

PERS Regulation 65 Update

The PERS Board of Trustees recently voted to update Regulation 65, which focuses on the definition of earned compensation used to calculate retirement benefits. This regulation is important because "monetary awards, honorariums, or bonuses" are now excluded from the PERS definition of earned compensation. As a result, non-recurring bonus or award payments are not included in employees' gross annual salaries used to calculate PERS or ORP retirement benefits. Payments that are earned compensation for work performed are not affected by the Regulation 65 update and continue to be included in gross annual salaries used to calculate retirement benefits.

Awareness of Regulation 65 and its implication to the internal "Request for Other University Employee Activity" (ROUEA) process is the purpose of this communication. Internally, this PERS regulation simply means that careful review of the ROUEA approval request form in marking the appropriate payment type(s) is now essential. "AWA" payments constitute awards (or bonus) payments and are not included in the PERS definition of earned compensation. Only "AWA" payments will be excluded by payroll from employees' gross salaries used to calculate retirement percentages. All other types of payment are considered earned compensation, and should continue to be marked "MSC" for work performed within the unit or outside the unit along with a description of the work performed.

Regulation 65 is currently in force and compliance should begin immediately. An updated version of Regulation 65 may be found at the following link:

<http://www.pers.state.ms.us/pdf/regulations/Reg65.pdf>

The updated ROUEA form may be found at the following link:

<http://www.hrm.msstate.edu/forms/>

Other exclusions from earned compensation are listed in section 104 of Regulation 65, including retroactive pay increases, other than bona fide administrative errors.

All benefits eligible faculty and staff interested in Regular 65 or those involved in the ROUEA approval process are encouraged to contact Judy Spencer or Kim Thomas at 325-3713.