



Administrative Committee Meeting Agenda

Wednesday, August 27, 2025

10:15 A.M.

(Or immediately following the Claims Committee)

I. Tier 5 Regulation Amendments

(Intended Outcome – Initial Adoption)

- a. [Regulation 14](#), Submission of Monthly Reports and Contributions
- b. [Regulation 28](#), Benefits for Members Withdrawing from Service Prior to age 60
- c. [Regulation 32](#), Extending Membership in PERS to Political Subdivisions
- d. [Regulation 35](#), Filing an Application for Monthly Benefits and Establishing an Effective Date of Retirement
- e. [Regulation 48](#), Partial Lump Sum Option (PLSO)
- f. [Regulation 51](#), Administration of Certification of Accumulated Unused Leave for Service Credit and Lump Sum Payments of Leave at Termination/Retirement
- g. [Regulation 54](#), Administration of Retired Public Safety Officer Retirement Distribution for Health Insurance
- h. [Regulation 57](#), Release of Member Information to Participating Employers
- i. [Regulation 61](#), Compliance with Internal Revenue Service (IRS) Requirements
- j. [Regulation 64](#), Purchase of Service Credit in the Public Employees' Retirement System at Actuarial Cost

II. [Regulation 65](#): Earned Compensation for the Public Employees' Retirement System of Mississippi

(Intended Outcome- Initial Adoption)

III. [PERS Funding Policy](#)

(Intended Outcome- Approval of Staff Recommendation)

IV. Other

Administrative Committee Members:

Dr. Jay Smith, *Committee Chair*
Mr. Kelly Breland
Mr. Chris Graham
State Treasurer David McRae

Mr. Bill Benson, *Board Chair*

Part 210 Chapter 14 Submission of Monthly Reports and Contributions

100 Purpose

The purpose of this regulation is to provide the due date and manner in which the employer must submit required contributions and wage reports.

101 Due date of contributions and wage report to PERS defined benefit

Monthly employee and employer state retirement contributions pursuant to Article III beginning at Miss. Code Ann. §25-11-101 (1972, as amended) are due from the employer as of the fifth working day of each month. The wage and contributions report is due from the employer as of the fifth working day of each month. All delinquent payments shall be assessed interest at the rate of 10% per annum, and all delinquent reports shall be assessed interest at the rate of 2% per annum during the period of delinquency on the amount reported. Contributions and reports posted by the fifth working day of the month shall be considered as received timely. The creation date of the electronic files shall determine the date of submission. However, where the Board of Trustees finds that such delinquency is the result of circumstances beyond the control of the employer and the Board of Trustees has been notified of such circumstances by the employer in a timely manner, then the assessment provided for herein shall be discretionary. For purposes of this Regulation, incomplete and inaccurate reports shall be deemed as delinquent reports until such time as they are properly filed.

102 Manner of submission of contributions and wage report to PERS defined benefit

Effective July 1, 1996, all employers are authorized and shall transfer all funds due to PERS electronically and shall transmit any wage or other reports by computerized reporting systems. An employer may submit a written request for a temporary exemption from the application of the above requirements setting forth the reasons for the inability to comply with the requirement. Where the Board of Trustees finds that an employer cannot comply with the above requirements due to circumstances beyond its control, such temporary exemption may be granted. The Board of Trustees may establish guidelines for determining whether such request shall be granted. The Board of Trustees may assess a processing fee for noncompliance with the mandatory electronic funds transfer and/or computerized reporting if no exemption is granted. Such guidelines and processing fees will be established from time to time by the Board of Trustees and reflected in its minutes.

103 Calculation of employee contributions for monthly submission

In accordance with Miss. Code Ann. §25-11-123 (1972, as amended), the employer shall first deduct from the salary of each member on each payroll for each payroll period, the total statutory employee contribution. For any employee who became a member before March 1, 2026, the full employee contribution shall be remitted to PERS. For any employee who becomes a member on or after March 1, 2026, the statutory PERS defined benefit employee contribution will be remitted to PERS and, separately, the remaining statutory defined contribution employee contribution shall be remitted to the defined contribution third-party administrator.

104 **Submission of defined contribution contributions**

Monthly defined contribution employee and employer state retirement contributions pursuant to Article III beginning at Miss. Code Ann. §25-11-101 (1972, as amended) are due from the employer as of the fifth working day of each month in accordance with the Mississippi Hybrid Defined Contribution Plan Document. Remittances of such contributions received after the fifteenth working day are delinquent. Delinquent payments shall be subject to interest at the rate specified in PERS Board Regulation 43, Section 103.

105 **Calculation of Interest on Delinquent Contribution Payments by Fee Officials**

The Annual Financial Report (AFR) required to be filed by each covered constable, chancery clerk, and circuit clerk and all retirement contributions due on the net earnings from the office must be remitted to PERS by April 15 of the following year. The amounts due and not remitted by April 15 begin accruing interest daily at the rate specified in PERS Board Regulation 43 from April 15 until the date of payment.

(History: Adopted September 30, 1952, page 52, amended July 15, 1980; amended April 15, 1986, page 66; amended October 21, 1986, page 74; amended December 16, 1986, page 2; amended June 15, 1993; amended February 23, 1994; amended August 20, 1996; amended June 21, 2005 to be effective August 1, 2005; reformatted August 1, 2007; amended December 1, 2010; amended effective December 1, 2015, amended effective March 1, 2026)

Part 210 Chapter 28 Benefits for Members Withdrawing from Service prior to age ~~60~~ 62

100 Purpose

The purpose of this regulation is to clarify the requirements under which a member who withdraws from service before age ~~60~~ 62 is eligible for service retirement benefits.

101 Any person who became a member before July 1, 2007

Any person who became a member before July 1, 2007, who withdraws from service prior to age 60 with four (4) or more years of contributing membership service but less than twenty-five (25) years of creditable service and who does not receive a refund of his or her contributions, shall, upon the attainment of age 60, be eligible to apply for a retirement allowance in accordance with the formula provided in Miss. Code Ann. §25-11-111 (1972, as amended).

102 Any person who became a member on or after July 1, 2007, but before July 1, 2011

Any person who became a member on or after July 1, 2007, but before July 1, 2011, who withdraws from service prior to age 60 with eight (8) or more years of contributing membership service but less than twenty-five (25) years of creditable service and who does not receive a refund of his or her contributions, shall, upon the attainment of age 60, be eligible to apply for a retirement allowance in accordance with the formula provided in Miss. Code Ann. §25-11-111 (1972, as amended).

103 Any person who ~~becomes~~ became a member on or after July 1, 2011, but before March 1, 2026

Any person who ~~becomes~~ became a member on or after July 1, 2011, but before March 1, 2026, who withdraws from service prior to age 60 with eight (8) or more years of contributing membership service but less than thirty (30) years of creditable service and who does not receive a refund of his or her contributions, shall, upon the attainment of age 60, be eligible to apply for a retirement allowance in accordance with the formula provided in Miss. Code Ann. §25-11-111(1972, as amended).

104 Any person who becomes a member on or after March 1, 2026

Any person who becomes a member on or after March 1, 2026, who withdraws from service prior to age 62 with eight (8) or more years of contributing membership service but less than thirty-five (35) years of creditable service and who does not receive a refund of his or her contributions, shall, upon the attainment of age 62, be eligible to apply for a retirement allowance in accordance with the formula provided in Miss. Code Ann. §25-11-111(1972, as amended).

(History: Adopted March 27, 1957, page 295; amended June 21, 2005, to be effective August 1, 2005, amended and reformatted July 1, 2007; amended effective July 1, 2011, amended effective March 1, 2026)

Chapter 32: Extending Membership In PERS to Political Subdivisions

100 Purpose

The purpose of this regulation is to state the cost basis upon which PERS may grant service credit for retroactive service to employees of political subdivisions pursuant to a joinder agreement addendum.

101 Conditions for granting retroactive service credit to employees of political subdivisions

Political subdivisions may elect to join PERS and provide membership to their employees on a prospective basis only or they can also provide for retroactive service credit. If the political subdivision elects to provide service credit retroactive to a certain date, no credit for such service can be granted to a member until he or she has contributed to PERS under Article III beginning at Miss. Code Ann. §25-11-101, et seq. (1972, as amended) for the minimum required period based on the date of membership into the system and the appropriate cost for such service has been paid. Employees who became members of the retirement system before July 1, 2007, must have remained contributors to the system for a minimum of four (4) years, while employees who became members of the retirement system on or after July 1, 2007, must have remained contributors to the system for a minimum of eight (8) years, to be able to establish retroactive service credit. The retroactive creditable service shall be applied in accordance with the benefit formula provided in Miss. Code Ann. §25-11-111(1972, as amended), and such additional creditable service shall not alter the date the employee became a member of the retirement system.

1. Cost of Retroactive Service Prior to July 1, 1998

The cost of such retroactive service prior to July 1, 1998, shall be controlled by the regulation, statutes and the addendum to the joinder agreement in effect at the time.

2. Cost of Retroactive Service From and After July 1, 1998

Effective July 1, 1998, no credit shall be granted for retroactive services between January 1, 1953, and the date of entry into the retirement system unless the member:

- a. Furnishes proof satisfactory to the Board of Trustees of certification of service from the covered employer where the services were performed; and
- b. Pays the retirement system on the date he or she is eligible for such credit or at any time thereafter, but prior to the date of retirement, the actuarial cost for each year of such creditable service.

(History: Adopted July 27, 1960, page 483 -484; amended June 21, 2005 to be effective August 1, 2005; amended and reformatted July 1, 2007, amended effective March 1, 2026)

Title 27: Personnel

Part 210: PERS, Regulations for Retirement Plans Administered by the Board of Trustees

Chapter 35: Filing an Application for Monthly Benefits and Establishing an Effective Date of Retirement

100 Purpose

This regulation prescribes 1) the forms and information necessary to file an application for monthly benefits, 2) the conditions under which an effective date of retirement is established, and 3) when changes in the option specified on the retirement application can and cannot be made.

101 Establishing the Effective Date of Retirement

1. Application for Service Retirement

- a. The effective date of service retirement shall be the first of the month following withdrawal or termination from service as defined under Miss. Code Ann. § 25-11-103 (aa) (1972, as amended) and receipt by PERS of the properly completed application for service retirement, provided that the member is eligible for service retirement benefits on said date.
- b. The Application consists of the
 - i. Form 9A SRVC, *Pre-Application for Service Retirement Benefits*;
 - ii. Form 9S, *Service Retirement Application*;
 - iii. Form 9P, Payroll Authorization
 - iv. Form PLSO, *Partial Lump Sum Option Distribution Election* (if applicable), and
 - v. Acceptable proof of age for the applicant and for the beneficiary(ies), if selecting a joint and survivor option.
- c. Receipt of Form 9A SRVC, *Pre-Application for Service Retirement Benefits*, will be used in setting the effective date of retirement provided that all other forms in the Application as noted in Section 101.1.b of this Regulation are received in the PERS office no later than 90 days following the effective date of retirement.
- d. All forms in the Application must be on file in the PERS office before benefit payments can be initiated.
- e. Failure to submit all required forms in the Application within 90 days following the effective date of retirement, as established upon receipt of the Form 9A SRVC, will require the completion of a new Application thereby establishing a new effective date. The executive director may, due to extenuating circumstances and at his or her discretion, extend the 90-day period for completing the application by up to an additional 90 days based on information or documentation provided in a written request from the applicant.
- f. Where a vested member has withdrawn or terminated from service but is not eligible for retirement benefits at the time of withdrawal or termination from employment and has not returned to covered employment, he or she may at a later date become eligible for a service retirement allowance, provided that he or she

does not subsequently withdraw his or her accumulated member contributions and interest. The effective date of retirement will be the first of the month following the event that qualifies him or her for retirement, provided PERS has received a properly completed Application as noted in Section 101.1.b of this Regulation. Such events include:

- i. reaching the statutory age at which a member with the requisite minimum number of years of membership service is eligible for a retirement allowance; or
- ii. completion of the purchase of eligible service credit or repayment of a refund that gives the member the requisite years of creditable service necessary to qualify for a retirement allowance regardless of age.

