# PERS Facts & Figures

For Fiscal Year 2023



# Our Mission

The mission of the

Public Employees' Retirement System of Mississippi
is to provide secure benefits to our members and
consistently deliver 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.

The Public Employees' Retirement System of Mississippi is required to comply with both state and federal laws and regulations. The System is accountable to both the legislative and executive branches of the state, and is overseen by a board of trustees that includes eight employee/retiree representatives and the State Treasurer and an appointee of the governor, who both represent the interests of the taxpayers of Mississippi.

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# **Total System Overview**

The term "System" is used throughout this document in a broad context to refer to all retirement plans administered by PERS as the administrative agency.

Ranked 71st by assets among the 1,000 largest U.S. retirement funds<sup>1</sup> and 159th largest in the world<sup>2</sup>, the Public Employees' Retirement System of Mississippi (PERS) administers 25 programs/plans with a total system membership of 361,1043 and investment assets of \$32.03 billion<sup>5</sup> and total net assets of \$32.2 billion<sup>3</sup>. FY 2023 administrative cost (including depreciation) per member (actives, inactives, retirees, and beneficiaries) is \$473.

As of June 2023, the total number of retirees is 115.8905

#### **Defined Benefit Plans**

#### Public Employees' Retirement System (PERS)

Established in 1952

- 145.985 active members<sup>3</sup>
- 96.000 inactive members<sup>3</sup>
- 115,890 retirees and beneficiaries 3
- \$31.6 billion in net assets 3
- Average Benefit: \$26,909 5

### Mississippi Highway Safety Patrol **Retirement System (MHSPRS)**

Established in 1958

- 507 active members <sup>3</sup>
- 79 inactive members 3
- 792 retirees and beneficiaries <sup>3</sup>
- \$416.7 million in net assets 3
- Average Benefit: \$48,962 <sup>5</sup>

#### **Defined Contribution Plans (Optional Plans)**

## **Mississippi Deferred Compensation** Plan & Trust (MDC)

Established in 1973; Administration transferred to PERS in 1974

- 37,974 participants <sup>6</sup>
- \$2.15 billion in net assets 6

#### **Retirement Insurance Plans**

### **PERS-sponsored Retiree Medical and Life Insurance Plans**

Authorized in 1988

- 2,540 medical insurance participants 8
- 8,737 life insurance participants 8, 9, 10

and the total monthly benefit payroll is \$201.4 million4.

The current average annual PERS benefit including the Cost-of-Living Adjustment is \$26,9095 with \$3.1 billion paid in total retirement benefits for fiscal year 20234. Approximately 92 percent of all benefits paid remain in the state<sup>3</sup>, supporting the economy and providing jobs.

Looking at System revenue for fiscal year 2023, total member and employer contributions were \$2 billion<sup>3</sup> and net investment income was \$2.3 billion3.

#### **Municipal Retirement Systems (MRS)**

17 fire and police and 2 municipal employee plans; Closed in 1987 with administration transferred to PERS

- 0 active members <sup>3</sup>
- 0 inactive members 5
- 1,391 retirees and beneficiaries <sup>3</sup>
- \$124.9 million in net assets<sup>3</sup>
- Average Benefit: \$21,104 5

#### Supplemental Legislative Retirement Plan (SLRP)

Established in 1989

- 172 active members <sup>3</sup>
- 60 inactive members 3
- 228 retirees and beneficiaries <sup>3</sup>
- \$20.8 million in net assets 3
- Average Benefit: \$7,163 <sup>5</sup>

# **Optional Retirement Plan for the** Institutions of Higher Learning (ORP)

Established in 1990 for eligible members only

- 5,199 active participants <sup>7</sup>
- \$1.74 billion in net assets <sup>7</sup>

#### Page Sources:

- Pensions and Investments (February 13, 2023)
- Pensions and Investments (September 11, 2023)
- Annual Comprehensive Financial Report for Fiscal Year 2023 Board of Trustees Report for Fiscal Year 2023
- System Actuarial Valuation Reports
- Mississippi Government Employees' Deferred Compensation Plan and Trust Account Summary
  Optional Retirement Plan Annual Report
- Monumental Life Insurance Company Quarterly Report
- Colonial Life Insurance Company Quarterly Report
- 10. Securian Life Insurance Quarterly Report

# Total System Membership

Source: Annual Comprehensive Financial Report and U.S. Bureau of Labor Statistics

Mississippi has more than 264,965 working and retired state and local government employees. The active membership of PERS comprises 12.2 percent of Mississippi's workforce.

