

By: Representative Holden

To: Education;
Appropriations

HOUSE BILL NO. 688

1 AN ACT TO CREATE NEW SECTION 25-11-126, MISSISSIPPI CODE OF
2 1972, TO PROVIDE THAT CERTAIN PERSONS RECEIVING A RETIREMENT
3 ALLOWANCE FROM THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO ARE
4 EMPLOYED AS TEACHERS IN THE PUBLIC SCHOOL SYSTEM AFTER THEIR
5 RETIREMENT, AND CERTAIN PERSONS EMPLOYED AS TEACHERS IN THE PUBLIC
6 SCHOOL SYSTEM WHO ARE ELIGIBLE TO RECEIVE A RETIREMENT ALLOWANCE
7 FROM THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM, MAY RECEIVE A
8 RETIREMENT ALLOWANCE DURING THEIR EMPLOYMENT AS TEACHERS IN
9 ADDITION TO RECEIVING A TEACHER'S SALARY; TO PROVIDE THAT THOSE
10 PERSONS SHALL NOT BE ACTIVE MEMBERS OF THE RETIREMENT SYSTEM AND
11 SHALL NOT RECEIVE ANY CREDITABLE SERVICE FOR THE PERIOD DURING
12 WHICH THEY RECEIVE A RETIREMENT ALLOWANCE DURING THEIR EMPLOYMENT
13 AS TEACHERS; TO PROVIDE THAT EMPLOYEE CONTRIBUTIONS SHALL BE
14 DEDUCTED AND EMPLOYER CONTRIBUTIONS SHALL BE MADE FOR THOSE
15 PERSONS FOR THE PERIOD DURING WHICH THEY RECEIVE A RETIREMENT
16 ALLOWANCE DURING THEIR EMPLOYMENT AS TEACHERS; TO AMEND SECTIONS
17 25-11-103, 25-11-105 AND 25-11-127, MISSISSIPPI CODE OF 1972, IN
18 CONFORMITY WITH THE PROVISIONS OF THIS ACT; TO AMEND SECTION
19 25-11-117, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ANY PERSON
20 WHO RECEIVED A RETIREMENT ALLOWANCE DURING HIS EMPLOYMENT AS A
21 TEACHER MAY NOT RECEIVE A REFUND OF EMPLOYEE CONTRIBUTIONS THAT
22 WERE MADE DURING THAT PERIOD OF EMPLOYMENT; TO AMEND SECTION
23 37-19-7, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE TEACHERS'
24 SALARIES OF THOSE PERSONS SHALL BE EQUAL TO THE AMOUNT OF THE
25 SALARY THAT THEY RECEIVED DURING THE SCHOOL YEAR IMMEDIATELY
26 PRECEDING THE DATE OF THEIR RETIREMENT OR THE DATE THAT CURRENT
27 TEACHERS BEGAN RECEIVING A RETIREMENT ALLOWANCE; TO PROVIDE THAT
28 THE TEACHERS' SALARIES OF THOSE PERSONS SHALL NOT INCLUDE ANY
29 INCREASE IN THE SALARY FOR TEACHING EXPERIENCE OBTAINED AFTER THE
30 DATE OF THEIR EMPLOYMENT AS TEACHERS AFTER THEIR RETIREMENT OR THE
31 DATE THAT CURRENT TEACHERS BEGAN RECEIVING A RETIREMENT ALLOWANCE;
32 AND FOR RELATED PURPOSES.

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

34 SECTION 1. The following shall be codified as Section
35 25-11-126, Mississippi Code of 1972:

36 25-11-126. (1) Any person who has completed thirty (30) or
37 more years of creditable service and is receiving a retirement
38 allowance under this article, who was employed as a teacher in the
39 public school system at the time of his retirement, may be
40 employed as a teacher in the public school system after his
41 retirement and may continue receiving the retirement allowance

42 under this article during his employment as a teacher after his
43 retirement in addition to receiving the salary authorized under
44 Section 37-19-7(3), in the manner provided in this subsection.
45 Before being employed as a teacher in the public school system
46 after his retirement, the person shall notify the executive
47 director of the retirement system about whether he chooses to
48 continue receiving the retirement allowance during his employment
49 as a teacher. If the person chooses not to continue receiving the
50 retirement allowance during his employment as a teacher, the
51 retirement allowance shall cease on the day that he begins
52 employment as a teacher after his retirement. After the person
53 leaves employment as a teacher that he began after his retirement,
54 in order to begin receiving a retirement allowance under this
55 article again, the person shall make application to the executive
56 director of the retirement system, and the retirement allowance
57 shall begin on the first of the month following the date that the
58 application is received by the executive director.

59 (2) Any person who is employed as a teacher in the public
60 school system who completes thirty (30) or more years of
61 creditable service during his employment as a teacher, may receive
62 a retirement allowance under this article during his employment as
63 a teacher in the public school system in addition to receiving the
64 salary authorized under Section 37-19-7(3), in the manner provided
65 in this subsection. If the person chooses to receive a retirement
66 allowance, he shall make application to the executive director of
67 the retirement system, and the retirement allowance shall begin on
68 the first of the month following the date that the application is
69 received by the executive director. Any such person shall not be
70 required to withdraw from service in order to receive the
71 retirement allowance, but he shall be considered to be retired
72 when he begins receiving the retirement allowance.

