

By: Representative Janus

To: Appropriations

## HOUSE BILL NO. 528

1 AN ACT TO CREATE A SEPARATE RETIREMENT SYSTEM FOR MUNICIPAL  
2 POLICE OFFICERS; TO PROVIDE THAT THE SYSTEM SHALL BE ADMINISTERED  
3 BY THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT  
4 SYSTEM; TO DEFINE ELIGIBILITY FOR MEMBERSHIP IN THE SYSTEM; TO  
5 PROVIDE FOR EMPLOYEE AND EMPLOYER CONTRIBUTIONS TO FUND THE  
6 SYSTEM; TO ESTABLISH BENEFITS FOR DISABILITY AND SUPERANNUATION  
7 RETIREMENT AND ESTABLISH DEATH BENEFITS; TO AMEND SECTION 63-1-46,  
8 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT DRIVER'S LICENSE  
9 REINSTATEMENT FEES SHALL BE PAID TO THE SYSTEM TO PROVIDE  
10 ADDITIONAL FUNDING FOR THE SYSTEM; AND FOR RELATED PURPOSES.

11  
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

13 SECTION 1. There is established and placed under the  
14 management of the Board of Trustees of the Public Employees'  
15 Retirement System a retirement system for the purpose of providing  
16 retirement allowances and other benefits under the provisions of  
17 this act for municipal police officers and their beneficiaries.  
18 This retirement system shall be known as the "Municipal Police  
19 Officers' Retirement System." The retirement system shall go into  
20 operation on July 1, 1999, when contributions by members shall  
21 begin and benefits shall become payable. This retirement system  
22 is designed to supplement and is in addition to the provisions of  
23 Section 25-11-1 et seq. Under the terms of this act, municipal  
24 police officers shall retain all social security benefits under  
25 Article I of the Public Employees' Retirement Law of 1952 but  
26 shall not be eligible for benefits under Article III of that law.  
27 This act is a substitute for and in lieu of Article III of that  
28 law, and is designed to provide more liberal benefits for  
29 municipal police officers by reason of the dangerous nature of and  
30 special risk involved in their employment.

31 SECTION 2. (1) For the purposes of this act, the

32 definitions in Section 25-11-5 and Section 25-11-103 shall apply  
33 unless a different meaning is plainly expressed by the context.

34 (2) As used in this act:

35 (a) "Board" means the Board of Trustees of the Public  
36 Employees' Retirement System.

37 (b) "Municipal police officer" means each duly elected  
38 or appointed police officer and narcotics agent in the full-time  
39 employment of a municipality who is actually engaged in the  
40 enforcement of the laws of this state and the municipality. The  
41 term does not include auxiliary officers or officers who are  
42 engaged only in administrative or civil duties.

43 (c) "Member" means any person included in the  
44 membership of the system as provided in Section 4 of this act.

45 (d) "System" means the Municipal Police Officers'  
46 Retirement System established by Section 1 of this act.

47 SECTION 3. (1) The general administration and  
48 responsibility for the proper operation of the system and for  
49 making effective the provisions hereof are vested in the Board of  
50 Trustees of the Public Employees' Retirement System.

51 (2) The board shall invest all funds of the system in  
52 accordance with Section 25-11-121.

53 (3) The board shall designate an actuary who shall be the  
54 technical advisor of the board on matters regarding the operation  
55 of the system and shall perform such other duties as are required  
56 in connection therewith.

57 (4) At least once in each two-year period following July 1,  
58 1999, the actuary shall make an actuarial investigation into the  
59 mortality, service, withdrawal and compensation experience of the  
60 members and beneficiaries of the system, and shall make a  
61 valuation of the assets and liabilities of the system. Taking  
62 into account the result of the investigation and valuation, the  
63 board shall adopt for the retirement system such mortality,  
64 service, and other tables as shall be deemed necessary. On the

65 basis of those tables that the board adopts, the actuary shall  
66 make biennial valuations of the assets and liabilities of the  
67 funds of the system.

68 (5) The board shall keep such data as shall be necessary for  
69 the actuarial valuation of the contingent assets and liabilities  
70 of the system and for checking the experience of the system.

71 (6) The board shall determine from time to time the rate of  
72 regular interest for use in all calculations, with the rate of  
73 five percent (5%) per annum applicable unless changed by the  
74 board.

75 (7) Subject to the limitations hereof, the board from time  
76 to time shall establish rules and regulations for the  
77 administration of the system and for the transaction of business.

78 (8) The board shall keep a record of all its proceedings  
79 under this act. All books, accounts and records shall be kept in  
80 the general office of the Public Employees' Retirement System and  
81 shall be public records except for individual member records. The  
82 Public Employees' Retirement System shall not disclose the name,  
83 address or contents of any individual member records without the  
84 prior written consent of the individual to whom the record  
85 pertains.

86 (9) The Executive Director of the Public Employees'  
87 Retirement System shall serve as the executive director of this  
88 system.

