

By: Senator(s) Harden

To: Education; Finance

## SENATE BILL NO. 2818

1 AN ACT TO CREATE NEW SECTION 25-11-126, MISSISSIPPI CODE OF  
2 1972, TO PROVIDE THAT CERTAIN PERSONS RECEIVING A RETIREMENT  
3 ALLOWANCE FROM THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO ARE  
4 EMPLOYED AS TEACHERS IN THE PUBLIC SCHOOL SYSTEM AFTER THEIR  
5 RETIREMENT, AND CERTAIN PERSONS EMPLOYED AS TEACHERS IN THE PUBLIC  
6 SCHOOL SYSTEM WHO ARE ELIGIBLE TO RECEIVE A RETIREMENT ALLOWANCE  
7 FROM THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM, MAY RECEIVE A  
8 RETIREMENT ALLOWANCE DURING THEIR EMPLOYMENT AS TEACHERS IN  
9 ADDITION TO RECEIVING A TEACHER'S SALARY; TO PROVIDE THAT THOSE  
10 PERSONS SHALL NOT BE CONTRIBUTING MEMBERS OF THE RETIREMENT SYSTEM  
11 NOR RECEIVE ANY CREDITABLE SERVICE FOR THE PERIOD DURING WHICH  
12 THEY RECEIVE A RETIREMENT ALLOWANCE DURING THEIR EMPLOYMENT AS  
13 TEACHERS; TO AMEND SECTIONS 25-11-103, 25-11-105 AND 25-11-127,  
14 MISSISSIPPI CODE OF 1972, IN CONFORMITY WITH THE PROVISIONS OF  
15 THIS ACT; TO AMEND SECTION 37-19-7, MISSISSIPPI CODE OF 1972, TO  
16 PROVIDE THAT THE TEACHERS' SALARIES OF THOSE PERSONS SHALL BE  
17 EQUAL TO THE AMOUNT OF THE SALARY THAT THEY RECEIVED DURING THE  
18 SCHOOL YEAR IMMEDIATELY PRECEDING THE DATE OF THEIR RETIREMENT OR  
19 THE DATE THAT CURRENT TEACHERS BEGAN RECEIVING A RETIREMENT  
20 ALLOWANCE; TO PROVIDE THAT THE TEACHERS' SALARIES OF THOSE PERSONS  
21 SHALL NOT INCLUDE ANY INCREASE IN THE SALARY FOR TEACHING  
22 EXPERIENCE OBTAINED AFTER THE DATE OF THEIR EMPLOYMENT AS TEACHERS  
23 AFTER THEIR RETIREMENT OR THE DATE THAT CURRENT TEACHERS BEGAN  
24 RECEIVING A RETIREMENT ALLOWANCE; AND FOR RELATED PURPOSES.

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

26 SECTION 1. The following shall be codified as Section  
27 25-11-126, Mississippi Code of 1972:

28 25-11-126. (1) (a) Any person who has completed  
29 twenty-five (25) or more years of creditable service and is  
30 receiving a retirement allowance under this article, who was  
31 employed as a teacher in the public school system at the time of  
32 his retirement and who is employed as a teacher in the public  
33 school system after his retirement, may choose to continue  
34 receiving the retirement allowance under this article during his  
35 employment as a teacher after his retirement in addition to  
36 receiving the salary authorized under Section 37-19-7(3), in the  
37 manner provided in this section.

38 (b) Any person who is employed as a teacher in the

39 public school system who completes twenty-five (25) or more years  
40 of creditable service during his employment as a teacher, may  
41 choose to receive a retirement allowance under this article during  
42 his employment as a teacher in the public school system in  
43 addition to receiving the salary authorized under Section  
44 37-19-7(3), in the manner provided in this section.

45 (2) Any person described in subsection (1)(a) of this  
46 section shall notify the executive director of the retirement  
47 system, before being employed as a teacher in the public school  
48 system after his retirement, about his choice on continuing to  
49 receive the retirement allowance during his employment as a  
50 teacher. If the person chooses not to continue receiving the  
51 retirement allowance during his employment as a teacher, the  
52 retirement allowance shall cease on the day that he begins  
53 employment as a teacher after his retirement. After the person  
54 leaves employment as a teacher that he began after his retirement,  
55 in order to begin receiving a retirement allowance under this  
56 article again, the person shall make application to the executive  
57 director of the retirement system, and the retirement allowance  
58 shall begin on the first of the month following the date that the  
59 application is received by the executive director.

60 (3) Any person described in subsection (1)(b) who chooses to  
61 receive a retirement allowance during his employment as a teacher  
62 in the public school system shall make application to the  
63 executive director of the retirement system, and the retirement  
64 allowance shall begin on the first of the month following the date  
65 that the application is received by the executive director. Those  
66 persons shall not be required to withdraw from service in order to  
67 receive the retirement allowance.

68 (4) Any person to whom this section applies who receives or  
69 continues to receive a retirement allowance under this article  
70 during his employment as a teacher shall not be a contributing  
71 member of the retirement system nor receive any creditable service  
72 for the period during which he receives a retirement allowance

73 during his employment as a teacher. Any person to whom this  
74 section applies who chooses not to receive a retirement allowance  
75 during his employment as a teacher shall be a contributing member  
76 of the retirement system and shall receive creditable service for  
77 the period during which he is employed as a teacher without  
78 receiving a retirement allowance. If the person has previously  
79 received a retirement allowance under this article and he is  
80 employed as a teacher for more than six (6) months without  
81 receiving a retirement allowance, he shall have his allowance  
82 recomputed when he retires again, which shall include the service  
83 after he again became a contributing member of the retirement  
84 system.

