

By: Furniss

To: Finance

SENATE BILL NO. 2250

1 AN ACT TO AMEND SECTION 25-13-16, MISSISSIPPI CODE OF 1972,
 2 TO PROVIDE THAT THE BENEFICIARY OF A CERTAIN DECEASED RETIRED
 3 MEMBER OF THE HIGHWAY SAFETY PATROL RETIREMENT SYSTEM WHO RETIRED
 4 WITHOUT SELECTING AN OPTIONAL FORM OF BENEFIT PAYMENT, SHALL BE
 5 ENTITLED TO RECEIVE BENEFITS AS IF THE RETIRED MEMBER HAD SELECTED
 6 OPTION 2; AND FOR RELATED PURPOSES.

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

8 SECTION 1. Section 25-13-16, Mississippi Code of 1972, is
 9 amended as follows:[WAN1]

10 25-13-16. (1) Upon application for superannuation or
 11 disability retirement, any member who retires after July 1, 1990,
 12 may elect to receive his benefit pursuant to the provisions of
 13 Sections 25-13-11 and 25-13-13 or may elect to receive his benefit
 14 in a retirement allowance payable throughout life with no further
 15 payments to anyone at his death, except that in the event his
 16 total retirement payments under this article do not equal his
 17 total contributions under this article, his named beneficiary
 18 shall receive the difference in cash at his death. Or he may
 19 elect upon retirement, or upon becoming eligible for retirement,
 20 to receive the actuarial equivalent, subject to the provisions of
 21 subsection (3) of this section, of his retirement allowance in a
 22 reduced retirement allowance payable throughout life with the
 23 provision that:

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

29 **Option 2.** Upon his death, his reduced retirement allowance
30 shall be continued throughout the life of, and paid to, such
31 person as he has nominated by written designation duly
32 acknowledged and filed with the board of trustees at the time of
33 his retirement;

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

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

45 **Option 4-B.** A reduced retirement allowance shall be
46 continued throughout the life of the retirant, but with the
47 further guarantee of payments to the named beneficiary,
48 beneficiaries or to the estate for a specified number of years
49 certain. If the retired member or the last designated beneficiary
50 receiving annuity payments dies prior to receiving all guaranteed
51 payments due, the actuarial equivalent of the remaining payments
52 would be paid to the estate of the retired member as intestate
53 property.

54 **Option 4-C.** Such retirement allowance otherwise payable may

55 be converted into a retirement allowance of equivalent actuarial
56 value in such an amount that, with the member's benefit under
57 Title II of the federal Social Security Act, the member will
58 receive, so far as possible, approximately the same amount
59 annually before and after the earliest age at which the member
60 becomes eligible to receive a social security benefit.

61 (2) No change in the option selected shall be permitted
62 after the member's death or after the member has received his
63 first retirement check, except as provided in subsections (3) and
64 (4) of this section. However, any retired member who is receiving
65 a retirement allowance under Option 2 or Option 4-A upon July 1,
66 1999, and whose designated beneficiary predeceased him or whose
67 marriage to a spouse who is his designated beneficiary is
68 terminated by divorce or other dissolution, upon written
69 notification to the retirement system of the death of the
70 designated beneficiary or of the termination of his marriage to
71 his designated beneficiary, the retirement allowance payable to
72 the member after receipt of such notification by the retirement
73 system shall be equal to the retirement allowance that would have
74 been payable if the member had not elected the option. In
75 addition, any retired member who is receiving the maximum
76 retirement allowance for life, a retirement allowance under Option
77 1 or who is receiving a retirement allowance under Option 2 or
78 Option 4-A on July 1, 1999, may elect to provide survivor benefits
79 under Option 2 or Option 4-A to a spouse who was not previously
80 the member's beneficiary and who the member married before July 1,
81 1999. Should a member retired on disability be returned to active
82 service, the option previously selected shall be null and void.

83 Upon subsequent retirement a new option may be selected.

84 (3) Any retired member who is receiving a reduced retirement
85 allowance under Option 2 or Option 4-A whose designated
86 beneficiary predeceases him, or whose marriage to a spouse who is
87 his designated beneficiary is terminated by divorce or other
88 dissolution, may elect to cancel his reduced retirement allowance
89 and receive the maximum retirement allowance for life in an amount
90 equal to the amount that would have been payable if the member had
91 not elected Option 2 or Option 4-A. Such election must be made in
92 writing to the office of the executive director of the system on a
93 form prescribed by the board. Any such election shall be
94 effective the first of the month following the date the election
95 is received by the system.

