

# FORWARD



Pat Robertson retired from PERS June 30, 2018, after nearly 40 years of service to the agency and its constituents.

Executive Director's Column by Pat Robertson

## A Heartfelt Farewell, Gratitude, and a Focus on the Future

It is with a great sense of pride and humility that I bid you farewell after almost 40 years at the Public Employees' Retirement System of Mississippi (PERS). I am thankful for the opportunities and growth that being at PERS has afforded me. I never imagined being at PERS for the majority of my life or how rewarding that time would be. With gratitude, the time has come for me to bid farewell and start the next chapter of my life.

I cannot express how much PERS has meant to me. I have seen it grow from \$1 billion in assets with 143,000 members to more than \$28 billion in assets with almost 400,000 members. I have seen it go from a totally manual environment, with reliance on a mainframe, to an efficient organization where each employee has a personal computer with more capacity than that mainframe. And while that growth, along with my individual growth, has been rewarding, the reason I came to work day after day and was honored to be named PERS' fifth executive director in 2005 is because of what PERS

— *A Farewell with Gratitude*, continued Page 5

## Board increases employer contribution rate, revises funding policy

Following months of educational sessions and deliberations and on the recommendation of its actuary, Cavanaugh Macdonald LLC, the Public Employees' Retirement System of Mississippi (PERS) Board of Trustees voted at its June 26 meeting to increase the employer contribution rate from 15.75 to 17.40 percent, effective July 1, 2019.

Along with this 1.65 percent increase, the Board revised its funding policy, which provides that, through the policy, the Board will:

- Preserve the defined benefit structure for providing lifetime benefits to the PERS membership,
- Stabilize the contribution rate as a percentage of payroll,

— *Funding Policy, Contribution Rate*, continued Page 2

## Higgins named PERS' sixth executive director



Ray Higgins of Dacula, Ga., has been named by the Public Employees' Retirement System of Mississippi

(PERS) Board of Trustees as the agency's sixth executive director in its 66-year history.

Higgins comes to PERS from the Georgia Department of Early Care and Learning, where he has served since 2011 as deputy commissioner for finance and administration. He took the reins as PERS' executive director effective July 1 after Pat Robertson, executive director since 2005, retired June 30.

"We thank Pat Robertson for her years of service," said Mississippi State Treasurer and FY 2018 PERS Board of Trustees Chair Lynn Fitch. "And we look forward to working with Mr. Higgins to advance the goals of the agency for state employees, retirees, and taxpayers."

Higgins has also served as director of governmental affairs for the Georgia Department of Driver Services

— *Higgins*, continued Page 7

## Tingle named among top public pension CIOs



Tingle

Lorrie Tingle, PERS chief investment officer, was named as one of Trusted Insight's Top 30 Public Pension Chief Investment Officers for 2017. As chief investment officer, she is responsible for more than \$30 billion in defined benefit and defined contribution assets under PERS' direction. Tingle plans and directs the activities for PERS' \$28 billion portfolio to ensure the prudent management of the investment assets for the System, in addition to providing oversight for \$3 billion in defined contribution assets. Trusted Insight is the world's largest network of institutional investors, connecting investment decision-makers at endowments, foundations, pensions, insurance companies, sovereign wealth funds, family offices, corporations, and healthcare systems.

### Funding Policy, Contribution Rate, continued

- Maintain an increasing funded ratio over the projection period with an ultimate goal of being 100 percent funded,
- Require clear reporting and risk analysis of the metrics by the actuary using a Signal Light approach to assist the Board in determining whether increases or decreases are needed in the employer contribution rate, and
- Ensure benefit improvements are funded through increases in contribution requirements in accordance with Article 14, § 272A, of the Mississippi Constitution.

The metrics that will be measured using the new Signal Light approach are the funded ratio, cash flow as a percentage of assets, and the actuarially determined contribution. If any one of the metrics moves to the Red Signal Light status in conjunction with the annual valuation report and projection report, the revised policy requires that the actuary recommend to the Board an employer contribution rate increase sufficient enough to move all three metrics back into the Green Signal Light status.

As a result of the 2019 increase in the employer contribution rate, PERS is projected to be at least 100 percent funded in 2047 and all metrics under the revised funding policy will be in the Green Signal Light status.

