

By: Representatives Perry, McCoy

To: Appropriations

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 785

1 AN ACT TO AMEND SECTION 25-11-109, MISSISSIPPI CODE OF 1972,  
2 TO ALLOW AN INACTIVE VESTED MEMBER OF THE PUBLIC EMPLOYEES'  
3 RETIREMENT SYSTEM TO PURCHASE OUT-OF-STATE AND PROFESSIONAL LEAVE  
4 CREDIT; TO AMEND SECTION 25-11-115, MISSISSIPPI CODE OF 1972, TO  
5 CLARIFY A MEMBER'S ANNUITY TO BE THE VALUE OF THE ANNUITY SAVINGS  
6 ACCOUNT FOR THE MEMBER; TO AMEND SECTION 25-11-117, MISSISSIPPI  
7 CODE OF 1972, TO AUTHORIZE REPAYMENT OF A REFUND UPON REEMPLOYMENT  
8 IN A COVERED POSITION; TO CODIFY SECTION 25-11-118, MISSISSIPPI  
9 CODE OF 1972, TO AUTHORIZE THE RETIREMENT SYSTEM TO ACCEPT  
10 ELIGIBLE ROLL OVER DISTRIBUTIONS FOR THE PURPOSE OF REPAYING A  
11 REFUND OR PURCHASING OPTIONAL SERVICE CREDIT; TO AMEND SECTION  
12 25-11-120, MISSISSIPPI CODE OF 1972, TO DEFINE WHAT CONSTITUTES A  
13 RECORD FOR APPEAL PURPOSES; TO AMEND SECTION 25-11-123,  
14 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT DELINQUENT EMPLOYEE  
15 CONTRIBUTIONS PLUS ACCRUED INTEREST WILL BE THE OBLIGATION OF THE  
16 EMPLOYEE, AND DELINQUENT EMPLOYER CONTRIBUTIONS PLUS ACCRUED  
17 INTEREST WILL BE THE OBLIGATION OF THE EMPLOYER; TO AUTHORIZE THE  
18 EMPLOYER, IN ITS DISCRETION, TO PAY THE ACCRUED INTEREST ON  
19 DELINQUENT EMPLOYEE CONTRIBUTIONS; TO AMEND SECTION 25-11-137,  
20 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ONLY ESTABLISHED LAW  
21 ENFORCEMENT OR FIRE DEPARTMENT SERVICE COVERED BY A RETIREMENT  
22 SYSTEM IN THE STATE OF MISSISSIPPI IS ELIGIBLE FOR THE TRANSFER OF  
23 CREDIT TO ANOTHER RETIREMENT SYSTEM; TO PROVIDE THAT A MEMBER MAY  
24 TRANSFER SUCH CREDIT AFTER HAVING COMPLETED THE MINIMUM  
25 ELIGIBILITY PERIOD FOR MONTHLY BENEFITS; TO AMEND SECTION  
26 25-11-409, MISSISSIPPI CODE OF 1972, TO REDUCE FROM NINETY TO  
27 THIRTY DAYS THE PERIOD FOR ENROLLMENT IN THE OPTIONAL RETIREMENT  
28 PROGRAM; TO AMEND SECTION 25-13-13, MISSISSIPPI CODE OF 1972, TO  
29 PROVIDE THAT IF THE MEMBER AND BENEFICIARY DIE BEFORE HAVING  
30 RECEIVED IN BENEFITS AN AMOUNT EQUAL TO THE TOTAL OF THE  
31 CONTRIBUTIONS AND ACCRUED INTEREST OF THE MEMBER AT THE TIME OF  
32 RETIREMENT, THE BALANCE WILL BE REFUNDED TO THE DESIGNATED  
33 BENEFICIARY OR BY STATUTORY SUCCESSION; TO PROVIDE THAT PAYMENT OF  
34 DEATH BENEFITS UNDER THE HIGHWAY SAFETY PATROL RETIREMENT SYSTEM  
35 TO A SPOUSE OR CHILD SHALL BE IN ACCORDANCE WITH THE STATUTORY  
36 PROVISIONS SET FORTH AS OF THE DATE OF DEATH; TO AMEND SECTION  
37 25-13-16, MISSISSIPPI CODE OF 1972, TO DEFINE ANNUITY AS THE  
38 ANNUITY SAVINGS ACCOUNT UNDER THE HIGHWAY SAFETY PATROL RETIREMENT  
39 SYSTEM; TO AUTHORIZE A RETIREE WHO RETIRED BEFORE OR AFTER JULY 1,  
40 1999, AND WHOSE DESIGNATED BENEFICIARY PREDECEASED OR PREDECEASES  
41 HIM OR WHOSE DESIGNATED BENEFICIARY IS OR WAS THE SPOUSE AND THE  
42 MARRIAGE IS OR WAS DISSOLVED TO ELECT TO HAVE BENEFITS  
43 RECALCULATED TO RECEIVE THE MAXIMUM BENEFITS; TO AUTHORIZE A  
44 RETIREE WHO RETIRED BEFORE OR AFTER JULY 1, 1999, WHO MARRIED,  
45 MARRIES OR REMARRIES, AND THE SPOUSE IS NOT THE SAME SPOUSE  
46 MARRIED TO THE MEMBER AT THE TIME OF RETIREMENT, TO ELECT TO  
47 RECEIVE A REDUCED RETIREMENT ALLOWANCE UNDER OPTION 2 OR OPTION  
48 4-A; TO REMOVE THE COST TO THE RETIREE FOR THE RIGHT TO ELECT TO  
49 HAVE BENEFITS RECALCULATED TO RECEIVE THE MAXIMUM BENEFITS TO  
50 PROVIDE THAT NO PAYMENTS UNDER THE HIGHWAY SAFETY PATROL  
51 RETIREMENT SYSTEM MAY BE MADE FOR A PERIOD IN EXCESS OF THAT  
52 ALLOWED BY FEDERAL LAW; TO PROVIDE THAT IF A MEMBER AND HIS

