Administrative Committee Meeting Agenda

Wednesday, June 24, 2026
9:45 A.M.
(Or immediately following the Claims Committee)

I. **Approval of FY 2028 Administrative Budget Request**
(Requested Action – Approval of Staff Recommendation)

II. **Certification of Board Election Results** - *State Employee Representative*
(Requested Action – Certification of Election Results)

III. **Regulation 28**: *Benefits for Members Withdrawing from Service Prior to age 62*
(Requested Action – Final Adoption)

IV. **Regulation 35**: *Filing an Application for Monthly Benefits and Establishing an Effective Date of Retirement*
(Requested Action – Final Adoption)

V. **Regulation 54:** *Administration of Retired Public Safety Officer Retirement Distribution for Health Insurance*
(Requested Action – Final Adoption)

VI. **Regulation 34:** *Reemployment after Retirement*
(Requested Action – Final Adoption)

VII. **Disability Review Services**
(Requested Action-Approval of Staff Recommendation)

VIII. **Actuarial Update on Assumed Rate of Return**
(Information Only)

IX. **SLRP Funding Policy**
Requested Action- Approval of Staff Recommendation)

X. **SLRP Actuarial Valuation**
(Requested Action-Approval of Staff Recommendation)

XI. **Board Travel Authorization**
(Requested Action- Approval of Board Travel)

XII. **Other**

2028 PERS Budget Request

As of June 2026

PERS ADMINISTRATIVE BUDGET REQUEST

Personal Services: *An increase of $45,000 over the 2027 appropriation* .... **$ 13,042,770 ***

- Request for personal services includes an additional $45,000 to fund retirement increase.

Travel: *No increase over 2027 request*.. **$ 90,000**

- Request that funding remain at the 2027 appropriation amount which is adequate to maintain retirement education travel, regular business travel, and trustee and staff training costs.

Contractual: *No increase over the 2027 request* .... **$ 7,570,975 ***

- Request that the funding remain at the 2027 appropriation level.

Commodities: *No increase over 2027 request* .... **$ 274,000**

- Request that the funding remain at the 2027 appropriation level.

Capital Outlay: *No increase over 2027 request*... **$ 269,050 ***

- Request that the funding remain at the 2027 appropriation level.

TOTAL PERS BUDGET REQUEST...$ 21,246,795

** See supporting detail on page 2*

Personal Services Detail .... **$ 13,042,770**

- Salaries, Wages, and Fringe Benefits $13,000,770
- Board Salaries...$ 42,000

Contractual .... **$ 7,570,975**

- **Operational & Advisory Expenses** ....$ 3,407,975

  Requested funds include those needed for investment management and advisory services, as well as actuarial, audit, and legal services.

- **Technology** ....$ 3,663,000

  Funds are requested for technology project post-production and processes that need to be addressed, augmented, or corrected. System modifications are being accomplished largely by PERS staff, however depending on the complexity, PERS must seek assistance from outside sources. PERS must also maintain sufficient spending authority to implement potential legislative changes that may require complex code or configuration alterations and for any other determined technology, disaster recovery, business continuity, cyber security, or operational need or enhancement.

- **Building Repair & Maintenance** ....$ 500,000

  Unlike other state agencies, PERS owns and maintains three buildings, including the main office building at 429 Mississippi Street, the 301 N. President building, and the parking facility. Spending authority is requested for repairs and maintenance.

Capital Outlay .... **$ 269,050**

- **Equipment**...$ 69,050

  Funds are requested for the purchase of equipment needed for operation of the building.

- **Technology** ....$ 200,000

  Spending authority is requested for equipment needs to guarantee continuity of operations for ongoing technology requirements in support of our software solution.

Public Employees' Retirement System

BUDGET REQUEST FOR FISCAL YEAR ENDING JUNE 30, 2028

	(1) 2026 Appropriation June 30, 2026	(2) 06/30/26 Actual/Projected FY Ending June 30, 2026	(3) 2027 Appropriation Estimated Expenses FY Ending June 30, 2027	(4) Request For FY Ending June 30, 2028	(5) Requested Increase (+) or Decrease (-) FY 2028 vs. FY 2027 (COL. 4 vs. COL. 3) AMOUNT	PERCENT
I. A. PERSONAL SERVICES:						
1. Salaries, Wages & Fringe Benefits (Base)	$12,997,770	$12,033,473	$12,997,770	$13,042,770	$45,000	
a. Additional Compensation					0	
b. Proposed Vacancy Rate (Dollar Amount)						
c. Per Diem						0.0%
Total Salaries, Wages & Fringe Benefits	**12,997,770**	**12,033,473**	**12,997,770**	**13,042,770**	**45,000**	**0.3%**
2. Travel						
a. Travel & Subsistence (In State)	35,000	18,324	35,000	35,000	0	0.0%
b. Travel & Subsistence (Out-of-State)	55,000	65,481	55,000	55,000	0	0.0%
c. Travel & Subsistence (Out-of-Country)						
Total Travel	**90,000**	**83,805**	**90,000**	**90,000**	**0**	**0.0%**
B. CONTRACTUAL SERVICES (Schedule B):						
a. Tuition, Rewards & Awards	45,000	71,294	45,000	45,000	0	0.0%
b. Communications, Transportation & Utilities	600,000	253,719	600,000	600,000	0	0.0%
c. Public Information	300	367	300	300	0	0.0%
d. Rents	175,500	133,638	175,500	175,500	0	0.0%
e. Repairs & Service	537,400	197,160	537,400	537,400	0	0.0%
f. Fees, Professional & Other Services	2,660,775	2,116,004	2,660,775	2,660,775	0	0.0%
g. Other Contractual Services	139,000	104,122	139,000	139,000	0	0.0%
h. Data Processing	3,070,500	3,649,902	3,070,500	3,070,500	0	0.0%
i. Other	3,024,250	1,221,738	342,500	342,500	0	0.0%
Total Contractual Services	**10,252,725**	**7,747,944**	**7,570,975**	**7,570,975**	**0**	**0.0%**
C. COMMODITIES (Schedule C):						
a. Maintenance & Const. Materials & Supplies	0		0	0	0	0.0%
b. Printing & Office Supplies & Materials	185,000	59,198	185,000	185,000	0	0.0%
c. Equipment Repair Parts, Supplies & Accessories	19,000	24,149	19,000	19,000	0	0.0%
d. Professional & Scientific Supplies & Materials	6,000	11,900	6,000	6,000	0	0.0%
e. Other Supplies & Materials	64,000	20,563	64,000	64,000	0	0.0%
Total Commodities	**274,000**	**115,810**	**274,000**	**274,000**	**0**	**0.0%**
D. CAPITAL OUTLAY:						
1. Total Other Than Equipment (Schedule D-1)					**0**	**0.0%**
2. Equipment (Schedule D-2)						
b. Road Machinery, Farm & Other Working Equipment	0		0	0	0	0.0%
c. Off. Machines, Furniture, Fixtures & Equipment	33,600		33,600	33,600	0	0.0%
d. IS Equipment (Data Processing & Telecommunications)	234,250	122,427	234,250	234,250	0	0.0%
e. Equipment - Lease Purchase					0	0.0%
f. Other Equipment					0	0.0%
Total Equipment (Schedule D-2)	**267,850**	**122,427**	**267,850**	**267,850**	0	0.0%
3. Vehicles (Schedule D-3)					0	0.0%
4. Wireless Comm. Devices (Schedule D-4)	**1,200**	**0**	**1,200**	**1,200**	**0**	**0.0%**
E. SUBSIDIES, LOANS & GRANTS: (Schedule E) **1. Total Subsidies, Loans & Grants**	**0**		0	0	**0**	**0.0%**
TOTAL EXPENDITURES	**$23,883,545**	**$20,103,459**	**$21,201,795**	**$21,246,795**	**$45,000**	**0.2%**
II. BUDGET TO BE FUNDED AS FOLLOWS:						
Cash Balance-Unemcumbered					$0	0.0%
General Fund Appropriation (Enter General Fund Lapse Below)					**0**	**0.0%**
Federal Funds					0	0.0%
Other Funds (Specify): Investments & Interest Income	23,383,545	19,803,459	20,401,795	20,746,795	345,000	1.7%
Fund 3533	300,000	300,000	800,000	500,000	(300,000)	-37.5%
Capital Expense Fund Payment	200,000				0	0.0%
					0	0.0%
Less: Estimated Cash Available Next Fiscal Period					0	0.0%
TOTAL (same as total of A through E above)	**$23,883,545**	**$20,103,459**	**$21,201,795**	**$21,246,795**	**$45,000**	**0.2%**
GENERAL FUND LAPSE						
III. PERSONNEL DATA						
Number Positions Authorized in Appropriation Bill a.) Full Perm.	168	168	168	168	0	0.0%
b.) Full T-L					0	0.0%
c.) Part Perm.					0	0.0%
d.) Part T-L					0	0.0%
Average Annual Vacancy Rate (Percentage) a.) Full Perm.						
b.) Full T-L						
c.) Part Perm.						
d.) Part T-L						

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June 17, 2026

Public Employees Retirement System of Mississippi
429 Mississippi Street
Jackson, MS 39201

Dear Davetta Lee:

The attached report contains the results from the election for the 2026 PERS of MS Retiree Runoff Election for the Public Employees Retirement System of Mississippi.

Thank you. It has been a pleasure working with you.

Sincerely yours,

Chris Backert
CEO
YesElections

1775 I St NW
Suite 1150
Washington, DC 20006

155 Mineola Blvd.
Suite 102
Mineola, NY 11501

4275 Executive Sq.
Suite 200
San Diego, CA 92037

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Results

Race	Candidate/Choice	Votes
State Employee Representative	Terrance Yarbrough	1,268
State Employee Representative	Dr. Wiliam J. Ashley	814

1775 I St NW
Suite 1150
Washington, DC 20006

155 Mineola Blvd.
Suite 102
Mineola, NY 11501

4275 Executive Sq.
Suite 200
San Diego, CA 92037

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Public Employees' Retirement System

Board of Trustees

June 24, 2026

Proposed Amendments to Board Regulations

Staff requests the Board's final approval of the proposed amendments to the following regulation:

Regulation 28: Benefits for Members Withdrawing from Service prior to age 62

1. Amend § 104 to update the retirement eligibility from thirty-five (35) years of creditable service to thirty (30) years of creditable service for Tier 5 participants who become members of PERS on or after March 1, 2026. This amendment is in accordance with House Bill 4073 as passed during the 2026 Mississippi Legislative Session.

The effective date of the change is March 1, 2026.

Title 27: Personnel

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

Chapter 28: Benefits for Members Withdrawing from Service prior to age 62

100 Purpose

The purpose of this regulation is to clarify the requirements under which a member who withdraws from service before age 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 became a member on or after July 1, 2011, but before March 1, 2026

Any person who 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)~~ thirty (30) 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)

Public Employees' Retirement System

Board of Trustees

June 24, 2026

Proposed Amendments to Board Regulations

Staff requests the Board's final approval of the proposed amendments to the following regulation:

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

1. Amend § 101.4 to update the Normal Retirement Age for PERS Tier 5 in accordance with House Bill 4073 as passed during the 2026 Mississippi Legislative Session.

The effective date of the change is 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 pursing 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)

Public Employees’ Retirement System

Board of Trustees

June 24, 2026

Proposed Amendments to Board Regulations

Staff requests the Board’s final approval of the proposed amendments to the following regulation:

Regulation 54: Administration of Retired Public Safety Officer Retirement Distribution for Health Insurance

1. Amend § 103.1 to update the Normal Retirement Age for PERS Tier 5 in accordance with House Bill 4073 as passed during the 2026 Mississippi Legislative Session.

The effective date of the change is March 1, 2026.

Title 27: **Personnel**

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

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 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 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

Insurance premiums 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. 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)

Public Employees' Retirement System

Board of Trustees

June 24, 2026

Amendments to Board Regulations

Staff requests the Board's final approval of the amendments to the following regulation:

Regulation 34: Reemployment after Retirement

The proposed amendment to Regulation 34 would change the required break in service from 90 days to 30 days and insert the new reemployment option, which allows a retiree to be reemployed for a period of time in any fiscal year, at compensation not to exceed 80% of the salary in effect for the position. This amendment is in accordance with House Bill 4073 as passed during the 2026 Mississippi Legislative Session, effective July 1, 2026.

The amendment also eliminates language referring to critical teacher shortage reemployment in Miss. Code Ann. § 25-11-126. This section was repealed in Senate Bill 2103, effective July 2, 2026.

The effective date of the change will be July 1, 2026.

Title 27: **Personnel**

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

Chapter 34: **Reemployment after Retirement**

100 Purpose

This regulation sets forth the terms and conditions under which a service retiree may be reemployed by a covered employer after retirement.

101 Background

1. Public Employees' Retirement System of Mississippi

In accordance with Miss. Code Ann. § 25-11-127 (1972, as amended), the Board of Trustees of the Public Employees' Retirement System of Mississippi (PERS) has adopted the following rules and regulations governing the provisions for reemployment of PERS service retirees who are reemployed after service retirement under the above-cited Section on or after the effective dates of the applicable provisions of this regulation.

~~In accordance with Miss. Code Ann. § 25-11-126 (1972, as amended), the Board of Trustees of the Public Employees' Retirement System of Mississippi (PERS) has adopted the following rules and regulations governing the provisions for reemployment of retired public school teachers who are reemployed as full-time teachers in critical teacher shortage areas and critical subject-matter areas under the above-cited Section on or after the effective dates of the applicable provisions of this regulation.~~

2. Mississippi Highway Safety Patrol Retirement System

In accordance with Miss. Code Ann. § 25-13-25 (1972, as amended), the Administrative Board of the Mississippi Highway Safety Patrol Retirement System (MHSPRS) has adopted certain rules governing the provisions for reemployment of MHSPRS retirees who are reemployed after retirement. Those rules have been incorporated into sections 102 and 108 of this regulation.

102 Loss of Monthly Benefits upon Employment or Reemployment

1. Public Employees' Retirement System of Mississippi

No person who is being paid a retirement allowance or a pension after retirement under Article 3 of the Mississippi Code of 1972, as amended, shall be employed or paid for any service by the State of Mississippi or any of its departments, agencies, or subdivisions participating in PERS, including services as an employee, contract worker, contractual employee or independent contractor, until the retired person has been retired for not less than ~~90~~ 30 consecutive days from his or her effective date of retirement. After the person has been retired for not less than ~~90~~ 30 consecutive days from his or her effective date of retirement or such later date as established by the board in Section 106.2 of this regulation, he or she may be reemployed while being paid a retirement allowance under the terms and conditions provided in Section 103 of this regulation. **(See Sections 109 and 110 for work as an independent contractor or for work through a third party.)**

a. Elected officials are deemed to be full-time for the purpose of creditable service. Therefore, retirees may not be employed or reemployed in a covered elected office under the provisions of Section 103 so as to receive both salary and retirement benefits concurrently as provided in that Section, except as provided in Section 103.2.b. of this regulation.

b. Following a bona fide separation from service of at least ~~90 days~~ 30 days, elected or appointed officials paid solely on a per diem basis as provided by statute are not considered employees for purposes of this regulation on reemployment and may continue receiving a retirement benefit while serving as an elected or appointed official.

2. **Mississippi Highway Safety Patrol Retirement System**

No person being paid a retirement allowance or a pension after retirement under Title 25, Chapter 13 of the Mississippi Code of 1972, as amended, shall be (i) employed in a law enforcement position with the Mississippi Highway Patrol (MHP) or the Mississippi Bureau of Narcotics (MBN) or (ii) paid from the MHP budget or the MBN budget while being paid a retirement allowance from MHSPRS, if such employment commences on or after December 1, 2013. An MHSPRS retiree may be employed in any capacity with an employer other than MHP or MBN and remain in compliance with this rule.

103 Exceptions under which a retiree may be reemployed while in receipt of a retirement allowance

1. **Retirees reemployed in a covered position other than an Elected Position**

PERS may not withhold a monthly benefit payment if the retiree is employed by a covered employer in the following instances:

a. For a period of time not to exceed one-half of the normal working days or one-half of the equivalent number of hours for the position in any fiscal year during which the retiree will receive no more than one-half of the salary in effect for the position at the time of employment~~, or~~;

b. For a period of time in any fiscal year sufficient in length to permit a retiree to earn not in excess of 25 percent of the retiree's final average compensation used to calculate the retiree's monthly benefit~~.~~;or

c. For a period of time in any fiscal year, at compensation in an amount not to exceed 80 percent of the salary in effect for the position at the time of employment. No retiree may return to work under this paragraph (c) as an elected official, k-12 school superintendent, or administrator at a university or a community or junior college. No retiree whose retirement was subject to an actuarial reduction, other than as a result of taking a partial lump-sum distribution or any other optional benefit under § 25-11-115 may return to work under this paragraph (c). In other words, a retiree who became a member of the system on or after July 1, 2011, who retires with less than 30 years of creditable service, but before reaching age 65, shall not be eligible to return to work under this paragraph (c).

"Fiscal year" shall mean the period beginning on July 1 of any year and ending on June 30 of the next succeeding year as provided by statute.

2. Retirees reemployed as a Municipal or County Elected Official

A member may retire and continue in covered municipal or county elective office provided that the member has reached age 59 ½ effective July 1, 2020 (or age 62 prior to July 1, 2020), or a retiree may, after incurring a bona fide separation from service of at least ~~90 days~~ 30 days as set forth in Section 106, be elected to a covered municipal or county office, provided the retiree:

a. Files annually in writing in the office of the employer and of PERS before he or she takes office or as soon as possible after retirement a waiver of all salary or compensation and elects to receive in lieu of that salary or compensation a retirement allowance, in which event no salary or compensation shall thereafter be due or payable for those services, or

b. Files annually in writing in the office of the employer and of PERS an election to receive compensation for that municipal or county elective office in an amount not to exceed 25 percent of the retiree's average compensation, which shall be prorated over a 12-month time frame.

A retiree who continues in or is elected to covered municipal or county office under Section 103.2.a. or Section 103.2.b. may receive any office expense allowance, mileage or travel expense authorized by any applicable statute of the State of Mississippi.

3. Retirees employed in both a non-elective position and a Municipal or County Elected position

If at any point during the fiscal year, a retiree is reemployed in both a covered local elected position (and thus considered a full-time employee) and is also reemployed on a limited basis in a non-elective position, he/she must either:

a. Begin or continue under the 25 percent of average compensation limitation and apply what has already been earned from any other position during the fiscal year to that limitation or

b. Stay under an existing election to work no more than one-half of the normal working days or one-half of the equivalent number of hours and earn no more than one-half of the salary for a non-elected position and waive the salary for the local elected position.

4. Municipal or County Elected Positions

a. For purposes of reemployment limitations under Miss. Code Ann. § 25-11-127(6) (1972, as amended), municipal or county elected office shall include:
Municipal: Mayor, Alderman (Councilman or Selectman), Police Chief or Marshal, Municipal Judge, Tax Collector, Tax Assessor, City or Town Clerk, unless any such position is made appointive pursuant to Miss. Code Ann. § 21-3-3, or any other salaried official elected by popular vote and eligible for coverage in PERS.
County: County Supervisor, Chancery Clerk, Circuit Clerk, Tax Assessor, Tax

Collector (if separate from Tax Assessor), Sheriff, County Surveyor, Justice Court Judge, County Judge/Family Court Judge, Constable, County Coroner or Medical Examiner, Elected County Prosecutor/Elected County Attorney, or any other salaried official elected by popular vote and eligible for coverage in PERS.

b. Municipal or county elected positions shall not include:
Governor, Lieutenant Governor, Secretary of State, Attorney General, State Auditor, State Treasurer, Commissioner of Agriculture and Commerce, Commissioner of Insurance, Public Service Commissioner, Transportation Commissioner, State Senator, State Representative, Supreme Court Justice, Court of Appeals Judge, Chancery Court Judge, Circuit Court Judge, District Attorney, Election Commissioner, School Board Member, or other office not included in the municipal or county elected offices listed under this Section.

5. Senior or Special Judge

Miss. Code Ann. § 9-1-105 limits the amount of compensation that can be paid to any judge retired from the chancery, circuit, or county courts, from the Court of Appeals or from the Supreme Court who is appointed as a special judge and who continues to receive a retirement allowance. Such reemployed retired judge may receive no more than 50 percent of the current salary in effect for a chancery or circuit court judge.

~~**6. Retirees reemployed as a full-time public school teacher in critical teacher shortage areas and critical subject-matter areas**~~

~~Effective July 1, 2024, a member who was employed as a public school teacher at the time of retirement, has at least 30 years of service credit, has incurred a bona fide separation from service of at least ninety (90) days, and holds a standard teaching license in Mississippi, may be reemployed as a full-time teacher in a public school district and shall continue receiving a retirement benefit in accordance with Miss. Code Ann. § 25-11-126 (1972, as amended). Any teacher who has retired with at least 25 years of creditable service as of July 1, 2024, is also authorized for reemployment under Section 103.6.~~

~~**a. Limitations of Employment**~~

~~A retired teacher may be reemployed full time under this Section for a total of five years, which may be performed consecutively or intermittently. Any portion of the school year shall constitute one of the five years of post-retirement teaching eligibility. Any retired teacher who returns under Section 103.6 shall not be eligible to return to work under Sections 103.1, 103.2, 103.3, 108 and any other reemployment authorized in Miss. Code Ann. § 25-11-127 (1972, as amended). Any retired teacher who returns under Miss. Code Ann. § 25-11-127 (1972, as amended) shall not be eligible to return to work under section 103.6 and any other reemployment as authorized in Miss. Code Ann. § 25-11-126 (1972, as amended).~~

~~**b. Earnings Limitations**~~

~~During the full-time reemployment authorized under Section 103.6, the reemployed teacher shall be limited to earning half of up to 125 percent of the salary schedule comparable to the teacher's years of service and licensing. The remaining half shall be paid by the school district to PERS as a pension liability participation assessment.~~

~~**c. Certification of Qualifications**~~

~~The criteria for critical teacher shortage areas and critical subject-matter areas shall be established by the Mississippi Department of Education. The school district superintendent shall certify to PERS that the retiree has met all qualifications for reemployment as required under the law.~~

~~**d. No Election to Contribute**~~

~~Any member reemployed under Miss. Code Ann. § 25-11-126 (1972, as amended) shall not have an election to become a contributing member in PERS nor shall the member have the right to cease receiving the retirement benefit and become a contributing member of PERS during reemployment.~~

104 Determination of Required Number of Working Days for the Position

For purposes of Section 103.1.a., the employer shall determine the required number of working days for the position on a full-time basis and the equivalent number of hours representing the full-time position. The retiree then may work up to one-half of the required number of working days or up to one-half of the equivalent number of hours and receive up to one-half of the salary for the position. In the case of employment with multiple employers or in multiple positions with the same employer, the limitation shall equal one-half of the number of days or hours for a single full-time position.

For purposes of Section 103.1.b., there is no limit to the number of days the retiree may work to earn up to 25 percent of the retiree's final average compensation used to calculate the retiree's monthly benefit. In the case of employment with multiple employers or in multiple positions with the same employer, the total earnings limitation shall equal 25 percent of the retiree's final average compensation.

For purposes of Section 103.1.c., there is no limit to the number of days the retiree may work to earn up to 80 percent of the salary in effect for the position at the time of employment. In the case of employment with multiple employers, the limitation shall equal 80 percent of the salary in effect for a single full-time position.

105 Notification Requirement and Failure to Comply with Regulation

To lawfully employ a PERS service retiree under Section 103, the employer must notify PERS in writing of the terms of the eligible employment within five days from the date of employment and also from the date of termination on a form prescribed by the Board. Failure by the employer to timely notify PERS may result in the assessment of a $300 penalty per occurrence payable by the employer.

A service retiree reemployed under Section 103.1 shall make one election per fiscal year to either (i) limit the number of days/hours worked for all covered employers to that allowed under Section 103.1.a. or (ii) limit the amount of compensation that will be earned from all covered employers as provided under Sections 103.1.b. or 103.1.c.

A service retiree reemployed under Section 103.1.c. shall provide PERS a written agreement between the employer and employee detailing the covered employment position, the full salary for the position, and the percentage of salary the reemployed retiree will receive as compensation. Any subsequent amendments to the agreement must also be provided to PERS within 20 business days of the execution of the amendment.

A retiree who continues in or is elected to covered municipal or county office (and who is not also reemployed in a non-elective position) shall make one election per fiscal year to either (i) waive his or her salary and continue to receive a retirement allowance under Section 103.2.a. or (ii) elect to receive an amount not to exceed 25 percent of the retiree's average compensation in Section 103.2.b. Note that such elected official does not have the option of limiting the number of days or hours worked.

106 Withdrawal from Service or Termination from Service

1. "Withdrawal from service" or "termination from service" is defined by statute as the complete severance of employment in state service of any member by resignation, dismissal or discharge. Retirement benefits may not begin until the member has withdrawn from service as required in Miss. Code Ann. § 25-11-111 (1972, as amended). If the retired member is reemployed by the same or another covered employer in any capacity, including that of an independent contractor, within ~~90 days~~ 30 days from the effective date of retirement, has entered into a pre-arranged agreement for reemployment with a covered employer, or the parties otherwise have a reasonable expectation that the retired member will return to work for a covered employer, the member shall be considered to have continued in the status of an employee and not to have separated from service. In the absence of a bona fide separation from service of at least ~~90 days~~ 30 days, any retirement allowance payments received by the retired member shall be repaid to PERS and the retirement shall be negated. If such retiree is so employed or reemployed in a covered position without the requisite separation, such reemployed retiree's earnings shall continue to be reported to PERS.
2. In order to fall within one of the exceptions of Miss. Code Ann. §~~§ 25-11-126 and~~ 25-11-127 (1972, as amended), as outlined in Section 103, or the provisions for waiver of compensation by retirees reemployed as a Municipal or County elected official where the retiree elects to receive a retirement allowance in lieu of such salary, such complete severance shall mean the absence of any employment in any capacity, including service without pay, and without a prearranged agreement between a covered employer and the retiree for reemployment or a reasonable expectation of the parties that the retiree will return to work for a covered employer for a minimum of ~~90~~ 30 consecutive calendar days beginning with the effective date of retirement. Provided, however, any employee of an educational institution employed on less than a 12-month basis who retires at the end of the school year and is reemployed the beginning of the next school year shall not have terminated his or her employment within the meaning of Miss. Code Ann. § 25-11-111 (1972, as amended). In order to fall within the exceptions of the reemployment provisions of Miss. Code Ann. §~~§ 25-11-126 and~~ 25-11-127 (1972, as amended), such retiree retiring at the end of one school year may not be reemployed in an educational institution any earlier than ~~90~~ 30 consecutive calendar days after the beginning of the next school year. Where such retiree is reemployed prior to the expiration of such ~~90-day~~ 30-day time frame, any

benefits received during the summer months prior to reemployment shall be recovered and the retirement shall be negated.

3. If a member is reemployed prior to the requisite bona fide separation from service of at least ~~90-days~~ 30-days and continues employment in a noncovered position in accordance with PERS Board Regulation 36, *Eligibility for Membership in the Public Employees' Retirement System of Mississippi (PERS)*, the member will become eligible for service retirement benefits once a complete severance of employment has been made as provided herein.

