

By: Representatives Perry, McCoy

To: Appropriations

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 DISCONTINUE ADVANCING FUNDS TO MEMBERS
7 UNDER OPTION 4-C BY REMOVING THE OPTION; TO AMEND SECTION
8 25-11-117, MISSISSIPPI CODE OF 1972, TO AUTHORIZE REPAYMENT OF A
9 REFUND UPON REEMPLOYMENT IN A COVERED POSITION; TO CODIFY SECTION
10 25-11-118, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE RETIREMENT
11 SYSTEM TO ACCEPT ELIGIBLE ROLL OVER DISTRIBUTIONS FOR THE PURPOSE
12 OF REPAYING A REFUND OR PURCHASING OPTIONAL SERVICE CREDIT; TO
13 AMEND SECTION 25-11-120, MISSISSIPPI CODE OF 1972, TO DEFINE WHAT
14 CONSTITUTES A RECORD FOR APPEAL PURPOSES; TO AMEND SECTION
15 25-11-123, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT DELINQUENT
16 EMPLOYEE CONTRIBUTIONS PLUS ACCRUED INTEREST WILL BE THE
17 OBLIGATION OF THE EMPLOYEE, AND DELINQUENT EMPLOYER CONTRIBUTIONS
18 PLUS ACCRUED INTEREST WILL BE THE OBLIGATION OF THE EMPLOYER; TO
19 AUTHORIZE THE EMPLOYER, IN ITS DISCRETION, TO PAY THE ACCRUED
20 INTEREST ON DELINQUENT EMPLOYEE CONTRIBUTIONS; TO AMEND SECTION
21 25-11-137, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ONLY
22 ESTABLISHED LAW ENFORCEMENT OR FIRE DEPARTMENT SERVICE COVERED BY
23 A RETIREMENT SYSTEM IN THE STATE OF MISSISSIPPI IS ELIGIBLE FOR
24 THE TRANSFER OF CREDIT TO ANOTHER RETIREMENT SYSTEM; TO PROVIDE
25 THAT A MEMBER MAY TRANSFER SUCH CREDIT AFTER HAVING COMPLETED THE
26 MINIMUM ELIGIBILITY PERIOD FOR MONTHLY BENEFITS; TO AMEND SECTION
27 25-11-409, MISSISSIPPI CODE OF 1972, TO REDUCE FROM NINETY TO
28 THIRTY DAYS THE PERIOD FOR ENROLLMENT IN THE OPTIONAL RETIREMENT
29 PROGRAM; TO AMEND SECTION 25-13-13, MISSISSIPPI CODE OF 1972, TO
30 PROVIDE THAT IF THE MEMBER AND BENEFICIARY DIE BEFORE HAVING
31 RECEIVED IN BENEFITS AN AMOUNT EQUAL TO THE TOTAL OF THE
32 CONTRIBUTIONS AND ACCRUED INTEREST OF THE MEMBER AT THE TIME OF
33 RETIREMENT, THE BALANCE WILL BE REFUNDED TO THE DESIGNATED
34 BENEFICIARY OR BY STATUTORY SUCCESSION; TO PROVIDE THAT PAYMENT OF
35 DEATH BENEFITS UNDER THE HIGHWAY SAFETY PATROL RETIREMENT SYSTEM
36 TO A SPOUSE OR CHILD SHALL BE IN ACCORDANCE WITH THE STATUTORY
37 PROVISIONS SET FORTH AS OF THE DATE OF DEATH; TO AMEND SECTION
38 25-13-16, MISSISSIPPI CODE OF 1972, TO DEFINE ANNUITY AS THE
39 ANNUITY SAVINGS ACCOUNT UNDER THE HIGHWAY SAFETY PATROL RETIREMENT
40 SYSTEM; TO AUTHORIZE A RETIREE WHO RETIRED BEFORE OR AFTER JULY 1,
41 1999, AND WHOSE DESIGNATED BENEFICIARY PREDECEASED OR PREDECEASES