BENEFICIARY BOTH DIE BEFORE HAVING RECEIVED IN MONTHLY BENEFITS AN AMOUNT EQUAL TO THE CONTRIBUTIONS AND ACCRUED INTEREST OF THE MEMBER AT THE TIME OF RETIREMENT, THE BALANCE WILL BE REFUNDED TO THE ESTATE OF THE SURVIVOR OF THE RETIRANT AND HIS BENEFICIARY; TO PROVIDE THAT THE RETIREMENT ALLOWANCE FOR ANY RETIRED MEMBER WHO RETIRED UNDER OPTION 2(5) OR OPTION 4-A(5) WHO IS STILL RECEIVING BENEFITS ON JULY 1, 1999, WILL BE INCREASED BY AN AMOUNT EQUAL TO THE AMOUNT THEY WOULD HAVE RECEIVED UNDER OPTION 2 OR OPTION 4-A WITHOUT THE REDUCTION FOR OPTION 5; TO AMEND SECTION 25-13-21, MISSISSIPPI CODE OF 1972, TO AUTHORIZE A MEMBER OF THE HIGHWAY SAFETY PATROL RETIREMENT SYSTEM OR ELIGIBLE BENEFICIARY WHO IS ELIGIBLE FOR A REFUND TO ELECT TO HAVE AN ELIGIBLE ROLL OVER DISTRIBUTION OF ACCUMULATED CONTRIBUTIONS PAID DIRECTLY TO AN ELIGIBLE RETIREMENT PLAN OR INDIVIDUAL RETIREMENT ACCOUNT; TO ALLOW REPAYMENT OF A REFUND UPON THE REEMPLOYMENT OF A MEMBER IN A POSITION COVERED BY THE SYSTEM; TO PROVIDE THAT THE REPAYMENT SHALL BE IN INCREMENTS OF NOT LESS THAN ONE-FOURTH-YEAR OF CREDITABLE SERVICE; TO PROVIDE THAT THE REPURCHASED SERVICE CREDIT SHALL NOT BE ELIGIBLE TO BE USED IN THE CALCULATION OF BENEFITS UNTIL THE MEMBER HAS COMPLETED FIVE YEARS OF MEMBERSHIP AFTER REENTERING THE SYSTEM; TO CODIFY SECTION 25-13-22, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE HIGHWAY SAFETY PATROL RETIREMENT SYSTEM TO ACCEPT AN ELIGIBLE ROLL OVER DISTRIBUTION OR A DIRECT TRANSFER OF FUNDS FROM ANOTHER QUALIFIED PLAN IN PAYMENT OF ALL OR A PORTION OF THE COST TO PURCHASE OPTIONAL SERVICE CREDIT OR REINSTATE PREVIOUSLY WITHDRAWN SERVICE CREDIT; TO AMEND SECTION 25-13-25, MISSISSIPPI CODE OF 1972, TO INCREASE THE MEMBERSHIP OF THE ADMINISTRATIVE BOARD FOR THE HIGHWAY SAFETY PATROL RETIREMENT SYSTEM TO INCLUDE ONE RETIRED MEMBER OF THE SYSTEM ELECTED BY THE RETIRED MEMBERS OF THE SYSTEM; TO CODIFY SECTION 21-29-323, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE MONTHLY BENEFITS PAYABLE TO A SPOUSE IN THE EVENT OF THE DEATH OF A MEMBER OF A CITY FIREMEN'S AND POLICEMAN'S DISABILITY AND RELIEF FUND BEFORE RETIREMENT OR OF A RETIREE AFTER RETIREMENT SHALL BE DIVIDED AND PAID TO OR FOR THE BENEFIT OF ANY DEPENDENT CHILDREN OF THE DECEASED MEMBER OR RETIREE IN AN AMOUNT EQUAL TO 10% FOR ONE DEPENDENT CHILD, 20% FOR TWO DEPENDENT CHILDREN OR 30% FOR THREE OR MORE DEPENDENT CHILDREN; TO PROVIDE THAT IF THERE ARE MORE THAN THREE DEPENDENT CHILDREN, WHEN THE OLDEST CHILD CEASES TO QUALIFY THE BENEFITS WILL BE REDISTRIBUTED TO THE REMAINING DEPENDENT CHILDREN; TO PROVIDE THAT BENEFITS MAY BE PAID TO THE SURVIVING PARENT OR LAWFUL CUSTODIAN OF SUCH CHILDREN FOR THE USE AND BENEFIT OF THE CHILDREN WITHOUT THE NECESSITY OF APPOINTMENT OF A GUARDIAN; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 25-11-109, Mississippi Code of 1972, is amended as follows:

25-11-109. (1) Under such rules and regulations as the board of trustees shall adopt, each person who becomes a member of this retirement system, as provided in Section 25-11-105, on or prior to July 1, 1953, or who becomes a member and contributes to the system for a minimum period of four (4) years, shall receive credit for all state service rendered before February 1, 1953. To receive such credit, such member shall file a detailed statement of all services as an employee rendered by him in the state

108 service before February 1, 1953. For any member who joined the  
109 system after July 1, 1953, any creditable service for which the  
110 member is not required to make contributions shall not be credited  
111 to the member until the member has contributed to the system for a  
112 minimum period of at least four (4) years.

113 (2) In the computation of membership service or prior  
114 service under the provisions of this article, the total months of  
115 accumulative service during any fiscal year shall be calculated in  
116 accordance with the schedule as follows: ten (10) or more months  
117 of creditable service during any fiscal year shall constitute a  
118 year of creditable service; seven (7) months to nine (9) months  
119 inclusive, three-quarters (3/4) of a year of creditable service;  
120 four (4) months to six (6) months inclusive, one-half-year of  
121 creditable service; one (1) month to three (3) months inclusive,  
122 one-quarter (1/4) of a year of creditable service. In no case  
123 shall credit be allowed for any period of absence without  
124 compensation except for disability while in receipt of a  
125 disability retirement allowance, nor shall less than fifteen (15)  
126 days of service in any month, or service less than the equivalent  
127 of one-half (1/2) of the normal working load for the position and  
128 less than one-half (1/2) of the normal compensation for the  
129 position in any month, constitute a month of creditable service,  
130 nor shall more than one (1) year of service be creditable for all  
131 services rendered in any one (1) fiscal year; provided that for a  
132 school employee, substantial completion of the legal school term  
133 when and where the service was rendered shall constitute a year of  
134 service credit for both prior service and membership service. Any  
135 state or local elected official shall be deemed a full-time  
136 employee for the purpose of creditable service for prior service  
137 or membership service. However, an appointed or elected official  
138 compensated on a per diem basis only shall not be allowed  
139 creditable service for terms of office.

140 In the computation of any retirement allowance or any annuity  
141 or benefits provided in this article, any fractional period of

142 service of less than one (1) year shall be taken into account and  
143 a proportionate amount of such retirement allowance, annuity or  
144 benefit shall be granted for any such fractional period of  
145 service.

146 In the computation of unused leave for creditable service  
147 authorized in Section 25-11-103, the following shall govern:  
148 twenty-one (21) days of unused leave shall constitute one (1)  
149 month of creditable service and in no case shall credit be allowed  
150 for any period of unused leave of less than fifteen (15) days.  
151 The number of months of unused leave shall determine the number of  
152 quarters or years of creditable service in accordance with the  
153 above schedule for membership and prior service. In order for the  
154 member to receive creditable service for the number of days of  
155 unused leave, the system must receive certification from the  
156 governing authority.

157 For the purpose of this subsection, for members of the system  
158 who are elected officers and who retire on or after July 1, 1987,  
159 the following shall govern:

160 (a) For service prior to July 1, 1984, the members  
161 shall receive credit for leave (combined personal and major  
162 medical) for service as an elected official prior to that date at  
163 the rate of thirty (30) days per year.

164 (b) For service on and after July 1, 1984, the member  
165 shall receive credit for personal and major medical leave  
166 beginning July 1, 1984, at the rates authorized in Sections  
167 25-3-93 and 25-3-95, computed as a full-time employee.

168 (3) Subject to the above restrictions and to such other  
169 rules and regulations as the board may adopt, the board shall  
170 verify, as soon as practicable after the filing of such statements  
171 of service, the services therein claimed.

172 (4) Upon verification of the statement of prior service, the  
173 board shall issue a prior service certificate certifying to each  
174 member the length of prior service for which credit shall have  
175 been allowed on the basis of his statement of service. So long as

membership continues, a prior service certificate shall be final and conclusive for retirement purposes as to such service, provided that any member may within five (5) years from the date of issuance or modification of such certificate request the board of trustees to modify or correct his prior service certificate. Any modification or correction authorized shall only apply prospectively.

