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WORKING TOGETHER

Years of initiative. Decades of good stewardship.



PERS was created in 1952 to provide retirement coverage for public school teachers and administrators, state university and community/junior college employees, and state employees, as well as city and county employees.

In fiscal year 2015, the number of current PERS retirees neared 100,000.



In 1987, 17 firemen's and policemen's disability and relief funds—along with two general municipal employee retirement systems—came under the administration of PERS.



In 2004, the PERS building was remodeled and expanded to better serve its members.



$$y = \frac{1 \times 2 + (-2) \times 3}{-2 + 1} = 4$$

$$x = \frac{x_1 + x_2}{2}, y = \frac{y_1 + y_2}{2}$$

$$m_2 = 1 \quad \lambda = 1$$

In 1973, Mississippi Deferred Compensation Plan & Trust was established for all non-federal public employees to have access to an additional retirement savings opportunity. The administration was transferred to PERS in 1974.



2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

A Component Unit of the State of Mississippi | Fiscal Year Ended June 30

2015 Comprehensive Annual Financial Report

A Component Unit of the State of Mississippi
Fiscal Year Ended June 30

PREPARED BY:

The Office of Administrative Services
Public Employees' Retirement System of Mississippi

PERS Building
429 Mississippi Street
Jackson, Mississippi
39201-1005



PERS HONES POLICY AND STRUCTURE THROUGH TOUGH ECONOMIC TIMES



PERS PLUS leadership training for all supervisors was instituted to produce higher performing teams to better serve members.

Despite The Great Recession looming over the country from late-2007 to mid-2009, PERS stayed focused on keeping the plan strong. Efforts were made from 2005 to 2015 to strengthen board governance, policy, board regulations, and IRS compliance. In 2012, PERS revised its funding policy and set a goal to be at least 80 percent funded by 2042.



PERS communications have assisted members, retirees, and employers in gaining a better understanding of their retirement system.

PERS continues support of legislation to clarify benefits for covered employees.



**PAT
ROBERTSON**
(2005-PRESENT)
EXECUTIVE
DIRECTOR

Through more than 60 years and five executive leaders, the Public Employees' Retirement System of Mississippi (PERS) has responded to the times and maintained a fiscally healthy retirement program for the state's public employees.

In 1950, employees of the then Mississippi Highway Department presented a bill to the Legislature to establish a retirement system for its employees. After review and discussion, the Legislature informed the group that establishing a defined benefit retirement system for all full-time state employees, employees of the state universities, and employees of the Highway Department would be more appropriate. The Legislature requested that a broader retirement plan bill and an estimated cost for such a plan be brought back to them for consideration at the 1952 session.

In 1952, as the final push was being made to provide Social Security coverage and establish PERS as a retirement system for public employees, the Mississippi Association of Educators (MAE) recognized the value of one consolidated system serving all public employees in Mississippi and petitioned the Legislature to close the Teachers Retirement System, which was established in 1944, and allow active teachers and school administrative personnel to become members of PERS.

The 1970s and 1980s were years of continued expansion for PERS, as additional plans and programs came under its administration. From the 1990s to now, PERS has worked to improve customer service and public access to information, as well as strengthen policies, regulations, and Board governance.

And throughout its history—whether in prosperous or tough economic times—PERS has remained a good steward, holding fast to one constant: providing retirement security for its members.

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Providing Benefits for Life

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

December 15, 2015

Dear Board Members:

It is my privilege to present the 2015 *Comprehensive Annual Financial Report* (CAFR) of the Public Employees' Retirement System, and I am pleased to continue the tradition of years of initiative and decades of good stewardship provided to our members and retirees. Since its inception in 1952, the System has pursued its mission to be good stewards of the public trust placed in us to provide secure retirement benefits to our hundreds of thousands of members across the State of Mississippi. Our accomplishments over the years are due to the competence and expertise of our employees, our initiatives to address the opportunities and challenges we face, and our continued commitment to quality customer service.

PROFILE OF THE SYSTEM

The System was established to provide benefits for all state and public education employees, officers of the Mississippi Highway Safety Patrol, elected members of the State Legislature, the President of the Senate, and other public employees of participating employers. Plans administered by the System include: the Public Employees' Retirement System of Mississippi (PERS), which was established by legislation in 1952; the Mississippi Highway Safety Patrol Retirement System (MHSPRS), established in 1958; the Supplemental Legislative Retirement Plan (SLRP), established in 1989; and the Municipal Retirement Systems (MRS), which came under the System's administration in 1987. As of June 30, 2015, the System's defined benefit plans served a total of 295,054 members and 99,096 retirees and beneficiaries. There are 887 participating employers from across the state. Primary sources of funding for the System include employer contributions, member contributions, and investment income. Retirement benefits paid during the fiscal year totaled \$2.3 billion. Employers contributed \$1.0 billion during the fiscal year, while members of the System contributed a total of \$560 million. As of June 30, 2015, net position restricted for benefits totaled \$25.4 billion.

The System is administered by a 10-member Board of Trustees that includes: the State Treasurer; one gubernatorial appointee who is a member of PERS; two state employees; two PERS retirees; and one representative each from public schools and community colleges, state universities, municipalities, and counties. With the exception of the State Treasurer and the gubernatorial appointee, all members are elected to staggered six-year terms by the constituents they represent. The Board of Trustees is responsible for the general administration and proper operation of the System. The executive director is designated by the Board to lead and conduct all business for the System. The Public Employees' Retirement System of Mississippi operates under legislative mandate with respect to administrative budgets, human resources, and purchasing guidelines. The System is considered a component unit of the State of Mississippi for financial reporting purposes and, as such, the financial statements contained in this report are included in the State of Mississippi's *Comprehensive Annual Financial Report*.

Pat Robertson
Executive Director

Board of Trustees:

Bill Benson
County
Employees
Chairman

Lynn Fitch
State
Treasurer

Randy D.
McCoy
Retirees
Vice Chairman

Cecil Hill
Institutions of
Higher Learning

Kelly Breland
State
Employees

Chris Howard
State
Employees

Stephen Benson
Municipal
Employees

Richard C.
Miller
Retirees

Lee Childress
Public Schools,
Community/
Jr. Colleges

Drew Snyder
Gubernatorial
Appointee

Public Employees' Retirement System of Mississippi

429 Mississippi Street, Jackson, MS 39201-1005 601.359.3589 800.444.PERS www.pers.ms.gov

Annual budgets are legally adopted for the administrative expenditure portion of the System's operations and are funded by earnings of the System. Our operating budget request for the upcoming fiscal year is prepared in conjunction with a review of our strategic long-range plan. A budget request is approved by the Board of Trustees and submitted to the State Legislature, which legally enacts the budget in the form of an appropriation bill during the subsequent legislative session. Changes may be made in budget categories, consistent with legislative authority, with approval of the Mississippi Department of Finance and Administration.

FINANCIAL INFORMATION

Our staff issues a CAFR within six months of the close of each fiscal year. The report contains basic financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards, as well as standards applicable to financial audits contained in government auditing standards. The 2015 independent audit was conducted by KPMG LLP, a firm of licensed certified public accountants. The Independent Auditors' Report is presented in the Financial Section on pages 19 and 20.

This CAFR consists of management's representations concerning the finances of the System. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. A framework of internal controls is maintained to establish reasonable assurance that assets are safeguarded, transactions are accurately executed, and financial statements are fairly presented. The system of internal controls also includes written policies and procedures and an internal audit department that reports to the Board of Trustees. The internal audit department makes recommendations for improvements in controls and operating efficiency. The concept of reasonable assurance recognizes that the cost of a control should not appreciably exceed the benefits likely to be derived and that the analysis of costs and benefits requires estimates and professional judgments by management. Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with this letter.

The System is operating to deliver sustainable pension benefit services while investing to ensure that our performance levels can be maintained in the long term. The Board of Trustees remains focused on a disciplined investing approach that underscores the principles of a well-diversified portfolio of securities invested over a long-time horizon. Our asset allocation policy is strategically balanced to provide an expected level of return while incurring minimal risk, which over time will fund the liabilities of the System with the contribution rate at a level percent of payroll. This year the System earned a 3.4 percent rate of return on investments measured as a point-in-time snapshot of fiscal year performance. Our annualized rate of return for the last 30-year period was 8.9 percent, exceeding the long-term 8.0 percent assumed rate of return for the System. Positive investment performance at or above our assumed rate of return over the long term assures that the System maintains a strong, sustainable financial foundation.

Annual actuarial valuations for PERS, MHSPRS, MRS, and SLRP are conducted by the consulting actuarial firm of Cavanaugh Macdonald Consulting, LLC. Actuarial assumptions and contribution rates are based on recommendations made by the actuary. Experience investigations are performed every two years on a rolling four-year basis to determine that actuarial assumptions are reasonably related to actual experience. Additional information regarding the actuarial valuation is presented in the Actuarial Section of this report. In addition to actuarial valuations and experience investigations, the System's actuaries prepare annual funding projections for each plan.

In 2012, the Board of Trustees took action to revise the funding policy for PERS, MHSPRS, and SLRP. The revised funding policy is aimed at stabilizing the employer contribution rate and establishing a goal to position the plans at more than 80.0 percent funded by 2042. The funding ratio is a measure of the actuarial value of assets to the actuarial accrued liability. Based on the most recent actuarial valuation, PERS is 60.4 percent funded; MHSPRS is 66.2 percent funded; MRS is 47.6 percent funded; and SLRP is 75.9 percent funded. Funding status and progress is presented in the Actuarial Section of this report on pages 132 and 133. Based on fiscal year-end valuation results, each of the System's plans continue in sound condition, presuming that future contributions will be made at the level necessary to ensure adequate funding and to meet standards as certified in the Actuarial Section of this report.

FOR THE FUTURE

Our technology objectives are driven by our commitment to deliver quality customer service to our members before, during, and after retirement. Our long-held belief is that good stewardship includes good customer service. As part of achieving that objective, we identified the need for a technology solution with broad and deep capabilities for managing the volume and variety of data necessary to successfully support our services to members. The System launched a major project initiative in September 2010 to implement a new pension and benefits administration software solution using the most economical pathways for technical support. Through the Mississippi Automated Retirement System (MARS) technology project, we have focused on developing a stable, state-of-the-industry solution consisting of a fully integrated online software system that will be capable of supporting the System's pension processes and finances, as well as expand our customer service area. I am pleased to report that the System has fully completed the design and technical aspects and successfully deployed MARS July 6, 2015. Additional enhancements are planned including the member self-service feature and an optical imaging software upgrade, which are scheduled for completion during the first quarter of calendar year 2016.

As is common with any comprehensive technology change, we experienced some challenges. Our previous system was degrading and unstable, with limited capacity, which caused slow response times and a temporary processing backlog. Our efforts were further complicated by the challenge of retaining knowledgeable senior staff members in the highly competitive fields of benefits administration and technology. However, we have overcome the challenges and are now functioning on an optimal processing timetable. One significant advantage of MARS is that some business process times have been significantly reduced, saving both time and money in the System's operation. Another feature of MARS is the fast, easy access to member account data with major improvement to search and drilldown capabilities.

The System relies on its staff to carry out our mission, provide excellent customer service, and meet our goals. It has become more essential to enhance our succession plan as the years pass and the System experiences growth in both membership and complexity. We are in the process of addressing needs and exploring alternatives to provide our membership with continuity across all aspects of our operations. A major portion of our plan involves increasing the pool of experienced and capable employees who are prepared to assume leadership roles as they become available. Our objective is to provide an effective succession plan that supports the System's organizational stability and sustainability by assuring that there is an established progression to meet future staffing requirements.

Beginning July 1, 2015, the Board of Trustees lowered the actuarial investment rate of return assumption from 8.0 percent to 7.75 percent. The change to a more conservative assumed rate of return may have the effect of decreasing the funded status, but will not change our funding policy goal of 80.0 percent funding for the plans by 2042.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the System for its comprehensive annual financial report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents that conform to program standards. Such financial reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. The System has received a Certificate of Achievement for the last 28 consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA for evaluation.

The Public Employees' Retirement System of Mississippi's submission of a Popular Annual Financial Report to the GFOA resulted in an Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2014. To receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit

must publish a popular annual financial report with contents that conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year. The Public Employees' Retirement System of Mississippi has received a Popular Award certificate for the last 12 consecutive fiscal years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA for consideration this year.

The Public Employees' Retirement System received the Public Pension Coordinating Council's (PPCC) Public Pension Standards 2015 Award in recognition of meeting professional standards for plan design and administration. The PPCC is a national confederation of state retirement associations whose standards are widely recognized benchmarks for public pension systems in the areas of plan design, funding, actuarial, and financial audits, as well as member communications.

CONCLUSION

This report is a product of the combined efforts of the System's staff and advisors functioning under your leadership and is intended to provide extensive and reliable information as a basis for making management decisions, determining compliance with legal provisions, and determining responsible stewardship for the assets contributed by the System's members and their employers.

This report is made available to the Governor, State Auditor, and all member agencies. These agencies form the link between the System and its members, whose cooperation contributes significantly to our success. I hope all recipients of this report find it informative and useful. This report also is available to the general public on our website, www.pers.ms.gov.

I would like to express my gratitude for the remarkable partnership with you, the staff, the advisors, and others who have worked so diligently to continue the System's years of initiatives and decades of good stewardship. It is your passion, strength, and talent that support and preserve the vision of a secure retirement future for our members and retirees.

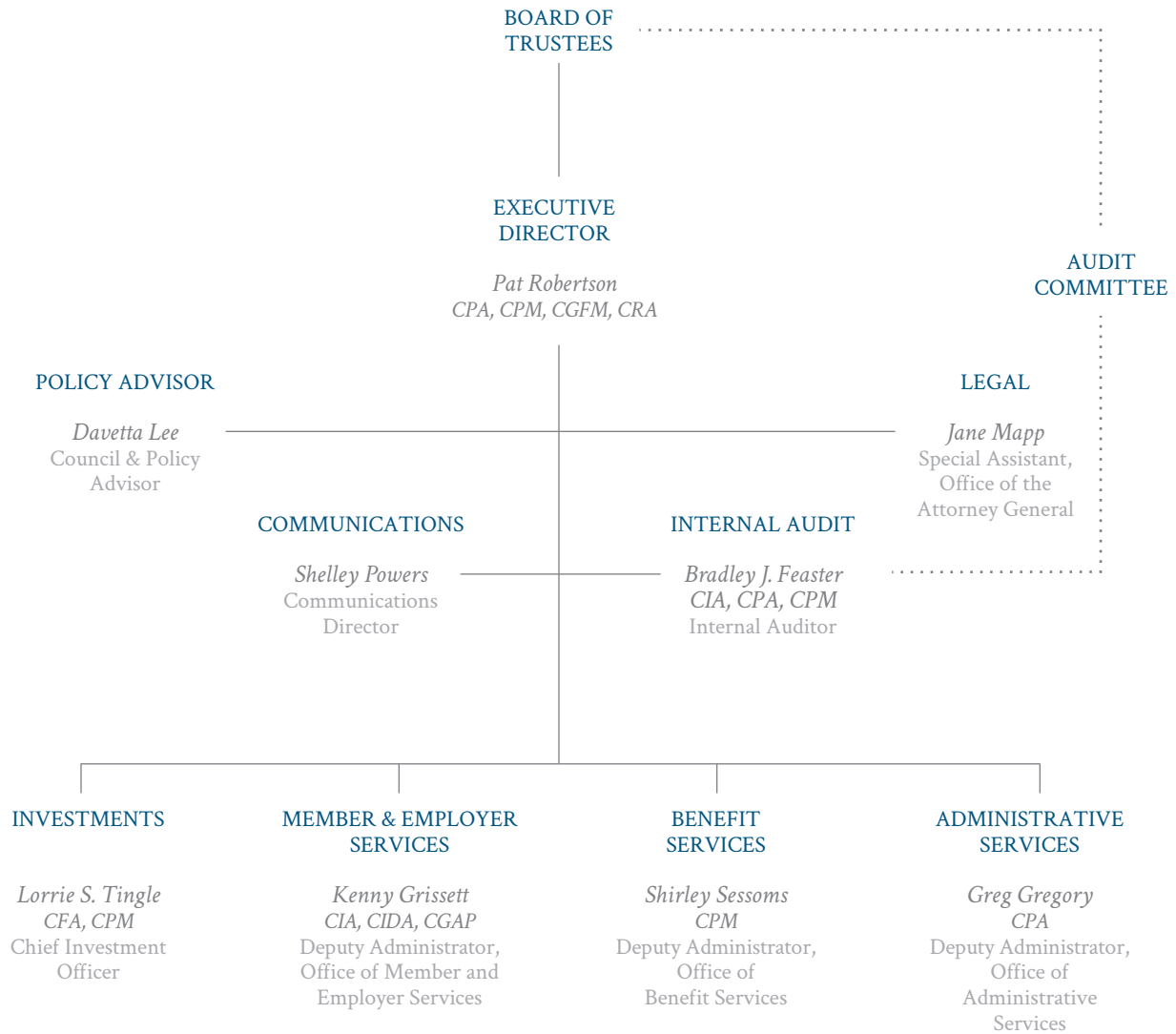
Respectfully submitted,



Pat Robertson
Executive Director



Organizational Chart
as of June 30, 2015



2015 Board of Trustees

The Board of Trustees of the Public Employees' Retirement System of Mississippi (PERS) is responsible for designating the System's executive director and for establishing the policies for administration of the trust. The Board also works to carry out the intent and purposes of the State Legislature by establishing rules and regulations for the administration of PERS and the transaction of its business.

Pictured from left to right:

KELLY BRELAND *Elected by State Employees*
TERM OF SERVICE: JAN. 2013 - DEC. 2018

DREW SNYDER *Appointed by Governor*
TERM OF SERVICE: DEC. 2014 - APR. 2016

LYNN FITCH *State Treasurer, Ex Officio*
TERM OF SERVICE: JAN. 2012 - JAN. 2016

VICE CHAIRMAN BILL BENSON *Elected by County Employees*
TERM OF SERVICE: JAN. 2010 - DEC. 2015

CHRIS HOWARD *Elected by State Employees*
TERM OF SERVICE: JUL. 2014 - JUN. 2020

DREW
SNYDER

KELLY
BRELAND

CHRIS
HOWARD

VICE CHAIRMAN
BILL BENSON

LYNN FITCH

2015
Board of Trustees
(Continued)

STEPHEN BENSON *Elected by Municipal Employees*
TERM OF SERVICE: JAN. 2015 - DEC. 2020

EDWARD LEE CHILDRESS, ED.D. *Elected by Public School and Community/Junior College Employees*
TERM OF SERVICE: MAY 2010 - APR. 2016

CHAIRMAN CECIL L. HILL, PH.D. *Elected by Institutions of Higher Learning Employees*
TERM OF SERVICE: JAN. 2011 - DEC. 2016

RANDY MCCOY, ED.D. *Elected by Retirees*
TERM OF SERVICE: JUL. 2013 - JUN. 2019

RICHARD C. MILLER, M.D. *Elected by Retirees*
TERM OF SERVICE: MAY 2011 - APR. 2017

CHAIRMAN
CECIL L. HILL,
PH.D.

RICHARD C.
MILLER, M.D.

EDWARD LEE
CHILDRESS,
ED.D.

RANDY MCCOY,
ED.D.

STEPHEN
BENSON

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Telephone: (601) 359-3680



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Public Employees' Retirement System
of Mississippi**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2015***

Presented to

***Public Employees' Retirement System
of Mississippi***

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

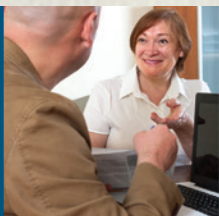
Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

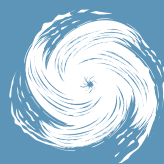
A handwritten signature in black ink, reading 'Alan H. Winkle'.

Alan H. Winkle
Program Administrator

PERS VALUES PUTTING THE CUSTOMER FIRST



**FRANK
READY**
(1996 -2005)
EXECUTIVE
DIRECTOR



*State emergency
workers responded
to Hurricanes Ivan
and Katrina, and
PERS ensured
affected retirees
received their benefits.*



Focusing on the service provided to members, retirees, and employers, PERS established the Call Center, the Retirement Education program, and a personal approach to serving the customer. PERS also implemented a two-phased retirement process to ensure members are issued an estimate of benefits before selecting benefit options.

*PERS building
was remodeled
and expanded
in 2004.*





KPMG LLP
Suite 1100
One Jackson Place
188 East Capitol Street
Jackson, MS 39201

Independent Auditors' Report

The Board of Trustees
Public Employees' Retirement System of Mississippi:

Report on the Financial Statements

We have audited the accompanying financial statements of the Public Employees' Retirement System of Mississippi (the System), a component unit of the State of Mississippi, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System as of June 30, 2015, and the changes in the System's fiduciary net position for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 21-29 and the schedule of changes in the net pension liability and related ratios, the schedules of employer contributions and the schedule of investment returns on pages 59-62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



KPMG LLP
Suite 1100
One Jackson Place
188 East Capitol Street
Jackson, MS 39201

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The introduction section, investment section, actuarial section, statistical section and supplementary information included in Schedules 1 through 6 on pages 66-71 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information included in Schedules 1 through 6 on pages 66-71 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information included in Schedules 1 through 6 is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introduction section, investment section, actuarial section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2015 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

KPMG LLP

Jackson, Mississippi
December 7, 2015

Management's Discussion & Analysis

[unaudited]

This section presents management's discussion and analysis of the Public Employees' Retirement System of Mississippi's (System) financial position and performance for the year ended June 30, 2015. This section is presented as a narrative overview and analysis in conjunction with the Letter of Transmittal—included in the Introductory Section—the financial statements, and other information presented in the Financial Section of this *Comprehensive Annual Financial Report*.

The System is responsible for administering retirement benefits for all state and public education employees, sworn officers of the Mississippi Highway Safety Patrol, other public employees whose employers have elected to participate, and elected members of the State Legislature, as well as the President of the Senate. The System is comprised of five funds, including four defined benefit pension plans: the Public Employees' Retirement System of Mississippi (PERS), the Mississippi Highway Safety Patrol Retirement System (MHSPRS), the Municipal Retirement Systems (MRS), and the Supplemental Legislative Retirement Plan (SLRP).

The System also oversees two other plans: the Mississippi Government Employees' Deferred Compensation Plan & Trust (MDC), which is a voluntary supplemental retirement savings plan, and the Optional Retirement Plan (ORP), which is offered as an alternative to PERS to certain employees of the state's institutions of higher learning. As explained in Note 2 to the basic financial statements, MDC and ORP are not part of the System's reporting entity. The System's funds, with the exception of MDC and ORP, are defined as pension (and other employee benefit) trust funds, which are fiduciary in nature. The remaining fund is the Flexible Benefits Cafeteria Plan (FBCP), which is an agency fund. Throughout this discussion and analysis, units of measure (i.e., billions, millions, and thousands) are approximate, being rounded up or down to the nearest tenth of the respective unit value.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the System's financial reporting, which is comprised of the following components:

1. Basic financial statements
2. Notes to the basic financial statements
3. Required supplementary information
4. Other supplementary schedules

Collectively, this information presents the net position restricted for pension benefits for each of the funds administered by the System as of June 30, 2015. This financial information also summarizes changes in net position restricted for pension benefits for the year then ended. The information in each of these components is briefly summarized as follows:

1. BASIC FINANCIAL STATEMENTS

The June 30, 2015, financial statements are presented for the fiduciary funds administered by the System. Fiduciary funds are used to account for resources held for the benefit of parties outside of the System. Fiduciary funds include pension trust funds such as PERS, MHSPRS, MRS, and SLRP, as well as an agency fund, the FBCP. A Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position are presented for the fiduciary funds as of and for the year ended June 30, 2015. These financial statements reflect the resources available to pay benefits to members, including retirees and beneficiaries, as of year end, as well as the changes in those resources during the year.

Financial Highlights

The combined net position of the defined benefit plans administered by the System increased by \$16.5 million, or 0.06 percent. This increase was primarily the result of favorable investment performance for 2015.

The 2015 rate of return on investments for the defined benefit plans was 3.4 percent, compared with fiscal year 2014's rate of return of 18.6 percent. Domestic, international, and global equity portfolios returned 6.7 percent, negative 5.3 percent, and 4.9 percent, respectively, for the year, while the return on debt securities was 1.7 percent. The rate of return on real estate investments was 10.6 percent, and the return on the private equity portfolio was 14.9 percent.

The PERS, MHSPRS, and SLRP defined benefit plans administered by the System had a Net Pension Liability of \$15.5 billion, \$154.6 million, and \$4.8 million, respectively. The Net Pension Liability as a percentage of covered payroll was 61.7 percent, 67.6 percent, and 77.6 percent, respectively.

2. NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes to the financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements. Information in the notes to the basic financial statements is described as follows:

- » Note 1 provides a general description of the System, as well as a concise description of each of the funds administered by the System. Information regarding employer and member participation in the pension plans administered by the System also is provided.
- » Note 2 provides a summary of significant accounting policies, including the basis of accounting for each fund type, management's use of estimates, and other significant accounting policies.
- » Note 3 describes investments, including investing authority and policies, investment risk discussion and additional information about cash, securities lending, and derivatives.
- » Note 4 provides a summary of the capital assets of the System including depreciation and net holding amounts.
- » Note 5 provides a summary of receivables and payables (due to/due from others).
- » Note 6 provides information about the net pension liability of employers in the defined benefit plans administered by the System.
- » Note 7 provides information about contributions to the defined benefit plans administered by the System.
- » Note 8 provides information about System employees as members of PERS.

3. REQUIRED SUPPLEMENTARY INFORMATION

The required supplementary information consists of the schedule of changes in the net pension liability and related ratios, schedules of employer contributions, the schedule of investment returns, and related notes concerning accounting and financial reporting information for the defined benefit pension plans administered by the System.

4. OTHER SUPPLEMENTARY SCHEDULES

Other schedules include detailed information on administrative expenses incurred by the System, investment and other professional service expenses incurred, as well as the due to balances for individual municipal retirement plans. Also included are summaries of cash receipts and disbursements, a comparison of budget and actual administrative expenses, and a statement of changes for the FBCP.

*Financial Analysis
of the Systems:
Defined Benefit Plans*

INVESTMENTS

The investment assets of the defined benefit plans administered by the System are combined in a commingled investment pool as authorized by state statute. Each plan owns an equity position in the pool and receives a proportionate investment allocation of income or loss from the pool in accordance with its respective ownership percentage. Each plan's allocated share of each type of investment in the pool is shown in the Statement of Fiduciary Net Position. Investment gains or losses are reported in the Statement of Changes in Fiduciary Net Position. The rate of return on investments is therefore approximately the same for each of the plans.

TOTAL SYSTEM INVESTMENTS

At June 30, 2015, the System's total investments, before securities lending activities, approximated \$24.7 billion, an increase of \$0.1 billion from fiscal year 2014. The combined investment portfolio experienced a return of 3.4 percent compared with a median large public plan, which is Callan Associates Public Funds > \$10 billion median, return of 3.7 percent. Investment results over time compared with the System's benchmarks are presented on page 83 in the Investment Section.

SHORT-TERM SECURITIES

At June 30, 2015, the System held \$488.6 million in short-term investments, which is an increase of \$383.3 million from 2014 holdings. Short-term investments returned 0.12 percent for the year.

DEBT SECURITIES

At June 30, 2015, the System held \$4.7 billion in debt securities, which is approximately \$232.4 million less than fiscal year 2014 holdings. Debt securities returned 1.7 percent compared with the System's benchmark return of 1.9 percent.

EQUITY SECURITIES

At June 30, 2015, the System held \$15.7 billion in US, international, and global equity securities, a decrease of \$0.6 billion from fiscal year 2014. US, international, and global equity securities had returns of 6.7 percent, negative 5.3 percent, and 4.9 percent, respectively. The System's benchmark return for domestic equity securities was 7.0 percent, while the international securities benchmark returned negative 5.0 percent. The global securities benchmark used by the System posted a return of 1.2 percent.

PRIVATE EQUITY

The private equity asset class, totaling \$1.4 billion, posted a return of 14.9 percent. Private equities are investments in operating companies, typically accessed through limited partnerships, which provide a differentiated return stream and diversification. This asset class is generally managed for long-term gains, where returns and asset value take time to develop. The System's benchmark return was 10.4 percent. The System began investing in private equities in fiscal year 2008.

REAL ESTATE

The real estate portfolio is divided between core commingled and value-added fund investments that directly invest in properties. The System also invests in managed portfolios of Real Estate Investment Trusts (REITs), which are exchange-traded securities that provide indirect exposure to real estate properties and real estate management companies. At June 30, 2015, combined holdings totaled \$2.5 billion, an increase of \$202.6 million from 2014. The System's real estate portfolio experienced a return of 10.6 percent on the total real estate portfolio. The NCREIF Property Index, the benchmark for the System's core commingled and value-added fund investments, saw a return of 13.0 percent for the year ended June 30, 2015.

SECURITIES LENDING

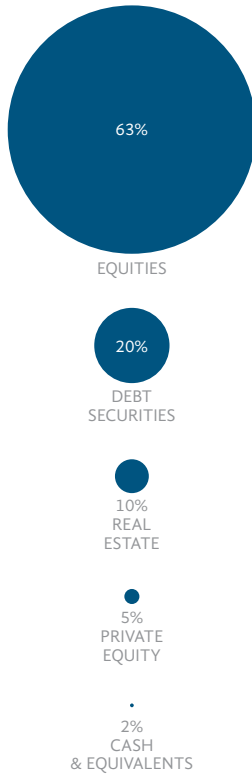
The System earns additional investment income by lending investment securities to broker-dealers. This is done on a pooled basis by the System's custodial bank, Bank of New York Mellon (BNYM). The broker-dealers provide collateral to BNYM and generally use the borrowed securities to cover short sales and failed trades for their clients. BNYM invests cash collateral to earn interest. For the 2015 fiscal year, net securities lending income to the System amounted to \$13.8 million, a decrease of \$2.7 million over fiscal year 2014.

**DEFINED BENEFIT
PLANS INVESTMENT
RATES OF RETURN BY
INVESTMENT TYPE
- FISCAL YEAR 2015 -**

CASH & EQUIVALENTS	0.12%
DEBT SECURITIES	1.7%
US EQUITY	6.7%
INTERNATIONAL EQUITY	(5.3)%
GLOBAL EQUITY	4.9%
REAL ESTATE	10.6%
PRIVATE EQUITY	14.9%

Analysis of Individual Systems

DEFINED BENEFIT PLANS ASSET ALLOCATION AT FAIR VALUE - JUNE 30, 2015 -



PUBLIC EMPLOYEES' RETIREMENT SYSTEM

PERS is a defined benefit cost-sharing plan that provides retirement benefits to all eligible State of Mississippi public employees, public education employees, other public employees whose employers have elected to participate, and elected members of the State Legislature and President of the Senate. Benefits of the plan are funded by member and employer contributions and by earnings on investments. Net position restricted for benefits at June 30, 2015, amounted to \$24.9 billion, an increase of \$29.4 million (0.12 percent) from June 30, 2014.

Additions to PERS' net position restricted for benefits include employer and member contributions and investment income. For the 2015 fiscal year, employer and member contributions of \$1.6 billion increased \$35.0 million (2.3 percent) above 2014. The increase is attributed to an increase in average salaries. PERS recognized net investment income of \$827.7 million for the 2015 fiscal year, compared with net investment income of \$3.9 billion for the 2014 fiscal year.

Deductions from PERS' net position restricted for benefits primarily include retirement and beneficiary benefits, as well as administrative expenses. For the 2015 fiscal year, retirement benefits amounted to \$2.2 billion, an increase of \$119.4 million (5.7 percent) over the 2014 fiscal year. The increase in benefit payments was due to an increase in the number of benefit recipients. For the 2015 fiscal year, the cost of administering the System amounted to \$14.7 million, an increase of \$458 thousand (3.2 percent) from fiscal year 2014.

At June 30, 2015, PERS employers' total pension liability was \$40.4 billion. The plan fiduciary net position was \$24.9 billion, resulting in a net pension liability of \$15.5 billion. The plan fiduciary net position as a percentage of the total pension liability was 61.7 percent using Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, measurements.

MISSISSIPPI HIGHWAY SAFETY PATROL RETIREMENT SYSTEM

MHSPRS provides retirement benefits to sworn officers of the Mississippi Highway Safety Patrol. Benefits of the plan are funded by member and employer contributions and by earnings on investments. MHSPRS' net position restricted for benefits at June 30, 2015, amounted to \$323.2 million, a decrease of \$2.8 million (0.87 percent) from \$326.0 million at June 30, 2014.

Additions to MHSPRS' net position restricted for benefits include employer and member contributions and investment income. For the 2015 fiscal year, employer and member contributions were \$11.8 million, a decrease of \$123 thousand (1.0 percent) from 2014. Motor vehicle fees of \$2.6 million and driver's license reinstatement fees of \$1.2 million are added to 2015 employer contributions, which resulted in total contributions of \$15.6 million. MHSPRS recognized net investment income of \$10.8 million for the 2015 fiscal year compared with net investment income of \$51.6 million for 2014.

Deductions from MHSPRS' net position restricted for benefits primarily include retirement and beneficiary benefits and administrative fees. For the 2015 fiscal year, benefits amounted to \$28.9 million, an increase of \$0.7 million (2.4 percent) from the 2014 fiscal year. The increase in benefit payments was primarily due to a growth in the number of retirees. Additionally, some newly retired members had higher benefits than those who were deceased during the period. For the 2015 fiscal year, MHSPRS transferred \$198 thousand to the System to offset the cost of administration, a decrease of \$2 thousand (1.0 percent) from 2014.

At June 30, 2015, MHSPRS employers' total pension liability was \$477.8 million resulting in a net pension liability of \$154.6 million. The plan fiduciary net position as a percentage of the total pension liability was 67.6 percent using GASB Statement No. 67 measurements.

MUNICIPAL RETIREMENT SYSTEMS

Two municipal retirement plans and 17 fire and police disability and relief plans comprise MRS, all of which are closed to new members. Seventeen of these separate plans provide retirement benefits to municipal employees, fire fighters, and police officers who were not already members of PERS and who were hired prior to July 1, 1976. Membership in the other two plans was extended until July 1, 1987. All active employees have retired from 11 of the municipal plans. The financial positions of MRS plans have been aggregated for financial reporting purposes. Individual plan information is included with the specific municipality's annual financial report. Benefits of MRS are funded by employer and member contributions and by earnings on investments. The aggregated plan's net position restricted for benefits at June 30, 2015, amounted to \$170.0 million, a decrease of 10.1 million (5.6 percent) from \$180.1 million at June 30, 2014.

Additions to MRS' net position restricted for benefits consist of employer and member contributions and investment income. For the 2015 fiscal year, employer and member contributions of \$19.4 million were \$1.0 million (5.0 percent) less than contributions of \$20.4 million received in fiscal year 2014. MRS employer contributions are funded through taxes levied on assessed properties. In a closed plan, the number of active members decreases as they retire and the number of retirees decreases due to mortality. These factors lead to both lower total contributions and lower total benefits. MRS recognized net investment income of \$5.7 million for the 2015 fiscal year compared with net investment income of \$28.5 million for the 2014 fiscal year.

Deductions from MRS' net position restricted for benefits include retirement and beneficiary benefits and administrative fees. For the 2015 fiscal year, benefits amounted to \$34.8 million, a decrease of \$215 thousand (0.6 percent) from the 2014 fiscal year. For the 2015 fiscal year, MRS transferred \$387 thousand to the System to offset the cost of administration, compared to \$407 thousand transferred for fiscal year 2014.

Under the provisions of GASB Statement No. 67, agent multiple employer plans such as MRS apply the measurements and recognition of net pension liability at the individual plan level for each municipal and fire and police retirement plan administered. Therefore, aggregate information for MRS related to the net pension liability has not been presented.

SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN

SLRP provides supplemental retirement benefits to all elected members of the State Legislature and President of the Senate. Benefits of the plan are funded by member and employer contributions and by earnings on investments. The plan's net position restricted for benefits at June 30, 2015, amounted to \$16.5 million, an increase of \$3 thousand (0.02 percent) from June 30, 2014.

Additions to SLRP's net position restricted for benefits include employer and member contributions and investment income. For the 2015 fiscal year, employer and member contributions were \$718 thousand, a decrease of \$4 thousand (0.6 percent) from those of fiscal year 2014. The decrease in contributions is attributed to a slightly lower payroll amount for the 2015 fiscal year. SLRP recognized net investment income of \$552 thousand for the 2015 fiscal year, compared with a net investment income of \$2.6 million for the 2014 fiscal year.

Deductions from SLRP's net position restricted for benefits primarily include retirement and beneficiary benefits, as well as administrative fees. For the 2015 fiscal year, benefits amounted to \$1.2 million, remaining virtually the same as fiscal year 2014. The total number of retirees remained approximately the same for 2015 as new retirees were added to payroll and deceased retirees were removed from payroll. For the 2015 fiscal year, SLRP transferred \$10 thousand to PERS to offset the cost of administration, the same amount as for fiscal year 2014.