85 SECTION 2. Section 25-11-103, Mississippi Code of 1972, is  
86 amended as follows:

87 25-11-103. The following words and phrases as used in  
88 Articles 1 and 3, unless a different meaning is plainly required  
89 by the context, shall have the following meanings:

90 (a) "Accumulated contributions" shall mean the sum of  
91 all the amounts deducted from the compensation of a member and  
92 credited to his individual account in the annuity savings account,  
93 together with regular interest thereon as provided in Section  
94 25-11-123.

95 (b) "Actuarial cost" shall mean the amount of funds  
96 presently required to provide future benefits as determined by the  
97 board based on applicable tables and formulas provided by the  
98 actuary.

99 (c) "Actuarial equivalent" shall mean a benefit of  
100 equal value to the accumulated contributions, annuity or benefit,  
101 as the case may be, when computed upon the basis of such mortality  
102 tables as shall be adopted by the board of trustees, and regular  
103 interest.

104 (d) "Actuarial tables" shall mean such tables of  
105 mortality and rates of interest as shall be adopted by the board  
106 in accordance with the recommendation of the actuary.

107 (e) "Agency" shall mean any governmental body employing  
108 persons in the state service.

109 (f) "Average compensation" shall mean the average of  
110 the four (4) highest years of earned compensation reported for an  
111 employee in a fiscal or calendar year period, or combination  
112 thereof which do not overlap, or the last forty-eight (48)  
113 consecutive months of earned compensation reported for an  
114 employee. The four (4) years need not be successive or joined  
115 years of service. In no case shall the average compensation so  
116 determined be in excess of One Hundred Twenty-five Thousand  
117 Dollars (\$125,000.00). In computing the average compensation, any  
118 amount paid in a lump sum for personal leave shall be included in  
119 the calculation to the extent that such amount does not exceed an  
120 amount which is equal to thirty (30) days of earned compensation  
121 and to the extent that it does not cause the employees' earned  
122 compensation to exceed the maximum reportable amount specified in  
123 Section 25-11-103(k); provided, however, that such thirty-day  
124 limitation shall not prevent the inclusion in the calculation of  
125 leave earned under federal regulations prior to July 1, 1976, and  
126 frozen as of that date as referred to in Section 25-3-99. Only  
127 the amount of lump sum pay for personal leave due and paid upon  
128 the death of a member attributable for up to one hundred fifty  
129 (150) days shall be used in the deceased member's average  
130 compensation calculation in determining the beneficiary's  
131 benefits. In computing the average compensation, no amounts shall  
132 be used which are in excess of the amount on which contributions  
133 were required and paid. If any member who is or has been granted  
134 any increase in annual salary or compensation of more than eight  
135 percent (8%) retires within twenty-four (24) months from the date  
136 that such increase becomes effective, then the board shall exclude  
137 that part of the increase in salary or compensation that exceeds  
138 eight percent (8%) in calculating that member's average  
139 compensation for retirement purposes. The board may enforce this  
140 provision by rule or regulation. However, increases in

141 compensation in excess of eight percent (8%) per year granted  
142 within twenty-four (24) months of the date of retirement may be  
143 included in such calculation of average compensation if  
144 satisfactory proof is presented to the board showing that the  
145 increase in compensation was the result of an actual change in the  
146 position held or services rendered, or that such compensation  
147 increase was authorized by the State Personnel Board or was  
148 increased as a result of statutory enactment, and the employer  
149 furnishes an affidavit stating that such increase granted within  
150 the last twenty-four (24) months was not contingent on a promise  
151 or agreement of the employee to retire. Nothing in Section  
152 25-3-31 shall affect the calculation of the average compensation  
153 of any member for the purposes of this article. The average  
154 compensation of any member who retires before July 1, 1992, shall  
155 not exceed the annual salary of the Governor.

156 (g) "Beneficiary" shall mean any person entitled to  
157 receive a retirement allowance, an annuity or other benefit as  
158 provided by Articles 1 and 3. In the event of the death prior to  
159 retirement of any member whose spouse and/or children are not  
160 entitled to a retirement allowance, the lawful spouse of a member  
161 at the time of the death of such member shall be the beneficiary  
162 of such member unless the member has designated another  
163 beneficiary subsequent to the date of marriage in writing, and  
164 filed such writing in the office of the executive director of the  
165 board of trustees. No designation or change of beneficiary shall  
166 be made in any other manner.

167 (h) "Board" shall mean the board of trustees provided  
168 in Section 25-11-15 to administer the retirement system herein  
169 created.

170 (i) "Creditable service" shall mean "prior service,"  
171 "retroactive service" and all lawfully credited unused leave not  
172 exceeding the accrual rates and limitations provided in Section  
173 25-3-91 et seq., as of the date of withdrawal from service plus  
174 "membership service" for which credit is allowable as provided in

175 Section 25-11-109. Except to limit creditable service reported to  
176 the system for the purpose of computing an employee's retirement  
177 allowance or annuity or benefits provided in this article, nothing  
178 in this paragraph shall limit or otherwise restrict the power of  
179 the governing authority of a municipality or other political  
180 subdivision of the state to adopt such vacation and sick leave  
181 policies as it deems necessary.

