

By: Minor

To: Finance

SENATE BILL NO. 2770

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 OPTION UNDER
17 WHICH ANNUITY PAYMENTS SHALL BE PAID TO AN INCAPACITATED PERSON IN
18 THE ABSENCE OF A CONSERVATOR, LEGAL GUARDIAN OR DURABLE POWER OF
19 ATTORNEY; TO CREATE NEW SECTIONS 25-11-117.1, 25-11-311.1 AND
20 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30 PREVIOUSLY WITHDRAWN SERVICE CREDIT IN THE SUPPLEMENTAL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/retiree;

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

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

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

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

137 (f) The persons entitled by law to distribution of the
138 member/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 member/retiree 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/retiree;

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

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

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

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

181 (f) The persons entitled by law to distribution of the
182 member/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/retiree;

218 (b) The children of the member/retiree or their
219 descendants, per stirpes;

220 (c) The brothers and sisters of the member/retiree or
221 their descendants, per stirpes;

222 (d) The parents of the member/retiree;
223 (e) The executor or administrator on behalf of the
224 member/retiree's estate;
225 (f) The persons entitled by law to distribution of the
226 member/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 member/retiree 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-four 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 \leq 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 (P.L. 102-318 (UCA)), a member or eligible beneficiary making
1037 application for a refund under this section may elect, on a form
1038 prescribed by the board under rules and regulations established by
1039 the board, to have an eligible rollover distribution of
1040 accumulated contributions payable under this section paid directly
1041 to an eligible retirement plan or individual retirement account.
1042 If the member or eligible beneficiary makes such election and
1043 specifies the eligible retirement plan or individual retirement
1044 account to which such distribution is to be paid, the distribution
1045 will be made in the form of a direct trustee-to-trustee transfer
1046 to the specified eligible retirement plan. Flexible rollovers

1047 under this subsection shall not be considered assignments under
1048 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; provided, however, that the amounts that are repaid
1055 by the member and the creditable service related thereto, shall
1056 not be used in any benefit calculation or determination until the
1057 member has remained a contributor to the system for a period of at
1058 least four (4) years subsequent to such member's reentry into
1059 state service. Repayment for such time shall be made in
1060 increments of not less than one-quarter (1/4) year of creditable
1061 service beginning with the most recent service for which refund
1062 has been made. Upon the repayment of all or part of such refund
1063 and interest, the member shall again receive credit for the * * *
1064 period of creditable service for which full repayment has been
1065 made to the system.

1066 SECTION 13. Section 25-11-112, Mississippi Code of 1972, is
1067 amended as follows:[WAN8]

1068 25-11-112. (1) Any member who is receiving a retirement
1069 allowance for service or disability retirement, or any beneficiary
1070 thereof, who has received a monthly benefit for at least one (1)
1071 full fiscal year, shall be eligible to receive an additional
1072 benefit, on December 1 or July 1 of the year as provided in
1073 subsection (3) of this section, equal to the greater of the
1074 amounts calculated under paragraph (a) or (b) below:

1075 (a) An amount equal to four percent (4%) of the annual
1076 retirement allowance multiplied by the number of full fiscal years
1077 in retirement through June 30, 1998; or

1078 (b) The sum of:

1079 (i) An amount equal to three percent (3%) of the

1080 annual retirement allowance multiplied by the number of full
1081 fiscal years in retirement before the end of the fiscal year in
1082 which the member reaches age fifty-five (55), plus

1083 (ii) An additional amount equal to three percent
1084 (3%) compounded by the number of full fiscal years in retirement
1085 beginning with the fiscal year in which the member reaches age
1086 fifty-five (55), multiplied by the amount of the annual retirement
1087 allowance.

1088 (2) The calculation of the beneficiary's additional benefit
1089 under subsection (1)(b)(i) or (1)(b)(ii) of this section shall be
1090 based on the member's age and full fiscal years in retirement as
1091 if the member had lived.

1092 (3) The additional benefit provided for under this section
1093 shall be paid in one (1) payment in December of each year to those
1094 persons who are receiving a retirement allowance on December 1 of
1095 that year, unless an election is made under this subsection.

1096 However, if a retiree who is receiving a retirement allowance that
1097 will terminate upon the retiree's death is receiving the
1098 additional benefit in one (1) payment and dies on or after July 1
1099 but before December 1, the beneficiary designated on the
1100 retirement application, if any, shall receive in a single payment
1101 a fractional part of the additional benefit based on the number of
1102 months in which a retirement allowance was received during the
1103 fiscal year. Likewise, if a retiree is receiving a retirement
1104 allowance that will terminate upon his or her death in two (2) to
1105 six (6) monthly installments, any remaining payments of the
1106 additional benefit will be paid in a lump sum to the beneficiary
1107 designated on the application, or if none, pursuant to Section
1108 25-11-117.1(1). Any similar remaining payments of additional
1109 benefits payable under this section to a deceased beneficiary who
1110 was receiving a monthly benefit shall be payable in accordance
1111 with the provisions of Section 25-11-117.1(2).

