



State of Maine Teachers Retiree Healthcare Plan **Actuarial Valuation Report**

June 30, 2021

Prepared by Deloitte Consulting LLP

September 2022

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Actuarial Valuation Opinion

This report presents results of the actuarial valuation of the "Other" Post-Employment Benefits ("OPEB") provided under the State of Maine Retiree Healthcare Plan for Teachers ("Teachers Plan" or "Plan") as of June 30, 2021. In our opinion, this report is complete and accurate and represents fairly the actuarial position of the Plan for the purposes stated herein.

The State of Maine provided the participant data, financial information, and plan descriptions as of June 30, 2021 to be used as the basis of this valuation. The actuary has analyzed the data and other information provided for reasonableness but has not independently audited the data or other information provided. The actuary has no reason to believe the data or other information provided is not complete and accurate and knows of no further information that is essential to the preparation of the actuarial valuation.

In our opinion, all costs, liabilities, rates of interest, and other factors underlying these actuarial computations have been determined on the basis of actuarial assumptions and methods that are each reasonable (or consistent with authoritative guidance) for the purposes herein taking into account the experience of the Plan and future expectations.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operations of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Our scope for this actuarial valuation did not include analyzing the potential range of such future measurements, and we did not perform that analysis.

The undersigned with actuarial credentials collectively meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

This report was prepared solely for the benefit and internal use of the plan sponsor. This report is not intended for the benefit of any other party and may not be relied upon by any third party for any purpose, and Deloitte Consulting accepts no responsibility or liability with respect to any party other than the plan sponsor.

To the best of our knowledge, no employee of the Deloitte U.S. Firms is an officer or director of the employer. In addition, we are not aware of any relationship between the Deloitte U.S. Firms and the employer that may impair or appear to impair the objectivity of the work detailed in this report.


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Background and Comments

Governmental Accounting Requirements and Report Purpose

The Governmental Accounting Standards Board released the Statement of Governmental Accounting Standard No. 75 in June 2015. GASB No. 75 requires employers and non-employer contributing entities to accrue the cost of post-employment benefits other than pensions (“OPEB”) while eligible employees are providing services to the employer. The State of Maine is a non-employer contributing entity with respect to certain OPEB benefits provided to eligible teachers, as described in this report. The State of Maine adopted GASB No. 75 for the June 30, 2018 Reporting Date (using a Measurement Date of June 30, 2017).

The purpose of this actuarial valuation report is to provide information that will serve as the basis for the State of Maine’s employer financial reporting. The information provided herein will be used for the Reporting Dates for fiscal years ending June 30, 2022 and June 30, 2023 (for GASB No. 75 the State of Maine has elected to use a measurement date as of the end of the prior fiscal year). GASB No. 75 disclosures will be provided under separate cover.

Overview of Plan

The State of Maine provides a Retiree Healthcare Plan (“Plan”) for Teachers. To be eligible for reimbursement from the State, a retiree must be receiving a retirement benefit from the Maine Public Employees Retirement System (“MainePERS”). For teachers retiring after July 1, 2012 the reimbursement from the State shall begin when the retiree reaches normal retirement age with at least one year of service under MainePERS; normal retirement age defined as:

Tier 1 - Be at least 60 years of age; with at least 10 years of service on 7/1/1993

Tier 2 - Be at least 62 years of age; with less than 10 years of service on 7/1/1993 or hired on/after 7/1/1993 but had 5 years of service on 7/1/2011

Tier 3 - Be at least 65 years of age; with less than 5 years of service on 7/1/2011 or hired on/after 7/1/2011

Normal retirement eligibility occurs upon attainment of 25 years of service, if earlier.

State of Maine Contributions

- 55% of the retiree medical premium based on:
 - Single rate for single and employee + child(ren) coverage
 - 50% of 2-party rate for 2-party and family coverage

Retirees pay the remaining portion of the retiree-only premium and/or the full additional premium for spouse and family coverage. There is no benefit for surviving spouses.

The State of Maine contribution increased from 45% to 55% effective after June 30, 2021. The substantive plan benefits are described in Section 7 – Summary of Substantive Plan Provisions of this report.

Implicit Rate Subsidy

GASB No. 75 requires that employers/non-employer contributing entities recognize the Implicit Rate Subsidy that exists in many postretirement medical plans provided by governmental employers. The Implicit Rate Subsidy refers to the concept that retirees under the age of 65 (i.e., not eligible for Medicare) generate higher claims on average than active participants.

Background and Comments (Cont.)

When a medical plan is self-insured through a third-party administrator or fully insured, a premium is usually determined by analyzing the claims of the entire population in that plan and adjusting for administrative costs. The resulting premium is called a blended premium because it blends the claims of active and retired participants. Since individuals generally have more and higher claims as they get older, the blended premium paid for retirees is lower than their expected claims. Another way of considering this is that if the retirees were removed from the plan, the premium for the active group would be lower; therefore, the retirees' premiums are being subsidized by the active group. Since the employer generally pays a large portion or all of the premiums for the active group, this subsidy creates a liability for the employer. The difference between the expected claims for the retiree group and the blended premium is called the Implicit Rate Subsidy.

The State of Maine has confirmed that it is not responsible for the implicit rate subsidy for the participants in this plan given that the State contributes only a specified explicit subsidy for participants to cover a portion of the blended premium and provides no contributions for active employee health insurance premiums.

It is our understanding that the implicit rate subsidy is the responsibility of each individual school district because each pays for a portion (or all) of their active employees' premiums and provide retirees access to postretirement medical coverage at a blended rate.

Health Care Reform

The Patient Protection and Affordable Care Act ("PPACA") was signed into law on March 23, 2010. The primary objective of the act is to increase the number of Americans with health insurance coverage. There are several provisions within PPACA with potentially significant short- and long-term cost implications for employers. The applicable provisions of PPACA were considered in this valuation. On December 18, 2015, the Consolidated Appropriations Act, 2016 became law. This legislation delayed the effective date of the high cost plan excise tax from 2018 to 2020 and made it tax deductible. On January 22, 2018, the Federal Register Printing Savings Act further delayed the effective date from 2020 to 2022. On December 20, 2019, the excise tax and the health insurance provider fee for calendar years beginning after December 31, 2020 were repealed.

The provisions of PPACA considered are as follows:

- Prohibiting lifetime and annual limits on the dollar value of coverage for "essential health benefits"
- Increasing the dependent child age limit to age 26
- Elimination of cost sharing for in-network preventive services
- Reflecting manufacturer discounts available to certain Medicare beneficiaries receiving applicable covered Part D drugs (mostly brand) while in the coverage gap
- Out-of-pocket limit includes both medical and Rx expenses

Background and Comments (Cont.)

Actuarial Methods and Assumptions

The actuarial methods and assumptions are described in Section 5 – Summary of Actuarial Methods & Assumptions of this report.

