

*****Pending*****

AMENDMENT No. 1 PROPOSED TO

House Bill NO. 1281

By Senator(s) Committee

82 **Amend by striking all after the enacting clause and inserting**
83 **in lieu thereof the following:**

84

85 SECTION 1. The provisions of this section shall be codified
86 as Section 25-11-115.2, Mississippi Code of 1972:

87 25-11-115.2. (1) It is the intent of the Public Employees'
88 Retirement System to provide benefit payments in an efficient
89 manner consistent with the member's best interest. The system
90 shall not knowingly allow payments to be made directly to persons
91 who are determined legally incompetent or incapable of managing or
92 directing the management of benefits. Any person applying for or
93 receiving benefits who comes to be known as incapable of applying
94 for, managing or directing the management of benefits by reason of
95 mental or physical impairment, as certified by a medical doctor,
96 shall be directed to obtain a conservator or legal guardian for
97 purposes of applying for, receiving, managing and/or directing
98 benefit payments. In the absence of a conservator or legal
99 guardian or valid durable power of attorney, the Public Employees'
100 Retirement System may designate a representative payee for such
101 purposes. The benefit recipient may nominate a representative
102 payee for consideration by the system in selecting a payee, and
103 the system is responsible for selecting a payee, including an
104 agency, organization, or institution, that will serve the interest

105 of the benefit recipient. The system may also accept the Social
106 Security Administration's designation of a representative payee to
107 manage and direct funds paid by the system. The system shall have
108 the authority to establish rules for the administration of this
109 section.

110 (2) A representative payee shall be directed to apply
111 benefits paid from the system only for the use and benefit of the
112 benefit recipient. The system's obligations to a benefit
113 recipient shall be discharged when it makes a correct payment to a
114 representative payee on the benefit recipient's behalf. The
115 system is without liability for the theft or misuse of benefits if
116 the benefits were properly paid based upon the information
117 available to the system at the time the payments were made.

118 (3) In the absence of a conservator, legal guardian or valid
119 durable power of attorney, an unmarried benefit applicant who is
120 deemed to be incapable of applying for, managing or directing his
121 or her benefits, shall be entitled to receive annuity payments in
122 an amount equal to a retirement allowance based on the maximum
123 benefit payable to the member for life and with any remaining
124 benefit at the death of the member payable pursuant to Section
125 25-11-117.1(1). Such payments shall be paid to the representative
126 payee, designated by the system in accordance with the provisions
127 of this section during the period of the benefit recipient's
128 incapacity.

129 (4) In the absence of a conservator, legal guardian or valid
130 durable power of attorney, any married benefit applicant who is
131 deemed to be incapable of applying for, managing or directing his
132 or her benefits, shall be paid a reduced retirement allowance
133 under Option 2 as provided in Section 25-11-115, with the lawful
134 spouse as the beneficiary. Such payments shall be paid to a
135 representative payee as designated by the system in accordance
136 with the provisions of this section during the period of the
137 benefit recipient's incapacity.

138 SECTION 2. The provisions of this section shall be codified
139 as Section 25-11-117.1, Mississippi Code of 1972:

140 25-11-117.1. (1) Except as otherwise provided in subsection
141 (2) of this section, where benefits are payable to a designated
142 beneficiary or beneficiaries under this article and the designated
143 beneficiary or beneficiaries as provided by the member on the most
144 recent form filed with the system is deceased or otherwise
145 disqualified at the time such benefits become payable, the
146 following persons, in descending order of precedence, shall be
147 eligible to receive such benefits:

148 (a) The surviving spouse of the member/retiree;

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

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

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

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

156 (f) The persons entitled by law to distribution of the
157 member/retiree's estate.

158 (2) Any monthly benefits payable to a beneficiary who dies
159 prior to cashing his or her final check(s) and/or any additional
160 benefits payable pursuant to Section 25-11-112 still payable at
161 the death of a beneficiary receiving monthly benefits shall be
162 paid as follows:

163 (a) The surviving spouse of the beneficiary;

164 (b) The children of the beneficiary or their
165 descendants, per stirpes;

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

168 (d) The parents of the beneficiary;

169 (e) The executor or administrator on behalf of the
170 beneficiary's estate;

171 (f) The persons entitled by law to distribution of the
172 beneficiary's estate.

173 (3) In the event no claim is made by any individual listed
174 in subsection (2) of this section, a distribution may be made

175 pursuant to the provisions of subsection (1) of this section.

176 (4) Payment under the provisions of this section shall bar
177 recovery by any other person of the benefits distributed. Payment
178 of benefits made to one or more members of a class of individuals
179 are made on behalf of all members of the class. Any members of
180 the class coming forward after payment is made must look to those
181 who received the payment.

182 SECTION 3. The provisions of this section shall be codified
183 as Section 25-11-311.1, Mississippi Code of 1972:

184 25-11-311.1. (1) Except as provided in subsection (2) of
185 this section, where benefits are payable to a designated
186 beneficiary or beneficiaries and the designated beneficiary or
187 beneficiaries as provided by the member on the most recent form
188 filed with the system are deceased or otherwise disqualified at
189 the time such benefits become payable, the following persons, in
190 descending order of precedence, shall be eligible to receive such
191 benefits:

192 (a) The surviving spouse of the member/retiree;

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

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

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

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

200 (f) The persons entitled by law to distribution of the
201 member/retiree's estate.

202 (2) Any monthly benefits payable to a beneficiary who dies
203 prior to cashing his or her final check(s) and/or any additional
204 benefits payable pursuant to Section 25-11-112 still payable at
205 the death of a beneficiary receiving monthly benefits shall be
206 paid as follows:

207 (a) The surviving spouse of the beneficiary;

208 (b) The children of the beneficiary or their
209 descendants, per stirpes;

210 (c) The brothers and sisters of the beneficiary or
211 their descendants, per stirpes;

212 (d) The parents of the beneficiary;

213 (e) The executor or administrator on behalf of the
214 beneficiary's estate;

215 (f) The persons entitled by law to distribution of the
216 beneficiary's estate.

217 (3) In the event no claim is made by any individual listed
218 in subsection (2) of this section, a distribution may be made
219 pursuant to the provisions of subsection (1) of this section.

220 (4) Payment under the provisions above shall bar recovery by
221 any other person of the benefits distributed. Payment of benefits
222 made to one or more members of a class of individuals are made on
223 behalf of all members of the class. Any members of the class
224 coming forward after payment is made must look to those who
225 received the payment.

226 SECTION 4. The provisions of this section shall be codified
227 as Section 25-13-21.1, Mississippi Code of 1972:

228 25-13-21.1. (1) Except as otherwise provided in subsection
229 (2) of this section, where benefits are payable to a designated
230 beneficiary or beneficiaries under this article and the designated
231 beneficiary or beneficiaries as provided by the member on the most
232 recent form filed with the system are deceased or otherwise
233 disqualified at the time such benefits become payable, the
234 following persons, in descending order of precedence, shall be
235 eligible to receive such benefits:

236 (a) The surviving spouse of the member/retiree;

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

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

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

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

244 (f) The persons entitled by law to distribution of the

245 member/retiree's estate.

246 (2) Any monthly benefits payable to a beneficiary who dies
247 prior to cashing his or her final check(s) and/or any additional
248 benefits payable pursuant to Section 25-13-12 still payable at the
249 death of a beneficiary receiving monthly benefits shall be paid as
250 follows:

251 (a) The surviving spouse of the beneficiary;

252 (b) The children of the beneficiary or their
253 descendants, per stirpes;

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

256 (d) The parents of the beneficiary;

257 (e) The executor or administrator on behalf of the
258 beneficiary's estate;

259 (f) The persons entitled by law to distribution of the
260 beneficiary's estate.

261 (3) In the event no claim is made by any individual listed
262 in subsection (2) of this section, a distribution may be made
263 pursuant to the provisions of subsection (1) of this section.

264 (4) Payment under the provisions of this section shall bar
265 recovery by any other person of the benefits distributed. Payment
266 of benefits made to one or more members of a class of individuals
267 are made on behalf of all members of the class. Any members of
268 the class coming forward after payment is made must look to those
269 who received the payment.

270 SECTION 5. The provisions of this section shall be codified
271 as Section 25-11-312, Mississippi Code of 1972:

272 25-11-312. From and after July 1, 2000, subject to the rules
273 adopted by the board, the supplemental legislative retirement plan
274 shall accept an eligible rollover distribution or a direct
275 transfer of funds from another qualified plan in payment of all or
276 a portion of the cost to reinstate previously withdrawn service
277 credit as permitted by the plan. The plan may only accept
278 rollover payments in an amount equal to or less than the balance
279 due for reinstatement of service credit. The rules adopted by the

280 board of trustees shall condition the acceptance of a rollover or
281 transfer from another qualified plan on the receipt from the other
282 plan of information necessary to enable the plan to determine the
283 eligibility of any transferred funds for tax-free rollover
284 treatment or other treatment under federal income tax law.

285 SECTION 6. Section 25-11-103, Mississippi Code of 1972, is
286 amended as follows:

287 25-11-103. The following words and phrases as used in
288 Articles 1 and 3, unless a different meaning is plainly required
289 by the context, shall have the following meanings:

290 (a) "Accumulated contributions" shall mean the sum of
291 all the amounts deducted from the compensation of a member and
292 credited to his individual account in the annuity savings account,
293 together with regular interest thereon as provided in Section
294 25-11-123.

295 (b) "Actuarial cost" shall mean the amount of funds
296 presently required to provide future benefits as determined by the
297 board based on applicable tables and formulas provided by the
298 actuary.

299 (c) "Actuarial equivalent" shall mean a benefit of
300 equal value to the accumulated contributions, annuity or benefit,
301 as the case may be, when computed upon the basis of such mortality
302 tables as shall be adopted by the board of trustees, and regular
303 interest.

304 (d) "Actuarial tables" shall mean such tables of
305 mortality and rates of interest as shall be adopted by the board
306 in accordance with the recommendation of the actuary.

307 (e) "Agency" shall mean any governmental body employing
308 persons in the state service.

309 (f) "Average compensation" shall mean the average of
310 the four (4) highest years of earned compensation reported for an
311 employee in a fiscal or calendar year period, or combination
312 thereof which do not overlap, or the last forty-eight (48)
313 consecutive months of earned compensation reported for an
314 employee. The four (4) years need not be successive or joined

315 years of service. In no case shall the average compensation so
316 determined be in excess of One Hundred Twenty-five Thousand
317 Dollars (\$125,000.00). In computing the average compensation, any
318 amount paid in a lump sum for personal leave shall be included in
319 the calculation to the extent that such amount does not exceed an
320 amount which is equal to thirty (30) days of earned compensation
321 and to the extent that it does not cause the employees' earned
322 compensation to exceed the maximum reportable amount specified in
323 Section 25-11-103(k); provided, however, that such thirty-day
324 limitation shall not prevent the inclusion in the calculation of
325 leave earned under federal regulations prior to July 1, 1976, and
326 frozen as of that date as referred to in Section 25-3-99. Only
327 the amount of lump sum pay for personal leave due and paid upon
328 the death of a member attributable for up to one hundred fifty
329 (150) days shall be used in the deceased member's average
330 compensation calculation in determining the beneficiary's
331 benefits. In computing the average compensation, no amounts shall
332 be used which are in excess of the amount on which contributions
333 were required and paid. If any member who is or has been granted
334 any increase in annual salary or compensation of more than eight
335 percent (8%) retires within twenty-four (24) months from the date
336 that such increase becomes effective, then the board shall exclude
337 that part of the increase in salary or compensation that exceeds
338 eight percent (8%) in calculating that member's average
339 compensation for retirement purposes. The board may enforce this
340 provision by rule or regulation. However, increases in
341 compensation in excess of eight percent (8%) per year granted
342 within twenty-four (24) months of the date of retirement may be
343 included in such calculation of average compensation if
344 satisfactory proof is presented to the board showing that the
345 increase in compensation was the result of an actual change in the
346 position held or services rendered, or that such compensation
347 increase was authorized by the State Personnel Board or was
348 increased as a result of statutory enactment, and the employer
349 furnishes an affidavit stating that such increase granted within

350 the last twenty-four (24) months was not contingent on a promise
351 or agreement of the employee to retire. Nothing in Section
352 25-3-31 shall affect the calculation of the average compensation
353 of any member for the purposes of this article. The average
354 compensation of any member who retires before July 1, 1992, shall
355 not exceed the annual salary of the Governor.

356 (g) "Beneficiary" shall mean any person entitled to
357 receive a retirement allowance, an annuity or other benefit as
358 provided by Articles 1 and 3. In the event of the death prior to
359 retirement of any member whose spouse and/or children are not
360 entitled to a retirement allowance on the basis that the member
361 has less than four (4) years of service credit and/or has not been
362 married for a minimum of one (1) year or the spouse has waived his
363 or her entitlement to a retirement allowance pursuant to Section
364 25-11-114, the lawful spouse of a member at the time of the death
365 of such member shall be the beneficiary of such member unless the
366 member has designated another beneficiary subsequent to the date
367 of marriage in writing, and filed such writing in the office of
368 the executive director of the board of trustees. No designation
369 or change of beneficiary shall be made in any other manner.

