

By: Stringer, Gadd

To: Appropriations

HOUSE BILL NO. 1219

1 AN ACT TO CREATE NEW SECTION 25-11-115.2, MISSISSIPPI CODE OF
2 1972, TO PROVIDE THAT THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
3 SHALL NOT KNOWINGLY ALLOW BENEFIT PAYMENTS TO BE MADE DIRECTLY TO
4 PERSONS WHO ARE DETERMINED TO BE LEGALLY INCOMPETENT; TO PROVIDE
5 THAT ANY PERSON WHO COMES TO BE KNOWN BY THE SYSTEM AS INCAPABLE
6 OF APPLYING FOR, MANAGING OR DIRECTING THE MANAGEMENT OF BENEFITS
7 BY REASON OF MENTAL OR PHYSICAL IMPAIRMENT SHALL BE DIRECTED TO
8 OBTAIN A CONSERVATOR OR LEGAL GUARDIAN; TO PROVIDE THAT THE SYSTEM
9 MAY DESIGNATE A REPRESENTATIVE PAYEE FOR SUCH PERSON UNDER CERTAIN
10 CIRCUMSTANCES; TO PROVIDE THAT CERTIFICATION BY A MEDICAL DOCTOR
11 OF INCAPACITY TO APPLY FOR, MANAGE OR DIRECT THE MANAGEMENT OF
12 BENEFITS SHALL BE REQUIRED BY THE SYSTEM BEFORE APPOINTMENT OF A
13 REPRESENTATIVE PAYEE; TO REQUIRE A REPRESENTATIVE PAYEE TO APPLY
14 BENEFITS PAID ONLY FOR THE USE AND BENEFIT OF THE BENEFIT
15 RECIPIENT; TO LIMIT THE LIABILITY OF THE RETIREMENT SYSTEM FOR
16 PAYMENTS MADE TO A REPRESENTATIVE PAYEE; TO PROVIDE AN OPTION
17 UNDER WHICH ANNUITY PAYMENTS SHALL BE PAID TO AN INCAPACITATED
18 PERSON IN THE ABSENCE OF A CONSERVATOR, LEGAL GUARDIAN OR DURABLE
19 POWER OF ATTORNEY; TO CREATE NEW SECTIONS 25-11-117.1, 25-11-311.1
20 AND 23-13-21.1, MISSISSIPPI CODE OF 1972, TO DESIGNATE TO WHOM
21 BENEFITS ARE PAYABLE IN THE EVENT OF THE DEATH OF THE RETIREE AND
22 THE DESIGNATED BENEFICIARY OF THE RETIREE UNDER THE PUBLIC
23 EMPLOYEES' RETIREMENT SYSTEM, THE SUPPLEMENTAL LEGISLATIVE
24 RETIREMENT PLAN AND THE MISSISSIPPI HIGHWAY SAFETY PATROL
25 RETIREMENT SYSTEM; TO CREATE NEW SECTION 25-11-312, MISSISSIPPI
26 CODE OF 1972, TO AUTHORIZE THE BOARD OF TRUSTEES OF THE PUBLIC
27 EMPLOYEES' RETIREMENT SYSTEM TO ACCEPT AN ELIGIBLE ROLLOVER
28 DISTRIBUTION OR A DIRECT TRANSFER OF FUNDS FROM ANOTHER QUALIFIED
29 PLAN IN PAYMENT OF ALL OR A PORTION OF THE COST TO REINSTATE
30 PREVIOUSLY WITHDRAWN SERVICE CREDIT IN THE SUPPLEMENTAL
31 LEGISLATIVE RETIREMENT PLAN; TO PROVIDE THAT SUCH PLAN MAY ACCEPT
32 SUCH PAYMENTS IN AN AMOUNT EQUAL TO OR LESS THAN THE BALANCE DUE
33 FOR REINSTATEMENT OF SERVICE CREDIT; TO AMEND SECTION 25-11-103,
34 MISSISSIPPI CODE OF 1972, TO CLARIFY WHO IS DESIGNATED AS THE
35 BENEFICIARY OF A MEMBER IN CERTAIN SITUATIONS; TO AMEND SECTION
36 25-11-111, MISSISSIPPI CODE OF 1972, TO AUTHORIZE A RETIREE OR
37 BENEFICIARY TO IRREVOCABLY WAIVE ALL OR A PORTION OF THE
38 RETIREMENT BENEFITS TO WHICH THE RETIREE OR BENEFICIARY IS
39 ENTITLED; TO AMEND SECTION 25-11-120, MISSISSIPPI CODE OF 1972, TO
40 LIMIT THE AMOUNT OF FEES THAT AN ATTORNEY MAY CHARGE FOR AN
41 APPEARANCE AT A HEARING RELATING TO ELIGIBILITY, PAYMENT OF
42 BENEFITS OR CALCULATION OF CREDITABLE SERVICE; TO AMEND SECTION
43 25-11-121, MISSISSIPPI CODE OF 1972, TO INCREASE THE AMOUNT OF
44 CERTAIN FOREIGN INVESTMENTS THAT THE RETIREMENT SYSTEM MAY MAKE TO
45 30% OF THE TOTAL BOOK VALUE OF ALL INVESTMENTS OF THE SYSTEM; TO
46 AMEND SECTIONS 25-11-131 AND 25-11-139, MISSISSIPPI CODE OF 1972,
47 TO CLARIFY THAT THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES'
48 RETIREMENT SYSTEM HAS THE DUTY TO CORRECT ERRORS IN PAYMENTS OF
49 BENEFITS; TO PROVIDE THAT SUCH CORRECTIONS SHALL BE MADE UPON
50 DETECTION OF THE ERROR, WITHOUT REGARD TO THE LENGTH IT TAKES FOR

51 THE BOARD TO BECOME AWARE OF THE ERROR; TO AMEND SECTION
52 25-11-311, MISSISSIPPI CODE OF 1972, TO AUTHORIZE A MEMBER OR
53 BENEFICIARY ELIGIBLE FOR A REFUND UNDER THE SUPPLEMENTAL
54 LEGISLATIVE RETIREMENT PLAN TO HAVE AN ELIGIBLE ROLLOVER
55 DISTRIBUTION OF ACCUMULATED CONTRIBUTIONS PAYABLE PAID DIRECTLY
56 INTO AN ELIGIBLE RETIREMENT PLAN OR INDIVIDUAL RETIREMENT ACCOUNT;
57 TO PROVIDE THE MANNER IN WHICH A MEMBER OF THE SUPPLEMENTAL
58 LEGISLATIVE RETIREMENT PLAN WHO HAS RECEIVED A REFUND AND IS
59 REELECTED TO THE LEGISLATURE MAY REPURCHASE CREDITABLE SERVICE IN
60 THE SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN; TO AMEND SECTIONS
61 25-11-112, 25-11-114, 25-11-115, 25-11-117, 25-13-12, 25-13-13,
62 25-13-16 AND 25-13-21, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO
63 THE PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

64

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

66 SECTION 1. The provisions of this section shall be codified
67 as Section 25-11-115.2, Mississippi Code of 1972:

68 25-11-115.2. (1) It is the intent of the Public Employees'
69 Retirement System to provide benefit payments in an efficient
70 manner consistent with the member's best interest. The system
71 shall not knowingly allow payments to be made directly to persons
72 who are determined legally incompetent or incapable of managing or
73 directing the management of benefits. Any person applying for or
74 receiving benefits who comes to be known as incapable of applying
75 for, managing or directing the management of benefits by reason of
76 mental or physical impairment, as certified by a medical doctor,
77 shall be directed to obtain a conservator or legal guardian for
78 purposes of applying for, receiving, managing and/or directing
79 benefit payments. In the absence of a conservator or legal
80 guardian or valid durable power of attorney, the Public Employees'
81 Retirement System may designate a representative payee for such
82 purposes. The benefit recipient may nominate a representative
83 payee for consideration by the system in selecting a payee, and
84 the system is responsible for selecting a payee, including an
85 agency, organization, or institution, that will serve the interest
86 of the benefit recipient. The system may also accept the Social
87 Security Administration's designation of a representative payee to
88 manage and direct funds paid by the system. The system shall have
89 the authority to establish rules for the administration of this

90 section.

91 (2) A representative payee shall be directed to apply
92 benefits paid from the system only for the use and benefit of the
93 benefit recipient. The system's obligations to a benefit
94 recipient shall be discharged when it makes a correct payment to a
95 representative payee on the benefit recipient's behalf. The
96 system is without liability for the theft or misuse of benefits if
97 the benefits were properly paid based upon the information
98 available to the system at the time the payments were made.

99 (3) In the absence of a conservator, legal guardian or valid
100 durable power of attorney, an unmarried benefit applicant who is
101 deemed to be incapable of applying for, managing or directing his
102 or her benefits, shall be entitled to receive annuity payments in
103 an amount equal to a retirement allowance based on the maximum
104 benefit payable to the member for life and with any remaining
105 benefit at the death of the member payable pursuant to Section
106 25-11-117.1(1). Such payments shall be paid to the representative
107 payee, designated by the system in accordance with the provisions
108 of this section during the period of the benefit recipient's
109 incapacity.

110 (4) In the absence of a conservator, legal guardian or valid
111 durable power of attorney, any married benefit applicant who is
112 deemed to be incapable of applying for, managing or directing his
113 or her benefits, shall be paid a reduced retirement allowance
114 under Option 2 as provided in Section 25-11-115, with the lawful
115 spouse as the beneficiary. Such payments shall be paid to a
116 representative payee as designated by the system in accordance
117 with the provisions of this section during the period of the
118 benefit recipient's incapacity.

119 SECTION 2. The provisions of this section shall be codified
120 as Section 25-11-117.1, Mississippi Code of 1972:

121 25-11-117.1. (1) Except as otherwise provided in subsection
122 (2) of this section, where benefits are payable to a designated

123 beneficiary or beneficiaries under this article and the designated
124 beneficiary or beneficiaries as provided by the member on the most
125 recent form filed with the system is deceased or otherwise
126 disqualified at the time such benefits become payable, the
127 following persons, in descending order of precedence, shall be
128 eligible to receive such benefits:

129 (a) The surviving spouse of the member or retiree;

130 (b) The children of the member or retiree or their
131 descendants, per stirpes;

132 (c) The brothers and sisters of the member or retiree
133 or their descendants, per stirpes;

134 (d) The parents of the member or retiree;

135 (e) The executor or administrator on behalf of the
136 member or retiree's estate;

137 (f) The persons entitled by law to distribution of the
138 member or retiree's estate.

139 (2) Any monthly benefits payable to a beneficiary who dies
140 prior to cashing his or her final check(s) and/or any additional
141 benefits payable pursuant to Section 25-11-112 still payable at
142 the death of a beneficiary receiving monthly benefits shall be
143 paid as follows:

144 (a) The surviving spouse of the beneficiary;

145 (b) The children of the beneficiary or their
146 descendants, per stirpes;

147 (c) The brothers and sisters of the beneficiary or
148 their descendants, per stirpes;

149 (d) The parents of the beneficiary;

150 (e) The executor or administrator on behalf of the
151 beneficiary's estate;

152 (f) The persons entitled by law to distribution of the
153 beneficiary's estate.

154 (3) In the event no claim is made by any individual listed
155 in subsection (2) of this section, a distribution may be made

156 pursuant to the provisions of subsection (1) of this section.

157 (4) Payment under the provisions of this section shall bar
158 recovery by any other person of the benefits distributed. Payment
159 of benefits made to one or more members of a class of individuals
160 are made on behalf of all members of the class. Any members of
161 the class coming forward after payment is made must look to those
162 who received the payment.

163 SECTION 3. The provisions of this section shall be codified
164 as Section 25-11-311.1, Mississippi Code of 1972:

165 25-11-311.1. (1) Except as provided in subsection (2) of
166 this section, where benefits are payable to a designated
167 beneficiary or beneficiaries and the designated beneficiary or
168 beneficiaries as provided by the member on the most recent form
169 filed with the system are deceased or otherwise disqualified at
170 the time such benefits become payable, the following persons, in
171 descending order of precedence, shall be eligible to receive such
172 benefits:

173 (a) The surviving spouse of the member or retiree;

174 (b) The children of the member or retiree or their
175 descendants, per stirpes;

176 (c) The brothers and sisters of the member or retiree
177 or their descendants, per stirpes;

178 (d) The parents of the member or retiree;

179 (e) The executor or administrator on behalf of the
180 member or retiree's estate;

181 (f) The persons entitled by law to distribution of the
182 member or retiree's estate.

