

FORWARD

PERS Approves Insurance Open Enrollment

The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees has approved an open enrollment through June 30 for the group term life insurance plan underwritten and administered by Monumental Life Insurance Company of Cedar Rapids, Iowa.

Up to \$20,000 in voluntary term life insurance is available to PERS retirees and their spouses between the ages of 44 and 90 without a medical exam.

Monumental has mailed information concerning the program to all eligible retirees, with instructions on enrollment.

Coverage is available for \$2,500, \$5,000, \$7,500, \$10,000, \$15,000 and \$20,000.

Full benefits are paid after three years of coverage, and benefits are doubled for accidental death.

Monthly premiums are based upon age at the time of enrollment and do not increase with age or changes in health (subject to the limited benefit period end at age 120).

Premiums are deducted from monthly benefits.

Look Inside for Information on:

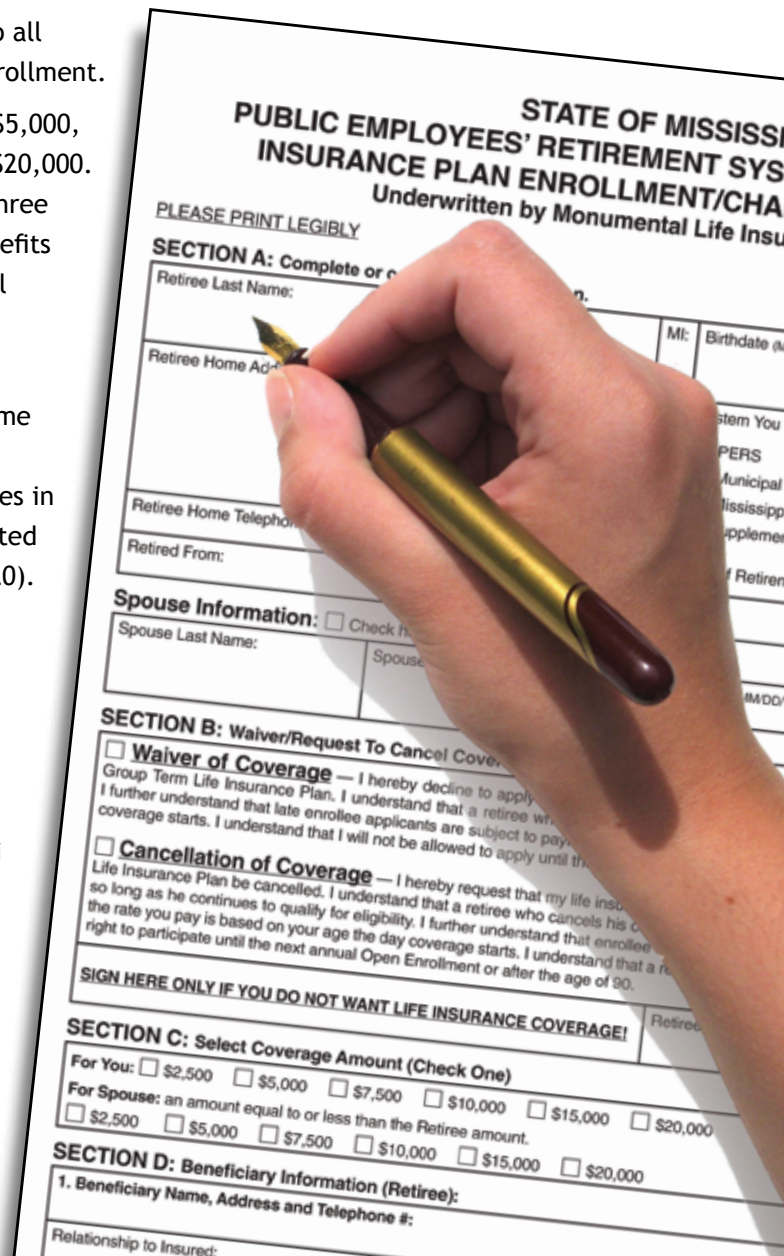
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And more!

Any retiree currently enrolled in the program may change the coverage amount during the open enrollment period.

