

*****Adopted*****

AMENDMENT No. 1 PROPOSED TO

House Bill NO. 1148

By Senator(s) Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

98 **SECTION 1.** The following provision shall be codified as
99 Section 37-101-30, Mississippi Code of 1972:

100 37-101-30. (1) The Legislature finds and declares that a
101 compelling state interest exists in providing a retirement
102 incentive program or encouraging the retirement of those employees
103 of institutions of higher learning who are current and active
104 contributing members of the Public Employees' Retirement System.

105 (2) As used in this section:

106 (a) "Board" means the Board of Trustees of State
107 Institutions of Higher Learning.

108 (b) "Program" means the retirement incentive program
109 established under this section.

110 (3) (a) The board is authorized to pay, in fiscal years
111 selected by the board, a monetary incentive to employees who are
112 eligible for retirement in exchange for a voluntary agreement of
113 the employee:

114 (i) To retire on a specific date as set forth in
115 subsection (5) of this section, and

116 (ii) To waive any and all claims, known or
117 unknown, arising out of or related to employment or cessation of

employment at institutions of higher learning.

(b) The granting of additional compensation shall be made in exchange for additional consideration given by the employee.

(c) The retirement incentive authorized by this section is a voluntary plan for institutions of higher learning faculty and staff offering an incentive for retirement. The plan shall be available to all full-time faculty and staff who meet the eligibility criteria set forth in subsection (4) of this section.

(4) (a) To be eligible to participate in the program, full-time faculty and staff of institutions of higher learning must, as of the effective date of their retirement, be eligible to retire under the laws governing the Public Employees' Retirement System by virtue of:

(i) Having twenty-five (25) years of creditable service, or

(ii) Being age sixty (60) and having at least four (4) years of creditable service.

(b) The institution of higher learning offering the program shall, in all cases, utilize the records of the Public Employees' Retirement System as the source for determining eligibility.

(c) The program is offered as an alternative to any other retirement incentive plan that may be offered by the state or the Public Employees' Retirement System in the future.

(5) In accordance with applicable law, the institution of higher learning shall provide a cash benefit to each participant in the program based upon a percentage of the participant's current salary that is subject to federal income tax, state income tax and Federal Insurance Contributions Act withholding. The participant shall be compensated for unused annual leave as

otherwise provided by law. The cash benefit paid under this section shall not be subject to employer or employee contributions under the laws governing the Public Employees' Retirement System.

(6) Eligible employees shall make their election to participate in the program in the manner and at the time prescribed by the board. The date of retirement for all employees participating in this program shall be June 30 of any fiscal year in which the program is offered. Employees electing to participate in the program shall agree to waive any claims, known or unknown, arising out of or related to employment or cessation of employment at institutions of higher learning. An employee may revoke the election to participate in the program within seven (7) days after the execution of the election.

(7) The additional compensation authorized under the program is made in exchange for additional consideration given by the employee.

(8) The board shall prescribe such rules and regulations as it shall consider necessary to carry out the purposes of this section.

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 Fifty Thousand Dollars
(\$150,000.00). 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

242 retirement of any member whose spouse and/or children are not
243 entitled to a retirement allowance on the basis that the member
244 has less than four (4) years of service credit and/or has not been
245 married for a minimum of one (1) year or the spouse has waived his
246 or her entitlement to a retirement allowance pursuant to Section
247 25-11-114, the lawful spouse of a member at the time of the death
248 of such member shall be the beneficiary of such member unless the
249 member has designated another beneficiary subsequent to the date
250 of marriage in writing, and filed such writing in the office of
251 the executive director of the board of trustees. No designation
252 or change of beneficiary shall be made in any other manner.

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

256 (i) "Creditable service" shall mean "prior service,"
257 "retroactive service" and all lawfully credited unused leave not
258 exceeding the accrual rates and limitations provided in Section
259 25-3-91 et seq., as of the date of withdrawal from service plus
260 "membership service" for which credit is allowable as provided in
261 Section 25-11-109. Except to limit creditable service reported to
262 the system for the purpose of computing an employee's retirement
263 allowance or annuity or benefits provided in this article, nothing
264 in this paragraph shall limit or otherwise restrict the power of
265 the governing authority of a municipality or other political
266 subdivision of the state to adopt such vacation and sick leave
267 policies as it deems necessary.

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

273 satisfactory to the board.

274 (k) "Earned compensation" shall mean the full amount
275 earned by an employee for a given pay period including any
276 maintenance furnished up to a maximum of One Hundred Fifty
277 Thousand Dollars (\$150,000.00) per year, and proportionately for
278 less than one (1) year of service. The value of such maintenance
279 when not paid in money shall be fixed by the employing state
280 agency, and, in case of doubt, by the board of trustees as defined
281 in Section 25-11-15. In any case, earned compensation shall be
282 limited to the regular periodic compensation paid, exclusive of
283 litigation fees, bond fees, and other similar extraordinary
284 nonrecurring payments. In addition, any member in a covered
285 position, as defined by Public Employees' Retirement System laws
286 and regulations, who is also employed by another covered agency or
287 political subdivision shall have the earnings of that additional
288 employment reported to the Public Employees' Retirement System
289 regardless of whether the additional employment is sufficient in
290 itself to be a covered position. In addition, computation of
291 earned compensation shall be governed by the following:

292 (i) In the case of constables, the net earnings
293 from their office after deduction of expenses shall apply, except
294 that in no case shall earned compensation be less than the total
295 direct payments made by the state or governmental subdivisions to
296 the official * * *.

297 (ii) In the case of chancery or circuit clerks,
298 the net earnings from their office after deduction of expenses
299 shall apply as expressed in Section 25-11-123(f)(4).

300 (iii) In the case of members of the state
301 Legislature, all remuneration or amounts paid, except mileage
302 allowance, shall apply.

303 (iv) The amount by which an eligible employee's

304 salary is reduced pursuant to a salary reduction agreement
305 authorized under Section 25-17-5 shall be included as earned
306 compensation under this paragraph, provided this inclusion does
307 not conflict with federal law, including federal regulations and
308 federal administrative interpretations thereunder, pertaining to
309 the Federal Insurance Contributions Act or to Internal Revenue
310 Code Section 125 cafeteria plans.

311 (v) Compensation in addition to an employee's base
312 salary that is paid to the employee pursuant to the vacation and
313 sick leave policies of a municipality or other political
314 subdivision of the state that employs him which exceeds the
315 maximums authorized by Section 25-3-91 et seq. shall be excluded
316 from the calculation of earned compensation under this article.

317 (vi) The maximum salary applicable for retirement
318 purposes before July 1, 1992, shall be the salary of the Governor.

319 (vii) Nothing in Section 25-3-31 shall affect the
320 determination of the earned compensation of any member for the
321 purposes of this article.

322 (1) "Employee" means any person legally occupying a
323 position in the state service, and shall include the employees of
324 the retirement system created hereunder.

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

328 (n) "Executive director" shall mean the secretary to
329 the board of trustees, as provided in Section 25-11-15(9), and the
330 administrator of the Public Employees' Retirement System and all
331 systems under the management of the board of trustees. Wherever
332 the term "Executive Secretary of the Public Employees' Retirement
333 System" or "executive secretary" appears in this article or in any
334 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" or "termination 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 25-11-105, Mississippi Code of 1972, is amended as follows:

25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

The membership of this retirement system shall be composed as follows:

(a) (i) All persons who shall become employees in the

state service after January 31, 1953, and whose wages are subject to payroll taxes and are lawfully reported on IRS Form W-2, except those specifically excluded, or as to whom election is provided in Articles 1 and 3, shall become members of the retirement system as a condition of their employment.

(ii) From and after July 1, 2002, any individual who is employed by a governmental entity to perform professional services shall become a member of the system if such individual is paid regular periodic compensation for such services which is subject to payroll taxes, is provided all other employee benefits and meets the membership criteria established by the regulations adopted by the board of trustees which apply to all other members of the system; however, any active member employed in such a position on July 1, 2002, may continue as an active member for as long as they continue to be employed in such position.

(b) All persons who shall become employees in the state service after January 31, 1953, except those specifically excluded or as to whom election is provided in Articles 1 and 3, unless they shall file with the board prior to the lapse of sixty (60) days of employment or sixty (60) days after the effective date of the cited articles, whichever is later, on a form prescribed by the board, a notice of election not to be covered by the membership of the retirement system and a duly executed waiver of all present and prospective benefits which would otherwise inure to them on account of their participation in the system, shall become members of the retirement system; provided, however, that no credit for prior service will be granted to members until they have contributed to Article 3 of the retirement system for a minimum period of at least four (4) years. Such members shall receive credit for services performed prior to January 1, 1953, in employment now covered by Article 3, but no credit shall be

459 granted for retroactive services between January 1, 1953, and the
460 date of their entry into the retirement system unless the employee
461 pays into the retirement system both the employer's and the
462 employee's contributions on wages paid him during the period from
463 January 31, 1953, to the date of his becoming a contributing
464 member, together with interest at the rate determined by the board
465 of trustees. Members reentering after withdrawal from service
466 shall qualify for prior service under the provisions of Section
467 25-11-117. From and after July 1, 1998, upon eligibility as noted
468 above, the member may receive credit for such retroactive service
469 provided:

470 (1) The member shall furnish proof satisfactory to
471 the board of trustees of certification of such service from the
472 covered employer where the services were performed; and

473 (2) The member shall pay to the retirement system
474 on the date he or she is eligible for such credit or at any time
475 thereafter prior to the date of retirement the actuarial cost for
476 each year of such creditable service. The provisions of this
477 subparagraph (2) shall be subject to the limitations of Section
478 415 of the Internal Revenue Code and regulations promulgated
479 thereunder.

480 Nothing contained in this paragraph (b) shall be construed to
481 limit the authority of the board to allow the correction of
482 reporting errors or omissions based on the payment of the employee
483 and employer contributions plus applicable interest.

484 (c) All persons who shall become employees in the state
485 service after January 31, 1953, and who are eligible for
486 membership in any other retirement system shall become members of
487 this retirement system as a condition of their employment unless
488 they elect at the time of their employment to become a member of
489 such other system.

490 (d) All persons who are employees in the state service
491 on January 31, 1953, and who are members of any nonfunded
492 retirement system operated by the State of Mississippi, or any of
493 its departments or agencies, shall become members of this system
494 with prior service credit unless, before February 1, 1953, they
495 shall file a written notice with the board of trustees that they
496 do not elect to become members.

497 (e) All persons who are employees in the state service
498 on January 31, 1953, and who under existing laws are members of
499 any fund operated for the retirement of employees by the State of
500 Mississippi, or any of its departments or agencies, shall not be
501 entitled to membership in this retirement system unless, before
502 February 1, 1953, any such person shall indicate by a notice filed
503 with the board, on a form prescribed by the board, his individual
504 election and choice to participate in this system, but no such
505 person shall receive prior service credit unless he becomes a
506 member on or before February 1, 1953.

507 (f) Each political subdivision of the state and each
508 instrumentality of the state or a political subdivision, or both,
509 is hereby authorized to submit, for approval by the board of
510 trustees, a plan for extending the benefits of this article to
511 employees of any such political subdivision or instrumentality.
512 Each such plan or any amendment to the plan for extending benefits
513 thereof shall be approved by the board of trustees if it finds
514 that such plan, or such plan as amended, is in conformity with
515 such requirements as are provided in Articles 1 and 3; however,
516 upon approval of such plan or any such plan heretofore approved by
517 the board of trustees, the approved plan shall not be subject to
518 cancellation or termination by the political subdivision or
519 instrumentality, except that any community hospital serving a
520 municipality that joined the Public Employees' Retirement System

as of November 1, 1956, to offer social security coverage for its employees and subsequently extended retirement annuity coverage to its employees as of December 1, 1965, may, upon documentation of extreme financial hardship, have future retirement annuity coverage cancelled or terminated at the discretion of the board of trustees. No such plan shall be approved unless:

(1) It provides that all services which constitute employment as defined in Section 25-11-5 and are performed in the employ of the political subdivision or instrumentality, by any employees thereof, shall be covered by the plan; with the exception of municipal employees who are already covered by existing retirement plans; provided, however, those employees in this class may elect to come under the provisions of this article;

(2) It specifies the source or sources from which the funds necessary to make the payments required by paragraph (d) of Section 25-11-123 and of paragraph (f)(5)B and C of this section are expected to be derived and contains reasonable assurance that such sources will be adequate for such purpose;

(3) It provides for such methods of administration of the plan by the political subdivision or instrumentality as are found by the board of trustees to be necessary for the proper and efficient administration thereof;

(4) It provides that the political subdivision or instrumentality will make such reports, in such form and containing such information, as the board of trustees may from time to time require;

(5) It authorizes the board of trustees to terminate the plan in its entirety in the discretion of the board if it finds that there has been a failure to comply substantially with any provision contained in such plan, such termination to take effect at the expiration of such notice and on such

552 conditions as may be provided by regulations of the board and as
553 may be consistent with applicable federal law.

554 A. The board of trustees shall not finally
555 refuse to approve a plan submitted under paragraph (f), and shall
556 not terminate an approved plan without reasonable notice and
557 opportunity for hearing to each political subdivision or
558 instrumentality affected thereby. The board's decision in any
559 such case shall be final, conclusive and binding unless an appeal
560 be taken by the political subdivision or instrumentality aggrieved
561 thereby to the Circuit Court of Hinds County, Mississippi, in
562 accordance with the provisions of law with respect to civil causes
563 by certiorari.

564 B. Each political subdivision or
565 instrumentality as to which a plan has been approved under this
566 section shall pay into the contribution fund, with respect to
567 wages (as defined in Section 25-11-5), at such time or times as
568 the board of trustees may by regulation prescribe, contributions
569 in the amounts and at the rates specified in the applicable
570 agreement entered into by the board.

571 C. Every political subdivision or
572 instrumentality required to make payments under paragraph (f)(5)B
573 hereof is authorized, in consideration of the employees' retention
574 in or entry upon employment after enactment of Articles 1 and 3,
575 to impose upon its employees, as to services which are covered by
576 an approved plan, a contribution with respect to wages (as defined
577 in Section 25-11-5) not exceeding the amount provided in Section
578 25-11-123(d) if such services constituted employment within the
579 meaning of Articles 1 and 3, and to deduct the amount of such
580 contribution from the wages as and when paid. Contributions so
581 collected shall be paid into the contribution fund as partial
582 discharge of the liability of such political subdivisions or

583 instrumentalities under paragraph (f)(5)B hereof. Failure to
584 deduct such contribution shall not relieve the employee or
585 employer of liability thereof.

586 D. Any state agency, school, political
587 subdivision, instrumentality or any employer that is required to
588 submit contribution payments or wage reports under any section of
589 this chapter shall be assessed interest on delinquent payments or
590 wage reports as determined by the board of trustees in accordance
591 with rules and regulations adopted by the board and such assessed
592 interest may be recovered by action in a court of competent
593 jurisdiction against such reporting agency liable therefor or may,
594 upon due certification of delinquency and at the request of the
595 board of trustees, be deducted from any other monies payable to
596 such reporting agency by any department or agency of the state.

