

By: Senator(s) Thames, Minor

To: Finance

SENATE BILL NO. 2570

1 AN ACT TO AMEND SECTIONS 25-11-117, 25-11-118, 25-11-311,
 2 25-11-312, 25-13-21, 25-13-22 AND 25-29-316, MISSISSIPPI CODE OF
 3 1972, TO CLARIFY THE DEFINITION OF AN ELIGIBLE PLAN UNDER THE LAWS
 4 GOVERNING THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND OTHER
 5 RETIREMENT SYSTEMS ADMINISTERED BY SUCH SYSTEM; TO PROVIDE THAT
 6 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM MUST ACCEPT ROLL OVER
 7 DISTRIBUTIONS OR DIRECT TRANSFERS OF FUNDS FROM ELIGIBLE PLANS IN
 8 PAYMENT OF ALL OR A PORTION OF THE COST TO PURCHASE OPTIONAL
 9 SERVICE CREDIT OR TO REINSTATE PREVIOUSLY WITHDRAWN SERVICE
 10 CREDIT; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** Section 25-11-117, Mississippi Code of 1972, is
 13 amended as follows:

14 25-11-117. (1) A member may be paid a refund of the amount
 15 of accumulated contributions to the credit of the member in the
 16 annuity savings account provided the member has withdrawn from
 17 state service and further provided the member has not returned to
 18 state service on the date the refund of the accumulated
 19 contributions would be paid. Such refund of the contributions to
 20 the credit of the member in the annuity savings account shall be
 21 paid within ninety (90) days from receipt in the office of the
 22 retirement system of the properly completed form requesting such
 23 payment. In the event of death prior to retirement of any member
 24 whose spouse and/or children are not entitled to a retirement
 25 allowance, the accumulated contributions to the credit of the
 26 deceased member in the annuity savings account shall be paid to
 27 the designated beneficiary on file in writing in the office of the
 28 executive director of the board of trustees within ninety (90)
 29 days from receipt of a properly completed form requesting such
 30 payment. If there is no such designated beneficiary on file for
 31 such deceased member in the office of the system, upon the filing



32 of a proper request with the board, the contributions to the
33 credit of the deceased member in the annuity savings account shall
34 be refunded pursuant to Section 25-11-117.1(1). The payment of
35 the refund shall discharge all obligations of the retirement
36 system to the member on account of any creditable service rendered
37 by the member prior to the receipt of the refund. By the
38 acceptance of the refund, the member shall waive and relinquish
39 all accrued rights in the system.

40 (2) Pursuant to the Unemployment Compensation Amendments of
41 1992 (Public Law 102-318 (UCA)), a member or the spouse of a
42 member who is an eligible beneficiary entitled to a refund under
43 this section may elect, on a form prescribed by the board under
44 rules and regulations established by the board, to have an
45 eligible rollover distribution of accumulated contributions
46 payable under this section paid directly to an eligible retirement
47 plan, as defined under applicable federal law, or an individual
48 retirement account. If the member or the spouse of a member who
49 is an eligible beneficiary makes such election and specifies the
50 eligible retirement plan or individual retirement account to which
51 such distribution is to be paid, the distribution will be made in
52 the form of a direct trustee-to-trustee transfer to the specified
53 eligible retirement plan. Flexible rollovers under this
54 subsection shall not be considered assignments under Section
55 25-11-129.

56 (3) If any person who has received a refund reenters the
57 state service and again becomes a member of the system, the member
58 may repay all or part of the amounts previously received as a
59 refund, together with regular interest covering the period from
60 the date of refund to the date of repayment; provided, however,
61 that the amounts that are repaid by the member and the creditable
62 service related thereto shall not be used in any benefit
63 calculation or determination until the member has remained a
64 contributor to the system for a period of at least four (4) years



65 subsequent to such member's reentry into state service. Repayment
66 for such time shall be made in increments of not less than
67 one-quarter (1/4) year of creditable service beginning with the
68 most recent service for which refund has been made. Upon the
69 repayment of all or part of such refund and interest, the member
70 shall again receive credit for the period of creditable service
71 for which full repayment has been made to the system.

72 **SECTION 2.** Section 25-11-118, Mississippi Code of 1972, is
73 amended as follows:

74 25-11-118. Effective July 1, 2000, and subject to the rules
75 adopted by the board of trustees, the system shall accept an
76 eligible roll over distribution or a direct transfer of funds from
77 another eligible retirement plan, as defined under applicable
78 federal law, in payment of all or a portion of the cost to
79 purchase optional service credit or to reinstate previously
80 withdrawn service credit as permitted by the system. The system
81 may only accept roll over payments in an amount equal to or less
82 than the balance due for purchase or reinstatement of service
83 credit. The rules adopted by the board of trustees shall
84 condition the acceptance of a roll over or transfer from another
85 eligible retirement plan on the receipt from the other plan of
86 information necessary to enable the system to determine the
87 eligibility of any transferred funds for tax-free roll over
88 treatment or other treatment under federal income tax law.