89 SECTION 4. (1) The membership of the system shall be  
90 composed of municipal police officers who are not members of any  
91 retirement system created under Section 21-29-101 et seq. or  
92 Section 21-29-201 et seq. Membership in the system shall not  
93 include any secretarial, clerical, stenographic or administrative  
94 employees.

95 (2) All municipal police officers eligible for membership in  
96 the system as provided in this section who are serving in that  
97 capacity on July 1, 1999, shall become members of the system on

98 that date, unless they file with the board within thirty (30) days  
99 after July 1, 1999, on a form prescribed by the board, a notice of  
100 election not to be covered in the membership of the system and a  
101 duly executed waiver of all present and prospective benefits that  
102 otherwise would inure to them on account of their membership in  
103 the system.

104 (3) All municipal police officers eligible for membership in  
105 the system as provided in this section who are elected or  
106 appointed after June 30, 1999, shall become members of the system  
107 as a condition of their office or employment.

108 (4) Membership in the system shall cease by a member  
109 withdrawing his accumulated contributions, or by a member  
110 withdrawing from active service with a retirement allowance, or by  
111 death of the member.

112 SECTION 5. (1) Creditable service on which a member's  
113 service or disability retirement benefit is based shall consist of  
114 prior service and membership service. Prior service means service  
115 performed before July 1, 1999, for which contributions were made  
116 to the Public Employees' Retirement System, and membership service  
117 means all service for which credit may be allowed under this act  
118 after June 30, 1999, and all lawfully credited unused leave as of  
119 the date of withdrawal from service, as certified by the employer.

120 (2) In computing the period of service of a member of the  
121 system, anything in this act to the contrary notwithstanding, any  
122 member who served on active duty in the Armed Forces of the United  
123 States, or who served in maritime service during periods of  
124 hostility in World War II, shall be entitled to creditable service  
125 for his service on active duty in the Armed Forces or in such  
126 maritime service, provided he entered state service after his  
127 discharge from the Armed Forces or entered state service after he  
128 completed such maritime service. The maximum period for  
129 creditable service for all military service shall not exceed four  
130 (4) years unless positive proof can be furnished by the person

131 that he was retained in the Armed Forces during World War II or in  
132 maritime service during World War II by causes beyond his control  
133 and without opportunity of discharge. The member shall furnish  
134 proof satisfactory to the board of certification of military  
135 service or maritime service records showing dates of entrance into  
136 service and the date of discharge. In no case shall the member  
137 receive creditable service if the member received a dishonorable  
138 discharge from the Armed Forces of the United States.

139 SECTION 6. (1) The board shall act as custodian of the  
140 system, and shall receive to the credit of the system all  
141 donations, bequests, appropriations, and all funds available as an  
142 employer's contribution thereto from any source whatsoever.

143 (2) The employers shall deduct each month from the salary of  
144 each member seven and one-fourth percent (7-1/4%) thereof, and  
145 shall pay the amount so deducted to the board to be credited to  
146 the system. Notwithstanding the employee contribution rates  
147 specified in this subsection, the board may vary the percentage of  
148 employee contribution biennially on the basis of the liabilities  
149 of the system for the various allowances and benefits as shown by  
150 actuarial valuation. From the funds credited to this account, the  
151 board shall pay retirements, disability benefits, survivors  
152 benefits, expenses and shall refund contributions as provided in  
153 this act. The funds of the system shall be maintained as a  
154 separate fund, separate from all other funds held by the board and  
155 shall be used only for the payment of benefits provided for by  
156 this act or amendments thereto.

157 (3) On account of each member the employers shall pay  
158 monthly into the system from funds available an amount equal to a  
159 certain percentage of the compensation of each member to be known  
160 as the "normal contributions," and an additional amount equal to a  
161 percentage of his compensation to be known as the "accrued  
162 liability contribution." The percentage rate of those  
163 contributions shall be fixed biennially by the board on the basis

164 of the liabilities of the system for the various allowances and  
165 benefits as shown by the actuarial valuation.

166 (4) In addition to the funding provided for in this section,  
167 the system shall be funded from driver's license reinstatement  
168 fees paid to the system under Section 63-1-46.

169 (5) The board is authorized to deduct two percent (2%) of  
170 all employer contributions paid into the system to be transferred  
171 to the expense fund of the Public Employees' Retirement System to  
172 defray the cost of administering the system.

173 SECTION 7. The employers shall pick up the member  
174 contributions required by Section 6 of this act for all  
175 compensation earned after June 30, 1999. The contributions so  
176 picked up shall be treated as employer contributions in  
177 determining tax treatment under the United States Internal Revenue  
178 Code and Mississippi Income Tax Code. However, the employer shall  
179 continue to withhold federal and state income taxes based upon  
180 these contributions until the Internal Revenue Service or federal  
181 courts rule that pursuant to Section 414(h) of the United States  
182 Internal Revenue Code, these contributions shall not be included  
183 as gross income of the member until such time as they are  
184 distributed or made available. The employer shall pay these  
185 member contributions from the same source of funds that is used in  
186 paying earnings to the member. The employer may pick up these  
187 contributions by a reduction in the cash salary of the member or  
188 by an offset against a future salary increase or by a combination  
189 of a reduction in salary and offset against a future salary  
190 increase. If member contributions are picked up, they shall be  
191 treated for all purposes of this act in the same manner and to the  
192 same extent as member contributions made before to the date picked  
193 up.

