

**Consolidated Plan
for Participating Local Districts
of the Maine Public Employees Retirement System**

**Actuarial Valuation Report
as of June 30, 2008**

Produced by [Cheiron](#)

November 2008

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November 20, 2008

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

Dear Members of the Board:

At your request, we have conducted our annual actuarial valuation of the Consolidated Plan for Participating Local Districts of the Maine Public Employees Retirement System as of June 30, 2008. The results of the valuation are contained in this report. The purpose of the valuation is discussed in the Foreword.

This report contains information on Plan assets, as well as analyses which combine asset and liability performance and projections. The report also discloses employer contribution levels, and required disclosures under the Government Accounting Standards Board Statement #25.

Your attention is called to the Foreword in which we refer to the general approach employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions on which our findings are based. Those comments are the basis for our certification that this report is complete and accurate to the best of our knowledge and belief. The results of this report are only applicable to Participating Local District (PLD) contributions for Fiscal Year Ending 2010 and rely on future plan experience conforming to the underlying assumptions. To the extent that actual plan experience deviates from the underlying assumptions, the results would vary accordingly.

I hereby certify that, to the best of my knowledge, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board, and that as a Member of the American Academy of Actuaries, I meet the Qualification Standards to render the opinion contained in this report.

Sincerely,
Cheiron



Fiona E. Liston, FSA, EA
Consulting Actuary



FOREWORD

Cheiron has performed the actuarial valuation of the Consolidated Plan for Participating Local Districts (PLDs) of the Maine Public Employees Retirement System (MainePERS) as of June 30, 2008. The purpose of this report is to:

- 1) **Measure and disclose**, as of the valuation date, the financial condition of the Plan;
- 2) **Indicate trends** in the financial progress of the Plan;
- 3) **Determine the contribution rate** to be paid by the PLDs for Fiscal Year 2010; and
- 4) **Provide specific information** and documentation required by the Government Accounting Standards Board (GASB).

An actuarial valuation establishes and analyzes Plan assets and liabilities on a consistent basis, and traces the progress of both from one year to the next. It includes measurement of the Plan's investment performance as well as an analysis of actuarial liability gains and losses.

Section I presents a summary containing our findings and disclosing important trends experienced by the Plan in recent years.

Section II contains details on various asset measures, together with pertinent performance measurements.

Section III shows similar information on Plan liabilities, measured for actuarial, accounting, and government reporting purposes.

Section IV develops the PLD contribution rates determined using actuarial techniques and compares that to the reduced rates currently in place.

Section V includes the required disclosures under GASB Statement No. 25.

The appendices to this report contain a summary of the Plan's membership at the valuation date, a summary of the major provisions of the Plan, and the actuarial methods and assumptions used in the valuations.

In preparing our report, we relied without audit, on information (some oral and some written) supplied by the MainePERS's staff. This information includes, but is not limited to, plan provisions, employee data, and financial information.

The actuarial assumptions reflect our understanding of the likely future experience of the Plan and the assumptions as a whole represent our best estimate for the future experience of the Plan. The accuracy of the results presented in this report are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the true cost of the Plan could vary from our results.

Finally, in preparing this report, we have conformed to generally accepted actuarial principles and practices which are consistent with the Code of Professional Conduct, and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board.

SECTION I BOARD SUMMARY

General Comments

Most of the Participating Local Districts (PLDs) in the State of Maine participate in this Consolidated Retirement Plan. The Plan offers a number of benefit choices from which the PLDs can choose and each benefit choice has a pre-determined cost associated with it to be paid by both the member and the PLD. The PLDs' contributions are set using a Corridor Funding Method. Under this funding approach, the PLD rate is fixed as long as the Plan's funded status (the ratio of actuarial assets to actuarial accrued liability) remains within a corridor of 90% to 130%. As of this June 30, 2008 valuation, the funded ratio is 108%.

As long as the funded ratio remains within the corridor, the aggregate PLD contribution rate is fixed at 3% of payroll. If the funded status falls outside of the corridor, the employer contribution rate will be incrementally adjusted, but will never be less than a given minimum rate, unless the Board identifies compelling circumstances dictating otherwise. The factor for incremental adjustments when the funded status falls outside the range is 10% of the difference between the calculated rate and the rate then in effect. The minimum base rate is 1% of payroll.

The "calculated rate" discussed above is defined as the sum of the Plan's normal cost and a 15 year amortization of the "Pooled Unfunded Actuarial Liability" (PUAL). In addition to this payroll-based employer contribution rate, many PLDs are making additional payments (or taking additional credits) to adjust for their Individual Unpooled Unfunded Actuarial Liability (IUUAL) or to pay a "joining fee" to provide equity between those just coming into the Plan and those whose earlier contributions gave rise to the PUAL surplus and its resulting low contribution rates.

The current fixed rate of 3% of payroll represents the aggregate of the rates of the various plan benefit structures within the Consolidated Plan. The rates for the plans reflect the payroll-

weighted normal cost and pooled UAL contributions under each plan. The resulting rates for each plan are shown in Section IV of this report.

The remainder of this section summarizes the Plan's trends, provides the projections, and summarizes the principal results of this year's valuation.

Trends

The financial markets produced a negative 3.1% return this year, which was far below our actuarial assumption of 7.75%. On an actuarial value basis, the assets returned a positive 5.8% compared with an assumed rate of return of 7.75% producing an asset loss of \$34 million.

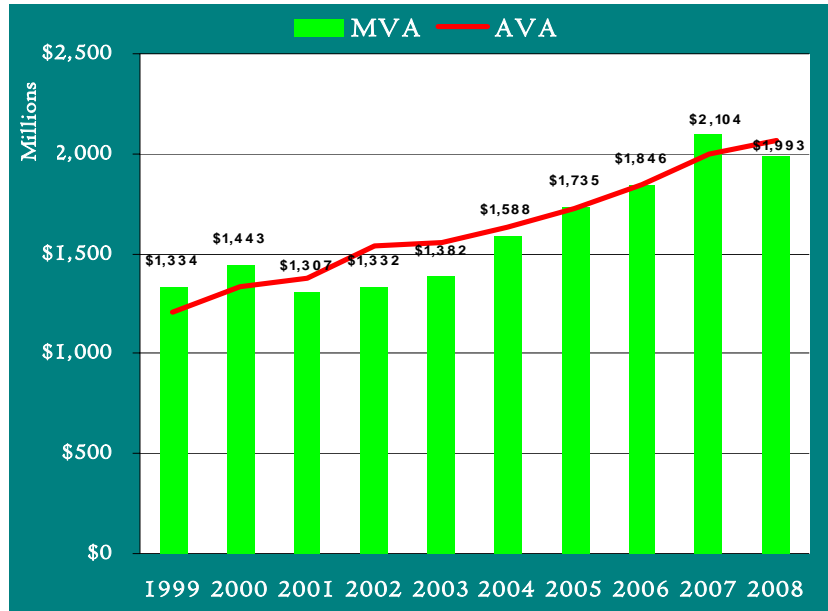
The measurement of liabilities produced a gain this year in the amount of \$24 million.

The combination of these two components over the last year, produced a net loss of \$10 million resulting in the Plan's funding ratio (actuarial value of assets over actuarial accrued liability) decreasing from 109% as of June 30, 2007 to 108% as of June 30, 2008.

It is important to take a step back from the latest results and view them in the context of the Plan's recent history. On the next two pages we present a series of charts which display key factors in the valuations over the last six years. After the historical review we present a few projection graphs, showing the probable condition of the Plan over the next 15 years under various market return scenarios.

SECTION I
BOARD SUMMARY

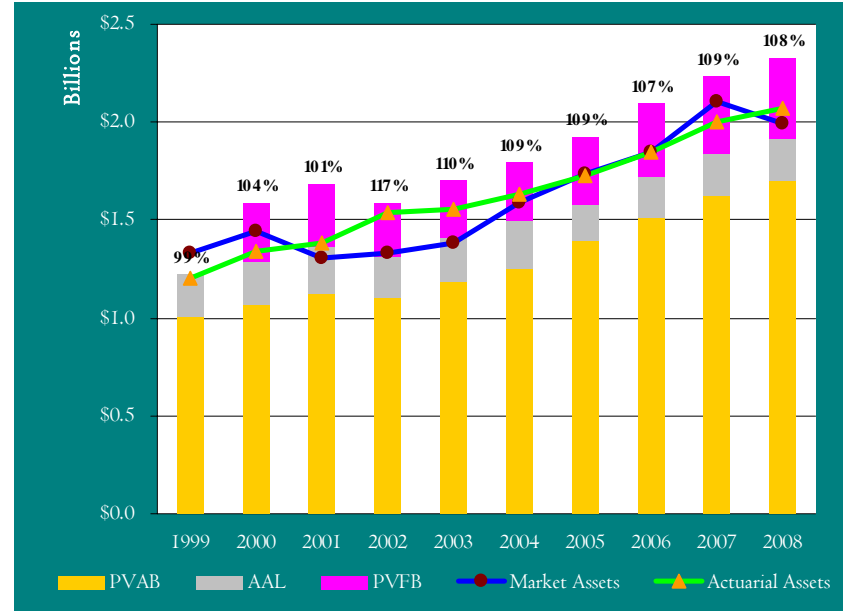
Growth in Assets



The above graph illustrates how the actuarial smoothing method has insulated the Plan from market volatility.

While the market value of assets (MVA) declined from 2000 to 2001 and has been slowly recovering since that time, the actuarial, or smoothed, value of assets (AVA) showed increases over the entire period. The actuarial return over the period shown has been 6.03% compared to the valuation assumption of 7.75%.

Assets and Liabilities



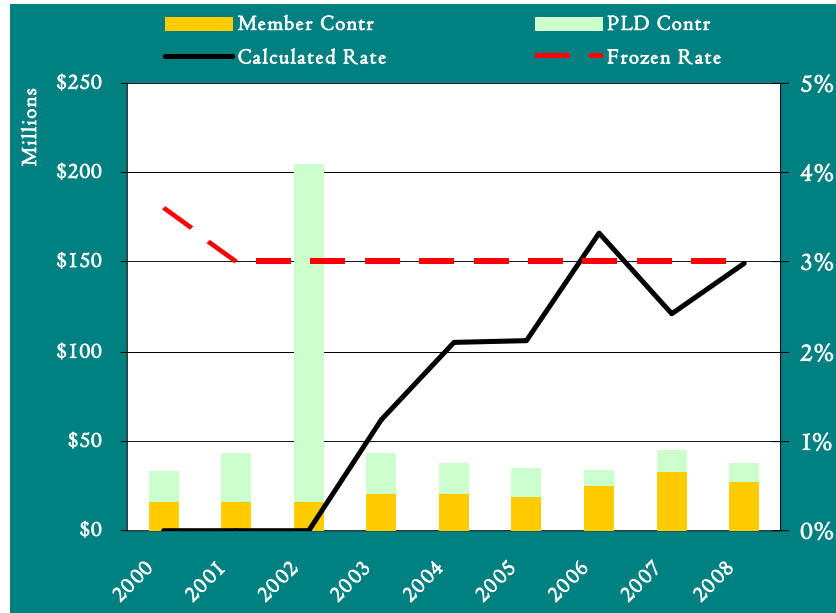
In this comparison graph, the three colored bars represent the three different measures of liability mentioned in this report. For funding purposes, the target amount Actuarial Accrued Liability (the AAL) is represented by the top of the grey bar. We compare the actuarial value of assets to this measure of liability in developing the funded percent. These are the percentages shown in the graph labels.

The chart illustrates that the Plan had its highest funded percentage (117%) at June 30, 2002, which was just after several PLDs paid off their IUUALs. The amount represented by the top of the pink bars, the Present Value of Future Benefits (PVFB), is the amount needed to provide all benefits for the current participants and their beneficiaries. If the Plan had assets equal to the PVFB no contributions would, in theory, be needed for the current members. The yellow bars represent the Present Value of Accrued Benefits (PVAB) which is the value of all benefits accrued through the valuation date.

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

**SECTION I
BOARD SUMMARY**

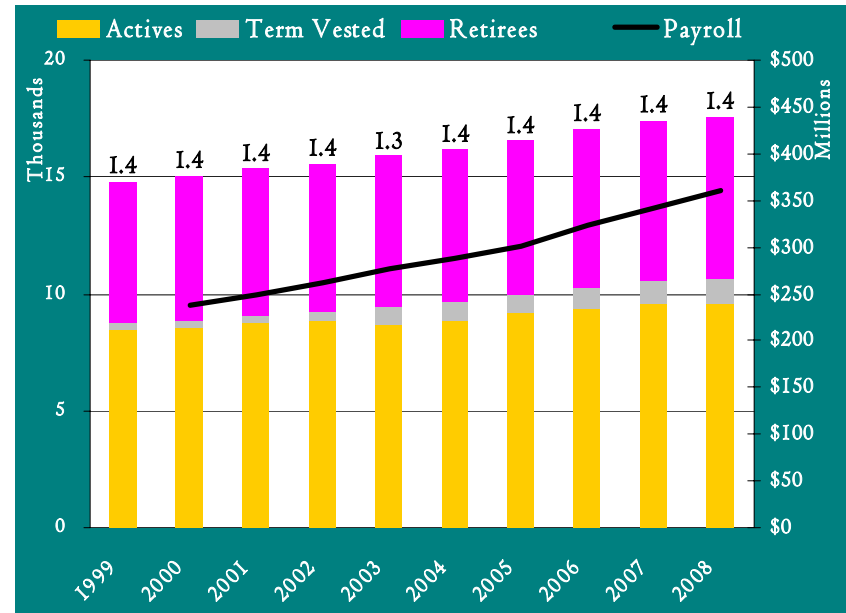
Contributions



The stacked bars in this graph show the contributions made by both the PLDs and the members in dollar terms. The black line shows the aggregate calculated PLD contribution rate as a percent of payroll and the red, dotted line shows the corridor contribution rate which was actually charged.

