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Overall experience is favorable

Unfunded Accrued Liability below 30 years

For the first time since the June 30, 2003, actuarial valuation, the PERS unfunded accrued liability (UAL) is under 30 years and no additional increase in the employer contribution rate is necessary.

As a result of the implementation of an increase in the employer contribution rate from 9.75% to 11.85% over the past three years, as well as investment gains and positive actuarial experience, the UAL is now 29.3 years. This is within the Governmental Accounting Standards Board (GASB) requirement that the UAL period be less than 30 years. As a result, it will not be necessary to implement further phases of the employer contribution rate increase; therefore, the employer contribution rate will remain at 11.85%.

PERS' investment return for the fiscal year that ended June 30, 2007, was 18.89%; however, on an actuarial basis, only a portion of the total return is recognized in any given year. This provides a "cushion" for those years when the investment returns are less than the actuarial assumption of 8.0%. The actuarial return was 10.15%, exceeding the 8.0% actuarial assumption, which resulted in an improved funded status.

Unfunded liability periods decreased for the Mississippi Highway Safety Patrol Retirement System, from the 29.7 to 25.8 years, and for the Supplemental Legislative Retirement Plan from 24.5 to 20.1 years. For all three systems, the overall experience was favorable according to actuarial reports presented at the October Board meeting.

Dr. Virgil Belue re-elected to PERS Board

Dr. Virgil F. Belue, retired Clinton Schools Superintendent, has been re-elected as a Retiree Representative on the Public Employees' Retirement System of Mississippi (PERS) Board of Trustees. He has also been elected by the Board to serve as Chairman of the 10-member Board for the current fiscal year.

Dr. Belue defeated Mr. Wayne T. Myrick, retired Jones County Circuit Clerk and Chancery Clerk, in a runoff election for the Board position. Retirees and beneficiaries who receive benefits from PERS cast 20,776 votes in the runoff election. Dr. Belue is serving a six-year term that began July 1, 2007, his third term representing retirees.

Dr. Belue was elected Chairman during the June meeting of the Board.

"My number one priority is to protect the integrity of the Trust Fund and increase it



Dr. Virgil Belue (right) was sworn in for his third term representing retirees on the PERS Board of Trustees by Assistant Secretary of State James Anderson.

with prudent and wise investments," Dr. Belue said.

In the long run, PERS' investments exceed their goals

“We are in it for the long run.”

You have probably heard people use that expression when talking about investments. Nowhere is it truer than it is for retirement systems.

At PERS, we are planning and investing to provide benefits for members and beneficiaries who are already retired, as well as for members who have just joined a system administered by PERS and will not retire for several decades. With investment income contributing as much as 75% of the funds needed to finance benefits, it is imperative that we strategically locate our investments to assure a strong return over the long run.

Investment markets have their ups and downs, their peaks and valleys. The late 1990's saw a period of unparalleled growth in PERS' assets, followed by two years of negative returns, 2001 and 2002, and one

year of a positive, yet low return, 2003. However, since then, PERS has experienced four very strong years from a rate of return perspective.

History has demonstrated that markets rebound at some point following a decline. Employing a sound asset allocation strategy and investment managers with proven records of success provides a basic framework that allows PERS to take advantage of the peaks and “weather” the valleys.

It also helps ensure that PERS will be able to meet our actuarial assumption rate of 8.0% over time. This is the rate of return that the actuary has determined is necessary to fund the benefits over the long run.

The latest report on PERS investments revealed that we are doing well in both the short and long run. The return for the fiscal year that ended June 30, 2007, was 18.89% which, on a short-term basis, exceeded the 8.0% actuarial assumption and provided a



