

By: Gollott, Hewes, Cuevas, Dawkins

To: Local and Private;  
Finance

## SENATE BILL NO. 3326

1 AN ACT TO AMEND CHAPTER 435, LOCAL AND PRIVATE LAWS OF 1944,  
2 AS LAST AMENDED BY CHAPTER 1019, LOCAL AND PRIVATE LAWS OF 1999,  
3 TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF BILOXI TO  
4 PROVIDE FOR ANNUAL COST-OF-LIVING INCREASES FOR CURRENT AND FUTURE  
5 RETIRED MEMBERS OF THE GENERAL MUNICIPAL EMPLOYEES' RETIREMENT  
6 SYSTEM OF THE CITY OF BILOXI, AND BENEFICIARIES THEREOF, IN AN  
7 AMOUNT EQUAL TO THREE PERCENT OF THE ANNUAL RETIREMENT ALLOWANCE;  
8 TO PROVIDE THAT THE COST-OF-LIVING INCREASES SHALL BE PAID IN ONE  
9 ADDITIONAL ANNUAL PAYMENT OR IN TWELVE EQUAL MONTHLY INSTALLMENTS,  
10 AS ELECTED BY THE RETIREE; TO PROVIDE THAT THE MAXIMUM CUMULATIVE  
11 PERCENTAGE OF ALL ANNUAL COST-OF-LIVING INCREASES RECEIVED UNDER  
12 THIS ACT SHALL NOT EXCEED THIRTY PERCENT OF THE ANNUAL RETIREMENT  
13 ALLOWANCE, UNLESS THE GOVERNING AUTHORITIES AUTHORIZE THE PAYMENT  
14 OF ADDITIONAL ANNUAL COST-OF-LIVING INCREASES ABOVE THIRTY PERCENT  
15 AND CERTAIN CONDITIONS ARE MET; TO PROVIDE THAT THE COST-OF-LIVING  
16 INCREASES AUTHORIZED UNDER THIS ACT SHALL BE SUSPENDED IF THE  
17 PUBLIC EMPLOYEES' RETIREMENT SYSTEM AT ANY TIME DETERMINES THAT  
18 CONTINUING THE PAYMENT OF THE COST-OF-LIVING INCREASES WOULD MAKE  
19 THE GENERAL MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM ACTUARIALLY  
20 UNSOUND; TO PROVIDE THAT THE COST-OF-LIVING INCREASES AUTHORIZED  
21 UNDER THIS ACT SHALL NOT BE IMPLEMENTED UNLESS THE GENERAL  
22 MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM CURRENTLY IS ACTUARIALLY  
23 SOUND AND WILL REMAIN ACTUARIALLY SOUND IF THE COST-OF-LIVING  
24 INCREASES ARE MADE; TO PROVIDE THAT IF THE COST-OF-LIVING  
25 INCREASES AUTHORIZED UNDER THIS ACT WOULD MAKE THE GENERAL  
26 MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM ACTUARIALLY UNSOUND, THE  
27 GOVERNING AUTHORITIES ARE AUTHORIZED TO PROVIDE FOR A REDUCED  
28 VERSION OF THE COST-OF-LIVING INCREASES THAT WOULD LEAVE THE  
29 RETIREMENT SYSTEM ACTUARIALLY SOUND; TO AUTHORIZE THE GOVERNING  
30 AUTHORITIES TO USE ANY AVAILABLE FUNDS TO SUPPLEMENT THE GENERAL  
31 MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM TO MAKE IT ACTUARIALLY  
32 SOUND; AND FOR RELATED PURPOSES.

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

34 SECTION 1. Chapter 435, Local and Private Laws of 1944, as  
35 amended by Chapter 573, Local and Private Laws of 1954, as amended  
36 by Chapter 96, Local and Private Laws of the Extraordinary Session  
37 of 1954, as amended by Chapter 945, Local and Private Laws of  
38 1966, as amended by Chapter 897, Local and Private Laws of 1972,  
39 as amended by Chapter 975, Local and Private Laws of 1974, as  
40 amended by Chapter 996, Local and Private Laws of 1975, as amended  
41 by Chapter 966, Local and Private Laws of 1979, as amended by

42 Chapter 816, Local and Private Laws of 1982, as amended by Section  
43 1 of Chapter 931, Local and Private Laws of 1993, as amended by  
44 Chapter 978, Local and Private Laws of 1995, as amended by Chapter  
45 989, Local and Private Laws of 1996, as amended by Chapter 988,  
46 Local and Private Laws of 1998, as amended by Chapter 1019, Local  
47 and Private Laws of 1999, is amended as follows:

48 Section 1. As used in this act:

49 (a) "City" means the City of Biloxi, Mississippi.

