To: Education; Appropriations

MISSISSIPPI LEGISLATURE
REGULAR SESSION 2002
By: Representative Brown

HOUSE BILL NO. 1367

AN ACT TO AMEND SECTION 37-7-301, MISSISSIPPI CODE OF 1972, TO AUTHORIZE LOCAL SCHOOL DISTRICTS TO CONTRACT WITH PRIVATE ENTITIES TO PROVIDE INSTRUCTIONAL SERVICES PRIMARILY BY RETIRED TEACHERS TO PUPILS; TO AMEND SECTIONS 25-11-103 AND 25-11-127, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT FOR PURPOSES OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), EMPLOYEES OF SUCH PRIVATE ENTITIES SHALL NOT BE CONSIDERED IN STATE SERVICE AND SHALL NOT BE PROHIBITED FROM RECEIVING PERS BENEFITS BASED UPON THEIR SERVICE BEFORE RETIREMENT; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 37-7-301, Mississippi Code of 1972, is amended as follows:

37-7-301. The school boards of all school districts shall have the following powers, authority and duties in addition to all others imposed or granted by law, to wit:

(a) To organize and operate the schools of the district and to make such division between the high school grades and elementary grades as, in their judgment, will serve the best interests of the school;

(b) To introduce public school music, art, manual training and other special subjects into either the elementary or high school grades, as the board shall deem proper;

(c) To be the custodians of real and personal school property and to manage, control and care for same, both during the school term and during vacation;

(d) To have responsibility for the erection, repairing and equipping of school facilities and the making of necessary school improvements;

(e) To suspend or to expel a pupil or to change the placement of a pupil to the school district's alternative school
or home-bound program for misconduct in the school or on school
property, as defined in Section 37-11-29, on the road to and from
school, or at any school-related activity or event, or for conduct
occurring on property other than school property or other than at
a school-related activity or event when such conduct by a pupil,
in the determination of the school superintendent or principal,
renders that pupil's presence in the classroom a disruption to the
educational environment of the school or a detriment to the best
interest and welfare of the pupils and teacher of such class as a
whole, and to delegate such authority to the appropriate officials
of the school district;

(f) To visit schools in the district, in their
discretion, in a body for the purpose of determining what can be
done for the improvement of the school in a general way;

(g) To support, within reasonable limits, the
superintendent, principal and teachers where necessary for the
proper discipline of the school;

(h) To exclude from the schools students with what
appears to be infectious or contagious diseases; provided,
however, such student may be allowed to return to school upon
presenting a certificate from a public health officer, duly
licensed physician or nurse practitioner that the student is free
from such disease;

(i) To require those vaccinations specified by the
State Health Officer as provided in Section 41-23-37, Mississippi
Code of 1972;

(j) To see that all necessary utilities and services
are provided in the schools at all times when same are needed;

(k) To authorize the use of the school buildings and
grounds for the holding of public meetings and gatherings of the
people under such regulations as may be prescribed by said board;

(l) To prescribe and enforce rules and regulations not
inconsistent with law or with the regulations of the State Board
of Education for their own government and for the government of the schools, and to transact their business at regular and special meetings called and held in the manner provided by law;

(m) To maintain and operate all of the schools under their control for such length of time during the year as may be required;

(n) To enforce in the schools the courses of study and the use of the textbooks prescribed by the proper authorities;

(o) To make orders directed to the superintendent of schools for the issuance of pay certificates for lawful purposes on any available funds of the district and to have full control of the receipt, distribution, allotment and disbursement of all funds provided for the support and operation of the schools of such school district whether such funds be derived from state appropriations, local ad valorem tax collections, or otherwise;

(p) To select all school district personnel in the manner provided by law, and to provide for such employee fringe benefit programs, including accident reimbursement plans, as may be deemed necessary and appropriate by the board;

(q) To provide athletic programs and other school activities and to regulate the establishment and operation of such programs and activities;

(r) To join, in their discretion, any association of school boards and other public school-related organizations, and to pay from local funds other than minimum foundation funds, any membership dues;

