

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
Web Address: www.pers.state.ms.us

PERS Quarterly Employer Update

Issue Date July 29, 2005

Distribute to all Administrative, Payroll, and Human Resource Personnel

Employer Contribution Rate Increase Effective 07/01/2005

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The employer contribution rate for all participating employers in the Public Employees' Retirement System is 10.75% of covered earnings effective July 1, 2005.

The rate has increased 1% from 9.75%, the first increase in over 15 years. Contributions to the Public Employees' Retirement System from both the employer and the employee, along with the earnings on the invested assets, fund current and future benefits provided to PERS members.

Allocation of \$50 Million Prepaid Employer Contributions Affects State Agencies, Universities, Community and Junior Colleges, and Public School Districts

House Bill 1 of the Second Extraordinary Session authorized the transfer of \$50 million of MCI settlement receipts from the State General Fund to PERS. These funds are for utilization by PERS as a credit against the one percent (1%) rate increase in General Fund employer contributions beginning July 1, 2005, and continuing until the funds are exhausted.

It was the intent of the Legislature to transfer these funds to PERS to be utilized by the System as a credit for agencies or entities receiving general funds as follows: (1) for state agencies the credit will be against the one percent (1%) increase attributable to general fund employer contributions only, and (2) for universities, community, and junior colleges and public school districts the credit will be against the one percent (1%) increase attributable to funds from all non-federal sources. Special fund agencies, counties, cities, and other entities that receive no general fund dollars will receive no credit or benefit from the prepaid general fund employer contributions. PERS has met with representatives of the Institutions of Higher Learning (on behalf of the state universities), with representatives of the State Board for Community & Junior Colleges (on behalf of the state community and junior colleges), with representatives of the Mississippi Department of Education (on behalf of the public school districts), and with representatives of the Mississippi Department of Finance and Administration and the State Personnel Board (on behalf of state agencies) to discuss how the prepaid general fund employer contributions will be allocated to each of the impacted employers. As a result of those meetings, PERS has received information relative to their funding. The information provided will be used to compute the portion of the one percent (1%) employer contribution increase that will be credited as prepaid employer contributions allocated from the \$50 million.

Status of W&C Reporting Program

The updated Wage & Contribution Reporting program (RET Version 6) will be released the first week in August. Passwords will be issued to provide access when the updated version is available. If the program is not available in time for reporting, late penalties will not be assessed for the ensuing late reporting.

**PERS WILL BE CLOSED FOR THE
UPCOMING STATE HOLIDAY:**

LABOR DAY — MONDAY, SEPTEMBER 5TH



Guidance for Determining Coverage for Attorneys

PERS law (effective July 1, 2002) provides that any individual who is employed on or after July 1, 2002, by a governmental entity to perform professional services (such as legal services) shall become a member of the Retirement System provided the individual: a) is paid regular periodic compensation for those services that is subject to payroll taxes, b) is provided all other employee benefits, and c) meets the membership criteria established by PERS regulations that apply to all other members of the System. To determine whether your attorney should be covered under PERS, use the following *general guide*. **If further more specific guidance is needed, contact PERS directly.**

A. ELECTED ATTORNEYS

- A1. Is your attorney a) an elected official and b) personally paid regular periodic compensation? If “yes,” proceed to the next question. If “no,” proceed to Non-Elected Attorneys Section below.
- A2. Are elected officials covered under your Joinder Agreement? If “yes,” the attorney, as an elected official, should be covered for retirement (provided he/she is paid regular periodic compensation). If “no,” (that is, elected officials are excluded under the Joinder Agreement), do not report this individual for retirement coverage. Complete a PERS Form 4A, Non-Covered Employment Acknowledgement, and have the individual sign it.