182 (j) "Child" means either a natural child of the member,  
183 a child that has been made a child of the member by applicable  
184 court action before the death of the member, or a child under the  
185 permanent care of the member at the time of the latter's death,  
186 which permanent care status shall be determined by evidence  
187 satisfactory to the board.

188 (k) "Earned compensation" shall mean the full amount  
189 earned by an employee for a given pay period including any  
190 maintenance furnished up to a maximum of One Hundred Twenty-five  
191 Thousand Dollars (\$125,000.00) per year, and proportionately for  
192 less than one (1) year of service. The value of such maintenance  
193 when not paid in money shall be fixed by the employing state  
194 agency, and, in case of doubt, by the board of trustees as defined  
195 in Section 25-11-15. In any case, earned compensation shall be  
196 limited to the regular periodic compensation paid, exclusive of  
197 litigation fees, bond fees, and other similar extraordinary  
198 non-recurring payments. In the case of fee officials, the net  
199 earnings from their office after deduction of expenses shall  
200 apply, except that in no case shall earned compensation be less  
201 than the total direct payments made by the state or governmental  
202 subdivisions to the official, and employer and employee  
203 contributions shall be paid thereon. In the case of members of  
204 the state Legislature, all remuneration or amounts paid, except  
205 mileage allowance, shall apply. The amount by which an eligible  
206 employee's salary is reduced pursuant to a salary reduction  
207 agreement authorized under Section 25-17-5 shall be included as  
208 earned compensation under this paragraph, provided this inclusion

209 does not conflict with federal law, including federal regulations  
210 and federal administrative interpretations thereunder, pertaining  
211 to the Federal Insurance Contributions Act or to Internal Revenue  
212 Code Section 125 cafeteria plans. Compensation in addition to an  
213 employee's base salary that is paid to the employee pursuant to  
214 the vacation and sick leave policies of a municipality or other  
215 political subdivision of the state that employs him which exceeds  
216 the maximums authorized by Section 25-3-91 et seq. shall be  
217 excluded from the calculation of earned compensation under this  
218 article. The maximum salary applicable for retirement purposes  
219 before July 1, 1992, shall be the salary of the Governor. Nothing  
220 in Section 25-3-31 shall affect the determination of the earned  
221 compensation of any member for the purposes of this article.

222 (l) "Employee" means any person legally occupying a  
223 position in the state service, and shall include the employees of  
224 the retirement system created hereunder.

225 (m) "Employer" shall mean the State of Mississippi or  
226 any of its departments, agencies or subdivisions from which any  
227 employee receives his compensation.

228 (n) "Executive director" shall mean the secretary to  
229 the board of trustees, as provided in Section 25-11-15(9), and the  
230 administrator of the Public Employees' Retirement System and all  
231 systems under the management of the board of trustees. Wherever  
232 the term "Executive Secretary of the Public Employees' Retirement  
233 System" or "executive secretary" appears in this article or in any  
234 other provision of law, it shall be construed to mean the  
235 Executive Director of the Public Employees' Retirement System.

236 (o) "Fiscal year" shall mean the period beginning on  
237 July 1 of any year and ending on June 30 of the next succeeding  
238 year.

239 (p) "Medical board" shall mean the board of physicians  
240 or any governmental or non-governmental disability determination  
241 service designated by the board of trustees that is qualified to  
242 make disability determinations as provided for in Section

243 25-11-119.

244 (q) "Member" shall mean any person included in the  
245 membership of the system as provided in Section 25-11-105.

246 (r) "Membership service" shall mean service as an  
247 employee rendered while a member of the retirement system.

248 (s) "Position" means any office or any employment in  
249 the state service, or two (2) or more of them, the duties of which  
250 call for services to be rendered by one (1) person, including  
251 positions jointly employed by federal and state agencies  
252 administering federal and state funds.

253 (t) "Prior service" shall mean service rendered before  
254 February 1, 1953, for which credit is allowable under Sections  
255 25-11-105 and 25-11-109, and which shall allow prior service for  
256 any person who is now or becomes a member of the Public Employees'  
257 Retirement System and who does contribute to the system for a  
258 minimum period of four (4) years.

259 (u) "Regular interest" shall mean interest compounded  
260 annually at such a rate as shall be determined by the board in  
261 accordance with Section 25-11-121.

262 (v) "Retirement allowance" shall mean an annuity for  
263 life as provided in this article, payable each year in twelve (12)  
264 equal monthly installments beginning as of the date fixed by the  
265 board. The retirement allowance shall be calculated in accordance  
266 with Section 25-11-111. Provided, any spouse who received a  
267 spouse retirement benefit in accordance with Section 25-11-111(d)  
268 prior to March 31, 1971, and said benefits were terminated because  
269 of eligibility for a Social Security benefit, may again receive  
270 his spouse retirement benefit from and after making application  
271 with the board of trustees to reinstate such spouse retirement  
272 benefit.