(s) To expend local school activity funds, or other available school district funds, other than minimum education program funds, for the purposes prescribed under this paragraph. "Activity funds" shall mean all funds received by school officials in all school districts paid or collected to participate in any school activity, such activity being part of the school program and partially financed with public funds or supplemented by public
funds. The term "activity funds" shall not include any funds raised and/or expended by any organization unless commingled in a bank account with existing activity funds, regardless of whether the funds were raised by school employees or received by school employees during school hours or using school facilities, and regardless of whether a school employee exercises influence over the expenditure or disposition of such funds. Organizations shall not be required to make any payment to any school for the use of any school facility if, in the discretion of the local school governing board, the organization's function shall be deemed to be beneficial to the official or extracurricular programs of the school. For the purposes of this provision, the term "organization" shall not include any organization subject to the control of the local school governing board. Activity funds may only be expended for any necessary expenses or travel costs, including advances, incurred by students and their chaperons in attending any in-state or out-of-state school-related programs, conventions or seminars and/or any commodities, equipment, travel expenses, purchased services or school supplies which the local school governing board, in its discretion, shall deem beneficial to the official or extracurricular programs of the district, including items which may subsequently become the personal property of individuals, including yearbooks, athletic apparel, book covers and trophies. Activity funds may be used to pay travel expenses of school district personnel. The local school governing board shall be authorized and empowered to promulgate rules and regulations specifically designating for what purposes school activity funds may be expended. The local school governing board shall provide (a) that such school activity funds shall be maintained and expended by the principal of the school generating the funds in individual bank accounts, or (b) that such school activity funds shall be maintained and expended by the superintendent of schools in a central depository approved by the
The local school governing board shall provide that such school activity funds be audited as part of the annual audit required in Section 37-9-18. The State Auditor shall prescribe a uniform system of accounting and financial reporting for all school activity fund transactions;

(t) To contract, on a shared savings, lease or lease-purchase basis, for energy efficiency services and/or equipment as provided for in Section 31-7-14, not to exceed ten (10) years;

(u) To maintain accounts and issue pay certificates on school food service bank accounts;

(v) (i) To lease a school building from an individual, partnership, nonprofit corporation or a private for-profit corporation for the use of such school district, and to expend funds therefor as may be available from any nonminimum program sources. The school board of the school district desiring to lease a school building shall declare by resolution that a need exists for a school building and that the school district cannot provide the necessary funds to pay the cost or its proportionate share of the cost of a school building required to meet the present needs. The resolution so adopted by the school board shall be published once each week for three (3) consecutive weeks in a newspaper having a general circulation in the school district involved, with the first publication thereof to be made not less than thirty (30) days prior to the date upon which the school board is to act on the question of leasing a school building. If no petition requesting an election is filed prior to such meeting as hereinafter provided, then the school board may, by resolution spread upon its minutes, proceed to lease a school building. If at any time prior to said meeting a petition signed by not less than twenty percent (20%) or fifteen hundred (1500), whichever is less, of the qualified electors of the school district involved shall be filed with the school board requesting that an election
be called on the question, then the school board shall, not later
than the next regular meeting, adopt a resolution calling an
election to be held within such school district upon the question
of authorizing the school board to lease a school building. Such
election shall be called and held, and notice thereof shall be
given, in the same manner for elections upon the questions of the
issuance of the bonds of school districts, and the results thereof
shall be certified to the school board. If at least three-fifths
(3/5) of the qualified electors of the school district who voted
in such election shall vote in favor of the leasing of a school
building, then the school board shall proceed to lease a school
building. The term of the lease contract shall not exceed twenty
(20) years, and the total cost of such lease shall be either the
amount of the lowest and best bid accepted by the school board
after advertisement for bids or an amount not to exceed the
current fair market value of the lease as determined by the
averaging of at least two (2) appraisals by certified general
appraisers licensed by the State of Mississippi. The term "school
building" as used in this item (v) shall be construed to mean any
building or buildings used for classroom purposes in connection
with the operation of schools and shall include the site therefor,
necessary support facilities, and the equipment thereof and
appurtenances thereto such as heating facilities, water supply,
sewage disposal, landscaping, walks, drives and playgrounds. The
term "lease" as used in this item (v)(i) may include a
lease/purchase contract;

(ii) If two (2) or more school districts propose
to enter into a lease contract jointly, then joint meetings of the
school boards having control may be held but no action taken shall
be binding on any such school district unless the question of
leasing a school building is approved in each participating school
district under the procedure hereinabove set forth in item (v)(i).
All of the provisions of item (v)(i) regarding the term and amount
of the lease contract shall apply to the school boards of school
districts acting jointly. Any lease contract executed by two (2)
or more school districts as joint lessees shall set out the amount
of the aggregate lease rental to be paid by each, which may be
agreed upon, but there shall be no right of occupancy by any
lessee unless the aggregate rental is paid as stipulated in the
lease contract. All rights of joint lessees under the lease
contract shall be in proportion to the amount of lease rental paid
by each;

(w) To employ all noninstructional and noncertificated
employees and fix the duties and compensation of such personnel
deemed necessary pursuant to the recommendation of the
superintendent of schools;

