

By: Representative Stringer

To: Appropriations

HOUSE BILL NO. 1148  
(As Sent to Governor)

1 AN ACT TO CREATE A NEW CODE SECTION TO BE CODIFIED AS SECTION  
2 37-101-30, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE BOARD OF  
3 TRUSTEES OF STATE INSTITUTIONS OF HIGHER LEARNING TO IMPLEMENT A  
4 RETIREMENT INCENTIVE PROGRAM FOR FACULTY AND STAFF OF INSTITUTIONS  
5 OF HIGHER LEARNING; TO CREATE NEW SECTIONS TO BE CODIFIED AS  
6 SECTIONS 25-11-111.1, 25-13-11.1 AND 21-29-325, MISSISSIPPI CODE  
7 OF 1972, TO REQUIRE THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO PAY  
8 RETIREMENT BENEFITS TO MEMBERS WHO RETIRE ON OR AFTER JANUARY 1,  
9 2003, AND THEIR BENEFICIARIES BY MEANS OF DIRECT DEPOSIT UNLESS  
10 THE MEMBER OR BENEFICIARY CAN DEMONSTRATE THAT PAYMENT BY MEANS OF  
11 DIRECT DEPOSIT WILL CAUSE THE MEMBER OR BENEFICIARY UNDUE  
12 HARDSHIP; TO AMEND SECTIONS 25-11-103, 25-11-105, 25-11-109,  
13 25-11-112, 25-11-113, 25-11-115, 25-11-120, 25-11-123, 25-11-127,  
14 25-11-133, 25-11-309, 25-13-16, 25-13-17, 25-13-29, 25-13-33,  
15 21-29-301, 21-29-317 AND 21-29-323, MISSISSIPPI CODE OF 1972, TO  
16 REVISE THE DEFINITION OF THE TERM "AVERAGE COMPENSATION" UNDER THE  
17 LAWS GOVERNING THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO INCREASE  
18 THE MAXIMUM AMOUNT THAT MAY BE CONSIDERED AVERAGE COMPENSATION; TO  
19 REVISE THE DEFINITION OF THE TERM "EARNED COMPENSATION" UNDER THE  
20 LAWS GOVERNING THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO INCREASE  
21 THE MAXIMUM AMOUNT THAT MAY BE EARNED ANNUALLY AND BE CONSIDERED  
22 EARNED COMPENSATION FOR PURPOSE OF RETIREMENT, TO REVISE THE  
23 MANNER IN WHICH THE COMPENSATION OF FEE PAID OFFICIALS IS TREATED  
24 FOR PURPOSES OF EARNED COMPENSATION; TO PROVIDE THAT FROM AND  
25 AFTER JULY 1, 2002, INDIVIDUALS WHO ARE EMPLOYED BY A GOVERNMENTAL  
26 ENTITY TO PERFORM PROFESSIONAL SERVICES ON LESS THAN A FULL-TIME  
27 BASIS SHALL BECOME MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT  
28 SYSTEM IF THEY ARE PAID REGULAR PERIODIC COMPENSATION THAT IS  
29 SUBJECT TO PAYROLL TAXES, THEY ARE PROVIDED ALL OTHER EMPLOYEE  
30 BENEFITS AND THEY MEET MEMBERSHIP CRITERIA ESTABLISHED BY THE  
31 BOARD OF TRUSTEES THAT APPLY TO ALL OTHER MEMBERS; TO PROVIDE THAT  
32 ACTIVE MEMBERS EMPLOYED ON LESS THAN A FULL-TIME BASIS SHALL  
33 CONTINUE TO BE ACTIVE MEMBERS FOR AS LONG AS THEY CONTINUE TO BE  
34 EMPLOYED IN THAT POSITION; TO PROVIDE THAT MEMBERS OF THE PUBLIC  
35 EMPLOYEES' RETIREMENT SYSTEM WHO SERVED IN THE COMMISSIONED CORPS  
36 OF THE UNITED STATES PUBLIC HEALTH SERVICE PRIOR TO 1972 SHALL BE  
37 ENTITLED TO A CERTAIN AMOUNT OF CREDITABLE SERVICE FOR SUCH  
38 SERVICE; TO CONFORM TO FEDERAL LAW THE AMOUNT OF TIME WITHIN WHICH  
39 PAYMENTS MUST BE MADE FOR EMPLOYEE CONTRIBUTIONS FOR SERVICE  
40 INTERRUPTED BY QUALIFIED MILITARY SERVICE BY MEMBERS OF ALL  
41 SYSTEMS ADMINISTERED BY THE BOARD OF TRUSTEES; TO AUTHORIZE THE  
42 BOARD OF TRUSTEES TO CHANGE THE MANNER IN WHICH MEMBERS OF THE  
43 PUBLIC EMPLOYEES' RETIREMENT SYSTEM RECEIVE THE COST OF LIVING  
44 ADJUSTMENT IF THE CURRENT MANNER OF PAYMENT WILL CAUSE A FINANCIAL  
45 HARDSHIP TO THE RETIRED MEMBER OR HIS BENEFICIARY; TO AUTHORIZE  
46 MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO BECOME  
47 ELIGIBLE FOR SERVICE RETIREMENT BENEFITS WHILE PURSUING A  
48 DISABILITY RETIREMENT ALLOWANCE TO ELECT TO RECEIVE A SERVICE  
49 RETIREMENT ALLOWANCE PENDING A DETERMINATION ON ELIGIBILITY FOR A  
50 DISABILITY RETIREMENT ALLOWANCE AND TO PROVIDE THAT NO PERSON MAY  
51 APPLY FOR A DISABILITY RETIREMENT ALLOWANCE AFTER THE PERSON  
52 BEGINS TO RECEIVE A SERVICE RETIREMENT ALLOWANCE; TO PROVIDE THAT



53 RETIREMENT OPTION 4-C SHALL NOT BE AVAILABLE TO RETIREES WHO  
54 RETIRE EFFECTIVE ON OR AFTER JULY 1, 2004; TO PROVIDE THAT MEMBERS  
55 OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO ARE PURSUING A  
56 DISABILITY RETIREMENT ALLOWANCE AND SIMULTANEOUSLY OR SUBSEQUENTLY  
57 ELECT TO BEGIN RECEIVING A RETIREMENT ALLOWANCE WHILE CONTINUING  
58 TO PURSUE A DISABILITY RETIREMENT ALLOWANCE SHALL NOT BE ELIGIBLE  
59 TO SELECT OPTION 4-C OR OPTION 6; TO REVISE THE MANNER IN WHICH  
60 THE RETIREMENT ALLOWANCE IS CALCULATED IF A RETIRED MEMBER MARRIES  
61 AND ELECTS TO RECEIVE A REDUCED BENEFIT; TO PROVIDE THAT FROM AND  
62 AFTER JANUARY 1, 2003, IF THERE IS AN ELECTION OF OPTION 6 AFTER  
63 AGE 65, THE ACTUARIAL EQUIVALENT FACTOR BASED ON THE RETIREE'S AGE  
64 AT THE TIME OF RETIREMENT SHALL BE USED TO CALCULATE THE REDUCED  
65 MAXIMUM MONTHLY RETIREMENT ALLOWANCE; TO PROVIDE THAT IN THE CASE  
66 OF DISABILITY APPEALS UNDER THE PUBLIC EMPLOYEES' RETIREMENT  
67 SYSTEM, THE HEARING OFFICER SHALL HAVE THE AUTHORITY TO DEFER A  
68 DECISION IN ORDER TO REQUEST A MEDICAL EVALUATION OR TEST OR  
69 ADDITIONAL EXISTING MEDICAL RECORDS NOT PREVIOUSLY FURNISHED BY  
70 THE CLAIMANT; TO PROVIDE THAT MEMBERS OF THE PUBLIC EMPLOYEES'  
71 RETIREMENT SYSTEM MAY CONTINUE IN MUNICIPAL OR COUNTY OFFICE OR BE  
72 ELECTED TO A MUNICIPAL OR COUNTY OFFICE WITHOUT WAIVING THE SALARY  
73 FOR THAT OFFICE IF THE COMPENSATION RECEIVED FOR THE OFFICE DOES  
74 NOT EXCEED 25% OF THE RETIREE'S AVERAGE COMPENSATION; TO CLARIFY  
75 THE RESPONSIBILITY OF CHANCERY AND CIRCUIT CLERKS TO MAKE CERTAIN  
76 EMPLOYER AND EMPLOYEE CONTRIBUTIONS TO THE PUBLIC EMPLOYEES'  
77 RETIREMENT SYSTEM; TO CONFORM THE MAXIMUM AMOUNT OF COMPENSATION  
78 THAT MAY BE CONSIDERED FOR THE PURPOSE OF ALL PLANS ADMINISTERED  
79 BY THE BOARD OF TRUSTEES TO FEDERAL LAW REQUIREMENTS; TO PROVIDE  
80 THAT MEMBERS UNDER THE SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN  
81 SHALL BE SUBJECT TO THE SAME MAXIMUM RETIREMENT BENEFIT LIMITATION  
82 AS MEMBERS UNDER OTHER PLANS ADMINISTERED BY THE PUBLIC EMPLOYEES'  
83 RETIREMENT SYSTEM; TO PROVIDE THAT THE MEDICAL BOARD IS NOT  
84 REQUIRED TO CONDUCT A MEDICAL EXAMINATION OF APPLICANTS FOR  
85 DISABILITY RETIREMENT UNDER THE HIGHWAY SAFETY PATROL RETIREMENT  
86 SYSTEM; AND FOR RELATED PURPOSES.

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

88 **SECTION 1.** The following provision shall be codified as  
89 Section 37-101-30, Mississippi Code of 1972:

90 37-101-30. (1) The Legislature finds and declares that a  
91 compelling state interest exists in providing a retirement  
92 incentive program or encouraging the retirement of those employees  
93 of institutions of higher learning who are current and active  
94 contributing members of the Public Employees' Retirement System.

95 (2) As used in this section:

96 (a) "Board" means the Board of Trustees of State  
97 Institutions of Higher Learning.

98 (b) "Program" means the retirement incentive program  
99 established under this section.

100 (3) (a) The board is authorized to pay, in fiscal years  
101 selected by the board, a monetary incentive to employees who are



102 eligible for retirement in exchange for a voluntary agreement of  
103 the employee:

104 (i) To retire on a specific date as set forth in  
105 subsection (6) of this section, and

106 (ii) To waive any and all claims, known or  
107 unknown, arising out of or related to employment or cessation of  
108 employment at institutions of higher learning.

109 (b) The granting of additional compensation shall be  
110 made in exchange for additional consideration given by the  
111 employee.

112 (c) The retirement incentive authorized by this section  
113 is a voluntary plan for institutions of higher learning faculty  
114 and staff offering an incentive for retirement. The plan shall be  
115 available to all full-time faculty and staff who meet the  
116 eligibility criteria set forth in subsection (4) of this section.

117 (4) (a) To be eligible to participate in the program,  
118 full-time faculty and staff of institutions of higher learning  
119 must, as of the effective date of their retirement, be eligible to  
120 retire under the laws governing the Public Employees' Retirement  
121 System by virtue of:

122 (i) Having twenty-five (25) years of creditable  
123 service, or

124 (ii) Being age sixty (60) and having at least four  
125 (4) years of creditable service.

126 (b) The institution of higher learning offering the  
127 program shall, in all cases, utilize the records of the Public  
128 Employees' Retirement System as the source for determining  
129 eligibility.

130 (c) The program is offered as an alternative to any  
131 other retirement incentive plan that may be offered by the state  
132 or the Public Employees' Retirement System in the future.

133 (5) In accordance with applicable law, the institution of  
134 higher learning shall provide a cash benefit to each participant



135 in the program based upon a percentage of the participant's  
136 current salary that is subject to federal income tax, state income  
137 tax and Federal Insurance Contributions Act withholding. The  
138 participant shall be compensated for unused annual leave as  
139 otherwise provided by law. The cash benefit paid under this  
140 section shall not be subject to employer or employee contributions  
141 under the laws governing the Public Employees' Retirement System.

142 (6) Eligible employees shall make their election to  
143 participate in the program in the manner and at the time  
144 prescribed by the board. The date of retirement for all employees  
145 participating in this program shall be June 30 of any fiscal year  
146 in which the program is offered. Employees electing to  
147 participate in the program shall agree to waive any claims, known  
148 or unknown, arising out of or related to employment or cessation  
149 of employment at institutions of higher learning. An employee may  
150 revoke the election to participate in the program within seven (7)  
151 days after the execution of the election.

152 (7) The additional compensation authorized under the program  
153 is made in exchange for additional consideration given by the  
154 employee.

155 (8) The board shall prescribe such rules and regulations as  
156 it shall consider necessary to carry out the purposes of this  
157 section.

158 **SECTION 2.** The following provision shall be codified as  
159 Section 25-11-111.1, Mississippi Code of 1972:

160 25-11-111.1. The Public Employees' Retirement System shall  
161 make payments of retirement benefits under this chapter to members  
162 who retire effective on or after January 1, 2003, and to the  
163 beneficiaries of those members, by means of direct deposit to an  
164 account with a financial institution that is a participant of the  
165 Automated Clearing House designated by the member or beneficiary,  
166 unless the member or beneficiary can demonstrate that payment by



167 means of direct deposit will cause the member or beneficiary undue  
168 hardship.

169         **SECTION 3.** The following provision shall be codified as  
170 Section 25-13-11.1, Mississippi Code of 1972:

171         25-13-11.1. The Public Employees' Retirement System shall  
172 make payments of retirement benefits under this chapter to members  
173 who retire effective on or after January 1, 2003, and to the  
174 beneficiaries of those members, by means of direct deposit to an  
175 account with a financial institution that is a participant of the  
176 Automated Clearing House designated by the member or beneficiary,  
177 unless the member or beneficiary can demonstrate that payment by  
178 means of direct deposit will cause the member or beneficiary undue  
179 hardship.

180         **SECTION 4.** The following provision shall be codified as  
181 Section 21-29-325, Mississippi Code of 1972:

182         21-29-325. The Public Employees' Retirement System shall  
183 make payments of retirement benefits under this chapter to members  
184 who retire effective on or after January 1, 2003, and to the  
185 beneficiaries of those members, by means of direct deposit to an  
186 account with a financial institution that is a participant of the  
187 Automated Clearing House designated by the member or beneficiary,  
188 unless the member or beneficiary can demonstrate that payment by  
189 means of direct deposit will cause the member or beneficiary undue  
190 hardship.

191         **SECTION 5.** Section 25-11-103, Mississippi Code of 1972, is  
192 amended as follows:

193         25-11-103. The following words and phrases as used in  
194 Articles 1 and 3, unless a different meaning is plainly required  
195 by the context, shall have the following meanings:

196                 (a) "Accumulated contributions" shall mean the sum of  
197 all the amounts deducted from the compensation of a member and  
198 credited to his individual account in the annuity savings account,



199 together with regular interest thereon as provided in Section  
200 25-11-123.

201 (b) "Actuarial cost" shall mean the amount of funds  
202 presently required to provide future benefits as determined by the  
203 board based on applicable tables and formulas provided by the  
204 actuary.

205 (c) "Actuarial equivalent" shall mean a benefit of  
206 equal value to the accumulated contributions, annuity or benefit,  
207 as the case may be, when computed upon the basis of such mortality  
208 tables as shall be adopted by the board of trustees, and regular  
209 interest.

