



Employer Update

Quarterly Publication ♦ Fall 2013

In this Issue

Regulatory Changes	2
PERS Q and A	3
New PERS Website	3
New Guides Available	3
PERS Board Elections	4
PERS Holidays	4

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

Newsletter goes digital for employers' convenience PERS publishes final printed issue of *Employer Update*



The *Employer Update* is going digital, which means faster news delivery to employers as well as easier news distribution for employers.

This issue of *Employer Update* will be the last printed and mailed issue. Subsequent issues of this quarterly publication by the Public Employees' Retirement System of Mississippi (PERS) will be available online only. Each time an *Employer Update* is posted to the website, PERS sends

an eUpdate to employers with a link to the online newsletter and a listing of the newsletter content.

Since November 2010, PERS has encouraged employers to sign up for eUpdates, an e-mail service that sends employers critical news alerts about PERS. eUpdates are a timely and efficient method of news delivery to employers, as well as a cost savings to PERS.

To avoid missing vital news about the retirement system, sign up to receive eUpdates by visiting www.pers.state.ms.us/employerservices/employereupdates.cfm (or link directly to the page via the QR code at top left).

Because this service is available to anyone wanting to participate, PERS encourages employers to have multiple individuals receive eUpdates.

If you have questions about this change, contact PERS Communications Director Shelley Powers, spowers@pers.ms.gov.

GASB to provide guides for employers

In January, the Governmental Accounting Standards Board (GASB) will release an implementation guide to help employers put into practice a new standard intended to improve the accounting and financial reporting of public pension benefits.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, 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.

The GASB 68 implementation guide may be downloaded in January at no charge through GASB's website or it may be purchased in a hard copy format.

Visit www.gasb.org for more information.



Reminder: Employer Contribution Rate to Increase July 1

As previously reported, effective July 1, the employer contribution rate will increase for the Public Employees' Retirement System of Mississippi (PERS) from 14.26 percent to a fixed rate of 15.75 percent. (See table below.) Employers using a vendor or third party to manage payroll should alert the appropriate entity to the rate change as soon as possible.

Fiscal Year	Employer	Employee	Maximum Annual Covered Earnings	OSP Annual 415 Contribution Limit
July 1 - June 30				
2013	14.26%	9.00%	\$250,000	\$15,000
2014	15.75%	9.00%	\$250,000	\$15,000

Retirement Education Restructured for employer convenience

Beginning April 1, employers will be able to schedule a visit from PERS to best suit their organization's needs and convenience. PERS representatives provide your organization's staff on-site presentations about retirement procedures, use of forms, and the effect of legislation on retirement law, policy, and regulations. They also offer one-on-one sessions, as needed.

These representatives will now be centralized in Jackson and available by appointment to accommodate each employer's schedule. To arrange a visit from a representative, call (601) 359-3589 or 800-444-7377 or e-mail PRMIAccount@pers.ms.gov.

BOARD REGULATIONS

Reporting of State Employees' and Emergency Employees' Maintenance

PERS Board of Trustees Regulatory Changes

These amendments to existing regulations were recently approved by the PERS Board of Trustees. To see all PERS Board of Trustees Regulations, visit PERS online at www.pers.state.ms.us/employerservices/selectedregulations.html.

Regulation 33 (amended)

Value of Maintenance

Effective date August 1, 2013

- Provides that, except as otherwise provided in § 102, employer-provided maintenance is excluded from earned compensation for periods of time after July 1, 2013, but is included for periods of time before July 1, 2013, if proper employee and employer contributions are paid; and
- Provides for grandfathering the reporting of employer-provided maintenance for those receiving maintenance as of June 30, 2013.

Regulation 36 (amended)

Eligibility for Membership in the Public Employees' Retirement System of Mississippi (PERS)

Effective date August 1, 2013

- Clarifies eligibility for membership service credit in PERS;
- Clarifies that "contract workers" employed by state agencies pursuant to the authority granted under Miss. Code Ann. § 25-9-120(1) are specifically excluded by law from participation in PERS; and
- Incorporates the provisions of PERS Board Regulation 6, Coverage for Members of Boards and Commissions, into PERS Board Regulation 36.

