

By: Hyde-Smith

To: Finance

SENATE BILL NO. 2972

1 AN ACT TO CREATE A SEPARATE RETIREMENT SYSTEM FOR SHERIFFS;
2 TO PROVIDE THAT THE SYSTEM SHALL BE ADMINISTERED BY THE BOARD OF
3 TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; TO DEFINE
4 ELIGIBILITY FOR MEMBERSHIP IN THE SYSTEM; TO PROVIDE FOR EMPLOYEE
5 AND EMPLOYER CONTRIBUTIONS TO FUND THE SYSTEM; TO ESTABLISH
6 BENEFITS FOR DISABILITY AND SUPERANNUATION RETIREMENT AND
7 ESTABLISH DEATH BENEFITS; TO AMEND SECTION 47-5-901, MISSISSIPPI
8 CODE OF 1972, TO PROVIDE THAT THE DEPARTMENT OF CORRECTIONS SHALL
9 PAY TO THE SHERIFFS' RETIREMENT SYSTEM ONE DOLLAR PER STATE
10 OFFENDER FOR EACH DAY THAT THE OFFENDERS ARE CONFINED IN THE
11 COUNTY JAILS, TO PROVIDE ADDITIONAL FUNDING FOR THE SYSTEM; TO
12 AMEND SECTIONS 25-15-3, 25-15-9, 25-15-14 AND 25-15-15,
13 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT RETIRED MEMBERS OF THE
14 SHERIFFS' RETIREMENT SYSTEM SHALL BE ELIGIBLE TO PARTICIPATE IN
15 THE STATE EMPLOYEES HEALTH INSURANCE PLAN; AND FOR RELATED
16 PURPOSES.

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

18 SECTION 1. There is established and placed under the
19 management of the Board of Trustees of the Public Employees'
20 Retirement System a retirement system for the purpose of providing
21 retirement allowances and other benefits under the provisions of
22 this act for the county sheriffs and their beneficiaries. This
23 retirement system shall be known as the "Sheriffs' Retirement
24 System." The retirement system shall go into operation on October
25 1, 2000, when contributions by members shall begin and benefits
26 shall become payable. This retirement system is designed to
27 supplement and is in addition to the provisions of Section 25-11-1
28 et seq. Under the terms of this act, sheriffs shall retain all
29 social security benefits under Article I of the Public Employees'
30 Retirement Law of 1952 but shall not be eligible for benefits
31 under Article III of that law. This act is a substitute for and
32 in lieu of Article III of that law, and is designed to provide
33 more liberal benefits for sheriffs by reason of the dangerous

34 nature of and special risk involved in the duties of their office.

35 SECTION 2. (1) For the purposes of this act, the
36 definitions in Section 25-11-5 and Section 25-11-103 shall apply
37 unless a different meaning is plainly expressed by the context.

38 (2) As used in this act:

39 (a) "Board" means the Board of Trustees of the Public
40 Employees' Retirement System.

41 (b) "Sheriff" means each duly elected county sheriff
42 and each county sheriff appointed to office to fill a vacancy.

43 (c) "Member" means any person included in the
44 membership of the system as provided in Section 4 of this act.

45 (d) "System" means the Sheriffs' Retirement System
46 established by Section 1 of this act.

47 SECTION 3. (1) The general administration and
48 responsibility for the proper operation of the system and for
49 making effective the provisions hereof are vested in the Board of
50 Trustees of the Public Employees' Retirement System.

51 (2) The board shall invest all funds of the system in
52 accordance with Section 25-11-121.

53 (3) The board shall designate an actuary who shall be the
54 technical advisor of the board on matters regarding the operation
55 of the system and shall perform such other duties as are required
56 in connection therewith.

57 (4) At least once in each two-year period following October
58 1, 2000, the actuary shall make an actuarial investigation into
59 the mortality, service, withdrawal and compensation experience of
60 the members and beneficiaries of the system, and shall make a
61 valuation of the assets and liabilities of the system. Taking
62 into account the result of the investigation and valuation, the
63 board shall adopt for the retirement system such mortality,
64 service, and other tables as shall be deemed necessary. On the
65 basis of those tables that the board adopts, the actuary shall
66 make biennial valuations of the assets and liabilities of the
67 funds of the system.

68 (5) The board shall keep such data as shall be necessary for
69 the actuarial valuation of the contingent assets and liabilities
70 of the system and for checking the experience of the system.

71 (6) The board shall determine from time to time the rate of
72 regular interest for use in all calculations, with the rate of
73 five percent (5%) per annum applicable unless changed by the
74 board.

75 (7) Subject to the limitations hereof, the board from time
76 to time shall establish rules and regulations for the
77 administration of the system and for the transaction of business.

78 (8) The board shall keep a record of all its proceedings
79 under this act. All books, accounts and records shall be kept in
80 the general office of the Public Employees' Retirement System and
81 shall be public records except for individual member records. The
82 Public Employees' Retirement System shall not disclose the name,
83 address or contents of any individual member records without the
84 prior written consent of the individual to whom the record
85 pertains.

86 (9) The Executive Director of the Public Employees'
87 Retirement System shall serve as the executive director of this
88 system.

89 SECTION 4. (1) The membership of the system shall be
90 composed of sheriffs. Membership in the system shall not include
91 deputy sheriffs and secretarial, clerical, stenographic or
92 administrative employees of the office of the sheriff.

93 (2) All sheriffs eligible for membership in the system as
94 provided in this section who are serving in that capacity on
95 October 1, 2000, shall become members of the system on that date,
96 unless they file with the board within thirty (30) days after
97 October 1, 2000, on a form prescribed by the board, a notice of
98 election not to be covered in the membership of the system and a
99 duly executed waiver of all present and prospective benefits that
100 otherwise would inure to them on account of their membership in
101 the system.

102 (3) All sheriffs eligible for membership in the system as
103 provided in this section who are elected or appointed after

104 October 31, 2000, shall become members of the system as a
105 condition of holding that office, provided that the sheriff is
106 under the age of fifty-five (55) years at the time of taking
107 office.

108 (4) Membership in the system shall cease by a member
109 withdrawing his accumulated contributions, or by a member
110 withdrawing from active service with a retirement allowance, or by
111 death of the member.

112 SECTION 5. (1) Creditable service on which a member's
113 service or disability retirement benefit is based shall consist of
114 prior service and membership service. "Prior service" means
115 service performed before October 1, 2000, for which contributions
116 were made to the Public Employees' Retirement System, and
117 "membership service" means all service for which credit may be
118 allowed under this act after October 31, 2000, and all lawfully
119 credited unused leave as of the date of withdrawal from service,
120 as certified by the employer.

121 (2) In computing the period of service of a member of the
122 system, anything in this act to the contrary notwithstanding, any
123 member who served on active duty in the Armed Forces of the United
124 States, or who served in maritime service during periods of
125 hostility in World War II, shall be entitled to creditable service
126 for his service on active duty in the Armed Forces or in such
127 maritime service, provided he entered state service after his
128 discharge from the Armed Forces or entered state service after he
129 completed such maritime service. The maximum period for
130 creditable service for all military service shall not exceed four
131 (4) years unless positive proof can be furnished by the person
132 that he was retained in the Armed Forces during World War II or in
133 maritime service during World War II by causes beyond his control
134 and without opportunity of discharge. The member shall furnish
135 proof satisfactory to the board of certification of military
136 service or maritime service records showing dates of entrance into

137 service and the date of discharge. In no case shall the member
138 receive creditable service if the member received a dishonorable
139 discharge from the Armed Forces of the United States.

140 SECTION 6. (1) The board shall act as custodian of the
141 system, and shall receive to the credit of the system all
142 donations, bequests, appropriations, and all funds available as an
143 employer's contribution thereto from any source whatsoever.