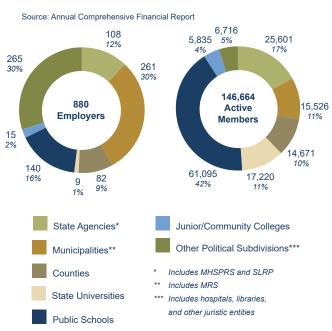
PERS is just one piece of the overall human resources package used to recruit and retain the quality workforce that is critical to the sound delivery of public services.



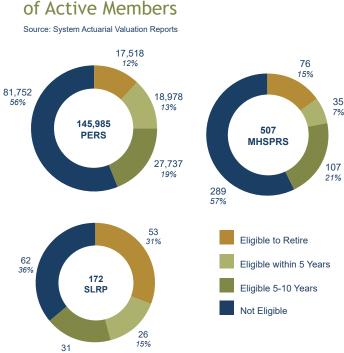


<sup>\*</sup> Individual inactive accounts with small residual or zero balances removed from totals. No actuarial valuation measurements affected.

# Total System Covered Employers and Members



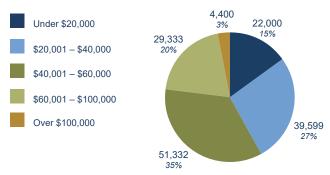
# Retirement Eligibility as Percentage of Active Members



### PERS Member and Retiree Statistics

### Active PERS Member Salary Distribution

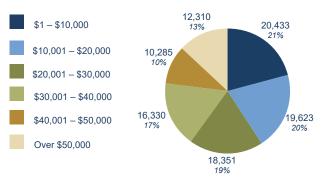
Source: System Actuarial Valuation Reports and PERS Database



Average Member Salary: \$48,398

## Annuity Distribution for PERS Service Retirees\*

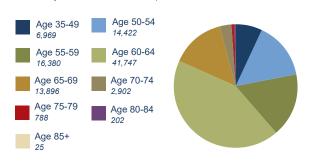
Source: System Actuarial Valuation Reports and PERS Database



<sup>\*</sup> Service retirees do not include survivors or disability retirees.

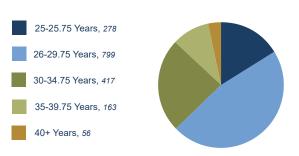
# PERS Service Retirees by Age at Retirement

Sources: System Actuarial Valuation Reports and PERS Database



## PERS Service Retirees with $\geq 25$ Years at Retirement during FY 2023

Source: PERS Database



# Total System Retirees and Beneficiaries > Age 100

Source: PERS Database

Number: 80

Average age:101.53

Average years in retirement: 36.08

Average annual benefit including Cost-of-Living Adjustment: \$28,947.11

# PERS Members Who Retire based on Years of Service and Age

Source: System Actuarial Valuation Reports and PERS Database

Members Who Retire based on Years of Service:

Average age at retirement: 57.2
Average years of service: 30.2

Members Who Retire based on Age:

Average age at retirement: 61.75

Average years of service: 15.6

PERS service retirees spend, on average, 18.26 years in retirement.

# Total System Revenues and Expenses (In Thousands)

Source: PERS Accounting

#### Revenues

lotal Revenue for al	l Systems	 \$4,278,445

#### Contributions:

Employer Contributions	\$1,335,869
MHSP Motor Vehicle Fees and Other Fees	3,517
Member Contributions	<u>664,862</u>
Total Contributions	\$2,004,248

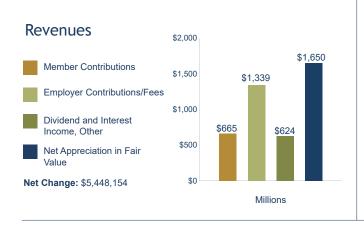
#### Net Investment Income:

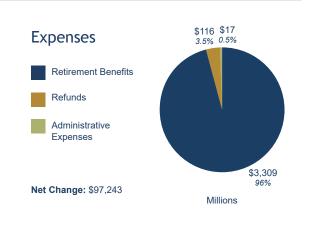
Net Appreciation in Fair Value	\$1,650,319
Dividends, Interest, and Other Investment Inc	ome-Net <u>\$623,878</u>
Net Investment	\$2.274.197

#### **Expenses**

Total Expenses for all Systems ......\$(3,442,334)

Retirement Benefits	\$(3,309,546)
Refunds	(115,683)
Administrative Expenses including Depreciation	(17,105)





# Sources of Revenue - 30 Years Source: PERS Accounting

Over the 30-year period that ended June 30, 2023, employer (taxpayer) contributions to PERS made up only 28 percent of revenues, while earnings from investments provided the majority of the System's funding with members currently contributing a mandatory 9 percent of their wages to complete 17 percent of that total funding.



