

By: Robinson (84th)

To: Appropriations

HOUSE BILL NO. 331

1 AN ACT TO AMEND SECTION 25-11-103, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT PUBLIC SCHOOL BUS DRIVERS SHALL BE ELIGIBLE TO  
3 BECOME OR REMAIN MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT  
4 SYSTEM REGARDLESS OF THE WEEKLY OR MONTHLY NUMBER OF HOURS WORKED;  
5 TO AMEND SECTION 25-11-105, MISSISSIPPI CODE OF 1972, IN  
6 CONFORMITY TO THE PRECEDING PROVISION; AND FOR RELATED PURPOSES.

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

8 SECTION 1. Section 25-11-103, Mississippi Code of 1972, is  
9 amended as follows:[RF1]

10 25-11-103. The following words and phrases as used in  
11 Articles 1 and 3, unless a different meaning is plainly required  
12 by the context, shall have the following meanings:

13 (a) "Accumulated contributions" shall mean the sum of  
14 all the amounts deducted from the compensation of a member and  
15 credited to his individual account in the annuity savings account,  
16 together with regular interest thereon as provided in Section  
17 25-11-123.

18 (b) "Actuarial cost" shall mean the amount of funds  
19 presently required to provide future benefits as determined by the  
20 board based on applicable tables and formulas provided by the  
21 actuary.

22 (c) "Actuarial equivalent" shall mean a benefit of  
23 equal value to the accumulated contributions, annuity or benefit,

24 as the case may be, when computed upon the basis of such mortality  
25 tables as shall be adopted by the board of trustees, and regular  
26 interest.

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

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

32 (f) "Average compensation" shall mean the average of  
33 the four (4) highest years of earned compensation reported for an  
34 employee in a fiscal or calendar year period, or combination  
35 thereof which do not overlap, or the last forty-eight (48)  
36 consecutive months of earned compensation reported for an  
37 employee. The four (4) years need not be successive or joined  
38 years of service. In no case shall the average compensation so  
39 determined be in excess of One Hundred Twenty-five Thousand  
40 Dollars (\$125,000.00). In computing the average compensation, any  
41 amount paid in a lump sum for personal leave shall be included in  
42 the calculation to the extent that such amount does not exceed an  
43 amount which is equal to thirty (30) days of earned compensation  
44 and to the extent that it does not cause the employees' earned  
45 compensation to exceed the maximum reportable amount specified in  
46 Section 25-11-103(k); provided, however, that such thirty-day  
47 limitation shall not prevent the inclusion in the calculation of  
48 leave earned under federal regulations prior to July 1, 1976, and  
49 frozen as of that date as referred to in Section 25-3-99. Only  
50 the amount of lump sum pay for personal leave due and paid upon  
51 the death of a member attributable for up to one hundred fifty  
52 (150) days shall be used in the deceased member's average  
53 compensation calculation in determining the beneficiary's  
54 benefits. In computing the average compensation, no amounts shall

55 be used which are in excess of the amount on which contributions  
56 were required and paid. If any member who is or has been granted  
57 any increase in annual salary or compensation of more than eight  
58 percent (8%) retires within twenty-four (24) months from the date  
59 that such increase becomes effective, then the board shall exclude  
60 that part of the increase in salary or compensation that exceeds  
61 eight percent (8%) in calculating that member's average  
62 compensation for retirement purposes. The board may enforce this  
63 provision by rule or regulation. However, increases in  
64 compensation in excess of eight percent (8%) per year granted  
65 within twenty-four (24) months of the date of retirement may be  
66 included in such calculation of average compensation if  
67 satisfactory proof is presented to the board showing that the  
68 increase in compensation was the result of an actual change in the  
69 position held or services rendered, or that such compensation  
70 increase was authorized by the State Personnel Board or was  
71 increased as a result of statutory enactment, and the employer  
72 furnishes an affidavit stating that such increase granted within  
73 the last twenty-four (24) months was not contingent on a promise  
74 or agreement of the employee to retire. Nothing in Section  
75 25-3-31 shall affect the calculation of the average compensation  
76 of any member for the purposes of this article. The average  
77 compensation of any member who retires before July 1, 1992, shall  
78 not exceed the annual salary of the Governor.

