

*****Pending*****

AMENDMENT No. 1 PROPOSED TO

House Bill NO. 785

By Senator(s) Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

101 SECTION 1. Section 25-11-109, Mississippi Code of 1972, is
102 amended as follows:

103 25-11-109. (1) Under such rules and regulations as the
104 board of trustees shall adopt, each person who becomes a member of
105 this retirement system, as provided in Section 25-11-105, on or
106 prior to July 1, 1953, or who becomes a member and contributes to
107 the system for a minimum period of four (4) years, shall receive
108 credit for all state service rendered before February 1, 1953. To
109 receive such credit, such member shall file a detailed statement
110 of all services as an employee rendered by him in the state
111 service before February 1, 1953. For any member who joined the
112 system after July 1, 1953, any creditable service for which the
113 member is not required to make contributions shall not be credited
114 to the member until the member has contributed to the system for a
115 minimum period of at least four (4) years.

116 (2) In the computation of membership service or prior
117 service under the provisions of this article, the total months of
118 accumulative service during any fiscal year shall be calculated in
119 accordance with the schedule as follows: ten (10) or more months
120 of creditable service during any fiscal year shall constitute a
121 year of creditable service; seven (7) months to nine (9) months

122 inclusive, three-quarters (3/4) of a year of creditable service;
123 four (4) months to six (6) months inclusive, one-half-year of
124 creditable service; one (1) month to three (3) months inclusive,
125 one-quarter (1/4) of a year of creditable service. In no case
126 shall credit be allowed for any period of absence without
127 compensation except for disability while in receipt of a
128 disability retirement allowance, nor shall less than fifteen (15)
129 days of service in any month, or service less than the equivalent
130 of one-half (1/2) of the normal working load for the position and
131 less than one-half (1/2) of the normal compensation for the
132 position in any month, constitute a month of creditable service,
133 nor shall more than one (1) year of service be creditable for all
134 services rendered in any one (1) fiscal year; provided that for a
135 school employee, substantial completion of the legal school term
136 when and where the service was rendered shall constitute a year of
137 service credit for both prior service and membership service. Any
138 state or local elected official shall be deemed a full-time
139 employee for the purpose of creditable service for prior service
140 or membership service. However, an appointed or elected official
141 compensated on a per diem basis only shall not be allowed
142 creditable service for terms of office.

143 In the computation of any retirement allowance or any annuity
144 or benefits provided in this article, any fractional period of
145 service of less than one (1) year shall be taken into account and
146 a proportionate amount of such retirement allowance, annuity or
147 benefit shall be granted for any such fractional period of
148 service.

149 In the computation of unused leave for creditable service
150 authorized in Section 25-11-103, the following shall govern:
151 twenty-one (21) days of unused leave shall constitute one (1)
152 month of creditable service and in no case shall credit be allowed
153 for any period of unused leave of less than fifteen (15) days.
154 The number of months of unused leave shall determine the number of

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155 quarters or years of creditable service in accordance with the
156 above schedule for membership and prior service. In order for the
157 member to receive creditable service for the number of days of
158 unused leave, the system must receive certification from the
159 governing authority.

160 For the purpose of this subsection, for members of the system
161 who are elected officers and who retire on or after July 1, 1987,
162 the following shall govern:

163 (a) For service prior to July 1, 1984, the members
164 shall receive credit for leave (combined personal and major
165 medical) for service as an elected official prior to that date at
166 the rate of thirty (30) days per year.

167 (b) For service on and after July 1, 1984, the member
168 shall receive credit for personal and major medical leave
169 beginning July 1, 1984, at the rates authorized in Sections
170 25-3-93 and 25-3-95, computed as a full-time employee.

171 (3) Subject to the above restrictions and to such other
172 rules and regulations as the board may adopt, the board shall
173 verify, as soon as practicable after the filing of such statements
174 of service, the services therein claimed.

175 (4) Upon verification of the statement of prior service, the
176 board shall issue a prior service certificate certifying to each
177 member the length of prior service for which credit shall have
178 been allowed on the basis of his statement of service. So long as
179 membership continues, a prior service certificate shall be final
180 and conclusive for retirement purposes as to such service,
181 provided that any member may within five (5) years from the date
182 of issuance or modification of such certificate request the board
183 of trustees to modify or correct his prior service certificate.
184 Any modification or correction authorized shall only apply
185 prospectively.

186 When membership ceases, such prior service certificates shall
187 become void. Should the employee again become a member, he shall

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188 enter the system as an employee not entitled to prior service
189 credit except as provided in Sections 25-11-105(I), 25-11-113 and
190 25-11-117.

191 (5) Creditable service at retirement, on which the
192 retirement allowance of a member shall be based, shall consist of
193 the membership service rendered by him since he last became a
194 member, and also, if he has a prior service certificate which is
195 in full force and effect, the amount of the service certified on
196 his prior service certificate.

197 (6) Anything in this article to the contrary
198 notwithstanding, any member who served on active duty in the Armed
199 Forces of the United States, or who served in maritime service
200 during periods of hostility in World War II, shall be entitled to
201 creditable service for his service on active duty in the armed
202 forces or in such maritime service, provided he entered state
203 service after his discharge from the armed forces or entered state
204 service after he completed such maritime service. The maximum
205 period for such creditable service for all military service shall
206 not exceed four (4) years unless positive proof can be furnished
207 by such person that he was retained in the armed forces during
208 World War II or in maritime service during World War II by causes
209 beyond his control and without opportunity of discharge. The
210 member shall furnish proof satisfactory to the board of trustees
211 of certification of military service or maritime service records
212 showing dates of entrance into active duty service and the date of
213 discharge. From and after July 1, 1993, no creditable service
214 shall be granted for any military service or maritime service to a
215 member who qualifies for a retirement allowance in another public
216 retirement system administered by the Board of Trustees of the
217 Public Employees' Retirement System based in whole or in part on
218 such military or maritime service. In no case shall the member
219 receive creditable service if the member received a dishonorable
220 discharge from the Armed Forces of the United States.

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221 (7) Any * * * member of the Public Employees' Retirement
222 System who has at least four (4) years of membership service
223 credit shall be entitled to receive a maximum of five (5) years
224 creditable service for service rendered in another state as a
225 public employee of such other state, or a political subdivision,
226 public education system or other governmental instrumentality
227 thereof, or service rendered as a teacher in American overseas
228 dependent schools conducted by the Armed Forces of the United
229 States for children of citizens of the United States residing in
230 areas outside the continental United States, provided that:

231 (a) The member shall furnish proof satisfactory to the
232 board of trustees of certification of such services from the
233 state, public education system, political subdivision or
234 retirement system of the state where the services were performed
235 or the governing entity of the American overseas dependent school
236 where the services were performed; and

237 (b) The member is not receiving or will not be entitled
238 to receive from the public retirement system of the other state or
239 from any other retirement plan, including optional retirement
240 plans, sponsored by the employer, a retirement allowance including
241 such services; and

242 (c) The member shall pay to the retirement system on
243 the date he or she is eligible for credit for such out-of-state
244 service or at any time thereafter prior to date of retirement the
245 actuarial cost as determined by the actuary for each year of
246 out-of-state creditable service. * * * The provisions of this
247 subsection are subject to the limitations of Section 415 of the
248 Internal Revenue Code and regulations promulgated thereunder.

249 (8) Any * * * member of the Public Employees' Retirement
250 System who has at least four (4) years of membership service
251 credit and who receives, or has received, professional leave
252 without compensation for professional purposes directly related to
253 the employment in state service shall receive creditable service

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254 for the period of professional leave without compensation
255 provided:

256 (a) The professional leave is performed with a public
257 institution or public agency of this state, or another state or
258 federal agency;

259 (b) The employer approves the professional leave
260 showing the reason for granting the leave and makes a
261 determination that the professional leave will benefit the
262 employee and employer;

263 (c) Such professional leave shall not exceed two (2)
264 years during any ten-year period of state service;

265 (d) The employee shall serve the employer on a
266 full-time basis for a period of time equivalent to the
267 professional leave period granted immediately following the
268 termination of the leave period;

269 (e) The * * * contributing member shall pay to the
270 retirement system the actuarial cost as determined by the actuary
271 for each year of professional leave. * * * The provisions of this
272 subsection are subject to the regulations of the Internal Revenue
273 Code limitations;

274 (f) Such other rules and regulations consistent
275 herewith as the board may adopt and in case of question, the board
276 shall have final power to decide the questions.

277 Any actively contributing member participating in the School
278 Administrator Sabbatical Program established in Section 37-9-77
279 shall qualify for continued participation under this subsection
280 (8).

281 (9) Any member of the Public Employees' Retirement System
282 who has at least four (4) years of credited membership service
283 shall be entitled to receive a maximum of ten (10) years
284 creditable service for:

285 (a) Any service rendered as an employee of any
286 political subdivision of this state, or any instrumentality

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287 thereof, which does not participate in the Public Employees'
288 Retirement System; or

289 (b) Any service rendered as an employee of any
290 political subdivision of this state, or any instrumentality
291 thereof, which participates in the Public Employees' Retirement
292 System but did not elect retroactive coverage; or

293 (c) Any service rendered as an employee of any
294 political subdivision of this state, or any instrumentality
295 thereof, for which coverage of the employee's position was or is
296 excluded; provided that the member pays into the retirement system
297 the actuarial cost as determined by the actuary for each year, or
298 portion thereof, of such service. Payment for such service may be
299 made in increments of one-quarter-year of creditable service.
300 After a member has made full payment to the retirement system for
301 all or any part of such service, the member shall receive
302 creditable service for the period of such service for which full
303 payment has been made to the retirement system.