(x) To employ and fix the duties and compensation of
such legal counsel as deemed necessary;

(y) Subject to rules and regulations of the State Board
of Education, to purchase, own and operate trucks, vans and other
motor vehicles, which shall bear the proper identification
required by law;

(z) To expend funds for the payment of substitute
teachers and to adopt reasonable regulations for the employment
and compensation of such substitute teachers;

(aa) To acquire in its own name by purchase all real
property which shall be necessary and desirable in connection with
the construction, renovation or improvement of any public school
building or structure. Whenever the purchase price for such real
property is greater than Fifty Thousand Dollars ($50,000.00), the
school board shall not purchase the property for an amount
exceeding the fair market value of such property as determined by
the average of at least two (2) independent appraisals by
certified general appraisers licensed by the State of Mississippi.
If the board shall be unable to agree with the owner of any such
real property in connection with any such project, the board shall
have the power and authority to acquire any such real property by condemnation proceedings pursuant to Section 11-27-1 et seq., and for such purpose, the right of eminent domain is hereby conferred upon and vested in said board. Provided further, that the local school board is authorized to grant an easement for ingress and egress over sixteenth section land or lieu land in exchange for a similar easement upon adjoining land where the exchange of easements affords substantial benefit to the sixteenth section land; provided, however, the exchange must be based upon values as determined by a competent appraiser, with any differential in value to be adjusted by cash payment. Any easement rights granted over sixteenth section land under such authority shall terminate when the easement ceases to be used for its stated purpose. No sixteenth section or lieu land which is subject to an existing lease shall be burdened by any such easement except by consent of the lessee or unless the school district shall acquire the unexpired leasehold interest affected by the easement;

(bb) To charge reasonable fees related to the educational programs of the district, in the manner prescribed in Section 37-7-335;

(cc) Subject to rules and regulations of the State Board of Education, to purchase relocatable classrooms for the use of such school district, in the manner prescribed in Section 37-1-13;

(dd) Enter into contracts or agreements with other school districts, political subdivisions or governmental entities to carry out one or more of the powers or duties of the school board, or to allow more efficient utilization of limited resources for providing services to the public;

(ee) To provide for in-service training for employees of the district. Until June 30, 1994, the school boards may designate two (2) days of the minimum school term, as defined in Section 37-19-1, for employee in-service training for
implementation of the new statewide testing system as developed by
the State Board of Education. Such designation shall be subject
to approval by the State Board of Education pursuant to uniform
rules and regulations;

(ff) As part of their duties to prescribe the use of
textbooks, to provide that parents and legal guardians shall be
responsible for the textbooks and for the compensation to the
school district for any books which are not returned to the proper
schools upon the withdrawal of their dependent child. If a
textbook is lost or not returned by any student who drops out of
the public school district, the parent or legal guardian shall
also compensate the school district for the fair market value of
the textbooks;

(gg) To conduct fund-raising activities on behalf of
the school district that the local school board, in its
discretion, deems appropriate or beneficial to the official or
extracurricular programs of the district; provided that:

(i) Any proceeds of the fund-raising activities
shall be treated as "activity funds" and shall be accounted for as
are other activity funds under this section; and

(ii) Fund-raising activities conducted or
authorized by the board for the sale of school pictures, the
rental of caps and gowns or the sale of graduation invitations for
which the school board receives a commission, rebate or fee shall
contain a disclosure statement advising that a portion of the
proceeds of the sales or rentals shall be contributed to the
student activity fund;

(hh) To allow individual lessons for music, art and
other curriculum-related activities for academic credit or
nonacademic credit during school hours and using school equipment
and facilities, subject to uniform rules and regulations adopted
by the school board;
(ii) To charge reasonable fees for participating in an extracurricular activity for academic or nonacademic credit for necessary and required equipment such as safety equipment, band instruments and uniforms;

(jj) To conduct or participate in any fund-raising activities on behalf of or in connection with a tax-exempt charitable organization;

(kk) To exercise such powers as may be reasonably necessary to carry out the provisions of this section; ***

(ll) To expend funds for the services of nonprofit arts organizations or other such nonprofit organizations who provide performances or other services for the students of the school district; and

(mm) To contract with private entities to lease employees to provide instructional services to pupils.