370 (h) "Board" shall mean the board of trustees provided
371 in Section 25-11-15 to administer the retirement system herein
372 created.

373 (i) "Creditable service" shall mean "prior service,"
374 "retroactive service" and all lawfully credited unused leave not
375 exceeding the accrual rates and limitations provided in Section
376 25-3-91 et seq., as of the date of withdrawal from service plus
377 "membership service" for which credit is allowable as provided in
378 Section 25-11-109. Except to limit creditable service reported to
379 the system for the purpose of computing an employee's retirement
380 allowance or annuity or benefits provided in this article, nothing
381 in this paragraph shall limit or otherwise restrict the power of
382 the governing authority of a municipality or other political
383 subdivision of the state to adopt such vacation and sick leave
384 policies as it deems necessary.

385 (j) "Child" means either a natural child of the member,
386 a child that has been made a child of the member by applicable
387 court action before the death of the member, or a child under the
388 permanent care of the member at the time of the latter's death,
389 which permanent care status shall be determined by evidence
390 satisfactory to the board.

391 (k) "Earned compensation" shall mean the full amount
392 earned by an employee for a given pay period including any
393 maintenance furnished up to a maximum of One Hundred Twenty-five
394 Thousand Dollars (\$125,000.00) per year, and proportionately for
395 less than one (1) year of service. The value of such maintenance
396 when not paid in money shall be fixed by the employing state
397 agency, and, in case of doubt, by the board of trustees as defined
398 in Section 25-11-15. In any case, earned compensation shall be
399 limited to the regular periodic compensation paid, exclusive of
400 litigation fees, bond fees, and other similar extraordinary
401 nonrecurring payments. In addition, any member in a covered
402 position, as defined by Public Employees' Retirement System laws
403 and regulations, who is also employed by another covered agency or
404 political subdivision shall have the earnings of that additional
405 employment reported to the Public Employees' Retirement System
406 regardless of whether the additional employment is sufficient in
407 itself to be a covered position. In the case of fee officials,
408 the net earnings from their office after deduction of expenses
409 shall apply, except that in no case shall earned compensation be
410 less than the total direct payments made by the state or
411 governmental subdivisions to the official, and employer and
412 employee contributions shall be paid thereon. In the case of
413 members of the state Legislature, all remuneration or amounts
414 paid, except mileage allowance, shall apply. The amount by which
415 an eligible employee's salary is reduced pursuant to a salary
416 reduction agreement authorized under Section 25-17-5 shall be
417 included as earned compensation under this paragraph, provided
418 this inclusion does not conflict with federal law, including
419 federal regulations and federal administrative interpretations

420 thereunder, pertaining to the Federal Insurance Contributions Act
421 or to Internal Revenue Code Section 125 cafeteria plans.

422 Compensation in addition to an employee's base salary that is paid
423 to the employee pursuant to the vacation and sick leave policies
424 of a municipality or other political subdivision of the state that
425 employs him which exceeds the maximums authorized by Section
426 25-3-91 et seq., shall be excluded from the calculation of earned
427 compensation under this article. The maximum salary applicable
428 for retirement purposes before July 1, 1992, shall be the salary
429 of the Governor. Nothing in Section 25-3-31 shall affect the
430 determination of the earned compensation of any member for the
431 purposes of this article.

432 (l) "Employee" means any person legally occupying a
433 position in the state service, and shall include the employees of
434 the retirement system created hereunder.

435 (m) "Employer" shall mean the State of Mississippi or
436 any of its departments, agencies or subdivisions from which any
437 employee receives his compensation.

438 (n) "Executive director" shall mean the secretary to
439 the board of trustees, as provided in Section 25-11-15(9), and the
440 administrator of the Public Employees' Retirement System and all
441 systems under the management of the board of trustees. Wherever
442 the term "Executive Secretary of the Public Employees' Retirement
443 System" or "executive secretary" appears in this article or in any
444 other provision of law, it shall be construed to mean the
445 Executive Director of the Public Employees' Retirement System.

446 (o) "Fiscal year" shall mean the period beginning on
447 July 1 of any year and ending on June 30 of the next succeeding
448 year.

449 (p) "Medical board" shall mean the board of physicians
450 or any governmental or nongovernmental disability determination
451 service designated by the board of trustees that is qualified to
452 make disability determinations as provided for in Section
453 25-11-119.

454 (q) "Member" shall mean any person included in the

455 membership of the system as provided in Section 25-11-105.

456 (r) "Membership service" shall mean service as an
457 employee rendered while a member of the retirement system.

458 (s) "Position" means any office or any employment in
459 the state service, or two (2) or more of them, the duties of which
460 call for services to be rendered by one (1) person, including
461 positions jointly employed by federal and state agencies
462 administering federal and state funds. The employer shall
463 determine upon initial employment and during the course of
464 employment of an employee who does not meet the criteria for
465 coverage in the Public Employees' Retirement System based on the
466 position held, whether the employee is or becomes eligible for
467 coverage in the Public Employees' Retirement System based upon any
468 other employment in a covered agency or political subdivision. If
469 or when the employee meets the eligibility criteria for coverage
470 in such other position, then the employer must withhold
471 contributions and report wages from the noncovered position in
472 accordance with the provisions for reporting of earned
473 compensation. Failure to deduct and report those contributions
474 shall not relieve the employee or employer of liability thereof.
475 The board shall adopt such rules and regulations as necessary to
476 implement and enforce this provision.

477 (t) "Prior service" shall mean service rendered before
478 February 1, 1953, for which credit is allowable under Sections
479 25-11-105 and 25-11-109, and which shall allow prior service for
480 any person who is now or becomes a member of the Public Employees'
481 Retirement System and who does contribute to the system for a
482 minimum period of four (4) years.

483 (u) "Regular interest" shall mean interest compounded
484 annually at such a rate as shall be determined by the board in
485 accordance with Section 25-11-121.

486 (v) "Retirement allowance" shall mean an annuity for
487 life as provided in this article, payable each year in twelve (12)
488 equal monthly installments beginning as of the date fixed by the
489 board. The retirement allowance shall be calculated in accordance

490 with Section 25-11-111. Provided, any spouse who received a
491 spouse retirement benefit in accordance with Section 25-11-111(d)
492 prior to March 31, 1971, and said benefits were terminated because
493 of eligibility for a social security benefit, may again receive
494 his spouse retirement benefit from and after making application
495 with the board of trustees to reinstate such spouse retirement
496 benefit.

497 (w) "Retroactive service" shall mean service rendered
498 after February 1, 1953, for which credit is allowable under
499 Section 25-11-105(b) and Section 25-11-105(k).

500 (x) "System" shall mean the Public Employees'
501 Retirement System of Mississippi established and described in
502 Section 25-11-101.

503 (y) "State" shall mean the State of Mississippi or any
504 political subdivision thereof or instrumentality thereof.

505 (z) "State service" shall mean all offices and
506 positions of trust or employment in the employ of the state, or
507 any political subdivision or instrumentality thereof, which elect
508 to participate as provided by Section 25-11-105(f), including the
509 position of elected or fee officials of the counties and their
510 deputies and employees performing public services or any
511 department, independent agency, board or commission thereof, and
512 shall also include all offices and positions of trust or
513 employment in the employ of joint state and federal agencies
514 administering state and federal funds and service rendered by
515 employees of the public schools. Effective July 1, 1973, all
516 nonprofessional public school employees, such as bus drivers,
517 janitors, maids, maintenance workers and cafeteria employees,
518 shall have the option to become members in accordance with Section
519 25-11-105(b), and shall be eligible to receive credit for services
520 prior to July 1, 1973, provided the contributions and interest are
521 paid by the employee in accordance with said section; provided,
522 further, that the county or municipal separate school district may
523 pay the employer contribution and pro rata share of interest of
524 the retroactive service from available funds. From and after July

525 1, 1998, retroactive service credit shall be purchased at the
526 actuarial cost in accordance with Section 25-11-105(b).

527 (aa) "Withdrawal from service" shall mean complete
528 severance of employment in the state service of any member by
529 resignation, dismissal or discharge.

530 (bb) The masculine pronoun, wherever used, shall
531 include the feminine pronoun.

532 SECTION 7. Section 25-11-111, Mississippi Code of 1972, is
533 amended as follows:

534 25-11-111. (a) Any member upon withdrawal from service upon
535 or after attainment of the age of sixty (60) years who shall have
536 completed at least four (4) years of creditable service, or any
537 member upon withdrawal from service regardless of age who shall
538 have completed at least twenty-five (25) years of creditable
539 service, shall be entitled to receive a retirement allowance which
540 shall begin on the first of the month following the date the
541 member's application for the allowance is received by the board,
542 but in no event before withdrawal from service.

543 (b) Any member whose withdrawal from service occurs prior to
544 attaining the age of sixty (60) years who shall have completed
545 four (4) or more years of creditable service and shall not have
546 received a refund of his accumulated contributions shall be
547 entitled to receive a retirement allowance, beginning upon his
548 attaining the age of sixty (60) years, of the amount earned and
549 accrued at the date of withdrawal from service.

550 (c) Any member in service who has qualified for retirement
551 benefits may select any optional method of settlement of
552 retirement benefits by notifying the Executive Director of the
553 Board of Trustees of the Public Employees' Retirement System in
554 writing, on a form prescribed by the board, of the option he has
555 selected and by naming the beneficiary of such option and
556 furnishing necessary proof of age. Such option, once selected,
557 may be changed at any time prior to actual retirement or death,
558 but upon the death or retirement of the member, the optional
559 settlement shall be placed in effect upon proper notification to

560 the executive director.

561 (d) The annual amount of the retirement allowance shall
562 consist of:

563 (1) A member's annuity which shall be the actuarial
564 equivalent of the accumulated contributions of the member at the
565 time of retirement computed according to the actuarial table in
566 use by the system; and

567 (2) An employer's annuity which, together with the
568 member's annuity provided above, shall be equal to one and
569 seven-eighths percent (1-7/8%) of the average compensation for
570 each year of state service up to and including twenty-five (25)
571 years of membership service, and two and one-fourth percent
572 (2-1/4%) of the average compensation for each year of state
573 service exceeding twenty-five (25) years of membership service.
574 However, after the board of trustees has begun implementing the
575 changes in the computation of the retirement allowance as provided
576 in subsection (e), the employer's annuity shall be equal to:

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

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

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

591 (3) A prior service annuity equal to one and
592 seven-eighths percent (1-7/8%) of the average compensation for
593 each year of state service up to and including twenty-five (25)
594 years of prior service, and two and one-four percent (2-1/4%) of

595 the average compensation for each year of state service exceeding
596 twenty-five (25) years of prior service for which the member is
597 allowed credit. However, after the board of trustees has begun
598 implementing the changes in the computation of the retirement
599 allowance as provided in subsection (e), the prior service annuity
600 shall be equal to:

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

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

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

615 (4) Any retired member or beneficiary thereof who was
616 eligible to receive a retirement allowance before July 1, 1991,
617 and who is still receiving a retirement allowance on July 1, 1992,
618 shall receive an increase in the annual retirement allowance of
619 the retired member equal to one-eighth of one percent (1/8 of 1%)
620 of the average compensation for each year of state service in
621 excess of twenty-five (25) years of membership service up to and
622 including thirty (30) years. The maximum increase shall be
623 five-eighths of one percent (5/8 of 1%). In no case shall a
624 member who has been retired prior to July 1, 1987, receive less
625 than Ten Dollars (\$10.00) per month for each year of creditable
626 service and proportionately for each quarter year thereof.
627 Persons retired on or after July 1, 1987, shall receive at least
628 Ten Dollars (\$10.00) per month for each year of service and
629 proportionately for each quarter year thereof reduced for the

630 option selected. However, such Ten Dollars (\$10.00) minimum per
631 month for each year of creditable service shall not apply to a
632 retirement allowance computed under Section 25-11-114 based on a
633 percentage of the member's average compensation.

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

641 (6) Any member upon withdrawal from service upon or
642 after attaining the age of sixty (60) years who has completed at
643 least four (4) years of creditable service, or any member upon
644 withdrawal from service regardless of age who has completed at
645 least twenty-five (25) years of creditable service, shall be
646 entitled to receive a retirement allowance computed in accordance
647 with the formula set forth in this section. Such retirement
648 allowance otherwise payable may be converted into a retirement
649 allowance of equivalent actuarial value in such an amount that,
650 with the member's benefit under Title II of the federal Social
651 Security Act, the member will receive, so far as possible,
652 approximately the same amount annually before and after the
653 earliest age at which the member becomes eligible to receive a
654 social security benefit.