183 (2) Any monthly benefits payable to a beneficiary who dies
184 prior to cashing his or her final check(s) and/or any additional
185 benefits payable pursuant to Section 25-11-112 still payable at
186 the death of a beneficiary receiving monthly benefits shall be
187 paid as follows:

188 (a) The surviving spouse of the beneficiary;

189 (b) The children of the beneficiary or their
190 descendants, per stirpes;
191 (c) The brothers and sisters of the beneficiary or
192 their descendants, per stirpes;
193 (d) The parents of the beneficiary;
194 (e) The executor or administrator on behalf of the
195 beneficiary's estate;
196 (f) The persons entitled by law to distribution of the
197 beneficiary's estate.

198 (3) In the event no claim is made by any individual listed
199 in subsection (2) of this section, a distribution may be made
200 pursuant to the provisions of subsection (1) of this section.

201 (4) Payment under the provisions above shall bar recovery by
202 any other person of the benefits distributed. Payment of benefits
203 made to one or more members of a class of individuals are made on
204 behalf of all members of the class. Any members of the class
205 coming forward after payment is made must look to those who
206 received the payment.

207 SECTION 4. The provisions of this section shall be codified
208 as Section 25-13-21.1, Mississippi Code of 1972:

209 25-13-21.1. (1) Except as otherwise provided in subsection
210 (2) of this section, where benefits are payable to a designated
211 beneficiary or beneficiaries under this article and the designated
212 beneficiary or beneficiaries as provided by the member on the most
213 recent form filed with the system are deceased or otherwise
214 disqualified at the time such benefits become payable, the
215 following persons, in descending order of precedence, shall be
216 eligible to receive such benefits:

217 (a) The surviving spouse of the member or retiree;
218 (b) The children of the member or retiree or their
219 descendants, per stirpes;
220 (c) The brothers and sisters of the member or retiree
221 or their descendants, per stirpes;

222 (d) The parents of the member or retiree;
223 (e) The executor or administrator on behalf of the
224 member or retiree's estate;
225 (f) The persons entitled by law to distribution of the
226 member or retiree's estate.

227 (2) Any monthly benefits payable to a beneficiary who dies
228 prior to cashing his or her final check(s) and/or any additional
229 benefits payable pursuant to Section 25-13-12 still payable at the
230 death of a beneficiary receiving monthly benefits shall be paid as
231 follows:

232 (a) The surviving spouse of the beneficiary;

233 (b) The children of the beneficiary or their
234 descendants, per stirpes;

235 (c) The brothers and sisters of the beneficiary or
236 their descendants, per stirpes;

237 (d) The parents of the beneficiary;

238 (e) The executor or administrator on behalf of the
239 beneficiary's estate;

240 (f) The persons entitled by law to distribution of the
241 beneficiary's estate.

242 (3) In the event no claim is made by any individual listed
243 in subsection (2) of this section, a distribution may be made
244 pursuant to the provisions of subsection (1) of this section.

245 (4) Payment under the provisions of this section shall bar
246 recovery by any other person of the benefits distributed. Payment
247 of benefits made to one or more members of a class of individuals
248 are made on behalf of all members of the class. Any members of
249 the class coming forward after payment is made must look to those
250 who received the payment.

251 SECTION 5. The provisions of this section shall be codified
252 as Section 25-11-312, Mississippi Code of 1972:

253 25-11-312. From and after July 1, 2000, subject to the rules
254 adopted by the board, the supplemental legislative retirement plan

255 shall accept an eligible rollover distribution or a direct
256 transfer of funds from another qualified plan in payment of all or
257 a portion of the cost to reinstate previously withdrawn service
258 credit as permitted by the plan. The plan may only accept
259 rollover payments in an amount equal to or less than the balance
260 due for reinstatement of service credit. The rules adopted by the
261 board of trustees shall condition the acceptance of a rollover or
262 transfer from another qualified plan on the receipt from the other
263 plan of information necessary to enable the plan to determine the
264 eligibility of any transferred funds for tax-free rollover
265 treatment or other treatment under federal income tax law.

266 SECTION 6. Section 25-11-103, Mississippi Code of 1972, is
267 amended as follows:[WAN1]

268 25-11-103. The following words and phrases as used in
269 Articles 1 and 3, unless a different meaning is plainly required
270 by the context, shall have the following meanings:

271 (a) "Accumulated contributions" shall mean the sum of
272 all the amounts deducted from the compensation of a member and
273 credited to his individual account in the annuity savings account,
274 together with regular interest thereon as provided in Section
275 25-11-123.

276 (b) "Actuarial cost" shall mean the amount of funds
277 presently required to provide future benefits as determined by the
278 board based on applicable tables and formulas provided by the
279 actuary.

280 (c) "Actuarial equivalent" shall mean a benefit of
281 equal value to the accumulated contributions, annuity or benefit,
282 as the case may be, when computed upon the basis of such mortality
283 tables as shall be adopted by the board of trustees, and regular
284 interest.

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

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

290 (f) "Average compensation" shall mean the average of
291 the four (4) highest years of earned compensation reported for an
292 employee in a fiscal or calendar year period, or combination
293 thereof which do not overlap, or the last forty-eight (48)
294 consecutive months of earned compensation reported for an
295 employee. The four (4) years need not be successive or joined
296 years of service. In no case shall the average compensation so
297 determined be in excess of One Hundred Twenty-five Thousand
298 Dollars (\$125,000.00). In computing the average compensation, any
299 amount paid in a lump sum for personal leave shall be included in
300 the calculation to the extent that such amount does not exceed an
301 amount which is equal to thirty (30) days of earned compensation
302 and to the extent that it does not cause the employees' earned
303 compensation to exceed the maximum reportable amount specified in
304 Section 25-11-103(k); provided, however, that such thirty-day
305 limitation shall not prevent the inclusion in the calculation of
306 leave earned under federal regulations prior to July 1, 1976, and
307 frozen as of that date as referred to in Section 25-3-99. Only
308 the amount of lump sum pay for personal leave due and paid upon
309 the death of a member attributable for up to one hundred fifty
310 (150) days shall be used in the deceased member's average
311 compensation calculation in determining the beneficiary's
312 benefits. In computing the average compensation, no amounts shall
313 be used which are in excess of the amount on which contributions
314 were required and paid. If any member who is or has been granted
315 any increase in annual salary or compensation of more than eight
316 percent (8%) retires within twenty-four (24) months from the date
317 that such increase becomes effective, then the board shall exclude
318 that part of the increase in salary or compensation that exceeds
319 eight percent (8%) in calculating that member's average
320 compensation for retirement purposes. The board may enforce this

321 provision by rule or regulation. However, increases in
322 compensation in excess of eight percent (8%) per year granted
323 within twenty-four (24) months of the date of retirement may be
324 included in such calculation of average compensation if
325 satisfactory proof is presented to the board showing that the
326 increase in compensation was the result of an actual change in the
327 position held or services rendered, or that such compensation
328 increase was authorized by the State Personnel Board or was
329 increased as a result of statutory enactment, and the employer
330 furnishes an affidavit stating that such increase granted within
331 the last twenty-four (24) months was not contingent on a promise
332 or agreement of the employee to retire. Nothing in Section
333 25-3-31 shall affect the calculation of the average compensation
334 of any member for the purposes of this article. The average
335 compensation of any member who retires before July 1, 1992, shall
336 not exceed the annual salary of the Governor.

337 (g) "Beneficiary" shall mean any person entitled to
338 receive a retirement allowance, an annuity or other benefit as
339 provided by Articles 1 and 3. In the event of the death prior to
340 retirement of any member whose spouse and/or children are not
341 entitled to a retirement allowance on the basis that the member
342 has less than four (4) years of service credit and/or has not been
343 married for a minimum of one (1) year or the spouse has waived his
344 or her entitlement to a retirement allowance pursuant to Section
345 25-11-114, the lawful spouse of a member at the time of the death
346 of such member shall be the beneficiary of such member unless the
347 member has designated another beneficiary subsequent to the date
348 of marriage in writing, and filed such writing in the office of
349 the executive director of the board of trustees. No designation
350 or change of beneficiary shall be made in any other manner.

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

354 (i) "Creditable service" shall mean "prior service,"
355 "retroactive service" and all lawfully credited unused leave not
356 exceeding the accrual rates and limitations provided in Section
357 25-3-91 et seq., as of the date of withdrawal from service plus
358 "membership service" for which credit is allowable as provided in
359 Section 25-11-109. Except to limit creditable service reported to
360 the system for the purpose of computing an employee's retirement
361 allowance or annuity or benefits provided in this article, nothing
362 in this paragraph shall limit or otherwise restrict the power of
363 the governing authority of a municipality or other political
364 subdivision of the state to adopt such vacation and sick leave
365 policies as it deems necessary.

366 (j) "Child" means either a natural child of the member,
367 a child that has been made a child of the member by applicable
368 court action before the death of the member, or a child under the
369 permanent care of the member at the time of the latter's death,
370 which permanent care status shall be determined by evidence
371 satisfactory to the board.

372 (k) "Earned compensation" shall mean the full amount
373 earned by an employee for a given pay period including any
374 maintenance furnished up to a maximum of One Hundred Twenty-five
375 Thousand Dollars (\$125,000.00) per year, and proportionately for
376 less than one (1) year of service. The value of such maintenance
377 when not paid in money shall be fixed by the employing state
378 agency, and, in case of doubt, by the board of trustees as defined
379 in Section 25-11-15. In any case, earned compensation shall be
380 limited to the regular periodic compensation paid, exclusive of
381 litigation fees, bond fees, and other similar extraordinary
382 nonrecurring payments. In addition, any member in a covered
383 position, as defined by Public Employees' Retirement System laws
384 and regulations, who is also employed by another covered agency or
385 political subdivision shall have the earnings of that additional
386 employment reported to the Public Employees' Retirement System

387 regardless of whether the additional employment is sufficient in
388 itself to be a covered position. In the case of fee officials,
389 the net earnings from their office after deduction of expenses
390 shall apply, except that in no case shall earned compensation be
391 less than the total direct payments made by the state or
392 governmental subdivisions to the official, and employer and
393 employee contributions shall be paid thereon. In the case of
394 members of the state Legislature, all remuneration or amounts
395 paid, except mileage allowance, shall apply. The amount by which
396 an eligible employee's salary is reduced pursuant to a salary
397 reduction agreement authorized under Section 25-17-5 shall be
398 included as earned compensation under this paragraph, provided
399 this inclusion does not conflict with federal law, including
400 federal regulations and federal administrative interpretations
401 thereunder, pertaining to the Federal Insurance Contributions Act
402 or to Internal Revenue Code Section 125 cafeteria plans.

403 Compensation in addition to an employee's base salary that is paid
404 to the employee pursuant to the vacation and sick leave policies
405 of a municipality or other political subdivision of the state that
406 employs him which exceeds the maximums authorized by Section
407 25-3-91 et seq., shall be excluded from the calculation of earned
408 compensation under this article. The maximum salary applicable
409 for retirement purposes before July 1, 1992, shall be the salary
410 of the Governor. Nothing in Section 25-3-31 shall affect the
411 determination of the earned compensation of any member for the
412 purposes of this article.

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

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

419 (n) "Executive director" shall mean the secretary to

420 the board of trustees, as provided in Section 25-11-15(9), and the
421 administrator of the Public Employees' Retirement System and all
422 systems under the management of the board of trustees. Wherever
423 the term "Executive Secretary of the Public Employees' Retirement
424 System" or "executive secretary" appears in this article or in any
425 other provision of law, it shall be construed to mean the
426 Executive Director of the Public Employees' Retirement System.

427 (o) "Fiscal year" shall mean the period beginning on
428 July 1 of any year and ending on June 30 of the next succeeding
429 year.

430 (p) "Medical board" shall mean the board of physicians
431 or any governmental or nongovernmental disability determination
432 service designated by the board of trustees that is qualified to
433 make disability determinations as provided for in Section
434 25-11-119.

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

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

439 (s) "Position" means any office or any employment in
440 the state service, or two (2) or more of them, the duties of which
441 call for services to be rendered by one (1) person, including
442 positions jointly employed by federal and state agencies
443 administering federal and state funds. The employer shall
444 determine upon initial employment and during the course of
445 employment of an employee who does not meet the criteria for
446 coverage in the Public Employees' Retirement System based on the
447 position held, whether the employee is or becomes eligible for
448 coverage in the Public Employees' Retirement System based upon any
449 other employment in a covered agency or political subdivision. If
450 or when the employee meets the eligibility criteria for coverage
451 in such other position, then the employer must withhold
452 contributions and report wages from the noncovered position in

453 accordance with the provisions for reporting of earned
454 compensation. Failure to deduct and report those contributions
455 shall not relieve the employee or employer of liability thereof.
456 The board shall adopt such rules and regulations as necessary to
457 implement and enforce this provision.