73 (3) Any person to whom this section applies who receives or
74 continues to receive a retirement allowance under this article
75 during his employment as a teacher shall not be an active member
76 of the retirement system and shall not receive any creditable
77 service for the period during which he receives a retirement
78 allowance during his employment as a teacher. However, the

79 employer shall deduct employee contributions for the person and
80 shall make employer contributions on behalf of the person in the
81 same manner as provided in Section 25-11-123 for active members,
82 for the period during which he receives a retirement allowance
83 during his employment as a teacher, and the employer shall pay the
84 contributions to the retirement system.

85 (4) Any person to whom this section applies who chooses not
86 to receive a retirement allowance during his employment as a
87 teacher shall be an active and contributing member of the
88 retirement system and shall receive creditable service for the
89 period during which he is employed as a teacher without receiving
90 a retirement allowance. If the person has previously received a
91 retirement allowance under this article and he is employed as a
92 teacher for more than six (6) months without receiving a
93 retirement allowance, he shall have his allowance recomputed when
94 he retires again, which shall include the service after he again
95 became a contributing member of the retirement system.

96 SECTION 2. Section 25-11-103, Mississippi Code of 1972, is
97 amended as follows:

98 25-11-103. The following words and phrases as used in
99 Articles 1 and 3, unless a different meaning is plainly required
100 by the context, shall have the following meanings:

101 (a) "Accumulated contributions" shall mean the sum of
102 all the amounts deducted from the compensation of a member and
103 credited to his individual account in the annuity savings account,
104 together with regular interest thereon as provided in Section
105 25-11-123.

106 (b) "Actuarial cost" shall mean the amount of funds
107 presently required to provide future benefits as determined by the
108 board based on applicable tables and formulas provided by the
109 actuary.

110 (c) "Actuarial equivalent" shall mean a benefit of
111 equal value to the accumulated contributions, annuity or benefit,

112 as the case may be, when computed upon the basis of such mortality
113 tables as shall be adopted by the board of trustees, and regular
114 interest.

115 (d) "Actuarial tables" shall mean such tables of
116 mortality and rates of interest as shall be adopted by the board
117 in accordance with the recommendation of the actuary.

118 (e) "Agency" shall mean any governmental body employing
119 persons in the state service.

120 (f) "Average compensation" shall mean the average of
121 the four (4) highest years of earned compensation reported for an
122 employee in a fiscal or calendar year period, or combination
123 thereof which do not overlap, or the last forty-eight (48)
124 consecutive months of earned compensation reported for an
125 employee. The four (4) years need not be successive or joined
126 years of service. In no case shall the average compensation so
127 determined be in excess of One Hundred Twenty-five Thousand
128 Dollars (\$125,000.00). In computing the average compensation, any
129 amount paid in a lump sum for personal leave shall be included in
130 the calculation to the extent that such amount does not exceed an
131 amount which is equal to thirty (30) days of earned compensation
132 and to the extent that it does not cause the employees' earned
133 compensation to exceed the maximum reportable amount specified in
134 Section 25-11-103(k); provided, however, that such thirty-day
135 limitation shall not prevent the inclusion in the calculation of
136 leave earned under federal regulations prior to July 1, 1976, and
137 frozen as of that date as referred to in Section 25-3-99. Only
138 the amount of lump sum pay for personal leave due and paid upon
139 the death of a member attributable for up to one hundred fifty
140 (150) days shall be used in the deceased member's average
141 compensation calculation in determining the beneficiary's
142 benefits. In computing the average compensation, no amounts shall
143 be used which are in excess of the amount on which contributions
144 were required and paid. If any member who is or has been granted

145 any increase in annual salary or compensation of more than eight
146 percent (8%) retires within twenty-four (24) months from the date
147 that such increase becomes effective, then the board shall exclude
148 that part of the increase in salary or compensation that exceeds
149 eight percent (8%) in calculating that member's average
150 compensation for retirement purposes. The board may enforce this
151 provision by rule or regulation. However, increases in
152 compensation in excess of eight percent (8%) per year granted
153 within twenty-four (24) months of the date of retirement may be
154 included in such calculation of average compensation if
155 satisfactory proof is presented to the board showing that the
156 increase in compensation was the result of an actual change in the
157 position held or services rendered, or that such compensation
158 increase was authorized by the State Personnel Board or was
159 increased as a result of statutory enactment, and the employer
160 furnishes an affidavit stating that such increase granted within
161 the last twenty-four (24) months was not contingent on a promise
162 or agreement of the employee to retire. Nothing in Section
163 25-3-31 shall affect the calculation of the average compensation
164 of any member for the purposes of this article. The average
165 compensation of any member who retires before July 1, 1992, shall
166 not exceed the annual salary of the Governor.

167 (g) "Beneficiary" shall mean any person entitled to
168 receive a retirement allowance, an annuity or other benefit as
169 provided by Articles 1 and 3. In the event of the death prior to
170 retirement of any member whose spouse and/or children are not
171 entitled to a retirement allowance, the lawful spouse of a member
172 at the time of the death of such member shall be the beneficiary
173 of such member unless the member has designated another
174 beneficiary subsequent to the date of marriage in writing, and
175 filed such writing in the office of the executive director of the
176 board of trustees. No designation or change of beneficiary shall
177 be made in any other manner.

178 (h) "Board" shall mean the board of trustees provided
179 in Section 25-11-15 to administer the retirement system herein
180 created.

181 (i) "Creditable service" shall mean "prior service,"
182 "retroactive service" and all lawfully credited unused leave not
183 exceeding the accrual rates and limitations provided in Section
184 25-3-91 et seq., as of the date of withdrawal from service plus
185 "membership service" for which credit is allowable as provided in
186 Section 25-11-109. Except to limit creditable service reported to
187 the system for the purpose of computing an employee's retirement
188 allowance or annuity or benefits provided in this article, nothing
189 in this paragraph shall limit or otherwise restrict the power of
190 the governing authority of a municipality or other political
191 subdivision of the state to adopt such vacation and sick leave
192 policies as it deems necessary.

