

By: Cameron, Thornton, Bailey, Straughter

To: Appropriations

HOUSE BILL NO. 678

1 AN ACT TO AMEND SECTION 25-11-111, MISSISSIPPI CODE OF 1972,
 2 TO INCREASE THE RETIREMENT ALLOWANCE FOR MEMBERS OF THE PUBLIC
 3 EMPLOYEES' RETIREMENT SYSTEM FOR YEARS OF SERVICE AS A MUNICIPAL
 4 LAW ENFORCEMENT OFFICER; TO PROVIDE THAT THE RETIREMENT BENEFIT OF
 5 A RETIRED MUNICIPAL LAW ENFORCEMENT OFFICER SHALL NOT EXCEED 100%
 6 OF THE AVERAGE COMPENSATION OF THE OFFICER; AND FOR RELATED
 7 PURPOSES.

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

9 SECTION 1. Section 25-11-111, Mississippi Code of 1972, is
 10 amended as follows:[JU1]

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

20 (b) Any member whose withdrawal from service occurs prior to
 21 attaining the age of sixty (60) years who shall have completed
 22 four (4) or more years of creditable service and shall not have
 23 received a refund of his accumulated contributions shall be

24 entitled to receive a retirement allowance, beginning upon his
25 attaining the age of sixty (60) years, of the amount earned and
26 accrued at the date of withdrawal from service.

27 (c) Any member in service who has qualified for retirement
28 benefits may select any optional method of settlement of
29 retirement benefits by notifying the Executive Director of the
30 Board of Trustees of the Public Employees' Retirement System in
31 writing, on a form prescribed by the board, of the option he has
32 selected and by naming the beneficiary of such option and
33 furnishing necessary proof of age. Such option, once selected,
34 may be changed at any time prior to actual retirement or death,
35 but upon the death or retirement of the member, the optional
36 settlement shall be placed in effect upon proper notification to
37 the executive director.

38 (d) Except as otherwise provided in subsection (i) of this
39 section, the annual amount of the retirement allowance shall
40 consist of:

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

45 (2) An employer's annuity which, together with the
46 member's annuity provided above, shall be equal to one and
47 seven-eighths percent (1-7/8%) of the average compensation for
48 each year of state service up to and including twenty-five (25)
49 years of membership service, and two and one-fourth percent
50 (2-1/4%) of the average compensation for each year of state
51 service exceeding twenty-five (25) years of membership service.
52 However, after the board of trustees has begun implementing the
53 changes in the computation of the retirement allowance as provided
54 in subsection (e), the employer's annuity shall be equal to:

55 (i) One and seven-eighths percent (1-7/8%) of the
56 average compensation for each year of membership service up to and
57 including the number of years specified in Column A of the table
58 in subsection (e) for the latest phase that has been implemented,
59 and

60 (ii) Two percent (2%) of the average compensation
61 for each year of membership service exceeding the number of years
62 specified in Column A of the table in subsection (e) for the
63 latest phase that has been implemented up to and including
64 twenty-five (25) years, and

65 (iii) The percentage of the average compensation
66 specified in Column B of the table in subsection (e) for the
67 latest phase that has been implemented for each year of membership
68 service exceeding twenty-five (25) years.

69 (3) A prior service annuity equal to one and
70 seven-eighths percent (1-7/8%) of the average compensation for
71 each year of state service up to and including twenty-five (25)
72 years of prior service, and two and one-four percent (2-1/4%) of
73 the average compensation for each year of state service exceeding
74 twenty-five (25) years of prior service for which the member is
75 allowed credit. However, after the board of trustees has begun
76 implementing the changes in the computation of the retirement
77 allowance as provided in subsection (e), the prior service annuity
78 shall be equal to:

79 (i) One and seven-eighths percent (1-7/8%) of the
80 average compensation for each year of prior service up to and
81 including the number of years specified in Column A of the table
82 in subsection (e) for the latest phase that has been implemented,

83 and

84 (ii) Two percent (2%) of the average compensation
85 for each year of prior service exceeding the number of years
86 specified in Column A of the table in subsection (e) for the
87 latest phase that has been implemented up to and including
88 twenty-five (25) years, and

89 (iii) The percentage of the average compensation
90 specified in Column B of the table in subsection (e) for the
91 latest phase that has been implemented for each year of prior
92 service exceeding twenty-five (25) years.

93 (4) Any retired member or beneficiary thereof who was
94 eligible to receive a retirement allowance before July 1, 1991,
95 and who is still receiving a retirement allowance on July 1, 1992,
96 shall receive an increase in the annual retirement allowance of
97 the retired member equal to one-eighth of one percent (1/8 of 1%)
98 of the average compensation for each year of state service in
99 excess of twenty-five (25) years of membership service up to and
100 including thirty (30) years. The maximum increase shall be
101 five-eighths of one percent (5/8 of 1%). In no case shall a
102 member who has been retired prior to July 1, 1987, receive less
103 than Ten Dollars (\$10.00) per month for each year of creditable
104 service and proportionately for each quarter year thereof.
105 Persons retired on or after July 1, 1987, shall receive at least
106 Ten Dollars (\$10.00) per month for each year of service and
107 proportionately for each quarter year thereof reduced for the
108 option selected. However, such Ten Dollars (\$10.00) minimum per
109 month for each year of creditable service shall not apply to a
110 retirement allowance computed under Section 25-11-114 based on a

111 percentage of the member's average compensation.