458 (t) "Prior service" shall mean service rendered before
459 February 1, 1953, for which credit is allowable under Sections
460 25-11-105 and 25-11-109, and which shall allow prior service for
461 any person who is now or becomes a member of the Public Employees'
462 Retirement System and who does contribute to the system for a
463 minimum period of four (4) years.

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

467 (v) "Retirement allowance" shall mean an annuity for
468 life as provided in this article, payable each year in twelve (12)
469 equal monthly installments beginning as of the date fixed by the
470 board. The retirement allowance shall be calculated in accordance
471 with Section 25-11-111. Provided, any spouse who received a
472 spouse retirement benefit in accordance with Section 25-11-111(d)
473 prior to March 31, 1971, and said benefits were terminated because
474 of eligibility for a social security benefit, may again receive
475 his spouse retirement benefit from and after making application
476 with the board of trustees to reinstate such spouse retirement
477 benefit.

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

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

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

486 (z) "State service" shall mean all offices and
487 positions of trust or employment in the employ of the state, or
488 any political subdivision or instrumentality thereof, which elect
489 to participate as provided by Section 25-11-105(f), including the
490 position of elected or fee officials of the counties and their
491 deputies and employees performing public services or any
492 department, independent agency, board or commission thereof, and
493 shall also include all offices and positions of trust or
494 employment in the employ of joint state and federal agencies
495 administering state and federal funds and service rendered by
496 employees of the public schools. Effective July 1, 1973, all
497 nonprofessional public school employees, such as bus drivers,
498 janitors, maids, maintenance workers and cafeteria employees,
499 shall have the option to become members in accordance with Section
500 25-11-105(b), and shall be eligible to receive credit for services
501 prior to July 1, 1973, provided the contributions and interest are
502 paid by the employee in accordance with said section; provided,
503 further, that the county or municipal separate school district may
504 pay the employer contribution and pro rata share of interest of
505 the retroactive service from available funds. From and after July
506 1, 1998, retroactive service credit shall be purchased at the
507 actuarial cost in accordance with Section 25-11-105(b).

508 (aa) "Withdrawal from service" shall mean complete
509 severance of employment in the state service of any member by
510 resignation, dismissal or discharge.

511 (bb) The masculine pronoun, wherever used, shall
512 include the feminine pronoun.

513 SECTION 7. Section 25-11-111, Mississippi Code of 1972, is
514 amended as follows:[WAN2]

515 25-11-111. (a) Any member upon withdrawal from service upon
516 or after attainment of the age of sixty (60) years who shall have
517 completed at least four (4) years of creditable service, or any
518 member upon withdrawal from service regardless of age who shall

519 have completed at least twenty-five (25) years of creditable
520 service, shall be entitled to receive a retirement allowance which
521 shall begin on the first of the month following the date the
522 member's application for the allowance is received by the board,
523 but in no event before withdrawal from service.

524 (b) Any member whose withdrawal from service occurs prior to
525 attaining the age of sixty (60) years who shall have completed
526 four (4) or more years of creditable service and shall not have
527 received a refund of his accumulated contributions shall be
528 entitled to receive a retirement allowance, beginning upon his
529 attaining the age of sixty (60) years, of the amount earned and
530 accrued at the date of withdrawal from service.

531 (c) Any member in service who has qualified for retirement
532 benefits may select any optional method of settlement of
533 retirement benefits by notifying the Executive Director of the
534 Board of Trustees of the Public Employees' Retirement System in
535 writing, on a form prescribed by the board, of the option he has
536 selected and by naming the beneficiary of such option and
537 furnishing necessary proof of age. Such option, once selected,
538 may be changed at any time prior to actual retirement or death,
539 but upon the death or retirement of the member, the optional
540 settlement shall be placed in effect upon proper notification to
541 the executive director.

542 (d) The annual amount of the retirement allowance shall
543 consist of:

544 (1) A member's annuity which shall be the actuarial
545 equivalent of the accumulated contributions of the member at the
546 time of retirement computed according to the actuarial table in
547 use by the system; and

548 (2) An employer's annuity which, together with the
549 member's annuity provided above, shall be equal to one and
550 seven-eighths percent (1-7/8%) of the average compensation for
551 each year of state service up to and including twenty-five (25)

552 years of membership service, and two and one-fourth percent
553 (2-1/4%) of the average compensation for each year of state
554 service exceeding twenty-five (25) years of membership service.
555 However, after the board of trustees has begun implementing the
556 changes in the computation of the retirement allowance as provided
557 in subsection (e), the employer's annuity shall be equal to:

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

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

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

572 (3) A prior service annuity equal to one and
573 seven-eighths percent (1-7/8%) of the average compensation for
574 each year of state service up to and including twenty-five (25)
575 years of prior service, and two and one-fourth percent (2-1/4%) of
576 the average compensation for each year of state service exceeding
577 twenty-five (25) years of prior service for which the member is
578 allowed credit. However, after the board of trustees has begun
579 implementing the changes in the computation of the retirement
580 allowance as provided in subsection (e), the prior service annuity
581 shall be equal to:

582 (i) One and seven-eighths percent (1-7/8%) of the
583 average compensation for each year of prior service up to and
584 including the number of years specified in Column A of the table

585 in subsection (e) for the latest phase that has been implemented,
586 and

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

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

596 (4) Any retired member or beneficiary thereof who was
597 eligible to receive a retirement allowance before July 1, 1991,
598 and who is still receiving a retirement allowance on July 1, 1992,
599 shall receive an increase in the annual retirement allowance of
600 the retired member equal to one-eighth of one percent (1/8 of 1%)
601 of the average compensation for each year of state service in
602 excess of twenty-five (25) years of membership service up to and
603 including thirty (30) years. The maximum increase shall be
604 five-eighths of one percent (5/8 of 1%). In no case shall a
605 member who has been retired prior to July 1, 1987, receive less
606 than Ten Dollars (\$10.00) per month for each year of creditable
607 service and proportionately for each quarter year thereof.

608 Persons retired on or after July 1, 1987, shall receive at least
609 Ten Dollars (\$10.00) per month for each year of service and
610 proportionately for each quarter year thereof reduced for the
611 option selected. However, such Ten Dollars (\$10.00) minimum per
612 month for each year of creditable service shall not apply to a
613 retirement allowance computed under Section 25-11-114 based on a
614 percentage of the member's average compensation.

615 (5) The board shall recalculate the retirement
616 allowance of any member or the beneficiary of such a member, if
617 the member or beneficiary is eligible to receive a retirement

618 allowance before July 1, 1999, by using the criteria in paragraphs
619 (2) and (3) of this subsection (d) that provides for two and
620 one-fourth percent (2-1/4%) of the average compensation for each
621 year of service exceeding twenty-five (25) years.

622 (6) Any member upon withdrawal from service upon or
623 after attaining the age of sixty (60) years who has completed at
624 least four (4) years of creditable service, or any member upon
625 withdrawal from service regardless of age who has completed at
626 least twenty-five (25) years of creditable service, shall be
627 entitled to receive a retirement allowance computed in accordance
628 with the formula set forth in this section. Such retirement
629 allowance otherwise payable may be converted into a retirement
630 allowance of equivalent actuarial value in such an amount that,
631 with the member's benefit under Title II of the federal Social
632 Security Act, the member will receive, so far as possible,
633 approximately the same amount annually before and after the
634 earliest age at which the member becomes eligible to receive a
635 social security benefit.

636 (e) Beginning on July 1, 2000, the board of trustees shall
637 implement changes in the computation of the amount of the annual
638 retirement allowance, which changes shall be implemented in phases
639 as set forth in the table in this subsection. The board of
640 trustees shall implement the phases systematically upon July 1
641 after the board's actuary certifies that implementation of a phase
642 will not cause the unfunded accrued actuarial liability
643 amortization period for the retirement system to exceed twenty-two
644 (22) years. The board of trustees shall have the exclusive
645 authority to set the assumptions that are used in the actuarial
646 evaluation in accordance with Section 25-11-119(9). The board of
647 trustees shall recalculate the retirement allowance of any retired
648 member or beneficiary of such a member as each phase is
649 implemented.

650 RETIREMENT ALLOWANCE COMPUTATION

651 IMPLEMENTATION TABLE

| 652 | (A) | (B) | |
|-----|---------|--------------|------------|
| 653 | PHASE | 2% FOR YEARS | PERCENTAGE |
| 654 | | ABOVE THIS | FOR YEARS |
| 655 | | NUMBER AND | ABOVE 25 |
| 656 | | ≤25 YEARS | YEARS |
| 658 | Phase 1 | 20 years | 2.250% |
| 659 | Phase 2 | 15 years | 2.250% |
| 660 | Phase 3 | 10 years | 2.250% |
| 661 | Phase 4 | 5 years | 2.250% |
| 662 | Phase 5 | 0 years | 2.250% |
| 663 | Phase 6 | 0 years | 2.375% |
| 664 | Phase 7 | 0 years | 2.500% |

665 Column A shows the years to which two percent (2%) is
 666 applicable in computing the retirement allowance, which are all
 667 the years of service exceeding the number specified in Column A
 668 for the phase that has been implemented up to and including
 669 twenty-five (25) years.

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

673 (f) No member, except members excluded by the Age
 674 Discrimination in Employment Act Amendments of 1986 (Public Law
 675 99-592), under either Article 1 or Article 3 in state service
 676 shall be required to retire because of age.

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

680 (h) (1) A retiree or beneficiary may, on a form prescribed
 681 by and filed with the retirement system, irrevocably waive all or
 682 a portion of any benefits from the retirement system to which the
 683 retiree or beneficiary is entitled. * * * Such waiver shall be

684 binding on the heirs and assigns of any retiree or beneficiary and
685 the same must agree to forever hold harmless the Public Employees'
686 Retirement System of Mississippi from any claim to such waived
687 retirement benefits.

688 (2) Any waiver pursuant to this subsection shall apply
689 only to the person executing the waiver. A beneficiary shall be
690 entitled to benefits according to the option selected by the
691 member at the time of retirement. However, a beneficiary may, at
692 the option of the beneficiary, execute a waiver of benefits
693 pursuant to this subsection.

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

697 (4) The board of trustees may provide rules and
698 regulations for the administration of waivers under this
699 subsection.

700 SECTION 8. Section 25-11-120, Mississippi Code of 1972, is
701 amended as follows:[WAN3]

702 25-11-120. (1) Any individual aggrieved by an
703 administrative determination, including a determination of the
704 medical board, relating to the eligibility for or payment of
705 benefits, or the calculation of creditable service or other
706 similar matters relating to the Public Employees' Retirement
707 System or any other retirement system or program administered by
708 the board, may request a hearing before a hearing officer
709 designated by the board. Such hearings shall be conducted in
710 accordance with rules and regulations adopted by the board and
711 formal rules of evidence shall not apply. The hearing officer is
712 authorized to administer oaths, hear testimony of witnesses and
713 receive documentary and other evidence. After the hearing, the
714 hearing officer shall certify the record to the board, which shall
715 include the hearing officer's proposed statement of facts,
716 conclusions of law and recommendation. The record may include a

717 taped recording of the proceedings of the hearing in lieu of a
718 transcribed copy of the proceedings. The board shall receive the
719 record and make its determination based solely on matters
720 contained therein.

721 (2) Any individual aggrieved by the determination of the
722 board may appeal to the Circuit Court of the First Judicial
723 District of Hinds County, Mississippi, in accordance with the
724 Uniform Circuit Court Rules governing appeals to the circuit court
725 in civil cases. Such appeal shall be made solely on the record
726 before the board and this procedure shall be the exclusive method
727 of appealing determinations of the board.

728 (3) The board is authorized to appoint a committee of the
729 board to serve as hearing officer or to employ or contract with
730 qualified personnel to perform the duties of hearing officer and
731 court reporter as may be necessary for conducting, recording and
732 transcribing such hearings. The board may assess and collect fees
733 to offset costs related to such hearings. Those fees shall be
734 deposited to the credit of the Public Employees' Retirement
735 System.

736 (4) In no case shall the amount, recovered by an attorney in
737 fees for an appearance before the administrative body, exceed the
738 lesser of twenty-five percent (25%) of the accrued benefits due as
739 of the date of a final award of benefits by the retirement system
740 or a court of law, or Three Thousand Five Hundred Dollars
741 (\$3,500.00).