2. Application for Disability Retirement

- a. The effective date of disability retirement shall be the first of the month after either 1) receipt of the Form DSBL 1 *Pre-Application for Disability Retirement Benefits*, provided that all other forms in the Application as noted in Section 101.2.b of this Regulation are received in the PERS office no later than 90 days following receipt thereof, or 2) actual termination from covered employment as certified by the employer, whichever is later.
- b. The Application consists of the
 - i. Form DSBL 1, *Pre-Application for Disability Retirement Benefits*;
 - ii. Form DSBL 9, *Disability Retirement Application*;
 - iii. Form DSBL 4, *Medical Information and Prior Claim History*;
 - iv. Form DSBL 5, *Physician and Treating Facility History*
 - v. Form DSBL 7, *Statement of Examining Physician*, for each physician listed on Form DSBL 5;
 - vi. Physicians' office records and hospital records for each referenced treatment listed on Form DSBL 5;
 - vii. Workers' Compensation Report of Injury if applying for duty-related disability;
 - viii. Form DSBL 2, *Employer's Certification of Job Requirements*;
 - ix. Form DSBL 3, *Employer's Job Activities Checklist*
 - x. Form DSBL 8, *Authorization for Release of Information*;
 - xi. Form DSBL 10, *Payroll Authorization*;
 - xii. Form DSBL 6, *Family Information*;
 - xiii. Form DSBL 11, *Temporary Benefit Application*, if applicable; and
 - xiv. Acceptable proof of age for the applicant and for the beneficiary(ies), if selecting a joint and survivor option.
- c. Provided the member files all forms required in Section 101.1.b.ii through iv of this Regulation within 90 days of receipt of the Form DSBL 1, *Pre-Application for Disability Retirement Benefits*, the Form DSBL 1 will also be used in setting the effective date for service retirement in the following situations:
 - i. a member who is eligible for service retirement but elects not to receive service retirement benefits while pursuing disability benefits and who
 - (a.) is later denied disability benefits, or
 - (b.) withdraws the application for disability benefits, or

- ii. a member whose application for disability retirement is voided pursuant to Section 101.2.e of this Regulation.
- d. All forms in the Application must be on file in the PERS office before the claim is presented to the Medical Board and before disability benefit payments can be initiated. Where a member filing for disability benefits is also eligible for service retirement benefits as provided in Miss. Code Ann. § 25-11-113 (c) (1972, as amended) and Board Regulation 45A, *Administration of Disability Benefits Under PERS*, Section 102.3, Forms DSBL 1 and DSBL 9, along with applicable acceptable proof of age, must be received before service retirement benefits can begin.
- e. Failure to submit all required forms in the Application within 90 days following receipt of the Form DSBL 1 will void the Application and require the completion of a new Application thereby establishing a new effective date. The executive director may, due to extenuating circumstances and at his or her discretion, extend the 90-day period for completing the application by up to an additional 90 days based on information or documentation provided in a written request from the applicant.
- f. After the application is made and disability benefits initiated, an applicant may not change the type of disability claim (i.e., he or she may not change the application from a claim for non-duty related disability benefits to a claim for duty-related disability benefits).
- g. After a member begins to receive a service retirement allowance, he or she may not apply for a disability retirement allowance.
- h. Primary proof of an applicant's child as a dependent child for purposes of the dependent child supplement under the Tiered Disability Plan is the birth certificate of the child with the member listed as the mother or father, as applicable. In the absence of a birth certificate listing the member as a parent, proof must be provided that the member is the lawful guardian or primary custodian of the child. Such proof might include a court order granting guardianship or recent tax returns showing that the member claims the child as his or her dependent.

3. Application for Survivor Benefits

- a. The effective date of survivor retirement benefits is the first of the month after the date of the member's death and receipt of a completed application for survivor benefits. In the case where the application for survivor benefits is received within one year following the member's date of death, the effective date of retirement is the first of the month after the member's date of death as certified on the death certificate, provided that all forms in the Application as noted in Section 101.3.c of this Regulation are received in the PERS office no later than 90 days following receipt of the Form 9A SRVR, *Pre-Application for Survivor Retirement Benefits*. In the case where the application for survivor benefits is received more than one year after the member's date of death, the effective date of retirement is the first of the month following receipt of the Form 9A SRVR retroactive for not more than one year.
- b. All applicable forms noted in Section 101.3.c of this Regulation must be on file in the PERS office before benefit payments can be initiated.

- c. The Application consists of:
 - i. Form 9A SRVR, *Pre-Application for Survivor Retirement Benefits*;
 - ii. Workers' Compensation Injury Report, if applying for duty-related death benefits;
 - iii. acceptable proof of age for the member, spouse and dependent children;
 - iv. Marriage Certificate;
 - v. Death Certificate;
 - vi. school attendance records, if dependent children are between the ages of 19 and 23;
 - vii. Form 14, *Survivor Retirement Application*; and
 - viii. If someone other than a natural parent makes application for dependent child survivor benefits on behalf of the child, adoption papers, guardianship papers, or proof of representative payee status with the Social Security Administration or PERS will also be required.
- d. Primary proof of an applicant's status as a dependent child is the birth certificate of the child with the deceased member listed as the mother or father, as applicable. In the absence of a birth certificate listing the deceased member as a parent, proof must be provided that the deceased member was the lawful guardian or primary custodian of the child. Such proof might include a court order granting guardianship or other evidence satisfactory to prove that the child was under the permanent care of the member. PERS will rely on the aforementioned documentation as proof unless compelling contradictory evidence is provided disproving the applicant's status as a dependent child.
- e. For purposes of dependent child survivor benefits, a natural child of a member is one who is conceived before the death of the member.
- f. For purposes of dependent child survivor benefits, a child is considered to be a dependent child until he or she marries or reaches age 19, whichever occurs first; however, the age limitation is extended to age 23 as long as the child is a student regularly pursuing a full-time course of resident study. A student child who is receiving a dependent child benefit as of June 30, 2016, may continue to receive the benefit until the July 1 following his or her 23rd birthday.
- g. A full-time course of resident study or training means a day or evening non-correspondence course that includes school attendance at the rate of at least 36 weeks per academic year or other applicable period with a subject workload sufficient, if successfully completed, to attain the educational or training objective within the period generally accepted as minimum for completion, by a full-time day student, of the academic or training program concerned.
- h. A child who is age 19 but not yet age 23 who withdraws from school (for a period sufficient to determine that the child is no longer a student regularly pursuing a full-time course of resident study or training) is no longer eligible for dependent child survivor benefits, even if that child reenrolls in a full-time course of resident study or training before age 23. However, if the child can prove based on objective documentation that he or she involuntarily withdrew from school due to extenuating circumstances beyond his or her direct control, the executive director may, at his or her discretion, approve the reinstatement of the dependent child survivor benefits if the child reenrolls in a full-time course of resident study or

training within 12 months of initial withdrawal and (i) the terminated benefit has not been redistributed to other eligible dependent children or (ii) a lump sum refund of unused member contributions has not been paid to the designated beneficiary.

- i. A child under age 23 who marries is no longer eligible for dependent child survivor benefits, even if that child divorces before age 23.
- j. A child who is determined to be physically or mentally disabled by the Medical Board will receive dependent child survivor benefits regardless of age for as long as the child is determined to be disabled as determined by the Medical Board.

4. Normal Retirement Age

- a. Public Employees' Retirement System – The attainment of normal retirement age under the Public Employees' Retirement System shall be defined as:
 - i. having twenty-five (25) or more years of creditable service if the member entered PERS-covered service before July 1, 2011;
 - ii. having thirty (30) or more years of creditable service if the member entered PERS-covered service on or after July 1, 2011, but before March 1, 2026;
 - iii. having thirty (30) or more years of creditable service at age sixty-two or later if the member entered PERS-covered service on or after March 1, 2026;
 - iv. having thirty-five (35) or more years of creditable service if the member entered PERS-covered service on or after March 1, 2026;
 - v. having four (4) or more years of membership service at age 60 or later if the member entered PERS-covered service before July 1, 2007;
 - vi. having eight (8) or more years of membership service at age 60 or later if the member entered PERS-covered service on or after July 1, 2007, but before July 1, 2011;
 - vii. having eight (8) or more years of membership service at age 65 or later if the member entered PERS-covered service on or after July 1, 2011.
- b. Mississippi Highway Safety Patrol Retirement System - The attainment of normal retirement age under the Mississippi Highway Safety Patrol Retirement System shall be defined as the age at which an eligible Public Safety Officer retires on an unreduced benefit, i.e., someone who retired with 5 or more years of membership service at age 55 or older, or someone who retired with 25 or more years of service regardless of age.
- c. Municipal Retirement System - All members who have retired or will retire under one of the Municipal Fire and Police Retirement Systems will be considered to have attained normal retirement age.

5. Advanced Application

- a. After a member of the Public Employees' Retirement System (PERS), the Supplemental Legislative Retirement Plan (SLRP), or the Mississippi Highway Safety Patrol Retirement System (MHSPRS) becomes eligible to retire or after a previously retired PERS or SLRP member cancels his or her service retirement and has returned to covered employment and completed the requisite reemployment period for recalculation of benefits (i.e., in excess of six calendar months), he or she may file a Form 16, *Advanced Application*, with PERS.

- b. The Form 16 allows the member to pre-select an option and designate a beneficiary to receive payment of monthly benefits in the event the member dies prior to retirement.
- c. To be effective, the Form 16 must be on file in the PERS office at 429 Mississippi St., Jackson, Mississippi 39201 at the time of the member's death prior to retirement.
- d. In the event of the member's death prior to the actual effective date of retirement, benefits based on a Form 16 on file with PERS will become effective the first of the month following the member's death.

6. Effect of Death on Service Retirement Application

- a. If a member dies before the effective date of retirement and has a valid *Advanced Application* on file with PERS, benefits will be paid in accordance with the *Advanced Application*. If a member dies before retirement and has no valid *Advanced Application* on file, benefits will be paid in accordance with the applicable law.
- b. If a member dies on or after the effective date of retirement but before benefits have begun and he or she has a completed Form 9A SRVC and Form 9S on file with PERS, benefits will be paid in accordance with the Form 9A SRVC and Form 9S. If both forms are not on file with PERS at the time of the member's death and before benefits have begun, the application will be considered void and benefits paid in accordance with the applicable law.
- c. If a member of PERS or SLRP dies after having canceled his or her service retirement but before completing the requisite reemployment period for recalculation of benefits (i.e., in excess of six calendar months), benefits will be paid to the lawfully designated beneficiary(ies) in accordance with the optional benefit payment plan in effect immediately prior to the cancellation of the service retirement allowance.
- d. If a member of PERS or SLRP dies with a valid *Advanced Application* on file with PERS after having canceled his or her service retirement and after having completed the requisite reemployment period for recalculation of benefits (i.e., in excess of six calendar months), benefits will be paid in accordance with the *Advanced Application*. If a member of PERS or SLRP dies without an *Advanced Application* on file with PERS after having canceled his or her service retirement and after having completed the requisite reemployment period for recalculation of benefits, benefits will be paid in accordance with the applicable law irrespective of any previous optional benefit payment plan selection.

7. Effect of Death on Disability Retirement Application

- a. If a vested member who has filed a claim for disability benefits dies prior to the review and determination of his or her claim by the PERS Medical Board, his or her beneficiary or beneficiaries shall be eligible for death benefits in the form of spouse/survivor benefits or a refund of contributions, unless a Form 16 has been completed by the member prior to death and is on file with PERS.
- b. If a vested member who has filed a claim for disability benefits dies after his or her claim has been approved by the PERS Medical Board but before his or her effective date of disability retirement, his or her beneficiary or beneficiaries shall be eligible for death benefits in the form of spouse/survivor benefits or a refund of

contributions, unless a Form 16 has been completed by the member prior to death and is on file with PERS.

- c. If a vested member who has filed a claim for disability benefits dies after his or her claim has been approved by the PERS Medical Board and on or after the effective date of disability retirement but before benefits have begun, his or her beneficiary or beneficiaries shall be entitled to benefits in accordance with the option selected by the member on the disability retirement application.

8. Acceptable Proof of Age

- a. The primary proof of age is the applicant's birth certificate.
- b. Any document that requires a birth certificate prior to issuance would also be considered a primary proof of age, such as a copy of the applicant's:
 - i. passport;
 - ii. valid driver license;
 - iii. Social Security records, if the applicant is already receiving Social Security benefits; or
 - iv. school census record showing the applicant's age when attending as a student.
- c. If an applicant applied for a copy of his or her birth certificate and was advised by the Office of Vital Statistics that his or her birth certificate is not available, the following, listed in the order of preference, may be acceptable as alternative proof of the applicant's age:
 - i. his or her child's birth certificate that shows the applicant's age at the time of the child's birth;
 - ii. his or her Department of Defense Form DD214 from the United States Armed Forces;
 - iii. a statement from the Social Security Administration showing the applicant's date of birth as established in their records;
 - iv. a copy of his or her voter registration form, provided the form is at least five years old and shows the applicant's age at the time of registration;
 - v. a statement from the United States Bureau of Census showing the applicant's date of birth as established in their records; or
 - vi. a copy of his or her baptismal record notarized by a Notary Public.

102 Withdrawal from Service or Termination from Service

Section 25-11-103 (aa) defines "withdrawal from service" or "termination from service" as the complete severance of employment from state service of an employee by resignation, dismissal, or discharge.

For purposes of setting the effective date of retirement, withdrawal from service or termination from service shall mean the cessation of the employee/employer relationship as characterized by resignation or termination from employment, with or without cause. While a member may not be performing the duties of the job, if the member has not resigned or been terminated from employment by the employer, the member is still considered employed. Where the member is on authorized leave with or without pay, such member is considered an employee and thus not terminated from employment for purposes of setting the benefit effective date.

103 Changing the Optional Benefit Payment Plan before Receipt of a Retirement Benefit

No change in the option selected shall be permitted after the member's death or after the member has received a retirement benefit except as provided in Section 104. This prohibition extends to a member's option to receive a refund of the amount of accumulated employee contributions and interest in lieu of receiving a retirement benefit. For purposes of this Regulation, "receipt of a retirement benefit" means negotiating or cashing a benefit payment. Except as specifically provided by law, a member may not change an option after 90 days from the date the first benefit payment is issued even if such payment is not negotiated or cashed.