194 SECTION 8. (1) Upon application of a member or his  
195 employer, any active member who has not attained the age of  
196 fifty-five (55) years may be retired by the board, not less than

197 thirty (30) and not more than ninety (90) days next following the  
198 date of filing the application, on a disability retirement  
199 allowance, if the medical board of the Public Employees'  
200 Retirement System or other designated governmental agency, after a  
201 medical examination, certifies that he is mentally or physically  
202 incapacitated for the performance of duty, that the incapacity is  
203 likely to be permanent, and that the sickness or injury was caused  
204 or sustained as a direct result of duty as a municipal police  
205 officer after June 30, 1999.

206       Upon the application of a member or his employer, any member  
207 who is not yet eligible for service retirement benefits and who  
208 has had at least ten (10) years of creditable service may be  
209 retired by the board, not less than thirty (30) and not more than  
210 ninety (90) days next following the date of filing the  
211 application, on a disability retirement allowance, if the medical  
212 board or other designated governmental agency, after a medical  
213 examination, certifies that he is mentally or physically  
214 incapacitated for the further performance of duty, that the  
215 incapacity is likely to be permanent, and that he should be  
216 retired. This disability need not be service connected.

217       (2) Upon retirement for disability, a member shall receive a  
218 disability benefit equal to fifty percent (50%) of his average  
219 compensation for the two (2) years immediately preceding his  
220 retirement, but not less than any retirement benefits for which he  
221 may be eligible at the date he is granted disability.

222       (3) Once each year during the first five (5) years following  
223 retirement of a member on a disability retirement allowance, and  
224 once in every period of three (3) years thereafter, the board may,  
225 and upon his application shall, require any disability retiree who  
226 has not yet attained the age of fifty-five (55) years to undergo a  
227 medical examination. The examination shall be made at the place  
228 of residence of the retiree or other place mutually agreed upon by  
229 the medical board or other designated governmental agency. If any

230 disability retiree who has not yet attained the age of fifty-five  
231 (55) years refuses to submit to any medical examination provided  
232 for in this subsection, his allowance may be discontinued until  
233 his withdrawal of his refusal, and if his refusal continues for  
234 one (1) year, all his rights in that part of the disability  
235 benefit provided by employer contributions shall be revoked by the  
236 board.

237 (4) If the medical board or other designated governmental  
238 agency reports and certifies to the board, after a comparable job  
239 analysis or other similar study, that the disability retiree is  
240 engaged in, or is able to engage in, a gainful occupation paying  
241 more than the difference between his disability benefit and his  
242 average compensation, and if the board concurs in the report, the  
243 disability benefit shall be reduced to an amount that, together  
244 with the amount earnable by him, equals the amount of his average  
245 compensation. If his earning capacity is later changed, the  
246 amount of the benefit may be further modified, but the revised  
247 benefit shall not exceed the amount originally granted nor an  
248 amount that, when added to the amount earnable by the retiree,  
249 together with the member's annuity, equals the amount of his  
250 average compensation.

251 (5) If a disability retiree under the age of fifty-five (55)  
252 years is restored to active service at a compensation not less  
253 than his average compensation, his disability benefit shall cease,  
254 he shall again become a member of the retirement system, and he  
255 shall contribute thereafter at the same rate he paid before  
256 disability. Any such prior service certificate on the basis of  
257 which his service was computed at the time of retirement shall be  
258 restored to full force and effect. In addition, upon his  
259 subsequent retirement he shall be credited with all creditable  
260 service as a member, including the period for which he was paid  
261 disability benefits.

262 SECTION 9. (1) Any member upon withdrawal from service upon



263 or after attainment of the age of fifty-five (55) years who has  
264 completed at least four (4) years of creditable service, or any  
265 member upon withdrawal from service upon or after attainment of  
266 the age of forty-five (45) years who has completed at least twenty  
267 (20) years of creditable service, or any member upon withdrawal  
268 from service regardless of age who has completed at least  
269 twenty-five (25) years of creditable service, shall be entitled to  
270 receive a retirement allowance that shall be payable the first of  
271 the month following receipt of the member's application in the  
272 office of the executive director of the system, but in no event  
273 before withdrawal from service.

274 (2) Any member whose withdrawal from service occurs before  
275 attaining the age of fifty-five (55) years who has completed four  
276 (4) or more years of creditable service and has not received a  
277 refund of the member's accumulated contributions shall be entitled  
278 to receive a retirement allowance of the amount earned and accrued  
279 at the date of withdrawal from service, beginning upon his  
280 attaining the age of fifty-five (55) years.