742 SECTION 9. Section 25-11-121, Mississippi Code of 1972, is
743 amended as follows:[WAN4]

744 25-11-121. (1) The board shall, from time to time,
745 determine the current requirements for benefit payments and
746 administrative expense which shall be maintained as a cash working
747 balance, except that such cash working balance shall not exceed at
748 any time an amount necessary to meet the current obligations of
749 the system for a period of ninety (90) days. Any amounts in

750 excess of such cash working balance shall be invested, as follows,
751 at such periodic intervals as the board may determine, provided
752 however, all purchases shall be made from competitive offerings
753 except short-term obligations referred to in Section 25-11-121(d):

754 (a) Bonds, notes, certificates and other valid general
755 obligations of the State of Mississippi, or of any county, or of
756 any city, or of any supervisors district of any county of the
757 State of Mississippi, or of any school district bonds of the State
758 of Mississippi; notes or certificates of indebtedness issued by
759 the Veterans' Home Purchase Board of Mississippi, provided such
760 notes or certificates of indebtedness are secured by the pledge of
761 collateral equal to two hundred percent (200%) of the amount of
762 the loan, which collateral is also guaranteed at least for fifty
763 percent (50%) of the face value by the United States government,
764 and provided that not more than five percent (5%) of the total
765 investment holdings of the system shall be in Veterans' Home
766 Purchase Board notes or certificates at any time; real estate
767 mortgage loans one hundred percent (100%) insured by the Federal
768 Housing Administration on single family homes located in the State
769 of Mississippi, where monthly collections and all servicing
770 matters are handled by Federal Housing Administration approved
771 mortgagees authorized to make such loans in the State of
772 Mississippi;

773 (b) State of Mississippi highway bonds;

774 (c) Funds may be deposited in federally insured
775 institutions domiciled in the State of Mississippi or a custodial
776 bank;

777 (d) Corporate bonds and taxable municipal bonds of
778 investment grade as rated by Standard and Poor's or by Moody's
779 Investment Service, with bonds rated BAA/BBB not to exceed five
780 percent (5%) of the book value of the total fixed income
781 investments; or corporate short-term obligations of corporations
782 or of wholly-owned subsidiaries of corporations, whose short-term

783 obligations are rated A-3 or better by Standard and Poor's or
784 rated P-3 or better by Moody's Investment Service;

785 (e) Bonds of the Tennessee Valley Authority;

786 (f) Bonds, notes, certificates and other valid
787 obligations of the United States, and other valid obligations of
788 any federal instrumentality that issues securities under authority
789 of an act of Congress and are exempt from registration with the
790 Securities and Exchange Commission;

791 (g) Bonds, notes, debentures and other securities
792 issued by any federal instrumentality and fully guaranteed by the
793 United States;

794 (h) Interest-bearing bonds or notes which are general
795 obligations of any other state in the United States or of any city
796 or county therein, provided such city or county had a population
797 as shown by the federal census next preceding such investment of
798 not less than twenty-five thousand (25,000) inhabitants and
799 provided that such state, city or county has not defaulted for a
800 period longer than thirty (30) days in the payment of principal or
801 interest on any of its general obligation indebtedness during a
802 period of ten (10) calendar years immediately preceding such
803 investment;

804 (i) Shares of stocks, common and/or preferred, of
805 corporations created by or existing under the laws of the United
806 States or any state, district or territory thereof; provided

807 (i) The maximum investments in stocks shall not
808 exceed fifty percent (50%) of the book value of the total
809 investment fund of the system;

810 (ii) The stock of such corporation shall:

811 A. Be listed on a national stock exchange; or

812 B. Be traded in the over-the-counter market,

813 provided price quotations for such over-the-counter stocks are
814 quoted by the National Association of Securities Dealers Automated
815 Quotation System (NASDAQ);

816 (iii) The outstanding shares of such corporation
817 shall have a total market value of not less than Fifty Million
818 Dollars (\$50,000,000.00);

819 (iv) The amount of investment in any one (1)
820 corporation shall not exceed three percent (3%) of the book value
821 of the assets of the system; and

822 (v) The shares of any one (1) corporation owned by
823 the system shall not exceed five percent (5%) of that
824 corporation's outstanding stock;

825 (j) Bonds rated Single A or better, stocks and
826 convertible securities of established non-United States companies,
827 which companies are listed on only primary national stock
828 exchanges of foreign nations; and in foreign government securities
829 rated Single A or better by a recognized rating agency; provided
830 that the total book value of investments under this paragraph
831 shall at no time exceed thirty percent (30%) of the total book
832 value of all investments of the system. The board may take
833 requisite action to effectuate or hedge such transactions through
834 foreign banks, including the purchase and sale, transfer,
835 exchange, or otherwise disposal of, and generally deal in foreign
836 exchange through the use of foreign currency, interbank forward
837 contracts, futures contracts, options contracts, swaps and other
838 related derivative instruments, notwithstanding any other
839 provisions of this article to the contrary;

840 (k) Covered call and put options on securities traded
841 on one or more of the regulated exchanges;

842 (l) Pooled or commingled funds managed by a corporate
843 trustee or by a Securities and Exchange Commission registered
844 investment advisory firm retained as an investment manager by the
845 board of trustees, and shares of investment companies and unit
846 investment trusts registered under the Investment Company Act of
847 1940, where such pooled or commingled funds or shares are
848 comprised of common or preferred stocks, bonds, money market

849 instruments or other investments authorized under this section.
850 Such investment in commingled funds or shares shall be held in
851 trust; provided that the total book value of investments under
852 this paragraph shall at no time exceed five percent (5%) of the
853 total book value of all investments of the system. Any investment
854 manager approved by the board of trustees shall invest such
855 commingled funds or shares as a fiduciary;

856 (m) Pooled or commingled real estate funds or real
857 estate securities managed by a corporate trustee or by a
858 Securities and Exchange Commission registered investment advisory
859 firm retained as an investment manager by the board of trustees.
860 Such investment in commingled funds or shares shall be held in
861 trust; provided that the total book value of investments under
862 this paragraph shall at no time exceed five percent (5%) of the
863 total book value of all investments of the system. Any investment
864 manager approved by the board of trustees shall invest such
865 commingled funds or shares as a fiduciary. The five percent (5%)
866 limitation in this subsection shall not be subject to the five
867 percent (5%) limitation in paragraph (1) of this paragraph.

868 (2) All investments shall be acquired by the board at prices
869 not exceeding the prevailing market values for such securities.

870 (3) Any limitations herein set forth shall be applicable
871 only at the time of purchase and shall not require the liquidation
872 of any investment at any time. All investments shall be clearly
873 marked to indicate ownership by the system and to the extent
874 possible shall be registered in the name of the system.

875 (4) Subject to the above terms, conditions, limitations and
876 restrictions, the board shall have power to sell, assign, transfer
877 and dispose of any of the securities and investments of the
878 system, provided that said sale, assignment or transfer has the
879 majority approval of the entire board. The board may employ or
880 contract with investment managers, evaluation services or other
881 such services as determined by the board to be necessary for the

882 effective and efficient operation of the system.

883 (5) Except as otherwise provided herein, no trustee and no
884 employee of the board shall have any direct or indirect interest
885 in the income, gains or profits of any investment made by the
886 board, nor shall any such person receive any pay or emolument for
887 his services in connection with any investment made by the board.

888 No trustee or employee of the board shall become an endorser or
889 surety, or in any manner an obligor for money loaned by or
890 borrowed from the system.

891 (6) All interest derived from investments and any gains from
892 the sale or exchange of investments shall be credited by the board
893 to the account of the system.

894 (7) The board of trustees annually shall credit regular
895 interest on the mean amount for the preceding year in each of the
896 reserves maintained by the board, with the exception of the
897 expense account. This credit shall be made annually from interest
898 and other earnings on the invested assets of the system. Any
899 additional amount required to meet the regular interest on the
900 funds of the system shall be charged to the employer's
901 accumulation account, and any excess of earnings over such regular
902 interest required shall be credited to the employer's accumulation
903 account. Regular interest shall mean such per centum rate to be
904 compounded annually as shall be determined by the board of
905 trustees on the basis of the interest earnings of the system for
906 the preceding year.

907 (8) The board of trustees shall be the custodian of the
908 funds of the system. All expense vouchers and retirement
909 allowance payrolls shall be certified by the executive secretary
910 who shall furnish the board a surety bond in a company authorized
911 to do business in Mississippi in such an amount as shall be
912 required by the board, the premium to be paid by the board from
913 the expense account.

914 (9) For the purpose of meeting disbursements for retirement

915 allowances, annuities and other payments, cash may be kept
916 available, not exceeding the requirements of the system for a
917 period of ninety (90) days, on deposit in one or more banks or
918 trust companies organized under the laws of the State of
919 Mississippi or the laws of the United States, provided that the
920 sum on deposit in any one (1) bank or trust company shall not
921 exceed thirty-five percent (35%) of the paid-up capital and
922 regular surplus of such bank or trust company.

923 (10) Except as otherwise provided, the monies or properties
924 of the Public Employees' Retirement System of Mississippi
925 deposited in any bank or banks of the United States shall, where
926 possible, be safeguarded and guaranteed by the posting as security
927 by the depository of bonds, notes and other securities purchasable
928 by the system, as provided elsewhere in this section. The bonds,
929 notes and other securities offered as security shall be posted to
930 the credit of the system by the depository with the board or with
931 an unaffiliated bank or trust company domiciled within the United
932 States or the State of Mississippi acceptable to both the board
933 and to the fiscal agent bank. In the event the board and the
934 fiscal agent bank cannot reach an agreement, the bonds, notes and
935 other securities shall be deposited in a bank or trust company
936 designated by the State Commissioner of Banking and Consumer
937 Finance. Provided, however, that bonds or notes of the United
938 States government owned by the system may be deposited for
939 safekeeping in any federal reserve bank.

940 (11) The board of trustees shall determine the degree of
941 collateralization necessary for both foreign and domestic demand
942 deposit accounts in addition to that which is guaranteed by the
943 Federal Deposit Insurance Corporation or such other federal
944 insurance program as may be in effect.

945 (12) The board, the executive secretary and employees shall
946 discharge their duties with respect to the investments of the
947 system solely for the interest of the system with the care, skill,

948 prudence and diligence under the circumstances then prevailing
949 that a prudent person acting in a like capacity and familiar with
950 such matters would use in the conduct of an enterprise of a like
951 character and with like aims, including diversifying the
952 investments of the system so as to minimize the risk of large
953 losses, unless under the circumstances it is clearly prudent not
954 to do so.

955 SECTION 10. Section 25-11-131, Mississippi Code of 1972, is
956 amended as follows:[CR5]

957 25-11-131. (1) Any person or corporation who shall receive
958 and retain any payment, after the death of a member or after the
959 death of the beneficiary of any member, which amount is not
960 lawfully due, shall be liable for the repayment of such amount to
961 the retirement system plus interest thereon at ten percent (10%)
962 per annum plus all costs of collection. Any person who shall
963 knowingly make any false statement or shall falsify or permit to
964 be falsified any record or records of this retirement system in
965 any attempt to defraud such system as a result of such act shall
966 be guilty of a misdemeanor if the amount obtained or attempted to
967 be obtained does not exceed the amount of Five Hundred Dollars
968 (\$500.00), and, on conviction thereof by any court of competent
969 jurisdiction, shall be punished by a fine not exceeding Five
970 Hundred Dollars (\$500.00) or imprisonment in the county jail not
971 exceeding six (6) months, or both; if such amount obtained or
972 attempted to be obtained shall exceed the sum of Five Hundred
973 Dollars (\$500.00), such person or persons shall be guilty of a
974 felony and, on conviction thereof by any court of competent
975 jurisdiction, shall be punished by a fine not exceeding Ten
976 Thousand Dollars (\$10,000.00) or by imprisonment in the State
977 Penitentiary not exceeding five (5) years, or both.

978 (2) Should any change or error in the records result in any
979 member or beneficiary receiving from the retirement system more or
980 less than he would have been entitled to receive had the records

981 been correct, the board of trustees shall correct such error upon
982 detection, regardless of the length of time between the reporting
983 error or the time payment started and the time the board became
984 aware of the error, and, as far as practicable, adjust the payment
985 in such a manner that the actuarial equivalent of the benefit to
986 which such member or beneficiary was correctly entitled shall be
987 paid. This responsibility is, and has been, the duty of the board
988 since the creation of the retirement system.

989 SECTION 11. Section 25-11-139, Mississippi Code of 1972, is
990 amended as follows:[CR6]

991 25-11-139. Any retirement allowance or other annuity or
992 benefit provided by Articles 1 and 3 shall be paid in equal
993 monthly installments for life and shall not be increased,
994 decreased, revoked or repealed, except for error upon detection,
995 regardless of the length of time between the reporting error or
996 the time payment started and the time the board became aware of
997 the error, or except where specifically otherwise provided by said
998 articles. This responsibility is, and has been, the duty of the
999 board since the creation of the retirement system.

