

By: Senator(s) Harden

To: Finance

SENATE BILL NO. 2770

1 AN ACT TO AMEND SECTION 25-11-115, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT A RETIRED MEMBER OF THE PUBLIC EMPLOYEES'
3 RETIREMENT SYSTEM WHO IS RECEIVING A REDUCED RETIREMENT ALLOWANCE
4 PURSUANT TO ONE OF THE AVAILABLE OPTIONS FOR PAYMENT OF SUCH
5 ALLOWANCE MAY ELECT TO CANCEL SUCH REDUCED RETIREMENT ALLOWANCE
6 AND RECEIVE THE MAXIMUM RETIREMENT ALLOWANCE WITHIN A CERTAIN
7 PERIOD OF TIME FOLLOWING HIS RETIREMENT; AND FOR RELATED PURPOSES.

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

10 SECTION 1. Section 25-11-115, Mississippi Code of 1972, is
11 amended as follows:

12 25-11-115. (1) Upon application for superannuation or
13 disability retirement, any member may elect to receive his benefit
14 in a retirement allowance payable throughout life with no further
15 payments to anyone at his death, except that in the event his
16 total retirement payments under this article do not equal his
17 total contributions under this article, his named beneficiary
18 shall receive the difference in cash at his death. Or he may
19 elect upon retirement, or upon becoming eligible for retirement,
20 to receive the actuarial equivalent subject to the provisions of
21 subsection (3) of this section of his retirement allowance in a
22 reduced retirement allowance payable throughout life with the
23 provision that:

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

29 Option 2. Upon his death, his reduced retirement

30 allowance shall be continued throughout the life of, and paid to,
31 such person as he has nominated by written designation duly
32 acknowledged and filed with the board of trustees at the time of
33 his retirement;

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

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

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

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

62 (2) No change in the option selected shall be permitted

63 after the member's death or after the member has received his
64 first retirement check except as provided in subsections
65 (3) * * *, (4) and (5) of this section and in Section 25-11-127.
66 However, any retired member who is receiving a retirement
67 allowance under Option 2 or Option 4-A upon July 1, 1992, and
68 whose designated beneficiary predeceased him or whose marriage to
69 a spouse who is his designated beneficiary is terminated by
70 divorce or other dissolution, upon written notification to the
71 retirement system of the death of the designated beneficiary or of
72 the termination of his marriage to his designated beneficiary, the
73 retirement allowance payable to the member after receipt of such
74 notification by the retirement system shall be equal to the
75 retirement allowance which would have been payable had the member
76 not elected the option. In addition, any retired member who is
77 receiving the maximum retirement allowance for life, a retirement
78 allowance under Option 1 or who is receiving a retirement
79 allowance under Option 2 or Option 4-A on July 1, 1992, may elect
80 to provide survivor benefits under Option 2 or Option 4-A to a
81 spouse who was not previously the member's beneficiary and whom
82 the member married before July 1, 1992.

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

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

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

109 (5) Any retired member who is receiving a reduced retirement
110 allowance under any option elected pursuant to subsection (1) of
111 this section may, within a period of five (5) years from the date
112 of his retirement, elect to cancel his reduced retirement
113 allowance and receive the maximum retirement allowance for life in
114 an amount equal to that amount that would have been payable if the
115 member had not elected the option for a reduced retirement
116 allowance. Such election must be made in writing to the office of
117 the executive director of the system on a form prescribed by the
118 board and shall become effective the first of the month following
119 the date the election is received by the system.

120 (6) In the event the election of an optional benefit is made
121 after the member has attained the age of sixty-five (65) years,
122 the actuarial equivalent factor shall be used to compute the
123 reduced retirement allowance as if the election had been made on
124 his sixty-fifth birthday. However, if a retiree marries or
125 remarries after retirement and elects either Option 2 or Option
126 4-A as provided in subsection (2) or (4) of this section, the
127 actuarial equivalent factor used to compute the reduced retirement
128 allowance shall be the factor for the age of the retiree and his

129 or her beneficiary at the time such election for recalculation of
130 benefits is made.

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

135 (8) If a retirant and his eligible beneficiary, if any, both
136 die before they have received in annuity payments a total amount
137 equal to the accumulated contributions standing to the retirant's
138 credit in the annuity savings account at the time of his
139 retirement, the difference between the accumulated contributions
140 and the total amount of annuities received by them shall be paid
141 to such persons as the retirant has nominated by written
142 designation duly executed and filed in the office of the executive
143 director. If no designated person survives the retirant and his
144 beneficiary, the difference, if any, shall be paid to the estate
145 of the survivor of the retirant and his beneficiary.

146 (9) Any retired member who retired on Option 2(5) or 4-A(5)
147 prior to July 1, 1992, who is still receiving a retirement
148 allowance on July 1, 1994, shall receive an increase in the annual
149 retirement allowance effective July 1, 1994, equal to the amount
150 they would have received under Option 2 or Option 4-A without a
151 reduction for Option 5 based on the ages at retirement of the
152 retiree and beneficiary and option factors in effect on July 1,
153 1992. Such increase shall be prospective only.

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