B. NON-ELECTED ATTORNEYS

- B1. Is your attorney a) classified as an **employee** either specifically by statute or in accordance with Internal Revenue Service (IRS) guidelines, b) personally paid regular periodic compensation reported on IRS Form W-2 (rather than IRS Form 1099), and c) treated as an employee for all employment purposes including eligibility for applicable fringe benefits? If “yes,” proceed to the next question. If “no,” do not report this individual for retirement coverage. Complete a PERS Form 4A, Non-Covered Employment Acknowledgement, and have the individual sign it.
- B2. Does your attorney work eighty (80) hours or more per month? If you answered “yes” to Questions B1 and B2, the attorney should be covered for retirement. If you answered “yes” to Question B1 and “no” to Question B2, do not report this individual for retirement coverage unless the individual is already covered for retirement through employment with another covered employer. Complete a PERS Form 4A, Non-Covered Employment Acknowledgement, and have the individual sign it.

Recent Employer Training Seminars

Date	Location	Employer Attendees
May 23, 2005	Starkville	52
May 24, 2005	Tupelo	76
May 25, 2005	Hernando	28
May 26, 2005	Cleveland	45
May 31, 2005	Natchez	20
June 1, 2005	Summit	29
June 2, 2005	Ocean Springs	59
June 3, 2005	Hattiesburg	59
June 7, 2005	Meridian	39
June 8, 2005	Pearl	120
Total		527

Employer Training Seminars were held in May and June. Employer attendees received schedules and notification of the topics to be discussed — Wage & Contribution Reporting and The Retirement Process. Attendees also received handouts on Regulation 14 (Submission of Monthly Reports and Contributions), Regulation 33 (Value of Maintenance), Regulation 34 (Reemployment After Retirement), and Regulation 36 (Clarification of Covered Position for Membership Purposes). Question and answer periods followed the presentations. Details of attendance are shown in the table at the left.

To schedule Agency Training at your location or to request a DVD recording of the Employer Training Seminar referenced above, please call PERS at 1-800-444-7377.

Employer Q & A

Q: Do our non-student bus drivers who are employed exclusively as bus drivers for our local school district have to be covered for retirement to be eligible for other fringe benefits that we offer to our employees?

A: Eligibility criteria for other fringe benefits offered to a non-student bus driver may be different from the PERS eligibility requirements. The extent to which bus drivers might be eligible for personal and major medical leave offered to local school employees would be determined by the local school board through its personnel policies. In addition, non-student bus drivers qualify for coverage under the State and School Employees' Health and Life Insurance Plans whether or not they are eligible for retirement coverage.

However, to be eligible for retirement coverage, a non-student bus driver must work at least 80 hours per month in all services rendered for the employer (unless the individual was employed prior to and grandfathered into PERS as of July 1, 1992). In accordance with PERS Board Regulation 36, to participate in the Public Employees' Retirement System, an individual must be employed as a regular employee whose employment is anticipated to exceed 4 and 1/2 months. He or she must be subject to the control of the covered public employer as defined in Internal Revenue Service guidelines, and he or she must satisfy the following general requirements:

- * Be properly classified as an employee;
- * Have compensation properly reported on IRS Form W-2;
- * Be paid regular periodic compensation;
- * Be treated as an employee for all purposes, including but not limited to eligibility for fringe benefits, payment of employment related expenses, payroll tax withholding, etc., and
- * Personally perform services and receive compensation for not less than 20 hours per week or a total of 80 hours per month, or, in the case of contract school personnel, perform services and receive compensation for half-time or more for the academic year.

Q: Are our local elected officials covered under PERS?

A: If you are unsure about whether your local county or municipal elected officials are covered under PERS, refer to your Joinder Agreement. Employers who do not have a copy of their Joinder Agreement may obtain a copy by contacting the Public Employees' Retirement System by phone at 1-800-444-7377 (toll free) or 601-359-3589 (Jackson area), by email through the PERS website at www.pers.state.ms.us, or by sending a written request to PERS at 429 Mississippi Street; Jackson, Mississippi 39201-1005.

If your entity wishes to include a coverage group, such as elected officials, that has previously been excluded under the Joinder Agreement, a formal request should be submitted to our Wage and Contribution Reporting Department. A request for a modification to an existing Agreement must be approved by the PERS Board of Trustees before coverage may be extended to a previously excluded group.

Check your Joinder Agreement to be sure that the local elected officials who you are reporting are eligible for coverage through your original Joinder Agreement or through a subsequent modification to your Joinder Agreement.

