ACTUARIAL

AS THE YEARS PASS, YOU COME TO REALLY SEE THE IMPORTANCE OF A SAFE, SOUND RETIREMENT PLAN AND OF GOOD FRIENDS AND FAMILY.

Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

October 26, 2010

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

Dear Board Members:

The basic financial objective of the Public Employees' Retirement System of Mississippi (PERS) is to establish and receive contributions which:

(1) When expressed in terms of the percents of active member payroll will remain approximately level from generation to generation of Mississippi citizens, and which

(2) When combined with present assets and future investment return will be sufficient to meet the present and future financial obligations of PERS.

In order to measure progress toward this fundamental objective, PERS has an annual actuarial valuation performed. The valuation (i) measures present financial position, and (ii) establishes contribution rates that provide for the current cost and level percent of payroll amortization of unfunded actuarial accrued liability over a reasonable period. The latest completed actuarial valuation was based upon data and assumptions as of June 30, 2010. This valuation indicates that the current contribution rates of 12.93% of payroll for employers and 9.00% of payroll for active members, for benefits then in effect, meet the basic financial objective. There are 164,896 active members as of June 30, 2010.

The actuarial valuation is based upon financial and participant data which is prepared by the retirement system staff, assumptions regarding future rates of investment return and inflation, and rates of retirement, turnover, death and disability among PERS members and their beneficiaries. The data are reviewed by us for internal and year to year consistency as well as general reasonableness prior to its use in the actuarial valuation. It is also summarized and tabulated for the purpose of analyzing trends. The assumptions were adopted by the Board of Trustees and were based upon actual experience of PERS during the years 2004 to 2008. Assets are valued according to a market related method that recognizes 20% of the previously unrecognized and unanticipated gains and losses. The assumptions and methods utilized in this valuation, in our opinion, meet the parameters established by Governmental Accounting Standards Board Statement No. 25.

The current benefit structure is outlined in the Actuarial Section. There was one change to the benefit structure since the last valuation.

- The member contribution rate was increased from 7.25% of payroll to 9.00% of payroll effective July 1, 2010.

We provided most of the information used in the supporting schedules in the Actuarial and Statistical Sections, as well as the Schedules of Funding Progress and the employer contributions shown in the Schedules of Employer Contributions in the Financial Section.

Based upon the valuation results and the presumption that future contributions will be made at the necessary level to ensure adequate funding and to meet accounting standards, it is our opinion that the Public Employees' Retirement System of Mississippi continues in sound condition in accordance with the actuarial principles of level percent of payroll financing.

Respectfully submitted,

Thomas J. Cavanaugh, FSA, EA, FCA, MAAA
Chief Executive Officer

TJC:kc

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October 26, 2010

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

Dear Board Members:

The basic financial objective of the Mississippi Highway Safety Patrol Retirement System (HSPRS) is to establish and receive contributions which:

(1) When expressed in terms of the percents of active member payroll will remain approximately level from generation to generation of Mississippi citizens, and which

(2) When combined with present assets and future investment return will be sufficient to meet the present and future financial obligations of HSPRS.

In order to measure progress toward this fundamental objective, HSPRS has an annual actuarial valuation performed. The valuation (i) measures present financial position, and (ii) establishes contribution rates that provide for the current cost and level percent of payroll amortization of unfunded actuarial accrued liability over a reasonable period. The latest completed actuarial valuation was based upon data and assumptions as of June 30, 2010. This valuation indicates that contribution rates of 35.21% of payroll for employers and 7.25% of payroll for active members, along with anticipated contributions as provided by Senate Bill No. 2659 (effective July 1, 2004), for benefits then in effect, meet the basic financial objective. There are 542 active members as of June 30, 2010.

The actuarial valuation is based upon financial and participant data which is prepared by the retirement system staff, assumptions regarding future rates of investment return and inflation, and rates of retirement, turnover, death and disability among HSPRS members and their beneficiaries. The data is reviewed by us for internal and year to year consistency as well as general reasonableness prior to its use in the actuarial valuation. It is also summarized and tabulated for the purpose of analyzing trends. The assumptions were adopted by the Board of Trustees and were based upon actual experience of HSPRS during the years 2004 to 2008. Assets are valued according to a market related method that recognizes 20% of the previously unrecognized and unanticipated gains and losses. The assumptions and methods utilized in this valuation, in our opinion, meet the parameters established by Governmental Accounting Standards Board Statement No. 25.

The current benefit structure is outlined in the Actuarial Section. There were no changes to the benefit structure since the last valuation.

We provided most of the information used in the supporting schedules in the Actuarial and Statistical Sections, as well as the Schedule of Funding Progress and the employer contributions shown in the Schedules of Employer Contributions in the Financial Section.

Based upon the valuation results and the presumption that future contributions will be made at the necessary level to ensure adequate funding and to meet accounting standards, it is our opinion that the Mississippi Highway Safety Patrol Retirement System continues in sound condition in accordance with the actuarial principles of level percent of payroll financing.

Respectfully submitted,

Thomas J. Cavanaugh, FSA, EA, FCA, MAAA
Chief Executive Officer

TJC:kc

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October 26, 2010

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

Dear Board Members:

The basic financial objective of the Municipal Retirement System of Mississippi (MRS) is to establish and receive contributions (expressed as a tax on assessed property valuations) which:

(1) Will be in amounts sufficient, but not more than necessary, to maintain the actuarially soundness of the Funds for all future years (the tax may be increased but not by more than one-half mill per year), and which

(2) When combined with present assets and future investment return will be sufficient to meet the present and future financial obligations of MRS.

In order to measure progress toward this fundamental objective, MRS has an annual actuarial valuation performed. The valuation (i) measures present financial position, and (ii) establishes contribution rates that provide for the amortization of unfunded total actuarial liabilities over a closed period. The latest completed actuarial valuation was based upon data and assumptions as of September 30, 2009. These valuations indicate that the current contribution rates, for benefits then in effect, meet the basic financial objective. The employee contribution rates vary by participating City and are 7% - 10% of payroll for active members. There were 31 active members as of September 30, 2009.

The actuarial valuation is based upon financial and participant data which is prepared by the retirement system staff, assumptions regarding future rates of investment return and inflation, and rates of retirement, turnover, death and disability among PERS members and their beneficiaries. The data is reviewed by us for internal and year to year consistency as well as general reasonableness prior to its use in the actuarial valuation. It is also summarized and tabulated for the purpose of analyzing trends. The assumptions were adopted by the Board of Trustees and were based upon actual experience of PERS during the years 2004 to 2008. Assets are valued according to a market related method that recognizes 20% of the previously unrecognized and unanticipated gains and losses. The assumptions and methods utilized in this valuation, in our opinion, meet the parameters established by Governmental Accounting Standards Board Statement No. 25. The funding method is not one of the acceptable methods under Statement No. 25, but, in our opinion, is appropriate for MRS since all the Funds have been closed to new members.

The current benefit structure is outlined in the Actuarial Section. There was one change to the benefit structure since the last valuation.

- The COLA for retirees of the City of Biloxi has been extended for an additional ten year period with the COLA being compounded beginning with the state fiscal year in which the retired member turns age 55.
- The maximum COLA percentage for retirees of the City of Hattiesburg has been increased from 25% to 30%.