104 Changing the Optional Benefit Payment Plan after Receipt of a Benefit Payment

1. The option selected on the Service Retirement, Disability, or Survivor Application may not be changed after receipt of a benefit payment except as provided below or otherwise provided by law.
 - a. A retired member who is receiving a reduced retirement allowance under Option 2, Option 4, or Option 4-A and whose designated beneficiary predeceases him or her, or whose marriage to a spouse who is his or her designated beneficiary is terminated by divorce or other dissolution may elect to cancel his or her reduced retirement allowance and receive the maximum retirement allowance for life in an amount equal to the amount that would have been payable if the member had not elected Option 2, Option 4, or Option 4-A. That election must be made in writing and filed in the PERS office on Form R, *Application for Recalculation of Benefits*. Any such election shall be effective the first of the month following the date the election is received by PERS, provided that all other required documents are received in the PERS office no later than 90 days following the receipt of the Form R. However, the election to pop-up to the maximum retirement allowance after the death of a retired member's designated beneficiary may be applied retroactively for not more than three months, but no earlier than the first of the month following the date of the death of the beneficiary. Recalculation of the cost-of-living adjustment based on the new benefit amount will be effective July 1 of the following fiscal year.
 - b. A retired member who is receiving the maximum retirement allowance for life or a retirement allowance under Option 1 and who marries after his or her retirement may elect to cancel his or her maximum retirement allowance and receive a reduced retirement allowance under Option 2, Option 4, or Option 4-A to provide continuing lifetime benefits to his or her spouse. That election must be made in writing and filed in the PERS office on Form R, *Application for Recalculation of Benefits*, no earlier than the date of the marriage and no later than one year from the date of the marriage. Any such election shall be effective the first of the month following the date the election is received by PERS, provided that all other required documents are received in the PERS office no later than 90 days following the receipt of the Form R. Recalculation of the cost-of-living adjustment based on the new benefit amount will be effective July 1 of the following fiscal year.
 - c. A retired member of PERS or SLRP who is reemployed and becomes a contributing member for a period of time that exceeds six calendar months may

have his or her benefit recomputed under the same or a different option as provided in Section 108 of Regulation 34, *Reemployment After Retirement*.

105 Effect of Pending Service Credit Transactions on Qualification for a Benefit and on the Effective Date of Benefits

1. The right of a member to repay a refund, to purchase service credit, or to pay an adjustment for unreported wages or service credit belongs only to the member and ceases with the member's death or retirement.
2. A member who wishes to repay a refund to establish previously forfeited service credit must do so before his or her death or before his or her effective date of retirement. Where a member is in the process of repaying any part of a refund, the effective date of retirement cannot be established until the payment is received by PERS.
3. The payment of an adjustment for unreported income and/or service credit based on unreported wages and/or service or for the purchase of optional service credit must be completed prior to the death or the effective date of retirement of the member. If a member is in the process of purchasing service credit based on a reporting error adjustment or purchasing optional service credit at the time of retirement, the effective date of retirement cannot be established until the purchase is completed.
4. The payment for any adjustment for underreported income required to award or retain service credit must be completed prior to the death or effective date of retirement of the member. If a member is in the process of paying contributions and interest at the time of retirement due to an underreporting of earnings, the effective date of retirement cannot be established until the purchase is completed. However, in the case of elected fee officials, benefits can be initiated prior to the complete reporting of the final year's wages and contributions. If, however, full contributions are not remitted to PERS within 90 days following the due date of the fee official's final annual financial report as prescribed by law, PERS may suspend benefits until such time as all contributions and interest, if any, due are made.
5. All rights to purchase retroactive service credit or repay a refund as provided in Miss. Code Ann. § 25-11-101 et seq. (1972, as amended) terminate upon retirement. Likewise, the right of a member to make a claim for service credit for prior service, service credit attributable to unused personal (vacation) and major medical (sick) leave days, military service, out-of-state service, service credit for professional leave, and non-covered service as provided in Miss. Code Ann. § 25-11-109 (1972, as amended) ceases with the member's retirement. Any member who wishes to make a claim for service credit attributable to the above types of service must do so before his or her effective date of retirement. The executive director may, due to extenuating circumstances and at his or her discretion, extend the period for claiming service credit attributable to unused personal (vacation), major medical (sick) leave days, or active duty military service for up to 90 days following the effective date of retirement based on information or documentation provided in a written request from the applicant.

106 Non-payment of Interest

In accordance with Miss. Code Ann. § 25-11-120(4) (1972, as amended), interest shall not be paid on any benefits, including, but not limited to, benefits that are delayed as a result of an administrative determination or an appeal from an administrative determination.

107 Duty-related death benefits for survivors of public safety officers may be excluded from income

Internal Revenue Code Section 101(h) provides that gross income shall not include any amount paid as a survivor annuity on account of the death of a public safety officer (as such term is defined in section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968) killed in the line of duty:

- a. if such annuity is provided under a governmental plan that meets the requirements of Section 401(a) to the spouse (or a former spouse) of the public safety officer or to a child of such officer; and
- b. to the extent such annuity is attributable to such officer's service as a public safety officer.

IRC 101(h) provides that this treatment does not apply if the public safety officer's death was caused by intentional misconduct or by his or her intent to end his or her life; if the officer was voluntarily intoxicated at the time of death; if the officer was performing his duties in a grossly negligent manner at the time of death; or if the recipient of the survivor annuity took actions that were a substantial contributing factor to the officer's death.

(History of PERS Board Regulation 35: Adopted November 17, 1971; amended June 21, 2005, to be effective August 1, 2005; reformatted August 1, 2007; amended July 1, 2008; amended effective July 1, 2009; amended effective August 1, 2011; amended effective August 1, 2012; amended effective February 1, 2013, amended effective December 1, 2016, amended effective July 1, 2017, amended effective March 1, 2026)

Part 210 Chapter 48 Partial Lump Sum Option (PLSO)

100 Purpose

The purpose of this regulation is to provide for the conditions under which the partial lump sum option may be selected by a retiree.

101 Eligibility for Partial Lump Sum Option

Any eligible member of the Public Employees' Retirement System (PERS), the Supplemental Legislative Retirement System (SLRP), or the Mississippi Highway Safety Patrol Retirement System (MHSPRS), upon withdrawal from service and application for service retirement benefits, or completion of an Advanced Application, may elect to receive a partial lump sum payment on the date of retirement (or commencement of benefits under an Advanced Application in the case of death prior to retirement) in exchange for a reduced annuity provided such member meets the following age and/or service requirements:

- a. Any member of PERS/SLRP who became a member before July 1, 2007, and who
 - (i) has at least twenty-eight (28) years of creditable service in PERS; or
 - (ii) has four (4) or more years of membership service in PERS and who is at least age sixty-three (63); or
- b. Any member of PERS/SLRP who became a member on or after July 1, 2007, but before July 1, 2011, and who has at least twenty-eight (28) years of creditable service in PERS; or
- c. Any member of PERS/SLRP who became a member on or after July 1, 2011, but before March 1, 2026, and who has at least thirty-three (33) years of creditable service in PERS; or
- d. Any member of the MHSPRS eligible for an unreduced benefit.

SLRP members must meet the eligibility requirements in PERS and are not required to meet the requirements in both PERS and SLRP. Any member of PERS who became a member on or after March 1, 2026 shall not be eligible for a partial lump sum distribution.

1. Selection of Partial Lump Sum Option (PLSO) Payout Amount

- a. A member may elect to receive the partial lump sum payment in an amount equal to the unreduced retirement benefit (Maximum Retirement Allowance) which would have been paid over a period of 12, 24 or 36 months; had the lump sum option not been selected. Once the pay out amount is selected, a reduced Maximum Retirement Allowance is then calculated using factors based upon the member's age at retirement and the pay out option (12, 24, or 36 months) selected. This reduced Maximum Retirement Allowance then serves as the basis upon which other optional payment alternatives are calculated.
- b. Where a partial lump sum distribution is elected on an Advanced Application in conjunction with either the Maximum Retirement Allowance or an allowable option as noted in Section 101.2 of this Regulation, a different beneficiary may not be named for the purpose of receiving only the PLSO payment. The partial lump sum distribution shall be paid to the same beneficiary as named under the optional benefit payment selected.

- c. From and after January 1, 2003, if there is an election of the Partial Lump Sum Option (Option 6) after the member has attained the age of sixty-five (65) years, the actuarial equivalent factor based on the retiree's age at the time of retirement shall be used to compute the reduced maximum monthly retirement allowance.
- 2. PLSO Not Available with Certain Options**

The lump sum payment option shall be paid only in conjunction with service retirement benefits selected by the member and shall not be combined with Option 1 (the pro-rated straight life annuity), a disability benefit, a statutory spouse/dependent child benefit, or a benefit calculated after reemployment of a former retiree.
- 3. Effect of PLSO Selection on Calculation of Retirement Benefit at Subsequent Retirement**

Further, should a retiree, after having received a partial lump sum payment, be reemployed, the new maximum benefit, including salary and service credit upon subsequent retirement, shall be reduced by the same dollar amount plus one percent (1%) of that amount for each month that the retiree's benefit was terminated due to the retiree's return to covered employment.
- 4. Payment of PLSO Amount**
 - a. At retirement, a member must name a beneficiary, as applicable, under the maximum retirement allowance or optional payment plan. When the partial lump sum distribution is selected on a service retirement application, the lump sum amount shall be paid to the retiree.
 - b. The partial lump sum payment shall be paid in a check separate from the regular monthly retirement benefit.
 - c. The total amount of the partial lump sum payment shall be deducted from the member's account balance consisting of the employee contributions plus interest for purposes of determining unused contributions remaining in the account.
 - d. The member (or the beneficiary where benefits are payable to a beneficiary pursuant to an Advanced Application) may elect to rollover the taxable portion of the partial lump sum payment to an eligible retirement plan or individual retirement account (IRA). The non-taxable portion of the partial lump sum payment can be rolled over to an IRA or another qualified retirement plan as allowed by Internal Revenue Service regulations.
- 5. Taxation of PLSO Amount**

This partial lump sum payment shall be subject to federal income tax in accordance with the Internal Revenue Code Section 72 or other such Internal Revenue rules and regulations as may be applicable. This partial lump sum benefit is subject to the same restrictions for assignment and attachment as all other retirement benefits. The appropriate portion of the partial lump sum distribution will be reported to the IRS as taxable income and appropriate tax withholdings will be withheld, unless the member elects to make a direct rollover of the taxable portion of the funds. Should the member have after-tax contributions, a portion of such after-tax contributions will be allocated to the partial lump sum payment and to the remaining annuity on a pro-rata basis.
- 6. Calculation of PLSO Amount**

The partial lump sum payment will be based on the service credit and average compensation, including projected wages, at the time of retirement, and will be issued

along with the initial monthly benefit check. Since this may be as early as the first of the month after termination and receipt of the completed application and before final wages and contributions are posted to the member's account, PERS reserves the right to correct any overpayment or underpayment in benefits discovered at the time of final benefit recalculation which includes the final wage and contribution postings. Should the member have been overpaid, PERS will collect such overpayment from the member based on an actuarial adjustment to the monthly benefit. Likewise, should the member have been underpaid, PERS will issue an additional payment equal to the amount of the underpayment, as part of the regular monthly benefits. While a recalculation of benefits may result in a difference between the partial lump sum amount actually paid and the partial lump sum amount which could have been paid based on final postings, any difference in the amount actually paid and the amount calculated upon final wage and service credit posting, shall be paid as part of the monthly benefits, not subject to rollover provisions, or in the case of overpayment, monthly benefits will be actuarially reduced, as appropriate.

(History: Adopted effective July 1, 2000; amended effective April 1, 2002; amended effective July 1, 2002; amended and reformatted July 1, 2007; clarified effective July 1, 2010; amended effective July 1, 2011, amended effective March 1, 2026)

**Part 210 Chapter 51 Administration of Certification of Accumulated Unused Leave
for Service Credit and Lump Sum Payments of Leave at Termination/
Retirement**

100 Purpose

The purpose of this regulation is to outline the conditions under which service credit may be awarded at retirement for lawfully accumulated unused leave.

101 General Requirements for Certification of Accumulated Unused Leave

The following regulation confirms and reaffirms prior construction of law, practice, and procedure of the Public Employees' Retirement System of Mississippi (PERS) relative to the administration of additional service credit for lawfully accumulated unused leave and for the payment of unused leave for retirement purposes. Since May 15, 1984, Miss. Code Ann. §25-11-109 (1972, as amended) has allowed for the certification of accumulated unused leave upon termination of employment or retirement on or after that date. Such leave must be certified to PERS by the governing authority. Effective July 1, 1984, the state's leave law was amended to allow accumulated unused personal and major medical leave of state and university employees to be certified to PERS upon termination of employment. Effective March 1, 2026, those who become members of PERS will not receive additional service credit for accumulated unused leave.

Except as otherwise provided by law, PERS follows the specific statutory provisions which authorize or limit the accrual of, or payment for, leave applicable to state and university employees, public school personnel, employees of counties, municipalities and other juristic entities, elected officials, court reporters, etc. The following guidelines apply in the accumulation, record keeping, and certification of leave by the employer.

1. Lawfully Adopted Leave Policy

Any accumulated unused leave certified to PERS by the employer must have been accumulated by the employee pursuant to a lawfully adopted and written leave policy. Such policies may be found in statutory law, as in the case of state employees and employees of the institutions of higher learning, and/or in written policies adopted by the applicable governing body of a public school, county, municipality, community college or other juristic entity covered by PERS. Such policies, or the modification thereof, may not be adopted or applied retroactively. Accumulated unused leave certified to PERS pursuant to such policies may not exceed that which could have been accrued under the state's leave law.

Accumulated unused leave certified to PERS by the employer upon termination or retirement of the employee must be leave that is viable under the terms of the policy and available for use by the employee in accordance with the intended purpose, i.e., personal (vacation) leave or major medical (sick) leave. Employers may not create or authorize leave to be accrued for "retirement purposes only" nor may employers certify leave which expires because it may not be carried forward from year to year. Further, employers may not create and certify other categories of leave which are not available to and certifiable on behalf of state employees. Leave certified to PERS

must be eligible for use or payment in the form of wages as any other leave under the applicable policy to be certifiable to PERS.

