

MAINE STATE LEGISLATURE

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February 25, 2025

Senator Michael Tipping, Senate Chair
Representative Amy Roeder, House Chair
Members, Joint Standing Committee on Labor
100 State House Station
Augusta, ME 04333-0100

Senator Tipping, Representative Roeder and Members of the Joint Standing Committee on Labor:

Please accept the Maine Public Employees Retirement System's ("MainePERS" or "System") annual report to the Joint Standing Committee on Labor. This report is prepared in response to 5 M.R.S. §17103, sub-§11 requiring the MainePERS Board of Trustees to submit a written report about the Maine Public Employees Retirement System to the appropriate legislative committee each year by March 1. The System's Annual Comprehensive Financial Report (ACFR), copies of which have been provided to the Committee and which is available at www.mainebers.org, provides detailed information that supplements this report.

We are pleased to provide this information. Except where indicated, this report is based on operations through June 30, 2024.

INVESTMENTS

The market value of the System's defined benefit plans trust fund at June 30, 2024 was \$19.8 billion. The net position of the trust fund increased as net investment earnings and contributions for the fiscal year exceeded payments to retirees. The market value investment return for calendar year 2024 was 8.3%. The preliminary fund return through the first seven months of FY 2025 ending January 31st was 4.7%.

Fiscal Year Ending	Fund Value	Investment Return*
June 30, 2022	\$18.3B	3.3%
June 30, 2023	\$18.8B	4.7%
June 30, 2024	\$19.8B	8.0%

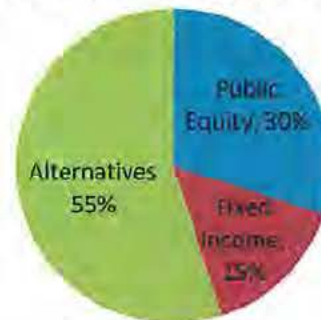
*Refers to performance of the investments, not the change in Fund Value

Annualized market value returns, net of management fees, for the 3-year, 5-year, 10-year, and 30-year periods ending on June 30, 2024 were 5.3%, 8.5%, 7.5%, and 9%, respectively. The 30-year return includes the 2000-2002 and 2008-2009 market downturns.

Consistent with past practice, the asset values and investment returns in this section are as reported by the System's custodian, JP Morgan. These reported figures are based in part on lagged values for the System's private market investments, which typically report values on a delayed basis.

In 2017, the System changed its target asset allocation to 30% publicly traded stocks, 15% fixed income investments, and 55% alternative investments. This change was forward looking and designed to balance risk and returns in current and near-term future markets. The alternative investments allocation includes 10% in infrastructure, 12.5% in private equity, 10% in real estate, 10% in alternative credit, and 5% in natural resources. In addition, the Board of Trustees has approved a 7.5% allocation to risk diversifiers that seek sound investment strategies providing diversification away from public market risks. Alternative assets represented approximately 58% of the System's portfolio at June 30, 2024. While above target, the value of alternatives remains within the System's policy range for these asset classes.

MainePERS Target Allocation



Consistent with the long-term nature of the System's projected benefit payments, MainePERS maintains a substantial portion of the fund in return-seeking assets such as publicly traded equities and private equity, while maintaining an overall fund liquidity profile that is strong enough to withstand a full-range of market scenario stress testing. For decades the System has invested between 60% and 70% of its assets in equities and similar return-seeking investments. Over sufficiently long periods, equities have been shown to outperform bonds. The System expects this relationship to hold in the future.

All of the assets of the System's retirement plans and other funds 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.

The 123rd Legislature created the Retiree Health Insurance Post-Employment Benefits (RHIPB) Investment Trust in FY 2008 for the purpose of investing funds set aside by the State of Maine to cover liabilities related to retiree health insurance benefits. MainePERS Trustees were named Trustees for this Investment Trust and have the responsibility for investing these funds. As of June 30, 2024, the market value for the RHIPB Trust assets was \$609.4 million. Of this amount, \$494.1 million is held in trust for retired State workers, and \$115.3 million is held in trust for retired teachers.

¹ A copy of this report will be sent to the State and the trustees of the Irrevocable Trust Fund for Other Post-Employment Benefits in accordance with 5 M.R.S. § 17435(7).

PROGRAM FUNDING

Funding Status of the State Employee and Teacher Retirement Program

The actuarial funded status of the State Employee and Teacher Retirement Program, or the ratio of plan assets to plan liabilities, increased in FY 2024 from 85.0% to 86.3%. The funding ratio ten years ago, by comparison, was 81.3%.

The unfunded actuarial liability (UAL) of the State Employee and Teacher Retirement Program decreased in FY 2024 from \$2.631 billion at June 30, 2023 to \$2.464 billion at June 30, 2024.

Investment returns on an actuarial value of assets basis were 7.26% for FY 2024. This is higher than the actuarial investment return assumption of 6.50%, resulting in an actuarial gain to the plan. Please see the MainePERS Annual Comprehensive Financial Report for an understanding of the difference between market and actuarial values. (See the Investments section above for market returns.)

Funding Status of the Legislative Retirement Program

The Legislative Retirement Program was funded at 148.5% as of June 30, 2024, primarily because few legislators qualify for a retirement benefit under the terms of the program. No employer contribution is currently required because of the overfunded status of the program.

Funding Status of the Judicial Retirement Program

The actuarial funded ratio of the Judicial Retirement Program has in recent years remained close to 100%. As of June 30, 2024, the actuarial funded ratio was 108.8%.

Funding Status of the Participating Local District Consolidated Retirement Plan

The Participating Local District Consolidated Retirement Plan (PLD Plan) consisted of 331 participating local districts at December 31, 2024. The actuarial funded ratio of the Plan was 91.2% at June 30, 2023 and decreased slightly to 89.8% at June 30, 2024. The Participating Local District Advisory Committee continuously monitors the PLD Plan to ensure that it maintains a strong fiscal condition.

OPERATIONS

Strategic Planning

In August 2022, the MainePERS Board of Trustees adopted a 5-year strategic plan, which articulated the following long-term strategic goals:

Goals

- Preservation of the Trust Fund
- Stability of the contribution rates
- Security and integrity of our information systems
- Cultivation of a member-centric organization
- Development of stakeholder relations
- Foster an engaged workforce that advances the organization's mission

As part of the strategic planning process, MainePERS also revised its mission and vision statements and established a set of organizational values. The 5-Year Strategic Plan was developed with broad input. MainePERS sought and received input from its Board of Trustees, staff, members (active contributing members, inactive members, retired members, and beneficiaries), stakeholders (representatives of employers and members) and the public. Input from these groups was gathered through use of a survey tool, a public comment meeting, and individual meetings.

Mission

MainePERS partners with public employers to deliver retirement and related services.

Vision

MainePERS is a trusted and effective fiduciary focused on meeting the needs of active and retired members, beneficiaries, and employers.

Organizational Values

- Accountability – We act with integrity. We educate, equip, and empower all to consistently deliver knowledgeable and respectful service to our constituents and colleagues.
- Respect – We are mindful of culture and diversity in all we do, exercising empathy, compassion, kindness, and appreciation in valuing all others.
- Collaboration – We work together, proactively sharing information and knowledge and acting transparently in all interactions.
- Stewardship – We secure and safeguard assets (data, funds) entrusted to our care and consistently comply with our obligations to ensure benefits are sustained.
- Agility – We strive for personal and organizational excellence through continuous improvement.

The MainePERS 5-Year Strategic Plan, key performance and risk measures, and annual updates are available at: <https://www.mainebers.org/about/strategic-plan/>.

Member Satisfaction Surveys

MainePERS conducted a member satisfaction survey April 2–17, 2024. A random selection of 5,000 members from State Sponsored and Participating Local District Plans were identified to receive the survey. A copy of the active and retired members' surveys can be found in Attachment 1.

Active Members Survey

MainePERS has approximately 54,000 active members currently employed by a participating employer. In the spring of 2024, 2,500 active members were randomly selected to receive the survey. Those selected had a mailing and email address on file, received a pension contribution from their employer within the last 60 days, and had no disbursement of contributions. One hundred and eighty-seven (187) active members responded to the survey, an 8% response rate of those delivered. The confidence level of the survey is 85%, with a margin of error of 5.1%.

Of those responding, 50.53% rate their overall satisfaction with MainePERS as "satisfied" or "very satisfied", 41.40% "neutral" or "no opinion", and 8.06% "dissatisfied" or "very dissatisfied". Nearly two-thirds (61.29%), stated they "agree" or "strongly agree" that MainePERS acts with integrity, 35.49% "neutral" or "no opinion", and 3.23% "disagree" or "strongly disagree". And, 43.31% "agree" or "strongly agree" that MainePERS staff are knowledgeable, 51.34% "neutral" or "no opinion", and 5.43% "disagree" or "strongly disagree".

Responses to the survey questions suggest some desire for more frequent communication, information that is easier to understand, and more timely responses to questions raised. Responses also indicated an interest in pre-retirement informational meetings, retirement security planning seminars, and participation in defined contribution plans. No consistent themes emerged in their comments, however, almost half indicated they have accessed the Member Portal.

Compared to the 2023 survey results for active members, there were slightly more respondents (187 v 172), and the response rate remained the same (8%).

Retired Members Survey

MainePERS has approximately 50,000 retired members. In the spring of 2024, 2,500 retired members were randomly selected to receive the survey. Those selected had a mailing and email address on file and were service or disability retirees who had received a benefit payment within the last 60 days. Six hundred and forty-four (644) retired members responded to the survey, a 28% response rate of those delivered. The confidence level of the survey is 98%, with a margin of error of 4%.

Of those responding, 92.08% rate their overall satisfaction with MainePERS as "satisfied" or "very satisfied", 6.84% "neutral" or "no opinion", and 1.09% "dissatisfied" or "very dissatisfied". Over ninety percent (90.45%) stated they "agree" or "strongly agree" that MainePERS acts with integrity, 8.92% "neutral" or "no opinion", and 0.62% "disagree" or "strongly disagree". And, 79.56% "agree" or "strongly agree" that MainePERS staff are knowledgeable, 19.19% "neutral" or "no opinion", and 1.25% "disagree" or "strongly disagree".

Responses to the survey suggest retired members are generally satisfied with frequency of communication, clarity of information, and timeliness of responses to questions raised. Responses also indicated an interest in cybersecurity awareness and preventing identity fraud.

In their comments, retired members expressed concerns about the Social Security Windfall Elimination Provision and the Government Pension Offset, as well as the insufficiency of the annual cost-of-living-adjustments to keep up with inflation. Many retired members also expressed appreciation for the work of MainePERS and its staff.

Compared to the 2023 survey results for retired members, there were more respondents (644 v 585) and a higher response rate (28% v 26%). Respondents were generally consistent in the prior year with the percentage of favorable comments. Slightly fewer retired in the past five years (32.30% v 36.59%), and more had contact with MainePERS within the twelve months preceding the survey (43.21% v. 39.62%).

Employee Satisfaction Survey

MainePERS conducted an employee satisfaction survey January 13 - 24, 2025. All employees were invited to participate in the survey. One hundred and two (102) employees completed the survey, a 74% response rate. A copy of the survey is attached.

Of those responding, 83% stated that they “agree” or “strongly agree” they are satisfied with their job (compared to 74% in 2023), 12% were neutral, and 5% stated they “disagree” (compared to 10% in 2023).

Ninety-four percent (94%) indicated they “agree” or “strongly agree” they know what is expected of them in their position (compared to 90% in 2023), 4% were neutral, and 2% “disagree” (compared to 5% in 2023).

Eighty-eight percent (88%) said they “always” or “usually” receive helpful feedback from their supervisor (compared to 81% in 2023), while 11% said “sometimes”, and 1% stated “rarely” (compared to 5% in 2023).

MainePERS has conducted this survey for three years and has seen a marked improvement in the responses to whether or not employees would recommend MainePERS as a great place to work. In this year’s survey, eighty-three percent (83%) “agree” or “strongly agree” they would recommend MainePERS as a great place to work (compared to 61% in 2023), 15% were neutral, and less than 2% “disagree” or “strongly disagree” (compared to 13% in 2023).

Responses to the survey suggest optimism that the work culture and environment continue to improve, but also acknowledge there is more work to be done in communications and training.

Senior management and supervisors continue to work on additional improvements to the culture together and with the staff-led organizational values steering committee.

The results of the survey have been shared with the staff.

A copy of the employee satisfaction survey can be found in Attachment 2.