1000 Pursuant to Section 25-11-111, Mississippi Code of 1972, it
1001 is and has been the sole responsibility of the member or
1002 beneficiary thereof to apply for benefits and no benefits shall be
1003 paid for any period prior to the first of the month following the
1004 receipt of such application for such benefits, but in no event
1005 prior to termination of employment, except as authorized in
1006 Section 25-11-114.

1007 SECTION 12. Section 25-11-311, Mississippi Code of 1972, is
1008 amended as follows:[WAN7]

1009 25-11-311. (1) A member may be paid a refund of the amount
1010 of accumulated contributions to the credit of the member in the
1011 annuity savings account, provided the member has withdrawn from
1012 state service and further provided the member has not returned to
1013 state service on the date the refund of the accumulated

1014 contributions would be paid. Such refund of the contributions to
1015 the credit of the member in the annuity savings account shall be
1016 paid within ninety (90) days from receipt in the office of the
1017 retirement system of the properly completed form requesting such
1018 payment. In the event of death prior to retirement of any member
1019 whose spouse and/or children are not entitled to a retirement
1020 allowance, the accumulated contributions to the credit of the
1021 deceased member in the annuity savings account shall be paid to
1022 the designated beneficiary on file in writing in the office of
1023 executive secretary of the board of trustees within ninety (90)
1024 days from receipt of a properly completed form requesting such
1025 payment. If there is no such designated beneficiary on file for
1026 such deceased member in the office of the system, upon the filing
1027 of a proper request with the board, the contributions to the
1028 credit of the deceased member in the annuity savings account shall
1029 be refunded pursuant to Section 25-11-311.1(1). The payment of
1030 the refund shall discharge all obligations of the retirement
1031 system to the member on account of any creditable service rendered
1032 by the member prior to the receipt of the refund. By the
1033 acceptance of the refund, the member shall waive and relinquish
1034 all accrued rights in the plan.

1035 (2) Pursuant to the Unemployment Compensation Amendments of
1036 1992 (Public Law 102-318 (UCA)), a member or eligible beneficiary
1037 making application for a refund under this section may elect, on a
1038 form prescribed by the board under rules and regulations
1039 established by the board, to have an eligible rollover
1040 distribution of accumulated contributions payable under this
1041 section paid directly to an eligible retirement plan or individual
1042 retirement account. If the member or eligible beneficiary makes
1043 such election and specifies the eligible retirement plan or
1044 individual retirement account to which such distribution is to be
1045 paid, the distribution will be made in the form of a direct
1046 trustee-to-trustee transfer to the specified eligible retirement

1047 plan. Flexible rollovers under this subsection shall not be
1048 considered assignments under Section 25-11-129.

1049 (3) If any person who has received a refund is reelected to
1050 the Legislature or as President of the Senate and again becomes a
1051 member of the plan * * *, the member may repay all or part of the
1052 amounts previously received as a refund, together with regular
1053 interest covering the period from the date of refund to the date
1054 of repayment; however, the amounts that are repaid by the member
1055 and the creditable service related thereto shall not be used in
1056 any benefit calculation or determination until the member has
1057 remained a contributor to the system for a period of at least four
1058 (4) years subsequent to such member's reentry into state service.
1059 Repayment for such time shall be made in increments of not less
1060 than one-quarter (1/4) year of creditable service beginning with
1061 the most recent service for which refund has been made. Upon the
1062 repayment of all or part of such refund and interest, the member
1063 shall again receive credit for the * * * period of creditable
1064 service for which full repayment has been made to the system.

1065 SECTION 13. Section 25-11-112, Mississippi Code of 1972, is
1066 amended as follows:[WAN8]

1067 25-11-112. (1) Any member who is receiving a retirement
1068 allowance for service or disability retirement, or any beneficiary
1069 thereof, who has received a monthly benefit for at least one (1)
1070 full fiscal year, shall be eligible to receive an additional
1071 benefit, on December 1 or July 1 of the year as provided in
1072 subsection (3) of this section, equal to the greater of the
1073 amounts calculated under paragraph (a) or (b) below:

1074 (a) An amount equal to four percent (4%) of the annual
1075 retirement allowance multiplied by the number of full fiscal years
1076 in retirement through June 30, 1998; or

1077 (b) The sum of:

1078 (i) An amount equal to three percent (3%) of the
1079 annual retirement allowance multiplied by the number of full

1080 fiscal years in retirement before the end of the fiscal year in
1081 which the member reaches age fifty-five (55), plus

1082 (ii) An additional amount equal to three percent
1083 (3%) compounded by the number of full fiscal years in retirement
1084 beginning with the fiscal year in which the member reaches age
1085 fifty-five (55), multiplied by the amount of the annual retirement
1086 allowance.

1087 (2) The calculation of the beneficiary's additional benefit
1088 under subsection (1)(b)(i) or (1)(b)(ii) of this section shall be
1089 based on the member's age and full fiscal years in retirement as
1090 if the member had lived.

1091 (3) The additional benefit provided for under this section
1092 shall be paid in one (1) payment in December of each year to those
1093 persons who are receiving a retirement allowance on December 1 of
1094 that year, unless an election is made under this subsection.
1095 However, if a retiree who is receiving a retirement allowance that
1096 will terminate upon the retiree's death is receiving the
1097 additional benefit in one (1) payment and dies on or after July 1
1098 but before December 1, the beneficiary designated on the
1099 retirement application, if any, shall receive in a single payment
1100 a fractional part of the additional benefit based on the number of
1101 months in which a retirement allowance was received during the
1102 fiscal year. Likewise, if a retiree is receiving a retirement
1103 allowance that will terminate upon his or her death in two (2) to
1104 six (6) monthly installments, any remaining payments of the
1105 additional benefit will be paid in a lump sum to the beneficiary
1106 designated on the application, or if none, pursuant to Section
1107 25-11-117.1(1). Any similar remaining payments of additional
1108 benefits payable under this section to a deceased beneficiary who
1109 was receiving a monthly benefit shall be payable in accordance
1110 with the provisions of Section 25-11-117.1(2).

1111 Retired members or beneficiaries thereof who on July 1, 1999,
1112 or July 1 of any fiscal year thereafter, are receiving a

1113 retirement allowance, may elect by an irrevocable agreement in
1114 writing filed in the office of the Public Employees' Retirement
1115 System no less than thirty (30) days before July 1 of the
1116 appropriate year, to begin receiving the additional benefit
1117 provided for under this section in twelve (12) equal monthly
1118 installments beginning July 1, 1999, or July 1 of any fiscal year
1119 thereafter. This irrevocable agreement shall be binding on the
1120 member and subsequent beneficiaries. Payment of those monthly
1121 installments shall not extend beyond the month in which a
1122 retirement allowance is due and payable.

1123 (4) The additional payment or payments provided for under
1124 this section are for the fiscal year in which they are paid.

1125 (5) The amount provided for under subsection (1)(b)(ii) of
1126 this section is calculated using the following formula:

1127 $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,

1128 where n is the number of full fiscal years in retirement beginning
1129 with the fiscal year in which the member reaches age fifty-five
1130 (55).

1131 (6) Any retired member or beneficiary thereof who has
1132 previously elected to receive the additional annual payment in
1133 monthly installments may elect, upon application on a form
1134 prescribed by the board of trustees, to have that payment made in
1135 one (1) additional payment each year. This written election must
1136 be filed in the office of the Public Employees' Retirement System
1137 before June 1, 2000, and shall be effective for the fiscal year
1138 beginning July 1, 2000.

1139 (7) In the event of death of a retired member or a
1140 beneficiary thereof who is receiving the additional annual payment
1141 in two (2) to six (6) monthly installments pursuant to an election
1142 made before July 1, 1999, and who would otherwise be eligible to
1143 receive the additional benefit provided for under this section in
1144 one (1) payment in December of the current fiscal year, any
1145 remaining amounts shall be paid in a lump sum to the designated

1146 beneficiary.

1147 SECTION 14. Section 25-11-114, Mississippi Code of 1972, is
1148 amended as follows:[WAN9]

1149 25-11-114. (1) The applicable benefits provided in
1150 subsections (2) and (3) of this section shall be paid to eligible
1151 beneficiaries of any member who has completed four (4) or more
1152 years of creditable service and who dies before retirement and who
1153 has not filed a Pre-Retirement Optional Retirement Form as
1154 provided in Section 25-11-111.

1155 (2) (a) The member's surviving spouse who has been married
1156 to the member for not less than one (1) year immediately preceding
1157 his death shall receive an annuity computed in accordance with
1158 paragraph (d) of this subsection (2) as if the member:

1159 (i) Had retired on the date of his death with
1160 entitlement to an annuity provided for in Section 25-11-111,
1161 notwithstanding that he might not have attained age sixty (60) or
1162 acquired twenty-five (25) years of creditable service;

1163 (ii) Had nominated his spouse as beneficiary; and

1164 (b) If, at the time of the member's death, there are no
1165 dependent children, and the surviving spouse, who otherwise would
1166 receive the annuity under this subsection (2), has filed with the
1167 system a signed written waiver of his or her rights to the annuity
1168 and that waiver was in effect at the time of the member's death, a
1169 lump sum distribution of the deceased member's accumulated
1170 contributions shall be refunded in accordance with Section
1171 25-11-117.

1172 (c) The spouse annuity shall begin on the first day of
1173 the month following the date of the member's death, but in case of
1174 late filing, retroactive payments will be made for a period of not
1175 more than one (1) year.

1176 (d) The spouse annuity shall be the greater of twenty
1177 percent (20%) of the deceased member's average compensation as
1178 defined in Section 25-11-103 at the time of death or Fifty Dollars

1179 (\$50.00) monthly. If the spouse dies or if the spouse remarries
1180 before age sixty (60), the spouse annuity shall terminate.

1181 (e) However, the spouse may elect by an irrevocable
1182 agreement on a form prescribed by the board of trustees to receive
1183 a monthly allowance as computed under either paragraph (d) or this
1184 paragraph. Such irrevocable agreement shall constitute a waiver
1185 by the spouse to any current and future monthly allowance under
1186 the paragraph not elected and such waiver shall be a complete and
1187 full discharge of all obligations of the retirement system under
1188 such paragraph.

1189 Any member who has completed four (4) or more years of
1190 creditable service and who dies before retirement and leaves a
1191 spouse who has been married to the member for not less than one
1192 (1) year immediately preceding his death and has not exercised any
1193 other option shall be deemed to have exercised Option 2 under
1194 Section 25-11-115 for the benefit of his spouse, which spouse
1195 shall be paid Option 2 settlement benefits under this article
1196 beginning on the first of the month following the date of death,
1197 but in case of late filing, retroactive payments will be made for
1198 a period of not more than one (1) year. The method of calculating
1199 such retirement benefits shall be on the same basis as provided in
1200 Section 25-11-111(d). However, if the member dies before being
1201 qualified for full unreduced benefits, then the benefits shall be
1202 reduced by three percent (3%) per year for the lesser of either
1203 the years of service or age required for full unreduced benefits
1204 in Section 25-11-111(d).

1205 (3) (a) Subject to the maximum limitation provided in this
1206 paragraph, the member's dependent children each shall receive an
1207 annuity of the greater of ten percent (10%) of the member's
1208 average compensation as defined in Section 25-11-103 at the time
1209 of the death of the member or Fifty Dollars (\$50.00) monthly;
1210 however, if there are more than three (3) dependent children, each
1211 dependent child shall receive an equal share of a total annuity

1212 equal to thirty percent (30%) of the member's average
1213 compensation, provided that such total annuity shall not be less
1214 than One Hundred Fifty Dollars (\$150.00) per month for all
1215 children.

1216 (b) A child shall be considered to be a dependent child
1217 until marriage, or the attainment of age nineteen (19), whichever
1218 comes first; however, this age limitation shall be extended beyond
1219 age nineteen (19), but in no event beyond the attainment of age
1220 twenty-three (23), as long as the child is a student regularly
1221 pursuing a full-time course of resident study or training in an
1222 accredited high school, trade school, technical or vocational
1223 institute, junior or community college, college, university or
1224 comparable recognized educational institution duly licensed by a
1225 state. A student child whose birthday falls during the school
1226 year (September 1 through June 30) is considered not to reach age
1227 twenty-three (23) until the July 1 following the actual
1228 twenty-third birthday. A full-time course of resident study or
1229 training means a day or evening noncorrespondence course that
1230 includes school attendance at the rate of at least thirty-six (36)
1231 weeks per academic year or other applicable period with a subject
1232 load sufficient, if successfully completed, to attain the
1233 educational or training objective within the period generally
1234 accepted as minimum for completion, by a full-time day student, of
1235 the academic or training program concerned. Any child who is
1236 physically or mentally incompetent, as adjudged by either a
1237 Mississippi court of competent jurisdiction or by the board, shall
1238 receive benefits for as long as the incompetency exists.