2. Requirement that Records Be Maintained

Inherent in the certification of accumulated unused leave is the requirement that accurate leave records be kept of such leave by the employer. In the absence of appropriate records, no leave may be certified to or granted by PERS. Leave certified to PERS by an employer must be based on documented policies and records which exist at the time of certification of such leave and which reflect any remaining lawfully accumulated unused leave.

Generally, once accumulated unused leave is properly certified to PERS, it may not be later “decertified” by the employer or reinstated by the same or another employer, except in the case of wrongful termination where an employee is reinstated to employment back to the date of termination with full compensation, rights, and privileges.

3. Qualifying Leave that May Be Certified to PERS

The state leave law provides that only accumulated unused personal leave and major medical leave accrued under Miss. Code Ann. §§25-3-93 and 25-3-95 (1972, as amended) by the individual employee can be certified to PERS at the time of termination or retirement. Accumulated unused personal or major medical leave (or their equivalent) certified to PERS pursuant to other lawfully adopted policies or statutes may not exceed that which could have been accrued and certified under the state’s leave law.

4. Leave That May Not Be Certified to PERS

- a. Accumulated unused compensatory leave or any other employer created category of leave other than personal leave or major medical leave may not be certified to PERS for additional service credit.
- b. Leave donated or transferred from one employee to another employee may not be certified to PERS as unused leave of the recipient employee. The accumulation of leave is personal to the individual employee. Only qualifying leave which has actually been accumulated by and which remains unused by the individual employee at termination of employment may be certified to PERS for service credit.
- c. Leave created, granted, or available “for retirement purposes only” may not be certified to PERS. There is no authority for the creation of a category of leave that is available for “retirement purposes only.” Leave provided to an employee which cannot be carried over from year to year, and which expires at the end of each year, may not be certified or “banked” for purposes of later certification to PERS.
- d. Accumulated unused leave associated with a refund of contributions may not be used for service credit. Leave accumulated and unused during a period of employment for which contributions are made to PERS and subsequently refunded to the terminated employee becomes void when the refund is made. If the refund is repaid in full, any accumulated unused leave associated with the reinstated service credit may also be reinstated, provided that such leave is or has been certified to PERS. If only a portion of the refund is repaid, the leave remains void and no part of it may be used for additional service credit.

- e. Leave accumulated with a governmental employer outside the State of Mississippi, i.e., leave associated with out-of-state service, or under the limited reemployment provisions as a retiree under Miss. Code Ann. §25-11-127 (1972, as amended), may not be certified to PERS for additional service credit. Further, leave accumulated with any other non-covered employment, including leave accumulated with an employer prior to the employer joining PERS or any leave earned while participating in the Optional Retirement Plan or any other plan administered by PERS, may not be certified to PERS for additional service credit.
- f. Unused leave for those who became members of PERS on or after March 1, 2026, may not be certified to PERS for additional service credit.

5. When Leave Can Be Certified to PERS

- a. Leave may be certified by the employer only upon termination of employment of the employee. Termination is defined as a withdrawal from service that means a complete severance of employment in state service by resignation, dismissal, or discharge. Qualifying leave can be certified by the employer after termination of employment of the employee so long as official policies and records exist to support the certification.

Special Circumstances:

- i. If unused leave accrued pursuant to a lawfully adopted leave policy of personal employees of an out-going elected chancery or circuit clerk is not assumed by the in-coming elected chancery or circuit clerk, such leave may be certified to PERS on behalf of the employee by the out-going clerk. If so certified for service credit, such leave may no longer be used by the employee while employed under the new clerk.
 - ii. If unused leave accrued pursuant to a lawfully adopted leave policy of employees of an out-going elected district attorney is not assumed by the in-coming elected district attorney, such leave may be certified to PERS on behalf of the employee by the out-going district attorney. If so certified for service credit, such leave may no longer be used by the employee while employed under the new district attorney.
 - iii. Where an employee of a covered employer is elected to office with that same covered employer without a break in service between the non-elected and elected employment, all unused leave accumulated by the employee under a policy of the employer prior to taking office as an elected official, must be certified to PERS at the time of transition from the non-elected to the elected position.
- b. If an employee transfers from one state agency (including the institutions of higher learning) to another without a break in service (i.e., without a lapse of one eight-hour workday between the termination date at the old agency and effective date of employment at a new agency), any unused leave is transferable to the state agency to which the employee is transferring. Since July 1, 1998, major medical and personal leave earned by employees are transferable between or among any and all state agencies and senior colleges as well as community and junior colleges.
 - c. If leave is eligible for transfer to another covered employer, such leave should not be certified to PERS.

6. Conversion of Accumulated Unused Leave from Hours to Days

a. Conversion under policy where leave accrual is no greater than that of the state's leave law.

The maximum accrual rates as provided under the state's leave law is predicated on a normal eight- (8) hour workday and a five- (5) day workweek. To determine the number of days to be certified to PERS, the number of accumulated hours should be divided by eight (8). Only hours that equate to whole days will be used to determine additional service credit upon retirement. Any remaining hours or fraction of a day after accumulated unused leave from all sources has been added together and converted into days will not be used in computing the number of whole days for retirement credit.

b. Conversion under policy where leave accrual is greater than under the state's leave law.

If an employee (e.g., fireman or policeman) accrues leave at a rate in excess of the maximum combined personal and major medical state accrual rate as set forth in Miss. Code Ann. §§25-3-93 and 25-3-95 (1972, as amended), the following formula shall be used to convert the accumulated unused leave hours to days:

- i. Divide the maximum monthly or annual accrual rate under state's leave law by the employee's actual accrual rate (i.e. actual number of hours accrued per month or per year under the applicable policy) at the time of termination;
- ii. Multiply the ratio found in Step (i) by the total number of accumulated unused leave hours to find the adjusted allowable hours;
- iii. Divide the result from Step (ii) by eight (8) to determine the appropriate number of adjusted days that should be certified to PERS.

7. Certification of Accumulated Unused Leave

- a. State law at Miss. Code Ann. §25-3-97(1) (1972, as amended) imposes a duty upon agencies to maintain accurate records of employee leave. Hence, all PERS reporting employers who have a leave policy under which accumulated leave is or will be certified to PERS, have a like duty to maintain accurate leave records. For service credit based on accumulated unused leave to be granted for retirement purposes, there must be both a) evidence of a policy established by law or a lawfully adopted leave policy, spread upon the minutes of the appropriate authority or otherwise adopted by formal resolution, and b) records documenting accumulated unused leave remaining at termination of employment.
- b. When accumulated unused leave is certified to PERS by an employer on a form prescribed by the PERS Board of Trustees, such leave is subject to audit by PERS and a copy of the actual leave records and policy may be requested. Upon request, the employer must provide a copy of the leave policy under which any leave is accrued, documentation as to when and how the policy was adopted, and leave records.
- c. No leave may be certified to PERS where an employee terminated employment prior to May 15, 1984 (or July 1, 1984 in the case of state and university employees), or the effective date of a formally adopted leave policy, if later.
- d. Only accumulated leave, which has not been used or paid, may be certified. Any lump sum payment of leave automatically reduces the number of accumulated

unused leave days which can be certified to PERS by the number of days for which payment is made.

- e. Service credit for accumulated unused leave is not posted to a member's account until the time of application for retirement, at which time all eligible accumulated unused leave days certified from all employers are accumulated and converted to retirement service credit. Accumulated unused leave may not be used to determine minimum eligibility (i.e., a minimum of four (4) years of contributing membership service in PERS for members who joined the System before July 1, 2007, or a minimum of eight (8) years of contributing membership services for members who joined the System on or after July 1, 2007,) for service retirement, disability, or survivor benefits.

8. Certification of Leave in Cases of Dual Employment

- a. Miss. Code Ann. § 25-11-109(2) (1972, as amended) provides in part that "... nor shall more than one (1) year of service be creditable for all services rendered in any one (1) fiscal year; . . ." As a result, no employee may be granted more than one day of creditable service for each calendar day worked regardless of the number of hours worked or number of positions held.
- b. Participants in PERS may be employed by two or more covered employers simultaneously. In such case, an employee may accumulate leave under separate leave policies. No employee may receive credit twice for vacation or sick leave earned for the same period of employment. For retirement purposes, upon termination of employment or retirement, a regular employee who has accumulated leave under two or more separate leave policies for the same period of time may elect to use accumulated unused leave credit from only one position. If an employee is simultaneously covered in two positions, one as an elected official and one as a regular employee under a leave policy, the individual as an elected official will automatically receive credit under the special provisions for elected officials.

9. Additional Statutory Leave Granted at Retirement

- a. Members of PERS who retire after July 1, 2010, shall receive credit for one-half day of leave for each full fiscal year of membership service accrued after June 30, 2010, which shall not be prorated for less than one (1) full fiscal year of service. Such additional leave granted under Miss. Code Ann. Section 25-11-109(2) (1972, as amended) shall be added to the lawfully credited unused leave certified to PERS for which creditable service is allowed under Section 25-11-103(1)(i).
- b. Additional statutory leave granted at retirement shall be calculated by PERS based on membership service accrued for periods after July 1, 2010. Employers should not credit this leave to any member, nor should an employer certify this additional leave to PERS at retirement or termination of employment. Additional statutory leave granted at retirement shall be applicable for all members of PERS, regardless of the date they became a member.

10. Calculation of Leave for Elected Officials

- a. Prior to July 1, 1987, there was no provision for additional service credit for elected officials based on leave. An elected official is presumed available for official duties at all times. Effective July 1, 1987, special statutory provisions for

“elected official leave” were enacted for those elected officials retiring on or after July 1, 1987. (An elected official, such as a district attorney or elected superintendent of education, does not accrue personal and major medical leave pursuant to a leave policy for employees of the District Attorney or School District. Such officials are covered by the “elected official leave” noted below.)

- b. For retirement purposes, elected officials are entitled to additional service credit at retirement for “elected official leave” calculated as follows:
 - i. For service prior to July 1, 1984, the member shall receive credit for leave (combined personal and major medical) for service as an elected official prior to that date at the rate of thirty (30) days per year.
 - ii. For service on and after July 1, 1984, the member shall receive credit for personal and major medical leave beginning July 1, 1984, at the rates authorized in Miss. Code Ann. §§25-3-93 and 25-3-95 (1972, as amended), computed as a full-time employee.

Elected official leave for each period of continuous elected official service should be calculated using the above guidelines. This calculation applies whether the elected service was reported as membership service, prior service, or purchased as non-covered or retroactive service. If there is a break in service, the calculation should take the break in service into account, and the accumulation for the subsequent period started again at the lower accrual rate as provided in Miss. Code Ann. §§25-3-93 and 25-3-95 (1972, as amended).

- c. Where an employee is a regular employee in one position but also serves as an elected official in another position, he/she may not receive retirement credit for accumulated unused leave under both positions at retirement. Where such service is simultaneous, special “elected official leave” under the statutory provision applies automatically for that period of time.

d. Elected officials who become members of PERS on or after March 1, 2026, are not eligible to receive additional service credit for leave.

102 Calculation of Service Credit Attributable to Unused Leave Days

Once the cumulative number of unused leave days is determined at the time of retirement, service credit using whole days is calculated in accordance with the provisions of Miss. Code Ann. §25-11-109(2), which provides that

- 1. No credit will be allowed for less than fifteen (15) days; and
- 2. Twenty-one (21) days of unused leave shall constitute one (1) month of service credit.

CONVERSION TABLE

ACCUMULATED UNUSED, NON-COMPENSATED LEAVE TIME

(This table is based on the state’s leave law,
using an 8-hour workday and a 21-day work month)

COMBINED ACCUMULATED UNUSED PERSONAL AND MAJOR MEDICAL LEAVE	CREDIT EQUIVALENT
15 DAYS TO 77 DAYS	3 months
78 DAYS TO 98 DAYS	6 months
99 DAYS TO 119 DAYS	7 months
120 DAYS TO 140 DAYS	8 months
141 DAYS TO 161 DAYS	9 months
162 DAYS TO 182 DAYS	10 months
183 DAYS TO 203 DAYS	11 months
204 DAYS TO 224 DAYS	12 months
225 DAYS TO 245 DAYS	13 months
246 DAYS TO 266 DAYS	14 months

(Only whole days are used in determining service credit)

- 103 Payment of Unused Leave at Termination, Retirement, Death, or Disability**
Miss. Code Ann. §25-1-98 defines a workday for a state employee in a full-time employment position as eight (8) hours in duration. PERS law provides that leave policies for the administration of personal or vacation leave and major medical or sick leave as it relates to PERS cannot exceed that of the state leave law. Thus, for purposes of the payment of leave, the maximum allowable number of days paid will be calculated based on an eight-hour day. Upon termination or retirement, the maximum amount that may be reported to PERS for the payment of accumulated unused leave is 240 hours, which is the product of 30 days times 8 hours per day as provided in Miss. Code Ann. §25-3-93(4). The 240 hour payment of unused leave at termination, retirement, death, or disability shall be applicable for all members of PERS, regardless of the date they became a member.

