

Medical Insurance Plan Open Enrollment Set

The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees has approved an open enrollment period that will run through Jan. 31 for the retiree medical insurance plan underwritten and administered by Monumental Life Insurance Company of Cedar Rapids, Iowa.

This plan is available to all Medicare-eligible retirees enrolled in Medicare parts A and B. If a retiree is covered by other insurance, such as the State and School Employees' Health Insurance Plan (i.e., the State Plan), he or she should evaluate the coverage under each plan to determine which is the best for his or her individual needs before making any changes.

The plan covers the Medicare Part A deductible and 16 percent of Medicare Part B medical services, after the calendar year deductible, with Medicare paying 80 percent and the insured paying the remaining 4 percent. Conversely, the State Plan pays 100 percent of the Medicare deductible and coinsurance amounts for covered medical services with no calendar year deductible.

The Board also approved, under advisement of the agency's actuary, Cavanaugh Macdonald Consulting, LLC, a request from Monumental's parent company, Aegon, to increase insurance premiums by 5 percent due to an increase in incurred claims.



The new rates will go into effect January 1, 2010. The previous monthly rate of \$116.70 per enrollee will increase to \$122.54. The previous monthly rate for enrollee and spouse of \$233.40 will increase to \$245.08. Following the effective date of coverage,

premiums will be deducted from retirement benefit payments.

Another change to the coverage includes the elimination of the pre-existing conditions exclusion in the policy. Previously for a pre-existing condition to be covered immediately under the plan, the insured must have been covered by another carrier for at least six months immediately prior to enrollment. Otherwise, the insured had to have been enrolled in the plan for six months before the condition would be eligible for coverage.

Enrollment forms were mailed to certain eligible retirees in November. To take part in the open enrollment, complete the form and return it along with a check for the first month's premium in the postage-paid envelope.

For additional information or to obtain an enrollment form, please call a Monumental Life customer service representative at 800-749-6983 weekdays from 7 a.m. to 5 p.m., CST.

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Executive Director's Column by Pat Robertson

Forward Thinking Keeps PERS Prepared

Whether economic times are prosperous or inclement, our focus remains on keeping benefits secure for current and future retirees.

Established in 1952, PERS is a defined benefit plan that—since first investing in equity securities in 1980—anticipates fluctuating markets so that investment losses in the short-term will not negatively affect the long-term security of retirement benefits paid to our members.

PERS (the System) is responsible for the administration of four defined benefit plans that serve a membership of almost 368,000. The System provides monthly payments of more than \$100 million and an annual 13th Check (i.e., Cost of Living Adjustment or COLA) totaling nearly \$291 million to more than 80,000 retirees. Not only do these payments represent increased retirement security for thousands of retired public employees, they serve as an economic engine for Mississippi and its local economies with almost 93 percent of these payments (more than \$1.4 billion annually) remaining in the state.

During the past 10 years, the System has seen growth in both membership and retirees. As of June 30, there were more than 167,000 active members, up almost 12 percent since 1999. Also since 1999, the number of retirees has increased almost 53 percent with continued growth expected. Realistically, the total number of retirees could, 10 years from now, equal or exceed 125,000.

In 1999, annual benefits paid equaled \$602 million. In 2009, the System paid

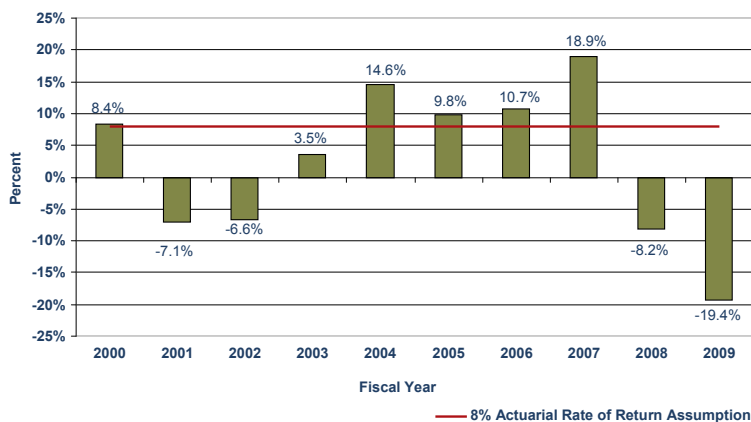
\$1.5 billion in benefits, representing a 153 percent increase.