281 (3) The annual amount of the retirement allowance shall  
282 consist of:

283 (a) A member's annuity, which shall be the actuarial  
284 equivalent of the accumulated contributions of the member at the  
285 time of retirement, computed according to the actuarial table in  
286 use by the system.

287 (b) An employer's annuity, which, together with the  
288 member's annuity provided above, shall be equal to two and  
289 one-fourth percent (2-1/4%) of the average compensation for each  
290 year of membership service.

291 (c) A prior service annuity equal to two and one-fourth  
292 percent (2-1/4%) of the average compensation for each year of  
293 prior service for which the member is allowed credit.

294 (d) In the case of retirement of any member before  
295 attaining the age of fifty-five (55) years, the retirement

296 allowance shall be computed in accordance with the formula set  
297 forth above in this section, except that the employer's annuity  
298 and prior service annuity shall be reduced by three percent (3%)  
299 for each year of age below fifty-five (55) years, or three percent  
300 (3%) for each year of service below twenty-five (25) years of  
301 creditable service, whichever is lesser.

302 (e) Upon retiring for service, a member shall be  
303 eligible to obtain retirement benefits, as computed above, for  
304 life, except that the aggregate amount of the employer's annuity  
305 and prior service annuity shall not exceed more than eighty-five  
306 percent (85%) of the average compensation regardless of the years  
307 of service.

308 (f) Any member of the system who attains the age of  
309 sixty (60) years shall be immediately retired.

310 SECTION 10. (1) Retired members who on December 1 of each  
311 year, or July 1 of each year as provided for in subsection (5) of  
312 this section, are receiving a retirement allowance for service or  
313 disability retirement, or their beneficiaries, shall receive in  
314 one (1) additional payment an amount equal to a cumulative  
315 percentage of the annual percentage increase in the Consumer Price  
316 Index set by the United States Government for the calendar year  
317 ending during each fiscal year for each full fiscal year of  
318 retirement, not exceeding two and one-half percent (2-1/2%) for  
319 any fiscal year, times the amount of the annual retirement  
320 allowance. The cumulative percentage provided in this subsection  
321 for any particular year shall not be less than the cumulative  
322 percentage provided for the previous year.

323 (2) Retired members who on December 1 of each year are  
324 receiving a retirement allowance for service or disability  
325 retirement, or their beneficiaries, may receive, in addition to  
326 the cumulative percentage provided in subsection (1) of this  
327 section, a payment as determined by the board, calculated in  
328 increments of one-quarter of one percent (1/4 of 1%), not to

329 exceed one and one-half percent (1-1/2%) of the annual retirement  
330 allowance, for each full fiscal year of retirement, but any such  
331 payment shall be contingent upon the reserve for annuities in  
332 force for retired members and beneficiaries providing sufficient  
333 investment gains in excess of the accrued actuarial liabilities  
334 for the previous fiscal year as certified by the actuary and  
335 determined by the board.

336 (3) The percentages in this section shall be based on each  
337 full fiscal year that the retired member or beneficiary has  
338 actually drawn retirement payments from the date of retirement, or  
339 the date of last retirement if there is more than one (1)  
340 retirement date.

341 (4) Persons eligible to receive the payments provided in  
342 this section shall receive the payments in one (1) additional  
343 payment, except that the person may elect by an irrevocable  
344 agreement on a form prescribed by the board to receive the  
345 payments in not less than equal monthly installments not to exceed  
346 six (6) months during the remaining months of the current fiscal  
347 year. In the event of death of a person or a beneficiary  
348 receiving monthly benefits, any remaining amounts shall be paid in  
349 a lump sum to the designated beneficiary.

350 (5) Retired members or beneficiaries thereof who on July 1  
351 of any fiscal year are receiving a retirement allowance may elect  
352 by an irrevocable agreement in writing filed in the office of the  
353 Public Employees' Retirement System no less than thirty (30) days  
354 before July 1 of the appropriate year, to begin receiving the  
355 payments provided for in subsection (1) of this section in twelve  
356 (12) equal installments beginning on July 1. This irrevocable  
357 agreement shall be binding on the member and subsequent  
358 beneficiaries. The cumulative percentage provided in subsection  
359 (1) of this section and paid in twelve (12) equal installments for  
360 any particular year shall not be less than the cumulative  
361 percentage provided for the previous year. However, payment of

362 the installments shall not extend beyond the month in which a  
363 retirement allowance is due and payable. Any additional amounts  
364 approved by the board under subsection (2) of this section shall  
365 be paid in one (1) lump sum payment to retirees and beneficiaries  
366 in accordance with subsection (2) of this section.