1112 Retired members or beneficiaries thereof who on July 1, 1999,

1113 or July 1 of any fiscal year thereafter, are receiving a
1114 retirement allowance, may elect by an irrevocable agreement in
1115 writing filed in the office of the Public Employees' Retirement
1116 System no less than thirty (30) days before July 1 of the
1117 appropriate year, to begin receiving the additional benefit
1118 provided for under this section in twelve (12) equal monthly
1119 installments beginning July 1, 1999, or July 1 of any fiscal year
1120 thereafter. This irrevocable agreement shall be binding on the
1121 member and subsequent beneficiaries. Payment of those monthly
1122 installments shall not extend beyond the month in which a
1123 retirement allowance is due and payable.

1124 (4) The additional payment or payments provided for under
1125 this section are for the fiscal year in which they are paid.

1126 (5) The amount provided for under subsection (1)(b)(ii) of
1127 this section is calculated using the following formula:

1128 $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,

1129 where n is the number of full fiscal years in retirement beginning
1130 with the fiscal year in which the member reaches age fifty-five
1131 (55).

1132 (6) Any retired member or beneficiary thereof who has
1133 previously elected to receive the additional annual payment in
1134 monthly installments may elect, upon application on a form
1135 prescribed by the board of trustees, to have that payment made in
1136 one (1) additional payment each year. This written election must
1137 be filed in the office of the Public Employees' Retirement System
1138 before June 1, 2000, and shall be effective for the fiscal year
1139 beginning July 1, 2000.

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

1146 remaining amounts shall be paid in a lump sum to the designated
1147 beneficiary.

1148 SECTION 14. Section 25-11-114, Mississippi Code of 1972, is
1149 amended as follows:[WAN9]

1150 25-11-114. (1) The applicable benefits provided in
1151 subsections (2) and (3) of this section shall be paid to eligible
1152 beneficiaries of any member who has completed four (4) or more
1153 years of creditable service and who dies before retirement and who
1154 has not filed a Pre-Retirement Optional Retirement Form as
1155 provided in Section 25-11-111.

1156 (2) (a) The member's surviving spouse who has been married
1157 to the member for not less than one (1) year immediately preceding
1158 his death shall receive an annuity computed in accordance with
1159 paragraph (d) of this subsection (2) as if the member:

1160 (i) Had retired on the date of his death with
1161 entitlement to an annuity provided for in Section 25-11-111,
1162 notwithstanding that he might not have attained age sixty (60) or
1163 acquired twenty-five (25) years of creditable service;

1164 (ii) Had nominated his spouse as beneficiary; and

1165 (b) If, at the time of the member's death, there are no
1166 dependent children, and the surviving spouse, who otherwise would
1167 receive the annuity under this subsection (2), has filed with the
1168 system a signed written waiver of his or her rights to the annuity
1169 and that waiver was in effect at the time of the member's death, a
1170 lump sum distribution of the deceased member's accumulated
1171 contributions shall be refunded in accordance with Section
1172 25-11-117.

1173 (c) The spouse annuity shall begin on the first day of
1174 the month following the date of the member's death, but in case of
1175 late filing, retroactive payments will be made for a period of not
1176 more than one (1) year.

1177 (d) The spouse annuity shall be the greater of twenty
1178 percent (20%) of the deceased member's average compensation as

1179 defined in Section 25-11-103 at the time of death or Fifty Dollars
1180 (\$50.00) monthly. If the spouse dies or if the spouse remarries
1181 before age sixty (60), the spouse annuity shall terminate.

1182 (e) However, the spouse may elect by an irrevocable
1183 agreement on a form prescribed by the board of trustees to receive
1184 a monthly allowance as computed under either paragraph (d) or this
1185 paragraph. Such irrevocable agreement shall constitute a waiver
1186 by the spouse to any current and future monthly allowance under
1187 the paragraph not elected and such waiver shall be a complete and
1188 full discharge of all obligations of the retirement system under
1189 such paragraph.

1190 Any member who has completed four (4) or more years of
1191 creditable service and who dies before retirement and leaves a
1192 spouse who has been married to the member for not less than one
1193 (1) year immediately preceding his death and has not exercised any
1194 other option shall be deemed to have exercised Option 2 under
1195 Section 25-11-115 for the benefit of his spouse, which spouse
1196 shall be paid Option 2 settlement benefits under this article
1197 beginning on the first of the month following the date of death,
1198 but in case of late filing, retroactive payments will be made for
1199 a period of not more than one (1) year. The method of calculating
1200 such retirement benefits shall be on the same basis as provided in
1201 Section 25-11-111(d). However, if the member dies before being
1202 qualified for full unreduced benefits, then the benefits shall be
1203 reduced by three percent (3%) per year for the lesser of either
1204 the years of service or age required for full unreduced benefits
1205 in Section 25-11-111(d).

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

1212 dependent child shall receive an equal share of a total annuity
1213 equal to thirty percent (30%) of the member's average
1214 compensation, provided that such total annuity shall not be less
1215 than One Hundred Fifty Dollars (\$150.00) per month for all
1216 children.