597 E. Each political subdivision of the state
598 and each instrumentality of the state or a political subdivision
599 or subdivisions which submits a plan for approval of the board, as
600 provided in this section, shall reimburse the board for coverage
601 into the expense account, its pro rata share of the total expense
602 of administering Articles 1 and 3 as provided by regulations of
603 said board.

604 (g) The board may, in its discretion, deny the right of
605 membership in this system to any class of employees whose
606 compensation is only partly paid by the state or who are occupying
607 positions on a part-time or intermittent basis. The board may, in
608 its discretion, make optional with employees in any such classes
609 their individual entrance into this system.

610 (h) An employee whose membership in this system is
611 contingent on his own election, and who elects not to become a
612 member, may thereafter apply for and be admitted to membership;
613 but no such employee shall receive prior service credit unless he

614 becomes a member prior to July 1, 1953, except as provided in
615 paragraph (b).

616 (i) In the event any member of this system should
617 change his employment to any agency of the state having an
618 actuarially funded retirement system, the board of trustees may
619 authorize the transfer of the member's creditable service and of
620 the present value of the member's employer's accumulation account
621 and of the present value of the member's accumulated membership
622 contributions to such other system, provided the employee agrees
623 to the transfer of his accumulated membership contributions and
624 provided such other system is authorized to receive and agrees to
625 make such transfer.

626 In the event any member of any other actuarially funded
627 system maintained by an agency of the state changes his employment
628 to an agency covered by this system, the board of trustees may
629 authorize the receipt of the transfer of the member's creditable
630 service and of the present value of the member's employer's
631 accumulation account and of the present value of the member's
632 accumulated membership contributions from such other system,
633 provided the employee agrees to the transfer of his accumulated
634 membership contributions to this system and provided the other
635 system is authorized and agrees to make such transfer.

636 (j) Wherever herein state employment is referred to, it
637 shall include joint employment by state and federal agencies of
638 all kinds.

639 (k) Employees of a political subdivision or
640 instrumentality who were employed by such political subdivision or
641 instrumentality prior to an agreement between such entity and the
642 Public Employees' Retirement System to extend the benefits of this
643 article to its employees, and which agreement provides for the
644 establishment of retroactive service credit, and who have been

members of the retirement system and have remained contributors to the retirement system for four (4) years, may receive credit for such retroactive service with such political subdivision or instrumentality, provided the employee and/or employer, as provided under the terms of the modification of the joinder agreement in allowing such coverage, pay into the retirement system the employer's and employee's contributions on wages paid the member during such previous employment, together with interest or actuarial cost as determined by the board covering the period from the date the service was rendered until the payment for the credit for such service was made. Such wages shall be verified by the Social Security Administration or employer payroll records. Effective July 1, 1998, upon eligibility as noted above, a member may receive credit for such retroactive service with such political subdivision or instrumentality provided:

(1) The member shall furnish proof satisfactory to the board of trustees of certification of such services from the political subdivision or instrumentality where the services were rendered or verification by the Social Security Administration; and

(2) The member shall pay to the retirement system on the date he or she is eligible for such credit or at any time thereafter prior to the date of retirement the actuarial cost for each year of such creditable service. The provisions of this subparagraph (2) shall be subject to the limitations of Section 415 of the Internal Revenue Code and regulations promulgated thereunder.

Nothing contained in this paragraph (k) shall be construed to limit the authority of the board to allow the correction of reporting errors or omissions based on the payment of employee and employer contributions plus applicable interest. Payment for such

676 time shall be made in increments of not less than one-quarter
677 (1/4) year of creditable service beginning with the most recent
678 service. Upon the payment of all or part of such required
679 contributions, plus interest or the actuarial cost as provided
680 above, the member shall receive credit for the period of
681 creditable service for which full payment has been made to the
682 retirement system.

683 (1) Through June 30, 1998, any state service eligible
684 for retroactive service credit, no part of which has ever been
685 reported, and requiring the payment of employee and employer
686 contributions plus interest, or, from and after July 1, 1998, any
687 state service eligible for retroactive service credit, no part of
688 which has ever been reported to the retirement system, and
689 requiring the payment of the actuarial cost for such creditable
690 service, may, at the member's option, be purchased in quarterly
691 increments as provided above at such time as its purchase is
692 otherwise allowed.

693 (m) All rights to purchase retroactive service credit
694 or repay a refund as provided in Section 25-11-101 et seq. shall
695 terminate upon retirement.

696 **II. THOSE WHO ARE NOT ELIGIBLE FOR MEMBERSHIP**

697 The following classes of employees and officers shall not
698 become members of this retirement system, any other provisions of
699 Articles 1 and 3 to the contrary notwithstanding:

700 (a) Patient or inmate help in state charitable, penal
701 or correctional institutions;

702 (b) Students of any state educational institution
703 employed by any agency of the state for temporary, part-time or
704 intermittent work;

705 (c) Participants of Comprehensive Employment and
706 Training Act of 1973 (CETA) being Public Law 93-203, who enroll on

or after July 1, 1979.

(d) From and after July 1, 2002, individuals who are employed by a governmental entity to perform professional service on less than a full-time basis who do not meet the criteria established in I(a)(ii) of this section.

III. TERMINATION OF MEMBERSHIP

Membership in this system shall cease by a member withdrawing his accumulated contributions, or by a member withdrawing from active service with a retirement allowance, or by a member's death.

SECTION 4. Section 25-11-109, Mississippi Code of 1972, is amended as follows:

25-11-109. (1) Under such rules and regulations as the board of trustees shall adopt, each person who becomes a member of this retirement system, as provided in Section 25-11-105, on or prior to July 1, 1953, or who becomes a member and contributes to the system for a minimum period of four (4) years, shall receive credit for all state service rendered before February 1, 1953. To receive such credit, such member shall file a detailed statement of all services as an employee rendered by him in the state service before February 1, 1953. For any member who joined the system after July 1, 1953, any creditable service for which the member is not required to make contributions shall not be credited to the member until the member has contributed to the system for a minimum period of at least four (4) years.

(2) In the computation of membership service or prior service under the provisions of this article, the total months of accumulative service during any fiscal year shall be calculated in accordance with the schedule as follows: ten (10) or more months of creditable service during any fiscal year shall constitute a year of creditable service; seven (7) months to nine (9) months

738 inclusive, three-quarters (3/4) of a year of creditable service;
739 four (4) months to six (6) months inclusive, one-half-year of
740 creditable service; one (1) month to three (3) months inclusive,
741 one-quarter (1/4) of a year of creditable service. In no case
742 shall credit be allowed for any period of absence without
743 compensation except for disability while in receipt of a
744 disability retirement allowance, nor shall less than fifteen (15)
745 days of service in any month, or service less than the equivalent
746 of one-half (1/2) of the normal working load for the position and
747 less than one-half (1/2) of the normal compensation for the
748 position in any month, constitute a month of creditable service,
749 nor shall more than one (1) year of service be creditable for all
750 services rendered in any one (1) fiscal year; provided that for a
751 school employee, substantial completion of the legal school term
752 when and where the service was rendered shall constitute a year of
753 service credit for both prior service and membership service. Any
754 state or local elected official shall be deemed a full-time
755 employee for the purpose of creditable service for prior service
756 or membership service. However, an appointed or elected official
757 compensated on a per diem basis only shall not be allowed
758 creditable service for terms of office.

759 In the computation of any retirement allowance or any annuity
760 or benefits provided in this article, any fractional period of
761 service of less than one (1) year shall be taken into account and
762 a proportionate amount of such retirement allowance, annuity or
763 benefit shall be granted for any such fractional period of
764 service.

765 In the computation of unused leave for creditable service
766 authorized in Section 25-11-103, the following shall govern:
767 twenty-one (21) days of unused leave shall constitute one (1)
768 month of creditable service and in no case shall credit be allowed

769 for any period of unused leave of less than fifteen (15) days.
770 The number of months of unused leave shall determine the number of
771 quarters or years of creditable service in accordance with the
772 above schedule for membership and prior service. In order for the
773 member to receive creditable service for the number of days of
774 unused leave, the system must receive certification from the
775 governing authority.

776 For the purpose of this subsection, for members of the system
777 who are elected officers and who retire on or after July 1, 1987,
778 the following shall govern:

779 (a) For service prior to July 1, 1984, the members
780 shall receive credit for leave (combined personal and major
781 medical) for service as an elected official prior to that date at
782 the rate of thirty (30) days per year.

783 (b) For service on and after July 1, 1984, the member
784 shall receive credit for personal and major medical leave
785 beginning July 1, 1984, at the rates authorized in Sections
786 25-3-93 and 25-3-95, computed as a full-time employee.

787 (3) Subject to the above restrictions and to such other
788 rules and regulations as the board may adopt, the board shall
789 verify, as soon as practicable after the filing of such statements
790 of service, the services therein claimed.

791 (4) Upon verification of the statement of prior service, the
792 board shall issue a prior service certificate certifying to each
793 member the length of prior service for which credit shall have
794 been allowed on the basis of his statement of service. So long as
795 membership continues, a prior service certificate shall be final
796 and conclusive for retirement purposes as to such service,
797 provided that any member may within five (5) years from the date
798 of issuance or modification of such certificate request the board
799 of trustees to modify or correct his prior service certificate.

800 Any modification or correction authorized shall only apply
801 prospectively.

802 When membership ceases, such prior service certificates shall
803 become void. Should the employee again become a member, he shall
804 enter the system as an employee not entitled to prior service
805 credit except as provided in Sections 25-11-105(I), 25-11-113 and
806 25-11-117.

807 (5) Creditable service at retirement, on which the
808 retirement allowance of a member shall be based, shall consist of
809 the membership service rendered by him since he last became a
810 member, and also, if he has a prior service certificate which is
811 in full force and effect, the amount of the service certified on
812 his prior service certificate.

813 (6) * * * Any member who served on active duty in the Armed
814 Forces of the United States, or who served in maritime service
815 during periods of hostility in World War II, shall be entitled to
816 creditable service at no cost for his service on active duty in
817 the Armed Forces or in such maritime service, provided he entered
818 state service after his discharge from the Armed Forces or entered
819 state service after he completed such maritime service. The
820 maximum period for such creditable service for all military
821 service as defined in this subsection (6) shall not exceed four
822 (4) years unless positive proof can be furnished by such person
823 that he was retained in the Armed Forces during World War II or in
824 maritime service during World War II by causes beyond his control
825 and without opportunity of discharge. The member shall furnish
826 proof satisfactory to the board of trustees of certification of
827 military service or maritime service records showing dates of
828 entrance into active duty service and the date of discharge. From
829 and after July 1, 1993, no creditable service shall be granted for
830 any military service or maritime service to a member who qualifies

831 for a retirement allowance in another public retirement system
832 administered by the Board of Trustees of the Public Employees'
833 Retirement System based in whole or in part on such military or
834 maritime service. In no case shall the member receive creditable
835 service if the member received a dishonorable discharge from the
836 Armed Forces of the United States.

837 (7) (a) Any member of the Public Employees' Retirement
838 System whose membership service is interrupted as a result of
839 qualified military service within the meaning of Section 414(u)(5)
840 of the Internal Revenue Code, and who has received the maximum
841 service credit available under subsection (6) of this section,
842 shall receive creditable service for the period of qualified
843 military service that does not qualify as creditable service under
844 subsection (6) of this section upon reentering membership service
845 in an amount not to exceed five (5) years if:

846 (i) The member pays the contributions he would
847 have made to the retirement system if he had remained in
848 membership service for the period of qualified military service
849 based upon his salary at the time his membership service was
850 interrupted;

851 (ii) The member returns to membership service
852 within ninety (90) days of the end of his qualified military
853 service; and

854 (iii) The employer at the time the member's
855 service was interrupted and to which employment the member returns
856 pays the contributions it would have made into the retirement
857 system for such period based on the member's salary at the time
858 the service was interrupted.

859 (b) The payments required to be made in paragraph
860 (a)(i) of this subsection may be made over a period beginning with
861 the date of return to membership service and not exceeding three

(3) times the member's qualified military service; provided, however, that in no event shall such period exceed five (5) years.

(c) The member shall furnish proof satisfactory to the board of trustees of certification of military service showing dates of entrance into qualified service and the date of discharge as well as proof that the member has returned to active employment within the time specified.

(8) Any member of the Public Employees' Retirement System who has at least four (4) years of membership service credit shall be entitled to receive a maximum of five (5) years creditable service for service rendered in another state as a public employee of such other state, or a political subdivision, public education system or other governmental instrumentality thereof, or service rendered as a teacher in American overseas dependent schools conducted by the Armed Forces of the United States for children of citizens of the United States residing in areas outside the continental United States, provided that:

(a) The member shall furnish proof satisfactory to the board of trustees of certification of such services from the state, public education system, political subdivision or retirement system of the state where the services were performed or the governing entity of the American overseas dependent school where the services were performed; and

(b) The member is not receiving or will not be entitled to receive from the public retirement system of the other state or from any other retirement plan, including optional retirement plans, sponsored by the employer, a retirement allowance including such services; and

(c) The member shall pay to the retirement system on the date he or she is eligible for credit for such out-of-state service or at any time thereafter prior to date of retirement the

actuarial cost as determined by the actuary for each year of out-of-state creditable service. The provisions of this subsection are subject to the limitations of Section 415 of the Internal Revenue Code and regulations promulgated thereunder.

(9) Any member of the Public Employees' Retirement System who has at least four (4) years of membership service credit and who receives, or has received, professional leave without compensation for professional purposes directly related to the employment in state service shall receive creditable service for the period of professional leave without compensation provided:

(a) The professional leave is performed with a public institution or public agency of this state, or another state or federal agency;

(b) The employer approves the professional leave showing the reason for granting the leave and makes a determination that the professional leave will benefit the employee and employer;

(c) Such professional leave shall not exceed two (2) years during any ten-year period of state service;

(d) The employee shall serve the employer on a full-time basis for a period of time equivalent to the professional leave period granted immediately following the termination of the leave period;

(e) The contributing member shall pay to the retirement system the actuarial cost as determined by the actuary for each year of professional leave. The provisions of this subsection are subject to the regulations of the Internal Revenue Code limitations;

(f) Such other rules and regulations consistent herewith as the board may adopt and in case of question, the board shall have final power to decide the questions.

924 Any actively contributing member participating in the School
925 Administrator Sabbatical Program established in Section 37-9-77
926 shall qualify for continued participation under this subsection
927 (9).