New Agency Agreements for PERS Coverage

- **City of Wiggins** (Agency #0004-000) — Retirement Coverage for Elected Officials, effective date of coverage retroactive to 09/01/2001, approved by PERS Board of Trustees 06/21/2005.

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.



Election News

State Employee Representative

REMEMBER TO DISTRIBUTE AND COLLECT BALLOTS TO AND FROM YOUR EMPLOYEES IN ACCORDANCE WITH THE SCHEDULE BELOW!

An election is being conducted to fill the position of State Employee Representative to the PERS Board of Trustees. The election is to fill an unexpired six-year term ending June 30, 2008. 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:

July 11 Ballots Mailed to Agencies
Aug 11 Deadline for receipt of ballots (5 pm)
Aug 12 Count Ballots
Aug 23 Board Approves Election

Twenty-three candidates are on the ballot for State Employee Representative.

If a runoff is necessary, ballots will be mailed August 24, 2005.

Municipal Representative

REMEMBER TO DISTRIBUTE AND COLLECT BALLOTS TO AND FROM YOUR EMPLOYEES IN ACCORDANCE WITH THE SCHEDULE BELOW!

An election is being conducted to fill the position of Municipal Representative to the PERS Board of Trustees. The election is to fill an unexpired six-year term ending December 31, 2008. All officials and employees of all municipalities who participate in the retirement system are eligible to vote.

The election schedule is as follows:

July 12 Ballots Mailed to Agencies
Aug 12 Deadline for receipt of ballots (5 pm)
Aug 15 Count Ballots
Aug 23 Board Approves Election

Five candidates are on the ballot for Municipal Representative.

If a runoff is necessary, ballots will be mailed August 25, 2005.

Other Board of Trustees News

Gubernatorial Appointee

Mr. **Charlie Williams**, Governor Haley Barbour's Chief of Staff, has been appointed to the Board of Trustees beginning July 1, 2005. Mr. Williams will serve a four-year term ending June 30, 2009. Mr. Williams served as a State Representative from 1976 to 2000, serving as Chairman of the Ways and Means Committee for 8 of those years.

Chairman of the Board

Mr. **Edwin C. LeGrand III** is Chairman of the PERS Board for the year beginning July 1, 2005, and ending June 30, 2006. Mr. LeGrand serves on the Board as a State Employee Representative. He works for the Department of Mental Health as the agency's Deputy Executive Director and as Chief of its Bureau of Mental Retardation. He has served on the PERS Board since December 2000.

Public Employees' Retirement System of Mississippi Executive Director Search

The Mississippi Public Employees' Retirement System (PERS) Board of Trustees is conducting a search for an Executive Director. The Director is the chief administrative officer of the System and is directly responsible to the Board. PERS operates a complex retirement system consisting primarily of three defined benefit plans, an optional retirement plan for institutions of higher learning, and a deferred compensation plan. Coverage includes eligible employees of state agencies and universities, community and junior colleges, public schools, counties, and municipalities. PERS operates a retirement system comprised of 870 employers, 68,000 retirees, and over 157,000 active members.

Primary Responsibilities

- Leadership and management of a large public defined benefit pension system and its employees.
- Effective liaison with retirees, employers, and employees, the Board of Trustees and the Legislature.

Education and Experience

- Bachelor's degree required, advanced degree preferred.
- Experience in the management of public pension systems and working with the legislature highly desirable.
- Actuarial and investment knowledge desirable.

Application Submission

- Letter of application, resumé, letter(s) of reference, and college transcript must be submitted.
- Applications must be postmarked no later than September 1, 2005.
- Submit to: Delta Education Services Group, 283 Briarwood Boulevard, Meridian, MS 39305.

PERS is an equal opportunity employer.

PERS INTERIM EXECUTIVE DIRECTOR



The PERS Board of Trustees appointed Denise Owens-Mounger as Interim Executive Director effective July 1, 2005, following the retirement of Mr. Frank Ready. Mrs. Mounger joined the Retirement System in 1993 as Deputy Director for Membership Services and is currently Deputy Executive Director. Prior to joining PERS, she was a Special Assistant Attorney General assigned to the Retirement System.

We invite you to read our Interim Executive Director's most recent message on our website at www.pers.state.ms.us/execdir.html.