

GROWING ECONOMY HELPS STATE RETIREMENT SYSTEM BECOME MORE SOLVENT

By **ANTHONY WARREN**
Sun Staff Writer

THE ECONOMY is turning around, the stock market has rebounded, and the state's Public Employees Retirement System, or PERS, is becoming more solvent.

The system, which has been at 58 percent funding for the last two years, is beginning to "trend upward," according to PERS Executive Director Pat Robertson.

Additionally, with the near-record highs hit recently in the stock market, as well as growth in other investments, PERS has revised its previous goal of having the system at 80 percent funding by 2042 to having it fully funded.

"PERS has benefited from the strong market, which underscores and emphasizes the fact that we look at investment performance from a long-term perspective," Robertson said.

PERS is the pension plan for public employees and elected officials. To be eligible for benefits, new hires have to work for the state, a city or county for at least eight years, and are eligible for retirement after 30 years of service, or after reaching age 60, according to the PERS Member Handbook.

Benefits are based on an employee's four highest years of salary, and are calculated using a formula. Based on that formula, employees whose highest annual earnings are \$60,000, for example, would receive a pension of \$36,000 every year for the rest of their life.

PERS is funded through employee contributions, employer contributions and investment earnings.

For fiscal year 2014, which ended on June 30, PERS had a rate of return of 18.6 percent on its investments, and net assets

grew from \$22 billion to more than \$25 billion.

"We attribute this performance to our long-term strategy, coupled with our prudent planning and investing," Robertson said.

Robertson said PERS has an "institutional consultant," who works with the agency's investment staffers and the PERS chief investment officer to "review, monitor, and evaluate ... investments on a day-to-day basis."

Those investors, in turn, follow a strategic investment plan to ensure that PERS generates "a long-term rate of return that meets our policy objectives," she said.

So far, so good.

In the last 30 years, 53 percent of the system's funding has come from investments.

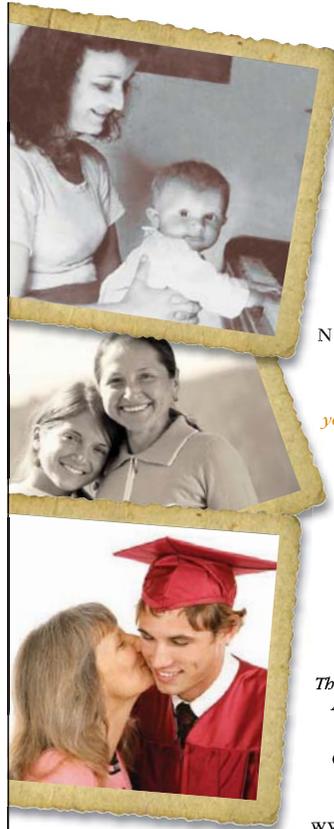
Additionally, PERS has had a positive rate of return on its investments in all but two of the last eight years, in 2008 and 2009, at the height of the Great Recession.

"The recession was definitely a factor in the decline of the funded status of PERS. However, the Mississippi Legislature in 1999 increased benefits retroactively ... without a funding mechanism ... which impacted the funding," she said.

In 1999, PERS was 74 percent funded. PERS will again reach 74 percent funding by 2030, she said.

As of June 30, 2013, the most recent data available, PERS had approximately 162,000 active members working and paying into the system. Of those, more than 96,000 are vested, or eligible for full benefits at retirement. More than 22,000 of those employees are now eligible to retire, Robertson said.

More than 90,000 people are currently receiving benefits.



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business notes

Dave Miller, a former award-winning newspaper reporter, top congressional aide and a 30-year veteran in the telecommunications industry, was recently named senior manager of media relations for **C Spire**, the Ridgeland-based diversified telecommunications and technology services company. Before joining C Spire in 2007, Miller was public relations director for **Mississippi State Hospital**, the nation's largest publicly-funded psychiatric treatment hospital and executive director of external affairs for **SBC Communications** in California.

Northsider **James A. Peden Jr.**, a senior member of the law firm of **Stennett, Wilkinson and Peden**, has been selected for inclusion in the 2015 edition of "The Best Lawyers in America," in the fields of both land use and zoning law and litigation - land use and zoning. Since 2009, Peden has served as an adjunct professor at the Mississippi College School of Law. He is a former president of the Young Lawyers Division of the Mississippi Bar and a retired colonel and staff judge advocate in the Mississippi Air National Guard.

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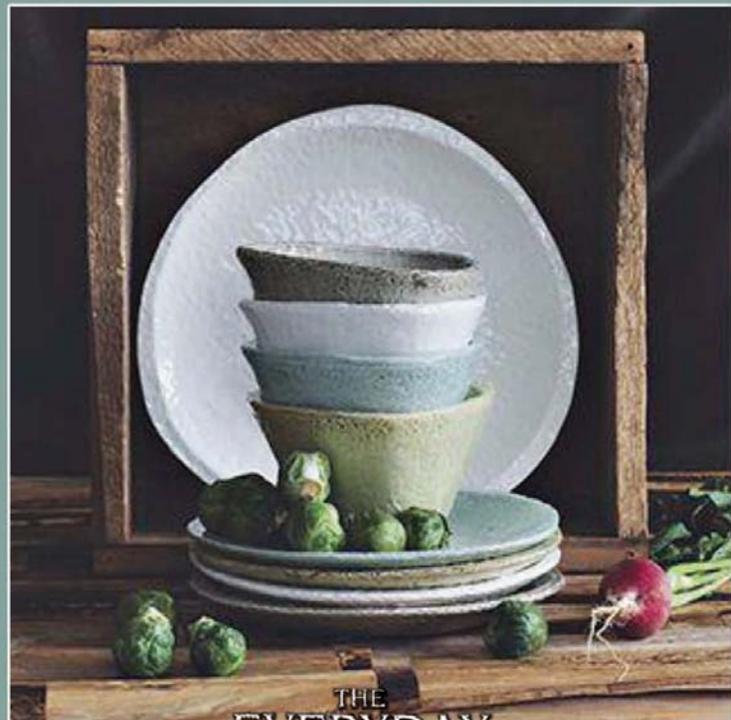


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