

PERS**Forward***A Newsletter for PERS Retirees*

VOL. 2 No. 2

Public Employees' Retirement System of Mississippi



BOARD OF TRUSTEES

Edwin C. LeGrand III
Chairman
State Employees

Dr. Virgil F. Belue
Retirees

Dr. Edward Lee Childress
*Public School & Community
College Employees*

Lester C. Herrington
Retirees

Dr. Richard C. Miller
*Institutions of Higher
Learning Employees*

Tate Reeves
State Treasurer

Jeanne R. Walker
County Employees

Charlie Williams
Gubernatorial Appointee

Denise Owens-Mounger will serve as PERS Interim Executive Director

Frank Ready retired effective July 1, 2005

The PERS Board of Trustees has appointed Denise Owens-Mounger as Interim Executive Director effective July 1, 2005, following the retirement of Frank Ready.

Mr. Ready served as Executive Director for more than nine years guiding the Retirement System during a period of growth with an increased emphasis on service to members. During that time, the number of active members increased from

140,000 to 157,000 and the number of retirees from 45,000 to 68,000.

Mr. Ready was the fourth Executive Director in the 53-year history of the Retirement System following Mr. William R. Hough, Mr. Fred M. Walker, and Dr. Milton G. Walker.



Denise Owens-Mounger

Mrs. Mounger joined the Retirement System in 1993 as Deputy Director for Membership Services and served as Deputy Executive Director prior to her appointment as Interim Executive Director. Before joining PERS, she was a Special Assistant Attorney General assigned to the Retirement System.

Retirees elect Lester Herrington to Board; elections are being held for two vacancies

Lester C. Herrington of Brandon has been elected to the PERS Board of Trustees representing retirees for a six-year term ending April 30, 2011.

Mr. Herrington received 12,958 votes and Wayne O. Burkes of Brandon received 7,609 votes in a runoff election. They received the most votes among 21 candidates in the first election.

Mr. Herrington previously served on the Board from 1992 to 2001 as the gubernatorial appointee. He



Lester Herrington

replaces Mr. Fred M. Walker of Jackson, who retired after serving two terms on the Board.

The other Retiree Representative is Dr. Virgil F. Belue of Clinton.

PERS IS CONDUCTING ELECTIONS for two vacancies created by the retirement from the Board of State Employee Representative Jan Larsen and Municipal Employee Representative Doug Hague.

Frank Ready created a legacy of service at PERS

After serving nearly a decade at the helm of PERS, it is with a great sense of sadness that we offer our best wishes to Frank Ready in his retirement. During his tenure, we have seen many improvements in the Retirement System that have directly benefited our current and future retirees.

Under his leadership, we have worked consistently to improve both the scope and the quality of services that we provide to our members and retirees. Mr. Ready has worked tirelessly to ensure that public employees who retire after a career in public service will receive an adequate retirement benefit where their purchasing power will be maintained throughout their retirement years. He has also led and championed efforts to ensure that one day all retirees will have access to affordable health insurance.

Mr. Ready delighted in communicating both one on one and in groups with our members, retirees, and employer representatives — it always seemed to “recharge” his energy. He approached his work with a unique passion, especially for maintaining our “defined benefit” way of life. He left us (and me as Interim Executive Director) with not only a legacy of service to build on but also a challenge to continue in our commitment to preserve that “defined benefit” way of life for the public employees



Interim Executive
Director's
Column
by
Denise
Owens- Mounger

of both today and tomorrow.

The benefits provided to participants in the Public Employees' Retirement System are *defined* benefits because those benefits are set by a defined statutory formula and are guaranteed to be paid to the members in retirement no matter how well or how poorly the stock market performs. Your basic benefit is “defined” as a fixed annuity which will be paid to you for life as a retiree. Survivor and disability benefits are provided in your defined benefit plan for members with four or more years of service and from the first day of employment for death or disability in the line of duty.

The defined benefit plan offers our members the ability to plan for their finances after retirement. The alternative to a defined benefit plan, a defined contribution (or “DC”) plan, operates differently. That is, contributions are paid into an account, and the ultimate benefit at retirement, death, or disability is deter-

mined by the employee's investment choices and by how well those investments perform in the financial markets.

These type plans, like the Mississippi Deferred Compensation Plan for example, have an important role to play in providing supplemental retirement income. However, a defined contribution plan serves as a poor replacement for the primary, predictable, and guaranteed benefit that you receive from your defined benefit plan.