928 (10) Any member of the Public Employees' Retirement System
929 who has at least four (4) years of credited membership service
930 shall be entitled to receive a maximum of ten (10) years
931 creditable service for:

932 (a) Any service rendered as an employee of any
933 political subdivision of this state, or any instrumentality
934 thereof, which does not participate in the Public Employees'
935 Retirement System; or

936 (b) Any service rendered as an employee of any
937 political subdivision of this state, or any instrumentality
938 thereof, which participates in the Public Employees' Retirement
939 System but did not elect retroactive coverage; or

940 (c) Any service rendered as an employee of any
941 political subdivision of this state, or any instrumentality
942 thereof, for which coverage of the employee's position was or is
943 excluded; provided that the member pays into the retirement system
944 the actuarial cost as determined by the actuary for each year, or
945 portion thereof, of such service. Payment for such service may be
946 made in increments of one-quarter-year of creditable service.
947 After a member has made full payment to the retirement system for
948 all or any part of such service, the member shall receive
949 creditable service for the period of such service for which full
950 payment has been made to the retirement system.

951 **SECTION 5.** Section 25-11-112, Mississippi Code of 1972, is
952 amended as follows:

953 25-11-112. (1) Any member who is receiving a retirement
954 allowance for service or disability retirement, or any beneficiary

thereof, who has received a monthly benefit for at least one (1) full fiscal year, shall be eligible to receive an additional benefit, on December 1 or July 1 of the year as provided in subsection (3) of this section, equal to the greater of the amounts calculated under paragraph (a) or (b) below:

(a) An amount equal to four percent (4%) of the annual retirement allowance multiplied by the number of full fiscal years in retirement through June 30, 1998; or

(b) The sum of:

(i) An amount equal to three percent (3%) of the annual retirement allowance multiplied by the number of full fiscal years in retirement before the end of the fiscal year in which the member reaches age fifty-five (55), plus

(ii) An additional amount equal to three percent (3%) compounded by the number of full fiscal years in retirement beginning with the fiscal year in which the member reaches age fifty-five (55), multiplied by the amount of the annual retirement allowance.

(2) The calculation of the beneficiary's additional benefit under subsection (1)(b)(i) or (1)(b)(ii) of this section shall be based on the member's age and full fiscal years in retirement as if the member had lived.

(3) (a) The additional benefit provided for under this section shall be paid in one (1) payment in December of each year to those persons who are receiving a retirement allowance on December 1 of that year, unless an election is made under this subsection. However, if a retiree who is receiving a retirement allowance that will terminate upon the retiree's death is receiving the additional benefit in one (1) payment and dies on or after July 1 but before December 1, the beneficiary designated on the retirement application, if any, shall receive in a single

986 payment a fractional part of the additional benefit based on the
987 number of months in which a retirement allowance was received
988 during the fiscal year. Likewise, if a retiree is receiving a
989 retirement allowance that will terminate upon his or her death in
990 two (2) to six (6) monthly installments, any remaining payments of
991 the additional benefit will be paid in a lump sum to the
992 beneficiary designated on the application, or if none, pursuant to
993 Section 25-11-117.1(1). Any similar remaining payments of
994 additional benefits payable under this section to a deceased
995 beneficiary who was receiving a monthly benefit shall be payable
996 in accordance with the provisions of Section 25-11-117.1(2). If
997 the additional monthly benefit is being received in one (1)
998 payment, such additional benefit shall also be prorated based on
999 the number of months in which a retirement allowance was received
1000 during the fiscal year when (i) the monthly benefit payable to a
1001 beneficiary terminates due to the expiration of an option,
1002 remarriage or cessation of dependent status or due to the
1003 retiree's return to covered employment, and (ii) the monthly
1004 benefit terminates on or after July 1 and before December 1. The
1005 board may, in its discretion, allow a retired member or a
1006 beneficiary thereof who is receiving the additional annual payment
1007 in the manner provided for in this paragraph to change the manner
1008 in which the additional annual payment is received to that
1009 provided for in paragraph (b) of this subsection if the retired
1010 member or beneficiary submits satisfactory documentation that the
1011 continued receipt of the additional annual payment as provided for
1012 in this paragraph will cause a financial hardship to the retired
1013 member or beneficiary.

1014 (b) Retired members or beneficiaries thereof who on
1015 July 1, 1999, or July 1 of any fiscal year thereafter, are
1016 receiving a retirement allowance, may elect by an irrevocable

1017 agreement in writing filed in the Office of the Public Employees'
1018 Retirement System no less than thirty (30) days before July 1 of
1019 the appropriate year, to begin receiving the additional benefit
1020 provided for under this section in twelve (12) equal monthly
1021 installments beginning July 1, 1999, or July 1 of any fiscal year
1022 thereafter. This irrevocable agreement shall be binding on the
1023 member and subsequent beneficiaries. Payment of those monthly
1024 installments shall not extend beyond the month in which a
1025 retirement allowance is due and payable. The board may, in its
1026 discretion, allow a retired member or a beneficiary thereof who is
1027 receiving the additional annual payment in the manner provided for
1028 in this paragraph to change the manner in which the additional
1029 annual payment is received to that provided for in paragraph (a)
1030 of this subsection if the retired member or beneficiary submits
1031 satisfactory documentation that the continued receipt of the
1032 additional annual payment as provided for in this paragraph will
1033 cause a financial hardship to the retired member or beneficiary.

1034 (4) The additional payment or payments provided for under
1035 this section are for the fiscal year in which they are paid.

1036 (5) The amount provided for under subsection (1)(b)(ii) of
1037 this section is calculated using the following formula:

1038 $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,
1039 where n is the number of full fiscal years in retirement beginning
1040 with the fiscal year in which the member reaches age fifty-five
1041 (55).

1042 (6) Any retired member or beneficiary thereof who has
1043 previously elected to receive the additional annual payment in
1044 monthly installments may elect, upon application on a form
1045 prescribed by the board of trustees, to have that payment made in
1046 one (1) additional payment each year. This written election must
1047 be filed in the Office of the Public Employees' Retirement System

1048 before June 1, 2000, and shall be effective for the fiscal year
1049 beginning July 1, 2000.

1050 (7) In the event of death of a retired member or a
1051 beneficiary thereof who is receiving the additional annual payment
1052 in two (2) to six (6) monthly installments pursuant to an election
1053 made before July 1, 1999, and who would otherwise be eligible to
1054 receive the additional benefit provided for under this section in
1055 one (1) payment in December of the current fiscal year, any
1056 remaining amounts shall be paid in a lump sum to the designated
1057 beneficiary.

1058 (8) When a member retires after July 1 and has previously
1059 received a retirement allowance for one or more full fiscal years,
1060 such retired member shall be eligible immediately for the
1061 additional benefit. The additional benefit shall be based on the
1062 current retirement allowance and the number of full fiscal years
1063 in retirement and shall be prorated and paid in monthly
1064 installments based on the number of months a retirement allowance
1065 is paid during the fiscal year.

1066 **SECTION 6.** Section 25-11-113, Mississippi Code of 1972, is
1067 amended as follows:

1068 25-11-113. (1) (a) Upon the application of a member or his
1069 employer, any active member in state service who has at least four
1070 (4) years of membership service credit may be retired by the board
1071 of trustees on the first of the month following the date of filing
1072 such application on a disability retirement allowance, but in no
1073 event shall the disability retirement allowance commence before
1074 termination of state service, provided that the medical board,
1075 after an evaluation of medical evidence which may or may not
1076 include an actual physical examination by the medical board, shall
1077 certify that the member is mentally or physically incapacitated
1078 for the further performance of duty, that such incapacity is

1079 likely to be permanent, and that the member should be retired;
1080 however, the board of trustees may accept a disability medical
1081 determination from the Social Security Administration in lieu of a
1082 certification from the medical board. For the purposes of
1083 disability determination, the medical board shall apply the
1084 following definition of disability: the inability to perform the
1085 usual duties of employment or the incapacity to perform such
1086 lesser duties, if any, as the employer, in its discretion, may
1087 assign without material reduction in compensation, or the
1088 incapacity to perform the duties of any employment covered by the
1089 Public Employees' Retirement System (Section 25-11-101 et seq.)
1090 that is actually offered and is within the same general
1091 territorial work area, without material reduction in compensation.
1092 The employer shall be required to furnish the job description and
1093 duties of the member. The employer shall further certify whether
1094 the employer has offered the member other duties and has complied
1095 with the applicable provisions of the Americans With Disabilities
1096 Act in affording reasonable accommodations which would allow the
1097 employee to continue employment.

1098 (b) An inactive member with four (4) or more years of
1099 membership service * * * may not file a claim for a disability
1100 retirement allowance later than six (6) months after the member's
1101 withdrawal from service. If a claim for a disability retirement
1102 allowance is filed by such member within six (6) months after
1103 withdrawal from service, the member must present satisfactory
1104 proof * * * to the board * * * that the disability was the direct
1105 cause of withdrawal from state service.

1106 (c) If a member returns to covered employment after
1107 withdrawal from service, such member may not apply for a regular
1108 nonduty related disability retirement allowance until the member
1109 has remained a contributing member for a period of not less than

1110 six (6) months.

1111 (d) Any member who is or becomes eligible for service
1112 retirement benefits under Section 25-11-111 while pursuing a
1113 disability retirement allowance under this section or Section
1114 25-11-114 may elect to receive a service retirement allowance
1115 pending a final determination on eligibility for a disability
1116 retirement allowance or withdrawal of the application for the
1117 disability retirement allowance. In such a case, an application
1118 for a disability retirement allowance must be on file with the
1119 system prior to the commencement of a service retirement
1120 allowance. If the application is approved, the option selected
1121 and beneficiary designated on the retirement application shall be
1122 used to determine the disability retirement allowance. If the
1123 application is not approved or if the application is withdrawn,
1124 the service retirement allowance shall continue to be paid in
1125 accordance with the option selected. No person may apply for a
1126 disability retirement allowance after such person begins to
1127 receive a service retirement allowance.

1128 (e) If the medical board certifies that the member is
1129 not mentally or physically incapacitated for the future
1130 performance of duty, the member may request, within sixty (60)
1131 days, a hearing before the hearing officer as provided in Section
1132 25-11-120. All hearings shall be held in accordance with rules
1133 and regulations adopted by the board * * * to govern such
1134 hearings. Such hearing may be closed upon the request of the
1135 member.

1136 (f) The medical board may request additional medical
1137 evidence and/or other physicians to conduct an evaluation of the
1138 member's condition. If the medical board requests additional
1139 medical evidence and the member refuses the request, the
1140 application shall be considered void.

1141 (2) Allowance on disability retirement.

1142 (a) Upon retirement for disability, an eligible member
1143 shall receive a retirement allowance if he has attained the age of
1144 sixty (60) years.

1145 (b) Except as provided in paragraph (c) of this
1146 subsection (2), an eligible member who is retired for disability
1147 and who has not attained sixty (60) years of age shall receive a
1148 disability benefit as computed in Section 25-11-111(d)(1) through
1149 (d)(4) which shall consist of:

1150 (i) A member's annuity which shall be the
1151 actuarial equivalent of his accumulated contributions at the time
1152 of retirement; and

1153 (ii) An employer's annuity equal to the amount
1154 that would have been payable as a retirement allowance for both
1155 membership service and prior service had the member continued in
1156 service to the age of sixty (60) years, which shall apply to the
1157 allowance for disability retirement paid to retirees receiving
1158 such allowance upon and after April 12, 1977. This employer's
1159 annuity shall be computed on the basis of the average "earned
1160 compensation" as defined in Section 25-11-103.

1161 (c) For persons who become members after June 30, 1992,
1162 and for active members on June 30, 1992, who elect benefits under
1163 this paragraph (c) instead of those provided under paragraph (b)
1164 of this subsection (2), the disability allowance shall consist of
1165 two (2) parts: a temporary allowance and a deferred allowance.

1166 The temporary allowance shall equal the greater of (i) forty
1167 percent (40%) of average compensation at the time of disability,
1168 plus ten percent (10%) of average compensation for each of the
1169 first two (2) dependent children, as defined in Sections 25-11-103
1170 and 25-11-114, or (ii) the accrued benefit based on actual
1171 service. It shall be payable for a period of time based on the

1172 member's age at disability, as follows:

1173	Age at Disability	Duration
1174	60 and earlier	to age 65
1175	61	to age 66
1176	62	to age 66
1177	63	to age 67
1178	64	to age 67
1179	65	to age 68
1180	66	to age 68
1181	67	to age 69
1182	68	to age 70
1183	69 and over	one year

1184 The deferred allowance shall commence when the temporary
1185 allowance ceases and shall be payable for life. The deferred
1186 allowance shall equal the greater of (i) the allowance that would
1187 have been payable had the member continued in service to the
1188 termination age of the temporary allowance, but no more than forty
1189 percent (40%) of average compensation, or (ii) the accrued benefit
1190 based on actual service at the time of disability. The deferred
1191 allowance as determined at the time of disability shall be
1192 adjusted in accordance with Section 25-11-112 for the period
1193 during which the temporary annuity is payable. In no case shall a
1194 member receive less than Ten Dollars (\$10.00) per month for each
1195 year of service and proportionately for each quarter year thereof
1196 reduced for the option selected.

1197 (d) The member may elect to receive the actuarial
1198 equivalent of the disability retirement allowance in a reduced
1199 allowance payable throughout life under any of the provisions of
1200 the options provided under Section 25-11-115.

1201 (e) Should a disability retiree who has not selected an
1202 option under Section 25-11-115 die before being repaid in

1203 disability benefits the sum of his total contributions, then his
1204 named beneficiary shall receive the difference in cash, which
1205 shall apply to all deceased disability retirees from and after
1206 January 1, 1953.

1207 (3) Reexamination of retirees retired on account of
1208 disability. Except as otherwise provided in this section, once
1209 each year during the first five (5) years following retirement of
1210 a member on a disability retirement allowance, and once in every
1211 period of three (3) years thereafter, the board of trustees may,
1212 and upon his application shall, require any disability retiree who
1213 has not yet attained the age of sixty (60) years or the
1214 termination age of the temporary allowance under paragraph (2)(c)
1215 of this section to undergo a medical examination, such examination
1216 to be made at the place of residence of said retiree or other
1217 place mutually agreed upon by a physician or physicians designated
1218 by the board. The board, however, in its discretion, may
1219 authorize the medical board to establish reexamination schedules
1220 appropriate to the medical condition of individual disability
1221 retirees. Should any disability retiree who has not yet attained
1222 the age of sixty (60) years or the termination age of the
1223 temporary allowance under paragraph (2)(c) of this section refuse
1224 to submit to any medical examination provided herein, his
1225 allowance may be discontinued until his withdrawal of such
1226 refusal; and should his refusal continue for one (1) year, all his
1227 rights to a disability benefit shall be revoked by the board of
1228 trustees.

1229 (4) If the medical board reports and certifies to the board
1230 of trustees, after a comparable job analysis or other similar
1231 study, that such disability retiree is engaged in, or is able to
1232 engage in, a gainful occupation paying more than the difference
1233 between his disability allowance, exclusive of cost of living

1234 adjustments, and the average compensation, and if the board of
1235 trustees concurs in such report, the disability benefit shall be
1236 reduced to an amount which, together with the amount earnable by
1237 him, shall equal the amount of his average compensation. If his
1238 earning capacity be later changed, the amount of the said benefit
1239 may be further modified, provided that the revised benefit shall
1240 not exceed the amount originally granted. A retiree receiving a
1241 disability benefit who is restored to active service at a salary
1242 less than the average compensation shall not become a member of
1243 the retirement system.