Qualified Plan Status

In 2014, MainePERS received updated favorable “determination letters” from the Internal Revenue Service stating that all the plans administered by MainePERS continue to qualify for favorable tax treatment under the provisions of the Internal Revenue Code. The IRS subsequently eliminated the cyclical determination letter program and will now issue determination letters only for new or terminating plans and in certain other limited circumstances. MainePERS continues to closely monitor tax law changes to ensure that the pension plans continue to comply with federal law and maintain their qualified status.

Audit

The independent audit of the MainePERS financial statements for the year ended June 30, 2024 resulted in an unmodified opinion. An unmodified opinion means that, in the opinion of the auditor, the financial statements present fairly, in all material respects, the fiduciary net position of the System as of June 30, 2024, in conformity with generally accepted accounting principles.

Awards and Certifications

Government Finance Officers Association Certification - In 2023, the System submitted its FY 2023 Annual Comprehensive Financial Report (ACFR) to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program and was awarded the Certificate of Excellence for the twentieth consecutive year. In order to be awarded this certificate, a governmental unit must publish an easily readable and

efficiently organized ACFR, with contents that meet or exceed rigorous program standards and satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid only for one year, and the System's FY 2024 ACFR has been submitted to the GFOA.

Public Pensions Standards Award - In 2024, for the seventeenth consecutive year, the System was awarded the Public Pension Coordinating Council's Recognition Award for Funding. To receive this award, retirement programs must meet professional standards for plan funding as set forth in the Public Pension Standards. The regular flow of required contributions and the up-front funding of new liabilities were listed as factors contributing to the System's receipt of this award.

Member and Retirement Services

MainePERS was serving just over 100,000 active members and retirees as of December 31, 2024. The System approved monthly pension benefits for 1,871 new retirees during CY 2024. This is generally consistent with the number who retired during CY 2023, with 45% of the CY 2024 retirees being teachers. That was a 2% increase in teacher retirements in CY2024.

Required specific statistical information about members and retirees can be found in Attachment 3.

Pension Administration System

The MainePERS PAS Development Project aims to modernize and upgrade the organization's Pension Administration System (PAS). The project is called for in the MainePERS 5-year Strategic Plan, which was initially adopted by MainePERS Trustees in August 2022. Initial planning for the PAS project began in November 2022, an RFP was prepared in 2023, competitive public procurement occurred in 2024, and the project is expected to begin in 2025.

The project seeks to streamline pension account management, calculations, and payments, leveraging advanced technology to automate processes and enhance efficiency in service to our members, retirees, beneficiaries and employers.

A primary objective is to minimize the extensive manual efforts currently required for calculations, processing, and verification. By undertaking this initiative, MainePERS intends to improve overall pension administration processes, enhance member and employer satisfaction, and optimize operational efficiency.

Group Life Insurance

At the end of CY 2024, approximately 53,000 state, teacher and participating local district employees and retirees had group life insurance coverage under the program administered by MainePERS. Many employers pay premium costs to MainePERS in order to fund a "basic" level of coverage for their employees. Additional supplemental and dependent coverage is paid for by participants who elect to have that coverage. MainePERS approved 863 life insurance claims with a value of approximately \$17.1 million in CY 2024.

Employer Reporting

MainePERS relies on participating employers to electronically report earnings, contributions, and work history at least once a month in order to maintain the up-to-date information needed

to determine a member's eligibility for retirement benefits and the amount the member will receive as monthly payments. For CY 2024, MainePERS received and processed a wide variety of employer-provided records regarding the approximately 53,000 public employees who work at one of the more than 600 employer locations served.

MainePERS works closely with employers to support accurate and timely reporting of employment information and contributions. System staff provide employers with training, consultation and written materials to assist in their reporting. System staff work with employers over the phone and via video conference to provide support and training. A formal virtual training program is in place, and 12 virtual sessions were conducted during the year. This session is supplemented with virtual and telephone one-to-one support for employers who request it.

The System's website includes a section specifically for employers. The *Employer Update*, an electronic update focused on employer-specific matters, was published four times during CY 2024.

Cost-of-Living Adjustment (COLA)

The Board of Trustees is directed by statute to annually adjust the retirement benefits of its eligible retirees by a cost-of-living adjustment (COLA) equal to the change in the Consumer Price Index for All Urban Consumers (CPI-U) over the 12 months preceding June 30 of each year, subject to certain limitations (Title 5, M.R.S. §17806).

The CPI-U at June 30, 2024 was 3.0%. Eligible retirees from the State Employee and Teacher, Legislative and Judicial retirement programs were granted a regular cost-of-living adjustment of 3.0% on the first \$25,659 of benefits.

Eligible retirees from the Participating Local District Consolidated Retirement Program were granted a regular cost-of-living adjustment of 2.5% on their entire benefit.

Disability Services

In CY 2024, 91% of applicants were approved for disability retirement at the application stage. This and additional specific statistical information about the disability program can be found in Attachment 4.

Updates to MainePERS Rule 94-411 Chapter 506 in March of 2023 allowed for MainePERS staff to approve an application for disability retirement benefits without review by an Independent Medical Review Service Provider when the qualification is "clear to a layperson." In the first full calendar year of the Rule's administration, 37% of approvals utilized this rule, which allowed staff to decrease processing time for this portion of the applicant pool to an average of 45 days.

MainePERS conducted a Disability Applicant Experience Survey. All applicants who had received a final decision between July 1, 2023 and June 30, 2024 were invited to participate. Among those members responding to the survey, approximately 94% either agreed or agreed strongly that they were treated respectfully by those handling their application. In addition, over 90% reported they were satisfied or very satisfied the process was fair.

Information Technology (IT)

The MainePERS technology stack continues to evolve in an effort to modernize and simplify the architecture. Cybersecurity remains our top priority. Activities in CY 2024 included the following:

Cybersecurity Testing. MainePERS participated in 15 Cybersecurity tests and assessments in 2024. Testing included Social Engineering phishing test, vulnerability assessment, two web application penetration tests, multiple penetration tests as well as a Senior Leadership table top exercise. Testing and assessments resulted in no critical or high findings.

ExaGrid Immutable Backup. MainePERS replaced its legacy tape back-up solution and Airgap. ExaGrid provides tiered backup solution that allows faster backup, recovery, incorporates data deduplication, and immutable volumes that provide full ransomware recovery protection.

O365 Migration. MainePERS completed the migration of on premises Exchange to Exchange O365. This was the first step to full migration into Azure cloud. O365 Office has been deployed successfully to multiple beta groups. Full Agency migration is estimated to be completed mid-year 2025.

Windows 11. MainePERS has upgraded 121 computers to Windows 11. Upgrades continue for those devices that meet the requirements ahead of our scheduled laptop replacement project set to start in August of 2025.

Mimecast. MainePERS replaced ZixMail and Cisco ISE with Mimecast advanced email security platform in June of 2024.

SharePoint. MainePERS replaced our StaffNet intranet with SharePoint in August of 2024.

August SAN Refresh. MainePERS completed a full SAN refresh in our Augusta data center in November of 2024.

Member Self Service Portal. MainePERS launched the MainePERS' Member Portal in October 2023. The Member Portal enables Members and Retirees to access their account, view and retrieve documents and update certain information. Through December 2024, more than 25,000 members and retirees had completed their account registration process. In the last 6 months of 2024 new account registrations averaged just over 850 per month and return visits averaged 4,000 per month. In 2024, more than 60 percent of the portal usage was by members and retirees returning to use the portal after their initial sign-in. The remaining activity was by those completing their initial registration. Members and Retirees are routinely logging into their accounts to view documents including member statements, tax forms, beneficiary designations and advice of deposit information. In 2024 Members and Retirees made 2,700 direct updates to their demographic information within the portal and downloaded over 1,200 documents from their accounts.

DEFINED CONTRIBUTION PLANS

MaineSTART

The System continues to promote to its Participating Local District (PLD) employers tax advantaged defined contribution/deferred compensation retirement plans established under sections 401(a), 403(b) and 457(b) of the Internal Revenue Code, collectively referred to as MaineSTART. In 2022, legislation authorized MainePERS to expand the program to teachers.

MaineSTART offers a group of Vanguard funds designed to be low cost and easy to understand. At the close of CY 2024, the total number of employers that offered access to MaineSTART was 89 with a total of 1,843 employees participating in the program. This represents approximately a 6.1% increase in employee participation over CY 2023.

BUDGET

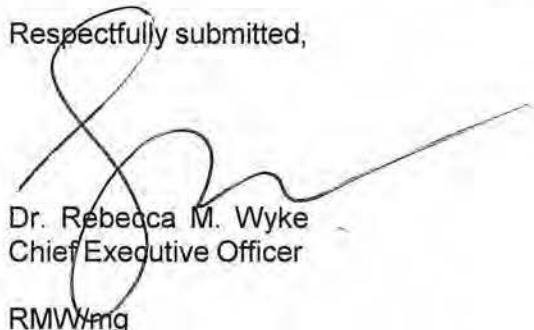
The System's administrative costs and expenses are directly charged against the assets of the applicable program. The System's budgeted operating expenses are approved by the Board of Trustees prior to the start of each fiscal year.

The FY 2025 Board-approved administration budget is \$21,994,206. Required specific information about the budget and administrative expenses can be found in Attachments 5 and 6. Required specific information about employee and employer contributions can be found in Attachment 7.

CONCLUSION

Please accept this report on behalf of the Maine Public Employees Retirement System. We welcome questions and are happy to address them as the Committee requests and in the format desired.

Respectfully submitted,



Dr. Rebecca M. Wyke
Chief Executive Officer

RMW/mg

Attachments

cc: Members, Board of Trustees
Suzanne Gresser, Executive Director, Legislative Council
Rachel Tremblay, Office of Fiscal and Program Review
Steven Langlin, Office of Policy and Legal Analysis

MAINEPERS**BOARD OF TRUSTEES MEMORANDUM**

TO: BOARD MEMBERS
FROM: DR. REBECCA M. WYKE, CEO
SUBJECT: MAINEPERS MEMBER SATISFACTION SURVEYS
DATE: MAY 1, 2024

MainePERS conducted a member satisfaction survey April 2–17, 2024. A random selection of 5000 members from State Sponsored and Participating Local District Plans were identified to receive the survey. A copy of the active and retired member surveys are attached.

POLICY REFERENCE

[Board Policy 5.2 – Service to Members, Retirees, Employers and Stakeholders](#)

Active Member Survey

MainePERS has approximately 54,000 active members currently employed by a participating employer. In the spring of 2024, 2,500 active members were randomly selected to receive the survey. Those selected had a mailing and email address on file, received a pension contribution from their employer within the last 60 days, and had no disbursement of contributions. One hundred and eighty-seven (187) active members responded to the survey, an 8% response rate of those delivered. The confidence level of the survey is 85%, with a margin of error of 5.1%.

Of those responding, 50.53% rate their overall satisfaction with MainePERS as “satisfied” or “very satisfied”, 41.40% “neutral” or “no opinion”, and 8.06% “dissatisfied” or “very dissatisfied”. Nearly two-thirds (61.29%), stated they “agree” or “strongly agree” that MainePERS acts with integrity, 35.49% “neutral” or “no opinion”, and 3.23% “disagree” or “strongly disagree”. And, 43.31% “agree” or “strongly agree” that MainePERS staff are knowledgeable, 51.34% “neutral” or “no opinion”, and 5.43% “disagree or “strongly disagree”.

Responses to the survey questions suggest some desire for more frequent communication, information that is easier to understand, and more timely responses to questions raised. Responses also indicated an interest in pre-retirement informational meetings, retirement security planning seminars, and participation in defined contribution plans. No consistent themes emerged in their comments, however, almost half indicated they have accessed the Member Portal.

Compared to the 2023 survey results for active members, there were slightly more respondents (187 v 172), and the response rate remained the same (8%).

Retired Member Survey

MainePERS has approximately 50,000 retired members. In the spring of 2024, 2,500 retired members were randomly selected to receive the survey. Those selected had a mailing and email address on file and were service retirees who had received a benefit payment within the last 60 days. Six hundred and forty-four (644) retired members responded to the survey, a 28% response rate of those delivered. The confidence level of the survey is 98%, with a margin of error of 4%.

Of those responding, 92.08% rate their overall satisfaction with MainePERS as “satisfied” or “very satisfied”, 6.84% “neutral” or “no opinion”, and 1.09% “dissatisfied” or “very dissatisfied”. Over ninety percent (90.45%) stated they “agree” or “strongly agree” that MainePERS acts with integrity, 8.92% “neutral” or “no opinion”, and 0.62% “disagree” or “strongly disagree”. And, 79.56% “agree” or “strongly agree” that MainePERS staff are knowledgeable, 19.19% “neutral” or “no opinion”, and 1.25% “disagree” or “strongly disagree”.