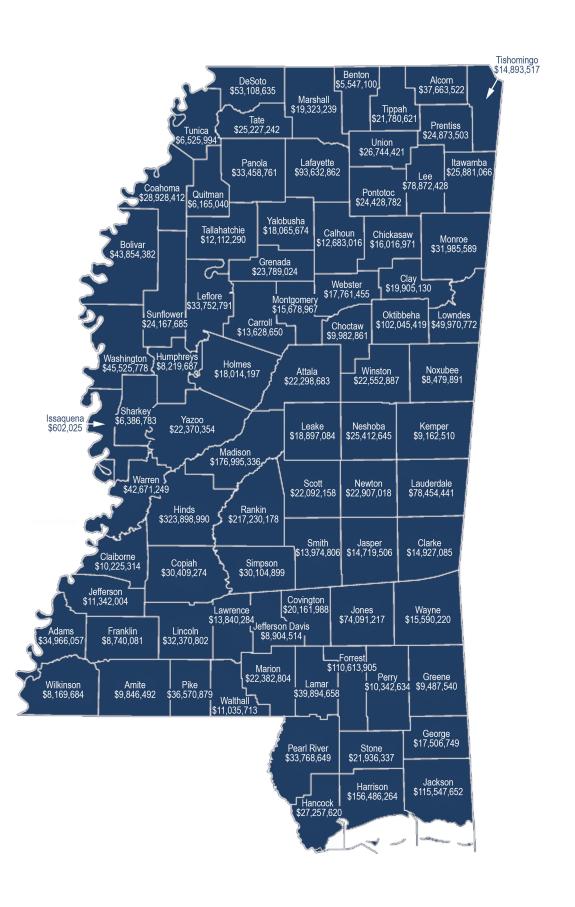
# Annual Benefit Payments per Mississippi County

Sources: Annual Comprehensive Financial Report

The system paid benefits of \$3.3 billion during fiscal year 2023, with approximately 92 percent (approximately \$3 billion) staying in Mississippi. These steady and dependable benefits provide a strong and locally-disseminated economic stimulus to communities throughout the state.

County	Payments	Amount Paid
•	•	34,966,057
		37,663,522
		9,846,492
		22.298.683
		5.547.100
		43,854,382
		12,683,016
		13,628,650
		16,016,971
		9,982,861
		10.225.314
		14,927,085
		19,905,130
,		28,928,412
		30,409,274
	,	20,161,988
		53,108,635
		110.613.905
	- / -	8,740,081
		17,506,749
0		9,487,540
		23,789,024
		27,257,620
		156,486,264
Hinds	10,899	323,898,990
		18,014,197
Humphreys	293	8,219,687
Issaquena	34	602,025
		25,881,066
Jackson	4,273	115,547,652
Jasper	667	14,719,506
Jefferson	432	11,342,004
Jefferson Davi	is435	8,904,514
Jones	2,902	74,091,217
		9,162,510
Lafayette	2,568	93,632,862
Lamar	1,521	39,894,658
Lauderdale	2,974	78,454,441
Lawrence	586	13,840,284
Leake	772	18,897,084
Lee	2,751	78,872,428
		33,752,791
		32,370,802
Lowndes	1,819	49,970,772

County	Payments	Amount Paid
Madison	4,874	176,995,336
Marion	853	22,382,804
Marshall	819	19,323,239
Monroe	1,243	31,985,589
Montgomery	585	15,678,967
Neshoba	1,020	25,412,645
		22,907,018
Noxubee	357	8,479,891
Oktibbeha	2,599	102,045,419
Panola	1,317	33,458,761
Pearl River	1,483	33,768,649
Perry	481	10,342,634
Pike	1,388	36,570,879
Pontotoc	895	24,428,782
Prentiss	896	24,873,503
Quitman	262	6,165,040
Rankin	6,983	217,230,178
Scott	896	22,092,158
Sharkey	226	6,386,783
Simpson	1,231	30,104,899
Smith	602	13,974,806
Stone	863	21,936,337
Sunflower	982	24,167,685
Tallahatchie	502	12,112,290
Tate	923	25,227,242
Tippah	882	21,780,621
Tishomingo	657	14,893,517
Tunica	297	6,525,994
		26,744,421
Walthall	440	11,035,713
Warren	1,526	42,671,249
Washington	1,759	45,525,778
Wayne	659	15,590,220
Webster	675	17,761,455
Wilkinson	328	8,169,684
Winston	781	22,552,887
Yalobusha	734	18,065,674
Yazoo	873	22,370,354
	,	3,029,843,346
Out of Countr	y34	926,221
Out of State	11,531	278,775,716
Grand Total.	120,674	3,309,545,283



## Mississippi Key Findings

Source: National Institute on Retirement Security's Pensionomics: Measuring the Economic Impact of State and Local Pension Plans

#### **MISSISSIPPI**

#### Pensionomics 2023:

NATIONAL INSTITUTE ON Retirement Security
Reliable Research. Sensible Solutions.

