



# MEMBER HANDBOOK

Public Employees' Retirement System of Mississippi Hybrid Retirement Plan

# Public Employees' Retirement System of Mississippi

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Entrance to the parking garage is from President Street, between Yazoo Street and Mississippi Street.



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# Welcome

Whether you are an educator, physician, county supervisor, engineer, clerk, accountant, first responder, or one of the myriad of other public employees serving the state of Mississippi, one of the most valuable benefits of your employment is the promise of a secure retirement with the Public Employees' Retirement System of Mississippi (PERS).

PERS is Mississippi's retirement system for state agencies, public schools, community/junior colleges, and universities, as well as counties, cities, and other participating political subdivisions. We believe that Mississippi's public employees deserve a strong retirement system.

Since established by the Mississippi Legislature in 1952, PERS has worked to accomplish its mission of providing secure retirement benefits by closely monitoring investments, studying plan adjustments, recommending changes to the Legislature, and following a strong chain of checks and balances that starts with the Mississippi Constitution and ends with the people we serve.

Providing secure retirement benefits is only one part of our agency's mission. We also strive to deliver quality service. Moreover, we want you to know about your retirement system. This handbook is one of several valuable tools we provide for members to learn about PERS. Along with our website, annual reports, member statements, and educational opportunities, we have a team of dedicated and trained staff who can respond to you personally via phone and in person. We listen carefully to your questions and seek to understand your needs. We strive to treat each person—from new hires to longtime retirees—with dignity, respect, and compassion.

This handbook provides a general overview of the **PERS Hybrid Retirement Plan** for those who become members of PERS on or after March 1, 2026. The documents and forms referenced in this document may be found at [www.pers.ms.gov](http://www.pers.ms.gov).



# Your Retirement System: A Brief Overview

The Public Employees' Retirement System of Mississippi (PERS or the System) was established by the state Legislature in 1952 to provide benefits to eligible Mississippi public employees working for state agencies, universities, community/junior colleges, and public schools, as well as counties, cities, and other participating political subdivisions.

PERS is administered by its 10-member Board of Trustees, which includes the state treasurer, one gubernatorial appointee who must be a member of PERS, two state employees, two PERS retirees, one representative of public schools and community/junior colleges, one representative of the state's institutions of higher learning, one representative of municipalities, and one representative of counties. Under the guidance of a consulting actuary, the PERS Board monitors System funding to ensure the financial soundness of PERS and compliance with the guidelines established by the Governmental Accounting Standards Board. The PERS Board also appoints the executive director to serve as the agency's chief executive officer.

## **Along with the traditional defined benefit PERS plan, the Board administers:**

- Mississippi Highway Safety Patrol Retirement System (MHSPRS), established in 1958;
- Mississippi Government Employees' Deferred Compensation Plan & Trust (MDC), established in 1973 with administration transferred to PERS in 1974;
- Municipal Retirement Systems (MRS) —17 fire and police and two municipal employee plans, closed plans with administration transferred to PERS in 1987;
- PERS-sponsored Retiree Medical and Life Insurance Plans, authorized in 1988;
- Supplemental Legislative Retirement Plan (SLRP), established in 1989 and closed to new members in 2026;
- Optional Retirement Plan for the Institutions of Higher Learning (ORP), established in 1990; and
- Hybrid Defined Contribution Retirement Plan, established in 2026.

# Staying Informed

PERS is here to serve you, whether you are a member, retiree, or beneficiary. We encourage you to contact us and to use our printed and online resources. Our Customer Service Center, website, and other communication materials are sources for information and answers to questions.

## Customer Service Center

PERS' Customer Service Center analysts assist callers with questions and concerns. The center is open from 8 a.m. to 5 p.m. weekdays (except state holidays). Call 800-444-7377 or 601-359-3589.

## eUpdates

PERS eUpdates are brief, timely emailed news alerts that include information about legislative, regulatory, and retirement plan changes; leadership updates; and more. Visit [www.pers.ms.gov](http://www.pers.ms.gov) to subscribe.

## News Releases

PERS news releases keep you up to date on what is happening with the agency. News releases sent by PERS over the last 12 months are posted online for the public to view.

## Publications and Reports

Our financial and actuarial reports are posted on our website and provide detailed information about PERS.

## Regulations

In addition to retirement law, PERS Board regulations and plan documents provide guidance on the way PERS operates on a day-to-day basis. All current regulations are posted on the PERS website.

## Website

Our website, [www.pers.ms.gov](http://www.pers.ms.gov), is a valuable resource for employers, members, retirees, and the public. The latest news can be found in the PERS Updates section of the home page. Our Forms Library provides quick access to most forms, including many listed in this handbook. Along with news and forms, our website includes information about the leadership of your retirement system, with biographical information about our Board of Trustees and Executive Staff.

## Your Membership

PERS is the retirement system for eligible public employees who work as regular employees for state agencies, universities, community/junior colleges, and public schools, as well as counties, cities, and other political subdivisions that have entered into Joinder Agreements to provide retirement coverage to eligible employees.

Participation in PERS is mandatory for an employee in a covered position. An elected official is subject to mandatory participation in PERS if his or her position is not excluded by a Joinder Agreement or by law and if he or she receives a regular salary.

To be a member in PERS, an individual must be employed as a regular employee whose employment is anticipated to exceed four and one-half consecutive months. He or she must be subject to the control of the covered public employer as defined in Internal Revenue Service (IRS) guidelines, and he or she must satisfy the following general requirements:

- Be properly classified as an employee;
- Have compensation properly reported on IRS Form W-2, Wage and Tax Statement;
- Be paid regular periodic compensation (whether hourly, daily, weekly, or monthly);
- Be treated as an employee for all general purposes including, but not limited to, eligibility for fringe benefits, payment of employment-related expenses, payroll tax withholding, etc.; and
- Personally perform services and receive compensation for not less than 20 hours per week or a total of 80 hours per month, or in the case of contract school personnel, perform services and receive compensation for half time or more for the academic year. For details, see Board Regulation 36, *Eligibility for Membership in the Public Employees' Retirement System of Mississippi*.

# Hybrid Retirement Plan Overview

Employees who become members of PERS on or after March 1, 2026, shall participate in the Hybrid Retirement Plan, which consists of two components: a defined benefit plan and a defined contribution plan. A Hybrid Plan member who has met the retirement eligibility requirements for PERS will receive a retirement benefit that will consist of a calculated monthly payment from the defined benefit component and the accumulated balance in his or her defined contribution component.