1244 (5) Should a disability retiree under the age of sixty (60)
1245 years or the termination age of the temporary allowance under
1246 paragraph (2)(c) of this section be restored to active service at
1247 a compensation not less than his average compensation, his
1248 disability benefit shall cease, he shall again become a member of
1249 the retirement system, and contributions shall be withheld and
1250 reported. Any such prior service certificate, on the basis of
1251 which his service was computed at the time of retirement, shall be
1252 restored to full force and effect. In addition, upon his
1253 subsequent retirement he shall be credited with all creditable
1254 service as a member, but the total retirement allowance paid to
1255 the retired member in his previous retirement shall be deducted
1256 from his retirement reserve and taken into consideration in
1257 recalculating the retirement allowance under a new option
1258 selected.

1259 (6) If following reexamination in accordance with the
1260 provisions contained in this section, the medical board determines
1261 that a retiree retired on account of disability is physically and
1262 mentally able to return to the employment from which he is
1263 retired, the board of trustees, upon certification of such
1264 findings from the medical board, shall, after a reasonable period

1265 of time, terminate the disability allowance, whether or not the
1266 retiree is reemployed or seeks such reemployment. In addition, if
1267 the board of trustees determines that the retiree is no longer
1268 sustaining a loss of income as established by documented evidence
1269 of the retiree's earned income, the eligibility for a disability
1270 allowance shall terminate and the allowance terminated within a
1271 reasonable period of time. In the event the retirement allowance
1272 is terminated under the provisions of this section, the retiree
1273 may subsequently qualify for a retirement allowance under Section
1274 25-11-111 based on actual years of service credit plus credit for
1275 the period during which a disability allowance was paid.

1276 (7) Any current member as of June 30, 1992, who retires on a
1277 disability retirement allowance after June 30, 1992, and who has
1278 not elected to receive benefits under paragraph (2)(c) of this
1279 section, shall relinquish all rights under the Age Discrimination
1280 in Employment Act of 1967, as amended, with regard to the benefits
1281 payable under this section.

1282 **SECTION 7.** Section 25-11-115, Mississippi Code of 1972, is
1283 amended as follows:

1284 25-11-115. (1) Upon application for superannuation or
1285 disability retirement, any member may elect to receive his benefit
1286 in a retirement allowance payable throughout life with no further
1287 payments to anyone at his death, except that in the event his
1288 total retirement payments under this article do not equal his
1289 total contributions under this article, his named beneficiary
1290 shall receive the difference in cash at his death. Or he may
1291 elect upon retirement, or upon becoming eligible for retirement,
1292 to receive the actuarial equivalent subject to the provisions of
1293 subsection (3) of this section of his retirement allowance in a
1294 reduced retirement allowance payable throughout life with the
1295 provision that:

1296 **Option 1.** If he dies before he has received in annuity
1297 payment the value of the member's annuity savings account as it
1298 was at the time of his retirement, the balance shall be paid to
1299 his legal representative or to such person as he shall nominate by
1300 written designation duly acknowledged and filed with the board; or

1301 **Option 2.** Upon his death, his reduced retirement allowance
1302 shall be continued throughout the life of, and paid to, such
1303 person as he has nominated by written designation duly
1304 acknowledged and filed with the board of trustees at the time of
1305 his retirement;

1306 **Option 3.** Upon his death, one-half (1/2) of his reduced
1307 retirement allowance shall be continued throughout the life of,
1308 and paid to, such person as he shall have nominated by written
1309 designation duly acknowledged and filed with the board of trustees
1310 at the time of his retirement, and the other one-half (1/2) of his
1311 reduced retirement allowance to some other designated beneficiary;

1312 **Option 4-A.** Upon his death, one-half (1/2) of his reduced
1313 retirement allowance, or such other specified amount, shall be
1314 continued throughout the life of, and paid to, such person as he
1315 shall have nominated by written designation duly acknowledged and
1316 filed with the board of trustees at the time of his retirement; or

1317 **Option 4-B.** A reduced retirement allowance shall be
1318 continued throughout the life of the retirant, but with the
1319 further guarantee of payments to the named beneficiary,
1320 beneficiaries or to the estate for a specified number of years
1321 certain. If the retired member or the last designated beneficiary
1322 receiving annuity payments dies prior to receiving all guaranteed
1323 payments due, the actuarial equivalent of the remaining payments
1324 shall be paid pursuant to Section 25-11-117.1(1);

1325 **Option 4-C.** Such retirement allowance otherwise payable may
1326 be converted into a retirement allowance of equivalent actuarial

value in such an amount that, with the member's benefit under Title II of the federal Social Security Act, the member will receive, so far as possible, approximately the same amount annually before and after the earliest age at which the member becomes eligible to receive a social security benefit.

Option 6. Any member who has at least twenty-eight (28) years of creditable service at the time of retirement or who is at least sixty-three (63) years of age and eligible to retire, may select the maximum retirement benefit or an optional benefit as provided in this subsection together with a partial lump sum distribution. The amount of the lump sum distribution under this option shall be equal to the maximum monthly benefit multiplied by twelve (12), twenty-four (24) or thirty-six (36) as selected by the member. The maximum retirement benefit shall be actuarially reduced to reflect the amount of the lump sum distribution selected and further reduced for any other optional benefit selected. The annuity and lump sum distribution shall be computed to result in no actuarial loss to the system. The lump sum distribution shall be made as a single payment payable at the time the first monthly annuity payment is paid to the retiree. The amount of the lump sum distribution shall be deducted from the member's annuity savings account in computing what contributions remain at the death of the retiree and/or a beneficiary. The lump sum distribution option may be elected only once by a member upon initial retirement, and may not be elected by a retiree, by members applying for a disability retirement annuity, by survivors or by a member selecting Option 4-C.

(2) No change in the option selected shall be permitted after the member's death or after the member has received his first retirement check except as provided in subsections (3) and (4) of this section and in Section 25-11-127. Members who are

1358 pursuing a disability retirement allowance and simultaneously or
1359 subsequently elect to begin to receive a service retirement
1360 allowance while continuing to pursue a disability retirement
1361 allowance, shall not be eligible to select Option 4-C or Option 6
1362 and such options may not be selected at a later time if the
1363 application for a disability retirement allowance is voided or
1364 denied. However, any retired member who is receiving a retirement
1365 allowance under Option 2 or Option 4-A upon July 1, 1992, and
1366 whose designated beneficiary predeceased him or whose marriage to
1367 a spouse who is his designated beneficiary is terminated by
1368 divorce or other dissolution, upon written notification to the
1369 retirement system of the death of the designated beneficiary or of
1370 the termination of his marriage to his designated beneficiary, the
1371 retirement allowance payable to the member after receipt of such
1372 notification by the retirement system shall be equal to the
1373 retirement allowance which would have been payable had the member
1374 not elected the option. In addition, any retired member who is
1375 receiving the maximum retirement allowance for life, a retirement
1376 allowance under Option 1 or who is receiving a retirement
1377 allowance under Option 2 or Option 4-A on July 1, 1992, may elect
1378 to provide survivor benefits under Option 2 or Option 4-A to a
1379 spouse who was not previously the member's beneficiary and whom
1380 the member married before July 1, 1992.

1381 (3) Any retired member who is receiving a reduced retirement
1382 allowance under Option 2 or Option 4-A whose designated
1383 beneficiary predeceases him, or whose marriage to a spouse who is
1384 his designated beneficiary is terminated by divorce or other
1385 dissolution, may elect to cancel his reduced retirement allowance
1386 and receive the maximum retirement allowance for life in an amount
1387 equal to the amount that would have been payable if the member had
1388 not elected Option 2 or Option 4-A. Such election must be made in

1389 writing to the office of the executive director of the system on a
1390 form prescribed by the board. Any such election shall be
1391 effective the first of the month following the date the election
1392 is received by the system.

1393 (4) Any retired member who is receiving the maximum
1394 retirement allowance for life, or a retirement allowance under
1395 Option 1, and who marries after his retirement may elect to cancel
1396 his maximum retirement allowance and receive a reduced retirement
1397 allowance under Option 2 or Option 4-A to provide continuing
1398 lifetime benefits to his spouse. Such election must be made in
1399 writing to the office of the executive director of the system on a
1400 form prescribed by the board not earlier than the date of the
1401 marriage. Any such election shall be effective the first of the
1402 month following the date the election is received by the
1403 system. * * *

1404 (5) In the event the election of an optional benefit is made
1405 after the member has attained the age of sixty-five (65) years,
1406 the actuarial equivalent factor shall be used to compute the
1407 reduced retirement allowance as if the election had been made on
1408 his sixty-fifth birthday; however, from and after January 1, 2003,
1409 in the event of the election of Option 6 after the member has
1410 attained the age of sixty-five (65) years, the actuarial
1411 equivalent factor based on such retiree's age at the time of
1412 retirement shall be used to compute the reduced maximum monthly
1413 retirement allowance. However, if a retiree marries or remarries
1414 after retirement and elects either Option 2 or Option 4-A as
1415 provided in subsection (2) or (4) of this section, the actuarial
1416 equivalent factor used to compute the reduced retirement allowance
1417 shall be the factor for the age of the retiree and his or her
1418 beneficiary at the time such election for recalculation of
1419 benefits is made.

1420 (6) Notwithstanding any provision of Section 25-11-1 et
1421 seq., no payments may be made for a retirement allowance on a
1422 monthly basis for a period of time in excess of that allowed by
1423 federal law.

1424 (7) If a retirant and his eligible beneficiary, if any, both
1425 die before they have received in annuity payments a total amount
1426 equal to the accumulated contributions standing to the retirant's
1427 credit in the annuity savings account at the time of his
1428 retirement, the difference between the accumulated contributions
1429 and the total amount of annuities received by them shall be paid
1430 to such persons as the retirant has nominated by written
1431 designation duly executed and filed in the office of the executive
1432 director. If no designated person survives the retirant and his
1433 beneficiary, the difference, if any, shall be paid pursuant to
1434 Section 25-11-117.1(1).

1435 (8) Any retired member who retired on Option 2(5) or 4-A(5)
1436 prior to July 1, 1992, who is still receiving a retirement
1437 allowance on July 1, 1994, shall receive an increase in the annual
1438 retirement allowance effective July 1, 1994, equal to the amount
1439 they would have received under Option 2 or Option 4-A without a
1440 reduction for Option 5 based on the ages at retirement of the
1441 retiree and beneficiary and option factors in effect on July 1,
1442 1992. Such increase shall be prospective only.

1443 **SECTION 8.** Section 25-11-120, Mississippi Code of 1972, is
1444 amended as follows:

1445 25-11-120. (1) Any individual aggrieved by an
1446 administrative determination, including a determination of the
1447 medical board, relating to the eligibility for or payment of
1448 benefits, or the calculation of creditable service or other
1449 similar matters relating to the Public Employees' Retirement
1450 System or any other retirement system or program administered by

1451 the board, may request a hearing before a hearing officer
1452 designated by the board. Such hearings shall be conducted in
1453 accordance with rules and regulations adopted by the board and
1454 formal rules of evidence shall not apply. The hearing officer is
1455 authorized to administer oaths, hear testimony of witnesses and
1456 receive documentary and other evidence. In case of disability
1457 appeals, the hearing officer shall have the authority to defer a
1458 decision in order to request a medical evaluation or test or
1459 additional existing medical records not previously furnished by
1460 the claimant. After the hearing and the receipt of any additional
1461 medical evidence requested by the hearing officer, the hearing
1462 officer shall certify the record to the board, which shall include
1463 the hearing officer's proposed statement of facts, conclusions of
1464 law and recommendation. The record may include a taped recording
1465 of the proceedings of the hearing in lieu of a transcribed copy of
1466 the proceedings. The board shall receive the record and make its
1467 determination based solely on matters contained therein.

1468 (2) Any individual aggrieved by the determination of the
1469 board may appeal to the Circuit Court of the First Judicial
1470 District of Hinds County, Mississippi, in accordance with the
1471 Uniform Circuit Court Rules governing appeals to the circuit court
1472 in civil cases. Such appeal shall be made solely on the record
1473 before the board and this procedure shall be the exclusive method
1474 of appealing determinations of the board.

1475 (3) The board is authorized to appoint a committee of the
1476 board to serve as hearing officer or to employ or contract with
1477 qualified personnel to perform the duties of hearing officer and
1478 court reporter as may be necessary for conducting, recording and
1479 transcribing such hearings. The board may assess and collect fees
1480 to offset costs related to such hearings. Those fees shall be
1481 deposited to the credit of the Public Employees' Retirement

1482 System.

1483 **SECTION 9.** Section 25-11-123, Mississippi Code of 1972, is
1484 amended as follows:

1485 25-11-123. All of the assets of the system shall be credited
1486 according to the purpose for which they are held to one (1) of
1487 four (4) reserves; namely, the annuity savings account, the
1488 annuity reserve, the employer's accumulation account, and the
1489 expense account.

1490 (a) **Annuity savings account.** In the annuity savings account
1491 shall be accumulated the contributions made by members to provide
1492 for their annuities, including interest thereon which shall be
1493 posted monthly. Credits to and charges against the annuity
1494 savings account shall be made as follows:

1495 (1) Beginning July 1, 1991, the employer shall cause to
1496 be deducted from the salary of each member on each and every
1497 payroll of such employer for each and every payroll period seven
1498 and one-fourth percent (7-1/4%) of earned compensation as defined
1499 in Section 25-11-103. Future contributions shall be fixed
1500 biennially by the board on the basis of the liabilities of the
1501 retirement system for the various allowances and benefits as shown
1502 by actuarial valuation; provided, however, that any member earning
1503 at a rate less than Sixteen Dollars and Sixty-seven Cents (\$16.67)
1504 per month, or Two Hundred Dollars (\$200.00) per year, shall
1505 contribute not less than One Dollar (\$1.00) per month, or Twelve
1506 Dollars (\$12.00) per year.

1507 (2) The deductions provided herein shall be made
1508 notwithstanding that the minimum compensation provided by law for
1509 any member shall be reduced thereby. Every member shall be deemed
1510 to consent and agree to the deductions made and provided for
1511 herein and shall receipt for his full salary or compensation, and
1512 payment of salary or compensation less the deduction shall be a

1513 full and complete discharge and a quittance of all claims and
1514 demands whatsoever for the services rendered by such person during
1515 the period covered by such payment, except as to the benefits
1516 provided under Articles 1 and 3. The board shall provide by rules
1517 for the methods of collection of contributions from members and
1518 the employer. The board shall have full authority to require the
1519 production of evidence necessary to verify the correctness of
1520 amounts contributed.