The member contribution rate is set by statute, depending on the plan in which the member participates. The employer contribution rate paid by each PLD is set by this valuation and varies according to the plan in which covered members participate. Some PLDs have an initial charge or credit in addition to the percent of payroll contribution. The large dollar amount contributed in FY 2002 was due to several PLDs paying off their IUUAL amounts.

Participant Trends



The above chart shows the number of actives, terminated vested and retired members covered by the Consolidated Plan. The black line indicates growth in the covered payroll of actives in this Plan.

There has been about 1.5% per year growth in the active and a 1.3% per year growth in the retired members of the Plan. The terminated vesteds group has shown the most growth, averaging 18% per year.

As with many funds in this country, there has been a steady growth in the number of retired members as the Plan has matured. The labels above each bar show the “support ratio” defined as the number of active members per retiree. We anticipate this support ratio will begin to decline as the baby boom generation enters retirement. The valuation process takes this trend into account and the projections on the next two pages show that the assets will be sufficient to meet this growing demand.

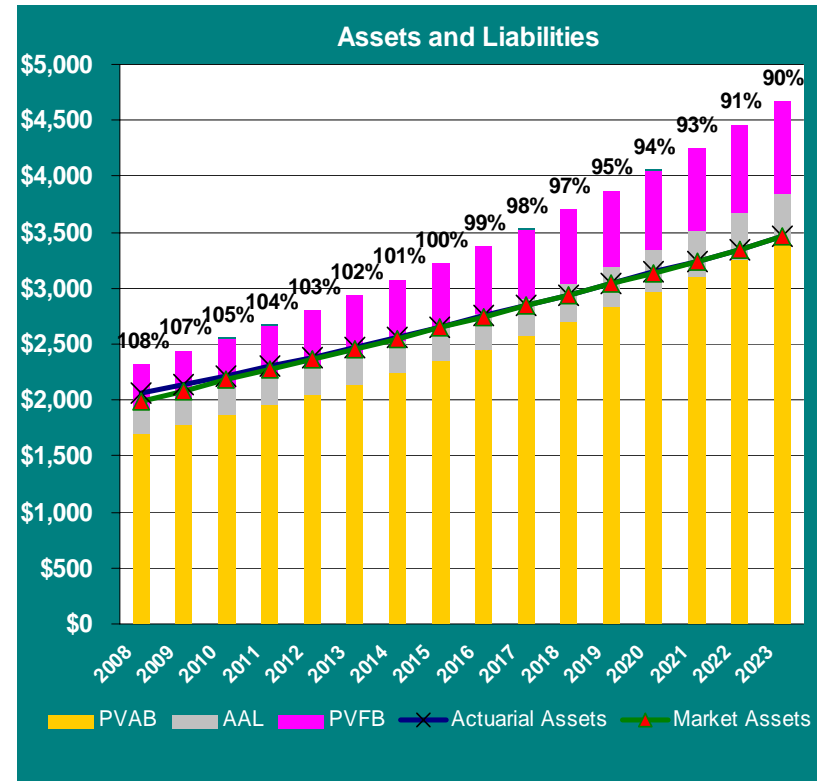
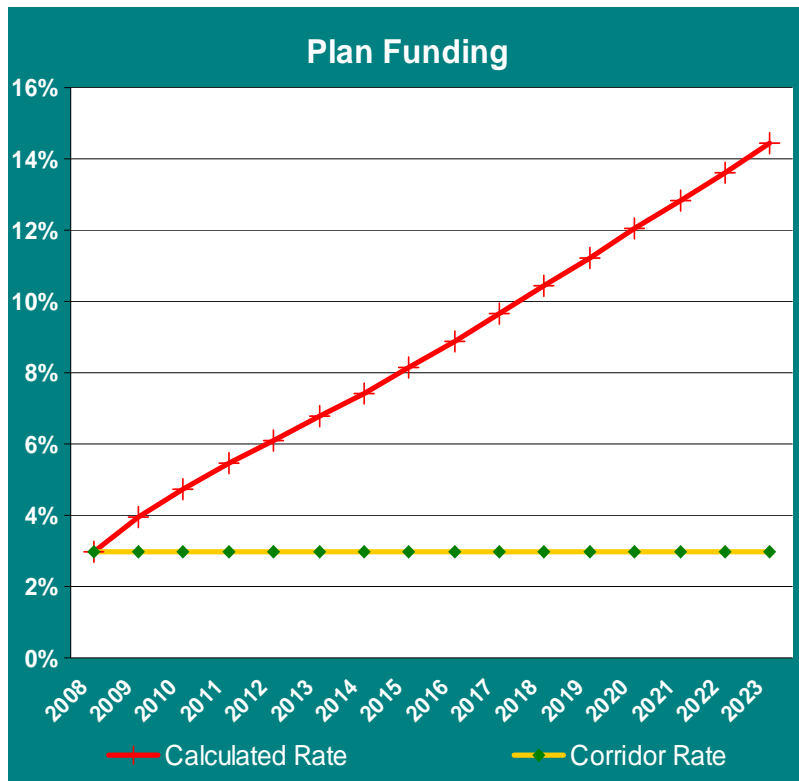
SECTION I
 BOARD SUMMARY

Projections

Base Line Projections

The two charts below show the expected progress of the Plan over the next 15 years assuming the Plan's assets earn 7.75% on their *market value*. The chart entitled "Plan Funding" shows that if the market losses measured through June 30, 2008 are not compounded the required contribution rate will remain at its corridor of 3%. The red line shows the actuarially calculated rate if the corridor were not in place.

The Assets and Liabilities chart shows the projected funding status over the next 15 years. The current contribution rate structure is assumed to remain in place. The Plan's funded status is projected to decrease from the current level of 108% down to around 90%, as the rest of last year's investment losses work their way into the smoothed assets.

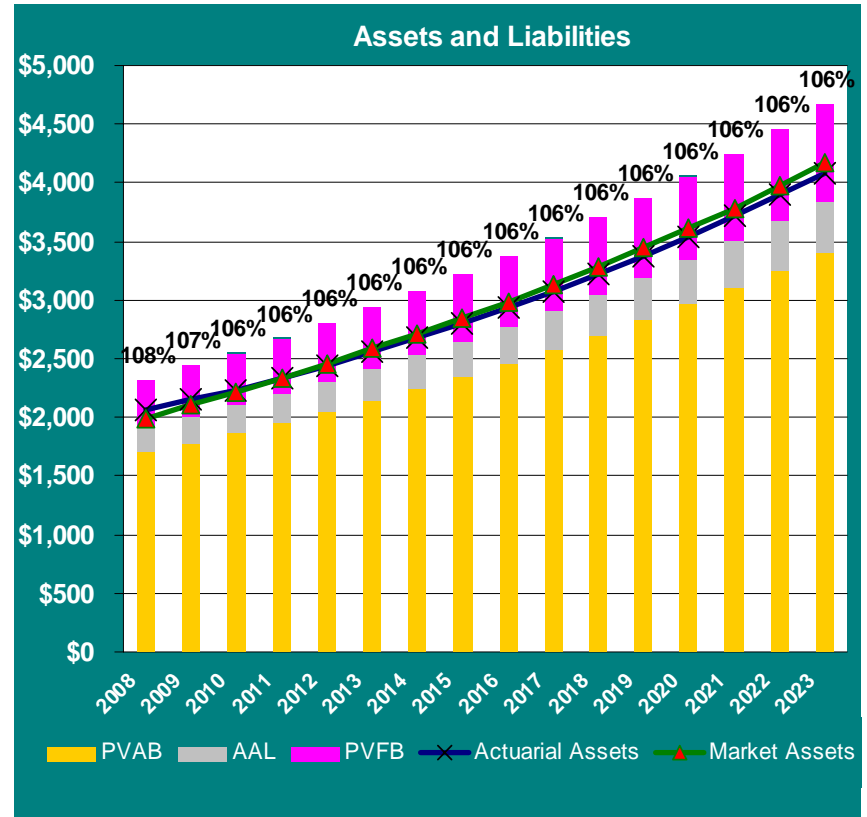
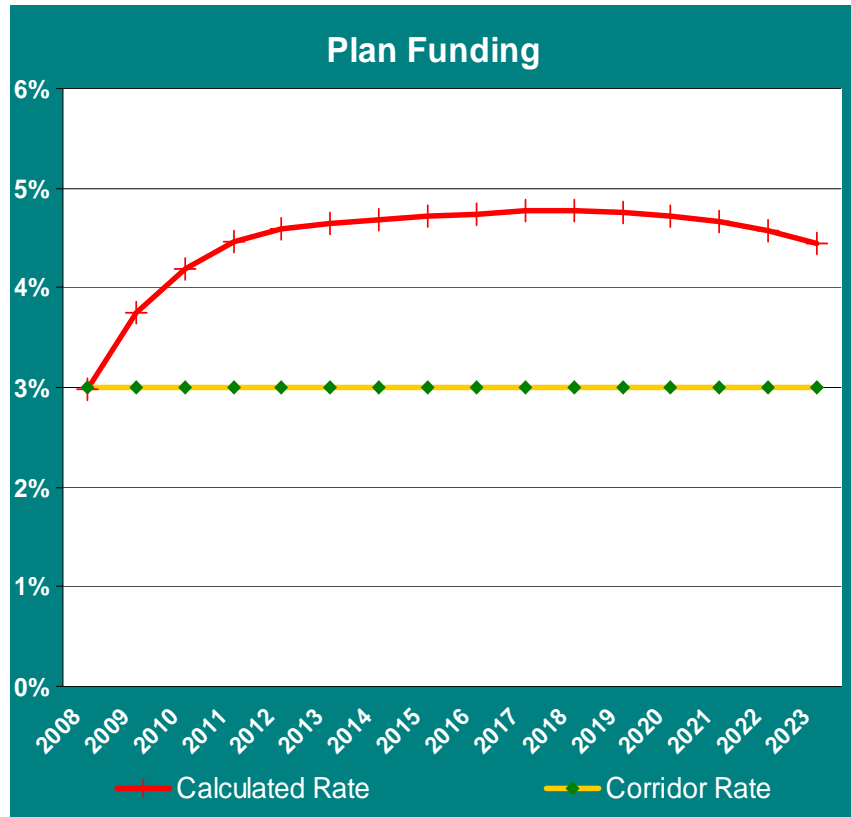


SECTION I
 BOARD SUMMARY

Projections with Asset Returns of 8.75%

The future funding of this Plan will be largely driven by the investment earnings. Due to the size of assets, as compared to liabilities, the Plan is in a highly leveraged position. This means that relatively minor changes in the market returns can have significant effects on the Plan's status. The next two charts show what the next 15 years would look like with a 8.75% annual return in each year.

The aggregate contribution rate produced by the valuation process would increase to about 4.75% of payroll but the corridor method would not require an increase in actual contributions. The funded ratio would remain at about 106% for the entire period.

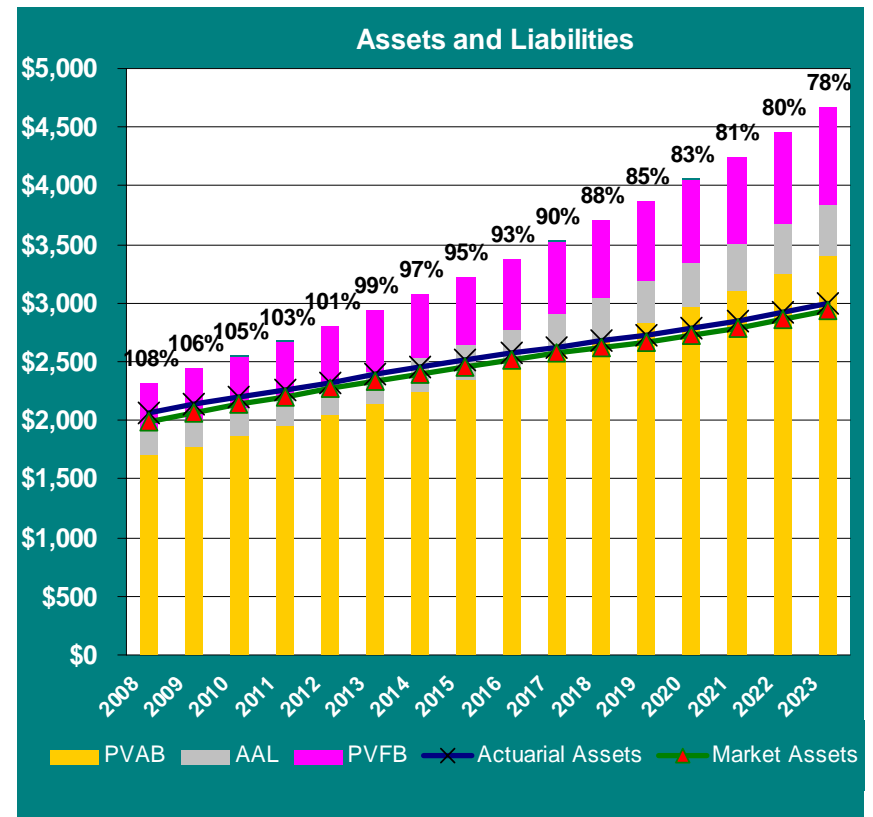
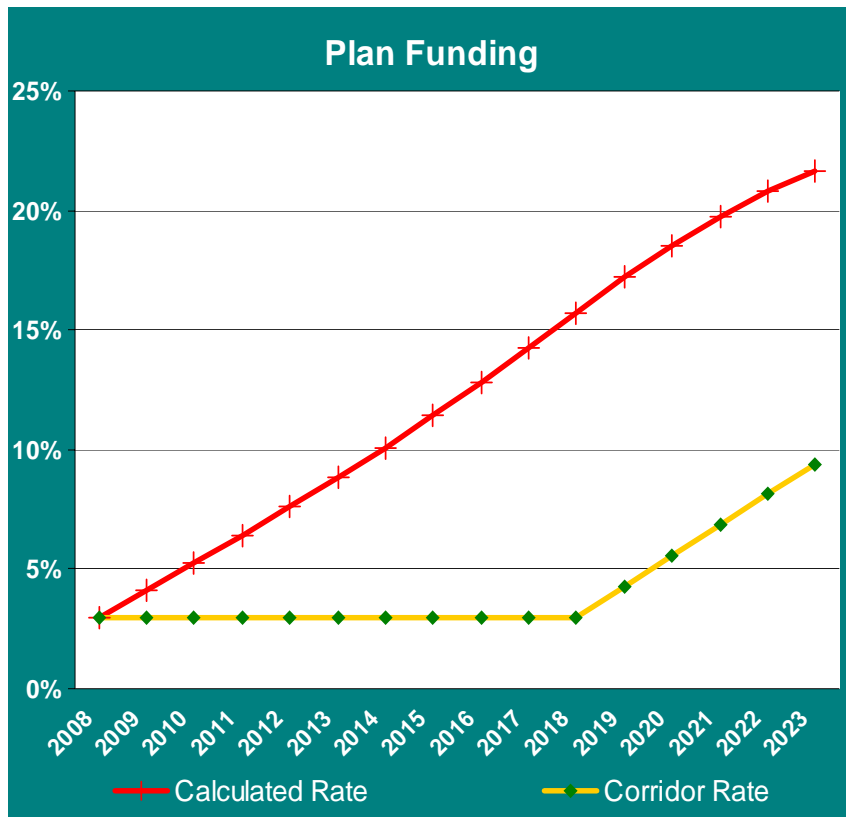


SECTION I
 BOARD SUMMARY

Projections with Asset Returns of 6.75%

If the assets were to return an average of 6.75% per year over the next 15 years, the Plan's funded status drops below 100% by 2013 but no corrective action is taken in the contribution rate until 2018 because that is when the funding drops out of the floor of the 90%/130% corridor.