## **HYBRID RETIREMENT PLAN'S DEFINED BENEFIT PLAN COMPONENT**

PERS is here to help ensure your financial well-being after you retire from a career in public service. Once you are vested (after eight years of service), your years of contributing to PERS will provide you with life-long benefits upon retirement through the defined benefit component of the Hybrid Retirement Plan. In addition, PERS provides financial peace of mind for you and your family through disability and survivor benefits. Should you become permanently disabled, you may be eligible for disability retirement benefits. If you die before retirement, your spouse and/or dependent children may be eligible for survivor benefits.

This governmental defined benefit plan is qualified under Section 401(a) of the Internal Revenue Code. The defined benefit is based on the member's years of creditable service and average compensation. If a member leaves covered employment before becoming vested, the member will lose membership in PERS if the member takes a refund of his or her contributions from PERS. If a member leaves covered employment after becoming vested, the member may retain his or her PERS membership until retirement by leaving the member's contributions in PERS.

## **HYBRID RETIREMENT PLAN'S DEFINED CONTRIBUTION PLAN COMPONENT**

The defined contribution plan is a key component of the Hybrid Plan, as it allows the member to invest pre-tax dollars in investment options of his or her choice that are offered by the plan.

A governmental defined contribution plan qualified under Section 401(a) of the Internal Revenue Code, the plan allows immediate vesting and directs how the contributions should be invested given a member's individual goals, risk tolerance, and timeline. The default investment option for the defined contribution plan is a target date fund with a target year closest to the year the member will reach age 65. The defined contribution plan is administered by a third-party vendor.

# Member and Employer Contributions

As a PERS member, you contribute a set percentage of your earned compensation up to the maximum reportable earnings allowed by law. Member contributions are tax-deferred, so you do not pay taxes on contributions until you withdraw the funds from your retirement account either as a refund or as retirement benefits. Retirement benefits are not subject to Mississippi State Income Tax; however, benefits paid by PERS to you as a resident of another state may be subject to taxation in that state.

## MEMBER CONTRIBUTIONS

All PERS members contribute a total of 9 percent of earned compensation toward retirement. In the Hybrid Plan, members contribute an amount equal to 4 percent of earned compensation to PERS for the defined benefit component and an amount equal to 5 percent of earned compensation into the member's defined contribution account. The member is automatically enrolled by the employer in PERS and the defined contribution plan, and participation is mandatory for those who become members of PERS on or after March 1, 2026.

## EMPLOYER CONTRIBUTIONS - DEFINED BENEFIT PLAN

PERS-covered employers contribute a set percentage of the member's earned compensation for their covered employees. Employer contributions are not credited to individual member accounts and are not payable to members through refunds.

## EMPLOYER CONTRIBUTIONS - DEFINED CONTRIBUTION PLAN

Employers may elect to contribute an amount up to the maximum pre-tax amount allowable under federal law. Please consult your Human Resources or Payroll department to learn whether your employer contributes to your defined contribution plan.

## MAXIMUM CONTRIBUTION LEVELS

The federal government establishes maximum retirement plan contribution levels that are updated annually, and such limits are applicable to PERS Hybrid Plan members.

The amount deferred to each plan is reported to the IRS on the member's W-2 form each year. If contributions exceed the legal maximum for any calendar year, the member will be subject to IRS tax

penalties. For members contributing to multiple retirement plans, the total contributions to the plans may not exceed the limitations, even if the member has more than one employer. The IRS sets a separate limit for contributions from all sources. All relevant IRS contribution limits can be found at [IRS.gov](https://www.irs.gov).

## Vesting

### **DEFINED BENEFIT PLAN VESTING**

You become vested when you have worked the required number of years of service as a contributing member. Being vested entitles you and your beneficiaries to certain benefits when you reach a specified age or years of service or if you become disabled or die prior to retirement. Hybrid Retirement Plan members become vested upon completion of at least eight years of membership service.

If you leave your job after you are vested and do not receive a refund of your contributions and interest, you retain your right to a future benefit upon reaching retirement age, and your spouse and/or dependent children may be eligible for certain survivor benefits.

### **DEFINED CONTRIBUTION PLAN VESTING**

Hybrid Retirement Plan members are immediately vested in the defined contribution plan.

## Terminating Covered Employment

Termination from employment or withdrawal from service is defined as a complete severance of all employment with PERS-covered employers. You are not considered to have withdrawn from service if you transfer from one PERS-covered position to another. Once you terminate employment, your membership continues as long as you do not refund your contributions and interest. By not refunding, you become an inactive member, you retain your right to a lifetime retirement benefit when you meet eligibility requirements, and you retain your right to survivor benefits, if eligible.

## **REFUNDING DEFINED BENEFIT CONTRIBUTIONS**

A refund of your contributions is only permitted following termination. No provision exists for loans, partial refunds, or hardship withdrawals of a member's defined benefit contributions. Refunding your defined benefit account contributions means losing your membership in PERS as well as losing the accompanying service credit. You also waive and relinquish all accrued vested rights. Hybrid Plan members are not eligible to repay the refund upon reentering covered service.

To refund or rollover your member contributions and interest, you must complete Form 5, *Member Refund Application*. PERS will issue your refund after final wages and contributions are posted to your account but no later than 90 calendar days from the date of termination from covered employment or from the date of receipt of the properly completed form requesting the refund, whichever is later. If you are employed by more than one covered employer, the latest termination date will be used to determine the 90-day period.

## **DISTRIBUTIONS FROM YOUR HYBRID DEFINED CONTRIBUTION PLAN**

A member will be eligible to take distributions from the defined contribution plan following at least 30-days from complete severance of all employment with PERS-covered employers.

## **Service Credit**

While working in a PERS-covered position where wages are properly reported and applicable contributions are paid, you earn membership service that counts toward your retirement. No membership service is awarded for leave of absence without pay.

## **ACTIVE-DUTY MILITARY SERVICE CREDIT AT NO COST AND FOR PURCHASE**

Qualifying active-duty military service credit is available at no cost and for purchase. Military service performed after terminating from covered public service or while drawing a retirement allowance is not eligible for credit.

## **MILITARY SERVICE CREDIT AT NO COST**

Military service credit at no cost requires that you must:

- have served on active duty in:

- the U.S. Army, Navy, Air Force, Marine Corps, or Coast Guard;
  - maritime service during periods of hostility in World War II; or
  - the Commissioned Corps of the U.S. Public Health Service prior to 1972. This credit is available only to members who retire on or after July 1, 2002.
- have entered or reentered state service after discharge from qualifying service and be vested in PERS;
  - not have received a dishonorable discharge;
  - not have credit for this service in any other retirement system administered by PERS and not have overlapping service for the same period of time; and
  - provide necessary documentation prior to retirement.

