

By: Representative Perry

To: Appropriations

## HOUSE BILL NO. 1174

1 AN ACT TO CREATE A NEW SECTION TO BE CODIFIED AS SECTION  
2 25-14-17, MISSISSIPPI CODE OF 1972, TO REQUIRE EMPLOYERS OF  
3 EMPLOYEES OF STATE AGENCIES, INSTITUTIONS OF HIGHER LEARNING,  
4 COMMUNITY AND JUNIOR COLLEGES AND PUBLIC SCHOOLS TO CONTRIBUTE  
5 MATCHING FUNDS OF TWENTY-FIVE DOLLARS PER MONTH FOR QUALIFIED  
6 PARTICIPANTS IN THE DEFERRED COMPENSATION PROGRAM, TO ENCOURAGE  
7 EMPLOYEE SAVINGS FOR RETIREMENT; TO AUTHORIZE OTHER POLITICAL  
8 SUBDIVISIONS TO PARTICIPATE IN THE MATCHING CONTRIBUTION PROGRAM  
9 ON THE SAME TERMS AS THE STATE; TO PROVIDE THAT THE BOARD OF  
10 TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM SHALL  
11 ADMINISTER AND INVEST THE MATCHING EMPLOYER CONTRIBUTIONS; TO  
12 PROVIDE THAT THE MATCHING EMPLOYER CONTRIBUTIONS WILL NOT BE  
13 CONSIDERED A PART OF AN EMPLOYEE'S COMPENSATION; AND FOR RELATED  
14 PURPOSES.

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

16 SECTION 1. The following shall be codified as Section

17 25-14-17, Mississippi Code of 1972:

18 25-14-17. (1) The employer of each employee of the state  
19 agency, institution of higher learning, community or junior  
20 college, or public school shall contribute matching funds of  
21 Twenty-five Dollars (\$25.00) per month for each qualified  
22 participant in the deferred compensation program. The purpose of  
23 those contributions is to encourage and enhance employee savings  
24 for retirement. Any other political subdivision that has  
25 previously executed or hereafter executes a joinder agreement to  
26 the Deferred Compensation Plan and Trust for Public Employees of  
27 the State of Mississippi and its Political Subdivisions may amend  
28 its joinder agreement to provide that it will participate in the  
29 matching contribution program on the same terms as the state,  
30 which shall thereafter be applicable to all qualified participants  
31 of that political subdivision. The contributions shall be made on  
32 a monthly basis in accordance with the plan document and rules and

33 regulations as adopted by the Board of Trustees of the Public  
34 Employees' Retirement System.

35 (2) The Board of Trustees of the Public Employees'  
36 Retirement System shall determine whether the matching  
37 contribution program shall be operated as a part of the existing  
38 Deferred Compensation Plan and Trust under Section 457 of the  
39 Internal Revenue Code or be qualified under Section 401(a) of the  
40 Internal Revenue Code. In either case, matching employer funds so  
41 contributed shall be administered and invested in the same manner  
42 as the Deferred Compensation Plan and Trust under Sections 25-14-1  
43 et seq. The board of trustees shall be responsible for  
44 establishing rules, regulations and plan documents as necessary  
45 for the administration of the contributions.

46 (3) For purposes of this section, "qualified participant"  
47 means an employee of the State of Mississippi or any of its  
48 political subdivisions, excluding independent contractors, who is  
49 making continuous deferrals of at least Twenty-five Dollars  
50 (\$25.00) per month to the deferred compensation program.

51 (4) Except to the extent necessary to comply with federal  
52 law, the matching employer funds will not be considered part of an  
53 employee's compensation for purposes of any other employee  
54 retirement, pension, or benefit program on which additional  
55 contributions are due, nor shall such amounts be included for  
56 purposes of computation of any taxes withheld on behalf of any  
57 employee.

58 SECTION 2. This act shall take effect and be in force from  
59 and after July 1, 2000.