JOURNEY OF STEWARDSHIP

SERVICE TO MISSISSIPPI

PERS
of MISSISSIPPI

Years of commitment.
Decades of service.

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

2016 Comprehensive Annual Financial Report

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

PREPARED BY:

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

PERS Building
429 Mississippi Street
Jackson, Mississippi
39201-1005

PERS of MISSISSIPPI

IN MEMORIAM

FRED M. WALKER
1923 – 2016

PERS Employee
1952 – 1989

PERS Executive Secretary
1972 – 1989

PERS Board of Trustees
1993 – 2005

Thank you for your decades of dedicated service and leadership.

One should never underestimate the steady march of simple steps and the power of the passing of time.

What began as part of a humble footpath home more than 200 years ago for boatmen from the Ohio valley is today the 444-mile long Natchez Trace Parkway that winds from Natchez, Mississippi, to Nashville, Tennessee. Established as a unit of the National Park Service* in 1938, the Trace commemorates the history and preserves the natural beauty of this significant travel route.

Along the drive up the Trace, travelers cross five degrees of latitude and wind through ecosystems ranging from hardwood forests to the Appalachian foothills and cypress swamplands to the Black Belt Prairie. Travelers can also find a wealth of North American history that includes ancient, sacred American Indian mounds; significant Civil War sites; the final resting place of Meriwether Lewis; and the well-trodden footpath left by the Kaintuck boatmen as they marched home from selling their wares at the mouth of the Mississippi River.

Like the Trace, retiring from a career in public service is all about the journey to reach a well-earned destination. These careers span years and often demand fortitude and direction. But these careers are also filled with work that makes a difference toward the greater good. The Public Employees' Retirement System of Mississippi is proud to serve the men and women of this state who spend their workdays helping others. We follow our own journey across time and in a determined direction so that, after a long and meaningful journey of dedicated public service, each of these men and women can enjoy a secure retirement.

**2016 marks the 100th anniversary of National Park Service*

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Providing Benefits for Life

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

December 15, 2016

Dear Board Members:

I am pleased to present the 2016 *Comprehensive Annual Financial Report* (CAFR) of the Public Employees' Retirement System of Mississippi. As we continue our journey of stewardship and service to our members and retirees, we are ever mindful of our mission to provide secure benefits and a quality service experience to those who have spent their careers in public service. Our lasting commitment to serve our members spans decades and will continue as we share the journey to advance the financial security of our members and retirees.

This CAFR is a presentation of the financial results of the System as of June 30, 2016. We believe this information is useful for transparency and perspective over the long term. We trust that you and other members will find this CAFR helpful in understanding your retirement system.

PROFILE OF THE SYSTEM

The System was established to provide retirement benefits for all state and public education employees, officers of the Mississippi Highway Safety Patrol, elected members of the State Legislature, the President of the Senate, and other public employees of participating employers. Plans administered by the System include: the Public Employees' Retirement System of Mississippi (PERS), which was established by legislation in 1952; the Mississippi Highway Safety Patrol Retirement System (MHSPRS), established in 1958; the Supplemental Legislative Retirement Plan (SLRP), established in 1989; and the Municipal Retirement Systems (MRS), which came under the System's administration in 1987. As of June 30, 2016, the System's defined benefit plans served a total of 399,757 members and 102,212 retirees and beneficiaries. We have 881 participating employers from across the state. Primary sources of funding for the System include employer contributions, member contributions, and investment income. Retirement benefits paid during the fiscal year totaled $2.4 billion. Employers contributed $1.0 billion during the fiscal year, while members of the System contributed a total of $575 million. As of June 30, 2016, net position restricted for benefits totaled $24.6 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

Public Employees' Retirement System of Mississippi
429 Mississippi Street, Jackson, MS 39201-1005 601.359.3589 800.444.PERS www.pers.ms.gov

purposes, and, as such, the financial statements contained in this report are included in the State of Mississippi's Comprehensive Annual Financial Report.

Annual budgets are legally adopted for the administrative expenditure portion of the System's operations and are funded by earnings of the System. Our operating budget request for the upcoming fiscal year is prepared in conjunction with a review of our strategic long-range plan. A budget request is approved by the Board of Trustees and submitted to the State Legislature, which legally enacts the budget in the form of an appropriation bill during the subsequent legislative session. Changes may be made in budget categories, consistent with legislative authority, with approval of the Mississippi Department of Finance and Administration. A discussion of the budgetary process is presented in the Financial Section of this CAFR on page 38.

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 2016 independent audit was conducted by Eide Bailly LLP, a firm of licensed certified public accountants. The Independent Auditors' Report is presented in the Financial Section on pages 19 and 21.

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

The System strives to deliver pension benefit services while investing to ensure that our performance levels can be maintained in the long term. The Board of Trustees remains focused on an investing approach that underscores the principles of a well-diversified portfolio of securities invested over a long-time horizon, which mitigates the effects of the challenging economic environment in which we operate. Our asset allocation policy is tactically balanced to provide an expected level of return while incurring minimal risk, which over time will fund the liabilities of the System with the contribution rate at a level percent of payroll. This year the System earned a 1.2 percent rate of return on investments measured as a point-in-time snapshot of fiscal year performance. Our annualized rate of return for the last 30-year period was 8.2 percent, exceeding the long-term 7.75 percent assumed rate of return for the System. Positive investment performance at or above our assumed rate of return over the long term assures that the System maintains a strong, sustainable financial foundation.

Annual actuarial valuations for PERS, MHSPRS, MRS, and SLRP are conducted by the consulting actuarial firm of Cavanaugh Macdonald Consulting, LLC. Actuarial assumptions and contribution rates are based on recommendations made by the actuary. Experience investigations are performed every two years on a rolling four-year basis to determine that actuarial assumptions are reasonably related to actual experience. Additional information regarding the actuarial valuation is presented in the Actuarial Section of this report. In addition to actuarial valuations and experience investigations, the System's actuaries annually prepare 30-year funding projection reports for each plan.

The Board of Trustees maintains a funding policy for PERS, MHSPRS, and SLRP aimed at stabilizing the employer contribution rate, with a goal to position the plans at more than 80.0 percent funded by 2042. The funding ratio is a measure of the actuarial value of assets to the actuarial accrued liability. Based on the most recent actuarial valuation, PERS is 60.0 percent funded; MHSPRS is 65.8 percent funded; the MRS closed plan is 48.1 percent funded; and SLRP is 77.4 percent funded. Funding status and progress is presented in the Actuarial Section of this report on pages 138 and 139. Based on fiscal year-end valuation results, each of the System's plans continue in sound condition, presuming that future contributions will be made at the level necessary to ensure adequate funding and to meet standards as certified in the Actuarial Section of this report.

FOR THE FUTURE

Our technology objectives are driven by our commitment to deliver quality customer service to our members before, during, and after retirement. Our long-held belief is that good stewardship includes good customer service. As part of achieving that objective, we identified the need for a technology solution with broad and deep capabilities for managing the volume and variety of data necessary to successfully support our services to members. The System launched a major project initiative in September 2010 to implement a new pension and benefits administration software solution using the most economical pathways for technical support. Through the Mississippi Automated Retirement System (MARS) technology project, we have focused on developing a stable, state-of-the-industry solution consisting of a fully integrated online software system that will be capable of supporting the System's pension processes and finances, as well as expanding our customer service area. MARS was deployed on July 6, 2015, giving the System a full fiscal year of enhanced technology capabilities by the close of this fiscal year. An additional member self-service enhancement is planned for fiscal year 2017, which will expand our ability to provide fast, effective service to our members and retirees.

One significant advantage of MARS is that some business process times have been significantly reduced, saving both time and money in the System's operation. Another feature of MARS is staff's fast, easy access to member account data with major improvement to search and drilldown capabilities.

One of the System's biggest strengths is our staff of highly trained professionals. The System relies heavily on its staff to carry out our mission, provide excellent customer service, and meet our goals. It has become more critical to enhance our succession plan as the years pass and the System experiences growth in both membership and complexity. We are addressing needs and exploring alternatives to provide our membership with continuity across all aspects of our operations. Our objective is to provide an effective succession plan that supports the System's organizational stability and sustainability by assuring that there is an established progression to meet future staffing requirements.

Beginning July 1, 2015, the Board of Trustees lowered the actuarial investment rate of return assumption from 8.0 percent to 7.75 percent. The change to a more conservative assumed rate of return will have the effect of decreasing the funded status, but will not change our funding policy goal of 80.0 percent funding for the plans by 2042. This approach is intended to position us well as we move into fiscal year 2017 and the years beyond.

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, 2015. 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 29 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, 2015. To receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a popular annual financial report with contents that conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year. The Public Employees' Retirement System of Mississippi has received a Popular Award certificate for the last 13 consecutive fiscal years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA for consideration this year.

The Public Employees' Retirement System received the Public Pension Coordinating Council's (PPCC) Public Pension Standards 2016 Award in recognition of meeting professional standards for plan design and administration. The PPCC is a national confederation of state retirement associations whose standards are widely recognized benchmarks for public pension systems in the areas of plan design, funding, actuarial, and financial audits, as well as member communications.

CONCLUSION

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

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

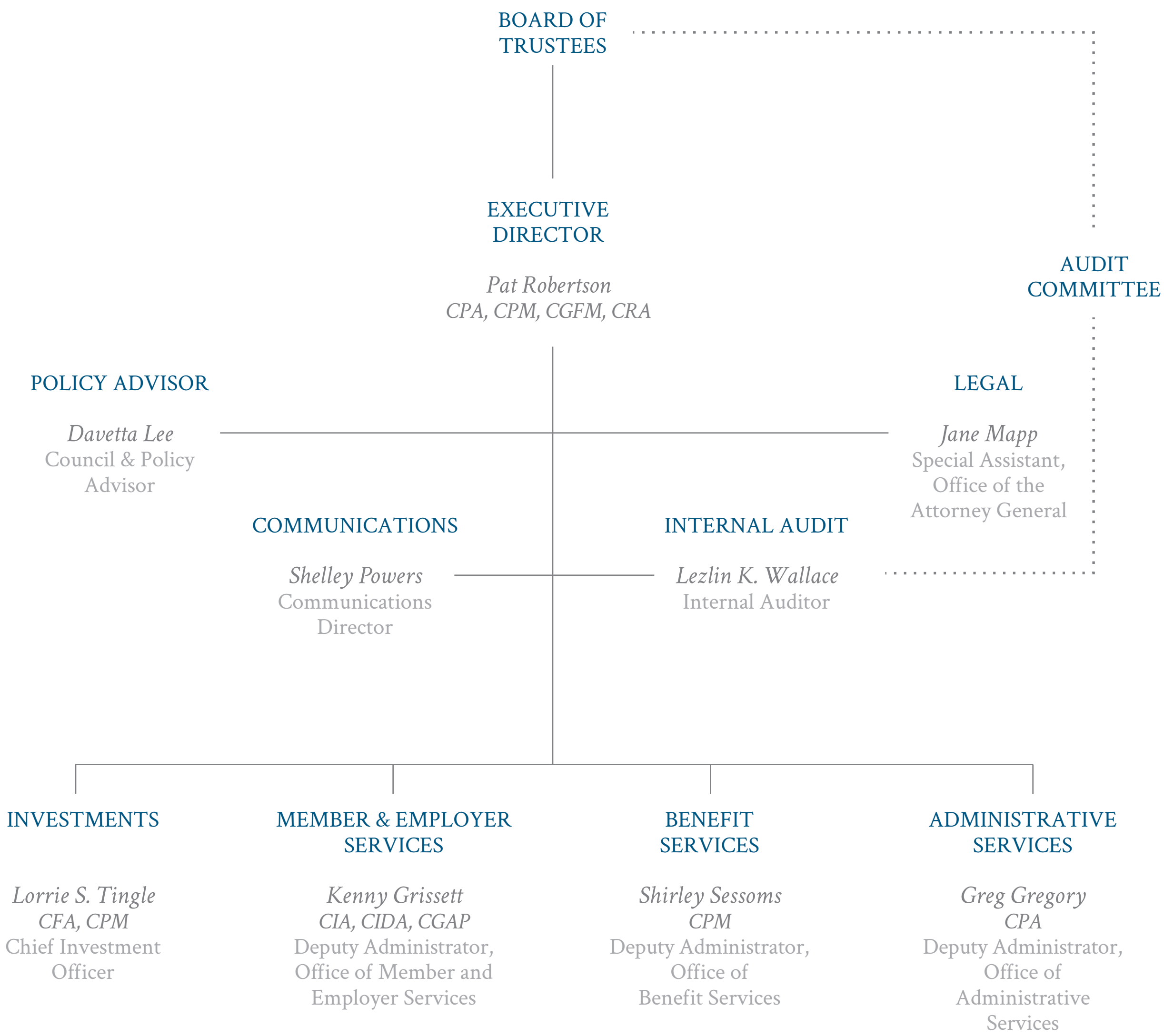
I would like to express my gratitude for the remarkable partnership with you, the staff, the advisors, and others who have worked so diligently to continue the System's years of successful operation. It is your passion, strength, and commitment that support and preserve the vision of a secure retirement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

Respectfully submitted,

Pat Robertson

Executive Director

Organizational Chart
as of June 30, 2016



2016
Board of Trustees

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

CHAIRMAN BILL BENSON *Elected by County Employees*
TERM OF SERVICE: JAN. 2016 - DEC. 2021

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

Remembering Dr. Cecil L. Hill

The Public Employees' Retirement System of Mississippi Board of Trustees is proud to have served alongside Dr. Cecil L. Hill, who passed away July 17, 2016. Beyond his dedicated career as an educator, Dr. Hill had dutifully, faithfully, and honorably served the public employees of the state of Mississippi as a representative on the Board since 2011.

2016 Board of Trustees
(Continued)

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

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

EDWARD LEE CHILDRESS, ED.D. *Elected by Public School and Community/Junior College Employees*
TERM OF SERVICE: MAY 2016- APR. 2022

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

LYNN FITCH *State Treasurer, Ex Officio*
TERM OF SERVICE: JAN. 2016 - JAN. 2020

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

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

DREW SNYDER *Appointed by Governor*
TERM OF SERVICE: APR. 2016 - APR. 2020

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Public Employees' Retirement System

of Mississippi

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2016

Presented to

Public Employees' Retirement System of Mississippi

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

Presented by the Public Pension Coordinating Council, a confederation of

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

Alan H. Winkle

Alan H. Winkle
Program Administrator

Financial

Financial

CPAs & BUSINESS ADVISORS

Independent Auditors' Report

To the Board of Trustees
Public Employees' Retirement System of Mississippi
Jackson, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the Public Employees' Retirement System of Mississippi (the System), which comprise the statement of fiduciary net position as of June 30, 2016, and the related statement of changes in fiduciary net position, for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective statement of the fiduciary net position of the Public Employees' Retirement System of Mississippi, as of June 30, 2016, and the respective statement of changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the System has early adopted GASB Statement No. 82, *Pension Issues*, which has resulted in no significant changes to the System. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 22-29 and the required supplementary information on pages 62-66 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements as a whole. The introductory, investment, actuarial, statistical and supplementary sections are presented for purposes of additional analysis and are not a required part of the financial statements.

The additional supplementary information accompanying financial information listed as supplemental schedules in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying financial information listed as supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2016, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering System's internal control over financial reporting and compliance.

Eide Bailly LLP

November 28, 2016
Boise, Idaho

Management's Discussion & Analysis [unaudited]

This section presents management's discussion and analysis of the Public Employees' Retirement System of Mississippi's (System) financial position and performance for the year ended June 30, 2016. This section is presented as a narrative overview and analysis in conjunction with the Letter of Transmittal–included in the Introductory Section–the financial statements, and other information presented in the Financial Section of this *Comprehensive Annual Financial Report*.

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

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

Overview of the Financial Statements

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

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

Collectively, this information presents the net position restricted for pension benefits for each of the funds administered by the System as of June 30, 2016. This financial information also summarizes changes in net position restricted for pension benefits for the year then ended. The information in each of these components is briefly summarized as follows:

1. BASIC FINANCIAL STATEMENTS

The June 30, 2016, financial statements are presented for the fiduciary funds administered by the System. Fiduciary funds are used to account for resources held for the benefit of parties outside of the System. Fiduciary funds include pension trust funds such as PERS, MHSPRS, MRS, and SLRP, as well as an agency fund, the FBCP. A Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position are presented for the fiduciary funds as of and for the year ended June 30, 2016. These financial statements reflect the resources available to pay benefits to members, including retirees and beneficiaries, as of year end, as well as the changes in those resources during the year.

Financial Highlights

The combined net position of the defined benefit plans administered by the System decreased by $799 million, or 3.1 percent. This decrease was primarily the result of investment performance for 2016.

The 2016 rate of return on investments for the defined benefit plans was 1.2 percent, compared with fiscal year 2015's rate of return of 3.4 percent. Domestic, international, and global equity portfolios returned negative 0.4 percent, negative 8.0 percent, and negative 3.3 percent, respectively, for the year, while the return on debt securities was 6.8 percent. The rate of return on real estate investments was 13.3 percent, and the return on the private equity portfolio was 10.6 percent.

The PERS, MHSPRS, and SLRP defined benefit plans administered by the System had a Net Pension Liability of $17.9 billion, $182.5 million, and $5.5 million, respectively. The ratio of fiduciary net position to total pension liability was 57.5 percent, 63.1 percent, and 74.2 percent, respectively.

2. NOTES TO THE BASIC FINANCIAL STATEMENTS

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

» Note 1 provides a general description of the System, as well as a concise description of each of the funds administered by the System. Information regarding employer and member participation in the pension plans administered by the System also is provided.

» Note 2 provides a summary of significant accounting policies, including the basis of accounting for each fund type, management's use of estimates, and other significant accounting policies.

» Note 3 describes investments, including investing authority and policies, investment risk discussion and additional information about cash, securities lending, fair value measurement, and derivatives.

» Note 4 provides a summary of the capital assets of the System, including depreciation and net holding amounts.

» Note 5 provides information about the net pension liability of employers in the defined benefit plans administered by the System.

» Note 6 provides information about contributions to the defined benefit plans administered by the System.

» Note 7 provides information about System employees as members of PERS.

3. REQUIRED SUPPLEMENTARY INFORMATION

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

4. OTHER SUPPLEMENTARY SCHEDULES

Other schedules include detailed information on administrative expenses incurred by the System, investment and other professional service expenses incurred, as well as the due to balances for individual municipal retirement plans. Also included is the 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 Position. Investment gains or losses are reported in the Statement of Changes in Fiduciary Net Position. The rate of return on investments is therefore approximately the same for each of the plans.

TOTAL SYSTEM INVESTMENTS

At June 30, 2016, the System's total investments, before securities lending activities, approximated $23.9 billion, a decrease of $797 million from fiscal year 2015. The combined investment portfolio experienced a return of 1.2 percent compared with a median large public plan, which is Callan Associates Public Funds > $10 billion median, return of 0.8 percent. Investment results over time compared with the System's benchmarks are presented on page 85 in the Investment Section.

SHORT-TERM SECURITIES

At June 30, 2016, the System held $235 million in short-term investments, which is a decrease of $254 million from 2015 holdings. Short-term investments returned 0.19 percent for the year.

DEBT SECURITIES

At June 30, 2016, the System held $5.0 billion in debt securities, which is approximately $288.4 million more than fiscal year 2015 holdings. Debt securities returned 6.8 percent compared with the System's benchmark return of 6.5 percent.

EQUITY SECURITIES

At June 30, 2016, the System held $14.6 billion in US, international, and global equity securities, a decrease of $1.1 billion from fiscal year 2015. US, international, and global equity securities had returns of negative 0.4 percent, negative 8.0 percent, and negative 3.3 percent, respectively. The System's benchmark return for domestic equity securities was 1.5 percent, while the international securities benchmark returned negative 9.6 percent. The global securities benchmark used by the System posted a return of negative 3.7 percent.

PRIVATE EQUITY

The private equity asset class, totaling $1.5 billion, posted a return of 10.6 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 7.1 percent. The System began investing in private equities in fiscal year 2008.

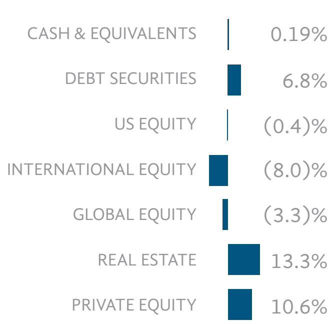
REAL ESTATE

The real estate portfolio is divided between core commingled and value-added fund investments that directly invest in properties. The System also invests in managed portfolios of Real Estate Investment Trusts (REITs), which are exchange-traded securities that provide indirect exposure to real estate properties and real estate management companies. At June 30, 2016, combined holdings totaled $2.6 billion, an increase of $121.2 million from 2015. The System's real estate portfolio experienced a return of 13.3 percent on the total real estate portfolio. The System's benchmark saw a return of 10.6 percent for the year ended June 30, 2016.

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 2016 fiscal year, net securities lending income to the System amounted to $19.4 million, an increase of $5.6 million over fiscal year 2015.

DEFINED BENEFIT PLANS INVESTMENT RATES OF RETURN BY INVESTMENT TYPE
- FISCAL YEAR 2016 -

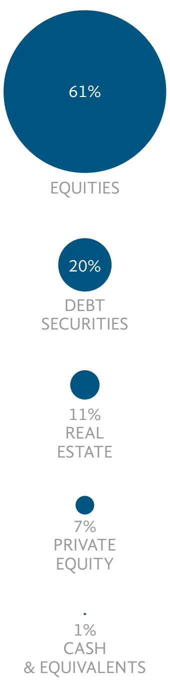


Analysis of Individual Systems

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

PERS is a defined benefit cost-sharing plan that provides retirement benefits to all eligible State of Mississippi public employees, public education employees, other public employees whose employers have elected to participate, and elected members of the State Legislature and President of the Senate. Benefits of the plan are funded by member and employer contributions and by earnings on investments. Net position restricted for benefits at June 30, 2016, amounted to $24.1 billion, a decrease of $771.5 million (3.1 percent) from June 30, 2015.

DEFINED BENEFIT PLANS ASSET ALLOCATION AT FAIR VALUE
- JUNE 30, 2016 -



Additions to PERS' net position restricted for benefits include employer and member contributions and investment income. For the 2016 fiscal year, employer and member contributions of $1.6 billion increased $39.4 million compared with 2015. The increase is attributed to an increase in average salaries. PERS recognized net investment income of $130.9 million for the 2016 fiscal year, compared with net investment income of $827.7 million for the 2015 fiscal year.

Deductions from PERS' net position restricted for benefits primarily include retirement and beneficiary benefits, as well as administrative expenses. For the 2016 fiscal year, retirement benefits amounted to $2.4 billion, an increase of $148.5 million (6.7 percent) over the 2015 fiscal year. The increase in benefit payments was due to an increase in the number of benefit recipients. For the 2016 fiscal year, the cost of administering the System amounted to $16.3 million, an increase of $1.6 million (10.8 percent) from fiscal year 2015. The increase in administrative costs was primarily due to completion of the MARS integrated technology project.

At June 30, 2016, PERS employers' total pension liability was $42.0 billion. The plan fiduciary net position was $24.1 billion, resulting in a net pension liability of $17.9 billion. The plan fiduciary net position as a percentage of the total pension liability was 57.5 percent using Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, measurements.

MISSISSIPPI HIGHWAY SAFETY PATROL RETIREMENT SYSTEM

MHSPRS provides retirement benefits to sworn officers of the Mississippi Highway Safety Patrol. Benefits of the plan are funded by member and employer contributions and by earnings on investments. MHSPRS' net position restricted for benefits at June 30, 2016, amounted to $311.6 million, a decrease of $11.6 million (3.6 percent) from $323.2 million at June 30, 2015.

Additions to MHSPRS' net position restricted for benefits include employer and member contributions and investment income. For the 2016 fiscal year, employer and member contributions were $13.0 million, an increase of $1.2 million (10.2 percent) from 2015. Motor vehicle fees of $2.7 million and driver's license reinstatement fees of $1.2 million are added to 2016 employer contributions, which resulted in total contributions of $16.9 million. MHSPRS recognized net investment income of $1.7 million for the 2016 fiscal year compared with net investment income of $10.8 million for 2015.

Deductions from MHSPRS' net position restricted for benefits primarily include retirement and beneficiary benefits and administrative fees. For the 2016 fiscal year, benefits amounted to $29.9 million, an increase of $1.0 million (3.5 percent) from the 2015 fiscal year. Although the number of retirees remained constant, some newly retired members had higher benefits than those who were deceased during the period. For the 2016 fiscal year, MHSPRS transferred $217 thousand to the System to offset the cost of administration, an increase of $19 thousand (9.6 percent) from 2015.

At June 30, 2016, MHSPRS employers' total pension liability was $494.1 million resulting in a net pension liability of $182.5 million. The plan fiduciary net position as a percentage of the total pension liability was 63.1 percent using GASB Statement No. 67 measurements.

MUNICIPAL RETIREMENT SYSTEMS

Two municipal retirement plans and 17 fire and police disability and relief plans comprise MRS, all of which are closed to new members. Seventeen of these separate plans provide retirement benefits to municipal employees, fire fighters, and police officers who were not already members of PERS and who were hired prior to July 1, 1976. Membership in the other two plans was extended until July 1, 1987. All active employees have retired from 11 of the municipal plans. The financial positions of MRS plans have been aggregated for financial reporting purposes. Individual plan information is included with the specific municipality's annual financial report. Benefits of MRS are funded by employer and member contributions and by earnings on investments. The aggregated plan's net position restricted for benefits at June 30, 2016, amounted to $154.6 million, a decrease of $15.4 million (9.1 percent) from $170.0 million at June 30, 2015.

Additions to MRS' net position restricted for benefits consist of employer and member contributions and investment income. For the 2016 fiscal year, employer and member contributions of $18.6 million were $802 thousand (4.1 percent) less than contributions of $19.4 million received in fiscal year 2015. MRS employer contributions are funded through taxes levied on assessed properties. In a closed plan, the number of active members decreases as they retire and the number of retirees decreases due to mortality. These factors lead to both lower total contributions and lower total benefits. MRS recognized net investment income of $846 thousand for the 2016 fiscal year compared with net investment income of $5.7 million for the 2015 fiscal year.

Deductions from MRS' net position restricted for benefits include retirement and beneficiary benefits and administrative fees. For the 2016 fiscal year, benefits amounted to $34.4 million, a decrease of $370 thousand (1.1 percent) from the 2015 fiscal year. For the 2016 fiscal year, MRS transferred $371 thousand to the System to offset the cost of administration, compared to $387 thousand transferred for fiscal year 2015.

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

SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN

SLRP provides supplemental retirement benefits to all elected members of the State Legislature and President of the Senate. Benefits of the plan are funded by member and employer contributions and by earnings on investments. The plan's net position restricted for benefits at June 30, 2016, amounted to $15.8 million, a decrease of $688 thousand (4.2 percent) from June 30, 2015.

Additions to SLRP's net position restricted for benefits include employer and member contributions and investment income. For the 2016 fiscal year, employer and member contributions were $722 thousand, an increase of $4 thousand (0.6 percent) from those of fiscal year 2015. The increase in contributions is attributed to a slightly higher payroll amount for the 2016 fiscal year. SLRP recognized net investment income of $86 thousand for the 2016 fiscal year, compared with a net investment income of $552 thousand for the 2015 fiscal year.

Deductions from SLRP's net position restricted for benefits primarily include retirement and beneficiary benefits, as well as administrative fees. For the 2016 fiscal year, benefits amounted to $1.5 million, increasing over $200 thousand from fiscal year 2015. The number of retirees increased slightly from the previous year. For the 2016 fiscal year, SLRP transferred $10 thousand to PERS to offset the cost of administration, the same amount as for fiscal year 2015.

At June 30, 2016, the SLRP employers' total pension liability was $21.3 million, resulting in a net pension liability of $5.5 million. The plan fiduciary net position as a percentage of the total pension liability was 74.2 percent using GASB Statement No. 67 measurements.

NET POSITION—DEFINED BENEFIT PLANS
- JUNE 30, 2016 -

[in thousands]

	PERS		MHSPRS		MRS	
Assets:	2016	2015	2016	2015	2016	2015
CASH, CASH EQUIVALENTS, & RECEIVABLES	$1,445,085	$2,632,722	$17,667	$33,492	$8,857	$17,482
INVESTMENTS AT FAIR VALUE	23,467,641	24,237,231	304,384	315,634	150,956	166,151
INVESTED SECURITIES LENDING COLLATERAL	3,254,526	2,702,915	42,382	35,312	21,055	18,588
CAPITAL ASSETS	35,140	32,292	-	-	-	-
TOTAL ASSETS	**28,202,392**	**29,605,160**	**364,433**	**384,438**	**180,868**	**202,221**
Liabilities:						
INVESTMENT ACCOUNTS & OTHER PAYABLES	814,228	1,995,342	10,457	25,915	5,195	13,645
SECURITIES LENDING LIABILITY	3,253,148	2,703,262	42,364	35,316	21,046	18,590
TOTAL LIABILITIES	**4,067,376**	**4,698,604**	**52,821**	**61,231**	**26,241**	**32,235**
TOTAL NET POSITION	**$24,135,016**	**$24,906,556**	**$311,612**	**$323,207**	**$154,627**	**$169,986**

CHANGES IN NET POSITION—DEFINED BENEFIT PLANS
- YEAR ENDED JUNE 30, 2016 -

[in thousands]

	PERS		MHSPRS		MRS	
Additions:	2016	2015	2016	2015	2016	2015
CONTRIBUTIONS	$1,593,835	$1,554,387	$16,883	$15,633	$18,595	$19,389
INVESTMENT INCOME	130,900	827,666	1,704	10,812	846	5,692
OTHER ADDITIONS	633	670	-	-	-	-
TOTAL ADDITIONS	**1,725,368**	**2,382,723**	**18,587**	**26,445**	**19,441**	**25,081**
Deductions:						
PENSION BENEFITS	2,367,709	2,219,240	29,913	28,909	34,429	34,799
REFUNDS	112,926	119,356	52	163	-	1
ADMINISTRATIVE & OTHER DEDUCTIONS	16,273	14,690	217	198	371	387
TOTAL DEDUCTIONS	**2,496,908**	**2,353,286**	**30,182**	**29,270**	**34,800**	**35,187**
INCREASE (DECREASE) IN NET POSITION	**$(771,540)**	**$29,437**	**$(11,595)**	**$(2,825)**	**$(15,359)**	**$(10,106)**

NET POSITION—DEFINED BENEFIT PLANS (CONTINUED)

- JUNE 30, 2016 -

[in thousands]

	SLRP		ELIMINATIONS		TOTAL DEFINED BENEFIT PENSION PLANS		TOTAL PERCENT CHANGE
Assets:	2016	2015	2016	2015	2016	2015	
CASH, CASH EQUIVALENTS, & RECEIVABLES	$866	$1,676	$-	$(3)	$1,472,475	$2,685,369	(45.17)%
INVESTMENTS AT FAIR VALUE	15,433	16,105	-	-	23,938,414	24,735,121	(3.22)
INVESTED SECURITIES LENDING COLLATERAL	2,149	1,802	-	-	3,320,112	2,758,617	20.35
CAPITAL ASSETS	-	-	-	-	35,140	32,292	8.82
TOTAL ASSETS	**18,448**	**19,583**	**-**	**(3)**	**28,766,141**	**30,211,399**	**(4.78)**
Liabilities:							
INVESTMENT ACCOUNTS & OTHER PAYABLES	532	1,325	-	(3)	830,412	2,036,224	(59.22)
SECURITIES LENDING LIABILITY	2,148	1,802	-	-	3,318,706	2,758,970	20.29
TOTAL LIABILITIES	**2,680**	**3,127**	**-**	**(3)**	**4,149,118**	**4,795,194**	**(13.47)**
TOTAL NET POSITION	**$15,768**	**$16,456**	**$-**	**$-**	**$24,617,023**	**$25,416,205**	**(3.14)%**

CHANGES IN NET POSITION—DEFINED BENEFIT PLANS (CONTINUED)

- YEAR ENDED JUNE 30, 2016 -

[in thousands]

	SLRP		ELIMINATIONS		TOTAL DEFINED BENEFIT PENSION PLANS		TOTAL PERCENT CHANGE
Additions:	2016	2015	2016	2015	2016	2015	
CONTRIBUTIONS	$722	$718	$-	$-	$1,630,035	$1,590,127	2.51%
INVESTMENT INCOME	86	552	-	-	133,536	844,722	(84.19)
OTHER ADDITIONS	-	-	(598)	(595)	35	75	(53.33)
TOTAL ADDITIONS	**808**	**1,270**	**(598)**	**(595)**	**1,763,606**	**2,434,924**	**(27.57)**
Deductions:							
PENSION BENEFITS	1,454	1,220	-	-	2,433,505	2,284,168	6.54
REFUNDS	32	37	-	-	113,010	119,557	(5.48)
ADMINISTRATIVE & OTHER DEDUCTIONS	10	10	(598)	(595)	16,273	14,690	10.78
TOTAL DEDUCTIONS	**1,496**	**1,267**	**(598)**	**(595)**	**2,562,788**	**2,418,415**	**5.97**
INCREASE (DECREASE) IN NET POSITION	**$(688)**	**$3**	**$-**	**$-**	**$(799,182)**	**$16,509**	**(4,940.89)%**

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

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
STATEMENT OF FIDUCIARY NET POSITION
- JUNE 30, 2016 -

[in thousands]

	PERS	MHSPRS	MRS	SLRP	ELIMINATIONS
ASSETS					
CASH & CASH EQUIVALENTS (NOTE 3)	$804,572	$10,417	$5,168	$528	$-
Receivables:					
EMPLOYER	79,281	570	352	-	-
MEMBER	45,084	-	3	-	-
INVESTMENT PROCEEDS	437,030	5,668	2,811	287	-
INTEREST & DIVIDENDS	77,999	1,012	502	51	-
OTHER RECEIVABLES	1,119	-	21	-	-
TOTAL RECEIVABLES	**640,513**	**7,250**	**3,689**	**338**	**-**
Investments, at Fair Value (Note 3):					
SHORT-TERM INVESTMENTS	229,943	2,982	1,479	151	-
LONG-TERM DEBT SECURITIES	4,878,695	63,279	31,382	3,209	-
EQUITY SECURITIES	14,327,168	185,829	92,160	9,422	-
PRIVATE EQUITY	1,488,861	19,311	9,577	979	-
REAL ESTATE INVESTMENTS	2,542,974	32,983	16,358	1,672	-
TOTAL INVESTMENTS BEFORE LENDING ACTIVITIES	**23,467,641**	**304,384**	**150,956**	**15,433**	**-**
Securities Lending:					
SHORT-TERM INVESTMENTS	346,644	4,514	2,243	229	-
LONG-TERM DEBT SECURITIES	2,907,882	37,868	18,812	1,920	-
TOTAL SECURITIES LENDING	**3,254,526**	**42,382**	**21,055**	**2,149**	**-**
TOTAL INVESTMENTS	**26,722,167**	**346,766**	**172,011**	**17,582**	**-**
DUE FROM OTHER FUNDS	-	-	-	-	-
CAPITAL ASSETS, AT COST, NET OF ACCUMULATED DEPRECIATION (NOTE 4)	35,140	-	-	-	-
TOTAL ASSETS	**28,202,392**	**364,433**	**180,868**	**18,448**	**-**
LIABILITIES					
ACCOUNTS PAYABLE & ACCRUED EXPENSES	814,228	10,457	5,195	532	-
OBLIGATIONS UNDER SECURITIES LENDING	$3,253,148	42,364	21,046	2,148	-
FUNDS HELD FOR OTHERS	-	-	-	-	-
TOTAL LIABILITIES	**4,067,376**	**52,821**	**26,241**	**2,680**	**-**
NET POSITION RESTRICTED FOR PENSIONS	**$24,135,016**	**$311,612**	**$154,627**	**$15,768**	**$-**