SECTION 2. Section 25-11-103, Mississippi Code of 1972, is amended as follows:

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

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

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

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

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

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

(f) "Average compensation" shall mean the average of
the four (4) highest years of earned compensation reported for an
employee in a fiscal or calendar year period, or combination
thereof which do not overlap, or the last forty-eight (48)
consecutive months of earned compensation reported for an
employee. The four (4) years need not be successive or joined
years of service. In no case shall the average compensation so
determined be in excess of One Hundred Twenty-five Thousand
Dollars ($125,000.00). In computing the average compensation, any
amount paid in a lump sum for personal leave shall be included in
the calculation to the extent that such amount does not exceed an
amount which is equal to thirty (30) days of earned compensation
and to the extent that it does not cause the employees' earned
compensation to exceed the maximum reportable amount specified in
Section 25-11-103(k); provided, however, that such thirty-day
limitation shall not prevent the inclusion in the calculation of
leave earned under federal regulations prior to July 1, 1976, and
frozen as of that date as referred to in Section 25-3-99. Only
the amount of lump sum pay for personal leave due and paid upon
the death of a member attributable for up to one hundred fifty
(150) days shall be used in the deceased member's average
compensation calculation in determining the beneficiary's
benefits. In computing the average compensation, no amounts shall
be used which are in excess of the amount on which contributions
were required and paid. If any member who is or has been granted
any increase in annual salary or compensation of more than eight
percent (8%) retires within twenty-four (24) months from the date
that such increase becomes effective, then the board shall exclude
that part of the increase in salary or compensation that exceeds
eight percent (8%) in calculating that member's average
compensation for retirement purposes. The board may enforce this
provision by rule or regulation. However, increases in
compensation in excess of eight percent (8%) per year granted
within twenty-four (24) months of the date of retirement may be
included in such calculation of average compensation if
satisfactory proof is presented to the board showing that the
increase in compensation was the result of an actual change in the
position held or services rendered, or that such compensation
increase was authorized by the State Personnel Board or was
increased as a result of statutory enactment, and the employer
furnishes an affidavit stating that such increase granted within
the last twenty-four (24) months was not contingent on a promise
or agreement of the employee to retire. Nothing in Section
25-3-31 shall affect the calculation of the average compensation
of any member for the purposes of this article. The average
compensation of any member who retires before July 1, 1992, shall
not exceed the annual salary of the Governor.

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

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

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

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

(k) "Earned compensation" shall mean the full amount
earned by an employee for a given pay period including any
maintenance furnished up to a maximum of One Hundred Twenty-five
Thousand Dollars ($125,000.00) per year, and proportionately for
less than one (1) year of service. The value of such maintenance
when not paid in money shall be fixed by the employing state
agency, and, in case of doubt, by the board of trustees as defined
in Section 25-11-15. In any case, earned compensation shall be
limited to the regular periodic compensation paid, exclusive of
litigation fees, bond fees, and other similar extraordinary
nonrecurring payments. In addition, any member in a covered position, as defined by Public Employees' Retirement System laws and regulations, who is also employed by another covered agency or political subdivision shall have the earnings of that additional employment reported to the Public Employees' Retirement System regardless of whether the additional employment is sufficient in itself to be a covered position. In the case of fee officials, the net earnings from their office after deduction of expenses shall apply, except that in no case shall earned compensation be less than the total direct payments made by the state or governmental subdivisions to the official, and employer and employee contributions shall be paid thereon. In the case of members of the state Legislature, all remuneration or amounts paid, except mileage allowance, shall apply. The amount by which an eligible employee's salary is reduced pursuant to a salary reduction agreement authorized under Section 25-17-5 shall be included as earned compensation under this paragraph, provided this inclusion does not conflict with federal law, including federal regulations and federal administrative interpretations thereunder, pertaining to the Federal Insurance Contributions Act or to Internal Revenue Code Section 125 cafeteria plans. Compensation in addition to an employee's base salary that is paid to the employee pursuant to the vacation and sick leave policies of a municipality or other political subdivision of the state that employs him which exceeds the maximums authorized by Section 25-3-91 et seq., shall be excluded from the calculation of earned compensation under this article. The maximum salary applicable for retirement purposes before July 1, 1992, shall be the salary of the Governor. Nothing in Section 25-3-31 shall affect the determination of the earned compensation of any member for the purposes of this article.

(l) "Employee" means any person legally occupying a position in the state service, and shall include the employees of
the retirement system created hereunder. The term "employee" does not include any employee of a private entity that leases staff to a local school board to provide instructional services pursuant to Section 37-7-301(mm).

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

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

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

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

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

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

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

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

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

(v) "Retirement allowance" shall mean an annuity for
life as provided in this article, payable each year in twelve (12)
equal monthly installments beginning as of the date fixed by the
board. The retirement allowance shall be calculated in accordance
with Section 25-11-111. Provided, any spouse who received a
spouse retirement benefit in accordance with Section 25-11-111(d)
prior to March 31, 1971, and said benefits were terminated because
of eligibility for a social security benefit, may again receive
his spouse retirement benefit from and after making application
with the board of trustees to reinstate such spouse retirement
benefit.
(w) "Retroactive service" shall mean service rendered after February 1, 1953, for which credit is allowable under Section 25-11-105(b) and Section 25-11-105(k).

