Public Employees' Retirement System

Board of Trustees

June 22, 2010

Regulatory Change

Regulation 62 Crediting of Interest on Member Accumulation Accounts

The proposed amendment to Regulation 62 conforms the regulatory language to the statutory amendment to Miss. Code Ann. §25-11-121 as reflected in S. B. 3083 (2010 Legislative Session) which defines the term "regular interest" for purposes of determining the interest credited to member accounts. The statutory amendment becomes effective July 1, 2010.

The effective date of this amended regulation will be July 1, 2010, which is the effective date of the legislative change. **Staff requests the Board's final approval of the proposed amendment. No comments were received during the comment period.**

Proposed Regulation 62 Crediting of Interest on Member Accumulation Accounts

101 Purpose

The purpose of this regulation is to reflect the rate of interest credited to a member's accumulation account in the Public Employees' Retirement System of Mississippi (PERS), the Supplemental Legislative Retirement Plan (SLRP), and the Mississippi Highway Safety Patrol Retirement System (MHSPRS).

102 Statutory Authority to Set Interest Rate

PERS

Miss. Code Ann. § 25-11-103 (1972, as amended) defines "accumulated contributions" as the sum of all the amounts deducted from the compensation of a member and credited to his individual account in the annuity savings account, together with regular interest as provided in Miss. Code Ann. § 25-11-123 (1972, as amended). Miss. Code Ann. § 25-11-121(7) (1972, as amended) authorizes the PERS board of trustees to credit regular interest to the member's annuity savings account in an amount determined by the board. Section 25-11-123 authorizes the interest to be posted to the member's account on a monthly basis.

SLRP

Miss. Code Ann. § 25-11-303 (1972, as amended) provides that for purposes of the Supplemental Legislative Retirement Plan the definitions found in the PERS law at § 25-11-103 will apply unless a different meaning is plainly expressed by the context of the specific provisions of the Supplemental Plan. Thus, the definition of "accumulated contributions" as found in § 25-11-103, which includes "regular interest" as provided in §§ 25-11-121 and 25-11-123 above, applies to members of the Supplemental Legislative Retirement Plan.

The Supplemental Legislative Retirement Plan was established effective July 1, 1989.

MHSPRS

Miss. Code Ann. § 25-13-28 (1972, as amended) provides that regular interest as determined by the PERS Board of Trustees shall be credited to employee's account.

Interest was authorized to be credited to member accounts effective July 1, 1991.

103 Current Rate of Interest

The phrase "regular interest" as used in this Regulation shall mean the interest credited to the accumulated contributions of the member's account in the annuity savings account of any system covered by this Regulation during the period his or her membership therein.

As applied to such interest for any period beginning July 1, 1953, through June 30, 1955, "regular interest" shall mean interest credited at the rate of two per cent (2%) per annum.

As applied to such interest for any period beginning July 1, 1955, through June 30, 1982, "regular interest" shall mean interest credited at the rate of one percent (1%) per annum.

As applied to such interest for any period beginning July 1, 1982, through June 30, 1995, "regular interest" shall mean interest credited at the rate of five per cent (5%) per annum.

As applied to such interest for any period beginning July 1, 1995, through June 30, 1996, "regular interest" shall mean interest credited at the rate of two and one-half per cent (2 ½ %) per annum.

As applied to such interest for any period beginning July 1, 1996, and thereafter, until changed by the Board, "regular interest" shall mean interest credited at the rate of three and one-half per cent (3 ½ %) per annum.

(History: Adopted effective October 1, 2009; amended July 1, 2010)

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SLRP

Miss. Code Ann. § 25-11-303 (1972, as amended) provides that for purposes of the Supplemental Legislative Retirement Plan the definitions found in the PERS law at § 25-11-103 will apply unless a different meaning is plainly expressed by the context of the specific provisions of the Supplemental Plan. Thus, the definition of "accumulated contributions" as found in § 25-11-103, which includes "regular interest" as provided in §§ 25-11-121 and 25-11-123 above, applies to members of the Supplemental Legislative Retirement Plan.

The Supplemental Legislative Retirement Plan was established effective July 1, 1989.

MHSPRS

Miss. Code Ann. § 25-13-28 (1972, as amended) provides that regular interest as determined by the PERS Board of Trustees shall be credited to employee's account. ~~based on the interest earnings of the system for the preceding year.~~

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