



# Employer Update

Quarterly Publication ♦ Winter 2014

## In this Issue

- "Attorney General Opinions" ..... 2
- "Regulatory Changes" ..... 2
- "PERS-Related Legislation" ..... 2
- "MDC Open for Business" ..... 3
- "PERS' New Web Address" ..... 3
- "PERS Board Elections" ..... 3
- "Spring Focus Sessions" ..... 4
- "PEER Reports on PERS" ..... 4
- "2014 State Holidays" ..... 4

Please distribute this publication to all Administrative, Payroll, and Human Resource Personnel

## PERS funding projection improves

A projection report presented to the Public Employees' Retirement System of Mississippi (PERS) Board of Trustees by our actuary, Cavanaugh Macdonald Consulting LLC, in December 2013 shows that, based on our current 8 percent investment return assumption and current employer and member contribution rates (15.75 and 9 percent, respectively), we are on target to exceed our 80 percent funding goal by 2042, which means contribution rates for PERS for fiscal year 2015 will remain the same as fiscal year 2014.

The Board revised its funding policy in October 2012 to establish a fixed employer contribution rate of 15.75 percent and set a goal for PERS to be more than 80 percent funded by 2042. Under the policy, contribution rates are no longer established annually based on a rolling 30-year amortization period.

Beginning July 1, 2014, the maximum annual covered earnings for PERS and the Supplemental Legislative Retirement Plan will increase from \$255,000 to \$260,000, and annual contribution limit for the Optional Retirement Plan will increase from \$51,000 to \$52,000.

## Guide to help with GASB implementation

The Governmental Accounting Standards Board's (GASB) "Guide to Implementation of GASB Statement 68 on Accounting and Financial Reporting for Pensions" was released in late January.

GASB Statement No. 68 revises and establishes new financial reporting requirements for most governments that participate in a pension plan. This standard is effective for fiscal years that begin after June 15, 2014. Employers are encouraged to begin preparations for these changes by discussing possible implications of the changes with preparers of their financial statements. Click here to read a summary of GASB Statement No. 68.

The guide may be downloaded for free at [www.gasb.org](http://www.gasb.org) or purchased in a hard copy format. From the GASB home page, you may view a video of GASB Project Manager Michelle Czerkowski, outlining the guide.

Employers should also be aware that GASB has released Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which amends Statement No. 68 for employers and is effective simultaneously with Statement No. 68. Click here to read a summary of GASB Statement No. 71.

## Employer and Employee Contribution Rates

Fiscal Year July 1 - June 30    Employer    Employee    Maximum Annual Covered Earnings    ORP Annual 415 Contribution Limit

### Public Employees' Retirement System of Mississippi and Optional Retirement Plan

2014	15.75%	9.00%	\$255,000	\$51,000
2015	15.75%	9.00%	\$260,000	\$52,000

### Mississippi Highway Safety Patrol Retirement System

2014	37.00%	7.25%	*	
2015	37.00%	7.25%	*	

### Supplemental Legislative Retirement Plan

2014	7.40%	3.00%	Same as PERS	
------	-------	-------	--------------	--

\* Not to exceed the annual salary of the Commissioner of Public Safety

# Summary of Recent Attorney General Opinions

August 23, 2013 - Bounds

The Institutions of Higher Learning Board is not authorized to enter into employment contracts where a portion of the employee's compensation is paid in the form of deferred compensation under an arrangement separate and apart from the deferred compensation program administered by PERS.

November 22, 2013 - Chiles

Section 25-11-127 prohibits certain persons receiving retirement benefits from being reemployed until the person has been retired for at least 90 days. Excepted are certain municipal and county elected officials, provided they have reached age 62 and file the appropriate statement regarding compensation. Under § 19-4-1, the county board of supervisors may appoint the clerk as county administrator, and the board may, under § 19-3-61, appoint a comptroller and give him or her duties redundant of the chancery clerk's duties as county auditor. Because the duties of county administrator and comptroller may be performed by the chancery clerk, a clerk who is at least 62 may continue to perform those duties without being required to complete the 90-day separation period. The chancery clerk must elect to receive a retirement allowance in lieu of salary or compensation; or, the clerk may elect to receive compensation from all positions in an annual amount not to exceed 25 percent of the retiree's average compensation.

July 5, 2013 - Espy

Whether Madison County Public Defenders are properly classified as independent contractors is a determination that must be made by the Madison County Board of Supervisors consistent with fact. The findings of the Board are subject to review by a court of competent jurisdiction.