A retiree may have life insurance under the State of Mississippi Life Insurance Plan and the PERS-sponsored plan; however, he or she cannot have more than one Monumental Life Insurance policy. If a retiree and his or her spouse are both PERS retirees, the retiree can only be covered individually and not as a dependent of his or her spouse.

For additional information, please call a Monumental Life customer service representative at 800.749.6983.



**STATE OF MISSISSIPPI
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
INSURANCE PLAN ENROLLMENT/CHANGE**
Underwritten by Monumental Life Insurance Company

PLEASE PRINT LEGIBLY

SECTION A: Complete or Change Coverage

Retiree Last Name: _____ MI: _____ Birthdate (MM/DD/YYYY): _____

Retiree Home Address: _____

Retiree Home Telephone: _____

Retired From: _____

Spouse Information: Check here if you are currently married.

Spouse Last Name: _____ Spouse First Name: _____

SECTION B: Waiver/Request To Cancel Coverage

Waiver of Coverage — I hereby decline to apply for the Group Term Life Insurance Plan. I understand that a retiree who waives coverage starts. I understand that late enrollee applicants are subject to payment of a medical exam. I understand that I will not be allowed to apply until the next annual Open Enrollment or after the age of 90.

Cancellation of Coverage — I hereby request that my life insurance under the State of Mississippi Life Insurance Plan be cancelled. I understand that a retiree who cancels his or her life insurance so long as he continues to qualify for eligibility. I further understand that the rate you pay is based on your age the day coverage starts. I understand that a retiree has the right to participate until the next annual Open Enrollment or after the age of 90.

SIGN HERE ONLY IF YOU DO NOT WANT LIFE INSURANCE COVERAGE!

SECTION C: Select Coverage Amount (Check One)

For You: \$2,500 \$5,000 \$7,500 \$10,000 \$15,000 \$20,000

For Spouse: an amount equal to or less than the Retiree amount.
 \$2,500 \$5,000 \$7,500 \$10,000 \$15,000 \$20,000

SECTION D: Beneficiary Information (Retiree):

1. Beneficiary Name, Address and Telephone #:

Relationship to Insured: _____



Executive Director's Column by Pat Robertson

PERS Invests for Long Term

With the continued uncertainty of the financial market, concern about the security of retirement benefits is understandable. However, members and retirees of PERS can be assured that their benefits, including annual cost-of-living adjustments (COLAs) to retirees, are contractually protected and guaranteed by law.

A Diversified Portfolio & Preparation for Downturns

PERS investments are well-diversified in a strategic asset allocation mix that includes U.S. and foreign stocks, fixed income bonds, real estate and cash. This mix helps to moderate the effect that any segment of the market may have on the performance of the total fund and can help offset potential losses in the portfolio during times of negative volatility like the market crash of 1987, investment bank failures in the 1990s, the Enron and WorldCom debacles, and even today's unprecedented financially depressed times.

Long-Term Strategy & Making the Tough Decisions

PERS has been preparing for down times like these since its inception in 1952 when the Board of Trustees

established a prudent philosophy of investing for the long term.

Maintaining a level head during difficult times is crucial. This means avoiding the impulse to buy or sell quickly and it means making tough decisions to ensure the continued financial integrity of the System. One such decision made by the Board was to increase the employer contribution rate by 0.15% to 12.00% July 1 to maintain the Unfunded Accrued Liability at a period below 30 years. And unless there is a significant market correction prior to June 30, employer contribution rates will be further impacted in future years.

The Bigger Picture

Like all public pension funds, PERS' role goes beyond providing retirement benefits to those who retire from public service.

According to "Pensionomics: Measuring the Economic Impact of State and Local Pension Plans" published by the National Institute on Retirement Security (NIRS) in February, "public pension payments are vital to small communities and economies across the country where, due to lack of diverse local industries, other steady sources of

income may not be readily found. Such reliable sources of income may be especially important in stabilizing local economies during economic downturns, because, as compared to more individualized forms of retirement income, pension income is guaranteed, so retirees need not worry about reducing spending with every dip in the stock market."