We employ 31 different investment firms that manage 37 accounts within the portfolio. The assets are invested in accordance with a strategic asset allocation policy that mitigates risk and, over time, is expected to earn an 8 percent investment rate of return.

While the affect of the Dow Jones Industrial Average's (DJIA) performance since late 2007 on the portfolio has not been as dramatic as what has happened to the overall economy, it has been significant. Our return for fiscal year 2008 was a -8.2 percent. Unfortunately, the return for fiscal year 2009 was -19.4 percent, and the asset value has dropped from \$19.7 billion on June 30, 2008, to \$15.5 billion as of June 30, 2009. This decrease of more than \$4.2 billion from last year places the market value of assets close to the same level as of June 30, 1999.

As the market and the economy slowly make their way back from the worst downturn since the Great Depression, so, too, does the System. In fact, as of September 30, assets had grown to \$17.5 billion, reflecting a 13.8 percent return for the three months since the fiscal year end. Though precise predictions of significant

PERS Investment Performance

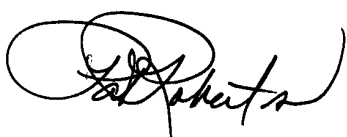


economic downturns are difficult, we are constantly strategizing to abate any detriment to the System and defensively working to protect the security of benefits.

One such strategy is that we “smooth” any investment gains or losses over a five-year period, recognizing 20 percent of the gains or losses each year rather than large gains or losses in any one year. We do this in an attempt to diminish the volatility of the market as it relates to funding of the System. In essence, smoothing our gains/losses over time translates to a less volatile actuarial value of assets.

Another defensive move is adjusting the employer contribution rate when needed. With back-to-back years of negative market performance, it was necessary to increase the employer contribution rate for PERS from 11.85 percent to 12 percent this past July and to 13.56 percent effective July 1, 2010. Furthermore, we will likely be faced with additional increases over the next several years.

These are inclement financial times both nationally and for the System, yet the System remains financially sound. And it will continue to remain sound because we take our fiduciary responsibility seriously. We will stay focused on maintaining a secure retirement system, regardless of any instability in the markets today, tomorrow or years down the road.



A Message from Retired Education Personnel of Mississippi

By REPM President Norweida Rayford Roberts

Imagine that you have worked in Mississippi in a school district—not just as a teacher, but in any capacity—for at least 25 years and then you began thinking it is time to retire.

Retirement is personal and each person who contemplates that particular situation finds that there are some very personal decisions to make. After being totally involved in a career for many years, the first decisions may be concerned with “What will I do? Will I seek employment? Will I volunteer? Will I be bored? What will fuel my desires to continue a productive life?”

Retired Education Personnel of Mississippi (REPM), an affiliate of National Retired Teachers’ Association, gives retirees a vehicle for expressing their passion to remain involved. REPM provides a place where people of like interests can gather to help each other. The association is comprised of retirees who meet in 59 different local units that make up six districts in order to keep up to date on issues that affect retirees.

The purposes of the association are to support the PERS Board of Trustees; to lobby for legislation supported by the Board; to seek to defeat legislation opposed by the Board; to provide a forum for discussion and action on issues of interest to members; to promote the formation and participation of local units; to cooperate with other associations; and to offer projects to involve the members in community service.

Members of REPM are recipients of multifaceted benefits. The association serves as the advocate and voice for school retirees and gives retiree needs undivided attention. Through newsletters, e-mails, calls and meetings, REPM keeps members informed of all important issues affecting them. A major benefit of membership in REPM is that it gives retirees many opportunities to enjoy a long, productive and happy retirement.

For more information, see www.rep-ms.org. REPM welcomes your state membership at P.O. Box 6371, Pearl, MS 39208. Annual individual membership is \$10. Lifetime membership is \$100. Couple lifetime membership is \$150.





PERS Board of Trustees

Herrington Elected New Board Chair



Lester Herrington of Brandon was elected June 23 as chairman of the PERS Board of Trustees for fiscal year 2010, succeeding Tate Reeves, Mississippi state treasurer.