## PERS Board Updates



Breland

### Breland new Board chair

PERS Board of Trustees State Employees Representative Kelly Breland transitioned from vice chair to chair of the Board July 1 for fiscal year 2019, as Mississippi Treasurer Lynn Fitch ended her term as the

FY 2018 chair. Board chair presides at meetings, appoints members of committees, and can call special meetings.



Rutledge

### Rutledge named Board vice chair

PERS Board Institutions of Higher Learning Employees Representative Dr. Brian Rutledge is serving as the new vice chair. The vice chair transitions to chair after one year and serves as chair

when the current chair is absent.



Dale

### Dale elected as retiree representative

George Dale, former Mississippi commissioner of insurance, was elected as a PERS Board retiree representative to serve from May 1, 2017, to April 2023.

He filled the position held by his predecessor, Dr. Richard C. Miller, who retired from the Board April 30, 2017, after nearly 22 years of service.

# 2018 Benefits Schedule

## Direct Deposit

August 1 (Wednesday)

September 4 (Tuesday)

October 1 (Monday)

November 1 (Thursday)

December 3 (Monday)

December 17 (Monday) COLA

## Mailed Check

July 31 (Tuesday)

August 31 (Friday)

September 28 (Friday)

October 31 (Wednesday)

November 30 (Friday)

December 14 (Friday) COLA

*Monday, September 3, 2018, is a Bank Holiday (Labor Day).*

*Federal Reserve Bank Holiday Policy: When holidays fall on Saturday, Federal Reserve Banks and branches will be open the preceding Friday. For holidays falling on Sunday, all Federal Reserve offices will be closed the following Monday.*

Any retiree wanting to sign up for direct deposit of benefits may submit a completed PERS Form 21, *Direct Deposit Authorization*, to PERS. Mailed checks will continue for one to two months after submitting the form.



## 2018 PERS-related Legislation

While legislation was introduced and tracked by PERS during the 2018 Legislative Session, no legislation affecting PERS survived other than two budget bills that provide additional funding authority for fiscal years 2018 and 2019. Those budget bills are listed below. You may review all PERS-related legislation that was introduced this session and legislation from previous years by visiting the PERS-Related Legislation page at [www.pers.ms.gov](http://www.pers.ms.gov).

### House Bill 1581 - John Read

An act making an appropriation from special funds in the state treasury for the purpose of defraying the administrative expenses of the Board of Trustees and for the maintenance and operation of the retirement system building for the fiscal year 2019.

### House Bill 1617 - John Read

An act making an additional appropriation of general funds, capital expense funds, and special funds to defray the expenses of the Office of the Governor-division of Medicaid for fiscal year 2018; the Department of Finance and Administration for fiscal year 2018; the Wireless Communication Commission for fiscal year 2018; the Department of Human Services for fiscal year 2018; the Attorney General's office for fiscal year 2018; the Board of Tax Appeals for fiscal year 2018; the Department of Information Technology Services for fiscal year 2018; the Department of Rehabilitation Services for fiscal year 2018; Mississippi State University Alcohol Safety Education Program for fiscal year 2018; PERS for fiscal year 2018; and for related purposes.

# Understanding your lump sum COLA Notice

PERS sends individualized Cost-of-Living Adjustment (COLA) notices in late June/early July of each year to inform retirees receiving their COLA as an annual lump sum in December of the new COLA amount and the amount to be withheld in federal taxes.

Tax withholdings from a benefit recipient's lump sum COLA payment are in accordance with the applicable tax tables and based on the marital status and exemptions set by the recipient on his or her monthly benefit payment. Once an individual receives and reviews his or her notice, he or she may make changes before the COLA is paid in December to his or her tax withholding.

Retirees who would like to adjust their lump sum COLA tax withholding preference should indicate the preferred change on the notice and return that portion of the notice (see example below) to PERS by the last working day in October.

If a retiree receiving his or her COLA as a lump sum does not receive his or her lump sum COLA notice, he or she should contact PERS for a duplicate to be mailed. If a retiree would like to change from an annual lump sum COLA to monthly payments, complete and submit a PERS Form 20, *Election for Monthly Cost-of-Living Adjustment*.


**1**  
Indicate Amount to Withhold

To change the amount of tax withholding, the benefit recipient should write in the preferred new amount here.

