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To: Local and Private
Legislation

HOUSE BILL NO. 1555

1 AN ACT TO AMEND SECTIONS 2, 3 AND 4 OF CHAPTER 931, LOCAL AND
2 PRIVATE LAWS OF 1993, AS LAST AMENDED BY CHAPTER 988, LOCAL AND
3 PRIVATE LAWS OF 1996, TO AUTHORIZE THE GOVERNING AUTHORITIES OF
4 THE CITY OF BILOXI TO PROVIDE FOR ANNUAL COST-OF-LIVING INCREASES
5 FOR CURRENT AND FUTURE RETIRED MEMBERS OF THE BILOXI DISABILITY
6 AND RELIEF FUND FOR FIREMEN AND POLICEMEN, AND BENEFICIARIES
7 THEREOF, IN AN AMOUNT EQUAL TO THREE PERCENT OF THE ANNUAL
8 RETIREMENT ALLOWANCE; TO PROVIDE THAT MEMBERS OF THE DISABILITY
9 AND RELIEF FUND WHO RETIRED BEFORE JULY 1, 2000, WILL ALSO RECEIVE
10 A THREE PERCENT COST-OF-LIVING INCREASE FOR THE 2000-2001 FISCAL
11 YEAR; TO PROVIDE THAT THE COST-OF-LIVING INCREASES SHALL BE PAID
12 IN ONE ADDITIONAL ANNUAL PAYMENT OR IN 12 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 30% OF THE
16 ANNUAL RETIREMENT ALLOWANCE, UNLESS THE GOVERNING AUTHORITIES
17 AUTHORIZE THE PAYMENT OF ADDITIONAL ANNUAL COST-OF-LIVING
18 INCREASES ABOVE 30% AND CERTAIN CONDITIONS ARE MET; TO PROVIDE
19 THAT THE COST-OF-LIVING INCREASES AUTHORIZED UNDER THIS ACT SHALL
20 BE SUSPENDED IF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM AT ANY
21 TIME DETERMINES THAT CONTINUING THE PAYMENT OF THE COST-OF-LIVING
22 INCREASES WOULD MAKE THE DISABILITY AND RELIEF FUND ACTUARIALLY
23 UNSOUND; TO PROVIDE THAT THE COST-OF-LIVING INCREASES AUTHORIZED
24 UNDER THIS ACT SHALL NOT BE IMPLEMENTED UNLESS THE DISABILITY AND
25 RELIEF FUND CURRENTLY IS ACTUARIALLY SOUND AND WILL REMAIN
26 ACTUARIALLY SOUND IF THE COST-OF-LIVING INCREASES ARE MADE; TO
27 PROVIDE THAT IF THE COST-OF-LIVING INCREASES AUTHORIZED UNDER THIS
28 ACT WOULD MAKE THE DISABILITY AND RELIEF FUND ACTUARIALLY UNSOUND,
29 THE GOVERNING AUTHORITIES ARE AUTHORIZED TO PROVIDE FOR A REDUCED
30 VERSION OF THE COST-OF-LIVING INCREASES THAT WOULD LEAVE THE FUND
31 ACTUARIALLY SOUND; TO AUTHORIZE THE GOVERNING AUTHORITIES TO USE
32 ANY AVAILABLE FUNDS TO SUPPLEMENT THE DISABILITY AND RELIEF FUND
33 TO MAKE IT ACTUARIALLY SOUND; AND FOR RELATED PURPOSES.

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

35 SECTION 1. Sections 2, 3 and 4 of Chapter 931, Local and
36 Private Laws of 1993, as amended by Chapter 979, Local and Private
37 Laws of 1995, as amended by Chapter 988, Local and Private Laws of
38 1996, are amended as follows:

39 Section 1. (1) Subject to the provisions of Section 3, the
40 governing authorities of the City of Biloxi, Mississippi, in their
41 discretion, are authorized to take any of the following actions:

42 (a) Establish an additional payment for each retired
43 member and beneficiary of the Biloxi Disability and Relief Fund
44 for Firemen and Policemen who is now or hereafter entitled to
45 receive benefits under any provision of Section 21-29-101,
46 Mississippi Code of 1972. The amount of the additional payment
47 shall be equal to the annual percentage change in the Consumer
48 Price Index set by the United States government, not to exceed
49 three percent (3%) per annum, and shall be computed based upon the
50 amount of the benefits received by the members and beneficiaries
51 in the fiscal year of the disability and relief fund before the
52 effective date of the resolution of the governing authorities of
53 the city establishing the additional payments.