50 (b) "Board" means the Board of Trustees of the Public  
51 Employees' Retirement System.

52 (c) "Retirement system" means the General Municipal  
53 Employees' Retirement System of the city.

54 (d) "Member" means a member of the retirement system.

55 The words and phrases defined in Section 21-29-3, Mississippi  
56 Code of 1972, when used in this act, shall have the meanings  
57 ascribed to them in that section unless a different meaning is  
58 plainly required by the context.

59 Section 2. The retirement system shall operate and be  
60 administered pursuant to provisions of the general law governing  
61 general municipal employees' retirement systems, being Section  
62 21-29-1 et seq., Mississippi Code of 1972, except that where  
63 provisions of this act conflict with the general law, this act  
64 shall prevail.

65 Section 3. Upon the retirement from service of any member,  
66 the board shall order the payment of a monthly sum to such retired  
67 member in an amount equal to fifty percent (50%) of the average  
68 monthly salary or compensation received by such member in the  
69 six-month period next before the filing of application for such  
70 retirement or the minimum monthly benefits authorized in  
71 accordance with Section 7, whichever is greater, and such payments  
72 shall thereafter be made to such retired member for life.

73 Section 4. Present members who have five (5) years or more  
74 of service may be entitled to draw benefits upon the completion of  
75 twenty (20) years' active service. Members having less than five  
76 (5) years' service at this time, although completing twenty (20)  
77 years' service, cannot draw retirement benefits until they reach  
78 the age of fifty-five (55) years.

79           Section 5. A member with not less than ten (10) years'  
80 service who may be discharged or may voluntarily resign may waive  
81 the return of his contributions and at a time prior to April 18,  
82 1974, elect in lieu thereof to receive an annual pension,  
83 beginning at the age of fifty-five (55) years, equal to  
84 one-fortieth (1/40) of his average final compensation multiplied  
85 by the number of years of service; provided, however, in no case  
86 shall such pension be more than fifty percent (50%) of the average  
87 final compensation of such member. From and after April 18, 1974,  
88 the option to elect to receive an annual pension under the  
89 provision of this paragraph shall not be available.

90           For any person who resigned from the employment of the city  
91 before July 9, 1983, and to whom the Disability and Relief Fund  
92 Board for the city approved the payment of forty percent (40%) of  
93 such person's average monthly compensation upon such person  
94 reaching the age of fifty-five (55) years, the board may pay the  
95 amount of such agreed upon retirement benefits. Such benefits  
96 shall be retroactive and will be payable back to the date the  
97 person reached the age of fifty-five (55) years. Before the board  
98 may make any payments under this paragraph, the board must receive  
99 from the city funds necessary to make the payments authorized  
100 under this paragraph.

101           Upon retirement from service on disability, the member shall  
102 receive a minimum payment equal to the greatest of the following:  
103       One Hundred Dollars (\$100.00) per month; one-fortieth (1/40) of  
104 the final annual compensation multiplied by the number of years of  
105 actual service; or the minimum monthly benefits authorized  
106 pursuant to Section 7.

107           Section 6. (1) Subject to the provisions of Section 8, the  
108 governing authorities of the city, in their discretion, are  
109 authorized to take any of the following actions:

110               (a) Establish an additional payment for each retired  
111 member and beneficiary of the retirement system who is now or

112 hereafter entitled to receive benefits under any provision of  
113 Section 21-29-1 et seq., Mississippi Code of 1972, or Sections 3  
114 through 5. The amount of the additional payment shall be equal to  
115 the annual percentage change in the Consumer Price Index set by  
116 the United States government, not to exceed three percent (3%) per  
117 annum, and shall be computed based upon the amount of the benefits  
118 received by the members and beneficiaries in the fiscal year of  
119 the retirement system before the effective date of the resolution  
120 of the governing authorities of the city establishing the  
121 additional payments.

122 (b) Provide that the additional payments authorized in  
123 paragraph (a) shall be either automatically made each year, made  
124 for a specified number of years, or authorized on an annual basis  
125 by the governing authorities of the city.

126 (c) Provide that the additional payments authorized in  
127 paragraph (a) shall cease or shall not be made for any subsequent  
128 fiscal year, regardless of whether a prior action of the governing  
129 authorities of the city called for the payments to be made  
130 automatically or without additional authorization by the governing  
131 authorities.