193 (j) "Child" means either a natural child of the member,
194 a child that has been made a child of the member by applicable
195 court action before the death of the member, or a child under the
196 permanent care of the member at the time of the latter's death,
197 which permanent care status shall be determined by evidence
198 satisfactory to the board.

199 (k) "Earned compensation" shall mean the full amount
200 earned by an employee for a given pay period including any
201 maintenance furnished up to a maximum of One Hundred Twenty-five
202 Thousand Dollars (\$125,000.00) per year, and proportionately for
203 less than one (1) year of service. The value of such maintenance
204 when not paid in money shall be fixed by the employing state
205 agency, and, in case of doubt, by the board of trustees as defined
206 in Section 25-11-15. In any case, earned compensation shall be
207 limited to the regular periodic compensation paid, exclusive of
208 litigation fees, bond fees, and other similar extraordinary
209 nonrecurring payments. In the case of fee officials, the net
210 earnings from their office after deduction of expenses shall

211 apply, except that in no case shall earned compensation be less
212 than the total direct payments made by the state or governmental
213 subdivisions to the official, and employer and employee
214 contributions shall be paid thereon. In the case of members of
215 the state Legislature, all remuneration or amounts paid, except
216 mileage allowance, shall apply. The amount by which an eligible
217 employee's salary is reduced pursuant to a salary reduction
218 agreement authorized under Section 25-17-5 shall be included as
219 earned compensation under this paragraph, provided this inclusion
220 does not conflict with federal law, including federal regulations
221 and federal administrative interpretations thereunder, pertaining
222 to the Federal Insurance Contributions Act or to Internal Revenue
223 Code Section 125 cafeteria plans. Compensation in addition to an
224 employee's base salary that is paid to the employee pursuant to
225 the vacation and sick leave policies of a municipality or other
226 political subdivision of the state that employs him which exceeds
227 the maximums authorized by Section 25-3-91 et seq. shall be
228 excluded from the calculation of earned compensation under this
229 article. The maximum salary applicable for retirement purposes
230 before July 1, 1992, shall be the salary of the Governor. Nothing
231 in Section 25-3-31 shall affect the determination of the earned
232 compensation of any member for the purposes of this article.

233 (l) "Employee" means any person legally occupying a
234 position in the state service, and shall include the employees of
235 the retirement system created hereunder.

236 (m) "Employer" shall mean the State of Mississippi or
237 any of its departments, agencies or subdivisions from which any
238 employee receives his compensation.

239 (n) "Executive director" shall mean the secretary to
240 the board of trustees, as provided in Section 25-11-15(9), and the
241 administrator of the Public Employees' Retirement System and all
242 systems under the management of the board of trustees. Wherever
243 the term "Executive Secretary of the Public Employees' Retirement

244 System" or "executive secretary" appears in this article or in any
245 other provision of law, it shall be construed to mean the
246 Executive Director of the Public Employees' Retirement System.

247 (o) "Fiscal year" shall mean the period beginning on
248 July 1 of any year and ending on June 30 of the next succeeding
249 year.

250 (p) "Medical board" shall mean the board of physicians
251 or any governmental or nongovernmental disability determination
252 service designated by the board of trustees that is qualified to
253 make disability determinations as provided for in Section
254 25-11-119.

255 (q) "Member" shall mean any person included in the
256 membership of the system as provided in Section 25-11-105.

257 (r) "Membership service" shall mean service as an
258 employee rendered while a member of the retirement system.

259 (s) "Position" means any office or any employment in
260 the state service, or two (2) or more of them, the duties of which
261 call for services to be rendered by one (1) person, including
262 positions jointly employed by federal and state agencies
263 administering federal and state funds.

264 (t) "Prior service" shall mean service rendered before
265 February 1, 1953, for which credit is allowable under Sections
266 25-11-105 and 25-11-109, and which shall allow prior service for
267 any person who is now or becomes a member of the Public Employees'
268 Retirement System and who does contribute to the system for a
269 minimum period of four (4) years.

270 (u) "Regular interest" shall mean interest compounded
271 annually at such a rate as shall be determined by the board in
272 accordance with Section 25-11-121.

273 (v) "Retirement allowance" shall mean an annuity for
274 life as provided in this article, payable each year in twelve (12)
275 equal monthly installments beginning as of the date fixed by the
276 board. The retirement allowance shall be calculated in accordance

277 with Section 25-11-111. Provided, any spouse who received a
278 spouse retirement benefit in accordance with Section 25-11-111(d)
279 prior to March 31, 1971, and said benefits were terminated because
280 of eligibility for a Social Security benefit, may again receive
281 his spouse retirement benefit from and after making application
282 with the board of trustees to reinstate such spouse retirement
283 benefit.

284 (w) "Retroactive service" shall mean service rendered
285 after February 1, 1953, for which credit is allowable under
286 Section 25-11-105(b) and Section 25-11-105(k).

287 (x) "System" shall mean the Public Employees'
288 Retirement System of Mississippi established and described in
289 Section 25-11-101.

290 (y) "State" shall mean the State of Mississippi or any
291 political subdivision thereof or instrumentality thereof.