The funded ratio would fall to 78% without taking corrective action sooner than the current mechanism allows. Given the highly volatile nature of funding (i.e., small changes in investment return can have large impacts on these projections), we recommend maintaining the current rates at least until the results of the upcoming experience study provide a revised base for this analysis.



CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**SECTION I
BOARD SUMMARY**

Summary of Principal Results PLD Consolidated Retirement Plan			
Valuation as of:	Total		
	June 30, 2007	June 30, 2008	% Change
<u>Participant Counts</u>			
Actives	9,587	9,562	(0.3%)
Retired Members	5,182	5,253	1.4%
Beneficiaries of Retired Members	1,056	1,065	0.9%
Survivors of Deceased Members	237	225	(5.1%)
Disabled Members	397	396	(0.3%)
Terminated Vested Members	967	1,081	11.8%
Total Membership	17,426	17,582	0.9%
Annual Salaries of Active Members	\$ 342,528,740	\$ 360,693,816	5.3%
Annual Retirement Allowances for Retired Members, Beneficiaries, Survivors and Disabled Members	\$ 82,159,217	\$ 87,059,562	6.0%
<u>Assets and Liabilities</u>			
<u>Funding Liability</u>			
Actuarial Accrued Liability	\$ 1,838,974,922	\$ 1,913,876,315	4.1%
Actuarial Value of Assets	2,001,713,785	2,069,378,042	3.4%
Unfunded Actuarial Liability	\$ (162,738,863)	\$ (155,501,727)	4.4%
Unpooled Portion (IUUAL)	12,996,283	11,976,319	(7.8%)
Pooled Portion (PUAL)	\$ (175,735,146)	\$ (167,478,047)	4.7%
Actuarial Liability Funding Ratio	109%	108%	
<u>FASB Accounting Liability</u>			
Accrued Benefit Liability	\$ 1,620,483,839	\$ 1,697,362,243	4.7%
Market Value of Assets	2,104,369,171	1,992,758,461	(5.3%)
Unfunded Accrued Benefit Liability	\$ 0	\$ 0	
Accrued Benefit Funding Ratio	130%	117%	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**SECTION I
BOARD SUMMARY**

Summary of Principal Plan Results PLD Consolidated Retirement Plan Regular Plans, AC, AN & BC			
Valuation as of:	June 30, 2007	June 30, 2008	% Change
<u>Participant Counts</u>			
Actives	7,412	7,347	(0.9%)
Retired Members	3,595	3,634	1.1%
Beneficiaries of Retired Members	849	855	0.7%
Survivors of Deceased Members	214	207	(3.3%)
Disabled Members	309	309	0.0%
Terminated Vested Members	939	1,044	11.2%
Total Membership	<u>13,318</u>	<u>13,396</u>	0.6%
Annual Salaries of Active Members	\$ 239,786,240	\$ 249,048,352	3.9%
Annual Retirement Allowances for Retired Members, Beneficiaries, Survivors and Disabled Members	\$ 47,217,078	\$ 50,120,959	6.2%
<u>Assets and Liabilities</u>			
<u>Funding Liability</u>			
Actuarial Accrued Liability	\$ 1,079,123,528	\$ 1,125,687,758	4.3%
Actuarial Value of Assets	<u>1,174,557,326</u>	<u>1,217,074,484</u>	3.6%
Unfunded Actuarial Liability	\$ (95,433,798)	\$ (91,386,726)	4.2%
Unpooled Portion (IUUAL)	<u>8,553,401</u>	<u>7,791,035</u>	(8.9%)
Pooled Portion (PUAL)	\$ (103,987,199)	\$ (99,177,761)	4.6%
Actuarial Liability Funding Ratio	109%	108%	
<u>FASB Accounting Liability</u>			
Accrued Benefit Liability	\$ 940,361,391	\$ 992,222,677	5.5%
Market Value of Assets	<u>1,234,793,029</u>	<u>1,172,011,796</u>	(5.1%)
Unfunded Accrued Benefit Liability	\$ 0	\$ 0	
Accrued Benefit Funding Ratio	131%	118%	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**SECTION I
BOARD SUMMARY**

Valuation as of:	Summary of Principal Plan Results PLD Consolidated Retirement Plan Special Plans 1C-4C & 1N-4N		
	June 30, 2007	June 30, 2008	% Change
<u>Participant Counts</u>			
Actives	2,175	2,215	1.8%
Retired Members	1,587	1,619	2.0%
Beneficiaries of Retired Members	207	210	1.4%
Survivors of Deceased Members	23	18	(21.7%)
Disabled Members	88	87	(1.1%)
Terminated Vested Members	28	37	32.1%
Total Membership	4,108	4,186	1.9%
Annual Salaries of Active Members	\$ 102,742,500	\$ 111,645,464	8.7%
Annual Retirement Allowances for Retired Members, Beneficiaries, Survivors and Disabled Members	\$ 34,942,139	\$ 36,938,603	5.7%
<u>Assets and Liabilities</u>			
<u>Funding Liability</u>			
Actuarial Accrued Liability	\$ 759,851,394	\$ 788,188,557	3.7%
Actuarial Value of Assets	827,156,459	852,303,557	3.0%
Unfunded Actuarial Liability	\$ (67,305,065)	\$ (64,115,000)	4.7%
Unpooled Portion (IUUAL)	4,442,882	4,185,285	(5.8%)
Pooled Portion (PUAL)	\$ (71,747,947)	\$ (68,300,285)	4.8%
Actuarial Liability Funding Ratio	109%	108%	
<u>FASB Accounting Liability</u>			
Accrued Benefit Liability	\$ 680,122,448	\$ 705,139,566	3.7%
Market Value of Assets	869,576,144	820,746,665	(5.6%)
Unfunded Accrued Benefit Liability	\$ 0	\$ 0	
Accrued Benefit Funding Ratio	128%	116%	

SECTION II ASSETS

Pension program assets play a key role in the financial operation of the Program and in the decisions the Trustees make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely impact benefit levels, PLD Contributions, and the ultimate security of participants' benefits.

The assets of the Program include amounts contributed for all Programs for which the System is the Plan Sponsor, namely, the State Employee and Teacher Program, the Judicial Retirement Program, the Legislative Retirement Program, the Participating Local District Retirement Program, which includes the Consolidated Plan for Participating Local Districts (PLDs), along with several plans for PLDs who withdrew from the System, as the assets of all these programs are co-mingled for investment purposes. In performing the annual valuation, the actuarial value of assets that is developed reflects all defined benefit plan assets and subsequently it is allocated across all of the defined benefit plans included in the programs administered by MainePERS.

In this section, we present detailed information on Plan assets including:

- **Disclosure** of assets at June 30, 2007 and June 30, 2008;
- Statement of the **changes** in market values during the year;
- Development of the **Actuarial Value of Assets**;
- **Allocation** of Actuarial Value to subplans;
- Assessment of **investment performance**; and
- Projection of expected **cashflows** for the next ten years.

Disclosure

The market value of assets represents a “snap-shot” or “cash-out” value which provides the principal basis for measuring financial performance from one year to the next. Market values, however, can fluctuate widely with corresponding swings in the marketplace. Because these fluctuations would result in volatility in the resulting contributions if the market value were used, unadjusted, in the valuation process, an actuarial value is developed.

The actuarial value is based on the market value that has been smoothed. This actuarial value becomes the actuary's best estimate of long-term asset values and is used for evaluating the Program's ongoing ability to meet its obligations.

Current actuarial methods employed in this Program set the actuarial value equal to the expected value plus one-third of the difference between the actual market value of assets and the expected value of assets. The expected value of assets takes the prior year's actuarial value of assets and adjusts it for contributions, benefit payments, and expected interest earnings at the assumed 7.75% rate.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**SECTION II
ASSETS**

Changes in Market Value of Total Defined Benefit Plan Assets (All Programs)		
Value of Assets – June 30, 2007		\$ 10,972,353,470
<u>Additions</u>		
Contributions:		
Employer Contributions	\$ 307,473,828	
Employee Contributions	150,543,091	
Transfer	(20,288)	\$ 457,996,631
Total Contributions		
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	\$ (304,016,162)	
Interest on Bank Balances	1,087,136	
Total Investment Income		\$ (302,929,026)
Investment Activity Expenses:		
Management Fees	\$ (34,016,162)	
Investment Related Expense	(356,701)	
Banking Fees	(52,919)	
Total Investment Activity Expenses		\$ (34,500,184)
Net Income from Investing Activities		\$ (337,429,210)
Total Additions		\$ 120,567,421
<u>Deductions</u>		
Retirement Benefits	\$ (516,723,712)	
Disability Benefits	(53,402,715)	
Survivor Benefits	(6,063,767)	
Refunds and Other Expenses	(27,310,189)	
Total Deductions		\$ (603,500,383)
<u>Total</u>		
Net Increase (Decrease)		\$ (482,932,962)
Value of Assets – June 30, 2008		\$ 10,489,420,508

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

**SECTION II
ASSETS**

Development of Actuarial Value of Assets (All Programs) as of June 30, 2008	
1. Actuarial Value of Assets at June 30, 2007	\$ 10,437,099,865
2. Amount in (1) with Interest to June 30, 2008	11,245,975,105
3. Employer and Member Contributions for the Plan Year Ended June 30, 2008	457,996,631
4. Interest on Contributions Assuming Received Uniformly Throughout the Year to June 30, 2008	17,416,226
5. Disbursements from Trust Except Investment Expenses, July 1, 2006 through June 30, 2008	(603,500,383)
6. Interest on Disbursements Assuming Payments Made Uniformly throughout the Year to June 30, 2008	<u>(23,505,389)</u>
7. Expected Value of Assets at June 30, 2008 = (2) + (3) + (4) + (5) + (6)	\$ 11,094,382,190
8. Actual Market Value of Assets at June 30, 2008	<u>\$ 10,489,420,508</u>
9. Excess of (8) Over (7)	(604,961,682)
10. Actuarial Value of Assets at June 30, 2008 = (7) + 33⅓% of (9)	\$ 10,892,728,296

SECTION II ASSETS

Actuarial Value of Assets

The Actuarial Value of Assets represents a “smoothed” value developed by the actuary to reduce, or eliminate, volatile contribution rates which could develop from short-term fluctuations in the Market Value of Assets. For this Program, the Actuarial Value has been calculated by adding one-third of the difference between actual Market Value and Expected Value, to the Expected Value. The previous table illustrates the calculation of Actuarial Value of Assets for the June 30, 2008 valuation.

Allocation of Actuarial Value of Assets

The assets for all of the defined benefit plans in the programs administered by MainePERS are commingled for investment purposes. Other assets are in effect commingled in that their value is allocated among all of the programs. The actuarial smoothing methodology is applied on the market value of total assets. This produces an asset ratio which is then applied to the market value of assets attributable to each of the programs. The asset value derived in this valuation is 1.03845 ($\$10,892,728,296 \div \$10,489,420,508$). The allocation of actuarial value of assets to each of the System’s retirement programs is shown in the following chart.

Allocation of Actuarial Value of Assets as of June 30, 2008		
	Market Value	Actuarial Value
Teachers	\$ 5,357,684,118	\$ 5,563,681,745
State (Regular & Special)	2,954,286,505	3,067,875,884
Judges	48,552,160	50,418,942
Legislators	8,762,234	9,099,133
Participating Local Districts (Consolidated & Non-Consolidated)	<u>2,120,135,491</u>	<u>2,201,652,592</u>
Total Fund	\$10,489,420,508	\$10,892,728,296

Investment Performance

The Market Value of Assets returned negative 3.10% during FY 2008. This is significantly lower than the assumed return of 7.75%. The returns in FY 2007 and FY 2006 were 16.23% and 7.46% respectively. These higher returns helped to cushion the impact of this year’s loss.

On an actuarial value of assets basis, the return for FY 2008 was a positive 5.80%. This return is higher than the return on a market value basis, but does not meet the 7.75% assumption and therefore gives rise to an investment loss this year.