At June 30, 2015, the SLRP employers' total pension liability was \$21.2 million, resulting in a net pension liability of \$4.8 million. The plan fiduciary net position as a percentage of the total pension liability was 77.6 percent using GASB Statement No. 67 measurements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the System. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Public Employees' Retirement System of Mississippi
Accounting Department
429 Mississippi Street
Jackson, MS 39201-1005

NET POSITION—DEFINED BENEFIT PLANS

- JUNE 30 -

[in thousands]

	PERS		MHSPRS		MRS	
	2015	2014	2015	2014	2015	2014
Assets:						
CASH, CASH EQUIVALENTS, & RECEIVABLES	\$2,632,722	\$1,311,741	\$33,492	\$16,133	\$17,482	\$9,126
INVESTMENTS AT FAIR VALUE	24,237,231	24,092,117	315,634	317,111	166,151	174,952
INVESTED SECURITIES LENDING COLLATERAL	2,702,915	3,644,980	35,312	48,131	18,588	26,554
CAPITAL ASSETS	32,292	30,321	-	-	-	-
TOTAL ASSETS	29,605,160	29,079,159	384,438	381,375	202,221	210,632
Liabilities:						
INVESTMENT ACCOUNTS & OTHER PAYABLES	1,995,342	557,995	25,915	7,224	13,645	3,993
SECURITIES LENDING LIABILITY	2,703,262	3,644,045	35,316	48,119	18,590	26,547
TOTAL LIABILITIES	4,698,604	4,202,040	61,231	55,343	32,235	30,540
TOTAL NET POSITION	\$24,906,556	\$24,877,119	\$323,207	\$326,032	\$169,986	\$180,092

CHANGES IN NET POSITION—DEFINED BENEFIT PLANS

- YEAR ENDED JUNE 30 -

[in thousands]

	PERS		MHSPRS		MRS	
	2015	2014	2015	2014	2015	2014
Additions:						
CONTRIBUTIONS	\$1,554,387	\$1,519,202	\$15,633	\$15,463	\$19,389	\$20,415
INVESTMENT INCOME	827,666	3,905,728	10,812	51,575	5,692	28,453
OTHER ADDITIONS	670	885	-	-	-	-
TOTAL ADDITIONS	2,382,723	5,425,815	26,445	67,038	25,081	48,868
Deductions:						
PENSION BENEFITS	2,219,240	2,099,843	28,909	28,220	34,799	35,014
REFUNDS	119,356	121,532	163	42	1	3
ADMINISTRATIVE & OTHER DEDUCTIONS	14,690	14,232	198	200	387	407
TOTAL DEDUCTIONS	2,353,286	2,235,607	29,270	28,462	35,187	35,424
INCREASE (DECREASE) IN NET POSITION	\$29,437	\$3,190,208	\$(2,825)	\$38,576	\$(10,106)	\$13,444

NET POSITION—DEFINED BENEFIT PLANS (CONTINUED)

- JUNE 30 -

[in thousands]

	SLRP		ELIMINATIONS		TOTAL DEFINED BENEFIT PENSION PLANS		TOTAL PERCENT CHANGE
	2015	2014	2015	2014	2015	2014	
Assets:							
CASH, CASH EQUIVALENTS, & RECEIVABLES	\$1,676	\$801	\$(3)	\$(7)	\$2,685,369	\$1,337,794	100.73%
INVESTMENTS AT FAIR VALUE	16,105	16,015	-	-	24,735,121	24,600,195	0.55
INVESTED SECURITIES LENDING COLLATERAL	1,802	2,431	-	-	2,758,617	3,722,096	(25.89)
CAPITAL ASSETS	-	-	-	-	32,292	30,321	6.50
TOTAL ASSETS	19,583	19,247	(3)	(7)	30,211,399	29,690,406	1.75
Liabilities:							
INVESTMENT ACCOUNTS & OTHER PAYABLES	1,325	364	(3)	(7)	\$2,036,224	\$569,569	257.50
SECURITIES LENDING LIABILITY	1,802	2,430	-	-	2,758,970	3,721,141	(25.86)
TOTAL LIABILITIES	3,127	2,794	(3)	(7)	4,795,194	4,290,710	11.76
TOTAL NET POSITION	\$16,456	\$16,453	\$-	\$-	\$25,416,205	\$25,399,696	0.06%

CHANGES IN NET POSITION—DEFINED BENEFIT PLANS (CONTINUED)

- YEAR ENDED JUNE 30 -

[in thousands]

	SLRP		ELIMINATIONS		TOTAL DEFINED BENEFIT PENSION PLANS		TOTAL PERCENT CHANGE
	2015	2014	2015	2014	2015	2014	
Additions:							
CONTRIBUTIONS	\$718	\$722	\$-	\$-	\$1,590,127	\$1,555,802	2.21%
INVESTMENT INCOME	552	2,605	-	-	844,722	3,988,361	(78.82)
OTHER ADDITIONS	-	-	(595)	(617)	75	268	(72.01)
TOTAL ADDITIONS	1,270	3,327	(595)	(617)	2,434,924	5,544,431	(56.08)
Deductions:							
PENSION BENEFITS	1,220	1,216	-	-	2,284,168	2,164,293	5.54
REFUNDS	37	22	-	-	119,557	121,599	(1.68)
ADMINISTRATIVE & OTHER DEDUCTIONS	10	10	(595)	(617)	14,690	14,232	3.22
TOTAL DEDUCTIONS	1,267	1,248	(595)	(617)	2,418,415	2,300,124	5.14
INCREASE (DECREASE) IN NET POSITION	\$3	\$2,079	\$-	\$-	\$16,509	\$3,244,307	(99.49)%

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
STATEMENT OF FIDUCIARY NET POSITION
- JUNE 30, 2015 -

[in thousands]

	PERS	MHSPRS	MRS	SLRP	ELIMINATIONS
ASSETS					
CASH & CASH EQUIVALENTS (NOTE 3)	\$839,247	\$10,884	\$5,729	\$555	\$-
<i>Receivables:</i>					
EMPLOYER	67,813	-	169	-	-
MEMBER	38,466	-	3	-	-
INVESTMENT PROCEEDS	1,607,200	20,930	11,018	1,068	-
INTEREST & DIVIDENDS	79,136	1,031	542	53	-
OTHER RECEIVABLES	857	647	21	-	-
TOTAL RECEIVABLES	1,793,472	22,608	11,753	1,121	-
<i>Investments, at Fair Value (Note 3):</i>					
SHORT-TERM INVESTMENTS	478,739	6,234	3,282	318	-
LONG-TERM DEBT SECURITIES	4,593,816	59,824	31,491	3,053	-
EQUITY SECURITIES	15,411,951	200,706	105,652	10,240	-
PRIVATE EQUITY	1,329,697	17,316	9,115	884	-
REAL ESTATE INVESTMENTS	2,423,028	31,554	16,611	1,610	-
TOTAL INVESTMENTS BEFORE LENDING ACTIVITIES	24,237,231	315,634	166,151	16,105	-
<i>Securities Lending:</i>					
SHORT-TERM INVESTMENTS	225,851	2,951	1,553	151	-
LONG-TERM DEBT SECURITIES	2,477,064	32,361	17,035	1,651	-
TOTAL SECURITIES LENDING	2,702,915	35,312	18,588	1,802	-
TOTAL INVESTMENTS	26,940,146	350,946	184,739	17,907	-
DUE FROM OTHER FUNDS	3	-	-	-	(3)
CAPITAL ASSETS, AT COST, NET OF ACCUMULATED DEPRECIATION (NOTE 4)	32,292	-	-	-	-
TOTAL ASSETS	29,605,160	384,438	202,221	19,583	(3)
LIABILITIES					
ACCOUNTS PAYABLE & ACCRUED EXPENSES	1,995,328	25,915	13,642	1,325	-
OBLIGATIONS UNDER SECURITIES LENDING	2,703,262	35,316	18,590	1,802	-
DUE TO STATE OF MISSISSIPPI (NOTE 5)	14	-	-	-	-
DUE TO OTHER FUNDS	-	-	3	-	(3)
FUNDS HELD FOR OTHERS	-	-	-	-	-
TOTAL LIABILITIES	4,698,604	61,231	32,235	3,127	(3)
NET POSITION RESTRICTED FOR PENSIONS	\$24,906,556	\$323,207	\$169,986	\$16,456	\$-

The accompanying notes are an integral part of these basic financial statements.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
STATEMENT OF FIDUCIARY NET POSITION (CONTINUED)
- JUNE 30, 2015 -

[in thousands]

	TOTAL DEFINED BENEFIT PENSION PLANS	AGENCY FUNDS	TOTAL 2015
ASSETS			
CASH & CASH EQUIVALENTS (NOTE 3)	856,415	\$16	\$856,431
<i>Receivables:</i>			
EMPLOYER	67,982	-	67,982
MEMBER	38,469	-	38,469
INVESTMENT PROCEEDS	1,640,216	-	1,640,216
INTEREST & DIVIDENDS	80,762	-	80,762
OTHER RECEIVABLES	1,525	-	1,525
TOTAL RECEIVABLES	1,828,954	-	1,828,954
<i>Investments, at Fair Value (Note 3):</i>			
SHORT-TERM INVESTMENTS	488,573	-	488,573
LONG-TERM DEBT SECURITIES	4,688,184	-	4,688,184
EQUITY SECURITIES	15,728,549	-	15,728,549
PRIVATE EQUITY	1,357,012	-	1,357,012
REAL ESTATE INVESTMENTS	2,472,803	-	2,472,803
TOTAL INVESTMENTS BEFORE LENDING ACTIVITIES	24,735,121	-	24,735,121
<i>Securities Lending:</i>			
SHORT-TERM INVESTMENTS	230,506	-	230,506
LONG-TERM DEBT SECURITIES	2,528,111	-	2,528,111
TOTAL SECURITIES LENDING	2,758,617	-	2,758,617
TOTAL INVESTMENTS	27,493,738	-	27,493,738
DUE FROM OTHER FUNDS	-	-	-
CAPITAL ASSETS, AT COST, NET OF ACCUMULATED DEPRECIATION (NOTE 4)	32,292	-	32,292
TOTAL ASSETS	30,211,399	16	30,211,415
LIABILITIES			
ACCOUNTS PAYABLE & ACCRUED EXPENSES	2,036,210	15	2,036,225
OBLIGATIONS UNDER SECURITIES LENDING	2,758,970	-	2,758,970
DUE TO STATE OF MISSISSIPPI (NOTE 5)	14	-	14
DUE TO OTHER FUNDS	-	-	-
FUNDS HELD FOR OTHERS	-	1	1
TOTAL LIABILITIES	4,795,194	16	4,795,210
NET POSITION RESTRICTED FOR PENSIONS	\$25,416,205	\$-	\$25,416,205

The accompanying notes are an integral part of these basic financial statements.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
- FOR THE YEAR ENDED JUNE 30, 2015 -
[in thousands]

	PERS	MHSPRS	MRS	SLRP	ELIMINATIONS
ADDITIONS					
<i>Contributions:</i>					
EMPLOYER	\$996,478	\$13,695	\$19,344	\$511	\$-
MEMBER	557,909	1,938	45	207	-
TOTAL CONTRIBUTIONS	1,554,387	15,633	19,389	718	-
<i>Net Investment Income:</i>					
NET APPRECIATION IN FAIR VALUE	355,435	4,644	2,444	237	-
INTEREST & DIVIDENDS	545,819	7,131	3,754	364	-
TOTAL BEFORE LENDING ACTIVITIES	901,254	11,775	6,198	601	-
<i>Securities Lending:</i>					
NET DEPRECIATION IN FAIR VALUE	(2,085)	(28)	(14)	(1)	-
INTEREST	18,151	237	125	12	-
PROGRAM FEES	(2,565)	(34)	(18)	(2)	-
NET INCOME FROM SECURITIES LENDING	13,501	175	93	9	-
MANAGERS' FEES & TRADING COSTS	(87,089)	(1,138)	(599)	(58)	-
NET INVESTMENT INCOME	827,666	10,812	5,692	552	-
<i>Other Additions:</i>					
ADMINISTRATIVE FEES	595	-	-	-	(595)
OTHER	75	-	-	-	-
TOTAL OTHER ADDITIONS	670	-	-	-	(595)
TOTAL ADDITIONS	2,382,723	26,445	25,081	1,270	(595)
DEDUCTIONS					
RETIREMENT ANNUITIES	2,219,240	28,909	34,799	1,220	-
REFUNDS TO TERMINATED EMPLOYEES	119,356	163	1	37	-
TOTALS	2,338,596	29,072	34,800	1,257	-
<i>Administrative Expenses:</i>					
PERSONAL SERVICES:					
SALARIES, WAGES, & FRINGE BENEFITS	9,262	-	-	-	-
PERSONAL SERVICES:					
TRAVEL & SUBSISTENCE	78	-	-	-	-
CONTRACTUAL SERVICES	4,522	-	-	-	-
COMMODITIES	257	-	-	-	-
TOTAL ADMINISTRATIVE EXPENSES	14,119	-	-	-	-
DEPRECIATION	571	-	-	-	-
ADMINISTRATIVE FEES	-	198	387	10	(595)
TOTAL DEDUCTIONS	2,353,286	29,270	35,187	1,267	(595)
NET INCREASE (DECREASE)	29,437	(2,825)	(10,106)	3	-
NET POSITION RESTRICTED FOR PENSIONS:					
BEGINNING OF YEAR	24,877,119	326,032	180,092	16,453	-
END OF YEAR	\$24,906,556	\$323,207	\$169,986	\$16,456	\$-

The accompanying notes are an integral part of these basic financial statements.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (CONTINUED)
- FOR THE YEAR ENDED JUNE 30, 2015-

[in thousands]

TOTAL DEFINED
BENEFIT PENSION
PLANS 2015

ADDITIONS

Contributions:

EMPLOYER	\$1,030,028
MEMBER	560,099
TOTAL CONTRIBUTIONS	1,590,127

Net Investment Income:

NET APPRECIATION IN FAIR VALUE	362,760
INTEREST & DIVIDENDS	557,068
TOTAL BEFORE LENDING ACTIVITIES	919,828

Securities Lending:

NET DEPRECIATION IN FAIR VALUE	(2,128)
INTEREST	18,525
PROGRAM FEES	(2,619)
NET INCOME FROM SECURITIES LENDING	13,778
MANAGERS' FEES & TRADING COSTS	(88,884)
NET INVESTMENT INCOME	844,722

Other Additions:

ADMINISTRATIVE FEES	-
OTHER	75
TOTAL OTHER ADDITIONS	75
TOTAL ADDITIONS	2,434,924

DEDUCTIONS

RETIREMENT ANNUITIES	2,284,168
REFUNDS TO TERMINATED EMPLOYEES	119,557
TOTALS	2,403,725

Administrative Expenses:

<i>PERSONAL SERVICES:</i>	
SALARIES, WAGES, & FRINGE BENEFITS	9,262
<i>PERSONAL SERVICES:</i>	
TRAVEL & SUBSISTENCE	78
CONTRACTUAL SERVICES	4,522
COMMODITIES	257

TOTAL ADMINISTRATIVE EXPENSES	14,119
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DEPRECIATION	571
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ADMINISTRATIVE FEES	-
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TOTAL DEDUCTIONS	2,418,415
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NET INCREASE (DECREASE)	16,509
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**NET POSITION RESTRICTED
FOR PENSIONS:**

BEGINNING OF YEAR	25,399,696
END OF YEAR	\$25,416,205

The accompanying notes are an integral part of these basic financial statements.

Public Employees' Retirement
System of Mississippi
Notes to Basic
Financial Statements
JUNE 30, 2015

Note 1: Plan Description

GENERAL

The Public Employees' Retirement System of Mississippi (System) is the administrator of five fiduciary funds, of which four are pension trust funds and one an agency fund, as listed below. The System also oversees the Mississippi Deferred Compensation Plan & Trust and the Optional Retirement Plan, but as explained in Note 2, these plans are not part of the System's reporting entity.

PLAN NAME	TYPE OF PLAN
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI (PERS)	Cost-sharing multiple-employer defined benefit pension plan
MISSISSIPPI HIGHWAY SAFETY PATROL RETIREMENT SYSTEM (MHSPRS)	Single-employer defined benefit pension plan
MUNICIPAL RETIREMENT SYSTEMS AND FIRE AND POLICE DISABILITY AND RELIEF FUND (MRS)*	Agent multiple-employer defined benefit pension plan
SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN (SLRP)	Single-employer defined benefit pension plan
FLEXIBLE BENEFITS CAFETERIA PLAN (FBCP)	Agency

*Closed to new members

The System's purpose is to provide pension benefits for all state and public education employees, sworn officers of the Mississippi Highway Safety Patrol, other public employees whose employers have elected to participate in the System, and elected members of the State Legislature and the President of the Senate. The System is administered by a 10-member Board of Trustees that includes the State Treasurer; one gubernatorial appointee who is a member of PERS; two state employees; two PERS retirees; and one representative each from public schools and community colleges, state universities, municipalities, and counties. With the exception of the State Treasurer and the gubernatorial appointee, all members are elected to staggered six-year terms by the constituents they represent.

A summary of participating employers and members follows:

SUMMARY OF PARTICIPATING EMPLOYERS AND MEMBERS

	PERS	MHSPRS*	MRS	SLRP**	TOTAL
<i>Employers:</i>					
STATE AGENCIES	113	1	-	1	115
STATE UNIVERSITIES	9	-	-	-	9
PUBLIC SCHOOLS	145	-	-	-	145
COMMUNITY/JUNIOR COLLEGES	15	-	-	-	15
COUNTIES	82	-	-	-	82
MUNICIPALITIES	241	-	17	-	258
OTHER POLITICAL SUBDIVISIONS	263	-	-	-	263
TOTAL EMPLOYERS	868	1	17	1	887
<i>Members:</i>					
ACTIVE VESTED	83,583	418	11	103	84,115
ACTIVE NONVESTED	73,632	100	-	71	73,803
TOTAL ACTIVE MEMBERS	157,215	518	11	174	157,918
INACTIVE VESTED	19,005	35	-	40	19,080
INACTIVE NONVESTED	118,021	24	-	11	118,056
TOTAL INACTIVE MEMBERS	137,026	59	-	51	137,136
RETIREES & BENEFICIARIES	96,338	724	1,849	185	99,096
TOTAL RETIRED/INACTIVE MEMBERS	233,364	783	1,849	236	236,232
TOTAL MEMBERS	390,579	1,301	1,860	410	394,150
<i>Active Members by Employer:</i>					
STATE AGENCIES	30,425	518	-	174	31,117
STATE UNIVERSITIES	18,151	-	-	-	18,151
PUBLIC SCHOOLS	62,762	-	-	-	62,762
COMMUNITY/JUNIOR COLLEGES	6,086	-	-	-	6,086
COUNTIES	13,744	-	-	-	13,744
MUNICIPALITIES	16,913	-	11	-	16,924
OTHER POLITICAL SUBDIVISIONS	9,134	-	-	-	9,134
TOTAL ACTIVE MEMBERS	157,215	518	11	174	157,918

*MHSPRS has two reporting entities.

**SLRP has five reporting entities.

MEMBERSHIP AND BENEFIT PROVISIONS

(1) Public Employees' Retirement System of Mississippi

Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi (the State), state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State, membership is contingent upon approval of the entity's participation in PERS by the System's Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated member contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions.

Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. For the year ended June 30, 2015, the total COLA payments for PERS were \$517,283,072.

Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. § 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature.

(2) Mississippi Highway Safety Patrol Retirement System

Membership in MHSPRS is a condition of employment granted upon hiring for all officers of the Mississippi Highway Safety Patrol who have completed a course of instruction in an authorized highway patrol training school on general law enforcement and who serve as sworn officers of the highway patrol in the enforcement of the laws of the State of Mississippi. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Administrative Board of MHSPRS. Participating members who withdraw from service at or after age 55 with at least five years of membership service, or after reaching age 45 with at least 20 years of creditable service, or with 25 years of service at any age, are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.5 percent of average compensation during the four highest consecutive years of earnings, reduced 3.0 percent for each year below age 55 or for each year under 25

years of service, whichever is less. MHSPRS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. A member who terminates employment from the highway patrol and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated employee contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions.

A COLA payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60, with 3.0 percent compounded for each fiscal year thereafter. For the year ended June 30, 2015, the total COLA payments for MHSPRS were \$8,552,577.

Plan provisions and the Administrative Board's authority to determine contribution rates for MHSPRS are established by Miss. Code Ann. § 25-13-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature.

(3) Municipal Retirement Systems

Membership in the two general municipal employee plans and the 17 fire and police disability and relief systems under MRS was granted to all municipal employees, fire fighters, and police officers who were not already members of PERS and who were hired prior to July 1, 1976. Two fire and police plans elected to extend the eligibility period for membership to July 1, 1987. All MRS plans were closed to new members by July 1, 1987. Eligible employees hired after July 1, 1987, automatically become members of PERS. Members covered by MRS are required to contribute varying amounts of their salary, depending on the actuarial soundness of their respective plans. Each employer contributes the remaining amounts necessary to finance participation of its own employees in MRS.

Regardless of age, participating employees who retire with at least 20 years of membership service are entitled to an annual retirement allowance payable monthly for life in an amount equal to 50.0 percent of their average monthly compensation and to an additional 1.7 percent for each year of creditable service beyond 20 years, not to exceed 66.67 percent of average monthly compensation, except as may otherwise be provided through local and private legislation. Average monthly compensation for the MRS plans is the monthly average for the last six months of service. Certain participating employers provide a minimum monthly retirement allowance. Benefits vest upon reaching 20 years of membership service. MRS plans also provide certain death and disability benefits. Members who terminate employment from all covered employers and are not eligible to receive monthly retirement benefits may request a full refund of employee contributions. Members covered by MRS do not receive interest on their accumulated contributions. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions.

The retirees and beneficiaries of MRS plans with provisions for COLAs who are receiving a retirement allowance on July 1 of each fiscal year may be entitled to a COLA. This payment is equal to the annual percentage change of the Consumer Price Index (CPI) but not to exceed 2.5 percent of the annual retirement allowance for each full fiscal year of retirement. Certain MRS plans may adopt a COLA other than one linked to the change in the CPI. These additional payments will be made only when funded by the employers. For the year ended June 30, 2015, the total COLAs for MRS plans were \$5,487,322.

Plan provisions are established by Miss. Code Ann. § 21-29-1 et seq., Articles 1, 3, 5, and 7, (1972, as amended), and annual local and private legislation. Statutes may be amended only by the Mississippi Legislature.

(4) Supplemental Legislative Retirement Plan

Membership in SLRP is composed of all elected members of the State Legislature and the President of the Senate. This plan is designed to supplement the provisions of PERS. Those serving when SLRP became effective July 1, 1989, had 30 days to waive membership in SLRP. Those elected after July 1, 1989, automatically become members of SLRP. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees.

The retirement allowance is 50.0 percent of an amount equal to the retirement allowance payable by PERS, determined by creditable service as an elected senator or representative in the State Legislature or as President of the Senate. Benefits vest upon completion of the requisite number of membership service years in PERS. SLRP also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. A member who terminates legislative employment and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated employee contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions.

Retirees and beneficiaries of SLRP may receive COLAs calculated identically to PERS retirees and beneficiaries. For the year ended June 30, 2015, the total COLAs for SLRP were \$265,645.

Plan provisions and the Board of Trustees' authority to determine contribution rates for SLRP are established by Miss. Code Ann. § 25-11-301 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature.

(5) Flexible Benefits Cafeteria Plan—Agency Fund

Miss. Code Ann. § 25-17-3 (1972, as amended) authorizes any state agency to adopt a benefit plan that meets the requirements of a cafeteria plan as defined in § 1-25 et seq. of the Internal Revenue Code of 1954, and regulations there under, for the benefit of eligible employees and their dependents. The FBCP was established as an agency fund to account for transactions related to those employees of the System who participate in the cafeteria plan.

*Note 2: Summary of Significant
Accounting Policies*

FINANCIAL REPORTING ENTITY

The reporting entity for the System consists of four defined benefit pension trust funds and one agency fund. The defined benefit pension trust funds are PERS, MHSPRS, MRS, and SLRP. These financial statements are included in the financial statements of the State of Mississippi. The agency fund is the FBCP. Defined benefit pension trust fund plans of the System are included in the System's reporting entity due to their financial relationships. Although the plans are legally separate within the System, they are reported as if they were part of the System because the governing boards of each are identical. The System is considered a component unit of the State of Mississippi reporting entity in accordance with Governmental Accounting Standards Board (GASB) 14, *The Financial Reporting Entity*.

MDC is a savings plan organized in accordance with IRC SS 457 and is established or may be amended under Miss. Code Ann. SS 25-14-1 et seq. Eligible participants are any persons - whether appointed, elected, or under contract - providing services for the state, state agencies, counties, municipalities, or other political subdivisions for which compensation is paid. The plan permits participants to defer a portion of their income. Participants self-direct investment of their savings through selections from a group of funds managed by professional investment managers. In 2014, the System contracted with Great West Life and Annuity Insurance Company, a third-party administrator for MDC. Because of the change in administration, MDC is no longer considered part of the System's financial reporting entity.

Membership of ORP is composed of teachers and administrators of institutions of higher learning appointed or employed on or after July 1, 1990, who elect to participate in ORP and reject membership in PERS. Title 25, Article 11 of the Mississippi Code states that the Board of Trustees of the System will provide for administration of the ORP program. ORP is not considered part of the System's financial reporting entity.

MDC and ORP participants direct the investment of their funds among investment managers and vendors. Benefits payable to participants of MDC and ORP are not obligations of the State of Mississippi. Such benefits and other rights of participants or their beneficiaries are the liability of the managers and vendors and are governed solely by the terms of the agreements issued by them.

BASIS OF PRESENTATION — FUND ACCOUNTING

Fiduciary funds are used to account for assets held by the System in a trustee capacity or as an agent. Fiduciary funds include PERS, MHSPRS, MRS and SLRP pension trust funds. Agency funds are custodial in nature and do not involve measurement of results of operations. FBCP is accounted for as an agency fund.

BASIS OF ACCOUNTING

PERS, MHSPRS, MRS, and SLRP use the accrual basis of accounting and the economic resources measurement focus. Member and employer contributions are recognized as revenue when due pursuant to legal requirements; investment income is recognized when earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Other expenses are recognized when incurred.

INVESTMENTS

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Corporate bonds are valued based on yields currently available on comparable securities from issuers of similar credit ratings. Mortgage securities are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Short-term investments are reported at fair value when published prices are available or at cost plus accrued interest, which approximates fair value. The fair value of commingled real estate funds is based on independent appraisals, while REITs traded on a national or international exchange are valued at the last reported sales price at current exchange rates. For individual investments where no readily ascertainable fair value exists, the System, in consultation with its investment advisors and custodial bank, has determined the fair values. Security transactions are accounted for on a trade-date basis.

CAPITAL ASSETS

Capital assets used for administering the plans are carried at historical cost (see Note 4). Depreciation is provided using the straight-line method. The System's policy is to capitalize all acquisitions of furniture and equipment with a unit cost of \$5,000 or more. The following schedule summarizes estimated useful lives by asset classification:

ASSET CLASSIFICATION	ESTIMATED USEFUL LIFE
BUILDING	40 years
IMPROVEMENTS	20 years
FURNITURE & EQUIPMENT	5-15 years
COMPUTER EQUIPMENT	3 years
VEHICLES	3-10 years

ACCUMULATED PERSONAL LEAVE AND MAJOR MEDICAL LEAVE

Miss. Code Ann. § 25-3-97, (1972, as amended) authorizes a lump sum payment for a maximum of 30 days of accrued personal leave upon termination of employment. No payment is authorized for accrued major medical leave unless the member presents medical evidence that his or her physical condition is such that he or she no longer has the capacity to work in state government. Accumulated personal leave (including fringe benefits) of employees directly related to the administration of the System is paid from the pension trust funds and is accrued in the financial statements when earned, up to a maximum of 30 days per member. The System does not accrue accumulated major medical leave since it is not probable that the compensation will be paid and since the leave vests only upon termination for medical disability.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at June 30, 2015, and the reported amounts of additions to and deductions from net position during the year then ended. Actual results could differ from those estimates.

NEW GASB PRONOUNCEMENT

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 provides hierarchical guidance for determining a fair value measurement for assets and liabilities for financial reporting purposes and also provides guidance for required disclosures related to fair value measurements and is effective for the System's fiscal year ending June 30, 2016. The effect of the implementation of GASB Statement No. 72 on the System has not yet been determined.

*Note 3: Cash, Cash Equivalents,
and Investments*

LEGAL PROVISIONS

The System is authorized by Miss. Code Ann. § 25-11-121, (1972, as amended) to invest in the following:

- » Bonds, notes, certificates, and other valid general obligations of the State, or of any county, city, or supervisor's district of any county of the State;
- » School district bonds of the State;
- » Notes or certificates of indebtedness issued by the Veterans' Home Purchase Board of Mississippi;
- » Highway bonds of the State;
- » Corporate bonds rated by Standard & Poor's Corporation (S&P) or Moody's Investors Service;
- » Short-term obligations of corporations or of wholly-owned subsidiaries of corporations, whose short-term obligations are rated A-3 or better by S&P or rated P-3 or better by Moody's. The Board of Trustees has established a policy that further limits investments of this type to only those corporations whose short-term obligations are rated A-2 or P-2 by S&P or Moody's, respectively;
- » Bonds of the Tennessee Valley Authority;
- » Bonds, notes, certificates, and other valid obligations of the United States of America, or any federal instrumentality that issues securities under authority of an act of Congress and are exempt from registration with the US Securities and Exchange Commission;
- » Bonds, notes, debentures, and other securities issued by any federal instrumentality and fully guaranteed by the United States of America;
- » Bonds, stocks, and convertible securities of established foreign companies that are listed on primary national stock exchanges of foreign nations and in foreign government securities. The System is authorized to hedge such transactions through foreign banks and generally deal in foreign exchange through the use of foreign currency, interbank forward contracts, futures contracts, options contracts, swaps, and other related derivative instruments;
- » Interest-bearing bonds or notes that are general obligations of any other state in the United States of America or any city or county therein, provided such city or county had a population as shown by the most recent federal census of not less than 25,000 inhabitants, and provided that such state, city, or county has not defaulted for a period longer than 30 days in the payment of principal or interest on any of its general obligation indebtedness over a period of 10 calendar years immediately preceding such investment;
- » Shares of common and/or preferred stock of corporations created by or existing under the laws of the United States of America or any state, district, or territory thereof;
- » Covered call and put options on securities traded on one or more of the regulated exchanges;
- » Pooled or commingled funds managed by a corporate trustee or by a US Securities and Exchange Commission-registered investment advisory firm and shares of investment companies and unit investment trusts registered under the Investment Company Act of 1940. Such pooled or commingled funds or shares are comprised of common or preferred stocks, bonds, money market instruments, or other authorized investments;

- » Pooled or commingled real estate funds or real estate securities managed by a corporate trustee or by a US Securities and Exchange Commission-registered investment advisory firm retained as an investment manager by the Board of Trustees of the System; and
- » Up to 10.0 percent of the total book value of investments can be types of investments not specifically authorized by this section, if the investments are in the form of a separate account managed by a US Securities and Exchange Commission-registered investment advisory firm retained as an investment manager by the Board; or a limited partnership or commingled fund.

The System also is authorized by its Board of Trustees to operate a securities lending program and has contracted with its custodian to reinvest cash collateral received from the transfer of securities in any investment instrument authorized by Miss. Code Ann. § 25-11-121, (1972, as amended).

Miss. Code Ann. § 25-11-121 (1972, as amended) requires the System's Board of Trustees to determine the degree of collateralization necessary for both foreign and domestic demand deposits in addition to that which is guaranteed by federal insurance programs. These statutes also require that, when possible, the types of collateral securing deposits be limited to securities in which the System itself may invest. The Board of Trustees has established a policy to require collateral equal to at least 100.0 percent of the amount on deposit in excess of that which is guaranteed by federal insurance programs to the credit of the System for domestic demand deposit accounts. No collateral is required for foreign demand deposit accounts, and at June 30, 2015, the System had no deposits in foreign demand deposit accounts.

In accordance with the System's investment policy, the System's investment consultant conducts periodic asset/liability allocation studies that include consideration of projected future liabilities of the System, expected risk, return and correlations for various asset classes, and the System's statutory investment restrictions. Asset allocation studies are performed every five years, or more frequently should significant liability changes occur. A strategic long-term asset allocation is adopted by the Board of Trustees in conjunction with the study. The Investment Committee of the Board of Trustees evaluates the actual investment allocation quarterly and may propose periodic adjustments to the System's strategic long-term asset allocation based on the investment consultant's recommendations, market conditions, and internal investment analysis. The following table shows the Board's asset allocation policy applicable for fiscal year 2015:

ASSET CLASS	TARGET ALLOCATION
EQUITIES: US BROAD	34.0%
EQUITIES: INTERNATIONAL	19.0
EQUITIES: EMERGING MARKETS	8.0
TOTAL OF ALL EQUITITES	61.0%
DEBT SECURITIES	20.0
REAL ESTATE	10.0
PRIVATE EQUITY	8.0
CASH & EQUIVALENTS	1.0

CASH AND CASH EQUIVALENTS

For cash deposits and cash equivalents, custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. Miss. Code Ann. § 25-11-121, (1972, as amended) provides that the deposits of the System in any US bank shall, where possible, be safeguarded and guaranteed by the posting of bonds, notes, and other securities as security by the depository. The System's Board of Trustees has formally adopted a short-term investment policy that requires that the market value of securities guaranteeing the deposits shall at all times be equal to 100.0 percent of the amount of funds on deposit.

The amount of the System's total cash and cash equivalents at June 30, 2015, was \$856,431,000. Cash deposits in bank accounts totaled \$406,000, which were covered by federal deposit insurance. At June 30, 2015, the System held \$853,397,000 in cash equivalents. Cash equivalents are created through daily sweeps of excess cash by the System's custodial bank into a bank-sponsored short-term investment fund. This fund is a custodial bank-sponsored commingled fund that is invested in short-term US government securities and repurchase agreements. The average S&P short-term quality rating of the fund was A-1 at June 30, 2015.

INVESTMENTS

All of the investment assets are pooled and invested in short-term and long-term debt securities, public equity securities, private equity, and real estate. These investments are accounted for as part of the PERS pension trust fund and are allocated to MHSPRS, MRS, and SLRP based on their equitable interest in the PERS fund.

All investments are governed by the Board's policy of the prudent person rule. The prudent person rule establishes a standard for all fiduciaries to act as a prudent person would be expected to act, with discretion and intelligence, while investing for income and preservation of principal.

Miss. Code Ann. § 25-11-121 (1972, as amended) allows the System to invest up to 10.0 percent of the total portfolio in real estate only via real estate securities and commingled funds. Direct ownership of real estate assets is prohibited. The portfolio is divided between core commingled and value-added real estate fund investments, which directly invest in properties, and in managed portfolios of Real Estate Investment Trusts (REITs). REITs are exchange-traded securities that provide indirect exposure to real estate properties and real estate management companies. Fair values of commingled fund properties are based on the most recent independent appraisal values. Independent appraisal firms, which are Members of Appraisal Institute (MAI), are required to conduct valuations at least annually.

In previous years, PERS invested in both private equity and absolute return investments. In fiscal year 2014, absolute return was removed from the asset allocation policy and private equity was increased to 8.0 percent. No changes have been made to the asset allocation policy for fiscal year 2015.

The annual money-weighted rate of return on the System's investments is 3.1 percent. A money-weighted rate of return expresses investment performance, which is net of investment expense and is adjusted for the changing amounts actually invested. Investment expense is measured on the accrual basis of accounting, with inputs to the internal rate of return calculation determined monthly.

The System had no investments in any one organization that represents 5.0 percent or more of the System's fiduciary net position. Investments issued or explicitly guaranteed by the US government are excluded from the measurement.

The following table presents the fair value of investments by type at June 30, 2015 (in thousands):

INVESTMENT TYPE	FAIR VALUE
INTERNATIONAL CURRENCY	\$54,869
REPURCHASE AGREEMENTS	484,376
SHORT-TERM SOVEREIGN GOVERNMENTS DEBT	34,064
SHORT-TERM US GOVERNMENT AGENCY OBLIGATIONS	86,694
SHORT-TERM US TREASURY OBLIGATIONS	59,076
US GOVERNMENT AGENCY OBLIGATIONS	41,594
US TREASURY OBLIGATIONS	650,192
COLLATERALIZED MORTGAGE OBLIGATIONS	561,257
US CORPORATE BONDS	2,109,829
NON-US CORPORATE BONDS	1,083,783
MORTGAGE PASS-THROUGHS	424,745
STATE & LOCAL OBLIGATIONS	36,786
ASSET-BACKED SECURITIES	1,279,531
YANKEE/GLOBAL BONDS	44,452
SOVEREIGN GOVERNMENTS DEBT	984,126
DOMESTIC EQUITY SECURITIES	9,672,720
INTERNATIONAL EQUITY SECURITIES	6,055,829
REAL ESTATE	2,472,803
PRIVATE EQUITY	1,357,012
TOTAL	\$27,493,738

CUSTODIAL CREDIT RISK

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the pension trust fund will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name. Miss. Code Ann. § 25-11-121 (1972, as amended) requires that all investments be clearly marked as to ownership, and to the extent possible, shall be registered in the name of the System.

Of the defined benefit pension funds' \$27.5 billion in investments at June 30, 2015, \$3.8 billion were exposed to custodial credit risk. These are cash collateral reinvestment securities held in the name of the custodian who acquired them as the lending agent/counterparty, and the securities on loan for securities collateral that is held in the name of the lending agent. This is consistent with the System's securities lending agreement in place with the custodian.

The fair value of cash collateral securities and the underlying securities on non-cash loans as of June 30, 2015, are presented by type below (in thousands):

CASH COLLATERAL SECURITIES	FAIR VALUE
REPURCHASE AGREEMENTS	\$230,506
CORPORATE BONDS	1,411,744
ASSET-BACKED SECURITIES	1,116,367
SUBTOTAL	2,758,617
UNDERLYING SECURITIES ON NON-CASH LOANS	
DEBT SECURITIES	223,977
EQUITIES	729,653
REITS	38,882
SUBTOTAL	992,512
TOTAL	\$3,751,129

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2015, the System had the following debt security investments and maturities:

INVESTMENT TYPE	FAIR VALUE (IN THOUSANDS)	INVESTMENT MATURITIES (IN YEARS)			
		LESS THAN 1	1-5	6-10	MORE THAN 10
ASSET-BACKED SECURITIES	\$1,279,531	\$1,200,249	\$21,181	\$22,325	\$35,776
COLLATERALIZED MORTGAGE OBLIGATIONS	561,257	125,919	11,146	15,880	408,312
CORPORATE BONDS	3,193,612	903,782	1,303,706	568,559	417,565
MORTGAGE PASS-THROUGHS	424,745	-	1,708	4,961	418,076
REPURCHASE AGREEMENTS	484,376	484,376	-	-	-
SOVEREIGN GOVERNMENTS DEBT	1,018,190	92,369	265,173	332,314	328,334
STATE & LOCAL OBLIGATIONS	36,786	-	272	8,984	27,530
US GOVERNMENT AGENCY OBLIGATIONS	128,288	86,694	28,295	275	13,024
US TREASURY OBLIGATIONS	709,268	115,815	232,628	167,134	193,691
YANKEE/GLOBAL BONDS	44,452	5,349	20,308	6,545	12,250
TOTALS	\$7,880,505	\$3,014,553	\$1,884,417	\$1,126,977	\$1,854,558

The System's investment policy does not limit investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates. Market or interest rate risk is the greatest risk faced by an investor in the debt securities market. The price of a debt security typically moves in the opposite direction of the change in interest rates. Derivative securities, variable rate investments with coupon multipliers greater than one, and securities with long terms to maturity are examples of investments whose fair values may be highly sensitive to interest rate changes. These securities are reported at fair value in the Statement of Fiduciary Net Position. Inverse floaters and variable rate investments with coupon multipliers greater than one are prohibited under the System's derivatives policy.

Miss. Code Ann. § 25-11-121 (1972, as amended) provides for the acquisition of derivative instruments by the System. The System adopted a formal derivatives policy in February 1996 with updates adopted in June 2005. During fiscal year 2015, the investments in derivative securities by the System were exclusively in asset/liability-based derivatives such as interest-only (IO) strips, collateralized mortgage obligations, and asset-backed securities. The System reviews fair values of all securities on a monthly basis and prices are obtained from recognized pricing sources. Derivative securities are held, in part, to maximize yields.

Interest-only and principal-only (PO) strips are transactions that involve the separation of the interest and principal components of a security. They are highly sensitive to prepayments by mortgagors, which may result from a decline in interest rates. The System held IOs valued at \$22.6 million at fiscal year-end. The System's derivatives policy limits IO and PO strips to 3.0 percent of the investment portfolio.

Collateralized mortgage obligations (CMO) are bonds that are collateralized by whole-loan mortgages, mortgage pass-through securities, or stripped mortgage-backed securities. Income is derived from payments and prepayments of principal and interest generated from collateral mortgages. Cash flows are distributed to different investment classes or tranches in accordance with that CMO's established payment order. Some CMO tranches have more stable cash flows relative to changes in interest rates while others are significantly more sensitive to interest rate fluctuations. In a declining interest rate environment, some CMOs may be subject to a reduction in interest payments as a result of prepayments of mortgages that make up the collateral pool. A reduction in interest payments causes a decline in cash flows and, thus, a decline in the fair value of the CMO security. Rising interest rates may cause an increase in interest payments and, thus, an increase in the fair value of the security. The System held \$561.3 million in CMOs at June 30, 2015. Of this amount, \$201.1 million were tranches that are highly sensitive to future changes in interest rates. CMO residuals are prohibited under the System's derivatives policy.

Asset-backed securities (ABS) are bonds or notes backed by loan paper or accounts receivable and are originated by banks, credit card companies, or other credit providers. The originator of the loan or accounts receivable paper sells it to a specially created trust, which repackages it as securities. Similar to CMOs, asset-backed securities have been structured as pass-throughs and as structures with multiple bond classes. Of the \$1.3 billion in ABS that the System held at June 30, 2015, \$43.9 million are highly sensitive to changes in interest rates. ABS, which are leveraged structures or residual interests, are prohibited by the System's derivatives policy.

At June 30, 2015, the System had invested \$424.7 million in mortgage pass-through securities issued by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. These investments are moderately sensitive to changes in interest rates because they are backed by mortgage loans in which the borrowers have the option of prepaying.

FOREIGN CURRENCY RISK

The System's exposure to foreign currency risk at June 30, 2015, was as follows (in thousands):

CURRENCY	CASH & EQUIVALENTS	EQUITIES & REITS	DEBT SECURITIES	TOTAL FAIR VALUE	PERCENT
AUSTRALIAN DOLLAR	\$(118,875)	\$239,398	\$25,215	\$145,738	3.38%
BRAZIL REAL	(36,303)	132,110	58,661	154,468	3.58
CANADIAN DOLLAR	(27,850)	124,815	18,713	115,678	2.68
CHILEAN PESO	1	6,937	-	6,938	0.16
DANISH KRONE	(42,726)	82,038	22,373	61,685	1.43
EURO CURRENCY UNIT	(658,804)	1,392,260	284,495	1,017,951	23.58
HONG KONG DOLLAR	(39,193)	354,268	-	315,075	7.30
HUNGARIAN FORINT	-	12,985	-	12,985	0.30
INDIAN RUPEE	173	129,402	-	129,575	3.00
INDONESIAN RUPIAH	3,838	58,651	2,551	65,040	1.51
ISRAELI SHEKEL	(8,136)	13,609	-	5,473	0.13
JAPANESE YEN	(371,099)	951,365	90,390	670,656	15.53
KENYAN SHILLING	-	1,965	-	1,965	0.05
MALAYSIAN RINGGIT	183	16,631	-	16,814	0.39
MEXICAN NEW PESO	(26,166)	39,040	54,532	67,406	1.56
NEW TAIWAN DOLLAR	(3,158)	119,223	-	116,065	2.69
NEW TURKISH LIRA	-	58,470	-	58,470	1.35
NEW ZEALAND DOLLAR	(21,818)	11,631	11,892	1,705	0.04
NORWEGIAN KRONE	(7,705)	29,991	1,310	23,596	0.55
PAKISTAN RUPEE	34	22,376	-	22,410	0.52
PERUVIAN NUEVO SOL	(1,560)	571	2,815	1,826	0.04
PHILIPPINES PESO	3	4,446	6,815	11,264	0.26
POLISH ZLOTY	(1,243)	6,739	1,289	6,785	0.16
POUND STERLING	(340,412)	768,163	88,301	516,052	11.95
QATARI RIYAL	-	2,234	-	2,234	0.05
RUSSIAN RUBLE (NEW)	-	1,894	-	1,894	0.04
SOUTH AFRICAN RAND	(18,818)	135,436	21,236	137,854	3.19
SINGAPORE DOLLAR	(16,813)	92,609	-	75,796	1.76
SOUTH KOREAN WON	(12,554)	213,069	-	200,515	4.64
SWEDISH KRONA	(57,573)	136,610	22,233	101,270	2.34
SWISS FRANC	(116,499)	332,768	-	216,269	5.01
THAILAND BAHT	-	33,405	-	33,405	0.77
UAE DIRHAM	-	2,698	-	2,698	0.06
TOTALS	(\$1,923,073)	\$5,527,807	\$712,821	\$4,317,555	100.00%

The System's current investment asset allocation policy was adopted by the Board in April 2013 and became effective in fiscal year 2014. The policy does not limit foreign currency-denominated investments of the System. The Investment Committee of the Board of Trustees evaluates the actual investment asset allocation quarterly, in accordance with the adopted phase-in policy. Based on current market conditions, the Board adjusts the allocation as necessary.