304 SECTION 2. Section 25-11-113, Mississippi Code of 1972, is
305 amended as follows:

306 25-11-113. (1) (a) Upon the application of a member or his
307 employer, any active member in state service who has at least four
308 (4) years of membership service credit may be retired by the board
309 of trustees on the first of the month following the date of filing
310 such application on a disability retirement allowance, but in no
311 event shall the disability retirement allowance commence before
312 termination of state service, provided that the medical board,
313 after a medical examination, shall certify that the member is
314 mentally or physically incapacitated for the further performance
315 of duty, that such incapacity is likely to be permanent, and that
316 the member should be retired; however, the board of trustees may
317 accept a disability medical determination from the Social Security
318 Administration in lieu of a certification from the medical board,
319 if the Social Security Administration's finding is supported by

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320 substantial evidence. A finding of total disability by the Social
321 Security Administration will create a rebuttable presumption of
322 disability; however, the presumption may be overcome by clear and
323 convincing evidence. For the purposes of disability
324 determination, the medical board shall apply the following
325 definition of disability: the inability to perform the usual
326 duties of employment or the incapacity to perform such lesser
327 duties, if any, as the employer, in its discretion, may assign
328 without material reduction in compensation, or the incapacity to
329 perform the duties of any employment covered by the Public
330 Employees' Retirement System (Section 25-11-101 et seq.) that is
331 actually offered and is within the same general territorial work
332 area, without material reduction in compensation. The employer
333 shall be required to furnish the job description and duties of the
334 member. The employer shall further certify whether the employer
335 has offered the member other duties and has complied with the
336 applicable provisions of the Americans With Disabilities Act in
337 affording reasonable accommodations which would allow the employee
338 to continue employment.

339 (b) Any inactive member with four (4) or more years of
340 membership service credit, who has withdrawn from active state
341 service, is not eligible for a disability retirement allowance
342 unless the disability occurs within six (6) months of the
343 termination of active service and unless satisfactory proof is
344 presented to the board of trustees that the disability was the
345 direct cause of withdrawal from state service.

346 (c) If the medical board certifies that the member is
347 not mentally or physically incapacitated for the future
348 performance of duty, the member may request, within sixty (60)
349 days, a hearing before the hearing officer as provided in Section
350 25-11-120. All hearings shall be held in accordance with rules
351 and regulations adopted by the board of trustees to govern such
352 hearings. Such hearing may be closed upon the request of the

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353 member.

354 (d) The medical board may request additional medical
355 evidence and/or other physicians to conduct an evaluation of the
356 member's condition. If the medical board requests additional
357 medical evidence and the member refuses the request, the
358 application shall be considered void.

359 (2) Allowance on disability retirement.

360 (a) Upon retirement for disability, an eligible member
361 shall receive a retirement allowance if he has attained the age of
362 sixty (60) years.

363 (b) Except as provided in paragraph (c) of this
364 subsection (2), an eligible member who is retired for disability
365 and who has not attained sixty (60) years of age shall receive a
366 disability benefit as computed in Section 25-11-111(d)(1) through
367 (d)(4) which shall consist of:

368 (i) A member's annuity which shall be the
369 actuarial equivalent of his accumulated contributions at the time
370 of retirement; and

371 (ii) An employer's annuity equal to the amount
372 that would have been payable as a retirement allowance for both
373 membership service and prior service had the member continued in
374 service to the age of sixty (60) years, which shall apply to the
375 allowance for disability retirement paid to retirees receiving
376 such allowance upon and after April 12, 1977. This employer's
377 annuity shall be computed on the basis of the average "earned
378 compensation" as defined in Section 25-11-103.

379 (c) For persons who become members after June 30, 1992,
380 and for active members on June 30, 1992, who elect benefits under
381 this paragraph (c) instead of those provided under paragraph (b)
382 of this subsection (2), the disability allowance shall consist of
383 two (2) parts: a temporary allowance and a deferred allowance.

384 The temporary allowance shall equal the greater of (i) forty
385 percent (40%) of average compensation at the time of disability,

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386 plus ten percent (10%) of average compensation for each of the
387 first two (2) dependent children, as defined in Sections 25-11-103
388 and 25-11-114, or (ii) the accrued benefit based on actual
389 service. It shall be payable for a period of time based on the
390 member's age at disability, as follows:

391	Age at Disability	Duration
392	60 and earlier	to age 65
393	61	to age 66
394	62	to age 66
395	63	to age 67
396	64	to age 67
397	65	to age 68
398	66	to age 68
399	67	to age 69
400	68	to age 70
401	69 and over	one year

402 The deferred allowance shall commence when the temporary
403 allowance ceases and shall be payable for life. The deferred
404 allowance shall equal the greater of (i) the allowance that would
405 have been payable had the member continued in service to the
406 termination age of the temporary allowance, but no more than forty
407 percent (40%) of average compensation, or (ii) the accrued benefit
408 based on actual service at the time of disability. The deferred
409 allowance as determined at the time of disability shall be
410 adjusted in accordance with Section 25-11-112 for the period
411 during which the temporary annuity is payable. In no case shall a
412 member receive less than Ten Dollars (\$10.00) per month for each
413 year of service and proportionately for each quarter year thereof
414 reduced for the option selected.

415 (d) The member may elect to receive the actuarial
416 equivalent of the disability retirement allowance in a reduced
417 allowance payable throughout life under any of the provisions of
418 the options provided under Section 25-11-115.

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419 (e) Should a disability retiree who has not selected an
420 option under Section 25-11-115 die before being repaid in
421 disability benefits the sum of his total contributions, then his
422 named beneficiary shall receive the difference in cash, which
423 shall apply to all deceased disability retirees from and after
424 January 1, 1953.

425 (3) Reexamination of retirees retired on account of
426 disability. Except as otherwise provided in this section, once
427 each year during the first five (5) years following retirement of
428 a member on a disability retirement allowance, and once in every
429 period of three (3) years thereafter, the board of trustees may,
430 and upon his application shall, require any disability retiree who
431 has not yet attained the age of sixty (60) years or the
432 termination age of the temporary allowance under paragraph (2)(c)
433 of this section to undergo a medical examination, such examination
434 to be made at the place of residence of said retiree or other
435 place mutually agreed upon by a physician or physicians designated
436 by the board. The board, however, in its discretion, may
437 authorize the medical board to establish reexamination schedules
438 appropriate to the medical condition of individual disability
439 retirees. Should any disability retiree who has not yet attained
440 the age of sixty (60) years or the termination age of the
441 temporary allowance under paragraph (2)(c) of this section refuse
442 to submit to any medical examination provided herein, his
443 allowance may be discontinued until his withdrawal of such
444 refusal; and should his refusal continue for one (1) year, all his
445 rights to a disability benefit shall be revoked by the board of
446 trustees.

447 (4) If the medical board reports and certifies to the board
448 of trustees, after a comparable job analysis or other similar
449 study, that such disability retiree is engaged in, or is able to
450 engage in, a gainful occupation paying more than the difference
451 between his disability allowance, exclusive of cost of living

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452 adjustments, and the average compensation, and if the board of
453 trustees concurs in such report, the disability benefit shall be
454 reduced to an amount which, together with the amount earnable by
455 him, shall equal the amount of his average compensation. If his
456 earning capacity be later changed, the amount of the said benefit
457 may be further modified, provided that the revised benefit shall
458 not exceed the amount originally granted. A retiree receiving a
459 disability benefit who is restored to active service at a salary
460 less than the average compensation shall not become a member of
461 the retirement system.

462 (5) Should a disability retiree under the age of sixty (60)
463 years or the termination age of the temporary allowance under
464 paragraph (2)(c) of this section be restored to active service at
465 a compensation not less than his average compensation, his
466 disability benefit shall cease, he shall again become a member of
467 the retirement system, and contributions shall be withheld and
468 reported. Any such prior service certificate, on the basis of
469 which his service was computed at the time of retirement, shall be
470 restored to full force and effect. In addition, upon his
471 subsequent retirement he shall be credited with all creditable
472 service as a member, but the total retirement allowance paid to
473 the retired member in his previous retirement shall be deducted
474 from his retirement reserve and taken into consideration in
475 recalculating the retirement allowance under a new option
476 selected.

477 (6) If following reexamination in accordance with the
478 provisions contained in this section, the medical board determines
479 that a retiree retired on account of disability is physically and
480 mentally able to return to the employment from which he is
481 retired, the board of trustees, upon certification of such
482 findings from the medical board, shall, after a reasonable period
483 of time, terminate the disability allowance, whether or not the
484 retiree is re-employed or seeks such re-employment. In addition,

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485 if the board of trustees determines that the retiree is no longer
486 sustaining a loss of income as established by documented evidence
487 of the retiree's earned income, the eligibility for a disability
488 allowance shall terminate and the allowance terminated within a
489 reasonable period of time. In the event the retirement allowance
490 is terminated under the provisions of this section, the retiree
491 may subsequently qualify for a retirement allowance under Section
492 25-11-111 based on actual years of service credit plus credit for
493 the period during which a disability allowance was paid.

