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State of Maine County and Municipal Law Enforcement Officers & Municipal Firefighters Retiree Healthcare Plan

Actuarial Valuation Report

June 30, 2017

Prepared by Deloitte Consulting LLP **October 2018**

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Actuarial Valuation Opinion

This report presents the results of the actuarial valuation of the “Other” Post-Employment Benefits (OPEB) provided under the State of Maine Retiree Healthcare Plan for “First Responders” as of June 30, 2017. In our opinion, this report is complete and accurate and represents fairly the actuarial position of the Plan for the purposes stated herein.

The actuarial valuation has been prepared based on participant data, financial information, and plan descriptions as of June 30, 2017. The actuary has analyzed the data and other information provided for reasonableness but has not independently audited the data. Estimates were made where data was missing or unavailable. The actuary has no reason to believe the data and other information is not accurate and knows of no further information that is essential to the preparation of the actuarial valuation.

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

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operations of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law.

Our scope did not include analyzing the potential range of such future measurements, and we did not perform that analysis.

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

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

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

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Section 1 - Background and Comments

The Governmental Accounting Standards Board released the Statement of Governmental Accounting Standards No. 75 in June 2015. GASB No. 75 requires employers and non-employer contributing entities to accrue the cost of post-employment benefits other than pensions ("OPEB") while eligible employees are providing services to the employer. State of Maine adopted GASB No. 75 for the fiscal year ending June 30, 2018 using a measurement date of June 30, 2017.

GASB No. 75 requires a reconciliation of liability during the fiscal year being measured; therefore, we prepared results as of June 30, 2016 based on our prior valuation. These results will differ from those previously reported as of June 30, 2016 for purposes of GASB No. 45 due to the change in the accounting standard.

The purpose of this actuarial valuation report is to provide information that will serve as the basis for State of Maine's employer financial reporting for the fiscal year ended June 30, 2018 GASB No. 75 disclosures, which will be provided under separate cover.

Plan Overview

The State of Maine provides a Retiree Healthcare Plan ("Plan") for County and Municipal Law Enforcement Officers & Municipal Firefighters (referred to as "First Responders"). These state-provided benefits became effective July 1, 2007. To be eligible for payment, a retiree must:

- Be at least age 50;
- Be receiving a retirement benefit through the Maine Public Employees Retirement System (or a defined contribution plan);
- Have made at least 5 years of employee contributions into the Firefighters and Law Enforcement Officers Health Insurance Program Fund.
  - The mandatory contribution requirements (1.50% of compensation) for active employees became effective January 1, 2007. Retirees who did not satisfy the minimum of 5 years of contributions were permitted to pay a make-up contribution in order to qualify for the benefit.

State of Maine Contributions:

- 45% of the retiree-only medical premium for municipal employers participating in the Maine Municipal Employees Health Trust ("MMEHT");
- 45% of the retiree-only medical premium for municipal employers not participating in the MMEHT (assumed to be 45% of half the 2-party premium for retirees in the State Employees Health Plan with 2-party or family coverage), but not greater than 45% of the highest MMEHT retiree-only premium for the medical plans elected by the participating municipalities.

Retirees pay the remaining portion of the retiree-only premium and the full additional premium for spouse and family coverage. There is no benefit for surviving spouses. The State-paid retiree medical payments cease when the retiree becomes eligible for Medicare. NOTE: Medicare is mandatory for police officers and firefighters hired after March 31, 1986.

The substantive plan of benefits is described in Section 8 of this report.

Section 1 – Background and Comments (continued)

Implicit Rate Subsidy

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

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

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

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

Medical Costs for Medicare–Eligible Retirees

Medical coverage for Medicare-eligible retirees was not considered in this valuation as the State provides no explicit subsidy after Medicare eligibility.

Health Care Reform

The Patient Protection and Affordable Care Act ("PPACA") was signed into law on March 23, 2010. The primary objective of the act is to increase the number of Americans with health insurance coverage. There are several provisions within PPACA with potentially significant short- and long-term cost implications for employers. The provisions of PPACA applicable to retiree health benefits were considered in this valuation. On December 18, 2015, the Consolidated Appropriations Act, 2016 became law. This legislation delayed the effective date of the high cost plan excise tax from 2018 to 2020 and made it tax deductible. On January 22, 2018, the Federal Register Printing Savings Act further delayed the effective date from 2020 to 2022. In future years, there may continue to be increased cost impact to the extent the health plans experience increased utilization due to these changes, all of which are assumed to be in place indefinitely.