273 (w) "Retroactive service" shall mean service rendered  
274 after February 1, 1953, for which credit is allowable under  
275 Section 25-11-105(b) and Section 25-11-105(k).

276 (x) "System" shall mean the Public Employees'



277 Retirement System of Mississippi established and described in  
278 Section 25-11-101.

279 (y) "State" shall mean the State of Mississippi or any  
280 political subdivision thereof or instrumentality thereof.

281 (z) "State service" shall mean all offices and  
282 positions of trust or employment in the employ of the state, or  
283 any political subdivision or instrumentality thereof, which elect  
284 to participate as provided by Section 25-11-105(f), including the  
285 position of elected or fee officials of the counties and their  
286 deputies and employees performing public services or any  
287 department, independent agency, board or commission thereof, and  
288 shall also include all offices and positions of trust or  
289 employment in the employ of joint state and federal agencies  
290 administering state and federal funds and service rendered by  
291 employees of the public schools. Effective July 1, 1973, all  
292 nonprofessional public school employees, such as bus drivers,  
293 janitors, maids, maintenance workers and cafeteria employees,  
294 shall have the option to become members in accordance with Section  
295 25-11-105(b), and shall be eligible to receive credit for services  
296 prior to July 1, 1973, provided the contributions and interest are  
297 paid by the employee in accordance with said section; provided,  
298 further, that the county or municipal separate school district may  
299 pay the employer contribution and pro rata share of interest of  
300 the retroactive service from available funds. From and after July  
301 1, 1998, retroactive service credit shall be purchased at the  
302 actuarial cost in accordance with Section 25-11-105(b).

303 (aa) "Withdrawal from service" shall mean complete  
304 severance of employment in the state service of any member by  
305 resignation, dismissal or discharge, except in the case of persons  
306 who become eligible to receive a retirement allowance under this  
307 article during their employment as teachers and who choose to  
308 receive the retirement allowance during their employment as  
309 teachers as authorized by Section 25-11-126.

310 (bb) The masculine pronoun, wherever used, shall

311 include the feminine pronoun.

312 SECTION 3. Section 25-11-105, Mississippi Code of 1972, is  
313 amended as follows:

314 25-11-105. I. **THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

315 The membership of this retirement system shall be composed as  
316 follows:

317 (a) All persons who shall become employees in the state  
318 service after January 31, 1953, and whose wages are subject to  
319 payroll taxes and are lawfully reported on IRS Form W-2, except  
320 (i) those persons who are specifically excluded, (ii) those  
321 persons to whom election is provided in Articles 1 and 3, (iii)  
322 those persons who choose to receive or continue receiving a  
323 retirement allowance during their employment as teachers as  
324 authorized by Section 25-11-126, shall become members of the  
325 retirement system as a condition of their employment.

326 (b) All persons who shall become employees in the state  
327 service after January 31, 1953, except those specifically excluded  
328 or as to whom election is provided in Articles 1 and 3, unless  
329 they shall file with the board prior to the lapse of sixty (60)  
330 days of employment or sixty (60) days after the effective date of  
331 the cited articles, whichever is later, on a form prescribed by  
332 the board, a notice of election not to be covered by the  
333 membership of the retirement system and a duly executed waiver of  
334 all present and prospective benefits which would otherwise inure  
335 to them on account of their participation in the system, shall  
336 become members of the retirement system; provided, however, that  
337 no credit for prior service will be granted to members until they  
338 have contributed to Article 3 of the retirement system for a  
339 minimum period of at least four (4) years. Such members shall  
340 receive credit for services performed prior to January 1, 1953, in  
341 employment now covered by Article 3, but no credit shall be  
342 granted for retroactive services between January 1, 1953, and the  
343 date of their entry into the retirement system unless the employee  
344 pays into the retirement system both the employer's and the

345 employee's contributions on wages paid him during the period from  
346 January 31, 1953, to the date of his becoming a contributing  
347 member, together with interest at the rate determined by the board  
348 of trustees. Members reentering after withdrawal from service  
349 shall qualify for prior service under the provisions of Section  
350 25-11-117. From and after July 1, 1998, upon eligibility as noted  
351 above, the member may receive credit for such retroactive service  
352 provided:

353                   (1) The member shall furnish proof satisfactory to  
354 the board of trustees of certification of such service from the  
355 covered employer where the services were performed; and

356                   (2) The member shall pay to the retirement system  
357 on the date he or she is eligible for such credit or at any time  
358 thereafter prior to the date of retirement the actuarial cost for  
359 each year of such creditable service. The provisions of this  
360 subparagraph (2) shall be subject to the limitations of Section  
361 415 of the Internal Revenue Code and regulations promulgated  
362 thereunder.

363           Nothing contained in this paragraph (b) shall be construed to  
364 limit the authority of the board to allow the correction of  
365 reporting errors or omissions based on the payment of the employee  
366 and employer contributions plus applicable interest.

367                   (c) All persons who shall become employees in the state  
368 service after January 31, 1953, and who are eligible for  
369 membership in any other retirement system shall become members of  
370 this retirement system as a condition of their employment unless  
371 they elect at the time of their employment to become a member of  
372 such other system.

373                   (d) All persons who are employees in the state service  
374 on January 31, 1953, and who are members of any nonfunded  
375 retirement system operated by the State of Mississippi, or any of  
376 its departments or agencies, shall become members of this system  
377 with prior service credit unless, before February 1, 1953, they  
378 shall file a written notice with the board of trustees that they

379 do not elect to become members.