144 (2) Beginning October 1, 2000, the employers shall cause to
145 be deducted each month from the earned compensation of each member
146 seven and one-fourth percent (7-1/4%) thereof, and shall pay the
147 amount so deducted to the board to be credited to the system. The
148 board may vary the percentage of future employee contributions
149 biennially on the basis of the liabilities of the system for the
150 various allowances and benefits as shown by actuarial valuation.
151 From the funds credited to this account, the board shall pay
152 retirements, disability benefits, survivors benefits, expenses and
153 shall refund contributions as provided in this act. The funds of
154 the system shall be maintained as a separate fund, separate from
155 all other funds held by the board and shall be used only for the
156 payment of benefits provided for by this act or amendments
157 thereto.

158 (3) Beginning October 1, 2000, on account of each member the
159 employers shall pay monthly into the system from funds available
160 an amount equal to a certain percentage of the earned compensation
161 of each member to be known as the "normal contributions," and an
162 additional amount equal to a percentage of his earned compensation
163 to be known as the "accrued liability contribution." The
164 percentage rate of those contributions shall be nine and
165 three-fourths percent (9-3/4%). The percentage rate of those
166 contributions in the future shall be fixed biennially by the board
167 on the basis of the liabilities of the system for the various
168 allowances and benefits as shown by the actuarial valuation.

169 (4) In addition to the funding provided for in this section,

170 the system shall be funded from the payments made to the system by
171 the Department of Corrections under Section 47-5-901(8).

172 (5) The board is authorized to deduct two percent (2%) of
173 all employer contributions paid into the system to be transferred
174 to the expense fund of the Public Employees' Retirement System to
175 defray the cost of administering the system.

176 SECTION 7. The employers shall pick up the member
177 contributions required by Section 6 of this act for all
178 compensation earned after October 31, 2000. The contributions so
179 picked up shall be treated as employer contributions in
180 determining tax treatment under the United States Internal Revenue
181 Code and Mississippi Income Tax Code. However, the employer shall
182 continue to withhold federal and state income taxes based upon
183 these contributions until the Internal Revenue Service or federal
184 courts rule that pursuant to Section 414(h) of the United States
185 Internal Revenue Code, these contributions shall not be included
186 as gross income of the member until such time as they are
187 distributed or made available. The employer shall pay these
188 member contributions from the same source of funds that is used in
189 paying earnings to the member. The employer may pick up these
190 contributions by a reduction in the cash salary of the member or
191 by an offset against a future salary increase or by a combination
192 of a reduction in salary and offset against a future salary
193 increase. If member contributions are picked up, they shall be
194 treated for all purposes of this act in the same manner and to the
195 same extent as member contributions made before the date the
196 contributions were picked up.

197 SECTION 8. (1) Upon application of a member or his
198 employer, any active member who has not attained the age of
199 fifty-five (55) years may be retired by the board, not less than
200 thirty (30) and not more than ninety (90) days next following the
201 date of filing the application, on a disability retirement
202 allowance, if the medical board of the Public Employees'

203 Retirement System or other designated governmental agency, after a
204 medical examination, certifies that he is mentally or physically
205 incapacitated for the performance of duty, that the incapacity is
206 likely to be permanent, and that the sickness or injury was caused
207 or sustained as a direct result of duty as a sheriff after October
208 31, 2000.

209 Upon the application of a member or his employer, any member
210 who is not yet eligible for service retirement benefits and who
211 has had at least ten (10) years of creditable service may be
212 retired by the board, not less than thirty (30) and not more than
213 ninety (90) days next following the date of filing the
214 application, on a disability retirement allowance, if the medical
215 board or other designated governmental agency, after a medical
216 examination, certifies that he is mentally or physically
217 incapacitated for the further performance of duty, that the
218 incapacity is likely to be permanent, and that he should be
219 retired. This disability need not be service connected.

220 (2) Upon retirement for disability, a member shall receive a
221 disability benefit equal to fifty percent (50%) of his average
222 compensation for the two (2) years immediately preceding his
223 retirement, but not less than any retirement benefits for which he
224 may be eligible at the date he is granted disability.

225 (3) Once each year during the first five (5) years following
226 retirement of a member on a disability retirement allowance, and
227 once in every period of three (3) years thereafter, the board may,
228 and upon his application shall, require any disability retiree who
229 has not yet attained the age of fifty-five (55) years to undergo a
230 medical examination. The examination shall be made at the place
231 of residence of the retiree or other place mutually agreed upon by
232 the medical board or other designated governmental agency. If any
233 disability retiree who has not yet attained the age of fifty-five
234 (55) years refuses to submit to any medical examination provided
235 for in this subsection, his allowance may be discontinued until

236 his withdrawal of his refusal, and if his refusal continues for
237 one (1) year, all his rights in that part of the disability
238 benefit provided by employer contributions shall be revoked by the
239 board.

240 (4) If the medical board or other designated governmental
241 agency reports and certifies to the board, after a comparable job
242 analysis or other similar study, that the disability retiree is
243 engaged in, or is able to engage in, a gainful occupation paying
244 more than the difference between his disability benefit and his
245 average compensation, and if the board concurs in the report, the
246 disability benefit shall be reduced to an amount that, together
247 with the amount earnable by him, equals the amount of his average
248 compensation. If his earning capacity is later changed, the
249 amount of the benefit may be further modified, but the revised
250 benefit shall not exceed the amount originally granted nor an
251 amount that, when added to the amount earnable by the retiree,
252 together with the member's annuity, equals the amount of his
253 average compensation.

254 (5) If a disability retiree under the age of fifty-five (55)
255 years is restored to active service at a compensation not less
256 than his average compensation, his disability benefit shall cease,
257 he shall again become a member of the retirement system, and he
258 shall contribute thereafter at the same rate he paid before
259 disability. Any such prior service certificate on the basis of
260 which his service was computed at the time of retirement shall be
261 restored to full force and effect. In addition, upon his
262 subsequent retirement he shall be credited with all creditable
263 service as a member, including the period for which he was paid
264 disability benefits.

265 SECTION 9. (1) Any member upon withdrawal from service upon
266 or after attainment of the age of fifty-five (55) years who has
267 completed at least four (4) years of creditable service, or any
268 member upon withdrawal from service upon or after attainment of

269 the age of forty-five (45) years who has completed at least twenty
270 (20) years of creditable service, or any member upon withdrawal
271 from service regardless of age who has completed at least
272 twenty-five (25) years of creditable service, shall be entitled to
273 receive a retirement allowance that shall be payable the first of
274 the month following receipt of the member's application in the
275 office of the executive director of the system, but in no event
276 before withdrawal from service.

277 (2) Any member whose withdrawal from service occurs before
278 attaining the age of fifty-five (55) years who has completed four
279 (4) or more years of creditable service and has not received a
280 refund of the member's accumulated contributions shall be entitled
281 to receive a retirement allowance of the amount earned and accrued
282 at the date of withdrawal from service, beginning upon his
283 attaining the age of fifty-five (55) years.

284 (3) The annual amount of the retirement allowance shall
285 consist of:

286 (a) A member's annuity, which shall be the actuarial
287 equivalent of the accumulated contributions of the member at the
288 time of retirement, computed according to the actuarial table in
289 use by the system.

290 (b) An employer's annuity, which, together with the
291 member's annuity provided above, shall be equal to two and
292 one-half percent (2-1/2%) of the average compensation for each
293 year of membership service.

294 (c) A prior service annuity equal to two and one-half
295 percent (2-1/2%) of the average compensation for each year of
296 prior service for which the member is allowed credit.