1521 (b) **Annuity reserve.** The annuity reserve shall be the
1522 account representing the actuarial value of all annuities in
1523 force, and to it shall be charged all annuities and all benefits
1524 in lieu of annuities, payable as provided in this article. If a
1525 beneficiary retired on account of disability is restored to active
1526 service with a compensation not less than his average final
1527 compensation at the time of his last retirement, the remainder of
1528 his contributions shall be transferred from the annuity reserve to
1529 the annuity savings account and credited to his individual account
1530 therein, and the balance of his annuity reserve shall be
1531 transferred to the employer's accumulation account.

1532 (c) **Employer's accumulation account.** The employer's
1533 accumulation account shall represent the accumulation of all
1534 reserves for the payment of all retirement allowances and other
1535 benefits payable from contributions made by the employer, and
1536 against this account shall be charged all retirement allowances
1537 and other benefits on account of members. Credits to and charges
1538 against the employer's accumulation account shall be made as
1539 follows:

1540 (1) On account of each member there shall be paid
1541 monthly into the employer's accumulation account by the employers
1542 for the preceding fiscal year an amount equal to a certain
1543 percentage of the total earned compensation, as defined in Section

1544 25-11-103, of each member. The percentage rate of such
1545 contributions shall be fixed biennially by the board on the basis
1546 of the liabilities of the retirement system for the various
1547 allowances and benefits as shown by actuarial valuation. Beginning
1548 January 1, 1990, the rate shall be fixed at nine and three-fourths
1549 percent (9-3/4%). Political subdivisions joining Article 3 of the
1550 Public Employees' Retirement System after July 1, 1968, may adjust
1551 the employer's contributions by agreement with the Board of
1552 Trustees of the Public Employees' Retirement System to provide
1553 service credits for any period prior to execution of the agreement
1554 based upon an actuarial determination of employer's contribution
1555 rates.

1556 (2) On the basis of regular interest and of such
1557 mortality and other tables as shall be adopted by the board of
1558 trustees, the actuary engaged by the board to make each valuation
1559 required by this article during the period over which the accrued
1560 liability contribution is payable, immediately after making such
1561 valuation, shall determine the uniform and constant percentage of
1562 the earnable compensation of each member which, if contributed by
1563 the employer on the basis of compensation of such member
1564 throughout his entire period of membership service, would be
1565 sufficient to provide for the payment of any retirement allowance
1566 payable on his account for such service. The percentage rate so
1567 determined shall be known as the "normal contribution rate."
1568 After the accrued liability contribution has ceased to be payable,
1569 the normal contribution rate shall be the percentage rate of the
1570 salary of all members obtained by deducting from the total
1571 liabilities on account of membership service the amount in the
1572 employer's accumulation account, and dividing the remainder by one
1573 percent (1%) of the present value of the prospective future
1574 salaries of all members as computed on the basis of the mortality

1575 and service tables adopted by the board of trustees and regular
1576 interest. The normal rate of contributions shall be determined by
1577 the actuary after each valuation.

1578 (3) The total amount payable in each year to the
1579 employer's accumulation account shall not be less than the sum of
1580 the percentage rate known as the "normal contribution" rate and
1581 the "accrued liability contribution" rate of the total
1582 compensation earnable by all members during the preceding year,
1583 provided that the payment by the employer shall be sufficient,
1584 when combined with the amounts in the account, to provide the
1585 allowances and other benefits chargeable to this account during
1586 the year then current.

1587 (4) The accrued liability contribution shall be
1588 discontinued as soon as the accumulated balance in the employer's
1589 accumulation account shall equal the present value, computed on
1590 the basis of the normal contribution rate then in force, or the
1591 prospective normal contributions to be received on account of all
1592 persons who are at that time members.

1593 (5) All allowances and benefits in lieu thereof, with
1594 the exception of those payable on account of members who receive
1595 no prior service credit, payable from contributions of the
1596 employer, shall be paid from the employer's accumulation account.

1597 (6) Upon the retirement of a member, an amount equal to
1598 his retirement allowance shall be transferred from the employer's
1599 accumulation account to the annuity reserve.

1600 (d) **Expense account.** The expense account shall be the
1601 account to which the expenses of the administration of the system
1602 shall be charged, exclusive of amounts payable as retirement
1603 allowances and as other benefits provided herein. The Legislature
1604 shall make annual appropriations in amounts sufficient to
1605 administer the system, which shall be credited to this account.

1606 There shall be transferred to the State Treasury from this
1607 account, not less than once per month, an amount sufficient for
1608 payment of the estimated expenses of the system for the succeeding
1609 thirty (30) days. Any interest earned on the expense account
1610 shall accrue to the benefit of the system. Provided, however,
1611 that notwithstanding the provisions of Sections 25-11-15(10) and
1612 25-11-105(f)(5)E, all expenses of the administration of the system
1613 shall be paid from the interest earnings, provided the interest
1614 earnings are in excess of the actuarial interest assumption as
1615 determined by the board, and provided the present cost of the
1616 administrative expense fee of two percent (2%) of the
1617 contributions reported by the political subdivisions and
1618 instrumentalities shall be reduced to one percent (1%) from and
1619 after July 1, 1983, through June 30, 1984, and shall be eliminated
1620 thereafter.

1621 (e) **Collection of contributions.** The employer shall cause
1622 to be deducted on each and every payroll of a member for each and
1623 every payroll period, beginning subsequent to January 31, 1953,
1624 the contributions payable by such member as provided in Articles 1
1625 and 3.

1626 The employer shall make deductions from salaries of employees
1627 as provided in Articles 1 and 3 and shall transmit monthly, or at
1628 such time as the board of trustees shall designate, the amount
1629 specified to be deducted to the Executive Director of the Public
1630 Employees' Retirement System. The executive director, after
1631 making a record of all such receipts, shall deposit such amounts
1632 as provided by law.

1633 (f) (1) Upon the basis of each actuarial valuation provided
1634 herein, the board of trustees shall biennially determine the
1635 normal contribution rate and the accrued liability contribution
1636 rate as provided in this section. The sum of these two (2) rates

1637 shall be known as the "employer's contribution rate." Beginning
1638 on earned compensation effective January 1, 1990, the rate
1639 computed as provided in this section shall be nine and
1640 three-fourths percent (9-3/4%). The percentage rate of such
1641 contributions shall be fixed biennially by the board on the basis
1642 of the liabilities of the retirement system for the various
1643 allowances and benefits as shown by actuarial valuation.
1644 Notwithstanding any other provision of law, the county board of
1645 education, the governing authorities of separate, consolidated, or
1646 municipal school districts, and all other such boards set up by
1647 law which handle and disburse school funds, shall pay from local
1648 tax sources one and one-half percent (1-1/2%) of the total
1649 employer's contribution rate of nine and three-fourths percent
1650 (9-3/4%).

1651 (2) The amount payable by the employer on account of
1652 normal and accrued liability contributions shall be determined by
1653 applying the employer's contribution rate to the amount of
1654 compensation earned by employees who are members of the system.
1655 Monthly, or at such time as the board of trustees shall designate,
1656 each department or agency shall compute the amount of the
1657 employer's contribution payable, with respect to the salaries of
1658 its employees who are members of the system, and shall cause that
1659 amount to be paid to the board of trustees from the personal
1660 service allotment of the amount appropriated for the operation of
1661 the department or agency, or from funds otherwise available to the
1662 agency, for the payment of salaries to its employees.

1663 (3) Constables shall pay employer and employee
1664 contributions on their net fee income as well as the employee
1665 contributions on all direct treasury or county payroll income.
1666 The county shall be responsible for the employer contribution on
1667 all direct treasury or county payroll income of constables.

1668 (4) Chancery and circuit clerks shall be responsible
1669 for both the employer and employee share of contributions on the
1670 proportionate share of net income attributable to fees, as well as
1671 the employee share of net income attributable to direct treasury
1672 or county payroll income, and the employing county shall be
1673 responsible for the employer contributions on the net income
1674 attributable to direct treasury or county payroll income.

1675 (5) Once each year, under procedures established by the
1676 system, each employer shall submit to the Public Employees'
1677 Retirement System a copy of their report to Social Security of all
1678 employees' earnings.

1679 (6) The board shall provide by rules for the methods of
1680 collection of contributions of employers and members. The amounts
1681 determined due by an agency to the various funds as specified in
1682 Articles 1 and 3 are made obligations of the agency to the board
1683 and shall be paid as provided herein. Failure to deduct such
1684 contributions shall not relieve the employee and employer from
1685 liability thereof. Delinquent employee contributions and any
1686 accrued interest shall be the obligation of the employee and
1687 delinquent employer contributions and any accrued interest shall
1688 be the obligation of the employer. The employer may, in its
1689 discretion, elect to pay any or all of the interest on delinquent
1690 employee contributions. From and after July 1, 1996, under rules
1691 and regulations established by the board, all employers are
1692 authorized and shall transfer all funds due to the Public
1693 Employees' Retirement System electronically and shall transmit any
1694 wage or other reports by computerized reporting systems.

1695 **SECTION 10.** Section 25-11-127, Mississippi Code of 1972, is
1696 amended as follows:

1697 25-11-127. (1) (a) No person who is being paid a
1698 retirement allowance or a pension after retirement under this

1699 article shall be employed or paid for any service by the State of
1700 Mississippi, except as provided in this section. * * *

1701 (b) No retiree of this retirement system who is
1702 reemployed or is reelected to office after retirement shall
1703 continue to draw retirement benefits while so reemployed, except
1704 as provided in this section.

1705 (c) No person employed or elected under the exceptions
1706 provided for in this section shall become a member under Article 3
1707 of the retirement system.

1708 (2) Any person who has been retired under the provisions of
1709 Article * * * 3 and who is later reemployed in service covered by
1710 this article shall cease to receive benefits under this article
1711 and shall again become a contributing member of the retirement
1712 system. When the person retires again, if the reemployment
1713 exceeds six (6) months, the person shall have his or her benefit
1714 recomputed, including service after again becoming a member,
1715 provided that the total retirement allowance paid to the retired
1716 member in his or her previous retirement shall be deducted from
1717 the member's retirement reserve and taken into consideration in
1718 recalculating the retirement allowance under a new option
1719 selected.

1720 * * *

1721 (3) The board * * * shall have the right to prescribe rules
1722 and regulations for carrying out the provisions of this section.

1723 (4) The provisions of this section shall not be construed to
1724 prohibit any retiree, regardless of age, from being employed and
1725 drawing a retirement allowance either:

1726 (a) For a period of time not to exceed one-half (1/2)
1727 of the normal working days for the position in any fiscal year
1728 during which the retiree will receive no more than one-half (1/2)
1729 of the salary in effect for the position at the time of

1730 employment, or

1731 (b) For a period of time in any fiscal year sufficient
1732 in length to permit a retiree to earn not in excess of twenty-five
1733 percent (25%) of retiree's average compensation.

1734 To determine the normal working days for a position under
1735 paragraph (a) of this subsection, the employer shall determine the
1736 required number of working days for the position on a full-time
1737 basis and the equivalent number of hours representing the
1738 full-time position. The retiree then may work up to one-half
1739 (1/2) of the required number of working days or up to one-half
1740 (1/2) of the equivalent number of hours and receive up to one-half
1741 (1/2) of the salary for the position. In the case of employment
1742 with multiple employers, the limitation shall equal one-half (1/2)
1743 of the number of days or hours for a single full-time position.

1744 Notice shall be given in writing to the executive
1745 director * * *, setting forth the facts upon which the employment
1746 is being made, and the notice shall be given within five (5) days
1747 from the date of employment and also from the date of termination
1748 of the employment.

1749 * * *

1750 (5) Any member may continue in municipal or county elected
1751 office * * * or be * * * elected to a municipal or county office,
1752 provided that the person:

1753 (a) Files annually, in writing, in the office of the
1754 employer and the office of the executive director of the system
1755 before such person takes office or as soon as possible after
1756 retirement, a waiver of all salary or compensation and elects to
1757 receive in lieu of that salary or compensation a retirement
1758 allowance as provided in this section, in which event no salary or
1759 compensation shall thereafter be due or payable for those
1760 services; however, any such officer or employee may receive, in

1761 addition to the retirement allowance, * * * office expense
1762 allowance, mileage or travel expense authorized by any statute of
1763 the State of Mississippi; or

1764 (b) Receives compensation for such elective office in
1765 an amount not to exceed twenty-five percent (25%) of such
1766 retiree's average compensation.

1767 **SECTION 11.** Section 25-11-133, Mississippi Code of 1972, is
1768 amended as follows:

1769 25-11-133. (1) The maintenance of actuarial reserves for
1770 the various allowances and benefits under Articles 1 and 3, and
1771 the payment of all annuities, retirement allowances, refunds and
1772 other benefits granted hereunder are hereby made obligations of
1773 the employer's accumulation accounts. All income, interest and
1774 dividends derived from deposits and investments authorized by said
1775 articles shall be used for the payment of the obligations of the
1776 system.

1777 (2) In the event of the termination of the Public Employees'
1778 Retirement System established pursuant to the provisions of
1779 Section 25-11-101 et seq., all members of the system as of the
1780 date of termination of the system shall be deemed to have a vested
1781 right to benefits to the extent and in the same manner that rights
1782 would be vested under the statute existing as of the date of
1783 termination of the system, except that any member who, because of
1784 a termination of the system has not fulfilled the requirements for
1785 length of service, shall nonetheless be entitled to compensation
1786 as of the date that such member would otherwise be eligible, with
1787 such compensation to be computed on the basis of time actually a
1788 member of the service and compensation actually earned during the
1789 time a member, in the manner now provided by statute.

1790 In the event of a deficit in the availability of funds for
1791 payment due under the provisions of the Public Employees'

Retirement System, an appropriation shall hereinafter be made sufficient for the payment thereof as an obligation of the state.

(3) Notwithstanding any provisions of this section or this title to the contrary, the maximum annual retirement allowance attributable to the employer contributions payable by the system to a member shall be subject to the limitations set forth in Section 415 of the Internal Revenue Code and any regulations issued thereunder as applicable to governmental plans as such term is defined under Section 414(d) of the Internal Revenue Code.

(4) Notwithstanding any other provision of this plan, all distributions from this plan shall conform to the regulations issued under Section 401(a)(9) of the Internal Revenue Code, applicable to governmental plans, as defined in Section 414(d) of the Internal Revenue Code, including the incidental death benefit provisions of Section 401(a)(9)(G) of the Internal Revenue Code. Further, such regulations shall override any plan provision that is inconsistent with Section 401(a)(9) of the Internal Revenue Code.

(5) The actuarial assumptions used to convert a retirement allowance from the normal form of payment to an optional form of payment shall be an appendix to Article 3 and subject to approval by the board of trustees based upon certification by the actuary.

(6) Notwithstanding any other provision of this plan, the maximum compensation that can be considered for all plan purposes shall not be greater than that allowed under Section 401(a)(17) of the Internal Revenue Code.