PERS is still recovering from the effects of the stock market decline from 2001-2003. The employer contribution rate has been increased by 1% effective July 1, 2005, to ensure that PERS remains adequately funded. During the fiscal year that ended June 30, 2004, PERS had an investment return of 14.59%. When the investment return is known for the fiscal year ending June 30, 2005, we expect that we will have met our actuarial assumed rate of return of 8%.

Going forward, we will continue our efforts to provide excellent service to you our members and retirees. We will also continue to monitor and to take steps to strengthen the funding status of our system, while preserving our “defined benefit” heritage that has for more than 50 years provided financial security for thousands of retired public employees and their families.

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 state employees, school teachers, and employees of 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, resume, 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 Blvd., Meridian, MS 39305.

PERS is an equal opportunity employer.

Enrollment begins November 15 for Medicare drug benefit

Medicare will soon be offering insurance coverage for prescription drugs through Medicare prescription drug plans. The new benefit, Medicare Part D, will go into effect January 1, 2006.

Due to the implementation of this coverage, there will be major changes to benefits for Medicare-eligible retirees and their Medicare-eligible dependents covered under the State and School Employees' Health Insurance Plan, effective January 1, 2006, according to the Office of Insurance, Mississippi Department of Finance and Administration. The Plan will issue a special newsletter in October that will describe the changes. Please take the time to read that newsletter so you will understand the changes.

Insurance companies and other private companies will work with Medicare to offer these prescription drug plans that will help participants save money on prescription drug costs. To get this prescription coverage, you must choose and enroll in a Medicare prescription drug plan that meets your needs.

Even if you don't use a lot of prescription drugs now, you still should consider joining. As we age, most people need prescription drugs to stay healthy. For most people, joining now

*Information concerning the forthcoming **voluntary** prescription drug coverage under Medicare was provided by the Office of Insurance, Mississippi Department of Finance & Administration; the Centers for Medicare & Medicaid Services, U.S. Department of Human Services; and AARP.*

means you will pay a lower monthly premium than if you wait to join later.

Who can join?

Anyone with Medicare Part A, Part B, or both can join a Medicare prescription drug plan offered in the participant's area. If you are in a Medicare Advantage Plan, like an HMO or PPO, your plan may also offer drug coverage.

When can I join?

If you currently have Medicare Part A and/or Part B, you can join a Medicare prescription drug plan **between November 15, 2005, and May 15, 2006**. If you join by December 31, 2005, your Medicare prescription drug plan coverage will begin January 1, 2006, and you won't miss a day of coverage. If you join after December 31, 2005, your coverage will begin the first day of the month after you join.

How much will it cost?

If you join a plan, you will pay a

monthly premium (generally around \$37 in 2006) and there will be a yearly deductible (up to \$250 in 2006). Costs will vary depending on which drug plan you choose.

After the deductible, Medicare will cover 75% of drug costs, up to \$2,250 in a calendar year, and you will be responsible for the other 25%. After drug costs reach \$2,250 you will pay the next \$2,850 before Medicare will resume coverage.

Once your out-of-pocket drug costs, not including the premium, reach \$3,600 (\$250 deductible, \$500 co-insurance and \$2,850 coverage gap), Medicare will start paying again, covering up to 95% of drug costs. You will pay either \$2 per prescription for generic drugs and \$5 for brand name drugs or 5% of the prescription drug cost, whichever is greater.

Some plans may offer more coverage for a higher monthly premium. If you have limited income and resources and qualify for extra help, you may not have to pay a premium or deductible.

Where can I get more information?

You will be able to get free personalized information to help you choose the plan that best meets your needs at www.medicare.gov on the net, or by calling toll-free 1-800-MEDICARE (1-800-633-4227).

Insurance legislation will not affect most retirees

Legislation regarding the State and School Employees' Health Insurance Plan approved during a 2005 special session of the Legislature will have no effect on PERS members who retired prior to July 1, 2005.

Under House Bill 26, a requirement that a member must be a participant in the Health Insurance Plan for at least four (4) years prior to retirement to purchase health insurance coverage applies only to members who retire effective on or after July 1, 2005. The four-year requirement does not apply to members who retired prior to July 1, 2005, nor does it apply

to members who retire under work-related disability effective on or after July 1, 2005. These members may continue to purchase health insurance coverage under the State Plan if they were covered at the time of retirement.