79 (g) "Beneficiary" shall mean any person entitled to  
80 receive a retirement allowance, an annuity or other benefit as  
81 provided by Articles 1 and 3. In the event of the death prior to  
82 retirement of any member whose spouse and/or children are not

83 entitled to a retirement allowance, the lawful spouse of a member  
84 at the time of the death of such member shall be the beneficiary  
85 of such member unless the member has designated another  
86 beneficiary subsequent to the date of marriage in writing, and  
87 filed such writing in the office of the executive director of the  
88 board of trustees. No designation or change of beneficiary shall  
89 be made in any other manner.

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

93 (i) "Creditable service" shall mean "prior service,"  
94 "retroactive service" and all lawfully credited unused leave not  
95 exceeding the accrual rates and limitations provided in Section  
96 25-3-91 et seq., as of the date of withdrawal from service plus  
97 "membership service" for which credit is allowable as provided in  
98 Section 25-11-109. Except to limit creditable service reported to  
99 the system for the purpose of computing an employee's retirement  
100 allowance or annuity or benefits provided in this article, nothing  
101 in this paragraph shall limit or otherwise restrict the power of  
102 the governing authority of a municipality or other political  
103 subdivision of the state to adopt such vacation and sick leave  
104 policies as it deems necessary.

105 (j) "Child" means either a natural child of the member,  
106 a child that has been made a child of the member by applicable  
107 court action before the death of the member, or a child under the  
108 permanent care of the member at the time of the latter's death,  
109 which permanent care status shall be determined by evidence  
110 satisfactory to the board.

111           (k) "Earned compensation" shall mean the full amount  
112 earned by an employee for a given pay period including any  
113 maintenance furnished up to a maximum of One Hundred Twenty-five  
114 Thousand Dollars (\$125,000.00) per year, and proportionately for  
115 less than one (1) year of service. The value of such maintenance  
116 when not paid in money shall be fixed by the employing state  
117 agency, and, in case of doubt, by the board of trustees as defined  
118 in Section 25-11-15. In any case, earned compensation shall be  
119 limited to the regular periodic compensation paid, exclusive of  
120 litigation fees, bond fees, and other similar extraordinary  
121 nonrecurring payments. In addition, any member in a covered  
122 position, as defined by Public Employees' Retirement System laws  
123 and regulations, who is also employed by another covered agency or  
124 political subdivision shall have the earnings of that additional  
125 employment reported to the Public Employees' Retirement System  
126 regardless of whether the additional employment is sufficient in  
127 itself to be a covered position. In the case of fee officials,  
128 the net earnings from their office after deduction of expenses  
129 shall apply, except that in no case shall earned compensation be  
130 less than the total direct payments made by the state or  
131 governmental subdivisions to the official, and employer and  
132 employee contributions shall be paid thereon. In the case of  
133 members of the state Legislature, all remuneration or amounts  
134 paid, except mileage allowance, shall apply. The amount by which  
135 an eligible employee's salary is reduced pursuant to a salary  
136 reduction agreement authorized under Section 25-17-5 shall be  
137 included as earned compensation under this paragraph, provided  
138 this inclusion does not conflict with federal law, including

139 federal regulations and federal administrative interpretations  
140 thereunder, pertaining to the Federal Insurance Contributions Act  
141 or to Internal Revenue Code Section 125 cafeteria plans.

142 Compensation in addition to an employee's base salary that is paid  
143 to the employee pursuant to the vacation and sick leave policies  
144 of a municipality or other political subdivision of the state that  
145 employs him which exceeds the maximums authorized by Section  
146 25-3-91 et seq., shall be excluded from the calculation of earned  
147 compensation under this article. The maximum salary applicable  
148 for retirement purposes before July 1, 1992, shall be the salary  
149 of the Governor. Nothing in Section 25-3-31 shall affect the  
150 determination of the earned compensation of any member for the  
151 purposes of this article.

