PERS of MISSISSIPPI

Member Handbook

Mississippi Highway Safety Patrol Retirement System

Providing Benefits for Life

PERS
of MISSISSIPPI

Our Mission

Providing secure benefits to our members and consistently delivering quality service by meeting our customers' needs; operating efficiently and transparently; investing and managing assets prudently; and acting in the best interest of all members.

Cover Photo Credit: Donna Echols, Mississippi State Troopers Association

Welcome

As a sworn officer of the Mississippi Highway Safety Patrol, you are promised a secure retirement with the Mississippi Highway Safety Patrol Retirement System (MHSPRS).

The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees administers MHSPRS and is the custodian of MHSPRS assets. We at PERS believe that Mississippi's sworn officers deserve a strong retirement system.

PERS accomplishes its mission of providing secure retirement benefits for all members of the plans it administers—including MHSPRS—by closely monitoring investments, studying plan adjustments, recommending changes to the Legislature, and following a strong chain of checks and balances that starts with the Mississippi Constitution and ends with the people we serve.

Providing secure retirement benefits is only one part of our agency's mission. We also strive to deliver quality service to all of our customers, whether members, benefit recipients, employers, or others with whom we interact.

Moreover, we want you to know about your retirement system. This handbook is one of several valuable tools we provide for members to learn about MHSPRS. Along with our website, newsletters, annual reports, member statements, and educational opportunities, we have a team of dedicated and trained staff who can respond to you personally via phone and in person. We listen carefully to your questions and seek to understand your needs. We strive to treat each person–from new hires to long-time retirees–with dignity, respect, and compassion.

We hope this handbook will be helpful to you, and we encourage you to share any suggestions toward improving this handbook or any of our services. MHSPRS is your retirement system and your future.

Photo Credit: Charlie Godbold, Godbold & Company Photography

Pat Robertson
Executive Director

Providing Benefits for Life

Public Employees' Retirement System of Mississippi

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Jackson, Mississippi 39201-1005

800.444.7377
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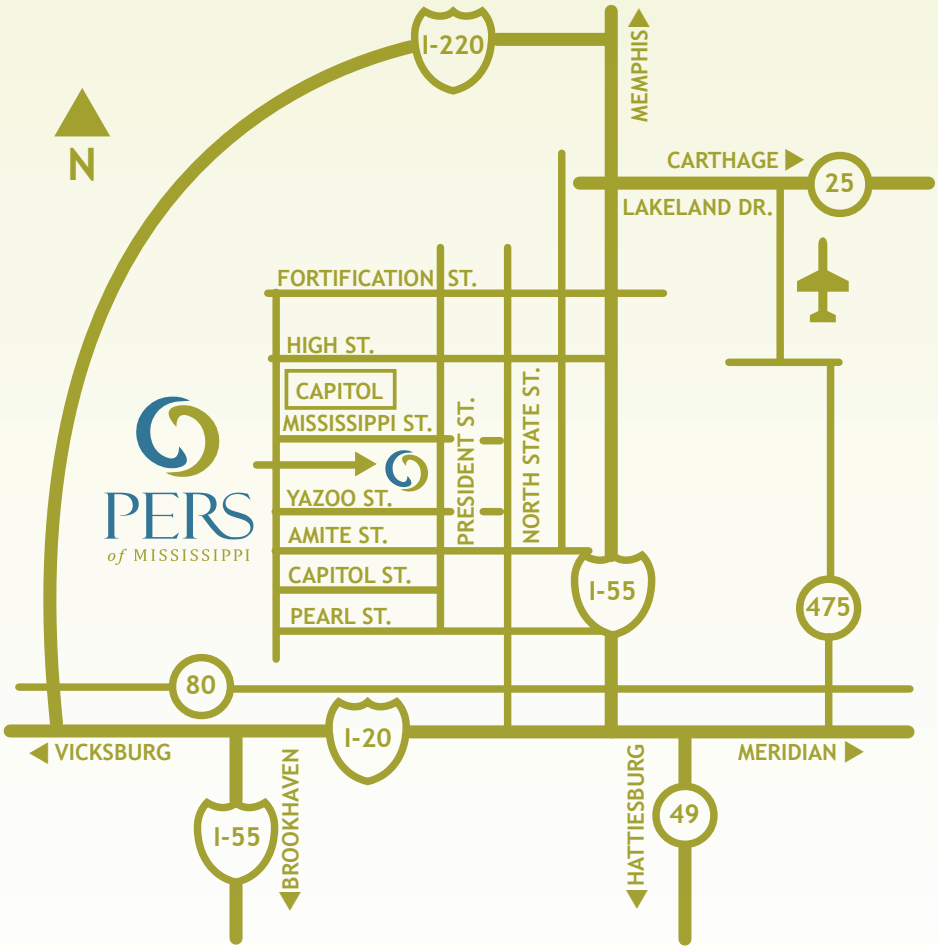
customerservice@pers.ms.gov
www.pers.ms.gov

8:00 a.m. to 5:00 p.m., Monday - Friday

Visitor parking is available in the parking garage behind the PERS Building at 429 Mississippi Street. Entrance to the parking garage is from President Street, between Yazoo Street and Mississippi Street.



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Discover More Online

Along with this handbook are online resources for MHSPRS members. Look for the pointing finger symbol (at left) throughout this handbook to guide you to resources found at www.pers.ms.gov.

Photo Credit: Charlie Godbold, Godbold & Company Photography

Your Retirement System: A Brief Overview

The Mississippi Highway Safety Patrol Retirement System (MHSPRS) is a governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. MHSPRS was established by the state Legislature in 1958 to provide benefits to eligible Mississippi Highway Safety Patrol officers. Unlike a defined contribution plan (e.g., a 401(k)-type plan) where a participant's retirement benefit is based on contributions and any investment earnings accumulated in that participant's account, a defined benefit plan determines a member's retirement benefit using a formula based on the member's average compensation, years of creditable service, and the benefit payment option selected at retirement. MHSPRS is a trust fund operating on a fiscal year calendar from July 1 through June 30. All funds are held in trust for the exclusive benefit of the members.

Funding for MHSPRS comes from member and employer contributions and investment earnings on those contributions that accumulate over time. As a defined benefit plan, MHSPRS has access to professional investment management, which eliminates the need for members to manage their contributions in the markets. Defined benefit plans are designed based on strength in numbers, automatic participation, and pooled risk so that members are guaranteed to receive lifetime benefit payouts at retirement, regardless of market downturns. In addition, MHSPRS provides disability and survivor protection.

The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees administers MHSPRS and is the custodian of MHSPRS assets. PERS' 10-member Board of Trustees includes the state treasurer, one gubernatorial appointee who must be a member of PERS, two state employees, two PERS retirees, and one representative each of public schools and community/junior colleges, the state's institutions of higher learning, municipalities, and counties. Under the guidance of a consulting actuary, the PERS Board monitors funding to ensure the financial soundness of the plans administered—including MHSPRS—and compliance with the guidelines established by the Governmental Accounting Standards Board. The PERS Board also appoints the executive director to serve as the agency's chief executive officer.

Along with MHSPRS, the Board administers:

- Public Employees' Retirement System of Mississippi (PERS), *established in 1952;*
- Mississippi Government Employees' Deferred Compensation Plan & Trust (MDC), *established in 1973 with administration transferred to PERS in 1974*;
- Municipal Retirement Systems (MRS) —17 fire and police and two municipal employee plans, *closed plans with administration transferred to PERS in 1987*;
- PERS-sponsored Retiree Medical and Life Insurance Plans, *authorized in 1988*;
- Supplemental Legislative Retirement Plan (SLRP), *established in 1989*; and
- Optional Retirement Plan for the Institutions of Higher Learning (ORP), *established in 1990*.

MHSPRS Administrative Board

The MHSPRS Administrative Board meets with the PERS actuary annually on the funding status of MHSPRS and makes recommendations to the PERS Board about changes in contribution rates and the benefit structure. The six-member Administrative Board includes the Commissioner of Public Safety; an MHSPRS retiree representative; and one representative each of the Highway Patrol Headquarters; Northern Region; Central Region; and Southern Region. Except for the Commissioner of Public Safety, Administrative Board members are elected by the MHSPRS members they represent.

Staying Informed

PERS as an agency is here to serve you, whether you are an MHSPRS member, retiree, or beneficiary. We encourage you to contact us and to use our printed and online resources. Our Customer Service Center, website, newsletters, and other communication materials are reliable sources for information and answers to questions.

Customer Service Center

Customer Service Center analysts assist callers with questions and concerns. The center is open from 8 a.m. to 5 p.m. weekdays (except state holidays). Call 800-444-7377 or 601-359-3589.

Newsletters

Our member newsletter, *Looking Forward*, and retiree newsletter, *Forward*, provide helpful information. Electronic versions of the newsletters are available on the PERS website, and audio versions of the newsletters are available through the National Federation of the Blind of Mississippi.

News Releases

News releases keep you up to date on what is happening with the agency. All news releases are posted online for the public to view.

Publications and Reports

Our Comprehensive Annual Financial Report and actuarial reports are posted on our website and provide detailed information about all plans administered, including MHSPRS.

Handbooks

Along with this handbook, we provide handbooks to retirees, employers, and members of the Public Employees' Retirement System of Mississippi and Supplemental Legislative Retirement Plan. All handbooks can be found online.

