

FORWARD

PERS Study Commission slated to issue results in November

As most members and retirees of the Public Employees' Retirement System of Mississippi (PERS) may know, Governor Haley Barbour created the PERS Study Commission in August to analyze the program's structure and recommend improvements; but, for those who may not be aware of the Commission, here is a quick overview.

The 12-member Commission is chaired by Gulfport Mayor George Schloegel and is scheduled to issue a report with recommendations to the Legislature by November 15.

The eight voting members of the Commission are Schloegel; Will Flatt, formerly of Parkway Properties; former Supreme Court Justice Reuben Anderson; Harry Walker of Trustmark Bank; Seale Pylate of Phelps Dunbar; Bill Crawford, former legislator and

businessman from Meridian; Bill Benson, Lee County chancery clerk and PERS Board of Trustees chairman; and Kevin Upchurch, Department of Finance and Administration director. The four non-voting members are Senator Hob Bryan, Senator Dean Kirby, Representative Preston Sullivan, and Representative Greg Snowden.

PERS Executive Director Pat Robertson gave an August 17 presentation to the Commission on PERS' history, structure, and financial standing (view Power Point at www.pers.state.ms.us/aboutpers/directorsSpecialMessage.html).

A public comment forum was held September 14, where individuals from the public and private sectors shared thoughts with the Commission about its work. During the forum, Schloegel

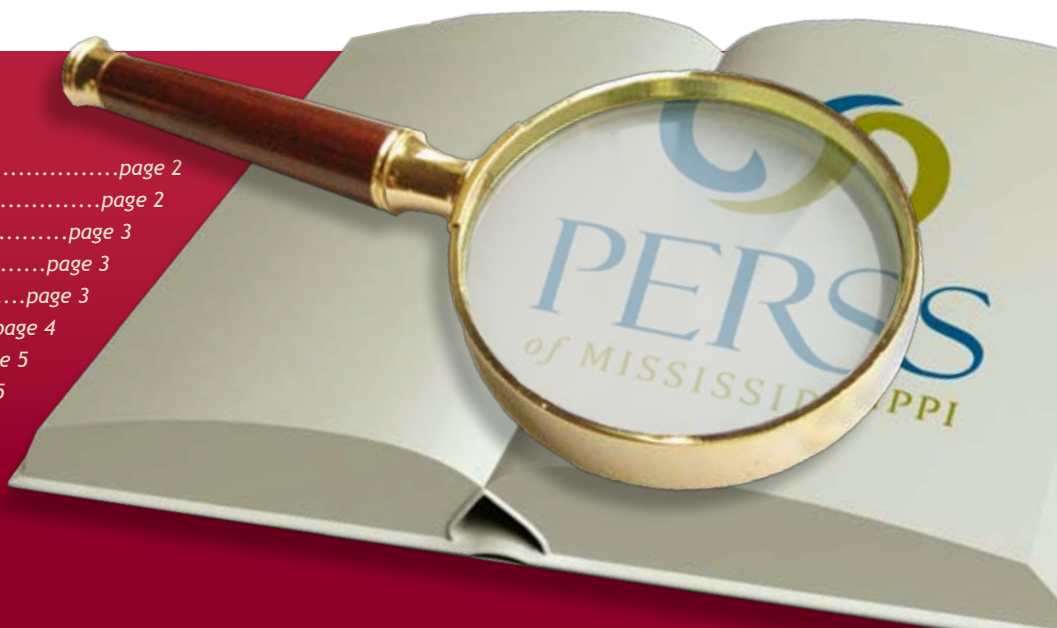
emphasized that the Commission can only issue recommendations to the Legislature, not make any changes to PERS. Only the Legislature has the authority to make changes.

The Commission hired actuarial consulting firm Gabriel, Roeder, Smith & Company and also called for public opinion via a comment form downloaded from www.governorbarbour.com/features/PERS/Comment_Form.pdf, which may be e-mailed to retirementstudy@governor.state.ms.us.

For more information on the Commission, visit www.governorbarbour.com/features/PERS/persindex.html or contact the Governor's Office at 877-405-0733, 601-359-3150, or retirementstudy@governor.state.ms.us.

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Executive Director's Message by Pat Robertson

Taking measures to protect those we serve

Whether a new member or a long-time retiree, Mississippi's current and former public employees have probably thought more this year than ever about the retirement benefits provided by PERS.