292 (z) "State service" shall mean all offices and
293 positions of trust or employment in the employ of the state, or
294 any political subdivision or instrumentality thereof, which elect
295 to participate as provided by Section 25-11-105 (f), including the
296 position of elected or fee officials of the counties and their
297 deputies and employees performing public services or any
298 department, independent agency, board or commission thereof, and
299 shall also include all offices and positions of trust or
300 employment in the employ of joint state and federal agencies
301 administering state and federal funds and service rendered by
302 employees of the public schools. Effective July 1, 1973, all
303 nonprofessional public school employees, such as bus drivers,
304 janitors, maids, maintenance workers and cafeteria employees,
305 shall have the option to become members in accordance with Section
306 25-11-105(b), and shall be eligible to receive credit for services
307 prior to July 1, 1973, provided the contributions and interest are
308 paid by the employee in accordance with said section; provided,
309 further, that the county or municipal separate school district may

310 pay the employer contribution and pro rata share of interest of
311 the retroactive service from available funds. From and after July
312 1, 1998, retroactive service credit shall be purchased at the
313 actuarial cost in accordance with Section 25-11-105(b).

314 (aa) "Withdrawal from service" shall mean complete
315 severance of employment in the state service of any member by
316 resignation, dismissal or discharge, except in the case of persons
317 who become eligible to receive a retirement allowance under this
318 article during their employment as teachers and who choose to
319 receive the retirement allowance during their employment as
320 teachers as authorized by Section 25-11-126.

321 (bb) The masculine pronoun, wherever used, shall
322 include the feminine pronoun.

323 SECTION 3. Section 25-11-105, Mississippi Code of 1972, is
324 amended as follows:

325 25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

326 The membership of this retirement system shall be composed as
327 follows:

328 (a) All persons who shall become employees in the state
329 service after January 31, 1953, and whose wages are subject to
330 payroll taxes and are lawfully reported on IRS Form W-2, except
331 (i) those persons who are specifically excluded, (ii) those
332 persons to whom election is provided in Articles 1 and 3, (iii)
333 those persons who choose to receive or continue receiving a
334 retirement allowance during their employment as teachers as
335 authorized by Section 25-11-126, shall become members of the
336 retirement system as a condition of their employment.

337 (b) All persons who shall become employees in the state
338 service after January 31, 1953, except those specifically excluded
339 or as to whom election is provided in Articles 1 and 3, unless
340 they shall file with the board prior to the lapse of sixty (60)
341 days of employment or sixty (60) days after the effective date of
342 the cited articles, whichever is later, on a form prescribed by

343 the board, a notice of election not to be covered by the
344 membership of the retirement system and a duly executed waiver of
345 all present and prospective benefits which would otherwise inure
346 to them on account of their participation in the system, shall
347 become members of the retirement system; provided, however, that
348 no credit for prior service will be granted to members until they
349 have contributed to Article 3 of the retirement system for a
350 minimum period of at least four (4) years. Such members shall
351 receive credit for services performed prior to January 1, 1953, in
352 employment now covered by Article 3, but no credit shall be
353 granted for retroactive services between January 1, 1953, and the
354 date of their entry into the retirement system unless the employee
355 pays into the retirement system both the employer's and the
356 employee's contributions on wages paid him during the period from
357 January 31, 1953, to the date of his becoming a contributing
358 member, together with interest at the rate determined by the board
359 of trustees. Members reentering after withdrawal from service
360 shall qualify for prior service under the provisions of Section
361 25-11-117. From and after July 1, 1998, upon eligibility as noted
362 above, the member may receive credit for such retroactive service
363 provided:

364 (1) The member shall furnish proof satisfactory to
365 the board of trustees of certification of such service from the
366 covered employer where the services were performed; and

367 (2) The member shall pay to the retirement system
368 on the date he or she is eligible for such credit or at any time
369 thereafter prior to the date of retirement the actuarial cost for
370 each year of such creditable service. The provisions of this
371 subparagraph (2) shall be subject to the limitations of Section
372 415 of the Internal Revenue Code and regulations promulgated
373 thereunder.

374 Nothing contained in this paragraph (b) shall be construed to
375 limit the authority of the board to allow the correction of

376 reporting errors or omissions based on the payment of the employee
377 and employer contributions plus applicable interest.

378 (c) All persons who shall become employees in the state
379 service after January 31, 1953, and who are eligible for
380 membership in any other retirement system shall become members of
381 this retirement system as a condition of their employment unless
382 they elect at the time of their employment to become a member of
383 such other system.

384 (d) All persons who are employees in the state service
385 on January 31, 1953, and who are members of any nonfunded
386 retirement system operated by the State of Mississippi, or any of
387 its departments or agencies, shall become members of this system
388 with prior service credit unless, before February 1, 1953, they
389 shall file a written notice with the board of trustees that they
390 do not elect to become members.

391 (e) All persons who are employees in the state service
392 on January 31, 1953, and who under existing laws are members of
393 any fund operated for the retirement of employees by the State of
394 Mississippi, or any of its departments or agencies, shall not be
395 entitled to membership in this retirement system unless, before
396 February 1, 1953, any such person shall indicate by a notice filed
397 with the board, on a form prescribed by the board, his individual
398 election and choice to participate in this system, but no such
399 person shall receive prior service credit unless he becomes a
400 member on or before February 1, 1953.

