



# Employer Update

Newsletter ♦ April 2016

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

## House Bill 899 (2016) introduces changes to PERS policies and procedures

The signing of House Bill 899 (H.B. 899) by Governor Phil Bryant April 11 introduced a number of technical corrections into the Public Employees’ Retirement System of Mississippi (PERS) law.



Photo courtesy Amy Marquez

Many of these corrections were for clarification purposes to align the statute to reflect current PERS procedures and regulations. However, other corrections (which are outlined in this article) made changes, of which members, retirees, and employers should be aware. To view a complete summary of this and other 2016 PERS-related legislation, visit [www.pers.ms.gov](http://www.pers.ms.gov).

### Creditable Service - Effective July 1, 2017

Amends Miss. Code Ann. §§ 25-11-109(2); 25-11-105(k); 25-11-117(3); 25-11-31; and 25-13-21

This amendment, which will go into effect July 1, 2017, prospectively changes the method of granting service credit from quarterly to monthly increments. For periods of eligible service after July 1, 2017, service credit will be awarded in monthly increments equal to .0833 of one year for each qualifying month of service. This amendment also provides that, for members who retire on or after July 1, 2017, creditable service for unused leave will be awarded in monthly rather than quarterly increments, with every 21 days of unused leave counting as one month of service. However, for those who became a member of

PERS before July 1, 2017, the first 15 to 77 days of leave accrued will continue to count as one quarter.

### Statute of Limitations for Disability Claims for Inactive Members - Effective July 1, 2016

Amends Miss. Code Ann. § 25-11-113(1)(b)

This section establishes a statute of limitations for the filing of claims for disability benefits following termination from covered employment. Application for a disability retirement allowance must be filed within one year of termination from active service. This period may be extended by an additional one year if it can be factually demonstrated to the satisfaction of the PERS Board of Trustees that, throughout the initial one-year period, the member was incapable of applying for benefits by reason of mental or physical impairment, as certified by a medical doctor.

### Termination after Disability Determination - Effective July 1, 2016

Amends Miss. Code Ann. §§ 25-11-113(1)(a) and 25-11-114

This amendment will require that a member who has applied and been approved for disability retirement terminate from employment within 90 days of being approved or his or her disability retirement and application will be void. Disability payments begin after application and the member terminates from service.

### Statute of Limitations for Modifying Benefit Options after Marriage - Effective July 1, 2016

Amends Miss. Code Ann. § 25-11-115(4)

A retiree who is receiving benefits under the Maximum Retirement Allowance or Option 1 who enters into a marriage after retirement is allowed to change benefit options to provide

amendment establishes an application deadline of one year from the date of the marriage for a retiree to elect to change from the Maximum Retirement Allowance or Option 1 to Option 2, Option 4, or Option 4-A.

**Dependent Child Survivor Benefits** - Effective July 1, 2016  
Amends Miss. Code Ann. §§ 25-11-114(3)(b); 25-11-114(4)(b); and 25-13-13(5)

Current law provides that a child be considered a dependent until marriage, or age 19, whichever comes first. However, if a child remains unmarried and a student regularly pursuing a full-time course of resident study or training, the age limitation is extended to 23 and is further extended to the end of the school year for a student child whose 23rd birthday falls during the school year (September 1 through June 30). This amendment terminates the benefit the month after the student child reaches age 23.

**MHSPRS Service Retirement Formula for Early Retirement**  
- Effective July 1, 2016

Amends Miss. Code Ann. § 25-13-11(1)(d)

This portion of H.B. 899 revises the early retirement formula for the Mississippi Highway Safety Patrol Retirement System. With this change, the retirement annuity will be reduced by an actuarially determined percentage or factor (rather than a fixed 3 percent) for each year of age below 55 or for each year of service below 25, whichever is less.

**Retiree Health Insurance Plan** - Effective July 1, 2016

Amends Miss. Code Ann. § 25-11-141 and repeals Miss. Code Ann. §§ 25-11-143 and 25-11-145

This amendment repeals the establishment of the proposed framework for a future health insurance plan to be administered by the Board of Trustees for current and future retirees. This section of the bill addresses a study for the insurance plan that was conducted in 2002 when the employer contribution rate was 9.75 percent as opposed to today's 15.75 percent. The cost of such a plan was estimated to be 2.5 percent of covered payroll and would be financed by reducing the employer contribution to PERS by 1 percent, using that and an additional 1 1/2 percent from the employer to establish this plan once the unfunded liability of PERS was less than 20 years. The bill repeals the establishment of the plan given the current financial position of PERS, the uncertainty of the cost of the plan, and the impossibility of plan implementation in the foreseeable future.



## PERS Building to honor the late Speaker of House Tim Ford

Mississippi Speaker of the House Philip Gunn proposed House Bill 114 this legislative session to pay tribute to the late Tim Ford, who served as speaker of the house from 1988 to 2004.