42 HIM OR WHOSE DESIGNATED BENEFICIARY IS OR WAS THE SPOUSE AND THE
43 MARRIAGE IS OR WAS DISSOLVED TO ELECT TO HAVE BENEFITS
44 RECALCULATED TO RECEIVE THE MAXIMUM BENEFITS; TO AUTHORIZE A
45 RETIREE WHO RETIRED BEFORE OR AFTER JULY 1, 1999, WHO MARRIED,
46 MARRIES OR REMARRIES, AND THE SPOUSE IS NOT THE SAME SPOUSE
47 MARRIED TO THE MEMBER AT THE TIME OF RETIREMENT, TO ELECT TO
48 RECEIVE A REDUCED RETIREMENT ALLOWANCE UNDER OPTION 2 OR OPTION
49 4-A; TO REMOVE THE COST TO THE RETIREE FOR THE RIGHT TO ELECT TO
50 HAVE BENEFITS RECALCULATED TO RECEIVE THE MAXIMUM BENEFITS TO
51 PROVIDE THAT NO PAYMENTS UNDER THE HIGHWAY SAFETY PATROL
52 RETIREMENT SYSTEM MAY BE MADE FOR A PERIOD IN EXCESS OF THAT
53 ALLOWED BY FEDERAL LAW; TO PROVIDE THAT IF A MEMBER AND HIS
54 BENEFICIARY BOTH DIE BEFORE HAVING RECEIVED IN MONTHLY BENEFITS AN
55 AMOUNT EQUAL TO THE CONTRIBUTIONS AND ACCRUED INTEREST OF THE
56 MEMBER AT THE TIME OF RETIREMENT, THE BALANCE WILL BE REFUNDED TO
57 THE ESTATE OF THE SURVIVOR OF THE RETIRANT AND HIS BENEFICIARY; TO
58 PROVIDE THAT THE RETIREMENT ALLOWANCE FOR ANY RETIRED MEMBER WHO
59 RETIRED UNDER OPTION 2(5) OR OPTION 4-A(5) WHO IS STILL RECEIVING
60 BENEFITS ON JULY 1, 1999, WILL BE INCREASED BY AN AMOUNT EQUAL TO
61 THE AMOUNT THEY WOULD HAVE RECEIVED UNDER OPTION 2 OR OPTION 4-A
62 WITHOUT THE REDUCTION FOR OPTION 5; TO AMEND SECTION 25-13-21,
63 MISSISSIPPI CODE OF 1972, TO AUTHORIZE A MEMBER OF THE HIGHWAY
64 SAFETY PATROL RETIREMENT SYSTEM OR ELIGIBLE BENEFICIARY WHO IS
65 ELIGIBLE FOR A REFUND TO ELECT TO HAVE AN ELIGIBLE ROLL OVER
66 DISTRIBUTION OF ACCUMULATED CONTRIBUTIONS PAID DIRECTLY TO AN
67 ELIGIBLE RETIREMENT PLAN OR INDIVIDUAL RETIREMENT ACCOUNT; TO
68 ALLOW REPAYMENT OF A REFUND UPON THE REEMPLOYMENT OF A MEMBER IN A
69 POSITION COVERED BY THE SYSTEM; TO PROVIDE THAT THE REPAYMENT
70 SHALL BE IN INCREMENTS OF NOT LESS THAN ONE-FOURTH-YEAR OF
71 CREDITABLE SERVICE; TO PROVIDE THAT THE REPURCHASED SERVICE CREDIT
72 SHALL NOT BE ELIGIBLE TO BE USED IN THE CALCULATION OF BENEFITS
73 UNTIL THE MEMBER HAS COMPLETED FIVE YEARS OF MEMBERSHIP AFTER
74 REENTERING THE SYSTEM; TO CODIFY SECTION 25-13-22, MISSISSIPPI
75 CODE OF 1972, TO AUTHORIZE THE HIGHWAY SAFETY PATROL RETIREMENT
76 SYSTEM TO ACCEPT AN ELIGIBLE ROLL OVER DISTRIBUTION OR A DIRECT
77 TRANSFER OF FUNDS FROM ANOTHER QUALIFIED PLAN IN PAYMENT OF ALL OR
78 A PORTION OF THE COST TO PURCHASE OPTIONAL SERVICE CREDIT OR
79 REINSTATE PREVIOUSLY WITHDRAWN SERVICE CREDIT; TO AMEND SECTION
80 25-13-25, MISSISSIPPI CODE OF 1972, TO INCREASE THE MEMBERSHIP OF
81 THE ADMINISTRATIVE BOARD FOR THE HIGHWAY SAFETY PATROL RETIREMENT
82 SYSTEM TO INCLUDE ONE RETIRED MEMBER OF THE SYSTEM ELECTED BY THE
83 RETIRED MEMBERS OF THE SYSTEM; TO CODIFY SECTION 21-29-323,
84 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE MONTHLY BENEFITS
85 PAYABLE TO A SPOUSE IN THE EVENT OF THE DEATH OF A MEMBER OF A
86 CITY FIREMEN'S AND POLICEMAN'S DISABILITY AND RELIEF FUND BEFORE
87 RETIREMENT OR OF A RETIREE AFTER RETIREMENT SHALL BE DIVIDED AND
88 PAID TO OR FOR THE BENEFIT OF ANY DEPENDENT CHILDREN OF THE
89 DECEASED MEMBER OR RETIREE IN AN AMOUNT EQUAL TO 10% FOR ONE
90 DEPENDENT CHILD, 20% FOR TWO DEPENDENT CHILDREN OR 30% FOR THREE
91 OR MORE DEPENDENT CHILDREN; TO PROVIDE THAT IF THERE ARE MORE THAN
92 THREE DEPENDENT CHILDREN, WHEN THE OLDEST CHILD CEASES TO QUALIFY
93 THE BENEFITS WILL BE REDISTRIBUTED TO THE REMAINING DEPENDENT
94 CHILDREN; TO PROVIDE THAT BENEFITS MAY BE PAID TO THE SURVIVING
95 PARENT OR LAWFUL CUSTODIAN OF SUCH CHILDREN FOR THE USE AND
96 BENEFIT OF THE CHILDREN WITHOUT THE NECESSITY OF APPOINTMENT OF A
97 GUARDIAN; AND FOR RELATED PURPOSES.

98 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
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99 SECTION 1. Section 25-11-109, Mississippi Code of 1972, is
100 amended as follows:

101 25-11-109. (1) Under such rules and regulations as the
102 board of trustees shall adopt, each person who becomes a member of
103 this retirement system, as provided in Section 25-11-105, on or
104 prior to July 1, 1953, or who becomes a member and contributes to
105 the system for a minimum period of four (4) years, shall receive
106 credit for all state service rendered before February 1, 1953. To
107 receive such credit, such member shall file a detailed statement
108 of all services as an employee rendered by him in the state
109 service before February 1, 1953. For any member who joined the
110 system after July 1, 1953, any creditable service for which the
111 member is not required to make contributions shall not be credited
112 to the member until the member has contributed to the system for a
113 minimum period of at least four (4) years.