CREDIT RISK

The System's exposure to credit risk as of June 30, 2015, was as follows:

EXPOSURE TO CREDIT RISK

- JUNE 30, 2015 -

[in thousands]

INVESTMENT TYPE	QUALITY RATINGS AT FAIR VALUE								
	AAA	AA	A	BAA	BA	BBB	BB	B	CA
ASSET-BACKED SECURITIES	\$1,157,453	\$22,309	\$46,893	\$10,727	\$-	\$7,655	\$10,650	\$2,661	\$4
COLLATERALIZED MORTGAGE OBLIGATIONS	170,927	178,744	45,378	19,893	5,271	44,832	15,435	21,484	773
CORPORATE BONDS	78,564	739,614	989,536	313,909	279,667	512,878	73,599	174,975	-
MORTGAGE PASS-THROUGHS	-	320,285	-	-	-	-	-	-	-
REPURCHASE AGREEMENTS	178,500	29,262	-	-	-	-	-	-	-
SOVEREIGN GOVERNMENTS DEBT	99,023	92,195	228,363	19,591	80,302	241,752	83,216	69,358	-
STATE & LOCAL OBLIGATIONS	579	14,612	19,027	2,568	-	-	-	-	-
US GOVERNMENT AGENCY OBLIGATIONS	2,167	126,121	-	-	-	-	-	-	-
YANKEE/GLOBAL BONDS	27,287	895	883	1,706	-	11,517	-	-	-
TOTALS	\$1,714,500	\$1,524,037	\$1,330,080	\$368,394	\$365,240	\$818,634	\$182,900	\$268,478	\$777

State law requires a minimum quality rating of A-3 by S&P or P-3 by Moody's for corporate short-term obligations. This law also requires corporate and taxable municipal bonds to be of investment grade as rated by S&P or Moody's. The PERS Board of Trustees has adopted a short-term investment policy that further restricts commercial paper to be of corporations with long-term debt to be rated A or better by S&P or Moody's, and whose short-term obligations are of A-2 or P-2 or better ratings by S&P and Moody's, respectively. This applies to all short-term investments of the System.

EXPOSURE TO CREDIT RISK (CONTINUED)

- JUNE 30, 2015 -

[in thousands]

	QUALITY RATINGS AT FAIR VALUE										
	CAA	CCC	CC	C	D	F	NR	P	WD	WR	TOTAL
ASSET-BACKED SECURITIES	\$-	\$11,274	\$-	\$18	\$-	\$-	\$9,887	\$-	\$-	\$-	\$1,279,531
COLLATERALIZED MORTGAGE OBLIGATIONS	2,729	5,790	212	-	14,493	-	35,125	-	1	170	561,257
CORPORATE BONDS	6,624	9,833	257	-	-	-	964	-	5,667	7,525	3,193,612
MORTGAGE PASS-THROUGHS	-	-	-	-	-	-	-	-	-	-	320,285
REPURCHASE AGREEMENTS	-	-	-	-	-	-	201,014	75,600	-	-	484,376
SOVEREIGN GOVERNMENTS DEBT	2,067	6,977	3,047	-	-	-	26,989	-	8,643	56,667	1,018,190
STATE & LOCAL OBLIGATIONS	-	-	-	-	-	-	-	-	-	-	36,786
US GOVERNMENT AGENCY OBLIGATIONS	-	-	-	-	-	-	-	-	-	-	128,288
YANKEE/GLOBAL BONDS	-	-	-	-	-	-	2,164	-	-	-	44,452
TOTALS	\$11,420	\$33,874	\$3,516	\$18	\$14,493	\$-	\$276,143	\$75,600	\$14,311	\$64,362	\$7,066,777*

*In accordance with GASB guidelines, totals exclude US Treasury obligations and GNMA mortgage pass-throughs due to their explicit guarantee by the US Government:

Short-term US Treasury obligations	\$59,076
US Treasury obligations	650,192
GNMA mortgage pass-throughs	104,460
TOTAL	\$813,728

In addition to the short-term investment policy, a policy adopted for the internally managed short-term account requires that for any amount above the established core of \$30.0 million, no more than 25.0 percent should be invested in any issue having a rating lower than AA or A1/P1.

Credit risk for derivative securities held by the System results from the same considerations as other counterparty risk assumed by the System, which is the risk that a borrower will be unable to meet its obligation. The System's policy requires that the credit quality of the underlying asset must be rated A or better by Moody's or S&P. The System's lending agent is permitted to purchase asset-backed securities for the cash collateral fund that are only AAA rated.

INVESTMENT DERIVATIVES

The System has adopted GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments.

The following table presents the investment derivative instruments outstanding as of June 30, 2015 (in thousands), as reported in the System's Statement of Fiduciary Net Position:

	CHANGES IN FAIR VALUE		FAIR VALUE AT JUNE 30, 2015		NOTIONAL	
	CLASSIFICATION	AMOUNT	CLASSIFICATION	AMOUNT		
FOREIGN CURRENCY FORWARDS	Investment Income	\$185	Investment	\$185	(155,291)	AUD
FOREIGN CURRENCY FORWARDS	Investment Income	4,077	Investment	4,077	(117,649)	BRL
FOREIGN CURRENCY FORWARDS	Investment Income	306	Investment	306	(35,093)	CAD
FOREIGN CURRENCY FORWARDS	Investment Income	(63)	Investment	(63)	(108,269)	CHF
FOREIGN CURRENCY FORWARDS	Investment Income	135	Investment	135	(15,805,043)	COP
FOREIGN CURRENCY FORWARDS	Investment Income	540	Investment	540	(289,092)	DKK
FOREIGN CURRENCY FORWARDS	Investment Income	(2,208)	Investment	(2,208)	(610,881)	EUR
FOREIGN CURRENCY FORWARDS	Investment Income	(2,644)	Investment	(2,644)	(219,388)	GBP
FOREIGN CURRENCY FORWARDS	Investment Income	6	Investment	6	(311,028)	HKD
FOREIGN CURRENCY FORWARDS	Investment Income	6	Investment	6	50,986,413	IDR
FOREIGN CURRENCY FORWARDS	Investment Income	(3)	Investment	(3)	(28,188)	ILS
FOREIGN CURRENCY FORWARDS	Investment Income	539	Investment	539	(46,020,050)	JPY
FOREIGN CURRENCY FORWARDS	Investment Income	(28)	Investment	(28)	(14,036,485)	KRW
FOREIGN CURRENCY FORWARDS	Investment Income	74	Investment	74	(939,569)	MXN
FOREIGN CURRENCY FORWARDS	Investment Income	22	Investment	22	(73,377)	NOK
FOREIGN CURRENCY FORWARDS	Investment Income	1,092	Investment	1,092	(33,336)	NZD
FOREIGN CURRENCY FORWARDS	Investment Income	5	Investment	5	(5,011)	PEN
FOREIGN CURRENCY FORWARDS	Investment Income	5	Investment	5	(4,750)	PLN
FOREIGN CURRENCY FORWARDS	Investment Income	(109)	Investment	(109)	(486,960)	SEK
FOREIGN CURRENCY FORWARDS	Investment Income	26	Investment	26	(23,277)	SGD
FOREIGN CURRENCY FORWARDS	Investment Income	(16)	Investment	(16)	(97,511)	TWD
FOREIGN CURRENCY FORWARDS	Investment Income	(21)	Investment	(21)	(219,602)	ZAR
TBA SECURITIES	Investment Income	\$556	Debt Securities	\$204,183	\$197,565	

The System's derivatives policy limits foreign currency forwards to no more than 100.0 percent of the aggregate value of the portfolio securities denominated in the hedged currency.

INVESTMENT DERIVATIVES CREDIT RISK

At June 30, 2015, the counterparties of the foreign currency forwards primarily had short-term credit ratings of A as rated by the nationally recognized statistical rating organizations. PERS' general policy requires that the counterparty has a long-term credit rating of A or better and a short-term credit rating of A1/P1 at a minimum. More specifically, the System's policy requires that all over-the-counter derivatives be rated AA or better by the nationally recognized statistical rating organizations. The counterparties of the to-be-announced securities (TBA) were primarily rated A by the nationally recognized statistical rating organizations.

INVESTMENT DERIVATIVES FOREIGN CURRENCY RISK

The foreign currency forwards are also presented in the foreign currency risk table on page 47.

INVESTMENT DERIVATIVES INTEREST RATE RISK

The TBAs are disclosed on page 45 in the interest risk table by years to maturity.

COMMITMENTS

As of June 30, 2015, the System had real estate and private equity investments legally structured as limited partnerships. The System was one of the limited partners within each fund, with the investment managers serving as the general partners. As part of the limited partnership agreements, PERS agrees to potentially invest up to the committed amounts during the stated fund investment period.

Within its Alternative Investment Program, the System has investments that, due to their long-term nature, do not provide immediate liquidity. The commingled real estate fund investments allow for quarterly liquidity. As of June 30, 2015, the total fair value of the commingled real estate portfolio was approximately \$1.6 billion. The closed-end real estate funds, timber fund, and private equity fund investments are all 10- to 12-year commitments. These funds have limited liquidity due to their long investment time horizon, but will make periodic distributions throughout the term of the investment as assets are sold. As of June 30, 2015, the fair value of these investments totaled \$1.7 billion.

As of June 30, 2015, PERS had the following outstanding investment commitments:

	COMMITTED CAPITAL	CAPITAL CONTRIBUTED NET OF RECALLABLE DISTRIBUTIONS	OUTSTANDING
REAL ESTATE	\$625,000,000	\$409,180,371	\$215,819,629
PRIVATE EQUITY	2,900,000,000	1,246,385,239	1,653,614,761
TOTALS	\$3,525,000,000	\$1,655,565,610	\$1,869,434,390

SECURITIES LENDING TRANSACTIONS

The System accounts for securities lending transactions in accordance with GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, which established standards of accounting and financial reporting for securities lending transactions.

The Board of Trustees has authorized the System to lend its securities to broker-dealers with a simultaneous agreement to return the collateral for the same securities in the future. The System's custodian, pursuant to a written agreement, is permitted to lend all long-term securities to authorized broker-dealers subject to the receipt of acceptable collateral. The System lends securities for collateral in the form of either cash or other securities. The types of securities on loan at June 30, 2015, are long-term US government and agency obligations, corporate bonds, REITs, and domestic and international equities. The contractual agreement with the System's custodian provides indemnification in the event the borrower fails to return the securities lent or fails to pay the System income distributions by the securities' issuers while the securities are on loan. There have been no significant violations of the provisions of the agreement during the period of these financial statements.

At the initiation of a cash loan, borrowers are required to provide collateral amounts of 102.0 percent on US securities and international securities denominated in the same currency of the

loaned security. For international securities that are denominated in a currency other than the currency of the loaned security, 105.0 percent collateral is required at the initiation of the loan. In the event the collateral fair value on US securities and sovereign debt falls to less than 100.0 percent of the respective fair value of the securities lent, the borrower is required to provide additional collateral by the end of the next business day to the 102.0 percent level. In the event the collateral fair value falls below 102.0 percent for international same-currency transactions or 105.0 percent for cross-currency transactions, the borrower is required to provide additional collateral.

Effective October 1, 2013, 110.0 percent collateral is required from the borrowers for non-cash loans. The System cannot pledge, lend, or sell securities received as collateral unless the borrower defaults. Authorized securities' collateral includes US and non-US government debt obligations and securities, supranational debt obligations, US and non-US equity securities listed on specified indices, US and non-US corporate bonds, and convertible securities. Equities were held as collateral on the non-cash loans as of June 30, 2015.

The maturities of the investments made with cash collateral generally do not match the maturities of the securities loans. All securities loans can be terminated on demand by either the System or the borrower, although the average term of these loans was one day at June 30, 2015. Cash collateral was invested in repurchase agreements, corporate bonds, and asset-backed securities at June 30, 2015. The weighted average effective duration and the weighted average maturity of all collateral investments at June 30, 2015, were 33 days.

Effective October 1, 2014, PERS amended the custodial bank securities lending agreement to allow for the purchase of equity repurchase agreements in the cash collateral fund. Repurchase agreements collateralized by equity securities require a minimum of 107.0 percent collateralization level. The amendment also provides indemnification on all repurchase agreements by the custodial bank lending agent.

Securities lent at year-end for cash and non-cash collateral are presented by type in Note 3 Investments. There were \$992,512,000 securities lent for securities collateral as of June 30, 2015. The investments purchased with the cash collateral are also presented in Note 3 Investments in the discussion of custodial credit risk, since the custodian, as agent, is the counterparty in acquiring these securities in a separate account for the System. The securities lent for securities collateral are also presented in Note 3 for exposure to custodial credit risk since the related collateral is acquired and held by the agent not in the System's name.

The following table details the net income from securities lending for the year ended June 30, 2015 (in thousands):

	PERS	MHSPRS	MRS	SLRP	TOTAL
INTEREST INCOME	\$18,151	\$237	\$125	\$12	\$18,525
NET DEPRECIATION	(2,085)	(28)	(14)	(1)	(2,128)
INCOME FROM SECURITIES LENDING	16,066	210	110	11	16,397
<i>Less:</i>					
PROGRAM FEES	2,565	34	18	2	2,619
EXPENSES FROM SECURITIES LENDING	2,565	34	18	2	2,619
NET INCOME FROM SECURITIES LENDING	\$13,501	\$175	\$93	\$9	\$13,778

At year end, the System had no credit risk exposure to borrowers because the amount the System owed the borrowers exceeded the amount the borrowers owed the System.

On the Statement of Fiduciary Net Position, securities lending total assets with related accrued interest are \$2,760,233,000, and total liabilities with accrued expenses are \$2,759,196,000. These two amounts do not equal at June 30, 2015. The difference of \$1,037,000 is due to the collateral investment fund's market appreciation, agent lender fees, and earnings receivable until the final distribution takes place the following month.

The following table presents the fair values of the underlying securities and the value of the collateral pledged at June 30, 2015 (in thousands):

SECURITIES LENT	FAIR VALUE INCLUDING ACCRUED INCOME	COLLATERAL RECEIVED
<i>Lent for Cash Collateral:</i>		
DEBT SECURITIES	\$569,640	\$582,708
EQUITIES	2,055,494	2,113,366
REITS	61,412	62,896
SUBTOTAL	\$2,686,546	\$2,758,970
<i>Lent for Securities Collateral:</i>		
DEBT SECURITIES	223,977	246,311
EQUITIES	729,653	816,020
REITS	38,882	43,927
SUBTOTAL	\$992,512	\$1,106,258
TOTAL SECURITIES LENT	\$3,679,058	\$3,865,228

COMMISSION RECAPTURE PROGRAM

The Board of Trustees has authorized the System to enter into a commission recapture program. This program allows the System to recapture a portion of the commissions paid to broker-dealers with which the System has entered into an agreement. Earnings for the fiscal year ended June 30, 2015, were \$398,000.

Note 4: Capital Assets

The following table shows amounts for capital assets as of June 30, 2015 (in thousands):

DESCRIPTION	AMOUNT
LAND	\$508
BUILDING	18,523
FURNITURE & EQUIPMENT	2,274
CONSTRUCTION IN PROGRESS	18,490
TOTAL CAPITAL ASSETS	39,795
<i>Less Accumulated Depreciation:</i>	
BUILDING	5,473
FURNITURE & EQUIPMENT	2,030
TOTAL ACCUMULATED DEPRECIATION	7,503
NET CAPITAL ASSETS	\$32,292

The System is implementing a major project to build and deploy a new pension and benefits administration software solution. The design, development, and testing aspects of the project have been completed. The new system became operational July 6, 2015. The total budgeted amount for the technology project is \$27.4 million. At June 30, 2015, the remaining outstanding commitment related to this project approximated \$5.8 million.

Note 5: Due to Others The following is a summary of due to/due from others as of June 30, 2015 (in thousands):

RECEIVABLE FUND	PAYABLE FUND	AMOUNT
STATE OF MISSISSIPPI	PERS	\$14
TOTAL		\$14

Note 6: Net Pension Liability of Employers

The following tables present the components of the liability of the employers, or net pension liability, to plan members for benefits provided through the System's cost-sharing and single employer defined benefit pension plans at June 30, 2015 (in thousands).

	PERS	MHSPRS	SLRP
TOTAL PENSION LIABILITY	\$40,364,584	\$477,803	\$21,213
PLAN FIDUCIARY NET POSITION	(24,906,556)	(323,207)	(16,456)
PLAN NET PENSION LIABILITY	\$15,458,028	\$154,596	\$4,757
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	61.7%	67.6%	77.6%

SIGNIFICANT ASSUMPTIONS AND OTHER INPUTS

The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions applied to all periods included in the measurement:

	PERS	MHSPRS	SLRP
INVESTMENT RATE OF RETURN*	7.75%	7.75%	7.75%
PRICE INFLATION RATES	3.0%	3.0%	3.0%
PROJECTED SALARY INCREASES	3.75-19.0%	4.25-9.31%	3.75%
MOST RECENT EXPERIENCE STUDY	6/30/14	6/30/14	6/30/14

*Net of investment expense, including inflation

An actuarial survey of the mortality, service, withdrawals, compensation experience of members, and valuation of assets and liabilities is performed annually to determine the actuarial soundness of the System. To validate that the assumptions recommended by the actuary are, in aggregate, reasonably related to actual experience, the System requests the actuary to conduct an experience investigation every other year. The actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the four-year period ending June 30, 2014. The experience report is dated May 4, 2015. As a result of this study, the Board of Trustees adopted assumptions for PERS that revised price and wage inflation, withdrawal, pre-retirement mortality, disability, and retirement rates for active members. Changes in price and wage inflation were adopted for MHSPRS and SLRP, as well as changes in pre-retirement mortality and service rates. New withdrawal rates were adopted for SLRP. Also adopted by the Board, were changes in the post-retirement mortality tables and salary scale for PERS, MHSPRS, and SLRP.

For the PERS, MHSPRS, and SLRP plans, the table for post-retirement mortality used in evaluating allowances to be paid was the RP-2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2016 with males rates set forward one year. The RP-2014 Disabled

Retiree Table set forward five years for males and four years for females, was used for the period after disability retirement. This assumption is used to measure the probabilities of each benefit payment being made after retirement. Mortality improvement is anticipated under this assumption as recent mortality experience shows actual deaths 9.3 percent greater than expected under the selected table for non-disability mortality and 6.3 percent greater than expected under the selected table for disability mortality.

The long-term expected rate of return on the PERS, MHSPRS, and SLRP investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of the plans' investment expense and the assumed rate of inflation) were developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ASSET CLASS	TARGET ALLOCATION	LONG-TERM EXPECTED REAL RATE OF RETURN
US BROAD	34.00%	5.20%
INTERNATIONAL EQUITY	19.00	5.00
EMERGING MARKETS EQUITY	8.00	5.45
FIXED INCOME	20.00	0.25
REAL ASSETS	10.00	4.00
PRIVATE EQUITY	8.00	6.15
CASH	1.00	(0.50)
TOTAL	100.00%	N/A

DISCOUNT RATE

The discount rate used to measure the total pension liabilities for PERS, MHSPRS, and SLRP was 7.75 percent, which was based on the future long-term expected rate of return of 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions for PERS, MHSPRS, and SLRP will be made at rates set in the Board's Funding Policy. Based on those assumptions, each plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine each plan's total pension liability.

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following table presents the net pension liability of PERS, MHSPRS, and SLRP, calculated using the discount rate of 7.75 percent, as well as what the plans' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent) or one percentage point higher (8.75 percent) than the current rate (in thousands):

NET PENSION LIABILITY	1% DECREASE (6.75%)	CURRENT DISCOUNT RATE (7.75%)	1% INCREASE (8.75%)
PERS	\$20,375,097	\$15,458,028	\$11,377,780
MHSPRS	\$213,337	\$154,596	\$105,895
SLRP	\$7,014	\$4,757	\$2,828

**Note 7: Contributions Required
and Contributions Made**

Policies for PERS, MHSPRS, and SLRP provide for employer and member contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Contribution rates for PERS, MHSPRS, and SLRP are established in accordance with actuarial contribution requirements determined through the most recent June 30 annual valuation and adopted by the Board of Trustees with respect to PERS and SLRP or the MHSPRS Administrative Board. Employer contribution rates consist of an amount for service cost; the amount estimated to finance benefits earned by current members during the year; and an amount for amortization of the unfunded actuarial accrued liability. For determining employer contribution rates, the actuary evaluates the assets of the plans based on a five-year smoothed expected return with 20 percent of a year's excess or shortfall of expected return recognized each year for five years. Contribution rates are determined using the entry age actuarial cost method and include provisions for an annual 3.0 percent cost-of-living increase calculated according to the terms of the respective plan.

Contribution policies for MRS provide for a property tax to be levied within each municipality and deductions from salaries of members at rates sufficient to make the plans actuarially sound. An actuarial valuation is performed annually, as of June 30, to determine the necessary rates. Mississippi statutes limit any increase in the property tax levy for employer pension contributions to one-half mill per year. Given this constraint on employer contribution increases and depending upon future experience, one or more of the closed plans under MRS will possibly 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 plan's cash flow position improved. Members covered by MRS are required to contribute varying amounts of their salary, depending on the actuarial soundness of their respective plans. Any increase to the base employee contribution rate of 7.0 percent is made in increments not to exceed 1.0 percent per year.

CONTRIBUTION RATES

	CONTRIBUTION RATES AS A PERCENT OF COVERED PAYROLL		
	MEMBER	EMPLOYER	OTHER
PERS	9.00%	15.75%	-
MHSPRS	7.25%	37.00%	18.00%*
MRS	7.00-10.00%	1.24-7.79 mills**	-
SLRP	3.00%	7.40%	-

*Additional fees

**Based on assessed property values.

The Board of Trustees adopted a revised funding policy in fiscal year 2012 aimed at stabilizing the employer contribution rates and reducing the unfunded actuarial accrued liability for both PERS and SLRP. The revised policy establishes a goal for the plans to be 80.0 percent funded by 2042 and sets the PERS employer contribution rate at 15.75 percent and the SLRP rate at 7.4 percent. The focus of the revised funding policy is to pursue a declining amortization period and to reduce volatility in the employer contribution rates. A similar funding policy was adopted by the MHSPRS Administrative Board, which set the employer contribution rate at 37.0 percent of active member payroll.

Employer contributions for MHSPRS are augmented by certain additional fees. These amounts vary annually based on the level of activity. The amount collected as of June 30, 2015, was \$2,637,700 for motor vehicle fees and \$1,150,668 for driver's license reinstatement fees. An estimated \$4,600,000, or 18.0 percent of payroll, was used to calculate the actuarially determined contributions for MHSPRS.

Administration of the System is financed from investment earnings. In addition, employers of MHSPRS, MRS, and SLRP contribute an administrative fee to the System equal to 2.0 percent of the plan's respective employer contributions. As of June 30, 2015, administrative fees were \$198,124 from MHSPRS, \$386,885 from MRS, and \$10,219 from SLRP. ORP contributes administrative fees of 2.6 percent of covered wages for a total of \$9,829,719.

LEGALLY REQUIRED RESERVES

Provisions for reserves, in which all assets of the System are to be credited according to their purpose, are established by Miss. Code Ann. § 25-11-123, Article 3, (1972, as amended) and may be amended only by the State Legislature. The annuity savings account accumulates the contributions made by members and accumulated interest. The annuity reserve represents the actuarial value of all annuities in force. The reserve account that accumulates contributions made by the employers, and where all retirement allowances and other benefits are recorded, is referred to as the employer's accumulation account.

*Note 8: Retirement Plan
of System Employees*

System employees are members of PERS. The payroll for System employees covered by PERS for the year ended June 30, 2015, was \$6,958,000; the System's total payroll expense was \$9,262,000. System contributions for the years ended June 30, 2015, 2014, and 2013, were \$1,088,000, \$1,055,000, and \$960,000, respectively. The contributions for 2015, 2014, and 2013 were each 100.0 percent of required contributions. Refer to Note 7 of the basic financial statements for more information regarding contributions made for fiscal year 2015. System contributions represent less than 1.0 percent of total contributions required for all participating employers.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY & RELATED RATIOS
- YEAR ENDED JUNE 30, 2015 -

[in thousands] [unaudited]

CHANGES IN THE NET PENSION LIABILITY	PERS		MHSPRS		SLRP	
	2015	2014	2015	2014	2015	2014
<i>Total pension liability</i>						
SERVICE COST	\$673,626	\$681,778	\$6,361	\$6,461	\$406	\$404
INTEREST	2,867,679	2,754,573	34,503	33,396	1,569	1,549
BENEFIT CHANGES	-	-	-	-	-	-
DIFFERENCE BETWEEN ACTUAL AND EXPECTED EXPERIENCE	325,351	257,464	1,013	2,652	(333)	(453)
ASSUMPTION CHANGES	1,821,236	-	19,176	-	588	-
BENEFIT PAYMENTS	(2,219,240)	(2,099,843)	(28,909)	(28,220)	(1,220)	(1,216)
REFUNDS	(119,356)	(121,532)	(163)	(42)	(37)	(22)
NET CHANGE IN TOTAL PENSION LIABILITY	3,349,296	1,472,440	31,981	14,247	973	262
TOTAL PENSION LIABILITY - BEGINNING	37,015,288	35,542,848	445,822	431,575	20,240	19,978
TOTAL PENSION LIABILITY - ENDING (A)	\$40,364,584	\$37,015,288	\$477,803	\$445,822	\$21,213	\$20,240
<i>Plan fiduciary net position</i>						
CONTRIBUTIONS - EMPLOYER	\$996,478	\$969,674	\$13,695	\$13,500	\$511	\$514
CONTRIBUTIONS - MEMBER	557,909	549,528	1,938	1,963	207	208
NET INVESTMENT INCOME	827,666	3,905,728	10,812	51,575	552	2,605
BENEFIT PAYMENTS	(2,219,240)	(2,099,843)	(28,909)	(28,220)	(1,220)	(1,216)
REFUNDS	(119,356)	(121,532)	(163)	(42)	(37)	(22)
ADMINISTRATIVE EXPENSE	(13,524)	(12,837)	(198)	(200)	(10)	(10)
OTHER	(496)	(510)	-	-	-	-
NET CHANGE IN FIDUCIARY NET POSITION	29,437	3,190,208	(2,825)	38,576	3	2,079
PLAN FIDUCIARY NET POSITION - BEGINNING	24,877,119	21,686,911	326,032	287,456	16,453	14,374
PLAN FIDUCIARY NET POSITION - ENDING (B)	24,906,556	24,877,119	323,207	326,032	16,456	16,453
NET PENSION LIABILITY - ENDING (A-B)	\$15,458,028	\$12,138,169	\$154,596	\$119,790	\$4,757	\$3,787
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	61.70%	67.21%	67.64%	73.13%	77.58%	81.29%
COVERED EMPLOYEE PAYROLL	\$5,904,827	\$5,834,687	\$25,505	\$25,554	\$6,861	\$6,918
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	261.79%	208.03%	606.14%	468.77%	69.33%	54.74%

Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
- LAST 10 FISCAL YEARS -

[in thousands] [unaudited]

<i>Public Employees' Retirement System</i>	2015	2014	2013	2012	2011
ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION	\$930,010	\$921,872	\$835,321	\$735,022	\$687,016
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	996,478	969,674	881,847	768,914	723,836
ANNUAL CONTRIBUTION DEFICIENCY (EXCESS)	\$(66,468)	\$(47,802)	\$(46,526)	\$(33,892)	\$(36,820)
COVERED EMPLOYEE PAYROLL	\$5,904,827	\$5,834,687	\$5,823,578	\$5,857,789	\$5,684,624
ACTUAL CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	16.88%	16.62%	15.14%	13.13%	12.73%
<i>Mississippi Highway Safety Patrol Retirement System</i>					
ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION	\$13,226	\$13,595	\$13,098	\$12,257	\$11,385
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	13,695	13,500	13,366	12,044	11,494
ANNUAL CONTRIBUTION DEFICIENCY (EXCESS)	\$(469)	\$95	\$(268)	\$213	\$(109)
COVERED EMPLOYEE PAYROLL	\$25,505	\$25,554	\$25,816	\$25,670	\$24,872
ACTUAL CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	53.70%	52.83%	51.77%	46.92%	46.21%
<i>Supplemental Legislative Retirement System</i>					
ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION	\$508	\$519	\$509	\$504	\$464
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	511	514	503	490	457
ANNUAL CONTRIBUTION DEFICIENCY (EXCESS)	\$(3)	\$5	\$6	\$14	\$7
COVERED EMPLOYEE PAYROLL	\$6,861	\$6,918	\$6,695	\$6,872	\$6,810
ACTUAL CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	7.45%	7.43%	7.51%	7.13%	6.71%

There are no nonemployer contributing entities in the plan reporting entity.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
- LAST 10 FISCAL YEARS -

[in thousands] [unaudited]

<i>Public Employees' Retirement System</i>	2010	2009	2008	2007	2006
ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION	\$699,824	\$657,048	\$636,546	\$621,497	\$514,525
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	731,544	713,569	683,189	610,888	557,831
ANNUAL CONTRIBUTION DEFICIENCY (EXCESS)	\$(31,720)	\$(56,521)	\$(46,643)	\$10,609	\$(43,306)
COVERED EMPLOYEE PAYROLL	\$5,763,556	\$5,831,864	\$5,544,705	\$5,196,295	\$4,971,974
ACTUAL CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	12.69%	12.24%	12.32%	11.76%	11.22%
<i>Mississippi Highway Safety Patrol Retirement System</i>					
ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION	\$11,096	\$11,668	\$10,492	\$10,023	\$8,692
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	12,598	12,274	12,409	10,616	9,512
ANNUAL CONTRIBUTION DEFICIENCY (EXCESS)	\$(1,502)	\$(606)	\$(1,917)	\$(593)	\$(820)
COVERED EMPLOYEE PAYROLL	\$26,353	\$26,390	\$29,597	\$27,037	\$24,499
ACTUAL CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	47.80%	46.51%	41.93%	39.26%	38.83%
<i>Supplemental Legislative Retirement System</i>					
ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION	\$452	\$449	\$436	\$423	\$413
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	446	458	449	432	411
ANNUAL CONTRIBUTION DEFICIENCY (EXCESS)	\$6	\$(9)	\$(13)	\$(9)	\$2
COVERED EMPLOYEE PAYROLL	\$6,605	\$6,803	\$6,753	\$6,554	\$6,354
ACTUAL CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	6.75%	6.73%	6.65%	6.59%	6.47%

There are no nonemployer contributing entities in the plan reporting entity.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
- LAST 10 FISCAL YEARS -

[unaudited]

	2015	2014
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	3.05%	18.37%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Required Supplementary Schedules

JUNE 30, 2015

Note 1: Schedule of Changes in the Net Pension Liability & Related Ratios

The total pension liabilities presented in these schedules were provided by the System's actuarial consultants, Cavanaugh Macdonald Consulting, LLC. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position for PERS, MHSPRS, and SLRP.

Note 2: Schedule of Employer Contributions

The required employer contributions and amount of those contributions actually made are presented in this 10-year schedule.

PERS

The employer contribution rate was 10.75 percent in fiscal year 2006. Beginning in fiscal year 2007, the employer contribution rate increased from 10.75 percent in 0.55 percent increments until the target rate was met in fiscal year 2008. Use of the phased-in employer contribution rate increase resulted in an annual contribution deficit for fiscal year 2007. The purpose of the phased-in approach was to moderate the impact to the State of Mississippi of a contribution rate increase. A slight increase in the employer contribution rate was implemented in fiscal year 2010, from 11.85 percent to 12.0 percent. In fiscal year 2010, the actuary's recommended employer contribution rate was to increase from 12.0 percent to a projected 13.56 percent for fiscal year 2011. In lieu of the employer contribution rate increase, the member contribution rate was increased to 9.0 percent for fiscal year 2011, which produced a decrease in employer normal cost. The reduction in normal cost, coupled with favorable investment experience, resulted in a revised recommended employer contribution rate from 13.56 percent to 12.93 percent, which became effective January 1, 2012. The employer contribution rate increased in fiscal year 2013 to 14.26 percent and in fiscal year 2014, the Board implemented a revised funding policy aimed at stabilizing the employer contribution rate, which was set at 15.75 percent.

MHSPRS

The employer contribution rate, previously 28.16 percent, was changed effective July 1, 2006, to 30.30 percent. The employee contribution rate was raised from 6.50 percent to 7.25 percent for fiscal year 2009. On January 1, 2012, the employer contribution rate increased to 35.21 percent and was raised to 37.00 percent effective July 1, 2012. Motor vehicle and driver's license fees augment employer contributions. The amount varies each year depending on activity, with \$3.8 million collected for fiscal year 2015. An actuarial contribution deficiency occurred for fiscal year 2012 due to a revision of the employer contribution rate. The change took place January 1, 2012, bringing the contribution rate from 30.30 percent to 35.21 percent causing a deficiency of \$213 thousand in actual contributions compared with the actuarially determined employer contribution. In 2014, a deficiency occurred due to actual contributions of additional fees being lower than anticipated. Actual motor vehicle fees amounted to \$2.6 million while estimated contributions were \$3.6 million.

SLRP

The employer contribution rate, which was 6.33 percent, changed to 6.65 percent effective July 1, 2006. The contribution rate remained constant until January 1, 2012, when it was increased to 7.40. The employee contribution rate has remained at 3.00 percent. Small annual contribution deficiencies occurred in 2006 and yearly from 2010 to 2014. SLRP is a small plan with a relatively fixed number of members. As members retire, they are replaced by new members with lower salaries and thus, lower employer contributions.

*Note 3: Schedule of
Investment Returns*

The annual money-weighted rate of return on investments is calculated as the internal rate of return on plan investments, net of plan investment expense. A money-weighted rate of return expresses investment performance, net of plan investment expense, adjusted for the changing amounts actually invested. The investment assets of the defined benefit plans administered by the System are combined in a comingled investment pool. Each plan owns an equity position in the pool in accordance with its ownership percentage. The annual money-weighted rate of return is, therefore, approximately the same for PERS, MHSPRS, MRS, and SLRP.

Note 4: Actuarial Assumptions

The information presented in the required supplementary schedules was used in the actuarial valuation for purposes of determining the actuarially determined contribution rates. The assumptions and methods used for this actuarial valuation were recommended by the actuary and adopted by the Board. Additional information, as of the latest actuarial valuation, is as follows.

EFFECTS OF CURRENT YEAR CHANGES IN PLAN REQUIREMENTS

Plan requirements may be affected by changes in actuarial assumptions, benefit provisions, plan provisions, actuarial funding methods, or other significant factors.

The following amendments were incorporated into the actuarial valuations:

» PERS

- » The valuation results are developed based upon the employer contribution rate of 15.75 percent of payroll.
- » Changes in actuarial assumptions and methods: In 2015, the expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB, rather than the RP-2000 Mortality Table that was used prior to 2015. In 2015, the expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table that was used prior to 2015. Withdrawal rates, pre-retirement mortality rates, disability rates, and service retirement rates were also adjusted to more closely reflect actual experience. In 2015, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. Finally, the price inflation and investment rate of return assumptions were changed from 3.50 percent to 3.00 percent and 8.00 percent to 7.75 percent, respectively.
- » There are no changes in plan provisions since the last valuation.

» MHSPRS

- » The valuation results are developed based upon the employer contribution rate of 37.0 percent of payroll.
- » Changes in actuarial assumptions and methods: In 2015, the expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB, rather than the RP-2000 Mortality Table that was used prior to 2015. In 2015, the expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table that was used prior to 2015. Pre-retirement mortality rates and service retirement rates were also adjusted to more closely reflect actual experience. In 2015, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. Finally, the price inflation and investment rate of return assumptions were changed from 3.50 percent to 3.00 percent and 8.00 percent to 7.75 percent, respectively.
- » There are no changes to benefit provisions since last valuation.

- » Due to Senate Bill No. 2659 enacted in 2004, and House Bill No. 1015, enacted on April 25, 2013, additional contributions are being made to the System and are expected to continue in the future. In the June 30, 2015 valuation report, the actuary increased the expected contributions from these sources from \$3,400,000 to \$3,600,000 based on actual monies received for the fiscal year ending June 30, 2015.

» SLRP

- » The valuation results are developed based upon the employer contribution rate of 7.40 percent of payroll.
- » Changes in actuarial assumptions and methods: In 2015, the expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB, rather than the RP-2000 Mortality Table that was used prior to 2015. In 2015, the expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table that was used prior to 2015. Pre-retirement mortality rates and service retirement rates were also adjusted to more closely reflect actual experience. In 2015, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. Finally, the price inflation and investment rate of return assumptions were changed from 3.50 percent to 3.00 percent and 8.00 percent to 7.75 percent, respectively.
- » There are no changes to benefit provisions since last valuation.

The actuarially determined contribution rates in the Schedules of Employer Contributions are calculated as of June 30 2013, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

	PERS	MHSPRS	SLRP
ACTUARIAL COST METHOD	Entry age	Entry age	Entry age
AMORTIZATION METHOD	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
REMAINING AMORTIZATION PERIOD	32.2 years	33.0 years	39.6 years
ASSET VALUATION METHOD	5-year Smoothed Market	5-year Smoothed Market	5-year Smoothed Market
<i>Actuarial Assumptions:</i>			
INVESTMENT RATE OF RETURN*	8.0%	8.0%	8.0%
PROJECTED SALARY INCREASES	4.25-19.5%	4.75-9.84%	4.25%
PRICE INFLATION RATES	3.50%	3.50%	3.50%

**Net of pension plan investment expense, including inflation.*

SCHEDULE 1
SCHEDULE OF ADMINISTRATIVE EXPENSES AND DEPRECIATION
- FOR THE YEAR ENDED JUNE 30, 2015 -

[in thousands]

ADMINISTRATIVE EXPENSE	AMOUNT
<i>Personal Services:</i>	
SALARIES & WAGES	\$6,981
EMPLOYEE BENEFITS	2,281
TRAVEL & SUBSISTENCE	78
TOTAL PERSONAL SERVICES	9,340
<i>Contractual Services:</i>	
PROFESSIONAL SERVICES (SEE SCHEDULE 3)	1,974
DATA PROCESSING, COMMUNICATIONS, TRAINING, & LICENSING	642
NEW INFORMATION SYSTEM DEVELOPMENT	441
REPAIR & MAINTENANCE OF BUILDING & EQUIPMENT	437
UTILITIES	347
RENT OF BUILDING SPACE & OFFICE EQUIPMENT	179
BANK CHARGES	168
OTHER CONTRACTUAL SERVICES	105
SECURITY	87
JANITORIAL	86
INSURANCE	56
TOTAL CONTRACTUAL SERVICES	4,522
<i>Commodities:</i>	
OFFICE SUPPLIES & EXPENDABLE REPAIR PARTS	92
OFFICE EQUIPMENT (NOT CAPITALIZED)	88
PRINTING, BINDING, & PADDING	63
BUSINESS MEETING SUPPLIES	10
FUEL	4
TOTAL COMMODITIES	257
TOTAL ADMINISTRATIVE EXPENSES	14,119
<i>Depreciation:</i>	
FURNITURE & EQUIPMENT	371
BUILDING	200
TOTAL DEPRECIATION	571
TOTAL ADMINISTRATIVE EXPENSES & DEPRECIATION	\$14,690

See accompanying independent auditors' report.

SCHEDULE 2
SCHEDULE OF ADMINISTRATIVE EXPENDITURES/EXPENSES—
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
- FOR THE YEAR ENDED JUNE 30, 2015 -

[in thousands]

	2015		VARIANCE FAVORABLE (UNFAVORABLE)
BUDGET COMPARISONS	BUDGET	ACTUAL	
<i>Administrative Expenditures:</i>			
<i>Personal Services:</i>			
SALARIES, WAGES, & FRINGE BENEFITS	\$9,352	\$9,212	\$140
TRAVEL & SUBSISTENCE	90	79	11
CONTRACTUAL SERVICES*	11,001	8,006	2,995
COMMODITIES	166	162	4
CAPITAL OUTLAYS	186	184	2
TOTALS	\$20,795	\$17,643	\$3,152

*Contractual services budget includes \$5,942,000 for intermediate phases of the pension administration computer system replacement.

The budget and actual (non-GAAP budget basis) schedule presents a comparison of the legally adopted budget with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on a budgetary basis sometimes differ significantly from those used to present financial statements in conformity with generally accepted accounting principles. Therefore, a reconciliation of the resulting differences is presented below for the year ended June 30, 2015.

**RECONCILIATION OF BUDGETARY BASIS ADMINISTRATIVE
EXPENDITURES TO GAAP BASIS ADMINISTRATIVE EXPENSES**

[in thousands]

ADMINISTRATIVE EXPENDITURES (BUDGETARY BASIS)	AMOUNT \$17,643
<i>Adjustments:</i>	
COMPENSATED LEAVE ACCRUAL	35
BANK SERVICE CHARGES	167
CAPITAL ASSET PURCHASES RECORDED AS EXPENDITURES FOR BUDGETARY PURPOSES	(2,541)
RELEASE OF PRIOR YEAR RETAINAGE LIABILITY RECORDED AS AN EXPENSE IN FISCAL YEAR 2015 FOR BUDGET PURPOSES	(1,100)
FISCAL YEAR 2015 BUDGET EXPENDITURES PAID DURING LAPSE PERIOD; EXPENSES RECORDED IN FISCAL YEAR 2016	(850)
FISCAL YEAR 2014 BUDGET EXPENDITURES PAID DURING LAPSE PERIOD; EXPENSES RECORDED IN FISCAL YEAR 2015	597
FISCAL YEAR 2015 ACCRUALS AND REVERSALS TO GAAP BASIS	168
ADMINISTRATIVE EXPENSES (GAAP BASIS)	\$14,119

See accompanying independent auditors' report.