494 (7) Any current member as of June 30, 1992, who retires on a
495 disability retirement allowance after June 30, 1992, and who has
496 not elected to receive benefits under paragraph (2)(c) of this
497 section, shall relinquish all rights under the Age Discrimination
498 in Employment Act of 1967, as amended, with regard to the benefits
499 payable under this section.

500 SECTION 3. Section 25-11-115, Mississippi Code of 1972, is
501 amended as follows:

502 25-11-115. (1) Upon application for superannuation or
503 disability retirement, any member may elect to receive his benefit
504 in a retirement allowance payable throughout life with no further
505 payments to anyone at his death, except that in the event his
506 total retirement payments under this article do not equal his
507 total contributions under this article, his named beneficiary
508 shall receive the difference in cash at his death. Or he may
509 elect upon retirement, or upon becoming eligible for retirement,
510 to receive the actuarial equivalent subject to the provisions of
511 subsection (3) of this section of his retirement allowance in a
512 reduced retirement allowance payable throughout life with the
513 provision that:

514 **Option 1.** If he dies before he has received in annuity
515 payment the value of the member's annuity savings account as it
516 was at the time of his retirement, the balance shall be paid to
517 his legal representative or to such person as he shall nominate by

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518 written designation duly acknowledged and filed with the board; or

519 **Option 2.** Upon his death, his reduced retirement
520 allowance shall be continued throughout the life of, and paid to,
521 such person as he has nominated by written designation duly
522 acknowledged and filed with the board of trustees at the time of
523 his retirement;

524 **Option 3.** Upon his death, one-half (1/2) of his reduced
525 retirement allowance shall be continued throughout the life of,
526 and paid to, such person as he shall have nominated by written
527 designation duly acknowledged and filed with the board of trustees
528 at the time of his retirement, and the other one-half (1/2) of his
529 reduced retirement allowance to some other designated beneficiary;

530 **Option 4-A.** Upon his death, one-half (1/2) of his
531 reduced retirement allowance, or such other specified amount,
532 shall be continued throughout the life of, and paid to, such
533 person as he shall have nominated by written designation duly
534 acknowledged and filed with the board of trustees at the time of
535 his retirement; or

536 **Option 4-B.** A reduced retirement allowance shall be
537 continued throughout the life of the retirant, but with the
538 further guarantee of payments to the named beneficiary,
539 beneficiaries or to the estate for a specified number of years
540 certain. If the retired member or the last designated beneficiary
541 receiving annuity payments dies prior to receiving all guaranteed
542 payments due, the actuarial equivalent of the remaining payments
543 would be paid to the estate of the retired member as intestate
544 property;

545 **Option 4-C.** Such retirement allowance otherwise payable
546 may be converted into a retirement allowance of equivalent
547 actuarial value in such an amount that, with the member's benefit
548 under Title II of the federal Social Security Act, the member will
549 receive, so far as possible, approximately the same amount
550 annually before and after the earliest age at which the member

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551 becomes eligible to receive a Social Security benefit.

552 (2) No change in the option selected shall be permitted
553 after the member's death or after the member has received his
554 first retirement check except as provided in subsections (3) and
555 (4) of this section and in Section 25-11-127. However, any
556 retired member who is receiving a retirement allowance under
557 Option 2 or Option 4-A upon July 1, 1992, and whose designated
558 beneficiary predeceased him or whose marriage to a spouse who is
559 his designated beneficiary is terminated by divorce or other
560 dissolution, upon written notification to the retirement system of
561 the death of the designated beneficiary or of the termination of
562 his marriage to his designated beneficiary, the retirement
563 allowance payable to the member after receipt of such notification
564 by the retirement system shall be equal to the retirement
565 allowance which would have been payable had the member not elected
566 the option. In addition, any retired member who is receiving the
567 maximum retirement allowance for life, a retirement allowance
568 under Option 1 or who is receiving a retirement allowance under
569 Option 2 or Option 4-A on July 1, 1992, may elect to provide
570 survivor benefits under Option 2 or Option 4-A to a spouse who was
571 not previously the member's beneficiary and whom the member
572 married before July 1, 1992.

573 (3) Any retired member who is receiving a reduced retirement
574 allowance under Option 2 or Option 4-A whose designated
575 beneficiary predeceases him, or whose marriage to a spouse who is
576 his designated beneficiary is terminated by divorce or other
577 dissolution, may elect to cancel his reduced retirement allowance
578 and receive the maximum retirement allowance for life in an amount
579 equal to the amount that would have been payable if the member had
580 not elected Option 2 or Option 4-A. Such election must be made in
581 writing to the office of the executive director of the system on a
582 form prescribed by the board. Any such election shall be
583 effective the first of the month following the date the election

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584 is received by the system.

585 (4) Any retired member who is receiving the maximum
586 retirement allowance for life, or a retirement allowance under
587 Option 1, and who marries after his retirement may elect to cancel
588 his maximum retirement allowance and receive a reduced retirement
589 allowance under Option 2 or Option 4-A to provide continuing
590 lifetime benefits to his spouse. Such election must be made in
591 writing to the office of the executive director of the system on a
592 form prescribed by the board not earlier than the date of the
593 marriage. Any such election shall be effective the first of the
594 month following the date the election is received by the system.
595 The amount of the reduced retirement allowance shall be the
596 actuarial equivalent, taking into account that the member received
597 the maximum retirement allowance for a period of time before
598 electing to receive a reduced retirement allowance.

599 (5) In the event the election of an optional benefit is made
600 after the member has attained the age of sixty-five (65) years,
601 the actuarial equivalent factor shall be used to compute the
602 reduced retirement allowance as if the election had been made on
603 his sixty-fifth birthday. However, if a retiree marries or
604 remarries after retirement and elects either Option 2 or Option
605 4-A as provided in subsection (2) or (4) of this section, the
606 actuarial equivalent factor used to compute the reduced retirement
607 allowance shall be the factor for the age of the retiree and his
608 or her beneficiary at the time such election for recalculation of
609 benefits is made.

610 (6) Notwithstanding any provision of Section 25-11-1 et
611 seq., no payments may be made for a retirement allowance on a
612 monthly basis for a period of time in excess of that allowed by
613 federal law.

614 (7) If a retirant and his eligible beneficiary, if any, both
615 die before they have received in annuity payments a total amount
616 equal to the accumulated contributions standing to the retirant's

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617 credit in the annuity savings account at the time of his
618 retirement, the difference between the accumulated contributions
619 and the total amount of annuities received by them shall be paid
620 to such persons as the retirant has nominated by written
621 designation duly executed and filed in the office of the executive
622 director. If no designated person survives the retirant and his
623 beneficiary, the difference, if any, shall be paid to the estate
624 of the survivor of the retirant and his beneficiary.

625 (8) Any retired member who retired on Option 2(5) or 4-A(5)
626 prior to July 1, 1992, who is still receiving a retirement
627 allowance on July 1, 1994, shall receive an increase in the annual
628 retirement allowance effective July 1, 1994, equal to the amount
629 they would have received under Option 2 or Option 4-A without a
630 reduction for Option 5 based on the ages at retirement of the
631 retiree and beneficiary and option factors in effect on July 1,
632 1992. Such increase shall be prospective only.

633 SECTION 4. Section 25-11-117, Mississippi Code of 1972, is
634 amended as follows:

635 25-11-117. (1) A member may be paid a refund of the amount
636 of accumulated contributions to the credit of the member in the
637 annuity savings account provided the member has withdrawn from
638 state service and further provided the member has not returned to
639 state service on the date the refund of the accumulated
640 contributions would be paid. Such refund of the contributions to
641 the credit of the member in the annuity savings account shall be
642 paid within ninety (90) days from receipt in the office of the
643 retirement system of the properly completed form requesting such
644 payment. In the event of death prior to retirement of any member
645 whose spouse and/or children are not entitled to a retirement
646 allowance, the accumulated contributions to the credit of the
647 deceased member in the annuity savings account shall be paid to
648 the designated beneficiary on file in writing in the office of
649 executive director of the board of trustees within ninety (90)

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650 days from receipt of a properly completed form requesting such
651 payment. If there is no such designated beneficiary on file for
652 such deceased member in the office of the system, upon the filing
653 of a proper request with the board, the contributions to the
654 credit of the deceased member in the annuity savings account shall
655 be refunded to the estate of the deceased member. The payment of
656 the * * * refund shall discharge all obligations of the retirement
657 system to the * * * member on account of any creditable service
658 rendered by the member prior to the receipt of the refund. By the
659 acceptance of the refund, the member shall waive and relinquish
660 all accrued rights in the system.

661 (2) Pursuant to the Unemployment Compensation Amendments of
662 1992 (P.L. 102-318 (UCA)), a member or eligible beneficiary
663 eligible for a refund under this section may elect on a form
664 prescribed by the board under rules and regulations established by
665 the board, to have an eligible roll-over distribution of
666 accumulated contributions payable under this section paid directly
667 to an eligible retirement plan or individual retirement account.
668 If the member or eligible beneficiary makes such election and
669 specifies the eligible retirement plan or individual retirement
670 account to which such distribution is to be paid, the distribution
671 will be made in the form of a direct trustee-to-trustee transfer
672 to the specified eligible retirement plan. Flexible roll overs
673 under this subsection shall not be considered assignments under
674 Section 25-11-129.

