

3-15-1990

# Annual Report of the Maine State Retirement System, Maine Judicial Retirement System, and Maine Legislative Retirement System for the Fiscal Year ended June 30, 1989

Maine State Retirement System

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Annual Report of the  
Maine State Retirement System  
Maine Judicial Retirement System  
Maine Legislative Retirement System  
For the Fiscal Year Ended  
June 30, 1989

APR 26 1990



Claude R. Perrier, *Executive Director*  
Joseph A. Gahagan, *Deputy Director*  
Philip R. Gingrow,  
*Assistant Executive Director*



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Toll Free: 1-800-451-9800  
FAX # (207) 289-1032

**MAINE STATE RETIREMENT SYSTEM**

STATE HOUSE STATION #46  
AUGUSTA, MAINE 04333-0046

*Ex officio*  
Samuel Shapiro,  
State Treasurer

March 15, 1990

Dear Member:

The Annual Report of the Maine State Retirement system for the year ended June 30, 1989, consists of four sections: the Annual Report of the Executive Director; a Summary of Statistical and Financial Information; the Actuarial Valuation of the System; and, a Summary of Investments held by the Retirement System.

As of June 30, 1989, the book value of the System's assets (including the Judicial and Legislative Retirement Systems) was \$1,520.1-million as compared with \$1,305-million on June 30, 1988. This represented an increase of \$210.1-million in the book value of the System's assets over the fiscal year. The market value of System assets was \$1,686.1-million and \$1,405.8-million for the periods ending June 30, 1989 and 1988, respectively.

Net income from investments for fiscal year 1989, including funds distributed to the Judicial and Legislative Retirement Systems, was \$125.3-million, an increase from the \$94.7-million recorded a year earlier. This increase was due to gains from the sale of securities from \$21.5-million in fiscal year 1988 to \$44.3-million in fiscal year 1989. Dividend and interest income totalled \$83-million compared to a fiscal year 1988 amount of \$76.2-million. Deductions from investment income remained about the same at approximately \$3.0-million for the fiscal year.

Contributions to the trust fund reserves from employers and employees during 1989 totalled \$248.4-million, an increase from \$232.2-million in 1988. The rate of employee contributions, set by statute, remained unchanged at 6.5 percent. In general, increased employer contributions were the result of salary increases coupled with additional amounts being contributed for the "old system" teachers.

Total outpayments during fiscal year 1989 were \$167.7-million as compared with \$155.0-million in 1988. Total receipts of \$371.8-million exceeded payments by \$204.1-million during the year.

The System's rate of return (interest, dividends, and capital gains), based on book value and cost of investments was 13.4 percent during fiscal year 1989 as compared with 8.42 percent the previous fiscal year.

Sincerely,

A handwritten signature in cursive script that reads "Claude R. Perrier".

Claude R. Perrier, Executive Director  
for the Board of Trustees  
MAINE STATE RETIREMENT SYSTEM





# IN MEMORIAM



**Fred L. Kenney**  
**1910-1989**

This Annual Report is dedicated to the memory of Fred L. Kenney, a former member and chairman (1961-62) of the Board of Trustees of the Maine State Retirement System. Fred served a total of eighteen and one-half years (18½) on the Board of Trustees, from 1955 to 1962, representing the Maine State Employees Association, and from 1977 to June 1987, representing retired state and participating local district employees.



# Executive Director's Report







# **Maine State Retirement System** **EXECUTIVE SUMMARY** **ANNUAL REPORT OF THE EXECUTIVE DIRECTOR** **for the Fiscal Year ending June 30, 1989**

June 30, 1989 ended the last fiscal year of the decade for the Maine State Retirement System. In many ways, this decade marks an extraordinary time period for the System in the areas of Plan Membership, Investments, and Administration.

*Funding Ratio  
Improved  
from 38 to 45  
percent*

During this period, the Board's efforts to improve the financial condition of the System have proven very successful, resulting in a higher overall funding ratio. This ratio is an indicator of the System's financial health as it measures the relationship of assets to liabilities. For the year ended June 30, 1989, the ratio was approximately forty-five percent. Three years earlier, it stood at thirty-eight percent.

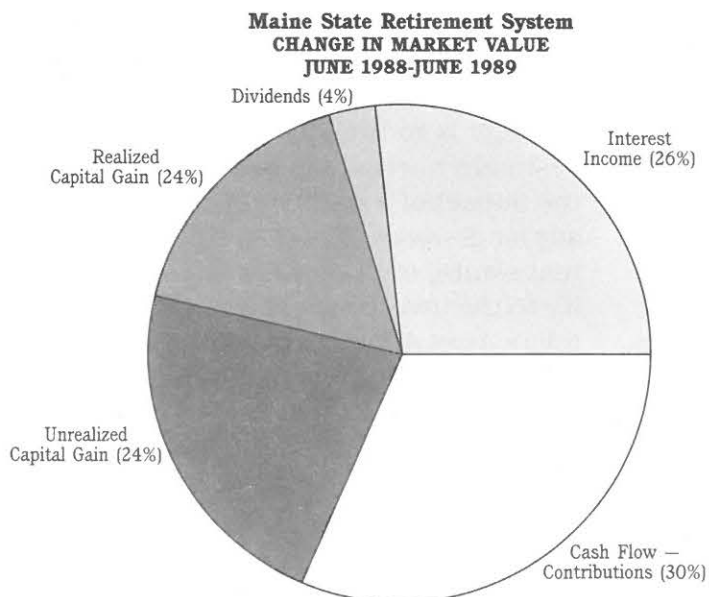
Although the System's financial health is improving, it remains vulnerable and is dependent on the State's commitment to pay required contributions on schedule to ensure a favorable long term outlook.

## **INVESTMENTS**

The investment portfolio continues to provide excellent returns, thereby contributing to the overall improvement in the System's financial picture.

*Return on  
Investment and  
Asset Growth  
Exceed  
Assumptions*

Returns for the year and five years ended June 30, 1989 were 13.4 percent and 15.4 percent respectively. For the same time periods, assets increased by \$0.3- and \$1.1-billion to a level of \$1.7-billion. For comparative purposes, eight percent is the long term interest assumptions adopted by the board with a corresponding inflation rate assumption of six percent.



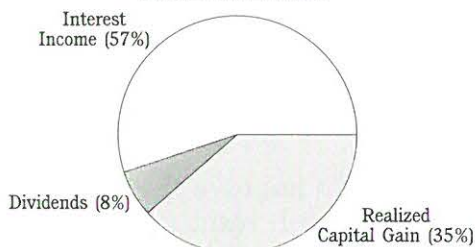
The increase in the System's *Market Value* during the past year was attributed primarily to realized and unrealized capital gains, net cash flow from contributions, and interest income. The increases associated with Capital Gains were largely the result of significant returns (25.3%) in the System's equity holdings, which currently represent more than forty percent of the overall portfolio.

# EXECUTIVE SUMMARY

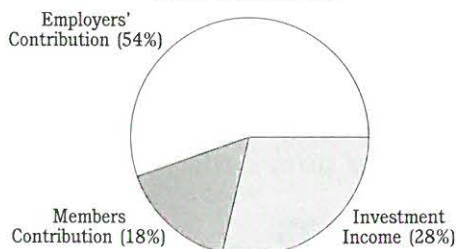
## ANNUAL REPORT OF THE EXECUTIVE DIRECTOR

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**Maine State Retirement System  
INVESTMENT INCOME  
FISCAL YEAR 1989**



**Maine State Retirement System  
TOTAL REVENUE  
FISCAL YEAR 1989**



*Investment Income*, which excludes unrealized capital gains, was derived from a number of sources as noted at the left. A majority of the System's income for the fiscal year ended in 1989 was generated by the fixed income portion of the portfolio.

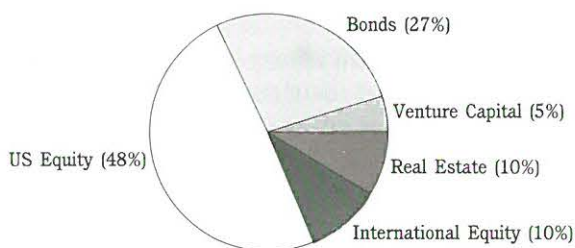
In reviewing the System's *Total Revenue*, employer contributions to the reserves accounts for 54 percent of the System's total income. Not surprisingly, investment income only accounted for twenty-eight percent of the income with the remainder coming from employee contributions.

However, as the System's funding program matures and the funding ratio

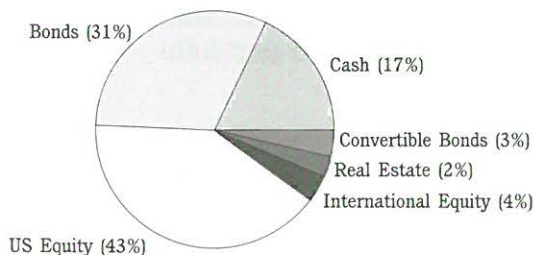
improves, investment income is expected to increase as a percent of total revenue. In effect, the increasing significance of the income component will be a direct result of the relative growth in the asset base compared to liabilities. The Board, with the assistance of the investment committee, continues to pursue an active approach to formulating investment strategy and aggressively implementing investment programs on an ongoing basis.

*Investment  
Income Expected  
to Increase*

**ASSET ALLOCATION PLAN  
LONG TERM TARGETS**



**Maine State Retirement System  
ASSET ALLOCATION MARKET VALUE 6/30/90  
ACTUALS**



An *Asset Allocation Plan*, which was completed in May 1987 and is currently the mainstay of the investment strategy, is scheduled for review and revision, if necessary, in early 1990. The goal of this strategy is to broadly diversify the investment portfolio in order to mitigate the impact of a significant downturn in any single asset class (i.e., stocks, bonds, real estate, etc.) thereby adding stability to the investment returns. The portfolio's *Asset Allocation* for the fiscal year ended in 1989 is outlined at the left.

# EXECUTIVE SUMMARY

## ANNUAL REPORT OF THE EXECUTIVE DIRECTOR

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### *Emphasis on Index Funds*

### *Use of Specialized Account Managers*

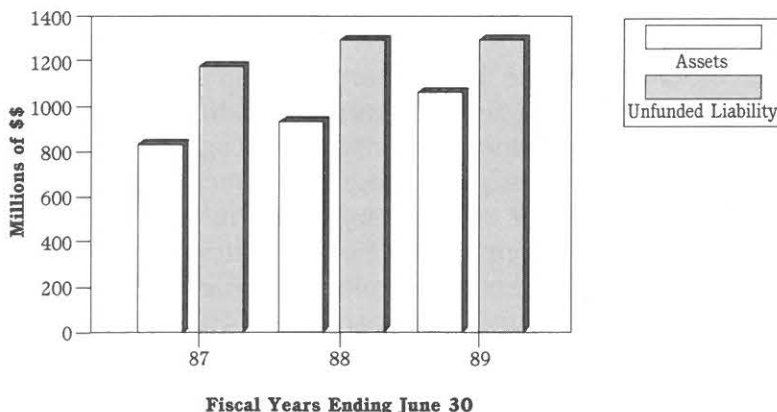
In keeping with the new investment strategy, the System began placing greater emphasis on the use of index funds. These funds provide the System with a broad market representation, resulting in core holdings within each asset class. Typically, the funds exhibit lower management fees and turnover while outperforming the average investment manager utilized under a separate account arrangement. However, the System continues to utilize the services of specialized separate account managers on a limited basis in the belief that this approach will result in overall added value to the portfolio.

Each investment manager's account is assigned a customized benchmark that is utilized to gauge performance over specific time periods. The individual benchmarks represent a collection of securities with unique portfolio characteristics, thereby allowing the Board to control exposure within various segments of the equity market. By employing managers with styles that parallel each benchmark, the resulting portfolios, as a whole, exhibit similar characteristics, allowing the Board to control the overall levels of risk.

### *International Investments*

Also, with the concept of diversification in mind, the Board has initiated a program to invest 10 percent of the System's assets internationally, thereby focusing specifically on the overseas markets. This action recognizes the fact that significant investment opportunities exist in the Far East and European markets and should result in lowering the volatility of investment returns without incurring undue risk.

**Maine State Retirement System  
INVESTED ASSETS VS. UNFUNDED LIABILITY**



## LIABILITIES

The System's unfunded accrued benefit reserve excluding PLD's) as of June 1989 was approximately \$1.3-billion as compared to \$1.2-billion two years earlier.

Although the unfunded balance has risen in that time period, assets have increased at a faster rate, resulting in an increase in the funding ratio from 41.0 percent to 44.8 percent presenting an improved financial picture.



**EXECUTIVE SUMMARY**  
**ANNUAL REPORT OF THE EXECUTIVE DIRECTOR**  
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*Employer  
Funding  
at Level  
Percent  
of Payroll*

An important objective identified by the Board when it formulated the investment strategy and actuarial assumptions was to develop a funding program that maintained a level percent of payroll. Although payrolls are expected to increase over time, the employer's contribution, presented as a percentage, remains constant. When the Board revised the actuarial assumptions in 1987 and modified the amortization period, the contribution rate was set at 19.38 percent. The rate is currently set at 19.68 percent, slightly higher but well within acceptable parameters. These results certainly suggest that the Board's objective is being achieved and will continue to do so into the future.

In spite of the system's favorable results during the past few years, the Board recognizes that the \$1.3-billion unfunded accrued benefit reserve is significant and will continue to monitor it closely into the future.

**BENEFITS AND PLAN DESIGN**

The Retirement System continues to offer a comprehensive package of employee benefits in the areas of retirement, Disability, Life Insurance and Survivors' Benefits. However, each year, the System and the Legislature review the programs in an effort to identify improvements wherever practicable. Tempered by the additional costs to the taxpayers.

*Disability  
Retirement  
Program*

The most recent revision to Plan Design occurred in the Disability retirement program. In placing greater emphasis on the concept of reemployment, it now provides disabled employees with the opportunity to enroll in rehabilitation and retraining programs and become effectively reemployed where previously, the option did not exist. We are optimistic that as the program matures, both the employees and employers will benefit from this change in direction.

*Consolidation  
of Plans  
for PLD's*

Another important development is the Retirement System's continuing efforts, in conjunction with the participation of a number of different labor and management organizations, to formulate a realistic program to consolidate participating local district plans. This program, if successful, will significantly reduce the large number of existing plans into a smaller number of larger plans with enhanced portability for all participants, eventually incorporating teacher and state employee plans, if practicable. The Retirement System has introduced legislation into the 114th legislative session with the intent of obtaining the needed statutory revisions to enable implementation.

# EXECUTIVE SUMMARY

## ANNUAL REPORT OF THE EXECUTIVE DIRECTOR

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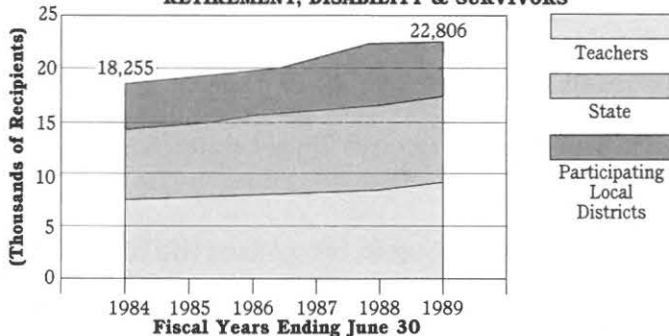
**Maine State Retirement System  
MEMBERSHIP**



*Membership* in the retirement program continued to expand throughout the decade to its current level of 101,904 where as of June 30, 1980, it was 81,811. In addition to the growth of membership in existing plans, several new plans were established, legislative and judicial, resulting in expanded coverage and higher level of participation.

In conjunction with the growth in membership, the number of participants receiving benefit has also increased to a level of 22,806 with monthly payments totalling \$157.5-million annually.

**Maine State Retirement System  
BENEFIT RECIPIENTS  
RETIREMENT, DISABILITY & SURVIVORS**



### *Group Life Insurance*

The Retirement System continues to offer Life Insurance coverage to all public sector employees as well as retirees throughout the state. Current coverage exceeds \$5-billion and continued growth in coverage is anticipated into the future. The program offers low cost, term coverage to all eligible employees, their spouses and qualified dependents. Recent administrative improvements and adequate loss reserves will assist the System in maintaining this important program at an affordable level for all employees.

### *Social Security Intermediary*

The System also acts as the Social Security coverage agent for state and local governments. Although its responsibilities were reduced by the Omnibus Budget Reconciliation Act of 1986, the legislation did not relieve the System from the administrative costs of phasing out the collection and deposit responsibilities until April 1990. The System continues to assist employers in applying for Social Security and Medicare coverages and acting as intermediaries when questions arise.

## ADMINISTRATION

The administrative systems and procedures of the Retirement System had been evaluated in the mid-eighties and were deemed inadequate to meet current and future needs. Accordingly, the System embarked on an ambitious program to enhance and automate internal accounting systems and improve services to plan participants. The System has taken significant steps in achieving these objectives in the past few years.



**EXECUTIVE SUMMARY**  
**ANNUAL REPORT OF THE EXECUTIVE DIRECTOR**  
**page 6**

*Computer Based  
Record Keeping  
System to be  
Installed*

A comprehensive, computer based record keeping system has been acquired and is currently being programmed to accommodate MSRS applications. The project is coordinated by in-house staff and is scheduled for completion by January 1991. As record keeping functions become automated, staff orientation will turn more toward membership and counseling and away from the traditional bookkeeping roles. The emphasis will continue to shift toward this service orientation throughout the nineties.

*Benefit Related  
Video Tapes  
for Members*

Again, in keeping with this concept of service orientation, the System undertook another initiative to develop a series of video presentations addressing specific benefit related issues. Once complete, the tapes will be available for wide distribution to plan participants and employers and will provide an understandable and succinct discussion pertaining to the major components of the MSRS benefit programs. This approach to the problem of information dissemination has been utilized by other public pension plans throughout the country with widespread success. Target dates for the completion of the initial tapes is June, 1990.

*New Management  
Information  
Programs*

As previously mentioned, the Retirement System recognizes the importance of establishing an effective communication network between itself and the plan participants and will continue to strive for improvements into the future. To this end, a new department has been established within the organization, Management Information Programs, scheduled for start-up in the first quarter of 1990. The Department's mandate will be to coordinate the distribution of all benefit related material in all media forms to insure accuracy and consistency of all information provided to the plan participants.

**EXECUTIVE SUMMARY**  
**ANNUAL REPORT OF THE EXECUTIVE DIRECTOR**  
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**SUMMARY**

*Firm Commitment  
to Properly  
Fund*

The Retirement System is well poised for the nineties to improve the System's financial condition and the level of service to the plan participants. Participating employers, primarily state and local governments, have shown a firm commitment to properly fund their benefit obligations to insure adequate reserves as participants become eligible for benefits.

The significance of this commitment becomes more apparent when one considers that many employees are not covered by Social Security and therefore rely entirely on the Maine State Retirement System for their retirement and disability benefits.

*Investments  
Positioned  
for Maximum  
Return*

The investment portfolio is also well positioned to take advantage of the capital markets while taking into consideration the liability structure of the System. As we currently enjoy positive cash flow from contributions, the investment program can be designed to truly invest for the long term and hopefully maximize returns while maintaining an acceptable level of risk.

The Retirement System is optimistic about its ability to pay benefits while recognizing its obligation to the taxpayers in Maine to provide for equitable and reasonable funding of these programs into the future.



Maine State Retirement System  
ANNUAL REPORT OF THE EXECUTIVE DIRECTOR  
for the Fiscal Year ending June 30, 1989

The Maine State Retirement System was established by the legislature in 1947. It is a contributory retirement system covering all public school teachers, state employees (except as members of the Judiciary and Legislature, who are covered under the Judicial and Legislative Retirement Systems), and the employees of 274 political subdivisions.

The responsibility for the operation of the retirement system is vested in a board of eight trustees. The Board formulates policies for and exercises general supervision over the system under the provisions of 5 MRSa, Chapters 421, 423, and 425, and appoints an executive director who is charged with administrative responsibility of the system including approval of benefit payments.

The Board is comprised of members elected by the Maine State Employees Association (MSEA), the Maine Teachers Association (MTA), the Maine Municipal Association (MMA), four members appointed by the Governor, one who is a retired teacher nominated by the Maine State Retired Teachers Association (MSRTA), and one who is retired under the system and who is selected from a list or lists submitted by retired state employees and retired local district employees, and the State Treasurer, who serves as an ex-officio member.

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Maine State Retirement System  
MEMBERS OF THE BOARD OF TRUSTEES  
January 1, 1990

Jon A. Lund, Chairman	(Governor's Appointment)
George Burgoyne	(MSEA)
William J. Deering, Ph.D	(MSEA/Retired & Governor's Appt)
Charles M. Jackson	(MMA)
John Kimball	(MTA)
Grover MacLaughlin	(MSRTA & Governor's Appt)
David S. Wakelin	(Governor's Appointment)
Samuel Shapiro	(State Treasurer)

The Board employs an actuary whose duties include making funding recommendations to the Legislature, and preparing annual valuations of the assets and liabilities of the system on the basis of actuarial assumptions adopted by the Board. The actuary is also required to make such investigations of the experience of the system as deemed necessary.

A medical board composed of three physicians, not eligible to participate in the System, assists the Board in evaluating disability retirement claims.

As of June 30, 1989, there were 45,914 active members:

Retirement System	State Employees	15,620
ACTIVE MEMBERS	Teachers	21,296
	Participating Local Districts	8,998

In addition there were 33,184 inactive accounts representing deposits by former members who have terminated service and whose contributions have been left on deposit with the System.

#### ASSETS

As of June 30, 1989, the book value of the total assets of the Maine State Retirement System amounted to \$1,512.5-million, an increase of \$202.5-million over assets at the beginning of the year. The composition of the assets is as follows:

Retirement System	Stock	\$679.9-million
CATEGORIZATION	Bonds	631.3-million
OF ASSETS	Mortgage-type Investments	174.8-million
	Cash Due from Other Funds	10.2-million
	Other Assets	16.3-million

These assets had a market value of \$1,686-million at year end.

#### TRUST FUND RESERVES

The System's trust fund reserves were \$1,508.5-million as of June 30, 1989, an increase of \$203.2-million over reserves at the beginning of the year. A comparison of these reserves by membership grouping is as follows:

Maine State Retirement System		
TRUST FUND RESERVES BY MEMBER GROUP		
	(Amounts in Millions)	
	June 30, 1989	June 30, 1988
State Employees	\$479.7	\$423.7
Teachers (post July 1, 1924)	668.7	586.0
Teachers (pre July 1, 1924)	(196.9)	(199.5)
Participating Local Districts	377.6	340.2
Consolidated (Disability, Surv Ben)	179.4	154.9
TOTAL	\$1,508.5	\$1,305.3



The pre-July 1, 1924 teacher account deficit decreased slightly this year. Funding is being provided for these benefit payments. The accumulated deficit represents the excess of benefit payments with interest charges over any funding or contributions made by the state and individual teachers in this particular category. The appropriations approved by the Legislature and the Governor for funding of the "Old System Teacher" (pre-7/1/24) Plan totalled \$21.5-million in fiscal year 1989.

Employer contributions to the System for benefits during the past fiscal year totalled \$187.1-million with the following detail:

Retirement System	State Employees	\$66.5-million
EMPLOYER	Teachers	94.6-million
CONTRIBUTIONS	Participating Local Districts	26.0-million

Individual member contributions totalled \$61.3-million, as compared with \$55.9-million during the previous year.

Net income from investments amounted to \$124.3-million, summarized as follows:

---

Maine State Retirement System  
NET INCOME FROM INVESTMENTS  
June 30, 1989

1. Net Gain/Sale of Securities	\$44.3-mil	
2. Income from Investments		
a. Bond Interest	\$72.2-mil	
b. Stock Divdnds	10.6-mil	
c. Loan Premiums	<u>0.2-mil</u>	
Total	83.0-mil	
3. Less: Investment/Mgt Fees	<u>(3.0-mil)</u>	
TOTAL INCOME FROM INVESTMENTS		<u>\$124.3-million</u>
4. Investment Income Distribution		
a. Maine State Retirement Sys	\$123.4-mil	
b. Judicial Retirement System	0.8-mil	
c. Legislative Retirement Sys	<u>0.1-mil</u>	
TOTAL DISTRIBUTION OF INVESTMENT INCOME		<u>\$124.3-million</u>

Expenditures and other charges to the fund totalled \$167.7-million during the year ended June 30, 1989. Retirement benefit payments totalled \$155.3-million, payments to survivors of former members were \$2.2-million, and refunds to former members and beneficiaries of former members were \$10.2-million.

For the month of June, 1989, the retirement allowance payroll totalled \$13.3-million, and was distributed as follows:

---

Maine State Retirement System  
RETIREMENT ALLOWANCE PAYROLL & RETIREES/JUNE 1989

	<u>Payroll Dollars</u>	<u>Number of Retirees</u>
State Employees	\$4.6-million	8,448
Teachers	5.7-million	8,490
Participating Local Districts	2.1-million	5,059
Disability	0.7-million	791
Accidental Death	<u>0.2-million</u>	<u>18</u>
TOTAL	\$13.3-million	22,806

Retirement allowance payments during the recent fiscal year were \$14-million more than retirement allowance payments during the previous year. The increase in payments was due to a larger number of retirees and the statutory 4.0 percent cost-of-living increase granted in September 1988 and to higher average final compensation.

The following data reflect the average age and retirement allowance benefit at time of retirement (Full Benefits), exclusive of special groups, for state employees and teachers, who retired during this and the previous five fiscal years:

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Maine State Retirement System  
AVERAGE AGE & ANNUAL BENEFIT FOR STATE EMPLOYEES & TEACHERS  
For Fiscal Years 1984 to 1989

<u>Year</u>	<u>State Employees</u>		<u>Teachers</u>	
	<u>Annual Benefit</u>	<u>Retirement Age</u>	<u>Annual Benefit</u>	<u>Retirement Age</u>
1989	\$10,395.	61.49 yrs	\$12,479.	59.31 yrs
1988	9,549.	61.15	9,631.	58.89
1987	8,485.	61.54	10,375.	58.74
1986	8,725.	60.44	9,267.	59.54
1985	8,398.	61.85	8,758.	58.70
1984	7,780.	61.78	9,249.	59.00

Survivor benefit payments made to survivors (spouses, children, parents) of former members of the System, whose death occurred prior to retirement, totalled \$2.2-million during the past fiscal year as compared with \$2.1-million in the previous year.

GROUP LIFE INSURANCE

The State Group Life Insurance Plan is administered by the Board of Trustees of the Maine State Retirement System and is available to all public school teachers, state employees, and the employees of those participating local districts which elect to provide the plan for their employees. There are three sections of the Group Life Insurance Program: Basic, Supplemental, and Dependent Plans.

The Basic plan offers insurance equal to the member's annual salary, rounded up to the nearest \$1-thousand. Members can purchase Supplemental insurance in increments equal to one, two, or three times annual salary. There are two levels of benefits also available under Dependent life insurance. Employee participation is optional under all plans.

The Group Life Insurance Fund assets totalled \$21.9-million at fiscal year end. The breakdown is as follows:

Retirement System	Cash	\$1.0-million
GROUP LIFE	Bonds	16.9-million
INSURANCE ASSETS	Stocks	1.5-million
	Accrued Interest	2.5-million

Assets are invested through a fund manager.

Funds received during fiscal year 1989 amounted to \$6.9-million. This included premiums from employees and employers amounting to \$4.6-million and earnings on investments of \$2.3-million.

Charges to the Group Life Insurance Program included payments in the following categories in FY 1989:

Retirement System	Claims: Active Employees/Dependents	\$3.65-mil
GROUP LIFE	Retired Persons	1.55-mil
INSURANCE CHARGES	Supplemental Dividend Distributions	0.48-mil
	Administrative Expenses	0.49-mil

The supplemental dividend distribution established as of June 30, 1984 is paid only to beneficiaries of retired individuals who had participated in the supplemental group life insurance program. This a scaled distribution based upon years of participation. It pays up to 15 percent of the supplemental insurance carried at time of retirement. As noted above, payments from

this reserve were almost \$500-thousand during fiscal year 1989. At June 30, 1989, the funds available in the Reserve for Supplemental Distribution totalled \$823-thousand.

The Reserve for Future Premiums, which totalled \$13.2-million at June 30, 1989, is held for the payment of premiums on account of retired state employees and teachers. Retired persons who participate in the group life plan for ten continuous years prior to retirement carry this insurance into retirement at no cost under the statute. Premiums for retirees are paid from the Reserve for Future Premiums.

#### SOCIAL SECURITY

On October 17, 1986, Congress passed the Omnibus Budget Reconciliation Act of 1986 which included provision transferring deposit responsibility for state and local government Social Security contributions from the individual State Social Security Agencies to the Internal Revenue Service, effective January 1, 1987.

However, the budget reconciliation bill did not change the status of the State as the Social Security coverage agent for state and local government coverage nor did it release the State from liability for tax year 1986 and prior until these periods become barred to correction under the Federal Statute of Limitations, which will be April 15, 1990.

The legislation did not relieve the State from the administrative costs of phasing out the collection and deposit responsibilities until April, 1990.

On April 7, 1986, the President signed Public Law 99-272, the Consolidated Omnibus Reconciliation Act of 1985. This law mandated that state and local employees hired after March 31, 1986, or old employees hired prior to April 1, 1986, who were working in positions which were not considered to be substantial and regular, be covered by the Medicare portion of the Social Security tax if not covered by Social Security. The collection of the tax and the audit of returns for this "Medicare only" coverage was also administered by this office.



When Congress initially enacted Section 218 of the Social Security Act providing social security coverage to state and local governments, it realized the need for the State Social Security Agencies to be funded for their intermediary role as collector, auditor, depositor and liason between the sub-state entities and the Social Security Administration. States were allowed to retain the investment earnings gained from their collections prior to deposit through the Federal Reserve Banking System. Today, all fifty states currently fund the operation of their Social Security Agencies directly or indirectly from these interest earnings.

In removing the social security collection and deposit responsibility for local government employees from the individual states, Congress eliminated a source of funding needed by states to continue their role in administering (Section 218) social security coverage for state and local government employees. The wage and contributions for both Medicare and social security for all the years including 1986 for the State of Maine has been reconciled to the wage and tax statements (W-2S) and any and all necessary corrections have been made. It now remains a matter for the Federal government to balance its records to the State of Maine.