The following statutes control the payment of leave upon termination of employment:

Statutory Authority	Leave Payment Authorized	Type Employee Affected
Miss. Code Ann §25-3-93(4) (1972, as amended)	Up to 30 days of personal leave payable upon termination	State and University employees (other than 9 month faculty employees)
Miss. Code Ann §25-3-97(3) (1972, as amended)	Up to 120 days of major medical leave (No more than a combined total of 30 days of personal leave and major medical leave can be reported to PERS)	State and university employees who can no longer work in any capacity of state government due to total disability

Miss. Code Ann §25-3-97(6) (1972, as amended)	All personal leave payable upon death (Note that a lump sum payment of no more than 30 days of personal leave can be reported to PERS.)	State and university employees upon the death of the employee
Miss. Code Ann §25-3-99 and Miss. Code Ann §25-11-103(1)(f) (1972, as amended)	Authorizes the payment of frozen leave payable upon termination (Up to 20 days with the Miss. Employment Security Commission only)	State employees who worked with the MESC prior to 1976 and who had excess leave still credited on their records
Miss. Code Ann §25-3-95(5) (1972, as amended)	Up to 30 days of major medical leave payable only upon retirement	Nine-month faculty members of the eight (8) institutions of higher learning
Miss. Code Ann §37-7-307(5) (1972, as amended)	Up to 30 days of personal and sick leave at the rate paid to substitute teachers payable upon retirement	Licensed (certificated) employees with the public school districts in a position that requires a license
Miss. Code Ann §37-7-307(5) (1972, as amended)	Up to 30 days of personal and sick leave at the applicable federal minimum wage rate payable upon retirement	Non-Licensed (non-certificated) employees with the public school districts
Miss. Code Ann §25-11-103(1)(k) (1972, as amended)	Up to 30 days of leave upon termination	All employees covered under a lawfully adopted leave policy of a county, municipality or any other local governing authority that specifically provides for the payment of leave upon termination
Miss. Code Ann §9-13-19 (1972, as amended)	NONE	Court Reporters
Miss. Code Ann §25-11-109(2) (1972, as amended)	NONE	All Elected Officials

All payments of leave should be designated with the appropriate wage code when reported to PERS; i.e., 30 days lump sum payment of leave as Wage Code 02 and Service Credit Flag 00; 30 days lump sum payment of personal leave due to death as Wage Code 04 and Service Credit Flag

00; etc. Any compensatory leave paid in a lump sum should be reported as Wage Code 03 and should be allocated to the period in which the leave was actually earned.

INDEX OF STATUTORY AND OPINION AUTHORITY

Authority to use leave as additional service credit – Miss. Code Ann. §§25-11-103(1)(i) and 25-11-109(2) (1972, as amended)

Requirement for written policy and records - Miss. Code Ann. §25-3-97(1) (1972, as amended) and Opinions dated 1/25/1989 to Joseph F. Mooney; 8/14/1998 to Edward Ranck; 9/6/2002 to Wendell H. Trapp; 11/01/2002 to Olen C. Bryant, Jr.

Maximum accrual limits for retirement purposes - Miss. Code Ann. §§25-3-93, 25-3-95 and 25-11-103(1)(i) (1972, as amended) and Opinions dated 1/25/1989 to Joseph Mooney; 9/13/1994 to Walter P. Cartier; 6/27/1994 to Richard G. Noble; 3/23/2001 to Paula S. Yancey

Compensatory leave may not be certified to PERS for additional service credit- Miss. Code Ann. §§25-3-92, 25-3-93, and 25-3-95 (1972, as amended)

Leave policy may not be retroactive – Opinions dated 8/14/1998 to Edward Ranck; 9/6/2002 to Wendell H. Trapp; 11/01/2002 to Olen C. Bryant, Jr.

Unused leave may not be accumulated for “retirement purposes only”; Leave which expires at the end of each year may not be certified or “banked” for certification to PERS; Other categories of leave which are not available to state employees may not be certified - Opinions dated 6/27/1994 to Richard G. Noble; 5/26/1998 to Frank Ready; 11/01/2002 to Olen C. Bryant, Jr.

Transfer of leave between and among state agencies, universities and community colleges - Miss. Code Ann. §25-3-97 (1972, as amended); Opinion dated 4/27/2001 to Ronald D. Michael

Accumulated leave associated with a refund of contributions becomes void - Miss. Code Ann. §25-11-117 (1972, as amended)

When leave may be certified to PERS (e.g. upon withdrawal from service) - Miss. Code Ann. §25-11-103(1)(i) (1972, as amended)

Leave may not be used to qualify for minimum four-year-service vesting requirement for retirement, disability or survivor benefits – Miss. Code Ann. § 25-11-109(1) (1972, as amended)

Certification of leave in cases of dual employment – Opinions dated 12/28/1992 to Milton G. Walker and 2/16/2001 to Frank Ready

Calculation of leave for elected officials – Miss. Code Ann. 25-11-109(2) (1972, as amended) and Opinion dated 2/16/2001 to Frank Ready

Authority of public school districts to establish a leave policy - Miss. Code Ann. §37-7-307(2) (1972, as amended)

Authority for counties, municipalities or other juristic entities to establish leave policies - Miss. Code Ann. §25-11-103(1)(i) (1972, as amended); Opinions dated 7/18/1997 to William Dean Stark; 9/10/1999 to Jane Ward; 3/23/2001 to Paula S. Yancey

Leave for Court Reporters - Miss. Code Ann. §9-13-15; §9-13-17; §9-13-19 (1972, as amended); Opinion dated 5/26/1998 to Frank Ready

Leave for Compulsory School Attendance Officers - Miss. Code Ann. §37-13-89(6) (a) (1972, as amended); Opinion dated 8/18/1998 to Edward Ranck

Leave for employees of Community and Junior Colleges – Opinions dated 3/8/1990 to David M. Haraway; 4/27/2001 to Ronald D. Michael; and 10/31/2003 to Frank Ready.

Payment of personal leave to state and university employees (other than 9 month faculty employees) upon termination– Miss. Code Ann. §25-3-93(4) (1972, as amended) ; Opinion dated 9/2/1992 to Thomas H. Dyson

Payment of major medical leave to state and university employee in event of disability - Miss. Code Ann. §25-3-~~93(3)~~ (97)(3) (1972, as amended)

Payment of personal leave to state and university employee in event of death - Miss. Code Ann. §25-3-97(6) (1972, as amended)

Payment of frozen leave- Miss. Code Ann. §25-3-99 and §25-11-103(1)(f) (1972, as amended)

Payment of major medical leave to nine-month faculty member of 8 institutions of higher learning upon retirement- Miss. Code Ann. §25-3-95(5) (1972, as amended)

Payment of up to 30 days personal and sick leave for licensed and non-licensed public school employees upon retirement- Miss. Code Ann. §37-7-307(5) (1972, as amended)

Payment of up to 30 days leave upon termination for employees of political subdivisions - Miss. Code Ann. §25-11-103(1)(k) (1972, as amended)

Payment of leave to employees of a county, municipality or other political subdivision - Miss. Code Ann. §25-11-103(1)(k) (1972, as amended)

(History: Adopted effective February 1, 2004; amended 6/21/2005 to be effective 8/1/2005; amended and reformatted July 1, 2007; amended December 1, 2009; amended July 1, 2010, amended effective July 1, 2017, amended effective March 1, 2026)

Part 210 Chapter 54 Administration of Retired Public Safety Officer Retirement Distribution for Health Insurance

100 Purpose

The purpose of this regulation is to provide the administrative framework for implementing the special tax exclusion made available by Section 845 of the Pension Protection Act of 2006 to an “eligible retired public safety officer” of all qualifying retirement systems administered by the Board of Trustees of the Public Employees’ Retirement System.

101 Description of Tax Exclusion

Section 845 of the Pension Protection Act of 2006 amends IRC §402 to allow an “eligible retired public safety officer” to make an election to exclude from federal gross income up to \$3,000 of his or her retirement plan benefits if such amount is deducted from the retired member’s benefit and paid directly by the retirement plan for health insurance or long term care insurance premiums. For this purpose, all eligible retirement plans must be treated as a single plan, i.e., a retiree gets only one \$3,000 exclusion per calendar year.

The income exclusion is **only** available if and to the extent the retirement plan agrees to deduct and then remit qualifying premiums directly to the insurance provider. Statutory authority as found in Miss. Code Ann. §25-11-129, 25-13-31 and 21-29-307 allows a retired member receiving a retirement benefit to authorize deductions from his or her retirement benefit for the payment of employer or system sponsored group health insurance, subject to the rules and regulations adopted by the Board of Trustees of the Public Employees’ Retirement System on behalf of the retired members of the Public Employees’ Retirement System (PERS), the Mississippi Highway Safety Patrol Retirement System (MHSPRS), and the Municipal Retirement Systems (MRS). This tax exclusion is **only** available to those Eligible Retired Public Safety Officers who have health insurance premiums deducted by PERS from their retirement or disability benefits. Those eligible retired public safety officers who receive monthly retirement benefits and use those funds to pay eligible insurance premiums directly may claim an exclusion from gross income up to \$3,000 on his or her tax return.

102 Definition of Retired Public Safety Officer

“Retired Public Safety officer” means an individual who served and retired from public service by reason of disability or attainment of normal retirement age with a public agency in an official capacity as a law enforcement officer, as a firefighter, as a chaplain, or as a member of a rescue squad or ambulance crew, as those terms are defined in section 1204(9)(A) of the Omnibus Crime Control and Safe Streets Act of 1968 which is codified in 42 U. S. C. 3796b(8)(A) and as interpreted from time to time by the Department of Justice.

1. The term “**official capacity**” means an individual who served a public agency in an official capacity only if
 - a. he was officially authorized, recognized, or designated by such agency as functionally within or part of it; and
 - b. his acts and omissions, while so serving, were legally those of such agency, which legally recognized them as such.

2. The term **“law enforcement officer”** means an individual who was involved in crime and juvenile delinquency control or reduction, or enforcement of the criminal laws (including juvenile delinquency), including, but not limited to police, corrections, probations, parole and judicial officers.
 - a. The term **“involved”** means an individual who was involved in crime (an act or omission punishable as a criminal misdemeanor or felony) and juvenile delinquency control or reduction, or enforcement of the criminal laws (including juvenile delinquency), only if he was an officer of a public agency and, in that capacity, had legal authority and responsibility to arrest, apprehend, prosecute, adjudicate, correct or detain (in a prison or other detention or confinement facility), or supervise (as a parole or probation officer), persons who were alleged or found to have violated the criminal laws, and was recognized by such agency, or the relevant government to have such authority and responsibility.
 - b. The term **“criminal laws”** means that body of law that declares what acts or omissions are crimes and prescribes the punishment that may be imposed for the same.
 - c. The term **“correctional facility”** means any place for the confinement or rehabilitation of offenders or individuals charged with or convicted of criminal offenses.
3. The term **“firefighter”** means an individual who
 - a. Was trained in (i) suppression of fire; or (ii) hazardous-materials emergency response; and
 - b. Had the legal authority and responsibility to engage in the suppression of fire, as an employee of the public agency he served, which legally recognized him to have such.
4. The term **“chaplain”** means a clergyman or other individual trained in pastoral counseling who served as an officially recognized or designated member of a legally organized police or fire department.
5. The term **“member of a rescue squad or ambulance crew”** means an officially recognized or designated public employee member of a rescue squad or ambulance crew.
6. Examples of positions that appear to be “Public Safety Officers,” assuming the above conditions are met:

Police officer (including a member of the Mississippi Highway Safety Patrol)

Firefighter

Chaplain of a police or fire department

Sheriff

Deputy Sheriff

Constable

Regular Member of a rescue squad or ambulance crew

Narcotics Agent

Department of Wildlife, Fisheries & Parks Conservation Officer

Department of Wildlife, Fisheries & Parks Game Warden

Corrections Officer

Parole Officer

Department of Transportation Enforcement Officer

Department of Transportation Weight Enforcement Officer

Forestry Commission Forest Ranger

Gaming Commission Enforcement Agent

Public Service Commission Regulated Carrier Enforcement Officer

State Hospital Security Officer

University Police Officer
Tax Commission ABC Enforcement Agent
Tax Commission Scale Enforcement Officer
Judge whose responsibility it was to adjudicate criminal matters
Attorneys whose responsibility it was to prosecute criminal matters

103 Eligible Retired Public Safety Officer

The election is only available to individuals who, by reason of disability or attainment of normal retirement age, retired from service as a Public Safety Officer.

1. Attainment of Normal Retirement Age

- a. PERS- For purposes of this regulation, and except as otherwise provided by the Internal Revenue Service, the “attainment of normal retirement age” under the Public Employees’ Retirement System shall be defined as:
 - i. having twenty-five (25) or more years of creditable service if the member entered PERS-covered service before July 1, 2011;
 - ii. having thirty (30) or more years of creditable service if the member entered PERS-covered service on or after July 1, 2011, but before March 1, 2026;
 - iii. having thirty (30) or more years of creditable service at age sixty-two or later if the member entered PERS-covered service on or after March 1, 2026;
 - iv. having thirty-five (35) or more years of creditable service if the member entered PERS-covered service on or after March 1, 2026;
 - v. having four (4) or more years of membership service at age 60 or later if the member entered PERS-covered service before July 1, 2007;
 - vi. having eight (8) or more years of membership service at age 60 or later if the member entered PERS-covered service on or after July 1, 2007, but before July 1, 2011;
 - vii. having eight (8) or more years of membership service at age 65 or later if the member entered PERS-covered service on or after July 1, 2011.
- b. MHSPRS - For purposes of this regulation, and except as otherwise provided by the Internal Revenue Service, the “attainment of normal retirement age” under the Mississippi Highway Safety Patrol Retirement System shall be defined as the age at which an eligible Public Safety Officer retires on an unreduced benefit, i.e., someone who retired with 5 or more years of membership service at age 55 or older, or someone who retired with 25 or more years of service regardless of age. Any Retired Public Safety Officer whose retirement benefit was subject to an early retirement benefit reduction at the time of retirement is not eligible for this election, i.e., someone who retired with 20 or more but less than 25 years of service.
- c. MRS - For purposes of this regulation, and except as otherwise provided by the Internal Revenue Service, all members who have retired or will retire under one of the Municipal Fire and Police Retirement Systems will be considered to have “attained normal retirement age.”

