

Public Employees' Retirement System
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 Jackson, Mississippi 39201-1005
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PERS Quarterly Employer Update

Issue Date April 13, 2007

Distribute to all Administrative, Payroll, and Human Resource Personnel



Legislation Update



Senate Bill 2214 (03/30 Approved by Governor)

Senate Bill 2214 authorizes political subdivisions of the state to make contributions to PERS' Deferred Compensation Plan on behalf of actively participating members under certain circumstances; to authorize funds in the Deferred Compensation Plan to be used to purchase fixed or variable life insurance or annuity contracts if the contracts are authorized for purchase by PERS from a business authorized by the System to offer products in the Plan; to make clear that PERS' Deferred Compensation Program shall be operated in accordance with the guidelines established by the IRS as reflected in the Plan Document. ♦ Effective March 30, 2007

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WHO IS AFFECTED BY SENATE BILL 2214? Counties, municipalities, and other political subdivisions may elect to make contributions to the plan on behalf of actively participating members. It is not mandatory for eligible political subdivisions to make contributions on behalf of their employees who participate in Deferred Compensation. *Please note this provision does not apply to state agencies, universities, junior and community colleges, and public schools.*



WHAT DO EMPLOYERS HAVE TO DO IN ORDER TO MATCH CONTRIBUTIONS? Each eligible political subdivision that wants to make contributions on behalf of its employees who participate in Deferred Compensation must complete an employer contribution agreement as provided in the Mississippi Deferred Compensation Plan and Trust Plan Document and must do so on a uniform basis. For more information contact Mississippi Deferred Compensation representative Bobby Fortenberry at 1-800-846-4551 ext. 330 or Beth Sullivan at ext. 310.



House Bill 1016 (03/16 Approved by Governor)

Attention all Employers! House Bill 1016 increases the number of years of membership service required to vest in PERS from four (4) years to eight (8) years for persons who become members of the system on or after July 1, 2007. The Bill also limits the selection of the partial lump sum option for those persons hired on or after July 1, 2007, to those who have twenty-eight (28) or more years of credible service at the time of retirement. Further, the Bill conforms the use of the terms "membership service" and "creditable service" throughout the PERS law and deletes obsolete language regarding the phase-in of the new retirement formula beginning in 1999 and certain references to Option 4-C which is no longer available to retiring members. ♦ Effective July 1, 2007

See the following chart on pages 2-3 for a summary of major plan provisions.
 (Note: This Bill was not sponsored by the Board of Trustees)



House Bill 1016 (03/16 Approved by Governor)

Summary of Major Plan Provisions	Entered PERS Covered Service <u>Before July 1, 2007</u>	Entered PERS Covered Service <u>On or After July 1, 2007</u>
Vesting Period	<p>4 years of service as a contributing member for service, non-duty disability, and non-duty survivor benefits</p> <p>Coverage for duty-related disability and duty-related survivor benefits begins on first day of employment in covered position</p>	<p>8 years of service as a contributing member for service, non-duty disability, and non-duty survivor benefits</p> <p>Coverage for duty-related disability and duty-related survivor benefits begins on first day of employment in covered position</p>
Service Retirement Eligibility	<p>Age 60 with 4 or more years of membership service, OR</p> <p>Any age with 25 or more years of creditable service</p>	<p>Age 60 with 8 or more years of membership service, OR</p> <p>Any age with 25 or more years of creditable service</p>
Partial Lump Sum Eligibility	<p>Age 63 with 4 or more years of membership service, OR</p> <p>Any age with 28 or more years of creditable service</p> <p>Available only upon initial service retirement (not available with disability retirement)</p>	<p>Any age with 28 or more years of creditable service</p> <p>Available only upon initial service retirement (not available with disability retirement)</p>
Non-Duty Survivor Retirement Benefits	<p>Spouse and/or children not entitled to retirement allowance if member dies prior to retirement with less than 4 years of membership service credit</p>	<p>Spouse and/or children not entitled to retirement allowance if member dies prior to retirement with less than 8 years of membership service credit</p>
Non-Duty Disability Retirement Benefits	<p>Active members can file for disability retirement after contributing to PERS for a minimum period of 4 years</p> <p>Inactive members who have contributed to PERS for a minimum of 4 years and who have withdrawn from active state service are not eligible for a disability retirement allowance unless the disability occurs within 6 months of the termination of active service and unless satisfactory proof is presented to the board of trustees that the disability was the direct cause of withdrawal from state service</p>	<p>Active members can file for disability retirement after contributing to PERS for a minimum period of 8 years</p> <p>Inactive members who have contributed to PERS for a minimum of 8 years and who have withdrawn from active state service are not eligible for a disability retirement allowance unless the disability occurs within 6 months of the termination of active service and unless satisfactory proof is presented to the board of trustees that the disability was the direct cause of withdrawal from state service</p>



