by type of refund, by plan, was not readily available for the years prior to 2013. This information will continue to be populated until the requisite ten years is displayed.

DEFINED BENEFIT PLANS
BENEFIT AND REFUND DEDUCTIONS FROM FIDUCIARY NET POSITION
BY TYPE *(continued)*

LAST TEN FISCAL YEARS

LEGISLATIVE PLAN

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Type of Benefit										
Service retirement benefits	$ 347,133	$ 312,108	$ 289,432	$ 271,025	$ 242,015	$ 231,584	$ 215,154	$ 205,545	$ 203,842	$ 192,273
Disability benefits	14,377	19,245	8,142	7,994	8,099	7,863	7,863	7,863	3,931	-
Pre-Retirement death benefits	37,632	36,192	30,301	29,751	30,140	34,641	32,164	32,164	22,600	26,267
Total benefits	$ 399,142	$ 367,545	$ 327,875	$ 308,770	$ 280,254	$ 274,088	$ 255,181	$ 245,572	$ 230,373	$ 218,540
Type of Refund										
Death	$ 14,720	$ 6,122	$ 11,524	$ -	$ -					
Separation	55,181	71,664	99,713	8,836	82,768					
Other	-	-	-	-	-					
Total refunds	$ 69,901	$ 77,786	$ 111,237	$ 8,836	$ 82,768	$ -	$ -	$ -	$ -	$ -

Data by type of refund, by plan, was not readily available for the years prior to 2013. This information will continue to be populated until the requisite ten years is displayed.

PLD CONSOLIDATED PLAN

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Type of Benefit										
Service retirement benefits	$ 129,354,921	$ 123,607,716	$ 118,281,904	$ 110,537,271	$ 104,017,589	$ 98,259,313	$ 91,247,190	$ 86,778,139	$ 83,423,825	$ 76,499,311
Disability benefits	6,596,584	6,954,282	6,994,050	7,133,396	6,860,218	6,842,091	6,611,574	6,552,114	7,369,060	7,870,854
Pre-Retirement death benefits	4,461,983	4,272,447	4,200,056	3,888,590	3,749,705	3,545,207	3,430,103	3,371,865	2,302,840	1,365,672
Total benefits	$ 140,413,488	$ 134,834,445	$ 129,476,010	$ 121,559,257	$ 114,627,512	$ 108,646,611	$ 101,288,867	$ 96,702,118	$ 93,095,725	$ 85,735,837
Type of Refund										
Death	$ 938,577	$ 589,655	$ 1,141,276	$ 613,327	$ 982,328					
Separation	4,811,501	4,495,580	4,797,240	4,988,774	5,069,446					
Other *		-	43,000,526	-	-					
Total refunds	$ 5,750,078	$ 5,085,235	$ 48,939,042	$ 5,602,101	$ 6,051,774	$ -	$ -	$ -	$ -	$ -

* 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 2013. This information will continue to be populated until the requisite ten years is displayed.

DEFINED BENEFIT PLANS
BENEFIT AND REFUND DEDUCTIONS FROM FIDUCIARY NET POSITION
BY TYPE *(continued)*

LAST TEN FISCAL YEARS

PLD AGENT PLAN

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Type of Benefit										
Service retirement benefits	$ 2,777,307	$ 2,779,624	$ 2,780,492	$ 2,702,486	$ 2,644,060	$ 2,608,985	$ 2,442,356	$ 2,397,937	$ 2,688,954	$ 2,606,044
Disability benefits	-	-	-	-	-	-	-	-	6,525	-
Pre-Retirement death benefits	-	-	-	-	-	-	-	-	-	-
Total benefits	$ 2,777,307	$ 2,779,624	$ 2,780,492	$ 2,702,486	$ 2,644,060	$ 2,608,985	$ 2,442,356	$ 2,397,937	$ 2,695,479	$ 2,606,044
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 2013. This information will continue to be populated until the requisite ten years is displayed.

