

By: Representatives Barnett (116th), Creel,  
Janus, Simpson

To: Local and Private  
Legislation

## HOUSE BILL NO. 1554

1 AN ACT TO AMEND CHAPTER 435, LOCAL AND PRIVATE LAWS OF 1944,  
2 AS LAST AMENDED BY CHAPTER 1019, LOCAL AND PRIVATE LAWS OF 1999,  
3 TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF BILOXI TO  
4 PROVIDE FOR ANNUAL COST-OF-LIVING INCREASES FOR CURRENT AND FUTURE  
5 RETIRED MEMBERS OF THE GENERAL MUNICIPAL EMPLOYEES' RETIREMENT  
6 SYSTEM OF THE CITY OF BILOXI, AND BENEFICIARIES THEREOF, IN AN  
7 AMOUNT EQUAL TO THREE PERCENT OF THE ANNUAL RETIREMENT ALLOWANCE;  
8 TO PROVIDE THAT MEMBERS OF THE GENERAL MUNICIPAL EMPLOYEES'  
9 RETIREMENT SYSTEM WHO RETIRED BEFORE JULY 1, 2000, WILL ALSO  
10 RECEIVE A THREE PERCENT COST-OF-LIVING INCREASE FOR THE 2000-2001  
11 FISCAL YEAR; TO PROVIDE THAT THE COST-OF-LIVING INCREASES SHALL BE  
12 PAID IN ONE ADDITIONAL ANNUAL PAYMENT OR IN TWELVE EQUAL MONTHLY  
13 INSTALLMENTS, AS ELECTED BY THE RETIREE; TO PROVIDE THAT THE  
14 MAXIMUM CUMULATIVE PERCENTAGE OF ALL ANNUAL COST-OF-LIVING  
15 INCREASES RECEIVED UNDER THIS ACT SHALL NOT EXCEED THIRTY PERCENT  
16 OF THE ANNUAL RETIREMENT ALLOWANCE, UNLESS THE GOVERNING  
17 AUTHORITIES AUTHORIZE THE PAYMENT OF ADDITIONAL ANNUAL  
18 COST-OF-LIVING INCREASES ABOVE THIRTY PERCENT AND CERTAIN  
19 CONDITIONS ARE MET; TO PROVIDE THAT THE COST-OF-LIVING INCREASES  
20 AUTHORIZED UNDER THIS ACT SHALL BE SUSPENDED IF THE PUBLIC  
21 EMPLOYEES' RETIREMENT SYSTEM AT ANY TIME DETERMINES THAT  
22 CONTINUING THE PAYMENT OF THE COST-OF-LIVING INCREASES WOULD MAKE  
23 THE GENERAL MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM ACTUARIALLY  
24 UNSOUND; TO PROVIDE THAT THE COST-OF-LIVING INCREASES AUTHORIZED  
25 UNDER THIS ACT SHALL NOT BE IMPLEMENTED UNLESS THE GENERAL  
26 MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM CURRENTLY IS ACTUARIALLY  
27 SOUND AND WILL REMAIN ACTUARIALLY SOUND IF THE COST-OF-LIVING  
28 INCREASES ARE MADE; TO PROVIDE THAT IF THE COST-OF-LIVING  
29 INCREASES AUTHORIZED UNDER THIS ACT WOULD MAKE THE GENERAL  
30 MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM ACTUARIALLY UNSOUND, THE  
31 GOVERNING AUTHORITIES ARE AUTHORIZED TO PROVIDE FOR A REDUCED  
32 VERSION OF THE COST-OF-LIVING INCREASES THAT WOULD LEAVE THE  
33 RETIREMENT SYSTEM ACTUARIALLY SOUND; TO AUTHORIZE THE GOVERNING  
34 AUTHORITIES TO USE ANY AVAILABLE FUNDS TO SUPPLEMENT THE GENERAL  
35 MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM TO MAKE IT ACTUARIALLY  
36 SOUND; AND FOR RELATED PURPOSES.