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

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

158 (n) "Executive director" shall mean the secretary to  
159 the board of trustees, as provided in Section 25-11-15(9), and the  
160 administrator of the Public Employees' Retirement System and all  
161 systems under the management of the board of trustees. Wherever  
162 the term "Executive Secretary of the Public Employees' Retirement  
163 System" or "executive secretary" appears in this article or in any  
164 other provision of law, it shall be construed to mean the  
165 Executive Director of the Public Employees' Retirement System.

166 (o) "Fiscal year" shall mean the period beginning on

167 July 1 of any year and ending on June 30 of the next succeeding  
168 year.

169 (p) "Medical board" shall mean the board of physicians  
170 or any governmental or nongovernmental disability determination  
171 service designated by the board of trustees that is qualified to  
172 make disability determinations as provided for in Section  
173 25-11-119.

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

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

178 (s) "Position" means any office or any employment in  
179 the state service, or two (2) or more of them, the duties of which  
180 call for services to be rendered by one (1) person, including  
181 positions jointly employed by federal and state agencies  
182 administering federal and state funds. The employer shall  
183 determine upon initial employment and during the course of  
184 employment of an employee who does not meet the criteria for  
185 coverage in the Public Employees' Retirement System based on the  
186 position held, whether the employee is or becomes eligible for  
187 coverage in the Public Employees' Retirement System based upon any  
188 other employment in a covered agency or political subdivision. If  
189 or when the employee meets the eligibility criteria for coverage  
190 in such other position, then the employer must withhold  
191 contributions and report wages from the noncovered position in  
192 accordance with the provisions for reporting of earned  
193 compensation. Failure to deduct and report those contributions  
194 shall not relieve the employee or employer of liability thereof.

195 The board shall adopt such rules and regulations as necessary to  
196 implement and enforce this provision.

197 (t) "Prior service" shall mean service rendered before  
198 February 1, 1953, for which credit is allowable under Sections  
199 25-11-105 and 25-11-109, and which shall allow prior service for  
200 any person who is now or becomes a member of the Public Employees'  
201 Retirement System and who does contribute to the system for a  
202 minimum period of four (4) years.

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

206 (v) "Retirement allowance" shall mean an annuity for  
207 life as provided in this article, payable each year in twelve (12)  
208 equal monthly installments beginning as of the date fixed by the  
209 board. The retirement allowance shall be calculated in accordance  
210 with Section 25-11-111. Provided, any spouse who received a  
211 spouse retirement benefit in accordance with Section 25-11-111(d)  
212 prior to March 31, 1971, and said benefits were terminated because  
213 of eligibility for a Social Security benefit, may again receive  
214 his spouse retirement benefit from and after making application  
215 with the board of trustees to reinstate such spouse retirement  
216 benefit.

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

220 (x) "System" shall mean the Public Employees'  
221 Retirement System of Mississippi established and described in  
222 Section 25-11-101.



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

225 (z) "State service" shall mean all offices and  
226 positions of trust or employment in the employ of the state, or  
227 any political subdivision or instrumentality thereof, which elect  
228 to participate as provided by Section 25-11-105(f), including the  
229 position of elected or fee officials of the counties and their  
230 deputies and employees performing public services or any  
231 department, independent agency, board or commission thereof, and  
232 shall also include all offices and positions of trust or  
233 employment in the employ of joint state and federal agencies  
234 administering state and federal funds and service rendered by  
235 employees of the public schools. Effective July 1, 1973, all  
236 nonprofessional public school employees, such as bus drivers,  
237 janitors, maids, maintenance workers and cafeteria employees,  
238 shall have the option to become members in accordance with Section  
239 25-11-105(b), and shall be eligible to receive credit for services  
240 prior to July 1, 1973, provided the contributions and interest are  
241 paid by the employee in accordance with that section; provided,  
242 further, that the county or municipal separate school district may  
243 pay the employer contribution and pro rata share of interest of  
244 the retroactive service from available funds. From and after July  
245 1, 1998, retroactive service credit shall be purchased at the  
246 actuarial cost in accordance with Section 25-11-105(b). Public  
247 school bus drivers shall be eligible to become or remain members  
248 of the retirement system regardless of the number of hours per  
249 week or per month for which they receive compensation.

250 (aa) "Withdrawal from service" shall mean complete

251 severance of employment in the state service of any member by  
252 resignation, dismissal or discharge.