Regulations

In addition to retirement law, Board regulations provide guidance on how we operate on a day-to-day basis. All current regulations are posted on the PERS website.

Safeguarding Your Identity

We take precautions to protect your identity and keep your information safe. Though your Social Security number may be used over the phone to verify your identity when you call us, we will never share that number or any of your personal information with anyone but you. In the case that a Social Security number is not sufficient verification, we may ask you to provide additional identifying information that only you would know.

Find Resources Online

Relevant newsletters, news releases, publications and reports, handbooks, and regulations can all be found at www.pers.ms.gov.

Website

Our website, www.pers.ms.gov, is a valuable resource for employers, members, retirees, and the public.

The latest news can be found in the PERS Updates section of the home page.

Our Forms Library provides quick access to most forms, including many listed in this handbook.

Along with news and forms, our website includes information about the leadership of your retirement system, with biographical information about our Board of Trustees and Executive Staff.

Site visitors also may find all regulations, sign up for seminars, calculate projected benefits, and calculate a refund payback.

Moreover, we have links on our site to take you directly to pertinent information you may need as a member of MHSPRS. Our members resources page links directly to pertinent member information and, from our home page, you can link directly to Mississippi Government Employees' Deferred Compensation Plan & Trust, Social Security, the Internal Revenue Service, and Medicare.

We are continually working to improve our website, and we welcome feedback from our members and retirees to let us know how we can better serve them online.

Your Account

Photo Credit: Donna Echols, Mississippi State Troopers Association

Your Membership

MHSPRS is the retirement system for all sworn officers of the Mississippi Highway Safety Patrol who have completed a course on general law enforcement in an authorized highway patrol training school.

Participation in MHSPRS is mandatory for sworn officers who are assigned to the Mississippi Highway Safety Patrol.

MHSPRS is here to help ensure your financial well-being after you retire from a career in public service. Once you are vested, your years of contributing to MHSPRS will provide you with life-long benefits upon retirement. In addition, MHSPRS provides financial peace of mind for you and your family through disability and survivor benefits.

Should you become permanently disabled, you may be eligible for disability retirement benefits. If you die before retirement, your spouse and/or dependent children may be eligible for survivor benefits. Details on these benefits plans and eligibility requirements are provided in this handbook.

Inactive Member

Your membership is considered inactive if you are no longer employed as a sworn officer of the Mississippi Highway Safety Patrol and have not retired or received a refund of your contributions. An inactive member retains his or her membership and the right to future benefits, either as a refund of contributions and interest or, if vested, as a deferred retirement benefit. The spouse and dependent children of a vested inactive member may be eligible for certain survivor benefits.

Active Member

You are an active member as long as you are contributing to MHSPRS through employment as a sworn officer of the Mississippi Highway Safety Patrol.

Member and Employer Contributions

Member Contributions

As an MHSPRS member, you contribute a set percentage of your earned compensation up to the maximum reportable earnings allowed by law. (See Board Regulation 60, *Contribution Rates*.)

Member contributions are tax-deferred, so you do not pay taxes on contributions until you withdraw the funds from your retirement account either as a refund or as retirement benefits. Retirement benefits are not subject to Mississippi State Income Tax; however, benefits paid by MHSPRS to you as a resident of another state may be subject to taxation in that state.

Your accumulated contributions earn interest monthly at an annual rate that is set by the PERS Board of Trustees. Member contributions plus accumulated interest are refunded to members who choose to withdraw their contributions following termination of covered employment. (See Board Regulation 62, *Crediting of Interest on Member Accumulation Accounts*.)

Employer Contributions

MHSPRS-covered employers contribute a set percentage of the earned compensation for their covered employees. The rate is recommended by the PERS actuary and set by the MHSPRS Administrative Board. Employer contributions are not credited to individual member accounts and are not payable to members through refunds.

Look Up Current Contribution and Interest Rates

Current MHSPRS member and employer contribution rates are posted under Board Regulation 60, *Contribution Rates*, and the current annual interest rate earned on accumulated contributions is posted in Board Regulation 62, *Crediting of Interest on Member Accumulation Accounts*. Both can be found at www.pers.ms.gov.

Managing Your Account

You remain a member of MHSPRS as long as you leave your funds in your member account. Your membership can only be terminated by withdrawing your contributions after you leave covered service or upon your death.

You cannot receive loans, partial refunds, or hardship withdrawals of your contributions. However, upon termination from employment, you may apply for a full refund of your contributions plus accumulated interest.

Funds may be rolled over into your MHSPRS account to purchase optional service credit or to reinstate previously withdrawn service credit.

Your right to your benefit is exempt from levy, sale, garnishment, and attachment; and is not assignable. Furthermore, MHSPRS has no authority for recognizing, implementing, administering, or enforcing the provisions of any domestic relations order or other actions decreed by a court in a divorce settlement.

Active and inactive members are mailed Annual Member Statements that list years of service, total contributions, and other account information. These unaudited statements also provide information about your beneficiaries and, if you are within four years of service retirement eligibility, an estimate of benefits.

Terminating Covered Employment

Termination from employment or withdrawal from service is defined as a complete severance of all employment in a position covered under MHSPRS. Once you terminate employment, your membership continues as long as you do not refund your contributions and interest. By not refunding, you become an inactive member; you retain your right to a lifetime retirement benefit when you meet eligibility requirements; and you retain your right to survivor benefits, if eligible.

Refunding Your Contributions

A refund of your account is only permitted following termination. No provision exists for loans, partial refunds, or hardship withdrawals of member contributions.

Refunding your contributions constitutes a forfeiture of your membership and benefits in MHSPRS as well as the accompanying service credit.

To refund or rollover your member contributions and interest, you must complete Form 5, *Member Refund Application*. Your refund will be issued after final wages and contributions are posted to your account, but no later than 90 calendar days from the date of termination from covered employment or from the date of receipt of the properly completed form requesting the refund, whichever is later.

Should you return to MHSPRS-covered service, you may repay the refund; however, your service credit will not be reinstated until you have become vested.

Rollovers

A rollover is the tax-deferred transfer of all or part of your contributions and interest to another eligible plan or retirement account. You are responsible for determining if your plan is a qualified retirement plan that can accept a direct rollover.

In addition to Form 5, *Member Refund Application*, you must complete Form 5C, *Rollover Distribution Election*, to request a rollover of contributions.

Taxes on Refunds

All taxes and/or associated penalties are your responsibility. If you terminate employment and elect to receive a refund of contributions and interest paid directly to you, 20 percent (or more upon your request) will be withheld for federal income tax from the taxable portion of your refund. If you withdraw contributions before you reach age 50, the Internal Revenue Service may impose a 10 percent federal tax penalty on the distribution.

Download Form 5 Series

The complete Form 5 Series may be found at www.pers.ms.gov and includes Form 5, *Member Refund Application,* and Form 5C, *Rollover Distribution Election*.

Vesting Requirements

You become vested when you accumulate five years of service as a contributing member. Being vested entitles you and your beneficiaries to certain benefits when you reach a specified age or years of service. (See table below outlining vesting and service retirement eligibility requirements.)

If you leave your job after you are vested and do not receive a refund of your contributions and interest, you retain your right to a future benefit upon reaching retirement age and your spouse and/or dependent children may be eligible for certain survivor benefits.

Vesting, Service Retirement Eligibility, and PLSO Eligibility

Vesting	Service Retirement Eligibility	Partial Lump Sum Option (PLSO) Eligibility
5 years of membership service	Reduced benefit at age 45 with 20 years of creditable service Unreduced benefit at age 55 with 5 years of membership service or at any age with 25 years of creditable service	Age 55 with 5 years of membership service or at any age with 25 years of creditable service

Service Credit

While working in an MHSPRS-covered position where wages are properly reported and applicable contributions are paid, you earn membership service that counts toward your retirement. (See Appendix A.)

No membership service is awarded for leave of absence without pay. To receive service credit other than membership service, you must be vested and eligible to qualify as follows:

Service Credit at No Cost

Accumulated Unused Leave

You may receive service credit for accumulated, uncompensated unused leave, if eligible. MHSPRS members must have terminated employment on or after July 1, 1984, to receive unused and uncompensated leave credit. Unused leave is certified by the employer on Form 18, *Employer Certification of Termination and Accumulated Unused Leave;* on Form 9A SRVC, *Pre-Application for Service Retirement Benefits*, if the employee is retiring on service retirement; on Form 9A SRVR, *Pre-Application for Survivor Retirement Benefits*, if the spouse and/or dependent children are applying for survivor benefits; or on DSBL 1, *Pre-Application for Disability Retirement Benefits*, if employee is retiring on disability retirement. Credit for unused leave is awarded at no cost to members. (See Appendix B.)

Download Forms 9A SRVC, 9A SRVR, DSBL 1, and 18

Form 9A SRVC, *Pre-Application for Service Retirement Benefits;* Form 9A SRVR, *Pre-Application for Survivor Retirement Benefits;* DSBL 1, *Pre-Application for Disability Retirement Benefits;* and Form 18, *Employer Certification of Termination and Accumulated Unused Leave*, may be found at www.pers.ms.gov.