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

38 SECTION 1. Chapter 435, Local and Private Laws of 1944, as  
39 amended by Chapter 573, Local and Private Laws of 1954, as amended  
40 by Chapter 96, Local and Private Laws of the Extraordinary Session  
41 of 1954, as amended by Chapter 945, Local and Private Laws of

42 1966, as amended by Chapter 897, Local and Private Laws of 1972,  
43 as amended by Chapter 975, Local and Private Laws of 1974, as  
44 amended by Chapter 996, Local and Private Laws of 1975, as amended  
45 by Chapter 966, Local and Private Laws of 1979, as amended by  
46 Chapter 816, Local and Private Laws of 1982, as amended by Section  
47 1 of Chapter 931, Local and Private Laws of 1993, as amended by  
48 Chapter 978, Local and Private Laws of 1995, as amended by Chapter  
49 989, Local and Private Laws of 1996, as amended by Chapter 988,  
50 Local and Private Laws of 1998, as amended by Chapter 1019, Local  
51 and Private Laws of 1999, is amended as follows:

52 Section 1. As used in this act:

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

54 (b) "Board" means the Board of Trustees of the Public  
55 Employees' Retirement System.

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

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

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

63 Section 2. The retirement system shall operate and be  
64 administered pursuant to provisions of the general law governing  
65 general municipal employees' retirement systems, being Section  
66 21-29-1 et seq., Mississippi Code of 1972, except that where  
67 provisions of this act conflict with the general law, this act  
68 shall prevail.

69 Section 3. Upon the retirement from service of any member,  
70 the board shall order the payment of a monthly sum to such retired  
71 member in an amount equal to fifty percent (50%) of the average  
72 monthly salary or compensation received by such member in the  
73 six-month period next before the filing of application for such  
74 retirement or the minimum monthly benefits authorized in

75 accordance with Section 7, whichever is greater, and such payments  
76 shall thereafter be made to such retired member for life.

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

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

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

105 Upon retirement from service on disability, the member shall  
106 receive a minimum payment equal to the greatest of the following:  
107 One Hundred Dollars (\$100.00) per month; one-fortieth (1/40) of

108 the final annual compensation multiplied by the number of years of  
109 actual service; or the minimum monthly benefits authorized  
110 pursuant to Section 7.

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

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

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

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

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

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

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

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

161           (2) After the governing authorities of the city have adopted  
162 a resolution to establish the additional payments authorized under  
163 subsection (1) of this section, and after the board has received  
164 the most recent actuarial study of the retirement system and the  
165 certified statement from the actuarial firm, pursuant to Section  
166 8, that the retirement system will remain actuarially sound if the  
167 additional payments are made, then the board shall make the  
168 additional payments to the persons authorized and entitled to  
169 receive the payments.

170           (3) Persons eligible to receive the payments authorized  
171 under this section shall receive such payments in one (1)  
172 additional payment, except that such person may elect by an  
173 irrevocable agreement on a form prescribed by the board to receive

174 such payments in not less than equal monthly installments not to  
175 exceed six (6) months during the remaining months of the current  
176 fiscal year. In the event of death of a person or a beneficiary  
177 thereof receiving monthly benefits, any remaining amounts shall be  
178 paid in a lump sum to the estate of the retired member or  
179 beneficiary.

180 (4) After the effective date of House Bill No. 1554, 2001  
181 Regular Session, all new cost-of-living increases for retirees of  
182 the retirement system and beneficiaries thereof shall be made  
183 under Section 11 and not under this section. All cost-of-living  
184 increases previously made under this section shall continue to be  
185 paid each year, but no new or additional cost-of-living increases  
186 shall be made under this section after the effective date of House  
187 Bill No. 1554, 2001 Regular Session.

