

# MINUTES | BOARD OF TRUSTEES

Special Called | Public Employees' Retirement System of Mississippi

February 5, 2025 | PERS Board Room and Livestreamed via YouTube

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## Board of Trustees Meeting Agenda

*Special Called Meeting, February 5, 2025*

*1 P.M.*

- I. Call to Order**
- II. Approval of Agenda**
- III. Discussion of Tier 5**
- IV. Other**
- V. Adjourn**

*The PERS board room on the fourth floor of 429 Mississippi Street, Jackson, MS, will be open to any member of the public who wishes to attend this meeting.*

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**Board Members:**

Mr. Kelly Breland, *Board Chair*  
Mr. Bill Benson, *Board Vice Chair*  
Mr. George Dale  
Mr. Chris Graham  
Ms. Kim Hanna

Dr. Randy McCoy  
State Treasurer David McRae  
Dr. Brian Rutledge  
Dr. Jay Smith  
Mr. Terrance Yarbrough

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The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees met Wednesday, February 5, 2025, at 429 Mississippi Street, Jackson, MS 39201. This meeting was duly announced to the public Tuesday, February 4, 2025, at 11:37 a.m., on the Public Meetings Notice website of the Mississippi Department of Finance and Administration, as well as was posted in the PERS lobby, on the PERS website, and on the PERS YouTube Channel.

## BOARD MEMBER ATTENDEES

**In Person:** Board Chair Mr. Kelly Breland, Mr. Bill Benson, Mr. George Dale, Mr. Chris Graham, Ms. Kimberly Hanna, Dr. Randy McCoy, and Dr. Jay Smith.

**Via Teleconference:** Mr. Terrance Yarbrough.

**Absent:** State Treasurer David McRae and Dr. Brian Rutledge.

## LEGISLATIVE LIAISON ATTENDEES

**In Person:** Senator David Blount and Senator Daniel Sparks.

## STAFF ATTENDEES

**In Person:** Executive Director Ray Higgins; Chief Investment Officer Charles Nielsen; Counsel and Policy Advisor Davetta Lee; Member and Employer Services Deputy Director Mason Frantom; Benefit Services Deputy Director Lisa Green; Deputy Director Administrative Services Melanie Estridge; Comptroller Tracy Day; Christy Smith, Accounting; Chief Technology Officer Mike Lowry; Billy Means and Maurice Gilliam, Information Technology; and Communications Director Shelley Powers.

## GUEST ATTENDEES

**In Person:** Assistant Attorney General Caroline Johnson; Ray Wright, Mississippi Joint Legislative Committee on Performance Evaluation; Emily Pote, Mississippi Retired Public Employees' Association; Emily Tschiffely and Steven McDevitt, Legislative Budget Office; Laura Hipp, Mississippi Institutions of Higher Learning; Senator Hob Bryan; and Phil Sutphin, Retired Education Personnel of Mississippi.

**Via Teleconference:** Ed Koebel, CavMac Consulting.

## CALL TO ORDER

Board Chair Breland called the meeting to order at 1:02 p.m.

## APPROVAL OF AGENDA

- **Motion:** To amend the meeting agenda to include the review and approval of the Board of Trustees December 18, 2024, meeting minutes.
  - **Made by:** Benson.
  - **Seconded by:** Smith.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, Smith, and Yarbrough.
  - **Voting against:** None.
  - **Absent:** McRae and Rutledge.
  - **Duly Passed.**

## DECEMBER 18, 2024, BOARD MEETING MINUTES APPROVAL

- **Motion:** To approve the Board of Trustees December 18, 2024, meeting minutes.
  - **Made by:** Benson.
  - **Seconded by:** Smith.
  - **Discussion:** The Board conducted a brief discussion about the protocol for approving minutes and later amending said minutes.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, Smith, and Yarbrough.
  - **Voting against:** None.
  - **Absent:** McRae and Rutledge.
  - **Duly Passed.**

## DISCUSSION OF TIER 5

McCoy explained to the Board that his reason for requesting the special called meeting was for the Board to consider endorsing a PERS Tier 5 defined benefit (DB) model. McCoy proposed the Board strongly consider the same endorsement for a pure DB model, if it is projected to provide similar financial results to the hybrid. There was considerable discussion of the DB example, hybrid, related actuarial information, cost-of-living-adjustments (COLAs), risk, options for the Legislature, the legislative process, and other information pertaining to Tier 5.