675 (3) If any person who has received a refund reenters the
676 state service and again becomes a member of the system * * *, the
677 member may repay all or part of the amounts previously received as
678 a refund, together with regular interest covering the period from
679 the date of refund to the date of repayment; provided, however,
680 that the amounts that are repaid by the member and the creditable
681 service related thereto shall not be used in any benefit
682 calculation or determination until the member has remained a

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683 contributor to the system for a period of at least four (4) years
684 subsequent to such member's reentry into state service. Repayment
685 for such time shall be made in increments of not less than
686 one-quarter-year of creditable service beginning with the most
687 recent service for which refund has been made. Upon the repayment
688 of all or part of such refund and interest, the member shall again
689 receive credit for the period of creditable service for which full
690 repayment has been made to the system.

691 SECTION 5. The following shall be codified as Section
692 25-11-118, Mississippi Code of 1972:

693 25-11-118. Effective July 1, 2000, and subject to the rules
694 adopted by the board of trustees, the system shall accept an
695 eligible roll-over distribution or a direct transfer of funds from
696 another qualified plan in payment of all or a portion of the cost
697 to purchase optional service credit or to reinstate previously
698 withdrawn service credit as permitted by the system. The system
699 may only accept roll-over payments in an amount equal to or less
700 than the balance due for purchase or reinstatement of service
701 credit. The rules adopted by the board of trustees shall
702 condition the acceptance of a roll over or transfer from another
703 qualified plan on the receipt from the other plan of information
704 necessary to enable the system to determine the eligibility of any
705 transferred funds for tax-free roll-over treatment or other
706 treatment under federal income tax law.

707 SECTION 6. Section 25-11-120, Mississippi Code of 1972, is
708 amended as follows:

709 25-11-120. (1) Any individual aggrieved by an
710 administrative determination, including a determination of the
711 medical board, relating to the eligibility for or payment of
712 benefits, or the calculation of creditable service or other
713 similar matters relating to the Public Employees' Retirement
714 System or any other retirement system or program administered by
715 the board, may request a hearing before a hearing officer

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716 designated by the board. Such hearings shall be conducted in
717 accordance with rules and regulations adopted by the board and
718 formal rules of evidence shall not apply. The hearing officer is
719 authorized to administer oaths, hear testimony of witnesses and
720 receive documentary and other evidence. After the hearing, the
721 hearing officer shall certify the record to the board, which shall
722 include the hearing officer's proposed statement of facts,
723 conclusions of law and recommendation. The record may include a
724 taped recording of the proceedings of the hearing in lieu of a
725 transcribed copy of the proceedings. The board shall receive the
726 record and make its determination based solely on matters
727 contained therein.

728 (2) Any individual aggrieved by the determination of the
729 board may appeal to the Circuit Court of the First Judicial
730 District of Hinds County, Mississippi, in accordance with the
731 Uniform Circuit Court Rules governing appeals to the circuit court
732 in civil cases. Such appeal shall be made solely on the record
733 before the board and this procedure shall be the exclusive method
734 of appealing determinations of the board.

735 (3) The board is authorized to appoint a committee of the
736 board to serve as hearing officer or to employ or contract with
737 qualified personnel to perform the duties of hearing officer and
738 court reporter as may be necessary for conducting, recording and
739 transcribing such hearings. The board may assess and collect fees
740 to offset costs related to such hearings. Those fees shall be
741 deposited to the credit of the Public Employees' Retirement
742 System.

743 SECTION 7. Section 25-11-123, Mississippi Code of 1972, is
744 amended as follows:

745 25-11-123. All of the assets of the system shall be credited
746 according to the purpose for which they are held to one (1) of
747 four (4) reserves; namely, the annuity savings account, the
748 annuity reserve, the employer's accumulation account, and the

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749 expense account.

750 (a) Annuity savings account. In the annuity savings account
751 shall be accumulated the contributions made by members to provide
752 for their annuities, including interest thereon which shall be
753 posted monthly. Credits to and charges against the annuity
754 savings account shall be made as follows:

755 (1) Beginning July 1, 1991, the employer shall cause to
756 be deducted from the salary of each member on each and every
757 payroll of such employer for each and every payroll period seven
758 and one-fourth percent (7-1/4%) of earned compensation as defined
759 in Section 25-11-103. Future contributions shall be fixed
760 biennially by the board on the basis of the liabilities of the
761 retirement system for the various allowances and benefits as shown
762 by actuarial valuation; provided, however, that any member earning
763 at a rate less than Sixteen Dollars and Sixty-seven Cents (\$16.67)
764 per month, or Two Hundred Dollars (\$200.00) per year, shall
765 contribute not less than One Dollar (\$1.00) per month, or Twelve
766 Dollars (\$12.00) per year.

767 (2) The deductions provided herein shall be made
768 notwithstanding that the minimum compensation provided by law for
769 any member shall be reduced thereby. Every member shall be deemed
770 to consent and agree to the deductions made and provided for
771 herein and shall receipt for his full salary or compensation, and
772 payment of salary or compensation less the deduction shall be a
773 full and complete discharge and acquittance of all claims and
774 demands whatsoever for the services rendered by such person during
775 the period covered by such payment, except as to the benefits
776 provided under Articles 1 and 3. The board shall provide by rules
777 for the methods of collection of contributions from members and
778 the employer. The board shall have full authority to require the
779 production of evidence necessary to verify the correctness of
780 amounts contributed.

781 (b) Annuity reserve. The annuity reserve shall be the

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782 account representing the actuarial value of all annuities in
783 force, and to it shall be charged all annuities and all benefits
784 in lieu of annuities, payable as provided in this article. If a
785 beneficiary retired on account of disability is restored to active
786 service with a compensation not less than his average final
787 compensation at the time of his last retirement, the remainder of
788 his contributions shall be transferred from the annuity reserve to
789 the annuity savings account and credited to his individual account
790 therein, and the balance of his annuity reserve shall be
791 transferred to the employer's accumulation account.

792 (c) Employer's accumulation account. The employer's
793 accumulation account shall represent the accumulation of all
794 reserves for the payment of all retirement allowances and other
795 benefits payable from contributions made by the employer, and
796 against this account shall be charged all retirement allowances
797 and other benefits on account of members. Credits to and charges
798 against the employer's accumulation account shall be made as
799 follows:

800 (1) On account of each member there shall be paid
801 monthly into the employer's accumulation account by the employers
802 for the preceding fiscal year an amount equal to a certain
803 percentage of the total earned compensation, as defined in Section
804 25-11-103, of each member. The percentage rate of such
805 contributions shall be fixed biennially by the board on the basis
806 of the liabilities of the retirement system for the various
807 allowances and benefits as shown by actuarial valuation. Beginning
808 January 1, 1990, the rate shall be fixed at nine and three-fourths
809 percent (9-3/4%). Political subdivisions joining Article 3 of the
810 Public Employees' Retirement System after July 1, 1968, may adjust
811 the employer's contributions by agreement with the Board of
812 Trustees of the Public Employees' Retirement System to provide
813 service credits for any period prior to execution of the agreement
814 based upon an actuarial determination of employer's contribution

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815 rates.

816 (2) On the basis of regular interest and of such
817 mortality and other tables as shall be adopted by the board of
818 trustees, the actuary engaged by the board to make each valuation
819 required by this article during the period over which the accrued
820 liability contribution is payable, immediately after making such
821 valuation, shall determine the uniform and constant percentage of
822 the earnable compensation of each member which, if contributed by
823 the employer on the basis of compensation of such member
824 throughout his entire period of membership service, would be
825 sufficient to provide for the payment of any retirement allowance
826 payable on his account for such service. The percentage rate so
827 determined shall be known as the "normal contribution rate."
828 After the accrued liability contribution has ceased to be payable,
829 the normal contribution rate shall be the percentage rate of the
830 salary of all members obtained by deducting from the total
831 liabilities on account of membership service the amount in the
832 employer's accumulation account, and dividing the remainder by one
833 percent (1%) of the present value of the prospective future
834 salaries of all members as computed on the basis of the mortality
835 and service tables adopted by the board of trustees and regular
836 interest. The normal rate of contributions shall be determined by
837 the actuary after each valuation.

838 (3) The total amount payable in each year to the
839 employer's accumulation account shall not be less than the sum of
840 the percentage rate known as the "normal contribution" rate and
841 the "accrued liability contribution" rate of the total
842 compensation earnable by all members during the preceding year,
843 provided that the payment by the employer shall be sufficient,
844 when combined with the amounts in the account, to provide the
845 allowances and other benefits chargeable to this account during
846 the year then current.

847 (4) The accrued liability contribution shall be

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848 discontinued as soon as the accumulated balance in the employer's
849 accumulation account shall equal the present value, computed on
850 the basis of the normal contribution rate then in force, or the
851 prospective normal contributions to be received on account of all
852 persons who are at that time members.