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

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
STATEMENT OF FIDUCIARY NET POSITION (CONTINUED)
- JUNE 30, 2016 -

[in thousands]

	TOTAL DEFINED BENEFIT PENSION PLANS	AGENCY FUNDS	TOTAL 2016
ASSETS			
CASH & CASH EQUIVALENTS (NOTE 3)	$820,685	$21	$820,706
Receivables:			
EMPLOYER	80,203	-	80,203
MEMBER	45,087	-	45,087
INVESTMENT PROCEEDS	445,796	-	445,796
INTEREST & DIVIDENDS	79,564	-	79,564
OTHER RECEIVABLES	1,140	-	1,140
TOTAL RECEIVABLES	**651,790**	**-**	**651,790**
Investments, at Fair Value (Note 3):			
SHORT-TERM INVESTMENTS	234,555	-	234,555
LONG-TERM DEBT SECURITIES	4,976,565	-	4,976,565
EQUITY SECURITIES	14,614,579	-	14,614,579
PRIVATE EQUITY	1,518,728	-	1,518,728
REAL ESTATE INVESTMENTS	2,593,987	-	2,593,987
TOTAL INVESTMENTS BEFORE LENDING ACTIVITIES	**23,938,414**	**-**	**23,938,414**
Securities Lending:			
SHORT-TERM INVESTMENTS	353,630	-	353,630
LONG-TERM DEBT SECURITIES	2,966,482	-	2,966,482
TOTAL SECURITIES LENDING	**3,320,112**	**-**	**3,320,112**
TOTAL INVESTMENTS	**27,258,526**	**-**	**27,258,526**
DUE FROM OTHER FUNDS	-	-	-
CAPITAL ASSETS, AT COST, NET OF ACCUMULATED DEPRECIATION (NOTE 4)	35,140	-	35,140
TOTAL ASSETS	**28,766,141**	**21**	**28,766,162**
LIABILITIES			
ACCOUNTS PAYABLE & ACCRUED EXPENSES	830,412	15	830,427
OBLIGATIONS UNDER SECURITIES LENDING	3,318,706	-	3,318,706
FUNDS HELD FOR OTHERS	-	6	6
TOTAL LIABILITIES	**4,149,118**	**21**	**4,149,139**
NET POSITION RESTRICTED FOR PENSIONS	**$24,617,023**	**$-**	**$24,617,023**

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

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
- FOR THE YEAR ENDED JUNE 30, 2016-

[in thousands]

	PERS	MHSPRS	MRS	SLRP	ELIMINATIONS
ADDITIONS					
Contributions:					
EMPLOYER	$1,021,261	$14,755	$18,542	$514	$-
MEMBER	572,574	2,128	53	208	-
TOTAL CONTRIBUTIONS	**1,593,835**	**16,883**	**18,595**	**722**	-
Net Investment Income:					
NET DEPRECIATION IN FAIR VALUE	(329,040)	(4,285)	(2,129)	(217)	-
INTEREST & DIVIDENDS	528,249	6,879	3,417	349	-
TOTAL BEFORE LENDING ACTIVITIES	**199,209**	**2,594**	**1,288**	**132**	-
Securities Lending:					
NET APPRECIATION IN FAIR VALUE	1,706	22	11	1	-
INTEREST	22,694	296	147	15	-
INTEREST EXPENSE	(2,319)	(30)	(15)	(2)	-
PROGRAM FEES	(3,035)	(40)	(20)	(2)	-
NET INCOME FROM SECURITIES LENDING	**19,046**	**248**	**123**	**12**	-
MANAGERS' FEES & TRADING COSTS	(87,355)	(1,138)	(565)	(58)	-
NET INVESTMENT INCOME	**130,900**	**1,704**	**846**	**86**	-
Other Additions:					
ADMINISTRATIVE FEES	598	-	-	-	(598)
OTHER	35	-	-	-	-
TOTAL OTHER ADDITIONS	**633**	**-**	**-**	**-**	**(598)**
TOTAL ADDITIONS	**1,725,368**	**18,587**	**19,441**	**808**	**(598)**
DEDUCTIONS					
RETIREMENT ANNUITIES	2,367,709	29,913	34,429	1,454	-
REFUNDS TO TERMINATED EMPLOYEES	112,926	52	-	32	-
TOTALS	**2,480,635**	**29,965**	**34,429**	**1,486**	-
Administrative Expenses:					
PERSONAL SERVICES: SALARIES, WAGES, & FRINGE BENEFITS	9,469	-	-	-	-
PERSONAL SERVICES: TRAVEL & SUBSISTENCE	73	-	-	-	-
CONTRACTUAL SERVICES	5,925	-	-	-	-
COMMODITIES	297	-	-	-	-
TOTAL ADMINISTRATIVE EXPENSES	**15,764**	**-**	**-**	**-**	**-**
DEPRECIATION	509	-	-	-	-
ADMINISTRATIVE FEES	-	217	371	10	(598)
TOTAL DEDUCTIONS	**2,496,908**	**30,182**	**34,800**	**1,496**	**(598)**
NET INCREASE (DECREASE)	**(771,540)**	**(11,595)**	**(15,359)**	**(688)**	-
NET POSITION RESTRICTED FOR PENSIONS:					
BEGINNING OF YEAR	**24,906,556**	**323,207**	**169,986**	**16,456**	-
END OF YEAR	**$24,135,016**	**$311,612**	**$154,627**	**$15,768**	**$-**

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

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (CONTINUED)
- FOR THE YEAR ENDED JUNE 30, 2016-

[in thousands]

	TOTAL DEFINED BENEFIT PENSION PLANS 2016
ADDITIONS	
Contributions:	
EMPLOYER	$1,055,072
MEMBER	574,963
TOTAL CONTRIBUTIONS	**1,630,035**
Net Investment Income:	
NET DEPRECIATION IN FAIR VALUE	(335,671)
INTEREST & DIVIDENDS	538,894
TOTAL BEFORE LENDING ACTIVITIES	**203,223**
Securities Lending:	
NET APPRECIATION IN FAIR VALUE	1,740
INTEREST	23,152
INTEREST EXPENSE	(2,366)
PROGRAM FEES	(3,097)
NET INCOME FROM SECURITIES LENDING	**19,429**
MANAGERS' FEES & TRADING COSTS	(89,116)
NET INVESTMENT INCOME	**133,536**
Other Additions:	
ADMINISTRATIVE FEES	-
OTHER	35
TOTAL OTHER ADDITIONS	**35**
TOTAL ADDITIONS	**1,763,606**
DEDUCTIONS	
RETIREMENT ANNUITIES	2,433,505
REFUNDS TO TERMINATED EMPLOYEES	113,010
TOTALS	**2,546,515**
Administrative Expenses:	
PERSONAL SERVICES: SALARIES, WAGES, & FRINGE BENEFITS	9,469
PERSONAL SERVICES: TRAVEL & SUBSISTENCE	73
CONTRACTUAL SERVICES	5,925
COMMODITIES	297
TOTAL ADMINISTRATIVE EXPENSES	**15,764**
DEPRECIATION	509
ADMINISTRATIVE FEES	-
TOTAL DEDUCTIONS	**2,562,788**
NET INCREASE (DECREASE)	**(799,182)**
NET POSITION RESTRICTED FOR PENSIONS:	
BEGINNING OF YEAR	**25,416,205**
END OF YEAR	**$24,617,023**

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

Note 1: Plan Description

GENERAL

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

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

**Closed to new members*

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

A summary of participating employers and members follows:

SUMMARY OF PARTICIPATING EMPLOYERS AND MEMBERS

	PERS	MHSPRS*	MRS	SLRP**	TOTAL
Employers:					
STATE AGENCIES	112	1	-	1	114
STATE UNIVERSITIES	9	-	-	-	9
PUBLIC SCHOOLS	143	-	-	-	143
COMMUNITY/JUNIOR COLLEGES	15	-	-	-	15
COUNTIES	82	-	-	-	82
MUNICIPALITIES	241	-	17	-	258
OTHER POLITICAL SUBDIVISIONS	260	-	-	-	260
TOTAL EMPLOYERS	**862**	**1**	**17**	**1**	**881**
Members:					
ACTIVE VESTED	82,370	393	8	109	82,880
ACTIVE NONVESTED	71,734	91	-	62	71,887
TOTAL ACTIVE MEMBERS	**154,104**	**484**	**8**	**171**	**154,767**
INACTIVE VESTED	19,400	38	-	36	19,474
INACTIVE NONVESTED	123,235	42	-	27	123,304
TOTAL INACTIVE MEMBERS	**142,635**	**80**	**-**	**63**	**142,778**
RETIREES & BENEFICIARIES	99,483	724	1,798	207	102,212
TOTAL RETIRED/INACTIVE MEMBERS	**242,118**	**804**	**1,798**	**270**	**244,990**
TOTAL MEMBERS	**396,222**	**1,288**	**1,806**	**441**	**399,757**
Active Members by Employer:					
STATE AGENCIES	29,203	484	-	171	29,858
STATE UNIVERSITIES	17,938	-	-	-	17,938
PUBLIC SCHOOLS	61,945	-	-	-	61,945
COMMUNITY/JUNIOR COLLEGES	6,099	-	-	-	6,099
COUNTIES	13,561	-	-	-	13,561
MUNICIPALITIES	16,383	-	8	-	16,391
OTHER POLITICAL SUBDIVISIONS	8,975	-	-	-	8,975
TOTAL ACTIVE MEMBERS	**154,104**	**484**	**8**	**171**	**154,767**

**MHSPRS has two reporting entities.*
***SLRP has five reporting entities.*

MEMBERSHIP AND BENEFIT PROVISIONS

(1) Public Employees' Retirement System of Mississippi

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

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

A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. For the year ended June 30, 2016, the total COLA payments for PERS were $559,888,063.

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

(2) Mississippi Highway Safety Patrol Retirement System

Membership in MHSPRS is a condition of employment granted upon hiring for all officers of the Mississippi Highway Safety Patrol who have completed a course of instruction in an authorized highway patrol training school on general law enforcement and who serve as sworn officers of the highway patrol in the enforcement of the laws of the State of Mississippi. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Administrative Board of MHSPRS. Participating members who withdraw from service at or after age 55 with at least five years of membership service, or after reaching age 45 with at least 20 years of creditable service, or with 25 years of service at any age, are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.5 percent of average compensation during the four highest consecutive years of earnings, reduced 3.0 percent for each year below age 55 or for each year under 25 years of service, whichever is less. MHSPRS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. A member who terminates employment from the highway patrol and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated employee contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions.

A COLA payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60, with 3.0 percent compounded for each fiscal year thereafter. For the year ended June 30, 2016, the total COLA payments for MHSPRS were $9,008,350.

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

(3) Municipal Retirement Systems

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

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

The retirees and beneficiaries of MRS plans with provisions for COLAs who are receiving a retirement allowance on July 1 of each fiscal year may be entitled to a COLA. This payment is equal to the annual percentage change of the Consumer Price Index (CPI) but not to exceed 2.5 percent of the annual retirement allowance for each full fiscal year of retirement. Certain MRS plans may adopt a COLA other than one linked to the change in the CPI. These additional payments will be made only when funded by the employers. For the year ended June 30, 2016, the total COLAs for MRS plans were $5,533,876.

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

(4) Supplemental Legislative Retirement Plan

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

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

Retirees and beneficiaries of SLRP may receive COLAs calculated identically to PERS retirees and beneficiaries. For the year ended June 30, 2016, the total COLAs for SLRP were $282,960.

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

(5) Flexible Benefits Cafeteria Plan—Agency Fund

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

(6) Annual Budget

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

Note 2: Summary of Significant Accounting Policies

FINANCIAL REPORTING ENTITY

The reporting entity for the System consists of four defined benefit pension trust funds and one agency fund. The defined benefit pension trust funds are PERS, MHSPRS, MRS, and SLRP. These financial statements are included in the financial statements of the State of Mississippi. The agency fund is the FBCP. Defined benefit pension trust fund plans of the System are included in the System's reporting entity due to their financial relationships. Although the plans are legally separate within the System, they are reported as if they were part of the System because the governing boards of each are identical. The System is considered a component unit of the State of Mississippi reporting entity in accordance with Governmental Accounting Standards Board (GASB) 14, *The Financial Reporting Entity,* as amended by GASB 39 and GASB 61.

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

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

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

BASIS OF PRESENTATION — FUND ACCOUNTING

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

BASIS OF ACCOUNTING

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

INVESTMENTS

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

CAPITAL ASSETS

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

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

ACCUMULATED PERSONAL LEAVE AND MAJOR MEDICAL LEAVE

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

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at June 30, 2016, and the reported amounts of additions to and deductions from net position during the year then ended. Actual results could differ from those estimates.

NEW GASB PRONOUNCEMENT

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 provides hierarchical guidance for determining a fair value measurement for assets and liabilities for financial reporting purposes and also provides guidance for required disclosures related to fair value measurements and is effective for the System's fiscal year ending June 30, 2016. Effective for fiscal year 2016, the System is presenting an early implementation of GASB Statement No. 82, *Pension Issues - an amendment of GASB Statement No. 67, No. 68, and No. 73*.

Note 3: Cash, Cash Equivalents, and Investments

LEGAL PROVISIONS

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

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

- Pooled or commingled real estate funds or real estate securities managed by a corporate trustee or by a US Securities and Exchange Commission-registered investment advisory firm retained as an investment manager by the Board of Trustees of the System; and

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

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

Miss. Code Ann. § 25-11-121 (1972, as amended) requires the System's Board of Trustees to determine the degree of collateralization necessary for both foreign and domestic demand deposits in addition to that which is guaranteed by federal insurance programs. These statutes also require that, when possible, the types of collateral securing deposits be limited to securities in which the System itself may invest. The Board of Trustees has established a policy to require collateral equal to at least 100.0 percent of the amount on deposit in excess of that which is guaranteed by federal insurance programs to the credit of the System for domestic demand deposit accounts. No collateral is required for foreign demand deposit accounts, and at June 30, 2016, the System had no deposits in foreign demand deposit accounts.

In accordance with the System's investment policy, the System's investment consultant conducts periodic asset/liability allocation studies that include consideration of projected future liabilities of the System, expected risk, return and correlations for various asset classes, and the System's statutory investment restrictions. Asset allocation studies are performed every five years, or more frequently should significant liability changes occur. A strategic long-term asset allocation is adopted by the Board of Trustees in conjunction with the study. The Investment Committee of the Board of Trustees evaluates the actual investment allocation quarterly and may propose periodic adjustments to the System's strategic long-term asset allocation based on the investment consultant's recommendations, market conditions, and internal investment analysis. The following table shows the Board's asset allocation policy applicable for fiscal year 2016:

ASSET CLASS	TARGET ALLOCATION
EQUITIES: DOMESTIC	27.0%
EQUITIES: GLOBAL	12.0
EQUITIES: INTERNATIONAL	22.0
TOTAL OF ALL EQUITIES	**61.0%**
DEBT SECURITIES	20.0
REAL ESTATE	10.0
PRIVATE EQUITY	8.0
CASH & EQUIVALENTS	1.0

CASH AND CASH EQUIVALENTS

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

The amount of the System's total cash and cash equivalents at June 30, 2016, was $820,706,000. Cash deposits in bank accounts totaled $968,000, which were covered by federal deposit insurance. At June 30, 2016, the System held $819,738,000 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, 2016.

INVESTMENTS

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

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

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

In previous years, PERS invested in both private equity and absolute return investments. In fiscal year 2014, absolute return was removed from the asset allocation policy and private equity was increased to 8.0 percent. No changes have been made to the asset allocation policy for fiscal year 2016.

The annual money-weighted rate of return on the System's investments is 0.69 percent. A money-weighted rate of return expresses investment performance, which is net of investment expense and is adjusted for the changing amounts actually invested. Investment expense is measured on the accrual basis of accounting, with inputs to the internal rate of return calculation determined monthly.

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

The following table presents the fair value of investments by type at June 30, 2016 (in thousands):

INVESTMENT TYPE	FAIR VALUE
INTERNATIONAL CURRENCY	$27,663
REPURCHASE AGREEMENTS	380,412
COMMERCIAL PAPER	84,139
SHORT-TERM COLLATERALIZED MORTGAGE OBLIGATIONS	174
SHORT-TERM US CORPORATE BONDS	26,864
SHORT-TERM US GOVERNMENT AGENCY OBLIGATIONS	57,243
SHORT-TERM US TREASURY OBLIGATIONS	11,690
US GOVERNMENT AGENCY OBLIGATIONS	29,851
US TREASURY OBLIGATIONS	723,933
COLLATERALIZED MORTGAGE OBLIGATIONS	621,344
US CORPORATE BONDS	2,179,490
NON-US CORPORATE BONDS	925,217
MORTGAGE PASS-THROUGHS	524,149
STATE & LOCAL OBLIGATIONS	47,629
ASSET-BACKED SECURITIES	1,809,959
YANKEE/GLOBAL BONDS	17,838
SOVEREIGN GOVERNMENTS DEBT	1,063,637
DOMESTIC EQUITY SECURITIES	8,932,432
INTERNATIONAL EQUITY SECURITIES	5,682,147
REAL ESTATE	2,593,987
PRIVATE EQUITY	1,518,728
TOTAL	**$27,258,526**

CUSTODIAL CREDIT RISK

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

Of the defined benefit pension funds' $27.3 billion in investments, including securities lending, at June 30, 2016, $3.8 billion were exposed to custodial credit risk. These are cash collateral reinvestment securities held in the name of the custodian who acquired them as the lending agent/counterparty, and the securities on loan for securities collateral that is held in the name of the lending agent. This is consistent with the System's securities lending agreement in place with the custodian.

The fair value of cash collateral securities purchased and the underlying securities on non-cash loans as of June 30, 2016, are presented by type below (in thousands):

CASH COLLATERAL SECURITIES	FAIR VALUE
COMMERCIAL PAPER	$84,139
REPURCHASE AGREEMENTS	242,627
CORPORATE BONDS	1,372,838
ASSET-BACKED SECURITIES	1,620,508
SUBTOTAL	**3,320,112**
UNDERLYING SECURITIES ON NON-CASH LOANS	
DEBT SECURITIES	20,412
EQUITIES	464,353
REITS	4,812
SUBTOTAL	**489,577**
TOTAL	**$3,809,689**

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates on securities will adversely affect the fair value of an investment. As of June 30, 2016, the System had the following debt security investments and maturities:

INVESTMENT TYPE	FAIR VALUE (IN THOUSANDS)	INVESTMENT MATURITIES (IN YEARS)			
		LESS THAN 1	1-5	6-10	MORE THAN 10
ASSET-BACKED SECURITIES	$1,809,959	$1,706,751	$27,674	$28,404	$47,130
COLLATERALIZED MORTGAGE OBLIGATIONS	621,518	196,539	12,517	8,815	403,647
COMMERCIAL PAPER	84,139	84,139	-	-	-
CORPORATE BONDS	3,131,571	976,716	1,226,942	544,250	383,663
MORTGAGE PASS-THROUGHS	524,149	4	718	5,884	517,543
REPURCHASE AGREEMENTS	380,412	380,412	-	-	-
SOVEREIGN GOVERNMENTS DEBT	1,063,637	16,814	323,832	446,967	276,024
STATE & LOCAL OBLIGATIONS	47,629	-	15,163	837	31,629
US GOVERNMENT AGENCY OBLIGATIONS	87,094	57,242	15,265	413	14,174
US TREASURY OBLIGATIONS	735,623	21,803	270,183	176,503	267,134
YANKEE/GLOBAL BONDS	17,838	466	7,938	6,146	3,288
TOTALS	**$8,503,569**	**$3,440,886**	**$1,900,232**	**$1,218,219**	**$1,944,232**

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

Miss. Code Ann. § 25-11-121 (1972, as amended) provides for the acquisition of derivative instruments by the System. The System adopted a formal derivatives policy in February 1996 with updates adopted in June 2005. During fiscal year 2016, 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 (IO) 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 $16.7 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 $621.5 million in CMOs at June 30, 2016. Of this amount, $173.8 million were tranches that are highly sensitive to future changes in interest rates. CMO residuals are prohibited under the System's derivatives policy.

Asset-backed securities (ABS) are bonds or notes backed by loan paper or accounts receivable and are originated by banks, credit card companies, or other credit providers. The originator of the loan or accounts receivable paper sells it to a specially created trust, which repackages it as securities. Similar to CMOs, asset-backed securities have been structured as pass-throughs and as structures with multiple bond classes. Of the $1.8 billion in ABS that the System held at June 30, 2016, $26.9 million are highly sensitive to changes in interest rates. ABS, which are leveraged structures or residual interests, are prohibited by the System's derivatives policy.

At June 30, 2016, the System had invested $524.2 million in mortgage pass-through securities issued by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. These investments are moderately sensitive to changes in interest rates because they are backed by mortgage loans in which the borrowers have the option of prepaying.

FOREIGN CURRENCY RISK

The System's exposure to foreign currency risk at June 30, 2016, was as follows (in thousands):

CURRENCY	CASH & EQUIVALENTS	EQUITIES & REITS	DEBT SECURITIES	TOTAL FAIR VALUE	PERCENT
AUSTRALIAN DOLLAR	$(144,885)	$256,135	$19,106	$130,356	3.97%
BRAZIL REAL	(21,443)	98,038	25,196	101,791	3.10
CANADIAN DOLLAR	(74,730)	105,251	53,650	84,171	2.56
CHILEAN PESO	(114)	2,636	-	2,522	0.08
CHINESE YUAN RENMINBI	(12,000)	-	-	(12,000)	(0.37)
COLOMBIAN PESO	(1,259)	248	4,125	3,114	0.09
CZECH KORUNA	-	176	-	176	0.01
DANISH KRONE	(33,438)	94,707	-	61,269	1.87
EURO CURRENCY UNIT	(830,961)	1,045,131	314,074	528,244	16.08
HONG KONG DOLLAR	(52,068)	330,147	-	278,079	8.47
HUNGARIAN FORINT	22	12,566	-	12,588	0.38
INDIAN RUPEE	4,515	93,086	-	97,601	2.97
INDONESIAN RUPIAH	125	68,094	-	68,219	2.08
ISRAELI SHEKEL	(10,571)	14,397	-	3,826	0.12
JAPANESE YEN	(543,604)	893,933	135,893	486,222	14.80
MALAYSIAN RINGGIT	(612)	28,512	-	27,900	0.85
MEXICAN NEW PESO	(57,592)	60,307	78,713	81,428	2.48
NEW TAIWAN DOLLAR	(8,946)	134,346	-	125,400	3.82
NEW ZEALAND DOLLAR	(13,335)	27,419	1,485	15,569	0.47
NORWEGIAN KRONE	(11,008)	22,424	-	11,416	0.35
PAKISTAN RUPEE	113	16,337	-	16,450	0.50
PERUVIAN NUEVO SOL	(2,021)	-	2,393	372	0.01
PHILIPPINES PESO	307	16,955	5,019	22,281	0.68
POLISH ZLOTY	(1,111)	6,956	1,240	7,085	0.22
POUND STERLING	(396,828)	755,319	56,949	415,440	12.65
QATARI RIYAL	87	2,061	-	2,148	0.07
RUSSIAN RUBLE (NEW)	4,613	-	-	4,613	0.14
SINGAPORE DOLLAR	(40,612)	76,236	-	35,624	1.08
SOUTH AFRICAN RAND	3,531	104,169	-	107,700	3.28
SOUTH KOREAN WON	(9,037)	254,658	2,179	247,800	7.54
SWEDISH KRONA	(44,376)	139,449	1,998	97,071	2.95
SWISS FRANC	(160,024)	290,707	-	130,683	3.98
THAILAND BAHT	-	32,829	-	32,829	1.00
TURKISH LIRA	316	52,640	1,561	54,517	1.66
UAE DIRHAM	28	1,851	-	1,879	0.06
TOTALS	**($2,456,918)**	**$5,037,720**	**$703,581**	**$3,284,383**	**100.00%**

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

CREDIT RISK

The System's exposure to credit risk as of June 30, 2016, was as follows:

EXPOSURE TO CREDIT RISK

- JUNE 30, 2016 -

[in thousands]

	QUALITY RATINGS AT FAIR VALUE								
INVESTMENT TYPE	AAA	AA	A	BAA	BA	BBB	BB	B	CA
ASSET-BACKED SECURITIES	$1,685,390	$16,842	$54,553	$9,610	$580	$9,154	$8,781	$5,495	$3
COLLATERALIZED MORTGAGE OBLIGATIONS	200,645	208,232	35,996	30,805	5,347	37,652	17,382	28,381	1,102
COMMERCIAL PAPER	-	-	84,139	-	-	-	-	-	-
CORPORATE BONDS	65,193	627,726	1,029,350	613,123	260,422	247,935	93,410	172,958	-
MORTGAGE PASS-THROUGHS	-	414,577	-	-	-	-	-	-	-
REPURCHASE AGREEMENTS	-	329,711	-	-	-	-	-	-	-
SOVEREIGN GOVERNMENTS DEBT	153,476	68,967	244,260	193,482	141,087	47,142	57,295	125,453	-
STATE & LOCAL OBLIGATIONS	639	21,335	22,579	431	1,283	1,362	-	-	-
US GOVERNMENT AGENCY OBLIGATIONS	2,026	85,068	-	-	-	-	-	-	-
YANKEE/GLOBAL BONDS	11,340	-	989	3,207	-	-	-	-	-
TOTALS	**$2,118,709**	**$1,772,458**	**$1,471,866**	**$850,658**	**$408,719**	**$343,245**	**$176,868**	**$332,287**	**$1,105**

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

EXPOSURE TO CREDIT RISK (CONTINUED)
- JUNE 30, 2016 -

[in thousands]

	QUALITY RATINGS AT FAIR VALUE							
	CAA	CCC	CC	C	D	NR**	WD***	TOTAL
ASSET-BACKED SECURITIES	$-	$6,570	$-	$17	$-	$12,964	$-	$1,809,959
COLLATERALIZED MORTGAGE OBLIGATIONS	3,920	4,098	125	-	12,106	35,599	1 28	621,518
COMMERCIAL PAPER	-	-	-	-	-	-	-	84,139
CORPORATE BONDS	15,108	6,343	-	-	3	-	-	3,131,571
MORTGAGE PASS-THROUGHS	-	-	-	-	-	-	-	414,577
REPURCHASE AGREEMENTS	-	-	-	-	-	50,701	-	380,412
SOVEREIGN GOVERNMENTS DEBT	22,774	-	-	-	-	3,931	5,770	1,063,637
STATE & LOCAL OBLIGATIONS	-	-	-	-	-	-	-	47,629
US GOVERNMENT AGENCY OBLIGATIONS	-	-	-	-	-	-	-	87,094
YANKEE/GLOBAL BONDS	-	-	-	-	-	2,302	-	17,838
TOTALS	**$41,802**	**$17,011**	**$125**	**$17**	**$12,109**	**$105,497**	**$5,898**	**$7,658,374***

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

Short-term US Treasury obligations	*$11,690*
US Treasury obligations	*723,933*
GNMA mortgage pass-throughs	*109,572*
TOTAL	*$845,195*

***Not publicly rated*
**** Withdrawn*

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

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

INVESTMENT DERIVATIVES

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

The following table presents the investment derivative instruments outstanding as of June 30, 2016 (in thousands), as reported in the System's Statement of Fiduciary Net Position:

	CHANGES IN FAIR VALUE		FAIR VALUE AT JUNE 30, 2016			
	CLASSIFICATION	AMOUNT	CLASSIFICATION	AMOUNT	NOTIONAL	
FOREIGN CURRENCY FORWARDS	Investment Income	$(5,052)	Investment	$(5,052)	$(197,906)	AUD
FOREIGN CURRENCY FORWARDS	Investment Income	(2,103)	Investment	(2,103)	(70,546)	BRL
FOREIGN CURRENCY FORWARDS	Investment Income	394	Investment	394	(98,040)	CAD
FOREIGN CURRENCY FORWARDS	Investment Income	(3,056)	Investment	(3,056)	(159,184)	CHF
FOREIGN CURRENCY FORWARDS	Investment Income	119	Investment	119	(79,904)	CNY
FOREIGN CURRENCY FORWARDS	Investment Income	(20)	Investment	(20)	(3,815,103)	COP
FOREIGN CURRENCY FORWARDS	Investment Income	180	Investment	180	(231,956)	DKK
FOREIGN CURRENCY FORWARDS	Investment Income	7,827	Investment	7,827	(735,457)	EUR
FOREIGN CURRENCY FORWARDS	Investment Income	36,444	Investment	36,444	(299,590)	GBP
FOREIGN CURRENCY FORWARDS	Investment Income	(43)	Investment	(43)	(420,867)	HKD
FOREIGN CURRENCY FORWARDS	Investment Income	(10)	Investment	(10)	(40,731)	ILS
FOREIGN CURRENCY FORWARDS	Investment Income	(17)	Investment	(17)	301,585	INR
FOREIGN CURRENCY FORWARDS	Investment Income	(40,819)	Investment	(40,819)	(56,141,403)	JPY
FOREIGN CURRENCY FORWARDS	Investment Income	5	Investment	5	(11,012,223)	KRW
FOREIGN CURRENCY FORWARDS	Investment Income	(336)	Investment	(336)	(1,157,307)	MXN
FOREIGN CURRENCY FORWARDS	Investment Income	357	Investment	357	(2,809)	MYR
FOREIGN CURRENCY FORWARDS	Investment Income	42	Investment	42	(95,088)	NOK
FOREIGN CURRENCY FORWARDS	Investment Income	(553)	Investment	(553)	(19,004)	NZD
FOREIGN CURRENCY FORWARDS	Investment Income	(22)	Investment	(22)	(6,699)	PEN
FOREIGN CURRENCY FORWARDS	Investment Income	30	Investment	30	(4,518)	PLN
FOREIGN CURRENCY FORWARDS	Investment Income	83	Investment	83	294,256	RUB
FOREIGN CURRENCY FORWARDS	Investment Income	963	Investment	963	(377,682)	SEK
FOREIGN CURRENCY FORWARDS	Investment Income	(757)	Investment	(757)	(55,188)	SGD
FOREIGN CURRENCY FORWARDS	Investment Income	109	Investment	109	269	TRY
FOREIGN CURRENCY FORWARDS	Investment Income	(177)	Investment	(177)	(291,170)	TWD
FOREIGN CURRENCY FORWARDS	Investment Income	110	Investment	110	49,845	ZAR
TBA SECURITIES	Investment Income	$1,235	Debt securities	$232,942	$221,966	

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, 2016, the counterparties of the foreign currency forwards primarily had short-term credit ratings of A as rated by the nationally recognized statistical rating organizations. PERS' general policy requires that the counterparty has a long-term credit rating of A or better and a short-term credit rating of A1/P1 at a minimum. More specifically, the System's policy requires that all over-the-counter derivatives be rated AA or better by the nationally recognized statistical rating organizations. The counterparties of the to-be-announced securities (TBA) were primarily rated A by the nationally recognized statistical rating organizations.

INVESTMENT DERIVATIVES FOREIGN CURRENCY RISK

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

INVESTMENT DERIVATIVES INTEREST RATE RISK

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

COMMITMENTS

As of June 30, 2016, 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, 2016, the total fair value of the commingled real estate portfolio was approximately $1.75 billion. The closed-end real estate funds, timber fund, and private equity fund investments are all 10- to 12-year commitments. These funds have limited liquidity due to their long investment time horizon, but will make periodic distributions throughout the term of the investment as assets are sold. As of June 30, 2016, the fair value of these investments totaled $1.8 billion.

As of June 30, 2016, PERS had the following outstanding investment commitments (in thousands):

	COMMITTED CAPITAL	CAPITAL CONTRIBUTED NET OF RECALLABLE DISTRIBUTIONS	OUTSTANDING
REAL ESTATE	$700,000	$457,033	$242,967
PRIVATE EQUITY	3,850,000	1,541,939	$2,308,061
TOTALS	**$4,550,000**	**$1,998,972**	**$2,551,028**

FAIR VALUE MEASUREMENTS

The System categorizes its fair value measurements within the fair value hierarchy established by GASB Statement 72. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GASB Statement No. 72, *Fair Value Measurement and Application*, focuses on the exit price in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. GASB establishes a fair value reporting hierarchy to maximize the use of observable inputs when measuring fair value and defines the three levels of inputs as noted below:

- Level 1 – Assets or liabilities for which the identical item is traded on an active exchange, such as publicly-traded instruments or futures contracts.
- Level 2 – Assets and liabilities valued based on observable market data for similar instruments. Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for assets and liabilities, either directly or indirectly.
- Level 3 – Assets or liabilities for which significant valuation assumptions are not readily observable in the market and instruments, which are valued based on the best available data. Fair value is estimated using unobservable inputs that are significant to the fair value of the assets or liabilities. Level 3 assets may include instruments for which the determination of fair value requires significant management judgment or estimation.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The System's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The System performed a detailed analysis of the assets and liabilities that are subject to GASB Statement 72 and has the following recurring fair value measurements as of June 30, 2016:

INVESTMENTS BY FAIR VALUE LEVEL		QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Debt securities:				
COMMERCIAL PAPER	$84,139	$-	$84,139	$-
REPURCHASE AGREEMENTS	380,412	-	380,412	-
SHORT TERM COLLATERALIZED MORTGAGE OBLIGATIONS	174	-	174	-
SHORT TERM US CORPORATE BONDS	26,864	-	26,864	-
SHORT TERM US GOVERNMENT AGENCY OBLIGATIONS	57,243	-	57,243	-
SHORT TERM US TREASURY OBLIGATIONS	11,690	11,690	-	-
US GOVERNMENT AGENCY OBLIGATIONS	29,851	-	29,695	156
US TREASURY OBLIGATIONS	723,933	723,402	531	-
COLLATERALIZED MORTGAGE OBLIGATIONS	621,344	-	588,182	33,162
US CORPORATE BONDS	2,179,490	1,933	2,156,285	21,272
NON-US CORPORATE BONDS	925,217	-	925,217	-
MORTGAGE PASS-THROUGHS	524,149	-	524,149	-
STATE & LOCAL OBLIGATIONS	47,629	-	47,629	-
ASSET-BACKED SECURITIES	1,809,959	-	1,801,896	8,063
YANKEE/GLOBAL BONDS	17,838	-	17,838	-
SOVEREIGN GOVERNMENTS DEBT	1,063,637	-	1,063,637	-
TOTAL DEBT SECURITIES	**8,503,569**	**737,025**	**7,703,891**	**62,653**
Equity securities:				
BASIC MATERIALS	523,690	523,690	-	-
COMMUNICATIONS	1,749,305	1,749,305	-	-
CONSUMER, CYCLICAL	1,518,030	1,518,030	-	-
CONSUMER, NON-CYCLICAL	3,326,089	3,326,045	-	44
DIVERSIFIED	79,120	79,120	-	-
ENERGY	901,850	901,850	-	-
FINANCIAL	3,373,603	3,373,603	-	-
INDUSTRIAL	1,576,169	1,576,169	-	-
TECHNOLOGY	1,663,643	1,663,298	-	345
UTILITIES	427,366	427,366	-	-
OTHER	7,606	7,606	-	-
TOTAL EQUITY SECURITIES	**15,146,471**	**15,146,082**	**-**	**389**
TOTAL INVESTMENTS BY FAIR VALUE LEVEL	**23,650,040**	**$15,883,107**	**$7,703,891**	**$63,042**
Investments measured at the net asset value (NAV):				
REAL ESTATE FUNDS*	2,062,095			
PRIVATE EQUITY FUNDS	1,518,728			
TOTAL INVESTMENTS MEASURED AT NAV	**3,580,823**			
TOTAL INVESTMENTS MEASURED AT FAIR VALUE	**$27,230,863**			
Investment derivative instruments:				
FOREIGN EXCHANGE CONTRACTS (LIABILITIES)	$2,469,754			
TOTAL INVESTMENT DERIVATIVE INSTRUMENTS	**$2,469,754**			

**REITS, exchange traded investments, are reported in equity securities for this presentation.*

DEBT AND EQUITY

The System's debt and equity securities in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using a proprietary pricing source. The primary proprietary source utilizes continuous evaluations throughout the trading day based on factors such as dealer quotes and trades, trade execution data, and transaction reporting services. Along with market sources, relative credit information, observed market movements, and sector news is integrated and incorporated into evaluation pricing applications and models. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using a proprietary model that monitors structured product markets, interest rate movements, new issue information, and other pertinent data. Evaluations of tranches (non-volatile and volatile) are based on market modeling, trading, and pricing conventions. New issue features are analyzed on data such as pricing speed, spread, and volatility. Information is also solicited from outside sources including secondary dealers, portfolio managers and research analysts.