SCHEDULE 3
SCHEDULE OF MANAGERS' FEES, INVESTMENT GLOBAL OUT-OF-POCKET
AND CUSTODIAL FEES, AND PROFESSIONAL SERVICE FEES
- FOR THE YEAR ENDED JUNE 30, 2015 -

[in thousands]

	AMOUNT		AMOUNT
<i>Investment Managers' Fees:</i>		<i>Investment Managers' Fees (Continued):</i>	
EAGLE CAPITAL MANAGEMENT	\$5,344	INTECH	\$726
PRINCIPAL GLOBAL INVESTORS	4,035	T.A. ASSOCIATES REALTY	615
UBS REALTY INVESTORS, LLC - CORE REAL ESTATE	3,814	ANGELO GORDON & COMPANY - FUND III	462
THE BOSTON COMPANY - MID CAP EQUITY	2,988	AEW CAPITAL MANAGEMENT, LP - FUND VII	400
EPOCH INVESTMENT PARTNERS, INC.	2,967	AEW CAPITAL MANAGEMENT, LP - FUND VI	359
RIVERBRIDGE PARTNERS, LLC	2,914	BLACKROCK INSTITUTIONAL TRUST COMPANY - EAFE	329
LAZARD ASSET MANAGEMENT	2,790	NORTHERN TRUST GLOBAL INVESTMENT	262
J.P. MORGAN INVESTMENT MANAGEMENT	2,752	BLACKROCK INSTITUTIONAL TRUST COMPANY - DEBT INVESTMENTS	204
ARTISAN PARTNERS LP - EMERGING MARKETS EQUITY	2,664	HEITMAN - FUND II	154
ARTISAN PARTNERS LP - MID CAP EQUITY	2,582	AEW CAPITAL MANAGEMENT, LP - FUND V	148
WELLINGTON MANAGEMENT COMPANY - MID CAP EQUITY	2,520	EII CAPITAL MANAGEMENT, INC.	124
ACADIAN ASSET MANAGEMENT, LLC	2,502	ANGELO GORDON & COMPANY - FUND II	123
WELLINGTON MANAGEMENT COMPANY - EMERGING MARKETS DEBT INVESTMENTS	2,399	INVESCO	119
WELLINGTON MANAGEMENT COMPANY - SMALL CAP EQUITY	2,133	STATE STREET GLOBAL ADVISORS - EQUITY	80
NS PARTNERS LTD	2,039	HEITMAN - FUND III	63
HARDING LOEVNER LP	2,024	STATE STREET GLOBAL ADVISORS - DEBT INVESTMENTS	8
DIMENSIONAL FUND ADVISORS, INC. - EAFE	1,880	PRIVATE EQUITY MANAGERS: GCM GROSVENOR & PATHWAY CAPITAL MANAGEMENT	10,997
ARROWSTREET CAPITAL, LP	1,784	TOTAL MANAGERS' FEES	\$88,148
MONDRIAN INVESTMENT PARTNERS, INC.	1,695	<i>Custodial & Global Out-Of-Pocket Fees:</i>	
PYRAMIS GLOBAL ADVISORS	1,677	BANK OF NEW YORK MELLON	736
LOOMIS SAYLES & COMPANY, LP	1,619	TOTAL MANAGERS' FEES, CUSTODIAL & OUT-OF-POCKETS FEES	\$88,884
PACIFIC INVESTMENT MANAGEMENT COMPANY - GLOBAL	1,586	<i>Securities Lending Fees:</i>	
DIMENSIONAL FUND ADVISORS - SMALL CAP EQUITY	1,582	BANK OF NEW YORK MELLON	\$2,619
FAYEZ SAROFIM & COMPANY	1,551	<i>Professional Service Fees:</i>	
ALLIANCEBERNSTEIN	1,489	INVESTMENT MANAGEMENT CONSULTANT—CALLAN ASSOCIATES, INC.	\$566
COHEN & STEERS CAPITAL MANAGEMENT	1,451	AUDIT—DEPARTMENT OF AUDIT; KPMG, LLP	479
WEDGEWOOD PARTNERS, INC.	1,429	ACTUARY—CAVANAUGH MACDONALD CONSULTING, LLC	283
PRUDENTIAL FIXED INCOME	1,284	MEDICAL FEES—CLINICS, LABS	268
HANCOCK TIMBER RESOURCE GROUP	1,251	LEGAL—STATE OF MISSISSIPPI, OFFICE OF THE ATTORNEY GENERAL; OTHER	183
UBS REALTY INVESTORS, LLC - VALUE ADDED REAL ESTATE	1,208	LEGAL-OUTSIDE—CHAPMAN & CUTLER, LLP; ICE MILLER, LLP	101
BAILLIE GIFFORD & COMPANY	1,207	GRAPHIC DESIGN—COMMUNICATION ARTS	35
DEUTSCHE ASSET & WEALTH MANAGEMENT	1,158	MAILING SERVICES—POSTAGE SAVERS, INC.	32
JARISLOWSKY FRASER LTD.	1,129	VOTING SERVICES—VR ELECTION SERVICES	27
ABERDEEN ASSET MANAGEMENT	769	TOTAL PROFESSIONAL SERVICE FEES	\$1,974
PACIFIC INVESTMENT MANAGEMENT COMPANY	759		

See accompanying independent auditors' report.

SCHEDULE 4
SUMMARY SCHEDULE OF CASH RECEIPTS
AND DISBURSEMENTS—PENSION TRUST FUNDS
- FOR THE YEAR ENDED JUNE 30, 2015 -

[in thousands]

	AMOUNT
CASH BALANCE AT BEGINNING OF YEAR*	\$758,422
RECEIPTS	
<i>Contributions:</i>	
EMPLOYEE	559,172
EMPLOYER	1,028,183
TOTAL CONTRIBUTIONS	1,587,355
<i>Investments:</i>	
SECURITIES LENDING & REVERSE REPURCHASE AGREEMENTS	20,305,257
INVESTMENTS MATURED & SOLD	27,720,094
INVESTMENT INCOME	2,029,180
TOTAL INVESTMENTS	50,054,531
ADMINISTRATIVE RECEIPTS	599
OTHER RECEIPTS	5,341
TOTAL CASH RECEIPTS	51,647,826
DISBURSEMENTS	
<i>Annuities & Refunds:</i>	
RETIREMENT ANNUITIES	2,286,424
REFUNDS TO TERMINATED EMPLOYEES	120,085
TOTAL ANNUITIES & REFUNDS	2,406,509
<i>Investments:</i>	
SECURITIES LENDING & REVERSE REPURCHASE AGREEMENTS	20,305,127
INVESTMENTS PURCHASED	28,728,693
INVESTMENT EXPENSES	91,501
TOTAL INVESTMENTS	49,125,321
ADMINISTRATIVE EXPENSES	17,829
OTHER DISBURSEMENTS	174
TOTAL CASH DISBURSEMENTS	51,549,833
CASH BALANCE AT END OF YEAR	\$856,415

* Beginning cash balance differs from prior year ending cash balance due to MDC results not being reflected in the financial statements.

See accompanying independent auditors' report.

SCHEDULE 5
SCHEDULE OF INVESTMENTS DUE TO MRS FROM PERS
- JUNE 30, 2015 -

[in thousands]

	AMOUNT
<i>Due To MRS:</i>	
BILOXI MUNICIPAL	\$4,726
BILOXI FIRE & POLICE	5,181
CLARKSDALE FIRE & POLICE	1,716
CLINTON FIRE & POLICE	9,025
COLUMBUS FIRE & POLICE	1,245
GREENVILLE FIRE & POLICE	3,611
GREENWOOD FIRE & POLICE	3,237
GULFPORT FIRE & POLICE	10,237
HATTIESBURG FIRE & POLICE	22,674
JACKSON FIRE & POLICE	63,145
LAUREL FIRE & POLICE	4,278
MCCOMB FIRE & POLICE	953
MERIDIAN MUNICIPAL	3,003
MERIDIAN FIRE & POLICE	8,163
NATCHEZ FIRE & POLICE	2,417
PASCAGOULA FIRE & POLICE	7,894
TUPELO FIRE & POLICE	5,976
VICKSBURG FIRE & POLICE	11,833
YAZOO CITY FIRE & POLICE	490
TOTAL INVESTMENTS DUE TO MRS	\$169,804

See accompanying independent auditors' report.

SCHEDULE 6
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES—AGENCY FUND
- FOR THE YEAR ENDED JUNE 30, 2015 -

[in thousands]

FLEXIBLE BENEFITS CAFETERIA PLAN	BALANCE JUNE 30, 2014	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2015
<i>Assets:</i>				
CASH	\$16	\$49	\$49	\$16
TOTAL ASSETS	\$16	\$49	\$49	\$16
<i>Liabilities:</i>				
ACCOUNTS PAYABLE	15	-	-	15
FUNDS HELD FOR OTHERS	1	49	49	1
TOTAL LIABILITIES	\$16	\$49	\$49	\$16

See accompanying independent auditors' report.

PERS RESPONDS TO THE NEEDS OF ITS MEMBERS



The Optional Retirement Plan was established for teaching and administrative faculty of the state's public universities at the request of Mississippi Institutions of Higher Learning.

MILTON G. WALKER
(1990-1995)

EXECUTIVE
DIRECTOR



Retirees were offered, in 1994, the option to choose monthly installments rather than an annual lump sum payment of the Cost-of-Living Adjustment.

$$\begin{aligned}
 & i_1(x_1, y_1) \\
 & A_2(x_2, y_2) \\
 & \xrightarrow{p_2} x \quad A_1 K : K A_2 = m_1 : m_2 \\
 & \frac{m_2 x_1 + m_1 y_2}{m_1 + m_2} \quad y = \frac{m_2 y_1 + m_1 y_2}{m_1 + m_2} \\
 & \lambda x_2, y = \frac{y_1 + \lambda y_2}{1 + \lambda} \\
 & = 6.4
 \end{aligned}$$



PERS began collecting and storing member addresses from employers electronically. This allowed the agency in 1990 to begin mailing annual members statements for the first time and sending newsletters directly to members' homes, instead of to their employers.

PERS and the Mississippi School for the Blind produced a Braille PERS handbook in 1994.

Defined Benefit Plans— Report on Investment Activity

PREPARED BY LORRIE TINGLE, CFA
CHIEF INVESTMENT OFFICER

The Board of Trustees serves as the ultimate decision-making body for the Public Employees' Retirement System of Mississippi. As fiduciaries, the trustees rely on the following principles to guide them in making investment-related decisions.

- » ensure adequate liquidity is available when needed;
- » preserve the long-term corpus of the fund;
- » maximize total return within prudent levels of risk; and
- » always to act in the exclusive interest of the members of the System.

Facing each year's unique investment challenges and opportunities, the PERS Board and investment staff remain clearly focused on the fundamental principle that investing for the future of our membership is a long-term commitment and that the prudent management of the System's assets demands constant attention and specialized expertise. The PERS Board is committed to maintaining a well-diversified portfolio designed to minimize risks and maximize returns over the long term. The goal of the investment program is to ensure adequate funding is available to meet all current and future pension obligations.

Risk Controls

The greatest risk faced by the System is that the plan assets will not support its liabilities over the long term. To help mitigate this and other investment-related risks, the PERS Board takes the following actions:

- » conducts annual actuarial valuations to evaluate the funding objectives and funded status of the System. Additionally, at least every six years, an independent external audit of the actuary is conducted to ensure the assumptions and calculation methods used are appropriate for properly computing the liabilities of the System;
- » asset/liability studies are conducted at least every five years to ensure the investment portfolio is structured in a way that ensures the highest probability of meeting the System's liability needs; and
- » regularly evaluates the effectiveness of each investment strategy used to implement the investment policy.

Fiscal Year 2015 Plan Overview

As of June 30, 2015, the System's portfolio value of \$24.7 billion was essentially the same as reported at the close of fiscal year 2014. As is common in mature pension plans, the System's annual distributions surpassed the annual contributions made by employees and employers. For fiscal year 2015, contributions totaled \$1.6 billion, while the System paid out approximately \$2.4 billion.

The asset allocation at year end, excluding investments purchased with securities lending cash collateral, was 63.0 percent public equities; 20.0 percent debt securities; 10.0 percent public and private real estate investments; 5.0 percent private equity; and 2.0 percent cash equivalents.

Callan Associates, Inc. is employed by the Board of Trustees as the System's investment consultant. Their services include calculating investment returns both for the total fund and for each of the investment managers retained to invest the System's assets. Callan also provides investment research and advice; assists the Board in the manager selection process; and conducts periodic asset/liability studies.

The System's securities lending program is managed by its custodial bank, BNY Mellon. This program generates ancillary income by lending securities from the System's portfolio to securities dealers in return for a premium payment on loans collateralized by securities and earnings generated by the investment of cash collateral. All cash loans are secured by the receipt of collateral valued at 102 or 105 percent of the value of the loaned security, while non-cash loans

are collateralized at 110 percent. In fiscal year 2015, the securities lending program generated approximately \$15.1 million* in additional revenue for the investment program.

In addition to the cash equivalent portfolio managed in-house, 40 firms managed 53 different investment funds or portfolios for the System at year end. The chart on pages 90 and 91 identifies the investment firms and the percentage of the total portfolio each firm manages. Portfolio performance is monitored quarterly by the Board of Trustees with the assistance of Callan Associates.

**\$15.1 million were the earnings distributed for the fiscal year; \$13.8 million was the reported net income as required by Governmental Accounting Standards Board Statement No. 28.*

Fiscal Year 2015 Market Environment

Volatile is the best description of global markets during fiscal year 2015. While equity markets in the US reached record highs, investor returns were constrained by slower economic growth in China; falling oil prices and a plethora of disruptive geopolitical events that occurred throughout the year.

EQUITY MARKETS

The initial days of the fiscal year were encouraging for US investors as the Dow Jones Industrial Average set new highs early in the first quarter. However, conflict in both the Middle East and Eastern Europe; threats of an Ebola pandemic in Africa; and a precipitous drop in the price of oil soon triggered an investor flight to safety. As a result, large cap stocks, perceived as a safer alternative, saw better returns than both the mid and small cap segments of the US equity market. For the quarter, the large cap Russell 1000 Index returned 0.7 percent, while the Russell Midcap and Russell 2000 Indices saw negative returns of 1.7 and 7.4 percent, respectively.

International investors struggling with similar issues faced added concerns when the European Central Bank (ECB) unexpectedly announced plans to cut interest rates and implement a round of Quantitative Easing across the European Union. Investors perceived this to mean policymakers feared Europe's economic growth was stalled or possibly declining. With little growth expected first from Japan and now Europe, the added news of slowing demand from China was especially disconcerting for global equity investors. Overcoming the affect of a drop in commodity demand from China, emerging market equities led by strong returns from the health care and telecommunications sectors, posted better returns than developed international markets during the first quarter of the year.

US-based investor returns were hurt by the strengthening dollar throughout most of fiscal year 2015. This was reflected in the first quarter's positive 0.9 percent return for the MSCI EAFE Index in local currency terms, compared to the negative 5.9 percent return for dollar-based investors. Similarly the MSCI Emerging Markets Index gained 0.7 percent in local currency terms, but lost 3.4 percent in US dollar terms.

The second quarter saw the US pull ahead of other world economies both in terms of improving the Gross Domestic Product (GDP) and falling unemployment statistics. In addition, the continued drop in oil prices provided an increase in discretionary income for US consumers, resulting in a 4.3 percent increase in discretionary spending during the first two quarters of the fiscal year. During the period, the final round of US Quantitative Easing came to an end. That fact, coupled with no rate hike announcement from the Fed, spurred investor confidence such that, in the final weeks of the quarter, the Dow Jones Industrial Average topped 18,000. Feeling more secure and willing to take on greater risk, investors shifted their allocations from large cap stocks to smaller cap opportunities. This resulted in the Russell 2000 Index posting a 9.7 percent return for the quarter, outpacing the larger cap Russell 1000 Index by 480 basis points.

While economic data from the US improved, the rest of the world continued to disappoint. With oil prices moving still lower and unemployment levels reaching 10.0 percent, Europe looked to be moving ever closer toward deflation. The Japanese, though still experiencing negative GDP

growth, re-elected Shinzo Abe as Prime Minister for an additional four-year term. For the quarter, the MSCI EAFE Index returned 1.8 percent in local currency and a negative 3.6 percent in US dollar (USD) terms. Emerging markets investor returns were hurt by negative returns from Russia—impacted by trade sanctions and low oil prices, and from Greece—which continued to face fiscal collapse. This resulted in a local currency return of 0.8 percent and a loss of 4.4 percent in USD terms for the MSCI Emerging Markets Index for the quarter.

The second half of the fiscal year began with the New England region inundated with record-setting amounts of snow. On the west coast, labor union disputes brought ports to a complete standstill, impeding both import and export traffic for several weeks. A global oversupply of oil fueled by declines in demand, coupled with strong production from both the Organization of the Petroleum Exporting Countries (OPEC) and the US, pushed prices below \$45 per barrel during the third quarter of fiscal year 2015. Slowing exports, along with a weather-related decline in US consumer demand, and slowing profits from the energy sector led investors to reallocate their investments away from larger companies more impacted by these problems and into small and mid-size equity opportunities. For the quarter, the Russell 2000 Index of small cap stocks return of 4.3 percent topped both the Russell Midcap's 4.0 percent and Russell 1000 Index return of 1.6 percent.

Early in the third quarter, international markets saw the Swiss government unexpectedly untether its currency from the Euro, sending currency markets reeling. Also during the quarter, global investors were allowed to purchase Chinese A-shares, thereby gaining direct access to listed mainland Chinese companies for the first time. This launched a rapid rise in the value of the Chinese stock market. Investors, both inside and outside China, rushed to invest in the new shares. Developed international equity returns benefited from the ECB's plans to launch a €1 trillion stimulus package to aide Europe's economic recovery and its approval of a Greek bailout program designed to keep the European Union intact. In local currency terms, the MSCI EAFE Index earned a 10.6 percent return for the quarter; however, the relative strength of the dollar reduced returns to 4.9 percent for US investors. Emerging markets experienced solid returns in spite of double-digit declines in the Greek equity market. The MSCI Emerging Markets Index posted returns of 4.9 percent in local terms and 2.3 percent in dollars for the quarter.

The fourth quarter of fiscal year 2015 began strong as the price of oil finally began to rebound. US GDP growth improved to 2.3 percent and unemployment fell to 5.3 percent during the period. In addition, the US housing market began to show signs of recovery after a long period of decline. Despite the strong economic data reported, the Federal Open Market Committee (FOMC) voted to postpone any interest rate hike to later in the year. US equity markets rallied on the news, and the Dow Jones Industrial Average (DJIA), S&P 500, and NASDAQ Indices all closed at new highs during the quarter.

Investors thought equity markets might finally be gaining positive momentum after a year of trendless up and down swings. Those hopes ended abruptly in the last two days of June when Greece's Prime Minister Alexis Tsipras abruptly closed Greek banks and imposed daily withdrawal limits on Greek bank accounts. In addition, all fund transfers out of Greece were halted to ensure funds could not leave the country. On the last day of fiscal year 2015, Greece failed to make a scheduled payment on the nation's €1.7 billion loan from the International Monetary Fund. Global investors, fearing a total Greek debt default and the country's exit from the European Union (EU), rushed to move their assets into US treasuries. This resulted in the yield on 10-year Treasuries falling from 2.5 to 2.3 percent, resulting in the largest single day drop in yield since late 2011.

China only heightened investor fears as the Shanghai Composite Index, which had increased more than 150.0 percent in recent months, suddenly dropped 20.0 percent. The Chinese Monetary Authority quickly suspended all trading in an attempt to halt the market freefall. Investors saw the European Union on the verge of a breakup; the Japanese economic recovery stuck in neutral; and the Chinese economy not only slowing but possibly in distress. The result was a major global equity selloff in the final days of the fourth quarter, which wiped out most of the gains achieved in the previous three quarters of the fiscal year. The Russell 1000, Midcap, and 2000 Indices

returned 0.1, negative 1.5, and 0.4 percent for the quarter, respectively. Developed international markets, represented by the MSCI EAFE Index, returned negative 1.8 percent local currencies and 0.6 percent in dollar terms, while the MSCI Emerging Market Index gained 0.8 percent to end the fiscal year.

FIXED INCOME MARKETS

Widespread geopolitical concerns in the first quarter of fiscal year 2015 lead to investor risk aversion, resulting in a continuation of the yield curve flattening that had begun in the middle of fiscal year 2014. As the US Quantitative Easing program continued to wind down, the yield on the 30-year Treasury declined by 16 basis points, ending the period at 3.2 percent.

In response to the "risk off" market environment, other sectors of the US fixed income asset class underperformed treasuries during the quarter. High yield corporate bonds had the worst performance of the period, as evidenced by the negative 1.9 percent return of the Barclays Corporate High Yield Index. The broader investment grade Barclays Aggregate Index posted a 0.2 percent gain, slightly underperforming the Barclays Treasury Index return of 0.3 percent.

Outside the US, fixed income investors experienced negative returns for the quarter, as both European and Japanese central bankers announced plans to initiate programs to stave off the threat of deflation in their respective markets. Lack of improvement in GDP growth outside the US—coupled with fears of a Greek exit and subsequent breakup of the EU—pushed global sovereign yields down. Investors seeking both safety and better yield opportunities shifted their allocations to US Treasuries. A strong dollar relative to other currencies dampened the returns of US investors in non-dollar denominated debt. As a result, the unhedged Barclays Global Aggregate Index returned negative 3.1 percent for the quarter with the USD denominated JPM Emerging Markets Global Diversified Index posting a 0.6 percent loss for the period.

The second quarter of the fiscal year saw continued improvement in US economic data and the conclusion of the Fed's asset purchase program, both of which generated investor angst over the prospect of a near-term rate hike. Slow economic growth outside the US and the impact of declining oil prices resulted in the continued flattening of the US Treasury yield curve. The quarter ended with the yield on the 30-year Treasury dropping to 2.8 percent. The effect of falling energy prices was reflected in the returns of the investment grade corporate sector, which underperformed treasuries with the same duration. The returns of high yield bonds were once again challenged as investors sought safety and steered away from higher risk investments. The Barclays Corporate High Yield Index lost 1.0 percent for the quarter, while the Barclays Aggregate and Treasury indices returned 1.8 and 1.9 percent, respectively. Outside the US, deflation concerns; high unemployment and low oil prices continued to affect bond returns. The unhedged Barclays Global Aggregate Index lost 1.0 percent for the quarter with the JPM Emerging Markets Bonds Global Diversified Index coming in slightly better with only a 0.6 percent loss.

During the third quarter, lower energy prices kept US inflation levels well below the Fed's target of 2.0 percent. As such, the FOMC again elected to push an initial rate hike out to a future meeting. The long end of the yield curve fluctuated up and down throughout the quarter, but ended with the 30-year Treasury yield only slightly changed at 2.5 percent. Investors encouraged by the Fed's lack of rate action moved assets into higher risk opportunities in search of improved yields. High yield bonds benefited from this change in sentiment. For the quarter, the Barclays High Yield Index gained 2.5 percent outpacing the 1.6 percent gains reported by both the Barclays Aggregate and Treasury Indices. The strong dollar and declining yields outside the US bond markets produced negative 1.9 percent returns for unhedged Barclays Global Aggregate investors, while those holding emerging market debt portfolios experienced positive returns helped by a recovery in Russian bond valuations. The JPM Emerging Market Bond Diversified Index gained 2.0 percent, outperforming both the Barclays US and Global Aggregate Indices for the quarter.

The fiscal year concluded with Treasury yields increasing for the first time in five quarters. Investor expectations of a no-rate-hike announcement before December helped push 30-year Treasury yields above 3.0 percent where they began the year. The rise in yields resulted in the Barclays Aggregate and Treasury Indices ending the fiscal year with negative returns of 1.7 and 1.6 percent, while a rebound in oil prices helped the Barclays High Yield Index finish the quarter flat.

Throughout fiscal year 2015, the US bond market offered fixed income investors the best return opportunities both in terms of safety and yield. Hurt by a significant drop in the value of German government bonds and scant signs of improving economic growth outside the US, investors in both developed and emerging markets bonds suffered a difficult end to the fiscal year. The unhedged Barclays Global Aggregate Index posted a negative 1.2 percent return, while the JPM Emerging Markets Diversified Index closed the year with returns of negative 0.3 percent.

REAL ESTATE MARKETS

Investors seeking to benefit from improving valuations and a yield advantage compared to other asset classes moved capital into public and private real estate opportunities throughout fiscal year 2015. The first quarter of the year saw \$8 billion in commercial real estate transactions finalized as investors increased commitments to private real estate. This resulted in the broadly based NCREIF Property Index's 2.6 percent return for the quarter and the core real estate focused NFI-ODCE Index's 3.2 percent gain. With strong correlations to public equities, both global and US REITs were hit hard by investor's "risk off" sentiment in the first quarter. As investors fled to equity investments for the safety of US Treasuries, the FTSE NAREIT Index lost 2.6 percent and the global FTSE EPRA/NAREIT Index dropped 4.4 percent.

The relative strength of real estate markets continued as more than 280 commercial real estate transactions totaling \$8 billion were recorded in the second quarter of the fiscal year. Investment flows continued into private real estate, helping the NCREIF Property Index earn just over 3.0 percent. Public REITs rebounded strongly during the quarter. As investors moved back into equities the FTSE NAREIT and EPRA/NAREIT Developed REIT Indices posted some of the strongest returns of the year at 14.2 and 8.0 percent, respectively.

Real estate fundamentals improved throughout the fiscal year. Although vacancy rates in all major property types continued to decline, new property supply was entering the market at a controlled pace. This allowed rent growth to continue to climb. For the third quarter, the NCREIF Index increased by 3.6 percent while the NFI-ODCE Index of core funds posted gains of 3.2 percent. US public real estate, represented by the FTSE NAREIT Index, also rewarded investors with a solid 4.8 percent return for the quarter, and global REIT investors profited as the FTSE EPRA/NAREIT Developed REIT Index gained 4.2 percent.

Real estate returns for the fourth quarter of fiscal year 2015 were hurt by economic slowdowns in Europe and China, as well as market concerns about the timing of the initial US interest rate hike. US public REIT returns, hit hard by these factors, declined 9.9 percent, while the FTSE EPRA/NAREIT Developed REIT Index lost 6.7 percent during the period. US private real estate continued to attract strong global capital flows with 20.0 percent more foreign capital being invested in US property markets during the first half of 2015, than in all of 2014. These investors were attracted both to private real estate's higher relative yields, and to the safety offered by the US capital markets. The fourth quarter saw the NCREIF Property Index earn 3.1 percent and the NFI-ODCE Index post a 3.7 percent gain to end the year.

PRIVATE EQUITY MARKETS

Private equity investments experienced strong capital flows during all of fiscal year 2015. In the first quarter of the year, new private equity commitments of more than \$56 billion were made to 167 new partnerships. Buyouts led other private strategies with 42 funds in this space raising more than \$1 billion each in new commitments. Venture capital funds also had a strong quarter with nearly \$10 billion in new investments booked. Mergers, acquisitions, and Initial Public Offering (IPO) issuance provided multiple private equity exit opportunities during the initial quarter

of the year. Most notable was the \$25 billion IPO for the Chinese internet company, Alibaba, which set a new record for the NYSE in September. For the first quarter of fiscal year 2015, the Thomson/Cambridge Private Equity Performance Database reported an internal rate of return of 0.2 percent for its All Private Equity Index.

During the second quarter, the availability of attractive private equity investment exit opportunities persisted, resulting in large capital distributions back to investors. Offsetting these outflows was a steady pipeline of new commitments that resulted in private equity funds closing on more than \$91 billion of new capital during the quarter. Venture capital opportunities in the technology and healthcare sectors received strong investor attention, but buyout funds captured the bulk of new commitments for the period. Returns for the asset class showed improvement over the previous quarter, as the All Private Equity Index reported a 3.3 percent internal rate of return (IRR).

The quarter ended March 31 saw IPO issuance decline in both the US and Asia, while Europe saw exits surge by 146.0 percent. Buyout funds invested more than \$69 billion in US companies during the third quarter, with venture capital fund investments decreasing slightly to \$13 billion. The All Private Equity Database reported an IRR of 2.0 percent for the period.

The fiscal year concluded with private equity transaction volumes continuing to grow. Investments by buyout funds increased 8.0 percent over the previous quarter's activity, though the actual dollar transaction volume was significantly smaller. Venture capital investments totaled \$17.5 billion during the fourth quarter, marking the largest dollar volume of investments in the space since the tech bubble in 2000. The largest venture investment during the quarter went to Airbnb, the global vacation residence-sharing company. The asset class closed the year posting a 4.2 percent IRR, as reported for the Thomson/Cambridge All Private Equity database.

Fiscal Year 2015 Performance Overview

Though 2015 at times appeared primed to be another year of strong investment returns, when it came to a close on June 30, the value of the PERS portfolio had not changed much relative to where it was 12 months earlier. PERS returned 3.4 percent for the fiscal year, slightly lagging the returns of its customized Target Policy benchmark and underperforming by 0.3 percent the median fund in the Callan Associates universe of Public Funds >\$10 billion. The System's three-year total return of 11.6 percent exceeded the peer-universe median return of 10.9 percent, while the five-year return of 11.9 percent outpaced the returns of 83.0 percent of the peer universe. For the 10 years ended June 30, 2015, the portfolio returned 6.9 percent, outperforming the Target Policy benchmark return of 6.7 percent and matching the peer-universe median return.

It is important to note that the System's portfolio structure is designed to achieve success over the long term. While challenging events in the global financial markets often impact the portfolio's shorter term returns, over longer periods the System has been successful in achieving its assumed target return of 8.0 percent. This is evidenced by the 25- and 30-year returns of 8.3 and 8.9 percent, respectively.

SHORT-TERM PORTFOLIO

Cash flows generated by employee and employer contributions to the System and from ancillary income-generating activities are invested by the System's investment staff. These assets are used to fund monthly benefits, refunds, and annual Cost-of-Living-Adjustment (COLA) payments. As interest rates at the short end of the yield curve remained near zero throughout the fiscal year, the return on the short-term investment program was a modest 0.12 percent. The cash portion of the accounts managed by external investment managers is invested in interest-earning cash equivalents. All short-term investments are made in accordance with state law and policies set by the Board of Trustees.

PUBLIC EQUITY PORTFOLIO

The domestic equity portfolio experienced slightly negative returns in the first quarter of the fiscal year. Performance improved later in the year, moving into positive territory though never exceeding low single digits. The international developed equity markets portfolio also struggled throughout the year as the strong dollar eroded the returns of US investors. The international portfolio posted negative returns during the first half of the year, then like the domestic portfolio, rallied enough to produce low, single-digit positive returns for the remaining two quarters. Though ending the previous fiscal year on a strong positive note, the emerging markets portfolio struggled to post positive returns throughout most of fiscal year 2015.

The System's domestic equity portfolio returned 6.7 percent for the fiscal year, underperforming the benchmark Russell 3000 Index return of 7.3 percent and ranking in the 75th percentile of the Callan Public Plan domestic equity universe. The developed international equity portfolio saw returns of negative 3.5 percent, which beat the benchmark MSCI EAFE Index return of negative 4.2 percent for the year. Global equities posted returns of 4.9 percent, exceeding the custom benchmark return of 1.2 percent. The most disappointing returns were those of the emerging markets portfolio, which posted a negative 10.5 percent return. The benchmark MSCI Emerging Markets index came in at negative 4.8 for the same period.

Combining all segments of the public equity portfolio, the program returned 2.2 percent for the fiscal year, more than doubling the 0.8 percent return of the benchmark MSCI All Country World Investable Markets Index (ACW-IMI). The total public equity portfolio return for the three-year period ended June 30 was 14.8 percent, with the five-year return coming in at 14.4 percent. These gains also exceeded the benchmark ACW-IMI returns of 13.3 percent for the three-year and 12.2 percent for the five-year periods. For the 10 years ended June 30, the public equity portfolio's return of 7.4 percent exceeded the benchmark index return of 6.7.

As of June 30, the System had allocated 35.2 percent of the total portfolio to domestic equities; 16.3 percent to international developed markets; 5.1 percent to emerging markets; and 6.7 percent to global equities. Within the domestic equity portfolio 71.0 percent was invested in large; 18.0 percent in mid-; and 11.0 percent in small-capitalization securities.

DEBT PORTFOLIO

At the close of the year, the debt portfolio was made up of both active and passive core US portfolios; core-plus strategies that incorporate allocations to both high-yield and non-US debt into US core debt exposures; global bond portfolios; and a portfolio dedicated to emerging market debt.

The total debt portfolio's 1.7 percent return for the year slightly lagged the benchmark Barclays Aggregate Index performance by 0.2 percent. For the three- and five-year periods ended June 30, debt portfolio returns were 2.9 and 4.9 percent, again topping the Index's 1.8 and 3.4 percent returns for the same periods. The 10-year performance for the portfolio was 5.2 percent, with the Index returning 4.4 percent. The System ended the year with 20.0 percent of the total portfolio invested in debt securities. The allocations consisted of 29.4 percent core US mandates, 34.6 percent core-plus, and 25.7 percent global strategies. The remaining 10.3 percent was invested in emerging market debt.

REAL ESTATE PORTFOLIO

At June 30, the PERS real estate investment program consisted of investments in core and value-added real estate funds, a timber LLC, and public REITs. The System's total real estate investments returned 10.6 percent for the fiscal year, pulled down by exposures to public REITs and timber. The portfolio underperformed its custom benchmark return of almost 13.0 percent. The longer term three-year return of 11.7 percent slightly exceeded the benchmark return of 11.4, while the program's 12.8 percent five-year results underperformed the benchmark by 0.2 percent for the period. For the 10-year period, the real estate portfolio returned 5.0 percent, which lagged the benchmark return of 6.2 percent.

The core real estate portfolio returned 13.5 percent for the year, nearly matching the benchmark NFI-ODCE Index return of 13.6 percent. Core real estate also posted a three-year return of 12.2 percent, while the Index returned 11.9 percent for the same period. For the five years ended June 2015, the core real estate portfolio's return of 13.2 percent again almost matched the 13.3 percent return of the Index, while the 10-year return of 6.2 percent outpaced the 5.6 percent results from the Index.

The System's value-added real estate portfolio—consisting of nine limited partnership investments—posted a strong 15.4 percent return for the year to beat the benchmark NCREIF Property Index returns of 13.0 percent. The System's timber portfolio comprised of both US and non-US timber investments posted a meager 0.6 percent return for the fiscal year as the stronger dollar hurt returns from the non-US portion of the portfolio. The NCREIF Timberland Index returns for the same period were 10.0 percent. Longer term, the timber portfolio three-year return of 9.7 percent and five-year return of 6.8 percent compared more favorably to the 9.8 and 6.1 percent returns for the NCREIF Timberlands Index for the same periods.

The public REIT portfolio, comprised of both US and non-US REIT investments, returned 3.7 percent for the year and 9.4 percent for three-year period. The custom REIT portfolio benchmark returned 2.9 and 9.2 percent for the same periods. The five-year return of 12.8 percent lagged the 13.5 percent benchmark gain. Similarly, the portfolio's 10-year return of 5.9 percent lagged the benchmark return of 6.7 percent. At the end of the fiscal year, the combined public and private real estate portfolios comprised 10.0 percent of the System's total investments.

PRIVATE EQUITY PORTFOLIO

The System's private equity program, consisting of four separate fund-of-funds, was launched in late 2008. As of June 30, 2015, private equity capital commitments totaled \$2.9 billion, with approximately \$1.3 billion of capital invested. The private equity portfolio was comprised of 126 partnership commitments, including buyouts, venture capital/growth, distressed opportunity, and special situation partnerships. On a time-weighted basis, the System's private equity investments returned 14.9 percent for the fiscal year and represented approximately 5.0 percent of the System's total portfolio.

Asset Allocation

One of the most important decisions made by the Board of Trustees is that of determining the long-term asset allocation policy for the investment portfolio. The System's investment consultant conducts periodic asset/liability allocation studies that include consideration of projected future liabilities, expected risk, return, and correlations for various asset classes, and the System's statutory investment restrictions. In April 2013, the Board conducted an asset/liability study that resulted in the adoption of strategic asset allocations targets of 61.0 percent for public equities, which included 30.0 percent US equities, 16.0 percent non-US-developed, 6.0 percent emerging markets equities, and 9.0 percent global equities. The study also resulted in the adoption of a 20.0 percent target allocation for debt investments and a 1.0 percent allocation to cash equivalents. The real estate investment target remained at 10.0 percent, and the target allocation for private equity was increased from 5.0 to 8.0 percent.

It is important to note that the asset allocation decision for a public pension is unique to the individual plan and is based on that plan's specific liability requirements, as well as any statutory investment restrictions under which the investment program must operate. As a result, the System's allocation could be somewhat different than that of other public pension plans. From time to time, these differences can result in significant differences in investment returns.

DEFINED BENEFIT PLANS
ASSET ALLOCATION
AT FAIR VALUE
- JUNE 30, 2015 -



DEFINED BENEFIT PLANS
LONG-TERM TARGET
ASSET ALLOCATION
- JUNE 30, 2015 -



Investment Policies

All investment policies adopted by the Board of Trustees of the Public Employees' Retirement System of Mississippi are within the guidelines established by the Mississippi Code of 1972, Section 25-11-121.

TYPES OF INVESTMENTS: The specific types of investments in which the System is authorized to invest are enumerated in Section 25-11-121 of the Mississippi Code of 1972.

ASSET ALLOCATION: The current long-term asset allocation was adopted by the Board of Trustees in April 2013, effective beginning in July 2013. Asset allocation studies are conducted by the System at least every five years, or more frequently should significant liability changes occur.

PERFORMANCE: The performance of each investment manager is measured against an appropriate, industry-recognized index, which is used as the minimum investment return benchmark. The risk associated with each investment manager's portfolio is not expected to exceed that of the designated benchmark without a corresponding increase in returns relative to the benchmark.

Each investment manager is expected to perform above the return of the median manager in their peer universe over a rolling three-year period. The peer universe is maintained by the System's investment consultant.

The investment consultant produces quarterly performance evaluation reports for each investment manager. These reports also include performance over one-, three-, five-, and 10-year periods, if applicable. The quarterly review includes performance comparisons against the established benchmarks and peer universes. In addition to individual manager performance, each quarterly report also includes composite and total portfolio performance data. The quarterly performance review is presented to the Board by the investment consultant.

With the exception of those firms managing value-added real estate and timber funds, each active investment manager is required to make a formal presentation to the Board of Trustees in Jackson once every two years. If deemed necessary, representatives of the System also may elect to visit the investment managers at their place of business.

Summary

Fiscal year 2015 was a challenging year laced with a great deal of uncertainty, which significantly influenced the ability of investors to generate especially strong returns. The continued steady economic recovery in the US and the actions of central bankers around the globe provided some optimism for better return opportunities in the future.

Undiscouraged by the disappointing markets of a single fiscal year, the System never wavers in its focus on the long-term investment horizon. Acknowledging the uncertainty of future economic scenarios and the potential effect on investment returns, one might ask, "What is being done to ensure the financial soundness of the System?" The answer is that, by design, a pension plan investment program must focus on the long-term investment horizon.

The System is essentially a "perpetual" investor and, as such, its portfolio should be structured to provide the best returns possible over the long term within the Board of Trustees' accepted risk parameters. Acknowledging that investors will always face challenges, the System takes prudent steps to attempt to ensure that its portfolio is well positioned to meet all future financial obligations. By maintaining its focus on a long-term investment horizon, the System has managed to successfully weather many financial storms since its inception.

The uncertain nature of financial markets almost guarantees there will frequently be obstacles to face, but the Board of Trustees is committed to working steadfastly, utilizing sound investment principles to overcome any and all investment challenges in order to provide secure benefits for our membership.

Defined Benefit Plans:

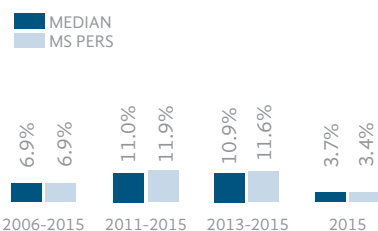
PERFORMANCE SUMMARY - FOR FISCAL YEAR ENDED JUNE 30, 2015 -

	CURRENT YEAR	ANNUALIZED	
		3-YEAR	5-YEAR
Total Plans:			
MS PERS COMBINED RETURN*	3.4%	11.6%	11.9%
MS PERS POLICY TARGET RETURN	3.7	11.1	11.1
PUBLIC FUNDS >\$10 BILLION MEDIAN	3.7	10.9	11.0
Debt Securities:			
DEBT SECURITIES MANAGERS COMPOSITE*	1.7	2.9	4.9
BARCLAYS AGGREGATE INDEX	1.9	1.8	3.4
CUSTOM BENCHMARK: 55% BARCLAYS AGGREGATE/ 25% BARCLAYS GLOBAL AGGREGATE HEDGED/ 10% BARCLAYS US TIPS/10% EMBI GLOBAL DIVERSIFIED	1.6	2.2	3.8
Domestic Equity:			
DOMESTIC EQUITY MANAGERS COMPOSITE*	6.7	17.9	17.9
RUSSELL 3000 INDEX	7.3	17.7	17.5
CUSTOM BENCHMARK: 65% S&P 500 INDEX/ 35% RUSSELL 2500 INDEX	7.0	17.8	17.6
International Equity:			
INTERNATIONAL EQUITY MANAGERS COMPOSITE*	(5.3)**	9.9	8.6
MSCI ALL COUNTRY WORLD EX-US INDEX THROUGH 6/30/13; MSCI ACWI EX-US IMI INDEX (NET) THEREAFTER	(5.0)	9.9	8.2
Global Equity:			
GLOBAL EQUITY MANAGERS COMPOSITE*	4.9	14.8	14.3
MSCI WORLD INDEX THROUGH 6/30/12; MSCI ALL COUNTRY WORLD INDEX THEREAFTER	1.2	13.6	12.7
Real Estate:			
COMMINGLED FUNDS AND REITS COMPOSITE*	10.6	11.7	12.8
MULTIPLE CUSTOM BENCHMARKS THROUGH 6/30/13; NCREIF PROPERTY INDEX THEREAFTER	13.0	11.4	13.0
Private Equity:			
PRIVATE EQUITY COMPOSITE*	14.9	15.1	11.3
S&P 500 INDEX + 5% THROUGH 3/31/13; S&P 500 INDEX + 3% THEREAFTER	10.4	20.8	21.6

*Calculations for the System are prepared using a time-weighted rate-of-return methodology based upon market values.