House Bill 1016 (03/16 Approved by Governor), Continued

Summary of Major Plan Provisions	Entered PERS Covered Service <u>Before July 1, 2007</u>	Entered PERS Covered Service <u>On or After July 1, 2007</u>
Refund Pay Back	<p>Members who refunded contributions before July 1, 2007, and reenter state service before July 1, 2007, are subject to the 4 year membership service requirement</p> <p>Members must contribute to PERS for a minimum of 4 years before pay back of account refund is reflected</p>	<p>Members who refunded contributions before July 1, 2007, and reenter state service on or after July 1, 2007, are subject to the 8 year membership service requirement</p> <p>Members must contribute to PERS for a minimum of 8 years before pay back of account refund is reflected</p>
Military Service Credit	<p>Members can receive up to 4 years of active duty military service credit at no cost after contributing to PERS for a minimum of 4 years</p>	<p>Members can receive up to 4 years of active duty military service credit at no cost after contributing to PERS for a minimum of 8 years</p>
Prior Service Credit	<p>Employment in a covered position for any period of eligible employment prior to February 1, 1953, can be awarded at no cost to the member after the member contributes to PERS for a minimum period of 4 years</p>	<p>Employment in a covered position for any period of eligible employment prior to February 1, 1953, can be awarded at no cost to the member after the member contributes to PERS for a minimum period of 8 years</p>
Non-Covered and Retroactive Service Credit	<p>Members can purchase up to 10 years of retroactive service credit after contributing to PERS for a minimum period of 4 years</p>	<p>Members can purchase up to 10 years of retroactive service credit after contributing to PERS for a minimum period of 8 years</p>
Out-of-State Service Credit	<p>Members can purchase up to 5 years of out-of-state service credit after contributing to PERS for a minimum period of 4 years</p>	<p>Members can purchase up to 5 years of out-of-state service credit after contributing to PERS for a minimum period of 8 years</p>
Professional Leave Service Credit	<p>A maximum of 2 years of qualifying professional leave credit may be purchased for any 10 year period of state service after contributing to PERS for a minimum period of 4 years</p>	<p>A maximum of 2 years of qualifying professional leave credit may be purchased for any 10 year period of state service after contributing to PERS for a minimum period of 8 years</p>



House Bill 701 (03/15 Approved by Governor)

House Bill 701 authorizes the Board of Trustees of PERS to provide by rule or regulation for the payment of benefits under PERS, SLRP, MHSPRS, and certain Municipal Retirement Systems, under circumstances not otherwise provided for by law to the extent that the payment is required to maintain the plans as qualified retirement plans for purposes of Federal Income Tax Laws. ♦ Effective July 1, 2007



Senate Bill 2213 (03/07 Approved by Governor)

Senate Bill 2213 removes certain restrictions on the types of bonds and foreign government securities in which PERS may invest; to exempt from the provisions of the Mississippi Public Records Act of 1983 documentary material or data made or received by PERS which consists of trade secrets or commercial or financial information that relate to the investments of the System if the disclosure of the material or data is likely to impair the System's ability to obtain such information in the future or is likely to cause substantial harm to the competitive position of the person or entity from whom the information was obtained; to authorize PERS to hold Executive Sessions when discussing such information that is exempt from the Mississippi Public Records. ♦ Effective March 7, 2007



Senate Bill 2644 (03/22 Approved by Governor)

Senate Bill 2644 revises the membership of the State and School Employees' Health Insurance Management Board to add the Executive Director of the State Board for Community and Junior Colleges and the Executive Director of the Public Employees' Retirement System of Mississippi. ♦ Effective July 1, 2007



House Bill 422 (04/04 Approved by Governor)

House Bill 422 increases the amount of the minimum monthly benefits authorized for benefit recipients under the Disability and Relief Fund for Firemen and Policemen of the City of Vicksburg. ♦ Effective April 4, 2007



Senate Bill 3044 (04/06 Approved by Governor)

Senate Bill 3044 authorizes the City of Clinton to authorize an increase in the maximum amount of relief payments to members of its Disability & Relief Fun for Firemen & Policemen; to provide that the increase shall not be implemented unless the Disability & Relief Fun is currently sound and will remain sound if the increase is implemented. ♦ Effective April 6, 2007



Senate Bill 3090

Senate Bill 3090 authorizes the governing authorities of Pascagoula, MS, to contribute amounts necessary to pay all or any portion of the cost for retired City employees to participate in the City's Health Insurance Plan. ♦ 03/30/07 Due from Governor 04/17/07

Coming Soon



PERS Web-based Wage and Contribution Reporting System

PERS is pleased to announce that we are converting RET to a Web-based Reporting System. The new reporting system will reflect advances in technology and improve operational efficiency. The pilot phase of our new and improved reporting system is anticipated to begin **July 1, 2007**.