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

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

215 (f) "Average compensation" shall mean the average of  
216 the four (4) highest years of earned compensation reported for an  
217 employee in a fiscal or calendar year period, or combination  
218 thereof which do not overlap, or the last forty-eight (48)  
219 consecutive months of earned compensation reported for an  
220 employee. The four (4) years need not be successive or joined  
221 years of service. In no case shall the average compensation so  
222 determined be in excess of One Hundred Fifty Thousand Dollars  
223 (\$150,000.00). In computing the average compensation, any amount  
224 paid in a lump sum for personal leave shall be included in the  
225 calculation to the extent that such amount does not exceed an  
226 amount which is equal to thirty (30) days of earned compensation  
227 and to the extent that it does not cause the employees' earned  
228 compensation to exceed the maximum reportable amount specified in  
229 Section 25-11-103(k); \* \* \* however, this thirty-day limitation  
230 shall not prevent the inclusion in the calculation of leave earned  
231 under federal regulations prior to July 1, 1976, and frozen as of



232 that date as referred to in Section 25-3-99. Only the amount of  
233 lump sum pay for personal leave due and paid upon the death of a  
234 member attributable for up to one hundred fifty (150) days shall  
235 be used in the deceased member's average compensation calculation  
236 in determining the beneficiary's benefits. In computing the  
237 average compensation, no amounts shall be used which are in excess  
238 of the amount on which contributions were required and paid. If  
239 any member who is or has been granted any increase in annual  
240 salary or compensation of more than eight percent (8%) retires  
241 within twenty-four (24) months from the date that such increase  
242 becomes effective, then the board shall exclude that part of the  
243 increase in salary or compensation that exceeds eight percent (8%)  
244 in calculating that member's average compensation for retirement  
245 purposes. The board may enforce this provision by rule or  
246 regulation. However, increases in compensation in excess of eight  
247 percent (8%) per year granted within twenty-four (24) months of  
248 the date of retirement may be included in such calculation of  
249 average compensation if satisfactory proof is presented to the  
250 board showing that the increase in compensation was the result of  
251 an actual change in the position held or services rendered, or  
252 that such compensation increase was authorized by the State  
253 Personnel Board or was increased as a result of statutory  
254 enactment, and the employer furnishes an affidavit stating that  
255 such increase granted within the last twenty-four (24) months was  
256 not contingent on a promise or agreement of the employee to  
257 retire. Nothing in Section 25-3-31 shall affect the calculation  
258 of the average compensation of any member for the purposes of this  
259 article. The average compensation of any member who retires  
260 before July 1, 1992, shall not exceed the annual salary of the  
261 Governor.

262 (g) "Beneficiary" shall mean any person entitled to  
263 receive a retirement allowance, an annuity or other benefit as  
264 provided by Articles 1 and 3. In the event of the death prior to



265 retirement of any member whose spouse and/or children are not  
266 entitled to a retirement allowance on the basis that the member  
267 has less than four (4) years of service credit and/or has not been  
268 married for a minimum of one (1) year or the spouse has waived his  
269 or her entitlement to a retirement allowance pursuant to Section  
270 25-11-114, the lawful spouse of a member at the time of the death  
271 of such member shall be the beneficiary of such member unless the  
272 member has designated another beneficiary subsequent to the date  
273 of marriage in writing, and filed such writing in the office of  
274 the executive director of the board of trustees. No designation  
275 or change of beneficiary shall be made in any other manner.

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

279 (i) "Creditable service" shall mean "prior service,"  
280 "retroactive service" and all lawfully credited unused leave not  
281 exceeding the accrual rates and limitations provided in Section  
282 25-3-91 et seq., as of the date of withdrawal from service plus  
283 "membership service" for which credit is allowable as provided in  
284 Section 25-11-109. Except to limit creditable service reported to  
285 the system for the purpose of computing an employee's retirement  
286 allowance or annuity or benefits provided in this article, nothing  
287 in this paragraph shall limit or otherwise restrict the power of  
288 the governing authority of a municipality or other political  
289 subdivision of the state to adopt such vacation and sick leave  
290 policies as it deems necessary.

291 (j) "Child" means either a natural child of the member,  
292 a child that has been made a child of the member by applicable  
293 court action before the death of the member, or a child under the  
294 permanent care of the member at the time of the latter's death,  
295 which permanent care status shall be determined by evidence  
296 satisfactory to the board.





297 (k) "Earned compensation" shall mean the full amount  
298 earned by an employee for a given pay period including any  
299 maintenance furnished up to a maximum of One Hundred Fifty  
300 Thousand Dollars (\$150,000.00) per year, and proportionately for  
301 less than one (1) year of service. The value of such maintenance  
302 when not paid in money shall be fixed by the employing state  
303 agency, and, in case of doubt, by the board of trustees as defined  
304 in Section 25-11-15. In any case, earned compensation shall be  
305 limited to the regular periodic compensation paid, exclusive of  
306 litigation fees, bond fees, and other similar extraordinary  
307 nonrecurring payments. In addition, any member in a covered  
308 position, as defined by Public Employees' Retirement System laws  
309 and regulations, who is also employed by another covered agency or  
310 political subdivision shall have the earnings of that additional  
311 employment reported to the Public Employees' Retirement System  
312 regardless of whether the additional employment is sufficient in  
313 itself to be a covered position. In addition, computation of  
314 earned compensation shall be governed by the following:

315 (i) In the case of constables, the net earnings  
316 from their office after deduction of expenses shall apply, except  
317 that in no case shall earned compensation be less than the total  
318 direct payments made by the state or governmental subdivisions to  
319 the official \* \* \*.

320 (ii) In the case of chancery or circuit clerks,  
321 the net earnings from their office after deduction of expenses  
322 shall apply as expressed in Section 25-11-123(f)(4).

323 (iii) In the case of members of the State  
324 Legislature, all remuneration or amounts paid, except mileage  
325 allowance, shall apply.

326 (iv) The amount by which an eligible employee's  
327 salary is reduced pursuant to a salary reduction agreement  
328 authorized under Section 25-17-5 shall be included as earned  
329 compensation under this paragraph, provided this inclusion does



330 not conflict with federal law, including federal regulations and  
331 federal administrative interpretations thereunder, pertaining to  
332 the Federal Insurance Contributions Act or to Internal Revenue  
333 Code Section 125 cafeteria plans.

334           (v) Compensation in addition to an employee's base  
335 salary that is paid to the employee pursuant to the vacation and  
336 sick leave policies of a municipality or other political  
337 subdivision of the state that employs him which exceeds the  
338 maximums authorized by Section 25-3-91 et seq. shall be excluded  
339 from the calculation of earned compensation under this article.

340           (vi) The maximum salary applicable for retirement  
341 purposes before July 1, 1992, shall be the salary of the Governor.

342           (vii) Nothing in Section 25-3-31 shall affect the  
343 determination of the earned compensation of any member for the  
344 purposes of this article.

345           (1) "Employee" means any person legally occupying a  
346 position in the state service, and shall include the employees of  
347 the retirement system created hereunder.

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

351           (n) "Executive director" shall mean the secretary to  
352 the board of trustees, as provided in Section 25-11-15(9), and the  
353 administrator of the Public Employees' Retirement System and all  
354 systems under the management of the board of trustees. Wherever  
355 the term "Executive Secretary of the Public Employees' Retirement  
356 System" or "executive secretary" appears in this article or in any  
357 other provision of law, it shall be construed to mean the  
358 Executive Director of the Public Employees' Retirement System.

359           (o) "Fiscal year" shall mean the period beginning on  
360 July 1 of any year and ending on June 30 of the next succeeding  
361 year.



362 (p) "Medical board" shall mean the board of physicians  
363 or any governmental or nongovernmental disability determination  
364 service designated by the board of trustees that is qualified to  
365 make disability determinations as provided for in Section  
366 25-11-119.

367 (q) "Member" shall mean any person included in the  
368 membership of the system as provided in Section 25-11-105.

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

371 (s) "Position" means any office or any employment in  
372 the state service, or two (2) or more of them, the duties of which  
373 call for services to be rendered by one (1) person, including  
374 positions jointly employed by federal and state agencies  
375 administering federal and state funds. The employer shall  
376 determine upon initial employment and during the course of  
377 employment of an employee who does not meet the criteria for  
378 coverage in the Public Employees' Retirement System based on the  
379 position held, whether the employee is or becomes eligible for  
380 coverage in the Public Employees' Retirement System based upon any  
381 other employment in a covered agency or political subdivision. If  
382 or when the employee meets the eligibility criteria for coverage  
383 in such other position, then the employer must withhold  
384 contributions and report wages from the noncovered position in  
385 accordance with the provisions for reporting of earned  
386 compensation. Failure to deduct and report those contributions  
387 shall not relieve the employee or employer of liability thereof.  
388 The board shall adopt such rules and regulations as necessary to  
389 implement and enforce this provision.

390 (t) "Prior service" shall mean service rendered before  
391 February 1, 1953, for which credit is allowable under Sections  
392 25-11-105 and 25-11-109, and which shall allow prior service for  
393 any person who is now or becomes a member of the Public Employees'



394 Retirement System and who does contribute to the system for a  
395 minimum period of four (4) years.

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

399 (v) "Retirement allowance" shall mean an annuity for  
400 life as provided in this article, payable each year in twelve (12)  
401 equal monthly installments beginning as of the date fixed by the  
402 board. The retirement allowance shall be calculated in accordance  
403 with Section 25-11-111. However, any spouse who received a spouse  
404 retirement benefit in accordance with Section 25-11-111(d) before  
405 March 31, 1971, and those benefits were terminated because of  
406 eligibility for a social security benefit, may again receive his  
407 spouse retirement benefit from and after making application with  
408 the board of trustees to reinstate the spouse retirement benefit.

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

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

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

417 (z) "State service" shall mean all offices and  
418 positions of trust or employment in the employ of the state, or  
419 any political subdivision or instrumentality thereof, which elect  
420 to participate as provided by Section 25-11-105(f), including the  
421 position of elected or fee officials of the counties and their  
422 deputies and employees performing public services or any  
423 department, independent agency, board or commission thereof, and  
424 shall also include all offices and positions of trust or  
425 employment in the employ of joint state and federal agencies  
426 administering state and federal funds and service rendered by



427 employees of the public schools. Effective July 1, 1973, all  
428 nonprofessional public school employees, such as bus drivers,  
429 janitors, maids, maintenance workers and cafeteria employees,  
430 shall have the option to become members in accordance with Section  
431 25-11-105(b), and shall be eligible to receive credit for services  
432 before July 1, 1973, provided that the contributions and interest  
433 are paid by the employee in accordance with that section; in  
434 addition, the county or municipal separate school district may pay  
435 the employer contribution and pro rata share of interest of the  
436 retroactive service from available funds. From and after July 1,  
437 1998, retroactive service credit shall be purchased at the  
438 actuarial cost in accordance with Section 25-11-105(b).

439 (aa) "Withdrawal from service" or "termination from  
440 service" shall mean complete severance of employment in the state  
441 service of any member by resignation, dismissal or discharge.

442 (bb) The masculine pronoun, wherever used, shall  
443 include the feminine pronoun.

444 **SECTION 6.** Section 25-11-105, Mississippi Code of 1972, is  
445 amended as follows:

446 25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

447 The membership of this retirement system shall be composed as  
448 follows:

449 (a) (i) All persons who shall become employees in the  
450 state service after January 31, 1953, and whose wages are subject  
451 to payroll taxes and are lawfully reported on IRS Form W-2, except  
452 those specifically excluded, or as to whom election is provided in  
453 Articles 1 and 3, shall become members of the retirement system as  
454 a condition of their employment.

455 (ii) From and after July 1, 2002, any individual  
456 who is employed by a governmental entity to perform professional  
457 services shall become a member of the system if the individual is  
458 paid regular periodic compensation for those services that is  
459 subject to payroll taxes, is provided all other employee benefits



460 and meets the membership criteria established by the regulations  
461 adopted by the board of trustees that apply to all other members  
462 of the system; however, any active member employed in such a  
463 position on July 1, 2002, will continue to be an active member for  
464 as long as they are employed in any such position.

465 (b) All persons who shall become employees in the state  
466 service after January 31, 1953, except those specifically excluded  
467 or as to whom election is provided in Articles 1 and 3, unless  
468 they shall file with the board prior to the lapse of sixty (60)  
469 days of employment or sixty (60) days after the effective date of  
470 the cited articles, whichever is later, on a form prescribed by  
471 the board, a notice of election not to be covered by the  
472 membership of the retirement system and a duly executed waiver of  
473 all present and prospective benefits which would otherwise inure  
474 to them on account of their participation in the system, shall  
475 become members of the retirement system; \* \* \* however, \* \* \* no  
476 credit for prior service will be granted to members until they  
477 have contributed to Article 3 of the retirement system for a  
478 minimum period of at least four (4) years. Such members shall  
479 receive credit for services performed prior to January 1, 1953, in  
480 employment now covered by Article 3, but no credit shall be  
481 granted for retroactive services between January 1, 1953, and the  
482 date of their entry into the retirement system unless the employee  
483 pays into the retirement system both the employer's and the  
484 employee's contributions on wages paid him during the period from  
485 January 31, 1953, to the date of his becoming a contributing  
486 member, together with interest at the rate determined by the board  
487 of trustees. Members reentering after withdrawal from service  
488 shall qualify for prior service under the provisions of Section  
489 25-11-117. From and after July 1, 1998, upon eligibility as noted  
490 above, the member may receive credit for such retroactive service  
491 provided:



492                   (1) The member shall furnish proof satisfactory to  
493 the board of trustees of certification of such service from the  
494 covered employer where the services were performed; and

495                   (2) The member shall pay to the retirement system  
496 on the date he or she is eligible for such credit or at any time  
497 thereafter prior to the date of retirement the actuarial cost for  
498 each year of such creditable service. The provisions of this  
499 subparagraph (2) shall be subject to the limitations of Section  
500 415 of the Internal Revenue Code and regulations promulgated  
501 thereunder.

502           Nothing contained in this paragraph (b) shall be construed to  
503 limit the authority of the board to allow the correction of  
504 reporting errors or omissions based on the payment of the employee  
505 and employer contributions plus applicable interest.

506                   (c) All persons who shall become employees in the state  
507 service after January 31, 1953, and who are eligible for  
508 membership in any other retirement system shall become members of  
509 this retirement system as a condition of their employment unless  
510 they elect at the time of their employment to become a member of  
511 such other system.

512                   (d) All persons who are employees in the state service  
513 on January 31, 1953, and who are members of any nonfunded  
514 retirement system operated by the State of Mississippi, or any of  
515 its departments or agencies, shall become members of this system  
516 with prior service credit unless, before February 1, 1953, they  
517 shall file a written notice with the board of trustees that they  
518 do not elect to become members.

519                   (e) All persons who are employees in the state service  
520 on January 31, 1953, and who under existing laws are members of  
521 any fund operated for the retirement of employees by the State of  
522 Mississippi, or any of its departments or agencies, shall not be  
523 entitled to membership in this retirement system unless, before  
524 February 1, 1953, any such person shall indicate by a notice filed



525 with the board, on a form prescribed by the board, his individual  
526 election and choice to participate in this system, but no such  
527 person shall receive prior service credit unless he becomes a  
528 member on or before February 1, 1953.