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

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

205 Section 8. Payment of the additional payments authorized  
206 under Section 6 or the minimum monthly benefits authorized under

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

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

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

235 (3) After the governing authorities of the city have adopted  
236 a resolution to provide creditable service for unused,  
237 uncompensated leave as authorized under subsection (1) of this  
238 section, and after the board has received the most recent  
239 actuarial study of the retirement system and the certified

240 statement from the actuarial firm that the retirement system will  
241 remain actuarially sound if creditable service for unused,  
242 uncompensated leave is provided, then the board shall provide  
243 creditable service for unused, uncompensated leave to members of  
244 the retirement system at the time of retirement in accordance with  
245 subsection (1) of this section, and such creditable service shall  
246 be used in calculating the members' retirement benefits under  
247 Section 21-29-1 et seq., Mississippi Code of 1972, and Sections 3  
248 through 5.

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

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

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



273 statement from the actuarial firm that prepared the most recent  
274 actuarial study.

275 (3) After the governing authorities of the city have adopted  
276 a resolution to include within earned compensation payments as  
277 provided under subsection (1) of this section, and after the board  
278 has received the most recent actuarial study of the retirement  
279 system and the certified statement from the actuarial firm that  
280 the retirement system will remain actuarially sound if the  
281 inclusion of such payments is authorized, then the board may  
282 include such payments within the earned compensation of members at  
283 the time of retirement, in accordance with subsection (1) of this  
284 section, when calculating the members' retirement benefits under  
285 Section 21-29-1 et seq., Mississippi Code of 1972, and Sections 3  
286 through 5.

287 (4) Nothing in this section shall limit or otherwise  
288 restrict the power of the governing authorities of the city to  
289 adopt such vacation and sick leave policies as they deem  
290 necessary.

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

299 (a) Any person who is receiving a retirement allowance  
300 on the effective date of House Bill No. 1554, 2001 Regular  
301 Session, and who was receiving a retirement allowance on May 1,  
302 2000, shall receive a cost-of-living increase on December 1, 2001,  
303 or on July 1, 2001, as provided in paragraph (d) of this  
304 subsection, in an amount equal to six percent (6%) of the annual  
305 retirement allowance. In subsequent years, in addition to and

306 cumulative to the cost-of-living increase received in the year  
307 2001, any such person or beneficiary thereof shall receive a  
308 cost-of-living increase on December 1 or July 1 of the year, as  
309 provided in paragraph (d) of this subsection, in an amount equal  
310 to three percent (3%) of the annual retirement allowance for each  
311 full fiscal year in retirement after June 30, 2001. The  
312 cost-of-living increases provided for under this paragraph (a)  
313 shall be in addition to and cumulative to any cost-of-living  
314 increases previously received under the provisions of Section 6.  
315 For the purposes of this section, "fiscal year" means the period  
316 from July 1 of any year through June 30 of the following year.

317 (b) Any person who retires on or after May 1, 2000, or  
318 any beneficiary thereof, who has received a monthly retirement  
319 allowance for at least one (1) full fiscal year after June 30,  
320 2000, shall receive a cost-of-living increase on December 1 or  
321 July 1 of the year, as provided in paragraph (d) of this section,  
322 in an amount equal to three percent (3%) of the annual retirement  
323 allowance for each full fiscal year in retirement.

324 (c) Notwithstanding the provisions of paragraph (b) of  
325 this subsection, any person who, retired under the retirement  
326 system before May 1, 2000, and later was reemployed by the city or  
327 employed by any other municipality or other governmental entity in  
328 a position that caused the person to stop receiving a retirement  
329 allowance from the retirement system during the person's period of  
330 reemployment or subsequent employment, who retires from his or her  
331 reemployment or subsequent employment on or after January 1, 2001,  
332 and is again receiving a retirement allowance from the retirement  
333 system, shall begin receiving the cost-of-living increases  
334 authorized under this section in the year that the person retires  
335 from his or her reemployment or subsequent employment, if more  
336 than one (1) full fiscal year has passed since the person's  
337 initial retirement from the city. In the year that the person  
338 retires from his or her reemployment or subsequent employment, the

339 person or beneficiary thereof shall receive a cost-of-living  
340 increase on December 1 or July 1 of the year, as provided in  
341 paragraph (d) of this subsection, in an amount equal to three  
342 percent (3%) of the annual retirement allowance. In subsequent  
343 years, in addition to and cumulative to the cost-of-living  
344 increase received in the year of retirement, any such person or  
345 beneficiary thereof shall receive a cost-of-living increase on  
346 December 1 or July 1 of the year, as provided in paragraph (d) of  
347 this subsection, in an amount equal to three percent (3%) of the  
348 annual retirement allowance for each full fiscal year after June  
349 30 of the year of retirement.