297 (d) In the case of retirement of any member before
298 attaining the age of fifty-five (55) years, the retirement
299 allowance shall be computed in accordance with the formula set
300 forth above in this section, except that the employer's annuity
301 and prior service annuity shall be reduced by three percent (3%)

302 for each year of age below fifty-five (55) years, or three percent
303 (3%) for each year of service below twenty-five (25) years of
304 creditable service, whichever is lesser.

305 (e) Upon retiring from service, a member shall be
306 eligible to obtain retirement benefits, as computed above, for
307 life, except that the aggregate amount of the employer's annuity
308 and prior service annuity shall not exceed more than eighty-five
309 percent (85%) of the average compensation regardless of the years
310 of service.

311 SECTION 10. (1) Retired members who on December 1 of each
312 year, or July 1 of each year as provided for in subsection (5) of
313 this section, are receiving a retirement allowance for service or
314 disability retirement, or their beneficiaries, shall receive in
315 one (1) additional payment an amount equal to a cumulative
316 percentage of the annual percentage increase in the Consumer Price
317 Index set by the United States government for the calendar year
318 ending during each fiscal year for each full fiscal year of
319 retirement, not exceeding two and one-half percent (2-1/2%) for
320 any fiscal year, times the amount of the annual retirement
321 allowance. The cumulative percentage provided in this subsection
322 for any particular year shall not be less than the cumulative
323 percentage provided for the previous year.

324 (2) Retired members who on December 1 of each year are
325 receiving a retirement allowance for service or disability
326 retirement, or their beneficiaries, may receive, in addition to
327 the cumulative percentage provided in subsection (1) of this
328 section, a payment as determined by the board, calculated in
329 increments of one-quarter of one percent (1/4 of 1%), not to
330 exceed one and one-half percent (1-1/2%) of the annual retirement
331 allowance, for each full fiscal year of retirement, but any such
332 payment shall be contingent upon the reserve for annuities in
333 force for retired members and beneficiaries providing sufficient
334 investment gains in excess of the accrued actuarial liabilities

335 for the previous fiscal year as certified by the actuary and
336 determined by the board.

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

342 (4) Persons eligible to receive the payments provided in
343 this section shall receive the payments in one (1) additional
344 payment, except that the person may elect by an irrevocable
345 agreement on a form prescribed by the board to receive the
346 payments in not less than equal monthly installments not to exceed
347 six (6) months during the remaining months of the current fiscal
348 year. In the event of death of a person or a beneficiary
349 receiving monthly benefits, any remaining amounts shall be paid in
350 a lump sum to the designated beneficiary.

351 (5) Retired members or beneficiaries thereof who on July 1
352 of any fiscal year are receiving a retirement allowance may elect
353 by an irrevocable agreement in writing filed in the office of the
354 Public Employees' Retirement System no less than thirty (30) days
355 before July 1 of the appropriate year, to begin receiving the
356 payments provided for in subsection (1) of this section in twelve
357 (12) equal installments beginning on July 1. This irrevocable
358 agreement shall be binding on the member and subsequent
359 beneficiaries. The cumulative percentage provided in subsection
360 (1) of this section and paid in twelve (12) equal installments for
361 any particular year shall not be less than the cumulative
362 percentage provided for the previous year. However, payment of
363 the installments shall not extend beyond the month in which a
364 retirement allowance is due and payable. Any additional amounts
365 approved by the board under subsection (2) of this section shall
366 be paid in one (1) lump sum payment to retirees and beneficiaries
367 in accordance with subsection (2) of this section.

368 SECTION 11. (1) Upon the death of any member who has
369 retired from service or disability and who has not elected any
370 other option under Section 12 of this act, the member's spouse
371 shall receive one-half (1/2) the benefit that the member was
372 receiving and each child not having attained the age of nineteen
373 (19) years shall receive one-fourth (1/4) of the member's benefit,
374 but not more than one-half (1/2) of the benefits shall be paid for
375 the support and maintenance of two (2) or more children. Upon
376 each child's attaining the age of nineteen (19) years, the child
377 shall no longer be eligible for the benefit, and when all of the
378 children have attained the age of nineteen (19) years, only the
379 spouse shall be eligible for one-half (1/2) of the amount of the
380 member's benefit. The spouse shall continue to be eligible for
381 the benefit in the amount of fifty percent (50%) of the member's
382 retirement benefit as long as the spouse may live or until
383 remarriage. Upon remarriage of the spouse at any time, the
384 spouse's eligibility for the fifty percent (50%) benefits shall
385 end, but the spouse will be eligible to continue to receive
386 benefits for their children until the last child attains the age
387 of nineteen (19) years.

388 (2) Upon the death of any member who has served the minimum
389 period required for eligibility for retirement, the member's
390 spouse and family shall receive all the benefits payable to the
391 member's beneficiaries as if the member had retired at the time of
392 death. Those benefits shall cease as to the spouse upon
393 remarriage but shall continue to be payable to each child until he
394 reaches the age of nineteen (19) years. The benefits are payable
395 on a monthly basis.

396 (3) The spouse and/or the dependent children of an active
397 member who is killed in the line of performance of duty or dies as
398 a direct result of an accident occurring in the line of
399 performance of duty shall qualify, on approval of the board, for a
400 retirement allowance on the first of the month following the date

401 of the member's death, but not before receipt of application by
402 the board. The spouse shall receive a retirement allowance equal
403 to one-half (1/2) of the average compensation of the deceased
404 member. In addition to the retirement allowance for the spouse,
405 or if there is no surviving spouse, a retirement allowance shall
406 be paid in the amount of one-fourth (1/4) of the average
407 compensation for the support and maintenance of one (1) child or
408 in the amount of one-half (1/2) of the average compensation for
409 the support and maintenance of two (2) or more children. Those
410 benefits shall cease to be paid for the support and maintenance of
411 each child upon the child attaining the age of nineteen (19)
412 years; however, the spouse shall continue to be eligible for the
413 retirement allowance provided for the spouse. Benefits may be
414 paid to a surviving parent or lawful custodian of the children for
415 the use and benefit of the children without the necessity of
416 appointment as guardian. That retirement allowance shall cease to
417 the spouse upon remarriage but continue to be payable for each
418 dependent child until the age of nineteen (19) years.

419 (4) All benefits accruing to any child under the provisions
420 of this act shall be paid to the parent custodian of the children
421 or the legal guardian.

422 (5) Children receiving the benefits provided in this section
423 who are permanently or totally disabled shall continue to receive
424 the benefits for as long as the medical board or other designated
425 governmental agency certifies that the disability continues. The
426 age limitation for benefits payable to a child under any provision
427 of this section shall be extended beyond age nineteen (19), but in
428 no event beyond the attainment of age twenty-three (23), as long
429 as the child is a student regularly pursuing a full-time course of
430 resident study or training in an accredited high school, trade
431 school, technical or vocational institute, junior or community
432 college, college, university or comparable recognized educational
433 institution duly licensed by a state. A student child whose

434 birthday falls during the school year (September 1 through June
435 30) is considered not to reach age twenty-three (23) until the
436 July 1 following the actual twenty-third birthday. A full-time
437 course of resident study or training means a day or evening
438 noncorrespondence course that includes school attendance at the
439 rate of at least thirty-six (36) weeks, per academic year or other
440 applicable period with a subject load sufficient, if successfully
441 completed, to attain the educational or training objective within
442 the period generally accepted as minimum for completion, by a
443 full-time day student, of the academic or training program
444 concerned.