We provided most of the information used in the supporting schedules in the Actuarial and Statistical Sections, as well as the Schedules of Funding Progress and the employer contributions shown in the Schedules of Employer Contributions in the Financial Section.

Based upon the valuation results it is our opinion that the Municipal Retirement Systems of Mississippi continue in sound condition in accordance with the actuarial principles and requirements of State law. However, given the constraint on employer contribution increases, there is a possibility, depending upon future experience, that one or more of the Funds under MRS will be exhausted at some point in the future. Such an event would lead to at least a temporary reduction in benefits paid until the affected Fund's cash flow position improved.

Respectfully submitted,

Thomas J. Cavanaugh, FSA, EA, FCA, MAAA
Chief Executive Officer

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October 26, 2010

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

Dear Board Members:

The basic financial objective of the Mississippi Supplemental Legislative Retirement Plan (SLRP) is to establish and receive contributions which:

(1) When expressed in terms of the percents of active member payroll will remain approximately level from generation to generation of Mississippi citizens, and which

(2) When combined with present assets and future investment return will be sufficient to meet the present and future financial obligations of SLRP.

In order to measure progress toward this fundamental objective, SLRP has an annual actuarial valuation performed. The valuation (i) measures present financial position, and (ii) establishes contribution rates that provide for the current cost and level percent of payroll amortization of unfunded actuarial accrued liability over a reasonable period. The latest completed actuarial valuation was based upon data and assumptions as of June 30, 2010. This valuation indicates that contribution rates of 7.40% of payroll for employers and 3.00% of payroll for active members, for benefits then in effect, meet the basic financial objective. There are 175 active members as of June 30, 2010.

The actuarial valuation is based upon financial and participant data which is prepared by the retirement system staff, assumptions regarding future rates of investment return and inflation, and rates of retirement, turnover, death and disability among SLRP members and their beneficiaries. The data is reviewed by us for internal and year to year consistency as well as general reasonableness prior to its use in the actuarial valuation. It is also summarized and tabulated for the purpose of analyzing trends. The assumptions were adopted by the Board of Trustees and were based upon actual experience of SLRP during the years 2004 to 2008. Assets are valued according to a market related method that recognizes 20% of the previously unrecognized and unanticipated gains and losses. The assumptions and methods utilized in this valuation, in our opinion, meet the parameters established by Governmental Accounting Standards Board Statement No. 25.

The current benefit structure is outlined in the Actuarial Section. There were no changes made since the previous valuation.

We provided most of the information used in the supporting schedules in the Actuarial and Statistical Sections, as well as the Schedules of Funding Progress and the employer contributions shown in the Schedules of Employer Contributions in the Financial Section.

Based upon the valuation results and the presumption that future contributions will be made at the necessary level to ensure adequate funding and to meet accounting standards, it is our opinion that the Mississippi Supplemental Legislative Retirement Plan continues in sound condition in accordance with the actuarial principles of level percent of payroll financing.

Respectfully submitted,

Thomas J. Cavanaugh

Thomas J. Cavanaugh, FSA, EA, FCA, MAAA
Chief Executive Officer

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All the assumptions used in the actuarial valuation were adopted by the PERS Board when the experience study was adopted on August 25, 2009. Following are the assumptions adopted by the PERS Board for this program.

Interest Rate: 8.00% per annum, compounded annually (net after investment expenses).

Separations From Active Service: Representative values of the assumed rates of separation from active service are as follows:

Annual Rates of

Age	Withdrawal and Vesting*		Death**		Disability**	
	Male	Female	Male	Female	Male	Female
20	20.0%	20.0%	.01%	.00%	.01%	.01%
25	15.5	15.0	.02	.01	.02	.01
30	11.0	11.0	.02	.01	.02	.02
35	9.5	9.0	.03	.01	.05	.03
40	7.0	6.5	.04	.02	.12	.08
45	6.0	5.5	.06	.02	.23	.13
50	6.0	5.5	.08	.04	.29	.21
55	6.0	5.5	.11	.06	.52	.32
60	6.0	5.5	.22	.09	.40	.30
65	6.0	5.5	.36	.16	-	-
70	6.0	5.5	.61	.27	-	-
74	6.0	5.5	.90	.47	-	-

Service Retirements

Age	Male		Female	
	Under 25 Years of Service	25 Years of Service and Over	Under 25 Years of Service	25 Years of Service and Over
45	- %	13.0%	- %	11.0%
50	-	13.0	-	11.0
55	-	15.0	-	18.0
60	11.0	15.0	13.0	20.0
62	19.0	30.0	18.0	30.0
65	20.0	28.0	25.0	38.0
70	17.0	20.0	19.0	25.0
75	100.0	100.0	100.0	100.0

**For all ages, rates of 35% for 1st year of employment and 21% for 2nd year.*
***94% are presumed to be non-duty related, and 6% are assumed to be duty related.*

Salary Increases: Representative values of the assumed annual rates of salary increase are as follows:

Annual Rates of

Service	Merit & Seniority	Base (Economy)	Increase Next Year
0	10.75%	4.25%	15.00%
1	10.75	4.25	15.00
2	10.75	4.25	15.00
3	1.25	4.25	5.50
4	1.25	4.25	5.50
5	1.25	4.25	5.50
10	0.75	4.25	5.00
15	0.75	4.25	5.00
20	0.75	4.25	5.00
25	0.75	4.25	5.00
30	0.25	4.25	4.50
35	0.25	4.25	4.50

Payroll Growth: 4.25% per annum, compounded annually.

Price Inflation: 3.50% per annum, compounded annually.

Death After Retirement: The mortality table, for post-retirement mortality, used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table. Special tables are used for the period after disability retirement. This assumption is used to measure the probabilities of each benefit payment being made after retirement.

Marriage Assumption: 85% married with the husband three years older than his wife.

Unused Sick Leave: 0.50 years at retirement.

Military Service: 0.25 years at retirement.

Valuation Method: Entry age normal cost method. Entry age is established on an individual basis.

Asset Valuation Method: Market value—five-year smoothing. 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.

All the assumptions used in the actuarial valuation were adopted by the PERS Board when the experience study was adopted on August 25, 2009. Following are the assumptions adopted by the PERS Board for this program.

Interest Rate: 8.00% per annum, compounded annually (net after investment expenses).

Separations From Active Service: Representative values of the assumed annual rates of separation from active service are as follows:

Annual Rates of

Age	Withdrawal and Vesting	Death	Disability Non-Duty	Disability Duty	Service	Service Retirement*
25	5.5%	0.03%	0.09%	0.01%	5	5.0%
30	4.0	0.04	0.12	0.02	10	5.0
35	2.5	0.05	0.16	0.04	15	5.0
40	1.0	0.07	0.20	0.07	20	10.0
45	0.5	0.11	0.30	0.06	25	15.0
50	0.1	0.16	0.50	0.05	30	25.0
55	–	0.21	0.91	0.02	35	25.0

**The annual rate of service retirement is 100% at age 60.*
It is assumed that a member will be granted 1¾ years of service credit for unused leave at termination of employment. In addition, it is assumed that, on average, 1/4 year of service credit for peace-time military service will be granted to each member.