350 (d) The cost-of-living increases authorized under this  
351 section shall be paid in one (1) payment in December of each year  
352 to any person who is receiving a retirement allowance on December  
353 1 of that year, unless an election is made as follows: Any person  
354 or beneficiary thereof who is receiving a retirement allowance on  
355 July 1, 2001, or July 1 of any fiscal year thereafter, may elect  
356 by an irrevocable agreement in writing filed in the office of the  
357 Public Employees' Retirement System not less than thirty (30) days  
358 before July 1 of the appropriate year, to begin receiving the  
359 cost-of-living increases authorized under this section in twelve  
360 (12) equal monthly installments beginning July 1, 2001, or July 1  
361 of any fiscal year thereafter. This irrevocable agreement shall  
362 be binding on the retiree and subsequent beneficiaries. Payment  
363 of those monthly installments shall not extend beyond the month in  
364 which a retirement allowance is due and payable. If a person who  
365 is receiving a retirement allowance that will terminate upon the  
366 person's death is receiving the cost-of-living increases in one  
367 (1) payment and dies on or after July 1 but before December 1, the  
368 beneficiary or estate of the person shall receive in a single  
369 payment a fractional part of the cost-of-living increase based on  
370 the number of months in which a retirement allowance was received  
371 during the fiscal year.

372           (e) Except as otherwise provided in paragraph (f) of  
373 this subsection, the maximum cumulative percentage of all annual  
374 cost-of-living increases received by a retiree or beneficiary  
375 thereof under this section shall not exceed thirty percent (30%)  
376 of the annual retirement allowance. Any cost-of-living increases  
377 previously received by a retiree or beneficiary thereof under the  
378 provisions of Section 6 shall not be included in determining when  
379 the cumulative percentage of the cost-of-living increases received  
380 under this section has reached thirty percent (30%). After the  
381 cumulative percentage of the cost-of-living increases received by  
382 a retiree or beneficiary thereof under this section has reached  
383 thirty percent (30%), the retiree or beneficiary thereof shall  
384 continue to receive the cost-of-living payments each year in an  
385 amount equal to thirty percent (30%) of the annual retirement  
386 allowance for as long as the retiree or beneficiary thereof is  
387 entitled to receive a retirement allowance, unless additional  
388 annual cost-of-living increases are authorized under paragraph (f)  
389 of this subsection or cost-of-living increases are suspended under  
390 paragraph (g) of this subsection.

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

405 cost-of-living increases after the cumulative percentage has  
406 reached thirty percent (30%) shall be subject to subsection (2) of  
407 this section and paragraph (g) of this subsection.

408 (g) The cost-of-living increases authorized under this  
409 section shall be suspended, either in whole or in part as  
410 determined to be necessary by the governing authorities of the  
411 city and the board, if the board at any time determines that  
412 continuing the payment of the cost-of-living increases would make  
413 the retirement system actuarially unsound; however, before  
414 suspending the cost-of-living increases, the board shall notify  
415 the governing authorities of the city and give them the  
416 opportunity to transfer sufficient funds, if the governing  
417 authorities choose to do so, to make the cost-of-living increases  
418 while keeping the retirement system actuarially sound.

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

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

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

446           (3) After the effective date of House Bill No. 1554, 2001  
447 Regular Session, all new cost-of-living increases for retirees of  
448 the retirement system and beneficiaries thereof shall be made  
449 under this section and not under Section 6. All cost-of-living  
450 increases previously made under Section 6 shall continue to be  
451 paid each year, but no new or additional cost-of-living increases  
452 shall be made under Section 6 after the effective date of House  
453 Bill No. 1554, 2001 Regular Session.

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

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