Blount arrived at 2:03 p.m.

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- **Motion:** If the state, as the plan sponsor with the ultimate responsibility for plan design, proposes a PERS Tier 5 defined benefit model for future employees as explained by staff and actuaries in the February 5, 2025, board meeting that is estimated and projected to have a favorable impact on the future funded status of the plan by lowering the cost of future benefits, directing a larger share of the employer contribution toward the unfunded actuarial accrued liability (UAAL), paying off the UAAL sooner, and mitigating contribution rate risk by lowering the future projected actuarial determined contributions and thereby better sustaining PERS and maintaining the fiscal integrity of the plan for the existing members, retirees, and beneficiaries, I move that the PERS Board endorse such a Tier 5 proposal.
  - **Made by:** McCoy.
  - **Seconded by:** Smith.
  - **Discussion:** The Board continued its discussion of the potential Tier 5, COLAs, communication, the legislative process, and matters pertaining to the motion.
  - **Voting for:** McCoy, Smith, and Yarbrough.
  - **Voting against:** Benson, Breland, Dale, Graham, and Hanna.
  - **Absent:** McRae and Rutledge.
  - **Motion Failed.**

Blount left at 2:36 p.m.

A brief discussion ensued about transmitting information to the Legislature, legislation, and the Optional Retirement Plan (ORP).

## OTHER

The Board discussed the need to provide clarifying language for Senate Bill 2794. Higgins gave a brief update on legislation and included the explanation on the request to change terminology from Unfunded Actuarial Accrued Liability (UAAL) to Net Pension Liability (NPL). He described the difference between the two numbers, and it was mentioned how employers are familiar with seeing the NPL calculation in the reports already provided by PERS.

- **Motion:** To approve the change in wording from Unfunded Actuarial Accrued Liability (UAAL) to Net Pension Liability (NPL) in proposed legislation.
  - **Made by:** Benson.
  - **Seconded by:** Dale.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, Smith, and Yarbrough.
  - **Voting against:** None.
  - **Absent:** McRae and Rutledge.
  - **Duly Passed.**

Higgins also asked the Board to consider a motion to recommend to the Legislature that any new Tier 5 would have an effective date of July 1, 2026, or later to allow the needed time for proper implementation.

- **Motion:** To recommend that any new Tier 5 would have an effective date of July 1, 2026, or later to allow time for proper implementation.
  - **Made by:** Benson.
  - **Seconded by:** Smith.
  - **Discussion:** Sparks said he was concerned about the terminology of "effective date" being the "implementation date" and expressed a willingness to work together on a proper date. Higgins stated that the new tier needed an implementation date of July 1, 2026, or later for a variety of reasons. McCoy suggested the Board simply provide a consensus that the implementation date would need to not take effect until July 1, 2026, to allow for proper implementation. Higgins was amenable to pause on his formal request.
  - **Withdrawal of Motion with No Call for a Vote:** Benson.
  - **Discussion:** Breland asked if anyone had opposition to asking Higgins, with his knowledge of implementation needs, to work with the Legislature on an appropriate implementation date, and no opposition was offered.
  - **Motion Withdrawn.**

Dale asked for a point of privilege to recognize and welcome Senator Bryan from Monroe County as an audience guest.

## ADJOURN

Breland called the meeting adjourned at 3:10 p.m.

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Respectfully Submitted,



H. Ray Higgins, Jr.  
*Executive Director*  
Public Employees' Retirement System



Kelly Breland  
*Chair*  
PERS Board of Trustees

HRH