# Statistical & Financial INFORMATION





Maine State Retirement System  
SUMMARY OF FINANCIAL/STATISTICAL TABLES  
for the Fiscal Year ending June 30, 1989

Page	Description
1	STATISTICAL DATA SUMMARY for the Last Six Fiscal Years Retirement and Survivor Benefit Payments Member and Employer Contributions Numbers of Retirement Allowance Recipients
2	BALANCE SHEET at June 30, 1989
3	TRUST RESERVES AND LIABILITY DETAIL at June 30, 1989
4	COMPARATIVE BALANCE SHEET for FY's ending June 30, 1988 and 1989
5	NET INCOME FROM INVESTMENT OPERATIONS for 12 Months ending 6/30/89
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Maine State Retirement System  
**STATISTICAL DATA SUMMARY**  
for the Last Six Fiscal Years

RETIREMENT AND SURVIVOR BENEFIT PAYMENTS  
for Fiscal Years 1984 to 1989

<u>Fiscal Year</u> <u>ending June 30</u>	<u>Retirement</u> <u>Payments</u>	<u>Survivor Benefit</u> <u>Payments</u>
1989	\$155,286,147	\$2,186,009
1988	143,426,113	2,139,130
1987	133,329,267	2,231,083
1986	125,371,133	2,034,197
1985	116,707,876	1,955,251
1984	108,349,618	1,955,484

MEMBER AND EMPLOYER CONTRIBUTIONS  
for Fiscal Years 1984 to 1989

<u>Fiscal Year</u> <u>ending June 30</u>	<u>Employee</u>	<u>Employer</u>
1989	\$61,303,632	\$187,138,244
1988	55,866,375	176,388,571*
1987	51,322,687	146,804,654*
1986	47,503,907	140,201,854
1985	43,871,715	121,894,360
1984	40,114,579	114,918,021

\*includes \$19,859,100 funding for the non-contributory teachers provided by the Legislative Appropriation Act.

NUMBERS OF RETIREMENT ALLOWANCE RECIPIENTS  
for Fiscal Years 1984 to 1989

<u>Fiscal Year</u> <u>ending June 30</u>	<u>Teachers</u>	<u>State</u> <u>Employees</u>	<u>Local District</u> <u>Employees</u>	<u>TOTAL</u>
1989	8,757	8,863	5,186	22,806
1988	8,167	8,220	5,684	22,071
1987	8,016	7,855	4,427	20,298
1986	7,797	7,588	4,184	19,569
1985	7,657	6,988	3,985	18,938
1984	7,515	6,757	3,752	18,255

Maine State Retirement System  
**BALANCE SHEET**  
June 30, 1989

ASSETS		TRUST RESERVES AND LIABILITIES	
<u>A. Investments</u>		<u>A. Trust Reserves</u>	
1. Bonds	\$631,325,826.27	1. Members Contr'btn	
2. Common Stocks	679,917,860.29	Fund-Current	\$633,934,801.93
3. Mortgages	61,958.44	2. Members Contr'btn	
4. Commingled Funds		Fund-Prior	51,305.92
a. Morgan Gty	174,751,933.22	3. Retirement Allow-	
b. Travelers	13,039,251.26	ance Fund	831,152,516.68
5. Land & Building	2,301,368.23	4. Survivor Benefit	
6. Due Other Funds		Fund	<u>43,383,752.32</u>
(see Note 1)	<u>(7,654,884.26)</u>	TOTAL-Trust	
TOTAL-Investments	\$1,493,743,313.45	Reserves	\$1,508,522,376.85
<u>B. Other Assets</u>		<u>B. Liabilities &amp; Operating Reserves</u>	
1. Cash-Due from		1. Accts Payable	\$46,356.57
Other Funds	\$25,469,248.04	2. Reserve for	
2. Cash-Fiduciary Due		Expenditures	56,126.02
from Other Funds	(15,373,982.61)	3. Retirees Health	
3. Accrued Interest	7,850,265.81	Insurance	3,763,306.59
4. Capital Equipment	390,972.11	4. Suspense Acct	<u>106,246.46</u>
5. Accts Receivable	<u>414,595.69</u>	TTL-Liabilities & Oper-	
TTL-Other Assets	\$18,751,099.04	ating Reserves	\$3,972,035.64
TOTAL-ASSETS	<u>\$1,512,494,412.49</u>	TTL-TRUST RESERVES	
		& LIABILITIES	<u>\$1,512,494,412.49</u>

Notes to the Balance Sheet

- Assets Due the Judicial Retirement System \$7,119,740.98  
Assets Due Legislative Retirement System 535,143.28.

## Maine State Retirement System

**TRUST RESERVES AND LIABILITY DETAIL**

June 30, 1989

## TRUST RESERVES AND LIABILITIES

**A. Trust Reserves**

## 1. Members Contribution Fund-Current

a. State	\$201,665,654.43	
b. Teachers		
i pre 7/1/24	0.00	
ii post 7/1/24	330,059,930.53	
c. Participating Districts	91,373,554.43	
d. Consolidated		
i Accidntl Death	0.00	
ii Disability	10,835,662.54	
iii Survivor Bnft	<u>0.00</u>	\$633,934,801.93

## 2. Members Contribution Fund-Prior

b. Teachers		
i pre 7/1/24	<u>\$51,305.92</u>	51,305.92

## 3. Retirement Allowance Fund

a. State	\$278,075,634.47	
b. Teachers		
i pre 7/1/24	(196,922,170.18)	
ii post 7/1/24	\$338,604,530.39	
c. Participating Districts	286,186,112.36	
d. Consolidated		
i Accidntl Death	5,548,182.62	
ii Disability	119,660,227.02	
iii Survivor Bnft	<u>0.00</u>	831,152,516.68

## 4. Survivor Benefit Fund

d. Consolidated		
iii Survivor Bnft	<u>\$43,383,752.32</u>	<u>43,383,752.32</u>

TOTAL-Trust Reserves \$1,508,522,376.85**B. Liabilities and Operating Reserves**

## 1. Accounts Payable

a. State	<u>\$46,356.57</u>	\$46,356.57
----------	--------------------	-------------

## 2. Reserve for Expenditures

a. State	<u>\$56,126.02</u>	56,126.02
----------	--------------------	-----------

## 3. Retirees Health Insur

a. State	\$3,639,955.87	
b. Teachers		
ii post 7/1/24	<u>123,350.72</u>	3,763,306.59

## 4. Suspense Account

a. State	<u>\$106,246.46</u>	<u>106,246.46</u>
----------	---------------------	-------------------

TOTAL-Liabilities & Operating Reserves 3,972,035.64TOTAL-TRUST RESERVES AND LIABILITIES \$1,512,494,412.49

## Maine State Retirement System

**COMPARATIVE BALANCE SHEET**

for Fiscal Years ending June 30, 1988 and June 30, 1989

ASSETS	at June 30, 1989	at June 30, 1988	Increase(Decrease)
<b>A. Investments</b>			
1. Bonds	\$631,325,826.27	\$788,879,909.99	(\$157,554,083.72)
2. Common Stocks	679,917,860.29	274,246,535.35	405,671,324.94
3. Mortgages	61,958.44	70,541.05	(8,582.61)
4. Commingled Funds			
a. Morgan Guaranty	174,751,933.22	158,806,017.99	15,945,915.23
b. Travelers Insur	13,039,251.26	13,185,702.54	(146,451.28)
5. Land & Building	2,301,368.23	1,838,686.15	462,682.08
6. Due Other Funds			
(see Note 1)	(7,654,884.26)	(5,007,468.91)	(2,647,415.35)
TOTAL-Investments	\$1,493,743,313.45	\$1,232,019,924.16	\$261,723,389.29
<b>B. Other Assets</b>			
1. Cash-Due from Other Funds	\$25,469,248.04	\$53,628,974.61	(\$28,159,726.57)
2. Cash-Fiduciary Due from Other Funds	(15,373,982.61)	14,165,135.24	(29,539,117.85)
3. Accrued Interest	7,850,265.81	8,883,470.81	(1,033,205.00)
4. Capital Equipment	390,972.11	373,337.23	17,634.88
5. Accts Receivable	414,595.69	900,601.73	(486,006.04)
TOTAL-Other Assets	\$18,751,099.04	\$77,951,519.62	(\$59,200,420.58)
<b>TOTAL-ASSETS</b>	<b>\$1,512,494,412.49</b>	<b>\$1,309,971,443.78</b>	<b>\$202,522,968.71</b>
<b>TRUST RESERVES AND LIABILITIES</b>			
<b>A. Trust Reserves</b>			
1. Members Contr'btn Fund-Current	\$633,934,801.93	\$522,309,806.99	\$81,624,994.94
2. Members Contr'btn Fund-Prior	51,305.92	49,744.14	1,561.78
3. Retirement Allowance Fund	831,152,516.68	713,146,388.47	118,006,128.21
4. Survivor Bnft Fd	43,383,752.32	39,786,521.69	3,597,230.63
TTL-Trust Reserves	\$1,508,522,376.85	\$1,305,292,461.29	\$203,229,915.56
<b>B. Liabilities &amp; Operating Reserves</b>			
1. Accts Payable	\$46,356.57	\$536,860.73	(\$490,504.16)
2. Reserve for Expenditures	56,126.02	\$1,099,527.77	(1,043,401.75)
3. Retirees Health Insurance	\$3,763,306.59	\$2,988,516.85	774,789.74
4. Suspense Acct	106,246.46	54,077.14	52,169.32
TTL-Liabilities and Operating Reserves	\$3,972,035.64	\$4,678,982.49	(\$706,946.85)
<b>TTL-TRUST RESERVES &amp; LIABILITIES</b>	<b>\$1,512,494,412.49</b>	<b>\$1,309,971,443.78</b>	<b>\$202,522,968.71</b>

Note 1. Amounts shown are due Legislative &amp; Judicial Retirement Systems.

## Maine State Retirement System

**NET INCOME FROM INVESTMENT OPERATIONS**

for 12 Months ending June 30, 1989

**A. GAINS/LOSSES ON SECURITY SALES**

1. Gain on Sale of Stock	\$46,448,179.42	
2. Loss on Sale of Bonds	<u>(2,124,302.65)</u>	
NET GAIN on Security Sales		\$44,323,876.77

**B. INCOME FROM INVESTMENTS**

1. Interest Paid-Bonds	\$72,223,617.18	
2. Cash Dividends-Stock	10,553,875.72	
3. Premiums Paid-Loan of Securities	186,065.98	
4. Interest Paid-Mortgages	<u>145.60</u>	
TOTAL INCOME from Investments		82,963,704.48

**C. DEDUCTIONS FROM INVESTMENT INCOME**

1. Investment Advisor Fees	\$2,509,459.92	
2. Custodial Fees	384,000.00	
3. Misc Security Registration Fees	27,675.28	
4. General Operating Expenses	<u>56,521.61</u>	
TOTAL DEDUCTIONS from Investment Income		<u>(2,977,656.81)</u>

NET INCOME FROM INVESTMENTS (Note 1)

\$124,309,924.44

## Note 1 Income Due to Judicial Retirement System

Retirement	\$807,606.24	
Survivor Benefits	<u>11,406.87</u>	
TOTAL		\$819,013.11

## Income Due Legislative Retirement System

Retirement	\$61,509.11	
Survivor Benefits	<u>426.93</u>	
TOTAL		61,936.04

Prior Year Adjustment

	<u>43,465.49</u>	
TOTAL		<u>\$924,414.64</u>



Maine State Retirement System

**NET PROFIT FROM INVESTMENT OPERATIONS  
(CUMULATIVE)**

for Activity through June 30, 1989

Net Profit on Sales/Exchanges through June 30, 1988	\$278,784,388.15
Add: Net Gain on Sales/Exchanges for Fiscal Yr 1989	<u>44,323,876.77</u>
Net Profit on Sales/Exchanges through June 30, 1989	<u>\$323,108,264.92</u>

Maine State Retirement System

**INTEREST DISTRIBUTION  
FROM INVESTMENT INCOME**

for 12 Months ending June 30, 1989

Net Income from Investments	\$124,309,924.44
Less: Net Gain on Security Sales	<u>44,323,876.77</u>
Net Income Distributed to Various Funds	<u>\$79,986,047.67</u>

Maine State Retirement System

**INVESTMENT BOOK & MARKET VALUES**

June 30, 1989

Investments	Book Value	Market Value
Bonds	\$ 631,325,826.27	\$ 657,618,331.00
Stocks	679,917,860.29	787,919,414.00
Mortgages	61,958.44	61,958.00
Comingled Funds:		
Morgan Guaranty	174,751,933.22	194,454,397.00
Travelers Insurance	13,039,251.26	17,456,354.00
Land/Building	2,301,368.23	2,301,368.00
Cash	25,469,248.04	25,469,248.04
Cash-Fiduciary	(15,373,982.61)	(see note 1)
Accrued Interest	7,850,265.81	(see note 1)
Capital Equipment	390,972.11	390,972.00
Accounts Receivable	<u>414,595.69</u>	<u>414,595.69</u>
TOTALS	\$1,520,149,296.75	<u>\$1,686,086,638.00</u>
Due Other Funds	<u>(7,654,884.26)</u>	(see note 2)
TOTAL	<u>\$1,512,494,412.49</u>	

Note 1 Included in Market Value of Securities

Note 2 Assets Due the Judicial and Legislative Retirement Systems

Maine State Retirement System  
**CHANGES IN TRUST FUND RESERVES**  
for 12 Months ending June 30, 1989

A. BALANCE ON JULY 1, 1988		\$1,305,292,461.29
(Less: Prior Period Adjustments)		(912,056.64)
B. ADDITIONS		
1. Employer Contributions		
i State		
Employees	\$66,501,626.25	
ii Teachers	94,619,923.30	
iii Participating		
Districts	<u>26,006,694.09</u>	
TOTAL-Employer Contributions		\$187,128,243.64
2. Employee Contributions		
i State		
Employees	\$18,907,955.97	
ii Teachers	31,832,111.59	
iii Participating		
Districts	<u>10,563,564.54</u>	
TOTAL-Employee Contributions		61,303,632.10
3. Net Income from Investments		
Net Income	\$124,309,924.44	
(Less: Due Judi-		
cl/Legislative	<u>(924,414.64)</u>	
TOTAL-Net Income from Investments		<u>123,385,509.80</u>
TOTAL ADDITIONS to Trust Fund Reserves		371,817,385.54
C. DEDUCTIONS		
1. Retirement Allowances		
Paid & COLA	\$155,286,146.52	
2. Survivor		
Benefits	2,186,009.45	
3. Refunds	<u>10,203,257.37</u>	
TOTAL-Deductions		<u>(167,675,413.34)</u>
D. NET INCREASE to Trust Fund Reserves		204,141,972.20
E. TRUST FUND RESERVES AT JUNE 30, 1989		<u>\$1,508,522,376.85</u>

Maine State Retirement System

**TWENTY YEAR SUMMARY OF EARNINGS**

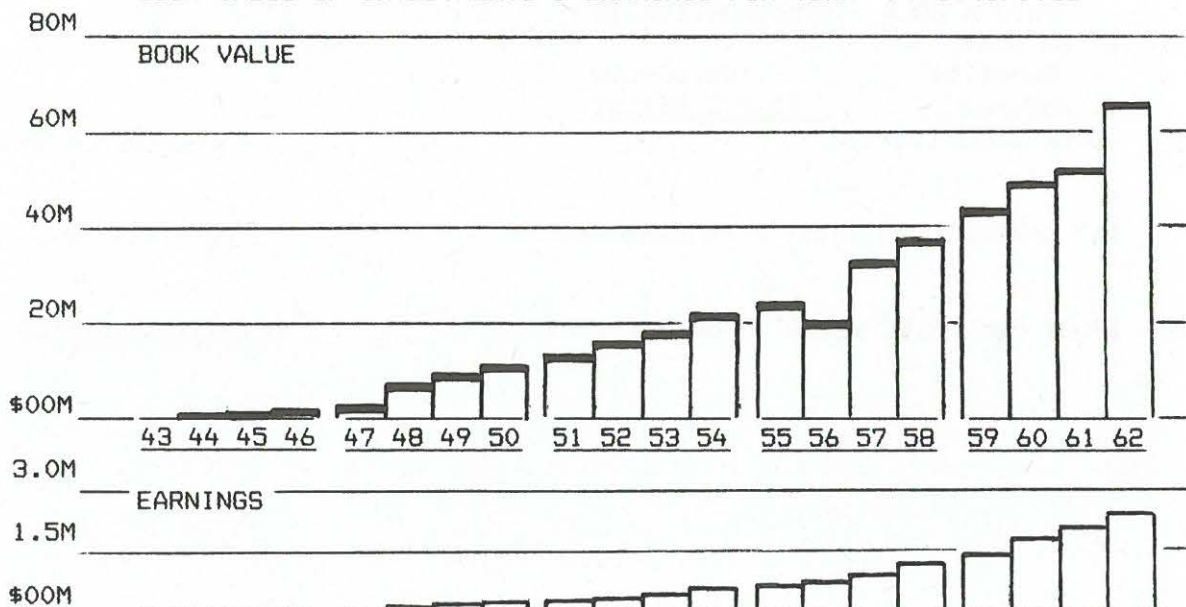
JULY 1, 1942 through JUNE 30, 1962

FY Ending June 30	Book Value of Investments	Net Increase in Investment Book Value	Earnings for the Year *1 Accrual Basis
1943	\$576,142.97	\$318,000.00	\$1,884.35
1944	1,026,142.97	450,000.00	12,154.46
1945	1,486,142.97	460,000.00	25,560.90
1946	1,930,142.97	444,000.00	50,140.29
1947	2,489,142.97	559,000.00	52,522.09
1948	7,263,648.72	4,774,505.75	159,487.91
1949	9,038,648.72	1,775,000.00	206,934.14
1950	11,023,648.72	1,985,000.00	256,688.07
1951	12,934,768.72	1,911,120.00	317,497.98
1952	15,432,488.89	2,497,720.17	368,620.65
1953	17,823,719.34	2,391,230.45	464,578.19
1954	21,346,256.29	3,522,536.95	576,314.21
1955	24,801,155.43	3,454,899.14	713,411.34
1956	20,012,312.28	4,211,156.85	820,511.51
1957	33,137,935.09	4,125,622.81	1,014,162.82
1958	38,302,811.29	4,164,876.20	1,233,750.20
1959	44,511,070.88	6,208,259.59	1,473,324.30
1960	50,880,174.72	6,359,103.84	1,781,368.02
1961	57,633,773.71	6,753,598.99	2,145,427.31
1962	66,498,248.08	8,864,474.37	2,540,623.88

\*1 Earnings applicable to all Trust Fund Reserves

Maine State Retirement System

BOOK VALUE OF INVESTMENTS & EARNINGS FOR YEAR FY 1943/1962



Maine State Retirement System

**TWENTY YEAR SUMMARY OF EARNINGS**

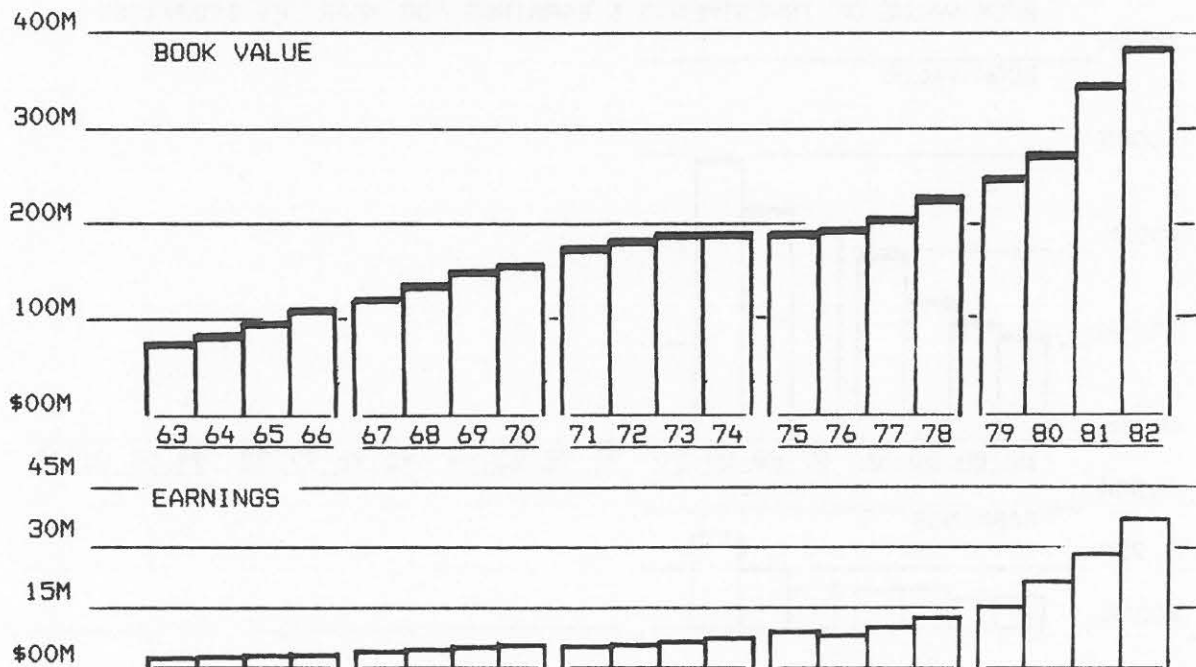
JULY 1, 1962 through JUNE 30, 1982

FY Ending June 30	Book Value of Investments	Net Increase in Investment Book Value	Earnings for the Year *1 Accrual Basis
1963	\$75,022,765.44	\$8,524,517.36	\$2,925,300.13
1964	85,913,758.52	10,890,993.08	3,328,056.40
1965	96,930,762.57	11,017,004.05	3,870,496.12
1966	108,555,742.38	11,624,979.81	4,475,359.34
1967	120,564,775.29	12,009,032.91	5,070,389.31
1968	135,081,371.78	14,516,596.49	5,741,943.99
1969	150,501,422.09	15,420,050.31	6,103,338.79
1970	163,500,431.87	12,999,009.76	6,310,034.78
1971	175,261,654.19	11,761,222.32	6,357,344.92
1972	184,789,453.85	9,527,799.66	6,593,475.25
1973	185,867,989.22	1,078,535.37	6,651,554.76
1974	188,846,484.91	2,978,495.69	8,344,366.67
1975	188,397,103.61	(449,381.30)	9,386,916.98
1976	193,878,411.56	5,481,307.95	8,861,728.87
1977	206,401,915.73	12,523,504.17	10,751,249.86
1978	230,676,904.21	24,274,988.48	12,899,069.24
1979	247,923,507.81	17,246,603.60	16,314,180.33
1980	272,523,379.27	24,599,871.46	21,918,345.94
1981	346,806,884.82	74,283,505.55	28,628,894.51
1982	383,750,315.90	36,943,431.08	37,883,766.72

\*1 Earnings applicable to all Trust Fund Reserves

Maine State Retirement System

BOOK VALUE OF INVESTMENTS & EARNINGS FOR YEAR FY 1963/1982



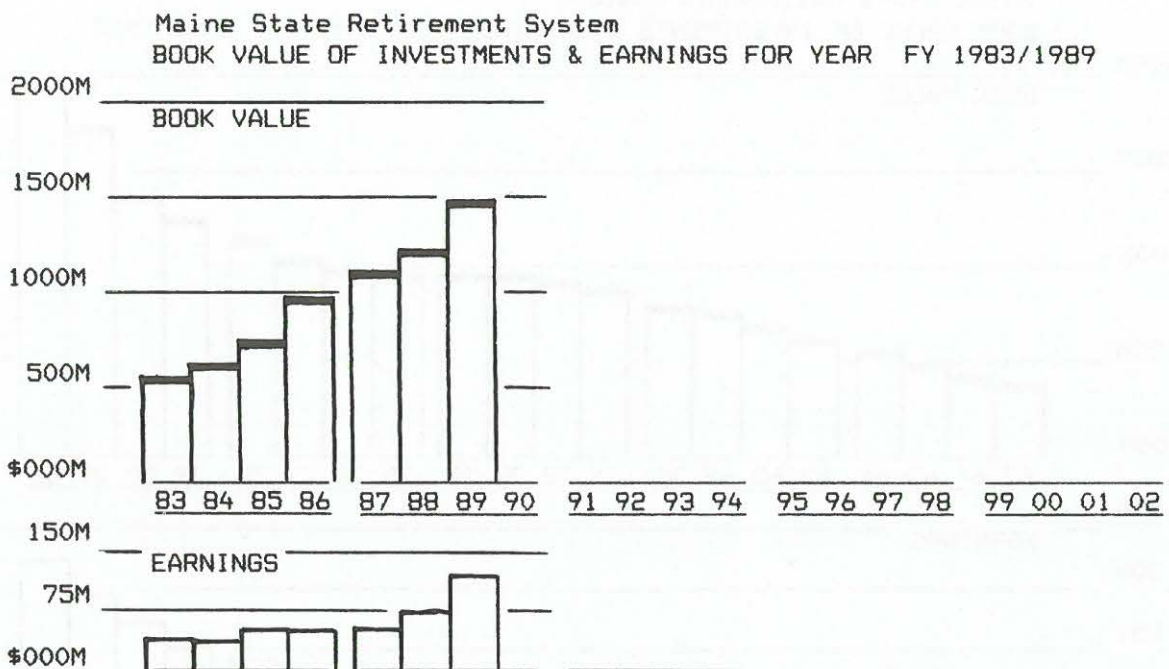


Maine State Retirement System  
**SEVEN YEAR SUMMARY OF EARNINGS**  
 JULY 1, 1982 through JUNE 30, 1989

FY Ending June 30	Book Value of Investments	Net Increase in Investment Book Value	Earnings for the Year *1 Accrual Basis
1983 *2	\$558,616,451.76	\$174,866,135.86	39,351,815.31
1984	608,064,138.37	49,447,686.61	38,999,433.27
1985	739,717,509.89	116,892,719.22	49,530,863.11
1986	985,219,232.88	245,501,722.99	47,093,860.43
1987	1,133,419,105.21	148,199,872.33	53,417,394.28
1988	1,232,019,924.16	98,600,818.95	76,190,284.72
1989	1,493,743,313.45	261,723,389.29	124,309,924.44
1990			
1991			
1992			
1993			
1994			
1995			
1996			
1997			
1998			
1999			
2000			
2001			
2002			

\*1 Earnings applicable to all Trust Fund Reserves

\*2 Includes \$105,000,000 in "New Cash" for Fiscal Year 1983





## Maine State Retirement System

## STATEMENT OF TRUST FUND BALANCES

June 30, 1989

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
1	Maine State Employees	\$201,665,651.43	\$278,075,634.47	\$479,741,285.90
2	Portland	14,998,174.89	28,429,563.46	43,427,738.35
3	Millinocket	1,017,901.24	3,489,006.25	4,506,907.49
4	Presque Isle	1,687,737.81	4,268,449.32	5,956,187.13
5	Cumberland County	594,437.13	1,844,025.30	2,438,462.43
6	Disability	10,835,662.54	119,660,227.02	130,495,889.56
7	Teachers (post 7-1-24)	330,111,236.45	338,604,530.39	668,715,766.84
8	Camden	293,436.05	744,902.22	1,038,338.27
9	South Portland	2,281,112.97	10,109,522.93	12,390,635.90
10	Houlton	290,894.30	1,170,548.30	1,461,442.60
11	Penobscot County	379,922.77	1,531,307.24	1,911,230.01
12	Kittery Water District	217,837.05	505,127.44	722,964.49
13	Ellsworth	375,046.53	1,347,101.86	1,722,148.39
14	Kittery	483,826.43	1,799,496.79	2,283,323.22
15	Bar Harbor	284,991.45	1,041,851.64	1,326,843.09
16	Mount Desert	284,767.17	909,916.67	1,194,683.84
17	Fort Fairfield	105,047.74	557,378.33	662,426.07
18	Rockland	704,502.21	3,701,243.55	4,405,745.76
19	Bath Water District	203,757.52	556,884.80	760,642.32
20	Bangor	9,097,408.64	24,894,967.23	33,992,375.87
21	Boothbay Hbr Wtr Dist	92,983.35	184,442.00	277,425.35
22	Bangor Public Library	411,202.25	754,863.64	1,166,065.89
23	Augusta	3,725,195.11	10,732,429.02	14,457,624.13
24	Gardiner	673,725.27	1,602,465.53	2,276,190.80
25	Teachers (pre 7-1-24)	0.00	(196,922,170.18)	(196,922,170.18)
26	Houlton Water District	510,805.51	1,567,410.57	2,078,216.08
27	Auburn	2,610,501.40	11,890,098.58	14,500,599.98
28	York	692,905.13	1,085,404.02	1,778,309.15
29	Limestone Water/Sewer	27,969.38	71,649.73	99,619.11
30	Saint Agatha	28,279.42	115,010.41	143,289.83
31	Kennebec Water Dist	196,774.84	477,499.39	674,274.23
32	Livermore Fls Wtr Dist	94,899.81	328,678.91	423,578.72
33	Knox County	58,499.19	303,963.63	362,462.82
34	Augusta Water District	305,120.61	833,030.73	1,138,151.34
35	Belfast	311,659.75	923,965.21	1,235,624.96
36	Calais	307,543.36	903,664.04	1,211,207.40

(continued)

Maine State Retirement System  
STATEMENT OF TRUST FUND BALANCES  
June 30, 1989

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
37	York County	\$232,631.46	\$1,401,076.58	\$1,633,708.04
38	Maine Maritime Academy	1,569,491.43	9,392,377.31	10,961,868.74
39	York Water District	103,885.66	330,305.70	434,191.36
40	Washington County	192,252.31	757,241.24	949,493.55
41	Portland Public Libry	710,685.22	1,558,359.46	2,269,044.68
42	Brunswick	1,574,445.69	6,357,810.01	7,932,255.70
43	Auburn Public Library	47,605.67	284,570.58	332,176.25
44	Maine-NH Bridge Auth	0.00	0.00	0.00
45	Jay	345,376.05	884,290.50	1,229,666.55
46	Waldo County	140,889.22	604,007.09	744,896.31
47	Kennebec County	240,725.62	1,013,380.75	1,254,106.37
48	Lewiston	4,659,666.63	19,046,707.45	23,706,374.08
49	Maine Tpke Authority	4,051,358.11	11,881,655.86	15,933,013.97
50	School Admin Dist 31	69,751.09	399,215.06	468,966.15
51	Auburn Sewer District	64,367.31	244,422.23	308,789.54
52	Auburn Water District	154,774.34	715,086.83	869,861.17
54	East Millinocket	463,256.34	1,262,438.71	1,725,695.05
55	Maine Municipal Assoc	119,451.13	339,494.25	458,945.38
56	Hancock County	253,706.63	856,341.44	1,110,048.07
57	Oxford County	290,228.21	1,044,503.56	1,334,731.77
58	Falmouth Mml Library	32,416.74	83,303.41	115,720.15
59	Bangor Water District	280,361.30	697,896.28	978,257.58
60	Rumford Fire/Police	572,801.15	2,843,176.25	3,415,977.40
61	Orono	267,602.61	758,944.03	1,026,546.64
62	Kennebunk Light/Power	185,652.02	590,725.17	776,377.19
63	Brewer	1,261,398.48	2,940,233.34	4,201,631.82
64	Augusta Sanitary Dist	288,755.65	878,476.49	1,167,232.14
65	Rumford Wtr District	66,188.22	376,383.84	442,572.06
66	Wtrville Fire/Police	1,348,773.24	3,635,535.44	4,984,308.68
67	Adroscoggin County	412,263.35	1,351,034.54	1,763,297.89
68	Brewer Water District	55,399.33	220,689.21	276,088.54
69	Baileyville	61,008.43	271,337.74	332,346.17
70	Westbrook Fire/Police	889,085.56	5,414,563.31	6,303,648.87
71	Gtr Ptld Public Devel	0.00	0.00	0.00
72	Brunswick Sewer Dist	125,104.71	360,106.97	485,211.68
73	Bath	1,702,040.97	9,012,094.06	10,714,135.03
74	Mexico	185,005.57	353,161.12	538,166.69