401 (f) Each political subdivision of the state and each
402 instrumentality of the state or a political subdivision, or both,
403 is hereby authorized to submit, for approval by the board of
404 trustees, a plan for extending the benefits of this article to
405 employees of any such political subdivision or instrumentality.
406 Each such plan or any amendment to the plan for extending benefits
407 thereof shall be approved by the board of trustees if it finds
408 that such plan, or such plan as amended, is in conformity with

409 such requirements as are provided in Articles 1 and 3; however,
410 upon approval of such plan or any such plan heretofore approved by
411 the board of trustees, the approved plan shall not be subject to
412 cancellation or termination by the political subdivision or
413 instrumentality. No such plan shall be approved unless:

414 (1) It provides that all services which constitute
415 employment as defined in Section 25-11-5 and are performed in the
416 employ of the political subdivision or instrumentality, by any
417 employees thereof, shall be covered by the plan; with the
418 exception of municipal employees who are already covered by
419 existing retirement plans; provided, however, those employees in
420 this class may elect to come under the provisions of this article;

421 (2) It specifies the source or sources from which
422 the funds necessary to make the payments required by subsection
423 (d) of Section 25-11-123 and of subsections (f)(5)b and c of this
424 section are expected to be derived and contains reasonable
425 assurance that such sources will be adequate for such purpose;

426 (3) It provides for such methods of administration
427 of the plan by the political subdivision or instrumentality as are
428 found by the board of trustees to be necessary for the proper and
429 efficient administration thereof;

430 (4) It provides that the political subdivision or
431 instrumentality will make such reports, in such form and
432 containing such information, as the board of trustees may from
433 time to time require;

434 (5) It authorizes the board of trustees to
435 terminate the plan in its entirety in the discretion of the board
436 if it finds that there has been a failure to comply substantially
437 with any provision contained in such plan, such termination to
438 take effect at the expiration of such notice and on such
439 conditions as may be provided by regulations of the board and as
440 may be consistent with applicable federal law.

441 A. The board of trustees shall not finally

442 refuse to approve a plan submitted under subsection (f), and shall
443 not terminate an approved plan without reasonable notice and
444 opportunity for hearing to each political subdivision or
445 instrumentality affected thereby. The board's decision in any
446 such case shall be final, conclusive and binding unless an appeal
447 be taken by the political subdivision or instrumentality aggrieved
448 thereby to the Circuit Court of Hinds County, Mississippi, in
449 accordance with the provisions of law with respect to civil causes
450 by certiorari.

451 B. Each political subdivision or
452 instrumentality as to which a plan has been approved under this
453 section shall pay into the contribution fund, with respect to
454 wages (as defined in Section 25-11-5), at such time or times as
455 the board of trustees may by regulation prescribe, contributions
456 in the amounts and at the rates specified in the applicable
457 agreement entered into by the board.

458 C. Every political subdivision or
459 instrumentality required to make payments under subsection (f)(5)b
460 hereof is authorized, in consideration of the employees' retention
461 in or entry upon employment after enactment of Articles 1 and 3,
462 to impose upon its employees, as to services which are covered by
463 an approved plan, a contribution with respect to wages (as defined
464 in Section 25-11-5) not exceeding the amount provided in Section
465 25-11-123(d) if such services constituted employment within the
466 meaning of Articles 1 and 3, and to deduct the amount of such
467 contribution from the wages as and when paid. Contributions so
468 collected shall be paid into the contribution fund as partial
469 discharge of the liability of such political subdivisions or
470 instrumentality under subsection (f)(5)b hereof. Failure to
471 deduct such contribution shall not relieve the employee or
472 employer of liability thereof.

473 D. Any state agency, school, political
474 subdivision, instrumentality or any employer that is required to

475 submit contribution payments or wage reports under any section of
476 this chapter shall be assessed interest on delinquent payments or
477 wage reports as determined by the board of trustees in accordance
478 with rules and regulations adopted by the board and such assessed
479 interest may be recovered by action in a court of competent
480 jurisdiction against such reporting agency liable therefor or may,
481 upon due certification of delinquency and at the request of the
482 board of trustees, be deducted from any other monies payable to
483 such reporting agency by any department or agency of the state.

484 E. Each political subdivision of the state
485 and each instrumentality of the state or a political subdivision
486 or subdivisions which submits a plan for approval of the board, as
487 provided in this section, shall reimburse the board for coverage
488 into the expense account, its pro rate share of the total expense
489 of administering Articles 1 and 3 as provided by regulations of
490 said board.

491 (g) The board may, in its discretion, deny the right of
492 membership in this system to any class of employees whose
493 compensation is only partly paid by the state or who are occupying
494 positions on a part-time or intermittent basis. The board may, in
495 its discretion, make optional with employees in any such classes
496 their individual entrance into this system.

497 (h) An employee whose membership in this system is
498 contingent on his own election, and who elects not to become a
499 member, may thereafter apply for and be admitted to membership;
500 but no such employee shall receive prior service credit unless he
501 becomes a member prior to July 1, 1953, except as provided in
502 subsection (b).

503 (i) In the event any member of this system should
504 change his employment to any agency of the state having an
505 actuarially funded retirement system, the board of trustees may
506 authorize the transfer of the member's creditable service and of
507 the present value of the member's employer's accumulation account

508 and of the present value of the member's accumulated membership
509 contributions to such other system, provided the employee agrees
510 to the transfer of his accumulated membership contributions and
511 provided such other system is authorized to receive and agrees to
512 make such transfer.

513 In the event any member of any other actuarially funded
514 system maintained by an agency of the state changes his employment
515 to an agency covered by this system, the board of trustees may
516 authorize the receipt of the transfer of the member's creditable
517 service and of the present value of the member's employer's
518 accumulation account and of the present value of the member's
519 accumulated membership contributions from such other system,
520 provided the employee agrees to the transfer of his accumulated
521 membership contributions to this system and provided the other
522 system is authorized and agrees to make such transfer.

523 (j) Wherever herein state employment is referred to, it
524 shall include joint employment by state and federal agencies of
525 all kinds.