PERS will persevere through this current crisis. It will persevere in providing the \$1.5 billion in benefits annually to more than 78,000 retirees. It will persevere in adequately preparing for the future of the more than 166,000 employees working in state government, public schools, universities, community colleges, municipalities, the legislature and highway patrol. And it will persevere in providing economic stimulus to the state.



IRS Updates Withholding Tables for Wages and Pension Income

Retirees should be aware of the newly adjusted Internal Revenue Service (IRS) tax withholding tables being mandated for all income, including pension income.

In February, the American Recovery and Reinvestment Act of 2009 (ARRA) created the new Making Work Pay credit, a refundable tax credit equal to 6.2% of earned income up to \$400 (\$800 for taxpayers filing jointly) for the 2009 and 2010 tax years. This credit will be included in workers' paychecks through the adjusted tax withholding tables, but it will not be available for pension income (considered passive income).

The change in the tax tables could very likely result in insufficient taxes being withheld from retiree pension payments, which could lead to retirees owing income tax at the end of the year.

The new tables are posted online at www.irs.gov, in Publication 15-T.

The issue of the impact of the adjusted tax tables on retirees has been raised with Congress and the

IRS; however, it does not appear the tax tables will be changed.

If the tax withholding from your retirement allowance is decreased with the implementation of the new withholding tables and if you are concerned that your withholding will not be sufficient to cover your actual tax liability, you might consider increasing your monthly tax withholding through your monthly retirement allowance.

Any benefit recipient who wishes to change his or her tax withholding should complete and submit to us PERS Form 17, *Certificate of Withholding Preference*. The form is available on our website, www.pers.state.ms.us, or by calling us, 800.444.PERS or 601.359.3589.

Payment/Credit for Retirees

In addition to the Making Work Pay tax credit, the American Recovery and Reinvestment Act of 2009 (ARRA) provides the Economic Recovery Payment.

Under this provision, Social Security will distribute a one-time payment of \$250 by the end of May to each person receiving Social Security retirement, survivors or disability benefits. Payments will be distributed in the same manner as each individual's Social Security or Supplemental Security Income (SSI) benefit.

Also, for government retirees who are not eligible for Social Security benefits, ARRA provides a one-time refundable tax credit of \$250.

In either case, the payment or credit would reduce any allowable Making Work Pay credit.

PERS Board News

Mulholland Retires from State Personnel Board, PERS Board of Trustees



After more than 21 years of service to the state, John Mulholland of Brandon has retired as State Personnel Board deputy director and, in turn, as one of the PERS Board of Trustees' two

Mulholland

state employee representatives.

During his years of service, Mulholland, a retired sergeant major in the U.S. Army, served as interim State Personnel director. He was first elected to the PERS Board in February 2006, filling an unexpired term. He was re-elected in July 2008 and was a member through Feb. 28.

A special election is being held through June 18 for state employees to elect a new representative.

Paul Elected to Board



The PERS Board of Trustees has welcomed its newest member.

Dr. Joe Paul, vice president for Student Affairs at the University of Southern Mississippi, defeated Dr. Cecil

Paul

Hill, assistant professor of accounting at Jackson State University, for the Board's Institutions of Higher Learning (IHL) representative position.

Paul will complete an unexpired term through Dec. 31, 2010, created by the retirement of Dr. Richard Miller.



PERS Has a New Look

From the redesign of your retiree newsletter to an update of the agency logo, PERS has a new look.

This agency is, in a large way, timeless, as we are with people throughout their careers and beyond. In an effort to represent and relate to everyone we serve, we have refreshed our image with a bold new color palette and a logo that illustrates the yin and yang of investing for the future and reaping the benefits of preparation.

We remain focused on improving how we serve our members and retirees and, to that end, we hope you like the new look of PERS.

Providing Benefits for **Life**

A Message from the Mississippi Retired Public Employees' Association

By *MRPEA President Dr. Ralph Brewer*

Everyone who receives an income from PERS is eligible to be a member of the Mississippi Retired Public Employees' Association (MRPEA). This includes retirees from all state agencies, as well as retirees from public schools, universities, community and junior colleges, cities and counties. When this many people speak with the same message, it will be heard.