445 SECTION 12. (1) Upon application for superannuation or
446 disability retirement, any member may elect to receive his benefit
447 pursuant to the provisions of Sections 9 and 11 of this act or may
448 elect to receive his benefit in a retirement allowance payable
449 throughout life with no further payments to anyone at his death,
450 except that if his total retirement payments under this act do not
451 equal his total contributions under this act, his named
452 beneficiary shall receive the difference in cash at his death. As
453 an alternative, he may elect upon retirement, or upon becoming
454 eligible for retirement, to receive the actuarial equivalent of
455 his retirement allowance in a reduced retirement allowance payable
456 throughout life with the provision that:

457 **Option 1.** If he dies before he has received in annuity
458 payment the value of the member's annuity as it was at the time of
459 his retirement, the balance shall be paid to his legal
460 representative or to such person as he has nominated by written
461 designation duly acknowledged and filed with the board; or

462 **Option 2.** Upon his death, his reduced retirement
463 allowance shall be continued throughout the life of, and paid to,
464 such person as he has nominated by written designation duly
465 acknowledged and filed with the board at the time of his
466 retirement; or

467 **Option 3.** Upon his death, one half (1/2) of his reduced
468 retirement allowance shall be continued throughout the life of,
469 and paid to, such person as he has nominated by written
470 designation duly acknowledged and filed with the board at the time
471 of his retirement, and the other one half (1/2) of his reduced
472 retirement allowance to some other designated beneficiary; or

473 **Option 4-A.** Upon his death, one half (1/2) of his
474 reduced retirement allowance, or such other specified amount,
475 shall be continued throughout the life of, and paid to, such
476 person as he has nominated by written designation duly
477 acknowledged and filed with the board at the time of his
478 retirement; or

479 **Option 4-B.** A reduced retirement allowance shall be
480 continued throughout the life of the retirant, but with the
481 further guarantee of payments to the named beneficiary,
482 beneficiaries or to the estate for a specified number of years
483 certain. If the retired member or the last designated beneficiary
484 receiving annuity payments dies before receiving all guaranteed
485 payments due, the actuarial equivalent of the remaining payments
486 will be paid to the estate of the retired member as intestate
487 property.

488 **Option 4-C.** The retirement allowance otherwise payable
489 may be converted into a retirement allowance of equivalent
490 actuarial value in such an amount that, with the member's benefit
491 under Title II of the federal Social Security Act, the member will
492 receive, so far as possible, approximately the same amount
493 annually before and after the earliest age at which the member
494 becomes eligible to receive a social security benefit.

495 (2) Any member in service who has qualified for retirement
496 benefits may select any optional method of settlement of
497 retirement benefits by notifying the executive director of the
498 system in writing, on a form prescribed by the board, of the
499 option he has selected and by naming the beneficiary of the option

500 and furnishing necessary proof of age. The option, once selected,
501 may be changed at any time before actual retirement or death, but
502 upon the death or retirement of the member, the optional
503 settlement shall be placed in effect upon proper notification to
504 the executive director.

505 (3) No change in the option selected shall be permitted
506 after the member's death or after the member has received his
507 first retirement check, except as provided in subsections (4) and
508 (5) of this section and in Section 16 of this act.

509 (4) Any retired member who is receiving a reduced retirement
510 allowance under Option 2 or Option 4-A whose designated
511 beneficiary predeceases him, or whose marriage to a spouse who is
512 his designated beneficiary is terminated by divorce or other
513 dissolution, may elect to cancel his reduced retirement allowance
514 and receive the maximum retirement allowance for life in an amount
515 equal to the amount that would have been payable if the member had
516 not elected Option 2 or Option 4-A. The election must be made in
517 writing to the office of the executive director of the system on a
518 form prescribed by the board. Any such election shall be
519 effective the first of the month following the date the election
520 is received by the system.

521 (5) Any retired member who is receiving the maximum
522 retirement allowance for life, or a retirement allowance under
523 Option 1, and who marries after his retirement may elect to cancel
524 his maximum retirement allowance or Option 1 retirement allowance
525 and receive a reduced retirement allowance under Option 2 or
526 Option 4-A to provide continuing lifetime benefits to his spouse.
527 The election must be made in writing to the office of the
528 executive director of the system on a form prescribed by the board
529 not earlier than the date of the marriage. Any such election
530 shall be effective the first of the month following the date the
531 election is received by the system. The amount of the reduced
532 retirement allowance shall be the actuarial equivalent, taking

533 into account that the member received the maximum retirement
534 allowance or Option 1 retirement allowance for a period of time
535 before electing to receive a reduced retirement allowance.

536 (6) If the election of an optional benefit is made after the
537 member has attained the age of sixty-five (65) years, the
538 actuarial equivalent factor shall be used to compute the reduced
539 retirement allowance as if the election had been made on his
540 sixty-fifth birthday. However, if a retiree marries or remarries
541 after retirement, and elects either Option 2 or Option 4-A as
542 provided in subsection (5) of this section, the actuarial
543 equivalent factor used to compute the reduced retirement allowance
544 shall be the factor for the age of the retiree and his or her
545 beneficiary at the time that the election for recalculation of
546 benefits is made.

547 (7) If a retirant and his eligible beneficiary, if any, both
548 die before they have received in annuity payments a total amount
549 equal to the accumulated contributions standing to the retirant's
550 credit in the annuity savings account at the time of his
551 retirement, the difference between the accumulated contributions
552 and the total amount of annuities received by them shall be paid
553 to such persons as the retirant has nominated by written
554 designation duly executed and filed in the office of the executive
555 director. If no designated person survives the retirant and his
556 beneficiary, the difference, if any, shall be paid to the estate
557 of the survivor of the retirant and his beneficiary.

558 SECTION 13. (1) All persons who are covered under the terms
559 of this act on October 1, 2000, and who become members of the
560 retirement system established by this act shall cease to be
561 members of the Public Employees' Retirement System under the
562 provisions of Section 25-11-101 et seq., upon October 1, 2000, and
563 shall become members of this retirement system with full credit
564 for all prior service performed before October 1, 2000, for which
565 contributions were made to the Public Employees' Retirement

566 System.

567 (2) In any case in which a sheriff has been a member of the
568 Public Employees' Retirement System under Section 25-11-101 et
569 seq., and has made contributions thereto, all employee's
570 contributions, plus interest credited thereto, inuring to the
571 credit of that person shall be transferred by the Public
572 Employees' Retirement System to the credit of the person in the
573 retirement system established by this act, and shall be considered
574 an asset to the credit of that person in this retirement system.

575 SECTION 14. If a member of the retirement system ceases to
576 work as a sheriff for any reason other than occupational disease
577 contracted or for any accident sustained by the member by reason
578 of his service or discharge of his duties as a sheriff, and if the
579 member is not eligible for retirement either for service or
580 disability, he shall be refunded the amount of his total
581 contributions under the provisions of this act, including any
582 credit transferred to his account in this system from any other
583 system, at his request, and if he dies before retirement, those
584 funds shall be refunded to any beneficiary that he has named.

585 If any member who receives a refund reenters service as a
586 sheriff and again becomes a member of the system and remains a
587 contributor for four (4) years, he may repay all amounts
588 previously received by him as a refund, together with regular
589 interest covering the period from the date of refund to the date
590 of repayment. Upon that repayment, the member again shall receive
591 credit for the entire period of creditable service that he
592 forfeited upon the receipt of the refund.

593 SECTION 15. Regular interest shall be credited annually to
594 the mean amount of the employee reserve account for the preceding
595 year. This credit shall be made annually from interest and other
596 earnings on the invested assets of the system. Any additional
597 amount required to meet the regular interest on the funds of the
598 system shall be charged to the employer's accumulation account,

599 and any excess of earnings over the regular interest required
600 shall be credited to the employer's accumulation account. Regular
601 interest shall mean such percentage rate of interest compounded
602 annually as determined by the board on the basis of the interest
603 earnings of the system for the preceding year. Once that interest
604 is credited it shall be added to the sum of all amounts deducted
605 from the compensation of a member and shall be included in
606 determining his total contributions.