SECTION 12. Section 25-11-139, Mississippi Code of 1972, is amended as follows:

25-11-139. (1) Any retirement allowance or other annuity or benefit provided by Articles 1 and 3 shall be paid in equal monthly installments for life and shall not be increased,

decreased, revoked or repealed, except for error upon detection, regardless of the length of time between the reporting error or the time payment started and the time the board became aware of the error, or except where specifically otherwise provided by said articles. This responsibility is, and has been, the duty of the board since the creation of the retirement system.

(2) Each member shall have a period of two (2) years from the effective date of his retirement within which to submit documentation of any additional service credit, including prior service, military service or unused leave. Any increase in benefits resulting from the submission of such documentation shall be paid from the first of the month following receipt of such documentation and shall not be retroactive to the effective date of retirement.

(3) Pursuant to Section 25-11-111, Mississippi Code of 1972, it is and has been the sole responsibility of the member or beneficiary thereof to apply for benefits and no benefits shall be paid for any period prior to the first of the month following the receipt of such application for such benefits, but in no event prior to termination of employment, except as authorized in Section 25-11-114.

SECTION 13. Section 25-11-309, Mississippi Code of 1972, is amended as follows:

25-11-309. The retirement allowance from the Supplemental Legislative Retirement Plan shall consist of fifty percent (50%) of an amount equal to the retirement allowance determined by creditable service as an elected Senator or Representative of the State Legislature or as President of the Senate payable by the Public Employees' Retirement System in accordance with Section 25-11-101 et seq. * * *

The percentage of the retirement allowance as provided in

this section shall be transferred from the annuity savings account of the member and the employer accumulation account in the Supplemental Legislative Retirement Plan to the retirement account of the member in the Public Employees' Retirement System as provided.

SECTION 14. Section 25-13-5, Mississippi Code of 1972, is amended as follows:

25-13-5. (1) Creditable service on which a member's service or disability retirement benefit is based shall consist of "prior service" and membership service. Prior service shall mean service performed for the Highway Safety Patrol as defined in Section 25-13-3 before the chapter becomes effective and service performed as a sworn agent for the Mississippi Bureau of Narcotics prior to the effective date of this act. No prior service credits shall be granted any person who re-enters the employment of the Highway Safety Patrol after the effective date of this chapter, except that any former sworn officer of the Highway Safety Patrol who returns to the Highway Safety Patrol in any capacity, and who has had not less than two (2) years of prior service as a sworn officer of the Highway Safety Patrol, and who was disabled by wounds or accident in line of duty, may become a member of the Highway Safety Patrol Retirement System with full credit for any previous service as set forth in Section 25-13-3 with the Highway Safety Patrol. Membership service shall mean all services for which credit may be allowed under this chapter subsequent to July 1, 1958, and all lawfully credited unused leave as of the date of withdrawal from service, as certified by the appointing authority.

(2) Each member shall have a period of two (2) years from the effective date of his retirement within which to submit documentation of any additional service credit, including prior service, military service or unused leave. Any increase in

1885 benefits resulting from the submission of such documentation shall
1886 be paid from the first of the month following receipt of such
1887 documentation and shall not be retroactive to the effective date
1888 of retirement.

1889 **SECTION 15.** Section 25-13-16, Mississippi Code of 1972, is
1890 amended as follows:

1891 25-13-16. (1) Upon application for superannuation or
1892 disability retirement, any member who retires after July 1, 1990,
1893 may elect to receive his benefit pursuant to the provisions of
1894 Sections 25-13-11 and 25-13-13. Or he may elect upon retirement,
1895 or upon becoming eligible for retirement, to receive the actuarial
1896 equivalent, subject to the provisions of subsection (3) of this
1897 section, of his retirement allowance in a reduced retirement
1898 allowance payable throughout life with the provision that:

1899 **Option 1.** If he dies before he has received in annuity
1900 payment the value of the member's annuity savings account as it
1901 was at the time of his retirement, the balance shall be paid to
1902 his legal representative or to such person as he shall nominate by
1903 written designation duly acknowledged and filed with the board; or

1904 **Option 2.** Upon his death, his reduced retirement allowance
1905 shall be continued throughout the life of, and paid to, such
1906 person as he has nominated by written designation duly
1907 acknowledged and filed with the board of trustees at the time of
1908 his retirement;

1909 **Option 3.** Upon his death, one-half (1/2) of his reduced
1910 retirement allowance shall be continued throughout the life of,
1911 and paid to, such person as he shall have nominated by written
1912 designation duly acknowledged and filed with the board of trustees
1913 at the time of his retirement, and the other one-half (1/2) of his
1914 reduced retirement allowance to some other designated beneficiary;

1915 **Option 4-A.** Upon his death, one-half (1/2) of his reduced

retirement allowance, or such other specified amount, shall be continued throughout the life of, and paid to, such person as he shall have nominated by written designation duly acknowledged and filed with the board of trustees at the time of his retirement; or

Option 4-B. A reduced retirement allowance shall be continued throughout the life of the retirant, but with the further guarantee of payments to the named beneficiary, beneficiaries or to the estate for a specified number of years certain. If the retired member or the last designated beneficiary receiving annuity payments dies prior to receiving all guaranteed payments due, the actuarial equivalent of the remaining payments shall be paid pursuant to Section 25-13-21.1(1).

Option 4-C. Such retirement allowance otherwise payable may be converted into a retirement allowance of equivalent actuarial value in such an amount that, with the member's benefit under Title II of the federal Social Security Act, the member will receive, so far as possible, approximately the same amount annually before and after the earliest age at which the member becomes eligible to receive a social security benefit.

Option 6. Any member who is eligible to retire with an unreduced benefit may select the maximum retirement benefit or an optional benefit as provided in this subsection together with a partial lump sum distribution. The amount of the lump sum distribution under this option shall be equal to the maximum monthly benefit multiplied by twelve (12), twenty-four (24) or thirty-six (36) as selected by the member. The maximum retirement benefit shall be actuarially reduced to reflect the amount of the lump sum distribution selected and further reduced for any other optional benefit selected. The annuity and lump sum distribution shall be computed to result in no actuarial loss to the system. The lump sum distribution shall be made as a single payment

1947 payable at the time the first monthly annuity payment is paid to
1948 the retiree. The amount of the lump sum distribution shall be
1949 deducted from the member's annuity savings account in computing
1950 what contributions remain at the death of the retiree and/or a
1951 beneficiary. The lump sum distribution option may be elected only
1952 once by a member upon initial retirement, and may not be elected
1953 by a retiree, by members applying for a disability retirement
1954 annuity, by survivors or by a member selecting Option 4-C.

1955 (2) No change in the option selected shall be permitted
1956 after the member's death or after the member has received his
1957 first retirement check, except as provided in subsections (3) and
1958 (4) of this section. However, any retired member who is receiving
1959 a retirement allowance under Option 2 or Option 4-A upon July 1,
1960 1999, and whose designated beneficiary predeceased him or whose
1961 marriage to a spouse who is his designated beneficiary is
1962 terminated by divorce or other dissolution, upon written
1963 notification to the retirement system of the death of the
1964 designated beneficiary or of the termination of his marriage to
1965 his designated beneficiary, the retirement allowance payable to
1966 the member after receipt of such notification by the retirement
1967 system shall be equal to the retirement allowance that would have
1968 been payable if the member had not elected the option. In
1969 addition, any retired member who is receiving the maximum
1970 retirement allowance for life, a retirement allowance under Option
1971 1 or who is receiving a retirement allowance under Option 2 or
1972 Option 4-A on July 1, 1999, may elect to provide survivor benefits
1973 under Option 2 or Option 4-A to a spouse who was not previously
1974 the member's beneficiary and who the member married before July 1,
1975 1999. Should a member retired on disability be returned to active
1976 service, the option previously selected shall be null and void.
1977 Upon subsequent retirement a new option may be selected.

1978 (3) Any retired member who is receiving a reduced retirement
1979 allowance under Option 2 or Option 4-A whose designated
1980 beneficiary predeceases him, or whose marriage to a spouse who is
1981 his designated beneficiary is terminated by divorce or other
1982 dissolution, may elect to cancel his reduced retirement allowance
1983 and receive the maximum retirement allowance for life in an amount
1984 equal to the amount that would have been payable if the member had
1985 not elected Option 2 or Option 4-A. Such election must be made in
1986 writing to the office of the executive director of the system on a
1987 form prescribed by the board. Any such election shall be
1988 effective the first of the month following the date the election
1989 is received by the system.

1990 (4) Any retired member who is receiving the maximum
1991 retirement allowance for life, or a retirement allowance under
1992 Option 1, and who marries after his retirement may elect to cancel
1993 his maximum retirement allowance and receive a reduced retirement
1994 allowance under Option 2 or Option 4-A to provide continuing
1995 lifetime benefits to his spouse. Such election must be made in
1996 writing to the office of the executive director of the system on a
1997 form prescribed by the board not earlier than the date of the
1998 marriage. Any such election shall be effective the first of the
1999 month following the date the election is received by the
2000 system. * * * However, if a retiree marries or remarries after
2001 retirement and elects either Option 2 or Option 4-A as provided in
2002 subsection (2) or (4) of this section, the actuarial equivalent
2003 factor used to compute the reduced retirement allowance shall be
2004 the factor for the age of the retiree and his or her beneficiary
2005 at the time such election for recalculation of benefits is made.

2006 (5) Any member in service who has qualified for retirement
2007 benefits may select any optional method of settlement of
2008 retirement benefits by notifying the Executive Director of the

2009 Board of Trustees of the Public Employees' Retirement System in
2010 writing, on a form prescribed by the board, of the option he has
2011 selected and by naming the beneficiary of such option and
2012 furnishing necessary proof of age. Such option, once selected,
2013 may be changed at any time prior to actual retirement or death,
2014 but upon the death or retirement of the member, the optional
2015 settlement shall be placed in effect upon proper notification to
2016 the executive director.

2017 (6) Notwithstanding any provision of Section 25-13-1 et
2018 seq., no payments may be made for a retirement allowance on a
2019 monthly basis for a period of time in excess of that allowed by
2020 federal law.

2021 (7) If a retirant and his eligible beneficiary, if any, both
2022 die before they have received in annuity payments a total amount
2023 equal to the accumulated contributions standing to the retirant's
2024 credit in the annuity savings account at the time of his
2025 retirement, the difference between the accumulated contributions
2026 and the total amount of annuities received by them shall be paid
2027 to such persons as the retirant has nominated by written
2028 designation duly executed and filed in the office of the executive
2029 director. If no designated person survives the retirant and his
2030 beneficiary, the difference, if any, shall be paid pursuant to
2031 Section 25-13-21.1(1).

2032 (8) Any retired member who retired on Option 2(5) or 4-A(5)
2033 before July 1, 1999, who is still receiving a retirement allowance
2034 as of July 1, 1999, shall receive an increase in the annual
2035 retirement allowance effective July 1, 1999, equal to the amount
2036 they would have received under Option 2 or Option 4-A without a
2037 reduction for Option 5 based on the ages at retirement of the
2038 retiree and beneficiary and option factors in effect on July 1,
2039 1999. Such increase shall be prospective only.

2040 (9) For purposes of this section:

2041 (a) "Beneficiary" means any person designated to
2042 receive a retirement allowance, an annuity or other benefit as
2043 provided by this chapter. Such designation shall be in writing
2044 filed in the Office of the Executive Director of the Board of
2045 Trustees of the Public Employees' Retirement System, and no
2046 designation or change of beneficiary shall be made in any other
2047 manner; however, notwithstanding any provision of this chapter to
2048 the contrary, the lawful spouse of a member at the time of the
2049 death of a member shall be the beneficiary of such member unless
2050 the member has designated another beneficiary subsequent to the
2051 date of marriage.

2052 (b) "Actuarial equivalent" shall mean a benefit of
2053 equal value to the accumulated contributions, annuity or benefit,
2054 as the case may be, when computed upon the basis of such mortality
2055 tables as shall be adopted by the board of trustees, and regular
2056 interest.

2057 (c) "Actuarial tables" shall mean such tables of
2058 mortality and rates of interest as shall be adopted by the board
2059 in accordance with the recommendation of the actuary.

2060 **SECTION 16.** Section 25-13-17, Mississippi Code of 1972, is
2061 amended as follows:

2062 25-13-17. (1) All persons who are covered under the terms
2063 of this chapter on the date on which this retirement system is
2064 established and who become members of the retirement system shall
2065 cease to be members under the provisions of Sections 25-11-101
2066 through 25-11-139 upon the effective date of this chapter, and
2067 shall become members of this retirement system with full credit
2068 for all prior service with the Highway Safety Patrol.

2069 (2) In computing the period of service of a member of the
2070 Highway Safety Patrol, * * * any member who served on active duty

2071 in the Armed Forces of the United States, or who served in
2072 maritime service during periods of hostility in World War II,
2073 shall be entitled to creditable service at no cost for his service
2074 on active duty in the Armed Forces or in such maritime service,
2075 provided he entered state service after his discharge from the
2076 Armed Forces or entered state service after he completed such
2077 maritime service. The maximum period for such creditable service
2078 for all military service as defined in this subsection (2) shall
2079 not exceed four (4) years unless positive proof can be furnished
2080 by such person that he was retained in the Armed Forces during
2081 World War II or in maritime service during World War II, by causes
2082 beyond his control and without opportunity of discharge. The
2083 member shall furnish proof satisfactory to the Board of Trustees
2084 of the Public Employees' Retirement System of certification of
2085 military service or maritime service records showing dates of
2086 entrance into active duty service and the date of discharge. No
2087 creditable service shall be granted for any military service or
2088 maritime service to a member who qualifies for a retirement
2089 allowance in another public retirement system administered by the
2090 Board of Trustees of the Public Employees' Retirement System based
2091 in whole or in part on such military or maritime service. In no
2092 case shall the member receive creditable service if the member
2093 received a dishonorable discharge from the Armed Forces of the
2094 United States.

2095 The credit for military service granted in this subsection
2096 shall apply to all persons who have retired from the Highway
2097 Patrol and who qualify for credit as outlined above, whether they
2098 retired before or after July 1, 2000; but this provision shall not
2099 operate to require any back payments of retirement.

2100 (3) (a) Any member of the Mississippi Highway Safety Patrol
2101 Retirement System whose membership service is interrupted as a

2102 result of qualified military service within the meaning of Section
2103 414(u)(5) of the Internal Revenue Code, and who has received the
2104 maximum service credit available under subsection (2) of this
2105 section, shall receive creditable service for the period of
2106 qualified military service that does not qualify as creditable
2107 service under subsection (2) of this section upon reentering
2108 membership service in an amount not to exceed five (5) years if:

2109 (i) The member pays the contributions he would
2110 have made to the retirement system if he had remained in
2111 membership service for the period of qualified military service
2112 based upon his salary at the time his membership service was
2113 interrupted;

2114 (ii) The member returns to membership service
2115 within ninety (90) days of the end of his qualified military
2116 service; and

2117 (iii) The employer at the time the member's
2118 service was interrupted and to which employment the member returns
2119 pays the contributions it would have made into the retirement
2120 system for such period based on the member's salary at the time
2121 the service was interrupted.

