



Good Stewardship. Greater Mississippi.

sixty years of balanced investment | decades of benefiting the state's economy



2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

2012 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



In 1952, Mississippi put in place a system to provide retirement security for its thousands of public employees. Through the collection of employer and employee contributions and the investment of those contributions, funds are accumulated to ensure those promises can be paid. The Public Employees' Retirement System of Mississippi (PERS) is entrusted with the stewardship of these funds.

Today, PERS' impact proudly extends far beyond the more than 380,000 members and retirees we serve. Our promise of secure, steady, and dependable benefits allows PERS to help attract and retain our state's quality public workforce—which represents 14 percent of the state's overall workforce—as well as provide vital economic stimulus to communities throughout Mississippi.

But building the workforce and strengthening the economy are just two cornerstones of good stewardship. Responsible management of resources and careful planning for fluctuating investment markets are the other foundations upon which we support our mandate to protect and provide a secure retirement for those who serve our state.

This year marks our 60th anniversary.

We're proud to say that for more than half a century we've built a reputation on taking care of our public employees' future. We take care of their future so they can take care of Mississippi.



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Providing Benefits for Life

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

December 18, 2012

Dear Board Members:

I am pleased to present the 2012 Comprehensive Annual Financial Report (CAFR) of the Public Employees' Retirement System of Mississippi (the System). Despite the uncertain and fragile economy, we have continued to provide secure retirement benefits to tens of thousands of retired Mississippi public employees, while expanding our technological efficiencies and directing ourselves to maintain financial sustainability well into the future. Reporting that we remain well prepared to provide secure benefits while carefully safeguarding the retirement future of our members and retirees is my privilege. We trust that each of you will find this CAFR helpful in understanding your retirement system.

PROFILE OF THE SYSTEM

The System was established to provide benefits for all state and public education employees, officers of the Mississippi Highway 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 Mississippi Deferred Compensation Plan and Trust (MDC), established in 1973; 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, 2012, the System's defined benefit plans served a total of 163,058 members and 89,731 retirees and beneficiaries. There are 894 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 \$1.9 billion. Employers contributed \$802 million during the fiscal year while members of the System contributed a total of \$548 million. As of June 30, 2012, net assets held in trust for pension benefits totaled \$20.2 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.

<p>Pat Robertson <i>Executive Director</i></p>	<p><i>Board of Trustees:</i></p>	<p>Lee Childress <i>Public Schools, Comm./Jr. Colleges Chairman</i></p>	<p>Virgil F. Belue <i>Retirees</i></p>	<p>Bill Benson <i>County Employees</i></p>	<p>Lynn Fitch <i>State Treasurer</i></p>	<p>Cecil Hill <i>Institutions of Higher Learning</i></p>
		<p>Tom Lariviere <i>Municipal Employees</i></p>	<p>Ed LeGrand <i>State Employees</i></p>	<p>H.S. "Butch" McMillan <i>State Employees</i></p>	<p>Richard C. Miller <i>Retirees</i></p>	<p>Jack Wilson <i>Gubernatorial Appointee</i></p>

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 certain budget categories with approval of the Mississippi Department of Finance and Administration. A more detailed discussion of the budgetary process is presented in the Financial Section of this CAFR on pages 39 and 40.

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 2012 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 page 19.

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.

In a struggling economy, our capacity to provide retirement benefits continues to remain stable, secure, and sustainable well into the future. Since the inception of the System, the Board of Trustees has focused on a disciplined investing approach that emphasizes the fundamentals of a well-diversified portfolio of securities invested over the long term. 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. The System earned a 0.6 percent rate of return on investments as of June 30, 2012, performing just below the System's benchmark return of 0.9 percent. In terms of assets under management, the Public Employees' Retirement System remains well positioned, ranking as the 67th largest among corporate and public pension plans in the United States and the 166th largest plan in the world as of February 7, and September 30, 2012, respectively.

Investing for our membership over the long term is a clear mandate in successful pension benefits administration, and one upon which our Board and management are intently focused. Over the 32-year period since the System entered the stock market, we have experienced positive returns, as high as 31.2 percent, with the exception of four years – 2001, 2002, 2008, and 2009 – when negative returns were recorded. The average 30-year return stands at 9.63 percent, which exceeds our expected return of 8.0 percent. Positive investment performance over the long term ensures that the System continues on firm financial ground as it navigates through a challenging economy. In uncertain economic times the road ahead may not always be smooth, but with a solid record of success, a capable and experienced staff, and persistent, diligent effort, we will move forward with our mission to provide secure retirement benefits to our members and retirees. A performance summary of rates of return compared to appropriate benchmark rates of return is located on page 75 of this report.

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 by the actuary to determine that actuarial assumptions are reasonably related to actual experience. Additional information regarding the actuarial valuation is presented in the notes to the basic financial statements and in the Actuarial Section of this report.

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 58.0 percent funded, MHSPRS is 63.7 percent funded, MRS is 46.1 percent funded, and SLRP is 67.9 percent funded. Funding status and progress is presented in the Required Supplementary Information Schedules and accompanying notes beginning on page 57. 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 accounting standards as certified in the Actuarial Section of this report.

The Board of Trustees approved the recommendation of our consulting actuary to increase the PERS employer contribution rate from 12.93 percent to 14.26 percent, the MHSPRS employer contribution rate increased from 35.21 percent to 37.0, and the SLRP employer contribution rate remained at 7.4 percent, effective July 1, 2012.

At its October 2012 meeting, the Board of Trustees adopted a revised funding policy, aimed at stabilizing the employer contribution rate, that will set the PERS rate at 15.75 percent and the SLRP rate at 7.4 percent effective July 1, 2013. In addition, the funding policy also establishes a goal for the System to be more than 80.0 percent funded by 2042. Under the revised funding policy, contribution rates would no longer be determined annually based on a rolling 30-year amortization period; rather the focus would be on a declining amortization period and reducing volatility in the contribution rate. These actions represent the Board's continuing commitment to further strengthen sustainability and advance the funding status of plans within the System.

FOR THE FUTURE

Our technology objectives are centered on delivering quality customer service to our participants. To that end, the System embarked on a major project initiative to build and implement a new pension and benefits administration software solution using the most economical avenues for technical support. Our goals are focused on developing a stable, state-of-the-industry solution consisting of the implementation of a fully integrated online, customized software system that will offer online self-service to our employers, members, and retirees and be capable of supporting PERS' mission well into the 21st century. I am pleased to report that PERS has fully completed both the design and technical aspects of our technology project and is well into the development stage, with an anticipated completion of the entire technology initiative in the summer of 2013.

The Governmental Accounting Standards Board issued two new pronouncements, Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is applicable to most state and local government employers that offer pension benefits to their employees. The provisions incorporated within these statements create a sweeping fundamental shift from current accounting and financial reporting practice. PERS is bringing together key groups, such as staff representing the State Department of Audit, the State Department of Finance and Administration, consulting actuaries, and independent auditors, to define responsibilities and formulate a successful implementation. Statement No. 67 is effective for fiscal years beginning after June 15, 2013, and Statement No. 68 is effective for fiscal years beginning after June 15, 2014.

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, 2011. 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 25 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, 2011. 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 for the last nine 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.

The Public Employees' Retirement System received the Public Pension Coordinating Council's (PPCC) Public Pension Standards 2012 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.

Copies of this report are provided 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.state.ms.us.

I would like to express my gratitude to you, the staff, the advisors, and others who have worked so diligently to build on the foundation we have laid and to preserve the vision of a secure retirement future of our members and retirees.

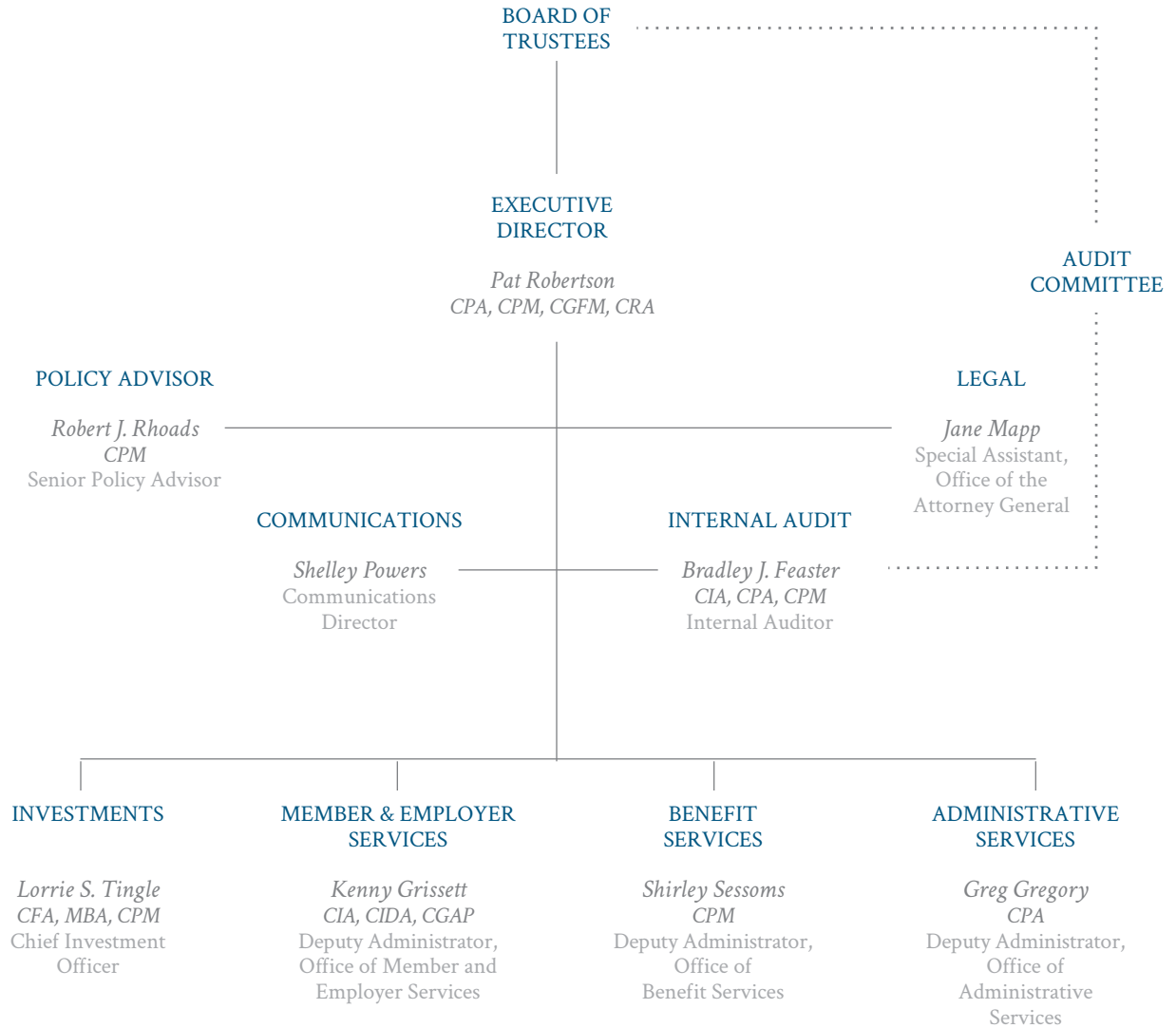
Respectfully submitted,



Pat Robertson
Executive Director



Organizational Chart



2012
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, for investing all assets held by the System, and for carrying 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.



THOMAS J.
LARIVIERE

*Elected by Municipal
Employees*

TERM OF SERVICE
JAN. 2009 - DEC. 2014



LYNN
FITCH

*State Treasurer,
Ex Officio*

TERM OF SERVICE
JAN. 2012 - JAN. 2016



H.S. "BUTCH"
MCMILLAN

*Elected by State
Employees*

TERM OF SERVICE
AUG. 2009 - JUNE 2014



JACK
WILSON

Appointed by Governor

TERM OF SERVICE
FEB. 2012 - APRIL 2016



BILL
BENSON
- CHAIRMAN -

*Elected by County
Employees*

TERM OF SERVICE
JAN. 2010 - DEC. 2015

2012
Board of Trustees
(Continued)



NOT PICTURED

**RICHARD C.
MILLER, M.D.**

Elected by Retirees

TERM OF SERVICE
MAY 2011 - APRIL 2017

**EDWARD LEE
CHILDRESS, ED.D.**

*Elected by Public School
and Community/Junior
College Employees*

TERM OF SERVICE
MAY 2010 - APRIL 2016

**CECIL L.
HILL, PH.D.**

*Elected by Institutions
of Higher Learning
Employees*

TERM OF SERVICE
JAN. 2011 - DEC. 2016

**VIRGIL F.
BELUE, ED.D.**

Elected by Retirees

TERM OF SERVICE
JULY 2007 - JUNE 2013

**EDWIN C.
LEGRAND III**

*Elected by State
Employees*

TERM OF SERVICE
JAN. 2007 - DEC. 2012

Outside Professional Services

FIXED INCOME MANAGERS

CIS, a Division of Dreyfus Corporation
BNY Mellon Center, Suite 5400
Pittsburgh, Pennsylvania 15258-0001
Telephone: (412) 234-0168

Pacific Investment Management Company
840 Newport Center Drive
Newport Beach, California 92660
Telephone: (949) 720-6000

BlackRock Institutional Trust Company, NA
55 East 52nd Street
New York, New York 10022
Telephone: (212) 810-5300

Aberdeen Asset Management
1735 Market Street, 37th Floor
Philadelphia, Pennsylvania 19103
Telephone: (215) 405-5700

State Street Global Advisors
State Street Financial Center
One Lincoln Street
Boston, Massachusetts 02111-2999
Telephone: (617) 664-4739

Loomis Sayles & Company, LP
One Financial Center
Boston, Massachusetts 02111
Telephone: (617) 482-2450

Wellington Management Company, LLP
75 State Street
Boston, Massachusetts 02109
Telephone: (617) 951-5000

Prudential Fixed Income
Two Gateway Center, 4th Floor
100 Mulberry Street
Newark, New Jersey 07102
Telephone: (973) 367-9203

EQUITY MANAGERS

Northern Trust Global Investment
50 South LaSalle Street
Chicago, Illinois 60675
Telephone: (312) 444-4977

Fayez Sarofim & Company
Two Houston Center, Suite 2907
Houston, Texas 77010
Telephone: (713) 654-4484

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Boston, Massachusetts 02108
Telephone: (617) 722-7000

Wellington Management Company, LLP
75 State Street
Boston, Massachusetts 02109
Telephone: (617) 951-5000

Artisan Partners LP
875 East Wisconsin Avenue, Suite 800
Milwaukee, Wisconsin 53202
Telephone: (414) 390-6100

Dimensional Fund Advisors, Inc.
6300 Bee Cave Road, Building One
Austin, Texas 78746
Telephone: (512) 306-7400

State Street Global Advisors
State Street Financial Center
One Lincoln Street
Boston, Massachusetts 02111-2999
Telephone: (617) 664-4739

Eagle Capital Management
499 Park Avenue, 21st Floor
New York, New York 10022
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INTECH
525 Okeechobee Boulevard, Suite 1800
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New York, New York 10020
Telephone: (212) 632-6000

Jarislowsky Fraser Ltd.
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Toronto, Ontario
M5H 3R3
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BlackRock Institutional Trust Company, NA
55 East 52nd Street
New York, New York 10022
Telephone: (212) 810-5300

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New York, New York 10105
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(Continued)

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Acadian Asset Management
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Harding Loevner LP
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Bridgewater, New Jersey 08807
Telephone: (908) 218-7900

Epoch Investment Partners, Inc.
640 Fifth Avenue, 18th Floor
New York, New York 10019-6102
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REAL ESTATE MANAGERS

Wellington Management Company, LLP
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Boston, Massachusetts 02109
Telephone: (617) 951-5000

RREEF
875 North Michigan Avenue
Chicago, Illinois 60611
Telephone: (312) 278-6546

Principal Global Investors
810 Grand Avenue
Des Moines, Iowa 50392-0490
Telephone: (800) 533-1390

UBS Realty Investors, LLC
10 State House Square
Hartford, Connecticut 06103-3604
Telephone: (860) 616-9000

AEW Partners
Two Seaport Lane
Boston, Massachusetts 02210
Telephone: (627) 261-9000

Heitman
191 North Wacker Drive, Suite 2500
Chicago, Illinois 60606
Telephone: (312) 425-0666

Angelo Gordon & Company
245 Park Avenue, 26th Floor
New York, New York 10167
Telephone: (212) 692-8267

Hancock Timber Resource Group
99 High Street, 26th Floor
Boston, Massachusetts 02110-2320
Telephone: (617) 747-1600

Cohen & Steers Capital Management
280 Park Avenue, 10th Floor
New York, New York 10017-1216
Telephone: (212) 832-3232

European Investors, Inc.
640 Fifth Avenue, 8th Floor
New York, New York 10019
Telephone: (212) 735-9500

PRIVATE EQUITY MANAGERS

Pathway Capital Management, LLC
1300 Division Road, Suite 305
West Warwick, Rhode Island 02893
Telephone: (401) 589-3402

Credit Suisse
11 Madison Avenue, 16th Floor
New York, New York 10010
Telephone: (212) 538-7658

CUSTODIAN-INVESTMENT FUNDS

Bank of New York Mellon
One Wall Street
New York, New York 10286
Telephone: (212) 635-8224

ACTUARY

Cavanaugh Macdonald Consulting, LLC
3550 Busbee Parkway, Suite 250
Kennesaw, Georgia 30144
Telephone: (678) 388-1700

AUDITOR

KPMG LLP
One Jackson Place
188 East Capitol Street, Suite 1100
Jackson, Mississippi 39201
Telephone: (601) 354-3701

FUNDS EVALUATION SERVICES AND ASSET ALLOCATION/INVESTMENT POLICY STUDY

Callan Associates, Inc.
101 California Street, Suite 3500
San Francisco, California 94111
Telephone: (415) 974-5060

LEGAL COUNSEL

Office of the Attorney General
Jane Mapp, Special Assistant
450 High Street
P.O. Box 220
Jackson, Mississippi 39205
Telephone: (601) 359-3680

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2012***

Presented to

Public Employees' Retirement 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 cursive script that reads "Alan H. Winkle".

Alan H. Winkle
Program Administrator

PERS Is an Investment in Community

**93% OF ALL BENEFITS
PAID TO PERS RETIREES
REMAINS IN MISSISSIPPI,
HELPING SUPPORT
THE ECONOMY AND
PROVIDING JOBS**

Financial

Retail and health care/social assistance are among the industries that receive the greatest advantage from the spending of pension benefits.

PERS provides a secure retirement to more than 500 Mississippi Highway Safety Patrol officers.

The average yearly PERS benefit of \$20,000 helps retirees avoid poverty and remain active, independent citizens. These benefits also help the state minimize public assistance costs.



Financial



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:

We have audited the accompanying statement of fiduciary net assets of the Public Employees' Retirement System of Mississippi (the System), a component unit of the State of Mississippi, as of June 30, 2012, and the related statement of changes in fiduciary net assets for the year then ended. These basic financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these basic 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 audit 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 basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the System as of June 30, 2012, and the changes in the System's net assets for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 20–29 and the schedules of funding progress and employer contributions on pages 57–59 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The introduction section, investment section, actuarial section, statistical section and supplementary information included in Schedules 1 through 6 on pages 63-68 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The supplementary information included in Schedules 1 through 6 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 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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.

November 30, 2012

KPMG LLP

Management's Discussion & Analysis

[unaudited]

This section presents management's discussion and analysis of the Public Employees' Retirement System of Mississippi's (the System) financial position and performance for the year ended June 30, 2012. 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 and the President of the Senate. The System is comprised of seven 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 is responsible for the administration of two defined contribution 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, ORP is not part of the System's reporting entity. The System's funds, with the exception of 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 assets held in trust for pension benefits for each of the funds administered by the System as of June 30, 2012. This financial information also summarizes changes in net assets held in trust 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, 2012, 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, SLRP, and MDC, as well as an agency fund, the FBCP. A Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets are presented for the fiduciary funds as of June 30, 2012. 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.

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:

Financial Highlights

The combined net assets of the defined benefit plans administered by the System decreased by \$620 million, or 3.0 percent. This decrease was primarily the result of a decline in overall market performance compared to the 2011 market environment.

The 2012 rate of return on investments for the defined benefit plans was 0.6 percent, compared with fiscal year 2011's rate of return of 25.4 percent. Domestic, international, and global equity portfolios returned 3.2 percent, (12.7) percent, and (4.1) percent respectively for the year, while the return on debt securities was 9.2 percent. The rate of return on real estate investments was 8.2 percent, and the return on the private equity portfolio was 3.3 percent.

The defined benefit plans administered by the System were actuarially funded at an average of 58.9 percent as of June 30, 2012, a decrease from the comparative average of 62.4 percent as of June 30, 2011. The decrease in funding percentage was

primarily due to continued recognition of investment losses from 2008 and 2009 and unfavorable market performance from the actuarial assumed rate of return as of year end. In addition, since the overall payroll growth rate was less than expected, it has caused upward pressure on the contribution rate attributed to the unfunded accrued liability. Funding status is further described in Note 6 of the basic financial statements.

MDC net assets decreased \$3.0 million during fiscal year 2012, primarily due to a decrease in the market value of securities at year end and decreased contributions from participants.

The MDC rates of return for investment options ranged from a high of 11.7 percent to a low of (14.15) percent compared to prior year investment option returns with a high of 42.5 percent and a low of 0.3 percent.

- » 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 funding status and progress for 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.
- » Note 9 provides information related to historical trends.

3. REQUIRED SUPPLEMENTARY INFORMATION

The required supplementary information consists of schedules of funding progress, schedules of employer contributions, and related notes concerning actuarial information for the defined benefit pension plans administered by the System.

*Financial Analysis
of the Systems:
Defined Benefit Plans*

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.

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 Assets. Investment gains or losses are reported in the Statement of Changes in Fiduciary Net Assets. The rate of return on investments is therefore approximately the same for each of the plans.

TOTAL SYSTEM INVESTMENTS

At June 30, 2012, the System's total investments, before securities lending activities, approximated \$19.6 billion, a decrease of \$736 million from fiscal year 2011. The combined investment portfolio experienced a return of 0.6 percent compared with a median large public plan return of 0.9 percent*. Investment results over time compared with the System's benchmarks are presented on page 75 in the Investment Section.

**Public Funds > \$1 billion median*

SHORT-TERM SECURITIES

At June 30, 2012, the System held \$173 million in short-term investments, which is \$148.5 million above 2011 holdings. Short-term investments returned 0.1 percent for the year.

DEBT SECURITIES

At June 30, 2012, the System held \$4.9 billion in debt securities, which is approximately \$492.3 million more than fiscal year 2011 holdings. Debt securities returned 9.2 percent compared with the System's benchmark return of 7.5 percent.

EQUITY SECURITIES

At June 30, 2012, the System held \$12.5 billion in US, international, and global equity securities, a decrease of \$1.8 billion from fiscal year 2011. US, international, and global equity securities had returns of 3.2 percent, (12.7) percent, and (4.1) percent, respectively. The System's benchmark return for domestic equity securities was 3.8 percent, while the international securities benchmark returned (14.2) percent. The global securities benchmark used by the System posted a return of (5.0) percent.

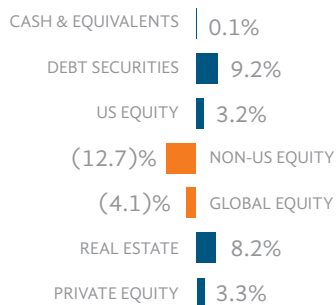
PRIVATE EQUITY

The private equity asset class, totaling \$449.2 million, posted a return of 3.3 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 11.0 percent. The System began investing in private equities in fiscal year 2009.

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 (REIT), which are exchange-traded securities that provide indirect exposure to real estate properties and real estate management companies. At June 30, 2012, combined holdings totaled \$1.5 billion, an increase of \$169.4 million from 2011. The System's real estate portfolio experienced a return of 8.2 percent on the total real estate portfolio. The NFI-ODCE Equal Weight Net fund, the benchmark for the System's core commingled and

**DEFINED BENEFIT
PLANS INVESTMENT
RATES OF RETURN BY
INVESTMENT TYPE
- FISCAL YEAR 2012 -**



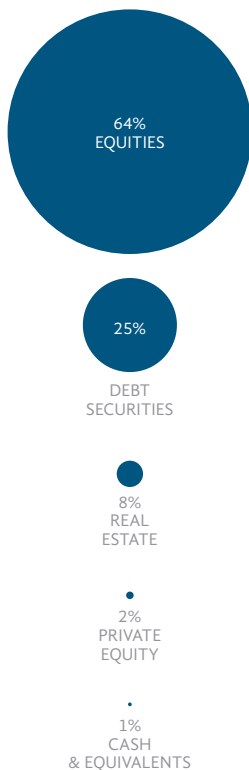
value-added fund investments, saw a return of 11.5 percent for the year ended June 30, 2012, while the US Select REIT Index had a return of 13.3 percent for the same period.

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 2012 fiscal year, net securities lending income to the System amounted to \$17.3 million, a decrease of \$814 thousand from fiscal year 2011.

Analysis of Individual Systems: Defined Benefit Plans

DEFINED BENEFIT PLANS ASSET ALLOCATION AT FAIR VALUE - JUNE 30, 2012 -



PUBLIC EMPLOYEES' RETIREMENT SYSTEM

PERS is a defined benefit 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 assets held in trust for benefits at June 30, 2012, amounted to \$19.8 billion, a decrease of \$0.6 billion (2.9 percent) from \$20.4 billion at June 30, 2011.

Additions to PERS net assets held in trust for benefits include employer and member contributions and investment income. For the 2012 fiscal year, employer and member contributions of \$1.3 billion increased \$57.3 million (4.4 percent) above 2011. This change is attributed to an increase in the employer contribution rate effective January 1, 2012, from 12.0 percent to 12.93 percent. PERS recognized net investment income of \$59.6 million for the 2012 fiscal year compared with net investment income of \$4.2 billion for the 2011 fiscal year.

Deductions from PERS net assets held in trust for benefits primarily include retirement and beneficiary benefits, as well as administrative expenses. For the 2012 fiscal year, retirement benefits amounted to \$1.9 billion, an increase of \$128.4 million (7.4 percent) over the 2011 fiscal year. The increase in benefit payments was due to an increase in the number of benefit recipients, as well as an increase in the average benefit payment. For the 2012 fiscal year, the cost of administering the System amounted to \$14.4 million, an increase of \$1.4 million (10.4 percent) from fiscal year 2011. The increase in administrative expenses was due primarily to increases in the personal services and contractual services categories.

An actuarial valuation of PERS assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, June 30, 2012, the funded status of the plan decreased to 58.0 percent from 62.2 percent at June 30, 2011. The amount by which PERS actuarial assets were less than actuarial benefit liabilities was \$14.5 billion at June 30, 2012, an increase in unfunded actuarial accrued liabilities of \$2.2 billion over June 30, 2011. The decrease in funded status is due primarily to recognition of investment losses in 2008 and 2009 smoothed over a five-year period, as well as unfavorable investment performance from the actuarial assumed rate of return at year end.