If eligible, you may receive, at no cost, up to four years of service credit, or more if you were retained in the armed forces or maritime service during World War II by causes beyond your control and without opportunity for discharge. You must submit a copy of your DD-214 discharge form or comparable documentation to qualify for this additional credit. You also may be eligible for service credit as a National Guard or Reserve member if your unit was federally activated into the U.S. Armed Forces and you provide PERS with a copy of your DD-214. Neither the Guard NGB Form nor the U.S. Army Reserve Personnel Center Chronological Statement of Retirement Points will be accepted to establish eligibility for active-duty military service.

## **MILITARY SERVICE CREDIT FOR PURCHASE**

Under certain circumstances, you may be awarded credit for military service that interrupts covered public service, provided the appropriate employee and employer contributions are paid.

To purchase service under the Uniformed Services Employment and Reemployment Rights Act (USERRA), you must have worked for a covered employer, left employment for a military leave of absence, and returned to work with the same employer within 90 days of discharge or release except as otherwise provided under USERRA. The Heroes Earnings Assistance and Relief Tax (HEART) Act extends the right to purchase service under USERRA to survivors after a member's death.

If a member dies while performing qualified military service as defined by the United States Code, his or her survivors are entitled to any additional benefits that the system would provide if the member had resumed employment and then died. A deceased member's period of qualified military service must be counted for vesting purposes. An individual receiving differential wage payments from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation.

# Your PERS Defined Benefit Beneficiaries

From your first day in covered service, PERS provides coverage for your beneficiaries to help give you peace of mind about their well-being. To designate a PERS beneficiary, you must submit a completed Form 1B, *Beneficiary Designation*.

## **PERS LUMP-SUM REFUND**

If you die before becoming vested in PERS, your designated beneficiaries, as defined by law, will be eligible to receive a lump-sum refund of your account balance. Certain tax withholdings may apply.

## **MONTHLY DEATH BENEFITS**

If you die before retirement but after becoming vested in PERS and have not filed Form 16, *Advanced Application*, monthly benefits are payable to your spouse and/or dependent children as follows:

### **PERS Spousal Benefits**

For your spouse to be eligible for benefits in the event of your death, you and your spouse must have been married for at least one year immediately preceding your death. If so, he or she will receive the highest of:

- a lifetime benefit calculated under Option 2, 100 percent Joint and Survivor Annuity, or
- a lifetime benefit equal to 20 percent of your average compensation but not less than \$50 per month.

### **PERS Dependent Child Benefits**

Benefits are payable to dependent children (under age 19 and never married or under age 23 if a full-time student and never married). The benefit payable is equal to the greater of 10 percent of your average compensation or \$50 per month per dependent child (up to 30 percent for three or more children) for the duration of each child's dependent status. Upon application and approval by the Medical Board, benefits to a physically or mentally disabled child may continue as long as the disability exists.

## **PERS DUTY-RELATED DEATH BENEFITS**

Coverage for duty-related death benefits begins on the first day of your employment and is available to your spouse and dependent children regardless of your age or years of service. If you are vested, your spouse and dependent children may be eligible to receive benefits under either non-duty or duty-related death benefit provisions, whichever provides the higher benefit. The one-year marriage requirement does not apply for duty-related death benefits.

Claims for duty-related death benefits are calculated at 50 percent of average compensation, payable to your spouse until death, with 25 percent of average compensation payable to one dependent child and 50 percent of average compensation payable for two or more dependent children (under age 19 and never married or under age 23 if a full-time student and never married). There is no minimum benefit. Upon application and approval by the Medical Board, benefits to a physically or mentally disabled child may continue as long as the disability exists.

## **PERS SURVIVOR BENEFIT APPLICATION**

Death benefits are payable after receipt of a completed Form 9A SRVR, *Pre-Application for Survivor Retirement Benefits*, and are effective the first day of the month following the date of death of a PERS member. In the event of late filing, payments will be made retroactively for up to one year. PERS provides a guide to help your spouse or dependent children through the process of applying for survivor retirement.

## **CHANGING PERS BENEFICIARY INFORMATION**

If you marry, divorce, or have a child by either birth or adoption, you may want to change your beneficiary designation.

To change family information, you must complete and file with your employer Form 1C, *Change of Information*. You will need to file with PERS an amended Form 1B, *Beneficiary Designation*. Both forms are available from the PERS website.

# Your Defined Contribution Beneficiaries

Members may designate one or more individuals as a beneficiary for the defined contribution plan. There is no requirement that the beneficiary must be the same for the defined benefit and the defined contribution components. If the participant fails to designate a beneficiary, the designated beneficiary is deceased, or the designated beneficiary is otherwise disqualified, then the beneficiary shall be deemed to be the statutory beneficiary under Miss. Code Ann. Section 25-11-117.1.

# Calculating Defined Benefit Retirement Benefits

Your monthly defined benefit amount is based on your average compensation, years of service, and the benefit payment option selected at retirement.

## **SERVICE RETIREMENT FORMULA**

The formula for calculating service retirement benefits is 1 percent of your average compensation multiplied by creditable service years. This is your Service Credit Factor and is used to calculate your Maximum Retirement Allowance.

## **AVERAGE COMPENSATION**

Average compensation is calculated using your four highest years of salary and payment of up to 240 hours of leave. To determine your four highest years, PERS considers these scenarios:

- four highest fiscal years of earned compensation;
- four highest calendar years of earned compensation; or
- final 48 months of earned compensation prior to termination of employment.

Salary increases in excess of 8 percent per year received during the final 24 months before retirement are excluded in computing benefits unless authorized by the Mississippi Legislature or Mississippi State Personnel Board or are a result of a change in the position held or services rendered. Also, the increase cannot have been based upon a promise or an agreement to retire.

## **RETIREMENT ELIGIBILITY**

PERS Hybrid Plan members are eligible to retire upon termination from all PERS-covered employment after 30 years of creditable service at any age or age 62 and vested. If the member

reaches age 62 with less than 30 years of service, an actuarial reduction is made for each year of creditable service below 30 years or for each year in age below age 65, whichever is less.

### **BENEFIT PAYMENT OPTION SELECTION**

PERS provides seven base options from which to choose. See subsequent page for all option details.

### **COST-OF-LIVING ADJUSTMENT (COLA)**

Members of the Hybrid Plan are not entitled to an annual COLA; however, the Mississippi Legislature may provide an additional benefit for a specific year.