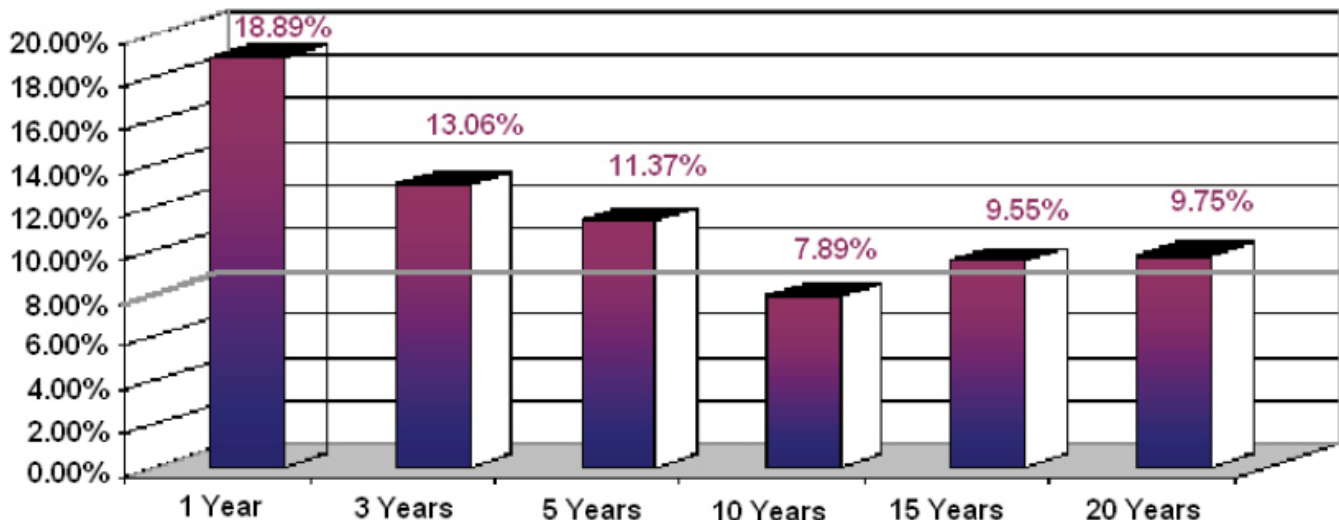
Executive Director's Column by Pat Robertson

“cushion” for future years.

In the long run, our returns have averaged 13.06% for three years, 11.37% for five years, 7.89% for 10 years, 9.55% for 15 years and 9.75% for 20 years. PERS has exceeded the actuarial assumption for each of these periods, with the exception of the 10-year period.

Board members have a fiduciary responsibility to invest funds in a prudent manner for the sole benefit of the members and beneficiaries of the system. Because of this responsibility and the fact that the investing of these assets is taken very seriously, “Providing Benefits for Life” is more than just a catchy phrase for our members.

The graph below illustrates the performance of PERS' investments over time, with the gray line representing the 8.00% actuarial assumption rate.



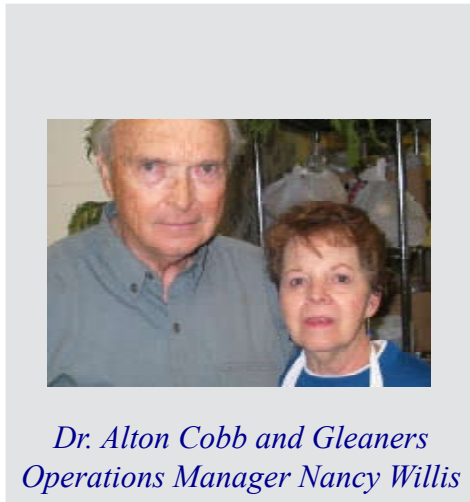
Retiree Profile

Volunteer work keeps Dr. Cobb busy

When Mary Cobb broke her ankle several years ago, she was unable to do her volunteer work at Gleaners, Inc, an all-volunteer organization that distributes donated food to about 50 shelters in the Jackson area. But she found a substitute — her husband, Dr. Alton B. Cobb, a PERS retiree.

“She said ‘you have a little time and a pickup truck,’ so I came over here,” he said. “When I started, it was once a week, then three times a week. Now I am here almost every day.”

In fact, Dr. Cobb is President of the Gleaners Board of Directors. The organization is located in a small building at 359 North Mart Plaza in Jackson. During 2006, Gleaners distributed one million pounds of



*Dr. Alton Cobb and Gleaners
Operations Manager Nancy Willis*

donated food to nonprofit organizations that feed the needy. Most of the volunteers are retirees, but additional volunteers are always needed.