Increasing media attention and the creation of a commission to analyze PERS' structure and recommend improvements have caused much concern and confusion. The PERS Study Commission is slated to issue a report with recommendations to the Legislature by November 15. While being on the receiving end of a critical eye can cause discomfort, PERS appreciates scrutiny, guidance, and constructive criticism. We actively seek guidance and direction from a vast landscape of state and federal requirements; from our consulting actuary; from our investment managers; from our external auditors; from our state's legislative and executive branches;

and from our independent board of trustees that includes representatives of members, retirees, and the tax-paying public.

PERS' funded status is not where it should be; however, steps toward improvement have been taken. Since 2005, the employer contribution rate has increased from 9.75 to 12.93 percent (effective January 1, 2012), vesting for new members increased from four to eight years (effective July 1, 2007), and the member contribution rate increased from 7.25 to 9 percent (effective July 1, 2010). Other changes for new hires after July 1, 2011, include increasing retirement eligibility from 25 to 30 years, reducing the benefit formula (see Senate Bill 2439, page 4), and delaying Cost-of-Living Adjustment compounding from age 55 to 60.

These changes will help move PERS toward a better funded status;

however, time is needed to realize the full effect of these changes.

PERS' sustainability has come into question. In my opinion, PERS is sustainable, especially the benefit structure in place for new members. The question revolves more around affordability and paying for the benefits that have already been earned by current members and retirees. The fact is a pay-as-you-go retirement plan is sustainable if you have the funds to pay for the benefits each year. Unlike a pay-as-you-go plan, PERS has more than sufficient assets on hand to pay benefits for many years to come.

We recognize and appreciate our responsibility to those we serve and all Mississippians. Now is a time for levelheadedness and forward thinking.

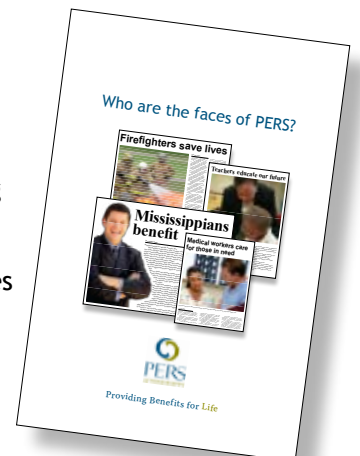
Who are the faces of PERS?

Too often when public pensions are discussed the focus is on numbers and statistics.

PERS wants to remind everyone that behind every number are real people who are affected by this agency and the work it does. Therefore, PERS has published "Who are the faces of PERS?" This publication highlights those who spend

their careers in public service patrolling highways, teaching children, healing the sick, building infrastructure, and keeping communities operating smoothly.

To download a copy of "Who are the faces of PERS?" visit www.pers.state.ms.us.



PERS Board of Trustees

Bill Benson of Shannon was elected June 28 to serve as chairman of the PERS Board of Trustees for fiscal year 2012, which began July 1. He succeeds Thomas J. Lariviere.

Benson is Lee County chancery clerk and represents county employees on the PERS Board. He was first elected to the Board effective January 1, 2008.

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

Dr. Richard C. Miller, retired physician and professor of pediatrics at University of Mississippi Medical Center, has been elected as a retiree representative on the Board.

Miller previously served on the Board from 1993 to 2008 as a representative of the state's institutions of higher learning.



Benson



Miller

Employer contribution rate increase set for January 1, 2012

Employer contribution rate increases first approved by the PERS Board of Trustees in October 2010 will take effect January 1, 2012.

The Board initially approved rate increases from 12 to 12.93 percent for PERS-covered employers, 6.65 to 7.40 percent for the Supplemental Legislative Retirement Plan (SLRP), and 30.30 to 35.21 percent for the Mississippi Highway Safety Patrol Retirement System (MHSPRS) effective July 1, 2011. However, in response to a request from leaders in the Mississippi Legislature, the Board took action at its February meeting and the MHSPRS Administrative Board voted in March to delay any employer contribution rate increases until January 1, 2012.

Based on the results of the June 30, 2011, actuarial valuation, the employer contribution rate for PERS is projected to increase to approximately 14.26 percent, effective July 1, 2012, on advice from PERS actuary Cavanaugh Macdonald Consulting, LLC.

Reminders:

Lump sum COLA payments scheduled for December 15 Cost-of-Living Adjustment (COLA) payments for those who receive the COLA in a lump sum payment will be deposited Thursday, Dec. 15, 2011.

For retirees receiving paper checks, those checks will be mailed December 14, 2011, and will be dated December 15, 2011.

IRS Forms 1099-R to be mailed in January

Mark your calendars, IRS Forms 1099-R for calendar year 2011 will be mailed by PERS no later than January 31, 2012.

