

MAINE STATE LEGISLATURE

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MAINE STATE RETIREMENT SYSTEM

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

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L.U.O.

November 1, 2005

Senator Ethan K. Strimling, Senate Chair
Representative William J. Smith, House Chair
Joint Standing Committee on Labor
122nd Legislature
100 State House Station
Augusta, Maine 04333-0100

RE: Program Evaluation Report for the Maine State Retirement System

Dear Senator Strimling and Representative Smith:

On behalf of the Board of Trustees, I am pleased to forward the Program Evaluation Report of the Maine State Retirement System pursuant to the Committee's letter of April 28, 2005.

I look forward to assisting the Committee and its staff in the review of the System.

Sincerely,

Gail Drake Wright
Executive Director

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KF
4943 Kathy J. Morin, Manager, Actuarial and Legislative Affairs
.Z99
M34
2005g

LOCATION: 96 Sewall Street (Corner of Capitol and Sewall)

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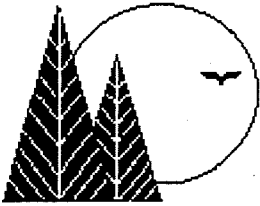
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Maine State Retirement System

Program Evaluation Report

November 1, 2005

Program Evaluation Report
Required by 3 MRSA §956
November 1, 2005

Maine State Retirement System

The Maine State Retirement System (herein "System") provides the following Program Evaluation Report, organized by the evaluation elements specified in 3 MRSA §956.

A. Enabling or Authorizing Law or other Relevant Mandate, Including Any Federal Mandates.

The Maine State Retirement System is enabled by Administrative Procedures and Services, 5 MRSA Chapter 421 (Section 17101 in particular). The System is further enabled by Executive, 2 MRSA Chapter 1, Section 1-A; Legislature, 3 MRSA Chapter 29, Section 731 (Maine Legislative Retirement System); and Judiciary, 4 MRSA Chapter 27, Section 1231 (Maine Judicial Retirement System).

B. A Description of Each Program Administered by the Agency, Including Goals and Objectives, and an Agency Assessment of Performance

The Maine State Retirement System is an independent public agency of the State of Maine that traces its history to 1942. The System administers retirement, disability benefit, death benefit, and group life insurance programs that cover State employees, the State's public school teachers (including school administrators and other licensed and certified staff), judges, legislators, and employees of the approximately 267 municipalities as well as other public entities, called "participating local districts" (PLDs), that have chosen to provide retirement plans through the System.

The responsibility for the operation of the Maine State Retirement System is held by the System's Board of Trustees, which is composed of eight members. State law specifies the Board's composition. The law requires that each individual appointed to service as a trustee is subject to the legislative confirmation process. 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." Three trustees are Retirement 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 proposed by the governing body of the Maine Municipal Association. Four 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 System retiree selected from a list of nominees submitted by State or PLD retirees. The remaining two appointees are direct gubernatorial appointments, both of whom must be qualified through training or experience in the field of investments, accounting, banking or insurance or as actuaries. 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 its members.

The Board contracts for the services of an actuary, currently the firm of Cheiron, to prepare annual valuations of the assets and liabilities of each of the retirement programs administered by the System. The actuary provides information and recommendations as to sound and appropriate actuarial assumptions, which are utilized, together with valuation information, to determine funding requirements.

The Board manages System investments through 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 currently contracts with the firm of Ennis Knupp and Associates to advise in the development and implementation of the investment policy and the carrying out of the investment program.

The Board is the final administrative decision maker in matters involving the rights, credits, and benefits of members. It has established an administrative appeals process for the making of such decisions, through which the relevant factual information and legal requirements are identified and analyzed by Hearing Officers who are independent contractors acting on behalf of the Board and making recommendations to the Board for final agency action. In decisions on disability retirement appeals, the System's statutorily established Medical Board provides medical consultations to System staff as to the medical aspects of disability. The Board's final decisions are appealable to Superior Court.

Defined Benefit Pension Plans

The System's retirement program provides a specific retirement benefit based on the member's average final compensation and years of service credit. The employer, not the employee, bears the investment risk. Generally, members are vested, or eligible for benefits upon meeting other qualifications, when they have five years of service. Members who are at, or older than, normal retirement age may vest with one year of service immediately preceding retirement. Normal retirement age for State employees, teachers, judges and legislative members is 60 or 62. For Participating Local District members in the Consolidated Plan, normal retirement age is 60. In FY 2004, the System paid \$387,371,108 to over 27,000 retirees and beneficiaries.

Disability Program

The System administers the disability retirement program for eligible members who become permanently disabled while in service and are unable to perform the duties of their current position. In FY 2004, the System paid \$41,322,458 in disability benefits to 2,403 disability retirees.

Pre-Retirement Death Benefit

Members in the defined benefit pension plans are entitled to pre-retirement death benefits, which consist of certain benefits in the event that the member dies while in active service, while receiving a disability retirement benefit, and in some cases, following active service but prior to receiving a refund or service retirement benefit. In FY 2004, the System paid \$5,304,351 in pre-retirement death benefits to 1,116 beneficiaries.

Group Life Insurance

The System provides term group life and accidental death and dismemberment insurance to 45,969 participants and retirees through a contract with a licensed insurance company. The vendor performs selected plan administration functions.

The System verifies the validity of approximately 550 claims annually, determines the claim amounts, obtains necessary documents, and forwards all required material to the insurance company. The insurance company reviews the documentation and issues payment, which is forwarded by the System to the recipient. In FY 2004, the System paid \$7,068,221 in life insurance proceeds for 550 claims.

Defined Contribution Plans

The System sponsors a 401(a) Defined Contribution Plan and a 457 Deferred Contribution Plan for adoption by employers of the PLD Consolidated Plan for the benefit of their respective employees. Participants in the plans may direct the investment of their plan accounts among a number of investment funds available under the plans.

As of June 30, 2005, 11 PLD employers offered the 401(a) plan to employees. As of that date, there were a total of 112 participants in that plan with total assets of \$6,035,698.

As of June 30, 2005, 20 PLD employers offered the 457 plan to employees. As of that date, there were a total of 193 participants in that plan with total assets of \$3,312,021.

Goals and Objectives and Agency Assessment of Performance

The Maine State Retirement System's mission is to provide all benefits and services to which the System's members, retirees and participating employers are entitled, prudently managing the funds entrusted to the System for that purpose.

Goal: Regularly provide timely, accurate, relevant and comprehensive information to members, retirees, participating employers, Board of Trustees, Legislature, and the public.

Objectives:

1. Provide all active members with a member statement annually. This statement will include manual determination of all service since date of hire.

