



Employer Update

Quarterly Publication ♦ Fall 2014

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

PERS outlines requirements for new reporting tool

PERS will soon launch its new web-based employer reporting system for all covered employers (with the exception of those using SPAHRS). Employers should prepare for the launch now by ensuring they have the system requirements needed to access and use the tool.

The new system, MyPERS Reporting, is an improved system from the current web-based Employer Reporting System (WEB-ERS) for reporting wages and contributions. PERS has been collaborating with Sierra-Cedar, Inc. of Alpharetta, Georgia, since September 2010 to build and implement the new pension administration system, which includes a new Enterprise Resource Management (ERM) tool (Oracle's PeopleSoft Human Capital Management software)).

Though the look of MyPERS Reporting will differ from WEB-ERS, transitioning to the new tool should be relatively easy for employers since data formatting and product functionality will be similar to the current system. The new ERM tool, which will include an online instructional guide, is expected to improve system performance and responsiveness, as well as provide a user-friendly reporting environment for employers. PERS Employer Reporting staff will provide training to employers on the new system during the year-long migration period that will begin later this year.

Scheduled to launch by early 2015, the PC-based MyPERS Reporting system will not only have a new look and new log-in web address, but will require the following specifications:

- Internet Explorer 9 or higher
- Java 7 or higher
- Microsoft Windows 7 or higher and these requirements:
 - 1 GHz or faster 32-bit (x86) or 64-bit (x64) processor
 - 1 GB RAM (32-bit) or 2 GB RAM (64-bit)
 - 16 GB available hard disk space (32-bit) or 20 GB (64-bit)
 - DirectX 9 graphics device with WDDM 1.0 or higher driver

The new pension administration software also will replace PERS' internal administrative line-of-business software and will eventually offer online account access for members and retirees. Implementation of the internal part of the new pension administration software began in 2012. The online self-service arm of the new tool for members and retirees is scheduled to launch soon after the new line-of-business software launches.

PERS will provide more information as the migration and launch dates near. Until then, please direct questions to Pauline Howard, program administrator for Employer Reporting, at 601-359-2280 or phoward@pers.ms.gov.

NIRS Key Findings, PERS Facts & Figures released

PERS Executive Director Pat Robertson has issued a statement online about the National Institute on Retirement Security's (NIRS) 2014 Pensionomics report. This is the third report of its kind (2009, 2012, 2014), and, collectively, these reports reveal that state and local pension funds in Mississippi have consistently and increasingly had positive effects on the state's economy, tax revenues, and jobs before, during, and since the recession.

Also recently published is the latest edition of PERS Facts & Figures, which shows that our rate of return for 2014 is 18.6 percent; our net assets have grown to more than \$25 billion; and our funded status should surpass 100 percent by 2042.



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](#).

Regulation 17

Election of Members of the Board of Trustees of the Public Employees' Retirement System of Mississippi (PERS)

Effective date August 1, 2014

- Amended § 103.1 to provide that the executive director will immediately initiate special election proceedings whenever the Board declares a vacancy in the office of a trustee so as to fill the vacancy as quickly as possible
- Added § 103.2 and amended to provide that the nominee's signature will not count toward the 25 required signatures
- Added §§ 103.6 and 103.7 to clarify that neither a PERS employee nor any active member or retiree who holds office in the legislative or judicial branches of state or local government may seek election to the Board
- Added new §§ 103.11 and 103.12 to address the circumstance of an ineligible individual being placed on an official ballot and the circumstance of the subsequent withdrawal or subsequent ineligibility of a previously eligible certified candidate

Regulation 34

Reemployment after Retirement

Effective date August 1, 2014

- Amended § 103.5 to revise the maximum compensation allowed for special (retired) judges from 25 percent to 50 percent of the current salary in effect for a chancery or circuit court judge

Regulation 42

Rules of Hearing Practice and Procedure before the Board of Trustees of the Public Employees' Retirement System of Mississippi (PERS)

Effective date August 1, 2014

- Added § 106, Judicial Review, to clarify that failure to file a Notice of Appeal in a timely manner will leave the courts without jurisdiction to hear an appeal
- Added § 108, Continuances and rescheduling of hearings, to add language from deleted § 111 and to clarify responsibility of requesting party to pay costs for the rescheduling of a hearing
- Added § 109, Witnesses for non-disability-related appeals, to provide that each party in the appeal must provide a witness list for non-disability-related appeals

Regulation 46

Submission of Monthly Reports and Contributions for MDC

Effective date August 1, 2014

- Amended § 101 to revise the due date for reports and contributions from participating MDC employers from the seventh to the fifth working day of each month to be consistent with PERS Board Regulation 14, *Submission of Monthly Reports and Contributions*, which is applicable to PERS employers

Reminder: GASB implementation guides

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 began after June 15, 2014. Employers should make 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 or purchased in a hard copy format. [From the GASB Video & Podcast 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.](#)

Board News

Runoff election for municipal representative to be held

PERS will mail ballots, biographical information, and candidate statements November 12 to eligible voters for a runoff election to determine the new PERS Board of Trustees municipal employee representative for the term running from January 1, 2015, to December 31, 2020.

The candidates in the runoff are incumbent Stephen C. Benson of Southaven, training officer with City of Southaven Fire Department; and Patricia D. Jackson of Jackson, public safety administrator with Jackson Police Department.

Votes must be cast by mail, phone, or online by 5 p.m. December 12.