(continued)

Maine State Retirement System  
STATEMENT OF TRUST FUND BALANCES  
June 30, 1989

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
75	Accidental Death	\$0.00	\$5,548,182.62	\$5,548,182.62
76	Lincoln	287,399.77	750,514.71	1,037,914.48
77	School Admin Dist 34	249,464.80	960,399.75	1,209,864.55
78	School Admin Dist 28	0.00	18,177.04	18,177.04
79	Old Town Wtr District	139,203.72	274,303.21	413,506.93
80	Skowhagan	463,273.38	1,630,870.28	2,094,143.66
81	Topsham	153,407.98	455,188.99	608,596.97
82	Madawaska	520,702.93	1,354,187.97	1,874,890.90
83	Sanford	1,247,935.55	4,893,843.07	6,141,778.62
84	Kennebunk	153,494.71	809,513.17	963,007.88
85	Cape Elizabeth	605,613.51	2,267,541.46	2,873,154.97
86	Wilton	110,242.24	284,208.56	394,450.80
87	Falmouth	261,266.12	808,253.18	1,069,519.30
88	Lubec Water/Electric	58,651.25	232,472.47	291,123.72
89	Sanford Sewer Dist	108,087.21	269,647.83	377,735.04
90	Rumford	730,416.47	2,024,174.69	2,754,591.16
91	Fort Kent	111,595.07	371,765.80	483,360.87
92	Lincoln Wtr District	31,683.57	113,346.23	145,029.80
93	Maine Mun Bond Bank	80,971.12	123,652.96	204,624.08
94	Grt Ptld Council/Gvt	181,691.24	478,484.14	660,175.38
95	Lincoln County	131,153.23	706,261.19	837,414.42
96	Sagadahoc County	116,090.65	629,963.80	746,054.45
97	Dexter	103,665.25	284,076.53	387,741.78
98	Frenchville	19,887.46	58,356.56	78,244.02
100	Farmington	333,266.29	1,369,506.14	1,702,772.43
101	Somerset County	149,776.31	432,197.32	581,973.63
102	Franklin County	133,239.65	351,160.34	484,399.99
103	Lisbon	420,924.17	1,525,524.33	1,946,448.50
104	Milo	39,516.19	171,848.36	211,364.55
105	MSSPA	73,741.77	294,716.37	368,458.14
106	Aroostook County	636,769.56	1,607,994.77	2,244,764.33
107	Wells	510,709.93	1,452,245.89	1,962,955.82
108	Berwick	67,063.62	162,898.20	229,961.82
109	Livermore Falls	84,935.26	213,373.52	298,308.78
110	Pittsfield	63,441.96	264,003.21	327,445.17
111	Old Town	412,133.39	2,482,088.46	2,894,221.85

(continued)



Maine State Retirement System  
STATEMENT OF TRUST FUND BALANCES  
June 30, 1989

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
112	Franklin County	\$128,648.38	\$331,720.38	\$460,368.76
113	School Admin Dist 66	0.00	150,068.56	150,068.56
114	Mechanic Falls	60,662.39	282,145.28	342,807.67
115	School Admin Dist 54	264,469.23	771,532.14	1,036,001.37
116	Yarmouth	522,114.26	2,160,195.13	2,682,309.39
117	Searsport	67,012.95	199,707.94	266,720.89
118	Farmington Vlg Corp	18,847.57	60,006.25	78,853.82
119	School Admin Dist 9	398,341.14	992,378.21	1,390,719.35
120	Mt Desert Rgnl Schools	54,368.08	161,715.38	216,083.46
121	Piscataquis County	130,468.81	570,179.04	700,647.85
122	Westbrook	528,970.93	2,618,702.10	3,147,673.03
124	Searsport Wtr District	23,066.99	85,806.67	108,873.66
125	Norway	168,668.04	405,007.92	573,675.96
126	School Admin Dist 67	195,690.45	918,004.91	1,113,695.36
127	Paris	128,728.98	347,964.75	476,693.73
128	School Admin Dist 71	154,980.01	713,748.09	868,728.10
129	School Admin Dist 53	37,874.55	92,209.70	130,084.25
130	Bucksport	421,311.59	991,595.12	1,412,906.71
131	Ft Frfld Util Dist	69,444.90	234,958.05	304,402.95
132	Belfast Wtr District	47,675.19	227,194.54	274,869.73
133	Gorham	434,103.48	922,816.70	1,356,920.18
134	Lincoln Academy	76,911.52	124,075.59	200,987.11
135	So Kenbc Vly Rgnl Plg	21,786.38	36,125.44	57,911.82
136	Norway Water District	35,167.89	140,789.23	175,957.12
137	Dover-Foxcroft Water	0.00	41,584.86	41,584.86
138	Naples	17,078.15	73,965.30	91,043.45
139	York Sewage District	19,338.70	213,871.63	233,210.33
140	Old Orchard Beach	520,945.70	1,921,898.99	2,442,844.69
141	South Berwick	76,600.19	265,350.86	341,951.05
142	Freeport	81,917.42	369,002.40	450,919.82
143	School Admin Dist 41	372,301.74	947,421.07	1,319,722.81
144	Winslow	252,701.64	803,625.35	1,056,326.99
145	Auburn Housing Auth	108,925.48	334,537.96	443,463.44
146	Boothbay Harbor	45,076.75	319,852.06	364,928.81
147	Scarborough	308,393.06	1,451,458.18	1,759,851.24
148	Cranberry Isles	0.00	1,941.92	1,941.92

(continued)

Maine State Retirement System  
STATEMENT OF TRUST FUND BALANCES  
June 30, 1989

<u>Ref</u> <u>Nbr</u>	<u>Plan or District Name</u>	<u>Members'</u> <u>Contribution</u>	<u>Retirement</u> <u>Allowance</u>	<u>Total Trust</u> <u>Fund Reserves</u>
149	Fryburg	\$3,406.52	\$78,777.43	\$82,183.95
150	Hermon	66,351.34	304,782.73	371,134.07
151	Hampden	171,619.86	522,480.25	701,100.11
152	Sanford Housing Auth	64,835.79	186,810.84	251,646.63
153	Vassalboro	29,270.15	92,986.36	122,256.51
154	Lewiston Housing Auth	240,924.20	368,453.47	609,377.67
155	Garland	0.00	1,726.70	1,726.70
156	Exeter	5,031.26	9,523.99	14,555.25
157	Bingham Water District	83.46	28,876.25	28,959.71
158	Biddeford	1,025,929.48	2,706,978.80	3,732,908.28
159	Paris Utilities Dist	115,210.85	155,504.07	270,714.92
160	Hallowell	19,130.33	127,499.55	146,629.88
161	Rockport	49,257.51	197,741.98	246,999.49
162	Wallagrass Plantation	7.75	12,353.67	12,361.42
163	Lew-Aub Wtr Pollution	43,643.28	257,084.23	300,727.51
164	Thomaston	41,879.54	238,808.00	280,687.54
165	Plsnt Pt/Passmqdy Resv	14,451.90	92,295.17	106,747.07
166	Orland	26,862.68	146,768.57	173,631.25
167	Dover-Foxcroft	116,284.71	379,340.96	495,625.67
168	School Admin Dist 29	130,181.20	422,906.45	553,087.65
169	Maine Housing Auth	179,495.02	392,526.13	572,021.15
170	Sanford Water District	167,008.14	461,678.19	628,686.33
171	So Berwick Water Dist	5,555.90	51,377.92	56,933.82
172	New Canada Plantation	0.00	16,188.98	16,188.98
173	Ind'n Twp/Passaqdy RHA	25.20	54,871.58	54,896.78
174	Glenburn	32,761.55	51,682.35	84,443.90
175	Sebattus	70,216.94	181,115.03	251,331.97
176	Bridgton	19,028.75	206,276.24	225,304.99
177	Brownville	35,333.00	123,635.66	158,968.66
178	School Admin Dist 2	0.00	0.00	0.00
179	Winthrop	301,887.86	611,965.76	913,853.62
180	Eliot	95,398.77	274,991.83	370,290.60
181	Lebanon	17,757.32	103,430.63	121,187.95
182	Van Buren	115,469.83	294,688.02	410,157.85
183	Hampden Water District	15,473.38	44,795.78	60,269.16
184	Monson	28,082.63	42,860.22	70,942.85

(continued)



Maine State Retirement System  
STATEMENT OF TRUST FUND BALANCES  
June 30, 1989

<u>Ref</u> <u>Nbr</u>	<u>Plan or District Name</u>	<u>Members'</u> <u>Contribution</u>	<u>Retirement</u> <u>Allowance</u>	<u>Total Trust</u> <u>Fund Reserves</u>
185	Portland Hsg Authority	\$431,299.75	\$1,150,247.38	\$1,581,547.13
186	Milford	480.77	55,100.01	55,580.78
187	School Admin Dist 60	139,407.13	576,472.13	715,879.26
188	Kennebunkport	272,361.00	887,827.87	1,160,188.87
189	School Admin Dist 49	49,182.98	275,326.91	324,509.89
190	School Admin Dist 16	54,363.12	233,417.59	287,780.71
191	Damariscotta	40,376.97	57,800.28	98,177.25
192	Saco	511,832.25	2,370,136.51	2,881,968.76
193	Otisfield	8,913.37	34,291.46	43,204.83
194	Medway	79,405.54	175,275.70	254,681.24
195	Waldoboro	148,871.94	342,874.35	491,746.29
196	Wtvl Urban Rnwl Auth	0.00	32,415.18	32,415.18
197	Dixfield	9,450.82	113,982.37	123,433.19
198	School Admin Dist 51	212,882.38	608,420.78	821,303.16
199	Bradford	0.00	7,669.68	7,669.68
200	Oxford	17,479.06	105,489.25	122,968.31
201	Kennebunk Sewer Auth	51,769.72	212,043.02	263,812.74
202	Phippsburg	37,876.14	58,011.79	95,887.93
203	Chevrus High School	98,926.94	273,074.63	372,001.57
204	Boothby/Bby Hbr CSC	43,681.50	131,944.32	175,625.82
205	Gould Academy	46,558.24	224,313.22	270,871.46
206	So Ptld Housing Auth	129,793.25	370,937.50	500,730.75
207	Berwick Sewer Dist	93,123.92	201,009.96	294,133.88
208	Caribou Fire/Police	256,630.22	1,022,878.19	1,279,508.41
209	Orrington	96,373.59	215,631.70	312,005.29
210	New Gloucester	135,502.17	278,066.24	413,568.41
211	School Admin Dist 21	161,703.91	332,926.84	494,630.75
212	Readfield	10,557.34	15,965.36	26,522.70
213	Richmond	37,608.72	195,696.72	233,305.44
214	Linneus	14,258.70	31,826.60	46,085.30
215	Hodgdon	21,107.08	90,520.54	111,627.62
216	Cumberland	270,667.15	379,541.03	650,208.18
217	Corinna	37,077.44	147,275.81	184,353.25
218	School Admin Dist 56	57,487.07	195,999.21	253,486.28
219	Lincoln Sanitary Dist	51,801.72	73,690.62	125,492.34
220	Kennebec Santry Dist	77,449.45	285,133.88	362,583.33

(continued)

Maine State Retirement System  
STATEMENT OF TRUST FUND BALANCES  
June 30, 1989

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
221	Gardiner Water District	\$37,847.45	\$91,439.15	\$120,286.60
222	Waterville Sewer Dist	100,904.86	184,698.58	285,603.44
223	School Admin Dist 13	85,528.30	247,881.31	333,409.61
224	Waldoboro Rgl Voc Rgn 7	4,450.48	62,950.71	67,401.19
225	Maine Cty Commis Assn	7,998.13	17,098.56	25,096.69
226	Jackman Water District	13,441.52	29,471.74	42,913.26
227	Mars Hill	53,386.14	111,618.74	165,004.88
228	Lubec	27,542.98	48,862.14	76,405.12
229	Van Buren Housing Auth	22,915.32	96,742.12	119,657.44
230	Washburn	44,192.02	108,323.82	152,515.84
231	Andros Vly Rgl Plg Comm	123,536.50	169,785.80	293,322.30
232	Howland	0.00	25,687.51	25,687.51
233	Cmunity School Dist 915	43,917.23	208,004.87	251,922.10
234	Durham	28,543.68	62,984.55	91,528.23
235	China	17,175.92	36,842.31	54,018.23
236	Madawaska Water Dist	52,165.16	56,023.18	108,188.34
237	Penquis CAP	336,414.01	873,253.00	1,209,667.01
238	Milo Water District	26,084.65	131,081.56	157,166.21
239	Maine School Mgt Assoc	251,914.50	431,938.41	683,852.91
240	Easton	115,813.07	341,785.45	457,598.52
241	Fkln Cty Comm Actn Ccl	110,340.93	275,247.17	385,588.10
242	Richmond Utilities Dist	14,574.11	69,186.80	83,760.91
243	Lisbon Water District	17,463.88	56,983.33	74,447.21
244	Indian Twp Tribal Govt	57,147.47	427,536.60	484,684.07
245	Limestone	71,013.33	75,631.92	146,645.25
246	Bethel	40,647.90	113,408.07	154,055.97
247	Rumford/Mexico Swr Dist	11,009.09	44,639.72	55,648.81
248	Brewer Housing Auth	45,128.85	75,016.35	120,145.20
249	Erskine Academy	26,539.24	58,880.67	85,419.91
250	Winter Hbr Utilit Dist	12,678.44	6,314.62	18,993.06
251	Corinna Sewer District	28,015.46	43,650.07	71,665.53
252	Cmunity School Dist 912	16,536.30	30,329.34	46,865.64
253	Bridgton Water Dist	13,132.74	22,063.63	35,196.37
254	North Berwick	79,779.92	165,195.85	244,975.77
255	Knbk/Knbkpt/Wells Water	469,208.71	935,070.63	1,404,279.34
256	Auburn-Lewiston Airport	17,836.39	99,887.86	117,724.25

(continued)

Maine State Retirement System  
STATEMENT OF TRUST FUND BALANCES  
June 30, 1989

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
257	Maine Development Fndtn	\$0.00	\$83.68	\$83.68
258	Princeton	52,246.61	91,251.66	143,498.27
259	Westbrook Housing Auth	23,588.02	32,603.18	56,191.20
260	Fairfield	99,237.94	184,697.02	283,934.96
261	Georgetown	8,805.85	18,491.02	27,296.87
262	Old Town Housing Auth	61,561.42	86,910.42	148,471.84
265	Mapleton	41,670.01	118,052.56	159,722.57
266	Wells-Ogunquit CSD	82,414.74	255,588.98	338,003.72
267	Tri-Cmunty Sanitry Ldfl	14,959.79	18,301.07	33,260.86
268	Project Lodestone	2,538.82	11,291.08	13,829.90
269	So Pbsct Voc Schl Rgn 4	28,509.29	33,918.61	62,427.90
270	Harpswell	45,781.23	109,208.56	154,989.79
271	Maine Veterans Home	432,383.44	803,867.42	1,236,250.86
272	Sabattus Sanitary Dist	0.00	69.21	69.21
273	Brunswick Public Libr	27,007.71	123,056.16	150,063.87
274	Eagle Lake Water/Sewer	16,573.48	28,165.16	44,738.64
275	Ft Fairfield Hsg Auth	21,547.13	25,463.54	47,010.67
276	Lovell	4,871.36	18,816.36	23,687.72
277	Carabasset Valley	8,615.49	28,418.27	37,033.76
278	Yarmouth Water Dist	14,305.37	62,715.27	77,020.64
279	Preschool HCS Council	14,534.66	23,493.90	38,028.56
280	Harrison	30,638.33	15,437.54	46,075.87
281	Mid-Me Waste Action Cp	2,302.15	3,356.49	5,658.64
282	Mechanic Fls Sanitary	2,077.82	3,147.33	5,225.15
283	Mars Hills Utility Dst	165.04	440.56	605.60
350	Judicial	899,117.74	6,104,695.74	7,003,813.48
351	Legislative	140,131.52	391,201.01	531,332.53
		<u>\$635,025,357.11</u>	<u>\$837,648,413.43</u>	<u>\$1472,673,770.54</u>



Maine State Retirement System  
GROUP LIFE INSURANCE PROGRAM  
**STATEMENT OF OPERATIONS**  
for the Fiscal Year ending June 30, 1989

REVENUES

<u>A. Premiums Collected</u>		
1. Basic		
i Employee Paid	\$1,141,149.15	
ii State Paid	1,097,204.88	
iii Local District Retired	63,936.83	
2. Supplemental	1,871,778.91	
3. Dependent	<u>398,706.14</u>	
TOTAL-Premiums Collected		\$4,572,775.91
<u>B. Earnings on Investments</u>		<u>2,288,415.26</u>
TOTAL-REVENUES		<u><u>\$6,861,191.17</u></u>

EXPENSES

<u>A. Claims Paid to Insurer</u>		
1. Basic	\$1,662,840.65	
2. Supplemental	1,704,200.52	
3. Dependent	287,446.01	
4. Retired Employees	1,550,533.00	
5. Supplemental Distribution	<u>437,765.00</u>	
TOTAL-Claims Paid to Insurer		\$5,642,785.18
<u>B. Program Administration</u>		494,370.19
TOTAL EXPENSES		<u><u>\$6,137,155.37</u></u>

Maine State Retirement System  
GROUP LIFE INSURANCE PROGRAM  
**COMPARATIVE BALANCE SHEET**  
for Fiscal Years ending June 30, 1988 and June 30, 1989

ASSETS	at June 30, 1989	at June 30, 1988	Increase(Decrease)
<b>A. <u>Investments</u></b>			
1. Bonds	\$16,920,913.68	\$17,862,172.68	(\$941,259.00)
2. Stock	<u>1,484,575.00</u>	<u>2,234,575.00</u>	<u>(750,000.00)</u>
TOTAL-Investments	18,405,488.68	20,096,747.68	(\$1,691,259.00)
<b>B. <u>Other Assets</u></b>			
1. Cash	\$1,037,968.23	\$500,000.00	\$537,968.23
2. Cash (Fiduciary)	0.76	280,157.87	(280,157.11)
3. Accrued Interest	<u>2,493,629.16</u>	<u>1,218,888.09</u>	<u>\$1,274,741.07</u>
TOTAL-Other Assets	\$3,531,598.15	\$1,999,045.96	\$1,532,552.19
 TOTAL-ASSETS	 <u>\$21,937,086.83</u>	 <u>\$22,095,793.64</u>	 <u>(\$158,706.81)</u>
 RESERVES, WORKING CAPITAL, AND LIABILITIES			
<b>A. <u>Reserves &amp; Working Capital</u></b>			
1. Res/Futr Premiums	\$13,185,524.41	\$14,373,577.90	(\$1,188,053.49)
2. Res/Supplemental Distributions	823,380.73	1,026,651.65	(203,270.92)
3. Suspense Acct	<u>10,755.07</u>	<u>0.00</u>	<u>10,755.07</u>
TOTAL-Reserves	\$14,019,660.21	\$15,400,229.55	(\$1,380,569.34)
<b>B. <u>Liabilities</u></b>			
1. Accts Payable	\$93,136.35	\$300,446.25	(\$207,309.90)
2. Premiums Payable	<u>7,824,290.27</u>	<u>6,395,117.84</u>	<u>1,429,172.43</u>
TOTAL-Liabilities	\$7,917,426.62	\$6,695,564.09	\$1,221,862.53
 TOTAL-RESERVES, WORKING CAPITAL, & LIABILITIES	 <u>\$21,937,086.83</u>	 <u>\$22,095,793.64</u>	 <u>(\$158,706.81)</u>

## Maine State Retirement System

**ADMINISTRATION FUND**

for Fiscal Years ending June 30, 1988 and June 30, 1989

REVENUE	Fiscal Year 1989	Fiscal Year 1988
<b>A. Employer Contributions</b>		
1. State Employees		
i General Funds	\$697,127.08	\$514,417.59
ii Highway Funds	210,422.17	149,717.32
iii All Other	462,062.25	308,416.21
2. Teachers		
i Federal Funds	239,651.09	37,054.93
ii General Funds	964,673.00	524,568.00
3. Participating Districts	405,025.73	504,627.25
4. Other Sources	669,294.59	
<b>TOTAL-REVENUE</b>	<b><u>\$3,648,760.18</u></b>	<b><u>\$2,617,678.95</u></b>
<b>EXPENDITURES</b>		
1. Personal Services	\$1,480,231.14	\$968,785.09
2. Actuarial Services	357,468.02	267,742.29
3. Data Processing	454,753.38	323,195.77
4. Utilities	74,459.63	64,435.17
5. Postage & Mailing	105,849.93	65,004.37
6. Repairs to Equipment	33,025.23	42,930.31
7. Printing & Binding	55,744.45	49,036.06
8. Office Supplies	60,514.92	75,659.05
9. Retirement Costs	288,374.34	214,847.27
10. Research & Legal Svc	74,710.75	87,657.08
11. Health Insurance	137,941.41	78,948.66
12. STA-CAP Costs	36,683.01	7,004.98
13. General Operating	55,047.89	56,797.26
14. Travel	34,310.63	31,582.11
15. Office Equipment	357.00	(7,147.20)
16. Unemployment	0.00	394.47
17. Per Diem	7,500.00	7,250.00
18. Medical Services	29,056.25	25,808.57
19. Intragovernmental	17,227.94	13,948.68
20. Workers Compensation	9,488.87	42,363.93
21. Equipment Rental	2,151.04	16.00
22. Building Rental	173,927.82	101,891.26
23. Depreciation	95,523.72	0.00
24. Contracted Services	118,942.81	0.00
<b>TOTAL-EXPENDITURES</b>	<b><u>\$3,703,290.51</u></b>	<b><u>\$2,518,151.18</u></b>
Current Year Reserves (1)	\$56,126.02	\$99,527.77
Prior Year Reserves	0.00	(0.00)
Adjustment to Reserves (2)	0.00	1,000,000.00
<b>Balance of Reserves</b>	<b><u>\$56,126.02</u></b>	<b><u>\$1,099,527.77</u></b>

## Notes:

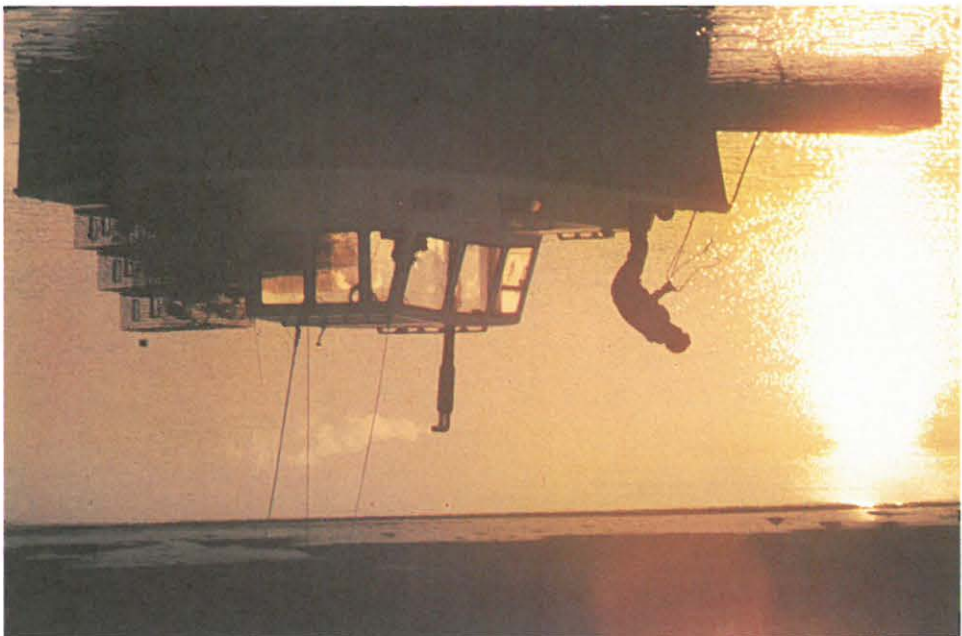
(1) Includes Income Applied Directly to Reserves of \$11,126.02

(2) The \$1-million amount was transferred to Social Security Fund.

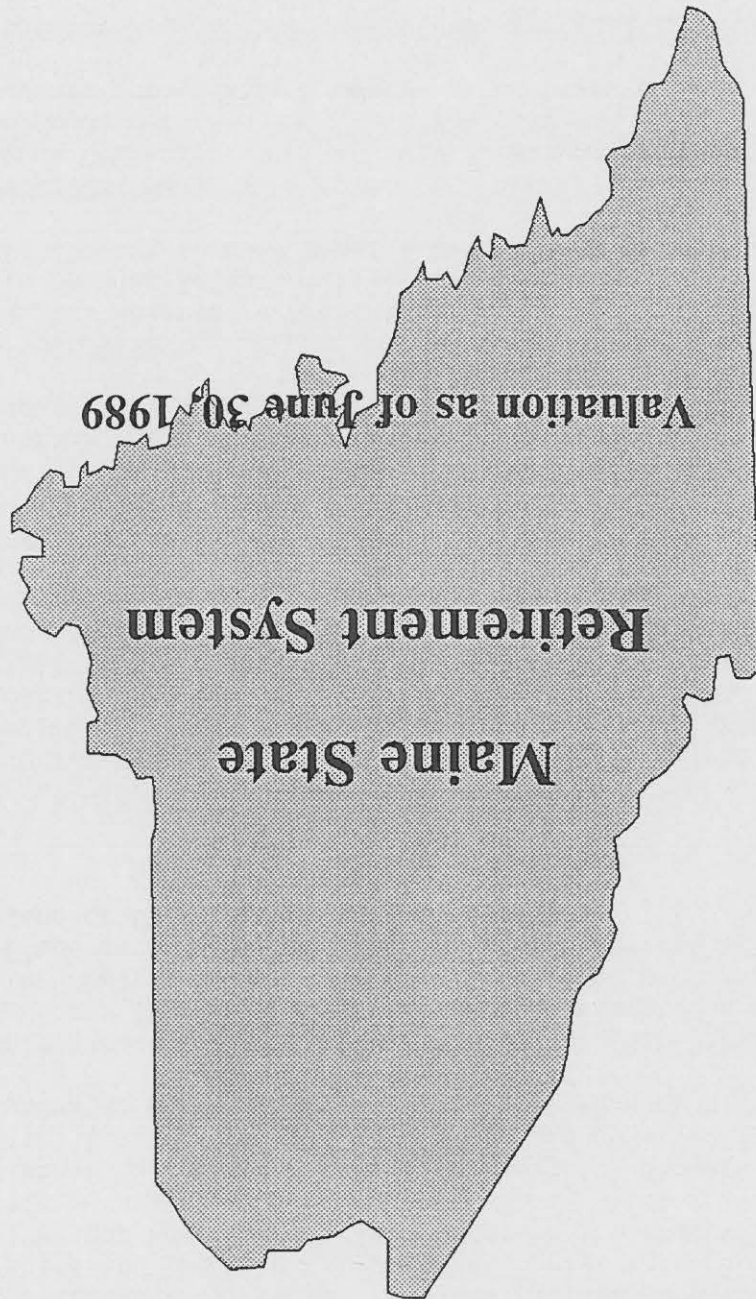




# Actuarial Valuation June 30, 1989









Maine State Retirement System  
ACTUARIAL CONSIDERATIONS OF THE PLAN  
for the Fiscal Year Ended June 30, 1989

The Maine State Retirement System has retained Milliman and Robertson, Inc., as consulting actuaries and their report on an actuarial valuation of the System as of June 30, 1989 has been largely reproduced on the following pages.

The principal part of the report provides an Executive Summary and detailed sections on Assets, Liabilities, Contributions, and Reserves for Disability, Survivor and Accidental Death Benefits (Sections I through V).

Two sets of supplemental data are shown: Summary of Plan Provisions for State Employees and Teachers (Appendix B) and Actuarial Assumptions and Methods (Appendix C). The Membership and Data Profile has not been reproduced, however, much of the data are referenced in the statistical and Executive Director's sections of this report, offered earlier.

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## SECTION I EXECUTIVE SUMMARY

### Overview

This report presents the results of our June 30, 1989 actuarial valuation of the Maine State Retirement System.

The major findings of the valuation are summarized in the following table:

	June 30, 1989	June 30, 1988
Retirement System Contribution Rate (Without Participating Local Districts)	19.68%*	19.47%*
Market Value of Assets (Total System)	\$1.68 billion	\$1.40 billion
Actuarial Value of Assets (Total System)	1.69 billion	1.47 billion
Unfunded Actuarial Reserve (Without Participating Local Districts)**	\$2.31 billion	\$2.15 billion
Unfunded Accrued Reserve (Without Participating Local Districts)**	1.31 billion	1.30 billion
Accrued Benefit Funding Ratio	44.8%	40.1%

Each of the 1989 figures differs from that which would have been expected, based upon the 1988 results. Details of this experience and additional findings of our valuation are presented later in this section. Please note that the Retirement System Contribution rates shown above are composite rates for the State Regular employees, MTRA Teachers, and the eight State special groups.

\* Rates do not include retiree health insurance charges, administrative expenses or payments to fund Old System Teachers.

\*\* Figures for both years include an Old System Teachers Reserve of \$0.23 billion.



Following our comments are tables which compare the 1989 results with those developed in the 1988 valuation. We first present cost results relating to the combined state portion of the Systems, followed by corresponding results for the MTRA Teachers, State Regular employees, State special group employees, and Old System Teachers.

In the following sections of the report we present detailed results on System Assets (Section II), System Liabilities (Section III), System Contributions (Section IV), and the financial position of reserves for ancillary benefits (Section V). This report also contains three Appendices. Appendix A presents membership data and profiles and Appendix B provides a summary of System benefit provisions. Finally, an outline of all actuarial assumptions and procedures used in our valuation is contained in Appendix C.

## **Valuation Comments**

### **Assets**

As of June 30, 1989, the System has present funds, when measured on a market value basis, of \$1.68 billion, an increase of \$0.28 billion from a 1988 figure of \$1.40 billion. When measured on a book value basis (cost), System assets increased to \$1.52 billion in 1989 from \$1.29 billion in 1988. Finally, for 1989 an actuarial value of assets was computed at \$1.69 billion, as compared to \$1.47 billion in 1988. All asset figures presented here include funds accumulated for retirement benefits, and ancillary benefits (death, disability, etc.) by the State System, Judicial and Legislative Systems, and Participating Districts. Section II presents more detailed information on System assets.