1217 (b) A child shall be considered to be a dependent child
1218 until marriage, or the attainment of age nineteen (19), whichever
1219 comes first; however, this age limitation shall be extended beyond
1220 age nineteen (19), but in no event beyond the attainment of age
1221 twenty-three (23), as long as the child is a student regularly
1222 pursuing a full-time course of resident study or training in an
1223 accredited high school, trade school, technical or vocational
1224 institute, junior or community college, college, university or
1225 comparable recognized educational institution duly licensed by a
1226 state. A student child whose birthday falls during the school
1227 year (September 1 through June 30) is considered not to reach age
1228 twenty-three (23) until the July 1 following the actual
1229 twenty-third birthday. A full-time course of resident study or
1230 training means a day or evening noncorrespondence course that
1231 includes school attendance at the rate of at least thirty-six (36)
1232 weeks per academic year or other applicable period with a subject
1233 load sufficient, if successfully completed, to attain the
1234 educational or training objective within the period generally
1235 accepted as minimum for completion, by a full-time day student, of
1236 the academic or training program concerned. Any child who is
1237 physically or mentally incompetent, as adjudged by either a
1238 Mississippi court of competent jurisdiction or by the board, shall
1239 receive benefits for as long as the incompetency exists.

1240 (c) If there are more than three (3) dependent
1241 children, upon a child's ceasing to be a dependent child, his
1242 annuity shall terminate and there shall be a redetermination of
1243 the amounts payable to any remaining dependent children.

1244 (d) Annuities payable under this subsection (3) shall

1245 begin the first day of the month following the date of the
1246 member's death or in case of late filing, retroactive payments
1247 will be made for a period of not more than one (1) year. Such
1248 benefits may be paid to a surviving parent or the lawful custodian
1249 of a dependent child for the use and benefit of such child without
1250 the necessity of appointment as guardian.

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

1278 necessity of appointment as guardian. Such retirement allowance
1279 shall cease to the spouse upon remarriage but continue to be
1280 payable for each dependent child until the age of nineteen (19)
1281 years.

1282 (b) A child shall be considered to be a dependent child
1283 until marriage, or the attainment of age nineteen (19), whichever
1284 comes first; however, this age limitation shall be extended beyond
1285 age nineteen (19), but in no event beyond the attainment of age
1286 twenty-three (23), as long as the child is a student regularly
1287 pursuing a full-time course of resident study or training in an
1288 accredited high school, trade school, technical or vocational
1289 institute, junior or community college, college, university or
1290 comparable recognized educational institution duly licensed by a
1291 state. A student child whose birthday falls during the school
1292 year (September 1 through June 30) is considered not to reach age
1293 twenty-three (23) until the July 1 following the actual
1294 twenty-third birthday. A full-time course of resident study or
1295 training means a day or evening noncorrespondence course that
1296 includes school attendance at the rate of a least thirty-six (36)
1297 weeks per academic year or other applicable period with a subject
1298 load sufficient, if successfully completed, to attain the
1299 educational or training objective within the period generally
1300 accepted as minimum for completion, by a full-time day student, of
1301 the academic or training program concerned. Any child who is
1302 physically or mentally incompetent, as adjudged by either a
1303 Mississippi court of competent jurisdiction or by the board, shall
1304 receive benefits for as long as the incompetency exists.

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

1311 amount of annuity payments shall be paid to such person as the
1312 member has nominated by written designation duly executed and
1313 filed with the board. If there is no designated beneficiary
1314 surviving at termination of benefits, the difference shall be
1315 payable pursuant to Section 25-11-117.1(1).

1316 (6) Regardless of the number of years of creditable service
1317 upon the application of a member or employer, any active member
1318 who becomes disabled as a direct result of an accident or
1319 traumatic event resulting in a physical injury occurring in the
1320 line of performance of duty, provided the medical board or other
1321 designated governmental agency after a medical examination
1322 certifies that the member is mentally or physically incapacitated
1323 for the further performance of duty and such incapacity is likely
1324 to be permanent, may be retired by the board of trustees on the
1325 first of the month following the date of filing such application
1326 but in no event shall the retirement allowance commence before the
1327 termination of state service. The retirement allowance shall
1328 equal the allowance on disability retirement as provided in
1329 Section 25-11-113 but shall not be less than fifty percent (50%)
1330 of average compensation.

1331 Permanent and total disability resulting from a
1332 cardiovascular, pulmonary or musculo-skeletal condition which was
1333 not a direct result of a traumatic event occurring in the
1334 performance of duty shall be deemed an ordinary disability. A
1335 mental disability based exclusively on employment duties occurring
1336 on an ongoing basis shall be deemed an ordinary disability.

1337 (7) In the event the deceased or disabled member has less
1338 than four (4) years of creditable service, the average
1339 compensation as defined in Section 25-11-103 shall be the average
1340 of all annual earned compensation in state service for the
1341 purposes of benefits provided in this section.

1342 (8) In case of death or total and permanent disability under
1343 subsection (4) or subsection (6) of this section and before the

1344 board shall consider any application for a retirement allowance,
1345 the employer must certify to the board that the member's death or
1346 disability was a direct result of an accident or a traumatic event
1347 occurring during and as a result of the performance of the regular
1348 and assigned duties of the employee and that the death or
1349 disability was not the result of the willful negligence of the
1350 employee.