607 SECTION 16. No person who is being paid a retirement
608 allowance from this system shall serve or be paid for any service
609 as a sheriff. If any member retired under this act returns to
610 service as a sheriff, the retirement allowance shall cease and the
611 member shall become a contributing member of the system and shall
612 be credited with all creditable service at the time of the
613 previous withdrawal of service on a retirement allowance. The
614 retirement allowance payable upon subsequent retirement shall be
615 based on the total creditable service rendered before and after
616 return to service. The total retirement allowance paid to the
617 retired member in his previous retirement shall be deducted from
618 his retirement reserve and taken into consideration in
619 recalculating the retirement allowance.

620 SECTION 17. The right of a person to an annuity, a
621 retirement allowance or benefit, or to the return of
622 contributions, or to any optional benefits or any other right
623 accrued or accruing to any person under the provisions of this
624 act, the system and the monies in the system created by this act,
625 are exempt from any state, county or municipal ad valorem taxes,
626 income taxes, premium taxes, privilege taxes, property taxes,
627 sales and use taxes or other taxes not so named, notwithstanding
628 any other provision of law to the contrary, and exempt from levy
629 and sale, garnishment, attachment, or any other process
630 whatsoever, and shall be unassignable except as specifically
631 provided otherwise in this act.

632 SECTION 18. (1) The maintenance of actuarial reserves for
633 the various allowances and benefits under this act, and the
634 payment of all annuities, retirement allowances, refunds and other
635 benefits granted under this act are made obligations of the
636 system. All income, interest and dividends derived from deposits
637 and investments authorized by this act shall be used for the
638 payment of the obligations of the system.

639 (2) If the system is terminated, all members of the system
640 as of the date of termination of the system shall be deemed to
641 have a vested right to benefits to the extent and in the same
642 manner that rights would be vested under the laws existing as of
643 the date of termination of the system. However, any member who
644 has not fulfilled the requirements for length of service because
645 of a termination of the system shall be entitled to compensation
646 as of the date that the member would otherwise be eligible. That
647 compensation shall be computed on the basis of the time he was
648 actually a member of the system and the compensation he actually
649 earned during the time he was a member, in the manner provided by
650 this act.

651 If there is a deficit in the availability of funds for
652 payment due under the provisions of the system, an appropriation
653 shall be made that is sufficient for the payment thereof, as an
654 obligation of the State of Mississippi.

655 (3) Notwithstanding any provisions of this section or this
656 act to the contrary, the maximum annual retirement allowance
657 attributable to the employer contributions payable by the system
658 to a member shall be subject to the limitations set forth in
659 Section 415 of the Internal Revenue Code and any regulations
660 issued thereunder as applicable to governmental plans as that term
661 is defined under Section 414(d) of the Internal Revenue Code. If
662 a member is a participant in any qualified defined contribution
663 plan required to be taken into account for purposes of applying
664 the combined plan limitations contained in Section 415(e) of the

665 Internal Revenue Code, then for any year the sum of the defined
666 benefit plan fraction and the defined contribution plan fraction,
667 as those terms are defined in Section 415(e), shall not exceed one
668 (1). If for any year the foregoing combined plan limitation would
669 be exceeded, the benefit provided under this plan shall be reduced
670 to the extent necessary to meet that limitation.

671 (4) Notwithstanding any other provision of this plan, all
672 distributions from this plan shall conform to the regulations
673 issued under Section 401(a)(9) of the Internal Revenue Code,
674 applicable to governmental plans, as defined in Section 414(d) of
675 the Internal Revenue Code, including the incidental death benefit
676 provisions of Section 401(a)(9)(G) of the Internal Revenue Code.
677 Further, those regulations shall override any plan provision that
678 is inconsistent with Section 401(a)(9) of the Internal Revenue
679 Code.

680 (5) The actuarial assumptions used to convert a retirement
681 allowance from the normal form of payment to an optional form of
682 payment shall be an appendix to this act and subject to approval
683 by the board of trustees based upon certification by the actuary.

684 (6) Notwithstanding any other provision of this plan, the
685 maximum compensation that can be considered for all plan purposes
686 is One Hundred Fifty Thousand Dollars (\$150,000.00) per year,
687 adjusted annually to reflect changes in the cost of living to
688 conform to the regulations issued under Section 401(a)(17) of the
689 Internal Revenue Code.

690 SECTION 19. Section 47-5-901, Mississippi Code of 1972, is
691 amended as follows:

692 47-5-901. (1) Any person committed, sentenced or otherwise
693 placed under the custody of the Department of Corrections, on
694 order of the sentencing court and subject to the other conditions
695 of this subsection, may serve all or any part of his sentence in
696 the county jail of the county wherein such person was convicted if
697 the Commissioner of Corrections determines that physical space is

698 not available for confinement of such person in the state
699 correctional institutions. Such determination shall be promptly
700 made by the Department of Corrections upon receipt of notice of
701 the conviction of such person. The commissioner shall certify in
702 writing that space is not available to the sheriff or other
703 officer having custody of the person. Any person serving his
704 sentence in a county jail shall be classified in accordance with
705 Section 47-5-905.

706 (2) If state prisoners are housed in county jails due to a
707 lack of capacity at state correctional institutions, the
708 Department of Corrections shall determine the cost for food and
709 medical attention for such prisoners. The cost of feeding and
710 housing offenders confined in such county jails shall be based on
711 actual costs or contract price per prisoner not to exceed Twenty
712 Dollars (\$20.00) per day per offender.

713 (3) Upon vouchers submitted by the board of supervisors of
714 any county housing persons due to lack of space at state
715 institutions, the Department of Corrections shall pay to such
716 county, out of any available funds, the actual cost of food, or
717 contract price per prisoner, not to exceed Twenty Dollars (\$20.00)
718 per day per offender as determined under subsection (2) of this
719 section for each day an offender is so confined beginning the
720 fifth day following the date the offender is committed and taken
721 into custody by the sheriff and will terminate on the date on
722 which the offender is released or otherwise removed from the
723 custody of the county jail, and shall pay the actual cost for
724 medical attention for prisoners unless the Commissioner of
725 Corrections shall find that the costs of any medical services
726 rendered are unreasonable. Such payment shall be placed in the
727 county general fund and shall be expended only for food and
728 medical attention for such persons.

729 (4) A person, on order of the sentencing court, may serve
730 not more than twenty-four (24) months of his sentence in a county

731 jail if the person is classified in accordance with Section
732 47-5-905 and the county jail is an approved county jail for
733 housing state inmates under federal court order. The sheriff of
734 the county shall have the right to petition the Commissioner of
735 Corrections to remove the inmate from the county jail. The county
736 shall be reimbursed in accordance with subsection (2).

737 (5) The Attorney General of the State of Mississippi shall
738 defend the employees of the Department of Corrections and
739 officials and employees of political subdivisions against any
740 action brought by any person who was committed to a county jail
741 under the provisions of this section.

742 (6) This section does not create in the Department of
743 Corrections, or its employees or agents, any new liability,
744 express or implied, nor shall it create in the Department of
745 Corrections any administrative authority or responsibility for the
746 construction, funding, administration or operation of county or
747 other local jails or other places of confinement which are not
748 staffed and operated on a full-time basis by the Department of
749 Corrections. The correctional system under the jurisdiction of
750 the Department of Corrections shall include only those facilities
751 fully staffed by the Department of Corrections and operated by it
752 on a full-time basis.