114 (2) In the computation of membership service or prior
115 service under the provisions of this article, the total months of
116 accumulative service during any fiscal year shall be calculated in
117 accordance with the schedule as follows: ten (10) or more months
118 of creditable service during any fiscal year shall constitute a
119 year of creditable service; seven (7) months to nine (9) months
120 inclusive, three-quarters (3/4) of a year of creditable service;
121 four (4) months to six (6) months inclusive, one-half-year of
122 creditable service; one (1) month to three (3) months inclusive,
123 one-quarter (1/4) of a year of creditable service. In no case
124 shall credit be allowed for any period of absence without
125 compensation except for disability while in receipt of a
126 disability retirement allowance, nor shall less than fifteen (15)
127 days of service in any month, or service less than the equivalent

128 of one-half (1/2) of the normal working load for the position and
129 less than one-half (1/2) of the normal compensation for the
130 position in any month, constitute a month of creditable service,
131 nor shall more than one (1) year of service be creditable for all
132 services rendered in any one (1) fiscal year; provided that for a
133 school employee, substantial completion of the legal school term
134 when and where the service was rendered shall constitute a year of
135 service credit for both prior service and membership service. Any
136 state or local elected official shall be deemed a full-time
137 employee for the purpose of creditable service for prior service
138 or membership service. However, an appointed or elected official
139 compensated on a per diem basis only shall not be allowed
140 creditable service for terms of office.

141 In the computation of any retirement allowance or any annuity
142 or benefits provided in this article, any fractional period of
143 service of less than one (1) year shall be taken into account and
144 a proportionate amount of such retirement allowance, annuity or
145 benefit shall be granted for any such fractional period of
146 service.

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

157 governing authority.

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

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

165 (b) For service on and after July 1, 1984, the member
166 shall receive credit for personal and major medical leave
167 beginning July 1, 1984, at the rates authorized in Sections
168 25-3-93 and 25-3-95, computed as a full-time employee.

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

173 (4) Upon verification of the statement of prior service, the
174 board shall issue a prior service certificate certifying to each
175 member the length of prior service for which credit shall have
176 been allowed on the basis of his statement of service. So long as
177 membership continues, a prior service certificate shall be final
178 and conclusive for retirement purposes as to such service,
179 provided that any member may within five (5) years from the date
180 of issuance or modification of such certificate request the board
181 of trustees to modify or correct his prior service certificate.
182 Any modification or correction authorized shall only apply
183 prospectively.

184 When membership ceases, such prior service certificates shall
185 become void. Should the employee again become a member, he shall

186 enter the system as an employee not entitled to prior service
187 credit except as provided in Sections 25-11-105(I), 25-11-113 and
188 25-11-117.

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

195 (6) Anything in this article to the contrary
196 notwithstanding, any member who served on active duty in the Armed
197 Forces of the United States, or who served in maritime service
198 during periods of hostility in World War II, shall be entitled to
199 creditable service for his service on active duty in the armed
200 forces or in such maritime service, provided he entered state
201 service after his discharge from the armed forces or entered state
202 service after he completed such maritime service. The maximum
203 period for such creditable service for all military service shall
204 not exceed four (4) years unless positive proof can be furnished
205 by such person that he was retained in the armed forces during
206 World War II or in maritime service during World War II by causes
207 beyond his control and without opportunity of discharge. The
208 member shall furnish proof satisfactory to the board of trustees
209 of certification of military service or maritime service records
210 showing dates of entrance into active duty service and the date of
211 discharge. From and after July 1, 1993, no creditable service
212 shall be granted for any military service or maritime service to a
213 member who qualifies for a retirement allowance in another public
214 retirement system administered by the Board of Trustees of the

215 Public Employees' Retirement System based in whole or in part on
216 such military or maritime service. In no case shall the member
217 receive creditable service if the member received a dishonorable
218 discharge from the Armed Forces of the United States.

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

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

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

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

244 out-of-state creditable service. * * * The provisions of this
245 subsection are subject to the limitations of Section 415 of the
246 Internal Revenue Code and regulations promulgated thereunder.

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

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

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

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

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

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

272 (f) Such other rules and regulations consistent

273 herewith as the board may adopt and in case of question, the board
274 shall have final power to decide the questions.

275 Any actively contributing member participating in the School
276 Administrator Sabbatical Program established in Section 37-9-77
277 shall qualify for continued participation under this subsection
278 (8).

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

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

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

291 (c) Any service rendered as an employee of any
292 political subdivision of this state, or any instrumentality
293 thereof, for which coverage of the employee's position was or is
294 excluded; provided that the member pays into the retirement system
295 the actuarial cost as determined by the actuary for each year, or
296 portion thereof, of such service. Payment for such service may be
297 made in increments of one-quarter-year of creditable service.

298 After a member has made full payment to the retirement system for
299 all or any part of such service, the member shall receive
300 creditable service for the period of such service for which full
301 payment has been made to the retirement system.

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

304 25-11-115. (1) Upon application for superannuation or
305 disability retirement, any member may elect to receive his benefit
306 in a retirement allowance payable throughout life with no further
307 payments to anyone at his death, except that in the event his
308 total retirement payments under this article do not equal his
309 total contributions under this article, his named beneficiary
310 shall receive the difference in cash at his death. Or he may
311 elect upon retirement, or upon becoming eligible for retirement,
312 to receive the actuarial equivalent subject to the provisions of
313 subsection (3) of this section of his retirement allowance in a
314 reduced retirement allowance payable throughout life with the
315 provision that:

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

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

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

331 reduced retirement allowance to some other designated beneficiary;

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

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

346 **Option 4-C.** Such retirement allowance otherwise payable may
347 be converted into a retirement allowance of equivalent actuarial
348 value in such an amount that, with the member's benefit under
349 Title II of the federal Social Security Act, the member will
350 receive, so far as possible, approximately the same amount
351 annually before and after the earliest age at which the member
352 becomes eligible to receive a Social Security benefit. Effective
353 July 1, 1999, this option shall not be available to the member
354 whose initial retirement is effective on or after July 1, 1999.

