Public Employees' Retirement System

Board of Trustees

February 23, 2010

Regulatory Change

Regulation 59 Plan Assumptions

The proposed amendment to Regulation 59 reflects the Board's prior adoption of an Experience Study recommendation to change the mortality table from the 1983 Group Annuity Mortality table to the 1994 Group Annuity Mortality table effective July 1, 2010. These tables affect the option factors.

The effective date of this amendment will be July 1, 2010. **Staff requests the Board's initial approval of the proposed amendment.**

Chapter 59 Plan Assumptions

100 Purpose

The purpose of this regulation is to detail the applicable actuarial assumptions adopted by the Board of Trustees (Board) used to convert a retirement allowance from the normal (maximum) form of payment to an optional form of payment for the Public Employees' Retirement System of Mississippi, the Supplemental Legislative Retirement Plan, and the Mississippi Highway Safety Patrol Retirement System.

101 Actuarial Assumptions for the Public Employees' Retirement System of Mississippi

For purposes of determining an "actuarial equivalent" or of an "actuarial computation," effective July l, ~~2008~~ 2010, the Board shall use the following:

1. The factors are based on the ~~1983~~ 1994 Group Annuity Mortality Tables, ~~set forward one (1) year for females~~; and
2. The applicable interest factor is 8% per year and an annual benefit adjustment (COLA) of 3% is assumed on a compounded basis for all ages; and
3. Unisex blends of mortality rates are assumed as follows:
   - **a.** annuity values – 35/65 male/female
   - **b.** full cash refund – 35/65 male/female
   - **c.** certain ~~&~~ and life – 50/50 male/female
   - **d.** partial lump sum – 50/50 male/female
   - **e.** joint ~~&~~ and survivor – 75/25 male/female
4. Disability factors are based on special mortality tables recommended by the actuary and adopted by the Board that reflect the different mortality levels of disability retirees. These special mortality tables are attached to this Regulation as an appendix and are effective as if fully restated herein.

102 Actuarial Assumptions for the Supplemental Legislative Retirement Plan

For purposes of determining an "actuarial equivalent" or of an "actuarial computation," effective July 1, ~~2008~~ 2010, the Board shall use the following:

1. The factors are based on the ~~1983~~ 1994 Group Annuity Mortality Tables, ~~set forward one (1) year for females~~; and
2. The applicable interest factor is 8% per year and an annual benefit adjustment (COLA) of 3% is assumed on a compounded basis for all ages; and
3. Unisex blends of mortality rates are assumed as follows:
   - **a.** annuity values – 35/65 male/female
   - **b.** full cash refund – 35/65 male/female
   - **c.** certain ~~&~~ and life – 50/50 male/female
   - **d.** partial lump sum – 50/50 male/female
   - **e.** joint ~~&~~ and survivor – 75/25 male/female
4. Disability factors are based on special mortality tables recommended by the actuary and adopted by the Board that reflect the different mortality levels of disability retirees. These special mortality tables are attached to this Regulation as an appendix and are effective as if fully restated herein.

103 Actuarial Assumptions for the Mississippi Highway Safety Patrol Retirement System

For purposes of determining an "actuarial equivalent" or of an "actuarial computation," effective July 1, ~~2008~~ 2010, the Board shall use the following:

1. The factors are based on the ~~1983~~ 1994 Group Annuity Mortality Tables, ~~set forward four (4) years for males~~; and
2. The applicable interest factor is 8% per year and an annual benefit adjustment (COLA) of 3% is assumed on a compounded basis for all ages; and
3. 100% male mortality rates are assumed for all option factors.
4. Disability factors are based on special mortality tables recommended by the actuary and adopted by the Board that reflect the different mortality levels of disability retirees. These special mortality tables are attached to this Regulation as an appendix and are effective as if fully restated herein.

104 Application of Assumptions

Whenever the amount of any benefit is to be determined on the basis of actuarial assumptions, such assumptions will be specified in Board actions and regulations in a manner that precludes employer discretion.

(Effective Date: January 19, 2009; amended effective July 1, 2010)