When membership ceases, such prior service certificates shall become void. Should the employee again become a member, he shall enter the system as an employee not entitled to prior service credit except as provided in Sections 25-11-105(I), 25-11-113 and 25-11-117.

(5) Creditable service at retirement, on which the retirement allowance of a member shall be based, shall consist of the membership service rendered by him since he last became a member, and also, if he has a prior service certificate which is in full force and effect, the amount of the service certified on his prior service certificate.

(6) Anything in this article to the contrary notwithstanding, any member who served on active duty in the Armed Forces of the United States, or who served in maritime service during periods of hostility in World War II, shall be entitled to creditable service for his service on active duty in the armed forces or in such maritime service, provided he entered state service after his discharge from the armed forces or entered state service after he completed such maritime service. The maximum period for such creditable service for all military service shall not exceed four (4) years unless positive proof can be furnished by such person that he was retained in the armed forces during World War II or in maritime service during World War II by causes beyond his control and without opportunity of discharge. The member shall furnish proof satisfactory to the board of trustees of certification of military service or maritime service records showing dates of entrance into active duty service and the date of

210 discharge. From and after July 1, 1993, no creditable service  
211 shall be granted for any military service or maritime service to a  
212 member who qualifies for a retirement allowance in another public  
213 retirement system administered by the Board of Trustees of the  
214 Public Employees' Retirement System based in whole or in part on  
215 such military or maritime service. In no case shall the member  
216 receive creditable service if the member received a dishonorable  
217 discharge from the Armed Forces of the United States.

218 (7) Any \* \* \* member of the Public Employees' Retirement  
219 System who has at least four (4) years of membership service  
220 credit shall be entitled to receive a maximum of five (5) years  
221 creditable service for service rendered in another state as a  
222 public employee of such other state, or a political subdivision,  
223 public education system or other governmental instrumentality  
224 thereof, or service rendered as a teacher in American overseas  
225 dependent schools conducted by the Armed Forces of the United  
226 States for children of citizens of the United States residing in  
227 areas outside the continental United States, provided that:

228 (a) The member shall furnish proof satisfactory to the  
229 board of trustees of certification of such services from the  
230 state, public education system, political subdivision or  
231 retirement system of the state where the services were performed  
232 or the governing entity of the American overseas dependent school  
233 where the services were performed; and

234 (b) The member is not receiving or will not be entitled  
235 to receive from the public retirement system of the other state or  
236 from any other retirement plan, including optional retirement  
237 plans, sponsored by the employer, a retirement allowance including  
238 such services; and

239 (c) The member shall pay to the retirement system on  
240 the date he or she is eligible for credit for such out-of-state  
241 service or at any time thereafter prior to date of retirement the  
242 actuarial cost as determined by the actuary for each year of  
243 out-of-state creditable service. \* \* \* The provisions of this

subsection are subject to the limitations of Section 415 of the Internal Revenue Code and regulations promulgated thereunder.

(8) Any \* \* \* member of the Public Employees' Retirement System who has at least four (4) years of membership service credit and who receives, or has received, professional leave without compensation for professional purposes directly related to the employment in state service shall receive creditable service for the period of professional leave without compensation provided:

(a) The professional leave is performed with a public institution or public agency of this state, or another state or federal agency;

(b) The employer approves the professional leave showing the reason for granting the leave and makes a determination that the professional leave will benefit the employee and employer;

(c) Such professional leave shall not exceed two (2) years during any ten-year period of state service;

(d) The employee shall serve the employer on a full-time basis for a period of time equivalent to the professional leave period granted immediately following the termination of the leave period;

(e) The \* \* \* contributing member shall pay to the retirement system the actuarial cost as determined by the actuary for each year of professional leave. \* \* \* The provisions of this subsection are subject to the regulations of the Internal Revenue Code limitations;

(f) Such other rules and regulations consistent herewith as the board may adopt and in case of question, the board shall have final power to decide the questions.

Any actively contributing member participating in the School Administrator Sabbatical Program established in Section 37-9-77 shall qualify for continued participation under this subsection (8).

(9) Any member of the Public Employees' Retirement System who has at least four (4) years of credited membership service shall be entitled to receive a maximum of ten (10) years creditable service for:

(a) Any service rendered as an employee of any political subdivision of this state, or any instrumentality thereof, which does not participate in the Public Employees' Retirement System; or

(b) Any service rendered as an employee of any political subdivision of this state, or any instrumentality thereof, which participates in the Public Employees' Retirement System but did not elect retroactive coverage; or

(c) Any service rendered as an employee of any political subdivision of this state, or any instrumentality thereof, for which coverage of the employee's position was or is excluded; provided that the member pays into the retirement system the actuarial cost as determined by the actuary for each year, or portion thereof, of such service. Payment for such service may be made in increments of one-quarter-year of creditable service. After a member has made full payment to the retirement system for all or any part of such service, the member shall receive creditable service for the period of such service for which full payment has been made to the retirement system.

SECTION 2. Section 25-11-115, Mississippi Code of 1972, is amended as follows:

25-11-115. (1) Upon application for superannuation or disability retirement, any member may elect to receive his benefit in a retirement allowance payable throughout life with no further payments to anyone at his death, except that in the event his total retirement payments under this article do not equal his total contributions under this article, his named beneficiary shall receive the difference in cash at his death. Or he may elect upon retirement, or upon becoming eligible for retirement, to receive the actuarial equivalent subject to the provisions of



subsection (3) of this section of his retirement allowance in a reduced retirement allowance payable throughout life with the provision that:

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

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

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

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

**Option 4-B.** A reduced retirement allowance shall be continued throughout the life of the retirant, but with the further guarantee of payments to the named beneficiary, beneficiaries or to the estate for a specified number of years certain. If the retired member or the last designated beneficiary receiving annuity payments dies prior to receiving all guaranteed payments due, the actuarial equivalent of the remaining payments would be paid to the estate of the retired member as intestate property;

**Option 4-C.** Such retirement allowance otherwise payable may

346 be converted into a retirement allowance of equivalent actuarial  
347 value in such an amount that, with the member's benefit under  
348 Title II of the federal Social Security Act, the member will  
349 receive, so far as possible, approximately the same amount  
350 annually before and after the earliest age at which the member  
351 becomes eligible to receive a Social Security benefit.

352 (2) No change in the option selected shall be permitted  
353 after the member's death or after the member has received his  
354 first retirement check except as provided in subsections (3) and  
355 (4) of this section and in Section 25-11-127. However, any  
356 retired member who is receiving a retirement allowance under  
357 Option 2 or Option 4-A upon July 1, 1992, and whose designated  
358 beneficiary predeceased him or whose marriage to a spouse who is  
359 his designated beneficiary is terminated by divorce or other  
360 dissolution, upon written notification to the retirement system of  
361 the death of the designated beneficiary or of the termination of  
362 his marriage to his designated beneficiary, the retirement  
363 allowance payable to the member after receipt of such notification  
364 by the retirement system shall be equal to the retirement  
365 allowance which would have been payable had the member not elected  
366 the option. In addition, any retired member who is receiving the  
367 maximum retirement allowance for life, a retirement allowance  
368 under Option 1 or who is receiving a retirement allowance under  
369 Option 2 or Option 4-A on July 1, 1992, may elect to provide  
370 survivor benefits under Option 2 or Option 4-A to a spouse who was  
371 not previously the member's beneficiary and whom the member  
372 married before July 1, 1992.