#### Measuring the Economic Impact of DB Pension Expenditures

#### **Key Findings**

Benefits paid by state and local pension plans support a significant amount of economic activity in the state of Mississippi.

Pension benefits received by retirees are spent in the local community. This spending ripples through the economy, as one person's spending becomes another person's income, creating a multiplier effect.

In 2020, expenditures stemming from state and local pensions supported...

20,222 jobs that paid \$811.5 million in wages and salaries

\$2.9 billion in total economic output

\$359.5 million in federal, state, and local tax revenues

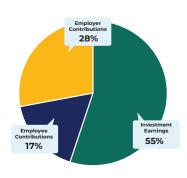
... in the state of Mississippi.

Each dollar paid out in pension benefits supported \$1.01 in total economic activity in Mississippi.

Each dollar "invested" by Mississippi taxpayers in these pension plans supported \$3.59 in total economic activity in the state.

#### Overview

Expenditures made by retirees of state and local government provide a steady economic stimulus to Mississippi communities and the state economy. In 2020, 110,856 residents of Mississippi received a total of \$2.9 billion in pension benefits from state and local pension plans.



The average pension benefit received was \$2,192 per month or \$26,299 per year. These modest benefits provide retired teachers, public safety personnel, and others who served the public during their working careers income to meet basic needs in retirement.

Between 1993 and 2020, 28% of Mississippi's pension fund receipts came from employer contributions, 17% from employee contributions, and 55% from investment earnings.\* Earnings on investments and employee contributions—not taxpayer based contributions—have historically made up the bulk of pension fund receipts.

#### Impact on Jobs and Incomes

Retiree expenditures stemming from state and local pension plan benefits supported 20,222 jobs in the state. The total income to state residents supported by pension expenditures was \$811.5 million

To put these employment impacts in perspective, in 2020 Mississippi's unemployment rate was 7.9%. The fact that DB pension expenditures supported 20,222 jobs is significant, as it represents 1.6 percentage points in Mississippi's labor force.

#### **Economic Impact**

State and local pension funds in Mississippi and other states paid a total of \$2.9 billion in benefits to Mississippi residents in 2020. Retirees' expenditures from these benefits supported a total of \$2.9 billion in total economic output in the state, and \$1.6 billion in value added in the state.

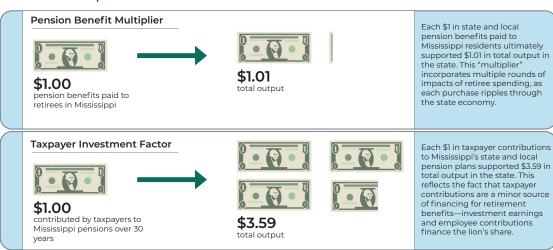
#### Impact on Tax Revenues

State and local pension payments made to Mississippi residents supported a total of \$359.5 million in revenue to federal, state, and local governments. Taxes paid by retirees and beneficiaries directly out of pension payments totaled \$30.1 million. Taxes attributable to pension expenditures in the local economy accounted for \$329.4 million in tax revenue.

Federal Tax	\$94.3 million
State/Local Tax	\$265.2 million
Total	\$359.5 million

Totals may not add up due to rounding. For data and methodology, see Boivie, I., 2021, Pensionomics 2021: Measuring the Economic Impact of DB Pension Expenditures, National Institute on Retirement Security, Washington, DC, www.nirsonline.org, Results not directly comparable to previous Pensionomics due to methodological refinements.

#### **Economic Multipliers**



 $<sup>{}^*\!</sup>Caution\ should\ be\ used\ in\ interpreting\ these\ numbers.\ See\ the\ Technical\ Appendix\ of\ the\ full\ \textit{Pensionomics}\ report\ for\ details.$ 

#### Economic Impacts by Industry Sector

The economic impact of state and local pension benefits was broadly felt across various industry sectors in Mississippi. The five industry sectors with the largest employment impacts are presented in the table to the side.

Industry	Employment Impact (# Jobs)
Limited-service restaurants	1,397
Hospitals	974
Offices of physicians	957
Full-service restaurants	934
Retail - general merchandise stores	749

Industry totals include the first round of impacts from pension payments to state residents, and do not account for recaptured "leakage" to or from other states.