PENSION COMBINED

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Type of Benefit										
Service retirement benefits	$ 854,190,558	$ 813,719,565	$ 782,849,118	$ 738,713,955	$ 714,823,347	$ 670,876,190	$ 625,577,708	$ 595,870,176	$ 564,341,497	$ 516,877,544
Disability benefits	32,843,057	33,769,256	34,865,317	36,097,330	37,020,969	36,778,342	36,289,227	35,862,703	45,703,611	53,404,352
Pre-Retirement death benefits	22,657,957	21,711,881	21,546,043	20,485,341	20,515,684	19,559,715	19,289,534	19,001,489	12,559,888	6,063,767
Total benefits	$ 909,691,572	$ 869,200,702	$ 839,260,478	$ 795,296,626	$ 772,360,000	$ 727,214,247	$ 681,156,469	$ 650,734,368	$ 622,604,996	$ 576,345,663
Type of Refund										
Death	$ 5,326,407	$ 3,374,567	$ 4,272,805	$ 3,860,908	$ 4,937,513	$ 4,406,322	$ 5,139,665	$ 2,533,464	$ 4,833,774	$ 3,517,392
Separation	18,369,844	18,595,020	21,209,100	23,434,426	19,088,284	21,003,032	20,567,589	18,099,434	38,700,530	21,950,987
Other *	-	-	43,000,526	1,897,634	-	18,733,381	6,496,738	2,462,834	2,077,637	1,840,172
Total refunds	$ 23,696,251	$ 21,969,587	$ 68,482,431	$ 29,192,968	$ 24,025,797	$ 44,142,736	$ 32,203,992	$ 23,095,732	$ 45,611,942	$ 27,308,551

* 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 2013. This information will continue to be populated until the requisite ten years is displayed.

GROUP LIFE INSURANCE PLAN
BENEFIT AND REFUND DEDUCTIONS FROM FIDUCIARY NET POSITION
BY TYPE *(concluded)*

LAST TEN FISCAL YEARS *

GROUP LIFE INSURANCE PLAN - ACTIVE EMPLOYEES

Type of Benefit	Fiscal Year 2017
Basic active claims	$ 1,717,860
Supplemental claims	1,886,684
Dependent claims	182,500
Accidental Death & Dismemberment claims	309,000
	4,096,044
Conversion expense	53,235
Total benefits	$ 4,149,279

GROUP LIFE INSURANCE PLAN - STATE EMPLOYEE & TEACHER RETIREES

Type of Benefit	Fiscal Year 2017
Basic retiree claims	$ 6,003,967
Total benefits	$ 6,003,967

GROUP LIFE INSURANCE PLAN - PLD RETIREES

Type of Benefit	Fiscal Year 2017
Basic retiree claims	$ 1,394,586
Total benefits	$ 1,394,586

* 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.

DEFINED BENEFIT PLANS - AVERAGE BENEFIT PAYMENTS

LAST TEN FISCAL YEARS

STATE EMPLOYEE AND TEACHER PLAN

Retirement Effective Dates
July 1, 2012 - June 30, 2017*

	Years of Creditable Service						
	Less than 5	5-10	10-15	15-20	20-25	25-30	Greater than 30
Period 7/1/2016 to 6/30/2017							
Average Monthly Benefit	$ 165	$ 493	$ 806	$ 1,265	$ 1,857	$ 2,163	$ 3,108
Average Final Salary	$ 9,821	$ 32,228	$ 33,672	$ 37,623	$ 41,937	$ 44,336	$ 50,999
Number of Service Retirees	1,198	1,345	2,744	2,544	3,402	6,767	9,415
Period 7/1/2015 to 6/30/2016							
Average Monthly Benefit	$ 170	$ 485	$ 780	$ 1,229	$ 1,806	$ 2,105	$ 3,040
Average Final Salary	$ 10,649	$ 32,076	$ 32,842	$ 36,832	$ 40,960	$ 43,503	$ 50,158
Number of Service Retirees	1,070	1,259	2,663	2,467	3,331	6,670	9,164
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 Service Retirees	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 Service Retirees	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 Service Retirees	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, 2017*