529 (f) Each political subdivision of the state and each  
530 instrumentality of the state or a political subdivision, or both,  
531 is hereby authorized to submit, for approval by the board of  
532 trustees, a plan for extending the benefits of this article to  
533 employees of any such political subdivision or instrumentality.  
534 Each such plan or any amendment to the plan for extending benefits  
535 thereof shall be approved by the board of trustees if it finds  
536 that such plan, or such plan as amended, is in conformity with  
537 such requirements as are provided in Articles 1 and 3; however,  
538 upon approval of such plan or any such plan heretofore approved by  
539 the board of trustees, the approved plan shall not be subject to  
540 cancellation or termination by the political subdivision or  
541 instrumentality, except that any community hospital serving a  
542 municipality that joined the Public Employees' Retirement System  
543 as of November 1, 1956, to offer social security coverage for its  
544 employees and subsequently extended retirement annuity coverage to  
545 its employees as of December 1, 1965, may, upon documentation of  
546 extreme financial hardship, have future retirement annuity  
547 coverage cancelled or terminated at the discretion of the board of  
548 trustees. No such plan shall be approved unless:

549 (1) It provides that all services which constitute  
550 employment as defined in Section 25-11-5 and are performed in the  
551 employ of the political subdivision or instrumentality, by any  
552 employees thereof, shall be covered by the plan; with the  
553 exception of municipal employees who are already covered by  
554 existing retirement plans; \* \* \* however, those employees in this  
555 class may elect to come under the provisions of this article;

556 (2) It specifies the source or sources from which  
557 the funds necessary to make the payments required by paragraph (d)





558 of Section 25-11-123 and of paragraph (f) (5)B and C of this  
559 section are expected to be derived and contains reasonable  
560 assurance that such sources will be adequate for such purpose;

561 (3) It provides for such methods of administration  
562 of the plan by the political subdivision or instrumentality as are  
563 found by the board of trustees to be necessary for the proper and  
564 efficient administration thereof;

565 (4) It provides that the political subdivision or  
566 instrumentality will make such reports, in such form and  
567 containing such information, as the board of trustees may from  
568 time to time require;

569 (5) It authorizes the board of trustees to  
570 terminate the plan in its entirety in the discretion of the board  
571 if it finds that there has been a failure to comply substantially  
572 with any provision contained in such plan, such termination to  
573 take effect at the expiration of such notice and on such  
574 conditions as may be provided by regulations of the board and as  
575 may be consistent with applicable federal law.

576 A. The board of trustees shall not finally  
577 refuse to approve a plan submitted under paragraph (f), and shall  
578 not terminate an approved plan without reasonable notice and  
579 opportunity for hearing to each political subdivision or  
580 instrumentality affected thereby. The board's decision in any  
581 such case shall be final, conclusive and binding unless an appeal  
582 be taken by the political subdivision or instrumentality aggrieved  
583 thereby to the Circuit Court of Hinds County, Mississippi, in  
584 accordance with the provisions of law with respect to civil causes  
585 by certiorari.

586 B. Each political subdivision or  
587 instrumentality as to which a plan has been approved under this  
588 section shall pay into the contribution fund, with respect to  
589 wages (as defined in Section 25-11-5), at such time or times as  
590 the board of trustees may by regulation prescribe, contributions



591 in the amounts and at the rates specified in the applicable  
592 agreement entered into by the board.

593 C. Every political subdivision or  
594 instrumentality required to make payments under paragraph (f)(5)B  
595 hereof is authorized, in consideration of the employees' retention  
596 in or entry upon employment after enactment of Articles 1 and 3,  
597 to impose upon its employees, as to services which are covered by  
598 an approved plan, a contribution with respect to wages (as defined  
599 in Section 25-11-5) not exceeding the amount provided in Section  
600 25-11-123(d) if such services constituted employment within the  
601 meaning of Articles 1 and 3, and to deduct the amount of such  
602 contribution from the wages as and when paid. Contributions so  
603 collected shall be paid into the contribution fund as partial  
604 discharge of the liability of such political subdivisions or  
605 instrumentalities under paragraph (f)(5)B hereof. Failure to  
606 deduct such contribution shall not relieve the employee or  
607 employer of liability thereof.

608 D. Any state agency, school, political  
609 subdivision, instrumentality or any employer that is required to  
610 submit contribution payments or wage reports under any section of  
611 this chapter shall be assessed interest on delinquent payments or  
612 wage reports as determined by the board of trustees in accordance  
613 with rules and regulations adopted by the board and such assessed  
614 interest may be recovered by action in a court of competent  
615 jurisdiction against such reporting agency liable therefor or may,  
616 upon due certification of delinquency and at the request of the  
617 board of trustees, be deducted from any other monies payable to  
618 such reporting agency by any department or agency of the state.

619 E. Each political subdivision of the state  
620 and each instrumentality of the state or a political subdivision  
621 or subdivisions which submits a plan for approval of the board, as  
622 provided in this section, shall reimburse the board for coverage  
623 into the expense account, its pro rata share of the total expense



624 of administering Articles 1 and 3 as provided by regulations of  
625 the board.

626 (g) The board may, in its discretion, deny the right of  
627 membership in this system to any class of employees whose  
628 compensation is only partly paid by the state or who are occupying  
629 positions on a part-time or intermittent basis. The board may, in  
630 its discretion, make optional with employees in any such classes  
631 their individual entrance into this system.

632 (h) An employee whose membership in this system is  
633 contingent on his own election, and who elects not to become a  
634 member, may thereafter apply for and be admitted to membership;  
635 but no such employee shall receive prior service credit unless he  
636 becomes a member prior to July 1, 1953, except as provided in  
637 paragraph (b).

638 (i) In the event any member of this system should  
639 change his employment to any agency of the state having an  
640 actuarially funded retirement system, the board of trustees may  
641 authorize the transfer of the member's creditable service and of  
642 the present value of the member's employer's accumulation account  
643 and of the present value of the member's accumulated membership  
644 contributions to such other system, provided the employee agrees  
645 to the transfer of his accumulated membership contributions and  
646 provided such other system is authorized to receive and agrees to  
647 make such transfer.

648 In the event any member of any other actuarially funded  
649 system maintained by an agency of the state changes his employment  
650 to an agency covered by this system, the board of trustees may  
651 authorize the receipt of the transfer of the member's creditable  
652 service and of the present value of the member's employer's  
653 accumulation account and of the present value of the member's  
654 accumulated membership contributions from such other system,  
655 provided the employee agrees to the transfer of his accumulated



656 membership contributions to this system and provided the other  
657 system is authorized and agrees to make such transfer.

658 (j) Wherever herein state employment is referred to, it  
659 shall include joint employment by state and federal agencies of  
660 all kinds.

661 (k) Employees of a political subdivision or  
662 instrumentality who were employed by such political subdivision or  
663 instrumentality prior to an agreement between such entity and the  
664 Public Employees' Retirement System to extend the benefits of this  
665 article to its employees, and which agreement provides for the  
666 establishment of retroactive service credit, and who have been  
667 members of the retirement system and have remained contributors to  
668 the retirement system for four (4) years, may receive credit for  
669 such retroactive service with such political subdivision or  
670 instrumentality, provided the employee and/or employer, as  
671 provided under the terms of the modification of the joinder  
672 agreement in allowing such coverage, pay into the retirement  
673 system the employer's and employee's contributions on wages paid  
674 the member during such previous employment, together with interest  
675 or actuarial cost as determined by the board covering the period  
676 from the date the service was rendered until the payment for the  
677 credit for such service was made. Such wages shall be verified by  
678 the Social Security Administration or employer payroll records.  
679 Effective July 1, 1998, upon eligibility as noted above, a member  
680 may receive credit for such retroactive service with such  
681 political subdivision or instrumentality provided:

682 (1) The member shall furnish proof satisfactory to  
683 the board of trustees of certification of such services from the  
684 political subdivision or instrumentality where the services were  
685 rendered or verification by the Social Security Administration;  
686 and

687 (2) The member shall pay to the retirement system  
688 on the date he or she is eligible for such credit or at any time



689 thereafter prior to the date of retirement the actuarial cost for  
690 each year of such creditable service. The provisions of this  
691 subparagraph (2) shall be subject to the limitations of Section  
692 415 of the Internal Revenue Code and regulations promulgated  
693 thereunder.

694 Nothing contained in this paragraph (k) shall be construed to  
695 limit the authority of the board to allow the correction of  
696 reporting errors or omissions based on the payment of employee and  
697 employer contributions plus applicable interest. Payment for such  
698 time shall be made in increments of not less than one-quarter  
699 (1/4) year of creditable service beginning with the most recent  
700 service. Upon the payment of all or part of such required  
701 contributions, plus interest or the actuarial cost as provided  
702 above, the member shall receive credit for the period of  
703 creditable service for which full payment has been made to the  
704 retirement system.

705 (l) Through June 30, 1998, any state service eligible  
706 for retroactive service credit, no part of which has ever been  
707 reported, and requiring the payment of employee and employer  
708 contributions plus interest, or, from and after July 1, 1998, any  
709 state service eligible for retroactive service credit, no part of  
710 which has ever been reported to the retirement system, and  
711 requiring the payment of the actuarial cost for such creditable  
712 service, may, at the member's option, be purchased in quarterly  
713 increments as provided above at such time as its purchase is  
714 otherwise allowed.

715 (m) All rights to purchase retroactive service credit  
716 or repay a refund as provided in Section 25-11-101 et seq. shall  
717 terminate upon retirement.

718 **II. THOSE WHO ARE NOT ELIGIBLE FOR MEMBERSHIP**

719 The following classes of employees and officers shall not  
720 become members of this retirement system, any other provisions of  
721 Articles 1 and 3 to the contrary notwithstanding:



722 (a) Patient or inmate help in state charitable, penal  
723 or correctional institutions;

724 (b) Students of any state educational institution  
725 employed by any agency of the state for temporary, part-time or  
726 intermittent work;

727 (c) Participants of Comprehensive Employment and  
728 Training Act of 1973 (CETA) being Public Law 93-203, who enroll on  
729 or after July 1, 1979.

730 (d) From and after July 1, 2002, individuals who are  
731 employed by a governmental entity to perform professional service  
732 on less than a full-time basis who do not meet the criteria  
733 established in I(a)(ii) of this section.

734 **III. TERMINATION OF MEMBERSHIP**

735 Membership in this system shall cease by a member withdrawing  
736 his accumulated contributions, or by a member withdrawing from  
737 active service with a retirement allowance, or by a member's  
738 death.

739 **SECTION 7.** Section 25-11-109, Mississippi Code of 1972, is  
740 amended as follows:

741 25-11-109. (1) Under such rules and regulations as the  
742 board of trustees shall adopt, each person who becomes a member of  
743 this retirement system, as provided in Section 25-11-105, on or  
744 prior to July 1, 1953, or who becomes a member and contributes to  
745 the system for a minimum period of four (4) years, shall receive  
746 credit for all state service rendered before February 1, 1953. To  
747 receive such credit, such member shall file a detailed statement  
748 of all services as an employee rendered by him in the state  
749 service before February 1, 1953. For any member who joined the  
750 system after July 1, 1953, any creditable service for which the  
751 member is not required to make contributions shall not be credited  
752 to the member until the member has contributed to the system for a  
753 minimum period of at least four (4) years.



754           (2) In the computation of membership service or prior  
755 service under the provisions of this article, the total months of  
756 accumulative service during any fiscal year shall be calculated in  
757 accordance with the schedule as follows: ten (10) or more months  
758 of creditable service during any fiscal year shall constitute a  
759 year of creditable service; seven (7) months to nine (9) months  
760 inclusive, three-quarters (3/4) of a year of creditable service;  
761 four (4) months to six (6) months inclusive, one-half-year of  
762 creditable service; one (1) month to three (3) months inclusive,  
763 one-quarter (1/4) of a year of creditable service. In no case  
764 shall credit be allowed for any period of absence without  
765 compensation except for disability while in receipt of a  
766 disability retirement allowance, nor shall less than fifteen (15)  
767 days of service in any month, or service less than the equivalent  
768 of one-half (1/2) of the normal working load for the position and  
769 less than one-half (1/2) of the normal compensation for the  
770 position in any month, constitute a month of creditable service,  
771 nor shall more than one (1) year of service be creditable for all  
772 services rendered in any one (1) fiscal year; however, for a  
773 school employee, substantial completion of the legal school term  
774 when and where the service was rendered shall constitute a year of  
775 service credit for both prior service and membership service. Any  
776 state or local elected official shall be deemed a full-time  
777 employee for the purpose of creditable service for prior service  
778 or membership service. However, an appointed or elected official  
779 compensated on a per diem basis only shall not be allowed  
780 creditable service for terms of office.

781           In the computation of any retirement allowance or any annuity  
782 or benefits provided in this article, any fractional period of  
783 service of less than one (1) year shall be taken into account and  
784 a proportionate amount of such retirement allowance, annuity or  
785 benefit shall be granted for any such fractional period of  
786 service.



787 In the computation of unused leave for creditable service  
788 authorized in Section 25-11-103, the following shall govern:  
789 twenty-one (21) days of unused leave shall constitute one (1)  
790 month of creditable service and in no case shall credit be allowed  
791 for any period of unused leave of less than fifteen (15) days.  
792 The number of months of unused leave shall determine the number of  
793 quarters or years of creditable service in accordance with the  
794 above schedule for membership and prior service. In order for the  
795 member to receive creditable service for the number of days of  
796 unused leave, the system must receive certification from the  
797 governing authority.

798 For the purpose of this subsection, for members of the system  
799 who are elected officers and who retire on or after July 1, 1987,  
800 the following shall govern:

801 (a) For service prior to July 1, 1984, the members  
802 shall receive credit for leave (combined personal and major  
803 medical) for service as an elected official prior to that date at  
804 the rate of thirty (30) days per year.

805 (b) For service on and after July 1, 1984, the member  
806 shall receive credit for personal and major medical leave  
807 beginning July 1, 1984, at the rates authorized in Sections  
808 25-3-93 and 25-3-95, computed as a full-time employee.

809 (3) Subject to the above restrictions and to such other  
810 rules and regulations as the board may adopt, the board shall  
811 verify, as soon as practicable after the filing of such statements  
812 of service, the services therein claimed.

813 (4) Upon verification of the statement of prior service, the  
814 board shall issue a prior service certificate certifying to each  
815 member the length of prior service for which credit shall have  
816 been allowed on the basis of his statement of service. So long as  
817 membership continues, a prior service certificate shall be final  
818 and conclusive for retirement purposes as to such service,  
819 provided that any member may within five (5) years from the date





820 of issuance or modification of such certificate request the board  
821 of trustees to modify or correct his prior service certificate.  
822 Any modification or correction authorized shall only apply  
823 prospectively.

824 When membership ceases, such prior service certificates shall  
825 become void. Should the employee again become a member, he shall  
826 enter the system as an employee not entitled to prior service  
827 credit except as provided in Sections 25-11-105(I), 25-11-113 and  
828 25-11-117.

829 (5) Creditable service at retirement, on which the  
830 retirement allowance of a member shall be based, shall consist of  
831 the membership service rendered by him since he last became a  
832 member, and also, if he has a prior service certificate which is  
833 in full force and effect, the amount of the service certified on  
834 his prior service certificate.