DERIVATIVE INSTRUMENTS

The System held derivative instruments in the form of U.S. Treasury strips, collateralized mortgage obligations, asset-backed securities, and currency conversions as of June 30, 2016.

REAL ESTATE

The System's real estate funds include open-end funds and closed–end limited partnerships that invest primarily in US commercial real estate. The fair values of these investments have been determined using the NAV per share (or its equivalent) of the System's ownership interest in the fund or partners' capital, as applicable. The governing document for each open-end real estate fund provides investors the ability to request the redemption of all or part of their fund investments. The funds resulting from an investor's redemption request are raised by the sale of underlying real estate investments held by the open-end fund. Closed-end real estate funds, governed by limited partnership agreements, do not contain provisions for limited partner redemptions on demand. Closed-end funds have a finite life or term, which is defined in the limited partnership agreement. Typically, real estate investments must be made within the first three to four years of the partnership's lifespan, and liquidated by the end of the 10th year. As underlying real estate investments are sold over the life of the closed-end fund, pro-rata distributions of the proceeds are made to each partner in the fund partnership. The standard liquidation period of 10 years with the option of two one-year extensions applies to the one percent of the total portfolio invested in closed-end funds.

PRIVATE EQUITY

The System's private equity investments consist of two fund-of-funds (FOF) limited partnerships that invest in multiple private equity funds on behalf of the System. Private equity funds invest primarily in non-public companies whose prices are not quoted on a stock exchange; therefore, these investments are typically illiquid in nature. The System's ownership in the underlying private equity funds consists of limited partnership interests. Because these partnership interests are illiquid, the System's investments cannot be redeemed on demand. Instead pro-rata distributions are received through the liquidation of the assets of the underlying partnerships. Based on the terms of each limited partnership within the System's FOFs, all partnership assets should be liquidated over the 10-to-12-year life of the individual partnership.

As of June 30, 2016, it is probable that all of the System's private equity underlying investments will be sold at an amount different from the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. Therefore, the fair values of these underlying investments have been determined using recent observable transaction information for similar investments and non-binding bids received from potential buyers of the investments of each partnership. As of June 30, 2016, a buyer (or buyers) for these investments has not yet been identified. Each underlying private equity fund's general partner has full discretion for the disposition of each partnership investment. The general partner is solely responsible for determining the most appropriate timing for the sale of each investment and the best exit strategy to utilize. In addition, the general partner is responsible for identifying all buyers and approving all sale transactions of partnership investments.

Investments measured at the NAV (in thousands):

	FAIR VALUE	UNFUNDED COMMITMENTS	REDEMPTION FREQUENCY (IF CURRENTLY ELIGIBLE)	REDEMPTION NOTICE PERIOD
Real Estate Funds:				
CORE - OPEN END	$1,750,047	$-	Quarterly	45-90 days
VALUE ADDED - CLOSED END	213,764	242,967	N/A	10-12 years
TIMBER	98,284	-	Various*	Various*
TOTAL REAL ESTATE	**2,062,095**	**242,967**		
Private Equity Funds:				
DIVERSIFIED	1,518,728	2,308,061	10-12 years	N/A
TOTAL PRIVATE EQUITY	**1,518,728**	**2,308,061**		
TOTAL INVESTMENTS MEASURED AT NAV	**$3,580,823**	**$2,551,028**		

**Based on partnership agreement terms.*

SECURITIES LENDING TRANSACTIONS

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

The Board of Trustees has authorized the System to lend its securities to broker-dealers with a simultaneous agreement to return the collateral for the same securities in the future. The System's custodian, pursuant to a written agreement, is permitted to lend all long-term securities to authorized broker-dealers subject to the receipt of acceptable collateral. The System lends securities for collateral in the form of either cash or other securities. The types of securities on loan at June 30, 2016, are long-term US government and agency obligations, corporate bonds, REITs, and domestic and international equities. The contractual agreement with the System's custodian provides indemnification in the event the borrower fails to return the securities lent or fails to pay the System income distributions by the securities' issuers while the securities are on loan. There have been no significant violations of the provisions of the agreement during the period of these financial statements.

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

Effective October 1, 2013, 110.0 percent collateral is required from the borrowers for non-cash loans. The System cannot pledge, lend, or sell securities received as collateral unless the borrower defaults. As such, these securities are not presented on the Statement of Fiduciary Net Position. Authorized securities' collateral includes US and non-US government debt obligations and securities, supranational debt obligations, US and non-US equity securities listed on specified indices, US and non-US corporate bonds, and convertible securities. Equities were held as collateral on the non-cash loans as of June 30, 2016.

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 two days at June 30, 2016. Cash collateral was invested in repurchase agreements, corporate bonds, and asset-backed securities at June 30, 2016. The weighted average effective duration and the weighted average maturity of all collateral investments at June 30, 2016, were 28 days.

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

Securities lent at year-end for cash and non-cash collateral are presented by type. There were $489,577,000 securities lent for securities collateral as of June 30, 2016. The investments purchased with the cash collateral are presented in the discussion of custodial credit risk, since the custodian, as agent, is the counterparty in acquiring these securities in a separate account for the System. The securities lent for securities collateral are also presented for exposure to custodial credit risk since the related collateral is acquired and held by the agent, not in the System's name.

The following table details the net income from securities lending for the year ended June 30, 2016 (in thousands):

	PERS	MHSPRS	MRS	SLRP	TOTAL
INTEREST INCOME	$22,694	$296	$147	$15	$23,152
NET APPRECIATION	1,706	22	11	1	1,740
INCOME FROM SECURITIES LENDING	**24,400**	**318**	**158**	**16**	**24,892**
Less:					
INTEREST EXPENSE	2,319	30	15	2	2,366
PROGRAM FEES	3,035	40	20	2	3,097
EXPENSES FROM SECURITIES LENDING	**5,354**	**70**	**35**	**4**	**5,463**
NET INCOME FROM SECURITIES LENDING	**$19,046**	**$248**	**$123**	**$12**	**$19,429**

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

On the Statement of Fiduciary Net Position, securities lending total assets with related accrued interest are $3,322,858,000, and total liabilities with accrued expenses are $3,319,627,000. These two amounts do not equal at June 30, 2016. The difference of $3,231,000 is due to the collateral investment fund's market appreciation, agent lender fees, and earnings receivable until the final distribution takes place the following month.

The following table presents the fair values of the underlying securities and the value of the collateral pledged at June 30, 2016 (in thousands):

SECURITIES LENT	FAIR VALUE*	COLLATERAL RECEIVED
Lent for Cash Collateral:		
DEBT SECURITIES	$566,508	$578,756
EQUITIES	2,542,378	2,578,382
REITS	159,192	161,568
SUBTOTAL	**3,268,078**	**3,318,706**
Lent for Securities Collateral:		
DEBT SECURITIES	20,412	22,370
EQUITIES	464,353	520,542
REITS	4,812	5,492
SUBTOTAL	**489,577**	**548,404**
TOTAL SECURITIES LENT	**$3,757,655**	**$3,867,110**

**The fair values of the underlying securities loaned for cash and securities collateral includes accrued income and expenses.*

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, 2016, were $270,680.

Note 4: Capital Assets

The following table shows amounts for capital assets as of June 30, 2016 (in thousands):

DESCRIPTION	AMOUNT
LAND	$508
BUILDING	18,778
FURNITURE & EQUIPMENT	2,251
CONSTRUCTION IN PROGRESS	21,568
TOTAL CAPITAL ASSETS	**43,105**
Less Accumulated Depreciation:	
BUILDING	5,848
FURNITURE & EQUIPMENT	2,117
TOTAL ACCUMULATED DEPRECIATION	**7,965**
NET CAPITAL ASSETS	**$35,140**

The System implemented a major project to build and deploy a new pension and benefits administration software solution, which became operational July 6, 2015. The total budgeted amount for the technology project is $30.8 million. At June 30, 2016, the remaining outstanding commitment related to this project approximated $3.5 million.

Note 5: Net Pension Liability of Employers

The following tables present the components of the liability of the employers, or net pension liability, to plan members for benefits provided through the System's cost-sharing and single employer defined benefit pension plans at June 30, 2016 (in thousands).

	PERS	MHSPRS	SLRP
TOTAL PENSION LIABILITY	$41,997,513	$494,101	$21,259
PLAN FIDUCIARY NET POSITION	$(24,135,016)	$(311,612)	$(15,768)
PLAN NET PENSION LIABILITY	$17,862,497	$182,489	$5,491
RATIO OF FIDUCIARY NET POSITION TO TOTAL PENSION LIABILITY	57.47%	63.07%	74.17%

SIGNIFICANT ASSUMPTIONS AND OTHER INPUTS

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions applied to all periods included in the measurement:

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

**Net of investment expense, including inflation*

An actuarial survey of the mortality, service, withdrawals, compensation experience of members, and valuation of assets and liabilities is performed annually to determine the actuarial soundness of the System. To validate that the assumptions recommended by the actuary are, in aggregate, reasonably related to actual experience, the System requests the actuary to conduct an experience investigation every other year. The actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the four-year period ending June 30, 2014. The experience report is dated May 4, 2015.

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

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

DISCOUNT RATE

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

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

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

NET PENSION LIABILITY	1% DECREASE (6.75%)	CURRENT DISCOUNT RATE (7.75%)	1% INCREASE (8.75%)
PERS	$22,903,726	$17,862,497	$13,679,911
MHSPRS	$242,996	$182,489	$132,273
SLRP	$7,701	$5,491	$3,604

Note 6: Contributions Required and Contributions Made

Policies for PERS, MHSPRS, and SLRP provide for employer and member contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Contribution rates for PERS, MHSPRS, and SLRP are established in accordance with actuarial contribution requirements determined through actuarial valuations and adopted by the Board of Trustees with respect to PERS and SLRP or the MHSPRS Administrative Board. Employer contribution rates consist of an amount for service cost; the amount estimated to finance benefits earned by current members during the year; and an amount for amortization of the unfunded actuarial accrued liability. For determining employer contribution rates, the actuary evaluates the assets of the plans based on a five-year smoothed expected return with 20.0 percent of a year's excess or shortfall of expected return recognized each year for five years. Contribution rates are determined using the entry age actuarial cost method and include provisions for an annual 3.0 percent cost-of-living increase calculated according to the terms of the respective plan.

Contribution policies for MRS provide for a property tax to be levied within each municipality and deductions from salaries of members at rates sufficient to make the plans actuarially sound. An actuarial valuation is performed annually, as of June 30, to determine the necessary rates. Mississippi statutes limit any increase in the property tax levy for employer pension contributions to one-half mill per year. Given this constraint on employer contribution increases and depending upon future experience, one or more of the closed plans under MRS will possibly be exhausted at some point in the future. Such an event would lead to at least a temporary reduction in benefits paid until the affected plan's cash flow position improved. Members covered by MRS are required to contribute varying amounts of their salary, depending on the actuarial soundness of their respective plans.

CONTRIBUTION RATES

	CONTRIBUTION RATES AS A PERCENT OF COVERED PAYROLL		
	MEMBER	EMPLOYER	OTHER
PERS	9.00%	15.75%	-
MHSPRS	7.25%	37.00%	13.30%*
MRS	7.00-10.00%	0.87-7.79 mills**	-
SLRP	3.00%	7.40%	-

**Additional fees*
***Based on assessed property values.*

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

Employer contributions for MHSPRS are augmented by certain additional fees. These amounts vary annually based on the level of activity. The amount collected as of June 30, 2016, was $2,742,836 for motor vehicle fees and $1,150,975 for driver's license reinstatement fees. An estimated $3,600,000, or 13.3 percent of payroll, was used to calculate the actuarially determined contributions for MHSPRS.

Administration of the System is financed from investment earnings. In addition, employers of MHSPRS, MRS, and SLRP contribute an administrative fee to the System equal to 2.0 percent of the plan's respective employer contributions. As of June 30, 2016, administrative fees were $217,230 from MHSPRS, $370,842 from MRS, and $10,277 from SLRP. ORP contributes administrative fees of 2.6 percent of covered wages for a total of $10,798,969.

LEGALLY REQUIRED RESERVES

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

Note 7: Retirement Plan of System Employees

PERS employees are members of the System. The payroll for PERS employees for the year ended June 30, 2016, was $7,106,000; the PERS total payroll expense was $9,469,000. System contributions for the years ended June 30, 2016, 2015, and 2014, were $1,122,000, $1,088,000, and $1,055,000, respectively. The contributions for 2016, 2015, and 2014 were each 100.0 percent of required contributions. Refer to Note 6 of the basic financial statements for more information regarding contributions made for fiscal year 2016. PERS contributions represent less than 1.0 percent of total contributions required for all participating employers.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY & RELATED RATIOS
- YEAR ENDED JUNE 30, 2016 -

[in thousands] [unaudited]

CHANGES IN THE NET PENSION LIABILITY	PERS			MHSPRS		
	2016	2015	2014	2016	2015	2014
Total pension liability						
SERVICE COST	$734,545	$673,626	$681,778	$6,858	$6,361	$6,461
INTEREST	3,032,131	2,867,679	2,754,573	35,869	34,503	33,396
DIFFERENCE BETWEEN ACTUAL AND EXPECTED EXPERIENCE	413,494	325,351	257,464	3,536	1,013	2,652
ASSUMPTION CHANGES	(66,606)	1,821,236	-	-	19,176	-
BENEFIT PAYMENTS	(2,367,709)	(2,219,240)	(2,099,843)	(29,913)	(28,909)	(28,220)
REFUNDS	(112,926)	(119,356)	(121,532)	(52)	(163)	(42)
NET CHANGE IN TOTAL PENSION LIABILITY	**1,632,929**	**3,349,296**	**1,472,440**	**16,298**	**31,981**	**14,247**
TOTAL PENSION LIABILITY - BEGINNING	**40,364,584**	**37,015,288**	**35,542,848**	**477,803**	**445,822**	**431,575**
TOTAL PENSION LIABILITY - ENDING (A)	**41,997,513**	**40,364,584**	**37,015,288**	**494,101**	**477,803**	**445,822**
Plan fiduciary net position						
CONTRIBUTIONS - EMPLOYER	$1,021,261	$996,478	$969,674	$14,755	$13,695	$13,500
CONTRIBUTIONS - MEMBER	572,574	557,909	549,528	2,128	1,938	1,963
NET INVESTMENT INCOME	130,900	827,666	3,905,728	1,704	10,812	51,575
BENEFIT PAYMENTS	(2,367,709)	(2,219,240)	(2,099,843)	(29,913)	(28,909)	(28,220)
REFUNDS	(112,926)	(119,356)	(121,532)	(52)	(163)	(42)
ADMINISTRATIVE EXPENSE	(15,166)	(13,523)	(12,837)	(217)	(198)	(200)
OTHER	(474)	(497)	(510)	-	-	-
NET CHANGE IN FIDUCIARY NET POSITION	**(771,540)**	**29,437**	**3,190,208**	**(11,595)**	**(2,825)**	**38,576**
PLAN FIDUCIARY NET POSITION - BEGINNING	**24,906,556**	**24,877,119**	**21,686,911**	**323,207**	**326,032**	**287,456**
PLAN FIDUCIARY NET POSITION - ENDING (B)	**24,135,016**	**24,906,556**	**24,877,119**	**311,612**	**323,207**	**326,032**
NET PENSION LIABILITY - ENDING (A-B)	**$17,862,497**	**$15,458,028**	**$12,138,169**	**$182,489**	**$154,596**	**$119,790**
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	**57.47%**	**61.70%**	**67.21%**	**63.07%**	**67.64%**	**73.13%**
COVERED PAYROLL	**$6,022,533**	**$5,904,827**	**$5,834,687**	**$27,380**	**$25,505**	**$25,554**
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	**296.59%**	**261.79%**	**208.03%**	**666.50%**	**606.14%**	**468.77%**

Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.
See notes to Required Supplementary Information.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY & RELATED RATIOS
(CONTINUED)

- YEAR ENDED JUNE 30, 2016 -

[in thousands] [unaudited]

CHANGES IN THE NET PENSION LIABILITY	SLRP		
	2016	2015	2014
Total pension liability			
SERVICE COST	$420	$406	$404
INTEREST	1,586	1,569	1,549
DIFFERENCE BETWEEN ACTUAL AND EXPECTED EXPERIENCE	(468)	(333)	(453)
ASSUMPTION CHANGES	(6)	588	-
BENEFIT PAYMENTS	(1,454)	(1,220)	(1,216)
REFUNDS	(32)	(37)	(22)
NET CHANGE IN TOTAL PENSION LIABILITY	**46**	**973**	**262**
TOTAL PENSION LIABILITY - BEGINNING	**21,213**	**20,240**	**19,978**
TOTAL PENSION LIABILITY - ENDING (A)	**21,259**	**21,213**	**20,240**
Plan fiduciary net position			
CONTRIBUTIONS - EMPLOYER	$514	$511	$514
CONTRIBUTIONS - MEMBER	208	207	208
NET INVESTMENT INCOME	86	552	2,605
BENEFIT PAYMENTS	(1,454)	(1,220)	(1,216)
REFUNDS	(32)	(37)	(22)
ADMINISTRATIVE EXPENSE	(10)	(10)	(10)
OTHER	-	-	-
NET CHANGE IN FIDUCIARY NET POSITION	**(688)**	**3**	**2,079**
PLAN FIDUCIARY NET POSITION - BEGINNING	**16,456**	**16,453**	**14,374**
PLAN FIDUCIARY NET POSITION - ENDING (B)	**15,768**	**16,456**	**16,453**
NET PENSION LIABILITY - ENDING (A-B)	**$5,491**	**$4,757**	**$3,787**
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	**74.17%**	**77.58%**	**81.29%**
COVERED PAYROLL	**$6,862**	**$6,861**	**$6,918**
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	**80.02%**	**69.33%**	**54.74%**

Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.
See notes to Required Supplementary Information.

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

[in thousands] [unaudited]

Public Employees' Retirement System	2016	2015	2014	2013	2012
ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION	$948,549	$930,010	$921,872	$835,321	$735,022
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	1,021,261	996,478	969,674	881,847	768,914
ANNUAL CONTRIBUTION DEFICIENCY (EXCESS)	$(72,712)	$(66,468)	$(47,802)	$(46,526)	$(33,892)
COVERED PAYROLL	$6,022,533	$5,904,827	$5,834,687	$5,823,578	$5,857,789
ACTUAL CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	16.96%	16.88%	16.62%	15.14%	13.13%
Mississippi Highway Safety Patrol Retirement System					
ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION	$14,025	$13,226	$13,595	$13,098	$12,257
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	14,755	13,695	13,500	13,366	12,044
ANNUAL CONTRIBUTION DEFICIENCY (EXCESS)	$(730)	$(469)	$95	$(268)	$213
COVERED PAYROLL	$27,380	$25,505	$25,554	$25,816	$25,670
ACTUAL CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	53.89%	53.70%	52.83%	51.77%	46.92%
Supplemental Legislative Retirement System					
ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION	$508	$508	$519	$509	$504
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	514	511	514	503	490
ANNUAL CONTRIBUTION DEFICIENCY (EXCESS)	$(6)	$(3)	$5	$6	$14
COVERED PAYROLL	$6,862	$6,861	$6,918	$6,695	$6,872
ACTUAL CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	7.49%	7.45%	7.43%	7.51%	7.13%

There are no nonemployer contributing entities in the plan reporting entity.
See notes to Required Supplementary Information.

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

[in thousands] [unaudited]

Public Employees' Retirement System	2011	2010	2009	2008	2007
ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION	$687,016	$699,824	$657,048	$636,546	$621,497
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	723,836	731,544	713,569	683,189	610,888
ANNUAL CONTRIBUTION DEFICIENCY (EXCESS)	$(36,820)	$(31,720)	$(56,521)	$(46,643)	$10,609
COVERED PAYROLL	$5,684,624	$5,763,556	$5,831,864	$5,544,705	$5,196,295
ACTUAL CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	12.73%	12.69%	12.24%	12.32%	11.76%
Mississippi Highway Safety Patrol Retirement System					
ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION	$11,385	$11,096	$11,668	$10,492	$10,023
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	11,494	12,598	12,274	12,409	10,616
ANNUAL CONTRIBUTION DEFICIENCY (EXCESS)	$(109)	$(1,502)	$(606)	$(1,917)	$(593)
COVERED PAYROLL	$24,872	$26,353	$26,390	$29,597	$27,037
ACTUAL CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	46.21%	47.80%	46.51%	41.93%	39.26%
Supplemental Legislative Retirement System					
ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION	$464	$452	$449	$436	$423
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	457	446	458	449	432
ANNUAL CONTRIBUTION DEFICIENCY (EXCESS)	$7	$6	$(9)	$(13)	$(9)
COVERED PAYROLL	$6,810	$6,605	$6,803	$6,753	$6,554
ACTUAL CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	6.71%	6.75%	6.73%	6.65%	6.59%

There are no nonemployer contributing entities in the plan reporting entity.
See notes to Required Supplementary Information.

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

[unaudited]

	2016	2015	2014
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	0.69%	3.05%	18.37%

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

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

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

Note 2: Schedule of Employer Contributions

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

PERS

Beginning in fiscal year 2007, the employer contribution rate increased from 10.75 percent in 0.55 percent increments until the target rate was met in fiscal year 2008. Use of the phased-in employer contribution rate increase resulted in an annual contribution deficit for fiscal year 2007. The purpose of the phased-in approach was to moderate the impact to the State of Mississippi of a contribution rate increase. A slight increase in the employer contribution rate was implemented in fiscal year 2010, from 11.85 percent to 12.00 percent. In fiscal year 2010, the actuary's recommended employer contribution rate was to increase from 12.00 percent to a projected 13.56 percent for fiscal year 2011. In lieu of the employer contribution rate increase, the member contribution rate was increased to 9.00 percent for fiscal year 2011, which produced a decrease in employer normal cost. The reduction in normal cost, coupled with favorable investment experience, resulted in a revised recommended employer contribution rate from 13.56 percent to 12.93 percent, which became effective January 1, 2012. The employer contribution rate increased in fiscal year 2013 to 14.26 percent and in fiscal year 2014, the Board implemented a revised funding policy aimed at stabilizing the employer contribution rate, which was set and remains at 15.75 percent.

MHSPRS

The employer contribution rate, previously 28.16 percent, was changed effective July 1, 2006, to 30.30 percent. The employee contribution rate was raised from 6.50 percent to 7.25 percent for fiscal year 2009. On January 1, 2012, the employer contribution rate increased to 35.21 percent and was raised to 37.00 percent effective July 1, 2012, where it remains. Motor vehicle and driver's license fees augment employer contributions. The amount varies each year depending on activity, with $3.9 million collected for fiscal year 2016. An actuarial contribution deficiency occurred for fiscal year 2012 due to a revision of the employer contribution rate. The change took place January 1, 2012, bringing the contribution rate from 30.30 percent to 35.21 percent and causing a deficiency of $213 thousand in actual contributions compared with the actuarially determined employer contribution. In 2014, a deficiency occurred due to actual contributions of motor vehicle fees, which amounted to $2.6 million, being lower than anticipated while estimated contributions were $3.6 million.

SLRP

The employer contribution rate, which was 6.33 percent, changed to 6.65 percent effective July 1, 2006. The contribution rate remained constant until January 1, 2012, when it was increased to 7.40. The employee contribution rate has remained at 3.00 percent. Small annual contribution deficiencies occurred in 2006 and yearly from 2010 to 2014. SLRP is a small plan with a relatively fixed number of members. Over the last 10-year period, both actuarially determined and actual employer contributions have generally trended upward.

Note 3: Schedule of Investment Returns

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

Note 4: Actuarial Assumptions

The information presented in the required supplementary schedules was used in the actuarial valuation for purposes of determining the actuarially determined contribution rates. The assumptions and methods used for the June 30, 2016, actuarial valuation were recommended by the actuary and adopted by the Board.

EFFECTS OF CURRENT YEAR CHANGES IN PLAN REQUIREMENTS

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

The following amendments were incorporated into the actuarial valuations:

- PERS
    - The valuation results are developed based upon the employer contribution rate of 15.75 percent of payroll, which has remained stable since fiscal year 2014.
    - Changes in actuarial assumptions and methods: Since the previous valuation of June 30, 2015, the assumed rate of interest credited to employee contributions has been changed from 3.5 percent to 2.0 percent.
    - There are no changes in plan provisions since the last valuation.
- MHSPRS
    - The valuation results are developed based upon the employer contribution rate of 37.0 percent of payroll, effective July 1, 2012.
    - Changes in actuarial assumptions and methods: Since the previous valuation, the assumed rate of interest credited to employee contributions has been changed from 3.5 percent to 2.0 percent.
    - There are no changes to benefit provisions since last valuation.
    - Due to Senate Bill No. 2659 enacted in 2004 and House Bill No. 1015 enacted on April 25, 2013, additional contributions are being made to the System and are expected to continue in the future. In the June 30, 2016 valuation report, the actuary increased the expected contributions from these sources from $3,600,000 to $3,700,000 based on actual monies received for the fiscal year ending June 30, 2016.
- SLRP
    - The valuation results are developed based upon the employer contribution rate of 7.40 percent of payroll, in effect since January 1, 2012.
    - Changes in actuarial assumptions and methods: Since the previous valuation, the assumed rate of interest credited to employee contributions has been changed from 3.5 percent to 2.0 percent.
    - There are no changes to benefit provisions since last valuation.

The actuarially determined contribution rates in the Schedules of Employer Contributions are calculated as of June 30 2014, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

	PERS	MHSPRS	SLRP
ACTUARIAL COST METHOD	Entry age	Entry age	Entry age
AMORTIZATION METHOD	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
REMAINING AMORTIZATION PERIOD	29.2 years	36.5 years	25.0 years
ASSET VALUATION METHOD	5-year Smoothed Market	5-year Smoothed Market	5-year Smoothed Market
Actuarial Assumptions:			
INVESTMENT RATE OF RETURN*	8.0%	8.0%	8.0%
PROJECTED SALARY INCREASES	4.25-19.5%	4.75-9.84%	4.25%
PRICE INFLATION RATES	3.50%	3.50%	3.50%

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

SCHEDULE 1
SCHEDULE OF ADMINISTRATIVE EXPENSES AND DEPRECIATION
- FOR THE YEAR ENDED JUNE 30, 2016 -

[in thousands]

ADMINISTRATIVE EXPENSE	AMOUNT
Personal Services:	
SALARIES & WAGES	$7,106
EMPLOYEE BENEFITS	2,363
TRAVEL & SUBSISTENCE	73
TOTAL PERSONAL SERVICES	**9,542**
Contractual Services:	
PROFESSIONAL SERVICES (SEE SCHEDULE 3)	1,875
DATA PROCESSING, COMMUNICATIONS, TRAINING, & LICENSING	1,129
NEW INFORMATION SYSTEM DEVELOPMENT	1,844
REPAIR & MAINTENANCE OF BUILDING & EQUIPMENT	146
UTILITIES	298
RENT OF BUILDING SPACE & OFFICE EQUIPMENT	154
BANK CHARGES	159
OTHER CONTRACTUAL SERVICES	98
SECURITY	87
JANITORIAL	79
INSURANCE	56
TOTAL CONTRACTUAL SERVICES	**5,925**
Commodities:	
OFFICE SUPPLIES & EXPENDABLE REPAIR PARTS	219
OFFICE EQUIPMENT (NOT CAPITALIZED)	53
PRINTING, BINDING, & PADDING	13
BUSINESS MEETING SUPPLIES	10
FUEL	2
TOTAL COMMODITIES	**297**
TOTAL ADMINISTRATIVE EXPENSES	**15,764**
Depreciation:	
FURNITURE & EQUIPMENT	133
BUILDING	376
TOTAL DEPRECIATION	**509**
TOTAL ADMINISTRATIVE EXPENSES & DEPRICIATION	**$16,273**

See accompanying independent auditors' report.

SCHEDULE 2

SCHEDULE OF MANAGERS' FEES, INVESTMENT GLOBAL OUT-OF-POCKET AND CUSTODIAL FEES, AND PROFESSIONAL SERVICE FEES

- FOR THE YEAR ENDED JUNE 30, 2016 -

[in thousands]

Investment Managers' Fees:	AMOUNT
EAGLE CAPITAL MANAGEMENT	$5,208
PRINCIPAL GLOBAL INVESTORS	4,596
UBS REALTY INVESTORS, LLC - CORE REAL ESTATE	3,775
J.P. MORGAN INVESTMENT MANAGEMENT, INC	3,074
EPOCH INVESTMENT PARTNERS, INC.	2,856
RIVERBRIDGE PARTNERS, LLC	2,697
THE BOSTON COMPANY ASSET MANAGEMENT, LLC	2,558
HARDING LOEVNER LP	2,453
WELLINGTON MANAGEMENT COMPANY, LLP - EMERGING MARKETS DEBT INVESTMENTS	2,407
LAZARD ASSET MANAGEMENT	2,376
ACADIAN ASSET MANAGEMENT, LLC	2,365
ARTISAN PARTNERS LP - MID CAP EQUITY	2,346
WELLINGTON MANAGEMENT COMPANY, LLP - MID CAP EQUITY	2,291
WEDGEWOOD PARTNERS, INC.	2,226
ARROWSTREET CAPITAL, LP	2,205
BAILLIE GIFFORD & COMPANY	1,998
WELLINGTON MANAGEMENT COMPANY, LLP - SMALL CAP EQUITY	1,889
MONDRIAN INVESTMENT PARTNERS, INC.	1,689
FIAM LLC	1,666
PACIFIC INVESTMENT MANAGEMENT COMPANY - GLOBAL	1,602
LONGVIEW PARTNERS LIMITED	1,570
ARTISAN PARTNERS LP - EMERGING MARKETS EQUITY	1,558
LOOMIS SAYLES & COMPANY, LP	1,520
ALLIANCEBERNSTEIN	1,499
UBS REALTY INVESTORS, LLC - VALUE ADDED REAL ESTATE	1,450
COHEN & STEERS CAPITAL MANAGEMENT	1,441
DIMENSIONAL FUND ADVISORS, INC - SMALL CAP EQUITY	1,412
PRUDENTIAL FIXED INCOME	1,249
HANCOCK TIMBER RESOURCE GROUP	1,239
DEUTSCHE ASSET & WEALTH MANAGEMENT	1,135
T.A. ASSOCIATES REALTY-FUND X	1,048
RUSSELL IMPLEMENTATION SERVICES, INC.	804
NS PARTNERS LTD	799
ABERDEEN ASSET MANAGEMENT	757
PACIFIC INVESTMENT MANAGEMENT COMPANY	747
DIMENSIONAL FUND ADVISORS, INC. - EAFE	729
BLACKROCK INSTITUTIONAL TRUST COMPANY, NA - EAFE	580

Investment Managers' Fees (Continued):	AMOUNT
FISHER INVESTMENTS	537
WESTBROOK PARTNERS - FUND X	487
JARISLOWSKY FRASER LTD.	471
AEW CAPITAL MANAGEMENT, LP - FUND VII	400
AEW CAPITAL MANAGEMENT, LP - FUND VI	360
ANGELO GORDON & COMPANY - FUND III	350
MARATHON - LONDON	288
NORTHERN TRUST GLOBAL INVESTMENT	261
T.A. ASSOCIATES REALTY-FUND XI	249
HEITMAN - FUND III	209
FAYEZ SAROFIM & COMPANY	205
BLACKROCK INSTITUTIONAL TRUST COMPANY, NA - DEBT INVESTMENTS	194
ANGELO GORDON & COMPANY - FUND IV	152
INVESCO	138
HEITMAN - FUND II	108
STATE STREET GLOBAL ADVISORS	98
ANGELO GORDON & COMPANY - FUND II	62
AEW CAPITAL MANAGEMENT, LP - FUND V	38
PRIVATE EQUITY MANAGERS: GCM GROSVENOR & PATHWAY CAPITAL MANAGEMENT	12,007
TOTAL MANAGERS' FEES	**$88,428**
Custodial & Global Out-Of-Pocket Fees:	
BANK OF NEW YORK MELLON	688
TOTAL MANAGERS' FEES, CUSTODIAL & OUT-OF-POCKETS FEES	**$89,116**
Securities Lending Fees:	
BANK OF NEW YORK MELLON	**$3,097**
Professional Service Fees:	
INVESTMENT MANAGEMENT CONSULTANT–CALLAN ASSOCIATES, INC.	$595
AUDIT–DEPARTMENT OF AUDIT; KPMG, LLP	443
ACTUARY–CAVANAUGH MACDONALD CONSULTING, LLC	288
MEDICAL FEES–CLINICS, LABS	191
LEGAL–STATE OF MISSISSIPPI, OFFICE OF THE ATTORNEY GENERAL; OTHER	158
LEGAL-OUTSIDE–CHAPMAN & CUTLER, LLP; ICE MILLER, LLP	33
GRAPHIC DESIGN–COMMUNICATION ARTS	35
MAILING SERVICES–POSTAGE SAVERS, INC.	33
VOTING SERVICES–VR ELECTION SERVICES	99
TOTAL PROFESSIONAL SERVICE FEES	**$1,875**

See accompanying independent auditors' report.