**SECTION II
ASSETS**

Projection of Plan's Benefit Payments and Contributions				
FY Ending June 30,	Expected Benefit Payments	Expected PLD Contributions (based on Corridor Method)	Expected Member Contributions	Total Expected Contributions
2009	\$ 97,431,000	\$ 10,821,000	\$ 23,662,000	\$ 34,483,000
2010	105,877,000	11,335,000	24,785,000	36,120,000
2011	114,253,000	11,873,000	25,963,000	37,836,000
2012	121,405,000	12,437,000	27,196,000	39,633,000
2013	129,149,000	13,028,000	28,488,000	41,516,000
2014	137,948,000	13,647,000	28,841,000	43,488,000
2015	147,076,000	14,295,000	31,258,000	45,553,000
2016	155,747,000	14,974,000	32,743,000	47,717,000
2017	164,145,000	15,685,000	34,298,000	49,983,000
2018	172,097,000	16,430,000	35,928,000	52,358,000

We provide this projection of cashflows in and out of the Plan for informational purposes. The Board may share these projections with its investment advisor for consideration of the growing gap between cash coming in from PLD and member contributions and cash being paid out to provide benefits. The chart shows this gap is expected to widen as more of the baby boom generation joins the retiree payroll.

The expected benefit payments were developed on the basis of those currently included in this valuation and on the assumption that the actuarial assumptions disclosed in Appendix D will be exactly met. Actual benefit payments will vary if members retire sooner or later than assumed and if salary increases and actual future post-retirement COLAs differ from those assumed. The projections exclude any assumption

about new hires, whose experience will eventually lead to increased benefit payments. However, we do not feel this exclusion will materially impact the projections for the time period shown.

Expected contributions are based on the current covered payroll and the frozen aggregate PLD contribution rate of 3% of payroll. We have assumed that payroll will increase by 4.75% per year in the projection period and that the rate will remain constant.

The projection of member contributions is similarly based on a 4.75% per year increase in covered payroll multiplied by the average aggregate member contribution rate of 6.56%.

SECTION III LIABILITIES

In this section, we present detailed information on Plan liabilities including:

- **Disclosure** of Plan liabilities at June 30, 2007 and June 30, 2008; and
- Statement of **changes** in these liabilities during the year.

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the purpose for which the figures are ultimately used.

- **Present Value of Future Benefits (PVB):** Used for analyzing the overall financial outlook of the Plan, this represents the amount of money needed today to fully pay off all future benefits of the Plan, assuming participants continue to accrue benefits under the current Plan provisions.
- **Actuarial Liability:** Used for funding calculations and GASB disclosures, this liability is calculated taking the Present Value of Future Benefits above and subtracting the obligations that are assigned to future years. This offset is equal to the present value of future Member Contributions and future Employer Normal Costs under an acceptable actuarial funding method. This method is referred to as the **Entry Age Normal** funding method.
- **Present Value of Accrued Benefits:** Used for communicating the current level of liabilities, this liability represents the total amount of money needed today to fully pay off the current accrued obligations of the Plan, assuming no future accruals of benefits. These liabilities are also required for accounting purposes (FAS 35) and used to assess whether the Plan can meet its current benefit commitments.

The following table discloses each of these liabilities for the current and prior years' valuations. With respect to the Actuarial Liability and the Present Value of Accrued Benefits, a subtraction of the appropriate value of Plan assets yields, for each respective type, a **net surplus** or an **unfunded liability**.

The Present Value of Benefits (PVB) is compared to the current market value of assets, the expected future value of member contributions and the expected future value of PLD contributions assuming the valuation rate remains constant. The difference between the PVB and these anticipated resources indicates either a shortfall or an expected surplus that may develop over time. This surplus/shortfall indicates the ability of the reduced 3% aggregate contribution rate to fund benefits in the future.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**SECTION III
LIABILITIES**

Disclosure of Liabilities		
	June 30, 2007	June 30, 2008
Present Value of Benefits (PVB)		
Active Participant Benefits	\$ 1,292,445,559	\$ 1,334,700,796
Retiree Benefits	901,057,359	940,944,705
Terminated Vested and Inactive Members	37,842,028	49,968,302
Total PVB	\$ 2,231,344,946	\$ 2,325,613,803
Market Value of Assets (MVA)	2,104,369,171	1,992,758,461
Future Employee Contributions	173,184,673	181,212,716
Future PLD Contributions at 3% Fixed Rate	78,848,835	82,551,373
Projected (Surplus)/Shortfall	(125,057,733)	69,091,252
Total Resources	\$ 2,231,344,946	\$ 2,325,613,803
Actuarial Liability		
Present Value of Benefits (PVB)	\$ 2,231,344,946	\$ 2,325,613,803
Present Value of Future Normal Costs (PVFNC)		
Employer Portion	219,185,351	230,524,772
Employee Portion	173,184,673	181,212,716
Actuarial Liability (AL = PVB – PVFNC)	\$ 1,838,974,922	\$ 1,913,876,315
Actuarial Value of Assets (AVA)	2,001,713,785	2,069,378,042
Net (Surplus)/Unfunded (AL – AVA)	\$ (162,738,863)	\$ (155,501,727)
Present Value of Accrued Benefits		
Present Value of Benefits (PVB)	\$ 2,231,344,946	\$ 2,325,613,803
Present Value of Future Benefit Accruals (PVFBA)	610,861,107	628,251,560
Accrued Liability (PVAB = PVB – PVFBA)	\$ 1,620,483,839	\$ 1,697,362,243
Market Value of Assets (MVA)	2,104,369,171	1,992,758,461
Net (Surplus)/Unfunded (PVAB – MVA)	\$ (483,885,332)	\$ (295,396,218)

SECTION III LIABILITIES

Changes in Liabilities

Each of the liabilities disclosed in the prior table is expected to change at each subsequent valuation. The components of these changes, depending upon which liability is analyzed, can include:

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments increasing benefits
- Passage of time which adds interest to the prior liability
- Benefits paid to retirees since the last valuation
- Participants retiring, terminating, or dying at rates different than expected
- A change in actuarial or investment assumptions
- A change in the actuarial funding method

Unfunded liabilities will change because of all of the above, and also due to changes in Plan assets resulting from:

- PLD contributions being different than expected
- Investment earnings being different than expected
- A change in the method used to measure Plan assets

In each valuation, we report on those elements of change which are of particular significance, potentially affecting the long-term financial outlook of the Plan. Below we present key changes in liabilities since the last valuation.

	Present Value of Benefits	Actuarial Liability	Present Value of Accrued Benefits
Liabilities 06/30/2007	\$ 2,231,344,946	\$ 1,838,974,922	\$ 1,620,483,839
Liabilities 06/30/2008	2,325,613,803	1,913,876,315	1,697,362,243
Liability Increase (Decrease)	94,268,857	74,901,393	76,878,404
Change Due to:			
Plan Amendment	\$ N/C	\$ --	\$ --
Assumption Change	--	--	--
Actuarial (Gain)/Loss	N/C	(24,408,739)	N/C
Benefits Accumulated and Other Sources	94,268,857	99,310,132	76,878,404

SECTION IV CONTRIBUTIONS

General Comments

Under established procedures, employer contribution rates based on this June 30, 2008 actuarial valuation are used to determine Fiscal Year 2010 contributions. In this context, the term “employer contribution rate” means the percentage that is applied by each PLD to its active member payroll to determine the PLD’s actual employer contribution amount.

In addition to the applicable employer contribution rate, each individual PLD will make a dollar payment (or receive a dollar credit) based on its IUUAL to be added to (or subtracted from) the amount derived by applying the employer contribution rate to the participant payroll.

Employees are required to contribute to the Plans. Employee contribution rates are detailed in Appendix C.

Description of Rate Components

The Entry Age normal funding method was used to develop the employer contribution rates in this section. Under this funding method, as with most other actuarial funding methods, a total contribution rate is determined which consists of two elements: the normal cost rate and the pooled unfunded actuarial liability rate.

Normal Cost Rate

For each of the Regular and Special Plans in the Consolidated Plan, an individual entry age normal cost rate is determined for a typical new entrant. The normal cost is determined by the following steps. First, an individual normal cost rate is determined by taking the value, as of entry age into a plan, of a representative

new entrant’s projected future benefits. Second, this value is then divided by the value, also at entry age, of the member’s expected future salary. Finally, the rate is reduced by the member contribution rate to produce the employer normal contribution rate.

Pooled Unfunded Actuarial Liability Rate

The unfunded actuarial liability under the Entry Age Normal method equals the present value, at time of valuation, of future benefits less the present value of future normal costs, future member contributions, future IUUAL payments and current assets. Under the Consolidated Plan, a Pooled Unfunded Actuarial Liability Rate is calculated for the Regular Plans as a group and for the Special Plans as a group. The rate for each group is then allocated to each plan within the Regular Plans and to those within the Special Plans, respectively, on the basis of total normal cost plus employee contributions for each such plan. That is, those plans which constitute a larger portion of the overall liability will pay a larger portion of the pooled UAL rate or receive a larger credit if the rate is negative. The pooled UAL rates are calculated for the Regular and Special Plans in the aggregate in Table IV-1.

IUUAL Payments/(Credits)

In addition to employer contributions required under the Consolidated Plan, each individual PLD in the Consolidated Plan that came into the Plan with liabilities in excess of assets will make payments on its IUUAL until it is fully paid off. Where IUUAL payments are due, each PLD makes payment of a specific dollar amount. Where a PLD had, at the time of entry into the Consolidated Plan, surplus assets, the PLD uses a portion of the surplus toward payment of its employer contributions to the Consolidated Plan. Credit transactions, also of specific dollar amounts, are accomplished by MainePERS accounting entries.

SECTION IV CONTRIBUTIONS

Employer Contribution Rate Summary

In Table IV-2, we present employer contribution rates applicable for determining the Fiscal Year 2010 contributions to the Plan, using the cost methods described above. These were developed using the actuarial assumptions and methods described in Appendix D.

New Entrant/Re-Entrant Rate

While the above description of the employer rate components and calculation applies to all PLDs' rates, there is an additional rate-calculation step for PLDs that join the Consolidated Plan after the three-year "window period" that was in place at the outset of the Plan and for PLDs that rejoin the Plan, having previously withdrawn from it.

An entity that becomes a PLD, having not before been one, and joins the Consolidated Plan (as all such new PLDs must) is required to pay a new entrant rate to the Plan, as is a PLD that existed when the Plan was established but did not then join the Plan (a so-called "withdrawn" PLD), and thereafter does so. The new entrant rate is calculated as the difference between the Normal Cost and the Total Rate. The Normal Cost and the Total Rate are those in effect at the time the PLD enters the Plan, for the plan or plans that the PLD adopts. The new entrant rate must be paid for a period of three years, after which the PLD henceforth pays the then-applicable Total Rate.

A PLD that joined the Consolidated Plan, subsequently becomes a "withdrawn" PLD, and later rejoins the Plan may be required to pay a "new" entrant rate (more properly called a re-entrant rate in these circumstances). The rate is calculated as stated above and is in effect for the rejoining PLD for the difference between the

number of years that the PLD previously participated in the Consolidated Plan prior to withdrawal and three years. At the end of the established period, the PLD henceforth pays the then-applicable Total Rate.

The new entrant/re-entrant rate takes into account the fact that in the first three years of the Consolidated Plan's existence, then-existing PLDs who joined the Plan paid a Normal Cost rate that could only be an estimated rate until the population of Plan participants at the end of the three-year period was established. The population having been established, the Normal Cost rate could actuarially be calculated. The actuarial Normal Cost rate proved to be lower than the estimated rate, which meant that those PLDs had made higher employer contributions than necessary during the three-year period, thereby increasing the Plan's assets. Later-joining PLDs benefit in terms of the employer contribution rate from the higher Plan assets that resulted from the earlier joining PLDs' larger than necessary contributions. The new entrant/re-entrant rate is intended to create equivalence, if not perfect equality, among all PLDs as to the degree to which they participate in building Plan assets.

The new entrant/re-entrant rate is in addition to any IUUAL payment required from the PLD.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**SECTION IV
CONTRIBUTIONS**

**Table IV-1
Consolidated Plan for Participating Local Districts
of the Maine Public Employees Retirement System
June 30, 2008**

Development of Pooled UAL Rate			
	Regular Plans	Special Plans	Total
1. Present Value of Benefits	\$ 1,371,958,958	\$ 953,654,845	\$ 2,325,613,803
2. Present Value of Future Contributions			
a. Employer Normal Cost	132,430,277	98,094,495	230,524,772
b. Employee Contributions	<u>113,840,923</u>	<u>67,371,793</u>	<u>181,212,716</u>
3. Actuarial Accrued Liability (1) – (2)	\$ 1,125,687,758	\$ 788,188,557	\$ 1,913,876,315
4. Actuarial Value of Assets			
a. Total Invested Assets	\$ 1,265,976,441	\$ 884,143,564	\$ 2,150,120,006
b. IUUAL Surpluses in Individual PLD Accounts	<u>48,901,957</u>	<u>31,840,007</u>	<u>80,741,965</u>
c. Valuation Assets (a) – (b)	\$ 1,217,074,484	\$ 852,303,557	\$ 2,069,378,041
5. Unfunded Actuarial Accrued Liability			
a. Total Unfunded Liability (3) – (4c)	\$ (91,386,726)	\$ (64,115,000)	\$ (155,501,726)
b. Individual PLD Unpooled Liability (IUUAL)	<u>7,791,035</u>	<u>4,185,285</u>	<u>11,976,319</u>
c. Pooled Unfunded Actuarial Liability (a) – (b)	\$ (99,177,761)	\$ (68,300,285)	\$ (167,478,045)
6. Amortization over 15 Years	\$ (11,410,624)	\$ (7,858,101)	\$ (19,268,725)
7. Payroll	\$ 249,048,352	\$ 111,645,464	\$ 360,693,816
8. Pooled Unfunded Actuarial Liability Contribution Rate	(4.6%)	(7.0%)	(5.3%)

SECTION IV
 CONTRIBUTIONS

Table IV-2
Consolidated Plan for Participating Local Districts
of the Maine Public Employees Retirement System
Employer Contribution Rates*
Fiscal Year 2010

	Normal Cost**	Regular Plans	Special Plans	Total Rates
<u>Plans with COLA</u>				
Regular Employees Plan AC	7.9%	(5.1%)		2.8%
Regular Employees Plan BC	5.3%	(3.6%)		1.7%
Special Plan 1C	16.8%		(10.3%)	6.5%
Special Plan 2C	9.6%		(5.6%)	4.0%
Special Plan 3C	12.6%		(7.3%)	5.3%
Special Plan 4C	7.9%		(4.4%)	3.5%
<u>Plans with No COLA</u>				
Regular Employees Plan AN	4.1%	(2.6%)		1.5%
Special Plan 1N	9.2%		(5.6%)	3.6%
Special Plan 2N	4.9%		(2.7%)	2.2%
Special Plan 3N	6.5%		(3.6%)	2.9%
Special Plan 4N	3.6%		(1.7%)	1.9%

* IUUAL payments are made in addition to these costs and IUUAL credits are taken against these costs.

