

Public Employees' Retirement System
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PERS Quarterly Employer Update

Issue Date May 6, 2005

Distribute to all Administrative, Payroll, and Human Resource Personnel

INSIDE THIS ISSUE:

- Legislative Update** **2**
- Board of Trustees Election News** **2**
- Schedule of Employer Training Seminars** **3**
- New Agencies** **3**
- Senate Bill 2247** **4**

Please share the enclosed Pre-Retirement Education Program seminar schedule with your employees.

Applying for Service Retirement Benefits

Applying for service retirement is a simple two-step process for PERS members. This process provides each member with individualized information needed to make an informed decision regarding the retirement benefit payment.

The retiring member and his or her current or last employer(s) must complete and submit PERS Form 9A SRVC, *Pre-Application for Service Retirement Benefits*.

(The most current version of the form is available to print from the PERS website at <http://www.pers.state.ms.us/pdf/Forms/form9ASRVC.pdf>, and a copy is included with this newsletter.) PERS will use the information provided to prepare and send the applicant an individualized packet of forms — PERS Form 9S, *Final Application for Service Retirement Benefits*; PERS Form PLSO, *Partial Lump Sum Option Distribution Election* (if applicable); and PERS Form 21, *Direct Deposit Authorization*; as well as a personalized, audited Final Estimate of Benefits.

To establish the desired effective retirement date, the retirement application process should start at least 90 days prior to the desired effective retirement date.

Please note that all employment with any and all PERS-covered employers must be terminated before the effective date of retirement.

Step 2.

The retiring member must complete and submit the PERS Form 9S, *Final Application for Service Retirement Benefits*.

On the form, the applicant will select a benefit payment option and whether or not to take the PLSO (if eligible) and will designate his or her beneficiary appropriate for the benefit payment option selected. The applicant will also specify his or her federal tax withholding status, exemptions, and preference and will elect an Annual Benefit Adjustment payment method (i.e., monthly or lump sum). This form and the PERS Form PLSO, *Partial Lump Sum Option Distribution Election*, (if applicable) must be received by PERS prior to the effective date of retirement.

A copy of the retiring member's birth certificate is also required, as are copies of the birth certificates of the member's designated beneficiaries under Option 2, Option 3, or Option 4A. These documents must be received by PERS prior to the effective retirement date.

Direct deposit of benefits is mandatory, and the PERS Form 21, *Direct Deposit Authorization*, should be submitted to PERS at the earliest possible time.

If application is made to PERS and the applicant then decides not to retire, PERS simply requires submission of a written notice from the member to rescind the application.

Legislative Update

House Bill 1232 expands ORP (Institutions of Higher Learning Optional Retirement Plan) Investments to include mutual fund accounts or similar investment products. (Approved by Governor on March 14, 2005, to be effective from and after July 1, 2005.)

House Bill 1233 expands PERS investment authority to allow PERS to invest up to 10% of the book value of the fund in certain types of investments. (Approved by Governor on March 23, 2005, to be effective from and after July 1, 2005.)

House Bill 211 deletes the repealer on provisions which regulate donated leave. (Approved by Governor on March 16, 2005, to be effective from and after passage.)

House Bill 826 authorizes the City of Gulfport to make annual expenditures of city funds to pay all or a portion of health insurance premiums of retired city employees participating in the city's group health plan. (Approved by Governor on January 31, 2005, to be effective from and after passage.)

Senate Bill 2247 allows school districts who had carried forward, but not converted, certain vacation leave to sick leave as of May 1, 2004, to do so. (Approved by Governor on March 14, 2005, to be effective from and after passage.)

Senate Bill 2860 provides a mechanism for the County to withhold payments from fees paid to Constables and remit to PERS as estimated contributions on net fee income. (Approved by Governor on March 23, 2005, to be effective from and after July 1, 2005.)

Senate Bill 3146 increases the minimum monthly benefit to \$1,130 per month and the COLA to 3% of the retirement allowance for each year retired after 06/30/91 for the retirees of the Vicksburg Firemen's and Policemen's Disability and Relief Fund. (Approved by Governor April 2, 2005, to be effective from and after passage.)