89 **SECTION 3.** Section 25-11-311, Mississippi Code of 1972, is
90 amended as follows:

91 25-11-311. (1) A member may be paid a refund of the amount
92 of accumulated contributions to the credit of the member in the
93 annuity savings account, provided the member has withdrawn from
94 state service and further provided the member has not returned to
95 state service on the date the refund of the accumulated
96 contributions would be paid. Such refund of the contributions to
97 the credit of the member in the annuity savings account shall be



98 paid within ninety (90) days from receipt in the office of the
99 retirement system of the properly completed form requesting such
100 payment. In the event of death prior to retirement of any member
101 whose spouse and/or children are not entitled to a retirement
102 allowance, the accumulated contributions to the credit of the
103 deceased member in the annuity savings account shall be paid to
104 the designated beneficiary on file in writing in the office of
105 executive secretary of the board of trustees within ninety (90)
106 days from receipt of a properly completed form requesting such
107 payment. If there is no such designated beneficiary on file for
108 such deceased member in the office of the system, upon the filing
109 of a proper request with the board, the contributions to the
110 credit of the deceased member in the annuity savings account shall
111 be refunded pursuant to Section 25-11-311.1(1). The payment of
112 the refund shall discharge all obligations of the retirement
113 system to the member on account of any creditable service rendered
114 by the member prior to the receipt of the refund. By the
115 acceptance of the refund, the member shall waive and relinquish
116 all accrued rights in the plan.

117 (2) Pursuant to the Unemployment Compensation Amendments of
118 1992 (Public Law 102-318 (UCA)), a member or eligible beneficiary
119 making application for a refund under this section may elect, on a
120 form prescribed by the board under rules and regulations
121 established by the board, to have an eligible rollover
122 distribution of accumulated contributions payable under this
123 section paid directly to an eligible retirement plan, as defined
124 under applicable federal law, or an individual retirement account.
125 If the member or eligible beneficiary makes such election and
126 specifies the eligible retirement plan or individual retirement
127 account to which such distribution is to be paid, the distribution
128 will be made in the form of a direct trustee-to-trustee transfer
129 to the specified eligible retirement plan. Flexible rollovers



130 under this subsection shall not be considered assignments under
131 Section 25-11-129.

132 (3) If any person who has received a refund is reelected to
133 the Legislature or as President of the Senate and again becomes a
134 member of the plan, the member may repay all or part of the
135 amounts previously received as a refund, together with regular
136 interest covering the period from the date of refund to the date
137 of repayment; however, the amounts that are repaid by the member
138 and the creditable service related thereto shall not be used in
139 any benefit calculation or determination until the member has
140 remained a contributor to the system for a period of at least four
141 (4) years subsequent to such member's reentry into state service.
142 Repayment for such time shall be made in increments of not less
143 than one-quarter (1/4) year of creditable service beginning with
144 the most recent service for which refund has been made. Upon the
145 repayment of all or part of such refund and interest, the member
146 shall again receive credit for the period of creditable service
147 for which full repayment has been made to the system.

148 **SECTION 4.** Section 25-11-312, Mississippi Code of 1972, is
149 amended as follows:

150 25-11-312. From and after July 1, 2000, subject to the rules
151 adopted by the board, the supplemental legislative retirement plan
152 shall accept an eligible rollover distribution or a direct
153 transfer of funds from another eligible retirement plan, as
154 defined under applicable federal law, in payment of all or a
155 portion of the cost to reinstate previously withdrawn service
156 credit as permitted by the plan. The plan may only accept
157 rollover payments in an amount equal to or less than the balance
158 due for reinstatement of service credit. The rules adopted by the
159 board of trustees shall condition the acceptance of a rollover or
160 transfer from another eligible retirement plan on the receipt from
161 the other plan of information necessary to enable the plan to
162 determine the eligibility of any transferred funds for tax-free



163 rollover treatment or other treatment under federal income tax
164 law.

165 **SECTION 5.** Section 25-13-21, Mississippi Code of 1972, is
166 amended as follows:

167 25-13-21. In the event a highway patrolman ceases to work
168 for the Highway Safety Patrol for any reason other than
169 occupational disease contracted or for any accident sustained by
170 the patrolman by reason of his service or discharge of his duty in
171 the Highway Patrol, and if the highway patrolman is not eligible
172 for retirement either for service or disability, he shall be
173 refunded the amount of his total contribution under the provisions
174 of this chapter, including any credit transferred to his account
175 in this system from any other system, at his request; and should
176 he die before retirement, such fund is to be refunded to any
177 beneficiary he may name. If there is no surviving designated
178 beneficiary, the contributions to the credit of the deceased
179 member shall be refunded pursuant to Section 25-13-21.1(1).