Salary Increases: Representative values of the assumed annual rates of salary increase are as follows:

Annual Rates of

Age	Merit & Seniority	Base (Economy)	Increase Next Year
25	2.57%	4.25%	6.82%
30	1.75	4.25	6.00
35	1.75	4.25	6.00
40	1.75	4.25	6.00
45	1.25	4.25	5.50
50	0.75	4.25	5.00
55	0.75	4.25	5.00

Payroll Growth: 4.25% per annum, compounded annually.

Price Inflation: 3.50% per annum, compounded annually.

Death After Retirement: The mortality table, for post-retirement mortality, used in evaluating allowances to be paid was the 1994 Group Annuity Mortality Table. Special tables were used for the period after disability retirement. This assumption is used to measure the probabilities of each benefit payment being made after retirement.

Marriage Assumption: 100% married with the husband three years older than his wife.

Valuation Method: Entry age normal cost method. Entry age is established on an individual basis.

Asset Valuation Method: Market value—five-year smoothing. 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.

Municipal Retirement Systems

Statement of Actuarial Assumptions and Methods

All the assumptions used in the actuarial valuation were adopted by the PERS Board when the experience study was adopted on August 25, 2009. Following are the assumptions adopted by the PERS Board for this program.

Interest Rate: 8.00 percent per annum, compounded annually (net after investment expenses).

Separations From Active Service: Representative values of the assumed annual rates of separation from active service are as follows:

Annual Rates of

		Death		Disability	
Age	Withdrawal	Non-Duty	Duty	Non-Duty	Duty
20	10.65%	0.04%	0.02%	0.08%	0.06%
25	8.64	0.05	0.03	0.12	0.12
30	6.87	0.08	0.04	0.18	0.26
35	4.86	0.11	0.05	0.24	0.52
40	2.97	0.15	0.07	0.36	0.60
45	1.44	0.22	0.09	0.64	0.54
50	0.24	0.34	0.14	1.10	0.88
55	-	0.44	0.20	1.58	1.18
60	-	0.51	0.32	2.20	1.30
64	-	0.57	0.42	2.86	1.38

Service Retirement

Years of Service	Percent
20	45.0%
21-28	17.5
29-33	35.0
34 and over	20.0
Age 65	100.0

Salary Increases: 4.25% for wage inflation, plus the following chart.

Ages	Merit and Seniority Salary Increase
Under 43	1.75%
43-47	1.25
48-52	0.75
53 and Over	0.25

Price Inflation: 3.50% per annum, compounded annually.

Death After Retirement: The mortality table, for post-retirement mortality, used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table. Special tables were used for the period after disability retirement. This assumption is used to measure the probabilities of each benefit payment being made after retirement.

Marriage Assumption: 85% married with the husband three years older than his wife.

Valuation Method: Unfunded employer liabilities are amortized over a closed 30-year period from September 30, 1990, as a level percent of each municipality's assessed property valuation.

Assessed Property Value Rate of Increase: 2.00% per annum, compounded annually.

Expense Load: 2.0% of employer contributions.

Asset Valuation Method: Market value—five-year smoothing. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected actuarial 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 actuarial value. Actuarial value of assets was set equal to the market value on September 30, 2006, and smoothing commenced in 2007. Actuarial assets were allocated to individual cities in the same proportion that their market value of assets was to the total market value of assets for all cities.

Supplemental Legislative Retirement Plan

Statement of Actuarial Assumptions and Methods

All the assumptions used in the actuarial valuation were adopted by the PERS Board when the experience study was adopted on August 25, 2009. Following are the assumptions adopted by the PERS Board for this program.

Interest Rate: 8.00% per annum, compounded annually (net after investment expenses).

Separations from Active Service: Representative values of the assumed rates of separation from active service are as follows:

Annual Rates of

	Death		
Age	Male	Female	Disability*
20	.02%	.01%	.04%
25	.03	.02	.05
30	.04	.02	.07
35	.05	.03	.11
40	.08	.04	.17
45	.13	.06	.23
50	.24	.10	.30
55	.39	.15	.35
60	.60	.25	.40
65	.96	.43	-
70	1.61	.72	-

**94% are presumed to be non-duty related, and 6% are assumed to be duty related.*

Withdrawal and Vesting: 15% in an election year, none in a non-election year.

Service Retirement: 25% in an election year, none in a non-election year. All members are assumed to retire no later than age 75. It is assumed that a member will be granted 2.5 years of service credit for unused leave at termination of employment.

Price Inflation: 3.50% per annum, compounded annually.

Payroll Growth: 4.25% per annum, compounded annually.

Salary Increases: 4.50% per annum, for all ages. The merit and seniority component is 0.25% and the wage inflation component is 4.25%.

Death After Retirement: The mortality table, for post-retirement mortality, used in evaluating allowances to be paid was the 1994 Group Annuity Mortality Table. Special tables were used for the period after disability retirement. This assumption is used to measure the probabilities of each benefit payment being made after retirement.

Marriage Assumption: 85% married with the husband three years older than his wife.

Valuation Method: Entry age normal cost method. Entry age is established on an individual basis.

Asset Valuation Method: Market value—five-year smoothing. 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.

Summary of Main Benefit and Contribution Provisions – PERS

The following summary presents the main benefit and contribution provisions of the System in effect June 30, 2010, as interpreted in preparing the actuarial valuation. As used in the summary, "average compensation" means the average annual covered earnings of an employee during the four highest years of service. "Covered earnings" means gross salary not in excess of the maximum amount on which contributions were required. "Fiscal year" means a year commencing on July 1 and ending June 30. The maximum covered earnings for employers and employees over the years are as follows:

Employer and Employee Rates of Contribution and Maximum Covered Earnings

Date From	To	Employer Rate	Maximum Covered Earnings	Employee Rate	Maximum Covered Earnings
2/1/53	6/30/58	2.50%	$6,000	4.00%	$4,800*
7/1/58	6/30/60	2.50	9,000	4.00	7,800*
7/1/60	6/30/66	2.50	15,000	4.00	13,800*
7/1/66	6/30/68	3.00	15,000	4.50	13,800*
7/1/68	3/31/71	4.50	15,000	4.50	15,000
4/1/71	6/30/73	4.50	35,000	4.50	35,000
7/1/73	6/30/76	5.85	35,000	5.00	35,000
7/1/76	6/30/77	7.00	35,000	5.00	35,000
7/1/77	6/30/78	7.50	35,000	5.50	35,000
7/1/78	6/30/80	8.00	35,000	5.50	35,000
7/1/80	6/30/81	8.00	53,000	5.50	53,000
7/1/81	12/31/83	8.75	53,000	6.00	53,000
1/1/84	6/30/88	8.75	63,000	6.00	63,000
7/1/88	6/30/89	8.75	75,600	6.00	75,600
7/1/89	12/31/89	8.75	75,600	6.50	75,600
1/1/90	6/30/91	9.75	75,600	6.50	75,600
7/1/91	6/30/92	9.75	75,600	7.25	75,600
7/1/92	6/30/02	9.75	125,000	7.25	125,000
7/1/02	6/30/05	9.75	150,000	7.25	150,000
7/1/05	6/30/06	10.75	150,000	7.25	150,000
7/1/06	6/30/07	11.30	150,000	7.25	150,000
7/1/07	6/30/08	11.85	150,000	7.25	150,000
7/1/08	6/30/09	11.85	230,000	7.25	230,000
7/1/09	6/30/10	12.00	245,000	7.25	245,000
7/1/10	6/30/11	12.00	245,000	9.00	245,000

**From February 1, 1953, through June 30, 1968, the first $100 in monthly earnings or $1,200 in annual earnings were not covered earnings for the employee.*

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 creditable service, or has completed at least 25 years of creditable service.