Senate Bill 3156 clarifies the types of public or governmental systems or private retirement systems or plans that are exempt from Mississippi state income tax. (Introduced in Senate on April 2, 2005; Title Sufficient do Pass Committee Substitute on April 2, 2005.)



Election News

State Employee Representative An election is being conducted this year to fill the position of State Employee Representative on the PERS Board of Trustees due to Mrs. Jan Larsen's retirement. The election is for a six-year term ending May 31, 2011. All state employees participating in a system administered by PERS are eligible to vote.

The election schedule is as follows:

May 23	Mail Petition to Agencies
June 23	Deadline for receipt of petitions (5pm)
July 11	Mail Ballots to Agencies
August 11	Deadline for receipt of ballots (5 pm)
August 12	Count Ballots
August 23	Board Approves Election
<u>Runoff (if necessary)</u>	
August 24	Mail Ballots to Agencies
September 26	Deadline for receipt of ballots (5 pm)
September 28	Count Ballots
October 25	Board Approves Election

Retiree Representative Lester Herrington has been certified as the new Retiree Representative to the Board of Trustees. He received 12,958 votes in the run-off held in April (Wayne Burkes received 7,609 votes).



F r a n k

R e a d y ,

Executive

Director of

the Public Employees'

Retirement System of

Mississippi, has announced his

retirement. After over 9 years

leading PERS, Mr. Ready's

effective date of retirement

will be July 1st.



Employer Training Seminars

Training sessions for administrative, payroll, and human resource personnel will be held from **8:00 a.m. until noon** on the following dates at the following locations:

Date	City	Location
Monday, May 23, 2005	Starkville	MS State University/Veterinary Auditorium Black Jack Rd. @ Wise Center
Tuesday, May 24, 2005	Tupelo	Itawamba Comm. College/Advanced Education Center 2176 South Eason Blvd.
Wednesday, May 25, 2005	Hernando	First Regional Library 370 West Commerce Street
Thursday, May 26, 2005	Cleveland	Bolivar County EXPO Center 601 First Street
Tuesday, May 31, 2005	Natchez	Co-Lin Comm. College/Multi-Purpose Room 30 Campus Drive
Wednesday, June 01, 2005	Summit	Southwest MS Comm. College/Student Union Cafeteria 1196 College Drive
Thursday, June 02, 2005	Ocean Springs	City of Ocean Springs Civic Center 3730 Bienville Blvd. @ Vietnam Memorial
Friday, June 03, 2005	Hattiesburg	Jackie Dole Sherrill Community Center 220 West Front Street
Tuesday, June 07, 2005	Meridian	Meridian Community College – Dulaney Rm./Webb Hall 910 Hwy 19 N (on Campus 14 th St. & College Dr.)
Wednesday, June 08, 2005	Pearl	Hinds Comm. College/Geo. Wynne Bldg./Lecture Hall 3805 Hwy. 80 East

Topics will include, but may not be limited to, the following:

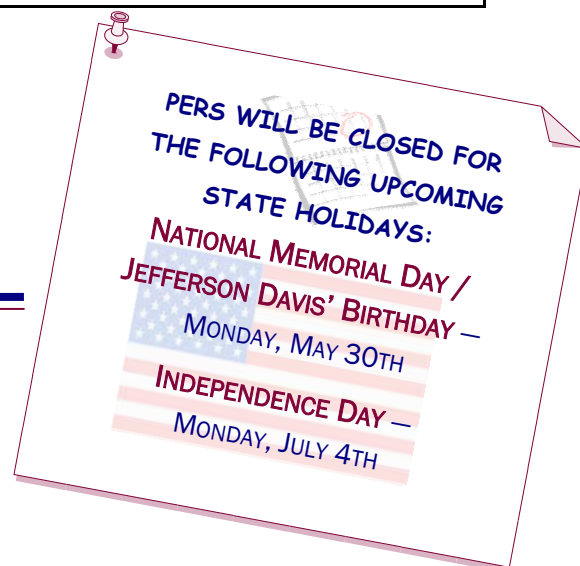
- Wage & Contribution Reporting
 - ▶ Enrolling New Employees
 - ▶ RET 6.0
- The Retirement Application Process
 - ▶ Responsibilities of the Employer and the Retiring Employee

Pre-registration is encouraged but not required. Refreshments will be provided.