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 assets held in trust for benefits at June 30, 2012, amounted to \$265.2 million, a decrease of \$12.4 million (4.5 percent) from \$277.6 million at June 30, 2011.

Additions to MHSPRS net assets held in trust for benefits include employer and member contributions and investment income. For the 2012 fiscal year, employer and member contributions were \$10.7 million, an increase of \$729 thousand (7.3 percent) from 2011. MHSPRS also received fees of \$3.2 million to fund retirement benefits. Contributions increased due to an increase in the number of active members, from 515 in 2011 to 547 in 2012. MHSPRS recognized net investment income of \$805 thousand for the 2012 fiscal year compared with net investment income of \$57.1 million for 2011.

Deductions from MHSPRS net assets held in trust for benefits primarily include retirement and beneficiary benefits and administrative fees. For the 2012 fiscal year, benefits amounted to \$26.9 million, an increase of \$1.3 million (5.1 percent) from the 2011 fiscal year. The increase in benefit payments was due to increases in the number of retirees and in the average monthly benefit. The average monthly benefit increase is generally reflective of new retirees with larger benefit payments. For the 2012 fiscal year, MHSPRS transferred \$176 thousand to the System to offset the cost of administration, an increase of \$14 thousand (8.6 percent) from 2011.

An actuarial valuation of MHSPRS assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, June 30, 2012, the funded status of the plan decreased to 63.7 percent from 67.1 percent at June 30, 2011. The amount by which the MHSPRS actuarial assets were less than actuarial benefit liabilities was \$153.0 million, compared with \$136.2 million at June 30, 2011. The decrease in funded status is due primarily to recognition of investment losses from 2008 and 2009, that are smoothed over a five-year period, and unfavorable investment performance from the actuarial assumed rate of return for fiscal year 2012.

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 six 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 assets held in trust for benefits at June 30, 2012, amounted to \$160.7 million, a decrease of \$11.7 million (6.8 percent) from \$172.4 million at June 30, 2011.

Additions to MRS net assets held in trust for benefits consist of employer and member contributions and investment income. For the 2012 fiscal year, employer and member contributions of \$23.6 million were \$584 thousand (2.5 percent) more than contributions of \$23.0 million received in fiscal year 2011. Municipal plan employer contributions are funded through taxes levied on assessed properties. The increase is due to higher contribution amounts made by some municipalities within the plan. MRS recognized net investment income of \$487 thousand for the 2012 fiscal year compared with net investment income of \$35.4 million for the 2011 fiscal year.

Deductions from MRS net assets held in trust for benefits include retirement and beneficiary benefits and administrative fees. For the 2012 fiscal year, benefits amounted to \$35.3 million, a decrease of \$261 thousand (0.7 percent) from the 2011 fiscal year. The decrease in benefit payments resulted primarily from a reduction in the number of retirees due to mortality during the fiscal year. For the 2012 fiscal year, MRS transferred \$469 thousand to the System to offset the cost of administration, compared to \$457 thousand transferred for fiscal year 2011. Administrative fees are calculated based on the amount of employer contributions.

An actuarial valuation of MRS assets and benefit obligations is performed annually as of September 30. The funded status of MRS as of September 30, 2011, decreased to 46.1 percent from 47.2 percent at September 30, 2010. The amount by which the MRS actuarial assets were less than actuarial benefit liabilities was \$196.0 million at September 30, 2011, compared with \$196.9 million at September 30, 2010.

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 assets held in trust for

benefits at June 30, 2012, amounted to \$13.2 million, a decrease of \$568 thousand (4.1 percent) from \$13.7 million at June 30, 2011.

Additions to SLRP net assets held in trust for benefits include employer and member contributions and investment income. For the 2012 fiscal year, employer and member contributions were \$696 thousand, an increase of \$33 thousand (5.0 percent) from those of fiscal year 2011. The increase in contributions is attributed to an increase in total payroll. SLRP recognized net investment income of \$39 thousand for the 2012 fiscal year, compared with a net investment income of \$2.8 million for the 2011 fiscal year.

Deductions from SLRP net assets held in trust for benefits primarily include retirement and beneficiary benefits, as well as administrative fees. For the 2012 fiscal year, benefits amounted to \$1.3 million, an increase of \$440 thousand (53.1 percent) from the 2011 fiscal year. The increase in retirement benefits is due to an increase in the number of retirees, as well as an increase in average benefit payment. For the 2012 fiscal year, SLRP transferred \$10 thousand to PERS to offset the cost of administration, compared to \$9 thousand for fiscal year 2011.

An actuarial valuation of SLRP assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, June 30, 2012, the funded status of the plan decreased to 67.9 percent from 73.1 percent at June 30, 2011. The amount by which the SLRP actuarial assets were under actuarial benefit liabilities was \$6.3 million, compared with \$5.0 million at June 30, 2011. The decrease in funded status is due primarily to recognition of investment losses from 2008 and 2009, that are smoothed over a five-year period, and unfavorable investment performance from the actuarial assumed rate of return at year end.

ACTUARIAL VALUATIONS AND FUNDING PROGRESS

An actuarial valuation of each of the defined benefit plans administered by the System is performed annually as of June 30, with the exception of MRS, which is performed as of September 30. The funded status of each of the plans is shown in the Schedules of Funding Progress on pages 57 and 58. 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.

As of June 30, 2012, funding ratios ranged from a high of 67.9 percent to a low of 46.1 percent, as compared to 73.1 percent and 47.2 percent for 2011. The average funding ratio decreased from 62.4 percent to 58.9 percent during the fiscal year. The decrease in funding status is due to growth in the number of retirees, the compounding effects of past benefit improvements, the recognition of investment losses from 2008 and 2009, and an investment rate of return for 2012 less than the actuarial assumed rate. The investment losses from 2008 and 2009, as well as the actuarial loss for 2012, are smoothed over a five-year period. At June 30, 2012, the System's total unfunded actuarial accrued liability had increased to \$14.9 billion from \$12.7 billion at June 30, 2011. This is a net increase of \$2.2 billion for the year.

To help address the funding status, the Board of Trustees, at their October 2011 meeting, approved the recommendation of the consulting actuary to increase the PERS employer contribution rate from 12.93 percent to 14.26 percent for the 2013 fiscal year. Also at its October 2011 meeting, the Board moved to increase the MHSPRS employer contribution rate from 35.21 percent to 37.0 percent, while maintaining the employer contribution rate for SLRP at 7.4 percent.

The Board's funding decisions are based on the System's funding policy, which states that the need for increases will be evaluated on an annual basis and in conjunction with recommendations made by the consulting actuary, in order to maintain the unfunded accrued liability (UAL) period within 30 years in accordance with governmental accounting standards. At the October 2012 meeting, the Board adopted a revised funding policy aimed at increasing the funded ratio to reach 80.0 percent by 2042 and developing a pattern of stable contribution rates.

NET ASSETS—DEFINED BENEFIT PLANS

- JUNE 30 -

[in thousands]

	PERS		MHSPRS		MRS	
	2012	2011	2012	2011	2012	2011
<i>Assets:</i>						
CASH, CASH EQUIVALENTS, & RECEIVABLES	\$1,162,887	\$746,903	\$15,141	\$9,889	\$9,204	\$6,605
INVESTMENTS AT FAIR VALUE	19,152,087	19,861,689	257,486	271,135	155,988	167,949
INVESTED SECURITIES LENDING COLLATERAL	3,519,155	3,151,546	47,486	43,177	28,767	26,746
CAPITAL ASSETS	22,190	19,494	-	-	-	-
TOTAL ASSETS	23,856,319	23,779,632	320,113	324,201	193,959	201,300
<i>Liabilities:</i>						
INVESTMENT ACCOUNTS & OTHER PAYABLES	556,695	250,600	7,408	3,458	4,511	2,102
SECURITIES LENDING LIABILITY	3,518,237	3,151,796	47,473	43,180	28,760	26,747
TOTAL LIABILITIES	4,074,932	3,402,396	54,881	46,638	33,271	28,849
TOTAL NET ASSETS	\$19,781,387	\$20,377,236	\$265,232	\$277,563	\$160,688	\$172,451

CHANGES IN NET ASSETS—DEFINED BENEFIT PLANS

- YEAR ENDED JUNE 30 -

[in thousands]

	PERS		MHSPRS		MRS	
	2012	2011	2012	2011	2012	2011
<i>Additions:</i>						
CONTRIBUTIONS	\$1,314,501	\$1,257,205	\$10,744	\$10,015	\$23,570	\$22,986
INVESTMENT INCOME	59,595	4,167,042	805	57,090	487	35,363
OTHER ADDITIONS	664	639	3,246	3,427	-	-
TOTAL ADDITIONS	1,374,760	5,424,886	14,795	70,532	24,057	58,349
<i>Deductions:</i>						
PENSION BENEFITS	1,862,826	1,734,475	26,926	25,620	35,348	35,609
REFUNDS	93,379	88,343	24	60	3	35
ADMINISTRATIVE & OTHER DEDUCTIONS	14,404	13,046	176	162	469	457
TOTAL DEDUCTIONS	1,970,609	1,835,864	27,126	25,842	35,820	36,101
INCREASE (DECREASE) IN NET ASSETS	\$(595,849)	\$3,589,022	\$(12,331)	\$44,690	\$(11,763)	\$22,248

NET ASSETS—DEFINED BENEFIT PLANS (CONTINUED)

- JUNE 30 -

[in thousands]

	SLRP		ELIMINATIONS		TOTAL DEFINED BENEFIT PENSION PLANS		TOTAL PERCENT CHANGE
	2012	2011	2012	2011	2012	2011	
<i>Assets:</i>							
CASH, CASH EQUIVALENTS, & RECEIVABLES	\$710	\$454	\$(11)	\$(19)	\$1,187,931	\$763,832	55.52%
INVESTMENTS AT FAIR VALUE	12,827	13,449	-	-	19,578,388	20,314,222	(3.62)
INVESTED SECURITIES LENDING COLLATERAL	2,366	2,142	-	-	3,597,774	3,223,611	11.61
CAPITAL ASSETS	-	-	-	-	22,190	19,494	13.83
TOTAL ASSETS	15,903	16,045	(11)	(19)	24,386,283	24,321,159	0.27
<i>Liabilities:</i>							
INVESTMENT ACCOUNTS & OTHER PAYABLES	369	166	(11)	(19)	568,972	256,307	121.99
SECURITIES LENDING LIABILITY	2,365	2,142	-	-	3,596,835	3,223,865	11.57
TOTAL LIABILITIES	2,734	2,308	(11)	(19)	4,165,807	3,480,172	19.70
TOTAL NET ASSETS	\$13,169	\$13,737	\$-	\$-	\$20,220,476	\$20,840,987	(2.98)%

CHANGES IN NET ASSETS—DEFINED BENEFIT PLANS (CONTINUED)

- YEAR ENDED JUNE 30 -

[in thousands]

	SLRP		ELIMINATIONS		TOTAL DEFINED BENEFIT PENSION PLANS		TOTAL PERCENT CHANGE
	2012	2011	2012	2011	2012	2011	
<i>Additions:</i>							
CONTRIBUTIONS	\$696	\$663	\$-	\$-	\$1,349,511	\$1,290,869	4.54%
INVESTMENT INCOME	39	2,832	-	-	60,926	4,262,327	(98.57)
OTHER ADDITIONS	-	-	(655)	(628)	3,255	3,438	(5.32)
TOTAL ADDITIONS	735	3,495	(655)	(628)	1,413,692	5,556,634	(74.56)
<i>Deductions:</i>							
PENSION BENEFITS	1,268	828	-	-	1,926,368	1,796,532	7.23
REFUNDS	25	-	-	-	93,431	88,438	5.65
ADMINISTRATIVE & OTHER DEDUCTIONS	10	9	(655)	(628)	14,404	13,046	10.41
TOTAL DEDUCTIONS	1,303	837	(655)	(628)	2,034,203	1,898,016	7.18
INCREASE (DECREASE) IN NET ASSETS	\$(568)	\$2,658	\$-	\$-	\$(620,511)	\$3,658,618	(116.96)%

457 DEFINED CONTRIBUTION PLAN

MDC was established under Section 457 of the Internal Revenue Code. MDC provides supplemental retirement benefits for plan participants. The plan is funded by participant contributions and by investment earnings. Net assets held in trust for benefits at June 30, 2012, amounted to \$1.3 billion, which was a decrease of \$3.1 million (0.2 percent) from net assets at June 30, 2011.

Additions to the MDC net assets held in trust for benefits include rollovers, contributions, and investment income. For the 2012 fiscal year, contributions were \$84.6 million compared to \$88.3 million in 2011, or a decrease of \$3.7 million (4.2 percent). The decrease from last year is due primarily to a decrease in the number of participants, from 40,125 in 2011 to 39,372 and continued sluggish economic conditions in 2012. Net investment income of \$12.4 million was recognized for the 2012 fiscal year compared with a net investment income of \$182.2 million for 2011.

Deductions from the MDC net assets include payments to participants and beneficiaries and rollovers. For the 2012 fiscal year, distributions amounted to \$100.0 million, an increase of \$30.6 million (44.1 percent) from the 2011 fiscal year. The increase in withdrawals is attributed to the age of the plan, economic conditions, and the withdrawal of a participating employer. As a plan ages, benefit payments increase over time and adverse economic conditions can create a need for participants to withdraw larger amounts. Benefit obligations of the 457 defined contribution plan are equal to the participants' account balances, which are equal to net assets of the plan.

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 ASSETS—IRC 457 PLAN

- JUNE 30 -

[in thousands]

	IRC 457 PLAN MDC		
<i>Assets:</i>	2012	2011	PERCENT CHANGE
CASH & RECEIVABLES	\$5,767	\$6,650	(13.28)%
INVESTMENTS AT FAIR VALUE	1,284,224	1,286,714	(0.19)
TOTAL ASSETS	1,289,991	1,293,364	(0.26)
<i>Liabilities:</i>			
INVESTMENT ACCOUNTS & OTHER PAYABLES	180	500	(64.00)
TOTAL LIABILITIES	180	500	(64.00)
NET ASSETS	\$1,289,811	\$1,292,864	(0.24)%

CHANGES IN NET ASSETS—IRC 457 PLAN

- YEAR ENDED JUNE 30 -

[in thousands]

	IRC 457 PLAN MDC		
<i>Additions:</i>	2012	2011	PERCENT CHANGE
CONTRIBUTIONS	\$84,591	\$88,308	(4.21)%
INVESTMENT INCOME	12,364	182,210	(93.21)
TOTAL ADDITIONS	96,955	270,518	(64.16)
<i>Deductions:</i>			
PENSION BENEFITS	100,008	69,397	44.11
TOTAL DEDUCTIONS	100,008	69,397	44.11
INCREASE (DECREASE) IN NET ASSETS	\$(3,053)	\$201,121	(101.52)%

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
STATEMENT OF FIDUCIARY NET ASSETS
- JUNE 30, 2012 -
[in thousands]

	PERS	MHSPRS	MRS	SLRP	ELIMINATIONS
ASSETS					
CASH & CASH EQUIVALENTS (NOTE 3)	\$494,701	\$6,634	\$4,019	\$331	\$-
<i>Receivables:</i>					
EMPLOYER	59,765	-	559	-	-
MEMBER	41,267	-	10	-	-
INVESTMENT PROCEEDS	494,982	6,655	4,031	331	-
INTEREST & DIVIDENDS	71,490	961	582	48	-
OTHER RECEIVABLES	671	891	3	-	-
TOTAL RECEIVABLES	668,175	8,507	5,185	379	-
<i>Investments, at Fair Value (Note 3):</i>					
SHORT-TERM SECURITIES	169,154	2,274	1,378	113	-
DEBT SECURITIES	4,824,431	64,861	39,294	3,231	-
EQUITY SECURITIES	12,273,491	165,009	99,963	8,221	-
PRIVATE EQUITY	439,392	5,907	3,579	294	-
REAL ESTATE INVESTMENTS	1,445,619	19,435	11,774	968	-
ASSET ALLOCATION FUND	-	-	-	-	-
FIXED RATE & VARIABLE	-	-	-	-	-
LIFE INSURANCE CONTRACTS	-	-	-	-	-
TOTAL INVESTMENTS BEFORE LENDING ACTIVITIES	19,152,087	257,486	155,988	12,827	-
<i>Securities Lending:</i>					
SHORT-TERM SECURITIES	1,541,028	20,794	12,597	1,036	-
DEBT SECURITIES	1,978,127	26,692	16,170	1,330	-
TOTAL SECURITIES LENDING	3,519,155	47,486	28,767	2,366	-
TOTAL INVESTMENTS	22,671,242	304,972	184,755	15,193	-
DUE FROM OTHER FUNDS	11	-	-	-	(11)
CAPITAL ASSETS, AT COST, NET OF ACCUMULATED DEPRECIATION (NOTE 4)	22,190	-	-	-	-
TOTAL ASSETS	23,856,319	320,113	193,959	15,903	(11)
LIABILITIES					
ACCOUNTS PAYABLE & ACCRUED EXPENSES	556,680	7,408	4,500	369	-
OBLIGATIONS UNDER SECURITIES LENDING	3,518,237	47,473	28,760	2,365	-
DUE TO STATE OF MISSISSIPPI (NOTE 5)	15	-	-	-	-
DUE TO OTHER FUNDS	-	-	11	-	(11)
TOTAL LIABILITIES	4,074,932	54,881	33,271	2,734	(11)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$19,781,387	\$265,232	\$160,688	\$13,169	\$-

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

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
STATEMENT OF FIDUCIARY NET ASSETS (CONTINUED)
- JUNE 30, 2012 -
[in thousands]

	TOTAL DEFINED BENEFIT PENSION PLANS	IRC 457 PLAN MDC	TOTAL PENSION TRUST FUNDS	AGENCY FUNDS	TOTAL 2012
ASSETS					
CASH & CASH EQUIVALENTS (NOTE 3)	\$505,685	\$3,230	\$508,915	\$14	\$508,929
<i>Receivables:</i>					
EMPLOYER	60,324	-	60,324	-	60,324
MEMBER	41,277	2,259	43,536	-	43,536
INVESTMENT PROCEEDS	505,999	-	505,999	-	505,999
INTEREST & DIVIDENDS	73,081	278	73,359	-	73,359
OTHER RECEIVABLES	1,565	-	1,565	1	1,566
TOTAL RECEIVABLES	682,246	2,537	684,783	1	684,784
<i>Investments, at Fair Value (Note 3):</i>					
SHORT-TERM SECURITIES	172,919	23,433	196,352	-	196,352
DEBT SECURITIES	4,931,817	66,755	4,998,572	-	4,998,572
EQUITY SECURITIES	12,546,684	585,756	13,132,440	-	13,132,440
PRIVATE EQUITY	449,172	-	449,172	-	449,172
REAL ESTATE INVESTMENTS	1,477,796	-	1,477,796	-	1,477,796
ASSET ALLOCATION FUND	-	61,826	61,826	-	61,826
FIXED RATE & VARIABLE	-	546,113	546,113	-	546,113
LIFE INSURANCE CONTRACTS	-	341	341	-	341
TOTAL INVESTMENTS BEFORE LENDING ACTIVITIES	19,578,388	1,284,224	20,862,612	-	20,862,612
<i>Securities Lending:</i>					
SHORT-TERM SECURITIES	1,575,455	-	1,575,455	-	1,575,455
DEBT SECURITIES	2,022,319	-	2,022,319	-	2,022,319
TOTAL SECURITIES LENDING	3,597,774	-	3,597,774	-	3,597,774
TOTAL INVESTMENTS	23,176,162	1,284,224	24,460,386	-	24,460,386
DUE FROM OTHER FUNDS	-	-	-	-	-
CAPITAL ASSETS, AT COST, NET OF ACCUMULATED DEPRECIATION (NOTE 4)	22,190	-	22,190	-	22,190
TOTAL ASSETS	24,386,283	1,289,991	25,676,274	15	25,676,289
LIABILITIES					
ACCOUNTS PAYABLE & ACCRUED EXPENSES	568,957	180	569,137	15	569,152
OBLIGATIONS UNDER SECURITIES LENDING	3,596,835	-	3,596,835	-	3,596,835
DUE TO STATE OF MISSISSIPPI (NOTE 5)	15	-	15	-	15
DUE TO OTHER FUNDS	-	-	-	-	-
TOTAL LIABILITIES	4,165,807	180	4,165,987	15	4,166,002
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$20,220,476	\$1,289,811	\$21,510,287	\$-	\$21,510,287

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

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
- FOR THE YEAR ENDED JUNE 30, 2012-

[in thousands]

	PERS	MHSPRS	MRS	SLRP	ELIMINATIONS
ADDITIONS					
<i>Contributions:</i>					
EMPLOYER	\$768,914	\$8,798	\$23,449	\$490	\$-
MEMBER	545,587	1,946	121	206	-
TOTAL CONTRIBUTIONS	1,314,501	10,744	23,570	696	-
<i>Net Investment Income:</i>					
NET DEPRECIATION IN FAIR VALUE	(421,753)	(5,691)	(3,448)	(284)	-
INTEREST & DIVIDENDS	507,764	6,852	4,151	341	-
TOTAL BEFORE LENDING ACTIVITIES	86,011	1,161	703	57	-
<i>Securities Lending:</i>					
NET APPRECIATION IN FAIR VALUE	3,228	44	26	2	-
INTEREST	16,370	220	134	11	-
PROGRAM FEES	(2,682)	(36)	(22)	(2)	-
NET INCOME FROM SECURITIES LENDING	16,916	228	138	11	-
MANAGERS' FEES & TRADING COSTS	(43,332)	(584)	(354)	(29)	-
NET INVESTMENT INCOME	59,595	805	487	39	-
<i>Other Additions:</i>					
ADMINISTRATIVE FEES	655	-	-	-	(655)
OTHER	9	3,246	-	-	-
TOTAL OTHER ADDITIONS	664	3,246	-	-	(655)
TOTAL	1,374,760	14,795	24,057	735	(655)
DEDUCTIONS					
RETIREMENT ANNUITIES	1,862,826	26,926	35,348	1,268	-
REFUNDS TO TERMINATED EMPLOYEES	93,379	24	3	25	-
TOTAL	1,956,205	26,950	35,351	1,293	-
<i>Administrative Expenses:</i>					
<i>PERSONAL SERVICES:</i>					
SALARIES, WAGES & FRINGE BENEFITS	8,534	-	-	-	-
<i>PERSONAL SERVICES:</i>					
TRAVEL & SUBSISTENCE	79	-	-	-	-
CONTRACTUAL SERVICES	4,782	-	-	-	-
COMMODITIES	349	-	-	-	-
TOTAL ADMINISTRATIVE EXPENSES	13,744	-	-	-	-
DEPRECIATION	660	-	-	-	-
ADMINISTRATIVE FEES	-	176	469	10	(655)
TOTAL	1,970,609	27,126	35,820	1,303	(655)
NET INCREASE (DECREASE)	(595,849)	(12,331)	(11,763)	(568)	-
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:					
BEGINNING OF YEAR	20,377,236	277,563	172,451	13,737	-
END OF YEAR	\$19,781,387	\$265,232	\$160,688	\$13,169	\$-

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

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (CONTINUED)
- FOR THE YEAR ENDED JUNE 30, 2012-

[in thousands]

	TOTAL DEFINED BENEFIT PENSION PLANS	IRC 457 PLAN MDC	TOTAL PENSION TRUST FUNDS 2012
ADDITIONS			
<i>Contributions:</i>			
EMPLOYER	\$801,651	\$972	\$802,623
MEMBER	547,860	83,619	631,479
TOTAL CONTRIBUTIONS	1,349,511	84,591	1,434,102
<i>Net Investment Income:</i>			
NET DEPRECIATION IN FAIR VALUE	(431,176)	(3,418)	(434,594)
INTEREST & DIVIDENDS	519,108	15,782	534,890
TOTAL BEFORE LENDING ACTIVITIES	87,932	12,364	100,296
<i>Securities Lending:</i>			
NET APPRECIATION IN FAIR VALUE	3,300	-	3,300
INTEREST	16,735	-	16,735
PROGRAM FEES	(2,742)	-	(2,742)
NET INCOME FROM SECURITIES LENDING	17,293	-	17,293
MANAGERS' FEES & TRADING COSTS	(44,299)	-	(44,299)
NET INVESTMENT INCOME	60,926	12,364	73,290
<i>Other Additions:</i>			
ADMINISTRATIVE FEES	-	-	-
OTHER	3,255	-	3,255
TOTAL OTHER ADDITIONS	3,255	-	3,255
TOTAL	1,413,692	96,955	1,510,647
DEDUCTIONS			
RETIREMENT ANNUITIES	1,926,368	100,008	2,026,376
REFUNDS TO TERMINATED EMPLOYEES	93,431	-	93,431
TOTAL	2,019,799	100,008	2,119,807
<i>Administrative Expenses:</i>			
<i>PERSONAL SERVICES:</i>			
SALARIES, WAGES & FRINGE BENEFITS	8,534	-	8,534
<i>PERSONAL SERVICES:</i>			
TRAVEL & SUBSISTENCE	79	-	79
CONTRACTUAL SERVICES	4,782	-	4,782
COMMODITIES	349	-	349
TOTAL ADMINISTRATIVE EXPENSES	13,744	-	13,744
DEPRECIATION	660	-	660
ADMINISTRATIVE FEES	-	-	-
TOTAL	2,034,203	100,008	2,134,211
NET INCREASE (DECREASE)	(620,511)	(3,053)	(623,564)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:			
BEGINNING OF YEAR	20,840,987	1,292,864	22,133,851
END OF YEAR	\$20,220,476	\$1,289,811	\$21,510,287

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, 2012

Note 1: Plan Description

GENERAL

The Public Employees' Retirement System of Mississippi (System) is the administrator of six fiduciary funds, of which five are pension trust funds and one an agency fund, as listed below. The System also is the administrator of the Optional Retirement Plan, a defined contribution plan, but as explained in Note 2, that plan is 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 plan
MISSISSIPPI HIGHWAY SAFETY PATROL RETIREMENT SYSTEM (MHSPRS)	Single-employer defined benefit plan
MUNICIPAL RETIREMENT SYSTEMS AND FIRE AND POLICE DISABILITY AND RELIEF FUND (MRS)*	Agent multiple-employer defined benefit plan
SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN (SLRP)	Single-employer defined benefit plan
MISSISSIPPI GOVERNMENT EMPLOYEES' DEFERRED COMPENSATION PLAN & TRUST (MDC)	IRC 457 defined contribution 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.