355 (2) No change in the option selected shall be permitted
356 after the member's death or after the member has received his
357 first retirement check except as provided in subsections (3) and
358 (4) of this section and in Section 25-11-127. However, any
359 retired member who is receiving a retirement allowance under

360 Option 2 or Option 4-A upon July 1, 1992, and whose designated
361 beneficiary predeceased him or whose marriage to a spouse who is
362 his designated beneficiary is terminated by divorce or other
363 dissolution, upon written notification to the retirement system of
364 the death of the designated beneficiary or of the termination of
365 his marriage to his designated beneficiary, the retirement
366 allowance payable to the member after receipt of such notification
367 by the retirement system shall be equal to the retirement
368 allowance which would have been payable had the member not elected
369 the option. In addition, any retired member who is receiving the
370 maximum retirement allowance for life, a retirement allowance
371 under Option 1 or who is receiving a retirement allowance under
372 Option 2 or Option 4-A on July 1, 1992, may elect to provide
373 survivor benefits under Option 2 or Option 4-A to a spouse who was
374 not previously the member's beneficiary and whom the member
375 married before July 1, 1992.

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

388 (4) Any retired member who is receiving the maximum

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

402 (5) In the event the election of an optional benefit is made
403 after the member has attained the age of sixty-five (65) years,
404 the actuarial equivalent factor shall be used to compute the
405 reduced retirement allowance as if the election had been made on
406 his sixty-fifth birthday. However, if a retiree marries or
407 remarries after retirement and elects either Option 2 or Option
408 4-A as provided in subsection (2) or (4) of this section, the
409 actuarial equivalent factor used to compute the reduced retirement
410 allowance shall be the factor for the age of the retiree and his
411 or her beneficiary at the time such election for recalculation of
412 benefits is made.

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

417 (7) If a retirant and his eligible beneficiary, if any, both

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

428 (8) Any retired member who retired on Option 2(5) or 4-A(5)
429 prior to July 1, 1992, who is still receiving a retirement
430 allowance on July 1, 1994, shall receive an increase in the annual
431 retirement allowance effective July 1, 1994, equal to the amount
432 they would have received under Option 2 or Option 4-A without a
433 reduction for Option 5 based on the ages at retirement of the
434 retiree and beneficiary and option factors in effect on July 1,
435 1992. Such increase shall be prospective only.

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

438 25-11-117. (1) A member may be paid a refund of the amount
439 of accumulated contributions to the credit of the member in the
440 annuity savings account provided the member has withdrawn from
441 state service and further provided the member has not returned to
442 state service on the date the refund of the accumulated
443 contributions would be paid. Such refund of the contributions to
444 the credit of the member in the annuity savings account shall be
445 paid within ninety (90) days from receipt in the office of the
446 retirement system of the properly completed form requesting such

447 payment. In the event of death prior to retirement of any member
448 whose spouse and/or children are not entitled to a retirement
449 allowance, the accumulated contributions to the credit of the
450 deceased member in the annuity savings account shall be paid to
451 the designated beneficiary on file in writing in the office of
452 executive director of the board of trustees within ninety (90)
453 days from receipt of a properly completed form requesting such
454 payment. If there is no such designated beneficiary on file for
455 such deceased member in the office of the system, upon the filing
456 of a proper request with the board, the contributions to the
457 credit of the deceased member in the annuity savings account shall
458 be refunded to the estate of the deceased member. The payment of
459 the * * * refund shall discharge all obligations of the retirement
460 system to the * * * member on account of any creditable service
461 rendered by the member prior to the receipt of the refund. By the
462 acceptance of the refund, the member shall waive and relinquish
463 all accrued rights in the system.

464 (2) Pursuant to the Unemployment Compensation Amendments of
465 1992 (P.L. 102-318 (UCA)), a member or eligible beneficiary
466 eligible for a refund under this section may elect on a form
467 prescribed by the board under rules and regulations established by
468 the board, to have an eligible roll over distribution of
469 accumulated contributions payable under this section paid directly
470 to an eligible retirement plan or individual retirement account.
471 If the member or eligible beneficiary makes such election and
472 specifies the eligible retirement plan or individual retirement
473 account to which such distribution is to be paid, the distribution
474 will be made in the form of a direct trustee-to-trustee transfer
475 to the specified eligible retirement plan. Flexible roll overs

476 under this subsection shall not be considered assignments under
477 Section 25-11-129.

478 (3) If any person who has received a refund reenters the
479 state service and again becomes a member of the system * * *, the
480 member may repay all or part of the amounts previously received as
481 a refund, together with regular interest covering the period from
482 the date of refund to the date of repayment; provided, however,
483 that the amounts that are repaid by the member and the creditable
484 service related thereto shall not be used in any benefit
485 calculation or determination until the member has remained a
486 contributor to the system for a period of at least four (4) years
487 subsequent to such member's reentry into state service. Repayment
488 for such time shall be made in increments of not less than
489 one-quarter (1/4) year of creditable service beginning with the
490 most recent service for which refund has been made. Upon the
491 repayment of all or part of such refund and interest, the member
492 shall again receive credit for the period of creditable service
493 for which full repayment has been made to the system.