373 (3) Any retired member who is receiving a reduced retirement  
374 allowance under Option 2 or Option 4-A whose designated  
375 beneficiary predeceases him, or whose marriage to a spouse who is  
376 his designated beneficiary is terminated by divorce or other  
377 dissolution, may elect to cancel his reduced retirement allowance  
378 and receive the maximum retirement allowance for life in an amount  
379 equal to the amount that would have been payable if the member had

not elected Option 2 or Option 4-A. Such election must be made in writing to the office of the executive director of the system on a form prescribed by the board. Any such election shall be effective the first of the month following the date the election is received by the system.

(4) Any retired member who is receiving the maximum retirement allowance for life, or a retirement allowance under Option 1, and who marries after his retirement may elect to cancel his maximum retirement allowance and receive a reduced retirement allowance under Option 2 or Option 4-A to provide continuing lifetime benefits to his spouse. Such election must be made in writing to the office of the executive director of the system on a form prescribed by the board not earlier than the date of the marriage. Any such election shall be effective the first of the month following the date the election is received by the system. The amount of the reduced retirement allowance shall be the actuarial equivalent, taking into account that the member received the maximum retirement allowance for a period of time before electing to receive a reduced retirement allowance.

(5) In the event the election of an optional benefit is made after the member has attained the age of sixty-five (65) years, the actuarial equivalent factor shall be used to compute the reduced retirement allowance as if the election had been made on his sixty-fifth birthday. However, if a retiree marries or remarries after retirement and elects either Option 2 or Option 4-A as provided in subsection (2) or (4) of this section, the actuarial equivalent factor used to compute the reduced retirement allowance shall be the factor for the age of the retiree and his or her beneficiary at the time such election for recalculation of benefits is made.

(6) Notwithstanding any provision of Section 25-11-1 et seq., no payments may be made for a retirement allowance on a monthly basis for a period of time in excess of that allowed by federal law.

414           (7) If a retirant and his eligible beneficiary, if any, both  
415 die before they have received in annuity payments a total amount  
416 equal to the accumulated contributions standing to the retirant's  
417 credit in the annuity savings account at the time of his  
418 retirement, the difference between the accumulated contributions  
419 and the total amount of annuities received by them shall be paid  
420 to such persons as the retirant has nominated by written  
421 designation duly executed and filed in the office of the executive  
422 director. If no designated person survives the retirant and his  
423 beneficiary, the difference, if any, shall be paid to the estate  
424 of the survivor of the retirant and his beneficiary.

425           (8) Any retired member who retired on Option 2(5) or 4-A(5)  
426 prior to July 1, 1992, who is still receiving a retirement  
427 allowance on July 1, 1994, shall receive an increase in the annual  
428 retirement allowance effective July 1, 1994, equal to the amount  
429 they would have received under Option 2 or Option 4-A without a  
430 reduction for Option 5 based on the ages at retirement of the  
431 retiree and beneficiary and option factors in effect on July 1,  
432 1992. Such increase shall be prospective only.

433           SECTION 3. Section 25-11-117, Mississippi Code of 1972, is  
434 amended as follows:

435           25-11-117. (1) A member may be paid a refund of the amount  
436 of accumulated contributions to the credit of the member in the  
437 annuity savings account provided the member has withdrawn from  
438 state service and further provided the member has not returned to  
439 state service on the date the refund of the accumulated  
440 contributions would be paid. Such refund of the contributions to  
441 the credit of the member in the annuity savings account shall be  
442 paid within ninety (90) days from receipt in the office of the  
443 retirement system of the properly completed form requesting such  
444 payment. In the event of death prior to retirement of any member  
445 whose spouse and/or children are not entitled to a retirement  
446 allowance, the accumulated contributions to the credit of the  
447 deceased member in the annuity savings account shall be paid to

the designated beneficiary on file in writing in the office of executive director of the board of trustees within ninety (90) days from receipt of a properly completed form requesting such payment. If there is no such designated beneficiary on file for such deceased member in the office of the system, upon the filing of a proper request with the board, the contributions to the credit of the deceased member in the annuity savings account shall be refunded to the estate of the deceased member. The payment of the \* \* \* refund shall discharge all obligations of the retirement system to the \* \* \* member on account of any creditable service rendered by the member prior to the receipt of the refund. By the acceptance of the refund, the member shall waive and relinquish all accrued rights in the system.

(2) Pursuant to the Unemployment Compensation Amendments of 1992 (P.L. 102-318 (UCA)), a member or eligible beneficiary eligible for a refund under this section may elect on a form prescribed by the board under rules and regulations established by the board, to have an eligible roll over distribution of accumulated contributions payable under this section paid directly to an eligible retirement plan or individual retirement account. If the member or eligible beneficiary makes such election and specifies the eligible retirement plan or individual retirement account to which such distribution is to be paid, the distribution will be made in the form of a direct trustee-to-trustee transfer to the specified eligible retirement plan. Flexible roll overs under this subsection shall not be considered assignments under Section 25-11-129.

(3) If any person who has received a refund reenters the state service and again becomes a member of the system \* \* \*, the member may repay all or part of the amounts previously received as a refund, together with regular interest covering the period from the date of refund to the date of repayment; provided, however, that the amounts that are repaid by the member and the creditable service related thereto shall not be used in any benefit

calculation or determination until the member has remained a contributor to the system for a period of at least four (4) years subsequent to such member's reentry into state service. Repayment for such time shall be made in increments of not less than one-quarter (1/4) year of creditable service beginning with the most recent service for which refund has been made. Upon the repayment of all or part of such refund and interest, the member shall again receive credit for the period of creditable service for which full repayment has been made to the system.

SECTION 4. The following shall be codified as Section 25-11-118, Mississippi Code of 1972:

25-11-118. Effective July 1, 2000, and subject to the rules adopted by the board of trustees, the system shall accept an eligible roll over distribution or a direct transfer of funds from another qualified plan in payment of all or a portion of the cost to purchase optional service credit or to reinstate previously withdrawn service credit as permitted by the system. The system may only accept roll over payments in an amount equal to or less than the balance due for purchase or reinstatement of service credit. The rules adopted by the board of trustees shall condition the acceptance of a roll over or transfer from another qualified plan on the receipt from the other plan of information necessary to enable the system to determine the eligibility of any transferred funds for tax-free roll over treatment or other treatment under federal income tax law.

SECTION 5. Section 25-11-120, Mississippi Code of 1972, is amended as follows:

25-11-120. (1) Any individual aggrieved by an administrative determination, including a determination of the medical board, relating to the eligibility for or payment of benefits, or the calculation of creditable service or other similar matters relating to the Public Employees' Retirement System or any other retirement system or program administered by the board, may request a hearing before a hearing officer

designated by the board. Such hearings shall be conducted in accordance with rules and regulations adopted by the board and formal rules of evidence shall not apply. The hearing officer is authorized to administer oaths, hear testimony of witnesses and receive documentary and other evidence. After the hearing, the hearing officer shall certify the record to the board, which shall include the hearing officer's proposed statement of facts, conclusions of law and recommendation. The record may include a taped recording of the proceedings of the hearing in lieu of a transcribed copy of the proceedings. The board shall receive the record and make its determination based solely on matters contained therein.