1351 (9) The application for such retirement allowance must be
1352 filed within one (1) year after death of an active member who is
1353 killed in the line of performance of duty or dies as a direct
1354 result of an accident occurring in the line of performance of duty
1355 or traumatic event; but the board of trustees may consider an
1356 application for disability filed after the one-year period if it
1357 can be factually demonstrated to the satisfaction of the board of
1358 trustees that the disability is due to the accident and that the
1359 filing was not accomplished within the one-year period due to a
1360 delayed manifestation of the disability or to circumstances beyond
1361 the control of the member. However, in case of late filing,
1362 retroactive payments will be made for a period of not more than
1363 one (1) year only.

1364 (10) Notwithstanding any other section of this article and
1365 in lieu of any payments to a designated beneficiary for a refund
1366 of contributions under Section 25-11-117, the spouse and/or
1367 children shall be eligible for the benefits payable pursuant to
1368 this section, and the spouse may elect, for both the spouse and/or
1369 children, to receive benefits in accordance with either
1370 subsections (2) and (3) or subsection (4) of this section;
1371 otherwise, the contributions to the credit of the deceased member
1372 shall be refunded in accordance with Section 25-11-117.

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

1377 effect repayment until the total of the withholdings repays in
1378 full all amounts payable by him to the system.

1379 SECTION 15. Section 25-11-115, Mississippi Code of 1972, is
1380 amended as follows:[WAN10]

1381 25-11-115. (1) Upon application for superannuation or
1382 disability retirement, any member may elect to receive his benefit
1383 in a retirement allowance payable throughout life with no further
1384 payments to anyone at his death, except that in the event his
1385 total retirement payments under this article do not equal his
1386 total contributions under this article, his named beneficiary
1387 shall receive the difference in cash at his death. Or he may
1388 elect upon retirement, or upon becoming eligible for retirement,
1389 to receive the actuarial equivalent subject to the provisions of
1390 subsection (3) of this section of his retirement allowance in a
1391 reduced retirement allowance payable throughout life with the
1392 provision that:

1393 **Option 1.** If he dies before he has received in annuity
1394 payment the value of the member's annuity savings account as it
1395 was at the time of his retirement, the balance shall be paid to
1396 his legal representative or to such person as he shall nominate by
1397 written designation duly acknowledged and filed with the board; or

1398 **Option 2.** Upon his death, his reduced retirement allowance
1399 shall be continued throughout the life of, and paid to, such
1400 person as he has nominated by written designation duly
1401 acknowledged and filed with the board of trustees at the time of
1402 his retirement;

1403 **Option 3.** Upon his death, one-half (1/2) of his reduced
1404 retirement allowance shall be continued throughout the life of,
1405 and paid to, such person as he shall have nominated by written
1406 designation duly acknowledged and filed with the board of trustees
1407 at the time of his retirement, and the other one-half (1/2) of his
1408 reduced retirement allowance to some other designated beneficiary;

1409 **Option 4-A.** Upon his death, one-half (1/2) of his reduced

1410 retirement allowance, or such other specified amount, shall be
1411 continued throughout the life of, and paid to, such person as he
1412 shall have nominated by written designation duly acknowledged and
1413 filed with the board of trustees at the time of his retirement; or

1414 **Option 4-B.** A reduced retirement allowance shall be
1415 continued throughout the life of the retirant, but with the
1416 further guarantee of payments to the named beneficiary,
1417 beneficiaries or to the estate for a specified number of years
1418 certain. If the retired member or the last designated beneficiary
1419 receiving annuity payments dies prior to receiving all guaranteed
1420 payments due, the actuarial equivalent of the remaining payments
1421 shall be paid pursuant to Section 25-11-117.1(1);

1422 **Option 4-C.** Such retirement allowance otherwise payable may
1423 be converted into a retirement allowance of equivalent actuarial
1424 value in such an amount that, with the member's benefit under
1425 Title II of the federal Social Security Act, the member will
1426 receive, so far as possible, approximately the same amount
1427 annually before and after the earliest age at which the member
1428 becomes eligible to receive a social security benefit.

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

1443 the option. In addition, any retired member who is receiving the
1444 maximum retirement allowance for life, a retirement allowance
1445 under Option 1 or who is receiving a retirement allowance under
1446 Option 2 or Option 4-A on July 1, 1992, may elect to provide
1447 survivor benefits under Option 2 or Option 4-A to a spouse who was
1448 not previously the member's beneficiary and whom the member
1449 married before July 1, 1992.

1450 (3) Any retired member who is receiving a reduced retirement
1451 allowance under Option 2 or Option 4-A whose designated
1452 beneficiary predeceases him, or whose marriage to a spouse who is
1453 his designated beneficiary is terminated by divorce or other
1454 dissolution, may elect to cancel his reduced retirement allowance
1455 and receive the maximum retirement allowance for life in an amount
1456 equal to the amount that would have been payable if the member had
1457 not elected Option 2 or Option 4-A. Such election must be made in
1458 writing to the office of the executive director of the system on a
1459 form prescribed by the board. Any such election shall be
1460 effective the first of the month following the date the election
1461 is received by the system.