853 (5) All allowances and benefits in lieu thereof, with
854 the exception of those payable on account of members who receive
855 no prior service credit, payable from contributions of the
856 employer, shall be paid from the employer's accumulation account.

857 (6) Upon the retirement of a member, an amount equal to
858 his retirement allowance shall be transferred from the employer's
859 accumulation account to the annuity reserve.

860 (d) Expense account. The expense account shall be the
861 account to which the expenses of the administration of the system
862 shall be charged, exclusive of amounts payable as retirement
863 allowances and as other benefits provided herein. The Legislature
864 shall make annual appropriations in amounts sufficient to
865 administer the system, which shall be credited to this account.
866 There shall be transferred to the State Treasury from this
867 account, not less than once per month, an amount sufficient for
868 payment of the estimated expenses of the system for the succeeding
869 thirty (30) days. Any interest earned on the expense account
870 shall accrue to the benefit of the system. Provided, however,
871 that notwithstanding the provisions of Sections 25-11-15(10) and
872 25-11-105(f)(5)e, all expenses of the administration of the system
873 shall be paid from the interest earnings, provided the interest
874 earnings are in excess of the actuarial interest assumption as
875 determined by the board, and provided the present cost of the
876 administrative expense fee of two percent (2%) of the
877 contributions reported by the political subdivisions and
878 instrumentalities shall be reduced to one percent (1%) from and
879 after July 1, 1983, through June 30, 1984, and shall be eliminated
880 thereafter.

881 (e) Collection of contributions. The employer shall cause
882 to be deducted on each and every payroll of a member for each and
883 every payroll period, beginning subsequent to January 31, 1953,
884 the contributions payable by such member as provided in Articles 1
885 and 3.

886 The employer shall make deductions from salaries of employees
887 as provided in Articles 1 and 3 and shall transmit monthly, or at
888 such time as the board of trustees shall designate, the amount
889 specified to be deducted to the Executive Director of the Public
890 Employees' Retirement System. The executive director, after
891 making a record of all such receipts, shall deposit such amounts
892 as provided by law.

893 (f) Upon the basis of each actuarial valuation provided
894 herein, the board of trustees shall biennially determine the
895 normal contribution rate and the accrued liability contribution
896 rate as provided in this section. The sum of these two (2) rates
897 shall be known as the "employer's contribution rate." Beginning
898 on earned compensation effective January 1, 1990, the rate
899 computed as provided in this section shall be nine and
900 three-fourths percent (9-3/4%). The percentage rate of such
901 contributions shall be fixed biennially by the board on the basis
902 of the liabilities of the retirement system for the various
903 allowances and benefits as shown by actuarial valuation.
904 Notwithstanding any other provision of law, the county board of
905 education, the governing authorities of separate, consolidated, or
906 municipal school districts, and all other such boards set up by
907 law which handle and disburse school funds, shall pay from local
908 tax sources one and one-half percent (1-1/2%) of the total
909 employer's contribution rate of nine and three-fourths percent
910 (9-3/4%).

911 The amount payable by the employer on account of normal and
912 accrued liability contributions shall be determined by applying
913 the employer's contribution rate to the amount of compensation

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914 earned by employees who are members of the system. Monthly, or at
915 such time as the board of trustees shall designate, each
916 department or agency shall compute the amount of the employer's
917 contribution payable, with respect to the salaries of its
918 employees who are members of the system, and shall cause that
919 amount to be paid to the board of trustees from the personal
920 service allotment of the amount appropriated for the operation of
921 the department or agency, or from funds otherwise available to the
922 agency, for the payment of salaries to its employees.

923 Once each year, under procedures established by the system,
924 each employer shall submit to the Public Employees' Retirement
925 System a copy of their report to Social Security of all employees'
926 earnings.

927 The board shall provide by rules for the methods of
928 collection of contributions of employers and members. The amounts
929 determined due by an agency to the various funds as specified in
930 Articles 1 and 3 are made obligations of the agency to the board
931 and shall be paid as provided herein. Failure to deduct such
932 contributions shall not relieve the employee and employer from
933 liability thereof. Delinquent employee contributions and any
934 accrued interest shall be the obligation of the employee and
935 delinquent employer contributions and any accrued interest shall
936 be the obligation of the employer. The employer may, in its
937 discretion, elect to pay any or all of the interest on delinquent
938 employee contributions. From and after July 1, 1996, under rules
939 and regulations established by the board, all employers are
940 authorized and shall transfer all funds due to the Public
941 Employees' Retirement System electronically and shall transmit any
942 wage or other reports by computerized reporting systems.

943 SECTION 8. Section 25-11-137, Mississippi Code of 1972, is
944 amended as follows:

945 25-11-137. (1) (a) Any law enforcement officer or fireman
946 who has been covered under this article or under Section 21-29-101

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947 et seq., Section 21-29-201 et seq., or Section 25-13-1 et seq.,
948 and who changes his employment from one jurisdiction to another
949 jurisdiction, or has previously made such change, may elect to
950 transfer retirement service credit earned while covered under such
951 retirement system of the former jurisdiction to that of the latter
952 as * * * provided in this section.

953 (b) Any such law enforcement officer or fireman
954 transferring as described in paragraph (a) of this subsection and
955 having paid retirement funds under this article or under Section
956 21-29-101 et seq., Section 21-29-201 et seq., or Section 25-13-1
957 et seq., must pay into the retirement system to which he is
958 transferring the full amount of employee contributions which he
959 would have paid into that system had he been a member of that
960 system for each year of creditable service which is being
961 transferred, together with regular interest which would have been
962 earned by that system thereon, and he must also pay, or the system
963 from which he is transferring must pay, into the system to which
964 he is being transferred an amount equal to that which the employer
965 would have paid had he been a member of that system for each year
966 transferred, together with regular interest which would have been
967 earned by that system thereon. * * * The retirement system from
968 which he is being transferred shall be required to pay into the
969 system to which he is transferring any funds credited to his
970 account * * *. Any additional funds which may be required shall
971 be paid by the person being transferred. Failure to make these
972 proper adjustment payments will void any transfer of service
973 credits.

974 (2) The benefits which are being currently paid by the
975 system in which the law enforcement officer or fireman has last
976 been a member, and the requirements for retirement or disability
977 benefits, shall be those applicable to such officer falling under
978 the provisions of this section. Such transfers may only be made
979 after the member has satisfied the minimum eligibility period for

980 monthly benefits, excluding any duty-related benefits, in the
981 system to which the member is transferring such credit. Upon the
982 complete transfer and payment of such credit, all time spent in
983 the covered law enforcement or fire department service, as noted
984 above, within and for the State of Mississippi or the political
985 subdivisions thereof, shall apply to the time required by law
986 necessary to effect the retirement or disability of the officer.

987 SECTION 9. Section 25-11-409, Mississippi Code of 1972, is
988 amended as follows:

989 25-11-409. Eligible employees initially employed on or after
990 July 1, 1990, shall elect to participate in the optional
991 retirement program within thirty (30) days after (i) entry into
992 state service, or (ii) the effective date of the optional
993 retirement program, whichever is later. The election must be made
994 in writing and filed with the board of trustees and will be
995 effective as of the date of employment. If an eligible employee
996 fails to timely make the election provided in this section, he
997 shall become a member of the Public Employees' Retirement System
998 of Mississippi in accordance with Article 3 of Chapter 11 of Title
999 25, Mississippi Code of 1972.

1000 SECTION 10. Section 25-13-13, Mississippi Code of 1972, is
1001 amended as follows:

1002 25-13-13. (1) Upon the death of any highway patrolman who
1003 has retired for service or disability and who has not elected any
1004 other option under Section 25-13-16, his widow shall receive
1005 one-half (1/2) the benefit which he was receiving and each child
1006 not having attained his nineteenth birthday shall receive
1007 one-fourth (1/4) of his benefit, but not more than one-half (1/2)
1008 of the benefits shall be paid for the support and maintenance of
1009 two (2) or more children. Upon each child's attaining the age of
1010 nineteen (19) years, the child shall no longer be eligible for
1011 such benefit, and when all of such children have attained their
1012 nineteenth birthday, only the widow shall be eligible for one-half

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1013 (1/2) the amount of his benefit. She shall continue to be
1014 eligible for such benefit in the amount of fifty percent (50%) of
1015 his retirement benefit so long as she may live and until she
1016 remarries. In the event of her remarriage at any time, her
1017 eligibility for the fifty percent (50%) benefits shall cease and
1018 terminate, but she will be eligible to continue to receive
1019 benefits for their children until the last child attains his or
1020 her nineteenth birthday in the manner aforesaid.

1021 (2) Upon the death of any highway patrolman who has served
1022 the minimum retirement period required for eligibility for such
1023 retirement program, his spouse and family shall receive all the
1024 benefits payable to the highway patrolman's beneficiaries as if he
1025 had retired at the time of his death. Such benefits cease as to
1026 the spouse upon remarriage but continue to be payable to each
1027 child until he reaches the age of nineteen (19) years. Such
1028 benefits are payable on a monthly basis.