The majority of the Teachers covered under this plan are participants in the MainePERS State and Teacher Retirement Program. For this reason, several demographic assumptions are selected to be consistent with the most recently available active lives actuarial valuation of that plan.

Since the State's portion of the Teachers' postretirement medical plans are not being funded by assets in a separate trust, GASB No. 75 requires that the discount rate be based on the index rate as of the measurement date of a 20-year tax-exempt general obligation municipal bond index with an average rating of AA/Aa or higher. The State of Maine elected to determine the discount rate using the Bond Buyer 20-Bond General Obligation Index. The discount rate was 2.16% as of the measurement date, June 30, 2021 (3.50% as of June 30, 2019).

Pre-65 claim costs are developed using current premiums without any age-adjustments because the individual school districts – not the State of Maine – are responsible for the implicit subsidy. Costs for retirees enrolled in the Medicare Advantage plan are developed using current premiums, without any age-adjustments, because the Medicare Advantage risk-adjusted federal subsidy is intended to eliminate any cost differences due to age. We note that the current pre-65 premiums increased less than expected and the Medicare Advantage premiums decreased.

For the June 30, 2021 valuation, the valuation was based on the same plan provisions and actuarial methods and assumptions as the previous valuation with the exception of the following:

- The discount rate assumption was updated to 2.16%;
- The Medicare Advantage claims costs are no longer age-graded;
- The following assumptions were updated to be consistent with the June 30, 2021 MainePERS valuation reports, which are based on the experience study released in June 2021:
 - Salary increase
 - Termination
 - Retirement
 - Disability
 - Mortality (base table and longevity improvement)
 - The headcount-weighted base tables were selected by the State of Maine rather than the benefits-weighted base tables used for MainePERS
- Healthcare cost trend rates were updated based on industry observations, an update to the most current SOA-Getzen model, and an adjustment to short-term trend rates to estimate the impact of the current general inflation environment;
- Per statute, the State of Maine's retiree medical premium subsidy increased from 45% to 55% after June 30, 2021.

The effect of these changes on the Actuarial Accrued Liability is summarized in Section 2 – Actuarial Experience of the report. The actuarial methods and assumptions are described in more detail later in this report.

Valuation Results

Section 1 – Summary of Actuarial Valuation Results

Presented below are the current and prior actuarial valuation results for the Teachers Plan. All information is provided as of the valuation date shown. Dollar amounts are in thousands.

	Valuation Date	
	June 30, 2021	June 30, 2019
1. Actuarial Accrued Liability	\$1,789,794	\$1,441,260
2. Actuarial Value of Assets	-	-
3. Unfunded Actuarial Accrued Liability (UAAL) (1) - (2)	\$1,789,794	\$1,441,260
4. Funded ratio (2 / 1)	0.00%	0.00%
5. UAAL as a percentage of covered payroll (3 / 8b)	126.54%	114.32%
6. Normal Cost	\$66,336	\$44,132
7. Discount Rate	2.16%	3.50%
8. Census Data Used		
a. Count of Covered Participants		
Actives	27,346	27,236
Terminated Vested - Eligible for Participation	559	533
Retirees	10,513	10,292
Total	38,418	38,061
b. Covered Payroll	\$1,414,447	\$1,260,742
9. Expected Benefit Payments	\$32,951	\$30,301

Section 2 – Actuarial Experience

Actuarial gains and losses arise from experience different from that assumed, changes in actuarial assumptions and methods, and changes in plan provisions. The following summarizes the changes in the Actuarial Accrued Liability due to these sources from June 30, 2019 to June 30, 2021. Dollar amounts are in thousands.

1. Actuarial Accrued Liability as of June 30, 2019		\$1,441,260
2. Normal Cost for year ending June 30, 2020		44,132
3. Actual Benefit Payments for the year ending June 30, 2020		(31,133)
4. Interest at 3.50% on (1), (2) and (3)		51,449
5. Expected Actuarial Accrued Liability as of June 30, 2020 (1) + (2) + (3) + (4)		<u>\$1,505,708</u>
6. Normal Cost for year ending June 30, 2021		\$45,456
7. Actual Benefit Payments for the year ending June 30, 2021		(28,719)
8. Interest at 3.50% on (5), (6) and (7)		53,792
9. Expected Actuarial Accrued Liability as of June 30, 2021 (5) + (6) + (7) + (8)		<u>\$1,576,237</u>
10. (Gain)/Loss		
i. Demographic and Premium Experience	(367,126)	
ii. Change in Other Assumptions	(43,860)	
iii. Change in Discount Rate	299,126	
iv. Plan Change - Increase in Premium Subsidy	325,417	
v. Total (Gain)/Loss		<u>213,557</u>
11. Actual Actuarial Accrued Liability as of June 30, 2021 (9) + (10)(v)		<u>\$1,789,794</u>

Section 3 – Development of Unfunded Actuarial Accrued Liability

Presented below is the development of the Unfunded Actuarial Accrued Liability as of June 30, 2021, which is the Actuarial Accrued Liability minus the Actuarial Value of Assets. The Actuarial Accrued Liability is the portion of the Present Value of Future Benefits accrued to date. The Present Value of Future Normal Costs represents the portion of the Present Value of Future Benefits expected to accrue in the future, based on the current population. Dollar amounts are in thousands.

1. Present Value of Future Benefits	
Actives	\$2,031,434
Terminated Vested	45,628
Retirees and Beneficiaries	656,672
Total	<u>\$2,733,734</u>
2. Present Value of Future Normal Costs	\$943,940
3. Actuarial Accrued Liability	
Actives	\$1,087,494
Terminated Vested	45,628
Retirees and Beneficiaries	656,672
Total	<u>\$1,789,794</u>
4. Actuarial Value of Assets	-
5. Unfunded Actuarial Accrued Liability (3) - (4)	\$1,789,794

Section 4 – 10-Year Projection of Employer Benefit Payments

Presented below are the projected employer benefit payments for the next ten years based on the current plan design. These projected benefit payments are based on actuarial assumptions shown in Section 5 - Summary of Actuarial Methods & Assumptions. If actual experience differs from that expected by the actuarial assumptions, the actual employer benefit payments will vary from those presented below. Dollar amounts are in thousands.

Year Ending	Amount
6/30/2022	\$32,951
6/30/2023	35,747
6/30/2024	39,092
6/30/2025	42,265
6/30/2026	45,231
6/30/2027	48,349
6/30/2028	51,360
6/30/2029	54,510
6/30/2030	57,669
6/30/2031	61,057

Basis for the Valuation

Section 5 – Summary of Actuarial Methods & Assumptions

Actuarial Cost Method

The Actuarial Cost Method used in this valuation to determine the Actuarial Accrued Liability was the Entry Age Normal Percent of Pay method.

This method is one of the family of projected benefit cost methods. An estimate of the projected monthly benefit payable at retirement is initially required to determine costs and liabilities under this method.