A summary of participating employers and members follows:

SUMMARY OF PARTICIPATING EMPLOYERS AND MEMBERS

	PERS	MHSPRS	MRS*	SLRP	TOTAL
<i>Employers:</i>					
STATE AGENCIES	112	2	-	5	119
STATE UNIVERSITIES	9	-	-	-	9
PUBLIC SCHOOLS	150	-	-	-	150
COMMUNITY/JUNIOR COLLEGES	15	-	-	-	15
COUNTIES	82	-	-	-	82
MUNICIPALITIES	240	-	17	-	257
OTHER POLITICAL SUBDIVISIONS	262	-	-	-	262
TOTAL EMPLOYERS	870	2	17	5	894
<i>Members:</i>					
ACTIVE VESTED	104,319	427	25	113	104,884
ACTIVE NONVESTED	57,992	120	-	62	58,174
TOTAL ACTIVE MEMBERS	162,311	547	25	175	163,058
INACTIVE VESTED	18,709	21	1	57	18,788
INACTIVE NONVESTED	112,432	33	-	14	112,479
TOTAL INACTIVE MEMBERS	131,141	54	1	71	131,267
RETIREES & BENEFICIARIES	86,829	713	2,016	173	89,731
TOTAL RETIRED/INACTIVE MEMBERS	217,970	767	2,017	244	220,998
TOTAL MEMBERS	380,281	1,314	2,042	419	384,056
<i>Active Members by Employer:</i>					
STATE AGENCIES	32,618	547	-	175	33,340
STATE UNIVERSITIES	17,746	-	-	-	17,746
PUBLIC SCHOOLS	64,252	-	-	-	64,252
COMMUNITY/JUNIOR COLLEGES	6,265	-	-	-	6,265
COUNTIES	14,771	-	-	-	14,771
MUNICIPALITIES	18,527	-	25	-	18,552
OTHER POLITICAL SUBDIVISIONS	8,132	-	-	-	8,132
TOTAL ACTIVE MEMBERS	162,311	547	25	175	163,058

*Information furnished for MRS is as of September 30, 2011.

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. A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a refund of his or her accumulated member contributions plus interest.

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 credited 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 credited 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 credited 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. Benefit provisions are established by Miss. Code Ann. § 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature.

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, 2012, the total annual COLA payments for PERS were \$402,514,750.

(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. 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 credited 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 3.0 percent for each year under 25 years of service, whichever is less. MHSPRS also provides certain death and disability benefits. A member who terminates employment from the highway patrol and who is not eligible to receive monthly retirement benefits may request a refund of his or her accumulated employee contributions plus interest. Benefit provisions 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.

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, 2012, the total annual COLA payments for MHSPRS were \$7,115,602.

(3) Municipal Retirement Systems

Membership in the two general Municipal Retirement Systems and the 17 Fire and Police Disability and Relief Systems 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. Eligible employees hired after these periods automatically become members of PERS. The Municipal Retirement Systems were all closed to new members by July 1, 1987.

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 an additional 1.7 percent for each year of credited 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 two Municipal Retirement Systems and the 17 Fire and Police Disability and Relief Systems 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 credited 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 refund of employee contributions. Benefit provisions are established by Miss. Code Ann. § 21-29-1 et seq., Articles 1, 3, 5, and 7, (1972, as amended), as amended, and annual local and private legislation. Statutes may be amended only by the Mississippi Legislature.

The retirees and beneficiaries of MRS plans with provisions for additional payments, who are receiving a retirement allowance on July 1 of each fiscal year, may be entitled to an additional payment. 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 an annual adjustment 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, 2012, the total additional annual payments for MRS plans were \$5,271,164.

(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. Those elected after July 1, 1989, automatically become members.

The retirement allowance is 50.0 percent of an amount equal to the retirement allowance payable by PERS, determined by credited 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. A member who terminates legislative employment and who is not eligible to receive monthly retirement benefits may request a refund of his or her accumulated employee contributions plus interest. Benefit provisions 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.

Retirees and beneficiaries of SLRP may receive additional amounts calculated identically to PERS retirees and beneficiaries. For the year ended June 30, 2012, the total additional annual payments for SLRP were \$200,325.

(5) Mississippi Government Employees' Deferred Compensation Plan & Trust

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code §457. The term "employee" means any person—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 employees to defer a portion of their income until future years. The deferred compensation is available to employees at termination, retirement, death, unforeseeable emergency, or can be rolled over to the System for purchase of eligible service credit.

The PERS Board of Trustees amended the plan to provide that all assets and income of the plan shall be held in trust for the exclusive benefit of participants and their beneficiaries in order to comply with amendments to §457 of the Internal Revenue Code.

The System has no liability for losses under the plan but does have the duty of due care that would be required of a prudent investor. At June 30, 2012, total plan assets aggregated \$1,289,991,000 with 39,372 participants.

(6) Flexible Benefits Cafeteria Plan

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.

MEMBER AND EMPLOYER OBLIGATIONS TO CONTRIBUTE

Members covered by PERS and MHSPRS are required to contribute 9.0 and 7.25 percent, respectively of their earned compensation toward retirement. Members of SLRP are required to contribute 3.0 percent of their compensation in addition to the 9.0 percent required by PERS. If an employee covered by PERS, MHSPRS, or SLRP leaves employment, accumulated member contributions plus interest are refunded to the member upon request. The interest paid on member accounts was 3.5 percent in 2012. 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. Each employer contributes the remaining amounts necessary to finance the plan. Contribution provisions are established by Miss. Code Ann. (1972, as amended) § 25-11-1 et seq. for PERS, § 25-13-1 et seq. for MHSPRS, and § 25-11-301 et seq. for SLRP. These statutes may be amended only by the Mississippi Legislature.

Members covered by MRS are required to contribute amounts varying from 7.0 percent to 10.0 percent of their salary, depending on the actuarial soundness of their respective plans. Any increase to the 7.0 percent base contribution rate is made in increments not to exceed 1.0 percent per year. If a member leaves covered employment, accumulated member contributions are refunded to the member upon request. Members covered by MRS do not receive interest on their accumulated contributions. Each employer contributes the remaining amounts necessary to finance participation of its own employees in MRS. Contribution 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.

*Note 2: Summary of Significant
Accounting Policies*

FINANCIAL REPORTING ENTITY

The reporting entity for the System and its component units consists of five pension trust funds and one agency fund. The pension trust funds are PERS, MHSPRS, MRS, SLRP, and MDC. These financial statements are included in the financial statements of the State of Mississippi. The agency fund is the FBCP. The component units of the System are included in the System's reporting entity due to their financial relationships. Although the component units are legally separate from 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*.

The membership of the 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 participants direct the investment of their funds among three investment vendors. Benefits payable to plan participants are not obligations of the State of Mississippi. Such benefits and other rights of participants or their beneficiaries are the liability of the vendors and are governed solely by the terms of the annuity contracts issued by them. As such, ORP is not considered part of the System's reporting entity for financial reporting purposes.

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, SLRP, and MDC 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, SLRP, and MDC use the accrual basis of accounting and the economic resources measurement focus. Member and employer contributions are recognized as revenue when due pursuant to formal commitments, as well as statutory 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 for PERS, MHSPRS, MRS, SLRP, and MDC 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.

BUDGETARY DATA

Annual budgets are legally adopted on a modified cash basis for the administrative expenditure portion of the pension trust funds. The System uses the following procedures in the budgetary process:

- » Approximately one year in advance, the System prepares a proposed operating budget for the upcoming fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- » At the beginning of August, the proposed budget for the fiscal year commencing the following July is submitted to the Department of Finance and Administration and the

Joint Legislative Budget Committee. Budget hearings are conducted by these bodies resulting in recommendations for changes.

- » In January, the proposed budget and the recommendations proposed by the Department of Finance and Administration and the Joint Legislative Budget Committee are presented to the State Legislature. The State Legislature makes any revisions it deems appropriate and then legally enacts the System's budget in the form of an appropriation bill.
- » The System is authorized to transfer budget amounts between major expenditure classifications on a limited basis subject to approval by the Department of Finance and Administration.
- » Spending authority lapses for appropriated funds that remain undisbursed at August 31.

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 thousand 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, 2012, and the reported amounts of additions to and deductions from net assets during the year then ended. Actual results could differ from those estimates.

GASB IMPLEMENTATION DEVELOPMENT

The Governmental Accounting Standards Board issued two new pronouncements, Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is applicable to most state and local government employers that offer pension benefits to their employees. PERS is bringing together key groups, such as staff representing the State Department of Audit, the State Department of Finance and Administration, consulting actuaries and independent auditors, to define responsibilities and formulate a successful implementation. Statement No. 67 is effective for fiscal years beginning after June 15, 2013, and Statement No. 68 is effective for fiscal years beginning after June 15, 2014.

*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 and 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 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 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, 2012, the System had no deposits in foreign demand deposit accounts.

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. The 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, 2012, was \$508,929,000. Cash deposits in bank accounts totaled \$2,907,000, which were covered by federal deposit insurance. At June 30, 2012, the System held \$503,751,000 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, 2012.

INVESTMENTS

All of the investment assets of MHSPRS, MRS, and SLRP are combined with those of PERS and invested in short-term and long-term debt securities, public equity securities, private equity, absolute return investments, 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 reported at fair value.

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.

The 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 (REIT). 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 fiscal year 2009, PERS began investing in private equity and absolute return investments. The Board's long-term policy asset allocation target includes 5.0 percent private equity and 5.0 percent absolute return strategies. Private equity was adopted to provide returns in excess of those provided through publicly traded stocks and bonds. Absolute return strategies provide returns that are not correlated with the public equity markets.

The following table presents the fair value of investments by type at June 30, 2012 (in thousands):

INVESTMENT TYPE	FAIR VALUE
COMMERCIAL PAPER	\$1,107,691
REPURCHASE AGREEMENTS	675,376
INTERNATIONAL CURRENCY	(47,583)
US GOVERNMENT AGENCY OBLIGATIONS	270,538
US TREASURY OBLIGATIONS	1,596,052
COLLATERALIZED MORTGAGE OBLIGATIONS	521,598
CORPORATE BONDS	2,489,442
MORTGAGE PASS-THROUGHS	638,012
STATE & LOCAL OBLIGATIONS	100,933
ASSET-BACKED SECURITIES	920,310
YANKEE/GLOBAL BONDS	49,107
SOVEREIGN AGENCIES DEBT	30,807
SOVEREIGN GOVERNMENTS DEBT	350,227
DOMESTIC EQUITY SECURITIES	8,412,874
INTERNATIONAL EQUITY SECURITIES	4,277,439
REAL ESTATE	1,477,796
PRIVATE EQUITY	449,172
MONEY MARKET FUND	23,433
FIXED INCOME FUNDS	66,755
ASSET ALLOCATION FUNDS	61,826
FIXED & VARIABLE FUNDS	546,113
LIFE INSURANCE CONTRACTS	341
EQUITY FUNDS	442,127
TOTAL	\$24,460,386

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. The 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' \$23.2 billion in investments at June 30, 2012, \$3.6 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. This is consistent with the System's securities lending agreement in place with the custodian.

The fair value of cash collateral securities as of June 30, 2012, are presented by type below:

CASH COLLATERAL SECURITIES	FAIR VALUE [IN THOUSANDS]
COMMERCIAL PAPER	\$1,107,690
REPURCHASE AGREEMENTS	467,765
CORPORATE BONDS	1,075,186
ASSET-BACKED SECURITIES	776,013
SOVEREIGN AGENCIES	15,600
US GOVERNMENT AGENCIES	155,520
TOTAL	\$3,597,774

INTEREST RATE RISK

As of June 30, 2012, 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	\$920,310	\$786,403	\$77,231	\$18,037	\$38,639
COLLATERALIZED MORTGAGE OBLIGATIONS	521,598	46,593	876	12,885	461,244
COMMERCIAL PAPER	1,107,691	1,107,691	-	-	-
CORPORATE BONDS	2,489,442	559,409	1,049,114	557,569	323,350
MORTGAGE PASS-THROUGHS	638,012	-	642	18,927	618,443
REPURCHASE AGREEMENTS	675,376	675,376	-	-	-
STATE & LOCAL OBLIGATIONS	100,933	-	4,820	11,970	84,143
US GOVERNMENT AGENCY OBLIGATIONS	270,538	7,908	236,206	9,664	16,760
US TREASURY OBLIGATIONS	1,596,052	14,112	655,313	586,841	339,786
YANKEE/GLOBAL BONDS	49,107	10,519	25,584	7,577	5,427
SOVEREIGN AGENCIES DEBT	30,807	15,600	11,811	3,396	-
SOVEREIGN GOVERNMENTS DEBT	350,227	7,516	99,781	129,515	113,415
TOTALS	\$8,750,093	\$3,231,127	\$2,161,378	\$1,356,381	\$2,001,207

The System does not have a formal investment policy that limits 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 Assets. 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 2012, 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 \$3.7 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 \$521.6 million in CMOs at June 30, 2012. Of this amount, \$181.4 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 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 \$920.3 million in ABS that the System held at June 30, 2012, \$51.0 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, 2012, the System had invested \$638.0 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.

CREDIT RISK

The System's exposure to credit risk as of June 30, 2012, was as follows:

EXPOSURE TO CREDIT RISK

- JUNE 30, 2012 -

[in thousands]

INVESTMENT TYPE	QUALITY RATINGS FAIR VALUE								
	AAA	AA	A	BAA	BA	BBB	BB	B	CA
ASSET-BACKED SECURITIES	\$820,608	\$41,159	\$18,490	\$7,882	\$1,711	\$10,658	\$5,922	\$6,607	\$-
COLLATERALIZED MORTGAGE OBLIGATIONS	161,307	215,169	56,282	2,306	217	30,163	5,792	13,207	1,141
COMMERCIAL PAPER	-	-	609,570	-	-	-	-	-	-
CORPORATE BONDS	44,778	650,850	795,902	500,663	101,694	173,133	80,820	101,584	-
MORTGAGE PASS-THROUGHS	-	561,492	-	-	-	-	-	-	-
REPURCHASE AGREEMENTS	-	675,376	-	-	-	-	-	-	-
SOVEREIGN AGENCIES DEBT	15,600	1,345	11,221	2,280	-	-	361	-	-
SOVEREIGN GOVERNMENTS DEBT	5,936	16,193	36,670	103,403	40,784	52,477	57,357	33,986	-
STATE & LOCAL OBLIGATIONS	765	45,113	46,152	4,715	2,602	-	-	-	-
US GOVERNMENT AGENCY OBLIGATIONS	4,011	265,221	1,306	-	-	-	-	-	-
YANKEE/GLOBAL BONDS	35,477	1,145	5,695	5,701	1,089	-	-	-	-
TOTALS	\$1,088,482	\$2,473,063	\$1,581,288	\$626,950	\$148,097	\$266,431	\$150,252	\$155,384	\$1,141

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. 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, 2012 -

[in thousands]

	QUALITY RATINGS FAIR VALUE								
	CAA	CCC	CC	C	D	F	NR	P	WR
ASSET-BACKED SECURITIES	\$3	\$6,073	\$-	\$13	\$-	\$-	\$-	\$-	\$1,184
COLLATERALIZED MORTGAGE OBLIGATIONS	12,720	684	709	14,984	6,637	-	-	-	280
COMMERCIAL PAPER	-	-	-	-	-	388,747	-	109,374	-
CORPORATE BONDS	5,169	4,165	-	-	-	-	1,778	28,906	-
MORTGAGE PASS-THROUGHS	-	-	-	-	-	-	-	-	-
REPURCHASE AGREEMENTS	-	-	-	-	-	-	-	-	-
SOVEREIGN AGENCIES DEBT	-	-	-	-	-	-	-	-	-
SOVEREIGN GOVERNMENTS DEBT	-	-	-	-	-	-	3,421	-	-
STATE & LOCAL OBLIGATIONS	-	-	-	-	-	-	1,586	-	-
US GOVERNMENT AGENCY OBLIGATIONS	-	-	-	-	-	-	-	-	-
YANKEE/GLOBAL BONDS	-	-	-	-	-	-	-	-	-
	\$17,892	\$10,922	\$709	\$14,997	\$6,637	\$388,747	\$6,785	\$138,280	\$1,464

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.

FOREIGN CURRENCY RISK

The System's exposure to foreign currency risk at June 30, 2012, was as follows (in thousands):

CURRENCY	CASH & EQUIVALENTS	EQUITIES & REITS	DEBT SECURITIES	TOTAL FAIR VALUE	PERCENT
AUSTRALIAN DOLLAR	\$(5,291)	\$172,646	\$3,221	\$170,576	4.25%
BRAZILIAN REAL	(5,871)	168,320	5,579	168,028	4.19
BRITISH POUND STERLING	(1,691)	683,832	3,090	685,231	17.09
CANADIAN DOLLAR	4,287	109,111	3,449	116,847	2.91
CHILEAN PESO	1	2,741	-	2,742	0.07
COLOMBIAN PESO	(6,501)	3,056	6,837	3,392	0.09
CZECHOSLOVAKIA KORUNA	(1,814)	-	2,560	746	0.02
DANISH KRONE	286	30,684	-	30,970	0.77
EGYPTIAN POUND	-	25,038	-	25,038	0.62
EURO	(13,723)	900,823	28,092	915,192	22.83
HONG KONG DOLLAR	747	206,494	-	207,241	5.17
HUNGARIAN FORINT	(707)	13,800	1,404	14,497	0.36
INDIAN RUPEE	4	65,306	-	65,310	1.63
INDONESIAN RUPIAH	140	52,389	-	52,529	1.31
ISRAELI SHEKEL	91	14,249	-	14,340	0.36
JAPANESE YEN	2,198	549,388	2,328	553,914	13.81
MALAYSIAN RINGGIT	3	8,563	-	8,566	0.21
MEXICAN PESO	(12,174)	41,500	40,836	70,162	1.75
NEW TAIWAN DOLLAR	1,489	77,552	-	79,041	1.97
NEW TURKISH LIRA	(1,236)	63,308	2,190	64,262	1.60
NEW ZEALAND DOLLAR	(4,458)	5,679	3,325	4,546	0.11
NORWEGIAN KRONE	(3,365)	65,180	4,721	66,536	1.66
PAKISTAN RUPEE	-	11,287	-	11,287	0.28
PERUVIAN NUEVO SOL	(1,901)	-	2,143	242	0.01
PHILIPPINES PESO	9	6,322	-	6,331	0.16
POLISH ZLOTY	(820)	4,815	2,010	6,005	0.15
SINGAPORE DOLLAR	(3,018)	78,689	3,987	79,658	1.99
SOUTH AFRICAN RAND	(807)	125,039	1,965	126,197	3.15
SOUTH KOREAN WON	50	175,002	-	175,052	4.37
SWEDISH KRONA	(1,719)	57,534	3,154	58,969	1.47
SWISS FRANC	4,642	186,918	-	191,560	4.78
THAILAND BAHT	-	33,004	-	33,004	0.82
UAE DIRHAM	-	1,501	-	1,501	0.04
TOTAL	\$(51,149)	\$3,939,770	\$120,891	\$4,009,512	100.00%

The System's current investment asset allocation policy was adopted by the Board in June 2010 and became effective in fiscal year 2011. 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.

INVESTMENT DERIVATIVES

The System has adopted Governmental Accounting Standards Board 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, 2012 (in thousands), as reported in the System's Statement of Fiduciary Net Assets:

	CHANGES IN FAIR VALUE		FAIR VALUE AT JUNE 30, 2012		NOTIONAL	
	CLASSIFICATION	AMOUNT	CLASSIFICATION	AMOUNT		
FOREIGN CURRENCY FORWARDS	Investment income	\$(22)	Investment	\$(22)	6,249	AUD
FOREIGN CURRENCY FORWARDS	Investment income	64	Investment	64	6,351	BRL
FOREIGN CURRENCY FORWARDS	Investment income	9	Investment	9	2,008	CAD
FOREIGN CURRENCY FORWARDS	Investment income	(5)	Investment	(5)	11,745,393	COP
FOREIGN CURRENCY FORWARDS	Investment income	8	Investment	8	36,685	CZK
FOREIGN CURRENCY FORWARDS	Investment income	(118)	Investment	(118)	11,425	EUR
FOREIGN CURRENCY FORWARDS	Investment income	21	Investment	21	1,963	GBP
FOREIGN CURRENCY FORWARDS	Investment income	(47)	Investment	(47)	159,687	HUF
FOREIGN CURRENCY FORWARDS	Investment income	11	Investment	11	187,123	JPY
FOREIGN CURRENCY FORWARDS	Investment income	(440)	Investment	(440)	160,899	MXN
FOREIGN CURRENCY FORWARDS	Investment income	(28)	Investment	(28)	20,242	NOK
FOREIGN CURRENCY FORWARDS	Investment income	(56)	Investment	(56)	5,630	NZD
FOREIGN CURRENCY FORWARDS	Investment income	(4)	Investment	(4)	5,095	PEN
FOREIGN CURRENCY FORWARDS	Investment income	(47)	Investment	(47)	2,749	PLN
FOREIGN CURRENCY FORWARDS	Investment income	(69)	Investment	(69)	13,468	SEK
FOREIGN CURRENCY FORWARDS	Investment income	(8)	Investment	(8)	4,202	SGD
FOREIGN CURRENCY FORWARDS	Investment income	(44)	Investment	(44)	2,251	TRY
FOREIGN CURRENCY FORWARDS	Investment income	(64)	Investment	(64)	8,044	ZAR
TBA SECURITIES	Investment income	\$298	Debt securities	\$178,395	\$166,820	

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, 2012, the counterparties of the foreign currency forwards 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 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 48.

INVESTMENT DERIVATIVES INTEREST RATE RISK

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

COMMITMENTS

As of June 30, 2012, 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, 2012, the total fair value of the commingled real estate portfolio was approximately \$797.0 million. 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, 2012, the fair value of these investments totaled \$665.0 million.

As of June 30, 2012, PERS had the following outstanding investment commitments:

	COMMITTED CAPITAL	CAPITAL CONTRIBUTED	OUTSTANDING
REAL ESTATE	\$575,000,000	\$353,072,802	\$221,927,198
PRIVATE EQUITY	1,500,000,000	426,586,550	1,073,413,450
TOTALS	\$2,075,000,000	\$779,659,352	\$1,295,340,648

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. There have been no significant violations of the provisions of the agreement during the period of these financial statements. The System lends securities for collateral in the form of either cash or other securities. The types of securities on loan at June 30, 2012, are long-term US government and agency obligations, corporate bonds, REITs, and domestic and international equities. At the initiation of a 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 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. 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. 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. The System cannot pledge, lend, or sell securities received as collateral unless the borrower defaults.

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 six days at June 30, 2012. Cash collateral was invested in repurchase agreements, commercial paper, corporate bonds, US and foreign government agencies, and asset-backed securities at June 30, 2012. The weighted average effective duration of all collateral investments at June 30, 2012, was 29 days with a weighted average maturity of 29 days.

Securities lent at year-end for cash collateral are presented by type in Note 3 Investments; securities lent for securities collateral are classified according to the custodial credit risk category for the collateral. There were no securities lent for securities collateral as of June 30, 2012. 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 following table details the net income from securities lending for the year ended June 30, 2012 (in thousands):

	PERS	MHSPRS	MRS	SLRP	TOTAL
INTEREST INCOME	\$16,370	\$220	\$134	\$11	\$16,735
NET APPRECIATION	3,228	44	26	2	3,300
INCOME FROM SECURITIES LENDING	19,598	264	160	13	20,035
<i>Less:</i>					
PROGRAM FEES	2,682	36	22	2	2,742
EXPENSES FROM SECURITIES LENDING	2,682	36	22	2	2,742
NET INCOME FROM SECURITIES LENDING	\$16,916	\$228	\$138	\$11	\$17,293

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.

The securities lending total assets of \$3,599,658,000, which include the related accrued interest, and the related total liabilities of \$3,597,099,000, which include the related expenses, on the Statement of Fiduciary Net Assets do not equal at June 30, 2012. The difference of \$2,559,000 is due to the collateral investment fund's market appreciation, agent lender fees, and the 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, 2012 (in thousands):

SECURITIES LENT	FAIR VALUE INCLUDING ACCRUED INCOME	CASH COLLATERAL RECEIVED
<i>Lent for Cash Collateral:</i>		
DEBT SECURITIES	\$1,335,906	\$1,369,784
EQUITIES	2,111,646	2,114,110
REITS	113,095	112,941
TOTAL SECURITIES LENT	\$3,560,647	\$3,596,835

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, 2012, were \$322,000.

Note 4: Capital Assets The following table shows amounts for capital assets as of June 30, 2012 (in thousands):

DESCRIPTION	AMOUNT
LAND	\$508
BUILDING	18,459
IMPROVEMENTS	25
FURNITURE & EQUIPMENT	2,153
CONSTRUCTION IN PROGRESS	6,752
TOTAL CAPITAL ASSETS	27,897
<i>Less Accumulated Depreciation:</i>	
BUILDING	4,364
IMPROVEMENTS	20
FURNITURE & EQUIPMENT	1,323
TOTAL ACCUMULATED DEPRECIATION	5,707
NET CAPITAL ASSETS	\$22,190

The System is implementing a major project to build and deploy a new pension and benefits administration software solution. The design and technical aspects of the project have been completed and the development stage is underway. Completion is scheduled for 2013. The total budgeted amount for the technology project is \$26.6 million. At June 30, 2012, the remaining outstanding commitment related to this project approximated \$16.9 million.

Note 5: Due to Others The following is a summary of due to/due from others as of June 30, 2012 (in thousands):

RECEIVABLE FUND	PAYABLE FUND	AMOUNT
STATE OF MISSISSIPPI	PERS	\$15

Note 6: Funding Status and Progress **ACTUARIAL ASSET VALUATION**

Actuarial values of assets for PERS, MHSPRS, SLRP, and MRS 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, 2012 (in thousands):

	PERS	MHSPRS	MRS	SLRP	TOTAL
VALUATION ASSETS JUNE 2011*	\$20,315,165	\$278,265	\$175,988	\$13,606	\$20,783,024
CONTRIBUTIONS & OTHER REVENUE	1,314,501	13,990	22,916	696	1,352,103
BENEFIT PAYMENTS	(1,956,205)	(26,950)	(35,628)	(1,293)	(2,020,076)
ADMINISTRATIVE EXPENSES	(13,744)	(176)	(456)	(10)	(14,386)
INVESTMENT EXPENSES**	(43,332)	(584)	-	(29)	(43,945)
NET NEW MONEY	(698,780)	(13,720)	(13,168)	(636)	(726,304)
EXPECTED TOTAL INVESTMENT RETURN FOR 2012 (8%)	1,661,587	22,447	10,912	1,114	1,696,060
ADJUSTMENT TOWARD MARKET (20%)	(1,285,175)	(18,568)	(6,128)	(816)	(1,310,687)
VALUATION ASSETS JUNE 2012*	\$19,992,797	\$268,424	\$167,604	\$13,268	\$20,442,093

*Information for MRS is presented as of September 2010 and 2011, respectively.

**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.

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 described in the Notes to Required Supplemental Schedules. The significant assumptions include:

	PERS	MHSPRS	MRS	SLRP
VALUATION DATE	June 30, 2012	June 30, 2012	September 30, 2011	June 30, 2012
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	30.0 years	30.0 years	23.0 years	30.0 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	8.0%	8.0%	8.0%	8.0%
PROJECTED SALARY INCREASES	4.5-20.0%	5.0-10.52%	4.5-6.0%	4.50%
WAGE INFLATION RATES	4.25%	4.25%	4.25%	4.25%
INCREASE IN BENEFITS AFTER RETIREMENT	3.0%*	3.0%**	2.0-3.75%***	3.0%*

*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.