Responses to the survey suggest retired members are generally satisfied with the frequency of communication, clarity of information, and timeliness of responses to questions raised. Responses also indicated an interest in cybersecurity awareness and preventing identify fraud.

In their comments, retired members expressed concerns about the Social Security Windfall Elimination Provision and the Government Pension Offset, as well as the insufficiency of the annual cost-of-living-adjustments to keep up with inflation. Many retired members also expressed appreciation for the work of MainePERS and its staff.

Compared to the 2023 survey results for retired members, there were more respondents (644 v 585) and a higher response rate (28% v 26%). Respondents were generally consistent in the prior year with the percentage of favorable comments. Slightly fewer retired in the past five years (32.30% v 36.59%), and more had contact with MainePERS within the twelve months preceding the survey (43.21% v. 39.62%).

RECOMMENDATION

No Board action is recommended at this time.



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

2024 Member Satisfaction Surveys

Dr. Rebecca Wyke, CEO

Member Satisfaction Survey

April 2 -17, 2024

Actives

- ▶ Approx. 54,000
- ▶ Random selection of 2500 members
- ▶ 187 respondents
- ▶ 8% response rate
- ▶ 85% confidence level
- ▶ Margin of error 5.1%

Retirees

- ▶ Approx. 50,000
- ▶ Random selection of 2500 members
- ▶ 644 respondents
- ▶ 28% response rate
- ▶ 98% confidence level
- ▶ Margin of error 4%

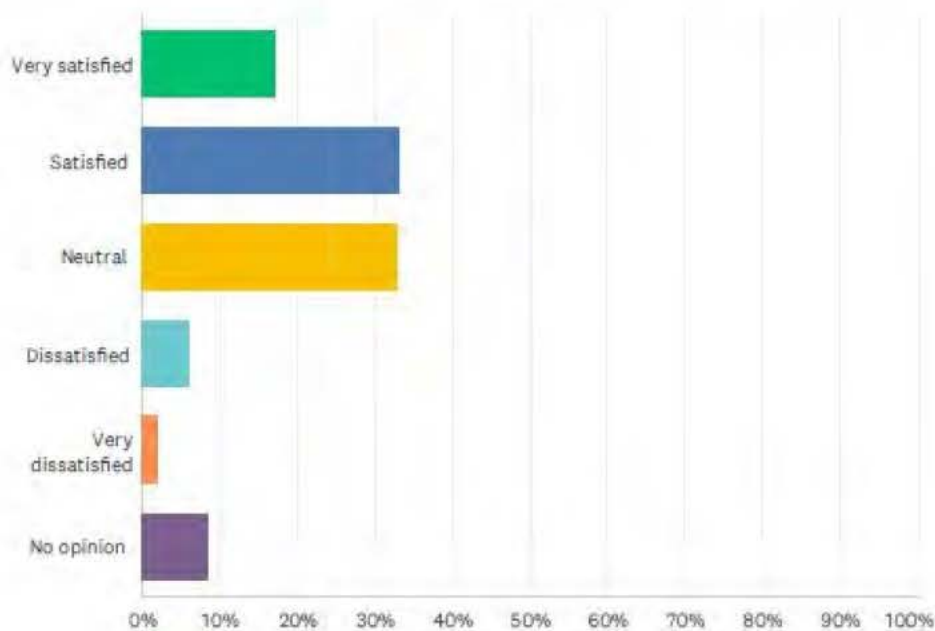
Active Member Survey

Active Member Survey

Member Satisfaction Survey - April 2024 (Member)

Q1 Please rate your overall satisfaction with MainePERS

Answered: 186 Skipped: 1

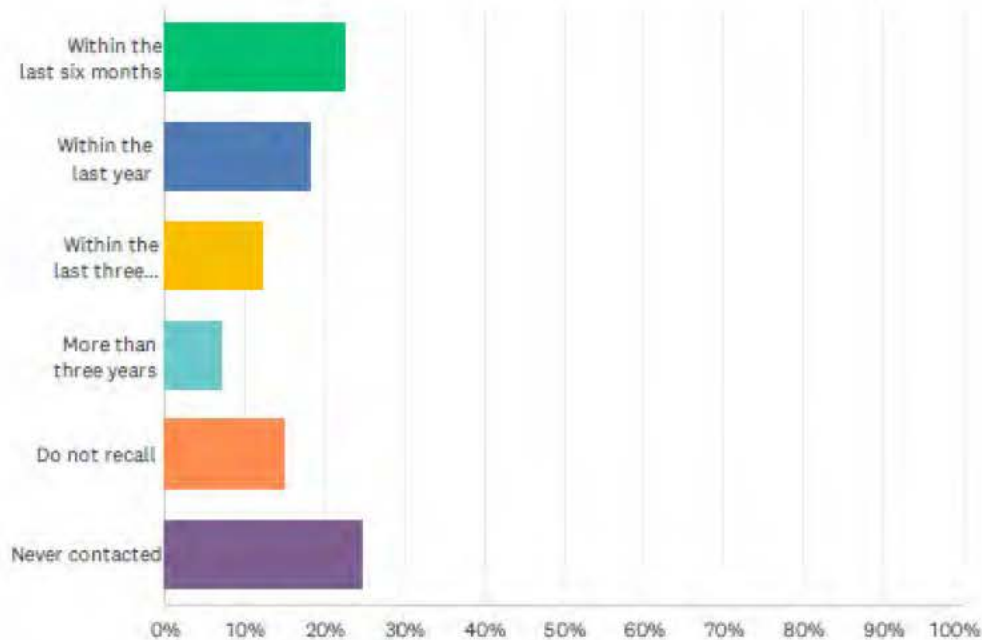


Active Member Survey

Member Satisfaction Survey - April 2024 (Member)

Q2 When was the last time you contacted MainePERS?

Answered: 186 Skipped: 1

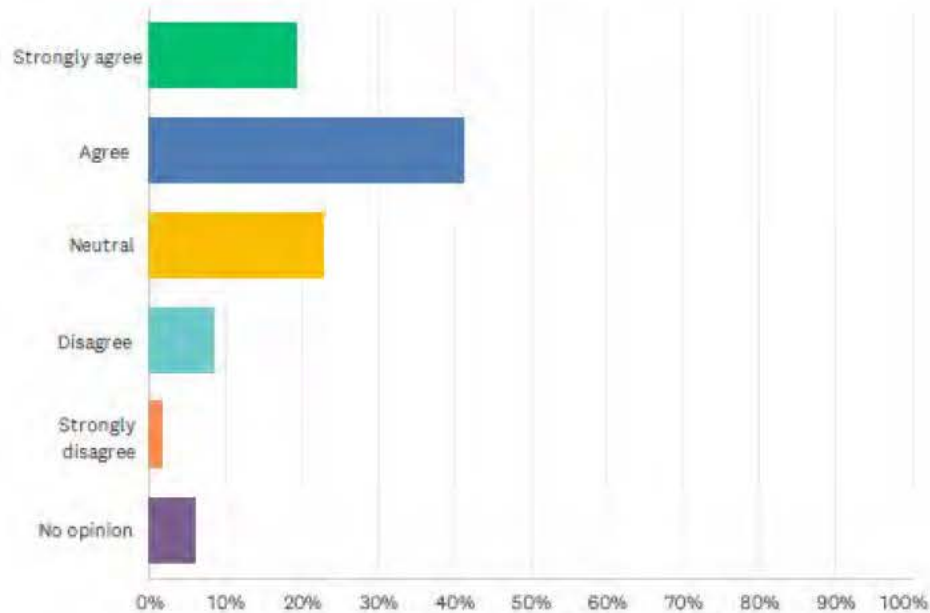


Active Member Survey

Member Satisfaction Survey - April 2024 (Member)

Q3 I am confident my MainePERS retirement is secure and will be there for me

Answered: 186 Skipped: 1

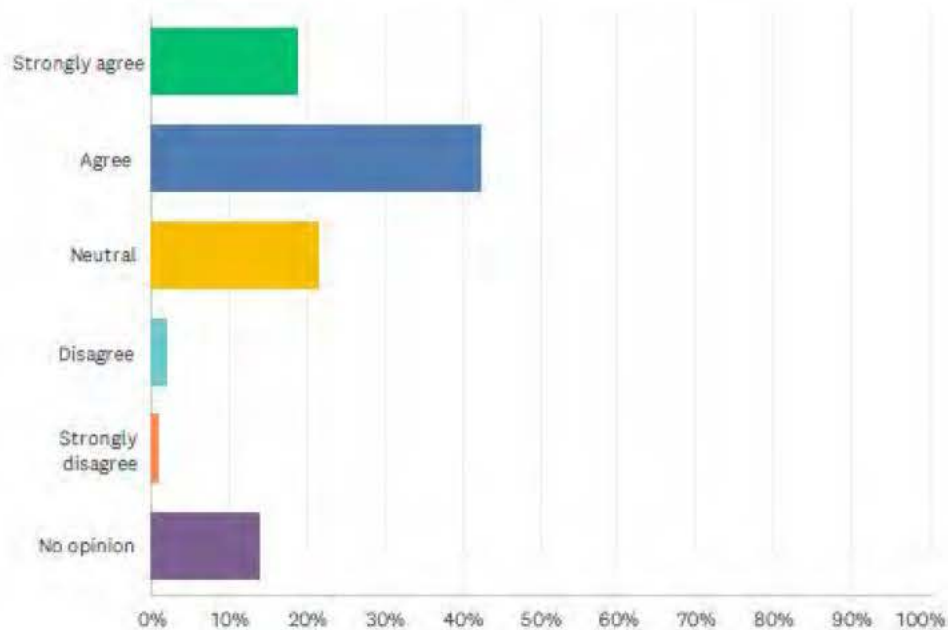


Active Member Survey

Member Satisfaction Survey - April 2024 (Member)

Q4 MainePERS acts with integrity

Answered: 186 Skipped: 1

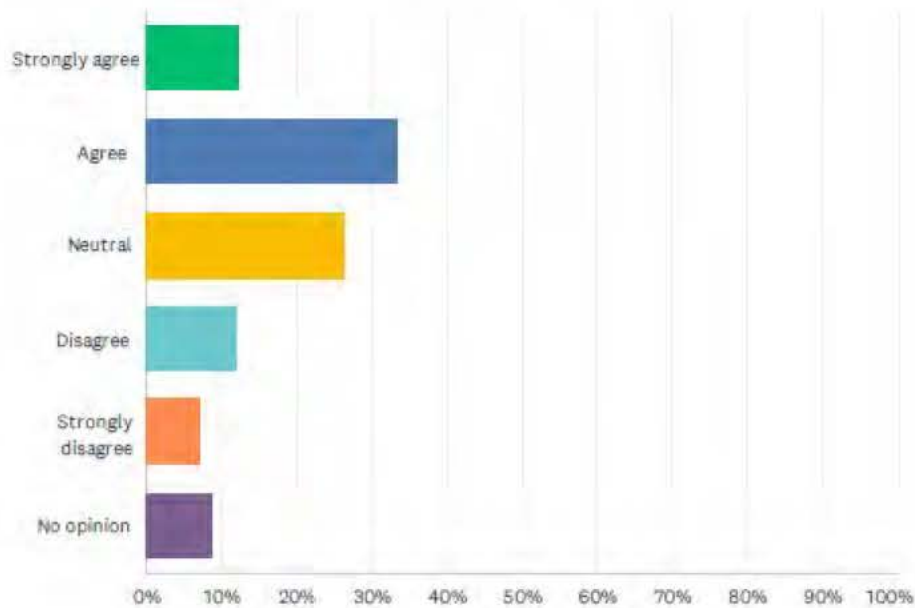


Active Member Survey

Member Satisfaction Survey - April 2024 (Member)