	Years of Creditable Service						
	Less than 5	5-10	10-15	15-20	20-25	25-30	Greater than 30
Period 7/1/2016 to 6/30/2017							
Average Monthly Benefit	$ 442	$ 1,729	$ 4,358	$ 4,244	$ 4,738	$ 5,586	$ 5,268
Average Final Salary	$ 10,273	$ 57,420	$ 84,234	$ 89,784	$ 103,183	$ 110,586	$ 111,931
Number of Service Retirees	6	12	12	20	5	9	5
Period 7/1/2015 to 6/30/2016							
Average Monthly Benefit	$ 440	$ 1,707	$ 4,317	$ 4,199	$ 4,696	$ 5,542	$ 5,229
Average Final Salary	$ 10,273	$ 57,420	$ 84,234	$ 87,575	$ 103,183	$ 110,586	$ 111,931
Number of Service Retirees	6	12	12	19	5	9	5
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 Service Retirees	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 Service Retirees	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 Service Retirees	1	5	17	9	6	9	4

*This table will continue to be populated until the requisite ten years of data is presented.

DEFINED BENEFIT PLANS - AVERAGE BENEFIT PAYMENTS

(continued)

LAST TEN FISCAL YEARS

LEGISLATIVE PLAN

Retirement Effective Dates
July 1, 2012 - June 30, 2017*

	Years of Creditable Service						
	Less than 5	5-10	10-15	15-20	20-25	25-30	Greater than 30
Period 7/1/2016 to 6/30/2017							
Average Monthly Benefit	$ 82	$ 161	$ 279	$ 363	$ -	$ -	$ -
Average Final Salary	$ 9,646	$ 12,109	$ 12,284	$ 14,900	$ -	$ -	$ -
Number of Service Retirees	23	105	16	3	0	0	0
Period 7/1/2015 to 6/30/2016							
Average Monthly Benefit	$ 80	$ 159	$ 263	$ 402	$ -	$ -	$ -
Average Final Salary	$ 10,120	$ 12,078	$ 11,681	$ 12,773	$ -	$ -	$ -
Number of Service Retirees	23	97	14	3	0	0	0
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 Service Retirees	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 Service Retirees	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 Service Retirees	24	87	11	4	0	0	0

*This table will continue to be populated until the requisite ten years of data is presented.

PLD CONSOLIDATED PLAN

Retirement Effective Dates
July 1, 2012 - June 30, 2017*

	Years of Creditable Service						
	Less than 5	5-10	10-15	15-20	20-25	25-30	Greater than 30
Period 7/1/2016 to 6/30/2017							
Average Monthly Benefit	$ 139	$ 528	$ 790	$ 1,307	$ 1,859	$ 2,268	$ 3,064
Average Final Salary	$ 7,669	$ 24,049	$ 28,550	$ 34,100	$ 35,609	$ 42,422	$ 47,585
Number of Service Retirees	1,478	1,297	1,271	1,276	1,233	1,008	599
Period 7/1/2015 to 6/30/2016							
Average Monthly Benefit	$ 138	$ 511	$ 748	$ 1,281	$ 1,809	$ 2,228	$ 3,015
Average Final Salary	$ 7,707	$ 23,663	$ 27,128	$ 33,490	$ 33,885	$ 41,686	$ 47,280
Number of Service Retirees	1,328	1,176	1,201	1,252	1,139	1,031	618
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 Service Retirees	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 Service Retirees	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 Service Retirees	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.

DEFINED BENEFIT PLANS - AVERAGE BENEFIT PAYMENTS

(concluded)

LAST TEN FISCAL YEARS

PLD AGENT PLAN

Retirement Effective Dates
July 1, 2012 - June 30, 2017*

	Years of Creditable Service						
	Less than 5	5-10	10-15	15-20	20-25	25-30	Greater than 30
Period 7/1/2016 to 6/30/2017							
Average Monthly Benefit	$ 60	$ 340	$ 505	$ 846	$ 1,815	$ 2,216	$ 2,576
Average Final Salary	$ 1,988	$ 15,590	$ 15,597	$ 24,795	$ 31,931	$ 38,813	$ 46,217
Number of Service Retirees	24	5	19	20	31	33	22
Period 7/1/2015 to 6/30/2016							
Average Monthly Benefit	$ 49	$ 337	$ 501	$ 839	$ 1,816	$ 2,221	$ 2,523
Average Final Salary	$ 1,915	$ 15,644	$ 15,294	$ 24,795	$ 31,502	$ 38,440	$ 46,217
Number of Service Retirees	23	5	19	20	33	31	22
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 Service Retirees	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 Service Retirees	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 Service Retirees	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 PLANS - AVERAGE BENEFIT PAYMENTS