SCHEDULE 3
SCHEDULE OF INVESTMENTS DUE TO MRS FROM PERS
- JUNE 30, 2016 -

[in thousands]

	AMOUNT
Due To MRS:	
BILOXI MUNICIPAL	$4,950
BILOXI FIRE & POLICE	4,045
CLARKSDALE FIRE & POLICE	1,574
CLINTON FIRE & POLICE	8,477
COLUMBUS FIRE & POLICE	1,048
GREENVILLE FIRE & POLICE	3,226
GREENWOOD FIRE & POLICE	2,973
GULFPORT FIRE & POLICE	9,254
HATTIESBURG FIRE & POLICE	20,681
JACKSON FIRE & POLICE	56,020
LAUREL FIRE & POLICE	4,184
MCCOMB FIRE & POLICE	872
MERIDIAN MUNICIPAL	3,053
MERIDIAN FIRE & POLICE	8,135
NATCHEZ FIRE & POLICE	2,141
PASCAGOULA FIRE & POLICE	7,258
TUPELO FIRE & POLICE	5,533
VICKSBURG FIRE & POLICE	10,801
YAZOO CITY FIRE & POLICE	402
TOTAL INVESTMENTS DUE TO MRS	**$154,627**

See accompanying independent auditors' report.

SCHEDULE 4
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES—AGENCY FUND
- FOR THE YEAR ENDED JUNE 30, 2016 -

[in thousands]

FLEXIBLE BENEFITS CAFETERIA PLAN	BALANCE JUNE 30, 2015	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2016
Assets:				
CASH	$16	$67	$62	$21
TOTAL ASSETS	**$16**	**$67**	**$62**	**$21**
Liabilities:				
ACCOUNTS PAYABLE	$15	$-	$-	$15
FUNDS HELD FOR OTHERS	1	67	62	6
TOTAL LIABILITIES	**$16**	**$67**	**$62**	**$21**

See accompanying independent auditors' report.

Investment

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

Risk Controls

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

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

Fiscal Year 2016 Plan Overview

As of June 30, 2016, the System's portfolio value totaled $23.9 billion. The decline in value relative to the previous year's closing value of $24.7 billion was directly related to meager investment returns and cash outflows associated annual benefit payments. As is common in mature pension plans, the System's annual distributions again surpassed contributions made by employees and employers. For fiscal year 2016, contributions totaled $1.6 billion, while the System paid out approximately $2.4 billion to members and beneficiaries.

The asset allocation at year end, excluding investments purchased with securities lending cash collateral, was 60.8 percent public equities; 20.4 percent debt securities; 10.9 percent public and private real estate investments; 6.7 percent private equity, and 1.2 percent cash equivalents.

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

The System's securities lending program is managed by its custodial bank, BNY Mellon. This program generates ancillary income by lending securities from the System's portfolio to securities dealers in return for a premium payment on loans collateralized by securities and earnings generated by the investment of cash collateral. All cash loans are secured by the receipt of collateral valued at 102 or 105 percent of the value of the loaned security, while non-cash loans are collateralized at 110 percent. In fiscal year 2016, the securities lending program generated approximately $17.6 million* in additional revenue for the investment program.

In addition to the cash equivalent portfolio managed in-house, 40 firms managed 53 different investment portfolios for the System at year end. The chart on pages 92 and 93 identifies the investment firms and the percentage of the total portfolio each manages. Portfolio performance is monitored quarterly by the Board of Trustees with the assistance of Callan Associates.

\$17.6 million were the earnings distributed for the fiscal year; \$19.4 million was the reported net income as required by Governmental Accounting Standards Board Statement No. 28.

Fiscal Year 2016 Market Environment

Throughout fiscal year 2016, investors faced extreme market volatility resulting from the ongoing economic slowdown in China; gyrations in global oil prices; investor anxiety over interest rate policy changes, and the unexpected UK vote to leave the European Union, commonly referred to as "Brexit". Markets typically do no react positively to uncertainty and surprises, unfortunately for investors FY 2016 was a year of filled with both.

PUBLIC EQUITY

US equities began the fiscal year posting the first negative quarterly returns seen since 2012. In late August, China unexpectedly devalued the renminbi in an effort to halt the country's economic slowdown, just as Organization of the Petroleum Exporting Countries (OPEC) increased oil production levels, pushing energy prices to a 13-year low. Rattled by these moves and fearing a massive global slowdown, investors abandoned global equity markets for the relative safety of US Treasuries. For the quarter, the large cap Russell 1000 Index returned negative 6.83 percent, while the Russell Midcap and Russell 2000 Indices saw negative returns of 8.01 and 11.92 percent, respectively.

Outside the US, international equity markets also declined during the first quarter of the fiscal year. With continued anemic growth predicted for both Europe and Japan, news of slowing demand from China was especially disconcerting for investors. Representing almost 15 percent of the world economy, China accounted for the lion's share of the global demand for materials and commodity imports. Facing significant headwinds from China's transition to a consumer-driven economy, commodity producing markets were especially hard hit during the period. First quarter returns for the MSCI EAFE Index were negative 10.23 percent, while the broader MSCI All Country World IMI Index lost 9.59 percent, and the commodity producing countries focused, MSCI Emerging Markets Index, fell 17.90 percent.

December saw the Federal Reserve finally make the long-anticipated decision to raise interest rates by 25 basis points. Though the resulting dollar strengthening dampened US export demand, lower oil prices helped push returns into positive territory by the close of the quarter. For the period large cap US equity returns outpaced those of smaller cap issues as evidenced by the Russell 1000 Index 6.50 percent return, which topped both the 3.62 percent and 3.59 percent returns of the Russell Midcap and Russell 2000 Indices.

As the US made its initial move to increase interest rates, globally monetary policy makers chose to use a variety of approaches to attempt to jumpstart their individual economies. While the US raised rates, the European Central Bank extended its quantitative easing program for at least six months and cut interest rates by 10 basis points. In spite of the stronger dollar, US investors recouped some of the returns given up on their non-US investments during the first quarter of the year. In the second quarter, the Pacific region, led by Japan, experienced high single digit returns and European markets posted gains of 2.49 percent. Emerging markets impacted both by the US interest rate hike and slowing demand from China, eked out a scant 0.66 percent for the period. The MSCI EAFE Index returned 6.34 percent in local currency and 4.71 percent in US dollar terms during the second quarter, while the MSCI ACWI IMI Index, which includes developed markets, emerging markets, and US equity investments, saw returns of 4.91 percent.

In the third quarter of the fiscal year, investors experienced another challenging period. Equity markets initially slumped as oil prices dropped precipitously to $26 per barrel, only to recover back to $38 late in the period. As markets continued to react negatively to the second quarter US rate hike, the Chinese economy began to show encouraging signs of progress in response to its government's stimulus policies. In the US, investors saw the Russell 1000 Index return 1.17 percent for the quarter, outpacing the small cap Russell 2000 Index's negative 1.52 returns but lagging the Russell Midcap's return of 2.24 percent. Developed international markets represented by the MSCI EAFE Index, saw a negative 3.01 percent return for the quarter as both Japanese and European market returns moved into negative territory. Emerging market returns appeared to have finally bottomed out during the quarter with investors in the MSCI Emerging Markets Index earning a relatively attractive 5.71 percent.

As FY 2016 came to a close, markets were again affected by the outcome of a potentially far-reaching political vote in Europe. Just as investors breathed a sigh of relief over the Federal Open Market Committee's (FOMC) June decision to hold US interest rates steady, UK voters took the world by surprise as they voted to exit the European Union. Globally, market volatility spiked in reaction to the potential unraveling of the EU. Though US equity markets managed to recover some lost ground prior to quarter end, international equities were not so fortunate. The biggest positive for investors during the quarter was a reversal in the negative trajectory of oil prices, which had negatively weighed on investor sentiment throughout the year. The fourth quarter closed with prices rebounding to the $50 per barrel level.

US equity markets represented by the Russell 1000, Midcap, and 2000 Indices returned 2.54, 3.18, and 3.79 percent for the quarter, respectively. Impacted by the uncertainty generated by the Brexit vote, the MSCI EAFE Index lagged US markets losing 1.46 percent, while the MSCI Emerging Markets Index gained 0.66 percent to end the fiscal year on a slightly positive note.

FIXED INCOME

Unlike equities, the US fixed income markets benefited from investor fears triggered by China's renminbi devaluation and the drop in oil prices during the first quarter of FY 2016. Concerned by market volatility resulting from China's unexpected currency move, the Fed took no action to raise rates in September. Continued low inflation expectations and a global flight to quality resulted in non-Treasury spreads widening and the yield curve flattening during the period. Hurt by the fall in energy prices, high yield bonds represented by the Barclays Corporate High Yield Index began the year with a negative 4.86 percent return. For the quarter the broader, investment grade Barclays Aggregate Index gained 1.23 percent, slightly underperforming the Barclays Government Index return of 1.71 percent.

Outside the US, fixed income investors were similarly shaken by these economic events. The reaction in international markets was also a flight to higher quality investments, which resulted in a shift to sovereign issues at the expense of higher risk fixed income and equity allocations. The strong dollar dampened returns for US investors in non-dollar denominated debt. As a result, the unhedged Barclays Global Aggregate Index returned only 0.85 percent for the quarter. Facing a slowdown in exports to China, lower oil prices and the increasing likelihood of a Fed rate hike, JPM Emerging Markets Global Diversified Index posted a 1.71 percent loss for the period.

Late in the second quarter of the year, the decision to raise interest rates was approved by the FOMC. By the time the vote was announced, bond markets had already priced in the 25 basis point increase and foreign governments including China, Russia, and Taiwan had significantly reduced their holdings in US Treasuries. The rate move resulted in yields on the 10-year US Treasury increasing from 2.04 to 2.27 percent. Additionally, the increase resulted in every sector of the Barclay's Aggregate Index posting negative returns, resulting in the Index declining 0.57 percent for the quarter. Slow economic growth outside the US and the effect of declining oil prices resulted in the continued flattening of the US Treasury yield curve. Returns for high yield bonds were significantly affected by the Fed's decision as reflected by the Barclays Corporate High Yield Index 2.07 percent decline. Markets witnessed the continued spread of negative yields throughout Europe. By mid-year, approximately one third of outstanding sovereign debt carried negative interest rates.

The unhedged Barclays Global Aggregate Index lost 0.92 percent for the quarter. Meanwhile, a stronger dollar benefited the dollar-denominated JPM Emerging Markets Bonds Global Diversified Index, which posted a gain of 1.25 percent.

The previous quarter's US rate hike continued to affect markets as the third quarter saw the further flattening of the yield curve, and the 10-year Treasury yield slide to 1.77 percent. High yield bond returns began the quarter negative but then rebounded to close in positive territory. For the quarter, the Barclays High Yield Index gained 3.35 percent outpacing the 3.03 percent gains reported for the Barclays Aggregate Index.

The Bank of Japan continued to push rates lower in hopes of generating growth and reversing the effects of deflation on its economy. In Europe, the ECB joined the negative interest rate crowd, dropping rates below zero on its bonds and announcing that its asset purchase program would be increased to 80 billion Euros. The shift to negative rates resulted in an attractive 3.28 percent return for hedged Barclays Global Aggregate investors, while those invested in the JPM Emerging Market Bond Diversified Index gained 5.05 percent for the quarter.

As investors again resumed a flight to quality late in the closing quarter of the fiscal year, treasury yields tumbled, resulting in the US 10-year closing at a three-year low of 1.47 percent. Concerns over the market volatility resulting from the UK's Brexit referendum, caused the FOMC to again delay an additional rate hike. The unexpected outcome of the UK vote late in the fourth quarter rattled investors, triggering a shift to US Treasuries. Benefiting from the flight to higher quality investments, the Barclays Aggregate Index returned 2.21 percent for the quarter, while a rise in oil prices back to $50 per barrel helped the Barclays High Yield Index finish the quarter at 5.52 percent.

The Brexit vote resulted in yields moving lower in both Germany and Japan while the yield on UK 10-year bonds dropped 55 basis points immediately after the election results were announced. During the quarter, the dollar strengthened against the pound and euro, but closed weaker relative to the Japanese yen. For the period, the hedged Barclays Global Aggregate Index posted a 2.51 percent gain, while the JPM Emerging Markets Diversified Index closed the year with a strong return of 5.01 percent.

REAL ESTATE

With interest rates globally remaining far below 5.00 percent, investors again sought the yield advantage offered by both public and private real estate. The first quarter of FY 2016 saw almost $8 billion in commercial real estate transactions finalized as investors increased commitments to private real estate. This resulted in the broadly based NCREIF Property Index's 3.09 percent return for the quarter and the core real estate focused NFI-ODCE (value weighted) Index's 3.58 percent gain. In addition to private real estate, the attractive yields offered by the US public REIT market resulted in strong investor inflows during the first quarter. Far outpacing the general public equity market the FTSE NAREIT Index posted a 2.00 percent for the quarter. Due to the negative effect of currency, the international FTSE EPRA/NAREIT Developed REIT Index dropped 1.42 percent for the period.

The second quarter of FY 2016 saw both US and foreign investors continue to seek investment opportunities in US private real estate. This helped the NCREIF Property Index earn a quarterly return of just over 2.91 percent. Public REITS also experienced a strong quarter with the FTSE NAREIT and EPRA/NAREIT Developed REIT Indices posted some of the strongest returns of the year at 4.40 and 7.26 percent, respectively.

The second half of the fiscal year began with a decline in capital inflows to private real estate as many investors reached their target exposures to the asset class. While returns for the NCREIF Index declined slightly to 2.21 percent, the NFI-ODCE Index of core fund's 1.95 percent was its lowest quarterly return in six years. Though private real estate was slowing, valuations in public real estate stocks continued to climb. For the third quarter the FTSE NAREIT Index rewarded investors with a solid 6.00 percent return, and global REIT investors profited as the FTSE EPRA/NAREIT Developed REIT Index gained 5.43 percent.

Though still relatively strong, real estate returns for the fourth quarter of FY 2016 were affected by the slowing of investor flows into the private real estate markets. For the quarter, the NCREIF Property Index earned 2.03 percent, while the NFI-ODCE (value weighted) Index saw its smallest quarterly increase since 2010, returning just 1.91 percent. Both in US and international markets, public real estate investments continued to see attractive returns as evidenced by the FTSE NAREIT Index returns of 6.96 percent. Though more affected by the surprise outcome of the Brexit vote, the FTSE EPRA/NAREIT Developed REIT Index still managed to achieve a healthy gain of 3.74 percent to close the fiscal year.

PRIVATE EQUITY

Private equity investments experienced only a slight decrease in capital flows during FY 2016 compared to those of the prior year. New commitments totaling more than $53 billion were made to 179 new private equity partnerships during the first quarter of the year. Buyouts outpaced other strategies with 42 funds in the space raising more than $1 billion each in new commitments. Venture capital funds saw a slight decline in commitments during the period. Mergers, acquisitions, and Initial Public Offering (IPO) issuance provided multiple private equity exit opportunities during the initial quarter of the year, resulting in strong distribution flows to investors. For the first quarter of fiscal year, the Standard and Poor's Thomson/Cambridge Private Equity Performance Database reported an internal rate of return of negative 1.03 percent for its All Private Equity Index. Though posting negative returns, private equity's small loss was relatively more attractive than the returns for public equity investments for the same period.

The second quarter saw a moderate but steady pipeline of new commitments that resulted in private equity funds closing on more than $59 billion of new capital during the period. Though dollar volume commitments increased, the number of new funds formed actually declined compared to the previous quarter. The Standard and Poor's Thomson/Cambridge All Private Equity Index's 2.12 percent internal rate of return showed an improvement over the negative return posted for the prior period.

The quarter ended March 31 saw US private equity commitments decline slightly overall, though venture capital experienced its strongest quarter of fundraising in more than 10 years, reaping nearly $9 billion in new commitments. Elevated volatility in the public equity markets during the quarter impacted IPO activity. As a result, only eight companies were brought to market during the third quarter in the US. The All Private Equity Index reported an internal rate of return of 0.81 percent for the period.

The fiscal year concluded with private equity experiencing a large increase in fund raising level relative to prior periods. During the quarter, 196 new partnerships were created with capital commitments in excess of $102 billion. Distressed debt and venture funds both saw significant increases in commitments. The asset class closed the year with the S&P Thomson/Cambridge All Private Equity Index posting a 2.13 percent internal rate of return.

Fiscal Year 2016 Portfolio Performance Overview

In a fiscal year that offered investors at best low single-digit returns across practically all public asset classes, PERS' return of 1.15 percent did not come as a surprise. Though disappointing on an absolute basis, the return exceeded both the System's customized Target Policy benchmark's 0.98 percent return and the 0.78 percent return of the median fund in the Callan Associates universe of Public Funds >$10 billion. The System's three-year total return of 7.44 percent matched the peer-universe median return of 7.47 percent, while the five-year return of 7.18 percent outpaced the returns of 70 percent of the funds in the peer universe. For the 10 years ended June 30, 2016, the portfolio returned 5.93 percent, outperforming the Target Policy benchmark return of 5.76 percent and the peer-universe median return of 5.83 percent.

The System's portfolio structure is designed to achieve success over the long term. While challenging events in the global financial markets often impact the portfolio's shorter term returns, over longer periods the System has been successful in achieving its assumed target return of 7.75 percent. This is evidenced by the 25- and 30-year returns of 7.91 and 8.19 percent, respectively.

SHORT-TERM PORTFOLIO

Cash flows generated by employee and employer contributions to the System and from ancillary income-generating activities, including securities lending and the System's commission recapture program, are invested by the System's investment staff. These assets are used to fund monthly benefits, refunds, and annual Cost-of-Living-Adjustment (COLA) payments. As interest rates at the short end of the yield curve remained near zero throughout the fiscal year, the return on the short-term investment program was a modest 0.2 percent. The cash portion of the accounts managed by external investment managers is invested in interest-earning cash equivalents. All short-term investments are made in accordance with state law and policies set by the Board of Trustees.

PUBLIC EQUITY PORTFOLIO

Though both the US and emerging market equity portfolios saw positive returns during the latter three quarters of FY 2016, in neither case was it enough to overcome the negative returns experienced in the initial period of the year. Even more challenged, the developed international equity portfolio posted negative returns in three of the four quarters of the year as economic events and monetary policy decisions in Europe and Japan heightened investor fear and market uncertainty. Globally, FY 2016 was another difficult year for public equity investors.

The System's domestic equity portfolio returned negative 0.37 percent for the fiscal year, underperforming the benchmark Russell 3000 Index return of 2.14 percent and ranking in the 70th percentile of the Callan Public Plan domestic equity universe. The developed international equity portfolio saw returns of negative 9.40 percent, which beat the benchmark MSCI EAFE Index return of negative 10.16 percent for the year. Global equities posted returns of negative 3.31 percent, exceeding the custom benchmark return of negative 3.72 percent. The emerging markets portfolio saw returns of negative 7.68 percent, which compared favorable to the benchmark MSCI Emerging Markets Index loss of 12.05 percent for the same period.

Combining all segments of the public equity portfolio, the program returned negative 3.31 percent for the fiscal year, slightly out pacing the negative 3.87 percent return of the benchmark MSCI All Country World Investable Markets Index (ACWI-IMI). The total public equity portfolio return for the three-year period ended June 30 was 7.00 percent, with the five-year return coming in at 7.32 percent. These gains also exceeded the benchmark ACW-IMI Index returns of 6.13 and 5.43 percent for the three- and five-year periods, respectively. For the 10 years ended June 30, the public equity portfolio's return of 5.58 percent exceeded the benchmark index return of 4.48.

As of June 30, the System had allocated 32.7 percent of the total portfolio to domestic equities; 15.4 percent to international developed markets; 4.8 percent to emerging markets; and 7.9 percent to global equities. Within the domestic equity portfolio 70.0 percent was invested in large; 18.0 percent in mid-, and 12.0 percent in small-capitalization securities.

DEBT PORTFOLIO

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

The total debt portfolio's 6.84 percent return for the year exceeded the benchmark Barclays Aggregate Index's performance by 0.84 percent. For the three- and five-year periods ended June 30, debt portfolio returns were 5.01 and 4.93 percent, also topping the Index's 4.06 and 3.76 percent returns for the same periods. The 10-year performance for the portfolio was 5.91 percent, while the Index returned 5.13 percent.

The System ended the year with 20.4 percent of the total portfolio invested in debt securities. The debt portfolio allocations consisted of 31.0 percent active and passive, core US mandates, 34.1 percent core-plus, and 24.5 percent hedged global bond strategies. The remaining 10.3 percent was invested in emerging market debt.

REAL ESTATE PORTFOLIO

At June 30, the real estate investment program consisting of investments in core and value-added real estate funds, timber, and public REITs was the System's best returning asset class. The total real estate portfolio returned 13.31 percent for the fiscal year, led by the public REIT and value-added fund returns. The portfolio outperformed its custom benchmark return of 10.64 percent. The longer term three-year return of 12.14 percent also exceeded the benchmark return of 11.61. The real estate portfolio's 11.30 percent five-year return narrowly topped the benchmark return of 11.21 percent, while the 10-year return of 5.20 percent slightly lagged the benchmark return of 5.33 percent.

The core real estate portfolio returned 11.83 percent for the year, beating the benchmark NFI-ODCE equal weighted Index return of 11.24 percent. Core real estate saw a three-year return of 12.30 percent, while the Index returned 12.08 for the same period. For the five years ended June 2016, the core real estate portfolio's return of 11.95 percent slightly exceeding the 11.70 percent return of the Index, while the 10-year return of 5.88 percent also outpaced the Index result of 4.98 percent.

The System's value-added real estate portfolio consisting of 11 limited partnerships posted a strong 17.22 percent return for the year to beat the benchmark NCREIF Property Index returns of 10.64 percent. For longer periods the program also saw strong returns posting three- and five-year gains of 15.24 and 14.96 percent, respectively. For the same periods the Index had returns of 11.61 and 11.51 percent.

The System's timber portfolio, comprised of both US and non-US timber investments, returned 7.42 percent, benefiting from increased demand derived from slight increases in the number of US housing starts. NCREIF Timberland Index returns for the same period were 3.49 percent. Longer term, the portfolio three-year return of 7.99 percent compared favorably to the 7.77 return of the NCREIF Timberlands Index, while the portfolio's five-year return of 5.75 percent lagged the Index return of 6.72.

The public REIT portfolio, comprised of both US and non-US REIT investments, returned a strong 17.57 percent for the year and 11.65 percent for three-year period ended June 30. The custom REIT portfolio benchmark returned 17.65 and 11.29 percent for the same periods. The five-year return of 10.30 percent slightly lagged the 10.51 percent return of the benchmark. Similarly, the portfolio's 10-year return of 5.37 percent lagged the benchmark return of 6.08 percent. The fiscal year ended with the combined public and private real estate portfolios representing 10.9 percent of the System's total investments.

PRIVATE EQUITY PORTFOLIO

The System's private equity program, consisting of four separate fund-of-fund limited partnership series, was launched in late 2008. As of June 30, 2016, the System's private equity capital commitments totaled $3.85 billion, with approximately $929 million of capital invested. The private equity portfolio was comprised of 150 partnership commitments, including buyouts, venture capital/growth, distressed opportunity, and special situation partnerships. On a time-weighted basis, the System's private equity investments returned 10.62 percent for the fiscal year, beating the S&P 500 Index+ 3 percent return benchmark by over 3.5 percent. The private equity program saw returns of 15.08 and 11.72 percent for the three- and five-year periods, while the benchmark returns were 14.69 and 15.93* percent for the same periods. As of June 30, private equity comprised approximately 6.7 percent of the System's total portfolio.

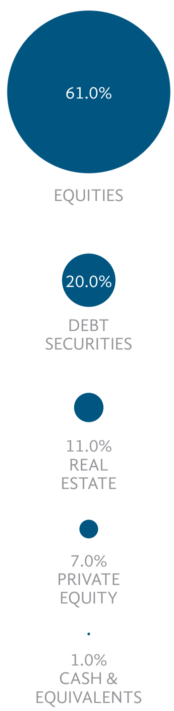
**prior to 2013 the private equity benchmark was the S&P 500 Index+5%*

Asset Allocation

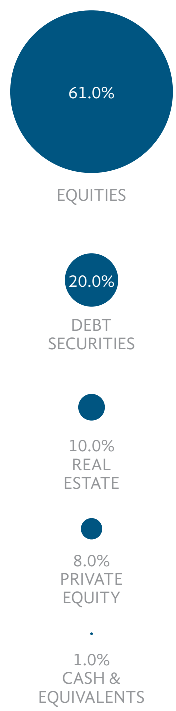
One of the most important decisions made by the Board of Trustees is that of determining the long-term asset allocation policy for the investment portfolio. The System's investment consultant conducts periodic asset/liability allocation studies that include consideration of projected future liabilities, expected risk, return, and correlations for various asset classes, and the System's statutory investment restrictions. In April 2013, the Board conducted an asset/liability study that resulted in the adoption of strategic asset allocations targets of 61 percent for public equities, which included 30.0 percent US equities, 16 percent non-US-developed, 6 percent emerging markets equities, and 9 percent global equities. The study also resulted in the adoption of a 20 percent target allocation for debt investments and a 1 percent allocation to cash equivalents. The real estate investment target remained at 10 percent, and the target allocation for private equity was increased from 5 to 8 percent.

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

DEFINED BENEFIT PLANS
ASSET ALLOCATION
AT FAIR VALUE
- JUNE 30, 2016 -



DEFINED BENEFIT PLANS
LONG-TERM TARGET
ASSET ALLOCATION
- JUNE 30, 2016 -



Investment Policies

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

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

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

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

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

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

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

Summary

The 12 months ending June 30, 2016, saw a series of unexpected events affect investor confidence and challenge the System's ability to reach its required return targets. Heightened market volatility like that seen throughout FY 2016 often causes less sophisticated investors to lose heart and abandon their strategic portfolio positioning at precisely the wrong time, resulting in those investors missing market recoveries and, instead, locking in losses.

Though being reactionary is tempting when returns are disappointing and public opinion turns sour, a disciplined investor's focus should not waiver from the long-term investment horizon. Recognizing the potential effect of uncertain economic conditions on markets and investment returns, observers might ask, "What is being done to ensure the financial soundness of the System?" The answer is, by design the pension's investment program has and will continue to focus on the long-term investment horizon.

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

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

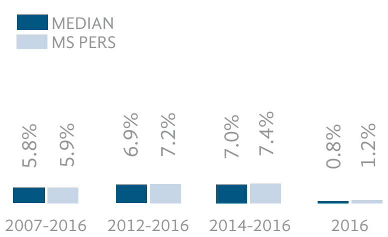
Defined Benefit Plans: PERFORMANCE SUMMARY

- FOR FISCAL YEAR ENDED JUNE 30, 2016 -

	CURRENT YEAR	ANNUALIZED 3-YEAR	ANNUALIZED 5-YEAR
Total Plans:			
MS PERS COMBINED RETURN*	1.2%	7.4%	7.2%
MS PERS POLICY TARGET RETURN	1.0	7.5	6.9
PUBLIC FUNDS >$10 BILLION MEDIAN	0.8	7.0	6.9
Debt Securities:			
DEBT SECURITIES MANAGERS COMPOSITE*	6.8	5.0	4.9
BARCLAYS AGGREGATE INDEX	6.0	4.1	3.8
FIXED INCOME CUSTOM BENCHMARK	6.5	4.5	4.2
Domestic Equity:			
DOMESTIC EQUITY MANAGERS COMPOSITE*	(0.4)	10.0	11.0
RUSSELL 3000 INDEX	2.1	11.1	11.6
DOMESTIC EQUITY CUSTOM BENCHMARK	1.5	10.7	11.3
International Equity:			
INTERNATIONAL EQUITY MANAGERS COMPOSITE*	(8.0)**	2.2	1.3
INTERNATIONAL EQUITY BENCHMARK	(9.6)	1.7	0.4
INTERNATIONAL EQUITY CUSTOM BENCHMARK	(9.6)	1.7	0.4
Global Equity:			
GLOBAL EQUITY MANAGERS COMPOSITE*	(3.3)	7.5	7.0
GLOBAL EQUITY BENCHMARK	(3.7)	6.0	5.7
Real Estate:			
COMMINGLED FUNDS AND REITS COMPOSITE*	13.3	12.1	11.3
REAL ESTATE BENCHMARK	10.6	11.6	11.2
Private Equity:			
PRIVATE EQUITY COMPOSITE*	10.6	15.1	11.7
PRIVATE EQUITY BENCHMARK	7.1	14.7	15.9

**Calculations for the System are prepared using a time-weighted rate of return methodology based upon market values.*
***Includes both developed and emerging market investments.*

LARGE PUBLIC PLANS* TOTAL PLANS: ANNUALIZED RATES OF RETURN



**Public funds >$10 billion median*

Defined Benefit Plans: NON-US INVESTMENTS BY COUNTRY

- FAIR VALUE AT JUNE 30, 2016 -

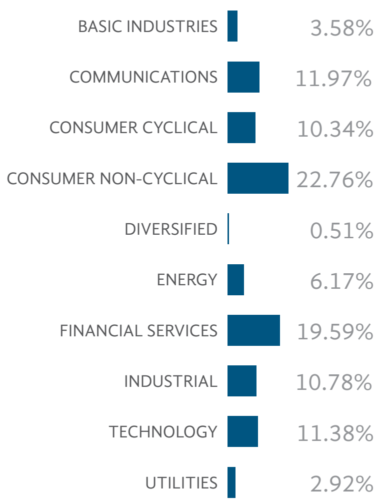
ANGOLA	0.03%	GUERNSEY CI	0.19%	PAKISTAN	0.23%
ARGENTINA	0.62%	HONG KONG	2.45%	PANAMA	0.25%
AUSTRALIA	4.50%	HUNGARY	0.79%	PARAGUAY	0.03%
AUSTRIA	0.09%	ICELAND	0.05%	PERU	0.16%
AZERBAIJAN	0.18%	INDIA	1.81%	PHILIPPINES	0.37%
BELGIUM	0.87%	INDONESIA	1.56%	POLAND	0.12%
BERMUDA	0.76%	IRELAND	2.82%	PORTUGAL	0.27%
BRAZIL	2.12%	ISLE OF MAN	0.03%	PUERTO RICO	0.03%
BRITISH VIRGIN ISLANDS	0.08%	ISRAEL	0.48%	QATAR	0.08%
BULGARIA	0.14%	ITALY	1.81%	ROMANIA	0.30%
CAMEROON	0.02%	JAMAICA	0.02%	RUSSIA	1.27%
CANADA	7.77%	JAPAN	12.00%	SENEGAL	0.02%
CAYMAN ISLANDS	2.07%	JERSEY CI	0.33%	SERBIA	0.03%
CHILE	0.20%	JORDAN	0.02%	SINGAPORE	0.94%
CHINA	1.68%	KAZAKHSTAN	0.06%	SLOVENIA	0.32%
COLOMBIA	0.33%	KENYA	0.01%	SOUTH AFRICA	1.35%
COSTA RICA	0.01%	LIBERIA	0.03%	SOUTH KOREA	3.19%
COTE D'IVOIRE	0.17%	LITHUANIA	0.17%	SPAIN	1.53%
CROATIA	0.18%	LUXEMBOURG	0.59%	SRI LANKA	0.14%
CURACAO	0.99%	MACAU	0.12%	SUPRANATIONAL GEOGRAPHIC	0.16%
DENMARK	1.12%	MALAYSIA	0.33%	SWEDEN	1.66%
DOMINICAN REPUBLIC	0.39%	MALTA	0.01%	SWITZERLAND	4.06%
EGYPT	0.07%	MARSHALL ISLANDS	0.01%	TAIWAN	1.90%
EL SALVADOR	0.07%	MEXICO	2.45%	THAILAND	0.53%
FINLAND	0.52%	MONGOLIA	0.04%	TUNISIA	0.02%
FRANCE	3.88%	MOROCCO	0.16%	TURKEY	0.77%
GABON	0.02%	NETHERLANDS	4.41%	UKRAINE	0.15%
GERMANY	4.65%	NEW ZEALAND	0.33%	UNITED ARAB EMIRATES	0.06%
GHANA	0.06%	NIGERIA	0.01%	UNITED KINGDOM	12.75%
GREECE	0.06%	NORWAY	0.30%	URUGUAY	0.10%
GUATEMALA	0.02%	OMAN	0.04%	VENEZUELA	0.11%

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:
$14,614,579,743	1,155,662,454	3,849

EQUITY INVESTMENTS BY INDUSTRY TYPE
- FAIR VALUE AT JUNE 30, 2016 -



TEN LARGEST EQUITY HOLDINGS

	SHARES	FAIR VALUE
BERKSHIRE HATHAWAY, INC	1,381,899	$200,085,156
APPLE, INC.	1,809,065	172,946,614
MICROSOFT CORPORATION	3,044,859	155,805,435
EXXON MOBIL CORPORATION	1,319,060	123,648,684
ORACLE CORPORATION	2,964,372	121,331,746
AMAZON.COM, INC.	151,305	108,276,884
ALPHABET INC-CL A	142,815	100,474,637
ALPHABET INC-CL C	139,763	96,729,972
UNITEDHEALTH GROUP INC.	646,071	91,225,225
JPMORGAN CHASE & CO.	1,426,097	88,617,668
TOTALS	**13,025,306**	**$1,259,142,021**

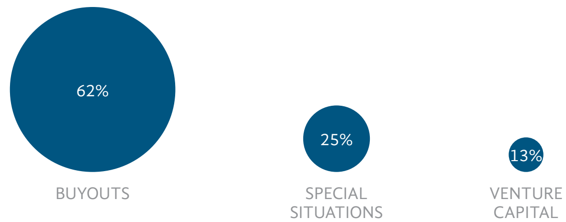
A complete list of portfolio holdings is available upon written request.