1029 (3) The spouse and/or the dependent children of an active
1030 member who is killed in the line of performance of duty or dies as
1031 a direct result of an accident occurring in the line of
1032 performance of duty shall qualify, on approval of the board, for a
1033 retirement allowance on the first of the month following the date
1034 of death, but not before receipt of application by the board. The
1035 spouse shall receive a retirement allowance equal to one-half
1036 (1/2) of the average compensation of the deceased highway
1037 patrolman. In addition to the retirement allowance for the
1038 spouse, or if there is no surviving spouse, a retirement allowance
1039 shall be paid in the amount of one-fourth (1/4) of the average
1040 compensation for the support and maintenance of one (1) child or
1041 in the amount of one-half (1/2) of the average compensation for
1042 the support and maintenance of two (2) or more children. Such
1043 benefits shall cease to be paid for the support and maintenance of
1044 each child upon such child attaining the age of nineteen (19)
1045 years; however, the spouse shall continue to be eligible for the

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1046 aforesaid retirement allowance. Benefits may be paid to a
1047 surviving parent or lawful custodian of such children for the use
1048 and benefit of the children without the necessity of appointment
1049 as guardian. Such retirement allowance shall cease to the spouse
1050 upon remarriage but continue to be payable for each dependent
1051 child until the age of nineteen (19) years.

1052 (4) All benefits accruing to any child under the provisions
1053 of this chapter shall be paid to the parent custodian of the
1054 children or the legal guardian.

1055 (5) Children receiving the benefits provided herein, who are
1056 permanently or totally disabled, shall continue to receive such
1057 benefits for as long as the medical board or other designated
1058 governmental agency certifies that such disability continues. The
1059 age limitation for benefits payable to a child under any provision
1060 of this section shall be extended beyond age nineteen (19), but in
1061 no event beyond the attainment of age twenty-three (23), as long
1062 as the child is a student regularly pursuing a full-time course of
1063 resident study or training in an accredited high school, trade
1064 school, technical or vocational institute, junior or community
1065 college, college, university or comparable recognized educational
1066 institution duly licensed by a state. A student child whose
1067 birthday falls during the school year (September 1 through June
1068 30) is considered not to reach age twenty-three (23) until the
1069 July 1 following the actual twenty-third birthday. A full-time
1070 course of resident study or training means a day or evening
1071 noncorrespondence course that includes school attendance at the
1072 rate of a least thirty-six (36) weeks per academic year or other
1073 applicable period with a subject load sufficient, if successfully
1074 completed, to attain the educational or training objective within
1075 the period generally accepted as minimum for completion, by a
1076 full-time day student, of the academic or training program
1077 concerned.

1078 (6) If all the annuities provided for in this section

1079 payable on the account of the death of a member terminate before
1080 there has been paid an aggregate amount equal to the member's
1081 accumulated contributions standing to the member's credit in the
1082 annuity savings account at the time of the member's death, the
1083 difference between the accumulated contributions and the aggregate
1084 amount of annuity payments shall be paid to such person as the
1085 member has nominated by written designation duly executed and
1086 filed with the board of trustees in the office of the Public
1087 Employees' Retirement System. If there is no designated
1088 beneficiary surviving at termination of benefits, the difference
1089 shall be payable in the following statutory succession: spouse,
1090 children, parents, estate.

1091 (7) All benefits paid to a spouse or child due to the death
1092 of a member before or after retirement shall be paid in accordance
1093 with the statutory provisions set forth as of the date of death.

1094 SECTION 11. Section 25-13-16, Mississippi Code of 1972, is
1095 amended as follows:

1096 25-13-16. (1) Upon application for superannuation or
1097 disability retirement, any member who retires after July 1, 1990,
1098 may elect to receive his benefit pursuant to the provisions of
1099 Sections 25-13-11 and 25-13-13 or may elect to receive his benefit
1100 in a retirement allowance payable throughout life with no further
1101 payments to anyone at his death, except that in the event his
1102 total retirement payments under this article do not equal his
1103 total contributions under this article, his named beneficiary
1104 shall receive the difference in cash at his death. Or he may
1105 elect upon retirement, or upon becoming eligible for retirement,
1106 to receive the actuarial equivalent, subject to the provisions of
1107 subsection (3) of this section, of his retirement allowance in a
1108 reduced retirement allowance payable throughout life with the
1109 provision that:

1110 **Option 1.** If he dies before he has received in annuity
1111 payment the value of the member's annuity savings account as it

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1112 was at the time of his retirement, the balance shall be paid to
1113 his legal representative or to such person as he shall nominate by
1114 written designation duly acknowledged and filed with the board; or

1115 **Option 2.** Upon his death, his reduced retirement
1116 allowance shall be continued throughout the life of, and paid to,
1117 such person as he has nominated by written designation duly
1118 acknowledged and filed with the board of trustees at the time of
1119 his retirement;

1120 **Option 3.** Upon his death, one-half (1/2) of his reduced
1121 retirement allowance shall be continued throughout the life of,
1122 and paid to, such person as he shall have nominated by written
1123 designation duly acknowledged and filed with the board of trustees
1124 at the time of his retirement, and the other one-half (1/2) of his
1125 reduced retirement allowance to some other designated beneficiary;

1126 **Option 4-A.** Upon his death, one-half (1/2) of his
1127 reduced retirement allowance, or such other specified amount,
1128 shall be continued throughout the life of, and paid to, such
1129 person as he shall have nominated by written designation duly
1130 acknowledged and filed with the board of trustees at the time of
1131 his retirement; or

1132 **Option 4-B.** A reduced retirement allowance shall be
1133 continued throughout the life of the retirant, but with the
1134 further guarantee of payments to the named beneficiary,
1135 beneficiaries or to the estate for a specified number of years
1136 certain. If the retired member or the last designated beneficiary
1137 receiving annuity payments dies prior to receiving all guaranteed
1138 payments due, the actuarial equivalent of the remaining payments
1139 would be paid to the estate of the retired member as intestate
1140 property.

1141 **Option 4-C.** Such retirement allowance otherwise payable
1142 may be converted into a retirement allowance of equivalent
1143 actuarial value in such an amount that, with the member's benefit
1144 under Title II of the federal Social Security Act, the member will

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1145 receive, so far as possible, approximately the same amount
1146 annually before and after the earliest age at which the member
1147 becomes eligible to receive a social security benefit.

1148 * * *

1149 (2) No change in the option selected shall be permitted
1150 after the member's death or after the member has received his
1151 first retirement check, except as provided in subsections (3) and
1152 (4) of this section. However, any retired member who is receiving
1153 a retirement allowance under Option 2 or Option 4-A upon July 1,
1154 1999, and whose designated beneficiary predeceased him or whose
1155 marriage to a spouse who is his designated beneficiary is
1156 terminated by divorce or other dissolution, upon written
1157 notification to the retirement system of the death of the
1158 designated beneficiary or of the termination of his marriage to
1159 his designated beneficiary, the retirement allowance payable to
1160 the member after receipt of such notification by the retirement
1161 system shall be equal to the retirement allowance that would have
1162 been payable if the member had not elected the option. In
1163 addition, any retired member who is receiving the maximum
1164 retirement allowance for life, a retirement allowance under Option
1165 1 or who is receiving a retirement allowance under Option 2 or
1166 Option 4-A on July 1, 1999, may elect to provide survivor benefits
1167 under Option 2 or Option 4-A to a spouse who was not previously
1168 the member's beneficiary and who the member married before July 1,
1169 1999. Should a member retired on disability be returned to active
1170 service, the option previously selected shall be null and void.
1171 Upon subsequent retirement a new option may be selected.

1172 (3) Any retired member who is receiving a reduced retirement
1173 allowance under Option 2 or Option 4-A whose designated
1174 beneficiary predeceases him, or whose marriage to a spouse who is
1175 his designated beneficiary is terminated by divorce or other
1176 dissolution, may elect to cancel his reduced retirement allowance
1177 and receive the maximum retirement allowance for life in an amount

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1178 equal to the amount that would have been payable if the member had
1179 not elected Option 2 or Option 4-A. Such election must be made in
1180 writing to the office of the executive director of the system on a
1181 form prescribed by the board. Any such election shall be
1182 effective the first of the month following the date the election
1183 is received by the system.

1184 (4) Any retired member who is receiving the maximum
1185 retirement allowance for life, or a retirement allowance under
1186 Option 1, and who marries after his retirement may elect to cancel
1187 his maximum retirement allowance and receive a reduced retirement
1188 allowance under Option 2 or Option 4-A to provide continuing
1189 lifetime benefits to his spouse. Such election must be made in
1190 writing to the office of the executive director of the system on a
1191 form prescribed by the board not earlier than the date of the
1192 marriage. Any such election shall be effective the first of the
1193 month following the date the election is received by the system.
1194 The amount of the reduced retirement allowance shall be the
1195 actuarial equivalent, taking into account that the member received
1196 the maximum retirement allowance for a period of time before
1197 electing to receive a reduced retirement allowance. However, if a
1198 retiree marries or remarries after retirement and elects either
1199 Option 2 or Option 4-A as provided in subsection (2) or (4) of
1200 this section, the actuarial equivalent factor used to compute the
1201 reduced retirement allowance shall be the factor for the age of
1202 the retiree and his or her beneficiary at the time such election
1203 for recalculation of benefits is made.