107 Effect of Reemployment under the Exceptions of Miss. Code Ann. §~~§ 25-11-126 and~~ 25-11-127 (1972, as amended) on Service Credit and Contributions

1. Employment of a retiree described in Section 103 does not entitle a retiree to additional service credit for such limited period of reemployment, and the retiree so employed shall not make contributions to PERS from compensation for that employment.
2. The employer of a PERS retiree reemployed in a position as an employee or as a contractual employee under the limited reemployment provisions of Section 103.1.a. or 103.1.b. shall pay to the board the full amount of the employer's contribution, as is in effect at the time of employment, on the amount of compensation received by the retiree for his or her employment under the applicable section.
3. The employer of a PERS retiree reemployed in a position as an employee or as a contractual employee under the limited reemployment provisions of Section 103.1.c. shall pay to the board the sum of the current employer contribution rate and the current employee contribution rate in effect in the year of the return-to-work employment on the amount of compensation received by the retiree for his or her employment under the section. This payment shall be the employer's full responsibility, and the employee shall not gain any additional rights or benefits toward retirement.
4. Whether a retiree holding a Municipality or County elective office chooses to waive his or her salary as described in Section 103.2.a. or receive limited compensation as described in Section 103.2.b, the employing municipality or county shall pay to the board the employer's contributions, as is in effect at the time of employment, on the full amount of the set salary for that elected position as if the position were filled by a covered employee. In the case of fee officials covered by a joinder agreement, the following shall apply:
   a. For constables, the county shall pay the amount of the employer's contributions on the total direct payments that would otherwise have been issued to the constable for direct services to the county, which includes, but is not limited to, the allowance from the board of supervisors as provided in Miss. Code Ann. § 25-7-27(1)(f) (1972, as amended), and bailiff fees, if applicable, as if the position was filled by a covered employee.
   b. For coroners and surveyors, the county shall pay the amount of the employer's contributions on the total direct payments that would otherwise have been issued to the coroner or surveyor for direct services to the county as if the position was filled by a covered employee.

c. For chancery and circuit clerks, the county shall pay the amount of the employer's contributions on the amount that would otherwise have been the clerk's total County Payroll Income, whether or not such income is subject to the salary limitation as provided in Miss. Code Ann. § 9-1-43 (1972, as amended), as reported on the Annual Financial Report filed by the clerk with the Office of the State Auditor and PERS, not to exceed any applicable employee compensation limits, as if the position was filled by a covered employee.

5. ~~The employer of a PERS retiree reemployed as a full-time public school teacher in a critical teacher shortage area or critical subject-matter area under the limited reemployment provisions of Section 103.6 shall pay a pension liability participation assessment in accordance with Miss. Code Ann. § 25-11-126 (1972, as amended).~~
6. Compensation as used in this Section does not include office expense allowance, mileage or travel expense authorized by any applicable statute of the State of Mississippi.

108 Effect of Reemployment Outside the Exceptions of Miss. Code Ann. §~~§ 25-11-126 and~~ **25-11-127 (1972, as amended**) **on Service Credit and Contributions**

1. Where a retiree is reemployed after retirement in a covered position outside one of the exceptions in Section 103 of this regulation, such retiree shall have his or her benefits terminated, and he or she shall again become a contributing member with contributions paid by both the employer and the employee. The retiree shall not be entitled to benefits for any month in which covered reemployment commences and for which creditable service is awarded for such month. Where such reemployment as a contributing member continues for a period in excess of six full calendar months, the member shall have his or her benefit recomputed upon subsequent retirement, including service credit after again becoming a contributing member. However, persons who are reported under this provision and who do not complete the requisite reemployment period for recalculation of benefits shall have their contributions refunded to them by the employer after such contributions are refunded or credited to the employer. The original benefits will be reinstated prospectively the first of the month following termination from employment at an amount no less than the retirement allowance authorized before cancellation of benefits. The employer shall provide written notice to PERS of any such termination from employment upon subsequent retirement.
2. The recalculation of benefits at the member's subsequent retirement, where the member has completed the requisite reemployment period for recalculation of benefits, shall be based on the applicable benefit formula, average compensation definition, and actuarial factors in effect at the time of the subsequent retirement and the optional benefit payment plan selected by the member at the time of the subsequent retirement.
   a. Where a member has selected Option 4-C during a previous retirement pending eligibility for receipt of Social Security benefits and to the extent PERS has not recovered all benefits advanced pursuant to such additional optional provision at the time of reemployment of the retiree, PERS may (i) reduce the retiree's benefit upon his or her subsequent retirement over the retiree's actuarial life expectancy to recover such unrecovered advances, or (ii) recover such unrecovered advances

in a lump sum by withholding part or all monthly benefit payments until such advances are recovered.

b. Further, where a member has selected the Partial Lump Sum Option at initial retirement, the new maximum benefit as noted under Section 108.2 of this regulation shall, upon subsequent retirement, be reduced by the same dollar amount plus 1 percent of that amount for each month that the retiree's benefit was terminated due to the retiree's return to covered employment.

3. Upon a subsequent retirement effective after July 1 of a given year, the retiree's annual benefit adjustment shall resume immediately with the first benefit payment. When resumed, the annual benefit adjustment will be based on the current retirement allowance and the number of full fiscal years in retirement and shall be prorated and paid in equal monthly installments based on the number of months a retirement allowance is payable during the fiscal year. Beginning with the succeeding fiscal year, the annual benefit adjustment shall be paid in a lump sum or monthly installments in accordance with the election made by the retiree.

109 Reemployment as an Independent Contractor

A retiree must have incurred a bona fide separation from service with all covered employers after retirement for at least the ~~90-day~~ 30-day separation period prior to being engaged to perform services as an independent contractor. For purposes of this regulation, this term shall mean any individual (or firm for which an individual performs substantially all the work) who contracts to do a piece of work according to his or her own methods without being subject to the control of his or her employer except as to the results of the work, and who has the right to employ and direct the outcome of the workers independent of the employer and who is free from any superior authority in the employer to say how the specified work shall be done or what the laborers shall do as the work progresses, or one who undertakes to produce a given result without being in any way controlled as to the methods by which he attains the result.

After the requisite ~~90-day~~ 30-day separation period as defined in Section 106, a retiree may contract to provide such services as a true independent contractor outside the limitations of Section 103 while in receipt of a retirement allowance. However, prior to contracting for such services, such retiree must submit to PERS for its approval, documentation, including but not limited to, the following: the nature of the engagement, including services to be performed; how the services were performed previously, including whether they were performed by an employee and whether the independent contractor previously performed those services as an employee; nature of compensation and treatment of expenses; where the services are to be performed, i.e. on the service recipient's premises; who provides the equipment to perform the services; whether the service provider provides such services to other service recipients; whether such services are offered for other persons through advertising or other solicitation and if so; whether the service provider has provided such services to any other service recipient in the last year and if so to how many; whether there is a written contract for the performance of such services; and other information to substantiate that the service provider is a true independent contractor and not an employee. In addition, PERS will utilize the IRS test as a factor in determining whether an individual is an employee versus an independent contractor in making this determination.

If, after a review of all pertinent information, PERS determines that the individual will be performing services as a true independent contractor, the retiree will be notified of same and contracting for such services shall not affect his or her retirement allowance. If, however, PERS determines that such individual is actually an employee, the retirement allowance will be terminated and benefits repaid unless such reemployment follows the guidelines and limitations of this regulation.

110 Employment through a Third Party

The limitations on reemployment while in receipt of a retirement allowance may not be circumvented by contracting to perform services through a third party (i.e., a placement or temporary employment agency). If an individual is performing services with a covered agency as an employee, the reemployment limitations will apply whether a particular retiree has been reemployed directly by the covered agency or through a third party. Whether a retiree has been reemployed with a PERS covered agency, directly or indirectly, is a question of fact to be determined by PERS. In making such determination, PERS will use the IRS factors to determine whether an individual is an employee along with other factors such as the extent to which control is exercised over details of the work by the individual; whether or not the retiree employed is engaged in a distinct occupational business; the skill required in the occupation; whether the employer supplies the tools and place of work; the length of time for which the person is employed; the method of payment; whether the work involved is part of the "regular business" of the employer.

111 Recovery of Benefits Issued in Error Due to Noncompliance with Provisions of this Regulation

Should a retiree fail to comply with the provisions of this regulation resulting in the issuance of benefits in error, monthly benefits shall be canceled where necessary, and a demand shall be made for the return of any such benefits erroneously issued. The retiree shall be given 30 days to return any benefit overpayment without an interest penalty. If any overpayment is not returned within 30 days from the date that notification is issued, the retiree shall be liable for the return of the overpayment plus interest thereon at 10 percent per annum plus all costs of collection with a minimum interest assessment of $50.

(History of PERS Board Regulation 34: Amended October 28, 1997 to be effective December 15, 1997, except as specifically otherwise provided; amended effective July 1, 2001; amended effective April 1, 2002; amended July 1, 2002; amended February 1, 2004; amended 6/21/2005 to be effective 8/1/2005; reformatted August 1, 2007; amended effective July 1, 2010; amended effective July 1, 2011; amended effective December 1, 2013; amended effective August 1, 2014; January 17, 2020; amended effective October 1, 2020; amended effective July 1, 2024; amended effective ~~July 2, 2026~~ July 1, 2026)

Recommendation
Approve the engagement of Managed Medical Review Organization, Inc. (MMRO) to provide disability determination and disability appeal services.

Scope of Work
• Disability Determination Services
• Disability Appeal Services

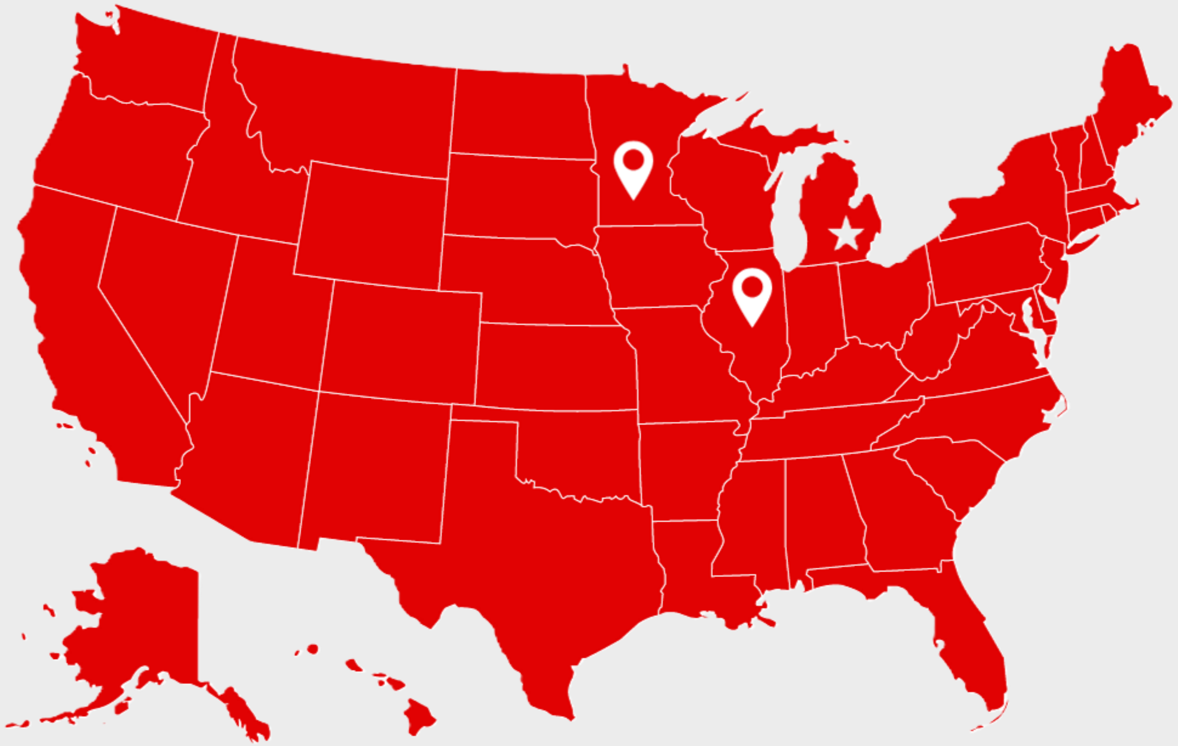
The scope of work includes reviewing all medical and supporting documentation submitted for disability claims and determining whether the claim should be approved, denied, or referred for an independent medical evaluation to support an objective decision.

For disability appeals, upon receipt of a completed Notice of Appeal, MMRO will schedule and conduct a hearing. Following the hearing, MMRO will provide a recommendation to the PERS Board of Trustees, which will issue the final decision on the appeal.

Published Timeline
1. RFP Released – April 13, 2026
2. Deadline for Written Questions – April 27, 2026
3. Responses to Written Questions Posted to PERS Website – May 8, 2026
4. RFP Response Due Date – June 1, 2026
5. Recommendation to Board – June 23, 2026

Procurement Process
- The RFP was published online and issued to three firms invited to submit proposals for the requested services.
- Experience requirements included education and training, relevant work history, medical specialties, licenses, and professional credentials.
- Four responses were received and evaluated by a three-member team (Melanie Estridge, Brandy Harris, and Lisa Green). Proposals were assessed based on experience, completeness and quality of response, submission of a signed confidentiality agreement, agreement to essential contract and statutory requirements, and proposed fees.
- MMRO was identified as the most qualified respondent and recommended to the Executive Director for approval.

MANAGED MEDICAL REVIEW ORGANIZATION, INC.



Corporate Offices

MI
NOVI

Satellite Offices

IL, MN

Who We Are &
What We Do Best

MMRO is a national leader in providing Case Management and Disability Retirement Review Services to Public Retirement Systems.

We partner with more than 75 state, county and municipal retirement systems nationwide.

Our specialties include:

- Trailblazer in modernizing and streamlining disability retirement programs
- Integrating cutting-edge technology alongside the industry's best practices.
- Ensuring compliance with all relevant statutes, ordinances, and administrative regulations.

PUBLIC RETIREMENT SYSTEM **CLIENTS**

MMRO services approximately **75 State, County, and Municipal Retirement System Clients** throughout the country.

We proudly complete over 15,000 Public Retirement System claim reviews per year.

SERVICES OFFERED TO

PUBLIC RETIREMENT SYSTEMS

MMRO prides itself on an ability to uniquely tailor a disability review program that meets our client's needs. The service lines we offer to meet these goals include the following:

- ✓ **Pre-Claim Administrative Services**
- ✓ **Disability Case Management Services**
- ✓ **Physician Review Recommendation Services**
- ✓ **Independent Medical Evaluation Services**
- ✓ **Vocational Assessment Services**

Managed Medical Review Organization, Inc.

WHAT MAKES MMRO A GREAT PARTNER?

Experience & Qualifications

Over **15 years** of experience enhancing and streamlining disability retirement programs across the country.

Program Approach

Our Clinically-led approach applies industry best practices and offers customizations to your specific operational needs and statutory requirements.

Physician Reviewer Network

Access to over 325 **reviewers** across all major specialties and subspecialties.

Quality Management

Ensuring quality, compliance, and objective medical evidence in every recommendation report.

Technology & Security

Best-in-class electronic portal solution and data security to support our clients

URAC ACCREDITATION

MMRO maintains accreditation as an Independent Review Organization.

MMRO adheres to nationally recognized standards to ensure Quality, Credibility and Independence.

MMRO applies URAC Standards to every aspect of the disability retirement program, including:

- Credentialing & Qualifications
- Conflict of Interest
- Quality Review & Measure
- Quality Management & Control

PROGRAM CUSTOMIZATION

We combine industry expertise, innovative strategies, and a flexible operational framework to meet the unique needs of each retirement system client. Our approach ensures compliance with legislative requirements and addresses operational demands.

Key Customization Examples:

- ✓ Tailored Process Workflows
- ✓ Physician Review Templates
- ✓ Performance Reports

Dedicated Team

Clinical Program Lead

Expert member of our team dedicated as the primary point of contact for all program questions and inquiries

Claims Liaison

Responsible for the administrative oversight of disability claim review and monitors the operational coordination of the disability retirement claims

Disability Nurse Case Manager

Clinical professional with the oversight and completion of assigned disability claims, reviewing for missing medical records, clinical case management, and quality assurance

Medical Records Specialist

Responsible for preparing the medical claim file for the Physician Reviewer by culling, organizing, and indexing the claim documents

Disability Review Specialist

Responsible for facilitating all aspects of the Physician Review process.

PHYSICIAN REVIEWER NETWORK

MMRO maintains an extensive network of ***over 325*** board certified and fully credentialed physician medical consultants for disability retirement claim review services ***in virtually all major specialties and sub-specialtie***s. Physician Reviewer specialties utilized by MMRO are in accordance with those recognized by:

American Board of Professional Psychology (ABPP)

American Board of Medical Specialties (ABMS)

Osteopathic Board Certification (AOA)

American Board of Podiatric Medicine (ABPM)

Physician reviewers possess extensive training and expertise in the specific statutes and considerations relevant to disability retirement. Their specialties encompass, but are not limited to:

- *Addiction Medicine*
- *Addiction Psychiatry*
- *Anesthesiology*
- *Anesthesiology - Pain Medicine*
- *Cardiovascular Disease*
- *Child & Adolescent Psychiatry*
- *Clinical Cardiac Electrophysiology*
- *Colon & Rectal Surgery*
- *Dermatology*
- *Diagnostic Radiology*
- *Emergency Medicine*
- *Emergency Medicine - Medical Toxicology*
- *Endocrinology, Diabetes, & Metabolism*
- *Family Medicine*
- *Female Pelvic Medicine and Reconstructive Surgery*
- *Gastroenterology*
- *General Allergy & Immunology*
- *Geriatric Medicine*
- *Gynecologic Oncology*
- *Hematology*
- *Infectious Disease*
- *Internal Medicine*
- *Internal Medicine – Sleep Medicine*
- *Internal Medicine – Sports Medicine*
- *Interventional Cardiology*
- *Interventional Radiology and Diagnostic Radiology*
- *Medical Oncology*
- *Medical Toxicology*
- *Nephrology*
- *Neurological Surgery*
- *Neurology*
- *Neurology - Pain Medicine*
- *Neurology - Sleep Medicine*
- *Neuromuscular Medicine*
- *Neurotology*
- *Obstetrics and Gynecology*
- *Occupational Medicine*
- *Orthopedic Surgery*
- *Orthopedic Surgery – Surgery of the Hand*
- *Otolaryngology*
- *Otolaryngology - Sleep Medicine*
- *Physical Medicine & Rehabilitation - Pain Medicine*
- *Physical Medicine & Rehabilitation - Sports Medicine*
- *Physical Medicine and Rehabilitation*
- *Plastic Surgery*
- *Plastic Surgery - Surgery of the Hand*
- *Plastic Surgery w/in Head & Neck*
- *Psychiatry*
- *Pulmonary Disease*
- *Radiation Oncology*
- *Rheumatology*
- *Spinal Cord Injury Medicine*
- *Sports Medicine*
- *Surgery*
- *Thoracic Surgery*
- *Urology*
- *Vascular and Interventional Radiology*
- *Vascular Surgery*
- *Vascular Surgery - Surgery of the Hand*

CLIENT PORTAL **FUNCTIONALITY**

Create Claims

Client staff create new disability retirement claims on behalf of disability applicants. Can upload any related information, such as medical records, directly to the portal.

View Claim Status

Client can view the status of existing disability claims administered by MMRO. A customized set of key fields will be made visible to authorized users for view-only access.

Modify Claim Information

Client staff can add or change select fields on disability retirement claims, as well as provide updates to disability applicants' demographic information (address, email, phone).

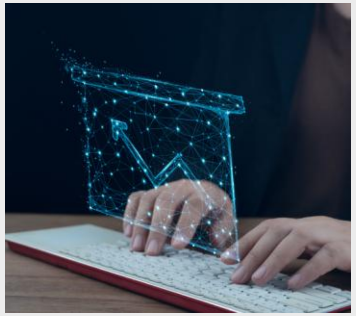
View Claim Data & Recommendations

Client staff can view and retrieve final Disability Recommendation Reports, along with the indexed claim file and all applicable claim information.

DATA ANALYTICS AND **REPORTING**

Data Collection

- Optimize efficiency of internal systems and processes.
- Identify emerging patterns and trends in real-time.
- Measure and monitor Key Performance Indicators (KPIs).
- Predictive analytics to proactively recognize and address potential issues.
    - Operational changes, process improvements, physician specialty composition, quality control measures, billing processes.
- Deliver standardized and ad-hoc reporting packages tailored to clients' needs.



Performance Reporting

- Actively tracking and managing each milestone of the Disability Management and Physician Review and Recommendation process.
- Various data collection measurements available to Client.
- Ability to configure final reports into virtually any format requested.

IMPLEMENTATION & ONBOARDING

1 Implementation Prep

Introduction

- Provide Client with an overview of MMRO's services, team structure, and key points of contact.
- Introduction to MMRO's Disability Management and Physician Review Recommendation process and how it aligns with Client's goals and objectives.

Communication

- Establish regular communication channels and checkpoints to facilitate efficient and effective ongoing collaboration.

2 Implementation

Assessment

- Conduct a thorough assessment of Client's specific requirements and expectations.

Customization

- Tailor MMRO's processes and workflows to align with Client's requirements and preferences.

Training

- Train MMRO staff on the unique requirements of Client's program.

Documentation

- Ensure that all necessary documentation is in place to formalize the relationship between Client and MMRO.

Continuous Improvement

- Implement mechanisms for monitoring and evaluating the quality of MMRO's services provided to Client.

3 Technology Activation

System Configuration and Testing

- Configure and test MMRO's system.

Workflow Optimization

- Implement automation tools and workflows to streamline case processing.

Data Governance and Security

- Review data governance policies and security measures to safeguard the confidentiality, integrity, and availability of data

Performance Optimization

- Track system performance, identifying and resolving any issues or inefficiencies.

Economic Assumption Review

Public Employees Retirement System of Mississippi

Presented June 24, 2026

CavMac
Actuarial Consulting Services

Inflation Assumption

- Price inflation represents annual increase in cost of living, measured by CPI
- Current assumption is 2.40%
- Indirectly impacts the valuation as a component of other economic assumptions
  - Investment return assumption
  - Individual salary increase assumption
- Inflation assumption must be consistent among all economic assumptions

Future Inflation Expectations

Source	Expected Inflation
Callan	2.50%
2025 Horizon Survey (10 years)	2.38%
2025 Horizon Survey (20 years)	2.40%
Bond Market December 2025 (30 years)	2.27%
2025 Social Security Report (75 years)	2.40%
Survey of Professional Forecasters (10 years)	2.40%
Other Public Plans	2.54%

- The current assumption of 2.40% is within the reasonable range of current inflation expectations.
- Based on the data, we recommend no change to the inflation assumption.

Investment Return Assumption

- Critical assumption in the valuation process

- Used to discount future benefit payments to “present value” (current lump sum value)

- Direct impact on the calculation of liabilities and costs

- Considerations in setting this assumption
  - System’s asset allocation is key driver
  - Expected real rates of return on asset classes
  - Underlying inflation assumption
  - Industry trends – note different plans have different asset allocations so not directly comparable

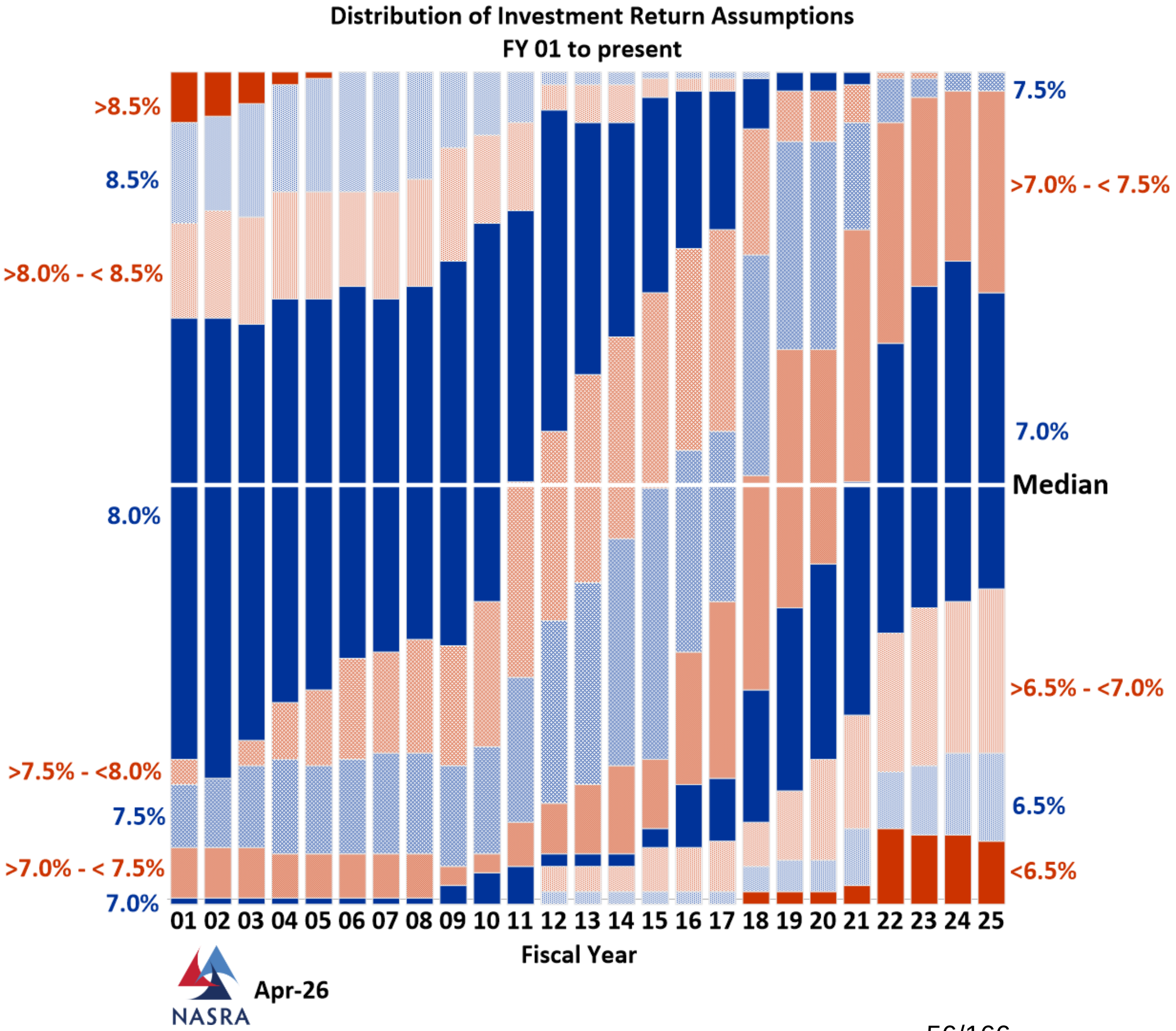
CavMac's Forward-Looking Expectations

CavMac Actuarial Consulting Services

- Current assumption is 7.00%:
  - **2.40% inflation and 4.60% real rate of return**

Source	Real Rate of Return	Inflation Assumption	Nominal Return
Callan CAPM	4.80%	2.50%	7.30%
Horizon Survey (10 years)	4.82%	2.38%	7.20%
Horizon Survey (20 years)	5.21%	2.40%	7.61%

2025 Peer Group Comparison



This graph shows that investment return assumptions for large US public retirement systems decreased significantly between 2011 and 2021.