Defined Benefit Plans: Private Equity Portfolio

PRIVATE EQUITY PORTFOLIO SUMMARY

Total Private Equity Investments:
$1,518,728,603

PRIVATE EQUITY INVESTMENTS BY STRATEGY
- JUNE 30, 2016 -



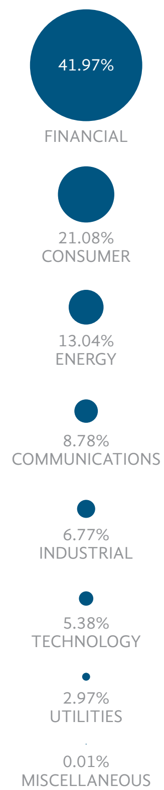
Defined Benefit Plans:
Bond Portfolio

BOND PORTFOLIO SUMMARY*

Total Bond Investments:	Total Par of Bond Investments Held:	Total Number of Bond Issues Held:
$7,943,046,909	$31,599,648,081	4,308

CORPORATE BOND INVESTMENTS BY INDUSTRY TYPE*

- FAIR VALUE AT JUNE 30, 2016 -



TEN LARGEST LONG-TERM CORPORATE BOND HOLDINGS*

	PAR	FAIR VALUE
BANK OF NOVA SCOTIA	$65,155,000	$65,202,563
CISCO SYSTEMS INCORPORATED	62,300,000	62,685,699
CHEVRON CORPORATION	52,900,000	52,912,908
IBM CORPORATION	52,400,000	52,577,950
WELLS FARGO BANK NA	50,300,000	50,380,178
ROYAL BANK OF CANADA	46,011,000	46,022,640
THE COCA-COLA COMPANY	44,500,000	44,501,246
THE TORONTO-DOMINION BANK	44,200,000	44,208,310
BANK OF AMERICA NA	44,200,000	44,195,580
US BANK NA CINCINNATI	42,300,000	42,329,060
TOTALS	**$504,266,000**	**$505,016,134**

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

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

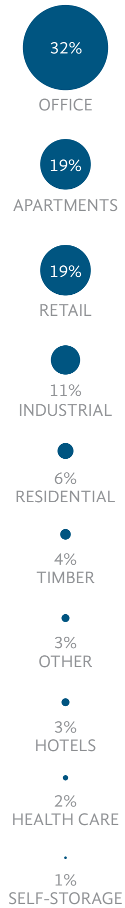
Defined Benefit Plans: Real Estate Investment Portfolio

REAL ESTATE INVESTMENT PORTFOLIO SUMMARY		
Total Real Estate Investments: $2,593,987,096	Total Number of Shares* of Real Estate Investments Held: 325,986,906	Total Number of Issues of REITs Held: 121

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

PORTFOLIO DISTRIBUTION BY PROPERTY TYPE

- FAIR VALUE AT JUNE 30, 2016 -



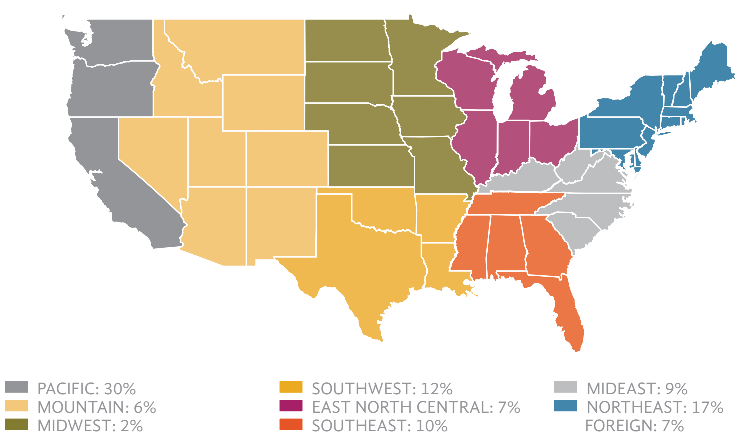
TEN LARGEST REIT HOLDINGS

	SHARES	FAIR VALUE
SIMON PROPERTY GROUP, INC.	231,501	$50,212,567
EQUITY RESIDENTIAL	384,181	26,462,387
PROLOGIS, INC.	300,606	14,741,718
EXTRA SPACE STORAGE, INC.	155,816	14,419,213
PUBLIC STORAGE	50,949	13,022,055
VENTAS	176,736	12,869,916
DIGITAL REALTY TRUST, INC.	117,722	12,830,521
KLEPIERRE	210,422	9,315,668
VORNADO REALTY TRUST	91,881	9,199,126
WELLTOWER, INC.	118,967	9,061,716
TOTALS	**1,838,781**	**$172,134,887**

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

PORTFOLIO DISTRIBUTION BY GEOGRAPHIC LOCATION

- FAIR VALUE AT JUNE 30, 2016 -



Defined Benefit Plans:

NET INVESTMENT INCOME BY SOURCE

- LAST 10 FISCAL YEARS -

[in thousands]

FISCAL YEAR	BOND INTEREST INCOME	DIVIDEND INCOME	SHORT-TERM INCOME	REALIZED GAIN (LOSS) ON INVESTMENTS	APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS
2007	229,244	331,397	36,578	1,014,839	1,904,107
2008	246,360	363,343	26,374	824,992	(3,192,348)
2009	224,605	296,492	14,528	(1,710,303)	(2,639,433)
2010	184,923	273,687	12,169	542,100	1,180,636
2011	185,818	326,174	14,001	1,200,877	2,560,115
2012	186,038	323,610	9,460	585,346	(1,016,522)
2013	184,775	339,386	12,390	920,422	1,198,511
2014	176,286	392,423	8,627	1,264,402	2,213,619
2015	183,456	365,567	8,045	1,450,502	(1,087,742)
2016	177,516	346,655	14,723	574,260	(909,931)

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
2007	21,766	10.20	18.90	8.00
2008	19,439	7.20	(8.20)	8.00
2009	15,512	(11.00)	(19.40)	8.00
2010	16,767	0.20	14.10	8.00
2011	20,314	4.00	25.40	8.00
2012	19,578	1.90	0.60	8.00
2013	21,947	6.10	13.40	8.00
2014	24,600	14.20	18.60	8.00
2015	24,735	12.30	3.40	8.00
2016	23,938	7.21	1.20	7.75

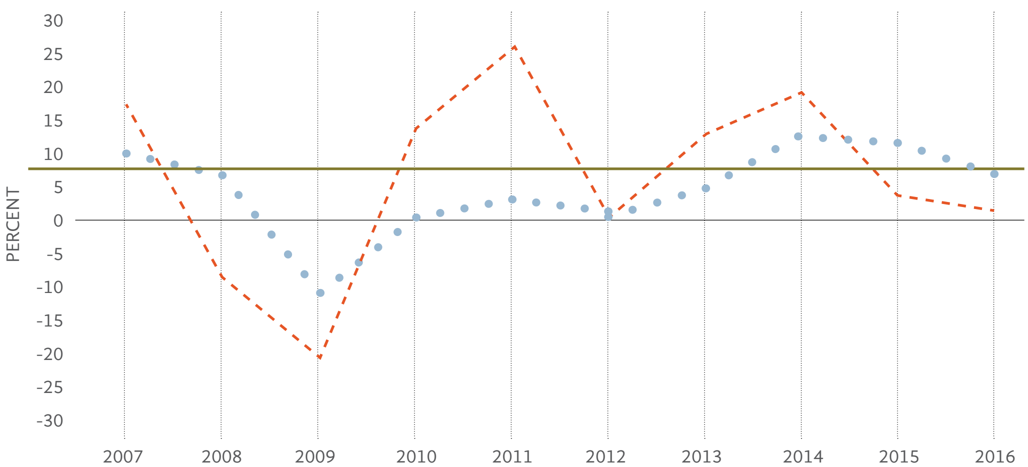
Defined Benefit Plans: NET INVESTMENT INCOME BY SOURCE (CONTINUED)

- LAST 10 FISCAL YEARS -

[in thousands]

FISCAL YEAR	NET INCOME (LOSS) FROM SECURITIES LENDING	TOTAL INCOME (LOSS)	MANAGER, TRADING, AND CUSTODIAN FEES	NET INCOME (LOSS) FROM INVESTMENTS
2007	12,647	3,528,812	(36,668)	3,492,144
2008	(1,576)	(1,732,855)	(36,631)	(1,769,486)
2009	32,433	(3,781,678)	(26,574)	(3,808,252)
2010	39,881	2,233,396	(33,904)	2,199,492
2011	18,107	4,305,092	(42,765)	4,262,327
2012	17,293	105,225	(44,299)	60,926
2013	14,645	2,670,129	(50,210)	2,619,919
2014	16,453	4,071,810	(83,449)	3,988,361
2015	13,778	933,606	(88,884)	844,722
2016	19,429	222,652	(89,116)	133,536

TEN-YEAR TOTAL PENSION INVESTMENT RATES OF RETURN



Smoothed Rate of Return *consists of investment income in a surplus or deficit of the assumed 7.75 percent on fair value smoothed over a five-year period with 20.0 percent of a year's surplus or deficit being recognized each year beginning with the current year. PERS, MHSPRS, and SLRP smoothed rates have been averaged. In fiscal year 2006, PERS, MHSPRS, and SLRP actuarial assets were set equal to market value of assets. Therefore, there was no smoothed difference between actuarial and investment asset amounts. In fiscal year 2007, smoothing resumed with the additional contraint that actuarial value of assets cannot be less than 80.0 percent nor more than 120.0 percent of market value. In fiscal year 2009, the 80/120 percent corridor was eliminated for the purpose of determining actuarial value of assets. In 2015, the assumed rate of return was changed from 8.00 percent to 7.75 percent. MRS is excluded as an agent multi-employer plan.*

Fair Value Rate of Return *consists of cash income plus gains and losses due to changes in fair value, whether realized or unrealized (before deduction of investment fees).*

Actuarial Assumed Rate *is the assumed rate of return on the fair value of assets and is used in establishing retirement contribution rates and in determining current benefit reserve requirements.*

Defined Benefit Plans: PORTFOLIO DETAIL ILLUSTRATED BY ADVISOR

ADVISOR	TYPE	DATE INITIATED	FAIR VALUE PERCENT OF TOTAL PORTFOLIO*
Equities:			
NORTHERN TRUST GLOBAL INVESTMENT	Passive (index)	July 1985	14.73%
BLACKROCK INSTITUTIONAL TRUST COMPANY, NA	EAFE index	March 2004	7.41
LAZARD ASSET MANAGEMENT	Emerging markets	April 1998	3.31
EAGLE CAPITAL MANAGEMENT	Active - all cap	January 2005	3.16
WEDGEWOOD PARTNERS	Active - large cap growth	December 2014	2.75
STATE STREET GLOBAL ADVISORS	Passive - large cap value	September 2004	2.54
ACADIAN ASSET MANAGEMENT, LLC	Global equity	July 2005	2.48
HARDING LOEVNER, LP	Global equity	February 2012	2.48
EPOCH INVESTMENT PARTNERS, INC.	Global equity	February 2012	2.36
ARTISAN PARTNERS LP	Active - mid cap growth	September 2002	2.22
THE BOSTON COMPANY ASSET MANAGEMENT, LLC	Active - mid cap value	October 2001	2.15
WELLINGTON MANAGEMENT COMPANY, LLP	Active - mid cap value	October 2001	2.06
BAILLIE GIFFORD & COMPANY	MSCI ACWI ex-U.S.	August 2014	2.06
ARROWSTREET CAPITAL, LP	MSCI ACWI ex-U.S.	June 2013	2.03
WELLINGTON MANAGEMENT COMPANY, LLP	Active-small cap core	July 2002	1.71
RIVERBRIDGE PARTNERS, LLC	Active-small cap growth	November 2013	1.30
DIMENSIONAL FUND ADVISORS, INC	Active-small cap value	July 2002	1.25
MONDRIAN INVESTMENT PARTNERS, INC	Small cap	May 2011	1.22
PYRAMIS GLOBAL ADVISORS	Small cap	April 2011	1.22
RUSSELL IMPLEMENTATION SERVICES, LLC	EAFE index	March 2016	1.19
LONGVIEW PARTNERS LLC	Global equity	August 2015	1.00
MARATHON - LONDON ORION HOUSE	MSCI ACWI ex-U.S.	May 2016	0.94
FISHER INVESTMENTS	Emerging markets	April 2016	0.03
SUBTOTAL			**61.60**
Debt Securities:			
PRUDENTIAL FIXED INCOME	Core plus	January 2012	3.57
LOOMIS SAYLES & COMPANY, LP	Core plus	August 2009	3.44
PACIFIC INVESTMENT MANAGEMENT COMPANY - GLOBAL	Global fixed income	February 2013	2.54
ALLIANCEBERNSTEIN	Global fixed income	February 2013	2.51
WELLINGTON MANAGEMENT COMPANY, LLP	Emerging market debt	May 2010	2.15
ABERDEEN ASSET MANAGEMENT	Active - core	August 1991	2.13
BLACKROCK INSTITUTIONAL TRUST COMPANY, NA	Passive (index)	September 1986	2.12
PACIFIC INVESTMENT MANAGEMENT COMPANY	Active - core	August 1983	2.11
SUBTOTAL			**20.57**

**Includes cash and cash equivalents.*

ADVISOR	TYPE	DATE INITIATED	FAIR VALUE PERCENT OF TOTAL PORTFOLIO*
Real Estate:			
UBS REALTY INVESTORS, LLC	Commingled fund - core	June 2003	2.58%
PRINCIPAL GLOBAL INVESTORS	Commingled fund - core	June 2003	2.50
J.P. MORGAN INVESTMENT MANAGEMENT, INC.	Core	July 2012	1.51
DEUTSCHE ASSET & WEALTH MANAGEMENT	REITs	June 2003	1.25
COHEN & STEERS CAPITAL MANAGEMENT	Global REITs	October 2010	0.99
UBS REALTY INVESTORS, LLC	Value added	January 2011	0.67
HANCOCK TIMBER RESOURCE GROUP	Timber	March 2008	0.42
T.A. ASSOCIATES REALTY	Fund X - value added	January 2013	0.24
ANGELO GORDON & COMPANY	Fund III - value added	January 2012	0.20
HEITMAN	Fund II - value added	November 2007	0.14
AEW CAPITAL MANAGEMENT, LP	Fund VII - value added	June 2013	0.14
AEW CAPITAL MANAGEMENT, LP	Fund VI - value added	April 2010	0.12
INVESCO FUND	Fund IV - value added	April 2015	0.10
HEITMAN	Fund III - value added	November 2013	0.09
AEW CAPITAL MANAGEMENT, LP	Fund V - value added	October 2005	0.05
ANGELO GORDON & COMPANY	Fund II - value added	August 2007	0.05
ANGELO GORDON & COMPANY	Fund IV - value added	August 2015	0.02
T.A. ASSOCIATES REALTY	Fund XI - value added	April 2016	0.01
SUBTOTAL			**11.08**
Private Equity:			
GCM GROSVENOR 2009	Diversified	June 2009	2.84
PATHWAY CAPITAL MANAGEMENT, LLC 2009	Diversified	December 2008	2.66
PATHWAY CAPITAL MANAGEMENT, LLC 2012	Diversified	April 2013	0.91
GCM GROSVENOR 2014	Diversified	February 2014	0.34
SUBTOTAL			**6.75**
TOTAL			**100.00%**

**Includes cash and cash equivalents.*

Defined Benefit Plans: INVESTMENT FEES AND COMMISSIONS

- FOR THE YEAR ENDED JUNE 30, 2016 -

Investment Managers:	ASSETS UNDER MANAGEMENT	FEES
EQUITY MANAGER PORTFOLIOS	$14,850,124,185	$46,135,128
DEBT MANAGER PORTFOLIOS	4,959,806,706	9,974,837
REAL ESTATE MANAGER PORTFOLIOS	2,671,174,206	20,310,326
PRIVATE EQUITY MANAGER PORTFOLIOS	1,627,749,039	12,007,181
TOTALS	**$24,108,854,136**	**$88,427,472**

Other Investment Service Fees:	
SECURITIES LENDING AGENT/ CASH MANAGEMENT FEES	$3,096,360
CUSTODIAN FEES FOR ANCILLARY SERVICES	47,606
INVESTMENT CONSULTANT FEES	582,967
GLOBAL OUT-OF-POCKET EXPENSES	640,314
TOTAL INVESTMENT SERVICE FEES	**$4,367,247**

Defined Benefit Plans: BROKERAGE COMMISSIONS PAID*

Brokerage Firm, Including Subsidiaries:	NUMBER OF SHARES TRADED	COMMISSIONS	COMMISSIONS PER SHARE
MERRILL LYNCH & COMPANY	135,017,957	$880,090	$0.007
JP MORGAN SECURITIES	58,149,427	595,878	0.010
BARCLAYS CAPITAL	49,787,027	438,789	0.009
CREDIT SUISSE	57,697,969	433,135	0.008
MORGAN STANLEY AND COMPANY	79,264,049	424,695	0.005
UBS AG	82,160,271	410,934	0.005
GOLDMAN SACHS & COMPANY	29,392,555	397,553	0.014
CAPITAL INSTITUTIONAL SERVICES, INC.	16,730,057	355,265	0.021
INSTINET	157,032,397	349,269	0.002
DEUTSCHE BANK	51,119,034	316,575	0.006
SANFORD C. BERNSTEIN CO., LLC	31,685,849	295,981	0.009
INVESTMENT TECHNOLOGY GROUP	47,644,790	261,489	0.005
MACQUARIE SECURITIES	68,484,811	190,574	0.003
CITIGROUP, INC.	36,733,613	189,683	0.005
JEFFERIES & COMPANY, INC.	18,097,174	165,332	0.009
HSBC SECURITIES, INC.	40,033,777	135,560	0.003
LIQUIDNET	5,863,017	135,267	0.023
SG AMERICAS SECURITIES	28,484,733	113,918	0.004
DAIWA SECURITIES GROUP, INC.	9,190,579	100,239	0.011
NORTHERN TRUST CO., INC.	11,939,978	95,488	0.008
EXANE BNP PARIBAS SA	4,629,114	82,387	0.018
JONESTRADING INSTITUTIONAL SERVICES, INC.	1,642,593	67,435	0.041
RAYMOND JAMES & ASSOCIATES, INC.	1,733,572	62,856	0.036
OTHERS (LESS THAN $60,000)	122,230,097	1,328,250	0.011
COMMISSION RECAPTURE INCOME	-	(270,680)	-
TOTALS	**1,144,744,440**	**$7,555,962**	**$0.007**

**Approximate figures provided by Bank of New York Mellon.*

Defined Benefit Plans:

INVESTMENT SUMMARY

- FOR THE YEAR ENDED JUNE 30, 2016-

[in thousands]

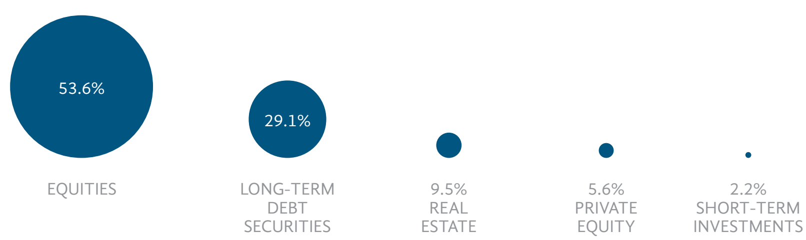
	JULY 1, 2015 BEGINNING FAIR VALUE*	PURCHASES	SALES AND MATURITIES	INCREASE (DECREASE) IN FAIR VALUE	JUNE 30, 2016 ENDING FAIR VALUE**	PERCENT OF TOTAL FAIR VALUE
EQUITIES	$15,728,549	$8,215,783	$8,040,186	($1,289,567)	$14,614,579	53.6%
LONG-TERM DEBT SECURITIES	7,216,295	8,075,375	7,542,483	193,860	7,943,047	29.1
PRIVATE EQUITY	1,357,012	237,628	26,366	(49,546)	1,518,728	5.6
REAL ESTATE	2,472,803	597,822	719,679	243,041	2,593,987	9.5
SHORT-TERM INVESTMENTS	719,079	104,660,591	104,783,631	(7,854)	588,185	2.2
TOTALS	**$27,493,738**	**$121,787,199**	**$121,112,345**	**($910,066)**	**$27,258,526**	**100.0%**

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

*** Includes investment securities on loan to broker-dealers with a fair value of $3,757,655. It also includes the securities purchased with the cash collateral received in the lending program with a fair value of $3,320,112. 14.0% of the total fair value of investments were on loan to broker-dealers. To arrive at the net asset value of investments of $25.3 billion, the fair value total must be adjusted by ($2.0 billion), which represents the fair value of the cash collateral investments, cash in sweep accounts, accrued interest and dividends, and net payable cash for investments purchased.*

INVESTMENTS BY TYPE

- FAIR VALUE AT JUNE 30, 2016 -



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October 24, 2016

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, 2016. 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 154,104 active members as of June 30, 2016.

The actuarial valuation is based upon financial and participant data which is prepared by the retirement system staff, assumptions regarding future rates of investment return and inflation, and rates of retirement, turnover, death and disability among PERS members and their beneficiaries. The data are reviewed by us for internal and year to year consistency as well as general reasonableness prior to its use in the actuarial valuation. It is also summarized and tabulated for the purpose of analyzing trends. The assumptions were adopted by the Board of Trustees and were based upon actual experience of PERS during the years 2010 to 2014. Assets are valued according to a market

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related method that recognizes 20% of the previously unrecognized and unanticipated gains and losses. The assumptions and methods utilized in this valuation, in our opinion, meet the parameters established by the Actuarial Standards of Practice.

The current benefit structure is outlined in the Actuarial Section. Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

We provided all schedules and data presented in the Actuarial Section, with the exception of Changes in Plan Provisions. We also provided the Schedule of Changes in Net Pension Liability and related ratios, as well as the Schedule of Employer Contributions in the Financial Section.

Based upon the valuation results, annual projection forecasting 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,

Edward J. Koebel

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

EJK:kc

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October 24, 2016

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

Dear Board Members:

The basic financial objective of the Mississippi Highway Safety Patrol Retirement System (HSPRS) is to establish and receive contributions which:

(1) When expressed in terms of the percents of active member payroll will remain approximately level from generation to generation of Mississippi citizens, and which

(2) When combined with present assets and future investment return will be sufficient to meet the present and future financial obligations of HSPRS.

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

(1) To maintain an increasing ratio of system assets to accrued liabilities and reach an 80 percent minimum funded ratio in 2042;

(2) To maintain adequate asset levels to finance the benefits promised to members;

(3) To develop a pattern of stable contribution rates when expressed as a percentage of member payroll as measured by valuations prepared in accordance with the principles of practice prescribed by the Actuarial Standards Board, with a minimum employer contribution equal to the normal cost determined under the Entry Age Normal funding method.

In order to measure progress toward this fundamental objective, HSPRS has an annual actuarial valuation performed. The valuation (i) measures present financial position, and (ii) establishes contribution rates that provide for the current cost and level percent of payroll amortization of unfunded actuarial accrued liability over a reasonable period. The latest completed actuarial valuation was based upon data and assumptions as of June 30, 2016. This valuation indicates that contribution rates of 37.00% of payroll for employers and 7.25% of payroll for active members, along with anticipated contributions as provided by Senate Bill No. 2659 (effective July 1, 2004) and House Bill No. 1015 (effective July 1, 2013), for benefits then in effect, meet the basic financial objective. There are 484 active members as of June 30, 2016.

The actuarial valuation is based upon financial and participant data which is prepared by the retirement system staff, assumptions regarding future rates of investment return and inflation, and rates of retirement, turnover, death and disability among HSPRS members and their beneficiaries. The data is reviewed by us for internal and year to year consistency as well as general reasonableness prior to its use in the actuarial valuation. It is also summarized and tabulated for the purpose of analyzing trends. The assumptions were adopted by the Board of Trustees and were based upon actual experience of HSPRS during the years 2010 to 2014. Assets are valued according to a market

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Board of Trustees
October 24, 2016
Page 2

related method that recognizes 20% of the previously unrecognized and unanticipated gains and losses. The assumptions and methods utilized in this valuation, in our opinion, meet the parameters established by the Actuarial Standards of Practice.

The current benefit structure is outlined in the Actuarial Section. Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

We provided all schedules and data presented in the Actuarial Section, with the exception of Changes in Plan Provisions. We also provided the Schedule of Changes in Net Pension Liability and related ratios, as well as the Schedule of Employer Contributions in the Financial Section.

Based upon the valuation results, annual projection forecasting 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,

Edward J. Koebel

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

EJK:kc

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November 9, 2016

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

Dear Board Members:

The basic financial objective of the Municipal Retirement System of Mississippi (MRS) is to establish and receive contributions (expressed as a tax on assessed property valuations) which:

(1) Will be in amounts sufficient, but not more than necessary, to maintain the actuarially soundness of the Funds for all future years (the tax may be increased but not by more than one-half mill per year), and which

(2) When combined with present assets and future investment return will be sufficient to meet the present and future financial obligations of MRS.

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

In order to measure progress toward this fundamental objective, MRS has an annual actuarial valuation performed. The valuation (i) measures present financial position, and (ii) establishes contribution rates that provide for the amortization of unfunded total actuarial liabilities over a closed period. The latest completed actuarial valuation was based upon data and assumptions as of June 30, 2016. 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 8 active members as of June 30, 2016.

The actuarial valuation is based upon financial and participant data which is prepared by the retirement system staff, assumptions regarding future rates of investment return and inflation, and rates of retirement, death and disability among MRS members and their beneficiaries. The data is reviewed by us for internal and year to year consistency as well as general reasonableness prior to its use in the actuarial valuation. It is also summarized and tabulated for the purpose of analyzing trends. The assumptions were adopted by the Board of Trustees and were based upon actual experience of MRS during the years 2010 to 2014. Assets are valued according to a market related method that recognizes 20% of the previously unrecognized and unanticipated gains and losses. The assumptions and methods utilized in this valuation, in our opinion, meet the parameters established by the Actuarial Standards of Practice.

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The current benefit structure is outlined in the Actuarial Section. There have been no changes in benefit structure since the last valuation. However, since the last valuation, a 3% ad-hoc benefit increase was granted to Tupelo retirees and beneficiaries retired at least one full fiscal year as of September 30, 2015.

We provided all schedules and data presented in the Actuarial Section, with the exception of Changes in Plan Provisions.

Based upon the valuation results annual projection forecasting 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 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 could lead to at least a temporary reduction in benefits paid until the affected Fund's cash flow position improved.

Respectfully submitted,

Edward J. Koebel

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

EJK:kc

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Cavanaugh Macdonald
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October 24, 2016

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, 2016. 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 171 active members as of June 30, 2016.

The actuarial valuation is based upon financial and participant data which is prepared by the retirement system staff, assumptions regarding future rates of investment return and inflation, and rates of retirement, turnover, death and disability among SLRP members and their beneficiaries. The data is reviewed by us for internal and year to year consistency as well as general reasonableness prior to its use in the actuarial valuation. It is also summarized and tabulated for the purpose of analyzing trends. The assumptions were adopted by the Board of Trustees and were based upon actual experience of SLRP during the years 2010 to 2014. Assets are valued according to a market related method that recognizes 20% of the previously unrecognized and unanticipated gains and losses.

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Board of Trustees
October 24, 2016
Page 2

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

The current benefit structure is outlined in the Actuarial Section. Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

We provided all schedules and data presented in the Actuarial Section, with the exception of Changes in Plan Provisions. We also provided the Schedule of Changes in Net Pension Liability and related ratios, as well as the Schedule of Employer Contributions in the Financial Section.

Based upon the valuation results, annual projection forecasting 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,

Edward J. Koebel

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

EJK:kc

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Summary of Actuarial Assumptions & Methods

An actuarial experience study of the mortality, service, withdrawals, compensation experience of members, and valuation of assets and liabilities is performed annually to determine the actuarial soundness of the plans within the System. To validate that the assumptions recommended by the actuary are, in aggregate, reasonably related to experience, the System requests the actuary to conduct an experience investigation every other year on a rolling four-year period. The actuarial assumptions used in the June 30, 2016, valuations were based on the results of an actuarial experience study for the fiscal period 2011-2014.

Significant actuarial assumptions used to present the results for the 2016 actuarial valuation are as follows:

	PERS	MHSPRS	MRS	SLRP
VALUATION DATE	June 30, 2016	June 30, 2016	June 30, 2016	June 30, 2016
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	36.6 years	42.9 years	18.0 years	22.6 years
ASSET VALUATION METHOD	5-year Smoothed Market	5-year Smoothed Market	5-year Smoothed Market	5-year Smoothed Market
Actuarial Assumptions:				
INVESTMENT RATE OF RETURN	7.75%	7.75%	7.75%	7.75%
PROJECTED SALARY INCREASES	3.75-19.00%	4.25-9.31%	0.25-1.75%	3.75%
WAGE INFLATION RATES	3.75%	3.75%	3.75%	3.75%
INCREASE IN BENEFITS AFTER RETIREMENT	3.00%*	3.00%**	Various***	3.00%*

**Calculated 3.0 percent simple interest to age 55, compounded each year thereafter.*
***Calculated 3.0 percent simple interest to age 60, compounded each year thereafter.*
****Varies depending on municipality.*

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

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

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

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

*For all ages, rates of 32.0 percent for first year of employment and 23.0 percent for second year.
**94.0 percent are presumed to be non-duty related, and 6.0 percent are assumed to be duty related.

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

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

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

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

PAYROLL GROWTH: 3.75 percent per annum, compounded annually.

ADMINISTRATIVE EXPENSES: 0.23 percent of payroll.

TIMING OF DECREMENTS AND PAY INCREASES: Middle of year.

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

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

UNUSED SICK LEAVE: 0.5 years at retirement.

MILITARY SERVICE: 0.25 years at retirement.

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

ASSUMED INTEREST RATE ON EMPLOYEE CONTRIBUTIONS: 2.0 percent.

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

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

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

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

ASSET VALUATION METHOD: Market value–five-year smoothing is the method used for asset valuation. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected market value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20.0 percent of the difference between market value and expected market value.

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

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

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

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

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

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

It is assumed that a member will be granted one and three-quarter years of service credit for unused leave at termination of employment. In addition, it is assumed that, on average, one quarter year of service credit for peace-time military service will be granted to each member.

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

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

PAYROLL GROWTH: 3.75 percent per annum, compounded annually.

PRICE INFLATION: 3.0 percent per annum, compounded annually.

ADMINISTRATIVE EXPENSES: 0.23 percent of payroll.

TIMING OF DECREMENT AND PAY INCREASES: Middle of year.

ASSUMED INTEREST RATE ON EMPLOYEE CONTRIBUTIONS: 2.0 percent.

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

MARRIAGE ASSUMPTION: 100.0 percent married with the husband three years older than wife.

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

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

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

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

ASSET VALUATION METHOD: Market value–five-year smoothing is the method used for asset valuation. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected market value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20.0 percent of the difference between market value and expected market value.

Municipal Retirement Systems: Statement of Actuarial Assumptions & Methods

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

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

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

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

	ANNUAL RATES OF				
		DEATH		DISABILITY	
AGE	WITHDRAWAL	NON-DUTY	DUTY	NON-DUTY	DUTY
20	10.65%	0.04%	0.02%	0.08%	0.06%
25	8.64	0.05	0.03	0.12	0.12
30	6.87	0.08	0.04	0.18	0.26
35	4.86	0.11	0.05	0.24	0.52
40	2.97	0.15	0.07	0.36	0.60
45	1.44	0.22	0.09	0.64	0.54
50	0.24	0.34	0.14	1.10	0.88
55	-	0.44	0.20	1.58	1.18
60	-	0.51	0.32	2.20	1.30
64	-	0.57	0.42	2.86	1.38

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

SALARY INCREASES: 3.75 percent for wage inflation, plus the following chart:

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

PRICE INFLATION: 3.0 percent per annum, compounded annually.

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

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

VALUATION METHOD: Unfunded employer liabilities are amortized over a closed 30-year period from September 30, 1990, as a level percent of each municipality's assessed property valuation.

ASSESSED PROPERTY VALUE RATE OF INCREASE: 2.0 percent per annum, compounded annually (used in determining the millage rate under the prior funding policy).

EXPENSE LOAD: 2.0 percent of employer contributions.

ASSET VALUATION METHOD: Market value–five-year smoothing is the method used for asset valuation. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected market value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20.0 percent of the difference between market value and expected market value. Actuarial assets were allocated to individual cities in the same proportion that their market value of assets was to the total market value of assets for all cities.

Supplemental Legislative Retirement Plan:

Statement of Actuarial Assumptions & Methods

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

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

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

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

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

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

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

PRICE INFLATION: 3.0 percent per annum, compounded annually.

PAYROLL GROWTH: 3.75 percent per annum, compounded annually.

ADMINISTRATIVE EXPENSES: 0.23 percent of payroll.

TIMING OF DECREMENTS AND PAY INCREASES: Middle of year.

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

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

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

ASSUMED INTEREST RATE ON EMPLOYEE CONTRIBUTIONS: 2.0 percent.

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

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

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

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

ASSET VALUATION METHOD: Market value–five-year smoothing is the method used for asset valuation. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected market value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20.0 percent of the difference between market value and expected market value.

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, 2016, as interpreted in preparing the actuarial valuation. As used in the summary, "average compensation" means the average annual covered earnings of an employee during the four highest years of service. "Covered earnings" means gross salary not in excess of the maximum amount on which contributions were required. "Fiscal year" means a year commencing July 1 and ending June 30. "Credited service" means service while a contributing member plus additional service as described below. "Unused sick and vacation leave" means service credit is provided at no charge to members for unused sick and vacation time that has accrued at the time of retirement. "Additional service" means additional service credit may be granted for service prior to February 1, 1953, active-duty military service, out-of-state service, professional leave, and non-covered and retroactive service.

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

DATE FROM	DATE TO	EMPLOYER RATE	MAXIMUM COVERED EARNINGS	EMPLOYEE RATE	MAXIMUM COVERED EARNINGS
2/1/53	6/30/58	2.50%	$6,000	4.00%	$4,800*
7/1/58	6/30/60	2.50	9,000	4.00	7,800*
7/1/60	6/30/66	2.50	15,000	4.00	13,800*
7/1/66	6/30/68	3.00	15,000	4.50	13,800*
7/1/68	3/31/71	4.50	15,000	4.50	15,000
4/1/71	6/30/73	4.50	35,000	4.50	35,000
7/1/73	6/30/76	5.85	35,000	5.00	35,000
7/1/76	6/30/77	7.00	35,000	5.00	35,000
7/1/77	6/30/78	7.50	35,000	5.50	35,000
7/1/78	6/30/80	8.00	35,000	5.50	35,000
7/1/80	6/30/81	8.00	53,000	5.50	53,000
7/1/81	12/31/83	8.75	53,000	6.00	53,000
1/1/84	6/30/88	8.75	63,000	6.00	63,000
7/1/88	6/30/89	8.75	75,600	6.00	75,600
7/1/89	12/31/89	8.75	75,600	6.50	75,600
1/1/90	6/30/91	9.75	75,600	6.50	75,600
7/1/91	6/30/92	9.75	75,600	7.25	75,600
7/1/92	6/30/02	9.75	125,000	7.25	125,000
7/1/02	6/30/05	9.75	150,000	7.25	150,000
7/1/05	6/30/06	10.75	150,000	7.25	150,000
7/1/06	6/30/07	11.30	150,000	7.25	150,000
7/1/07	6/30/08	11.85	150,000	7.25	150,000
7/1/08	6/30/09	11.85	230,000	7.25	230,000
7/1/09	6/30/10	12.00	245,000	7.25	245,000
7/1/10	6/30/11	12.00	245,000	9.00	245,000
7/1/11	12/31/11	12.00	245,000	9.00	245,000
1/1/12	6/30/12	12.93	245,000	9.00	245,000
7/1/12	6/30/13	14.26	250,000	9.00	250,000
7/1/13	6/30/14	15.75	255,000	9.00	255,000
7/1/14	6/30/15	15.75	260,000	9.00	260,000
7/1/15	6/30/17	15.75	265,000	9.00	265,000

**From February 1, 1953, through June 30, 1968, the first $100 in monthly earnings or $1,200 in annual earnings were not covered earnings for the employee.*

Benefits

SUPERANNUATION RETIREMENT

Condition for Retirement

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

b) Any member who withdraws from service prior to his or her attainment of age 60 and who has completed at least eight years* of membership service is entitled to receive, in lieu of a refund of his or her accumulated contributions, a retirement allowance commencing at age 60.