367 SECTION 11. (1) Upon the death of any member who has  
368 retired for service or disability and who has not elected any  
369 other option under Section 12 of this act, the member's spouse  
370 shall receive one-half (1/2) the benefit that the member was  
371 receiving and each child not having attained the age of nineteen  
372 (19) years shall receive one-fourth (1/4) of the member's benefit,  
373 but not more than one-half (1/2) of the benefits shall be paid for  
374 the support and maintenance of two (2) or more children. Upon  
375 each child's attaining the age of nineteen (19) years, the child  
376 shall no longer be eligible for the benefit, and when all of the  
377 children have attained the age of nineteen (19) years, only the  
378 spouse shall be eligible for one-half (1/2) of the amount of the  
379 member's benefit. The spouse shall continue to be eligible for  
380 the benefit in the amount of fifty percent (50%) of the member's  
381 retirement benefit as long as the spouse may live or until  
382 remarriage. Upon remarriage of the spouse at any time, the  
383 spouse's eligibility for the fifty percent (50%) benefits shall  
384 end, but the spouse will be eligible to continue to receive  
385 benefits for their children until the last child attains the age  
386 of nineteen (19) years.

387 (2) Upon the death of any member who has served the minimum  
388 period required for eligibility for retirement, the member's  
389 spouse and family shall receive all the benefits payable to the  
390 member's beneficiaries as if the member had retired at the time of  
391 death. Those benefits shall cease as to the spouse upon  
392 remarriage but shall continue to be payable to each child until he  
393 reaches the age of nineteen (19) years. The benefits are payable  
394 on a monthly basis.

395           (3) The spouse and/or the dependent children of an active  
396 member who is killed in the line of performance of duty or dies as  
397 a direct result of an accident occurring in the line of  
398 performance of duty shall qualify, on approval of the board, for a  
399 retirement allowance on the first of the month following the date  
400 of the member's death, but not before receipt of application by  
401 the board. The spouse shall receive a retirement allowance equal  
402 to one-half (1/2) of the average compensation of the deceased  
403 member. In addition to the retirement allowance for the spouse,  
404 or if there is no surviving spouse, a retirement allowance shall  
405 be paid in the amount of one-fourth (1/4) of the average  
406 compensation for the support and maintenance of one (1) child or  
407 in the amount of one-half (1/2) of the average compensation for  
408 the support and maintenance of two (2) or more children. Those  
409 benefits shall cease to be paid for the support and maintenance of  
410 each child upon the child attaining the age of nineteen (19)  
411 years; however, the spouse shall continue to be eligible for the  
412 retirement allowance provided for the spouse. Benefits may be  
413 paid to a surviving parent or lawful custodian of the children for  
414 the use and benefit of the children without the necessity of  
415 appointment as guardian. That retirement allowance shall cease to  
416 the spouse upon remarriage but continue to be payable for each  
417 dependent child until the age of nineteen (19) years.

418           (4) All benefits accruing to any child under the provisions  
419 of this act shall be paid to the parent custodian of the children  
420 or the legal guardian.

421           (5) Children receiving the benefits provided in this section  
422 who are permanently or totally disabled shall continue to receive  
423 the benefits for as long as the medical board or other designated  
424 governmental agency certifies that the disability continues. The  
425 age limitation for benefits payable to a child under any provision  
426 of this section shall be extended beyond age nineteen (19), but in  
427 no event beyond the attainment of age twenty-three (23), as long

428 as the child is a student regularly pursuing a full-time course of  
429 resident study or training in an accredited high school, trade  
430 school, technical or vocational institute, junior or community  
431 college, college, university or comparable recognized educational  
432 institution duly licensed by a state. A student child whose  
433 birthday falls during the school year (September 1 through June  
434 30) is considered not to reach age twenty-three (23) until the  
435 July 1 following the actual twenty-third birthday. A full-time  
436 course of resident study or training means a day or evening  
437 noncorrespondence course that includes school attendance at the  
438 rate of a least thirty-six (36) weeks, per academic year or other  
439 applicable period with a subject load sufficient, if successfully  
440 completed, to attain the educational or training objective within  
441 the period generally accepted as minimum for completion, by a  
442 full-time day student, of the academic or training program  
443 concerned.

444       SECTION 12. (1) Upon application for superannuation or  
445 disability retirement, any member may elect to receive his benefit  
446 pursuant to the provisions of Sections 9 and 11 of this act or may  
447 elect to receive his benefit in a retirement allowance payable  
448 throughout life with no further payments to anyone at his death,  
449 except that if his total retirement payments under this act do not  
450 equal his total contributions under this act, his named  
451 beneficiary shall receive the difference in cash at his death. As  
452 an alternative, he may elect upon retirement, or upon becoming  
453 eligible for retirement, to receive the actuarial equivalent of  
454 his retirement allowance in a reduced retirement allowance payable  
455 throughout life with the provision that:

456               **Option 1.** If he dies before he has received in annuity  
457 payment the value of the member's annuity as it was at the time of  
458 his retirement, the balance shall be paid to his legal  
459 representative or to such person as he has nominated by written  
460 designation duly acknowledged and filed with the board; or