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

58 (c) Provide that the additional payments authorized in
59 paragraph (a) shall cease or shall not be made for any subsequent
60 fiscal year, regardless of whether a prior action of the governing
61 authorities of the city called for the payments to be made
62 automatically or without additional authorization by the governing
63 authorities.

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

69 (e) Provide that the additional payments authorized by
70 paragraph (a) may be based upon a percentage specified by the
71 governing authorities of the city, regardless of the maximum

72 percentage allowed in paragraph (a), if the governing authorities
73 also transfer sufficient monies to the Public Employees'
74 Retirement System to fund the increase at the specified
75 percentage.

76 (f) Provide that the additional payments authorized in
77 paragraph (a) shall automatically cease if continuing the
78 additional payments could make the disability and relief fund
79 actuarially unsound; however, before ceasing the payments, the
80 Board of Trustees of the Public Employees' Retirement System shall
81 notify the governing authorities of the city and give them the
82 opportunity to transfer sufficient funds, if the governing
83 authorities choose to do so, to make the additional payments while
84 keeping the disability and relief fund actuarially sound.

85 (g) Use funds from any available source to supplement
86 the disability and relief fund to make the fund actuarially sound,
87 and transfer those funds to the Board of Trustees of the Public
88 Employees' Retirement System for that purpose.

89 (2) After the governing authorities of the city * * * have
90 adopted a resolution to establish the additional payments
91 authorized under subsection (1) of this section and the advisory
92 board provided for in Section 21-29-105, Mississippi Code of 1972,
93 has adopted a resolution supporting the establishment of the
94 additional payments, and after the Board of Trustees of the Public
95 Employees' Retirement System has received these resolutions and
96 received the most recent actuarial study of the disability and
97 relief fund and the certified statement from the actuarial firm,
98 pursuant to Section 3 * * *, that the fund will remain actuarially
99 sound if the additional payments are made, then the board of
100 trustees shall make the payments to the persons authorized and
101 entitled to receive the payments.

102 (3) Persons eligible to receive the payments authorized
103 under this section shall receive such payments in one (1)
104 additional payment, except that such person may elect by an

105 irrevocable agreement on a form prescribed by the Board of
106 Trustees of the Public Employees' Retirement System to receive
107 such payments in not less than equal monthly installments not to
108 exceed six (6) months during the remaining months of the current
109 fiscal year. In the event of death of a person or a beneficiary
110 thereof receiving monthly benefits, any remaining amounts shall be
111 paid in a lump sum to the estate of the retired member or
112 beneficiary.

113 (4) After the effective date of House Bill No. 1555, 2001
114 Regular Session, all new cost-of-living increases for retirees of
115 the Biloxi Disability and Relief Fund for Firemen and Policemen
116 and beneficiaries thereof shall be made under Section 6 and not
117 under this section. All cost-of-living increases previously made
118 under this section shall continue to be paid each year, but no new
119 or additional cost-of-living increases shall be made under this
120 section after the effective date of House Bill No. 1555, 2001
121 Regular Session.

122 Section 2. (1) Subject to the provisions of Section
123 3 * * *, the governing authorities of the City of Biloxi,
124 Mississippi, are authorized, in their discretion, to provide for
125 the payment of minimum monthly benefits in any amount determined
126 by the governing authorities to all persons now or hereafter
127 entitled to receive benefits under any provision of Section
128 21-29-101 et seq., Mississippi Code of 1972.