Active Duty Military Service

MHSPRS allows credit for active duty military service in the U.S. Armed Forces. Military service performed after terminating from covered public service or while drawing a retirement allowance is not eligible for credit. Active duty military service credit at no cost requires that you:

- have served on active duty in:
  - the U.S. Army, Navy, Air Force, Marine Corps, or Coast Guard; or
  - maritime service during periods of hostility in World War II.
- have entered Highway Patrol service after discharge from qualifying service and be vested in MHSPRS;
- have not received a dishonorable discharge;
- not have credit for this service in any other retirement system administered by PERS and not have overlapping service for the same period of time; and
- provide necessary documentation prior to retirement.

If eligible, you may receive, at no cost, up to four years of service, or more if you were retained in the armed forces or maritime service during World War II by causes beyond your control and without opportunity for discharge. You must submit a copy of your DD-214 discharge form or comparable documentation to qualify for this additional credit.

You also may be eligible for service credit as a National Guard or Reserve member if your unit was federally activated into the U.S. Armed Forces and you provide a copy of your DD-214. Neither the Guard NGB Form nor the U.S. Army Reserve Personnel Center Chronological Statement of Retirement Points will be accepted to establish eligibility for active duty military service.

Read More about Military Service

Visit www.pers.ms.gov to read Board Regulation 49, *Military Service*.

Active Duty Military Service under USERRA and HEART Act

Under certain circumstances, you may be awarded credit for military service that interrupts covered public service, provided the appropriate employee and employer contributions are paid.

To purchase service under the Uniformed Services Employment and Reemployment Rights Act (USERRA), you must have worked for a covered employer, left employment for a military leave of absence, and returned to work with the same employer within 90 days of discharge or release except as otherwise provided under USERRA. The Heroes Earnings Assistance and Relief Tax (HEART) Act extends the right to purchase service under USERRA to survivors after a member's death.

If a member dies while performing qualified military service as defined by the United States Code, his or her survivors 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.

Photo Credit: Kemberly Groue
Keesler Air Force Base

Service Credit for Purchase

Transfer of Law Enforcement Service Credit

If you received service credit in a law enforcement capacity under PERS or one of the Municipal Retirement Systems (MRS) administered by PERS, you may elect to purchase credit for this service in MHSPRS. Staff will calculate your cost to purchase service credit in MHSPRS. To receive credit, contributions on wages earned for service in PERS or MRS must have been refunded or may be transferred to MHSPRS.

The cost of this service is an interest-based calculation and represents the employee and employer contributions, plus interest, which would have been contributed to MHSPRS had you participated in MHSPRS.

Refund Payback

If you return to covered service after refunding previous contributions and interest, you may reinstate withdrawn service credit by repaying your refund plus interest. Service credit will be reinstated after you become vested.

Buying Optional Service Credit, Repaying Refund

You may purchase any available optional service credit or repay refunded contributions and interest to reinstate withdrawn service credit either through a direct payment or through an eligible rollover distribution.

To determine the estimated cost of your payback, you may use the Refund Payback Calculator on the PERS website. You will need to know the month and year you received your refund, as well as the amount of your refund. Before you begin your payback, you will need to obtain an official refund payback cost by contacting us. The cost to repay a refund includes the gross amount of the refund plus non-refundable interest for each year beginning with the date of the refund, based upon rates established by the PERS Board of Trustees. (See Appendix C for established rates.)

You must return to covered service to reestablish membership and to be eligible to repay a refund. Upon payment, purchased service credit will be reinstated when you become vested.

Service credit may not be purchased after you retire, nor may beneficiaries purchase service credit on behalf of a deceased member.

When making a payment, you will need to submit a completed Form 12, *Payment/Purchase Acknowledgement*, which will be sent to you with your cost calculation or may be found on the PERS website.

Direct Payments

Funds remitted directly by you for purchase of service are not tax-deductible at the time of purchase, but are considered after-tax contributions. These funds will be used in the calculation of the tax exclusion applied to the benefit at retirement. Treatment of the funds as after-tax contributions applies even if the source of the funds is from a retirement plan from which you could have made a direct rollover or transfer of the funds.

Rollover Payments

You may use a qualifying tax-free direct rollover of funds from an eligible retirement plan or a traditional Individual Retirement Account (IRA) in payment for all or a portion of the cost to purchase optional service credit or to reinstate previously withdrawn service credit. An eligible retirement plan is a plan maintained by an employer as a pension, profit sharing, or Internal Revenue Code (IRC) Section 401(k) plan as described in IRC Section 401(a) or is a qualified annuity plan described in IRC section 403(a). Distributions from state deferred compensation plans described in IRC Section 457, tax deferred annuities described in IRC Section 403(b), traditional IRAs, and distributions from qualified tax deferred annuities may be eligible for rollover.

Your rollover payment cannot be more than the balance due for purchase or reinstatement of service credit. The trustee of the other plan must provide certification that funds are eligible for transfer under applicable federal law. These funds will be treated as tax-deferred funds and will be taxed when distributed to you.

Calculate Your Refund Payback; Download Form 12; and Look Up Details on Rollover Payments

PERS Refund Payback Calculator and Form 12, *Payment/Purchase Acknowledgement*, may be found at www.pers.ms.gov. You may also read more online about rollover payments under Board Regulation 47, *Tax-free Rollovers Into Plans Administered by the Board of Trustees of the Public Employees' Retirement System.*

Your Benefits

Photo Credit: Donna Eathos, Mississippi State Troopers Association

Your Beneficiaries

From your first day in covered service, MHSPRS provides coverage for your beneficiaries to help give you peace of mind about their well-being. (See Appendix D.) To designate a beneficiary, you must submit a completed Form 1B, *Beneficiary Designation*.

Lump Sum Refund

If you die before becoming vested in MHSPRS, your designated beneficiaries will be eligible to receive a lump sum refund of your account balance. Certain tax withholdings may apply.

Monthly Death Benefits

The retirement benefit payable on behalf of members who die prior to retirement is based upon the statutory provisions in effect at the date of the member's death, regardless of whether the death is considered duty related.

Spousal and Dependent Child Benefits

If you die before retirement but after becoming vested in MHSPRS and have not filed Form 16, *Advanced Application*, monthly benefits are payable to your spouse and/or dependent children under the provisions of Option 9, Maximum Benefit.

Benefits are payable to dependent children (under age 19 and never married or under age 23 if a full-time student and never married). Upon application and approval by the Medical Board, benefits to a physically or mentally disabled child may continue as long as the disability exists.

Download Forms 1B and 16

Form 1B, *Beneficiary Designation*, and Form 16, *Advanced Application*, can be found at www.pers.ms.gov.

Non-Duty-Related Death Benefits

If you are vested, your spouse and dependent children may be eligible to receive certain statutory benefits. Claims for non-duty-related death benefits are calculated at 2.5 percent of average compensation for each year of service credit, as calculated under Option 9, Maximum Benefit. Under this option, 50 percent of the accrued benefit is payable to your spouse until death, with 25 percent of the accrued benefit payable to one dependent child and 50 percent of the accrued benefit payable for two or more dependent children (under age 19 and never married or under age 23 if a full-time student and never married). Upon application and approval by the Medical Board, benefits to a physically or mentally disabled child may continue as long as the disability exists

Duty-Related Death Benefits

Coverage for duty-related death benefits begins on the first day of your employment and is available to your spouse and dependent children regardless of your vesting status. If you are vested, your spouse and dependent children may be eligible to receive benefits under either non-duty or duty-related death benefit provisions, whichever provides the higher benefit.

Claims for duty-related death benefits are calculated at 50 percent of average compensation, payable to your spouse until death, with 25 percent of average compensation payable to one dependent child and 50 percent of average compensation payable for two or more dependent children (under age 19 and never married or under age 23 if a full-time student and never married). Upon application and approval by the Medical Board, benefits to a physically or mentally disabled child may continue as long as the disability exists.

Survivor Benefit Application

Death benefits are payable after receipt of an application for survivor benefits and are effective the first day of the month following the date of death.

Changing Beneficiary Information

If you marry, divorce, or have a child by either birth or adoption, you may want to change your beneficiary designation.

To change family information, you must complete and file with your employer Form 1C, *Change of Information*. You will need to file an amended Form 1B, *Beneficiary Designation*. Both forms are available from the PERS website.

Photo Credit: Donna Echols
Mississippi State Troopers Association

Calculating Your Retirement Benefits

Because MHSPRS is a defined benefit plan, your monthly retirement benefit is determined by a retirement formula and not by the accumulated contributions in your account. Your monthly benefit amount is based on your average compensation, years of service, and the benefit payment option selected at retirement.

Service Credit Factor

To determine your Service Credit Factor, multiply your total years of creditable service and any fraction of a year by 2.5 percent. The maximum Service Credit Factor is 100 percent. (See Appendix E.) If you retire before age 55 with less than 25 years of service, benefits are reduced by an actuarially determined percentage or factor for each year of service below 25 or for each year in age below 55, whichever is less.

Average Compensation

Average compensation is calculated by adding your highest four consecutive years of salary and payment of up to 240 hours of leave and then dividing by four.

Benefit Payment Option Selection

MHSPRS provides seven base options from which to choose, plus, if eligible, a Partial Lump Sum Option (PLSO). (See page 30 for all option details.)