October 4, 2013 - Riley

Under § 25-11-103, a municipality is authorized to enact policies concerning the granting of personal and sick leave for municipal employees as it deems necessary. A municipality may adopt policies that grant more leave time to employees than that granted to state employees under §§ 25-3-91 et seq., provided that such additional leave time is not reported to PERS and cannot be counted in determining creditable service and retirement benefits.

July 19, 2013 - Smith

Soil and water conservation district employees hired pursuant to § 69-27-33 are considered county employees only for the purpose of including the employees in a county life and/or health insurance or workers' compensation insurance program. Upon agreement between the county board of supervisors and the district commissioners, the county may provide to district employees certain insurance benefits as stated in § 69-27-33. The county is not required to provide retirement benefits to district employees.

## PERS Board of Trustees Regulatory Changes

*These amendments were recently approved by the PERS Board of Trustees. View all PERS Board of Trustees Regulations online.*

### Regulation 34

*Reemployment after Retirement  
Effective date December 1, 2013*

- Added § 101.2 to incorporate the specific statutory authority for the Administrative Board of the Mississippi Highway Safety Patrol Retirement System (MHSPRS) to adopt rules; and
- Added § 102.2 to incorporate MHSPRS reemployment policy adopted June 19, 2013, by the MHSPRS Administrative Board.

### Regulation 60

*Contribution Rates*

*Effective February 1, 2014*

- Amended § 103 to incorporate the applicable 2013 amendment to Miss. Code Ann. § 63-1-46 that increased the driver's license reinstatement fee and provided that a portion of the increased fee (\$25) shall be paid to PERS to provide additional funding for the Mississippi Highway Safety Patrol Retirement System.

## Track 2014 PERS-related legislation online

The 2014 Mississippi Legislature convened January 7, and PERS staff is tracking all PERS-related legislation during the session. Significant legislative action will be posted to the PERS website. For details, click [here](#) to visit the PERS legislation page online.

## Attention MDC employers: MDC open for business, how to access key information

The Mississippi Government Employees' Deferred Compensation Plan & Trust (MDC) is open for business after its transition to Great-West Financial<sup>SM</sup> as its new third-party administrator.

### Contacting MDC

Call the MDC office in Mississippi at 601.355.0090 to speak with a local representative or to schedule retirement plan counselor site visits. The office is open from 8 a.m. to 4:30 p.m., Monday - Friday.

Participants may call 800.846.4551 24 hours a day, seven days a week for information about their accounts and updates on the status of distributions. Also available around the clock is the MDC website, [www.mdcplan.com](http://www.mdcplan.com).

### Accessing Important Information

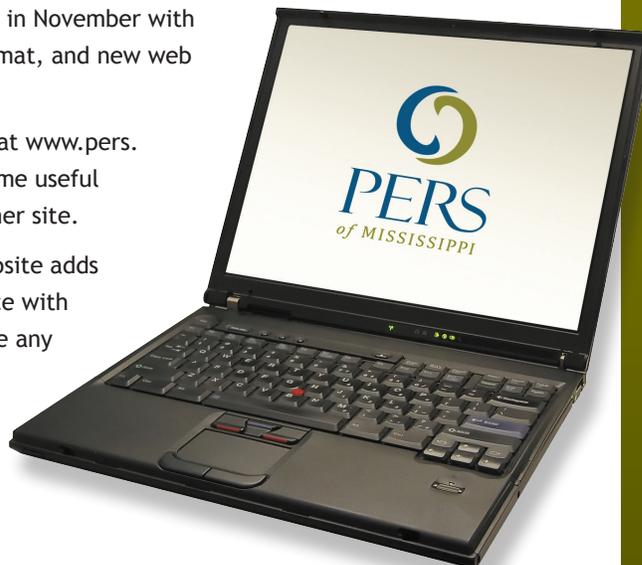
- Enrollment Forms - To enroll an employee in MDC, download, complete, and submit an enrollment form from the plan website.
- Participant Deferral Changes - The first deferral change report was sent to each employer's Plan Service Center (PSC) directory Friday, January 31, for all February deferral changes. Instructions on accessing this report were e-mailed from [techsupport@retirementpartner.com](mailto:techsupport@retirementpartner.com). Participant deferral changes of any kind will only be communicated electronically through the monthly deferral file feed delivered to the PSC user's directory. No billing, letters, or change forms will be mailed.
- Employment Termination Dates - Termination dates should be updated via the PSC for participants who terminate employment.

## Reminder PERS has a new web address

The PERS website re-launched in November with a fresh new look, updated format, and new web address.