494 SECTION 4. The following shall be codified as Section
495 25-11-118, Mississippi Code of 1972:

496 25-11-118. Effective July 1, 2000, and subject to the rules
497 adopted by the board of trustees, the system shall accept an
498 eligible roll over distribution or a direct transfer of funds from
499 another qualified plan in payment of all or a portion of the cost
500 to purchase optional service credit or to reinstate previously
501 withdrawn service credit as permitted by the system. The system
502 may only accept roll over payments in an amount equal to or less
503 than the balance due for purchase or reinstatement of service
504 credit. The rules adopted by the board of trustees shall

505 condition the acceptance of a roll over or transfer from another
506 qualified plan on the receipt from the other plan of information
507 necessary to enable the system to determine the eligibility of any
508 transferred funds for tax-free roll over treatment or other
509 treatment under federal income tax law.

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

512 25-11-120. (1) Any individual aggrieved by an
513 administrative determination, including a determination of the
514 medical board, relating to the eligibility for or payment of
515 benefits, or the calculation of creditable service or other
516 similar matters relating to the Public Employees' Retirement
517 System or any other retirement system or program administered by
518 the board, may request a hearing before a hearing officer
519 designated by the board. Such hearings shall be conducted in
520 accordance with rules and regulations adopted by the board and
521 formal rules of evidence shall not apply. The hearing officer is
522 authorized to administer oaths, hear testimony of witnesses and
523 receive documentary and other evidence. After the hearing, the
524 hearing officer shall certify the record to the board, which shall
525 include the hearing officer's proposed statement of facts,
526 conclusions of law and recommendation. The record may include a
527 taped recording of the proceedings of the hearing in lieu of a
528 transcribed copy of the proceedings. The board shall receive the
529 record and make its determination based solely on matters
530 contained therein.

531 (2) Any individual aggrieved by the determination of the
532 board may appeal to the Circuit Court of the First Judicial
533 District of Hinds County, Mississippi, in accordance with the

534 Uniform Circuit Court Rules governing appeals to the circuit court
535 in civil cases. Such appeal shall be made solely on the record
536 before the board and this procedure shall be the exclusive method
537 of appealing determinations of the board.

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

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

548 25-11-123. All of the assets of the system shall be credited
549 according to the purpose for which they are held to one (1) of
550 four (4) reserves; namely, the annuity savings account, the
551 annuity reserve, the employer's accumulation account, and the
552 expense account.

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

558 (1) Beginning July 1, 1991, the employer shall cause to
559 be deducted from the salary of each member on each and every
560 payroll of such employer for each and every payroll period seven
561 and one-fourth percent (7-1/4%) of earned compensation as defined
562 in Section 25-11-103. Future contributions shall be fixed

563 biennially by the board on the basis of the liabilities of the
564 retirement system for the various allowances and benefits as shown
565 by actuarial valuation; provided, however, that any member earning
566 at a rate less than Sixteen Dollars and Sixty-seven Cents (\$16.67)
567 per month, or Two Hundred Dollars (\$200.00) per year, shall
568 contribute not less than One Dollar (\$1.00) per month, or Twelve
569 Dollars (\$12.00) per year.

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

584 (b) Annuity reserve. The annuity reserve shall be the
585 account representing the actuarial value of all annuities in
586 force, and to it shall be charged all annuities and all benefits
587 in lieu of annuities, payable as provided in this article. If a
588 beneficiary retired on account of disability is restored to active
589 service with a compensation not less than his average final
590 compensation at the time of his last retirement, the remainder of
591 his contributions shall be transferred from the annuity reserve to

592 the annuity savings account and credited to his individual account
593 therein, and the balance of his annuity reserve shall be
594 transferred to the employer's accumulation account.

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

603 (1) On account of each member there shall be paid
604 monthly into the employer's accumulation account by the employers
605 for the preceding fiscal year an amount equal to a certain
606 percentage of the total earned compensation, as defined in Section
607 25-11-103, of each member. The percentage rate of such
608 contributions shall be fixed biennially by the board on the basis
609 of the liabilities of the retirement system for the various
610 allowances and benefits as shown by actuarial valuation. Beginning
611 January 1, 1990, the rate shall be fixed at nine and three-fourths
612 percent (9-3/4%). Political subdivisions joining Article 3 of the
613 Public Employees' Retirement System after July 1, 1968, may adjust
614 the employer's contributions by agreement with the Board of
615 Trustees of the Public Employees' Retirement System to provide
616 service credits for any period prior to execution of the agreement
617 based upon an actuarial determination of employer's contribution
618 rates.

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

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

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

650 (4) The accrued liability contribution shall be
651 discontinued as soon as the accumulated balance in the employer's
652 accumulation account shall equal the present value, computed on
653 the basis of the normal contribution rate then in force, or the
654 prospective normal contributions to be received on account of all
655 persons who are at that time members.

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

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

663 (d) Expense account. The expense account shall be the
664 account to which the expenses of the administration of the system
665 shall be charged, exclusive of amounts payable as retirement
666 allowances and as other benefits provided herein. The Legislature
667 shall make annual appropriations in amounts sufficient to
668 administer the system, which shall be credited to this account.
669 There shall be transferred to the State Treasury from this
670 account, not less than once per month, an amount sufficient for
671 payment of the estimated expenses of the system for the succeeding
672 thirty (30) days. Any interest earned on the expense account
673 shall accrue to the benefit of the system. Provided, however,
674 that notwithstanding the provisions of Sections 25-11-15(10) and
675 25-11-105(f)(5)e, all expenses of the administration of the system
676 shall be paid from the interest earnings, provided the interest
677 earnings are in excess of the actuarial interest assumption as
678 determined by the board, and provided the present cost of the

679 administrative expense fee of two percent (2%) of the
680 contributions reported by the political subdivisions and
681 instrumentalities shall be reduced to one percent (1%) from and
682 after July 1, 1983, through June 30, 1984, and shall be eliminated
683 thereafter.