### **Liabilities**

Throughout this report there are two types of liabilities discussed, (1) Unfunded Actuarial Reserves, and (2) Unfunded Accrued Reserves. In Section III, we discuss in detail the different uses and definitions of these two terms. In general, Actuarial Reserves are calculated for purposes of determining future contributions, and are directly dependent upon the particular "funding method" used by the actuary. Use of different funding methods would provide entirely different results, when nothing else has changed (e.g., inflation, salaries, etc.) Since actuarial funding methods are used to determine costs for future retirement benefits, unfunded actuarial reserves will include future increases in pay and service credits. In this valuation, the "Entry Age Normal" method of funding was used.





As of June 30, 1989, the State's Unfunded Actuarial Reserve was \$2.31 billion. This compares to a June 30, 1988 Unfunded Actuarial Reserve of \$2.15 billion.

The second type of liability presented in this report is the Accrued Benefit Reserve. This represents the liabilities for all benefits paid in the future, based on members' earnings and service credits as of the valuation date. The difference between this figure and System assets represents the Unfunded Accrued Benefit Reserve. As of June 30, 1989 the Unfunded Accrued Benefit Reserve was \$1.31 billion, as compared to a June 30, 1988 Unfunded Accrued Benefit Reserve of \$1.30 billion.

More detailed information on System liabilities is presented in Section III.

### **Contributions**

In Section IV of this report, we present detailed information on the development of State contribution rates to the System, calculated as of June 30, 1989. In addition, Section IV discusses the application of the State contribution rate for fiscal year budget purposes.

Contributions to the Systems consist of:

- a "normal contribution", for the portion of projected liabilities attributable to service of members during the year following the valuation date,
- an "unfunded actuarial reserve contribution", for the excess of projected liabilities allocated to service to date over assets on hand,
- a "disability benefit" contribution for the expected value of future disability (new law) benefits to be paid as a result of disablements occurring during the year following the valuation date, and
- a "death benefit" contribution (consisting of two parts: survivor benefits, and accidental death benefits) for the expected value of future death benefits to be paid as a result of deaths occurring during the year following the valuation date.



These rates, as a percentage of payroll, are summarized as follows (composite rate for all State employees and Teachers).

	June 30, 1989	June 30, 1988
a. Normal Cost	6.37%	6.41%
b. Unfunded Actuarial Reserve	11.50%	11.31%
c. Disability Benefits	1.49%	1.49%
d. Death Benefits		
(1) Survivor Benefits	0.22%	0.16%
(2) Accidental Death	0.10%	0.10%
e. Total Contribution	19.68%	19.47%

The State contributions listed above do not include additional charges to cover retiree health insurance or administrative expenses, nor do they include payments for Old System Teachers.

### Membership

The total membership (active, retired, and vested deferred) of the MSRS has increased by 3.3% from 52,005 as of June 30, 1988 to 53,719 as of June 30, 1989. The total annual payroll of active members has increased by 9.5% from \$758 million as of June 30, 1988 to \$830 million as of June 30, 1989.

In Appendix A, we present more information on the membership of the System.



## Overall System Experience

The overall experience of the System was slightly less favorable than expected, based on actuarial assumptions first used in the 1987 valuation. The key indicator of overall experience in the System is the overall State contribution rate. These rates are being set so that they will be stable from year to year if experience is exactly as expected. An increase in the rate indicates unfavorable experience and a decrease, favorable experience during the previous year.

Two primary factors which contributed to the change in the System's assets, unfunded reserves and contribution rates between June 30, 1988 and June 30, 1989 were: (1) expected changes due to the passage of time, (e.g., new employees) and (2) unexpected changes due to experience gains and losses.

### Assets.

Between June 30, 1988 and June 30, 1989, the assets of the Systems, measured on an actuarial basis, increased by \$0.22 billion. This change was attributable to the following:

- \$248 million from employer and member contributions,
- \$168 million from payment of benefits and expenses,
- +\$140 million from investment experience,
- = \$220 million total increase in assets.

Of this total change, \$224 million was expected, based on our assumption that the assets of the Systems would earn 9.50%. However, the effective investment return on the actuarial value of the assets was about 9.25%, resulting in an actuarial loss of \$4 million. On a market value basis, the assets of the Systems earned 13.91% or a gain of \$64 million.

The asset loss (actuarial value) for the State employees and Teachers (including Old System Teachers) was \$3 million.





### Unfunded Actuarial Reserves

The actual increase in the unfunded actuarial reserve of the System (all State employees and Teachers, including Old System Teachers) between June 30, 1988 and June 30, 1989 was \$156 million. This compares with an expected increase of \$69 million, based upon the actuarial assumptions used in the valuations. The difference, \$87 million, is attributable to the combined effect of asset losses, liability losses, the difference between expected and actual State contributions, and membership growth.

Unfunded Actuarial Reserve, June 30, 1988	\$2,153 million
- increase expected	69 million
- increase due to asset loss	3 million
- liability losses, expected versus actual contributions, and membership growth	84 million
Unfunded Actuarial Reserve, June 30, 1989	\$2,309 million



### Contribution Rates

The composite contribution rate for all State employees and Teachers increased from 19.47% of payroll as of June 30, 1988, to 19.68% of payroll as of June 30, 1989. The primary components of this change are shown below.

Contribution Rate as of June 30, 1988	19.47%
Increase in Survivor Benefit Rate Due to Plan Change	+ 0.08
Asset Loss	+ 0.01
Liability Loss, Membership Growth, and Shifts in Payroll Among the State Employee and Teacher Groups	+ 0.12
Contribution Rate as of June 30, 1989	19.68%

### Summary

During the past year, the System experienced a slight increase in the overall contribution rate. This level of increase (0.21%) should be viewed as an insignificant deviation, so long as the increase is not a part of a consistent pattern of increases over several years. Since adoption of stronger actuarial assumptions just occurred in 1987, any determination of a cost trend will not be made until at least 1990.

Finally, as long as there is a commitment by the State to pay required contributions on schedule, the long-term outlook for the System is favorable.





**REPORT OF THE ACTUARY ON THE VALUATION OF THE  
MAINE STATE RETIREMENT SYSTEM  
AS OF JUNE 30, 1989  
(TOTAL)\*  
SUMMARY OF PRINCIPAL RESULTS**

1. Participant Data	June 30, 1989	June 30, 1988
Number of:		
Active Members	36,916	35,714
Retired Members and Beneficiaries	16,193	15,721
Vested Deferred Members	610	570
Annual Salaries of Active Members	\$ 829,535,238	\$ 757,687,649
Annual Retirement Allowances for Retired Members and Beneficiaries	\$ 127,604,285	\$ 117,967,918
2. Assets and Liabilities		
Actuarial Value of Assets	\$ 1,067,805,978	\$ 916,275,619
Unfunded Actuarial Reserve	2,309,364,688	2,153,056,988
Market Value of Assets	1,062,778,812	870,575,284
Unfunded Accrued Reserve	1,311,093,671	1,301,347,945
Accrued Benefit Funding Ratio	44.8%	40.1%
3. Contribution Results as a Percent of Payroll (composite rate for all State employees and Teachers)**		
Normal Cost	6.37%	6.41%
Unfunded Actuarial Reserve	11.50%	11.31%
Disability	1.49%	1.49%
Survivor Benefits	0.22%	0.16%
Accidental Death	0.10%	0.10%
Total	19.68%	19.47%

\* Excludes participating local districts

\*\* Excludes Old System Teachers, and charges for retiree health insurance and administrative expenses.



**REPORT OF THE ACTUARY ON THE VALUATION OF THE  
MAINE STATE RETIREMENT SYSTEM  
AS OF JUNE 30, 1989  
(MTRA)  
SUMMARY OF PRINCIPAL RESULTS**

1. Participant Data	June 30, 1989	June 30, 1988
Number of:		
Active Members	21,296	20,797
Retired Members and Beneficiaries	7,312	7,047
Vested Deferred Members	434	413
Annual Salaries of Active Members	\$478,479,650	\$ 433,983,539
Annual Retirement Allowances for Retired Members and Beneficiaries	\$ 64,199,840	\$ 59,097,773
2. Assets and Liabilities		
Actuarial Value of Assets	\$ 736,417,308	\$ 647,299,181
Unfunded Actuarial Reserve	1,297,936,880	1,180,458,881
Market Value of Assets	733,490,124	620,783,097
Unfunded Accrued Reserve	615,819,318	599,668,177
Accrued Benefit Funding Ratio	54.4%	50.9%
3. Contribution Results as a Percent of Payroll*		
Normal Cost	6.26%	6.26%
Unfunded Actuarial Reserve	12.44%	12.15%
Disability	1.50%	1.50%
Survivor Benefits	0.19%	0.14%
Accidental Death	0.08%	0.08%
Total	20.47%	20.13%

\* Excludes Old System Teachers, and charges for retiree health insurance and administrative expenses.





**REPORT OF THE ACTUARY ON THE VALUATION OF THE  
MAINE STATE RETIREMENT SYSTEM  
AS OF JUNE 30, 1989  
(STATE REGULAR)  
SUMMARY OF PRINCIPAL RESULTS**

1. Participant Data	June 30, 1989	June 30, 1988
Number of:		
Active Members	14,849	14,110
Retired Members and Beneficiaries	7,582	7,308
Vested Deferred Members	170	153
Annual Salaries of Active Members	\$ 327,783,073	\$ 301,255,669
Annual Retirement Allowances for Retired Members and Beneficiaries	\$ 50,847,310	\$ 46,448,425
2. Assets and Liabilities		
Actuarial Value of Assets	\$ 452,160,076	\$ 401,484,038
Unfunded Actuarial Reserve	669,673,995	632,209,572
Market Value of Assets	450,362,786	385,037,570
Unfunded Accrued Reserve	387,281,672	390,384,038
Accrued Benefit Funding Ratio	53.8%	49.7%
3. Contribution Results as a Percent of Payroll (State Portion only)*		
Normal Cost	5.91%	5.96%
Unfunded Actuarial Reserve	9.37%	9.37%
Disability	1.50%	1.50%
Survivor Benefits	0.27%	0.20%
Accidental Death	0.11%	0.12%
Total	17.16%	17.15%

\* Excludes eight special groups, and charges for retiree health insurance and administrative expenses.





**REPORT OF THE ACTUARY ON THE VALUATION OF THE  
MAINE STATE RETIREMENT SYSTEM  
AS OF JUNE 30, 1989  
(SPECIAL GROUPS)  
SUMMARY OF PRINCIPAL RESULTS**

1. Participant Data	June 30, 1989	June 30, 1988
Number of:		
Active Members	771	807
Retired Members and Beneficiaries	515	488
Vested Deferred Members	6	4
Annual Salaries of Active Members	\$23,272,515	\$22,448,441
Annual Retirement Allowances for Retired Members and Beneficiaries	\$6,631,329	\$6,037,153
2. Assets and Liabilities		
Actuarial Value of Assets	\$76,150,764	\$66,833,608
Unfunded Actuarial Reserve	112,783,479	105,241,665
Market Value of Assets	75,848,072	64,095,825
Unfunded Accrued Reserve	79,022,346	76,148,860
Accrued Benefit Funding Ratio	49.0%	46.1%
3. Contribution Results as a Percent of Payroll (State Portion only)*		
Normal Cost	15.28%	15.19%
Unfunded Actuarial Reserve	22.23%	20.94%
Disability	1.02%	1.03%
Survivor Benefits	0.22%	0.17%
Accidental Death	0.32%	0.32%
Total	39.07%	37.65%

*\*Excludes charges for retiree health insurance and administrative expenses.*



**REPORT OF THE ACTUARY ON THE VALUATION OF THE  
MAINE STATE RETIREMENT SYSTEM  
AS OF JUNE 30, 1989  
(OLD SYSTEM TEACHERS)  
SUMMARY OF PRINCIPAL RESULTS**

1. Participant Data	June 30, 1989	June 30, 1988
Number of:		
Active Members	0	0
Retired Members and Beneficiaries	784	878
Vested Deferred Members	0	0
Annual Salaries of Active Members	\$ 0	\$ 0
Annual Retirement Allowances for Retired Members and Beneficiaries	\$5,925,806	\$6,384,567
2. Assets and Liabilities		
Actuarial Value of Assets	\$(196,922,170)	\$(199,341,208)
Unfunded Actuarial Reserve	228,970,335	235,146,870
Market Value of Assets	(196,922,170)	(199,341,208)
Unfunded Accrued Reserve	228,970,335	235,146,870
Accrued Benefit Funding Ratio	-614.5%	-556.7%
3. Contribution Results as a Percent of Payroll		
Normal Cost	NA	NA
Unfunded Actuarial Reserve	NA	NA
Disability	NA	NA
Survivor Benefits	NA	NA
Accidental Death	NA	NA
Total	NA	NA



## SECTION II ASSETS

In this section we present the value assigned to assets held by the System. These assets are valued on three different bases; the book value, the market value, and the actuarial value.

### Book Value of Assets

Table II-1 is a comparison, on a book value basis, of System assets as of June 30, 1989, and June 30, 1988, in total and by investment category. The book value is essentially the purchase price for equity investments and amortized value for fixed income investments such as bonds.

### Market Value of Assets

For accounting statement purposes, System assets are valued at current market values. Briefly stated, these values represent the "snapshot" or "cash-out" value of System assets as of the valuation date. In addition, the market value of assets provides a reference point for comparison purposes. Table II-2 presents both book value and market value of total System assets by investment category as of June 30, 1989, and also shows the proportion of total assets by investment category for market value.

### Actuarial Value of Assets

The market value of assets, representing a "liquidation" value of the funds, is not a good measure of the System's ongoing ability to meet its obligations. Ongoing funding requirements established using market values are subject to significant variability because of the volatility of market values.

As a consequence, actuarial valuations employ a technique for determining the actuarial value of assets which dampens the swings in market value. The specific technique adopted sets the actuarial value of assets by the following method:

**Step 1:** Determine the total yield on the investments of the System using the full investment return (including capital gains) measured by the difference in the actuarial value of the assets at the beginning of the fiscal year just ended and the market value of assets at the end of the year (8.75%).





**Step 2:** Calculate the excess of the yield determined in Step 1 over the expected yield for the same year according to the actuarial assumptions.

$$(8.75\% - 9.50\% = -0.75\%)$$

**Step 3:** Calculate an adjusted rate equal to the expected rate plus one-third of the rate determined in step 2.

$$(9.50\% + (1/3 * -0.75\%) = 9.25\%)$$

**Step 4:** The actuarial value of assets used in this valuation equals the amount that would have existed if the actual yield on the assets had been at the rate determined in Step 3.

### **Allocation by Group**

Since retirement benefit costs are calculated separately for State Employees, Teachers and other Special Groups, total assets (market value and actuarial value) must be allocated to each of these groups. We have made this allocation as of June 30, 1989, in proportion to System reserves (provided at book value). The total for each group has been further allocated between the Member Contribution Fund and the Retirement Allowance Fund. The resulting allocations are shown in Tables II-3 and II-4.



**TABLE II-1**  
**MAINE STATE RETIREMENT SYSTEM**  
**ASSET COMPARISON AT BOOK VALUE**

Asset Category	June 30, 1989	June 30, 1988	Increase (Decrease)
Bonds &			
Cash Equivalents	\$652,961,511	\$721,095,821	(\$68,134,310)
Stocks	676,227,707	274,391,601	401,836,106
Commingled Funds	187,791,185	171,991,721	15,799,464
Mortgages	61,958	70,541	(8,583)
Land & Buildings	2,301,368	1,838,686	462,682
Other Assets	805,568	128,746,240	(127,940,672)
Other Liabilities	(3,972,036)	(4,678,983)	706,947
<b>TOTAL</b>	<b>\$1,516,177,261</b>	<b>\$1,293,455,627</b>	<b>\$222,721,634</b>





**TABLE II-2**  
**MAINE STATE RETIREMENT SYSTEM**  
**BOOK AND MARKET VALUES**  
**BY ASSET CATEGORY**  
**(June 30, 1989)**

Asset Category	Book Value	Market Value	Market Value % to Total
Bonds	\$618,119,571	\$648,245,639	38.54%
Cash Equivalents	34,841,940	34,841,940	2.07
Stocks	676,227,707	787,919,414	46.84
Commingled Funds	187,791,185	211,910,751	12.60
Mortgages	61,958	61,958	0.00
Land & Buildings	2,301,368	2,301,368	0.14
Other Assets	805,568	805,568	0.05
Other Liabilities	(3,972,036)	(3,972,036)	-0.24
<b>TOTAL</b>	<b>\$1,516,177,261</b>	<b>\$1,682,114,602</b>	<b>100.00%</b>



**TABLE II-3**  
**MAINE STATE RETIREMENT SYSTEM**  
**ALLOCATION OF**  
**MARKET VALUE OF ASSETS**  
**(June 30, 1989)**

	Allocation to:		
	Member Contribution Fund	Retirement Allowance Fund	Total
<b>A. RETIREMENT RESERVES</b>			
State Employees	\$201,665,654	\$324,545,204	\$526,210,858
MTRA Teachers	330,111,236	403,378,888	733,490,124
Old System Teachers	0	(196,922,170)	(196,922,170)
Judges	899,118	6,783,112	7,682,230
Legislators	140,132	442,668	582,800
Subtotal State	\$532,816,140	\$538,227,702	\$1,071,043,842
Participating Districts	91,373,554	322,757,981	414,131,535
Total	\$624,189,694	\$860,985,683	\$1,485,175,377
<b>B. COMMINGLED RESERVES</b>			
Disability	\$ 10,835,663	\$132,300,556	\$143,136,219
Accidental Death	0	6,085,601	6,085,601
Survivor Benefits	0	47,717,405	47,717,405
Total	\$ 10,835,663	\$ 186,103,562	\$ 196,939,225
<b>C. TOTAL RESERVES</b>	<b>\$635,025,357</b>	<b>\$1,047,089,245</b>	<b>\$1,682,114,602</b>





**TABLE II-4  
MAINE STATE RETIREMENT SYSTEM  
ALLOCATION OF  
ACTUARIAL VALUE OF ASSETS  
(June 30, 1989)**

	Allocation to:		
	Member Contribution Fund	Retirement Allowance Fund	Total
<b>A. RETIREMENT RESERVES</b>			
State Employees	\$201,665,654	\$326,645,186	\$528,310,840
MTRA Teachers	330,111,236	406,306,072	736,417,308
Old System Teachers	0	(196,922,170)	(196,922,170)
Judges	899,118	6,813,770	7,712,888
Legislators	140,132	444,994	585,126
Subtotal State	\$532,816,140	\$543,287,852	\$1,076,103,992
Participating Districts	91,373,554	324,410,680	415,784,234
Total	\$624,189,694	\$867,698,532	\$1,491,888,226
<b>B. COMMINGLED RESERVES</b>			
Disability	\$10,835,663	\$132,871,779	\$143,707,442
Accidental Death	0	6,109,887	6,109,887
Survivor Benefits	0	47,907,834	47,907,834
Total	\$10,835,663	\$186,889,500	\$197,725,163
<b>C. TOTAL RESERVES</b>	<b>\$635,025,357</b>	<b>\$1,054,588,032</b>	<b>\$1,689,613,389</b>



## **SECTION III LIABILITIES**

### **Actuarial Reserves**

A fundamental principle in financing the liabilities of a retirement program is that the cost of its benefits should be related to the period in which benefits are earned, rather than to the period of benefit distribution. There are several methods currently used in making such a determination.

The method used for this valuation is referred to as the "entry age normal actuarial cost method." Under this method, a level-percent-of-pay employer cost is determined which, along with member contributions, will pay for projected benefits at retirement for a new entrant into the plan. It is assumed applicable to all active plan members. The level percent developed is called the normal cost rate and the product of that rate and payroll is the normal cost.

The actuarial reserve 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 reserve and funds accumulated as of the same date is referred to as the unfunded actuarial reserve. If the employer's contributions exceed the employer's normal cost for the year, after allowing for interest earned on the previous balance of the unfunded actuarial reserve, this reserve will be reduced. Benefit improvements, actuarial gains and losses, and changes in actuarial procedures will also have an effect on the total actuarial reserve and on the portion of it that is unfunded.

After the amount of the unfunded actuarial reserve has been determined, a schedule of contributions is established to amortize that amount over a given period. Effective with the 1987 valuation, a thirty year amortization period was adopted. Payments to fund the actuarial reserve will be a level percentage of payroll.

### **Accounting Statement Information - Accrued Benefit Reserves**

To give an understanding of the current funded status of the System, and to provide a basis for judging year-to-year progress in funding the obligations accrued by the System, certain supplemental accounting information based on two similar accounting statements is prepared. These statements are Opinion No. 8 of the Accounting Principles Board of the American Institute of Certified Public Accountants, (as amended by Statement No. 36 of the Financial Accounting Standards Board), and Statement No. 35 of the Financial Accounting Standards Board.





These statements specify 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. As directed by the above-referenced accounting statements, these present values do not include any projection for future service and salary. (The actuarial reserves discussed in the preceding paragraphs, which are used to determine annual System contributions, do include projections for future service and salary.)

It is important to note two significant differences with respect to actuarial reserves and present value of accrued benefits.

#### **Future Pay Increases**

The actuarial reserve is determined as the portion of the value of the projected benefit at retirement including future pay increases that will not be paid by future employer normal costs or member contributions.

The present value of accrued benefits for accounting statement purposes represents the value of the annual benefit accrued as of the valuation date, assuming each member terminates employment at that time, and therefore it does not include future pay increases.

#### **Continuation of System**

In determining the actuarial reserves for cost determination purposes, we assume that the System is ongoing and that members will continue to accrue service in the future.

On the other hand, the present value of accrued benefits for accounting statement purposes provides a "snap shot" view of benefits accrued as of the valuation date assuming the System is terminated and no future benefit accruals or contributions will take place. For those reasons the Accrued Benefit Reserve represents the true "liability" of the System in the common definition of the word.

In Table III-1, we have summarized, as of June 30, 1989, the System's actuarial reserves, both funded and unfunded. Table III-2 shows the present value of accrued benefits, compared with System assets, as required for accounting statement purposes.

A separate report will provide the disclosure information required in accordance with Statement No. 5 of the Governmental Accounting Standards Board.



**TABLE III-1**  
**Maine State Retirement System**  
**Actuarial Reserves**  
**as of June 30, 1989**

	STATE EMPLOYEES	MTRA TEACHERS	OLD SYSTEM TEACHERS	ALL STATE EMPLOYEES
1. Active Employees				
(a) Current accrued benefits	\$ 367,135,829	\$642,257,229	\$ 0	\$1,009,393,058
(b) Future benefit accruals	\$731,301,282	\$1,310,481,479	\$ 0	\$2,041,782,761
(c) Total active projected benefits	\$ 1,098,437,111	\$1,952,738,708	\$ 0	\$3,051,175,819
2. Inactive Employees	\$625,379,047	\$707,052,213	\$32,048,165	\$1,364,479,425
3. Total Present Value of Projected Benefits (1 + 2)	\$1,723,816,158	\$2,659,790,921	\$32,048,165	\$4,415,655,244
4. Future Contributions	\$413,047,844	\$625,436,733	\$ 0	\$1,038,484,577
5. Actuarial Reserve (3 - 4)	\$1,310,768,314	\$2,034,354,188	\$32,048,165	\$3,377,170,667
6. Invested Assets (Actuarial Value)	\$528,310,840	\$736,417,308	\$(196,922,170)	\$1,067,805,978
7. Unfunded Actuarial Reserve (5 - 6)	\$782,457,474	\$1,297,936,880	\$228,970,335	\$2,309,364,689



**TABLE III-2**  
**Maine State Retirement System**  
**Accrued Benefit Reserves**  
**as of June 30, 1989**

	STATE EMPLOYEES	MTRA TEACHERS	OLD SYSTEM TEACHERS	ALL STATE EMPLOYEES
1. Present Value of Accrued Benefits				
(a) Employees terminated with vested rights	\$4,613,892	\$11,497,634	\$ 0	\$16,111,526
(b) Retired employees	620,765,155	695,554,579	32,048,165	1,348,367,899
(c) Active employees	367,135,829	642,257,229	0	1,009,393,058
(d) Total	\$992,514,876	\$1,349,309,442	\$32,048,165	\$2,373,872,483
2. Invested Assets (Market Value)	\$526,210,858	\$733,490,124	\$(196,922,170)	\$1,062,778,812
3. Unfunded Present Value of Accrued Benefits ( 1 - 2)	\$466,304,018	\$615,819,318	\$228,970,335	\$1,311,093,671
4. Accrued Benefit Funding Ratio ( 2 / 1)	53.0%	54.4%	NA	44.8%

## **SECTION IV CONTRIBUTIONS**

### **General Comments**

Under established procedures, contribution rates based on this June 30, 1989, actuarial valuation will be used to determine Fiscal Year 1991 State appropriations to the Maine State Retirement System. In this context, the term "contribution rate" means the percentage which is applied to a particular active member payroll to determine the actual contribution amount (i.e., in dollars) for the group to which the active member payroll applies.

### **Description of Rate Components**

Except for ancillary benefits (disability, survivors' and accidental death benefits), the Entry Age Normal method was used to develop the 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 unfunded actuarial reserve rate. The contribution rates for ancillary benefits were determined separately using a term cost method. These elements are described in more detail below.

#### **Normal Cost Rate**

For State Employees, Teachers (MTRA) and each Special Group, an individual entry age normal cost rate was determined for a typical new entrant of each respective group. This rate was 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 his expected future salary. The normal cost rate, so determined separately for each group, was assumed applicable to all active members of the group.

#### **Unfunded Actuarial Reserve Rate**

The unfunded actuarial reserve 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 and current assets. The unfunded actuarial reserve rate (or amortization rate) is the level percent of active member payroll which, when applied to each year's payroll, is sufficient to amortize the unfunded actuarial reserve over 30 years from June 30, 1987.





### **Ancillary Benefit Rate**

For each separate cost group (State Employees, Teachers, etc.) the cost of claims expected to be incurred during the year was determined as a percent of active member payroll. The State appropriation for ancillary benefits will then be determined by applying the ancillary benefit rate to the appropriate active member payroll.

### **Total Contribution Rate Summary**

In Table IV-1 we present total contribution rates, determined as of June 30, 1989, applicable for determining the Fiscal Year 1991 State appropriations to the System, using the cost methods described above. These were developed using actuarial assumptions and methods described in Appendix C.

The derivations of the unfunded actuarial reserve rates for each group are shown in Table IV-2.



**TABLE IV-1  
MAINE STATE RETIREMENT SYSTEM  
RECOMMENDED  
STATE CONTRIBUTION RATES\*  
FISCAL YEAR 1990/1991**

	<u>RETIREMENT BENEFITS</u>		<u>ANCILLARY BENEFITS</u>			<u>ALL BENEFITS</u>
	<u>NORMAL COST**</u>	<u>UNF ACTRL RESRV</u>	<u>DISAB</u>	<u>SURV</u>	<u>ACC DEATH</u>	
STATE EMPLOYEES	5.91%	9.37%	1.50%	0.27%	0.11%	17.16%
SPECIAL GROUPS						
State Police (Closed Plan)	20.00%	30.94%	0.75%	0.16%	0.23%	52.08%
State Police (Open Plan)	20.00%	0.00%	0.75%	0.08%	0.15%	20.98%
Sea and Shore Wardens (Closed Plan)	17.50%	32.80%	0.73%	0.17%	0.21%	51.41%
Game Wardens (Closed Plan)	20.00%	37.13%	0.69%	0.18%	0.22%	58.22%
Prison Wardens (Closed Plan)	8.00%	12.76%	1.57%	0.34%	0.53%	23.20%
Prison Wardens (Open Plan)	8.00%	0.00%	1.00%	0.13%	0.26%	9.39%
Liquor Inspectors (Closed Plan)	8.00%	12.78%	1.59%	0.37%	0.58%	23.32%
Forest Rangers (Closed Plan)	7.50%	19.03%	1.57%	0.48%	0.55%	29.13%
MTRA TEACHERS	6.26%	12.44%	1.50%	0.19%	0.08%	20.47%

\* These rates do not include charges to cover retiree health insurance or administrative expenses

\*\* Includes cost of automatic Option 2



**TABLE IV-2**  
**MAINE STATE RETIREMENT SYSTEM**  
**JUNE 30, 1989, VALUATION**  
**DERIVATION OF UNFUNDED ACTUARIAL RESERVE RATES**

	STATE REGULAR	STATE POLICE*	SEA AND SHORE WARDENS	GAME WARDENS	PRISON WARDENS*	LIQUOR INSPECTORS	FOREST RANGERS	MTRA TEACHERS
1. Present Value of Future Benefits	1,507,419,002	110,214,446	13,715,509	43,591,998	30,573,633	2,539,848	15,761,722	2,659,790,921
2. Normal Cost Rate**	5.50%	20.00%	17.50%	20.00%	8.00%	8.00%	7.50%	6.00%
3. Present Value of Future Payroll	3,213,209,402	50,684,168	4,233,883	8,246,032	50,143,542	2,917,686	13,355,508	5,002,456,296
4. Present Value of Future Normal Costs: (2) x (3)	176,726,517	10,136,834	740,930	1,649,206	4,011,483	233,415	1,001,663	300,147,378
5. Present Value of Future Member Contributions	208,858,414	3,801,312	317,541	618,452	3,760,764	189,650	1,001,663	325,289,355
6. Actuarial Reserve: (1) - (4) - (5)	1,121,834,071	96,276,300	12,657,038	41,324,340	22,801,386	2,116,783	13,758,396	2,034,354,188
7. Actuarial Value of Assets	452,160,076	38,804,579	5,101,474	16,655,954	9,190,197	853,179	5,545,381	736,417,308
8. Unfunded Actuarial Reserve: (6) - (7)	669,673,995	57,471,721	7,555,564	24,668,386	13,611,189	1,263,604	8,213,015	1,297,936,880
9. Estimated Payroll	327,783,073	10,309,709	1,056,643	3,047,401	6,425,800	453,643	1,979,319	478,479,650
10. Amortization Factor	21.7995	21.7995	21.7995	21.7995	21.7995	21.7995	21.7995	21.7995
11. Unfunded Actuarial Reserve Rate (8) / (9) / (10)	9.37%	25.57%	32.80%	37.13%	9.72%	12.78%	19.03%	12.44%

\* Includes closed and open plans

\*\* Does not include cost of Automatic Option 2

## SECTION V RESERVES FOR DISABILITY, SURVIVOR, AND ACCIDENTAL DEATH BENEFITS

Retirement benefits under the System are funded on a basis expected to result in level percent of pay contributions over the members' working lives. This funding method involves projecting the expected benefits payable in all future years, and spreading the costs to produce a level pattern.

In contrast, employer contributions for certain ancillary benefits are determined on a "term cost" basis. Under this funding method, the annual cost for a year is determined as the value of benefit claims expected to be "incurred" during the year.

For example, the value (or cost) of a survivor pension expected to become payable during a year is the present value of all the future monthly payments expected because of a member's death. Under the term cost method, the employer contribution reflects only the cost of events (deaths or disabilities) expected to occur in the current year.

Types of benefits under the System which are funded using the term cost method are the "new" disability benefit (effective in 1977), survivor benefits, and accidental death benefits. The cost of benefits for members who became disabled under the old provisions is funded along with retirement benefits.