Minimum Monthly Benefit

The MHSPRS minimum monthly benefit is determined by years of service as follows:

- $250 for less than 10 years
- $300 for 10 to 14.75 years
- $500 for 15 or more years

Cost-of-Living Adjustment (COLA)

Retirees and beneficiaries who have been receiving benefit payments for at least one full state fiscal year are eligible to receive an annual Cost-of-Living Adjustment (COLA). Designed to help offset the effects of inflation, the COLA is equal to 3 percent of your annual base benefit for each full fiscal year of retirement prior to the year in which you reach age 60, plus 3 percent compounded for each fiscal year thereafter, beginning with the fiscal year in which you turn age 60. (See page 29 to calculate your estimated COLA.)

State Taxes

Retirement benefits are not subject to Mississippi State Income Tax; however, benefits paid by MHSPRS to you as a resident of another state may be subject to taxation in that state.

Photo Credit: Donna Echols, Mississippi State Troopers Association

Base Benefit Estimate Calculator

Use the table on page 27 to calculate an estimate of your projected monthly unreduced base benefit based on your average compensation and your Service Credit Factor. (See Appendix E.) The amount of the estimated monthly unreduced base benefit is your Maximum Benefit, which will be reduced if you select any other benefit payment option at retirement.

The Example Figures shown on page 27 illustrate the monthly base benefit calculation for a member with an average compensation of $39,250 at age 55 with 24 years of creditable service.

The MHSPRS Benefit Estimate Calculator on the PERS website allows you to generate an estimate of benefits under all options, including the Partial Lump Sum Option (PLSO), if eligible.

Increasing Benefit Potential

Each year in covered service increases your Service Credit Factor by 2.5 percent. Pay raises during these years could increase your average compensation, thereby further increasing your benefit.

Calculate Your Estimated Base Benefit

Generate an estimate of benefits under all benefit payment options using our online calculators.

Calculation	Your Figures			Example Figures
Add Four highest consecutive years of salary and leave payment			Highest Consecutive Year 1 Salary	$ 36,000.00
			Highest Consecutive Year 2 Salary	$ 37,500.00
			Highest Consecutive Year 3 Salary	$ 39,000.00
			Highest Consecutive Year 4 Salary	$ 40,000.00
	+		Leave Payment	+ $ 4,500.00
			Highest Consecutive Years Salary Sum Total	$157,000.00
▼				
Divide Highest Salary Sum Total by 4			Highest Salary Sum Total	$157,000.00
	÷	4	Divide by 4	÷ 4
			Average Compensation	$ 39,250.00
▼				
Look Up Service Credit Factor (Appendix E)			Years of Service	24.00
			Service Credit Factor	0.6000
▼				
Multiply Average Compensation by Service Credit Factor			Average Compensation	$ 39,250.00
	x		Service Credit Factor	x 0.6000
			Est. Annual Unreduced Base Benefit	$ 23,550.00
▼				
Divide Estimated Annual Unreduced Base Benefit by 12			Est. Annual Unreduced Base Benefit	$ 23,550.00
	÷	12	Divide by 12	÷ 12
			Est. Monthly Unreduced Base Benefit (Maximum Benefit)	$ 1,962.50

Cost-of-Living Adjustment Estimate Calculator

Retirees and beneficiaries who have been receiving benefit payments for at least one full fiscal year (July 1 to June 30) are eligible to receive an annual Cost-of-Living Adjustment (COLA). If you retire effective July 1, you would be eligible for the COLA during the fiscal year beginning 12 months later on July 1. If you retired effective August 1, you would be eligible for the COLA during the fiscal year beginning July 1, 23 months after the effective date of retirement.

You may irrevocably elect to receive your COLA in 12 equal monthly installments. If you do not make that election, your COLA will be paid annually in one lump sum payment on or about December 15.

The COLA is equal to 3 percent of your annual base benefit for each full state fiscal year of retirement prior to the year in which you reach age 60, plus 3 percent compounded for each fiscal year thereafter, beginning with the fiscal year in which you turn age 60. (See Appendix F for simple and compounded COLA interest rates for years in retirement.)

Use the table on page 29 to calculate your current estimated fiscal year COLA based on your estimated monthly base benefit. The Example Figures shown on page 29 illustrate how this formula works for a member who retired at age 55, has been retired for 15 full fiscal years, and is receiving a gross monthly base benefit of $1,000.

Calculation	Your Figures			Example Figures	
Multiply Monthly Base Benefit by 12			Monthly Base Benefit		$ 1,000.00
	x	12	Multiply by 12	x	12
			Annual Base Benefit		$ 12,000.00
▼					
Multiply Fiscal years retired prior to age 60 by 3.00%			Years in Retirement prior to 60		5.00
	x	3.00%	Multiply by 3.00%	x	3.00%
			Simple Rate		15.00%
▼					
Multiply Simple Rate by Annual Base Benefit for Simple Interest			Simple Rate		15.00%
	x		Annual Base Benefit	x	$12,000.00
			Factor 1		$ 1,800.00
▼					
Look Up Compounded Rate (Appendix F)			Years in Retirement since 60		10.00
			Compounded Rate		34.39%
▼					
Multiply Compounded Rate by Annual Base Benefit			Compounded Rate		34.39%
	x		Annual Base Benefit	x	$12,000.00
			Factor 2		$ 4,126.80
▼					
Add Factor 1 to Factor 2			Factor 1		$ 1,800.00
	+		Factor 2	+	$ 4,126.80
			Est. Current FY COLA		$ 5,926.80

Service Retirement Benefit Options

MHSPRS provides seven base options from which to choose, plus, if eligible, a Partial Lump Sum Option (PLSO) to add to a base option. Upon retirement, you should select the benefit option that best suits your needs and circumstances. All base options will provide you with monthly benefits for life, but the options vary in how benefit amounts are calculated. Furthermore, some options contain special Pop-Up and Pop-Down provisions to allow eligible retirees to change options and beneficiary designations under certain limited circumstances. (See Base Options Quick Comparison Chart on pages 36-37.)

Benefits will be paid under the provisions of Option 9, Maximum Benefit, unless one of the following options is selected:

Single Life Annuity with Refund and Pop-Down Provisions

No monthly beneficiary protection

- Option 1 - Pro-rated Single Life Annuity

Joint and Survivor Annuities with Pop-Up Provision

One beneficiary

- Option 2 - 100 Percent Joint and Survivor Annuity
- Option 4 - 75 Percent Joint and Survivor Annuity
- Option 4A - 50 Percent Joint and Survivor Annuity

Joint and Survivor Annuity Fixed

Two beneficiaries

- Option 3 - 100 Percent Joint and Survivor Annuity

Guaranteed Payment Periods Fixed

One or more beneficiaries

- Option 4B - 10, 15, or 20 Years Certain

Partial Lump Sum Option (PLSO)

If eligible and in addition to selected base option

- Equal to either 12, 24, or 36 months of your calculated Maximum Benefit

Option 9 - Maximum Benefit with Pop-Down Provision

Option 9 provides the maximum monthly benefit for life. This is the basic benefit option offered by MHSPRS and is calculated using the formula on page 27.

- Upon your death, your spouse will receive 50 percent of the benefit you were receiving and will continue receiving monthly benefits for life.
- Upon your death, each dependent child (under age 19 and never married or under age 23 if a full-time student and never married) will receive 25 percent of the benefit you were receiving with a maximum of 50 percent for the support and care of two or more children.
- Any contributions and interest remaining after your death and after all monthly benefits due to your spouse and children have been paid will be refunded to your designated beneficiaries.
  - » You may name one or more beneficiaries as primary or contingent or to share proportionately this remaining account balance.
  - » There are no restrictions on who you may name as a beneficiary for any remaining account balance. You may name a person, estate, organization, or trust as beneficiary.
  - » You may change your beneficiaries at any time.
- If you marry after retirement while receiving benefits under this option, you may apply to Pop-Down to Option 2 to provide 100 percent beneficiary protection for your new spouse or Pop-Down to Option 4 or Option 4A for other beneficiary protections for your new spouse (See page 31).
- PLSO is available with this option, if you are eligible.

Single Life Annuity with Refund and Pop-Down Provisions

No monthly beneficiary protection

Option 1 - Pro-rated Single Life Annuity

Option 1 provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Benefit because your contributions are pro-rated over your actuarially determined life expectancy, which could increase the available refund amount for beneficiaries.

- Monthly benefit payments stop at your death.
- No monthly benefits are payable to any beneficiary.
- If there are contributions and interest remaining at your death, that remainder will be refunded to your designated beneficiaries.
  - » You may name one or more beneficiaries as primary or contingent or to share proportionately any remaining account balance after your death.
  - » There are no restrictions on who you may name as a beneficiary. You may name a person, estate, organization, or trust as beneficiary.
  - » You are not required to name your spouse as a beneficiary.
  - » You may change your beneficiaries at any time.
- If you marry after retirement while receiving benefits under this option, you may apply to Pop-Down to Option 2, Option 4, or Option 4A to provide beneficiary protection for your new spouse.
- PLSO is not available with this option, regardless of eligibility.

Pop-Up Provision

The Pop-Up Provision allows a retiree who selected Option 2, Option 4, or Option 4A to change to the Maximum Retirement Allowance if the designated beneficiary predeceases the retiree or if the retiree divorces the designated beneficiary.