(concluded)

LAST TEN FISCAL YEARS

ALL DEFINED BENEFIT PENSION PLANS, COMBINED

Retirement Effective Dates July 1, 2007 - June 30, 2017

	Years of Creditable Service						
	Less than 5	5-10	10-15	15-20	20-25	25-30	Greater than 30
Period 7/1/2016 to 6/30/2017							
Average Monthly Benefit	$ 172	$ 518	$ 812	$ 1,295	$ 1,863	$ 2,181	$ 3,105
Average Final Salary	$ 8,593	$ 27,750	$ 32,079	$ 36,657	$ 40,248	$ 44,131	$ 50,799
Number of Service Retirees	2,701	2,757	4,047	3,853	4,675	7,821	10,048
Period 7/1/2015 to 6/30/2016							
Average Monthly Benefit	$ 172	$ 504	$ 782	$ 1,262	$ 1,812	$ 2,126	$ 3,038
Average Final Salary	$ 8,943	$ 27,562	$ 31,106	$ 35,902	$ 39,162	$ 43,310	$ 49,980
Number of Service Retirees	2,425	2,538	3,899	3,748	4,510	7,745	9,818
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 Service Retirees	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 Service Retirees	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 Service Retirees	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 Service Retirees	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 Service Retirees	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 Service Retirees	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 Service Retirees	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 Service Retirees	371	1,065	2,796	2,510	3,718	6,412	6,789

DEFINED BENEFIT PLANS
RETIRED MEMBERS BY TYPE OF BENEFIT AND OPTION
As of June 30, 2017

STATE EMPLOYEES AND TEACHER PLAN

		Type of Retirement Benefit				Benefit Option Selected *									
Amount of Monthly Benefit	Number of Retired Members	Service Retiree	Beneficiary	Disability	Pre-Retire Death Benefit	Full Benefit to Retiree	1	2	3	4	5	6	7	8	Other
$0 - $250	2,213	1,273	899	19	22	634	201	253	64	21	650	91	30	40	229
$251 - $500	2,864	1,318	1,396	11	139	696	206	257	90	15	1,078	86	20	30	386
$501 - $750	3,096	1,445	1,150	26	475	760	208	262	103	17	883	101	29	36	697
$751 - $1,000	2,167	1,464	657	46	-	770	183	243	155	21	446	79	36	49	185
$1,001 - $1,250	2,195	1,652	462	81	-	809	209	231	154	23	390	88	47	43	201
$1,251 - $1,500	2,300	1,836	354	110	-	857	248	226	134	9	431	114	46	65	170
$1,501 - $1,750	2,513	2,034	291	188	-	967	295	257	131	21	425	87	59	62	209
$1,751 - $2,000	2,650	2,165	274	211	-	993	308	280	127	22	482	102	63	79	194
Over $2,001	14,872	13,237	691	944	-	6,580	1,740	1,432	686	279	1,728	554	521	647	705
Totals	**34,870**	**26,424**	**6,174**	**1,636**	**636**	**13,066**	**3,598**	**3,441**	**1,644**	**428**	**6,513**	**1,302**	**851**	**1,051**	**2,976**

JUDICIAL PLAN

		Type of Retirement Benefit				Benefit Option Selected *									
Amount of Monthly Benefit	Number of Retired Members	Service Retiree	Beneficiary	Disability	Pre-Retire Death Benefit	Full Benefit to Retiree	1	2	3	4	5	6	7	8	Other
$0 - $250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$251 - $500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$501 - $750	1	0	1	0	0	0	0	0	0	0	1	0	0	0	0
$751 - $1,000	2	0	2	0	0	0	0	0	0	0	1	0	0	0	1
$1,001 - $1,250	2	0	2	0	0	0	0	0	0	0	2	0	0	0	0
$1,251 - $1,500	2	0	2	0	0	0	0	0	0	0	2	0	0	0	0
$1,501 - $1,750	1	0	1	0	0	0	0	1	0	0	0	0	0	0	0
$1,751 - $2,000	2	1	1	0	0	0	1	0	0	0	0	0	0	0	1
Over $2,001	65	51	13	1	0	17	3	17	12	1	9	3	0	2	1
Totals	**75**	**52**	**22**	**1**	**0**	**17**	**4**	**18**	**12**	**1**	**15**	**3**	**0**	**2**	**3**