Section 1 – Background and Comments (continued)

The health plans are assumed to have implemented the PPACA provisions and the premiums are assumed to reflect the PPACA costs as follows:

- prohibiting lifetime and annual limits on the dollar value of coverage for "essential health benefits";
- increasing the dependent child age limit to age 26;
- elimination of cost sharing for in-network preventative services;
- reflecting manufacturer discounts available to certain Medicare beneficiaries receiving applicable covered Part D drugs (mostly brand) while in the coverage gap;
- transitional reinsurance fee; and
- out-of-pocket limit includes both medical and Rx expenses.

We also considered the expected costs associated with the excise tax on "Cadillac Plans" effective in 2022. Due to the expectation that the medical trend rate will significantly exceed inflation over the long-term, most retiree health plans will be affected by the excise tax at some point in the future. The excise tax is projected to have an impact of less than 0.5% on the liabilities for the State of Maine.

Actuarial Methods and Assumptions

The actuarial methods and assumptions are described in Section 6 of this report.

First Responders does not have a large enough population to rely solely on its own experience when determining some of the appropriate demographic assumptions. For this reason, several assumptions are selected to be consistent with the most recently available actuarial valuation of the Maine Public Employee Retirement System ("MainePERS") PLD Consolidated Plan. The majority of First Responders are members of this plan.

Since the State's portion of the First Responders' postretirement medical plans are not being funded by assets in a separate trust, GASB No. 75 requires that the discount rate be based on the index rate as of the measurement date of a 20-year tax-exempt general obligation municipal bond index with an average rating of AA/Aa or higher. The State of Maine elected to determine the discount rate using the Bond Buyer 20-Bond General Obligation Index. The discount rate was 3.58% as of the measurement date, June 30, 2017, (2.85% as of June 30, 2016).

Claim costs were developed using current premiums, without any age-adjustments given the individual counties and municipalities − not the State of Maine − are responsible for the implicit subsidy.

Locations noted as ineligible by the State of Maine were excluded from the valuation.

Section 1 – Background and Comments (continued)

This valuation was based on the same plan provisions and actuarial methods and assumptions as the previous valuation with the exception of the following:

- The discount rate assumption was updated to 3.58%.
- Healthcare cost trend rates were updated based on industry observations and the current SOA-Getzen model.
- The assumption for coverage election at retirement was changed to reflect recent actual experience and the provisions of the plan:
    - Only actives who currently have coverage are included in this valuation as employees are generally only able to opt-in to the plan at the time they are hired;
    - 90% of active members who currently have coverage are assumed to elect coverage at retirement.
- The inflation rate was reduced to 2.75% consistent with the assumption used in the June 30, 2017 actuarial valuation for the MainePERS PLD Consolidated Plan.
- The assumption for salary increase rates was updated to match the assumption used in the June 30, 2017 actuarial valuation for the MainePERS PLD Consolidated Plan.
- Termination rates were updated to use the same assumptions as the June 30, 2017 actuarial valuation for the MainePERS PLD Consolidated Plan.
- Mortality rates were updated to use the same assumptions as the June 30, 2017 actuarial valuation for the MainePERS PLD Consolidated Plan.

The Actuarial Accrued Liability decreased from $26.1 million to $19.0 million. The decrease is primarily due to demographic changes (including lower than expected increases in the premiums), updated participation assumptions, updated termination assumption, updated mortality assumption, and the increase in the discount rate from the prior year. These decreases were slightly offset by the impact of the changes in trend rates and salary scale.

Section 2 – Summary of Actuarial Valuation Results

This section provides a summary of the actuarial valuation results. All information is provided as of the measurement date except for prior year census data, which is based on data as of the June 30, 2015 valuation date. Dollar amounts are in thousands.