ACTUARIAL EXPERIENCE REVIEW

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.

A review of demographic and economic experience was performed for the four-year period ending June 30, 2010. As a result of this study, the Board of Trustees adopted assumptions for PERS that revised rates of salary increase, withdrawal, pre-retirement mortality, and disability retirement for active members. Also adopted was a change in post-retirement mortality table for disability retirements. Assumptions for MHSPRS were adopted that changed withdrawal rates and the post-retirement disability mortality table. The post-retirement mortality table used for disability retirements was adopted for SLRP. The changes adopted by the Board for PERS, MHSPRS, and SLRP were used in the actuarial valuations as of June 30, 2011, and June 30, 2012.

Due to MRS fiscal year ending on September 30, changes from this experience review were applied to the actuarial valuations as of September 30, 2010, and September 30, 2011. The new assumption adopted for MRS changes the post-retirement mortality table for disability retirements.

Note 7: Contributions Required and Contributions Made

Funding policies for PERS, MHSPRS, and SLRP provide for employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. The Board of Trustees establishes contribution rates for PERS, MHSPRS, and SLRP in accordance with actuarial contribution requirements determined through the most recent valuation.

The Governmental Accounting Standards Board (GASB) Statement No. 25 requires a maximum amortization period for the total unfunded actuarial liability of not more than 30 years. The annual required contribution (ARC) rate is set two years in advance. Based on the June 30, 2010, actuarial valuation, the Board of Trustees approved an employer contribution rate increase from 12.0 percent to 12.93 percent for PERS, to comply with the GASB Statement. Due to the state of the economy and a request by the leadership of the Mississippi Legislature, the Board took action to delay the contribution rate increase until January 1, 2012. In addition, the Board approved employer contribution rate increases for MHSPRS from 30.3 percent to 35.21 percent and SLRP from 6.65 percent to 7.4 percent. These increases also were delayed until January 1, 2012.

At its October 2012 meeting, the Board of Trustees adopted a revised funding policy aimed at stabilizing the employer contribution rate and reducing the unfunded actuarial accrued liability. The revised policy establishes a goal for the System to be 80.0 percent funded by 2042 and sets the PERS employer rate at 15.75 percent while continuing the SLRP rate at 7.4 percent. The focus of the revised funding policy is to promote a declining amortization period and to reduce volatility in the contribution rate.

Costs to administer plans are financed from investment earnings. In addition, employers of MHSPRS, SLRP, and MRS contribute an administrative fee to the System.

Funding policies for MRS, established by Mississippi statutes, 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 on an annual basis to determine the rates necessary to make the plan actuarially sound. However, Mississippi statutes limit any increase in the property tax levy for pension contributions to one-half mill per year. Given this constraint on employer contribution increases, there is a possibility, depending upon future experience, that one or more of the plans 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 plan's cash flow position improved.

Miss. Code Ann. (1972, as amended) provides that a municipality may fund or assist in funding MRS with revenue bonds. No municipality currently has any revenue bonds outstanding.

An actuary is used to determine the implications of the statutory limited contribution levels. At September 30, 2011, aggregate contributions for MRS were equivalent to 122.7 percent of the required annual contributions. Certain municipalities will have a contribution deficiency after the maximum one-half-mill-per-year increase.

The employer contribution millage rates required for each municipality ranged from 1.49 to 8.26 mills, totaling \$22,791,000 in actual contributions. The member contribution rates ranged from 7.0 percent to 10.0 percent of covered payroll, totaling \$125,575 in actual contributions.

REQUIRED CONTRIBUTIONS

[dollars in thousands]

SYSTEM	CONTRIBUTION REQUIREMENTS				
	NORMAL COST		UNFUNDED COST		TOTAL REQUIRED CONTRIBUTIONS
	AMOUNT	PERCENT OF COVERED PAYROLL	AMOUNT	PERCENT OF COVERED PAYROLL	
PERS	\$676,902	11.31%	\$637,599	10.16%	\$1,314,501
MHSPRS	6,062	23.80	4,682	16.21	10,744*
SLRP	380	5.56	316	4.47	696
TOTALS	\$683,344	-	\$642,597	-	\$1,325,941

SYSTEM	CONTRIBUTIONS MADE					
	TOTAL ACTUAL CONTRIBUTIONS	MEMBER		EMPLOYER		COVERED PAYROLL
		AMOUNT	PERCENT OF COVERED PAYROLL	AMOUNT	PERCENT OF COVERED PAYROLL**	
PERS	\$1,314,501	\$545,587	9.00%	\$768,914	12.93%	\$5,857,789
MHSPRS	13,990	1,946	7.25	12,044*	35.21	25,670
SLRP	696	206	3.00	490	7.40	6,872
TOTALS	\$1,329,187	\$547,739	-	\$781,448	-	\$5,890,331

*Due to Senate Bill No. 2659 enacted in 2004, an estimated additional contribution of \$3,500,000 (14.1 percent of payroll) was used to calculate total required contributions for MHSPRS. The actual amount received in 2012 was \$3,246,000.

**Employer contribution rate effective January 1, 2012.

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 charged, is referred to as the employer's accumulation account.

The following table presents the reserve account balances and the unfunded actuarial accrued liability as of June 30, 2012 (in thousands):

	PERS	MHSPRS	MRS	SLRP
<i>Actuarial Value of Assets:</i>				
ANNUITY SAVINGS ACCOUNT	\$4,463,252	\$20,760	\$2,256	\$2,105
ANNUITY RESERVE	3,836,309	30,857	-	1,896
EMPLOYER'S ACCUMULATION ACCOUNT	11,693,236	216,807	165,348	9,267
<i>Unfunded Actuarial Accrued Liability (UAAL):</i>	14,500,076	152,991	196,000	6,269
ACTUARIAL ACCRUED LIABILITY	\$34,492,873	\$421,415	\$363,604	\$19,537
PERCENT FUNDED	58.0%	63.7%	46.1%	67.9%
ANNUAL COVERED PAYROLL	\$5,857,789	\$25,670	\$1,357	\$6,872
UAAL AS A PERCENTAGE OF ANNUAL COVERED PAYROLL	247.5%	596.0%	14,443.6%	91.2%

*The annuity reserve for MRS is reflected as of the September 30, 2011, valuation date.

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, 2012, was \$6,573,000; the System's total payroll expense was \$8,534,000. System contributions for the years ended June 30, 2012, 2011, and 2010, were \$806,000, \$715,000, and \$721,000, respectively. The contributions for 2012, 2011, and 2010 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 2012. System contributions represent less than 1.0 percent of total contributions required for all participating employers.

Note 9: Ten-Year Historical Trend Information

Ten-year historical trends, as noted in required supplementary information, are designed to provide information about progress made by PERS, MHSPRS, MRS, and SLRP in accumulating sufficient assets to pay benefits when due. The Schedules of Funding Progress, immediately following the notes to the basic financial statements, present multi-year information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability of benefits over time. This information is presented on pages 57 through 59. Other supplementary information presented in succeeding sections of this report is for the benefit of statement users and is not a required part of the basic financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
- LAST TEN FISCAL YEARS -

[in thousands] * [unaudited]

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 ANNUAL COVERED PAYROLL ((B-A)/C)
<i>Public Employees' Retirement System of Mississippi</i>						
06/30/03	\$16,979,457	\$21,485,838	\$4,506,381	79.0%	\$4,431,600	101.7%
06/30/04	17,103,285	22,847,260	5,743,975	74.9	4,617,273	124.4
06/30/05	17,180,705	23,727,098	6,546,393	72.4	4,786,280	136.8
06/30/06	18,321,063	24,928,464	6,607,401	73.5	4,971,974	132.9
06/30/07	19,791,564	26,862,636	7,071,072	73.7	5,196,295	136.1
06/30/08	20,814,720	28,534,694	7,719,974	72.9	5,544,705	139.2
06/30/09	20,597,581	30,594,546	9,996,965	67.3	5,831,864	171.4
06/30/10	20,143,426	31,399,988	11,256,562	64.2	5,763,556	195.3
06/30/11	20,315,165	32,654,465	12,339,300	62.2	5,684,624	217.1
06/30/12	19,992,797	34,492,873	14,500,076	58.0	5,857,789	247.5
<i>Mississippi Highway Safety Patrol Retirement System</i>						
06/30/03	\$259,746	\$302,134	\$42,388	86.0%	\$21,052	201.3%
06/30/04	256,481	316,570	60,089	81.0	22,683	264.9
06/30/05	253,477	335,117	81,640	75.6	22,343	365.4
06/30/06	265,637	350,638	85,001	75.8	24,499	347.0
06/30/07	284,626	371,233	86,607	76.7	27,037	320.3
06/30/08	298,630	381,578	82,948	78.3	29,597	280.3
06/30/09	292,322	394,630	102,308	74.1	26,390	387.7
06/30/10	281,088	411,277	130,189	68.3	26,353	494.0
06/30/11	278,265	414,432	136,167	67.1	24,872	547.5
06/30/12	268,424	421,415	152,991	63.7	25,670	596.0

See Notes to Required Supplementary Schedules.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS (CONTINUED)
- LAST TEN FISCAL YEARS -

[in thousands] * [unaudited]

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 ANNUAL COVERED PAYROLL ((B-A)/C)
<i>Municipal Retirement Systems</i>						
09/30/02	\$259,586	\$393,011	\$133,425	66.1%	\$5,980	2,231.2%
09/30/03	250,640	399,622	148,982	62.7	4,584	3,250.0
09/30/04	235,198	393,061	157,863	59.8	3,675	4,295.6
09/30/05	217,140	387,386	170,246	56.1	2,909	5,852.4
09/30/06	213,553	383,355	169,802	55.7	2,223	7,638.4
09/30/07	213,432	379,584	166,152	56.2	1,953	8,507.5
09/30/08	208,479	368,131	159,652	56.6	1,713	9,320.0
09/30/09	191,179	381,036	189,857	50.2	1,608	11,807.0
09/30/10	175,988	372,897	196,909	47.2	1,425	13,818.2
09/30/11	167,604	363,604	196,000	46.1	1,357	14,443.6
<i>Supplemental Legislative Retirement Plan</i>						
06/30/03	\$10,196	\$12,220	\$2,024	83.4%	\$6,289	32.2%
06/30/04	10,323	12,934	2,611	79.8	5,794	45.1
06/30/05	10,634	13,402	2,768	79.3	6,530	42.4
06/30/06	11,620	14,064	2,444	82.6	6,354	38.5
06/30/07	12,722	15,054	2,332	84.5	6,554	35.6
06/30/08	13,412	15,615	2,203	85.9	6,753	32.6
06/30/09	13,386	16,535	3,149	81.0	6,803	46.3
06/30/10	13,241	17,081	3,840	77.5	6,605	58.1
06/30/11	13,606	18,605	4,999	73.1	6,810	73.4
06/30/12	13,268	19,537	6,269	67.9	6,872	91.2

See Notes to Required Supplementary Schedules.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
- LAST TEN FISCAL YEARS -

[in thousands] * [unaudited]

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
2003	\$411,503	100.0%	2003	\$5,321	100.0%
2004	432,081	100.0	2004	5,928	100.0
2005	482,967	100.0	2005	9,088	100.0
2006	514,525	100.0	2006	8,692	100.0
2007	621,497	90.0	2007	10,023	100.0
2008	636,546	97.0	2008	10,492	100.0
2009	657,048	100.0	2009	11,668	100.0
2010	699,824	100.0	2010	11,096	100.0
2011	781,538*	100.0	2011	11,385	100.0
2012	735,022	100.0	2012	12,257	100.0

*Calculated based on an employer contribution rate increase from 12.0 percent to 13.56 percent. In lieu of the employer contribution rate increase, the member contribution rate was increased to 9.0 percent, which produced a decrease in employer normal cost. As a result, Annual Required Contributions were \$687,016.

FISCAL YEAR ENDED SEPTEMBER 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
2002	\$10,823	132.5%	2003	\$379	100.0%
2003	11,989	116.6	2004	398	100.0
2004	13,286	104.5	2005	367	100.0
2005	14,091	100.6	2006	413	100.0
2006	15,397	101.5	2007	423	100.0
2007	15,426	97.1	2008	436	100.0
2008	15,219	106.0	2009	449	100.0
2009	14,765	114.4	2010	452	100.0
2010	17,739	120.8	2011	464	100.0
2011	18,576	122.7	2012	504	100.0

See Notes to Required Supplementary Schedules.

Public Employees' Retirement
System of Mississippi
Notes to Required
Supplementary Schedules
JUNE 30, 2012

*Note 1: Schedules of
Funding Progress*

The funding percentage of the actuarial accrued liability is a measure 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. The actuarial value of assets is determined on a market-related basis that recognizes 20.0 percent of the current year's unrecognized and unanticipated gains and losses (both realized and unrealized), as well as 20.0 percent of the prior years' unrecognized and unanticipated gains and losses (both realized and unrealized).

Allocation of the actuarial present value of projected benefits between accrued and future service liabilities is based on service using the entry age actuarial cost method. Assumptions, including projected pay increases, are the same as used to determine the plan's annual required contribution. For additional information regarding this schedule, refer to Note 6, Funding Status and Progress.

*Note 2: Schedules of
Employer Contributions*

The required employer contributions and percent of those contributions actually made are presented in this schedule.

The PERS Board of Trustees, as per state statute, sets employer contribution rates for PERS and SLRP. The Administrative Board of the MHSPRS establishes the employer contribution rate for MHSPRS. The adequacy of these rates is assessed annually by individual actuarial valuations. Unfunded actuarial accrued liabilities are amortized as a level percent of the active member payroll, over a fixed period of future years, which produces the actuarial required employer contribution rate. The employer contribution rate so computed, expressed as a percent of active member payroll, is designed to accumulate sufficient assets to pay benefits when due. For MRS, the unfunded employer liability is being amortized on a closed basis as a level percent over a period of 30 years, beginning September 30, 1990. The current financing arrangement provides for a contribution determined as a percentage of each city's assessed property valuation. Actual MRS employer contributions were \$22,791,000, which was 122.7 percent of total required contributions for the valuation period ending September 30, 2011.

The Governmental Accounting Standards Board (GASB) Statement No. 25 requires a maximum amortization period for the total unfunded actuarial liability of not more than 30 years. Based on the June 30, 2011, actuarial valuation report, and to comply with the GASB Statement, the Board of Trustees approved increasing the PERS employer contribution rate from 12.93 percent to 14.26 percent. In addition, the Board approved an employer contribution rate increase for MHSPRS from 35.21 percent to 37.0 percent. The employer rate for SLRP remained at 7.4 percent. The employer contribution rate increases are effective as of July 1, 2012.

In its October 2012 meeting, the Board of Trustees adopted a revised funding policy that established the goal of stabilizing the employer contribution rate and reducing the amortization period for the unfunded actuarial accrued liability. Based on the revised funding policy, the Board approved an employer contribution rate increase of 15.75 percent for PERS and a continued rate of 7.4 percent for SLRP, effective July 1, 2013. In addition, the consulting actuary recommended an employer contribution rate of 39.49 percent for MHSPRS based on the June 30, 2012 valuation.

At June 30, 2012, the actual employer contribution amount for PERS was \$768,914,000, which was 100.0 percent of required total contributions. Actual employer contributions for MHSPRS and SLRP also remain at 100.0 percent of annual required contribution.

**2011/2012 FISCAL YEAR
PERS ANNUAL REQUIRED CONTRIBUTION (ARC)
- BASED ON THE VALUATION AS OF JUNE 30, 2010 -**

ANNUAL REQUIRED CONTRIBUTION (ARC)	RATE
NORMAL	2.18%
ACCRUED LIABILITY	10.75
TOTAL	12.93%

Note 3: Actuarial Assumptions **PLAN OVERVIEW**

To keep the anticipated accrued liability payment period within 30 years in accordance with GASB Statements 25 and 27, the consulting actuary recommended increases in employer contribution rates for PERS, MHSPRS, and SLRP. Based on the June 30, 2012, valuations, the recommended increases are: PERS, from 14.26 to 15.83 percent; MHSPRS, from 37.0 percent to 39.49 percent; and SLRP, from 7.40 to 7.75 percent.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	PERS	MHSPRS	MRS	SLRP
VALUATION DATE	June 30, 2012	June 30, 2012	September 30, 2011	June 30, 2012
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	30 years	30 years	23 years	30 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	8.0%	8.0%	8.0%	8.0%
PROJECTED SALARY INCREASES	4.5-20.0%	5.0-10.52%	4.5-6.0%	4.50%
WAGE INFLATION RATES	4.25%	4.25%	4.25%	4.25%
INCREASE IN BENEFITS AFTER RETIREMENT	3.0%*	3.0%**	2.0-3.75%***	3.0%*

*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.

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 15.83 percent of payroll. The Board of Trustees adopted an employer contribution rate of 15.75 percent, effective July 1, 2013.
 - » There are no changes in actuarial assumptions or methods since the last valuation.
 - » There are no changes in plan provisions since the last valuation.
- » MHSPRS
 - » The valuation results are developed based upon the employer contribution rate of 39.49 percent of payroll.
 - » Due to Senate Bill No. 2659 enacted in 2004, additional contributions are being made to the System. The estimate used for last year's valuation was \$3,500,000 annually. The actual additional contribution for 2012 is \$3,246,000. However, since the last three years of additional contributions have not been consistent, the actuary averaged the last three year's contributions, and the 2012 valuation results reflect an anticipated amount of \$3,600,000 annually in the future.
- » SLRP
 - » The valuation results are developed based upon the employer contribution rate of 7.75 percent of payroll. The Board of Trustees elected to continue the employer contribution rate of 7.40 percent, effective July 1, 2013.
- » MRS
 - » The post-retirement mortality table used for disability retirements has been changed.
 - » A new funding policy was adopted by the Board of Trustees in February 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 asset reserve level equal to a reasonable percentage (initially 100.0 percent-150.0 percent) 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.

Changes in assumptions and actuarial experience had the following effect on the employer contribution rate. The MRS are funded through taxes levied on assessed properties located in the municipalities.

	PERS	MHSPRS	SLRP
PREVIOUSLY REPORTED EMPLOYER RATE	14.26%	37.00%	7.40%
<i>Change Due to:</i>			
ACTUARIAL EXPERIENCE	1.57	2.49	0.35
ASSUMPTION CHANGES	-	-	-
PLAN AMENDMENTS	-	-	-
METHOD CHANGE	-	-	-
COMPUTED EMPLOYER RATE	15.83%	39.49%	7.75%

SCHEDULE 1
SCHEDULE OF ADMINISTRATIVE EXPENSES AND DEPRECIATION
 - FOR THE YEAR ENDED JUNE 30, 2012 -

[in thousands]

ADMINISTRATIVE EXPENSE	AMOUNT
<i>Personal Services:</i>	
SALARIES & WAGES	\$6,584
EMPLOYEE BENEFITS	1,950
TRAVEL & SUBSISTENCE	79
TOTAL PERSONAL SERVICES	8,613
<i>Contractual Services:</i>	
PROFESSIONAL SERVICES (SEE SCHEDULE 3)	2,186
NEW INFORMATION SYSTEM DEVELOPMENT	857
COMMUNICATIONS	467
UTILITIES	294
REPAIR & MAINTENANCE OF BUILDING & EQUIPMENT	224
RENT OF BUILDING SPACE & OFFICE EQUIPMENT	200
BANK CHARGES	150
DATA PROCESSING INSTALLATION, TRAINING, & LICENSING	126
OTHER CONTRACTUAL SERVICES	90
JANITORIAL	88
SECURITY	62
INSURANCE	38
TOTAL CONTRACTUAL SERVICES	4,782
<i>Commodities:</i>	
PRINTING, BINDING, & PADDING	157
OFFICE EQUIPMENT (NOT CAPITALIZED)	83
OFFICE SUPPLIES & EXPENDABLE REPAIR PARTS	73
FUEL	15
BUSINESS MEETING SUPPLIES	13
OTHER COMMODITIES	8
TOTAL COMMODITIES	349
TOTAL ADMINISTRATIVE EXPENSES	13,744
<i>Depreciation:</i>	
BUILDING	369
FURNITURE & EQUIPMENT	291
TOTAL DEPRECIATION	660
TOTAL ADMINISTRATIVE EXPENSES & DEPRECIATION	\$14,404

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, 2012 -

[in thousands]

BUDGET COMPARISONS	2012		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
<i>Administration Expenditures:</i>			
<i>Personal Services:</i>			
SALARIES, WAGES, & FRINGES BENEFITS	\$8,922	\$8,455	\$467
TRAVEL & SUBSISTENCE	87	79	8
CONTRACTUAL SERVICES*	8,193	7,095	1,098
COMMODITIES	326	290	36
CAPITAL OUTLAYS**	1,010	657	353
TOTAL	\$18,538	\$16,576	\$1,962

*Contractual services budget includes \$4,500,000 for intermediate phases of the pension administration computer system replacement.

**Capital outlays budget includes \$900,000 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, 2012.

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

[in thousands]

	AMOUNT
ADMINISTRATIVE EXPENDITURES (BUDGETARY BASIS)	\$16,576
<i>Adjustments:</i>	
COMPENSATED LEAVE ACCRUAL	79
BANK SERVICE CHARGES	150
CAPITAL ASSET PURCHASES RECORDED AS EXPENDITURES FOR BUDGETARY PURPOSES	(2,957)
FISCAL YEAR 2012 BUDGET EXPENDITURES PAID DURING LAPSE PERIOD; EXPENSES RECORDED IN FISCAL YEAR 2013	(1,031)
FISCAL YEAR 2011 BUDGET EXPENDITURES PAID DURING LAPSE PERIOD; EXPENSES RECORDED IN FISCAL YEAR 2012	426
FISCAL YEAR 2012 ACCRUALS TO GAAP BASIS	501
ADMINISTRATIVE EXPENSES (GAAP BASIS)	\$13,744

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, 2012 -

[in thousands]

	AMOUNT		AMOUNT
<i>Investment Managers' Fees:</i>		<i>Investment Managers' Fees (Continued):</i>	
EAGLE CAPITAL MANAGEMENT	\$3,606	BLACKROCK INSTITUTIONAL TRUST COMPANY— DEBT INVESTMENTS	\$265
ARTISAN PARTNERS LP — EMERGING MARKETS EQUITY	2,602	NORTHERN TRUST GLOBAL INVESTMENT	240
LAZARD ASSET MANAGEMENT	2,551	BLACKROCK INSTITUTIONAL TRUST COMPANY— EAFE	216
THE BOSTON COMPANY— MID CAP EQUITY	2,444	CIS, A DIVISION OF DREYFUS	192
ARTISAN PARTNERS LP— MID CAP EQUITY	2,276	STATE STREET GLOBAL ADVISORS— DEBT INVESTMENTS	106
WELLINGTON ASSET MANAGEMENT— MID CAP EQUITY	2,150	STATE STREET GLOBAL ADVISORS— EQUITY	103
INTECH	1,980	TOTAL	43,821
WELLINGTON ASSET MANAGEMENT— EMERGING MARKETS DEBT INVESTMENTS	1,923	<i>Custodial & Global Out-Of-Pocket Fees:</i>	
WELLINGTON ASSET MANAGEMENT— SMALL CAP EQUITY	1,866	BANK OF NEW YORK MELLON	478
THE BOSTON COMPANY— SMALL CAP EQUITY	1,822	TOTAL MANAGERS' FEES, CUSTODIAL & OUT-OF-POCKETS FEES	44,299
NEW STAR INSTITUTIONAL MANAGERS LIMITED	1,784	<i>Securities Lending Fees:</i>	
DIMENSIONAL FUND ADVISORS— EAFE	1,728	BANK OF NEW YORK MELLON	2,742
ACADIAN ASSET MANAGEMENT	1,433	<i>Professional Service Fees:</i>	
DIMENSIONAL FUND ADVISORS— SMALL CAP EQUITY	1,383	SYSTEM DEVELOPMENT CONSULTANT— L.R. WECHSLER, LTD; CEDARCRESTONE, INC.	\$658
LOOMIS SAYLES & COMPANY	1,379	INVESTMENT MANAGEMENT CONSULTANT— CALLAN ASSOCIATES, INC.	533
MONDRIAN INVESTMENT PARTNERS	1,272	MEDICAL FEES— CLINICS, LABS	279
PACIFIC INVESTMENT MANAGEMENT COMPANY	1,262	ACTUARY—CAVANAUGH MACDONALD CONSULTING, LLC; GABRIEL ROEDER SMITH & CO.	257
FAYEZ SAROFIM & COMPANY	1,237	LEGAL—STATE OF MISSISSIPPI, OFFICE OF THE ATTORNEY GENERAL; OTHER	179
PYRAMIS GLOBAL ADVISORS	1,235	AUDIT—MISSISSIPPI OFFICE OF THE STATE AUDITOR; KPMG, LLP	141
JARISLOWSKY FRASER LIMITED	1,061	LEGAL—OUTSIDE—CHAPMAN & CUTLER, LLP; ICE MILLER, LLP; WHITEFORD, TAYLOR & PRESTON, LLP	77
ABERDEEN ASSET MANAGEMENT	980	GRAPHIC DESIGN— MARIS, WEST & BAKER, INC.	32
RREEF	900	MAILING SERVICES— POSTAGE SAVERS, INC.; SOURCELINK MADISON, LLC	21
COHEN & STEERS CAPITAL MANAGEMENT	770	VOTING SERVICES— VR ELECTION SERVICES	9
EUROPEAN INVESTORS, INC.	595	TOTAL PROFESSIONAL SERVICE FEES	\$2,186
ALLIANCEBERNSTEIN	570		
EPOCH INVESTMENT PARTNERS, INC.	570		
HARDING LOEVNER LP	513		
CAPITAL GUARDIAN TRUST COMPANY	424		
PRUDENTIAL FIXED INCOME	383		

See accompanying independent auditors' report.

SCHEDULE 4
SUMMARY SCHEDULE OF CASH RECEIPTS
AND DISBURSEMENTS—PENSION TRUST FUNDS
- FOR YEAR ENDED JUNE 30, 2012 -

[in thousands]

	AMOUNT
CASH BALANCE AT BEGINNING OF YEAR	\$425,811
RECEIPTS	
<i>Contributions:</i>	
EMPLOYEE	597,040
EMPLOYER	785,308
TOTAL CONTRIBUTIONS	1,382,348
<i>Investments:</i>	
SECURITIES LENDING & REVERSE REPURCHASE AGREEMENTS	215,141,304
INVESTMENTS MATURED & SOLD	15,530,378
INVESTMENT INCOME	1,086,016
TOTAL INVESTMENTS	231,757,698
ADMINISTRATIVE RECEIPTS	681
OTHER RECEIPTS	10,748
TOTAL CASH RECEIPTS	233,151,475
DISBURSEMENTS	
<i>Annuities & Refunds:</i>	
RETIREMENT ANNUITIES	1,998,507
REFUNDS TO TERMINATED EMPLOYEES	93,726
TOTAL ANNUITIES & REFUNDS	2,092,233
<i>Investments:</i>	
SECURITIES LENDING & REVERSE REPURCHASE AGREEMENTS	215,140,816
INVESTMENTS PURCHASED	15,770,500
INVESTMENT EXPENSES	47,165
TOTAL INVESTMENTS	230,958,481
ADMINISTRATIVE EXPENSES	17,496
OTHER DISBURSEMENTS	161
TOTAL CASH DISBURSEMENTS	233,068,371
CASH BALANCE AT END OF YEAR	\$508,915

See accompanying independent auditors' report.