The Normal Cost is the sum of the annual contributions required for each participant from his entry date to his assumed retirement date so that the accumulated contribution at retirement is equal to the liability for the projected benefit. The projected benefits are based on estimates of future years of service. The normal cost is developed as a level percentage of pay.

The Present Value of Future Benefits is equal to the value of the projected benefit payable at retirement discounted back to the participant's current age. Discounts include such items as interest and mortality. The Present Value of Future Normal Costs is equal to the discounted value of the normal costs payable from the member's current age to retirement age.

The difference between the Present Value of Future Benefits and the Present Value of Future Normal Costs represents the actuarial liability at the participant's current age.

The Actuarial Accrued Liability for participants currently receiving benefits and terminated vested participants is calculated as the actuarial present value of future benefits expected to be paid. No normal cost is payable for these participants.

This Actuarial Cost Method is required by GASB No. 75.

Funding Policy

The State is currently funding the Plan on a pay-as-you-go basis. It is our understanding the State intends to establish a trust for this plan and will put a funding policy into place at that time.

Financial and Census Data

The State of Maine provided the participant data, financial information and plan descriptions used in this valuation. The actuary has checked the data for reasonableness, but has not independently audited the data. The actuary has no reason to believe the data is not complete and accurate, and knows of no further information that is essential to the preparation of the actuarial valuation.

Plan Fiduciary Net Position

There are currently no plan assets held in a irrevocable trust or equivalent arrangement.

Section 5 – Summary of Actuarial Methods & Assumptions (Cont.)

Census Date

June 30, 2021

Measurement Date

June 30, 2021

Method Changes Since Prior Valuation

None.

Section 5 – Summary of Actuarial Methods & Assumptions (Cont.)

Discount Rate	2.16%														
Healthy Mortality	<p>Rates for Teachers are based on the 2010 Public Plan Teacher Headcount-Weighted Employee and Healthy Retiree Mortality Tables and MP-2020 Mortality Improvement Scale with the following adjustments:</p> <ul style="list-style-type: none"> • Adjustment of 93.1% for males and 91.9% for females applied to the base Employee mortality rates • Adjustment of 98.1% for males before the age of 85 and 87.5% for females before the age of 80 applied to the base Healthy Retiree mortality rates • Adjustment of 106.4% for males on and after age 85 and 122.3% for females on and after age 80 applied to the base Healthy Retiree mortality rates • MP-2020 Mortality Improvement Scale adjusted to use an ultimate rate of 1.00% for ages 20-80, grading down to 0.05% at age 95, grading down to an ultimate rate of 0.00% at age 115, and convergence to the ultimate rate in the year 2027. 														
Disabled Mortality	<p>Rates are based on the 2010 Public Plan Non-Safety Headcount-Weighted Disabled Retiree Mortality Table and MP-2020 Mortality Improvement Scale with the following adjustments:</p> <ul style="list-style-type: none"> • Adjustment of 94.2% for males and 123.8% for females applied to the base Disabled Retiree mortality rates • MP-2020 Mortality Improvement Scale adjusted to use an ultimate rate of 1.00% for ages 20-80, grading down to 0.05% at age 95, grading down to an ultimate rate of 0.00% at age 115, and convergence to the ultimate rate in the year 2027. 														
Termination	<p>Sample Rates of Termination at Selected Years of Service:</p> <table style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Service</th> <th style="text-align: left;">Rate</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>26.0%</td> </tr> <tr> <td>5</td> <td>9.0%</td> </tr> <tr> <td>10</td> <td>5.5%</td> </tr> <tr> <td>15</td> <td>3.5%</td> </tr> <tr> <td>20</td> <td>3.0%</td> </tr> <tr> <td>25</td> <td>3.0%</td> </tr> </tbody> </table>	Service	Rate	0	26.0%	5	9.0%	10	5.5%	15	3.5%	20	3.0%	25	3.0%
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Section 5 – Summary of Actuarial Methods & Assumptions (Cont.)

Retirement	<p>Sample Rates of Retirement at Selected Ages (see Section 7 for Tier eligibility):</p> <table border="1"> <thead> <tr> <th>Age</th> <th>Tier 1</th> <th>Tier 2</th> <th>Tier 3</th> </tr> </thead> <tbody> <tr><td>57</td><td>4.0%</td><td>3.5%</td><td>N/A</td></tr> <tr><td>59</td><td>20.0%</td><td>4.5%</td><td>N/A</td></tr> <tr><td>60</td><td>27.5%</td><td>8.0%</td><td>2.0%</td></tr> <tr><td>61</td><td>21.0%</td><td>24.0%</td><td>2.0%</td></tr> <tr><td>62</td><td>23.0%</td><td>22.0%</td><td>5.0%</td></tr> <tr><td>63</td><td>22.0%</td><td>18.0%</td><td>8.0%</td></tr> <tr><td>64</td><td>28.0%</td><td>22.0%</td><td>20.0%</td></tr> <tr><td>65</td><td>34.0%</td><td>30.0%</td><td>30.0%</td></tr> <tr><td>70</td><td>30.0%</td><td>20.0%</td><td>30.0%</td></tr> <tr><td>75</td><td>40.0%</td><td>20.0%</td><td>30.0%</td></tr> <tr><td>80</td><td>100.0%</td><td>100.0%</td><td>100.0%</td></tr> </tbody> </table>	Age	Tier 1	Tier 2	Tier 3	57	4.0%	3.5%	N/A	59	20.0%	4.5%	N/A	60	27.5%	8.0%	2.0%	61	21.0%	24.0%	2.0%	62	23.0%	22.0%	5.0%	63	22.0%	18.0%	8.0%	64	28.0%	22.0%	20.0%	65	34.0%	30.0%	30.0%	70	30.0%	20.0%	30.0%	75	40.0%	20.0%	30.0%	80	100.0%	100.0%	100.0%
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Section 5 – Summary of Actuarial Methods & Assumptions (Cont.)

Healthcare Cost Increases

Medical trend rates were developed using a combination of trend surveys and the SOA-Getzen trend rate model. Initial trend rates start at 6.00% in 2022 based on survey data and client market expectations. The SOA-Getzen model was then used to determine the trend rates beginning in year 2026 and thereafter based on reasonable macro-economic assumptions for the growth of health care expenditures during this period relative to the general economy.

The short-term trend rates reflect an estimated impact of recent general inflation. CPI-U for the 12-month period ending in May 2022 was 8.5%. Based on historical information available regarding how general inflation impacts medical inflation, 60% of the increase in general inflation (over the long-term assumption of 2.75%) is assumed to be reflected in higher medical costs. Based on historical observations of CPI-U for medical care lagging general CPI-U, this increase is spread out over a two-year period starting in the fiscal year ending 2023.