(2) Any individual aggrieved by the determination of the board may appeal to the Circuit Court of the First Judicial District of Hinds County, Mississippi, in accordance with the Uniform Circuit Court Rules governing appeals to the circuit court in civil cases. Such appeal shall be made solely on the record before the board and this procedure shall be the exclusive method of appealing determinations of the board.

(3) The board is authorized to appoint a committee of the board to serve as hearing officer or to employ or contract with qualified personnel to perform the duties of hearing officer and court reporter as may be necessary for conducting, recording and transcribing such hearings. The board may assess and collect fees to offset costs related to such hearings. Those fees shall be deposited to the credit of the Public Employees' Retirement System.

SECTION 6. Section 25-11-123, Mississippi Code of 1972, is amended as follows:

25-11-123. All of the assets of the system shall be credited according to the purpose for which they are held to one (1) of four (4) reserves; namely, the annuity savings account, the annuity reserve, the employer's accumulation account, and the expense account.

(a) Annuity savings account. In the annuity savings account shall be accumulated the contributions made by members to provide for their annuities, including interest thereon which shall be posted monthly. Credits to and charges against the annuity savings account shall be made as follows:

(1) Beginning July 1, 1991, the employer shall cause to be deducted from the salary of each member on each and every payroll of such employer for each and every payroll period seven and one-fourth percent (7-1/4%) of earned compensation as defined in Section 25-11-103. Future contributions shall be fixed biennially by the board on the basis of the liabilities of the retirement system for the various allowances and benefits as shown by actuarial valuation; provided, however, that any member earning at a rate less than Sixteen Dollars and Sixty-seven Cents (\$16.67) per month, or Two Hundred Dollars (\$200.00) per year, shall contribute not less than One Dollar (\$1.00) per month, or Twelve Dollars (\$12.00) per year.

(2) The deductions provided herein shall be made notwithstanding that the minimum compensation provided by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided for herein and shall receipt for his full salary or compensation, and payment of salary or compensation less the deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment, except as to the benefits provided under Articles 1 and 3. The board shall provide by rules for the methods of collection of contributions from members and the employer. The board shall have full authority to require the production of evidence necessary to verify the correctness of amounts contributed.

(b) Annuity reserve. The annuity reserve shall be the account representing the actuarial value of all annuities in force, and to it shall be charged all annuities and all benefits



in lieu of annuities, payable as provided in this article. If a beneficiary retired on account of disability is restored to active service with a compensation not less than his average final compensation at the time of his last retirement, the remainder of his contributions shall be transferred from the annuity reserve to the annuity savings account and credited to his individual account therein, and the balance of his annuity reserve shall be transferred to the employer's accumulation account.

(c) Employer's accumulation account. The employer's accumulation account shall represent the accumulation of all reserves for the payment of all retirement allowances and other benefits payable from contributions made by the employer, and against this account shall be charged all retirement allowances and other benefits on account of members. Credits to and charges against the employer's accumulation account shall be made as follows:

(1) On account of each member there shall be paid monthly into the employer's accumulation account by the employers for the preceding fiscal year an amount equal to a certain percentage of the total earned compensation, as defined in Section 25-11-103, of each member. The percentage rate of such contributions shall be fixed biennially by the board on the basis of the liabilities of the retirement system for the various allowances and benefits as shown by actuarial valuation. Beginning January 1, 1990, the rate shall be fixed at nine and three-fourths percent (9-3/4%). Political subdivisions joining Article 3 of the Public Employees' Retirement System after July 1, 1968, may adjust the employer's contributions by agreement with the Board of Trustees of the Public Employees' Retirement System to provide service credits for any period prior to execution of the agreement based upon an actuarial determination of employer's contribution rates.

(2) On the basis of regular interest and of such mortality and other tables as shall be adopted by the board of

trustees, the actuary engaged by the board to make each valuation required by this article during the period over which the accrued liability contribution is payable, immediately after making such valuation, shall determine the uniform and constant percentage of the earnable compensation of each member which, if contributed by the employer on the basis of compensation of such member throughout his entire period of membership service, would be sufficient to provide for the payment of any retirement allowance payable on his account for such service. The percentage rate so determined shall be known as the "normal contribution rate." After the accrued liability contribution has ceased to be payable, the normal contribution rate shall be the percentage rate of the salary of all members obtained by deducting from the total liabilities on account of membership service the amount in the employer's accumulation account, and dividing the remainder by one percent (1%) of the present value of the prospective future salaries of all members as computed on the basis of the mortality and service tables adopted by the board of trustees and regular interest. The normal rate of contributions shall be determined by the actuary after each valuation.

(3) The total amount payable in each year to the employer's accumulation account shall not be less than the sum of the percentage rate known as the "normal contribution" rate and the "accrued liability contribution" rate of the total compensation earnable by all members during the preceding year, provided that the payment by the employer shall be sufficient, when combined with the amounts in the account, to provide the allowances and other benefits chargeable to this account during the year then current.

(4) The accrued liability contribution shall be discontinued as soon as the accumulated balance in the employer's accumulation account shall equal the present value, computed on the basis of the normal contribution rate then in force, or the prospective normal contributions to be received on account of all

persons who are at that time members.

(5) All allowances and benefits in lieu thereof, with the exception of those payable on account of members who receive no prior service credit, payable from contributions of the employer, shall be paid from the employer's accumulation account.

(6) Upon the retirement of a member, an amount equal to his retirement allowance shall be transferred from the employer's accumulation account to the annuity reserve.

(d) Expense account. The expense account shall be the account to which the expenses of the administration of the system shall be charged, exclusive of amounts payable as retirement allowances and as other benefits provided herein. The Legislature shall make annual appropriations in amounts sufficient to administer the system, which shall be credited to this account. There shall be transferred to the State Treasury from this account, not less than once per month, an amount sufficient for payment of the estimated expenses of the system for the succeeding thirty (30) days. Any interest earned on the expense account shall accrue to the benefit of the system. Provided, however, that notwithstanding the provisions of Sections 25-11-15(10) and 25-11-105(f)(5)e, all expenses of the administration of the system shall be paid from the interest earnings, provided the interest earnings are in excess of the actuarial interest assumption as determined by the board, and provided the present cost of the administrative expense fee of two percent (2%) of the contributions reported by the political subdivisions and instrumentalities shall be reduced to one percent (1%) from and after July 1, 1983, through June 30, 1984, and shall be eliminated thereafter.

(e) Collection of contributions. The employer shall cause to be deducted on each and every payroll of a member for each and every payroll period, beginning subsequent to January 31, 1953, the contributions payable by such member as provided in Articles 1 and 3.

686       The employer shall make deductions from salaries of employees  
687 as provided in Articles 1 and 3 and shall transmit monthly, or at  
688 such time as the board of trustees shall designate, the amount  
689 specified to be deducted to the Executive Director of the Public  
690 Employees' Retirement System. The executive director, after  
691 making a record of all such receipts, shall deposit such amounts  
692 as provided by law.