LEGISLATIVE PLAN

		Type of Retirement Benefit				Benefit Option Selected *									
Amount of Monthly Benefit	Number of Retired Members	Service Retiree	Beneficiary	Disability	Pre-Retire Death Benefit	Full Benefit to Retiree	1	2	3	4	5	6	7	8	Other
$0 - $250	162	132	30	0	0	69	13	39	8	1	15	11	1	1	4
$251 - $500	17	15	1	1	0	9	3	3	0	0	0	1	0	0	1
$501 - $750	6	0	0	1	5	0	0	0	0	0	0	0	0	0	6
$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	**185**	**147**	**31**	**2**	**5**	**78**	**16**	**42**	**8**	**1**	**15**	**12**	**1**	**1**	**11**

* There are eight options available to retirees for their monthly retirement benefit:

Full Benefit to Retiree: provides the highest benefit to the retiree; there is no benefit provided for a beneficiary(ies)

Option 1: the monthly benefit is reduced, and remaining contributions and interest, if any, are paid to a beneficiary(ies) upon retiree's death in a one-time, lump-sum payment

Option 2: the monthly benefit is reduced, and the same monthly benefit is paid to a beneficiary(ies) upon the retiree's death

Option 3: the monthly benefit is reduced, and one-half of the monthly benefit is paid to a beneficiary(ies) upon the retiree's death

Option 4: the monthly benefit is reduced, and a retiree-designated percentage of the monthly benefit is paid to a beneficiary(ies) upon the retiree's death

Option 5: the monthly benefit is split (up to 49%) with a beneficiary(ies) while both the retiree and beneficiary(ies) are living; upon death of either, the other receives the higher benefit for the remainder of his/her life

Option 6: similar to Option 2, except the retiree's monthly benefit will increase to the Full Benefit amount in the event the beneficiary(ies) dies before the retiree

Option 7: similar to Option 3, except the retiree's monthly benefit will increase to the Full Benefit amount in the event the beneficiary(ies) dies before the retiree

Option 8: similar to Option 4, except the retiree's monthly benefit will increase to the Full Benefit amount in the event the beneficiary(ies) dies before the retiree

Other: default option for specific circumstances such as disability benefits, survivor benefits, and qualified domestic relations order benefits

DEFINED BENEFIT PLANS
RETIRED MEMBERS BY TYPE OF BENEFIT AND OPTION
As of June 30, 2017
(concluded)

PLD CONSOLIDATED PLAN

		Type of Retirement Benefit				Benefit Option Selected *									
Amount of Monthly Benefit	Number of Retired Members	Service Retiree	Beneficiary	Disability	Pre-Retire Death Benefit	Full Benefit to Retiree	1	2	3	4	5	6	7	8	Other
$0 - $250	1,488	973	489	20	6	529	129	184	67	15	320	53	28	36	127
$251 - $500	1,166	662	455	16	33	305	121	197	48	7	318	37	12	9	112
$501 - $750	1,133	632	343	21	137	266	113	160	61	7	235	42	13	18	218
$751 - $1,000	755	514	213	28	-	225	71	121	62	7	132	33	12	12	80
$1,001 - $1,250	705	517	152	36	-	217	83	124	40	6	105	42	11	12	65
$1,251 - $1,500	560	429	101	30	-	166	69	89	17	3	112	25	11	10	58
$1,501 - $1,750	516	404	68	44	-	130	57	92	28	5	114	24	9	6	51
$1,751 - $2,000	492	377	61	53	1	164	53	64	21	3	104	19	7	10	47
Over $2,001	2,191	1,928	113	149	1	734	231	317	112	38	349	139	71	57	143
Totals	**9,006**	**6,436**	**1,995**	**397**	**178**	**2,736**	**927**	**1,348**	**456**	**91**	**1,789**	**414**	**174**	**170**	**901**