1239 (c) If there are more than three (3) dependent
1240 children, upon a child's ceasing to be a dependent child, his
1241 annuity shall terminate and there shall be a redetermination of
1242 the amounts payable to any remaining dependent children.

1243 (d) Annuities payable under this subsection (3) shall
1244 begin the first day of the month following the date of the

1245 member's death or in case of late filing, retroactive payments
1246 will be made for a period of not more than one (1) year. Such
1247 benefits may be paid to a surviving parent or the lawful custodian
1248 of a dependent child for the use and benefit of such child without
1249 the necessity of appointment as guardian.

1250 (4) (a) Death benefits in the line of duty. Regardless of
1251 the number of years of the member's creditable service, the spouse
1252 and/or the dependent children of an active member who is killed in
1253 the line of performance of duty or dies as a direct result of an
1254 accident occurring in the line of performance of duty shall
1255 qualify, on approval of the board, for a retirement allowance on
1256 the first of the month following the date of death, but in the
1257 case of late filing, retroactive payments will be made for a
1258 period of not more than one (1) year. The spouse shall receive a
1259 retirement allowance equal to one-half (1/2) of the average
1260 compensation as defined in Section 25-11-103. In addition to the
1261 retirement allowance for the spouse, or if there is no surviving
1262 spouse, the member's dependent child shall receive a retirement
1263 allowance in the amount of one-fourth (1/4) of the member's
1264 average compensation as defined in Section 25-11-103; however, if
1265 there are two (2) or more dependent children, each dependent child
1266 shall receive an equal share of a total annuity equal to one-half
1267 (1/2) of the member's average compensation. If there are more
1268 than two (2) dependent children, upon a child's ceasing to be a
1269 dependent child, his annuity shall terminate and there shall be a
1270 redetermination of the amounts payable to any remaining dependent
1271 children. Such benefits shall cease to be paid for the support
1272 and maintenance of each child upon such child attaining the age of
1273 nineteen (19) years; however, the spouse shall continue to be
1274 eligible for the aforesaid retirement allowance. Such benefits
1275 may be paid to a surviving parent or lawful custodian of such
1276 children for the use and benefit of the children without the
1277 necessity of appointment as guardian. Such retirement allowance

1278 shall cease to the spouse upon remarriage but continue to be
1279 payable for each dependent child until the age of nineteen (19)
1280 years.

1281 (b) A child shall be considered to be a dependent child
1282 until marriage, or the attainment of age nineteen (19), whichever
1283 comes first; however, this age limitation shall be extended beyond
1284 age nineteen (19), but in no event beyond the attainment of age
1285 twenty-three (23), as long as the child is a student regularly
1286 pursuing a full-time course of resident study or training in an
1287 accredited high school, trade school, technical or vocational
1288 institute, junior or community college, college, university or
1289 comparable recognized educational institution duly licensed by a
1290 state. A student child whose birthday falls during the school
1291 year (September 1 through June 30) is considered not to reach age
1292 twenty-three (23) until the July 1 following the actual
1293 twenty-third birthday. A full-time course of resident study or
1294 training means a day or evening noncorrespondence course that
1295 includes school attendance at the rate of at least thirty-six (36)
1296 weeks per academic year or other applicable period with a subject
1297 load sufficient, if successfully completed, to attain the
1298 educational or training objective within the period generally
1299 accepted as minimum for completion, by a full-time day student, of
1300 the academic or training program concerned. Any child who is
1301 physically or mentally incompetent, as adjudged by either a
1302 Mississippi court of competent jurisdiction or by the board, shall
1303 receive benefits for as long as the incompetency exists.

1304 (5) If all the annuities provided for in this section
1305 payable on account of the death of a member terminate before there
1306 has been paid an aggregate amount equal to the member's
1307 accumulated contributions standing to the member's credit in the
1308 annuity savings account at the time of the member's death, the
1309 difference between the accumulated contributions and the aggregate
1310 amount of annuity payments shall be paid to such person as the

1311 member has nominated by written designation duly executed and
1312 filed with the board. If there is no designated beneficiary
1313 surviving at termination of benefits, the difference shall be
1314 payable pursuant to Section 25-11-117.1(1).

1315 (6) Regardless of the number of years of creditable service
1316 upon the application of a member or employer, any active member
1317 who becomes disabled as a direct result of an accident or
1318 traumatic event resulting in a physical injury occurring in the
1319 line of performance of duty, provided the medical board or other
1320 designated governmental agency after a medical examination
1321 certifies that the member is mentally or physically incapacitated
1322 for the further performance of duty and such incapacity is likely
1323 to be permanent, may be retired by the board of trustees on the
1324 first of the month following the date of filing such application
1325 but in no event shall the retirement allowance commence before the
1326 termination of state service. The retirement allowance shall
1327 equal the allowance on disability retirement as provided in
1328 Section 25-11-113 but shall not be less than fifty percent (50%)
1329 of average compensation.

1330 Permanent and total disability resulting from a
1331 cardiovascular, pulmonary or musculo-skeletal condition which was
1332 not a direct result of a traumatic event occurring in the
1333 performance of duty shall be deemed an ordinary disability. A
1334 mental disability based exclusively on employment duties occurring
1335 on an ongoing basis shall be deemed an ordinary disability.

1336 (7) In the event the deceased or disabled member has less
1337 than four (4) years of creditable service, the average
1338 compensation as defined in Section 25-11-103 shall be the average
1339 of all annual earned compensation in state service for the
1340 purposes of benefits provided in this section.

1341 (8) In case of death or total and permanent disability under
1342 subsection (4) or subsection (6) of this section and before the
1343 board shall consider any application for a retirement allowance,

1344 the employer must certify to the board that the member's death or
1345 disability was a direct result of an accident or a traumatic event
1346 occurring during and as a result of the performance of the regular
1347 and assigned duties of the employee and that the death or
1348 disability was not the result of the willful negligence of the
1349 employee.

1350 (9) The application for such retirement allowance must be
1351 filed within one (1) year after death of an active member who is
1352 killed in the line of performance of duty or dies as a direct
1353 result of an accident occurring in the line of performance of duty
1354 or traumatic event; but the board of trustees may consider an
1355 application for disability filed after the one-year period if it
1356 can be factually demonstrated to the satisfaction of the board of
1357 trustees that the disability is due to the accident and that the
1358 filing was not accomplished within the one-year period due to a
1359 delayed manifestation of the disability or to circumstances beyond
1360 the control of the member. However, in case of late filing,
1361 retroactive payments will be made for a period of not more than
1362 one (1) year only.

1363 (10) Notwithstanding any other section of this article and
1364 in lieu of any payments to a designated beneficiary for a refund
1365 of contributions under Section 25-11-117, the spouse and/or
1366 children shall be eligible for the benefits payable pursuant to
1367 this section, and the spouse may elect, for both the spouse and/or
1368 children, to receive benefits in accordance with either
1369 subsections (2) and (3) or subsection (4) of this section;
1370 otherwise, the contributions to the credit of the deceased member
1371 shall be refunded in accordance with Section 25-11-117.

1372 (11) If the member has previously received benefits from the
1373 system to which he was not entitled and has not repaid in full all
1374 amounts payable by him to the system, the annuity amounts
1375 otherwise provided by this section shall be withheld and used to
1376 effect repayment until the total of the withholdings repays in

1377 full all amounts payable by him to the system.

1378 SECTION 15. Section 25-11-115, Mississippi Code of 1972, is
1379 amended as follows:[WAN10]

1380 25-11-115. (1) Upon application for superannuation or
1381 disability retirement, any member may elect to receive his benefit
1382 in a retirement allowance payable throughout life with no further
1383 payments to anyone at his death, except that in the event his
1384 total retirement payments under this article do not equal his
1385 total contributions under this article, his named beneficiary
1386 shall receive the difference in cash at his death. Or he may
1387 elect upon retirement, or upon becoming eligible for retirement,
1388 to receive the actuarial equivalent subject to the provisions of
1389 subsection (3) of this section of his retirement allowance in a
1390 reduced retirement allowance payable throughout life with the
1391 provision that:

1392 **Option 1.** If he dies before he has received in annuity
1393 payment the value of the member's annuity savings account as it
1394 was at the time of his retirement, the balance shall be paid to
1395 his legal representative or to such person as he shall nominate by
1396 written designation duly acknowledged and filed with the board; or

1397 **Option 2.** Upon his death, his reduced retirement allowance
1398 shall be continued throughout the life of, and paid to, such
1399 person as he has nominated by written designation duly
1400 acknowledged and filed with the board of trustees at the time of
1401 his retirement;

1402 **Option 3.** Upon his death, one-half (1/2) of his reduced
1403 retirement allowance shall be continued throughout the life of,
1404 and paid to, such person as he shall have nominated by written
1405 designation duly acknowledged and filed with the board of trustees
1406 at the time of his retirement, and the other one-half (1/2) of his
1407 reduced retirement allowance to some other designated beneficiary;

1408 **Option 4-A.** Upon his death, one-half (1/2) of his reduced
1409 retirement allowance, or such other specified amount, shall be

1410 continued throughout the life of, and paid to, such person as he
1411 shall have nominated by written designation duly acknowledged and
1412 filed with the board of trustees at the time of his retirement; or

1413 **Option 4-B.** A reduced retirement allowance shall be
1414 continued throughout the life of the retirant, but with the
1415 further guarantee of payments to the named beneficiary,
1416 beneficiaries or to the estate for a specified number of years
1417 certain. If the retired member or the last designated beneficiary
1418 receiving annuity payments dies prior to receiving all guaranteed
1419 payments due, the actuarial equivalent of the remaining payments
1420 shall be paid pursuant to Section 25-11-117.1(1);

1421 **Option 4-C.** Such retirement allowance otherwise payable may
1422 be converted into a retirement allowance of equivalent actuarial
1423 value in such an amount that, with the member's benefit under
1424 Title II of the federal Social Security Act, the member will
1425 receive, so far as possible, approximately the same amount
1426 annually before and after the earliest age at which the member
1427 becomes eligible to receive a social security benefit.

1428 (2) No change in the option selected shall be permitted
1429 after the member's death or after the member has received his
1430 first retirement check except as provided in subsections (3) and
1431 (4) of this section and in Section 25-11-127. However, any
1432 retired member who is receiving a retirement allowance under
1433 Option 2 or Option 4-A upon July 1, 1992, and whose designated
1434 beneficiary predeceased him or whose marriage to a spouse who is
1435 his designated beneficiary is terminated by divorce or other
1436 dissolution, upon written notification to the retirement system of
1437 the death of the designated beneficiary or of the termination of
1438 his marriage to his designated beneficiary, the retirement
1439 allowance payable to the member after receipt of such notification
1440 by the retirement system shall be equal to the retirement
1441 allowance which would have been payable had the member not elected
1442 the option. In addition, any retired member who is receiving the

1443 maximum retirement allowance for life, a retirement allowance
1444 under Option 1 or who is receiving a retirement allowance under
1445 Option 2 or Option 4-A on July 1, 1992, may elect to provide
1446 survivor benefits under Option 2 or Option 4-A to a spouse who was
1447 not previously the member's beneficiary and whom the member
1448 married before July 1, 1992.

1449 (3) Any retired member who is receiving a reduced retirement
1450 allowance under Option 2 or Option 4-A whose designated
1451 beneficiary predeceases him, or whose marriage to a spouse who is
1452 his designated beneficiary is terminated by divorce or other
1453 dissolution, may elect to cancel his reduced retirement allowance
1454 and receive the maximum retirement allowance for life in an amount
1455 equal to the amount that would have been payable if the member had
1456 not elected Option 2 or Option 4-A. Such election must be made in
1457 writing to the office of the executive director of the system on a
1458 form prescribed by the board. Any such election shall be
1459 effective the first of the month following the date the election
1460 is received by the system.

1461 (4) Any retired member who is receiving the maximum
1462 retirement allowance for life, or a retirement allowance under
1463 Option 1, and who marries after his retirement may elect to cancel
1464 his maximum retirement allowance and receive a reduced retirement
1465 allowance under Option 2 or Option 4-A to provide continuing
1466 lifetime benefits to his spouse. Such election must be made in
1467 writing to the office of the executive director of the system on a
1468 form prescribed by the board not earlier than the date of the
1469 marriage. Any such election shall be effective the first of the
1470 month following the date the election is received by the system.
1471 The amount of the reduced retirement allowance shall be the
1472 actuarial equivalent, taking into account that the member received
1473 the maximum retirement allowance for a period of time before
1474 electing to receive a reduced retirement allowance.