Tax withholdings will be recalculated in 2012

The 2012 federal tax withholding tables will be released by the Internal Revenue Service at the end of 2011.

In early 2012, PERS will recalculate the tax withholding for all affected retirees. Any change in your tax withholding would take place either February 1, 2012, or March 1, 2012, depending on when the tax tables are released and will be reflected on either your check stub if you receive benefits by paper check or your direct deposit notice.



2011 Legislative Summary

House Bill 957 (2010)

- Provides that anyone who retires under PERS on or after July 1, 2011, must be retired for not less than 90 consecutive days from his or her effective date of retirement, or such later date as established by the PERS Board of Trustees, before returning to limited service with a PERS-covered employer.
- Provides that the PERS-covered employer of any retired member who is working after retirement will pay the full amount of the employer's contributions on the amount of compensation received by the retiree for his or her post-retirement employment effective July 1, 2011.

House Bill 859 (2011)

- Adds Option 4 to the Pop-Up and Pop-Down provisions effective July 1, 2011, for both PERS and the Supplemental Legislative Retirement Plan (SLRP).
- Provides that, for PERS and SLRP members who retire effective on or after July 1, 2012, the actuarial equivalent factor used to compute the reduced retirement allowance at retirement or upon any subsequent recalculation of benefit shall be the factor for

the age of the retiree and his or her beneficiary at the time of retirement or at the time an election for recalculation of benefits is made.

- Makes Option 4, the 75 percent joint and survivor annuity, available to Mississippi Highway Safety Patrol Retirement System (MHSPRS) members who retire on or after July 1, 2011.
- Adds Option 4 to the Pop-Up and Pop-Down provisions for MHSPRS retirees effective July 1, 2011.

Senate Bill 3078 (2010)

- Establishes 30 years as the number of years of creditable service required for retirement regardless of age for persons who become members of PERS on or after July 1, 2011.
- Establishes 33 years as the number of years of creditable service required to select a partial lump sum option for persons who become members of PERS on or after July 1, 2011.

Senate Bill 2439 (2011)

- Establishes the retirement formula for persons who become members of PERS on or after July 1, 2011, as 2 percent of average compensation for each of the first 30 years of creditable

service and 2.5 percent of average compensation for each year beyond 30, with no minimum monthly benefit. Provides for an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below age 65, whichever is less, for persons who become members of PERS on or after July 1, 2011.

- Establishes the COLA for persons who become members of PERS on or after July 1, 2011, as 3 percent of the annual retirement allowance for each full fiscal year in retirement up to the fiscal year in which the retired member reaches age 60, plus 3 percent compounded for each full fiscal year thereafter.
- Replaces the 3 percent reduction in spouse survivor retirement benefits under PERS with an actuarially determined percentage or factor to allow for modification as the percentage or factor might need to change from time to time as determined by the actuary.
- Authorizes the transfer of ownership of certain assets in the Health Care Trust Fund to PERS, and authorizes PERS to accept the transfer of certain assets from the Health Care Trust Fund.

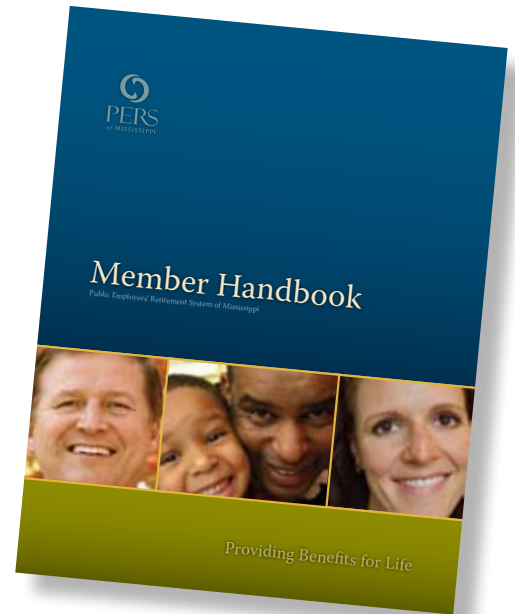
PERS Member Handbook updated, online

The PERS Member Handbook has been revised to incorporate the legislative and regulatory changes enacted since its last revision.

To minimize cost, PERS will only print a limited number of the Member Handbook this fall; therefore, we encourage those we serve to reference the online version of the handbook at www.pers.state.ms.us/pdf/memberservices/handbooks/Member_Handbook_2011.pdf.

Earlier versions of the Member Handbook should be discarded or deleted as some information may be outdated.