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

Amount of Allowance

The annual retirement allowance payable to a member who retires under condition (a) above is equal to:

1. A member's annuity that is the actuarial equivalent of the member's accumulated contributions at the time of his or her retirement, plus

2. For a member hired prior to July 1, 2011, an employer's annuity that, together with the member's annuity, is equal to 2.0 percent of his or her average compensation for each of the first 25 years of creditable service plus 2.5 percent for each year of creditable service over 25 years.

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

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

DISABILITY RETIREMENT

Condition for Retirement

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

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

Amount of Allowance

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

1. A member's annuity equal to the actuarial equivalent of his or her accumulated contributions at the time of retirement, plus

2. An employer's annuity equal to the amount that would have been payable had the member continued in service to age 60.

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

1. A temporary allowance equal to the greater of (a) 40.0 percent of average compensation plus 10.0 percent for each dependent child up to a maximum of two, or (b) the member's accrued allowance. This temporary allowance is paid for a period of time based on the member's age at disability, as follows:

AGE AT DISABILITY	DURATION
60 & earlier	to age 65
61	to age 66
62	to age 66
63	to age 67
64	to age 67
65	to age 68
66	to age 68
67	to age 69
68	to age 70
69 & later	one year

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

2. A deferred allowance commencing when the temporary allowance ceases equal to the greater of (a) the allowance the member would have received based on service to the termination age of the temporary allowance, but not more than 40.0 percent of average compensation, or (b) the member's accrued allowance.

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

Effective July 1, 2004, a temporary benefit can be paid out of a member's accumulated contribution balance while the member is awaiting a determination for eligibility for disability benefits. Future disability payments, if any, would be offset by advanced payments made from the member's accumulated contributions.

ACCIDENTAL DISABILITY RETIREMENT

Condition for Retirement

A retirement allowance is paid to a member who is totally and permanently disabled in the line of performance of duty.

Amount of Allowance

The annual accidental disability retirement allowance is equal to the allowance payable on disability retirement but not less than 50.0 percent of average compensation. There is no minimum benefit.

ACCIDENTAL DEATH BENEFIT

Condition for Benefit

A retirement allowance is paid to a spouse and/or dependent children upon the death of an active member in the line of performance of duty.

Amount of Allowance

The annual retirement allowance is equal to 50.0 percent of average compensation payable to the spouse and 25.0 percent of average compensation payable to one dependent child or 50.0 percent to two or more children until age 19 (23 if a full-time student). There is no minimum benefit.

ORDINARY DEATH BENEFIT

Condition for Benefit

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

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

Amount of Allowance

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

1. The allowance that would have been payable had the member retired and elected Option 2, reduced by an actuarially determined factor based on the number of years the member lacked in qualifying for unreduced retirement benefits, or

2. A lifetime benefit equal to 20.0 percent of the deceased member's average compensation, but not less than $50 per month.

In addition, a benefit is payable to dependent children until age 19 (23 if a full-time student). The benefit is equal to the greater of 10.0 percent of average compensation or $50 per month for each dependent child up to three.

RETURN OF CONTRIBUTIONS

Upon the withdrawal of a member without a retirement benefit, his or her contributions are returned to him or her, together with accumulated regular interest thereon.

Upon the death of a member before retirement, his or her contributions, plus the full accumulated regular interest thereon are paid to his or her designated beneficiary, if any, otherwise, to his or her estate provided no other survivor benefits are payable.

Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by *The Wall Street Journal* on December 31 of each preceding year with a minimum rate of 1.0 percent and a maximum rate of 5.0 percent.

NORMAL FORM OF BENEFIT

The normal form of benefit (modified cash refund) is an allowance payable during the life of the member with the provision that upon his or her death the excess of his or her total contributions at the time of retirement over the total retirement annuity paid to him or her will be paid to his or her designated beneficiary.

OPTIONAL BENEFITS

A member upon retirement may elect to receive his or her allowance in one of the following forms, which are computed to be actuarially equivalent to the applicable retirement allowance.

Option 1. Reduced allowance with the provision that if the pensioner dies before he or she receives the value of his or her annuity as it was at the time of retirement, the balance shall be paid to his or her beneficiary.

Option 2. Upon his or her death, his or her reduced retirement allowance shall be continued throughout the life of, and paid to, his or her beneficiary.

Option 3. Upon his or her death, 50.0 percent of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary and the other 50.0 percent of his or her reduced retirement allowance to some other designated beneficiary.

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

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

Option 4B. A reduced retirement allowance shall be continued throughout the life of the pensioner, but with the further guarantee of payment to the pensioner or his or her beneficiary for a specified number of years certain.

Option 4C. A member may elect any option with the added provision that he or she shall receive, so far as possible, the same total amount annually (considering both PERS and Social Security benefits) before and after the earliest age at which the member becomes eligible for a Social Security benefit. This option was only available to those who retired prior to July 1, 2004.

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

A member hired prior to July 1, 2011, and who has at least 28 years of creditable service* or a member hired on or after July 1, 2011, who has at least 33 years of creditable service may select the Partial-Lump-Sum Option (PLSO) at retirement. Under this option, the retiree has the option of taking a partial-lump-sum distribution equal to 12, 24, or 36 times the base maximum monthly benefit. With each lump-sum amount, the base maximum monthly benefit will be actuarially reduced. A member selecting the PLSO may also select any of the regular options except Option 1, the prorated single-life annuity, and Option 4C, the Social Security-leveling provision. The benefit is then calculated using the new reduced maximum benefit as a starting point in applying the appropriate option factors for the reduction.

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

POST-RETIREMENT ADJUSTMENTS IN ALLOWANCES

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

a) 3.0 percent of the annual retirement allowance for each full fiscal year of retirement prior to the year in which the member reaches age 55*, plus

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

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

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

CONTRIBUTIONS

Members contribute 9.0 percent of compensation. The Board of Trustees sets employer contribution rates for PERS, as per Mississippi statute. The adequacy of these rates is checked annually by actuarial valuation. Refer to Note 6 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 plan in effect June 30, 2016, as interpreted in preparing the actuarial valuation. As used in the summary, "average compensation" means the average annual covered earnings of an employee during the four highest consecutive years of service. "Covered earnings" means gross salary not in excess of the maximum amount on which contributions were required. "Fiscal year" means a year commencing on July 1 and ending June 30. "Credited service" means service while a contributing member plus additional service as described below. "Unused sick and vacation leave" means service credit is provided at no charge to members for unused sick and vacation time that has accrued at the time of retirement. "Additional service" means additional service credit may be granted for service prior to July 1, 1958, active-duty military service, and retroactive service.

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

DATE FROM	DATE TO	EMPLOYER RATE	MAXIMUM COVERED EARNINGS*	MEMBER RATE	MAXIMUM COVERED EARNINGS*
7/1/1958	6/30/1968	13.33%	$-	5.00%	$-
7/1/1968	6/30/1971	15.33	-	5.00	-
7/1/1971	6/30/1973	18.59	-	5.00	-
7/1/1973	6/30/1975	20.77	-	5.00	-
7/1/1975	6/30/1978	24.65	-	5.00	-
7/1/1978	6/30/1980	26.16	-	6.00	-
7/1/1980	6/30/1989	26.16	-	6.50	-
7/1/1989	6/30/1990	27.97	-	6.50	-
7/1/1990	6/30/2003	26.16	-	6.50	-
7/1/2003	6/30/2006	28.16	-	6.50	-
7/1/2006	6/30/2008	30.30	-	6.50	-
7/1/2008	12/31/2011	30.30	-	7.25	-
1/1/2012	6/30/2012	35.21	-	7.25	-
7/1/2012	6/30/2016	37.00	-	7.25	-

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

Effective July 1, 2016, additional contributions from Senate Bill No. 2659 and House Bill No. 1015 are estimated to be $3,700,000.

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 or her average salary for the two years immediately preceding retirement, or a retirement allowance as calculated under the provisions for superannuation retirement.

DEATH PRIOR TO RETIREMENT

Upon the death of a highway patrol officer who is eligible for service retirement, family benefits are payable equal to those that would have been payable had he or she been retired on his or her date of death.

Upon the death of a highway patrol officer either in the line of duty or as a result of an accident occurring in the line of duty, the following benefits are payable:

a) Benefit to the spouse equal to one-half of the member's average compensation.

b) Benefit to a dependent child payable to age 19 (23 if a full-time student) equal to one-fourth of the member's average compensation for one child or one-half for two or more children.

DEATH AFTER RETIREMENT

Upon the death of a highway patrol officer who has retired for service or disability and who has not elected any other optional form of benefit, his widow or her widower is eligible for a benefit equal to 50.0 percent of his or her retirement allowance and each child (but not more than two) who has not attained age 19 (23 if a full-time student) is eligible for a benefit equal to 25.0 percent of his or her retirement allowance. The benefit to the widow or widower is payable for life and to children until they attain age 19 (23 if a full-time student) or for life if they are totally and permanently disabled.

REFUND OF CONTRIBUTIONS

Upon a member's termination of employment for any reason before retirement, his or her accumulated contributions, together with regular interest thereon, are refunded. Upon the death of a member who is not eligible for any other death benefit, his or her accumulated contributions, together with regular interest thereon, are paid to his or her beneficiary.

Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by *The Wall Street Journal* on December 31 of each preceding year with a minimum rate of 1.0 percent and a maximum rate of 5.0 percent.

NORMAL FORM OF BENEFIT

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

OPTIONAL BENEFITS

A member upon retirement may elect to receive his or her allowance in one of the following forms, which are computed to be actuarially equivalent to the applicable retirement allowance.

Option 1. Reduced allowance with the provision that, if the pensioner dies before he or she receives the value of his or her annuity as it was at the time of retirement, the balance shall be paid to his or her beneficiary.

Option 2. Upon his or her death, his or her reduced retirement allowance shall be continued throughout the life of, and paid to, his or her beneficiary.

Option 3. Upon his or her death, 50.0 percent of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary and the other 50.0 percent of his or her reduced retirement allowance to some other designated beneficiary.

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

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

Option 4B. A reduced retirement allowance shall be continued throughout the life of the pensioner, but with the further guarantee of payment to the pensioner or his or her beneficiary for a specified number of years certain.

Option 4C. A member may elect any option with the added provision that he or she shall receive, so far as possible, the same total amount annually (considering both MHSPRS and Social Security benefits) before and after the earliest age at which the member becomes eligible for a Social Security benefit. This option was only available to those who retired prior to July 1, 2004.

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

A member who qualifies for an unreduced retirement allowance may select the PLSO at retirement. Under this option, the retiree has the option of taking a partial-lump-sum distribution equal to 12, 24, or 36 times the base maximum monthly benefit. With each lump-sum amount, the base maximum monthly benefit will be actuarially reduced. A member selecting this option may also select any of the regular options except Option 1, the prorated single-life annuity, and Option 4C, the Social Security-leveling provision. The benefit is then calculated using the new reduced maximum benefit as a starting point in applying the appropriate option factors for the reduction.

POST-RETIREMENT ADJUSTMENTS IN ALLOWANCES

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

a) 3.0 percent of the annual retirement allowance for each full fiscal year of retirement prior to the year in which the member reaches age 60*, plus

b) 3.0 percent compounded for each year thereafter beginning with the fiscal year in which the member turns age 60*.

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

Those members who retired on or before July 1, 1999, received an ad hoc benefit increase in the amount of $3.50 per month for each full fiscal year of retirement through June 30, 1999, plus $1 per month for each year of credited service. The benefits were increased July 1, 1999.

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

CONTRIBUTIONS

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

Municipal Retirement Systems:

Summary of Main System Provisions as Interpreted for Valuation Purposes

SUMMARY OF BENEFIT PROVISIONS EVALUATED

The following summary presents the main provisions of the plans in effect June 30, 2016, 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.

Benefits

SERVICE RETIREMENT

Condition for Retirement

A retirement allowance is payable to any member who retires and has completed at least 20 years of creditable service, regardless of age.

Any general employee member who has attained age 70 and any firefighter or police officer who has attained age 65 shall be retired forthwith.

Amount of Allowance

The annual retirement allowance payable to a retired member is equal to:

1. 50.0 percent of average compensation, plus

2. 1.7 percent of average compensation for each year of credited service over 20.

The aggregate amount of (1) and (2) above shall not exceed 66.67 percent (87.0 percent for the city of Clinton) of average compensation, regardless of service.

DISABILITY RETIREMENT

Condition for Retirement

A retirement allowance is payable to any member who is not eligible for a service retirement benefit but who becomes totally and permanently disabled, either physically or mentally, regardless of creditable service, if the disability is due to causes in the performance of duty. If the disability is not due to causes in the performance of duty, the member must have completed at least five years of creditable service to be eligible for retirement.

Amount of Allowance

The annual disability retirement allowance payable is equal to 50.0 percent of his or her salary at the time of retirement, if the disability is due to causes in the performance of duty.

If the disability is not due to causes in the performance of duty, the allowance is equal to 2.5 percent times credited service, not in excess of 20, times his or her salary at the time of retirement for firefighters and police officers, and average compensation for general employees.

DEATH BENEFIT

Condition for Benefits

A benefit is payable upon the death of a member under the following conditions:

a) The member has retired;

b) The member is eligible to retire;

c) The death is in the line of duty; or

d) The death is not in the line of duty but occurs after the member has five years of credited service.

The benefit is payable to the surviving spouse until remarriage and to children under age 18, to dependent children through age 23 when full-time students, and to dependent children of any age if handicapped. For the cities of Clarksdale, Columbus, Gulfport, Hattiesburg, Jackson, McComb, Meridian, Vicksburg, and Yazoo City, benefits payable to spouses do not cease upon remarriage.

Amount of Benefits

The annual benefit payable, under all conditions in the case of firefighters and police officers and under other than condition (c) in the case of general employees is equal to 2.5 percent of average compensation for each year of credited service up to 20 and 1.7 percent of average compensation for each year over 20, with a maximum benefit of 66.67 percent (87.0 percent for the city of Clinton) of average compensation.

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

REFUND OF CONTRIBUTIONS

Upon a member's termination of employment for any reason before retirement, his or her accumulated contributions are refunded. Upon the death of a member who is not eligible for any other death benefit, his or her accumulated contributions are paid to his or her beneficiary.

MINIMUM ALLOWANCES

The minimum monthly allowances paid to members from the following municipalities, for all retirement and death benefits, are:

BILOXI	$600
COLUMBUS	500
GULFPORT	500
HATTIESBURG	750
JACKSON	500
MERIDIAN	600
TUPELO	750
VICKSBURG	1,415

POST-RETIREMENT ADJUSTMENTS IN ALLOWANCES

The allowances of certain retired members are adjusted annually by a Cost-of-Living Adjustment (COLA) on the basis of the annual percentage change in each fiscal year of the Consumer Price Index.

Those cities adjustments are limited as follows:

Biloxi: 3.0 percent per year (not to exceed 64.4 percent) for each full fiscal year of retirement after June 30, 2000, for all retirees and beneficiaries with the COLA being compounded beginning with the state fiscal year in which the retired member turns age 55. This is in addition to the previously granted maximum of 3.0 percent per year (not to exceed 9.0 percent) for all members who retired on or before December 31, 1995.

Clarksdale: Maximum of 2.5 percent per year for all retirees and beneficiaries.

Clinton: Maximum of 2.5 percent per year (not to exceed 10.0 percent) for service retirements only.

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

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

Gulfport: Maximum of 3.0 percent per year (not to exceed 27.0 percent) for each fiscal year of retirement after June 30, 2002, for all retirees and beneficiaries. This is in addition to the previously granted COLA of 2.0 percent per year (not to exceed 6.0 percent) for those retiring before July 1, 2001.

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

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

Laurel: 2.0 percent per year, compounded annually (maximum of three years) for each fiscal year of retirement after June 30, 2002, for all retirees and beneficiaries. COLA increases begin at the later of age 60 or after one full fiscal year of retirement.

McComb: Maximum of 2.5 percent per year for all retirees and beneficiaries (not to exceed 10.0 percent).

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

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

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

Post-retirement adjustments are included in System liabilities for future increases for the cities of Biloxi, Clinton, Columbus, Greenville, Gulfport, Hattiesburg, Jackson, Laurel, McComb, Pascagoula, Vicksburg, and Yazoo City.

All Meridian retirees and beneficiaries who were receiving a retirement allowance as of June 30, 1999, were granted a 3.9 percent ad-hoc benefit increase.

All Tupelo retirees and beneficiaries received an increase of 5.0 percent in allowances effective December 1, 1991. Additional 3.0 percent ad hoc benefit increases were granted to members retired at least one full fiscal year as of September 30, 1995, as of September 30, 1997, as of September 30, 1998, and as of September 30, 2000. Furthermore, a 2.0 percent ad hoc benefit increase was granted to members retired at least one full fiscal year as of September 30, 1999, and a 2.34 percent ad hoc benefit increase was granted to members retired at least one full fiscal year as of September 30, 2001. Furthermore, a 2.0 percent ad hoc benefit increase was granted to members retired at least one full fiscal year as of September 30, 2010. Futhermore, a 2.0 percent ad hoc benefit increase was granted to members retired at least one full fiscal year as of September 30, 2014. Furthermore, a 3.0 percent ad hoc benefit increase was granted to members retired at least one full fiscal year as of September 30, 2015.

All Gulfport retirees and beneficiaries who were receiving a retirement allowance as of June 30, 2002, were granted a monthly ad-hoc benefit increase of $2 per month for each year of service plus $2 per month for each full fiscal year retired.

CONTRIBUTIONS

Funding policies established by Mississippi statutes provide the rates of employer contributions for MRS. The adequacy of these rates are checked annually by actuarial valuation. The following table provides a comparison of employer required contributions to actual contributions received for MRS (dollars in thousands):

FISCAL YEAR 10/1 - 9/30	VALUATION DATE 9/30	ANNUAL REQUIRED CONTRIBUTION (A)	ACTUAL CONTRIBUTION (B)	DIFFERENCE (A-B)	PERCENTAGE CONTRIBUTED
1996-97	1996	$20,674	$71,350	$50,676	345.10%
1997-98	1997	14,727	14,200	(527)	96.40
1998-99	1998	13,803	13,770	(33)	99.80
1999-00	1999	12,364	14,162	1,798	114.50
2000-01	2000	11,276	14,201	2,925	125.90
2001-02	2001	10,823	14,338	3,515	132.50
2002-03	2002	11,989	13,979	1,990	116.60
2003-04	2003	13,286	13,890	604	104.50
2004-05	2004	14,091	14,173	82	100.60
2005-06	2005	15,397	15,635	238	101.50
2006-07	2006	15,426	14,976	(450)	97.10
2007-08	2007	15,219	16,132	913	106.00
2008-09	2008	14,765	16,892	2,127	114.40
2009-10	2009	17,739	21,426	3,687	120.80
2010-11	2010	18,576	22,791	4,215	122.70
2011-12	2011	18,751	23,823	5,072	127.00
2012-13	2012*	19,512	20,017	505	102.60
2013-14	2013*	19,344	20,395	1,051	105.40
2014-15	2014*	18,338	19,346	1,008	105.50
2015-16	2015*	18,034	-	-	N/A
2016-17	2016*	17,694	-	-	N/A

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

Supplemental Legislative Retirement Plan:

Summary of Main System Provisions as Interpreted for Valuation Purposes

SUMMARY OF MAIN BENEFIT AND CONTRIBUTION PROVISIONS

The following summary presents the main benefit and contribution provisions of the plan in effect June 30, 2016, as interpreted in preparing the actuarial valuation. As used in the summary, "average compensation" means the average annual covered earnings of an employee during the four highest years of service. "Covered earnings" means gross salary not in excess of the maximum amount on which contributions were required. "Fiscal year" means a year commencing July 1 and ending June 30. "Eligibility service" means service while a contributing member of PERS plus additional service as described below. (Old: "Eligibility service" is all service in PERS, including that credited for SLRP service.) "Credited Service" means service while a contributing member of SLRP plus additional service as described below. (Old: "Creditable service" includes only SLRP service.) "Unused sick and vacation leave" means service credit is provided at no charge to members for unused sick and vacation time that has accrued at the time of retirement. "Additional service" means additional service credit may be granted for service prior to July 1, 1989, including active-duty military service.

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

DATE FROM	DATE TO	EMPLOYER RATE	MAXIMUM COVERED EARNINGS	MEMBER RATE	MAXIMUM COVERED EARNINGS
7/1/1989	6/30/1992	6.33%	$75,600	3.00%	$75,600
7/1/1992	6/30/2002	6.33	125,000	3.00	125,000
7/1/2002	6/30/2006	6.33	150,000	3.00	150,000
7/1/2006	6/30/2008	6.65	150,000	3.00	150,000
7/1/2008	6/30/2009	6.65	230,000	3.00	230,000
7/1/2009	12/31/2011	6.65	245,000	3.00	245,000
1/1/2012	6/30/2012	7.40	245,000	3.00	245,000
7/1/2012	6/30/2013	7.40	250,000	3.00	250,000
7/1/2013	6/30/2014	7.40	255,000	3.00	255,000
7/1/2014	6/30/2015	7.40	260,000	3.00	260,000
7/1/2015	6/30/2017	7.40	265,000	3.00	265,000

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 his or her accumulated contributions at the time of his or her retirement, plus

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

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

DISABILITY RETIREMENT

Condition for Retirement

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

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

Amount of Allowance

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

1. A member's annuity equal to the actuarial equivalent of his or her accumulated contributions at the time of retirement, plus

2. An employer's annuity equal to the amount that would have been payable had the member continued in service to age 60.

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

1. A temporary allowance equal to the greater of (a) 20.0 percent of average compensation plus 5.0 percent for each dependent child up to a maximum of two, or (b) the member's accrued allowance. This temporary allowance is paid for a period of time based on the member's age at disability, as follows:

AGE AT DISABILITY	DURATION
60 & earlier	to age 65
61	to age 66
62	to age 66
63	to age 67
64	to age 67
65	to age 68
66	to age 68
67	to age 69
68	to age 70
69 & later	one year

The minimum allowance is $60 per year of service credit.

2. A deferred allowance commencing when the temporary allowance ceases equal to the greater of (a) the allowance the member would have received based on service to the termination age of the temporary allowance, but not more than 20.0 percent of average compensation, or (b) the member's accrued allowance.

The minimum allowance is $60 per year of service credit.

Effective July 1, 2004, a temporary benefit can be paid out of a member's accumulated contribution balance while the member is awaiting a determination for eligibility for disability benefits. Future disability payments, if any, would be offset by advanced payments made from the member's accumulated contributions.

ACCIDENTAL DISABILITY RETIREMENT

Condition for Retirement

A retirement allowance is paid to a member who is totally and permanently disabled in the performance of duty.

Amount of Allowance

The annual accidental disability retirement allowance is equal to the allowance payable on disability retirement but not less than 25.0 percent of average compensation. There is no minimum benefit.

ACCIDENTAL DEATH BENEFIT

Condition for Benefit

A retirement allowance is paid to a spouse and/or dependent children upon the death of an active member in the performance of duty.

Amount of Allowance

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

ORDINARY DEATH BENEFIT

Condition for Benefit

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

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

Amount of Allowance

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

1. The allowance that would have been payable had the member retired and elected Option 2, reduced by an actuarially determined factor based on the number of years the member lacked in qualifying for unreduced benefits, or

2. A lifetime benefit equal to 20.0 percent of the deceased member's average compensation, but not less than $25 per month.

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

RETURN OF CONTRIBUTIONS

Upon the withdrawal of a member without a retirement benefit, his or her contributions are returned to him or her, together with accumulated regular interest thereon.

Upon the death of a member before retirement, his or her contributions, together with the full accumulated regular interest thereon, are paid to his or her designated beneficiary, if any, otherwise, to his or her estate provided no other survivor benefits are payable.

Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by *The Wall Street Journal* on December 31 of each preceding year with a minimum rate of 1.0 percent and a maximum rate of 5.0 percent.

NORMAL FORM OF BENEFIT

The normal form of benefit is an allowance payable during the life of the member with the provision that, upon his or her death, the excess of his or her total contributions at the time of retirement over the total retirement annuity paid to him or her will be paid to his or her designated beneficiary.

OPTIONAL BENEFIT

A member upon retirement may elect to receive his or her allowance in one of the following forms, which are computed to be actuarially equivalent to the applicable retirement allowance.

Option 1. Reduced allowance with the provision that if the pensioner dies before he or she receives the value of the member's annuity as it was at the time of retirement, the balance shall be paid to his or her beneficiary.

Option 2. Upon his or her death, his or her reduced retirement allowance shall be continued throughout the life of, and paid to, his or her beneficiary.

Option 3. Upon his or her death, 50.0 percent of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary and the other 50.0 percent of his or her reduced retirement allowance to some other designated beneficiary.

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

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

Option 4B. A reduced retirement allowance shall be continued throughout the life of the pensioner, but with the further guarantee of payment to the pensioner, or his or her beneficiary for a specified number of years certain.

Option 4C. A member may elect any option with the added provision that the member shall receive, so far as possible, the same total amount annually (considering both SLRP and Social Security benefits) before and after the earliest age at which the member becomes eligible for a Social Security benefit. This option was only available to those who retired prior to July 1, 2004.

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

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

A member who has at least 28 years of creditable service* under PERS may select a PLSO at retirement. Under this option, the retiree has the option of taking a partial-lump-sum distribution equal to 12, 24, or 36 times the base maximum monthly benefit. With each lump-sum amount, the base maximum monthly benefit will be actuarially reduced. A member selecting the PLSO may also select any of the regular options except Option 1, the prorated single-life annuity, and Option 4C, the Social Security-leveling provision. The benefit is then calculated using the new reduced maximum benefit as a starting point in applying the appropriate option factors for the reduction.

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

POST-RETIREMENT ADJUSTMENTS IN ALLOWANCES

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

a) 3.0 percent of the annual retirement allowance for each full fiscal year of retirement prior to the year in which the member reaches age 55, plus

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

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

CONTRIBUTIONS

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

Changes in Plan Provisions

The Mississippi Legislature ended its 2016 legislative session with various changes to the Mississippi Code of 1972 plan provisions of the Public Employees' Retirement System of Mississippi. Legislation is effective July 1, 2016.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI (PERS)

House Bill 114 (Regular Session 2016), effective July 1, 2016
Approved by Governor Bryant April 18, 2016

- Administration and Operation
  - PERS Building - Renames the PERS building as the Timothy Alan (Tim) Ford Building to pay tribute to the late Tim Ford who served as speaker of the Mississippi House of Representatives from 1988 to 2004.

House Bill 899 (Regular Session 2016), effective July 1, 2016, except as otherwise provided
Approved by Governor Bryant April 11, 2016

- Administration and Operation
  - Electronic Payments – Amends Miss. Code Ann. §§ 25-11-111.1, 25-13-11.1, and 21-29-325 to authorize the Board of Trustees through its regulations to make payments of retirement benefits by whatever electronic means it deems most appropriate (examples: direct deposit or bank card) and to authorize the Board of Trustees to provide for alternative means of payment if receipt of the payment by the prescribed means will cause undue hardship.
  - Compliance Audits – Codifies Miss. Code Ann. § 25-11-119.1 to establish that PERS may perform on-site compliance audits of employers to determine compliance with PERS statutes and regulations. PERS may assess penalties for the employer's failure to comply with such an audit.
  - Retiree Health Insurance Plan – Amends Miss. Code Ann. § 25-11-141 and repeals Miss. Code Ann. §§ 25-11-143 and 25-11-145, which had established a framework for a future health insurance plan to be administered by the Board of Trustees for current and future retirees.

- Public Employees Retirement System of Mississippi (PERS), Supplemental Legislative Retirement Plan (SLRP), and Mississippi Highway Safety Patrol Retirement System (MHSPRS)
  - Creditable Service – Amends Miss. Code Ann. §§ 25-11-105(k), 25-11-109(2), 25-11-117(3)(b), 25-11-311(3)(b), and 25-13-21 effective July 1, 2017, to prospectively change the method of granting service credit from quarterly to monthly increments and to provide that, for a member who retires on or after July 1, 2017, creditable service for unused leave will be awarded in monthly rather than quarterly increments, with every 21 days of unused leave counting as one month of service.
  - HEART Act and USERRA – Codifies Miss. Code Ann. § 25-11-110 in compliance with the Heroes Earnings Assistance and Relief Tax Act (HEART Act) and Uniformed Services Employment and Reemployment Rights Act (USERRA). If a member dies while performing qualified military service as defined by the United States Code, survivors of a member of PERS, SLRP, or MHSPRS are entitled to any additional benefits that the system would provide if the member had resumed employment and then died. A deceased member's period of qualified military service must be counted for vesting purposes. An individual receiving differential wage payments from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation.
- PERS and SLRP
  - Definitions of certain terms
    - Definition of Type of Service Required to Qualify for Survivor Benefits – Amends Miss. Code Ann. § 25-11-103(g) to revise the definition of "beneficiary" to clarify that, in the event that a member of PERS dies before retirement and the spouse and/or dependent children are not entitled to a retirement allowance on the basis that the deceased member did not have the required number of years of service, the type of service to which is referred is "membership" service as defined in § 25-11-103(r).
    - Definition of Child – Amends Miss. Code Ann. § 25-11-103(j) to revise the definition of "child" to clarify that a natural child of a member of PERS is one who is conceived before the death of the member.
  - Leave Credit for Elected Officials – Amends Miss. Code Ann. § 25-11-109(2) to clarify that leave credit for elected officials who are members of PERS is in lieu of, and not in addition to, leave earned while simultaneously employed in a non-elected position in the System.
  - Commencement of Benefits – Amends Miss. Code Ann. §§ 25-11-111(b)(1) and 25-11-111(b)(2) to clarify that a member's retirement benefit payments shall begin after the member submits the required application to PERS, but in no event before withdrawal from service.

- Disability retirement
  - Termination after Disability Determination – Amends Miss. Code Ann. § 25-11-113(1)(a) and § 25-11-114(6) to establish that a member of PERS who has applied and been approved for a disability retirement allowance must terminate from state service within 90 days of approval or the disability retirement and application shall be void.
  - Disability Benefits – Amends Miss. Code Ann. § 25-11-113(1)(b) to clarify that a member of PERS who applies for a disability retirement allowance must provide sufficient objective medical evidence in support of his or her claim and to define "objective medical evidence" in support of a claim for disability retirement benefits.
  - Statute of Limitations for Disability Claims for Inactive Members – Amends Miss. Code Ann. § 25-11-113(1)(c) to establish a one-year statute of limitations for the filing of claims for disability benefits following termination from covered employment and to provide for extensions of such period if it can be factually demonstrated to the satisfaction of the PERS Board of Trustees that, throughout the one-year period, the member was incapable of applying for benefits by reason of mental or physical impairment, as certified by a medical doctor.
- Spouse Survivor Benefits – Amends Miss. Code Ann. § 25-11-114(2)(d)(ii) to clarify that, if a member of PERS dies before qualifying for a full, unreduced retirement allowance, the reduction factor for the annuity of the surviving spouse will be based on the number of years that would have been required for the deceased member to qualify for a full, unreduced retirement.
- Duty-Related Death and Disability Benefits – Amends Miss. Code Ann. §§ 25-11-114(4)(a), 25-11-114(6), and 25-11-114(7)(a) to clarify that, for duty-related death or disability benefits to be payable, the death or disability must have been as a direct result of a physical injury sustained from an accident or a traumatic event caused by external violence or physical force that occurred in the performance of duty.
- Statute of Limitations for Modifying Benefit Options after Marriage – Amends Miss. Code Ann. § 25-11-115(4) to establish an application filing deadline of one year from the date of the marriage for a retiree to elect to change ("pop-down") from the Maximum Retirement Allowance or Option 1 to Option 2, Option 4, or Option 4-A to provide a lifetime benefit to his or her new spouse.

- PERS and MHSPRS
  - Dependent Child Survivor Benefits – Amends Miss. Code Ann. §§ 25-11-114(3)(b), 25-11-114(4)(b), and 25-13-13(5) to prospectively remove the extension of the age limitation for the payment of the dependent child survivor benefit beyond age 23 for a student child whose birthday falls during the school year (September 1 through June 30) and instead terminates the benefit after the student child reaches age 23, regardless of the month in which the birthday falls.
- MHSPRS
  - MHSPRS Service retirement formula for early retirement – Amends Miss. Code Ann. § 25-13-11(1)(d) to revise the early retirement formula to provide that the retirement annuity of any member of MHSPRS shall be reduced by an actuarially determined percentage or factor (rather than a fixed 3 percent) for each year of age below 55 or for each year of service below 25, whichever is less.

Senate Bill 2064 (Regular Session 2016), effective July 1, 2016
Approved by Governor Bryant April 6, 2016

» PERS

  » Coverage – Provides in pertinent part that a teacher, assistant teacher, or other employee whose salary and fringe benefits are paid from state funds allocated for the Distance Learning Collaborative Program shall only be classified as a state or local school district employee eligible for state health insurance benefits or membership in PERS if the person's employer is already a public school district or an agency or instrumentality of the state and the employee would be eligible for such benefits in the normal course of business.

Senate Bill 2161 (Regular Session 2016), effective July 1, 2016
Approved by Governor Bryant April 14, 2016

» PERS

  » Charter School Coverage – Establishes that public charter schools are political subdivisions and eligible for participation in PERS and other benefit programs if the public charter school governing board chooses to participate.

Senate Bill 2362 (Regular Session 2016), effective July 1, 2016
Approved by Governor Bryant May 6, 2016

» Administration and Operation

  » Mississippi Budget Transparency and Simplification Act of 2016 – Specifically exempts trust fund accounts maintained by PERS and protected under Section 272A of the Mississippi Constitution of 1890 from the provision of the Mississippi Budget Transparency and Simplification Act of 2016 that requires special fund agencies to be funded through general fund appropriation.