(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 creditable service is entitled to receive, in lieu of a refund of his or her accumulated contributions, a retirement allowance commencing at age 60.

(c) Upon the death of a member who has completed at least eight years** of creditable 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.

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 2% of his average compensation for each of the first 25 years of creditable service plus $2^1/_2$% for each year of creditable service over 25 years.

The minimum allowance is $120 for each year of creditable service.

The annual retirement allowance payable to the spouse of a member who dies under condition (c) above is equal to the greater of (i) the allowance that would have been payable had the member retired and elected Option 2, reduced by 3% per year for each year the member lacked in qualifying for unreduced retirement benefits, or (ii) a benefit equal to the greater of 20% of average compensation or $50 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 10% of average compensation or $50 per month for each dependent child up to 3.

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 creditable service.

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

   The minimum allowance is $120 per year of creditable service.
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 40% of average compensation, or (b) the member's accrued allowance.
   The minimum allowance is $120 per year of creditable service.
   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 50% 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 50% of average compensation payable to the spouse and 25% of average compensation payable to one dependent child or 50% to two or more children until age 19 (23 if a full-time student). There is no minimum benefit.

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.

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 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 to 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 PERS 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.

If a member elects either Option 2 or Option 4A, there is an added provision that in the event the designated beneficiary predeceases the member, the retirement allowance payable to the member after the designated beneficiary's death shall be equal to the retirement allowance which would have been payable had the member not elected the option.

A member who has at least 28 years of creditable service or is at least age 63 with four years of membership service for those who entered the System before July 1, 2007, 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 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 4C, 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.

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; provided, however, that the annual adjustment will not be less than 4% of the annual retirement allowance for each full fiscal year in retirement through June 30, 1998.

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.

Contributions

Employer contribution rates are set by Mississippi statute for PERS. The adequacy of these rates is checked annually by actuarial valuation. Employer contributions have met or exceeded the required contributions each year for PERS since 1991, except for years 2007 and 2008. Refer to Note 7 of the basic financial statements for discussion.

***Four years for those who entered the System before July 1, 2007.*

Summary of Main Benefit and Contribution Provisions – MHSPRS

The following summary presents the main benefit and contribution provisions of the System in effect June 30, 2010, as interpreted in preparing the actuarial valuation. As used in the summary, "average compensation" means the average annual covered earnings of an employee during the four consecutive years of service producing the highest such average. "Covered earnings" means gross salary not in excess of the maximum amount on which contributions were required. "Fiscal year" means a year commencing on July 1 and ending June 30. The maximum covered earnings for employers and employees over the years are as follows:

Employer and Employee Rates of Contribution and Maximum Covered Earnings

Date From	To	Employer Rate	Maximum Covered Earnings*	Employee Rate	Maximum Covered Earnings*
7/1/1958	6/30/1968	13.33%	-	5.00%	-
7/1/1968	6/30/1971	15.33	-	5.00	-
7/1/1971	6/30/1973	18.59	-	5.00	-
7/1/1973	6/30/1975	20.77	-	5.00	-
7/1/1975	6/30/1978	24.65	-	5.00	-
7/1/1978	6/30/1980	26.16	-	6.00	-
7/1/1980	6/30/1989	26.16	-	6.50	-
7/1/1989	6/30/1990	27.97	-	6.50	-
7/1/1990	6/30/2003	26.16	-	6.50	-
7/1/2003	6/30/2006	28.16	-	6.50	-
7/1/2006	6/30/2008	30.30	-	6.50	-
7/1/2008	-	30.30	-	7.25	-

**Maximum covered earnings equal wages paid, not to exceed wages paid to the Commissioner of the Department of Public Safety.*

Effective July 1, 2004, additional contributions will be made to the System as a result of the enactment of Senate Bill No. 2659. The additional contributions are estimated to be $3,400,000 annually based on current experience.

Benefits

Superannuation Retirement

Condition for Retirement

(a) A retirement allowance is payable to any member who retires and has attained age 55 and completed at least five years of creditable service, or has attained age 45 and completed at least 20 years of creditable service, or has completed 25 years of creditable service regardless of age. Any member who has attained age 60 shall be retired forthwith. Effective January 1, 2000, the Commissioner of Public Safety is authorized to allow a member who has attained age 60 to continue in active service. Such continued service may be authorized annually until the member attains age 65.

(b) Any member who withdraws from service prior to his or her attainment of age 55, but after having completed five or more years of creditable service, is entitled to receive, in lieu of a refund of his or her accumulated contributions, a retirement allowance commencing at age 55.

Amount of Allowance

The annual retirement allowance payable to a retired member 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 $2^1/_2$% of his or her average compensation for each year of membership service, plus
3. A prior service annuity equal to $2^1/_2$% of average compensation for each year of prior service.

The aggregate amounts of (2) and (3) above shall not exceed 100% of average compensation, regardless of service, for retirements on or after January 1, 2000; 85% for retirements prior to January 1, 2000.

The minimum allowance for both service and disability retirement is based on the following table for each year of creditable service, reduced if necessary as indicated in the following table.

Service	Monthly Benefit
Less than 10 years	$250
10-15 years	$300
15 or more years	$500

The annual retirement allowance payable to a member who retires under condition (a) above prior to age 55 is computed in accordance with the above formula except that the employer's annuity and prior service annuity are reduced 3% for each year of age below age 55, or 3% for each year of service below 25 years of creditable service, whichever is less.

Disability Retirement

Condition for Retirement

A retirement allowance is payable to any member who is not eligible for a service retirement benefit, but who becomes totally and permanently disabled, either physically or mentally, regardless of creditable service, if the disability is due to causes in the performance of duty. If the disability is not in the performance of duty, the member must have completed at least 5 years of creditable service to be eligible for retirement.

Amount of Allowance

The annual disability retirement allowance payable is equal to the greater of 50% of his or her average salary for the 2 years immediately preceding retirement, or a retirement allowance as calculated under the provisions for superannuation retirement.

Death Prior to Retirement

Upon the death of a highway patrolman who is eligible for service retirement, family benefits are payable equal to those which would have been payable had he or she been retired on his or her date of death.

Upon the death of a highway patrolman either in the line of duty or as a result of an accident occurring in the line of duty, the following benefits are payable:

a) benefit to the spouse equal to one-half the member's average compensation.
b) a benefit to a dependent child payable to age 19 (23 if a full-time student) equal to one-fourth of the member's average compensation for one child or one-half for two or more children.

Death After Retirement

Upon the death of a highway patrolman who has retired for service or disability and who has not elected any other optional form of benefit, the widow or widower is eligible for a benefit equal to 50% of his or her retirement allowance and each child (but not more than 2) who has not attained age 19 (23 if a full-time student) is eligible for a benefit equal to 25% of his or her retirement allowance. The benefit to the widow or widower is payable for life and to children until they attain age 19 (23 if a full-time student) or for life if they are totally and permanently disabled.