753 (7) An offender returned to a county for post-conviction
754 proceedings shall be subject to the provisions of Section 99-19-42
755 and the county shall not receive the per day allotment for such
756 offender after the time prescribed for returning the offender to
757 the Department of Corrections as provided in Section 99-19-42.

758 (8) In addition to paying the counties for the cost of
759 feeding and housing of state offenders confined in the county
760 jails, the Department of Corrections shall pay to the Sheriffs'
761 Retirement System established by Section 1 of this act One Dollar
762 (\$1.00) per state offender for each day that the offenders are
763 confined in the county jails until the offenders are released or

764 otherwise removed from the custody of the county jails. The
765 Department of Corrections shall make these payments to the
766 Sheriffs' Retirement System on a monthly basis, from funds
767 appropriated to the department for that purpose.

768 SECTION 20. Section 25-15-3, Mississippi Code of 1972, is
769 amended as follows:[WAN1]

770 25-15-3. For the purposes of this article, the words and
771 phrases used herein shall have the following meanings:

772 (a) "Employee" means a person who works full time for
773 the State of Mississippi and receives his compensation in a direct
774 payment from a department, agency or institution of the state
775 government and any person who works full time for any school
776 district, community/junior college, public library or
777 university-based program authorized under Section 37-23-31 for
778 deaf, aphasic and emotionally disturbed children or any regular
779 nonstudent bus driver. This shall include legislators, employees
780 of the legislative branch and the judicial branch of the state and
781 "employees" shall include full-time salaried judges and full-time
782 district attorneys and their staff and full-time compulsory school
783 attendance officers. For the purposes of this article, any
784 "employee" making contributions to the Public Employees'
785 Retirement System or the Highway Safety Patrol Retirement System
786 shall be considered a full-time employee.

787 (b) "Department" means the Department of Finance and
788 Administration.

789 (c) "Plan" means the State and School Employees Life
790 and Health Insurance Plan created under this article.

791 (d) "Fund" means the State and School Employees
792 Insurance Fund set up under this article.

793 (e) "Retiree" or "retired employee" means any employee
794 retired under the Public Employees' Retirement System, the Highway
795 Safety Patrol Retirement System or the Sheriffs' Retirement
796 System.

797 (f) "Board" means the State and School Employees Health
798 Insurance Management Board created under Section 25-15-303.

799 SECTION 21. Section 25-15-9, Mississippi Code of 1972, is
800 amended as follows:[WAN2]

801 25-15-9. (1) (a) The board shall design a plan of health
802 insurance for state employees which provides benefits for
803 semiprivate rooms in addition to other incidental coverages which
804 the board deems necessary. The amount of the coverages shall be
805 in such reasonable amount as may be determined by the board to be
806 adequate, after due consideration of current health costs in
807 Mississippi. The plan shall also include major medical benefits
808 in such amounts as the board shall determine. The board is also
809 authorized to accept bids for such alternate coverage and optional
810 benefits as the board shall deem proper. Any contract for
811 alternative coverage and optional benefits shall be awarded by the
812 board after it has carefully studied and evaluated the bids and
813 selected the best and most cost-effective bid. The board may
814 reject all such bids; however, the board shall notify all bidders
815 of the rejection and shall actively solicit new bids if all bids
816 are rejected. The board may employ or contract for such
817 consulting or actuarial services as may be necessary to formulate
818 the plan, and to assist the board in the preparation of
819 specifications and in the process of advertising for the bids for
820 the plan. Such contracts shall be solicited and entered into in
821 accordance with Section 25-15-5. The board shall keep a record of
822 all persons, agents and corporations who contract with or assist
823 the board in preparing and developing the plan. The board in a
824 timely manner shall provide copies of this record to the members
825 of the advisory council created in this section and those
826 legislators, or their designees, who may attend meetings of the
827 advisory council. The board shall provide copies of this record
828 in the solicitation of bids for the administration or servicing of
829 the self-insured program. Each person, agent or corporation

830 which, during the previous fiscal year, has assisted in the
831 development of the plan or employed or compensated any person who
832 assisted in the development of the plan, and which bids on the
833 administration or servicing of the plan, shall submit to the board
834 a statement accompanying the bid explaining in detail its
835 participation with the development of the plan. This statement
836 shall include the amount of compensation paid by the bidder to any
837 such employee during the previous fiscal year. The board shall
838 make all such information available to the members of the advisory
839 council and those legislators, or their designees, who may attend
840 meetings of the advisory council before any action is taken by the
841 board on the bids submitted. The failure of any bidder to fully
842 and accurately comply with this paragraph shall result in the
843 rejection of any bid submitted by that bidder or the cancellation
844 of any contract executed when the failure is discovered after the
845 acceptance of that bid. The board is authorized to promulgate
846 rules and regulations to implement the provisions of this
847 subsection.

848 The board shall develop plans for the insurance plan
849 authorized by this section in accordance with the provisions of
850 Section 25-15-5.

851 Any corporation, association, company or individual that
852 contracts with the board for the third-party claims administration
853 of the self-insured plan shall prepare and keep on file an
854 explanation of benefits for each claim processed. The explanation
855 of benefits shall contain such information relative to each
856 processed claim which the board deems necessary, and, at a
857 minimum, each explanation shall provide the claimant's name, claim
858 number, provider number, provider name, service dates, type of
859 services, amount of charges, amount allowed to the claimant and
860 reason codes. The information contained in the explanation of
861 benefits shall be available for inspection upon request by the
862 board. The board shall have access to all claims information

863 utilized in the issuance of payments to employees and providers.

864 (b) There is created an advisory council to advise the
865 board in the formulation of the State and School Employees Health
866 Insurance Plan. The council shall be composed of the State
867 Insurance Commissioner or his designee, an employee-representative
868 of the institutions of higher learning appointed by the board of
869 trustees thereof, an employee-representative of the Department of
870 Transportation appointed by the director thereof, an
871 employee-representative of the State Tax Commission appointed by
872 the Commissioner of Revenue, an employee-representative of the
873 Mississippi Department of Health appointed by the State Health
874 Officer, an employee-representative of the Mississippi Department
875 of Corrections appointed by the Commissioner of Corrections, and
876 an employee-representative of the Department of Human Services
877 appointed by the Executive Director of Human Services, two (2)
878 certificated public school administrators appointed by the State
879 Board of Education, two (2) certificated classroom teachers
880 appointed by the State Board of Education, a noncertificated
881 school employee appointed by the State Board of Education and a
882 community/junior college employee appointed by the State Board for
883 Community and Junior Colleges.

884 The Lieutenant Governor may designate the Secretary of the
885 Senate, the Chairman of the Senate Appropriations Committee, the
886 Chairman of the Senate Education Committee and the Chairman of the
887 Senate Insurance Committee, and the Speaker of the House of
888 Representatives may designate the Clerk of the House, the Chairman
889 of the House Appropriations Committee, the Chairman of the House
890 Education Committee and the Chairman of the House Insurance
891 Committee, to attend any meeting of the State and School Employees
892 Insurance Advisory Council. The appointing authorities may
893 designate an alternate member from their respective houses to
894 serve when the regular designee is unable to attend such meetings
895 of the council. Such designees shall have no jurisdiction or vote

896 on any matter within the jurisdiction of the council. For
897 attending meetings of the council, such legislators shall receive
898 per diem and expenses which shall be paid from the contingent
899 expense funds of their respective houses in the same amounts as
900 provided for committee meetings when the Legislature is not in
901 session; however, no per diem and expenses for attending meetings
902 of the council will be paid while the Legislature is in session.
903 No per diem and expenses will be paid except for attending
904 meetings of the council without prior approval of the proper
905 committee in their respective houses.