1475 (5) In the event the election of an optional benefit is made

1476 after the member has attained the age of sixty-five (65) years,
1477 the actuarial equivalent factor shall be used to compute the
1478 reduced retirement allowance as if the election had been made on
1479 his sixty-fifth birthday. However, if a retiree marries or
1480 remarries after retirement and elects either Option 2 or Option
1481 4-A as provided in subsection (2) or (4) of this section, the
1482 actuarial equivalent factor used to compute the reduced retirement
1483 allowance shall be the factor for the age of the retiree and his
1484 or her beneficiary at the time such election for recalculation of
1485 benefits is made.

1486 (6) Notwithstanding any provision of Section 25-11-1 et
1487 seq., no payments may be made for a retirement allowance on a
1488 monthly basis for a period of time in excess of that allowed by
1489 federal law.

1490 (7) If a retirant and his eligible beneficiary, if any, both
1491 die before they have received in annuity payments a total amount
1492 equal to the accumulated contributions standing to the retirant's
1493 credit in the annuity savings account at the time of his
1494 retirement, the difference between the accumulated contributions
1495 and the total amount of annuities received by them shall be paid
1496 to such persons as the retirant has nominated by written
1497 designation duly executed and filed in the office of the executive
1498 director. If no designated person survives the retirant and his
1499 beneficiary, the difference, if any, shall be paid pursuant to
1500 Section 25-11-117.1(1).

1501 (8) Any retired member who retired on Option 2(5) or 4-A(5)
1502 prior to July 1, 1992, who is still receiving a retirement
1503 allowance on July 1, 1994, shall receive an increase in the annual
1504 retirement allowance effective July 1, 1994, equal to the amount
1505 they would have received under Option 2 or Option 4-A without a
1506 reduction for Option 5 based on the ages at retirement of the
1507 retiree and beneficiary and option factors in effect on July 1,
1508 1992. Such increase shall be prospective only.

1509 SECTION 16. Section 25-11-117, Mississippi Code of 1972, is
1510 amended as follows:[WAN11]

1511 25-11-117. (1) A member may be paid a refund of the amount
1512 of accumulated contributions to the credit of the member in the
1513 annuity savings account provided the member has withdrawn from
1514 state service and further provided the member has not returned to
1515 state service on the date the refund of the accumulated
1516 contributions would be paid. Such refund of the contributions to
1517 the credit of the member in the annuity savings account shall be
1518 paid within ninety (90) days from receipt in the office of the
1519 retirement system of the properly completed form requesting such
1520 payment. In the event of death prior to retirement of any member
1521 whose spouse and/or children are not entitled to a retirement
1522 allowance, the accumulated contributions to the credit of the
1523 deceased member in the annuity savings account shall be paid to
1524 the designated beneficiary on file in writing in the office of
1525 executive director of the board of trustees within ninety (90)
1526 days from receipt of a properly completed form requesting such
1527 payment. If there is no such designated beneficiary on file for
1528 such deceased member in the office of the system, upon the filing
1529 of a proper request with the board, the contributions to the
1530 credit of the deceased member in the annuity savings account shall
1531 be refunded pursuant to Section 25-11-117.1(1). The payment of
1532 the refund shall discharge all obligations of the retirement
1533 system to the member on account of any creditable service rendered
1534 by the member prior to the receipt of the refund. By the
1535 acceptance of the refund, the member shall waive and relinquish
1536 all accrued rights in the system.

1537 (2) Pursuant to the Unemployment Compensation Amendments of
1538 1992 (Public Law 102-318 (UCA)), a member or eligible beneficiary
1539 eligible for a refund under this section may elect on a form
1540 prescribed by the board under rules and regulations established by
1541 the board, to have an eligible rollover distribution of

1542 accumulated contributions payable under this section paid directly
1543 to an eligible retirement plan or individual retirement account.
1544 If the member or eligible beneficiary makes such election and
1545 specifies the eligible retirement plan or individual retirement
1546 account to which such distribution is to be paid, the distribution
1547 will be made in the form of a direct trustee-to-trustee transfer
1548 to the specified eligible retirement plan. Flexible rollovers
1549 under this subsection shall not be considered assignments under
1550 Section 25-11-129.

1551 (3) If any person who has received a refund reenters the
1552 state service and again becomes a member of the system, the member
1553 may repay all or part of the amounts previously received as a
1554 refund, together with regular interest covering the period from
1555 the date of refund to the date of repayment; provided, however,
1556 that the amounts that are repaid by the member and the creditable
1557 service related thereto shall not be used in any benefit
1558 calculation or determination until the member has remained a
1559 contributor to the system for a period of at least four (4) years
1560 subsequent to such member's reentry into state service. Repayment
1561 for such time shall be made in increments of not less than
1562 one-quarter (1/4) year of creditable service beginning with the
1563 most recent service for which refund has been made. Upon the
1564 repayment of all or part of such refund and interest, the member
1565 shall again receive credit for the period of creditable service
1566 for which full repayment has been made to the system.

1567 SECTION 17. Section 25-13-12, Mississippi Code of 1972, is
1568 amended as follows:[WAN12]

1569 25-13-12. (1) Patrol officers who have retired and who on
1570 December 1 of each year, or July 1 of each year as provided for in
1571 subsection (7) of this section, are receiving a retirement
1572 allowance for service or disability retirement, or their
1573 beneficiaries, shall receive in one (1) additional payment an
1574 amount equal to two and one-half percent (2-1/2%) of the annual

1575 retirement allowance for each full fiscal year of retirement.

1576 (2) Persons who on December 1 of each year are receiving a
1577 retirement allowance for service or disability retirement, or
1578 their beneficiaries, may receive, in addition to the amount
1579 provided in subsection (1) of this section, a payment, as
1580 determined by the board, calculated in increments of one-quarter
1581 of one percent (1/4 of 1%), not to exceed one and one-half percent
1582 (1-1/2%) of the annual retirement allowance, for each full year of
1583 retirement, provided that any such payment shall be contingent
1584 upon the reserve for annuities in force for retired members and
1585 beneficiaries providing sufficient investment gains in excess of
1586 the accrued actuarial liabilities for the previous fiscal year as
1587 certified by the actuary and determined by the board.

1588 (3) The percentages in this section shall be based on each
1589 full fiscal year that the retired member or beneficiary has
1590 actually drawn retirement payments from the date of retirement, or
1591 the date of last retirement if there is more than one (1)
1592 retirement date.

1593 (4) If a retiree who is receiving a retirement allowance
1594 that will terminate upon the retiree's death is receiving the
1595 additional payments under subsections (1) and (2) of this section
1596 in one (1) payment and dies on or after July 1 but before December
1597 1, the beneficiary designated on the retirement application shall
1598 receive in a single payment a fractional part of the additional
1599 payments based on the number of months in which a retirement
1600 allowance was received during the fiscal year. If there is no
1601 surviving beneficiary, payment shall be made pursuant to Section
1602 25-13-21.1(1). Any similar remaining payments of additional
1603 benefit payable under this section to a deceased beneficiary who
1604 was receiving a monthly benefit, shall be payable in accordance
1605 with the provisions of Section 25-13-21.1(2).

1606 (5) Each retired member or beneficiary thereof who receives
1607 an annual retirement allowance based on the average compensation

1608 for a period of five (5) successive or joined years and who
1609 receives a retirement allowance for the month of June, 1986, shall
1610 receive an ad hoc increase of three percent (3%) in such
1611 retirement allowance effective July 1, 1986.

1612 (6) Persons eligible to receive the payments provided in
1613 subsections (1) and (2) of this section shall receive such
1614 payments in one (1) additional payment, except that such person
1615 may elect by an irrevocable agreement on a form prescribed by the
1616 board of trustees to receive such payments in not less than equal
1617 monthly installments not to exceed six (6) months during the
1618 remaining months of the current fiscal year. In the event of
1619 death of a retiree receiving monthly benefits, any remaining
1620 amounts shall be paid in a lump sum to the * * * beneficiary
1621 designated on the retirement application, or if none, pursuant to
1622 Section 25-13-21.1(1). Any similar remaining payments of
1623 additional benefit payable under this section to a deceased
1624 beneficiary who was receiving a monthly benefit, shall be payable
1625 in accordance with the provisions of Section 25-13-21.1(2).

1626 (7) Retired persons or beneficiaries thereof who on July 1,
1627 1997, or July 1 of any fiscal year thereafter, are receiving a
1628 retirement allowance, may elect by an irrevocable agreement in
1629 writing filed in the office of the Public Employees' Retirement
1630 System no less than thirty (30) days before July 1 of the
1631 appropriate year, to begin receiving the payments provided for in
1632 subsection (1) of this section in twelve (12) equal installments
1633 beginning July 1, 1997, or July 1 of any fiscal year thereafter.
1634 This irrevocable agreement shall be binding on the member and
1635 subsequent beneficiaries. The cumulative percentage provided in
1636 subsection (1) of this section and paid in twelve (12) equal
1637 installments for any particular year shall not be less than the
1638 cumulative percentage provided for the previous year. However,
1639 payment of the installments shall not extend beyond the month in
1640 which a retirement allowance is due and payable. Any additional

1641 amounts approved by the board under subsection (2) of this section
1642 shall be paid in one (1) lump sum payment to retirees and
1643 beneficiaries in accordance with subsection (2) of this section.

1644 SECTION 18. Section 25-13-13, Mississippi Code of 1972, is
1645 amended as follows:[WAN13]

1646 25-13-13. (1) Upon the death of any highway patrolman who
1647 has retired for service or disability and who has not elected any
1648 other option under Section 25-13-16, his widow shall receive
1649 one-half (1/2) the benefit which he was receiving and each child
1650 not having attained his nineteenth birthday shall receive
1651 one-fourth (1/4) of his benefit, but not more than one-half (1/2)
1652 of the benefits shall be paid for the support and maintenance of
1653 two (2) or more children. Upon each child's attaining the age of
1654 nineteen (19) years, the child shall no longer be eligible for
1655 such benefit, and when all of such children have attained their
1656 nineteenth birthday, only the widow shall be eligible for one-half
1657 (1/2) the amount of his benefit. She shall continue to be
1658 eligible for such benefit in the amount of fifty percent (50%) of
1659 his retirement benefit so long as she may live and until she
1660 remarries. In the event of her remarriage at any time, her
1661 eligibility for the fifty percent (50%) benefits shall cease and
1662 terminate, but she will be eligible to continue to receive
1663 benefits for their children until the last child attains his or
1664 her nineteenth birthday in the manner aforesaid.

1665 (2) Upon the death of any highway patrolman who has served
1666 the minimum retirement period required for eligibility for such
1667 retirement program, his spouse and family shall receive all the
1668 benefits payable to the highway patrolman's beneficiaries as if he
1669 had retired at the time of his death. Such benefits cease as to
1670 the spouse upon remarriage but continue to be payable to each
1671 child until he reaches the age of nineteen (19) years. Such
1672 benefits are payable on a monthly basis.

1673 (3) The spouse and/or the dependent children of an active

1674 member who is killed in the line of performance of duty or dies as
1675 a direct result of an accident occurring in the line of
1676 performance of duty shall qualify, on approval of the board, for a
1677 retirement allowance on the first of the month following the date
1678 of death, but not before receipt of application by the board. The
1679 spouse shall receive a retirement allowance equal to one-half
1680 (1/2) of the average compensation of the deceased highway
1681 patrolman. In addition to the retirement allowance for the
1682 spouse, or if there is no surviving spouse, a retirement allowance
1683 shall be paid in the amount of one-fourth (1/4) of the average
1684 compensation for the support and maintenance of one (1) child or
1685 in the amount of one-half (1/2) of the average compensation for
1686 the support and maintenance of two (2) or more children. Such
1687 benefits shall cease to be paid for the support and maintenance of
1688 each child upon such child attaining the age of nineteen (19)
1689 years; however, the spouse shall continue to be eligible for the
1690 aforesaid retirement allowance. Benefits may be paid to a
1691 surviving parent or lawful custodian of such children for the use
1692 and benefit of the children without the necessity of appointment
1693 as guardian. Such retirement allowance shall cease to the spouse
1694 upon remarriage but continue to be payable for each dependent
1695 child until the age of nineteen (19) years.

1696 (4) All benefits accruing to any child under the provisions
1697 of this chapter shall be paid to the parent custodian of the
1698 children or the legal guardian.