A retired deputy commissioner from the Mississippi Tax Commission, Herrington was

initially a gubernatorial appointee to the Board from 1991 to 2001, during which time he first served as chairman (1995 to 1997). In 2005, he was elected by PERS retirees to serve on the Board as one of their representatives.

The chairman presides at meetings, appoints members of board committees and can call special meetings.

Benson Re-Elected to Board of Trustees



Bill Benson, Lee County chancery clerk, has been re-elected as county employee representative on the PERS Board of Trustees.

Benson of Shannon defeated Joyce Mayberry of Macon. Mayberry is payroll administrator, county inventory control clerk and board secretary for the

Noxubee County Board of Supervisors.

McMillan Elected to Board of Trustees



H.S. "Butch" McMillan, Mississippi Department of Rehabilitation Services executive director, has been elected as the new state employee representative on the PERS Board of Trustees.

McMillan of Madison defeated

Division of Medicaid Deputy Administrator Lynda Babin Dutton of Brandon.

McMillan is filling an unexpired term through June 2014 left vacant by the retirement of John Mulholland of Brandon.

Public Schools and Community Colleges to Vote for PERS Board Representative

Public school and community/junior college employees who are active members of PERS will cast their votes from Jan. 11 through Feb. 11 for representation on the PERS Board of Trustees.

Candidates are currently being sought via petition for this six-year term that runs from May 1, 2010, to April 30, 2016.

Benefits and Health Insurance

Article reprinted with permission from the Summer 2009 MRPEA Guardian

Two of the most frequently asked questions by Mississippi Retired Public Employees' Association (MRPEA) members concern the security of retirement benefits and subsidized insurance provisions for retirees. MRPEA Board members requested a response to these questions from PERS in order for everyone to have the same answers.

The Security of PERS Benefits

Members and retirees of PERS can be assured that their retirement benefits are safe. While PERS is experiencing turbulent economic times, as everyone is, there is no need to be concerned about PERS benefits. Retiree benefits cannot be changed, and all retirees will continue to receive the benefits they earned over their careers in public service. Financial market downturns are to be expected, and PERS manages the funds in accordance with a prudent philosophy of investing for the long-term and investing in a well-diversified, strategic asset allocation mix that helps to moderate the effect that any segment of the market may have on the performance of the total fund. To further ensure the continued financial integrity of the System, PERS has made (and will make again, if necessary) the decision to increase the employer contribution rate to 12 percent July 1 (*Editor's Note: the employer contribution rate will increase to 13.56 percent July 1, 2010*). PERS has and will always work tirelessly to maintain the security of all the retirement benefits it provides.

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.

As currently legislated, the Retiree Health Insurance Plan would be modeled after the State and School Employees' Health Insurance Plan and would be made available to all retirees. Considering the cost of providing the current coverage under the State Plan and increases in the cost of health care, the cost to employers to fund a subsidy could

be more than what was originally contemplated.

There is a perception that this health care plan would be at no cost to the retiree; however, that is not correct. The amount of the subsidy would be limited to 2 percent for each year of service up to a maximum of 60 percent. In other words, if a retiree had 30 years of service and the actual premium was \$1,000, the cost to the retiree would be \$400 ($\$1,000 \times .60 = \600 ; $\$1,000 - \$600 = \$400$). There would be no subsidy for spousal coverage. The retiree would have to pay the full cost of the spouse's premium.

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



Maxine Walker Passes Away

Maxine Gregson Walker, PERS retiree and wife of former PERS Executive Director Fred M. Walker of Jackson, died on July 6, 2009, due to complications from cancer.

Mrs. Walker worked for PERS as executive assistant for more than 15 years and was a staunch advocate for retirees.

MDC Gets New URL

Mississippi Deferred Compensation Plan & Trust (MDC) has established a new website address, www.mdcplan.com.

Previously, the MDC site was only accessible through the PERS website, but now visitors can take a direct route online.

Also new to the site are online educational seminars. Currently there are eight opportunities, all free and each about 25 minutes long. To access the seminar library, click the link below the MDC logo on the site's home page.

Retiree Fun Fact

The average age of all benefit recipients is 68.5, with 61 retirees being 100 years old or older as of Nov. 1.

