

WHY BE A MEMBER OF MRPEA?

Current Political Environment

- Leadership and both houses seem to be controlled by the same political mindset. Most key votes are straight down party lines. “Super Majority” Senate – 37-15; House – 78-42 (2 vacancies). Majority will likely **NOT** favor PERS if harmful legislation is introduced unless SIGNIFICANT pressure is brought to bear by large numbers of people such as you!
- Anti-public employee – No pay raises in more than 12 years
- Anti-state government – Downsizing is disrupting vital services
- Anti-public education
- National trend to close defined benefit plans and replace with defined contribution plans.
- Critical public policy issues are sometimes overlooked in favor of “cookie-cutter legislation” often developed by the American Legislative Exchange Council (ALEC) (www.alec.org, www.alecexposed.org). ALEC panders to the political base in an effort to expand its political power on the state and national level; prominent members of MS Legislature serve on board or are members of ALEC.
- Tax cuts for big business in the midst of a “critical” budget situation. Some believe that the budget shortfall may be manufactured as a pretext for dismantling PERS and Medicaid – both considered by some to be “entitlement” programs.
- Possible need for PERS to ask for an increase in the employer contribution rate in 2017 Legislative Session

Recent Legislative History

[Senate Bill 2709](#) (2013) – Sponsored by former Sen. Nancy Collins – Sought to: reconfigure the PERS board of trustees; reduce the formula for the cost-of-living adjustment (COLA); freeze the COLA for three years; prevent members from receiving a COLA until age 62; and reduce benefits for employees retiring before age 62, even if 30 years of service.

[House Bill 486](#) (2013) – Sponsored by former Rep. Brad Mayo – Sought to allow employees to opt out of PERS and plan for their own retirement through contributions to deferred compensation plan. Long term effect – reduce contributions into PERS, which could negatively impact members.

After intense pressure was put on members of the Legislature and the leadership, both bills died in committee and both legislators were defeated in their re-election bids in 2015 based on their attempts to change PERS.

Misconceptions About PERS and Our Benefits

- **Myth:** Retired state employees receive large benefit payments. **Fact:** Average is approximately \$22,000 annually. (Example: Retired Ole Miss secretary drawing \$400/mo.)
- **Myth:** Benefit goes up each year. **Fact:** Benefit is fixed for life.
- **Myth:** COLA is a large “bonus.” **Fact:** COLA is similar to what is done with Social Security.
- **Myth:** There is no cap on maximum salary upon which benefit is based. **Fact:** There is a cap of \$265,000, which is based on the federal cap – some college presidents, physicians, etc. Only about one percent or less of state employees make that much.

Relevant because private sector sentiment does not typically support our retirement benefit and because many legislators have the same misconceptions.

What Can We Do?

- ✓ JOIN MRPREA – AND RECRUIT OTHERS, ESPECIALLY THOSE WHO HAVE NOT RETIRED.
- ✓ Know who your legislators are! www.openstates.org and www.legislature.ms.gov
- ✓ Ask what their position is on your retirement system. Contact them **before** the session begins. Be firm that you want NO changes made to PERS. **It is important that we be consistent in our message.** Some believe that it would not create a problem if new employees went to a 401(k)-style plan, but could have effect of reducing contributions to PERS, which could affect employees who retired at a fairly young age. Changes to the COLA would most severely impact those who made lower salaries who count on the COLA to meet their living expenses.
- ✓ Be willing to participate in a grassroots effort during the legislative session and encourage fellow employees and retirees to do the same. Be a part of a large group email list who respond to “calls to action” if the need arises during the session. Be willing to come to the Capitol to talk with legislators if necessary or participate in a press conference.
- ✓ Attend MRPEA Day at the Capitol February 8, 2017
- ✓ Know how to contact your legislators during the session.

In Session:

Governor Phil Bryant – 601-359-3150

Lt. Governor Tate Reeves – 601-359-3200

Speaker of the House Philip Gunn – 601-359-3300

Senators – 601-359-3770

Representatives – 601-359-3770

* Senate Finance Committee Chair – Sen. Joey Fillingane – 601-359-3246

* House Appropriations Chair – to be announced – 601-359-3340

* These are the committees to which any legislation relevant to PERS would likely be assigned. See MS Legislative [website](#) referenced above for members of these committees.

Economic Impact of PERS in Mississippi - See [NIRS Pensionomics 2014](#)