Governor Phil Bryant signed the bill April 18, which officially designated the PERS Building as the third in the Capitol Complex to be named for a speaker of the house. The other two are the Walter Sillers Building and the William "Billy" McCoy Building (Mississippi Department of Transportation).

The official building name will be the Timothy Alan (Tim) Ford Building and the Mississippi Department of Finance and Administration will be responsible for preparing a plaque that will be displayed in the building that states Ford's background, accomplishments, and service to the state.

## Vesting, MDC bills fail to pass Senate

PERS previously reported that we were seeking to change vesting requirements for PERS and technical amendments to Mississippi Deferred Compensation (MDC) plan law. As a follow-up, both pieces of legislation failed to pass the Senate during the 2016 session. House Bill 880 would have reverted vesting requirements set by 2007 legislation from eight years back to four, regardless of the date a member joined PERS. House Bill 903 would have revised certain provisions in MDC.

# Technical corrections clarify statute to align with PERS regulations

The cover article outlines some of the changes that House Bill 899 puts in place for PERS, but the bill also made several corrections for clarification purposes to align the statute to reflect current PERS procedures and regulations. These corrections, effective July 1, 2016, are outlined below. Visit us online to view a summary of all 2016 PERS-related legislation.

**Definition of Beneficiary** - Amends Miss. Code Ann. § 25-11-103(g)  
Revises the definition of “beneficiary” to clarify that, in the event that a member dies before retirement and the spouse and dependent children are not entitled to a retirement allowance because the deceased member did not have the required number of years of service, the type of service to which is referred is “membership” service as defined in § 25-11-103(r).

**Definition of Child** - Amends Miss. Code Ann. § 25-11-103(j)  
Revises the definition of “child” to clarify that a natural child of a member is one who is conceived before the death of the member.

**Disability Benefits** - Amends Miss. Code Ann. § 25-11-113(1)  
Clarifies that a member who applies for a disability retirement allowance must provide sufficient objective medical evidence in support of his or her claim and defines “objective medical evidence” in support of a claim for disability retirement benefits.

**Spouse Survivor Benefits** - Amends Miss. Code Ann. § 25-11-114(2)(d)(ii)  
Clarifies that, if a member dies before qualifying for a full, unreduced retirement allowance, the reduction factor for the annuity of the surviving spouse will be based on the number of years that would have been required for the deceased member to qualify for a full, unreduced retirement.

**Duty-related Death and Disability Benefits** - Amends Miss. Code Ann. § 25-11-114  
Clarifies that for duty-related death or disability benefits to be payable, the death or disability must have been as a direct result of a physical injury sustained from an accident or a traumatic event caused by external violence or physical force that occurred in the performance of duty.

**Leave Credit for Elected Officials** - Amends Miss. Code Ann. § 25-11-109(2)  
Clarifies that leave credit for elected officials who are members of PERS is in lieu of, and not in addition to, leave earned while simultaneously employed in a non-elected position in the System.

**Electronic Payments** - Amends Miss. Code Ann. §§ 25-11-111.1; 25-13-11.1; and 21-29-325  
Authorizes the Board of Trustees through its regulations to make payments of retirement benefits by whatever electronic means

it deems most appropriate (e.g., direct deposit or bank card) and to authorize the Board of Trustees to provide for alternative means of payment if receipt of the payment by the prescribed means will cause undue hardship.

**HEART Act and USERRA** - Codifies Miss. Code Ann. § 25-11-110  
This amendment complies with the Heroes Earnings Assistance and Relief Tax (HEART) Act and Uniformed Services Employment and Reemployment Rights Act (USERRA). If a member dies while performing qualified military service as defined by the United States Code, survivors of a member of PERS, MHSPRS, or the Supplemental Legislative Retirement Plan (SLRP) are entitled to any additional benefits that the system would provide if the member had resumed employment and then died. A deceased member’s period of qualified military service must be counted for vesting purposes. An individual receiving differential wage payments from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation.

**Compliance Audits** - Codifies Miss. Code Ann. § 25-11-119.1  
Establishes that PERS may perform on-site compliance audits of employers to determine compliance with PERS statutes and regulations. PERS may assess penalties for the employer’s failure to comply with such an audit.

**Commencement of Benefits** - Amends Miss. Code Ann. § 25-11-111(b)  
Clarifies that a member’s retirement benefit payments shall begin after the member submits the required application to PERS, but in no event before withdrawal from service.

## Childress reelected to PERS Board of Trustees

Dr. Lee Childress, Corinth Public School District superintendent, has been reelected to serve on the PERS Board of Trustees as public school and community/junior college employee representative.



Childress defeated Billy Folkes, Lamar County School District director of student services, in a recent runoff election, the results of which were certified by the Board April 19. Childress' new term will run from May 1, 2016, to April 30, 2022.