The median return appears to have stabilized at 7.0%.

Recommendation for Investment Return Assumption

CavMac
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- The outlook for investment return tends to vary dramatically with the point in time at which it is measured. With current contribution shortfalls and increasing negative cash flow, PERS is less positioned to absorb adverse investment experience.

- In our professional opinion, the investment return assumption is reasonable, conservative based on expectations, and should be maintained at this time.

	Current	Proposed
Real Rate of Return	4.60%	4.60%
Assumed Inflation	2.40%	2.40%
Net investment return	7.00%	7.00%

Appendix
Supplemental Information

Historical Inflation (Measured 6/30/2025)

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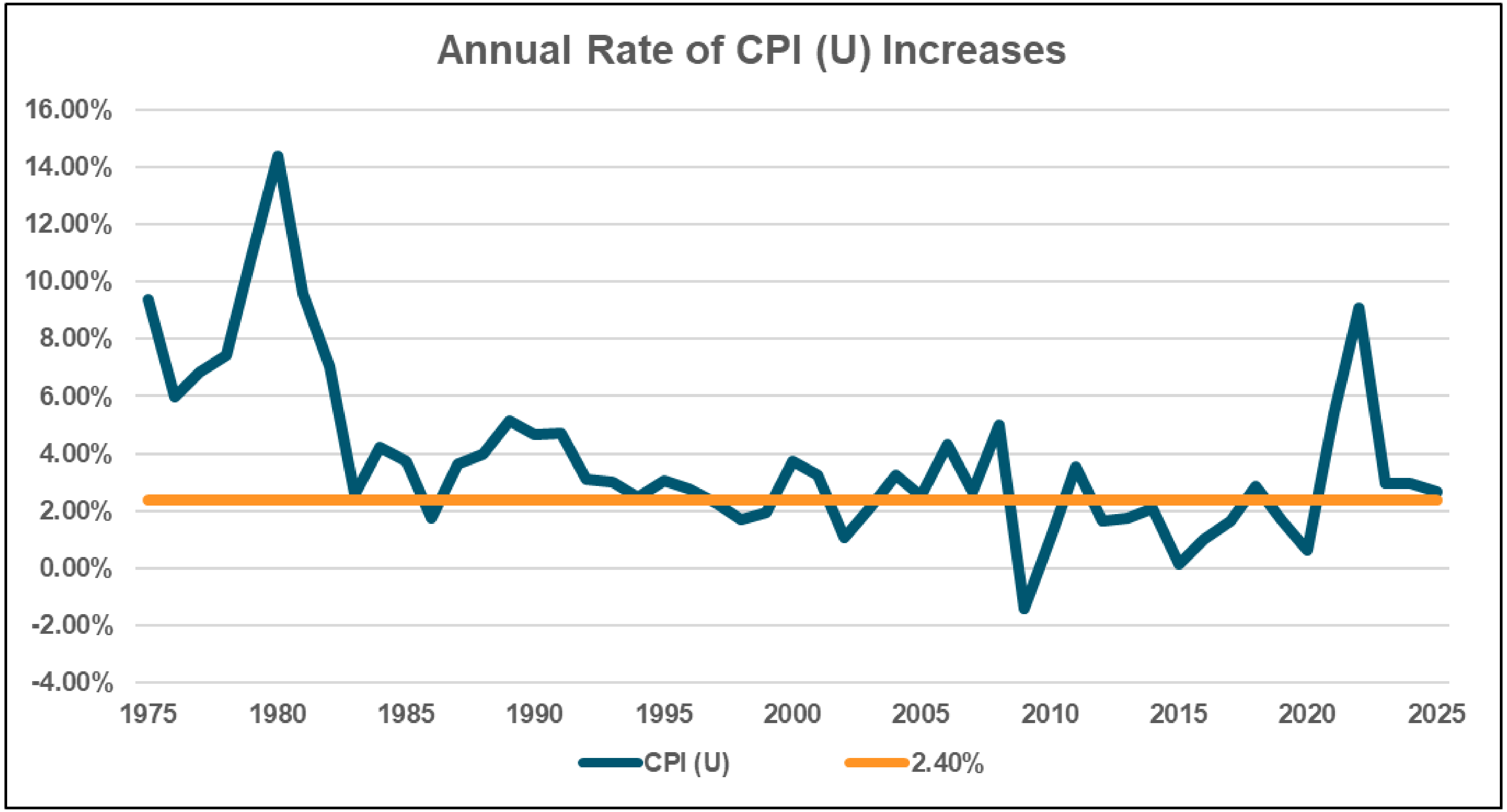
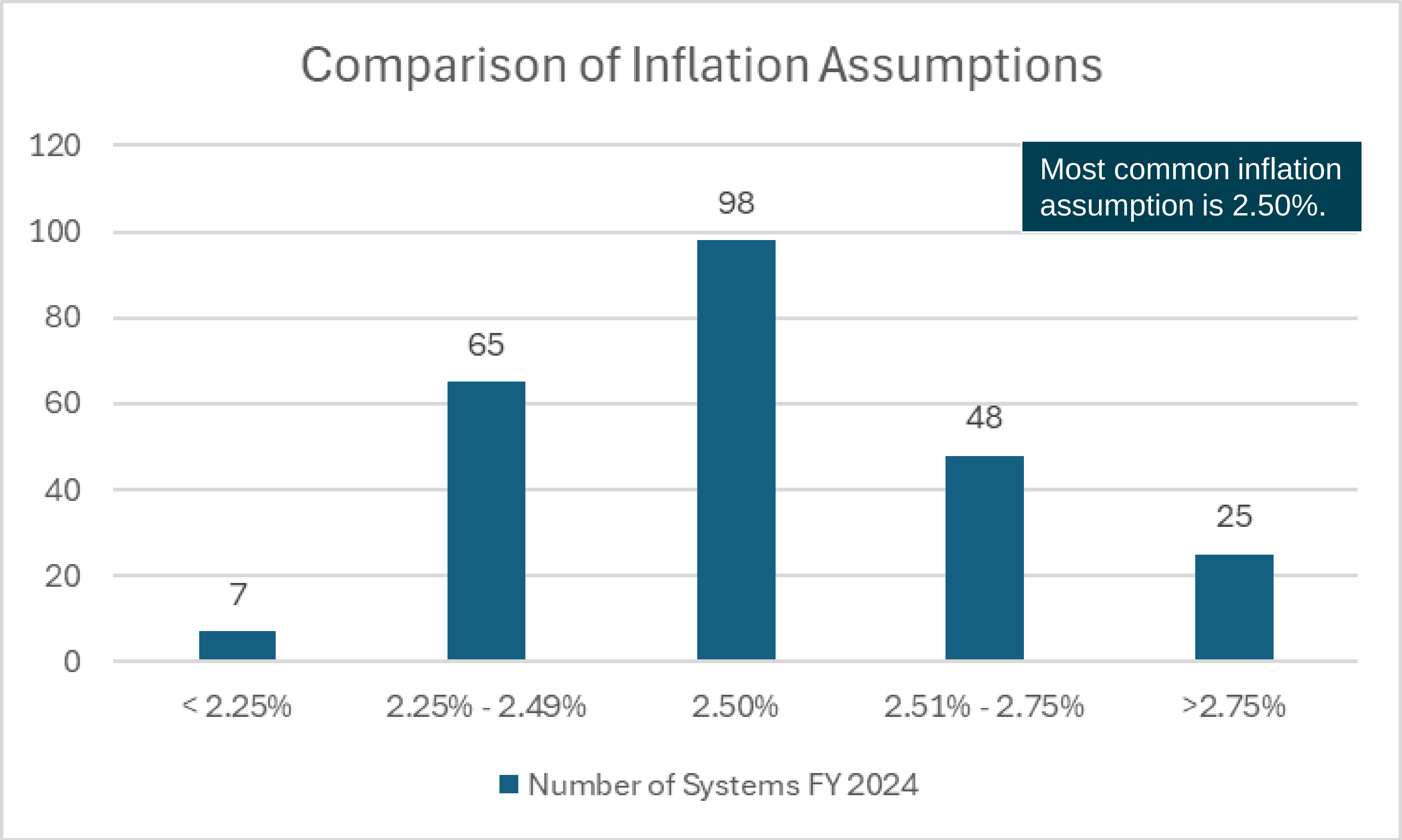


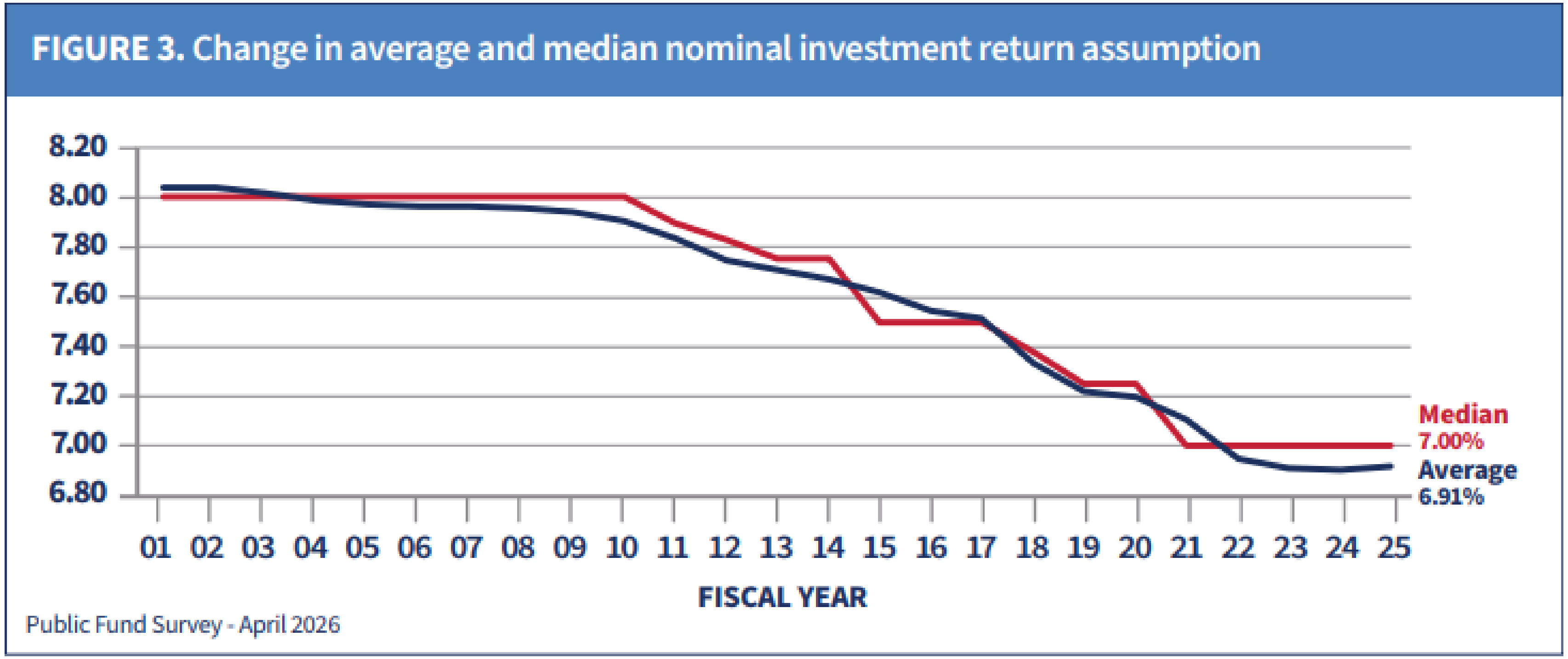
Period	Inflation
100 Years	2.96%
60 Years	3.95%
50 Years	3.65%
40 Years	2.78%
30 Years	**2.53%**
20 Years	2.56%
10 Years	3.06%

Distribution of Inflation Assumption (Public Plans)



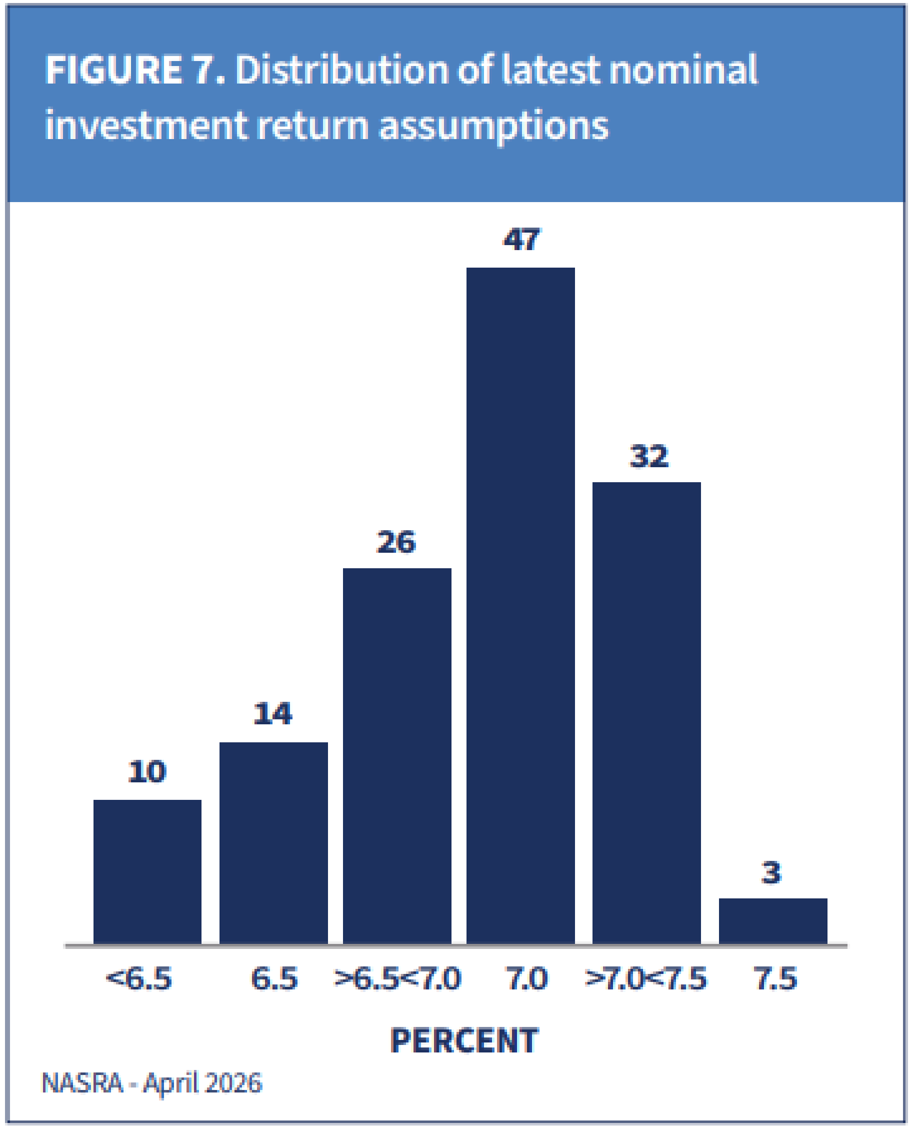
From 243 plans in the Public Plan Database of the Center for Retirement Research

Peer Group Return Assumptions



The key takeaway from this graph is PERS' current assumption (7.00%) is in line with other public funds.

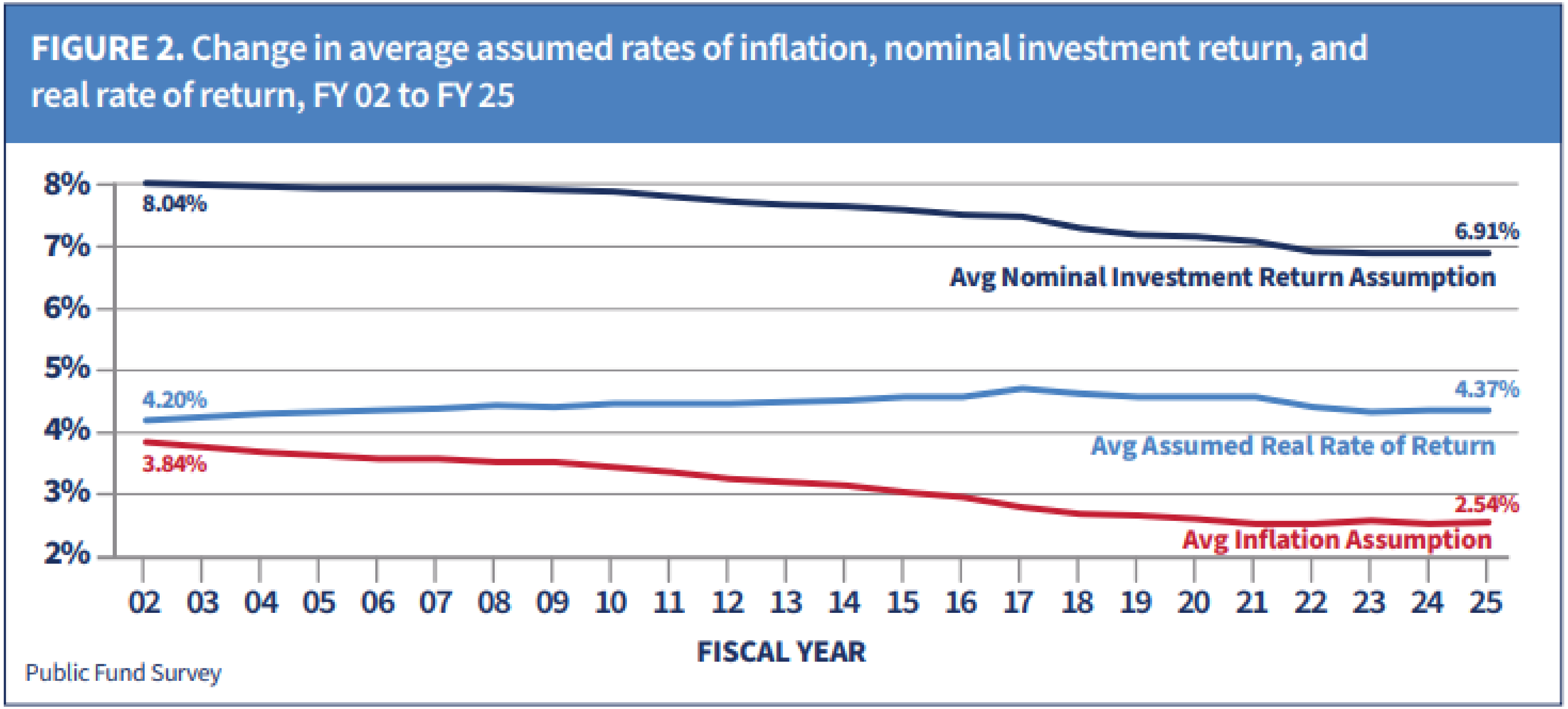
Distribution of Return Assumption (Public Plans)



47 of the 132 plans (40%) in the survey use an investment return assumption of 7.0%, making it by far the most common assumption.

However, asset allocations vary which may impact the selection of the investment return assumption, along with the Board's risk perspective.

Investment Return Assumption Trend



Note: Investment mixes may differ significantly between funds.

Public Employees' Retirement System of Mississippi

Economic Assumption Review

Prepared as of June 30, 2026

CavMac
Actuarial Consulting Services

June 10, 2026

Board of Trustees
Public Employees' Retirement System of Mississippi
429 Mississippi Street
Jackson, MS 39201-1005

Members of the Board:

Per request, an investigation of the economic assumptions of the Public Employees' Retirement System (PERS) of Mississippi has been completed.

The purpose of this investigation was to assess the reasonability of the current PERS economic assumptions. As a result of the investigation, we believe that the current economic assumptions are reasonable, and we recommend no changes at this time.

In order to prepare the results in this investigation, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results.

We hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board (ASB) and the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

We further certify that, in our opinion, the assumptions developed in this report satisfy Actuarial Standards of Practice, in particular No. 27 (Selection of Assumptions for Measuring Pension Obligations).

ATLANTA OFFICE | 3550 Busbee Parkway | Suite 250 | Kennesaw, GA 30144
Phone: 678-388-1700 | **CavMacConsulting.com**

The experience investigation was performed by, and under the supervision of, independent actuaries who are members of the American Academy of Actuaries with experience in performing valuations for public retirement systems. The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

Edward J. Koebel, EA, FCA, MAAA
Chief Executive Officer

Wendy Ludbrook, FSA, EA, FCA, MAAA
Consulting Actuary

Darby L. Carraway, ASA, FCA, MAAA
Actuary

Table of Contents

SECTION I – EXECUTIVE SUMMARY

Cavanaugh Macdonald Consulting, LLC (CavMac) has performed this economic assumption review for each of the Plans under the PERS' Board of Trustees purview as of June 30, 2026. This report presents the results, analysis, and recommendations of our study.

These assumptions have been developed in accordance with generally recognized and accepted actuarial principles and practices that are consistent with the applicable Actuarial Standards of Practice adopted by the Actuarial Standards Board (ASB). While the recommended assumptions represent our best estimate of future experience, there are other reasonable assumption sets that could be supported by the results of this economic assumption review. Those other sets of reasonable assumptions could produce liabilities and costs that are either higher or lower.

The following summarizes the findings and recommendations with regard to the economic assumptions utilized for PERS. Detailed explanations are found in the section that follows.

Economic assumptions are some of the most visible and significant assumptions used in the valuation process. The items in the broad economy modeled by these assumptions can be very volatile over short periods of time, as clearly seen in the economic downturn in 2008 followed by the rebound in many financial markets in the years following, or with the disturbance during the recent pandemic and subsequent recovery. Our goal is to try to find the emerging long-term trends in the midst of this volatility so that we can then apply reasonable assumptions.

A common approach used by actuaries to develop economic assumptions is the building-block approach. For example, the expected return on assets is based on the expectation for inflation plus the expected real return on assets. At the core of the economic assumptions is the inflation assumption. As we discuss later in the report, **we recommend that the price inflation assumption be maintained at 2.40%**.

We also recommend that the long-term expected return on assets assumption be maintained at 7.00%, reflecting a 2.40% inflation assumption and a 4.60% real rate of return assumption. This will be discussed in detail later in this report, but a real rate of return of 4.60% is supported by the forecasting models developed using Callan's 2026 Capital Market Projections, the Horizon Actuarial Services, LLC. Survey conducted in 2025, and the Board's target asset allocation.

SECTION I – EXECUTIVE SUMMARY

The following table summarizes the current and proposed economic assumptions:

Item	Current	Proposed
Price Inflation	2.40%	2.40%
Investment Return*	7.00%	7.00%

* Net of investment expenses only.

Although we have recommended no changes in the set of economic assumptions, we recognize there may be other sets of economic assumptions that are also reasonable for purposes of funding PERS. For example, we have typically reflected conservatism to the degree we would classify as moderate. Actuarial Standards of Practice allow for this difference in approaches and perspective, as long as the assumptions are reasonable and consistent.

Financial Impact

Since we are recommending no changes to the economic assumptions, there is no financial impact at this time.

SECTION II – ECONOMIC ASSUMPTIONS

Actuarial Standard of Practice (ASOP) No. 27, *"Selection of Assumptions for Measuring Pension Obligations"* provides guidance to actuaries in selecting economic assumptions for measuring obligations under defined benefit plans. ASOP No. 27 requires that each economic assumption selected by the actuary should be reasonable which means it has the following characteristics:

- It is appropriate for the purpose of the measurement;
- It takes into account historical and current economic data that is relevant as of the measurement date;
- It reflects the actuary's estimate of future experience, the actuary's observation of the estimates inherent in market data, or a combination thereof; and
- It has no significant bias (i.e., it is not significantly optimistic or pessimistic), except when provisions for adverse deviation or plan provisions that are difficult to measure are included and disclosed, or when alternative assumptions are used for the assessment of risk.

Each economic assumption should individually satisfy this standard. Furthermore, with respect to any particular valuation, each economic assumption should be consistent with every other economic assumption over the measurement period.

Price Inflation

Background

Assumed price inflation is used as the basis for the investment return assumption. It is important that the price inflation assumption be consistently applied throughout the economic assumptions utilized in an actuarial valuation. This is called for in ASOP No. 27 and is also required to meet the parameters for determining pension liabilities and expense under Governmental Accounting Standards Board (GASB) Statements No. 67 and 68.

The long-term relationship between price inflation and investment return has long been recognized by economists. The basic principle is that the investor demands a more or less level "real return" – the excess of actual investment return over price inflation. If inflation rates are expected to be high, investment return rates are also expected to be high, while low inflation rates are expected to result in lower expected investment returns, at least in the long run.

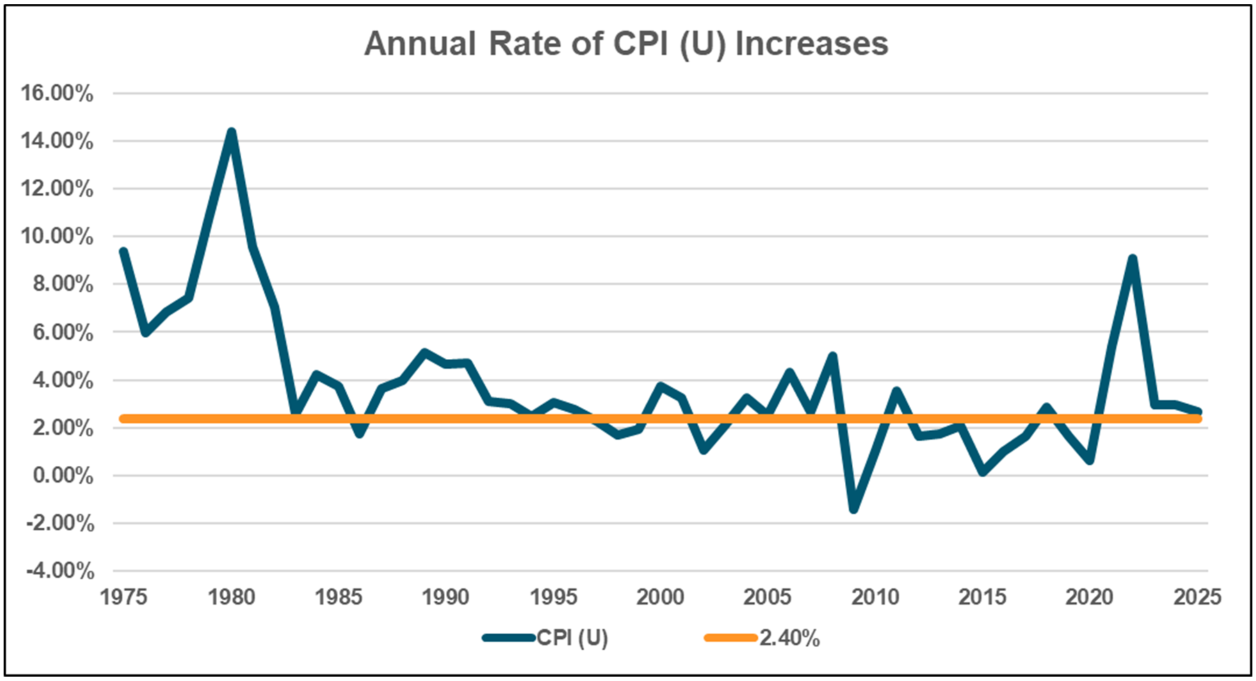
The current price inflation assumption is 2.40% per year.