Status: By December 2005, we project that 20,750 members will have received a first statement. This represents 36% of active members.

Status: By December 2005, 4,688 State employees will have received a second statement, indicating the ability of the System to calculate service credit by automated means.

2. Improve member understanding of the System's services and benefits and assist members to plan for their retirement security through the System's Web-site, telephone, written communications, and group presentations.

Status: The System's Web-site includes an ever-increasing number of self-service options for members and employers. Average response time for service credit inquiries is one week and for retirement benefit estimates it is six weeks. Both time frames represent improvement in previous turn-around times.

Status: The System schedules, on average, monthly presentations for State and Teacher members. Presentations for PLD and other groups are scheduled upon request. In 2004, the System offered 58 group and 238 individual sessions reaching an estimated 1,400 members.

3. Complete determinations that must be done manually of legacy service credit and pertinent legacy retirement information on every vested member and populate the database with this information.

Status: By December, 2005, legacy determinations for approximately 50% of active members will have been completed.

4. Process new disability applications within three months and maintain currency with both new applications and disability reviews.

Status: The average processing time for approval of new applications is 2.8 months and for denials it is four months.

Status: The System expects to become and remain current by July 2006 in reviewing disability retirees, as mandated by current law, to determine whether benefits should continue to be paid.

5. Complete a thorough study of the Group Life Insurance program and implement any administrative, programmatic and premium structure changes, as appropriate.

Status: An actuarial study will be completed by December 31, 2005.

Status: Analysis of administration of the program will be completed by April 1, 2006.

6. Develop, offer and administer superior defined contribution (DC) plans to all members of the System.

Status: The System will conduct appropriate asset-liability studies of the existing DC plans and re-design and implement new plans by the end of FY 2006.

Goal: Support the operational needs of the System through management of its human resources, financial systems, information systems, communications, and facilities.

Objectives:

1. Acquire and install into production a complete web-based Line-of-Business automated system.

Status: Pursuant to an RFP and evaluation process, a vendor for this major automated systems installation has been selected and contract negotiations are underway.

Status: The Project is expected to begin no later than January 2006 and be operational by January 2009. The Benefits Administration Payroll System (BAPS), which is part of the Project, will be operational by December 31, 2006.

Status: All business processes will be reviewed as part of the business project. Work is already underway.

2. Streamline or eliminate business processes that compromise or interfere with the achievement of Service Program objectives.

Status: A senior management level Process Improvement Manager was hired in the second quarter of 2005. Numerous process

improvements and enhancements have already been identified and implemented.

Status: Extensive re-engineering of business processes will occur as part of the Line-of-Business project.

3. Develop a comprehensive risk assessment and business resumption plan by December 31, 2007.

Status: A comprehensive risk assessment will be conducted over the course of the next 30 months. The System is currently negotiating for the installation of a complete Line-of-Business system that is expected to provide for greater business resumption alternatives than currently exist.

4. Enhance service and communication to participating employers through improved financial reporting, internet and other communications.

Status: Various communication enhancements are expected to be fully implemented by the end of 2005, including monthly employer statements; an improved employer section on the System's Web site (www.msrs.org); commencement of the *EMPLOYER UPDATE* newsletter.

5. Assure that the System's Comprehensive Annual Financial Report (CAFR) will continue to meet the requirements for the GFOA Award of Financial Reporting Achievement, while implementing GASB Statements 40 (FY 2005), 44 (FY 2006), and 45 (FY 2008).

Status: The System is in the process of ensuring that the fiscal year 2005 CAFR will comply with GASBS 40 and be filed with GFOA by December 31, 2005. The System was awarded the GFOA Certificate of Excellence in Financial Reporting for its 2004 CAFR and seeks to maintain this status in 2005.

Goal: Manage the investment portfolio for the exclusive benefit of members, maximizing the funding ratio of the plans while prudently management risk.

Objectives:

1. Maintain the appropriate balance among the five strategic asset classes of domestic equity, international equity, general fixed income, real estate, and Treasury Inflation Protected Securities (TIPS).

Status: See Asset Allocation Chart at Exhibit A.

2. Engage high quality investment management firms. Monitor performance against appropriate benchmarks.

Status: See Investment Portfolio As Of November 1, 2005 at Exhibit B.

3. Maximize the funded status of the defined benefit plans within appropriate risk parameters.

Status: See Schedule of Funding Progress at Exhibit C.

C. Organizational Structure, Including a Position Count, a Job Classification and an Organizational Flow Chart Indicating Lines of Responsibility

Number of Positions at July 1, 2005:	137
Vacancies at July 1, 2005:	6

A functional organization chart is attached as Exhibit D.

D. Compliance with Federal and State Health and Safety Laws, Including the Americans with Disabilities Act, the Federal Occupational Safety and Health Act, Affirmative Action Requirements and Workers' Compensation

The System fosters practices and policies designed to ensure compliance with applicable health and safety laws. Among other steps, the System annually reinforces its workplace harassment and anti-discrimination policies, conducts video display terminal training and site assessments, and engages external consultants to examine workplace conditions for safety. Through two employee handbooks provided in paper and online formats to all employees, Life@Work, and Safety@Work, the System reinforces procedures for maintaining a safe, secure workplace, and reporting and responding to injuries.

The System provides workers' compensation coverage through the Maine Municipal Association program, and the administrator provides additional support through training and consultation designed to manage and avoid workplace injuries.

E. Financial Summary, Including Sources of Funding by Program and the Amounts Allocated or Appropriated and Expended Over the Last 10 Years

All members of each plan contribute a percentage of their compensation to the System. The amount of the member contribution is set by statute and varies according to the plan under which a member is covered and other criteria set out in the law. Each employer also contributes to the System in an amount that is a percentage of total wages paid to members who are employees of that employer. The State pays the employer contribution on behalf of all teacher members as well as all State employee members. Employer contribution percentages are actuarially determined by plan and can vary from year to year.

The State's employer contribution on behalf of all State employees and all teachers has two components: (1) the normal cost contribution, which, with current member contributions, supports benefits currently being earned by active members and (2) the unfunded actuarial liability (UAL) contribution, which is payment on the amortized debt that represents the liability for benefits in excess of the amount supported by assets of the System.

The System's operating funds are provided by its participating employers. Total operating expenses for staff and all other costs of operation, with the exception of certain investment-related expenses required by law to be paid directly from investments, are allocated among the System's three employer/employee groups (i.e., State employees, including for this purpose judges and legislators; teachers; PLDs). The allocation is based on the headcounts of members (including all active and vested inactive members) and of benefit recipients for each group. The allocation methodology produces an operating cost rate for each employer/employee group. Operating funds for the State employer component are appropriated for the System to the State and transferred to the System at a calculated rate. The rate is applied to the State employee payroll. For the teacher component, operating funds are appropriated as a dollar amount that is calculated by the application of the rate to projected teacher payrolls. This amount is a part of the total State appropriation for teacher retirement. Operating funds for the PLD component are collected by assessment across all PLD programs. The System's authority to expend funds for its operations derives from annual legislation that establishes, for a given fiscal year, the amount of its operating budget.