REMINDER

The 1% employer contribution rate increase is scheduled to begin July 1, 2005. The employer contribution rate is expected to be 10.75% effective July 1, 2005, which is during the county and municipal FY 2005 budget year. Be sure to keep the increase in mind when preparing budgets and planning for the coming months.



New Agency Agreements for PERS Coverage

- **Delta Blues Museum** (Agency #8031-000) — Retirement & Social Security Coverage, effective date of coverage 05/01/2005, approved by PERS Board of Trustees 04/19/2005.



Senate Bill 2247 — Amendments to Leave Provisions for Local School Employees

In the Spring of 2004, the Office of the Attorney General issued an Official Opinion clarifying certain school district leave provisions. Several of the issues addressed in the Opinion dealt with the fact that 1) the statutory law at Miss. Code Ann. §37-7-307 (1972, as amended) only provided for the carryover of 5 days of personal leave for licensed personnel while there was no limit on the number of sick leave days that could be carried over from year to year; 2) there was no specific reference to “vacation” leave in the law as opposed to “personal” leave; and, 3) there was no specific statutory authority to “convert” personal leave or vacation leave to sick leave. The Opinion clarified that **a)** the statutory provisions for carryover of leave controlled and thus no more than that allowed under the statute could be carried over from year to year; **b)** the local school districts did not have the authority to create types of leave other than sick leave or personal leave, but that “vacation” leave is synonymous with “personal” leave; and **c)** there was no authority for the conversion of personal/vacation leave to sick leave under a local school district leave policy. In an effort to mitigate the negative impact on local public school employees, the legislature took quick action during the **2004 Legislative Session** to preserve personal leave that had been converted to sick leave in good faith under a previously adopted leave policy.

Senate Bill 2247 (**2005 Legislative Session**) was passed this year in an effort to put those public school employees who had accumulated unused personal/vacation leave as of May 1, 2004, that had not previously been converted to sick leave, in the same position as those employees whose leave had been converted to sick leave prior to May 1, 2004. The 2005 amendment allows local school districts, pursuant to a lawfully adopted policy, to convert personal/vacation leave balances on record as of May 1, 2004, to sick leave so that it can be carried forward, provided that such leave was accumulated and available for use prior to May 1, 2004, under a lawfully adopted policy. Any such conversion must be supported by records reflecting the accumulated personal/vacation leave and by a policy that provided at the time that such leave accumulated and was actually available for use as of May 1, 2004. Districts should note that this conversion of leave applies only to accrued personal/vacation leave and does not include any other types of leave created by the employer (such as sabbatical leave) which are not recognized under the State’s leave law.

S. B. 2247 (2005) now provides that the annual total number of converted unused personal/vacation days when added to the annual unused sick days for any employee may not exceed the combined allowable number of days per year provided in Miss. Code Ann. §§25-3-93 and 25-3-95 (1972, as amended) which are as follows:

**MCA§25-3-93 –
Personal Leave**

Continuous Service	Accrual Rate	Accrual Rate
1 month to 3 years	12 hours per month	18 days per year
37 months to 8 years	14 hours per month	21 days per year
97 months to 15 years	16 hours per month	24 days per year
Over 15 years	18 hours per month	27 days per year

**MCA§25-3-95 –
Major Medical (Sick) Leave**

Continuous Service	Accrual Rate (Monthly)	Accrual Rate (Annually)
1 month to 3 years	8 hours per month	12 days per year
37 months to 8 years	7 hours per month	10.5 days per year
97 months to 15 years	6 hours per month	9 days per year
Over 15 years	5 hours per month	7.5 days per year

The 2005 amendment to Miss. Code Ann. §37-7-307 (1972, as amended) also provides that local school board policies that provide for vacation, personal, and sick leave for employees shall not exceed the provisions for granting leave as provided in Miss. Code Ann. §§25-3-93 and 25-3-95 (1972 as amended) as set forth above.

For further information on any of the information in this newsletter, call us at 1-800-444-7377 or visit our website at www.pers.state.ms.us