835 (6) \* \* \* Any member who served on active duty in the Armed  
836 Forces of the United States, who served in the Commissioned Corps  
837 of the United States Public Health Service prior to 1972 or who  
838 served in maritime service during periods of hostility in World  
839 War II, shall be entitled to creditable service at no cost for his  
840 service on active duty in the Armed Forces in the Commissioned  
841 Corps of the United States Public Health Service prior to 1972 or  
842 in such maritime service, provided he entered state service after  
843 his discharge from the Armed Forces or entered state service after  
844 he completed such maritime service. The maximum period for such  
845 creditable service for all military service as defined in this  
846 subsection (6) shall not exceed four (4) years unless positive  
847 proof can be furnished by such person that he was retained in the  
848 Armed Forces during World War II or in maritime service during  
849 World War II by causes beyond his control and without opportunity  
850 of discharge. The member shall furnish proof satisfactory to the  
851 board of trustees of certification of military service or maritime  
852 service records showing dates of entrance into active duty service



853 and the date of discharge. From and after July 1, 1993, no  
854 creditable service shall be granted for any military service or  
855 maritime service to a member who qualifies for a retirement  
856 allowance in another public retirement system administered by the  
857 Board of Trustees of the Public Employees' Retirement System based  
858 in whole or in part on such military or maritime service. In no  
859 case shall the member receive creditable service if the member  
860 received a dishonorable discharge from the Armed Forces of the  
861 United States.

862 (7) (a) Any member of the Public Employees' Retirement  
863 System whose membership service is interrupted as a result of  
864 qualified military service within the meaning of Section 414(u)(5)  
865 of the Internal Revenue Code, and who has received the maximum  
866 service credit available under subsection (6) of this section,  
867 shall receive creditable service for the period of qualified  
868 military service that does not qualify as creditable service under  
869 subsection (6) of this section upon reentering membership service  
870 in an amount not to exceed five (5) years if:

871 (i) The member pays the contributions he would  
872 have made to the retirement system if he had remained in  
873 membership service for the period of qualified military service  
874 based upon his salary at the time his membership service was  
875 interrupted;

876 (ii) The member returns to membership service  
877 within ninety (90) days of the end of his qualified military  
878 service; and

879 (iii) The employer at the time the member's  
880 service was interrupted and to which employment the member returns  
881 pays the contributions it would have made into the retirement  
882 system for such period based on the member's salary at the time  
883 the service was interrupted.

884 (b) The payments required to be made in paragraph  
885 (a)(i) of this subsection may be made over a period beginning with



886 the date of return to membership service and not exceeding three  
887 (3) times the member's qualified military service; \* \* \*  
888 however, \* \* \* in no event shall such period exceed five (5)  
889 years.

890 (c) The member shall furnish proof satisfactory to the  
891 board of trustees of certification of military service showing  
892 dates of entrance into qualified service and the date of discharge  
893 as well as proof that the member has returned to active employment  
894 within the time specified.

895 (8) Any member of the Public Employees' Retirement System  
896 who has at least four (4) years of membership service credit shall  
897 be entitled to receive a maximum of five (5) years creditable  
898 service for service rendered in another state as a public employee  
899 of such other state, or a political subdivision, public education  
900 system or other governmental instrumentality thereof, or service  
901 rendered as a teacher in American overseas dependent schools  
902 conducted by the Armed Forces of the United States for children of  
903 citizens of the United States residing in areas outside the  
904 continental United States, provided that:

905 (a) The member shall furnish proof satisfactory to the  
906 board of trustees of certification of such services from the  
907 state, public education system, political subdivision or  
908 retirement system of the state where the services were performed  
909 or the governing entity of the American overseas dependent school  
910 where the services were performed; and

911 (b) The member is not receiving or will not be entitled  
912 to receive from the public retirement system of the other state or  
913 from any other retirement plan, including optional retirement  
914 plans, sponsored by the employer, a retirement allowance including  
915 such services; and

916 (c) The member shall pay to the retirement system on  
917 the date he or she is eligible for credit for such out-of-state  
918 service or at any time thereafter prior to date of retirement the



919 actuarial cost as determined by the actuary for each year of  
920 out-of-state creditable service. The provisions of this  
921 subsection are subject to the limitations of Section 415 of the  
922 Internal Revenue Code and regulations promulgated thereunder.

923 (9) Any member of the Public Employees' Retirement System  
924 who has at least four (4) years of membership service credit and  
925 who receives, or has received, professional leave without  
926 compensation for professional purposes directly related to the  
927 employment in state service shall receive creditable service for  
928 the period of professional leave without compensation provided:

929 (a) The professional leave is performed with a public  
930 institution or public agency of this state, or another state or  
931 federal agency;

932 (b) The employer approves the professional leave  
933 showing the reason for granting the leave and makes a  
934 determination that the professional leave will benefit the  
935 employee and employer;

936 (c) Such professional leave shall not exceed two (2)  
937 years during any ten-year period of state service;

938 (d) The employee shall serve the employer on a  
939 full-time basis for a period of time equivalent to the  
940 professional leave period granted immediately following the  
941 termination of the leave period;

942 (e) The contributing member shall pay to the retirement  
943 system the actuarial cost as determined by the actuary for each  
944 year of professional leave. The provisions of this subsection are  
945 subject to the regulations of the Internal Revenue Code  
946 limitations;

947 (f) Such other rules and regulations consistent  
948 herewith as the board may adopt and in case of question, the board  
949 shall have final power to decide the questions.

950 Any actively contributing member participating in the School  
951 Administrator Sabbatical Program established in Section 37-9-77



952 shall qualify for continued participation under this subsection  
953 (9).

954 (10) Any member of the Public Employees' Retirement System  
955 who has at least four (4) years of credited membership service  
956 shall be entitled to receive a maximum of ten (10) years  
957 creditable service for:

958 (a) Any service rendered as an employee of any  
959 political subdivision of this state, or any instrumentality  
960 thereof, which does not participate in the Public Employees'  
961 Retirement System; or

962 (b) Any service rendered as an employee of any  
963 political subdivision of this state, or any instrumentality  
964 thereof, which participates in the Public Employees' Retirement  
965 System but did not elect retroactive coverage; or

966 (c) Any service rendered as an employee of any  
967 political subdivision of this state, or any instrumentality  
968 thereof, for which coverage of the employee's position was or is  
969 excluded; provided that the member pays into the retirement system  
970 the actuarial cost as determined by the actuary for each year, or  
971 portion thereof, of such service. Payment for such service may be  
972 made in increments of one-quarter-year of creditable service.  
973 After a member has made full payment to the retirement system for  
974 all or any part of such service, the member shall receive  
975 creditable service for the period of such service for which full  
976 payment has been made to the retirement system.

977 **SECTION 8.** Section 25-11-112, Mississippi Code of 1972, is  
978 amended as follows:

979 25-11-112. (1) Any member who is receiving a retirement  
980 allowance for service or disability retirement, or any beneficiary  
981 thereof, who has received a monthly benefit for at least one (1)  
982 full fiscal year, shall be eligible to receive an additional  
983 benefit, on December 1 or July 1 of the year as provided in



984 subsection (3) of this section, equal to the greater of the  
985 amounts calculated under paragraph (a) or (b) below:

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

989 (b) The sum of:

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

994 (ii) An additional amount equal to three percent  
995 (3%) compounded by the number of full fiscal years in retirement  
996 beginning with the fiscal year in which the member reaches age  
997 fifty-five (55), multiplied by the amount of the annual retirement  
998 allowance.

999 (2) The calculation of the beneficiary's additional benefit  
1000 under subsection (1)(b)(i) or (1)(b)(ii) of this section shall be  
1001 based on the member's age and full fiscal years in retirement as  
1002 if the member had lived.

1003 (3) (a) The additional benefit provided for under this  
1004 section shall be paid in one (1) payment in December of each year  
1005 to those persons who are receiving a retirement allowance on  
1006 December 1 of that year, unless an election is made under this  
1007 subsection. However, if a retiree who is receiving a retirement  
1008 allowance that will terminate upon the retiree's death is  
1009 receiving the additional benefit in one (1) payment and dies on or  
1010 after July 1 but before December 1, the beneficiary designated on  
1011 the retirement application, if any, shall receive in a single  
1012 payment a fractional part of the additional benefit based on the  
1013 number of months in which a retirement allowance was received  
1014 during the fiscal year. Likewise, if a retiree is receiving a  
1015 retirement allowance that will terminate upon his or her death in  
1016 two (2) to six (6) monthly installments, any remaining payments of



1017 the additional benefit will be paid in a lump sum to the  
1018 beneficiary designated on the application, or if none, pursuant to  
1019 Section 25-11-117.1(1). Any similar remaining payments of  
1020 additional benefits payable under this section to a deceased  
1021 beneficiary who was receiving a monthly benefit shall be payable  
1022 in accordance with the provisions of Section 25-11-117.1(2). If  
1023 the additional monthly benefit is being received in one (1)  
1024 payment, the additional benefit shall also be prorated based on  
1025 the number of months in which a retirement allowance was received  
1026 during the fiscal year when (i) the monthly benefit payable to a  
1027 beneficiary terminates due to the expiration of an option,  
1028 remarriage or cessation of dependent status or due to the  
1029 retiree's return to covered employment, and (ii) the monthly  
1030 benefit terminates on or after July 1 and before December 1. The  
1031 board may, in its discretion, allow a retired member or a  
1032 beneficiary thereof who is receiving the additional annual payment  
1033 in the manner provided for in this paragraph to change the manner  
1034 in which the additional annual payment is received to that  
1035 provided for in paragraph (b) of this subsection if the retired  
1036 member or beneficiary submits satisfactory documentation that the  
1037 continued receipt of the additional annual payment as provided for  
1038 in this paragraph will cause a financial hardship to the retired  
1039 member or beneficiary.

1040           (b) Retired members or beneficiaries thereof who on  
1041 July 1, 1999, or July 1 of any fiscal year thereafter, are  
1042 receiving a retirement allowance, may elect by an irrevocable  
1043 agreement in writing filed in the Office of the Public Employees'  
1044 Retirement System no less than thirty (30) days before July 1 of  
1045 the appropriate year, to begin receiving the additional benefit  
1046 provided for under this section in twelve (12) equal monthly  
1047 installments beginning July 1, 1999, or July 1 of any fiscal year  
1048 thereafter. This irrevocable agreement shall be binding on the  
1049 member and subsequent beneficiaries. Payment of those monthly



1050 installments shall not extend beyond the month in which a  
1051 retirement allowance is due and payable. The board may, in its  
1052 discretion, allow a retired member or a beneficiary thereof who is  
1053 receiving the additional annual payment in the manner provided for  
1054 in this paragraph to change the manner in which the additional  
1055 annual payment is received to that provided for in paragraph (a)  
1056 of this subsection if the retired member or beneficiary submits  
1057 satisfactory documentation that the continued receipt of the  
1058 additional annual payment as provided for in this paragraph will  
1059 cause a financial hardship to the retired member or beneficiary.

1060 (4) The additional payment or payments provided for under  
1061 this section are for the fiscal year in which they are paid.

1062 (5) The amount provided for under subsection (1)(b)(ii) of  
1063 this section is calculated using the following formula:

1064  $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$ ,

1065 where  $n$  is the number of full fiscal years in retirement beginning  
1066 with the fiscal year in which the member reaches age fifty-five  
1067 (55).

1068 (6) Any retired member or beneficiary thereof who has  
1069 previously elected to receive the additional annual payment in  
1070 monthly installments may elect, upon application on a form  
1071 prescribed by the board of trustees, to have that payment made in  
1072 one (1) additional payment each year. This written election must  
1073 be filed in the Office of the Public Employees' Retirement System  
1074 before June 1, 2000, and shall be effective for the fiscal year  
1075 beginning July 1, 2000.

1076 (7) In the event of death of a retired member or a  
1077 beneficiary thereof who is receiving the additional annual payment  
1078 in two (2) to six (6) monthly installments pursuant to an election  
1079 made before July 1, 1999, and who would otherwise be eligible to  
1080 receive the additional benefit provided for under this section in  
1081 one (1) payment in December of the current fiscal year, any





1082 remaining amounts shall be paid in a lump sum to the designated  
1083 beneficiary.

1084 (8) When a member retires after July 1 and has previously  
1085 received a retirement allowance for one or more full fiscal years,  
1086 the retired member shall be eligible immediately for the  
1087 additional benefit. The additional benefit shall be based on the  
1088 current retirement allowance and the number of full fiscal years  
1089 in retirement and shall be prorated and paid in monthly  
1090 installments based on the number of months a retirement allowance  
1091 is paid during the fiscal year.

1092 **SECTION 9.** Section 25-11-113, Mississippi Code of 1972, is  
1093 amended as follows:

1094 25-11-113. (1) (a) Upon the application of a member or his  
1095 employer, any active member in state service who has at least four  
1096 (4) years of membership service credit may be retired by the board  
1097 of trustees on the first of the month following the date of filing  
1098 such application on a disability retirement allowance, but in no  
1099 event shall the disability retirement allowance commence before  
1100 termination of state service, provided that the medical board,  
1101 after an evaluation of medical evidence that may or may not  
1102 include an actual physical examination by the medical board, shall  
1103 certify that the member is mentally or physically incapacitated  
1104 for the further performance of duty, that such incapacity is  
1105 likely to be permanent, and that the member should be retired;  
1106 however, the board of trustees may accept a disability medical  
1107 determination from the Social Security Administration in lieu of a  
1108 certification from the medical board. For the purposes of  
1109 disability determination, the medical board shall apply the  
1110 following definition of disability: the inability to perform the  
1111 usual duties of employment or the incapacity to perform such  
1112 lesser duties, if any, as the employer, in its discretion, may  
1113 assign without material reduction in compensation, or the  
1114 incapacity to perform the duties of any employment covered by the



1115 Public Employees' Retirement System (Section 25-11-101 et seq.)  
1116 that is actually offered and is within the same general  
1117 territorial work area, without material reduction in compensation.  
1118 The employer shall be required to furnish the job description and  
1119 duties of the member. The employer shall further certify whether  
1120 the employer has offered the member other duties and has complied  
1121 with the applicable provisions of the Americans With Disabilities  
1122 Act in affording reasonable accommodations which would allow the  
1123 employee to continue employment.

1124 (b) Any inactive member with four (4) or more years of  
1125 membership service credit, who has withdrawn from active state  
1126 service, is not eligible for a disability retirement allowance  
1127 unless the disability occurs within six (6) months of the  
1128 termination of active service and unless satisfactory proof is  
1129 presented to the board of trustees that the disability was the  
1130 direct cause of withdrawal from state service.

1131 (c) Any member who is or becomes eligible for service  
1132 retirement benefits under Section 25-11-111 while pursuing a  
1133 disability retirement allowance under this section or Section  
1134 25-11-114 may elect to receive a service retirement allowance  
1135 pending a final determination on eligibility for a disability  
1136 retirement allowance or withdrawal of the application for the  
1137 disability retirement allowance. In such a case, an application  
1138 for a disability retirement allowance must be on file with the  
1139 system before the commencement of a service retirement allowance.  
1140 If the application is approved, the option selected and  
1141 beneficiary designated on the retirement application shall be used  
1142 to determine the disability retirement allowance. If the  
1143 application is not approved or if the application is withdrawn,  
1144 the service retirement allowance shall continue to be paid in  
1145 accordance with the option selected. No person may apply for a  
1146 disability retirement allowance after the person begins to receive  
1147 a service retirement allowance.