112 (5) The board shall recalculate the retirement
113 allowance of any member or the beneficiary of such a member, if
114 the member or beneficiary is eligible to receive a retirement
115 allowance before July 1, 1999, by using the criteria in paragraphs
116 (2) and (3) of this subsection (d) that provides for two and
117 one-fourth percent (2-1/4%) of the average compensation for each
118 year of service exceeding twenty-five (25) years.

119 (6) Any member upon withdrawal from service upon or
120 after attaining the age of sixty (60) years who has completed at
121 least four (4) years of creditable service, or any member upon
122 withdrawal from service regardless of age who has completed at
123 least twenty-five (25) years of creditable service, shall be
124 entitled to receive a retirement allowance computed in accordance
125 with the formula set forth in this section. Such retirement
126 allowance otherwise payable may be converted into a retirement
127 allowance of equivalent actuarial value in such an amount that,
128 with the member's benefit under Title II of the federal Social
129 Security Act, the member will receive, so far as possible,
130 approximately the same amount annually before and after the
131 earliest age at which the member becomes eligible to receive a
132 social security benefit.

133 (e) Beginning on July 1, 2000, the board of trustees shall
134 implement changes in the computation of the amount of the annual
135 retirement allowance, which changes shall be implemented in phases
136 as set forth in the table in this subsection; however, these
137 changes shall not apply to years of membership service as a
138 municipal law enforcement officer while certified as a law

139 enforcement officer under Chapter 6, Title 45, Mississippi Code of
 140 1972. The board of trustees shall implement the phases
 141 systematically upon July 1 after the board's actuary certifies
 142 that implementation of a phase will not cause the unfunded accrued
 143 actuarial liability amortization period for the retirement system
 144 to exceed twenty-two (22) years. The board of trustees shall have
 145 the exclusive authority to set the assumptions that are used in
 146 the actuarial evaluation in accordance with Section 25-11-119(9).
 147 The board of trustees shall recalculate the retirement allowance
 148 of any retired member or beneficiary of such a member as each
 149 phase is implemented.

150 RETIREMENT ALLOWANCE COMPUTATION

151 IMPLEMENTATION TABLE

152	(A)	(B)
153	2% FOR YEARS	PERCENTAGE
154	ABOVE THIS	FOR YEARS
155	NUMBER AND	ABOVE 25
156	≤25 YEARS	YEARS
157	<hr/>	
158	Phase 1	20 years 2.250%
159	Phase 2	15 years 2.250%
160	Phase 3	10 years 2.250%
161	Phase 4	5 years 2.250%
162	Phase 5	0 years 2.250%
163	Phase 6	0 years 2.375%
164	Phase 7	0 years 2.500%

165 Column A shows the years to which two percent (2%) is
 166 applicable in computing the retirement allowance, which are all

167 the years of service exceeding the number specified in Column A
168 for the phase that has been implemented up to and including
169 twenty-five (25) years.

170 Column B shows the percentage that is applicable to the
171 number of years of service exceeding twenty-five (25) years in
172 computing the retirement allowance.

173 (f) No member, except members excluded by the Age
174 Discrimination in Employment Act Amendments of 1986 (Public Law
175 99-592), under either Article 1 or Article 3 in state service
176 shall be required to retire because of age.

177 (g) No payment on account of any benefit granted under the
178 provisions of this section shall become effective or begin to
179 accrue until January 1, 1953.

180 (h) (1) A retiree or beneficiary may, on a form prescribed
181 by and filed with the retirement system, waive all or a portion of
182 any benefits from the retirement system to which the retiree or
183 beneficiary is entitled. A retiree or beneficiary may revoke a
184 waiver of benefits in the same manner as the original waiver was
185 made. Such waiver shall be binding on the heirs and assigns of
186 any retiree or beneficiary and the same must agree to forever hold
187 harmless the Public Employees' Retirement System of Mississippi
188 from any claim to such waived retirement benefits.

189 (2) Any waiver pursuant to this subsection shall apply
190 only to the person executing the waiver and any beneficiary shall
191 be entitled to benefits according to the option selected by the
192 member at the time of retirement. However, a beneficiary may, at
193 the option of the beneficiary, execute a waiver of benefits
194 pursuant to this subsection.

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

198 (4) The board of trustees may provide rules and
199 regulations for the administration of waivers under this
200 subsection.

201 (i) The annual amount of the retirement allowance for any
202 member who was employed as a municipal law enforcement officer for
203 membership service completed as a municipal law enforcement
204 officer while certified as a law enforcement officer under Chapter
205 6, Title 45, Mississippi Code of 1972, shall consist of:

206 (1) A member's annuity which shall be the actuarial
207 equivalent of the accumulated contributions of the member at the
208 time of retirement computed according to the actuarial table in
209 use by the system;

210 (2) An employer's annuity which, together with the
211 member's annuity provided above, shall be equal to three percent
212 (3%) of the average compensation for each year of membership
213 service as a law enforcement officer; and

214 (3) A prior service annuity equal to three percent (3%)
215 of the average compensation for each year of prior service as a
216 law enforcement officer.

217 (j) Upon retiring, a member who was employed as a municipal
218 law enforcement officer while certified as a law enforcement
219 officer under Chapter 6, Title 45, Mississippi Code of 1972, shall
220 be entitled to benefits, computed as provided for in this section,
221 for life, except that the aggregate amount of the employer's
222 annuity and prior service annuity shall not exceed more than one

223 hundred percent (100%) of the average compensation regardless of
224 the years of service of the member.

225 SECTION 2. This act shall take effect and be in force from
226 and after July 1, 2000.