253 (bb) The masculine pronoun, wherever used, shall  
254 include the feminine pronoun.

255 SECTION 2. Section 25-11-105, Mississippi Code of 1972, is  
256 amended as follows:

257 25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

258 The membership of this retirement system shall be composed as  
259 follows:

260 (a) All persons who shall become employees in the state  
261 service after January 31, 1953, and whose wages are subject to  
262 payroll taxes and are lawfully reported on IRS Form W-2, except  
263 those specifically excluded, or as to whom election is provided in  
264 Articles 1 and 3, shall become members of the retirement system as  
265 a condition of their employment.

266 (b) All persons who shall become employees in the state  
267 service after January 31, 1953, except those specifically excluded  
268 or as to whom election is provided in Articles 1 and 3, unless  
269 they shall file with the board prior to the lapse of sixty (60)  
270 days of employment or sixty (60) days after the effective date of  
271 the cited articles, whichever is later, on a form prescribed by  
272 the board, a notice of election not to be covered by the  
273 membership of the retirement system and a duly executed waiver of  
274 all present and prospective benefits which would otherwise inure  
275 to them on account of their participation in the system, shall  
276 become members of the retirement system; provided, however, that  
277 no credit for prior service will be granted to members until they  
278 have contributed to Article 3 of the retirement system for a

279 minimum period of at least four (4) years. Such members shall  
280 receive credit for services performed prior to January 1, 1953, in  
281 employment now covered by Article 3, but no credit shall be  
282 granted for retroactive services between January 1, 1953, and the  
283 date of their entry into the retirement system unless the employee  
284 pays into the retirement system both the employer's and the  
285 employee's contributions on wages paid him during the period from  
286 January 31, 1953, to the date of his becoming a contributing  
287 member, together with interest at the rate determined by the board  
288 of trustees. Members reentering after withdrawal from service  
289 shall qualify for prior service under the provisions of Section  
290 25-11-117. From and after July 1, 1998, upon eligibility as noted  
291 above, the member may receive credit for such retroactive service  
292 provided:

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

296 (2) The member shall pay to the retirement system  
297 on the date he or she is eligible for such credit or at any time  
298 thereafter prior to the date of retirement the actuarial cost for  
299 each year of such creditable service. The provisions of this  
300 subparagraph (2) shall be subject to the limitations of Section  
301 415 of the Internal Revenue Code and regulations promulgated  
302 thereunder.

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

307           (c) All persons who shall become employees in the state  
308 service after January 31, 1953, and who are eligible for  
309 membership in any other retirement system shall become members of  
310 this retirement system as a condition of their employment unless  
311 they elect at the time of their employment to become a member of  
312 such other system.

313           (d) All persons who are employees in the state service  
314 on January 31, 1953, and who are members of any nonfunded  
315 retirement system operated by the State of Mississippi, or any of  
316 its departments or agencies, shall become members of this system  
317 with prior service credit unless, before February 1, 1953, they  
318 shall file a written notice with the board of trustees that they  
319 do not elect to become members.

320           (e) All persons who are employees in the state service  
321 on January 31, 1953, and who under existing laws are members of  
322 any fund operated for the retirement of employees by the State of  
323 Mississippi, or any of its departments or agencies, shall not be  
324 entitled to membership in this retirement system unless, before  
325 February 1, 1953, any such person shall indicate by a notice filed  
326 with the board, on a form prescribed by the board, his individual  
327 election and choice to participate in this system, but no such  
328 person shall receive prior service credit unless he becomes a  
329 member on or before February 1, 1953.

330           (f) Each political subdivision of the state and each  
331 instrumentality of the state or a political subdivision, or both,  
332 is hereby authorized to submit, for approval by the board of  
333 trustees, a plan for extending the benefits of this article to  
334 employees of any such political subdivision or instrumentality.