461           **Option 2.** Upon his death, his reduced retirement  
462 allowance shall be continued throughout the life of, and paid to,  
463 such person as he has nominated by written designation duly  
464 acknowledged and filed with the board at the time of his  
465 retirement; or

466           **Option 3.** Upon his death, one half (1/2) of his reduced  
467 retirement allowance shall be continued throughout the life of,  
468 and paid to, such person as he has nominated by written  
469 designation duly acknowledged and filed with the board at the time  
470 of his retirement, and the other one half (1/2) of his reduced  
471 retirement allowance to some other designated beneficiary; or

472           **Option 4-A.** Upon his death, one half (1/2) of his  
473 reduced retirement allowance, or such other specified amount,  
474 shall be continued throughout the life of, and paid to, such  
475 person as he has nominated by written designation duly  
476 acknowledged and filed with the board at the time of his  
477 retirement; or

478           **Option 4-B.** A reduced retirement allowance shall be  
479 continued throughout the life of the retirant, but with the  
480 further guarantee of payments to the named beneficiary,  
481 beneficiaries or to the estate for a specified number of years  
482 certain. If the retired member or the last designated beneficiary  
483 receiving annuity payments dies before receiving all guaranteed  
484 payments due, the actuarial equivalent of the remaining payments  
485 will be paid to the estate of the retired member as intestate  
486 property.

487           **Option 4-C.** The retirement allowance otherwise payable  
488 may be converted into a retirement allowance of equivalent  
489 actuarial value in such an amount that, with the member's benefit  
490 under Title II of the Federal Social Security Act, the member will  
491 receive, so far as possible, approximately the same amount  
492 annually before and after the earliest age at which the member  
493 becomes eligible to receive a social security benefit.

494           (2) Any member in service who has qualified for retirement  
495 benefits may select any optional method of settlement of  
496 retirement benefits by notifying the executive director of the  
497 system in writing, on a form prescribed by the board, of the  
498 option he has selected and by naming the beneficiary of the option  
499 and furnishing necessary proof of age. The option, once selected,  
500 may be changed at any time before actual retirement or death, but  
501 upon the death or retirement of the member, the optional  
502 settlement shall be placed in effect upon proper notification to  
503 the executive director.

504           (3) No change in the option selected shall be permitted  
505 after the member's death or after the member has received his  
506 first retirement check, except as provided in subsections (4) and  
507 (5) of this section and in Section 16 of this act.

508           (4) Any retired member who is receiving a reduced retirement  
509 allowance under Option 2 or Option 4-A whose designated  
510 beneficiary predeceases him, or whose marriage to a spouse who is  
511 his designated beneficiary is terminated by divorce or other  
512 dissolution, may elect to cancel his reduced retirement allowance  
513 and receive the maximum retirement allowance for life in an amount  
514 equal to the amount that would have been payable if the member had  
515 not elected Option 2 or Option 4-A. The election must be made in  
516 writing to the office of the executive director of the system on a  
517 form prescribed by the board. Any such election shall be  
518 effective the first of the month following the date the election  
519 is received by the system.

520           (5) Any retired member who is receiving the maximum  
521 retirement allowance for life, or a retirement allowance under  
522 Option 1, and who marries after his retirement may elect to cancel  
523 his maximum retirement allowance or Option 1 retirement allowance  
524 and receive a reduced retirement allowance under Option 2 or  
525 Option 4-A to provide continuing lifetime benefits to his spouse.  
526 The election must be made in writing to the office of the



527 executive director of the system on a form prescribed by the board  
528 not earlier than the date of the marriage. Any such election  
529 shall be effective the first of the month following the date the  
530 election is received by the system. The amount of the reduced  
531 retirement allowance shall be the actuarial equivalent, taking  
532 into account that the member received the maximum retirement  
533 allowance or Option 1 retirement allowance for a period of time  
534 before electing to receive a reduced retirement allowance.

535 (6) If the election of an optional benefit is made after the  
536 member has attained the age of sixty-five (65) years, the  
537 actuarial equivalent factor shall be used to compute the reduced  
538 retirement allowance as if the election had been made on his  
539 sixty-fifth birthday. However, if a retiree marries or remarries  
540 after retirement, and elects either Option 2 or Option 4-A as  
541 provided in subsection (5) of this section, the actuarial  
542 equivalent factor used to compute the reduced retirement allowance  
543 shall be the factor for the age of the retiree and his or her  
544 beneficiary at the time that the election for recalculation of  
545 benefits is made.

546 (7) If a retirant and his eligible beneficiary, if any, both  
547 die before they have received in annuity payments a total amount  
548 equal to the accumulated contributions standing to the retirant's  
549 credit in the annuity savings account at the time of his  
550 retirement, the difference between the accumulated contributions  
551 and the total amount of annuities received by them shall be paid  
552 to such persons as the retirant has nominated by written  
553 designation duly executed and filed in the office of the executive  
554 director. If no designated person survives the retirant and his  
555 beneficiary, the difference, if any, shall be paid to the estate  
556 of the survivor of the retirant and his beneficiary.

