

State of Maine - Teachers

Exhibit 1: Schedule of Changes in Net OPEB Liability

(All dollar amounts are in thousands)

	Discount Rate	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
June 30, 2017	3.58%	\$ 1,248,326	\$ -	\$ 1,248,326
Service Cost		35,795		35,795
Interest Cost		45,495		45,495
Changes In Benefit Terms		-		-
Changes In Assumptions - Discount Rate		(61,721)		(61,721)
Changes In Assumptions - Others		-		-
Differences Between Expected And Actual Experience		(5,178)		(5,178)
Benefit Payments				
Explicit Subsidy	(26,855)			
Implicit Subsidy	\$ -			
Total		(26,855)	(26,855)	-
Contributions - Employer and Nonemployer Contributing Entities				
Employer	\$ 26,855			-
Implicit Subsidy	\$ -			
Total			26,855	(26,855)
Contributions - Employee			-	-
Contributions - Retiree			-	-
Administrative Expenses			-	-
Net Investment Income				
Expected Investment Earnings	\$ -			
Differences Between Projected And Actual Investment Earnings	\$ -			
Total			-	-
Net Change		\$ (12,464)	\$ -	\$ (12,464)
June 30, 2018	3.87%	\$ 1,235,862	\$ -	\$ 1,235,862
			June 30, 2018	June 30, 2017
Plan Fiduciary Net Position As A Percentage Of Total OPEB Liability			0.0%	0.0%
Covered Payroll			\$ 1,156,592	\$ 1,149,126
Net OPEB Liability As A Percentage Of Covered Payroll			106.9%	108.6%
Sensitivity of Net OPEB Liability to changes in Discount Rate			June 30, 2018	% Change
A one percentage point change in discount rate would have the following effect on Total OPEB Liability at June 30, 2018:				
One Percentage Increase (4.87%)			\$ (183,881)	-15%
One Percentage Decrease (2.87%)			\$ 231,758	19%
Net OPEB Liability at a one percentage point change in discount rate as of June 30, 2018 is as follows:				Net OPEB Liability
One Percentage Increase (4.87%)				\$ 1,051,981
One Percentage Decrease (2.87%)				\$ 1,467,620
Sensitivity of Net OPEB Liability to changes in Trend Rate			June 30, 2018	% Change
A 1 percentage point change in trend rate would have the following effect at June 30, 2018:				
1 Percentage Increase (7.40% grading down to 5.29%)			\$ 290,097	23%
1 Percentage Decrease (5.40% grading down to 3.29%)			\$ (220,343)	-18%
Net OPEB Liability at a one percentage point change in trend rate as of June 30, 2018 is as follows:				Net OPEB Liability
1 Percentage Increase (7.40% grading down to 5.29%)				\$ 1,525,959
1 Percentage Decrease (5.40% grading down to 3.29%)				\$ 1,015,519
Key Assumptions			June 30, 2018	June 30, 2017
Discount Rate			3.87%	3.58%
Investment Rate of Return			0.00%	0.00%
Inflation			2.75%	2.75%
Initial Medical Trend Rate ¹			6.40%	6.60%
Ultimate Medical Trend Rate			4.29%	4.29%
Year Ultimate Trend Rate Reached			2075	2075

¹ In order to reflect known 2018 premiums, increases were assumed to be 0.00% for 2017.

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

(All dollar amounts are in thousands)

Components of OPEB Expense	Year Ended 06/30/2018
Service Cost	\$ 35,795
Interest	45,495
Expected Investment Earnings	0
Contributions - Employee	0
Administrative Expenses	0
Changes In Benefit Terms	0
Recognition of Current Period Deferred Outflows and (Inflows)	
Changes in assumptions	(8,349)
Differences between expected and actual experience	(700)
Differences between expected and actual investment earnings	0
Recognition of Beginning Deferred Outflows	5,836
Recognition of Beginning Deferred Inflows	(23,061)
OPEB Expense	\$ 55,016
Assumptions Used to Determine OPEB Expense	Year Ended 06/30/2018
Discount Rate as of Beginning of Year	3.58%
Investment Rate of Return	0.00%
Inflation	2.75%
Initial Medical Trend Rate ¹	6.60%
Ultimate Medical Trend Rate	4.29%
Year Ultimate Trend Rate Reached	2075

¹ In order to reflect known 2018 premiums, increases were assumed to be 0.00% for 2017.

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Exhibit 3: Schedule of Outflows/(Inflows) ¹

(All dollar amounts are in thousands)

Measurement Date Established	Initial Amount	Deferred Outflows of Resources as of 06/30/2018	Deferred (Inflows) of Resources as of 06/30/2018 ²	Initial Years	Remaining Years	Outflows/(Inflows) Recognized in Year Ended 06/30/2018
Changes In Assumptions						
06/30/2017	\$ (170,420)	\$ -	\$ (124,298)	7.39	5.39	\$ (23,061)
06/30/2018	\$ (61,721)	\$ -	\$ (53,372)	7.39	6.39	\$ (8,349)
Total	\$ -	\$ -	\$ (177,670)			\$ (31,410)
Differences Between Expected And Actual Plan Experience						
06/30/2017	\$ 43,128	\$ 31,456	\$ -	7.39	5.39	\$ 5,836
06/30/2018	\$ (5,178)	\$ -	\$ (4,478)	7.39	6.39	\$ (700)
Total	\$ -	\$ 31,456	\$ (4,478)			\$ 5,136
Net Difference Between Projected And Actual Earnings On Investments						
06/30/2017	\$ -	\$ -	\$ -	-	-	\$ -
06/30/2018	\$ -	\$ -	\$ -	-	-	\$ -
Total	\$ -	\$ -	\$ -			\$ -
Balance as of 06/30/2018		\$ 31,456	\$ (182,148)			\$ (26,274)
Deferred Outflows And Deferred (Inflows) Of Resources Will Be Recognized In Expense As Follows:						
Year Ending:						Outflows/(Inflows)
06/30/2019						\$ (26,274)
06/30/2020						(26,274)
06/30/2021						(26,274)
06/30/2022						(26,274)
06/30/2023						(26,274)
Thereafter						(19,322)

¹ There will also be a Deferred Outflow for Contributions Made after the Measurement Date (\$31,708 estimated for fiscal year ending 6/30/2019).

² Deferred (Inflows) should be disclosed as positive numbers in the CAFR.

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Exhibit 4: 10-Year Schedule of Net OPEB Liability

(All dollar amounts are in thousands)

Year Ended	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c)	Plan Fiduciary Net Position As A Percentage Of Total OPEB Liability (d)	Covered Payroll* (e)	Net OPEB Liability As A Percentage Of Covered Payroll* (f)
June 30, 2016	\$1,323,731	\$0	\$1,323,731	0.0%	\$1,125,444	117.6%
June 30, 2017	\$1,248,326	\$0	\$1,248,326	0.0%	\$1,149,126	108.6%
June 30, 2018	\$1,235,862	\$0	\$1,235,862	0.0%	\$1,156,592	106.9%