693       (f) Upon the basis of each actuarial valuation provided  
694 herein, the board of trustees shall biennially determine the  
695 normal contribution rate and the accrued liability contribution  
696 rate as provided in this section. The sum of these two (2) rates  
697 shall be known as the "employer's contribution rate." Beginning  
698 on earned compensation effective January 1, 1990, the rate  
699 computed as provided in this section shall be nine and  
700 three-fourths percent (9-3/4%). The percentage rate of such  
701 contributions shall be fixed biennially by the board on the basis  
702 of the liabilities of the retirement system for the various  
703 allowances and benefits as shown by actuarial valuation.  
704 Notwithstanding any other provision of law, the county board of  
705 education, the governing authorities of separate, consolidated, or  
706 municipal school districts, and all other such boards set up by  
707 law which handle and disburse school funds, shall pay from local  
708 tax sources one and one-half percent (1-1/2%) of the total  
709 employer's contribution rate of nine and three-fourths percent  
710 (9-3/4%).

711       The amount payable by the employer on account of normal and  
712 accrued liability contributions shall be determined by applying  
713 the employer's contribution rate to the amount of compensation  
714 earned by employees who are members of the system. Monthly, or at  
715 such time as the board of trustees shall designate, each  
716 department or agency shall compute the amount of the employer's  
717 contribution payable, with respect to the salaries of its  
718 employees who are members of the system, and shall cause that  
719 amount to be paid to the board of trustees from the personal

720 service allotment of the amount appropriated for the operation of  
721 the department or agency, or from funds otherwise available to the  
722 agency, for the payment of salaries to its employees.

723         Once each year, under procedures established by the system,  
724 each employer shall submit to the Public Employees' Retirement  
725 System a copy of their report to Social Security of all employees'  
726 earnings.

727         The board shall provide by rules for the methods of  
728 collection of contributions of employers and members. The amounts  
729 determined due by an agency to the various funds as specified in  
730 Articles 1 and 3 are made obligations of the agency to the board  
731 and shall be paid as provided herein. Failure to deduct such  
732 contributions shall not relieve the employee and employer from  
733 liability thereof. Delinquent employee contributions and any  
734 accrued interest shall be the obligation of the employee and  
735 delinquent employer contributions and any accrued interest shall  
736 be the obligation of the employer. The employer may, in its  
737 discretion, elect to pay any or all of the interest on delinquent  
738 employee contributions. From and after July 1, 1996, under rules  
739 and regulations established by the board, all employers are  
740 authorized and shall transfer all funds due to the Public  
741 Employees' Retirement System electronically and shall transmit any  
742 wage or other reports by computerized reporting systems.

743         SECTION 7. Section 25-11-137, Mississippi Code of 1972, is  
744 amended as follows:

745         25-11-137. (1) (a) Any law enforcement officer or fireman  
746 who has been covered under this article or under Section 21-29-101  
747 et seq., Section 21-29-201 et seq., or Section 25-13-1 et seq.,  
748 and who changes his employment from one jurisdiction to another  
749 jurisdiction, or has previously made such change, may elect to  
750 transfer retirement service credit earned while covered under such  
751 retirement system of the former jurisdiction to that of the latter  
752 as \* \* \* provided in this section.

753         (b) Any such law enforcement officer or fireman

transferring as described in paragraph (a) of this subsection and having paid retirement funds under this article or under Section 21-29-101 et seq., Section 21-29-201 et seq., or Section 25-13-1 et seq., must pay into the retirement system to which he is transferring the full amount of employee contributions which he would have paid into that system had he been a member of that system for each year of creditable service which is being transferred, together with regular interest which would have been earned by that system thereon, and he must also pay, or the system from which he is transferring must pay, into the system to which he is being transferred an amount equal to that which the employer would have paid had he been a member of that system for each year transferred, together with regular interest which would have been earned by that system thereon. \* \* \* The retirement system from which he is being transferred shall be required to pay into the system to which he is transferring any funds credited to his account. \* \* \* Any additional funds which may be required shall be paid by the person being transferred. Failure to make these proper adjustment payments will void any transfer of service credits.

(2) The benefits which are being currently paid by the system in which the law enforcement officer or fireman has last been a member, and the requirements for retirement or disability benefits, shall be those applicable to such officer falling under the provisions of this section. Such transfers may only be made after the member has satisfied the minimum eligibility period for monthly benefits, excluding any duty related benefits, in the system to which the member is transferring such credit. Upon the complete transfer and payment of such credit, all time spent in the covered law enforcement or fire department service, as noted above, within and for the State of Mississippi or the political subdivisions thereof, shall apply to the time required by law necessary to effect the retirement or disability of the officer.

SECTION 8. Section 25-11-409, Mississippi Code of 1972, is

788 amended as follows:

789       25-11-409. Eligible employees initially employed on or after  
790 July 1, 1990, shall elect to participate in the optional  
791 retirement program within thirty (30) days after (i) entry into  
792 state service, or (ii) the effective date of the optional  
793 retirement program, whichever is later. The election must be made  
794 in writing and filed with the board of trustees and will be  
795 effective as of the date of employment. If an eligible employee  
796 fails to timely make the election provided in this section, he  
797 shall become a member of the Public Employees' Retirement System  
798 of Mississippi in accordance with Article 3 of Chapter 11 of Title  
799 25, Mississippi Code of 1972.

800       SECTION 9. Section 25-13-13, Mississippi Code of 1972, is  
801 amended as follows:

802       25-13-13. (1) Upon the death of any highway patrolman who  
803 has retired for service or disability and who has not elected any  
804 other option under Section 25-13-16, his widow shall receive  
805 one-half (1/2) the benefit which he was receiving and each child  
806 not having attained his nineteenth birthday shall receive  
807 one-fourth (1/4) of his benefit, but not more than one-half (1/2)  
808 of the benefits shall be paid for the support and maintenance of  
809 two (2) or more children. Upon each child's attaining the age of  
810 nineteen (19) years, the child shall no longer be eligible for  
811 such benefit, and when all of such children have attained their  
812 nineteenth birthday, only the widow shall be eligible for one-half  
813 (1/2) the amount of his benefit. She shall continue to be  
814 eligible for such benefit in the amount of fifty percent (50%) of  
815 his retirement benefit so long as she may live and until she  
816 remarries. In the event of her remarriage at any time, her  
817 eligibility for the fifty percent (50%) benefits shall cease and  
818 terminate, but she will be eligible to continue to receive  
819 benefits for their children until the last child attains his or  
820 her nineteenth birthday in the manner aforesaid.

821       (2) Upon the death of any highway patrolman who has served

the minimum retirement period required for eligibility for such retirement program, his spouse and family shall receive all the benefits payable to the highway patrolman's beneficiaries as if he had retired at the time of his death. Such benefits cease as to the spouse upon remarriage but continue to be payable to each child until he reaches the age of nineteen (19) years. Such benefits are payable on a monthly basis.