**Includes both developed and emerging market investments.

LARGE PUBLIC PLANS* TOTAL PLANS: ANNUALIZED RATES OF RETURN



*Public funds >\$10 billion median

Defined Benefit Plans: NON-US INVESTMENTS BY COUNTRY
- FAIR VALUE AT JUNE 30, 2015 -

ARGENTINA	0.45%	HUNGARY	0.36%	PERU	0.18%
AUSTRALIA	4.10%	ICELAND	0.11%	PHILIPPINES	0.34%
AUSTRIA	0.13%	INDIA	1.65%	POLAND	0.09%
AZERBAIJAN	0.02%	INDONESIA	1.51%	PORTUGAL	0.13%
BELGIUM	0.70%	IRELAND	2.98%	PUERTO RICO	0.02%
BERMUDA	1.23%	ISLE OF MAN	0.03%	QATAR	0.02%
BRAZIL	2.78%	ISRAEL	0.56%	ROMANIA	0.29%
BRITISH VIRGIN ISLANDS	0.14%	ITALY	1.77%	RUSSIA	1.25%
BULGARIA	0.15%	JAMAICA	0.02%	SENEGAL	0.02%
CANADA	6.89%	JAPAN	11.55%	SERBIA	0.03%
CAYMAN ISLANDS	1.66%	JERSEY CI	0.18%	SINGAPORE	1.10%
CHILE	0.26%	JORDAN	0.04%	SLOVAKIA	0.02%
CHINA	1.61%	KAZAKHSTAN	0.22%	SLOVENIA	0.21%
COLOMBIA	0.45%	KENYA	0.05%	SOUTH AFRICA	1.76%
COTE D'IVOIRE	0.13%	LATVIA	0.12%	SOUTH KOREA	2.52%
CROATIA	0.03%	LIBERIA	0.04%	SPAIN	1.93%
CURACAO	0.79%	LITHUANIA	0.22%	SRI LANKA	0.09%
CYPRUS	0.07%	LUXEMBOURG	0.65%	SUPRANATIONAL GEOGRAPHIC	0.32%
CZECH REPUBLIC	0.05%	MACAU	0.15%	SWEDEN	1.90%
DENMARK	1.18%	MALAYSIA	0.20%	SWITZERLAND	4.18%
DOMINICAN REPUBLIC	0.26%	MARSHALL ISLANDS	0.01%	TAIWAN	1.43%
ECUADOR	0.01%	MAURITIUS	0.04%	THAILAND	0.46%
EGYPT	0.14%	MEXICO	2.36%	TUNISIA	0.02%
EL SALVADOR	0.05%	MOROCCO	0.16%	TURKEY	1.11%
FINLAND	0.41%	NETHERLANDS	4.20%	UKRAINE	0.03%
FRANCE	6.42%	NEW ZEALAND	0.20%	UNITED ARAB EMIRATES	0.11%
GABON	0.01%	NIGERIA	0.02%	UNITED KINGDOM	12.01%
GERMANY	5.22%	NORWAY	0.36%	URUGUAY	0.09%
GREECE	0.07%	PAKISTAN	0.27%	VENEZUELA	0.08%
GUERNSEY CI	0.14%	PANAMA	0.22%		
HONG KONG	2.45%	PARAGUAY	0.01%		

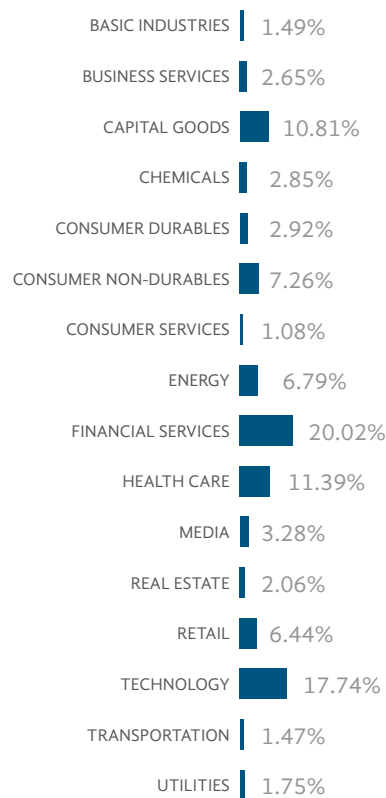
Defined Benefit Plans:
Equity Portfolio

EQUITY PORTFOLIO SUMMARY

Total Equity Securities: \$15,728,549,506	Total Number of Shares of Equity Securities Held: 1,113,901,227	Total Number of Issues of Equity Securities Held: 3,766
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EQUITY INVESTMENTS BY INDUSTRY TYPE

- FAIR VALUE AT JUNE 30, 2015 -



TEN LARGEST EQUITY HOLDINGS

	SHARES	FAIR VALUE
APPLE, INC.	1,943,643	\$243,781,423
BERKSHIRE HATHAWAY, INC.	1,264,934	172,170,167
GOOGLE, INC.	276,539	147,270,672
MICROSOFT CORPORATION	3,105,030	137,087,075
EXXON MOBIL CORPORATION	1,497,831	124,619,539
ORACLE CORPORATION	2,725,804	109,849,901
JPMORGAN CHASE & CO.	1,561,689	105,820,047
CITIGROUP, INC.	1,592,890	87,991,244
QUALCOMM, INC.	1,375,282	86,133,912
ROCHE HOLDING LTD	304,719	85,427,615
TOTALS	15,648,361	\$1,300,151,595

A complete list of portfolio holdings is available upon written request.

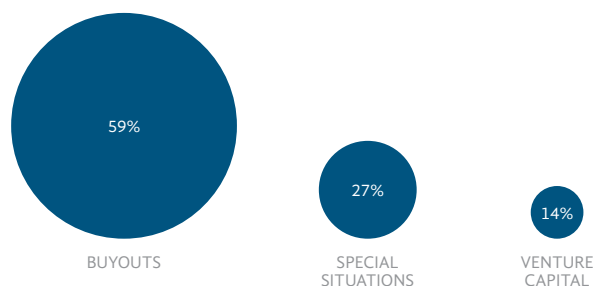
Defined Benefit Plans:
Private Equity Portfolio

PRIVATE EQUITY PORTFOLIO SUMMARY

Total Private Equity Investments:
\$1,357,012,085

PRIVATE EQUITY INVESTMENTS BY STRATEGY

- JUNE 30, 2015 -



Defined Benefit Plans:
Bond Portfolio

BOND PORTFOLIO SUMMARY*

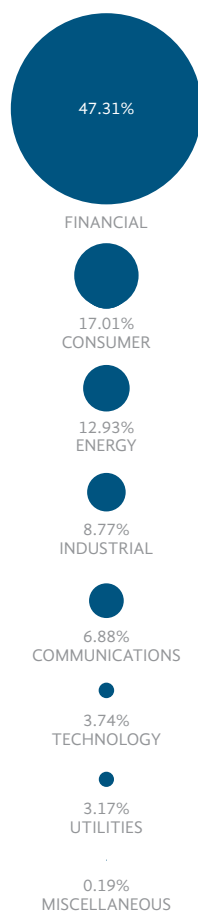
Total Bond
Investments:
\$7,216,295,636

Total Par of Bond
Investments Held:
\$67,404,774,948

Total Number
of Bond Issues Held:
4,012

CORPORATE BOND INVESTMENTS
BY INDUSTRY TYPE*

- FAIR VALUE AT JUNE 30, 2015 -



TEN LARGEST LONG-TERM
CORPORATE BOND HOLDINGS*

	PAR	FAIR VALUE
WELLS FARGO BANK NA	\$80,760,000	\$80,788,832
ROYAL DUTCH SHELL PLC	67,700,000	67,708,530
METROPOLITAN LIFE GLOBAL FUNDING I	64,350,000	64,381,210
BANK OF MONTREAL	55,200,000	55,224,454
CHEVRON CORPORATION	52,900,000	52,903,597
JOHN DEERE CAPITAL CORPORATION	51,000,000	51,018,513
IBM CORPORATION	49,800,000	49,805,926
NEW YORK LIFE GLOBAL FUNDING	46,200,000	46,222,453
TOYOTA MOTOR CREDIT CORPORATION	45,800,000	45,801,511
THE TORONTO- DOMINION BANK	44,200,000	44,153,192
TOTALS	\$557,910,000	\$558,008,218

*A complete list of portfolio holdings
is available upon written request.*

**Includes investments purchased with cash
collateral received in the securities lending program.*

Defined Benefit Plans:
Real Estate Investment Portfolio

REAL ESTATE INVESTMENT PORTFOLIO SUMMARY

Total Real Estate
Investments:
\$2,472,802,827

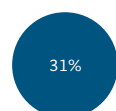
Total Number of Shares*
of Real Estate Investments Held:
333,954,349

Total Number of Issues
of REITs Held:
102

**Includes units of commingled funds and shares of REITs.*

PORTFOLIO DISTRIBUTION
BY PROPERTY TYPE

- FAIR VALUE AT JUNE 30, 2015 -



OFFICE



APARTMENTS



RETAIL



INDUSTRIAL



RESIDENTIAL



HOTELS



OTHER



TIMBER



SELF-STORAGE



HEALTH CARE

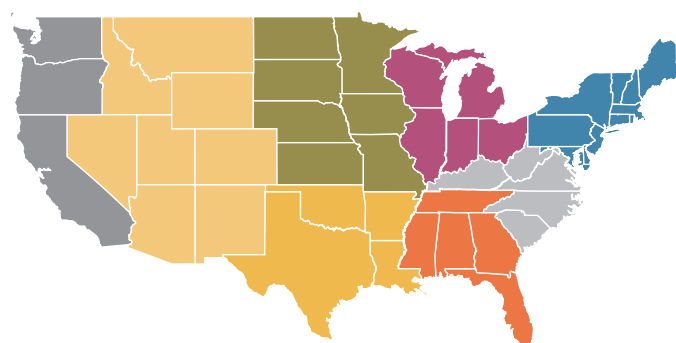
TEN LARGEST REIT HOLDINGS

	SHARES	FAIR VALUE
SIMON PROPERTY GROUP, INC.	237,010	\$41,007,470
EQUITY RESIDENTIAL	539,737	37,873,345
HEALTH CARE REIT, INC.	402,633	26,424,804
VORNADO REALTY TRUST	233,895	22,203,652
PUBLIC STORAGE	107,129	19,751,374
PROLOGIS, INC.	448,605	16,643,246
BOSTON PROPERTIES, INC.	122,269	14,799,440
GENERAL GROWTH PROPERTIES, INC.	530,635	13,616,094
ESSEX PROPERTY TRUST, INC.	61,203	13,005,638
KLEPIERRE	295,681	12,998,362
TOTALS	2,978,797	\$218,323,425

*A complete list of portfolio holdings
is available upon written request.*

PORTFOLIO DISTRIBUTION BY
GEOGRAPHIC LOCATION

- FAIR VALUE AT JUNE 30, 2015 -



PACIFIC: 29%
MOUNTAIN: 6%
MIDWEST: 1%

SOUTHWEST: 12%
EAST NORTH CENTRAL: 7%
SOUTHEAST: 9%

MIDEAST: 9%
NORTHEAST: 19%
FOREIGN: 8%

Defined Benefit Plans: NET INVESTMENT INCOME BY SOURCE

- LAST 10 FISCAL YEARS -

[in thousands]

FISCAL YEAR	BOND INTEREST INCOME	DIVIDEND INCOME	SHORT-TERM INCOME	REALIZED GAIN (LOSS) ON INVESTMENTS	APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS
2006	217,912	270,713	23,597	1,382,874	(46,746)
2007	229,244	331,397	36,578	1,014,839	1,904,107
2008	246,360	363,343	26,374	824,992	(3,192,348)
2009	224,605	296,492	14,528	(1,710,303)	(2,639,433)
2010	184,923	273,687	12,169	542,100	1,180,636
2011	185,818	326,174	14,001	1,200,877	2,560,115
2012	186,038	323,610	9,460	585,346	(1,016,522)
2013	184,775	339,386	12,390	920,422	1,198,511
2014	176,286	392,423	8,627	1,264,402	2,213,619
2015	183,456	365,567	8,045	1,450,502	(1,087,742)

TEN-YEAR TOTAL PENSION INVESTMENT RATES OF RETURN

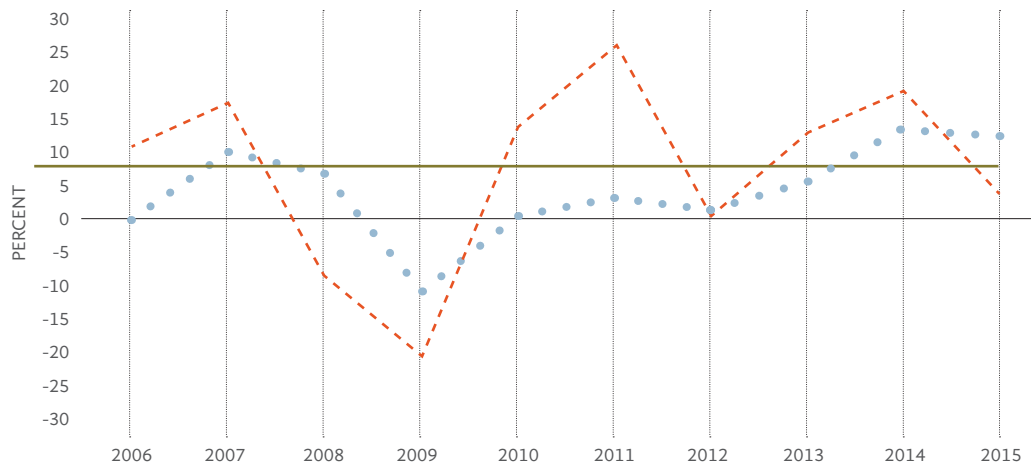
[fair value in millions]

FISCAL YEAR	TOTAL INVESTMENT PORTFOLIO FAIR VALUE	SMOOTHED RATE OF RETURN	FAIR VALUE RATE OF RETURN	ACTUARIAL ASSUMED RATE OF RETURN
2006	18,742	-	10.7	8.0
2007	21,766	10.2	18.9	8.0
2008	19,439	7.2	(8.2)	8.0
2009	15,512	(11.0)	(19.4)	8.0
2010	16,767	0.2	14.1	8.0
2011	20,314	4.0	25.4	8.0
2012	19,578	1.9	0.6	8.0
2013	21,947	6.1	13.4	8.0
2014	24,600	14.2	18.6	8.0
2015	24,735	12.3	3.4	8.0

Defined Benefit Plans: **NET INVESTMENT INCOME BY SOURCE (CONTINUED)**
- LAST 10 FISCAL YEARS -
[in thousands]

FISCAL YEAR	NET INCOME (LOSS) FROM SECURITIES LENDING	TOTAL INCOME (LOSS)	MANAGER, TRADING, AND CUSTODIAN FEES	NET INCOME (LOSS) FROM INVESTMENTS
2006	10,446	1,858,796	(32,309)	1,826,487
2007	12,647	3,528,812	(36,668)	3,492,144
2008	(1,576)	(1,732,855)	(36,631)	(1,769,486)
2009	32,433	(3,781,678)	(26,574)	(3,808,252)
2010	39,881	2,233,396	(33,904)	2,199,492
2011	18,107	4,305,092	(42,765)	4,262,327
2012	17,293	105,225	(44,299)	60,926
2013	14,645	2,670,129	(50,210)	2,619,919
2014	16,453	4,071,810	(83,449)	3,988,361
2015	13,778	933,606	(88,884)	844,722

TEN-YEAR TOTAL PENSION INVESTMENT RATES OF RETURN



- • • **Smoothed Rate of Return** consists of investment income in a surplus or deficit of the assumed 8.0 percent on fair value smoothed over a five-year period with 20.0 percent of a year's surplus or deficit being recognized each year beginning with the current year. PERS, MHSPRS, and SLRP smoothed rates have been averaged. In fiscal year 2006, PERS, MHSPRS, and SLRP actuarial assets were set equal to market value of assets. Therefore, there was no smoothed difference between actuarial and investment asset amounts. In fiscal year 2007, smoothing resumed with the additional constraint that actuarial value of assets cannot be less than 80.0 percent nor more than 120.0 percent of market value. In fiscal year 2009, the 80/120 percent corridor was eliminated for the purpose of determining actuarial value of assets. MRS is excluded as an agent multi-employer plan.
- - - **Fair Value Rate of Return** consists of cash income plus gains and losses due to changes in fair value, whether realized or unrealized (before deduction of investment fees).
- **Actuarial Assumed Rate** is the assumed rate of return on the fair value of assets and is used in establishing retirement contribution rates and in determining current benefit reserve requirements.

Defined Benefit Plans: PORTFOLIO DETAIL ILLUSTRATED BY ADVISOR

ADVISOR <i>Equities:</i>	TYPE	DATE INITIATED	FAIR VALUE PERCENT OF TOTAL PORTFOLIO*
NORTHERN TRUST GLOBAL INVESTMENT	Passive (index)	July 1985	13.92%
BLACKROCK INSTITUTIONAL TRUST COMPANY, NA	EAFE index	March 2004	5.01
LAZARD ASSET MANAGEMENT	Emerging markets	April 1998	3.82
EAGLE CAPITAL MANAGEMENT	Active - all cap	January 2005	3.33
WEDGEWOOD PARTNERS	Active - large cap growth	December 2014	2.85
STATE STREET GLOBAL ADVISORS	Passive - large cap value	September 2004	2.81
FAYEZ SAROFIM & COMPANY	Active - large cap growth	August 1980	2.33
ACADIAN ASSET MANAGEMENT, LLC	Global equity	July 2005	2.28
HARDING LOEVNER, LP	Global equity	February 2012	2.28
EPOCH INVESTMENT PARTNERS, INC.	Global equity	February 2012	2.24
ARTISAN PARTNERS LP	Active - mid cap growth	September 2002	2.21
THE BOSTON COMPANY ASSET MANAGEMENT, LLC	Active - mid cap value	October 2001	2.21
WELLINGTON MANAGEMENT COMPANY, LLP	Active - mid cap value	October 2001	2.21
JARISLOWSKY FRASER LTD	EAFE	June 2004	2.16
NS PARTNERS LTD	EAFE	July 2004	2.06
DIMENSIONAL FUND ADVISORS, INC	EAFE	August 2007	2.02
BAILLIE GIFFORD & COMPANY	MSCI ACWI ex-U.S.	August 2014	1.69
ARROWSTREET CAPITAL, LP	MSCI ACWI ex-U.S.	June 2013	1.67
WELLINGTON MANAGEMENT COMPANY, LLP	Active - small cap core	July 2002	1.34
ARTISAN PARTNERS LP	Emerging markets	February 2011	1.33
RIVERBRIDGE PARTNERS, LLC	Active - small cap growth	November 2013	1.30
DIMENSIONAL FUND ADVISORS, INC	Active - small cap value	July 2002	1.26
MONDRIAN INVESTMENT PARTNERS, INC	Small cap	May 2011	1.01
PYRAMIS GLOBAL ADVISORS	Small cap	April 2011	0.95
SUBTOTAL			64.29
<i>Debt Securities:</i>			
PRUDENTIAL FIXED INCOME	Core plus	January 2012	3.45
LOOMIS SAYLES & COMPANY, LP	Core plus	August 2009	3.42
PACIFIC INVESTMENT MANAGEMENT COMPANY - GLOBAL	Global fixed income	February 2013	2.58
ALLIANCEBERNSTEIN	Global fixed income	February 2013	2.52
WELLINGTON MANAGEMENT COMPANY, LLP	Emerging market debt	May 2010	2.03
ABERDEEN ASSET MANAGEMENT	Active - core	August 1991	1.97
BLACKROCK INSTITUTIONAL TRUST COMPANY, NA	Passive (index)	September 1986	1.95
PACIFIC INVESTMENT MANAGEMENT COMPANY	Active - core	August 1983	1.95
SUBTOTAL			19.87

*Includes cash and cash equivalents.

Defined Benefit Plans: PORTFOLIO DETAIL ILLUSTRATED BY ADVISOR (CONTINUED)

ADVISOR <i>Real Estate:</i>	TYPE	DATE INITIATED	FAIR VALUE PERCENT OF TOTAL PORTFOLIO*
UBS REALTY INVESTORS, LLC	Commingled fund - core	June 2003	2.30
PRINCIPAL GLOBAL INVESTORS	Commingled fund - core	June 2003	2.18
J.P. MORGAN INVESTMENT MANAGEMENT, INC.	Core	July 2012	1.33
DEUTSCHE ASSET & WEALTH MANAGEMENT	REITs	June 2003	1.26
COHEN & STEERS CAPITAL MANAGEMENT	Global REITs	October 2010	1.17
UBS REALTY INVESTORS, LLC	Value added	January 2011	0.56
HANCOCK TIMBER RESOURCE GROUP	Timber	March 2008	0.39
T.A. ASSOCIATES REALTY	Value added	January 2013	0.23
ANGELO GORDON & COMPANY	Fund III - value added	January 2012	0.21
HEITMAN	Fund II - value added	November 2007	0.14
AEW CAPITAL MANAGEMENT, LP	Fund VII - value added	June 2013	0.12
AEW CAPITAL MANAGEMENT, LP	Fund VI - value added	April 2010	0.11
INVESCO FUND	Fund IV - value added	April 2015	0.07
HEITMAN	Fund III - value added	November 2013	0.06
AEW CAPITAL MANAGEMENT, LP	Fund V - value added	October 2005	0.05
ANGELO GORDON & COMPANY	Fund II - value added	August 2007	0.03
SUBTOTAL			10.21
<i>Private Equity:</i>			
GCM GROSVENOR 2009	Diversified	June 2009	2.59
PATHWAY CAPITAL MANAGEMENT, LLC 2009	Diversified	December 2008	2.49
PATHWAY CAPITAL MANAGEMENT, LLC 2012	Diversified	April 2013	0.45
GCM GROSVENOR 2014	Diversified	February 2014	0.10
SUBTOTAL			5.63
TOTAL			100.00%

*Includes cash and cash equivalents.

Defined Benefit Plans: INVESTMENT FEES AND COMMISSIONS
- FOR THE YEAR ENDED JUNE 30, 2015 -

	ASSETS UNDER MANAGEMENT	FEEs
<i>Investment Managers:</i>		
EQUITIES	\$15,930,043,862	\$48,797,532
DEBT SECURITIES	4,922,541,575	10,117,362
REAL ESTATE	2,530,190,404	18,236,517
PRIVATE EQUITY	1,393,851,643	10,997,140
TOTALS	\$24,776,627,484	\$88,148,551

<i>Other Investment Service Fees:</i>	
SECURITIES LENDING AGENT/ CASH MANAGEMENT FEES	\$2,618,567
CUSTODIAN FEES FOR ANCILLARY SERVICES	40,500
INVESTMENT CONSULTANT FEES	565,770
GLOBAL OUT-OF-POCKET EXPENSES	695,144
TOTAL INVESTMENT SERVICE FEES	\$3,919,981

Defined Benefit Plans: **BROKERAGE COMMISSIONS PAID***

<i>Brokerage Firm, Including Subsidiaries:</i>	NUMBER OF SHARES TRADED	COMMISSIONS	COMMISSIONS PER SHARE
MERRILL LYNCH & COMPANY	100,014,231	\$880,031	\$0.009
JP MORGAN SECURITIES	38,405,321	543,865	0.014
MORGAN STANLEY AND COMPANY	46,828,059	533,954	0.011
CREDIT SUISSE	49,467,713	496,141	0.010
UBS AG	45,136,045	425,583	0.009
GOLDMAN SACHS & COMPANY	50,114,392	403,084	0.008
CITIGROUP, INC.	45,646,411	322,199	0.007
CAPITAL INSTITUTIONAL SERVICES, INC.	11,295,105	321,025	0.028
DEUTSCHE BANK	31,647,256	298,976	0.009
SANFORD C. BERNSTEIN CO., LLC	26,044,419	281,951	0.011
INSTINET	55,886,519	274,570	0.005
INVESTMENT TECHNOLOGY GROUP	26,857,428	193,124	0.007
JEFFERIES & COMPANY, INC.	25,063,389	186,868	0.007
CREDIT LYONNAIS SA	21,033,799	155,822	0.007
CONVERGEX GROUP, LLC	15,009,654	155,754	0.010
HSBC SECURITIES, INC.	37,949,846	138,519	0.004
BARCLAYS CAPITAL	8,245,245	117,898	0.014
ROBERT W. BAIRD & COMPANY	3,324,346	115,932	0.035
DAIWA SECURITIES GROUP, INC.	12,393,221	112,342	0.009
LIQUIDNET	4,513,770	104,422	0.023
STIFEL NICOLAUS & COMPANY	2,398,788	93,770	0.039
PERSHING LLC	5,616,116	89,305	0.016
REDBURN PARTNERS LLP	4,535,318	88,559	0.020
EXANE BNP PARIBAS SA	2,623,456	88,338	0.034
WELLS FARGO SECURITIES	2,812,607	85,984	0.031
SG AMERICAS SECURITIES	16,587,228	78,963	0.005
MACQUARIE SECURITIES	23,153,822	67,727	0.003
BTIG, LLC	1,534,114	62,093	0.040
OTHERS (LESS THAN \$60,000)	98,399,685	1,298,140	0.013
COMMISSION RECAPTURE INCOME	-	(398,428)	-
TOTALS	812,537,303	\$7,616,511	\$0.009

*Approximate figures provided by Bank of New York Mellon.

Defined Benefit Plans:

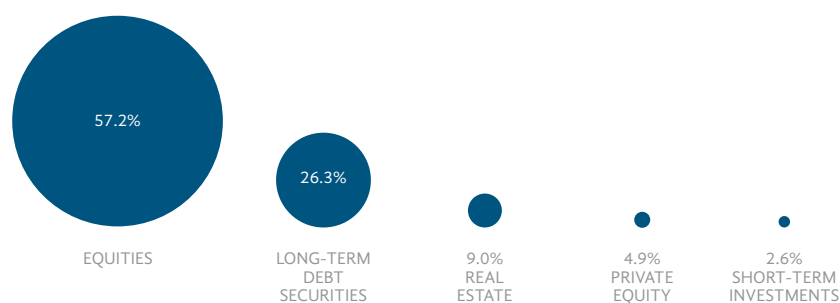
INVESTMENT SUMMARY - FOR THE YEAR ENDED JUNE 30, 2015 - [in thousands]

	JULY 1, 2014 BEGINNING FAIR VALUE*	PURCHASES	SALES AND MATURITIES	INCREASE (DECREASE) IN FAIR VALUE	JUNE 30, 2015 ENDING FAIR VALUE**	PERCENT OF TOTAL FAIR VALUE
EQUITIES	\$16,330,668	\$5,877,755	\$5,335,998	(\$1,143,874)	\$15,728,549	57.2%
LONG-TERM DEBT SECURITIES	7,730,371	7,829,166	8,143,038	(200,204)	7,216,295	26.3
PRIVATE EQUITY	973,401	288,122	19,142	114,631	1,357,012	4.9
REAL ESTATE	2,270,236	944,741	852,718	110,544	2,472,803	9.0
SHORT-TERM INVESTMENTS	1,017,615	18,823,425	19,151,944	29,981	719,079	2.6
TOTALS	\$28,322,291	\$33,763,209	\$33,502,840	(\$1,088,922)	\$27,493,738	100.0%

* Includes investment securities on loan to broker-dealers with a fair value of \$5,010,671. It also includes the securities purchased with the cash collateral received in the lending program with a fair value of \$3,722,096. 18.0% of the total fair value of investments were on loan to broker-dealers. To arrive at the net asset value of investments of \$25.3 billion, the fair value total must be adjusted by (\$3.0 billion), which represents the fair value of the cash collateral investments, cash in sweep accounts, accrued interest and dividends, and net payable cash for investments purchased.

** Includes investment securities on loan to broker-dealers with a fair value of \$3,679,058. It also includes the securities purchased with the cash collateral received in the lending program with a fair value of \$2,758,617. 13.0% of the total fair value of investments were on loan to broker-dealers. To arrive at the net asset value of investments of \$25.3 billion, the fair value total must be adjusted by (\$2.2 billion), which represents the fair value of the cash collateral investments, cash in sweep accounts, accrued interest and dividends, and net payable cash for investments purchased.

INVESTMENTS BY TYPE - FAIR VALUE AT JUNE 30, 2015 -



PERS BUILDS ON ITS INITIAL SUCCESS

*The current PERS building,
located across from the Mississippi
Capitol, was purchased in 1985.*

PUBLIC EMPLOYEES' RETIREMENT SYSTEM BUILDING

1985

BOARD OF TRUSTEES

RICHARD A. BOYD
BILL COLE
CHARLES N. DENNIS
ROBERT M. HEARIN

ROBERT M. MAYO
IRL DEAN RHODES
HOWARD SESSUMS
SAM W. VALENTINE, JR.



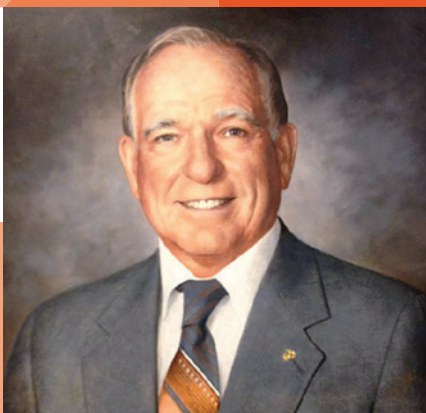
As it matured as a plan, PERS began equity investments in 1980 and expanded fixed income investment options with the hiring of external investment managers in 1983. Mississippi Deferred Compensation Plan & Trust came under the administration of PERS in 1974 and, in 1987, PERS became responsible for the management of 17 firemen's and policemen's disability and relief funds—along with two general municipal employee retirement systems. PERS-sponsored Retiree Medical and Life Insurance Plans were authorized in 1988.



*With a portfolio that had
previously been primarily
focused on bonds, PERS started
investing in stocks in 1980.*

**FRED M.
WALKER**
(1972-1989)

EXECUTIVE
SECRETARY



*The
Supplemental
Legislative Retirement
Plan was established in 1989.*





Cavanaugh Macdonald

CONSULTING, LLC

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November 4, 2015

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 addition, PERS maintains a funding policy that was revised in 2012. In order to meet the objectives listed above, the System will strive to meet the following funding goals:

- (1) To maintain an increasing ratio of system assets to accrued liabilities and reach an 80 percent minimum funded ratio in 2042;
- (2) To maintain adequate asset levels to finance the benefits promised to members;
- (3) To develop a pattern of stable contribution rates when expressed as a percentage of member payroll as measured by valuations prepared in accordance with the principles of practice prescribed by the Actuarial Standards Board, with a minimum employer contribution equal to the normal cost determined under the Entry Age Normal funding method.

In order to measure progress toward this fundamental objective and funding policy, 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, 2015. This valuation indicates that the current contribution rates of 15.75% of payroll for employers and 9.00% of payroll for active members, for benefits then in effect, meet the basic financial objective and the goals of the funding policy as listed above. There are 157,215 active members as of June 30, 2015.

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 2010 to 2014. Assets are valued according to a market

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Board of Trustees
November 4, 2015
Page 2

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 the Actuarial Standards of Practice.

The current benefit structure is outlined in the Actuarial Section. There were no changes in 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 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,

A handwritten signature in blue ink that reads 'Edward J. Koebel'.

Edward J. Koebel, FCA, EA, MAAA
Principal and Consulting Actuary

EJK:kc

S:\Mississippi PERS\Correspondence\2015\2015 PERS CAFR letter.doc



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November 4, 2015

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 addition, HSPRS maintains a funding policy that was revised in 2012. In order to meet the objectives listed above, the System will strive to meet the following funding goals:

- (1) To maintain an increasing ratio of system assets to accrued liabilities and reach an 80 percent minimum funded ratio in 2042;
- (2) To maintain adequate asset levels to finance the benefits promised to members;
- (3) To develop a pattern of stable contribution rates when expressed as a percentage of member payroll as measured by valuations prepared in accordance with the principles of practice prescribed by the Actuarial Standards Board, with a minimum employer contribution equal to the normal cost determined under the Entry Age Normal funding method.

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, 2015. This valuation indicates that contribution rates of 37.00% 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) and House Bill No. 1015 (effective July 1, 2013), for benefits then in effect, meet the basic financial objective. There are 518 active members as of June 30, 2015.

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 2010 to 2014. Assets are valued according to a market

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Board of Trustees
November 4, 2015
Page 2

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 the Actuarial Standards of Practice.

The current benefit structure is outlined in the Actuarial Section.

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,

A handwritten signature in blue ink that reads 'Edward J. Koebel'.

Edward J. Koebel, FCA, EA, MAAA
Principal and Consulting Actuary

EJK:kc

S:\Mississippi Highway Patrol\2015 Correspondence\2015 HP CAFR letter.doc



Cavanaugh Macdonald

CONSULTING, LLC

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November 4, 2015

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 addition, MRS maintains a funding policy that was revised in 2011. In this new funding policy, contributions are extended past 2020 and an employer contribution rate, expressed as a millage rate tax applied to assessed property values, is established beginning in the 2011-2012 fiscal year that will generate an ultimate reserve level equal to a reasonable percentage (initially 100% - 150%) of the next year's projected benefit payment. At that point, employer contributions will be set equal to the fiscal year's projected benefit payments and adjusted as necessary to maintain the assets at the established reserve level.

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 June 30, 2015. 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 11 active members as of June 30, 2015.

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, death and disability among MRS 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 MRS during the years 2010 to 2014. 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 the Actuarial Standards of Practice.

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Board of Trustees
November 4, 2015
Page 2

The current benefit structure is outlined in the Actuarial Section. There have been no changes in 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 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,

A handwritten signature in blue ink that reads 'Edward J. Koebel'.

Edward J. Koebel, FCA, EA, MAAA
Principal and Consulting Actuary

EJK:kc

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Cavanaugh Macdonald

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The experience and dedication you deserve

November 4, 2015

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 addition, SLRP maintains a funding policy that was revised in 2012. In order to meet the objectives listed above, the System will strive to meet the following funding goals:

- (1) To maintain an increasing ratio of system assets to accrued liabilities and reach an 80 percent minimum funded ratio in 2042;
- (2) To maintain adequate asset levels to finance the benefits promised to members;
- (3) To develop a pattern of stable contribution rates when expressed as a percentage of member payroll as measured by valuations prepared in accordance with the principles of practice prescribed by the Actuarial Standards Board, with a minimum employer contribution equal to the normal cost determined under the Entry Age Normal funding method.

In order to measure progress toward this fundamental objective and funding policy, 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, 2015. 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 and the goals of the funding policy as listed above. There are 174 active members as of June 30, 2015.

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 2010 to 2014. Assets are valued according to a market related method that recognizes 20% of the previously unrecognized and unanticipated gains and losses.

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Board of Trustees
November 4, 2015
Page 2

The assumptions and methods utilized in this valuation, in our opinion, meet the parameters established by the Actuarial Standards of Practice.

The current benefit structure is outlined in the Actuarial Section.

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,

A handwritten signature in blue ink that reads 'Edward J. Koebel'.

Edward J. Koebel, FCA, EA, MAAA
Principal and Consulting Actuary

EJK:kc

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Summary of Actuarial Assumptions & Methods

An actuarial experience study of the mortality, service, withdrawals, compensation experience of members, and valuation of assets and liabilities is performed annually to determine the actuarial soundness of the plans within the System. To validate that the assumptions recommended by the actuary are, in aggregate, reasonably related to experience, the System requests the actuary to conduct an experience investigation every other year on a rolling four-year period. The actuarial assumptions used in the June 30, 2015, valuations were based on the results of an actuarial experience study for the fiscal period 2011-2014.

Significant actuarial assumptions used to compute contribution requirements for PERS, MHSPRS, SLRP, and MRS are the same as those used to compute the standardized measure of the actuarial accrued liability. The significant assumptions include:

	PERS	MHSPRS	MRS	SLRP
VALUATION DATE	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015
ACTUARIAL COST METHOD	Entry age	Entry age	Entry age	Entry age
AMORTIZATION METHOD	Level percent open	Level percent open	Level dollar closed	Level percent open
REMAINING AMORTIZATION PERIOD	32.10 years	39.70 years	19.00 years	21.40 years
ASSET VALUATION METHOD	5-year Smoothed Market	5-year Smoothed Market	5-year Smoothed Market	5-year Smoothed Market
<i>Actuarial Assumptions:</i>				
INVESTMENT RATE OF RETURN	7.75%	7.75%	7.75%	7.75%
PROJECTED SALARY INCREASES	3.75-19.00%	4.25-9.31%	4.00-5.50%	3.75%
WAGE INFLATION RATES	3.75%	3.75%	3.75%	3.75%
INCREASE IN BENEFITS AFTER RETIREMENT	3.00%*	3.00%**	2.00-3.75%***	3.00%*

*Calculated 3.0 percent simple interest to age 55, compounded each year thereafter.

**Calculated 3.0 percent simple interest to age 60, compounded each year thereafter.

***Varies depending on municipality.

Public Employees' Retirement
System of Mississippi:
Statement of Actuarial
Assumptions & Methods

All assumptions used in the actuarial valuation were adopted by the PERS Board of Trustees when the *Experience Investigation for the Four-Year Period Ending June 30, 2014*, was adopted April 21, 2015. Following are the assumptions adopted by the PERS Board for this program.

INTEREST RATE: 7.75 percent per annum, compounded annually (net of investment expense only).

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

AGE	ANNUAL RATES OF					
	WITHDRAWAL & VESTING*		DEATH**		DISABILITY**	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
20	23.00%	28.00%	0.0159%	0.0054%	0.012%	0.011%
25	16.00	16.50	0.0346	0.0058	0.017	0.014
30	10.00	10.50	0.0318	0.0073	0.020	0.018
35	7.50	8.00	0.0337	0.0096	0.044	0.022
40	6.25	6.50	0.0390	0.0132	0.120	0.090
45	5.75	5.50	0.0513	0.0220	0.240	0.160
50	5.75	5.50	0.1859	0.0369	0.320	0.230
55	5.75	5.50	0.1466	0.0557	0.520	0.400
60	5.75	5.50	0.2391	0.0805	0.520	0.400
65	5.75	5.50	0.4076	0.1214	0.200	0.150
70	5.75	5.50	0.6921	0.2043	0.200	0.150
74	5.75	5.50	1.0147	0.3098	0.200	0.150

*For all ages, rates of 32.0 percent for first year of employment and 23.0 percent for second year.

**94.0 percent are presumed to be non-duty related, and 6.0 percent are assumed to be duty related.

AGE	ANNUAL RATES OF SERVICE RETIREMENTS			
	MALE		FEMALE	
	UNDER 25 YEARS OF SERVICE***	25 YEARS OF SERVICE & OVER***	UNDER 25 YEARS OF SERVICE***	25 YEARS OF SERVICE & OVER***
45	-%	19.00%	-%	16.00%
50	-	14.00	-	12.00
55	-	18.00	-	18.00
60	10.00	20.00	12.50	22.00
62	20.00	33.00	18.00	36.00
65	23.00	30.00	27.50	42.00
70	19.00	25.00	23.00	23.00
75	100.00	100.00	100.00	100.00

***For Tier 4 member, 30 years of service.

SALARY INCREASES: Representative values of the assumed annual rates of salary increase are as follows:

SERVICE	ANNUAL RATES OF SALARY INCREASES		
	MERIT & SENIORITY	BASE (ECONOMY)	INCREASE NEXT YEAR
0	15.25%	3.75%	19.00%
1	5.25	3.75	9.00
2	2.75	3.75	6.50
3	1.75	3.75	5.50
4	1.25	3.75	5.00
5-7	0.75	3.75	4.50
8-27	0.25	3.75	4.00
28 & OVER	-	3.75	3.75

PAYROLL GROWTH: 3.75 percent per annum, compounded annually.

ADMINISTRATIVE EXPENSES: 0.23 percent of payroll.

TIMING OF DECREMENTS AND PAY INCREASES: Middle of year.

DEATH AFTER RETIREMENT: The table for post-retirement mortality used in evaluating allowances to be paid is the RP-2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2016 with male rates set forward one year. The RP-2014 Disabled Retiree Table set forward five years for males and four years for females was used for the period after disability retirement. This assumption is used to measure the probabilities of each benefit payment being made after retirement. Mortality improvement is anticipated under this assumption as recent mortality experience shows actual deaths 9.3 percent greater than expected under the selected table for non-disability mortality and 6.3 percent greater than expected under the selected table for disability mortality.

