

By: Harden

To: Finance

SENATE BILL NO. 2270

1 AN ACT TO AMEND SECTION 25-11-115, MISSISSIPPI CODE OF 1972,
 2 TO PROVIDE THAT A RETIRED MEMBER OF THE PUBLIC EMPLOYEES'
 3 RETIREMENT SYSTEM WHO IS RECEIVING A REDUCED RETIREMENT ALLOWANCE
 4 PURSUANT TO ONE OF THE AVAILABLE OPTIONS FOR PAYMENT OF SUCH
 5 ALLOWANCE MAY ELECT TO CANCEL SUCH REDUCED RETIREMENT ALLOWANCE
 6 AND RECEIVE THE MAXIMUM RETIREMENT ALLOWANCE WITHIN A CERTAIN
 7 PERIOD OF TIME FOLLOWING HIS RETIREMENT; AND FOR RELATED PURPOSES.

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

9 SECTION 1. Section 25-11-115, Mississippi Code of 1972, is
 10 amended as follows:[WAN1]

11 25-11-115. (1) Upon application for superannuation or
 12 disability retirement, any member may elect to receive his benefit
 13 in a retirement allowance payable throughout life with no further
 14 payments to anyone at his death, except that in the event his
 15 total retirement payments under this article do not equal his
 16 total contributions under this article, his named beneficiary
 17 shall receive the difference in cash at his death. Or he may
 18 elect upon retirement, or upon becoming eligible for retirement,
 19 to receive the actuarial equivalent subject to the provisions of
 20 subsection (3) of this section of his retirement allowance in a
 21 reduced retirement allowance payable throughout life with the
 22 provision that:

23 **Option 1.** If he dies before he has received in annuity

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

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

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

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

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

53 **Option 4-C.** Such retirement allowance otherwise payable may
54 be converted into a retirement allowance of equivalent actuarial

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

60 (2) No change in the option selected shall be permitted
61 after the member's death or after the member has received his
62 first retirement check except as provided in subsections (3), (4)
63 and (5) of this section and in Section 25-11-127. However, any
64 retired member who is receiving a retirement allowance under
65 Option 2 or Option 4-A upon July 1, 1992, and whose designated
66 beneficiary predeceased him or whose marriage to a spouse who is
67 his designated beneficiary is terminated by divorce or other
68 dissolution, upon written notification to the retirement system of
69 the death of the designated beneficiary or of the termination of
70 his marriage to his designated beneficiary, the retirement
71 allowance payable to the member after receipt of such notification
72 by the retirement system shall be equal to the retirement
73 allowance which would have been payable had the member not elected
74 the option. In addition, any retired member who is receiving the
75 maximum retirement allowance for life, a retirement allowance
76 under Option 1 or who is receiving a retirement allowance under
77 Option 2 or Option 4-A on July 1, 1992, may elect to provide
78 survivor benefits under Option 2 or Option 4-A to a spouse who was
79 not previously the member's beneficiary and whom the member
80 married before July 1, 1992.

81 (3) Any retired member who is receiving a reduced retirement
82 allowance under Option 2 or Option 4-A whose designated

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

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

107 (5) Any retired member who is receiving a reduced retirement
108 allowance under any option elected pursuant to subsection (1) of
109 this section may, within a period of five (5) years from the date
110 of his retirement, elect to cancel his reduced retirement

111 allowance and receive the maximum retirement allowance for life in
112 an amount equal to that amount that would have been payable if the
113 member had not elected the option for a reduced retirement
114 allowance. Such election must be made in writing to the office of
115 the executive director of the system on a form prescribed by the
116 board and shall become effective the first of the month following
117 the date the election is received by the system.

118 (6) In the event the election of an optional benefit is made
119 after the member has attained the age of sixty-five (65) years,
120 the actuarial equivalent factor shall be used to compute the
121 reduced retirement allowance as if the election had been made on
122 his sixty-fifth birthday. However, if a retiree marries or
123 remarries after retirement and elects either Option 2 or Option
124 4-A as provided in subsection (2) or (4) of this section, the
125 actuarial equivalent factor used to compute the reduced retirement
126 allowance shall be the factor for the age of the retiree and his
127 or her beneficiary at the time such election for recalculation of
128 benefits is made.

129 (7) Notwithstanding any provision of Section 25-11-1 et
130 seq., no payments may be made for a retirement allowance on a
131 monthly basis for a period of time in excess of that allowed by
132 federal law.

133 (8) If a retirant and his eligible beneficiary, if any, both
134 die before they have received in annuity payments a total amount
135 equal to the accumulated contributions standing to the retirant's
136 credit in the annuity savings account at the time of his
137 retirement, the difference between the accumulated contributions
138 and the total amount of annuities received by them shall be paid

139 to such persons as the retirant has nominated by written
140 designation duly executed and filed in the office of the executive
141 director. If no designated person survives the retirant and his
142 beneficiary, the difference, if any, shall be paid to the estate
143 of the survivor of the retirant and his beneficiary.

144 (9) Any retired member who retired on Option 2(5) or 4-A(5)
145 prior to July 1, 1992, who is still receiving a retirement
146 allowance on July 1, 1994, shall receive an increase in the annual
147 retirement allowance effective July 1, 1994, equal to the amount
148 they would have received under Option 2 or Option 4-A without a
149 reduction for Option 5 based on the ages at retirement of the
150 retiree and beneficiary and option factors in effect on July 1,
151 1992. Such increase shall be prospective only.

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