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

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

(z) "State service" shall mean all offices and positions of trust or employment in the employ of the state, or any political subdivision or instrumentality thereof, which elect to participate as provided by Section 25-11-105(f), including the position of elected or fee officials of the counties and their deputies and employees performing public services or any department, independent agency, board or commission thereof, and shall also include all offices and positions of trust or employment in the employ of joint state and federal agencies administering state and federal funds and service rendered by employees of the public schools. Effective July 1, 1973, all nonprofessional public school employees, such as bus drivers, janitors, maids, maintenance workers and cafeteria employees, shall have the option to become members in accordance with Section 25-11-105(b), and shall be eligible to receive credit for services prior to July 1, 1973, provided the contributions and interest are paid by the employee in accordance with said section; provided, further, that the county or municipal separate school district may pay the employer contribution and pro rata share of interest of the retroactive service from available funds. From and after July 1, 1998, retroactive service credit shall be purchased at the actuarial cost in accordance with Section 25-11-105(b).

(aa) "Withdrawal from service" shall mean complete severance of employment in the state service of any member by resignation, dismissal or discharge.
(bb) The masculine pronoun, wherever used, shall include the feminine pronoun.

SECTION 3. Section 25-11-127, Mississippi Code of 1972, is amended as follows:

25-11-127. (1) No person who is being paid a retirement allowance or a pension after retirement under this article shall be employed or paid for any service by the State of Mississippi, except as provided in this section. This section shall not apply to any pensioner who has been elected to public office after retirement, nor to any person employed because of special knowledge or experience. This section shall not be construed to mean that any person employed or elected under the above exceptions shall become a member under Article 3 of the retirement system, nor shall any retiree of this retirement system who is reemployed or is reelected to office after retirement continue to draw retirement benefits while so reemployed.

(2) Any person who has been retired under the provisions of Articles 1 and 3 and who is later reemployed in service covered by this article shall cease to receive benefits under this article and shall again become a contributing member of the retirement system. When the person retires again, if the reemployment exceeds six (6) months, the person shall have his or her benefit recomputed, including service after again becoming a member, provided that the total retirement allowance paid to the retired member in his or her previous retirement shall be deducted from the member's retirement reserve and taken into consideration in recalculating the retirement allowance under a new option selected.

(3) Nothing contained in this section shall be construed as prohibiting any county or city not a member of the Public Employees' Retirement System from employing persons up to the age of seventy-three (73). In addition, through June 30, 1988, nothing contained in this section shall be construed as
prohibiting any governmental unit that is a member from employing
persons up to the age of seventy-three (73) who are not eligible
for membership at the time of employment under Article 3. This
section does not apply to any employee of a private entity that
leases staff to a local school board to provide instructional
services as authorized under Section 37-7-301(mm).

(4) The board of trustees of the retirement system shall
have the right to prescribe rules and regulations for carrying out
the provisions of this section.

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

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

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

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

Notice shall be given in writing to the executive director of
the system, setting forth the facts upon which the employment is
being made, and the notice shall be given within five (5) days

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from the date of employment and also from the date of termination
of the employment.

(6) Any member who has attained seventy (70) years of age
and who has forty (40) or more years of creditable service may
continue in office or employment or be reemployed or elected,
provided that the person files annually, in writing, in the office
of the employer and the office of the executive director of the
system before those services, a waiver of all salary or
compensation and elects to receive in lieu of that salary or
compensation a retirement allowance as provided in this section,
in which event no salary or compensation shall thereafter be due
or payable for those services. However, any such officer or
employee may receive, in addition to the retirement allowance, any
per diem, office expense allowance, mileage or travel expense
authorized by any statute of the State of Mississippi.

(7) Any member may continue in municipal or county office or
employment or be reemployed or elected in a municipality or
county, provided that the person files annually, in writing, in
the office of the employer and the office of the executive
director of the system before those services, a waiver of all
salary or compensation and elects to receive in lieu of that
salary or compensation a retirement allowance as provided in this
section, in which event no salary or compensation shall thereafter
be due or payable for those services. However, any such officer
or employee may receive, in addition to the retirement allowance,
any per diem, office expense allowance, mileage or travel expense
authorized by any statute of the State of Mississippi.

SECTION 4. This act shall take effect and be in force from
and after July 1, 2002.