For each of these benefits funded by the term cost method, a separate trust fund reserve is maintained. Each fund is increased by employer contributions and investment earnings and decreased by benefits paid.

Each year, as a part of the actuarial valuation we compare the present value of benefits payable (theoretical reserve) with the trust fund reserve (actual reserve). Under ideal circumstances the actual reserve will exceed the theoretical reserve to allow for a margin or "cushion" to absorb future experience losses. We show the trust fund at "actuarial value", as described in Part II.

Trends in the ratio of actual to theoretical reserves may indicate a need to change the assumptions used to value benefits which, in turn, will lead to a change in employer contribution rates. For example, this year we reduced the contribution rate for disability benefits by approximately 15% to reflect favorable experience in that fund.





The following sections compare the actual reserves with theoretical reserves based on an assumed rate of investment return of 8%.

**A. Disability Benefits Reserve**

1. Theoretical Reserve	
a. State Employees	\$43,363,685
b. Teachers	38,476,877
c. Participating Districts	4,578,054
d. Total	\$ 86,418,616
2. Actual Reserve (Actuarial Value)	\$143,707,442
3. Ratio: (2) / (1)	166.29%

**B. Survivor Benefits Reserve**

1. Theoretical Reserve	
a. State Employees	\$ 20,095,754
b. Teachers	9,386,955
c. Participating Districts	2,816,715
d. Total	\$32,299,424
2. Actual Reserve (Actuarial Value)	\$47,907,834
3. Ratio: (2) / (1)	148.32%

**C. Accidental Death Benefit Reserve**

1. Theoretical Reserve	\$4,035,571
2. Actual Reserve (Actuarial Value)	\$6,109,887
3. Ratio: (2) / (1)	151.40%



## **APPENDIX B SUMMARY OF PLAN PROVISIONS - STATE EMPLOYEES AND TEACHERS**

### **1. Membership**

Membership is a condition of employment for state employees and teachers, and optional for elected and appointed officials.

Membership ceases on the earlier of withdrawal of contributions, retirement, and death.

### **2. Member Contributions**

Except as otherwise described below, members are required to contribute 6.5% of earnable compensation.

Contribution requirements for special groups:

State police, inland fisheries and wildlife officers (game wardens), and marine resources officers (sea and shore wardens) employed before 9/1/84 - 7.5% of earnable compensation for 20 years; 6.5% thereafter.

State police and prison employees employed after 8/31/84 - 7.5% of earnable compensation for 25 years; 6.5% thereafter.

Forest rangers and state prison employees employed before 9/1/84 - 7.5% of earnable compensation until eligible for retirement; 6.5% thereafter.

### **3. Average Final Compensation**

For purposes of determining benefits payable under the System, 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.





#### 4. Creditable Service

Creditable service includes service while a member, certain service prior to the establishment of the System, purchased military service credit, and service while receiving disability benefits under the System.

#### 5. Service Retirement Benefits

Except as otherwise described below:

Eligibility for members in service - 25 years of creditable service, or attainment of age 60 with either 10 years of creditable service or one year of service immediately before retirement.

Eligibility for members not in service - 25 years of creditable service, or attainment of age 60 with 10 years of creditable service.

Benefit -  $1/50$  of average final compensation multiplied by years of membership service and up to 25 years of prior service, reduced for retirement before age 60.

Form of payment - life annuity.

If greater than the benefits produced by the standard formulas, the following benefits are available for special groups:

State police, inland fisheries and wildlife officers (game wardens), and marine resources officers (sea and shore wardens) employed before 9/1/84:

Eligibility - 20 years of creditable service in named positions.

Benefit -  $1/2$  of average final compensation plus 2% for each year of service in excess of 20. If greater, the pro-rated portion of the benefit for service before July 1, 1976 is based on annual pay instead of average final pay.

Form of payment - 50% joint and survivor annuity.

State police employed after 8/31/84:

Eligibility - 25 years of creditable service as a state police officer.



Benefit - same as for general employees, reduced for payment before age 55 rather than age 60.

Form of payment - life annuity.

Forest rangers employed before 9/1/84:

Eligibility - age 50 with 25 years of creditable service as a forest ranger.

Benefit -  $1/2$  of average final compensation plus 2% for each year of service earned after qualification for retirement. If greater, the pro-rated portion of the benefit for service before July 1, 1976 is based on annual pay instead of average final pay.

Form of payment - life annuity.

Airplane pilots employed before 9/1/84:

Eligibility - age 55 and 25 years of creditable service as an airplane pilot.

Benefit - greater of (1)  $1/2$  of average final compensation plus 2% for each year of service earned after qualification for retirement, and (2) if retiring after age 60, the benefit under the general formula.

Form of payment - life annuity.

Liquor inspectors employed before 9/1/84:

Eligibility - age 55 and 25 years of creditable service as a liquor inspector.

Benefit -  $1/2$  of average final compensation plus 2% for each year of service earned after qualification for retirement. If greater, the pro-rated portion of the benefit for service before July 1, 1976 is based on annual pay instead of average final pay.

Form of payment - life annuity.

State prison employees employed before 9/1/84:

Eligibility - age 50 and 20 years of creditable service as a prison employee.

Benefit -  $1/2$  of average final compensation plus 2% for each year of service earned after qualification for retirement.





Form of payment - life annuity.

State prison employees employed after 8/31/84:

Eligibility - 25 years of creditable service as a prison employee.

Benefit - same as for general employees, reduced for retirement before age 55 rather than age 60.

Form of payment - life annuity.

#### **6. Disability Retirement Benefits**

Eligibility - permanently mentally or physically incapacitated before normal retirement age while in service; unable to perform duties of own position.

Benefit -  $66\frac{2}{3}\%$  of average final compensation, reduced by employment earnings over \$10,000, 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 5 years, unless the member is unable to engage in any gainful activity; in which case payments cease on the earlier of 10 years following normal retirement age or date the service retirement benefit exceeds the disability benefit.

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



## **7. Ordinary Death Benefits Before Eligibility for Service Retirement**

Eligibility - death while active or disabled before eligibility for service retirement.

Benefit - member's accumulated contributions at time of death. A surviving spouse, children, parents, or other beneficiaries may be eligible to elect (in lieu of contributions) survivor benefits in monthly amounts varying by number of eligible survivors.

## **8. Ordinary Death Benefits After Eligibility for Service Retirement**

Eligibility - death while active or disabled after eligibility for retirement but before benefit commencement date.

Benefit - option 2 (see item 12) is automatically effective with benefits payable to designated beneficiary, spouse, or parents; however, beneficiary may elect benefit in item 7 instead. Otherwise, accumulated contributions are payable to the estate.

## **9. Accidental Death Benefits**

Eligibility - death while active or disabled resulting from injury related to employment.

Benefit - if the member leaves no dependent children, 2/3 of the member's average final compensation to the surviving spouse until death; if there remain surviving dependent children, an annual sum of the member's final average compensation shared between dependent children and surviving spouse (if any). Benefits are reduced by amounts payable under worker's compensation.





## **10. Refund of Contributions**

Eligibility - termination of service except by retirement or death.

Benefit - member's accumulated contributions with interest.

## **11. Cost-of-Living Adjustments**

All retirement and survivor benefits are adjusted each year 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 increase or decrease is 4%. Earnable compensation used in determining benefits for disabled members is indexed similarly.

## **12. Optional Methods of Payment**

Option 1: Cash refund equal to the excess of accumulated contributions at date of retirement over total payments made to date of death which are attributable to member contributions.

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

Option 4: Any other benefit which is actuarially equivalent to the retirement allowance and is approved by the board.



## APPENDIX C ACTUARIAL ASSUMPTIONS AND METHODS

### A. Actuarial Assumptions

		State Employees	Teachers
1. Rate of Investment Return	1989-90	9.0%	9.0%
	1990-91	8.5%	8.5%
	1991 + (ultimate)	8.0%	8.0%
2. Cost-of- living Increases in Benefits		4.0%	4.0%
3. Rates of Salary Increase (% at Se- lected Ages)	Age		
	20	10.0	10.0
	25	8.8	8.8
	30	7.7	7.7
	35	7.2	7.2
	40	6.7	6.7
	45	6.2	6.2
	50	6.0	6.0
	55	6.0	6.0
	60	6.0	6.0
	65	6.0	6.0

*Includes 6% across-the-board increase at each age*





## A. Actuarial Assumptions

		State Employees			Teachers		
4. Rates of Termination at Select and Ultimate Service (% at Selected ages)*	Age	Service			Service		
		0-1	1-2	2+	0-1	1-2	2+
	20	40.0	20.0	15.0	30.0	20.0	15.0
	25	35.0	20.0	10.0	25.0	20.0	10.0
	30	30.0	15.0	8.0	25.0	20.0	8.0
	35	25.0	15.0	6.0	25.0	20.0	6.0
	40	25.0	15.0	4.5	25.0	20.0	4.5
	45	25.0	10.0	3.0	25.0	20.0	3.0
	50	25.0	10.0	2.5	25.0	20.0	2.5
	55	20.0	10.0	2.0	25.0	20.0	2.0

\* Members with ten or more years of service and whose age plus service totals 60 or more are assumed to elect deferred vested benefits; other terminations are assumed to elect refunds

5. Rates of Healthy Life Mortality at Selected Ages (number of deaths per 10,000 members)*	Age	State Employees		Teachers	
		Male	Female	Male	Female
	20	5	3	5	2
	25	6	3	6	3
	30	8	5	7	4
	35	11	7	10	6
	40	16	9	14	8
	45	29	14	23	12
	50	53	22	42	18
	55	85	33	71	27
	60	131	55	109	44
	65	213	96	174	77
	70	361	165	292	129

\* For State Regular and Teachers 5% of deaths assumed to be accidental; for State Special 20% of deaths assumed to be accidental



## A. Actuarial Assumptions

6. Rates of Disabled Life Mortality at Selected Ages (number of deaths per 10,000 members)	Age	State Employees		Teachers	
		Male	Female	Male	Female
	45	349	210	349	210
	50	376	228	376	228
	55	420	263	420	263
	60	488	317	488	317
	65	595	403	595	403
	70	763	537	763	537

7. Rates of Retirement at Selected Ages (number retir- ing per 1,000 members)	Age	State Employees Teachers	
	45	25	38
	50	38	50
	55	100	126
	59	120	146
	60	150	200
	61	100	150
	62	350	400
	63	250	250
	64	250	250
	65	750	750
	70	1000	1000

8. Rates of Disability at Selected Ages (members becom- ing disabled per 10,000 members)*	Age		
	25	5.7	5.7
	30	6.3	6.3
	35	7.3	7.3
	40	11.0	11.0
	45	22.0	22.0
	50	42.0	42.0
	55	71.9	71.9
	60	124.2	124.2

\*10% assumed to receive Workers Compensation benefits of 66 2/3% of pay; also, rates for State Special groups are higher by 7 per 10,000 at all ages.





- |   |   |
|---|---|
| 9. Family<br>Composition<br>Assumptions | 80% of active members are married with two children born at ages 24 and 28 (dependent until age 18); female spouse is three years younger than male spouse; no dependent parents; unmarried members have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries. |
|---|---|

## **B. Actuarial Methods**

### **1. Funding Method**

The aggregate entry age normal method is used to determine costs. Under this funding method, a total contribution rate is determined which consists of two elements, the normal cost rate and the unfunded actuarial reserve (UAR) rate.

For Teachers (MTRA) and State Employees, including each of the eight State Special groups, a normal cost rate is determined for a typical 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 his expected future salary.

In addition to contributions required to meet the System's normal cost, contributions will be required to fund the System's unfunded actuarial reserve. The actuarial reserve is defined as the present value of future benefits less the present value of future normal costs and future member contributions. The unfunded actuarial reserve is the total of the actuarial reserve for all members less the actuarial value of the System's assets. The actuarial reserve includes projections of future member pay increases and future service credits and should not be confused with the Accrued Benefit Reserve.

The unfunded actuarial reserve is amortized by annual payments over a 28 year period from July 1, 1989. The payments are determined so that they will be a level percentage of pay, assuming total pay increases 6% per year.

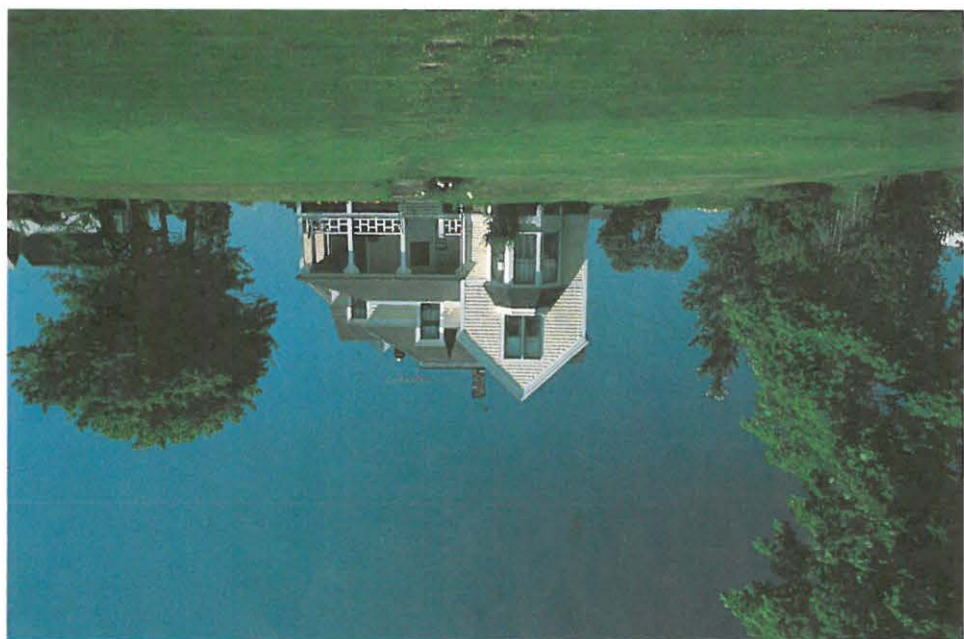
Costs for ancillary benefits (death and disability) are determined using a term cost method.

### **2. Asset Valuation Method**

For purposes of the June 30, 1989 actuarial valuation, assets are valued at an "actuarial value" as described in Part II.

# Investments

June 30, 1989







Maine State Retirement System  
 INVESTMENT SUMMARY BY FUND, MANAGER, OR ACCOUNT  
 June 30, 1989

Fund/Manager/Account	Investments at Cost	Market Value 6/30/89
Alliance Capital Mgt (Equity)	\$115,429,437.11	\$125,827,851.50
Alliance Capital Mgt (Fixed)	127,821,297.45	131,680,969.50
Mass Financial Svcs (Fixed)	117,298,582.84	117,816,690.00
Mass Fncl Svcs (Grp Life Ins)	19,322,181.77	21,323,714.35
Morgan Gty Real Estate Fund	91,093,841.31	108,270,611.87
Putnam Advisory (Fixed)	103,294,750.48	106,828,344.08
Travelers Ins Common Fund	13,050,329.76	18,044,831.03
Mass Financial Zero Coupon	54,568,251.72	78,568,195.57
MSRS Liquidity Account	177,598.44	177,598.46
First Reserve Energy Advisors	3,022,870.90	1,566,795.62
Morgan Gty Private Placement Fd	34,170,041.32	36,802,128.67
Gouws Capital Management	79,597,264.70	84,263,553.50
Property Capital Advisors	21,122,582.34	22,179,520.11
Convertibles	49,489,377.59	49,382,982.78
Evans & Moxom Capital Mgt	33,016,698.63	35,239,782.28
Dillon Read Capital	75,247,854.75	80,465,808.75
MSRS Stems Account	148,285,243.21	149,290,256.50
MSRS Equity Core Account	257,581,588.40	332,217,609.41
MSRS Columbus Circle Inv.	49,815,495.17	60,759,871.50
International Index Account	40,007,109.12	38,316,210.36
International Equity Fund	35,000,000.00	33,736,168.71
MSRS Lehman Management Company	50,017,691.99	53,367,338.50

Maine State Retirement System  
 INVESTMENT SUMMARY  
 June 30, 1989

Investment Type	Investments at Cost	Market Value June 30, 1989	Gain/(Loss)
Cash Equivalents	\$136,938,340.00	\$136,938,340.00	\$0.00
Fixed Income Securities	615,906,858.04	667,523,024.56	51,616,166.52
Preferred Securities	1,713,500.00	1,620,000.00	(93,500.00)
Convertible Securities	55,958,978.29	55,762,784.78	(196,193.51)
Common Stock	686,278,751.14	801,753,019.85	115,474,268.71
Real Estate Holdings	21,633,662.28	22,529,663.86	896,001.58
TOTAL INVESTMENTS	\$1,518,430,089.75	\$1,686,126,833.05	\$167,696,743.30



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<u>CASH EQUIVALENTS</u>					
5.5500	BANKERS TR SHORT TERM INVT FD BANKERS TRUST	5.55	100.0000	5.55	0.00
1,000,000.0000	FEDERAL FARM CR BKS CONS BDS 10.250% 04/02/1990 DD 04/03/89 MSR STEMS ACCT	1,000,000.00	100.0000	1,000,000.00	0.00
	TBC INC POOLED EMPLOYEE FUNDS		1.0000		
10,079,301.0000	DAILY LIQUIDITY FUND				
10,079,301.0000	MSR ALLIANCE CAP EQ	10,079,301.00		10,079,301.00	0.00
26,315,080.0000	MSR ALLIANCE CAP FI	26,315,080.00		26,315,080.00	0.00
18,364,508.0000	MSR MASS FIN SER FI	18,364,508.00		18,364,508.00	0.00
283,823.0000	MSR MASS FIN GRP LF	283,823.00		283,823.00	0.00
2.0000	MSR MORGAN REAL ES	2.00		2.00	0.00
12,511,402.0000	MSR PUTNAM FIXED I	12,511,402.00		12,511,402.00	0.00
280,617.0000	MSR MASS FIN ZERO CP	280,617.00		280,617.00	0.00
115,640.0000	MSR LIQUIDITY	115,640.00		115,640.00	0.00
16.0000	MSR MORGAN PRIV PLCM	16.00		16.00	0.00
16,095,691.0000	MSR GOUWS CAP MGMT	16,095,691.00		16,095,691.00	0.00
21.0000	MSR CONVERTIBLES	21.00		21.00	0.00
5,601,200.0000	MSR EVANS & MOXON	5,601,200.00		5,601,200.00	0.00
8,998,911.0000	MSR DILLON READ CAP	8,998,911.00		8,998,911.00	0.00
18,035,821.0000	MSR STEMS ACCT	18,035,821.00		18,035,821.00	0.00
6,181,045.0000	MSR COLUMBUS CIRCLE	6,181,045.00		6,181,045.00	0.00
4,423,476.0000	MSR LEHMAN MGMT CO	4,423,476.00		4,423,476.00	0.00
127,286,554.0000		127,286,554.00		127,286,554.00	0.00





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	FIREMAN'S FUND MTG CORP DISC 07/10/1989		99.0860		
1,000,000.0000	MSR EVANS & MOXON	990,861.11		990,861.11	0.00
	CITICO DISC 07/26/1989		99.0440		
4,000,000.0000	MSR PUTNAM FIXED I	3,961,766.67		3,961,766.67	0.00
	CITICO DISC 07/17/1989		99.5090		
1,000,000.0000	MSR EVANS & MOXON	995,091.67		995,091.67	0.00
	BSDT RESERVE DEPOSIT ACCT I		1.0000		
149,273.0000	MSR ALLIANCE CAP EQ	149,273.00		149,273.00	0.00
10,382.0000	MSR MASS FIN GRP LF	10,382.00		10,382.00	0.00
92.0000	MSR MORGAN REAL ES	92.00		92.00	0.00
17,297.0000	MSR PUTNAM FIXED I	17,297.00		17,297.00	0.00
519.0000	MSR MORGAN PRIV PLCM	519.00		519.00	0.00
677.0000	MSR CONVERTIBLES	677.00		677.00	0.00
75,717.0000	MSR EVANS & MOXON	75,717.00		75,717.00	0.00
1,733,896.0000	MSR STEMS ACCT	1,733,896.00		1,733,896.00	0.00
716,208.0000	MSR COLUMBUS CIRCLE	716,208.00		716,208.00	0.00
2,704,061.0000		2,704,061.00		2,704,061.00	0.00
TOTAL CASH EQUIVALENTS		136,938,340.00		136,938,340.00	0.00
FIXED INCOME SECURITIES					
	AMERICAN GEN FIN CORP SR NT 8.625% 06/30/1991		99.6840		
3,000,000.0000	MSR MASS FIN SER FI	2,998,830.00		2,990,520.00	8,310.00-

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<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
4,500,000.0000	AMERICAN TEL & TEL MED TERM NT 8.700% 08/28/1989 MSR STEMS ACCT	4,497,300.00	99.8280	4,492,260.00	5,040.00-
5,000,000.0000	ASSOCIATES CORP NORTH AMER NT 8.300% 05/01/1991 MSR STEMS ACCT	4,924,850.00	99.1560	4,957,800.00	32,950.00
1,500,000.0000	BANKERS TR N Y CORP NT 9.375% 05/15/1994 MSR MASS FIN SER FI	1,496,655.00	102.1980	1,532,970.00	36,315.00
2,000,000.0000	BELLSOUTH CAP MEDIUM TERM NT 8.700% 10/31/1990 MSR STEMS ACCT	1,986,800.00	99.6070	1,992,140.00	5,340.00
1,785,000.0000	CHASE MANHATTAN CORP SR NT 8.250% 04/11/1991 MSR MASS FIN SER FI	1,764,704.55	98.6250	1,760,456.25	4,248.30-
5,480,000.0000	CHEMICAL BK CR CARD TR 88-B 9.250% 11/15/1993 MSR PUTNAM FIXED I	5,473,150.00	99.6620	5,461,477.60	11,672.40-
2,000,000.0000	CHRYSLER CORP DEB 12.750% 03/01/1992 MSR PUTNAM FIXED I	2,314,860.00	108.4720	2,169,440.00	145,420.00-
1,000,000.0000	CHRYSLER CORP 12.000% 11/15/2015 MSR MASS FIN SER FI	1,066,250.00	107.9140	1,079,140.00	12,890.00



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5,000,000.0000	CHRYSLER FINL INT RT 9.30% 92 RESET MAT 5/15/2008 MSR MASS FIN SER FI	4,967,250.00	99.9790	4,998,950.00	31,700.00
2,000,000.0000	CHRYSLER FINL MED TERM NT #040 9.400% 05/20/1993 MSR PUTNAM FIXED I	1,974,700.00	101.0630	2,021,260.00	46,560.00
5,000,000.0000	CITICORP PERSON GTD SUB CAP NT 8.750% 03/01/1998 MSR MASS FIN SER FI	4,607,400.00	95.8950	4,794,750.00	187,350.00
4,000,000.0000	COLL MTG SECS CORP CMO 88-11 B 9.200% 07/01/2003 MSR PUTNAM FIXED I	4,005,000.00	100.2500	4,010,000.00	5,000.00
1,595,625.0000	CPN TREAS RCPTS 05/15/1992 FR USTB 13.865% 2011 MSR MASS FIN ZERO CP	725,004.13	78.8980	1,258,916.21	533,912.08
2,150,625.0000	CPN TREAS RCPTS 11/15/1992 FR USTB 13.875% 2011 MSR MASS FIN ZERO CP	923,779.46	75.8030	1,630,238.27	706,458.81
3,120,000.0000	CPN TR RCT INT PT DUE 08/15/89 ON USTB 12% 08/15/13 MSR MASS FIN ZERO CP	1,563,993.60	99.1800	3,094,416.00	1,530,422.40
2,100,000.0000	CPN TR RCPT INT PT 08/15/1992 ON USTB 12.000% 2013 MSR MASS FIN ZERO CP	927,927.00	77.3880	1,625,148.00	697,221.00



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2,880,000.0000	CPN TREAS RCP 02/15/1993 FR USTB 12.000% 2013 MSR MASS FIN GRP LF	2,105,749.35	74.3790	2,142,115.20	36,365.85
556,875.0000	CPN TREAS RCPTS 05/15/1992 FR USTB 12.375% 2004 MSR MASS FIN ZERO CP	253,027.29	78.8980	439,363.24	186,335.95
1,113,750.0000	CPN TREAS RCPTS 11/15/1992 FR USTB 12.375% 2004 MSR MASS FIN ZERO CP	478,400.18	75.8030	844,255.91	365,855.73
12,653,750.0000	CPN TR RCT DUE 05/15/1991 FR USTB 13.25% 05/15/14 MSR MASS FIN ZERO CP	5,002,786.60	85.5950	10,830,977.31	5,828,190.71
13,628,600.0000	CPN TREAS RCP 11/15/1991 FR USTB 10.375% 11/15/2012 MSR MASS FIN ZERO CP	5,094,356.58	82.0660	11,184,446.88	6,090,090.30
6,000,000.0000	DUPONT MEDIUM TERM NT 8.630% 12/01/1989 MSR STEMS ACCT	5,984,196.00	99.6290	5,977,740.00	6,456.00-
1,500,000.0000	EASTMAN KODAK CO NT 7.250% 04/15/1997 MSR MASS FIN SER FI	1,399,035.00	95.4440	1,431,660.00	32,625.00
1,125,000.0000	EASTMAN KODAK MEDIUM TERM NT 9.800% 01/30/1991 MSR MASS FIN SER FI	1,124,943.75	100.9210	1,135,361.25	10,417.50



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6,640.6900	FHA INSD MTG P/T SER GOLDOME 6.875% 05/01/2016 MSR ALLIANCE CAP FI	5,161.06	84.6562	5,621.76	460.70
2,000,000.0000	FFCB CONS SYSTEMWIDE BDS SER D 13.650% 12/02/1991 DD 12/01/81 MSR MASS FIN GRP LF	2,266,875.00	111.1870	2,223,740.00	43,135.00-
1,000,000.0000	FEDERAL HOME LN BKS CONS BD 10.850% 10/26/1992 DD 10/25/82 MSR MASS FIN GRP LF	1,008,125.00	107.1870	1,071,870.00	63,745.00
1,910,000.0000	FEDERAL HOME LOAN BKS CONS BD 11.100% 11/25/1992 DD 11/26/82 MSR MASS FIN GRP LF	1,951,781.25	107.8750	2,060,412.50	108,631.25
450,000.0000	FEDERAL HOME LOAN BKS CONS BD 10.900% 12/26/1990 DD 12/27/82 MSR MASS FIN GRP LF	452,390.62	103.2500	464,625.00	12,234.38
6,000,000.0000	FED HOME LN BKS CONS BD 8.500% 05/28/1991 DD 05/25/88 MSR STEMS ACCT	5,973,437.50	100.2500	6,015,000.00	41,562.50
2,350,000.0000	FHLMC MULTICLASS CTFS SER 31-D 7.550% 05/15/2020 MSR PUTNAM FIXED I	2,062,429.56	91.3100	2,145,785.00	83,355.44
6,000,000.0000	FEDERAL HOME LN MTG CORP DEB 10.900% 03/30/1990 MSR STEMS ACCT	6,222,187.50	101.5470	6,092,820.00	129,367.50-

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<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
	FEDERAL NATL MTG ASSN DEB 9.750% 03/06/1990 DD 03/07/89		100.6560		
1,000,000.0000	MSR STEMS ACCT	994,531.00		1,006,560.00	12,029.00
	FEDERAL NATL MTG ASSN CAP DEB ZERO CPN 10/09/2019		8.9840		
13,000,000.0000	MSR ALLIANCE CAP FI	1,113,125.00		1,167,920.00	54,795.00
	FEDERAL NATL MTG ASSN DEB 7.450% 05/10/1991 DD 05/06/86		98.4370		
6,000,000.0000	MSR STEMS ACCT	5,823,281.25		5,906,220.00	82,938.75
	FNMA POOL #0069802 8.000% 01/01/2019 DD 01/01/89		92.8120		
4,960,447.1000	MSR ALLIANCE CAP FI	4,432,322.10		4,603,890.16	171,568.06
	FNMA STRIP MTG BKD SMBS SER B 6.000% 05/01/2009		84.0625		
1,128,704.0000	MSR PUTNAM FIXED I	932,591.70		948,816.80	16,225.10
	FICO STRIPS-12 INT 9.90% 2018 BD DUE 06/06/1997		51.2370		
10,740,000.0000	MSR PUTNAM FIXED I	4,950,173.40		5,502,853.80	552,680.40
	FICO PRINCIPAL-17 9.70% 2019 BD DUE 04/05/2019		10.6350		
15,000,000.0000	MSR ALLIANCE CAP FI	1,136,850.00		1,595,250.00	458,400.00
	FIRST NATIONWIDE BK SAN FRAN#4 9.050% 06/15/1992		100.6560		
1,400,000.0000	MSR MASS FIN SER FI	1,401,750.00		1,409,184.00	7,434.00





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5,000,000.0000	FLEET NATIONAL BK MED TERM NT 8.800% 07/26/1990 MSR STEMS ACCT	5,000,000.00	99.7330	4,986,650.00	13,350.00-
1,900,000.0000	FORD MTR CR CORP NT 9.125% 08/15/1994 MSR PUTNAM FIXED I	1,885,000.00	101.4830	1,928,177.00	43,177.00
2,500,000.0000	FORD MTR CR CO MED TERM NT #50 10.000% 03/08/1990 DD 03/08/89 MSR STEMS ACCT	2,485,397.58	100.4490	2,511,225.00	25,827.42
3,500,000.0000	FORD MTR CR CORP MED TERM NT 8.400% 08/06/1990 MSR STEMS ACCT	3,474,660.00	99.3880	3,478,580.00	3,920.00
3,000,000.0000	FORD MOTOR CREDIT CORP NT 9.150% 09/30/1992 MSR MASS FIN SER FI	3,004,590.00	100.5240	3,015,720.00	11,130.00
156,316.4300	GNMA POOL #0001306 6.500% 01/15/2002 DD 01/01/72 MSR PUTNAM FIXED I	141,162.41	89.2180	139,462.39	1,700.02-
476,568.7800	GNMA POOL #0001442 6.500% 05/15/2002 DD 05/01/72 MSR PUTNAM FIXED I	428,916.78	89.2180	425,185.13	3,731.65-
328,583.6200	GNMA POOL #0001518 6.500% 05/15/2002 DD 05/01/72 MSR PUTNAM FIXED I	296,965.85	89.2180	293,155.73	3,810.12-