132 (d) Provide that if the governing authorities of the  
133 city choose to reinstate the additional payments authorized in  
134 paragraph (a) after ceasing them for a period of time, the  
135 percentage increase shall not be compounded during the interim  
136 period unless specifically directed by the governing authorities.

137 (e) Provide that the additional payments authorized by  
138 paragraph (a) may be based upon a percentage specified by the  
139 governing authorities of the city, regardless of the maximum  
140 percentage allowed in paragraph (a), if the governing authorities  
141 also transfer sufficient monies to the Public Employees'  
142 Retirement System to fund the increase at the specified  
143 percentage.

144 (f) Provide that the additional payments authorized in

145 paragraph (a) shall automatically cease if continuing the  
146 additional payments could make the retirement system actuarially  
147 unsound; however, before ceasing the payments, the Board of  
148 Trustees of the Public Employees' Retirement System shall notify  
149 the governing authorities of the city and give them the  
150 opportunity to transfer sufficient funds, if the governing  
151 authorities choose to do so, to make the additional payments while  
152 keeping the retirement system actuarially sound.

153 (g) Use funds from any available source to supplement  
154 the retirement system to make the system actuarially sound, and  
155 transfer those funds to the Board of Trustees of the Public  
156 Employees' Retirement System for that purpose.

157 (2) After the governing authorities of the city have adopted  
158 a resolution to establish the additional payments authorized under  
159 subsection (1) of this section, and after the board has received  
160 the most recent actuarial study of the retirement system and the  
161 certified statement from the actuarial firm, pursuant to Section  
162 8, that the retirement system will remain actuarially sound if the  
163 additional payments are made, then the board shall make the  
164 additional payments to the persons authorized and entitled to  
165 receive the payments.

166 (3) Persons eligible to receive the payments authorized  
167 under this section shall receive such payments in one (1)  
168 additional payment, except that such person may elect by an  
169 irrevocable agreement on a form prescribed by the board to receive  
170 such payments in not less than equal monthly installments not to  
171 exceed six (6) months during the remaining months of the current  
172 fiscal year. In the event of death of a person or a beneficiary  
173 thereof receiving monthly benefits, any remaining amounts shall be  
174 paid in a lump sum to the estate of the retired member or  
175 beneficiary.

176 (4) After the effective date of Senate Bill No. 3326, 2000  
177 Regular Session, all new cost-of-living increases for retirees of

178 the retirement system and beneficiaries thereof shall be made  
179 under Section 11 and not under this section. All cost-of-living  
180 increases previously made under this section shall continue to be  
181 paid each year, but no new or additional cost-of-living increases  
182 shall be made under this section after the effective date of  
183 Senate Bill No. 3326, 2000 Regular Session.

184       Section 7. (1) Subject to the provisions of Section 8, the  
185 governing authorities of the city are authorized, in their  
186 discretion, to provide for the payment of minimum monthly benefits  
187 in any amount determined by the governing authorities to all  
188 persons now or hereafter entitled to receive benefits under any  
189 provision of Section 21-29-1 et seq., Mississippi Code of 1972, or  
190 Sections 3 through 5.

191       (2) After the governing authorities of the city have adopted  
192 a resolution to establish the minimum monthly benefits authorized  
193 under subsection (1) of this section, specifying the amount of the  
194 minimum monthly benefits in the resolution, and after the board  
195 has received the most recent actuarial study of the retirement  
196 system and the certified statement from the actuarial firm,  
197 pursuant to Section 8, that the retirement system will remain  
198 actuarially sound if the minimum monthly benefits are paid, then  
199 the board shall pay those benefits to the persons authorized and  
200 entitled to receive the payments.

201       Section 8. Payment of the additional payments authorized  
202 under Section 6 or the minimum monthly benefits authorized under  
203 Section 7, or both, shall not be established unless the retirement  
204 system is actuarially sound, as shown by the most recent actuarial  
205 study required by Section 21-29-27, Mississippi Code of 1972, and  
206 the retirement system will remain actuarially sound if the  
207 additional payments authorized under Section 6 or the minimum  
208 monthly benefits authorized under Section 7, or both, are made, as  
209 shown by a certified statement from the actuarial firm that  
210 prepared the most recent actuarial study.