** Includes costs of ancillary benefits.

SECTION V
ACCOUNTING STATEMENT INFORMATION

Statement No. 35 of the Financial Accounting Standards Board (FASB) requires the Plan to disclose certain information regarding its funded status. Statement No. 25 of the Governmental Accounting Standards Board (GASB) establishes standards for disclosure of pension information by public employee retirement systems (PERS) and governmental employers in notes to financial statements and supplementary information.

The FASB-35 disclosures provide a quasi “snap shot” view of how the Plan’s assets compare to its liabilities if contributions stopped and accrued benefit claims had to be satisfied. However, due to potential legal requirements and the possibility that alternative interest rates would have to be used to determine the liabilities, these values may not be a good indication of the amount of money it would take to buy the benefits for all members if the Plan were to terminate.

The GASB-25 actuarial accrued liability is the same as the actuarial liability amount calculated for funding purposes.

Both the present value of accrued benefits (FASB-35) and the actuarial accrued liability (GASB-25) are determined assuming that the Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions. Liabilities are discounted at the assumed valuation interest rate of 7.75% per annum.

FASB Statement No. 35 specifies that a comparison of the present value of accrued (accumulated) benefits with the market value of the assets as of the valuation date must be provided. GASB Statement No. 25 requires the actuarial accrued liability be compared with the actuarial value of assets

for funding purposes. The relevant amounts as of June 30, 2007 and June 30, 2008 are exhibited in Table V-1. Table V-2 reconciles the FASB-35 liabilities determined as of the prior valuation June 30, 2007, to the liabilities as of June 30, 2008.

Tables V-3 through V-5 are exhibits required for the System’s Comprehensive Annual Financial Report. The GFOA recommends showing 6-10 years of experience in each of these exhibits. This report will continue to add years of experience to the charts and eventually build up to the recommended disclosure. Table V-3 shows the Notes to Required Supplementary Information. Table V-4 is a history of gains and losses in Accrued Liability, and Table V-5 is the Solvency Test which shows the portion of Accrued Liability covered by Assets.

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008

SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-1		
Accounting Statement Information		
	June 30, 2007	June 30, 2008
A. FASB No. 35 Basis		
1. Present Value of Benefits Accrued to Date		
a. Members Currently Receiving Payments	\$ 901,057,359	\$ 940,944,705
b. Vested Terminated and Inactive Members	37,842,028	49,968,302
c. Active Members	<u>681,584,452</u>	<u>706,449,236</u>
d. Total PVAB	\$ 1,620,483,839	\$ 1,697,362,243
2. Assets at Market Value	<u>2,104,369,171</u>	<u>1,992,758,461</u>
3. Unfunded Present Value of Accrued Benefits, But Not Less Than Zero	\$ 0	\$ 0
4. Ratio of Assets to Value of Benefits (2) / (1)(d)	130%	117%
B. GASB No. 25 Basis		
1. Actuarial Liabilities		
a. Members Currently Receiving Payments	\$ 901,057,359	\$ 940,944,705
b. Vested Deferred and Inactive Status Members	37,842,028	49,968,302
c. Active Members	<u>900,075,535</u>	<u>922,963,308</u>
d. Total	\$ 1,838,974,922	\$ 1,913,876,315
2. Actuarial Value of Assets	<u>2,001,713,785</u>	<u>2,069,378,042</u>
3. Unfunded Actuarial Liability	\$ (162,738,863)	\$ (155,501,727)
4. Ratio of Actuarial Value of Assets to Actuarial Liability	109%	108%

SECTION V
 ACCOUNTING STATEMENT INFORMATION

Table V-2	
Statement of Changes in Total Actuarial Present Value of All Accrued Benefits	
	Accumulated Benefit Obligation (FASB 35)
Actuarial Present Value of Accrued Benefits as of June 30, 2007	\$ 1,620,483,839
Increase (Decrease) During Years Attributable to:	
Passage of Time	122,372,127
Benefit Paid – FY 2008	(92,528,641)
Assumption Change	0
Plan Amendment	0
Benefits Accrued, Other Gains/Losses	47,034,918
Net Increase (Decrease)	<u>76,878,404</u>
Actuarial Present Value of Accrued Benefits as of June 30, 2008	\$ 1,697,362,243

SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-3
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	June 30, 2008
Actuarial cost method	Entry age
Amortization method	Level percent open
Remaining amortization period	15 years
Asset valuation method	3-Year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.75%
Projected salary increases*	4.50% – 9.00%
*Includes inflation at	4.50%
Cost-of-living adjustments	3.75%

The actuarial assumptions used have been recommended by the actuary and adopted by the Plan's Board of Trustees based on the most recent review of the Plan's experience, completed in 2006.

The rate of employer contributions to the plan is composed of the normal cost and an amortization of the unfunded actuarial accrued liability. The normal cost is a level percent of payroll cost which, along with the member contributions, will pay for projected benefits at retirement for the average plan participant. The actuarial accrued liability is that portion of the present value of projected benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial accrued liability.

SECTION V
 ACCOUNTING STATEMENT INFORMATION

Type of Activity	<i>Gain (or Loss) for Year ending June 30, 2005</i>	<i>Gain (or Loss) for Year ending June 30, 2006</i>	<i>Gain (or Loss) for Year ending June 30, 2007</i>	<i>Gain (or Loss) for Year ending June 30, 2008</i>
Investment Income	\$ 6,722,639	\$ 0	\$ 55,166,394	\$ (34,263,890)
Combined Liability Experience	<u>(3,406,292)</u>	<u>\$ 18,317,866</u>	<u>(20,024,675)</u>	<u>24,408,739</u>
Gain (or Loss) During Year from Financial Experience	\$ 3,316,347	\$ 18,317,866	\$ 35,141,719	\$ (9,855,151)
Non-Recurring Items	<u>0</u>	<u>(61,699,141)</u>	<u>(898,782)</u>	<u>0</u>
Composite Gain (or Loss) During Year	\$ 3,316,347	\$(43,381,275)	\$ (34,242,937)	\$ (9,855,151)

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

**SECTION V
ACCOUNTING STATEMENT INFORMATION**

**Table V-5
SOLVENCY TEST
Aggregate Accrued Liabilities For**

Valuation Date June 30,	(1) Active Member Contributions	(2) Retirees Vested Terms, Beneficiaries	(3) Active Members (Employer Financed Portion)	Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets		
					(1)	(2)	(3)
2008	\$ 294,627,592	\$ 990,913,007	\$ 628,335,716	\$ 2,069,378,042	100%	100%	125%
2007	270,986,236	938,899,387	629,089,299	2,001,713,785	100	100	126
2006	239,876,523	884,015,065	596,238,152	1,846,304,483	100	100	121
2005	217,657,321	820,316,284	543,224,512	1,726,776,134	100	100	127
2004	195,013,387	772,474,507	524,178,904	1,633,016,411	100	100	127

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Androscoggin County	67	A ¹	1	2	Yes	7/1/1994	
Androscoggin Valley Council of Governments	231	A			Yes	7/1/1996	
Aroostook County	106	A			Yes	7/1/1994	
Auburn Housing Authority	145	A			Yes	7/1/1994	
Auburn Lewiston Airport	256	A			Yes	7/1/1996	
Auburn Public Library	43	A			FO	7/1/1996	7/1/2001
Auburn Water and Sewer District	52	A			Yes	7/1/1994	
Augusta, City of	23	A	1	2	Yes	7/1/1994	
Baileyville, Town of	69	A	3		Yes	7/1/1996	
Bangor Housing Authority	288	A			Yes	7/1/1994	
Bangor Public Library	22	A			Yes	7/1/1996	
Bangor Water District	59	B ²			Yes	7/1/1996	
Bangor, City of	20	A	1	2	Yes	7/1/1996	
Bar Harbor, Town of	15	A	4		Yes	7/1/1995	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Bath Water District	19	A			Yes	7/1/1994	
Bath, City of	73	A	2	3	Yes	7/1/1996	
Belfast Water District	132	A			Yes	7/1/1995	
Belfast, City of	35	A	2		Yes	7/1/1996	
Berwick Sewer District	207	A			Yes	7/1/1994	
Berwick, Town of	108	A	1 ³		FO	7/1/1996	7/1/2008
Bethel, Town of	246	A			Yes	7/1/1996	
Biddeford, City of	158	A	3 ⁴		No	7/1/1996	
Biddeford Housing Authority	310	A			Yes	7/1/2007	
Boothbay Harbor, Town of	146	A	2		Yes	7/1/1996	
Boothbay Region Water District	298	A	2		Yes	1/1/2002	
Brewer Housing Authority	248	A			Yes	7/1/1994	
Brewer, City of	63	A ⁵	2		Yes	7/1/1996	
Bridgton Water District	253	A			No	7/1/1996	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Brunswick Fire and Police	292	A	1	2	FO	7/1/1997	7/1/1997
Brunswick Public Library	273	A			FO	7/1/1995	7/1/1995
Brunswick Sewer District	72	A			Yes	7/1/1996	
Brunswick, Town of	42	A			FO	7/1/1995	7/1/2000
Bucksport, Town of	130	A	4 ⁶		No	7/1/1995	
Calais, City of	36	A			FO	7/1/1996	7/1/1996
Camden, Town of	8	A			Yes	7/1/1994	
Cape Elizabeth Police	317	A	2		Yes	7/1/2008	
Caribou Police and Fire	208	A	1	2	No	7/1/1996	
Carrabassett Valley	277	A			FO	7/1/1994	7/1/1994
Chesterville, Town of	295	A ⁷			Yes	7/1/1999	
Cheverus High School	203	A	2		No	7/1/1996	
China, Town of	235	A			FO	7/1/1996	7/1/2008
Coastal Counties Workforce, Inc.	301	A ⁸			Yes	7/1/2003	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Community School District #12	252	A			Yes	7/1/1996	
Community School District #915	233	A			Yes	7/1/1995	
Corinna Sewer District	251	A			No	7/1/1996	
Corinna, Town of	217	A			Yes	7/1/1996	
Cumberland County	5	A	2 ⁹		Yes	7/1/1996	
Cumberland, Town of	216	A	2		Yes	7/1/1995	
Dexter, Town of	97	A			Yes	7/1/1996	
Dover - Foxcroft Water District	137	A			Yes	7/1/1994	
Dover FoxcrofT, Town of	167	A			No	7/1/1995	
Durham, Town of	234	A			No	7/1/1996	
Eagle Lake Water & Sewer District	274	A			Yes	7/1/1996	
East Millinocket, Town of	54	A	2		Yes	7/1/1996	
Easton, Town of	240	A			Yes	7/1/1994	
Eliot, Town of	180	A	1 ¹⁰		Yes	7/1/1994	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Ellsworth, City of	13	A	4		Yes	7/1/1995	
Erskine Academy	249	A			No	7/1/1994	
Fairfield, Town of	260	A	3		Yes	7/1/1995	
Falmouth Memorial Library	58	A			Yes	7/1/1996	
Falmouth, Town of	87	A	2 ¹⁰		Yes	7/1/1996	
Farmington Village Corp.	118	A			No	7/1/1994	
Farmington, Town of	100	A	1		Yes	7/1/1995	
Fayette, Town of	296	A			Yes	7/1/1999	
Fort Fairfield Housing Authority	275	A			FO	7/1/2002	7/1/1994
Fort Fairfield Utilities District	131	A			Yes	7/1/1996	
Fort Fairfield, Town of	17	A			Yes	7/1/2000	
Franklin County	102	A			Yes	7/1/2006	
Freeport, Town of	142	A	2 ⁸		Yes	7/1/2003	
Frenchville, Town of	98	A			No	7/1/1996	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Fryeburg, Town of	149	A			No	7/1/1996	
Gardiner Water District	221	A			No	7/1/1994	
Gardiner, City of	24	A	3		No	7/1/1996	
Glenburn, Town of	174	A			Yes	7/1/1994	
Gorham, Town of	133	A	2	4	Yes	7/1/1996	
Gould Academy	205	A			No	7/1/1996	
Grand Isle, Town of	312	B			Yes	7/1/2008	
Greater Augusta Utility District ¹¹	311	A			Yes	1/1/2008	
Greenville, Town of	112	A			Yes	7/1/1996	
Hallowell, City of	160	A			Yes	7/1/1996	
Hampden Water District	183	A			Yes	7/1/1996	
Hampden, Town of	151	A			No	7/1/1996	
Hancock County	56	A			Yes	7/1/1994	
Harpswell, Town of	270	A			Yes	7/1/1994	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Harrison, Town of	280	B ¹²			Yes	7/1/1994	
Hermon, Town of	150	A			No	7/1/1996	
Hodgdon, Town of	215	A			FO	7/1/1996	7/1/2007
Houlton Water District	26	A			Yes	7/1/1995	
Houlton, Town of	10	A	4 ⁶		Yes	7/1/1996	
Indian Township Tribal Gov't ¹³	244	A			No	7/1/1996	
Jackman Utility District	294	A			Yes	7/1/1996	
Jay, Town of	45	A			Yes	7/1/1994	
Kennebec County	47	A			Yes	7/1/1995	
Kennebec Sanitary Treatment District	220	A			FO	7/1/1995	7/1/1995
Kennebec Water District	31	A			Yes	7/1/1996	
Kennebunk Light and Power Co.	62	A			Yes	7/1/1994	
Kennebunk Sewer District	201	A			FO	7/1/1994	7/1/2000
Kennebunk, Kennebunkport & Wells Water District	255	A			FO	7/1/1996	7/1/1999