Refund of Contributions

Upon a member's termination of employment for any reason before retirement, his or her accumulated contributions, together with regular interest thereon, are refunded. Upon the death of a member who is not eligible for any other death benefit, his or her accumulated contributions, together with regular interest thereon, are paid to his or her beneficiary.

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 50% of his or her benefit is payable to the spouse for the spouse's lifetime, and 25% of his or her benefit is payable to each dependent child (maximum of 2 children) under age 19 (23 if a full-time student).

Optional Benefits

A member upon retirement may elect to receive his 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 or she 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 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 MHSPRS 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 either Option 2 or Option 4A has the added provision that in the event the designated beneficiary predeceases the member, the retirement allowance payable to the member after the designated beneficiary's death shall be equal to the retirement allowance which would have been payable had the member not elected the option.

A member 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 this option may also select any of the regular options except Option 1, the prorated single-life annuity, and Option 4C, 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.

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 60, plus (b) 3% compounded for each year thereafter beginning with the fiscal year in which the member turns age 60.

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.

Those members who retired on or before July 1, 1999, received an ad hoc benefit increase in the amount of $3.50 per month per each full fiscal year of retirement through June 30, 1999, plus $1.00 per month for each year of credited service. The benefits were increased on July 1, 1999.

Contributions

Members contribute 7 1/4 percent of compensation and the employer contributes that additional amount necessary to fund the benefits outlined above on a full actuarial reserve funding basis.

Employer contribution rates are set by Mississippi statute for MHSPRS. The adequacy of these rates is checked annually by actuarial valuation. Employer contributions have met or exceeded the required contributions each year for MHSPRS since 1991.

Summary of Benefit and Contribution Provisions – MRS

The following summary presents the main benefit provisions of the Systems in effect September 30, 2009, as interpreted in preparing the actuarial valuation. As used in the summary, "average compensation" means the average compensation of a member during the six-month period prior to receipt of an allowance.

Benefits

Service Retirement

Condition for Retirement

A retirement allowance is payable to any member who retires and has completed at least 20 years of creditable service, regardless of age.

Any general employee member who has attained age 70 and any fireman or policeman who has attained age 65 shall be retired forthwith.

Amount of Allowance

The annual retirement allowance payable to a retired member is equal to:

1. 50 percent of average compensation, plus
2. 1.7 percent of average compensation for each year of credited service over 20.

The aggregate amount of (1) and (2) above shall not exceed $66^2/_3$ percent (87 percent for Clinton) of average compensation, regardless of service.

Disability Retirement

Condition for Retirement

A retirement allowance is payable to any member who is not eligible for a service retirement benefit, but who becomes totally and permanently disabled, either physically or mentally, regardless of creditable service, if the disability is due to causes in the performance of duty. If the disability is not in the performance of duty, the member must have completed at least five years of creditable service to be eligible for retirement.

Amount of Allowance

The annual disability retirement allowance payable is equal to 50 percent of his or her salary at the time of retirement, if the disability is due to causes in the performance of duty.

If the disability is not in the performance of duty, the allowance is equal to 2.5 percent times credited service, not in excess of 20, times his salary at the time of retirement for firemen and policemen, and average compensation for general employees.

Death Benefit

Condition for Benefits

A benefit is payable upon the death of a member under the following conditions:

(a) the member has retired,
(b) the member is eligible to retire,
(c) the death is in the line of duty, or
(d) the death is not in the line of duty, but occurs after the member has 5 years of credited service.

The benefit is payable to the surviving spouse until remarriage and to children under age 18, to dependent children through age 23 when full-time students, and to dependent children of any age if handicapped. For Clarksdale, Columbus, Gulfport, Hattiesburg, Jackson, McComb, Meridian, Vicksburg, and Yazoo City, benefits payable to spouses do not cease upon remarriage.

Amount of Benefits

The annual benefit payable, under all conditions in the case of firemen and policemen and under other than condition (c) in the case of general employees, is equal to 2.5 percent of average compensation for each year of credited service up to 20 and 1.7 percent of average compensation for each year over 20, with a maximum benefit of $66^2/_3$ percent (87 percent for Clinton) of average compensation.

For general employee members under condition (c), the annual benefit payable is equal to 50 percent of salary at the time of death.

Refund of Contributions

Upon a member's termination of employment for any reason before retirement, his accumulated contributions are refunded. Upon the death of a member who is not eligible for any other death benefit, his or her accumulated contributions are paid to his or her beneficiary.

Minimum Allowances

The minimum monthly allowances paid to members from the following municipalities, for all retirement and death benefits, are:

Biloxi:	$600	Columbus:	$500
Gulfport:	$500	Hattiesburg:	$750
Jackson:	$500	Meridian:	$600
Tupelo:	$300	Vicksburg:	$1,415

Post Retirement Adjustments in Allowances

The allowances of certain retired members are adjusted annually by a cost-of-living adjustment (COLA) on the basis of the annual percentage change in each fiscal year of the Consumer Price Index. Those adjustments are limited as follows:

Biloxi: 3 percent per year (not to exceed 64.4 percent) for each full fiscal year of retirement after June 30, 2000, for all retirees and beneficiaries with the COLA being compounded beginning with the state fiscal year in which the retired member turns age 55. This is in addition to the previously granted maximum of 3 percent per year (not to exceed 9 percent) for all members who retired on or before December 31, 1995.

Clarksdale: maximum of 2.5 percent per year for all retirees and beneficiaries.

Clinton: maximum of 2.5 percent per year (not to exceed 10 percent) for service retirements only.

Columbus: maximum of 2.5 percent per year (not to exceed 25 percent) for all retirees and beneficiaries.

Greenville: maximum of 2.5 percent per year (not to exceed 25 percent) for all retirees and beneficiaries.

Gulfport: maximum of 3 percent per year (not to exceed 27 percent) for each fiscal year of retirement after June 30, 2002, for all retirees and beneficiaries. This is in addition to the previously granted COLA of 2 percent per year (not to exceed 6 percent) for those retired before July 1, 2001.

Hattiesburg: 2.5 percent per year for all retirees and beneficiaries (not to exceed 30 percent).

Jackson: maximum aggregate increase of 19.5 percent for service and disability retirements only.

Laurel: 2 percent per year, compounded annually (maximum of three years) for each fiscal year of retirement after June 30, 2002, for all retirees and beneficiaries. COLA increases begin at the later of age 60 or after one full fiscal year of retirement.

McComb: maximum of 2.5 percent per year for all retirees and beneficiaries (not to exceed 10 percent).

Pascagoula: maximum of 2.5 percent per year for all retirees and beneficiaries (not to exceed 15 percent).

Vicksburg: 3 percent per year for all retirees and beneficiaries.

Yazoo City: maximum of 2.5 percent per year (not to exceed 25 percent) for all retirees and beneficiaries.

Post-retirement adjustments are included in System liabilities for future increases for Biloxi, Clinton, Columbus, Greenville, Gulfport, Hattiesburg, Jackson, Laurel, McComb, Pascagoula, Vicksburg, and Yazoo City.

All Meridian retirees and beneficiaries who were receiving a retirement allowance as of June 30, 1999, were granted a 3.9 percent ad hoc benefit increase.

