

Public Employees' Retirement System  
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# PERS Quarterly Employer Update

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*Distribute to all Administrative, Payroll, and Human Resource Personnel*



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## Agency Training

The PERS Pre-Retirement Education Program is offering Agency Training Seminars in September. Each session will provide attendees with information from PERS, the Department of Finance and Administration's Office of Insurance, and the Mississippi Deferred Compensation Plan and Trust. **Registration is required and may be completed online or by phone.** The complete seminar agenda is also posted on the PERS website.

**Wednesday, September 13, 2006**  
 Tupelo  
 Itawamba Community College  
 One session, 1:00 - 5:00

**Thursday, September 14, 2006**  
 Cleveland  
 Bolivar Expo Center  
 One session, 8:30 - 12:30

**Monday, September 18, 2006**  
 Hattiesburg  
 Forrest Co. Multi-Purpose Center,  
 MSU Extension Service Facility  
 One session, 1:00 - 5:00

**Tuesday, September 19, 2006**  
**Ocean Springs**  
 Ocean Springs Civic Center  
 One session, 8:30 - 12:30

**Wednesday, September 20, 2006**  
**Jackson Area**  
 Richland Community Center  
 Two sessions, 8:30 - 12:30 and 1:00 - 5:00

★★★★★★★★

After over 16 years with PERS, **Jim Nettles** (right) has retired as Director of the PERS Pre-Retirement Education Program (PREP) effective June 1, 2006. Training participants may look for the face of the new PREP Director,



**Amy Carruth**, (left) who joined PERS in June following 5+ years with the Mississippi Emergency Management Agency.

## NEW & IMPROVED...

PERS members may review their retirement possibilities by accessing our *enhanced* benefit estimate calculator. Click on the PERS Benefit Estimate Calculator at the bottom of our homepage.

[www.pers.state.ms.us](http://www.pers.state.ms.us)





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

### February 2, 2006 (M. James Chaney)

A school board has the statutory authority to establish a leave policy for part-time hourly employees which includes leave for federal holidays if the holidays granted under the policy do not exceed those permitted by the State and if the policy is applied consistently to all part-time hourly employees.

### February 10, 2006 (Morris Phillips)

Elected officials (including the mayor of a municipality) do not accrue personal or major medical leave as they are presumed available for official duties at all times. They are not covered under a leave policy established for their employees. Whether a mayor is entitled to be paid for unused leave accumulated as an employee of the city prior to being elected as Mayor would depend on the leave policy which was in place at the time the Mayor ceased being a municipal employee to become an elected officer. (*See PERS Regulation 51, I(E)(1)(c) for more information.*)

### March 17, 2006 (Cynthia Davis)

A municipality is authorized to establish a fire department pursuant to Miss. Code Ann. Section 21-25-1 et seq., which may be manned by all volunteers. Nothing requires a municipal board of aldermen to appoint a person selected by the volunteer fire fighters to serve as the head of a municipal fire department. The aldermen may appoint any person of their choosing to that position. If the municipality has a true municipal fire department, rather than a contract for fire protection services with a private non-profit volunteer fire department, the chief of that department should be a department head.

### March 17, 2006 (Elizabeth Fox)

- 1) Municipal employees who are also members of the military who have been issued orders are entitled to a maximum of fifteen (15) days of annual military leave. The computation of those fifteen (15) days includes only those days the employee would have been performing municipal duties; holidays and weekends which are not scheduled work days for the employee should not be computed against the fifteen (15) days of military leave.
- 2) Municipal employees do not accrue sick or vacation time while on unpaid military leave. Employees may choose to use any personal leave they may have accrued with the municipality during their service on unpaid military leave.
- 3) Municipal employees earn holiday pay or leave only for those holidays on which the employee actually works. Therefore, an employee who is on either paid or unpaid military leave during the time of a legal holiday is not working on that holiday, and would not be entitled to holiday pay.
- 4) With regard to other benefits, an employer is not required to continue to pay health insurance premiums or other benefits during the time the employee is on unpaid military leave; the benefits are suspended during such time as the employee is on unpaid military leave, subject to reinstatement upon the employee's return. An employee may continue to pay premiums to retain coverage for his or her family during the term of the unpaid military leave if the group policy provides for coverage of dependents.

### March 24, 2006 (Lane Jenkins)

The question was posed as to whether an agency has the authority to pay retroactive salary adjustments after an employee retires, and if so, whether the agency could grant such retroactive productivity increase for a period of time when there was a freeze on salary increases. The question further asks about the impact, if any, such action would have on the individual's retirement benefit. The Opinion notes that employers may correct mistakes in the reporting of past compensation of members, and may make payments to the retirement system, including interest in certain cases, in order to correct such mistakes. Such correction, however, assumes that the compensation in question was lawfully earned and paid, but was not properly reported for retirement purposes at that time. However, if the individual was lawfully paid the full amount authorized by law at the time, the agency would not be authorized to award a salary increase retroactively. Section 96 of the Miss. Constitution of 1890 prohibits the payment of extra compensation to a public servant after service has been rendered. Further, even if not prohibited by Section 96, such claim for unpaid compensation would be barred by the statute of limitations and the agency would not be authorized to make such a payment.