380 (e) All persons who are employees in the state service  
381 on January 31, 1953, and who under existing laws are members of  
382 any fund operated for the retirement of employees by the State of  
383 Mississippi, or any of its departments or agencies, shall not be  
384 entitled to membership in this retirement system unless, before  
385 February 1, 1953, any such person shall indicate by a notice filed  
386 with the board, on a form prescribed by the board, his individual  
387 election and choice to participate in this system, but no such  
388 person shall receive prior service credit unless he becomes a  
389 member on or before February 1, 1953.

390 (f) Each political subdivision of the state and each  
391 instrumentality of the state or a political subdivision, or both,  
392 is hereby authorized to submit, for approval by the board of  
393 trustees, a plan for extending the benefits of this article to  
394 employees of any such political subdivision or instrumentality.  
395 Each such plan or any amendment to the plan for extending benefits  
396 thereof shall be approved by the board of trustees if it finds  
397 that such plan, or such plan as amended, is in conformity with  
398 such requirements as are provided in Articles 1 and 3; however,  
399 upon approval of such plan or any such plan heretofore approved by  
400 the board of trustees, the approved plan shall not be subject to  
401 cancellation or termination by the political subdivision or  
402 instrumentality. No such plan shall be approved unless:

403 (1) It provides that all services which constitute  
404 employment as defined in Section 25-11-5 and are performed in the  
405 employ of the political subdivision or instrumentality, by any  
406 employees thereof, shall be covered by the plan; with the  
407 exception of municipal employees who are already covered by  
408 existing retirement plans; provided, however, those employees in  
409 this class may elect to come under the provisions of this article;

410 (2) It specifies the source or sources from which  
411 the funds necessary to make the payments required by subsection  
412 (d) of Section 25-11-123 and of subsections (f)(5)B and C of this

413 section are expected to be derived and contains reasonable  
414 assurance that such sources will be adequate for such purpose;

415 (3) It provides for such methods of administration  
416 of the plan by the political subdivision or instrumentality as are  
417 found by the board of trustees to be necessary for the proper and  
418 efficient administration thereof;

419 (4) It provides that the political subdivision or  
420 instrumentality will make such reports, in such form and  
421 containing such information, as the board of trustees may from  
422 time to time require;

423 (5) It authorizes the board of trustees to  
424 terminate the plan in its entirety in the discretion of the board  
425 if it finds that there has been a failure to comply substantially  
426 with any provision contained in such plan, such termination to  
427 take effect at the expiration of such notice and on such  
428 conditions as may be provided by regulations of the board and as  
429 may be consistent with applicable federal law.

430 A. The board of trustees shall not finally  
431 refuse to approve a plan submitted under subsection (f), and shall  
432 not terminate an approved plan without reasonable notice and  
433 opportunity for hearing to each political subdivision or  
434 instrumentality affected thereby. The board's decision in any  
435 such case shall be final, conclusive and binding unless an appeal  
436 be taken by the political subdivision or instrumentality aggrieved  
437 thereby to the Circuit Court of Hinds County, Mississippi, in  
438 accordance with the provisions of law with respect to civil causes  
439 by certiorari.

440 B. Each political subdivision or  
441 instrumentality as to which a plan has been approved under this  
442 section shall pay into the contribution fund, with respect to  
443 wages (as defined in Section 25-11-5), at such time or times as  
444 the board of trustees may by regulation prescribe, contributions  
445 in the amounts and at the rates specified in the applicable  
446 agreement entered into by the board.

447 C. Every political subdivision or  
448 instrumentality required to make payments under subsection (f)(5)B  
449 hereof is authorized, in consideration of the employees' retention  
450 in or entry upon employment after enactment of Articles 1 and 3,  
451 to impose upon its employees, as to services which are covered by  
452 an approved plan, a contribution with respect to wages (as defined  
453 in Section 25-11-5) not exceeding the amount provided in Section  
454 25-11-123(d) if such services constituted employment within the  
455 meaning of Articles 1 and 3, and to deduct the amount of such  
456 contribution from the wages as and when paid. Contributions so  
457 collected shall be paid into the contribution fund as partial  
458 discharge of the liability of such political subdivisions or  
459 instrumentality under subsection (f)(5)B hereof. Failure to  
460 deduct such contribution shall not relieve the employee or  
461 employer of liability thereof.

462 D. Any state agency, school, political  
463 subdivision, instrumentality or any employer that is required to  
464 submit contribution payments or wage reports under any section of  
465 this chapter shall be assessed interest on delinquent payments or  
466 wage reports as determined by the board of trustees in accordance  
467 with rules and regulations adopted by the board and such assessed  
468 interest may be recovered by action in a court of competent  
469 jurisdiction against such reporting agency liable therefor or may,  
470 upon due certification of delinquency and at the request of the  
471 board of trustees, be deducted from any other monies payable to  
472 such reporting agency by any department or agency of the state.

473 E. Each political subdivision of the state  
474 and each instrumentality of the state or a political subdivision  
475 or subdivisions which submits a plan for approval of the board, as  
476 provided in this section, shall reimburse the board for coverage  
477 into the expense account, its pro rata share of the total expense  
478 of administering Articles 1 and 3 as provided by regulations of  
479 said board.

