

## 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, 2018</b>	<b>6.75%</b>	<b>\$ 1,199,512</b>	<b>\$ 256,860</b>	<b>\$ 942,652</b>
Service Cost		17,425		17,425
Interest Cost		79,128		79,128
Changes In Benefit Terms		-		-
Changes In Assumptions - Discount Rate		-		-
Changes In Assumptions - Others		517		517
Differences Between Expected And Actual Experience		(51,593)		(51,593)
Benefit Payments				
Explicit Subsidy	\$ (70,524)			
Implicit Subsidy	\$ (20,305)			
Total		(90,829)	(90,829)	-
Contributions - Employer and Nonemployer Contributing Entities				
Employer	\$ 72,524			
Implicit Subsidy	\$ 20,305			
Total			92,829	(92,829)
Contributions - Employee			-	-
Contributions - Retiree			-	-
Administrative Expenses			(3)	3
Net Investment Income				
Expected Investment Earnings	\$ 17,338			
Differences Between Projected And Actual Investment Earnings	\$ 1,508			
Total			18,846	(18,846)
Net Change		\$ (45,352)	\$ 20,843	\$ (66,195)
<b>June 30, 2019</b>	<b>6.75%</b>	<b>\$ 1,154,160</b>	<b>\$ 277,703</b>	<b>\$ 876,457</b>
			<b>June 30, 2019</b>	<b>June 30, 2018</b>
Plan Fiduciary Net Position As A Percentage Of Total OPEB Liability			24.1%	21.4%
Covered Payroll			\$ 626,384	\$ 591,521
Net OPEB Liability As A Percentage Of Covered Payroll			139.9%	159.4%
<b>Sensitivity of Net OPEB Liability to changes in Discount Rate</b>			<b>June 30, 2019</b>	<b>% Change</b>
A one percentage point change in discount rate would have the following effect on Total OPEB Liability at June 30, 2019:				
One Percentage Increase (7.75%)			\$ (114,519)	-10%
One Percentage Decrease (5.75%)			\$ 137,642	12%
Net OPEB Liability at a one percentage point change in discount rate as of June 30, 2019 is as follows:				<b>Net OPEB Liability</b>
One Percentage Increase (7.75%)				\$ 761,938
One Percentage Decrease (5.75%)				\$ 1,014,099
<b>Sensitivity of Net OPEB Liability to changes in Trend Rate</b>			<b>June 30, 2019</b>	<b>% Change</b>
A one percentage point change in trend rate would have the following effect on Total OPEB Liability at June 30, 2019:				
One Percentage Increase (7.20% grading down to 5.29%)			\$ 158,766	14%
One Percentage Decrease (5.20% grading down to 3.29%)			\$ (130,753)	-11%
Net OPEB Liability at a one percentage point change in trend rate as of June 30, 2019 is as follows:				<b>Net OPEB Liability</b>
One Percentage Increase (7.20% grading down to 5.29%)				\$ 1,035,223
One Percentage Decrease (5.20% grading down to 3.29%)				\$ 745,704
<b>Key Assumptions</b>			<b>June 30, 2019</b>	<b>June 30, 2018</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>			6.20%	6.40%
Ultimate Medical Trend Rate <sup>1</sup>			4.29%	4.29%
Year Ultimate Trend Rate Reached			2075	2075

<sup>1</sup> Trend is limited to no more than inflation + 3% in any given year.

<sup>2</sup> Adjusted to reflect known premium increases from July 1, 2019 to July 1, 2020.

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**Exhibit 2: Development of OPEB Expense for Year Ended 06/30/2019**

(All dollar amounts are in thousands)

<b>Components of OPEB Expense</b>	<b>Year Ended 06/30/2019</b>
Service Cost	\$ 17,425
Interest	79,128
Expected Investment Earnings	(17,338)
Contributions - Employee	-
Administrative Expenses	3
Changes In Benefit Terms	-
Recognition of Current Period Deferred Outflows and (Inflows)	
Changes in assumptions	100
Differences between expected and actual experience	(9,999)
Differences between expected and actual investment earnings	(302)
Recognition of Beginning Deferred Outflows	3,436
Recognition of Beginning Deferred Inflows	(3,648)
<b>OPEB Expense</b>	<b>\$ 68,805</b>
<b>Assumptions Used to Determine OPEB Expense</b>	<b>Year Ended 06/30/2019</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</sup>	6.40%
Ultimate Medical Trend Rate <sup>1</sup>	4.29%
Year Ultimate Trend Rate Reached	2075

<sup>1</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		Initial Years	Remaining Years	Outflows/(Inflows) Recognized in Year Ended 06/30/2019
		Outflows of Resources as of 06/30/2019	Deferred (Inflows) of Resources as of 06/30/2019 <sup>2</sup>			
Changes In Assumptions						
06/30/2017	\$ -	\$ -	\$ -	-	-	\$ -
06/30/2018	\$ -	\$ -	\$ -	-	-	\$ -
06/30/2019	\$ 517	\$ 417	\$ -	5.16	4.16	\$ 100
Total		\$ 417	\$ -			\$ 100
Differences Between Expected And Actual Plan Experience						
06/30/2017	\$ 9,854	\$ 4,124	\$ -	5.16	2.16	\$ 1,910
06/30/2018	\$ 7,872	\$ 4,820	\$ -	5.16	3.16	\$ 1,526
06/30/2019	\$ (51,593)	\$ -	\$ (41,594)	5.16	4.16	\$ (9,999)
Total		\$ 8,944	\$ (41,594)			\$ (6,563)
Net Difference Between Projected And Actual Earnings On Investments						
06/30/2017	\$ (12,806)	\$ -	\$ (5,123)	5.00	2.00	\$ (2,561)
06/30/2018	\$ (5,436)	\$ -	\$ (3,262)	5.00	3.00	\$ (1,087)
06/30/2019	\$ (1,508)	\$ -	\$ (1,206)	5.00	4.00	\$ (302)
Total		\$ -	\$ (9,591)			\$ (3,950)
<b>Balance as of 06/30/2019</b>		<b>\$ 9,361</b>	<b>\$ (51,185)</b>			<b>\$ (10,413)</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>
06/30/2020					\$	(10,413)
06/30/2021						(10,414)
06/30/2022						(9,459)
06/30/2023						(9,957)
06/30/2024						(1,581)
Thereafter						0

<sup>1</sup> There will also be a Deferred Outflow for Contributions Made after the Measurement Date (\$88,618 for fiscal year ending 6/30/2020).

<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>
			(a)-(b)	(b)/(a)		(c)/(e)
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%
June 30, 2019	\$1,154,160	\$277,703	\$876,457	24.1%	\$626,384	139.9%

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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%
June 30, 2019	\$71,363	\$92,829	(\$21,466)	\$626,384	14.8%

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