Q5 The frequency with which MainePERS communicates with me meets my expectations

Answered: 185 Skipped: 2

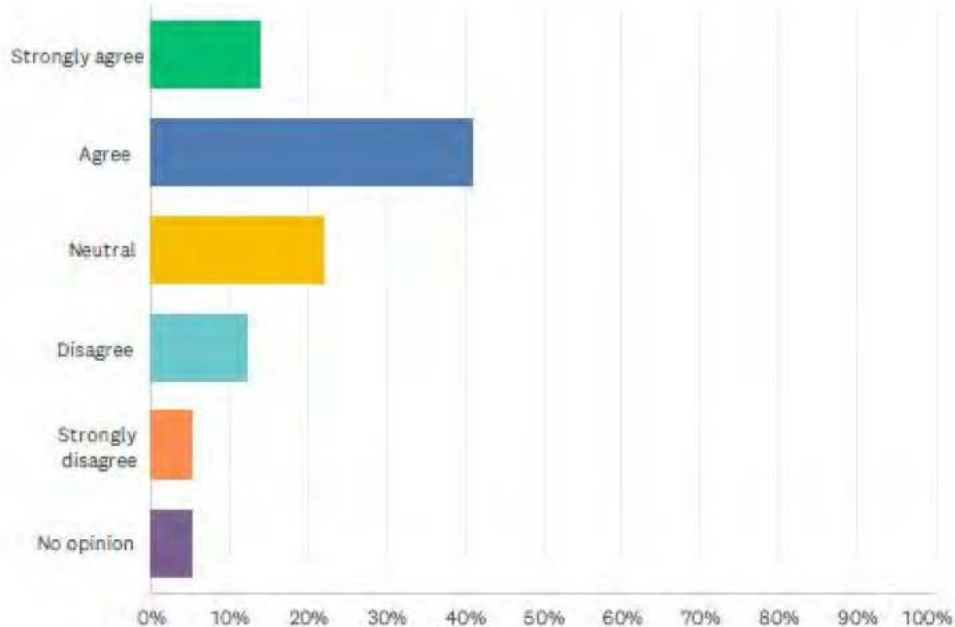


Active Member Survey

Member Satisfaction Survey - April 2024 (Member)

Q6 Information I receive from MainePERS is easy to understand

Answered: 186 Skipped: 1

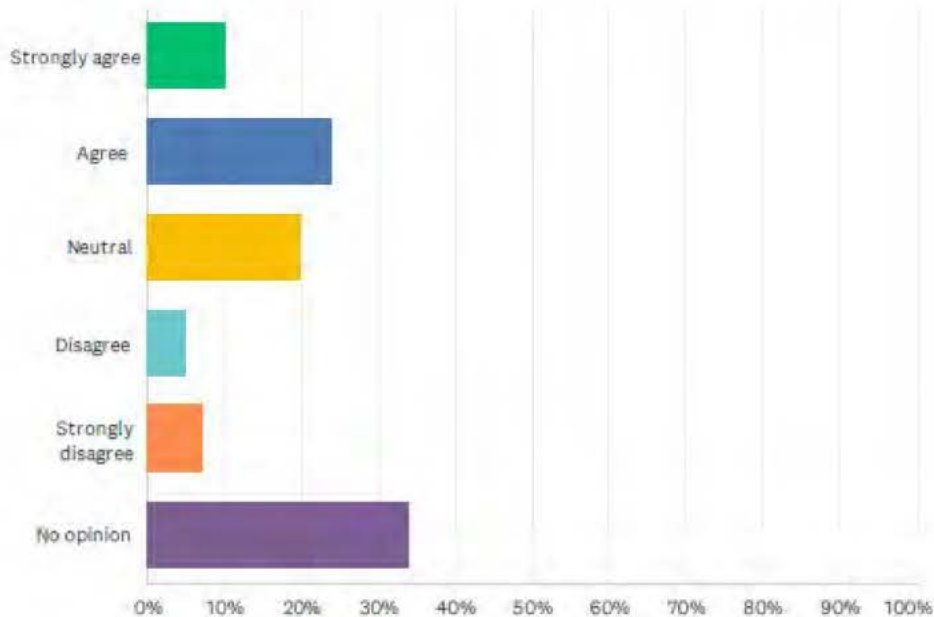


Active Member Survey

Member Satisfaction Survey - April 2024 (Member)

Q7 MainePERS responds to my questions in a timely manner

Answered: 186 Skipped: 1

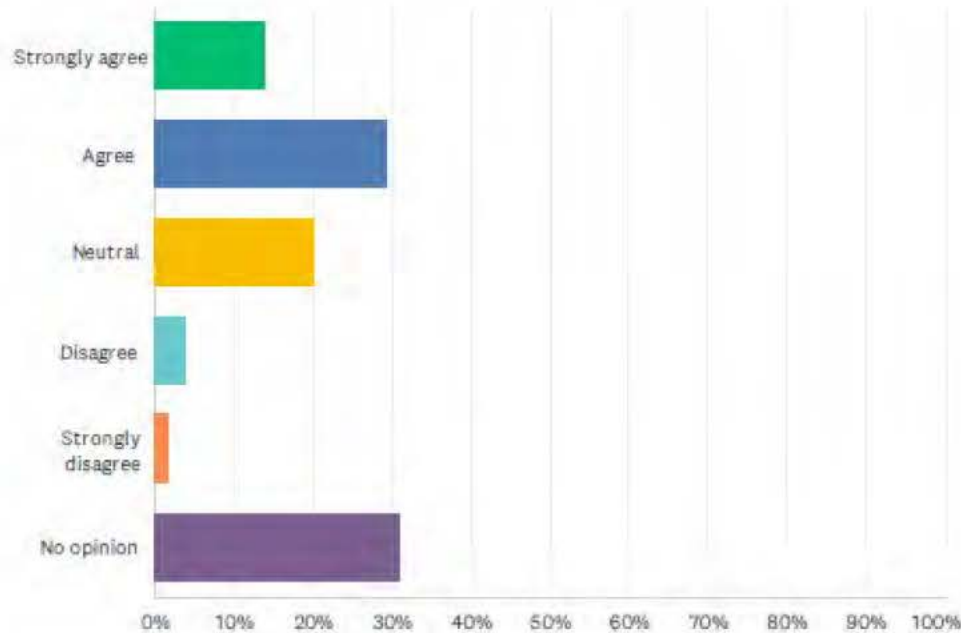


Active Member Survey

Member Satisfaction Survey - April 2024 (Member)

Q8 MainePERS Staff are knowledgeable

Answered: 187 Skipped: 0

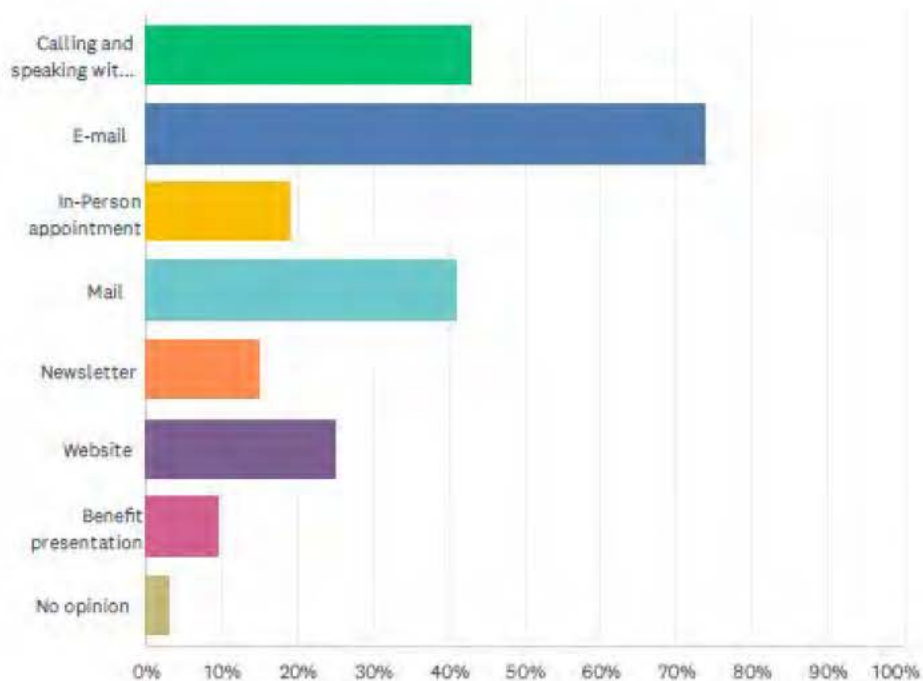


Active Member Survey

Member Satisfaction Survey - April 2024 (Member)

Q9 I prefer to receive information from MainePERS by this method:
(Please select up to three options)

Answered: 187 Skipped: 0

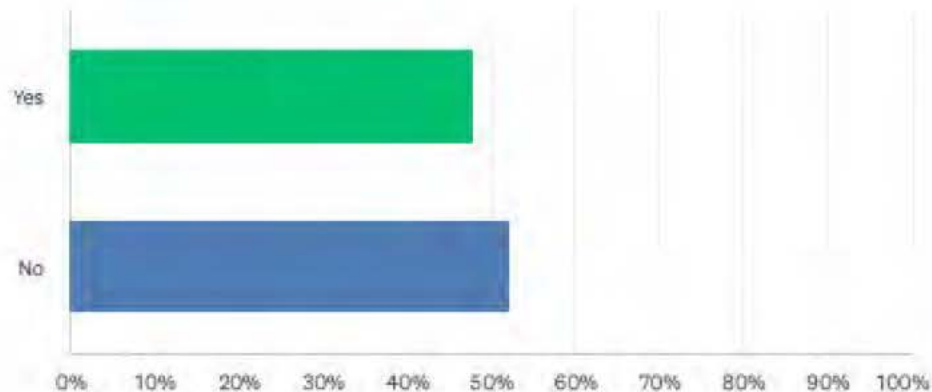


Active Member Survey

Member Satisfaction Survey - April 2024 (Member)

Q10 Have you accessed the MainePERS Member Portal which offers secure online access to your account information?

Answered: 186 Skipped: 1

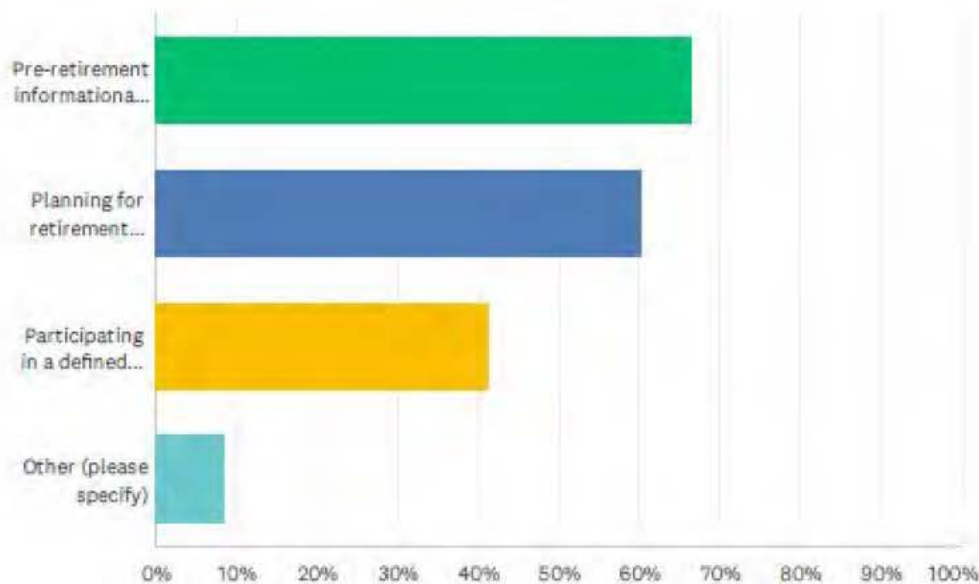


Active Member Survey

Member Satisfaction Survey - April 2024 (Member)

Q11 From the items below, please check items which you would be interested in (Please select all that apply):

Answered: 164 Skipped: 23

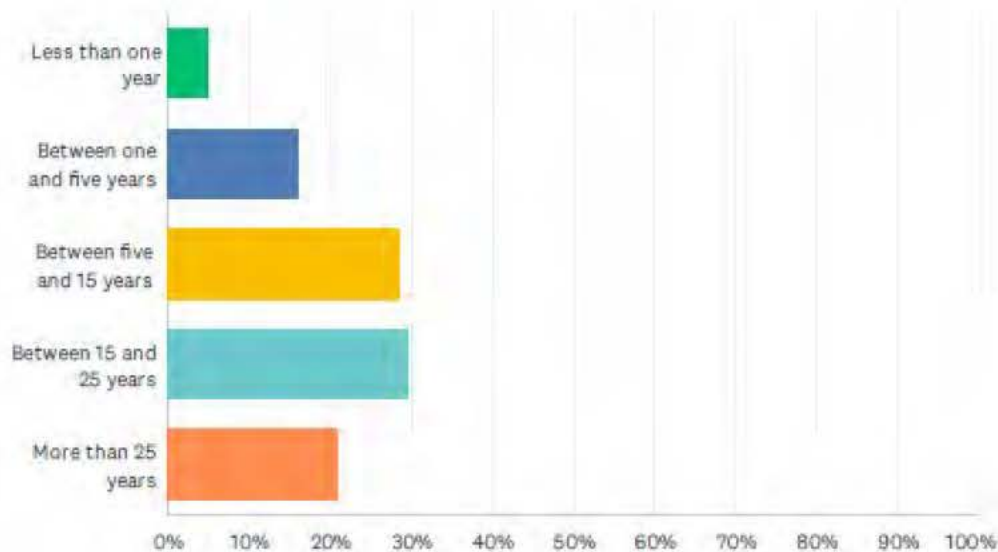


Active Member Survey

Member Satisfaction Survey - April 2024 (Member)

Q12 How long have you been a member of MainePERS?