# PERS Defined Benefit Options

PERS provides seven base defined benefit options from which to choose at retirement. Upon retirement, you should select the benefit option that best suits your needs and circumstances. All base options will provide you with monthly benefits for life, but the options vary in how benefit amounts are calculated. Furthermore, some options contain special Pop-Up and Pop-Down provisions to allow eligible retirees to change options and beneficiary designations (all options require at least one beneficiary be named) under certain limited circumstances. PERS' benefit options are categorized as follows:

## **Single Life Annuities with Refund and Pop-Down Provisions**

No monthly beneficiary protection (However, at least one beneficiary must be named to receive any remaining account balance after your death)

- Maximum Retirement Allowance Option
- Option 1 - Pro-rated Single Life Annuity

## **Joint and Survivor Annuities with Pop-Up Provision**

One beneficiary

- Option 2 - 100 Percent Joint and Survivor Annuity
- Option 4 - 75 Percent Joint and Survivor Annuity
- Option 4A - 50 Percent Joint and Survivor Annuity

## **Joint and Survivor Annuity Fixed**

Two beneficiaries

- Option 3 - 100 Percent Joint and Survivor Annuity

## **Guaranteed Payment Periods Fixed**

One or more beneficiaries

- Option 4B - 10, 15, or 20 Years Certain

## **POP-UP AND POP-DOWN PROVISIONS**

### **Pop-Up Provision**

The Pop-Up Provision allows a retiree who selected Option 2, Option 4, or Option 4A to change to the Maximum Retirement Allowance Option if the designated beneficiary predeceases the retiree or if the retiree divorces the designated beneficiary.

### **Pop-Down Provision**

The Pop-Down Provision allows a retiree who selected the Maximum Retirement Allowance Option or Option 1 to change to Option 2, Option 4, or Option 4A to provide beneficiary protection to a new spouse married after the retiree selected the Maximum Retirement Allowance Option or Option 1. The retiree must apply for this provision within one year of the date of the marriage.

## Single Life Annuity with Refund and Pop-Down Provision

No Monthly Beneficiary Protection

### Maximum Retirement Allowance Option

The Maximum Retirement Allowance Option provides the highest possible monthly benefit for life available to you at retirement. This single life annuity is the basic benefit option offered by PERS.

- Monthly benefit payments stop at your death.
- No monthly benefits are payable to any beneficiary.
- If the total monthly retirement benefits paid before your death is less than your contributions and interest, the remainder will be refunded to your designated beneficiaries.
  - You must name one or more beneficiaries as primary or contingent or to share proportionately any remaining account balance after your death.
  - There are no restrictions on who you may name as a beneficiary. You may name a person, estate, organization, or trust as beneficiary.
  - You are not required to name your spouse as a beneficiary.
  - You may change your beneficiaries at any time.
- If you marry after retirement while receiving benefits under this option, you may apply to Pop-Down to Option 2, Option 4, or Option 4A to provide beneficiary protection for your new spouse. You must apply for this provision within one year of the date of the marriage.

## Single Life Annuity with Refund and Pop-Down Provision

No Monthly Beneficiary Protection

### Option 1 - Pro-rated Single Life Annuity

Option 1 provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Retirement Allowance Option because your contributions are pro-rated over your actuarial life expectancy, which could increase the available refund amount for beneficiaries.

- Monthly benefit payments stop at your death.
- No monthly benefits are payable to any beneficiary.
- If there are contributions and interest remaining at your death, that remainder will be refunded to your designated beneficiaries.
  - You must name one or more beneficiaries as primary or contingent or to share proportionately any remaining account balance after your death.
  - There are no restrictions on who you may name as a beneficiary. You may name a person, estate, organization, or trust as beneficiary.
  - You are not required to name your spouse as a beneficiary.
  - You may change your beneficiaries at any time.
- If you marry after retirement while receiving benefits under this option, you may apply to Pop-Down to Option 2, Option 4, or Option 4A to provide beneficiary protection for your new spouse. You must apply for this provision within one year of the date of the marriage.

## **Joint and Survivor Annuity with Pop-Up Provision**

One Beneficiary

### **Option 2 - 100 Percent Joint and Survivor Annuity**

Option 2 provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Retirement Allowance Option so that, after your death, your beneficiary will receive the same monthly amount for life.

- You must name one beneficiary.
- Your beneficiary must be a person, not an estate, organization, or trust.
- You are not required to name your spouse as a beneficiary.
- You may not change your beneficiary once selected unless he or she dies or unless you divorce and your spouse is named as beneficiary. If so, you may apply to Pop-Up to the Maximum Retirement Allowance Option. In the event of a late filing, the recalculation of benefits can be retroactively effective for up to three months if the beneficiary dies.
- Your beneficiary's benefit may be limited by the Internal Revenue Service if the beneficiary is not your spouse.

## **Joint and Survivor Annuity with Pop-Up Provision**

One Beneficiary

### **Option 4 - 75 Percent Joint and Survivor Annuity**

Option 4 provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Retirement Allowance Option so that, after your death, your beneficiary will receive 75 percent of the same monthly amount for life.

- You must name one beneficiary.
- Your beneficiary must be a person, not an estate, organization, or trust.
- You are not required to name your spouse as a beneficiary.
- You may not change your beneficiary once selected unless he or she dies or unless you divorce and your spouse is named as beneficiary. If so, you may apply to Pop-Up to the Maximum Retirement Allowance Option. In the event of a late filing, the recalculation of benefits can be retroactively effective for up to three months if the beneficiary dies.

## **Joint and Survivor Annuity with Pop-Up Provision**

One Beneficiary

### **Option 4A - 50 Percent Joint and Survivor Annuity**

Option 4A provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Retirement Allowance Option so that, after your death, your beneficiary will receive 50 percent of the same monthly amount for life.

- You must name one beneficiary.
- Your beneficiary must be a person, not an estate, organization, or trust.
- You are not required to name your spouse as a beneficiary.
- You may not change your beneficiary once selected unless he or she dies or unless you divorce and your spouse is named as beneficiary. If so, you may apply to Pop-Up to the Maximum Retirement Allowance Option. In the event of a late filing, the recalculation of benefits can be retroactively effective for up to three months if the beneficiary dies.

## **Joint and Survivor Annuity Fixed**

Two Beneficiaries

### **Option 3 - 100 Percent Joint and Survivor Annuity**

Option 3 provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Retirement Allowance Option so that, after your death, each of your two beneficiaries will receive half of the same monthly amount for life.

- You must name two beneficiaries.
- Your beneficiaries must be people, not estates, organizations, or trusts.
- You are not required to name your spouse as a beneficiary.
- You may not change your beneficiaries once selected.
- If one beneficiary dies, your remaining beneficiary receives 100 percent of the monthly benefit for life.
- If both beneficiaries die, any remaining contribution balance is refunded to the contingent beneficiary designated on your retirement application.
- Your beneficiaries' benefits may be limited by the Internal Revenue Code.