906 (c) No change in the terms of the State and School
907 Employees Health Insurance Plan may be made effective unless the
908 board, or its designee, has provided notice to the State and
909 School Employees Health Insurance Advisory Council and has called
910 a meeting of the council at least fifteen (15) days before the
911 effective date of such change. In the event that the State and
912 School Employees Health Insurance Advisory Council does not meet
913 to advise the board on the proposed changes, the changes to the
914 plan shall become effective at such time as the board has informed
915 the council that the changes shall become effective.

916 (d) **Medical benefits for retired employees and**
917 **dependents under age sixty-five (65) years and not eligible for**
918 **Medicare benefits.** The same health insurance coverage as for all
919 other active employees and their dependents shall be available to
920 retired employees and all dependents under age sixty-five (65)
921 years who are not eligible for Medicare benefits, the level of
922 benefits to be the same level as for all other active
923 participants. This section will apply to those employees who
924 retire due to one hundred percent (100%) medical disability as
925 well as those employees electing early retirement.

926 (e) **Medical benefits for retired employees and**
927 **dependents over age sixty-five (65) years or otherwise eligible**
928 **for Medicare benefits.** The health insurance coverage available to

929 retired employees over age sixty-five (65) years or otherwise
930 eligible for Medicare benefits, and all dependents over age
931 sixty-five (65) years or otherwise eligible for Medicare benefits,
932 shall be the major medical coverage with the lifetime maximum of
933 One Million Dollars (\$1,000,000.00). Benefits shall be reduced by
934 Medicare benefits as though such Medicare benefits were the base
935 plan.

936 All covered individuals shall be assumed to have full
937 Medicare coverage, Parts A and B; and any Medicare payments under
938 both Parts A and B shall be computed to reduce benefits payable
939 under this plan.

940 (2) Nonduplication of benefits--reduction of benefits by
941 Title XIX benefits: When benefits would be payable under more
942 than one (1) group plan, benefits under those plans will be
943 coordinated to the extent that the total benefits under all plans
944 will not exceed the total expenses incurred.

945 Benefits for hospital or surgical or medical benefits shall
946 be reduced by any similar benefits payable in accordance with
947 Title XIX of the Social Security Act or under any amendments
948 thereto, or any implementing legislation.

949 Benefits for hospital or surgical or medical benefits shall
950 be reduced by any similar benefits payable by workers'
951 compensation.

952 (3) (a) Schedule of life insurance benefits--group term:
953 The amount of term life insurance for each active employee of a
954 department, agency or institution of the state government shall
955 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
956 twice the amount of the employee's annual wage to the next highest
957 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
958 case less than Thirty Thousand Dollars (\$30,000.00), with a like
959 amount for accidental death and dismemberment on a
960 twenty-four-hour basis. The plan will further contain a premium
961 waiver provision if a covered employee becomes totally and

962 permanently disabled prior to age sixty-five (65) years.
963 Employees retiring after June 30, 1999, shall be eligible to
964 continue life insurance coverage in an amount of Five Thousand
965 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty
966 Thousand Dollars (\$20,000.00) into retirement; however, retired
967 members of the Sheriffs' Retirement System shall not be eligible
968 for life insurance coverage under the plan.

969 (b) Effective October 1, 1999, schedule of life
970 insurance benefits--group term: The amount of term life insurance
971 for each active employee of any school district, community/junior
972 college, public library or university-based program authorized
973 under Section 37-23-31 for deaf, aphasic and emotionally disturbed
974 children or any regular nonstudent bus driver shall not be in
975 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the
976 amount of the employee's annual wage to the next highest One
977 Thousand Dollars (\$1,000.00), whichever may be less, but in no
978 case less than Thirty Thousand Dollars (\$30,000.00), with a like
979 amount for accidental death and dismemberment on a
980 twenty-four-hour basis. The plan will further contain a premium
981 waiver provision if a covered employee of any school district,
982 community/junior college, public library or university-based
983 program authorized under Section 37-23-31 for deaf, aphasic and
984 emotionally disturbed children or any regular nonstudent bus
985 driver becomes totally and permanently disabled prior to age
986 sixty-five (65) years. Employees of any school district,
987 community/junior college, public library or university-based
988 program authorized under Section 37-23-31 for deaf, aphasic and
989 emotionally disturbed children or any regular nonstudent bus
990 driver retiring after September 30, 1999, shall be eligible to
991 continue life insurance coverage in an amount of Five Thousand
992 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty
993 Thousand Dollars (\$20,000.00) into retirement.

994 (4) Any eligible employee who on March 1, 1971, was

995 participating in a group life insurance program which has
996 provisions different from those included herein and for which the
997 State of Mississippi was paying a part of the premium may, at his
998 discretion, continue to participate in such plan. Such employee
999 shall pay in full all additional costs, if any, above the minimum
1000 program established by this article. Under no circumstances shall
1001 any individual who begins employment with the state after March 1,
1002 1971, be eligible for the provisions of this paragraph.

1003 (5) The board may offer medical savings accounts as defined
1004 in Section 71-9-3 as a plan option.

1005 (6) Any premium differentials, differences in coverages,
1006 discounts determined by risk or by any other factors shall be
1007 uniformly applied to all active employees participating in the
1008 insurance plan. It is the intent of the Legislature that the
1009 state contribution to the plan be the same for each employee
1010 throughout the state.

1011 (7) On October 1, 1999, any school district,
1012 community/junior college district or public library may elect to
1013 remain with an existing policy or policies of group life insurance
1014 with an insurance company approved by the State and School
1015 Employees Health Insurance Management Board, in lieu of
1016 participation in the State and School Life Insurance Plan. The
1017 state's contribution of up to fifty percent (50%) of the active
1018 employee's premium under the State and School Life Insurance Plan
1019 may be applied toward the cost of coverage for full-time employees
1020 participating in the approved life insurance company group plan.
1021 For purposes of this subsection (7), "life insurance company group
1022 plan" means a plan administered or sold by a private insurance
1023 company. After October 1, 1999, the board may assess charges in
1024 addition to the existing State and School Life Insurance Plan
1025 rates to such employees as a condition of enrollment in the State
1026 and School Life Insurance Plan. In order for any life insurance
1027 company group plan existing as of October 1, 1999, to be approved

1028 by the State and School Employees Health Insurance Management
1029 Board under this subsection (7), it shall meet the following
1030 criteria:

1031 (a) The insurance company offering the group life
1032 insurance plan shall be rated "A-" or better by A.M. Best state
1033 insurance rating service and be licensed as an admitted carrier in
1034 the State of Mississippi by the Mississippi Department of
1035 Insurance.

1036 (b) The insurance company group life insurance plan
1037 shall provide the same life insurance, accidental death and
1038 dismemberment insurance and waiver of premium benefits as provided
1039 in the State and School Life Insurance Plan.

1040 (c) The insurance company group life insurance plan
1041 shall be fully insured, and no form of self-funding life insurance
1042 by such company shall be approved.

1043 (d) The insurance company group life insurance plan
1044 shall have one (1) composite rate per One Thousand Dollars
1045 (\$1,000.00) of coverage for active employees regardless of age and
1046 one (1) composite rate per One Thousand Dollars (\$1,000.00) of
1047 coverage for all retirees regardless of age or type of retiree.

1048 (e) The insurance company and its group life insurance
1049 plan shall comply with any administrative requirements of the
1050 State and School Employees Health Insurance Management Board. In
1051 the event any insurance company providing group life insurance
1052 benefits to employees under this subsection (7) fails to comply
1053 with any requirements specified herein or any administrative
1054 requirements of the board, the state shall discontinue providing
1055 funding for the cost of such insurance.