All Tupelo retirees and beneficiaries received an increase of 5 percent in allowances effective December 1, 1991. Additional 3 percent ad hoc benefit increases were granted to members retired at least 1 full fiscal year as of September 30, 1995; as of September 30, 1997; as of September 30, 1998; and as of September 30, 2000. Furthermore, a 2 percent ad hoc benefit increase was granted to members retired at least 1 full fiscal year as of September 30, 1999, and a 2.34 percent ad hoc benefit increase was granted to members retired at least 1 full fiscal year as of September 30, 2001.

All Gulfport retirees and beneficiaries who were receiving a retirement allowance as of June 30, 2002, were granted a monthly ad hoc increase of $2 per month for each year of service plus $2 per month for each full fiscal year retired.

Contributions

Funding policies established by Mississippi statutes provide the rates of employer contributions for MRS. The adequacy of these rates are checked annually by actuarial valuation. The following table provides a comparison of employer required contributions to actual contributions received for MRS:

Fiscal Year 10-1/9-30	Valuation Date 9-30	Annual Required Contribution (a)	Actual Contribution (b)	Difference (a-b)	Percentage Contributed
1996-97	1996	$20,674	$71,350	$50,676	345.1%
1997-98	1997	14,727	14,200	(527)	96.4
1998-99	1998	13,803	13,770	(33)	99.8
1999-00	1999	12,364	14,162	1,798	114.5
2000-01	2000	11,276	14,201	2,925	125.9
2001-02	2001	10,823	14,338	3,515	132.5
2002-03	2002	11,989	13,979	1,990	116.6
2003-04	2003	13,286	13,890	604	104.5
2004-05	2004	14,091	14,173	82	100.6
2005-06	2005	15,397	15,635	238	101.5
2006-07	2006	15,426	14,976	(450)	97.1
2007-08	2007	15,219	16,132	913	106.0
2008-09	2008	14,765	16,892	2,127	114.4

Summary of Main Benefit and Contribution Provisions – SLRP

The following summary presents the main benefit and contribution provisions of the Plan in effect June 30, 2010, as interpreted in preparing the actuarial valuation. As used in the summary, "average compensation" means the average annual covered earnings of an employee during the four highest years of service. "Covered earnings" means gross salary not in excess of the maximum amount on which contributions were required. "Fiscal year" means a year commencing on July 1 and ending June 30. "Eligibility service" is all service in PERS, including that credited for SLRP service. "Creditable service" includes only SLRP service.

Employer and Employee Rates of Contribution and Maximum Covered Earnings

Date From	To	Employer Rate	Maximum Covered Earnings	Employee Rate	Maximum Covered Earnings
7/1/1989	6/30/1992	6.33%	$ 75,600	3.00%	$ 75,600
7/1/1992	6/30/2002	6.33	125,000	3.00	125,000
7/1/2002	6/30/2006	6.33	150,000	3.00	150,000
7/1/2006	6/30/2008	6.65	150,000	3.00	150,000
7/1/2008	6/30/2009	6.65	230,000	3.00	230,000
7/1/2009	-	6.65	245,000	3.00	245,000

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, or has completed at least 25 years of creditable service under PERS.

(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.

(c) Upon the death of a member who has completed at least eight years* of membership service under PERS, 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.

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.

The annual retirement allowance payable to the spouse of a member who dies under condition (c) above is equal to the greater of (i) the allowance that would have been payable had the member retired and elected Option 2, reduced by 3% per year for each year the member lacked in qualifying for unreduced retirement benefits, or (ii) a benefit equal to the greater of 10% of average compensation or $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.

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.

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) 20% of average compensation plus 5% 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

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.

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.

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.

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 Benefit

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 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.

If a member elects either Option 2 or Option 4A, there is an added provision that in the event the designated beneficiary predeceases the member, the retirement allowance payable to the member after the designated beneficiary's death shall be equal to the retirement allowance which would have been payable had the member not elected the option.

A member who has at least 28 years of creditable service or is at least age 63 with four years of membership service for those who entered PERS before July 1, 2007, 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 4C, 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.

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; provided, however, that the annual adjustment will not be less than 4% of the annual retirement allowance for each full fiscal year in retirement through June 30, 1998.

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.

Contributions

Members currently contribute 3.00% of covered earnings. The employer contributes that additional amount necessary to fund the benefits outlined above on a full actuarial reserve funding basis.

Employer contribution rates are set by Mississippi statute for SLRP. The adequacy of these rates is checked annually by actuarial valuation. Employer contributions have met or exceeded the required contributions each year for SLRP since 1991.

**Four years for those who entered PERS before July 1, 2007.*

Changes in Plan Provisions

The Mississippi Legislature ended its 2010 legislative sessions with various changes to the Mississippi Code of 1972 plan provisions of the Public Employees' Retirement System of Mississippi. Legislation is effective July 1, 2010, except where otherwise provided.

House Bill 1 – First Extraordinary Session
Public Employees' Retirement System

Employee Contributions – Modifies Section 25-11-123 to increase the employee contribution rate from 7.25 percent to 9 percent of earned compensation.

Unused Leave Days – Modifies Section 25-11-109 to provide that members who retire on or after July 1, 2010, shall receive credit toward retirement for one-half day of leave for each full year of membership service accrued after June 30, 2010.

Options – Section 25-11-115 creates retirement Option 4, a 75 percent joint and survivor annuity, and makes it available to members who retire on or after January 1, 2011.

House Bill 957 – Regular Session
Public Employees' Retirement System

Local Elected Officials Required Separation Period – Modifies the provision in Section 25-11-127(5) to allow a member in municipal or county elected office to continue in office at retirement without a break in service provided that he or she has reached age 62, or as otherwise provided by the IRS Code Section 401(a).

Local Elected Officials Required Employer Contributions – Modifies Section 25-11-127(5) to require employers to pay employer contributions for a reemployed local elected official on the full salary in effect for the position.

Required Separation Period – Modifies Section 25-11-127 to provide that a retiree must be retired for not less than ninety (90) consecutive days from his or her effective date of retirement, or such later date as established by the PERS Board of Trustees, before he or she may be reemployed on a limited basis or engaged as an independent contractor. This modification is effective July 1, 2011.

Required Employer Contributions – Modifies 25-11-127 to provide that the employer of any retired member, other than local elected officials, who is working after retirement will pay the full amount of the employer's contributions on the amount of compensation received by the retiree for his or her post-retirement employment effective July 1, 2011.

Senate Bill 3078 – Regular Session
Public Employees' Retirement System

Service Retirement – Amends Section 25-11-111 to increase to thirty (30) years the number of years of creditable service required for retirement, regardless of age, for persons who become members of PERS on or after July 1, 2011.

Options – Amends Section 25-11-115 to increase to thirty-three (33) years the number of years of creditable service required to select a partial lump-sum distribution for persons who become members of PERS on or after July 1, 2011.

Senate Bill 3083 – Regular Session
Public Employees' Retirement System

Average Compensation – Section 25-11-103(f) limits the amount of paid leave that is used in the calculation of average compensation at the death of a member to thirty (30) days as used for service or disability retirement.

Surviving Spouse Benefits – Section 25-11-114(2)(d) revises the surviving spouse benefit to reflect that the benefit payable to a qualifying surviving spouse will be the greater of Option 2 or 20 percent of average compensation.

Waiver of Monthly Benefits Following Death – Modifies Section 25-11-114(10) to allow a surviving spouse, who is also the named beneficiary for a refund of contributions, to file a waiver of monthly benefits after the death of the member.