Pop-Down Provision

The Pop-Down Provision allows a retiree who selected the Maximum Retirement Allowance or Option 1 to change to Option 2, Option 4, or Option 4A to provide beneficiary protection to a new spouse married after the retiree selected the Maximum Retirement Allowance or Option 1.

Joint and Survivor Annuities with Pop-Up Provision

One Beneficiary

Option 2 - 100 Percent Joint and Survivor Annuity

Option 2 provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Benefit so that, after your death, your beneficiary will receive the same monthly amount for life.

- You must name one beneficiary.
- Your beneficiary must be a person, not an estate, organization, or trust.
- You are not required to name your spouse as a beneficiary.
- You may not change your beneficiary once selected unless he or she dies or unless you divorce and your spouse is named as beneficiary. If so, you may apply to Pop-Up to Option 9. In the event of a late filing, the recalculation of benefits can be retroactively effective for up to three months if your beneficiary dies.
- Your beneficiary's benefit may be limited by the Internal Revenue Service if the beneficiary is not your spouse. (See Appendix G.)
- PLSO is available with this option, if you are eligible.

Option 4 - 75 Percent Joint and Survivor Annuity

Option 4 provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Benefit so that, after your death, your beneficiary will receive 75 percent of the same monthly amount for life.

- You must name one beneficiary.
- Your beneficiary must be a person, not an estate, organization, or trust.
- You are not required to name your spouse as a beneficiary.
- You may not change your beneficiary once selected unless he or she dies or unless you divorce and your spouse is named as beneficiary. If so, you may apply to Pop-Up to Option 9. In the event of a late filing, the recalculation of benefits can be retroactively effective for up to three months if your beneficiary dies.
- PLSO is available with this option, if you are eligible.

Option 4A - 50 Percent Joint and Survivor Annuity

Option 4A provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Benefit so that, after your death, your beneficiary will receive 50 percent of the same monthly amount for life.

- You must name one beneficiary.
- Your beneficiary must be a person, not an estate, organization, or trust.
- You are not required to name your spouse as a beneficiary.
- You may not change your beneficiary once selected unless he or she dies or unless you divorce and your spouse is named as beneficiary. If so, you may apply to Pop-Up to Option 9. In the event of a late filing, the recalculation of benefits can be retroactively effective for up to three months if your beneficiary dies.
- PLSO is available with this option, if you are eligible.

Joint and Survivor Annuity Fixed
Two Beneficiaries

Option 3 - 100 Percent Joint and Survivor Annuity

Option 3 provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Benefit so that, after your death, each of your two beneficiaries will receive half of the same monthly amount for life.

- You must name two beneficiaries.
- Your beneficiaries must be people, not estates, organizations, or trusts.
- You are not required to name your spouse as a beneficiary.
- You may not change your beneficiaries once selected.
- If one beneficiary dies, your remaining beneficiary receives 100 percent of the monthly benefit for life.
- If both beneficiaries die, any remaining contribution balance is refunded to the contingent beneficiary designated on your retirement application.
- Your beneficiaries' benefits may be limited by the Internal Revenue Code. (See Appendix G.)
- PLSO is available with this option, if you are eligible.

Guaranteed Payment Periods Fixed
One or More Beneficiaries

Option 4B - 10, 15, or 20 Years Certain

Option 4B provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Benefit so that, after your death, your beneficiaries will receive the same amount monthly for the remainder of your selected guaranteed payment period. You select one of three guaranteed payment periods—10, 15, or 20 years—that begin from your effective date of retirement.

- You must name one or more beneficiaries.
- There are no restrictions on who you may name as a beneficiary. You may name a person, estate, organization, or trust as beneficiary.
- You are not required to name your spouse as a beneficiary.
- You may change your beneficiaries at any time.
- The applicable Internal Revenue Code may limit your eligibility for selecting Option 4B based on your age at retirement. (See Appendix G.)
- PLSO is available with this option, if you are eligible.

Partial Lump Sum Option (PLSO)

If Eligible and in addition to Selected Base Option

The Partial Lump Sum Option (PLSO) is available to eligible members in addition to the selected base option. By choosing the PLSO, any monthly retirement benefit received by you or a beneficiary who is designated on your Form 16, *Advanced Application*, to receive a PLSO distribution will be actuarially reduced.

By electing to receive a PLSO distribution, your monthly benefit and Cost-of-Living Adjustment (COLA) will be reduced for your lifetime. Seek assistance from a financial advisor and/or a tax professional to help you decide if selecting the PLSO is the right choice for you and your retirement needs.

Eligibility

The PLSO is available to first-time retirees who are entering service retirement. A member who is PLSO eligible may preselect the PLSO for his or her beneficiary by filing an *Advanced Application.* (See page 42.) A member retiring on disability retirement is not eligible for the PLSO.

Distribution Options

At retirement, you may elect a PLSO distribution in an amount equal to either 12 months, 24 months, or 36 months of your Maximum Benefit.

Your PLSO distribution will be a single payment and will be paid near the same time as your first monthly retirement benefit. The PLSO distribution can be paid directly to you by check, or, if you prefer, part or all of the distribution may be rolled over to another eligible retirement account. Generally, 20 percent of a PLSO distribution paid directly to a retiring MHSPRS member will be withheld for federal income taxes. All PLSO distributions are considered final once cashed or deposited.

If you receive a PLSO distribution before you reach age 50, the Internal Revenue Service may impose an additional 10 percent federal tax penalty on the distribution. Payment of all taxes and/or associated penalties are your responsibility.

Calculate Your Estimated PLSO and Download an Advanced Application

The MHSPRS Benefit Estimate Calculator on the PERS website allows you to generate an estimate of your PLSO distribution and, while online, you may download a Form 16, *Advanced Application*.

Calculation

You may use the MHSPRS Benefit Estimate Calculator on the PERS website to generate an estimate of your PLSO distribution. (See Appendix H for the percentages used in calculating the reduced monthly benefit.)

Effect of Reemployment

Should a retiree who selects the PLSO come out of retirement to return to covered employment and later retire again, the new retirement benefit will be calculated taking into consideration the fact that the PLSO distribution was paid. The new Maximum Benefit will be reduced by the same dollar amount of the original PLSO reduction plus 1 percent of that amount for each month the retiree was reemployed.

Photo Credit: Donna Echols
Mississippi State Troopers Association

Base Options Quick Comparison Chart

Base Option	How Benefits Are Paid to You and to Beneficiaries	Number of Allowed Beneficiaries	Restrictions on Naming Beneficiaries
Option 9, Maximum Benefit	Maximum benefit for life for you, spouse receives 50 percent of your monthly amount for life and dependent children receive 25 to 50 percent after your death	Multiple*	None on refund of contributions
Option 1 *Single Life Annuity*	Reduced benefit for life for you, any remaining balance refunded to beneficiaries after your death	Multiple	None
Option 2 *100 percent Joint/Survivor Annuity*	Reduced benefit for life for you, beneficiary receives your same monthly amount for life after your death, unless limited by IRC Section 401(a)(9)	One	Must be a person
Option 3 *100 percent Joint/Survivor Annuity*	Reduced benefit for life for you, beneficiaries each receive 50 percent of your monthly amount for life after your death, unless limited by IRC Section 401(a)(9)	Two	Each must be a person
Option 4 *75 percent Joint/Survivor Annuity*	Reduced benefit for life for you, beneficiary receives 75 percent of your monthly amount for life after your death	One	Must be a person
Option 4A *50 percent Joint/Survivor Annuity*	Reduced benefit for life for you, beneficiary receives 50 percent of your monthly amount for life after your death	One	Must be a person
Option 4B *10-, 15-, and 20-Year Certain*	Reduced benefit for life for you, after your death beneficiaries receive your same monthly amount for up to 10, 15, or 20 years from your effective date of retirement	Multiple	None

Provisions to Change Beneficiaries	Provisions to Change Base Option**	Internal Revenue Limitations	Partial Lump Sum Availability
You may change contingent beneficiaries at any time	Pop-Down if you marry after retirement while receiving the Maximum Benefit	None	Yes, if eligible
You may change beneficiaries at any time	Pop-Down if you marry after retirement while receiving benefits under Option 1	None	No
You may not change your beneficiary except when Popping Up	Pop-Up if your Option 2 beneficiary dies or if you divorce your Option 2 beneficiary	Possible limit on beneficiary benefit if your beneficiary is not your spouse	Yes, if eligible
You may not change your beneficiaries	You may not change your option	Possible limit on beneficiary benefits	Yes, if eligible
You may not change your beneficiary except when Popping Up	Pop-Up if your Option 4 beneficiary dies or if you divorce your Option 4 beneficiary	None	Yes, if eligible
You may not change your beneficiary except when Popping Up	Pop-Up if your Option 4A beneficiary dies or if you divorce your Option 4A beneficiary	None	Yes, if eligible
You may change beneficiaries at any time	You may not change your option	Possible based on your age at retirement	Yes, if eligible

* *Multiple contingent beneficiaries may be listed to receive any unused contributions and interest after all monthly benefits due to spouse and dependent children have been paid.*

** *For explanation of Pop-Up and Pop-Down provisions, see page 31.*

Disability Retirement Benefits

Disability retirement benefits provide you with a secure income if you become permanently sick or injured while employed and can no longer perform the essential duties of your job. MHSPRS offers two types of disability retirement benefits: non-duty-related and duty-related.