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

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

696 (f) Upon the basis of each actuarial valuation provided
697 herein, the board of trustees shall biennially determine the
698 normal contribution rate and the accrued liability contribution
699 rate as provided in this section. The sum of these two (2) rates
700 shall be known as the "employer's contribution rate." Beginning
701 on earned compensation effective January 1, 1990, the rate
702 computed as provided in this section shall be nine and
703 three-fourths percent (9-3/4%). The percentage rate of such
704 contributions shall be fixed biennially by the board on the basis
705 of the liabilities of the retirement system for the various
706 allowances and benefits as shown by actuarial valuation.
707 Notwithstanding any other provision of law, the county board of

708 education, the governing authorities of separate, consolidated, or
709 municipal school districts, and all other such boards set up by
710 law which handle and disburse school funds, shall pay from local
711 tax sources one and one-half percent (1-1/2%) of the total
712 employer's contribution rate of nine and three-fourths percent
713 (9-3/4%).

714 The amount payable by the employer on account of normal and
715 accrued liability contributions shall be determined by applying
716 the employer's contribution rate to the amount of compensation
717 earned by employees who are members of the system. Monthly, or at
718 such time as the board of trustees shall designate, each
719 department or agency shall compute the amount of the employer's
720 contribution payable, with respect to the salaries of its
721 employees who are members of the system, and shall cause that
722 amount to be paid to the board of trustees from the personal
723 service allotment of the amount appropriated for the operation of
724 the department or agency, or from funds otherwise available to the
725 agency, for the payment of salaries to its employees.

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

730 The board shall provide by rules for the methods of
731 collection of contributions of employers and members. The amounts
732 determined due by an agency to the various funds as specified in
733 Articles 1 and 3 are made obligations of the agency to the board
734 and shall be paid as provided herein. Failure to deduct such
735 contributions shall not relieve the employee and employer from
736 liability thereof. Delinquent employee contributions and any

737 accrued interest shall be the obligation of the employee and
738 delinquent employer contributions and any accrued interest shall
739 be the obligation of the employer. The employer may, in its
740 discretion, elect to pay any or all of the interest on delinquent
741 employee contributions. From and after July 1, 1996, under rules
742 and regulations established by the board, all employers are
743 authorized and shall transfer all funds due to the Public
744 Employees' Retirement System electronically and shall transmit any
745 wage or other reports by computerized reporting systems.

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

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

756 (b) Any such law enforcement officer or fireman
757 transferring as described in paragraph (a) of this subsection and
758 having paid retirement funds under this article or under Section
759 21-29-101 et seq., Section 21-29-201 et seq., or Section 25-13-1
760 et seq., must pay into the retirement system to which he is
761 transferring the full amount of employee contributions which he
762 would have paid into that system had he been a member of that
763 system for each year of creditable service which is being
764 transferred, together with regular interest which would have been
765 earned by that system thereon, and he must also pay, or the system

766 from which he is transferring must pay, into the system to which
767 he is being transferred an amount equal to that which the employer
768 would have paid had he been a member of that system for each year
769 transferred, together with regular interest which would have been
770 earned by that system thereon. * * * The retirement system from
771 which he is being transferred shall be required to pay into the
772 system to which he is transferring any funds credited to his
773 account. * * * Any additional funds which may be required shall
774 be paid by the person being transferred. Failure to make these
775 proper adjustment payments will void any transfer of service
776 credits.

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

790 SECTION 8. Section 25-11-409, Mississippi Code of 1972, is
791 amended as follows:

792 25-11-409. Eligible employees initially employed on or after
793 July 1, 1990, shall elect to participate in the optional
794 retirement program within thirty (30) days after (i) entry into

795 state service, or (ii) the effective date of the optional
796 retirement program, whichever is later. The election must be made
797 in writing and filed with the board of trustees and will be
798 effective as of the date of employment. If an eligible employee
799 fails to timely make the election provided in this section, he
800 shall become a member of the Public Employees' Retirement System
801 of Mississippi in accordance with Article 3 of Chapter 11 of Title
802 25, Mississippi Code of 1972.

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

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

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

832 (3) The spouse and/or the dependent children of an active
833 member who is killed in the line of performance of duty or dies as
834 a direct result of an accident occurring in the line of
835 performance of duty shall qualify, on approval of the board, for a
836 retirement allowance on the first of the month following the date
837 of death, but not before receipt of application by the board. The
838 spouse shall receive a retirement allowance equal to one-half
839 (1/2) of the average compensation of the deceased highway
840 patrolman. In addition to the retirement allowance for the
841 spouse, or if there is no surviving spouse, a retirement allowance
842 shall be paid in the amount of one-fourth (1/4) of the average
843 compensation for the support and maintenance of one (1) child or
844 in the amount of one-half (1/2) of the average compensation for
845 the support and maintenance of two (2) or more children. Such
846 benefits shall cease to be paid for the support and maintenance of
847 each child upon such child attaining the age of nineteen (19)
848 years; however, the spouse shall continue to be eligible for the
849 aforesaid retirement allowance. Benefits may be paid to a
850 surviving parent or lawful custodian of such children for the use
851 and benefit of the children without the necessity of appointment
852 as guardian. Such retirement allowance shall cease to the spouse

853 upon remarriage but continue to be payable for each dependent
854 child until the age of nineteen (19) years.