655 (e) Beginning on July 1, 2000, the board of trustees shall
656 implement changes in the computation of the amount of the annual
657 retirement allowance, which changes shall be implemented in phases
658 as set forth in the table in this subsection. The board of
659 trustees shall implement the phases systematically upon July 1
660 after the board's actuary certifies that implementation of a phase
661 will not cause the unfunded accrued actuarial liability
662 amortization period for the retirement system to exceed twenty-two
663 (22) years. The board of trustees shall have the exclusive
664 authority to set the assumptions that are used in the actuarial

665 evaluation in accordance with Section 25-11-119(9). The board of
 666 trustees shall recalculate the retirement allowance of any retired
 667 member or beneficiary of such a member as each phase is
 668 implemented.

669 RETIREMENT ALLOWANCE COMPUTATION

670 IMPLEMENTATION TABLE

671	(A)	(B)
672 PHASE	2% FOR YEARS	PERCENTAGE
673	ABOVE THIS	FOR YEARS
674	NUMBER AND	ABOVE 25
675	≤25 YEARS	YEARS

677	Phase 1	20 years	2.250%
678	Phase 2	15 years	2.250%
679	Phase 3	10 years	2.250%
680	Phase 4	5 years	2.250%
681	Phase 5	0 years	2.250%
682	Phase 6	0 years	2.375%
683	Phase 7	0 years	2.500%

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

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

692 (f) No member, except members excluded by the Age
 693 Discrimination in Employment Act Amendments of 1986 (Public Law
 694 99-592), under either Article 1 or Article 3 in state service
 695 shall be required to retire because of age.

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

699 (h) (1) A retiree or beneficiary may, on a form prescribed

700 by and filed with the retirement system, irrevocably waive all or
701 a portion of any benefits from the retirement system to which the
702 retiree or beneficiary is entitled. * * * Such waiver shall be
703 binding on the heirs and assigns of any retiree or beneficiary and
704 the same must agree to forever hold harmless the Public Employees'
705 Retirement System of Mississippi from any claim to such waived
706 retirement benefits.

707 (2) Any waiver pursuant to this subsection shall apply
708 only to the person executing the waiver. A beneficiary shall be
709 entitled to benefits according to the option selected by the
710 member at the time of retirement. However, a beneficiary may, at
711 the option of the beneficiary, execute a waiver of benefits
712 pursuant to this subsection.

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

716 (4) The board of trustees may provide rules and
717 regulations for the administration of waivers under this
718 subsection.

719 SECTION 8. Section 25-11-115, Mississippi Code of 1972, is
720 amended as follows:

721 25-11-115. (1) Upon application for superannuation or
722 disability retirement, any member may elect to receive his benefit
723 in a retirement allowance payable throughout life with no further
724 payments to anyone at his death, except that in the event his
725 total retirement payments under this article do not equal his
726 total contributions under this article, his named beneficiary
727 shall receive the difference in cash at his death. Or he may
728 elect upon retirement, or upon becoming eligible for retirement,
729 to receive the actuarial equivalent subject to the provisions of
730 subsection (3) of this section of his retirement allowance in a
731 reduced retirement allowance payable throughout life with the
732 provision that:

733 **Option 1.** If he dies before he has received in annuity
734 payment the value of the member's annuity savings account as it

735 was at the time of his retirement, the balance shall be paid to
736 his legal representative or to such person as he shall nominate by
737 written designation duly acknowledged and filed with the board; or

738 **Option 2.** Upon his death, his reduced retirement allowance
739 shall be continued throughout the life of, and paid to, such
740 person as he has nominated by written designation duly
741 acknowledged and filed with the board of trustees at the time of
742 his retirement;

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

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

754 **Option 4-B.** A reduced retirement allowance shall be
755 continued throughout the life of the retirant, but with the
756 further guarantee of payments to the named beneficiary,
757 beneficiaries or to the estate for a specified number of years
758 certain. If the retired member or the last designated beneficiary
759 receiving annuity payments dies prior to receiving all guaranteed
760 payments due, the actuarial equivalent of the remaining payments
761 shall be paid pursuant to Section 25-11-117.1(1);

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

769 **Option 6.** Any member who has at least twenty-eight (28)

770 years of creditable service at the time of retirement or who is at
771 least sixty-three (63) years of age and eligible to retire, may
772 select the maximum retirement benefit or an optional benefit as
773 provided in this subsection together with a partial lump sum
774 distribution. The amount of the lump sum distribution under this
775 subsection shall be equal to the maximum monthly benefit
776 multiplied by twelve (12), twenty-four (24) or thirty-six (36) as
777 selected by the member. The maximum benefit shall be actuarially
778 reduced to reflect the partial lump sum payment selected and
779 further reduced for any optional benefit payment selected. The
780 annuity and lump sum shall be computed to result in no actuarial
781 loss to the system. The lump sum distribution shall be made as a
782 single payment payable at the time the first monthly annuity
783 payment is paid to the retiree. The amount of the lump sum
784 distribution shall be deducted from the member's annuity savings
785 account in computing what contributions remain at the death of the
786 retiree and/or a beneficiary. The lump sum distribution option
787 may be elected only once by a member upon initial retirement, and
788 may not be elected by a retiree, by members applying for a
789 disability retirement annuity, by survivors or by a member
790 selecting Option 4-C.

791 (2) No change in the option selected shall be permitted
792 after the member's death or after the member has received his
793 first retirement check except as provided in subsections (3) and
794 (4) of this section and in Section 25-11-127. However, any
795 retired member who is receiving a retirement allowance under
796 Option 2 or Option 4-A upon July 1, 1992, and whose designated
797 beneficiary predeceased him or whose marriage to a spouse who is
798 his designated beneficiary is terminated by divorce or other
799 dissolution, upon written notification to the retirement system of
800 the death of the designated beneficiary or of the termination of
801 his marriage to his designated beneficiary, the retirement
802 allowance payable to the member after receipt of such notification
803 by the retirement system shall be equal to the retirement
804 allowance which would have been payable had the member not elected

805 the option. In addition, any retired member who is receiving the
806 maximum retirement allowance for life, a retirement allowance
807 under Option 1 or who is receiving a retirement allowance under
808 Option 2 or Option 4-A on July 1, 1992, may elect to provide
809 survivor benefits under Option 2 or Option 4-A to a spouse who was
810 not previously the member's beneficiary and whom the member
811 married before July 1, 1992.

812 (3) Any retired member who is receiving a reduced retirement
813 allowance under Option 2 or Option 4-A whose designated
814 beneficiary predeceases him, or whose marriage to a spouse who is
815 his designated beneficiary is terminated by divorce or other
816 dissolution, may elect to cancel his reduced retirement allowance
817 and receive the maximum retirement allowance for life in an amount
818 equal to the amount that would have been payable if the member had
819 not elected Option 2 or Option 4-A. Such election must be made in
820 writing to the office of the executive director of the system on a
821 form prescribed by the board. Any such election shall be
822 effective the first of the month following the date the election
823 is received by the system.

824 (4) Any retired member who is receiving the maximum
825 retirement allowance for life, or a retirement allowance under
826 Option 1, and who marries after his retirement may elect to cancel
827 his maximum retirement allowance and receive a reduced retirement
828 allowance under Option 2 or Option 4-A to provide continuing
829 lifetime benefits to his spouse. Such election must be made in
830 writing to the office of the executive director of the system on a
831 form prescribed by the board not earlier than the date of the
832 marriage. Any such election shall be effective the first of the
833 month following the date the election is received by the system.
834 The amount of the reduced retirement allowance shall be the
835 actuarial equivalent, taking into account that the member received
836 the maximum retirement allowance for a period of time before
837 electing to receive a reduced retirement allowance.

838 (5) In the event the election of an optional benefit is made
839 after the member has attained the age of sixty-five (65) years,

840 the actuarial equivalent factor shall be used to compute the
841 reduced retirement allowance as if the election had been made on
842 his sixty-fifth birthday. However, if a retiree marries or
843 remarries after retirement and elects either Option 2 or Option
844 4-A as provided in subsection (2) or (4) of this section, the
845 actuarial equivalent factor used to compute the reduced retirement
846 allowance shall be the factor for the age of the retiree and his
847 or her beneficiary at the time such election for recalculation of
848 benefits is made.

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

853 (7) If a retirant and his eligible beneficiary, if any, both
854 die before they have received in annuity payments a total amount
855 equal to the accumulated contributions standing to the retirant's
856 credit in the annuity savings account at the time of his
857 retirement, the difference between the accumulated contributions
858 and the total amount of annuities received by them shall be paid
859 to such persons as the retirant has nominated by written
860 designation duly executed and filed in the office of the executive
861 director. If no designated person survives the retirant and his
862 beneficiary, the difference, if any, shall be paid pursuant to
863 Section 25-11-117.1(1).

864 (8) Any retired member who retired on Option 2(5) or 4-A(5)
865 prior to July 1, 1992, who is still receiving a retirement
866 allowance on July 1, 1994, shall receive an increase in the annual
867 retirement allowance effective July 1, 1994, equal to the amount
868 they would have received under Option 2 or Option 4-A without a
869 reduction for Option 5 based on the ages at retirement of the
870 retiree and beneficiary and option factors in effect on July 1,
871 1992. Such increase shall be prospective only.

872 SECTION 9. Section 25-11-120, Mississippi Code of 1972, is
873 amended as follows:

874 25-11-120. (1) Any individual aggrieved by an

875 administrative determination, including a determination of the
876 medical board, relating to the eligibility for or payment of
877 benefits, or the calculation of creditable service or other
878 similar matters relating to the Public Employees' Retirement
879 System or any other retirement system or program administered by
880 the board, may request a hearing before a hearing officer
881 designated by the board. Such hearings shall be conducted in
882 accordance with rules and regulations adopted by the board and
883 formal rules of evidence shall not apply. The hearing officer is
884 authorized to administer oaths, hear testimony of witnesses and
885 receive documentary and other evidence. After the hearing, the
886 hearing officer shall certify the record to the board, which shall
887 include the hearing officer's proposed statement of facts,
888 conclusions of law and recommendation. The record may include a
889 taped recording of the proceedings of the hearing in lieu of a
890 transcribed copy of the proceedings. The board shall receive the
891 record and make its determination based solely on matters
892 contained therein.

893 (2) Any individual aggrieved by the determination of the
894 board may appeal to the Circuit Court of the First Judicial
895 District of Hinds County, Mississippi, in accordance with the
896 Uniform Circuit Court Rules governing appeals to the circuit court
897 in civil cases. Such appeal shall be made solely on the record
898 before the board and this procedure shall be the exclusive method
899 of appealing determinations of the board.

900 (3) The board is authorized to appoint a committee of the
901 board to serve as hearing officer or to employ or contract with
902 qualified personnel to perform the duties of hearing officer and
903 court reporter as may be necessary for conducting, recording and
904 transcribing such hearings. The board may assess and collect fees
905 to offset costs related to such hearings. Those fees shall be
906 deposited to the credit of the Public Employees' Retirement
907 System.

908 (4) In no case shall the amount, recovered by an attorney in
909 fees for an appearance before the administrative body, exceed the

910 lesser of twenty-five percent (25%) of the accrued benefits due as
911 of the date of a final award of benefits by the retirement system
912 or a court of law, or Three Thousand Five Hundred Dollars
913 (\$3,500.00).