2. Disability retirement benefits eligible for the exclusion

A Retired Public Safety Officer receiving a disability retirement allowance is eligible for the tax exclusion up to the allowable limit for premiums withheld to the extent that his or her disability retirement benefit is taxable. Duty-related disability benefits

paid are already tax-exempt, and thus amounts withheld for health insurance premiums would not be subject to the tax-exclusion provisions of Section 845 of the Pension Protection Act of 2006. However, if any portion of a disabled Retired Public Safety Officer's disability benefit is taxable, an election may be made to exclude amounts withheld for the payment of eligible insurance premiums to the extent such benefits would otherwise be taxable.

104 Premiums eligible for the exclusion

~~To be eligible for the tax exclusion, insurance~~ Insurance premiums ~~must~~ may be withheld from the retirement benefit of the Eligible Retired Public Safety Officer. Such premiums may be for the benefit of the retiree and his or her spouse and/or dependents. Only the Eligible Retired Public Safety Officer may elect to have the insurance premiums excluded from taxation.

105 Qualified health insurance plans

1. While federal law allows a governmental retirement plan to agree to deduct and then remit premiums directly to the provider of an accident or health insurance plan or qualified long-term care insurance contract, state law only allows PERS, on behalf of retirees of the retirement plans administered by the Board, to make such premium deductions for employer or system sponsored group health insurance in accordance with PERS Board Regulation 52. Therefore, an election may only be made with regard to such health insurance premiums.
2. For purposes of the election for the tax exclusion provided by Section 845 of the Pension Protection Act of 2006, an employer-provided accident or health insurance plan receiving the payments may be an insured plan as well as a self-insured plan.

106 Election

1. When the election must be made - An Eligible Retired Public Safety Officer may elect to have the tax exclusion apply in any taxable year to eligible premiums ~~withheld from his or her retirement or disability retirement benefit and paid by the retirement plan directly to the insurance provider~~. An Eligible Retired Public Safety Officer will make the election on the retiree's IRS Form 1040, in accordance with the instructions thereto.
2. Amount of Tax Exclusion- An Eligible Retired Public Safety Officer is only permitted to have actual eligible insurance premiums excluded from taxation in an aggregate amount from all plans not to exceed \$3,000, even if he or she is receiving benefits from more than one retirement plan, e.g., a defined benefit plan such as PERS, MHSPRS or MRS, and an IRC Section 457 (Mississippi Deferred Compensation Plan) or 403(b) plan.

107 Responsibility for Income Taxes

1. In administering the tax exemption, PERS is only responsible for performing the administrative functions associated with the deduction and payment of qualifying health insurance premiums. The retired member is and remains responsible for income tax liability for retirement benefits paid pursuant to the retirement plans administered by PERS. PERS has no responsibility for tax liability, including interest

and penalties that may arise from an Eligible Retired Public Safety Officer's participation in this tax exclusion.

2. By making the election, the Retired Public Safety Officer agrees that any benefit or privilege granted under this election is subject to change or revocation, and that PERS is not responsible for any consequence of any change in the availability of the exclusion, including unexpected tax liability, interest, and penalties.

108 Effective Date

As the provisions of Section 845 of the Pension Protection Action of 2006 are effective for eligible distributions made in tax years beginning on or after January 1, 2007, and as the Board of Trustees determines that this regulation only confers a benefit to those Retired Public Safety Officers eligible for the tax exclusion, the effective date of this regulation shall be January 1, 2007.

(History: Adopted effective January 1, 2007; amended effective January 19, 2009; amended effective July 1, 2011, amended effective March 1, 2026)

Title 27: Personnel

Part 210: PERS, Regulations for Retirement Plans Administered by the Board of Trustees

Chapter 57: Release of Member Information to Participating Employers

100 Purpose

The purpose of this regulation is to identify the circumstances under which the Public Employees' Retirement System (PERS) is authorized to disclose to the employer the name, address, or contents of an individual member's record without the prior written consent of the individual to whom the record pertains.

101 Authority for disclosure of information

Miss. Code Ann. § 25-11-119(3) (1972, as amended) provides that ~~the System~~ PERS shall not disclose the name, address, or contents of any individual member records without the prior written consent of the individual to whom the record pertains, except to the member's current or former employer as authorized by regulations of the board.

102 Conditions for disclosure

Otherwise exempt information may be disclosed to a participating employer that is a department, agency, or instrumentality of this state, if the executive director determines that the disclosure:

1. is necessary or proper for the administration of the department, agency, or instrumentality, or
2. is necessary to enable the department, agency, or instrumentality to carry out the duties of the office.

103 Confidentiality requirements for release of information

The participating employer requesting otherwise exempt information must agree in writing to limit the use of such information solely for the purpose stated in the request and to protect the confidential information from disclosure, whether directly or indirectly.

104 Information that may be disclosed to participating employers

The following information may be disclosed pursuant to this regulation:

1. list of names and addresses on file for current or former employees of the department, agency, or instrumentality;
2. list of employees currently eligible to retire or eligible to retire within an employer-specified number of years based on service or age and service where such information is necessary for succession planning purposes;
3. list of employees retired from the agency; ~~and~~
4. demographic information on current or retired employees necessary for an employer to provide health insurance coverage for active or retired employees-;

5. information necessary for proper enrollment in retirement plans administered by PERS; and
6. information necessary for compliance with Governmental Accounting Standards Board (GASB) reporting.

(History: Adopted effective October 1, 2008; amended effective August 1, 2012, amended effective March 1, 2026)

Title 27: Personnel

Part 210: PERS, Regulations for Retirement Plans Administered by the Board of Trustees

Chapter 61: Compliance with Internal Revenue Service (IRS) Requirements

100 Purpose

The purpose of this regulation is to confirm that the defined benefit plans administered by the Board of Trustees of the Public Employees' Retirement System of Mississippi (PERS Board) shall be administered in accordance with Internal Revenue Service (IRS) requirements applicable to qualified governmental retirement plans.

101 Public Employees' Retirement System of Mississippi

1. The PERS Board shall hold the assets of the Public Employees' Retirement System of Mississippi (PERS) in trust for the exclusive purpose of providing benefits to participants and paying reasonable expenses of administration. The assets shall be maintained as a separate fund, separate from all other funds held by the PERS Board and shall be used only for the payment of benefits provided by Miss. Code Ann. §25-11-1 et seq., (1972, as amended) or amendments thereto.
2. It shall be impossible by operation of PERS, by termination, by power of revocation or amendment, by the happening of any contingency, by collateral arrangement or by other means, for any part of the corpus or income of the trust, or any funds contributed thereto, to inure to the benefit of any employer or otherwise be used for or diverted to purposes other than providing benefits to participants and beneficiaries and defraying reasonable expenses of administering the system.
3. Benefits are provided in accordance with §25-11-1 et seq. Forfeitures of accrued benefits resulting from members electing to receive refunds of employee contributions will not be applied to increase the benefits any member would otherwise receive under these provisions.
4. Benefits payable pursuant to Title 25, Chapter 11 of the Mississippi Code Annotated shall be made in compliance with the limitations set forth in Section 415 of the Internal Revenue Code and any regulations issued there under as applicable to governmental plans. Further, distributions made from PERS shall conform to a good faith interpretation of Section 401(a)(9) of the Internal Revenue Code.
5. Any member of PERS who became a member before July 1, 2007, who is not otherwise vested and who has at least four (4) years of membership service credit will be fully vested in his or her accrued benefit on attaining age 60. Any member of PERS who became a member on or after July 1, 2007, who is not otherwise vested and who has at least eight (8) years of membership service credit will be fully vested in his or her accrued benefit on attaining age 60. Any member of PERS who became a member on or after March 1, 2026,

who is not otherwise vested and who has at least eight (8) years of membership service credit will be fully vested in his or her accrued benefit on attaining age 62.

102 Supplemental Legislative Retirement Plan

1. The PERS Board shall hold the assets of the Supplemental Legislative Retirement Plan (SLRP) in trust for the exclusive purpose of providing benefits to participants and paying reasonable expenses of administration. The assets shall be maintained as a separate fund, separate from all other funds held by the PERS Board and shall be used only for the payment of benefits provided by Miss. Code Ann. §25-11-301 et seq., (1972, as amended) or amendments thereto.
2. SLRP provides benefits that supplement the benefits provided under PERS. Accordingly, the provisions of Miss. Code Ann. §25-11-1, et seq. are incorporated as part of SLRP to the extent they are not inconsistent with the provisions of Miss. Code Ann. §25-11-301, et seq.
3. It shall be impossible by operation of SLRP, by termination, by power of revocation or amendment, by the happening of any contingency, by collateral arrangement or by other means, for any part of the corpus or income of the trust, or any funds contributed thereto, to inure to the benefit of any employer or otherwise be used for or diverted to purposes other than providing benefits to participants and beneficiaries and defraying reasonable expenses of administering the plan.
4. Benefits are provided in accordance with §25-11-301 et seq. Forfeitures of accrued benefits resulting from members electing to receive refunds of employee contributions will not be applied to increase the benefits any member would otherwise receive under these provisions.
5. Benefits payable pursuant to §25-11-301 et seq. shall be made in compliance with the limitations set forth in Section 415 of the Internal Revenue Code and any regulations issued there under as applicable to governmental plans. Further, distributions made from SLRP shall conform to a good faith interpretation of Section 401(a)(9) of the Internal Revenue Code.
6. Any member of SLRP who became a member of PERS before July 1, 2007, who is not otherwise vested and who has at least four (4) years of membership service credit in PERS will be fully vested in his or her accrued benefit on attaining age 60. Any member of SLRP who became a member of PERS on or after July 1, 2007, who is not otherwise vested and who has at least eight (8) years of membership service credit in PERS will be fully vested in his or her accrued benefit on attaining age 60.
7. SLRP was closed to new employees as of March 1, 2026.

103 Mississippi Highway Safety Patrol Retirement System

1. The PERS Board shall hold the assets of the Mississippi Highway Safety Patrol Retirement System (MHSPRS) in trust for the exclusive purpose of providing benefits to participants and paying reasonable expenses of administration. The assets shall be maintained as a separate fund, separate

from all other funds held by the PERS Board and shall be used only for the payment of benefits provided by Miss. Code Ann. §25-13-1 et seq., (1972, as amended) or amendments thereto.

2. It shall be impossible by operation of MHSPRS, by termination, by power of revocation or amendment, by the happening of any contingency, by collateral arrangement or by other means, for any part of the corpus or income of the trust, or any funds contributed thereto, to inure to the benefit of any employer or otherwise be used for or diverted to purposes other than providing benefits to participants and beneficiaries and defraying reasonable expenses of administering the system.
3. Benefits are provided in accordance with §25-13-1 et seq. Forfeitures of accrued benefits resulting from members electing to receive refunds of employee contributions will not be applied to increase the benefits any member would otherwise receive under these provisions.
4. Benefits payable pursuant to Title 25, Chapter 13 of the Mississippi Code Annotated shall be made in compliance with the limitations set forth in Section 415 of the Internal Revenue Code and any regulations issued there under as applicable to governmental plans. Further, distributions made from MHSPRS shall conform to a good faith interpretation of Section 401(a)(9) of the Internal Revenue Code.
5. All members of MHSPRS who are not otherwise vested will be fully vested in their accrued benefit on attaining age 55 with at least five (5) years of membership service credit.

104 Municipal Retirement Systems

1. The PERS Board shall hold the assets of the Municipal Retirement Systems (MRS) in trust for the exclusive purpose of providing benefits to participants and paying reasonable expenses of administration. The assets of each municipal retirement system (including general municipal retirement funds as well as disability and relief funds for firemen and policemen) shall be maintained as separate funds, separate from all other funds held by the PERS Board and shall be used only for the payment of benefits provided by Miss. Code Ann. §§ 21-29-1 et seq., 21-29-101 et seq. and 21-29-201 et seq., (1972, as amended) respectively.
2. It shall be impossible by operation of the ~~Municipal Retirement Systems~~ MRS, by termination, by power of revocation or amendment, by the happening of any contingency, by collateral arrangement or by other means, for any part of the corpus or income of the trust, or any funds contributed thereto, to inure to the benefit of any employer or otherwise be used for or diverted to purposes other than providing benefits to participants and beneficiaries and defraying reasonable expenses of administering the systems.
3. Benefits are provided in accordance with §§ 21-29-1 et seq., 21-29-101 et seq. and 21-29-201 et seq. respectively. Forfeitures of accrued benefits resulting from members electing to receive refunds of employee contributions will not be applied to increase the benefits any member would otherwise receive under these provisions.

4. Benefits payable pursuant to §§ 21-29-1 et seq., 21-29-101 et seq. and 21-29-201 et seq. respectively, shall be made in compliance with the limitations set forth in Section 415 of the Internal Revenue Code and any regulations issued there under as applicable to governmental plans. Further, distributions made from these plans shall conform to a good faith interpretation of Section 401(a)(9) of the Internal Revenue Code.
5. All members of the ~~Municipal Retirement Systems~~ MRS who are not otherwise vested will be fully vested in their accrued benefit on attaining twenty (20) years of service with the municipality, the last ten (10) of which are continuous in the city in which retirement application is made.
6. MRS System was closed to new employees as of July 1, 1987.

