

By: Representatives Perry, Gadd

To: Appropriations

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 472

1 AN ACT TO AMEND SECTION 25-11-112, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE CALCULATION OF THE ADDITIONAL ANNUAL BENEFIT FOR
3 MEMBERS AND BENEFICIARIES OF THE PUBLIC EMPLOYEES' RETIREMENT
4 SYSTEM; TO PROVIDE THAT THE ADDITIONAL BENEFIT SHALL BE THE
5 GREATER OF 4% OF THE RETIREMENT ALLOWANCE TIMES THE NUMBER OF
6 FISCAL YEARS IN RETIREMENT THROUGH JUNE 30, 1998, OR THE SUM OF 3%
7 OF THE RETIREMENT ALLOWANCE TIMES THE NUMBER OF FISCAL YEARS IN
8 RETIREMENT BEFORE THE MEMBER REACHES AGE 60 PLUS 3% COMPOUNDED BY
9 THE NUMBER OF FISCAL YEARS IN RETIREMENT BEGINNING WITH THE YEAR
10 IN WHICH THE MEMBER REACHES AGE 60 TIMES THE RETIREMENT ALLOWANCE;
11 TO PROVIDE THAT THE ADDITIONAL BENEFIT SHALL BE PAID IN ONE
12 PAYMENT IN DECEMBER OF EACH YEAR TO THOSE PERSONS WHO ARE
13 RECEIVING A RETIREMENT ALLOWANCE ON DECEMBER 1 OF THAT YEAR,
14 UNLESS AN IRREVOCABLE ELECTION IS MADE TO HAVE THE BENEFIT PAID IN
15 12 EQUAL MONTHLY INSTALLMENTS; TO ALLOW MEMBERS AND BENEFICIARIES
16 WHO ARE CURRENTLY RECEIVING THE ADDITIONAL ANNUAL PAYMENT IN
17 MONTHLY INSTALLMENTS TO ELECT TO RECEIVE THE ADDITIONAL BENEFIT
18 PROVIDED FOR UNDER THIS ACT IN ONE ADDITIONAL PAYMENT EACH YEAR;
19 AND FOR RELATED PURPOSES.

20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

21 SECTION 1. Section 25-11-112, Mississippi Code of 1972, is
22 amended as follows:

23 25-11-112. (1) Any member who is receiving a retirement
24 allowance for service or disability retirement, or any beneficiary
25 thereof, who has received a monthly benefit for at least one (1)
26 full fiscal year, shall be eligible to receive an additional
27 benefit, on December 1 or July 1 of the year as provided in
28 subsection (3) of this section, equal to the greater of the
29 amounts calculated under paragraph (a) or (b) below:

30 (a) An amount equal to four percent (4%) of the annual
31 retirement allowance multiplied by the number of full fiscal years
32 in retirement through June 30, 1998; or

33 (b) The sum of:

34 (i) An amount equal to three percent (3%) of the

annual retirement allowance multiplied by the number of full
fiscal years in retirement before the end of the fiscal year in
which the member reaches age sixty (60), plus

(ii) An additional amount equal to three percent
(3%) compounded by the number of full fiscal years in retirement
beginning with the fiscal year in which the member reaches age
sixty (60), multiplied by the amount of the annual retirement
allowance.

(2) The calculation of the beneficiary's additional benefit
under subsection (1)(b)(i) or (1)(b)(ii) of this section shall be
based on the member's age and full fiscal years in retirement as
if the member had lived.

* * *

(3) The additional benefit provided for under this section
shall be paid in one (1) payment in December of each year to those
persons who are receiving a retirement allowance on December 1 of
that year, unless an election is made under this subsection.

Retired members or beneficiaries thereof who on July 1, 1999, or
July 1 of any fiscal year thereafter, are receiving a retirement
allowance, may elect by an irrevocable agreement in writing filed
in the office of the Public Employees' Retirement System no less
than thirty (30) days before July 1 of the appropriate year, to
begin receiving the additional benefit provided for under this
section in twelve (12) equal monthly installments beginning July
1, 1999, or July 1 of any fiscal year thereafter. This
irrevocable agreement shall be binding on the member and
subsequent beneficiaries. * * * Payment of those monthly
installments shall not extend beyond the month in which a
retirement allowance is due and payable. * * *

(4) The additional payment or payments provided for under
this section are for the fiscal year in which they are paid.

(5) The amount provided for under subsection (1)(b)(ii) of
this section is calculated using the following formula:

68 $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,
69 where n is the number of full fiscal years in retirement beginning
70 with the fiscal year in which the member reaches age sixty (60).

71 (6) Any retired member or beneficiary thereof who has
72 previously elected to receive the additional annual payment in
73 monthly installments may elect, upon application on a form
74 prescribed by the board of trustees, to have that payment made in
75 one (1) additional payment each year. This written election must
76 be filed in the office of the Public Employees' Retirement System
77 before June 1, 2000, and shall be effective for the fiscal year
78 beginning July 1, 2000.

79 (7) In the event of death of a retired member or a
80 beneficiary thereof who is receiving the additional annual payment
81 in two (2) to six (6) monthly installments pursuant to an election
82 made before July 1, 1999, and who would otherwise be eligible to
83 receive the additional benefit provided for under this section in
84 one (1) payment in December of the current fiscal year, any
85 remaining amounts shall be paid in a lump sum to the designated
86 beneficiary.

87 SECTION 2. This act shall take effect and be in force from
88 and after July 1, 1999.