MARRIAGE ASSUMPTION: 85.0 percent married with the husband three years older than wife.

UNUSED SICK LEAVE: 0.5 years at retirement.

MILITARY SERVICE: 0.25 years at retirement.

DEFERRED VESTED: 40.0 percent of vested participants will forfeit their accrued benefit and receive their employee contributions with interest.

VALUATION METHOD: The valuation is prepared on the projected benefit basis, which is used to determine the present value of each member's expected benefit payable at retirement, disability, or death. The calculations are based on the member's age, years of service, sex, compensation, expected future salary increases, and an assumed future interest earnings rate (currently 7.75 percent). The calculations consider the probability of a member's death or termination of employment prior to becoming eligible for a benefit and the probability of the member terminating with a service, disability, or survivor's benefit. The present value of the expected benefits payable to active members is added to the present value of the expected future payments to current benefit recipients to obtain the present value of all expected benefits payable to the present group of members and survivors.

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

The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made for pension benefits to determine the uniform and constant percentage rate of employer contribution that, if applied to the compensation of the average new member during the entire period of his or her anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his or her behalf.

The unfunded accrued liability is determined by subtracting the current assets and the present value of prospective employer normal contributions and member contributions from the present value of expected benefits to be paid from PERS. The accrued liability contribution amortizes the balance of the unfunded accrued liability over a period of years from the valuation date.

ASSET VALUATION METHOD: Market value—five-year smoothing is the method used for asset valuation. 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 20.0 percent of the difference between market value and expected market value.

Mississippi Highway Safety
Patrol Retirement System:
Statement of Actuarial
Assumptions & Methods

All the assumptions used in the actuarial valuation were adopted by the MHSPRS Advisory Board when the *Experience Investigation for the Four-Year Period Ending June 30, 2014*, was adopted April 22, 2015. Following are the assumptions adopted by the PERS Board for this program.

INTEREST RATE: 7.75 percent per annum, compounded annually (net of investment expenses only).

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

AGE	ANNUAL RATES OF						
	WITHDRAWAL & VESTING	DEATH		DISABILITY		SERVICE	SERVICE RETIREMENT*
		MALES	FEMALES	NON-DUTY	DUTY		
25	4.00%	0.03%	0.01%	0.10%	0.01%	5	5.00%
30	3.50	0.03	0.01	0.12	0.02	10	5.00
35	2.50	0.03	0.01	0.16	0.05	15	5.00
40	1.00	0.04	0.01	0.20	0.07	20	5.00
45	1.00	0.05	0.02	0.30	0.06	25	10.00
50	0.50	0.09	0.04	0.50	0.05	30	25.00
55	-	0.15	0.06	0.91	0.02	35	25.00
60	-	0.24	0.08	1.55	0.01	40+	100.00%

*The annual rate of service retirement is 100.0 percent at age 61.

It is assumed that a member will be granted one and three-quarter years of service credit for unused leave at termination of employment. In addition, it is assumed that, on average, one quarter 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 increases are as follows:

AGE	ANNUAL RATES OF		
	MERIT & SENIORITY	BASE (ECONOMY)	INCREASE NEXT YEAR
20	5.56%	3.75%	9.31%
25	2.31	3.75	6.06
30	1.49	3.75	5.24
35	1.49	3.75	5.24
40	1.49	3.75	5.24
45	1.00	3.75	4.75
50	0.50	3.75	4.25
55	0.50	3.75	4.25

PAYROLL GROWTH: 3.75 percent per annum, compounded annually.

PRICE INFLATION: 3.0 percent per annum, compounded annually.

ADMINISTRATIVE EXPENSES: 0.23 percent of payroll.

TIMING OF DECREMENT AND PAY INCREASES: Middle of year.

DEATH AFTER RETIREMENT: The table for post-retirement mortality used in evaluating allowances to be paid was the RP-2014 Healthy Annuitant Blue Collar Mortality Table Projected to 2016 by Scale BB (set forward one year for males). The RP-2014 Disabled Retiree Mortality Table (set forward five years for males and set forward four years for females) was 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: 100.0 percent married with the husband three years older than wife.

VALUATION METHOD: The valuation is prepared on the projected benefit basis, which is used to determine the present value of each member's expected benefit payable at retirement, disability, or death. The calculations are based on the member's age, years of service, sex, compensation, expected future salary increases, and an assumed future interest earnings rate (currently 7.75 percent). The calculations consider the probability of a member's death or termination of employment prior to becoming eligible for a benefit and the probability of the member terminating with a service, disability, or survivor's benefit. The present value of the expected benefits payable to active members is added to the present value of the expected future payments to current benefit recipients to obtain the present value of all expected benefits payable to the present group of members and survivors.

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

The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made for pension benefits to determine the uniform and constant percentage rate of employer contribution that, if applied to the compensation of the average new member during the entire period of his or her anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his or her behalf.

The unfunded accrued liability is determined by subtracting the current assets and the present value of prospective employer normal contributions and member contributions from the present value of expected benefits to be paid from the MHSPRS. The accrued liability contribution amortizes the balance of the unfunded accrued liability over a period of years from the valuation date.

ASSET VALUATION METHOD: Market value—five-year smoothing is the method used for asset valuation. 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 20.0 percent of the difference between market value and expected market value.

Municipal Retirement Systems: Statement of Actuarial Assumptions & Methods

All the assumptions used in the actuarial valuation were adopted by the PERS Board of Trustees when the *Experience Investigation for the Four-Year Period Ending June 30, 2014*, was adopted on April 21, 2015. Following are the assumptions adopted by the PERS Board for this program.

INTEREST RATE: 7.75 percent per annum, compounded annually (net after investment expenses) for prior funding policy rate determination and GASB disclosure.

6.5 percent per annum, compounded annually (net after investment expenses) for current funding policy rate determination.

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

AGE	ANNUAL RATES OF				
	WITHDRAWAL	DEATH		DISABILITY	
		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

YEARS OF SERVICE	SERVICE RETIREMENT
20	45.00%
21-28	17.50
29-33	35.00
34 & OVER	20.00
AGE 65	100.00

SALARY INCREASES: 4.25 percent for wage inflation, plus the following chart:

AGES	MERIT & SENIORITY SALARY INCREASE
UNDER 43	1.75%
43-47	1.25
48-52	0.75
53 & OVER	0.25

PRICE INFLATION: 3.5 percent per annum, compounded annually.

DEATH AFTER RETIREMENT: The mortality table, for post-retirement mortality, used in evaluating allowances to be paid is the RP-2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2016 with male rates set forward one year. The RP-2014 Disabled Retiree Table set forward five years for males and four years for females was used for the period after disability retirement. This assumption is used to measure the probabilities of each benefit payment being made after retirement. Mortality improvement is anticipated under this assumption.

MARRIAGE ASSUMPTION: 85.0 percent married with the husband three years older than 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: 2.0 percent per annum, compounded annually (used in determining the millage rate under the prior funding policy).

EXPENSE LOAD: 2.0 percent of employer contributions.

ASSET VALUATION METHOD: Market value—five-year smoothing is the method used for asset valuation. 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 20.0 percent of the difference between market value and expected market value. 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 & Methods

All assumptions used in the actuarial valuation were adopted by the PERS Board of Trustees when the *Experience Investigation for the Four-Year Period Ending June 30, 2014*, was adopted April 21, 2015. Following are the assumptions adopted by the PERS Board for this program.

INTEREST RATE: 7.75 percent per annum, compounded annually (net of investment expenses only).

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

AGE	ANNUAL RATES OF		
	DEATH		DISABILITY*
	MALE	FEMALE	
20	0.02%	0.01%	0.04%
25	0.03	0.01	0.05
30	0.03	0.01	0.07
35	0.03	0.01	0.11
40	0.04	0.01	0.17
45	0.05	0.02	0.23
50	0.09	0.04	0.30
55	0.15	0.06	0.35
60	0.24	0.08	0.40
65	0.41	0.12	-
70	0.69	0.20	-
75	1.12	0.34	-

*94.0 percent are presumed to be non-duty related, and 6.0 percent are assumed to be duty related.

WITHDRAWAL AND VESTING: 20.0 percent in an election year, none in a non-election year.

SERVICE RETIREMENT: 25.0 percent in an election year, none in a non-election year. All members are assumed to retire no later than age 80. It is assumed that a member will be granted two and a half years of service credit for unused leave at termination of employment.

PRICE INFLATION: 3.0 percent per annum, compounded annually.

PAYROLL GROWTH: 3.75 percent per annum, compounded annually.

ADMINISTRATIVE EXPENSES: 0.23 percent of payroll.

TIMING OF DECREMENTS AND PAY INCREASES: Middle of year.

SALARY INCREASES: 3.75 percent per annum, for all ages.

DEATH AFTER RETIREMENT: The table for post-retirement mortality used in evaluating allowances to be paid was the RP-2014 Healthy Annuitant Blue Collar Mortality Table Projected to 2016 by Scale BB (set forward one year for males). The RP-2014 Disabled Mortality Table (set forward five years for males and set forward four years for females) was 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: 85.0 percent married with the husband three years older than wife.

VALUATION METHOD: The valuation is prepared on the projected benefit basis, which is used to determine the present value of each member's expected benefit payable at retirement, disability, or death. The calculations are based on the member's age, years of service, sex, compensation, expected future salary increases, and an assumed future interest earnings rate (currently 7.75 percent). The calculations consider the probability of a member's death or termination of employment prior to becoming eligible for a benefit and the probability of the member terminating with a service, disability, or survivor's benefit. The present value of the expected benefits payable to active members is added to the present value of the expected future payments to current benefit recipients to obtain the present value of all expected benefits payable to the present group of members and survivors.

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

The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made for pension benefits to determine the uniform and constant percentage rate of employer contribution that, if applied to the compensation of the average new member during the entire period of his or her anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his or her behalf.

The unfunded accrued liability is determined by subtracting the current assets and the present value of prospective employer normal contributions and member contributions from the present value of expected benefits to be paid from SLRP. The accrued liability contribution amortizes the balance of the unfunded accrued liability over a period of years from the valuation date.

ASSET VALUATION METHOD: Market value—five-year smoothing is the method used for asset valuation. 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 20.0 percent of the difference between market value and expected market value.

Public Employees' Retirement
System of Mississippi:
Summary of Main System
Provisions as Interpreted
for Valuation Purposes

SUMMARY OF MAIN BENEFIT AND CONTRIBUTION PROVISIONS

The following summary presents the main benefit and contribution provisions of the System in effect June 30, 2015, 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 July 1 and ending June 30. "Credited service" means service while a contributing member plus additional service as described below. "Unused sick and vacation leave" means service credit is provided at no charge to members for unused sick and vacation time that has accrued at the time of retirement. "Additional service" means additional service credit may be granted for service prior to February 1, 1953, active-duty military service, out-of-state service, professional leave, and non-covered and retroactive service.

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

DATE FROM	DATE 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
7/1/11	12/31/11	12.00	245,000	9.00	245,000
1/1/12	6/30/12	12.93	245,000	9.00	245,000
7/1/12	6/30/13	14.26	250,000	9.00	250,000
7/1/13	6/30/14	15.75	255,000	9.00	255,000
7/1/14	6/30/15	15.75	260,000	9.00	260,000
7/1/15	6/30/16	15.75	265,000	9.00	265,000

*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 membership service. A retirement allowance may also be paid upon the completion of 25 years of creditable service for members hired prior to July 1, 2011, or upon the completion of 30 years of creditable service for members hired on or after July 1, 2011.
- b) Any member who withdraws from service prior to his or her attainment of age 60 and who has completed at least eight years* of membership service is entitled to receive, in lieu of a refund of his or her accumulated contributions, a retirement allowance commencing at age 60.

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

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 that is the actuarial equivalent of the member's accumulated contributions at the time of his or her retirement, plus
2. For a member hired prior to July 1, 2011, an employer's annuity that, together with the member's annuity, is equal to 2.0 percent of his or her average compensation for each of the first 25 years of creditable service plus 2.5 percent for each year of creditable service over 25 years.
3. For a member hired on or after July 1, 2011, an employer's annuity that, together with the member's annuity, is equal to 2.0 percent of his or her average compensation for each of the first 30 years of creditable service plus 2.5 percent for each year of creditable service over 30 years. An actuarial reduction will be made for each year of creditable service below 30 or for each year of age below 65, whichever is less.

For members hired prior to July 1, 2011, the minimum allowance is \$120 for each year of creditable service.

DISABILITY RETIREMENT

Condition for Retirement

A retirement allowance is paid to a member who is totally and permanently disabled, as determined by the Board of Trustees, and who has accumulated eight or more years* of membership service.

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

Amount of Allowance

For those who were active members prior to July 1, 1992, and did not elect the benefit structure outlined below, the annual disability retirement allowance payable is equal to a superannuation retirement allowance if the member has attained age 60; otherwise it is equal to a superannuation retirement allowance calculated as follows:

1. A member's annuity equal to the actuarial equivalent of his or her accumulated contributions at the time of retirement, plus
2. An employer's annuity equal to the amount that would have been payable had the member continued in service to age 60.

For those who become active members after June 30, 1992, and for those who were active members prior to July 1, 1992, who so elected, the following benefits are payable:

1. A temporary allowance equal to the greater of (a) 40.0 percent of average compensation plus 10.0 percent for each dependent child up to a maximum of two, 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 & 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 & later	one year

For members hired prior to July 1, 2011, 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 40.0 percent of average compensation, or (b) the member's accrued allowance.

For members hired prior to July 1, 2011, 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 50.0 percent 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 50.0 percent of average compensation payable to the spouse and 25.0 percent of average compensation payable to one dependent child or 50.0 percent to two or more children until age 19 (23 if a full-time student). There is no minimum benefit.

ORDINARY DEATH BENEFIT

Condition for Benefit

Upon the death of a member who has completed at least eight years* of membership service, a benefit is payable (in lieu of a refund of the member's accumulated contributions) to his or her spouse, if said spouse has been married to the member for not less than one year.

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

Amount of Allowance

The annual retirement allowance payable to the lawful spouse of a vested member who dies is equal to the greater of:

1. The allowance that would have been payable had the member retired and elected Option 2, reduced by an actuarially determined factor based on the number of years the member lacked in qualifying for unreduced retirement benefits, or
2. A lifetime benefit equal to 20.0 percent of the deceased member's average compensation, but not less than \$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 10.0 percent of average compensation or \$50 per month for each dependent child up to three.

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, plus 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.

Interest is currently credited to the member's account at 3.5 percent per annum.

NORMAL FORM OF BENEFIT

The normal form of benefit (modified cash refund) 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 or she receives the value of his or her 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, 50.0 percent of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary and the other 50.0 percent of his or her reduced retirement allowance to some other designated beneficiary.

- Option 4. Upon his or her death, 75.0 percent of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary.
- Option 4A. Upon his or her death, 50.0 percent 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 he or she 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.

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

A member hired prior to July 1, 2011, and who has at least 28 years of creditable service* or a member hired on or after July 1, 2011, who has at least 33 years of creditable service may select the Partial-Lump-Sum Option (PLSO) 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 PLSO 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.

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

POST-RETIREMENT ADJUSTMENTS IN ALLOWANCES

The allowances of retired members are adjusted annually by an amount equal to:

- a) 3.0 percent 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) 3.0 percent compounded for each year thereafter beginning with the fiscal year in which the member turns age 55*.

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

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

CONTRIBUTIONS

Members contribute 9.0 percent of compensation. The Board of Trustees sets employer contribution rates for PERS, as per Mississippi statute. The adequacy of these rates is checked annually by actuarial valuation. Refer to Note 7 of the basic financial statements for additional information.

Mississippi Highway Safety
Patrol Retirement System:
Summary of Main System
Provisions as Interpreted
for Valuation Purposes

SUMMARY OF MAIN BENEFIT AND CONTRIBUTION PROVISIONS

The following summary presents the main benefit and contribution provisions of the System in effect June 30, 2015, 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 consecutive 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. "Credited service" means service while a contributing member plus additional service as described below. "Unused sick and vacation leave" means service credit is provided at no charge to members for unused sick and vacation time that has accrued at the time of retirement. "Additional service" means additional service credit may be granted for service prior to July 1, 1958, active-duty military service, and retroactive service.

The maximum covered earnings for employers and members over the years are as follows:

DATE FROM	DATE TO	EMPLOYER RATE	MAXIMUM COVERED EARNINGS*	MEMBER 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	12/31/2011	30.30	-	7.25	-
1/1/2012	6/30/2012	35.21	-	7.25	-
7/1/2012	6/30/2016	37.00	-	7.25	-

*Maximum covered earnings equal wages paid, not to exceed wages paid to the Commissioner of the Department of Public Safety (currently \$146,850).

Effective July 1, 2015, additional contributions from Senate Bill No. 2659 and House Bill No. 1015 are estimated to be \$3,600,000.

Benefits

SUPERANNUATION RETIREMENT

Condition for Retirement

- A retirement allowance is payable to any member who retires and has attained age 55 and completed at least five years of membership 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 63 shall be retired forthwith. Effective July 1, 2011, the Commissioner of Public Safety is authorized to allow a member who has attained age 63 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 that is the actuarial equivalent of the member's accumulated contributions at the time of his or her retirement; plus
2. An employer's annuity that, together with the member's annuity, is equal to 2.5 percent of his or her average compensation for each year of membership service; plus
3. A prior service annuity equal to 2.5 percent of average compensation for each year of prior service.

The aggregate amounts of (2) and (3) above shall not exceed 100.0 percent of average compensation, regardless of service, for retirements on or after January 1, 2000; 85.0 percent 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 below.

YEARS OF SERVICE	MONTHLY BENEFIT
LESS THAN 10	\$250
10-15	300
15 OR MORE	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 3.0 percent for each year of age below age 55, or 3.0 percent 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 five years of membership service to be eligible for retirement.

Amount of Allowance

The annual disability retirement allowance payable is equal to the greater of 50.0 percent of his or her average salary for the two 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 patrol officer who is eligible for service retirement, family benefits are payable equal to those that would have been payable had he or she been retired on his or her date of death.

Upon the death of a highway patrol officer 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 of the member's average compensation.
- b) 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 patrol officer who has retired for service or disability and who has not elected any other optional form of benefit, his widow or her widower is eligible for a benefit equal to 50.0 percent of his or her retirement allowance and each child (but not more than two) who has not attained age 19 (23 if a full-time student) is eligible for a benefit equal to 25.0 percent 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.

Interest is currently credited to the member's account at 3.5 percent per annum.

NORMAL FORM OF BENEFIT

The normal form of benefit is an allowance payable during the life of the member. Upon death the benefits described above are payable.

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 or she receives the value of his or her 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, 50.0 percent of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary and the other 50.0 percent of his or her reduced retirement allowance to some other designated beneficiary.
- Option 4. Upon his or her death, 75.0 percent of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary.
- Option 4A. Upon his or her death, 50.0 percent 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 he or she 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 Option 2, Option 4, or Option 4A at retirement may revert to the normal form of benefit if the designated beneficiary predeceases the retired member or if the retired member divorces the designated beneficiary. A member who elects the normal form of benefit or Option 1 at retirement may select Option 2, Option 4, or Option 4A to provide beneficiary protection to a new spouse if married after retirement.

A member who qualifies for an unreduced retirement allowance may select the PLSO 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 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) 3.0 percent 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) 3.0 percent 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 for each full fiscal year of retirement through June 30, 1999, plus \$1 per month for each year of credited service. The benefits were increased July 1, 1999.

**This age will be reduced in five phases to age 55 if the actuary certifies that reducing the age will not result in the amortization period of the unfunded accrued liability exceeding 20 years.*

CONTRIBUTIONS

Members contribute 7.25 percent of compensation and the employer contributes that additional amount necessary to fund the benefits outlined above on a full actuarial reserve funding basis.

Municipal Retirement Systems:
Summary of Main System
Provisions as Interpreted
for Valuation Purposes

Benefits

SUMMARY OF BENEFIT PROVISIONS EVALUATED

The following summary presents the main provisions of the Systems in effect June 30, 2015, 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.

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 firefighter or police officer 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. 50.0 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 66.67 percent (87.0 percent for the city of 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 due to causes 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 50.0 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 due to causes in the performance of duty, the allowance is equal to 2.5 percent times credited service, not in excess of 20, times his or her salary at the time of retirement for firefighters and police officers, 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 five 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 the cities of 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 firefighters and police officers 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 66.67 percent (87.0 percent for the city of Clinton) of average compensation.

For general employee members under condition (c), the annual benefit payable is equal to 50.0 percent of salary at the time of death.

REFUND OF CONTRIBUTIONS

Upon a member's termination of employment for any reason before retirement, his or her 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	750
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 cities adjustments are limited as follows:

- Biloxi: 3.0 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 3.0 percent per year (not to exceed 9.0 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 10.0 percent) for service retirements only.
- Columbus: Maximum of 2.5 percent per year (not to exceed 25.0 percent) for all retirees and beneficiaries.
- Greenville: Maximum of 2.5 percent per year (not to exceed 25.0 percent) for all retirees and beneficiaries.

Gulfport: Maximum of 3.0 percent per year (not to exceed 27.0 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 2.0 percent per year (not to exceed 6.0 percent) for those retiring before July 1, 2001.

Hattiesburg: 2.5 percent per year for all retirees and beneficiaries (not to exceed 30.0 percent).

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

Laurel: 2.0 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 10.0 percent).

Pascagoula: Maximum of 2.5 percent per year for all retirees and beneficiaries (not to exceed 15.0 percent).

Vicksburg: 3.0 percent per year for all retirees and beneficiaries.

Yazoo City: Maximum of 2.5 percent per year (not to exceed 25.0 percent) for all retirees and beneficiaries.

Post-retirement adjustments are included in System liabilities for future increases for the cities of 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 5.0 percent in allowances effective December 1, 1991. Additional 3.0 percent ad hoc benefit increases were granted to members retired at least one 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 2.0 percent ad hoc benefit increase was granted to members retired at least one full fiscal year as of September 30, 1999, and a 2.34 percent ad hoc benefit increase was granted to members retired at least one full fiscal year as of September 30, 2001. Furthermore, a 2.0 percent ad hoc benefit increase was granted to members retired at least one full fiscal year as of September 30, 2010. Furthermore, a 2.0 percent ad hoc benefit increase was granted to members retired at least one full fiscal year as of September 30, 2014.

All Gulfport retirees and beneficiaries who were receiving a retirement allowance as of June 30, 2002, were granted a monthly ad-hoc benefit 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 (dollars in thousands):

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	345.10%
1997-98	1997	14,727	14,200	(527)	96.40
1998-99	1998	13,803	13,770	(33)	99.80
1999-00	1999	12,364	14,162	1,798	114.50
2000-01	2000	11,276	14,201	2,925	125.90
2001-02	2001	10,823	14,338	3,515	132.50
2002-03	2002	11,989	13,979	1,990	116.60
2003-04	2003	13,286	13,890	604	104.50
2004-05	2004	14,091	14,173	82	100.60
2005-06	2005	15,397	15,635	238	101.50
2006-07	2006	15,426	14,976	(450)	97.10
2007-08	2007	15,219	16,132	913	106.00
2008-09	2008	14,765	16,892	2,127	114.40
2009-10	2009	17,739	21,426	3,687	120.80
2010-11	2010	18,576	22,791	4,215	122.70
2011-12	2011	18,751	23,823	5,072	127.00
2012-13	2012*	19,512	20,017	505	102.60
2013-14	2013*	19,344	20,395	1,051	105.40

*Municipal Retirement Systems' plan year changed from September 30 to June 30 beginning in fiscal year 2013.

Supplemental Legislative
Retirement Plan:
**Summary of Main System
Provisions as Interpreted
for Valuation Purposes**

SUMMARY OF MAIN BENEFIT AND CONTRIBUTION PROVISIONS

The following summary presents the main benefit and contribution provisions of the Plan in effect June 30, 2015, 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 July 1 and ending June 30. "Eligibility service" means service while a contributing member of PERS plus additional service as described below. (Old: "Eligibility service" is all service in PERS, including that credited for SLRP service.) "Credited Service" means service while a contributing member of SLRP plus additional service as described below. (Old: "Creditable service" includes only SLRP service.) "Unused sick and vacation leave" means service credit is provided at no charge to members for unused sick and vacation time that has accrued at the time of retirement. "Additional service" means additional service credit may be granted for service prior to July 1, 1989, including active-duty military service.

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

DATE FROM	DATE TO	EMPLOYER RATE	MAXIMUM COVERED EARNINGS	MEMBER 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	12/31/2011	6.65	245,000	3.00	245,000
1/1/2012	6/30/2012	7.40	245,000	3.00	245,000
7/1/2012	6/30/2013	7.40	250,000	3.00	250,000
7/1/2013	6/30/2014	7.40	255,000	3.00	255,000
7/1/2014	6/30/2015	7.40	260,000	3.00	260,000
7/1/2015	6/30/2016	7.40	265,000	3.00	265,000

Benefits SUPERANNUATION RETIREMENT

Condition for Retirement

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

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

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 that is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement, plus

2. An employer's annuity that, together with the member's annuity, is equal to 1.0 percent of his or her average compensation for each of the first 25 years of creditable service plus 1.25 percent for each year of creditable service over 25 years.

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

DISABILITY RETIREMENT

Condition for Retirement

A retirement allowance is paid to a member who is totally and permanently disabled, as determined by the Board of Trustees and has accumulated eight or more years* of membership service under PERS.

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

Amount of Allowance

For those who were active members prior to July 1, 1992, and did not elect the benefit structure outlined below, the annual disability retirement allowance payable is equal to a superannuation retirement allowance if the member has attained age 60, otherwise it is equal to a superannuation retirement allowance calculated as follows:

1. A member's annuity equal to the actuarial equivalent of his or her accumulated contributions at the time of retirement, plus
2. An employer's annuity equal to the amount that would have been payable had the member continued in service to age 60.

For those who become active members after June 30, 1992, and for those who were active members prior to July 1, 1992, who so elected, the following benefits are payable:

1. A temporary allowance equal to the greater of (a) 20.0 percent of average compensation plus 5.0 percent for each dependent child up to a maximum of two, 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 & 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 & 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 20.0 percent 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 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 25.0 percent 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 performance of duty.

Amount of Allowance

The annual retirement allowance is equal to 25.0 percent of average compensation payable to the spouse and 12.5 percent of average compensation payable to one dependent child or 25.0 percent to two or more children until age 19 (23 if a full-time student). There is no minimum benefit.

ORDINARY DEATH BENEFIT

Condition for Benefit

Upon the death of a member who has completed at least eight years* of membership service, a benefit is payable (in lieu of a refund of the member's accumulated contributions) to his or her spouse, if said spouse has been married to the member for not less than one year.

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

Amount of Allowance

The annual retirement allowance payable to the lawful spouse of a vested member who dies is equal to the greater of:

1. The allowance that would have been payable had the member retired and elected Option 2, reduced by an actuarially determined factor based on the number of years the member lacked in qualifying for unreduced benefits, or
2. A lifetime benefit equal to 20.0 percent of the deceased member's average compensation, but not less than \$25 per month.

In addition, a benefit is payable to dependent children until age 19 (23 if a full-time student). The benefit is equal to the greater of 5.0 percent of average compensation or \$25 per month for each dependent child up to three.

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.

Interest is currently credited to the member's account at 3.5 percent per annum.

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 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, 50.0 percent of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary and the other 50.0 percent of his or her reduced retirement allowance to some other designated beneficiary.
- Option 4. Upon his or her death, 75.0 percent of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary.
- Option 4A. Upon his or her death, 50.0 percent of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary.
- Option 4B. A reduced retirement allowance shall be continued throughout the life of the pensioner, but with the further guarantee of payment to the pensioner, or his or her beneficiary for a specified number of years certain.
- Option 4C. A member may elect any option with the added provision that the member shall receive, so far as possible, the same total amount annually (considering both SLRP and Social Security benefits) before and after the earliest age at which the member becomes eligible for a Social Security benefit.
This option was only available to those who retired prior to July 1, 2004.

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

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

A member who has at least 28 years of creditable service* under PERS may select a PLSO 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 PLSO 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.

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

POST-RETIREMENT ADJUSTMENTS IN ALLOWANCES

The allowances of retired members are adjusted annually by an amount equal to:

- a) 3.0 percent 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) 3.0 percent compounded for each year thereafter beginning with the fiscal year in which the member turns age 55.

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 3.0 percent of covered earnings. The employer contributes that additional amount necessary to fund the benefits outlined above on a full actuarial reserve funding basis.

Changes in Plan Provisions

The Mississippi Legislature ended its 2015 legislative session with various changes to the Mississippi Code of 1972 plan provisions of the Public Employees' Retirement System of Mississippi. Legislation is effective July 1, 2015.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI (PERS)

House Bill 825 – Regular Session

- » Personal Service Contract Review Board—amends Miss. Code Ann. § 25-9-120 to revise the process of awarding contracts for all state agencies.

House Bill 1127 - Regular Session

- » Iran Divestment Act—amends Miss. Code Ann. § 9-1-105 to prohibit the Public Employees' Retirement System from investing with persons engaged in investment activities in Iran; to hold harmless officers, employees, and agents of the System for claims arising from decisions to restrict investments under this act.

VALUATION ASSETS & FUNDING PROGRESS

Funding of the actuarial accrued liability is intended to help users assess each plan's funding status on a going-concern basis and assess progress being made in accumulating sufficient assets to pay benefits when due. Actuarial values of assets for PERS, MHSPRS, MRS, and SLRP are based on a smoothed fair value basis that recognizes 20.0 percent of the unrecognized and unanticipated gains and losses. The actuarial valuation of assets recognizes assumed investment income fully each year. Differences between actual and assumed investment income are recognized in equal increments over a five-year period beginning with the current year.

The following table presents the actuarial change in asset valuation for the year ended June 30, 2015 (in thousands):

	PERS	MHSPRS	MRS*	SLRP	TOTAL
VALUATION ASSETS JUNE 2014	\$22,569,940	\$295,298	\$157,970	\$14,899	\$23,038,107
CONTRIBUTIONS & OTHER REVENUE	1,554,387	15,633	19,402	718	1,590,140
BENEFIT PAYMENTS	(2,338,596)	(29,072)	(34,898)	(1,257)	(2,403,823)
ADMINISTRATIVE EXPENSES	(13,523)	(198)	(391)	(10)	(14,122)
INVESTMENT EXPENSES**	(87,089)	(1,138)	-	(58)	(88,285)
NET NEW MONEY	(884,821)	(14,775)	(15,887)	(607)	(916,090)
EXPECTED TOTAL INVESTMENT RETURN FOR 2014 (8%)	2,045,349	26,675	13,742	1,352	2,087,118
ADJUSTMENT TOWARD MARKET (20%)	656,693	8,951	6,791	454	672,889
VALUATION ASSETS JUNE 2015	\$24,387,161	\$316,149	\$162,616	\$16,098	\$24,882,024

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

**This amount is based on a proportionate share of the total investment expense of the commingled assets. The ratio of this number to the total investment expense is equal to the ratio of a fiscal year average market value of assets for this fund to a fiscal year average market value of the total commingled assets.

Under the funding policy for PERS, MHSPRS, and SLRP, contribution rates will no longer be determined based on a rolling 30-year amortization period. Rather, the focus is on declining amortization periods and a reduction in volatility of the contribution rates. Changes in assumptions and actuarial experience had the following effect on the computed unfunded accrued liability amortization periods. The plans that comprise MRS are closed and have a funding policy that provides for property tax to be sufficiently levied within limits established by Mississippi statutes to provide for a fixed declining amortization period for each municipality.

The following table presents the actual remaining amortization periods as of June 30, 2015.

	PERS	MHSPRS	SLRP
PREVIOUSLY REPORTED PERIOD	29.2 years	36.5 years	25.0 years
<i>Change Due to:</i>			
NORMAL AMORTIZATION	(1.0)	(1.0)	(1.0)
ACTUARIAL EXPERIENCE	(0.8)	(3.2)	(4.3)
ASSUMPTION METHOD CHANGES	6.7	12.6	3.7
PLAN AMENDMENTS	-	-	-
CONTRIBUTION EXPERIENCE	(0.2)	0.6	0.2
COMPUTED PERIOD	33.9 years	45.5 years	23.6 years

The primary reason for the increase in the amortization periods for PERS and MHSPRS is the change in actuarial assumptions following an experience study covering the years July 1, 2010, through June 30, 2014, as presented on page 140. The increase was slightly offset due to the investment gains on an actuarial value basis. For SLRP, the primary reason for the decrease in the amortization period is the recognition of the investment gains from three of the last five fiscal years. This was partially offset by payroll growth that was less than expected and by assumption changes, causing upward pressure on the amortization period attributed to the unfunded actuarial accrued liability. Actuarial gains and losses are recognized over a five-year period through a process known as smoothing.

The funded status of each of the plans is shown in the Schedules of Funding Progress on pages 134 and 135. This table shows funding ratios for the last 10 fiscal years. The table also shows the amount by which actuarial assets exceeded or fell short of actuarial benefit liabilities. An actuarial valuation of the plan's assets and benefit obligations is performed annually.

At the date of the most recent actuarial valuation, June 30, 2015, the funded status of PERS decreased to 60.4 percent from 61.0 percent at June 30, 2014. The amount by which PERS' actuarial assets were less than actuarial benefit liabilities was \$16.0 billion at June 30, 2015, an increase in unfunded actuarial accrued liabilities of \$1.5 billion from June 30, 2014.

At the date of the most recent actuarial valuation, June 30, 2014, the funded status of the MHSPRS remained at 66.2 percent from June 30, 2014. The amount by which the MHSPRS' actuarial assets were less than actuarial benefit liabilities was \$161.7 million, compared with \$150.5 million at June 30, 2014.

As of the June 30, 2015, actuarial valuation of MRS, the funded status increased to 47.6 percent from 46.4 percent at June 30, 2014. The amount by which the MRS actuarial assets were less than actuarial benefit liabilities was \$178.9 million at June 30, 2015, compared with \$182.4 million at June 30, 2014.

At the date of the most recent actuarial valuation, June 30, 2015, the funded status of SLRP increased to 75.9 percent from 73.6 percent at June 30, 2014. The amount by which the SLRP actuarial assets were less than actuarial benefit liabilities was \$5.1 million, compared with \$5.3 million at June 30, 2014.

SCHEDULES OF FUNDING PROGRESS

- LAST 10 FISCAL YEARS -

[in thousands]

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (A)	ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE (B)	UNFUNDED AAL (UAAL) (B-A)	PERCENT FUNDED (A/B)	ANNUAL COVERED PAYROLL (C)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((B-A)/C)
<i>Public Employees' Retirement System of Mississippi</i>						
6/30/06	\$18,321,063	\$24,928,464	\$6,607,401	73.50%	\$4,971,974	132.90%
6/30/07	19,791,564	26,862,636	7,071,072	73.70	5,196,295	136.10
6/30/08	20,814,720	28,534,694	7,719,974	72.90	5,544,705	139.20
6/30/09	20,597,581	30,594,546	9,996,965	67.30	5,831,864	171.40
6/30/10	20,143,426	31,399,988	11,256,562	64.20	5,763,556	195.30
6/30/11	20,315,165	32,654,465	12,339,300	62.20	5,684,624	217.10
6/30/12	19,992,797	34,492,873	14,500,076	58.00	5,857,789	247.50
6/30/13	20,490,555	35,542,848	15,052,293	57.70	5,823,578	258.50
6/30/14	22,569,940	37,015,288	14,445,348	61.00	5,834,687	247.60
6/30/15	24,387,161	40,364,584	15,977,423	60.40	5,904,827	270.60
<i>Mississippi Highway Safety Patrol Retirement System</i>						
6/30/06	\$265,637	\$350,638	\$85,001	75.80%	\$24,499	347.00%
6/30/07	284,626	371,233	86,607	76.70	27,037	320.30
6/30/08	298,630	381,578	82,948	78.30	29,597	280.30
6/30/09	292,322	394,630	102,308	74.10	26,390	387.70
6/30/10	281,088	411,277	130,189	68.30	26,353	494.00
6/30/11	278,265	414,432	136,167	67.10	24,872	547.50
6/30/12	268,424	421,415	152,991	63.70	25,670	596.00
6/30/13	271,097	431,575	160,478	62.80	25,816	621.60
6/30/14	295,298	445,822	150,524	66.20	25,554	589.00
6/30/15	316,149	477,803	161,654	66.20	25,505	633.80

SCHEDULES OF FUNDING PROGRESS (CONTINUED)

- LAST 10 FISCAL YEARS -

[in thousands]

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (A)	ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE (B)	UNFUNDED AAL (UAAL) (B-A)	PERCENT FUNDED (A/B)	ANNUAL COVERED PAYROLL (C)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((B-A)/C)
<i>Municipal Retirement Systems</i>						
9/30/06	\$213,553	\$383,355	\$169,802	55.70%	\$2,223	7,638.40%
9/30/07	213,432	379,584	166,152	56.20	1,953	8,507.50
9/30/08	208,479	368,131	159,652	56.60	1,713	9,320.00
9/30/09	191,179	381,036	189,857	50.20	1,608	11,807.00
9/30/10	175,988	372,897	196,909	47.20	1,425	13,818.20
9/30/11	167,604	363,604	196,000	46.10	1,357	14,443.60
9/30/12	155,484	356,571	201,087	43.60	1,131	17,779.60
6/30/13*	153,241	349,588	196,347	43.80	794	24,728.80
6/30/14	157,970	340,385	182,415	46.40	727	25,091.50
6/30/15	162,616	341,525	178,909	47.60	579	30,899.70
<i>Supplemental Legislative Retirement Plan</i>						
6/30/06	\$11,620	\$14,064	\$2,444	82.60%	\$6,354	38.50%
6/30/07	12,722	15,054	2,332	84.50	6,554	35.60
6/30/08	13,412	15,615	2,203	85.90	6,753	32.60
6/30/09	13,386	16,535	3,149	81.00	6,803	46.30
6/30/10	13,241	17,081	3,840	77.50	6,605	58.10
6/30/11	13,606	18,605	4,999	73.10	6,810	73.40
6/30/12	13,268	19,537	6,269	67.90	6,872	91.20
6/30/13	13,554	19,978	6,424	67.80	6,695	95.90
6/30/14	14,899	20,240	5,341	73.60	6,918	77.20
6/30/15	16,098	21,213	5,115	75.90	6,861	74.60

*Municipal Retirement Systems' plan year changed from September 30 to June 30, beginning in fiscal year 2013.

SOLVENCY TESTS

[in thousands]

ACTUARIAL ACCRUED LIABILITIES FOR:				
VALUATION DATE	(1) ACCUMULATED EMPLOYEE CONTRIBUTIONS INCLUDING ALLOCATED INVESTMENT EARNINGS	(2) RETIREES AND BENEFICIARIES CURRENTLY RECEIVING BENEFITS	(3) ACTIVE AND INACTIVE MEMBERS EMPLOYER-FINANCED PORTION	NET POSITION AVAILABLE FOR BENEFITS
<i>Public Employees' Retirement System of Mississippi</i>				
6/30/06	\$3,955,066	\$12,228,330	\$8,745,068	\$18,321,063
6/30/07	3,788,781	13,342,531	9,731,324	19,791,564
6/30/08	3,991,804	14,306,528	10,236,362	20,814,720
6/30/09	4,235,466	15,665,712	10,693,368	20,597,581
6/30/10	4,266,621	16,763,455	10,369,912	20,143,426
6/30/11	4,356,556	18,001,718	10,296,191	20,315,165
6/30/12	4,463,252	19,547,367	10,482,254	19,992,797
6/30/13	5,053,888	20,789,551	9,699,409	20,490,555
6/30/14	5,277,944	22,033,588	9,703,756	22,569,940
6/30/15	5,379,226	24,012,624	10,972,734	24,387,161
<i>Mississippi Highway Safety Patrol Retirement System</i>				
6/30/06	\$19,906	\$222,281	\$108,451	\$265,637
6/30/07	20,870	231,771	118,592	284,626
6/30/08	21,371	242,265	117,942	298,630
6/30/09	20,136	273,774	100,720	292,322
6/30/10	20,658	284,106	106,513	281,088
6/30/11	20,621	292,234	101,577	278,265
6/30/12	20,760	300,753	99,902	268,424
6/30/13	23,706	306,273	101,596	271,097
6/30/14	24,411	317,825	103,586	295,298
6/30/15	24,827	338,459	114,517	316,149

SOLVENCY TESTS (CONTINUED)

[in thousands]

PORTIONS OF ACCRUED LIABILITIES COVERED BY ASSETS

VALUATION DATE	(1)	(2)	(3)
<i>Public Employees' Retirement System of Mississippi</i>			
6/30/06	100.00%	100.00%	24.40%
6/30/07	100.00	100.00	27.30
6/30/08	100.00	100.00	24.60
6/30/09	100.00	100.00	6.50
6/30/10	100.00	94.70	-
6/30/11	100.00	88.70	-
6/30/12	100.00	79.40	-
6/30/13	100.00	74.30	-
6/30/14	100.00	78.50	-
6/30/15	100.00	79.20	-
<i>Mississippi Highway Safety Patrol Retirement System</i>			
6/30/06	100.00%	100.00%	21.60%
6/30/07	100.00	100.00	27.00
6/30/08	100.00	100.00	29.70
6/30/09	100.00	99.40	-
6/30/10	100.00	91.70	-
6/30/11	100.00	88.20	-
6/30/12	100.00	82.30	-
6/30/13	100.00	80.80	-
6/30/14	100.00	85.20	-
6/30/15	100.00	86.10	-

SOLVENCY TESTS (CONTINUED)

[in thousands]

ACTUARIAL ACCRUED LIABILITIES FOR:					
	(1) ACCUMULATED EMPLOYEE CONTRIBUTIONS INCLUDING ALLOCATED INVESTMENT EARNINGS	(2) RETIREES AND BENEFICIARIES CURRENTLY RECEIVING BENEFITS	(3) ACTIVE AND INACTIVE MEMBERS EMPLOYER-FINANCED PORTION	NET POSITION AVAILABLE FOR BENEFITS	
VALUATION DATE					
Municipal Retirement Systems					
9/30/06	\$3,353	\$368,128	\$11,874	\$213,553	
9/30/07	3,015	366,139	10,430	213,432	
9/30/08	2,688	356,413	9,030	208,479	
9/30/09	2,522	369,470	9,044	191,179	
9/30/10	2,295	362,444	8,158	175,988	
9/30/11	2,256	353,609	7,739	167,604	
9/30/12	1,957	348,121	6,493	155,484	
6/30/13*	1,483	343,770	4,335	153,241	
6/30/14	1,342	334,937	4,106	157,970	
6/30/15	1,101	337,039	3,385	162,616	
Supplemental Legislative Retirement Plan					
6/30/06	\$2,061	\$7,230	\$4,773	\$11,620	
6/30/07	2,301	7,378	5,375	12,722	
6/30/08	2,102	8,295	5,218	13,412	
6/30/09	2,327	8,756	5,452	13,386	
6/30/10	2,509	8,777	5,795	13,241	
6/30/11	2,642	8,734	7,229	13,606	
6/30/12	2,105	11,428	6,004	13,268	
6/30/13	2,416	11,909	5,652	13,554	
6/30/14	2,638	11,920	5,682	14,899	
6/30/15	2,862	12,329	6,023	16,098	

*Municipal Retirement Systems' plan year changed from September 30 to June 30, beginning in fiscal year 2013.

