

By: Senator(s) Walls

To: Finance

SENATE BILL NO. 2476

1 AN ACT TO AMEND SECTION 25-11-111, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT ANY MEMBER OF THE PUBLIC EMPLOYEES' RETIREMENT
3 SYSTEM, REGARDLESS OF AGE, WHO WAS EMPLOYED AS A LAW ENFORCEMENT
4 OFFICER, A FIRE FIGHTER OR AN EMERGENCY SERVICES EMPLOYEE AT THE
5 TIME OF SUCH EMPLOYEES' WITHDRAWAL FROM SERVICE MAY RETIRE IF SUCH
6 EMPLOYEE HAS COMPLETED AT LEAST 20 YEARS OF CREDITABLE SERVICE AS
7 A LAW ENFORCEMENT OFFICER AT THE TIME OF SUCH WITHDRAWAL FROM
8 SERVICE; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 25-11-111, Mississippi Code of 1972, is
11 amended as follows:

12 25-11-111. (a) (1) Except as otherwise provided in this
13 section, any member upon withdrawal from service upon or after
14 attainment of the age of sixty (60) years who shall have completed
15 at least four (4) years of creditable service, or any member upon
16 withdrawal from service regardless of age who shall have completed
17 at least twenty-five (25) years of creditable service, shall be
18 entitled to receive a retirement allowance computed in accordance
19 with this section which shall begin on the first of the month
20 following the date the member's application for the allowance is
21 received by the board, but in no event before withdrawal from
22 service.

23 (2) Any member upon withdrawal from service, regardless
24 of age, who was employed as a law enforcement officer, a fire
25 fighter or an emergency services employee and certified as a law
26 enforcement officer under Chapter 6, Title 45, Mississippi Code of
27 1972, at the time of such withdrawal from service and who has
28 completed at least twenty (20) years of creditable service as a
29 law enforcement officer, a fire fighter or an emergency services
30 employee shall be entitled to receive a retirement allowance



31 computed in accordance with the formula set forth in this section
32 which shall begin on the first of the month following the date the
33 member's application for the said allowance is received by the
34 board, but in no event before withdrawal from service.

35 (b) Any member whose withdrawal from service occurs prior to
36 attaining the age of sixty (60) years who shall have completed
37 four (4) or more years of creditable service and shall not have
38 received a refund of his accumulated contributions shall be
39 entitled to receive a retirement allowance, beginning upon his
40 attaining the age of sixty (60) years, of the amount earned and
41 accrued at the date of withdrawal from service.

42 (c) Any member in service who has qualified for retirement
43 benefits may select any optional method of settlement of
44 retirement benefits by notifying the Executive Director of the
45 Board of Trustees of the Public Employees' Retirement System in
46 writing, on a form prescribed by the board, of the option he has
47 selected and by naming the beneficiary of such option and
48 furnishing necessary proof of age. Such option, once selected,
49 may be changed at any time prior to actual retirement or death,
50 but upon the death or retirement of the member, the optional
51 settlement shall be placed in effect upon proper notification to
52 the executive director.

53 (d) The annual amount of the retirement allowance shall
54 consist of:

55 (1) A member's annuity which shall be the actuarial
56 equivalent of the accumulated contributions of the member at the
57 time of retirement computed according to the actuarial table in
58 use by the system; and

59 (2) An employer's annuity which, together with the
60 member's annuity provided above, shall be equal to one and
61 seven-eighths percent (1-7/8%) of the average compensation for
62 each year of state service up to and including twenty-five (25)
63 years of membership service, and two and one-fourth percent



64 (2-1/4%) of the average compensation for each year of state
65 service exceeding twenty-five (25) years of membership service.
66 However, after the board of trustees has begun implementing the
67 changes in the computation of the retirement allowance as provided
68 in subsection (e), the employer's annuity shall be equal to:

69 (i) One and seven-eighths percent (1-7/8%) of the
70 average compensation for each year of membership service up to and
71 including the number of years specified in Column A of the table
72 in subsection (e) for the latest phase that has been implemented,
73 and

74 (ii) Two percent (2%) of the average compensation
75 for each year of membership service exceeding the number of years
76 specified in Column A of the table in subsection (e) for the
77 latest phase that has been implemented up to and including
78 twenty-five (25) years, and

79 (iii) The percentage of the average compensation
80 specified in Column B of the table in subsection (e) for the
81 latest phase that has been implemented for each year of membership
82 service exceeding twenty-five (25) years.

83 (3) A prior service annuity equal to one and
84 seven-eighths percent (1-7/8%) of the average compensation for
85 each year of state service up to and including twenty-five (25)
86 years of prior service, and two and one-fourth percent (2-1/4%) of
87 the average compensation for each year of state service exceeding
88 twenty-five (25) years of prior service for which the member is
89 allowed credit. However, after the board of trustees has begun
90 implementing the changes in the computation of the retirement
91 allowance as provided in subsection (e), the prior service annuity
92 shall be equal to:

93 (i) One and seven-eighths percent (1-7/8%) of the
94 average compensation for each year of prior service up to and
95 including the number of years specified in Column A of the table



96 in subsection (e) for the latest phase that has been implemented,
97 and

98 (ii) Two percent (2%) of the average compensation
99 for each year of prior service exceeding the number of years
100 specified in Column A of the table in subsection (e) for the
101 latest phase that has been implemented up to and including
102 twenty-five (25) years, and

103 (iii) The percentage of the average compensation
104 specified in Column B of the table in subsection (e) for the
105 latest phase that has been implemented for each year of prior
106 service exceeding twenty-five (25) years.