The System receives a biennial general fund appropriation for the funding of benefits payable from the Governor's Retirement Fund. Funding of benefits to retired governors and/or the surviving spouse of a retired governor is provided on a pay-as-you-go basis. The System has received the following general fund appropriations in the past ten years, including the current biennium, for the funding of benefits under this plan.

Fiscal Year	Appropriation
2007	\$ 182,187
2006	\$ 175,180
2005	\$ 233,348
2004	\$ 207,042
2003	\$ 197,655
2002	\$ 190,053
2001	\$ 187,496
2000	\$ 180,608
1999	\$ 200,416
1998	\$ 192,708

Beginning July 1, 2005, the System assumed the administrative responsibility for the Pre-1984 Judicial Retirement Fund, which is also funded on a pay-as-you-go basis. For FYs 2006 and 2007, the System received general fund appropriations in the amounts of \$1,138,098 and \$1,206,383, respectively, for the funding of benefits under this plan.

The System prepares a Comprehensive Annual Financial Report (CAFR) each year with extensive information on all aspects of its operations. The following information, except for explanatory footnotes, is excerpted from the most recently published CAFR, for the fiscal year ended June 30, 2004, and earlier CAFRs.

(1) Summary of Investment Activity

FY Ended June 30	(In Millions)		Rate of Return
	Opening Market Value	Closing Market Value	
2004	6,919	8,021	16.6%
2003	6,574	6,919	5.3%
2002	7,001	6,574	-7.5%
2001	7,587	7,001	-7.8%
2000	6,885	7,587	9.7%
1999	6,104	6,885	11.2%
1998	5,141	6,104	17.8%
1997	4,213	5,141	18.8%
1996	3,645	4,273	16.6%
1995	3,066	3,645	17.6%
10-year period	3,066	8,021	9.4%

(2) Schedule of Employers' Contributions¹

Year ended:	Annual required contribution	Annual contribution	Percentage contributed
2004	259,147,805	290,572,267	112.1%
2003	261,213,019	285,646,014	109.4%
2002	252,503,429	415,551,283	164.6%
2001	264,648,938	264,648,938	100.0%
2000	246,312,125	250,312,125	101.6%
1999	269,631,124	291,477,022	108.1%
1998	253,379,103	274,787,560	108.4%
1997	249,327,155	267,853,658	107.4%
1996	247,646,796	253,646,796	102.4%

(3) Schedule of Funding Progress

Actuarial valuation date:	Actuarial value of assets	Actuarial Accrued Liability (AAL) entry age	Unfunded AAL (UAAL)	Funded Ratio	Annual covered payroll	UAAL as a percentage of covered payroll
June 30						
2004	8,273,559,503	11,068,596,692	2,795,037,189	74.7%	1,764,751,029	158.4%
2003	7,787,205,499	10,470,578,120	2,683,372,621	74.4%	1,719,311,023	156.1%
2002	7,612,509,160	9,889,494,007	2,276,984,847	77.0%	1,681,423,896	135.4%
2001	7,389,558,862	9,425,021,636	2,035,462,774	78.4%	1,580,530,753	128.8%
2000	7,027,525,443	8,842,716,327	1,815,190,884	79.5%	1,515,172,430	119.8%
1999	6,236,229,331	8,332,753,666	2,096,524,335	74.8%	1,443,312,536	145.3%
1998	5,392,676,044	7,854,273,082	2,461,597,038	68.7%	1,389,139,818	177.2%
1997	4,602,973,536	7,291,821,034	2,688,847,498	63.1%	1,341,612,931	200.4%
1996	3,959,367,717	6,985,476,378	3,026,108,661	56.7%	1,316,462,200	229.9%

¹ Includes payment of unallocated surplus pursuant to 5 M.R.S.A. §1517.

(4) Schedule of Benefits Expenses by Type, Net of Accruals

Fiscal Year Ended June 30:	Total Benefits and Refunds Expense	<u>Retirement Benefit Payments</u>			
		Service Retirees Benefits	Service Retiree Beneficiary Recipients Benefits	Disability Benefits	Pre-Retirement Death Benefits
2004	\$456,763,395	\$354,977,743	\$32,393,365	\$41,322,458	\$5,304,351
2003	430,421,793	333,776,178	31,243,729	39,429,493	5,105,915
2002	412,352,225	315,942,837	29,789,595	36,753,183	5,046,469
2001	386,698,817	295,733,000	27,848,153	33,923,432	4,978,918
2000	342,800,108				
1999	325,436,434				
1998	307,646,120				
1997	289,784,502				
1996	285,027,248				
1995	272,548,964				

Fiscal Year Ended June 30:	<u>Refunds of Contributions</u>			<u>Group Life Insurance</u>	
	Death (Lump Sum)	Contributions in Error Refunds	Employee Withdrawals Upon Termination	Premium Error Refunds	Claims Benefits
2004	\$2,209,683	\$1,781,147	\$11,686,892	\$19,535	\$7,068,221
2003	2,481,807	1,219,184	10,116,914	16,257	7,032,316
2002	1,690,232	3,056,473	11,062,723	12,714	8,998,000
2001	1,359,147	2,640,562	13,450,714	17,841	6,747,050
2000					7,306,079
1999					7,687,006
1998					6,304,364
1997					5,645,163
1996					7,996,658
1995					7,127,572

(5) Administrative Operating Expenses. The following summary has been prepared for this report.

	FY 96 Actual Total	FY 97 Actual Total	FY 98 Actual Total	FY 99 Actual Total	FY 00 Actual Total
Salaries & Wages	2,997,564	3,047,357	3,405,543	3,491,329	4,027,944
Direct Benefits	850,039	671,325	874,047	833,351	875,546
Other Personal Expenses*	287,040	1,033,435	584,895	701,474	392,226
Total Personal Services	4,134,643	4,752,118	4,864,485	5,026,154	5,295,716
All Other Expenses	2,105,607	2,395,056	2,536,840	2,566,334	2,683,929
Total Administrative Expenses	6,240,250	7,147,173	7,401,325	7,592,488	7,979,645

	FY 01	FY 2002	FY 2003	FY 2004	FY 2005
	Actual	Actual	Actual	Actual	Actual
	Total	Total	Total	Total	Total
Salaries & Wages	4,239,020	4,525,014	4,696,949	4,818,236	5,155,480
Direct Benefits	1,208,607	1,400,286	1,484,588	1,572,298	1,723,549
Other Personal Expenses*	232,726	204,866	483,504	708,141	266,539
Total Personal Services	5,680,353	6,130,166	6,665,041	7,098,675	7,145,568
All Other Expenses	2,640,567	2,213,681	2,760,570	2,860,570	2,860,570
Total Administrative Expenses	8,320,920	8,343,847	9,425,611	9,959,245	10,006,138

* Includes payments for IUUAL, retiree health reserve, short-term disability reserves, and other miscellaneous benefits pursuant to MSEA contract.