1056 SECTION 22. Section 25-15-14, Mississippi Code of 1972, is
1057 amended as follows:[WAN3]

1058 25-15-14. Any elected state or district official, or any
1059 sheriff who is a member of the Sheriffs' Retirement System, who
1060 does not run for reelection or who is defeated before being

1061 entitled to receive a retirement allowance shall be eligible to
1062 continue to participate in the State and School Employees Health
1063 Insurance Plan under the same conditions and coverages for retired
1064 employees.

1065 SECTION 23. Section 25-15-15, Mississippi Code of 1972, is
1066 amended as follows:[WAN4]

1067 25-15-15. (1) The board is authorized to determine the
1068 manner in which premiums and contributions by the state agencies,
1069 local school districts, colleges, universities, community/junior
1070 colleges and public libraries shall be collected to provide the
1071 self-insured health insurance program for employees as provided
1072 under this article. The state shall provide fifty percent (50%)
1073 of the cost of the above life insurance plan and one hundred
1074 percent (100%) of the cost of the above health insurance plan for
1075 all active full-time employees, and the employees shall be given
1076 the opportunity to purchase coverage for their eligible dependents
1077 with the premiums for such dependent coverage as well as the
1078 employee's fifty percent (50%) share for his life insurance
1079 coverage to be deductible from the employee's salary by the
1080 agency, department or institution head, which deductions, together
1081 with the fifty percent (50%) share of such life insurance premiums
1082 of such employing agency, department or institution head from
1083 funds appropriated to or authorized to be expended by such
1084 employing agency, department or institution head, shall be
1085 deposited directly into a depository bank or special fund in the
1086 State Treasury, as determined by the board. These funds and
1087 interest earned on these funds may be used for the disbursement of
1088 claims and shall be exempt from the appropriation process.

1089 (2) The state shall provide annually, by line item in the
1090 Mississippi Library Commission appropriation bill, such funds to
1091 pay one hundred percent (100%) of the cost of health insurance
1092 under the State and School Employees Health Insurance Plan for all
1093 full-time library staff members in each public library in

1094 Mississippi. The commission shall allot to each public library a
1095 sufficient amount of those funds appropriated to pay the costs of
1096 insurance for eligible employees. Any funds so appropriated by
1097 line item which are not expended during the fiscal year for which
1098 such funds were appropriated shall be carried forward for the same
1099 purposes during the next succeeding fiscal year. If any premiums
1100 for the health insurance and/or late charges and interest
1101 penalties are not paid by a public library in a timely manner, as
1102 defined by the board, the Mississippi Library Commission, upon
1103 notice by the board, shall immediately withhold all subsequent
1104 disbursements of funds to that public library.

1105 (3) The state shall annually provide one hundred percent
1106 (100%) of the cost of the health insurance plan for all public
1107 school district employees who work no less than twenty (20) hours
1108 during each week and regular nonstudent school bus drivers. Where
1109 federal funding is allowable to defray, in full or in part, the
1110 cost of participation in the program by district employees who
1111 work no less than twenty (20) hours during the week and regular
1112 nonstudent bus drivers, whose salaries are paid, in full or in
1113 part, by federal funds, the allowance under this section shall be
1114 reduced to the extent of such federal funding. Where the use of
1115 federal funds is allowable but not available, it is the intent of
1116 the Legislature that school districts contribute the cost of
1117 participation for such employees from local funds, except that
1118 parent fees for child nutrition programs shall not be increased to
1119 cover such cost.

1120 (4) The state shall provide annually, by line item in the
1121 community/junior college appropriation bill, such funds to pay one
1122 hundred percent (100%) of the cost of the health insurance plan
1123 for all community/junior college district employees who work no
1124 less than twenty (20) hours during each week.

1125 (5) When the use of federal funding is allowable to defray,
1126 in full or in part, the cost of participation in the insurance

1127 plan by community/junior college district employees who work no
1128 less than twenty (20) hours during each week, whose salaries are
1129 paid, in full or in part, by federal funds, the allowance under
1130 this section shall be reduced to the extent of the federal
1131 funding. Where the use of federal funds is allowable but not
1132 available, it is the intent of the Legislature that
1133 community/junior college districts contribute the cost of
1134 participation for such employees from local funds.

1135 (6) Any community/junior college district may contribute to
1136 the cost of coverage for any district employee from local
1137 community/junior college district funds, and any public school
1138 district may contribute to the cost of coverage for any district
1139 employee from nonminimum program funds. Any part of the cost of
1140 such coverage for participating employees of public school
1141 districts and public community/junior college districts that is
1142 not paid by the state shall be paid by the participating
1143 employees, which shall be deducted from the salaries of the
1144 employees in a manner determined by the board.

1145 (7) Any funds appropriated for the cost of insurance by line
1146 item in the community/junior colleges appropriation bill which are
1147 not expended during the fiscal year for which such funds were
1148 appropriated shall be carried forward for the same purposes during
1149 the next succeeding fiscal year.

1150 (8) The board may establish and enforce late charges and
1151 interest penalties or other penalties for the purpose of requiring
1152 the prompt payment of all premiums for life and health insurance
1153 permitted under Chapter 15 of Title 25. All funds in excess of
1154 the amount needed for disbursement of claims shall be deposited in
1155 a special fund in the State Treasury to be known as the State and
1156 School Employees Insurance Fund. The State Treasurer shall invest
1157 all funds in the State and School Employees Insurance Fund and all
1158 interest earned shall be credited to the State and School
1159 Employees Insurance Fund. Such funds shall be placed with one or

1160 more depositories of the state and invested on the first day such
1161 funds are available for investment in certificates of deposit,
1162 repurchase agreements or in United States Treasury bills or as
1163 otherwise authorized by law for the investment of Public
1164 Employees' Retirement System funds, as long as such investment is
1165 made from competitive offering and at the highest and best market
1166 rate obtainable consistent with any available investment
1167 alternatives; however, such investments shall not be made in
1168 shares of stock, common or preferred, or in any other investments
1169 which would mature more than one (1) year from the date of
1170 investment. The board shall have the authority to draw from this
1171 fund periodically such funds as are necessary to operate the
1172 self-insurance plan or to pay to the insurance carrier the cost of
1173 operation of this plan, it being the purpose to limit the amount
1174 of participation by the state to fifty percent (50%) of the cost
1175 of the life insurance program and not to limit the contracting for
1176 additional benefits where the cost will be paid in full by the
1177 employee. The state shall not share in the cost of coverage for
1178 retired employees.

1179 (9) The board shall also provide for the creation of an
1180 Insurance Reserve Fund and funds therein shall be invested by the
1181 State Treasurer with all interest earned credited to the State and
1182 School Employees Insurance Fund.

1183 (10) Any retired employee who is not a member of the
1184 Sheriffs' Retirement System who elects to purchase retired life
1185 and health insurance will have the full cost of such insurance
1186 deducted monthly from his * * * retirement allowance from the
1187 Public Employees' Retirement System or the Highway Safety Patrol
1188 Retirement System or will be direct billed for the cost of the
1189 premium if the retirement check is insufficient to pay for the
1190 premium. Any retired employee who is a member of the Sheriffs'
1191 Retirement System who elects to purchase retired health insurance
1192 will have the full cost of such insurance deducted monthly from

1193 his retirement allowance from the Sheriffs' Retirement System or
1194 will be direct billed for the cost of the premium. If the board
1195 determines actuarially that the premium paid by the participating
1196 retirees adversely affects the overall cost of the plan to the
1197 state, then the department may impose a premium surcharge, not to
1198 exceed fifteen percent (15%), upon such participating retired
1199 employees who are under the age for Medicare eligibility.

1200 SECTION 24. This act shall take effect and be in force from
1201 and after October 1, 2000.