## Guaranteed Payment Periods Fixed

One or More Beneficiaries

### Option 4B – 10, 15, or 20 Years Certain

Option 4B provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Retirement Allowance Option so that, after your death, your beneficiaries will receive the same amount monthly for the remainder of your selected guaranteed payment period. You select one of three guaranteed payment periods—10, 15, or 20 years—that begin from your effective date of retirement.

- You must name one or more beneficiaries.
- There are no restrictions on who you may name as a beneficiary. You may name a person, estate, organization, or trust as beneficiary.
- You are not required to name your spouse as a beneficiary.
- You may change your beneficiaries at any time.
- The applicable Internal Revenue Code may limit your eligibility for selecting Option 4B based on your age at retirement

# Defined Benefit Disability Retirement Benefits

Disability retirement benefits provide you with a secure income if you become permanently sick or injured while employed and can no longer perform the essential duties of your job. PERS offers two types of disability retirement benefits: non-duty-related and duty-related.

If you are an inactive member, disability retirement coverage is only extended to you upon proof that the qualifying disability occurred within six months of termination and that the disability was the direct cause of termination from covered employment. However, you must apply within one year of termination from active service. Membership is considered inactive if you are no longer employed in any PERS-covered position and have not retired or received a refund of your contributions.

## NON-DUTY-RELATED DISABILITY RETIREMENT

To qualify for non-duty-related disability retirement, you must meet the vesting requirement for your Retirement Tier.

### Tiered Disability Plan

With the Tiered Disability Plan, you begin with a Temporary Allowance and eventually move to a Deferred Allowance. The timing of this transition is based on the effective date of your disability retirement allowance. (See chart on following page for transition ages from Temporary Allowance to Deferred Allowance.)

#### Temporary Allowance equals the higher of either:

- 40 percent of average compensation or
- benefits calculated under the service retirement formula based on actual years of service accumulated prior to disability retirement.

The Temporary Allowance also may include an additional supplement of 10 percent of average compensation per dependent child, up to 20 percent of average compensation for two or more dependent children.

The Temporary Allowance, including any supplement, will stop once the Deferred Allowance begins.

#### Deferred Allowance is the greater of either:

- benefits calculated under the service retirement formula based on actual years of service accumulated prior to disability retirement or

- benefits not exceeding 40 percent of average compensation based on the total of actual service credit plus service credit for the period of the Temporary Allowance.

The Deferred Allowance may be less than the Temporary Allowance.

<b>If Temporary Allowance Begins at age...</b>	<b>Then Deferred Allowance begins at age...</b>
60 or younger	65
61 or 62	66
63 or 64	67
65 or 66	68
67	69
68	70
69 or older	1 year from effective date of retirement

If you are an inactive member who returns to covered employment then applies for non-duty-related disability retirement within six months, you must be vested at the time of application and must prove that you were physically capable of performing the job at the time of hire.

## **DUTY-RELATED DISABILITY RETIREMENT**

You may be eligible for duty-related disability retirement if you become disabled as a direct result of a physical injury sustained from an accident or a traumatic event caused by external violence or physical force that occurred in the performance of official job duties. This coverage begins on the first day of PERS-covered employment. Duty-related disability benefits are the higher of either 50 percent of average compensation (tax-exempt) or the non-duty-related disability amount.

### **To Apply for Disability Retirement Benefits**

To apply for either non-duty-related disability retirement or duty-related disability retirement, complete and file all disability retirement application Phase 1 forms, which can be found online. After receipt of these forms, PERS will mail you a Final Estimate of Benefits along with Phase 2 forms to complete. You will be required to provide medical documentation for review by the Medical Board, including copies of office notes from all treating physicians and copies of any discharge summaries from inpatient hospital treatment. The PERS Disability Retirement Guide, which can also be found online, will help you navigate the process of applying for disability retirement.

If you become disabled before meeting your vesting requirement and your disability does not result from an accident or traumatic event occurring in the performance of your job duties, you may receive a refund of your contributions plus interest. File Form 5, *Member Refund Application*, and, if applicable, Form 5C, *Rollover Distribution Election*.

### **Critical Deadlines**

Your application for disability retirement must be filed within one year of termination from active service. This period may be extended by an additional year if you can factually demonstrate that, throughout your initial one-year period, you were incapable of applying for benefits by reason of mental or physical impairment as certified by a medical doctor. If you have been approved for a disability retirement allowance and do not terminate service within 90 days after approval, the disability retirement and the application for disability retirement will be voided. If you have terminated employment, you will have 90 days from your effective date of retirement to submit all required documentation. If your termination date is pending, you have 90 days from PERS' receipt of your DSBL 1. Failure to meet the filing deadline will result in your having to re-apply for disability retirement.

### **Benefit Payment Options**

Disability retirement benefit options are the same as service retirement benefit options. Upon retirement, you should select the benefit option that best suits your needs and circumstances. All base options will provide you with monthly benefits for life, but the options vary in how benefit amounts are calculated. Furthermore, some options contain special Pop-Up and Pop-Down provisions to allow eligible retirees to change options and beneficiary designations under certain limited circumstances.

### **PERS Medical Board**

Your completed application and submitted documentation will be reviewed by the Medical Board. The Medical Board is comprised of three medical doctors responsible for identifying specific, objective medical and employment evidence, as documented, to determine whether a permanent medical condition exists that prevents you from performing the essential functions of your job. While the Medical Board gives consideration to Social Security disability determinations, it does not automatically accept that determination as sole evidence of eligibility for PERS disability retirement benefits.

## **Continuing Qualification**

If approved for disability retirement benefits, you may be required to submit to periodic medical reexaminations (or reevaluations). If the Medical Board determines that you no longer qualify for disability retirement through either a medical evaluation or documented earnings ability, your benefits will be subject to termination.

## **Income Restrictions**

As a disability retiree who has met the 30-day required separation period, you may work and earn no more than the difference between your average compensation before retirement and the benefit amount paid after retirement. Income limitations do not include passive income such as interest income or Social Security income.

These restrictions apply until your benefit converts to a service retirement benefit, at which time normal reemployment rules apply.

You must annually submit copies of your federal income tax returns and other supporting income earnings documents to PERS.

## **Service Retirement while Pursuing Disability**

If you have terminated employment and are eligible, you may begin receiving service retirement benefits while pursuing approval for disability retirement as long as an application for disability retirement is on file with PERS before any service retirement benefits begin. Your PERS benefit analyst will provide you with the necessary form to make this election and to select your benefit option.

