



Statement from the Board of Trustees

The PERS Board opposes House Bill 1590, which restructures the PERS Board with political appointees and prohibits the necessary funding for the retirement system.

Why We, as the PERS Board, Object to the New Board Composition HB 1590

- Most of the new trustees would be appointed by politicians rather than elected by the membership.
- Any change in leadership for a plan serving roughly 10 percent of the state's population should be done openly and transparently, free from insinuation that the fund has been mismanaged.
- This change has the appearance of an attempt to politicize the PERS Board.
- This change would indirectly shift more power to politicians, in effect turning control over to the Governor and Lieutenant Governor, especially since all appointments would be with advice and consent of the Senate.
- Currently, eight of 10 PERS trustees are elected by the membership. Under HB 1590, this would be reduced to only two of 11, which significantly disenfranchises more than 300,000 members who are directly impacted by the Board's management.
- Removing most of the current Board members results in the loss of institutional knowledge and continuity.

Investments under the Oversight of the Current PERS Board

- There are currently more than \$30 billion in assets.
- As of June 30, 2023, the 5-, 10-, and 15-year returns exceeded most other public pension plans.
- Ending December 31, 2023, the 15-year return for PERS outperformed 98 percent of other plans in our peer group.
- Last fiscal year, the investment manager fees were only \$.31 for every \$100 under management; this is less than 75 percent of our peer group.

Stability, Continuity, and Resiliency of the Plan under the Oversight of the Current PERS Board

- The current board structure has been in place for many years and the System has proven resilient, continuing to pay benefits through the adversity of the Dot Com Bubble, Great Recession, and the COVID-19 Pandemic.
- The PERS board members are fiduciaries for the trust fund with a sworn duty and loyalty to the membership.
- The current Board has acted with integrity and dedication in carrying out its statutory/fiduciary duties; in administering the benefits as prescribed in law while following the recommendations of multiple actuaries and other expert advisors; in making recommendations to help the situation; and in providing numerous scenarios at the Legislature's request.
- These actuaries and other advisors are also fiduciaries to the System.

HB 1590 Prevents Necessary Funding

- HB 1590 prevents the essential funding as recommended by the actuary.
- As fiduciaries, we believe this is unacceptable.
- The Board's funding recommendation was for a 5 percent employer contribution rate increase spread over three years and consideration of a cash infusion or additional funding by the Legislature.
- By rejecting the Board's proposed rate increase, this approach not only would jeopardize the membership, it would also hurt all taxpayers. The longer the plan goes without proper funding, the more it costs and the harder it gets, leaving future citizens with the liability. (See actuarial valuations, www.pers.ms.gov/financial-overview.)

It is critically important that you contact your state senator and senators on the Senate Government Structure Committee right away to relay your thoughts on this crucial and time-sensitive matter.