SOLVENCY TESTS (CONTINUED)

[in thousands]

PORTIONS OF ACCRUED LIABILITIES COVERED BY ASSETS

VALUATION DATE	(1)	(2)	(3)
<i>Municipal Retirement Systems</i>			
9/30/06	100.00%	57.10%	-%
9/30/07	100.00	57.50	-
9/30/08	100.00	57.70	-
9/30/09	100.00	51.10	-
9/30/10	100.00	47.90	-
9/30/11	100.00	46.80	-
9/30/12	100.00	44.10	-
6/30/13*	100.00	44.10	-
6/30/14	100.00	46.80	-
6/30/15	100.00	47.90	-
<i>Supplemental Legislative Retirement Plan</i>			
6/30/06	100.00%	100.00%	48.80%
6/30/07	100.00	100.00	56.60
6/30/08	100.00	100.00	57.80
6/30/09	100.00	100.00	42.20
6/30/10	100.00	100.00	33.70
6/30/11	100.00	100.00	30.80
6/30/12	100.00	97.70	-
6/30/13	100.00	93.50	-
6/30/14	100.00	100.00	6.00
6/30/15	100.00	100.00	15.10

*Municipal Retirement Systems' plan year changed from September 30 to June 30, beginning in fiscal year 2013.

ANALYSIS OF FINANCIAL EXPERIENCE
GAINS AND LOSSES IN ACCRUED LIABILITIES RESULTING FROM
DIFFERENCES BETWEEN ASSUMED EXPERIENCE AND ACTUAL EXPERIENCE
- FOR THE YEAR ENDED JUNE 30, 2015 -

[in thousands]

TYPE OF ACTIVITY	GAIN (LOSS) FOR YEAR			
	PERS	MHSPRS	MRS	SLRP
AGE & SERVICE RETIREMENTS: IF MEMBERS RETIRE AT OLDER AGES, THERE IS A GAIN. IF YOUNGER AGES, A LOSS.	\$14,600.00	\$106.60	\$272.70	\$45.40
DISABILITY RETIREMENTS: IF DISABILITY CLAIMS ARE LESS THAN ASSUMED, THERE IS A GAIN. IF MORE CLAIMS, A LOSS.	(17,200.00)	126.30	-	9.60
DEATH-IN-SERVICE BENEFITS: IF SURVIVOR CLAIMS ARE LESS THAN ASSUMED, THERE IS A GAIN. IF MORE CLAIMS, A LOSS.	(3,200.00)	25.40	1.40	(8.80)
WITHDRAWAL FROM EMPLOYMENT: IF MORE LIABILITIES ARE RELEASED BY WITHDRAWALS THAN ASSUMED, THERE IS A GAIN. IF SMALLER RELEASES, A LOSS.	(65,600.00)	442.40	-	-
PAY INCREASES: IF THERE ARE SMALLER PAY INCREASES THAN ASSUMED, THERE IS A GAIN. IF GREATER INCREASES, A LOSS.	2,600.00	1,436.60	56.70	201.00
NEW MEMBERS: ADDITIONAL UNFUNDED ACCRUED LIABILITY WILL PRODUCE A LOSS.	(34,900.00)	-	-	-
INVESTMENT INCOME: IF THERE IS GREATER INVESTMENT INCOME THAN ASSUMED, THERE IS A GAIN. IF LESS INCOME, A LOSS.	841,300.00	11,203.70	8,530.80	578.00
DEATH AFTER RETIREMENT: IF RETIRANTS LIVE LONGER THAN ASSUMED, THERE IS A LOSS. IF NOT AS LONG, A GAIN.	(18,900.00)	(802.40)	716.00	248.90
OTHER: MISCELLANEOUS GAINS AND LOSSES RESULTING FROM CHANGES IN VALUATION SOFTWARE, DATA ADJUSTMENTS, TIMING OF FINANCIAL TRANSACTIONS, ETC.	(217,000.00)	(2,347.70)	(1,128.80)	(174.10)
GAIN (OR LOSS) DURING YEAR FROM FINANCIAL EXPERIENCE	501,700.00	10,190.90	8,448.80	900.00
NON-RECURRING ITEMS: ADJUSTMENTS FOR PLAN AMENDMENTS, ASSUMPTION CHANGES, OR METHOD CHANGES.	(1,821,200.00)	(19,175.90)	(10,025.60)	(587.70)
COMPOSITE GAIN (OR LOSS) DURING YEAR	\$(1,319,500.00)	\$(8,985.00)	\$(1,576.80)	\$312.30

EMPLOYER CONTRIBUTIONS

- LAST 10 FISCAL YEARS -

[in thousands]

FISCAL YEAR ENDED JUNE 30 <i>Public Employees' Retirement System of Mississippi</i>	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED	FISCAL YEAR ENDED JUNE 30 <i>Mississippi Highway Safety Patrol Retirement System</i>	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
2006	\$514,525	100.00%	2006	\$8,692	100.00%
2007	621,497	90.00	2007	10,023	100.00
2008	636,546	97.00	2008	10,492	100.00
2009	657,048	100.00	2009	11,668	100.00
2010	699,824	100.00	2010	11,096	100.00
2011	687,016	100.00	2011	11,385	100.00
2012	735,022	100.00	2012	12,257	100.00
2013	835,321	100.00	2013	13,098	100.00
2014	921,872	100.00	2014	13,595	100.00
2015	930,010	100.00	2015	13,226	100.00

FISCAL YEAR ENDED JUNE 30 <i>Municipal Retirement Systems</i>	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED	FISCAL YEAR ENDED JUNE 30 <i>Supplemental Legislative Retirement Plan</i>	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
2006**	\$15,397	101.50%	2006	\$413	100.00%
2007**	15,426	97.10	2007	423	100.00
2008**	15,219	106.00	2008	436	100.00
2009**	14,765	114.40	2009	449	100.00
2010**	17,739	120.80	2010	452	100.00
2011**	18,576	122.70	2011	464	100.00
2012**	18,751	127.00	2012	504	100.00
2013***	19,512	102.60	2013	509	100.00
2014***	19,344	105.40	2014	519	100.00
2015***	18,338	N/A	2015	508	100.00

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

***The MRS valuation date changed to June 30 due to the plan year change; however, the annual required contributions stated are based on the municipalities' fiscal year end of September 30.

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

VALUATION DATE	NUMBER OF EMPLOYERS	ACTIVE MEMBERS			
		NUMBER OF EMPLOYEES	ANNUAL PAYROLL	ANNUAL AVERAGE PAY	INCREASE IN AVERAGE PAY
Public Employees' Retirement System of Mississippi					
6/30/06	861	158,091	\$4,971,973,661	\$31,450	3.20%
6/30/07	861	162,804	5,196,294,899	31,917	1.50
6/30/08	863	165,733	5,544,704,937	33,456	4.80
6/30/09	866	167,122	5,831,863,534	34,896	4.30
6/30/10	868	164,896	5,763,556,195	34,953	0.20
6/30/11	872	161,676	5,684,624,214	35,161	0.60
6/30/12	870	162,311	5,857,789,376	36,090	2.60
6/30/13	873	161,744	5,823,577,978	36,005	(0.20)
6/30/14	871	161,360	5,834,686,655	36,159	0.40
6/30/15	868	157,215	5,904,827,181	37,559	3.90
Mississippi Highway Safety Patrol Retirement System					
6/30/06	1	564	\$24,499,296	\$43,438	5.00%
6/30/07	1	591	27,037,063	45,748	5.30
6/30/08	1	626	29,597,374	47,280	3.30
6/30/09	1	570	26,389,909	46,298	(2.10)
6/30/10	1	542	26,353,400	48,623	5.00
6/30/11	1	515	24,872,085	48,295	(0.70)
6/30/12	1	547	25,670,030	46,929	(2.80)
6/30/13	1	520	25,815,787	49,646	5.80
6/30/14	1	495	25,553,765	51,624	4.00
6/30/15	1	518	25,504,676	49,237	(4.60)

SCHEDULE OF ACTIVE MEMBER VALUATION DATA (CONTINUED)

VALUATION DATE	NUMBER OF EMPLOYERS	ACTIVE MEMBERS				
		NUMBER OF EMPLOYEES	ANNUAL PAYROLL	ANNUAL AVERAGE PAY	INCREASE IN AVERAGE PAY	
Municipal Retirement Systems						
9/30/06	17	49	\$2,223,090	\$45,369	1.40%	
9/30/07	17	42	1,952,642	46,491	2.50	
9/30/08	17	35	1,712,743	48,936	5.30	
9/30/09	17	31	1,608,396	51,884	6.00	
9/30/10	17	27	1,424,636	52,764	1.70	
9/30/11	17	25	1,356,858	54,274	2.90	
9/30/12	17	21	1,131,252	53,869	(0.70)	
6/30/13*	17	16	793,841	49,615	(7.90)	
6/30/14	17	14	727,347	51,953	4.70	
6/30/15	17	11	579,267	52,661	1.40	
Supplemental Legislative Retirement Plan						
6/30/06	5	173	\$6,353,542	\$36,726	(1.60)%	
6/30/07	5	175	6,554,229	37,453	2.00	
6/30/08	5	175	6,752,960	38,588	3.00	
6/30/09	5	174	6,803,339	39,100	1.30	
6/30/10	5	175	6,605,037	37,743	(3.60)	
6/30/11	5	174	6,809,770	39,137	3.70	
6/30/12	5	175	6,871,757	39,267	0.30	
6/30/13	5	175	6,695,359	38,259	(2.60)	
6/30/14	5	175	6,917,939	39,531	3.30	
6/30/15	5	174	6,861,166	39,432	(0.30)	

*Municipal Retirement Systems' plan year changed from September 30 to June 30, beginning in fiscal year 2013.

SCHEDULE OF RETIRANTS ADDED TO AND REMOVED FROM ROLLS
- LAST SIX FISCAL YEARS -

FISCAL YEAR ENDED*	PLAN	ADDED		REMOVED		INCREASE DUE TO ANNUAL COLA
		NUMBER	ANNUAL ALLOWANCES	NUMBER	ANNUAL ALLOWANCES	
JUNE 30, 2010	PERS	5,747	\$103,950,841	(2,722)	\$(40,358,965)	\$39,131,221
	MHSPRS	22	806,092	(18)	(450,658)	550,146
	MRS	37	549,390	(70)	(873,282)	324,773
	SLRP	6	36,400	(5)	(46,742)	21,781
JUNE 30, 2011	PERS	6,566	127,035,815	(2,619)	(39,518,227)	41,632,866
	MHSPRS	32	1,089,231	(24)	(609,133)	595,921
	MRS	44	676,051	(78)	(1,000,144)	285,981
	SLRP	7	30,133	(2)	(22,703)	23,836
JUNE 30, 2012	PERS	6,569	125,378,708	(2,855)	(45,787,704)	45,202,325
	MHSPRS	31	1,157,796	(22)	(574,614)	609,050
	MRS	46	792,381	(86)	(1,233,853)	187,499
	SLRP	33	230,576	(7)	(31,217)	23,377
JUNE 30, 2013	PERS	6,276	120,592,399	(2,891)	(47,237,330)	48,758,557
	MHSPRS	23	642,344	(23)	(596,871)	622,206
	MRS	79	1,586,257	(154)	(2,026,041)	381,076
	SLRP	20	77,003	(5)	(26,497)	24,226
JUNE 30, 2014	PERS	6,159	120,190,296	(2,869)	(48,955,768)	52,368,041
	MHSPRS	28	1,113,236	(21)	(661,028)	678,533
	MRS	29	485,121	(80)	(1,041,083)	173,544
	SLRP	6	32,688	(7)	(44,780)	30,165
JUNE 30, 2015	PERS	5,907	117,113,206	(3,073)	(55,158,128)	56,044,620
	MHSPRS	22	890,167	(18)	(480,408)	700,417
	MRS	40	731,337	(81)	(1,119,680)	143,234
	SLRP	8	58,303	(10)	(95,910)	31,718

*Information for MRS is as of September 30 for fiscal years 2009 through 2012.
For fiscal year 2013, information is for the 21-month period ending June 30.

SCHEDULE OF RETIRANTS ADDED TO AND REMOVED FROM ROLLS (CONTINUED)
- LAST SIX FISCAL YEARS -

FISCAL YEAR ENDED*	PLAN	INCREASE DUE TO PLAN AMENDMENTS	ROLLS AT END OF YEAR		INCREASE IN ANNUAL ALLOWANCES	AVERAGE ANNUAL ALLOWANCES
			NUMBER	ANNUAL ALLOWANCES		
JUNE 30, 2010	PERS	-	79,168	\$1,498,662,976	7.36%	\$18,930
	MHSPRS	-	696	22,899,689	4.12	32,902
	MRS	-	2,090	35,456,684	0.00	16,965
	SLRP	-	142	792,670	1.46	5,582
JUNE 30, 2011	PERS	-	83,115	1,627,813,430	8.62	19,585
	MHSPRS	-	704	23,975,708	4.70	34,056
	MRS	-	2,056	35,418,572	(0.11)	17,227
	SLRP	-	147	823,936	3.94	5,605
JUNE 30, 2012	PERS	-	86,829	1,752,606,759	7.67	20,185
	MHSPRS	-	713	25,167,940	4.97	35,299
	MRS	-	2,016	35,164,599	(0.72)	17,443
	SLRP	-	173	1,046,672	27.03	6,050
JUNE 30, 2013	PERS	-	90,214	1,874,720,385	6.97	20,781
	MHSPRS	-	713	25,835,619	2.65	36,235
	MRS	-	1,941	35,105,891	(0.17)	18,086
	SLRP	-	188	1,121,404	7.14	5,965
JUNE 30, 2014	PERS	-	93,504	1,998,322,954	6.59	21,372
	MHSPRS	-	720	26,966,360	4.38	37,453
	MRS	-	1,890	34,723,473	(1.09)	18,372
	SLRP	-	187	1,139,477	1.61	6,093
JUNE 30, 2015	PERS	-	96,338	2,116,322,652	5.90	21,968
	MHSPRS	-	724	28,076,536	4.12	38,780
	MRS	-	1,849	34,478,364	(0.71)	18,647
	SLRP	-	185	1,133,588	(0.52)	6,128

*Information for MRS is as of September 30 for fiscal years 2009 through 2012.
For fiscal year 2013, information is for the 21-month period ending June 30.

PERS CREATES A NEW STATE RETIREMENT SYSTEM

Mississippi Highway Safety Patrol Retirement System was established for sworn troopers in 1958.



WILLIAM R. HOUGH
(1952-1971)
EXECUTIVE
SECRETARY

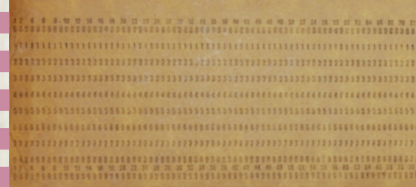


In 1952, Mississippi's retirement system for public employees was established and the administrative structure was built from the ground up. The first offices opened in the Woolfolk Building (and later moved to the Sillers Building) with a staff of about 20 who had never before run a retirement system. Within approximately six months, they had enrolled more than 95 percent (45,288) of the public employees eligible to participate in the plan.



The first Cost-of-Living Adjustment was provided to PERS retirees in 1966.

To this day, staff refers to records created using punch cards and enrollment cards from the early years of PERS.



Statistical Report

The objectives of the statistical section are to provide additional historical perspective, context, and details to assist readers in using the information in the financial statements, notes to financial statements, and required supplementary information.

Financial Trends

The schedule of Changes in Net Position presented on pages 148 through 151 contains historical information related to the System's revenues, expenses, changes in net position, and net position restricted for benefits, as well as history of employer and member contribution rates over a 10-year period. The significant net change in position reflected on this schedule is primarily the result of unfavorable financial market performance as evidenced by a 3.4 percent rate of return on investments compared to an 18.6 percent return for fiscal year 2014. To help address the funded status of PERS, the Board of Trustees approved an increase in employer contribution rate to 15.75 percent, which was effective for fiscal year 2014. The MHSPRS and SLRP employer contribution rates remained at 37.0 and 7.4 percent, respectively. Of note, the PERS member contribution rate was increased by the Mississippi Legislature from 7.25 percent to 9.0 percent effective July 1, 2010. The MHSPRS contribution member rate has remained constant at 7.25 percent since 2008, and the SLRP member contribution rate has continued at 3.0 percent since inception of the plan in 1989.

The Board adopted a revised funding policy for PERS and SLRP aimed at stabilizing the employer contribution rates and establishing a goal to position the plans at more than 80.0 percent funded by 2042. Under the revised funding policy, contribution rates would no longer be determined based on a rolling 30-year amortization. Rather, the focus would be on a declining amortization period and a reduction in volatility of the contribution rate. A similar funding policy was adopted by the MHSPRS Administrative Board. These actions represent the System's continuing commitment to further strengthen sustainability and advance the funding status of the plans. A discussion of changes in employer contribution rates can be found on page 56, Note 7. Funding information can be found in the Actuarial Section beginning on page 132.

Changes were enacted in the PERS retirement benefit structure for those hired on or after July 1, 2011, to better position the System for long-term sustainability. Modifications include retirement eligibility from 25 years of service at any age to 30 years of service at any age, as well as Partial-Lump-Sum Option eligibility from 28 years of service at any age to 33 years of service at any age. Additional changes were adopted for new hires affecting the retirement formula, Cost-of-Living Adjustment calculation, and spouse survivor retirement benefits. A detailed description of plan benefits can be found in Note 1 on pages 34 through 38 and in the Summary of Main System Provisions for each plan beginning on page 113.

Demographic and Economic Information

The schedule of Total Active Members by Attained Age and Years of Service, shown on pages 166 through 168, provides relevant details about the composition of the System's membership, including concentration of members within various age groups and selected group averages for each pension plan. Page 170 contains comparative information regarding the 10 largest participating employers of the multiple-employer plans, which are the Public Employees' Retirement System and Municipal Retirement Systems. The schedule of Benefit Payments by County on page 169 offers information on the amount of economic contribution attributed to benefit payments by county within the State of Mississippi.

Operating Information

Pages 152 through 155 illustrate the number of participants and total benefit payments by type for each retirement plan administered by the System. Additional details regarding monthly benefit distribution by option can be found on pages 162 through 165. The schedule of Average Benefit Payments presents average monthly benefits, average final salary, and the number of active retirees by years of credited service by plan on pages 156 through 159. Comparative supplemental information on employer and member groups covered by the Public Employees' Retirement System cost-sharing plan is offered on pages 160 and 161, with details of participating employers covered by separate agreements on pages 171 through 173.

Statistical data is provided from the System's internal resources. The System had no outstanding debt as of June 30, 2015.

CHANGES IN NET POSITION

- LAST 10 FISCAL YEARS -

[in thousands]

FISCAL YEAR	BEGINNING NET POSITION	MEMBER CONTRIBUTIONS		EMPLOYER CONTRIBUTIONS		NET INVESTMENT INCOME (LOSS)	OTHER REVENUES & TRANSFERS**
		AMOUNT	PERCENT*	AMOUNT**	PERCENT*		
Public Employees' Retirement System of Mississippi							
2006	\$16,890,535	\$375,612	7.25%	\$557,831	10.75%	\$1,777,853	\$580
2007	18,321,063	392,268	7.25	610,888	11.30	3,402,562	604
2008	21,353,016	417,119	7.25	683,189	11.85	(1,725,434)	637
2009	19,251,069	434,081	7.25	713,569	11.85	(3,717,016)	657
2010	15,134,487	439,397	7.25	731,544	12.00	2,148,749	610
2011	16,788,214	533,369	9.00	723,836	12.00	4,167,042	639
2012	20,377,236	545,587	9.00	768,914	12.93	59,595	664
2013	19,781,387	547,792	9.00	881,847	14.26	2,564,097	691
2014	21,686,911	549,528	9.00	969,674	15.75	3,905,728	885
2015	24,877,119	557,909	9.00	996,478	15.75	827,666	670
Mississippi Highway Safety Patrol Retirement System							
2006	\$248,209	\$1,589	6.50%	\$6,884	28.16%	\$25,934	\$2,628
2007	265,637	1,778	6.50	8,275	30.30	49,104	2,341
2008	307,152	1,985	6.50	9,253	30.30	(24,886)	3,156
2009	276,154	2,166	7.25	9,066	30.30	(52,869)	3,208
2010	214,374	2,043	7.25	8,613	30.30	29,942	3,985
2011	232,873	1,948	7.25	8,067	30.30	57,090	3,427
2012	277,563	1,946	7.25	8,798	35.21	805	3,246
2013	265,232	1,951	7.25	9,952	37.00	34,270	3,414
2014	287,456	1,963	7.25	13,500	37.00	51,575	-
2015	326,032	1,938	7.25	13,695	37.00	10,812	-

*Percentage of annual covered payroll. The rates shown for 2012 for PERS, MHSPRS, and SLRP were effective as of January 1, 2012. For 2012, the rates prior to January 1, 2012, were 12.0 percent, 30.30 percent, and 6.65 percent, respectively.

**Additional contributions for MHSPRS, from House Bill No. 1015, were previously shown in Other Revenues and Transfers. Beginning with fiscal year 2014, these fees are reported in Employer Contributions.

CHANGES IN NET POSITION (CONTINUED)

- LAST 10 FISCAL YEARS -

[in thousands]

	FISCAL YEAR	TOTAL ADDITIONS (DELETIONS)	RETIREMENT ANNUITIES	REFUNDS	EXPENSES & DEPRECIATION	TRANSFERS	TOTAL DEDUCTIONS	NET CHANGE IN POSITION	ENDING NET POSITION
<i>Public Employees' Retirement System of Mississippi</i>									
	2006	\$2,711,876	\$1,198,230	\$73,344	\$9,774	\$-	\$1,281,348	\$1,430,528	\$18,321,063
	2007	4,406,322	1,291,456	72,572	10,341	-	1,374,369	3,031,953	21,353,016
	2008	(624,489)	1,393,175	72,750	11,533	-	1,477,458	(2,101,947)	19,251,069
	2009	(2,568,709)	1,465,500	70,050	12,323	-	1,547,873	(4,116,582)	15,134,487
	2010	3,320,300	1,580,808	73,580	12,185	-	1,666,573	1,653,727	16,788,214
	2011	5,424,886	1,734,475	88,343	13,046	-	1,835,864	3,589,022	20,377,236
	2012	1,374,760	1,862,826	93,379	14,404	-	1,970,609	(595,849)	19,781,387
	2013	3,994,427	1,965,660	108,365	14,878	-	2,088,903	1,905,524	21,686,911
	2014	5,425,815	2,099,843	121,532	14,232	-	2,235,607	3,190,208	24,877,119
	2015	2,382,723	2,219,240	119,356	14,690	-	2,353,286	29,437	24,906,556
<i>Mississippi Highway Safety Patrol Retirement System</i>									
	2006	\$37,035	\$19,359	\$110	\$-	\$138	\$19,607	\$17,428	\$265,637
	2007	61,498	19,774	44	-	165	19,983	41,515	307,152
	2008	(10,492)	20,295	26	-	185	20,506	(30,998)	276,154
	2009	(38,429)	23,098	72	-	181	23,351	(61,780)	214,374
	2010	44,583	25,847	65	-	172	26,084	18,499	232,873
	2011	70,532	25,620	60	-	162	25,842	44,690	277,563
	2012	14,795	26,926	24	-	176	27,126	(12,331)	265,232
	2013	49,587	27,052	112	-	199	27,363	22,224	287,456
	2014	67,038	28,220	42	-	200	28,462	38,576	326,032
	2015	26,445	28,909	163	-	198	29,270	(2,825)	323,207

CHANGES IN NET POSITION (CONTINUED)

- LAST 10 FISCAL YEARS -

[in thousands]

FISCAL YEAR	BEGINNING NET POSITION	MEMBER CONTRIBUTIONS		EMPLOYER CONTRIBUTIONS		NET INVESTMENT INCOME (LOSS)	OTHER REVENUES & TRANSFERS
		AMOUNT	PERCENT*	AMOUNT	PERCENT*		
Municipal Retirement Systems							
2006	\$219,034	\$263	**%	\$15,613	**%	\$21,563	\$-
2007	220,877	203	**	15,050	**	38,269	-
2008	238,434	176	**	15,900	**	(18,046)	-
2009	200,155	154	**	17,415	**	(35,930)	-
2010	145,467	145	**	21,420	**	19,369	-
2011	150,203	126	**	22,860	**	35,363	-
2012	172,451	121	**	23,449	**	487	-
2013	160,688	100	**	21,718	**	19,837	-
2014	166,648	78	**	20,337	**	28,453	-
2015	180,092	45	**	19,344	**	5,692	-
Supplemental Legislative Retirement Plan							
2006	\$10,518	\$195	3.00%	\$411	6.33%	\$1,137	\$-
2007	11,620	195	3.00	432	6.65	2,209	-
2008	13,748	203	3.00	449	6.65	(1,120)	-
2009	12,412	207	3.00	458	6.65	(2,437)	-
2010	9,832	202	3.00	446	6.65	1,432	-
2011	11,079	206	3.00	457	6.65	2,832	-
2012	13,737	206	3.00	490	7.40	39	-
2013	13,169	204	3.00	503	7.40	1,715	-
2014	14,374	208	3.00	514	7.40	2,605	-
2015	16,453	207	3.00	511	7.40	552	-

*Percentage of annual covered payroll. The rates shown for 2012 for PERS, MHSPRS, and SLRP were effective as of January 1, 2012. For 2012, the rates prior to January 1, 2012, were 12.0 percent, 30.30 percent, and 6.65 percent, respectively.

**Employee and employer rates vary among the 19 systems that comprise the Municipal Retirement Systems.

CHANGES IN NET POSITION (CONTINUED)

- LAST 10 FISCAL YEARS -

[in thousands]

	FISCAL YEAR	TOTAL ADDITIONS (DELETIONS)	RETIREMENT ANNUITIES	REFUNDS	EXPENSES & DEPRECIATION	TRANSFERS	TOTAL DEDUCTIONS	NET CHANGE IN POSITION	ENDING NET POSITION
<i>Municipal Retirement Systems</i>									
	2006	\$37,439	\$35,165	\$1	\$-	\$430	\$35,596	\$1,843	\$220,877
	2007	53,522	35,544	1	-	420	35,965	17,557	238,434
	2008	(1,970)	35,870	-	-	439	36,309	(38,279)	200,155
	2009	(18,361)	35,848	12	-	467	36,327	(54,688)	145,467
	2010	40,934	35,766	3	-	429	36,198	4,736	150,203
	2011	58,349	35,609	35	-	457	36,101	22,248	172,451
	2012	24,057	35,348	3	-	469	35,820	(11,763)	160,688
	2013	41,655	35,227	34	-	434	35,695	5,960	166,648
	2014	48,868	35,014	3	-	407	35,424	13,444	180,092
	2015	25,081	34,799	1	-	387	35,187	(10,106)	169,986
<i>Supplemental Legislative Retirement Plan</i>									
	2006	\$1,743	\$632	\$1	\$-	\$8	\$641	\$1,102	\$11,620
	2007	2,836	699	-	-	9	708	2,128	13,748
	2008	(468)	845	14	-	9	868	(1,336)	12,412
	2009	(1,772)	790	9	-	9	808	(2,580)	9,832
	2010	2,080	804	20	-	9	833	1,247	11,079
	2011	3,495	828	-	-	9	837	2,658	13,737
	2012	735	1,268	25	-	10	1,303	(568)	13,169
	2013	2,422	1,182	25	-	10	1,217	1,205	14,374
	2014	3,327	1,216	22	-	10	1,248	2,079	16,453
	2015	1,270	1,220	37	-	10	1,267	3	16,456

BENEFIT AND REFUND PAYMENTS BY TYPE:
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
- LAST 10 FISCAL YEARS -

	FISCAL YEAR	SERVICE	DISABILITY	SURVIVOR	TOTAL	REFUNDS
<i>Number of Participants by Type of Benefit</i>						
	2006	54,736	4,659	7,362	66,757	19,202
	2007	57,019	4,903	8,834	70,756	18,207
	2008	59,406	5,075	9,059	73,540	16,105
	2009	61,466	5,257	9,420	76,143	15,654
	2010	64,049	5,399	9,720	79,168	14,433
	2011	67,486	5,676	9,953	83,115	16,595
	2012	70,843	5,845	10,141	86,829	18,053
	2013	73,830	6,030	10,354	90,214	19,920
	2014	76,665	6,229	10,610	93,504	20,700
	2015	79,156	6,352	10,830	96,338	19,479
<i>Total Payments by Type of Benefit</i> <i>[in thousands]</i>						
	2006	\$1,093,235	\$76,167	\$28,828	\$1,198,230	\$73,344
	2007	1,178,654	82,168	30,634	1,291,456	72,572
	2008	1,272,211	88,937	32,027	1,393,175	72,750
	2009	1,339,209	92,925	33,366	1,465,500	70,050
	2010	1,444,987	99,920	35,901	1,580,808	73,580
	2011	1,588,369	107,657	38,449	1,734,475	88,343
	2012	1,707,922	115,042	39,862	1,862,826	93,379
	2013	1,804,812	120,342	40,506	1,965,660	108,365
	2014	1,930,284	127,537	42,022	2,099,843	121,532
	2015	2,042,728	133,454	43,058	2,219,240	119,356

BENEFIT AND REFUND PAYMENTS BY TYPE:
MISSISSIPPI HIGHWAY SAFETY PATROL RETIREMENT SYSTEM
- LAST 10 FISCAL YEARS -

	FISCAL YEAR	SERVICE	DISABILITY	SURVIVOR	TOTAL	REFUNDS
<i>Number of Participants by Type of Benefit</i>						
	2006	425	20	180	625	11
	2007	435	19	184	638	5
	2008	443	18	190	651	4
	2009	480	16	196	692	14
	2010	489	18	189	696	5
	2011	500	18	186	704	14
	2012	510	19	184	713	7
	2013	510	19	184	713	9
	2014	516	17	187	720	9
	2015	525	17	182	724	13
<i>Total Payments by Type of Benefit</i> <i>[in thousands]</i>						
	2006	\$17,380	\$477	\$1,502	\$19,359	\$110
	2007	17,870	471	1,433	19,774	44
	2008	18,453	448	1,394	20,295	26
	2009	21,194	478	1,426	23,098	72
	2010	24,029	472	1,346	25,847	65
	2011	23,953	507	1,160	25,620	60
	2012	25,337	516	1,073	26,926	24
	2013	25,476	522	1,054	27,052	112
	2014	26,595	526	1,099	28,220	42
	2015	27,295	501	1,113	28,909	163

BENEFIT AND REFUND PAYMENTS BY TYPE:
MUNICIPAL RETIREMENT SYSTEMS
- LAST 10 FISCAL YEARS -

	FISCAL YEAR	SERVICE	DISABILITY	SURVIVOR	TOTAL	REFUNDS
<i>Number of Participants by Type of Benefit</i>						
	2006*	1,532	109	559	2,200	1
	2007*	1,507	104	556	2,167	1
	2008*	1,470	96	557	2,123	12
	2009*	1,431	93	566	2,090	3
	2010*	1,388	84	584	2,056	9
	2011*	1,334	80	602	2,016	7
	2012*	1,302	75	601	1,978	-
	2013**	1,260	71	610	1,941	4
	2014**	1,216	70	604	1,890	7
	2015**	1,170	66	613	1,849	1
<i>Total Payments by Type of Benefit*** [in thousands]</i>						
	2006*	\$26,353	\$969	\$5,757	\$33,079	\$1
	2007*	27,872	1,072	6,611	35,555	1
	2008*	27,720	1,011	6,725	35,456	12
	2009*	27,409	1,003	7,045	35,457	3
	2010*	27,062	927	7,430	35,419	35
	2011*	26,315	894	7,956	35,165	3
	2012*	26,056	850	8,190	35,096	-
	2013**	25,787	817	8,623	35,227	34
	2014**	25,382	816	8,816	35,014	3
	2015**	24,824	761	9,214	34,799	1

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

** Valuation information furnished for MRS is as of June 30, due to plan year change.

***Individual MRS COLA increases are paid if funding is available.

BENEFIT AND REFUND PAYMENTS BY TYPE:
SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN
- LAST 10 FISCAL YEARS -

	FISCAL YEAR	SERVICE	DISABILITY	SURVIVOR	TOTAL	REFUNDS
<i>Number of Participants by Type of Benefit</i>						
	2006	99	2	21	122	1
	2007	97	2	27	126	-
	2008	110	2	26	138	3
	2009	113	2	26	141	1
	2010	117	2	23	142	3
	2011	118	2	27	147	-
	2012	143	2	28	173	8
	2013	150	2	36	188	4
	2014	149	2	36	187	5
	2015	145	2	38	185	7
<i>Total Payments by Type of Benefit [in thousands]</i>						
	2006	\$585	\$12	\$35	\$632	\$1
	2007	639	12	48	699	-
	2008	773	14	58	845	14
	2009	739	12	39	790	9
	2010	758	12	34	804	20
	2011	781	12	35	828	-
	2012	1,184	16	68	1,268	25
	2013	1,104	13	65	1,182	25
	2014	1,123	13	80	1,216	22
	2015	1,126	13	81	1,220	37

AVERAGE BENEFIT PAYMENTS:
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI

RETIREMENT EFFECTIVE DATES: JULY 1, 2010 TO JUNE 30, 2015	YEARS CREDITED SERVICE								
	0-4	5-9	10-14	15-19	20-24	25	26-29	30	31+
2015									
AVERAGE MONTHLY BENEFIT	\$396	\$466	\$688	\$977	\$1,346	\$1,834	\$1,989	\$2,217	\$2,899
AVERAGE FINAL SALARY	\$26,731	\$30,165	\$33,585	\$37,938	\$40,770	\$46,461	\$48,614	\$50,908	\$57,019
NUMBER OF ACTIVE RETIRANTS	67	532	898	774	693	494	1,072	230	1,147
2014									
AVERAGE MONTHLY BENEFIT	\$583	\$449	\$712	\$999	\$1,384	\$1,871	\$1,993	\$2,283	\$2,954
AVERAGE FINAL SALARY	\$31,286	\$31,009	\$35,356	\$37,962	\$40,947	\$47,490	\$48,732	\$51,456	\$57,022
NUMBER OF ACTIVE RETIRANTS	94	657	945	815	663	505	1,146	232	1,102
2013									
AVERAGE MONTHLY BENEFIT	\$430	\$444	\$695	\$964	\$1,422	\$1,925	\$2,017	\$2,188	\$2,931
AVERAGE FINAL SALARY	\$28,954	\$30,707	\$34,404	\$36,876	\$41,550	\$47,768	\$48,862	\$49,470	\$56,341
NUMBER OF ACTIVE RETIRANTS	115	800	901	740	758	496	1,121	224	1,121
2012									
AVERAGE MONTHLY BENEFIT	\$503	\$426	\$656	\$984	\$1,325	\$1,823	\$1,957	\$2,283	\$2,938
AVERAGE FINAL SALARY	\$27,325	\$29,424	\$32,872	\$37,561	\$40,246	\$46,050	\$47,965	\$51,720	\$56,263
NUMBER OF ACTIVE RETIRANTS	146	861	867	779	736	501	1,135	260	1,281
2011									
AVERAGE MONTHLY BENEFIT	\$490	\$445	\$637	\$975	\$1,347	\$1,792	\$1,996	\$2,176	\$2,911
AVERAGE FINAL SALARY	\$26,297	\$29,798	\$31,063	\$36,095	\$39,613	\$45,296	\$48,620	\$49,084	\$55,608
NUMBER OF ACTIVE RETIRANTS	247	837	808	741	743	456	1,050	245	1,439

**AVERAGE BENEFIT PAYMENTS:
MISSISSIPPI HIGHWAY SAFETY PATROL RETIREMENT SYSTEM**

RETIREMENT EFFECTIVE DATES: JULY 1, 2010 TO JUNE 30, 2015	YEARS CREDITED SERVICE								
	0-4	5-9	10-15	16-20	21-24	25	26-29	30	31+
2015									
AVERAGE MONTHLY BENEFIT	\$-	\$-	\$-	\$1,831	\$1,719	\$1,978	\$4,054	\$-	\$4,758
AVERAGE FINAL SALARY	\$-	\$-	\$-	\$45,652	\$30,832	\$36,845	\$51,500	\$-	\$67,378
NUMBER OF ACTIVE RETIRANTS	-	-	-	3	3	2	10	-	4
2014									
AVERAGE MONTHLY BENEFIT	\$-	\$-	\$-	\$402	\$2,013	\$-	\$2,756	\$3,899	\$4,528
AVERAGE FINAL SALARY	\$-	\$-	\$-	\$15,019	\$54,344	\$-	\$51,233	\$69,760	\$68,011
NUMBER OF ACTIVE RETIRANTS	-	-	-	1	5	-	8	5	9
2013									
AVERAGE MONTHLY BENEFIT	\$-	\$662	\$710	\$-	\$1,173	\$1,696	\$2,860	\$-	\$3,270
AVERAGE FINAL SALARY	\$-	\$21,844	\$36,998	\$-	\$31,852	\$28,673	\$54,158	\$-	\$54,646
NUMBER OF ACTIVE RETIRANTS	-	1	2	-	3	2	11	-	4
2012									
AVERAGE MONTHLY BENEFIT	\$-	\$1,649	\$-	\$2,341	\$982	\$1,569	\$2,268	\$4,335	\$3,799
AVERAGE FINAL SALARY	\$-	\$39,568	\$-	\$58,021	\$39,971	\$28,717	\$48,824	\$71,048	\$62,979
NUMBER OF ACTIVE RETIRANTS	-	1	-	1	1	1	10	5	12
2011									
AVERAGE MONTHLY BENEFIT	\$-	\$-	\$716	\$1,021	\$2,434	\$1,897	\$2,409	\$3,792	\$3,297
AVERAGE FINAL SALARY	\$-	\$-	\$28,058	\$26,202	\$60,343	\$43,144	\$50,020	\$52,042	\$51,856
NUMBER OF ACTIVE RETIRANTS	-	-	1	2	3	2	11	4	9

**AVERAGE BENEFIT PAYMENTS:
MUNICIPAL RETIREMENT SYSTEMS**

RETIREMENT EFFECTIVE DATES: JULY 1, 2010 TO JUNE 30, 2015*	YEARS OF CREDITED SERVICE								
	0-4	5-9	10-14	15-19	20-24	25	26-29	30	31+
2015									
AVERAGE MONTHLY BENEFIT	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$2,898	\$2,912
AVERAGE FINAL SALARY	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$51,253	\$56,520
NUMBER OF ACTIVE RETIRANTS	-	-	-	-	-	-	-	1	2
2014									
AVERAGE MONTHLY BENEFIT	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$2,778
AVERAGE FINAL SALARY	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$47,160
NUMBER OF ACTIVE RETIRANTS	-	-	-	-	-	-	-	-	2
2013									
AVERAGE MONTHLY BENEFIT	\$-	\$-	\$-	\$-	\$-	\$-	\$3,490	\$-	\$4,379
AVERAGE FINAL SALARY	\$-	\$-	\$-	\$-	\$-	\$-	\$63,310	\$-	\$72,947
NUMBER OF ACTIVE RETIRANTS	-	-	-	-	-	-	1	-	4
2012									
AVERAGE MONTHLY BENEFIT	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$3,423
AVERAGE FINAL SALARY	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$61,607
NUMBER OF ACTIVE RETIRANTS	-	-	-	-	-	-	-	-	4
2011									
AVERAGE MONTHLY BENEFIT	\$-	\$-	\$-	\$-	\$-	\$2,222	\$-	\$-	\$2,149
AVERAGE FINAL SALARY	\$-	\$-	\$-	\$-	\$-	\$43,366	\$-	\$-	\$38,685
NUMBER OF ACTIVE RETIRANTS	-	-	-	-	-	1	-	-	1

**Prior to 2013, retirement effective dates were October to September.*

AVERAGE BENEFIT PAYMENTS:
SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN

RETIREMENT EFFECTIVE DATES: JULY 1, 2010, TO JUNE 30, 2015	YEARS CREDITED SERVICE								
	0-4	5-9	10-15	16-20	21-24	25	26-29	30	31+
2015									
AVERAGE MONTHLY BENEFIT	\$-	\$164	\$740	\$721	\$-	\$579	\$-	\$-	\$1,032
AVERAGE FINAL SALARY	\$-	\$18,636	\$68,228	\$37,912	\$-	\$34,791	\$-	\$-	\$42,949
NUMBER OF ACTIVE RETIRANTS	-	2	2	2	-	1	-	-	1
2014									
AVERAGE MONTHLY BENEFIT	\$-	\$-	\$345	\$491	\$473	\$-	\$580	\$-	\$-
AVERAGE FINAL SALARY	\$-	\$-	\$34,404	\$34,871	\$39,301	\$-	\$43,165	\$-	\$-
NUMBER OF ACTIVE RETIRANTS	-	-	2	2	1	-	1	-	-
2013									
AVERAGE MONTHLY BENEFIT	\$-	\$168	\$183	\$463	\$550	\$-	\$731	\$-	\$-
AVERAGE FINAL SALARY	\$-	\$27,925	\$29,576	\$36,140	\$39,581	\$-	\$38,727	\$-	\$-
NUMBER OF ACTIVE RETIRANTS	-	6	7	1	4	-	2	-	-
2012									
AVERAGE MONTHLY BENEFIT	\$-	\$194	\$405	\$430	\$676	\$-	\$731	\$-	\$1,237
AVERAGE FINAL SALARY	\$-	\$33,827	\$43,765	\$36,045	\$38,901	\$-	\$38,645	\$-	\$57,275
NUMBER OF ACTIVE RETIRANTS	-	10	6	3	4	-	3	-	7
2011									
AVERAGE MONTHLY BENEFIT	\$104	\$261	\$109	\$-	\$305	\$-	\$-	\$-	\$369
AVERAGE FINAL SALARY	\$33,200	\$34,762	\$19,188	\$-	\$36,782	\$-	\$-	\$-	\$27,287
NUMBER OF ACTIVE RETIRANTS	1	1	1	-	2	-	-	-	2

**ANALYSIS OF EMPLOYER AND MEMBER CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
- FOR FISCAL YEARS ENDED JUNE 30, 2015 AND 2014 -**

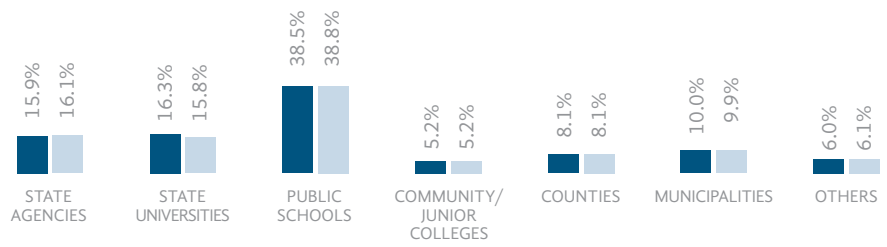
[contributions in thousands]

EMPLOYER GROUP	EMPLOYER		MEMBER		TOTAL CONTRIBUTIONS	PERCENT
	UNITS	CONTRIBUTIONS	NUMBER	CONTRIBUTIONS		
2015						
STATE AGENCIES	113	\$158,197	30,425	\$88,572	\$246,769	15.9%
STATE UNIVERSITIES	9	162,632	18,151	91,056	253,688	16.3
PUBLIC SCHOOLS	145	384,309	62,762	215,171	599,480	38.5
COMMUNITY/JUNIOR COLLEGES	15	51,612	6,086	28,897	80,509	5.2
COUNTIES	82	80,760	13,744	45,217	125,977	8.1
MUNICIPALITIES	241	99,518	16,913	55,720	155,238	10.0
OTHERS	263	59,450	9,134	33,276	92,726	6.0
TOTALS	868	\$996,478	157,215	\$557,909	\$1,554,387	100.0%
2014						
STATE AGENCIES	112	\$156,118	32,288	\$88,474	\$244,592	16.1%
STATE UNIVERSITIES	9	153,208	18,309	86,825	240,033	15.8
PUBLIC SCHOOLS	149	376,233	64,064	213,217	589,450	38.8
COMMUNITY/JUNIOR COLLEGES	15	50,423	6,222	28,576	78,999	5.2
COUNTIES	82	78,544	13,894	44,512	123,056	8.1
MUNICIPALITIES	241	95,998	17,066	54,403	150,401	9.9
OTHERS	263	59,150	9,517	33,521	92,671	6.1
TOTALS	871	\$969,674	161,360	\$549,528	\$1,519,202	100.0%

Note: Above table excludes MHSPRS, MRS, and SLRP contributions.