1148           (d) If the medical board certifies that the member is  
1149 not mentally or physically incapacitated for the future  
1150 performance of duty, the member may request, within sixty (60)  
1151 days, a hearing before the hearing officer as provided in Section  
1152 25-11-120. All hearings shall be held in accordance with rules  
1153 and regulations adopted by the board \* \* \* to govern such  
1154 hearings. Such hearing may be closed upon the request of the  
1155 member.

1156           (e) The medical board may request additional medical  
1157 evidence and/or other physicians to conduct an evaluation of the  
1158 member's condition. If the medical board requests additional  
1159 medical evidence and the member refuses the request, the  
1160 application shall be considered void.

1161           (2) Allowance on disability retirement.

1162           (a) Upon retirement for disability, an eligible member  
1163 shall receive a retirement allowance if he has attained the age of  
1164 sixty (60) years.

1165           (b) Except as provided in paragraph (c) of this  
1166 subsection (2), an eligible member who is retired for disability  
1167 and who has not attained sixty (60) years of age shall receive a  
1168 disability benefit as computed in Section 25-11-111(d)(1) through  
1169 (d)(4) which shall consist of:

1170           (i) A member's annuity which shall be the  
1171 actuarial equivalent of his accumulated contributions at the time  
1172 of retirement; and

1173           (ii) An employer's annuity equal to the amount  
1174 that would have been payable as a retirement allowance for both  
1175 membership service and prior service had the member continued in  
1176 service to the age of sixty (60) years, which shall apply to the  
1177 allowance for disability retirement paid to retirees receiving  
1178 such allowance upon and after April 12, 1977. This employer's  
1179 annuity shall be computed on the basis of the average "earned  
1180 compensation" as defined in Section 25-11-103.



1181 (c) For persons who become members after June 30, 1992,  
1182 and for active members on June 30, 1992, who elect benefits under  
1183 this paragraph (c) instead of those provided under paragraph (b)  
1184 of this subsection (2), the disability allowance shall consist of  
1185 two (2) parts: a temporary allowance and a deferred allowance.

1186 The temporary allowance shall equal the greater of (i) forty  
1187 percent (40%) of average compensation at the time of disability,  
1188 plus ten percent (10%) of average compensation for each of the  
1189 first two (2) dependent children, as defined in Sections 25-11-103  
1190 and 25-11-114, or (ii) the accrued benefit based on actual  
1191 service. It shall be payable for a period of time based on the  
1192 member's age at disability, as follows:

1193	Age at Disability	Duration
1194	60 and earlier	to age 65
1195	61	to age 66
1196	62	to age 66
1197	63	to age 67
1198	64	to age 67
1199	65	to age 68
1200	66	to age 68
1201	67	to age 69
1202	68	to age 70
1203	69 and over	one year

1204 The deferred allowance shall commence when the temporary  
1205 allowance ceases and shall be payable for life. The deferred  
1206 allowance shall equal the greater of (i) the allowance that would  
1207 have been payable had the member continued in service to the  
1208 termination age of the temporary allowance, but no more than forty  
1209 percent (40%) of average compensation, or (ii) the accrued benefit  
1210 based on actual service at the time of disability. The deferred  
1211 allowance as determined at the time of disability shall be  
1212 adjusted in accordance with Section 25-11-112 for the period  
1213 during which the temporary annuity is payable. In no case shall a



1214 member receive less than Ten Dollars (\$10.00) per month for each  
1215 year of service and proportionately for each quarter year thereof  
1216 reduced for the option selected.

1217 (d) The member may elect to receive the actuarial  
1218 equivalent of the disability retirement allowance in a reduced  
1219 allowance payable throughout life under any of the provisions of  
1220 the options provided under Section 25-11-115.

1221 (e) Should a disability retiree who has not selected an  
1222 option under Section 25-11-115 die before being repaid in  
1223 disability benefits the sum of his total contributions, then his  
1224 named beneficiary shall receive the difference in cash, which  
1225 shall apply to all deceased disability retirees from and after  
1226 January 1, 1953.

1227 (3) Reexamination of retirees retired on account of  
1228 disability. Except as otherwise provided in this section, once  
1229 each year during the first five (5) years following retirement of  
1230 a member on a disability retirement allowance, and once in every  
1231 period of three (3) years thereafter, the board of trustees may,  
1232 and upon his application shall, require any disability retiree who  
1233 has not yet attained the age of sixty (60) years or the  
1234 termination age of the temporary allowance under paragraph (2) (c)  
1235 of this section to undergo a medical examination, such examination  
1236 to be made at the place of residence of the retiree or other place  
1237 mutually agreed upon by a physician or physicians designated by  
1238 the board. The board, however, in its discretion, may authorize  
1239 the medical board to establish reexamination schedules appropriate  
1240 to the medical condition of individual disability retirees.

1241 Should any disability retiree who has not yet attained the age of  
1242 sixty (60) years or the termination age of the temporary allowance  
1243 under paragraph (2) (c) of this section refuse to submit to any  
1244 medical examination provided herein, his allowance may be  
1245 discontinued until his withdrawal of such refusal; and should his



1246 refusal continue for one (1) year, all his rights to a disability  
1247 benefit shall be revoked by the board of trustees.

1248 (4) If the medical board reports and certifies to the board  
1249 of trustees, after a comparable job analysis or other similar  
1250 study, that such disability retiree is engaged in, or is able to  
1251 engage in, a gainful occupation paying more than the difference  
1252 between his disability allowance, exclusive of cost of living  
1253 adjustments, and the average compensation, and if the board of  
1254 trustees concurs in such report, the disability benefit shall be  
1255 reduced to an amount which, together with the amount earnable by  
1256 him, shall equal the amount of his average compensation. If his  
1257 earning capacity be later changed, the amount of the \* \* \* benefit  
1258 may be further modified, provided that the revised benefit shall  
1259 not exceed the amount originally granted. A retiree receiving a  
1260 disability benefit who is restored to active service at a salary  
1261 less than the average compensation shall not become a member of  
1262 the retirement system.

1263 (5) Should a disability retiree under the age of sixty (60)  
1264 years or the termination age of the temporary allowance under  
1265 paragraph (2)(c) of this section be restored to active service at  
1266 a compensation not less than his average compensation, his  
1267 disability benefit shall cease, he shall again become a member of  
1268 the retirement system, and contributions shall be withheld and  
1269 reported. Any such prior service certificate, on the basis of  
1270 which his service was computed at the time of retirement, shall be  
1271 restored to full force and effect. In addition, upon his  
1272 subsequent retirement he shall be credited with all creditable  
1273 service as a member, but the total retirement allowance paid to  
1274 the retired member in his previous retirement shall be deducted  
1275 from his retirement reserve and taken into consideration in  
1276 recalculating the retirement allowance under a new option  
1277 selected.



1278           (6) If following reexamination in accordance with the  
1279 provisions contained in this section, the medical board determines  
1280 that a retiree retired on account of disability is physically and  
1281 mentally able to return to the employment from which he is  
1282 retired, the board of trustees, upon certification of such  
1283 findings from the medical board, shall, after a reasonable period  
1284 of time, terminate the disability allowance, whether or not the  
1285 retiree is reemployed or seeks such reemployment. In addition, if  
1286 the board of trustees determines that the retiree is no longer  
1287 sustaining a loss of income as established by documented evidence  
1288 of the retiree's earned income, the eligibility for a disability  
1289 allowance shall terminate and the allowance terminated within a  
1290 reasonable period of time. In the event the retirement allowance  
1291 is terminated under the provisions of this section, the retiree  
1292 may subsequently qualify for a retirement allowance under Section  
1293 25-11-111 based on actual years of service credit plus credit for  
1294 the period during which a disability allowance was paid.

1295           (7) Any current member as of June 30, 1992, who retires on a  
1296 disability retirement allowance after June 30, 1992, and who has  
1297 not elected to receive benefits under paragraph (2)(c) of this  
1298 section, shall relinquish all rights under the Age Discrimination  
1299 in Employment Act of 1967, as amended, with regard to the benefits  
1300 payable under this section.

1301           **SECTION 10.** Section 25-11-115, Mississippi Code of 1972, is  
1302 amended as follows:

1303           25-11-115. (1) Upon application for superannuation or  
1304 disability retirement, any member may elect to receive his benefit  
1305 in a retirement allowance payable throughout life with no further  
1306 payments to anyone at his death, except that in the event his  
1307 total retirement payments under this article do not equal his  
1308 total contributions under this article, his named beneficiary  
1309 shall receive the difference in cash at his death. Or he may  
1310 elect upon retirement, or upon becoming eligible for retirement,



1311 to receive the actuarial equivalent subject to the provisions of  
1312 subsection (3) of this section of his retirement allowance in a  
1313 reduced retirement allowance payable throughout life with the  
1314 provision that:

1315       **Option 1.** If he dies before he has received in annuity  
1316 payment the value of the member's annuity savings account as it  
1317 was at the time of his retirement, the balance shall be paid to  
1318 his legal representative or to such person as he shall nominate by  
1319 written designation duly acknowledged and filed with the board; or

1320       **Option 2.** Upon his death, his reduced retirement allowance  
1321 shall be continued throughout the life of, and paid to, such  
1322 person as he has nominated by written designation duly  
1323 acknowledged and filed with the board of trustees at the time of  
1324 his retirement;

1325       **Option 3.** Upon his death, one-half (1/2) of his reduced  
1326 retirement allowance shall be continued throughout the life of,  
1327 and paid to, such person as he shall have nominated by written  
1328 designation duly acknowledged and filed with the board of trustees  
1329 at the time of his retirement, and the other one-half (1/2) of his  
1330 reduced retirement allowance to some other designated beneficiary;

1331       **Option 4-A.** Upon his death, one-half (1/2) of his reduced  
1332 retirement allowance, or such other specified amount, shall be  
1333 continued throughout the life of, and paid to, such person as he  
1334 shall have nominated by written designation duly acknowledged and  
1335 filed with the board of trustees at the time of his retirement; or

1336       **Option 4-B.** A reduced retirement allowance shall be  
1337 continued throughout the life of the retirant, but with the  
1338 further guarantee of payments to the named beneficiary,  
1339 beneficiaries or to the estate for a specified number of years  
1340 certain. If the retired member or the last designated beneficiary  
1341 receiving annuity payments dies prior to receiving all guaranteed  
1342 payments due, the actuarial equivalent of the remaining payments  
1343 shall be paid pursuant to Section 25-11-117.1(1);





1344           **Option 4-C.** Such retirement allowance otherwise payable may  
1345 be converted into a retirement allowance of equivalent actuarial  
1346 value in such an amount that, with the member's benefit under  
1347 Title II of the federal Social Security Act, the member will  
1348 receive, so far as possible, approximately the same amount  
1349 annually before and after the earliest age at which the member  
1350 becomes eligible to receive a social security benefit. This  
1351 option shall not be available to retirees whose retirement is  
1352 effective on or after July 1, 2004.

1353           **Option 6.** Any member who has at least twenty-eight (28)  
1354 years of creditable service at the time of retirement or who is at  
1355 least sixty-three (63) years of age and eligible to retire, may  
1356 select the maximum retirement benefit or an optional benefit as  
1357 provided in this subsection together with a partial lump sum  
1358 distribution. The amount of the lump sum distribution under this  
1359 option shall be equal to the maximum monthly benefit multiplied by  
1360 twelve (12), twenty-four (24) or thirty-six (36) as selected by  
1361 the member. The maximum retirement benefit shall be actuarially  
1362 reduced to reflect the amount of the lump sum distribution  
1363 selected and further reduced for any other optional benefit  
1364 selected. The annuity and lump sum distribution shall be computed  
1365 to result in no actuarial loss to the system. The lump sum  
1366 distribution shall be made as a single payment payable at the time  
1367 the first monthly annuity payment is paid to the retiree. The  
1368 amount of the lump sum distribution shall be deducted from the  
1369 member's annuity savings account in computing what contributions  
1370 remain at the death of the retiree and/or a beneficiary. The lump  
1371 sum distribution option may be elected only once by a member upon  
1372 initial retirement, and may not be elected by a retiree, by  
1373 members applying for a disability retirement annuity, by survivors  
1374 or by a member selecting Option 4-C.

1375           (2) No change in the option selected shall be permitted  
1376 after the member's death or after the member has received his



1377 first retirement check except as provided in subsections (3) and  
1378 (4) of this section and in Section 25-11-127. Members who are  
1379 pursuing a disability retirement allowance and simultaneously or  
1380 subsequently elect to begin to receive a service retirement  
1381 allowance while continuing to pursue a disability retirement  
1382 allowance, shall not be eligible to select Option 4-C or Option 6  
1383 and those options may not be selected at a later time if the  
1384 application for a disability retirement allowance is voided or  
1385 denied. However, any retired member who is receiving a retirement  
1386 allowance under Option 2 or Option 4-A upon July 1, 1992, and  
1387 whose designated beneficiary predeceased him or whose marriage to  
1388 a spouse who is his designated beneficiary is terminated by  
1389 divorce or other dissolution, upon written notification to the  
1390 retirement system of the death of the designated beneficiary or of  
1391 the termination of his marriage to his designated beneficiary, the  
1392 retirement allowance payable to the member after receipt of such  
1393 notification by the retirement system shall be equal to the  
1394 retirement allowance which would have been payable had the member  
1395 not elected the option. In addition, any retired member who is  
1396 receiving the maximum retirement allowance for life, a retirement  
1397 allowance under Option 1 or who is receiving a retirement  
1398 allowance under Option 2 or Option 4-A on July 1, 1992, may elect  
1399 to provide survivor benefits under Option 2 or Option 4-A to a  
1400 spouse who was not previously the member's beneficiary and whom  
1401 the member married before July 1, 1992.

1402 (3) Any retired member who is receiving a reduced retirement  
1403 allowance under Option 2 or Option 4-A whose designated  
1404 beneficiary predeceases him, or whose marriage to a spouse who is  
1405 his designated beneficiary is terminated by divorce or other  
1406 dissolution, may elect to cancel his reduced retirement allowance  
1407 and receive the maximum retirement allowance for life in an amount  
1408 equal to the amount that would have been payable if the member had  
1409 not elected Option 2 or Option 4-A. Such election must be made in



1410 writing to the office of the executive director of the system on a  
1411 form prescribed by the board. Any such election shall be  
1412 effective the first of the month following the date the election  
1413 is received by the system.

1414 (4) Any retired member who is receiving the maximum  
1415 retirement allowance for life, or a retirement allowance under  
1416 Option 1, and who marries after his retirement may elect to cancel  
1417 his maximum retirement allowance and receive a reduced retirement  
1418 allowance under Option 2 or Option 4-A to provide continuing  
1419 lifetime benefits to his spouse. Such election must be made in  
1420 writing to the office of the executive director of the system on a  
1421 form prescribed by the board not earlier than the date of the  
1422 marriage. Any such election shall be effective the first of the  
1423 month following the date the election is received by the  
1424 system. \* \* \*

1425 (5) In the event the election of an optional benefit is made  
1426 after the member has attained the age of sixty-five (65) years,  
1427 the actuarial equivalent factor shall be used to compute the  
1428 reduced retirement allowance as if the election had been made on  
1429 his sixty-fifth birthday; however, from and after January 1, 2003,  
1430 if there is an election of Option 6 after the member has attained  
1431 the age of sixty-five (65) years, the actuarial equivalent factor  
1432 based on the retiree's age at the time of retirement shall be used  
1433 to compute the reduced maximum monthly retirement allowance.