914 SECTION 10. Section 25-11-121, Mississippi Code of 1972, is
915 amended as follows:

916 25-11-121. (1) The board shall, from time to time,
917 determine the current requirements for benefit payments and
918 administrative expense which shall be maintained as a cash working
919 balance, except that such cash working balance shall not exceed at
920 any time an amount necessary to meet the current obligations of
921 the system for a period of ninety (90) days. Any amounts in
922 excess of such cash working balance shall be invested, as follows,
923 at such periodic intervals as the board may determine, provided
924 however, all purchases shall be made from competitive offerings
925 except short-term obligations referred to in Section 25-11-121(d):

926 (a) Bonds, notes, certificates and other valid general
927 obligations of the State of Mississippi, or of any county, or of
928 any city, or of any supervisors district of any county of the
929 State of Mississippi, or of any school district bonds of the State
930 of Mississippi; notes or certificates of indebtedness issued by
931 the Veterans' Home Purchase Board of Mississippi, provided such
932 notes or certificates of indebtedness are secured by the pledge of
933 collateral equal to two hundred percent (200%) of the amount of
934 the loan, which collateral is also guaranteed at least for fifty
935 percent (50%) of the face value by the United States government,
936 and provided that not more than five percent (5%) of the total
937 investment holdings of the system shall be in Veterans' Home
938 Purchase Board notes or certificates at any time; real estate
939 mortgage loans one hundred percent (100%) insured by the Federal
940 Housing Administration on single family homes located in the State
941 of Mississippi, where monthly collections and all servicing
942 matters are handled by Federal Housing Administration approved
943 mortgagees authorized to make such loans in the State of
944 Mississippi;

945 (b) State of Mississippi highway bonds;

946 (c) Funds may be deposited in federally insured
947 institutions domiciled in the State of Mississippi or a custodial
948 bank;

949 (d) Corporate bonds and taxable municipal bonds of
950 investment grade as rated by Standard and Poor's or by Moody's
951 Investment Service, with bonds rated BAA/BBB not to exceed five
952 percent (5%) of the book value of the total fixed income
953 investments; or corporate short-term obligations of corporations
954 or of wholly-owned subsidiaries of corporations, whose short-term
955 obligations are rated A-3 or better by Standard and Poor's or
956 rated P-3 or better by Moody's Investment Service;

957 (e) Bonds of the Tennessee Valley Authority;

958 (f) Bonds, notes, certificates and other valid
959 obligations of the United States, and other valid obligations of
960 any federal instrumentality that issues securities under authority
961 of an act of Congress and are exempt from registration with the
962 Securities and Exchange Commission;

963 (g) Bonds, notes, debentures and other securities
964 issued by any federal instrumentality and fully guaranteed by the
965 United States;

966 (h) Interest-bearing bonds or notes which are general
967 obligations of any other state in the United States or of any city
968 or county therein, provided such city or county had a population
969 as shown by the federal census next preceding such investment of
970 not less than twenty-five thousand (25,000) inhabitants and
971 provided that such state, city or county has not defaulted for a
972 period longer than thirty (30) days in the payment of principal or
973 interest on any of its general obligation indebtedness during a
974 period of ten (10) calendar years immediately preceding such
975 investment;

976 (i) Shares of stocks, common and/or preferred, of
977 corporations created by or existing under the laws of the United
978 States or any state, district or territory thereof; provided

979 (i) The maximum investments in stocks shall not

980 exceed fifty percent (50%) of the book value of the total
981 investment fund of the system;

982 (ii) The stock of such corporation shall:

983 A. Be listed on a national stock exchange; or

984 B. Be traded in the over-the-counter market,
985 provided price quotations for such over-the-counter stocks are
986 quoted by the National Association of Securities Dealers Automated
987 Quotation System (NASDAQ);

988 (iii) The outstanding shares of such corporation
989 shall have a total market value of not less than Fifty Million
990 Dollars (\$50,000,000.00);

991 (iv) The amount of investment in any one (1)
992 corporation shall not exceed three percent (3%) of the book value
993 of the assets of the system; and

994 (v) The shares of any one (1) corporation owned by
995 the system shall not exceed five percent (5%) of that
996 corporation's outstanding stock;

997 (j) Bonds rated Single A or better, stocks and
998 convertible securities of established non-United States companies,
999 which companies are listed on only primary national stock
1000 exchanges of foreign nations; and in foreign government securities
1001 rated Single A or better by a recognized rating agency; provided
1002 that the total book value of investments under this paragraph
1003 shall at no time exceed thirty percent (30%) of the total book
1004 value of all investments of the system. The board may take
1005 requisite action to effectuate or hedge such transactions through
1006 foreign banks, including the purchase and sale, transfer,
1007 exchange, or otherwise disposal of, and generally deal in foreign
1008 exchange through the use of foreign currency, interbank forward
1009 contracts, futures contracts, options contracts, swaps and other
1010 related derivative instruments, notwithstanding any other
1011 provisions of this article to the contrary;

1012 (k) Covered call and put options on securities traded
1013 on one or more of the regulated exchanges;

1014 (l) Pooled or commingled funds managed by a corporate

1015 trustee or by a Securities and Exchange Commission registered
1016 investment advisory firm retained as an investment manager by the
1017 board of trustees, and shares of investment companies and unit
1018 investment trusts registered under the Investment Company Act of
1019 1940, where such pooled or commingled funds or shares are
1020 comprised of common or preferred stocks, bonds, money market
1021 instruments or other investments authorized under this section.
1022 Such investment in commingled funds or shares shall be held in
1023 trust; provided that the total book value of investments under
1024 this paragraph shall at no time exceed five percent (5%) of the
1025 total book value of all investments of the system. Any investment
1026 manager approved by the board of trustees shall invest such
1027 commingled funds or shares as a fiduciary;

1028 (m) Pooled or commingled real estate funds or real
1029 estate securities managed by a corporate trustee or by a
1030 Securities and Exchange Commission registered investment advisory
1031 firm retained as an investment manager by the board of trustees.
1032 Such investment in commingled funds or shares shall be held in
1033 trust; provided that the total book value of investments under
1034 this paragraph shall at no time exceed five percent (5%) of the
1035 total book value of all investments of the system. Any investment
1036 manager approved by the board of trustees shall invest such
1037 commingled funds or shares as a fiduciary. The five percent (5%)
1038 limitation in this subsection shall not be subject to the five
1039 percent (5%) limitation in paragraph (1) of this paragraph.

1040 (2) All investments shall be acquired by the board at prices
1041 not exceeding the prevailing market values for such securities.

1042 (3) Any limitations herein set forth shall be applicable
1043 only at the time of purchase and shall not require the liquidation
1044 of any investment at any time. All investments shall be clearly
1045 marked to indicate ownership by the system and to the extent
1046 possible shall be registered in the name of the system.

1047 (4) Subject to the above terms, conditions, limitations and
1048 restrictions, the board shall have power to sell, assign, transfer
1049 and dispose of any of the securities and investments of the

1050 system, provided that said sale, assignment or transfer has the
1051 majority approval of the entire board. The board may employ or
1052 contract with investment managers, evaluation services or other
1053 such services as determined by the board to be necessary for the
1054 effective and efficient operation of the system.

1055 (5) Except as otherwise provided herein, no trustee and no
1056 employee of the board shall have any direct or indirect interest
1057 in the income, gains or profits of any investment made by the
1058 board, nor shall any such person receive any pay or emolument for
1059 his services in connection with any investment made by the board.

1060 No trustee or employee of the board shall become an endorser or
1061 surety, or in any manner an obligor for money loaned by or
1062 borrowed from the system.

1063 (6) All interest derived from investments and any gains from
1064 the sale or exchange of investments shall be credited by the board
1065 to the account of the system.

1066 (7) The board of trustees annually shall credit regular
1067 interest on the mean amount for the preceding year in each of the
1068 reserves maintained by the board, with the exception of the
1069 expense account. This credit shall be made annually from interest
1070 and other earnings on the invested assets of the system. Any
1071 additional amount required to meet the regular interest on the
1072 funds of the system shall be charged to the employer's
1073 accumulation account, and any excess of earnings over such regular
1074 interest required shall be credited to the employer's accumulation
1075 account. Regular interest shall mean such per centum rate to be
1076 compounded annually as shall be determined by the board of
1077 trustees on the basis of the interest earnings of the system for
1078 the preceding year.

1079 (8) The board of trustees shall be the custodian of the
1080 funds of the system. All expense vouchers and retirement
1081 allowance payrolls shall be certified by the executive secretary
1082 who shall furnish the board a surety bond in a company authorized
1083 to do business in Mississippi in such an amount as shall be
1084 required by the board, the premium to be paid by the board from

1085 the expense account.

1086 (9) For the purpose of meeting disbursements for retirement
1087 allowances, annuities and other payments, cash may be kept
1088 available, not exceeding the requirements of the system for a
1089 period of ninety (90) days, on deposit in one or more banks or
1090 trust companies organized under the laws of the State of
1091 Mississippi or the laws of the United States, provided that the
1092 sum on deposit in any one (1) bank or trust company shall not
1093 exceed thirty-five percent (35%) of the paid-up capital and
1094 regular surplus of such bank or trust company.

1095 (10) Except as otherwise provided, the monies or properties
1096 of the Public Employees' Retirement System of Mississippi
1097 deposited in any bank or banks of the United States shall, where
1098 possible, be safeguarded and guaranteed by the posting as security
1099 by the depository of bonds, notes and other securities purchasable
1100 by the system, as provided elsewhere in this section. The bonds,
1101 notes and other securities offered as security shall be posted to
1102 the credit of the system by the depository with the board or with
1103 an unaffiliated bank or trust company domiciled within the United
1104 States or the State of Mississippi acceptable to both the board
1105 and to the fiscal agent bank. In the event the board and the
1106 fiscal agent bank cannot reach an agreement, the bonds, notes and
1107 other securities shall be deposited in a bank or trust company
1108 designated by the State Commissioner of Banking and Consumer
1109 Finance. Provided, however, that bonds or notes of the United
1110 States government owned by the system may be deposited for
1111 safekeeping in any federal reserve bank.

1112 (11) The board of trustees shall determine the degree of
1113 collateralization necessary for both foreign and domestic demand
1114 deposit accounts in addition to that which is guaranteed by the
1115 Federal Deposit Insurance Corporation or such other federal
1116 insurance program as may be in effect.

1117 (12) The board, the executive secretary and employees shall
1118 discharge their duties with respect to the investments of the
1119 system solely for the interest of the system with the care, skill,

1120 prudence and diligence under the circumstances then prevailing
1121 that a prudent person acting in a like capacity and familiar with
1122 such matters would use in the conduct of an enterprise of a like
1123 character and with like aims, including diversifying the
1124 investments of the system so as to minimize the risk of large
1125 losses, unless under the circumstances it is clearly prudent not
1126 to do so.

1127 SECTION 11. Section 25-11-131, Mississippi Code of 1972, is
1128 amended as follows:

1129 25-11-131. (1) Any person or corporation who shall receive
1130 and retain any payment, after the death of a member or after the
1131 death of the beneficiary of any member, which amount is not
1132 lawfully due, shall be liable for the repayment of such amount to
1133 the retirement system plus interest thereon at ten percent (10%)
1134 per annum plus all costs of collection. Any person who shall
1135 knowingly make any false statement or shall falsify or permit to
1136 be falsified any record or records of this retirement system in
1137 any attempt to defraud such system as a result of such act shall
1138 be guilty of a misdemeanor if the amount obtained or attempted to
1139 be obtained does not exceed the amount of Five Hundred Dollars
1140 (\$500.00), and, on conviction thereof by any court of competent
1141 jurisdiction, shall be punished by a fine not exceeding Five
1142 Hundred Dollars (\$500.00) or imprisonment in the county jail not
1143 exceeding six (6) months, or both; if such amount obtained or
1144 attempted to be obtained shall exceed the sum of Five Hundred
1145 Dollars (\$500.00), such person or persons shall be guilty of a
1146 felony and, on conviction thereof by any court of competent
1147 jurisdiction, shall be punished by a fine not exceeding Ten
1148 Thousand Dollars (\$10,000.00) or by imprisonment in the State
1149 Penitentiary not exceeding five (5) years, or both.

1150 (2) Should any change or error in the records result in any
1151 member or beneficiary receiving from the retirement system more or
1152 less than he would have been entitled to receive had the records
1153 been correct, the board of trustees shall correct such error upon
1154 detection, regardless of the length of time between the reporting

1155 error or the time payment started and the time the board became
1156 aware of the error, and, as far as practicable, adjust the payment
1157 in such a manner that the actuarial equivalent of the benefit to
1158 which such member or beneficiary was correctly entitled shall be
1159 paid. This responsibility is, and has been, the duty of the board
1160 since the creation of the retirement system.

1161 SECTION 12. Section 25-11-139, Mississippi Code of 1972, is
1162 amended as follows:

1163 25-11-139. Any retirement allowance or other annuity or
1164 benefit provided by Articles 1 and 3 shall be paid in equal
1165 monthly installments for life and shall not be increased,
1166 decreased, revoked or repealed, except for error upon detection,
1167 regardless of the length of time between the reporting error or
1168 the time payment started and the time the board became aware of
1169 the error, or except where specifically otherwise provided by said
1170 articles. This responsibility is, and has been, the duty of the
1171 board since the creation of the retirement system.

1172 Pursuant to Section 25-11-111, Mississippi Code of 1972, it
1173 is and has been the sole responsibility of the member or
1174 beneficiary thereof to apply for benefits and no benefits shall be
1175 paid for any period prior to the first of the month following the
1176 receipt of such application for such benefits, but in no event
1177 prior to termination of employment, except as authorized in
1178 Section 25-11-114.

1179 SECTION 13. Section 25-11-311, Mississippi Code of 1972, is
1180 amended as follows:

1181 25-11-311. (1) A member may be paid a refund of the amount
1182 of accumulated contributions to the credit of the member in the
1183 annuity savings account, provided the member has withdrawn from
1184 state service and further provided the member has not returned to
1185 state service on the date the refund of the accumulated
1186 contributions would be paid. Such refund of the contributions to
1187 the credit of the member in the annuity savings account shall be
1188 paid within ninety (90) days from receipt in the office of the
1189 retirement system of the properly completed form requesting such

1190 payment. In the event of death prior to retirement of any member
1191 whose spouse and/or children are not entitled to a retirement
1192 allowance, the accumulated contributions to the credit of the
1193 deceased member in the annuity savings account shall be paid to
1194 the designated beneficiary on file in writing in the office of
1195 executive secretary of the board of trustees within ninety (90)
1196 days from receipt of a properly completed form requesting such
1197 payment. If there is no such designated beneficiary on file for
1198 such deceased member in the office of the system, upon the filing
1199 of a proper request with the board, the contributions to the
1200 credit of the deceased member in the annuity savings account shall
1201 be refunded pursuant to Section 25-11-311.1(1). The payment of
1202 the refund shall discharge all obligations of the retirement
1203 system to the member on account of any creditable service rendered
1204 by the member prior to the receipt of the refund. By the
1205 acceptance of the refund, the member shall waive and relinquish
1206 all accrued rights in the plan.