Plan Year*	Rate	Plan Year*	Rate
2022	6.00%	2052	4.87%
2023	7.63%	2053	4.86%
2024	7.53%	2054	4.85%
2025	5.76%	2055	4.84%
2026	5.67%	2056	4.83%
2027	5.58%	2057	4.82%
2028	5.50%	2058	4.81%
2029	5.41%	2059	4.80%
2030	5.32%	2060	4.79%
2031 - 2037	5.23%	2061	4.78%
2038	5.13%	2062	4.77%
2039	5.09%	2063	4.77%
2040	5.06%	2064	4.76%
2041	5.04%	2065	4.75%
2042	5.01%	2066	4.69%
2043	4.99%	2067	4.63%
2044	4.98%	2068	4.57%
2045	4.96%	2069	4.51%
2046	4.94%	2070	4.46%
2047	4.93%	2071	4.40%
2048	4.92%	2072	4.35%
2049	4.90%	2073	4.29%
2050	4.89%	2074	4.24%
2051	4.88%	2075+	4.19%

*Year ending June 30

Section 5 – Summary of Actuarial Methods & Assumptions (Cont.)

Monthly Premiums	Actual premiums disclosed in Section 8 were used in the valuation for those receiving benefits. The premium information for certain participants prior to Medicare eligibility was not available and was therefore assumed to be equivalent to the Choice Plan for rate band 166 (highest rate band), with a State Share of \$592.63. The premium information for certain Medicare-eligible participants was not available and was therefore assumed to be equivalent to the Medicare Advantage Preferred plan, with a State Share of \$216.33.														
Salary Increases	<p>Sample rates below:</p> <table style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Service</th> <th style="text-align: left;">Rate</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>13.03%</td> </tr> <tr> <td>5</td> <td>5.83%</td> </tr> <tr> <td>10</td> <td>4.81%</td> </tr> <tr> <td>15</td> <td>4.29%</td> </tr> <tr> <td>20</td> <td>3.26%</td> </tr> <tr> <td>25+</td> <td>2.80%</td> </tr> </tbody> </table>	Service	Rate	0	13.03%	5	5.83%	10	4.81%	15	4.29%	20	3.26%	25+	2.80%
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20	3.26%														
25+	2.80%														
Inflation Rate	2.75% annually														
Aggregate Payroll Increases	3.00% annually														
Coverage Election	<p>75% of active participants currently with coverage continue coverage at retirement.</p> <p>33% of active participants who have currently waived coverage elect coverage at retirement.</p> <p>Same assumptions apply to vested terminated participants (based on coverage at termination, if available) who have maintained eligibility for coverage at retirement. For vested terminated participants with no coverage information at termination, we assume they have waived coverage.</p>														
Medical Plan at Retirement	<p>Pre-65 Participants: Current plan election, or most recent plan election if currently waived or terminated vested. If recent plan election information is not available, assumed to be the Choice Plus plan for rate band 166 (highest rate band).</p> <p>Post-65 Participants: Currently available Medicare plan.</p>														
Ineligible Teachers	<p>93.33% of all Teachers are assumed to be eligible to receive a State contribution at retirement.</p> <ul style="list-style-type: none"> • Ineligible Teachers assumed equal to 10% of all Teachers, with 1/3 of those assumed to receive State contribution at retirement. 														

Section 5 – Summary of Actuarial Methods & Assumptions (Cont.)

Model use	<p>Actuarial Standard of Practice No. 56 – Modeling requires disclosure of certain information regarding the actuary's use of models when issuing actuarial reports for work performed on or after October 1, 2020. For this valuation, the liability calculations were determined using industry-leading defined benefit valuation software developed and maintained by a third-party vendor. The model was designed specifically for the measurement of defined benefit pension and postretirement medical plan liabilities and the actuary has updated the applicable parameters for the specific plan provisions and assumptions selected for this valuation.</p> <p>The medical inflation trend rate assumptions were set using the Getzen Model of Long-Run Medical Cost Trends ("Getzen Model"), which adds transparency to the economic assumptions behind medical and prescription drug trends. The Getzen Model is an excel based projection of expected growth rates in medical premiums and expenditures from 2026 to 2101. Development of the model was sponsored by the Society of Actuaries ("SOA"), and it is used primarily in the estimation of reportable liabilities for retiree health benefits in accordance with FASB and GASB standards. It projects medical care cost increases and the health share of GDP for the next 80 years using linked formulas and assumptions developed by the author, Professor Thomas Getzen, with the assistance of a SOA project oversight group.</p>
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Section 6 – Rationale for Assumptions

Discount Rate	Because the State funds the retiree health benefits on a pay-as-you-go basis, GASB No. 75 prescribes that the discount rate be based on the index rate of a 20-year tax-exempt general obligation municipal bond index with an average rating of AA/Aa or higher as of the measurement date. The State elected to determine the discount rate using the Bond Buyer 20-Bond General Obligation Index.
Mortality, Termination, Retirement, Disability, and Salary Scale	<p>The assumptions used in the actuarial valuation are the same assumptions as the June 30, 2021 actuarial valuation for the MainePERS State and Teacher Retirement Program, with the exception of the base mortality rates..</p> <p>Headcount-weighted base mortality rates were used in this valuation rather than the associated Amount-weighted rates used in the MainePERS valuation. Headcount-weighted mortality rates are more appropriate for retiree medical benefits where the level of benefit is not dependent on employee salary.</p>
Healthcare Cost Increases	Rationale described in Section 5 – Summary of Actuarial Methods & Assumptions.
Monthly Premiums	For groups where premium information was unavailable, the premiums were set equivalent to the highest rate band for pre-65 participants and the Medicare Advantage Preferred plan for post-65 participants.
Inflation	Inflation is consistent with the assumption used in the June 30, 2021 MainePERS actuarial valuation.
Coverage Election	Based on recent experience of the plan.
Medical Plan at Retirement	Based on recent experience of the plan.
Ineligible Teachers	Based on recent experience of the plan.
Health Care Reform	Rationale described in Background and Comments section.

Section 7 – Summary of Substantive Plan Provisions

<p>Eligibility</p>	<p>Retire with a retirement benefit from the Maine Public Employees Retirement System (MainePERS). For teachers retiring after July 1, 2012 the reimbursement from the State shall begin when the retiree reaches normal retirement age with at least one year of service under MainePERS; normal retirement age defined as:</p> <p style="padding-left: 40px;">Tier 1 - Be at least 60 years of age; with at least 10 years of service on 7/1/1993.</p> <p style="padding-left: 40px;">Tier 2 - Be at least 62 years of age; with less than 10 years of service on 7/1/1993 or hired on/after 7/1/1993 but had 5 years of service on 7/1/2011.</p> <p style="padding-left: 40px;">Tier 3 - Be at least 65 years of age; with less than 5 years of service on 7/1/2011 or hired on/after 7/1/2011.</p> <p>Normal retirement eligibility occurs upon attainment of 25 years of service, if earlier.</p>
<p>Benefit</p>	<p>Subsidy of 55% of retiree medical premium based on:</p> <ul style="list-style-type: none"> • Single rate for single and employee + child(ren) coverage. • 50% of 2-party rate for 2-party and family coverage. <p>No State cash subsidy until retiree reaches normal retirement age.</p> <p>Disability retirement benefits are 100% vested and cash subsidy begins at disability retirement.</p>
<p>Surviving Spouse Benefit</p>	<p>None.</p>
<p>Dependent Benefits</p>	<p>No cash subsidy for spouse or dependents.</p> <p>Retiree must pay full cost to cover spouse and/or dependents.</p>
<p>Dental, Vision, Life</p>	<p>None.</p>
<p>Changes Since Last Valuation</p>	<p>Per statute, the State of Maine's retiree medical premium subsidy increased from 45% to 55% after June 30, 2021</p>

Section 7 – Summary of Substantive Plan Provisions (Cont.)