F. Regulatory Agenda and Summary of Rules Adopted

A copy of the regulatory agenda can be found in Exhibit E. A list of the adopted rules can be found in Exhibit F.

G. Coordination with Other State and Federal Agencies

The System coordinates with state agencies, including the Departments of Administration and Financial Services, State Employee Health Commission, Maine Revenue Services, Department of Education, Department of Labor, Worker's Compensation, Department of Health and Human Services principally to share information that will foster more effective and efficient administration of benefits and services. The System also cooperates with the Social Security Administration to educate members and retirees about benefits available under both programs.

H. Constituencies Served by the Agency

System constituents include members, retirees, beneficiaries, employers, and the interest groups who represent these constituencies.

I. A Summary of Efforts by the Agency or Program Regarding the Use of Alternative Delivery Systems, Including Privatization, in Meeting Its Goals and Objectives

The System utilizes private providers for two programs administered by the System.

The Group Life Insurance Program available to System members is administered by Aetna Life Insurance Company of Hartford, Connecticut.

The 401(a) Defined Contribution and 457 Deferred Compensation plans for which the System is the Plan Sponsor, are administered by CitiStreet of New Jersey.

J. Identification of Emerging Issues for the Agency or Program in the Coming Years

None, apart from those addressed in Goals and Objectives.

K. Any Other Information Specifically Requested by the Committee of Jurisdiction

No additional information has been requested.

L. A Comparison of Any Related Federal Laws and Regulations to the State Laws Governing the Agency or Program and the Rules Implemented by the Agency or Program

Three federal laws principally govern private pension and retirement plans: the Employee Retirement Income Security Act of 1974, or ERISA; portions of the United States Internal Revenue Code (the "IRC"); and for defined benefit plans, the laws and regulations of the Pension Benefit Guaranty Corporation, or PBGC. A number of other federal laws affect the administration of retirement plans, including the United States Constitution, the Civil Rights Act, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act, the Uniformed Services Employment and Reemployment Rights Act and the Veterans Reemployment Rights Act.

ERISA as a whole does not apply directly to governmental plans. However, as a large body of law governing the fiduciary duties of non-governmental retirement plans and their administrators, it can be a persuasive body of law to courts. The System is not governed by the Pension Benefit Guaranty Corporation.

The defined benefit and defined contribution programs administered by the System must maintain compliance with applicable provisions of the IRC in order to maintain their status as "qualified plans" under the Code. Among others, the following IRC requirements apply: (a) §401(a) (2) ("exclusive benefit rule"); (b) §503 (special prohibited transaction rules for state and local plans); and (c) §§401(a) (29), (32), (33) and 412 (minimum funding requirements).

M. Agency Policies for Collecting, Managing and Using Personal Information Over the Internet and Non-Electronically, Information on the Agency's Implementation of Information Technologies and An Evaluation of the Agency's Adherence to the Fair Information Practice Principles of Notice, Choice, Access, Integrity and Enforcement

The System's employee handbook contains the following provisions on electronic communications:

Because messages and information generated by these systems are for MSRS business on MSRS-owned property, staff members should not expect that any messages they exchange via company computers or any uses of the Internet are in any way private or confidential. This information is subject to archival policies and any internal or external review MSRS elects to conduct or permit. Information is subject to public disclosure under applicable Freedom of Access or other laws.

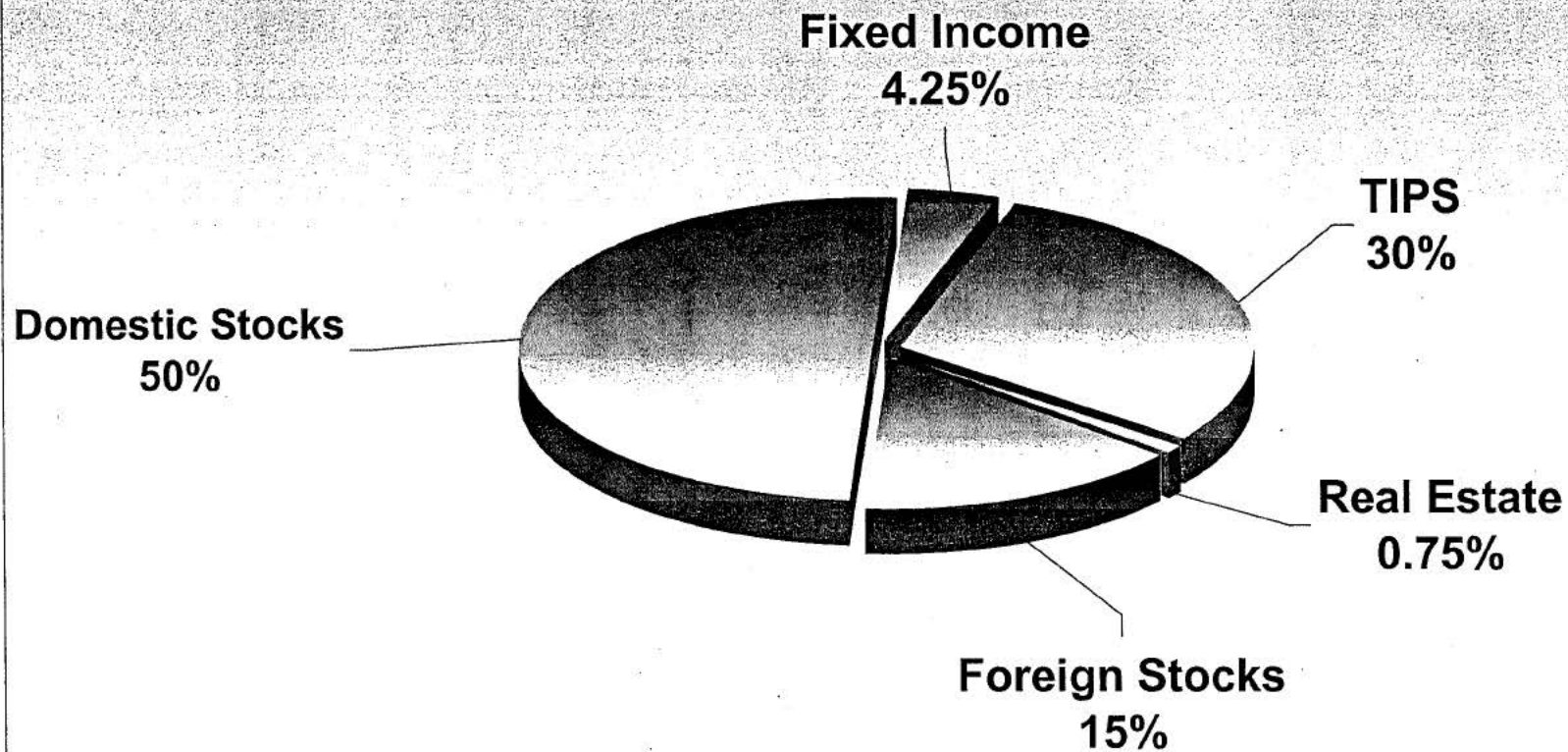
Regular e-mail, voice mail and Internet communications are not secure. In order to safeguard sensitive, confidential personal and financial information (see, "Confidentiality," above), employees must avoid communicating sensitive personal information, such as Social Security Numbers, account numbers, and detailed financial information through these channels, except where these risks have been specifically addressed, such as by encryption or the use of a "Secure Socket Layer" (SSL). Staff members are prohibited from entering into any contracts or agreements on behalf of the System through these systems without express authorization.