If you elect to receive service retirement benefits while pursuing disability retirement and you are not approved for disability, you cannot change the benefit option you selected, except if you later qualify to Pop-Up or Pop-Down. If you are approved for disability retirement benefits and the benefits paid under service retirement are less than the benefits owed under the provisions of disability retirement, the difference will be paid to you.

## **Temporary Benefit while Pursuing Disability**

If you have terminated employment, have less than 15 days of unused leave, and are not eligible for service retirement, you may apply for a temporary benefit while pursuing approval for disability retirement. If you are eligible, your PERS benefit analyst will send you DSBL 11, *Temporary Benefit Application*, to complete and submit. All medical information and required forms must be submitted

before you are eligible for the temporary benefit. The temporary benefit will be paid as a partial distribution of your accumulated contributions and will equal no more than 50 percent of your accumulated contributions. You will receive up to 18 monthly installments; however, the installments will be no more than one-half of the estimated monthly disability retirement allowance to which you would become entitled under the benefit option you select. The temporary benefit will cease at the end of the 18 months or at the time a final disability determination is made, whichever is first. These payments will be recovered through an actuarial reduction of any future monthly benefits (see Board Regulation 63, *Temporary Benefit*).

# PERS Defined Benefit Advanced Application

Once you become eligible to retire, filing a Form 16, *Advanced Application*, allows you to pre-select any benefit option for which you are eligible and designate beneficiaries so that, should you die before you retire, benefits will be paid in accordance with your desires.

Should you die before you retire with no *Advanced Application* on file, benefit payments would be based upon applicable law, not upon specific desires. Applicable law provides that monthly benefits will be paid only to your lawful spouse and/or dependent children. If you have no lawful spouse or dependent children, a lump-sum refund (not monthly benefits) would be paid to any beneficiary you have on file with PERS.

Elections made on the *Advanced Application* do not restrict options available to you at retirement. The option selection and beneficiary designation may be changed at any time prior to retirement by filing an updated *Advanced Application*. Your most recent *Advanced Application* will remain in effect until you either file another *Advanced Application* or you retire.

## ELIGIBILITY

To be eligible to file an *Advanced Application*, you must meet the requirements of your respective Retirement Tier. Accumulated, uncompensated unused leave accrued by a member but not certified to PERS may not be used to qualify for retirement for the purpose of filing an *Advanced Application*. Accumulated, uncompensated unused leave may only be certified to PERS upon termination from employment.

## FILING

Before filing an *Advanced Application*, contact us at 800-444-7377 or 601-359-3589 to receive a current Estimate of Benefits to help you choose the right benefit option for the beneficiary you may want to designate. You also may use the Benefit Estimate Calculator on the PERS website to generate an estimate of benefits under all options.

To obtain an *Advanced Application*, you may contact PERS or download the form from the PERS website. With your *Advanced Application* submission, you must provide a copy of your birth certificate, a copy of the birth certificate of any listed beneficiary, and a copy of the Social Security card for each person listed. To be lawfully binding and in effect, the *Advanced Application* must be completed, signed, and on file with PERS at the time of your death.

# Defined Contribution Plan Investment Options

A wide array of core investment options is available through the defined contribution plan. Each option is explained in its fund fact sheet, which is available at [www.pers.ms.gov](http://www.pers.ms.gov).

If members do not make an investment election upon enrollment, you will be invested in the default target date fund based on your date of birth. Once you are enrolled in the defined contribution plan, you may change your investment options at any time to any of the funds available in the plan.

## SELF-DIRECTED BROKERAGE ACCOUNT

In addition to the core investment options, a self-directed brokerage account (SDBA) is available. The SDBA allows you to select from various mutual funds for an annual fee. The SDBA is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDBA.

## INVESTMENT SUPPORT

You have access to local retirement plan advisors at no cost. They can also review your retirement readiness and provide ongoing support throughout your career and into retirement. In addition, online advice is available at no cost. If you desire additional support, you may opt in to the managed account service for a fee. **There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.**

## MANAGING YOUR ACCOUNT

When you register your account online, you can make changes to your investment options. You can move all or a portion of your existing balances among investment options. You will be able to view daily valuations of your funds and make changes to your allocation of these funds. Each quarter you will receive an electronic account statement showing your account balance and activity. If you prefer to receive a paper statement by mail, you may request one by logging into your account and updating your communication preferences.

Each member should carefully consider his or her risk tolerance, investment horizon, retirement savings goals, and overall investment and retirement objectives prior to making investment decisions.

**Past performance is not a guarantee of future results. Consult your financial advisors and tax professionals for advice.**

## Defined Contribution Plan Rollovers/Transfers

You may roll over approved balances from 457(b), 403(b), 401(k), or 401(a) plans or IRAs to the defined contribution plan.

Upon severance of employment, you may roll over your account balance to an IRA or a 457(b), 403(b), 401(k), or 401(a) plan if your new employer accepts this type of rollover. You may also leave your money in the defined contribution plan and continue taking advantage of all the plan features.

Consider all your options, including taxes, fees, and expenses, before moving money between accounts. Assess all benefits of current accounts before moving money.

## Defined Contribution Plan Hardship Distributions

A member may be permitted to make a hardship withdrawal from his or her defined contribution account if he or she has incurred an immediate and heavy financial need for funds and the withdrawal is necessary to satisfy the financial need.

The following situations are deemed to meet the requirements for a hardship distribution:

- i. Expenses incurred for—or are necessary to obtain—medical care for the member, member's spouse, or member's dependents, or the primary beneficiary;
- ii. Costs directly related to the purchase of a principal residence for the member (excluding mortgage payments);
- iii. Payments of tuition, related educational fees, and room and board expenses for the next 12 months of post-secondary education, including expenses for the then current semester or quarter, for the member or the member's spouse, children, dependents, or primary beneficiary;
- iv. Payments necessary to prevent the eviction of the member from the member's principal residence or foreclosure on the mortgage on that residence;
- v. Payments for funeral or burial expenses for the member's deceased parent, spouse, child, or dependent, or primary beneficiary;
- vi. Expenses to repair damage to the member's principal residence that would qualify for a casualty loss deduction;
- vii. Expenses and losses (including loss of income) incurred by the member on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, provided that the member's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster; or
- viii. Such other financial circumstances as declared by the Commissioner of Internal Revenue to constitute immediate and heavy financial need.

## **Retirement Planning**

PERS offers Retirement Education Seminars, Focus Sessions, and PERS on the Move Seminars to help you plan for retirement. Each session provides you with information on PERS benefits and options to help you make an informed decision regarding your benefit option selection. Hybrid Plan members also have access to retirement planning software and plan advisors. Each quarter, you will receive a statement for your defined contribution account. You will also receive an annual PERS defined benefit statement after the completion of each fiscal year.