Medical Benefits	Plan participants under the Maine Municipal Employees Health Trust are covered by one of five medical plans: MEA Choice Plus, MEA Standard Plan, MEA Standard Plan \$500 Deductible, MEA Standard Plan \$1,000 Deductible, or MEA Medicare Advantage Preferred Plan (upon Medicare-eligibility).	
	MEA Choice Plus	
	Deductible Single/Family:	\$200/\$400 if authorized by PCP, \$250/\$500 if not authorized by PCP
	Coinsurance Limit:	\$1,000/\$2,000 authorized, \$2,250/\$4,500 not authorized
	Out-of-Pocket Limit Single/Family:	\$8,550/\$17,100 authorized, \$9,850/\$19,700 not authorized
	Physician Services:	\$15-\$25 copayment per visit authorized, 65% after deductible not authorized
	Hospital Services:	85% after deductible authorized, 65% after deductible not authorized
	Retail Prescription Drugs (30-day supply):	\$10 Tier 1a, \$15 Tier 1b, \$35 Tier 2, \$60 Tier 3, \$85 Tier 4 Specialty
	Mail Order Prescription Drugs (90-day supply):	\$20 Tier 1a, \$30 Tier 1b, \$70 Tier 2, \$120 Tier 3, Tier 4 Not Eligible for 90-day supply
	MEA Standard Plan	
	Deductible Single/Family:	\$200/\$400
	Coinsurance Limit:	\$1,000/\$2,000
	Out-of-Pocket Limit Single/Family:	\$8,550/\$17,100
	Physician Services:	\$15-\$25 copayment per visit in-network, 65% after deductible out-of-network
	Hospital Services:	85% after deductible in-network, 65% after deductible out-of-network
Retail Prescription Drugs (30-day supply):	\$10 Tier 1a, \$15 Tier 1b, \$35 Tier 2, \$60 Tier 3, \$85 Tier 4 Specialty	
Mail Order Prescription Drugs (90-day supply):	\$20 Tier 1a, \$30 Tier 1b, \$70 Tier 2, \$120 Tier 3, Tier 4 Not Eligible for 90-day supply	

Section 7 – Summary of Substantive Plan Provisions (Cont.)

Medical Benefits	MEA Standard Plan \$500 Deductible	
	Deductible Single/Family:	\$500/\$1,000
	Coinsurance Limit:	\$2,000/\$4,000
	Out-of-Pocket Limit Single/Family:	\$8,550/\$17,100
	Physician Services:	\$20-\$30 copayment per visit in-network, 60% after deductible out-of-network
	Hospital Services:	80% after deductible in-network, 60% after deductible out-of-network
	Retail Prescription Drugs (30-day supply):	\$10 Tier 1a, \$15 Tier 1b, \$35 Tier 2, \$60 Tier 3, \$85 Tier 4 Specialty
	Mail Order Prescription Drugs (90-day supply):	\$20 Tier 1a, \$30 Tier 1b, \$70 Tier 2, \$120 Tier 3, Tier 4 Not Eligible for 90-day supply
	MEA Standard Plan \$1,000 Deductible	
	Deductible Single/Family:	\$1,000/\$2,000
	Coinsurance Limit:	\$2,000/\$4,000
	Out-of-Pocket Limit Single/Family:	\$8,550/\$17,100
	Physician Services:	\$20-\$30 copayment per visit in-network, 60% after deductible out-of-network
	Hospital Services:	80% after deductible in-network, 60% after deductible out-of-network
	Retail Prescription Drugs (30-day supply):	\$10 Tier 1a, \$15 Tier 1b, \$35 Tier 2, \$60 Tier 3, \$85 Tier 4 Specialty
	Mail Order Prescription Drugs (90-day supply):	\$20 Tier 1a, \$30 Tier 1b, \$70 Tier 2, \$120 Tier 3, Tier 4 Not Eligible for 90-day supply
	MEA Medicare Advantage Preferred (PPO) Plan	
	Deductible Individual:	\$0
	Individual Coinsurance Limit:	\$0
	Physician Services:	\$0
	Hospital Services:	\$0
	Retail Prescription Drugs (30-day supply):	\$0 Tier 1a, \$10 Tier 1b, \$35 Tier 2, \$60 Tier 3, \$85 Tier 4 Specialty
	Mail Order Prescription Drugs (90-day supply):	\$0 Tier 1a, \$20 Tier 1b, \$70 Tier 2, \$120 Tier 3, \$85 Tier 4 Specialty

Section 8 – Monthly Premiums

Monthly Premiums

See Section 6 – Rationale for Assumptions for a description of the application of the monthly premiums disclosed below.

Active and Non-Medicare Eligible Retirees Monthly Premiums Effective July 1, 2021

Medical Plan	Coverage	Rate Band CR	Rate Band 16	Rate Band 22	Rate Band 24	Rate Band 36
% Relative to Rate Band 16		35.4%	0.0%	2.8%	3.8%	9.5%
CHOICE PLUS	Single	\$852.67	\$629.79	\$647.70	\$653.67	\$689.49
	2-Adult	\$1,921.71	\$1,419.44	\$1,459.80	\$1,473.26	\$1,553.98
STANDARD PLAN	Single	\$920.75	\$680.10	\$699.43	\$705.88	\$744.56
	2-Adult	\$2,075.48	\$1,532.99	\$1,576.58	\$1,591.11	\$1,678.30
STANDARD 500	Single	\$810.01	\$598.30	\$615.31	\$620.99	\$655.01
	2-Adult	\$1,825.64	\$1,348.47	\$1,386.81	\$1,399.60	\$1,476.29
STANDARD 1000	Single	\$772.52	\$570.60	\$586.82	\$592.23	\$624.68
	2-Adult	\$1,741.10	\$1,286.01	\$1,322.58	\$1,334.77	\$1,407.91