129 (2) After the governing authorities of the city * * * have
130 adopted a resolution to establish the minimum monthly benefits
131 authorized under subsection (1) of this section, specifying the
132 amount of the minimum monthly benefits in the resolution, and the
133 advisory board provided for in Section 21-29-105, Mississippi Code
134 of 1972, has adopted a resolution supporting the payment of the
135 specified amount of the minimum monthly benefits, and after the
136 Board of Trustees of the Public Employees' Retirement System has
137 received these resolutions and received the most recent actuarial

138 study of the disability and relief fund and the certified
139 statement from the actuarial firm, pursuant to Section 3 * * *,
140 that the fund will remain actuarially sound if the minimum monthly
141 benefits are paid, then the board of trustees shall pay those
142 benefits to the persons authorized and entitled to receive the
143 payments.

144 Section 3. Payment of the additional payments authorized
145 under Section 1 * * * or the minimum monthly benefits authorized
146 under Section 2 * * *, or both, shall not be established unless
147 the Biloxi Disability and Relief Fund for Firemen and Policemen is
148 actuarially sound, as shown by the most recent actuarial study
149 required by Section 21-29-119, Mississippi Code of 1972, and the
150 fund will remain actuarially sound if the additional payments
151 authorized under Section 1 * * * or the minimum monthly benefits
152 authorized under Section 2 * * *, or both, are made, as shown by a
153 certified statement from the actuarial firm that prepared the most
154 recent actuarial study.

155 Section 4. (1) Subject to the provisions of subsection (2)
156 of this section, the governing authorities of the City of Biloxi,
157 Mississippi, in their discretion, are authorized to provide that
158 members of the Biloxi Disability and Relief Fund for Firemen and
159 Policemen under the provisions of Section 21-29-101 et seq.,
160 Mississippi Code of 1972, who retire after April 7, 1995, shall
161 receive creditable service in the fund at the time of retirement
162 for lawfully credited unused, uncompensated annual leave and sick
163 leave earned under the vacation and sick leave policies of the
164 city, in amounts equal to the amounts authorized for members of
165 the Public Employees' Retirement System.

166 (2) Creditable service for unused, uncompensated leave as
167 authorized under subsection (1) of this section shall not be
168 provided unless the Biloxi Disability and Relief Fund for Firemen
169 and Policemen is actuarially sound, as shown by the most recent
170 actuarial study required by Section 21-29-119, Mississippi Code of

171 1972, and the fund will remain actuarially sound if creditable
172 service for unused, uncompensated leave as authorized under
173 subsection (1) of this section is provided, as shown by a
174 certified statement from the actuarial firm that prepared the most
175 recent actuarial study.

176 (3) After the governing authorities of the city * * * have
177 adopted a resolution to provide creditable service for unused,
178 uncompensated leave as authorized under subsection (1) of this
179 section and the advisory board provided for in Section 21-29-105,
180 Mississippi Code of 1972, has adopted a resolution supporting the
181 providing of creditable service for unused, uncompensated leave,
182 and after the Board of Trustees of the Public Employees'
183 Retirement System has received these resolutions and received the
184 most recent actuarial study of the disability and relief fund and
185 the certified statement from the actuarial firm that the fund will
186 remain actuarially sound if creditable service for unused,
187 uncompensated leave is provided, then the board of trustees shall
188 provide creditable service for unused, uncompensated leave to
189 members of the disability and relief fund at the time of
190 retirement in accordance with subsection (1) of this section, and
191 such creditable service shall be used in calculating the members'
192 retirement benefits under Section 21-29-101 et seq., Mississippi
193 Code of 1972.

194 (4) Except to limit creditable service reported to the
195 disability and relief fund for the purpose of computing a member's
196 retirement benefits provided under Section 21-29-101 et seq.,
197 Mississippi Code of 1972, nothing in this section shall limit or
198 otherwise restrict the power of the governing authorities of the
199 city * * * to adopt such vacation and sick leave policies as they
200 deem necessary.