107 (4) Any retired member or beneficiary thereof who was
108 eligible to receive a retirement allowance before July 1, 1991,
109 and who is still receiving a retirement allowance on July 1, 1992,
110 shall receive an increase in the annual retirement allowance of
111 the retired member equal to one-eighth of one percent ($1/8$ of 1%)
112 of the average compensation for each year of state service in
113 excess of twenty-five (25) years of membership service up to and
114 including thirty (30) years. The maximum increase shall be
115 five-eighths of one percent ($5/8$ of 1%). In no case shall a
116 member who has been retired prior to July 1, 1987, receive less
117 than Ten Dollars (\$10.00) per month for each year of creditable
118 service and proportionately for each quarter year thereof.
119 Persons retired on or after July 1, 1987, shall receive at least
120 Ten Dollars (\$10.00) per month for each year of service and
121 proportionately for each quarter year thereof reduced for the
122 option selected. However, such Ten Dollars (\$10.00) minimum per
123 month for each year of creditable service shall not apply to a
124 retirement allowance computed under Section 25-11-114 based on a
125 percentage of the member's average compensation.

126 (5) The board shall recalculate the retirement
127 allowance of any member or the beneficiary of such a member, if
128 the member or beneficiary is eligible to receive a retirement



129 allowance before July 1, 1999, by using the criteria in paragraphs
130 (2) and (3) of this subsection (d) that provides for two and
131 one-fourth percent (2-1/4%) of the average compensation for each
132 year of service exceeding twenty-five (25) years.

133 (6) * * * The member upon withdrawal from service upon
134 or after attaining the age of sixty (60) years who has completed
135 at least four (4) years of creditable service, or any member upon
136 withdrawal from service regardless of age who has completed at
137 least twenty-five (25) years of creditable service, shall be
138 entitled to receive a retirement allowance computed in accordance
139 with the formula set forth in this section. Such retirement
140 allowance otherwise payable may be converted into a retirement
141 allowance of equivalent actuarial value in such an amount that,
142 with the member's benefit under Title II of the federal Social
143 Security Act, the member will receive, so far as possible,
144 approximately the same amount annually before and after the
145 earliest age at which the member becomes eligible to receive a
146 social security benefit.

147 (e) Beginning on July 1, 2000, the board of trustees shall
148 implement changes in the computation of the amount of the annual
149 retirement allowance, which changes shall be implemented in phases
150 as set forth in the table in this subsection. The board of
151 trustees shall implement the phases systematically upon July 1
152 after the board's actuary certifies that implementation of a phase
153 will not cause the unfunded accrued actuarial liability
154 amortization period for the retirement system to exceed twenty-two
155 (22) years. The board of trustees shall have the exclusive
156 authority to set the assumptions that are used in the actuarial
157 evaluation in accordance with Section 25-11-119(9). The board of
158 trustees shall recalculate the retirement allowance of any retired
159 member or beneficiary of such a member as each phase is
160 implemented.

161 RETIREMENT ALLOWANCE COMPUTATION



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IMPLEMENTATION TABLE

163

(A)

(B)

164

PHASE

2% FOR YEARS

PERCENTAGE

165

ABOVE THIS

FOR YEARS

166

NUMBER AND

ABOVE 25

167

≤25 YEARS

YEARS

168

169

Phase 1

20 years

2.250%

170

Phase 2

15 years

2.250%

171

Phase 3

10 years

2.250%

172

Phase 4

5 years

2.250%

173

Phase 5

0 years

2.250%

174

Phase 6

0 years

2.375%

175

Phase 7

0 years

2.500%

176

Column A shows the years to which two percent (2%) is

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applicable in computing the retirement allowance, which are all

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the years of service exceeding the number specified in Column A

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for the phase that has been implemented up to and including

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twenty-five (25) years.

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Column B shows the percentage that is applicable to the

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number of years of service exceeding twenty-five (25) years in

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computing the retirement allowance.

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(f) No member, except members excluded by the Age

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Discrimination in Employment Act Amendments of 1986 (Public Law

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99-592), under either Article 1 or Article 3 in state service

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shall be required to retire because of age.

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(g) No payment on account of any benefit granted under the

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provisions of this section shall become effective or begin to

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accrue until January 1, 1953.

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(h) (1) A retiree or beneficiary may, on a form prescribed

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by and filed with the retirement system, irrevocably waive all or

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a portion of any benefits from the retirement system to which the

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retiree or beneficiary is entitled. Such waiver shall be binding



195 on the heirs and assigns of any retiree or beneficiary and the
196 same must agree to forever hold harmless the Public Employees'
197 Retirement System of Mississippi from any claim to such waived
198 retirement benefits.

199 (2) Any waiver pursuant to this subsection shall apply
200 only to the person executing the waiver. A beneficiary shall be
201 entitled to benefits according to the option selected by the
202 member at the time of retirement. However, a beneficiary may, at
203 the option of the beneficiary, execute a waiver of benefits
204 pursuant to this subsection.

205 (3) The retirement system shall retain in the annuity
206 reserve account amounts that are not used to pay benefits because
207 of a waiver executed under this subsection.

208 (4) The board of trustees may provide rules and
209 regulations for the administration of waivers under this
210 subsection.

211 **SECTION 2.** This act shall take effect and be in force from
212 and after July 1, 2002.