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	GNMA POOL #0001520 6.500% 04/15/2002 DD 04/01/72		89.2180		
198,307.5300	MSR PUTNAM FIXED I	178,739.97		176,926.01	1,813.96-
	GNMA POOL #0001603 6.500% 04/15/2002 DD 05/01/72		89.2180		
221,732.0800	MSR PUTNAM FIXED I	199,636.11		197,824.93	1,811.18-
	GNMA POOL #0001660 6.500% 06/15/2002 DD 06/01/72		89.2180		
683,280.5600	MSR PUTNAM FIXED I	615,886.41		609,609.25	6,277.16-
	GNMA POOL #0001751 6.500% 07/15/2002 DD 07/01/72		89.2180		
420,821.4500	MSR PUTNAM FIXED I	379,037.34		375,448.48	3,588.86-
	GNMA POOL #0001752 6.500% 11/15/2002 DD 11/01/72		89.2180		
339,081.0000	MSR PUTNAM FIXED I	305,756.83		302,521.29	3,235.54-
	GNMA POOL #0001980 6.500% 09/15/2002 DD 11/01/72		89.2180		
1,257,660.7800	MSR PUTNAM FIXED I	1,133,622.27		1,122,059.79	11,562.48-
	GNMA POOL #0001997 6.500% 08/15/2002 DD 12/01/72		89.2180		
158,413.8000	MSR PUTNAM FIXED I	142,867.24		141,333.62	1,533.62-
	GNMA POOL #0147929 9.000% 06/15/2016 DD 06/01/86		97.8120		
408,389.9800	MSR PUTNAM FIXED I	376,176.40		399,454.41	23,278.01

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282,206.9700	GNMA POOL #0147984 9.000% 06/15/2018 DD 06/01/88 MSR PUTNAM FIXED I	259,954.20	97.8120	276,032.28	16,078.08
4,433,308.7800	GNMA POOL #0152586 9.000% 06/15/2016 DD 06/01/86 MSR PUTNAM FIXED I	4,239,172.09	97.8120	4,336,307.98	97,135.89
58,488.9200	GNMA POOL #0152851 9.000% 10/15/2016 DD 11/01/86 MSR PUTNAM FIXED I	53,871.96	97.8120	57,209.18	3,337.22
46,184.9500	GNMA POOL #0153541 9.000% 05/15/2016 DD 05/01/86 MSR PUTNAM FIXED I	42,542.22	97.8120	45,174.42	2,632.20
6,337,284.7000	GNMA POOL #0156476 9.500% 09/15/2016 DD 09/01/86 MSR ALLIANCE CAP FI	5,925,946.28	99.9370	6,333,292.21	407,345.93
72,373.2000	GNMA POOL #0160008 8.000% 10/15/2016 DD 11/01/86 MSR PUTNAM FIXED I	63,727.66	93.1560	67,419.98	3,692.32
1,037.4600	GNMA POOL #0160117 9.000% 04/15/2021 DD 04/01/86 MSR ALLIANCE CAP FI	1,090.07	94.4880	980.28	109.79-
26,964.3600	GNMA POOL #0163308 9.000% 06/15/2016 DD 06/01/86 MSR PUTNAM FIXED I	24,816.74	97.8120	26,374.38	1,557.64



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	GNMA POOL #0164754 9.000% 08/15/2016 DD 09/01/86		97.8120		
958,592.5600	MSR PUTNAM FIXED I	882,979.12		937,618.55	54,639.43
	GNMA POOL #0178035 9.000% 09/15/2016 DD 10/01/86		97.8120		
976,329.1600	MSR PUTNAM FIXED I	899,309.34		954,967.08	55,657.74
	GNMA POOL #0182873 8.000% 11/15/2016 DD 12/01/86		93.1560		
934,166.2300	MSR PUTNAM FIXED I	822,588.00		870,231.89	47,643.89
	GNMA POOL #0187412 8.000% 04/15/2017 DD 04/01/87		93.1560		
872,438.3300	MSR PUTNAM FIXED I	760,168.97		812,728.65	52,559.68
	GNMA POOL #0188016 8.000% 02/15/2017 DD 03/01/87		93.1560		
678,197.4200	MSR PUTNAM FIXED I	600,409.39		631,781.59	31,372.20
	GNMA POOL #0189935 9.000% 01/15/2017 DD 01/01/87		97.8120		
11,330,781.4800	MSR ALLIANCE CAP FI	11,019,184.99		11,082,863.98	63,678.99
	GNMA POOL #0191256 8.000% 09/15/2017 DD 10/01/87		93.1560		
47,445.2900	MSR PUTNAM FIXED I	41,784.41		44,198.13	2,413.72
	GNMA POOL #0197012 8.000% 05/15/2017 DD 05/01/87		93.1560		
280,159.2000	MSR PUTNAM FIXED I	246,977.94		260,985.10	14,007.16

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918,693.3300	GNMA POOL #0200523 8.000% 03/15/2017 DD 04/01/87 MSR PUTNAM FIXED I	803,573.77	93.1560	855,817.96	52,244.19
546,288.0200	GNMA POOL #0202885 8.000% 03/15/2017 DD 04/01/87 MSR PUTNAM FIXED I	483,004.48	93.1560	508,900.07	25,895.59
338,423.0800	GNMA POOL #0207061 8.000% 05/15/2017 DD 05/01/87 MSR PUTNAM FIXED I	299,631.37	93.1560	315,261.40	15,630.03
659,609.0300	GNMA POOL #0207677 8.000% 04/15/2017 DD 04/01/87 MSR PUTNAM FIXED I	582,492.10	93.1560	614,465.39	31,973.29
264,721.8400	GNMA POOL #0211220 8.000% 05/15/2017 DD 06/01/87 MSR PUTNAM FIXED I	233,731.14	93.1560	246,604.28	12,873.14
545,764.7500	GNMA POOL #0216271 8.000% 05/15/2017 DD 05/01/87 MSR PUTNAM FIXED I	482,742.35	93.1560	508,412.61	25,670.26
447,447.3700	GNMA POOL #0217520 8.000% 05/15/2017 DD 05/01/87 MSR PUTNAM FIXED I	395,637.70	93.1560	416,824.07	21,186.37
444,071.0900	GNMA POOL #0217799 8.000% 07/15/2017 DD 07/01/87 MSR PUTNAM FIXED I	392,295.18	93.1560	413,678.86	21,383.68

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736,019.2900	GNMA POOL #0219768 8.000% 06/15/2017 DD 06/01/87 MSR PUTNAM FIXED I	651,524.78	93.1560	685,646.13	34,121.35
974,057.3500	GNMA POOL #0223902 9.000% 05/15/2018 DD 06/01/88 MSR PUTNAM FIXED I	897,247.66	97.8120	952,744.98	55,497.32
991,929.4900	GNMA POOL #0224122 9.000% 06/15/2018 DD 06/01/88 MSR PUTNAM FIXED I	913,610.98	97.8120	970,226.07	56,615.09
485,668.1900	GNMA POOL #0228734 9.000% 04/15/2018 DD 05/01/88 MSR PUTNAM FIXED I	447,364.13	97.8120	475,041.77	27,677.64
5,759,092.7400	GNMA POOL #0232548 9.500% 10/15/2017 DD 10/01/87 MSR ALLIANCE CAP FI	5,393,932.81	99.9370	5,755,464.51	361,531.70
927,259.4600	GNMA POOL #0235116 9.000% 09/15/2017 DD 09/01/87 MSR PUTNAM FIXED I	854,119.27	97.8120	906,971.02	52,851.75
4,940,874.2100	GNMA POOL #0235135 9.500% 10/15/2017 DD 12/01/87 MSR ALLIANCE CAP FI	4,684,276.70	99.9370	4,937,761.46	253,484.76
607,123.9900	GNMA POOL #0236933 9.000% 04/15/2018 DD 05/01/88 MSR PUTNAM FIXED I	559,251.04	97.8120	593,840.12	34,589.08

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656,036.8500	GNMA POOL #0253769 9.000% 07/15/2018 DD 07/01/88 MSR PUTNAM FIXED I	604,316.96	97.8120	641,682.76	37,365.80
1,010,728.5600	GNMA POOL #0260286 9.000% 02/15/2019 DD 03/01/89 MSR PUTNAM FIXED I	931,045.96	97.8120	988,613.82	57,567.86
483,796.5500	GNMA POOL #0262096 9.000% 07/15/2018 DD 08/01/88 MSR PUTNAM FIXED I	445,636.82	97.8120	473,211.08	27,574.26
1,019,319.7100	GNMA POOL #0266072 9.000% 02/15/2019 DD 03/01/89 MSR PUTNAM FIXED I	938,946.60	97.8120	997,016.99	58,070.39
35,771.0600	GNMA POOL #0266963 9.000% 02/15/2019 DD 02/01/89 MSR PUTNAM FIXED I	32,949.45	97.8120	34,988.39	2,038.94
10,192,164.2600	GNMA POOL #0270146 9.500% 04/15/2019 DD 04/01/89 MSR ALLIANCE CAP FI	9,670,758.32	99.9370	10,185,743.20	514,984.88
1,427,798.4600	GNMA POOL #0271667 9.500% 03/15/2019 DD 03/01/89 MSR ALLIANCE CAP FI	1,354,993.49	99.9370	1,426,898.95	71,905.46
2,996,841.0000	GNMA POOL #0273476 9.500% 04/15/2019 DD 04/01/89 MSR ALLIANCE CAP FI	2,845,903.50	99.9370	2,994,952.99	149,049.49



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3,770,000.0000	GENERAL ELECTRIC CO 6.875% 04/15/1991 MSR STEMS ACCT	3,600,802.40	97.1780	3,663,610.60	62,808.20
4,000,000.0000	GENERAL ELEC CAP CORP NT 8.750% 10/01/1992 MSR MASS FIN SER FI	3,980,440.00	100.3300	4,013,200.00	32,760.00
2,000,000.0000	GENERAL ELEC CAP CORP NT 10.150% 03/15/1990 MSR STEMS ACCT	1,991,780.00	100.7700	2,015,400.00	23,620.00
5,000,000.0000	GENERAL MTRS ACCEP CORP NT 8.375% 05/15/1991 DD 05/15/86 MSR STEMS ACCT	4,933,000.00	99.2700	4,963,500.00	30,500.00
5,000,000.0000	GENERAL MTRS ACCEP CORP NT 8.625% 06/15/1999 MSR ALLIANCE CAP FI	5,000,000.00	100.9950	5,049,750.00	49,750.00
3,000,000.0000	GENERAL MTRS ACCEP MED TERM NT 8.500% 06/15/1990 MSR MASS FIN SER FI	3,007,410.00	99.5510	2,986,530.00	20,880.00-
1,500,000.0000	GENERAL MTRS ACCEP MED TERM NT 9.700% 05/05/1992 MSR MASS FIN SER FI	1,492,260.00	102.2740	1,534,110.00	41,850.00
5,000,000.0000	GOVERNMENT TR CTFS CL 1-D ZERO CPN 05/15/1991 MSR STEMS ACCT	4,011,800.00	85.5600	4,278,000.00	266,200.00



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	GREAT WESTERN SVGS MED TERM NT 9.350% 09/16/1991		101.3430		
2,250,000.0000	MSR MASS FIN SER FI	2,251,732.50		2,280,217.50	28,485.00
	IBM CR CORP MED TERM NT 9.800% 03/05/1990		100.4430		
2,000,000.0000	MSR STEMS ACCT	1,996,300.00		2,008,860.00	12,560.00
	ITT FINL CORP SR DEB ZERO CPN 05/15/1990		92.8950		
2,500,000.0000	MSR STEMS ACCT	2,224,025.00		2,322,375.00	98,350.00
	ITT FINL CORP SR NT 8.500% 01/15/98		98.3950		
5,000,000.0000	MSR ALLIANCE CAP FI	4,962,500.00		4,919,750.00	42,750.00-
	JOHNSON & JOHNSON NT 8.875% 10/15/1990		100.2020		
6,250,000.0000	MSR STEMS ACCT	6,236,250.00		6,262,625.00	26,375.00
	LOMAS BK USA DEL CR CARD 88-1 9.150% 10/31/1995		98.7590		
2,400,000.0000	MSR PUTNAM FIXED I	2,387,520.00		2,370,216.00	17,304.00-
	MBNA CR CARD TR 88-A ASSET BKD 8.600% 05/31/1993		98.5670		
4,500,000.0000	MSR PUTNAM FIXED I	4,482,000.00		4,435,515.00	46,485.00-
	M&T BANK DEPOSIT NOTES 9.010% 09/21/1990		100.1000		
1,500,000.0000	MSR MASS FIN SER FI	1,501,260.00		1,501,500.00	240.00

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	MACY RECEIVABLES CR CARD 89-A 8.900% 04/15/1995		100.1250		
2,700,000.0000	MSR PUTNAM FIXED I	2,687,343.75		2,703,375.00	16,031.25
	MGT COMM FD MORTGAGE FUND		22,490.9000		
481,397.0000	MSR MORGAN REAL ES	91,093,747.31		108,270,517.87	17,176,770.56
	MGT COMM FD PRIVATE PLACEMENT FUND		25,737.0000		
142,991.0000	MSR MORGAN PRIV PLCM	34,169,506.32		36,801,593.67	2,632,087.35
	MANITOBA PRV CDA CDN\$ DB SR AZ 7.750% 7/17/2016		96.4900		
5,750,000.0000	MSR ALLIANCE CAP FI	5,393,845.00		5,548,175.00	154,330.00
	MANUFACTURERS & TRADERS DEP NT 9.120% 08/30/1990		100.5870		
2,500,000.0000	MSR MASS FIN SER FI	2,501,725.00		2,514,675.00	12,950.00
	MANUF HANOVER CORP SUB CAP NT 8.500% 02/15/1999		90.0100		
5,000,000.0000	MSR MASS FIN SER FI	4,768,110.00		4,500,500.00	267,610.00-
	MARINE MIDLAND BK MED TERM NT 9.000% 10/21/1991		99.7600		
2,500,000.0000	MSR MASS FIN SER FI	2,482,225.00		2,494,000.00	11,775.00
	MARROITT CORP SR NT SER F 9.125% 01/15/95		99.4670		
3,420,000.0000	MSR MASS FIN SER FI	3,406,764.60		3,401,771.40	4,993.20-



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3,500,000.0000	MELLON BK NA DEP NT 7.450% 03/15/1992 MSR MASS FIN SER FI	3,450,300.00	95.4250	3,339,875.00	110,425.00-
1,500,000.0000	MORGAN GTY TR CO N Y NTS 8.700% 11/01/1990 MSR MASS FIN SER FI	1,498,500.00	99.9780	1,499,670.00	1,170.00
5,000,000.0000	MORGAN STANLEY CMO SER L CL-L5 8.950% 11/01/2017 MSR PUTNAM FIXED I	4,651,562.50	99.0000	4,950,000.00	298,437.50
5,000,000.0000	NATIONAL CR CARD TR 88-1 CTF 9.300% 12/16/1991 MSR PUTNAM FIXED I	4,984,375.00	100.1880	5,009,400.00	25,025.00
1,250,000.0000	NATIONAL CR CARD TR 89-2 CTF 9.850% 03/31/1995 MSR MASS FIN SER FI	1,247,656.25	102.8590	1,285,737.50	38,081.25
1,000,000.0000	PALM BEACH CTY FLA ARPT-ESCROW 7.750% 10/01/2010 DD 06/28/89 MSR MASS FIN SER FI	1,018,437.50	101.7500	1,017,500.00	937.50-
5,000,000.0000	RJR NABISCO INC NT 8.125% 04/15/1991 MSR STEMS ACCT	4,905,350.00	95.9310	4,796,550.00	108,800.00-
2,625,000.0000	RYLAND ACCEP CORP IV-89 CL89-D 8.875% 08/01/2017 MSR PUTNAM FIXED I	2,439,609.38	96.2200	2,525,775.00	86,165.62





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4,470,000.0000	SCE CAP CO NT 10.100% 09/14/1990 MSR STEMS ACCT	4,442,956.50	101.2870	4,527,528.90	84,572.40
2,000,000.0000	SHEARSON LEHMAN HUTTON SUB NT 9.500% 06/15/1997 MSR MASS FIN SER FI	1,995,000.00	99.9930	1,999,860.00	4,860.00
6,000,000.0000	SHELL OIL CO MEDIUM TERM NT 8.375% 11/15/1989 MSR STEMS ACCT	5,967,120.00	99.6820	5,980,920.00	13,800.00
1,090,000.0000	SOUTHERN RY CO EQUIP TR SER 86 7.750% 08/01/1996 MSR MASS FIN SER FI	1,071,480.90	94.8060	1,033,385.40	38,095.50-
1,765,000.0000	SOUTHERN RY CO EQUIP TR SER 86 7.750% 08/01/1997 MSR MASS FIN SER FI	1,720,574.95	94.0200	1,659,453.00	61,121.95-
1,815,000.0000	SOUTHERN RY CO EQUIP TR SER 86 7.750% 08/01/1998 MSR MASS FIN SER FI	1,766,811.75	93.5280	1,697,533.20	69,278.55-
500,000.0000	STUDENT LOAN MARKETING ASSN NT 12.850% 09/01/1989 MSR MASS FIN GRP LF	536,615.00	100.7970	503,985.00	32,630.00-
20,000,000.0000	STUDENT LOAN MORTGAGE ASSOC ZERO CPN 10/03/2022 MSR ALLIANCE CAP FI	1,443,750.00	7.6560	1,531,200.00	87,450.00

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6,000,000.0000	STUDENT LN MARKETING ASSN NT 6.95% 08/20/1990 MSR STEMS ACCT	5,821,250.00	98.3120	5,898,720.00	77,470.00
1,500,000.0000	TENNECO CR CORP MEDIUM TERM NT 9.950% 01/30/95 DD 01/25/88 MSR MASS FIN SER FI	1,500,000.00	103.1070	1,546,605.00	46,605.00
2,500,000.0000	TENNECO CR CORP MEDIUM TERM NT 9.050% 01/23/1990 MSR MASS FIN SER FI	2,509,450.00	100.0590	2,501,475.00	7,975.00-
1,750,000.0000	TRANSCONTINENTAL GAS PIPE EXT 9.410% 05/15/2000 MSR MASS FIN SER FI	1,739,460.23	100.9670	1,766,922.50	27,462.27
4,000,000.0000	TIGRS SER 3-INT 12.00% 2013 T-BD MAT 02/15/1992 MSR MASS FIN ZERO CP	1,863,600.00	80.5570	3,222,280.00	1,358,680.00
2,000,000.0000	TIGRS SER 22-INT 13.750% 1994 T-BD MAT 05/15/1992 MSR MASS FIN ZERO CP	906,320.00	78.8980	1,577,960.00	671,640.00
6,000,000.0000	TWELVE FED LD BKS CONS BD 7.950% 04/22/1991 MSR STEMS ACCT	5,883,125.00	99.1870	5,951,220.00	68,095.00
800,000.0000	U S TREASURY BONDS 9.375% 02/15/2006 DD 01/15/86 MSR PUTNAM FIXED I	815,500.00	111.1870	889,496.00	73,996.00

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10,160,000.0000	U S TREASURY BONDS 9.000% 11/15/2018 DD 11/15/88 MSR PUTNAM FIXED I	10,018,340.63	110.5620	11,233,099.20	1,214,758.57
783,750.0000	U S TREAS CPN GENERIC CUBE MAT 08/15/1993 MSR MASS FIN GRP LF	668,825.09	83.8120	656,876.55	11,948.54-
6,100,000.0000	U S TREASURY NOTES 11.250% 02/15/1995 DD 02/15/85 MSR PUTNAM FIXED I	6,653,937.50	113.5940	6,929,234.00	275,296.50
6,465,000.0000	U S TREASURY NOTES 8.375% 12/31/1989 DD 12/31/85 MSR MASS FIN ZERO CP	6,404,390.63	100.0000	6,465,000.00	60,609.37
3,000,000.0000	U S TREASURY NOTES 8.125% 05/15/1991 DD 03/05/86 MSR STEMS ACCT	2,964,843.75	99.9690	2,999,070.00	34,226.25
2,000,000.0000	U S TREASURY NOTES 6.750% 03/31/1991 DD 03/31/87 MSR STEMS ACCT	1,911,875.00	97.7190	1,954,380.00	42,505.00
37,500,000.0000	U S TREASURY NOTES 8.500% 05/15/1997 DD 05/15/87 MSR ALLIANCE CAP FI	37,122,578.13	101.9370	38,226,375.00	1,103,796.87
5,500,000.0000	U S TREASURY NOTES 8.500% 09/30/1989 DD 09/30/87 MSR STEMS ACCT	5,506,920.23	99.9530	5,497,415.00	9,505.23-



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3,000,000.0000	U S TREASURY NOTES 8.000% 11/15/1990 DD 11/16/87 MSR STEMS ACCT	2,967,187.50	99.7190	2,991,570.00	24,382.50
10,000,000.0000	U S TREASURY NOTES 8.500% 09/30/1990 DD 09/30/88 MSR STEMS ACCT	9,806,250.00	100.2500	10,025,000.00	218,750.00
24,000,000.0000	U S TREASURY NOTES 9.125% 05/15/1999 DD 05/12/89 MSR MASS FIN SER FI	25,194,017.86	107.0000	25,680,000.00	485,982.14
1,820,000.0000	U S TREAS STRIP GENERIC TINT 02/15/1992 MSR MASS FIN GRP LF	1,484,592.36	81.1030	1,476,074.60	8,517.76-
35,055,000.0000	U S TREAS STRIP GENERIC TINT 05/15/1992 MSR MASS FIN ZERO CP	25,417,781.25	79.5090	27,871,879.95	2,454,098.70
10,790,000.0000	U S TREAS STRIP GENERIC TINT 11/15/1992 MSR MASS FIN ZERO CP	4,726,268.00	76.3920	8,242,696.80	3,516,428.80
13,480,000.0000	U S TREAS STRIP GENERIC TINT 11/15/1994 MSR MASS FIN GRP LF	8,553,023.10	65.1000	8,775,480.00	222,456.90
5,000,000.0000	WORLD SAVINGS AND LOAN 9.160% 09/23/1991 MSR MASS FIN SER FI	4,999,050.00	100.9790	5,048,950.00	49,900.00



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5,000,000.0000	XEROX CR CORP NT 8.750% 06/01/1991 MSR STEMS ACCT	4,978,050.00	99.3360	4,966,800.00	11,250.00-
61,958.4400	FARMER HM ADM INDS LN VAR MATS 5.000% MSR LIQUIDITY	61,958.44	100.0000	61,958.44	0.00
201,388.4100	RAY HOLIFELD & GARY T NANNEN ZERO CPN FIRST RES ENERGY ADV	662,415.69	100.0000	201,388.41	461,027.28-
23,618.0000	CHAUVERDO II LOAN AGREEMENT FIRST RES ENERGY ADV	166,945.14	100.0000	23,618.00	143,327.14-
16,268.1400	BRAZOS NAIL LNT VENT LN AGREE FIRST RES ENERGY ADV	495,503.50	100.0000	16,268.14	479,235.36-
808,433.2000	ESCO BOSTON 86-1 LTD PTSHIP FIRST RES ENERGY ADV	1,181,066.84	100.0000	808,433.20	372,633.64-
	TOTAL FIXED INCOME SECURITIES	615,906,858.04		667,523,024.56	51,616,166.52
	<u>PREFERRED SECURITIES</u>				
25,000.0000	BANK OF BOSTON CORP PFD SER A ADJUSTABLE RATE MSR GOUWS CAP MGMT	988,775.00	36.5000	912,500.00	76,275.00-



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	BAXTER INTL INC PFD ADJUSTABLE RATE		35.3750		
20,000.0000	MSR GOUWS CAP MGMT	724,725.00		707,500.00	17,225.00-
	TOTAL PREFERRED SECURITIES	1,713,500.00		1,620,000.00	93,500.00-
	<u>CONVERTIBLE SECURITIES</u>				
	CIGNA CORP SUB DEB CONV 8.200% 07/10/2010		100.5000		
1,600,000.0000	MSR GOUWS CAP MGMT	1,488,500.00		1,608,000.00	119,500.00
	CUMMINS ENGINE DEP PF A CV\$3.5		46.0000		
10,000.0000	MSR GOUWS CAP MGMT	447,050.00		460,000.00	12,950.00
	MGT COMM FD CONVERTIBLES FUND		40,169.1000		
122,936.0000	MSR CONVERTIBLES	49,488,679.59		49,382,284.78	106,394.81-
	UNISYS CORP PFD SR A CNV \$3.75		47.0000		
45,000.0000	MSR GOUWS CAP MGMT	2,291,275.00		2,115,000.00	176,275.00-
	WEYERHAUSER COV PFD EX 2.625		36.6250		
60,000.0000	MSR GOUWS CAP MGMT	2,243,473.70		2,197,500.00	45,973.70-
	TOTAL CONVERTIBLE SECURITIES	55,958,978.29		55,762,784.78	196,193.51-
	<u>COMMON STOCK</u>				

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76,000.0000	AVX CORP MSR DILLON READ CAP	1,367,743.43	18.7500	1,425,000.00	57,256.57
11,200.0000	ABBOTT LABS MSR LEHMAN MGMT CO	631,020.68	58.0000	649,600.00	18,579.32
10,700.0000	AETNA LIFE & CAS CO MSR LEHMAN MGMT CO	567,849.00	55.3750	592,512.50	24,663.50
60,000.0000	ALLIED SIGNAL INC MSR GOUWS CAP MGMT	2,397,134.46	33.0000	1,980,000.00	417,134.46-
13,700.0000	AMDAHL CORP MSR LEHMAN MGMT CO	268,109.00	16.7500	229,475.00	38,634.00-
13,500.0000	AMERICAN CYANAMID CO MSR LEHMAN MGMT CO	725,655.78	53.3750	720,562.50	5,093.28-
60,000.0000	AMERICAN ELEC PWR INC MSR GOUWS CAP MGMT	1,498,954.87	27.7500	1,665,000.00	166,045.13
47,100.0000	MSR LEHMAN MGMT CO	1,247,586.99		1,307,025.00	59,438.01
107,100.0000		2,746,541.86		2,972,025.00	225,483.14
14,100.0000	AMERICAN GEN CORP MSR LEHMAN MGMT CO	496,968.60	35.6250	502,312.50	5,343.90
83,000.0000	AMERICAN GREETING CORP CL A MSR ALLIANCE CAP EQ	2,072,407.20	24.8750	2,064,625.00	7,782.20-
12,900.0000	AMERICAN HOME PRODS CORP MSR EVANS & MOXON	1,130,332.69	94.2500	1,215,825.00	85,492.31
10,300.0000	MSR LEHMAN MGMT CO	885,148.41		970,775.00	85,626.59
23,200.0000		2,015,481.10		2,186,600.00	171,118.90





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29,500.0000	AMERICAN INTL GROUP INC		81.8750		
12,000.0000	MSR ALLIANCE CAP EQ	1,636,542.05		2,415,312.50	778,770.45
	MSR COLUMBUS CIRCLE	946,904.50		982,500.00	35,595.50
41,500.0000		2,583,446.55		3,397,812.50	814,365.95
38,300.0000	AMERICAN MED INTL INC		22.7500		
	MSR COLUMBUS CIRCLE	703,710.59		871,325.00	167,614.41
6,200.0000	AMERICAN TEL & TELEG CO		35.0000		
	MSR LEHMAN MGMT CO	213,559.00		217,000.00	3,441.00
105,000.0000	AMES DEPT STORES INC		16.0000		
	MSR ALLIANCE CAP EQ	1,673,675.00		1,680,000.00	6,325.00
50,000.0000	AMETEK INC		14.2500		
	MSR GOUWS CAP MGMT	654,000.00		712,500.00	58,500.00
20,000.0000	AMP INC		40.7500		
12,600.0000	MSR GOUWS CAP MGMT	835,350.00		815,000.00	20,350.00-
32,600.0000	MSR LEHMAN MGMT CO	538,296.42		513,450.00	24,846.42-
		1,373,646.42		1,328,450.00	45,196.42-
16,800.0000	ANADARKO PETE CORP		32.6250		
	MSR LEHMAN MGMT CO	479,976.00		548,100.00	68,124.00
13,600.0000	ANCHOR GLASS CONTAINER CORP		11.3750		
	MSR DILLON READ CAP	166,645.29		154,700.00	11,945.29-
46,072.0000	ANHEUSER BUSCH COS INC		41.7500		
7,300.0000	MSR COLUMBUS CIRCLE	1,866,324.43		1,923,506.00	57,181.57
53,372.0000	MSR LEHMAN MGMT CO	128,189.03		304,775.00	176,585.97
		1,994,513.46		2,228,281.00	233,767.54



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20,000.0000	APPLE COMPUTER INC	681,250.00	41.2500	825,000.00	143,750.00
29,000.0000	MSR EVANS & MOXON	1,131,739.25		1,196,250.00	64,510.75
49,000.0000	MSR COLUMBUS CIRCLE	1,812,989.25		2,021,250.00	208,260.75
93,870.0000	APPLIED MAGNETICS CORP		12.1250		
	MSR DILLON READ CAP	1,211,896.80		1,138,173.75	73,723.05-
142,600.0000	ARMCO INC		10.7500		
	MSR DILLON READ CAP	1,501,483.50		1,532,950.00	31,466.50
24,000.0000	ARMSTRONG WORLD INDS INC		44.3750		
	MSR EVANS & MOXON	840,264.00		1,065,000.00	224,736.00
42,200.0000	ARNOLD INDS INC		33.3750		
	MSR DILLON READ CAP	1,297,650.00		1,408,425.00	110,775.00
30,000.0000	ATLANTA GAS LT CO		26.5000		
	MSR GOUWS CAP MGMT	757,200.00		795,000.00	37,800.00
14,500.0000	ATLANTIC RICHFIELD CO		93.6250		
5,700.0000	MSR COLUMBUS CIRCLE	1,321,971.49		1,357,562.50	35,591.01
20,200.0000	MSR LEHMAN MGMT CO	529,911.54		533,662.50	3,750.96
		1,851,883.03		1,891,225.00	39,341.97
50,000.0000	ATLANTIC ENERGY INC N J		36.0000		
	MSR GOUWS CAP MGMT	1,632,547.88		1,800,000.00	167,452.12
43,000.0000	AVERY INTL CORP		26.0000		
	MSR EVANS & MOXON	983,133.34		1,118,000.00	134,866.66

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20,000.0000	AVNET INC		23.3750		
67,000.0000	MSR GOUWS CAP MGMT	446,600.00		467,500.00	20,900.00
87,000.0000	MSR DILLON READ CAP	1,595,781.40		1,566,125.00	29,656.40-
		2,042,381.40		2,033,625.00	8,756.40-
19,000.0000	BANDAG INC		74.5000		
	MSR EVANS & MOXON	1,066,125.00		1,415,500.00	349,375.00
314,415.1710	BANKERS TR INTL EQU INDEX FUND		121.8650		
	BANKERS TRUST	40,007,103.57		38,316,204.81	1,690,898.76-
85,000.0000	BANKAMERICA CORP		26.5000		
	MSR COLUMBUS CIRCLE	1,581,995.66		2,252,500.00	670,504.34
21,000.0000	BARNETT BKS INC		36.2500		
	MSR EVANS & MOXON	784,128.00		761,250.00	22,878.00-
30,000.0000	BAXTER INTL INC		20.7500		
46,600.0000	MSR GOUWS CAP MGMT	507,400.00		622,500.00	115,100.00
76,600.0000	MSR LEHMAN MGMT CO	892,114.26		966,950.00	74,835.74
		1,399,514.26		1,589,450.00	189,935.74
116,800.0000	BEAR STEARNS COS INC		15.1250		
	MSR DILLON READ CAP	1,699,440.00		1,766,600.00	67,160.00
18,500.0000	BLAIR CORP		34.6250		
	MSR EVANS & MOXON	615,290.00		640,562.50	25,272.50
38,776.0000	BLOCK DRUG INC		35.2500		
	MSR DILLON READ CAP	1,140,110.36		1,366,854.00	226,743.64