## **Managing Defined Contribution Plan Following Termination of Employment or Retirement**

A member is always fully vested in the defined contribution plan. Generally, a member may begin taking qualified withdrawals from his or her defined contribution account upon retirement but is not required to do so. Withdrawals may be set up in any manner, including periodic payments, partial lump sum, full lump sum, rollover to an eligible retirement plan or IRA, or a combination of these options.

Pursuant to federal law, terminated members must begin minimum withdrawals in the year following attainment of age 73, commonly referred to as Required Minimum Distributions (RMD).

### **REQUESTING A DISTRIBUTION**

If you meet the requirements for taking a distribution of your account, you can submit your request by logging in to your online account.

# Applying for Defined Benefit Service Retirement

Applying for service retirement is a two-phase process that provides you with individualized information needed to make an informed decision about your benefit option.

To retire by your desired effective date of retirement, you should begin the application process at least three to six months prior to your desired effective date. All employment with any and all PERS-covered employers must be terminated before your effective date of retirement. If you make application and then decide not to retire, PERS simply requires submission of a written notice from you to rescind your application.

If you have submitted a Form 16, *Advanced Application*, you should revisit it before beginning the retirement application process and complete and submit a new one if you have any changes. If you have not submitted an *Advanced Application* and are eligible to retire, you should submit one before beginning the retirement application process so that your wishes are met should you die before completing the process.

## PHASE 1

*Complete and file Form 9A SRVC, Pre-Application for Service Retirement Benefits, which is available online.*

### Filing as an Active Member

Form 9A SRVC, *Pre-Application for Service Retirement Benefits*, must be completed by you and your current or last employer(s) before submission.

### Filing as an Inactive Member

Form 9A SRVC must be completed by you and filed directly with PERS. A PERS benefit analyst will contact your last covered employer, if necessary.

### After PERS Receives Your Completed Form

A benefit analyst will audit your account and determine your eligibility to retire. If you are eligible, PERS will send you Form 9S, *Service Retirement Application*; Form 9P, *Payroll Authorization*; IRS Form W-4, and a personalized, audited Final Estimate of Benefits. Your effective date of retirement will be no earlier than the first of the month following your termination from employment with all covered employers and receipt of the completed Form 9A SRVC by PERS. This form will become null and void if not completed and returned with all required documents to PERS within 90 days following the effective date of retirement established upon filing the form. If you are not eligible, PERS will notify you in writing.

## **PHASE 2**

*Complete and file Form 9S, Service Retirement Application, which will be sent to you after filing Form 9A SRVC, Pre-Application for Service Retirement Benefits.*

On Form 9S, *Service Retirement Application*, you will select a benefit payment option and designate your beneficiary. You must provide a copy of your birth certificate, and, if a joint and survivor option is selected, you must provide a copy of the birth certificate and Social Security card of any listed beneficiary. You will need to complete and submit the included Form 9P, *Payroll Authorization* and IRS Form W-4, upon which you will specify your federal tax withholding status and exemptions.

### **Mandatory Direct Deposit**

Direct deposit of your monthly benefit payment is mandatory. You must submit Form 9P, *Payroll Authorization*, prior to retirement and will receive a written confirmation of your first deposit. Your bank statement will serve as confirmation of all subsequent deposits.

To revise direct deposit information, you must complete and submit Form 21, *Direct Deposit Authorization*, which may be obtained from the PERS website or by contacting PERS. You will receive a written confirmation any time the amount of your deposit changes. Your bank statement will serve as confirmation of all subsequent deposits.

Your initial direct deposit, as well as direct deposit changes, will be effective within two months after PERS receives the completed request. Benefit payments will be issued as checks by mail until direct deposit takes effect.

# Taxes and Withholding

PERS issues annual income tax statements as prescribed by the Internal Revenue Service.

## State Taxes

Retirement benefits are not subject to Mississippi State Income Tax; however, benefits paid by PERS to you as a resident of another state may be subject to taxation in that state.

## Federal Taxes

You may elect at retirement to have no federal income taxes withheld, to withhold income tax based upon marital status and exemptions, and/or to have additional federal income tax withheld.

To make changes to your tax withholding status after retirement, complete and submit Form 17, *Certificate of Withholding Preference*, which may be obtained from the PERS website or by contacting PERS. In the absence of submitted tax withholding information, PERS will automatically withhold taxes based on a status of “married with three withholding exemptions.”

# Keeping your PERS Account Up to Date

For your convenience, several forms are available on the PERS website that can help you update your information. You also may contact PERS directly to have these forms mailed to you.

- Form 1C, *Change of Information*, is available to change your name, address, phone number, email address, marital status, and/or family information.
- Form 1B, *Beneficiary Designation*, is available to amend your beneficiary listing, if applicable and permissible.
- Form R, *Application for Recalculation of Benefits*, is available to change your benefit option selection, if eligible.
- Form 17, *Certificate of Withholding Preference*, is available to change the tax withholding status of your benefit.
- Form 21, *Direct Deposit Authorization*, is available to change information on the bank account to which your monthly benefit payment is deposited.

# Insurance Options

For the convenience of retirees, PERS withholds premiums from benefit payments for insurance plans sponsored by the agency or by the state.

## **State-Sponsored Insurance**

The State and School Employees' Life and Health Plan is administered by the Mississippi Department of Finance and Administration (DFA). DFA should be contacted regarding participation. For more information, contact DFA's Office of Insurance at 866-586-2781 or 601-359-3411 or visit [knowyourbenefits.dfa.ms.gov](http://knowyourbenefits.dfa.ms.gov).

## **PERS-Sponsored Insurance**

The PERS-sponsored Retiree Medical Insurance Plan is a supplement available only to retirees covered under Medicare Part A and Part B. If eligible, you may apply for this plan within 60 days of retirement. After retirement, you may apply within 60 days of eligibility or during annual open enrollment.

The PERS-sponsored Retiree Group Term Life Insurance Plan is available to benefit recipients age 45 to age 90 with age-based premiums. You may apply during annual open enrollment.

The Retiree Medical Insurance Plan and Retiree Group Term Life Insurance Plan are underwritten and administered by third-party companies. Visit [www.pers.ms.gov](http://www.pers.ms.gov) for contact information.

## Returning to Work

No PERS retiree (whether service or disability) may return to covered employment for at least 30 consecutive calendar days from his or her effective date of retirement without terminating retirement. There are special exceptions for municipal and county elected officials based upon their age.

If you decide to return to employment with a covered employer after you retire, you and the employer must notify PERS in writing within five days of the reemployment and provide the conditions under which you are being reemployed. Notification must be repeated each new fiscal year of post-retirement employment.