1207 (2) Pursuant to the Unemployment Compensation Amendments of
1208 1992 (P.L. 102-318 (UCA)), a member or eligible beneficiary making
1209 application for a refund under this section may elect, on a form
1210 prescribed by the board under rules and regulations established by
1211 the board, to have an eligible rollover distribution of
1212 accumulated contributions payable under this section paid directly
1213 to an eligible retirement plan or individual retirement account.
1214 If the member or eligible beneficiary makes such election and
1215 specifies the eligible retirement plan or individual retirement
1216 account to which such distribution is to be paid, the distribution
1217 will be made in the form of a direct trustee-to-trustee transfer
1218 to the specified eligible retirement plan. Flexible rollovers
1219 under this subsection shall not be considered assignments under
1220 Section 25-11-129.

1221 (3) If any person who has received a refund is reelected to
1222 the Legislature or as President of the Senate and again becomes a
1223 member of the plan * * *, the member may repay all or part of the
1224 amounts previously received as a refund, together with regular

1225 interest covering the period from the date of refund to the date
1226 of repayment; provided, however, that the amounts that are repaid
1227 by the member and the creditable service related thereto, shall
1228 not be used in any benefit calculation or determination until the
1229 member has remained a contributor to the system for a period of at
1230 least four (4) years subsequent to such member's reentry into
1231 state service. Repayment for such time shall be made in
1232 increments of not less than one-quarter (1/4) year of creditable
1233 service beginning with the most recent service for which refund
1234 has been made. Upon the repayment of all or part of such refund
1235 and interest, the member shall again receive credit for the * * *
1236 period of creditable service for which full repayment has been
1237 made to the system.

1238 SECTION 14. Section 25-13-16, Mississippi Code of 1972, is
1239 amended as follows:

1240 25-13-16. (1) Upon application for superannuation or
1241 disability retirement, any member who retires after July 1, 1990,
1242 may elect to receive his benefit pursuant to the provisions of
1243 Sections 25-13-11 and 25-13-13 * * *. Or he may elect upon
1244 retirement, or upon becoming eligible for retirement, to receive
1245 the actuarial equivalent, subject to the provisions of subsection
1246 (3) of this section, of his retirement allowance in a reduced
1247 retirement allowance payable throughout life with the provision
1248 that:

1249 **Option 1.** If he dies before he has received in annuity
1250 payment the value of the member's annuity savings account as it
1251 was at the time of his retirement, the balance shall be paid to
1252 his legal representative or to such person as he shall nominate by
1253 written designation duly acknowledged and filed with the board; or

1254 **Option 2.** Upon his death, his reduced retirement allowance
1255 shall be continued throughout the life of, and paid to, such
1256 person as he has nominated by written designation duly
1257 acknowledged and filed with the board of trustees at the time of
1258 his retirement;

1259 **Option 3.** Upon his death, one-half (1/2) of his reduced

1260 retirement allowance shall be continued throughout the life of,
1261 and paid to, such person as he shall have nominated by written
1262 designation duly acknowledged and filed with the board of trustees
1263 at the time of his retirement, and the other one-half (1/2) of his
1264 reduced retirement allowance to some other designated beneficiary;

1265 **Option 4-A.** Upon his death, one-half (1/2) of his reduced
1266 retirement allowance, or such other specified amount, shall be
1267 continued throughout the life of, and paid to, such person as he
1268 shall have nominated by written designation duly acknowledged and
1269 filed with the board of trustees at the time of his retirement; or

1270 **Option 4-B.** A reduced retirement allowance shall be
1271 continued throughout the life of the retirant, but with the
1272 further guarantee of payments to the named beneficiary,
1273 beneficiaries or to the estate for a specified number of years
1274 certain. If the retired member or the last designated beneficiary
1275 receiving annuity payments dies prior to receiving all guaranteed
1276 payments due, the actuarial equivalent of the remaining payments
1277 shall be paid pursuant to Section 25-13-21.1(1).

1278 **Option 4-C.** Such retirement allowance otherwise payable may
1279 be converted into a retirement allowance of equivalent actuarial
1280 value in such an amount that, with the member's benefit under
1281 Title II of the federal Social Security Act, the member will
1282 receive, so far as possible, approximately the same amount
1283 annually before and after the earliest age at which the member
1284 becomes eligible to receive a social security benefit.

1285 **Option 6.** Any member who is eligible to retire with an
1286 unreduced benefit may select the maximum retirement benefit or an
1287 optional benefit as provided in this subsection together with a
1288 partial lump sum distribution. The amount of the lump sum
1289 distribution under this subsection shall be equal to the maximum
1290 monthly benefit multiplied by twelve (12), twenty-four (24) or
1291 thirty-six (36) as selected by the member. The maximum benefit
1292 shall be actuarially reduced to reflect the partial lump sum
1293 payment selected and further reduced for any optional benefit
1294 payment selected. The annuity and lump sum shall be computed to

1295 result in no actuarial loss to the system. The lump sum
1296 distribution shall be made as a single payment payable at the time
1297 the first monthly annuity payment is paid to the retiree. The
1298 amount of the lump sum distribution shall be deducted from the
1299 member's annuity savings account in computing what contributions
1300 remain at the death of the retiree and/or a beneficiary. The lump
1301 sum distribution option may be elected only once by a member upon
1302 initial retirement, and may not be elected by a retiree, by
1303 members applying for a disability retirement annuity, by survivors
1304 or by a member selecting Option 4-C.

1305 (2) No change in the option selected shall be permitted
1306 after the member's death or after the member has received his
1307 first retirement check, except as provided in subsections (3) and
1308 (4) of this section. However, any retired member who is receiving
1309 a retirement allowance under Option 2 or Option 4-A upon July 1,
1310 1999, and whose designated beneficiary predeceased him or whose
1311 marriage to a spouse who is his designated beneficiary is
1312 terminated by divorce or other dissolution, upon written
1313 notification to the retirement system of the death of the
1314 designated beneficiary or of the termination of his marriage to
1315 his designated beneficiary, the retirement allowance payable to
1316 the member after receipt of such notification by the retirement
1317 system shall be equal to the retirement allowance that would have
1318 been payable if the member had not elected the option. In
1319 addition, any retired member who is receiving the maximum
1320 retirement allowance for life, a retirement allowance under Option
1321 1 or who is receiving a retirement allowance under Option 2 or
1322 Option 4-A on July 1, 1999, may elect to provide survivor benefits
1323 under Option 2 or Option 4-A to a spouse who was not previously
1324 the member's beneficiary and who the member married before July 1,
1325 1999. Should a member retired on disability be returned to active
1326 service, the option previously selected shall be null and void.
1327 Upon subsequent retirement a new option may be selected.

1328 (3) Any retired member who is receiving a reduced retirement
1329 allowance under Option 2 or Option 4-A whose designated

1330 beneficiary predeceases him, or whose marriage to a spouse who is
1331 his designated beneficiary is terminated by divorce or other
1332 dissolution, may elect to cancel his reduced retirement allowance
1333 and receive the maximum retirement allowance for life in an amount
1334 equal to the amount that would have been payable if the member had
1335 not elected Option 2 or Option 4-A. Such election must be made in
1336 writing to the office of the executive director of the system on a
1337 form prescribed by the board. Any such election shall be
1338 effective the first of the month following the date the election
1339 is received by the system.

1340 (4) Any retired member who is receiving the maximum
1341 retirement allowance for life, or a retirement allowance under
1342 Option 1, and who marries after his retirement may elect to cancel
1343 his maximum retirement allowance and receive a reduced retirement
1344 allowance under Option 2 or Option 4-A to provide continuing
1345 lifetime benefits to his spouse. Such election must be made in
1346 writing to the office of the executive director of the system on a
1347 form prescribed by the board not earlier than the date of the
1348 marriage. Any such election shall be effective the first of the
1349 month following the date the election is received by the system.
1350 The amount of the reduced retirement allowance shall be the
1351 actuarial equivalent, taking into account that the member received
1352 the maximum retirement allowance for a period of time before
1353 electing to receive a reduced retirement allowance. However, if a
1354 retiree marries or remarries after retirement and elects either
1355 Option 2 or Option 4-A as provided in subsection (2) or (4) of
1356 this section, the actuarial equivalent factor used to compute the
1357 reduced retirement allowance shall be the factor for the age of
1358 the retiree and his or her beneficiary at the time such election
1359 for recalculation of benefits is made.

1360 (5) Any member in service who has qualified for retirement
1361 benefits may select any optional method of settlement of
1362 retirement benefits by notifying the Executive Director of the
1363 Board of Trustees of the Public Employees' Retirement System in
1364 writing, on a form prescribed by the board, of the option he has

1365 selected and by naming the beneficiary of such option and
1366 furnishing necessary proof of age. Such option, once selected,
1367 may be changed at any time prior to actual retirement or death,
1368 but upon the death or retirement of the member, the optional
1369 settlement shall be placed in effect upon proper notification to
1370 the executive director.

1371 (6) Notwithstanding any provision of Section 25-13-1 et
1372 seq., no payments may be made for a retirement allowance on a
1373 monthly basis for a period of time in excess of that allowed by
1374 federal law.

1375 (7) If a retirant and his eligible beneficiary, if any, both
1376 die before they have received in annuity payments a total amount
1377 equal to the accumulated contributions standing to the retirant's
1378 credit in the annuity savings account at the time of his
1379 retirement, the difference between the accumulated contributions
1380 and the total amount of annuities received by them shall be paid
1381 to such persons as the retirant has nominated by written
1382 designation duly executed and filed in the office of the executive
1383 director. If no designated person survives the retirant and his
1384 beneficiary, the difference, if any, shall be paid pursuant to
1385 Section 25-13-21.1(1).

1386 (8) Any retired member who retired on Option 2(5) or 4-A(5)
1387 before July 1, 1999, who is still receiving a retirement allowance
1388 as of July 1, 1999, shall receive an increase in the annual
1389 retirement allowance effective July 1, 1999, equal to the amount
1390 they would have received under Option 2 or Option 4-A without a
1391 reduction for Option 5 based on the ages at retirement of the
1392 retiree and beneficiary and option factors in effect on July 1,
1393 1999. Such increase shall be prospective only.

1394 (9) For purposes of this section:

1395 (a) "Beneficiary" means any person designated to
1396 receive a retirement allowance, an annuity or other benefit as
1397 provided by this chapter. Such designation shall be in writing
1398 filed in the office of the Executive Director of the Board of
1399 Trustees of the Public Employees' Retirement System, and no

1400 designation or change of beneficiary shall be made in any other
1401 manner; however, notwithstanding any provision of this chapter to
1402 the contrary, the lawful spouse of a member at the time of the
1403 death of a member shall be the beneficiary of such member unless
1404 the member has designated another beneficiary subsequent to the
1405 date of marriage.

1406 (b) "Actuarial equivalent" shall mean a benefit of
1407 equal value to the accumulated contributions, annuity or benefit,
1408 as the case may be, when computed upon the basis of such mortality
1409 tables as shall be adopted by the board of trustees, and regular
1410 interest.

1411 (c) "Actuarial tables" shall mean such tables of
1412 mortality and rates of interest as shall be adopted by the board
1413 in accordance with the recommendation of the actuary.

1414 SECTION 15. Section 25-11-112, Mississippi Code of 1972, is
1415 amended as follows:

1416 25-11-112. (1) Any member who is receiving a retirement
1417 allowance for service or disability retirement, or any beneficiary
1418 thereof, who has received a monthly benefit for at least one (1)
1419 full fiscal year, shall be eligible to receive an additional
1420 benefit, on December 1 or July 1 of the year as provided in
1421 subsection (3) of this section, equal to the greater of the
1422 amounts calculated under paragraph (a) or (b) below:

1423 (a) An amount equal to four percent (4%) of the annual
1424 retirement allowance multiplied by the number of full fiscal years
1425 in retirement through June 30, 1998; or

1426 (b) The sum of:

1427 (i) An amount equal to three percent (3%) of the
1428 annual retirement allowance multiplied by the number of full
1429 fiscal years in retirement before the end of the fiscal year in
1430 which the member reaches age fifty-five (55), plus

1431 (ii) An additional amount equal to three percent
1432 (3%) compounded by the number of full fiscal years in retirement
1433 beginning with the fiscal year in which the member reaches age
1434 fifty-five (55), multiplied by the amount of the annual retirement

1435 allowance.

1436 (2) The calculation of the beneficiary's additional benefit
1437 under subsection (1)(b)(i) or (1)(b)(ii) of this section shall be
1438 based on the member's age and full fiscal years in retirement as
1439 if the member had lived.