Additionally, the 15% limit on the surcharge imposed on health insurance premiums for retirees who are not Medicare eligible will continue for anyone already retired under the Plan and upon retirement for anyone initially employed prior to January 1, 2006. For non-Medicare eligible retirees initially employed on or after

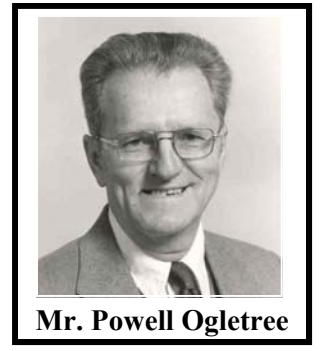
January 1, 2006, the premium will be actuarially determined to cover the full cost of health insurance.

The legislation mandates that the state continue to provide one hundred percent (100%) of the cost of the health insurance plan for active full-time employees initially employed before January 1, 2006. For active members hired as full-time employees on or after January 1, 2006, the legislation provides that the state will pay for "a basic level of health insurance," with these members eligible to purchase additional coverage.

Former PERS Board Member Powell Ogletree passed away

Powell G. Ogletree, a former Retiree Representative on the PERS Board of Trustees, died June 11, 2005, at his Hattiesburg residence. He was 83.

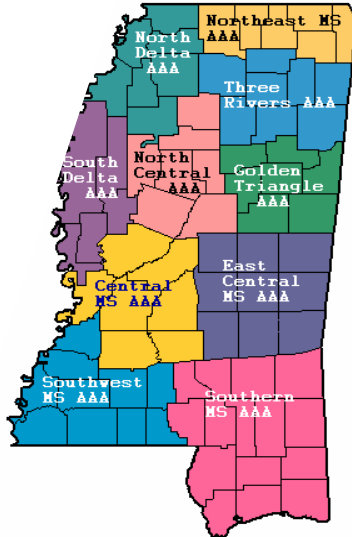
Mr. Ogletree represented retirees on the Board from 1989 until 1995 and served as Board Chairman during fiscal year 1994. He retired from the University of Southern Mississippi in 1987 after serving as Director of Alumni Affairs for 34 years.



Area Agencies on Aging provide services to elderly Mississippians

The Division of Aging and Adult Services, Mississippi Department of Human Services, provides services to elderly Mississippians through the state's ten Area Agencies on Aging.

Each agency serves residents of designated counties (see map) with programs that include transportation, nutrition, legal assistance, adult day care and in-home services. To obtain information about services, contact the Division of Aging and Adult Services at 1-800-948-3090 toll-free or (601) 359-4991 from the Jackson area.



Legislation affects Vicksburg & Gulfport Municipal Systems

Legislation was approved during the 2005 session of the Mississippi Legislature involving Municipal Retirement Systems (MRS) in Vicksburg and Gulfport.

SENATE BILL 3146 authorizes Vicksburg City Council to increase the minimum monthly benefit to \$1,130 for retirees of the Vicksburg Fire & Police Disability and Relief Fund. It also allows the City to improve the formula for computing the Annual Benefit Adjustment to three percent (3%) of annual benefits for each full fiscal year of retirement after June 30, 1991.

The Vicksburg City Council has approved resolutions authorizing the changes and the PERS Actuary has certified that the Fund will remain actuarially sound.

HOUSE BILL 826 authorizes Gulfport City Council, at its discretion, to pay all or a portion of premiums for the group health insurance plan established by the city for Gulfport employees retired under any system administered by the Public Employees' Retirement System who participate in the group plan after retirement.

Contact PERS in writing if you do not receive your check

PERS benefits are transmitted to benefit recipients on the first banking day of the month, which is the first day of the month that is neither a weekend nor a federal holiday.

For benefit recipients who do not receive their benefits by direct deposit, checks are mailed on the last working day of the previous month. (Refer to the table to the right for direct deposit and check mailing dates for the remainder of 2005.)

If you do not re-

ceive your monthly check, you need to contact PERS in writing, with your name, Social Security number, current mailing address, and signature. If your check has not cleared the

bank after receipt of your letter and after ten (10) mailing days have elapsed from the date the check was mailed to you, PERS will place a stop payment order on the check and issue a replacement check.

If you receive your check after you have mailed a letter, notify PERS so that PERS will not stop payment on the check. If you receive your check after receiving a replacement, you must return the extra check to PERS.

	Direct Deposit Date	Check Mailing Date
August	Monday, Aug. 1	Friday, July 29
September	Thursday, Sept. 1	Wednesday, Aug. 31
October	Monday, Oct. 3	Friday, Sept. 30
November	Tuesday, Nov. 1	Monday, Oct. 31
December	Thursday, Dec. 1	Wednesday, Nov. 30
Lump Sum Annual Benefit Adjustment	Thursday, Dec. 15	Wednesday, Dec. 14

RETIREE Q & A

My friend received a letter in June telling her how much she will receive from the Annual Benefit Adjustment, but I haven't received one. Why not?