		June 30, 2017	June 30, 2016
1.	Actuarial Accrued Liability	$18,980	$26,052
2.	Actuarial Value of Assets	$0	$0
3.	Unfunded Actuarial Accrued Liability (UAAL): (1) – (2)	$18,980	$26,052
4.	Funded Ratio: (2) / (1)	0.00%	0.00%
5.	UAAL as a percentage of covered payroll (3) / (8b)	30.3%	46.8%
6.	Normal Cost	$776	$1,836
7.	Discount Rate	3.58%	2.85%
8.	Census Data Used		
	a. Count of Covered Participants		
	Actives	628*	913
	Retirees	102	98
	Total	730	1,011
	b. Covered Payroll**	$62,551	$55,651
9.	Expected first year Benefit Payments	$711	$828

* Employees who have opted-out of medical coverage and those who are considered part-time employees as defined in the Participation Requirements of Section 6 are not included in this valuation.

**Covered payroll includes 376 actives who waived coverage.

Section 3 – Actuarial Experience

Actuarial gains and losses arise from experience different from that assumed, changes in actuarial assumptions and methods, and changes in plan provisions. The following summarizes the changes in the Actuarial Accrued Liability due to these sources from June 30, 2016 to June 30, 2017. Dollar amounts are in thousands.

1.	Actuarial Accrued Liability as of June 30, 2016		$ 26,052
2.	Normal Cost for the year ending June 30, 2017		1,836
3.	Actual Benefit Payments for the year ending June 30, 2017		(597)
4.	Interest at 2.85% on (1), (2) and (3)		786
5.	Expected Actuarial Accrued Liability as of June 30, 2017 (1) + (2) + (3) + (4)		$ 28,077
6.	(Gain)/Loss for the year ending June 30, 2017:		
i.	Demographic and Premium Experience	(2,909)	
ii.	Change in Medical Trend Rate	631	
iii.	Change in Salary Scale	812	
iv.	Change in Withdrawal Assumption	(1,114)	
v.	Change in Mortality Assumption	(83)	
vi.	Change in Participation Assumptions	(5,109)	
vii.	Change in Discount Rate	(1,325)	
viii.	Total (Gain)/Loss		(9,097)
7.	Actual Actuarial Accrued Liability as of June 30, 2017 (5) + (6)(viii)		$ 18,980

Section 4 – Development of Unfunded Actuarial Accrued Liability

Presented below is the development of the Unfunded Actuarial Accrued Liability as of June 30, 2017, which is the Actuarial Accrued Liability minus the Actuarial Value of Assets. The Actuarial Accrued Liability is the portion of the Present Value of Future Benefits accrued to date. The Present Value of Future Normal Costs represents the portion of the Present Value of Future Benefits expected to accrue in the future, based on the current population. Dollar amounts are in thousands.

1.	Present Value of Future Benefits	
	Actives	$ 23,726
	Retirees and Beneficiaries	3,526
	Total	$ 27,252
2.	Present Value of Future Normal Costs	$ (8,272)
3.	Actuarial Accrued Liability	
	Actives	$ 15,454
	Retirees and Beneficiaries	3,526
	Total	$ 18,980
4.	Actuarial Value of Assets	0
5.	Unfunded Actuarial Accrued Liability (3) – (4)	$ 18,980

Section 5 – 10-Year Projection of Employer Benefit Payments

Presented below are the projected employer benefit payments for the next ten years based on the current plan design. These projected benefit payments are based on the actuarial assumptions shown in Section 6. If actual experience differs from that expected by the actuarial assumptions, the actual employer benefit payments will vary from those presented below. Dollar amounts are in thousands.

Year Beginning	Amount
6/30/2017	$ 711
6/30/2018	851
6/30/2019	976
6/30/2020	1,072
6/30/2021	1,167
6/30/2022	1,219
6/30/2023	1,265
6/30/2024	1,349
6/30/2025	1,388
6/30/2026	1,441

Section 6 – Summary of Actuarial Methods & Assumptions

Actuarial Cost Method

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

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

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

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

The difference between the present value of future benefits and the present value of future normal costs represents the actuarial liability at the participant's current age.

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

This actuarial cost method is required by GASB No. 75.

Funding Policy

The State is currently funding the Plan on a pay-as-you-go basis. This valuation assumes the State will continue this policy.