(History: Adopted effective January 19, 2009; amended effective April 1, 2012, amended effective March 1, 2026)

Title 27: Personnel

Part 210: PERS, Regulations for Retirement Plans Administered by the Board of Trustees

Chapter 64: Purchase of Service Credit in the Public Employees' Retirement System at Actuarial Cost

100 Purpose

The purpose of this regulation is to specify the terms, conditions, and cost of purchasing service credit as allowed by law at actuarial cost as provided in Miss. Code Ann. ~~§ 25-11-103(z)~~ and § 25-11-109 (1972, as amended).

101 Eligibility to purchase allowable service credit

For those who became a member of the Public Employees' Retirement System (PERS) before March 1, 2026, A a vested member ~~of the Public Employees' Retirement System of Mississippi (PERS)~~, whether active or inactive, may purchase eligible service at actuarial cost, provided the member has entered or reentered state service after completion of the service to be purchased. A member is vested if he or she has the required number of years of membership service to receive a service retirement allowance at age 60. For those who became a member of PERS on or after March 1, 2026, no service credit shall be awarded for the purchase of service credit under this regulation.

102 Purchasing eligible out-of-state service

1. Public service that qualifies as eligible out-of-state service includes service as a public employee in (i) another state, (ii) political subdivision of another state, (iii) public education system of another state, (iv) governmental instrumentality of another state, or (v) service rendered as a teacher in American overseas dependent schools conducted by the Armed Forces of the United States for children of citizens of the United States residing in areas outside the continental United States.
2. The service in an eligible governmental entity must satisfy the requirements for membership in PERS as outlined in PERS Board Regulation 36, *Eligibility for Membership in PERS*, except for the requirement that the employment be in the state of Mississippi or a public education system of the state or a governmental instrumentality of the state.
3. A member may not establish out-of-state service for any period of time that the member has previously been awarded service credit under PERS.
4. Service credit for out-of-state service is awarded in the same manner that it would have been awarded if the service had been covered under PERS.
5. To be eligible to purchase out-of-state service, the member must have entered or reentered state service after completion of the out-of-state service to be purchased. Out-of-state service performed after the member withdraws from covered public service or retires does not qualify for purchase under this

section. In no case shall out-of-state service be eligible for purchase for any period in which the member was drawing a retirement allowance.

6. To be eligible to purchase out-of-state service, the member must furnish the following from the out-of-state public employer and out-of-state public retirement system: (i) documentation from the employer showing the position held, the employment classification of the position held, and the dates of service performed and (ii) certification from the out-of-state public retirement system that the member is not receiving nor will be entitled to receive benefits from the out-of-state public retirement system on the basis of the out-of-state service being certified to PERS.
7. The member must have received a full refund of all contributions, if any, to his or her credit in the out-of-state public retirement system to be eligible to establish out-of-state service, including distributions from an optional retirement plan, for which the member is seeking to purchase service.
8. A maximum of five years of creditable service may be purchased based on out-of-state public employment.

103 Purchasing eligible professional leave

1. An eligible employee who has received professional leave without compensation for professional purposes directly related to his or her employment in state service may be eligible to purchase such service at actuarial cost.
2. The professional leave must be or have been performed with a public institution or public agency of this state, or another state or federal agency.
3. A member may not establish credit for professional leave for any period of time that the member has previously been awarded service credit under PERS.
4. Service credit for professional leave is awarded in the same manner that it would have been awarded if the service had been covered under PERS.
5. The employee must provide documentation from the employer showing (i) the reason the employer had for granting the leave and (ii) that a determination has been made by the employer that the professional leave will benefit the employee and employer.
6. Professional leave granted after the member withdraws from covered public service or retires does not qualify for purchase under this section. In no case shall professional leave be eligible for purchase for any period in which the member was drawing a retirement allowance.
7. To be eligible for purchase, (i) the professional leave may not have exceeded two years within any 10-year period of state service and (ii) immediately following the termination of the professional leave, the employee must have served the employer on a full-time basis for a period of time equivalent to the professional leave period granted.

104 Purchasing eligible non-covered service

1. An eligible employee may purchase certain non-covered service with a public entity of the state. Service that may be purchased includes: (i) any service rendered as an employee of any political subdivision of the state, or any

instrumentality thereof, that does not participate in PERS; (ii) any service rendered as an employee of any political subdivision of the state, or any instrumentality thereof, that participates in PERS but did not elect retroactive coverage; or (iii) any service rendered as an employee of any political subdivision of the state, or any instrumentality thereof, for which coverage of the employee's position was or is excluded.

2. Service with an eligible governmental entity must satisfy the requirements for membership in PERS as outlined in PERS Board Regulation 36.
3. A member may not establish credit for non-covered service for any period of time that the member has previously been awarded service credit under PERS.
4. Service credit for non-covered service is awarded in the same manner that it would have been awarded if the service had been covered under PERS.
5. To be eligible to purchase non-covered service, the member must have entered or reentered state service after completion of the non-covered service to be purchased. Non-covered service performed after the member withdraws from covered public service or retires does not qualify for purchase under this section. In no case shall non-covered service be eligible for purchase for any period in which the member was drawing a retirement allowance.
6. To establish eligibility to purchase non-covered service, the employee must:
 - a. Provide documentation to demonstrate that the employment would have been eligible for coverage under PERS had the position been covered at the time by a joinder agreement and
 - b. Provide documentation of the employment including the dates of service, the salary or wages earned, and the number of hours worked per week or per month.
7. A maximum of 10 years of creditable service may be purchased based on non-covered public service in the state, except in the case of retroactive coverage where either a joinder agreement or retirement law [Reference Miss. Code Ann. § 25-11-103(z) (1972, as amended)] allows for the purchase of more than 10 years. [Retroactive coverage is addressed in PERS Regulation 32.](#)

105 Calculation of the cost of purchasing eligible service

1. The member shall pay to PERS on the date he or she is eligible for credit for such service or at any time thereafter prior to the date of retirement the actuarial cost as determined by the actuary for each year of creditable service.
2. The cost is a "point in time" determination using an actuarial calculation based on the member's service credit before the purchase, the member's service after the purchase, the member's age, and the greater of the member's current annual salary or the average of the highest four years of compensation.
 - a. Computation of cost for **active** members
 - i. An active member is an individual who is currently employed in covered employment.
 - ii. PERS will determine the member's average compensation and current annual salary based on his or her membership account.
 - iii. Using the actuarial factors for active members as provided by the actuary, PERS will determine the actuarial factor based on the

- member's current age and years of service and the actuarial factor based on the member's current age and years of service including the service eligible for purchase.
- iv. The difference between the two actuarial factors will be multiplied by the higher of the active member's average compensation or current annual salary as determined by PERS. The result is the total cost for the service.
- b. Computation of cost for **inactive** members
 - i. An inactive member is an individual who is no longer employed in covered employment and who has not retired or received a refund of his or her contributions.
 - ii. PERS will determine the member's average compensation from his or her membership account.
 - iii. Using the actuarial factors for inactive members as provided by the actuary, PERS will determine the actuarial factor based on the member's current age and years of service and the actuarial factor based on the member's current age and years of service including the service eligible for purchase.
 - iv. The difference between the two actuarial factors will be multiplied by the inactive member's average compensation. The result is the total cost for the service.
- 3. The cost schedule will reflect the total cost of all eligible service, as well as the cost of the individual increments of service credit. The member may purchase all or any part of the service prior to his or her effective retirement date with PERS. All purchases must be in not less than monthly increments.
- 4. If a member does not purchase the service before the date stated on the cost schedule, the cost of any remaining eligible service not purchased by the stated date will be recalculated. The cost will change as the member's age and service credited to the member's account change.

106 Subject to IRC Section 415 Limitations

Payments for the purchase of service credit at actuarial cost shall be paid in a manner consistent with any applicable limitations of 26 United States Code, § 415. For any member of PERS who became a member on or after July 1, 1999, Code § 415(c)(1) limits employee after-tax contributions to the lesser of (i) an applicable annual dollar limit or (ii) 100 percent of compensation. A member may be precluded from purchasing some or all years of service credit at actuarial cost if payments exceed applicable annual limitations on after-tax contributions.

107 Expiration of time to purchase eligible service

The purchase of all eligible service at actuarial cost must be completed by the member prior to the member's death or retirement.

108 Funds used to purchase service

Service credit at actuarial cost can be purchased using after-tax funds received directly from the member. Alternatively, such credit may be purchased using tax-

deferred (pre-tax) money from certain retirement plans as allowed by the Internal Revenue Code (IRC).

1. Direct payment of funds by the member

PERS will accept funds remitted directly by the member for purchase of service at actuarial cost. These payments are not tax-deductible at the time of the 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 the member could have made a direct rollover or transfer of the funds.

2. Direct transfer or rollover of funds to purchase service

PERS will accept qualifying tax-deferred direct trustee-to-trustee transfers or rollovers from the trustee/custodian of a 401(a) or 401(k) qualified plan, IRC Section 457 deferred compensation plan, qualified 403(a) annuity, IRC Section 403(b) annuity, or distributions from an Individual Retirement Account (IRA) for the purchase of service. These funds will be treated as tax-deferred funds and will be taxed when distributed to the member.

(History: Adopted effective February 1, 2011; amended effective August 1, 2012, amended effective July 1, 2017, amended effective March 1, 2026)

Public Employees' Retirement System

Board of Trustees

August 27, 2025

Proposed Amendments to Board Regulations

Staff requests the Board's initial adoption of the proposed amendments to the following regulation:

Chapter 65: Earned Compensation for the Public Employees' Retirement System of Mississippi

Regulation 65 defines the term "earned compensation" for purposes of reporting compensation to the Public Employees' Retirement System of Mississippi (PERS). The proposed amendment to Regulation 65 would create § 107 to provide clarity regarding earned compensation for coroners and deputy coroners.

The effective date of the proposed amendment will be January 1, 2026.

Title 27: Personnel

Part 210: PERS, Regulations for Retirement Plans Administered by the Board of Trustees

Chapter 65: Earned Compensation for the Public Employees' Retirement System of Mississippi

100 Purpose

This regulation further defines the term “earned compensation” for purposes of reporting compensation to the Public Employees’ Retirement System of Mississippi (PERS).

101 Statutory definition

Except as otherwise provided by law, the term “earned compensation” means the total amount earned during a fiscal year by an employee not to exceed the employee compensation limit set pursuant to § 401(a)(17) of the Internal Revenue Code for the calendar year in which the fiscal year begins and proportionately for less than one year of service. The intent of this definition is to limit earned compensation to the regular periodic compensation paid to an employee, except as otherwise specifically provided by law.

102 Employment with more than one covered employer

Earned compensation shall include wages from a second position if the second position is independently covered under PERS or if the second position is less than half time but would otherwise be covered independently if the employee worked the requisite number of hours as required in PERS Board Regulation 36, *Eligibility for Membership in the Public Employees’ Retirement System of Mississippi (PERS)*. Conversely, where a position is expressly excluded by law or where the position is expressly excluded by joinder agreement, wages from the second position should not be reported to PERS. In no case is compensation paid to an individual as an independent contractor reportable to PERS as earned compensation.

103 Exclusions from the term “earned compensation”

The term “earned compensation” does not include the following:

1. amounts paid by an employer for health or life insurance premiums or the value of such benefits;
2. litigation fees;
3. bond fees;
4. other similar nonrecurring payments;
5. amounts in excess of the lump sum payment for unused leave upon termination from employment as authorized under state law;
6. payments not authorized by law, including but not limited to:
 - a. the value of personal use of automobile or automobile allowance;
 - b. the value of personal use of employer provided cell phones or reimbursement for business use of a personal cell phone;

- c. the value of personal use of employer-provided Internet or reimbursement for business use of personal/home Internet;
- d. monetary awards, honorariums, or bonuses;
- e. amounts paid in excess of statutory limitations set on salaries; and
- f. retroactive pay increases, other than bona fide administrative errors;
- 7. any form of severance or termination pay, other than lump sum payments for leave upon termination from employment as authorized under state law;
- 8. any additional compensation received in anticipation of retirement, such as early retirement incentives, reduction in force programs, or retroactive payments;
- 9. commuting and reimbursed travel expenses, whether taxable or not;
- 10. cash remuneration, if any, selected by an employee in lieu of medical or other insurance benefits within the salary averaging period before retirement; and
- 11. other employer paid fringe benefits, including, but not limited to:
 - a. educational assistance;
 - b. dependent care assistance;
 - c. transportation benefits;
 - d. nonpaid major medical (sick) and personal (vacation) leave; and
 - e. employer contributions for Social Security and retirement.
- 12. any form of payment to a state employee outside of budgetary funds appropriated by the legislature.

104 Reporting of maintenance

1. Maintenance provided to employees before July 1, 2013

- a. The definition of “earned compensation” includes the value of either cash or non-cash maintenance furnished by the employer before July 1, 2013, in accordance with the maximum reportable allowances set in PERS Board Regulation 33, *Value of Maintenance*.
- b. From and after July 1, 2013, the value of maintenance furnished to an employee shall be reported as earned compensation as that term is defined in Miss. Code Ann. § 25-11-103(k) (1972, as amended) only if the employee was receiving maintenance and having maintenance reported to PERS as of June 30, 2013.
- c. Where maintenance was not properly reported when furnished by the employer, the employee and employer shall have underreported the earnings of the affected employee and service credit for the underreported period(s) shall not be available until proper contributions and interest, if applicable, on the value of maintenance are made to PERS.