PERS' Board of Trustees, executive director and staff are committed to providing secure retirement benefits and outstanding service to all retirees. The officers, board and members of MRPEA work diligently to support that commitment.

An important aspect of that task involves monitoring the legislative process. Not all retirees can be directly involved in watching legislation that could affect the system, but every retiree can be represented. Members of MRPEA track proposed legislation on a daily basis. When a bill that could affect the retirement system is being discussed in committee or on the floor of the House or Senate, MRPEA is there.

Members are advised when there is a need for them to contact their local senator or representative concerning proposed legislation. Other information is provided through *The Guardian*, the newsletter of MRPEA, and through the annual membership meeting.

There is great comfort in knowing that fellow retirees are watching out for your retirement benefit along with theirs. Please join those who are working to support secure retirement benefits for all state retirees.

The annual MRPEA membership fee for individuals is \$15. The lifetime membership fee for individuals is \$150. The lifetime membership fee for a couple is \$200.

For more information on MRPEA, call 601.919.0670 or 866.819.0987 or write mrpea@bellsouth.net or MRPEA, P.O. Box 5580, Brandon, MS 39047.



From the PERS Glossary Pop-Up & Pop-Down Provisions

Pop-Up and Pop-Down provisions allow eligible PERS retirees to change their benefit options and beneficiary designations under certain circumstances.

Pop-Up Provision

The Pop-Up Provision allows a retiree who selected Option 2, the 100% Joint and Survivor Annuity, or Option 4A, the 50% Joint and Survivor Annuity, to revert to the Maximum Retirement Allowance if the designated beneficiary predeceases the retiree or if the retiree divorces the designated beneficiary.

Pop-Down Provision

The Pop-Down Provision allows a retiree who chose the Maximum Option or Option 1, the Prorated Single Life Annuity, to change to Option 2 or Option 4A to provide beneficiary protection to a new spouse married after retirement.

PERS Retirees Elected to Municipal or County Offices Should Notify PERS

Leaving retirement to return to public service can affect more than routines and priorities. It can, for some, affect retiree compensation.

As provided in Miss. Code Ann. § 25-11-127 (5) (Rev. 2006), and as further clarified through PERS Regulation 34, *Reemployment After Retirement*, retirees elected by popular vote to salaried municipal or county positions must choose one of three options.

Option one is to come out of retirement completely and stop receiving retirement benefits to take the full salary offered with the elected position. With this option, the person would once again become a contributing member of PERS and begin building additional service credit.

Retirees who are elected to a municipal or county position and choose to come out of retirement need to notify PERS in writing.

With options two and three, the elected person maintains his or her retiree status and continues receiving retirement benefits. However, with option two, he or she

waives the elected position salary entirely. With option three, on the other hand, the retiree may elect to receive an annual salary not to exceed 25% of his or her average compensation at retirement.

Within five days of taking office, a retiree who chooses option two or three must file a PERS Form 9C, *Local County or Municipal Elected Official Reemployment Acknowledgement and Election*, with his or her employer, who will complete the form and file it with PERS. Using Form 9C, a retiree denotes whether he or she will A) waive all salary or B) accept a salary not to exceed 25% of his or her average compensation at retirement, prorated over a 12-month time frame.

A local elected official who decides to retire from a PERS-covered job while in office but who plans to continue serving as a local elected official should file a Form 9C when making application for retirement.

Covered employers who hire a PERS retiree are responsible for the ongoing reporting of wages. Employers are required to report post-retirement earnings paid to a retiree receiving a monthly retirement allowance from PERS. However, no employee or employer contribution to PERS is due on these wages, and service credit will not be awarded.

To read PERS Board Regulation 34, *Reemployment After Retirement*, in its entirety with a list of all elected positions covered by this regulation and the consequences of failing to comply with this regulation, visit PERS online at www.pers.state.ms.us/employerservices/selectedregulations.html.

To download a copy of PERS Form 9C, *Local County or Municipal Elected Official Reemployment Acknowledgement and Election*, visit www.pers.state.ms.us/pdf/Forms/form9c_0305.pdf.





Q&A: Medicare

I'm a soon-to-be-Medicare-eligible retiree covered under the State and School Employees' Health Insurance Plan. What option does PERS offer for alternative coverage?