1204 (5) Any member in service who has qualified for retirement
1205 benefits may select any optional method of settlement of
1206 retirement benefits by notifying the Executive Director of the
1207 Board of Trustees of the Public Employees' Retirement System in
1208 writing, on a form prescribed by the board, of the option he has
1209 selected and by naming the beneficiary of such option and
1210 furnishing necessary proof of age. Such option, once selected,

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1211 may be changed at any time prior to actual retirement or death,
1212 but upon the death or retirement of the member, the optional
1213 settlement shall be placed in effect upon proper notification to
1214 the executive director.

1215 (6) Notwithstanding any provision of Section 25-13-1 et
1216 seq., no payments may be made for a retirement allowance on a
1217 monthly basis for a period of time in excess of that allowed by
1218 federal law.

1219 (7) If a retirant and his eligible beneficiary, if any, both
1220 die before they have received in annuity payments a total amount
1221 equal to the accumulated contributions standing to the retirant's
1222 credit in the annuity savings account at the time of his
1223 retirement, the difference between the accumulated contributions
1224 and the total amount of annuities received by them shall be paid
1225 to such persons as the retirant has nominated by written
1226 designation duly executed and filed in the office of the executive
1227 director. If no designated person survives the retirant and his
1228 beneficiary, the difference, if any, shall be paid to the estate
1229 of the survivor of the retirant and his beneficiary.

1230 (8) Any retired member who retired on Option 2(5) or 4-A(5)
1231 before July 1, 1999, who is still receiving a retirement allowance
1232 as of July 1, 1999, shall receive an increase in the annual
1233 retirement allowance effective July 1, 1999, equal to the amount
1234 they would have received under Option 2 or Option 4-A without a
1235 reduction for Option 5 based on the ages at retirement of the
1236 retiree and beneficiary and option factors in effect on July 1,
1237 1999. Such increase shall be prospective only.

1238 (9) For purposes of this section:

1239 (a) "Beneficiary" means any person designated to
1240 receive a retirement allowance, an annuity or other benefit as
1241 provided by this chapter. Such designation shall be in writing
1242 filed in the office of the Executive Director of the Board of
1243 Trustees of the Public Employees' Retirement System, and no

1244 designation or change of beneficiary shall be made in any other
1245 manner; however, notwithstanding any provision of this chapter to
1246 the contrary, the lawful spouse of a member at the time of the
1247 death of a member shall be the beneficiary of such member unless
1248 the member has designated another beneficiary subsequent to the
1249 date of marriage.

1250 (b) "Actuarial equivalent" shall mean a benefit of
1251 equal value to the accumulated contributions, annuity or benefit,
1252 as the case may be, when computed upon the basis of such mortality
1253 tables as shall be adopted by the board of trustees, and regular
1254 interest.

1255 (c) "Actuarial tables" shall mean such tables of
1256 mortality and rates of interest as shall be adopted by the board
1257 in accordance with the recommendation of the actuary.

1258 SECTION 12. Section 25-13-21, Mississippi Code of 1972, is
1259 amended as follows:

1260 25-13-21. In the event a highway patrolman ceases to work
1261 for the Highway Safety Patrol for any reason other than
1262 occupational disease contracted or for any accident sustained by
1263 the patrolman by reason of his service or discharge of his duty in
1264 the Highway Patrol, and if the highway patrolman is not eligible
1265 for retirement either for service or disability, he shall be
1266 refunded the amount of his total contribution under the provisions
1267 of this chapter, including any credit transferred to his account
1268 in this system from any other system, at his request; and should
1269 he die before retirement, such fund is to be refunded to any
1270 beneficiary he may name.

1271 Pursuant to the Unemployment Compensation Amendments of 1992
1272 (P.L. 102-318 (UCA)), a member or eligible beneficiary eligible
1273 for a refund under this section may elect on a form prescribed by
1274 the board under rules and regulations established by the board, to
1275 have an eligible roll-over distribution of accumulated
1276 contributions payable under this section paid directly to an

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1277 eligible retirement plan or individual retirement account. If the
1278 member or eligible beneficiary makes such election and specifies
1279 the eligible retirement plan or individual retirement account to
1280 which such distribution is to be paid, the distribution will be
1281 made in the form of a direct trustee to trustee transfer to the
1282 specified eligible retirement plan. Flexible roll overs under
1283 this subsection shall not be considered assignments under Section
1284 25-13-31.

1285 If any highway patrolman who shall receive a refund reenters
1286 the service of the Highway Safety Patrol and again becomes a
1287 member of the system * * *, he may repay all amounts previously
1288 received by him as a refund, together with regular interest
1289 covering the period from the date of refund to the date of
1290 repayment; however, the amounts that are repaid by the member and
1291 the creditable service related thereto shall not be used in any
1292 benefit calculation or determination until the member has remained
1293 a contributor to the system for a period of at least five (5)
1294 years after such member's reentry into state service. Repayment
1295 for such time shall be made in increments of not less than
1296 one-quarter-year of creditable service beginning with the most
1297 recent service for which refund has been made. Upon the repayment
1298 of all or part of such refund and interest, the highway patrolman
1299 shall again receive credit for the * * * period of creditable
1300 service for which full repayment has been made to the system.

1301 SECTION 13. The following shall be codified as Section
1302 25-13-22, Mississippi Code of 1972:

1303 25-13-22. Effective July 1, 2000, and subject to the rules
1304 adopted by the board of trustees, the system shall accept an
1305 eligible roll-over distribution or a direct transfer of funds from
1306 another qualified plan in payment of all or a portion of the cost
1307 to purchase optional service credit or to reinstate previously
1308 withdrawn service credit as permitted by the system. The system
1309 may only accept roll-over payments in an amount equal to or less

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1310 than the balance due for purchase or reinstatement of service
1311 credit. The rules adopted by the board shall condition the
1312 acceptance of a roll over or transfer from another qualified plan
1313 on the receipt from the other plan of information necessary to
1314 enable the system to determine the eligibility of any transferred
1315 funds for tax-free roll-over treatment or other treatment under
1316 federal income tax law.

1317 SECTION 14. Section 25-13-25, Mississippi Code of 1972, is
1318 amended as follows:

1319 25-13-25. There is established an administrative board for
1320 the Mississippi Highway Safety Patrol Retirement System, which
1321 shall be composed of the Commissioner of Public Safety, four (4)
1322 active members of the retirement system elected by the active
1323 members of the system, and one (1) retired member of the
1324 retirement system elected by the retired members of the system.
1325 The administrative board, with approval of the Attorney General,
1326 may make any and all regulations necessary for the efficient,
1327 orderly and successful operation of this chapter, not inconsistent
1328 herewith. This is a remedial chapter and entitled to a broad and
1329 liberal interpretation to accomplish its purpose.

1330 SECTION 15. The following shall be codified as Section
1331 21-29-323, Mississippi Code of 1972:

1332 21-29-323. Monthly benefits payable to a spouse in the event
1333 of the death of a member before retirement or a retiree after
1334 retirement, shall be divided and paid to or for the benefit of any
1335 dependent children of the deceased member or retiree in an amount
1336 equal to ten percent (10%) of the annual benefit payable to one
1337 (1) dependent child, twenty percent (20%) for two (2) or more
1338 dependent children, and thirty percent (30%) to three (3) or more
1339 dependent children. If there are more than three (3) dependent
1340 children, upon a child ceasing to be a dependent, his annuity
1341 shall terminate and there shall be a redetermination of the
1342 amounts payable to any remaining dependent children. Such

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1343 benefits shall be paid to a surviving parent or lawful custodian
1344 of such children for the use and benefit of the children without
1345 the necessity of appointment of guardian. The remaining amount
1346 shall be paid to the spouse as otherwise provided.