“We’re very flexible,” Dr. Cobb said. “You can volunteer for one hour a week up to 30 hours a week. I find it very rewarding for two reasons. There’s the fellowship here and the realization that what we are doing helps people.”

Anyone who would like to volunteer should call Gleaners at (601) 981-4240.

Dr. Cobb is a Madison County native who was employed by the Department of Health for 35 years, the last 20 as Mississippi’s Public Health Officer. Since retiring in 1993, Dr. Cobb has been actively involved with the Mississippi Retired Public Employees’ Association. He is a former MRPEA President and serves on the Board of Directors.

Option changes after retirement

Can you Pop Up or Pop Down?

The “Pop-Up Provision” and “Pop-Down Provision” allow eligible PERS retirees to change their options and beneficiary designations under certain circumstances. These are the only changes in benefits that can be made after retirement.

Pop-Up Provision -- A retiree who selected Option 2, the 100% Joint and Survivor Annuity, or Option 4A, the 50% Joint and Survivor Annuity, may revert to the Maximum Option if the designated beneficiary predeceases the retiree or if the designated beneficiary is a spouse and the marriage ends in divorce.

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

Any qualified retiree who would like to take advantage of either provision must complete PERS Form R, Application for Recalculation of Benefits. The form is available on the PERS website at www.pers.state.ms.us.

A change in benefits will begin no earlier than the first month after the form is filed.

Benefit Payment Dates

For retirees on direct deposit, PERS benefits are transmitted the first working day of the month (the first day that is neither a weekend nor a bank holiday).

For retirees who receive benefits by mail, checks are mailed the last working day of the previous month.

<u>Direct Deposit Dates</u>	<u>Mailing Dates</u>
<i>November</i> Thursday, Nov. 1	<i>November</i> Wednesday, Oct. 31
<i>December</i> Monday, Dec. 3	<i>December</i> Friday, Nov. 30
<i>Lump Sum COLA</i> Monday, Dec. 17	<i>Lump Sum COLA</i> Friday, Dec. 14
<i>January</i> Wednesday, Jan. 2	<i>January</i> Monday, Dec. 31
<i>February</i> Friday, Feb. 1	<i>February</i> Thursday, Jan. 31

Open Enrollment for PERS Health Insurance until January 31, 2008

The PERS Board of Trustees has approved an open enrollment period during November 2007, December 2007, and January 2008 for the PERS Medicare Supplemental Health Insurance Plan. The plan is available to retirees and their spouses who are Medicare eligible.

Eligible retirees will receive a mailing from Monumental Life Insurance Company with information concerning the plan and information on registration.

The Plan is designed to help

pay part of the costs not paid by Medicare, including many of the co-insurance amounts (such as the Medicare Part A deductible), reducing out-of-pocket expenses. It also provides coverage for some benefits not covered by Medicare, such as foreign travel.

The Plan is underwritten and administered by Monumental Life Insurance Company. Effective January 1, 2008, monthly premiums will be \$116.70 for an individual and \$233.40 for a retiree and spouse.

Two Members Appointed to Insurance Advisory Committee

Mr. James L. Terry of Jackson and Dr. Joe A. Haynes of Ridgeland have been appointed to the Insurance Advisory Committee by PERS Executive Director Pat Robertson.

The seven-member committee was established by the PERS Board of Trustees to advise the Board on insurance programs for retirees. All members are PERS retirees who serve staggered three-year terms.

Other members are Mr. Tony Byrne of Natchez, Ms. Mary Lansing of Magnolia, Dr. Mary Jackson of Jackson, Mr. Gene Hartley of Oxford and Mr. Rodney Joyner of Brandon.

