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 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

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 (2009-2011); deputy director/chief operating officer for the Employees’ Retirement System of Georgia (2006-2009); fiscal officer and treasurer and budget

Board revises funding policy, increases employer contribution rate

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.

Funding Policy, Contribution Rate, continued Page 2

A Heartfelt Farewell with Gratitude, continued Page 7

Funding Policy, Contribution Rate, continued Page 2

Higgins, continued Page 7
Tingle named among top public pension CIOs

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.

PERS Board Updates

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 named 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 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.

Funding Policy, Contribution Rate, continued

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,
- 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.
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.

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.

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 and clicking the Subscribe button on the home page of the website.
Service credit is important because it is one of the primary components of the formula for calculating a member’s retirement. Prior to July 1, 2017, members were awarded service credit on a quarterly basis. Since July 1, 2017, members receive service credit for each month actually worked. The chart at right demonstrates the previous and current methods of awarding service credit.

Earning Credit for Unused, Uncompensated Leave

PERS awards service credit at retirement to members for accumulated, uncompensated unused leave, if eligible. As of July 1, 2017, members who retire will receive service credit for unused, uncompensated leave in monthly increments. Members earn one quarter (three months) of service credit with their first 15 days (120 hours) of accumulated leave and two quarters (six months) of service credit with their first 78 days (624 hours) of leave. However, from that point forward, individuals accrue an additional month of service credit for every 21 days (168 hours) of accrued leave.

The following chart demonstrates the previous and current methods of awarding service credit for accumulated unused leave.
Getting ready for...

Plan now
Planning for and, eventually, making the decision to retire is important. To help you navigate those waters, PERS provides two helpful guides for mid-career and retirement-eligible members. From filing timeliness to proper retirement paperwork, the PERS Service Retirement Guide and Pre-Retirement Guide—offered online and in print—can give you the information you need for a seamless transition to retirement.

Ask for an audit
Your account reflects data entered throughout your entire career. Sometimes, when entering this data, mistakes can be made by you, your employer, or PERS. Finding out at retirement of such an error can be upsetting and may derail your retirement plans. Ask for an audit of your account as soon as you start thinking about retiring. PERS is mandated by law to correct any error, even if the correction takes away service credit that could result in your being ineligible for retirement when you had planned to retire. To avoid this situation, do not wait until you decide to retire to have PERS conduct an audit of your account. To ensure discrepancies are handled and to give you confidence in your numbers, ask for an audit of your account sooner rather than later. Once you receive the results of your audit, check it for accuracy and see that it matches your personal work records.

Stay on track
While working in a PERS-covered position where wages are properly reported and applicable contributions are paid, you earn membership service that counts toward your retirement. Those years are important because they not only determine when you can retire, they are used to help calculate your retirement benefit. PERS offers multiple opportunities for learning about your account, including seminars, one-on-one in-office visits, or phone consultations. We are here to help ensure your retirement schedule stays on track. Visit the Retirement Education page on our website for more information.

All PERS publications can be found on the Publications page at www.pers.ms.gov
800-444-7377 | 601-359-3589 | customerservice@pers.ms.gov
Answering how to...

When it comes to answering “How do I ________?”, the Member Resources page on the PERS website can offer good guidance. Below are a few highlights from the page regarding requesting a balance of your account, changing account information, and pre-selecting your benefit options once you are eligible to retire. For even more helpful information, visit www.pers.ms.gov/Content/Pages/Member-Resources.aspx.

How to Pre-Select Benefit Options

Applicable law provides that monthly benefits be paid only to your lawful spouse and/or dependent children should you die before you retire. However, you may designate beneficiaries once you become eligible to retire by filing a Form 16, Advanced Application. The 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.

How to Request the Balance of Your Contributions

You may request a mailed balance of your account by contacting PERS Customer Service. For a faxed balance, fax your request to 601-359-6707 with the following information:
- Name
- Retirement Plan (PERS, SLRP, MHSPRS, or MRS)
- Last Four Digits of Social Security Number
- Current Address
- Fax Number
- Contact Telephone Number
- Signature

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 your employer for submission 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.
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, 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.
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

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 any time; we work diligently to keep all of our website information current.