Answered: 186 Skipped: 1



Active Member Survey

- ▶ More frequent communications
- ▶ Information that is easier to understand
- ▶ More timely responses to requests
- ▶ Interest in pre-retirement meetings
- ▶ Retirement security planning seminars
- ▶ Information on defined contribution plans
- ▶ Almost half have accessed the Member Portal

Active Member Survey

Compared to the 2023 Survey:

- ▶ Slightly more respondents, 187 v 172
- ▶ Same response rate, 8%
- ▶ Fewer had contacted us within a year of survey, 20.86% v 37.21%

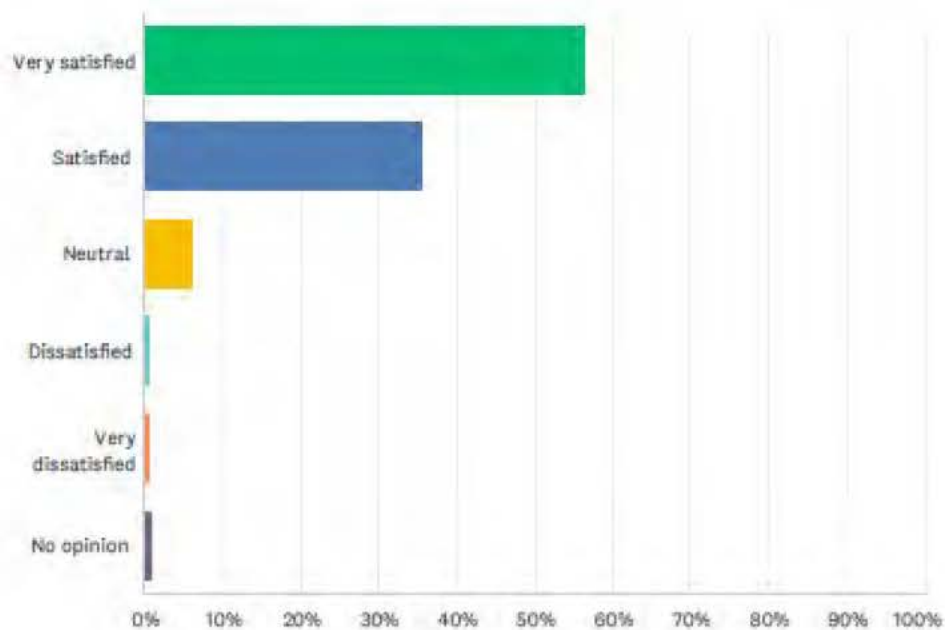
Retiree Survey

Retired Member Survey

Member Satisfaction Survey - April 2024 (Retiree)

Q1 Please rate your overall satisfaction with MainePERS

Answered: 644 Skipped: 0

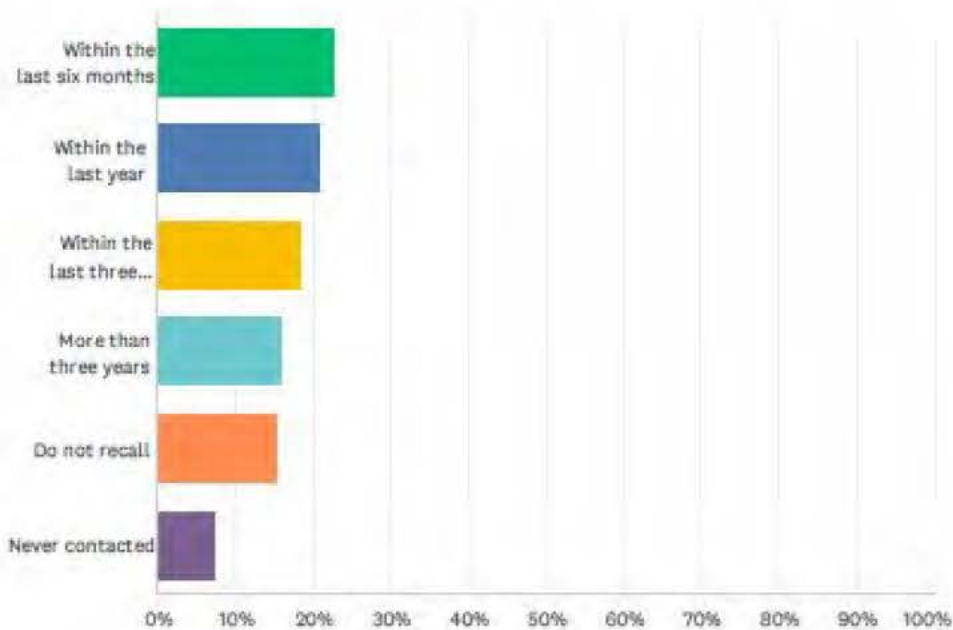


Retired Member Survey

Member Satisfaction Survey - April 2024 (Retiree)

Q2 When was the last time you contacted MainePERS?

Answered: 641 Skipped: 3

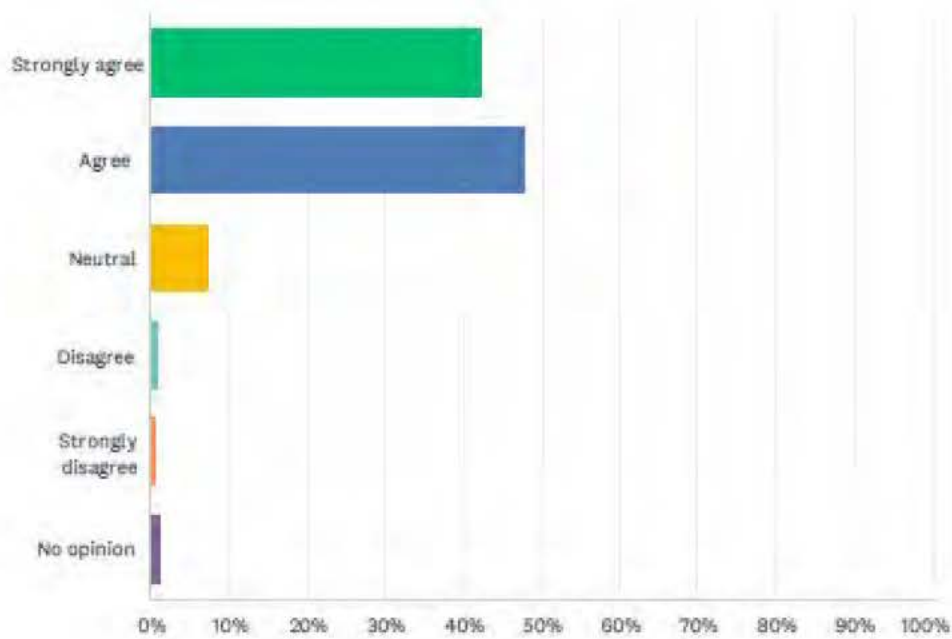


Retired Member Survey

Member Satisfaction Survey - April 2024 (Retiree)

Q3 I am confident my MainePERS retirement is secure and will be there for me

Answered: 640 Skipped: 4

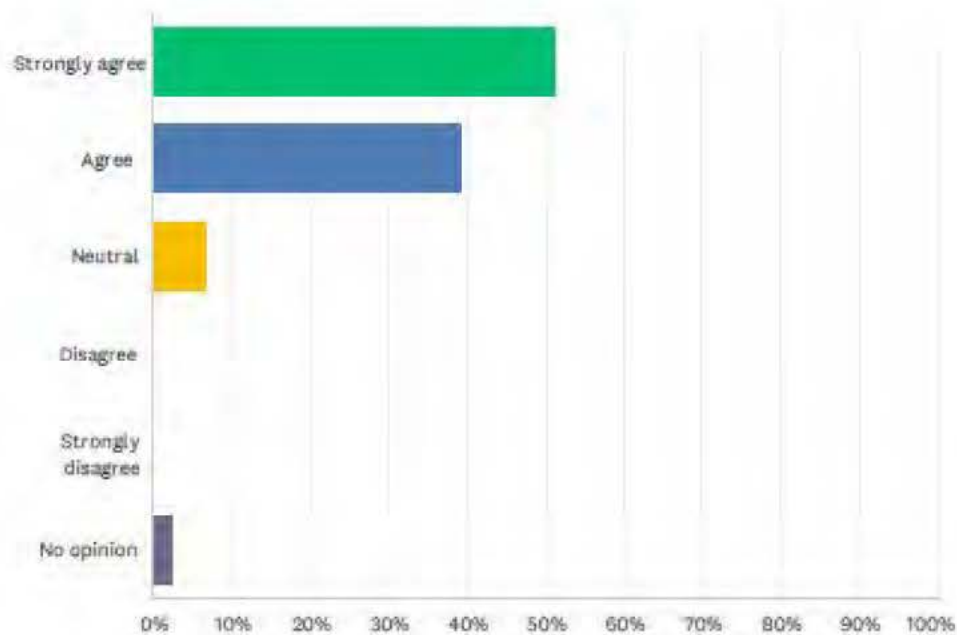


Retired Member Survey

Member Satisfaction Survey - April 2024 (Retiree)

Q4 MainePERS acts with integrity

Answered: 639 Skipped: 5

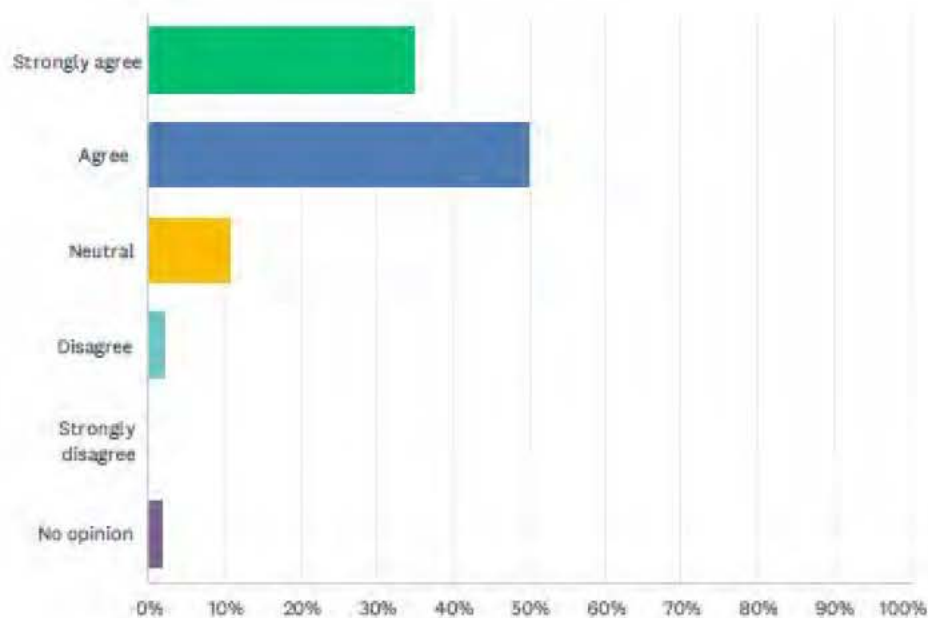


Retired Member Survey

Member Satisfaction Survey - April 2024 (Retiree)

Q5 The frequency with which MainePERS communicates with me meets my expectations

Answered: 642 Skipped: 2

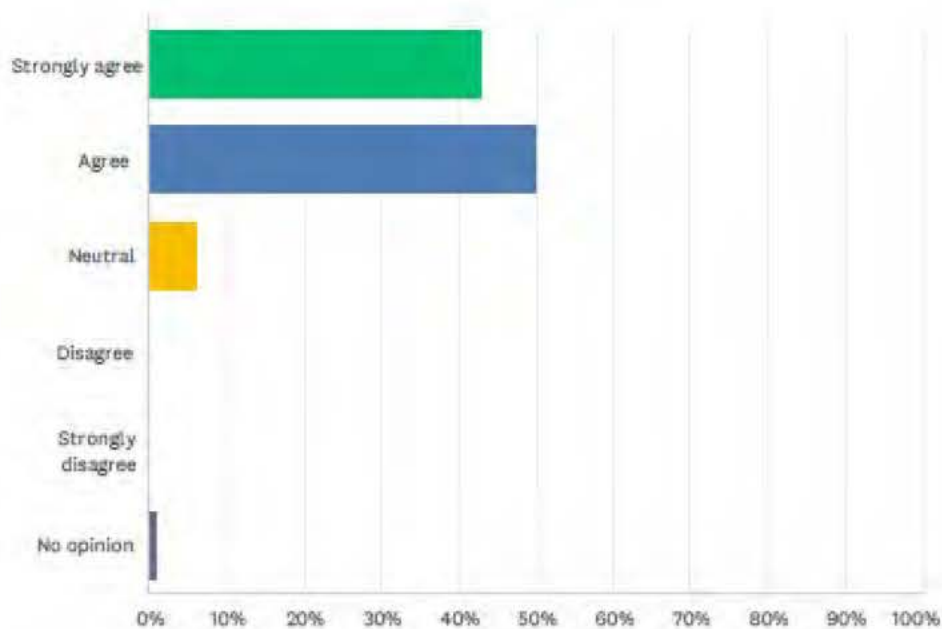


Retired Member Survey

Member Satisfaction Survey - April 2024 (Retiree)