#### **Economic Impacts by Occupation Category**

The pension benefits in Mississippi supported jobs in every civilian job category, as shown in the table below.

Occupation Category	Wage and Salary Employment	Wage and Salary Income	Supplements to Wages and Salaries	Employee Compensation
Food Preparation and Serving Related Occupations	2,409	\$40,793,791	\$7,245,619	\$48,039,410
Sales and Related Occupations	2,192	\$63,690,452	\$12,123,154	\$75,813,606
Office and Administrative Support Occupations	1,825	\$66,941,913	\$13,790,674	\$80,732,587
Healthcare Practitioners and Technical Occupations	1,424	\$117,528,087	\$24,988,365	\$142,516,452
Transportation and Material Moving Occupations	1,369	\$46,449,946	\$9,359,408	\$55,809,354

## Growth in PERS Net Assets over 30 Years (In Billions)

Sources: PERS Accounting

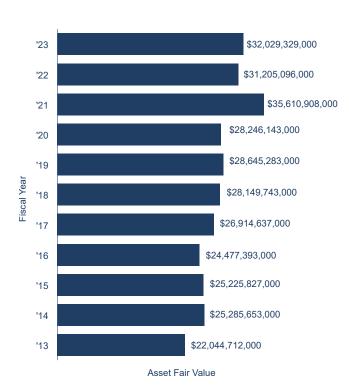
Beginning balance July 1, 1993	\$ 5.6
Employer Contributions	21.2
Member Contributions	13.0
Investment Income and Other Income	41.9
Benefit Payments	(47.3)
Refund Payments	(2.5)
Administrative and Other Expenses	(0.4)
Ending Balance June 30, 2023	\$ 31.6*

\* Ending PERS plan net position

- · Investment income is more than 55 percent of total inflows to the fund balance over the last 30 years.
- Employer and member contributions are 28 percent and 17 percent, respectively of total inflows to the fund balance over the last 30 years.
- Benefit payments and refund payments are 94 percent and 5 percent, respectively of total outflows of the fund balance over the last 30 years.

## Investment Assets FY 2013 - FY 2023

Source: Callan Investment Measurement Service Quarterly Review for June 30, 2023



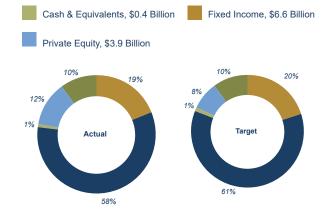
## **Investment Asset Allocation**

Source: Callan Investment Measurement Service Quarterly Review for June 30, 2022

Real Estate, \$3.1Billion

Total Investment Assets for all Systems as of June 30, 2023 = **\$32.03 Billion** 

Equities, \$18.03 Billion

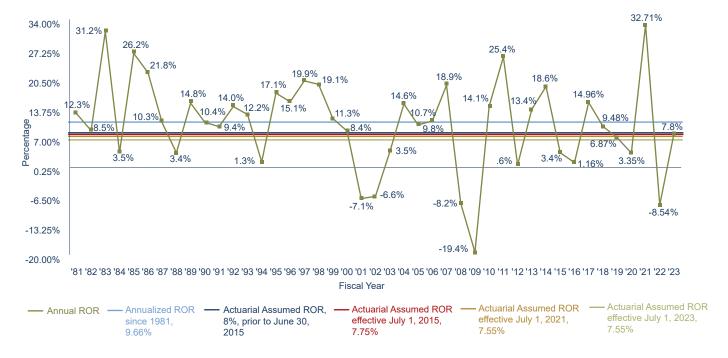


Number of Portfolios: 64

## Annual Investment Rates of Return Since FY 1981

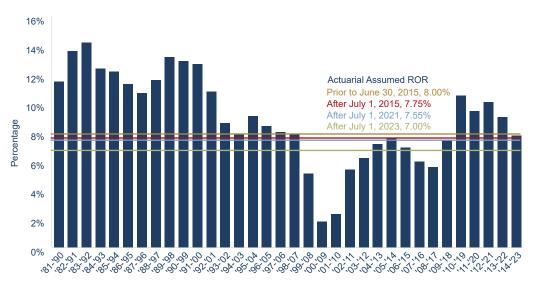
Source: PERS Annual Investment Report

PERS began equity investments in August 1980. This chart demonstrates the volatility in the markets and the need to focus on the long term.