PLD AGENT PLAN

		Type of Retirement Benefit				Benefit Option Selected *									
Amount of Monthly Benefit	Number of Retired Members	Service Retiree	Beneficiary	Disability	Pre-Retire Death Benefit	Full Benefit to Retiree	1	2	3	4	5	6	7	8	Other
$0 - $250	18	11	7	0	0	7	1	4	1	0	5	0	0	0	0
$251 - $500	27	10	17	0	0	5	1	1	3	0	16	1	0	0	0
$501 - $750	28	16	12	0	0	7	6	2	1	0	11	0	0	0	1
$751 - $1,000	11	6	5	0	0	1	0	3	2	0	1	0	0	0	4
$1,001 - $1,250	17	14	3	0	0	6	0	3	1	1	3	1	2	0	0
$1,251 - $1,500	8	7	1	0	0	2	0	1	2	0	2	0	0	1	0
$1,501 - $1,750	14	13	1	0	0	3	2	3	1	1	3	0	0	0	1
$1,751 - $2,000	6	6	0	0	0	2	0	2	0	0	2	0	0	0	0
Over $2,001	45	42	3	0	0	6	3	7	4	1	20	4	0	0	0
Totals	**174**	**125**	**49**	**0**	**0**	**39**	**13**	**26**	**15**	**3**	**63**	**6**	**2**	**1**	**6**

* There are eight options available to retirees for their monthly retirement benefit:

Full Benefit to Retiree: provides the highest benefit to the retiree; there is no benefit provided for a beneficiary(ies)

Option 1: the monthly benefit is reduced, and remaining contributions and interest, if any, are paid to a beneficiary(ies) upon retiree's death in a one-time, lump-sum payment

Option 2: the monthly benefit is reduced, and the same monthly benefit is paid to a beneficiary(ies) upon the retiree's death

Option 3: the monthly benefit is reduced, and one-half of the monthly benefit is paid to a beneficiary(ies) upon the retiree's death

Option 4: the monthly benefit is reduced, and a retiree-designated percentage of the monthly benefit is paid to a beneficiary(ies) upon the retiree's death

Option 5: the monthly benefit is split (up to 49%) with a beneficiary(ies) while both the retiree and beneficiary(ies) are living; upon death of either, the other receives the higher benefit for the remainder of his/her life

Option 6: similar to Option 2, except the retiree's monthly benefit will increase to the Full Benefit amount in the event the beneficiary(ies) dies before the retiree

Option 7: similar to Option 3, except the retiree's monthly benefit will increase to the Full Benefit amount in the event the beneficiary(ies) dies before the retiree

Option 8: similar to Option 4, except the retiree's monthly benefit will increase to the Full Benefit amount in the event the beneficiary(ies) dies before the retiree

Other: default option for specific circumstances such as disability benefits, survivor benefits, and qualified domestic relations order benefits

EMPLOYEE CONTRIBUTION RATES
LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Judges	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
Legislators	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 Plan Groups	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%	8.65%
25-Year/No-Age Special Plan Groups	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	7.50%	7.50%	7.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
BC - General COLA	4.00%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
1C - Special COLA	7.50%	7.50%	7.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
2C - Special COLA	7.50%	7.50%	7.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
3C - Special COLA	9.00%	9.00%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4C - Special COLA	8.50%	8.50%	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
AN - General No COLA	7.50%	7.50%	7.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
1N - Special No COLA	7.50%	7.50%	7.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
2N - Special No COLA	7.50%	7.50%	7.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%