**2**  
Sign

Signature of the benefit recipient

**3**  
Date  
Date of signing



## 2018 Cost-of-Living Adjustment Notice

Date \_\_\_\_\_

Dear Mr. John Smith **Benefit Recipient ID:** XXXXX

As a benefit recipient from the Public Employees' Retirement System of Mississippi, you receive a Cost-of-Living Adjustment (COLA) to that benefit, which, at retirement, you selected to receive annually on December 15 as a lump sum payment. This lump sum payment increases each year as the cost-of-living adjustment is applied. Your December 15, 2018, lump sum payment will be issued by direct deposit on or about December 15, 2018, or sent by mail from Jackson, Mississippi, on or about December 15, 2018 (whichever manner you receive your monthly benefits). See the following tables for details about your COLA and lump sum payment.

<b>Your Cost-of-Living Adjustment for FY 2019 (July 1, 2018 – June 30, 2019)</b> .....	\$874.50
<b>Your Lump Sum Payment dated December 15, 2018 (Includes COLA for FY 2019)</b>	
<b>Gross Payment Amount</b>	\$7,814.30
<b>Estimated Federal Tax Withholding*</b>	- \$1,466.18
<b>Net Payment Amount</b>	\$6,348.12

\* Federal Tax Withholding is based on the tax withholding preferences you elected for your monthly PERS retirement benefit (e.g., marital status and exemptions claimed). To adjust the tax withholding preferences you elected for your monthly retirement benefit, contact PERS from 8 a.m. to 5 p.m. weekdays at 800-444-7377 or 601-359-3589. Please, have your Social Security number available when you call. To adjust the Federal Tax Withholding amount from your Lump Sum Payment dated December 15, 2018, detach and complete the form below then send to PERS at the address on the bottom of this page. To change from annual lump sum to monthly COLA payments, complete and submit PERS Form 20, Election for Monthly Cost of Living Adjustment, which can be downloaded from [www.pers.ms.gov](http://www.pers.ms.gov).

-----Detach here to complete and return your Federal Tax Withholding Adjustment Request-----

### Federal Tax Withholding Adjustment Request for Lump Sum Payment dated December 15, 2018

Detach, complete, sign, date, and return this form on or before Friday, October xx, 2018, to the address below to adjust your federal tax withholding amount for your lump sum payment dated December 15, 2018. **Do not return this form if you do not want to adjust your federal tax withholding for your lump sum payment.**

Please withhold \$ **1** \_\_\_\_\_ from my lump sum payment dated December 15, 2018, instead of \$18,153.12, as listed above. **Note:** This change will not affect monthly base benefit payments.

**Plan Name:** PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI  
**Recipient:** JOHN SMITH **Benefit Recipient ID:** XXXXX  
**Account Owner:** JOHN SMITH **Account Owner ID:** XXXXX

**2** \_\_\_\_\_

*Signature of Benefit Recipient*

**3** \_\_\_\_\_

*Date of Signature*

Public Employees' Retirement System of Mississippi  
 429 Mississippi Street, Jackson, MS 39201-1005 800.444.7377 601.359.3589 601.359.6707, fax www.pers.ms.gov



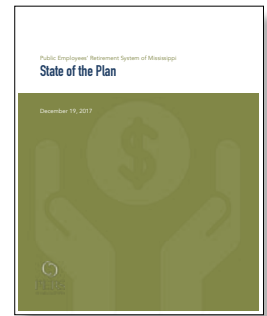
does. As many of you have heard me say, helping provide retirement security after a career in public service and allowing a certain level of dignity in an individual's final chapter is rewarding to me as executive director, and that's what we do at PERS.

Being executive director has been both challenging and rewarding. I have endeavored to lead this agency with honesty, integrity, and credibility, keeping in mind my role as a public servant, a representative of Mississippi, and a leader to my staff and others. As a public servant, I have given my heart, time, and mind to doing the best job I could during my career. Navigating this retirement system through the aftereffects of the Great Recession and tackling the responsibility of elevating our funded status have been—and will continue to be—arduous tasks; but, I am confident PERS will continue to consistently pay promised benefits to a growing population of retirees and that the leadership will continue planning and preparing for the future.

