

**State of Maine - State Employees**

**Exhibit 1: Schedule of Changes in Net OPEB Liability**

(All dollar amounts are in thousands)

	Discount Rate	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
<b>June 30, 2017</b>	<b>6.75%</b>	<b>\$ 1,175,459</b>	<b>\$ 233,596</b>	<b>\$ 941,863</b>
Service Cost		16,917		16,917
Interest Cost		77,876		77,876
Changes In Benefit Terms		-		-
Changes In Assumptions - Discount Rate		-		-
Changes In Assumptions - Others		-		-
Differences Between Expected And Actual Experience		7,872		7,872
Benefit Payments				
Explicit Subsidy	\$ (58,347)			
Implicit Subsidy	\$ (20,265)			
Total		(78,612)	(78,612)	-
Contributions - Employer and Nonemployer Contributing Entities				
Employer	\$ 60,347			
Implicit Subsidy	\$ 20,265			
Total			80,612	(80,612)
Contributions - Employee			-	-
Contributions - Retiree			-	-
Administrative Expenses			(6)	6
Net Investment Income				
Expected Investment Earnings	\$ 15,834			
Differences Between Projected And Actual Investment Earnings	\$ 5,436			
Total			21,270	(21,270)
Net Change		\$ 24,053	\$ 23,264	\$ 789
<b>June 30, 2018</b>	<b>6.75%</b>	<b>\$ 1,199,512</b>	<b>\$ 256,860</b>	<b>\$ 942,652</b>
			<b>June 30, 2018</b>	<b>June 30, 2017</b>
Plan Fiduciary Net Position As A Percentage Of Total OPEB Liability			21.4%	19.9%
Covered Payroll			\$ 591,521	\$ 582,934
Net OPEB Liability As A Percentage Of Covered Payroll			159.4%	161.6%
<b>Sensitivity of Net OPEB Liability to changes in Discount Rate</b>			<b>June 30, 2018</b>	<b>% Change</b>
A one percentage point change in discount rate would have the following effect on Total OPEB Liability at June 30, 2018:				
One Percentage Increase (7.75%)			\$ (117,271)	-10%
One Percentage Decrease (5.75%)			\$ 140,548	12%
Net OPEB Liability at a one percentage point change in discount rate as of June 30, 2018 is as follows:				<b>Net OPEB Liability</b>
One Percentage Increase (7.75%)				\$ 825,381
One Percentage Decrease (5.75%)				\$ 1,083,200
<b>Sensitivity of Net OPEB Liability to changes in Trend Rate</b>			<b>June 30, 2018</b>	<b>% Change</b>
A 1 percentage point change in trend rate would have the following effect at June 30, 2018:				
1 Percentage Increase (7.40% grading down to 5.29%)			\$ 162,529	14%
1 Percentage Decrease (5.40% grading down to 3.29%)			\$ (134,296)	-11%
Net OPEB Liability at a one percentage point change in trend rate as of June 30, 2018 is as follows:				<b>Net OPEB Liability</b>
1 Percentage Increase (7.40% grading down to 5.29%)				\$ 1,105,181
1 Percentage Decrease (5.40% grading down to 3.29%)				\$ 808,356
<b>Key Assumptions</b>			<b>June 30, 2018</b>	<b>June 30, 2017</b>
Discount Rate			6.75%	6.75%
Investment Rate of Return			6.75%	6.75%
Inflation			2.75%	2.75%
Initial Medical Trend Rate <sup>1,2</sup>			6.40%	6.60%
Ultimate Medical Trend Rate <sup>2</sup>			4.29%	4.29%
Year Ultimate Trend Rate Reached			2075	2075

<sup>1</sup> In order to reflect known 2018 premiums, non-Medicare increases were assumed to be 4.00% for 2017 and Medicare increases were assumed to be 0.00% for 2017.

<sup>2</sup> Trend is limited to no more than inflation + 3% in any given year.

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**Exhibit 2: Development of OPEB Expense for Year Ended 06/30/2018**

(All dollar amounts are in thousands)

<b>Components of OPEB Expense</b>	<b>Year Ended 06/30/2018</b>
Service Cost	\$ 16,917
Interest	77,876
Expected Investment Earnings	(15,834)
Contributions - Employee	0
Administrative Expenses	6
Changes In Benefit Terms	0
Recognition of Current Period Deferred Outflows and (Inflows)	
Changes in assumptions	0
Differences between expected and actual experience	1,526
Differences between expected and actual investment earnings	(1,087)
Recognition of Beginning Deferred Outflows	1,910
Recognition of Beginning Deferred Inflows	(2,561)
<b>OPEB Expense</b>	<b>\$ 78,753</b>
<b>Assumptions Used to Determine OPEB Expense</b>	<b>Year Ended 06/30/2018</b>
Discount Rate as of Beginning of Year	6.75%
Investment Rate of Return	6.75%
Inflation	2.75%
Initial Medical Trend Rate <sup>1,2</sup>	6.60%
Ultimate Medical Trend Rate <sup>2</sup>	4.29%
Year Ultimate Trend Rate Reached	2075

<sup>1</sup> In order to reflect known 2018 premiums, non-Medicare increases were assumed to be 4.00% for 2017 and Medicare increases were assumed to be 0.00% for 2017.