480 (g) The board may, in its discretion, deny the right of

481 membership in this system to any class of employees whose  
482 compensation is only partly paid by the state or who are occupying  
483 positions on a part-time or intermittent basis. The board may, in  
484 its discretion, make optional with employees in any such classes  
485 their individual entrance into this system.

486 (h) An employee whose membership in this system is  
487 contingent on his own election, and who elects not to become a  
488 member, may thereafter apply for and be admitted to membership;  
489 but no such employee shall receive prior service credit unless he  
490 becomes a member prior to July 1, 1953, except as provided in  
491 subsection (b).

492 (i) In the event any member of this system should  
493 change his employment to any agency of the state having an  
494 actuarially funded retirement system, the board of trustees may  
495 authorize the transfer of the member's creditable service and of  
496 the present value of the member's employer's accumulation account  
497 and of the present value of the member's accumulated membership  
498 contributions to such other system, provided the employee agrees  
499 to the transfer of his accumulated membership contributions and  
500 provided such other system is authorized to receive and agrees to  
501 make such transfer.

502 In the event any member of any other actuarially funded  
503 system maintained by an agency of the state changes his employment  
504 to an agency covered by this system, the board of trustees may  
505 authorize the receipt of the transfer of the member's creditable  
506 service and of the present value of the member's employer's  
507 accumulation account and of the present value of the member's  
508 accumulated membership contributions from such other system,  
509 provided the employee agrees to the transfer of his accumulated  
510 membership contributions to this system and provided the other  
511 system is authorized and agrees to make such transfer.

512 (j) Wherever herein state employment is referred to, it  
513 shall include joint employment by state and federal agencies of  
514 all kinds.

515           (k) Employees of a political subdivision or  
516 instrumentality who were employed by such political subdivision or  
517 instrumentality prior to an agreement between such entity and the  
518 Public Employees' Retirement System to extend the benefits of this  
519 article to its employees, and which agreement provides for the  
520 establishment of retroactive service credit, and who have been  
521 members of the retirement system and have remained contributors to  
522 the retirement system for four (4) years, may receive credit for  
523 such retroactive service with such political subdivision or  
524 instrumentality, provided the employee and/or employer, as  
525 provided under the terms of the modification of the joinder  
526 agreement in allowing such coverage, pay into the retirement  
527 system the employer's and employee's contributions on wages paid  
528 the member during such previous employment, together with interest  
529 or actuarial cost as determined by the board covering the period  
530 from the date the service was rendered until the payment for the  
531 credit for such service was made. Such wages shall be verified by  
532 the Social Security Administration or employer payroll records.  
533 Effective July 1, 1998, upon eligibility as noted above, a member  
534 may receive credit for such retroactive service with such  
535 political subdivision or instrumentality provided:

536           (1) The member shall furnish proof satisfactory to  
537 the board of trustees of certification of such services from the  
538 political subdivision or instrumentality where the services were  
539 rendered or verification by the Social Security Administration;  
540 and

541           (2) The member shall pay to the retirement system  
542 on the date he or she is eligible for such credit or at any time  
543 thereafter prior to the date of retirement the actuarial cost for  
544 each year of such creditable service. The provisions of this  
545 subparagraph (2) shall be subject to the limitations of Section  
546 415 of the Internal Revenue Code and regulations promulgated  
547 thereunder.

548           Nothing contained in this paragraph (k) shall be construed to



549 limit the authority of the board to allow the correction of  
550 reporting errors or omissions based on the payment of employee and  
551 employer contributions plus applicable interest. Payment for such  
552 time shall be made in increments of not less than one-quarter  
553 (1/4) year of creditable service beginning with the most recent  
554 service. Upon the payment of all or part of such required  
555 contributions, plus interest or the actuarial cost as provided  
556 above, the member shall receive credit for the period of  
557 creditable service for which full payment has been made to the  
558 retirement system.

559 (l) Through June 30, 1998, any state service eligible  
560 for retroactive service credit, no part of which has ever been  
561 reported, and requiring the payment of employee and employer  
562 contributions plus interest, or, from and after July 1, 1998, any  
563 state service eligible for retroactive service credit, no part of  
564 which has ever been reported to the retirement system, and  
565 requiring the payment of the actuarial cost for such creditable  
566 service, may, at the member's option, be purchased in quarterly  
567 increments as provided above at such time as its purchase is  
568 otherwise allowed.

569 (m) All rights to purchase retroactive service credit  
570 or repay a refund as provided in Section 25-11-101 et seq. shall  
571 terminate upon retirement.

572 **II. THOSE WHO ARE NOT ELIGIBLE FOR MEMBERSHIP**

573 The following classes of employees and officers shall not  
574 become members of this retirement system, any other provisions of  
575 Articles 1 and 3 to the contrary notwithstanding:

576 (a) Patient or inmate help in state charitable, penal  
577 or correctional institutions;

578 (b) Students of any state educational institution  
579 employed by any agency of the state for temporary, part-time or  
580 intermittent work;

581 (c) Participants of Comprehensive Employment and  
582 Training Act of 1973 (CETA) being Public Law 93-203, who enroll on

583 or after July 1, 1979.