SCHEDULE 5
SCHEDULE OF INVESTMENTS DUE TO MRS FROM PERS
 - JUNE 30, 2012 -

[in thousands]

	AMOUNT
<i>Due To MRS:</i>	
BILOXI MUNICIPAL	\$2,981
BILOXI FIRE & POLICE	6,760
CLARKSDALE FIRE & POLICE	1,374
CLINTON FIRE & POLICE	7,556
COLUMBUS FIRE & POLICE	1,466
GREENVILLE FIRE & POLICE	3,655
GREENWOOD FIRE & POLICE	3,083
GULFPORT FIRE & POLICE	9,930
HATTIESBURG FIRE & POLICE	20,833
JACKSON FIRE & POLICE	62,679
LAUREL FIRE & POLICE	3,441
MCCOMB FIRE & POLICE	1,120
MERIDIAN MUNICIPAL	1,777
MERIDIAN FIRE & POLICE	6,926
NATCHEZ FIRE & POLICE	2,279
PASCAGOULA FIRE & POLICE	7,214
TUPELO FIRE & POLICE	5,951
VICKSBURG FIRE & POLICE	10,602
YAZOO CITY FIRE & POLICE	512
TOTAL INVESTMENTS DUE TO MRS	\$160,139

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, 2012 -

[in thousands]

FLEXIBLE BENEFITS CAFETERIA PLAN	BALANCE JUNE 30, 2011	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2012
<i>Assets:</i>				
CASH	\$19	\$67	\$72	\$14
ACCOUNTS RECEIVABLE	-	1	-	1
TOTAL ASSETS	\$19	\$68	\$72	\$15
<i>Liabilities:</i>				
ACCOUNTS PAYABLE	\$15	\$-	\$-	\$15
FUNDS HELD FOR OTHERS	4	68	72	-
TOTAL LIABILITIES	\$19	\$68	\$72	\$15

See accompanying independent auditors' report.

*PERS Helps Promote a Steady,
Reliable, and Diverse Public Workforce*

**PERS ACTIVE
MEMBERSHIP COMPRISES
MORE THAN 14%
OF MISSISSIPPI'S
WORKFORCE**

Investment

Approximately
54 percent
of the public
sector workforce
is employed
in education.

Expenditures from
pensions support
14,442 jobs that
pay \$510.5 million
in wages and
salaries annually.

PERS currently provides
retirement and survivor
benefits to 89,731
retirees and beneficiaries.



Investment

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 truth that investing for the future of our membership is a long-term commitment, and 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.

Fiscal Year 2012 Plan Overview

As of June 30, 2012, the market value of the defined benefits portfolio was \$20.1 billion. This represented a decrease of approximately \$650 million compared to the fiscal year 2011 valuation. As is common in mature pension plans, the System's annual distributions surpassed annual contributions made by employees and employers. For fiscal year 2012, the amount paid out to participants exceeded incoming contributions by approximately \$670 million. This, coupled with an essentially flat investment return, resulted in a slight decline in the size of the portfolio for the fiscal year.

The asset allocation at year end, excluding investments purchased with securities lending cash collateral, was 64.2 percent public equities; 24.9 percent debt securities; 7.4 percent public and private real estate investments; 2.2 percent private equity; and 1.3 percent cash equivalents. The System maintained a high-quality debt portfolio as evidenced by the fact that 64.3 percent of the bond investments carried a triple-A rating.

Callan Associates, Inc. is employed by the Board of Trustees as the System's investment consultant. Their services include calculating time-weighted investment returns 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 in the System's portfolio to securities dealers in return for a premium payment on non-cash loans and earnings generated by the investment of cash collateral. All loans are secured by the receipt of collateral valued at 102 or 105 percent of the value of the loaned security. In fiscal year 2012, the securities lending program generated \$15.6 million* in additional revenue for the investment program.

In addition to the short-term assets managed in-house, at year end, 34 firms were managing 44 different investment portfolios for the System. The chart on pages 82 and 83 identifies each firm and the percentage of the total portfolio represented by each. Portfolio performance is monitored quarterly by the Board of Trustees with the assistance of Callan Associates.

**\$15.6 million were the earnings distributed for the fiscal year; \$17.3 million was the reported net income as required by GASB 28.*

*Fiscal Year 2012
Market Environment*

This was a year of highly volatile markets worldwide, resulting from investors' synchronized focus on only a handful of macroeconomic issues. The fiscal year saw market participants' investments shift between the lower risk and returns of treasuries, to global equities that offered higher returns in exchange for taking on higher risks.

The first quarter of the fiscal year was a period of heightened investor risk aversion as US consumer confidence weakened while fears of a government default in Greece; the breakup of the European Union; and an economic slowdown in China grew. This risk-off period saw investors trade out higher risk asset classes, like equities and high-yield credits, to seek safety in US Treasuries and gold. Unfazed by the fact that early in the first quarter US debt was downgraded to a AA+ rating for the first time in history, investor inflows drove treasury yields down, as equities markets saw their sharpest declines since the 2008 financial crisis.

A strengthening of investor confidence came as signs of improvement in the US economy were evident during the second quarter. The combined impact of declining unemployment rates; falling fuel prices; and improving levels of new home sales; were cautiously viewed as indications the long-awaited US recovery might actually be beginning. Additionally, signals that China might manage a soft economic landing and news of progress made in resolving Europe's crisis helped swing investor sentiment toward risk-taking. Globally, risk-on investing was back in vogue. As a result, equity markets posted double-digit returns while fixed income investments were essentially flat for the quarter.

The risk-taking asset rally continued through the third quarter as US GDP growth met expectations and unemployment data continued to show signs of improvement. The European Central Bank implemented its Long-Term Refinancing Operation to assist in stabilizing Europe's financial system. Additionally, Greece and Spain began to take the difficult and politically unpopular steps necessary to resolve their economic woes. Also during the third quarter, in an effort to encourage continued economic recovery, the Federal Reserve voted to keep interest rates near zero through 2014. These factors fueled investor optimism and their appetite for risk-taking. Investment flows centered on the US equity markets, which posted double-digit returns for the quarter. Fixed income returns saw slight improvements, but still ended the quarter in the low single digits.

The final quarter of fiscal year 2012 witnessed investors shift once again into the risk-off investing mode. Disappointing economic data pointed to sustained weak recoveries in most developed markets. Investor concern was further fueled by China's apparent need to cut interest rates for the first time since 2008, in an attempt to re-energize its slowing economic growth. In addition, the United States moved ever closer to the so called "fiscal cliff" stoked by investor fears. By quarter end, the strength of this shift away from risk-taking was enough to erase the strong equity market gains reaped during the previous three quarters. At the same time, fixed income investments, such as US Treasury Inflation Protected Securities, saw their highest quarterly returns for the fiscal year.

In fiscal year 2012, the term "risk-on/risk-off" was coined to describe these periods of extreme market volatility that resulted as the strength of investors' desire for risk-taking abruptly increased or decreased with each new headline or economic statistic. In terms of investment returns, the year came to a close with investor's portfolios essentially back where they had begun. Fiscal year 2012 both began and ended with equities posting negative returns while the safer asset classes of fixed income and real estate experienced modest gains. Fiscal year 2012 was a difficult year filled with economic and political uncertainties that strongly influenced both investor confidence and markets returns.

Fiscal Year 2012 Performance Overview

After a strong start, the risk-off environment experienced during the fourth quarter resulted in the System experiencing essentially flat returns for the fiscal year. The total return of 0.6 percent slightly underperformed the System's total plan benchmark return of 0.9 percent. This performance ranked just below the 0.9 percent median return of large public plans in the Callan Associates peer universe. The three-year total return of 12.9 percent captured the strong returns of the previous two fiscal years, while longer term returns continued to reflect the impact of the 2008 financial crisis. The five-year return of 1.3 percent was most affected, while the fiscal year 2012 10-year return of 6.2 percent showed improvement over the fiscal year 2011 10-year return of 5.4 percent. Important to note is that the System's portfolio structure is designed to achieve success over the long term. Although the impact of many challenging events in the global financial markets over the past few years has affected shorter-term returns, the System has been successful in achieving its 8.0 percent assumed rate of return over longer periods. This is evidenced by the 30-year return of 9.6 percent.

SHORT-TERM PORTFOLIO

Cash flows generated by the contributions to the System and from ancillary income-generating activities are managed and invested by the System's investment staff. These assets are used to fund monthly benefits, refunds, and annual cost of living adjustment payments. As interest rates at the short end of the yield curve remained near zero throughout the fiscal year, the return on the internally managed short-term investment program was a meager 0.1 percent for fiscal year 2012. 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

Though equity markets experienced strong positive returns through the third quarter of the fiscal year, those returns were given back in the fourth quarter as investor risk aversion gained momentum. The broad market benchmarks like the Russell 3000 and the MSCI All Country World ex-US Indices returned 3.8 percent and negative 14.2 percent, respectively. For the fiscal year, the System's domestic equity portfolios returned 3.2 percent, slightly underperforming the benchmark Russell 3000 Index, but still ranking well above the median public equity return in the Callan public fund universe. The international equity portfolio, comprised of both developed and emerging market investments saw returns of negative 12.7. This exceeded its benchmark index by more than 2.0 percent and also ranked above median in Callan's Public Fund international equity universe.

While disappointing in absolute terms, in relative terms, the total public equity portfolio return of negative 2.7 percent for the fiscal year beat the MSCI All Country World Index (ACWI) total equity benchmark return of negative 6.0 percent. Total public equity portfolio returns for the three-year period ended June 30, were 14.4 percent, with five-year returns at negative 0.9 percent. These returns also exceeded the benchmark MSCI ACWI Index returns of 11.4 percent for the three-year, and negative 2.2 percent for the five-year period. For the 10 years ended June 30, the public equity portfolio's return of 6.1 percent under-performed its benchmark by 20 basis points.

As of June 30, the System had allocated 40.0 percent of the total portfolio to domestic equities, 13.9 percent to international developed markets, 5.9 percent to emerging markets, and 4.4 percent to global equities. Within the domestic equity portfolio, 71.0 percent of the investments were in large, 18.0 percent mid, and 11.0 percent small capitalization securities.

FIXED INCOME PORTFOLIO

The System's fiscal year 2012 fixed income portfolio was comprised of a variety of investment strategies. The majority of the assets in the fixed income program were managed against the Barclay's Capital Aggregate Index. This included both active and passive core US portfolios and core plus strategies, which also had exposure to high-yield and non-US issues. In addition, the System's fixed income program included Treasury Inflation Protected and emerging market debt portfolios. This diversified program structure worked well throughout fiscal year 2012 and

TOTAL EQUITY SECURITIES:
\$12,546,683,547

TOTAL NUMBER OF SHARES
OF EQUITY SECURITIES HELD:
950,964,471

TOTAL NUMBER OF ISSUES
OF EQUITY SECURITIES HELD:
5,372

TOTAL BOND INVESTMENTS:
\$6,954,136,165

TOTAL PAR OF BOND
INVESTMENTS HELD:
\$16,460,397,443

TOTAL NUMBER OF
BOND ISSUES HELD:
3,130

provided especially strong returns in the more risk-averse first and fourth quarters. The System's fixed income portfolio return ranked in the top quartile of the consultant's public fund domestic fixed income universe with performance of 9.2 percent for the year. The portfolio also handily outperformed the benchmark Barclays Capital Aggregate Index return of 7.5 percent. The fixed income portfolio returns were 9.2 and 7.5 percent for the three- and five-year periods ended June 30, beating the Index's 6.9 and 6.8 percent returns. The 10-year performance for the portfolio was 6.1 percent, while the index returned 5.6 percent. The System ended the year with approximately 89.5 percent of the fixed income portfolio invested in domestic issues and 10.5 percent in non-US debt.

TOTAL REAL ESTATE INVESTMENTS:
\$1,477,795,845

TOTAL NUMBER OF SHARES* OF
REAL ESTATE INVESTMENTS HELD:
302,547,442

TOTAL NUMBER OF
ISSUES OF REITS HELD:
125

* Includes units of commingled funds and shares of REITs.

REAL ESTATE PORTFOLIO

For fiscal year 2012, the real estate investment program consisted of investments in core, core-plus and value-added real estate funds; timber; and publicly traded US and non-US real estate investment trusts (REITs). For the fiscal year, the System's real estate investments returned 8.2 percent. Longer term three- and five-year performance came in at 11.3 and negative 2.0 percent, respectively. The core real estate segment of the portfolio returned 11.2 percent for the year, slightly underperforming the NFI-ODCE Index return of 11.5 percent for same period. The System's core real estate also posted a three-year return of 7.8 percent, which compared favorably with the benchmark Index's return of 6.8 percent. While continuing to reflect the impact of the 2008 financial crisis, the five-year core real estate return of negative 0.8 percent exceeded the negative 2.1 percent return of the Index.

The System's value-added real estate portfolio posted a strong return of 12.6 percent for the year, while its benchmark, the NCREIF Property Index, saw returns of 12.0 percent. The biggest disappointment in the real estate portfolio for the year was the System's timber investments. Comprised of both US and non-US timber investments, the portfolio reported returns of negative 6.8 percent. This was the result of the impact of both the continued slump in new housing starts on timber prices and the strengthening dollar's translation effect on non-US investments. The NCREIF Timberland Index returns for the same period were 1.1 percent.

The public REIT portfolio, comprised of both US and non-US REITs, saw returns of 6.0 percent for the one-year period. Longer term results were mixed, with the System's REIT investments showing strong three-year returns of 27.2 percent compared to the Index at 19.5. The five-year returns were negative 1.0 for the REIT portfolio and negative 2.5 for the benchmark EPRA/NAREIT Index. At the end of the fiscal year, real estate investments comprised 7.4 percent of the System's total portfolio.

TOTAL PRIVATE EQUITY INVESTMENTS:
\$449,172,194

PRIVATE EQUITY PORTFOLIO

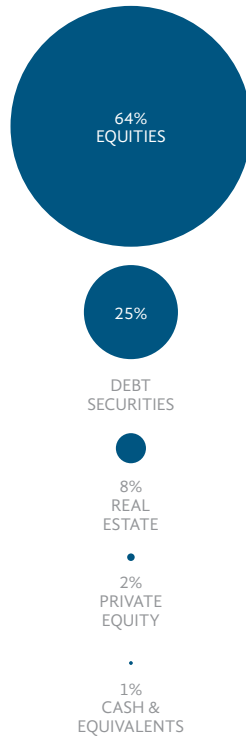
The System's private equity program consisting of two separate fund-of-funds was launched in late 2008, so it continues to be a relatively immature portfolio. As of June 30, 2012, approximately 87 percent of the System's total private equity commitment of \$1.5 billion had been committed by the two fund-of-funds, with approximately \$467.6 million of capital called for investment. Longer term investments, such as private equity, generally experience negative returns during the first six to seven years of the investment lifespan as funds are being invested and expenses are paid out. Positive returns are experienced once investments begin to mature and gains are realized. As the result of some early realizations, the System's private equity investments returned 3.3 percent for fiscal year 2012. These investments totaled 2.2 percent of the total fund at year end.

Asset Allocation

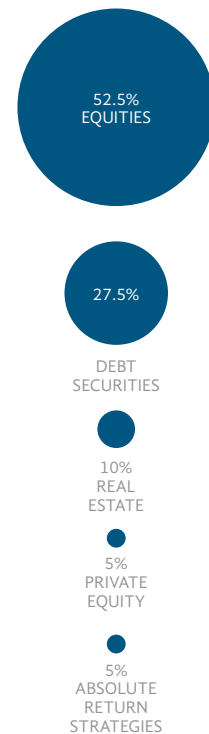
One of the most important decisions made by the Board of Trustees is that of determining the long-term asset allocation policy for the investment portfolio. The System's investment consultant conducts periodic asset/liability allocation studies that include consideration of projected future liabilities of the System, expected risk, return and correlations for various asset classes, and the System's statutory investment restrictions. In late fiscal year 2010, the Board conducted an asset/liability study that resulted in the adoption of strategic asset allocation targets of 52.5 percent public equities, 27.5 percent fixed income, 10.0 percent real estate, 5.0 percent private equity, and 5.0 percent absolute return. Implementation of this allocation policy continued throughout fiscal year 2012.

Important to note is that asset allocation target decisions for public pensions are unique to the individual plan and are based on the 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 this variance can result in significant differences in investment returns.

**DEFINED BENEFIT PLANS
ASSET ALLOCATION
AT FAIR VALUE**
- JUNE 30, 2012 -



**DEFINED BENEFIT PLANS
LONG-TERM TARGET
ASSET ALLOCATION**
- JUNE 30, 2012 -



Investment Policies

All investment policies adopted by the Board of Trustees 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 June 2010. Asset allocation studies are conducted by the System every three to 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 mean of 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 1-, 3-, 5- 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.

Each active investment manager makes a formal presentation to the Board of Trustees or the investment staff in Jackson at least annually. If deemed necessary, representatives of the System also may elect to visit the investment managers at their place of business.

Summary

Fiscal year 2012 was a challenging year. Global economic uncertainties weighed on investors' psyche resulting in often abrupt changes in their risk tolerance, and in turn, their appetite for certain asset classes. The year was a disappointing year in terms of investment returns, but through all the market gyrations, the System never wavered its focus by attempting to time the market moves. The focus remained on the long-term investment horizon.

Acknowledging the uncertainty of future economic scenarios and the potential impact on investment returns, one might ask "What is being done to ensure the financial soundness of the System?" 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-and-is structured to provide the best returns possible over the long term within the Board of Trustees' accepted risk parameters. While, admittedly, investors will always face challenging times, the System takes prudent steps to attempt to ensure that its portfolio is well positioned to meet all future financial obligations. Important to remember is that this System seeks to invest for the long term and has successfully weathered many financial storms for six decades.

Financial markets almost certainly guarantee there will always be obstacles to face, but as a "perpetual" investor, the System will continue to utilize sound investment principles and steadfastly work to overcome all challenges the future might present as we strive to provide secure benefits for our membership.

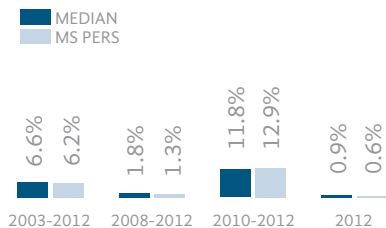
Defined Benefit Plans: PERFORMANCE SUMMARY
- FOR FISCAL YEAR ENDED JUNE 30, 2012 -

	CURRENT YEAR	ANNUALIZED	
		3-YEAR	5-YEAR
Total Plans:			
MS PERS COMBINED RETURN*	0.6%	12.9%	1.3%
MS PERS POLICY TARGET RETURN	0.9	11.5	1.6
PUBLIC FUNDS >\$1 BILLION MEDIAN	0.9	11.8	1.8
Debt Securities:			
DEBT SECURITIES MANAGERS COMPOSITE*	9.2	9.2	7.5
BARCLAYS CAPITAL AGGREGATE BOND INDEX	7.5	6.9	6.8
Domestic Equity:			
DOMESTIC EQUITY MANAGERS COMPOSITE*	3.2	17.6	1.0
RUSSELL 3000 INDEX	3.8	16.7	0.4
International Equity:			
INTERNATIONAL EQUITY MANAGERS COMPOSITE*	(12.7)**	8.5	(4.3)
MSCI ALL COUNTRY WORLD EX-US INDEX	(14.2)	7.4	(4.2)
Global Equity:			
GLOBAL EQUITY MANAGERS COMPOSITE*	(4.1)	11.5	(5.1)
MSCI WORLD INDEX	(5.0)	11.0	(3.0)
Real Estate:			
COMMINGLED FUNDS AND REITS COMPOSITE*	8.2	11.3	(2.0)
NFI-ODCE EQUAL WEIGHT NET	11.5	6.8	(2.1)
US SELECT REIT INDEX	13.3	33.5	2.0
FTSE EPRA/NAREIT DEVELOPED MARKETS INDEX	2.4	19.5	(2.5)
Private Equity:			
PRIVATE EQUITY COMPOSITE*	3.3	1.1	-
S & P 500 INDEX + 5%	11.0	21.8	5.7

*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 >\$1 billion median

Defined Benefit Plans: NON-US INVESTMENTS BY COUNTRY
 - FAIR VALUE AT JUNE 30, 2012 -

ARGENTINA	0.24%	GUERNSEY CI	0.03%	PORTUGAL	0.02%
AUSTRALIA	7.82%	HONG KONG	2.38%	PUERTO RICO	0.12%
AUSTRIA	0.10%	HUNGARY	0.35%	QATAR	0.13%
AZERBAIJAN	0.04%	ICELAND	0.02%	ROMANIA	0.03%
BELGIUM	0.87%	INDIA	1.24%	RUSSIA	1.84%
BERMUDA	1.11%	INDONESIA	1.64%	SENEGAL	0.03%
BRAZIL	3.89%	IRELAND	1.40%	SERBIA & MONTENEGRO	0.01%
BRITISH VIRGIN ISLANDS	0.16%	ISRAEL	0.42%	SINGAPORE	1.36%
CANADA	5.81%	ITALY	0.67%	SLOVAKIA	0.04%
CAYMAN ISLANDS	1.08%	JAPAN	10.68%	SOUTH AFRICA	1.98%
CHILE	0.32%	JERSEY CI	0.48%	SOUTH KOREA	3.33%
CHINA	1.04%	KAZAKHSTAN	0.20%	SPAIN	1.28%
COLUMBIA	0.28%	LATVIA	0.05%	SRI LANKA	0.06%
COTE D'IVOIRE	0.06%	LIBERIA	0.01%	SUPRANATIONAL GEOGRAPHIC	0.55%
CROATIA	0.09%	LITHUANIA	0.16%	SWEDEN	1.42%
CURACAO	0.46%	LUXEMBOURG	0.85%	SWITZERLAND	4.48%
CZECH REPUBLIC	0.13%	MACAU	0.01%	TAIWAN	1.26%
DENMARK	0.50%	MALAYSIA	0.28%	THAILAND	0.50%
DOMINICAN REPUBLIC	0.06%	MARSHALL ISLANDS	0.09%	TURKEY	1.33%
EGYPT	0.38%	MEXICO	2.74%	UKRAINE	0.18%
EL SALVADOR	0.10%	NETHERLANDS	2.49%	UNITED ARAB EMIRATES	0.18%
FINLAND	0.18%	NEW ZEALAND	0.09%	UNITED KINGDOM	15.14%
FRANCE	5.54%	NORWAY	0.88%	URUGUAY	0.11%
GEORGIA	0.02%	PAKISTAN	0.17%	VENEZUELA	0.28%
GERMANY	5.02%	PANAMA	0.17%		
GREECE	0.01%	PAPUA NEW GUINEA	0.10%		
GUATEMALA	0.03%	PERU	0.33%		
		PHILIPPINES	0.75%		
		POLAND	0.32%		

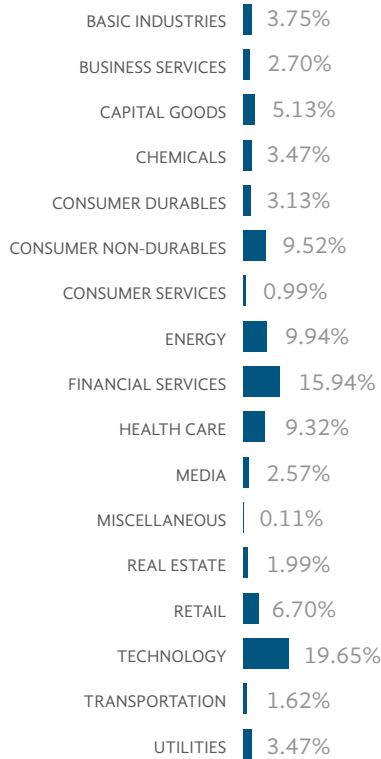
*Defined Benefit Plans:
Equity Portfolio*

EQUITY PORTFOLIO SUMMARY

Total Equity Securities:	Total Number of Shares of Equity Securities Held:	Total Number of Issues of Equity Securities Held:
\$12,546,683,547	950,964,471	5,372

EQUITY INVESTMENTS BY INDUSTRY TYPE

- FAIR VALUE AT JUNE 30, 2012 -



TEN LARGEST EQUITY HOLDINGS

	SHARES	FAIR VALUE
APPLE, INC.	424,914	\$248,149,776
EXXON MOBIL CORPORATION	2,692,467	230,394,401
MICROSOFT CORPORATION	3,688,030	112,816,838
CHEVRON CORPORATION	1,040,257	109,747,114
PHILIP MORRIS INTERNATIONAL, INC.	1,239,257	108,137,566
COCA-COLA COMPANY	1,306,227	102,133,889
GENERAL ELECTRIC COMPANY	4,580,260	95,452,618
INTERNATIONAL BUSINESS MACHINES CORPORATION	460,389	90,042,881
BERKSHIRE HATHAWAY, INC.	1,062,644	88,550,125
PROCTOR & GAMBLE COMPANY	1,370,412	83,937,735
TOTALS	17,864,857	\$1,269,362,943

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

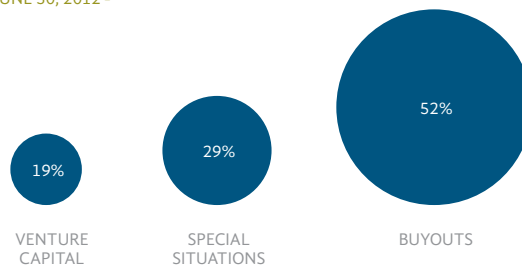
*Defined Benefit Plans:
Private Equity Portfolio*

PRIVATE EQUITY PORTFOLIO SUMMARY

Total Private Equity Investments:
\$449,172,194

PRIVATE EQUITY INVESTMENTS BY FUND TYPE

- JUNE 30, 2012 -



*Defined Benefit Plans:
Bond Portfolio*

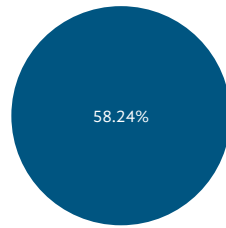
BOND PORTFOLIO SUMMARY*

Total Bond
Investments:
\$6,954,136,165

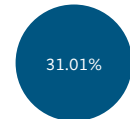
Total Par of Bond
Investments Held:
\$16,460,397,443

Total Number
of Bond Issues Held:
3,130

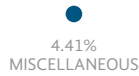
**CORPORATE BOND INVESTMENTS
BY INDUSTRY TYPE***
- FAIR VALUE AT JUNE 30, 2012 -



FINANCIAL



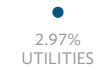
INDUSTRIAL



MISCELLANEOUS



TELEPHONE



UTILITIES

**TEN LARGEST LONG-TERM
CORPORATE BOND HOLDINGS***

	PAR	FAIR VALUE
ROYAL BANK OF CANADA	\$83,600,000	\$83,703,581
NATIONAL AUSTRALIA BANK	55,300,000	55,251,391
METLIFE INSTITUTIONAL FUNDING	48,700,000	48,692,744
NEW YORK LIFE GLOBAL FUNDING	48,600,000	48,571,666
THE COCA COLA COMPANY	40,500,000	40,562,654
AMERICAN HONDA FINANCE	37,750,000	37,728,067
GENERAL ELECTRIC CAPITAL CORPORATION	36,900,000	37,053,947
WESTPAC BANKING CORPORATION	36,500,000	36,489,196
GENERAL ELECTRIC CAPITAL CORPORATION	35,800,000	35,800,215
HSBC BANK PLC	34,000,000	33,990,548
TOTALS	\$457,650,000	\$457,844,009

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*

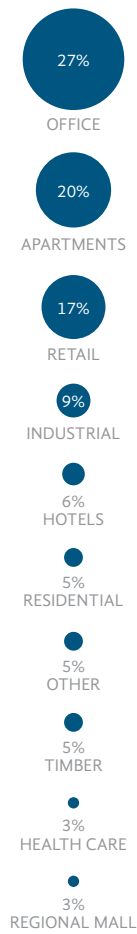
REAL ESTATE PORTFOLIO SUMMARY

Total Real Estate Investments: \$1,477,795,845	Total Number of Shares* of Real Estate Investments Held: 302,547,442	Total Number of Issues of REITs Held: 125
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* Includes units of commingled funds and shares of REITs.

