

Public Employees' Retirement System
of Mississippi
Mailing & Shipping Address:
429 Mississippi Street
Jackson, Mississippi 39201-1005
(601) 359-3589 or 1-800-444-PERS (7377)
Employer Hotline: (601) 359-2090

PERS Quarterly Employer Update

Issue Date January 21, 2005

Distribute to all Administrative, Payroll, and Human Resource Personnel

Reporting New Employees

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When an employee begins service with a PERS-covered agency in *any* capacity, PERS must be notified.

PERS Form 1, *Enrollment Form*, must be completed by the employee and the employing agency and submitted to PERS within five (5) days of a new employee's start. The form is available to print from the Forms Library of the PERS website at <http://www.pers.state.ms.us/pdf/Forms/Form1.pdf>.

PERS Form 1B, *Beneficiary Nomination*, should also be completed by the employee and the employing agency and submitted to PERS. This form provides the new employee with the opportunity to specify who his or her beneficiary should be and is available to print from the Forms Library of the PERS website at <http://www.pers.state.ms.us/pdf/Forms/Form1B.pdf>.

Even if the employee is starting employment in a non-covered position, such as a part-time or temporary worker, PERS Form 4A, *Noncovered Employment Acknowledgment*, should be completed and submitted by the employing agency within five (5) days of the start of the non-covered employee. The form is available for printing from the Forms Library on the PERS website at <http://www.pers.state.ms.us/pdf/Forms/Form4A.pdf>.

[te.ms.us/pdf/Forms/Form4A.pdf](http://www.pers.state.ms.us/pdf/Forms/Form4A.pdf).

PERS Form 1C, *Change of Information*, should be completed by the employee, certified by the employing agency, and submitted to PERS whenever the employee wishes to make changes to his or her name or to the address or family information that is attached to their member account. This form is available to print from the Forms Library of the PERS website at <http://www.pers.state.ms.us/pdf/Forms/Form1C.pdf>.

Agencies must report retirees who are returning to service — PERS Form 4B, *Certification/ Acknowledgement of Reemployment of Retiree*, for a retiree who is returning to limited employment while continuing to receive PERS retirement benefits; PERS Form 9C, *Local County or Municipal Elected Official Reemployment Acknowledgement and Election*, for a retiree who is returning as a local county or municipal elected official; or *Employee vs. Independent Contractor Questionnaire* for a retiree returning to employment as an independent contractor. Each of the forms is available from the Forms Library of the PERS website at http://www.pers.state.ms.us/Forms_drctry.html.

PERS Form 9A

PERS is working toward replacing PERS Form 9A, *Application for Retirement Benefits*... PERS Form 9A SRVC, *Pre-Application for Service Retirement Benefits*, is now being used by members applying for service retirement benefits. PERS Form 9A DSBL, *Pre-Application for Disability Retirement Benefits*, and PERS Form 9A SRVR, *Pre-Application for Survivor Retirement Benefits*, should soon complete the replacement. Form 9A SRVC is available from our on-line Forms Library at http://www.pers.state.ms.us/Forms_drctry.html. The 'old' forms are still acceptable as we work toward the transition.



Privatizing Governmental Services

The Public Employees' Retirement System (PERS) is a qualified governmental retirement plan. PERS, like many retirement systems in other states, is accorded special status with the Internal Revenue Service because its membership is limited to employees of the state, its political subdivisions, agencies, or instrumentalities. To be a "governmental plan" within the meaning of Section 414(d) of the Internal Revenue Code of 1986, the plan must be "established or maintained for its employees by the Government of the United States, by the government of any State or political subdivision thereof, or by any agency or instrumentality of any of the foregoing." Consequently, under PERS law, only individuals who hold offices and positions of trust or employment in the employ of the state or any political subdivision or instrumentality thereof

may participate in the plan.

Employees of private companies, self-employed individuals, and employees of non-profit organizations/corporations are not allowed coverage in PERS. To allow such individuals to participate in a governmental plan could cause the plan to lose its governmental status and to thus be subject to more stringent tax qualification requirements of the Employee Retirement Income Security Act (ERISA). As PERS does not meet the more stringent requirements of ERISA, this could result in the loss of tax exempt status currently afforded PERS by its "governmental status" having potentially serious consequences, not only to the state and the Plan itself but to the individual members and retirees. The primary reasons that PERS would have to retain its "qualified governmental" status

are that: (1) employer contributions are not taxable to members as they are made; taxation only occurs when plan distributions are made; (2) earnings and income are not taxed to the trust or the members; (3) certain favorable tax treatments are available to members when they receive plan distributions, e.g., ability to rollover amounts; and (4) employers may "pick-up" employee contributions. These tax advantages, among others, would not apply to a non-qualified plan.

Therefore, where services may be performed by a private, non-governmental entity which hires former governmental employees to continue performing those services, the private, non-governmental entity would then be the employer of such individuals making them non-governmental employees.