Update on Pension Protection Act of 2006: Special Tax Exclusion for Qualified Health Insurance Premiums for Eligible Retired Public Safety Officers

We published an article in the March 2007 Issue of *Forward* about the special tax exclusion of up to \$3,000 annually for health insurance premiums paid directly from PERS to the insurance provider of an eligible retiree. The referenced exclusion is available to eligible retired public safety officers through the Federal Pension Protection Act of 2006. To be eligible for the tax exclusion, the retiree must have separated from service as a public safety officer at normal retirement age or due to disability. An eligible “**retired public safety officer**” is an individual who served and retired from public service by reason of disability or attainment of normal retirement age with a public agency in an official capacity as a



- 1) law enforcement officer,
- 2) firefighter,
- 3) fire or police department chaplain, or
- 4) member of a rescue squad or ambulance crew.



Any eligible retired public safety officer who wishes to claim this special tax exclusion of up to \$3,000 for calendar year 2007 for qualified health insurance premiums that are deducted from his or her pension benefits will do so by reducing the taxable income reported on his or her federal income tax return. Qualified health insurance premiums are premiums paid directly by the retirement plan to the insurance provider for accident, health, or long-term care insurance for the eligible retired public safety officer, his or her spouse, and dependents.

Once the IRS has issued final instructions for 2007 Income Tax Filing, you should be able to get more information on this exclusion at:

www.irs.gov



Ten-Member Board Administers PERS

The Public Employees' Retirement System of Mississippi is administered by a 10-member Board of Trustees which sets policy for the Retirement System, approves regulations, proposes retirement legislation, determines how the PERS Trust Fund is invested, and chooses the Executive Director.

Retiree Representatives

DR. VIRGIL F. BELUE — Retired Superintendent of Clinton Schools. Dr. Belue has served on the Board since 1995. His current term expires June 30, 2013.

MR. LESTER C. HERRINGTON — Retired Deputy Commissioner of the State Tax Commission. Mr. Herrington has served on the Board as a Retiree Representative since 2005 and his term expires April 30, 2011. He previously served on the Board from 1992 to 2001 as the gubernatorial appointee.

State Employee Representatives

MR. EDWIN C. LEGRAND III — Executive Director of the Mississippi Department of Mental Health. Mr. LeGrand has been a member of the Board since 2001. His current term expires December 31, 2012.

MR. JOHN MULHOLLAND — Deputy Director of the State Personnel Board. Mr. Mulholland was elected in 2006 to complete an unexpired term ending June 30, 2008.

Municipal Employee Representative

MR. THOMAS J. LARIVIERE — City of Madison Fire Chief. Mr. Lariviere was elected in 2006 to complete an unexpired term. His term ends December 31, 2008.

Public School and Community College Representative

DR. EDWARD LEE CHILDRESS — Superintendent of Corinth schools. Dr. Childress has served on the Board since 1999 and his current term expires April 15, 2010.

Institutions of Higher Learning Representative

DR. RICHARD C. MILLER — Associate Dean of the University of Mississippi Medical Center. Dr. Miller has served on the Board since 1992 and his current term expires December 31, 2010.

State Treasurer

HONORABLE TATE REEVES — Mississippi State Treasurer serving as an ex officio Board member. Mr. Reeves has served on the Board since 2004 for a term that expires December 31, 2007.

Gubernatorial Appointee

MR. CHARLIE WILLIAMS — Chief of Staff for Governor Haley Barbour. Mr. Williams has served on the Board since 2005. His term expires June 30, 2009.

County Employee Representative

Bolivar County Chancery Clerk Mrs. Jeanne R. Walker is the senior member of the Board of Trustees, having served as the County Representative since 1989. Her service to PERS will end December 31, 2007.

Mrs. Walker has announced that she will not seek another term as Chancery Clerk and will retire from the PERS Board.

“Serving on the Board has been one

of the highlights of my life,” Mrs. Walker said. “It’s a wonderful opportunity to do something that has impacted positively on the lives of so many Mississippians.”

During her 18 years on the Board, PERS assets have increased from \$3.8 billion to \$22 billion, the number of retirees has increased from 30,000 to 75,000, and annual benefits paid to retirees and survivors have increased from \$188 million to \$1.24 billion.



JEANNE R. WALKER

New President Urges Retirees to Join MRPEA

New President of the Mississippi Retired Public Employees' Association (MRPEA), Dr. Ralph Brewer, said the organization has the same goals as PERS.