Past Experience

The Consumer Price Index, US City Average, All Urban Consumers, CPI (U), has been used as the basis for reviewing historical levels of price inflation. The table below provides historical annualized rates and annual standard deviation of the CPI-U over periods ending June 30th.

Period	Number of Years	Annualized Rate of Inflation	Annual Standard Deviation
1926 – 2025	99	2.96%	4.00%
1965 – 2025	60	3.95%	2.88%
1975 – 2025	50	3.65%	2.83%
1985 – 2025	40	2.78%	1.74%
1995 – 2025	30	2.53%	1.86%
2005 – 2025	20	2.56%	2.23%
2015 – 2025	10	3.06%	2.49%

The following graph illustrates the historical levels of price inflation measured as of June 30th of each of the last 50 years and compared to the current 2.40% annual rate currently assumed.



As can be seen from the table on the previous page, over the last 30 years, the average annual rate of increase in the CPI-U has been just over 2.50%. The higher annual rates of inflation for 2021 and 2022 have increased this average.

Forecasts

Additional information to consider in formulating this assumption is obtained from measuring the spread on Treasury Inflation Protected Securities (TIPS) and from the prevailing economic forecasts. The spread between the nominal yield on treasury securities (bonds) and the inflation indexed yield on TIPS of the same maturity is referred to as the "breakeven rate of inflation" and represents the bond market's expectation of inflation over the period to maturity.

SECTION II – ECONOMIC ASSUMPTIONS

The table below provides the calculation of the breakeven rate of inflation as of June 30, 2025.

Years to Maturity	Nominal Bond Yield	TIPS Yield	Breakeven Rate of Inflation
10	4.24%	1.95%	2.29%
20	4.79%	2.32%	2.47%
30	4.78%	2.51%	2.27%

As this data indicates, the bond market is anticipating very low inflation of 2.2% to 2.5% for both the short and long term. The bond market expectations may be heavily influenced by the expectations of actions by the Federal Reserve Bank. Whether inflation returns to the higher rates observed historically remains to be seen. We note that measures can move fairly significantly over just a few months.

Based upon information contained in the "Survey of Professional Forecasters" for the second quarter of 2026 as published by the Philadelphia Federal Reserve Bank, the median expected annual rate of inflation for the next ten years is 2.40%. Although 10 years of future expectation is too short of a period for the basis of our inflation assumption, the information does provide some evidence that the consensus expectations of these experts are for rates of inflation very close to our current assumption of 2.40% for the near-term future.

The latest forecast from the National Association for Business Economics (NABE) released in March 2026 shows its members largely agree that recent geopolitical developments may reduce 2026 GDP growth and push headline and core inflation higher this year and possibly into 2027.

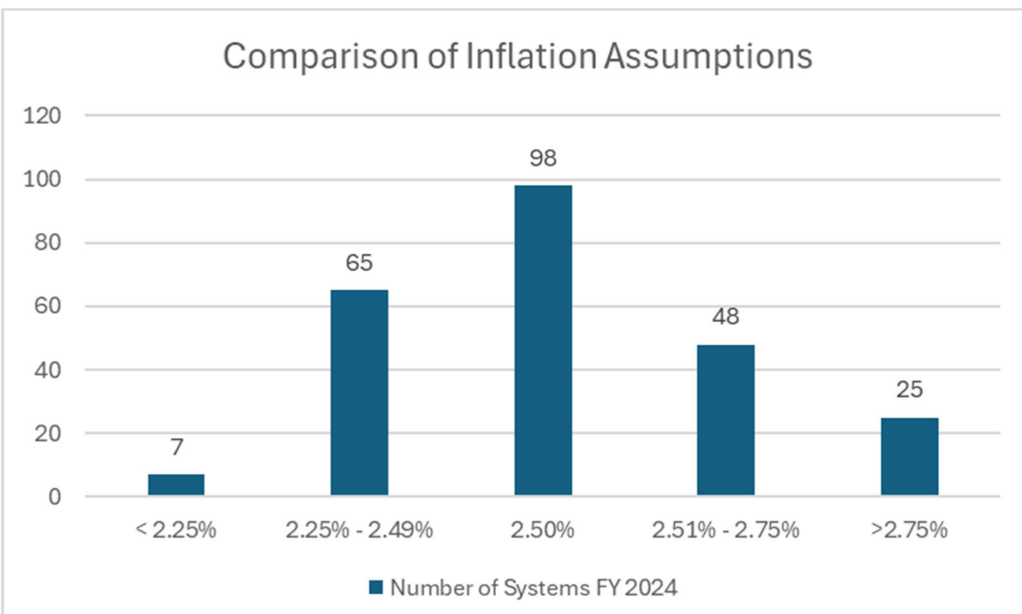
PERS' investment consultant, Callan, also has an inflation forecast in their capital market assumptions. Their short-term assumption (10 years) is 2.50%. Horizon Actuarial Services surveys a significant portion of the major investment advisors and publishes their assumptions as well. For the 2025 Horizon study, the inflation assumptions for the next 10-year period and 20-year period are 2.38% and 2.40%, respectively.

Social Security Administration

Although many economists forecast lower inflation than the assumption used by most retirement plans, they are generally looking at a shorter time horizon than is appropriate for a pension valuation. To consider a longer, similar time frame, we looked at the expected increase in the CPI by the Office of the Chief Actuary for the Social Security Administration. In the 2025 annual report, the projected ultimate average annual increase in the CPI over the next 75 years was estimated to be 2.40%, under the intermediate (best estimate) cost assumption. The range of inflation assumptions used in the Social Security 75-year modeling, which includes a low and high-cost scenario, in addition to the intermediate cost projection, was 1.80% to 3.00%. These rates remained unchanged from their 2024 annual report.

Peer Comparison

While we do not recommend the selection of any assumption based on what other systems use, it does provide another set of relevant information to consider. The following chart shows the inflation rate assumptions of 243 plans in the Public Plan Database of the Center for Retirement Research. Based on the current data, the average inflation assumption is 2.54%. The assumptions are from actuarial valuations reported in FYE 2024. Although inflation has spiked recently, we have not seen a reversal of this trend and expect most systems to take a wait-and-see approach.



SECTION II – ECONOMIC ASSUMPTIONS

Recommendation

It is difficult to predict inflation accurately. Inflation's short-term volatility is illustrated by comparing its average rate over the last 10 and 60 years. Although the 10-year average of 3.06% is closer to the System's assumed rate of 2.40%, the longer 60-year average of 3.95% is much higher and it includes the very high rates of inflation from the late 1970s and early 1980s.

Although we have experienced rather high inflation in 2021 and 2022 during the recovery from the COVID-19 pandemic, current economic forecasts suggest annual inflation rates closer to 2.40% over the short-term and long-term, respectively. We concur with these forecasts and recommend maintaining the inflation assumption for the System at 2.40%.

Price Inflation Assumption	
Current	2.40%
Recommendation	2.40%

Section II – Economic Assumptions

Investment Return

Background

The assumed investment return is one of the most significant assumptions in the annual actuarial valuation process as it is used to discount the expected benefit payments for all active, inactive and retired members. Minor changes in this assumption can have a major impact on valuation results. The investment return assumption should reflect the asset allocation target for the funds set by the Board of Trustees.

The current assumption is 7.00%, consisting of a price inflation assumption of 2.40% and a real rate of return assumption of 4.60%.

Long Term Perspective

Because the economy is constantly changing, assumptions about what may occur in the near term are volatile. Asset managers and investment consultants usually focus on this near-term perspective in order to make prudent choices regarding how to invest the trust funds. For actuarial calculations, we typically consider very long periods of time. For example, a newly, hired employee who is 25 years old may work for 35 years, to age 60, and live another 30 years, to age 90 (or longer). The retirement system would receive contributions for the first 35 years and then pay out benefits for the next 30 years. During the entire 65-year period, the system is investing assets related to the member. For such a typical career employee, more than one-half of the investment income earned on assets accumulated to pay benefits is received after the employee retires. In addition, in an open, ongoing system like PERS, the stream of benefit payments is continually increasing as new hires replace current members who leave covered employment due to death, termination of employment, and retirement. This difference in the time perspective used by actuaries and investment consultants is frequently a source of debate and confusion when setting economic assumptions.

Past Experience

One of the inherent problems with analyzing historical data is that the results can look significantly different depending on the timeframe used, especially if the year-to-year results vary widely. In addition, the asset allocation can also impact the investment returns so comparing results over long periods when different asset allocations were in place may not be meaningful.

Section II – Economic Assumptions

The assets for PERS are valued using a widely accepted asset-smoothing methodology that fully recognizes the expected investment income and also recognizes 20% of each year's investment gain or loss (the difference between actual and expected investment income). The recent experience over the last five years is shown in the table below.

Year Ending 6/30	Actuarial Value	Market Value
2025	9.1%	11.2%
2024	7.3%	10.4%
2023	6.9%	7.4%
2022	8.5%	-8.6%
2021	12.5%	32.2%
Average	8.9%	10.5%

While important to review and analyze, historical returns over such a short time period are not credible for the purpose of setting the long-term assumed future rate of return.

Future Expectation Analysis

ASOP 27 provides that the actuary may rely on outside experts in setting economic assumptions. PERS utilizes the services of Callan to assist them in developing investment strategies and providing capital market assumptions for the PERS portfolio. As part of their duties, Callan periodically performs asset-liability studies, along with comprehensive reviews of the expected return of the various asset classes in which the PERS portfolio is invested. We believe it is appropriate to consider the results of Callan's work as one factor in assessing expected future returns.

Callan's analysis with 2026 assumptions resulted in a projected 10-year geometric return of 7.3% with a standard deviation of 13.8% for the target PERS asset allocation as outlined in Appendix B. This is the same result as the 2025 projections. The results of our real return forward looking analysis are very similar to the real rate of return analysis developed by Callan in their second quarter of 2026 analysis, where they developed a real return expectation of 4.8% over a 10-year perspective.

We also recognize that there can be differences of opinion among investment professionals regarding future return expectations. For a broader view of expected returns, we also reviewed the 2025 Survey of Capital Market Assumptions produced by Horizon Actuarial Services, LLC to see what other investment professionals are currently using for capital market assumptions.

SECTION II – ECONOMIC ASSUMPTIONS

The Horizon survey includes both 10-year perspective and 20-year perspective capital market assumptions. We applied the same statistical analysis to these survey results as we did the capital market assumption of PERS investment advisor with the following real return results for the 10-year perspective. This information provides an additional perspective on what a broad group of investment experts anticipate for future investment returns.

Horizon Survey 10-year perspective

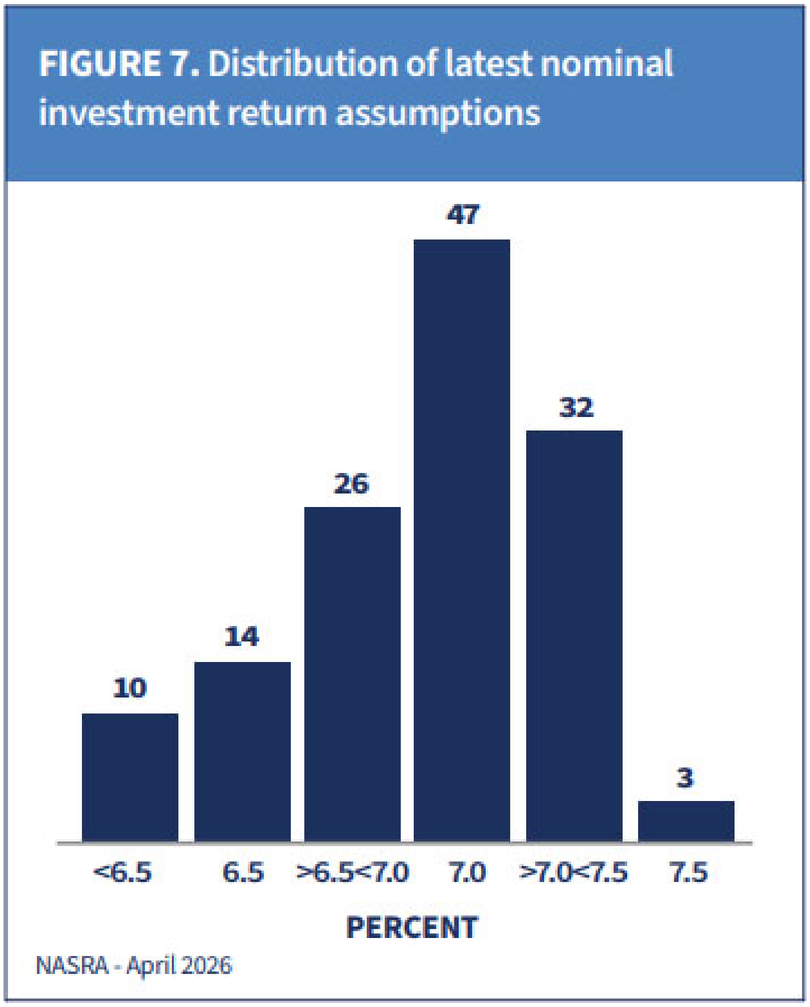
Time Span in Years	Mean Real Return	Standard Deviation	Real Returns by Percentile				
			5th	25th	50th	75th	95th
1	5.65%	13.30%	-14.72%	-3.68%	4.82%	14.07%	28.84%
5	4.99%	5.89%	-4.42%	0.93%	4.82%	8.86%	14.95%
10	4.90%	4.16%	-1.80%	2.06%	4.82%	7.66%	11.89%
20	4.86%	2.94%	0.10%	2.87%	4.82%	6.82%	9.77%
30	4.85%	2.40%	0.95%	3.22%	4.82%	6.45%	8.85%
40	4.84%	2.08%	1.46%	3.43%	4.82%	6.23%	8.30%
50	4.84%	1.86%	1.81%	3.58%	4.82%	6.08%	7.92%

The table below summarizes the 50th percentile returns for each of the three capital market assumptions provided by Callan and the Horizon survey, respectively.

	50th Percentile Returns
Callan – 10 year	4.80%
Horizon – 10 year	4.82%
Horizon – 20 year	5.21%

Peer Comparison

The following chart shows the nominal investment return assumptions of 132 plans in the National Association of State Retirement Administrators (NASRA). The assumptions shown below are as of April 2026 and are updated frequently by the NASRA staff.



SECTION II – ECONOMIC ASSUMPTIONS

Recommendation

By actuarial standards, we are required to maintain a long-term perspective in setting all assumptions, including the investment return assumption. Therefore, we believe we must be careful not to let recent experience or short-term expectations impact our judgment regarding the appropriateness of the current assumption over the long term.

Since PERS currently has a negative cash flow (contributions minus benefit payments) of over $1.6 billion, projected to increase to negative $2.5 billion over the next 10 years due to the legislature not currently contributing the Actuarially Determined Employer Contribution, we do not believe the current PERS environment supports a reduction in the margin for adverse deviation within the investment return assumption. The plan's growing negative cash flow heightens the impact of adverse investment experience, warranting the continued use of a conservative assumption.

Therefore, based on our analysis of the Board's target asset allocation, the analysis of Callan and Horizon Survey forward looking capital market assumptions, and current PERS funding situation, we recommend that a real return assumption of 4.60% be maintained at this time.

Based on an inflation assumption of 2.40% and real return assumption of 4.60%, we have determined a 7.00% expected long term nominal rate of return assumption.

Investment Return Assumption		
	Current	**Recommended**
Real Rate of Return*	4.60%	4.60%
Inflation	2.40	2.40
Net Investment Return	7.00%	7.00%

* Net of investment expenses.

APPENDIX A – HISTORICAL JUNE CPI(U) INDEX

Year	CPI (U)	Year	CPI (U)
1965	31.6	1996	156.7
1966	32.4	1997	160.3
1967	33.3	1998	163.0
1968	35.7	1999	166.2
1969	34.7	2000	172.4
1970	38.8	2001	178.0
1971	40.6	2002	179.9
1972	41.7	2003	183.7
1973	44.2	2004	189.7
1974	49.0	2005	194.5
1975	53.6	2006	202.9
1976	56.8	2007	208.352
1977	60.7	2008	218.815
1978	65.2	2009	215.693
1979	72.3	2010	217.965
1980	82.7	2011	225.722
1981	90.6	2012	229.478
1982	97.0	2013	233.504
1983	99.5	2014	238.343
1984	103.7	2015	238.638
1985	107.6	2016	241.018
1986	109.5	2017	244.955
1987	113.5	2018	251.989
1988	118.0	2019	256.143
1989	124.1	2020	257.797
1990	129.9	2021	271.696
1991	136.0	2022	296.311
1992	140.2	2023	305.109
1993	144.4	2024	314.175
1994	148.0	2025	322.561
1995	152.5		

APPENDIX B –CAPITAL MARKET ASSUMPTIONS

Callan's 10-year Geometric Real Rates of Return and Standard Deviations by Asset Class

Asset Class	Expected Geometric Rates of Return*	Standard Deviation
Global Equity	7.60%	17.80%
Broad U.S. Equity	7.35%	17.35%
Non-U.S. Equity	7.45%	21.25%
Custom Fixed Income	4.80%	4.25%
Real Estate	6.25%	14.00%
Private Infrastructure	6.35%	15.20%
Private Equity	8.50%	27.60%
Private Credit	7.25%	15.70%
Cash	3.00%	0.90%

* Rates above include an inflation assumption of 2.5%

Long Term Asset Allocation Targets

Asset Class	Asset Allocation
Global Equity	12%
Broad U.S. Equity	25%
Non-U.S. Equity	20%
Custom Fixed Income	18%
Real Estate	10%
Private Infrastructure	2%
Private Equity	10%
Private Credit	2%
Cash	1%

Letter Of Transmittal

May 29, 2026

Mr. Ray Higgins
Executive Director
Public Employees' Retirement System of Mississippi
429 Mississippi Street
Jackson, Mississippi 39201-1005

Re: Public Employees' Retirement System of Mississippi – Investment Rate of Return Assumption

Dear Ray:

As requested, we have completed an independent review of the investment rate of return assumption to be used for the upcoming June 30, 2026 actuarial valuation of the Public Employees' Retirement System of Mississippi (PERS or System).

The investment rate of return assumption is generally the most significant of all the assumptions employed in actuarial valuations. The investment rate of return is based on the long-term expected return on plan investments. In the short term, a higher investment return assumption results in lower expected contributions, and a lower investment return assumption will result in higher expected contributions; however, over the long term, actual contributions will depend on actual investment returns and not the expected investment returns. If actual investment returns are lower than expected, contribution rates will increase in the future. It is important to set a realistic investment return assumption so that projections of future contributions for budgeting purposes will not be biased. Factors to consider in selecting the investment rate of return assumption include other public sector plans (industry trends), PERS historical experience, outlook for the future, and the risk tolerance of the Board.

Current Assumption

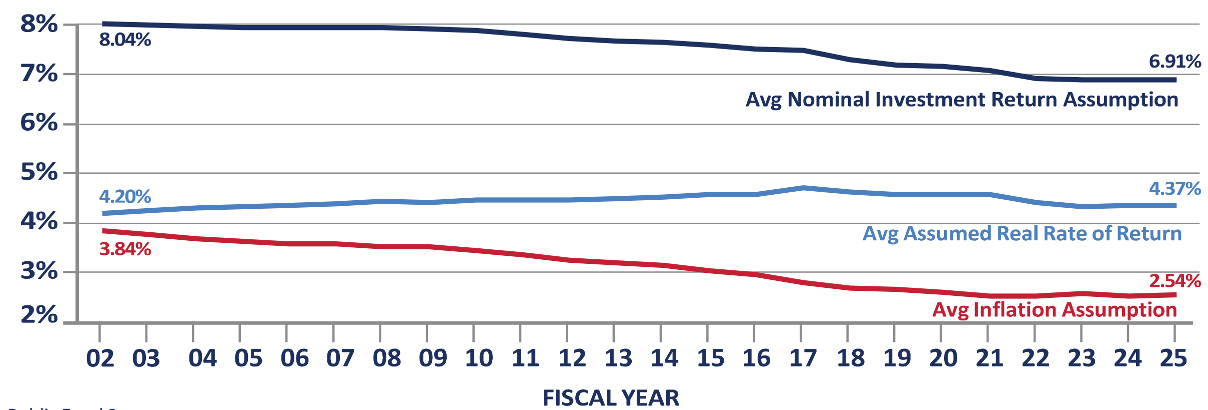
The investment return assumption used in the June 30, 2025 PERS actuarial valuation was 7.00%, net of investment expenses. This consisted of a 2.40% price inflation and a 4.60% real rate of return.

Experience

1. Other Public Sector Plans

While the investment rate of return assumption should be based on the future expected investment returns for the System's investment portfolio, survey information can provide an important context for evaluating the assumption. The National Association of State Retirement Administrators (NASRA) conducts an annual survey of public funds. The latest Public Fund Survey covers 132 large retirement plans. The graph below shows the average investment return used by large public sector plans since 2002.

FIGURE 2. Change in average assumed rates of inflation, nominal investment return, and real rate of return, FY 02 to FY 25

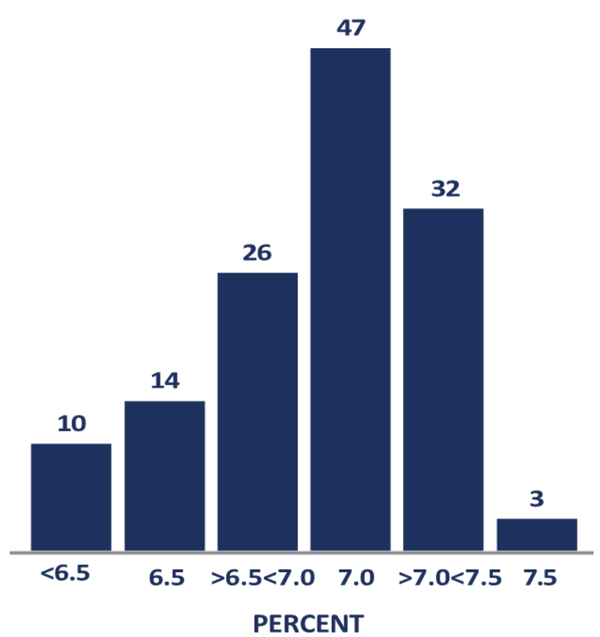


Public Fund Survey

As the NASRA study shows, there has been a downward trend in the investment return assumption used by many large public sector plans. Over the period, all of the 132 plans in the survey have reduced their investment return assumption. Since 2020, the investment return assumption has remained relatively stable. The average assumption for the surveyed plans is now 6.91%.

The chart below shows the distribution of the investment return assumption for the 132 plans.

FIGURE 7. Distribution of latest nominal investment return assumptions



NASRA - April 2026

2. PERS Historical Experience

Similar to survey information, the PERS historical investment return information can provide an important context for evaluating this assumption. While some consideration can be given to historical returns for the System, caution should be exercised to not rely too heavily on this data when establishing an investment return assumption for the future because market conditions during the historical period will impact the results.

With the points above in mind, the table below presents the System's historical investment returns.

Investment Performance		
	MVA	**AVA**
2021	32.2%	12.5%
2022	-8.6%	8.5%
2023	7.4%	6.9%
2024	10.4%	7.3%
2025	11.2%	9.1%
Average	**9.8%**	**8.8%**

3. Outlook for the Future

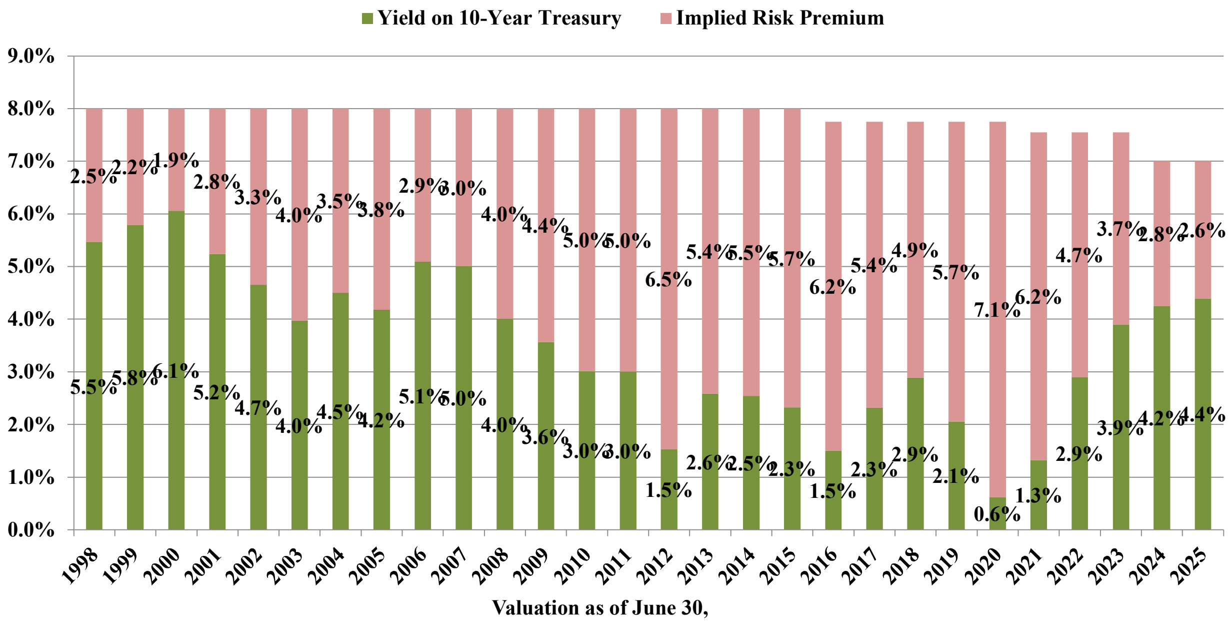
For the reasons previously discussed, future market expectations are a much more important consideration than historical returns. The System's investment consultant, Callan, most recently projected a 7.30% annual return over a 10-year period based on the current asset allocation, and using their underlying assumption of 2.50% inflation.

In order to assess the reasonableness of Callan's expected performance, we calculated the System's expected return based on the 2025 Horizon Capital Market Assumptions Survey. Using Horizon's capital market assumptions and the System's current asset allocation, we calculated the System's expected return to be 6.76% based on a 10-year horizon and 7.13% based on a 20-year horizon.

CavMac's June 30, 2025 actuarial valuation report also shows a negative 4.4% net cash flow in 2025, and it is expected to increase over time. Whereas this is not atypical of a maturing pension plan, the timing of investment returns will have a greater impact on the System.

4. Risk Preference of the Board

As shown in the graph below, the decline in interest rates from 2001 through 2020 made it more and more difficult to achieve a given assumed rate of return. In 1985, the yield on the 10-year Treasury was 10.3%, making it relatively easy to achieve, for example, a 10% return. In 2020, however, the yield on the 10-year Treasury was only 0.6%, so in order to achieve the System's assumed investment return of 7.75%, the plan would have needed to earn 7.15% in addition to what a 10-year Treasury would yield. In response to the decline in interest rates, public pension plans increased the amount of investment risk they are taking and reduced their investment return assumption to make it more likely that they can achieve the expected return. Over the past four years, interest rates quickly rose to help combat inflation. As of 2025, the yield on a 10-year Treasury is up to 4.4%; however, these high rates are not expected to remain.



Conclusion

We believe that the current investment rate of return assumption of 7.00% continues to be reasonable based on our analysis and the information provided.