Q6 Information I receive from MainePERS is easy to understand

Answered: 641 Skipped: 3

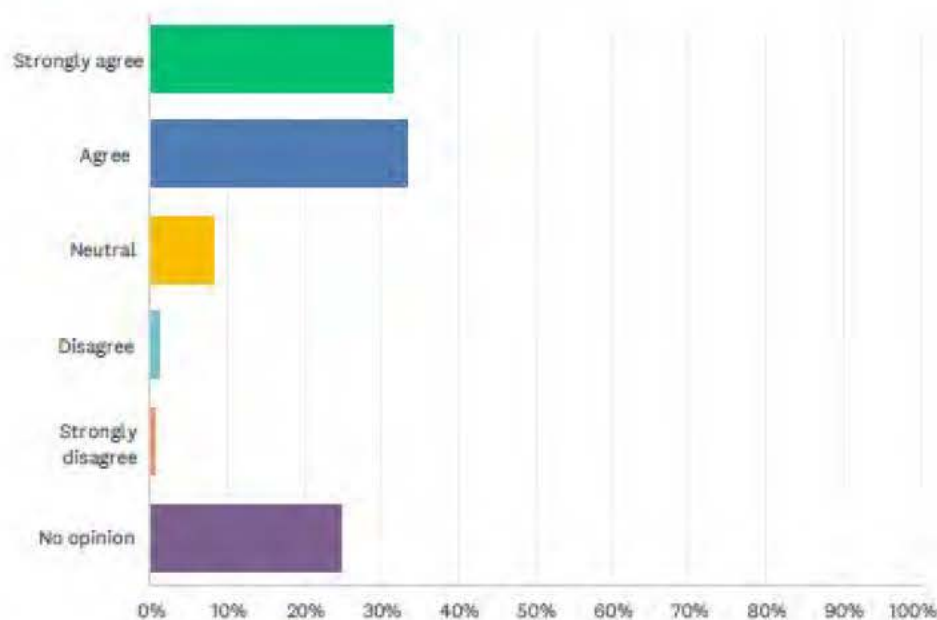


Retired Member Survey

Member Satisfaction Survey - April 2024 (Retiree)

Q7 MainePERS responds to my questions in a timely manner

Answered: 642 Skipped: 2

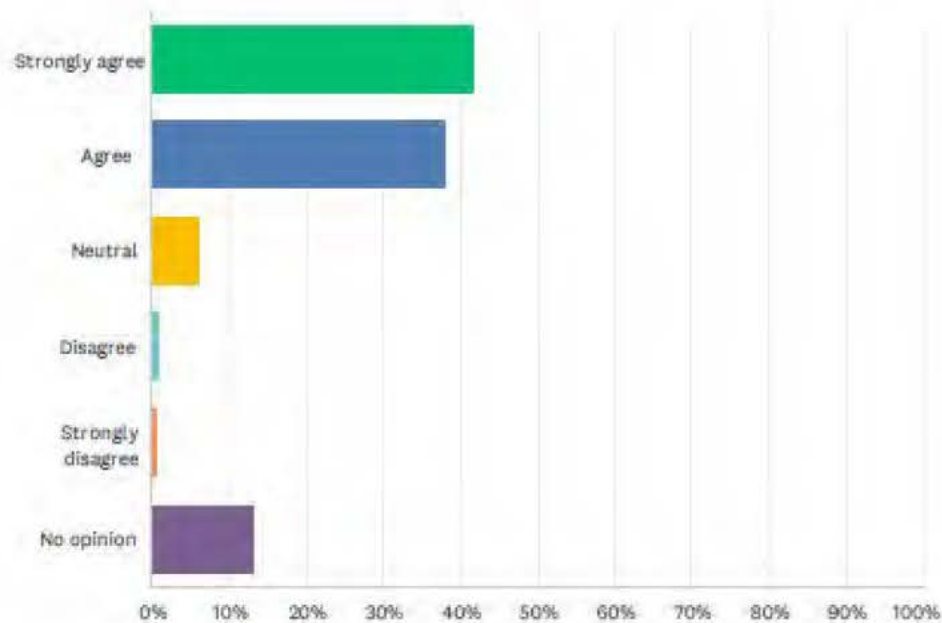


Retired Member Survey

Member Satisfaction Survey - April 2024 (Retiree)

Q8 MainePERS Staff are knowledgeable

Answered: 641 Skipped: 3

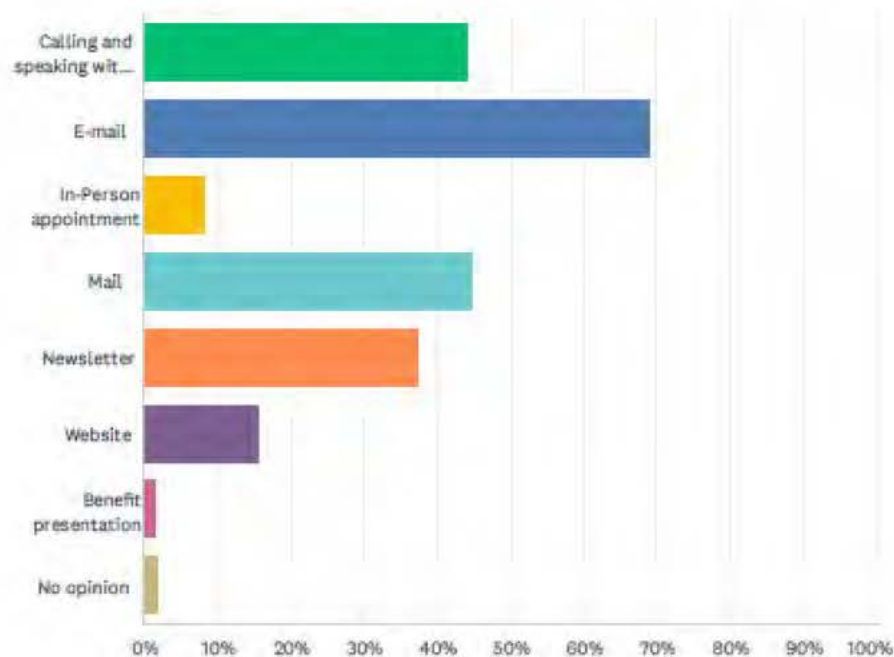


Retired Member Survey

Member Satisfaction Survey - April 2024 (Retiree)

Q9 I prefer to receive information from MainePERS by this method:
(Please select up to three options)

Answered: 644 Skipped: 0

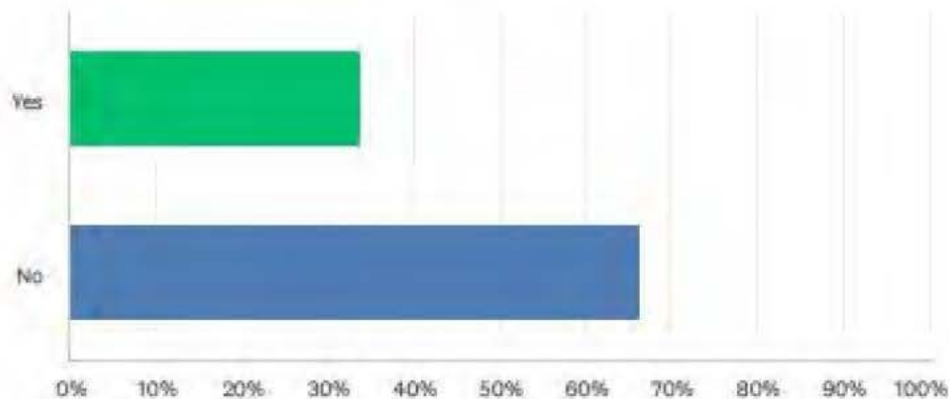


Retired Member Survey

Member Satisfaction Survey - April 2024 (Retiree)

Q10 Have you accessed the MainePERS Member Portal which offers secure online access to your account information?

Answered: 640 Skipped: 4

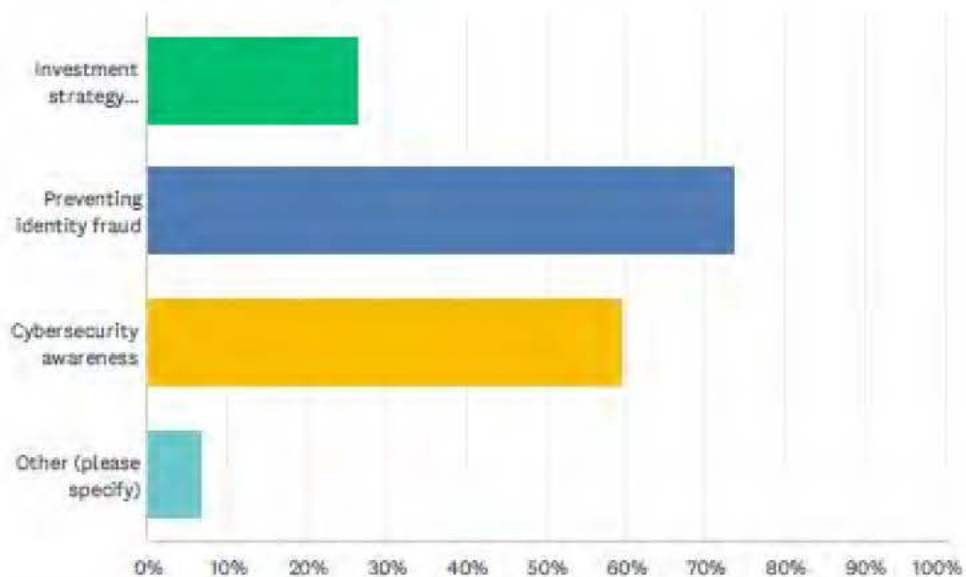


Retired Member Survey

Member Satisfaction Survey - April 2024 (Retiree)

Q11 From the items below, please check items which you would be interested in (Please select all that apply):

Answered: 522 Skipped: 122

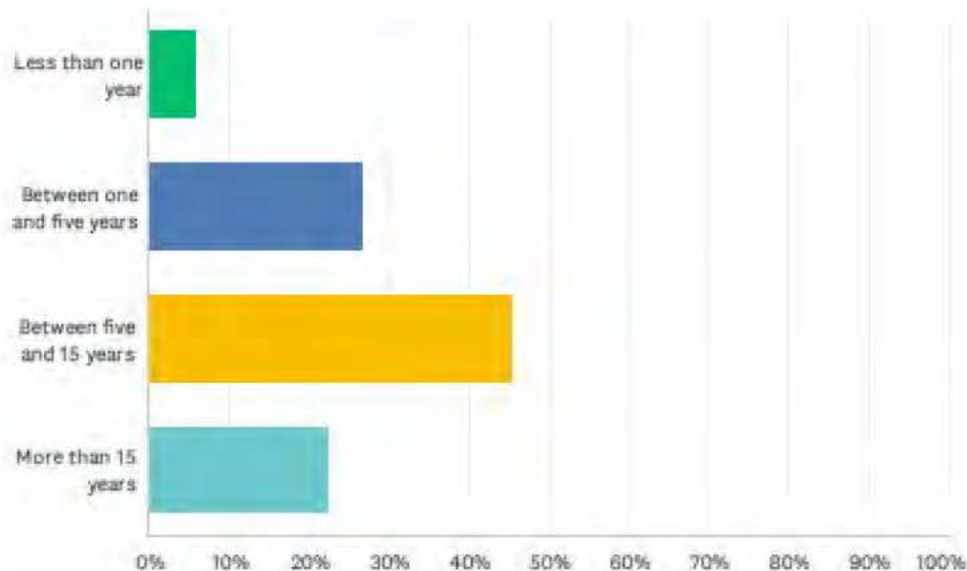


Retired Member Survey

Member Satisfaction Survey - April 2024 (Retiree)

Q12 How long have you been receiving MainePERS retirement benefits?