"The mission of the Public Employees' Retirement System is to provide secure retirement allowances and other quality benefits to participating public employees of the State of Mississippi," Dr. Brewer said. "The record indicates that the PERS Board and staff are very effective in pursuing that mission. The first priority of MRPEA is to help protect the security of the Retirement System. This should be the goal of every state employee and retiree."



Dr. Brewer was elected President of MRPEA at the organization's annual meeting, succeeding Dr. Billy Thames. Dr. Brewer previously served as MRPEA Vice President. He retired in 1990 as Director of the Bureau of School Improvements for the Department of Education.

Also elected were Mr. Lester Herrington as Vice President, Dr. Billie D. Brown as Secretary, and Mr. Eddie Beck as Treasurer. Mr. Herrington is also a Retiree Representative on the PERS Board of Trustees.

"PERS manages the Retirement System funds, and MRPEA works to safeguard these funds," Dr. Brewer said. "Every retiree is a member of PERS. Every retiree is eligible to become a member of the Mississippi Retired Public Employees' Association and should become a member." The MRPEA Board of Directors voted to give new retirees free membership in the organization for one year.

Dr. Brewer pointed out that PERS publishes a newsletter called *Forward* and MRPEA publishes a newsletter called *The Guardian*. "Together these two publications will keep you informed on the status of your Retirement System and on all proposed legislation that could have an effect on the system."

To learn more about MRPEA and to obtain a membership application, log on to the MRPEA website at www.mrpea-inc.org, or call 1-866-819-0987.

"By becoming a member of MRPEA, you will be a well-informed retiree who is ready and willing to help preserve our retirement income," Dr. Brewer said.



New MRPEA officers are (from left) Mr. Eddie Beck, Treasurer; Dr. Ralph Brewer, President; Dr. Billie Brown, Secretary; and Mr. Lester Herrington, Vice President.

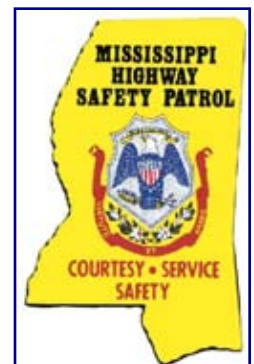
ID Cards Available for Retired Troopers

Retired Mississippi Highway Safety Patrol (MHSP) troopers may obtain new ID cards that meet federal specifications for all official forms of identification at any Highway Patrol Driver's License station.

The new ID cards are required for retired troopers who wish to carry firearms in other states in compliance with federal legislation. H.R. 218 allows law enforcement officers who retired in good standing to bear arms anywhere in the United States except where firearms are otherwise prohibited.

H.R. 218 requires that a retired law enforcement officer show proof of retirement and certification that the retired officer has qualified with his or her firearm within the previous 12 months. Colonel Mike Berthay, MHSP Chief of Patrol, has authorized retired troopers to qualify with their firearms at the local MHSP firearms qualifications, but they must provide their own ammunition.

After qualifying, a retired trooper will be issued a photo ID indicating the date he or she qualified. The retired trooper may then carry firearms in other states.



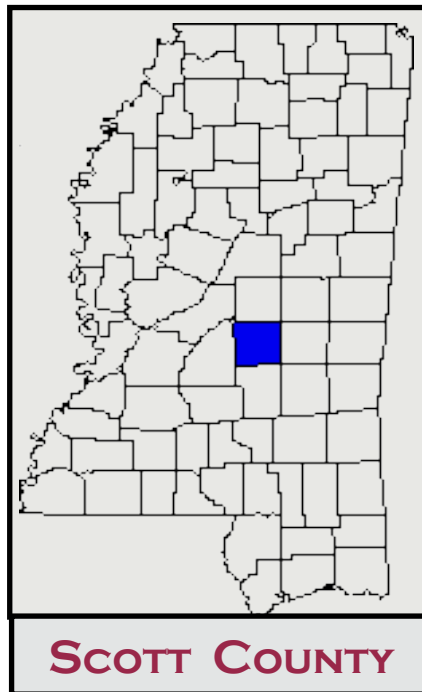
Retired Scott County educators invited to join REPM chapter

Retired Scott County educators are invited to join the Scott County Chapter of Retired Education Personnel of Mississippi (REPM) to assist the organization in promoting retiree issues and public education.

