

By: Senator(s) Thames, Minor

To: Finance

COMMITTEE SUBSTITUTE  
FOR  
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 ROLLOVER  
7 DISTRIBUTIONS OR DIRECT TRANSFERS OF FUNDS FROM CERTAIN ELIGIBLE  
8 PLANS OR INDIVIDUAL RETIREMENT ACCOUNTS IN PAYMENT OF ALL OR A  
9 PORTION OF THE COST TO PURCHASE OPTIONAL SERVICE CREDIT OR TO  
10 REINSTATE PREVIOUSLY WITHDRAWN SERVICE CREDIT; AND FOR RELATED  
11 PURPOSES.

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

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

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17 annuity savings account provided the member has withdrawn from  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



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

41 (2) Pursuant to the Unemployment Compensation Amendments of  
42 1992 (Public Law 102-318 (UCA)), a member or the spouse of a  
43 member who is an eligible beneficiary entitled to a refund under  
44 this section may elect, on a form prescribed by the board under  
45 rules and regulations established by the board, to have an  
46 eligible rollover distribution of accumulated contributions  
47 payable under this section paid directly to an eligible retirement  
48 plan, as defined under applicable federal law, or an individual  
49 retirement account. If the member or the spouse of a member who  
50 is an eligible beneficiary makes such election and specifies the  
51 eligible retirement plan or individual retirement account to which  
52 such distribution is to be paid, the distribution will be made in  
53 the form of a direct trustee-to-trustee transfer to the specified  
54 eligible retirement plan. Flexible rollovers under this  
55 subsection shall not be considered assignments under Section  
56 25-11-129.

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



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

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

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

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

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



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

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



131 to the specified eligible retirement plan. Flexible rollovers  
132 under this subsection shall not be considered assignments under  
133 Section 25-11-129.

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

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

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



164 receipt \* \* \* of information necessary to enable the plan to  
165 determine the eligibility of any transferred funds for tax-free  
166 rollover treatment or other treatment under federal income tax  
167 law.

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

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

183 Pursuant to the Unemployment Compensation Amendments of 1992  
184 (Public Law 102-318 (UCA)), a member or the spouse of a member who  
185 is an eligible beneficiary entitled to a refund under this section  
186 may elect, on a form prescribed by the board under rules and  
187 regulations established by the board, to have an eligible rollover  
188 distribution of accumulated contributions payable under this  
189 section paid directly to an eligible retirement plan, as defined  
190 under applicable federal law, or an individual retirement account.  
191 If the member or the spouse of a member who is an eligible  
192 beneficiary makes such election and specifies the eligible  
193 retirement plan or individual retirement account to which such  
194 distribution is to be paid, the distribution will be made in the  
195 form of a direct trustee-to-trustee transfer to the specified  
196 eligible retirement plan. Flexible rollovers under this



197 subsection shall not be considered assignments under Section  
198 25-13-31.

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

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

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



230 the system to determine the eligibility of any transferred funds  
231 for tax-free rollover treatment or other treatment under federal  
232 income tax law.

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

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

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





263 funds for tax-free rollover treatment or other treatment under  
264 federal income tax law.

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