PORTFOLIO DISTRIBUTION
BY PROPERTY TYPE

- JUNE 30, 2012 -



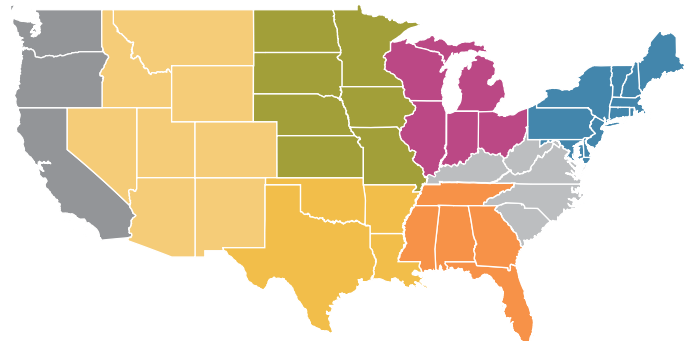
TEN LARGEST REIT HOLDINGS

	SHARES	FAIR VALUE
SIMON PROPERTY GROUP, INC.	299,594	\$46,634,802
BOSTON PROPERTIES, INC.	172,123	18,652,970
HEALTH CARE REIT, INC.	312,700	18,230,410
PUBLIC STORAGE COMPANY	97,512	14,081,708
EQUITY RESIDENTIAL	224,885	14,023,829
VENTAS, INC.	218,133	13,768,555
PROLOGIS, INC.	321,392	10,679,856
CAMDEN PROPERTY TRUST	142,400	9,636,208
SL GREEN REALTY CORPORATION	117,197	9,403,887
FEDERAL REALTY INVESTMENT TRUST	86,600	9,014,194
TOTALS	1,992,536	\$164,126,419

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

PORTFOLIO DISTRIBUTION BY
GEOGRAPHIC LOCATION

- JUNE 30, 2012 -



PACIFIC: 23%	SOUTHWEST: 10%	SOUTHEAST: 9%	MOUNTAIN: 7%
NORTHEAST: 22%	MIDWEST: 1%	MIDEAST: 8%	FOREIGN: 12%
		EAST NORTH CENTRAL: 8%	

Defined Benefit Plans: NET INVESTMENT INCOME BY SOURCE

- LAST TEN 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
2003	\$289,976	\$150,103	\$20,159	\$(378,619)	\$399,890
2004	256,939	185,756	15,792	717,570	909,442
2005	213,809	259,360	16,848	848,980	230,871
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)

TEN-YEAR TOTAL PENSION INVESTMENT RATES OF RETURN

[fair value in millions]

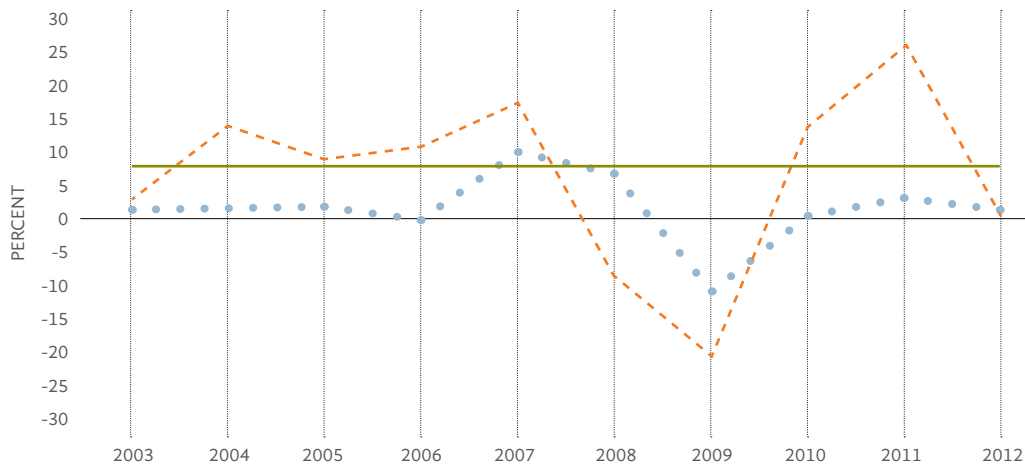
FISCAL YEAR	TOTAL INVESTMENT PORTFOLIO FAIR VALUE	SMOOTHED RATE OF RETURN	FAIR VALUE RATE OF RETURN	ACTUARIAL ASSUMED RATE OF RETURN
2003	\$14,604	2.4%	3.5%	8.0%
2004	16,085	2.5	14.6	8.0
2005	17,250	2.5	9.8	8.0
2006	18,742	-	10.7	8.0
2007	21,766	10.2	18.9	8.0
2008	19,439	7.2	(8.2)	8.0
2009	15,512	(11.0)	(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

Defined Benefit Plans: NET INVESTMENT INCOME BY SOURCE (CONTINUED)
- LAST TEN FISCAL YEARS -

[in thousands]

FISCAL YEAR	NET INCOME (LOSS) FROM SECURITIES LENDING	TOTAL INCOME (LOSS)	MANAGER FEES AND CUSTODIAN FEES	NET INCOME (LOSS) FROM INVESTMENTS
2003	\$5,075	\$486,584	\$(20,343)	\$466,241
2004	4,341	2,089,840	(26,382)	2,063,458
2005	6,160	1,576,028	(26,783)	1,549,245
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

TEN-YEAR TOTAL PENSION INVESTMENT RATES OF RETURN



- • • **Smoothed Rate of Return** consists of investment income in surplus or deficit of the assumed 8 percent on fair value smoothed over a five-year period with 20 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, no smoothed difference existed between actuarial and investment asset amounts. In fiscal year 2007 smoothing resumes with the additional constraint that actuarial value of assets cannot be less than 80 percent nor more than 120 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 closed 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	TYPE	DATE INITIATED	FAIR VALUE PERCENT OF TOTAL PORTFOLIO*
<i>Equities:</i>			
NORTHERN TRUST GLOBAL INVESTMENT	Passive (index)	July 1985	15.52%
STATE STREET GLOBAL ADVISORS	Passive - large cap value	September 2004	5.40
LAZARD ASSET MANAGEMENT, LLC	Emerging markets	April 1998	4.38
BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A.	EAFE index	March 2004	3.64
JARISLOWSKY FRASER LIMITED	EAFE	June 2004	3.19
NEW STAR INSTITUTIONAL	EAFE	July 2004	2.88
FAYEZ SAROFIM & COMPANY	Active - large cap growth	August 1980	2.80
INTECH, LLC	Active - large cap growth	January 2005	2.71
DIMENSIONAL FUND ADVISORS	EAFE	August 2007	2.60
EAGLE CAPITAL	Active - all cap	January 2005	2.59
ARTISAN PARTNERS LIMITED PARTNERSHIP	Active - mid cap growth	September 2002	2.43
WELLINGTON MANAGEMENT COMPANY, LLP	Active - mid cap value	October 2001	2.43
THE BOSTON COMPANY ASSET MANAGEMENT, LLC	Active - mid cap value	October 2001	2.38
ARTISAN PARTNERS LIMITED PARTNERSHIP	Emerging markets	February 2011	1.57
ACADIAN ASSET MANAGEMENT	Global equity	July 2005	1.55
WELLINGTON MANAGEMENT COMPANY, LLP	Active - small cap core	July 2002	1.51
EPOCH INVESTMENT PARTNERS, INC.	Global equity	February 2012	1.47
HARDING LOEVNER, LP	Global equity	February 2012	1.47
DIMENSIONAL FUND ADVISORS	Active - small cap value	July 2002	1.44
THE BOSTON COMPANY ASSET MANAGEMENT, LLC	Active - small cap growth	July 2008	1.43
MONDRIAN INVESTMENT PARTNERS	Small cap	May 2011	0.92
PYRAMIS GLOBAL ADVISORS	Small cap	April 2011	0.82
SUB TOTAL			65.13
<i>Debt Securities:</i>			
PACIFIC INVESTMENT MANAGEMENT COMPANY	Active - core	August 1983	4.00
LOOMIS SAYLES & COMPANY	Core plus	August 2009	3.76

*Includes cash and cash equivalents.

PERCENT OF PORTFOLIO

- FAIR VALUE AT JUNE 30, 2012 -

Equities:

NORTHERN TRUST GLOBAL INVESTMENT	15.52%	DIMENSIONAL FUND ADVISORS - EAFE	2.60%	EPOCH INVESTMENT PARTNERS	1.47%
STATE STREET GLOBAL ADVISORS - LARGE CAP	5.40%	EAGLE CAPITAL	2.59%	HARDING LOEVNER	1.47%
LAZARD ASSET MANAGEMENT	4.38%	ARTISAN PARTNERS - MID CAP DOMESTIC	2.43%	DIMENSIONAL FUND ADVISORS - SMALL CAP	1.44%
BLACKROCK INSTITUTIONAL - EAFE	3.64%	WELLINGTON MANAGEMENT - MID CAP	2.43%	THE BOSTON COMPANY - SMALL CAP	1.43%
JARISLOWSKY FRASER LIMITED	3.19%	THE BOSTON COMPANY - MID CAP	2.38%	MONDRIAN INVESTMENT PARTNERS	0.92%
NEW STAR INSTITUTIONAL	2.88%	ARTISAN PARTNERS - EM	1.57%	PYRAMIS GLOBAL ADVISORS	0.82%
FAYEZ SAROFIM & COMPANY	2.80%	ACADIAN ASSET MANAGEMENT	1.55%		
INTECH, LLC	2.71%	WELLINGTON MANAGEMENT - SMALL CAP	1.51%		

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

ADVISOR	TYPE	DATE INITIATED	FAIR VALUE PERCENT OF TOTAL PORTFOLIO*
<i>Debt Securities (continued):</i>			
ABERDEEN ASSET MANAGEMENT	Active - core	August 1991	3.38%
BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A.	Passive (index)	September 1986	3.35
CIS, A DIVISION OF DREYFUS	Passive (index)	November 1989	3.31
STATE STREET GLOBAL ADVISORS	Active - core	February 2009	2.70
PRUDENTIAL FIXED INCOME	Core plus	January 2012	2.45
WELLINGTON MANAGEMENT COMPANY, LLP	Emerging market debt	May 2010	2.12
SUB TOTAL			25.07
<i>Real Estate:</i>			
UBS REALTY INVESTORS, LLC	Commingled fund - core	June 2003	2.15
PRINCIPAL GLOBAL INVESTORS	Commingled fund - core	June 2003	1.49
RREEF	REITs	June 2003	1.24
COHEN & STEERS CAPITAL MANAGEMENT	Global REITs	October 2010	0.60
EUROPEAN INVESTORS	Global REITs	October 2010	0.55
HANCOCK TIMBER RESOURCE GROUP	Timber	March 2008	0.40
UBS REALTY INVESTORS, LLC	Value added	January 2011	0.39
HEITMAN	Value added	November 2007	0.21
AEW CAPITAL MANAGEMENT	Fund VI - value added	April 2010	0.17
ANGELO, GORDON & COMPANY	Fund II - value added	August 2007	0.16
AEW CAPITAL MANAGEMENT	Fund V - value added	October 2005	0.09
ANGELO, GORDON & COMPANY	Fund III - value added	January 2012	0.07
SUB TOTAL			7.52
<i>Private Equity:</i>			
PATHWAY CAPITAL MANAGEMENT, LLC	Diversified	December 2008	1.15
CREDIT SUISSE	Diversified	June 2009	1.13
SUB TOTAL			2.28
TOTAL			100.00%

*Includes cash and cash equivalents.

PERCENT OF PORTFOLIO (CONTINUED)
- FAIR VALUE AT JUNE 30, 2012 -

<i>Debt Securities:</i>		<i>Real Estate:</i>			
PACIFIC INVESTMENT MANAGEMENT	4.00%	UBS REALTY INVESTORS - CORE	2.15%	AEW PARTNERS FUND VI	0.17%
LOOMIS SAYLES & COMPANY	3.76%	PRINCIPAL GLOBAL INVESTORS	1.49%	ANGELO, GORDON & COMPANY FUND II	0.16%
ABERDEEN ASSET MANAGEMENT	3.38%	RREEF	1.24%	AEW PARTNERS FUND V	0.09%
BLACKROCK INSTITUTIONAL - FIXED INCOME	3.35%	COHEN & STEERS CAPITAL MANAGEMENT	0.60%	ANGELO, GORDON & COMPANY FUND III	0.07%
CIS, A DIVISION OF DREYFUS	3.31%	EUROPEAN INVESTORS	0.55%		
STATE STREET GLOBAL ADVISORS - FIXED	2.70%	HANCOCK TIMBER RESOURCE GROUP	0.40%	<i>Private Equity</i>	
PRUDENTIAL FIXED INCOME	2.45%	UBS REALTY INVESTORS - VALUE ADDED	0.39%	PATHWAY CAPITAL MANAGEMENT	1.15%
WELLINGTON MANAGEMENT - EM DEBT	2.12%	HEITMAN	0.21%	CREDIT SUISSE	1.13%

Defined Benefit Plans: INVESTMENT FEES AND COMMISSIONS
 - FOR THE YEAR ENDED JUNE 30, 2012 -

	ASSETS UNDER MANAGEMENT	FEEES
<i>Investment Managers:</i>		
EQUITIES	\$12,881,331,473	\$35,066,590
DEBT SECURITIES	4,957,391,992	6,490,433
REAL ESTATE	1,485,595,389	2,264,837
PRIVATE EQUITY	451,253,524	-
TOTALS	\$19,775,572,378	\$43,821,860

<i>Other Investment Service Fees:</i>	
SECURITIES LENDING AGENT/ CASH MANAGEMENT FEES	\$2,742,293
CUSTODIAN FEES FOR ANCILLARY SERVICES	74,800
INVESTMENT CONSULTANT FEES	533,313
GLOBAL OUT-OF-POCKET EXPENSES	403,682
TOTAL INVESTMENT SERVICE FEES	\$3,754,088

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

<i>Brokerage Firm, Including Subsidiaries:</i>	NUMBER OF SHARES TRADED	COMMISSIONS	COMMISSIONS PER SHARE
JP MORGAN SECURITIES	41,511,643	\$586,435	\$0.014
CREDIT SUISSE	53,604,150	560,635	0.010
INSTINET	101,625,566	550,377	0.005
MERRILL LYNCH PIERCE FENNER	56,787,440	538,033	0.009
DEUTSCHE BANK	38,490,529	448,415	0.012
UBS AG	46,295,094	441,234	0.010
MORGAN STANLEY AND COMPANY	31,467,558	364,332	0.012
KNIGHT SECURITIES	11,737,799	363,729	0.031
CITIGROUP, INC.	39,214,090	358,434	0.009
GOLDMAN SACHS & COMPANY	25,402,512	325,994	0.013
SANFORD C. BERNSTEIN CO., LLC	11,272,117	270,128	0.024
BANK OF NEW YORK MELLON	15,401,362	248,712	0.016
WEEDEN & CO. LP	8,947,335	245,155	0.027
BARCLAYS CAPITAL	15,088,722	243,251	0.016
JEFFERIES & COMPANY, INC.	11,960,230	230,552	0.019
RBC CAPITAL MARKETS	8,210,034	202,010	0.025
INVESTMENT TECHNOLOGY GROUP	25,359,587	182,150	0.007
MACQUARIE SECURITIES	29,124,043	179,711	0.006
LIQUIDNET, INC.	16,102,784	162,317	0.010
STIFEL NICHOLAUS & COMPANY	4,184,550	152,892	0.037
COWEN & COMPANY	8,595,155	139,364	0.016
CREDIT LYONNAIS SA	36,037,119	136,380	0.004
BTIG, LLC (BAYPOINT TRADING)	3,667,105	123,220	0.034
WELLS FARGO SECURITIES	3,117,776	115,872	0.037
NOMURA SECURITIES COMPANY	20,655,652	114,437	0.006
RAYMOND JAMES FINANCIAL, INC.	2,585,561	97,069	0.038
CANTOR FITZGERALD	2,900,481	92,946	0.032
ROBERT W. BAIRD & COMPANY	2,012,850	76,972	0.038
KEYBANC CAPITAL MARKETS, INC.	1,926,383	67,916	0.035
OTHERS (LESS THAN \$60,000)	72,472,638	1,324,727	0.018
COMMISSION RECAPTURE INCOME	-	(322,000)	-
TOTALS	745,757,865	\$8,621,399	\$0.012

* Approximate figures provided by Bank of New York Mellon.

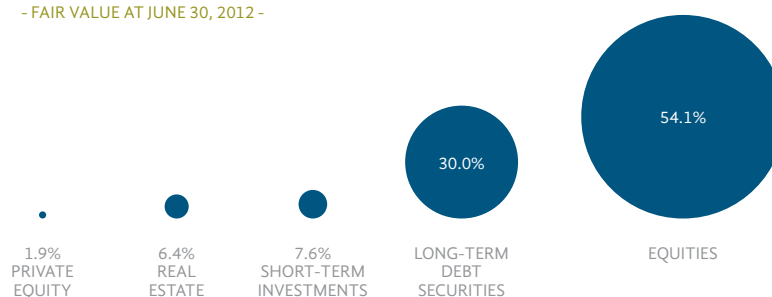
Defined Benefit Plans: INVESTMENT SUMMARY
 - FOR THE YEAR ENDED JUNE 30, 2012 -
 [in thousands]

	JULY 1, 2011 BEGINNING FAIR VALUE*	PURCHASES	SALES AND MATURITIES	INCREASE (DECREASE) IN FAIR VALUE	JUNE 30, 2012 ENDING FAIR VALUE**	PERCENT OF TOTAL FAIR VALUE
SHORT-TERM INVESTMENTS	\$2,277,012	\$204,810,818	\$205,339,203	(\$253)	\$1,748,374	7.6%
LONG-TERM DEBT SECURITIES	5,410,576	7,406,075	5,963,640	101,125	6,954,136	30.0
EQUITIES	14,325,598	4,680,055	5,253,498	(1,205,471)	12,546,684	54.1
REAL ESTATE	1,308,391	407,361	321,428	83,472	1,477,796	6.4
PRIVATE EQUITY	216,256	227,845	1,443	6,514	449,172	1.9
TOTALS	\$23,537,833	\$217,532,154	\$216,879,212	(\$1,014,613)	\$23,176,162	100.0%

* Includes investment securities on loan to broker-dealers with a fair value of \$3,133,322. It also includes the securities purchased with the cash collateral received in the lending program with a fair value of \$3,223,611. 13.0 percent of the total fair value of investments were on loan to broker-dealers. To arrive at the net asset value of investments of \$20.7 billion, the fair value total must be adjusted by (\$2.8 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 \$3,560,647. It also includes the securities purchased with the cash collateral received in the lending program with a fair value of \$3,597,774. 15.0 percent of the total fair value of investments were on loan to broker-dealers. To arrive at the net asset value of investments of \$20.1 billion, the fair value total must be adjusted by (\$3.1 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, 2012 -



Defined Contribution Plans: INVESTMENT SUMMARY
- FOR THE YEAR ENDED JUNE 30, 2012 -

FUND NAME OF ASSETS	FAIR VALUE OF ASSETS	ANNUAL RATE OF RETURN
AMERICAN FUNDS NEW PERSPECTIVE FUND	\$25,468,089	(3.12)%
BLACKROCK EQUITY INDEX FUND	142,779,292	5.47
BLACKROCK EAFE EQUITY INDEX	56,013	*
BLACKROCK US DEBT INDEX FUND - CLASS T	23,303,688	7.49
BOSTON COMPANY MIDCAP OPPORTUNISTIC VALUE POOLED FUND	165,539,961	(6.57)
CONSECO LIFE INSURANCE COMPANY	341,224	N/A
FAYEZ SAROFIM	143,628,806	11.01
FIDELITY DIVERSIFIED INTERNATIONAL FUND	23,302,870	(11.35)
FIDELITY SMALL CAP FUND	23,632,181	(14.02)
MDC STABLE VALUE FUND	546,112,642	2.36
MONEY MARKET FUND FOR EBT	23,433,323	0.27
PIMCO TOTAL RETURN FUND II - INSTITUTIONAL CLASS	31,518,749	6.64
SSGA US INFLATION PROTECTED BOND INDEX FUND - CLASS C	11,932,178	11.56
T. ROWE PRICE INTERNATIONAL STOCK FUND	34,525,835	(11.47)
VANGUARD TARGET RETIREMENT 2010	30,368,343	4.06
VANGUARD TARGET RETIREMENT 2015	9,037,269	2.71
VANGUARD TARGET RETIREMENT 2020	6,520,433	1.75
VANGUARD TARGET RETIREMENT 2025	4,408,144	1.00
VANGUARD TARGET RETIREMENT 2030	3,334,174	0.16
VANGUARD TARGET RETIREMENT 2035	2,345,411	(0.68)
VANGUARD TARGET RETIREMENT 2040	882,766	(0.91)
VANGUARD TARGET RETIREMENT 2045	705,389	(0.83)
VANGUARD TARGET RETIREMENT 2050	561,784	(0.85)
VANGUARD TARGET RETIREMENT 2055	107	*
VANGUARD TARGET RETIREMENT INCOME	3,661,976	5.61
VANGUARD WINDSOR FUND	26,822,880	0.68
TOTAL	\$1,284,223,527	

* Return is not shown since fund has been included in defined contribution plan investment options less than one year.

PERS Bolsters Economic Activity

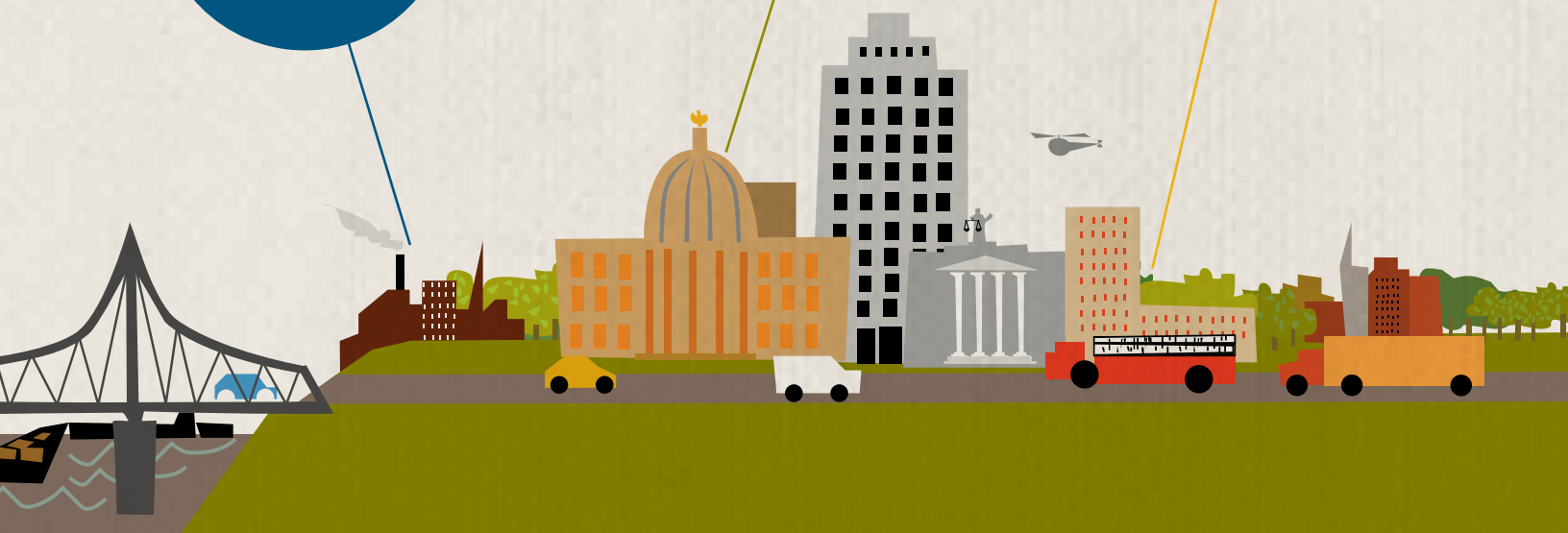
EXPENDITURES
STEMMING FROM
PENSIONS SUPPORT
\$1.6 BILLION
IN TOTAL ECONOMIC
OUTPUT IN THE STATE

Actuarial

Each dollar invested by Mississippi taxpayers in PERS plans supports \$5.05 in total economic activity in the state.

Sixty years ago the State Legislature established PERS, and today PERS provides annual benefits of almost \$2 billion.

The 163,000 PERS active members dedicate their careers to a multitude of vital professions such as doctors, judges, firefighters, and public safety officers.



Actuarial



Cavanaugh Macdonald
CONSULTING, LLC

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November 7, 2012

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, 2012. 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 162,311 active members as of June 30, 2012.

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 2006 to 2010. 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 Governmental Accounting Standards Board Statement No. 25.

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,

Thomas J. Cavanaugh, FSA, EA, FCA, MAAA
Chief Executive Officer

TJC:kc

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November 7, 2012

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 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, 2012. This valuation indicates that contribution rates of 39.49% 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), for benefits then in effect, meet the basic financial objective. There are 547 active members as of June 30, 2012.

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 2006 to 2010. 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 Governmental Accounting Standards Board Statement No. 25.

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,

Thomas J. Cavanaugh, FSA, EA, FCA, MAAA
Chief Executive Officer

TJC:kc

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November 7, 2012

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 September 30, 2011. 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 25 active members as of September 30, 2011.

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 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 PERS during the years 2006 to 2010. 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 Governmental Accounting Standards Board Statement No. 25. The funding method is not one of the acceptable methods under Statement No. 25, but, in our opinion, is appropriate for MRS since all the Funds have been closed to new members.

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,

Thomas J. Cavanaugh, FSA, EA, FCA, MAAA
Chief Executive Officer

TJC:kc
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November 7, 2012

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, 2012. 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 175 active members as of June 30, 2012.