Thus far, the following member agencies have supported PERS by volunteering to serve as Pilot Agencies:

- | | |
|--|---|
| <input checked="" type="checkbox"/> City of Greenville | <input checked="" type="checkbox"/> City of Vicksburg |
| <input checked="" type="checkbox"/> Holmes County Community College | <input checked="" type="checkbox"/> Jackson Public School District |
| <input checked="" type="checkbox"/> Meridian Public School District | <input checked="" type="checkbox"/> Mississippi Valley State University |
| <input checked="" type="checkbox"/> Newton County Public Schools | <input checked="" type="checkbox"/> Rankin County School District |
| <input checked="" type="checkbox"/> University of Mississippi Medical Center | <input checked="" type="checkbox"/> University of Mississippi |
| <input checked="" type="checkbox"/> Warren County Parks & Recreation | |

PERS anticipates converting 50 to 100 member agencies per month after the initial pilot phase of July 2007 to the Web-based Reporting System. Any agency that meets the minimum requirements as stated below to utilize the new system and would like to be included in the next stage of implementation after the initial pilot phase should contact the **Wage and Contribution Reporting Department at 1-800-444-7377**.

All agencies will be notified prior to their conversion to the new system and will be provided with proper user identification and password to access our new reporting system. In addition, a manual will be provided for easy downloading and/or printing through the PERS website at **www.pers.state.ms.us**.

PERS will continue the wage and contribution reporting requirements that are currently being used to report retirement information on our members. However, in our initial pilot phase in July 2007, the new features will include the following requirements and/or enhancements:

- * Additional fields to the wage and contribution report to collect the member's address, date of birth and gender
- * Immediate availability of system updates
- * User-friendly reporting system and instructional guide

Currently the minimum requirements to utilize the new web-based reporting system are:

- * Internet Access
- * Internet Explorer version 6.0 or greater is the recommended browser

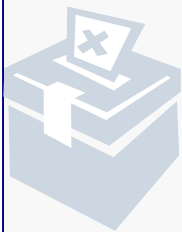
Additional information is forthcoming. If you have inquires or concerns please call PERS' Wage and Contribution Reporting Department.

New Agency Agreements

The Board approved New Agency Agreements for:

◆ Wayne County Soil and Water Conservation District for retirement coverage ◆
Effective March 1, 2007

◆ Wilkinson County Soil and Water Conservation District for retirement and Social Security coverage ◆
Effective March 1, 2007



Election Update

On March 19, 2007, the Board mailed ballots to all retired members and beneficiaries receiving a retirement allowance from PERS administered plans for the election of a Retiree Representative. Retirees will elect a trustee to represent retirees on the Board for a six year term ending June 30, 2013.

The 17 candidates are Lawrence H. Autry, incumbent Dr. Virgil F. Belue, Reggie R. Berry, W.E. Boggs, Bobby Boone, Henry A. Cobb, Priscilla C. Daniel, Lovie B. Fleming, Michael D. (Mike) Guice, Joe Haynes, Paul W. Lang, Bonnie G. McNeal, Wayne T. Myrick, Paul Pounds, Carl A. Shepherd, Don Wiggins, and Dorothy P. Williams.

The deadline for returning ballots is April 18, 2007.

If no candidate receives a majority of the vote, there will be a run-off between the two candidates receiving the most votes. Ballots for the run-off, if necessary, will be mailed May 10, 2007.

Regulation News

REGULATION 49—*Conditions for Existing Military Service At No Cost a Qualified Military Service. Due to Interruption of Employment Available Upon Payment of Required Employer and Employee Contributions.* Final approval was given to amendments necessary to comply with the Uniformed Services Employment and Re-Employment Rights Act (USERRA). Effective date: April 1, 2007.

REGULATION 54—*Administration of Retired Public Safety Officer Retirement Distribution for Health Insurance.* Final approval was given for administration of the tax exclusion available to eligible retired public safety officers as a result of the Pension Protection Act of 2006. Effective date: January 1, 2007.