<sup>2</sup> Trend is limited to no more than inflation + 3% in any given year.

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**Exhibit 3: Schedule of Outflows/(Inflows) <sup>1</sup>**

(All dollar amounts are in thousands)

Measurement Date Established	Initial Amount	Deferred Outflows of Resources as of 06/30/2018	Deferred (Inflows) of Resources as of 06/30/2018 <sup>2</sup>	Initial Years	Remaining Years	Outflows/(Inflows) Recognized in Year Ended 06/30/2018
<b>Changes In Assumptions</b>						
06/30/2017	\$ -	\$ -	\$ -	-	-	\$ -
06/30/2018	\$ -	\$ -	\$ -	-	-	\$ -
Total		\$ -	\$ -			\$ -
<b>Differences Between Expected And Actual Plan Experience</b>						
06/30/2017	\$ 9,854	\$ 6,034	\$ -	5.16	3.16	\$ 1,910
06/30/2018	\$ 7,872	\$ 6,346	\$ -	5.16	4.16	\$ 1,526
Total		\$ 12,380	\$ -			\$ 3,436
<b>Net Difference Between Projected And Actual Earnings On Investments</b>						
06/30/2017	\$ (12,806)	\$ -	\$ (7,684)	5.00	3.00	\$ (2,561)
06/30/2018	\$ (5,436)	\$ -	\$ (4,349)	5.00	4.00	\$ (1,087)
Total		\$ -	\$ (12,033)			\$ (3,648)
<b>Balance as of 06/30/2018</b>		<b>\$ 12,380</b>	<b>\$ (12,033)</b>			<b>\$ (212)</b>
<b>Deferred Outflows And Deferred (Inflows) Of Resources Will Be Recognized In Expense As Follows:</b>						
<b>Year Ending:</b>						<b>Outflows/(Inflows)</b>
06/30/2019						\$ (212)
06/30/2020						(212)
06/30/2021						(213)
06/30/2022						742
06/30/2023						242
Thereafter						-

<sup>1</sup> There will also be a Deferred Outflow for Contributions Made after the Measurement Date (\$70,624 estimated for fiscal year ending 6/30/2019).

<sup>2</sup> Deferred (Inflows) should be disclosed as positive numbers in the CAFR.

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**Exhibit 4: 10-Year Schedule of Net OPEB Liability**

*(All dollar amounts are in thousands)*

<b>Year Ended</b>	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (c)</b>	<b>Plan Fiduciary Net Position As A Percentage Of Total OPEB Liability (d)</b>	<b>Covered Payroll (e)</b>	<b>Net OPEB Liability As A Percentage Of Covered Payroll (f)</b>
June 30, 2016	\$1,147,800	\$203,088	\$944,712	17.7%	\$574,663	164.4%
June 30, 2017	\$1,175,459	\$233,596	\$941,863	19.9%	\$582,934	161.6%
June 30, 2018	\$1,199,512	\$256,860	\$942,652	21.4%	\$591,521	159.4%

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**Exhibit 5: 10-Year Schedule of Employer Contributions**

(All dollar amounts are in thousands)

<b>Year Ended</b>	<b>Actuarially Determined Contributions<sup>1</sup></b> <b>(a)</b>	<b>Contributions in Relation to Actuarially Determined Contributions</b> <b>(b)</b>	<b>Contribution Deficiency (Excess)</b> <b>(c)</b>	<b>Covered Payroll</b> <b>(d)</b>	<b>Contributions as a Percentage of Covered Payroll</b> <b>(e)</b>
			(a)-(b)		(b)/(d)
June 30, 2016	\$88,000	\$67,142	\$20,858	\$574,663	11.7%
June 30, 2017	\$69,000	\$78,746	(\$9,746)	\$582,934	13.5%
June 30, 2018	\$71,179	\$80,612	(\$9,433)	\$591,521	13.6%

<sup>1</sup> Actuarially Determined Contributions for year ended June 30, 2016 and June 30, 2017 were calculated by the prior plan actuary.