Interest on Benefit Payments – Amends 25-11-120 to provide that PERS does not pay interest 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.

Investment Provisions – Modifies Section 25-11-121(1)(d) to allow investment in corporate bonds and taxable municipal bonds rated by any SEC designated Nationally Recognized Statistical Rating Organization (NRSRO) and to invest in corporate short-term obligations rated by S & P, Moody's, Fitch Ratings, Ltd., or another SEC-designated NRSRO.

Calculation of Credited Interest – Modifies the Section 25-11-121(7) provision granting the Board of Trustees authority to credit interest on member accounts in PERS by removing the words "on the basis of the interest earnings of the System for the preceding year."

Supplemental Legislative Retirement Plan

Waiver of Benefits – Modifies Section 25-11-309 to allow a retiree/beneficiary to waive part or all of the benefit for purposes of qualifying for other benefits.

Mississippi Highway Safety Patrol Retirement System

IRS Compliance – Deletes language in Section 25-13-3 that allows for refund of excess employee contributions should a non-vested member of MHSPRS transfer to PERS so as to avoid violation of in-service distribution rules.

Waiver of Benefits – Modifies provisions of 25-13-11 to allow a retiree/beneficiary to waive part or all of the benefit for purposes of qualifying for other benefits.

Calculation of Credited Interest – Modifies Section 25-13-28 granting the Board of Trustees authority to credit interest on member accounts in MHSPRS by removing the words "on the basis of the interest earnings of the system for the preceding year."

Optional Retirement Plan

Administrative Fee – Clarifies Section 25-11-415 that an administrative fee of not more than 2 percent may be assessed by PERS.

Municipal Retirement Systems

Beneficiary Designation – Adds Section 21-29-331 in the miscellaneous section of the municipal law to provide for the persons to whom benefits will be payable in the event the designated beneficiary is deceased.

Waiver of Benefits – Section 21-29-333 modifies municipal law to allow a retiree/beneficiary to waive part or all of the benefit for purposes of qualifying for other benefits.

Solvency Tests

(In Thousands)

	Actuarial Accrued Liabilities for						
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	Portions of Accrued Liabilities Covered by Assets (1)	(2)	(3)
Public Employees' Retirement System							
6/30/01	$ 3,061,697	$ 7,856,268	$ 7,576,242	$ 16,191,631	100%	100.0%	69.6%
6/30/02	3,221,756	8,913,895	8,044,696	16,823,185	100	100.0	58.3
6/30/03	3,400,765	9,758,473	8,326,600	16,979,457	100	100.0	45.9
6/30/04	3,571,428	10,657,920	8,617,912	17,103,285	100	100.0	33.3
6/30/05	3,819,498	11,260,642	8,646,958	17,180,705	100	100.0	24.3
6/30/06	3,955,066	12,228,330	8,745,068	18,321,063	100	100.0	24.4
6/30/07	3,788,781	13,342,531	9,731,324	19,791,564	100	100.0	27.3
6/30/08	3,991,804	14,306,528	10,236,362	20,814,720	100	100.0	24.6
6/30/09	4,235,466	15,665,712	10,693,368	20,597,581	100	100.0	6.5
6/30/10	4,266,621	16,763,455	10,369,912	20,143,426	100	94.7	0.0
Mississippi Highway Safety Patrol Retirement System							
6/30/01	$ 16,080	$ 152,528	$ 82,013	$ 259,713	100%	100.0%	111.1%
6/30/02	16,226	186,501	82,821	263,255	100	100.0	73.1
6/30/03	17,604	192,662	91,868	259,746	100	100.0	53.9
6/30/04	18,352	201,573	96,645	256,481	100	100.0	37.8
6/30/05	18,972	214,844	101,301	253,477	100	100.0	19.4
6/30/06	19,906	222,281	108,451	265,637	100	100.0	21.6
6/30/07	20,870	231,771	118,592	284,626	100	100.0	27.0
6/30/08	21,371	242,265	117,942	298,630	100	100.0	29.7
6/30/09	20,136	273,774	100,720	292,322	100	99.4	0.0
6/30/10	20,658	284,106	106,513	281,088	100	91.7	0.0
Municipal Retirement Systems*							
9/30/00	$ 10,209	$ 319,149	$ 45,701	$ 253,713	100%	76.3%	0.0%
9/30/01	9,271	329,000	43,511	262,260	100	76.9	0.0
9/30/02	7,806	349,140	36,064	259,587	100	72.1	0.0
9/30/03	6,266	365,063	28,293	250,640	100	66.9	0.0
9/30/04	5,190	365,243	22,628	235,198	100	63.0	0.0
9/30/05	4,138	367,345	15,903	217,140	100	58.0	0.0
9/30/06	3,353	368,128	11,874	213,553	100	57.1	0.0
9/30/07	3,015	366,139	10,430	213,432	100	57.5	0.0
9/30/08	2,688	356,413	9,030	208,479	100	57.7	0.0
9/30/09	2,522	369,470	9,044	191,179	100	51.1	0.0
Supplemental Legislative Retirement Plan							
6/30/01	$ 1,666	$ 4,328	$ 4,308	$ 9,124	100%	100%	72.6%
6/30/02	1,876	4,576	4,876	9,730	100	100	67.2
6/30/03	2,121	4,567	5,532	10,196	100	100	63.4
6/30/04	2,030	6,395	4,509	10,323	100	100	42.1
6/30/05	2,076	6,813	4,513	10,634	100	100	38.7
6/30/06	2,061	7,230	4,773	11,620	100	100	48.8
6/30/07	2,301	7,378	5,375	12,722	100	100	56.6
6/30/08	2,102	8,295	5,218	13,412	100	100	57.8
6/30/09	2,327	8,756	5,452	13,386	100	100	42.2
6/30/10	2,509	8,777	5,795	13,241	100	100	33.7