201 Section 5. (1) Subject to the provisions of subsection (2)
202 of this section, the governing authorities of the City of Biloxi,
203 Mississippi, in their discretion, are authorized to provide that

204 for the purpose of computing retirement benefits of members of the
205 Biloxi Disability and Relief Fund for Firemen and Policemen under
206 the provisions of Section 21-29-101 et seq., Mississippi Code of
207 1972, who retire after April 11, 1996, earned compensation may
208 include all or a portion of any payment made to a member upon
209 termination of employment for up to thirty (30) days of unused,
210 accumulated personal leave.

211 (2) The inclusion within earned compensation of those
212 payments as provided in subsection (1) of this section shall not
213 be authorized by the governing authorities unless the disability
214 and relief fund is actuarially sound, as shown by the most recent
215 actuarial study required by Section 21-29-119, Mississippi Code of
216 1972, and the disability and relief fund will remain actuarially
217 sound if the inclusion of such payments is authorized, as shown by
218 a certified statement from the actuarial firm that prepared the
219 most recent actuarial study.

220 (3) After the governing authorities of the city have adopted
221 a resolution to include within earned compensation payments as
222 provided under subsection (1) of this section, and after the Board
223 of Trustees of the Public Employees' Retirement System has
224 received the most recent actuarial study of the disability and
225 relief fund and the certified statement from the actuarial firm
226 that the disability and relief fund will remain actuarially sound
227 if the inclusion of such payments is authorized, then the board of
228 trustees may include such payments within the earned compensation
229 of members at the time of retirement, in accordance with
230 subsection (1) of this section, when calculating the members'
231 retirement benefits under the provisions of Section 21-29-101 et
232 seq., Mississippi Code of 1972.

233 (4) Nothing in this section shall limit or otherwise
234 restrict the power of the governing authorities of the city to
235 adopt such vacation and sick leave policies as they deem
236 necessary.

237 Section 6. (1) Subject to the provisions of subsection (2)
238 of this section, the governing authorities of the City of Biloxi,
239 Mississippi, in their discretion, are authorized to provide for
240 cost-of-living increases for each retired member of the Biloxi
241 Disability and Relief Fund for Firemen and Policemen, or any
242 beneficiary thereof, who is now or hereafter entitled to receive a
243 retirement allowance under any provision of Section 21-29-101 et
244 seq., Mississippi Code of 1972, in accordance with the following
245 provisions:

246 (a) Any person who is receiving a retirement allowance
247 on the effective date of House Bill No. 1555, 2001 Regular
248 Session, and who was receiving a retirement allowance on May 1,
249 2000, shall receive a cost-of-living increase on December 1, 2001,
250 or on July 1, 2001, as provided in paragraph (d) of this
251 subsection, in an amount equal to six percent (6%) of the annual
252 retirement allowance. In subsequent years, in addition to and
253 cumulative to the cost-of-living increase received in the year
254 2001, any such person or beneficiary thereof shall receive a
255 cost-of-living increase on December 1 or July 1 of the year, as
256 provided in paragraph (d) of this subsection, in an amount equal
257 to three percent (3%) of the annual retirement allowance for each
258 full fiscal year in retirement after June 30, 2001. The
259 cost-of-living increases provided for under this paragraph (a)
260 shall be in addition to and cumulative to any cost-of-living
261 increases previously received under the provisions of Section 1.
262 For the purposes of this section, "fiscal year" means the period
263 from July 1 of any year through June 30 of the following year.

264 (b) Any person who retires on or after May 1, 2000, or
265 any beneficiary thereof, who has received a monthly retirement
266 allowance for at least one (1) full fiscal year after June 30,
267 2000, shall receive a cost-of-living increase on December 1 or
268 July 1 of the year, as provided in paragraph (d) of this section,

269 in an amount equal to three percent (3%) of the annual retirement
270 allowance for each full fiscal year in retirement.

