

By: Representatives Perry, Gadd

To: Appropriations

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 62 PLUS 3% COMPOUNDED BY
9 THE NUMBER OF FISCAL YEARS IN RETIREMENT BEGINNING WITH THE YEAR
10 IN WHICH THE MEMBER REACHES AGE 62 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

35 annual retirement allowance multiplied by the number of full
36 fiscal years in retirement before the end of the fiscal year in
37 which the member reaches age sixty-two (62), plus

38 (ii) An additional amount equal to three percent
39 (3%) compounded by the number of full fiscal years in retirement
40 beginning with the fiscal year in which the member reaches age
41 sixty-two (62), multiplied by the amount of the annual retirement
42 allowance.

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

47 * * *

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

52 Retired members or beneficiaries thereof who on July 1, 1999, or
53 July 1 of any fiscal year thereafter, are receiving a retirement
54 allowance, may elect by an irrevocable agreement in writing filed
55 in the office of the Public Employees' Retirement System no less
56 than thirty (30) days before July 1 of the appropriate year, to
57 begin receiving the additional benefit provided for under this
58 section in twelve (12) equal monthly installments beginning July
59 1, 1999, or July 1 of any fiscal year thereafter. This
60 irrevocable agreement shall be binding on the member and
61 subsequent beneficiaries. * * * Payment of those monthly
62 installments shall not extend beyond the month in which a
63 retirement allowance is due and payable. * * *

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

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

68 [(1.03) - 1] x [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-two
71 (62).

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

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

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