1462 (4) Any retired member who is receiving the maximum
1463 retirement allowance for life, or a retirement allowance under
1464 Option 1, and who marries after his retirement may elect to cancel
1465 his maximum retirement allowance and receive a reduced retirement
1466 allowance under Option 2 or Option 4-A to provide continuing
1467 lifetime benefits to his spouse. Such election must be made in
1468 writing to the office of the executive director of the system on a
1469 form prescribed by the board not earlier than the date of the
1470 marriage. Any such election shall be effective the first of the
1471 month following the date the election is received by the system.
1472 The amount of the reduced retirement allowance shall be the
1473 actuarial equivalent, taking into account that the member received
1474 the maximum retirement allowance for a period of time before
1475 electing to receive a reduced retirement allowance.

1476 (5) In the event the election of an optional benefit is made
1477 after the member has attained the age of sixty-five (65) years,
1478 the actuarial equivalent factor shall be used to compute the
1479 reduced retirement allowance as if the election had been made on
1480 his sixty-fifth birthday. However, if a retiree marries or
1481 remarries after retirement and elects either Option 2 or Option
1482 4-A as provided in subsection (2) or (4) of this section, the
1483 actuarial equivalent factor used to compute the reduced retirement
1484 allowance shall be the factor for the age of the retiree and his
1485 or her beneficiary at the time such election for recalculation of
1486 benefits is made.

1487 (6) Notwithstanding any provision of Section 25-11-1 et
1488 seq., no payments may be made for a retirement allowance on a
1489 monthly basis for a period of time in excess of that allowed by
1490 federal law.

1491 (7) If a retirant and his eligible beneficiary, if any, both
1492 die before they have received in annuity payments a total amount
1493 equal to the accumulated contributions standing to the retirant's
1494 credit in the annuity savings account at the time of his
1495 retirement, the difference between the accumulated contributions
1496 and the total amount of annuities received by them shall be paid
1497 to such persons as the retirant has nominated by written
1498 designation duly executed and filed in the office of the executive
1499 director. If no designated person survives the retirant and his
1500 beneficiary, the difference, if any, shall be paid pursuant to
1501 Section 25-11-117.1(1).

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

1509 1992. Such increase shall be prospective only.

1510 SECTION 16. Section 25-11-117, Mississippi Code of 1972, is
1511 amended as follows:[WAN11]

1512 25-11-117. (1) A member may be paid a refund of the amount
1513 of accumulated contributions to the credit of the member in the
1514 annuity savings account provided the member has withdrawn from
1515 state service and further provided the member has not returned to
1516 state service on the date the refund of the accumulated
1517 contributions would be paid. Such refund of the contributions to
1518 the credit of the member in the annuity savings account shall be
1519 paid within ninety (90) days from receipt in the office of the
1520 retirement system of the properly completed form requesting such
1521 payment. In the event of death prior to retirement of any member
1522 whose spouse and/or children are not entitled to a retirement
1523 allowance, the accumulated contributions to the credit of the
1524 deceased member in the annuity savings account shall be paid to
1525 the designated beneficiary on file in writing in the office of
1526 executive director of the board of trustees within ninety (90)
1527 days from receipt of a properly completed form requesting such
1528 payment. If there is no such designated beneficiary on file for
1529 such deceased member in the office of the system, upon the filing
1530 of a proper request with the board, the contributions to the
1531 credit of the deceased member in the annuity savings account shall
1532 be refunded pursuant to Section 25-11-117.1(1). The payment of
1533 the refund shall discharge all obligations of the retirement
1534 system to the member on account of any creditable service rendered
1535 by the member prior to the receipt of the refund. By the
1536 acceptance of the refund, the member shall waive and relinquish
1537 all accrued rights in the system.

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

1542 the board, to have an eligible rollover distribution of
1543 accumulated contributions payable under this section paid directly
1544 to an eligible retirement plan or individual retirement account.
1545 If the member or eligible beneficiary makes such election and
1546 specifies the eligible retirement plan or individual retirement
1547 account to which such distribution is to be paid, the distribution
1548 will be made in the form of a direct trustee-to-trustee transfer
1549 to the specified eligible retirement plan. Flexible rollovers
1550 under this subsection shall not be considered assignments under
1551 Section 25-11-129.

1552 (3) If any person who has received a refund reenters the
1553 state service and again becomes a member of the system, the member
1554 may repay all or part of the amounts previously received as a
1555 refund, together with regular interest covering the period from
1556 the date of refund to the date of repayment; provided, however,
1557 that the amounts that are repaid by the member and the creditable
1558 service related thereto shall not be used in any benefit
1559 calculation or determination until the member has remained a
1560 contributor to the system for a period of at least four (4) years
1561 subsequent to such member's reentry into state service. Repayment
1562 for such time shall be made in increments of not less than
1563 one-quarter (1/4) year of creditable service beginning with the
1564 most recent service for which refund has been made. Upon the
1565 repayment of all or part of such refund and interest, the member
1566 shall again receive credit for the period of creditable service
1567 for which full repayment has been made to the system.