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 2006 to 2010. 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 Governmental Accounting Standards Board Statement No. 25.

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,

Thomas J. Cavanaugh, FSA, EA, FCA, MAAA
Chief Executive Officer

TJC:kc

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

At the April 27, 2011, meeting, the Board of Trustees adopted assumptions based on findings from the four-year experience study ending June 30, 2010. Following are the assumptions adopted by the PERS Board for this program.

INTEREST RATE: 8.0 percent per annum, compounded annually (net of all expenses).

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	22.0%	22.0%	0.01%	-%	0.01%	0.01%
25	15.0	15.0	0.01	0.01	0.02	0.01
30	10.0	10.5	0.02	0.01	0.02	0.02
35	8.0	8.0	0.03	0.01	0.05	0.02
40	6.0	6.0	0.04	0.02	0.12	0.08
45	5.5	5.0	0.07	0.02	0.23	0.14
50	5.5	5.0	0.14	0.04	0.29	0.21
55	5.5	5.0	0.19	0.06	0.52	0.37
60	5.5	5.0	0.22	0.09	0.40	0.32
65	5.5	5.0	0.40	0.16	-	-
70	5.5	5.0	0.40	0.27	-	-
74	5.5	5.0	0.40	0.47	-	-

*For all ages, rates of 34.0 percent for first year of employment and 22.0 percent for second year.

**94.0 percent are assumed 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	-%	13.0%	-%	11.0%
50	-	13.0	-	11.0
55	-	15.0	-	18.0
60	11.0	15.0	13.0	20.0
62	19.0	30.0	18.0	30.0
65	20.0	28.0	25.0	38.0
70	17.0	20.0	19.0	25.0
75	100.0	100.0	100.0	100.0

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	15.75%	4.25%	20.00%
1	5.75	4.25	10.00
2	3.25	4.25	7.50
3	2.25	4.25	6.50
4	1.75	4.25	6.00
5	1.25	4.25	5.50
10	0.75	4.25	5.00
15	0.75	4.25	5.00
20	0.75	4.25	5.00
25	0.75	4.25	5.00
30	0.25	4.25	4.50
35	0.25	4.25	4.50

PAYROLL GROWTH: 4.25 percent per annum, compounded annually.

PRICE INFLATION: 3.5 percent per annum, compounded annually.

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 1994 Group Annuity Mortality Table. The RP-2000 Disabled Mortality Table (set back two years for males and set forward three 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 11.0 percent greater than expected under the selected table.

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.

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 8.0 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 the 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

At the April 27, 2011, meeting, the Board of Trustees adopted assumptions based on findings from the four-year experience study ending June 30, 2010. Following are the assumptions adopted by the PERS Board for this program.

INTEREST RATE: 8.0 percent per annum, compounded annually (net after all expenses).

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

AGE	ANNUAL RATES					
	WITHDRAWAL & VESTING	DEATH	DISABILITY		SERVICE	SERVICE RETIREMENT*
			NON-DUTY	DUTY		
25	4.0%	0.03%	0.09%	0.01%	5	5.0%
30	3.5	0.04	0.12	0.02	10	5.0
35	2.5	0.05	0.16	0.04	15	5.0
40	1.0	0.07	0.20	0.07	20	10.0
45	1.0	0.11	0.30	0.06	25	15.0
50	0.5	0.16	0.50	0.05	30	25.0
55	-	0.21	0.91	0.02	35	25.0

*The annual rate of service retirement is 100.0 percent at age 60.

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 increase are as follows:

AGE	ANNUAL RATES		
	MERIT & SENIORITY	BASE(ECONOMY)	INCREASE NEXT YEAR
20	5.84%	4.25%	10.09%
25	2.57	4.25	6.82
30	1.75	4.25	6.00
35	1.75	4.25	6.00
40	1.75	4.25	6.00
45	1.25	4.25	5.50
50	0.75	4.25	5.00
55	0.75	4.25	5.00

PAYROLL GROWTH: 4.25 percent per annum, compounded annually.

PRICE INFLATION: 3.5 percent per annum, compounded annually.

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 1994 Group Annuity Mortality Table. The RP-2000 Disabled Mortality Table (set back two years for males and set forward three 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 15.0 percent greater than expected under the selected table.

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 8.0 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**

At the April 27, 2011, meeting, the Board of Trustees adopted assumptions based on findings from the four-year experience study ending June 30, 2010. Following are the assumptions adopted by the PERS Board for this program.

INTEREST RATE: 8.0 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				
	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	45.0%
21-28	17.5
29-33	35.0
34 & OVER	20.0
AGE 65	100.0

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

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 table for post-retirement mortality used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table. The RP-2000 Disabled Mortality Table (set back two-years for males and set forward three 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: 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 actuarial 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 value of assets was set equal to the market value on September 30, 2006, and smoothing commenced in 2007. 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

At the April 27, 2011, meeting, the Board of Trustees adopted assumptions based on findings from the four-year experience study ending June 30, 2010. Following are the assumptions adopted by the PERS Board for this program.

INTEREST RATE: 8.0 percent per annum, compounded annually (net after all expenses).

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

AGE	ANNUAL RATES		
	DEATH		DISABILITY*
	MALE	FEMALE	
20	0.02%	0.01%	0.04%
25	0.03	0.02	0.05
30	0.04	0.02	0.07
35	0.05	0.03	0.11
40	0.08	0.04	0.17
45	0.13	0.06	0.23
50	0.24	0.10	0.30
55	0.39	0.15	0.35
60	0.60	0.25	0.40
65	0.96	0.43	-
70	1.61	0.72	-

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

WITHDRAWAL AND VESTING: 15.0 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 75. 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: 3.5 percent per annum, compounded annually.

PAYROLL GROWTH: 4.25 percent per annum, compounded annually.

TIMING OF DECREMENTS AND PAY INCREASES: Middle of year.

SALARY INCREASES: 4.5 percent per annum for all ages. The merit and seniority component is 0.25 percent, and the wage inflation component is 4.25 percent.

DEATH AFTER RETIREMENT: The table for post-retirement mortality used in evaluating allowances to be paid was the 1994 Group Annuity Mortality Table. The RP-2000 Disabled Mortality Table (set back two years for males and set forward three 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 15.0 percent greater than expected under the selected table.

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 8.0 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 the 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, 2012, 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 member is contributing 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

*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 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 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 (a) 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 (b) 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 of \$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 he or she 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 at retirement. Under this option, the retiree has the option of taking a partial-lump-sum distribution equal to either 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 Partial-Lump-Sum 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.

**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, 2012, 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 July 1 and ending June 30. "Credited service" means service while a member is contributing 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	6/30/2013	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, 2004, additional contributions will be made to the System as a result of the enactment of Senate Bill No. 2659. The additional contributions are estimated to be \$3,600,000 annually based on current experience.

Benefits

SUPERANNUATION RETIREMENT

Condition for Retirement

- a) 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 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 which 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) a 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 he or she 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 either 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 Partial-Lump-Sum Option at retirement. Under this option, the retiree has the option of taking a partial-lump-sum distribution equal to either 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 \$1.00 per month for each year of credited service. The benefits were increased on 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 September 30, 2011, 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 fireman or policeman 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 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 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 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 firemen and policemen, 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 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 firemen and policemen 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 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	300
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 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 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.

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 \$2.00 per month for each year of service plus \$2.00 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:

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	345.1%
1997-98	1997	14,727	14,200	(527)	96.4
1998-99	1998	13,803	13,770	(33)	99.8
1999-00	1999	12,364	14,162	1,798	114.5
2000-01	2000	11,276	14,201	2,925	125.9
2001-02	2001	10,823	14,338	3,515	132.5
2002-03	2002	11,989	13,979	1,990	116.6
2003-04	2003	13,286	13,890	604	104.5
2004-05	2004	14,091	14,173	82	100.6
2005-06	2005	15,397	15,635	238	101.5
2006-07	2006	15,426	14,976	(450)	97.1
2007-08	2007	15,219	16,132	913	106.0
2008-09	2008	14,765	16,892	2,127	114.4
2009-10	2009	17,739	21,426	3,687	120.8
2010-11	2010	18,576	22,791	4,215	122.7

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, 2012, 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 member is contributing to 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	6/30/2013	7.40	250,000	3.00	250,000

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 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.
- 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 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 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 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 (i) 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 (ii) 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, 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 Partial-Lump-Sum Option at retirement. Under this option, the retiree has the option of taking a partial-lump-sum distribution equal to either 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 Partial-Lump-Sum 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.

**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 2012 legislative session with no changes to the Mississippi Code of 1972 plan provisions of the Public Employees' Retirement System of Mississippi.

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 ASSETS AVAILABLE FOR BENEFITS
<i>Public Employees' Retirement System of Mississippi</i>				
6/30/03	\$3,400,765	\$9,758,473	\$8,326,600	\$16,979,457
6/30/04	3,571,428	10,657,920	8,617,912	17,103,285
6/30/05	3,819,498	11,260,642	8,646,958	17,180,705
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
<i>Mississippi Highway Safety Patrol Retirement System</i>				
6/30/03	\$17,604	\$192,662	\$91,868	\$259,746
6/30/04	18,352	201,573	96,645	256,481
6/30/05	18,972	214,844	101,301	253,477
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

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>			
6/30/03	100.0%	100.0%	45.9%
6/30/04	100.0	100.0	33.3
6/30/05	100.0	100.0	24.3
6/30/06	100.0	100.0	24.4
6/30/07	100.0	100.0	27.3
6/30/08	100.0	100.0	24.6
6/30/09	100.0	100.0	6.5
6/30/10	100.0	94.7	-
6/30/11	100.0	88.7	-
6/30/12	100.0	79.4	-
<i>Mississippi Highway Safety Patrol Retirement System</i>			
6/30/03	100.0%	100.0%	53.9%
6/30/04	100.0	100.0	37.8
6/30/05	100.0	100.0	19.4
6/30/06	100.0	100.0	21.6
6/30/07	100.0	100.0	27.0
6/30/08	100.0	100.0	29.7
6/30/09	100.0	99.4	-
6/30/10	100.0	91.7	-
6/30/11	100.0	88.2	-
6/30/12	100.0	82.3	-

SOLVENCY TESTS (CONTINUED)

[in thousands]

VALUATION DATE	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 ASSETS AVAILABLE FOR BENEFITS
<i>Municipal Retirement Systems</i>				
9/30/02	\$7,806	\$349,140	\$36,064	\$259,587
9/30/03	6,266	365,063	28,293	250,640
9/30/04	5,190	365,243	22,628	235,198
9/30/05	4,138	367,345	15,903	217,140
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
<i>Supplemental Legislative Retirement Plan</i>				
6/30/03	\$2,121	\$4,567	\$5,532	\$10,196
6/30/04	2,030	6,395	4,509	10,323
6/30/05	2,076	6,813	4,513	10,634
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

SOLVENCY TESTS (CONTINUED)

[in thousands]

PORTIONS OF ACCRUED
LIABILITIES COVERED BY ASSETS

VALUATION DATE	(1)	(2)	(3)
<i>Municipal Retirement Systems</i>			
9/30/02	100.0%	72.1%	-%
9/30/03	100.0	66.9	-
9/30/04	100.0	63.0	-
9/30/05	100.0	58.0	-
9/30/06	100.0	57.1	-
9/30/07	100.0	57.5	-
9/30/08	100.0	57.7	-
9/30/09	100.0	51.1	-
9/30/10	100.0	47.9	-
9/30/11	100.0	46.8	-
<i>Supplemental Legislative Retirement Plan</i>			
6/30/03	100.0%	100.0%	63.4%
6/30/04	100.0	100.0	42.1
6/30/05	100.0	100.0	38.7
6/30/06	100.0	100.0	48.8
6/30/07	100.0	100.0	56.6
6/30/08	100.0	100.0	57.8
6/30/09	100.0	100.0	42.2
6/30/10	100.0	100.0	33.7
6/30/11	100.0	100.0	30.8
6/30/12	100.0	97.7	-

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
<i>Public Employees' Retirement System of Mississippi</i>					
6/30/03	871	154,872	\$4,431,599,526	\$28,615	3.2%
6/30/04	880	156,353	4,617,272,973	29,531	3.2
6/30/05	861	157,101	4,786,280,398	30,466	3.2
6/30/06	861	158,091	4,971,973,661	31,450	3.2
6/30/07	861	162,804	5,196,294,899	31,917	1.5
6/30/08	863	165,733	5,544,704,937	33,456	4.8
6/30/09	866	167,122	5,831,863,534	34,896	4.3
6/30/10	868	164,896	5,763,556,195	34,953	0.2
6/30/11	872	161,676	5,684,624,214	35,161	0.6
6/30/12	870	162,311	5,857,789,376	36,090	2.6
<i>Mississippi Highway Safety Patrol Retirement System</i>					
6/30/03	1	543	\$21,051,942	\$38,770	6.6%
6/30/04	1	559	22,683,404	40,579	4.7
6/30/05	1	540	22,342,918	41,376	2.0
6/30/06	1	564	24,499,296	43,438	5.0
6/30/07	1	591	27,037,063	45,748	5.3
6/30/08	1	626	29,597,374	47,280	3.3
6/30/09	1	570	26,389,909	46,298	(2.1)
6/30/10	1	542	26,353,400	48,623	5.0
6/30/11	1	515	24,872,085	48,295	(0.7)
6/30/12	1	547	25,670,030	46,929	(2.8)

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
<i>Municipal Retirement Systems</i>					
9/30/02	17	145	\$5,980,337	\$41,244	2.1%
9/30/03	17	110	4,584,061	41,673	1.0
9/30/04	17	84	3,674,877	43,749	5.0
9/30/05	17	65	2,909,190	44,757	2.3
9/30/06	17	49	2,223,090	45,369	1.4
9/30/07	17	42	1,952,642	46,491	2.5
9/30/08	17	35	1,712,743	48,936	5.3
9/30/09	17	31	1,608,396	51,884	6.0
9/30/10	17	27	1,424,636	52,764	1.7
9/30/11	17	25	1,356,858	54,274	2.9
<i>Supplemental Legislative Retirement Plan</i>					
6/30/03	5	175	\$6,288,514	\$35,934	5.0%
6/30/04	5	175	5,794,099	33,109	(7.9)
6/30/05	5	175	6,530,045	37,315	12.7
6/30/06	5	173	6,353,542	36,726	(1.6)
6/30/07	5	175	6,554,229	37,453	2.0
6/30/08	5	175	6,752,960	38,588	3.0
6/30/09	5	174	6,803,339	39,100	1.3
6/30/10	5	175	6,605,037	37,743	(3.6)
6/30/11	5	174	6,809,770	39,137	3.7
6/30/12	5	175	6,871,757	39,267	0.3

SCHEDULE OF RETIRANTS ADDED TO AND REMOVED FROM ROLLS
- LAST 6 FISCAL YEARS -

FISCAL YEAR ENDED*	PLAN	ADDED		REMOVED		INCREASE DUE TO ANNUAL COLA
		NUMBER	ANNUAL ALLOWANCES	NUMBER	ANNUAL ALLOWANCES	
JUNE 30, 2007	PERS	6,218	\$97,985,045	(2,219)	\$(31,700,099)	\$30,889,317
	MHSPRS	29	826,877	(16)	(390,154)	464,023
	MRS	46	806,363	(71)	(684,252)	458,053
	SLRP	6	17,973	(2)	(6,908)	17,537
JUNE 30, 2008	PERS	5,335	93,694,780	(2,551)	(35,621,113)	33,449,790
	MHSPRS	42	1,341,416	(29)	(739,677)	474,361
	MRS	42	744,852	(75)	(998,616)	429,844
	SLRP	20	107,569	(8)	(29,585)	19,012
JUNE 30, 2009	PERS	4,965	87,403,913	(2,362)	(33,633,667)	36,261,313
	MHSPRS	62	2,263,514	(21)	(556,046)	487,986
	MRS	39	538,293	(83)	(894,867)	257,171
	SLRP	7	33,316	(4)	(26,188)	19,288
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

*Information for MRS is as of September 30.

SCHEDULE OF RETIRANTS ADDED TO AND REMOVED FROM ROLLS (CONTINUED)
- LAST 6 FISCAL YEARS -

FISCAL YEAR ENDED*	PLAN	INCREASE DUE TO PLAN AMENDMENTS	ROLLS AT END OF YEAR			
			NUMBER	ANNUAL ALLOWANCES	INCREASE IN ANNUAL ALLOWANCES	AVERAGE ANNUAL ALLOWANCES
JUNE 30, 2007	PERS	-	70,756	\$1,214,384,863	8.70%	\$17,163
	MHSPRS	-	638	18,722,555	5.05	29,346
	MRS	-	2,200	35,188,059	1.68	15,995
	SLRP	-	126	657,819	4.55	5,221
JUNE 30, 2008	PERS	-	73,540	1,305,908,320	7.54	17,758
	MHSPRS	-	651	19,798,655	5.75	30,413
	MRS	191,067	2,167	35,555,206	1.04	16,408
	SLRP	-	138	754,815	14.75	5,470
JUNE 30, 2009	PERS	-	76,143	1,395,939,879	6.89	18,333
	MHSPRS	-	692	21,994,109	11.09	31,783
	MRS	-	2,123	35,455,803	(0.28)	16,701
	SLRP	-	141	781,231	3.50	5,541
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

*Information for MRS is as of September 30.

**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, 2012 -**

[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.	\$(229,700.0)	\$738.2	\$403.8	\$214.8
DISABILITY RETIREMENTS: IF DISABILITY CLAIMS ARE LESS THAN ASSUMED, THERE IS A GAIN. IF MORE CLAIMS, A LOSS.	(26,000.0)	(96.7)	-	12.6
DEATH-IN-SERVICE BENEFITS: IF SURVIVOR CLAIMS ARE LESS THAN ASSUMED, THERE IS A GAIN. IF MORE CLAIMS, A LOSS.	300.0	34.0	10.1	10.9
WITHDRAWAL FROM EMPLOYMENT: IF MORE LIABILITIES ARE RELEASED BY WITHDRAWALS THAN ASSUMED, THERE IS A GAIN. IF SMALLER RELEASES, A LOSS.	13,000.0	164.7	-	402.0
PAY INCREASES: IF THERE ARE SMALLER PAY INCREASES THAN ASSUMED, THERE IS A GAIN. IF GREATER INCREASES, A LOSS.	102,300.0	2,367.5	329.8	234.3
NEW MEMBERS: ADDITIONAL UNFUNDED ACCRUED LIABILITY WILL PRODUCE A LOSS.	(68,500.0)	(1,140.8)	-	(314.3)
INVESTMENT INCOME: IF THERE IS GREATER INVESTMENT INCOME THAN ASSUMED, THERE IS A GAIN. IF LESS INCOME, A LOSS.	(1,280,200.0)	(18,623.8)	(8,768.7)	(806.0)
DEATH AFTER RETIREMENT: IF RETIRANTS LIVE LONGER THAN ASSUMED, THERE IS A LOSS. IF NOT AS LONG, A GAIN.	(17,700.0)	103.6	1,543.9	(327.2)
OTHER: MISCELLANEOUS GAINS AND LOSSES RESULTING FROM CHANGES IN VALUATION SOFTWARE, DATA ADJUSTMENTS, TIMING OF FINANCIAL TRANSACTIONS, ETC.	(365,100.0)	2,136.2	(68.3)	(626.3)
GAIN (OR LOSS) DURING YEAR FROM FINANCIAL EXPERIENCE	(1,871,600.0)	(14,317.1)	(6,549.4)	(1,199.2)
NON-RECURRING ITEMS: ADJUSTMENTS FOR PLAN AMENDMENTS, ASSUMPTION CHANGES, OR METHOD CHANGES.	-	-	97.0	-
COMPOSITE GAIN (OR LOSS) DURING YEAR	\$(1,871,600.0)	\$(14,317.1)	\$(6,452.4)	\$(1,199.2)

**Valuation information furnished for MRS is as of September 30, 2011.*

*PERS Consistently Seeks
Responsible Investments*

OVER THE LAST 30 YEARS,
52% OF REVENUE USED
TO FUND BENEFITS
HAS COME FROM
INVESTMENT INCOME

Statistical

PERS administers 25 programs/plans with a total system membership of more than 380,000 and total net assets of \$20.2 billion.

PERS members, who retire based on years of service, work on average 31 years.

PERS retirement plans strengthen our state's higher education system by helping to recruit strong teachers and faculty to our state's colleges and universities.



Statistical

Statistical Report

The objectives of the statistical section are to provide additional historical perspective, context, and relevant details to assist readers in using the information in the financial statements, notes to financial statements, and required supplementary information in order to understand and assess the System's economic condition.

Financial Trends

The schedule of Changes in Net Assets presented on pages 132 through 135 contain historical information related to the System's revenues, expenses, changes in net assets, and net assets available for benefits, as well as a history of employer and member contribution rates over a 10-year period. The Board of Trustees adopted an employer contribution rate increase from 12.0 percent to 12.93 percent for PERS, from 30.3 percent to 35.21 percent for MHSPRS, and from 6.65 percent to 7.4 percent for SLRP that were to be implemented July 1, 2011. However, increases were postponed until January 1, 2012, in response to the Legislative leadership requesting a delay due to the current state of the economy. To help address the funded status of plans within the System, the Board of Trustees approved increases in employer contribution rates to 14.26 percent for PERS and 37.0 percent for MHSPRS effective July 1, 2012. The SLRP employer contribution rate remained at 7.4 percent. 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. A detailed discussion of changes in employer contribution rates and funding can be found on page 25 of Management's Discussion and Analysis and on pages 60 and 61, Notes 1 and 2 to the Required Supplementary Information.

Changes were enacted in the PERS retirement benefit structure, applicable to 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 (COLA) calculation and spouse survivor retirement benefits. A more 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 102.

Demographic and Economic Information

The schedule of Total Active Members by Attained Age and Years of Service, shown on pages 148 through 150, 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 152 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 151 offers information on the amount of economic contribution attributed to benefit payments by county within the State of Mississippi.

Operating Information

Pages 136 through 139 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 144 through 147. 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 140 through 142. Comparative supplemental information on employer and member groups covered by the Public Employees' Retirement System plan is offered on page 143, with details of participating employers covered by separate agreements on pages 153 through 155.

Statistical data is provided from the System's internal resources. The System had no outstanding debt as of June 30, 2012.

CHANGE IN NET ASSETS

- LAST TEN FISCAL YEARS -

[in thousands]

FISCAL YEAR	BEGINNING NET ASSETS	MEMBER CONTRIBUTIONS		EMPLOYER CONTRIBUTIONS		NET INVESTMENT INCOME (LOSS)	OTHER REVENUES & TRANSFERS
		AMOUNT	PERCENT*	AMOUNT	PERCENT*		
<i>Public Employees' Retirement System of Mississippi</i>							
2003	\$13,800,716	\$333,297	7.25%	\$448,263	9.75%	\$452,183	\$607
2004	14,012,183	358,241	7.25	459,567	9.75	2,003,253	596
2005	15,723,660	365,355	7.25	492,434	9.75	1,507,079	530
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
<i>Mississippi Highway Safety Patrol Retirement System</i>							
2003	\$215,076	\$1,398	6.50%	\$5,627	26.16%	\$6,934	\$ -
2004	212,657	1,508	6.50	6,528	28.16	30,464	-
2005	234,345	1,462	6.50	6,335	28.16	21,897	2,388
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

*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 12.00%, 30.30%, and 6.65%, respectively.

CHANGE IN NET ASSETS (CONTINUED)
 - LAST TEN FISCAL YEARS -

[in thousands]

FISCAL YEAR	TOTAL ADDITIONS (DELETIONS)	RETIREMENT ANNUITIES	REFUNDS	EXPENSES & DEPRECIATION	TRANSFERS	TOTAL DEDUCTIONS	NET CHANGE IN ASSETS	ENDING NET ASSETS
<i>Public Employees' Retirement System of Mississippi</i>								
2003	\$1,234,350	\$951,158	\$61,923	\$9,802	\$-	\$1,022,883	\$211,467	\$14,012,183
2004	2,821,657	1,033,205	67,245	9,730	-	1,110,180	1,711,477	15,723,660
2005	2,365,398	1,116,405	71,064	11,054	-	1,198,523	1,166,875	16,890,535
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
<i>Mississippi Highway Safety Patrol Retirement System</i>								
2003	\$13,959	\$16,164	\$101	\$-	\$113	\$16,378	\$(2,419)	\$212,657
2004	38,500	16,605	76	-	131	16,812	21,688	234,345
2005	32,082	18,005	86	-	127	18,218	13,864	248,209
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

CHANGE IN NET ASSETS (CONTINUED)

- LAST TEN FISCAL YEARS -

[in thousands]

FISCAL YEAR	BEGINNING NET ASSETS	MEMBER CONTRIBUTIONS		EMPLOYER CONTRIBUTIONS		NET INVESTMENT INCOME (LOSS)	OTHER REVENUES & TRANSFERS
		AMOUNT	PERCENT*	AMOUNT	PERCENT*		
<i>Municipal Retirement Systems**</i>							
2003	\$221,116	\$563	**	\$14,310	**	\$6,847	\$7
2004	210,436	437	**	14,013	**	28,495	-
2005	219,650	378	**	14,371	**	19,337	-
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	-
<i>Supplemental Legislative Retirement Plan</i>							
2003	\$8,002	\$198	3.00%	\$417	6.33%	\$277	\$-
2004	8,498	176	3.00	372	6.33	1,246	-
2005	9,581	197	3.00	417	6.33	932	-
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	-

*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 12.00 percent, 30.30 percent, and 6.65 percent, respectively.

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

CHANGE IN NET ASSETS (CONTINUED)
 - LAST TEN FISCAL YEARS -

[in thousands]

FISCAL YEAR	TOTAL ADDITIONS (DELETIONS)	RETIREMENT ANNUITIES	REFUNDS	EXPENSES & DEPRECIATION	TRANSFERS	TOTAL DEDUCTIONS	NET CHANGE IN ASSETS	ENDING NET ASSETS
<i>Municipal Retirement Systems</i>								
2003	\$21,727	\$31,979	\$39	\$-	\$389	\$32,407	\$(10,680)	\$210,436
2004	42,945	33,342	-	-	389	33,731	9,214	219,650
2005	34,086	34,296	11	-	395	34,702	(616)	219,034
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
<i>Supplemental Legislative Retirement Plan</i>								
2003	\$892	\$388	\$-	\$-	\$8	\$396	\$496	\$8,498
2004	1,794	696	8	-	7	711	1,083	9,581
2005	1,546	599	2	-	8	609	937	10,518
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

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

FISCAL YEAR	SERVICE	DISABILITY	SURVIVOR	TOTAL	REFUNDS
<i>Number of Participants by Type of Benefits</i>					
2003	47,798	3,966	7,683	59,447	24,882
2004	50,196	4,232	7,979	62,407	16,133
2005	52,370	4,468	7,101	63,939	22,102
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
<i>Total Payments by Type of Benefit</i> <i>[in thousands]</i>					
2003	\$869,204	\$58,055	\$23,899	\$951,158	\$61,923
2004	944,037	63,701	25,467	1,033,205	67,245
2005	1,019,133	70,076	27,196	1,116,405	71,064
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

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

FISCAL YEAR	SERVICE	DISABILITY	SURVIVOR	TOTAL	REFUNDS
<i>Number of Participants by Type of Benefits</i>					
2003	410	19	170	599	9
2004	414	21	170	605	6
2005	421	21	179	621	11
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
<i>Total Payments by Type of Benefit</i> <i>[in thousands]</i>					
2003	\$14,356	\$362	\$1,446	\$16,164	\$101
2004	14,770	401	1,434	16,605	76
2005	16,064	455	1,486	18,005	86
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

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

FISCAL YEAR	SERVICE	DISABILITY	SURVIVOR	TOTAL	REFUNDS
<i>Number of Participants by Type of Benefits</i>					
2002	1,572	130	544	2,246	3
2003	1,569	128	549	2,246	-
2004	1,569	121	552	2,242	4
2005	1,548	112	565	2,225	1
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
<i>Total Payments by Type of Benefit** [in thousands]</i>					
2002	\$24,564	\$1,043	\$4,767	\$30,374	\$39
2003	25,293	1,067	5,061	31,421	-
2004	25,873	1,045	5,264	32,182	11
2005	25,971	985	5,598	32,554	1
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

*Information furnished for MRS is as of September 30.