557 SECTION 13. (1) All persons who are covered under the terms  
558 of this act on July 1, 1999, and who become members of the  
559 retirement system established by this act shall cease to be

560 members of the Public Employees' Retirement System under the  
561 provisions of Section 25-11-101 et seq. upon July 1, 1999, and  
562 shall become members of this retirement system with full credit  
563 for all prior service performed before July 1, 1999, for which  
564 contributions were made to the Public Employees' Retirement  
565 System.

566 (2) In any case in which a municipal police officer has been  
567 a member of the Public Employees' Retirement System under Section  
568 25-11-101 et seq. and has made contributions thereto, all  
569 employee's contributions, plus interest credited thereto, inuring  
570 to the credit of that person shall be transferred by the Public  
571 Employees' Retirement System to the credit of the person in the  
572 retirement system established by this act, and shall be considered  
573 an asset to the credit of that person in this retirement system.

574 SECTION 14. If a member of the retirement system ceases to  
575 work as a municipal police officer for any reason other than  
576 occupational disease contracted or for any accident sustained by  
577 the member by reason of his service or discharge of his duties as  
578 a municipal police officer, and if the member is not eligible for  
579 retirement either for service or disability, he shall be refunded  
580 the amount of his total contributions under the provisions of this  
581 act, including any credit transferred to his account in this  
582 system from any other system, at his request, and if he dies  
583 before retirement, those funds shall be refunded to any  
584 beneficiary that he has named.

585 If any member who receives a refund reenters service as a  
586 municipal police officer and again becomes a member of the system  
587 and remains a contributor for four (4) years, he may repay all  
588 amounts previously received by him as a refund, together with  
589 regular interest covering the period from the date of refund to  
590 the date of repayment. Upon that repayment, the member again  
591 shall receive credit for the entire period of creditable service  
592 that he forfeited upon the receipt of the refund.

593       SECTION 15. Regular interest shall be credited annually to  
594 the mean amount of the employee reserve account for the preceding  
595 year. This credit shall be made annually from interest and other  
596 earnings on the invested assets of the system. Any additional  
597 amount required to meet the regular interest on the funds of the  
598 system shall be charged to the employer's accumulation account,  
599 and any excess of earnings over the regular interest required  
600 shall be credited to the employer's accumulation account. Regular  
601 interest shall mean such percentage rate of interest compounded  
602 annually as determined by the board on the basis of the interest  
603 earnings of the system for the preceding year. Once that interest  
604 is credited it shall be added to the sum of all amounts deducted  
605 from the compensation of a member and shall be included in  
606 determining his total contributions.

607       SECTION 16. Any member who has been retired under the  
608 provisions of this act and who is later reemployed in service  
609 covered by this act shall cease to receive benefits under this act  
610 and shall become a contributing member of the retirement system  
611 again. Upon retiring again, if the member's reemployment exceeds  
612 six (6) months, he shall have his benefit recomputed, including  
613 service after becoming a member again. However, the total  
614 retirement allowance paid to the retired member in his previous  
615 retirement shall be deducted from his retirement reserve and taken  
616 into consideration in recalculating the retirement allowance under  
617 a new option selected.

618       SECTION 17. The right of a person to an annuity, a  
619 retirement allowance or benefit, or to the return of  
620 contributions, or to any optional benefits or any other right  
621 accrued or accruing to any person under the provisions of this  
622 act, the system and the moneys in the system created by this act,  
623 are exempt from any state, county or municipal ad valorem taxes,  
624 income taxes, premium taxes, privilege taxes, property taxes,  
625 sales and use taxes or other taxes not so named, notwithstanding

626 any other provision of law to the contrary, and exempt from levy  
627 and sale, garnishment, attachment, or any other process  
628 whatsoever, and shall be unassignable except as specifically  
629 provided otherwise in this act.

630       SECTION 18. (1) The maintenance of actuarial reserves for  
631 the various allowances and benefits under this act, and the  
632 payment of all annuities, retirement allowances, refunds and other  
633 benefits granted under this act are made obligation of the system.  
634 All income, interest and dividends derived from deposits and  
635 investments authorized by this act shall be used for the payment  
636 of the obligations of the system.

637       (2) If the system is terminated, all members of the system  
638 as of the date of termination of the system shall be deemed to  
639 have a vested right to benefits to the extent and in the same  
640 manner that rights would be vested under the laws existing as of  
641 the date of termination of the system. However, any member who  
642 has not fulfilled the requirements for length of service because  
643 of a termination of the system shall be entitled to compensation  
644 as of the date that the member would otherwise be eligible. That  
645 compensation shall be computed on the basis of the time he was  
646 actually a member of the system and the compensation he actually  
647 earned during the time he was a member, in the manner provided by  
648 this act.

649       If there is a deficit in the availability of funds for  
650 payment due under the provisions of the system, an appropriation  
651 shall be made that is sufficient for the payment thereof, as an  
652 obligation of the State of Mississippi.