EMPLOYER CONTRIBUTION RATES
LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Judges	14.98%	14.99%	13.24%	13.25%	11.98%	11.99%	14.12%	14.35%	15.85%	15.87%
Legislators	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School Teacher Employees	13.38%	13.38%	15.68%	15.68%	13.85%	13.85%	17.28%	17.28%	16.72%	16.72%
State of Maine Employees										
Employee Class:										
General	22.69%	22.37%	18.43%	18.14%	14.21%	14.18%	16.92%	16.38%	17.37%	17.01%
Police - Grandfathered	38.56%	38.01%	41.05%	40.43%	39.36%	39.22%	51.26%	50.19%	48.69%	47.70%
Marine Wardens - Grandfathered	40.99%	40.41%	31.62%	31.20%	33.44%	33.33%	54.49%	53.32%	40.67%	39.94%
Game Wardens - Grandfathered	42.18%	41.59%	36.50%	35.98%	38.60%	38.47%	54.48%	53.30%	50.14%	49.11%
Prison Wardens - Grandfathered	27.75%	27.28%	29.51%	29.05%	26.83%	26.74%	27.03%	25.81%	25.68%	25.15%
Forest Rangers - Grandfathered	21.99%	21.64%	22.73%	22.36%	13.69%	13.65%	22.32%	21.84%	22.18%	21.70%
1998 Special Plan Groups	29.16%	28.71%	23.04%	22.65%	17.39%	17.33%	19.06%	18.27%	19.50%	19.09%
25-Year/No-Age Special Plan Groups	23.96%	23.57%	20.42%	20.08%	15.43%	15.38%	24.87%	24.34%	25.00%	24.46%
Participating Local District Employees										
Employee Class:										
AC - General COLA	9.50%	8.90%	7.80%	6.50%	5.30%	4.40%	3.50%	2.80%	2.80%	2.80%
BC - General COLA	6.40%	5.80%	4.70%	3.90%	3.20%	2.70%	2.10%	1.70%	1.70%	1.70%
1C - Special COLA	14.20%	14.00%	13.40%	12.80%	12.20%	10.20%	8.10%	6.50%	6.50%	6.50%
2C - Special COLA	9.10%	8.90%	8.30%	7.90%	7.50%	6.30%	5.00%	4.00%	4.00%	4.00%
3C - Special COLA	11.40%	11.40%	11.00%	10.50%	10.00%	8.30%	6.60%	5.30%	5.30%	5.30%
4C - Special COLA	7.70%	7.60%	7.20%	6.90%	6.60%	5.50%	4.40%	3.50%	3.50%	3.50%
AN - General No COLA	6.50%	5.60%	4.10%	3.40%	2.80%	2.40%	1.90%	1.50%	1.50%	1.50%
1N - Special No COLA	9.30%	8.70%	7.50%	7.10%	6.80%	5.60%	4.50%	3.60%	3.60%	3.60%
2N - Special No COLA	5.60%	5.20%	4.40%	4.20%	4.00%	3.30%	2.60%	2.20%	2.20%	2.20%
3N - Special No COLA	7.40%	7.00%	6.10%	5.80%	5.50%	4.50%	3.60%	2.90%	2.90%	2.90%
4N - Special No COLA	4.60%	4.40%	4.00%	3.80%	3.60%	3.00%	2.40%	1.90%	1.90%	1.90%

PRINCIPAL PARTICIPATING EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

2017

Participating Entity	Covered Employees	Rank	Percentage of Total System
State of Maine	14,512	1	25.52%
Maine Veterans Home	1,409	2	2.48%
Portland School Department	1,212	3	2.13%
Portland, City of	907	4	1.59%
Lewiston School Department	864	5	1.52%
Bangor School Department	566	6	1.00%
RSU #6 - MSAD #6 Bar Mills	552	7	0.97%
South Portland School Department	541	8	0.95%
Auburn School Department	530	9	0.93%
RSU #14	518	10	0.91%
All Others *	35,263	11	62.00%
Total (553 Participating Entities)	56,874		100.00%

* "All Others" includes employees covered under two or more employer types. In 2017, "All Others" consisted of:

	Employers	Members
Participating Local Districts	321	10,248
School Districts	222	25,015
Total	543	35,263

2008

Participating Entity	Covered Employees	Rank	Percentage of Total System
State of Maine	15,944	1	26.15%
Maine Veterans Home	1,301	2	2.13%
Portland School Department	1,279	3	2.10%
Portland, City of	812	4	1.33%
Lewiston School Department	807	5	1.32%
Bangor School Department	707	6	1.16%
MSAD #75 Topsham	645	7	1.06%
Auburn School Department	624	8	1.02%
MSAD #6 Bar Mills	570	9	0.93%
Scarborough School Department	551	10	0.90%
All Others *	37,730	11	61.90%
Total (574 Participating Entities)	60,970		100.00%

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 pension administration records.