## Who's Eligible to File an Advanced Application?

Filing an Advanced Application in the PERS office allows a member who is eligible for retirement to pre-select the option(s) available for disbursement according to his or her wishes, should he or she die before retiring. The Advanced Application may be revised at any time and does not represent a binding retirement choice should the member reach retirement.

A PERS member must qualify for retirement to be eligible to file an Advanced Application. To be eligible for service retirement at age 60, a member must have at least four (4) years of service as a contributing member. Military service, out-of-state service, other types of purchased service credit, and credit for unused, uncompensated leave days, may not be used toward meeting the four-year minimum. However, military service, out-of-state service, other types of purchased service credit, and certified unused, uncompensated leave days from previous covered employment may be used toward meeting the twenty-five (25) years of service credit.

Unused, uncompensated leave days accrued by the member which have not been certified to PERS cannot be used to qualify for filing an Advanced Application. Unused, uncompensated leave days may only be certified to PERS upon termination from employment.

**PERS Form 16, Advanced Application, is available to print from the PERS website's Forms Library at [http://www.pers.state.ms.us/FormsLibrary/Forms\\_drctry.html](http://www.pers.state.ms.us/FormsLibrary/Forms_drctry.html)**



2006 Annual Member Statements are scheduled for production and release by October. Remind your employees to watch the mail and to notify us directly or through you of any changes to names and addresses or any other issues they might need researched.

## Status of the Retiree Health Insurance Plan

During the 2002 Regular Legislative Session, House Bill 1386 was passed creating the basic framework for a Retiree Health Insurance Plan that would one day make health insurance with subsidized premiums available to all public employees retired from retirement systems administered by PERS.

Funding such a comprehensive health insurance plan with subsidized premiums as originally proposed, however, remains a significant issue. When the legislation was passed it was expected that the program would be in place within three to five years. However, with the downturn in the financial markets from 2001 through 2003 and the rising cost of health care, it may be many years from now before such a program could be implemented.

As currently legislated, the Retiree Health Insurance Plan would be modeled after the State and School Employees' Health Insurance Plan. The retired state and school employees currently covered by the State Plan have the same coverage that would be made available to all retirees. Considering the cost of providing the current coverage under the State Plan and the increases in the cost of health care, the cost to employers to fund the subsidy could be more than what was originally contemplated.

PERS receives inquiries on a regular basis regarding the status of the "Retiree Health Insurance Plan." Because no real developments have taken place regarding the plan, no new information is available. Should any developments take place or any information become available, PERS will notify our members, retirees, and covered employers promptly.

*For further information on any of the information in this newsletter or on other PERS topics, call us at 1-800-444-7377 or visit our website at [www.pers.state.ms.us](http://www.pers.state.ms.us)*



## Election News

An election is being conducted to fill the position of State Employee Representative to the PERS Board of Trustees. The new member will serve a six-year term ending December 31, 2012. All officials and employees of all State Agencies, State Hospitals, State Judiciary, and Legislature who participate in PERS are eligible to vote.

### The election schedule is as follows:

September 5, 2006	Mail ballots to agencies
October 5, 2006	Deadline for receipt of ballots (5:00 pm)
October 6, 2006	Ballots counted
October 24, 2006	Board approves election at regularly scheduled meeting

### Should a run-off be necessary, the run-off schedule will be as follows:

November 6, 2006	Mail ballots for run-off
December 8, 2006	Deadline for receipt of ballots (5:00 pm)
December 11, 2006	Ballots counted
December 19, 2006	Board approves election at regularly scheduled meeting

## *In* other Board News...

**Dr. Lee Childress** is Chairman of the PERS Board for the year beginning July 1, 2006, and ending June 30, 2007. Dr. Childress serves on the Board as a representative of public school and community college employees. He works for the Corinth public schools as the superintendent, and he has served on the PERS Board since 1999.



## Upcoming State Holiday

**LABOR DAY – MONDAY, SEPTEMBER 4, 2006**

## New Agency Agreements for PERS Coverage

- **Town of Hickory** (Agency #0393-000) Retirement Coverage, effective 07/01/2006 approved by PERS Board of Trustees 06/27/2006
- **Town of Mayersville** (Agency #5009-000) Retirement & Social Security Coverage, effective 07/01/2006 approved by PERS Board of Trustees 06/27/2006
- **Town of Algoma** (Agency #5007-000) Change in Retroactive Coverage Date, changed to 01/01/1988 approved by PERS Board of Trustees 06/27/2006
- **Town of Inverness** (Agency #0401-000) Retirement Coverage for Elected Officials, effective 07/01/2006, retroactive to 10/01/1984, approved by PERS Board of Trustees