In preparing this letter, we relied on information supplied by the System, including the "Investment Policy Statement Defined Benefit Plan Reviewed & Adopted 10.2025," and Callan's "2026 Capital Markets Projections." We have also reviewed the investment rate of return assumption in accordance with Actuarial Standards of Practice No. 27, *Selection of Assumptions for Measuring Pension Obligations.*

The letter and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice as set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This independent review of the investment rate of return assumption was prepared exclusively for the System for the purpose described herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Sincerely,
Cheiron

Janet Cranna, FSA, FCA, EA, MAAA
Principal Consulting Actuary

Michael Moehle, FSA, FCA, EA, MAAA
Public Pension Oversight

Patrick Nelson, FSA, CERA, EA, MAAA
Principal Consulting Actuary

MEMORANDUM

Date: June 18, 2026

To: Mr. Ray Higgins

From: Paul T. Wood, ASA, FCA, MAAA

Danny J. White, FSA, EA, MAAA

Re: Public Employees' Retirement System of Mississippi (PERS) Investment Rate of Return

At your request, we are providing a review of the current PERS investment rate of return assumption of 7.00%. As shown in the analysis documented in this report, we are recommending the actuarial valuation of PERS continue to use a 2.40% price inflation assumption and a 7.00% investment return assumption.

Inflation and Investment Return Assumptions

Actuarial Standards of Practice (ASOP) No. 27, Selection of Assumptions for Measuring Pension Obligations, provides guidance to actuaries on giving advice on selecting economic assumptions for measuring obligations for defined benefit plans.

Generally, the economic assumptions are much more subjective in nature than the demographic assumptions. As no one knows what the future holds, it is necessary for the actuary to estimate possible future economic outcomes. These estimates are based on a mixture of past experience, future expectations, and professional judgment. The actuary should consider a number of factors, including the purpose and nature of the measurement, and appropriate recent and long-term historical economic data. However, the standard explicitly advises the actuary not to give undue weight to recent and/or historical experience. Also, these assumptions are not intended to consistently model short-term (e.g., the next two to five years) experience, but are supposed to be representative of expected long-term trends. As a result, short-term experience may differ significantly from the long-term assumption used in an actuarial valuation.

Although recognizing that there is not one right answer, the current standard calls for the actuary to develop a best-estimate for each economic assumption. Each economic assumption should individually satisfy this standard. Furthermore, with respect to any particular valuation, each economic assumption should be consistent with every other economic assumption over the measurement period.

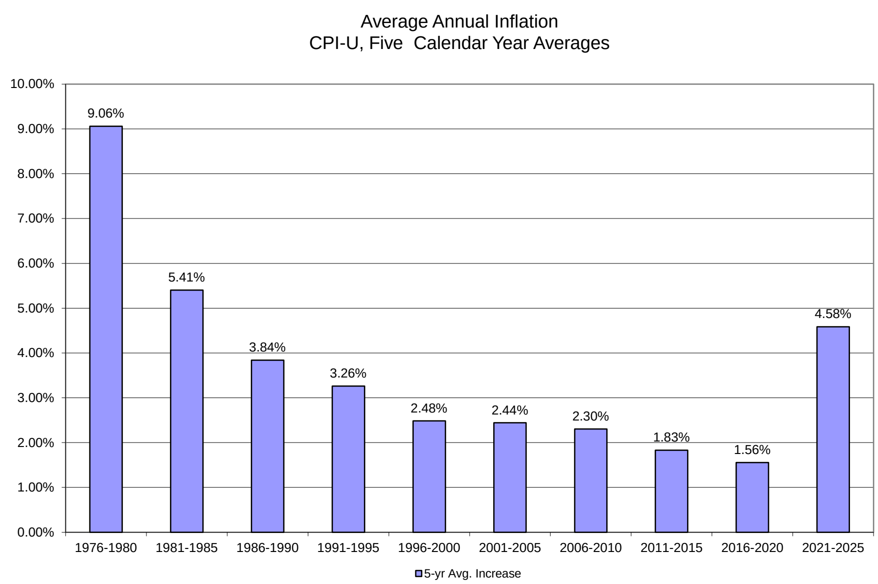
The rest of this document provides our analysis of the inflation and investment return assumption that we believe to be conformity with ASOP No. 27.

Inflation Assumption

By "inflation," we mean price inflation, as measured by annual increases in the Consumer Price Index (CPI). This inflation assumption underlies most of the other economic assumptions. It impacts investment return, salary increases, payroll growth, and cost-of-living increases. The current annual inflation assumption is 2.40%.

Actual Change in CPI-U

The chart on the following page shows the average annual inflation in each of the ten consecutive five-year periods over the last fifty years:



The following table shows the average inflation over various periods, ending June 30, 2025:

Periods Ending June 30, 2025	Average Annual Increase in CPI-U
Last five (5) years	4.58%
Last ten (10) years	3.06%
Last fifteen (15) years	2.65%
Last twenty (20) years	2.56%
Last twenty-five (25) years	2.54%
Last thirty (30) years	2.53%

Source:

Source: Bureau of Labor Statistics, CPI-U, all items, not seasonally adjusted

Sources of Forward-Looking Forecasts

As the valuation is a forward-looking exercise, the forward-looking expectations are more relevant than the historical data. The following is a list of several external sources for forward-looking inflation expectations.

Forward-Looking Price Inflation Forecasts[a]	
Congressional Budget Office[b]	
5-Year Annual Average	2.48%
10-Year Annual Average	2.39%
Federal Reserve Bank of Philadelphia[c]	
5-Year Annual Average	2.40%
10-Year Annual Average	2.30%
Federal Reserve Bank of Cleveland[d]	
10-Year Expectation	2.19%
20-Year Expectation	2.29%
30-Year Expectation	2.37%
Federal Reserve Bank of St. Louis[e]	
10-Year Breakeven Inflation	2.34%
20-Year Breakeven Inflation	2.45%
30-Year Breakeven Inflation	2.22%
U.S. Department of the Treasury[f]	
10-Year Breakeven Inflation	2.37%
20-Year Breakeven Inflation	2.44%
30-Year Breakeven Inflation	2.25%
50-Year Breakeven Inflation	2.29%
100-Year Breakeven Inflation	2.31%
Social Security Trustees[g]	
Ultimate Intermediate Assumption	2.40%

[a] **End of the First Quarter, 2026**. Version 2026-04-14 by Gabriel, Roeder, Smith & Company

[b] *The Budget and Economic Outlook: 2026 to 2036*, Release Date: February 2026, Consumer Price Index (CPI-U), Percentage Change from Year to Year, 5-Year Annual Average (2026 - 2030), 10-Year Annual Average (2026 - 2035).

[c] *First Quarter 2026 Survey of Professional Forecasters*, Release Date: March 6, 2026, Headline CPI, Annualized Percentage Points, 5-Year Annual Average (2026 - 2030), 10-Year Annual Average (2026 - 2035).

[d] Inflation Expectations, Model output date: March 1, 2026.

[e] The breakeven inflation rate represents a measure of expected inflation derived from X-Year Treasury Constant Maturity Securities and X-Year Treasury Inflation-Indexed Constant Maturity Securities. Observation date: March, 2026.

[f] The Treasury Breakeven Inflation (TBI) Curve, Monthly Average Rates, March, 2026.

[g] *The 2025 Annual Report of The Board of Trustees of The Federal Old-Age And Survivors Insurance and Federal Disability Insurance Trust Funds*, June 18, 2025, p. 11, Key Assumptions and Summary Measures for Long-Range (75-year) Projections, Intermediate, Consumer Price Index (CPI-W).

As shown, even though recent inflation has exceeded the current 2.40% assumption, all of the sources with a 10+ year time horizon are projecting inflation to be around the currently assumed 2.40%.

Commentary

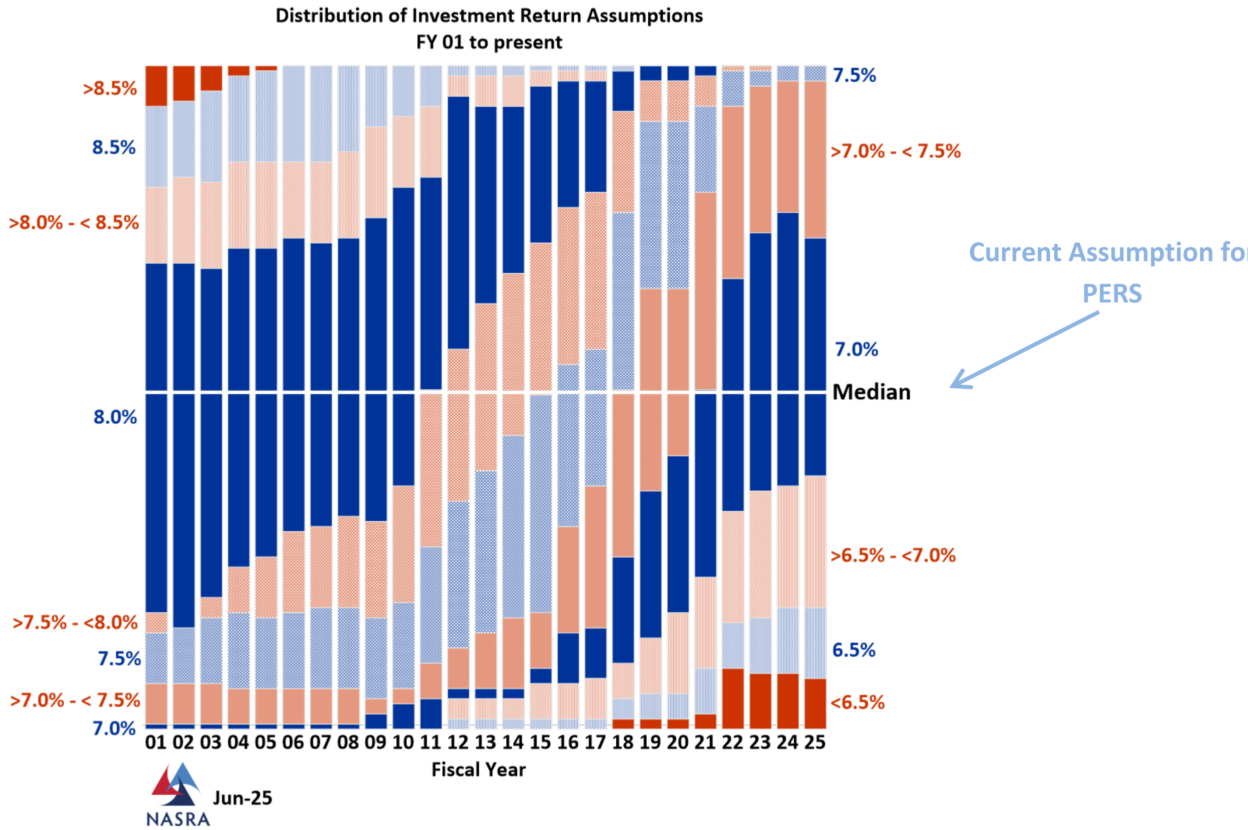
We do find that several of the expectations from forward looking sources are lower than the 2.40%, but recent experience has exceeded the 2.40% and all historical look-back periods meet or exceed 2.40%. We find the current 2.40% general inflation assumption reasonable.

Investment Return Assumption

The investment return assumption is the principal assumption used in any actuarial valuation of a retirement plan. It is used to discount future expected benefit payments to the valuation date in order to determine the liabilities of the plans. Even a small change to this assumption can produce significant changes to the liabilities and contribution rates. Currently, it is assumed that future investment returns will average 7.00% per year, net of investment expense. The current assumption assumes inflation of 2.40% per annum and an annual real rate of return of 4.60%, net of expenses.

Comparison to Peers

We do not recommend the selection of an investment return assumption based on prevalent information. However, it is still informative to identify where the investment return assumption for PERS is compared to its peers. The chart on the following page shows the distribution of the investment return assumptions in the Public Plans Data as of June of 2025.



Source: 2025 Public Plans Database. Median investment return assumption: 7.00% nominal return.

The graphic includes the overall national trends in this assumption. The median rate of return is 7.00%.

Asset Allocation

We believe the most appropriate approach to selecting an investment return assumption is to identify expected returns given the fund's asset allocation mapped to forward-looking capital market assumptions. Because GRS is a benefits consulting firm and does not provide investment consulting advice, we do not develop or maintain our own forecasts of capital market expectations. Instead, we utilized the forward-looking return expectations developed by nationally recognized investment consulting firms including PERS investment consultant, Callan.

The following is an excerpt from ASOP 27 on the topic of using experts:

> ***3.24 Reliance on Expertise of Others****—An actuary may rely on the expertise of others (including actuaries not performing actuarial services) in the fields of knowledge used in the selection of the assumption. However, the actuary should be reasonably satisfied that the reliance is appropriate, taking into account the following:*
>
> *a. whether the actuary knows that the individual upon whom the actuary is relying has expertise in the applicable field;*
>
> *b. whether the actuary knows of significant differences of opinion among others with expertise concerning aspects of the assumption that could be material to the actuary's use of the assumption; and*
>
> *c. whether the actuary knows of industry or regulatory standards that apply to the assumption.*

In our professional judgement, it is appropriate to rely on the PERS investment consultant's input as part of our consideration in making a recommendation as they are the experts and have specialized knowledge in this subject matter. This is the same data being used for investment decision making, and thus is a reasonable set of data for use in decisions on selecting assumptions for use in the funding valuation, as well.

As part of a 2026 asset allocation study, the PERS investment consultant, Callan, provided materials detailing their current capital market expectations for the forward looking 10-year return of the PERS portfolio to be 7.3%.

Using 2026 capital market expectations that we have obtained from 12 investment consulting firms (which includes PERS investment consultant), that are mapped to the benchmark asset allocation documented in PERS Investment Policy Statement, we have computed the forward looking 10-year return for each consultant and the average expectation of this survey to be 6.8%. The following table provides the forward-looking return expectation information for each of the 12 sources in our survey. In addition to the 40^{th}, 50^{th}, and 60^{th} percentile, we are showing the probability of meeting or exceeding various investment return assumptions.

GRS 2026 Capital Market Assumption Model							
Capital Market Assumption Set (CMA)	Distribution of 10-Year Average Geometric Net Nominal Return 40th	50th	60th	Probability of exceeding 7.00%	Probability of exceeding 7.25%	Probability of exceeding 7.50%	Probability of exceeding 7.75%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	4.3%	5.4%	6.6%	36%	34%	32%	30%
2	4.9%	6.0%	7.1%	41%	39%	37%	34%
3	5.2%	6.4%	7.6%	45%	43%	41%	39%
4	5.4%	6.5%	7.6%	46%	43%	41%	39%
5	5.6%	6.7%	7.8%	47%	45%	42%	40%
6	5.7%	6.7%	7.8%	47%	45%	43%	40%
7	6.0%	7.0%	7.9%	50%	47%	44%	42%
8	6.0%	7.0%	8.1%	50%	48%	46%	43%
9	6.0%	7.2%	8.3%	51%	49%	47%	45%
10	6.2%	7.2%	8.2%	52%	49%	47%	44%
11	6.5%	7.5%	8.5%	55%	52%	50%	47%
12	6.5%	7.5%	8.5%	55%	52%	50%	47%
Average	**5.7%**	**6.8%**	**7.8%**	**48%**	**46%**	**43%**	**41%**

As previously noted, the average 50th percentile return expectation is 6.8%, with expectations ranging from 5.4% to 7.5%. Also, there is an average 48% probability of achieving the 7.0% assumption. Note, the probability of exceeding the assumption decreases by 2% to 3% for every 0.25% increase in the return assumption, resulting in only a 41% probability of future experience of exceeding a 7.75% investment return assumption.

Thus, based on this analysis and the expectations of the PERS investment consultant, we find the current 7.00% investment return assumption reasonable and would not recommend the assumption be increased.

Paul T. Wood and Danny J. White are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

This communication shall not be construed to provide tax advice, legal advice or investment advice. Please refer to the Circular 230 Guidelines.

SCHEDULE F – FUNDING POLICY OF SLRP

The purpose of the funding policy is to state the overall funding goals and objectives for the Supplemental Legislative Retirement Plan of Mississippi (SLRP), and to document the methods and assumptions employed to achieve the funding goals and objectives. The employer contribution for SLRP will be set based on the assumptions and methods outlined in Section II of this policy.

The plan was closed to new members hired on or after March 1, 2026.

I. Funding Goals and Objectives

The objective in requiring employer and member contributions to SLRP 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, SLRP will strive to meet the following goals:

- Preservation of the defined benefit structure for providing lifetime benefits to the SLRP membership,
- Contribution dollar amount made will be the Actuarially Determined Contribution (ADC) as calculated by the actuary each valuation,
- Maintain an increasing trend in the funded ratio over the projection period with an ultimate goal of being 100% funded, and
- Ensure benefit improvements are funded through increases in contribution requirements in accordance with Article 14, S 272A, of the Mississippi Constitution.

II. Assumptions and Methods

Each year, the actuary will perform an actuarial valuation and projection report for funding purposes. 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 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 actuarial 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. Since this plan is closed to new member and payroll will decrease, the amortization payment will be determined on a level dollar basis.
III. The length of the amortization periods will be as follows:
   a. Existing UAAL on June 30, 2026 – 22 years.
   b. Annual future actuarial experience gains and losses, assumption changes or benefit enhancements or reductions – 20 years from the date of the valuation.
IV. If any future annual actuarial valuation indicates that SLRP 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 ADC dollar amount. 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, 2024 (State of Mississippi Retirement Systems Experience Investigation for the Four-Year Period Ending June 30, 2024). 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 SLRP's 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 SLRP's 30-year projection report, which will include the projected funded ratio and ADC over a 30-year period.

- **Experience Analysis (performed every two years on a rolling four-year)** – The Board is responsible for ensuring that an experience analysis is performed as prescribed, review of 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 a new 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.

- **Funding Policy Review (performed at least annually)** – The Board is responsible for the periodic review of this policy, but at least annually following the Projection Report and biennially following the Experience Analysis.

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:** 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.

SCHEDULE F – FUNDING POLICY OF SLRP

- **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. SLRP's annual valuation date is June 30.

Supplemental Legislative Retirement Plan of Mississippi

Annual Valuation Report

Prepared as of June 30, 2025

CavMac
Actuarial Consulting Services

December 9, 2025

Board of Trustees
Public Employees' Retirement System of Mississippi
429 Mississippi Street
Jackson, MS 39201-1005

Ladies and Gentlemen:

Presented in this report are the results of the annual actuarial valuation of the Supplemental Legislative Retirement Plan of Mississippi (SLRP). The purpose of the valuation is to:

- Measure the System's funding progress as of the valuation date,
- Determine the actuarially determined contribution (ADC) for the fiscal year beginning July 1, 2027 using the assumptions and methods in the Board's new Funding Policy,

The results may not be applicable for other purposes. The date of the valuation was June 30, 2025.

The valuation was based upon data, furnished by the Executive Director and the PERS staff, concerning active, inactive and retired members along with pertinent financial information. While not verifying data at the source, the actuary performed tests for consistency and reasonableness. The valuation results depend on the integrity of the data. If any of the information is inaccurate or incomplete, our results may be different and our calculations may need to be revised.The complete cooperation of the PERS staff in furnishing materials requested is hereby acknowledged with appreciation.

In the 2025 legislative session, the Mississippi Legislature passed House Bill 1 that closed SLRP to new members. The closing of SLRP means that all newly elected members of the State Legislature and the President of the Senate (Lieutenant Governor) elected after March 1, 2026, will no longer be eligible for membership in SLRP and will only be members of the new PERS Tier 5. Please see the PERS valuation report for the description of Tier 5.

In addition, since SLRP is now closed to new members, the amortization payment method has been changed to the level dollar amortization methodology. Since payroll will be declining in this Plan in the future, we can no longer use the level percentage of payroll method, which assumed that total payroll would increase for this plan by 2.65% each year. The level dollar amortization method is similar to the method in which a homeowner pays off a mortgage. The liability, once calculated, is financed by a constant fixed dollar amount, based on the amortization period until the liability is extinguished.

Finally, since SLRP is now closed to new members, this report does not include a projection analysis or any calculation of a Fixed Contribution Rate. The SLRP funding policy should be adjusted to fund this Plan based on the Actuarially Determined Contribution calculated as a dollar amount, which we have calculated on page 1 and Section IV of this report.

At the June 2025 Board meeting, the PERS Board adopted new actuarial assumptions as recommended by the actuary for the SLRP Plan. The changes included in the analysis of these valuation results are as follows:

- Retain the Society of Actuaries (SOA) Pub-2010 family of mortality tables issued in 2019 based on public retirement plan data, however, some slight adjustments are recommended in all four mortality tables, such as using the benefit-weighted tables rather than the headcount-weighted tables as prescribed by the SOA,
- Decrease rates of retirement during election years, and
- Decrease rates of withdrawal during election years.

The valuation was prepared in accordance with the principles of practice prescribed by the Actuarial Standards Board. We have reviewed the actuarial methods, including the asset valuation method, and continue to believe they are appropriate for the purpose of determining employer contribution levels.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the system's funded status); and changes in plan provisions or applicable law.

The asset values used to determine unfunded liabilities and funded ratios are not market values but less volatile market related values. A smoothing technique is applied to market values to determine the market related values. The unfunded liability amounts and funded ratios using the market value of assets would be different. The interest rate used for determining liabilities is based on the expected return on assets. Therefore, liability amounts in this report cannot be used to assess a settlement of the obligation.

To the best of our knowledge, this report is complete and accurate. The valuation was performed by, and under the supervision of, independent actuaries who are members of the American Academy of Actuaries with experience in performing valuations for public retirement systems. The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. The actuarial calculations were performed by qualified actuaries according to generally accepted actuarial procedures and methods. The calculations are based on the current provisions of the system, and on actuarial assumptions that are, in the aggregate, internally consistent and reasonably based on the actual experience of the system.

Respectfully submitted,

Edward J. Koebel

Edward J. Koebel, EA, FCA, MAAA
Chief Executive Officer

Wendy Ludbrook

Wendy Ludbrook, FSA, EA, FCA, MAAA
Consulting Actuary

Darby L Carraway

Darby L. Carraway
Actuarial Consultant

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1. This report, prepared as of June 30, 2025, presents the results of the annual actuarial valuation of the Plan. For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized below. The current valuation and reported benefit amounts reflect any benefit increases granted to retirees as of July 1, 2025.

VALUATION DATE	June 30, 2025	June 30, 2024
Investment Return Assumption	**7.00%**	**7.00%**
Active members included in valuation		
Number	174	175
Annual compensation	$ 9,697,039	$ 9,090,777
Retirees		
Number	241	247
Annual allowances	$ 1,735,958	$ 1,779,151
Assets		
Market related actuarial value	$ 23,230,000	$ 21,994,000
Market value of assets (MVA)	$ 23,601,000	$ 21,868,000
Unfunded actuarial accrued liability (UAAL)	$ 6,942,574	$ 7,441,768
Funded Ratio based on actuarial value	77.0%	74.7%
Fiscal Year Ending	**June 30, 2028**	**June 30, 2027**
Actuarially Determined Contribution (ADC) Rate		
Normal Cost*	3.07%	3.22%
Accrued liability	6.15%	5.31%
Total	9.22%	8.53%
ADC as a Dollar Amount	$ 894,000	$ 775,000
Amortization Period for ADC	22.9 years	24.4 years
Unfunded actuarial accrued liability based on MVA	$ 6,571,574	$ 7,567,768
Funded Ratio based on market value	78.2%	74.3%

* Includes load for administrative expenses. See Section VI for more contribution rate detail.

2. The valuation balance sheet showing the results and liabilities of the valuation is given in Section III.

3. Comments on the valuation results are provided in Section IV, comments on the experience and actuarial gains and losses during the valuation year are provided in Section V and the rates of contribution payable by employers are provided in Section VI and Section VII.

4. Schedule A of this report presents the development of the assets. The estimated investment return for the plan year ending June 30, 2025 on a market value of assets basis was 11.38% and on actuarial value of assets basis was 9.02%. These can be compared to the assumed rate of return for the same period of 7.00%. The market value of assets basis return may be slightly different than what PERS reports as this estimated return is assuming cash flow as of the middle of the year.

5. Schedule C gives a summary of the benefit and contribution provisions of the plan. In the 2025 legislative session, the Mississippi Legislature passed House Bill 1 that closed SLRP to new members. The closing of SLRP means that all newly elected members of the State Legislature and the President of the Senate (Lieutenant Governor) elected after March 1, 2026, will no longer be eligible for membership in SLRP and will only be members of the new PERS Tier 5.

6. Schedule B details the actuarial assumptions and methods employed. At the June 2025 Board meeting, the PERS Board adopted new actuarial assumptions as recommended by the actuary. The changes included in the analysis of these valuation results are as follows:

   - Retain the Society of Actuaries (SOA) Pub-2010 family of mortality tables issued in 2019 based on public retirement plan data, however, some slight adjustments are recommended in all four mortality tables, such as using the benefit-weighted tables rather than the headcount-weighted tables as prescribed by the SOA,
   - Decrease rates of retirement during election years, and
   - Decrease rates of withdrawal during election years.

7. In addition, since SLRP is now closed to new members, the amortization payment method has been changed to the level dollar amortization methodology. Since payroll will be declining in this Plan in the future, we can no longer use the level percentage of payroll method, which assumed that total payroll would increase for this plan by 2.65% each year.

   The level dollar amortization method is similar to the method in which a homeowner pays off a mortgage. The liability, once calculated, is financed by a constant fixed dollar amount, based on the amortization period until the liability is extinguished.

8. The funded ratio shown in the Summary of Principal Results is the ratio of actuarial value of assets to the actuarial accrued liability. The funded status is different based on the market value of assets. The funded ratio is an indication of progress in funding the promised benefits. Since the ratio is less than 100%, there is a need for additional contributions toward the payment of the unfunded accrued liability. In addition, this funded ratio does not have any relationship to measuring the sufficiency if the plan had to settle its liabilities.

9. The table on the following page provides a ten-year history of some pertinent figures.

Comparative Schedule

	Active Members				Retired Lives				Valuation Results ($ thousands)		
Valuation Date June 30	Number	Payroll ($ in thousands)	Average Salary	% increase from previous year	Number	Active/ Retired Ratio	Annual Benefits ($ thousands)	Benefits as % of Payroll	Actuarial Accrued Liability	Valuation Assets	UAAL
2016	171	$6,862	$40,130	1.8%	207	0.8	$1,277.8	18.6%	$21,259	$16,447	$4,812
2017	174	6,928	39,817	(0.8)	205	0.8	1,279.5	18.5	21,849	17,208	4,641
2018	174	6,833	39,270	(1.4)	207	0.8	1,304.5	19.1	22,319	17,945	4,374
2019	170	6,937	40,806	3.9	215	0.8	1,372.9	19.8	22,934	18,428	4,506
2020	171	6,891	40,297	(1.2)	235	0.7	1,565.7	22.7	23,485	18,472	5,013
2021	173	8,030	46,414	15.2	233	0.7	1,596.8	19.9	25,402	19,980	5,422
2022	174	8,180	47,010	1.3	230	0.8	1,614.2	19.7	26,133	20,808	5,325
2023	172	8,425	48,983	4.2	228	0.8	1,633.1	19.4	28,530	21,465	7,065
2024	175	9,091	51,947	6.1	247	0.7	1,779.2	19.6	29,436	21,994	7,442
2025	174	9,697	55,730	7.3	241	0.7	1,736.0	17.9	30,173	23,230	6,943

Data regarding the membership of the Plan for use as a basis for the valuation were furnished by the Plan's office. The following tables summarize the membership of the Plan as of June 30, 2025 upon which the valuation was based. Detailed tabulations of the data are given in Schedule D.