526 (k) Employees of a political subdivision or
527 instrumentality who were employed by such political subdivision or
528 instrumentality prior to an agreement between such entity and the
529 Public Employees' Retirement System to extend the benefits of this
530 article to its employees, and which agreement provides for the
531 establishment of retroactive service credit, and who have been
532 members of the retirement system and have remained contributors to
533 the retirement system for four (4) years, may receive credit for
534 such retroactive service with such political subdivision or
535 instrumentality, provided the employee and/or employer, as
536 provided under the terms of the modification of the joinder
537 agreement in allowing such coverage, pay into the retirement
538 system the employer's and employee's contributions on wages paid
539 the member during such previous employment, together with interest
540 or actuarial cost as determined by the board covering the period

541 from the date the service was rendered until the payment for the
542 credit for such service was made. Such wages shall be verified by
543 the Social Security Administration or employer payroll records.
544 Effective July 1, 1998, upon eligibility as noted above, a member
545 may receive credit for such retroactive service with such
546 political subdivision or instrumentality provided;

547 (1) The member shall furnish proof satisfactory to
548 the board of trustees of certification of such services from the
549 political subdivision or instrumentality where the services were
550 rendered or verification by the Social Security Administration;
551 and

552 (2) The member shall pay to the retirement system
553 on the date he or she is eligible for such credit or at any time
554 thereafter prior to the date of retirement the actuarial cost for
555 each year of such creditable service. The provisions of this
556 subparagraph (2) shall be subject to the limitations of Section
557 415 of the Internal Revenue Code and regulations promulgated
558 thereunder.

559 Nothing contained in this paragraph (k) shall be construed to
560 limit the authority of the board to allow the correction of
561 reporting errors or omissions based on the payment of employee and
562 employer contributions plus applicable interest. Payment for such
563 time shall be made in increments of not less than one-quarter
564 (1/4) year of creditable service beginning with the most recent
565 service. Upon the payment of all or part of such required
566 contributions, plus interest or the actuarial cost as provided
567 above, the member shall receive credit for the period of
568 creditable service for which full payment has been made to the
569 retirement system.

570 (1) Through June 30, 1998, any state service eligible
571 for retroactive service credit, no part of which has ever been
572 reported, and requiring the payment of employee and employer
573 contributions plus interest, or, from and after July 1, 1998, any

574 state service eligible for retroactive service credit, no part of
575 which has ever been reported to the retirement system, and
576 requiring the payment of the actuarial cost for such creditable
577 service, may, at the member's option, be purchased in quarterly
578 increments as provided above at such time as its purchase is
579 otherwise allowed.

580 (m) All rights to purchase retroactive service credit
581 or repay a refund as provided in Section 25-11-101 et seq. shall
582 terminate upon retirement.

583 **II. THOSE WHO ARE NOT ELIGIBLE FOR MEMBERSHIP**

584 The following classes of employees and officers shall not
585 become members of this retirement system, any other provisions of
586 Articles 1 and 3 to the contrary notwithstanding:

587 (a) Patient or inmate help in state charitable, penal
588 or correctional institutions;

589 (b) Students of any state educational institution
590 employed by any agency of the state for temporary, part-time or
591 intermittent work;

592 (c) Participants of Comprehensive Employment and
593 Training Act of 1973 (CETA) being Public Law 93-203, who enroll on
594 or after July 1, 1979.

595 **III. TERMINATION OF MEMBERSHIP**

596 Membership in this system shall cease by a member withdrawing
597 his accumulated contributions, or by a member withdrawing from
598 active service with a retirement allowance, or by a member's
599 death.

600 SECTION 4. Section 25-11-117, Mississippi Code of 1972, is
601 amended as follows:

602 25-11-117. (1) A member may be paid a refund of the amount
603 of accumulated contributions to the credit of the member in the
604 annuity savings account provided the member has withdrawn from
605 state service and further provided the member has not returned to
606 state service on the date the refund of the accumulated

607 contributions would be paid. However, a member may not receive a
608 refund of the amount of employee contributions, or interest earned
609 on those contributions, that were made during any period when he
610 received a retirement allowance during his employment as a teacher
611 as authorized by Section 25-11-126. Such refund of the
612 contributions to the credit of the member in the annuity savings
613 account shall be paid within ninety (90) days from receipt in the
614 office of the retirement system of the properly completed form
615 requesting such payment. In the event of death prior to
616 retirement of any member whose spouse and/or children are not
617 entitled to a retirement allowance, the accumulated contributions
618 to the credit of the deceased member in the annuity savings
619 account shall be paid to the designated beneficiary on file in
620 writing in the office of executive director of the board of
621 trustees within ninety (90) days from receipt of a properly
622 completed form requesting such payment. If there is no such
623 designated beneficiary on file for such deceased member in the
624 office of the system, upon the filing of a proper request with the
625 board, the contributions to the credit of the deceased member in
626 the annuity savings account shall be refunded to the estate of the
627 deceased member. The payment of the said refund shall discharge
628 all obligations of the retirement system to the said member on
629 account of any creditable service rendered by the member prior to
630 the receipt of the refund. By the acceptance of the refund, the
631 member shall waive and relinquish all accrued rights in the
632 system.

633 (2) Pursuant to the Unemployment Compensation Amendments of
634 1992 (P.L. 102-318 (UCA)), a member or eligible beneficiary
635 eligible for a refund under this section may elect on a form
636 prescribed by the board under rules and regulations established by
637 the board, to have an eligible rollover distribution of
638 accumulated contributions payable under this section paid directly
639 to an eligible retirement plan or individual retirement account.