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Kennebunk, Town of	84	A	2		Yes	7/1/1996	
Kennebunkport, Town of	188	A	1		FO	7/1/1996	7/1/2006
Kittery Water District	12	A			Yes	7/1/1994	
Kittery, Town of	14	A	1 ¹⁴		Yes	7/1/1995	
Lebanon, Town of	181	A			Yes	7/1/1996	
Lew Aub Water Pollution Control Authority	163	A			FO	7/1/1996	7/1/1996
Lewiston - Auburn 9-1-1	291	A			Yes	7/1/1994	
Lewiston Housing Authority	154	A			Yes	7/1/1994	
Lewiston, City of	48	A	1	2	Yes	7/1/1996	
Limestone, Town of	245	A			Yes	7/1/2006	
Lincoln & Sagadahoc Multi County Jail Authority	304	A	2		Yes	7/1/2004	
Lincoln Academy	134	A			Yes	7/1/1994	
Lincoln County	95	A			Yes	7/1/2004	
Lincoln County Sheriffs	302	A	2 ⁸		Yes	7/1/2003	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Lincoln Sanitary District	219	A			Yes	7/1/1994	
Lincoln Water District	92	A			Yes	7/1/1995	
Lincoln, Town of	76	A	3		No	7/1/1996	
Linneus, Town of	214	A			No	7/1/1996	
Lisbon Water Department	243	A			FO	7/1/1996	7/1/2007
Lisbon, Town of	103	A	2		Yes	7/1/1996	
Livermore Falls Water District	32	A			Yes	7/1/1994	
Livermore Falls, Town of	109	A			No	7/1/1996	
Lovell, Town of	276	A			Yes	7/1/1996	
Lubec Water and Electric District	88	A			Yes	7/1/1996	
Lubec, Town of	228	A			No	7/1/1996	
Madawaska Water District	236	A			Yes	7/1/1994	
Madawaska, Town of	82	A			Yes	7/1/1996	
MADSEC	297	A			Yes	7/1/1999	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Maine County Commissioners Assoc.	225	A			No	7/1/1996	
Maine International Trade Center	293	A			Yes	7/1/1998	
Maine Maritime Academy	38	A	2		Yes	7/1/1996	
Maine Municipal Bond Bank	93	A			Yes	7/1/1995	
Maine Public Employees Retirement System	290	A			Yes	7/1/1994	
Maine School Management Association	239	A			Yes	7/1/1994	
Maine State Housing Authority	169	A			Yes	7/1/2005	
Maine Turnpike Authority	49	A			Yes	7/1/1994	
Maine Veterans Home	271	A			Yes	7/1/1994	
Mapleton, Castle Hill and Chapman, Town of	265	A			Yes	7/1/1996	
Mars Hill Utility District	283	A			Yes	7/1/1994	
Mars Hill, Town of	227	A			Yes	7/1/1996	
ME Secondary School Principals Association	105	A			Yes	7/1/1994	
Mechanic Falls Sanitary District	282	A			FO	7/1/1994	7/1/2002

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Mechanic Falls, Town of	114	A			Yes	7/1/1994	
Medway, Town of	194	A			Yes	7/1/1996	
Mexico, Town of	74	A ¹⁵			Yes	7/1/1996	
Milford, Town of	186	A			No	7/1/1996	
Millinocket, Town of	3	A	3	4	Yes	7/1/1996	
Milo Water District	238	A			No	7/1/1996	
Monmouth, Town of	316	A	3		Yes	7/1/2008	
Monson, Town of	184	A			No	7/1/1996	
Mount Desert Island Reg. School District	120	A			Yes	7/1/1996	
Mount Desert Water District	300	A ⁸			Yes	7/1/2003	
Mount Desert, Town of	16	A			Yes	7/1/1996	
New Gloucester, Town of	210	A			FO	7/1/1995	7/1/2007
Newport, Town of	314	A	2		Yes	7/1/2008	
Newport Water District	313	A			Yes	7/1/2008	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
North Berwick, Town of	254	A	1		No	7/1/1996	
North Berwick Water District	308	A			Yes	7/1/2006	
Norway Water District	136	A			FO	7/1/1995	7/1/2000
Norway, Town of	125	A			FO	7/1/1996	7/1/2000
Old Orchard Beach, Town of	140	A	2		Yes	7/1/2003	
Old Town Housing Authority	262	A			FO	7/1/1994	7/1/1994
Old Town Water District	79	A			No	7/1/1994	
Old Town, City of	111	A	2		No	7/1/1995	
Oqunquit, Town of	303	A	1		Yes	7/1/2004	
Orland, Town of	166	A			No	7/1/1996	
Orono, Town of	61	A	2 ¹⁶		FO	7/1/1996	7/1/2002
Orrington, Town of	209	A	3		No	7/1/1995	
Otisfield, Town of	193	A			FO	7/1/1996	7/1/1996
Oxford County	57	A	2 ⁴		Yes	7/1/1994	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Oxford, Town of	200	A			No	7/1/1996	
Paris Utility District	159	A			Yes	7/1/1995	
Paris, Town of	127	A			Yes	7/1/1996	
Penobscot County	11	A			Yes	7/1/1994	
Penquis Cap Inc	237	A			No	7/1/1995	
Phippsburg, Town of	202	A	3	¹⁷	Yes	7/1/1996	
Piscataquis County	121	A			Yes	7/1/1994	
Pittsfield, Town of	110	A			No	7/1/1996	
Pleasant Point Passamaquoddy	165	A			Yes	7/1/1996	
Portland Housing Authority	185	A			Yes	7/1/1994	
Portland Public Library	41	A			Yes	7/1/1995	
Portland, City of	2	A	1	2	Yes	7/1/1995	
Princeton, Town of	258	A			No	7/1/1996	
Regional School Unit #1	315	A	2		Yes	7/1/2008	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Richmond, Town of	213	A			Yes	7/1/2007	
Richmond Utilities District	242	A			No	7/1/1994	
Rockland, City of	18	A	3 ¹⁸	2 ¹⁹	Yes	7/1/1995	
Rockport, Town of	161	A			No	7/1/1996	
Rumford Fire and Police	60	A	3	4	Yes	7/1/1995	
Rumford Mexico Sewerage District	247	A			Yes	7/1/1996	
Rumford Water District	65	A			Yes	7/1/1995	
Rumford, Town of	90	A			Yes	7/1/1995	
Sabattus, Town of	175	A			FO	7/1/1996	7/1/2006
Saco, City of	192	A	2		No	7/1/1995	
Sagadahoc County	96	A	2	3 ²⁰	Yes	7/1/2002	
Sanford Housing Authority	152	A			Yes	7/1/1996	
Sanford Sewerage District	89	A			No	7/1/1994	
Sanford Water District	170	A			No	7/1/1996	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Sanford, Town of	83	A	1 ²¹		FO	7/1/1995	7/1/2002
Scarborough, Town of	147	A	2	1 ²²	Yes	7/1/1996	
School Administrative District No. 9	119	A			Yes	7/1/1995	
School Administrative District No. 13	223	A			Yes	7/1/1996	
School Administrative District No. 16	190	A			No	7/1/1994	
School Administrative District No. 21	211	A			FO	7/1/1996	7/1/2000
School Administrative District No. 29	168	A			Yes	7/1/1996	
School Administrative District No. 31	50	A			FO	7/1/1994	7/1/1994
School Administrative District No. 41	143	A			Yes	7/1/1996	
School Administrative District No. 49	189	A			No	7/1/1995	
School Administrative District No. 51	198	A			No	7/1/1996	
School Administrative District No. 53	129	A			No	7/1/1996	
School Administrative District No. 54	115	A			Yes	7/1/1996	
School Administrative District No. 60	187	A			No	7/1/1994	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
School Administrative District No. 67	126	A			Yes	7/1/1996	
School Administrative District No. 71	128	A			No	7/1/1996	
Searsport Water District	124	A			No	7/1/1996	
Searsport, Town of	117	A			No	7/1/1996	
Skowhegan, Town of	80	A	3		Yes	7/1/1996	
So Penobscot Voc School Reg. #4	269	A			No	7/1/1996	
So Portland Housing Authority	206	A			Yes	7/1/1996	
Somerset County	101	A			Yes	7/1/2005	
South Berwick Sewer District	299	A ⁸			Yes	7/1/2003	
South Berwick Water	171	A	2		Yes	7/1/1996	
South Berwick, Town of	141	A	1		FO	7/1/1996	7/1/1996
South Portland, City of	9	A	2		Yes	7/1/1995	
St. Agatha, Town of	30	A			Yes	7/1/1996	
Topsham Sewer District	307	A ²³			Yes	7/1/2005	

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Topsham, Town of	81	A	2	3	Yes	7/1/1996	
Tri Community Sanitary Landfill	267	A			Yes	7/1/1996	
Van Buren Housing Authority	229	A			Yes	7/1/1995	
Van Buren, Town of	182	A			Yes	7/1/1995	
Vassalboro, Town of	153	A			Yes	7/1/1996	
Veazie Fire and Police	305	A	3 ²⁴		Yes	7/1/2004	
Waldo County	46	A			Yes	7/1/1994	
Waldo County Technical Center	224	A			No	7/1/1996	
Waldoboro, Town of	195	A	3		Yes	7/1/1995	
Washburn, Town of	230	A			No	7/1/1994	
Washington County	40	A			Yes	7/1/1996	
Waterville Fire and Police	66	A	3		No	7/1/1996	
Waterville Sewerage District	222	A			Yes	7/1/1994	
Wells Ogunquit CSD	266	A			FO	7/1/1995	7/1/1995

CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
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**APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS**

PLD Name	PLD #	Regular Plan	Special Plan	Special Plan	COLA	Entry Date	FO COLA Date
Wells, Town of	107	A	3		Yes	7/1/1995	
Westbrook , City of	122	A			Yes	7/1/2006	
Westbrook Fire and Police	70	A	2	1	Yes	7/1/2006	
Westbrook Housing Authority	259	A			Yes	7/1/1996	
Windham, Town of	309	A	4		Yes	7/1/2006	
Winslow, Town of	144	A ²⁵			Yes	7/1/1996	
Winter Harbor Utility District	250	A			Yes	7/1/1995	
Winterport Water & Sewer Districts	306	A ²³			Yes	7/1/2005	
Winthrop, Town of	179	A			FO	7/1/1994	7/1/2003
Yarmouth Water District	278	A			Yes	7/1/1994	
Yarmouth, Town of	116	A	2		Yes	7/1/1996	
York County	37	A	2		Yes	7/1/1996	
York Sewer District	139	A			FO	7/1/1994	7/1/2006
York Water District	39	A			Yes	7/1/1996	
York, Town of	28	A	2 ²⁴		Yes	7/1/1994	

APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

Notes:

FO = Future Service COLA only, that is, for benefits attributable to service rendered after the Future Service COLA date.

- ¹ Employees hired prior to July 1, 1997 and who are members of the Plan are covered under Special Plan #1. Corrections Officers and Law Enforcement Officers hired on or after July 1, 1997, will be covered under Special Plan #2. All other employees hired on or after July 1, 1997, will be covered under Regular Plan A.
- ² Applicable to all new hires on or after July 1, 1996. All members in the PLD at July 1, 1996 elected to remain in the 1/50 Plan under Regular Plan A.
- ³ Applicable for future service only for Police Officers from July 1, 2008.
- ⁴ Applicable for future service only rendered by law enforcement from July 1, 2003. Applicable for future service only rendered by Firefighters from July 1, 2007.
- ⁵ Brewer Water District (P0068) ceased to exist as a separate entity on January 15, 2003 and became part of the City of Brewer (P0063). All Brewer Water District Regular Plan AN members became members of the Regular Plan AC for future service only.
- ⁶ Applicable for future service rendered by the Town's Firefighters and Police Officers from July 1, 2001.
- ⁷ Applicable for future service only from July 1, 2000.
- ⁸ Applicable for future service only from July 1, 2003.
- ⁹ Applicable for future service rendered by the County's Police Officers from July 1, 2008.
- ¹⁰ Applicable for future service of Police Officers, effective July 1, 2006.
- ¹¹ Greater Augusta Utility District (PLD 311) was formed by the merger of the Augusta Water District (former PLD 34) and the Augusta Sanitary District (former PLD 64).
- ¹² Applicable to all new hires on or after July 1, 1994. All members in the PLD at July 1, 1994, elected to remain in the 1/50 Plan under Regular Plan A.
- ¹³ Indian Township Tribal Government (PLD 144) withdrew from participation effective February 29, 2008.
- ¹⁴ Applicable for future service only (from July 1, 2007) for Police Officers.
- ¹⁵ Withdrew from Plan for new members, effective July 31, 2004.
- ¹⁶ Applicable to future service rendered by the Town's Firefighters and Police Officers from July 1, 2005. Prior service was credited under Special Plan 4C.

APPENDIX A
PARTICIPATING LOCAL DISTRICT PLAN ELECTIONS

- ¹⁷ Applicable for future service rendered by the Town's Police Officers from July 1, 2007.
- ¹⁸ Applicable for Police Officers hired before July 1, 1998 for all service and for Police Officers hired after June 30, 1998, for future service only from July 1, 2003.
- ¹⁹ Applicable to new Police Officers hired after June 30, 1998 for service through June 30, 2003.
- ²⁰ Applicable for future service only rendered by law enforcement from July 1, 2002.
- ²¹ Applicable for future service rendered by the Town's Firefighters from July 1, 2004.
- ²² Applicable for future service rendered by the Town's Firefighters from July 1, 2008.
- ²³ Applicable for future service only from July 1, 2005.
- ²⁴ Applicable for future service rendered by the Town's Firefighters from July 1, 2005.
- ²⁵ Withdrew from Plan for new members effective July 1, 2004.