Our oldest retiree is 106!



Upcoming State Holidays

PERS will be closed on the following dates:

Holiday	Dates
Thanksgiving	Nov. 26 and 27
Christmas Eve and Day	Dec. 24 and 25
New Year's Eve and Day	Dec. 31 and Jan. 1

Q&A: Return to Work

Current state law states that a PERS retiree can be reemployed with the state but may only work half time. Would such a return-to-work employee be required to once again pay an employee contribution to PERS?

Reemployed retirees do not pay employee contributions on wages that they earn while working on a limited basis after retirement. Likewise, employers do not currently pay employer contributions on wages paid to retirees working on a limited basis.

How are benefits affected when a retiree returns to PERS-covered service?

A PERS retiree who returns to covered service ceases to receive benefits while employed. If after more than six months of reemployment that person returns to retirement, his or her benefit will be recomputed to include wage and service credit earned after reemployment.

This process allows a retiree to cancel his or her retirement in order to return to service as an actively contributing member and earn additional service credit to be used in the calculation of his or her benefit upon his or her subsequent retirement.

Visit PERS online to find answers to [Frequently Asked Questions](http://www.pers.state.ms.us/faquickref.cfm) www.pers.state.ms.us/faquickref.cfm

Insurance Advisory Committee Welcomes New Faces

The PERS Board of Trustees has approved Insurance Advisory Committee changes.

James Terry of Jackson is the new Committee chair. Drs. Ralph Brewer and Terrell Tisdale have been appointed to fill two of the three vacancies due to the term expirations of Tony Byrne, Mary Lansing and Rodney Joyner. Additionally, Gene Hartley has been reappointed to serve a second three-year term.

Comprised of seven retirees, the Committee advises the Board concerning the PERS-sponsored health and life insurance plans.

Coming Soon

PERS Website to Be Restyled

PERS revealed its new logo and look in the May 2009 *Forward* and will soon take that look online.

Little by little, the agency is implementing the new look in various publications, on forms, on letterhead and, soon, on the agency's website.

The updated website will have the same functionality and basic layout as the current website and will feature the same helpful information and tools. However, PERS is working to enhance our customers' online experience by offering an updated look and streamlining the data provided.

The site restyling is anticipated to be up and running in the new year.

As always, PERS looks to members and retirees to provide feedback on how we can better serve you. With these updates to the site, we hope you will share with us how we can improve your online experience so that, as our site changes and grows, it can become an even more useful tool for you and other end users.

Send feedback on the website to:
pmailaccount@pers.ms.gov



From left, Greg Gregory, deputy administrator of Administrative Services, presents a plaque for the Certificate of Achievement for Excellence in Financial Reporting to PERS Board of Trustees member and Mississippi State Treasurer Tate Reeves. Gregory presented the award on behalf of the Government Finance Officers Association of the United States and Canada.

PERS Honored for Financial Report

PERS has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for PERS' fiscal year 2008 comprehensive annual financial report. This is the 22nd consecutive year that PERS has received this award.

Prepared by PERS Finance and Accounting Department under the direction of Finance Director Linda Wolverton and in collaboration with many other departments in the agency, PERS' comprehensive annual financial report was created to fully disclose the agency's financial story while motivating user groups to read the report.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. Attainment of this award represents a significant accomplishment by a governmental agency and its management.



Audio versions of *Forward* now available

PERS is always working to improve service to members and retirees, and our most recent effort is offering audio versions of the retiree newsletter, *Forward*.

The first audio newsletter was the May 2009 issue of *Forward* and can be found in mp3 format at www.pers.state.ms.us/memberservices/retireenewsletter.html.

As new issues are published, the website will be updated with audio versions.

To listen to the audio version of each newsletter, simply visit the above link and click the “Listen Now” button beside the issue you would like to hear. A media player should automatically begin playing your selection. Listening time is approximately 25 minutes.

For those who would rather download the mp3 instead of listening to it all in one sitting online, use your mouse to right click the “Listen Now” button and save the file to your computer. You can then put it on your mp3 player and listen on the go!

Contact PERS: 800.444.PERS 601.359.3589 www.pers.state.ms.us

Providing Benefits for Life

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