96 (4) Any retired member who is receiving the maximum
97 retirement allowance for life, or a retirement allowance under
98 Option 1, and who marries after his retirement may elect to cancel
99 his maximum retirement allowance and receive a reduced retirement
100 allowance under Option 2 or Option 4-A to provide continuing
101 lifetime benefits to his spouse. Such election must be made in
102 writing to the office of the executive director of the system on a
103 form prescribed by the board not earlier than the date of the
104 marriage. Any such election shall be effective the first of the
105 month following the date the election is received by the system.
106 The amount of the reduced retirement allowance shall be the
107 actuarial equivalent, taking into account that the member received
108 the maximum retirement allowance for a period of time before
109 electing to receive a reduced retirement allowance. However, if a
110 retiree marries or remarries after retirement and elects either

111 Option 2 or Option 4-A as provided in subsection (2) or (4) of
112 this section, the actuarial equivalent factor used to compute the
113 reduced retirement allowance shall be the factor for the age of
114 the retiree and his or her beneficiary at the time such election
115 for recalculation of benefits is made.

116 (5) Any member in service who has qualified for retirement
117 benefits may select any optional method of settlement of
118 retirement benefits by notifying the Executive Director of the
119 Board of Trustees of the Public Employees' Retirement System in
120 writing, on a form prescribed by the board, of the option he has
121 selected and by naming the beneficiary of such option and
122 furnishing necessary proof of age. Such option, once selected,
123 may be changed at any time prior to actual retirement or death,
124 but upon the death or retirement of the member, the optional
125 settlement shall be placed in effect upon proper notification to
126 the executive director.

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

131 (7) If a retirant and his eligible beneficiary, if any, both
132 die before they have received in annuity payments a total amount
133 equal to the accumulated contributions standing to the retirant's
134 credit in the annuity savings account at the time of his
135 retirement, the difference between the accumulated contributions
136 and the total amount of annuities received by them shall be paid
137 to such persons as the retirant has nominated by written
138 designation duly executed and filed in the office of the executive

139 director. If no designated person survives the retirant and his
140 beneficiary, the difference, if any, shall be paid to the estate
141 of the survivor of the retirant and his beneficiary.

142 (8) Any retired member who retired on Option 2(5) or 4-A(5)
143 before July 1, 1999, who is still receiving a retirement allowance
144 as of July 1, 1999, shall receive an increase in the annual
145 retirement allowance effective July 1, 1999, equal to the amount
146 they would have received under Option 2 or Option 4-A without a
147 reduction for Option 5 based on the ages at retirement of the
148 retiree and beneficiary and option factors in effect on July 1,
149 1999. Such increase shall be prospective only.

150 (9) Notwithstanding any provision of this section to the
151 contrary, any beneficiary of a deceased retiree whose date of
152 retirement was effective June 1, 1990 and whose death occurred May
153 30, 1997, and who retired without the benefit of selecting an
154 optional form of benefit payment as provided under this section,
155 shall be entitled to receive benefits, effective upon the
156 effective date of Senate Bill No. 2250, 2000 Regular Session, as
157 if the retired member had selected Option 2. (Such change in the
158 optional form of payment for the surviving spouse shall not affect
159 the rights of a dependent child receiving such benefits under
160 Section 25-13-13.)

161 (10) For purposes of this section:

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

167 designation or change of beneficiary shall be made in any other
168 manner; however, notwithstanding any provision of this chapter to
169 the contrary, the lawful spouse of a member at the time of the
170 death of a member shall be the beneficiary of such member unless
171 the member has designated another beneficiary subsequent to the
172 date of marriage.

173 (b) "Actuarial equivalent" shall mean a benefit of
174 equal value to the accumulated contributions, annuity or benefit,
175 as the case may be, when computed upon the basis of such mortality
176 tables as shall be adopted by the board of trustees, and regular
177 interest.

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

181 SECTION 2. This act shall take effect and be in force from
182 and after its passage.