Non-Duty-Related Disability Retirement

Non-duty related disability benefits are available to vested MHSPRS members under the age of 55. Vested members age 55 or older are not eligible for disability benefits but may apply for service retirement benefits. For purposes of disability benefits, average annual compensation is calculated using the last two years of salary before retirement.

Duty-Related Disability Retirement

If you become permanently disabled due to sickness or injury caused or sustained as a direct result of duty in the Mississippi Highway Safety Patrol, you may be eligible for duty-related disability retirement. You are covered for this benefit from the first day of employment if you have not reached age 55, regardless of your years of service. Duty-related disability retirement benefits are calculated at either 50 percent of average compensation of the last two years of salary before retirement (this portion is not taxable) or the non-duty-related disability retirement amount, whichever provides the higher benefit.

To Apply for Disability Retirement Benefits

To apply for either non-duty-related disability retirement or duty-related disability retirement, complete and file an application for disability retirement, which may be found on the PERS website.

Once you have applied for disability benefits and before benefits may be granted, your employer must certify the duties of your job, whether alternative employment has been offered, and that all applicable requirements for reasonable accommodations under the Americans with Disabilities Act have been met.

If you become disabled before meeting your vesting requirement and your disability does not result from an accident occurring in the performance of your job duties, you may receive a refund of your contributions plus interest. File Form 5, *Member Refund Application*, and, if applicable, Form 5C, *Rollover Distribution Election*.

Benefit Payment Options

Disability retirement benefit options are the same as service retirement benefit options, except that members retiring under disability retirement may not select the Partial Lump Sum Option (PLSO).

Medical Board

The Medical Board is comprised of three medical doctors responsible for identifying specific, objective medical and employment evidence, as documented, to determine whether a permanent medical condition exists that prevents you from performing the duties of the job for which benefits are being claimed.

As an applicant for disability benefits, you must provide required medical documentation for review by the Medical Board. This documentation includes copies of office notes from all treating physicians and copies of any discharge summaries from inpatient hospital treatment.

While the Medical Board gives consideration to a Social Security disability determination, the Board does not automatically accept that determination as sole evidence of eligibility for disability benefits.

Continuing Qualification

If you are approved for disability benefits, you may be required to submit to medical examinations on a regular basis. If you are determined to no longer be qualified for disability benefits through either a medical evaluation or documented earnings ability, your disability benefits will be subject to termination by the MHSPRS Administrative Board.

Income Restrictions

As a disability benefit recipient, you may work and earn no more than the difference between your average compensation before retirement and the benefit amount paid after retirement, excluding Cost-of-Living Adjustments. This limitation applies to earned income only, not passive income such as interest income or Social Security income. You are required annually to submit copies of your income tax returns, Internal Revenue Service Form(s) 1040, and other supporting income earnings documents.

Download Form 5 Series and Application for Disability Retirement

The complete Form 5 Series may be found at www.pers.ms.gov and includes Form 5, *Member Refund Application,* and Form 5C, *Rollover Distribution Election*. You also may find an application for disability retirement online.

Your Retirement

Photo Credit: Charlie Godbold
Godbold & Company Photography

Advantages of Filing an Advanced Application

Once you become eligible to retire, filing a Form 16, *Advanced Application*, allows you to pre-select any benefit option for which you are eligible and designate beneficiaries so that, should you die before you retire, benefits will be paid in accordance with your desires.

Should you die before you retire with no *Advanced Application* on file, benefit payments would be based upon applicable law, not upon your specific desires. Applicable law provides that monthly benefits will be paid only to your lawful spouse and/or dependent children. If you have no lawful spouse or dependent children, a lump sum refund (not monthly benefits) would be paid to any beneficiary you have on file with PERS.

Elections made on the *Advanced Application* do not restrict options available to you at retirement. The option selection and beneficiary designation may be changed at any time prior to retirement by filing an updated *Advanced Application.* Your most recent *Advanced Application* will remain in effect until you either file another *Advanced Application* or you retire.

Eligibility

To be eligible to file an *Advanced Application*, you must be eligible to retire. Accumulated, uncompensated unused leave accrued by a member but not certified may not be used to qualify for retirement for the purpose of filing an *Advanced Application.* Accumulated, uncompensated unused leave may only be certified upon termination from employment.

Filing

Before filing an *Advanced Application*, contact us at 800-444-7377 or 601-359-3589 to receive a current Estimate of Benefits to help you choose the right benefit option for the beneficiary you may want to designate. You also may use the MHSPRS Benefit Estimate Calculator on the PERS website to generate an estimate of benefits under all options, including, if eligible, the Partial Lump Sum Option (PLSO) distribution.

To obtain an *Advanced Application*, you may contact us or download the form from the PERS website. With your *Advanced Application* submission, you must provide a copy of your birth certificate, a copy of the birth certificate of any listed beneficiary, and a copy of the Social Security card for each person listed.

To be lawfully binding and in effect, the *Advanced Application* must be completed, signed, and on file at the time of your death.

Download an Advanced Application and Calculate Your Estimated Base Benefit

You may download an *Advanced Application* from the PERS website and, while online, use our MHSPRS Benefit Estimate Calculator to generate the estimate of benefits you will need to complete your form.

Applying for Service Retirement

Applying for service retirement is a two-phase process that provides you with individualized information needed to make an informed decision regarding your benefit option selection.

To retire by your desired effective date of retirement, you should begin the application process at least 90 days prior to your desired effective date. You must terminate employment before your effective date of retirement. If you decide not to retire after applying, simply submit a written notice to rescind your application.

Phase 1

Complete and file Form 9A SRVC, *Pre-Application for Service Retirement Benefits*, which is available on the PERS website.

Form 9A SRVC, *Pre-Application for Service Retirement Benefits*, must be completed by you and your current or last employer(s) before submission. Assuming you meet the minimum eligibility requirements, your effective date of retirement will be no earlier than the first of the month following your termination from employment with all covered employers and receipt of the completed Form 9A SRVC. In accordance with Board Regulation 35, *Filing an Application for Monthly Benefits and Establishing an Effective Date of Retirement*, this form will become null and void if not completed and returned with all required documents within 90 days following the effective date of retirement established upon filing the form.

We will process your Form 9A SRVC and send you an individualized packet of forms, which will include Form 9S, *Service Retirement Application*; Form PLSO, *Partial Lump Sum Option Distribution Election* (if applicable); and Form 9P, *Payroll Authorization*; as well as a personalized, audited Final Estimate of Benefits.

Phase 2

Complete and file Form 9S, *Service Retirement Application*, which will be sent to you after filing Form 9A SRVC, *Pre-Application for Service Retirement Benefits.*

On Form 9S, *Service Retirement Application*, you will select a benefit payment option and, if eligible, elect whether you will take the Partial Lump Sum Option (PLSO). If you elect the PLSO, you will need to complete and submit the included Form PLSO, *Partial Lump Sum Option Distribution Election*.

You also will designate your beneficiary on your Form 9S. You must provide a copy of your birth certificate, a copy of the birth certificate of any listed beneficiary (if a joint and survivor option is selected), and copies of the Social Security cards for each person listed.

You will need to complete and submit the included Form 9P, *Payroll Authorization*, upon which you will specify your federal tax withholding status and exemptions and will elect to receive your Cost-of-Living Adjustment (COLA) payment either monthly or annually.

Download Form 9A SRVC and Read Board Regulation 35

You can download Form 9A SRVC, *Pre-Application for Service Retirement Benefits*, and read Board Regulation 35, *Filing an Application for Monthly Benefits and Establishing an Effective Date of Retirement*, from the PERS website.

Your Monthly Benefit Allocation

No matter the benefit option you choose, you will receive a monthly benefit payment plus an annual Cost-of-Living Adjustment (COLA) for life once you retire.

We issue retirement payments for each month on the first day of that month that is not a weekend or bank holiday. Service and disability retirement benefits are payable to eligible members effective the first of the month after receipt of a completed retirement application or after termination of covered employment, whichever is later. A yearly listing of benefit payment dates is available on the PERS website or by contacting us.

Mandatory Direct Deposit

Direct deposit of your monthly benefit payment is mandatory. You must submit Form 9P, *Payroll Authorization*, prior to retirement. You will receive a written confirmation of your first deposit then your bank statement will serve as a confirmation of all subsequent deposits.

To revise your direct deposit information, you must complete and submit Form 21, *Direct Deposit Authorization*, which may be obtained from the PERS website or by contacting us. You will receive a written confirmation any time the amount of your deposit changes. Your bank statement will serve as a confirmation of all subsequent deposits.

Your initial direct deposit, as well as direct deposit changes, will be effective within two months after we receive the completed request. Benefit payments will be issued as checks by mail until direct deposit takes effect.

Cost-of-Living Adjustment

Retirees and beneficiaries who have been receiving benefit payments for at least one full fiscal year receive an annual Cost-of-Living Adjustment (COLA). The COLA is equal to 3 percent of your annual retirement allowance for each full fiscal year of retirement prior to the year you reach age 60, plus 3 percent compounded for each fiscal year thereafter, beginning with the fiscal year in which you turn age 60. (See Appendix F for COLA table.)