Medical Plan	Coverage	Rate Band 39	Rate Band 40	Rate Band 48	Rate Band 49	Rate Band 51
% Relative to Rate Band 16		10.9%	11.4%	15.2%	15.6%	16.6%
CHOICE PLUS	Single	\$698.44	\$701.43	\$725.31	\$728.29	\$734.26
	2-Adult	\$1,574.16	\$1,580.89	\$1,634.71	\$1,641.44	\$1,654.89
STANDARD PLAN	Single	\$754.23	\$757.45	\$783.24	\$786.46	\$792.91
	2-Adult	\$1,700.09	\$1,707.36	\$1,765.48	\$1,772.75	\$1,787.28
STANDARD 500	Single	\$663.52	\$666.35	\$689.04	\$691.87	\$697.55
	2-Adult	\$1,495.46	\$1,501.85	\$1,552.98	\$1,559.37	\$1,572.15
STANDARD 1000	Single	\$632.79	\$635.50	\$657.13	\$659.84	\$665.25
	2-Adult	\$1,426.19	\$1,432.29	\$1,481.05	\$1,487.14	\$1,499.33

Medical Plan	Coverage	Rate Band 55	Rate Band 56	Rate Band 57	Rate Band 58	Rate Band 59
% Relative to Rate Band 16		18.5%	19.0%	19.4%	19.9%	20.4%
CHOICE PLUS	Single	\$746.20	\$749.18	\$752.17	\$755.15	\$758.14
	2-Adult	\$1,681.80	\$1,688.53	\$1,695.25	\$1,701.98	\$1,708.71
STANDARD PLAN	Single	\$805.80	\$809.02	\$812.25	\$815.47	\$818.69
	2-Adult	\$1,816.34	\$1,823.60	\$1,830.87	\$1,838.13	\$1,845.40
STANDARD 500	Single	\$708.89	\$711.72	\$714.56	\$717.39	\$720.23
	2-Adult	\$1,597.71	\$1,604.10	\$1,610.49	\$1,616.89	\$1,623.28
STANDARD 1000	Single	\$676.06	\$678.77	\$681.47	\$684.18	\$686.88
	2-Adult	\$1,523.71	\$1,529.81	\$1,535.90	\$1,542.00	\$1,548.09

Section 8 – Monthly Premiums (Cont.)

Monthly Premiums

Active and Non-Medicare Eligible Retirees Monthly Premiums Effective July 1, 2021

Medical Plan	Coverage	Rate Band 61	Rate Band 62	Rate Band 63	Rate Band 64	Rate Band 65
% Relative to Rate Band 16		21.3%	21.8%	22.3%	22.7%	23.2%
CHOICE PLUS	Single	\$764.11	\$767.09	\$770.08	\$773.06	\$776.05
	2-Adult	\$1,722.16	\$1,728.89	\$1,735.62	\$1,742.34	\$1,749.07
STANDARD PLAN	Single	\$825.14	\$828.36	\$831.59	\$834.81	\$838.03
	2-Adult	\$1,859.93	\$1,867.19	\$1,874.46	\$1,881.73	\$1,888.99
STANDARD 500	Single	\$725.90	\$728.74	\$731.57	\$734.41	\$737.24
	2-Adult	\$1,636.06	\$1,642.45	\$1,648.84	\$1,655.23	\$1,661.62
STANDARD 1000	Single	\$692.29	\$694.99	\$697.70	\$700.40	\$703.11
	2-Adult	\$1,560.28	\$1,566.38	\$1,572.47	\$1,578.57	\$1,584.66

Medical Plan	Coverage	Rate Band 66	Rate Band 67	Rate Band 69	Rate Band 70	Rate Band 72
% Relative to Rate Band 16		23.7%	24.2%	25.1%	25.6%	26.5%
CHOICE PLUS	Single	\$779.03	\$782.02	\$787.99	\$790.97	\$796.94
	2-Adult	\$1,755.80	\$1,762.53	\$1,775.98	\$1,782.71	\$1,796.16
STANDARD PLAN	Single	\$841.26	\$844.48	\$850.92	\$854.15	\$860.59
	2-Adult	\$1,896.26	\$1,903.52	\$1,918.05	\$1,925.32	\$1,939.85
STANDARD 500	Single	\$740.08	\$742.91	\$748.59	\$751.42	\$757.09
	2-Adult	\$1,668.01	\$1,674.40	\$1,687.18	\$1,693.58	\$1,706.36
STANDARD 1000	Single	\$705.81	\$708.51	\$713.92	\$716.63	\$722.03
	2-Adult	\$1,590.76	\$1,596.85	\$1,609.04	\$1,615.14	\$1,627.32

Medical Plan	Coverage	Rate Band 73	Rate Band 74	Rate Band 78	Rate Band 79	Rate Band 81
% Relative to Rate Band 16		27.0%	27.5%	29.4%	29.9%	30.8%
CHOICE PLUS	Single	\$799.93	\$802.91	\$814.85	\$817.84	\$823.80
	2-Adult	\$1,802.89	\$1,809.62	\$1,836.53	\$1,843.25	\$1,856.71
STANDARD PLAN	Single	\$863.82	\$867.04	\$879.93	\$883.16	\$889.60
	2-Adult	\$1,947.11	\$1,954.38	\$1,983.44	\$1,990.71	\$2,005.24
STANDARD 500	Single	\$759.93	\$762.76	\$774.11	\$776.94	\$782.61
	2-Adult	\$1,712.75	\$1,719.14	\$1,744.70	\$1,751.09	\$1,763.87
STANDARD 1000	Single	\$724.74	\$727.44	\$738.26	\$740.96	\$746.37
	2-Adult	\$1,633.42	\$1,639.51	\$1,663.89	\$1,669.99	\$1,682.18

Section 8 – Monthly Premiums (Cont.)

Monthly Premiums

Active and Non-Medicare Eligible Retirees Monthly Premiums Effective July 1, 2021

Medical Plan	Coverage	Rate Band 82	Rate Band 83	Rate Band 84	Rate Band 85	Rate Band 86
% Relative to Rate Band 16		31.3%	31.8%	32.2%	32.7%	33.2%
CHOICE PLUS	Single	\$826.79	\$829.77	\$832.76	\$835.74	\$838.73
	2-Adult	\$1,863.43	\$1,870.16	\$1,876.89	\$1,883.62	\$1,890.34
STANDARD PLAN	Single	\$892.83	\$896.05	\$899.27	\$902.50	\$905.72
	2-Adult	\$2,012.50	\$2,019.77	\$2,027.03	\$2,034.30	\$2,041.56
STANDARD 500	Single	\$785.45	\$788.28	\$791.12	\$793.95	\$796.79
	2-Adult	\$1,770.27	\$1,776.66	\$1,783.05	\$1,789.44	\$1,795.83
STANDARD 1000	Single	\$749.08	\$751.78	\$754.49	\$757.19	\$759.89
	2-Adult	\$1,688.27	\$1,694.37	\$1,700.46	\$1,706.56	\$1,712.65