211           Section 9. (1) Subject to the provisions of subsection (2)  
212 of this section, the governing authorities of the city, in their  
213 discretion, are authorized to provide that members of the  
214 retirement system under the provisions of Section 21-29-1 et seq.,  
215 Mississippi Code of 1972, and Sections 3 through 5 who retire  
216 after April 7, 1995, shall receive creditable service in the  
217 retirement system at the time of retirement for lawfully credited  
218 unused, uncompensated annual leave and sick leave earned under the  
219 vacation and sick leave policies of the city, in amounts equal to  
220 the amounts authorized for members of the Public Employees'  
221 Retirement System.

222           (2) Creditable service for unused, uncompensated leave as  
223 authorized under subsection (1) of this section shall not be  
224 provided unless the retirement system is actuarially sound, as  
225 shown by the most recent actuarial study required by Section  
226 21-29-27, Mississippi Code of 1972, and the retirement system will  
227 remain actuarially sound if creditable service for unused,  
228 uncompensated leave as authorized under subsection (1) of this  
229 section is provided, as shown by a certified statement from the  
230 actuarial firm that prepared the most recent actuarial study.

231           (3) After the governing authorities of the city have adopted  
232 a resolution to provide creditable service for unused,  
233 uncompensated leave as authorized under subsection (1) of this  
234 section, and after the board has received the most recent  
235 actuarial study of the retirement system and the certified  
236 statement from the actuarial firm that the retirement system will  
237 remain actuarially sound if creditable service for unused,  
238 uncompensated leave is provided, then the board shall provide  
239 creditable service for unused, uncompensated leave to members of  
240 the retirement system at the time of retirement in accordance with  
241 subsection (1) of this section, and such creditable service shall  
242 be used in calculating the members' retirement benefits under  
243 Section 21-29-1 et seq., Mississippi Code of 1972, and Sections 3

244 through 5.

245 (4) Except to limit creditable service reported to the  
246 retirement system for the purpose of computing a member's  
247 retirement benefits provided under Section 21-29-1 et seq.,  
248 Mississippi Code of 1972, and Sections 3 through 5, nothing in  
249 this section shall limit or otherwise restrict the power of the  
250 governing authorities of the city to adopt such vacation and sick  
251 leave policies as they deem necessary.

252 Section 10. (1) Subject to the provisions of subsection (2)  
253 of this section, the governing authorities of the city, in their  
254 discretion, are authorized to provide that for the purpose of  
255 computing the retirement benefits of members of the retirement  
256 system under the provisions of Section 21-29-1 et seq.,  
257 Mississippi Code of 1972, and Sections 3 through 5 who retire  
258 after April 11, 1996, earned compensation may include all or a  
259 portion of any payment made to a member upon termination of  
260 employment for up to thirty (30) days of unused, accumulated  
261 personal leave.

262 (2) The inclusion within earned compensation of those  
263 payments as provided in subsection (1) of this section shall not  
264 be authorized by the governing authorities unless the retirement  
265 system is actuarially sound, as shown by the most recent actuarial  
266 study required by Section 21-29-27, Mississippi Code of 1972, and  
267 the retirement system will remain actuarially sound if the  
268 inclusion of such payments is authorized, as shown by a certified  
269 statement from the actuarial firm that prepared the most recent  
270 actuarial study.

271 (3) After the governing authorities of the city have adopted  
272 a resolution to include within earned compensation payments as  
273 provided under subsection (1) of this section, and after the board  
274 has received the most recent actuarial study of the retirement  
275 system and the certified statement from the actuarial firm that  
276 the retirement system will remain actuarially sound if the



277 inclusion of such payments is authorized, then the board may  
278 include such payments within the earned compensation of members at  
279 the time of retirement, in accordance with subsection (1) of this  
280 section, when calculating the members' retirement benefits under  
281 Section 21-29-1 et seq., Mississippi Code of 1972, and Sections 3  
282 through 5.

283 (4) Nothing in this section shall limit or otherwise  
284 restrict the power of the governing authorities of the city to  
285 adopt such vacation and sick leave policies as they deem  
286 necessary.