1699 (5) Children receiving the benefits provided herein, who are
1700 permanently or totally disabled, shall continue to receive such
1701 benefits for as long as the medical board or other designated
1702 governmental agency certifies that such disability continues. The
1703 age limitation for benefits payable to a child under any provision
1704 of this section shall be extended beyond age nineteen (19), but in
1705 no event beyond the attainment of age twenty-three (23), as long
1706 as the child is a student regularly pursuing a full-time course of

1707 resident study or training in an accredited high school, trade
1708 school, technical or vocational institute, junior or community
1709 college, college, university or comparable recognized educational
1710 institution duly licensed by a state. A student child whose
1711 birthday falls during the school year (September 1 through June
1712 30) is considered not to reach age twenty-three (23) until the
1713 July 1 following the actual twenty-third birthday. A full-time
1714 course of resident study or training means a day or evening
1715 noncorrespondence course that includes school attendance at the
1716 rate of a least thirty-six (36) weeks per academic year or other
1717 applicable period with a subject load sufficient, if successfully
1718 completed, to attain the educational or training objective within
1719 the period generally accepted as minimum for completion, by a
1720 full-time day student, of the academic or training program
1721 concerned.

1722 (6) If all the annuities provided for in this section
1723 payable on the account of the death of a member terminate before
1724 there has been paid an aggregate amount equal to the member's
1725 accumulated contributions standing to the member's credit in the
1726 annuity savings account at the time of the member's death, the
1727 difference between the accumulated contributions and the aggregate
1728 amount of annuity payments shall be paid to such person as the
1729 member has nominated by written designation duly executed and
1730 filed with the board of trustees in the office of the Public
1731 Employees' Retirement System. If there is no designated
1732 beneficiary surviving at termination of benefits, the difference
1733 shall be payable pursuant to Section 25-13-21.1(1).

1734 (7) All benefits paid to a spouse or child due to the death
1735 of a member before or after retirement shall be paid in accordance
1736 with the statutory provisions set forth as of the date of death.

1737 SECTION 19. Section 25-13-16, Mississippi Code of 1972, is
1738 amended as follows:[WAN14]

1739 25-13-16. (1) Upon application for superannuation or

1740 disability retirement, any member who retires after July 1, 1990,
1741 may elect to receive his benefit pursuant to the provisions of
1742 Sections 25-13-11 and 25-13-13 * * *. Or he may elect upon
1743 retirement, or upon becoming eligible for retirement, to receive
1744 the actuarial equivalent, subject to the provisions of subsection
1745 (3) of this section, of his retirement allowance in a reduced
1746 retirement allowance payable throughout life with the provision
1747 that:

1748 **Option 1.** If he dies before he has received in annuity
1749 payment the value of the member's annuity savings account as it
1750 was at the time of his retirement, the balance shall be paid to
1751 his legal representative or to such person as he shall nominate by
1752 written designation duly acknowledged and filed with the board; or

1753 **Option 2.** Upon his death, his reduced retirement allowance
1754 shall be continued throughout the life of, and paid to, such
1755 person as he has nominated by written designation duly
1756 acknowledged and filed with the board of trustees at the time of
1757 his retirement;

1758 **Option 3.** Upon his death, one-half (1/2) of his reduced
1759 retirement allowance shall be continued throughout the life of,
1760 and paid to, such person as he shall have nominated by written
1761 designation duly acknowledged and filed with the board of trustees
1762 at the time of his retirement, and the other one-half (1/2) of his
1763 reduced retirement allowance to some other designated beneficiary;

1764 **Option 4-A.** Upon his death, one-half (1/2) of his reduced
1765 retirement allowance, or such other specified amount, shall be
1766 continued throughout the life of, and paid to, such person as he
1767 shall have nominated by written designation duly acknowledged and
1768 filed with the board of trustees at the time of his retirement; or

1769 **Option 4-B.** A reduced retirement allowance shall be
1770 continued throughout the life of the retirant, but with the
1771 further guarantee of payments to the named beneficiary,
1772 beneficiaries or to the estate for a specified number of years

1773 certain. If the retired member or the last designated beneficiary
1774 receiving annuity payments dies prior to receiving all guaranteed
1775 payments due, the actuarial equivalent of the remaining payments
1776 shall be paid pursuant to Section 25-13-21.1(1).

1777 **Option 4-C.** Such retirement allowance otherwise payable may
1778 be converted into a retirement allowance of equivalent actuarial
1779 value in such an amount that, with the member's benefit under
1780 Title II of the federal Social Security Act, the member will
1781 receive, so far as possible, approximately the same amount
1782 annually before and after the earliest age at which the member
1783 becomes eligible to receive a social security benefit.

1784 (2) No change in the option selected shall be permitted
1785 after the member's death or after the member has received his
1786 first retirement check, except as provided in subsections (3) and
1787 (4) of this section. However, any retired member who is receiving
1788 a retirement allowance under Option 2 or Option 4-A upon July 1,
1789 1999, and whose designated beneficiary predeceased him or whose
1790 marriage to a spouse who is his designated beneficiary is
1791 terminated by divorce or other dissolution, upon written
1792 notification to the retirement system of the death of the
1793 designated beneficiary or of the termination of his marriage to
1794 his designated beneficiary, the retirement allowance payable to
1795 the member after receipt of such notification by the retirement
1796 system shall be equal to the retirement allowance that would have
1797 been payable if the member had not elected the option. In
1798 addition, any retired member who is receiving the maximum
1799 retirement allowance for life, a retirement allowance under Option
1800 1 or who is receiving a retirement allowance under Option 2 or
1801 Option 4-A on July 1, 1999, may elect to provide survivor benefits
1802 under Option 2 or Option 4-A to a spouse who was not previously
1803 the member's beneficiary and who the member married before July 1,
1804 1999. Should a member retired on disability be returned to active
1805 service, the option previously selected shall be null and void.

1806 Upon subsequent retirement a new option may be selected.

1807 (3) Any retired member who is receiving a reduced retirement
1808 allowance under Option 2 or Option 4-A whose designated
1809 beneficiary predeceases him, or whose marriage to a spouse who is
1810 his designated beneficiary is terminated by divorce or other
1811 dissolution, may elect to cancel his reduced retirement allowance
1812 and receive the maximum retirement allowance for life in an amount
1813 equal to the amount that would have been payable if the member had
1814 not elected Option 2 or Option 4-A. Such election must be made in
1815 writing to the office of the executive director of the system on a
1816 form prescribed by the board. Any such election shall be
1817 effective the first of the month following the date the election
1818 is received by the system.

1819 (4) Any retired member who is receiving the maximum
1820 retirement allowance for life, or a retirement allowance under
1821 Option 1, and who marries after his retirement may elect to cancel
1822 his maximum retirement allowance and receive a reduced retirement
1823 allowance under Option 2 or Option 4-A to provide continuing
1824 lifetime benefits to his spouse. Such election must be made in
1825 writing to the office of the executive director of the system on a
1826 form prescribed by the board not earlier than the date of the
1827 marriage. Any such election shall be effective the first of the
1828 month following the date the election is received by the system.
1829 The amount of the reduced retirement allowance shall be the
1830 actuarial equivalent, taking into account that the member received
1831 the maximum retirement allowance for a period of time before
1832 electing to receive a reduced retirement allowance. However, if a
1833 retiree marries or remarries after retirement and elects either
1834 Option 2 or Option 4-A as provided in subsection (2) or (4) of
1835 this section, the actuarial equivalent factor used to compute the
1836 reduced retirement allowance shall be the factor for the age of
1837 the retiree and his or her beneficiary at the time such election
1838 for recalculation of benefits is made.

1839 (5) Any member in service who has qualified for retirement
1840 benefits may select any optional method of settlement of
1841 retirement benefits by notifying the Executive Director of the
1842 Board of Trustees of the Public Employees' Retirement System in
1843 writing, on a form prescribed by the board, of the option he has
1844 selected and by naming the beneficiary of such option and
1845 furnishing necessary proof of age. Such option, once selected,
1846 may be changed at any time prior to actual retirement or death,
1847 but upon the death or retirement of the member, the optional
1848 settlement shall be placed in effect upon proper notification to
1849 the executive director.

1850 (6) Notwithstanding any provision of Section 25-13-1 et
1851 seq., no payments may be made for a retirement allowance on a
1852 monthly basis for a period of time in excess of that allowed by
1853 federal law.

1854 (7) If a retirant and his eligible beneficiary, if any, both
1855 die before they have received in annuity payments a total amount
1856 equal to the accumulated contributions standing to the retirant's
1857 credit in the annuity savings account at the time of his
1858 retirement, the difference between the accumulated contributions
1859 and the total amount of annuities received by them shall be paid
1860 to such persons as the retirant has nominated by written
1861 designation duly executed and filed in the office of the executive
1862 director. If no designated person survives the retirant and his
1863 beneficiary, the difference, if any, shall be paid pursuant to
1864 Section 25-13-21.1(1).

1865 (8) Any retired member who retired on Option 2(5) or 4-A(5)
1866 before July 1, 1999, who is still receiving a retirement allowance
1867 as of July 1, 1999, shall receive an increase in the annual
1868 retirement allowance effective July 1, 1999, equal to the amount
1869 they would have received under Option 2 or Option 4-A without a
1870 reduction for Option 5 based on the ages at retirement of the
1871 retiree and beneficiary and option factors in effect on July 1,

1872 1999. Such increase shall be prospective only.

1873 (9) For purposes of this section:

1874 (a) "Beneficiary" means any person designated to
1875 receive a retirement allowance, an annuity or other benefit as
1876 provided by this chapter. Such designation shall be in writing
1877 filed in the office of the Executive Director of the Board of
1878 Trustees of the Public Employees' Retirement System, and no
1879 designation or change of beneficiary shall be made in any other
1880 manner; however, notwithstanding any provision of this chapter to
1881 the contrary, the lawful spouse of a member at the time of the
1882 death of a member shall be the beneficiary of such member unless
1883 the member has designated another beneficiary subsequent to the
1884 date of marriage.

1885 (b) "Actuarial equivalent" shall mean a benefit of
1886 equal value to the accumulated contributions, annuity or benefit,
1887 as the case may be, when computed upon the basis of such mortality
1888 tables as shall be adopted by the board of trustees, and regular
1889 interest.

1890 (c) "Actuarial tables" shall mean such tables of
1891 mortality and rates of interest as shall be adopted by the board
1892 in accordance with the recommendation of the actuary.

1893 SECTION 20. Section 25-13-21, Mississippi Code of 1972, is
1894 amended as follows:[WAN15]

1895 25-13-21. In the event a highway patrolman ceases to work
1896 for the Highway Safety Patrol for any reason other than
1897 occupational disease contracted or for any accident sustained by
1898 the patrolman by reason of his service or discharge of his duty in
1899 the Highway Patrol, and if the highway patrolman is not eligible
1900 for retirement either for service or disability, he shall be
1901 refunded the amount of his total contribution under the provisions
1902 of this chapter, including any credit transferred to his account
1903 in this system from any other system, at his request; and should
1904 he die before retirement, such fund is to be refunded to any

1905 beneficiary he may name. If there is no surviving designated
1906 beneficiary, the contributions to the credit of the deceased
1907 member shall be refunded pursuant to Section 25-13-21.1(1).

1908 Pursuant to the Unemployment Compensation Amendments of 1992
1909 (Public Law 102-318 (UCA)), a member or eligible beneficiary
1910 eligible for a refund under this section may elect on a form
1911 prescribed by the board under rules and regulations established by
1912 the board, to have an eligible roll over distribution of
1913 accumulated contributions payable under this section paid directly
1914 to an eligible retirement plan or individual retirement account.
1915 If the member or eligible beneficiary makes such election and
1916 specifies the eligible retirement plan or individual retirement
1917 account to which such distribution is to be paid, the distribution
1918 will be made in the form of a direct trustee-to-trustee transfer
1919 to the specified eligible retirement plan. Flexible roll overs
1920 under this subsection shall not be considered assignments under
1921 Section 25-13-31.

1922 If any highway patrolman who shall receive a refund reenters
1923 the service of the Highway Safety Patrol and again becomes a
1924 member of the system, he may repay all amounts previously received
1925 by him as a refund, together with regular interest covering the
1926 period from the date of refund to the date of repayment; however,
1927 the amounts that are repaid by the member and the creditable
1928 service related thereto shall not be used in any benefit
1929 calculation or determination until the member has remained a
1930 contributor to the system for a period of at least five (5) years
1931 after such member's reentry into state service. Repayment for
1932 such time shall be made in increments of not less than one-quarter
1933 (1/4) year of creditable service beginning with the most recent
1934 service for which refund has been made. Upon the repayment of all
1935 or part of such refund and interest, the highway patrolman shall
1936 again receive credit for the period of creditable service for
1937 which full repayment has been made to the system.

1938 SECTION 21. This act shall take effect and be in force from
1939 and after July 1, 2000.