Medical Plan	Coverage	Rate Band 88	Rate Band 90	Rate Band 92	Rate Band 93	Rate Band 94
% Relative to Rate Band 16		34.1%	35.1%	36.0%	36.5%	37.0%
CHOICE PLUS	Single	\$844.70	\$850.67	\$856.64	\$859.62	\$862.61
	2-Adult	\$1,903.80	\$1,917.25	\$1,930.71	\$1,937.43	\$1,944.16
STANDARD PLAN	Single	\$912.17	\$918.61	\$925.06	\$928.28	\$931.50
	2-Adult	\$2,056.09	\$2,070.62	\$2,085.16	\$2,092.42	\$2,099.69
STANDARD 500	Single	\$802.46	\$808.13	\$813.80	\$816.64	\$819.47
	2-Adult	\$1,808.61	\$1,821.39	\$1,834.17	\$1,840.56	\$1,846.96
STANDARD 1000	Single	\$765.30	\$770.71	\$776.12	\$778.82	\$781.53
	2-Adult	\$1,724.84	\$1,737.03	\$1,749.22	\$1,755.32	\$1,761.41

Medical Plan	Coverage	Rate Band 95	Rate Band 96	Rate Band 97	Rate Band 98	Rate Band 99
% Relative to Rate Band 16		37.4%	37.9%	38.4%	38.9%	39.3%
CHOICE PLUS	Single	\$865.59	\$868.58	\$871.56	\$874.55	\$877.53
	2-Adult	\$1,950.89	\$1,957.62	\$1,964.34	\$1,971.07	\$1,977.80
STANDARD PLAN	Single	\$934.73	\$937.95	\$941.17	\$944.40	\$947.62
	2-Adult	\$2,106.95	\$2,114.22	\$2,121.48	\$2,128.75	\$2,136.01
STANDARD 500	Single	\$822.31	\$825.15	\$827.98	\$830.82	\$833.65
	2-Adult	\$1,853.35	\$1,859.74	\$1,866.13	\$1,872.52	\$1,878.91
STANDARD 1000	Single	\$784.23	\$786.94	\$789.64	\$792.35	\$795.05
	2-Adult	\$1,767.51	\$1,773.60	\$1,779.70	\$1,785.79	\$1,791.89

Section 8 – Monthly Premiums (Cont.)

Monthly Premiums

Active and Non-Medicare Eligible Retirees Monthly Premiums Effective July 1, 2021

Medical Plan	Coverage	Rate Band 100	Rate Band 101	Rate Band 102	Rate Band 104	Rate Band 106
% Relative to Rate Band 16		39.8%	40.3%	40.8%	41.7%	42.7%
CHOICE PLUS	Single	\$880.52	\$883.50	\$886.49	\$892.46	\$898.42
	2-Adult	\$1,984.52	\$1,991.25	\$1,997.98	\$2,011.43	\$2,024.89
STANDARD PLAN	Single	\$950.84	\$954.07	\$957.29	\$963.74	\$970.18
	2-Adult	\$2,143.28	\$2,150.54	\$2,157.81	\$2,172.34	\$2,186.87
STANDARD 500	Single	\$836.49	\$839.32	\$842.16	\$847.83	\$853.50
	2-Adult	\$1,885.30	\$1,891.69	\$1,898.08	\$1,910.86	\$1,923.65
STANDARD 1000	Single	\$797.75	\$800.46	\$803.16	\$808.57	\$813.98
	2-Adult	\$1,797.98	\$1,804.08	\$1,810.17	\$1,822.36	\$1,834.55

Medical Plan	Coverage	Rate Band 107	Rate Band 108	Rate Band 110	Rate Band 111	Rate Band 112
% Relative to Rate Band 16		43.1%	43.6%	44.5%	45.0%	45.5%
CHOICE PLUS	Single	\$901.41	\$904.39	\$910.36	\$913.35	\$916.33
	2-Adult	\$2,031.61	\$2,038.34	\$2,051.80	\$2,058.52	\$2,065.25
STANDARD PLAN	Single	\$973.41	\$976.63	\$983.08	\$986.30	\$989.52
	2-Adult	\$2,194.14	\$2,201.40	\$2,215.93	\$2,223.20	\$2,230.46
STANDARD 500	Single	\$856.34	\$859.17	\$864.84	\$867.68	\$870.51
	2-Adult	\$1,930.04	\$1,936.43	\$1,949.21	\$1,955.60	\$1,961.99
STANDARD 1000	Single	\$816.68	\$819.39	\$824.80	\$827.50	\$830.20
	2-Adult	\$1,840.64	\$1,846.74	\$1,858.93	\$1,865.02	\$1,871.12

Medical Plan	Coverage	Rate Band 114	Rate Band 115	Rate Band 116	Rate Band 117	Rate Band 120
% Relative to Rate Band 16		46.4%	46.9%	47.4%	47.9%	49.3%
CHOICE PLUS	Single	\$922.30	\$925.29	\$928.27	\$931.26	\$940.21
	2-Adult	\$2,078.70	\$2,085.43	\$2,092.16	\$2,098.89	\$2,119.07
STANDARD PLAN	Single	\$995.97	\$999.19	\$1,002.42	\$1,005.64	\$1,015.31
	2-Adult	\$2,244.99	\$2,252.26	\$2,259.52	\$2,266.79	\$2,288.59
STANDARD 500	Single	\$876.18	\$879.02	\$881.86	\$884.69	\$893.20
	2-Adult	\$1,974.77	\$1,981.16	\$1,987.55	\$1,993.95	\$2,013.12
STANDARD 1000	Single	\$835.61	\$838.32	\$841.02	\$843.73	\$851.84
	2-Adult	\$1,883.31	\$1,889.40	\$1,895.50	\$1,901.59	\$1,919.88

Section 8 – Monthly Premiums (Cont.)

Monthly Premiums

Active and Non-Medicare Eligible Retirees Monthly Premiums Effective July 1, 2021

Medical Plan	Coverage	Rate Band 121	Rate Band 124	Rate Band 126	Rate Band 127	Rate Band 128
% Relative to Rate Band 16		49.8%	51.2%	52.1%	52.6%	53.1%
CHOICE PLUS	Single	\$943.20	\$952.15	\$958.12	\$961.11	\$964.09
	2-Adult	\$2,125.80	\$2,145.98	\$2,159.43	\$2,166.16	\$2,172.89
STANDARD PLAN	Single	\$1,018.53	\$1,028.20	\$1,034.65	\$1,037.87	\$1,041.09
	2-Adult	\$2,295.85	\$2,317.65	\$2,332.18	\$2,339.44	\$2,346.71
STANDARD 500	Single	\$896.03	\$904.54	\$910.21	\$913.05	\$915.88
	2-Adult	\$2,019.51	\$2,038.68	\$2,051.46	\$2,057.85	\$2,064.24
STANDARD 1000	Single	\$854.54	\$862.66	\$868.06	\$870.77	\$873.47
	2-Adult	\$1,925.97	\$1,944.26	\$1,956.45	\$1,962.54	\$1,968.64