287 Section 11. (1) Subject to the provisions of subsection (2)  
288 of this section, the governing authorities of the city, in their  
289 discretion, are authorized to provide for cost-of-living increases  
290 for each retired member of the retirement system, or any  
291 beneficiary thereof, who is now or hereafter entitled to receive a  
292 retirement allowance under any provision of Section 21-29-1 et  
293 seq., Mississippi Code of 1972, or Sections 3 through 5, in  
294 accordance with the following provisions:

295 (a) Any person who is receiving a retirement allowance  
296 on the effective date of Senate Bill No. 3326, 2000 Regular  
297 Session, shall receive a cost-of-living increase on December 1,  
298 2000, or on July 1, 2000, as provided in paragraph (d) of this  
299 subsection, in an amount equal to three percent (3%) of the annual  
300 retirement allowance. In subsequent years, in addition to and  
301 cumulative to the cost-of-living increase received in the year  
302 2000, any such person or beneficiary thereof shall receive a  
303 cost-of-living increase on December 1 or July 1 of the year, as  
304 provided in paragraph (d) of this subsection, in an amount equal  
305 to three percent (3%) of the annual retirement allowance for each  
306 full fiscal year in retirement after June 30, 2000. The  
307 cost-of-living increases provided for under this paragraph (a)  
308 shall be in addition to and cumulative to any cost-of-living  
309 increases previously received under the provisions of Section 6.

310 For the purposes of this section, "fiscal year" means the period  
311 from July 1 of any year through June 30 of the following year.

312 (b) Any person who retires on or after the effective  
313 date of Senate Bill No. 3326, 2000 Regular Session, or any  
314 beneficiary thereof, who has received a monthly retirement  
315 allowance for at least one (1) full fiscal year, shall receive a  
316 cost-of-living increase on December 1 or July 1 of the year, as  
317 provided in paragraph (d) of this section, in an amount equal to  
318 three percent (3%) of the annual retirement allowance for each  
319 full fiscal year in retirement.

320 (c) Notwithstanding the provisions of paragraph (b) of  
321 this subsection, any person who, before the effective date of  
322 Senate Bill No. 3326 , 2000 Regular Session, retired under the  
323 retirement system and later was reemployed by the city or employed  
324 by any other municipality or other governmental entity in a  
325 position that caused the person to stop receiving a retirement  
326 allowance from the retirement system during the person's period of  
327 reemployment or subsequent employment, who retires from his or her  
328 reemployment or subsequent employment after the effective date of  
329 Senate Bill No. 3326, 2000 Regular Session, and is again receiving  
330 a retirement allowance from the retirement system, shall begin  
331 receiving the cost-of-living increases authorized under this  
332 section in the year that the person retires from his or her  
333 reemployment or subsequent employment, if more than one (1) full  
334 fiscal year has passed since the person's initial retirement from  
335 the city. In the year that the person retires from his or her  
336 reemployment or subsequent employment, the person or beneficiary  
337 thereof shall receive a cost-of-living increase on December 1 or  
338 July 1 of the year, as provided in paragraph (d) of this  
339 subsection, in an amount equal to three percent (3%) of the annual  
340 retirement allowance. In subsequent years, in addition to and  
341 cumulative to the cost-of-living increase received in the year of  
342 retirement, any such person or beneficiary thereof shall receive a

343 cost-of-living increase on December 1 or July 1 of the year, as  
344 provided in paragraph (d) of this subsection, in an amount equal  
345 to three percent (3%) of the annual retirement allowance for each  
346 full fiscal year after June 30 of the year of retirement.

347 (d) The cost-of-living increases authorized under this  
348 section shall be paid in one (1) payment in December of each year  
349 to any person who is receiving a retirement allowance on December  
350 1 of that year, unless an election is made as follows: Any person  
351 or beneficiary thereof who is receiving a retirement allowance on  
352 July 1, 2000, or July 1 of any fiscal year thereafter, may elect  
353 by an irrevocable agreement in writing filed in the office of the  
354 Public Employees' Retirement System not less than thirty (30) days  
355 before July 1 of the appropriate year, to begin receiving the  
356 cost-of-living increases authorized under this section in twelve  
357 (12) equal monthly installments beginning July 1, 2000, or July 1  
358 of any fiscal year thereafter. This irrevocable agreement shall  
359 be binding on the retiree and subsequent beneficiaries. Payment  
360 of those monthly installments shall not extend beyond the month in  
361 which a retirement allowance is due and payable. If a person who  
362 is receiving a retirement allowance that will terminate upon the  
363 person's death is receiving the cost-of-living increases in one  
364 (1) payment and dies on or after July 1 but before December 1, the  
365 beneficiary or estate of the person shall receive in a single  
366 payment a fractional part of the cost-of-living increase based on  
367 the number of months in which a retirement allowance was received  
368 during the fiscal year.