# Employer Reporting Tips

## Elected County Surveyors

An elected county surveyor, if not specifically excluded from membership in PERS through the joinder agreement between the county board of supervisors and PERS, is covered for retirement and should be reported. However, as a fee-paid elected official, a county surveyor is responsible for paying both the employee and employer contributions on the net fee income.

The elected county surveyor should submit to the county a monthly accounting of fees net of expenses, along with the applicable contributions. The county should, in turn, report the applicable net fee income to PERS through the regular monthly report of wages and contributions and remit the applicable employee and employer contributions to PERS.

## Wallace named new PERS internal auditor



Lezlin K. Wallace, of Pearl, has been named PERS internal auditor.

She earned her bachelor's in business administration with an emphasis in accounting from Mississippi College and previously worked as a legal assistant at Jones Walker

LLP and as financial services director for the Mississippi Forestry Commission and Mississippi Wildlife Fisheries and Parks.

As internal auditor, Wallace will be responsible for conducting independent, protective, and constructive audits in addition to reviewing effectiveness of controls, financial records, and operations. She is also responsible for planning an organized system of continuous, periodic, and special audits within PERS; as well as evaluating internal controls.

## School Districts End-of-Year Contracts

When reporting the end-of-year contract for a teacher, be mindful of whether the teacher will be returning the following school year. If the employee is returning in the fall, he or she should be reported with a WC-01 (Regular Wage) and a Status Code of 00 (No Change in Status), if applicable. If he or she is not returning, report the employee as a WC-07 (Final Payment at Termination) and a Status Code of 03-(Employee Terminated).

## Constables

**Active Constables** employed with multiple positions, must be reported separately using the following codes:

- P0203—Fail Case Fee - \$1,800 (statutory salary for constable for most counties). This amount, for active members can be reported in a lump sum, bi-annually (\$900), quarterly (\$450), or monthly (\$150).
- P0203—Constable Fees (serving of papers)
- P0010—Bailiff
- P0014—Sheriff

**Please note:** Multiple Wage Code-08s are allowed; but must be for different positions. For more information about position codes, see the MyPERSReporting Manual at [www.pers.ms.gov](http://www.pers.ms.gov).

**Retired Constables** serving as constable and bailiff:

- The “elected” constable position will be reported as WC-15. The agency is only responsible for paying the employer portion on what the position pays (e.g., \$1,800 annual reported wages at \$150 a month) and report the amount paid to the constable under the salary amount.
- The “non-elected” bailiff position will be reported as WC-12. The agency is only responsible for paying the employer portion on the amount paid to the retired member.

## Municipal, County Part-Time Employees

Employees of a county or municipality must meet the requirements of PERS Regulation 36, *Eligibility for Membership*, for coverage in PERS, including positions such as youth court referee, public defender, county board attorney, municipal judge, municipal prosecutor and municipal attorney. The criteria for membership in PERS is a facts-and-circumstances test and must meet all the criteria as outlined in PERS Regulation 36. (See article on page 5 regarding membership eligibility determination.)

# Employer Training Scheduled

## Annual training to be held from May to July

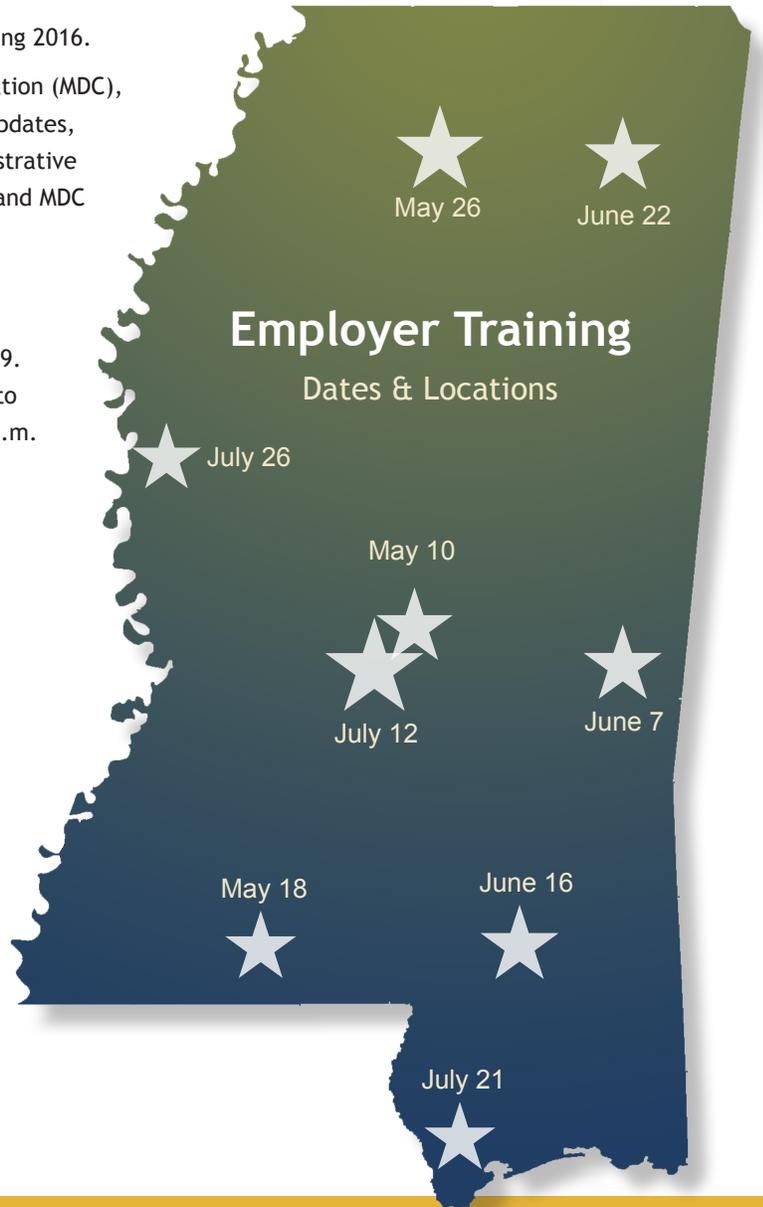
PERS annual Employer Training will be held from May to July during 2016.