1347 SECTION 16. This act shall take effect and be in force from
1348 and after July 1, 1999.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 25-11-109, MISSISSIPPI CODE OF 1972,
2 TO ALLOW AN INACTIVE VESTED MEMBER OF THE PUBLIC EMPLOYEES'
3 RETIREMENT SYSTEM TO PURCHASE OUT-OF-STATE AND PROFESSIONAL LEAVE
4 CREDIT; TO AMEND SECTION 25-11-113, MISSISSIPPI CODE OF 1972, TO
5 PROVIDE THAT A FINDING OF TOTAL DISABILITY BY THE SOCIAL SECURITY
6 ADMINISTRATION WILL CREATE A REBUTTABLE PRESUMPTION OF DISABILITY;
7 TO PROVIDE THAT CLEAR AND CONVINCING EVIDENCE IS NEEDED TO
8 OVERCOME THE PRESUMPTION; TO AMEND SECTION 25-11-115, MISSISSIPPI
9 CODE OF 1972, TO CLARIFY A MEMBER'S ANNUITY TO BE THE VALUE OF THE
10 ANNUITY SAVINGS ACCOUNT FOR THE MEMBER; TO AMEND SECTION
11 25-11-117, MISSISSIPPI CODE OF 1972, TO AUTHORIZE REPAYMENT OF A
12 REFUND UPON REEMPLOYMENT IN A COVERED POSITION; TO CODIFY SECTION
13 25-11-118, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE RETIREMENT
14 SYSTEM TO ACCEPT ELIGIBLE ROLL-OVER DISTRIBUTIONS FOR THE PURPOSE
15 OF REPAYING A REFUND OR PURCHASING OPTIONAL SERVICE CREDIT; TO
16 AMEND SECTION 25-11-120, MISSISSIPPI CODE OF 1972, TO DEFINE WHAT
17 CONSTITUTES A RECORD FOR APPEAL PURPOSES; TO AMEND SECTION
18 25-11-123, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT DELINQUENT
19 EMPLOYEE CONTRIBUTIONS PLUS ACCRUED INTEREST WILL BE THE
20 OBLIGATION OF THE EMPLOYEE, AND DELINQUENT EMPLOYER CONTRIBUTIONS
21 PLUS ACCRUED INTEREST WILL BE THE OBLIGATION OF THE EMPLOYER; TO
22 AUTHORIZE THE EMPLOYER, IN ITS DISCRETION, TO PAY THE ACCRUED
23 INTEREST ON DELINQUENT EMPLOYEE CONTRIBUTIONS; TO AMEND SECTION
24 25-11-137, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ONLY
25 ESTABLISHED LAW ENFORCEMENT OR FIRE DEPARTMENT SERVICE COVERED BY
26 A RETIREMENT SYSTEM IN THE STATE OF MISSISSIPPI IS ELIGIBLE FOR
27 THE TRANSFER OF CREDIT TO ANOTHER RETIREMENT SYSTEM; TO PROVIDE
28 THAT A MEMBER MAY TRANSFER SUCH CREDIT AFTER HAVING COMPLETED THE
29 MINIMUM ELIGIBILITY PERIOD FOR MONTHLY BENEFITS; TO AMEND SECTION
30 25-11-409, MISSISSIPPI CODE OF 1972, TO REDUCE FROM 90 TO 30 DAYS
31 THE PERIOD FOR ENROLLMENT IN THE OPTIONAL RETIREMENT PROGRAM; TO
32 AMEND SECTION 25-13-13, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
33 IF THE MEMBER AND BENEFICIARY DIE BEFORE HAVING RECEIVED IN
34 BENEFITS AN AMOUNT EQUAL TO THE TOTAL OF THE CONTRIBUTIONS AND
35 ACCRUED INTEREST OF THE MEMBER AT THE TIME OF RETIREMENT, THE
36 BALANCE WILL BE REFUNDED TO THE DESIGNATED BENEFICIARY OR BY
37 STATUTORY SUCCESSION; TO PROVIDE THAT PAYMENT OF DEATH BENEFITS
38 UNDER THE HIGHWAY SAFETY PATROL RETIREMENT SYSTEM TO A SPOUSE OR
39 CHILD SHALL BE IN ACCORDANCE WITH THE STATUTORY PROVISIONS SET
40 FORTH AS OF THE DATE OF DEATH; TO AMEND SECTION 25-13-16,
41 MISSISSIPPI CODE OF 1972, TO DEFINE ANNUITY AS THE ANNUITY SAVINGS
42 ACCOUNT UNDER THE HIGHWAY SAFETY PATROL RETIREMENT SYSTEM; TO
43 AUTHORIZE A RETIREE WHO RETIRED BEFORE OR AFTER JULY 1, 1999, AND
44 WHOSE DESIGNATED BENEFICIARY PREDECEASED OR PREDECEASES HIM OR
45 WHOSE DESIGNATED BENEFICIARY IS OR WAS THE SPOUSE AND THE MARRIAGE
46 IS OR WAS DISSOLVED TO ELECT TO HAVE BENEFITS RECALCULATED TO
47 RECEIVE THE MAXIMUM BENEFITS; TO AUTHORIZE A RETIREE WHO RETIRED
48 BEFORE OR AFTER JULY 1, 1999, WHO MARRIED, MARRIES OR REMARRIES,
49 AND THE SPOUSE IS NOT THE SAME SPOUSE MARRIED TO THE MEMBER AT THE

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50 TIME OF RETIREMENT, TO ELECT TO RECEIVE A REDUCED RETIREMENT
51 ALLOWANCE UNDER OPTION 2 OR OPTION 4-A; TO REMOVE THE COST TO THE
52 RETIREE FOR THE RIGHT TO ELECT TO HAVE BENEFITS RECALCULATED TO
53 RECEIVE THE MAXIMUM BENEFITS TO PROVIDE THAT NO PAYMENTS UNDER THE
54 HIGHWAY SAFETY PATROL RETIREMENT SYSTEM MAY BE MADE FOR A PERIOD
55 IN EXCESS OF THAT ALLOWED BY FEDERAL LAW; TO PROVIDE THAT IF A
56 MEMBER AND HIS BENEFICIARY BOTH DIE BEFORE HAVING RECEIVED IN
57 MONTHLY BENEFITS AN AMOUNT EQUAL TO THE CONTRIBUTIONS AND ACCRUED
58 INTEREST OF THE MEMBER AT THE TIME OF RETIREMENT, THE BALANCE WILL
59 BE REFUNDED TO THE ESTATE OF THE SURVIVOR OF THE RETIRANT AND HIS
60 BENEFICIARY; TO PROVIDE THAT THE RETIREMENT ALLOWANCE FOR ANY
61 RETIRED MEMBER WHO RETIRED UNDER OPTION 2(5) OR OPTION 4-A(5) WHO
62 IS STILL RECEIVING BENEFITS ON JULY 1, 1999, WILL BE INCREASED BY
63 AN AMOUNT EQUAL TO THE AMOUNT THEY WOULD HAVE RECEIVED UNDER
64 OPTION 2 OR OPTION 4-A WITHOUT THE REDUCTION FOR OPTION 5; TO
65 AMEND SECTION 25-13-21, MISSISSIPPI CODE OF 1972, TO AUTHORIZE A
66 MEMBER OF THE HIGHWAY SAFETY PATROL RETIREMENT SYSTEM OR ELIGIBLE
67 BENEFICIARY WHO IS ELIGIBLE FOR A REFUND TO ELECT TO HAVE AN
68 ELIGIBLE ROLL-OVER DISTRIBUTION OF ACCUMULATED CONTRIBUTIONS PAID
69 DIRECTLY TO AN ELIGIBLE RETIREMENT PLAN OR INDIVIDUAL RETIREMENT
70 ACCOUNT; TO ALLOW REPAYMENT OF A REFUND UPON THE REEMPLOYMENT OF A
71 MEMBER IN A POSITION COVERED BY THE SYSTEM; TO PROVIDE THAT THE
72 REPAYMENT SHALL BE IN INCREMENTS OF NOT LESS THAN ONE-FOURTH-YEAR
73 OF CREDITABLE SERVICE; TO PROVIDE THAT THE REPURCHASED SERVICE
74 CREDIT SHALL NOT BE ELIGIBLE TO BE USED IN THE CALCULATION OF
75 BENEFITS UNTIL THE MEMBER HAS COMPLETED FIVE YEARS OF MEMBERSHIP
76 AFTER REENTERING THE SYSTEM; TO CODIFY SECTION 25-13-22,
77 MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE HIGHWAY SAFETY PATROL
78 RETIREMENT SYSTEM TO ACCEPT AN ELIGIBLE ROLL-OVER DISTRIBUTION OR
79 A DIRECT TRANSFER OF FUNDS FROM ANOTHER QUALIFIED PLAN IN PAYMENT
80 OF ALL OR A PORTION OF THE COST TO PURCHASE OPTIONAL SERVICE
81 CREDIT OR REINSTATE PREVIOUSLY WITHDRAWN SERVICE CREDIT; TO AMEND
82 SECTION 25-13-25, MISSISSIPPI CODE OF 1972, TO INCREASE THE
83 MEMBERSHIP OF THE ADMINISTRATIVE BOARD FOR THE HIGHWAY SAFETY
84 PATROL RETIREMENT SYSTEM TO INCLUDE ONE RETIRED MEMBER OF THE
85 SYSTEM ELECTED BY THE RETIRED MEMBERS OF THE SYSTEM; TO CODIFY
86 SECTION 21-29-323, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE
87 MONTHLY BENEFITS PAYABLE TO A SPOUSE IN THE EVENT OF THE DEATH OF
88 A MEMBER OF A CITY FIREMEN'S AND POLICEMAN'S DISABILITY AND RELIEF
89 FUND BEFORE RETIREMENT OR OF A RETIREE AFTER RETIREMENT SHALL BE
90 DIVIDED AND PAID TO OR FOR THE BENEFIT OF ANY DEPENDENT CHILDREN
91 OF THE DECEASED MEMBER OR RETIREE IN AN AMOUNT EQUAL TO 10% FOR
92 ONE DEPENDENT CHILD, 20% FOR TWO DEPENDENT CHILDREN OR 30% FOR
93 THREE OR MORE DEPENDENT CHILDREN; TO PROVIDE THAT IF THERE ARE
94 MORE THAN THREE DEPENDENT CHILDREN, WHEN THE OLDEST CHILD CEASES
95 TO QUALIFY THE BENEFITS WILL BE REDISTRIBUTED TO THE REMAINING
96 DEPENDENT CHILDREN; TO PROVIDE THAT BENEFITS MAY BE PAID TO THE
97 SURVIVING PARENT OR LAWFUL CUSTODIAN OF SUCH CHILDREN FOR THE USE
98 AND BENEFIT OF THE CHILDREN WITHOUT THE NECESSITY OF APPOINTMENT
99 OF A GUARDIAN; AND FOR RELATED PURPOSES.