1440 (3) The additional benefit provided for under this section
1441 shall be paid in one (1) payment in December of each year to those
1442 persons who are receiving a retirement allowance on December 1 of
1443 that year, unless an election is made under this subsection.
1444 However, if a retiree who is receiving a retirement allowance that
1445 will terminate upon the retiree's death is receiving the
1446 additional benefit in one (1) payment and dies on or after July 1
1447 but before December 1, the beneficiary designated on the
1448 retirement application, if any, shall receive in a single payment
1449 a fractional part of the additional benefit based on the number of
1450 months in which a retirement allowance was received during the
1451 fiscal year. Likewise, if a retiree is receiving a retirement
1452 allowance that will terminate upon his or her death in two (2) to
1453 six (6) monthly installments, any remaining payments of the
1454 additional benefit will be paid in a lump sum to the beneficiary
1455 designated on the application, or if none, pursuant to Section
1456 25-11-117.1(1). Any similar remaining payments of additional
1457 benefits payable under this section to a deceased beneficiary who
1458 was receiving a monthly benefit shall be payable in accordance
1459 with the provisions of Section 25-11-117.1(2).

1460 Retired members or beneficiaries thereof who on July 1, 1999,
1461 or July 1 of any fiscal year thereafter, are receiving a
1462 retirement allowance, may elect by an irrevocable agreement in
1463 writing filed in the office of the Public Employees' Retirement
1464 System no less than thirty (30) days before July 1 of the
1465 appropriate year, to begin receiving the additional benefit
1466 provided for under this section in twelve (12) equal monthly
1467 installments beginning July 1, 1999, or July 1 of any fiscal year
1468 thereafter. This irrevocable agreement shall be binding on the
1469 member and subsequent beneficiaries. Payment of those monthly

1470 installments shall not extend beyond the month in which a
1471 retirement allowance is due and payable.

1472 (4) The additional payment or payments provided for under
1473 this section are for the fiscal year in which they are paid.

1474 (5) The amount provided for under subsection (1)(b)(ii) of
1475 this section is calculated using the following formula:

1476 $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,

1477 where n is the number of full fiscal years in retirement beginning
1478 with the fiscal year in which the member reaches age fifty-five
1479 (55).

1480 (6) Any retired member or beneficiary thereof who has
1481 previously elected to receive the additional annual payment in
1482 monthly installments may elect, upon application on a form
1483 prescribed by the board of trustees, to have that payment made in
1484 one (1) additional payment each year. This written election must
1485 be filed in the office of the Public Employees' Retirement System
1486 before June 1, 2000, and shall be effective for the fiscal year
1487 beginning July 1, 2000.

1488 (7) In the event of death of a retired member or a
1489 beneficiary thereof who is receiving the additional annual payment
1490 in two (2) to six (6) monthly installments pursuant to an election
1491 made before July 1, 1999, and who would otherwise be eligible to
1492 receive the additional benefit provided for under this section in
1493 one (1) payment in December of the current fiscal year, any
1494 remaining amounts shall be paid in a lump sum to the designated
1495 beneficiary.

1496 SECTION 16. Section 25-11-114, Mississippi Code of 1972, is
1497 amended as follows:

1498 25-11-114. (1) The applicable benefits provided in
1499 subsections (2) and (3) of this section shall be paid to eligible
1500 beneficiaries of any member who has completed four (4) or more
1501 years of creditable service and who dies before retirement and who
1502 has not filed a Pre-Retirement Optional Retirement Form as
1503 provided in Section 25-11-111.

1504 (2) (a) The member's surviving spouse who has been married

1505 to the member for not less than one (1) year immediately preceding
1506 his death shall receive an annuity computed in accordance with
1507 paragraph (d) of this subsection (2) as if the member:

1508 (i) Had retired on the date of his death with
1509 entitlement to an annuity provided for in Section 25-11-111,
1510 notwithstanding that he might not have attained age sixty (60) or
1511 acquired twenty-five (25) years of creditable service;

1512 (ii) Had nominated his spouse as beneficiary; and

1513 (b) If, at the time of the member's death, there are no
1514 dependent children, and the surviving spouse, who otherwise would
1515 receive the annuity under this subsection (2), has filed with the
1516 system a signed written waiver of his or her rights to the annuity
1517 and that waiver was in effect at the time of the member's death, a
1518 lump sum distribution of the deceased member's accumulated
1519 contributions shall be refunded in accordance with Section
1520 25-11-117.

1521 (c) The spouse annuity shall begin on the first day of
1522 the month following the date of the member's death, but in case of
1523 late filing, retroactive payments will be made for a period of not
1524 more than one (1) year.

1525 (d) The spouse annuity shall be the greater of twenty
1526 percent (20%) of the deceased member's average compensation as
1527 defined in Section 25-11-103 at the time of death or Fifty Dollars
1528 (\$50.00) monthly. If the spouse dies or if the spouse remarries
1529 before age sixty (60), the spouse annuity shall terminate.

1530 (e) However, the spouse may elect by an irrevocable
1531 agreement on a form prescribed by the board of trustees to receive
1532 a monthly allowance as computed under either paragraph (d) or this
1533 paragraph. Such irrevocable agreement shall constitute a waiver
1534 by the spouse to any current and future monthly allowance under
1535 the paragraph not elected and such waiver shall be a complete and
1536 full discharge of all obligations of the retirement system under
1537 such paragraph.

1538 Any member who has completed four (4) or more years of
1539 creditable service and who dies before retirement and leaves a

1540 spouse who has been married to the member for not less than one
1541 (1) year immediately preceding his death and has not exercised any
1542 other option shall be deemed to have exercised Option 2 under
1543 Section 25-11-115 for the benefit of his spouse, which spouse
1544 shall be paid Option 2 settlement benefits under this article
1545 beginning on the first of the month following the date of death,
1546 but in case of late filing, retroactive payments will be made for
1547 a period of not more than one (1) year. The method of calculating
1548 such retirement benefits shall be on the same basis as provided in
1549 Section 25-11-111(d). However, if the member dies before being
1550 qualified for full unreduced benefits, then the benefits shall be
1551 reduced by three percent (3%) per year for the lesser of either
1552 the years of service or age required for full unreduced benefits
1553 in Section 25-11-111(d).

1554 (3) (a) Subject to the maximum limitation provided in this
1555 paragraph, the member's dependent children each shall receive an
1556 annuity of the greater of ten percent (10%) of the member's
1557 average compensation as defined in Section 25-11-103 at the time
1558 of the death of the member or Fifty Dollars (\$50.00) monthly;
1559 however, if there are more than three (3) dependent children, each
1560 dependent child shall receive an equal share of a total annuity
1561 equal to thirty percent (30%) of the member's average
1562 compensation, provided that such total annuity shall not be less
1563 than One Hundred Fifty Dollars (\$150.00) per month for all
1564 children.

1565 (b) A child shall be considered to be a dependent child
1566 until marriage, or the attainment of age nineteen (19), whichever
1567 comes first; however, this age limitation shall be extended beyond
1568 age nineteen (19), but in no event beyond the attainment of age
1569 twenty-three (23), as long as the child is a student regularly
1570 pursuing a full-time course of resident study or training in an
1571 accredited high school, trade school, technical or vocational
1572 institute, junior or community college, college, university or
1573 comparable recognized educational institution duly licensed by a
1574 state. A student child whose birthday falls during the school

1575 year (September 1 through June 30) is considered not to reach age
1576 twenty-three (23) until the July 1 following the actual
1577 twenty-third birthday. A full-time course of resident study or
1578 training means a day or evening noncorrespondence course that
1579 includes school attendance at the rate of at least thirty-six (36)
1580 weeks per academic year or other applicable period with a subject
1581 load sufficient, if successfully completed, to attain the
1582 educational or training objective within the period generally
1583 accepted as minimum for completion, by a full-time day student, of
1584 the academic or training program concerned. Any child who is
1585 physically or mentally incompetent, as adjudged by either a
1586 Mississippi court of competent jurisdiction or by the board, shall
1587 receive benefits for as long as the incompetency exists.

1588 (c) If there are more than three (3) dependent
1589 children, upon a child's ceasing to be a dependent child, his
1590 annuity shall terminate and there shall be a redetermination of
1591 the amounts payable to any remaining dependent children.

1592 (d) Annuities payable under this subsection (3) shall
1593 begin the first day of the month following the date of the
1594 member's death or in case of late filing, retroactive payments
1595 will be made for a period of not more than one (1) year. Such
1596 benefits may be paid to a surviving parent or the lawful custodian
1597 of a dependent child for the use and benefit of such child without
1598 the necessity of appointment as guardian.

1599 (4) (a) Death benefits in the line of duty. Regardless of
1600 the number of years of the member's creditable service, the spouse
1601 and/or the dependent children of an active member who is killed in
1602 the line of performance of duty or dies as a direct result of an
1603 accident occurring in the line of performance of duty shall
1604 qualify, on approval of the board, for a retirement allowance on
1605 the first of the month following the date of death, but in the
1606 case of late filing, retroactive payments will be made for a
1607 period of not more than one (1) year. The spouse shall receive a
1608 retirement allowance equal to one-half (1/2) of the average
1609 compensation as defined in Section 25-11-103. In addition to the

1610 retirement allowance for the spouse, or if there is no surviving
1611 spouse, the member's dependent child shall receive a retirement
1612 allowance in the amount of one-fourth (1/4) of the member's
1613 average compensation as defined in Section 25-11-103; however, if
1614 there are two (2) or more dependent children, each dependent child
1615 shall receive an equal share of a total annuity equal to one-half
1616 (1/2) of the member's average compensation. If there are more
1617 than two (2) dependent children, upon a child's ceasing to be a
1618 dependent child, his annuity shall terminate and there shall be a
1619 redetermination of the amounts payable to any remaining dependent
1620 children. Such benefits shall cease to be paid for the support
1621 and maintenance of each child upon such child attaining the age of
1622 nineteen (19) years; however, the spouse shall continue to be
1623 eligible for the aforesaid retirement allowance. Such benefits
1624 may be paid to a surviving parent or lawful custodian of such
1625 children for the use and benefit of the children without the
1626 necessity of appointment as guardian. Such retirement allowance
1627 shall cease to the spouse upon remarriage but continue to be
1628 payable for each dependent child until the age of nineteen (19)
1629 years.

1630 (b) A child shall be considered to be a dependent child
1631 until marriage, or the attainment of age nineteen (19), whichever
1632 comes first; however, this age limitation shall be extended beyond
1633 age nineteen (19), but in no event beyond the attainment of age
1634 twenty-three (23), as long as the child is a student regularly
1635 pursuing a full-time course of resident study or training in an
1636 accredited high school, trade school, technical or vocational
1637 institute, junior or community college, college, university or
1638 comparable recognized educational institution duly licensed by a
1639 state. A student child whose birthday falls during the school
1640 year (September 1 through June 30) is considered not to reach age
1641 twenty-three (23) until the July 1 following the actual
1642 twenty-third birthday. A full-time course of resident study or
1643 training means a day or evening noncorrespondence course that
1644 includes school attendance at the rate of a least thirty-six (36)

1645 weeks per academic year or other applicable period with a subject
1646 load sufficient, if successfully completed, to attain the
1647 educational or training objective within the period generally
1648 accepted as minimum for completion, by a full-time day student, of
1649 the academic or training program concerned. Any child who is
1650 physically or mentally incompetent, as adjudged by either a
1651 Mississippi court of competent jurisdiction or by the board, shall
1652 receive benefits for as long as the incompetency exists.

1653 (5) If all the annuities provided for in this section
1654 payable on account of the death of a member terminate before there
1655 has been paid an aggregate amount equal to the member's
1656 accumulated contributions standing to the member's credit in the
1657 annuity savings account at the time of the member's death, the
1658 difference between the accumulated contributions and the aggregate
1659 amount of annuity payments shall be paid to such person as the
1660 member has nominated by written designation duly executed and
1661 filed with the board. If there is no designated beneficiary
1662 surviving at termination of benefits, the difference shall be
1663 payable pursuant to Section 25-11-117.1(1).

1664 (6) Regardless of the number of years of creditable service
1665 upon the application of a member or employer, any active member
1666 who becomes disabled as a direct result of an accident or
1667 traumatic event resulting in a physical injury occurring in the
1668 line of performance of duty, provided the medical board or other
1669 designated governmental agency after a medical examination
1670 certifies that the member is mentally or physically incapacitated
1671 for the further performance of duty and such incapacity is likely
1672 to be permanent, may be retired by the board of trustees on the
1673 first of the month following the date of filing such application
1674 but in no event shall the retirement allowance commence before the
1675 termination of state service. The retirement allowance shall
1676 equal the allowance on disability retirement as provided in
1677 Section 25-11-113 but shall not be less than fifty percent (50%)
1678 of average compensation.