Active Members

Employers	Number of Employers	Number	Payroll	Group Averages Salary	Age	Benefit Service*
State Agencies	4	174	$ 9,697,039	$55,730	56.4	10.5

* Eligibility service is 15.0 years.

Of the 174 active members, 120 are vested and 54 are non-vested.

Retired Lives

Type of Benefit Payment	No.	Annual Benefits	Group Averages Benefit	Age
Retirement	187	$1,362,071	$7,284	74.7
Disability	1	9,625	9,625	70.5
Survivor	53	364,262	6,873	74.2
Total in SLRP	241	$1,735,958	$7,203	74.6

Deferred Vested/Inactive Lives

Type of Member	No.	Annual Deferred Benefits	Outstanding Balance
Deferred Vested – Benefit Included	34	$106,098	N/A
Inactive	28	N/A	$163,889
Total in SLRP	62	$106,098	$163,889

For the liability in this valuation, deferred vested participants with benefits provided are valued assuming a retirement age of 60 and for inactive members, account balances are multiplied by two to estimate liabilities and interest in the future.

SECTION III – VALUATION BALANCE SHEET

The following valuation balance sheet shows the assets and liabilities of the retirement plan as of the current valuation date of June 30, 2025 and, for comparison purposes, as of the immediately preceding valuation date of June 30, 2024. The items shown in the balance sheet are present values actuarially determined as of the relevant valuation date. The development of the actuarial value of assets is presented in Schedule A.

VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES OF THE
SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN OF MISSISSIPPI

	JUNE 30, 2025	JUNE 30, 2024
ASSETS		
Current actuarial value of assets:		
Annuity Savings Account	$ 2,710,591	$ 2,473,636
Annuity Reserve	4,355,543	4,574,371
Employers' Accumulation Account	16,163,866	14,945,993
Total current assets	$ 23,230,000	$ 21,994,000
Future member contributions to Annuity Savings Account	$ 2,138,513	$ 2,019,366
Prospective contributions to Employer's Accumulation Account		
Normal contributions	$ 2,201,738	$ 2,156,562
Unfunded actuarial accrued liability contributions	6,942,574	7,441,768
Total prospective contributions	$ 9,144,312	$ 9,598,330
Total assets	$ 34,512,825	$ 33,611,696
LIABILITIES		
Present value of benefits payable on account of present retired members and beneficiaries	$ 17,924,320	$ 18,489,360
Present value of benefits payable on account of inactive members for service rendered before the valuation date	1,377,597	1,398,320
Present value of benefits payable on account of active members	$ 15,210,908	$ 13,724,016
Total liabilities	$ 34,512,825	$ 33,611,696

BREAKDOWN OF TOTAL AND ACTUARIAL ACCRUED LIABILITIES
AS OF JUNE 30, 2025

	Total Liability	Actuarial Accrued Liability
Active Members		
Retirement	$ 12,470,611	$ 9,570,293
Death	970,926	715,205
Disability	185,032	66,038
Termination	1,584,339	519,121
Total	$ 15,210,908	$ 10,870,657
Retirees		
Retirement	$ 14,614,251	$ 14,614,251
Survivor	3,232,395	3,232,395
Disability	77,674	77,674
Total	$ 17,924,320	$ 17,924,320
Deferred Vested Members	1,049,820	1,049,820
Inactive Members	327,777	327,777
Total Actuarial Values	$ 34,512,825	$ 30,172,574
Actuarial Value of Assets		23,230,000
Unfunded Actuarial Accrued Liability		$ 6,942,574

The total liability is the present value of future benefits for all current members as of the valuation date. The accrued liability is the present value of benefits that have been accrued as of the valuation date. Since all inactive members and retirees have accrued their full benefits, the total liability and accrued liability are the same. For actives, the difference between the total liability and the accrued liability is the present value of all future accruals.

SECTION IV – COMMENTS ON VALUATION

The valuation balance sheet gives the following information with respect to the funds of the Plan as of June 30, 2025.

Total Assets

The Annuity Savings Account is the fund to which are credited contributions made by members together with interest thereon. When a member retires, the amount of his or her accumulated contributions is transferred from the Annuity Savings Account to the Annuity Reserve. The Employer's Accumulation Account is the fund to which are credited employer contributions and investment income, and from which are paid all employer-provided benefits under the plan. The assets credited to the Annuity Savings Account as of the valuation date, which represent the accumulated contributions of members to that date, amounted to $2,710,591. The assets credited to the Annuity Reserve were $4,355,543 and the assets credited to the Employer's Accumulation Account totaled $16,163,866. Current actuarial assets as of the valuation date equaled the sum of these three funds, $23,230,000. Future member contributions to the Annuity Savings Account were valued to be $2,138,513. Prospective contributions to the Employer's Accumulation Account were calculated to be $9,144,312 of which $2,201,738 is attributable to service rendered after the valuation date (normal contributions) and $6,942,574 is attributable to service rendered before the valuation date (unfunded actuarial accrued liability contributions).

Therefore, the balance sheet shows the present value of current and future assets of the Plan to be $34,512,825 as of June 30, 2025.

Total Liabilities

The present value of benefits payable on account of presently retired members and beneficiaries totaled $17,924,320 as of the valuation date. The present value of future benefit payments on behalf of active members amounted to $15,210,908. In addition, the present value of benefits for inactive members, due to service rendered before the valuation date, was calculated to be $1,377,597.

Therefore, the balance sheet shows the present value for all prospective benefit payments under the Plan to be $34,512,825 as of June 30, 2025.

Section 25-11-307(1) of State law requires that active members contribute 3.00% of annual compensation to the Plan.

SECTION IV – COMMENTS ON VALUATION

Section 25-11-307(2) requires that the State contribute a certain percentage of the annual compensation of members to cover the normal contributions and a certain percentage to cover the accrued liability contributions of the Plan. These individual contribution percentages are established in accordance with an actuarial valuation. Based on the current funding policy adopted by the Board in 2023, the employer rate was set at 8.40% of annual compensation beginning July 1, 2024 and the amortization period is calculated on an open basis.

However, since SLRP is now closed to new members, the amortization payment method must be changed to the level dollar amortization methodology. Since payroll will be declining in this Plan in the future, we can no longer use the level percentage of payroll method, which assumed that total payroll would increase for this plan by 2.65% each year. The level dollar amortization method is similar to the method in which a homeowner pays off a mortgage. The liability, once calculated, is financed by a constant fixed dollar amount, based on the amortization period until the liability is extinguished.

And since SLRP is now closed to new members, we believe that the employer contribution should be changed from a fixed contribution rate to an actuarially determined contribution as a dollar amount as shown in Section IV of this report.

There was an experience loss on the unfunded actuarial accrued liability for the fiscal year ending June 30, 2025 of approximately $44.2 thousand (shown on the next page) which was primarily due to greater than expected salary increases for the year, partially offset by gains due to investment experience, less retirements than expected during the year, and mortality experience (more deaths than assumed).

There was an assumption gain on the unfunded actuarial accrued liability for the fiscal year ending June 30, 2025 of approximately $503.6 thousand due to the change in the mortality, retirement and withdrawal decrement rates that were adopted by the Board at the June 2025 meeting after review of the actuarial experience study completed for the four-year period ending June 30, 2024.

See Schedule E for a complete analysis of the Financial Experience.

SECTION V – DERIVATION OF EXPERIENCE GAINS & LOSSES

Actual experience will never (except by coincidence) match exactly with assumed experience. It is assumed that gains and losses will be in balance over a period of years, but sizable year to year fluctuations are common. Details on the derivation of the experience gain/(loss) for the years ended June 30, 2025 and June 30, 2024 are shown below.

		2025 Valuation $ Thousands	2024 Valuation $ Thousands
(1)	UAAL* as of beginning of year	$ 7,441.8	$ 7,065.5
(2)	Total normal cost from last valuation	550.2	441.7
(3)	Total contributions	1,110.0	939.0
(4)	Interest Rate (Beginning of Year)	7.00%	7.00%
(5)	Interest accrual:	520.0	492.6
(6)	Expected UAAL before changes: (1) + (2) – (3) + (5)	$ 7,402.0	$ 7,060.8
(7)	Change due to plan amendments	0.0	0.0
(8)	Change due to actuarial assumptions or methods	(503.6)	0.0
(9)	Expected UAAL after changes: (6) + (7) + (8)	$ 6,898.4	$ 7,060.8
(10)	Actual UAAL as of end of year	$ 6,942.6	$ 7,441.8
(11)	Experience Gain/(loss): (9) – (10)	$ (44.2)	$ (381.0)
(12)	Gain/(loss) as percent of actuarial accrued liabilities at start of year.	(0.2)%	(1.3)%

*Unfunded actuarial accrued liability.

Valuation Date June 30	Actuarial Gain/(Loss) as a % of Beginning Accrued Liabilities
2020	(2.0)%
2021	(0.4)
2022	0.6
2023	(0.9)
2024	(1.3)
2025	(0.2)

1. The Actuarially Determined Contribution (ADC) based on the principal elements of the level dollar amortization method is shown below. The Unfunded Actuarial Accrued Liability as of June 30, 2023 (Transitional UAAL) will be amortized over a closed 25-year period. In each subsequent valuation, all benefit changes, assumption and method changes, and experience gains and/or losses that have occurred since the previous valuation will combine to determine a New Incremental UAAL. Each New Incremental UAAL will be amortized as a level dollar over a closed 25-year period from the date it is established.

2. The following table shows the components of the total Unfunded Actuarial Accrued Liability (UAAL) and the derivation of the UAAL Contribution Rate in accordance with the funding policy as of the valuation date:

TOTAL UAAL AND UAAL CONTRIBUTION RATE

Date Established	Original UAAL Balance	Remaining UAAL Balance	Remaining Amortization Period	Amortization Payment
June 30, 2023	$7,065,466	$7,091,326	23 years	$608,173
June 30, 2024	$357,716	$358,656	24 years	$30,231
June 30, 2025	$(507,408)	$(507,408)	25 years	$(42,093)
Total		$6,942,574		$596,311
Estimated Payroll				$9,697,039
UAAL Amortization Contribution Rate				6.15%

3. The calculation of Actuarial Determined Contribution (ADC) for the past two valuations is shown below:

Valuation Date June 30	2025*	2024
Actuarially Determined Contribution (ADC) Rate		
Normal Cost**	3.07%	3.22%
Accrued liability	6.15	5.31
Total	9.22%	8.53%
ADC as a Dollar Amount	$894,000	$775,000
Anticipated accrued liability payment period	22.9 years	24.4 years

* Using the level dollar amortization method (2024 used level percentage of payroll method)
** Estimated budgeted administrative expenses are included in the normal cost rate

1. The following supplemental disclosure information is provided for informational purposes only. One such item is a distribution of the number of employees by type of membership, as follows:

NUMBER OF ACTIVE AND RETIRED PARTICIPANTS
AS OF JUNE 30, 2025

GROUP	NUMBER
Retired participants and beneficiaries currently receiving benefits	241
Terminated participants and beneficiaries entitled to benefits but not yet receiving benefits	62
Active Participants	174
Total	477

2. Another such item is the schedule of funding progress as shown below. As can be seen in column 3 of the table below, the funded ratio has remained in a narrow range since 2016 with a decrease in 2023 last year due to the assumption changes.

SCHEDULE OF FUNDING PROGRESS

Plan Year Ended	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (2) – (1)	(5) Annual Covered Payroll	(6) Unfunded AAL as a Percentage of Covered Payroll (4)/(5)
06/30/2016	$16,447,000	$21,258,800	77.4%	$4,811,800	$6,862,262	70.1%
06/30/2017#	17,208,000	21,848,868	78.8	4,640,868	6,928,085	67.0
06/30/2018	17,945,000	22,318,685	80.4	4,373,685	6,832,961	64.0
06/30/2019#	18,428,000	22,933,853	80.4	4,505,853	6,937,075	65.0
06/30/2020	18,472,000	23,484,818	78.7	5,012,818	6,890,817	72.7
06/30/2021#	19,980,000	25,402,264	78.7	5,422,264	8,029,670	67.5
06/30/2022	20,808,000	26,133,030	79.6	5,325,030	8,179,673	65.1
06/30/2023#	21,465,000	28,530,466	75.2	7,065,466	8,425,049	83.9
06/30/2024	21,994,000	29,435,768	74.7	7,441,768	9,090,777	81.9
06/30/2025#	23,230,000	30,172,574	77.0	6,942,574	9,697,039	71.6

After change in actuarial assumptions.

3. Additional information as of the latest valuation that went into the calculation of the Actuarially Determined Contribution (ADC) are as follows:

Valuation date	6/30/2025
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period on ADC basis	22.9 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return (discount rate)*	7.00%
Projected salary increases*	2.65%
Cost-of-living adjustments	3.00% per annum

** Includes price inflation at 2.40%*

Solvency Tests
($ in Thousands)

	Actuarial Accrued Liabilities for				Portions of Accrued Liabilities Covered by Assets		
Valuation Date	(1) Accumulated Employee Contributions Including Allocated Investment Earnings	(2) Retirees and Beneficiaries Currently Receiving Benefits	(3) Active and Inactive Members Employer Financed Portion	Net Assets Available for Benefits	(1)	(2)	(3)
6/30/2016	$2,485	$13,758	$5,016	$16,447	100.0%	100.0%	4.1%
6/30/2017	2,636	13,799	5,414	17,208	100.0	100.0	14.3
6/30/2018	2,693	13,840	5,786	17,945	100.0	100.0	24.4
6/30/2019	2,701	14,282	5,951	18,428	100.0	100.0	24.3
6/30/2020	2,145	16,356	4,983	18,472	100.0	99.8	0.0
6/30/2021	2,331	16,275	6,796	19,980	100.0	100.0	20.2
6/30/2022	2,611	16,053	7,469	20,808	100.0	100.0	28.7
6/30/2023	2,779	16,857	8,895	21,465	100.0	100.0	20.6
6/30/2024	2,474	18,489	8,473	21,994	100.0	100.0	12.2
6/30/2025	2,711	17,924	9,538	23,230	100.0	100.0	27.2

As can be seen from the table above, the SLRP plan assets currently cover 100% of the active member contribution account balances and 100% of the retiree liability as of the valuation date. However, the remaining assets only cover a small percentage of the employer financed active liabilities.

Schedule of Active Member Valuation Data

Valuation Date	Number of Employers	Active Members			
		Number	Annual Payroll	Annual Average Pay	% Increase in Average Pay
2016	5	171	$6,862,262	$40,130	1.8%
2017	5	174	6,928,085	39,817	(0.8)
2018	5	174	6,832,961	39,270	(1.4)
2019	5	170	6,937,075	40,806	3.9
2020	5	171	6,890,817	40,297	(1.2)
2021	5	173	8,029,670	46,414	15.2
2022	4	174	8,179,673	47,010	1.3
2023	4	172	8,425,049	48,983	4.2
2024	4	175	9,090,777	51,947	6.1
2025	4	174	9,697,039	55,730	7.3

Schedule of Number of Retirants Added To and Removed From Rolls*
Last Ten Fiscal Years

Item	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Beginning of Year	185	207	205	207	215	235	233	230	228	247
Added	28	6	6	11	24	3	1	9	28	4
Removed	(6)	(8)	(4)	(3)	(4)	(5)	(4)	(11)	(9)	(10)
End of Year	207	205	207	215	235	233	230	228	247	241

*See Schedule D for a breakdown by type of retirement.

Schedule of Annual Benefit Payments Added To and Removed From Rolls
Last Seven Fiscal Years

Year Ending	2019	2020	2021	2022	2023	2024	2025
Beginning of Year	$1,304,548	$1,372,878	$1,565,656	$1,596,810	$1,614,217	$1,633,116	$1,779,151
Added	72,406	216,379	14,393	2,970	66,878	150,895	43,412
Removed	(43,651)	(64,124)	(26,951)	(34,377)	(84,837)	(57,548)	(135,864)
Benefit increase due to annual COLA	39,575	40,523	43,712	48,814	36,858	52,688	49,259
Benefit increase due to plan amendments	0	0	0	0	0	0	0
End of Year	$1,372,878	$1,565,656	$1,596,810	$1,614,217	$1,633,116	$1,779,151	$1,735,958

Schedule of Average Benefit Payments

	Years of Credited Service								
	0-9	10-14	15-19	20-24	25	26-29	30	31+	TOTAL
July 1, 2024 to June 30, 2025									
Average Monthly Benefit	$212.81	$335.37	$652.27					$740.02	$485.12
Average Final Salary	$33,176.04	$29,446.20	$40,836.96					$50,056.25	$38,378.86
Number of Active Retirants	1	1	1					1	4
July 1, 2023 to June 30, 2024									
Average Monthly Benefit	$198.42	$287.32	$463.58	$565.48		$973.07		$1,039.15	$449.09
Average Final Salary	$35,937.36	$31,089.75	$20,301.36	$35,957.26		$46,679.04		$47,126.32	$35,196.03
Number of Active Retirants	8	7	2	7		1		3	28
July 1, 2022 to June 30, 2023									
Average Monthly Benefit	$435.87	$232.89	$639.34	$1,103.21				$926.91	$619.24
Average Final Salary	$39,251.46	$35,025.72	$46,070.28	$58,191.24				$45,845.00	$43,397.35
Number of Active Retirants	2	2	2	1				2	9
July 1, 2021 to June 30, 2022									
Average Monthly Benefit	$123.42								$123.42
Average Final Salary	$31,733.04								$31,733.04
Number of Active Retirants	1								1
July 1, 2020 to June 30, 2021									
Average Monthly Benefit	$192.21					$815.03			$399.82
Average Final Salary	$32,588.76					$44,865.25			$36,680.92
Number of Active Retirants	2					1			3

Schedule of Average Benefit Payments

	Years of Credited Service								
	0-9	**10-15**	**16-20**	**21-24**	**25**	**26-29**	**30**	**31+**	**TOTAL**
July 1, 2019 to June 30, 2020									
Average Monthly Benefit	$244.53	$334.26	$551.15	$799.36		$969.20		$713.07	$657.06
Average Final Salary	$36,523.16	$40,009.26	$32,107.39	$39,043.63		$34,675.32		$42,094.84	$37,017.34
Number of Active Retirants	3	2	5	7		4		3	24
July 1, 2018 to June 30, 2019									
Average Monthly Benefit	$169.43	$372.79	$636.97	$742.14		$738.58		$960.08	$548.53
Average Final Salary	$24,872.76	$42,782.28	$42,042.72	$42,479.52		$40,654.56		$44,126.04	$38,076.62
Number of Active Retirants	3	2	1	2		1		2	11
July 1, 2017 to June 30, 2018									
Average Monthly Benefit	$33.20		$538.18	$512.85				$1,284.96	$485.87
Average Final Salary	$20,839.50		$40,100.76	$41,549.28				$41,618.04	$27,732.60
Number of Active Retirants	2		1	2				1	6
July 1, 2016 to June 30, 2017									
Average Monthly Benefit	$180.95		$609.42	$452.29	$732.45				$434.72
Average Final Salary	$29,821.02		$37,791.24	$28,377.72	$40,932.00				$32,520.12
Number of Active Retirants	2		1	2	1				6
July 1, 2015 to June 30, 2016									
Average Monthly Benefit	$249.59	$349.70	$486.61	$654.27	$522.12			$1,200.33	$527.40
Average Final Salary	$36,599.58	$39,877.51	$35,210.67	$39,774.39	$41,482.12			$42,237.92	$38,850.14
Number of Active Retirants	6	6	4	7	2			3	28

Liquidation Risk

Under the revised Actuarial Standards of Practice (ASOP) No. 4 effective for valuations after February 15, 2023, we must now include a low-default-risk obligation measure of the Fund's liability in our funding valuation report. This is an informational disclosure as described below and would not be appropriate for assessing the funding progress or health of this plan.

This measure uses the unit credit cost method and reflects all the assumptions and provisions of the funding valuation except that the discount rate is derived from considering low-default-risk fixed income securities. We considered the FTSE Pension Discount Curve based on market bond rates published by the Society of Actuaries as of June 30, 2025 and with the 30-year spot rate used for all durations beyond 30. Using these assumptions, we calculate a low-default-risk obligation measure liability of approximately $31,903,000.

This amount approximates the termination liability if the plan (or all covered employment) ended on the valuation date and all of the accrued benefits had to be paid with cash-flow matched bonds. This assurance of funded status and benefit security is typically more relevant for corporate plans than for governmental plans since governments rarely have the need or option to completely terminate a plan.

SCHEDULE A – DEVELOPMENT OF ASSETS

($ thousands)

	Valuation Date June 30:	2024	2025	2026	2027	2028	2029
A.	Actuarial Value Beginning of Year	$21,465	$21,994				
B.	Market Value End of Year	21,868	23,601				
C.	Market Value Beginning of Year	20,830	21,868				
D.	Cash Flow						
	D1. Contributions	939	1,110				
	D2. Other Revenue	0	0				
	D3. Benefit Payments	(2,010)	(1,809)				
	D4. Refunds	0	0				
	D5. Administrative Expenses	(13)	(16)				
	D6. Net	(1,084)	(715)				
E.	Investment Income						
	E1. Market Total: B.-C.-D6.	2,122	2,448				
	E2. Assumed Rate	7.00%	7.00%				
	E3. Amount for Immediate Recognition	1,532	1,506				
	E4. Amount for Phased-In Recognition	590	942				
F.	Phased-In Recognition of Investment Income						
	F1. Current Year: 0.20*E4.	118	188				
	F2. First Prior Year	(3)	118	188			
	F3. Second Prior Year	(733)	(3)	118	188		
	F4. Third Prior Year	873	(733)	(3)	118	188	
	F5. Fourth Prior Year	(174)	875	(733)	(1)	118	190
	F6. Total Recognized Investment Gain	81	445	(430)	305	306	190
G.	Actuarial Value End of Year: A. + D6. + E3. + F6.	$21,994	$23,230				
H.	Difference Between Market & Actuarial Values	$(126)	$371	$801	$496	$190	$0

The Actuarial Valuation of Assets recognizes assumed investment income (line E3) fully each year. Differences between actual and assumed investment income (line E4) are phased in over a closed 5 year period. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Actuarial Value of Assets will tend to be greater than market value. If assumed rates are exactly realized for 4 consecutive years, actuarial value will become equal to market value.

Asset Summary June 30, 2025 ($ in Thousands)		
	Market Value	**Actuarial Value**
(1) Assets as of June 30, 2024	$21,868	$21,994
(2) Contributions and Misc. Revenue	1,110	1,110
(3) Investment Increment	2,448	1,951
(4) Benefit Payments	(1,809)	(1,809)
(5) Refunds	0	0
(6) Administrative Expenses	(16)	(16)
(7) Assets as of June 30, 2025 (1)+(2)+(3)+(4)+(5)+(6)	$23,601	$23,230
(8) Net Investment Return* [2 x (3)] / [(7) + (1) – (3)]	11.38%	9.02%

* Calculated assuming middle of year cash flow experience.

The assumptions and methods used in the valuation are based on the results of the experience Investigation for the four-year period ending June 30, 2024, dated April 13, 2025, and adopted by the Board on June 25, 2025. The combined effect of the assumptions is expected to have no significant bias.

INTEREST RATE: 7.00% per annum, compounded annually (net of investment expenses only). The expected return on assets consists of 2.40% price inflation and 4.60% real rate of return.

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed rates of separation from active service are as follows:

	Annual Rate of		
	Death*		
Age	Male	Female	Disability**
20	0.0360%	0.0150%	0.020%
25	0.0390	0.0210	0.025
30	0.0428	0.0285	0.035
35	0.0503	0.0390	0.055
40	0.0660	0.0533	0.085
45	0.0945	0.0720	0.115
50	0.1850	0.1310	0.150
55	0.2730	0.1947	0.175
60	0.5016	0.2651	0.200
65	0.8400	0.3894	0.000
70	1.5684	0.7744	0.000
75	2.9316	1.5411	0.000

* Adjusted Base rates.
** 93% are presumed to be non-duty related, and 7% are assumed to be duty related.

WITHDRAWAL AND VESTING: 12.5% in an election year, 2% in a non-election year.

SERVICE RETIREMENT: 25% in an election year, 3.5% in a non-election year. All members are assumed to retire no later than age 80.

It is assumed that a member will be granted 2.5 years of service credit for unused leave at termination of employment.

SALARY INCREASES: 2.65% per annum, for all ages.

DEATH AFTER RETIREMENT:

Service Retirees

Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates	Projection Scale
PubS-2010(B) Retiree	None	Male: 107% for all ages Female: 97% up to age 82, 100% for ages 83 to 87, and 110% for ages above 87	MP-2021

Contingent Annuitants

Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates	Projection Scale
PubS-2010(B) Contingent Annuitant	Male: Set forward 3 years Female: Set forward 2 years	None	MP-2021

Disabled Retirees

Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates	Projection Scale
PubG-2010(B) Disabled	Male: Set forward 1 year Female: Set forward 3 years	Male: 134% for all ages Female: 125% for all ages	MP-2021

Representative values of the assumed rates of death after retirement are as follows:

	Rates of Death After Retirement*					
	Service Retirees		Contingent Annuitants		Disabled Retirees	
Age	Male	Female	Male	Female	Male	Female
45	0.2547%	0.0902%	0.8160%	0.4930%	1.4861%	1.4588%
50	0.3670%	0.1552%	0.9850%	0.5990%	2.2941%	1.9837%
55	0.5307%	0.2677%	1.1470%	0.7820%	2.9493%	2.2913%
60	0.7918%	0.4627%	1.4500%	1.0340%	3.4626%	2.5638%
65	1.2187%	0.7993%	2.0860%	1.4290%	4.2786%	3.0625%
70	2.0886%	1.3793%	3.2210%	2.0940%	5.5114%	4.0488%
75	3.6198%	2.3823%	4.9710%	3.2200%	7.4196%	5.8475%
80	6.2777%	4.1138%	7.8020%	5.1970%	10.6249%	8.9375%
85	10.7728%	7.3240%	12.4680%	8.8570%	15.6485%	13.7675%
90	17.8947%	13.9117%	19.9560%	14.5230%	23.6925%	19.5438%

* Adjusted Base Rates

PAYROLL GROWTH: 2.65% per annum, compounded annually.

ADMINISTRATIVE EXPENSES: 0.15% of payroll.

TIMING OF DECREMENTS AND PAY INCREASES: Middle of Year.

ASSUMED INTEREST RATE ON EMPLOYEE CONTRIBUTIONS: 2.00%

MARRIAGE ASSUMPTION: 85% married with the husband three years older than his wife.

MAXIMUM COVERED EARNINGS ASSUMPTION GROWTH: 2.65%

MODIFIED CASH REFUND: Benefits were valued with a six-year certain period for retirees and a five year certain period for active members to estimate the value of the modified cash refund feature.

ASSET VALUATION METHOD: Actuarial value, as developed in Schedule A. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected market value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and expected market value.

AMORTIZATION METHOD FOR ACTUARIALLY DETERMINED CONTRIBUTION (ADC): Level Dollar Method using closed amortization periods as follows:

a. Existing UAAL on June 30, 2023 – 25 years.
b. Annual future actuarial experience gains and losses, assumption changes or benefit enhancements or reductions – 25 years from the date of the valuation.