Answered: 644 Skipped: 0



Retired Member Survey

- ▶ Generally satisfied with frequency of communication, clarity of information, & timeliness of responses
- ▶ Interested in information on cybersecurity awareness & preventing identity fraud
- ▶ Concerns beyond MainePERS control:
 - ▶ Impact of WEP & GPO
 - ▶ COLA not keeping pace with inflation
 - ▶ Issues with health & dental insurance
- ▶ Many retired members expressed appreciation for MainePERS and its staff
- ▶ About a third have accessed the Member Portal

Retired Member Survey

Compared to the 2023 Survey:

- ▶ More respondents, 644 v 585
- ▶ Higher response rate, 28% v 26%
- ▶ Generally consistent responses
- ▶ Slightly fewer retired less than 5 years, 32.3% v 36.48%
- ▶ A higher percentage had contacted us within a year of survey, 43.21% v 39.69%

2025 Employee Satisfaction Survey

Board of Trustees
February 13, 2025

Dr. Rebecca M. Wyke, CEO

2025 Employee Satisfaction Survey

- Third annual survey
- Survey conducted January 13-24, 2025
- All employees invited to participate in the survey
- 102 employees completed the survey
 - 74% response rate
 - 95% confidence level

Highlights

In general, I am satisfied with my job

	<u>Agree</u>	<u>Disagree</u>
2025	83%	5%
2023	74%	10%

I know what is expected of me in my position

	<u>Agree</u>	<u>Disagree</u>
2025	94%	2%
2023	90%	5%

My supervisor provides helpful feedback

	<u>Usually</u>	<u>Rarely</u>
2025	88%	1%
2023	81%	5%

I would recommend MainePERS as a Great Place to Work

	<u>Agree</u>	<u>Disagree</u>
2025	83%	2%
2023	61%	13%

Survey Themes

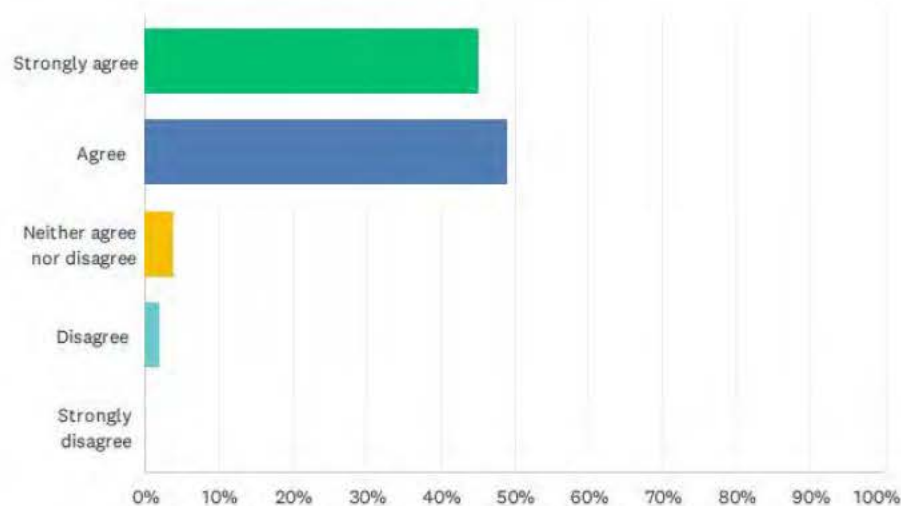
- Work culture and environment are moving in a positive direction, but there is more work to do:
 - Communications have improved overall, but more can be done
 - Adequate staff training and development opportunities are still an issue for some
- New staffing and the elimination of most backlogs has been positive, but workloads are still burdensome

Survey Question Detail

Question 1

Q1 I know what is expected of me in my position.

Answered: 102 Skipped: 0

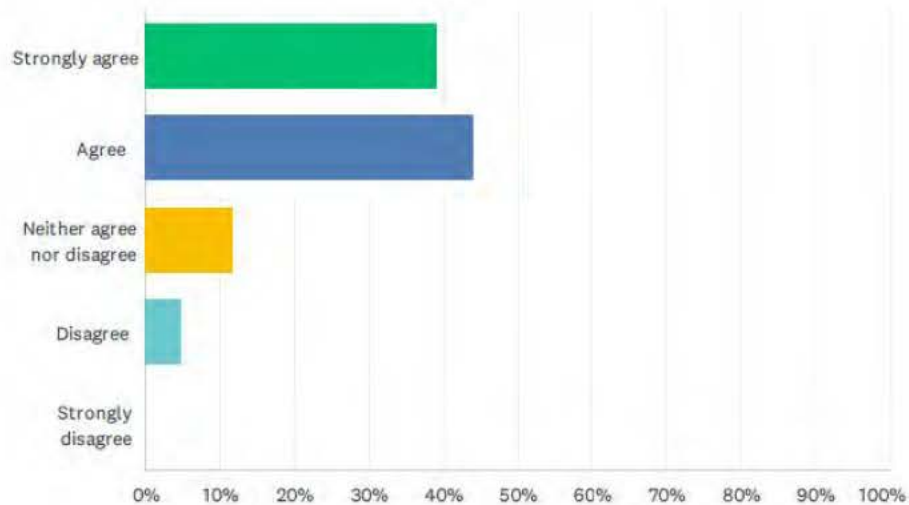


ANSWER CHOICES	RESPONSES	
Strongly agree	45.10%	46
Agree	49.02%	50
Neither agree nor disagree	3.92%	4
Disagree	1.96%	2
Strongly disagree	0.00%	0
TOTAL		102

Question 2

Q2 In general, I am satisfied with my job.

Answered: 102 Skipped: 0

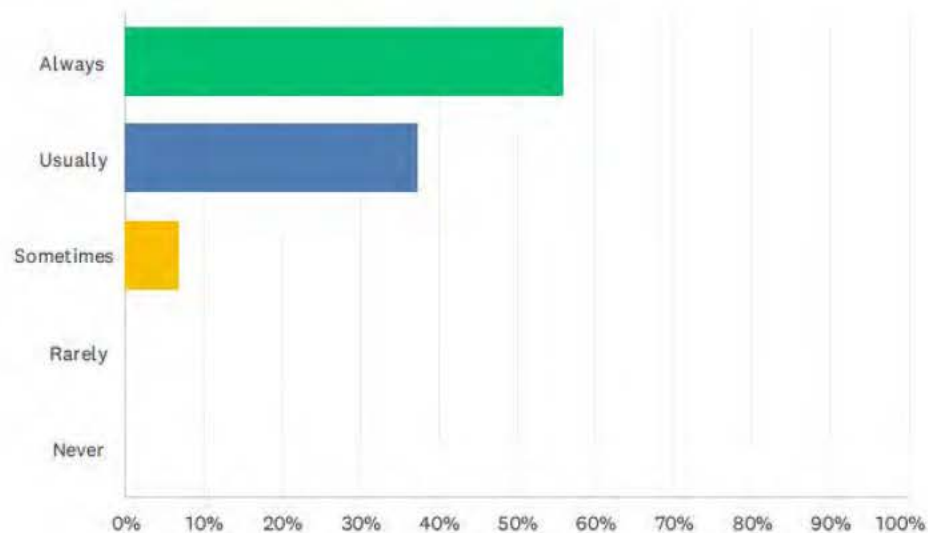


ANSWER CHOICES	RESPONSES	
Strongly agree	39.22%	40
Agree	44.12%	45
Neither agree nor disagree	11.76%	12
Disagree	4.90%	5
Strongly disagree	0.00%	0
TOTAL		102

Question 3

Q3 I receive timely and relevant communications from my supervisor.

Answered: 102 Skipped: 0

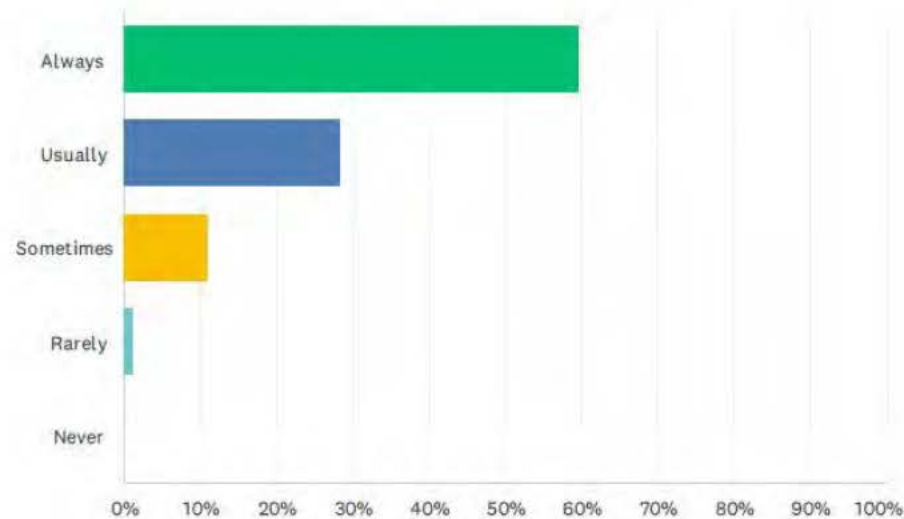


ANSWER CHOICES	RESPONSES	
Always	55.88%	57
Usually	37.25%	38
Sometimes	6.86%	7
Rarely	0.00%	0
Never	0.00%	0
TOTAL		102

Question 4

Q4 My supervisor provides helpful feedback.

Answered: 102 Skipped: 0

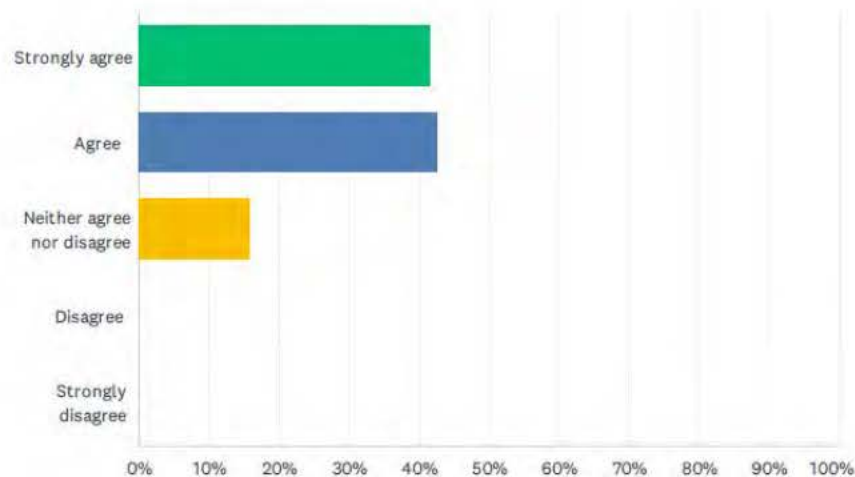


ANSWER CHOICES	RESPONSES	
Always	59.80%	61
Usually	28.43%	29
Sometimes	10.78%	11
Rarely	0.98%	1
Never	0.00%	0
TOTAL		102

Question 5

Q5 MainePERS is committed to creating an inclusive workplace environment.

Answered: 101 Skipped: 1

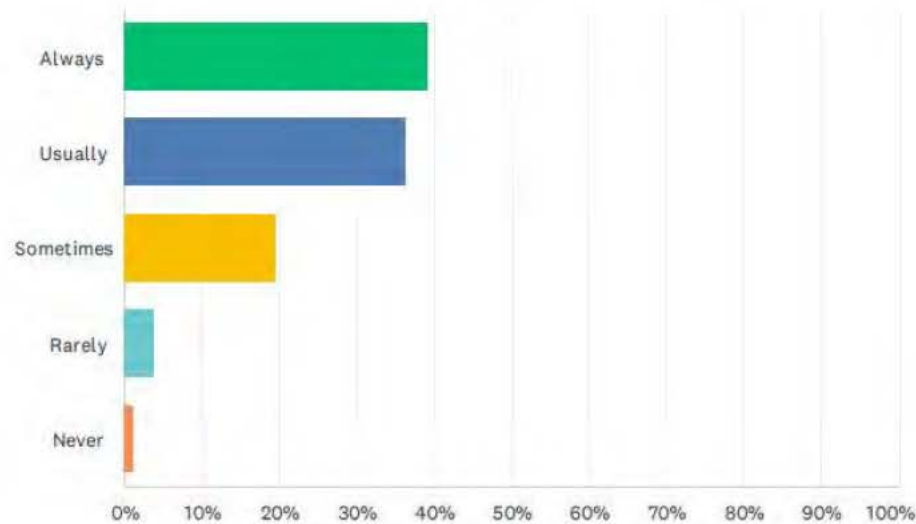


ANSWER CHOICES	RESPONSES	
Strongly agree	41.58%	42
Agree	42.57%	43
Neither agree nor disagree	15.84%	16
Disagree	0.00%	0
Strongly disagree	0.00%	0
TOTAL		101

Question 6

Q6 I feel my ideas are valued and I feel safe in suggesting them.