584 **III. TERMINATION OF MEMBERSHIP**

585 Membership in this system shall cease by a member withdrawing  
586 his accumulated contributions, or by a member withdrawing from  
587 active service with a retirement allowance, or by a member's  
588 death.

589 SECTION 4. Section 25-11-127, Mississippi Code of 1972, is  
590 amended as follows:

591 25-11-127. No person who is being paid a retirement  
592 allowance, or a pension after retirement under this article, shall  
593 be employed or paid for any service by the State of Mississippi,  
594 except as provided in this section or in Section 25-11-126. This  
595 section shall not apply to any pensioner who has been elected to  
596 public office after retirement, nor to any person employed because  
597 of special knowledge or experience. This section shall not be  
598 construed to mean that any person employed or elected under the  
599 above exceptions shall become a member under Article 3 of the  
600 retirement system, nor shall any retirant of this retirement  
601 system who is reemployed or is reelected to office, after  
602 retirement continue to draw retirement benefits while so  
603 reemployed or reelected except those persons who choose to  
604 continue receiving a retirement allowance during their employment  
605 as teachers as authorized by Section 25-11-126. Any person who  
606 has been retired under the provisions of Articles 1 and 3 and who  
607 is later reemployed in service covered by this article shall cease  
608 to receive benefits hereunder unless he chooses to continue  
609 receiving a retirement allowance during his employment as a  
610 teacher as authorized by Section 25-11-126, and the person shall  
611 again become a contributing member of the retirement system; and  
612 when the person again retires, if he has been a contributing  
613 member of the retirement system during his reemployment and his  
614 reemployment exceeds six (6) months, he shall have his benefit  
615 recomputed, including service after again becoming a member.

616 Provided, further, that the total retirement allowance paid to the

617 retired member in his previous retirement shall be deducted from  
618 his retirement reserve and taken into consideration in  
619 recalculating the retirement allowance under a new option  
620 selected. Nothing contained in this section shall be construed as  
621 prohibiting any county or city not a member of the Public  
622 Employees' Retirement System from employing persons up to the age  
623 of seventy-three (73); and provided further that, through June 30,  
624 1988, nothing contained in this section shall be construed as  
625 prohibiting any governmental unit which is a member from employing  
626 persons up to the age of seventy-three (73) who are not eligible  
627 for membership at the time of employment under Article 3.

628         The board of trustees of the retirement system shall have the  
629 right to prescribe rules and regulations for the carrying out of  
630 this provision.

631         The provisions of this section shall not be construed to  
632 prohibit any retirant regardless of age from being employed and  
633 from drawing retirement allowance either (a) for a period of time  
634 not to exceed one hundred twenty (120) days in any fiscal year,  
635 but less than one-half (1/2) of the normal working days for the  
636 position in any fiscal year, or (b) for a period of time in any  
637 fiscal year sufficient in length to permit a retirant to earn not  
638 in excess of twenty-five percent (25%) of retirant's average  
639 compensation or the current rate of the salary in effect for the  
640 regular position filled. Notice shall be given in writing to the  
641 executive director of the system, setting forth the facts upon  
642 which the \* \* \* employment is being made, and such notice shall be  
643 given within five (5) days from the date of employment and also  
644 from the date of termination of said employment. It is further  
645 provided that any member who has attained seventy (70) years of  
646 age and who has forty (40) or more years of creditable service may  
647 continue in office or employment or be reemployed or elected  
648 provided such person files annually, in writing, in the office of  
649 the employer and the office of the executive director of the  
650 system prior to such services, a waiver of all salary or

651 compensation and elects to receive in lieu of such salary or  
652 compensation a retirement allowance as provided in this section,  
653 in which event no salary or compensation shall thereafter be due  
654 or payable for such services and provided further, that any such  
655 officer or employee may receive in addition to such retirement  
656 allowance any per diem, office expense allowance, mileage or  
657 travel expense authorized by any statute of the State of  
658 Mississippi. Any other member may continue in municipal or county  
659 office or employment or be reemployed or elected in a municipality  
660 or county provided such person files annually, in writing, in the  
661 office of the employer and the office of the executive director of  
662 the system prior to such services, a waiver of all salary or  
663 compensation and elects to receive in lieu of such salary or  
664 compensation a retirement allowance as provided in this section,  
665 in which event no salary or compensation shall thereafter be due  
666 or payable for such services and provided, further, that any such  
667 officer or employee may receive in addition to such retirement  
668 allowance any per diem, office expense allowance, mileage or  
669 travel expense authorized by any statute of the State of  
670 Mississippi.

671 SECTION 5. Section 37-19-7, Mississippi Code of 1972, is  
672 amended as follows:

673 37-19-7. (1) The allowance in the minimum education program  
674 for teachers' salaries in each county and separate school district  
675 shall be determined and paid in accordance with the scale for  
676 teachers' salaries as provided in this subsection for the number  
677 of teachers employed not in excess of the number of teacher units  
678 allotted. For teachers holding the following types of licenses or  
679 the equivalent as determined by the State Board of Education, and  
680 the following number of years of teaching experience, the scale  
681 shall be as follows:

682 **1999-2000 School Year**

683 **and School Years Thereafter**

684 **Less Than 25 Years of Teaching Experience**

685	AAAA.....	\$24,445.00
686	AAA.....	23,595.00
687	AA.....	22,745.00
688	A.....	21,695.00

**25 or More Years of Teaching Experience**

690	AAAA.....	\$25,445.00
691	AAA.....	24,595.00
692	AA.....	23,745.00
693	A.....	22,695.00

694 It is the intent of the Legislature that any state funds made  
695 available for salaries of licensed personnel in excess of the  
696 funds paid for such salaries for the 1986-1987 school year shall  
697 be paid to licensed personnel pursuant to a personnel appraisal  
698 and compensation system implemented by the State Board of  
699 Education. The State Board of Education shall have the authority  
700 to adopt and amend rules and regulations as are necessary to  
701 establish, administer and maintain the system.