You may elect on your Form 9P, *Payroll Authorization,* to receive your COLA payment monthly. This election is irrevocable and, if you do not make this election, your COLA will automatically be paid annually in a lump sum payment on or about December 15.

Download Form 21

You may download Form 21, *Direct Deposit Authorization*, from the PERS website.

Taxes and Withholding

We issue annual income tax statements as prescribed by the Internal Revenue Service.

State Taxes

Retirement benefits are not subject to Mississippi State Income Tax; however, benefits paid to you as a resident of another state may be subject to taxation in that state.

Federal Taxes

Member contributions paid prior to July 1, 1982, were taxed before being posted to accounts and are exempt from federal taxation when issued as benefits. Calculation of the non-taxable portion of the benefit is based on the age of the retiree using factors provided by the Internal Revenue Service.

A portion of a refund payback or other service credit purchase cost paid by a member is also posted to a member's account in the form of non-taxable contributions when paid with after-tax dollars. Refund payback or service credit purchase paid through a rollover is classified as a taxable contribution.

You may elect at retirement to have no federal income taxes withheld, to withhold income tax based upon marital status and exemptions, and/or to have additional federal income tax withheld.

To make changes to your tax withholding status after retirement, complete and submit Form 17, *Certificate of Withholding Preference*, which may be obtained from the PERS website or by contacting us.

In the absence of submitted tax withholding information, we will automatically withhold taxes based on a status of "married with three withholding exemptions."

Keeping Your Account Up to Date

For your convenience, several forms are available on the PERS website that can help you update your information after retirement. You also may contact us directly to have these forms mailed to you.

Form 1C, *Change of Information*, is available to change your name, address, phone number, e-mail address, marital status, and/or family information.

Form 1B, *Beneficiary Designation,* is available to amend your beneficiary listing, if applicable.

Form R, *Application for Recalculation of Benefits*, is available to change your benefit option selection, if eligible.

Form 17, *Certificate of Withholding Preference*, is available to change the tax withholding status of your benefit.

Form 21, *Direct Deposit Authorization*, is available to change information on the bank account to which your monthly benefit payment is deposited.

Download Forms 1C, R, 17, and 21

You may download from the PERS website Form 1C, *Change of Information*; Form R, *Application for Recalculation of Benefits*; Form 17, *Certificate of Withholding Preference*; and Form 21, *Direct Deposit Authorization*.

Insurance Options

For the convenience of retirees, premiums may be withheld from benefit payments for insurance plans sponsored by the agency or by the state.

State-Sponsored Insurance

The State and School Employees' Life and Health Plan is administered by the Mississippi Department of Finance and Administration (DFA). DFA should be contacted regarding participation. For more information, contact DFA's Office of Insurance at 866-586-2781 or 601-359-3411 or visit knowyourbenefits.dfa.ms.gov.

PERS-Sponsored Insurance

The PERS-sponsored Retiree Medical Insurance Plan is a supplement available only to retirees covered under Medicare Part A and Part B. If eligible, you may apply for this plan within 60 days of retirement. After retirement, you may apply within 60 days of eligibility or during annual open enrollment.

The PERS-sponsored Retiree Group Term Life Insurance Plan is available to benefit recipients age 45 to age 90 with age-based premiums. You may apply during annual open enrollment.

The Retiree Medical Insurance Plan and Retiree Group Term Life Insurance Plan are underwritten and administered by Transamerica Premier Life Insurance Company of Cedar Rapids, IA.

For more information, call 800-634-0168.

Tax Exclusion for Public Safety Officers

The Federal Pension Protection Act of 2006 provides for a special tax exclusion of up to $3,000 annually for health insurance premiums paid directly from PERS or any other retirement plan to the insurance provider of an eligible retired public safety officer. For more information, visit www.irs.gov.

Photo Credit: Donna Echols
Mississippi State Troopers Association

Returning to Work

There is no provision for limited reemployment where the retiree can draw both MHSPRS benefits and be employed in an MHSPRS-covered position. Thus, if an MHSPRS retiree returns to employment covered under MHSPRS, his or her retirement benefits will be terminated, and he or she will again become a contributing member of the plan.

The monthly benefits of a retiree will be stopped upon a return to full-time MHSPRS-covered employment. Future benefits will be recalculated to include this additional service if the reemployment in covered service exceeds six months. Upon subsequent retirement, a different option and/or a new beneficiary may be selected. The laws, policies, and procedures in effect at the time of subsequent retirement will be applied in the recalculation of benefits.

The Cost-of-Living Adjustment (COLA) for a reemployed retiree is calculated taking into consideration all full fiscal years in retirement—not just fiscal years since the last retirement—and is payable immediately upon the next retirement. You will receive a prorated COLA amount monthly if your re-retirement date is later than July 1. The selected COLA option will go into effect when the new fiscal year begins.

Planning for Physical/Mental Incapacity

In the event you become physically or mentally incapacitated, you may need someone you trust to have legal authority to act on your behalf regarding your retirement account.

By executing a durable power of attorney, you may give someone broad or limited legal authority over your personal, legal, and financial affairs, including the power to apply for retirement or disability benefits on your behalf. You may wish to consult a legal professional to decide whether this is right for you. Should you become physically or mentally incapacitated before a durable power of attorney can be filed, a Form RPR, *Representative Payee Request,* may be filed on your behalf.

After Your Death or a Beneficiary's Death

As an MHSPRS retiree, you should let your survivors know to contact us immediately when you or a beneficiary dies and to provide a copy of the death certificate as soon as possible. Any payment issued to the deceased after the date of death must be returned. When appropriate, the payment will be reissued to the eligible beneficiary.

A prorated portion of the Cost-of-Living Adjustment (COLA) will be paid to the beneficiary of any benefit recipient who receives the COLA in a lump sum where death occurs between July 1 and December 1 and monthly benefit payments have terminated to all eligible beneficiaries. This portion is equal to the amount the deceased benefit recipient would have received had he or she elected to receive the COLA on a monthly basis.

Download Form RPR

You may download from the PERS website Form RPR, *Representative Payee Request.*

Appendices and Index

Photo Credit: Donna Echols, Mississippi State Troopers Association

Appendices

Appendix A

Service Credit Tables (See page 16 and 18.)

Service Credit is awarded for time worked within a fiscal year under covered employment as follows:

	Before July 1, 2017		July 1, 2017, and After	
	Quarterly Accrual	Cumulative Accrual	Monthly Accrual	Cumulative Accrual
July	0.2500	0.2500	0.0833	0.0833 (1 month)
August	0.0000	0.2500	0.0833	0.1667 (2 months)
September	0.0000	0.2500	0.0833	0.2500 (3 months)
October	0.2500	0.5000	0.0833	0.3333 (4 months)
November	0.0000	0.5000	0.0833	0.4167 (5 months)
December	0.0000	0.5000	0.0833	0.5000 (6 months)
January	0.2500	0.7500	0.0833	0.5833 (7 months)
February	0.0000	0.7500	0.0833	0.6667 (8 months)
March	0.0000	0.7500	0.0833	0.7500 (9 months)
April	0.2500	1.000	0.0833	0.8333 (10 months)
May	0.0000	1.000	0.0833	0.9167 (11 months)
June	0.0000	1.000	0.0833	1.0000 (12 months)

Note: All service granted is subject to audit and, if required, correction at the time of retirement or whenever a discrepancy is discovered. If a member is aware of a discrepancy in the record, he or she should make PERS aware as soon as possible.

Appendix B

Leave Conversion Table (See page 16.)

Credit for unused leave is awarded at retirement at no cost to members as follows:

Total Hours*	Equivalent 8-Hour Work Days**	Applicable Service Credit Based on 8-Hour Work Days	
		Before July 1, 2017	July 1, 2017, and After
120	15	0.2500	0.2500 (3 months)
288	36	0.2500	0.2500 (3 months)
456	57	0.2500	0.2500 (3 months)
624	78	0.5000	0.5000 (6 months)
792	99	0.5000	0.5833 (7 months)
960	120	0.5000	0.6667 (8 months)
1,128	141	0.7500	0.7500 (9 months)
1,296	162	0.7500	0.8333 (10 months)
1,464	183	0.7500	0.9167 (11 months)
1,632	204	1.0000	1.0000 (12 months)
1,800	225	1.0000	1.0833 (13 months)
1,968	246	1.0000	1.1667 (14 months)

Note: All accumulated, uncompensated unused leave certified to MHSPRS must have been actually earned and accrued by the employee for whom the leave is certified. It is unlawful to certify leave to MHSPRS that has been donated or transferred from another individual.

* 120 hours for first month and 168 hours for each subsequent month ** 15 days for first month and 21 days for each subsequent month

Appendix C

Refund Payback Interest Rate Table (See page 19.)

Cost to pay back a refund is calculated based on refunded contributions and the annually compounded, non-refundable interest charged to reinstate refunded service credit. The interest charged on a refund payback is detailed as follows:

Fiscal Year	Interest Rate
1954 - 1980	5.50 %
1981 - 1985	7.50 %
1986 - 1994	8.00 %
1995	12.20 %
1996	5.00 %
1997	17.10 %
1998	15.10 %
1999 - 2015	8.00 %
2016 - Present	7.75%

Appendix D

Beneficiary Designation Guide (See page 22.)