1679 Permanent and total disability resulting from a

1680 cardiovascular, pulmonary or musculo-skeletal condition which was
1681 not a direct result of a traumatic event occurring in the
1682 performance of duty shall be deemed an ordinary disability. A
1683 mental disability based exclusively on employment duties occurring
1684 on an ongoing basis shall be deemed an ordinary disability.

1685 (7) In the event the deceased or disabled member has less
1686 than four (4) years of creditable service, the average
1687 compensation as defined in Section 25-11-103 shall be the average
1688 of all annual earned compensation in state service for the
1689 purposes of benefits provided in this section.

1690 (8) In case of death or total and permanent disability under
1691 subsection (4) or subsection (6) of this section and before the
1692 board shall consider any application for a retirement allowance,
1693 the employer must certify to the board that the member's death or
1694 disability was a direct result of an accident or a traumatic event
1695 occurring during and as a result of the performance of the regular
1696 and assigned duties of the employee and that the death or
1697 disability was not the result of the willful negligence of the
1698 employee.

1699 (9) The application for such retirement allowance must be
1700 filed within one (1) year after death of an active member who is
1701 killed in the line of performance of duty or dies as a direct
1702 result of an accident occurring in the line of performance of duty
1703 or traumatic event; but the board of trustees may consider an
1704 application for disability filed after the one-year period if it
1705 can be factually demonstrated to the satisfaction of the board of
1706 trustees that the disability is due to the accident and that the
1707 filing was not accomplished within the one-year period due to a
1708 delayed manifestation of the disability or to circumstances beyond
1709 the control of the member. However, in case of late filing,
1710 retroactive payments will be made for a period of not more than
1711 one (1) year only.

1712 (10) Notwithstanding any other section of this article and
1713 in lieu of any payments to a designated beneficiary for a refund
1714 of contributions under Section 25-11-117, the spouse and/or

1715 children shall be eligible for the benefits payable pursuant to
1716 this section, and the spouse may elect, for both the spouse and/or
1717 children, to receive benefits in accordance with either
1718 subsections (2) and (3) or subsection (4) of this section;
1719 otherwise, the contributions to the credit of the deceased member
1720 shall be refunded in accordance with Section 25-11-117.

1721 (11) If the member has previously received benefits from the
1722 system to which he was not entitled and has not repaid in full all
1723 amounts payable by him to the system, the annuity amounts
1724 otherwise provided by this section shall be withheld and used to
1725 effect repayment until the total of the withholdings repays in
1726 full all amounts payable by him to the system.

1727 SECTION 17. Section 25-11-117, Mississippi Code of 1972, is
1728 amended as follows:

1729 25-11-117. (1) A member may be paid a refund of the amount
1730 of accumulated contributions to the credit of the member in the
1731 annuity savings account provided the member has withdrawn from
1732 state service and further provided the member has not returned to
1733 state service on the date the refund of the accumulated
1734 contributions would be paid. Such refund of the contributions to
1735 the credit of the member in the annuity savings account shall be
1736 paid within ninety (90) days from receipt in the office of the
1737 retirement system of the properly completed form requesting such
1738 payment. In the event of death prior to retirement of any member
1739 whose spouse and/or children are not entitled to a retirement
1740 allowance, the accumulated contributions to the credit of the
1741 deceased member in the annuity savings account shall be paid to
1742 the designated beneficiary on file in writing in the office of
1743 executive director of the board of trustees within ninety (90)
1744 days from receipt of a properly completed form requesting such
1745 payment. If there is no such designated beneficiary on file for
1746 such deceased member in the office of the system, upon the filing
1747 of a proper request with the board, the contributions to the
1748 credit of the deceased member in the annuity savings account shall
1749 be refunded pursuant to Section 25-11-117.1(1). The payment of

1750 the refund shall discharge all obligations of the retirement
1751 system to the member on account of any creditable service rendered
1752 by the member prior to the receipt of the refund. By the
1753 acceptance of the refund, the member shall waive and relinquish
1754 all accrued rights in the system.

1755 (2) Pursuant to the Unemployment Compensation Amendments of
1756 1992 (P.L. 102-318 (UCA)), a member or eligible beneficiary
1757 eligible for a refund under this section may elect on a form
1758 prescribed by the board under rules and regulations established by
1759 the board, to have an eligible rollover distribution of
1760 accumulated contributions payable under this section paid directly
1761 to an eligible retirement plan or individual retirement account.
1762 If the member or eligible beneficiary makes such election and
1763 specifies the eligible retirement plan or individual retirement
1764 account to which such distribution is to be paid, the distribution
1765 will be made in the form of a direct trustee-to-trustee transfer
1766 to the specified eligible retirement plan. Flexible rollovers
1767 under this subsection shall not be considered assignments under
1768 Section 25-11-129.

1769 (3) If any person who has received a refund reenters the
1770 state service and again becomes a member of the system, the member
1771 may repay all or part of the amounts previously received as a
1772 refund, together with regular interest covering the period from
1773 the date of refund to the date of repayment; provided, however,
1774 that the amounts that are repaid by the member and the creditable
1775 service related thereto shall not be used in any benefit
1776 calculation or determination until the member has remained a
1777 contributor to the system for a period of at least four (4) years
1778 subsequent to such member's reentry into state service. Repayment
1779 for such time shall be made in increments of not less than
1780 one-quarter (1/4) year of creditable service beginning with the
1781 most recent service for which refund has been made. Upon the
1782 repayment of all or part of such refund and interest, the member
1783 shall again receive credit for the period of creditable service
1784 for which full repayment has been made to the system.

1785 SECTION 18. Section 25-13-12, Mississippi Code of 1972, is
1786 amended as follows:

1787 25-13-12. (1) Patrol officers who have retired and who on
1788 December 1 of each year, or July 1 of each year as provided for in
1789 subsection (7) of this section, are receiving a retirement
1790 allowance for service or disability retirement, or their
1791 beneficiaries, shall receive in one (1) additional payment an
1792 amount equal to two and one-half percent (2-1/2%) of the annual
1793 retirement allowance for each full fiscal year of retirement.

1794 (2) Persons who on December 1 of each year are receiving a
1795 retirement allowance for service or disability retirement, or
1796 their beneficiaries, may receive, in addition to the amount
1797 provided in subsection (1) of this section, a payment, as
1798 determined by the board, calculated in increments of one-quarter
1799 of one percent (1/4 of 1%), not to exceed one and one-half percent
1800 (1-1/2%) of the annual retirement allowance, for each full year of
1801 retirement, provided that any such payment shall be contingent
1802 upon the reserve for annuities in force for retired members and
1803 beneficiaries providing sufficient investment gains in excess of
1804 the accrued actuarial liabilities for the previous fiscal year as
1805 certified by the actuary and determined by the board.

1806 (3) The percentages in this section shall be based on each
1807 full fiscal year that the retired member or beneficiary has
1808 actually drawn retirement payments from the date of retirement, or
1809 the date of last retirement if there is more than one (1)
1810 retirement date.

1811 (4) If a retiree who is receiving a retirement allowance
1812 that will terminate upon the retiree's death is receiving the
1813 additional payments under subsections (1) and (2) of this section
1814 in one (1) payment and dies on or after July 1 but before December
1815 1, the beneficiary designated on the retirement application shall
1816 receive in a single payment a fractional part of the additional
1817 payments based on the number of months in which a retirement
1818 allowance was received during the fiscal year. If there is no
1819 surviving beneficiary, payment shall be made pursuant to Section

1820 25-13-21.1(1). Any similar remaining payments of additional
1821 benefit payable under this section to a deceased beneficiary who
1822 was receiving a monthly benefit, shall be payable in accordance
1823 with the provisions of Section 25-13-21.1(2).

1824 (5) Each retired member or beneficiary thereof who receives
1825 an annual retirement allowance based on the average compensation
1826 for a period of five (5) successive or joined years and who
1827 receives a retirement allowance for the month of June, 1986, shall
1828 receive an ad hoc increase of three percent (3%) in such
1829 retirement allowance effective July 1, 1986.

1830 (6) Persons eligible to receive the payments provided in
1831 subsections (1) and (2) of this section shall receive such
1832 payments in one (1) additional payment, except that such person
1833 may elect by an irrevocable agreement on a form prescribed by the
1834 board of trustees to receive such payments in not less than equal
1835 monthly installments not to exceed six (6) months during the
1836 remaining months of the current fiscal year. In the event of
1837 death of a retiree * * * receiving monthly benefits, any remaining
1838 amounts shall be paid in a lump sum to the * * * beneficiary
1839 designated on the retirement application, or if none, pursuant to
1840 Section 25-13-21.1(1). Any similar remaining payments of
1841 additional benefit payable under this section to a deceased
1842 beneficiary who was receiving a monthly benefit, shall be payable
1843 in accordance with the provisions of Section 25-13-21.1(2).

1844 (7) Retired persons or beneficiaries thereof who on July 1,
1845 1997, or July 1 of any fiscal year thereafter, are receiving a
1846 retirement allowance, may elect by an irrevocable agreement in
1847 writing filed in the office of the Public Employees' Retirement
1848 System no less than thirty (30) days before July 1 of the
1849 appropriate year, to begin receiving the payments provided for in
1850 subsection (1) of this section in twelve (12) equal installments
1851 beginning July 1, 1997, or July 1 of any fiscal year thereafter.
1852 This irrevocable agreement shall be binding on the member and
1853 subsequent beneficiaries. The cumulative percentage provided in
1854 subsection (1) of this section and paid in twelve (12) equal

1855 installments for any particular year shall not be less than the
1856 cumulative percentage provided for the previous year. However,
1857 payment of the installments shall not extend beyond the month in
1858 which a retirement allowance is due and payable. Any additional
1859 amounts approved by the board under subsection (2) of this section
1860 shall be paid in one (1) lump sum payment to retirees and
1861 beneficiaries in accordance with subsection (2) of this section.

1862 SECTION 19. Section 25-13-13, Mississippi Code of 1972, is
1863 amended as follows:

1864 25-13-13. (1) Upon the death of any highway patrolman who
1865 has retired for service or disability and who has not elected any
1866 other option under Section 25-13-16, his widow shall receive
1867 one-half (1/2) the benefit which he was receiving and each child
1868 not having attained his nineteenth birthday shall receive
1869 one-fourth (1/4) of his benefit, but not more than one-half (1/2)
1870 of the benefits shall be paid for the support and maintenance of
1871 two (2) or more children. Upon each child's attaining the age of
1872 nineteen (19) years, the child shall no longer be eligible for
1873 such benefit, and when all of such children have attained their
1874 nineteenth birthday, only the widow shall be eligible for one-half
1875 (1/2) the amount of his benefit. She shall continue to be
1876 eligible for such benefit in the amount of fifty percent (50%) of
1877 his retirement benefit so long as she may live and until she
1878 remarries. In the event of her remarriage at any time, her
1879 eligibility for the fifty percent (50%) benefits shall cease and
1880 terminate, but she will be eligible to continue to receive
1881 benefits for their children until the last child attains his or
1882 her nineteenth birthday in the manner aforesaid.

1883 (2) Upon the death of any highway patrolman who has served
1884 the minimum retirement period required for eligibility for such
1885 retirement program, his spouse and family shall receive all the
1886 benefits payable to the highway patrolman's beneficiaries as if he
1887 had retired at the time of his death. Such benefits cease as to
1888 the spouse upon remarriage but continue to be payable to each
1889 child until he reaches the age of nineteen (19) years. Such

1890 benefits are payable on a monthly basis.

1891 (3) The spouse and/or the dependent children of an active
1892 member who is killed in the line of performance of duty or dies as
1893 a direct result of an accident occurring in the line of
1894 performance of duty shall qualify, on approval of the board, for a
1895 retirement allowance on the first of the month following the date
1896 of death, but not before receipt of application by the board. The
1897 spouse shall receive a retirement allowance equal to one-half
1898 (1/2) of the average compensation of the deceased highway
1899 patrolman. In addition to the retirement allowance for the
1900 spouse, or if there is no surviving spouse, a retirement allowance
1901 shall be paid in the amount of one-fourth (1/4) of the average
1902 compensation for the support and maintenance of one (1) child or
1903 in the amount of one-half (1/2) of the average compensation for
1904 the support and maintenance of two (2) or more children. Such
1905 benefits shall cease to be paid for the support and maintenance of
1906 each child upon such child attaining the age of nineteen (19)
1907 years; however, the spouse shall continue to be eligible for the
1908 aforesaid retirement allowance. Benefits may be paid to a
1909 surviving parent or lawful custodian of such children for the use
1910 and benefit of the children without the necessity of appointment
1911 as guardian. Such retirement allowance shall cease to the spouse
1912 upon remarriage but continue to be payable for each dependent
1913 child until the age of nineteen (19) years.

1914 (4) All benefits accruing to any child under the provisions
1915 of this chapter shall be paid to the parent custodian of the
1916 children or the legal guardian.