The updated site now resides at [www.pers.ms.gov](http://www.pers.ms.gov) but features all the same useful information found on the former site.

We hope you find the new website adds value to your online experience with PERS. Please be sure to update any links or bookmarks to our new site address.



## PERS Board holds three elections

The PERS Board of Trustees has elections underway for the Board's municipal employee representative and the two state employees representatives.

### Municipal Employees Representative

Ballots were cast by January 27 for the municipal employee representative election. Candidates in this election are Stephen Benson, Southaven Fire Department training officer; LaSeine Hilliard, Jackson deputy chief administrative officer, external funding; Deborah Lea, Monticello director of administration; and Celeste McGregor, Madison Water Department utility clerk. The Board will certify election results and run-off ballot, if necessary, at their February 25 meeting.

### State Employees Representatives

The first of the two state employee representative elections is for the trustee term that will run from July 1, 2014, to June 30, 2020. The Board will certify the ballots for this election at their February 25 meeting.

The second of the two state employee representative elections is a second runoff election for an unexpired term that runs through December 31, 2018. Candidates in this second runoff are Mississippi State Hospital Director of Support Services Kelly R. Breland of Clinton and Mississippi Department of Archives and History Human Resources Director Diane Mattox of Madison. The Board will certify election results at their February 25 meeting.

Find more information online PERS will post relevant candidate and election information at [www.pers.ms.gov](http://www.pers.ms.gov) during each election cycle.

## PERS Board of Trustees

**State Employees Representative**  
H.S. "Butch" McMillan, Chairman

**Retirees Representatives**  
Randy D. McCoy  
Richard C. Miller

**Public Schools and Community/Junior Colleges Representative**  
Lee Childress

**Gubernatorial Appointee**  
Jack Wilson

**County Employees Representative**  
Bill Benson

**Institutions of Higher Learning Representative**  
Cecil L. Hill

**Municipal Employees Representative**  
Vacant

**State Employees Representative**  
Vacant

**State Treasurer**  
Lynn Fitch

## Contact PERS

800.444.7377 or 601.359.3589

PERS Employer Hotline: 601.359.2090

## 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.*

## Additional Focus, regular Full-Day seminars slated

To help accommodate education personnel planning to retire at the end of the school year, PERS will offer additional Focus Sessions this spring.

These two-hour, small group sessions, like all Focus Sessions, are open to any member (not just education personnel) considering retirement and provide details on the retirement process, as well as individual estimates of potential benefits.

Sessions are usually offered 9:30 a.m. Tuesdays and 2 p.m. Thursdays at PERS. However, additional sessions will be held at PERS and in Oxford and Gulfport. Find dates and times online.

Full-Day Seminars are also offered to any member. Topics include: estate planning, Mississippi Deferred Compensation, Social Security benefits, and PERS benefits and options. All sessions run from 9 a.m. to 4 p.m.

Pre-registration for all Focus and Full-Day sessions is required. Register online or call 800-444-7377 or 601-359-3589.

One-on-one benefits counseling also is available. Call 800-444-7377 to schedule an appointment.

## PEER Committee releases second report on PERS

In response to questions related to the financial soundness of PERS, the Governor's Study Commission 2011 Report, and general overall concern, the Joint Committee on Performance Evaluation and Expenditure Review (PEER) conducted a review and in December 2012 and issued its report #564, the purpose of which was "to provide a comprehensive look into the decision making processes of the PERS Board of Trustees, its staff, and its contractual advisors to determine whether the PERS Board is positioned to manage the key risks that threaten the viability of its retirement benefits programs."

As a follow-up to that report, PEER conducted a further review and issued Report #583 in January. The report focuses on what has occurred in the last year—noting the progress made in meeting the long-term funding targets—and concludes "PERS has a prudent and disciplined process that relies on expert actuarial guidance built upon reasonable assumptions and targets for portfolio growth. Continued competent, prudent management gives PEER every indication that PERS is moving toward reducing both the amortization period for the system and reducing the unfunded accrued liability."

Read both reports at [www.peer.state.ms.us](http://www.peer.state.ms.us).

## 2014 State Holidays

PERS will be closed to observe the following holidays:

George Washington's Birthday .....	February 17
Confederate Memorial Day .....	April 28
National Memorial Day/Jefferson Davis' Birthday .....	May 26
Independence Day .....	July 4
Labor Day .....	September 1
Veteran's Day .....	November 11
Thanksgiving Holiday .....	TBA
Christmas Holiday .....	TBA