369 (e) Except as otherwise provided in paragraph (f) of  
370 this subsection, the maximum cumulative percentage of all annual  
371 cost-of-living increases received by a retiree or beneficiary  
372 thereof under this section shall not exceed thirty percent (30%)  
373 of the annual retirement allowance. Any cost-of-living increases  
374 previously received by a retiree or beneficiary thereof under the  
375 provisions of Section 6 shall not be included in determining when

376 the cumulative percentage of the cost-of-living increases received  
377 under this section has reached thirty percent (30%). After the  
378 cumulative percentage of the cost-of-living increases received by  
379 a retiree or beneficiary thereof under this section has reached  
380 thirty percent (30%), the retiree or beneficiary thereof shall  
381 continue to receive the cost-of-living payments each year in an  
382 amount equal to thirty percent (30%) of the annual retirement  
383 allowance for as long as the retiree or beneficiary thereof is  
384 entitled to receive a retirement allowance, unless additional  
385 annual cost-of-living increases are authorized under paragraph (f)  
386 of this subsection or cost-of-living increases are suspended under  
387 paragraph (g) of this subsection.

388 (f) Notwithstanding the provisions of paragraph (e) of  
389 this subsection, the governing authorities of the city, by  
390 resolution adopted by the city council, may authorize the payment  
391 of additional annual cost-of-living increases after the cumulative  
392 percentage of the cost-of-living increases received by a retiree  
393 or beneficiary thereof under this section has reached thirty  
394 percent (30%), if the governing authorities have examined the  
395 actual impact of inflation upon the retirement and cost-of-living  
396 benefits being paid at that time, examined the effect of paying  
397 additional annual cost-of-living increases on the actuarial  
398 soundness of the retirement system, and determined that municipal  
399 finances will permit the payment of additional annual  
400 cost-of-living increases above a cumulative percentage of thirty  
401 percent (30%). In addition, any payment of additional annual  
402 cost-of-living increases after the cumulative percentage has  
403 reached thirty percent (30%) shall be subject to subsection (2) of  
404 this section and paragraph (g) of this subsection.

405 (g) The cost-of-living increases authorized under this  
406 section shall be suspended, either in whole or in part as  
407 determined to be necessary by the governing authorities of the  
408 city and the board, if the board at any time determines that

409 continuing the payment of the cost-of-living increases would make  
410 the retirement system actuarially unsound; however, before  
411 suspending the cost-of-living increases, the board shall notify  
412 the governing authorities of the city and give them the  
413 opportunity to transfer sufficient funds, if the governing  
414 authorities choose to do so, to make the cost-of-living increases  
415 while keeping the retirement system actuarially sound.

416 (2) (a) The cost-of-living increases authorized under this  
417 section shall not be implemented unless the retirement system is  
418 actuarially sound, as shown by the most recent actuarial study  
419 required by Section 21-29-27, Mississippi Code of 1972, and the  
420 retirement system will remain actuarially sound if the  
421 cost-of-living increases authorized under this section are made,  
422 as shown by a certified statement from the actuarial firm that  
423 prepared the most recent actuarial study.

424 (b) After the governing authorities of the city have  
425 adopted a resolution to establish the cost-of-living increases  
426 authorized under this section, and after the board has received  
427 the resolution and received the most recent actuarial study of the  
428 retirement system and the certified statement from the actuarial  
429 firm, under paragraph (a) of this subsection, that the retirement  
430 system will remain actuarially sound if the cost-of-living  
431 increases are made, then the board shall make the cost-of-living  
432 increases to the persons authorized and entitled to receive the  
433 cost-of-living increases.

434 (c) If the certified statement of the actuary under  
435 paragraph (a) of this subsection concludes that the cost-of-living  
436 increases authorized under this section cannot be implemented  
437 because they would make the retirement system actuarially unsound,  
438 then the governing authorities of the city are authorized to  
439 provide for a reduced version of the cost-of-living increases  
440 authorized under this section that would leave the retirement  
441 system actuarially sound, as determined by a certified statement

442 of the actuary.

443 (3) After the effective date of Senate Bill No. 3326, 2000  
444 Regular Session, all new cost-of-living increases for retirees of  
445 the retirement system and beneficiaries thereof shall be made  
446 under this section and not under Section 6. All cost-of-living  
447 increases previously made under Section 6 shall continue to be  
448 paid each year, but no new or additional cost-of-living increases  
449 shall be made under Section 6 after the effective date of Senate  
450 Bill No. 3326, 2000 Regular Session.

451 Section 12. The governing authorities of the city, in their  
452 discretion, are authorized to use funds from any available source  
453 to supplement the retirement system to make the system actuarially  
454 sound, and transfer those funds to the board for that purpose.

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