VALUATION ASSETS & FUNDING PROGRESS

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

The following table presents the actuarial change in asset valuation for the year ended June 30, 2016 (in thousands):

	PERS	MHSPRS	MRS	SLRP	TOTAL
VALUATION ASSETS JUNE 2015	**$24,387,161**	**$316,149**	**$162,616**	**$16,098**	**$24,882,024**
CONTRIBUTIONS & OTHER REVENUE	1,593,835	16,883	18,595	722	1,630,035
BENEFIT PAYMENTS	(2,480,635)	(29,965)	(34,428)	(1,486)	(2,546,514)
ADMINISTRATIVE EXPENSES	(15,166)	(217)	(371)	(10)	(15,764)
INVESTMENT EXPENSES*	(87,355)	(1,138)	-	(58)	(88,551)
NET NEW MONEY	**(989,321)**	**(14,437)**	**(16,204)**	**(832)**	**(1,020,794)**
EXPECTED TOTAL INVESTMENT RETURN FOR 2016 (7.75%)	1,982,662	25,671	12,546	1,303	2,022,182
ADJUSTMENT TOWARD MARKET (20%)	(195,424)	(2,489)	202	122	(197,833)
VALUATION ASSETS JUNE 2016	**$25,185,078**	**$324,894**	**$159,160**	**$16,447**	**$25,685,579**

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

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

The following table presents the actual remaining amortization periods as of June 30, 2016.

	PERS	MHSPRS	SLRP
PREVIOUSLY REPORTED PERIOD	33.9 years	45.5 years	23.6 years
Change Due to:			
NORMAL AMORTIZATION	(1.0)	(1.0)	(1.0)
ACTUARIAL EXPERIENCE	3.9	3.6	(2.2)
ASSUMPTION METHOD CHANGES	(0.1)	(0.1)	-
PLAN AMENDMENTS	-	-	-
ADDITIONAL ASSUMED CONTRIBUTIONS	-	(1.1)	-
CONTRIBUTION EXPERIENCE	(0.1)	(4.0)	2.2
COMPUTED PERIOD	36.6 years	42.9 years	22.6 years

For PERS, the primary reasons for the increase in the amortization period are experience losses on assets and liabilities offset by the decrease in liabilities due to the assumption change in the employee interest crediting assumptions. For MHSPRS, the fundamental reason for the decrease in the amortization period was the growth in the expected future contributions assumed to be made to the plan due to the higher than normal growth in payroll and the additional contribution assumption from the Senate Bills enacted in 2004 and 2013. This decrease was partially offset due to experience losses. For SLRP, the primary reasons for the decrease in the amortization period are experience gains on termination and retirement offset by the loss on investment return.

The funded status of each of the plans is shown in the Schedules of Funding Progress on pages 140 and 141. This table shows funding ratios for the last 10 fiscal years. The table also shows the amount by which actuarial assets exceeded or fell short of actuarial benefit liabilities. An actuarial valuation of the plan's assets and benefit obligations is performed annually.

At the date of the most recent actuarial valuation, June 30, 2016, the funded status of PERS decreased to 60.0 percent from 60.4 percent at June 30, 2015. The amount by which PERS' actuarial assets were less than actuarial benefit liabilities was $16.8 billion at June 30, 2016, an increase in unfunded actuarial accrued liabilities of $835 million from June 30, 2015.

At the date of the most recent actuarial valuation, June 30, 2016, the funded status of the MHSPRS decreased to 65.8 percent from June 30, 2015. The amount by which the MHSPRS' actuarial assets were less than actuarial benefit liabilities was $169.2 million, compared with $161.7 million at June 30, 2015.

As of the June 30, 2016, actuarial valuation of MRS, the funded status increased to 48.1 percent from 47.6 percent at June 30, 2015. The amount by which the MRS actuarial assets were less than actuarial benefit liabilities was $171.5 million at June 30, 2016, compared with $178.9 million at June 30, 2015.

At the date of the most recent actuarial valuation, June 30, 2016, the funded status of SLRP increased to 77.4 percent from 75.9 percent at June 30, 2015. The amount by which the SLRP actuarial assets were less than actuarial benefit liabilities was $4.8 million, compared with $5.1 million at June 30, 2015.

SCHEDULES OF FUNDING PROGRESS

- LAST 10 FISCAL YEARS -

[in thousands]

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (A)	ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE (B)	UNFUNDED AAL (UAAL) (B-A)	PERCENT FUNDED (A/B)	ANNUAL COVERED PAYROLL (C)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((B-A)/C)
Public Employees' Retirement System of Mississippi						
6/30/07	$19,791,564	$26,862,636	$7,071,072	73.70%	$5,196,295	136.10%
6/30/08	20,814,720	28,534,694	7,719,974	72.90	5,544,705	139.20
6/30/09	20,597,581	30,594,546	9,996,965	67.30	5,831,864	171.40
6/30/10	20,143,426	31,399,988	11,256,562	64.20	5,763,556	195.30
6/30/11	20,315,165	32,654,465	12,339,300	62.20	5,684,624	217.10
6/30/12	19,992,797	34,492,873	14,500,076	58.00	5,857,789	247.50
6/30/13	20,490,555	35,542,848	15,052,293	57.70	5,823,578	258.50
6/30/14	22,569,940	37,015,288	14,445,348	61.00	5,834,687	247.60
6/30/15	24,387,161	40,364,584	15,977,423	60.40	5,904,827	270.60
6/30/16	25,185,078	41,997,513	16,812,435	60.00	6,022,533	279.20
Mississippi Highway Safety Patrol Retirement System						
6/30/07	$284,626	$371,233	$86,607	76.70%	$27,037	320.30%
6/30/08	298,630	381,578	82,948	78.30	29,597	280.30
6/30/09	292,322	394,630	102,308	74.10	26,390	387.70
6/30/10	281,088	411,277	130,189	68.30	26,353	494.00
6/30/11	278,265	414,432	136,167	67.10	24,872	547.50
6/30/12	268,424	421,415	152,991	63.70	25,670	596.00
6/30/13	271,097	431,575	160,478	62.80	25,816	621.60
6/30/14	295,298	445,822	150,524	66.20	25,554	589.00
6/30/15	316,149	477,803	161,654	66.20	25,505	633.80
6/30/16	324,894	494,101	169,207	65.80	27,380	618.00

SCHEDULES OF FUNDING PROGRESS (CONTINUED)

- LAST 10 FISCAL YEARS -

[in thousands]

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (A)	ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE (B)	UNFUNDED AAL (UAAL) (B-A)	PERCENT FUNDED (A/B)	ANNUAL COVERED PAYROLL (C)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((B-A)/C)
Municipal Retirement Systems						
9/30/07	$213,432	$379,584	$166,152	56.20%	$1,953	8,507.50%
9/30/08	208,479	368,131	159,652	56.60	1,713	9,320.00
9/30/09	191,179	381,036	189,857	50.20	1,608	11,807.00
9/30/10	175,988	372,897	196,909	47.20	1,425	13,818.20
9/30/11	167,604	363,604	196,000	46.10	1,357	14,443.60
9/30/12	155,484	356,571	201,087	43.60	1,131	17,779.60
6/30/13*	153,241	349,588	196,347	43.80	794	24,728.80
6/30/14	157,970	340,385	182,415	46.40	727	25,091.50
6/30/15	162,616	341,525	178,909	47.60	579	30,899.70
6/30/16	159,160	330,663	171,503	48.10	419	40,931.50
Supplemental Legislative Retirement Plan						
6/30/07	$12,722	$15,054	$2,332	84.50%	$6,554	35.60%
6/30/08	13,412	15,615	2,203	85.90	6,753	32.60
6/30/09	13,386	16,535	3,149	81.00	6,803	46.30
6/30/10	13,241	17,081	3,840	77.50	6,605	58.10
6/30/11	13,606	18,605	4,999	73.10	6,810	73.40
6/30/12	13,268	19,537	6,269	67.90	6,872	91.20
6/30/13	13,554	19,978	6,424	67.80	6,695	95.90
6/30/14	14,899	20,240	5,341	73.60	6,918	77.20
6/30/15	16,098	21,213	5,115	75.90	6,861	74.60
6/30/16	16,447	21,259	4,812	77.40	6,862	70.10

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

SOLVENCY TESTS

[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 POSITION AVAILABLE FOR BENEFITS
Public Employees' Retirement System of Mississippi				
6/30/07	$3,788,781	$13,342,531	$9,731,324	$19,791,564
6/30/08	3,991,804	14,306,528	10,236,362	20,814,720
6/30/09	4,235,466	15,665,712	10,693,368	20,597,581
6/30/10	4,266,621	16,763,455	10,369,912	20,143,426
6/30/11	4,356,556	18,001,718	10,296,191	20,315,165
6/30/12	4,463,252	19,547,367	10,482,254	19,992,797
6/30/13	5,053,888	20,789,551	9,699,409	20,490,555
6/30/14	5,277,944	22,033,588	9,703,756	22,569,940
6/30/15	5,379,226	24,012,624	10,972,734	24,387,161
6/30/16	5,468,859	25,390,774	11,137,880	25,185,078
Mississippi Highway Safety Patrol Retirement System				
6/30/07	$20,870	$231,771	$118,592	$284,626
6/30/08	21,371	242,265	117,942	298,630
6/30/09	20,136	273,774	100,720	292,322
6/30/10	20,658	284,106	106,513	281,088
6/30/11	20,621	292,234	101,577	278,265
6/30/12	20,760	300,753	99,902	268,424
6/30/13	23,706	306,273	101,596	271,097
6/30/14	24,411	317,825	103,586	295,298
6/30/15	24,827	338,459	114,517	316,149
6/30/16	25,791	343,635	124,675	324,894

	PORTIONS OF ACCRUED LIABILITIES COVERED BY ASSETS		
VALUATION DATE	(1)	(2)	(3)
Public Employees' Retirement System of Mississippi			
6/30/07	100.00%	100.00%	27.30%
6/30/08	100.00	100.00	24.60
6/30/09	100.00	100.00	6.50
6/30/10	100.00	94.70	-
6/30/11	100.00	88.70	-
6/30/12	100.00	79.40	-
6/30/13	100.00	74.30	-
6/30/14	100.00	78.50	-
6/30/15	100.00	79.20	-
6/30/16	100.00	77.70	-
Mississippi Highway Safety Patrol Retirement System			
6/30/07	100.00%	100.00%	27.00%
6/30/08	100.00	100.00	29.70
6/30/09	100.00	99.40	-
6/30/10	100.00	91.70	-
6/30/11	100.00	88.20	-
6/30/12	100.00	82.30	-
6/30/13	100.00	80.80	-
6/30/14	100.00	85.20	-
6/30/15	100.00	86.10	-
6/30/16	100.00	87.00	-

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 POSITION AVAILABLE FOR BENEFITS
Municipal Retirement Systems				
9/30/07	$3,015	$366,139	$10,430	$213,432
9/30/08	2,688	356,413	9,030	208,479
9/30/09	2,522	369,470	9,044	191,179
9/30/10	2,295	362,444	8,158	175,988
9/30/11	2,256	353,609	7,739	167,604
9/30/12	1,957	348,121	6,493	155,484
6/30/13	1,483	343,770	4,335	153,241
6/30/14	1,342	334,937	4,106	157,970
6/30/15	1,101	337,039	3,385	162,616
6/30/16	867	327,525	2,271	159,160
Supplemental Legislative Retirement Plan				
6/30/07	$2,301	$7,378	$5,375	$12,722
6/30/08	2,102	8,295	5,218	13,412
6/30/09	2,327	8,756	5,452	13,386
6/30/10	2,509	8,777	5,795	13,241
6/30/11	2,642	8,734	7,229	13,606
6/30/12	2,105	11,428	6,004	13,268
6/30/13	2,416	11,909	5,652	13,554
6/30/14	2,638	11,920	5,682	14,899
6/30/15	2,862	12,329	6,023	16,098
6/30/16	2,485	13,758	5,016	16,447

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

	PORTIONS OF ACCRUED LIABILITIES COVERED BY ASSETS		
VALUATION DATE	(1)	(2)	(3)
Municipal Retirement Systems			
9/30/07	100.00%	57.50%	-%
9/30/08	100.00	57.70	-
9/30/09	100.00	51.10	-
9/30/10	100.00	47.90	-
9/30/11	100.00	46.80	-
9/30/12	100.00	44.10	-
6/30/13*	100.00	44.10	-
6/30/14	100.00	46.80	-
6/30/15	100.00	47.90	-
6/30/16	100.00	48.30	-
Supplemental Legislative Retirement Plan			
6/30/07	100.00%	100.00%	56.60%
6/30/08	100.00	100.00	57.80
6/30/09	100.00	100.00	42.20
6/30/10	100.00	100.00	33.70
6/30/11	100.00	100.00	30.80
6/30/12	100.00	97.70	-
6/30/13	100.00	93.50	-
6/30/14	100.00	100.00	6.00
6/30/15	100.00	100.00	15.10
6/30/16	100.00	100.00	4.10

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

ANALYSIS OF FINANCIAL EXPERIENCE
GAINS AND LOSSES IN ACCRUED LIABILITIES RESULTING FROM DIFFERENCES BETWEEN ASSUMED EXPERIENCE AND ACTUAL EXPERIENCE

- FOR THE YEAR ENDED JUNE 30, 2016 -

[in thousands]

	GAIN (LOSS) FOR YEAR			
TYPE OF ACTIVITY	PERS	MHSPRS	MRS	SLRP
AGE & SERVICE RETIREMENTS: IF MEMBERS RETIRE AT OLDER AGES, THERE IS A GAIN. IF YOUNGER AGES, A LOSS.	$(167,500.00)	$1,136.10	$71.10	$248.70
DISABILITY RETIREMENTS: IF DISABILITY CLAIMS ARE LESS THAN ASSUMED, THERE IS A GAIN. IF MORE CLAIMS, A LOSS.	(17,000.00)	144.00	-	11.50
DEATH-IN-SERVICE BENEFITS: IF SURVIVOR CLAIMS ARE LESS THAN ASSUMED, THERE IS A GAIN. IF MORE CLAIMS, A LOSS.	(600.00)	12.30	1.40	7.10
WITHDRAWAL FROM EMPLOYMENT: IF MORE LIABILITIES ARE RELEASED BY WITHDRAWALS THAN ASSUMED, THERE IS A GAIN. IF SMALLER RELEASES, A LOSS.	(83,800.00)	2,435.30	-	130.00
PAY INCREASES: IF THERE ARE SMALLER PAY INCREASES THAN ASSUMED, THERE IS A GAIN. IF GREATER INCREASES, A LOSS.	26,500.00	(6,086.90)	19.90	109.90
NEW MEMBERS: ADDITIONAL UNFUNDED ACCRUED LIABILITY WILL PRODUCE A LOSS.	(80,600.00)	(1,265.70)	-	(129.00)
INVESTMENT INCOME: IF THERE IS GREATER INVESTMENT INCOME THAN ASSUMED, THERE IS A GAIN. IF LESS INCOME, A LOSS.	(155,200.00)	(2,826.20)	66.40	(95.00)
DEATH AFTER RETIREMENT: IF RETIRANTS LIVE LONGER THAN ASSUMED, THERE IS A LOSS. IF NOT AS LONG, A GAIN.	8,600.00	2,164.10	2,307.40	115.90
OTHER: MISCELLANEOUS GAINS AND LOSSES, DATA ADJUSTMENTS, TIMING OF FINANCIAL TRANSACTIONS, ETC.	(114,800.00)	(1,417.40)	(0.20)	(34.30)
GAIN (OR LOSS) DURING YEAR FROM FINANCIAL EXPERIENCE	(584,400.00)	(5,704.40)	2,466.00	364.80
NON-RECURRING ITEMS: ADJUSTMENTS FOR PLAN AMENDMENTS, ASSUMPTION CHANGES, OR METHOD CHANGES AND CHANGES IN VALUATION SOFTWARE.	66,600.00	0.40	-	5.60
COMPOSITE GAIN (OR LOSS) DURING YEAR	$(517,800.00)	$(5,704.00)	$2,466.00	$370.40

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

VALUATION DATE	NUMBER OF EMPLOYERS	ACTIVE MEMBERS			
		NUMBER OF EMPLOYEES	ANNUAL PAYROLL	ANNUAL AVERAGE PAY	INCREASE IN AVERAGE PAY
Public Employees' Retirement System of Mississippi					
6/30/07	861	162,804	$5,196,294,899	$31,917	1.50%
6/30/08	863	165,733	5,544,704,937	33,456	4.80
6/30/09	866	167,122	5,831,863,534	34,896	4.30
6/30/10	868	164,896	5,763,556,195	34,953	0.20
6/30/11	872	161,676	5,684,624,214	35,161	0.60
6/30/12	870	162,311	5,857,789,376	36,090	2.60
6/30/13	873	161,744	5,823,577,978	36,005	(0.20)
6/30/14	871	161,360	5,834,686,655	36,159	0.40
6/30/15	868	157,215	5,904,827,181	37,559	3.90
6/30/16	862	154,104	6,022,532,933	39,081	4.10
Mississippi Highway Safety Patrol Retirement System					
6/30/07	1	591	$27,037,063	$45,748	5.30%
6/30/08	1	626	29,597,374	47,280	3.30
6/30/09	1	570	26,389,909	46,298	(2.10)
6/30/10	1	542	26,353,400	48,623	5.00
6/30/11	1	515	24,872,085	48,295	(0.70)
6/30/12	1	547	25,670,030	46,929	(2.80)
6/30/13	1	520	25,815,787	49,646	5.80
6/30/14	1	495	25,553,765	51,624	4.00
6/30/15	1	518	25,504,676	49,237	(4.60)
6/30/16	1	484	27,380,162	56,571	14.90

SCHEDULE OF ACTIVE MEMBER VALUATION DATA (CONTINUED)

		ACTIVE MEMBERS			
VALUATION DATE	NUMBER OF EMPLOYERS	NUMBER OF EMPLOYEES	ANNUAL PAYROLL	ANNUAL AVERAGE PAY	INCREASE IN AVERAGE PAY
Municipal Retirement Systems					
9/30/07	17	42	$1,952,642	$46,491	2.50%
9/30/08	17	35	1,712,743	48,936	5.30
9/30/09	17	31	1,608,396	51,884	6.00
9/30/10	17	27	1,424,636	52,764	1.70
9/30/11	17	25	1,356,858	54,274	2.90
9/30/12	17	21	1,131,252	53,869	(0.70)
6/30/13*	17	16	793,841	49,615	(7.90)
6/30/14	17	14	727,347	51,953	4.70
6/30/15	17	11	579,267	52,661	1.40
6/30/16	17	8	419,000	52,375	(0.50)
Supplemental Legislative Retirement Plan					
6/30/07	5	175	$6,554,229	$37,453	2.00%
6/30/08	5	175	6,752,960	38,588	3.00
6/30/09	5	174	6,803,339	39,100	1.30
6/30/10	5	175	6,605,037	37,743	(3.50)
6/30/11	5	174	6,809,770	39,137	3.70
6/30/12	5	175	6,871,757	39,267	0.30
6/30/13	5	175	6,695,359	38,259	(2.60)
6/30/14	5	175	6,917,939	39,531	3.30
6/30/15	5	174	6,861,166	39,432	(0.30)
6/30/16	5	171	6,862,262	40,130	1.80

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

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

		ADDED		REMOVED		
FISCAL YEAR ENDED*	PLAN	NUMBER	ANNUAL ALLOWANCES	NUMBER	ANNUAL ALLOWANCES	INCREASE DUE TO ANNUAL COLA
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	46	792,381	(86)	(1,233,853)	187,499
	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	39	690,172	(77)	(942,832)	185,354
	SLRP	33	230,576	(7)	(31,217)	23,377
JUNE 30, 2013	PERS	6,276	120,592,399	(2,891)	(47,237,330)	48,758,557
	MHSPRS	23	642,344	(23)	(596,871)	622,206
	MRS	40	896,085	(77)	(1,083,209)	195,722
	SLRP	20	77,003	(5)	(26,497)	24,226
JUNE 30, 2014	PERS	6,159	120,190,296	(2,869)	(48,955,768)	52,368,041
	MHSPRS	28	1,113,236	(21)	(661,028)	678,533
	MRS	29	485,121	(80)	(1,041,083)	173,544
	SLRP	6	32,688	(7)	(44,780)	30,165
JUNE 30, 2015	PERS	5,907	117,113,206	(3,073)	(55,158,128)	56,044,620
	MHSPRS	22	890,167	(18)	(480,408)	700,417
	MRS	40	731,337	(81)	(1,119,680)	143,234
	SLRP	8	58,303	(10)	(95,910)	31,718
JUNE 30, 2016	PERS	6,548	132,970,248	(3,403)	(59,603,335)	59,355,139
	MHSPRS	26	833,870	(26)	(830,278)	701,887
	MRS	46	842,966	(97)	(1,365,194)	132,268
	SLRP	28	177,207	(6)	(57,546)	24,514

**Information for MRS is as of September 30 for fiscal years 2011 through 2012.*

SCHEDULE OF RETIRANTS ADDED TO AND REMOVED FROM ROLLS (CONTINUED)

- LAST SIX FISCAL YEARS -

FISCAL YEAR ENDED*	PLAN	INCREASE DUE TO PLAN AMENDMENTS	ROLLS AT END OF YEAR NUMBER	ROLLS AT END OF YEAR ANNUAL ALLOWANCES	INCREASE IN ANNUAL ALLOWANCES	AVERAGE ANNUAL ALLOWANCES
JUNE 30, 2011	PERS	-	83,115	$1,627,813,430	8.62%	$19,585
	MHSPRS	-	704	23,975,708	4.70	34,056
	MRS	-	2,016	35,164,599	(0.72)	17,443
	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	-	1,978	35,097,293	(0.19)	17,744
	SLRP	-	173	1,046,672	27.03	6,050
JUNE 30, 2013	PERS	-	90,214	1,874,720,385	6.97	20,781
	MHSPRS	-	713	25,835,619	2.65	36,235
	MRS	-	1,941	35,105,891	0.02	18,086
	SLRP	-	188	1,121,404	7.14	5,965
JUNE 30, 2014	PERS	-	93,504	1,998,322,954	6.59	21,372
	MHSPRS	-	720	26,966,360	4.38	37,453
	MRS	-	1,890	34,723,473	(1.09)	18,372
	SLRP	-	187	1,139,477	1.61	6,093
JUNE 30, 2015	PERS	-	96,338	2,116,322,652	5.90	21,968
	MHSPRS	-	724	28,076,536	4.12	38,780
	MRS	-	1,849	34,478,364	(0.71)	18,647
	SLRP	-	185	1,133,588	(0.52)	6,128
JUNE 30, 2016	PERS	-	99,483	2,249,044,704	6.27	22,607
	MHSPRS	-	724	28,782,015	2.51	39,754
	MRS	-	1,798	34,088,404	(1.13)	18,959
	SLRP	-	207	1,277,763	12.72	6,173

**Information for MRS is as of September 30 for fiscal years 2011 through 2012.*

Statistical

Statistical

Statistical Report

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

Financial Trends

The schedule of Changes in Net Position presented on pages 154 through 157 contains historical information related to the System's revenues, expenses, changes in net position, and net position restricted for benefits, as well as a history of employer and member contribution rates over a 10-year period. During the past 10 years, member and employer contributions have steadily risen, while investment income has fluctuated due to a volatile global financial environment. Retirement annuity payments, and to a lesser degree administrative expenses, have generally increased over the period.

PERS funded ratio has ranged from a 10-year high of 73.7 percent in 2007 to a low of 57.7 percent in 2013, primarily due to the effects of smoothing investment losses from 2008 and 2009. The current funding ratio is 60.0 percent. To help address the funded status of PERS, the Board of Trustees approved an increase in the employer contribution rate to 15.75 percent, which was effective for fiscal year 2014. MHSPRS funded ratio has ranged from a high of 78.3 percent in 2008 to a low of 62.8 percent in 2013, also due to the effects of smoothing investment losses from 2008 and 2009. The 2016 funded ratio is 65.8. Funded ratios for SLRP span 85.9 percent in 2008 to 67.8 percent in 2013. The current funded ratio is 77.4 percent. MHSPRS and SLRP employer contribution rates have remained at 37.0 and 7.4 percent, respectively, since fiscal year 2013. The PERS member contribution rate was increased by the Mississippi Legislature from 7.25 percent to 9.0 percent effective July 1, 2010. The MHSPRS member contribution rate has remained constant at 7.25 percent since 2008, and the SLRP member contribution rate has continued at 3.0 percent since inception of the plan in 1989.

The Board adopted a revised funding policy for PERS and SLRP aimed at stabilizing the employer contribution rates and establishing a goal to position the plans at more than 80.0 percent funded by 2042. Under the revised funding policy, contribution rates would no longer be determined based on a rolling 30-year amortization. Rather, the focus is on reducing the volatility of the contribution rates. A similar funding policy was adopted by the MHSPRS Administrative Board. A discussion of contribution rates can be found on page 60, Note 6. Funding information can be found in the Actuarial Section, beginning on page 138.

Changes were enacted in the PERS retirement benefit structure for those hired on or after July 1, 2001, to better position the System for its financial future. A detailed description of plan benefits can be found in Note 1 on pages 34 through 38 and in the Summary of Main System Provisions for each plan, beginning on page 115.

Demographic and Economic Information

The schedule of Total Active Members by Attained Age and Years of Service, shown on pages 172 through 174, 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 176 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 175 offers information on the amount of economic contribution attributed to benefit payments by county within the State of Mississippi.

Operating Information

Pages 158 through 161 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 168 through 171. 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 162 through 165. Comparative supplemental information on employer and member groups covered by the Public Employees' Retirement System cost-sharing plan is offered on pages 166 and 167, with details of participating employers covered by separate agreements on pages 177 through 179.

Statistical data is provided from the System's internal resources and actuarial valuations for each plan. The System had no outstanding debt as of June 30, 2016.

CHANGES IN NET POSITION
- LAST 10 FISCAL YEARS -

[in thousands]

FISCAL YEAR	BEGINNING NET POSITION	MEMBER CONTRIBUTIONS AMOUNT	MEMBER CONTRIBUTIONS PERCENT*	EMPLOYER CONTRIBUTIONS AMOUNT**	EMPLOYER CONTRIBUTIONS PERCENT*	NET INVESTMENT INCOME (LOSS)	OTHER REVENUES & TRANSFERS**
Public Employees' Retirement System of Mississippi							
2007	$18,321,063	$392,268	7.25%	$610,888	11.30%	$3,402,562	$604
2008	21,353,016	417,119	7.25	683,189	11.85	(1,725,434)	637
2009	19,251,069	434,081	7.25	713,569	11.85	(3,717,016)	657
2010	15,134,487	439,397	7.25	731,544	12.00	2,148,749	610
2011	16,788,214	533,369	9.00	723,836	12.00	4,167,042	639
2012	20,377,236	545,587	9.00	768,914	12.93	59,595	664
2013	19,781,387	547,792	9.00	881,847	14.26	2,564,097	691
2014	21,686,911	549,528	9.00	969,674	15.75	3,905,728	885
2015	24,877,119	557,909	9.00	996,478	15.75	827,666	670
2016	24,906,556	572,574	9.00	1,021,261	15.75	130,900	633
Mississippi Highway Safety Patrol Retirement System							
2007	$265,637	$1,778	6.50%	$8,275	30.30%	$49,104	$2,341
2008	307,152	1,985	6.50	9,253	30.30	(24,886)	3,156
2009	276,154	2,166	7.25	9,066	30.30	(52,869)	3,208
2010	214,374	2,043	7.25	8,613	30.30	29,942	3,985
2011	232,873	1,948	7.25	8,067	30.30	57,090	3,427
2012	277,563	1,946	7.25	8,798	35.21	805	3,246
2013	265,232	1,951	7.25	9,952	37.00	34,270	3,414
2014	287,456	1,963	7.25	13,500	37.00	51,575	-
2015	326,032	1,938	7.25	13,695	37.00	10,812	-
2016	323,207	2,128	7.25	14,755	37.00	1,704	-

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

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

CHANGES IN NET POSITION (CONTINUED)

- LAST 10 FISCAL YEARS -

[in thousands]

FISCAL YEAR	TOTAL ADDITIONS (DELETIONS)	RETIREMENT ANNUITIES	REFUNDS	EXPENSES & DEPRECIATION	TRANSFERS	TOTAL DEDUCTIONS	NET CHANGE IN POSITION	ENDING NET POSITION
Public Employees' Retirement System of Mississippi								
2007	$4,406,322	$1,291,456	$72,572	$10,341	$-	$1,374,369	$3,031,953	$21,353,016
2008	(624,489)	1,393,175	72,750	11,533	-	1,477,458	(2,101,947)	19,251,069
2009	(2,568,709)	1,465,500	70,050	12,323	-	1,547,873	(4,116,582)	15,134,487
2010	3,320,300	1,580,808	73,580	12,185	-	1,666,573	1,653,727	16,788,214
2011	5,424,886	1,734,475	88,343	13,046	-	1,835,864	3,589,022	20,377,236
2012	1,374,760	1,862,826	93,379	14,404	-	1,970,609	(595,849)	19,781,387
2013	3,994,427	1,965,660	108,365	14,878	-	2,088,903	1,905,524	21,686,911
2014	5,425,815	2,099,843	121,532	14,232	-	2,235,607	3,190,208	24,877,119
2015	2,382,723	2,219,240	119,356	14,690	-	2,353,286	29,437	24,906,556
2016	1,725,368	2,367,709	112,926	16,273	-	2,496,908	(771,540)	24,135,016
Mississippi Highway Safety Patrol Retirement System								
2007	$61,498	$19,774	$44	$-	$165	$19,983	$41,515	$307,152
2008	(10,492)	20,295	26	-	185	20,506	(30,998)	276,154
2009	(38,429)	23,098	72	-	181	23,351	(61,780)	214,374
2010	44,583	25,847	65	-	172	26,084	18,499	232,873
2011	70,532	25,620	60	-	162	25,842	44,690	277,563
2012	14,795	26,926	24	-	176	27,126	(12,331)	265,232
2013	49,587	27,052	112	-	199	27,363	22,224	287,456
2014	67,038	28,220	42	-	200	28,462	38,576	326,032
2015	26,445	28,909	163	-	198	29,270	(2,825)	323,207
2016	18,587	29,913	52	-	217	30,182	(11,595)	311,612

CHANGES IN NET POSITION (CONTINUED)
- LAST 10 FISCAL YEARS -

[in thousands]

FISCAL YEAR	BEGINNING NET POSITION	MEMBER CONTRIBUTIONS AMOUNT	MEMBER CONTRIBUTIONS PERCENT*	EMPLOYER CONTRIBUTIONS AMOUNT	EMPLOYER CONTRIBUTIONS PERCENT*	NET INVESTMENT INCOME (LOSS)	OTHER REVENUES & TRANSFERS
Municipal Retirement Systems							
2007	$220,877	$203	**%	$15,050	**%	$38,269	$-
2008	238,434	176	**	15,900	**	(18,046)	-
2009	200,155	154	**	17,415	**	(35,930)	-
2010	145,467	145	**	21,420	**	19,369	-
2011	150,203	126	**	22,860	**	35,363	-
2012	172,451	121	**	23,449	**	487	-
2013	160,688	100	**	21,718	**	19,837	-
2014	166,648	78	**	20,337	**	28,453	-
2015	180,092	45	**	19,344	**	5,692	-
2016	169,986	53	**	18,542	**	846	-
Supplemental Legislative Retirement Plan							
2007	$11,620	$195	3.00%	$432	6.65%	$2,209	$-
2008	13,748	203	3.00	449	6.65	(1,120)	-
2009	12,412	207	3.00	458	6.65	(2,437)	-
2010	9,832	202	3.00	446	6.65	1,432	-
2011	11,079	206	3.00	457	6.65	2,832	-
2012	13,737	206	3.00	490	7.40	39	-
2013	13,169	204	3.00	503	7.40	1,715	-
2014	14,374	208	3.00	514	7.40	2,605	-
2015	16,453	207	3.00	511	7.40	552	-
2016	16,456	208	3.00	514	7.40	86	-

**Percentage of annual covered payroll. The rates shown for 2012 for PERS, MHSPRS, and SLRP were effective as of January 1, 2012. For 2012, the rates prior to January 1, 2012, were 12.0 percent, 30.30 percent, and 6.65 percent, respectively.*
***Employee and employer rates vary among the 19 systems that comprise the Municipal Retirement Systems.*

CHANGES IN NET POSITION (CONTINUED)
- LAST 10 FISCAL YEARS -

[in thousands]

FISCAL YEAR	TOTAL ADDITIONS (DELETIONS)	RETIREMENT ANNUITIES	REFUNDS	EXPENSES & DEPRECIATION	TRANSFERS	TOTAL DEDUCTIONS	NET CHANGE IN POSITION	ENDING NET POSITION
Municipal Retirement Systems								
2007	$53,522	$35,544	$1	$-	$420	$35,965	$17,557	$238,434
2008	(1,970)	35,870	-	-	439	36,309	(38,279)	200,155
2009	(18,361)	35,848	12	-	467	36,327	(54,688)	145,467
2010	40,934	35,766	3	-	429	36,198	4,736	150,203
2011	58,349	35,609	35	-	457	36,101	22,248	172,451
2012	24,057	35,348	3	-	469	35,820	(11,763)	160,688
2013	41,655	35,227	34	-	434	35,695	5,960	166,648
2014	48,868	35,014	3	-	407	35,424	13,444	180,092
2015	25,081	34,799	1	-	387	35,187	(10,106)	169,986
2016	19,441	34,429	-	-	371	34,800	(15,359)	154,627
Supplemental Legislative Retirement Plan								
2007	$2,836	$699	$-	$-	$9	$708	$2,128	$13,748
2008	(468)	845	14	-	9	868	(1,336)	12,412
2009	(1,772)	790	9	-	9	808	(2,580)	9,832
2010	2,080	804	20	-	9	833	1,247	11,079
2011	3,495	828	-	-	9	837	2,658	13,737
2012	735	1,268	25	-	10	1,303	(568)	13,169
2013	2,422	1,182	25	-	10	1,217	1,205	14,374
2014	3,327	1,216	22	-	10	1,248	2,079	16,453
2015	1,270	1,220	37	-	10	1,267	3	16,456
2016	808	1,454	32	-	10	1,496	(688)	15,768

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

					REFUNDS	
FISCAL YEAR	SERVICE	DISABILITY	SURVIVOR	TOTAL	TERMINATED	DEATHS*
Number of Participants by Type of Benefit						
2007	57,019	4,903	8,834	70,756	18,207	-
2008	59,406	5,075	9,059	73,540	16,105	-
2009	61,466	5,257	9,420	76,143	15,654	-
2010	64,049	5,399	9,720	79,168	14,433	-
2011	67,486	5,676	9,953	83,115	16,595	-
2012	70,843	5,845	10,141	86,829	18,053	-
2013	73,830	6,030	10,354	90,214	19,920	-
2014	76,665	6,229	10,610	93,504	20,700	-
2015	79,156	6,352	10,830	96,338	19,479	-
2016	82,145	6,430	10,908	99,483	13,026	449
Total Payments by Type of Benefit [in thousands]						
2007	$1,178,654	$82,168	$30,634	$1,291,456	$72,572	$-
2008	1,272,211	88,937	32,027	1,393,175	72,750	-
2009	1,339,209	92,925	33,366	1,465,500	70,050	-
2010	1,444,987	99,920	35,901	1,580,808	73,580	-
2011	1,588,369	107,657	38,449	1,734,475	88,343	-
2012	1,707,922	115,042	39,862	1,862,826	93,379	-
2013	1,804,812	120,342	40,506	1,965,660	108,365	-
2014	1,930,284	127,537	42,022	2,099,843	121,532	-
2015	2,042,728	133,454	43,058	2,219,240	119,356	-
2016	2,182,627	140,619	44,464	2,367,710	106,644	6,282

Information unavailable prior to 2016.