640 If the member or eligible beneficiary makes such election and
641 specifies the eligible retirement plan or individual retirement
642 account to which such distribution is to be paid, the distribution
643 will be made in the form of a direct trustee-to-trustee transfer
644 to the specified eligible retirement plan. Flexible rollovers
645 under this subsection shall not be considered assignments under
646 Section 25-11-129.

647 (3) If any person who has received a refund reenters the
648 state service and again becomes a member of the system and remains
649 a contributor for two (2) years, the member may repay all or part
650 of the amounts previously received as a refund, together with
651 regular interest covering the period from the date of refund to
652 the date of repayment; provided, however, that the amounts that
653 are repaid by the member and the creditable service related
654 thereto shall not be used in any benefit calculation or
655 determination until the member has remained a contributor to the
656 system for a period of at least four (4) years subsequent to such
657 member's reentry into state service. Repayment for such time
658 shall be made in increments of not less than one-quarter (1/4)
659 year of creditable service beginning with the most recent service
660 for which refund has been made. Upon the repayment of all or part
661 of such refund and interest, the member shall again receive credit
662 for the period of creditable service for which full repayment has
663 been made to the system.

664 SECTION 5. Section 25-11-127, Mississippi Code of 1972, is
665 amended as follows:

666 25-11-127. No person who is being paid a retirement
667 allowance or a pension after retirement under this article shall
668 be employed or paid for any service by the State of Mississippi,
669 except as provided in this section or in Section 25-11-126. This
670 section shall not apply to any pensioner who has been elected to
671 public office after retirement, nor to any person employed because
672 of special knowledge or experience. This section shall not be

673 construed to mean that any person employed or elected under the
674 above exceptions shall become a member under Article 3 of the
675 retirement system, nor shall any retirant of this retirement
676 system who is reemployed or is reelected to office after
677 retirement continue to draw retirement benefits while so
678 reemployed or reelected except those persons who choose to
679 continue receiving a retirement allowance during their employment
680 as teachers as authorized by Section 25-11-126. Any person who
681 has been retired under the provisions of Articles 1 and 3 and who
682 is later reemployed in service covered by this article, except for
683 those persons who choose to continue receiving a retirement
684 allowance during their employment as teachers as authorized by
685 Section 25-11-126, shall cease to receive benefits under this
686 article and shall again become a contributing member of the
687 retirement system; and when the person again retires, if he has
688 been a contributing member of the retirement system and received
689 additional creditable service during his reemployment and his
690 reemployment exceeds six (6) months, he shall have his benefit
691 recomputed, including service after again becoming a member,
692 provided * * * that the total retirement allowance paid to the
693 retired member in his previous retirement shall be deducted from
694 his retirement reserve and taken into consideration in
695 recalculating the retirement allowance under a new option
696 selected. Nothing contained in this section shall be construed as
697 prohibiting any county or city not a member of the Public
698 Employees' Retirement System from employing persons up to the age
699 of seventy-three (73); and provided further that, through June 30,
700 1988, nothing contained in this section shall be construed as
701 prohibiting any governmental unit which is a member from employing
702 persons up to the age of seventy-three (73) who are not eligible
703 for membership at the time of employment under Article 3.

704 The board of trustees of the retirement system shall have the
705 right to prescribe rules and regulations for the carrying out of

706 this provision.

707 The provisions of this section shall not be construed to
708 prohibit any retirant regardless of age from being employed and
709 from drawing retirement allowance either (a) for a period of time
710 not to exceed one hundred twenty (120) days in any fiscal year,
711 but less than one-half (1/2) of the normal working days for the
712 position in any fiscal year, or (b) for a period of time in any
713 fiscal year sufficient in length to permit a retirant to earn not
714 in excess of twenty-five percent (25%) of retirant's average
715 compensation or the current rate of the salary in effect for the
716 regular position filled. Notice shall be given in writing to the
717 executive director of the system, setting forth the facts upon
718 which the * * * employment is being made, and such notice shall be
719 given within five (5) days from the date of employment and also
720 from the date of termination of the employment. * * *

721 Any member who is not eligible to exercise the provisions of
722 Section 25-11-126, who has attained seventy (70) years of age and
723 who has forty (40) or more years of creditable service may
724 continue in office or employment or be reemployed or elected,
725 provided such person files annually, in writing, in the office of
726 the employer and the office of the executive director of the
727 system prior to such services, a waiver of all salary or
728 compensation and elects to receive in lieu of such salary or
729 compensation a retirement allowance as provided in this section,
730 in which even no salary or compensation shall thereafter be due or
731 payable for such services. However, any such officer or employee
732 may receive in addition to such retirement allowance any per diem,
733 office expense allowance, mileage or travel expense authorized by
734 any statute of the State of Mississippi. Any other member may
735 continue in municipal or county office or employment or be
736 reemployed or elected in a municipality or county provided such
737 person files annually, in writing, in the office of the employer
738 and the office of the executive director of the system prior to

739 such services, a waiver of all salary or compensation and elects
740 to receive in lieu of such salary or compensation a retirement
741 allowance as provided in this section, in which event no salary or
742 compensation shall thereafter be due or payable for such services
743 and provided, further, that any such officer or employee may
744 receive in addition to such retirement allowance any per diem,
745 office expense allowance, mileage or travel expense authorized by
746 any statute of the State of Mississippi.