271 (c) Notwithstanding the provisions of paragraph (b) of
272 this subsection, any person who retired under the Biloxi
273 Disability and Relief Fund for Firemen and Policemen before May 1,
274 2000, and later was reemployed by the City of Biloxi or employed
275 by any other municipality or other governmental entity in a
276 position that caused the person to stop receiving a retirement
277 allowance from the disability and relief fund during the person's
278 period of reemployment or subsequent employment, who retires from
279 his or her reemployment or subsequent employment on or after
280 January 1, 2001, and is again receiving a retirement allowance
281 from the disability and relief fund, shall begin receiving the
282 cost-of-living increases authorized under this section in the year
283 that the person retires from his or her reemployment or subsequent
284 employment, if more than one (1) full fiscal year has passed since
285 the person's initial retirement from the City of Biloxi. In the
286 year that the person retires from his or her reemployment or
287 subsequent employment, the person or beneficiary thereof shall
288 receive a cost-of-living increase on December 1 or July 1 of the
289 year, as provided in paragraph (d) of this subsection, in an
290 amount equal to three percent (3%) of the annual retirement
291 allowance. In subsequent years, in addition to and cumulative to
292 the cost-of-living increase received in the year of retirement,
293 any such person or beneficiary thereof shall receive a
294 cost-of-living increase on December 1 or July 1 of the year, as
295 provided in paragraph (d) of this subsection, in an amount equal
296 to three percent (3%) of the annual retirement allowance for each
297 full fiscal year after June 30 of the year of retirement.

298 (d) The cost-of-living increases authorized under this
299 section shall be paid in one (1) payment in December of each year
300 to any person who is receiving a retirement allowance on December
301 1 of that year, unless an election is made as follows: Any person

302 or beneficiary thereof who is receiving a retirement allowance on
303 July 1, 2001, or July 1 of any fiscal year thereafter, may elect
304 by an irrevocable agreement in writing filed in the office of the
305 Public Employees' Retirement System not less than thirty (30) days
306 before July 1 of the appropriate year, to begin receiving the
307 cost-of-living increases authorized under this section in twelve
308 (12) equal monthly installments beginning July 1, 2001, or July 1
309 of any fiscal year thereafter. This irrevocable agreement shall
310 be binding on the retiree and subsequent beneficiaries. Payment
311 of those monthly installments shall not extend beyond the month in
312 which a retirement allowance is due and payable. If a person who
313 is receiving a retirement allowance that will terminate upon the
314 person's death is receiving the cost-of-living increases in one
315 (1) payment and dies on or after July 1 but before December 1, the
316 beneficiary or estate of the person shall receive in a single
317 payment a fractional part of the cost-of-living increase based on
318 the number of months in which a retirement allowance was received
319 during the fiscal year.

320 (e) Except as otherwise provided in paragraph (f) of
321 this subsection, the maximum cumulative percentage of all annual
322 cost-of-living increases received by a retiree or beneficiary
323 thereof under this section shall not exceed thirty percent (30%)
324 of the annual retirement allowance. Any cost-of-living increases
325 previously received by a retiree or beneficiary thereof under the
326 provisions of Section 1 shall not be included in determining when
327 the cumulative percentage of the cost-of-living increases received
328 under this section has reached thirty percent (30%). After the
329 cumulative percentage of the cost-of-living increases received by
330 a retiree or beneficiary thereof under this section has reached
331 thirty percent (30%), the retiree or beneficiary thereof shall
332 continue to receive the cost-of-living payments each year in an
333 amount equal to thirty percent (30%) of the annual retirement
334 allowance for as long as the retiree or beneficiary thereof is

335 entitled to receive a retirement allowance, unless additional
336 annual cost-of-living increases are authorized under paragraph (f)
337 of this subsection or cost-of-living increases are suspended under
338 paragraph (g) of this subsection.