Answered: 102 Skipped: 0

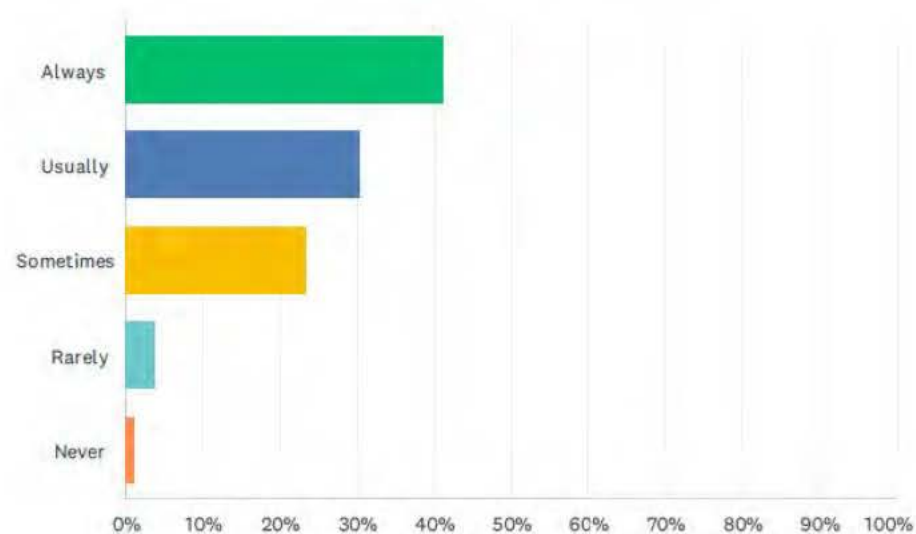


ANSWER CHOICES	RESPONSES	
Always	39.22%	40
Usually	36.27%	37
Sometimes	19.61%	20
Rarely	3.92%	4
Never	0.98%	1
TOTAL		102

Question 7

Q7 MainePERS encourages open and honest feedback.

Answered: 102 Skipped: 0

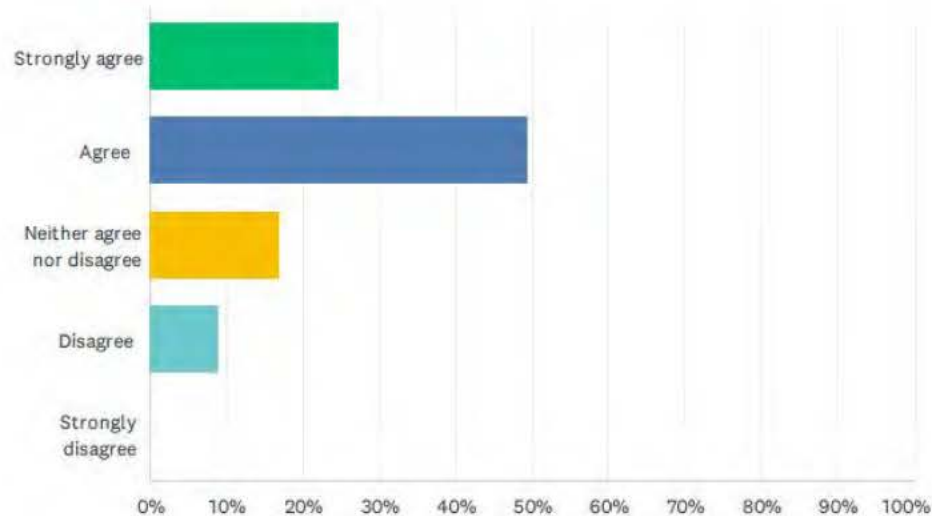


ANSWER CHOICES	RESPONSES	
Always	41.18%	42
Usually	30.39%	31
Sometimes	23.53%	24
Rarely	3.92%	4
Never	0.98%	1
TOTAL		102

Question 8

Q8 MainePERS current methods of communication are adequate.

Answered: 101 Skipped: 1

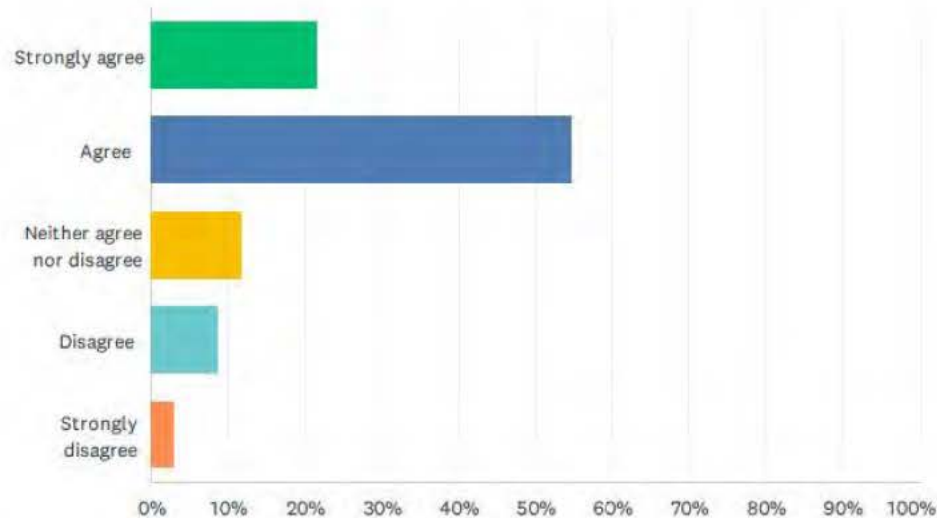


ANSWER CHOICES	RESPONSES	
Strongly agree	24.75%	25
Agree	49.50%	50
Neither agree nor disagree	16.83%	17
Disagree	8.91%	9
Strongly disagree	0.00%	0
TOTAL		101

Question 9

Q9 MainePERS provides training and resources that benefit me.

Answered: 102 Skipped: 0

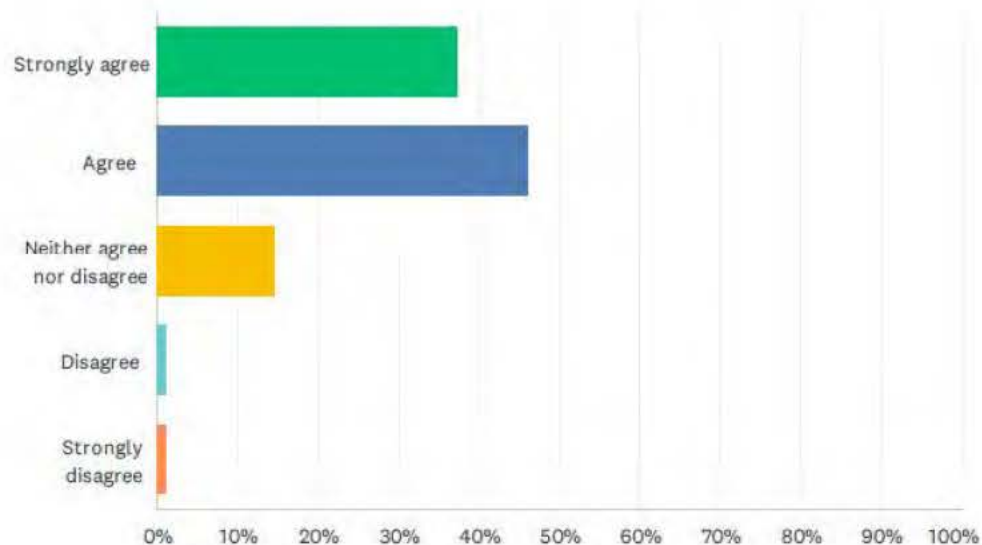


ANSWER CHOICES	RESPONSES	
Strongly agree	21.57%	22
Agree	54.90%	56
Neither agree nor disagree	11.76%	12
Disagree	8.82%	9
Strongly disagree	2.94%	3
TOTAL		102

Question 10

Q10 I would recommend MainePERS as a great place to work.

Answered: 102 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	37.25%	38
Agree	46.08%	47
Neither agree nor disagree	14.71%	15
Disagree	0.98%	1
Strongly disagree	0.98%	1
TOTAL		102

NEW RETIREES Calendar Year 2024 5 M.R.S. § 17103(F)	
Plan Status	Retired Members
State	539
Teacher	842
Legislative	3
Judicial	4
Participating Local District	483
Total	1871

NEW ACTIVE MEMBERS Calendar Year 2024 5 M.R.S. § 17103(G)	
Plan Status	New Active Members
State	1589
Teacher	1826
Legislative	1
Judicial	4
Participating Local District	1889
Total	5309

DISABILITY RETIREMENT and APPEALS Calendar Year 2024		
5 M.R.S. § 17103(J)(1)-(4)		
	Count	Percentage
NEW APPLICATIONS		
Disability determinations made at the application stage in 2024	75	
Applicants awarded disability retirement at the applications stage	68	91%
Applications terminated due to death	0	
Applicants denied at the application stage	7	9%
DISABILITY APPEALS*		
Number of appeals pending 12/31/2023	5	
Number of appeals filed in 2024	9**	
Total appeals closed in 2024	6	
Appeals Withdrawn or Abandoned	2	
Appeals Resolved on the Merits	4	
Total resulting in denial of benefits	3	
Total resulting in the award of benefits	1***	25%
Number of Appeals Pending 12/31/2024	8	

* This section addresses administrative appeals of application denials. Appeals may not be filed and often are not completed in the same calendar year as the application denial.

** This includes appeal of decisions where the application was approved but not on all conditions claimed in the application. Where that occurs, the member receives full benefits.

*** This is a case where the Chief Executive Officer granted benefits upon reconsideration during the appeals process. Twenty-five percent of cases resolved on the merits during an appeal resulted in the award of benefits. Of appeals closed in 2024, which includes withdrawn or abandoned appeals, 17% resulted in the award of benefits.

BUDGET STATUS OF ADMINISTRATIVE OPERATIONS AND FUNCTIONS FY 2024-2025

5 M.R.S. § 17103(E)

	FY 2025 Budget	07/01/2024- 12/31/2024 Actual	01/01/2025- 06/30/2025 Expected	Projected Surplus /(Deficit)
Personal Services	14,496,871	6,549,894	7,774,209	172,768
Professional Services ¹	1,640,173	669,771	985,878	(15,456)
Communications	735,818	359,911	398,955	(23,048)
Office Rent and Building Operations	1,045,524	517,858	536,934	(9,268)
Computer Maintenance and Supplies	2,844,935	1,403,686	1,459,466	(18,217)
Depreciation	450,963	176,644	243,167	31,152
Professional Development	122,764	32,536	90,228	-
Medical Consultation and Records	244,500	100,924	147,851	(4,275)
Miscellaneous Operating Expenses	412,638	234,437	187,925	(9,725)
Total Administrative Expenses	21,994,206	10,045,661	11,824,613	123,931

¹Professional Services include actuarial and legal service fees, as well as hearing officers' services related to appeals.

**SUMMARY OF ADMINISTRATIVE EXPENSES
FY 2024****5 M.R.S. § 17103(D)**

Personal Services	11,969,077
Professional Services	2,202,256
Communications	890,505
Office Rent and Building Operations	491,342
Computer Maintenance and Supplies	1,664,209
Depreciation	493,461
Professional Development	52,270
Medical Consultation and Records	176,527
Miscellaneous Operating Expenses	802,077
Total Administrative Expenses¹	18,741,724

¹ Total Administrative Expenses include all expenses of the System. Refer to the ACFR for a breakdown of administrative expenses across plans.

CONTRIBUTIONS/PAYMENTS IN 2024			
5 M.R.S. § 17103(I)			
Plan Status	Employee Contributions	Employer Contributions	Total Payments to Retirees
State ¹	61,878,864	200,141,044	382,870,163
Teacher	117,627,152	310,531,278	676,602,698
Judicial	731,941	456,322	5,627,267
Legislative	183,506	15,225	670,376
Participating Local Districts	72,651,294	98,793,837	227,346,647
Total	253,072,756	609,937,706	1,293,117,150

¹State Plan totals include Governors