180 Pursuant to the Unemployment Compensation Amendments of 1992
181 (Public Law 102-318 (UCA)), a member or the spouse of a member who
182 is an eligible beneficiary entitled to a refund under this section
183 may elect, on a form prescribed by the board under rules and
184 regulations established by the board, to have an eligible rollover
185 distribution of accumulated contributions payable under this
186 section paid directly to an eligible retirement plan, as defined
187 under applicable federal law, or an individual retirement account.
188 If the member or the spouse of a member who is an eligible
189 beneficiary makes such election and specifies the eligible
190 retirement plan or individual retirement account to which such
191 distribution is to be paid, the distribution will be made in the
192 form of a direct trustee-to-trustee transfer to the specified
193 eligible retirement plan. Flexible rollovers under this
194 subsection shall not be considered assignments under Section
195 25-13-31.



196 If any highway patrolman who shall receive a refund reenters
197 the service of the Highway Safety Patrol and again becomes a
198 member of the system, he may repay all amounts previously received
199 by him as a refund, together with regular interest covering the
200 period from the date of refund to the date of repayment; however,
201 the amounts that are repaid by the member and the creditable
202 service related thereto shall not be used in any benefit
203 calculation or determination until the member has remained a
204 contributor to the system for a period of at least five (5) years
205 after such member's reentry into state service. Repayment for
206 such time shall be made in increments of not less than one-quarter
207 (1/4) year of creditable service beginning with the most recent
208 service for which refund has been made. Upon the repayment of all
209 or part of such refund and interest, the highway patrolman shall
210 again receive credit for the period of creditable service for
211 which full repayment has been made to the system.

212 **SECTION 6.** Section 25-13-22, Mississippi Code of 1972, is
213 amended as follows:

214 25-13-22. Effective July 1, 2000, and subject to the rules
215 adopted by the board of trustees, the system shall accept an
216 eligible roll over distribution or a direct transfer of funds from
217 another eligible retirement plan, as defined under applicable
218 federal law, in payment of all or a portion of the cost to
219 purchase optional service credit or to reinstate previously
220 withdrawn service credit as permitted by the system. The system
221 may only accept roll over payments in an amount equal to or less
222 than the balance due for purchase or reinstatement of service
223 credit. The rules adopted by the board shall condition the
224 acceptance of a roll over or transfer from another eligible
225 retirement plan on the receipt from the other plan of information
226 necessary to enable the system to determine the eligibility of any
227 transferred funds for tax-free roll over treatment or other
228 treatment under federal income tax law.



229 **SECTION 7.** Section 21-29-316, Mississippi Code of 1972, is
230 amended as follows:

231 21-29-316. (1) Pursuant to the Unemployment Compensation
232 Amendments of 1992 (Public Law 102-318 (UCA)), a member or the
233 spouse of a member who is an eligible beneficiary entitled to a
234 refund under Article 1, 3 or 5 of this chapter may elect on a form
235 prescribed by the board under rules and regulations established by
236 the board, to have an eligible rollover distribution of
237 accumulated contributions payable under this section paid directly
238 to an eligible retirement plan, as defined under applicable
239 federal law, or an individual retirement account. If the member
240 or the spouse of a member who is an eligible beneficiary makes
241 such election and specifies the eligible retirement plan or
242 individual retirement account to which such distribution is to be
243 paid, the distribution will be made in the form of a direct
244 trustee-to-trustee transfer to the specified eligible retirement
245 plan. Flexible rollovers under this subsection shall not be
246 considered assignments under Section 21-29-307.

247 (2) From and after July 1, 2001, subject to the rules
248 adopted by the board of trustees, any plan under this chapter
249 shall accept an eligible rollover distribution or a direct
250 transfer of funds from another eligible retirement plan in payment
251 of all or a portion of the cost to repay a refund as permitted by
252 the plan. The plans may only accept rollover payments in an
253 amount equal to or less than the balance due for reinstatement of
254 service credit. The rules adopted by the board of trustees shall
255 condition the acceptance of a rollover or transfer from another
256 eligible retirement plan on the receipt from the other plan of
257 information necessary to enable the system to determine the
258 eligibility of any transferred funds for tax-free rollover
259 treatment or other treatment under federal income tax law.

260 **SECTION 8.** This act shall take effect and be in force from
261 and after its passage.