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

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

FISCAL YEAR	SERVICE	DISABILITY	SURVIVOR	TOTAL	REFUNDS
<i>Number of Participants by Type of Benefits</i>					
2003	69	1	15	85	-
2004	87	2	17	106	3
2005	94	2	18	114	2
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
<i>Total Payments by Type of Benefit [in thousands]</i>					
2003	\$352	\$5	\$31	\$388	\$-
2004	640	8	48	696	8
2005	550	12	37	599	2
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

AVERAGE BENEFIT PAYMENTS:
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI

RETIREMENT EFFECTIVE DATES: JULY 1, 2007, TO JUNE 30, 2012	YEARS CREDITED SERVICE								
	0-4	5-9	10-14	15-19	20-24	25	26-29	30	31+
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
2010									
AVERAGE MONTHLY BENEFIT	\$320	\$386	\$620	\$905	\$1,240	\$1,718	\$1,898	\$2,175	\$2,833
AVERAGE FINAL SALARY	\$23,675	\$27,192	\$30,890	\$33,781	\$37,426	\$43,924	\$46,537	\$49,426	\$54,049
NUMBER OF ACTIVE RETIRANTS	220	765	773	641	627	428	867	237	1,189
2009									
AVERAGE MONTHLY BENEFIT	\$396	\$374	\$582	\$875	\$1,314	\$1,673	\$1,865	\$2,116	\$2,822
AVERAGE FINAL SALARY	\$26,414	\$26,280	\$29,481	\$32,707	\$37,865	\$42,352	\$45,058	\$47,003	\$53,867
NUMBER OF ACTIVE RETIRANTS	192	703	669	572	535	378	732	223	961
2008									
AVERAGE MONTHLY BENEFIT	\$400	\$383	\$587	\$900	\$1,221	\$1,738	\$1,845	\$2,071	\$2,726
AVERAGE FINAL SALARY	\$25,527	\$25,618	28,649	\$33,139	\$36,537	\$44,534	\$45,142	\$48,053	\$53,245
NUMBER OF ACTIVE RETIRANTS	201	690	703	614	586	386	855	226	1,074

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

RETIREMENT EFFECTIVE DATES: JULY 1, 2007, TO JUNE 30, 2012	YEARS CREDITED SERVICE								
	0-4	5-9	10-14	15-19	20-24	25	26-29	30	31+
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
2010									
AVERAGE MONTHLY BENEFIT	\$-	\$-	\$-	\$1,405	\$-	\$3,155	\$3,025	\$3,461	\$2,974
AVERAGE FINAL SALARY	\$-	\$-	\$-	\$37,963	\$-	\$59,219	\$47,431	\$30,160	\$41,004
NUMBER OF ACTIVE RETIRANTS	-	-	-	4	-	2	5	2	9
2009									
AVERAGE MONTHLY BENEFIT	\$-	\$466	\$-	\$439	\$1,580	\$3,178	\$3,144	\$4,604	\$3,056
AVERAGE FINAL SALARY	\$-	\$33,560	\$-	\$16,845	\$38,404	\$61,298	\$59,584	\$75,126	\$52,752
NUMBER OF ACTIVE RETIRANTS	-	3	-	1	7	13	21	7	10
2008									
AVERAGE MONTHLY BENEFIT	\$-	\$347	\$1,158	\$408	\$1,778	\$3,442	\$2,411	\$4,365	\$3,035
AVERAGE FINAL SALARY	\$-	\$13,031	\$46,554	\$12,949	\$48,156	\$64,165	\$45,198	\$73,562	\$54,588
NUMBER OF ACTIVE RETIRANTS	-	1	1	3	9	2	9	5	12

AVERAGE BENEFIT PAYMENTS:
SUPPLEMENTAL LEGISLATIVE RETIREMENT SYSTEM

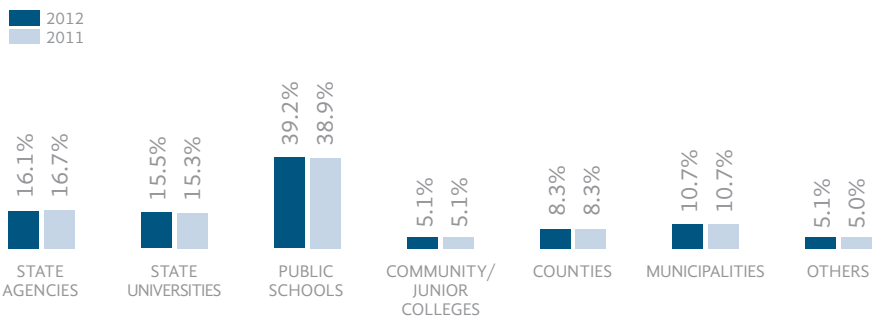
RETIREMENT EFFECTIVE DATES: JULY 1, 2007, TO JUNE 30, 2012	YEARS CREDITED SERVICE								
	0-4	5-9	10-15	16-20	21-24	25	26-29	30	31+
<i>2012</i>									
AVERAGE MONTHLY BENEFIT	\$-	\$194	\$405	\$430	\$676	\$-	\$731	\$-	\$1,237
AVERAGE FINAL SALARY	\$-	\$33,827	\$43,765	\$36,045	\$38,901	\$-	\$38,645	\$-	\$57,275
NUMBER OF ACTIVE RETIRANTS	-	10	6	3	4	-	3	-	7
<i>2011</i>									
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
<i>2010</i>									
AVERAGE MONTHLY BENEFIT	\$-	\$130	\$517	\$-	\$759	\$-	\$-	\$-	\$1,295
AVERAGE FINAL SALARY	\$-	\$29,883	\$48,827	\$-	\$45,504	\$-	\$-	\$-	\$36,181
NUMBER OF ACTIVE RETIRANTS	-	3	1	-	1	-	-	-	1
<i>2009</i>									
AVERAGE MONTHLY BENEFIT	\$-	\$195	\$-	\$-	\$547	\$-	\$833	\$411	\$339
AVERAGE FINAL SALARY	\$-	\$29,237	\$-	\$-	\$37,853	\$-	\$39,683	\$41,404	\$34,997
NUMBER OF ACTIVE RETIRANTS	-	3	-	-	1	-	1	1	1
<i>2008</i>									
AVERAGE MONTHLY BENEFIT	\$117	\$226	\$354	\$447	\$513	\$-	\$655	\$-	\$923
AVERAGE FINAL SALARY	\$32,859	\$34,939	\$36,172	\$40,512	\$32,189	\$-	\$32,548	\$-	\$44,456
NUMBER OF ACTIVE RETIRANTS	2	2	4	7	1	-	3	-	1

ANALYSIS OF EMPLOYER AND MEMBER CONTRIBUTIONS
- FOR FISCAL YEARS ENDED JUNE 30, 2012 AND 2011 -

[contributions in thousands]

EMPLOYER GROUP	EMPLOYER		MEMBER		TOTAL CONTRIBUTIONS	PERCENT
	UNITS	CONTRIBUTIONS	NUMBER	CONTRIBUTIONS		
2012						
STATE AGENCIES	112	\$124,129	32,618	\$88,159	\$212,288	16.1%
STATE UNIVERSITIES	9	119,151	17,746	84,668	203,819	15.5
PUBLIC SCHOOLS	150	301,600	64,252	213,587	515,187	39.2
COMMUNITY/JUNIOR COLLEGES	15	39,151	6,265	27,800	66,951	5.1
COUNTIES	82	63,824	14,771	45,340	109,164	8.3
MUNICIPALITIES	240	81,947	18,527	58,224	140,171	10.7
OTHERS	262	39,112	8,132	27,809	66,921	5.1
TOTALS	870	768,914	162,311	545,587	1,314,501	100.0
2011						
STATE AGENCIES	114	\$121,094	32,574	\$89,183	\$210,277	16.7%
STATE UNIVERSITIES	9	110,609	18,018	81,498	192,107	15.3
PUBLIC SCHOOLS	150	281,501	63,538	207,460	488,961	38.9
COMMUNITY/JUNIOR COLLEGES	15	36,746	6,198	27,081	63,827	5.1
COUNTIES	82	60,347	13,641	44,472	104,819	8.3
MUNICIPALITIES	240	77,345	18,828	57,001	134,346	10.7
OTHERS	262	36,194	8,879	26,674	62,868	5.0
TOTALS	872	\$723,836	161,676	\$533,369	\$1,257,205	100.0%

PERCENT OF TOTAL CONTRIBUTIONS BY AGENCY TYPE



Note: Above tables exclude MHSPRS, MRS, and SLRP contributions.

RETIRED MEMBERS BY TYPE OF BENEFITS

- JUNE 30, 2012 -

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	1,725	80	318	12	1	31
101 - 200	3,999	223	685	26	4	91
201 - 300	4,125	205	607	14	9	105
301 - 400	3,633	222	574	24	7	114
401 - 500	3,358	178	574	17	12	156
501 - 600	2,807	147	519	13	7	116
601 - 700	2,579	152	464	17	8	137
701 - 800	2,404	163	437	11	11	175
801 - 900	2,227	165	472	9	14	190
901 - 1000	2,144	130	461	19	12	171
OVER 1000	27,669	1,659	7,881	256	208	4,165
TOTALS	56,670	3,324	12,992	418	293	5,451
<i>Mississippi Highway Safety Patrol Retirement System</i>						
\$1 - 100	1	-	-	-	-	-
101 - 200	4	-	-	-	-	-
201 - 300	7	-	-	-	-	-
301 - 400	27	-	1	-	-	-
401 - 500	11	-	-	-	-	3
501 - 600	15	-	-	-	-	2
601 - 700	12	-	-	-	-	2
701 - 800	15	-	1	-	-	5
801 - 900	21	-	-	-	-	2
901 - 1000	21	-	-	-	-	2
OVER 1000	55	1	47	2	-	442
TOTALS	189	1	49	2	-	458

*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 BENEFITS (CONTINUED)

- JUNE 30, 2012 -

AMOUNT OF MONTHLY BENEFIT*	OPTION SELECTED** (CONTINUED)			PLSO 1 YR***	PLSO 2 YR***	PLSO 3 YR**
	OPT. 4B	OPT. 4C***	OPT. 5			
<i>Public Employees' Retirement System of Mississippi</i>						
\$1 - 100	211	5	8	54	41	403
101 - 200	474	23	48	102	83	458
201 - 300	447	37	51	108	74	380
301 - 400	438	56	33	95	85	332
401 - 500	354	72	33	99	83	288
501 - 600	358	96	29	112	71	278
601 - 700	263	138	29	87	71	215
701 - 800	240	180	53	83	74	225
801 - 900	262	195	35	101	63	272
901 - 1000	249	219	56	102	51	268
OVER 1000	3,680	1,936	330	2,045	1,794	8,063
TOTALS	6,976	2,957	705	2,988	2,490	11,182
<i>Mississippi Highway Safety Patrol Retirement System</i>						
\$1 - 100	-	-	-	-	-	-
101 - 200	-	-	-	-	-	-
201 - 300	-	-	-	-	-	-
301 - 400	-	-	-	-	-	-
401 - 500	-	-	-	-	-	-
501 - 600	-	-	-	-	-	-
601 - 700	-	-	-	-	-	-
701 - 800	-	-	-	-	-	-
801 - 900	-	1	-	-	-	-
901 - 1000	-	-	-	-	-	-
OVER 1000	14	10	-	30	17	98
TOTALS	14	11	-	30	17	98

*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 BENEFITS (CONTINUED)
 - JUNE 30, 2012 -

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	-	2	-	-	-
101 - 200	10	1	12	-	-	-
201 - 300	19	-	12	2	-	2
301 - 400	16	1	12	-	-	2
401 - 500	7	1	5	-	-	1
501 - 600	2	-	2	-	-	-
601 - 700	3	-	6	-	-	1
701 - 800	4	-	2	-	-	-
801 - 900	4	-	1	-	-	1
901 - 1000	1	-	-	-	-	-
OVER 1000	3	-	3	1	-	-
TOTALS	74	3	57	3	-	7

*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 BENEFITS (CONTINUED)

- JUNE 30, 2012 -

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	-	-	2
201 - 300	4	-	1	-	-	2
301 - 400	7	-	1	1	-	6
401 - 500	2	-	-	-	2	2
501 - 600	2	-	1	1	-	-
601 - 700	2	-	-	-	-	1
701 - 800	-	-	1	-	-	2
801 - 900	2	-	-	-	-	1
901 - 1000	1	-	-	-	1	1
OVER 1000	1	-	-	-	-	3
TOTALS	24	1	5	2	3	21

*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, 2012 -**

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	263	5	-	-	-	-	-	268	\$3,621,032
20-24	6,383	112	-	-	-	-	-	6,495	150,098,903
25-29	12,170	3,645	60	-	-	-	-	15,875	478,547,580
30-34	8,444	8,031	2,507	51	-	-	-	19,033	653,231,658
35-39	6,860	5,524	5,450	1,727	35	-	-	19,596	715,989,208
40-44	6,202	5,058	4,436	4,447	1,771	55	-	21,969	823,375,590
45-49	5,168	4,488	3,833	3,316	3,453	1,407	34	21,699	807,531,258
50-54	4,495	4,070	3,853	3,243	3,126	2,514	877	22,178	841,037,469
55-59	3,363	3,531	3,170	2,840	2,896	1,842	1,694	19,336	761,161,480
60	489	541	526	439	441	340	277	3,053	120,799,077
61	445	562	462	400	368	269	264	2,770	110,824,615
62	355	452	316	314	281	190	206	2,114	83,430,661
63	265	318	274	243	218	155	153	1,626	66,906,048
64	246	284	253	218	202	131	153	1,487	60,657,108
65	209	219	226	160	141	99	117	1,171	49,009,727
66	118	141	125	98	65	51	72	670	25,862,205
67	98	121	108	74	62	30	63	556	21,845,854
68	92	95	94	62	42	33	55	473	19,837,835
69	61	92	79	52	39	26	38	387	14,040,323
70 & OVER	261	319	337	204	161	102	171	1,555	49,981,745
TOTALS	55,987	37,608	26,109	17,888	13,301	7,244	4,174	162,311	\$5,857,789,376

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

*Age: 44.4 years
Service: 10.2 years
Annual Pay: \$36,090*

TOTAL ACTIVE MEMBERS BY ATTAINED AGE AND YEARS OF SERVICE:
MISSISSIPPI HIGHWAY SAFETY PATROL RETIREMENT SYSTEM
- JUNE 30, 2012 -

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	13	-	-	-	-	-	-	13	242,568
25-29	39	11	-	-	-	-	-	50	1,604,586
30-34	38	46	7	-	-	-	-	91	3,612,070
35-39	19	34	40	11	-	-	-	104	4,648,151
40-44	8	26	35	46	5	-	-	120	5,693,799
45-49	2	3	9	33	20	9	-	76	4,147,780
50-54	-	-	4	9	20	24	5	62	3,735,887
55-59	-	-	2	1	3	15	7	28	1,781,449
60 & OVER	1	-	-	-	1	-	1	3	203,740
TOTALS	120	120	97	100	49	48	13	547	\$25,670,030

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

Age: 40.7 years
Service: 12.7 years
Annual Pay: \$46,929

TOTAL ACTIVE MEMBERS BY ATTAINED AGE AND YEARS OF SERVICE:
MUNICIPAL RETIREMENT SYSTEMS
- SEPTEMBER 30, 2011 -

ATTAINED AGE	YEARS OF SERVICE TO VALUATION DATE							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	-	-	-	-	-	4	-	4	196,986
50-54	-	-	-	-	-	2	-	2	112,094
55-59	-	-	-	-	-	-	6	6	386,663
60 & OVER	-	-	-	-	-	-	13	13	661,116
TOTALS	-	-	-	-	-	6	19	25	\$1,356,859

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

Age: 59.7 years
Service: 36.2 years
Annual Pay: \$54,274

**TOTAL ACTIVE MEMBERS BY ATTAINED AGE AND YEARS OF SERVICE:
SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN
- JUNE 30, 2012 -**

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	8	-	-	-	-	-	-	8	306,710
35-39	11	3	2	-	-	-	-	16	654,023
40-44	15	2	-	1	-	-	-	18	688,758
45-49	15	1	2	1	-	-	-	19	758,860
50-54	8	6	1	3	2	1	-	21	819,523
55-59	5	4	1	7	3	2	1	23	927,751
60	1	1	1	1	-	-	1	5	198,787
61	1	3	1	-	1	-	2	8	314,984
62	1	1	1	-	1	-	1	5	198,056
63	5	1	-	1	-	-	-	7	259,959
64	2	1	-	-	1	-	1	5	192,483
65	2	1	-	1	2	-	1	7	279,870
66	-	-	2	2	-	-	-	4	163,375
67	-	1	-	1	2	-	-	4	155,062
68	1	1	1	-	-	-	1	4	150,661
69	-	-	-	-	-	-	-	-	-
70 & OVER	1	4	1	6	6	2	1	21	802,895
TOTALS	76	30	13	24	18	5	9	175	\$6,871,757

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

*Age: 55.1 years
Benefit Service: 10.4 years
Eligibility Service: 15.3 years
Annual Pay: \$39,267*

TOTAL DEFINED BENEFIT PLANS—BENEFIT PAYMENTS BY COUNTY
- JUNE 30, 2012 -

COUNTY	NUMBER OF PAYMENTS*	AMOUNT PAID**	COUNTY	NUMBER OF PAYMENTS*	AMOUNT PAID**
ADAMS	1,134	\$22,584,884	LOWNDES	1,540	\$32,466,850
ALCORN	1,012	20,157,943	MADISON	2,765	74,384,685
AMITE	311	5,533,034	MARION	731	15,037,558
ATTALA	744	14,215,925	MARSHALL	590	11,087,088
BENTON	256	4,597,838	MONROE	886	18,776,913
BOLIVAR	1,278	28,567,732	MONTGOMERY	519	10,448,287
CALHOUN	421	8,395,979	NESHOBA	581	11,108,533
CARROLL	396	7,849,940	NEWTON	945	19,053,835
CHICKASAW	501	9,702,174	NOXUBEE	265	4,868,571
CHOCTAW	336	6,290,394	OKTIBBEHA	2,337	67,642,835
CLAIBORNE	323	6,988,532	PANOLA	1,001	19,005,892
CLARKE	541	9,456,056	PEARL RIVER	1,216	21,281,914
CLAY	561	12,595,354	PERRY	382	6,373,498
COAHOMA	936	21,125,703	PIKE	1,141	24,909,832
COPIAH	878	17,734,966	PONTOTOC	640	13,966,247
COVINGTON	646	13,106,537	PRENTISS	933	19,381,604
DESOTO	1,181	22,677,662	QUITMAN	269	4,981,794
FORREST	1,770	36,998,660	RANKIN	4,839	115,381,282
FRANKLIN	286	5,371,553	SCOTT	765	14,303,169
GEORGE	571	10,361,078	SHARKEY	196	4,063,290
GREENE	267	4,623,777	SIMPSON	995	18,786,792
GRENADA	659	13,140,046	SMITH	430	7,047,901
HANCOCK	728	13,861,041	STONE	603	12,957,299
HARRISON	3,866	86,860,754	SUNFLOWER	817	17,393,816
HINDS	8,680	207,580,018	TALLAHATCHIE	398	7,757,297
HOLMES	611	11,871,778	TATE	718	15,625,975
HUMPHREYS	256	5,516,695	TIPPAH	692	13,027,898
ISSAQUENA	20	326,488	TISHOMINGO	505	9,000,859
ITAWAMBA	597	11,753,784	TUNICA	165	3,126,928
JACKSON	3,070	64,423,996	UNION	741	14,540,897
JASPER	491	8,511,404	WALTHALL	348	6,818,775
JEFFERSON	347	7,819,252	WARREN	1,245	29,416,557
JEFFERSON DAVIS	380	6,982,712	WASHINGTON	1,472	31,090,833
JONES	2,250	44,278,768	WAYNE	448	8,347,225
KEMPER	314	6,286,920	WEBSTER	402	7,807,813
LAFAYETTE	1,769	47,109,866	WILKINSON	259	4,808,076
LAMAR	1,924	49,754,602	WINSTON	634	13,945,170
LAUDERDALE	2,362	49,978,799	YALOBUSHA	557	10,583,867
LAWRENCE	493	8,837,103	YAZOO	706	14,730,049
LEAKE	605	11,459,379	MISSISSIPPI	82,309	1,788,689,402
LEE	2,019	46,926,638	OUT-OF-STATE	7,364	137,221,755
LEFLORE	1,012	23,032,895	OUT-OF-COUNTRY	25	457,475
LINCOLN	831	18,103,039	TOTALS	89,698	\$1,926,368,632

*The number of payments made during a payroll sample test month.

**These figures were computed by using the percent paid out to each county during a sample test month and applying that percent to the total benefits paid during the year.

TEN LARGEST PARTICIPATING EMPLOYERS

PARTICIPATING EMPLOYER	2012			2003		
	COVERED EMPLOYEES	RANK	PERCENTAGE OF TOTAL SYSTEM	COVERED EMPLOYEES	RANK	PERCENTAGE OF TOTAL SYSTEM
<i>Public Employees' Retirement System</i>						
UNIVERSITY MEDICAL CENTER	7,447	1	4.58%	6,283	1	4.05%
JACKSON MUNICIPAL SEPARATE SCHOOLS	4,827	2	2.97	4,501	2	2.91
MISSISSIPPI STATE UNIVERSITY	3,856	3	2.38	3,570	4	2.31
DESOTO COUNTY BOARD OF EDUCATION	3,712	4	2.29	2,245	8	1.45
MISSISSIPPI DEPARTMENT OF TRANSPORTATION	3,406	5	2.10	3,280	6	2.12
DEPARTMENT OF HUMAN SERVICES	3,340	6	2.06	3,366	5	2.17
CORRECTIONS DEPARTMENT	2,830	7	1.74	3,739	3	2.41
STATE DEPARTMENT OF HEALTH	2,493	9	1.54	2,201	11	1.42
RANKIN COUNTY BOARD OF EDUCATION	2,358	8	1.45	1,818	13	1.17
CITY OF JACKSON	2,123	10	1.31	2,209	10	1.43
ALL OTHER*	125,919	-	77.58	121,660	-	78.56
TOTALS (870 EMPLOYERS)	162,311	-	100.00%	154,872	-	100.00%
<i>Municipal Retirement Systems</i>						
CITY OF CLINTON	6	1	27.28%	16	3	13.56%
CITY OF HATTIESBURG	4	2	18.18	34	1	28.81
CITY OF GREENWOOD	2	3	9.09	6	5	5.08
CITY OF MERIDIAN	2	3	9.09	5	6	4.24
ALL OTHER*	8	-	36.36	57	-	48.31
TOTALS (17 EMPLOYERS)	22	-	100.00%	118	-	100.00%

*In 2012, "All Other" consisted of:

<i>Public Employees' Retirement System</i>			<i>Municipal Retirement Systems</i>		
TYPE	NUMBER	EMPLOYEES	TYPE	NUMBER	EMPLOYEES
STATE AGENCIES	108	20,549	STATE AGENCIES	-	-
STATE UNIVERSITIES	7	6,443	STATE UNIVERSITIES	-	-
PUBLIC SCHOOLS	147	53,355	PUBLIC SCHOOLS	-	-
COMMUNITY/JUNIOR COLLEGES	15	6,265	COMMUNITY/JUNIOR COLLEGES	-	-
COUNTIES	82	14,771	COUNTIES	-	-
MUNICIPALITIES	239	16,404	MUNICIPALITIES	13	8
OTHER POLITICAL SUBDIVISIONS	262	8,132	OTHER POLITICAL SUBDIVISIONS	-	-
TOTALS	860	125,919	TOTALS	13	8

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

PUBLIC AGENCIES COVERED BY STATE RETIREMENT ANNUITY (CONTINUED)

Juristic Entities

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

PUBLIC AGENCIES COVERED BY STATE RETIREMENT ANNUITY (CONTINUED)

Juristic Entities (continued)

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

Housing Authorities

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

Local Hospitals

FIELD MEMORIAL COMMUNITY	JEFFERSON COUNTY	NATCHEZ REGIONAL MEDICAL CENTER
FRANKLIN COUNTY MEMORIAL	MADISON COUNTY NURSING HOME	NORTH SUNFLOWER MEDICAL CENTER
GRENADA LAKE MEDICAL CENTER	MAGNOLIA REGIONAL HEALTH CENTER	SOUTH SUNFLOWER COUNTY
HANCOCK MEDICAL CENTER	MONTFORT JONES MEMORIAL	TIPPAH COUNTY

Local Libraries

AMORY MUNICIPAL	JENNIE STEPHENS SMITH	TALLAHATCHIE COUNTY
BENTON COUNTY	KEMPER-NEWTON COUNTY REGIONAL	TOMBIGBEE REGIONAL
BOLIVAR COUNTY	LAMAR COUNTY	WASHINGTON COUNTY
CARNEGIE PUBLIC	LAUREL-JONES COUNTY	WAYNESBORO-WAYNE COUNTY
CARROLL COUNTY	LEE-ITAWAMBA COUNTY	YALOBUSHA COUNTY
CENTRAL MISSISSIPPI REGIONAL	LINCOLN-LAWRENCE-FRANKLIN	YAZOO LIBRARY ASSOCIATION
COLUMBUS-LOWNDES PUBLIC	MADISON COUNTY-CANTON PUBLIC	
COPIAH-JEFFERSON REGIONAL	MARKS-QUITMAN COUNTY	
COVINGTON COUNTY	MARSHALL COUNTY	
DIXIE REGIONAL	MERIDIAN-LAUDERDALE COUNTY	
EAST MISSISSIPPI REGIONAL	MID-MISSISSIPPI REGIONAL	
ELIZABETH JONES	NATCHEZ ADAMS WILKINSON	
EVANS MEMORIAL	NESHOPA 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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