#### Investment Annualized Rates of Return

Source: Callan Investment Measurement Service Quarterly Review for June 30, 2023



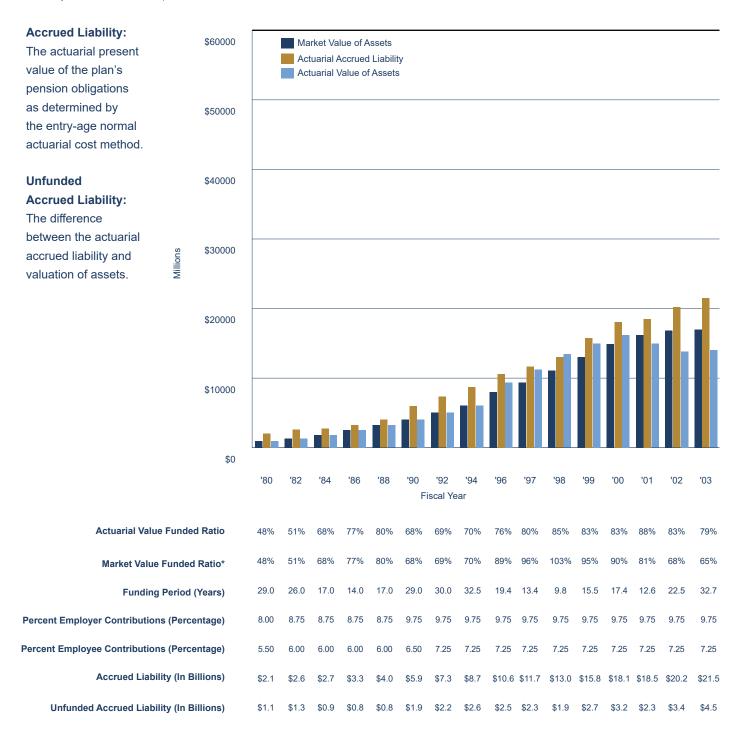
Rolling 10-Year Periods

Historical Returns as of June 30, 2023, gross of fees

1-Year	7.76%
3 -Year	9.36%
5 -Year	7.63%
10 -Year	8.47%
15-Year	7.51%
20 -Year	7.82%
25 -Year	6.55%
30-Year	7.80%

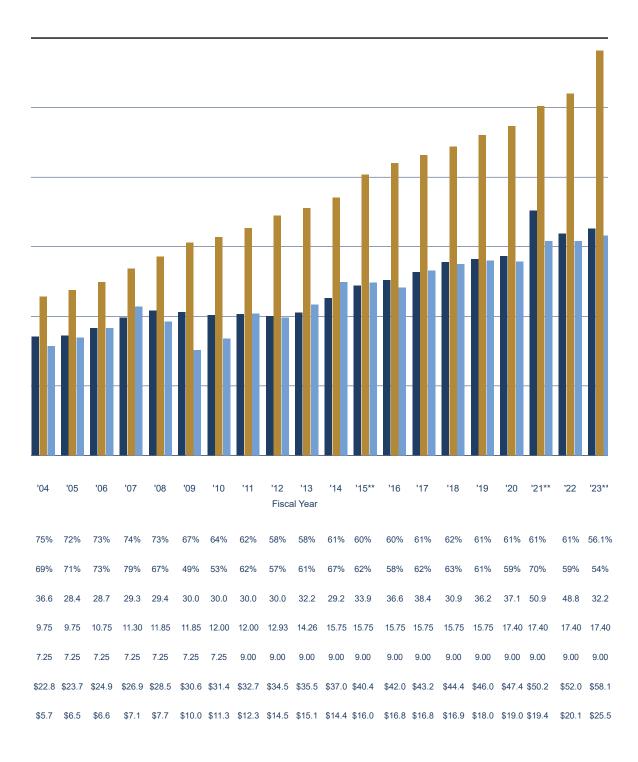
# **PERS Funded Status History**

Source: System Actuarial Valuation Reports



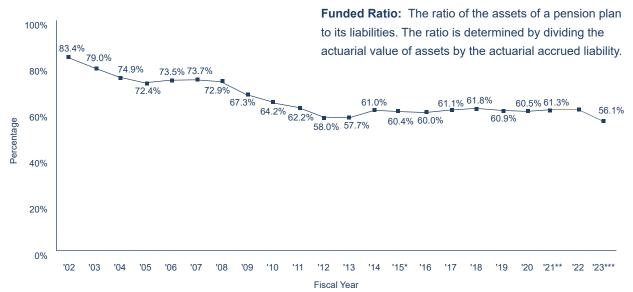
<sup>\*</sup> Assets are recorded at book value prior to 1995

 $<sup>^{**} \</sup>quad \textit{Actuarial Assumed ROR effective July 2015, 7.75\%; July 2021, 7.55\%; July 2023, 7.00\%}$ 