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
Northern Maine Community College
Southern Maine Community College
Washington County Community College
York County Community College
Maine Community College System - Administration
Maine Community College - Career Advantage
MECDHH/Governor Baxter School for the Deaf
Maine Dairy & Nutrition Council
Maine Developmental Disabilities Council
Maine Potato Board
Northern New England Passenger Rail Authority
Wild Blueberry Commission of Maine

Participants: **Teachers**
Employers: **State of Maine; School Administrative Units**
Reporting Entity: **(as follows)**

Acton School Department
Andover 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 #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 Central Office
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 #8 Airline
CSD #19 Five Town
CSD #13 Deer Isle-Stonington
CSD #17 Moosabec
CSD #18 Wells-Ogunquit
Dayton School Department
East Millinocket School Department
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

PARTICIPATING EMPLOYERS, DETAILED LISTING *(continued)*

TEACHERS *(continued)*

Hancock School Department
Hermon School Department
Indian Island School
Indian Township School
Isle Au Haut School Department
Islesboro School Department
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
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
Northport School Department
Otis School Department
Oxford Hills Technical School MVR #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
RSU #1
RSU #2 KIDS
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 #12
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 #22
RSU #23
RSU #24
RSU #25
RSU #26
RSU #29 MSAD #29 Houlton
RSU #34
RSU #35 MSAD #35 Eliot
RSU #37 MSAD #37 Harrington
RSU #38
RSU #39 Eastern Aroostook
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 #63 MSAD #63
RSU #64 MSAD #64 East Corinth
RSU #67 MSAD #67 Lincoln
RSU #68 MSAD #68 Dover-Foxcroft
RSU #70 MSAD #70
RSU #71
RSU #72 MSAD #72 Fryeburg
RSU #73
RSU #74 MSAD #74 North Anson
RSU #75 MSAD #75 Topsham
RSU #78
RSU #79 MSAD #1 Presque Isle
RSU #84 MSAD #14
Saco School Department
Sanford School Department
Scarborough School Department
School Agent Carrabassett
School Agent Coplin Plantation
School Agent Pleasant Ridge Plantation
South Portland School Department
St. George 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

PARTICIPATING EMPLOYERS, DETAILED LISTING *(continued)*

TEACHERS *(continued)*

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
West Bath School Department
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)

Acton, Town of
Androscoggin County
Androscoggin Valley Council of Governments
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
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
Boothbay Harbor Sewer District
Bowdoinham Water District
Brewer Housing Authority
Brewer, City of
Bridgton Water District
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
CSD #912
CSD #918
Corinna Sewer District
Corinna, 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

PARTICIPATING EMPLOYERS, DETAILED LISTING *(continued)*

CONSOLIDATED PLAN FOR PLDs *(continued)*

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
Hartland, Town of
Hermon, Town of
Hodgdon, Town of
Holden, Town of
Houlton Water Company
Houlton, Town of
Indian Township Tribal Government
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
Knox County Sheriff's Office
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 Sheriff's Office
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
Maine Virtual Academy
Mapleton, Town of
Mars Hill Utility District
Mars Hill, Town of
Mechanic Falls Sanitary District
Mechanic Falls, Town of
Medway, Town of
Mexico, 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
MSAD #13 Bingham
MSAD #31 Howland
MSAD #41 Milo
MSAD #53 Pittsfield
Mt. Desert, Town of
Naples, 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
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
RSU #1
RSU #2
RSU #4
RSU #5

PARTICIPATING EMPLOYERS, DETAILED LISTING *(continued)*

CONSOLIDATED PLAN FOR PLDs *(continued)*

RSU #9
RSU #10
RSU #16
RSU #20
RSU #21
RSU #23
RSU #24
RSU #25
RSU #26
RSU #29
RSU #34
RSU #39
RSU #49
RSU #51
RSU #54
RSU #60
RSU #67
RSU #71
RSU #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, City 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
United Technologies Center Region 4
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
Westbrook Housing Authority
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
CSD #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

maine PERS

Public Employees Retirement System

75 YEARS 1942-2017