339 (f) Notwithstanding the provisions of paragraph (e) of
340 this subsection, the governing authorities of the city, by
341 resolution adopted by the city council, may authorize the payment
342 of additional annual cost-of-living increases after the cumulative
343 percentage of the cost-of-living increases received by a retiree
344 or beneficiary thereof under this section has reached thirty
345 percent (30%), if the governing authorities have examined the
346 actual impact of inflation upon the retirement and cost-of-living
347 benefits being paid at that time, examined the effect of paying
348 additional annual cost-of-living increases on the actuarial
349 soundness of the disability and relief fund, and determined that
350 municipal finances will permit the payment of additional annual
351 cost-of-living increases above a cumulative percentage of thirty
352 percent (30%). In addition, any payment of additional annual
353 cost-of-living increases after the cumulative percentage has
354 reached thirty percent (30%) shall be subject to subsection (2) of
355 this section and paragraph (g) of this subsection.

356 (g) The cost-of-living increases authorized under this
357 section shall be suspended, either in whole or in part as
358 determined to be necessary by the governing authorities of the
359 city and the Board of Trustees of the Public Employees' Retirement
360 System, if the board of trustees at any time determines that
361 continuing the payment of the cost-of-living increases would make
362 the disability and relief fund actuarially unsound; however,
363 before suspending the cost-of-living increases, the board of
364 trustees shall notify the governing authorities of the city and
365 give them the opportunity to transfer sufficient funds, if the
366 governing authorities choose to do so, to make the cost-of-living

367 increases while keeping the disability and relief fund actuarially
368 sound.

369 (2) (a) The cost-of-living increases authorized under this
370 section shall not be implemented unless the Biloxi Disability and
371 Relief Fund for Firemen and Policemen is actuarially sound, as
372 shown by the most recent actuarial study required by Section
373 21-29-119, Mississippi Code of 1972, and the fund will remain
374 actuarially sound if the cost-of-living increases authorized under
375 this section are made, as shown by a certified statement from the
376 actuarial firm that prepared the most recent actuarial study.

377 (b) After the governing authorities of the city have
378 adopted a resolution to establish the cost-of-living increases
379 authorized under this section and the advisory board provided for
380 in Section 21-29-105, Mississippi Code of 1972, has adopted a
381 resolution supporting the cost-of-living increases, and after the
382 Board of Trustees of the Public Employees' Retirement System has
383 received these resolutions and received the most recent actuarial
384 study of the disability and relief fund and the certified
385 statement from the actuarial firm, under paragraph (a) of this
386 subsection, that the fund will remain actuarially sound if the
387 cost-of-living increases are made, then the board of trustees
388 shall make the cost-of-living increases to the persons authorized
389 and entitled to receive the cost-of-living increases.

390 (c) If the certified statement of the actuary under
391 paragraph (a) of this subsection concludes that the cost-of-living
392 increases authorized under this section cannot be implemented
393 because they would make the disability and relief fund actuarially
394 unsound, then the governing authorities of the city are authorized
395 to provide for a reduced version of the cost-of-living increases
396 authorized under this section that would leave the disability and
397 relief fund actuarially sound, as determined by a certified
398 statement of the actuary.

399 (3) After the effective date of House Bill No. 1555, 2001
400 Regular Session, all new cost-of-living increases for retirees of
401 the Biloxi Disability and Relief Fund for Firemen and Policemen
402 and beneficiaries thereof shall be made under this section and not
403 under Section 1. All cost-of-living increases previously made
404 under Section 1 shall continue to be paid each year, but no new or
405 additional cost-of-living increases shall be made under Section 1
406 after the effective date of House Bill No. 1555, 2001 Regular
407 Session.

408 Section 7. The governing authorities of the City of Biloxi,
409 Mississippi, in their discretion, are authorized to use funds from
410 any available source to supplement the Biloxi Disability and
411 Relief Fund for Firemen and Policemen to make the fund actuarially
412 sound, and transfer those funds to the Board of Trustees of the
413 Public Employees' Retirement System for that purpose.

414 Section 8. The provisions of this act are supplemental to
415 the provisions of Section 21-29-101 et seq., Mississippi Code of
416 1972, and if there is any conflict between the provisions of this
417 act and any provision of Section 21-29-101 et seq., Mississippi
418 Code of 1972, the provisions of this act shall control.

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