SCHEDULE B – ACTUARIAL ASSUMPTIONS AND METHODS

VALUATION METHOD: The valuation is prepared on the projected benefit basis, which is used to determine the present value of each member's expected benefit payable at retirement, disability, or death. The calculations are based on the member's age, years of service, sex, compensation, expected future salary increases, and an assumed future interest earnings rate (currently 7.00%). The calculations consider the probability of a member's death or termination of employment prior to becoming eligible for a benefit and the probability of the member terminating with a service, disability, or survivor's benefit. The present value of the expected benefits payable to active members is added to the present value of the expected future payments to current benefit recipients to obtain the present value of all expected benefits payable to the present group of members and survivors.

The employer contributions required to support the benefits of SLRP are determined following a level funding approach and consist of a normal contribution and an accrued liability contribution.

Under the entry age normal cost method, the actuarial present value of each member's projected benefits is allocated on a level basis over the member's compensation between the entry age of the member and the assumed exit ages. The portion of the actuarial present value allocated to the valuation year is called the normal cost. The actuarial present value of benefits allocated to prior years of service is called the actuarial accrued liability. The unfunded actuarial accrued liability represents the difference between the actuarial accrued liability and the actuarial value of assets as of the valuation date. The unfunded actuarial accrued liability is calculated each year and reflects experience gains/losses. The accrued liability contribution amortizes the balance of the unfunded actuarial accrued liability over a period of years from the valuation date.

Schedule C – Main Benefit and Contribution Provisions

The following summary presents the main benefit and contribution provisions of the Plan in effect June 30, 2025 as interpreted in preparing the actuarial valuation. This Plan is closed to new active members as of March 1, 2026.

DEFINITIONS

Average Compensation	Average annual covered earnings of an employee during the four highest years of service. To determine the four highest years, PERS considers these scenarios: • Four highest fiscal years of earned compensation; • Four highest calendar years of earned compensation; • Combination of four highest fiscal and calendar years of earned compensation that do not overlap; or • Final 48 months of earned compensation prior to termination of employment.
Covered Earnings	Gross salary not in excess of the maximum amount on which contributions were required.
Fiscal Year	Year commencing on July 1 and ending June 30.
Eligibility Service	Service while a contributing member of PERS plus additional service as described below. (OLD: Eligibility service" is all service in PERS, including that credited for SLRP service.)
Credited Service	Service while a contributing member of SLRP plus additional service as described below. (OLD: "Creditable service" includes only SLRP service.)
Unused Sick and Vacation Leave	Service credit is provided at no charge to members for unused sick and vacation time that has accrued at the time of retirement. A payment of up to 240 hours of leave may be used the Average Compensation definition.
Additional Service	Additional service credit may be granted for service prior to July 1, 1989, including active duty military service.
Attribution	Attribution period for the normal cost is based on entry into PERS even for members who first participated in SLRP at a later age than PERS.

The maximum covered earnings for employers and employees over the last ten years are as follows:

EMPLOYER AND EMPLOYEE RATES OF CONTRIBUTION AND MAXIMUM COVERED EARNINGS

Fiscal Date From	Fiscal Date To	Employer Rate	Employee Rate	Maximum Covered Earnings
7/1/2014	6/30/2015	7.40%	3.00%	$260,000
7/1/2015	6/30/2017	7.40	3.00	$265,000
7/1/2017	6/30/2018	7.40	3.00	$270,000
7/1/2018	6/30/2019	7.40	3.00	$275,000
7/1/2019	6/30/2020	7.40	3.00	$280,000
7/1/2020	6/30/2021	7.40	3.00	$285,000
7/1/2021	6/30/2022	7.40	3.00	$290,000
7/1/2022	6/30/2023	7.40	3.00	$305,000
7/1/2023	6/30/2024	7.40	3.00	$330,000
7/1/2024	6/30/2025	8.40	3.00	$345,000
7/1/2025	6/30/2026	8.40	3.00	$350,000

BENEFITS

Superannuation Retirement

Condition for Retirement

(a) A retirement allowance is paid upon the request of any member who retires and has attained age 60 and completed at least eight years* of membership service under PERS. A retirement allowance may also be paid upon the completion of at least 25 years of creditable service under PERS for members hired prior to July 1, 2011, or upon the completion of 30 years of creditable service for members hired on or after July 1, 2011.

(b) Any member who withdraws from service prior to his or her attainment of age 60 and who has completed at least eight years* of ,membership service under PERS is entitled to receive, in lieu of a refund of his or her accumulated contributions, a retirement allowance commencing at age 60.

Amount of Allowance

The annual retirement allowance payable to a member who retires under condition (a) above is equal to:

1. A member's annuity which is the actuarial equivalent of the member's accumulated contributions at the time of his or her retirement, plus

2. An employer's annuity which, together with the member's annuity, is equal to 1% of his or her average compensation for each of the first 25 years of creditable service plus 1.25% for each year of creditable service over 25 years.

The minimum allowance is $60 per year of creditable service.

Disability Retirement

Condition for Retirement	A retirement allowance is paid to a member who is totally and permanently disabled, as determined by the Board of Trustees, and has accumulated eight or more years* of membership service under PERS. * four years for those who entered PERS before July 1, 2007.
Amount of Allowance	For those who were active members prior to July 1, 1992, and did not elect the benefit structure outlined below, the annual disability retirement allowance payable is equal to a superannuation retirement allowance if the member has attained age 60, otherwise it is equal to a superannuation retirement allowance calculated as follows: 1. A member's annuity equal to the actuarial equivalent of his or her accumulated contributions at the time of retirement, plus 2. An employer's annuity equal to the amount that would have been payable had the member continued in service to age 60. For those who become active members after June 30, 1992, and for those who were active members prior to July 1, 1992, who so elected, the following benefits are payable: 1. A temporary allowance equal to the greater of (a) 40% of average compensation plus 10% for each dependent child up to a maximum of 2, or (b) the member's accrued allowance. This temporary allowance is paid for a period of time based on the member's age at disability, as follows:

Age at Disability	Duration
60 and earlier	to age 65
61	to age 66
62	to age 66
63	to age 67
64	to age 67
65	to age 68
66	to age 68
67	to age 69
68	to age 70
69 and later	one year

For those hired prior to July 1, 2011, the minimum allowance is $60 per year of service credit.

2. A deferred allowance commencing when the temporary allowance ceases equal to the greater of (a) the allowance the member would have received based on service to the termination age of the temporary allowance, but not more than 20% of average compensation, or (b) the member's accrued allowance.

   For those hired prior to July 1, 2011, the minimum allowance is $60 per year of service credit.

   Effective July 1, 2004, a temporary benefit can be paid out of a member's accumulated contribution balance while the member is awaiting a determination for eligibility for disability benefits. Future disability payments, if any, would be offset by advanced payments made from the member's accumulated contributions.

Accidental Disability Retirement

Condition for Retirement	A retirement allowance is paid to a member who is totally and permanently disabled in the line of performance of duty.
Amount of Allowance	The annual accidental disability retirement allowance is equal to the allowance payable on disability retirement but not less than 25% of average compensation. There is no minimum benefit.

Accidental Death Benefit

Condition for Benefit	A retirement allowance is paid to a spouse and/or dependent children upon the death of an active member in the line of performance of duty.
Amount of Allowance	The annual retirement allowance is equal to 25% of average compensation payable to the spouse and 12-1/2% of average compensation payable to one dependent child or 25% to two or more children until age 19 (23 if a full time student). There is no minimum benefit.

Ordinary Death Benefit

Condition for Benefit	Upon the death of a member who has completed at least eight years* of membership service, a benefit is payable, in lieu of a refund of the member's accumulated contributions, to his or her spouse, if said spouse has been married to the member for not less than one year. * four years for those who entered the system before July 1, 2007.
Amount of Allowance	The annual retirement allowance payable to the lawful spouse of a vested member who dies is equal to the greater of (i) the allowance that would have been payable had the member retired and elected Option 2, reduced by an actuarially determined factor based on the number of years the member lacked in qualifying for unreduced benefits, or (ii) a lifetime benefit equal to 20% of the deceased

member's average compensation, but not less than $25 per month.

In addition, a benefit is payable to dependent children until age 19 (23 if a full time student). The benefit is equal to the greater of 5% of average compensation or $25 per month for each dependent child up to 3.

Return of Contributions

Upon the withdrawal of a member without a retirement benefit, his or her contributions are returned to him or her, together with accumulated regular interest thereon.

Upon the death of a member before retirement, his or her contributions, together with the full accumulated regular interest thereon, are paid to his or her designated beneficiary, if any, otherwise, to his or her estate provided no other survivor benefits are payable.

Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

Normal Form of Benefit

The normal form of benefit is an allowance payable during the life of the member with the provision that upon his or her death the excess of his or her total contributions at the time of retirement over the total retirement annuity paid to him or her will be paid to his or her designated beneficiary.

Optional Benefits

A member upon retirement may elect to receive his or her allowance in one of the following forms which are computed to be actuarially equivalent to the applicable retirement allowance.

Option 1. Reduced allowance with the provision that if the pensioner dies before he receives the value of the member's annuity as it was at the time of retirement, the balance shall be paid to his or her beneficiary.

Option 2. Upon his or her death, his or her reduced retirement allowance shall be continued throughout the life of, and paid to, his or her beneficiary.

Option 3. Upon his or her death, 50% of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary and the other 50% of his or her reduced retirement allowance to some other designated beneficiary.

Option 4. Upon his or her death, 75% of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary.

Option 4A. Upon his or her death, 50% of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary.

Option 4B. A reduced retirement allowance shall be continued throughout the life of the pensioner, but with the further guarantee of payment to the pensioner or his or her beneficiary for a specified number of years certain.

Option 4C. A member may elect any option with the added provision that the member shall receive, so far as possible, the same total amount annually (considering both SLRP and Social Security benefits) before and after the earliest age at which the member becomes eligible for a Social Security benefit. This option was only available to those who retired prior to July 1, 2004.

A member who elects Option 2, Option 4 or Option 4A at retirement may revert to the normal form of benefit if the designated beneficiary predeceases the retired member or if the member divorces the designated beneficiary.

A member who elects the normal form of benefit or Option 1 at retirement may select Option 2, Option 4 or Option 4A to provide beneficiary protection to a new spouse if married at retirement.

A member who has at least 28 years of creditable service* under PERS can select a partial lump-sum option at retirement. Under this option, the retiree has the option of taking a partial lump-sum distribution equal to either 12, 24, or 36 times the base maximum monthly benefit. With each lump-sum amount, the base maximum monthly benefit will be actuarially reduced. A member selecting the partial lump-sum option may also select any of the regular options except Option 1, the prorated single-life annuity, and Option 4-C, the Social Security leveling provision. The benefit is then calculated using the new reduced maximum benefit as a starting point in applying the appropriate option factors for the reduction.

*or at least age 63 with four years of membership service for those who entered PERS before July 1, 2007.

Post-Retirement Adjustments In Allowances

The allowances of retired members are adjusted annually by an amount equal to (a) 3% of the annual retirement allowance for each full fiscal year of retirement prior to the year in which the member reaches age 55, plus (b) 3% compounded for each year thereafter beginning with the fiscal year in which the member turns age 55*.

*Age 60 for members hired on or after July 1, 2011.

A prorated portion of the annual adjustment will be paid to the member, beneficiary, or estate of any member or beneficiary who is receiving the annual adjustment in a lump sum, but whose benefits are terminated between July 1 and December 1.

RECONCILIATION OF DATA RECEIVED FROM PERS

Reconciliation of Data received from PERS	Active File			Pensioner File			Total
	Active	Inactive	Deferred Vested	Retirees	Disableds	Survivors	
From PERS	179	24	37	193	1	56	490
Return to Active							
Refunded							
Deceased				(8)		(2)	(10)
Deceased with Beneficiary						1	1
Certain Period End						(2)	(2)
Inactive		4	(4)				
Deferred Vested	(1)		1				
Duplicate*	(2)						(2)
Retired	(2)			2			
For Valuation	174	28	34	187	1	53	477

*Also included in Pensioner File

STATUS RECONCILIATION FROM 2024 TO 2025

	Actives	Retirees	Disableds	Survivors	Deferred Vested	Inactive	Total
As of June 30, 2024	175	191	1	55	35	30	487
Retirement	(1)	4			(2)	(1)	
Disabled							
Death with Survivor		(3)		3			
Terminated Vested	(1)				1		
Terminated Non-Vested							
Rehired	1					(1)	
Refunded	(2)						(2)
Death No Survivor		(5)		(2)			(7)
Benefit Ended				(2)			(2)
Removed/Cleanup				(1)			(1)
New	2						2
As of June 30, 2025	174	187	1	53	34	28	477

Retirants & Beneficiaries as of June 30, 2025
Tabulated by Year of Retirement

Valuation Year of Retirement Ending June 30	No.	Total Annual Benefits, excluding COLA	COLA	Total Annual Benefits	Average Monthly Total Benefit
2025	3	$19,261	$0	$19,261	$535
2024	22	153,588	1,414	155,002	587
2023	6	41,080	1,503	42,583	591
2022	5	22,930	7,509	30,439	507
2021	4	18,153	2,127	20,280	423
2020	24	190,008	28,893	218,901	760
2019	7	41,467	6,859	48,326	575
2018	6	30,647	6,510	37,157	516
2017	6	32,976	8,044	41,020	570
2016	24	150,526	39,965	190,491	661
2015	3	22,761	6,748	29,509	820
2014	5	21,980	8,068	30,048	501
2013	13	45,628	17,419	63,047	404
2012	25	144,921	61,938	206,859	690
2011	3	5,193	2,550	7,743	215
2010	4	18,656	9,483	28,139	586
2009	5	25,467	14,211	39,678	661
2008	13	57,861	34,317	92,178	591
2007	1	4,417	2,884	7,301	608
2006	6	21,944	15,702	37,646	523
2005	4	11,380	8,394	19,774	412
2004	11	54,731	33,151	87,882	666
2003	0	0	0	0	0
2002	3	9,092	8,452	17,544	487
2001	7	22,011	20,550	42,561	507
2000	9	30,034	28,986	59,020	546
1999	3	13,512	14,317	27,829	773
1998	1	1,097	1,269	2,366	197
1997	3	9,560	6,281	15,841	440
1996	2	4,441	5,719	10,160	423
1995	1	1,058	1,436	2,494	208
1994	0	0	0	0	0
1993	4	12,530	17,304	29,834	622
1992	7	27,202	41,825	69,027	822
1991	0	0	0	0	0
1990	1	2,203	3,815	6,018	502
TOTAL	241	$1,268,315	$467,643	$1,735,958	$600

Schedule of Retired Members by Type of Retirement

Benefits Payable June 30, 2025

Amount of Original Monthly Benefit	Number of Rets.	Ret Type 1*	Ret Type 2*	Ret Type 3*
$1 – $100	13	10		3
101 – 200	48	33		15
201 – 300	35	31		4
301 – 400	41	31		10
401 – 500	23	16	1	6
501 – 600	19	11		8
601 – 700	17	16		1
701 – 800	16	13		3
801 – 900	8	7		1
901 – 1,000	9	9		
Over 1,000	12	10		2
Totals	241	187	1	53

*Type of Retirement
1 – Retirement for Age & Service
2 – Disability Retirement
3 – Survivor Payment

Schedule of Retired Members by Type of Option
Benefits Payable June 30, 2025

Amount of Original Monthly Benefit	Number of Rets.	Life	Option 1	Option 2	Option 3	Option 4	Option 4A	Option 4B	Option 4C*	PLSO* 1 Year	PLSO* 2 Years	PLSO* 3 Years
$1 – $100	13	7		4				1	1			
101 – 200	48	23	1	17	4	2		1		2		6
201 – 300	35	17	1	12	1	1	1	2		1		2
301 – 400	41	25		11			1	4		2		6
401 – 500	23	11	1	8	1			2			2	3
501 – 600	19	6		6	3		2	2			1	8
601 – 700	17	8		8			1				2	2
701 – 800	16	7		7		1				1	1	3
801 – 900	8	3		2		1	1					3
901 – 1,000	9	2	1	3		1		2			1	2
Over 1,000	12	7		3		1	1			2	1	3
Totals	241	118	4	81	9	7	7	14	1	8	8	38

Option Selected		
Life	-	Return of Contributions
Opt. 1	-	Return of Value of Member's Annuity
Opt. 2	-	100% Survivorship
Opt. 3	-	50%/50% Dual Survivorship
Opt. 4	-	75% Survivorship
Opt. 4A	-	50% Survivorship
Opt. 4B	-	Years Certain & Life
Opt. 4C	-	Social Security Leveling*
Opt. 5	-	Pop-Up
PLSO	-	Partial Lump Sum* (Reflects reduced monthly benefit)

*Included in other options

Retirant and Beneficiary Information June 30, 2025
Tabulated by Attained Ages

Attained Age	Service Retirement		Disability Retirement		Survivors and Beneficiaries		Total	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 20								
20 – 24								
25 – 29					1	$1,751	1	$1,751
30 – 34								
35 – 39								
40 – 44					1	$2,936	1	$2,936
45 – 49	1	$2,074					1	$2,074
50 – 54	1	$7,827			1	$4,072	2	$11,899
55 – 59	3	$16,415			7	$38,616	10	$55,031
60 – 64	21	$131,432			1	$9,120	22	$140,552
65 – 69	32	$219,255			3	$30,624	35	$249,879
70 – 74	40	$281,560	1	$9,625	13	$85,753	54	$376,938
75 – 79	39	$300,526			5	$45,221	44	$345,747
80 – 84	27	$221,045			8	$69,866	35	$290,911
85 – 89	18	$147,414			10	$56,820	28	$204,234
90 – 94	4	$28,687			3	$19,483	7	$48,170
95	1	$5,836					1	$5,836
96								
97								
98								
99								
100 & Over								
Totals	187	$1,362,071	1	$9,625	53	$364,262	241	$1,735,958

Average Age: 74.6 years
Average Age at Retirement: 61.3 years

Total Active Member Data as of June 30, 2025
Tabulated by Attained Ages and Years of Service

Attained Age	Completed Years of Service									Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Over	No.	Payroll
Under 25											$ -
25 to 29		2								2	104,790
30 to 34	1		3	1						5	248,445
35 to 39		9	4							13	682,072
40 to 44		2	5	2						9	475,588
45 to 49		9	14	3	1					27	1,460,310
50 to 54		4	8	5	2	2	1			22	1,323,790
55 to 59		5	11	10	2	1	1			30	1,694,521
60 to 64	1	5	12	5	1	2				26	1,380,061
65 to 69		2	3	2	3	1	1	2		14	791,640
70 & Over		1	5	5	6	1		5	3	26	1,535,822
Total Count	2	39	65	33	15	7	3	7	3	174	$ 9,697,039

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age:	56.4 years
Benefit Service:	10.5 years
Eligibility Service:	15.0 years
Annual Pay:	$55,730

Gains & Losses in Accrued Liabilities
Resulting from Difference Between
Assumed Experience & Actual Experience
($ Thousands)

Type of Activity	$ Gain (or Loss) For Year Ending 6/30/2025	$ Gain (or Loss) For Year Ending 6/30/2024
Age & Service Retirements. If members retire at older ages, there is a gain. If younger ages, a loss.	$ 92.6	$ 277.4
Disability Retirements. If disability claims are less than assumed, there is a gain. If more claims, a loss.	6.5	7.6
Death-in Service Benefits. If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	4.5	8.0
Withdrawal From Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	36.6	26.0
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	(706.8)	(278.0)
New Members. Additional unfunded actuarial accrued liability will produce a loss.	(0.6)	(303.9)
Investment Income. If there is a greater investment income than assumed, there is a gain. If less income, a loss.	436.0	33.0
Death After Retirement. If retirants live longer than assumed, there is a loss. If not as long, a gain.	100.2	(77.1)
Other. Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, etc.	(13.2)	(74.0)
Gain (or Loss) During Year From Financial Experience	$ (44.2)	$ (381.0)
Non-Recurring Items. Adjustments for plan amendments, software changes, assumption changes, or method changes.	503.6	0.0
Composite Gain (or Loss) During Year	$ 459.4	$ (381.0)

NAVIGATING

Your Future

Mississippi SLRP Valuation as of June 30, 2025

CavMac
Actuarial Consulting Services

Funding Policy Discussion

SLRP Changes Since Last Year

- In the 2025 legislative session, the Mississippi legislature passed House Bill 1 that closed SLRP to new members as of March 1, 2026.

- Funding policy should be adjusted to fund this Plan based on the Actuarially Determined Contribution calculated as a dollar amount.

- In addition, the amortization payment method should be changed to a level dollar methodology because payroll is expected to decline, making the level percentage of payroll amortization method no longer appropriate for this plan.

- At the June 2025 Board meeting, the PERS Board adopted new actuarial assumptions.

Elements of Actuarial Funding Policy

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- Actuarial Cost Method
- Asset Smoothing Method
- Amortization Policy
- Output Smoothing Method

Amortization Policy

- Amortization of Unfunded Actuarial Accrued Liability is a major component of actuarial contribution rate

- Amortization policy decisions
  - Payment is level dollar or level percent of pay
  - Amortization period open or closed
  - Length of amortization period
  - One base or multiple bases

Amortization Policies: Trade-Offs

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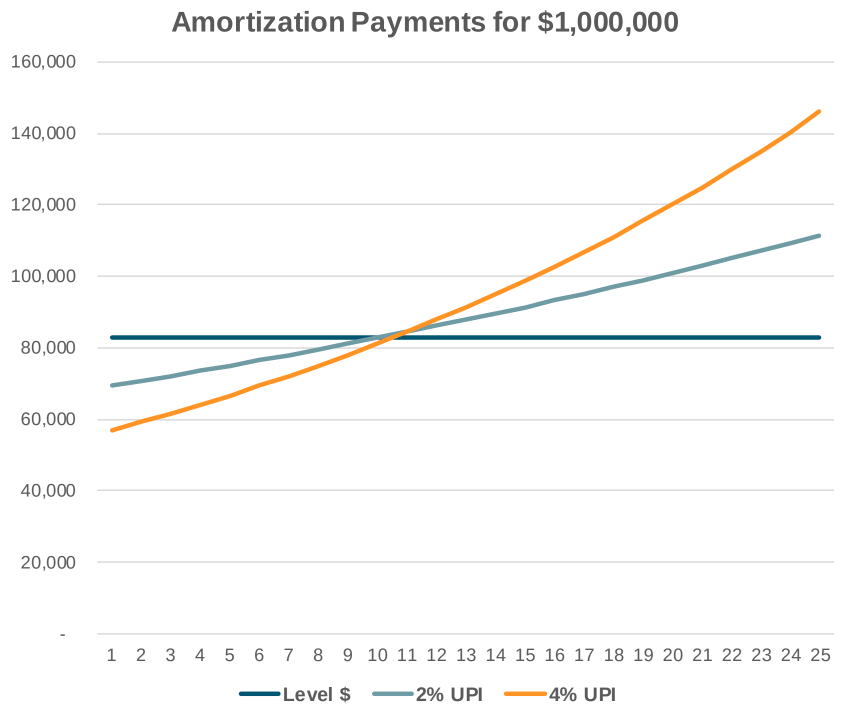
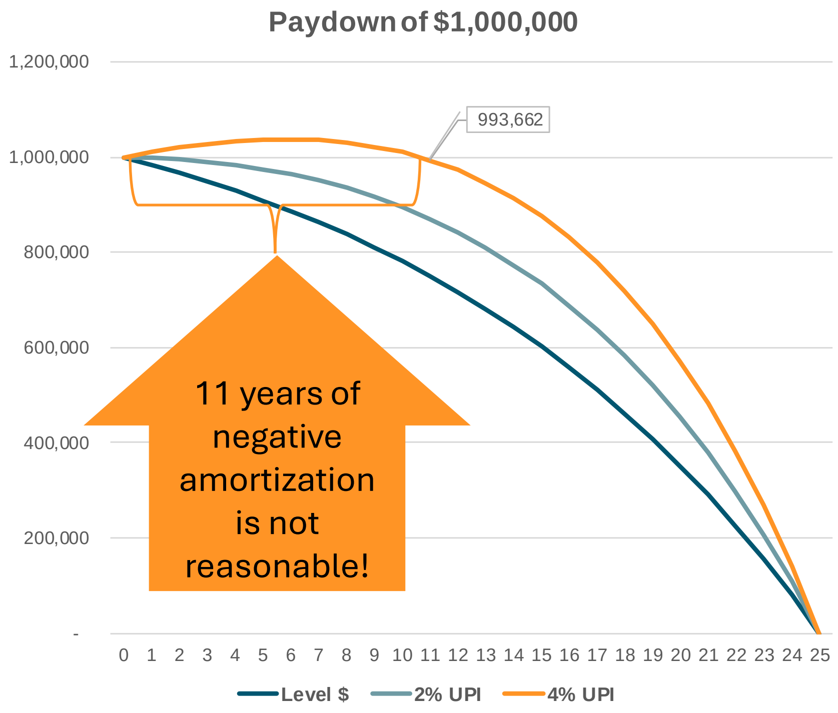
Feature	Options	Trade-off
Period length	Open 30 years, closed 20 years, etc.	Longer = lower payments now, more total cost
Payment type	Level dollar vs. level % of payroll	Level % = lower early payments, front-loads risk and requires payroll growth assumption
Layering	Separate layer for each year's gain/loss	Multiple layers = complexity, can obscure true cost
Open vs. Closed	Open restarts period; closed runs down to zero	Open = perpetual debt, may never fully fund