1568 SECTION 17. Section 25-13-12, Mississippi Code of 1972, is
1569 amended as follows:[WAN12]

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

1575 amount equal to two and one-half percent (2-1/2%) of the annual
1576 retirement allowance for each full fiscal year of retirement.

1577 (2) Persons who on December 1 of each year are receiving a
1578 retirement allowance for service or disability retirement, or
1579 their beneficiaries, may receive, in addition to the amount
1580 provided in subsection (1) of this section, a payment, as
1581 determined by the board, calculated in increments of one-quarter
1582 of one percent (1/4 of 1%), not to exceed one and one-half percent
1583 (1-1/2%) of the annual retirement allowance, for each full year of
1584 retirement, provided that any such payment shall be contingent
1585 upon the reserve for annuities in force for retired members and
1586 beneficiaries providing sufficient investment gains in excess of
1587 the accrued actuarial liabilities for the previous fiscal year as
1588 certified by the actuary and determined by the board.

1589 (3) The percentages in this section shall be based on each
1590 full fiscal year that the retired member or beneficiary has
1591 actually drawn retirement payments from the date of retirement, or
1592 the date of last retirement if there is more than one (1)
1593 retirement date.

1594 (4) If a retiree who is receiving a retirement allowance
1595 that will terminate upon the retiree's death is receiving the
1596 additional payments under subsections (1) and (2) of this section
1597 in one (1) payment and dies on or after July 1 but before December
1598 1, the beneficiary designated on the retirement application shall
1599 receive in a single payment a fractional part of the additional
1600 payments based on the number of months in which a retirement
1601 allowance was received during the fiscal year. If there is no
1602 surviving beneficiary, payment shall be made pursuant to Section
1603 25-13-21.1(1). Any similar remaining payments of additional
1604 benefit payable under this section to a deceased beneficiary who
1605 was receiving a monthly benefit, shall be payable in accordance
1606 with the provisions of Section 25-13-21.1(2).

1607 (5) Each retired member or beneficiary thereof who receives

1608 an annual retirement allowance based on the average compensation
1609 for a period of five (5) successive or joined years and who
1610 receives a retirement allowance for the month of June, 1986, shall
1611 receive an ad hoc increase of three percent (3%) in such
1612 retirement allowance effective July 1, 1986.

1613 (6) Persons eligible to receive the payments provided in
1614 subsections (1) and (2) of this section shall receive such
1615 payments in one (1) additional payment, except that such person
1616 may elect by an irrevocable agreement on a form prescribed by the
1617 board of trustees to receive such payments in not less than equal
1618 monthly installments not to exceed six (6) months during the
1619 remaining months of the current fiscal year. In the event of
1620 death of a retiree * * * receiving monthly benefits, any remaining
1621 amounts shall be paid in a lump sum to the * * * beneficiary
1622 designated on the retirement application, or if none, pursuant to
1623 Section 25-13-21.1(1). Any similar remaining payments of
1624 additional benefit payable under this section to a deceased
1625 beneficiary who was receiving a monthly benefit, shall be payable
1626 in accordance with the provisions of Section 25-13-21.1(2).

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

1641 which a retirement allowance is due and payable. Any additional
1642 amounts approved by the board under subsection (2) of this section
1643 shall be paid in one (1) lump sum payment to retirees and
1644 beneficiaries in accordance with subsection (2) of this section.

1645 SECTION 18. Section 25-13-13, Mississippi Code of 1972, is
1646 amended as follows:[WAN13]

1647 25-13-13. (1) Upon the death of any highway patrolman who
1648 has retired for service or disability and who has not elected any
1649 other option under Section 25-13-16, his widow shall receive
1650 one-half (1/2) the benefit which he was receiving and each child
1651 not having attained his nineteenth birthday shall receive
1652 one-fourth (1/4) of his benefit, but not more than one-half (1/2)
1653 of the benefits shall be paid for the support and maintenance of
1654 two (2) or more children. Upon each child's attaining the age of
1655 nineteen (19) years, the child shall no longer be eligible for
1656 such benefit, and when all of such children have attained their
1657 nineteenth birthday, only the widow shall be eligible for one-half
1658 (1/2) the amount of his benefit. She shall continue to be
1659 eligible for such benefit in the amount of fifty percent (50%) of
1660 his retirement benefit so long as she may live and until she
1661 remarries. In the event of her remarriage at any time, her
1662 eligibility for the fifty percent (50%) benefits shall cease and
1663 terminate, but she will be eligible to continue to receive
1664 benefits for their children until the last child attains his or
1665 her nineteenth birthday in the manner aforesaid.

1666 (2) Upon the death of any highway patrolman who has served
1667 the minimum retirement period required for eligibility for such
1668 retirement program, his spouse and family shall receive all the
1669 benefits payable to the highway patrolman's beneficiaries as if he
1670 had retired at the time of his death. Such benefits cease as to
1671 the spouse upon remarriage but continue to be payable to each
1672 child until he reaches the age of nineteen (19) years. Such
1673 benefits are payable on a monthly basis.