If a member has no spouse and no dependent children at the time of his or her death (regardless of when he or she dies before retirement) but lists a beneficiary on Form 1B, *Beneficiary Designation*, that designated beneficiary is eligible for a refund of the member's contributions and interest.

If a member has no spouse and no dependent children and does not list a beneficiary on Form 1B, *Beneficiary Designation*, the following persons in descending order of precedence shall be eligible to receive a refund of the member's contributions and interest:

- the children of the member or their descendants, per stirpes;
- the brothers and sisters of the member or their descendants, per stirpes;
- the parents of the member;
- the executor or administrator on behalf of the member's estate; or
- the persons entitled by law to distribution of the member's estate.

For members who die before retirement and have family survivors, retirement benefits are allocated as follows:

Non-Duty-Related Death Benefits **before** Vesting

Family Survivors	Beneficiary
With or Without Spouse	Designated beneficiary on the member's Form 1B, *Beneficiary Designation,* is eligible to receive a refund of the member's contributions and interest.

Duty-Related Death Benefits (coverage begins on first day of service) and
Non-Duty-Related Death Benefits (coverage begins upon vesting)

Family Survivors	Beneficiary
With Spouse and Dependent Children	Lawful spouse and dependent children are eligible to receive monthly benefits. Spouse may not waive monthly benefits where there is a dependent child.
With Spouse and No Dependent Children	Lawful spouse is eligible to receive monthly benefits. If spouse waives monthly benefits, the designated beneficiary on the member's Form 1B, *Beneficiary Designation,* is eligible to receive a refund of the member's contributions and interest.
No Spouse but with Dependent Children	Lawful dependent children are eligible to receive monthly benefits until they are no longer considered legally dependent regardless of designation on Form 1B, *Beneficiary Designation*.

Appendix E

Service Credit Factor Equation (Unreduced Maximum Benefit) (See pages 24, 26, and 27.) To determine your Service Credit Factor, multiply your total years of creditable service and any fraction of a year by 2.5 percent. Use the Service Credit Table (Appendix A) to determine the percentage to use for any fraction of year worked. **The maximum Service Credit Factor is 100 percent.** If you retire before age 55 with less than 25 years of service, benefits are reduced by an actuarially determined percentage or factor for each year of service below 25 or for each year in age below 55, whichever is less.

Use the equation below to figure your Service Credit Factor based on number of service years:

Total Number of Creditable Service Years _____ X 0.025 = _____Service Credit Factor

Appendix F

Cost-of-Living Adjustment (COLA) Table (See pages 28, 29, and 47.)

The value of 3 percent simple and 3 percent compounded COLA rates are as follows:

Full Fiscal Years in Retirement	3% Simple	3% Compounded	Full Fiscal Years in Retirement	3% Simple	3% Compounded
1	0.0300	0.0300	**26**	0.7800	1.1566
2	0.0600	0.0609	**27**	0.8100	1.2213
3	0.0900	0.0927	**28**	0.8400	1.2879
4	0.1200	0.1255	**29**	0.8700	1.3566
5	0.1500	0.1593	**30**	0.9000	1.4273
6	0.1800	0.1941	**31**	0.9300	1.5001
7	0.2100	0.2299	**32**	0.9600	1.5751
8	0.2400	0.2668	**33**	0.9900	1.6523
9	0.2700	0.3048	**34**	1.0200	1.7319
10	0.3000	0.3439	**35**	1.0500	1.8139
11	0.3300	0.3842	**36**	1.0800	1.8983
12	0.3600	0.4258	**37**	1.1100	1.9852
13	0.3900	0.4685	**38**	1.1400	2.0748
14	0.4200	0.5126	**39**	1.1700	2.1670
15	0.4500	0.5580	**40**	1.2000	2.2620
16	0.4800	0.6047	**41**	1.2300	2.3599
17	0.5100	0.6528	**42**	1.2600	2.4607
18	0.5400	0.7024	**43**	1.2900	2.5645
19	0.5700	0.7535	**44**	1.3200	2.6714
20	0.6000	0.8061	**45**	1.3500	2.7816
21	0.6300	0.8603	**46**	1.3800	2.8950
22	0.6600	0.9161	**47**	1.4100	3.0119
23	0.6900	0.9736	**48**	1.4400	3.1323
24	0.7200	1.0328	**49**	1.4700	3.2562
25	0.7500	1.0938	**50**	1.5000	3.3839

Appendix G

Benefit Limit Table under Internal Revenue Code (IRC) Section 401(a)(9)

(See pages 32 through 33.)

IRC Section 401(a)(9) provisions apply to Option 2, Option 3, and Option 4B. This revenue code section imposes limitations on benefit amounts that may be paid under those options in cases where the age of the member or the difference in age between the member and a non-spouse beneficiary meet certain IRC criteria. Following is a description of the IRC provisions as well as an example of the impact on benefit payments for each. If a member elects one of the options limited by IRC Section 401(a)(9), an adjustment in benefits may be required to conform with the IRC requirements.

If a retiring member elects **Option 2** or **Option 3** and the designated beneficiary is not the member's spouse, limits are imposed on the amount the beneficiary will be paid upon the death of the retired member. These limits are based on the difference in age between the retiree and beneficiary where the beneficiary is more than 10 years younger than the retiree. The following table lists the percentages of the retiree's benefit that can be paid to a non-spouse beneficiary based on the age difference of the two individuals. If the retiring member is younger than age 70, the age difference used to determine the percentage is reduced by the number of years that the member is younger than age 70 on the member's birthday in the calendar year that contains the annuity starting date.

Age Difference	Applicable Percentage	Age Difference	Applicable Percentage	Age Difference	Applicable Percentage
10 or less	100	22	70	34	57
11	96	23	68	35	56
12	93	24	67	36	56
13	90	25	66	37	55
14	87	26	64	38	55
15	84	27	63	39	54
16	82	28	62	40	54
17	79	29	61	41	53
18	77	30	60	42	53
19	75	31	59	43	53
20	73	32	59	44	52
21	72	33	58	45+	52

Example: Member retiring at age 71 under Option 2 with a sister, age 56, named as the beneficiary. The Option 2 benefit payable to the retiree is $900 per month. With the 15-year age difference between the retiree and the non-spouse beneficiary, the percentage of the retiree's benefit payable to the sister for life under the IRC Section 401(a)(9) is 84 percent of the $900, or $756.

Example: Member retiring at age 60 under Option 2 with a nephew, age 39, named as the beneficiary. The Option 2 benefit payable to the retiree is $900 per month. The 21-year age difference between the retiree and the non-spouse beneficiary is reduced by the 10-year difference between the retiree and age 70; therefore, the percentage of the retiree's benefit payable to the nephew for life under the IRC Section 401(a)(9) is 96 percent of the $900, or $864.

If a member elects **Option 4B**, the period of guaranteed benefit payments that may be selected is limited based on the member's age at retirement. The certain or guaranteed period cannot exceed the Internal Revenue Service approved life expectancy of the member at the time of retirement.

Age at Retirement	Life Expectancy	Age at Retirement	Life Expectancy
55	29.6	70	17.0
56	28.7	71	16.3
57	27.9	72	15.5
58	27.0	73	14.8
59	26.1	74	14.1
60	25.2	75	13.4
61	24.4	76	12.7
62	23.5	77	12.1
63	22.7	78	11.4
64	21.8	79	10.8
65	21.0	80	10.2
66	20.2	81	9.7
67	19.4	82	9.1
68	18.6	83	8.6
69	17.8	84	8.1

Example: Using the above table, a member retiring at age 67 with an Internal Revenue Service life expectancy of 19.4 years could select Option 4B 10- or 15-Year Certain. However, the federal law would prevent the payment of benefits to the member or a beneficiary under Option 4B 20-Year Certain.

Appendix H

Partial Lump Sum Option (PLSO) Benefit Adjustment Table (See page 35.)

Factors used in calculating reduced monthly benefit when a member chooses the PLSO are as follows:

Factors effective July 1, 2016 (Factors are subject to periodic change based on actuarial experience.)

Age	12-month	24-month	36-month
46	0.9401	0.8803	0.8204
47	0.9394	0.8789	0.8183
48	0.9387	0.8774	0.8161
49	0.9379	0.8758	0.8137
50	0.9371	0.8741	0.8112
51	0.9362	0.8724	0.8085
52	0.9352	0.8705	0.8057
53	0.9343	0.8685	0.8028
54	0.9332	0.8664	0.7997
55	0.9321	0.8642	0.7964
56	0.9310	0.8619	0.7929
57	0.9297	0.8594	0.7891
58	0.9284	0.8568	0.7852
59	0.9270	0.8540	0.7810
60	0.9255	0.8510	0.7765
61	0.9239	0.8478	0.7717
62	0.9222	0.8444	0.7666
63	0.9204	0.8408	0.7612
64	0.9185	0.8369	0.7554
65	0.9164	0.8328	0.7492
66	0.9142	0.8284	0.7426
67	0.9119	0.8237	0.7356
68	0.9094	0.8187	0.7281
69	0.9067	0.8134	0.7201
70	0.9039	0.8077	0.7116
71	0.9008	0.8016	0.7025
72	0.8976	0.7952	0.6928
73	0.8941	0.7883	0.6824
74	0.8905	0.7810	0.6714
75	0.8866	0.7732	0.6597

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