The letters mailed in June were sent to retirees who chose to receive the Annual Benefit Adjustment (COLA or 13th check) in monthly installments throughout the fiscal year. Because the state fiscal year is July through June, letters were mailed in June notifying retirees of the amount they would receive beginning July 1. Retirees who receive lump sum Annual Benefit Adjustments December 15 will receive letters in August notifying them of the 2005 amount.

If you receive your Annual Benefit Adjustment in a lump sum but would prefer monthly installments, you must file a completed PERS Form 20, Irrevocable Election Form. The form is available for downloading on the PERS website at www.pers.state.ms.us/Forms_drctry.html, or may also be obtained by calling PERS at one of the telephone numbers on the last page of this newsletter. It is an irrevocable election. If you change to monthly payments, you cannot return to a lump sum.

I retired under Option 2 providing the same benefit to my wife after my death. She has died. What do I need to do to increase my benefits?

A retiree who chose Option 2, the 100% Joint and Survivor Annuity, or Option 4-A, the 50% Joint and Survivor Annuity, is eligible for the "pop up" provision if the designated beneficiary predeceases the retiree or if the beneficiary is a spouse and the retiree divorces after retirement. The retiree must complete PERS Form R, Application for Recalculation of Benefits, available for downloading on the PERS website, and file the completed form with PERS. Benefits will be recalculated the first of the month after the completed application is filed with PERS and will apply to future benefits only.

Conversely, a retiree who chose the Maximum Option or Option 1 and who marries after retirement may "pop down" to Option 2 or Option 4-A to provide beneficiary protection to the new spouse, resulting in a reduction in monthly benefits. The retiree must file a completed PERS Form R, a copy of the marriage certificate, and a copy of the new spouse's birth certificate with PERS. Retirees may contact PERS to find out how much the reduction would be to protect the spouse under Option 2 or Option 4A.

Questions?

Call PERS Nationwide Toll Free – 1-800-444-7377

I had to pay additional money when I filed my federal income tax form this year. What can I do to keep that from happening again?

Retirees may change their withholding amounts by completing and submitting PERS Form 17, Certificate of Withholding Preference. The form is available for downloading on the PERS website or may be obtained by calling PERS.

I retired on disability. Can I work to supplement my disability income?

Yes, you can, but your earnings are restricted. You can earn the difference between the Average Compensation used in computing your PERS disability benefits and the PERS disability benefits you receive. Thus, the total of your disability benefits from PERS, exclusive of Annual Benefit Adjustments, and earned income cannot exceed your Average Compensation. This limitation applies only to earned income and not to passive income, such as interest income or dividends. You may be required to annually submit copies of income tax returns and earnings documents to PERS.

Limiting the use of Social Security numbers reduces threat of identity theft

To safeguard its retirees and members against the threat of identity theft, PERS has instituted a policy of putting only the last four digits of Social Security numbers on benefit and refund

checks.

Also, participants in the PERS-sponsored Health Insurance Plan will receive new drug and medical cards without Social Security numbers.

Corner

News of retiree organizations

Retirees'

MRPEA annual meeting will be July 18

State Treasurer Tate Reeves, a member of the PERS Board of Trustees, will be the guest speaker when the Mississippi Retired Public Employees Association holds its annual meeting Monday, July 18, 2005, at the Hilton Jackson & Convention Center, 1001 County Line Road. The meeting in Salon C begins at 1 p.m.

MRPEA officers will be elected. All PERS retirees are invited.



Tate Reeves

Retired educators schedule Delegate Assembly in October

Retired Education Personnel of Mississippi (REPM) will hold its Delegate Assembly Tuesday, October 11, 2005, at Central High School, 359 North West Street in Jackson, beginning at 9 a.m.

All retired educators and their spouses are invited.

Retired troopers will meet September 22

The Mississippi Highway Patrol Retired Troopers Association annual meeting will be Thursday, September 22, 2005, at the Regency Hotel (formerly the Clarion), 400 Greymont Avenue in Jackson, beginning at 10 a.m. Officers for the next two years will be elected.

All retired troopers are invited for the meeting and the lunch to follow.

PRRST STD
U.S. POSTAGE PAID
JACKSON, MS
PERMIT NO. 531

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OF MISSISSIPPI

Address: 429 Mississippi Street
Jackson, Mississippi 39201-1005

Telephone: (601) 359-3589
Toll-free WATS Line: 1-800-444-PERS (7377)