1674 (3) The spouse and/or the dependent children of an active
1675 member who is killed in the line of performance of duty or dies as
1676 a direct result of an accident occurring in the line of
1677 performance of duty shall qualify, on approval of the board, for a
1678 retirement allowance on the first of the month following the date
1679 of death, but not before receipt of application by the board. The
1680 spouse shall receive a retirement allowance equal to one-half
1681 (1/2) of the average compensation of the deceased highway
1682 patrolman. In addition to the retirement allowance for the
1683 spouse, or if there is no surviving spouse, a retirement allowance
1684 shall be paid in the amount of one-fourth (1/4) of the average
1685 compensation for the support and maintenance of one (1) child or
1686 in the amount of one-half (1/2) of the average compensation for
1687 the support and maintenance of two (2) or more children. Such
1688 benefits shall cease to be paid for the support and maintenance of
1689 each child upon such child attaining the age of nineteen (19)
1690 years; however, the spouse shall continue to be eligible for the
1691 aforesaid retirement allowance. Benefits may be paid to a
1692 surviving parent or lawful custodian of such children for the use
1693 and benefit of the children without the necessity of appointment
1694 as guardian. Such retirement allowance shall cease to the spouse
1695 upon remarriage but continue to be payable for each dependent
1696 child until the age of nineteen (19) years.

1697 (4) All benefits accruing to any child under the provisions
1698 of this chapter shall be paid to the parent custodian of the
1699 children or the legal guardian.

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

1707 as the child is a student regularly pursuing a full-time course of
1708 resident study or training in an accredited high school, trade
1709 school, technical or vocational institute, junior or community
1710 college, college, university or comparable recognized educational
1711 institution duly licensed by a state. A student child whose
1712 birthday falls during the school year (September 1 through June
1713 30) is considered not to reach age twenty-three (23) until the
1714 July 1 following the actual twenty-third birthday. A full-time
1715 course of resident study or training means a day or evening
1716 noncorrespondence course that includes school attendance at the
1717 rate of a least thirty-six (36) weeks per academic year or other
1718 applicable period with a subject load sufficient, if successfully
1719 completed, to attain the educational or training objective within
1720 the period generally accepted as minimum for completion, by a
1721 full-time day student, of the academic or training program
1722 concerned.

1723 (6) If all the annuities provided for in this section
1724 payable on the account of the death of a member terminate before
1725 there has been paid an aggregate amount equal to the member's
1726 accumulated contributions standing to the member's credit in the
1727 annuity savings account at the time of the member's death, the
1728 difference between the accumulated contributions and the aggregate
1729 amount of annuity payments shall be paid to such person as the
1730 member has nominated by written designation duly executed and
1731 filed with the board of trustees in the office of the Public
1732 Employees' Retirement System. If there is no designated
1733 beneficiary surviving at termination of benefits, the difference
1734 shall be payable pursuant to Section 25-13-21.1(1).

1735 (7) All benefits paid to a spouse or child due to the death
1736 of a member before or after retirement shall be paid in accordance
1737 with the statutory provisions set forth as of the date of death.

1738 SECTION 19. Section 25-13-16, Mississippi Code of 1972, is
1739 amended as follows:[WAN14]

1740 25-13-16. (1) Upon application for superannuation or
1741 disability retirement, any member who retires after July 1, 1990,
1742 may elect to receive his benefit pursuant to the provisions of
1743 Sections 25-13-11 and 25-13-13 * * *. Or he may elect upon
1744 retirement, or upon becoming eligible for retirement, to receive
1745 the actuarial equivalent, subject to the provisions of subsection
1746 (3) of this section, of his retirement allowance in a reduced
1747 retirement allowance payable throughout life with the provision
1748 that:

1749 **Option 1.** If he dies before he has received in annuity
1750 payment the value of the member's annuity savings account as it
1751 was at the time of his retirement, the balance shall be paid to
1752 his legal representative or to such person as he shall nominate by
1753 written designation duly acknowledged and filed with the board; or

1754 **Option 2.** Upon his death, his reduced retirement allowance
1755 shall be continued throughout the life of, and paid to, such
1756 person as he has nominated by written designation duly
1757 acknowledged and filed with the board of trustees at the time of
1758 his retirement;

1759 **Option 3.** Upon his death, one-half (1/2) of his reduced
1760 retirement allowance shall be continued throughout the life of,
1761 and paid to, such person as he shall have nominated by written
1762 designation duly acknowledged and filed with the board of trustees
1763 at the time of his retirement, and the other one-half (1/2) of his
1764 reduced retirement allowance to some other designated beneficiary;

1765 **Option 4-A.** Upon his death, one-half (1/2) of his reduced
1766 retirement allowance, or such other specified amount, shall be
1767 continued throughout the life of, and paid to, such person as he
1768 shall have nominated by written designation duly acknowledged and
1769 filed with the board of trustees at the time of his retirement; or

1770 **Option 4-B.** A reduced retirement allowance shall be
1771 continued throughout the life of the retirant, but with the
1772 further guarantee of payments to the named beneficiary,

1773 beneficiaries or to the estate for a specified number of years
1774 certain. If the retired member or the last designated beneficiary
1775 receiving annuity payments dies prior to receiving all guaranteed
1776 payments due, the actuarial equivalent of the remaining payments
1777 shall be paid pursuant to Section 25-13-21.1(1).