The System, through its policies and controls, seeks to safeguard the personal information of members, beneficiaries, and retirees from inappropriate disclosure. The confidentiality of home contact information of members is governed by statute. (5 MRSA §17057)

N. A List of Reports, Applications and Other Similar Paperwork Required to Be Filed with the Agency by the Public

A list of filing requirements and filing statistics can be found in Exhibit G.

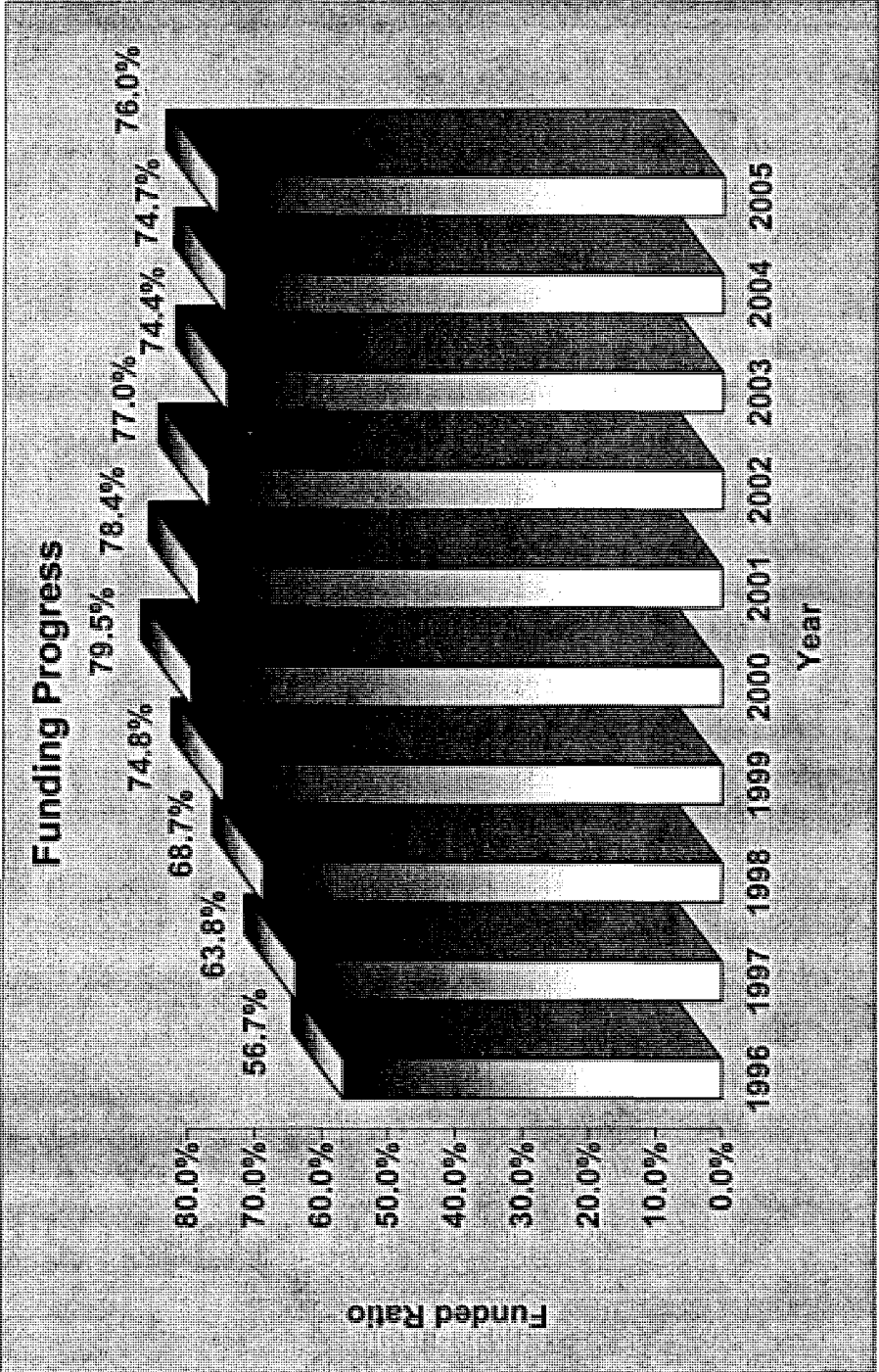
Asset Allocation Fiscal Year 2005



INVESTMENT PORTFOLIO AS OF NOVEMBER 1, 2005

TOTAL FUND**BENCHMARK**

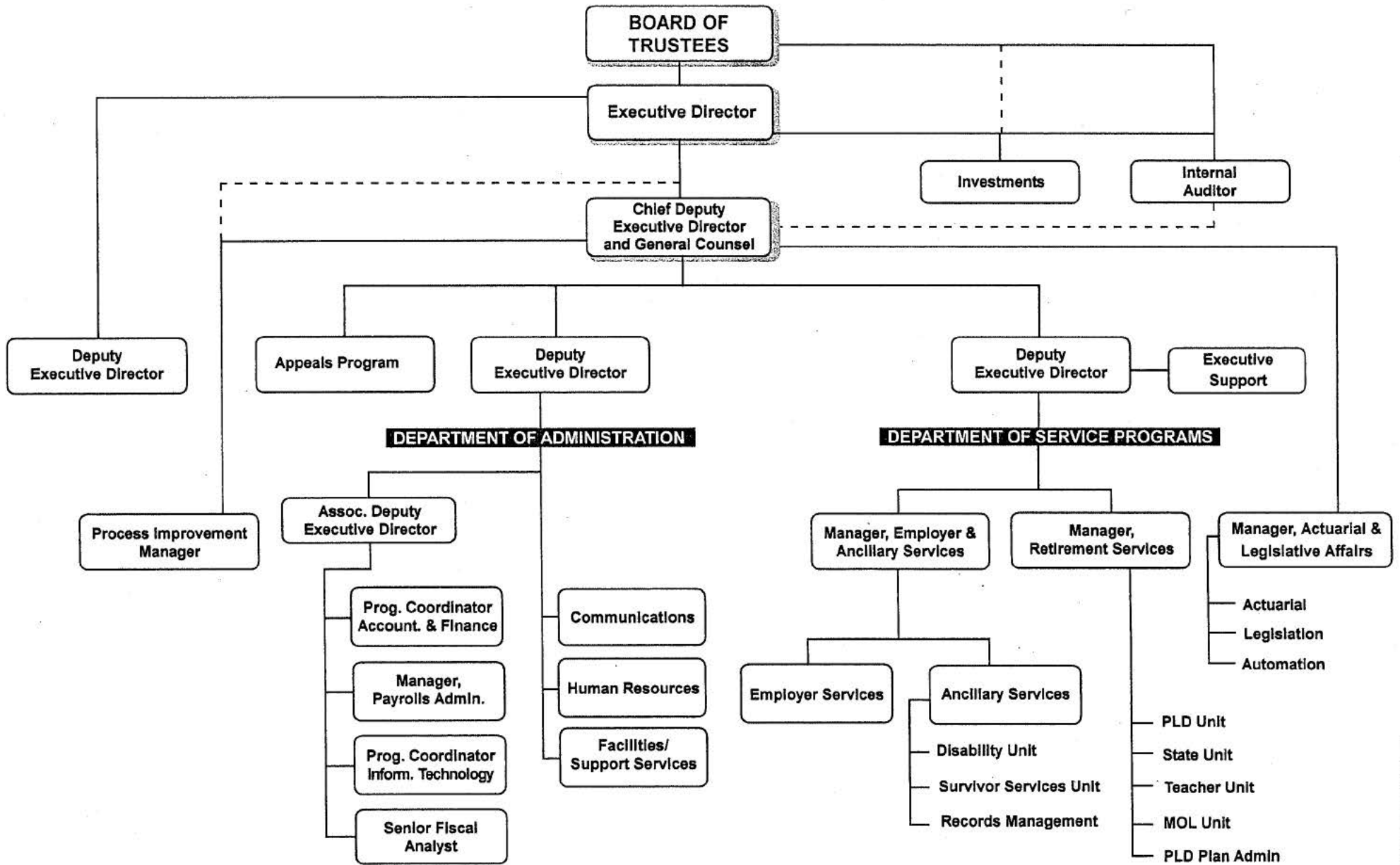
BGI Global Ex-U.S. Alpha Tilts Fund	MSCI All Country World ex-U.S. Index
Capital Guardian Global Equity Portfolio	MSCI All Country World Index
GMO Global Balanced Portfolio	GMO Policy Benchmark
Jacobs Levy Core Equity Portfolio	Russell 3000 Index
Legg Mason Value Equity Portfolio	S&P 500 Index
PIMCO StocksPLUS Portfolio	S&P 500 Index
Wellington International Research Equity Portfolio	MSCI All Country World ex-U.S. Index
Wellington U.S. Research Equity Portfolio	Russell 3000 Index
BGI U.S. Equity Market Index Fund	DJ Wilshire 5000 Index
BGI Wilshire 4500 Index Fund	DJ Wilshire 4500 Index
BGI ACWI ex-U.S. Index Fund	MSCI All Country World ex-U.S. Index
BGI U.S. RESI Fund	DJ Wilshire Real Estate Securities Index
BGI U.S. Debt Index Fund	Lehman Brothers Aggregate Bond Index
BGI Long TIPS Index Portfolio	Lehman Brothers 10+ Years TIPS Index
Liquidity Account Fund - Northern Trust Short-Term Investment Fund	EnnisKnupp STIF Index



Maine State Retirement System



Organizational Chart by Function



**MAINE STATE RETIREMENT SYSTEM
2005 REGULATORY AGENDA**

AGENCY UMBRELLA-UNIT NUMBER: 94-411

AGENCY NAME: Maine State Retirement System

CONTACT PERSON(S): Gail Drake Wright, Executive Director; John C. Milazzo, Chief Deputy Executive Director and General Counsel