2122 (b) The payments required to be made in paragraph
2123 (a)(i) of this subsection may be made over a period beginning with
2124 the date of return to membership service and not exceeding three
2125 (3) times the member's qualified military service; provided,
2126 however, that in no event shall such period exceed five (5) years.

2127 (c) The member shall furnish proof satisfactory to the
2128 board of trustees of certification of military service showing
2129 dates of entrance into qualified service and the date of discharge
2130 as well as proof that the member has returned to active employment
2131 within the time specified.

2132 **SECTION 17.** Section 25-13-29, Mississippi Code of 1972, is

2133 amended as follows:

2134 25-13-29. At least once in each biennium the administrative
2135 board shall cause an actuarial valuation to be made by an actuary
2136 who shall certify to the assets and liabilities of the system and
2137 the amount of employer's contributions required for membership
2138 service and prior service. The cost of the survey shall be paid
2139 from any funds available to the Highway Safety Patrol.

2140 On account of each member there shall be paid quarterly into
2141 the "Disability and Relief Fund for Members of the Mississippi
2142 Highway Safety Patrol" by the Highway Safety Patrol from any funds
2143 available an amount equal to a certain percentage of the
2144 compensation of each member to be known as the "normal
2145 contributions," and an additional amount equal to a percentage of
2146 his compensation to be known as the "accrued liability
2147 contribution." The rate per centum of such contributions shall be
2148 fixed by the administrative board on the basis of the liabilities
2149 of the retirement system for the various allowances and benefits
2150 as shown by the actuarial valuation. * * *

2151 **SECTION 18.** Section 25-13-33, Mississippi Code of 1972, is
2152 amended as follows:

2153 25-13-33. (1) The maintenance of actuarial reserves for the
2154 various allowances and benefits under this chapter, and the
2155 payment of all annuities, retirement allowances, refunds and other
2156 benefits granted hereunder are hereby made obligation of the
2157 disability and relief fund. All income, interest and dividends
2158 derived from deposits and investments authorized by this chapter
2159 shall be used for the payment of the obligations of the system.

2160 (2) In the event of the termination of the Mississippi
2161 Highway Safety Patrol Retirement System, established pursuant to
2162 the provisions of Section 25-13-1 et seq., Mississippi Code of
2163 1972, all members of the system as of the date of termination of

2164 the system shall be deemed to have a vested right to benefits to
2165 the extent and in the same manner that rights would be vested
2166 under the statute existing as of the date of termination of the
2167 system; except that any member who, because of a termination of
2168 the system has not fulfilled the requirements for length of
2169 service, shall be entitled to compensation as of the date that
2170 such member would otherwise be eligible, with such compensation to
2171 be computed on the basis of time actually a member of the service
2172 and compensation actually earned during the time as a member, in
2173 the manner now provided by statute.

2174 In the event of a deficit in the availability of funds for
2175 payment due under the provisions of the Mississippi Highway Safety
2176 Patrol Retirement System, an appropriation shall hereinafter be
2177 made sufficient for the payment thereof as an obligation of the
2178 State of Mississippi.

2179 (3) Notwithstanding any provisions of this section or
2180 chapter to the contrary, the maximum annual retirement allowance
2181 attributable to the employer contributions payable by the system
2182 to a member shall be subject to the limitations set forth in
2183 Section 415 of the Internal Revenue Code and any regulations
2184 issued thereunder as applicable to governmental plans as such term
2185 is defined under Section 414(d) of the Internal Revenue Code.

2186 (4) Notwithstanding any other provision of this plan, all
2187 distributions from this plan shall conform to the regulations
2188 issued under Section 401(a)(9) of the Internal Revenue Code,
2189 applicable to governmental plans, as defined in Section 414(d) of
2190 the Internal Revenue Code, including the incidental death benefit
2191 provisions of Section 401(a)(9)(G) of the Internal Revenue Code.
2192 Further, such regulations shall override any plan provision that
2193 is inconsistent with Section 401(a)(9) of the Internal Revenue
2194 Code.

(5) The actuarial assumptions used to convert a retirement allowance from the normal form of payment to an optional form of payment shall be an appendix to this chapter and subject to approval by the board of trustees based upon certification by the actuary.

(6) Notwithstanding any other provision of this plan, the maximum compensation that can be considered for all plan purposes shall not be greater than that allowed under Section 401(a)(17) of the Internal Revenue Code.

SECTION 19. Section 25-14-5, Mississippi Code of 1972, is amended as follows:

25-14-5. The State of Mississippi, or any state agency, county, municipality or other political subdivision may, by contract, agree with any employee to defer, in whole or in part, any portion of that employee's income and/or may make contributions to the plan on behalf of participating members. Such funds may subsequently be used to purchase a fixed or variable life insurance or annuity contract for the purpose of protecting its obligation to the deferred compensation program for the employee from any life underwriter duly licensed by this state who represents an insurance company licensed to contract fixed and variable annuities and fixed or variable life insurance business in this state or to purchase any investments authorized for purchase by the Public Employees' Retirement System of Mississippi under Section 25-11-121; or to invest such monies in a fund or funds maintained by a corporate trustee; which fund or funds are used as an investment media for retirement, pension or profit sharing plans that are tax qualified for such purpose. Provided that in the administration of this plan, the Public Employees' Retirement System of Mississippi may adopt such regulations as are reasonable and necessary to assure the orderly functioning of the

2226 plan, but such regulations shall not unreasonably restrict all
2227 licensed life underwriters and insurance companies described
2228 herein from concurrently participating in providing contracts
2229 authorized hereunder. Anything in any other law to the contrary
2230 notwithstanding, the deferred portion of the employee's
2231 compensation, the plan and the monies in the plan created by said
2232 article, are exempt from any state, county or municipal ad valorem
2233 taxes, income taxes, premium taxes, privilege taxes, property
2234 taxes, sales and use taxes and any other taxes not so named, until
2235 the deferred compensation is paid to the employee or beneficiary
2236 and exempt from levy, garnishment, attachment or any other process
2237 whatsoever.

2238 **SECTION 20.** Section 25-14-7, Mississippi Code of 1972, is
2239 amended as follows:

2240 25-14-7. The administration of the deferred compensation
2241 program shall be under the direction of the Public Employees'
2242 Retirement System of Mississippi or the appropriate officer
2243 designated by a county, municipality, or other political
2244 subdivision. The deferred compensation program shall be operated
2245 in accordance with the guidelines established by the Internal
2246 Revenue Service as reflected in the plan document as may be
2247 modified from time to time by the board of trustees. Payroll
2248 reductions shall be made, in each instance, by the appropriate
2249 payroll officer. The administrator of a deferred compensation
2250 program may contract with a private corporation or institution for
2251 providing consolidated billing and other administrative services
2252 if deemed necessary by the administrator.

2253 The board of trustees may levy such charges and fees on
2254 participants' contributions as may reasonably be necessary to
2255 provide for the administrative expenses of operating the deferred
2256 compensation program, including, but not limited to, the services

2257 of auditors, consultants, money managers and third-party
2258 administrators.

2259 **SECTION 21.** Section 21-29-139, Mississippi Code of 1972, is
2260 amended as follows:

2261 21-29-139. If any member of said fire and/or police
2262 department who has been in paid fire and/or police department
2263 service for as long as twenty (20) years before making application
2264 hereinafter mentioned, the last ten (10) years of which shall have
2265 been continuous in the city in which the application is made,
2266 shall make written application for retirement and relief, the
2267 board of disability and relief shall, without medical examination
2268 of disability, retire him from active service in said fire and/or
2269 police department. Upon such retirement from active service, said
2270 board of disability and relief shall order the payment to such
2271 retired member monthly from said fund a sum equal to fifty percent
2272 (50%) of the average monthly base salary and longevity pay
2273 received as salary by such member in the six-month period next
2274 before the filing of such application in said fire and/or police
2275 department. Such payments shall thereafter be made to said
2276 retired member for life, such payment to be known as "retired
2277 relief."

2278 Any member of the fire and/or police department who has been
2279 in paid fire and/or police department service for longer than
2280 twenty (20) years in a municipality shall be entitled and shall
2281 receive additional retired relief payment for life in a sum equal
2282 to one and seven-tenths percent (1-7/10%) of the same average
2283 monthly base salary and longevity pay received by such member in
2284 the six-month period next preceding the filing of said
2285 application, for each full year of service in excess of twenty
2286 (20) years' service. However, no retired relief payment to any
2287 member shall exceed sixty-six and two-thirds percent (66-2/3%) of

2288 the average monthly base salary and longevity pay received by a
2289 member for the six-month period next preceding the filing of said
2290 application.

2291 The said board shall, when a member of the fire and/or police
2292 department reaches the age of sixty-five (65), retire him from
2293 active service in said fire and/or police department and order the
2294 payment of such funds as the member is entitled to hereunder.

2295 Periods of time in which a member may have been inactive on
2296 account of physical or mental disability shall not be excluded in
2297 computing the twenty-year period and the ten-year period
2298 hereinbefore mentioned. Periods of time within which a member may
2299 have been absent from his employment while in active service of
2300 the Army or Navy of the United States, United States Marine Corps
2301 or the United States Coast Guard between September 16, 1940, and
2302 July 25, 1947, or while as a civil employee engaged by the Army
2303 and Navy while serving outside the continental United States shall
2304 not be excluded in computing the twenty-year period and the
2305 ten-year period hereinbefore mentioned, provided that the
2306 discharge or release of such member from the armed forces was
2307 under conditions other than dishonorable. Any member who has been
2308 retired or is voluntarily retired hereunder, or who has received
2309 relief or disability benefits hereunder, shall be required to
2310 perform such duties as then may be required of him.

2311 Provided, however, in any city having a population of
2312 nineteen thousand (19,000) but less than twenty thousand (20,000),
2313 according to the 1970 census, the periods of time not exceeding
2314 four (4) years within which a member of the fire or police
2315 departments may have been absent from his employment while in
2316 active service in the Armed Forces of the United States, shall not
2317 be excluded in computing the twenty-year period and the ten-year
2318 period mentioned in this section.

2319 Each member shall have a period of two (2) years from the
2320 effective date of his retirement within which to submit
2321 documentation of any additional service credit, including prior
2322 service, military service or unused leave. Any increase in
2323 benefits resulting from the submission of such documentation shall
2324 be paid from the first of the month following receipt of such
2325 documentation and shall not be retroactive to the effective date
2326 of retirement.

2327 **SECTION 22.** Section 21-29-245, Mississippi Code of 1972, is
2328 amended as follows:

2329 21-29-245. If any member of said fire and/or police
2330 department who has been in paid fire and/or police department
2331 service for as long as twenty (20) years before making application
2332 hereinafter mentioned, the last ten (10) years of which shall have
2333 been continuous in the city in which the application is made,
2334 shall make written application for retirement and relief, the
2335 Board of Disability and Relief shall without medical examinations
2336 of disability, retire him from active service in said fire and/or
2337 police department. Upon such retirement from active service said
2338 Board of Disability and Relief * * * shall order the payment to
2339 such retired member monthly from said fund a sum equal to fifty
2340 percent (50%) of the average monthly base salary and longevity pay
2341 received as salary by such member in the six-month period next
2342 before the filing of such application in said fire and/or police
2343 department. Such payments shall thereafter be made to said
2344 retired member for life, such payments to be known as "retired
2345 relief."

2346 Any member of the fire and/or police department who has been
2347 in paid fire and/or police department service for longer than
2348 twenty (20) years shall be entitled to and shall receive
2349 additional retired relief payment for life in a sum equal to one

2350 and seven-tenths percent (1-1/7%) of the same monthly base salary
2351 and longevity pay received by such member in the six-month period
2352 next preceding the filing of said application for each full year
2353 of service in excess of twenty (20) years' service. However, such
2354 additional retired relief payment shall be paid only for each year
2355 served after July 1, 1966. No retired relief payment to any
2356 member shall exceed sixty-six and two-thirds percent (66-2/3%) of
2357 the average monthly base salary and longevity pay received by a
2358 member for the six-month period next preceding the filing of said
2359 application, except such other additional benefits as may be
2360 hereinafter provided.

2361 The Board of Disability and Relief shall, when a member of
2362 the fire and/or police department completes thirty-five (35) years
2363 of paid employment, or attains the age of sixty (60), whichever
2364 occurs first, retire him from active service in said fire and/or
2365 police department and order the payment of such funds as the
2366 member is entitled to under this article.

2367 Periods of time in which a member may have been inactive on
2368 account of physical or mental disability shall not be excluded in
2369 computing the twenty-year period and the ten-year period
2370 hereinabove mentioned. Neither shall there be excluded therefrom
2371 periods of time within which a member may have been absent from
2372 his employment while serving in the Armed Forces of the United
2373 States, or any civil employee engaged by the Armed Forces of the
2374 United States while serving outside the continental United States,
2375 in time of war during World War I, World War II, the Korean
2376 Conflict, Cuban Crisis, Berlin Crisis, Vietnam Conflict, or when
2377 involuntarily called on active duty, provided that the maximum
2378 period for such creditable service shall be four (4) years unless
2379 positive proof can be furnished by such person that he was
2380 retained in the Armed Forces by cause beyond his control, and

without opportunity of discharge, and provided that the discharge or release of such member from the Armed Forces was under conditions other than dishonorable. Any member who has been retired or is voluntarily retired hereunder, or who has received relief or disability benefits hereunder, shall be required to report such duties as then may be required of them.

Each member shall have a period of two (2) years from the effective date of his retirement within which to submit documentation of any additional service credit, including prior service, military service or unused leave. Any increase in benefits resulting from the submission of such documentation shall be paid from the first of the month following receipt of such documentation and shall not be retroactive to the effective date of retirement.

SECTION 23. Section 21-29-301, Mississippi Code of 1972, is amended as follows:

21-29-301. (1) Any member of the Municipal Retirement System whose membership service is interrupted as a result of qualified military service within the meaning of Section 414(u)(5) of the Internal Revenue Code, and who has received the maximum service credit available under Article 1, 3 or 5 of this chapter, shall receive creditable service for the period of qualified military service that does not qualify as creditable service under Article 1, 3 or 5 of this chapter upon reentering membership service in an amount not to exceed five (5) years if:

(a) The member pays the contributions he would have made to the retirement system if he had remained in membership service for the period of qualified military service based upon his salary at the time his membership service was interrupted;

(b) The member returns to membership service within ninety (90) days of the end of his qualified military service; and

2412 (c) The employer at the time the member's service was
2413 interrupted and to which employment the member returns pays the
2414 contribution it would have made into the retirement system for
2415 such period based on the member's salary at the time the service
2416 was interrupted.

2417 (2) The payments required to be made in subsection (1)(a) of
2418 this section may be made over a period beginning with the date of
2419 return to membership service and not exceeding three (3) times the
2420 member's qualified military service; provided, however, that in no
2421 event shall such period exceed five (5) years.

2422 (3) The member shall furnish proof satisfactory to the board
2423 of trustees of certification of military service showing dates of
2424 entrance into qualified service and the date of discharge as well
2425 as proof that the member has returned to active employment within
2426 the time specified.

