



# Mississippi

**ALTHOUGH MISSISSIPPI'S PENSION SYSTEM** is funded at a level below the 50-state average, it started to rise in 2006. The state has done a very good job paying the full amount required by its actuaries to achieve full funding over time—one of 16 states that has consistently paid 100% (or very close to 100%) of its annual required contribution during the last 10 years. Mississippi is one of seven states that had not completed its actuarial valuation of the long-term costs of retiree health and other non-pension benefits at the time of Pew's report, but its liability is likely to be small. The state does not offer a cash subsidy, but only the "implicit subsidy" that comes from including retirees and typically healthier active employees in the same health plan.

## PENSIONS

TOTAL BILL COMING DUE: **\$26 billion**<sup>1</sup>


FUNDS SET ASIDE: **\$19 billion**

PORTION UNFUNDED: **\$7 billion**

PERCENT FUNDED: **73 as of 2006**<sup>2</sup>

TEN YEAR FUNDING HIGH: **87% in 2001**

TEN YEAR FUNDING LOW: **72% in 2005**

HOW IS THE STATE DOING IN PAYING ITS ANNUAL BILL? 

**ASSUMPTIONS:** Mississippi assumes an 8% interest rate return on pension investments, right at the 50-state median. It uses a five-year smoothing period to calculate the actuarial value of assets, similar to most states. Its amortization period conforms to accounting standards.

<sup>1</sup> Pension funds include public employees, highway safety patrol, and municipal and supplemental legislative personnel.

<sup>2</sup> 50-state mean was 82%.


## OTHER BENEFITS

TOTAL BILL COMING DUE: **Not available**

FUNDS SET ASIDE: **\$0**

PORTION UNFUNDED: **Not available**

PERCENT FUNDED: **0 as of 2006**

HOW IS THE STATE DOING IN MANAGING THIS BILL? 

<sup>1</sup> Mississippi's actuarial valuation was not completed at the time of Pew's report, but the liability is likely to be small.

**REFORMS:** In 2007, Mississippi lengthened the period necessary to vest in the retirement system from four to eight years and it also lengthened the service requirement—the number of years that a person must work for the state in order to retire. (For example, a person used to be able to retire at age 60 with four years of service, but now must have eight years of service.) The new law only affects employees hired after July 1, 2007. In recent years, the state also increased its employer contribution rate and expanded permissible investments for the Public Employees Retirement Systems.

KEY:  Top Performer  Needs Improvement  Below Par  Non-Pension Benefits are Minimal

This fact sheet stems from a 50-state analysis of states' retiree benefit obligations by Pew's Center on the States. The full report and 50 state fact sheets can be found at [www.pewcenteronthestates.org](http://www.pewcenteronthestates.org).



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