1434 However, if a retiree marries or remarries after retirement and  
1435 elects either Option 2 or Option 4-A as provided in subsection (2)  
1436 or (4) of this section, the actuarial equivalent factor used to  
1437 compute the reduced retirement allowance shall be the factor for  
1438 the age of the retiree and his or her beneficiary at the time such  
1439 election for recalculation of benefits is made.

1440 (6) Notwithstanding any provision of Section 25-11-1 et  
1441 seq., no payments may be made for a retirement allowance on a



1442 monthly basis for a period of time in excess of that allowed by  
1443 federal law.

1444 (7) If a retirant and his eligible beneficiary, if any, both  
1445 die before they have received in annuity payments a total amount  
1446 equal to the accumulated contributions standing to the retirant's  
1447 credit in the annuity savings account at the time of his  
1448 retirement, the difference between the accumulated contributions  
1449 and the total amount of annuities received by them shall be paid  
1450 to such persons as the retirant has nominated by written  
1451 designation duly executed and filed in the office of the executive  
1452 director. If no designated person survives the retirant and his  
1453 beneficiary, the difference, if any, shall be paid pursuant to  
1454 Section 25-11-117.1(1).

1455 (8) Any retired member who retired on Option 2(5) or 4-A(5)  
1456 prior to July 1, 1992, who is still receiving a retirement  
1457 allowance on July 1, 1994, shall receive an increase in the annual  
1458 retirement allowance effective July 1, 1994, equal to the amount  
1459 they would have received under Option 2 or Option 4-A without a  
1460 reduction for Option 5 based on the ages at retirement of the  
1461 retiree and beneficiary and option factors in effect on July 1,  
1462 1992. Such increase shall be prospective only.

1463 **SECTION 11.** Section 25-11-120, Mississippi Code of 1972, is  
1464 amended as follows:

1465 25-11-120. (1) Any individual aggrieved by an  
1466 administrative determination, including a determination of the  
1467 medical board, relating to the eligibility for or payment of  
1468 benefits, or the calculation of creditable service or other  
1469 similar matters relating to the Public Employees' Retirement  
1470 System or any other retirement system or program administered by  
1471 the board, may request a hearing before a hearing officer  
1472 designated by the board. Such hearings shall be conducted in  
1473 accordance with rules and regulations adopted by the board and  
1474 formal rules of evidence shall not apply. The hearing officer is



1475 authorized to administer oaths, hear testimony of witnesses and  
1476 receive documentary and other evidence. In case of disability  
1477 appeals, the hearing officer shall have the authority to defer a  
1478 decision in order to request a medical evaluation or test or  
1479 additional existing medical records not previously furnished by  
1480 the claimant. After the hearing and the receipt of any additional  
1481 medical evidence requested by the hearing officer, the hearing  
1482 officer shall certify the record to the board, which shall include  
1483 the hearing officer's proposed statement of facts, conclusions of  
1484 law and recommendation. The record may include a taped recording  
1485 of the proceedings of the hearing in lieu of a transcribed copy of  
1486 the proceedings. The board shall receive the record and make its  
1487 determination based solely on matters contained therein.

1488 (2) Any individual aggrieved by the determination of the  
1489 board may appeal to the Circuit Court of the First Judicial  
1490 District of Hinds County, Mississippi, in accordance with the  
1491 Uniform Circuit Court Rules governing appeals to the circuit court  
1492 in civil cases. Such appeal shall be made solely on the record  
1493 before the board and this procedure shall be the exclusive method  
1494 of appealing determinations of the board.

1495 (3) The board is authorized to appoint a committee of the  
1496 board to serve as hearing officer or to employ or contract with  
1497 qualified personnel to perform the duties of hearing officer and  
1498 court reporter as may be necessary for conducting, recording and  
1499 transcribing such hearings. The board may assess and collect fees  
1500 to offset costs related to such hearings. Those fees shall be  
1501 deposited to the credit of the Public Employees' Retirement  
1502 System.

1503 **SECTION 12.** Section 25-11-123, Mississippi Code of 1972, is  
1504 amended as follows:

1505 25-11-123. All of the assets of the system shall be credited  
1506 according to the purpose for which they are held to one (1) of  
1507 four (4) reserves; namely, the annuity savings account, the



1508 annuity reserve, the employer's accumulation account, and the  
1509 expense account.

1510       (a) **Annuity savings account.** In the annuity savings account  
1511 shall be accumulated the contributions made by members to provide  
1512 for their annuities, including interest thereon which shall be  
1513 posted monthly. Credits to and charges against the annuity  
1514 savings account shall be made as follows:

1515           (1) Beginning July 1, 1991, the employer shall cause to  
1516 be deducted from the salary of each member on each and every  
1517 payroll of such employer for each and every payroll period seven  
1518 and one-fourth percent (7-1/4%) of earned compensation as defined  
1519 in Section 25-11-103. Future contributions shall be fixed  
1520 biennially by the board on the basis of the liabilities of the  
1521 retirement system for the various allowances and benefits as shown  
1522 by actuarial valuation; \* \* \* however, \* \* \* any member earning at  
1523 a rate less than Sixteen Dollars and Sixty-seven Cents (\$16.67)  
1524 per month, or Two Hundred Dollars (\$200.00) per year, shall  
1525 contribute not less than One Dollar (\$1.00) per month, or Twelve  
1526 Dollars (\$12.00) per year.

1527           (2) The deductions provided herein shall be made  
1528 notwithstanding that the minimum compensation provided by law for  
1529 any member shall be reduced thereby. Every member shall be deemed  
1530 to consent and agree to the deductions made and provided for  
1531 herein and shall receipt for his full salary or compensation, and  
1532 payment of salary or compensation less the deduction shall be a  
1533 full and complete discharge and a quittance of all claims and  
1534 demands whatsoever for the services rendered by such person during  
1535 the period covered by such payment, except as to the benefits  
1536 provided under Articles 1 and 3. The board shall provide by rules  
1537 for the methods of collection of contributions from members and  
1538 the employer. The board shall have full authority to require the  
1539 production of evidence necessary to verify the correctness of  
1540 amounts contributed.



1541           (b) **Annuity reserve.** The annuity reserve shall be the  
1542 account representing the actuarial value of all annuities in  
1543 force, and to it shall be charged all annuities and all benefits  
1544 in lieu of annuities, payable as provided in this article. If a  
1545 beneficiary retired on account of disability is restored to active  
1546 service with a compensation not less than his average final  
1547 compensation at the time of his last retirement, the remainder of  
1548 his contributions shall be transferred from the annuity reserve to  
1549 the annuity savings account and credited to his individual account  
1550 therein, and the balance of his annuity reserve shall be  
1551 transferred to the employer's accumulation account.

1552           (c) **Employer's accumulation account.** The employer's  
1553 accumulation account shall represent the accumulation of all  
1554 reserves for the payment of all retirement allowances and other  
1555 benefits payable from contributions made by the employer, and  
1556 against this account shall be charged all retirement allowances  
1557 and other benefits on account of members. Credits to and charges  
1558 against the employer's accumulation account shall be made as  
1559 follows:

1560           (1) On account of each member there shall be paid  
1561 monthly into the employer's accumulation account by the employers  
1562 for the preceding fiscal year an amount equal to a certain  
1563 percentage of the total earned compensation, as defined in Section  
1564 25-11-103, of each member. The percentage rate of such  
1565 contributions shall be fixed biennially by the board on the basis  
1566 of the liabilities of the retirement system for the various  
1567 allowances and benefits as shown by actuarial valuation. Beginning  
1568 January 1, 1990, the rate shall be fixed at nine and three-fourths  
1569 percent (9-3/4%). Political subdivisions joining Article 3 of the  
1570 Public Employees' Retirement System after July 1, 1968, may adjust  
1571 the employer's contributions by agreement with the Board of  
1572 Trustees of the Public Employees' Retirement System to provide  
1573 service credits for any period prior to execution of the agreement



1574 based upon an actuarial determination of employer's contribution  
1575 rates.

1576           (2) On the basis of regular interest and of such  
1577 mortality and other tables as shall be adopted by the board of  
1578 trustees, the actuary engaged by the board to make each valuation  
1579 required by this article during the period over which the accrued  
1580 liability contribution is payable, immediately after making such  
1581 valuation, shall determine the uniform and constant percentage of  
1582 the earnable compensation of each member which, if contributed by  
1583 the employer on the basis of compensation of such member  
1584 throughout his entire period of membership service, would be  
1585 sufficient to provide for the payment of any retirement allowance  
1586 payable on his account for such service. The percentage rate so  
1587 determined shall be known as the "normal contribution rate."  
1588 After the accrued liability contribution has ceased to be payable,  
1589 the normal contribution rate shall be the percentage rate of the  
1590 salary of all members obtained by deducting from the total  
1591 liabilities on account of membership service the amount in the  
1592 employer's accumulation account, and dividing the remainder by one  
1593 percent (1%) of the present value of the prospective future  
1594 salaries of all members as computed on the basis of the mortality  
1595 and service tables adopted by the board of trustees and regular  
1596 interest. The normal rate of contributions shall be determined by  
1597 the actuary after each valuation.

1598           (3) The total amount payable in each year to the  
1599 employer's accumulation account shall not be less than the sum of  
1600 the percentage rate known as the "normal contribution" rate and  
1601 the "accrued liability contribution" rate of the total  
1602 compensation earnable by all members during the preceding year,  
1603 provided that the payment by the employer shall be sufficient,  
1604 when combined with the amounts in the account, to provide the  
1605 allowances and other benefits chargeable to this account during  
1606 the year then current.





1607           (4) The accrued liability contribution shall be  
1608 discontinued as soon as the accumulated balance in the employer's  
1609 accumulation account shall equal the present value, computed on  
1610 the basis of the normal contribution rate then in force, or the  
1611 prospective normal contributions to be received on account of all  
1612 persons who are at that time members.

1613           (5) All allowances and benefits in lieu thereof, with  
1614 the exception of those payable on account of members who receive  
1615 no prior service credit, payable from contributions of the  
1616 employer, shall be paid from the employer's accumulation account.

1617           (6) Upon the retirement of a member, an amount equal to  
1618 his retirement allowance shall be transferred from the employer's  
1619 accumulation account to the annuity reserve.

1620           (d) **Expense account.** The expense account shall be the  
1621 account to which the expenses of the administration of the system  
1622 shall be charged, exclusive of amounts payable as retirement  
1623 allowances and as other benefits provided herein. The Legislature  
1624 shall make annual appropriations in amounts sufficient to  
1625 administer the system, which shall be credited to this account.  
1626 There shall be transferred to the State Treasury from this  
1627 account, not less than once per month, an amount sufficient for  
1628 payment of the estimated expenses of the system for the succeeding  
1629 thirty (30) days. Any interest earned on the expense account  
1630 shall accrue to the benefit of the system. \* \* \* However, \* \* \*  
1631 notwithstanding the provisions of Sections 25-11-15(10) and  
1632 25-11-105(f)(5)E, all expenses of the administration of the system  
1633 shall be paid from the interest earnings, provided the interest  
1634 earnings are in excess of the actuarial interest assumption as  
1635 determined by the board, and provided the present cost of the  
1636 administrative expense fee of two percent (2%) of the  
1637 contributions reported by the political subdivisions and  
1638 instrumentalities shall be reduced to one percent (1%) from and



1639 after July 1, 1983, through June 30, 1984, and shall be eliminated  
1640 thereafter.

1641 (e) **Collection of contributions.** The employer shall cause  
1642 to be deducted on each and every payroll of a member for each and  
1643 every payroll period, beginning subsequent to January 31, 1953,  
1644 the contributions payable by such member as provided in Articles 1  
1645 and 3.

1646 The employer shall make deductions from salaries of employees  
1647 as provided in Articles 1 and 3 and shall transmit monthly, or at  
1648 such time as the board of trustees shall designate, the amount  
1649 specified to be deducted to the Executive Director of the Public  
1650 Employees' Retirement System. The executive director, after  
1651 making a record of all such receipts, shall deposit such amounts  
1652 as provided by law.

1653 (f) (1) Upon the basis of each actuarial valuation provided  
1654 herein, the board of trustees shall biennially determine the  
1655 normal contribution rate and the accrued liability contribution  
1656 rate as provided in this section. The sum of these two (2) rates  
1657 shall be known as the "employer's contribution rate." Beginning  
1658 on earned compensation effective January 1, 1990, the rate  
1659 computed as provided in this section shall be nine and  
1660 three-fourths percent (9-3/4%). The percentage rate of such  
1661 contributions shall be fixed biennially by the board on the basis  
1662 of the liabilities of the retirement system for the various  
1663 allowances and benefits as shown by actuarial valuation.  
1664 Notwithstanding any other provision of law, the county board of  
1665 education, the governing authorities of separate, consolidated, or  
1666 municipal school districts, and all other such boards set up by  
1667 law which handle and disburse school funds, shall pay from local  
1668 tax sources one and one-half percent (1-1/2%) of the total  
1669 employer's contribution rate of nine and three-fourths percent  
1670 (9-3/4%).



1671           (2) The amount payable by the employer on account of  
1672 normal and accrued liability contributions shall be determined by  
1673 applying the employer's contribution rate to the amount of  
1674 compensation earned by employees who are members of the system.  
1675 Monthly, or at such time as the board of trustees shall designate,  
1676 each department or agency shall compute the amount of the  
1677 employer's contribution payable, with respect to the salaries of  
1678 its employees who are members of the system, and shall cause that  
1679 amount to be paid to the board of trustees from the personal  
1680 service allotment of the amount appropriated for the operation of  
1681 the department or agency, or from funds otherwise available to the  
1682 agency, for the payment of salaries to its employees.

1683           (3) Constables shall pay employer and employee  
1684 contributions on their net fee income as well as the employee  
1685 contributions on all direct treasury or county payroll income.  
1686 The county shall be responsible for the employer contribution on  
1687 all direct treasury or county payroll income of constables.

1688           (4) Chancery and circuit clerks shall be responsible  
1689 for both the employer and employee share of contributions on the  
1690 proportionate share of net income attributable to fees, as well as  
1691 the employee share of net income attributable to direct treasury  
1692 or county payroll income, and the employing county shall be  
1693 responsible for the employer contributions on the net income  
1694 attributable to direct treasury or county payroll income.

1695           (5) Once each year, under procedures established by the  
1696 system, each employer shall submit to the Public Employees'  
1697 Retirement System a copy of their report to Social Security of all  
1698 employees' earnings.

1699           (6) The board shall provide by rules for the methods of  
1700 collection of contributions of employers and members. The amounts  
1701 determined due by an agency to the various funds as specified in  
1702 Articles 1 and 3 are made obligations of the agency to the board  
1703 and shall be paid as provided herein. Failure to deduct such



1704 contributions shall not relieve the employee and employer from  
1705 liability thereof. Delinquent employee contributions and any  
1706 accrued interest shall be the obligation of the employee and  
1707 delinquent employer contributions and any accrued interest shall  
1708 be the obligation of the employer. The employer may, in its  
1709 discretion, elect to pay any or all of the interest on delinquent  
1710 employee contributions. From and after July 1, 1996, under rules  
1711 and regulations established by the board, all employers are  
1712 authorized and shall transfer all funds due to the Public  
1713 Employees' Retirement System electronically and shall transmit any  
1714 wage or other reports by computerized reporting systems.