BENEFIT AND REFUND PAYMENTS BY TYPE: MISSISSIPPI HIGHWAY SAFETY PATROL RETIREMENT SYSTEM

- LAST 10 FISCAL YEARS -

					REFUNDS	
FISCAL YEAR	SERVICE	DISABILITY	SURVIVOR	TOTAL	TERMINATED	DEATHS*
Number of Participants by Type of Benefit						
2007	435	19	184	638	5	-
2008	443	18	190	651	4	-
2009	480	16	196	692	14	-
2010	489	18	189	696	5	-
2011	500	18	186	704	14	-
2012	510	19	184	713	7	-
2013	510	19	184	713	9	-
2014	516	17	187	720	9	-
2015	525	17	182	724	13	-
2016	526	17	181	724	3	1
Total Payments by Type of Benefit *[in thousands]*						
2007	$17,870	$471	$1,433	$19,774	$44	$-
2008	18,453	448	1,394	20,295	26	-
2009	21,194	478	1,426	23,098	72	-
2010	24,029	472	1,346	25,847	65	-
2011	23,953	507	1,160	25,620	60	-
2012	25,337	516	1,073	26,926	24	-
2013	25,476	522	1,054	27,052	112	-
2014	26,595	526	1,099	28,220	42	-
2015	27,295	501	1,113	28,909	163	-
2016	29,153	509	249	29,911	42	10

**Information unavailable prior to 2016.*

BENEFIT AND REFUND PAYMENTS BY TYPE: MUNICIPAL RETIREMENT SYSTEMS

- LAST 10 FISCAL YEARS -

					REFUNDS	
FISCAL YEAR	SERVICE	DISABILITY	SURVIVOR	TOTAL	TERMINATED	DEATHS****
Number of Participants by Type of Benefit						
2007*	1,507	104	556	2,167	1	-
2008*	1,470	96	557	2,123	12	-
2009*	1,431	93	566	2,090	3	-
2010*	1,388	84	584	2,056	9	-
2011*	1,334	80	602	2,016	7	-
2012*	1,302	75	601	1,978	-	-
2013**	1,260	71	610	1,941	4	-
2014**	1,216	70	604	1,890	7	-
2015**	1,170	66	613	1,849	1	-
2016**	1,110	64	624	1,798	-	-
*Total Payments by Type of Benefit**** *[in thousands]*						
2007*	$27,872	$1,072	$6,611	$35,555	$1	$-
2008*	27,720	1,011	6,725	35,456	12	-
2009*	27,409	1,003	7,045	35,457	3	-
2010*	27,062	927	7,430	35,419	35	-
2011*	26,315	894	7,956	35,165	3	-
2012*	26,056	850	8,190	35,096	-	-
2013**	25,787	817	8,623	35,227	34	-
2014**	25,382	816	8,816	35,014	3	-
2015**	24,824	761	9,214	34,799	1	-
2016**	30,947	1,057	2,425	34,429	-	-

**Valuation information furnished for MRS is as of September 30.*
***Valuation information furnished for MRS is as of June 30, due to plan year change.*
****Individual MRS COLA increases are paid if funding is available.*
*****Information unavailable prior to 2016.*

BENEFIT AND REFUND PAYMENTS BY TYPE: SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN

- LAST 10 FISCAL YEARS -

					REFUNDS	
FISCAL YEAR	SERVICE	DISABILITY	SURVIVOR	TOTAL	TERMINATED	DEATHS*
Number of Participants by Type of Benefit						
2007	97	2	27	126	-	-
2008	110	2	26	138	3	-
2009	113	2	26	141	1	-
2010	117	2	23	142	3	-
2011	118	2	27	147	-	-
2012	143	2	28	173	8	-
2013	150	2	36	188	4	-
2014	149	2	36	187	5	-
2015	145	2	38	185	7	-
2016	167	2	38	207	2	1
Total Payments by Type of Benefit *[in thousands]*						
2007	$639	$12	$48	$699	$-	$-
2008	773	14	58	845	14	-
2009	739	12	39	790	9	-
2010	758	12	34	804	20	-
2011	781	12	35	828	-	-
2012	1,184	16	68	1,268	25	-
2013	1,104	13	65	1,182	25	-
2014	1,123	13	80	1,216	22	-
2015	1,126	13	81	1,220	37	-
2016	1,341	15	97	1,453	9	22

Information unavailable prior to 2016.

AVERAGE BENEFIT PAYMENTS:
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI

RETIREMENT EFFECTIVE DATES: JULY 1, 2011, TO JUNE 30, 2016	YEARS CREDITED SERVICE								
	0-4	5-9	10-14	15-19	20-24	25	26-29	30	31+
2016									
AVERAGE MONTHLY BENEFIT	$596	$497	$701	$1,054	$1,638	$1,879	$2,118	$2,400	$3,196
AVERAGE FINAL SALARY	$24,538	$33,066	$34,459	$39,422	$45,571	$46,533	$50,536	$52,472	$59,306
NUMBER OF ACTIVE RETIRANTS	114	637	997	874	1,048	402	1,204	234	1,038
2015									
AVERAGE MONTHLY BENEFIT	$396	$466	$688	$977	$1,346	$1,834	$1,989	$2,217	$2,899
AVERAGE FINAL SALARY	$26,731	$30,165	$33,585	$37,938	$40,770	$46,461	$48,614	$50,908	$57,019
NUMBER OF ACTIVE RETIRANTS	67	532	898	774	693	494	1,072	230	1,147
2014									
AVERAGE MONTHLY BENEFIT	$583	$449	$712	$999	$1,384	$1,871	$1,993	$2,283	$2,954
AVERAGE FINAL SALARY	$31,286	$31,009	$35,356	$37,962	$40,947	$47,490	$48,732	$51,456	$57,022
NUMBER OF ACTIVE RETIRANTS	94	657	945	815	663	505	1,146	232	1,102
2013									
AVERAGE MONTHLY BENEFIT	$430	$444	$695	$964	$1,422	$1,925	$2,017	$2,188	$2,931
AVERAGE FINAL SALARY	$28,954	$30,707	$34,404	$36,876	$41,550	$47,768	$48,862	$49,470	$56,341
NUMBER OF ACTIVE RETIRANTS	115	800	901	740	758	496	1,121	224	1,121
2012									
AVERAGE MONTHLY BENEFIT	$503	$426	$656	$984	$1,325	$1,823	$1,957	$2,283	$2,938
AVERAGE FINAL SALARY	$27,325	$29,424	$32,872	$37,561	$40,246	$46,050	$47,965	$51,720	$56,263
NUMBER OF ACTIVE RETIRANTS	146	861	867	779	736	501	1,138	260	1,281

AVERAGE BENEFIT PAYMENTS:
MISSISSIPPI HIGHWAY SAFETY PATROL RETIREMENT SYSTEM

RETIREMENT EFFECTIVE DATES: JULY 1, 2011, TO JUNE 30, 2016	YEARS CREDITED SERVICE								
	0-4	5-9	10-15	16-20	21-24	25	26-29	30	31+
2016									
AVERAGE MONTHLY BENEFIT	$-	$315	$-	$-	$2,078	$-	$3,013	$1,729	$5,059
AVERAGE FINAL SALARY	$-	$53,306	$-	$-	$45,948	$-	$37,841	$50,692	$51,223
NUMBER OF ACTIVE RETIRANTS	-	3	-	-	6	-	13	1	3
2015									
AVERAGE MONTHLY BENEFIT	$-	$-	$-	$1,831	$1,719	$1,978	$4,054	$-	$4,758
AVERAGE FINAL SALARY	$-	$-	$-	$45,652	$30,832	$36,845	$51,500	$-	$67,378
NUMBER OF ACTIVE RETIRANTS	-	-	-	3	3	2	10	-	4
2014									
AVERAGE MONTHLY BENEFIT	$-	$-	$-	$402	$2,013	$-	$2,756	$3,899	$4,528
AVERAGE FINAL SALARY	$-	$-	$-	$15,019	$54,344	$-	$51,233	$69,760	$68,011
NUMBER OF ACTIVE RETIRANTS	-	-	-	1	5	-	8	5	9
2013									
AVERAGE MONTHLY BENEFIT	$-	$662	$710	$-	$1,173	$1,696	$2,860	$-	$3,270
AVERAGE FINAL SALARY	$-	$21,844	$36,998	$-	$31,852	$28,673	$54,158	$-	$54,646
NUMBER OF ACTIVE RETIRANTS	-	1	2	-	3	2	11	-	4
2012									
AVERAGE MONTHLY BENEFIT	$-	$1,649	$-	$2,341	$982	$1,569	$2,268	$4,335	$3,799
AVERAGE FINAL SALARY	$-	$39,568	$-	$58,021	$39,971	$28,717	$48,824	$71,048	$62,979
NUMBER OF ACTIVE RETIRANTS	-	1	-	1	1	1	10	5	12

AVERAGE BENEFIT PAYMENTS: MUNICIPAL RETIREMENT SYSTEMS

RETIREMENT EFFECTIVE DATES: JULY 1, 2011, TO JUNE 30, 2016*	YEARS OF CREDITED SERVICE 0-4	5-9	10-14	15-19	20-24	25	26-29	30	31+
2016									
AVERAGE MONTHLY BENEFIT	$-	$-	$-	$-	$-	$-	$-	$-	$3,479
AVERAGE FINAL SALARY	$-	$-	$-	$-	$-	$-	$-	$-	$44,155
NUMBER OF ACTIVE RETIRANTS	-	-	-	-	-	-	-	-	3
2015									
AVERAGE MONTHLY BENEFIT	$-	$-	$-	$-	$-	$-	$-	$2,898	$2,912
AVERAGE FINAL SALARY	$-	$-	$-	$-	$-	$-	$-	$51,253	$56,520
NUMBER OF ACTIVE RETIRANTS	-	-	-	-	-	-	-	1	2
2014									
AVERAGE MONTHLY BENEFIT	$-	$-	$-	$-	$-	$-	$-	$-	$2,778
AVERAGE FINAL SALARY	$-	$-	$-	$-	$-	$-	$-	$-	$47,160
NUMBER OF ACTIVE RETIRANTS	-	-	-	-	-	-	-	-	2
2013									
AVERAGE MONTHLY BENEFIT	$-	$-	$-	$-	$-	$-	$3,490	$-	$4,379
AVERAGE FINAL SALARY	$-	$-	$-	$-	$-	$-	$63,310	$-	$72,947
NUMBER OF ACTIVE RETIRANTS	-	-	-	-	-	-	1	-	4
2012									
AVERAGE MONTHLY BENEFIT	$-	$-	$-	$-	$-	$-	$-	$-	$3,423
AVERAGE FINAL SALARY	$-	$-	$-	$-	$-	$-	$-	$-	$61,607
NUMBER OF ACTIVE RETIRANTS	-	-	-	-	-	-	-	-	4

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

AVERAGE BENEFIT PAYMENTS:
SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN

RETIREMENT EFFECTIVE DATES: JULY 1, 2011, TO JUNE 30, 2016	YEARS CREDITED SERVICE 0-4	5-9	10-15	16-20	21-24	25	26-29	30	31+
2016									
AVERAGE MONTHLY BENEFIT	$122	$313	$350	$487	$654	$522	$-	$-	$1,200
AVERAGE FINAL SALARY	$36,195	$36,802	$39,878	$35,211	$39,774	$41,482	$-	$-	$42,238
NUMBER OF ACTIVE RETIRANTS	2	4	6	4	7	2	-	-	3
2015									
AVERAGE MONTHLY BENEFIT	$-	$164	$740	$721	$-	$579	$-	$-	$1,032
AVERAGE FINAL SALARY	$-	$18,636	$68,228	$37,912	$-	$34,791	$-	$-	$42,949
NUMBER OF ACTIVE RETIRANTS	-	2	2	2	-	1	-	-	1
2014									
AVERAGE MONTHLY BENEFIT	$-	$-	$345	$491	$473	$-	$580	$-	$-
AVERAGE FINAL SALARY	$-	$-	$34,404	$34,871	$39,301	$-	$43,165	$-	$-
NUMBER OF ACTIVE RETIRANTS	-	-	2	2	1	-	1	-	-
2013									
AVERAGE MONTHLY BENEFIT	$-	$168	$183	$463	$550	$-	$731	$-	$-
AVERAGE FINAL SALARY	$-	$27,925	$29,576	$36,140	$39,581	$-	$38,727	$-	$-
NUMBER OF ACTIVE RETIRANTS	-	6	7	1	4	-	2	-	-
2012									
AVERAGE MONTHLY BENEFIT	$-	$194	$405	$430	$676	$-	$731	$-	$1,237
AVERAGE FINAL SALARY	$-	$33,827	$43,765	$36,045	$38,901	$-	$38,645	$-	$57,276
NUMBER OF ACTIVE RETIRANTS	-	10	6	3	4	-	3	-	7

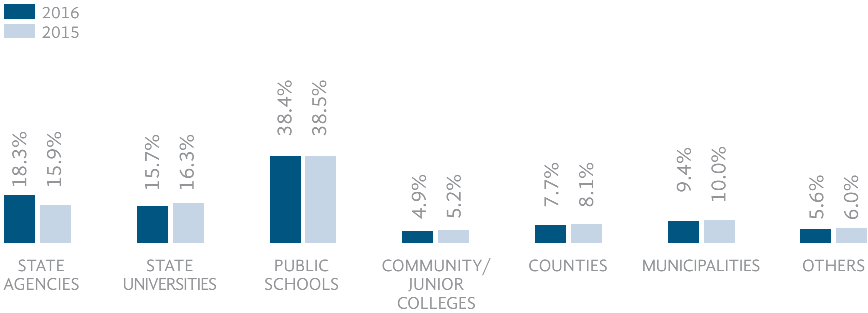
ANALYSIS OF EMPLOYER AND MEMBER CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
- FOR FISCAL YEARS ENDED JUNE 30, 2016 AND 2015 -

[contributions in thousands]

	EMPLOYER		MEMBER			
EMPLOYER GROUP	UNITS	CONTRIBUTIONS	NUMBER	CONTRIBUTIONS	TOTAL CONTRIBUTIONS	PERCENT
2016						
STATE AGENCIES	112	$186,700	29,203	$105,006	$291,706	18.3%
STATE UNIVERSITIES	9	160,254	17,938	89,932	250,186	15.7
PUBLIC SCHOOLS	143	392,737	61,945	219,986	612,723	38.4
COMMUNITY/JUNIOR COLLEGES	15	50,023	6,099	27,862	77,885	4.9
COUNTIES	82	78,707	13,561	43,715	122,422	7.7
MUNICIPALITIES	241	95,528	16,383	53,806	149,334	9.4
OTHERS	260	57,312	8,975	32,267	89,579	5.6
TOTALS	**862**	**$1,021,261**	**154,104**	**$572,574**	**$1,593,835**	**100.0%**
2015						
STATE AGENCIES	113	$158,197	30,425	$88,572	$246,769	15.9%
STATE UNIVERSITIES	9	162,632	18,151	91,056	253,688	16.3
PUBLIC SCHOOLS	145	384,309	62,762	215,171	599,480	38.5
COMMUNITY/JUNIOR COLLEGES	15	51,612	6,086	28,897	80,509	5.2
COUNTIES	82	80,760	13,744	45,217	125,977	8.1
MUNICIPALITIES	241	99,518	16,913	55,720	155,238	10.0
OTHERS	263	59,450	9,134	33,276	92,726	6.0
TOTALS	**868**	**$996,478**	**157,215**	**$557,909**	**$1,554,387**	**100.0%**

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

PERCENT OF TOTAL CONTRIBUTIONS BY AGENCY TYPE



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

RETIRED MEMBERS BY TYPE OF BENEFIT

- JUNE 30, 2016 -

AMOUNT OF MONTHLY BENEFIT*	OPTION SELECTED**					
	LIFE	OPT. 1	OPT. 2	OPT. 3	OPT. 4	OPT. 4A
Public Employees' Retirement System of Mississippi						
$1 - 100	1,619	68	278	10	4	30
101 - 200	3,715	184	632	37	19	81
201 - 300	3,988	187	584	30	32	93
301 - 400	3,813	196	622	28	23	122
401 - 500	3,570	160	627	29	32	153
501 - 600	3,195	133	583	31	19	125
601 - 700	2,927	141	517	27	23	149
701 - 800	2,729	148	523	21	28	192
801 - 900	2,610	147	545	25	33	214
901 - 1,000	2,532	123	520	27	39	191
OVER 1,000	34,526	1,753	9,599	404	777	4,841
TOTALS	**65,224**	**3,240**	**15,030**	**669**	**1,029**	**6,191**
Mississippi Highway Safety Patrol Retirement System						
$1 - 100	1	-	-	-	-	-
101 - 200	2	-	-	-	-	-
201 - 300	8	-	-	-	-	-
301 - 400	18	-	1	-	-	-
401 - 500	7	-	-	-	-	3
501 - 600	14	-	-	-	-	2
601 - 700	13	-	-	-	-	2
701 - 800	19	-	-	-	-	2
801 - 900	22	-	-	1	-	2
901 - 1,000	21	-	-	-	-	2
OVER 1,000	62	2	46	3	-	456
TOTALS	**187**	**2**	**47**	**4**	**-**	**469**

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

RETIRED MEMBERS BY TYPE OF BENEFIT (CONTINUED)

- JUNE 30, 2016 -

AMOUNT OF MONTHLY BENEFIT*	OPTION SELECTED** (CONTINUED) OPT. 4B	OPT. 4C***	OPT. 5	PLSO 1 YR.***	PLSO 2 YR.***	PLSO 3 YR.***
Public Employees' Retirement System of Mississippi						
$1 - 100	168	4	5	53	36	400
101 - 200	389	22	21	109	98	516
201 - 300	396	35	28	130	108	489
301 - 400	417	52	21	124	126	430
401 - 500	370	70	12	140	97	391
501 - 600	345	96	15	152	101	388
601 - 700	294	147	12	138	108	305
701 - 800	238	158	28	132	99	322
801 - 900	274	197	16	145	98	376
901 - 1,000	255	211	33	136	75	365
OVER 1,000	4,548	1,717	215	3,063	2,637	10,770
TOTALS	**7,694**	**2,709**	**406**	**4,322**	**3,583**	**14,752**
Mississippi Highway Safety Patrol Retirement System						
$1 - 100	-	-	-	-	-	-
101 - 200	-	-	-	-	-	-
201 - 300	-	-	-	-	-	-
301 - 400	-	-	-	-	-	-
401 - 500	-	-	-	-	-	-
501 - 600	-	-	-	-	-	-
601 - 700	-	-	-	-	-	-
701 - 800	-	1	-	-	-	-
801 - 900	-	-	-	-	1	-
901 - 1,000	-	-	-	-	-	-
OVER 1,000	15	10	-	38	23	121
TOTALS	**15**	**11**	**-**	**38**	**24**	**121**

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

RETIRED MEMBERS BY TYPE OF BENEFIT (CONTINUED)

- JUNE 30, 2016 -

AMOUNT OF MONTHLY BENEFIT* *Supplemental Legislative Retirement Plan*	OPTION SELECTED** LIFE	OPT. 1	OPT. 2	OPT. 3	OPT. 4	OPT. 4A
$1 - 100	5	-	4	-	-	-
101 - 200	15	1	16	-	-	-
201 - 300	18	-	12	2	1	3
301 - 400	21	1	13	-	-	4
401 - 500	12	1	8	1	-	1
501 - 600	3	-	2	1	-	1
601 - 700	4	-	9	-	-	1
701 - 800	2	-	3	-	-	-
801 - 900	5	-	1	-	-	1
901 - 1,000	1	-	1	-	-	-
OVER 1,000	4	-	2	1	-	-
TOTALS	**90**	**3**	**71**	**5**	**1**	**11**

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

RETIRED MEMBERS BY TYPE OF BENEFIT (CONTINUED)

- JUNE 30, 2016 -

AMOUNT OF MONTHLY BENEFIT* *Supplemental Legislative Retirement Plan*	OPTION SELECTED** (CONTINUED)			PLSO 1 YR.***	PLSO 2 YR.***	PLSO 3 YR.***
	OPT. 4B	OPT. 4C***	OPT. 5			
$1 - 100	3	1	-	-	-	1
101 - 200	1	-	-	-	-	4
201 - 300	2	-	-	1	-	2
301 - 400	7	-	-	2	-	8
401 - 500	3	-	-	1	3	5
501 - 600	3	-	-	1	1	2
601 - 700	2	-	-	-	-	2
701 - 800	-	-	-	-	-	1
801 - 900	2	-	-	-	-	1
901 - 1,000	2	-	-	-	1	1
OVER 1,000	1	-	-	1	-	4
TOTALS	**26**	**1**	**-**	**6**	**5**	**31**

**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, 2016 -

	ACTIVE MEMBER YEARS OF SERVICE							TOTALS	
ATTAINED AGE	0-4	5-9	10-14	15-19	20-24	25-29	30+	NUMBER	VALUATION PAYROLL
UNDER 20	234	-	-	-	-	-	-	234	$3,837,657
20-24	5,952	51	-	-	-	-	-	6,003	157,635,735
25-29	12,072	2,773	57	-	-	-	-	14,902	485,722,550
30-34	8,082	6,960	2,398	58	-	-	-	17,498	646,102,938
35-39	6,704	5,035	5,748	1,971	33	-	-	19,491	780,565,245
40-44	5,633	4,277	3,998	4,592	1,617	38	-	20,155	843,679,117
45-49	4,999	3,814	3,643	3,584	3,800	1,206	25	21,071	880,084,481
50-54	4,356	3,297	3,262	3,175	2,888	2,239	662	19,879	811,358,886
55-59	3,554	3,021	2,873	3,002	2,691	1,865	1,271	18,277	734,024,817
60	592	533	549	438	448	340	258	3,158	127,539,952
61	448	466	449	424	386	285	261	2,719	111,562,567
62	400	362	355	332	282	212	186	2,129	89,542,971
63	317	335	283	268	248	189	170	1,810	76,985,423
64	257	288	289	225	194	133	147	1,533	63,154,353
65	178	251	195	157	113	87	103	1,084	45,298,965
66	148	168	172	105	73	66	66	798	33,442,208
67	127	148	101	95	76	52	56	655	27,279,512
68	109	117	107	81	61	32	60	567	23,700,032
69	105	90	89	77	43	34	54	492	20,320,444
70 & OVER	335	300	308	249	154	107	196	1,649	60,695,080
TOTALS	**54,602**	**32,286**	**24,876**	**18,833**	**13,107**	**6,885**	**3,515**	**154,104**	**$6,022,532,933**

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

Age: 44.6 years
Service: 10.3 years
Annual Pay: $39,081

TOTAL ACTIVE MEMBERS BY ATTAINED AGE AND YEARS OF SERVICE: MISSISSIPPI HIGHWAY SAFETY PATROL RETIREMENT SYSTEM

- JUNE 30, 2016 -

	ACTIVE MEMBER YEARS OF SERVICE							TOTALS	
ATTAINED AGE	0-4	5-9	10-14	15-19	20-24	25-29	30+	NUMBER	VALUATION PAYROLL
UNDER 20	-	-	-	-	-	-	-	-	$-
20-24	3	-	-	-	-	-	-	3	120,201
25-29	36	2	-	-	-	-	-	38	1,605,310
30-34	30	22	9	-	-	-	-	61	2,833,795
35-39	15	30	29	11	-	-	-	85	4,267,036
40-44	2	25	20	48	7	-	-	102	5,693,771
45-49	4	8	9	35	40	5	-	101	6,308,465
50-54	1	2	2	7	24	18	1	55	3,793,107
55-59	-	-	-	5	3	12	11	31	2,201,511
60 & OVER	-	1	-	1	-	2	4	8	556,966
TOTALS	**91**	**90**	**69**	**107**	**74**	**37**	**16**	**484**	**$27,380,162**

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

Age: 42.6 years
Service: 14.3 years
Annual Pay: $56,571

TOTAL ACTIVE MEMBERS BY ATTAINED AGE AND YEARS OF SERVICE: MUNICIPAL RETIREMENT SYSTEMS

- JUNE 30, 2016 -

	ACTIVE MEMBER YEARS OF SERVICE							TOTALS	
ATTAINED AGE	0-4	5-9	10-14	15-19	20-24	25-29	30+	NUMBER	VALUATION PAYROLL
UNDER 20	-	-	-	-	-	-	-	-	$-
20-24	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	1	1	50,886
55-59	-	-	-	-	-	-	-	-	-
60 & OVER	-	-	-	-	-	-	7	7	368,114
TOTALS	**-**	**-**	**-**	**-**	**-**	**-**	**8**	**8**	**$419,000**

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

Age: 66.8 years
Service: 40.9 years
Annual Pay: $52,375

TOTAL ACTIVE MEMBERS BY ATTAINED AGE AND YEARS OF SERVICE: SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN

- JUNE 30, 2016 -

	ACTIVE MEMBER YEARS OF SERVICE							TOTALS	
ATTAINED AGE	0-4	5-9	10-14	15-19	20-24	25-29	30+	NUMBER	VALUATION PAYROLL
UNDER 20	-	-	-	-	-	-	-	-	$-
20-24	1	-	-	-	-	-	-	1	38,993
25-29	2	-	-	-	-	-	-	2	83,300
30-34	4	1	-	-	-	-	-	5	197,523
35-39	10	4	1	-	-	-	-	15	592,916
40-44	12	2	2	1	-	-	-	17	699,283
45-49	18	4	-	-	-	-	-	22	862,502
50-54	17	5	3	2	2	-	-	29	1,195,407
55-59	7	3	3	1	4	-	-	18	713,007
60	1	-	3	-	1	-	1	6	228,009
61	1	-	-	-	3	-	1	5	204,991
62	2	-	-	1	1	-	-	4	173,851
63	3	-	-	-	2	-	1	6	247,042
64	-	1	-	1	1	-	-	3	123,311
65	-	1	1	1	-	-	2	5	194,527
66	-	1	-	1	1	-	-	3	107,403
67	2	1	1	-	-	-	-	4	162,804
68	-	-	1	-	-	-	1	2	79,900
69	-	2	1	-	2	-	1	6	245,736
70 & OVER	-	2	2	2	6	2	4	18	711,757
TOTALS	**80**	**27**	**18**	**10**	**23**	**2**	**11**	**171**	**$6,862,262**

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

Age: 54.9 years
Benefit Service: 10.5 years
Eligibility Service: 14.5 years
Annual Pay: $40,130

TOTAL DEFINED BENEFIT PLANS—BENEFIT PAYMENTS BY COUNTY

- JUNE 30, 2016 -

COUNTY	NUMBER OF PAYMENTS	AMOUNT PAID*	COUNTY	NUMBER OF PAYMENTS	AMOUNT PAID*
ADAMS	1,297	$27,865,660	LOWNDES	1,644	$38,085,326
ALCORN	1,219	26,573,601	MADISON	3,595	102,964,193
AMITE	369	7,078,293	MARION	803	17,958,421
ATTALA	825	17,482,451	MARSHALL	737	15,001,910
BENTON	212	4,159,402	MONROE	1,154	25,321,622
BOLIVAR	1,517	35,712,264	MONTGOMERY	586	12,826,052
CALHOUN	470	9,791,753	NESHOBA	946	19,441,083
CARROLL	477	10,083,837	NEWTON	788	17,316,214
CHICKASAW	579	12,418,942	NOXUBEE	315	6,884,379
CHOCTAW	363	7,496,603	OKTIBBEHA	2,412	79,449,084
CLAIBORNE	367	8,334,112	PANOLA	1,190	24,199,765
CLARKE	642	11,505,826	PEARL RIVER	1,224	23,732,337
CLAY	640	15,492,805	PERRY	441	8,098,420
COAHOMA	986	24,201,254	PIKE	1,283	30,138,132
COPIAH	1,016	22,300,214	PONTOTOC	761	17,873,713
COVINGTON	734	15,970,301	PRENTISS	804	18,276,576
DESOTO	1,606	33,165,638	QUITMAN	278	5,658,769
FORREST	3,460	90,344,237	RANKIN	5,874	151,284,750
FRANKLIN	333	6,868,796	SCOTT	876	17,945,636
GEORGE	672	13,188,048	SHARKEY	213	4,787,147
GREENE	336	6,146,548	SIMPSON	1,128	22,494,718
GRENADA	785	17,599,789	SMITH	511	9,248,831
HANCOCK	906	18,773,946	STONE	728	16,592,908
HARRISON	4,643	110,463,815	SUNFLOWER	921	20,068,357
HINDS	10,024	257,895,969	TALLAHATCHIE	441	9,145,535
HOLMES	706	14,601,007	TATE	785	18,159,712
HUMPHREYS	282	6,443,110	TIPPAH	797	16,658,532
ISSAQUENA	27	407,909	TISHOMINGO	540	10,360,920
ITAWAMBA	872	19,675,680	TUNICA	226	4,564,027
JACKSON	3,619	82,443,978	UNION	866	19,351,764
JASPER	580	11,084,884	WALTHALL	411	8,648,659
JEFFERSON	407	9,284,398	WARREN	1,422	34,774,952
JEFFERSON DAVIS	399	7,742,494	WASHINGTON	1,673	37,658,479
JONES	2,571	55,449,763	WAYNE	540	10,988,944
KEMPER	347	7,533,605	WEBSTER	600	13,113,624
LAFAYETTE	2,148	64,085,178	WILKINSON	300	6,037,389
LAMAR	1,086	22,135,101	WINSTON	682	16,442,343
LAUDERDALE	2,702	60,197,341	YALOBUSHA	642	13,636,956
LAWRENCE	574	11,378,453	YAZOO	795	18,010,825
LEAKE	698	14,374,946	**MISSISSIPPI**	**95,944**	**$2,250,302,608**
LEE	2,365	57,661,339	**OUT-OF-STATE**	8,806	182,592,352
LEFLORE	1,148	28,456,259	**OUT-OF-COUNTRY**	23	609,551
LINCOLN	1,003	23,232,055	**TOTAL**	**104,773**	**$2,433,504,511**

**The percentage distribution is estimated.*

TEN LARGEST PARTICIPATING EMPLOYERS

	2016			2007		
PARTICIPATING EMPLOYER	COVERED EMPLOYEES	RANK	PERCENTAGE OF TOTAL SYSTEM	COVERED EMPLOYEES	RANK	PERCENTAGE OF TOTAL SYSTEM
Public Employees' Retirement System						
UNIVERSITY MEDICAL CENTER	7,903	1	5.13%	6,210	1	3.81%
JACKSON MUNICIPAL SEPARATE SCHOOLS	4,123	2	2.68	4,813	2	2.96
DESOTO COUNTY BOARD OF EDUCATION	4,089	3	2.65	3,240	5	1.99
MISSISSIPPI STATE UNIVERSITY	3,751	4	2.43	3,778	3	2.32
MISSISSIPPI DEPARTMENT OF HUMAN SERVICES	3,398	5	2.21	2,997	7	1.84
MISSISSIPPI DEPARTMENT OF TRANSPORTATION	3,141	6	2.04	3,289	4	2.02
RANKIN COUNTY BOARD OF EDUCATION	2,305	7	1.50	2,184	8	1.34
CORRECTIONS DEPARTMENT	2,231	8	1.45	3,137	6	1.93
UNIVERSITY OF MISSISSIPPI	1,999	9	1.30	1,817	10	1.12
MISSISSIPPI DEPARTMENT OF HEALTH	1,983	10	1.29	2,165	9	1.33
ALL OTHER*	119,181	-	77.32	129,174	-	79.34
TOTALS (862 EMPLOYERS)	**154,104**	**-**	**100.00%**	**162,804**	**-**	**100.00%**
Municipal Retirement Systems						
CITY OF CLINTON	2	1	22.22%	6	2	12.25%
CITY OF HATTIESBURG	2	2	22.22	10	1	20.41
CITY OF GREENWOOD	2	3	22.22	3	5	6.12
ALL OTHER*	3	-	33.34	30	-	61.22
TOTALS (17 EMPLOYERS)	**9**	**-**	**100.00%**	**49**	**-**	**100.00%**

**In 2016, "All Other" consisted of:*

TYPE	NUMBER OF EMPLOYERS	EMPLOYEES
Public Employees' Retirement System		
STATE AGENCIES	108	18,450
STATE UNIVERSITIES	6	4,285
PUBLIC SCHOOLS	140	51,428
COMMUNITY/ JUNIOR COLLEGES	15	6,099
COUNTIES	82	13,561
MUNICIPALITIES	241	16,383
OTHER POLITICAL SUBDIVISIONS	260	8,975
TOTALS	**852**	**119,181**

TYPE	NUMBER OF EMPLOYERS	EMPLOYEES
Municipal Retirement Systems		
STATE AGENCIES	-	-
STATE UNIVERSITIES	-	-
PUBLIC SCHOOLS	-	-
COMMUNITY/ JUNIOR COLLEGES	-	-
COUNTIES	-	-
MUNICIPALITIES	3	3
OTHER POLITICAL SUBDIVISIONS	-	-
TOTALS	**3**	**3**

PUBLIC AGENCIES COVERED BY STATE RETIREMENT ANNUITY

Participating Employers Covered by Law

STATE AGENCIES
STATE UNIVERSITIES
COMMUNITY/JUNIOR COLLEGES
PUBLIC SCHOOL DISTRICTS

Participating Employers Covered by Separate Agreement

COUNTIES

Local Governmental Entities Covered by Separate Agreement

Municipalities

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

PUBLIC AGENCIES COVERED BY STATE RETIREMENT ANNUITY (CONTINUED)

Juristic Entities

ADAMS COUNTY AIRPORT COMMISSION
ADAMS COUNTY SOIL & WATER CONSERVATION DISTRICT
BOGUE PHALIA DRAINAGE DISTRICT
BOLIVAR COUNTY SOIL & WATER CONSERVATION DISTRICT
CALEDONIA NATURAL GAS DISTRICT
CALHOUN COUNTY SOIL & WATER CONSERVATION DISTRICT
CANTON CONVENTION & VISITORS BUREAU
CANTON REDEVELOPMENT AUTHORITY
CHICKASAWHAY NATURAL GAS DISTRICT
CHOCTAW COUNTY ECONOMIC DEVELOPMENT 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 & 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 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
NATCHEZ WATERWORKS
NESHOBA COUNTY SOIL CONSERVATION DISTRICT
NEWTON COUNTY SOIL CONSERVATION DISTRICT
NORTHEAST MISSISSIPPI NATURAL GAS DISTRICT
NORTHEAST MISSISSIPPI REGIONAL WATER SUPPLY DISTRICT
NROUTE TRANSIT COMMISSION
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
STONE COUNTY UTILITY AUTHORITY
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
WALTHALL COUNTY SOIL & WATER CONSERVATION DISTRICT
WARREN COUNTY PARK COMMISSION

Juristic Entities (continued)

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

Housing Authorities

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

Local Hospitals

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

Local Libraries

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

PERS
of MISSISSIPPI

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI

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