Section 6 – Summary of Actuarial Methods & Assumptions (continued)

Discount Rate	3.58% as of June 30, 2017 2.85% as of June 30, 2016 Since the State funds the retiree health benefits on a pay-as-you-go basis, GASB No. 75 prescribes that the discount rate be based on the index rate of a 20-year tax-exempt general obligation municipal bond index with an average rating of AA/Aa or higher as of the measurement date. The State elected to determine the discount rate using the Bond Buyer 20-Bond General Obligation Index.
Mortality	Mortality rates were updated to use the same assumptions as the June 30, 2017 actuarial valuation for the MainePERS PLD Consolidated Plan. Rates are based on the RP-2014 Mortality Tables and MP-2015 Mortality Improvement Scale with the following adjustments: • Adjustment of 104% for males and 120% for females applied to the RP-2014 Mortality Tables 2006 bases rates • MP-2015 Mortality Improvement Scale adjusted to use an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.
Termination	Sample Rates of Termination at Selected Years of Service: **Service** — **Rate** 0 — 25.00% 1 — 12.50% 2 — 10.00% 3 — 7.50% 4 — 5.00% 5 — 4.00% 6 — 3.50% 7+ — 2.50%
Retirement	Sample Rates of Retirement at Selected Ages: **Age** — **Rate** 20 — 40.00% 21-24 — 30.00% 25 — 40.00% 26-29 — 30.00% 30 — 40.00% 31-34 — 30.00% 35+ — 100.00% For retirements with less than 20 years of service, 25% retirement is assumed.

Section 6 – Summary of Actuarial Methods & Assumptions (continued)

Disability	No disability; MainePERS service continues to be credited during disability.
Healthcare Cost Increases	Medical trend rates were developed using a combination of trend surveys and the SOA-Getzen trend rate model. Initial trend rates start at 6.60% (non-Portland municipalities) or 5.75% (Portland) in 2018 based on survey data and client market expectations. The SOA-Getzen model was then used to determine the trend rates beginning in year 2022 and thereafter based on reasonable macro-economic assumptions for the growth of health care expenditures during this period relative to the general economy.

Plan Year*	Non-Portland	Portland	Plan Year*	Non-Portland	Portland
2018	6.60%**	5.75%**	2055	5.15%	5.15%
2019	6.40%	5.75%	2056	5.13%	5.13%
2020	6.20%	5.75%	2057	5.11%	5.11%
2021	6.00%	5.75%	2058	5.10%	5.10%
2022	5.92%	5.75%	2059	5.08%	5.08%
2023	5.85%	5.75%	2060	5.07%	5.07%
2024	5.77%	5.75%	2061	5.05%	5.05%
2025	5.70%	5.70%	2062	5.04%	5.04%
2026	5.62%	5.62%	2063	5.03%	5.03%
2027 – 2045	5.54%	5.54%	2064	5.02%	5.02%
2046	5.41%	5.41%	2065	5.00%	5.00%
2047	5.36%	5.36%	2066	4.92%	4.92%
2048	5.32%	5.32%	2067	4.84%	4.84%
2049	5.28%	5.28%	2068	4.77%	4.77%
2050	5.26%	5.26%	2069	4.70%	4.70%
2051	5.23%	5.23%	2070	4.63%	4.63%
2050	5.21%	5.21%	2071	4.56%	4.56%
2051	5.19%	5.19%	2072	4.49%	4.49%
2052	5.21%	5.21%	2073	4.42%	4.42%
2053	5.19%	5.19%	2074	4.36%	4.36%
2054	5.17%	5.17%	2075+	4.29%	4.29%

**Year ending June 30*

***Adjusted to reflect known premium increases from July 1, 2017 to July 1, 2018.*

Salary Increases

Same as PLD Consolidated Plan valuation assumption.