# **PERS Funded Ratio**

Source: System Actuarial Valuation Reports



<sup>\*</sup> Actuarial Assumed ROR effective July 2015, 7.75%

<sup>\*\*</sup> Actuarial Assumed ROR effective July 2021, 7.55%

<sup>\*\*\*</sup> Actuarial Assumed ROR effective July 2023, 7.00%

# Targeting PERS Funding

Source: PERS Funding Policy

The Board currently operates under a funding policy that was initially adopted in June 2018. The prior funding policy tracked the funding progress of the System by annually reviewing the projected 2042 funding ratio and watching for specific triggers that would call for an increase or decrease in contributions. The new funding policy focuses on the projected 2047 funding ratio and continues to annually review the projected funding ratio but adds two new metrics; the projected cash flow as a percentage of beginning-year assets and the ratio of the actuarially determined contribution to the current contribution rate as set by the Board. Each metric is explained below:

- Funded Ratio: The funded ratio is the value of assets divided by the actuarial accrued liability. The new funding policy analyzes the funded ratio over the projection period with an ultimate goal of being fully funded. Given that the projected funded ratio was the major metric used in benchmarking the plan under the prior funding policy (and coupled with the fact that it is a key metric used by all systems), the Board thought continuing the review of the projected funded ratio each year was important.
- Cash Flow as a Percentage of Assets: The cash flow as a percentage of assets is defined as the difference between total contributions coming into the trust and the benefit payments made to retirees and beneficiaries going out of the trust as a percentage of beginning-year market value of assets. This funding policy metric will test the net cash flow percentage over the projected period. The actuaries anticipate that PERS, as a mature retirement system, will experience negative cash flow; however, if the amount of negative cash flow as a percentage of the plan assets becomes excessive, it may be a warning sign that the plan needs additional funding. If the negative cash flow creates a situation of insufficient liquid assets to pay retirement benefits, the investment portfolio may require changes to more liquid, cash-generating investments. This change in the asset allocation would affect the plan's long-term investment earnings and likely require additional contributions. Monitoring

- our projected cash flow in this manner is a focus of the Board and is especially important for a mature retirement system like PERS that is expecting more retirees in the years ahead.
- Actuarially Determined Contribution (ADC): The actuarially determined contribution is the potential payment to the plan as determined by the actuary based on principal elements disclosed in the funding policy. Those elements include the actuarial cost method, the asset-smoothing method, and the amortization method. While the actuarial cost method and asset-smoothing method remained the same for PERS, the actuary recommended a new layered amortization for determining the actuarially determined contribution. Under this new metric in the revised funding policy, the unfunded actuarial accrued liability as of June 30, 2018, (\$16.9 billion) will be amortized over 30 years closed and future changes to the unfunded actuarial accrued liability (i.e., gains, losses, assumption changes, and plan changes) will be amortized over 25-year closed periods. This is for the calculation of the ADC ratio only. The actuarially determined contribution rate will be calculated in the annual valuation report and will be compared to the current contribution rate set by the Board.

These metrics provide a more holistic view of the status of the System and a more granular gauge of the need for action based on System performance, changing demographics, and actuarial experience. The signallight approach used in the new funding policy was recommended by the actuary to provide the Board a clearer and more comprehensive picture of the sustainability of PERS. When red, the metric fails so the actuary must recommend additional contributions for the Board to consider that will place all metrics back into the green status.

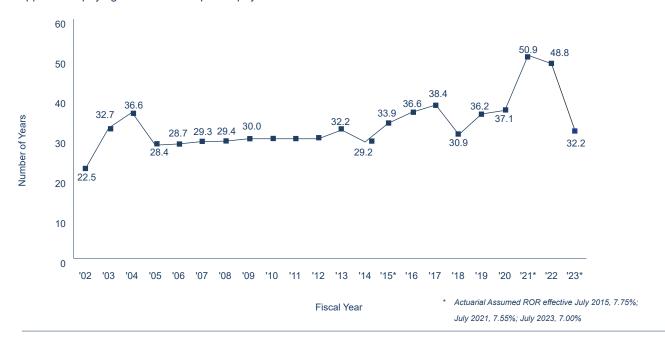
To view the Funding Policy, visit the Financial page of www. pers.ms.gov.