REGULATION 55—*Administration of Excess Benefit Arrangements for all Defined Benefit Plans Administered by the PERS Board of Trustees.* Initial approval was given which will bring PERS in compliance with IRC Section 415. Effective date: July 1, 2007.



Refer to the PERS website

WWW.PERS.STATE.MS.US

for the most up-to-date versions of selected PERS regulations
and the most recent versions of PERS forms.





SUMMARIES OF RECENT OPINIONS ISSUED BY THE OFFICE OF THE STATE ATTORNEY GENERAL

«**August 4, 2006 (Jeffrey Hollimon)** A deputy circuit clerk was not reported to PERS for a period of 11 months, and thus no employer contributions were made on his behalf by the circuit clerk during this time. If the circuit clerk paid excess earnings to the county general fund in calendar year 1995 when the circuit clerk was required by law to make contributions to PERS on behalf of the deputy circuit clerk, then the county general fund received funds that should have been reported and paid to PERS. Therefore, in order to correct this mistake, the county is authorized to pay the employer contributions and interest thereon, as well as the interest assessed on the employee contributions, on behalf of the deputy circuit clerk.

«**August 4, 2006 (Anna Stovall)** Drafts of official minutes which have not yet been approved, notes taken by the City Clerk during official meetings for use during the preparation of official minutes as well as any tape recordings made for the same purpose are subject to disclosure as public records. Once the official minutes are prepared and the tapes, transcripts or drafts have served their purposes of aiding in the preparation of those minutes, it is permissible to dispose of them.

«**August 11, 2006 (Billy Campbell)** Two individuals who had completed all requirements and tests failed to be promoted because the police department inadvertently failed to forward the promotions to the Mayor and Board of Alderman for approval. If the governing authorities made the determination, consistent with the facts, that the failure of the police department to forward promotions to said authorities constitutes an administrative error which deprived the two officers in question of the compensation which was due to them, the proposed back pay may be approved. Thus, municipal employees may be awarded back pay if compensation previously due was unpaid because of an administrative error.

«**August 14, 2006 (Alonzo Sturgeon)** If an administrative error was made by the employing agency, the “central control” agency may act upon the representations and/or documentations of the employing agency in approving the back pay unless there is reason to believe that such representations are being used as a subterfuge for awarding retroactive raises. If the employing agency finds that the employee was underpaid due to an administrative error, the back payment of an “agreed upon” salary is not a prohibited gratuitous payment or donation of extra compensation but is merely compensation previously due but unpaid. Such payments may be lawfully made.

«**October 13, 2006 (Pat Robertson)** The Public Records Act does not require that employees or staff of the public body necessarily physically perform the research and copying of the records. Subject to written procedures which may address concerns of security and disruption of business, a public body may make public records available for requestors to research and copy.

«**December 22, 2006 (Thomas Meredith)** Sections 66 and 96 of the Mississippi Constitution prohibit the payments of donations and bonuses or the granting of extra compensation, fees, or allowances, to a public officer, agent, or servant after service is rendered or contract made. However, an arrangement under which an employer and employee agree prior to the performance of services that upon the satisfaction of pre-established goals the employee will receive a temporary increase in salary will not violate these sections of the Constitution. The difference between a permissible payment and one that is prohibited is that the conditions under which a permissible payment is to be made are agreed upon by the employee and employer prior to the performance of services that satisfy the condition.



PERS

**FOCUS SESSION
&
FULL DAY SEMINAR
SCHEDULES**

Focus Sessions

Mondays at 9:30 a.m.
Tuesdays at 9:30 a.m.
Thursdays at 2 p.m.

Full Day Seminars

Registration begins at 9 a.m.
Seminar from 9:30 a.m. - 3:30 p.m.

April 25th ~ Meridian
May 23rd ~ Richland
May 9th ~ Natchez
June 6th ~ Hattiesburg
May 16th ~ Grenada
June 20th ~ Clarksdale

EMPLOYER CONTRIBUTION RATES

Fiscal Year Beginning	Percentage of Covered Payroll
July 1, 2007	11.85%
July 1, 2008	12.25%*
July 1, 2009	to be determined

*The percentage shown here is anticipated and may or may not represent the percentage that will be required based on actual experience.

To Honor Those Who Have Served and Died ...



PERS
will be
CLOSED

**Confederate
Memorial Day**

April 30, 2007
&

Memorial Day

May 28, 2007