Service	Increase
0	9.00%
1	4.80%
2	3.60%
3	3.10%
4+	2.75%

Section 6 – Summary of Actuarial Methods & Assumptions (continued)

Inflation Rate	2.75% annually
Aggregate Payroll Increases	3.00% annually
Future New Participants	Closed Group – no future new participants assumed.
Coverage Election	90% of eligible participants will elect coverage at retirement. No employee who has waived coverage will be assumed to be eligible for coverage at retirement.
Marriage Assumption at Retirement	Future retirees in State Employees Health Plan – 80%.
Medicare Eligibility	Future retirees: • Hired before 4/1/1986 – 90%. • Hired on or after 4/1/1986 – 100%. Current retirees under age 65 – 95%.
Medical Plan at Retirement	Current actives in municipalities participating in MMEHT: Based on current retiree elections for each particular municipality. Current actives in municipalities not participating in MMEHT: • Bangor – Based on current retiree elections, assume 100% CIGNA. • Portland – State Employees Health Plan. • Sagadahoc County Sheriff – Self-Insured Current retirees: Same as current plan election
Active Data Assumptions	• Annual pay provided by the State. • Missing birth dates – average age by service group. • Missing hire dates – average service by age group. • Missing pay – average pay for new entrants if new entrant, otherwise assume pay increase from prior year based on salary increase assumption.

Section 7 - Rationale for Assumptions

Discount Rate	Based on a broad 20-year municipal bond index (Bond Buyer GO 20) as of the Measurement Date.
Inflation	Inflation is updated with the assumption used in the June 30, 2017 MainePERS actuarial valuation.
Mortality, Withdrawal, Retirement, and Salary Scale	Same as those used in the June 30, 2017 actuarial valuation for the MainePERS PLD Consolidated Plan, based on the last experience study prepared for MainePERS that covered the four-year period from 2012 to 2015.
Plan Participation	Based on recent experience of the plan and plan provisions.
Plan at Retirement	Active plan elections are not consistently available and current retiree plan elections are generally a good indicator of what plans future retirees will elect.
Annual Medical Trend	Rationale described in Section 6.
Health Care Reform	Rationale described in Section 6.

Section 8 – Summary of Substantive Plan Provisions

Eligibility	• Retired after age 50 (can terminate before 50) and receive a retirement benefit from the Maine Public Employees Retirement System (25 years of service) or a defined contribution plan ◦ If less than 25 years of service, normal retirement benefit must be at least 50% of final average compensation • Made employee contributions for 5 years • Participate in employer's health insurance plan or other fully insured health plan • Cannot join if waived participation at retirement
Benefit	• Cash subsidy is 45% of employee-only premium (45% of half of 2-party premium for retirees with 2-party or family coverage in the State Employees Health Plan) • For employers not participating in MMEHT, not greater than 45% of highest MMEHT employee-only premium for plan options elected by all municipalities (Oxford County employee-only premium of $1,186.59 for 2018) • No cash subsidy after Medicare eligible. • Cash subsidy began July 1, 2007

Health Insurance Plan at Retirement	• Active coverage under MMEHT – continued coverage under MMEHT at retirement
	• Active coverage under other fully insured employer plan:
	    ◦ Continued coverage under employer's plans if plans allow retiree coverage.
	    ◦ If plans do not allow retiree coverage, retiree coverage under State Employees Health Plan.

Employee Contributions	• Active contribution of 1.5% of pay effective January 1, 2007 • Must join plan and start employee contributions within 60 days of hire or involuntary loss of coverage • Actives can drop out but will forfeit contributions and cannot re-enroll • Retirees on 7/1/2007 can enroll by paying a make-up contribution within 12 months of enrollment: (Percent) x (3-Year Average Highest Pay) x (5 years) Age — Percent 50–55 — 2.00% 55–60 — 1.75% 60+ — 1.50% Actives without 5 years of contributions at retirement must pay the make-up contribution amount less any active contributions already made
Surviving Spouse Benefit	None
Dependent Benefits	• No cash subsidy for spouse or dependents • Retiree must pay full cost to cover spouse and/or dependents
Dental, Vision, Life	None

Section 9 – Monthly Premiums

MMEHT Medical Plans

2018 premiums were used when available in order to reflect the most up to date information (adjusted to the valuation date of 7/1/2017). For those where this information was not available, 7/1/2017 premiums were used. Enrollment for the 7/1/2017 premiums was not provided, so the highest premium for each municipality was assumed. For municipalities where premium information was unavailable, the highest premium of the other municipalities was used as an assumption. These premiums are applicable to both actives and retirees (i.e. – these are blended premiums).