**Valuation information furnished in this section for the Municipal Retirement System is as of September 30.*

		Active Members			
Valuation Date	Number of Employers	Number of Employees	Annual Payroll	Annual Average Pay	% Increase in Average Pay
Public Employees' Retirement System					
6/30/01	863	151,080	$ 4,112,237,738	$ 27,219	1.0%
6/30/02	866	152,148	4,220,538,845	27,740	1.9
6/30/03	871	154,872	4,431,599,526	28,615	3.2
6/30/04	880	156,353	4,617,272,973	29,531	3.2
6/30/05	861	157,101	4,786,280,398	30,466	3.2
6/30/06	861	158,091	4,971,973,661	31,450	3.2
6/30/07	861	162,804	5,196,294,899	31,917	1.5
6/30/08	863	165,733	5,544,704,937	33,456	4.8
6/30/09	866	167,122	5,831,863,534	34,896	4.3
6/30/10	868	164,896	5,763,556,195	34,953	0.2
Mississippi Highway Safety Patrol Retirement System					
6/30/01	1	599	$ 21,971,870	$ 36,681	(2.8)%
6/30/02	1	559	20,339,053	36,385	(0.8)
6/30/03	1	543	21,051,942	38,770	6.6
6/30/04	1	559	22,683,404	40,579	4.7
6/30/05	1	540	22,342,918	41,376	2.0
6/30/06	1	564	24,499,296	43,438	5.0
6/30/07	1	591	27,037,063	45,748	5.3
6/30/08	1	626	29,597,374	47,280	3.3
6/30/09	1	570	26,389,909	46,298	(2.1)
6/30/10	1	542	26,353,400	48,623	5.0
Municipal Retirement Systems					
9/30/00	17	214	$ 8,484,726	$ 39,648	6.3%
9/30/01	17	182	7,349,562	40,382	1.9
9/30/02	17	145	5,980,337	41,244	2.1
9/30/03	17	110	4,584,061	41,673	1.0
9/30/04	17	84	3,674,877	43,749	5.0
9/30/05	17	65	2,909,190	44,757	2.3
9/30/06	17	49	2,223,090	45,369	1.4
9/30/07	17	42	1,952,642	46,491	2.5
9/30/08	17	35	1,712,743	48,936	5.3
9/30/09	17	31	1,608,396	51,884	6.0
Supplemental Legislative Retirement Plan					
6/30/01	5	175	$ 5,941,332	$ 33,950	1.5%
6/30/02	5	175	5,988,135	34,218	0.8
6/30/03	5	175	6,288,514	35,934	5.0
6/30/04	5	175	5,794,099	33,109	(7.9)
6/30/05	5	175	6,530,045	37,315	12.7
6/30/06	5	173	6,353,542	36,726	(1.6)
6/30/07	5	175	6,554,229	37,453	2.0
6/30/08	5	175	6,752,960	38,588	3.0
6/30/09	5	174	6,803,339	39,100	1.3
6/30/10	5	175	6,605,037	37,743	(3.6)

Schedule of Retirants Added to and Removed from Rolls

Last Six Fiscal Years

		Added		Removed	
Fiscal Year Ended*	Plan	Number	Annual Allowances	Number	Annual Allowances
June 30, 2005	PERS	4,610	$ 74,999,488	(3,078)	$ (25,851,732)
	MHSPRS	33	578,336	(17)	(106,467)
	MRS	54	972,938	(58)	(545,424)
	SLRP	8	30,412	-	-
June 30, 2006	PERS	5,360	93,495,367	(2,542)	(26,749,850)
	MHSPRS	32	849,210	(28)	(650,466)
	MRS**	67	1,131,297	(84)	(834,404)
	SLRP	12	57,341	(4)	(26,559)
June 30, 2007	PERS	6,218	97,985,045	(2,219)	(31,700,099)
	MHSPRS	29	826,877	(16)	(390,154)
	MRS	46	806,363	(71)	(684,252)
	SLRP	6	17,973	(2)	(6,908)
June 30, 2008	PERS	5,335	93,694,780	(2,551)	(35,621,113)
	MHSPRS	42	1,341,416	(29)	(739,677)
	MRS	42	744,852	(75)	(998,616)
	SLRP	20	107,569	(8)	(29,585)
June 30, 2009	PERS	4,965	87,403,913	(2,362)	(33,633,667)
	MHSPRS	62	2,263,514	(21)	(556,046)
	MRS	39	538,293	(83)	(894,867)
	SLRP	7	33,316	(4)	(26,188)
June 30, 2010	PERS	5,747	103,950,841	(2,722)	(40,358,965)
	MHSPRS	22	806,092	(18)	(450,658)
	MRS	37	549,390	(70)	(873,282)
	SLRP	6	36,400	(5)	(46,742)

*Information for MRS is as of September 30.

**Beginning at the end of year in 2005, the benefit payments include COLAs. However, all amounts prior to 2005 were reported by the previous actuarial firm and did not include COLA amounts. Therefore, the amount for benefit increases due to COLA in 2005 incorporates all prior years' COLAs since they cannot be broken out by prior years.

***Information not available for MRS.

Schedule of Retirants Added to and Removed from Rolls

Last Six Fiscal Years

		Rolls at End of Year			
Increase Due to Annual COLA	Increase Due to Plan Amendments	Number	Annual Allowances	Percentage Increase in Annual Allowances	Average Annual Allowances
$ 194,238,608	$ -	63,939	$ 1,022,022,560	31.26%	$ 15,984
4,606,095	-	621	17,189,826	41.93	27,681
***	334,359	2,242	32,182,395	2.42	14,354
71,839	-	114	582,565	21.29	5,110
28,442,523	-	66,757	1,117,210,600	9.31	16,735
433,239	-	625	17,821,809	3.68	28,515
2,053,694	74,913	2,225	34,607,895	7.54	15,554
15,870	-	122	629,217	8.01	5,158
30,889,317	-	70,756	1,214,384,863	8.70	17,163
464,023	-	638	18,722,555	5.05	29,346
458,053	-	2,200	35,188,059	1.68	15,995
17,537	-	126	657,819	4.55	5,221
33,449,790	-	73,540	1,305,908,320	7.54	17,758
474,361	-	651	19,798,655	5.75	30,413
429,844	191,067	2,167	35,555,206	1.04	16,408
19,012	-	138	754,815	14.75	5,470
36,261,313	-	76,143	1,395,939,879	6.89	18,333
487,986	-	692	21,994,109	11.09	31,783
257,171	-	2,123	35,455,803	(0.28)	16,701
19,288	-	141	781,231	3.50	5,541
39,131,221	-	79,168	1,498,662,976	7.36	18,930
550,146	-	696	22,899,689	4.12	32,902
324,773	-	2,090	35,456,684	0.00	16,965
21,781	-	142	792,670	1.46	5,582

Analysis of Financial Experience

Gains and Losses in Accrued Liabilities for the Year Ended June 30, 2010

Resulting from Differences Between Assumed Experience and Actual Experience

(In Thousands)

		$ Gain or (Loss) For Year		
	PERS	MHSPRS	MRS*	SLRP
Type of Activity:				
Age and Service Retirements. If members retire at older ages, there is a gain. If younger ages, a loss.	$ 125,700.0	$ 422.4	$ 538.3	$ 11.0
Disability Retirements. If disability claims are less than assumed, there is a gain. If more claims, a loss.	(21,400.0)	(50.9)	-	10.9
Death-in-Service Benefits. If survivor claims are less than assumed, there is a gain. If more claims, a loss.	100.0	21.5	15.0	7.7
Withdrawal From Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	(65,000.0)	396.7	-	41.3
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	541,600.0	(1,607.7)	129.3	344.1
New Members. Additional unfunded accrued liability will produce a loss.	(67,100.0)	-	-	(2.3)
Investment Income. If there is greater investment income than assumed, there is a gain. If less income, a loss.	(1,552,500.0)	(23,181.1)	(14,024.9)	(1,023.0)
Death after Retirement. If retirants live longer than assumed, there is a loss. If not as long, a gain.	(36,400.0)	(1,541.8)	216.3	117.4
Other. Miscellaneous gains and losses resulting from changes in valuation software, data adjustments, timing of financial transactions, etc.	111,300.0	(2,620.2)	(1,639.3)	(135.1)
Gain (or Loss) During Year from Financial Experience.	(963,700.0)	(28,161.1)	(14,765.3)	(628.0)
Non-Recurring Items. Adjustments for plan amendments, assumption changes, or method changes.	(6,000.0)	-	(19,789.2)	-
Composite Gain (or Loss) During Year	$ (969,700.0)	$ (28,161.1)	$ (34,554.5)	$ (628.0)

**Valuation information furnished for MRS is as of September 30, 2009.*