2427 **SECTION 24.** Section 21-29-317, Mississippi Code of 1972, is
2428 amended as follows:

2429 21-29-317. (1) Notwithstanding any provisions of Articles
2430 1, 3 and 5 of this chapter to the contrary, the maximum annual
2431 retirement allowance attributable to the employer contributions
2432 payable by the system to a member under Article 1, 3 or 5 of this
2433 chapter shall be subject to the limitations set forth in Section
2434 415 of the Internal Revenue Code and any regulations issued
2435 thereunder as applicable to governmental plans as such term is
2436 defined under Section 414(d) of the Internal Revenue Code.

2437 (2) Notwithstanding any other provision of this plan, all
2438 distributions from this plan shall conform to the regulations
2439 issued under Section 401(a)(9) of the Internal Revenue Code,
2440 applicable to governmental plans, as defined in Section 414(d) of
2441 the Internal Revenue Code, including the incidental death benefit
2442 provisions of Section 401(a)(9)(G) of the Internal Revenue Code.

2443 Further, such regulations shall override any plan provision that
2444 is inconsistent with Section 401(a)(9) of the Internal Revenue
2445 Code.

2446 (3) The actuarial assumptions used to convert a retirement
2447 allowance from the normal form of payment to an optional form of
2448 payment shall be an appendix to Article 7 of this chapter and
2449 subject to approval by the board of directors based upon
2450 certification by the actuary.

2451 (4) Notwithstanding any other provision of this plan, the
2452 maximum compensation that can be considered for all plan purposes
2453 shall not be greater than that allowed under Section 401(a)(17) of
2454 the Internal Revenue Code.

2455 (5) In the event of the termination of one or more of the
2456 retirement plans established pursuant to Article 1, 3 or 5 of this
2457 chapter, all members of the plan or system as of the date of
2458 termination of the system shall be deemed to have a vested right
2459 to benefits to the extent and in the same manner that rights would
2460 be vested under the laws existing as of the date of termination of
2461 the system; provided, however, that any member, who because of a
2462 termination of the system has not fulfilled the requirements for
2463 length of service, shall be entitled to compensation as of the
2464 date that such member would otherwise be eligible, with such
2465 compensation to be computed on the basis of time actually a member
2466 of the service and compensation actually earned during the time a
2467 member, in the manner now provided by law.

2468 **SECTION 25.** Section 21-29-323, Mississippi Code of 1972, is
2469 amended as follows:

2470 21-29-323. Monthly benefits payable to a spouse in the event
2471 of the death of a member before retirement or a retiree after
2472 retirement shall be divided and paid to or for the benefit of any
2473 dependent children of the deceased member or retiree in an amount

2474 equal to ten percent (10%) of the annual benefit payable to one
2475 (1) dependent child, twenty percent (20%) for two (2) * * *
2476 dependent children, and thirty percent (30%) to three (3) or more
2477 dependent children. If there are more than three (3) dependent
2478 children, upon a child ceasing to be a dependent, his annuity
2479 shall terminate and there shall be a redetermination of the
2480 amounts payable to any remaining dependent children. Such
2481 benefits shall be paid to a surviving parent or lawful custodian
2482 of such children for the use and benefit of the children without
2483 the necessity of appointment of guardian. The remaining amount
2484 shall be paid to the spouse as otherwise provided.

2485 **SECTION 26.** Section 25-41-3, Mississippi Code of 1972, is
2486 amended as follows:

2487 25-41-3. For purposes of this chapter, the following words
2488 shall have the meaning ascribed herein, to wit:

2489 (a) "Public body" means: (i) any executive or
2490 administrative board, commission, authority, council, department,
2491 agency, bureau or any other policymaking entity, or committee
2492 thereof, of the State of Mississippi, or any political subdivision
2493 or municipal corporation of the state, whether such entity be
2494 created by statute or executive order, which is supported wholly
2495 or in part by public funds or expends public funds, and (ii) any
2496 standing, interim or special committee of the Mississippi
2497 Legislature. There shall be exempted from the provisions of this
2498 chapter the judiciary, including all jury deliberations, public
2499 and private hospital staffs, public and private hospital boards
2500 and committees thereof, law enforcement officials, the military,
2501 the State Probation and Parole Board, the Workers' Compensation
2502 Commission, legislative subcommittees and legislative conference
2503 committees, the arbitration council established in Section
2504 69-3-19, license revocation, suspension and disciplinary

2505 proceedings held by the Mississippi State Board of Dental
2506 Examiners and all proceedings of the medical board and disability
2507 appeals committee of the Public Employees' Retirement System.

2508 (b) "Meeting" means an assemblage of members of a
2509 public body at which official acts may be taken upon a matter over
2510 which the public body has supervision, control, jurisdiction or
2511 advisory power.

2512 **SECTION 27.** Sections 1 and 18 of this act shall take effect
2513 and be in force from and after its passage. The remainder of this
2514 act shall take effect and be in force from and after July 1, 2002.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO CREATE A NEW CODE SECTION TO BE CODIFIED AS SECTION
2 37-101-30, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE BOARD OF
3 TRUSTEES OF STATE INSTITUTIONS OF HIGHER LEARNING TO IMPLEMENT A
4 RETIREMENT INCENTIVE PROGRAM FOR FACULTY AND STAFF OF INSTITUTIONS
5 OF HIGHER LEARNING; TO AMEND SECTIONS 25-11-103, 25-11-105,
6 25-11-109, 25-11-112, 25-11-113, 25-11-115, 25-11-120, 25-11-123,
7 25-11-127, 25-11-133, 25-11-139, 25-11-309, 25-13-5, 25-13-16,
8 25-13-17, 25-13-29, 25-13-33, 25-14-5, 25-14-7, 21-29-139,
9 21-29-245, 21-29-301, 21-29-317, 21-29-323 AND 25-41-3,
10 MISSISSIPPI CODE OF 1972, TO REVISE THE DEFINITION OF THE TERM
11 "AVERAGE COMPENSATION" UNDER THE LAWS GOVERNING THE PUBLIC
12 EMPLOYEES' RETIREMENT SYSTEM TO INCREASE THE MAXIMUM AMOUNT THAT
13 MAY BE CONSIDERED AVERAGE COMPENSATION; TO REVISE THE DEFINITION
14 OF THE TERM "EARNED COMPENSATION" UNDER THE LAWS GOVERNING THE
15 PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO INCREASE THE MAXIMUM AMOUNT
16 THAT MAY BE EARNED ANNUALLY AND BE CONSIDERED EARNED COMPENSATION
17 FOR PURPOSE OF RETIREMENT, TO REVISE THE MANNER IN WHICH THE
18 COMPENSATION OF FEE PAID OFFICIALS IS TREATED FOR PURPOSES OF
19 EARNED COMPENSATION; TO PROVIDE THAT FROM AND AFTER JULY 1, 2002,
20 INDIVIDUALS WHO ARE EMPLOYED BY A GOVERNMENTAL ENTITY TO PERFORM
21 PROFESSIONAL SERVICES ON LESS THAN A FULL-TIME BASIS SHALL BECOME
22 MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM IF THEY ARE
23 PAID REGULAR PERIODIC COMPENSATION WHICH IS SUBJECT TO PAYROLL
24 TAXES, THEY ARE PROVIDED ALL OTHER EMPLOYEE BENEFITS AND THEY MEET
25 MEMBERSHIP CRITERIA ESTABLISHED BY THE BOARD OF TRUSTEES WHICH
26 APPLY TO ALL OTHER MEMBERS; TO PROVIDE THAT ACTIVE MEMBERS
27 EMPLOYED ON LESS THAN A FULL-TIME BASIS SHALL CONTINUE TO BE
28 ACTIVE MEMBERS FOR AS LONG AS THEY CONTINUE TO BE EMPLOYED IN SUCH
29 POSITION; TO CONFORM TO FEDERAL LAW THE AMOUNT OF TIME WITHIN
30 WHICH PAYMENTS MUST BE MADE FOR EMPLOYEE CONTRIBUTIONS FOR SERVICE
31 INTERRUPTED BY QUALIFIED MILITARY SERVICE BY MEMBERS OF ALL
32 SYSTEMS ADMINISTERED BY THE BOARD OF TRUSTEES; TO AUTHORIZE THE
33 BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO
34 CHANGE THE MANNER IN WHICH MEMBERS OF THE PUBLIC EMPLOYEES'
35 RETIREMENT SYSTEM RECEIVE THE COST OF LIVING ADJUSTMENT IF THE
36 CURRENT MANNER OF PAYMENT WILL CAUSE A FINANCIAL HARDSHIP TO THE

37 RETIRED MEMBER OR HIS BENEFICIARY; TO MAKE IT CLEAR THAT INACTIVE
38 MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM MAY NOT FILE A
39 CLAIM FOR A DISABILITY RETIREMENT ALLOWANCE LATER THAN SIX MONTHS
40 AFTER WITHDRAWAL FROM SERVICE; TO PROVIDE THAT IF A MEMBER RETURNS
41 TO COVERED EMPLOYMENT AFTER WITHDRAWAL FROM SERVICE OR TERMINATION
42 FROM SERVICE, THE MEMBER MAY NOT APPLY FOR A REGULAR NONDUTY
43 RELATED DISABILITY RETIREMENT ALLOWANCE UNTIL THE MEMBER HAS
44 REMAINED A CONTRIBUTING MEMBER OF THE PUBLIC EMPLOYEES' RETIREMENT
45 SYSTEM FOR A PERIOD OF SIX MONTHS; TO AUTHORIZE MEMBERS OF THE
46 PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO BECOME ELIGIBLE FOR
47 SERVICE RETIREMENT BENEFITS WHILE PURSUING A DISABILITY RETIREMENT
48 ALLOWANCE TO ELECT TO RECEIVE A SERVICE RETIREMENT ALLOWANCE
49 PENDING A DETERMINATION ON ELIGIBILITY FOR A DISABILITY RETIREMENT
50 ALLOWANCE AND TO PROVIDE THAT NO PERSON MAY APPLY FOR A DISABILITY
51 RETIREMENT ALLOWANCE AFTER SUCH PERSON BEGINS TO RECEIVE A SERVICE
52 RETIREMENT ALLOWANCE; TO PROVIDE THAT MEMBERS OF THE PUBLIC
53 EMPLOYEES' RETIREMENT SYSTEM WHO ARE PURSUING A DISABILITY
54 RETIREMENT ALLOWANCE AND SIMULTANEOUSLY OR SUBSEQUENTLY ELECT TO
55 BEGIN RECEIVING A RETIREMENT ALLOWANCE WHILE CONTINUING TO PURSUE
56 A DISABILITY RETIREMENT ALLOWANCE SHALL NOT BE ELIGIBLE TO SELECT
57 OPTION 4-C OR OPTION 6; TO REVISE THE MANNER IN WHICH THE
58 RETIREMENT ALLOWANCE IS CALCULATED IN THE EVENT A RETIRED MEMBER
59 MARRIES AND ELECTS TO RECEIVE A REDUCED BENEFIT; TO PROVIDE THAT
60 FROM AND AFTER JANUARY 1, 2003, IN THE EVENT OF THE ELECTION OF
61 OPTION 6 AFTER AGE 65, THE ACTUARIAL EQUIVALENT FACTOR BASED ON
62 THE RETIREE'S AGE AT THE TIME OF RETIREMENT SHALL BE USED TO
63 CALCULATE THE REDUCED MAXIMUM MONTHLY RETIREMENT ALLOWANCE; TO
64 PROVIDE THAT IN THE CASE OF DISABILITY APPEALS UNDER THE PUBLIC
65 EMPLOYEES' RETIREMENT SYSTEM, THE HEARING OFFICER SHALL HAVE THE
66 AUTHORITY TO DEFER A DECISION IN ORDER TO REQUEST A MEDICAL
67 EVALUATION OR TEST OR ADDITIONAL EXISTING MEDICAL RECORDS NOT
68 PREVIOUSLY FURNISHED BY THE CLAIMANT; TO PROVIDE THAT MEMBERS OF
69 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM MAY CONTINUE IN MUNICIPAL
70 OR COUNTY OFFICE OR BE ELECTED TO A MUNICIPAL OR COUNTY OFFICE
71 WITHOUT WAIVING THE SALARY FOR SUCH OFFICE IF THE COMPENSATION
72 RECEIVED FOR THE OFFICE DOES NOT EXCEED 25% OF THE RETIREE'S
73 AVERAGE COMPENSATION; TO CLARIFY THE RESPONSIBILITY OF CHANCERY
74 AND CIRCUIT CLERKS TO MAKE CERTAIN EMPLOYER AND EMPLOYEE
75 CONTRIBUTIONS TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; TO
76 CONFORM THE MAXIMUM AMOUNT OF COMPENSATION THAT MAY BE CONSIDERED
77 FOR THE PURPOSE OF ALL PLANS ADMINISTERED BY THE BOARD OF TRUSTEES
78 TO FEDERAL LAW REQUIREMENTS; TO PROVIDE THAT MEMBERS OF ALL
79 SYSTEMS ADMINISTERED BY THE BOARD OF TRUSTEES OF THE PUBLIC
80 EMPLOYEES' RETIREMENT SYSTEM SHALL HAVE A PERIOD OF TWO YEARS FROM
81 THE EFFECTIVE DATE OF THEIR RETIREMENT WITHIN WHICH TO SUBMIT
82 DOCUMENTATION OF ANY ADDITIONAL SERVICE CREDIT; TO REMOVE THE
83 PROVISION THAT LIMITS THE AMOUNT THAT A MEMBER MAY RECEIVE FROM
84 THE SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN AND THE PUBLIC
85 EMPLOYEES' RETIREMENT SYSTEM; TO PROVIDE THAT THE MEDICAL BOARD IS
86 NOT REQUIRED TO CONDUCT A MEDICAL EXAMINATION OF APPLICANTS FOR
87 DISABILITY RETIREMENT UNDER THE HIGHWAY SAFETY PATROL RETIREMENT
88 SYSTEM; TO AUTHORIZE THE STATE AND ITS POLITICAL SUBDIVISIONS TO
89 MAKE CONTRIBUTIONS TO THE DEFERRED COMPENSATION PLAN ON BEHALF OF
90 PARTICIPATING MEMBERS; TO MAKE IT CLEAR THAT THE DEFERRED
91 COMPENSATION PROGRAM SHALL BE OPERATED IN ACCORDANCE WITH THE
92 GUIDELINES ESTABLISHED BY THE INTERNAL REVENUE SERVICE AS
93 REFLECTED IN THE PLAN DOCUMENT; TO REVISE THE DEFINITION OF THE
94 TERM "PUBLIC BODY" UNDER THE OPEN MEETING LAW TO EXCLUDE
95 PROCEEDINGS OF THE MEDICAL BOARD OF THE PUBLIC EMPLOYEES'
96 RETIREMENT SYSTEM; AND FOR RELATED PURPOSES.