(3) The spouse and/or the dependent children of an active member who is killed in the line of performance of duty or dies as a direct result of an accident occurring in the line of performance of duty shall qualify, on approval of the board, for a retirement allowance on the first of the month following the date of death, but not before receipt of application by the board. The spouse shall receive a retirement allowance equal to one-half (1/2) of the average compensation of the deceased highway patrolman. In addition to the retirement allowance for the spouse, or if there is no surviving spouse, a retirement allowance shall be paid in the amount of one-fourth (1/4) of the average compensation for the support and maintenance of one (1) child or in the amount of one-half (1/2) of the average compensation for the support and maintenance of two (2) or more children. Such benefits shall cease to be paid for the support and maintenance of each child upon such child attaining the age of nineteen (19) years; however, the spouse shall continue to be eligible for the aforesaid retirement allowance. Benefits may be paid to a surviving parent or lawful custodian of such children for the use and benefit of the children without the necessity of appointment as guardian. Such retirement allowance shall cease to the spouse upon remarriage but continue to be payable for each dependent child until the age of nineteen (19) years.

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

(5) Children receiving the benefits provided herein, who are



856 permanently or totally disabled, shall continue to receive such  
857 benefits for as long as the medical board or other designated  
858 governmental agency certifies that such disability continues. The  
859 age limitation for benefits payable to a child under any provision  
860 of this section shall be extended beyond age nineteen (19), but in  
861 no event beyond the attainment of age twenty-three (23), as long  
862 as the child is a student regularly pursuing a full-time course of  
863 resident study or training in an accredited high school, trade  
864 school, technical or vocational institute, junior or community  
865 college, college, university or comparable recognized educational  
866 institution duly licensed by a state. A student child whose  
867 birthday falls during the school year (September 1 through June  
868 30) is considered not to reach age twenty-three (23) until the  
869 July 1 following the actual twenty-third birthday. A full-time  
870 course of resident study or training means a day or evening  
871 noncorrespondence course that includes school attendance at the  
872 rate of a least thirty-six (36) weeks per academic year or other  
873 applicable period with a subject load sufficient, if successfully  
874 completed, to attain the educational or training objective within  
875 the period generally accepted as minimum for completion, by a  
876 full-time day student, of the academic or training program  
877 concerned.

878       (6) If all the annuities provided for in this section  
879 payable on the account of the death of a member terminate before  
880 there has been paid an aggregate amount equal to the member's  
881 accumulated contributions standing to the member's credit in the  
882 annuity savings account at the time of the member's death, the  
883 difference between the accumulated contributions and the aggregate  
884 amount of annuity payments shall be paid to such person as the  
885 member has nominated by written designation duly executed and  
886 filed with the board of trustees in the office of the Public  
887 Employees' Retirement System. If there is no designated  
888 beneficiary surviving at termination of benefits, the difference  
889 shall be payable in the following statutory succession: spouse,

890 children, parents, estate.

891 (7) All benefits paid to a spouse or child due to the death  
892 of a member before or after retirement shall be paid in accordance  
893 with the statutory provisions set forth as of the date of death.

894 SECTION 10. Section 25-13-16, Mississippi Code of 1972, is  
895 amended as follows:

896 25-13-16. (1) Upon application for superannuation or  
897 disability retirement, any member who retires after July 1, 1990,  
898 may elect to receive his benefit pursuant to the provisions of  
899 Sections 25-13-11 and 25-13-13 or may elect to receive his benefit  
900 in a retirement allowance payable throughout life with no further  
901 payments to anyone at his death, except that in the event his  
902 total retirement payments under this article do not equal his  
903 total contributions under this article, his named beneficiary  
904 shall receive the difference in cash at his death. Or he may  
905 elect upon retirement, or upon becoming eligible for retirement,  
906 to receive the actuarial equivalent, subject to the provisions of  
907 subsection (3) of this section, of his retirement allowance in a  
908 reduced retirement allowance payable throughout life with the  
909 provision that:

910 **Option 1.** If he dies before he has received in annuity  
911 payment the value of the member's annuity savings account as it  
912 was at the time of his retirement, the balance shall be paid to  
913 his legal representative or to such person as he shall nominate by  
914 written designation duly acknowledged and filed with the board; or

915 **Option 2.** Upon his death, his reduced retirement allowance  
916 shall be continued throughout the life of, and paid to, such  
917 person as he has nominated by written designation duly  
918 acknowledged and filed with the board of trustees at the time of  
919 his retirement;

920 **Option 3.** Upon his death, one-half (1/2) of his reduced  
921 retirement allowance shall be continued throughout the life of,  
922 and paid to, such person as he shall have nominated by written  
923 designation duly acknowledged and filed with the board of trustees

at the time of his retirement, and the other one-half (1/2) of his reduced retirement allowance to some other designated beneficiary;

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

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

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

\* \* \*

(2) No change in the option selected shall be permitted after the member's death or after the member has received his first retirement check, except as provided in subsections (3) and (4) of this section. However, any retired member who is receiving a retirement allowance under Option 2 or Option 4-A upon July 1, 1999, and whose designated beneficiary predeceased him or whose marriage to a spouse who is his designated beneficiary is terminated by divorce or other dissolution, upon written notification to the retirement system of the death of the designated beneficiary or of the termination of his marriage to

his designated beneficiary, the retirement allowance payable to  
the member after receipt of such notification by the retirement  
system shall be equal to the retirement allowance that would have  
been payable if the member had not elected the option. In  
addition, any retired member who is receiving the maximum  
retirement allowance for life, a retirement allowance under Option  
1 or who is receiving a retirement allowance under Option 2 or  
Option 4-A on July 1, 1999, may elect to provide survivor benefits  
under Option 2 or Option 4-A to a spouse who was not previously  
the member's beneficiary and who the member married before July 1,  
1999. Should a member retired on disability be returned to active  
service, the option previously selected shall be null and void.  
Upon subsequent retirement a new option may be selected.

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

(4) Any retired member who is receiving the maximum  
retirement allowance for life, or a retirement allowance under  
Option 1, and who marries after his retirement may elect to cancel  
his maximum retirement allowance and receive a reduced retirement  
allowance under Option 2 or Option 4-A to provide continuing  
lifetime benefits to his spouse. Such election must be made in  
writing to the office of the executive director of the system on a  
form prescribed by the board not earlier than the date of the  
marriage. Any such election shall be effective the first of the

992 month following the date the election is received by the system.  
993 The amount of the reduced retirement allowance shall be the  
994 actuarial equivalent, taking into account that the member received  
995 the maximum retirement allowance for a period of time before  
996 electing to receive a reduced retirement allowance. However, if a  
997 retiree marries or remarries after retirement and elects either  
998 Option 2 or Option 4-A as provided in subsection (2) or (4) of  
999 this section, the actuarial equivalent factor used to compute the  
1000 reduced retirement allowance shall be the factor for the age of  
1001 the retiree and his or her beneficiary at the time such election  
1002 for recalculation of benefits is made.

1003       (5) Any member in service who has qualified for retirement  
1004 benefits may select any optional method of settlement of  
1005 retirement benefits by notifying the Executive Director of the  
1006 Board of Trustees of the Public Employees' Retirement System in  
1007 writing, on a form prescribed by the board, of the option he has  
1008 selected and by naming the beneficiary of such option and  
1009 furnishing necessary proof of age. Such option, once selected,  
1010 may be changed at any time prior to actual retirement or death,  
1011 but upon the death or retirement of the member, the optional  
1012 settlement shall be placed in effect upon proper notification to  
1013 the executive director.