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37,000.0000	BLOCK H & R INC MSR EVANS & MOXON	1,133,950.00	30.1250	1,114,625.00	19,325.00-
22,500.0000	BOEING CO MSR ALLIANCE CAP EQ	668,479.29	48.0000	1,080,000.00	411,520.71
14,000.0000	BORDEN INC MSR COLUMBUS CIRCLE	794,130.00	66.3750	929,250.00	135,120.00
15,000.0000	BRIGGS & STRATTON CORP MSR GOUWS CAP MGMT	537,100.00	26.3750	395,625.00	141,475.00-
25,000.0000	BURLINGTON RES INC MSR ALLIANCE CAP EQ	1,120,750.00	45.2500	1,131,250.00	10,500.00
36,400.0000	MSR COLUMBUS CIRCLE	1,665,064.41		1,647,100.00	17,964.41-
61,400.0000		2,785,814.41		2,778,350.00	7,464.41-
8,000.0000	CBS INC MSR ALLIANCE CAP EQ	1,368,800.00	200.7500	1,606,000.00	237,200.00
45,000.0000	CIGNA CORP MSR ALLIANCE CAP EQ	2,396,475.00	55.8750	2,514,375.00	117,900.00
12,300.0000	MSR LEHMAN MGMT CO	669,907.48		687,262.50	17,355.02
57,300.0000		3,066,382.48		3,201,637.50	135,255.02
34,600.0000	CANADIAN PACIFIC LTD MSR LEHMAN MGMT CO	649,650.08	19.0000	657,400.00	7,749.92
10,000.0000	CAPITAL HLDG CORP DEL MSR GOUWS CAP MGMT	338,875.00	38.2500	382,500.00	43,625.00





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33,600.0000	CARLISLE COS INC MSR DILLON READ CAP	1,211,938.00	40.5000	1,360,800.00	148,862.00
28,538.3000	CASTLE ENERGY CORP FIRST RES ENERGY ADV	0.00	4.7499	135,555.50	135,555.50
13,800.0000	CATERPILLAR INC MSR LEHMAN MGMT CO	839,316.00	58.0000	800,400.00	38,916.00-
30,000.0000	CENTEL CORP MSR ALLIANCE CAP EQ	1,053,365.70	51.0000	1,530,000.00	476,634.30
32,300.0000	CENTRAL ME PWR CO MSR GOUWS CAP MGMT	528,498.21	18.7500	605,625.00	77,126.79
30,000.0000	CHAMPION INTL CORP MSR GOUWS CAP MGMT	946,562.50	33.2500	997,500.00	50,937.50
26,000.0000	MSR LEHMAN MGMT CO	672,359.82		864,500.00	192,140.18
56,000.0000		1,618,922.32		1,862,000.00	243,077.68
22,000.0000	CHEMED CORP MSR EVANS & MOXON	795,741.00	33.7500	742,500.00	53,241.00-
28,800.0000	CHEMICAL BKG CORP MSR ALLIANCE CAP EQ	918,816.00	35.8750	1,033,200.00	114,384.00
9,200.0000	CHUBB CORP MSR LEHMAN MGMT CO	631,368.40	68.3750	629,050.00	2,318.40-
156,100.0000	CIPHER DATA PRODS INC MSR DILLON READ CAP	1,412,770.00	7.8750	1,229,287.50	183,482.50-



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40,000.0000	CITICORP		31.1250		
	MSR ALLIANCE CAP EQ	1,166,960.00		1,245,000.00	78,040.00
32,500.0000	MSR LEHMAN MGMT CO	960,201.46		1,011,562.50	51,361.04
72,500.0000		2,127,161.46		2,256,562.50	129,401.04
36,400.0000	CLARCOR INC		33.5000		
	MSR DILLON READ CAP	1,088,528.00		1,219,400.00	130,872.00
90,300.0000	COAST SVGS FINL INC		18.6250		
	MSR DILLON READ CAP	1,506,401.60		1,681,837.50	175,435.90
31,700.0000	COASTAL CORP		41.2500		
	MSR DILLON READ CAP	985,280.13		1,307,625.00	322,344.87
45,000.0000	COMBUSTION ENGR INC		30.5000		
	MSR GOUWS CAP MGMT	1,304,450.00		1,372,500.00	68,050.00
16,000.0000	COMMERCE CLEARING HOUSE INC		58.0000		
	MSR EVANS & MOXON	996,825.00		928,000.00	68,825.00-
66,000.0000	COMMONWEALTH EDISON CO		37.7500		
	MSR ALLIANCE CAP EQ	2,112,928.65		2,491,500.00	378,571.35
11,000.0000	COMMUNITY PSYCHIATRIC CTRS		30.2500		
	MSR EVANS & MOXON	330,418.00		332,750.00	2,332.00
22,000.0000	MSR COLUMBUS CIRCLE	653,436.45		665,500.00	12,063.55
33,000.0000		983,854.45		998,250.00	14,395.55
22,000.0000	COMPAQ COMPUTER CORP		91.2500		
	MSR COLUMBUS CIRCLE	1,390,756.30		2,007,500.00	616,743.70

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15,500.0000	CONTEL CORP MSR ALLIANCE CAP EQ	803,377.50	62.0000	961,000.00	157,622.50
45,000.0000	CONTINENTAL BK CORP MSR ALLIANCE CAP EQ	1,083,150.00	23.7500	1,068,750.00	14,400.00-
40,000.0000	CONTINENTAL CORP MSR GOUWS CAP MGMT	1,326,325.00	34.2500	1,370,000.00	43,675.00
193,000.0000	CONTROL DATA CORP DEL MSR ALLIANCE CAP EQ	4,145,786.50	21.7500	4,197,750.00	51,963.50
40,000.0000	COORS ADOLPH CO CL B MSR GOUWS CAP MGMT	739,000.00	18.6250	745,000.00	6,000.00
213,800.0000	CORDIS CORP MSR ALLIANCE CAP EQ	3,083,908.87	14.0000	2,993,200.00	90,708.87-
33,400.0000	CRAY RESH INC MSR DILLON READ CAP	1,698,943.60	49.5000	1,653,300.00	45,643.60-
8,800.0000	DAYTON HUDSON CORP MSR LEHMAN MGMT CO	416,530.10	49.6250	436,700.00	20,169.90
55,000.0000	DEERE & CO MSR ALLIANCE CAP EQ	2,495,945.78	55.8750	3,073,125.00	577,179.22
15,600.0000	DELTA AIR LINES INC DEL MSR COLUMBUS CIRCLE	784,963.00	67.8750	1,058,850.00	273,887.00

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13,600.0000	DE LUXE CHECK PRINTERS INC MSR EVANS & MOXON	373,816.00	29.6250	402,900.00	29,084.00
54,000.0000	DIEBOLD INC MSR ALLIANCE CAP EQ	2,498,660.00	43.5000	2,349,000.00	149,660.00-
4,000.0000	DIGITAL EQUIP CORP MSR EVANS & MOXON	466,212.00	91.7500	367,000.00	99,212.00-
10,100.0000	MSR LEHMAN MGMT CO	1,062,534.03		926,675.00	135,859.03-
14,100.0000		1,528,746.03		1,293,675.00	235,071.03-
28,100.0000	DISNEY WALT CO MSR COLUMBUS CIRCLE	1,804,888.07	94.6250	2,658,962.50	854,074.43
23,800.0000	DRESSER INDS INC MSR COLUMBUS CIRCLE	908,198.00	40.8750	972,825.00	64,627.00
54,600.0000	DREYFUS CORP MSR DILLON READ CAP	1,700,768.50	28.1250	1,535,625.00	165,143.50-
13,400.0000	DU PONT E I DE NEMOURS & CO MSR COLUMBUS CIRCLE	1,435,837.69	108.7500	1,457,250.00	21,412.31
50,000.0000	DUFF & PHELPS SELECTED UTILS I MSR GOWNS CAP MGMT	429,000.00	8.3750	418,750.00	10,250.00-
40,000.0000	***NAME CHANGE SEE 23329J104** MSR DILLON READ CAP	787,400.00	20.8750	835,000.00	47,600.00
11,000.0000	E SYS INC PAR \$1 MSR EVANS & MOXON	344,725.00	30.1250	331,375.00	13,350.00-



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33,000.0000	EASTERN ENTERPRISES MSR GOUWS CAP MGMT	860,455.82	30.0000	990,000.00	129,544.18
10,000.0000	EASTMAN KODAK CO MSR GOUWS CAP MGMT	411,325.00	47.0000	470,000.00	58,675.00
15,200.0000	MSR LEHMAN MGMT CO	694,442.69		714,400.00	19,957.31
25,200.0000		1,105,767.69		1,184,400.00	78,632.31
56,600.0000	ECOLAB INC MSR DILLON READ CAP	1,489,873.00	25.5000	1,443,300.00	46,573.00-
25,000.0000	EDWARDS A G INC MSR EVANS & MOXON	497,961.39	23.1250	578,125.00	80,163.61
55,000.0000	EMERSON ELEC CO MSR GOUWS CAP MGMT	1,339,551.04	33.8750	1,863,125.00	523,573.96
101,000.0000	ERBAMONT N V MSR ALLIANCE CAP EQ	3,010,774.80	27.7500	2,802,750.00	208,024.80-
24,700.0000	EXXON CORP MSR LEHMAN MGMT CO	580,972.33	44.0000	1,086,800.00	505,827.67
26,400.0000	FEDERAL NATL MTG ASSN MSR COLUMBUS CIRCLE	1,304,775.29	89.1250	2,352,900.00	1,048,124.71
15,000.0000	FLEETWOOD ENTERPRISES INC MSR GOUWS CAP MGMT	352,297.50	26.3750	395,625.00	43,327.50
19,000.0000	FLIGHTSAFETY INTL INC MSR EVANS & MOXON	455,157.26	34.6250	657,875.00	202,717.74



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57,500.0000	FLUOR CORP MSR ALLIANCE CAP EQ	1,190,143.96	29.5000	1,696,250.00	506,106.04
16,100.0000	FORD MTR CO DEL MSR LEHMAN MGMT CO	766,059.58	48.5000	780,850.00	14,790.42
10,100.0000	FOXBORO CO MSR ALLIANCE CAP EQ	288,381.69	30.0000	303,000.00	14,618.31
30,400.0000	FREEPORT MCMORAN RESOURCES PARTNERS LP DEPOSITARY UNIT MSR COLUMBUS CIRCLE	775,823.85	24.7500	752,400.00	23,423.85-
35,000.0000	GTE CORP MSR ALLIANCE CAP EQ	1,524,670.00	52.8750	1,850,625.00	325,955.00
14,200.0000	MSR COLUMBUS CIRCLE	755,461.20		750,825.00	4,636.20-
49,200.0000		2,280,131.20		2,601,450.00	321,318.80
29,500.0000	GANNETT INC MSR COLUMBUS CIRCLE	1,278,505.40	43.6250	1,286,937.50	8,432.10
82,700.0000	GENERAL DEV CORP NEW MSR DILLON READ CAP	1,090,823.53	12.5000	1,033,750.00	57,073.53-
40,000.0000	GENERAL ELEC CO MSR GOUWS CAP MGMT	1,735,700.00	51.6250	2,065,000.00	329,300.00
11,700.0000	MSR COLUMBUS CIRCLE	651,467.50		604,012.50	47,455.00-
45,000.0000	MSR LEHMAN MGMT CO	1,796,216.77		2,323,125.00	526,908.23
96,700.0000		4,183,384.27		4,992,137.50	808,753.23



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42,000.0000	GENERAL MTRS CORP		41.7500		
20,000.0000	MSR ALLIANCE CAP EQ	1,816,006.11		1,753,500.00	62,506.11-
62,000.0000	MSR GOUWS CAP MGMT	811,600.00		835,000.00	23,400.00
		2,627,606.11		2,588,500.00	39,106.11-
35,000.0000	GENERAL RE CORP		65.2500		
	MSR ALLIANCE CAP EQ	1,591,032.14		2,283,750.00	692,717.86
24.2150	GENERAL SIGNAL CORP WT		0.0010		
	MSR LIQUIDITY	0.00		0.02	0.02
24,000.0000	GENUINE PARTS CO		39.0000		
	MSR EVANS & MOXON	883,770.00		936,000.00	52,230.00
21,500.0000	GERBER PRODS CO		77.0000		
	MSR COLUMBUS CIRCLE	1,244,574.70		1,655,500.00	410,925.30
21,900.0000	GILLETTE CO		40.1250		
	MSR LEHMAN MGMT CO	853,564.48		878,737.50	25,173.02
80,000.0000	GLAXO HLDGS PLC SPONSORED ADR		21.5000		
	MSR ALLIANCE CAP EQ	1,767,300.00		1,720,000.00	47,300.00-
34,000.0000	GOODRICH B F CO		56.1250		
	MSR ALLIANCE CAP EQ	1,882,640.63		1,908,250.00	25,609.37
15,600.0000	GOODYEAR TIRE & RUBBER CO		52.2500		
	MSR LEHMAN MGMT CO	759,205.20		815,100.00	55,894.80
60,000.0000	GREAT WESTN FINL CORP		20.0000		
	MSR ALLIANCE CAP EQ	1,241,700.00		1,200,000.00	41,700.00-

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35,000.0000	HARRIS CORP DEL MSR GOUWS CAP MGMT	938,425.00	32.1250	1,124,375.00	185,950.00
41,300.0000	HECLA MNG CO MSR GOUWS CAP MGMT	524,391.50	12.8750	531,737.50	7,346.00
20,000.0000	HERCULES INC MSR GOUWS CAP MGMT	950,350.00	46.1250	922,500.00	27,850.00-
10,400.0000	HEWLETT PACKARD CO MSR LEHMAN MGMT CO	548,265.32	51.7500	538,200.00	10,065.32-
31,500.0000	HOMEFED CORP MSR DILLON READ CAP	1,288,143.00	38.7500	1,220,625.00	67,518.00-
40,000.0000	HOMESTAKE MINING CO MSR GOUWS CAP MGMT	513,200.00	13.2500	530,000.00	16,800.00
18,000.0000	HONEYWELL INC MSR GOUWS CAP MGMT	1,170,725.87	73.3750	1,320,750.00	150,024.13
10,500.0000	HOUSTON INDS INC MSR LEHMAN MGMT CO	306,547.50	31.8750	334,687.50	28,140.00
27,000.0000	HUGHES SUPPLY INC MSR GOUWS CAP MGMT	442,415.00	18.5000	499,500.00	57,085.00
77,000.0000	HUMANA INC MSR ALLIANCE CAP EQ	2,363,853.00	34.0000	2,618,000.00	254,147.00



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110,500.0000	IMC FERTILIZER GROUP INC MSR ALLIANCE CAP EQ	4,522,822.50	33.5000	3,701,750.00	821,072.50-
17,000.0000	ITT CORP MSR LEHMAN MGMT CO	988,811.76	56.8750	966,875.00	21,936.76-
85,000.0000	IDEX CORP MSR DILLON READ CAP	1,232,500.00	14.2500	1,211,250.00	21,250.00-
19,000.0000	INTL BUSINESS MACHS CORP MSR ALLIANCE CAP EQ	2,268,617.12	111.8750	2,125,625.00	142,992.12-
25,000.0000	MSR GOUWS CAP MGMT	2,831,807.73		2,796,875.00	34,932.73-
12,000.0000	MSR EVANS & MOXON	1,676,326.87		1,342,500.00	333,826.87-
32,200.0000	MSR LEHMAN MGMT CO	3,451,981.81		3,602,375.00	150,393.19
88,200.0000		10,228,733.53		9,867,375.00	361,358.53-
36,500.0000	IOWA-ILLINOIS GAS & ELEC MSR DILLON READ CAP	1,447,140.90	41.8750	1,528,437.50	81,296.60
20,000.0000	K MART CORP MSR GOUWS CAP MGMT	729,100.00	36.0000	720,000.00	9,100.00-
32,600.0000	MSR LEHMAN MGMT CO	1,242,530.00		1,173,600.00	68,930.00-
52,600.0000		1,971,630.00		1,893,600.00	78,030.00-
20,000.0000	KAMAN CORP CL A MSR GOUWS CAP MGMT	271,250.00	12.8750	257,500.00	13,750.00-
52,800.0000	KELLWOOD CO MSR DILLON READ CAP	1,428,612.00	30.1250	1,590,600.00	161,988.00



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6,375.0000	KELLY SVCS INC CL A MSR EVANS & MOXON	221,125.00	37.0000	235,875.00	14,750.00
124,000.0000	LSI LOGIC CORP MSR ALLIANCE CAP EQ	1,388,165.00	8.8750	1,100,500.00	287,665.00-
49,000.0000	LANCE INC MSR EVANS & MOXON	969,586.80	19.8750	973,875.00	4,288.20
60,200.0000	LENNAR CORP MSR DILLON READ CAP	1,111,163.50	21.8750	1,316,875.00	205,711.50
22,000.0000	LILLY ELI & CO MSR EVANS & MOXON	848,275.00	54.5000	1,199,000.00	350,725.00
40,000.0000	MSR COLUMBUS CIRCLE	1,785,540.00		2,180,000.00	394,460.00
62,000.0000		2,633,815.00		3,379,000.00	745,185.00
30,300.0000	LIMITED INC MSR COLUMBUS CIRCLE	857,389.63	31.6250	958,237.50	100,847.87
6,000.0000	LIN BROADCASTING CORP MSR ALLIANCE CAP EQ	518,000.00	115.8750	695,250.00	177,250.00
18,100.0000	MSR COLUMBUS CIRCLE	1,104,505.47		2,097,337.50	992,832.03
24,100.0000		1,622,505.47		2,792,587.50	1,170,082.03
64,800.0000	LIZ CLAIBORNE INC MSR COLUMBUS CIRCLE	1,143,622.80	21.2500	1,377,000.00	233,377.20
10,000.0000	LOCKHEED CORP MSR GOUWS CAP MGMT	465,544.50	47.8750	478,750.00	13,205.50

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16,000.0000	LOEWS CORP		109.2500		
3,700.0000	MSR ALLIANCE CAP EQ	1,193,232.00		1,748,000.00	554,768.00
	MSR LEHMAN MGMT CO	340,607.20		404,225.00	63,617.80
19,700.0000		1,533,839.20		2,152,225.00	618,385.80
21,000.0000	LONGS DRUG STORES CORP		41.3750		
	MSR EVANS & MOXON	720,880.00		868,875.00	147,995.00
54,500.0000	LOTUS DEV CORP		23.2500		
	MSR DILLON READ CAP	1,039,977.50		1,267,125.00	227,147.50
30,000.0000	LOWES COS INC		25.2500		
	MSR GOUWS CAP MGMT	686,850.00		757,500.00	70,650.00
95,000.0000	M A COM INC		7.8750		
	MSR GOUWS CAP MGMT	786,182.00		748,125.00	38,057.00-
16,000.0000	MCA INC		57.3750		
	MSR COLUMBUS CIRCLE	774,986.17		918,000.00	143,013.83
67,900.0000	MCI COMMUNICATIONS CORP		36.1250		
	MSR COLUMBUS CIRCLE	1,556,712.77		2,452,887.50	896,174.73
98,700.0000	MNX INC COM		5.5000		
	MSR DILLON READ CAP	821,087.50		542,850.00	278,237.50-
33,700.0000	MANUFACTURERS NATL CORP		48.5000		
	MSR DILLON READ CAP	1,528,289.50		1,634,450.00	106,160.50
27,490.0000	MATLACK SYS INC		8.5000		
	MSR DILLON READ CAP	197,426.91		233,665.00	36,238.09

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50,000.0000	MAXUS ENERGY CORP MSR GOUWS CAP MGMT	365,675.00	8.3750	418,750.00	53,075.00
31,000.0000	MCGRAW HILL INC MSR ALLIANCE CAP EQ	2,133,738.00	69.6250	2,158,375.00	24,637.00
35,200.0000	MEAD CORP MSR COLUMBUS CIRCLE	1,250,563.97	38.8750	1,368,400.00	117,836.03
10,800.0000	MSR LEHMAN MGMT CO	410,084.72		419,850.00	9,765.28
46,000.0000		1,660,648.69		1,788,250.00	127,601.31
18,500.0000	MERCANTILE STORES INC MSR EVANS & MOXON	799,644.00	45.1250	834,812.50	35,168.50
18,400.0000	MERCK & CO INC MSR COLUMBUS CIRCLE	1,051,390.19	66.8750	1,230,500.00	179,109.81
20,000.0000	MILTON ROY CO MSR GOUWS CAP MGMT	240,637.50	16.5000	330,000.00	89,362.50
30,600.0000	MINE SAFETY APPLIANCES CO MSR DILLON READ CAP	1,352,225.00	54.0000	1,652,400.00	300,175.00
22,000.0000	MINNESOTA MNG & MFG CO MSR GOUWS CAP MGMT	964,031.75	71.0000	1,562,000.00	597,968.25
8,000.0000	MSR LEHMAN MGMT CO	375,040.31		568,000.00	192,959.69
30,000.0000		1,339,072.06		2,130,000.00	790,927.94
66,200.0000	MODINE MFG CO MSR DILLON READ CAP	1,103,325.00	19.1250	1,266,075.00	162,750.00



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3,300.0000	MONSANTO CO MSR LEHMAN MGMT CO	159,463.07	105.3750	347,737.50	188,274.43
35,000.0000	MORGAN J P & CO INC		38.1250		
15,500.0000	MSR ALLIANCE CAP EQ	1,384,180.00		1,334,375.00	49,805.00-
17,400.0000	MSR EVANS & MOXON	603,450.00		590,937.50	12,512.50-
	MSR LEHMAN MGMT CO	649,630.50		663,375.00	13,744.50
67,900.0000		2,637,260.50		2,588,687.50	48,573.00-
25,000.0000	MOTOROLA INC		52.6250		
24,000.0000	MSR ALLIANCE CAP EQ	1,188,675.00		1,315,625.00	126,950.00
8,600.0000	MSR COLUMBUS CIRCLE	1,164,863.62		1,263,000.00	98,136.38
57,600.0000	MSR LEHMAN MGMT CO	405,201.99		452,575.00	47,373.01
		2,758,740.61		3,031,200.00	272,459.39
25,500.0000	MURPHY OIL CORP		37.0000		
	MSR DILLON READ CAP	788,205.09		943,500.00	155,294.91
19,500.0000	NAC RE CORP		39.2500		
	MSR ALLIANCE CAP EQ	730,125.00		765,375.00	35,250.00
156,800.0000	NETWORK SYS CORP		8.2500		
	MSR DILLON READ CAP	1,501,225.50		1,293,600.00	207,625.50-
70,000.0000	NIAGARA MOHAWK PWR CORP		11.6250		
	MSR GOUWS CAP MGMT	967,250.00		813,750.00	153,500.00-
48,500.0000	NICHOLS HOMESHIELD INC		15.2500		
	MSR DILLON READ CAP	475,700.00		739,625.00	263,925.00



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14,900.0000	NORTHEAST UTILS MSR LEHMAN MGMT CO	293,455.50	21.6250	322,212.50	28,757.00
9,900.0000	NYNEX CORP MSR LEHMAN MGMT CO	720,051.17	78.7500	779,625.00	59,573.83
32,000.0000	OCCIDENTAL PETE CORP MSR GOUWS CAP MGMT	929,635.00	27.3750	876,000.00	53,635.00-
31,500.0000	OHIO CAS CORP MSR EVANS & MOXON	1,175,500.00	45.0000	1,417,500.00	242,000.00
40,000.0000	OHIO EDISON CO MSR GOUWS CAP MGMT	764,650.00	21.3750	855,000.00	90,350.00
75,740.0000	OVERSEAS SHIPHOLDING GRP INC MSR DILLON READ CAP	1,267,072.60	24.5000	1,855,630.00	588,557.40
112,200.0000	PSI HLDGS INC MSR DILLON READ CAP	1,509,679.00	15.7500	1,767,150.00	257,471.00
10,000.0000	PAINE WEBBER GROUP INC MSR GOUWS CAP MGMT	277,320.92	18.3750	183,750.00	93,570.92-
19,200.0000	PANHANDLE EASTN CORP MSR LEHMAN MGMT CO	434,278.00	23.6250	453,600.00	19,322.00
35,000.0000	PARAMOUNT COMMUNICATIONS INC MSR ALLIANCE CAP EQ	1,492,797.50	59.2500	2,073,750.00	580,952.50

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35,000.0000	PARKER HANNIFIN CORP MSR GOUWS CAP MGMT	955,775.00	27.0000	945,000.00	10,775.00-
73,000.0000	PENN CENT CORP MSR GOUWS CAP MGMT	1,777,926.29	26.2500	1,916,250.00	138,323.71
16,700.0000	MSR LEHMAN MGMT CO	416,581.50		438,375.00	21,793.50
89,700.0000		2,194,507.79		2,354,625.00	160,117.21
40,000.0000	PENNSYLVANIA PWR & LT CO MSR GOUWS CAP MGMT	1,169,972.73	38.6250	1,545,000.00	375,027.27
50,000.0000	PENTAIR INC MSR DILLON READ CAP	1,548,750.00	26.7500	1,337,500.00	211,250.00-
42,000.0000	PEPSICO INC MSR ALLIANCE CAP EQ	1,102,548.23	53.2500	2,236,500.00	1,133,951.77
43,000.0000	MSR COLUMBUS CIRCLE	1,727,611.87		2,289,750.00	562,138.13
85,000.0000		2,830,160.10		4,526,250.00	1,696,089.90
65,000.0000	PERKIN ELMER CORP MSR GOUWS CAP MGMT	1,487,386.91	24.5000	1,592,500.00	105,113.09
35,000.0000	PFIZER INC MSR GOUWS CAP MGMT	2,012,800.00	57.3750	2,008,125.00	4,675.00-
20,500.0000	MSR LEHMAN MGMT CO	1,079,113.81		1,176,187.50	97,073.69
55,500.0000		3,091,913.81		3,184,312.50	92,398.69
14,500.0000	PHILADELPHIA ELEC CO MSR LEHMAN MGMT CO	303,702.50	22.5000	326,250.00	22,547.50

**BOSTON SAFE DEPOSIT AND TRUST COMPANY**

ONE BOSTON PLACE, BOSTON, MASSACHUSETTS 02106

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<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
23,100.0000	PHILIP MORRIS COS INC		138.6250		
5,100.0000	MSR ALLIANCE CAP EQ	2,529,521.93		3,202,237.50	672,715.57
28,200.0000	MSR LEHMAN MGMT CO	685,276.40		706,987.50	21,711.10
		3,214,798.33		3,909,225.00	694,426.67
49,000.0000	PHILLIPS PETE CO		21.7500		
	MSR ALLIANCE CAP EQ	1,087,065.00		1,065,750.00	21,315.00-
112,200.0000	PIC N SAVE CORP		15.8750		
	MSR DILLON READ CAP	1,510,085.10		1,781,175.00	271,089.90
18,400.0000	POLAROID CORP		37.8750		
	MSR LEHMAN MGMT CO	698,844.15		696,900.00	1,944.15-
20,800.0000	PRIMERICA CORP NEW		22.2500		
	MSR LEHMAN MGMT CO	439,893.50		462,800.00	22,906.50
64,000.0000	PROGRESSIVE CORP OHIO		30.3750		
	MSR DILLON READ CAP	1,825,984.00		1,944,000.00	118,016.00
72,000.0000	PROVIDENT LIFE & ACC INS CO		23.0000		
	CL B				
	MSR DILLON READ CAP	1,540,562.50		1,656,000.00	115,437.50
52,600.0000	PUBLIC SVC ENTERPRISE GROUP		26.8750		
	MSR LEHMAN MGMT CO	1,136,888.67		1,413,625.00	276,736.33
21,000.0000	QUAKER STATE CORP		15.8750		
	MSR EVANS & MOXON	467,195.90		333,375.00	133,820.90-



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10,000.0000	QUANEX CORP MSR DILLON READ CAP	135,600.00	14.0000	140,000.00	4,400.00
180,000.0000	RACAL ELECTRS LTD ADRS MSR ALLIANCE CAP EQ	1,100,000.00	6.9380	1,248,840.00	148,840.00
123,800.0000	RLC CORP MSR DILLON READ CAP	1,046,655.99	8.6250	1,067,775.00	21,119.01
35,000.0000	RAYCHEM CORP MSR GOUWS CAP MGMT	1,169,985.00	34.3750	1,203,125.00	33,140.00
12,200.0000	RAYTHEON CO MSR LEHMAN MGMT CO	869,150.02	72.6250	886,025.00	16,874.98
15,800.0000	REEVES COMMUNICATIONS CORP MSR DILLON READ CAP	107,785.09	6.1250	96,775.00	11,010.09-
59,900.0000	REYNOLDS & REYNOLDS CL A MSR DILLON READ CAP	1,855,454.90	24.5000	1,467,550.00	387,904.90-
30,500.0000	REYNOLDS METALS CO MSR ALLIANCE CAP EQ	1,674,711.32	50.2500	1,532,625.00	142,086.32-
15,300.0000	RITE AID CORP MSR LEHMAN MGMT CO	528,244.02	35.2500	539,325.00	11,080.98
30,000.0000	ROADWAY SVCS INC MSR GOUWS CAP MGMT	910,000.00	31.0000	930,000.00	20,000.00
25,000.0000	MSR EVANS & MOXON	802,325.00		775,000.00	27,325.00-
55,000.0000		1,712,325.00		1,705,000.00	7,325.00-





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85,100.0000	ROLLINS ENVIRONMENTAL SVCS INC MSR DILLON READ CAP	927,568.30	10.2500	872,275.00	55,293.30-
	ROYAL DUTCH PETE CO N Y REG SH PAR N GLDR 5		62.7500		
26,000.0000	MSR GOUWS CAP MGMT	804,749.40		1,631,500.00	826,750.60
13,900.0000	MSR LEHMAN MGMT CO	430,231.41		872,225.00	441,993.59
39,900.0000		1,234,980.81		2,503,725.00	1,268,744.19
8,400.0000	RYDER SYS INC MSR LEHMAN MGMT CO	208,205.05	26.1250	219,450.00	11,244.95
32,800.0000	SCECORP MSR LEHMAN MGMT CO	1,075,544.80	34.7500	1,139,800.00	64,255.20
45,000.0000	SCI SYS INC MSR ALLIANCE CAP EQ	583,028.00	11.2500	506,250.00	76,778.00-
23,200.0000	SPS TECHNOLOGIES INC MSR DILLON READ CAP	1,005,899.00	54.0000	1,252,800.00	246,901.00
31,000.0000	ST PAUL COS INC MSR EVANS & MOXON	1,392,458.00	53.0000	1,643,000.00	250,542.00
101,000.0000	SALOMON INC MSR ALLIANCE CAP EQ	2,532,441.45	24.3750	2,461,875.00	70,566.45-
35,000.0000	MSR GOUWS CAP MGMT	1,030,650.00		853,125.00	177,525.00-
136,000.0000		3,563,091.45		3,315,000.00	248,091.45-
6,800.0000	SANTA FE PAC CORP MSR LEHMAN MGMT CO	148,735.82	21.7500	147,900.00	835.82-