Instructions on the voting process are on the mailed ballot. [Visit PERS online to view the election schedule and a sample ballot.](#)

Howard elected to Board



Chris Howard of Madison was elected as a state employee representative on the PERS Board of Trustees.

At its June 24 meeting, the

Board certified results of the runoff election between Howard, who is director of the Office of Financial Management for the Mississippi Department of Rehabilitation Services, and Allan D. Cooper of Jackson, Mississippi Department of Finance and Administration Office of Budget and Fund Management senior budget analyst. The position is one of two state employee representatives on the Board, and the position term runs from July 1, 2014, to June 30, 2020.

Lee named new counsel and policy advisor



Lee

Davetta Lee, of Jackson, has joined PERS as counsel and policy advisor.

With a Juris Doctorate from Mississippi College School of Law, Lee brings to PERS more than 10 years of experience in the field of law and policy, most recently as executive director of the Mississippi Access to Justice Commission.

Lee will formulate policy, rules, and regulations for PERS, as well as coordinate elections for the PERS Board of Trustees. She will also conduct long-range planning for program changes and coordinate with legislative staff to draft and review proposed legislative changes. During the legislative session, she will track, report, and provide analysis of legislation as it relates to PERS.

Attorney General Opinions

June 26, 2014 - Nettles

A school board may adopt a policy to offer and pay certain incentives to its employees, including teachers, provided that such incentives are contracted prior to the date when services are to be performed; are determined in accordance with objective standards of measurement; and are earned by personal services performed by the employee. However, performance-based incentive payments are excluded from “earned compensation” under Miss. Code Ann. § 25-11- 103(k) and should not be reported to PERS for retirement purposes.

June 27, 2014 - MaCaughn

The provisions of Miss. Code Ann. § 25-3-93 set forth the allowable credit for personal leave for employees and appointed officers of the state of Mississippi and are not applicable to municipal employees and officers. However, Miss. Code Ann. § 25-11-103 limits the amount of accrued leave that can be considered as creditable service for retirement purposes. A municipality may adopt a prospective policy that provides leave that recognizes the differences in work schedule and duties of employees on whatever terms deemed necessary by the governing authorities, but such policy cannot be applied retroactively.

August 29, 2014 - Robertson

Miss. Code Ann. § 25-11-139 expressly prohibits the payment of PERS retirement benefits for any time period prior to the first of the month following the receipt of the application for such benefits by PERS.

September 26, 2014 - Nettles

The change in employment classification of constables in Madison County for IRS purposes does not affect the sources from which constables derive their income or how PERS contributions on that income should be paid. The fact that the fee income of constables in Madison County is now subject to income tax and Social Security withholding does not alter the fact that state law requires constables to pay both the employee and employer PERS contributions on their net fee income, unless the board of supervisors has elected to pay the employer contributions as allowed under Miss. Code Ann. § 25-11-106(1)(b)(iii).

PERS Board of Trustees

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Vacant

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.

Upcoming State Holidays

PERS will be closed to observe the following holidays:

Veterans Day..... November 11
Thanksgiving November 27-28
Christmas..... December 24-25
New Year's..... January 1-2

Taxpayers may contribute up to \$18,000 to 401(k) plans in 2015

IRS announces 2015 retirement plan limits

The Internal Revenue Service has announced cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2015. Many of the pension plan limitations will change for 2015 because the increase in the cost-of-living index met the statutory thresholds that trigger their adjustment. However, other limitations will remain unchanged because the increase in the index did not meet the statutory thresholds that trigger their adjustment.

Below is a table outlining some of the changes. To read the full announcement, [visit the IRS online](#).

Plan Type and Limitation	2014	2015
403(b), 401(k) or SARSEP employee elective salary deferral limit Limit applies to the total of pretax and Roth 403(b) and 401(k) contributions	\$17,500	\$18,000
457(b) deferral limit	\$17,500	\$18,000
403(b), 457(b), 401(k), SARSEP age 50 or older catch-up limit [not applicable to nongovernmental 457(b) plans]	\$5,500	\$6,000
403(b) service-based catch-up for employees with 15 or more years of service who work for a qualifying employer and have undercontributed in prior years	\$3,000	\$3,000
457(b) service-based catch-up for employees who have undercontributed in prior years and are within the last three taxable years ending the year before the year they attain normal retirement age as specified under the plan 457(b) plan participants who are eligible for both the age-based and service-based contributions cannot combine the two catch-up amounts, but may contribute up to the higher amount	\$17,500	\$18,000
Traditional and Roth IRA contribution limit	\$5,500	\$5,500
Traditional and Roth IRA age 50 or older catch-up limit	\$1,000	\$1,000
SIMPLE IRA/401(k) salary deferral limit	\$12,000	\$12,500
SIMPLE IRA/401(k) age 50 or older catch-up	\$2,500	\$3,000
Highly compensated minimum salary	\$115,000	\$120,000
401(a)(17) compensation limit (the limit that may be considered under a tax-qualified plan unless grandfathered government plan)	\$260,000	\$265,000
Defined contribution plan 415 limit (the limit on total employer and employee contributions, whether elective or not)	\$52,000	\$53,000
Defined benefit plan 415 limit	\$210,000	\$210,000
Social Security wage base	\$117,000	\$118,500

Joinder Agreements

Choctaw County Economic Development

Social Security and retirement coverage for all employees, effective June 30, 2014, and July 1, 2014, respectively

Claiborne County Medical Center

Retirement coverage for all employees, effective September 1, 2014

Mississippi Regional Housing Authority

Retirement coverage for all employees, effective September 1, 2014