The handbook is subject to periodic revision; therefore, we will note the most recent revision date next to the handbook link online for your reference.



Retiree Insurance Advisory Committee

Comprised of seven retirees, the PERS Retiree Insurance Advisory Committee advises the Board of Trustees concerning the PERS-sponsored health and life insurance plans. Each term is three years, running from November 1 to October 31.

Below is the current Retiree Insurance Advisory Committee membership.

Committee Members and Current Terms

Dr. Ralph Brewer
Brandon
2011-2012, Chair
2009-2012

Yvonne Shotts
Mendenhall
2011-2014

Gene Hartley
Oxford
2009-2012

James Terry
Jackson
2010-2013

Dr. Joe Haynes
Ridgeland
2010-2013

Dr. Terrell Tisdale
Hattiesburg
2009-2012

William Lanham
Gautier
2009-2012

Medical insurance open enrollment

The PERS Retiree Medical Insurance Plan will have an open enrollment from November 1 to December 31.

Enrollment forms will be mailed to most eligible retirees, who, if interested, may complete a form and return it along with a check for the first month's premium.

In October 2011, the PERS Board of Trustees approved a 5.34 percent rate increase for 2012. The single monthly rate will increase from \$131 to \$138. Retiree and spouse coverage will increase from \$262 to \$276 per month.

The plan is available to all retirees enrolled in Medicare parts A and B. The plan covers the Medicare Part A deductible and 16 percent of Medicare Part B medical services, after the calendar year deductible, with the insured paying the remaining 4 percent of the amount not covered by Medicare Part B. Conversely, the State and School Employees' Health Plan pays 100 percent of the Medicare deductible and coinsurance amounts for covered medical services with no calendar year deductible.

Retirees covered by other insurance are encouraged to evaluate each plan to determine the one that best meets individual needs before making any changes.

The PERS Retiree Medical Insurance Plan is underwritten and administered by Monumental Life Insurance Company of Cedar Rapids, Iowa. For additional information, call a Monumental Life customer service representative at 800-749-6983 weekdays from 7 a.m. to 5 p.m., CST.

Report deaths to PERS as soon as possible

The death of a PERS member, retiree, or beneficiary should be reported to PERS as soon as possible.

Though a copy of the death certificate will be required by PERS and should be provided as soon as possible, having the certificate in hand is not necessary to report a death.

Any payment issued to the deceased after the date of death must be returned to PERS. When appropriate, the payment will be reissued to the eligible beneficiary.

A prorated portion of the Cost-of-Living Adjustment (COLA) will be paid to the beneficiary of any benefit recipient who receives the COLA in a lump sum where death occurs between July 1 and December 1 and where monthly benefit payments have terminated to all eligible beneficiaries. This prorated portion is equal to the amount the deceased benefit recipient would have received had he or she elected to receive the COLA on a monthly basis.

A Message from the Mississippi Retired Public Employees' Association

The Mississippi Retired Public Employees' Association (MRPEA) was founded for the sole purpose of protecting our retirement system from outside forces that would threaten to change or endanger both present and future retirement benefits.

Open to Retired and Active Employees

MRPEA membership is open to both retired and active employees and is dedicated to keeping its membership informed on legislation and activities that could affect PERS.

Our retirement system has been respected as one of the best in the country, due in part to the dedication of the PERS Board of Trustees and the staff at PERS, along with a supportive state Legislature. Our Board has remained focused on the protection of the System because they are elected by the membership and not appointed or influenced by outside interests.

MRPEA wants to encourage both retired and active employees to join with us as we seek to stay informed about PERS and the outside forces that might seek to change our retirement system.

We invite all who are interested in protecting PERS to join us. Membership in MRPEA is \$15 a year or \$250 for a lifetime membership.

As part of your membership, you will be invited to attend meetings and take part in relevant discussions about PERS and issues surrounding the agency. You will receive a subscription to *The Guardian* newsletter, which offers the latest information about MRPEA opportunities and activities and legislative actions. And you will have the opportunity to sign up for our ever-growing e-mail listserv that keeps members abreast of critical events surrounding PERS with up-to-date announcements from MRPEA President Sam Valentine.

Visit MRPEA online

MRPEA also invites you to visit us online at our recently re-launched website, www.mrpea-inc.org.

From our site, you may keep track of our meeting schedule, read messages from the president, and find names of district directors and other MRPEA leadership. You may also download a membership application from the site at www.mrpea-inc.org/MRPEA/Images/PDFs/MemberApp.pdf.