The PERS-sponsored Retiree Medical Insurance Plan is currently underwritten and administered by Monumental Life Insurance Company of Cedar Rapids, Iowa. Though premiums are lower with the PERS Retiree Medical Plan, the State Plan (administered by Blue Cross Blue Shield) offers better coverage, paying 100% of the Medicare deductible and coinsurance amounts for covered medical services with no calendar year deductible. The medical plan offered through Monumental Life Insurance Company for Medicare-eligible retirees and their spouses does not pay the Medicare Part B deductible and pays 16% of the Medicare-approved amounts (with Medicare paying 80% and the insured paying the remaining 4%).

For more information on the State Plan, contact a Blue Cross customer service representative at 800.709.7881.

For more information on Monumental Life, contact a customer service representative at 800.749.6983.

When I become Medicare eligible, will I automatically have prescription drug coverage?

You will need to enroll in a Medicare Prescription Drug Plan if you want prescription drug coverage. You can visit www.medicare.gov to compare or select a Medicare Prescription Drug Plan.

Visit PERS Online to Find Answers to Frequently Asked Questions

www.pers.state.ms.us/faqquickref.cfm

Former PERS Deputy Director Passes Away

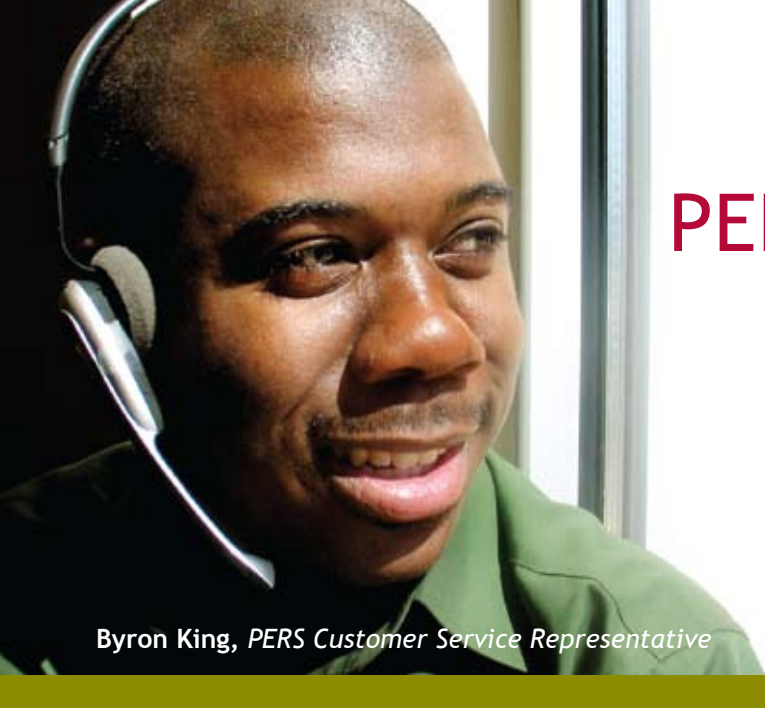
Former Administrative Services Deputy Director and interim Executive Director James Harris Dunn, age 75, passed away March 26 after a two-year battle with cancer.

Dunn, who graduated from the University of Mississippi with a degree in accounting and served in the U.S. Air Force, worked

with a public accounting firm; was an auditor with the Department of Health, Education and Welfare; and was finance director and comptroller of a number of state agencies. He also served as investment manager, deputy director and interim executive director of PERS before retiring in 1994.



Dunn



Byron King, PERS Customer Service Representative

PERS Is Here for You

PERS Customer Service Center is designed to quickly and efficiently deliver information to retirees and members in a friendly, timely and accurate manner.

Offering a positive one-stop service experience, our staff not only is able to answer questions about all retirement systems administered by PERS, but is able to provide general information, take requests for information and provide updates on the status of claims.

The Customer Service Center operates weekdays (with the exception of state holidays) from 8 a.m. - 5 p.m. You may reach the Center at 800.444.PERS.

Contact PERS

800.444.PERS or 601.359.3589

www.pers.state.ms.us

Providing Benefits for Life

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