Executive Director, 46 State House Station, Augusta, ME 04333-0046

EMERGENCY RULES ADOPTED SINCE THE LAST REGULATORY AGENDA: None

EXPECTED 2005-2006 RULE-MAKING ACTIVITY:

CHAPTER 101: Average Final Compensation

STATUTORY AUTHORITY: 5 MRSA §17103(4); 17001(13)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System; employers

CONSENSUS-BASED RULE DEVELOPMENT: Not contemplated

CHAPTER 102: Qualification as a Full-time Student

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Beneficiaries of the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not contemplated

CHAPTER 103: Qualified Domestic Relations Orders

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Divorcing members/retirees and their spouses and dependent children

CONSENSUS-BASED RULE DEVELOPMENT: Not contemplated

CHAPTER 104: Limitations on Earnable Compensation for Purposes of Calculating Average Final Compensation of State Employee and Teacher Members

STATUTORY AUTHORITY: 5 MRSA §17001(4), §17001(13), §17103(4)

PURPOSE: Amend if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: State Employee and Teacher Members

CONSENSUS-BASED RULE DEVELOPMENT: Not contemplated

CHAPTER 201: Reporting by Participating Local Districts and Public Schools

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: School administrative units and participating local districts

CONSENSUS-BASED RULE DEVELOPMENT: Not contemplated

CHAPTER 202: Medical Board

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Disability applicants/benefit recipients

CONSENSUS-BASED RULE DEVELOPMENT: Not contemplated

CHAPTER 203: Local Districts that Resume MSRS Participation after Withdrawal

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Participating local districts and employees of participating local districts that have withdrawn from the Maine State Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 301: Interest Calculations

STATUTORY AUTHORITY: 5 MRSA § 17103(4)