Amortization Policy Options

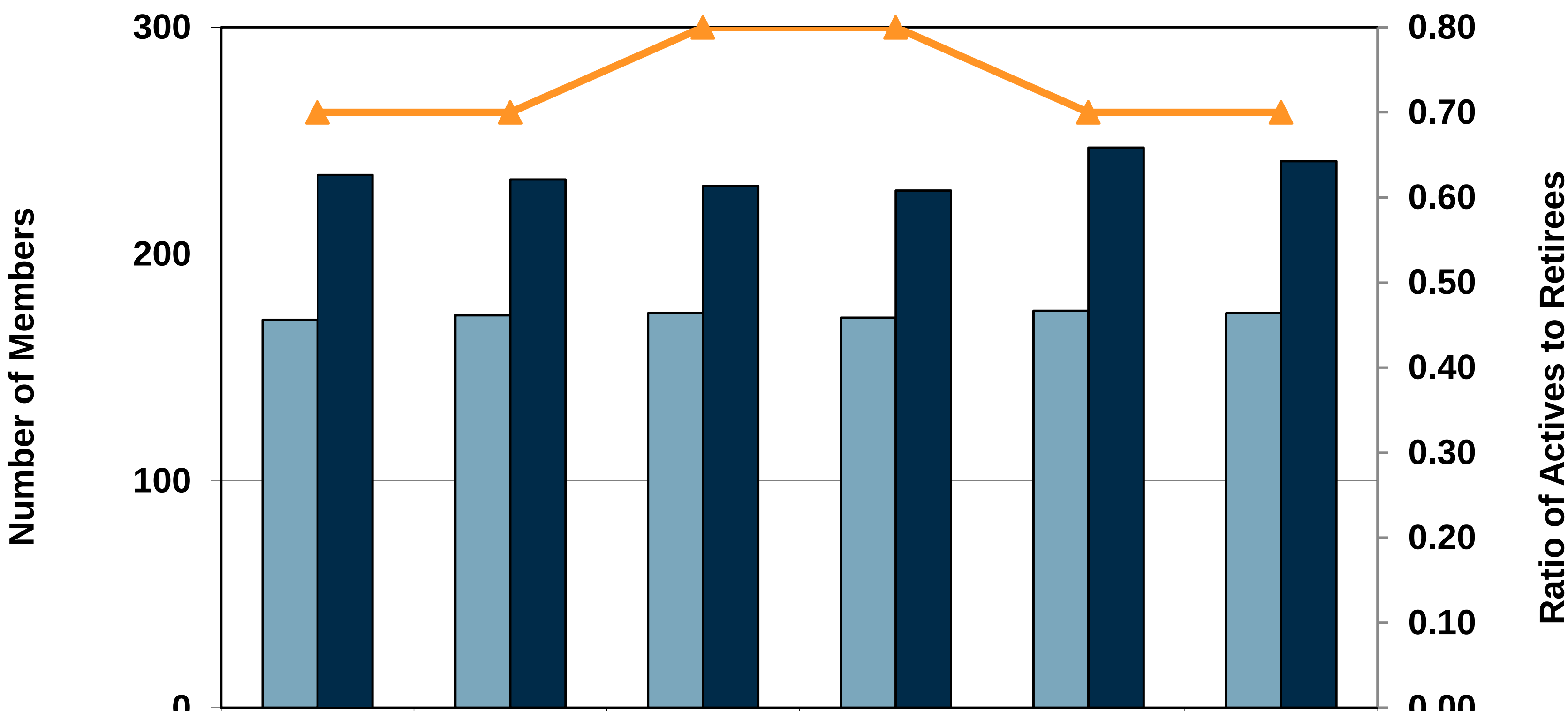
- Impact of UAAL Payment Increases and Negative Amortization





2025 Valuation Results

SLRP Census Data - June 30



	2020	2021	2022	2023	2024	2025
Actives	171	173	174	172	175	174
Retirees	235	233	230	228	247	241
Ratio	0.7	0.7	0.8	0.8	0.7	0.7

SLRP Census Data - June 30

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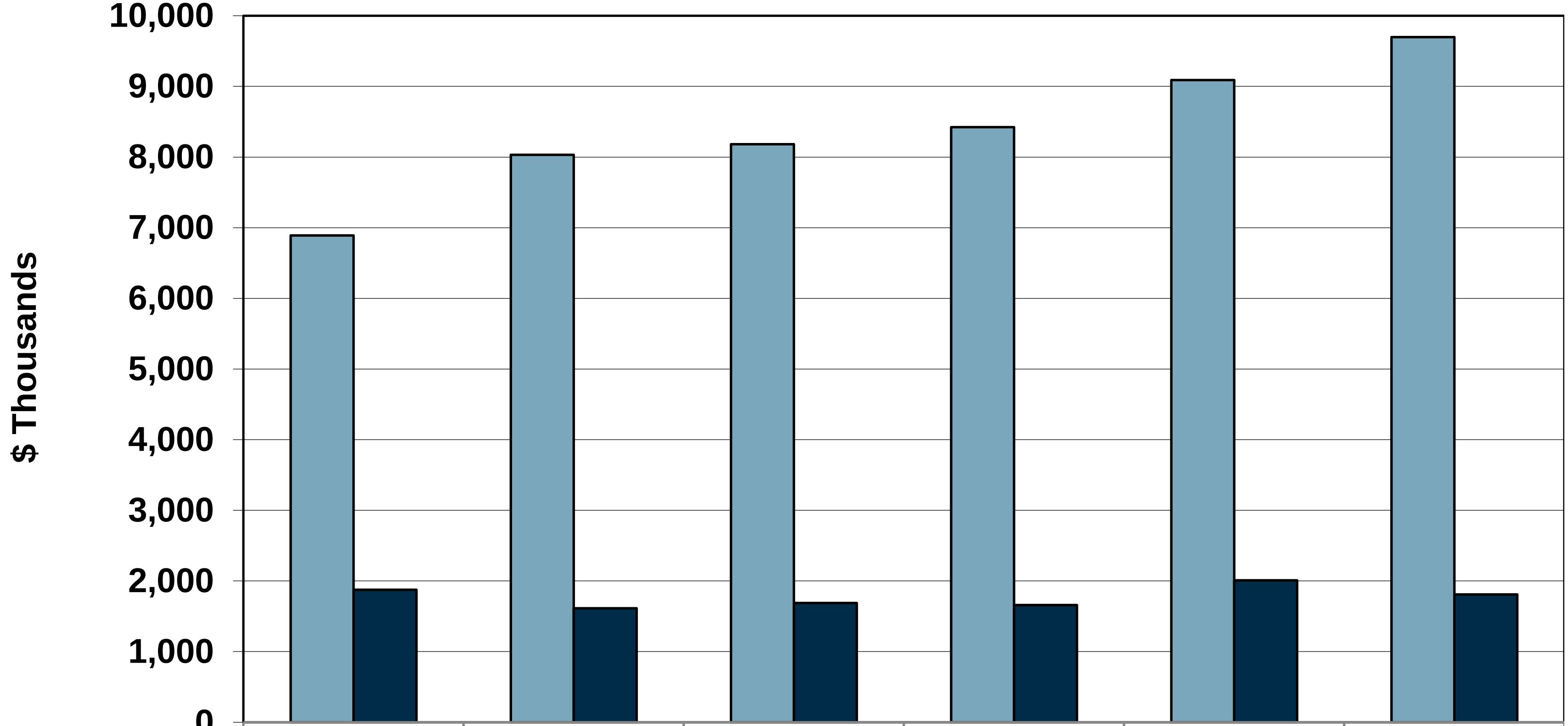
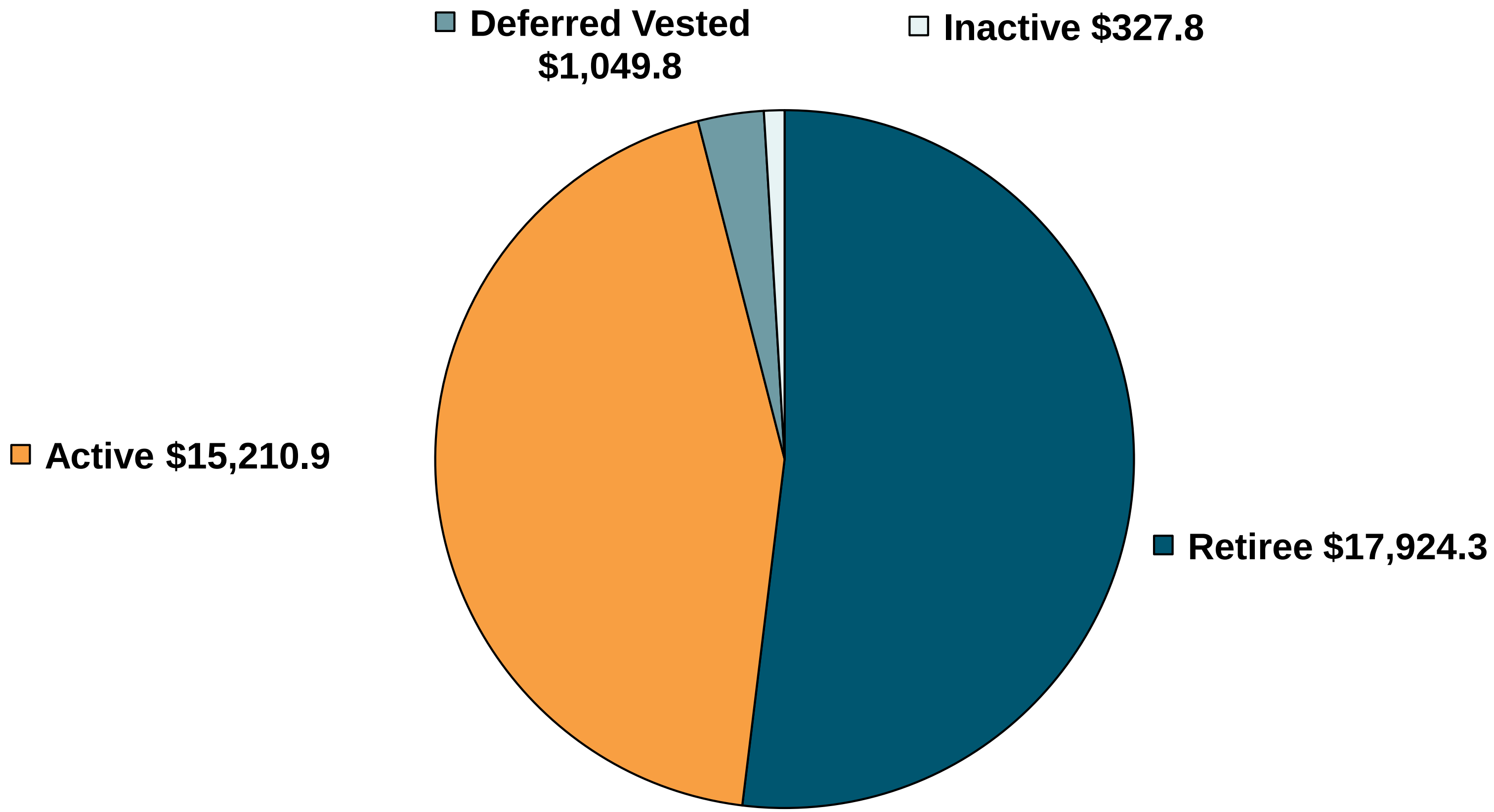


	2020	2021	2022	2023	2024	2025
Payroll	6,891	8,030	8,180	8,425	9,091	9,697
Actual Benefit Payments	1,877	1,614	1,687	1,658	2,010	1,809

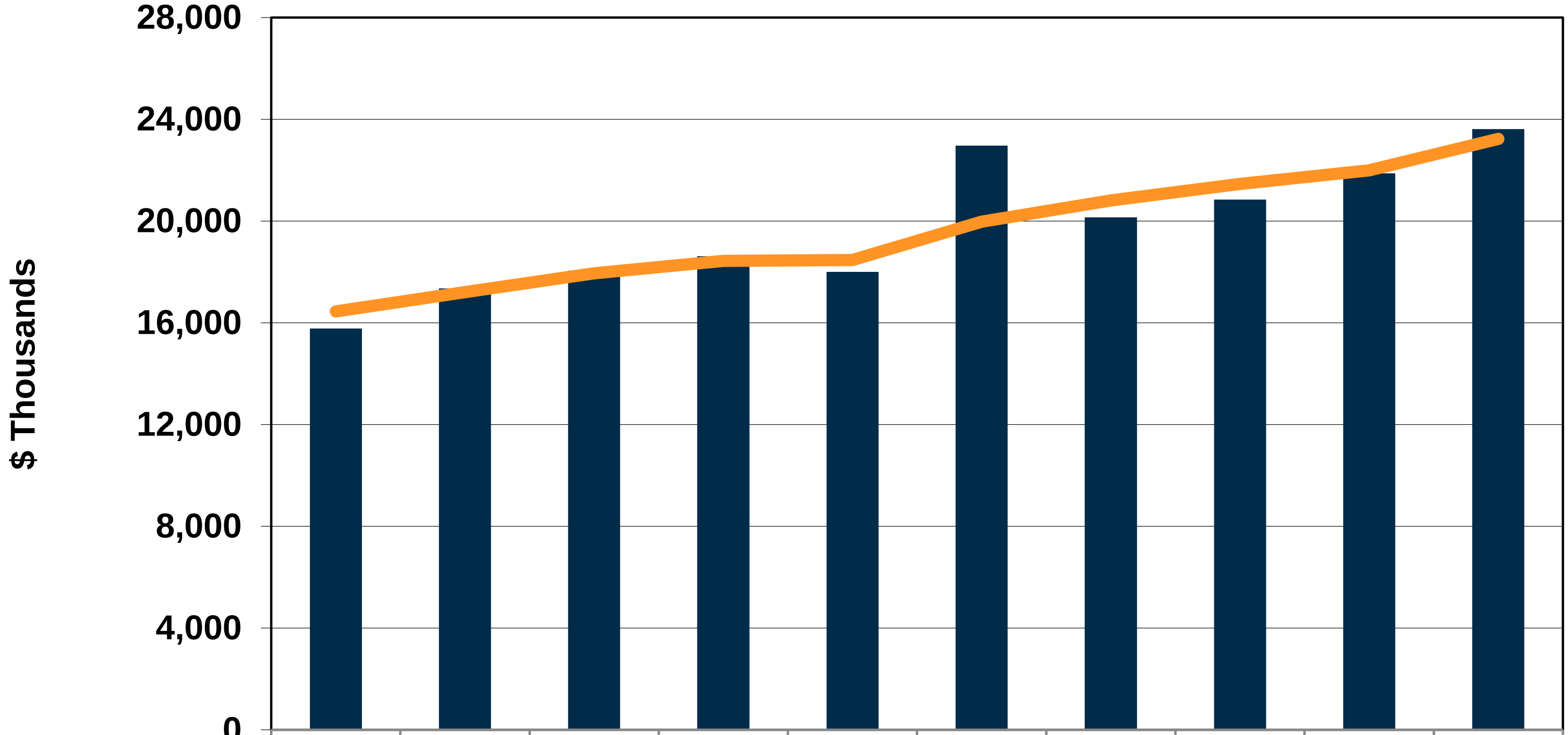
SLRP Value of Future Benefits

($ thousands)



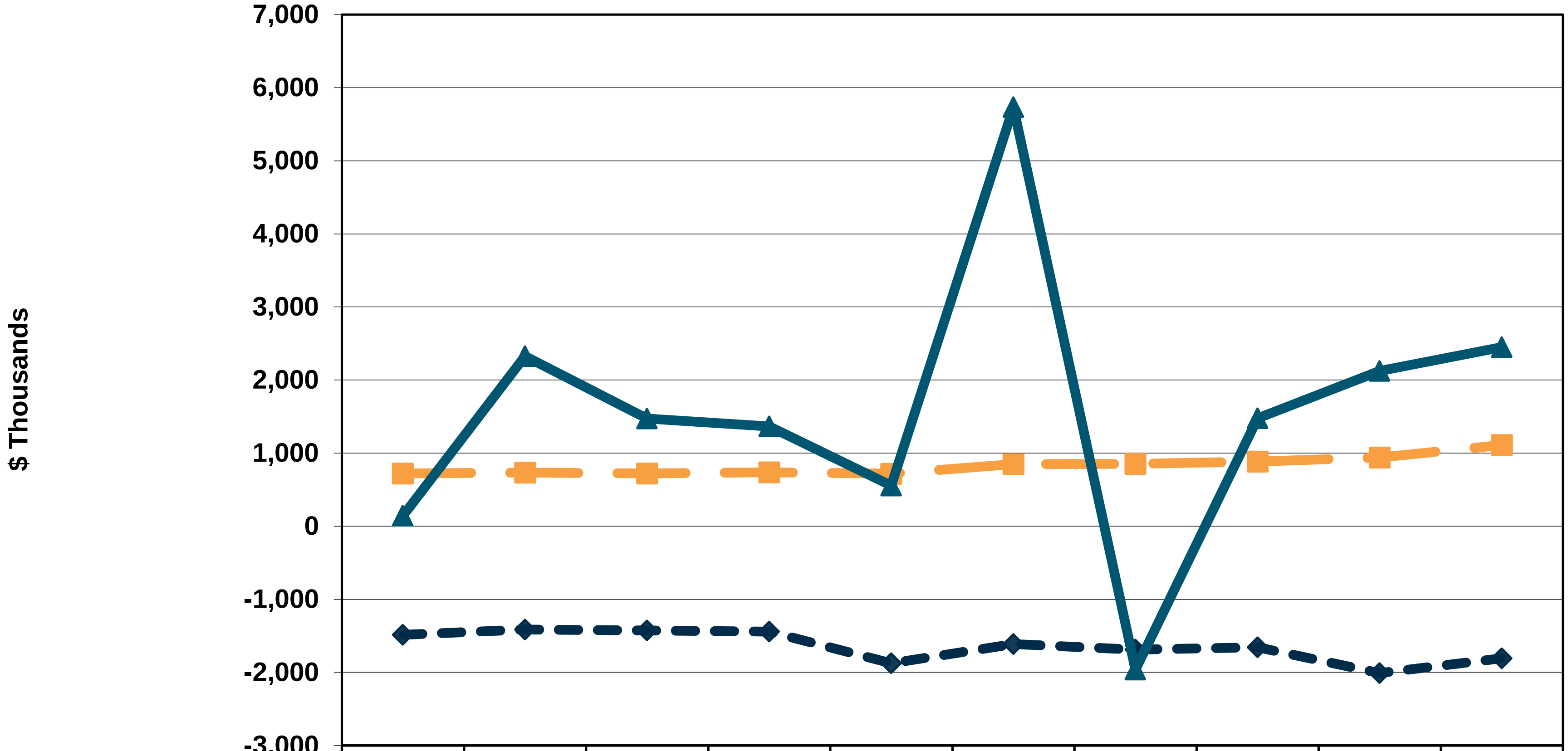
Total - $34,512.8

SLRP Asset Values



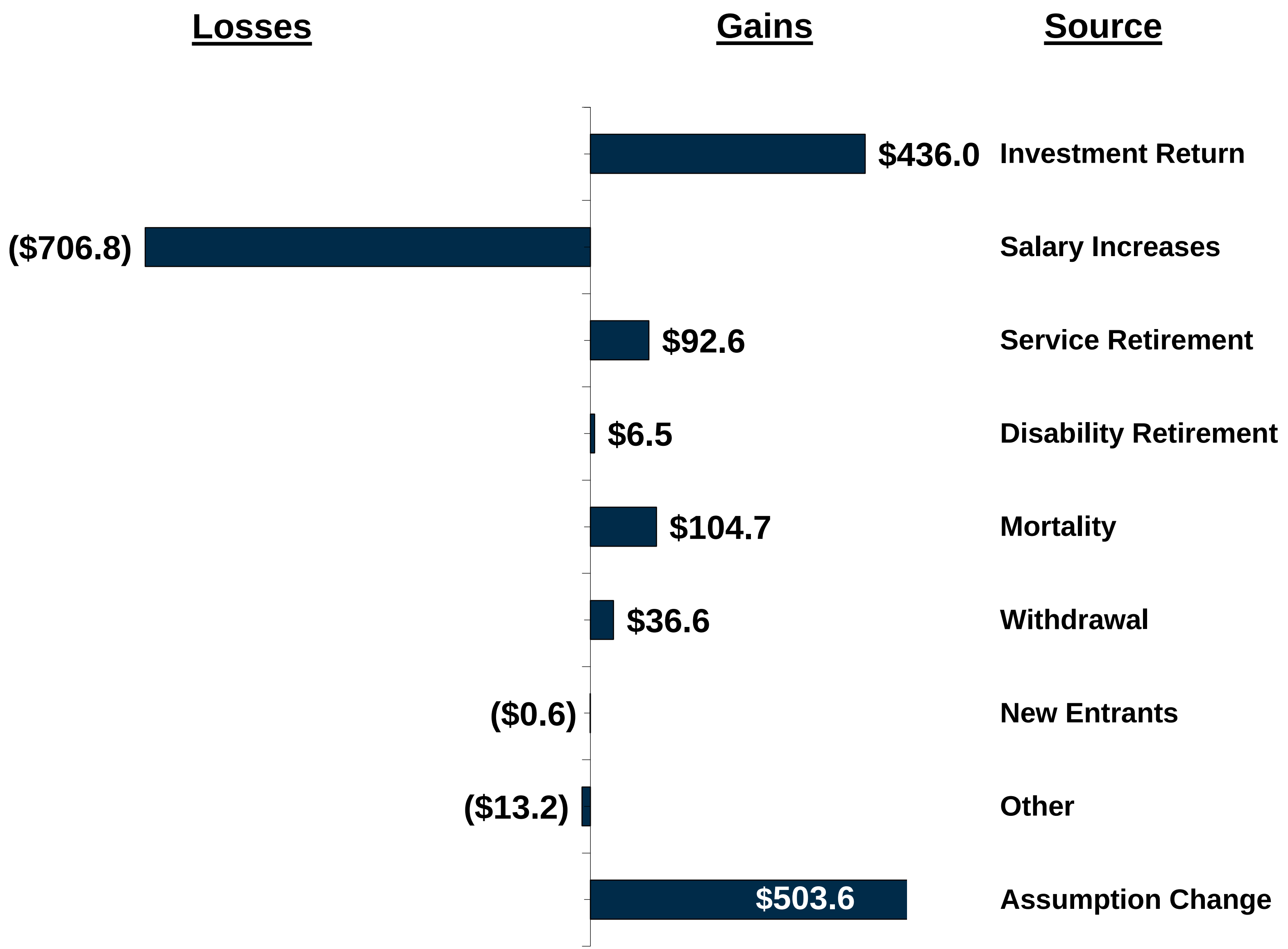
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Market	15,768	17,342	18,036	18,609	17,995	22,950	20,139	20,830	21,868	23,601
Actuarial	16,447	17,208	17,945	18,428	18,472	19,980	20,808	21,465	21,994	23,230

SLRP Cash Flow

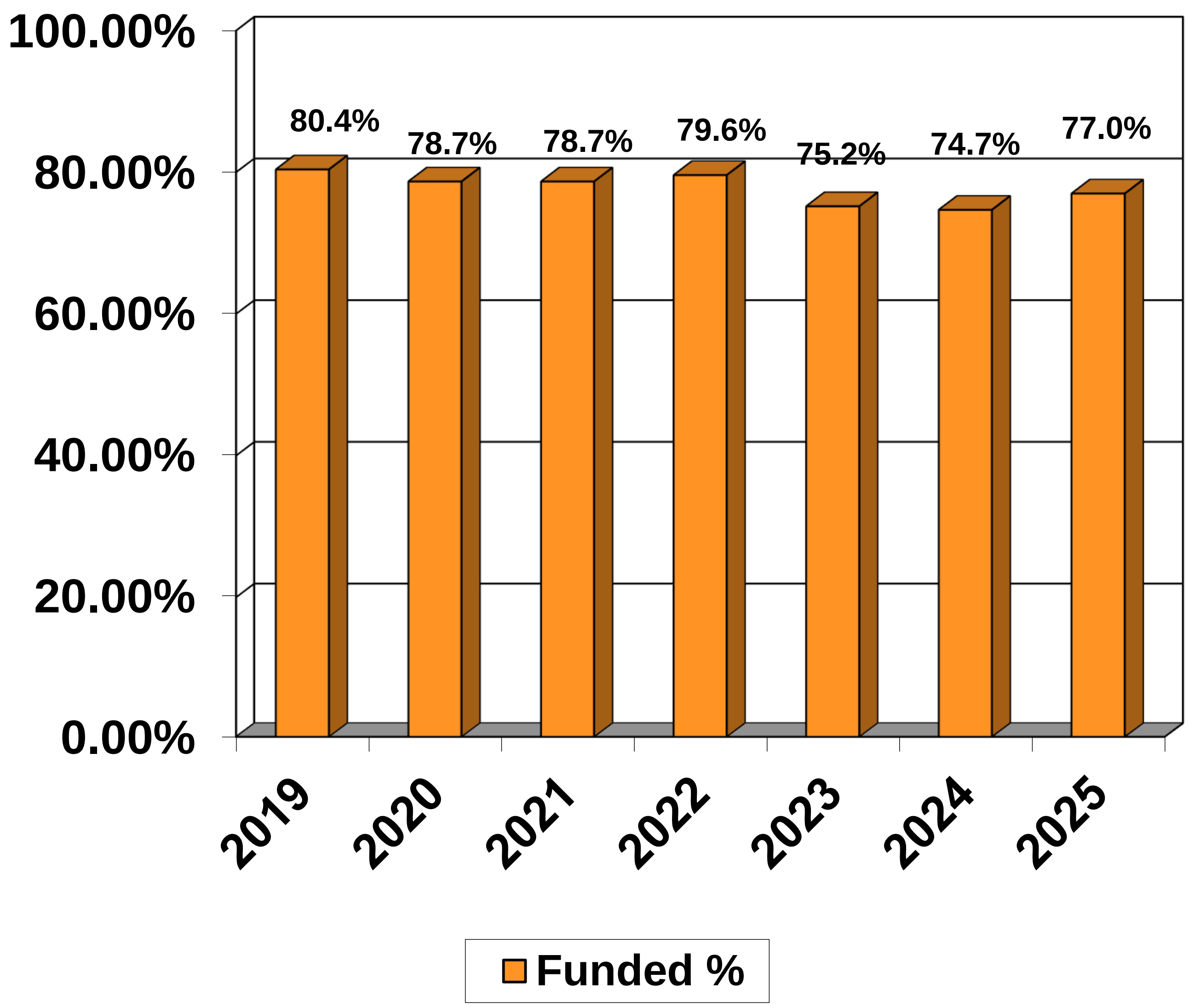


	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Benefit Payments	(1,486)	(1,414)	(1,428)	(1,442)	(1,877)	(1,614)	(1,687)	(1,658)	(2,010)	(1,809)
Contributions	722	734	720	739	719	849	852	884	939	1,110
Investment Income	144	2,326	1,474	1,365	554	5,732	(1,964)	1,478	2,122	2,448

SLRP Actuarial Gain/Loss Analysis
($ thousands)



SLRP Funded Ratio



SLRP Actuarially Determined Contribution (ADC) – UAAL Portion

Date Established	Original UAAL Balance	Remaining UAAL Balance	Remaining Amortization Period	Amortization Payment*
June 30, 2023	$7,065,466	$7,091,326	23 years	$608,173
June 30, 2024	357,716	358,656	24 years	30,231
June 30, 2025	(507,408)	(507,408)	25 years	(42,093)
Total		$6,942,574		$596,311
Estimated Payroll				$9,697,039
UAAL Amortization Contribution Rate				6.15%

* Using level dollar amortization methodology

SLRP Actuarially Determined Contribution (ADC)

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Valuation Year	2024	2025*
Employer Normal Cost	3.22%	3.07%
Actuarial Accrued liability	5.31%	6.15%
Total ADC	8.53%	9.22%
ADC as a Dollar Amount	$775,000	$894,000
Anticipated accrued liability payment period	24.4 years	22.9 years

* Using the level dollar amortization method (2024 used level percentage of payroll method)

SLRP Summary

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- **Net Market Value of Return for the 2025 FYE was approximately 11.4% (assuming mid-year cash flow)**
  - Last year was around 10.5% (assuming mid-year cash flow)
  - On an actuarial value basis, the return was 9.0% (last year was 7.7%) due to 5-year smoothing method

- **Funded Ratio went from 74.7% to 77.0%**

- **Amortization period using the ADC is 22.9 years**

- **Actuarially Determined Contribution (ADC) is $894,000 using level dollar amortization**
  - Rate of Pay is 9.22% and expected to grow since payroll will decline over future valuations

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Providing Benefits for Life

Board Travel Authorization for FY 2027

Conferences, Trainings, and Meetings of the Following:

- National Council on Teacher Retirement (NCTR)
- National Association of State Retirement Administrators (NASRA)
- Certificate of Achievement in Public Plan Policy (CAPPP) sponsored by International Foundation of Employee Benefit Plans (IFEBP)
- Callan College or other Callan events
- Other actuarial training as needed.