1715 **SECTION 13.** Section 25-11-127, Mississippi Code of 1972, is  
1716 amended as follows:

1717 25-11-127. (1) (a) No person who is being paid a  
1718 retirement allowance or a pension after retirement under this  
1719 article shall be employed or paid for any service by the State of  
1720 Mississippi, except as provided in this section. \* \* \*

1721 (b) No retiree of this retirement system who is  
1722 reemployed or is reelected to office after retirement shall  
1723 continue to draw retirement benefits while so reemployed, except  
1724 as provided in this section.

1725 (c) No person employed or elected under the exceptions  
1726 provided for in this section shall become a member under Article 3  
1727 of the retirement system.

1728 (2) Any person who has been retired under the provisions of  
1729 Article \* \* \* 3 and who is later reemployed in service covered by  
1730 this article shall cease to receive benefits under this article  
1731 and shall again become a contributing member of the retirement  
1732 system. When the person retires again, if the reemployment  
1733 exceeds six (6) months, the person shall have his or her benefit  
1734 recomputed, including service after again becoming a member,  
1735 provided that the total retirement allowance paid to the retired  
1736 member in his or her previous retirement shall be deducted from



1737 the member's retirement reserve and taken into consideration in  
1738 recalculating the retirement allowance under a new option  
1739 selected.

1740 \* \* \*

1741 (3) The board \* \* \* shall have the right to prescribe rules  
1742 and regulations for carrying out the provisions of this section.

1743 (4) The provisions of this section shall not be construed to  
1744 prohibit any retiree, regardless of age, from being employed and  
1745 drawing a retirement allowance either:

1746 (a) For a period of time not to exceed one-half (1/2)  
1747 of the normal working days for the position in any fiscal year  
1748 during which the retiree will receive no more than one-half (1/2)  
1749 of the salary in effect for the position at the time of  
1750 employment, or

1751 (b) For a period of time in any fiscal year sufficient  
1752 in length to permit a retiree to earn not in excess of twenty-five  
1753 percent (25%) of retiree's average compensation.

1754 To determine the normal working days for a position under  
1755 paragraph (a) of this subsection, the employer shall determine the  
1756 required number of working days for the position on a full-time  
1757 basis and the equivalent number of hours representing the  
1758 full-time position. The retiree then may work up to one-half  
1759 (1/2) of the required number of working days or up to one-half  
1760 (1/2) of the equivalent number of hours and receive up to one-half  
1761 (1/2) of the salary for the position. In the case of employment  
1762 with multiple employers, the limitation shall equal one-half (1/2)  
1763 of the number of days or hours for a single full-time position.

1764 Notice shall be given in writing to the executive  
1765 director \* \* \*, setting forth the facts upon which the employment  
1766 is being made, and the notice shall be given within five (5) days  
1767 from the date of employment and also from the date of termination  
1768 of the employment.

1769 \* \* \*



1770       (5) Any member may continue in municipal or county elected  
1771 office \* \* \* or be \* \* \* elected to a municipal or county office,  
1772 provided that the person:

1773           (a) Files annually, in writing, in the office of the  
1774 employer and the office of the executive director of the system  
1775 before the person takes office or as soon as possible after  
1776 retirement, a waiver of all salary or compensation and elects to  
1777 receive in lieu of that salary or compensation a retirement  
1778 allowance as provided in this section, in which event no salary or  
1779 compensation shall thereafter be due or payable for those  
1780 services; however, any such officer or employee may receive, in  
1781 addition to the retirement allowance, \* \* \* office expense  
1782 allowance, mileage or travel expense authorized by any statute of  
1783 the State of Mississippi; or

1784           (b) Elects to receive compensation for that elective  
1785 office in an amount not to exceed twenty-five percent (25%) of the  
1786 retiree's average compensation. As used in this paragraph, the  
1787 term "compensation" shall not include office expense allowance,  
1788 mileage or travel expense authorized by a statute of the State of  
1789 Mississippi. In order to receive compensation as allowed in this  
1790 paragraph, the member shall file annually, in writing, in the  
1791 office of the employer and the office of the executive director of  
1792 the system, an election to receive, in addition to a retirement  
1793 allowance, compensation as allowed in this paragraph.

1794       **SECTION 14.** Section 25-11-133, Mississippi Code of 1972, is  
1795 amended as follows:

1796       25-11-133. (1) The maintenance of actuarial reserves for  
1797 the various allowances and benefits under Articles 1 and 3, and  
1798 the payment of all annuities, retirement allowances, refunds and  
1799 other benefits granted hereunder are hereby made obligations of  
1800 the employer's accumulation accounts. All income, interest and  
1801 dividends derived from deposits and investments authorized by



1802 those articles shall be used for the payment of the obligations of  
1803 the system.

1804 (2) In the event of the termination of the Public Employees'  
1805 Retirement System established pursuant to the provisions of  
1806 Section 25-11-101 et seq., all members of the system as of the  
1807 date of termination of the system shall be deemed to have a vested  
1808 right to benefits to the extent and in the same manner that rights  
1809 would be vested under the statute existing as of the date of  
1810 termination of the system, except that any member who, because of  
1811 a termination of the system has not fulfilled the requirements for  
1812 length of service, shall nonetheless be entitled to compensation  
1813 as of the date that such member would otherwise be eligible, with  
1814 such compensation to be computed on the basis of time actually a  
1815 member of the service and compensation actually earned during the  
1816 time a member, in the manner now provided by statute.

1817 In the event of a deficit in the availability of funds for  
1818 payment due under the provisions of the Public Employees'  
1819 Retirement System, an appropriation shall hereinafter be made  
1820 sufficient for the payment thereof as an obligation of the state.

1821 (3) Notwithstanding any provisions of this section or this  
1822 title to the contrary, the maximum annual retirement allowance  
1823 attributable to the employer contributions payable by the system  
1824 to a member shall be subject to the limitations set forth in  
1825 Section 415 of the Internal Revenue Code and any regulations  
1826 issued thereunder as applicable to governmental plans as such term  
1827 is defined under Section 414(d) of the Internal Revenue Code.

1828 (4) Notwithstanding any other provision of this plan, all  
1829 distributions from this plan shall conform to the regulations  
1830 issued under Section 401(a)(9) of the Internal Revenue Code,  
1831 applicable to governmental plans, as defined in Section 414(d) of  
1832 the Internal Revenue Code, including the incidental death benefit  
1833 provisions of Section 401(a)(9)(G) of the Internal Revenue Code.  
1834 Further, such regulations shall override any plan provision that



1835 is inconsistent with Section 401(a)(9) of the Internal Revenue  
1836 Code.

1837 (5) The actuarial assumptions used to convert a retirement  
1838 allowance from the normal form of payment to an optional form of  
1839 payment shall be an appendix to Article 3 and subject to approval  
1840 by the board of trustees based upon certification by the actuary.

1841 (6) Notwithstanding any other provision of this plan, the  
1842 maximum compensation that can be considered for all plan purposes  
1843 shall not be greater than that allowed under Section 401(a)(17) of  
1844 the Internal Revenue Code.

1845 **SECTION 15.** Section 25-11-309, Mississippi Code of 1972, is  
1846 amended as follows:

1847 25-11-309. (1) The retirement allowance from the  
1848 Supplemental Legislative Retirement Plan shall consist of fifty  
1849 percent (50%) of an amount equal to the retirement allowance  
1850 determined by creditable service as an elected Senator or  
1851 Representative of the State Legislature or as President of the  
1852 Senate payable by the Public Employees' Retirement System in  
1853 accordance with Section 25-11-101 et seq. \* \* \*

1854 (2) The percentage of the retirement allowance as provided  
1855 in this section shall be transferred from the annuity savings  
1856 account of the member and the employer accumulation account in the  
1857 Supplemental Legislative Retirement Plan to the retirement account  
1858 of the member in the Public Employees' Retirement System as  
1859 provided.

1860 (3) Notwithstanding any provisions of this section or this  
1861 title to the contrary, the maximum annual retirement allowance  
1862 attributable to the employer contributions payable under the  
1863 Supplemental Legislative Retirement Plan to a member shall be  
1864 subject to the limitations set forth in Section 415 of the  
1865 Internal Revenue Code and any regulations issued thereunder  
1866 applicable to governmental plans as such term is defined under  
1867 Section 414(d) of the Internal Revenue Code.





1868           **SECTION 16.** Section 25-13-16, Mississippi Code of 1972, is  
1869 amended as follows:

1870           25-13-16. (1) Upon application for superannuation or  
1871 disability retirement, any member who retires after July 1, 1990,  
1872 may elect to receive his benefit pursuant to the provisions of  
1873 Sections 25-13-11 and 25-13-13. Or he may elect upon retirement,  
1874 or upon becoming eligible for retirement, to receive the actuarial  
1875 equivalent, subject to the provisions of subsection (3) of this  
1876 section, of his retirement allowance in a reduced retirement  
1877 allowance payable throughout life with the provision that:

1878           **Option 1.** If he dies before he has received in annuity  
1879 payment the value of the member's annuity savings account as it  
1880 was at the time of his retirement, the balance shall be paid to  
1881 his legal representative or to such person as he shall nominate by  
1882 written designation duly acknowledged and filed with the board; or

1883           **Option 2.** Upon his death, his reduced retirement allowance  
1884 shall be continued throughout the life of, and paid to, such  
1885 person as he has nominated by written designation duly  
1886 acknowledged and filed with the board of trustees at the time of  
1887 his retirement;

1888           **Option 3.** Upon his death, one-half (1/2) of his reduced  
1889 retirement allowance shall be continued throughout the life of,  
1890 and paid to, such person as he shall have nominated by written  
1891 designation duly acknowledged and filed with the board of trustees  
1892 at the time of his retirement, and the other one-half (1/2) of his  
1893 reduced retirement allowance to some other designated beneficiary;

1894           **Option 4-A.** Upon his death, one-half (1/2) of his reduced  
1895 retirement allowance, or such other specified amount, shall be  
1896 continued throughout the life of, and paid to, such person as he  
1897 shall have nominated by written designation duly acknowledged and  
1898 filed with the board of trustees at the time of his retirement; or

1899           **Option 4-B.** A reduced retirement allowance shall be  
1900 continued throughout the life of the retirant, but with the



1901 further guarantee of payments to the named beneficiary,  
1902 beneficiaries or to the estate for a specified number of years  
1903 certain. If the retired member or the last designated beneficiary  
1904 receiving annuity payments dies prior to receiving all guaranteed  
1905 payments due, the actuarial equivalent of the remaining payments  
1906 shall be paid pursuant to Section 25-13-21.1(1).

1907 **Option 4-C.** Such retirement allowance otherwise payable may  
1908 be converted into a retirement allowance of equivalent actuarial  
1909 value in such an amount that, with the member's benefit under  
1910 Title II of the federal Social Security Act, the member will  
1911 receive, so far as possible, approximately the same amount  
1912 annually before and after the earliest age at which the member  
1913 becomes eligible to receive a social security benefit. This  
1914 option shall not be available to retirees whose retirement is  
1915 effective on or after July 1, 2004.

1916 **Option 6.** Any member who is eligible to retire with an  
1917 unreduced benefit may select the maximum retirement benefit or an  
1918 optional benefit as provided in this subsection together with a  
1919 partial lump sum distribution. The amount of the lump sum  
1920 distribution under this option shall be equal to the maximum  
1921 monthly benefit multiplied by twelve (12), twenty-four (24) or  
1922 thirty-six (36) as selected by the member. The maximum retirement  
1923 benefit shall be actuarially reduced to reflect the amount of the  
1924 lump sum distribution selected and further reduced for any other  
1925 optional benefit selected. The annuity and lump sum distribution  
1926 shall be computed to result in no actuarial loss to the system.  
1927 The lump sum distribution shall be made as a single payment  
1928 payable at the time the first monthly annuity payment is paid to  
1929 the retiree. The amount of the lump sum distribution shall be  
1930 deducted from the member's annuity savings account in computing  
1931 what contributions remain at the death of the retiree and/or a  
1932 beneficiary. The lump sum distribution option may be elected only  
1933 once by a member upon initial retirement, and may not be elected



1934 by a retiree, by members applying for a disability retirement  
1935 annuity, by survivors or by a member selecting Option 4-C.

1936 (2) No change in the option selected shall be permitted  
1937 after the member's death or after the member has received his  
1938 first retirement check, except as provided in subsections (3) and  
1939 (4) of this section. However, any retired member who is receiving  
1940 a retirement allowance under Option 2 or Option 4-A upon July 1,  
1941 1999, and whose designated beneficiary predeceased him or whose  
1942 marriage to a spouse who is his designated beneficiary is  
1943 terminated by divorce or other dissolution, upon written  
1944 notification to the retirement system of the death of the  
1945 designated beneficiary or of the termination of his marriage to  
1946 his designated beneficiary, the retirement allowance payable to  
1947 the member after receipt of such notification by the retirement  
1948 system shall be equal to the retirement allowance that would have  
1949 been payable if the member had not elected the option. In  
1950 addition, any retired member who is receiving the maximum  
1951 retirement allowance for life, a retirement allowance under Option  
1952 1 or who is receiving a retirement allowance under Option 2 or  
1953 Option 4-A on July 1, 1999, may elect to provide survivor benefits  
1954 under Option 2 or Option 4-A to a spouse who was not previously  
1955 the member's beneficiary and who the member married before July 1,  
1956 1999. Should a member retired on disability be returned to active  
1957 service, the option previously selected shall be null and void.  
1958 Upon subsequent retirement a new option may be selected.

1959 (3) Any retired member who is receiving a reduced retirement  
1960 allowance under Option 2 or Option 4-A whose designated  
1961 beneficiary predeceases him, or whose marriage to a spouse who is  
1962 his designated beneficiary is terminated by divorce or other  
1963 dissolution, may elect to cancel his reduced retirement allowance  
1964 and receive the maximum retirement allowance for life in an amount  
1965 equal to the amount that would have been payable if the member had  
1966 not elected Option 2 or Option 4-A. Such election must be made in



1967 writing to the office of the executive director of the system on a  
1968 form prescribed by the board. Any such election shall be  
1969 effective the first of the month following the date the election  
1970 is received by the system.

1971 (4) Any retired member who is receiving the maximum  
1972 retirement allowance for life, or a retirement allowance under  
1973 Option 1, and who marries after his retirement may elect to cancel  
1974 his maximum retirement allowance and receive a reduced retirement  
1975 allowance under Option 2 or Option 4-A to provide continuing  
1976 lifetime benefits to his spouse. Such election must be made in  
1977 writing to the office of the executive director of the system on a  
1978 form prescribed by the board not earlier than the date of the  
1979 marriage. Any such election shall be effective the first of the  
1980 month following the date the election is received by the  
1981 system. \* \* \* However, if a retiree marries or remarries after  
1982 retirement and elects either Option 2 or Option 4-A as provided in  
1983 subsection (2) or (4) of this section, the actuarial equivalent  
1984 factor used to compute the reduced retirement allowance shall be  
1985 the factor for the age of the retiree and his or her beneficiary  
1986 at the time such election for recalculation of benefits is made.

1987 (5) Any member in service who has qualified for retirement  
1988 benefits may select any optional method of settlement of  
1989 retirement benefits by notifying the Executive Director of the  
1990 Board of Trustees of the Public Employees' Retirement System in  
1991 writing, on a form prescribed by the board, of the option he has  
1992 selected and by naming the beneficiary of such option and  
1993 furnishing necessary proof of age. Such option, once selected,  
1994 may be changed at any time prior to actual retirement or death,  
1995 but upon the death or retirement of the member, the optional  
1996 settlement shall be placed in effect upon proper notification to  
1997 the executive director.