“We have interesting and informative programs and good fellowship,” said Judith Gatewood of Forest, Membership Chairman and former President of the organization. “What we are concerned about is getting more members.”

Scott County REPM meets six times a year, at 1:30 p.m. on the second Wednesday of January, February, May, September, November, and December. The first five meetings are held in the Board Room at Forest City Hall and the December meeting at the Circle S Branding Iron Restaurant in Lake, Mississippi. The restaurant’s owner, Mike Stone, is the son of a retired teacher. “He was very gracious to us,” Mrs. Gatewood said of the organization’s first meeting there last December. “He opened the restaurant just for us.”

The January meeting is a planning session for the remainder of the year, and the December meeting at Christmas-time is mainly for fellowship. The other four meetings, with guest speakers, are educational on subjects relating to retirement and education, according to Mrs. Gatewood, who retired in 1991 after 26 years as a teacher.



PERS Deputy Administrator Bob Rhoads addressed this year’s February meeting concerning the Retirement System. Rep. Tracy Arinder of Morton was the speaker for the March meeting concerning education and retirement legislation.

Dr. Shuja Yousuf of Morton, an internal medicine physician, addressed the organization in September on health problems related to aging. Dr. Marshall Longmire, a retired Jackson State University science professor, was the November speaker. His topic was trends in education.

Scott County REPM has approximately 60 members, including 25 life members, but would like to increase its membership. “We feel that the more members we have, the more power we have to safeguard our benefits,” Mrs. Gatewood said.

Any retired educator interested in joining Scott County REPM may contact Mrs. Gatewood at 601-469-2894 or either of the organization’s secretaries, Pearl Clark at 601-469-3239 or Carolyn Knowles at 601-469-1861.

THERE ARE REPM CHAPTERS in almost every county in Mississippi. For information concerning the chapter in any other county or to join the state organization, contact REPM Executive Secretary Kay Lloyd at 601-939-6059. The annual state dues are \$10, with life memberships available for \$100 for an individual and \$150 for a couple.

Retired Troopers Association Officers



Officers of the Mississippi Highway Safety Patrol Retired Troopers Association were re-elected for two-year terms at the organization’s annual meeting.

Officers are (seated from left) James W. Ables, Retiree Representative on the Mississippi Highway Safety Patrol Administrative Board; Walter Tucker, President; Billie Hughes, First Vice President; Charles Staten, Second Vice President; (standing, from left), Art Richardson, Retiree Delegate to the State Troopers Association; Jerry Jones, Chaplain; and William Hathcock, Secretary-Treasurer.

Contact PERS

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8:00 a.m. - 5:00 p.m.
Monday - Friday

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mspersmail@pers.ms.gov

Telephone

601-359-3589
1-800-444-7377

Website

www.pers.state.ms.us

FYI.. Social Security COLA for 2008 will be 2.3%

Social Security and Supplemental Security Income benefits will increase 2.3% for the calendar year 2008, beginning with benefits received during January.

For example, a benefit recipient receiving \$1,000 a month from Social Security during 2007 will receive \$1,023 per month during 2008.

The annual increase is based upon the increase in the Bureau of Labor Statistics' Consumer Price Index for Urban Wage Earners and Clerical Workers (the inflation rate) for the 12-month period ending September 30, 2007.

PERS Board of Trustees

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Retiree Representative

Mr. Lester C. Herrington

Retiree Representative

Mr. Thomas J. Lariviere

Municipal Representative

Dr. Richard C. Miller

*Institutions of Higher
Learning Representative*

Mr. John Mulholland

*State Employee
Representative*

Honorable Tate Reeves

State Treasurer

Mrs. Jeanne R. Walker

County Representative

Dr. Edward Lee Childress

*Public School & Community
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Mr. Edwin C. LeGrand III

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