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

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

881 (6) If all the annuities provided for in this section

882 payable on the account of the death of a member terminate before
883 there has been paid an aggregate amount equal to the member's
884 accumulated contributions standing to the member's credit in the
885 annuity savings account at the time of the member's death, the
886 difference between the accumulated contributions and the aggregate
887 amount of annuity payments shall be paid to such person as the
888 member has nominated by written designation duly executed and
889 filed with the board of trustees in the office of the Public
890 Employees' Retirement System. If there is no designated
891 beneficiary surviving at termination of benefits, the difference
892 shall be payable in the following statutory succession: spouse,
893 children, parents, estate.

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

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

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

911 reduced retirement allowance payable throughout life with the
912 provision that:

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

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

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

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

934 **Option 4-B.** A reduced retirement allowance shall be
935 continued throughout the life of the retirant, but with the
936 further guarantee of payments to the named beneficiary,
937 beneficiaries or to the estate for a specified number of years
938 certain. If the retired member or the last designated beneficiary
939 receiving annuity payments dies prior to receiving all guaranteed

940 payments due, the actuarial equivalent of the remaining payments
941 would be paid to the estate of the retired member as intestate
942 property.

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

950 * * *

951 (2) No change in the option selected shall be permitted
952 after the member's death or after the member has received his
953 first retirement check, except as provided in subsections (3) and
954 (4) of this section. However, any retired member who is receiving
955 a retirement allowance under Option 2 or Option 4-A upon July 1,
956 1999, and whose designated beneficiary predeceased him or whose
957 marriage to a spouse who is his designated beneficiary is
958 terminated by divorce or other dissolution, upon written
959 notification to the retirement system of the death of the
960 designated beneficiary or of the termination of his marriage to
961 his designated beneficiary, the retirement allowance payable to
962 the member after receipt of such notification by the retirement
963 system shall be equal to the retirement allowance that would have
964 been payable if the member had not elected the option. In
965 addition, any retired member who is receiving the maximum
966 retirement allowance for life, a retirement allowance under Option
967 1 or who is receiving a retirement allowance under Option 2 or
968 Option 4-A on July 1, 1999, may elect to provide survivor benefits

969 under Option 2 or Option 4-A to a spouse who was not previously
970 the member's beneficiary and who the member married before July 1,
971 1999. Should a member retired on disability be returned to active
972 service, the option previously selected shall be null and void.
973 Upon subsequent retirement a new option may be selected.

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

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

998 the maximum retirement allowance for a period of time before
999 electing to receive a reduced retirement allowance. However, if a
1000 retiree marries or remarries after retirement and elects either
1001 Option 2 or Option 4-A as provided in subsection (2) or (4) of
1002 this section, the actuarial equivalent factor used to compute the
1003 reduced retirement allowance shall be the factor for the age of
1004 the retiree and his or her beneficiary at the time such election
1005 for recalculation of benefits is made.

1006 (5) Any member in service who has qualified for retirement
1007 benefits may select any optional method of settlement of
1008 retirement benefits by notifying the Executive Director of the
1009 Board of Trustees of the Public Employees' Retirement System in
1010 writing, on a form prescribed by the board, of the option he has
1011 selected and by naming the beneficiary of such option and
1012 furnishing necessary proof of age. Such option, once selected,
1013 may be changed at any time prior to actual retirement or death,
1014 but upon the death or retirement of the member, the optional
1015 settlement shall be placed in effect upon proper notification to
1016 the executive director.

1017 (6) Notwithstanding any provision of Section 25-13-1 et
1018 seq., no payments may be made for a retirement allowance on a
1019 monthly basis for a period of time in excess of that allowed by
1020 federal law.

1021 (7) If a retirant and his eligible beneficiary, if any, both
1022 die before they have received in annuity payments a total amount
1023 equal to the accumulated contributions standing to the retirant's
1024 credit in the annuity savings account at the time of his
1025 retirement, the difference between the accumulated contributions
1026 and the total amount of annuities received by them shall be paid

1027 to such persons as the retirant has nominated by written
1028 designation duly executed and filed in the office of the executive
1029 director. If no designated person survives the retirant and his
1030 beneficiary, the difference, if any, shall be paid to the estate
1031 of the survivor of the retirant and his beneficiary.

1032 (8) Any retired member who retired on Option 2(5) or 4-A(5)
1033 before July 1, 1999, who is still receiving a retirement allowance
1034 as of July 1, 1999, shall receive an increase in the annual
1035 retirement allowance effective July 1, 1999, equal to the amount
1036 they would have received under Option 2 or Option 4-A without a
1037 reduction for Option 5 based on the ages at retirement of the
1038 retiree and beneficiary and option factors in effect on July 1,
1039 1999. Such increase shall be prospective only.

1040 (9) For purposes of this section:

1041 (a) "Beneficiary" means any person designated to
1042 receive a retirement allowance, an annuity or other benefit as
1043 provided by this chapter. Such designation shall be in writing
1044 filed in the office of the Executive Director of the Board of
1045 Trustees of the Public Employees' Retirement System, and no
1046 designation or change of beneficiary shall be made in any other
1047 manner; however, notwithstanding any provision of this chapter to
1048 the contrary, the lawful spouse of a member at the time of the
1049 death of a member shall be the beneficiary of such member unless
1050 the member has designated another beneficiary subsequent to the
1051 date of marriage.