1998 (6) Notwithstanding any provision of Section 25-13-1 et  
1999 seq., no payments may be made for a retirement allowance on a



2000 monthly basis for a period of time in excess of that allowed by  
2001 federal law.

2002 (7) If a retirant and his eligible beneficiary, if any, both  
2003 die before they have received in annuity payments a total amount  
2004 equal to the accumulated contributions standing to the retirant's  
2005 credit in the annuity savings account at the time of his  
2006 retirement, the difference between the accumulated contributions  
2007 and the total amount of annuities received by them shall be paid  
2008 to such persons as the retirant has nominated by written  
2009 designation duly executed and filed in the office of the executive  
2010 director. If no designated person survives the retirant and his  
2011 beneficiary, the difference, if any, shall be paid pursuant to  
2012 Section 25-13-21.1(1).

2013 (8) Any retired member who retired on Option 2(5) or 4-A(5)  
2014 before July 1, 1999, who is still receiving a retirement allowance  
2015 as of July 1, 1999, shall receive an increase in the annual  
2016 retirement allowance effective July 1, 1999, equal to the amount  
2017 they would have received under Option 2 or Option 4-A without a  
2018 reduction for Option 5 based on the ages at retirement of the  
2019 retiree and beneficiary and option factors in effect on July 1,  
2020 1999. Such increase shall be prospective only.

2021 (9) For purposes of this section:

2022 (a) "Beneficiary" means any person designated to  
2023 receive a retirement allowance, an annuity or other benefit as  
2024 provided by this chapter. Such designation shall be in writing  
2025 filed in the Office of the Executive Director of the Board of  
2026 Trustees of the Public Employees' Retirement System, and no  
2027 designation or change of beneficiary shall be made in any other  
2028 manner; however, notwithstanding any provision of this chapter to  
2029 the contrary, the lawful spouse of a member at the time of the  
2030 death of a member shall be the beneficiary of such member unless  
2031 the member has designated another beneficiary subsequent to the  
2032 date of marriage.



2033                   (b) "Actuarial equivalent" shall mean a benefit of  
2034 equal value to the accumulated contributions, annuity or benefit,  
2035 as the case may be, when computed upon the basis of such mortality  
2036 tables as shall be adopted by the board of trustees, and regular  
2037 interest.

2038                   (c) "Actuarial tables" shall mean such tables of  
2039 mortality and rates of interest as shall be adopted by the board  
2040 in accordance with the recommendation of the actuary.

2041           **SECTION 17.** Section 25-13-17, Mississippi Code of 1972, is  
2042 amended as follows:

2043           25-13-17. (1) All persons who are covered under the terms  
2044 of this chapter on the date on which this retirement system is  
2045 established and who become members of the retirement system shall  
2046 cease to be members under the provisions of Sections 25-11-101  
2047 through 25-11-139 upon the effective date of this chapter, and  
2048 shall become members of this retirement system with full credit  
2049 for all prior service with the Highway Safety Patrol.

2050           (2) In computing the period of service of a member of the  
2051 Highway Safety Patrol, \* \* \* any member who served on active duty  
2052 in the Armed Forces of the United States, or who served in  
2053 maritime service during periods of hostility in World War II,  
2054 shall be entitled to creditable service at no cost for his service  
2055 on active duty in the Armed Forces or in such maritime service,  
2056 provided he entered state service after his discharge from the  
2057 Armed Forces or entered state service after he completed such  
2058 maritime service. The maximum period for such creditable service  
2059 for all military service as defined in this subsection (2) shall  
2060 not exceed four (4) years unless positive proof can be furnished  
2061 by such person that he was retained in the Armed Forces during  
2062 World War II or in maritime service during World War II, by causes  
2063 beyond his control and without opportunity of discharge. The  
2064 member shall furnish proof satisfactory to the Board of Trustees  
2065 of the Public Employees' Retirement System of certification of



2066 military service or maritime service records showing dates of  
2067 entrance into active duty service and the date of discharge. No  
2068 creditable service shall be granted for any military service or  
2069 maritime service to a member who qualifies for a retirement  
2070 allowance in another public retirement system administered by the  
2071 Board of Trustees of the Public Employees' Retirement System based  
2072 in whole or in part on such military or maritime service. In no  
2073 case shall the member receive creditable service if the member  
2074 received a dishonorable discharge from the Armed Forces of the  
2075 United States.

2076         The credit for military service granted in this subsection  
2077 shall apply to all persons who have retired from the Highway  
2078 Patrol and who qualify for credit as outlined above, whether they  
2079 retired before or after July 1, 2000; but this provision shall not  
2080 operate to require any back payments of retirement.

2081         (3) (a) Any member of the Mississippi Highway Safety Patrol  
2082 Retirement System whose membership service is interrupted as a  
2083 result of qualified military service within the meaning of Section  
2084 414(u)(5) of the Internal Revenue Code, and who has received the  
2085 maximum service credit available under subsection (2) of this  
2086 section, shall receive creditable service for the period of  
2087 qualified military service that does not qualify as creditable  
2088 service under subsection (2) of this section upon reentering  
2089 membership service in an amount not to exceed five (5) years if:

2090                 (i) The member pays the contributions he would  
2091 have made to the retirement system if he had remained in  
2092 membership service for the period of qualified military service  
2093 based upon his salary at the time his membership service was  
2094 interrupted;

2095                 (ii) The member returns to membership service  
2096 within ninety (90) days of the end of his qualified military  
2097 service; and



2098 (iii) The employer at the time the member's  
2099 service was interrupted and to which employment the member returns  
2100 pays the contributions it would have made into the retirement  
2101 system for such period based on the member's salary at the time  
2102 the service was interrupted.

2103 (b) The payments required to be made in paragraph  
2104 (a) (i) of this subsection may be made over a period beginning with  
2105 the date of return to membership service and not exceeding three  
2106 (3) times the member's qualified military service; \* \* \*  
2107 however, \* \* \* in no event shall such period exceed five (5)  
2108 years.

2109 (c) The member shall furnish proof satisfactory to the  
2110 board of trustees of certification of military service showing  
2111 dates of entrance into qualified service and the date of discharge  
2112 as well as proof that the member has returned to active employment  
2113 within the time specified.

2114 **SECTION 18.** Section 25-13-29, Mississippi Code of 1972, is  
2115 amended as follows:

2116 25-13-29. At least once in each biennium the administrative  
2117 board shall cause an actuarial valuation to be made by an actuary  
2118 who shall certify to the assets and liabilities of the system and  
2119 the amount of employer's contributions required for membership  
2120 service and prior service. The cost of the survey shall be paid  
2121 from any funds available to the Highway Safety Patrol.

2122 On account of each member there shall be paid quarterly into  
2123 the "Disability and Relief Fund for Members of the Mississippi  
2124 Highway Safety Patrol" by the Highway Safety Patrol from any funds  
2125 available an amount equal to a certain percentage of the  
2126 compensation of each member to be known as the "normal  
2127 contributions," and an additional amount equal to a percentage of  
2128 his compensation to be known as the "accrued liability  
2129 contribution." The rate percent of such contributions shall be  
2130 fixed by the administrative board on the basis of the liabilities





2131 of the retirement system for the various allowances and benefits  
2132 as shown by the actuarial valuation. \* \* \*

2133 **SECTION 19.** Section 25-13-33, Mississippi Code of 1972, is  
2134 amended as follows:

2135 25-13-33. (1) The maintenance of actuarial reserves for the  
2136 various allowances and benefits under this chapter, and the  
2137 payment of all annuities, retirement allowances, refunds and other  
2138 benefits granted hereunder are hereby made obligation of the  
2139 disability and relief fund. All income, interest and dividends  
2140 derived from deposits and investments authorized by this chapter  
2141 shall be used for the payment of the obligations of the system.

2142 (2) In the event of the termination of the Mississippi  
2143 Highway Safety Patrol Retirement System, established pursuant to  
2144 the provisions of Section 25-13-1 et seq., Mississippi Code of  
2145 1972, all members of the system as of the date of termination of  
2146 the system shall be deemed to have a vested right to benefits to  
2147 the extent and in the same manner that rights would be vested  
2148 under the statute existing as of the date of termination of the  
2149 system; except that any member who, because of a termination of  
2150 the system has not fulfilled the requirements for length of  
2151 service, shall be entitled to compensation as of the date that  
2152 such member would otherwise be eligible, with such compensation to  
2153 be computed on the basis of time actually a member of the service  
2154 and compensation actually earned during the time as a member, in  
2155 the manner now provided by statute.

2156 In the event of a deficit in the availability of funds for  
2157 payment due under the provisions of the Mississippi Highway Safety  
2158 Patrol Retirement System, an appropriation shall hereinafter be  
2159 made sufficient for the payment thereof as an obligation of the  
2160 State of Mississippi.

2161 (3) Notwithstanding any provisions of this section or  
2162 chapter to the contrary, the maximum annual retirement allowance  
2163 attributable to the employer contributions payable by the system



2164 to a member shall be subject to the limitations set forth in  
2165 Section 415 of the Internal Revenue Code and any regulations  
2166 issued thereunder as applicable to governmental plans as such term  
2167 is defined under Section 414(d) of the Internal Revenue Code.

2168 (4) Notwithstanding any other provision of this plan, all  
2169 distributions from this plan shall conform to the regulations  
2170 issued under Section 401(a)(9) of the Internal Revenue Code,  
2171 applicable to governmental plans, as defined in Section 414(d) of  
2172 the Internal Revenue Code, including the incidental death benefit  
2173 provisions of Section 401(a)(9)(G) of the Internal Revenue Code.  
2174 Further, such regulations shall override any plan provision that  
2175 is inconsistent with Section 401(a)(9) of the Internal Revenue  
2176 Code.

2177 (5) The actuarial assumptions used to convert a retirement  
2178 allowance from the normal form of payment to an optional form of  
2179 payment shall be an appendix to this chapter and subject to  
2180 approval by the board of trustees based upon certification by the  
2181 actuary.

2182 (6) Notwithstanding any other provision of this plan, the  
2183 maximum compensation that can be considered for all plan purposes  
2184 shall not be greater than that allowed under Section 401(a)(17) of  
2185 the Internal Revenue Code.

2186 **SECTION 20.** Section 21-29-301, Mississippi Code of 1972, is  
2187 amended as follows:

2188 21-29-301. (1) Any member of the Municipal Retirement  
2189 System whose membership service is interrupted as a result of  
2190 qualified military service within the meaning of Section 414(u)(5)  
2191 of the Internal Revenue Code, and who has received the maximum  
2192 service credit available under Article 1, 3 or 5 of this chapter,  
2193 shall receive creditable service for the period of qualified  
2194 military service that does not qualify as creditable service under  
2195 Article 1, 3 or 5 of this chapter upon reentering membership  
2196 service in an amount not to exceed five (5) years if:



2197 (a) The member pays the contributions he would have  
2198 made to the retirement system if he had remained in membership  
2199 service for the period of qualified military service based upon  
2200 his salary at the time his membership service was interrupted;

2201 (b) The member returns to membership service within  
2202 ninety (90) days of the end of his qualified military service; and

2203 (c) The employer at the time the member's service was  
2204 interrupted and to which employment the member returns pays the  
2205 contribution it would have made into the retirement system for  
2206 such period based on the member's salary at the time the service  
2207 was interrupted.

2208 (2) The payments required to be made in subsection (1)(a) of  
2209 this section may be made over a period beginning with the date of  
2210 return to membership service and not exceeding three (3) times the  
2211 member's qualified military service; \* \* \* however, \* \* \* in no  
2212 event shall such period exceed five (5) years.

2213 (3) The member shall furnish proof satisfactory to the board  
2214 of trustees of certification of military service showing dates of  
2215 entrance into qualified service and the date of discharge as well  
2216 as proof that the member has returned to active employment within  
2217 the time specified.

2218 **SECTION 21.** Section 21-29-317, Mississippi Code of 1972, is  
2219 amended as follows:

2220 21-29-317. (1) Notwithstanding any provisions of Articles  
2221 1, 3 and 5 of this chapter to the contrary, the maximum annual  
2222 retirement allowance attributable to the employer contributions  
2223 payable by the system to a member under Article 1, 3 or 5 of this  
2224 chapter shall be subject to the limitations set forth in Section  
2225 415 of the Internal Revenue Code and any regulations issued  
2226 thereunder as applicable to governmental plans as such term is  
2227 defined under Section 414(d) of the Internal Revenue Code.

2228 (2) Notwithstanding any other provision of this plan, all  
2229 distributions from this plan shall conform to the regulations



2230 issued under Section 401(a)(9) of the Internal Revenue Code,  
2231 applicable to governmental plans, as defined in Section 414(d) of  
2232 the Internal Revenue Code, including the incidental death benefit  
2233 provisions of Section 401(a)(9)(G) of the Internal Revenue Code.  
2234 Further, such regulations shall override any plan provision that  
2235 is inconsistent with Section 401(a)(9) of the Internal Revenue  
2236 Code.

2237 (3) The actuarial assumptions used to convert a retirement  
2238 allowance from the normal form of payment to an optional form of  
2239 payment shall be an appendix to Article 7 of this chapter and  
2240 subject to approval by the board of directors based upon  
2241 certification by the actuary.

2242 (4) Notwithstanding any other provision of this plan, the  
2243 maximum compensation that can be considered for all plan purposes  
2244 shall not be greater than that allowed under Section 401(a)(17) of  
2245 the Internal Revenue Code.

2246 (5) In the event of the termination of one or more of the  
2247 retirement plans established pursuant to Article 1, 3 or 5 of this  
2248 chapter, all members of the plan or system as of the date of  
2249 termination of the system shall be deemed to have a vested right  
2250 to benefits to the extent and in the same manner that rights would  
2251 be vested under the laws existing as of the date of termination of  
2252 the system; \* \* \* however, \* \* \* any member, who because of a  
2253 termination of the system has not fulfilled the requirements for  
2254 length of service, shall be entitled to compensation as of the  
2255 date that such member would otherwise be eligible, with such  
2256 compensation to be computed on the basis of time actually a member  
2257 of the service and compensation actually earned during the time a  
2258 member, in the manner now provided by law.

2259 **SECTION 22.** Section 21-29-323, Mississippi Code of 1972, is  
2260 amended as follows:

2261 21-29-323. Monthly benefits payable to a spouse in the event  
2262 of the death of a member before retirement or a retiree after



2263 retirement shall be divided and paid to or for the benefit of any  
2264 dependent children of the deceased member or retiree in an amount  
2265 equal to ten percent (10%) of the annual benefit payable to one  
2266 (1) dependent child, twenty percent (20%) for two (2) \* \* \*  
2267 dependent children, and thirty percent (30%) to three (3) or more  
2268 dependent children. If there are more than three (3) dependent  
2269 children, upon a child ceasing to be a dependent, his annuity  
2270 shall terminate and there shall be a redetermination of the  
2271 amounts payable to any remaining dependent children. Such  
2272 benefits shall be paid to a surviving parent or lawful custodian  
2273 of such children for the use and benefit of the children without  
2274 the necessity of appointment of guardian. The remaining amount  
2275 shall be paid to the spouse as otherwise provided.

2276       **SECTION 23.** Section 1 of this act shall take effect and be  
2277 in force from and after its passage. The remainder of this act  
2278 shall take effect and be in force from and after July 1, 2002.