Currently, PERS is 61 percent funded. This means that, as of June 30, 2017, we have 61 percent of what is needed to pay both the current benefits and projected future benefits. To put that in perspective, our highest funded status ever was 88 percent in 2001. PERS is not projected to run out of funds to pay benefits at any point in the future; however, the financial status is a concern for many. Rather than waiting until a crisis occurs, a discussion about how to address the funding challenges of paying the promised benefits is prudent.

In preparation for handing over the reins to the agency's new executive director, we prepared the *Public Employees' Retirement System of Mississippi: State of the Plan*, which aims to provide guidance in understanding where we are as a Plan and in identifying potential options and associated obstacles for improving the funding. The report, which can be found at [www.pers.ms.gov](http://www.pers.ms.gov), also provides historical context to the current funded status of PERS and projections for the future with limited analyses of options for plan design, along with the associated

effects and considerations. While not a recommendation for change or of any option per se, this report is intended to improve awareness through transparency and education so that the State can continue to pay the benefits promised to public workers.



The role of the PERS Board of Trustees is to administer benefits set by the Legislature and, as fiduciaries, act solely in the best interest of its members, which includes ensuring the Plan is funded on an actuarial basis so that funds are available to pay those benefits promised by the Legislature. The Board, with the assistance of its actuaries, monitors the current and projected funded status to meet those promises. As a result and in response to the recommendation of PERS' actuary, the Board increased the employer contribution effective July 1, 2019, which will put the plan on track to be at least 100 percent funded in 2047.

As I say farewell and take my leave, I have confidence that this great agency will continue to help provide retirement security to the thousands of individuals who have spent their careers serving this great state.

Thank you somehow seems inadequate to express how much I appreciate being allowed to be a part of PERS for these many decades. I am proud to be a Mississippian and to be a member of our retirement system. As I start this next chapter, I wish everyone the very best.

A handwritten signature in black ink, which appears to be "Pat Robertson".

Pat Robertson is presented with a resolution from the Mississippi State Legislature March 26 at the State Capitol to commend and congratulate her on her retirement from PERS. Pictured from left are Representative Credell Calhoun, Representative Mac Huddleston, Representative Steve Holland, Pat Robertson and her husband Joe Robertson, Representative John Read, and Speaker of the House Philip Gunn.

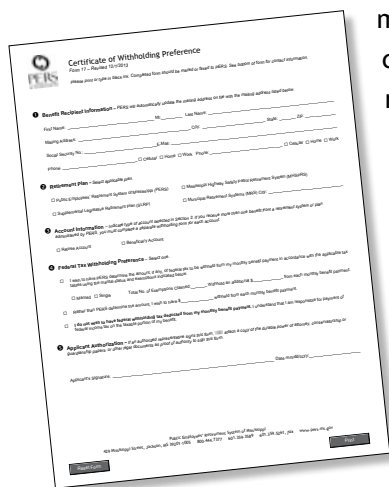


# Answering how to...

When it comes to answering “How do I \_\_\_\_\_?”, the Retiree Resources page on the PERS website can offer good guidance. Below are a few highlights from the page regarding beginning direct deposit of monthly benefits and changing account information. For even more helpful information, visit [www.pers.ms.gov/Content/Pages/Retiree-Resources.aspx](http://www.pers.ms.gov/Content/Pages/Retiree-Resources.aspx).

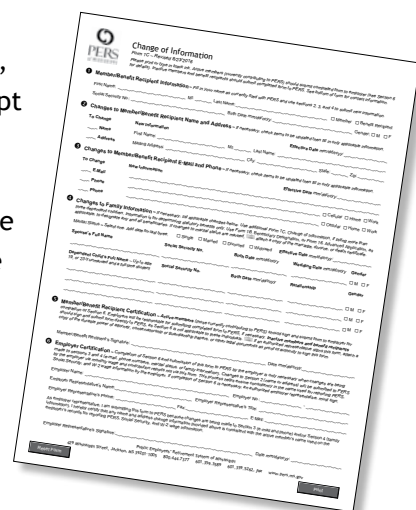
## How to Change Federal Tax Withholding

Federal tax withholding is based on the preferences you elected for your monthly PERS retirement benefit (e.g., marital status and exemptions claimed). PERS recommends you review these preferences with your tax preparer to determine if adjustments are needed. To update these preferences, complete, sign, and submit a PERS Form 17, *Certificate of Withholding Preference*.