APPENDIX B
MEMBERSHIP INFORMATION

Active Member Data as of June 30, 2008	
Regular Plans Members	
Count	7,347
Average Current Age	47.6
Average Service	9.3
Average Valuation Pay	\$ 33,898
Special Plans Members	
Count	2,215
Average Current Age	40.9
Average Service	11.1
Average Valuation Pay	\$ 50,404
All Plans Members	
Count	9,562
Average Current Age	46.1
Average Service	9.7
Average Valuation Pay	\$ 37,722

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

**APPENDIX B
MEMBERSHIP INFORMATION**

**Participating Local Districts of the Maine Public Employees Retirement System
Non-Active Member Data as of June 30, 2008
Regular Plan**

	Count	Total Annual Benefit	Average Annual Benefit
Retired	3,320	\$ 36,498,996	\$ 10,994
Retired- Concurrent Beneficiaries	314	924,678	2,945
Disabilities / 1122	51	587,095	11,512
Disabilities / 3 and 3A	258	4,681,066	18,144
Beneficiaries	855	6,133,642	7,174
Pre-Retirement Death Benefits	201	1,295,482	6,258
Terminated Vested	1,044	6,606,750	6,328

**Participating Local Districts of the Maine Public Employees Retirement System
Non-Active Member Data as of June 30, 2008
Special Plan**

	Count	Total Annual Benefit	Average Annual Benefit
Retired	1,267	\$ 30,477,777	\$ 24,055
Retired- Concurrent Beneficiaries	352	1,742,352	4,950
Disabilities / 1122	41	717,524	17,501
Disabilities / 3 and 3A	46	1,158,546	25,186
Beneficiaries	210	2,733,660	13,017
Pre-Retirement Death Benefits	18	108,744	6,041
Terminated Vested	37	283,758	7,669

**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

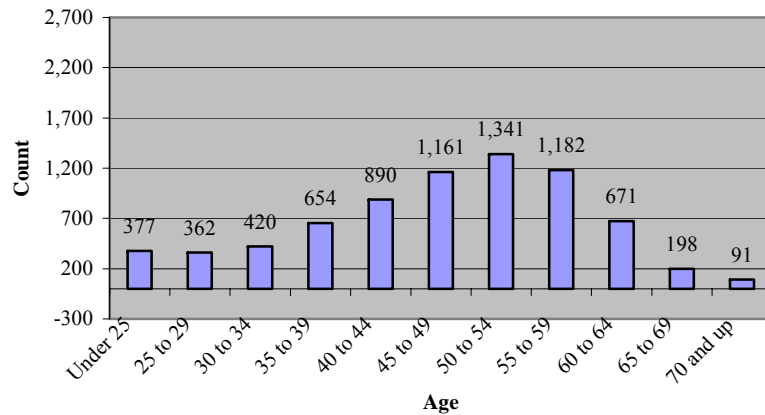
**APPENDIX B
MEMBERSHIP INFORMATION**

Distribution of Active Members
As of June 30, 2008

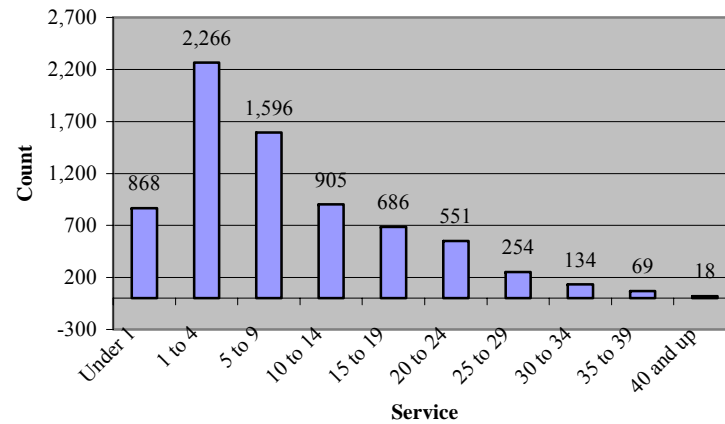
Regular Plan Participants

	Years of Service										Totals	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	167	197	13	0	0	0	0	0	0	0	0	377
25 to 29	91	205	62	4	0	0	0	0	0	0	0	362
30 to 34	86	183	124	26	1	0	0	0	0	0	0	420
35 to 39	104	287	169	65	25	4	0	0	0	0	0	654
40 to 44	127	287	222	137	74	39	4	0	0	0	0	890
45 to 49	101	375	263	131	134	99	54	4	0	0	0	1,161
50 to 54	99	342	285	191	162	133	68	53	8	0	0	1,341
55 to 59	51	231	262	185	157	142	73	44	35	2	2	1,182
60 to 64	30	112	143	122	92	85	40	23	15	9	9	671
65 to 69	9	34	39	32	29	30	10	6	5	4	4	198
70 and up	3	13	14	12	12	19	5	4	6	3	3	91
Total	868	2,266	1,596	905	686	551	254	134	69	18	18	7,347

Age Distribution



Service Distribution



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

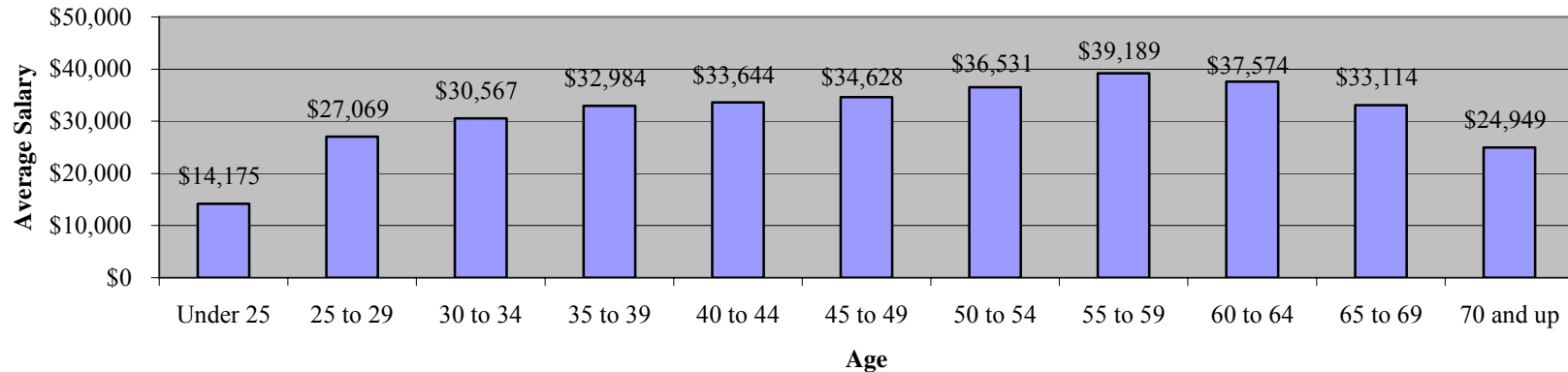
**APPENDIX B
MEMBERSHIP INFORMATION**

Distribution of Active Members
As of June 30, 2008

Regular Plan Participants

	Average Salary Years of Service										Average	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	\$ 8,288	\$ 19,181	\$ 13,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,175
25 to 29	13,433	31,914	31,220	24,659	-	-	-	-	-	-	-	27,069
30 to 34	15,368	32,144	38,089	33,771	33,215	-	-	-	-	-	-	30,567
35 to 39	15,372	34,090	38,428	38,720	39,790	45,858	-	-	-	-	-	32,984
40 to 44	17,152	32,001	35,449	41,213	43,007	44,933	32,349	-	-	-	-	33,644
45 to 49	14,274	32,004	35,630	38,018	40,182	44,435	45,071	47,868	-	-	-	34,628
50 to 54	18,827	32,410	34,638	37,770	41,889	43,507	48,732	51,109	44,885	-	-	36,531
55 to 59	20,953	34,575	39,321	37,560	39,514	44,117	44,664	48,321	56,471	92,194	-	39,189
60 to 64	13,475	34,819	35,454	39,017	36,784	39,998	42,387	52,328	56,663	60,596	-	37,574
65 to 69	12,990	27,085	33,362	35,750	35,056	37,115	42,793	28,202	35,008	42,841	-	33,114
70 and up	11,248	20,610	14,906	20,352	28,812	28,320	28,619	37,202	25,808	61,723	-	24,949
Average	\$ 14,556	\$ 31,480	\$ 35,920	\$ 38,045	\$ 39,841	\$ 42,536	\$ 44,898	\$ 48,865	\$ 50,948	\$ 60,349	\$ -	\$ 33,898

Average Salary Distribution



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

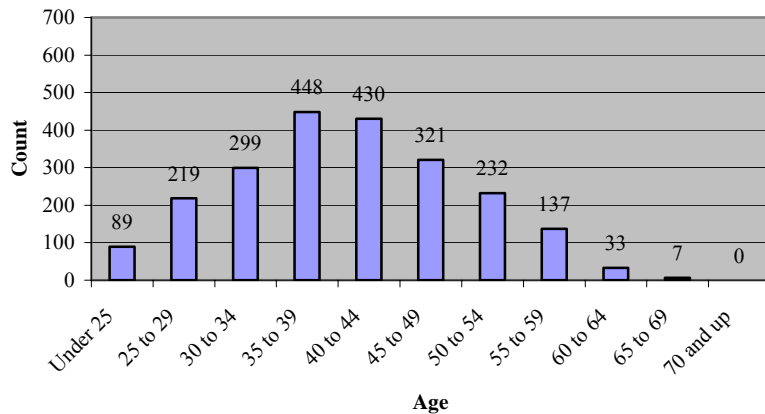
**APPENDIX B
MEMBERSHIP INFORMATION**

Distribution of Active Members
As of June 30, 2008

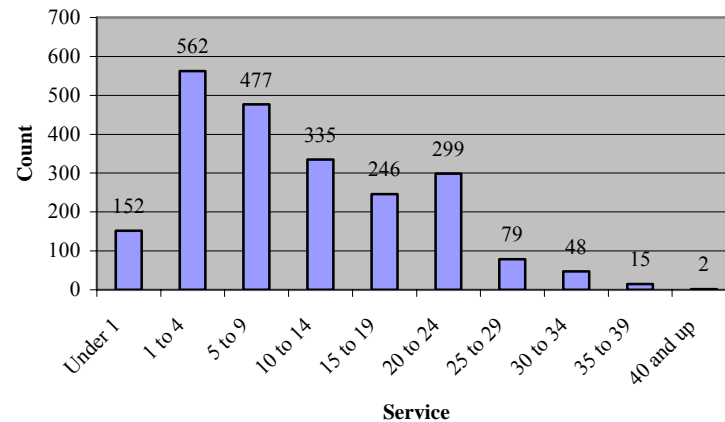
Special Plan Participants

	Years of Service										Totals
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	45	42	2	0	0	0	0	0	0	0	89
25 to 29	30	150	39	0	0	0	0	0	0	0	219
30 to 34	27	99	136	36	1	0	0	0	0	0	299
35 to 39	24	110	146	134	33	1	0	0	0	0	448
40 to 44	9	72	87	77	102	82	1	0	0	0	430
45 to 49	9	53	31	35	66	105	22	0	0	0	321
50 to 54	6	27	21	27	28	71	36	16	0	0	232
55 to 59	2	7	13	19	8	35	19	26	8	0	137
60 to 64	0	2	2	6	5	5	0	5	7	1	33
65 to 69	0	0	0	1	3	0	1	1	0	1	7
70 and up	0	0	0	0	0	0	0	0	0	0	0
Total	152	562	477	335	246	299	79	48	15	2	2,215

Age Distribution



Service Distribution



**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

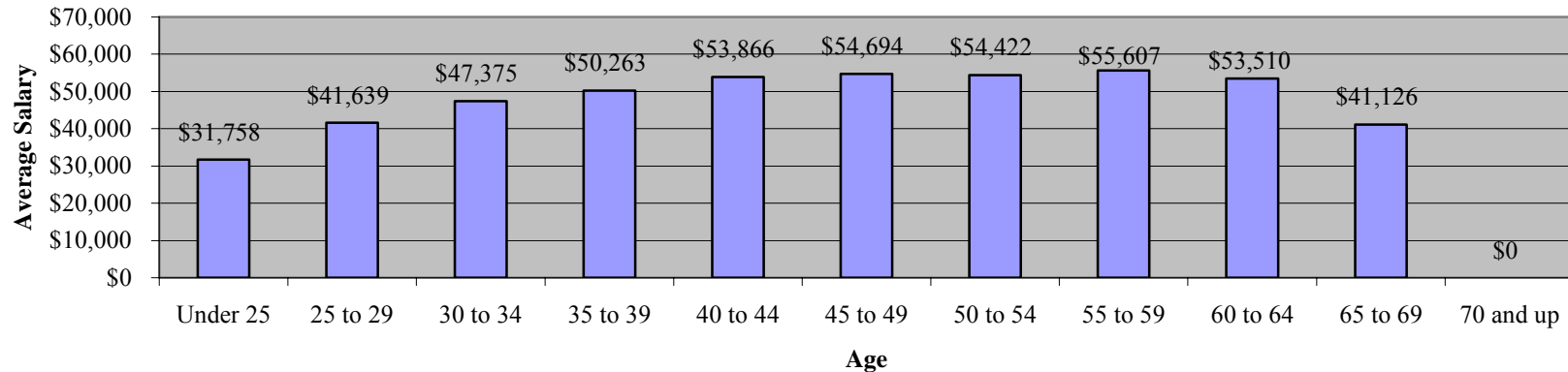
**APPENDIX B
MEMBERSHIP INFORMATION**

Distribution of Active Members
As of June 30, 2008

Special Plan Participants

	Average Salary Years of Service										Average	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up		
Under 25	\$ 19,087	\$ 44,368	\$ 52,051	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,758
25 to 29	22,912	44,007	46,935	-	-	-	-	-	-	-	-	41,639
30 to 34	24,603	46,587	50,872	53,856	31,279	-	-	-	-	-	-	47,375
35 to 39	27,064	46,264	50,933	55,481	56,592	40,890	-	-	-	-	-	50,263
40 to 44	24,651	50,661	51,660	54,015	56,063	59,238	63,550	-	-	-	-	53,866
45 to 49	20,438	50,628	49,970	52,685	55,876	59,814	60,379	-	-	-	-	54,694
50 to 54	37,965	43,079	50,852	48,969	53,894	55,802	62,252	70,809	-	-	-	54,422
55 to 59	56,816	48,024	52,876	52,615	48,927	51,129	59,249	63,719	64,741	-	-	55,607
60 to 64	-	49,648	56,212	57,492	49,709	35,964	-	61,642	59,742	54,387	-	53,510
65 to 69	-	-	-	31,981	35,685	-	56,399	46,053	-	46,396	-	41,126
70 and up	-	-	-	-	-	-	-	-	-	-	-	-
Average	\$ 23,732	\$ 46,433	\$ 50,735	\$ 53,956	\$ 55,126	\$ 57,225	\$ 60,951	\$ 65,498	\$ 62,408	\$ 50,392	\$ 50,404	