335 Each such plan or any amendment to the plan for extending benefits  
336 thereof shall be approved by the board of trustees if it finds  
337 that such plan, or such plan as amended, is in conformity with  
338 such requirements as are provided in Articles 1 and 3; however,  
339 upon approval of such plan or any such plan heretofore approved by  
340 the board of trustees, the approved plan shall not be subject to  
341 cancellation or termination by the political subdivision or  
342 instrumentality. No such plan shall be approved unless:

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

350           (2) It specifies the source or sources from which  
351 the funds necessary to make the payments required by subsection  
352 (d) of Section 25-11-123 and of subsections (f) (5)b and c of this  
353 section are expected to be derived and contains reasonable  
354 assurance that such sources will be adequate for such purpose;

355           (3) It provides for such methods of administration  
356 of the plan by the political subdivision or instrumentality as are  
357 found by the board of trustees to be necessary for the proper and  
358 efficient administration thereof;

359           (4) It provides that the political subdivision or  
360 instrumentality will make such reports, in such form and  
361 containing such information, as the board of trustees may from  
362 time to time require;

363                   (5) It authorizes the board of trustees to  
364 terminate the plan in its entirety in the discretion of the board  
365 if it finds that there has been a failure to comply substantially  
366 with any provision contained in such plan, such termination to  
367 take effect at the expiration of such notice and on such  
368 conditions as may be provided by regulations of the board and as  
369 may be consistent with applicable federal law.

370                   A. The board of trustees shall not finally  
371 refuse to approve a plan submitted under subsection (f), and shall  
372 not terminate an approved plan without reasonable notice and  
373 opportunity for hearing to each political subdivision or  
374 instrumentality affected thereby. The board's decision in any  
375 such case shall be final, conclusive and binding unless an appeal  
376 be taken by the political subdivision or instrumentality aggrieved  
377 thereby to the Circuit Court of Hinds County, Mississippi, in  
378 accordance with the provisions of law with respect to civil causes  
379 by certiorari.

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

387                   C. Every political subdivision or  
388 instrumentality required to make payments under subsection (f)(5)b  
389 hereof is authorized, in consideration of the employees' retention  
390 in or entry upon employment after enactment of Articles 1 and 3,

391 to impose upon its employees, as to services which are covered by  
392 an approved plan, a contribution with respect to wages (as defined  
393 in Section 25-11-5) not exceeding the amount provided in Section  
394 25-11-123(d) if such services constituted employment within the  
395 meaning of Articles 1 and 3, and to deduct the amount of such  
396 contribution from the wages as and when paid. Contributions so  
397 collected shall be paid into the contribution fund as partial  
398 discharge of the liability of such political subdivisions or  
399 instrumentality under subsection (f)(5)b hereof. Failure to  
400 deduct such contribution shall not relieve the employee or  
401 employer of liability thereof.

402           D. Any state agency, school, political  
403 subdivision, instrumentality or any employer that is required to  
404 submit contribution payments or wage reports under any section of  
405 this chapter shall be assessed interest on delinquent payments or  
406 wage reports as determined by the board of trustees in accordance  
407 with rules and regulations adopted by the board and such assessed  
408 interest may be recovered by action in a court of competent  
409 jurisdiction against such reporting agency liable therefor or may,  
410 upon due certification of delinquency and at the request of the  
411 board of trustees, be deducted from any other monies payable to  
412 such reporting agency by any department or agency of the state.

413           E. Each political subdivision of the state  
414 and each instrumentality of the state or a political subdivision  
415 or subdivisions which submits a plan for approval of the board, as  
416 provided in this section, shall reimburse the board for coverage  
417 into the expense account, its pro rate share of the total expense  
418 of administering Articles 1 and 3 as provided by regulations of

419 said board.

420 (g) The board may, in its discretion, deny the right of  
421 membership in this system to any class of employees whose  
422 compensation is only partly paid by the state or who are occupying  
423 positions on a part-time or intermittent basis. The board may, in  
424 its discretion, make optional with employees in any such classes  
425 their individual entrance into this system. However, the board  
426 may not deny the right of membership in the system to public  
427 school bus drivers.

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

434 (i) In the event any member of this system should  
435 change his employment to any agency of the state having an  
436 actuarially funded retirement system, the board of trustees may  
437 authorize the transfer of the member's creditable service and of  
438 the present value of the member's employer's accumulation account  
439 and of the present value of the member's accumulated membership  
440 contributions to such other system, provided the employee agrees  
441 to the transfer of his accumulated membership contributions and  
442 provided such other system is authorized to receive and agrees to  
443 make such transfer.