1778 **Option 4-C.** Such retirement allowance otherwise payable may
1779 be converted into a retirement allowance of equivalent actuarial
1780 value in such an amount that, with the member's benefit under
1781 Title II of the federal Social Security Act, the member will
1782 receive, so far as possible, approximately the same amount
1783 annually before and after the earliest age at which the member
1784 becomes eligible to receive a social security benefit.

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

1806 service, the option previously selected shall be null and void.

1807 Upon subsequent retirement a new option may be selected.

1808 (3) Any retired member who is receiving a reduced retirement
1809 allowance under Option 2 or Option 4-A whose designated
1810 beneficiary predeceases him, or whose marriage to a spouse who is
1811 his designated beneficiary is terminated by divorce or other
1812 dissolution, may elect to cancel his reduced retirement allowance
1813 and receive the maximum retirement allowance for life in an amount
1814 equal to the amount that would have been payable if the member had
1815 not elected Option 2 or Option 4-A. Such election must be made in
1816 writing to the office of the executive director of the system on a
1817 form prescribed by the board. Any such election shall be
1818 effective the first of the month following the date the election
1819 is received by the system.

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

1839 for recalculation of benefits is made.

1840 (5) Any member in service who has qualified for retirement
1841 benefits may select any optional method of settlement of
1842 retirement benefits by notifying the Executive Director of the
1843 Board of Trustees of the Public Employees' Retirement System in
1844 writing, on a form prescribed by the board, of the option he has
1845 selected and by naming the beneficiary of such option and
1846 furnishing necessary proof of age. Such option, once selected,
1847 may be changed at any time prior to actual retirement or death,
1848 but upon the death or retirement of the member, the optional
1849 settlement shall be placed in effect upon proper notification to
1850 the executive director.

1851 (6) Notwithstanding any provision of Section 25-13-1 et
1852 seq., no payments may be made for a retirement allowance on a
1853 monthly basis for a period of time in excess of that allowed by
1854 federal law.

1855 (7) If a retirant and his eligible beneficiary, if any, both
1856 die before they have received in annuity payments a total amount
1857 equal to the accumulated contributions standing to the retirant's
1858 credit in the annuity savings account at the time of his
1859 retirement, the difference between the accumulated contributions
1860 and the total amount of annuities received by them shall be paid
1861 to such persons as the retirant has nominated by written
1862 designation duly executed and filed in the office of the executive
1863 director. If no designated person survives the retirant and his
1864 beneficiary, the difference, if any, shall be paid pursuant to
1865 Section 25-13-21.1(1).

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

1872 retiree and beneficiary and option factors in effect on July 1,
1873 1999. Such increase shall be prospective only.

1874 (9) For purposes of this section:

1875 (a) "Beneficiary" means any person designated to
1876 receive a retirement allowance, an annuity or other benefit as
1877 provided by this chapter. Such designation shall be in writing
1878 filed in the office of the Executive Director of the Board of
1879 Trustees of the Public Employees' Retirement System, and no
1880 designation or change of beneficiary shall be made in any other
1881 manner; however, notwithstanding any provision of this chapter to
1882 the contrary, the lawful spouse of a member at the time of the
1883 death of a member shall be the beneficiary of such member unless
1884 the member has designated another beneficiary subsequent to the
1885 date of marriage.

1886 (b) "Actuarial equivalent" shall mean a benefit of
1887 equal value to the accumulated contributions, annuity or benefit,
1888 as the case may be, when computed upon the basis of such mortality
1889 tables as shall be adopted by the board of trustees, and regular
1890 interest.

1891 (c) "Actuarial tables" shall mean such tables of
1892 mortality and rates of interest as shall be adopted by the board
1893 in accordance with the recommendation of the actuary.

1894 SECTION 20. Section 25-13-21, Mississippi Code of 1972, is
1895 amended as follows:[WAN15]

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

1905 he die before retirement, such fund is to be refunded to any
1906 beneficiary he may name. If there is no surviving designated
1907 beneficiary, the contributions to the credit of the deceased
1908 member shall be refunded pursuant to Section 25-13-21.1(1).

1909 Pursuant to the Unemployment Compensation Amendments of 1992
1910 (P.L. 102-318 (UCA)), a member or eligible beneficiary eligible
1911 for a refund under this section may elect on a form prescribed by
1912 the board under rules and regulations established by the board, to
1913 have an eligible roll over distribution of accumulated
1914 contributions payable under this section paid directly to an
1915 eligible retirement plan or individual retirement account. If the
1916 member or eligible beneficiary makes such election and specifies
1917 the eligible retirement plan or individual retirement account to
1918 which such distribution is to be paid, the distribution will be
1919 made in the form of a direct trustee to trustee transfer to the
1920 specified eligible retirement plan. Flexible roll overs under
1921 this subsection shall not be considered assignments under Section
1922 25-13-31.

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

1938 which full repayment has been made to the system.

1939 SECTION 21. This act shall take effect and be in force from
1940 and after July 1, 2000.