747 SECTION 6. Section 37-19-7, Mississippi Code of 1972, is
748 amended as follows:

749 37-19-7. (1) The allowance in the minimum education program
750 for teachers' salaries in each county and separate school district
751 shall be determined and paid in accordance with the scale for
752 teachers' salaries as provided in this subsection for the number
753 of teachers employed not in excess of the number of teacher units
754 allotted. For teachers holding the following types of licenses or
755 the equivalent as determined by the State Board of Education, and
756 the following number of years of teaching experience, the scale
757 shall be as follows:

758 **1999-2000 School Year**

759 **and School Years Thereafter**

760 **Less Than 25 Years of Teaching Experience**

761	AAAA.....	\$24,445.00
762	AAA.....	23,595.00
763	AA.....	22,745.00
764	A.....	21,695.00

765 **25 or More Years of Teaching Experience**

766	AAAA.....	\$25,445.00
767	AAA.....	24,595.00
768	AA.....	23,745.00
769	A.....	22,695.00

770 It is the intent of the Legislature that any state funds made
771 available for salaries of licensed personnel in excess of the

772 funds paid for such salaries for the 1986-1987 school year shall
773 be paid to licensed personnel pursuant to a personnel appraisal
774 and compensation system implemented by the State Board of
775 Education. The State Board of Education shall have the authority
776 to adopt and amend rules and regulations as are necessary to
777 establish, administer and maintain the system.

778 All teachers employed on a full-time basis shall be paid a
779 minimum salary in accordance with the above scale. However, no
780 school district shall receive any funds under this section for any
781 school year during which the local supplement paid to any
782 individual teacher shall have been reduced to a sum less than that
783 paid to that individual teacher for performing the same duties
784 from local supplement during the immediately preceding school
785 year. The amount actually spent for the purposes of group health
786 and/or life insurance shall be considered as a part of the
787 aggregate amount of local supplement but shall not be considered
788 a part of the amount of individual local supplement.

789 For teachers holding a Class AAAA license, the minimum base
790 pay specified in this subsection shall be increased by the sum of
791 Six Hundred Fifty-five Dollars (\$655.00) for each year of teaching
792 experience possessed by the person holding such license until such
793 person shall have twenty-five (25) years of teaching experience.

794 For teachers holding a Class AAA license, the minimum base
795 pay specified in this subsection shall be increased by the sum of
796 Five Hundred Ninety Dollars (\$590.00) for each year of teaching
797 experience possessed by the person holding such license until such
798 person shall have twenty-five (25) years of teaching experience.

799 For teachers holding a Class AA license, the minimum base pay
800 specified in this subsection shall be increased by the sum of Five
801 Hundred Twenty Dollars (\$520.00) for each year of teaching
802 experience possessed by the person holding such license until such
803 person shall have twenty-five (25) years of teaching experience.

804 For teachers holding a Class A license, the minimum base pay

805 specified in this subsection shall be increased by the sum of Four
806 Hundred Twenty-five Dollars (\$425.00) for each year of teaching
807 experience possessed by the person holding such license until such
808 person shall have twenty-one (21) years of teaching experience.

809 The level of professional training of each teacher to be used
810 in establishing the salary allotment for the teachers for each
811 year shall be determined by the type of valid teacher's license
812 issued to those teachers on or before October 1 of the current
813 school year.

814 (2) From and after the 1995-1996 school year and beginning
815 with the next school year following the school year in which a
816 teacher meets the standard requirements, any licensed teacher who
817 shall have met the requirements and acquired a Master Teacher
818 certificate from the National Board for Professional Teaching
819 Standards and who is employed by a local school board or the State
820 Board of Education as a teacher and not as an administrator shall
821 receive a Three Thousand Dollar (\$3,000.00) salary supplement in
822 addition to any other compensation to which the teacher may be
823 entitled. The teacher shall be reimbursed one (1) time for the
824 actual cost of completing the process of acquiring the Master
825 Teacher certificate, regardless of whether or not the process
826 resulted in the award of the Master Teacher certificate. All such
827 salary supplements and process reimbursement shall be paid
828 directly by the State Department of Education to the local school
829 district and shall be in addition to its minimum education program
830 allotments and not a part thereof in accordance with regulations
831 promulgated by the State Board of Education, and subject to
832 appropriation by the Legislature. Local school districts shall
833 not reduce the local supplement paid to any teacher receiving such
834 salary supplement, and the teacher shall receive any local
835 supplement to which teachers with similar training and experience
836 are otherwise entitled.

837 (3) (a) Notwithstanding any provision in this section

838 to the contrary, any person who is receiving a retirement
839 allowance from the Public Employees' Retirement System who is
840 employed as a teacher after his retirement, and chooses to
841 continue receiving the retirement allowance during his employment
842 as a teacher after his retirement, as authorized by subsection (1)
843 of Section 25-11-126, shall be paid a salary equal to the amount
844 of the salary that the person received during the school year
845 immediately preceding his retirement. No increase in the salary
846 of any such person shall be allowed for any teaching experience
847 obtained after the date of his employment as a teacher after his
848 retirement.

849 (b) Notwithstanding any provision in this section to
850 the contrary, any person who is employed as a teacher and becomes
851 eligible to receive a retirement allowance from the Public
852 Employees' Retirement System during his employment as a teacher
853 who chooses to receive the retirement allowance during his
854 employment as a teacher, as authorized by subsection (2) of
855 Section 25-11-126, shall be paid a salary equal to the amount of
856 the salary that the person received during the school year
857 immediately preceding the date that the person began receiving the
858 retirement allowance. No increase in the salary of any such
859 person shall be allowed for any teaching experience obtained after
860 the date that he began receiving the retirement allowance.

861 SECTION 7. This act shall take effect and be in force from
862 and after July 1, 1999.