Regulation 65 (amended)

Earned Compensation for the Public Employees' Retirement System of Mississippi

Effective date August 1, 2013

- Adds two additional items not previously listed as exclusions from earned compensation, but which are considered employer-provided fringe benefits (i.e., nonpaid major medical and personal leave and employer contributions for Social Security and retirement);
- Provides that, except for those receiving employer-provided maintenance as of June 30, 2013, employer-provided maintenance is excluded from earned compensation for periods of time after July 1, 2013, but is included for periods of time before July 1, 2013, if proper employee and employer contributions are paid; and
- Provides that performance-based incentive payments may be included in earned compensation for periods of time before July 1, 2013, if certain conditions are met, but are excluded from earned compensation for periods of time after July 1, 2013.



PERS Q&A

- Q:** In the event that a PERS retiree or former PERS member returns to full-time covered employment, does the member or retiree enter a new retirement tier?
- A:** The returning retiree or employee remains under the retirement tier he or she was under when he or she left covered employment or retired. The retirement tier is only reset when a member refunds his or her accumulated employee contributions, thus forfeiting all rights to accrued benefits.
- Q:** If a member plans to repay refunded contributions, will the member's vesting requirement change after the refund is repaid?
- A:** No. If the member reentered covered service after July 1, 2007, he or she is under Retirement Tier 3 or 4, both of which have an eight-year vesting requirement. The years of service associated with the refund will not be creditable until he or she earns eight years of membership service after the date of the refund.
- Q:** Is income from bonuses, commissions, or other forms of performance-based incentive pay considered earned compensation for PERS? For example, if a coach receives a bonus for winning games, does the bonus count toward earned compensation?
- A:** No. House Bill 1174, passed March 20, 2013, prospectively excludes bonuses, commissions, and other forms of performance-based incentive pay from earned compensation and is effective for any such payments made after July 1, 2013. PERS Board Regulation 65, Earned Compensation for the Public Employees' Retirement System of Mississippi, was revised to reflect this change. Details on this regulatory change can be found on the page opposite.

New look, new address, easier to navigate PERS to relaunch website

The PERS website will soon re-launch with a fresh new look, updated format, and new web address.

PERS' new address will be
www.pers.ms.gov

The PERS website is one of the most convenient and valuable tools for our employers, members, and retirees to reference information, access forms, and calculate benefit estimates. By the end of October, the updated site will reside at **www.pers.ms.gov** but will feature all of the same useful information found on the current site.

The redesign works to create a more inviting web experience that marries the established PERS identity with the unique online needs of members, retirees, and employers.

With easily identifiable navigation panels for members, retirees, and employers, site guests will be better able to navigate to desired content on the new site and should find that content has been streamlined for easier understanding.

We are eager for your feedback on the new site and hope you find it adds value to your online experience with PERS. Please be sure to update any links from your website to our new site address after we go online.

Guides created for new, mid-career members

PERS has created guides for new members of PERS and members in the middle of their careers or who are eligible for retirement.

Welcome to PERS is the guide for new members. This guide provides a basic overview of retirement planning and a general explanation of PERS membership.

The PERS Pre-Retirement Guide, for mid-career and retirement-eligible individuals, gives information about asking for account audits, seeking eligible service credit, deciding how many years to work before retiring, staying informed, submitting an *Advanced Application*, and participating in Mississippi Deferred Compensation.

The guides can be found online with three other helpful guides: the PERS Service Retirement Guide, PERS Disability Retirement Guide, and PERS Survivor Retirement Guide.



PERS Board of Trustees

Board Chairman & State Employees Representative
H.S. "Butch" McMillan

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



429 Mississippi Street
Jackson, MS 39201-1005

PRSR STD
U.S. Postage
PAID
Jackson, MS
Permit No. 531

Contact PERS

800.444.7377 or
601.359.3589

PERS Employer Hotline
601.359.2090

www.pers.state.ms.us

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.

Voting open for PERS Board elections

PERS recently sought candidate nominations for one of two state employee representative positions and the municipal representative position on the PERS Board of Trustees. Ballots were mailed to eligible voters for each election September 10.

Both representative positions will fill unexpired terms on the Board. The state employee term will end December 31, 2018, while the municipal employee term will end December 31, 2014.

A sample ballot and complete election schedules are available on the PERS website, www.pers.state.ms.us.

Ballots for both elections will be cast from September 10 to October 10, and the Board will certify the election results at its October 22 meeting.

PERS Holiday Closings

Veterans Day.....November 11
Thanksgiving.....November 28 and 29