702 All teachers employed on a full-time basis shall be paid a  
703 minimum salary in accordance with the above scale. However, no  
704 school district shall receive any funds under this section for any  
705 school year during which the local supplement paid to any  
706 individual teacher shall have been reduced to a sum less than that  
707 paid to that individual teacher for performing the same duties  
708 from local supplement during the immediately preceding school  
709 year. The amount actually spent for the purposes of group health  
710 and/or life insurance shall be considered as a part of the  
711 aggregate amount of local supplement but shall not be considered  
712 a part of the amount of individual local supplement.

713 For teachers holding a Class AAAA license, the minimum base  
714 pay specified in this subsection shall be increased by the sum of  
715 Six Hundred Fifty-five Dollars (\$655.00) for each year of teaching  
716 experience possessed by the person holding such license until such  
717 person shall have twenty-five (25) years of teaching experience.

718 For teachers holding a Class AAA license, the minimum base

719 pay specified in this subsection shall be increased by the sum of  
720 Five Hundred Ninety Dollars (\$590.00) for each year of teaching  
721 experience possessed by the person holding such license until such  
722 person shall have twenty-five (25) years of teaching experience.

723 For teachers holding a Class AA license, the minimum base pay  
724 specified in this subsection shall be increased by the sum of Five  
725 Hundred Twenty Dollars (\$520.00) for each year of teaching  
726 experience possessed by the person holding such license until such  
727 person shall have twenty-five (25) years of teaching experience.

728 For teachers holding a Class A license, the minimum base pay  
729 specified in this subsection shall be increased by the sum of Four  
730 Hundred Twenty-five Dollars (\$425.00) for each year of teaching  
731 experience possessed by the person holding such license until such  
732 person shall have twenty-one (21) years of teaching experience.

733 The level of professional training of each teacher to be used  
734 in establishing the salary allotment for the teachers for each  
735 year shall be determined by the type of valid teacher's license  
736 issued to those teachers on or before October 1 of the current  
737 school year.

738 (2) Prior to April 15 of any school year in which a teacher  
739 meets the standard requirements, any licensed teacher who shall  
740 have met the requirements and acquired a Master Teacher  
741 certificate from the National Board for Professional Teaching  
742 Standards and who is employed by a local school board or the State  
743 Board of Education as a teacher and not as an administrator shall  
744 receive a salary supplement in the amount of Six Thousand Dollars  
745 (\$6,000.00) in addition to any other compensation to which the  
746 teacher may be entitled. The teacher shall be reimbursed one (1)  
747 time for the actual cost of completing the process of acquiring  
748 the Master Teacher certificate, regardless of whether or not the  
749 process resulted in the award of the Master Teacher certificate.

750 All such salary supplements and process reimbursement shall be  
751 paid directly by the State Department of Education to the local  
752 school district and shall be in addition to its minimum education

753 program allotments and not a part thereof in accordance with  
754 regulations promulgated by the State Board of Education, and  
755 subject to appropriation by the Legislature. Local school  
756 districts shall not reduce the local supplement paid to any  
757 teacher receiving such salary supplement, and the teacher shall  
758 receive any local supplement to which teachers with similar  
759 training and experience are otherwise entitled.

760 (3) (a) Notwithstanding any provision in this section  
761 to the contrary, any person who is receiving a retirement  
762 allowance from the Public Employees' Retirement System who is  
763 employed as a teacher after his retirement, and chooses to  
764 continue receiving the retirement allowance during his employment  
765 as a teacher after his retirement, as authorized by subsection  
766 (1)(a) of Section 25-11-126, shall be paid a salary equal to the  
767 amount of the salary that the person received during the school  
768 year immediately preceding his retirement. No increase in the  
769 salary of any such person shall be allowed for any teaching  
770 experience obtained after the date of his employment as a teacher  
771 after his retirement.

772 (b) Notwithstanding any provision in this section to  
773 the contrary, any person who is employed as a teacher and becomes  
774 eligible to receive a retirement allowance from the Public  
775 Employees' Retirement System during his employment as a teacher  
776 who chooses to receive the retirement allowance during his  
777 employment as a teacher, as authorized by subsection (1)(b) of  
778 Section 25-11-126, shall be paid a salary equal to the amount of  
779 the salary that the person received during the school year  
780 immediately preceding the date that the person began receiving the  
781 retirement allowance. No increase in the salary of any such  
782 person shall be allowed for any teaching experience obtained after  
783 the date that he began receiving the retirement allowance.

784 SECTION 6. This act shall take effect and be in force from  
785 and after July 1, 1999.