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26,000.0000	SCHLUMBERGER LTD MSR GOUWS CAP MGMT	898,657.46	39.7500	1,033,500.00	134,842.54
40,700.0000	SEAGULL ENERGY CORP MSR DILLON READ CAP	592,546.69	18.5000	752,950.00	160,403.31
10,000.0000	SEARS ROEBUCK & CO MSR GOUWS CAP MGMT	332,713.89	43.7500	437,500.00	104,786.11
31,100.0000	MSR LEHMAN MGMT CO	1,434,184.63		1,360,625.00	73,559.63-
41,100.0000		1,766,898.52		1,798,125.00	31,226.48
49,000.0000	SIGNET BKG CORP MSR DILLON READ CAP	1,744,455.60	35.0000	1,715,000.00	29,455.60-
7,400.0000	SKYLINE CORP MSR GOUWS CAP MGMT	110,695.24	16.8750	124,875.00	14,179.76
20,000.0000	SNAP ON TOOLS CORP MSR EVANS & MOXON	788,127.00	38.1250	762,500.00	25,627.00-
50,000.0000	SOUTHWESTERN PUBLIC SVC CO MSR GOUWS CAP MGMT	1,307,750.00	28.0000	1,400,000.00	92,250.00
13,500.0000	SQUARE D CO MSR EVANS & MOXON	683,045.00	55.2500	745,875.00	62,830.00
56,900.0000	STANDARD PRODS CO MSR DILLON READ CAP	1,595,152.70	28.8750	1,642,987.50	47,834.80
90,000.0000	STANDARD REGISTER CO MSR DILLON READ CAP	1,459,680.00	17.3750	1,563,750.00	104,070.00

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166,800.0000	STERLING CHEMS INC MSR ALLIANCE CAP EQ	2,717,963.00	10.7500	1,793,100.00	924,863.00-
160,219.1010	STATE STREET AUSTRALIA FD STATE STREET BK & TR	1,580,000.00	9.8720	1,581,682.97	1,682.97
449,085.4890	STATE STREET GERMANY FD STATE STREET BK & TR	5,221,000.00	12.4700	5,600,096.05	379,096.05
266,104.8760	STATE STREET HONG KONG FD STATE STREET BK & TR	3,224,000.00	9.2820	2,469,985.46	754,014.54-
675,792.4090	STATE STREET ITALY FD STATE STREET BK & TR	7,905,000.00	12.2110	8,252,101.11	347,101.11
1,264,535.6410	STATE STREET JAPAN FD STATE STREET BK & TR	14,558,000.00	10.5510	13,342,115.55	1,215,884.45-
293,032.1920	STATE STREET NEW ZEALAND FD STATE STREET BK & TR	2,512,000.00	8.4980	2,490,187.57	21,812.43-
20,700.0000	STEWART & STEVENSON SVCS INC MSR DILLON READ CAP	319,635.84	46.5000	962,550.00	642,914.16
25,000.0000	STUDENT LN MKT ASSOC COM NON VTG MSR ALLIANCE CAP EQ	1,972,406.87	100.2500	2,506,250.00	533,843.13
45,000.0000	SUN MICROSYSTEMS INC MSR ALLIANCE CAP EQ	921,792.00	17.0000	765,000.00	156,792.00-



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36,000.0000	SUNDSTRAND CORP MSR ALLIANCE CAP EQ	1,858,707.92	66.1250	2,380,500.00	521,792.08
30,000.0000	SYNTEX CORP MSR ALLIANCE CAP EQ	1,332,497.50	49.5000	1,485,000.00	152,502.50
13,300.0000	SYSCO CORP MSR COLUMBUS CIRCLE	604,934.75	47.3750	630,087.50	25,152.75
30,000.0000	TRW INC MSR GOUWS CAP MGMT	1,278,016.31	43.0000	1,290,000.00	11,983.69
3,600.0000	TAMBRANDS INC MSR LEHMAN MGMT CO	219,787.20	60.2500	216,900.00	2,887.20-
18,000.0000	TANDY CORP MSR EVANS & MOXON	711,961.19	44.6250	803,250.00	91,288.81
62,500.0000	TELE COMMUNICATIONS INC CL A MSR ALLIANCE CAP EQ	1,277,762.91	34.8750	2,179,687.50	901,924.59
52,200.0000	MSR COLUMBUS CIRCLE	1,343,370.52		1,820,475.00	477,104.48
114,700.0000		2,621,133.43		4,000,162.50	1,379,029.07
62,500.0000	TENNECO INC MSR ALLIANCE CAP EQ	2,998,937.50	54.6250	3,414,062.50	415,125.00
20,000.0000	MSR LEHMAN MGMT CO	1,058,820.00		1,092,500.00	33,680.00
82,500.0000		4,057,757.50		4,506,562.50	448,805.00
31,600.0000	TEXACO INC MSR LEHMAN MGMT CO	1,696,459.12	50.3750	1,591,850.00	104,609.12-



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<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
41,000.0000	TEXAS INSTRS INC	1,755,067.75	39.1250	1,604,125.00	150,942.75-
22,000.0000	MSR ALLIANCE CAP EQ	884,024.38		860,750.00	23,274.38-
63,000.0000	MSR LEHMAN MGMT CO	2,639,092.13		2,464,875.00	174,217.13-
12,000.0000	TIME INC	1,917,168.00	155.2500	1,863,000.00	54,168.00-
61,000.0000	TOYS R US INC	1,354,950.58	28.7500	1,753,750.00	398,799.42
39,000.0000	TRANSCO ENERGY CO	1,663,725.00	44.0000	1,716,000.00	52,275.00
97,485.4990	TRAVLRS SEPARATE A/C R EQUITY	13,050,329.76	185.1027	18,044,831.03	4,994,501.27
40,000.0000	MSR TRAVELERS COMM	1,702,035.00	40.6250	1,625,000.00	77,035.00-
7,900.0000	TRAVELERS CORP	273,103.00	39.7500	314,025.00	40,922.00
60,800.0000	MSR GOUWS CAP MGMT	1,693,889.60	26.1250	1,588,400.00	105,489.60-
12,000.0000	TRINITY INDS INC	1,589,700.00	139.5000	1,674,000.00	84,300.00
11,700.0000	MSR ALLIANCE CAP EQ	1,189,164.96		1,632,150.00	442,985.04
23,700.0000	MSR COLUMBUS CIRCLE	2,778,864.96		3,306,150.00	527,285.04



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58,300.0000	UDC UNVL DEVL UNIT MSR DILLON READ CAP	969,480.70	21.5000	1,253,450.00	283,969.30
31,000.0000	UST INC MSR EVANS & MOXON	449,030.41	24.7500	767,250.00	318,219.59
49,383.0000	UNUM CORP MSR MASS FIN GRP LF	0.00	33.5000	1,654,330.50	1,654,330.50
20,000.0000	USF&G CORP MSR GOUWS CAP MGMT	659,725.00	31.3750	627,500.00	32,225.00-
20,900.0000	UNION ELECTRIC CO MSR LEHMAN MGMT CO	503,021.20	26.2500	548,625.00	45,603.80
25,000.0000	UNION PAC CORP MSR ALLIANCE CAP EQ	1,620,750.00	70.0000	1,750,000.00	129,250.00
64,200.0000	UNIFED FINL CORP MSR DILLON READ CAP	951,645.40	19.8750	1,275,975.00	324,329.60
29,400.0000	UNISYS CORP MSR LEHMAN MGMT CO	760,955.28	24.6250	723,975.00	36,980.28-
55,000.0000	***NAME CHANGE SEE 902760107** MSR ALLIANCE CAP EQ	1,394,715.00	22.5000	1,237,500.00	157,215.00-
75,300.0000	MSR DILLON READ CAP	1,620,777.70		1,694,250.00	73,472.30
130,300.0000		3,015,492.70		2,931,750.00	83,742.70-
41,000.0000	U S BANCORP ORE MSR DILLON READ CAP	989,575.00	31.5000	1,291,500.00	301,925.00

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<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
9,400.0000	U S WEST INC MSR LEHMAN MGMT CO	597,558.00	69.0000	648,600.00	51,042.00
15,000.0000	UNITED TECHNOLOGIES CORP MSR GOUWS CAP MGMT	581,345.60	50.2500	753,750.00	172,404.40
11,600.0000	MSR COLUMBUS CIRCLE	596,031.30		582,900.00	13,131.30-
9,600.0000	MSR LEHMAN MGMT CO	455,250.25		482,400.00	27,149.75
36,200.0000		1,632,627.15		1,819,050.00	186,422.85
28,900.0000	UNITED TELECOMMUNICATIONS INC MSR COLUMBUS CIRCLE	1,263,055.50	66.0000	1,907,400.00	644,344.50
55,000.0000	UNOCAL CORP MSR ALLIANCE CAP EQ	2,013,503.84	44.8750	2,468,125.00	454,621.16
23,300.0000	UPJOHN CO MSR LEHMAN MGMT CO	681,082.30	29.8750	696,087.50	15,005.20
73,000.0000	VARLEN CORP MSR DILLON READ CAP	1,407,112.00	26.7500	1,952,750.00	545,638.00
56,800.0000	WAL MART STORES INC MSR COLUMBUS CIRCLE	1,232,889.07	38.1250	2,165,500.00	932,610.93
36,000.0000	WARNER COMMUNICATIONS INC MSR ALLIANCE CAP EQ	1,192,451.19	60.3750	2,173,500.00	981,048.81
42,300.0000	WASTE MGMT INC MSR ALLIANCE CAP EQ	1,541,663.88	51.6250	2,183,737.50	642,073.62
31,100.0000	MSR COLUMBUS CIRCLE	1,271,081.80		1,605,537.50	334,455.70
73,400.0000		2,812,745.68		3,789,275.00	976,529.32



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46,000.0000	WEST INC MSR EVANS & MOXON	665,800.00	18.5000	851,000.00	185,200.00
49,000.0000	WESTCORP MSR DILLON READ CAP	355,397.50	8.8750	434,875.00	79,477.50
30,000.0000	WESTINGHOUSE ELEC CORP MSR GOUWS CAP MGMT	1,127,384.62	62.0000	1,860,000.00	732,615.38
30,000.0000	WHIRLPOOL CORP MSR GOUWS CAP MGMT	790,837.50	30.0000	900,000.00	109,162.50
40,000.0000	WILLIAMS COS INC MSR ALLIANCE CAP EQ	1,397,800.00	37.3750	1,495,000.00	97,200.00
184,134,668.0340	WILSHIRE 5000 INDEX POOLED FD MSR EQUITY CORE ACCT	257,581,588.40	1.8042	332,217,609.41	74,636,021.01
31,388.6200	BEARD OIL II CO LOAN AGREEMENT FIRST RES ENERGY ADV	5,859.79	1.0000	31,388.62	25,528.83
	TOTAL COMMON STOCK	686,278,751.14		801,753,019.85	115,474,268.71
	<u>REAL ESTATE</u>				
3,571,720.5900	3 CANAL PLAZA' MSR PROPERTY CAPITAL	3,571,720.59	104.1447	3,719,759.84	148,039.25
8,312,499.6500	REAL ESTATE BROOKSIDE PLAZA MSR PROPERTY CAPITAL	8,312,499.65	108.2706	8,999,999.90	687,500.25



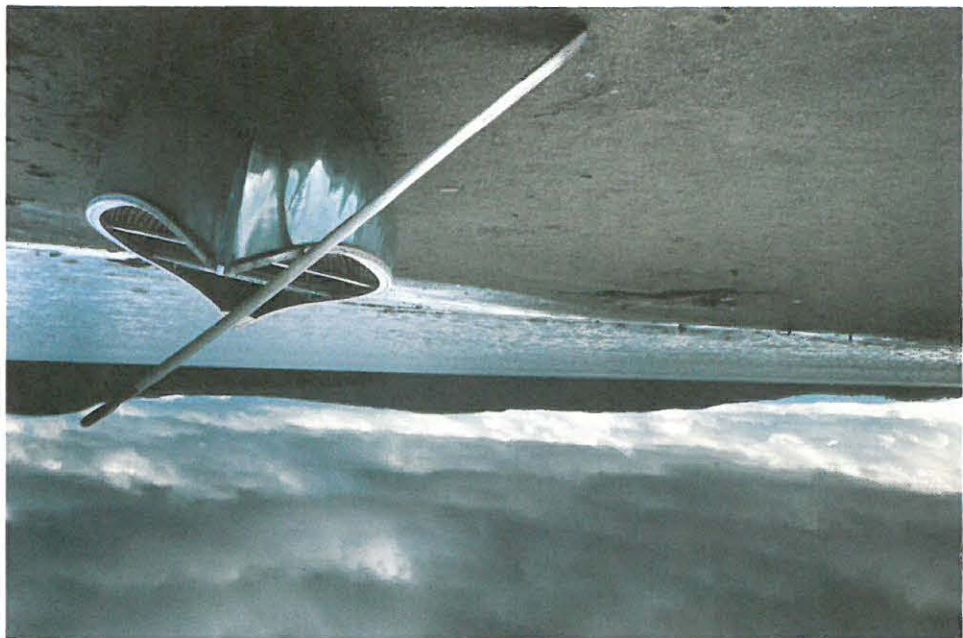
**BOSTON SAFE DEPOSIT AND TRUST COMPANY**

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<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
9,238,362.0950	SHATTUCK OFFICE CTR MSR PROPERTY CAPITAL	9,238,362.10	102.3965	9,459,760.37	221,398.27
350,143.7500	FAULCONE/BOSTON 85-1 LTD PTNRS FIRST RES ENERGY ADV	511,079.94	100.0000	350,143.75	160,936.19-
	TOTAL REAL ESTATE	21,633,662.28		22,529,663.86	896,001.58
	TOTAL INVESTMENT	1,518,430,089.75		1,686,126,833.05	167,696,743.30

# REPORT of the Judicial and Legislative Retirement Systems





Claude R. Perrier, *Executive Director*  
Joseph A. Gahagan, *Deputy Director*  
Philip R. Gingrow,  
*Assistant Executive Director*



STATE OF MAINE

Tel. (207) 289-3461  
Toll Free: 1-800-451-9800  
FAX # (207) 289-1032

**MAINE STATE RETIREMENT SYSTEM**

STATE HOUSE STATION #46  
AUGUSTA, MAINE 04333-0046

*Board of Trustees*

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*Ex officio*  
Samuel Shapiro,  
State Treasurer

March 15, 1990

Dear Member:

The Annual Report for the Maine Legislative and Judicial Retirement Systems established on December 3, 1986 and December 1, 1984 respectively, is attached.

Sincerely,

A handwritten signature in cursive script that reads 'Claude R. Perrier'.

Claude R. Perrier  
Executive Director for the Board of Trustees  
Maine Legislative and Judicial Retirement Systems



Maine Legislative Retirement System  
**ACTUARIAL VALUATION**  
June 30, 1989

A. PARTICIPANT DATA

Consolidated Results

1. Number of Active Employees	87
2. Active Payroll	\$ 861,300
3. Number of Retired Members	5
4. Annual Retiree Benefits	\$ 2,764
5. Number of Vested Inactive Members	0

B. COST RESULTS

1. Retirement Benefits	
a. Employer Normal Cost	10.84 percent
b. Unfunded Actuarial Reserve	<u>0.00 percent</u>
c. Total Retirement Cost	10.84 percent
2. Disability Cost	0.98 percent
3. Survivor Benefit Cost	0.46 percent
4. Total Cost	<u>12.28 percent</u>

C. ACCOUNTING INFORMATION

1. GASB DISCLOSURE

a. Pension Benefit Obligation:	
i. Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 31,842
ii. Current employees	
-accumulated employee contributions including allocated investment earnings	140,132
-Employer-financed vested contributions	(30,055)
-Employer-financed non-vested contributions	301,946
Total Pension Benefit Obligation	<u>\$ 443,865</u>
b. Net Assets Available for Benefits (at cost)	\$ 531,333
c. Unfunded Pension Benefit Obligation (not <\$0)	0

2. OTHER ACCOUNTING INFORMATION

a. Actuarial Value of Assets	\$ 585,126
b. Unfunded Actuarial Reserve	0
c. Market Value of Assets	582,800
d. Unfunded Accrued Reserve	0
e. Amortization Period	N/A

Maine Legislative Retirement System  
**SUMMARY OF ACTUARIAL ASSUMPTIONS**  
June 30, 1989

This schedule summarizes the actuarial assumptions and methods used in the valuation.

**ACTUARIAL ASSUMPTIONS**

1. Annual Rate of Investment Return: 8.0 percent
2. Annual Rate of Salary Increase: 6.0 percent
3. Annual Cost-of-Living Increase: 4.0 percent
4. Expense Allowance: None
5. Retirement Age: 60
6. Probabilities of employment  
termination due to:

<u>at Age</u>	<u>Death</u>	<u>Disability</u>	<u>Quit</u>
25	.0006	.0006	.07
30	.0008	.0006	.06
35	.0011	.0007	.05
40	.0016	.0011	.04
45	.0029	.0022	.03
50	.0053	.0042	.02
55	.0085	.0072	.01

**FUNDING METHOD**

1. Retirement Benefits: Entry Age Normal
2. Ancillary Benefits: Term Cost Method
3. Amortization Period: Future Service Lifetime  
(Level Percent of Payroll)

**ASSET VALUATION METHOD**

Assets are valued at actuarial value. See Part II of the State Valuation Report for a detailed description.

Maine Legislative Retirement System  
**SUMMARY OF PLAN PROVISIONS**  
June 30, 1989

1. **MEMBERSHIP.** Membership is mandatory for legislators entering on or after December 3, 1986, and optional for those who were members of the Maine State Retirement System on December 2, 1986.

Membership ceases on the earlier of withdrawal of contributions, retirement, or death.

2. **MEMBER CONTRIBUTIONS.** Members are required to contribute four (4) percent of earnable compensation.

3. **AVERAGE FINAL COMPENSATION.** For purposes of determining benefits payable under the System, average final compensation is the average annual rate of earnable compensation for the three (3) years of creditable service (not necessarily consecutive) as a legislator which produce the highest such average.

4. **CREDITABLE SERVICE.** Creditable service includes the following:

- a. all legislative service as a member after December 2, 1986;
- b. all legislative service before December 3, 1986, for which contributions are made at the rate applicable to the Maine State Retirement System, including appropriate interest;
- c. service while receiving disability benefits under the System; and
- d. all service creditable under the Maine State Retirement System, provided the member elects to have his own and the employer's contributions on behalf of the service transferred to the legislative system.

5. **SERVICE RETIREMENT BENEFITS.**

Eligibility for Members in Service: twenty-five (25) years of creditable service or attainment of age sixty (60).

Eligibility for Members Not in Service: attainment of age sixty (60) with ten (10) years of creditable service (or five (5) full terms as a legislator).

For eligibility, creditable service includes service under the Maine State Retirement System after termination of legislative service.

Benefit: one-fiftieth (1/50) of average final compensation multiplied by years of creditable service, reduced for retirement before age sixty (60); minimum \$100 per month if at least ten (10) years of creditable service.

Form of payment: life annuity.

6. DISABILITY RETIREMENT BENEFITS.

Eligibility: permanent mental or physical incapacitation before normal retirement age while in service; unable to perform duties of own position.

Benefit: sixty-six and two-thirds ( $66\frac{2}{3}$ ) percent of average final compensation, reduced by employment earnings over \$10,000, and to the extent that the benefit, in combination with worker's compensation and Social Security, exceeds eighty (80) percent of average final compensation.

Form of Payment: payment begins on termination of service and ceases on cessation of disability or after five (5) years, unless the member is unable to engage in any gainful activity; in which case payments cease on the earlier of ten (10) years following normal retirement age or date the service retirement benefit exceeds the disability benefit.

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

7. ORDINARY DEATH BENEFITS BEFORE ELIGIBILITY FOR SERVICE RETIREMENT

Eligibility: death while active or disabled before eligibility for service retirement.

Benefit: member's accumulated contributions at time of death. A surviving spouse, children, or parents who are beneficiaries may be eligible to elect (in lieu of contributions) survivor benefits in monthly amounts varying by number of eligible survivors; total payments under this provision range from \$150 to \$450 per month.

8. ORDINARY DEATH BENEFITS AFTER ELIGIBILITY FOR SERVICE RETIREMENT

Eligibility: death while active or disabled after eligibility for retirement but before benefit commencement date.

Benefit: Option 2 (see item 12) is automatically effective with benefits payable to designated beneficiary, spouse, or parents; however, beneficiary may elect benefit in item 7 (above) instead. Otherwise, accumulated contributions are payable to the estate.



9. ACCIDENTAL DEATH BENEFITS

Eligibility: death while active or disabled resulting from injury related to employment.

Benefit: if the member leaves no dependent children, two-thirds (2/3) of the member's average final compensation to the surviving spouse until death; if there remain surviving dependent children, an annual sum of the member's final average compensation shared between dependent children and surviving spouse (if any). Benefits are reduced by amounts payable under worker's compensation.

10. REFUND OF CONTRIBUTIONS

Eligibility: termination of service except by retirement or death.

Benefit: member's accumulated contributions.

11. COST-OF-LIVING ADJUSTMENTS. All retirement and survivor benefits are adjusted each year 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 (6) months. The maximum increase or decrease is four (4) percent. Earnable compensation used in determining benefits for disabled members is indexed similarly.

12. OPTIONAL METHODS OF PAYMENT.

Option 1: Cash refund equal to the excess of accumulated contributions at date of retirement over total payments made to date of death which are attributable to member contributions.

Option 2: One Hundred (100) percent joint and survivor annuity.

Option 3: Fifty (50) percent joint and survivor annuity.

Option 4: Any other benefit which is actuarially equivalent to the retirement allowance and is approved by the board.

Maine Judicial Retirement Program  
**ACTUARIAL VALUATION**  
 June 30, 1989

A. PARTICIPANT DATA

Consolidated Results

1. Number of Active Employees	49
2. Active Payroll	\$ 3,551,587
3. Number of Retired Members	9
4. Annual Retiree Benefits	\$ 375,453
5. Number of Vested and Inactive Members	2

B. COST RESULTS

1. Retirement Benefits	
a. Employer Normal Cost	26.91 percent
b. Unfunded Actuarial Reserve	<u>13.02 percent</u>
c. Total Retirement Cost	39.93 percent
2. Disability Cost	1.74 percent
3. Survivor Benefit Cost	0.14 percent
4. Total Cost	<u>41.81 percent</u>

C. ACCOUNTING INFORMATION

1. GASB DISCLOSURE

a. Pension Benefit Obligation:	
i. Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 4,890,947
ii. Current employees	
-accumulated employee contributions including allocated investment earnings	899,118
-Employer-financed vested contributions	5,436,068
-Employer-financed non-vested contributions	6,497,923
Total Pension Benefit Obligation	<u>\$17,724,056</u>
b. Net Assets Available for Benefits (at cost)	\$ 7,003,813
c. Unfunded Pension Benefit Obligation (not <\$0)	\$10,720,243

2. OTHER ACCOUNTING INFORMATION

a. Actuarial Value of Assets	\$ 7,712,888
b. Unfunded Actuarial Reserve	10,376,521
c. Market Value of Assets	7,682,230
d. Unfunded Accrued Reserve	7,960,435
e. Amortization Period	28 years

Maine Judicial Retirement System

**SUMMARY OF ACTUARIAL ASSUMPTIONS**

June 30, 1989

This schedule summarizes the actuarial assumptions and methods used in the valuation.

ACTUARIAL ASSUMPTIONS

1. Annual Rate of Investment Return: 8.0 percent
2. Annual Rate of Salary Increase: 6.0 percent
3. Annual Cost of Living Increase: 4.0 percent
4. Expense Allowance: None
5. Retirement Age: 60
6. Probabilities of employment  
termination due to:

<u>at Age</u>	<u>Death</u>	<u>Disability</u>	<u>Quit</u>
25	.0006	.0006	.07
30	.0008	.0006	.06
35	.0011	.0007	.05
40	.0016	.0011	.04
45	.0029	.0022	.03
50	.0053	.0042	.02
55	.0085	.0072	.01

FUNDING METHOD

1. Retirement Benefits: Entry Age Normal
2. Ancillary Benefits: Term Cost Method
3. Amortization Period: 28 Years

ASSET VALUATION METHOD

Assets are valued at actuarial value. See Part II of the State Valuation Report for a detailed description.

Maine Judicial Retirement System  
**SUMMARY OF PLAN PROVISIONS**  
June 30, 1989

Retirement On or After December 1, 1984

1. **MEMBERSHIP.** Membership is a condition of employment for all judges serving on or after December 1, 1984. Membership ceases on the earlier of withdrawal of contributions, retirement, or death.
2. **MEMBER CONTRIBUTIONS.** Members are required to contribute six and one-half (6.5) percent of earnable compensation for service prior to attainment of age seventy-one (71).
3. **AVERAGE FINAL COMPENSATION.** For purposes of determining benefits payable under the System, average final compensation is the average annual rate of earnable compensation for the three (3) years of creditable service (not necessarily consecutive) prior to the member's attainment of age seventy-one (71) which produce the highest such average.
4. **CREDITABLE SERVICE.** Creditable service includes the following:
  - a. all judicial service as a member after November 30, 1984, and before age seventy-one (71);
  - b. all judicial service before December 1, 1984;
  - c. service while receiving disability benefits under the System; and
  - d. all service creditable under the Maine State Retirement System provided the member elects to have his own and the employer's contributions on behalf of the service transferred to the judicial system.
5. **SERVICE RETIREMENT BENEFITS**

Eligibility: twenty-five (25) years of creditable service, or attainment of age sixty (60) with ten (10) years of creditable service, or attainment of age seventy (70) and one (1) year of service immediately before retirement.

Benefit: sum of (1) one-fiftieth (1/50) of average final compensation multiplied by years of membership service and creditable service transferred from the Retirement System, and (2) seventy-five (75) percent of November 30, 1984 salary for the position held at retirement, pro-rated for prior service less than ten (10) years. The benefit is reduced for retirement before age sixty (60). Service beyond age seventy (70) is not recognized.

Maximum Benefit: sixty (60) percent of average final compensation.

Minimum Benefit: for a judge in service and age fifty (50) on December 1, 1984, seventy-five (75) percent of salary on June 30, 1984 for the position held at retirement.

Form of Payment: life annuity; except for a judge in service and age fifty (50) before December 1, 1984, fifty (50) percent joint and survivor annuity.



6. DISABILITY RETIREMENT BENEFITS

Eligibility: permanent mental or physical incapacitation while in service before eligibility for unreduced retirement; unable to perform duties of own position.

Benefit: sixty-six and two-thirds ( $66\frac{2}{3}$ ) percent of average final compensation, reduced by the amount by which employment earnings plus the disability allowance exceeds the current salary of the position held at disability, and to the extent that the benefit, in combination with worker's compensation, exceeds eighty (80) percent of average final compensation. A member in service on November 30, 1984 may elect benefits applicable for retirement before December 1, 1984.

Form of Payment: payment begins on termination of service and ceases on cessation of disability or after five (5) years, unless the member is unable to engage in any gainful activity, in which case payments cease on the earlier of attainment of age seventy (70) and date the service retirement benefits exceeds the disability benefit.

Conversion to Service Retirement: during the period of disability, average final compensation is increased with cost-of-living adjustments and service is credited. On the date when service benefits reach a level of sixty-six and two-thirds ( $66\frac{2}{3}$ ) percent of average final compensation or at age seventy (70), if earlier, the disability benefit converts to a service retirement benefit based on service and pay at that point.

7. ORDINARY DEATH BENEFITS BEFORE ELIGIBILITY FOR SERVICE RETIREMENT

Eligibility: death while active or disabled before eligibility for service retirement.

Benefit: member's accumulated contributions at time of death. A surviving spouse, children, parents, or other beneficiaries may be eligible to elect (in lieu of contributions) survivor benefits in monthly amounts varying by number of eligible survivors.

Maximum Benefit: for a judge in service prior to December 1, 1984, one-half ( $1/2$ ) of the judge's retirement benefit determined on date of death, payable to the spouse and/or dependent children.

8. ORDINARY DEATH BENEFITS AFTER ELIGIBILITY FOR SERVICE RETIREMENT

Eligibility: death after eligibility for retirement but before benefit commencement date.

Benefit: option 2 (see item 12) is automatically effective with benefits payable to designated beneficiary, spouse, or parents; however, beneficiary may elect benefit described in item 7 instead. Otherwise, accumulated contributions are payable to the estate.

9. ACCIDENTAL DEATH BENEFITS

Eligibility: death while active or disabled resulting from injury related to employment.

Benefit: if the member leaves no dependent children, two-thirds (2/3) of the member's average final compensation to the surviving spouse until death; if there remain surviving dependent children, an annual sum of the member's final average compensation shared between dependent children and surviving spouse (if any).

10. REFUND OF CONTRIBUTIONS

Eligibility: termination of service except by retirement or death.

Benefit: member's accumulated contributions.

11. COST-OF-LIVING ADJUSTMENTS. Except as described below, all retirement and survivor benefits are adjusted each year 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 increase or decrease is four (4) percent. Earnable compensation used in determining benefits for disabled members is indexed similarly.

Minimum benefits are increased six (6) percent per year from July, 1985, through July, 1989, and as described above thereafter.

12. OPTIONAL METHODS OF PAYMENT.

Option 1: Cash refund equal to the excess of accumulated contributions at date of retirement over total payments made to date of death which are attributable to member contributions.

Option 2: One Hundred (100) percent joint and survivor annuity.

Option 3: Fifty (50) percent joint and survivor annuity.

Option 4: Any other benefit which is actuarially equivalent to the retirement allowance and is approved by the board.

Retirement Prior to December 1, 1984

1. CURRENTLY EFFECTIVE ANNUAL SALARY. For determination of benefit payments, currently effective annual salary is the salary on June 30, 1984 for the position last held, increased by six (6) percent per year each July 1, beginning July 1, 1984.

2. REGULAR RETIREMENT BENEFITS

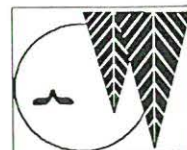
Eligibility: attainment of age seventy (70) with seven (7) years of service or attainment of age sixty-five (65) with twelve (12) years of service, or attainment of age sixty (60) with twenty (20) years of service.

Benefit: three-quarters (3/4) of current effective annual salary.

3. DISABILITY BENEFITS. Three-quarters (3/4) of current effective annual salary.
4. SURVIVOR BENEFITS. Three-eighths (3/8) of current effective annual salary, payable to the surviving spouse of dependent children.







MAINE STATE RETIREMENT SYSTEM  
State House Station #46  
Augusta, Maine 04333  
(207)289-3461