Election Schedule

An election is being conducted this year to fill the position of Retiree Representative on the PERS Board of Trustees due to Mr. Fred M. Walker's upcoming retirement. The election is for a six-year term ending April 30, 2011. All retired members or beneficiaries receiving a retirement allowance from a system administered by PERS are eligible to vote.

The election schedule is as follows:

February 14, 2005	Deadline for receipt of ballots (5pm)
February 15, 2005	Ballots counted
February 22, 2005	Board approves election at regularly scheduled meeting
Runoff (if necessary)	
March 8, 2005	Mail ballots for runoff
April 8, 2005	Deadline for receipt of ballots (5 p.m.)
April 11, 2005	Ballots counted
April 26, 2005	Board approves election at regularly scheduled meeting



PERS WILL BE CLOSED FOR THE FOLLOWING UPCOMING STATE HOLIDAY:

GEORGE WASHINGTON'S BIRTHDAY —
MONDAY, FEBRUARY 21, 2005



Form SSA-1945, *Statement Concerning Your Employment in a Job Not Covered by Social Security*

By now, each Employer should have received notice from Social Security regarding the recent change under Section 419(c) of Public Law 108-203, the Social Security Protection Act of 2004, which took effect January 1, 2005. This change requires that all State and local government employers (and instrumentalities or subdivisions thereof as defined in Section 218(b)2) who hire new employees *not* covered by Social Security to do the following:

- Give Form SSA-1945, *Statement Concerning Your Employment in a Job Not Covered by Social Security*, to the employee prior to start of employment.
- The form must be signed by the employee (original retained by employer).
- A copy of the signed form must be sent to the Public Employees' Retirement System (PERS). As these forms must be filed with PERS, the employee's identification number as noted on the form should be the employee's Social Security number, while the employer's identification number should be the employer's number assigned by PERS.

The purpose of the form is to disclose to the new employee that earnings from the job are not covered under Social Security. The SSA-1945 explains the potential effects of two provisions in the Social Security law for

workers who also receive a pension based on their work in a job not covered by Social Security. *The Windfall Elimination Provision* can affect the amount of a worker's Social Security retirement or disability benefit. *The Government Pension Offset Provision* can affect any possible Social Security benefit entitlement as a spouse or an ex-spouse.



If you have any questions relative to Form SSA-1945 or the change to the Social Security Protection Act of 2004, please visit <http://www.ssa.gov/slge/index.htm> and follow the link to <http://www.socialsecurity.gov/form1945> or you may contact your local Social Security office.

Copies of the SSA-1945 are available online at the Social Security website, www.socialsecurity.gov/form1945. Paper copies can be requested by email at oplmsoswm.rqct.orders@ssa.gov or by fax at 410-965-2037. The request must include the name, complete address and telephone number of the employer. Forms will not be sent to a post office box. Also, if appropriate, include the name of the person to whom the forms are to be delivered. The forms are available in packages of 25. Please refer to Inventory Control Number (ICN) 276950 when ordering.



REMINDER

The 1% employer contribution rate increase will begin July 1, 2005. Thus, the employer contribution rate will 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

- **West Jackson County Utility District** (Agency #8029-000) — Retirement & Social Security Coverage, effective date of coverage 01/01/2005, approved by Board 12/21/2004

PERS ON THE MOVE...

offers member agencies the opportunity to provide their staff with important information and assistance on matters relating to their membership in the retirement system. PERS, in coordination with member agencies, will provide staff onsite to conduct seminars and assist members with their questions and issues relating to their retirement benefits. We will cover the basics of the retirement system, creditable time, service credit, percentages paid in, retirement options, vested time, payments for disability, death, and hurt on the job, and cover examples of estimated retirement calculations.

In addition, the seminar introduces attendees to the basic concepts of financial management and investing. Those attending are advised of the opportunities available to them for applying these principles through the Mississippi Deferred Compensation Plan and Trust (MDCPT), as well as the advantages of applying those principles early in their working careers. The MDCPT is a benefit gained by virtue of being a PERS member and is administered by the PERS Board of Trustees.

We will conduct this session at times convenient for the agency and will conduct multiple sessions each day, if requested. We usually plan a two-hour presentation, with the first 30 minutes featuring the Deferred Compensation Plan and Trust, and the remaining 1 ½ hours for the PERS information.

If you would like for PERS and MDCPT to conduct a PERS ON THE MOVE SEMINAR at your agency, please complete the following form and mail or fax it to: Jim Nettles – Public Employees’ Retirement System – 429 Mississippi Street – Jackson, MS 39201-1005 – Fax number 601-359-6707. You will be contacted by a PERS representative to confirm your request and finalize details. If you have any questions, please call Jim Nettles at 601-359-2262 or 1-800-444-7377.

*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*

I would like for PERS and MDCPT to conduct a PERS ON THE MOVE SEMINAR at my agency:

Agency Name: _____

Agency Address: _____

Contact Person: _____

Phone Number: _____

Date and Time:

1st Choice: _____

2nd Choice: _____

Authorized Signature & Title: _____

Mail Completed Form to: PERS, Attn: PREP, 429 Mississippi St., Jackson MS 39201-1005
Or FAX to: 601-359-6707