1917 (5) Children receiving the benefits provided herein, who are
1918 permanently or totally disabled, shall continue to receive such
1919 benefits for as long as the medical board or other designated
1920 governmental agency certifies that such disability continues. The
1921 age limitation for benefits payable to a child under any provision
1922 of this section shall be extended beyond age nineteen (19), but in
1923 no event beyond the attainment of age twenty-three (23), as long
1924 as the child is a student regularly pursuing a full-time course of

1925 resident study or training in an accredited high school, trade
1926 school, technical or vocational institute, junior or community
1927 college, college, university or comparable recognized educational
1928 institution duly licensed by a state. A student child whose
1929 birthday falls during the school year (September 1 through June
1930 30) is considered not to reach age twenty-three (23) until the
1931 July 1 following the actual twenty-third birthday. A full-time
1932 course of resident study or training means a day or evening
1933 noncorrespondence course that includes school attendance at the
1934 rate of a least thirty-six (36) weeks per academic year or other
1935 applicable period with a subject load sufficient, if successfully
1936 completed, to attain the educational or training objective within
1937 the period generally accepted as minimum for completion, by a
1938 full-time day student, of the academic or training program
1939 concerned.

1940 (6) If all the annuities provided for in this section
1941 payable on the account of the death of a member terminate before
1942 there has been paid an aggregate amount equal to the member's
1943 accumulated contributions standing to the member's credit in the
1944 annuity savings account at the time of the member's death, the
1945 difference between the accumulated contributions and the aggregate
1946 amount of annuity payments shall be paid to such person as the
1947 member has nominated by written designation duly executed and
1948 filed with the board of trustees in the office of the Public
1949 Employees' Retirement System. If there is no designated
1950 beneficiary surviving at termination of benefits, the difference
1951 shall be payable pursuant to Section 25-13-21.1(1).

1952 (7) All benefits paid to a spouse or child due to the death
1953 of a member before or after retirement shall be paid in accordance
1954 with the statutory provisions set forth as of the date of death.

1955 SECTION 20. Section 25-13-21, Mississippi Code of 1972, is
1956 amended as follows:

1957 25-13-21. In the event a highway patrolman ceases to work
1958 for the Highway Safety Patrol for any reason other than
1959 occupational disease contracted or for any accident sustained by

1960 the patrolman by reason of his service or discharge of his duty in
1961 the Highway Patrol, and if the highway patrolman is not eligible
1962 for retirement either for service or disability, he shall be
1963 refunded the amount of his total contribution under the provisions
1964 of this chapter, including any credit transferred to his account
1965 in this system from any other system, at his request; and should
1966 he die before retirement, such fund is to be refunded to any
1967 beneficiary he may name. If there is no surviving designated
1968 beneficiary, the contributions to the credit of the deceased
1969 member shall be refunded pursuant to Section 25-13-21.1(1).

1970 Pursuant to the Unemployment Compensation Amendments of 1992
1971 (P.L. 102-318 (UCA)), a member or eligible beneficiary eligible
1972 for a refund under this section may elect on a form prescribed by
1973 the board under rules and regulations established by the board, to
1974 have an eligible roll over distribution of accumulated
1975 contributions payable under this section paid directly to an
1976 eligible retirement plan or individual retirement account. If the
1977 member or eligible beneficiary makes such election and specifies
1978 the eligible retirement plan or individual retirement account to
1979 which such distribution is to be paid, the distribution will be
1980 made in the form of a direct trustee to trustee transfer to the
1981 specified eligible retirement plan. Flexible roll overs under
1982 this subsection shall not be considered assignments under Section
1983 25-13-31.

1984 If any highway patrolman who shall receive a refund reenters
1985 the service of the Highway Safety Patrol and again becomes a
1986 member of the system, he may repay all amounts previously received
1987 by him as a refund, together with regular interest covering the
1988 period from the date of refund to the date of repayment; however,
1989 the amounts that are repaid by the member and the creditable
1990 service related thereto shall not be used in any benefit
1991 calculation or determination until the member has remained a
1992 contributor to the system for a period of at least five (5) years
1993 after such member's reentry into state service. Repayment for
1994 such time shall be made in increments of not less than one-quarter

1995 (1/4) year of creditable service beginning with the most recent
1996 service for which refund has been made. Upon the repayment of all
1997 or part of such refund and interest, the highway patrolman shall
1998 again receive credit for the period of creditable service for
1999 which full repayment has been made to the system.

2000 SECTION 21. This act shall take effect and be in force from
2001 and after July 1, 2000.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO CREATE NEW SECTION 25-11-115.2, MISSISSIPPI CODE OF
2 1972, TO PROVIDE THAT THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
3 SHALL NOT KNOWINGLY ALLOW BENEFIT PAYMENTS TO BE MADE DIRECTLY TO
4 PERSONS WHO ARE DETERMINED TO BE LEGALLY INCOMPETENT; TO PROVIDE
5 THAT ANY PERSON WHO COMES TO BE KNOWN BY THE SYSTEM AS INCAPABLE
6 OF APPLYING FOR, MANAGING OR DIRECTING THE MANAGEMENT OF BENEFITS
7 BY REASON OF MENTAL OR PHYSICAL IMPAIRMENT SHALL BE DIRECTED TO
8 OBTAIN A CONSERVATOR OR LEGAL GUARDIAN; TO PROVIDE THAT THE SYSTEM
9 MAY DESIGNATE A REPRESENTATIVE PAYEE FOR SUCH PERSON UNDER CERTAIN
10 CIRCUMSTANCES; TO PROVIDE THAT CERTIFICATION BY A MEDICAL DOCTOR
11 OF INCAPACITY TO APPLY FOR, MANAGE OR DIRECT THE MANAGEMENT OF
12 BENEFITS SHALL BE REQUIRED BY THE SYSTEM BEFORE APPOINTMENT OF A
13 REPRESENTATIVE PAYEE; TO REQUIRE A REPRESENTATIVE PAYEE TO APPLY
14 BENEFITS PAID ONLY FOR THE USE AND BENEFIT OF THE BENEFIT
15 RECIPIENT; TO LIMIT THE LIABILITY OF THE RETIREMENT SYSTEM FOR
16 PAYMENTS MADE TO A REPRESENTATIVE PAYEE; TO PROVIDE OPTION UNDER
17 WHICH ANNUITY PAYMENTS SHALL BE PAID TO AN INCAPACITATED PERSON IN
18 THE ABSENCE OF A CONSERVATOR, LEGAL GUARDIAN OR DURABLE POWER OF
19 ATTORNEY; TO CREATE NEW SECTIONS 25-11-117.1, 25-11-311.1 AND
20 23-13-21.1, MISSISSIPPI CODE OF 1972, TO DESIGNATE TO WHOM
21 BENEFITS ARE PAYABLE IN THE EVENT OF THE DEATH OF THE RETIREE AND
22 THE DESIGNATED BENEFICIARY OF THE RETIREE UNDER THE PUBLIC
23 EMPLOYEES' RETIREMENT SYSTEM, THE SUPPLEMENTAL LEGISLATIVE
24 RETIREMENT PLAN AND THE MISSISSIPPI HIGHWAY SAFETY PATROL
25 RETIREMENT SYSTEM; TO CREATE NEW SECTION 25-11-312, MISSISSIPPI
26 CODE OF 1972, TO AUTHORIZE THE BOARD OF TRUSTEES OF THE PUBLIC
27 EMPLOYEES' RETIREMENT SYSTEM TO ACCEPT AN ELIGIBLE ROLLOVER
28 DISTRIBUTION OR A DIRECT TRANSFER OF FUNDS FROM ANOTHER QUALIFIED
29 PLAN IN PAYMENT OF ALL OR A PORTION OF THE COST TO REINSTATE
30 PREVIOUSLY WITHDRAWN SERVICE CREDIT IN THE SUPPLEMENTAL
31 LEGISLATIVE RETIREMENT PLAN; TO PROVIDE THAT SUCH PLAN MAY ACCEPT
32 SUCH PAYMENTS IN AN AMOUNT EQUAL TO OR LESS THAN THE BALANCE DUE
33 FOR REINSTATEMENT OF SERVICE CREDIT; TO AMEND SECTION 25-11-103,
34 MISSISSIPPI CODE OF 1972, TO CLARIFY WHO IS DESIGNATED AS THE
35 BENEFICIARY OF A MEMBER IN CERTAIN SITUATIONS; TO AMEND SECTION
36 25-11-111, MISSISSIPPI CODE OF 1972, TO AUTHORIZE A RETIREE OR
37 BENEFICIARY TO IRREVOCABLY WAIVE ALL OR A PORTION OF THE
38 RETIREMENT BENEFITS TO WHICH THE RETIREE OR BENEFICIARY IS
39 ENTITLED; TO AMEND SECTION 25-11-115, MISSISSIPPI CODE OF 1972, TO
40 ESTABLISH A NEW RETIREMENT OPTION UNDER THE PUBLIC EMPLOYEES'
41 RETIREMENT SYSTEM TO ALLOW A MEMBER WHO HAS AT LEAST 28 YEARS OF
42 CREDITABLE SERVICE AT THE TIME OF RETIREMENT, OR WHO IS AT LEAST
43 63 YEARS OF AGE AT THE TIME OF RETIREMENT, TO RECEIVE A PARTIAL
44 LUMP SUM DISTRIBUTION; TO PROVIDE THAT THE LUMP SUM DISTRIBUTION
45 SHALL BE EQUAL TO THE MAXIMUM MONTHLY BENEFIT MULTIPLIED BY 12, 24
46 OR 36; TO PROVIDE THAT THE MEMBER'S BENEFIT SHALL BE REDUCED TO
47 REFLECT THE PAYMENT SELECTED COMPUTED TO RESULT IN NO ACTUARIAL
48 LOSS TO THE SYSTEM; TO AMEND SECTION 25-11-120, MISSISSIPPI CODE
49 OF 1972, TO LIMIT THE AMOUNT OF FEES THAT AN ATTORNEY MAY CHARGE

50 FOR AN APPEARANCE AT A HEARING RELATING TO ELIGIBILITY, PAYMENT OF
51 BENEFITS OR CALCULATION OF CREDITABLE SERVICE; TO AMEND SECTION
52 25-11-121, MISSISSIPPI CODE OF 1972, TO INCREASE THE AMOUNT OF
53 CERTAIN FOREIGN INVESTMENTS THAT THE RETIREMENT SYSTEM MAY MAKE TO
54 30% OF THE TOTAL BOOK VALUE OF ALL INVESTMENTS OF THE SYSTEM; TO
55 AMEND SECTIONS 25-11-131 AND 25-11-139, MISSISSIPPI CODE OF 1972,
56 TO CLARIFY THAT THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES'
57 RETIREMENT SYSTEM HAS THE DUTY TO CORRECT ERRORS IN PAYMENTS OF
58 BENEFITS; TO PROVIDE THAT SUCH CORRECTIONS SHALL BE MADE UPON
59 DETECTION OF THE ERROR, WITHOUT REGARD TO THE LENGTH IT TAKES FOR
60 THE BOARD TO BECOME AWARE OF THE ERROR; TO AMEND SECTION
61 25-11-311, MISSISSIPPI CODE OF 1972, TO AUTHORIZE A MEMBER OR
62 BENEFICIARY ELIGIBLE FOR A REFUND UNDER THE SUPPLEMENTAL
63 LEGISLATIVE RETIREMENT PLAN TO HAVE AN ELIGIBLE ROLLOVER
64 DISTRIBUTION OF ACCUMULATED CONTRIBUTIONS PAYABLE PAID DIRECTLY
65 INTO AN ELIGIBLE RETIREMENT PLAN OR INDIVIDUAL RETIREMENT ACCOUNT;
66 TO PROVIDE THE MANNER IN WHICH A MEMBER OF THE SUPPLEMENTAL
67 LEGISLATIVE RETIREMENT PLAN WHO HAS RECEIVED A REFUND AND IS
68 REELECTED TO THE LEGISLATURE MAY REPURCHASE CREDITABLE SERVICE IN
69 THE SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN; TO AMEND SECTION
70 25-13-16, MISSISSIPPI CODE OF 1972, TO ESTABLISH A NEW RETIREMENT
71 OPTION UNDER THE HIGHWAY SAFETY PATROL RETIREMENT SYSTEM TO ALLOW
72 A MEMBER WHO IS ELIGIBLE TO RETIRE WITH AN UNREDUCED BENEFIT AT 58
73 YEARS OF AGE TO RECEIVE A PARTIAL LUMP SUM DISTRIBUTION; TO
74 PROVIDE THAT THE LUMP SUM DISTRIBUTION SHALL BE EQUAL TO THE
75 MAXIMUM MONTHLY BENEFIT MULTIPLIED BY 12, 24 OR 36; TO PROVIDE
76 THAT THE MEMBER'S BENEFIT SHALL BE REDUCED TO REFLECT THE PAYMENT
77 SELECTED COMPUTED TO RESULT IN NO ACTUARIAL LOSS TO THE SYSTEM; TO
78 AMEND SECTIONS 25-11-112, 25-11-114, 25-11-117, 25-13-12, 25-13-13
79 AND 25-13-21, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE
80 PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.