1052 (b) "Actuarial equivalent" shall mean a benefit of
1053 equal value to the accumulated contributions, annuity or benefit,
1054 as the case may be, when computed upon the basis of such mortality
1055 tables as shall be adopted by the board of trustees, and regular

1056 interest.

1057 (c) "Actuarial tables" shall mean such tables of
1058 mortality and rates of interest as shall be adopted by the board
1059 in accordance with the recommendation of the actuary.

1060 SECTION 11. Section 25-13-21, Mississippi Code of 1972, is
1061 amended as follows:

1062 25-13-21. In the event a highway patrolman ceases to work
1063 for the Highway Safety Patrol for any reason other than
1064 occupational disease contracted or for any accident sustained by
1065 the patrolman by reason of his service or discharge of his duty in
1066 the Highway Patrol, and if the highway patrolman is not eligible
1067 for retirement either for service or disability, he shall be
1068 refunded the amount of his total contribution under the provisions
1069 of this chapter, including any credit transferred to his account
1070 in this system from any other system, at his request; and should
1071 he die before retirement, such fund is to be refunded to any
1072 beneficiary he may name.

1073 Pursuant to the Unemployment Compensation Amendments of 1992
1074 (P.L. 102-318 (UCA)), a member or eligible beneficiary eligible
1075 for a refund under this section may elect on a form prescribed by
1076 the board under rules and regulations established by the board, to
1077 have an eligible roll over distribution of accumulated
1078 contributions payable under this section paid directly to an
1079 eligible retirement plan or individual retirement account. If the
1080 member or eligible beneficiary makes such election and specifies
1081 the eligible retirement plan or individual retirement account to
1082 which such distribution is to be paid, the distribution will be
1083 made in the form of a direct trustee to trustee transfer to the
1084 specified eligible retirement plan. Flexible roll overs under

1085 this subsection shall not be considered assignments under Section
1086 25-13-31.

1087 If any highway patrolman who shall receive a refund reenters
1088 the service of the Highway Safety Patrol and again becomes a
1089 member of the system * * *, he may repay all amounts previously
1090 received by him as a refund, together with regular interest
1091 covering the period from the date of refund to the date of
1092 repayment; however, the amounts that are repaid by the member and
1093 the creditable service related thereto shall not be used in any
1094 benefit calculation or determination until the member has remained
1095 a contributor to the system for a period of at least five (5)
1096 years after such member's reentry into state service. Repayment
1097 for such time shall be made in increments of not less than
1098 one-quarter (1/4) year of creditable service beginning with the
1099 most recent service for which refund has been made. Upon the
1100 repayment of all or part of such refund and interest, the highway
1101 patrolman shall again receive credit for the * * * period of
1102 creditable service for which full repayment has been made to the
1103 system.

1104 SECTION 12. The following shall be codified as Section
1105 25-13-22, Mississippi Code of 1972:

1106 25-13-22. Effective July 1, 2000, and subject to the rules
1107 adopted by the board of trustees, the system shall accept an
1108 eligible roll over distribution or a direct transfer of funds from
1109 another qualified plan in payment of all or a portion of the cost
1110 to purchase optional service credit or to reinstate previously
1111 withdrawn service credit as permitted by the system. The system
1112 may only accept roll over payments in an amount equal to or less
1113 than the balance due for purchase or reinstatement of service

1114 credit. The rules adopted by the board shall condition the
1115 acceptance of a roll over or transfer from another qualified plan
1116 on the receipt from the other plan of information necessary to
1117 enable the system to determine the eligibility of any transferred
1118 funds for tax-free roll over treatment or other treatment under
1119 federal income tax law.

1120 SECTION 13. Section 25-13-25, Mississippi Code of 1972, is
1121 amended as follows:

1122 25-13-25. There is established an administrative board for
1123 the Mississippi Highway Safety Patrol Retirement System, which
1124 shall be composed of the Commissioner of Public Safety, four (4)
1125 active members of the retirement system elected by the active
1126 members of the system, and one (1) retired member of the
1127 retirement system elected by the retired members of the system.
1128 The administrative board, with approval of the Attorney General,
1129 may make any and all regulations necessary for the efficient,
1130 orderly and successful operation of this chapter, not inconsistent
1131 herewith. This is a remedial chapter and entitled to a broad and
1132 liberal interpretation to accomplish its purpose.

1133 SECTION 14. The following shall be codified as Section
1134 21-29-323, Mississippi Code of 1972:

1135 21-29-323. Monthly benefits payable to a spouse in the event
1136 of the death of a member before retirement or a retiree after
1137 retirement, shall be divided and paid to or for the benefit of any
1138 dependent children of the deceased member or retiree in an amount
1139 equal to ten percent (10%) of the annual benefit payable to one
1140 (1) dependent child, twenty percent (20%) for two (2) or more
1141 dependent children, and thirty percent (30%) to three (3) or more
1142 dependent children. If there are more than three (3) dependent

1143 children, upon a child ceasing to be a dependent, his annuity
1144 shall terminate and there shall be a redetermination of the
1145 amounts payable to any remaining dependent children. Such
1146 benefits shall be paid to a surviving parent or lawful custodian
1147 of such children for the use and benefit of the children without
1148 the necessity of appointment of guardian. The remaining amount
1149 shall be paid to the spouse as otherwise provided.

1150 SECTION 15. This act shall take effect and be in force from
1151 and after July 1, 1999.