444 In the event any member of any other actuarially funded  
445 system maintained by an agency of the state changes his employment  
446 to an agency covered by this system, the board of trustees may



447 authorize the receipt of the transfer of the member's creditable  
448 service and of the present value of the member's employer's  
449 accumulation account and of the present value of the member's  
450 accumulated membership contributions from such other system,  
451 provided the employee agrees to the transfer of his accumulated  
452 membership contributions to this system and provided the other  
453 system is authorized and agrees to make such transfer.

454 (j) Wherever herein state employment is referred to, it  
455 shall include joint employment by state and federal agencies of  
456 all kinds.

457 (k) Employees of a political subdivision or  
458 instrumentality who were employed by such political subdivision or  
459 instrumentality prior to an agreement between such entity and the  
460 Public Employees' Retirement System to extend the benefits of this  
461 article to its employees, and which agreement provides for the  
462 establishment of retroactive service credit, and who have been  
463 members of the retirement system and have remained contributors to  
464 the retirement system for four (4) years, may receive credit for  
465 such retroactive service with such political subdivision or  
466 instrumentality, provided the employee and/or employer, as  
467 provided under the terms of the modification of the joinder  
468 agreement in allowing such coverage, pay into the retirement  
469 system the employer's and employee's contributions on wages paid  
470 the member during such previous employment, together with interest  
471 or actuarial cost as determined by the board covering the period  
472 from the date the service was rendered until the payment for the  
473 credit for such service was made. Such wages shall be verified by  
474 the Social Security Administration or employer payroll records.

475 Effective July 1, 1998, upon eligibility as noted above, a member  
476 may receive credit for such retroactive service with such  
477 political subdivision or instrumentality provided;

478 (1) The member shall furnish proof satisfactory to  
479 the board of trustees of certification of such services from the  
480 political subdivision or instrumentality where the services were  
481 rendered or verification by the Social Security Administration;  
482 and

483 (2) The member shall pay to the retirement system  
484 on the date he or she is eligible for such credit or at any time  
485 thereafter prior to the date of retirement the actuarial cost for  
486 each year of such creditable service. The provisions of this  
487 subparagraph (2) shall be subject to the limitations of Section  
488 415 of the Internal Revenue Code and regulations promulgated  
489 thereunder.

490 Nothing contained in this paragraph (k) shall be construed to  
491 limit the authority of the board to allow the correction of  
492 reporting errors or omissions based on the payment of employee and  
493 employer contributions plus applicable interest. Payment for such  
494 time shall be made in increments of not less than one-quarter  
495 (1/4) year of creditable service beginning with the most recent  
496 service. Upon the payment of all or part of such required  
497 contributions, plus interest or the actuarial cost as provided  
498 above, the member shall receive credit for the period of  
499 creditable service for which full payment has been made to the  
500 retirement system.

501 (1) Through June 30, 1998, any state service eligible  
502 for retroactive service credit, no part of which has ever been

503 reported, and requiring the payment of employee and employer  
504 contributions plus interest, or, from and after July 1, 1998, any  
505 state service eligible for retroactive service credit, no part of  
506 which has ever been reported to the retirement system, and  
507 requiring the payment of the actuarial cost for such creditable  
508 service, may, at the member's option, be purchased in quarterly  
509 increments as provided above at such time as its purchase is  
510 otherwise allowed.

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

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

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

518 (a) Patient or inmate help in state charitable, penal  
519 or correctional institutions;

520 (b) Students of any state educational institution  
521 employed by any agency of the state for temporary, part-time or  
522 intermittent work;

523 (c) Participants of Comprehensive Employment and  
524 Training Act of 1973 (CETA) being Public Law 93-203, who enroll on  
525 or after July 1, 1979.

526 **III. TERMINATION OF MEMBERSHIP**

527 Membership in this system shall cease by a member withdrawing  
528 his accumulated contributions, or by a member withdrawing from  
529 active service with a retirement allowance, or by a member's  
530 death.

531           SECTION 3. This act shall take effect and be in force from  
532 and after July 1, 2000.