# PERS Amortization Period of Unfunded Accrued Liability

Source: System Actuarial Valuation Reports

**Amortization:** Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump-sum payment.

**Unfunded Accrued Liability:** The difference between the actuarial accrued liability and valuation of assets.



# PERS Contribution Rate Changes



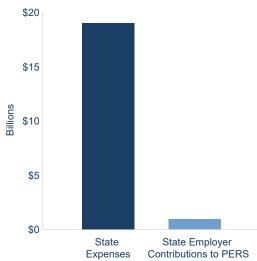
# State Employer Contributions to PERS Compared to State Expenses

Source: PERS Accounting and Supplement to Mississippi Annual Comprehensive Financial Report

Fiscal Year	State Expenses (\$ in billions)	Employer Contributions as Percent of State Expenses
1990	\$4.2	4.35%
1991	\$4.6	4.44%
1992	\$4.6	4.35%
1993	\$4.9	4.29%
1994	\$5.3	4.48%
1995	\$6.1	3.97%
1996	\$6.5	4.01%
1997	\$6.8	3.78%
1998	\$7.1	3.94%
1999	\$7.8	3.65%
2000	\$8.6	3.73%
2001	\$8.8	3.69%
2002	\$9.5	3.49%
2003	\$10.3	3.25%
2004	\$11.2	3.17%
2005	\$11.6	3.27%
2006	\$13.2	3.25%
2007	\$15.3	3.10%
2008	\$14.9	3.54%
2009	\$15.5	3.55%
2010	\$16.3	3.44%
2011	\$16.3	3.37%
2012	\$15.8	3.69%
2013	\$15.7	4.27%
2014	\$15.7	4.68%
2015	\$16.3	4.65%
2016	\$16.4	4.81%
2017	\$16.2	4.82%
2018	\$16.0	4.84%
2019	\$16.0	4.92%
2020	\$16.4	5.4%
2021	\$18.1	5.0%
2022	\$19.0	5.0%
2023*	NA	NA

to State Employer Contributions

FY 2022 Comparison of State Expenses



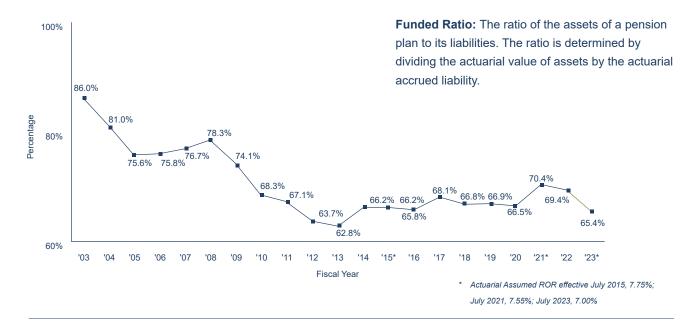
**Note:** State Employer Contributions include state agencies, state universities, public schools, and community/junior colleges.

<sup>\* 2023</sup> State Expenditures not available at time of publication

# MS Highway Safety Patrol Retirement System (MHSPRS)

Source: System Actuarial Valuation Reports

#### Funded Ratio



# Amortization Period of Unfunded Accrued Liability



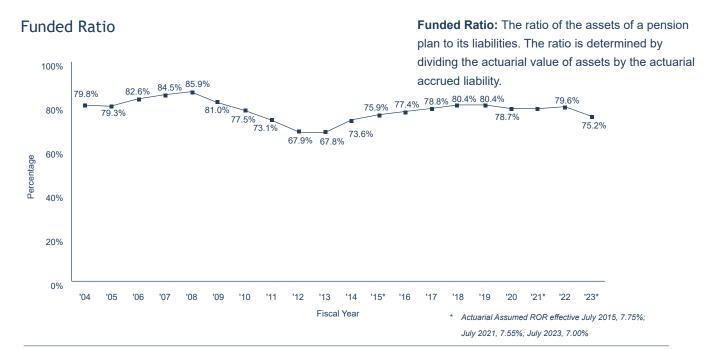
# MHSPRS Contribution Rate Change History

Source: System Actuarial Valuation Reports



# Supplemental Legislative Retirement Plan (SLRP)

Source: System Actuarial Valuation Reports

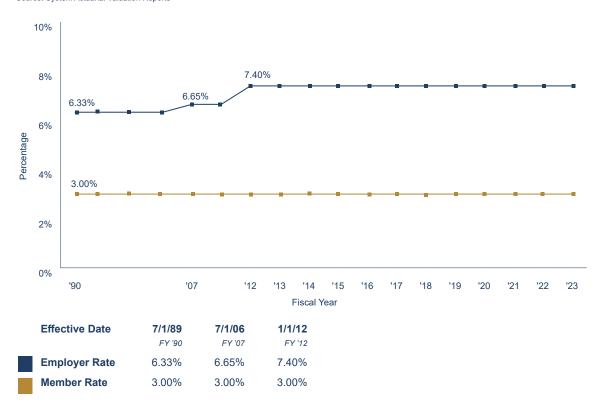


# Amortization Period of Unfunded Accrued Liability



# SLRP Contribution Rate Change History

Source: System Actuarial Valuation Reports





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Published January 2024