Once you choose to return to work with a covered employer, you must either:

- come out of retirement and become, once again, a contributing member of PERS (benefits will be recalculated upon subsequent retirement if you work at least six months) or
- return to employment with a covered employer under limited reemployment conditions. You must file Form 4B, *Reemployment of PERS Service Retiree Certification/Acknowledgement* or Form 9C, *County/Municipal Elected Official Reemployment Acknowledgement/Election*.

All forms are on the PERS website. For more details about returning to covered employment (including employment through a third-party), see Board Regulation 34, *Reemployment after Retirement*, and PERS' *Thinking of Returning to Work?* guide. **Please contact PERS with any questions regarding reemployment before returning to any PERS-covered employer.**

### WITHDRAWAL FROM SERVICE

The mandatory 30-day break in service required by retirees before returning to employment with a PERS-covered employer must begin with a complete withdrawal from service, which is defined by statute as the complete severance of employment in state service of any member by resignation (including retirement), dismissal, or discharge. The member and employer should not make any pre-arranged agreements regarding post-retirement employment.

Employees who retire with the explicit understanding with their employer that they will return to work are not legitimately retired because they have not had a true bona fide break from service. A member has not withdrawn from service if he or she is reemployed with a covered employer in any capacity, including that of an independent contractor as well as a service without-pay employee (volunteer), within 30 days from the effective date of retirement, or if he or she was promised or guaranteed reemployment before the effective date of retirement. If a retiree is reemployed in a covered position without a full withdrawal of service, the retirement will be void. He or she will be deemed an employee

who should be reported to PERS as a member and will be required to repay any benefit payments received.

## **EDUCATORS' WITHDRAWAL FROM SERVICE**

Members who retire from a covered educational institution at the end of a school year after working on a less-than-12-month basis and then decide to return to work with a covered educational institution would not be considered withdrawn from service until 30 consecutive calendar days after the beginning of the next school year. The beginning of the next school year is marked when employees working on a less-than-12-month basis return.

## **LIMITED REEMPLOYMENT CONDITIONS**

A service retiree may be employed with a covered employer and continue to receive service retirement benefits only if one of the following limited reemployment conditions is met:

- the retiree works for a period of time not to exceed one-half of the normal working days or 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;
- the retiree works long enough in any fiscal year to earn no more than 25 percent of his or her average compensation that was used in the calculation of his or her benefit; or
- 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 option 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 option. 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 option.

These conditions also apply to any service retiree who returns to work with a state agency as a contract worker. To return to work with a covered employer under limited reemployment conditions, you must file Form 4B, *Reemployment of PERS Service Retiree Certification/ Acknowledgement*. Also, employers who hire retirees are required to submit employer contributions on the applicable compensation. Employers who hire retirees to work under the 80 percent of salary option are required to submit employer and employee contributions on the applicable compensation. All contributions for

reemployed retirees are the sole responsibility of the employer, and the retiree shall not gain any additional rights or benefits.

## **INDEPENDENT CONTRACTOR**

Independent contractors are not, by definition, employees or contract workers. They work independently of the employer and are not subject to the direct control of the employer. They normally supply their own materials, tools, or equipment for the job and may choose when and where they will work. These individuals are only responsible for the end result of the work and are free to perform their work in any manner and at any place and time they choose. As independent contractors, these individuals have compensation reported on an IRS Form 1099.

No service retiree receiving a PERS benefit payment may be reemployed by a covered employer outside the noted limited reemployment conditions unless he or she meets the criteria of a true independent contractor as determined by PERS through the completion and submission by the employer of a Form EVI, *Employee vs. Independent Contractor Determination Questionnaire*. Restrictions also apply to any retiree returning to work through a third-party employer. Seek counsel from PERS before starting such employment.

## **MUNICIPAL OR COUNTY ELECTED POSITIONS**

Members serving in municipal or county elected office who decide to retire may continue in office at retirement without the required 30-day break in service provided they have reached age 59.5.

A retiree elected to a municipal or county elected position may either cancel his or her retirement and return to work (accruing additional service credit while receiving the salary for the position) or remain in retirement and waive the salary or receive compensation not to exceed 25 percent of his or her average compensation at retirement.

If a retiree chooses to serve in local elected office and continue in retirement, he or she must file annually Form 9C, *County/Municipal Elected Official Reemployment Acknowledgement/Election*.

For purposes of the reemployment limitations, county elected positions may include: supervisor, chancery clerk, circuit clerk, tax assessor, tax collector (if separate from tax assessor), sheriff, county surveyor, justice court judge, county/youth court judge, constable, county coroner or medical examiner, and elected county prosecutor/ elected county attorney. Municipal elected positions may include: mayor, alderperson (councilperson or selectperson), police chief or marshal, tax collector, tax assessor, and city or town clerk.

## **SIMULTANEOUS REEMPLOYMENT IN ELECTED AND A NON-ELECTED POSITIONS**

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

- begin or continue under the 25 percent of average compensation limitation and apply what has already been earned during the state fiscal year to that limitation; or
- stay under an existing election to work no more than one-half of the normal working days and earn no more than one-half of the salary for a non-elected position and waive the salary for the local elected position.

Generally, a reemployed retiree may make only one election for reemployment each fiscal year that applies to all employment with covered employers during that fiscal year.

## **FULL-TIME REEMPLOYMENT**

The monthly benefits of a retiree will be stopped upon a return to full-time covered employment. Upon subsequent retirement, benefits will be recalculated to include this additional service if the reemployment in covered service exceeds six months. Additionally, a different option and/or a new beneficiary may be selected. The laws, policies, and procedures in effect at the time of subsequent retirement will be applied in the recalculation of benefits.

## Planning for Physical/Mental Incapacity

In the event you become physically or mentally incapacitated, you may need someone you trust to have legal authority to act on your behalf regarding your retirement account.

### **Durable Power of Attorney**

By executing durable power of attorney, you may give someone broad or limited legal authority over your personal, legal, and financial affairs, including the power to apply for retirement or disability benefits on your behalf. You may wish to consult a legal professional to decide whether this is right for you.

### **Representative Payee**

Should you become physically or mentally incapable before a durable power of attorney, conservatorship, or legal guardianship has been executed or filed, a PERS Form RPR, *Representative Payee Form*, may be filed on your behalf. Contact PERS for more information.

## After Your Death or a Beneficiary's Death

As a retiree of PERS, you should let your survivors know to contact PERS immediately when you or a beneficiary dies. A copy of the death certificate will be required by PERS and should be provided as soon as possible. Any payment issued to the deceased after the date of death must be returned to PERS. When appropriate, the payment will be reissued to the eligible beneficiary.



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