Average Salary Distribution



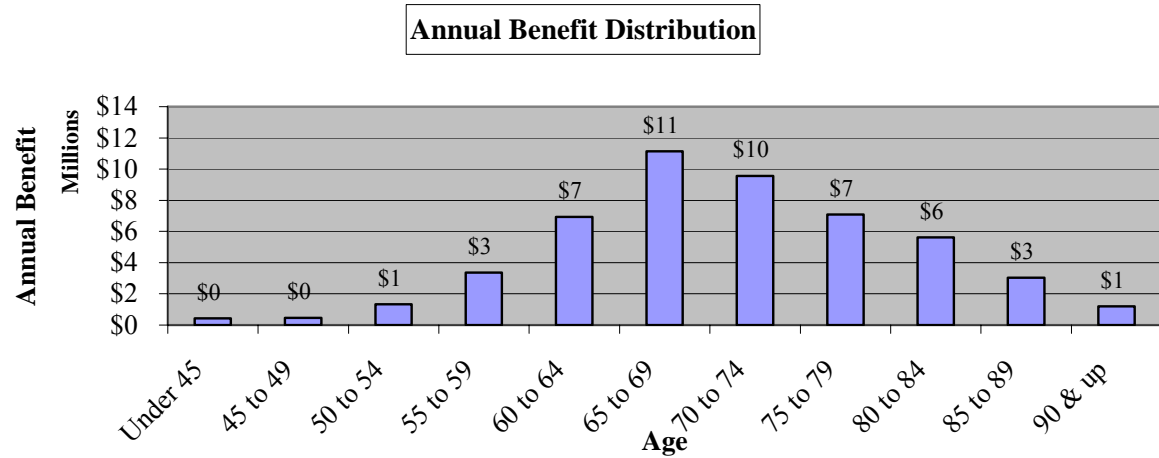
**CONSOLIDATED PLAN FOR PARTICIPATING LOCAL DISTRICTS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

**APPENDIX B
MEMBERSHIP INFORMATION**

**Distribution of Retirees, Disabled
Members, Beneficiaries, and Survivors
As of June 30, 2008**

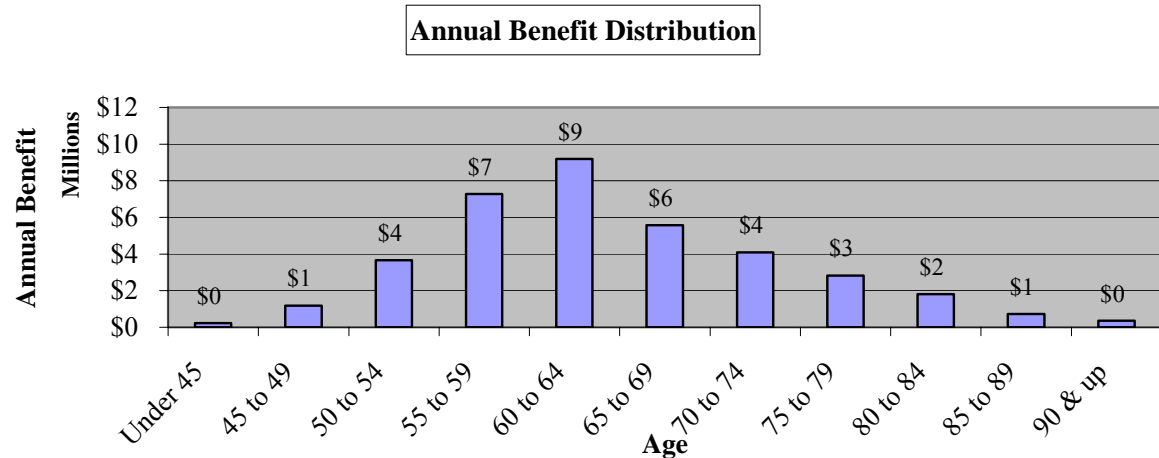
Regular Plan Participants

Age	Count	Annual Benefit
Under 45	69	\$ 418,777
45 to 49	50	468,311
50 to 54	103	1,331,596
55 to 59	217	3,363,226
60 to 64	542	6,924,186
65 to 69	924	11,141,342
70 to 74	891	9,559,830
75 to 79	806	7,082,646
80 to 84	737	5,610,995
85 to 89	454	3,030,160
90 & up	212	1,189,892
Total	5,005	\$ 50,120,960



Special Plan Participants

Age	Count	Annual Benefit
Under 45	18	230,442
45 to 49	57	1,188,578
50 to 54	165	3,668,819
55 to 59	342	7,280,214
60 to 64	431	9,186,080
65 to 69	293	5,579,849
70 to 74	243	4,096,723
75 to 79	175	2,832,601
80 to 84	126	1,802,852
85 to 89	52	715,519
90 & up	32	356,925
Total	1,934	36,938,602



APPENDIX C
SUMMARY OF PLAN PROVISIONS

1. Member Contributions:

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

Regular AC & AN	6.5%
Regular BC	3.0%
Special 1C & 1N	6.5%
Special 2C & 2N	6.5%
Special 3C & 3N	8.0% for first 25 years, 6.5% after
Special 4C & 4N	7.5% for first 25 years, 6.5% after

2. Average Final Compensation:

For purposes of determining benefits payable under the Plan, average final compensation is the average annual rate of earnable compensation for the 3 years of creditable service (not necessarily consecutive) which produce the highest such average.

3. Creditable Service:

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

4. Service Retirement Benefits:

Regular Plan AC

Normal Retirement Age: 60

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

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

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

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

Benefit: 1/50 of average final compensation multiplied by years of membership service under Consolidated Plan AC reduced by approximately 2¼% for each year that a member is younger than age 60 at retirement.

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

Cost-of-Living Adjustment: See item 10.

APPENDIX C
SUMMARY OF PLAN PROVISIONS

Regular Plan AN

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

Regular Plan BC

Normal Retirement Age: 60

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

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

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

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

Benefit: 1/100 of average final compensation multiplied by years of membership service under Consolidated Plan BC reduced by approximately 2¼% for each year that a member is younger than age 60 at retirement.

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

Cost-of-Living Adjustment: See item 10.

Regular Plan Notes

1. Under certain circumstances, Regular Plan service can count, on a pro rata basis, toward meeting Special Plan benefit eligibility requirements.
2. The actual benefit for service earned prior to coverage under the Consolidated Plan may be based on a variable percentage of average final compensation multiplied by years of service under any previous plan(s) (the percentage depends on the previous plan(s)).

Special Plan 1C

Eligibility: 20 years of creditable service in named positions.

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

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

Cost-of-Living Adjustment: See item 10.

Special Plan 1N

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

APPENDIX C
SUMMARY OF PLAN PROVISIONS

Special Plan 2C

Eligibility: 25 years of creditable service in named positions.

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

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

Cost-of-Living Adjustment: See item 10.

Special Plan 2N

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

Special Plan 3C

Eligibility: 25 years of creditable service in named positions.

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

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

Cost-of-Living Adjustment: See item 10.

Special Plan 3N

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

Special Plan 4C

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

Benefit: 1/50 of average final compensation multiplied by years of membership service under Consolidated Plan 4C reduced by approximately 2¼% for each year that a member is younger than age 55 at retirement.

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

Cost-of-Living Adjustment: See item 10.

Special Plan 4N

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

Special Plan Notes

1. If a Special Plan member fails to meet the Special Plan eligibility criteria, their service retirement benefit is that provided by the applicable underlying Regular Plan; Special Plan service credits are used toward Regular Plan eligibility requirements.
2. Service in all Special Plans counts, on a percentage basis, toward meeting the benefit eligibility requirements of any Special Plan.
3. The actual benefit for service earned prior to coverage under the Consolidated Plan may be based on a variable

APPENDIX C
SUMMARY OF PLAN PROVISIONS

percentage of average final compensation multiplied by years of service under any previous plan(s) (the percentage depends on the previous plan(s)).

average final compensation. Benefits will cease when the last dependent child no longer meets the definition of “dependent child”.

5. Pre-Retirement Accidental Death Benefits:

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

Benefit:

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

6. Pre-Retirement Ordinary Death Benefits:

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

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

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

Eligibility: Disabled as defined in the MainePERS statutes, prior to normal retirement age; employed prior to October 16, 1992 and did not elect No Age Disability Benefits.

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

Form of Payment: Payment begins on termination of service and ceases on cessation of disability or after five years, unless

APPENDIX C
SUMMARY OF PLAN PROVISIONS

the member is unable to engage in any substantially gainful activity; in which case payments cease on the earlier of ten years following normal retirement age or date the service retirement benefit equals or exceeds the disability benefit.

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation may be increased with cost-of-living adjustments (see item 10). On the date when service benefits reach a level of 66 $\frac{2}{3}$ % of average final compensation or ten years after the normal retirement date, if earlier, the disability converts to a service retirement benefit based on service and average final compensation at that point.

8. No-Age Disability Benefits:

Eligibility: Disabled as defined in the MainePERS statutes; employed on or after October 16, 1992 or employed prior to October 16, 1992 and elected the provisions of No Age Disability.

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

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

Conversion to Service Retirement: During the period of disability, service is credited and average final compensation may be increased with cost-of-living adjustments (see item 10). On the date when service benefits reach a level of 59% of average final compensation, the disability benefit converts to a service retirement benefit based on service and average final compensation at that point.

9. Refund of Contributions:

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

Benefit: Member's accumulated contributions with interest.

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

All service and disability retirement (and survivor) benefits payable to (or in relation to) benefit recipients who were employed by a PLD that elected a plan which provides for a COLA are adjusted each year that there is a percentage change in the Consumer Price Index, based on the Index. Cost-of-living adjustments are effective September 1 and are applied to all benefits which have been in payment for six months. The maximum annual increase or decrease is 4%.

11. Methods of Payment of Service Retirement Benefits:

At retirement, a member must choose one of the following methods of payment.

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

APPENDIX C
SUMMARY OF PLAN PROVISIONS

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

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

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

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

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

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

Option 8: Option 4 with pop-up*.

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

**APPENDIX D
ACTUARIAL ASSUMPTIONS AND METHODS**

A. Actuarial Assumptions

1. **Annual Rate of Investment Return:** 7.75%
2. **Cost-of-Living Increases in Benefits:**
3.75% (Where Applicable)
3. **Rates of Termination at Selected Ages*:**

Age	Regular	Special
25	19.5%	7.5%
30	12.5	7.5
35	10.0	4.2
40	7.5	3.2
45	5.3	2.2
50	3.6	2.0
55	2.3	2.0

* Members with five or more years of service are assumed to elect deferred vested benefits; other terminations are assumed to elect refunds.

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

Age	Male	Female
25	7	3
30	9	4
35	9	5
40	12	8
45	17	10
50	28	15
55	48	25
60	86	48
65	156	93
70	255	148

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

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

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

**APPENDIX D
 ACTUARIAL ASSUMPTIONS AND METHODS**

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

Regular Plans

Age	Assumption
45	100
50	150
55	250
60	400
65	250
70	1,000

Special Plans

50% of those eligible to retire in each year.

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

Age	Regular Plan	Special Plan
25	6	13
30	6	13
35	7	14
40	11	18
45	22	29
50	42	49
55	72	79

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

8. Family Composition Assumptions:

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

9. Salary Growth Assumption:

Rates of Increases at Selected Ages	
Age	Increase
25	9.0%
30	7.5
35	5.5
40	5.5
45	5.0
50	4.5
55	4.5
60	4.5

10. Assumption Changes Since Last Valuation

None.

APPENDIX D
ACTUARIAL ASSUMPTIONS AND METHODS

B. Actuarial Methods

1. Funding Method:

The Entry Age Normal method is used to determine costs. Under this funding method, the total employer contribution rate is determined which consists of two elements, the normal cost rate and the pooled unfunded actuarial liability (PUAL) rate. The actual contribution for a given PLD will include an IUUAL payment as well, unless the PLD came into the Plan with surplus assets or has paid off its IUUAL.

For each Regular and Special Plan, a normal cost rate is determined for the average new entrant. This rate is determined by taking the value, as of age at entry into the Plan, of the member's projected future benefits, reducing it by the value of future member contributions, and dividing it by the value, also as of the member's entry age, of the member's expected future salary.

In addition to normal cost contributions calculated per Plan, the employers in each Plan are required to make contributions to fund that plan's PUAL, if any. The actuarial liability is defined as the present value of future benefits less the present value of future normal costs, less future member contributions, and less expected IUUAL payments. The PUAL is the total of the actuarial liability for all members less the actuarial value of the Plan's assets. The actuarial liability includes projections of future member pay increases and future service credits.

The Initial Unpooled Unfunded Actuarial Liability (IUUAL) was calculated at entry into the Consolidated Plan for each PLD. For PLDs with liabilities greater than assets, these amounts are amortized by annual payments over a fixed number of years. Additional unpooled unfunded liability amounts that arise for a given PLD after its entry to the Consolidated Plan are amortized over a period of not more than 15 years.

2. Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swings in market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is in excess of the 7.75% actuarial assumption for investment return.