

By: Representatives Barnett (116th), Creel,
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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.