

By: Representative Comans

To: Appropriations

HOUSE BILL NO. 1119

1 AN ACT TO AMEND SECTION 25-11-111, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT CERTAIN RETIRED MEMBERS OF THE PUBLIC EMPLOYEES'
3 RETIREMENT SYSTEM, WHOSE RETIREMENT ALLOWANCES WERE REDUCED BY AN
4 ACTUARIAL EQUIVALENT FACTOR FOR EACH YEAR OF SERVICE BELOW 30
5 YEARS OF CREDITABLE SERVICE, SHALL HAVE THEIR RETIREMENT
6 ALLOWANCES RECALCULATED WITHOUT THE REDUCTION AND SHALL RECEIVE
7 THE AMOUNT OF THE RECALCULATED RETIREMENT ALLOWANCES BEGINNING ON
8 JULY 1, 1999; AND FOR RELATED PURPOSES.

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

10 SECTION 1. Section 25-11-111, Mississippi Code of 1972, is
11 amended as follows:

12 25-11-111. (a) Any member upon withdrawal from service upon
13 or after attainment of the age of sixty (60) years who shall have
14 completed at least four (4) years of creditable service, or any
15 member upon withdrawal from service regardless of age who shall
16 have completed at least twenty-five (25) years of creditable
17 service, shall be entitled to receive a retirement allowance which
18 shall begin on the first of the month following the date the
19 member's application for the said allowance is received by the
20 board, but in no event before withdrawal from service.

21 (b) Any member whose withdrawal from service occurs prior to
22 attaining the age of sixty (60) years who shall have completed
23 four (4) or more years of creditable service and shall not have
24 received a refund of his accumulated contributions shall be
25 entitled to receive a retirement allowance, beginning upon his
26 attaining the age of sixty (60) years, of the amount earned and
27 accrued at the date of withdrawal from service.

28 (c) Any member in service who has qualified for retirement
29 benefits may select any optional method of settlement of

30 retirement benefits by notifying the Executive Director of the
31 Board of Trustees of the Public Employees' Retirement System in
32 writing, on a form prescribed by the board, of the option he has
33 selected and by naming the beneficiary of such option and
34 furnishing necessary proof of age. Such option, once selected,
35 may be changed at any time prior to actual retirement or death,
36 but upon the death or retirement of the member, the optional
37 settlement shall be placed in effect upon proper notification to
38 the executive director.

39 (d) The annual amount of the retirement allowance shall
40 consist of:

41 (1) A member's annuity which shall be the actuarial
42 equivalent of the accumulated contributions of the member at the
43 time of retirement computed according to the actuarial table in
44 use by the system; and

45 (2) An employer's annuity which, together with the
46 member's annuity provided above, shall be equal to one and
47 seven-eighths percent (1-7/8%) of the average compensation for
48 each year of state service up to and including twenty-five (25)
49 years of membership service, and two percent (2%) of the average
50 compensation for each year of state service in excess of
51 twenty-five (25) years of membership service.

52 (3) A prior service annuity equal to one and
53 seven-eighths percent (1-7/8%) of the average compensation for
54 each year of state service up to and including twenty-five (25)
55 years of prior service, and two percent (2%) of the average
56 compensation for each year of state service in excess of
57 twenty-five (25) years of prior service for which the member is
58 allowed credit.

59 (4) Any retired member or beneficiary thereof who was
60 eligible to receive a retirement allowance before July 1, 1991,
61 and who is still receiving a retirement allowance on July 1, 1992,
62 shall receive an increase in the annual retirement allowance of
63 the retired member equal to one-eighth of one percent (1/8 of 1%)
64 of the average compensation for each year of state service in
65 excess of twenty-five (25) years of membership service up to and
66 including thirty (30) years. The maximum increase shall be

67 five-eighths of one percent (5/8 of 1%). In no case shall a
68 member who has been retired prior to July 1, 1987, receive less
69 than Ten Dollars (\$10.00) per month for each year of creditable
70 service and proportionately for each quarter year thereof. Persons
71 retired on or after July 1, 1987, shall receive at least Ten
72 Dollars (\$10.00) per month for each year of service and
73 proportionately for each quarter year thereof reduced for the
74 option selected. However, such Ten Dollar (\$10.00) minimum per
75 month for each year of creditable service shall not apply to a
76 retirement allowance computed under Section 25-11-114 based on a
77 percentage of the member's average compensation.

78 (5) Any member upon withdrawal from service upon or
79 after attaining the age of sixty (60) years who has completed at
80 least four (4) years of creditable service, or any member upon
81 withdrawal from service regardless of age who has completed at
82 least twenty-five (25) years of creditable service, shall be
83 entitled to receive a retirement allowance computed in accordance
84 with the formula set forth in this section. Such retirement
85 allowance otherwise payable may be converted into a retirement
86 allowance of equivalent actuarial value in such an amount that,
87 with the member's benefit under Title II of the Federal Social
88 Security Act, the member will receive, so far as possible,
89 approximately the same amount annually before and after the
90 earliest age at which the member becomes eligible to receive a
91 Social Security benefit.

92 (e) No member, except members excluded by the Age
93 Discrimination in Employment Act Amendments of 1986 (Public Law
94 99-592), under either Article 1 or Article 3 in state service
95 shall be required to retire because of age.

96 (f) No payment on account of any benefit granted under the
97 provisions of this section shall become effective or begin to
98 accrue until January 1, 1953.

99 (g) (1) A retiree or beneficiary may, on a form prescribed

100 by and filed with the retirement system, waive all or a portion of
101 any benefits from the retirement system to which the retiree or
102 beneficiary is entitled. A retiree or beneficiary may revoke a
103 waiver of benefits in the same manner as the original waiver was
104 made. Such waiver shall be binding on the heirs and assigns of
105 any retiree or beneficiary and the same must agree to forever hold
106 harmless the Public Employees' Retirement System of Mississippi
107 from any claim to such waived retirement benefits.

108 (2) Any waiver pursuant to this subsection shall apply
109 only to the person executing the waiver and any beneficiary shall
110 be entitled to benefits according to the option selected by the
111 member at the time of retirement. However, a beneficiary may, at
112 the option of the beneficiary, execute a waiver of benefits
113 pursuant to this subsection.

114 (3) The retirement system shall retain in the annuity
115 reserve account amounts that are not used to pay benefits because
116 of a waiver executed under this subsection.

117 (4) The board of trustees may provide rules and
118 regulations for the administration of waivers under this
119 subsection.

120 (g) Any member who retired during the period from July 1,
121 1987, through June 30, 1991, who was less than sixty (60) years of
122 age at the time of retirement and who withdrew from service with
123 at least twenty-five (25) years but fewer than thirty (30) years
124 of creditable service, whose retirement allowance was reduced by
125 an actuarial equivalent factor for each year of service below
126 thirty (30) years of creditable service, shall have his or her
127 retirement allowance recalculated without the actuarial equivalent
128 reduction, and the member shall receive the amount of the
129 recalculated retirement allowance beginning on July 1, 1999.
130 Payment of the recalculated retirement allowance shall be
131 prospective only, and there shall be no retroactive payments for
132 the amount of the actuarial equivalent reduction before July 1,

133 1999.

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