2. Maintenance provided to employees on or after July 1, 2013

Except as otherwise provided in § 105.1.b of this regulation, maintenance provided to employees on or after July 1, 2013, is excluded from earned compensation as that term is defined in § 25-11-103(k) and as further clarified in this regulation.

105 Reportable income for constables

In the case of constables, the net earnings from their office after deduction of expenses shall apply, except that in no case shall earned compensation be less than the total direct payments made by the state or governmental subdivisions to the official.

- 106 Reportable income for chancery and circuit clerks**
In the case of chancery or circuit clerks, the net earnings from their office after deduction of expenses shall apply as expressed in Miss. Code Ann. § 25-11-123(f)(4) (1972, as amended).
- 107 Reportable income for coroners (county medical examiners or county medical examiner investigators)**
In the case of elected or appointed coroners, all compensation as expressed in Miss. Code Ann. §§ 41-61-59, 41-61-69, and 41-61-75 shall apply.

In the case of deputy coroners, all compensation as expressed in Miss. Code Ann. §§ 41-61-59, 41-61-69, and 41-61-75, shall apply, provided that in addition to the monthly salary as defined in Miss. Code Ann. § 41-61-59, the deputy performs the qualifying service necessary to receive fees as expressed in Miss. Code Ann. §§ 41-61-69 and 41-61-75.
- 108 Reportable income for members of the State Legislature**
In the case of members of the State Legislature, all remuneration or amounts paid, except mileage allowance, shall apply.
- 109 Reportable income for local elected officials**
In the case of local elected officials, all compensation must be set in good faith and may not be arbitrary and unreasonable when considered with the resources of the employer and the duties of the office.
- 110 Performance-based incentive payments**
1. Performance-based incentive payments paid to employees before July 1, 2013
Performance-based incentive payments that were paid to employees before July 1, 2013, under a plan or policy adopted by the employer that continued from year to year and that were (i) contracted for by the employer and the employee before the date when services were performed by the employee, (ii) determined in accordance with objective standards of measurement, and (iii) earned by personal services performed by the employee were included in earned compensation as that term was defined in § 25-11-103(k) before July 1, 2013.
2. Performance-based incentive payments paid to employees on or after July 1, 2013
Performance-based incentive payments paid to employees on or after July 1, 2013, are excluded from earned compensation as that term is defined in § 25-11-103(k) and as further clarified in this regulation.
- 111 Compensatory leave payments**
Compensatory leave paid in a lump sum is included in earned compensation; however, any such payment must be allocated by the employer to the period in which the compensatory leave was actually earned.

(History of PERS Board Regulation 65: Adopted effective August 1, 2011; amended effective April 1, 2012; amended effective August 1, 2013; amended effective August 1, 2017, amended effective January 1, 2026)

Funding Policy for PERS

The purpose of this funding policy is to state the overall funding goals and objectives for the Public Employees' Retirement System of Mississippi (PERS) and to document both the metrics that will be used to measure progress toward achieving those goals and the methods and assumptions employed to develop those metrics.

The employer contribution rate recommended by the Board for PERS will be based on the actuarially determined contribution (ADC) as reflected by the annual valuation report using the assumptions and methods outlined in this policy. In the calculation of the ADC, the actuary will consider, as appropriate, any state appropriations, cash infusions, or other funding streams that may be provided for the benefit of PERS. The Board may also request additional funding on an actuarial basis to meet certain funding objectives.

I. Funding Goals and Objectives

The objective in requiring employer and member contributions to PERS combined with investment earnings is to accumulate sufficient assets during a member's employment to fully finance the benefits the member will receive in retirement. In meeting this objective, PERS will strive to meet the following goals:

- Preserve the defined benefit structure for providing lifetime benefits to the PERS membership and eligible beneficiaries.
- Develop a pattern of contribution rates expressed as a percentage of employer payroll and measured by valuations prepared in accordance with applicable state laws and the principles of practice prescribed by the Actuarial Standards Board.
- Maintain an increasing trend in the 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 as outlined in Section II of this policy using a "Signal Light" approach to assist the Board in determining the status of the plan and whether recommendations are needed to be made to the Legislature concerning funding.
- Ensure benefit improvements are funded through increases in contribution requirements in accordance with Article 14, § 272A, of the Mississippi Constitution.

II. Metrics

To track progress in achieving the outlined funding goals and objectives and to assist the Board in making recommendations to the Legislature for funding, certain metrics will be measured annually in conjunction with information provided in the actuarial valuation and projection report. As part of the annual valuation and projection report, while also factoring in any additional revenue streams or funding provided by the Legislature, each metric will be calculated and assigned a “Signal Light” with the following definitions:

Status	Definition
Green	Plan passes metric and PERS’ funding goals and objectives are achieved
Yellow	Plan passes metric but a warning is issued that negative experience may lead to failing status
Red	Plan fails metric

For information and reporting, if any one of the metrics are in the Red Signal Light status in conjunction with the annual valuation report and the projection report, the actuary will determine and provide to the Board necessary funding and a methodology that is sufficient to get all three metrics into the Green Light status. Employer contribution rate increases recommended by the Board would be suggested to be effective for July 1, which occurs 18 months following the completion of the projection report (e.g., if the projection report in 2024 deems an increase to be considered then that increase would be effective for July 1, 2026).

The following metrics will be measured:

- **Funded Ratio** – Funded Ratio is defined as the actuarial value of assets divided by the actuarial accrued liability. One of the funding goals is to have an increasing funded ratio over the projection period with an ultimate goal of having a 100 percent funded ratio. The Board sets the Signal Light definition as follows:

Status	Definition
Green	Funded Ratio above 80% in 2047
Yellow	Funded Ratio between 65% and 80% in 2047
Red	Funded Ratio below 65% in 2047

- **Cash flow as a percentage of assets** – 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 percentage will fluctuate from year to year, so the Signal Light testing of the net cash flow percentage will be tested over the entire projection period.

The Board sets the Signal Light definition as follows:

Status	Definition
Green	Net Cash Flow Percentage above negative 5.25% (-5.25%) during the projection period
Yellow	Net Cash Flow Percentage between negative 5.25% (-5.25%) and negative 7.00% (-7.00%) during the projection period
Red	Net Cash Flow Percentage below negative 7.00% (-7.00%) during the projection period

- **Actuarially Determined Contribution (ADC)** – ADC is defined as the contribution requirement determined by the actuary using a contribution allocation procedure based on the principal elements disclosed in Section III of this funding policy:

1. Actuarial Cost Method
2. Asset Smoothing Method
3. Amortization method

The calculation of the ADC will be determined during the actuarial valuation and not during the projection report. The ratio of the ADC to the statutory contribution rate (ADC/SCR) as set by this Funding Policy will be tested.

Status	Definition
Green	ADC ratio at or below 100% of statutory contribution rate at valuation date
Yellow	ADC ratio between 100% and 110% of statutory contribution rate at valuation date
Red	ADC ratio above 110% of statutory contribution rate at valuation date

Should the actual statutory rate provided meet or exceed the ADC, this metric may no longer be needed.

III. Assumptions and Methods

Each year, the actuary will perform an actuarial valuation and projection report for funding purposes, which will also reflect any additional funding provided by the Legislature. During the process, the actuary shall calculate all the metrics listed in Section II of this funding policy and the PERS' Signal Light status for each metric. The following three major components of a funding valuation will be used:

- **Actuarial Cost Method** – This component determines the attribution method upon which the cost/liability of the retirement benefits are allocated to a given period, defining the normal cost or annual accrual rate associated with projected benefits. The Entry Age Normal Cost Method (EAN) is to be used for determination of the normal cost rate and

the actuarial accrued liability for purposes of calculating the Actuarial Determined Contribution (ADC).

- **Asset Valuation Method** – This component dictates the method by which the asset value, used in the determination of the Unfunded Actuarial Accrued Liability (UAAL) and Funded Ratio, is determined. The asset valuation method to be used shall be a five-year smoothed market value of assets. The difference between the actual market value investment returns and the expected market investment returns is recognized equally over a five-year period.
- **Amortization Method** – This component prescribes, in terms of duration and pattern, the systematic manner in which the difference between the accrued liability and the actuarial value of assets is reduced. For purposes of calculating the ADC, the following amortization method assumptions are used:
 - I. Once established for any component of the UAAL, the amortization period for that component will be closed and will decrease by one year annually.
 - II. The amortization payment will be determined on a level percentage of pay basis.
 - III. The length of the amortization periods will be as follows:
 - a. Existing UAAL on June 30, 2018 – 30 years.
 - b. Annual future actuarial experience gains and losses, assumption changes or benefit enhancements or reductions – 25 years from the date of the valuation.
 - IV. If any future annual actuarial valuation indicates that PERS has a negative UAAL, the ADC shall be set equal to the Normal Cost.
- **Actuarial Assumptions** – The actuarial assumptions are used to develop the annual and projected actuarial metrics, as well as the ADC rates. The actuarial assumptions are derived and proposed by the actuary and adopted by the PERS Board in conformity with the Actuarial Standards of Practice. The actuarial assumptions for this funding policy were developed using the experience for the four-year period ending June 30, 2022 (State of Mississippi Retirement Systems Experience Investigation for the Four-Year Period Ending June 30, 2022). The long-term investment return assumption adopted by the PERS Board in conjunction with the experience investigation is 7.00 percent.

IV. Governance Policy/Process

Below is a list of specific actuarial and funding related studies, the frequency at which they should be commissioned by the Board and additional responsibilities related to each:

- **Actuarial Valuation** (performed annually) – The Board is responsible for the review of PERS' annual actuarial valuation report, which provides the annual funded ratio and the calculation of the ADC.
- **Projection Report** (performed annually) – The Board is responsible for the review of PERS' 30-year projection report, which will include the actuarial metrics and Signal Light status for each metric over a 30-year period.
- **Experience Analysis** (performed every two years on a rolling four-year basis) – The Board is responsible for ensuring that an experience analysis is performed as prescribed, reviewing the results of the study, and approving the actuarial assumptions and methodologies to be used for all actuarial purposes relating to the defined benefit pension plan.
- **Actuarial Audit** (performed at least every five years) – The Board is responsible for the review of an audit report performed by an independent actuarial firm to provide a critique of the reasonableness of the actuarial methods and assumptions in use and the resulting actuarially computed liabilities and contribution rates.
- **Additional Independent Actuarial Assessments** – When the Board recommends an increase to the employer contribution rate, the recommendation will be accompanied by at least two independent actuarial assessments in accordance with state law. Future annual valuations and separate periodic actuarial audits may suffice for this purpose.
- **Funding Policy Review** – The Board is responsible for the review of this policy in conjunction with the annual valuation and projection report and biennially with the experience study. Other reviews during the year may be conducted as warranted.

V. Glossary of Funding Policy Terms

- **Actuarial Accrued Liability (AAL):** The AAL is the value at a particular point in time of all past normal costs. This is the amount of assets the plan would have today if the current plan provisions, actuarial assumptions, and participant data had always been in effect, contributions equal to the normal cost had been made, and all actuarial assumptions had been met.

- **Actuarial Cost Method:** The actuarial cost method allocates a portion of the total cost (present value of benefits) to each year of service, both past service and future service.
- **Actuarial Determined Contribution (ADC):** The potential payment to the plan as determined by the actuary using a contribution allocation procedure that, if contributed consistently and combined with investment earnings, would be sufficient to pay promised benefits in full over the long term. The ADC may or may not be the amount actually paid by the plan sponsor or other contributing entity.
- **Asset Values:**
 - **Actuarial Value of Assets (AVA):** The AVA is the market value of assets less the deferred investment gains or losses not yet recognized by the asset smoothing method.
 - **Market Value of Assets (MVA):** The MVA is the fair value of assets of the plan as reported in the plan's audited financial statements.
- **Entry Age Normal Actuarial Cost Method (EAN):** The EAN actuarial cost method is a funding method that calculates the normal cost as a level percentage of pay or level dollar amount over the working lifetime of the plan's members.
- **Funded Ratio:** The funded ratio is the ratio of the plan assets to the plan's actuarial accrued liabilities.
 - **Actuarial Value Funded Ratio:** The actuarial value funded ratio is the ratio of the AVA to the AAL.
- **Normal Cost:** The normal cost is the cost allocated under the actuarial cost method to each year of active member service.
- **Present Value of Benefits (PVB) or total cost:** The PVB is the value at a particular point in time of all projected future benefit payments for current plan members. The future benefit payments and the value of those payments are determined using actuarial assumptions regarding future events. Examples of these assumptions are estimates of retirement and termination patterns, salary increases, investment returns, etc.
- **Surplus:** A surplus refers to the positive difference, if any, between the AVA and the AAL.
- **Unfunded Actuarial Accrued Liability (UAAL):** The UAAL is the portion of the AAL that is not currently covered by the AVA. It is the positive difference between the AAL and the AVA.
- **Valuation Date:** The valuation date is the annual date upon which an actuarial valuation is performed; meaning that the trust assets and liabilities of the plan are valued as of that date. PERS' annual valuation date is June 30.

Source: § 25-11-119(8) and (9) | **Effective/Revised:** 10/24/2006, 10/23/2012, 4/22/2014, 2/28/2017, 6/26/2018, 10/22/2019, 08/24/2021, 02/23/2022, 4/24/2024, 2/26/25