PURPOSE: Amend if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 302: Retirement Incentives

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System, employers

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 303: Actuarial Factors Tables

STATUTORY AUTHORITY: 3 MRSA, § 701(2), 4 MRSA §1201(2), 5 MRSA §§ 17001(2), 17103(4)

PURPOSE: Amend if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 401: Membership and Creditable Service - State Employees and Participating District Employees

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: State employees and participating local district members of the Maine State Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 402: Interest Charges on Back Contributions

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 403: Crediting of Sick Leave under 5 MRSA §1094, sub-§6

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 404: Membership and Creditable Service - Public School Teachers

STATUTORY AUTHORITY: 5 MRSA §§ 17001(42) and 17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary; amend title to explicitly include other public school employees eligible for membership in the teacher plan

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Teacher members of the Maine State Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 405: Rate of Regular Interest

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 406: Payment or Repayment of Contributions, Back Time, Refunds or Purchase of Service Credits

STATUTORY AUTHORITY: 5 MRSA §§ 17103(4), 17701(4), 17704, 17704-A, 17763, 18301(4), 18362

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 407: Contributions on Lump-sum Salary Payments under P&S Laws of 1985, c. 145, 146, 147

STATUTORY AUTHORITY: 5 MRSA §§ 17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 408: Military Service Credit

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System; employers

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 409: Contributions on Lump-sum Salary Payments under P&S Laws of 1987, Chapter 45

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 410: Retirees Returning to Employment after Retirement with the Same Employer

STATUTORY AUTHORITY: 5 MRSA §17103(4) and PL 2003, Chapter 387

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: The Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System employers; members

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 501: Eligibility of MSRS Members to Apply for Disability Retirement Benefits

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 502: Review of Eligibility of Recipients of Disability Benefits

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 503: Retirees Engaged on a Contractual Basis

STATUTORY AUTHORITY: 5 MRSA §17103(4), 17855(1), 17906(3)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: The Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System retirees

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 504: Reemployment of Recipients of Disability Retirement Benefits Formerly Employed as State Employees or Teachers

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Maine State Retirement System members; employers

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 505: Request for Suspension of Retirement Benefits

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: The Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System members

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 506: Rehabilitation of Recipients of Disability Retirement Benefits

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Maine State Retirement System disability recipients

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 507: Determination of Inability to Engage in Substantially Gainful Activity

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of The Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System; employers

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 508: Disability Retirement under 5 MRSA §1122 as in Effect Prior to July 1, 1997

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System; disability recipients; employers

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 509: Determination of Impossibility to Perform the Duties of the Employment Position

STATUTORY AUTHORITY: 5 MRSA §§ 17103(4), 17901, 17921, 18501, 18521

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System; disability recipients; employers

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 510: Reduction of Disability Retirement Benefits because of Lump-Sum Settlements of Benefits Payable under the Workers' Compensation or Similar Law or the United States Social Security Act

STATUTORY AUTHORITY: 3 M.R.S.A. § 853; 4 M.R.S.A. § 1353(6); 5 M.R.S.A. §§ 17906(2); 17930(4); 18506(2); 18530(4); 1122(5-A) and 1122(6)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System receiving disability retirement benefits

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 601: State Group Life Insurance

STATUTORY AUTHORITY: 5 MRSA §§ 17103(4), 18503, 18653

PURPOSE: Amend if necessary; update; repeal if necessary and replace; may require several separate rules

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Participants in the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System Group Life Insurance Program

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 602: Procedures for Contract Awards

STATUTORY AUTHORITY: 5 MRSA §§ 17103

PURPOSE: Amend if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Participants in the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System Group Life Insurance Program

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 701: Rules of Practice Governing Adjudicatory Proceedings Before the MSRS Board of Trustees

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Repeal

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Persons appealing matters other than decisions of the Executive Director

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 702: Appeals of Decisions of the Executive Director

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Persons appealing decisions of the Executive Director

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 802: Participating Local Districts: Membership of Part-time, Seasonal or Temporary Employees

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal and replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Participating Local Districts and Participating Local District employees

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 803: Participating Local District Consolidated Retirement Plan

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Participating local districts and their employees

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CHAPTER 901: Adjustment to Retirement Benefits for Confidential State Employees

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend if necessary; repeal or replace if necessary

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: The Maine State Retirement System members

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

NEW RULE: Deferred Compensation/Defined Contribution Plans

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: New rule(s) if necessary; to establish requirements and procedures for implementing defined contribution plan,

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: The Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System members; employers

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

NEW RULE: Reduction of Accidental Death Benefits because of Lump-sum Settlements of benefits payable under the Workers' Compensation Act or Similar Law

STATUTORY AUTHORITY: 3 MRSA, §856, 4 MRSA §1356, 5 MRSA §§ 18005(2) and 18506(2)

PURPOSE: New rule(s); to provide basis for proration of lump-sum Workers' Compensation and similar payments

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: The Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System accidental death benefit recipients

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

NEW RULE: Earnings Limitation under Article 3 and Article 3-A Disability Programs

STATUTORY AUTHORITY: 3 MRSA, §853, 4 MRSA, §1353(5), 5 MRSA §§ 17103(4), 17906(1), 17930, 18506, 18530; PL 2001, chapter 443

PURPOSE: New rule(s); to establish interpretation/application of statutes; standards; procedures

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: The Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System members; disability recipients; employers

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

NEW RULE: Compliance with Payroll and Reporting Requirements

STATUTORY AUTHORITY: 5 MRSA §§ 17103(4), 17105(5)(B)

PURPOSE: New rules; to establish a schedule of penalties and interest to ensure compliance with payroll reporting/payment, recordkeeping responsibilities, and related compliance procedures

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: The Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System members; employers

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

NEW RULE: Payroll Reporting

STATUTORY AUTHORITY: 5 MRSA §§ 17103(4), 17601, 17701, 18301 and 18303

PURPOSE: New rules to establish requirements of the System's recordkeeping processes, some of which may change as processes are automated.

