

By: Walls

To: Finance

SENATE BILL NO. 2388

1 AN ACT TO AMEND SECTION 25-11-111, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT ANY MEMBER OF THE PUBLIC EMPLOYEES' RETIREMENT  
3 SYSTEM REGARDLESS OF AGE, WHO WAS EMPLOYED AS A LAW ENFORCEMENT  
4 OFFICER AT THE TIME OF SUCH EMPLOYEES' WITHDRAWAL FROM SERVICE,  
5 MAY RETIRE IF SUCH EMPLOYEE HAS COMPLETED AT LEAST 20 YEARS OF  
6 CREDITABLE SERVICE AS A LAW ENFORCEMENT OFFICER AT THE TIME OF  
7 SUCH WITHDRAWAL FROM SERVICE; AND FOR RELATED PURPOSES.

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

9 SECTION 1. Section 25-11-111, Mississippi Code of 1972, is  
10 amended as follows:[WAN1]

11 25-11-111. (a) (1) Except as otherwise provided in this  
12 subsection, any member upon withdrawal from service upon or after  
13 attainment of the age of sixty (60) years who shall have completed  
14 at least four (4) years of creditable service, or any member upon  
15 withdrawal from service regardless of age who shall have completed  
16 at least twenty-five (25) years of creditable service, shall be  
17 entitled to receive a retirement allowance computed in accordance  
18 with the formula set forth in this section which shall begin on  
19 the first of the month following the date the member's application  
20 for the allowance is received by the board, but in no event before  
21 withdrawal from service.

22 (2) Any member upon withdrawal from service, regardless  
23 of age, who was employed as a law enforcement officer and

24 certified as a law enforcement officer under Chapter 6, Title 45,  
25 Mississippi Code of 1972, at the time of such withdrawal from  
26 service and who has completed at least twenty (20) years of  
27 creditable service as a law enforcement officer, shall be entitled  
28 to receive a retirement allowance computed in accordance with the  
29 formula set forth in this section which shall begin on the first  
30 of the month following the date the member's application for the  
31 said allowance is received by the board, but in no event before  
32 withdrawal from service.

33 (b) Any member whose withdrawal from service occurs prior to  
34 attaining the age of sixty (60) years who shall have completed  
35 four (4) or more years of creditable service and shall not have  
36 received a refund of his accumulated contributions shall be  
37 entitled to receive a retirement allowance, beginning upon his  
38 attaining the age of sixty (60) years, of the amount earned and  
39 accrued at the date of withdrawal from service.

40 (c) Any member in service who has qualified for retirement  
41 benefits may select any optional method of settlement of  
42 retirement benefits by notifying the Executive Director of the  
43 Board of Trustees of the Public Employees' Retirement System in  
44 writing, on a form prescribed by the board, of the option he has  
45 selected and by naming the beneficiary of such option and  
46 furnishing necessary proof of age. Such option, once selected,  
47 may be changed at any time prior to actual retirement or death,  
48 but upon the death or retirement of the member, the optional  
49 settlement shall be placed in effect upon proper notification to  
50 the executive director.

51 (d) The annual amount of the retirement allowance shall  
52 consist of:

53 (1) A member's annuity which shall be the actuarial  
54 equivalent of the accumulated contributions of the member at the

55 time of retirement computed according to the actuarial table in  
56 use by the system; and

57 (2) An employer's annuity which, together with the  
58 member's annuity provided above, shall be equal to one and  
59 seven-eighths percent (1-7/8%) of the average compensation for  
60 each year of state service up to and including twenty-five (25)  
61 years of membership service, and two and one-fourth percent  
62 (2-1/4%) of the average compensation for each year of state  
63 service exceeding twenty-five (25) years of membership service.  
64 However, after the board of trustees has begun implementing the  
65 changes in the computation of the retirement allowance as provided  
66 in subsection (e), the employer's annuity shall be equal to:

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

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

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

81 (3) A prior service annuity equal to one and  
82 seven-eighths percent (1-7/8%) of the average compensation for

83 each year of state service up to and including twenty-five (25)  
84 years of prior service, and two and one-four percent (2-1/4%) of  
85 the average compensation for each year of state service exceeding  
86 twenty-five (25) years of prior service for which the member is  
87 allowed credit. However, after the board of trustees has begun  
88 implementing the changes in the computation of the retirement  
89 allowance as provided in subsection (e), the prior service annuity  
90 shall be equal to:

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

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

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

105 (4) Any retired member or beneficiary thereof who was  
106 eligible to receive a retirement allowance before July 1, 1991,  
107 and who is still receiving a retirement allowance on July 1, 1992,  
108 shall receive an increase in the annual retirement allowance of  
109 the retired member equal to one-eighth of one percent (1/8 of 1%)  
110 of the average compensation for each year of state service in

111 excess of twenty-five (25) years of membership service up to and  
112 including thirty (30) years. The maximum increase shall be  
113 five-eighths of one percent (5/8 of 1%). In no case shall a  
114 member who has been retired prior to July 1, 1987, receive less  
115 than Ten Dollars (\$10.00) per month for each year of creditable  
116 service and proportionately for each quarter year thereof.  
117 Persons retired on or after July 1, 1987, shall receive at least  
118 Ten Dollars (\$10.00) per month for each year of service and  
119 proportionately for each quarter year thereof reduced for the  
120 option selected. However, such Ten Dollars (\$10.00) minimum per  
121 month for each year of creditable service shall not apply to a  
122 retirement allowance computed under Section 25-11-114 based on a  
123 percentage of the member's average compensation.

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

131 (6) \* \* \* The retirement allowance otherwise payable  
132 may be converted into a retirement allowance of equivalent  
133 actuarial value in such an amount that, with the member's benefit  
134 under Title II of the federal Social Security Act, the member will  
135 receive, so far as possible, approximately the same amount  
136 annually before and after the earliest age at which the member  
137 becomes eligible to receive a social security benefit.

138 (e) Beginning on July 1, 2000, the board of trustees shall

139 implement changes in the computation of the amount of the annual  
 140 retirement allowance, which changes shall be implemented in phases  
 141 as set forth in the table in this subsection. The board of  
 142 trustees shall implement the phases systematically upon July 1  
 143 after the board's actuary certifies that implementation of a phase  
 144 will not cause the unfunded accrued actuarial liability  
 145 amortization period for the retirement system to exceed twenty-two  
 146 (22) years. The board of trustees shall have the exclusive  
 147 authority to set the assumptions that are used in the actuarial  
 148 evaluation in accordance with Section 25-11-119(9). The board of  
 149 trustees shall recalculate the retirement allowance of any retired  
 150 member or beneficiary of such a member as each phase is  
 151 implemented.

152 RETIREMENT ALLOWANCE COMPUTATION

153 IMPLEMENTATION TABLE

154	(A)	(B)
155 PHASE	2% FOR YEARS	PERCENTAGE
156	ABOVE THIS	FOR YEARS
157	NUMBER AND	ABOVE 25
158	≤25 YEARS	YEARS

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160	Phase 1	20 years	2.250%
161	Phase 2	15 years	2.250%
162	Phase 3	10 years	2.250%
163	Phase 4	5 years	2.250%
164	Phase 5	0 years	2.250%
165	Phase 6	0 years	2.375%
166	Phase 7	0 years	2.500%

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

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

175 (f) No member, except members excluded by the Age  
176 Discrimination in Employment Act Amendments of 1986 (Public Law  
177 99-592), under either Article 1 or Article 3 in state service  
178 shall be required to retire because of age.

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

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

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

195 the option of the beneficiary, execute a waiver of benefits  
196 pursuant to this subsection.

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

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

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