653       (3) Notwithstanding any provisions of this section or this  
654 act to the contrary, the maximum annual retirement allowance  
655 attributable to the employer contributions payable by the system  
656 to a member shall be subject to the limitations set forth in  
657 Section 415 of the Internal Revenue Code and any regulations  
658 issued thereunder as applicable to governmental plans as that term

659 is defined under Section 414(d) of the Internal Revenue Code. If  
660 a member is a participant in any qualified defined contribution  
661 plan required to be taken into account for purposes of applying  
662 the combined plan limitations contained in Section 415(e) of the  
663 Internal Revenue Code, then for any year the sum of the defined  
664 benefit plan fraction and the defined contribution plan fraction,  
665 as those terms are defined in Section 415(e), shall not exceed one  
666 (1.0). If for any year the foregoing combined plan limitation  
667 would be exceeded, the benefit provided under this plan shall be  
668 reduced to the extent necessary to meet that limitation.

669 (4) Notwithstanding any other provision of this plan, all  
670 distributions from this plan shall conform to the regulations  
671 issued under Section 401(a)(9) of the Internal Revenue Code,  
672 applicable to governmental plans, as defined in Section 414(d) of  
673 the Internal Revenue Code, including the incidental death benefit  
674 provisions of Section 401(a)(9)(G) of the Internal Revenue Code.  
675 Further, those regulations shall override any plan provision that  
676 is inconsistent with Section 401(a)(9) of the Internal Revenue  
677 Code.

678 (5) The actuarial assumptions used to convert a retirement  
679 allowance from the normal form of payment to an optional form of  
680 payment shall be an appendix to this act and subject to approval  
681 by the board of trustees based upon certification by the actuary.

682 (6) Notwithstanding any other provision of this plan, the  
683 maximum compensation that can be considered for all plan purposes  
684 is One Hundred Fifty Thousand Dollars (\$150,000.00) per year,  
685 adjusted annually to reflect changes in the cost of living to  
686 conform to the regulations issued under Section 401(a)(17) of the  
687 Internal Revenue Code. SECTION 19. Section 63-1-46, Mississippi  
688 Code of 1972, is amended as follows:

689 63-1-46. (1) A fee of Twenty-five Dollars (\$25.00) shall be  
690 charged for the reinstatement of a license issued pursuant to this

691 article to every person whose license has been validly suspended,  
692 revoked or cancelled. This fee shall be in addition to the fee  
693 provided for in Section 63-1-43.

694 (2) The funds received under the provisions of subsection  
695 (1) of this section shall be paid to the Municipal Police  
696 Officers' Retirement System established by Section 1 of this act.

697 (3) In addition to the fee provided for in subsection (1) of  
698 this section, an additional fee of Seventy-five Dollars (\$75.00)  
699 shall be charged for the reinstatement of a license issued  
700 pursuant to this article to every person whose license has been  
701 suspended or revoked under the provisions of the Mississippi  
702 Implied Consent Law or as a result of a conviction of a violation  
703 of the Uniform Controlled Substances Law under the provisions of  
704 Section 63-1-71.

705 (4) The funds received under the provisions of subsection  
706 (3) of this section shall be placed in a special fund hereby  
707 created in the State Treasury. Monies in such special fund may be  
708 expended solely to contribute to the Disability and Relief Fund  
709 for members of the Mississippi Highway Safety Patrol such amounts  
710 as are necessary to make sworn agents of the Mississippi Bureau of  
711 Narcotics who were employed by such bureau prior to December 1,  
712 1990, and who were subsequently employed as enforcement troopers  
713 by the Department of Public Safety, full members of the retirement  
714 system for the Mississippi Highway Safety Patrol with full credit  
715 for the time they were employed as sworn agents for the  
716 Mississippi Bureau of Narcotics. The Board of Trustees of the  
717 Public Employees' Retirement System shall certify to the State  
718 Treasurer the amounts necessary for the purposes described above.  
719 The State Treasurer shall monthly transfer from the special fund  
720 created pursuant to this subsection the amounts deposited in such  
721 special fund to the Disability and Relief Fund for members of the  
722 Mississippi Highway Safety Patrol until such time as the certified  
723 amount has been transferred. At such time as the certified amount

724 has been transferred, the State Treasurer shall transfer any funds  
725 remaining in the special fund created pursuant to this subsection  
726 to the State General Fund and shall then dissolve such special  
727 fund. This subsection (4) shall stand repealed at such time when  
728 the State Treasurer transfers funds and dissolves the special fund  
729 account in accordance with the provisions of this subsection.

730 (5) The procedure for the reinstatement of a license issued  
731 pursuant to this article that has been suspended for being out of  
732 compliance with an order for support, as defined in Section  
733 93-11-153, and the payment of any fees for the reinstatement of a  
734 license suspended for that purpose, shall be governed by Section  
735 93-11-157 or 93-11-163, as the case may be.

736 SECTION 20. This act shall take effect and be in force from  
737 and after July 1, 1999.