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: The Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System employers; members

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

NEW RULE: Implementation of Guidelines for Medical Consultation on Disability Cases

STATUTORY AUTHORITY: 5 MRSA §§ 17103(4), 17106, 17902, 17925, 18502, 18525

PURPOSE: New rule to establish procedural and other requirements

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: The Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System members; disability recipients

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

NEW RULE: Implementation of Guidelines for Continuation of Disability Benefits while Actively Seeking Work

STATUTORY AUTHORITY: 5 MRSA §§ 17103(4), 17929(2)(B)(1)

PURPOSE: New rule; to establish procedural and other requirements

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Maine State Retirement System, disability retirees under Article 3-A

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

NEW RULE: Permanency of Incapacity

STATUTORY AUTHORITY: 5 MRSA §§ 17103(4), 17901, 17921

PURPOSE: New rule(s); to establish procedural and other requirements

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: The Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System members, disability recipients

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

NEW RULE: Death Benefits

STATUTORY AUTHORITY: 5 MRSA §§ 17103((4), 17951-17953, 18001-18006, 18551-18557, 18601-18606

PURPOSE: New rules; to establish procedural and other requirements

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Designated beneficiaries, surviving spouses, children, parents and estates of members of the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

NEW RULE: Refunds of Accumulated Contributions

STATUTORY AUTHORITY: 5 MRSA §§ 17103(4), 17705, 17706 18306, 18307

PURPOSE: New rule; to establish procedural and other requirements

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: The Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System members, their designated beneficiaries, surviving spouses, children, parents and estates

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

NEW RULE: Participating Local Districts: Surpluses

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: New rule; to define the terms that identify the existence of a surplus and the relationship between a PLD and its surplus

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: The Maine State Retirement System, the Consolidated Plan for Participating Local Districts, individual Participating Local Districts

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

OTHER NEW RULEMAKING ACTIONS: Automated Processing

STATUTORY AUTHORITY: 5 MRSA §17103(4)

PURPOSE: Amend current rules and adopt new rules as necessary to convert to increased use of automated processing to enhance timeliness and accuracy of the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System functions.

ANTICIPATED SCHEDULE: 2005-2006

AFFECTED PARTIES: Members of the Maine State Retirement System, the Maine Legislative Retirement System and the Maine Judicial Retirement System; employers

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

For some time, the Maine State Retirement System has intended to do a general update and format revision of its entire set of rules. While this project was planned for completion in FY 05, the work was not accomplished. At this time, it is our plan to encompass within such a revision a thorough substantive review and update all of our rules. We anticipate that this work will get underway in FY 06 but we are not yet able to project the scope of the project and hence its anticipated completion date.

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- Ch. 101 Average Final Compensation
- Ch. 102 Qualification as a Full-Time Student
- Ch. 103 Qualified Domestic Relations Orders
- Ch. 104 Limitations on Earnable Compensation for Purposes of Calculating Average Final Compensation of State Employee and Teacher Members
- Ch. 201 Reporting by Participating Local Districts
- Ch. 202 Medical Board
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- Ch. 301 Interest Calculations
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- Ch. 303 Actuarial Factors Tables
- Ch. 401 Membership and Creditable Service for State and Participating District Employees
- Ch. 403 Crediting Sick Leave
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- Ch. 405 Rate of Regular Interest
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- Ch. 407 Contributions on Lump-Sum Salary Payments under P and S Laws of 1985
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- Ch. 409 Contributions on Lump-Sum Salary Payments Under P and S Laws of 1987, Chapter 45
- Ch. 410 Retirees Returning to Employment after Retirement with the Same Employer
- Ch. 501 Eligibility of MSRS Members for Disability Retirement Benefits
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- Ch. 503 Retirees Engaged on Contractual Basis

- Ch. 504 Reemployment of Recipients of Disability Retirement Benefits
- Ch. 505 Request for Suspension of Retirement Benefits
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- Ch. 508 Disability Retirement Under 5 MRSA Sec. 1122 as in effect prior to 7-1-77
- Ch. 509 Determination of Impossibility to Perform the Duties of the Employment Position
- Ch. 510 Reduction of Disability Retirement Benefits Because of Lump-sum Settlements of Benefits Payable under the Workers' Compensation or Similar Law or the United States Social Security Act
- Ch. 601 State Group Life Insurance
- Ch. 602 Procedures for Contract Awards
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- Ch. 702 Appeals of Decisions of the Executive Director
- Ch. 802 Participating Local Districts; Membership / Part-Time, Seasonal or Temporary Employees
- Ch. 803 Participating Local District Consolidated Retirement Plan
- Ch. 901 Adjustment to Retirement Benefits for Confidential State Employees

FORMS REQUIRED TO BE FILED WITH MSRS

FORM	STATUTORY AUTHORITY	LAST REVISED	FREQUENCY	NUMBER RECEIVED (CY)			
				2003	2004	2005	2006
Application for Membership (Form CL-0102)	5 MRSA §17651	8/04	When becoming a member	8,304	8,175	7,827	7,900
Designation of Beneficiary Pre-Retirement Death Benefits (Form CL-0722)	5 MRSA §17952 5 MRSA §18542 4 MRSA §1355 3 MRSA § 855	3/03	At hire and any time thereafter	N/A	9,616	10,571	11,000
Refund Application (Form GU-0002)	5 MRSA §17705	12/04	When applying for refund of contributions	3,591	4,293	3,536	4,063
Application for Coverage Group Life Insurance (Form GI-0908)	5 MRSA §§18058, 18658	1/04	Within 31 days of entering an eligible position	N/A	5,993	5,438	5,500
Request for Basic and/or Additional Insurance Coverage Requiring Evidence of Insurability (Form GI-0874)	5 MRSA §18058 & §18658 3 MRSA §732 4 MRSA §1232	10/04	Whenever an employee in an eligible position seeks increased coverage	309	263	285	
Application for Service Retirement Benefits (Form CL-0715)	3 MRSA §851 4 MRSA §1351 5 MRSA §17803 5 MRSA §18403	12/04	At time of retirement	1,203	1,443	1,732	2,076
Confidentiality Election Form Home Contact Information (Form GU-1021)	5 MRSA §17057 sub-§3 C	8/05	At any time the member/retiree makes an election	N/A	N/A	817 (YTD)	
Application for Disability Retirement Benefits (Form DC-0003)	5 MRSA §17902 5 MRSA §17925 5 MRSA § 18525 5 MRSA §1122 supplement A	10/05	When applying for benefits	180	208	201	201
Annual Statement of Compensation (Form DC-0482)	5 MRSA §17909 Article 3A §17931 5 MRSA Article 1122 & 3, §18509 Article 3A § 18531	12/04	Annually	1,507	1,535	1,535	1,535
Payroll Summary Report-State of Maine	5 MRSA §17105 4 MRSA §1232 3 MRSA §732	N/A	With each remittance of payroll data	127	136	136	136
Monthly Payroll Summary Report for Teacher Plan (Form AC-0004)	5 MRSA §17105	2/05	With each monthly remittance	3,332	3,332	3,337	3,343
Monthly Payroll Summary Report for Participating Local Districts (Form AC-0002 or AC-1176)	5 MRSA, §17105	6/02(both)	With each monthly remittance	3,786	3,810	3,834	3,864

*Calendar Year (CY) 2005 and 2006 are estimates