

By: Representative Walker

To: Appropriations

## HOUSE BILL NO. 1231

1 AN ACT TO AMEND SECTION 25-11-111, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE THE PERCENTAGE USED TO CALCULATE RETIREMENT ALLOWANCES  
3 UNDER THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR YEARS OF SERVICE  
4 EXCEEDING TWENTY-FIVE YEARS FROM TWO PERCENT TO TWO AND ONE-HALF  
5 PERCENT; AND FOR RELATED PURPOSES.

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

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

9 25-11-111. (a) Any member upon withdrawal from service upon  
10 or after attainment of the age of sixty (60) years who shall have  
11 completed at least four (4) years of creditable service, or any  
12 member upon withdrawal from service regardless of age who shall  
13 have completed at least twenty-five (25) years of creditable  
14 service, shall be entitled to receive a retirement allowance which  
15 shall begin on the first of the month following the date the  
16 member's application for the said allowance is received by the  
17 board, but in no event before withdrawal from service.

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

25 (c) Any member in service who has qualified for retirement  
26 benefits may select any optional method of settlement of  
27 retirement benefits by notifying the Executive Director of the  
28 Board of Trustees of the Public Employees' Retirement System in

29 writing, on a form prescribed by the board, of the option he has  
30 selected and by naming the beneficiary of such option and  
31 furnishing necessary proof of age. Such option, once selected,  
32 may be changed at any time prior to actual retirement or death,  
33 but upon the death or retirement of the member, the optional  
34 settlement shall be placed in effect upon proper notification to  
35 the executive director.

36 (d) The annual amount of the retirement allowance shall  
37 consist of:

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

42 (2) An employer's annuity which, together with the  
43 member's annuity provided above, shall be equal to one and  
44 seven-eighths percent (1-7/8%) of the average compensation for  
45 each year of state service up to and including twenty-five (25)  
46 years of membership service, and two and one-half percent (2½) of  
47 the average compensation for each year of state service in excess  
48 of twenty-five (25) years of membership service.

49 (3) A prior service annuity equal to one and  
50 seven-eighths percent (1-7/8%) of the average compensation for  
51 each year of state service up to and including twenty-five (25)  
52 years of prior service, and two and one-half percent (2½) of the  
53 average compensation for each year of state service in excess of  
54 twenty-five (25) years of prior service for which the member is  
55 allowed credit.

56 (4) Any retired member or beneficiary thereof who was  
57 eligible to receive a retirement allowance before July 1, 1991,  
58 and who is still receiving a retirement allowance on July 1, 1992,  
59 shall receive an increase in the annual retirement allowance of  
60 the retired member equal to one-eighth of one percent (1/8 of 1%)  
61 of the average compensation for each year of state service in  
62 excess of twenty-five (25) years of membership service up to and  
63 including thirty (30) years. The maximum increase shall be  
64 five-eighths of one percent (5/8 of 1%). In no case shall a  
65 member who has been retired prior to July 1, 1987, receive less  
66 than Ten Dollars (\$10.00) per month for each year of creditable

67 service and proportionately for each quarter year thereof. Persons  
68 retired on or after July 1, 1987, shall receive at least Ten  
69 Dollars (\$10.00) per month for each year of service and  
70 proportionately for each quarter year thereof reduced for the  
71 option selected. However, such Ten Dollar (\$10.00) minimum per  
72 month for each year of creditable service shall not apply to a  
73 retirement allowance computed under Section 25-11-114 based on a  
74 percentage of the member's average compensation.

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

89 (e) No member, except members excluded by the Age  
90 Discrimination in Employment Act Amendments of 1986 (Public Law  
91 99-592), under either Article 1 or Article 3 in state service  
92 shall be required to retire because of age.

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

96 (g) (1) A retiree or beneficiary may, on a form prescribed  
97 by and filed with the retirement system, waive all or a portion of  
98 any benefits from the retirement system to which the retiree or  
99 beneficiary is entitled. A retiree or beneficiary may revoke a  
100 waiver of benefits in the same manner as the original waiver was

101 made. Such waiver shall be binding on the heirs and assigns of  
102 any retiree or beneficiary and the same must agree to forever hold  
103 harmless the Public Employees' Retirement System of Mississippi  
104 from any claim to such waived retirement benefits.

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

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

114           (4) The board of trustees may provide rules and  
115 regulations for the administration of waivers under this  
116 subsection.

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