PERCENT OF TOTAL CONTRIBUTIONS BY AGENCY TYPE

2015
2014



Note: Above chart excludes MHSPRS, MRS, and SLRP contributions.

RETIRED MEMBERS BY TYPE OF BENEFIT

- JUNE 30, 2015 -

AMOUNT OF MONTHLY BENEFIT*	OPTION SELECTED**					
	LIFE	OPT. 1	OPT. 2	OPT. 3	OPT. 4	OPT. 4A
<i>Public Employees' Retirement System of Mississippi</i>						
\$1 - 100	1,685	72	289	10	4	31
101 - 200	3,867	188	640	32	16	83
201 - 300	4,122	186	603	25	26	98
301 - 400	3,795	200	621	26	13	123
401 - 500	3,551	171	621	21	31	154
501 - 600	3,132	138	561	27	18	127
601 - 700	2,869	142	496	25	17	145
701 - 800	2,647	147	501	19	19	182
801 - 900	2,512	153	524	21	28	206
901 - 1,000	2,437	118	510	23	34	184
OVER 1,000	32,771	1,717	9,116	351	641	4,689
TOTALS	63,388	3,232	14,482	580	847	6,022
<i>Mississippi Highway Safety Patrol Retirement System</i>						
\$1 - 100	1	-	-	-	-	-
101 - 200	2	-	-	-	-	-
201 - 300	6	-	-	-	-	-
301 - 400	20	-	1	-	-	-
401 - 500	9	-	-	-	-	3
501 - 600	15	-	-	-	-	2
601 - 700	13	-	-	-	-	2
701 - 800	18	-	-	-	-	2
801 - 900	22	-	-	1	-	2
901 - 1,000	21	-	-	-	-	2
OVER 1,000	61	2	45	3	-	456
TOTALS	188	2	46	4	-	469

*Excluding Cost-of-Living Adjustment.

**Option Selected: Life - return of contributions; Opt.1 - return of member's annuity;
Opt. 2 - 100.0 percent survivorship; Opt. 3 - 50.0 percent / 50.0 percent dual survivorship;
Opt. 4 - 75.0 percent survivorship; Opt. 4A - 50.0 percent survivorship; Opt. 4B - years certain and life;
Opt. 4C - Social Security leveling; Opt. 5 - pop up; PLSO - Partial-Lump-Sum Option.

RETIRED MEMBERS BY TYPE OF BENEFIT (CONTINUED)
- JUNE 30, 2015 -

AMOUNT OF MONTHLY BENEFIT* <i>Public Employees' Retirement System of Mississippi</i>	OPTION SELECTED** (CONTINUED)			PLSO 1 YR.***	PLSO 2 YR.***	PLSO 3 YR.***
	OPT. 4B	OPT. 4C***	OPT. 5			
\$1 - 100	180	5	5	52	40	403
101 - 200	390	22	29	111	95	520
201 - 300	371	37	34	123	100	478
301 - 400	386	52	22	113	118	410
401 - 500	312	72	14	128	98	363
501 - 600	325	97	20	145	98	369
601 - 700	268	151	16	124	97	287
701 - 800	237	164	32	126	96	299
801 - 900	274	205	24	134	90	345
901 - 1,000	247	215	41	131	69	342
OVER 1,000	4,315	1,768	245	2,819	2,423	10,119
TOTALS	7,305	2,788	482	4,006	3,324	13,935
<i>Mississippi Highway Safety Patrol Retirement System</i>						
\$1 - 100	-	-	-	-	-	-
101 - 200	-	-	-	-	-	-
201 - 300	-	-	-	-	-	-
301 - 400	-	-	-	-	-	-
401 - 500	-	-	-	-	-	-
501 - 600	-	-	-	-	-	-
601 - 700	-	-	-	-	-	-
701 - 800	-	1	-	-	-	-
801 - 900	-	-	-	-	1	-
901 - 1,000	-	-	-	-	-	-
OVER 1,000	15	10	-	37	21	112
TOTALS	15	11	-	37	22	112

*Excluding Cost-of-Living Adjustment.

**Option Selected: Life - return of contributions; Opt.1 - return of member's annuity;
 Opt. 2 - 100.0 percent survivorship; Opt. 3 - 50.0 percent / 50.0 percent dual survivorship;
 Opt 4 - 75.0 percent survivorship; Opt. 4A - 50.0 percent survivorship; Opt. 4B - years certain and life;
 Opt. 4C - Social Security leveling; Opt. 5 - pop up; PLSO - Partial-Lump-Sum Option.

***Included in other options.

RETIRED MEMBERS BY TYPE OF BENEFIT (CONTINUED)
- JUNE 30, 2015 -

AMOUNT OF MONTHLY BENEFIT* <i>Supplemental Legislative Retirement Plan</i>	OPTION SELECTED**					
	LIFE	OPT. 1	OPT. 2	OPT. 3	OPT. 4	OPT. 4A
\$1 - 100	5	-	4	-	-	-
101 - 200	14	1	15	-	-	-
201 - 300	17	-	10	2	1	2
301 - 400	18	1	11	-	-	2
401 - 500	11	1	5	-	-	1
501 - 600	3	-	1	1	-	-
601 - 700	4	-	7	-	-	1
701 - 800	2	-	2	-	-	-
801 - 900	5	-	1	-	-	-
901 - 1,000	-	-	-	-	-	-
OVER 1,000	4	-	3	1	-	-
TOTALS	83	3	59	4	1	6

*Excluding Cost-of-Living Adjustment.

**Option Selected: Life - return of contributions; Opt. 1 - return of member's annuity;
Opt. 2 - 100.0 percent survivorship; Opt. 3 - 50.0 percent / 50.0 percent dual survivorship;
Opt. 4 - 75.0 percent survivorship; Opt. 4A - 50.0 percent survivorship; Opt. 4B - years certain and life;
Opt. 4C - Social Security leveling; Opt. 5 - pop up; PLSO - Partial-Lump-Sum Option.

RETIRED MEMBERS BY TYPE OF BENEFIT (CONTINUED)

- JUNE 30, 2015 -

AMOUNT OF MONTHLY BENEFIT* <i>Supplemental Legislative Retirement Plan</i>	OPTION SELECTED** (CONTINUED)			PLSO 1 YR.***	PLSO 2 YR.***	PLSO 3 YR.***
	OPT. 4B	OPT. 4C***	OPT. 5			
\$1 - 100	3	1	-	-	-	1
101 - 200	1	-	-	-	-	4
201 - 300	3	-	1	-	-	2
301 - 400	7	-	1	1	-	6
401 - 500	3	-	-	-	2	4
501 - 600	2	-	1	1	-	1
601 - 700	2	-	-	-	-	1
701 - 800	-	-	1	-	-	1
801 - 900	2	-	-	-	-	1
901 - 1,000	1	-	-	-	1	-
OVER 1,000	1	-	-	-	-	3
TOTALS	25	1	4	2	3	24

*Excluding Cost-of-Living Adjustment.

**Option Selected: Life - return of contributions; Opt.1 - return of member's annuity;

Opt. 2 - 100.0 percent survivorship; Opt. 3 - 50.0 percent / 50.0 percent dual survivorship;

Opt. 4 - 75.0 percent survivorship; Opt. 4A - 50.0 percent survivorship; Opt. 4B - years certain and life;

Opt. 4C - Social Security leveling; Opt. 5 - pop up; PLSO - Partial-Lump-Sum Option.

***Included in other options.

TOTAL ACTIVE MEMBERS BY ATTAINED AGE AND YEARS OF SERVICE:
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
- JUNE 30, 2015 -

ATTAINED AGE	ACTIVE MEMBER YEARS OF SERVICE							TOTALS	
	0-4	5-9	10-14	15-19	20-24	25-29	30+	NUMBER	VALUATION PAYROLL
UNDER 20	228	6	-	-	-	-	-	234	\$3,318,796
20-24	6,396	64	-	-	-	-	-	6,460	153,050,960
25-29	12,339	2,764	47	-	-	-	-	15,150	468,842,256
30-34	8,342	7,392	2,470	55	-	-	-	18,259	641,726,082
35-39	6,787	5,048	5,600	1,892	47	-	-	19,374	746,608,151
40-44	5,791	4,536	4,204	4,566	1,758	52	-	20,907	839,587,305
45-49	4,919	3,868	3,543	3,367	3,609	1,249	25	20,580	821,086,402
50-54	4,379	3,506	3,451	3,343	2,890	2,442	771	20,782	816,418,551
55-59	3,440	3,189	2,991	2,916	2,659	1,996	1,435	18,626	735,038,708
60	504	522	521	478	427	351	291	3,094	123,557,826
61	470	475	466	430	346	280	270	2,737	111,535,040
62	386	400	366	338	315	237	217	2,259	92,729,736
63	290	349	310	283	239	175	178	1,824	75,043,617
64	236	326	258	227	191	138	135	1,511	61,206,777
65	178	244	207	131	139	107	114	1,120	47,094,672
66	159	171	132	123	102	67	65	819	32,854,088
67	130	152	133	95	78	60	78	726	30,553,311
68	125	135	122	98	51	45	78	654	27,353,939
69	76	71	64	58	40	32	36	377	14,049,091
70 & OVER	303	331	339	254	160	132	203	1,722	63,171,873
TOTALS	55,478	33,549	25,224	18,654	13,051	7,363	3,896	157,215	\$5,904,827,181

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

Age: 44.6 years
Service: 10.3 years
Annual Pay: \$37,559

**TOTAL ACTIVE MEMBERS BY ATTAINED AGE AND YEARS OF SERVICE:
MISSISSIPPI HIGHWAY SAFETY PATROL RETIREMENT SYSTEM**
- JUNE 30, 2015 -

ATTAINED AGE	ACTIVE MEMBER YEARS OF SERVICE							TOTALS	
	0-4	5-9	10-14	15-19	20-24	25-29	30+	NUMBER	VALUATION PAYROLL
UNDER 20	-	-	-	-	-	-	-	-	\$-
20-24	6	-	-	-	-	-	-	6	55,653
25-29	42	8	-	-	-	-	-	50	1,217,707
30-34	33	41	5	-	-	-	-	79	3,131,614
35-39	12	43	25	7	-	-	-	87	4,056,676
40-44	3	30	28	44	8	-	-	113	5,884,869
45-49	3	7	18	27	31	3	-	89	5,154,744
50-54	1	2	4	11	15	20	1	54	3,321,834
55-59	-	-	1	3	2	11	16	33	2,198,443
60 & OVER	-	1	-	-	-	4	2	7	483,136
TOTALS	100	132	81	92	56	38	19	518	\$25,504,676

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

Age: 41.5 years
Service: 13.2 years
Annual Pay: \$49,237

**TOTAL ACTIVE MEMBERS BY ATTAINED AGE AND YEARS OF SERVICE:
MUNICIPAL RETIREMENT SYSTEMS**
- JUNE 30, 2015 -

ATTAINED AGE	ACTIVE MEMBER YEARS OF SERVICE							TOTALS	
	0-4	5-9	10-14	15-19	20-24	25-29	30+	NUMBER	VALUATION PAYROLL
UNDER 20	-	-	-	-	-	-	-	-	\$-
20-24	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	4	4	230,992
55-59	-	-	-	-	-	-	-	-	-
60 & OVER	-	-	-	-	-	-	7	7	348,275
TOTALS	-	-	-	-	-	-	11	11	\$579,267

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

Age: 62.1 years
Service: 37.4 years
Annual Pay: \$52,661

TOTAL ACTIVE MEMBERS BY ATTAINED AGE AND YEARS OF SERVICE:
SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN
- JUNE 30, 2015 -

ATTAINED AGE	ACTIVE MEMBER YEARS OF SERVICE							TOTALS	
	0-4	5-9	10-14	15-19	20-24	25-29	30+	NUMBER	VALUATION PAYROLL
UNDER 20	-	-	-	-	-	-	-	-	\$-
20-24	1	-	-	-	-	-	-	1	38,049
25-29	-	-	-	-	-	-	-	-	-
30-34	2	1	-	-	-	-	-	3	112,239
35-39	8	3	1	-	-	-	-	12	459,118
40-44	11	5	2	2	-	-	-	20	789,409
45-49	14	4	1	2	-	-	-	21	777,364
50-54	11	3	3	1	2	-	-	20	829,607
55-59	4	3	5	2	5	-	2	21	845,445
60	-	-	-	2	1	-	1	4	162,714
61	3	-	-	1	1	-	-	5	207,989
62	2	-	1	-	2	-	1	6	238,078
63	-	2	-	2	-	-	1	5	206,451
64	1	2	1	1	1	-	2	8	312,019
65	-	1	-	1	1	-	1	4	145,347
66	4	1	1	-	-	-	-	6	236,397
67	1	1	1	-	-	-	1	4	165,385
68	-	2	1	-	3	-	1	7	283,483
69	-	-	-	2	1	-	-	3	120,062
70 & OVER	-	3	4	4	9	1	3	24	932,010
TOTALS	62	31	21	20	26	1	13	174	\$6,861,166

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

*Age: 56.9 years
Benefit Service: 12.1 years
Eligibility Service: 17.1 years
Annual Pay: \$39,432*

TOTAL DEFINED BENEFIT PLANS—BENEFIT PAYMENTS BY COUNTY
- JUNE 30, 2015 -

COUNTY	NUMBER OF PAYMENTS	AMOUNT PAID*	COUNTY	NUMBER OF PAYMENTS	AMOUNT PAID*
ADAMS	1,286	\$27,029,336	LOWNDES	1,635	\$37,018,587
ALCORN	1,184	25,108,709	MADISON	3,422	95,682,364
AMITE	358	6,759,343	MARION	802	17,673,569
ATTALA	818	17,070,137	MARSHALL	711	14,480,107
BENTON	215	4,049,938	MONROE	1,123	24,387,491
BOLIVAR	1,484	34,608,692	MONTGOMERY	583	12,710,819
CALHOUN	457	9,394,001	NESHOBA	933	19,082,444
CARROLL	479	10,029,773	NEWTON	759	16,406,456
CHICKASAW	588	12,365,591	NOXUBEE	308	6,467,851
CHOCTAW	349	7,108,918	OKTIBBEHA	2,390	77,754,872
CLAIBORNE	347	7,889,365	PANOLA	1,181	23,603,130
CLARKE	617	11,069,437	PEARL RIVER	1,180	22,026,864
CLAY	627	15,052,009	PERRY	437	7,928,238
COAHOMA	963	23,346,745	PIKE	1,252	28,681,680
COPIAH	1,007	21,633,696	PONTOTOC	725	16,806,672
COVINGTON	720	15,397,590	PRENTISS	790	17,625,229
DESOTO	1,525	30,375,570	QUITMAN	267	5,389,311
FORREST	3,460	88,257,879	RANKIN	5,696	143,099,755
FRANKLIN	322	6,533,282	SCOTT	865	17,555,277
GEORGE	656	12,549,721	SHARKEY	212	4,601,723
GREENE	321	5,489,792	SIMPSON	1,111	21,944,620
GRENADA	769	16,984,871	SMITH	489	8,478,237
HANCOCK	870	17,417,617	STONE	695	15,693,561
HARRISON	4,501	104,697,093	SUNFLOWER	894	19,305,849
HINDS	9,879	250,014,212	TALLAHATCHIE	433	8,974,724
HOLMES	688	14,053,718	TATE	772	17,536,858
HUMPHREYS	278	6,191,277	TIPPAH	783	16,304,824
ISSAQUENA	23	337,225	TISHOMINGO	521	9,670,726
ITAWAMBA	861	18,522,614	TUNICA	216	4,268,703
JACKSON	3,489	77,363,057	UNION	858	18,568,816
JASPER	558	10,316,144	WALTHALL	404	8,217,031
JEFFERSON	398	8,939,303	WARREN	1,392	33,775,711
JEFFERSON DAVIS	398	7,468,588	WASHINGTON	1,638	36,407,080
JONES	2,539	53,679,137	WAYNE	521	10,418,594
KEMPER	346	7,379,578	WEBSTER	590	12,208,598
LAFAYETTE	2,076	61,030,310	WILKINSON	301	5,801,802
LAMAR	972	19,657,974	WINSTON	678	15,765,659
LAUDERDALE	2,686	58,732,708	YALOBUSHA	623	13,166,859
LAWRENCE	555	10,577,884	YAZOO	785	17,559,858
LEAKE	678	13,701,739	MISSISSIPPI	93,757	2,156,297,353
LEE	2,321	55,543,161	OUT-OF-STATE	8,735	127,406,432
LEFLORE	1,133	27,391,542	OUT-OF-COUNTRY	25	464,822
LINCOLN	981	22,127,528	TOTAL	102,517	\$2,284,168,607

*The percentage
distribution is estimated.

TEN LARGEST PARTICIPATING EMPLOYERS

PARTICIPATING EMPLOYER	2015			2006		
	COVERED EMPLOYEES	RANK	PERCENTAGE OF TOTAL SYSTEM	COVERED EMPLOYEES	RANK	PERCENTAGE OF TOTAL SYSTEM
<i>Public Employees' Retirement System</i>						
UNIVERSITY MEDICAL CENTER	8,321	1	5.29%	5,963	1	3.77%
JACKSON MUNICIPAL SEPARATE SCHOOLS	4,434	2	2.82	4,786	2	3.03
DESOTO COUNTY BOARD OF EDUCATION	4,135	3	2.63	3,034	6	1.92
MISSISSIPPI STATE UNIVERSITY	3,815	4	2.43	3,677	3	2.33
MISSISSIPPI DEPARTMENT OF HUMAN SERVICES	3,444	5	2.19	2,947	7	1.86
MISSISSIPPI DEPARTMENT OF TRANSPORTATION	3,072	6	1.95	3,266	4	2.07
CORRECTIONS DEPARTMENT	2,750	7	1.75	3,169	5	2.00
MISSISSIPPI DEPARTMENT OF HEALTH	2,234	8	1.42	2,204	9	1.39
UNIVERSITY OF MISSISSIPPI	2,214	9	1.41	1,802	13	1.14
RANKIN COUNTY BOARD OF EDUCATION	2,200	10	1.40	2,084	10	1.32
ALL OTHER*	120,596	-	76.71	125,159	-	79.17
TOTALS (868 EMPLOYERS)	157,215	-	100.00%	158,091	-	100.00%
<i>Municipal Retirement Systems</i>						
CITY OF CLINTON	4	1	36.36%	10	2	15.38%
CITY OF HATTIESBURG	2	2	18.18	14	1	21.54
CITY OF GREENWOOD	2	3	18.18	4	5	6.15
ALL OTHER*	3	-	27.28	37	-	56.93
TOTALS (17 EMPLOYERS)	11	-	100.00%	65	-	100.00%

*In 2015, "All Other" consisted of:

TYPE	NUMBER OF EMPLOYERS	EMPLOYEES	TYPE	NUMBER OF EMPLOYERS	EMPLOYEES
<i>Public Employees' Retirement System</i>			<i>Municipal Retirement Systems</i>		
STATE AGENCIES	109	18,925	STATE AGENCIES	-	-
STATE UNIVERSITIES	6	3,801	STATE UNIVERSITIES	-	-
PUBLIC SCHOOLS	142	51,993	PUBLIC SCHOOLS	-	-
COMMUNITY/ JUNIOR COLLEGES	15	6,086	COMMUNITY/ JUNIOR COLLEGES	-	-
COUNTIES	82	13,744	COUNTIES	-	-
MUNICIPALITIES	241	16,913	MUNICIPALITIES	3	3
OTHER POLITICAL SUBDIVISIONS	263	9,134	OTHER POLITICAL SUBDIVISIONS	-	-
TOTALS	858	120,596	TOTALS	3	3

PUBLIC AGENCIES COVERED BY STATE RETIREMENT ANNUITY

Participating Employers Covered by Law

STATE AGENCIES
STATE UNIVERSITIES
COMMUNITY/JUNIOR COLLEGES
PUBLIC SCHOOL DISTRICTS

Participating Employers Covered by Separate Agreement

COUNTIES

Local Governmental Entities Covered by Separate Agreement

Municipalities

ABERDEEN	CRENSHAW	IUKA	NEW ALBANY	SHELBY
ACKERMAN	CROSBY	JACKSON	NEW AUGUSTA	SHERMAN
ALGOMA	CRYSTAL SPRINGS	JONESTOWN	NEW HEBRON	SHUBUTA
AMORY	DECATUR	JUMPERTOWN	NEWTON	SHUQUALAK
ANGUILLA	DE KALB	KILMICHAEL	NORTH CARROLLTON	SILVER CITY
ARCOLA	D'LO	KOSCIUSKO	NOXAPATER	SLEDGE
ARTESIA	DERMA	LAKE	OCEAN SPRINGS	SMITHVILLE
ASHLAND	D'IBERVILLE	LAMBERT	OKOLONA	SOSO
BALDWYN	DREW	LAUREL	OLIVE BRANCH	SOUTHAVEN
BASSFIELD	DUCK HILL	LEAKESVILLE	OSYKA	STARKVILLE
BATESVILLE	DURANT	LELAND	OXFORD	STATE LINE
BAY SPRINGS	ECRU	LENA	PASCAGOULA	STONEWALL
BAY ST. LOUIS	EDWARDS	LEXINGTON	PASS CHRISTIAN	STURGIS
BEAUMONT	ELLISVILLE	LIBERTY	PEARL	SUMMIT
BELMONT	ENTERPRISE	LONG BEACH	PELAHATCHIE	SUMNER
BELZONI	ETHEL	LOUIN	PETAL	SUMRALL
BENOIT	EUPORA	LOUISE	PHILADELPHIA	SUNFLOWER
BENTONIA	FALKNER	LOUISVILLE	PICAYUNE	TAYLORSVILLE
BILOXI	FARMINGTON	LUCEDALE	PLANTERSVILLE	TCHULA
BLUE MOUNTAIN	FLORA	LULA	POLKVILLE	TISHOMINGO
BOONEVILLE	FLORENCE	LUMBERTON	PONTOTOC	TREMONT
BOYLE	FLOWOOD	LYON	POPLARVILLE	TUNICA
BRANDON	FOREST	MABEN	PORT GIBSON	TUPELO
BROOKHAVEN	FRENCH CAMP	MACON	POTTS CAMP	TUTWILER
BROOKSVILLE	FULTON	MADISON	PRENTISS	TYLERTOWN
BRUCE	GAUTIER	MAGEE	PUCKETT	UNION
BUDE	GLOSTER	MAGNOLIA	PURVIS	VAIDEN
BURNSVILLE	GOLDEN	MANTACHIE	QUITMAN	VARDAMAN
BYHALIA	GOODMAN	MARIETTA	RALEIGH	VERONA
BYRAM	GREENVILLE	MARION	RAYMOND	VICKSBURG
CALEDONIA	GREENWOOD	MARKS	RENOVA	WALNUT
CALHOUN CITY	GRENADA	MATHISTON	RICHLAND	WALNUT GROVE
CANTON	GULFPORT	MAYERSVILLE	RIGHTON	WALTHALL
CARTHAGE	GUNTOWN	MCCOMB	RIDGELAND	WATER VALLEY
CARY	HATLEY	MCLAIN	RIENZI	WAVELAND
CENTREVILLE	HATTIESBURG	MEADVILLE	RIPLEY	WAYNESBORO
CHARLESTON	HAZLEHURST	MENDENHALL	ROLLING FORK	WEIR
CHUNKY	HEIDELBERG	MERIDIAN	ROSEDALE	WESSON
CLARKSDALE	HERNANDO	MERIGOLD	ROXIE	WEST
CLEVELAND	HICKORY	METCALFE	RULEVILLE	WEST POINT
CLINTON	HICKORY FLAT	MIZE	SALTILLO	WIGGINS
COFFEEVILLE	HOLLANDALE	MONTICELLO	SALLIS	WINONA
COLDWATER	HOLLY SPRINGS	MOORHEAD	SANDERSVILLE	WOODLAND
COLLINS	HORN LAKE	MORTON	SARDIS	WOODVILLE
COLUMBIA	HOUKKA	MOSS POINT	SEBASTOPOL	YAZOO CITY
COLUMBUS	HOUSTON	MOUNT OLIVE	SEMINARY	
COMO	INDIANOLA	MYRTLE	SENATOBIA	
CORINTH	INVERNESS	NATCHEZ	SHANNON	
CRAWFORD	ITTA BENA	NETTLETON	SHAW	

PUBLIC AGENCIES COVERED BY STATE RETIREMENT ANNUITY (CONTINUED)

Juristic Entities

ADAMS COUNTY AIRPORT COMMISSION	LAMAR COUNTY SOIL & WATER CONSERVATION DISTRICT
ADAMS COUNTY SOIL & WATER CONSERVATION DISTRICT	LAUDERDALE COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
BOGUE PHALIA DRAINAGE DISTRICT	LAUDERDALE COUNTY SOIL & WATER CONSERVATION DISTRICT
BOLIVAR COUNTY SOIL & WATER CONSERVATION DISTRICT	LAUREL AIRPORT AUTHORITY
CALEDONIA NATURAL GAS DISTRICT	LEE COUNTY SOIL & WATER CONSERVATION DISTRICT
CALHOUN COUNTY SOIL & WATER CONSERVATION DISTRICT	MADISON COUNTY ECONOMIC DEVELOPMENT AUTHORITY
CANTON CONVENTION & VISITORS BUREAU	MADISON COUNTY SOIL & WATER CONSERVATION DISTRICT
CANTON REDEVELOPMENT AUTHORITY	MARION COUNTY SOIL & WATER CONSERVATION DISTRICT
CHICKASAWHAY NATURAL GAS DISTRICT	MENTAL HEALTH & RETARDATION, REGION III (NE MS MHR)
CHOCTAW COUNTY ECONOMIC DEVELOPMENT DISTRICT	MENTAL HEALTH & RETARDATION, REGION IV (CORINTH)
CLAIBORNE COUNTY HUMAN RESOURCE AGENCY	MENTAL HEALTH & RETARDATION, REGION VI (GREENWOOD)
CLEARY WATER, SEWER & FIRE DISTRICT	MENTAL HEALTH & RETARDATION, REGION VIII (BRANDON)
COAHOMA COUNTY SOIL & WATER CONSERVATION DISTRICT	MENTAL HEALTH & RETARDATION, REGION X (WEEMS MH)
COLUMBUS LOWNDES COUNTY RECREATION COMMISSION	MENTAL HEALTH & RETARDATION, REGION XI (SW MS MH/MR)
COPIAH COUNTY HUMAN RESOURCE AGENCY	MENTAL HEALTH & RETARDATION, REGION XIV (SINGING RIVER)
CORINTH-ALCORN AIRPORT BOARD	MERIDIAN AIRPORT AUTHORITY
CORINTH-ALCORN CONVENTION & AGRICULTURE EXPOSITION CENTER	MID-MISSISSIPPI DEVELOPMENT DISTRICT
COVINGTON COUNTY SOIL & WATER CONSERVATION DISTRICT	MISSISSIPPI COAST COLISEUM & CONVENTION CENTER
CULKIN WATER DISTRICT	MISSISSIPPI LEVEE COMMISSIONERS
DELTA BLUES MUSEUM	MUNICIPAL ENERGY AGENCY OF MISSISSIPPI
DESOTO COUNTY CONVENTION & VISITORS BUREAU	NATCHEZ-ADAMS COUNTY PORT COMMISSION
DESOTO COUNTY REGIONAL UTILITY AUTHORITY	NATCHEZ WATERWORKS
DESOTO COUNTY SOIL & WATER CONSERVATION DISTRICT	NESHOMA COUNTY SOIL CONSERVATION DISTRICT
DIAMONDHEAD FIRE PROTECTION DISTRICT	NEWTON COUNTY SOIL CONSERVATION DISTRICT
EAST LEFLORE COUNTY WATER & SEWER DISTRICT	NORTHEAST MISSISSIPPI NATURAL GAS DISTRICT
EMERGENCY MANAGEMENT DISTRICT	NORTHEAST MISSISSIPPI REGIONAL WATER SUPPLY DISTRICT
FORREST COUNTY SOIL & WATER CONSERVATION DISTRICT	NOXUBEE COUNTY SOIL & WATER CONSERVATION DISTRICT
GEORGE COUNTY SOIL & WATER CONSERVATION DISTRICT	NROUTE TRANSIT COMMISSION
GLENDALE UTILITY DISTRICT	OXFORD TOURISM COUNCIL
GOLDEN TRIANGLE COOPERATIVE SERVICE DISTRICT	PANOLA COUNTY SOIL & WATER CONSERVATION DISTRICT
GOLDEN TRIANGLE REGIONAL AIRPORT	PHILADELPHIA-NESHOMA COUNTY PARK COMMISSION
GOLDEN TRIANGLE REGIONAL SOLID WASTE MANAGEMENT AUTHORITY	PIKE COUNTY SOIL CONSERVATION DISTRICT
GREENVILLE PORT COMMISSION	PINE BELT REGION SOLID WASTE MANAGEMENT AUTHORITY
GREENWOOD TOURISM COMMISSION	PONTOTOC COUNTY SOIL & WATER CONSERVATION DISTRICT
GRENADA COUNTY CIVIL DEFENSE	PRENTISS COUNTY SOIL & WATER CONSERVATION DISTRICT
GRENADA COUNTY SOIL & WATER CONSERVATION DISTRICT	RANKIN COUNTY HUMAN RESOURCE AGENCY
GULF REGIONAL PLANNING COMMISSION	RANKIN-HINDS PEARL RIVER FLOOD
GULFPORT-BILOXI REGIONAL AIRPORT AUTHORITY	RESERVOIR FIRE PROTECTION DISTRICT
HANCOCK COUNTY HUMAN RESOURCE AGENCY	RIDGELAND TOURISM COMMISSION
HANCOCK COUNTY PLANNING COMMISSION	ROSEDALE-BOLIVAR COUNTY PORT COMMISSION
HANCOCK COUNTY PORT & HARBOR COMMISSION	RUNNELSTOWN UTILITY DISTRICT
HANCOCK COUNTY SOIL CONSERVATION DISTRICT	SEBASTOPOL NATURAL GAS DISTRICT
HANCOCK COUNTY UTILITY AUTHORITY	SIMPSON COUNTY PARKS & RECREATION
HANCOCK COUNTY WATER & SEWER DISTRICT	SOUTH MISSISSIPPI FAIR COMMISSION
HARRISON COUNTY DEVELOPMENT COMMISSION	STARKVILLE PARK COMMISSION
HARRISON COUNTY SOIL & WATER CONSERVATION DISTRICT	STONE COUNTY SOIL & WATER CONSERVATION DISTRICT
HARRISON COUNTY UTILITY AUTHORITY	STONE COUNTY UTILITY AUTHORITY
HATTIESBURG TOURISM COMMISSION	SUNFLOWER COUNTY SOIL & WATER CONSERVATION DISTRICT
HINDS COUNTY SOIL & WATER CONSERVATION DISTRICT	TALLAHATCHIE COUNTY SOIL & WATER CONSERVATION DISTRICT
HOLMES COUNTY SOIL & WATER CONSERVATION DISTRICT	TENNESSEE-TOMBIGBEE WATERWAY DEVELOPMENT AUTHORITY
ITAWAMBA COUNTY SOIL & WATER CONSERVATION DISTRICT	TUNICA COUNTY AIRPORT COMMISSION
JACKSON COUNTY EMERGENCY/COMMUNICATIONS DISTRICT	TUNICA COUNTY TOURISM COMMISSION
JACKSON COUNTY PORT AUTHORITY	TUPELO AIRPORT AUTHORITY
JACKSON COUNTY UTILITY AUTHORITY	UNION COUNTY SOIL & WATER CONSERVATION DISTRICT
JACKSON MUNICIPAL AIRPORT AUTHORITY	VICKSBURG CONVENTION & VISITORS BUREAU
JONES COUNTY ECONOMIC DEVELOPMENT AUTHORITY	WALTHALL COUNTY SOIL & WATER CONSERVATION DISTRICT
KILN WATER & FIRE PROTECTION DISTRICT-HANCOCK COUNTY	WARREN COUNTY PARK COMMISSION
LAFAYETTE COUNTY SOIL & WATER CONSERVATION DISTRICT	WARREN COUNTY SOIL & WATER CONSERVATION DISTRICT

PUBLIC AGENCIES COVERED BY STATE RETIREMENT ANNUITY (CONTINUED)

Juristic Entities (continued)

WAYNE COUNTY ECONOMIC DEVELOPMENT DISTRICT	YALOBUSHA WATER & SEWER DISTRICT
WAYNE COUNTY SOIL & WATER CONSERVATION DISTRICT	YAZOO COUNTY CONVENTION & VISITORS BUREAU
WEST JACKSON COUNTY UTILITY DISTRICT	YAZOO COUNTY SOIL & WATER CONSERVATION DISTRICT
WEST RANKIN UTILITY AUTHORITY	YAZOO-MISSISSIPPI DELTA JOINT WATER MANAGEMENT DISTRICT
WILKINSON COUNTY SOIL & WATER CONSERVATION DISTRICT	YAZOO-MISSISSIPPI DELTA LEVEE COMMISSION
WINSTON COUNTY ECONOMIC DEVELOPMENT	YAZOO RECREATION COMMISSION
WINSTON COUNTY SOIL & WATER CONSERVATION DISTRICT	

Housing Authorities

ATTALA	HATTIESBURG	MS REG. V-NEWTON	SHELBY
BALDWIN	HAZLEHURST	MS REG. VI-JACKSON	SOUTH DELTA REGION
BAY WELAND	HOLLY SPRINGS	MS REG. VII-MCCOMB	STARKVILLE
BILOXI	ITTA BENA	MS REG. VIII-GULFPORT	SUMMIT
BOONEVILLE	IUKA	MOUND BAYOU	TUPELO
CANTON	JACKSON	NATCHEZ	VICKSBURG
CLARKSDALE	LAUREL	OXFORD	WATER VALLEY
COLUMBUS	LOUISVILLE	PICAYUNE	WAYNESBORO
CORINTH	MCCOMB	PONTOTOC	WEST POINT
FOREST	MERIDIAN	SARDIS	WINONA
GREENWOOD	MS REG. IV-COLUMBUS	SENATOBIA	YAZOO CITY

Local Hospitals

CLAIBORNE COUNTY MEDICAL CENTER	JEFFERSON COUNTY	SOUTH SUNFLOWER COUNTY
FIELD MEMORIAL COMMUNITY	MADISON COUNTY NURSING HOME	TIPPAH COUNTY
FRANKLIN COUNTY MEMORIAL	MAGNOLIA REGIONAL HEALTH CENTER	
HANCOCK MEDICAL CENTER	NORTH SUNFLOWER MEDICAL CENTER	

Local Libraries

AMORY MUNICIPAL	JENNIE STEPHENS SMITH	TALLAHATCHIE COUNTY
BENTON COUNTY	JUDGE GEORGE W ARMSTRONG	TOMBIGBEE REGIONAL
BOLIVAR COUNTY	KEMPER-NEWTON COUNTY REGIONAL	WASHINGTON COUNTY
CARNEGIE PUBLIC	LAMAR COUNTY	WAYNESBORO-WAYNE COUNTY
CARROLL COUNTY	LAUREL-JONES COUNTY	WILKINSON COUNTY
CENTRAL MISSISSIPPI REGIONAL	LEE-ITAWAMBA COUNTY	YALOBUSHA COUNTY
COLUMBUS-LOWNDES PUBLIC	LINCOLN-LAWRENCE-FRANKLIN	YAZOO LIBRARY ASSOCIATION
COPIAH-JEFFERSON REGIONAL	MADISON COUNTY-CANTON PUBLIC	
COVINGTON COUNTY	MARKS-QUITMAN COUNTY	
DIXIE REGIONAL	MARSHALL COUNTY	
EAST MISSISSIPPI REGIONAL	MERIDIAN-LAUDERDALE COUNTY	
ELIZABETH JONES	MID-MISSISSIPPI REGIONAL	
EVANS MEMORIAL	NESHOBA COUNTY PUBLIC	
FIRST REGIONAL	NORTHEAST REGIONAL	
GREENWOOD-LEFLORE PUBLIC	NOXUBEE COUNTY	
HANCOCK COUNTY	OKTIBBEHA COUNTY	
HARRIETTE PERSON MEMORIAL	PEARL RIVER COUNTY	
HARRISON COUNTY	PIKE-AMITE-WALTHALL COUNTY	
HATTIESBURG-PETAL-FORREST COUNTY	PINE FOREST REGIONAL	
HUMPHREYS COUNTY	SHARKEY-ISSAQUENA COUNTY	
JACKSON-GEORGE REGIONAL	SOUTH MISSISSIPPI REGIONAL	
JACKSON-HINDS	SUNFLOWER COUNTY	



PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI

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