Contact MRPEA

For more information, please contact us at MRPEA@bellsouth.net, 601-919-0670 or P.O. Box 5580, Brandon, MS 39047. We look forward to hearing from you and hope you will join us in our work to protect PERS.



From Our Retirees

Staying energized in retirement

Bob Marsh, Madison County
Mississippi Public Utilities Staff retiree

I retired in 2005 from the Mississippi Public Utilities Staff at age 65 after 10 years of service. I have a life-long love of the outdoors and enjoy observing nature, gardening, yard work, nature photography, and any project that puts me outside.

I have always had an interest in canoeing and, as a retiree, I have more time to pursue this interest. I have now paddled most of the rivers and streams in Mississippi, including numerous trips on the Mississippi River. I have been blessed with the opportunity to see Mississippi from a perspective that most people don't, from a canoe floating down a remote stream surrounded by the beauty and tranquility of nature.

After a couple of years in retirement— and looking for more adventure— I discovered the Mississippi barrier islands. With this new objective, I bought a sea kayak and have made several kayak paddling trips out to the islands.

To enable my non-paddling friends to experience the beauty of the islands, I sometimes charter a boat to take a group out for several days of wilderness camping, hiking, and fishing. Paddling and wilderness camping are not typical hobbies of retirees, but I find them physically demanding and spiritually stimulating.

When I first developed my interest in the Mississippi barrier islands, I discovered that very little specific information was available for someone to use as a guide to plan visits. This lack of information motivated me to create the *Guide to the Mississippi Barrier Islands*, which I maintain at www.barrierislandsms.com.

Vera Perkins, Hickory Flat
Public schools retiree

Mission team participation is one of the most rewarding and enjoyable things I have been able to do since retiring after 36 years of teaching. Ellis, my husband of 57 years, and I became interested in this type of work when teams of workers from seven states came to Hickory Flat in 1998 and helped build a new sanctuary for Faith Baptist Church. Ellis was chairman of our building committee, and we worked alongside the team members each day, which gave us good bonding time. We still keep in contact and have worked on many projects with some of them.

After our church project, we felt

compelled to reach out to others needing such work. Our first trip was to Jones County Junior College with a team from Meridian to work on the Baptist Student Union. We began work in construction, which Ellis still does, but I have migrated to the kitchen, where I assist another retired teacher, Jan Taylor of Laurel. We help prepare daily meals and snacks for all the workers. At our last project at Bethany Baptist Church in Prentiss, we prepared and served 725 meals over a five-day period.

Several team members (including us) travel and stay in campers while volunteering. We have participated in projects as far east as Virginia Beach, Virginia, and as far west as Nucla, Colorado, and many points in between. We have enjoyed establishing friendships with different cultures and working with a variety of congregations.

I enjoy these rewards of retirement, and, at 76 years of age, I hope to have many more such opportunities.

Interested in sharing about yourself in the *Forward?* E-mail your retirement story with photo to Anna Ehrgott, aehrgott@pers.ms.gov. Please include your city and from which employer you retired.



PERS Board of Trustees

Board Chairman & County Employees Representative
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Retirees Representatives
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Richard Miller

State Treasurer
Tate Reeves

Public Schools and Community/ Junior Colleges Representative
Lee Childress

Contact PERS
800.444.7377
601.359.3589
www.pers.state.ms.us

Institutions of Higher Learning Representative
Cecil L. Hill

Disclosure
This newsletter contains general information about your retirement system and is not a legal reference. For detailed explanations about all PERS retirement systems, call the PERS office or visit us online.

Gubernatorial Appointee
Paul Hurst

Municipal Employees Representative
Tom Lariviere



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Upcoming State Holidays

PERS will be closed to observe the following holidays:

Holiday	Dates
Thanksgiving....	November 24 and 25, 2011
Christmas.....	December 23 and 26, 2011
New Year's	December 30, 2011, and January 2, 2012

PERS earns national recognitions

Pat Robertson, PERS executive director, has been named president-elect of the Executive Committee by members of the National Association of State Retirement Administrators (NASRA). She assumes the position after serving as first vice president for the organization.

For the 24th consecutive year, 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 (GFOA) for PERS' fiscal year 2010 Comprehensive Annual Financial Report (CAFR). PERS also received the Award for Outstanding Achievement in Popular Annual Financial Reporting by the GFOA for its 2010 Popular Annual Financial Report (PAFR).



From left, Deputy Administrator Greg Gregory presents CAFR and PAFR awards to Board Chairman Bill Benson

The reports were prepared by the Finance and Accounting Department under the direction of Finance Director Linda Wolverton and in collaboration with other departments.