*Monthly Premiums Effective 7/1/2018**

Municipality	POS A	POS C	POS 200	PPO 500	PPO 1000	PPO 1500	PPO 2500
Auburn		820.02		727.77			
Augusta		871.95		771.65			617.38
Bar Harbor		956.96				804.11	
Bath		886.06		785.15			
Biddeford						804.11	
Brewer		862.84	832.64				
Brunswick	985.01	866.82					
Bucksport		1,044.20	956.96			804.11	
Buxton		1,044.20	956.96				
Camden		1,044.20	956.96				734.38
Caribou			992.44	959.68			
Cumberland County		833.45					590.00
Ellsworth		827.20	761.24	734.63			
Falmouth			754.96	727.74			582.27
Farmington	1,186.59	1,044.20	956.96				
Franklin County		1,044.20	956.96	925.31		804.11	
Freeport		846.58					599.44
Gardiner							734.38
Gorham				741.22			593.06
Hallowell		1,044.20					
Hampden							734.38
Kennebec County	903.94	795.47		705.00			
Kennebunk		1,044.20		925.31			734.38
Lewiston		853.95		729.17		636.75	
Lincoln County			905.91		836.15		698.51
Lisbon		1,044.20	956.96	925.31			
Madawaska			956.96		886.20		734.38
North Berwick		1,044.20		925.31			
Ogunquit		1,044.20		925.31			
Old Orchard Beach		899.84					
Old Town							668.46
Oxford	1,186.59			925.31		804.11	
Oxford County		920.69					
Presque Isle					771.23		

*2018 Premium rates were adjusted back to 2017 by an initial trend adjustment factor of 1.066 to align with the valuation date.

Section 9 – Monthly Premiums (continued)

MMEHT Medical Plans (continued)

*Monthly Premiums Effective 7/1/2018**

Municipality	POS A	POS C	POS 200	PPO 500	PPO 1000	PPO 1500	PPO 2500
Rockland		1,044.20			886.20		
Rockport		1,044.20					734.38
Rumford		913.75		811.52			
Sabattus		1,044.20	956.96	925.31			
Saco				758.61			
Sanford	1,137.11	1,000.67	917.53				
Scarborough	737.26	648.80		573.45			458.80
Somerset County		993.74	911.73			766.09	
South Portland	942.55	829.46		736.33			
Waterville		971.41		858.82			
Wells		877.85		779.00		680.23	
Westbrook		903.29		799.17			
Windham				699.71			
Winslow		1,044.20	956.96	925.31			
Winthrop		1,044.20	956.96	925.31			
York		927.97	852.75	822.53			

*2018 Premium rates were adjusted back to 2017 by an initial trend adjustment factor of 1.066 to align with the valuation date.

Premiums for Aroostock and Washington Counties were not provided, so a 2018 premium of $1,186.59 was assumed.

Section 9 – Monthly Premiums (continued)

Non MMEHT Medical Plans

For the Non MMEHT Medical Plans, 7/1/2018 rates were unavailable. The premium rates below were used for this valuation.

Monthly Premiums Effective 7/1/2017

Municipality	Premium Rate
Bangor	849.65
Portland	855.14*
Sagadahoc County Sheriff	949.28

*Covered under State of Maine OPEB plan.

Section 10 – Summary of Participant Demographic Information

The table below presents a summary of the basic participant information as of June 30, 2017 for the active and inactive participants covered under the terms of the Plan. The participant data used in the valuation was provided by the State of Maine.

a. Active participants	628
b. Average age of active participants	43.7
c. Average past service of active participants	16.6
d. Inactive participants	102
e. Average age of inactive participants	59.1

Distribution of Inactive Participants by Age

Ages	Count
45-49	1
50-54	13
55-59	38
60-64	50
65+	0
Total	102

Section 10 – Summary of Participant Demographic Information (continued)