1014       (6) Notwithstanding any provision of Section 25-13-1 et  
1015 seq., no payments may be made for a retirement allowance on a  
1016 monthly basis for a period of time in excess of that allowed by  
1017 federal law.

1018       (7) If a retirant and his eligible beneficiary, if any, both  
1019 die before they have received in annuity payments a total amount  
1020 equal to the accumulated contributions standing to the retirant's  
1021 credit in the annuity savings account at the time of his  
1022 retirement, the difference between the accumulated contributions  
1023 and the total amount of annuities received by them shall be paid  
1024 to such persons as the retirant has nominated by written  
1025 designation duly executed and filed in the office of the executive

1026 director. If no designated person survives the retirant and his  
1027 beneficiary, the difference, if any, shall be paid to the estate  
1028 of the survivor of the retirant and his beneficiary.

1029 (8) Any retired member who retired on Option 2(5) or 4-A(5)  
1030 before July 1, 1999, who is still receiving a retirement allowance  
1031 as of July 1, 1999, shall receive an increase in the annual  
1032 retirement allowance effective July 1, 1999, equal to the amount  
1033 they would have received under Option 2 or Option 4-A without a  
1034 reduction for Option 5 based on the ages at retirement of the  
1035 retiree and beneficiary and option factors in effect on July 1,  
1036 1999. Such increase shall be prospective only.

1037 (9) For purposes of this section:

1038 (a) "Beneficiary" means any person designated to  
1039 receive a retirement allowance, an annuity or other benefit as  
1040 provided by this chapter. Such designation shall be in writing  
1041 filed in the office of the Executive Director of the Board of  
1042 Trustees of the Public Employees' Retirement System, and no  
1043 designation or change of beneficiary shall be made in any other  
1044 manner; however, notwithstanding any provision of this chapter to  
1045 the contrary, the lawful spouse of a member at the time of the  
1046 death of a member shall be the beneficiary of such member unless  
1047 the member has designated another beneficiary subsequent to the  
1048 date of marriage.

1049 (b) "Actuarial equivalent" shall mean a benefit of  
1050 equal value to the accumulated contributions, annuity or benefit,  
1051 as the case may be, when computed upon the basis of such mortality  
1052 tables as shall be adopted by the board of trustees, and regular  
1053 interest.

1054 (c) "Actuarial tables" shall mean such tables of  
1055 mortality and rates of interest as shall be adopted by the board  
1056 in accordance with the recommendation of the actuary.

1057 SECTION 11. Section 25-13-21, Mississippi Code of 1972, is  
1058 amended as follows:

1059 25-13-21. In the event a highway patrolman ceases to work

for the Highway Safety Patrol for any reason other than occupational disease contracted or for any accident sustained by the patrolman by reason of his service or discharge of his duty in the Highway Patrol, and if the highway patrolman is not eligible for retirement either for service or disability, he shall be refunded the amount of his total contribution under the provisions of this chapter, including any credit transferred to his account in this system from any other system, at his request; and should he die before retirement, such fund is to be refunded to any beneficiary he may name.

Pursuant to the Unemployment Compensation Amendments of 1992 (P.L. 102-318 (UCA)), a member or eligible beneficiary eligible for a refund under this section may elect on a form prescribed by the board under rules and regulations established by the board, to have an eligible roll over distribution of accumulated contributions payable under this section paid directly to an eligible retirement plan or individual retirement account. If the member or eligible beneficiary makes such election and specifies the eligible retirement plan or individual retirement account to which such distribution is to be paid, the distribution will be made in the form of a direct trustee to trustee transfer to the specified eligible retirement plan. Flexible roll overs under this subsection shall not be considered assignments under Section 25-13-31.

If any highway patrolman who shall receive a refund reenters the service of the Highway Safety Patrol and again becomes a member of the system \* \* \*, he may repay all amounts previously received by him as a refund, together with regular interest covering the period from the date of refund to the date of repayment; however, the amounts that are repaid by the member and the creditable service related thereto shall not be used in any benefit calculation or determination until the member has remained a contributor to the system for a period of at least five (5) years after such member's reentry into state service. Repayment

1094 for such time shall be made in increments of not less than  
1095 one-quarter (1/4) year of creditable service beginning with the  
1096 most recent service for which refund has been made. Upon the  
1097 repayment of all or part of such refund and interest, the highway  
1098 patrolman shall again receive credit for the \* \* \* period of  
1099 creditable service for which full repayment has been made to the  
1100 system.

1101 SECTION 12. The following shall be codified as Section  
1102 25-13-22, Mississippi Code of 1972:

1103 25-13-22. Effective July 1, 2000, and subject to the rules  
1104 adopted by the board of trustees, the system shall accept an  
1105 eligible roll over distribution or a direct transfer of funds from  
1106 another qualified plan in payment of all or a portion of the cost  
1107 to purchase optional service credit or to reinstate previously  
1108 withdrawn service credit as permitted by the system. The system  
1109 may only accept roll over payments in an amount equal to or less  
1110 than the balance due for purchase or reinstatement of service  
1111 credit. The rules adopted by the board shall condition the  
1112 acceptance of a roll over or transfer from another qualified plan  
1113 on the receipt from the other plan of information necessary to  
1114 enable the system to determine the eligibility of any transferred  
1115 funds for tax-free roll over treatment or other treatment under  
1116 federal income tax law.

1117 SECTION 13. Section 25-13-25, Mississippi Code of 1972, is  
1118 amended as follows:

1119 25-13-25. There is established an administrative board for  
1120 the Mississippi Highway Safety Patrol Retirement System, which  
1121 shall be composed of the Commissioner of Public Safety, four (4)  
1122 active members of the retirement system elected by the active  
1123 members of the system, and one (1) retired member of the  
1124 retirement system elected by the retired members of the system.  
1125 The administrative board, with approval of the Attorney General,  
1126 may make any and all regulations necessary for the efficient,  
1127 orderly and successful operation of this chapter, not inconsistent



1128 herewith. This is a remedial chapter and entitled to a broad and  
1129 liberal interpretation to accomplish its purpose.

1130 SECTION 14. The following shall be codified as Section  
1131 21-29-323, Mississippi Code of 1972:

1132 21-29-323. Monthly benefits payable to a spouse in the event  
1133 of the death of a member before retirement or a retiree after  
1134 retirement, shall be divided and paid to or for the benefit of any  
1135 dependent children of the deceased member or retiree in an amount  
1136 equal to ten percent (10%) of the annual benefit payable to one  
1137 (1) dependent child, twenty percent (20%) for two (2) or more  
1138 dependent children, and thirty percent (30%) to three (3) or more  
1139 dependent children. If there are more than three (3) dependent  
1140 children, upon a child ceasing to be a dependent, his annuity  
1141 shall terminate and there shall be a redetermination of the  
1142 amounts payable to any remaining dependent children. Such  
1143 benefits shall be paid to a surviving parent or lawful custodian  
1144 of such children for the use and benefit of the children without  
1145 the necessity of appointment of guardian. The remaining amount  
1146 shall be paid to the spouse as otherwise provided.

1147 SECTION 15. This act shall take effect and be in force from  
1148 and after July 1, 1999.