Medical Plan	Coverage	Rate Band 130	Rate Band 132	Rate Band 137	Rate Band 139	Rate Band 142
% Relative to Rate Band 16		54.0%	55.0%	57.3%	58.3%	59.7%
CHOICE PLUS	Single	\$970.06	\$976.03	\$990.95	\$996.92	\$1,005.88
	2-Adult	\$2,186.34	\$2,199.79	\$2,233.43	\$2,246.88	\$2,267.07
STANDARD PLAN	Single	\$1,047.54	\$1,053.99	\$1,070.10	\$1,076.55	\$1,086.22
	2-Adult	\$2,361.24	\$2,375.77	\$2,412.10	\$2,426.63	\$2,448.42
STANDARD 500	Single	\$921.55	\$927.22	\$941.40	\$947.07	\$955.58
	2-Adult	\$2,077.03	\$2,089.81	\$2,121.76	\$2,134.54	\$2,153.72
STANDARD 1000	Single	\$878.88	\$884.29	\$897.81	\$903.22	\$911.33
	2-Adult	\$1,980.83	\$1,993.02	\$2,023.49	\$2,035.68	\$2,053.96

Medical Plan	Coverage	Rate Band 143	Rate Band 144	Rate Band 162	Rate Band 165	Rate Band 166
% Relative to Rate Band 16		60.2%	60.7%	69.2%	70.6%	71.1%
CHOICE PLUS	Single	\$1,008.86	\$1,011.85	\$1,065.57	\$1,074.53	\$1,077.51
	2-Adult	\$2,273.79	\$2,280.52	\$2,401.61	\$2,421.79	\$2,428.52
STANDARD PLAN	Single	\$1,089.44	\$1,092.66	\$1,150.68	\$1,160.35	\$1,163.58
	2-Adult	\$2,455.69	\$2,462.95	\$2,593.73	\$2,615.53	\$2,622.79
STANDARD 500	Single	\$958.42	\$961.25	\$1,012.29	\$1,020.80	\$1,023.63
	2-Adult	\$2,160.11	\$2,166.50	\$2,281.53	\$2,300.71	\$2,307.10
STANDARD 1000	Single	\$914.04	\$916.74	\$965.42	\$973.53	\$976.23
	2-Adult	\$2,060.06	\$2,066.15	\$2,175.86	\$2,194.15	\$2,200.24

Section 8 – Monthly Premiums (Cont.)

Monthly Premiums

Medicare Eligible Retirees Monthly Premiums Effective July 1, 2021

Medicare Advantage Preferred (PPO) ¹	Premiums
Single	\$393.32
2-Adult	786.64

¹ For pre-65 participants in MSMA, Sanford, Academies, and MAIS, the Choice Plan for rate band 166 (the highest rate band) was assumed, with a State Share of \$592.63. For post-65 participants in these groups, the Medicare Advantage Preferred plan was assumed with a State Share of \$216.33.

Section 9 – Summary of Participant Demographic Information

The table below presents a summary of the basic participant information as of June 30, 2021 for the active and inactive participants covered under the terms of the Plan. The participant data used in the valuation was provided by the State of Maine.

Active participants		
a.	Count	27,346
b.	Average age	45.95
c.	Average credited service	12.24
Terminated vested participants		
a.	Count	559
b.	Average age	59.21
Retirees		
a.	Count	10,513
b.	Average age	74.15

The following table displays the distribution of Active participants by Age and Credited Service.

Age Group	Service Group										All Years	
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+		
0 - 24	491	323										814
25 - 29	354	1,419	375									2,148
30 - 34	247	948	1,151	237								2,583
35 - 39	258	895	838	902	303							3,196
40 - 44	271	792	717	614	973	250						3,617
45 - 49	202	679	692	504	593	836	170					3,676
50 - 54	149	524	570	503	633	581	714	153	1			3,828
55 - 59	113	423	375	363	500	514	368	581	149	1		3,387
60 - 64	97	301	269	285	388	508	311	298	297	28		2,782
65 - 69	54	108	107	93	132	158	106	82	69	75		984
70+	41	54	47	24	32	35	28	31	11	28		331
Total	2,277	6,466	5,141	3,525	3,554	2,882	1,697	1,145	527	132		27,346

The following table displays the distribution of Inactive participants by Age.

Age Group	Terminated Vested	Retirees
<45	27	0
45-49	27	0
50-54	47	8
55-59	135	24
60-64	214	663
65+	109	9,818
Total	559	10,513

Section 9 – Summary of Participant Demographic Information (Cont.)

Active Distribution by Plan and Coverage

Medical Plan	Single	2-Party	Family	EE + Child(ren)	Waived	Total
MEA Choice Plus	6,567	1,767	4,653	3,283	N/A	16,270
MEA Standard Plan	1,189	314	506	297	N/A	2,306
MEA Standard 500 Plan	512	115	284	156	N/A	1,067
MEA Standard 1000 Plan	466	136	385	187	N/A	1,174
Waived	N/A	N/A	N/A	N/A	6,529	6,529
Total	8,734	2,332	5,828	3,923	6,529	27,346

Retiree Distribution by Plan and Coverage

Medical Plan	Single	2-Party	Family	EE + Child(ren)	Other	Total
MEA Choice Plus	782	59	5	8	-	854
MEA Standard Plan	838	33	3	4	-	878
MEA Standard 500 Plan	30	6	1	-	-	37
MEA Standard 1000 Plan	27	12	-	-	-	39
MA Preferred (PPO)	8,705	-	-	-	-	8,705
Total	10,382	110	9	12	-	10,513

Glossary

Brief explanations of terms used in this report or the accompanying GASB 75 results:

Annual OPEB Expense

The amount recognized by an employer in each accounting period for contributions to a defined benefit OPEB plan on the modified accrual basis of accounting.

Collective deferred outflows of resources and deferred inflows of resources related to OPEB

Deferred outflows of resources and deferred inflows of resources related to OPEB arising from certain changes in the collective net OPEB liability or collective total OPEB liability.

Covered Payroll

Annual compensation paid (or expected to be paid) to active employees covered by an OPEB plan, in aggregate.

Net OPEB liability (NOL)

The liability of employers and nonemployer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria of the GASB No. 75 Statements.

Normal Cost or Service Cost

The portion of the Total Present Value of Future Benefits attributed to employee service during the current fiscal year by the actuarial cost method. These terms are used interchangeably.

Other Postemployment Benefits (OPEB)

Retiree health care benefits and post-employment benefits provided separately from a pension plan (excluding termination offers and benefits).

Plan Fiduciary Net Position (FNP)

Set equal to the market value of assets as of the measurement date.

Present Value of Future Benefits (PVFB)

The value, as of the valuation date, of the projected benefits payable to all members for their accrued service and their expected future service, discounted to reflect the time value (present value) of money and adjusted for the probabilities of retirement, withdrawal, death and disability.

Total OPEB liability (TOL)

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service in conformity with the GASB No. 75 Statements. The total OPEB liability is the liability of employers and nonemployer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria of the GASB No. 75 Statements.