Distribution by Age and Service – Actives

						Service Groups					
Age Group	**Under 1**	**1 – 4**	**5 – 9**	**10 - 14**	**15 – 19**	**20 - 24**	**25 – 29**	**30 - 34**	**35-39**	**40+**	**All Years**
0-24	10	15	0	0	0	0	0	0	0	0	25
25-29	6	41	14	0	0	0	0	0	0	0	61
30-34	6	25	26	10	0	0	0	0	0	0	67
35-39	1	12	17	28	8	0	0	0	0	0	66
40-44	0	5	12	18	43	13	0	0	0	0	91
45-49	0	3	5	13	43	45	17	0	0	0	126
50-54	0	2	1	4	9	18	38	25	0	0	97
55-59	2	2	1	1	1	6	22	26	11	0	72
60-64	0	0	0	2	1	0	3	5	11	1	23
65-69	0	0	0	0	0	0	0	0	0	0	0
Total	25	105	76	76	105	82	80	56	22	1	628

Section 10 – Summary of Participant Demographic Information (continued)

Participant Counts by Municipality

Municipality	Actives	Retirees	Total
Aroostock	1		1
Auburn	55	5	60
Augusta	11		11
Bangor*	61	18	79
Bar Harbor		1	1
Bath	17	3	20
Biddeford	4	2	6
Brewer	7	1	8
Brunswick	5	1	6
Bucksport	9		9
Buxton	4		4
Caribou	10		10
Cumberland	10		10
Ellsworth	12	2	14
Falmouth	10	2	12
Farmington	7		7
Franklin County	3		3
Freeport	2	1	3
Gardiner	8	3	11
Gorham	3	1	4
Hallowell	2		2
Hampden	2	1	3
Kennebec	1	1	2
Kennebunk	1		1
Lewiston	24	11	35
Lincoln Co.	5		5
Lisbon	1		1
Madawaska	4	1	5
North Berwick	5		5
Ogunquit	5		5
Old Orchard	20		20
Old Town	3	1	4

Municipality	Actives	Retirees	Total
Oxford	17		17
Portland*	130	26	156
Presque Isle	2	2	4
Rockland	3	3	6
Rockport	1		1
Saco	7		7
Sagadahoc*	5		5
Sanford	34	7	41
Scarborough	14		14
Somerset	7		7
South Portland	27	3	30
Washington	1		1
Waterville	1		1
Wells	9	1	10
Westbrook	19	2	21
Windham	17	1	18
Winslow	1		1
Winthrop	4		4
York	17	2	19

Total	628	102	730

*These municipalities are not participating in MMEHT.

Section 10 – Summary of Participant Demographic Information (continued)

Active Employee Coverage

Municipalities Participating in MMEHT

2018 Active Medical Plan Elections*

Municipality	MMEHT Medical Plans						
	POS A	POS C	POS 200	PPO 500	PPO 1000	PPO 1500	PPO 2500
Auburn	0%	0%	0%	100%	0%	0%	0%
Bar Harbor	0%	100%	0%	0%	0%	0%	0%
Bath	0%	80%	0%	20%	0%	0%	0%
Biddeford	0%	0%	0%	0%	0%	100%	0%
Brewer	0%	100%	0%	0%	0%	0%	0%
Brunswick	0%	100%	0%	0%	0%	0%	0%
Ellsworth	0%	100%	0%	0%	0%	0%	0%
Falmouth	0%	50%	50%	0%	0%	0%	0%
Freeport	0%	100%	0%	0%	0%	0%	0%
Gardiner	0%	0%	0%	0%	0%	0%	100%
Gorham	0%	0%	0%	0%	0%	0%	100%
Hampden	0%	0%	0%	0%	0%	0%	100%
Kennebec	100%	0%	0%	0%	0%	0%	0%
Lewiston	0%	86%	0%	14%	0%	0%	0%
Madawaska	0%	100%	0%	0%	0%	0%	0%
Old Town	0%	0%	0%	0%	0%	0%	100%
Oxford County	0%	100%	0%	0%	0%	0%	0%
Presque Isle	0%	0%	0%	0%	100%	0%	0%
Rockland	0%	100%	0%	0%	0%	0%	0%
Sanford	0%	63%	38%	0%	0%	0%	0%
South Portland	20%	40%	0%	40%	0%	0%	0%
Wells	0%	0%	0%	0%	0%	100%	0%
Westbrook	0%	0%	0%	100%	0%	0%	0%
Windham	100%	0%	0%	0%	0%	0%	0%
York	0%	50%	50%	0%	0%	0%	0%

*Municipalities not shown did not have data available for elections, so all participants are assumed to select the highest cost plan.