To: Finance

SENATE BILL NO. 2476

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

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

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

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

(2) Any member upon withdrawal from service, regardless of age, who was employed as a law enforcement officer, a fire fighter or an emergency services employee and certified as a law enforcement officer under Chapter 6, Title 45, Mississippi Code of 1972, at the time of such withdrawal from service and who has completed at least twenty (20) years of creditable service as a law enforcement officer, a fire fighter or an emergency services employee shall be entitled to receive a retirement allowance...
computed in accordance with the formula set forth in this section
which shall begin on the first of the month following the date the member's application for the said allowance is received by the board, but in no event before withdrawal from service.

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

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

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

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

(2) An employer's annuity which, together with the member's annuity provided above, shall be equal to one and seven-eighths percent (1-7/8%) of the average compensation for each year of state service up to and including twenty-five (25) years of membership service, and two and one-fourth percent
(2-1/4\%) of the average compensation for each year of state service exceeding twenty-five (25) years of membership service. However, after the board of trustees has begun implementing the changes in the computation of the retirement allowance as provided in subsection (e), the employer's annuity shall be equal to:

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

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

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

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

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

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

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

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

(5) The board shall recalculate the retirement allowance of any member or the beneficiary of such a member, if the member or beneficiary is eligible to receive a retirement
allowance before July 1, 1999, by using the criteria in paragraphs 129 (2) and (3) of this subsection (d) that provides for two and 130 one-fourth percent (2-1/4%) of the average compensation for each 131 year of service exceeding twenty-five (25) years.

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

(e) Beginning on July 1, 2000, the board of trustees shall 147 implement changes in the computation of the amount of the annual 148 retirement allowance, which changes shall be implemented in phases 149 as set forth in the table in this subsection. The board of 150 trustees shall implement the phases systematically upon July 1 151 after the board's actuary certifies that implementation of a phase 152 will not cause the unfunded accrued actuarial liability 153 amortization period for the retirement system to exceed twenty-two 154 (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.

RETIREMENT ALLOWANCE COMPUTATION
## IMPLEMENTATION TABLE

<table>
<thead>
<tr>
<th>Phase</th>
<th>2% For Years</th>
<th>Percentage Above This For Years</th>
<th>Number And Above 25 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>20 years</td>
<td>2.250%</td>
<td>2.250%</td>
</tr>
<tr>
<td>Phase 2</td>
<td>15 years</td>
<td>2.250%</td>
<td>2.250%</td>
</tr>
<tr>
<td>Phase 3</td>
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<td>2.250%</td>
</tr>
<tr>
<td>Phase 4</td>
<td>5 years</td>
<td>2.250%</td>
<td>2.250%</td>
</tr>
<tr>
<td>Phase 5</td>
<td>0 years</td>
<td>2.250%</td>
<td>2.250%</td>
</tr>
<tr>
<td>Phase 6</td>
<td>0 years</td>
<td>2.375%</td>
<td>2.500%</td>
</tr>
<tr>
<td>Phase 7</td>
<td>0 years</td>
<td>2.500%</td>
<td>2.500%</td>
</tr>
</tbody>
</table>

Column A shows the years to which two percent (2%) is applicable in computing the retirement allowance, which are all the years of service exceeding the number specified in Column A for the phase that has been implemented up to and including twenty-five (25) years.

Column B shows the percentage that is applicable to the number of years of service exceeding twenty-five (25) years in computing the retirement allowance.

(f) No member, except members excluded by the Age Discrimination in Employment Act Amendments of 1986 (Public Law 99-592), under either Article 1 or Article 3 in state service shall be required to retire because of age.

(g) No payment on account of any benefit granted under the provisions of this section shall become effective or begin to accrue until January 1, 1953.

(h) (1) A retiree or beneficiary may, on a form prescribed by and filed with the retirement system, irrevocably waive all or a portion of any benefits from the retirement system to which the retiree or beneficiary is entitled. Such waiver shall be binding
on the heirs and assigns of any retiree or beneficiary and the
same must agree to forever hold harmless the Public Employees' 
Retirement System of Mississippi from any claim to such waived 
retirement benefits.

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

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

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

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