Featuring speakers from PERS and Mississippi Deferred Compensation (MDC), PERS Employer Training provides general information, relevant updates, and Q&A opportunities for human resources, payroll, and administrative staff so they can better assist employees in understanding PERS and MDC retirement opportunities.

Pre-registration is required for these sessions and can be done from the PERS website, [www.pers.state.ms.us/seminarsOnline/employertraining.cfm](http://www.pers.state.ms.us/seminarsOnline/employertraining.cfm), or by calling 800-444-7377 or 601-359-3589. Daily schedules and training location addresses will be provided to participants upon pre-registration. Each session will run from 9 a.m. to noon.

PERS welcomes employer input on our training plan, including suggested topics for discussion. Please, send us your input at [retirementeducation@pers.ms.gov](mailto:retirementeducation@pers.ms.gov).

May 10 .....	Pearl
May 18 .....	McComb
May 26 .....	Oxford
June 7 .....	Meridian
June 16 .....	Hattiesburg
June 22 .....	Tupelo
July 12 .....	Jackson
July 21 .....	Long Beach
July 26 .....	Greenville



## Employer Training Dates & Locations



## New guide, MyPERS Reporting offer help with determining PERS Membership Eligibility

PERS-covered employers are responsible for properly assessing whether an employee is eligible for membership in PERS. However, PERS has provided a convenient questionnaire in MyPERS Reporting to help in this determination. Employers are also encouraged to reference PERS Board Regulation 36, *Eligibility for Membership in the Public Employees' Retirement System of Mississippi (PERS)*, and PERS Board Regulation 37, *Eligibility of Student Employees for Membership in Retirement Annuity Coverage*. And the Membership Eligibility Overview on the PERS website is a handy reference tool for employees who need questions answered about eligibility.

## Public charter schools may join PERS

Senate Bill 2161, which was signed by Gov. Phil Bryant April 14 and is effective July 1, 2016, makes technical amendments relating to funding, enrollment, and operation of Mississippi charter schools, as established by the Mississippi Charter Schools Act of 2013.

The bill, introduced by Sen. Gray Tollison, adds “public charter schools” to the definition of “political subdivision,” which will allow public charter schools to join PERS on a school-by-school basis.

## PERS available in office, at employers, and around the state for education

Whether members visit with us at PERS or at one of our seminars, we are available to help them plan for their retirement.

Retirement counselors are available to talk one on one in our office from 8 a.m. to 4:30 p.m. Mondays, Tuesdays, Thursdays, and Fridays. Appointments are strongly recommended.

Pre-Retirement Full-Day Seminars are held around the state to give an overview on a range of topics including estate planning, Mississippi Deferred Compensation Plan & Trust, Social Security, and PERS benefits. Members may reserve a spot online.

We also give on-site presentations with employers for early-career employees and those nearing retirement. Our Early Career/New Employee Seminars offer an overview of the PERS defined benefit plan. Our PERS on the Move presentations inform members about potential PERS benefits. Employers can schedule these seminars by contacting PERS.

In Focus Sessions, PERS staff provides all registered members in attendance an Estimate of Benefits, information about PERS benefit options, and information on the retirement process. These two-hour small-group sessions are held every Tuesday at 9:30 a.m. and every Thursday at 2 p.m. at PERS. Members can make reservations online.

Be sure your employees know about all the retirement education opportunities available to them through PERS.



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### 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.*