## How to Change Your Account Information

Keeping PERS up to date with changes to your name, address, and family information, will allow us to provide you with the most efficient service possible, including timely delivery of your PERS newsletter and any other mail out from your retirement system. For your protection, PERS does not accept a change of name, address, or family information over the telephone. To make a change to your account, submit a completed Form 1C, *Change of Information*, to PERS.



## How to Stay Informed about PERS' Finances

The Financial Overview page on the PERS website gives a picture of how PERS performs annually and quarterly. The Comprehensive Annual Financial Report, Popular Annual Financial Report, and Actuarial Valuation Report provide an overall picture of the agency's performance. The experience investigation, conducted every two years, assesses the reasonability of the economic assumptions and demographic actuarial assumptions for each retirement system administered by PERS. The annual projection study develops a forecast of the System's funding progress over time and reviews funding goals and benchmarks outlined in the funding policies for PERS, the Supplemental Legislative Retirement Plan, and the Mississippi Highway Safety Patrol Retirement System. Finally, PERS' quarterly investment report provides current asset allocation, top 10 holdings, an overview of agency investment returns, and current investment managers.

## 2018 State Holidays

PERS closes to observe the following holidays:

New Year's Day	January 1
Martin Luther King's/	January 15
Robert E. Lee's Birthdays	
George Washington's Birthday	February 19
Confederate Memorial Day	April 30
Memorial Day and Jefferson Davis' Birthday	May 28
Fourth of July	July 4
Labor Day	September 3
Veterans Day	November 12
Thanksgiving	November 22
Christmas	December 25

(2009-2011); deputy director/chief operating officer for the Employees' Retirement System of Georgia (2006-2009); fiscal officer and treasurer and budget administrator for the Georgia Bureau of Investigation (2001-2006); fiscal officer for the Georgia Administrative Office of the Courts (2000-2001); and budget analyst for the Georgia Legislative Budget Office (1998-2000). He earned his associate's in business administration from Reinhardt College in 1997, his bachelor's in business administration from Georgia Southern University in 1998; and his master's in finance from Georgia State University in 2001.

PERS' executive director is responsible for leading the System and conducting all business for the System, which includes PERS, the Mississippi Highway Safety Patrol Retirement System, the Municipal Retirement Systems,

the Supplemental Legislative Retirement Plan, Mississippi Deferred Compensation Plan & Trust, the Optional Retirement Plan, the Retiree Medical Insurance Plan, the Retiree Group Term Life Insurance Plan, and any other area of operation of the System.

Higgins, who has moved to Mississippi with his wife, Chelsie, and their two children, is looking forward to serving the people of Mississippi. "I am very thankful for this opportunity and greatly appreciate the Board selecting me for this position," Higgins said. "I'm extremely humbled, honored, and excited to serve as the next executive director. I look forward to meeting the staff and working together in the best interest of the System on behalf of all members and retirees."

## Stay Current on PERS News!

PERS eUpdates are brief e-mailed news alerts regarding legislative and/or administrative changes that affect the retirement plans administered by PERS. Sign up by using the QR code at right or visiting [www.pers.ms.gov](http://www.pers.ms.gov) and clicking the Subscribe button on the home page of the website.





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### Institutions of Higher Learning Representative

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*Vice Chair*

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Community/Junior  
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## Disclosure and Contact Information

*This newsletter contains general information about your retirement system and is not a legal reference. For detailed explanations about all PERS retirement plans, call the PERS office or visit us online.*

800.444.7377 | 601.359.3589 | [www.pers.ms.gov](http://www.pers.ms.gov)

Have questions about your PERS retirement?

## Come to us for answers!

In this age of seeking information from social media, a solid understanding of and education about complex topics like your retirement through PERS can be elusive.

PERS wants to make sure our members, retirees, employers, beneficiaries, and leaders have the correct information when it comes to our plan and our agency.

If you have a question about PERS (whether it is general or account specific), we encourage you to visit the source for answers. Educating and empowering you with correct information is important to us. We are just a phone call or e-mail away. Or, visit us at [www.pers.ms.gov](http://www.pers.ms.gov) any time; we work diligently to keep all of our website information current.