

By: Representative Robinson (84th)

To: Appropriations

HOUSE BILL NO. 363

1 AN ACT TO AMEND SECTION 25-11-103, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT PUBLIC SCHOOL BUS DRIVERS SHALL BE ELIGIBLE TO
3 BECOME OR REMAIN MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT
4 SYSTEM REGARDLESS OF THE WEEKLY OR MONTHLY NUMBER OF HOURS WORKED;
5 TO AMEND SECTION 25-11-105, MISSISSIPPI CODE OF 1972, IN
6 CONFORMITY TO THE PRECEDING PROVISION; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 25-11-103, Mississippi Code of 1972, is
9 amended as follows:

10 25-11-103. The following words and phrases as used in
11 Articles 1 and 3, unless a different meaning is plainly required
12 by the context, shall have the following meanings:

13 (a) "Accumulated contributions" shall mean the sum of
14 all the amounts deducted from the compensation of a member and
15 credited to his individual account in the annuity savings account,
16 together with regular interest thereon as provided in Section
17 25-11-123.

18 (b) "Actuarial cost" shall mean the amount of funds
19 presently required to provide future benefits as determined by the
20 board based on applicable tables and formulas provided by the
21 actuary.

22 (c) "Actuarial equivalent" shall mean a benefit of
23 equal value to the accumulated contributions, annuity or benefit,
24 as the case may be, when computed upon the basis of such mortality
25 tables as shall be adopted by the board of trustees, and regular
26 interest.

27 (d) "Actuarial tables" shall mean such tables of
28 mortality and rates of interest as shall be adopted by the board
29 in accordance with the recommendation of the actuary.

30 (e) "Agency" shall mean any governmental body employing
31 persons in the state service.

32 (f) "Average compensation" shall mean the average of
33 the four (4) highest years of earned compensation reported for an
34 employee in a fiscal or calendar year period, or combination
35 thereof which do not overlap, or the last forty-eight (48)
36 consecutive months of earned compensation reported for an
37 employee. The four (4) years need not be successive or joined
38 years of service. In no case shall the average compensation so
39 determined be in excess of One Hundred Fifty Thousand Dollars
40 (\$150,000.00). In computing the average compensation, any amount
41 paid in a lump sum for personal leave shall be included in the
42 calculation to the extent that such amount does not exceed an
43 amount which is equal to thirty (30) days of earned compensation
44 and to the extent that it does not cause the employees' earned
45 compensation to exceed the maximum reportable amount specified in
46 Section 25-11-103(k); however, this thirty-day limitation shall
47 not prevent the inclusion in the calculation of leave earned under
48 federal regulations prior to July 1, 1976, and frozen as of that
49 date as referred to in Section 25-3-99. Only the amount of lump
50 sum pay for personal leave due and paid upon the death of a member
51 attributable for up to one hundred fifty (150) days shall be used
52 in the deceased member's average compensation calculation in
53 determining the beneficiary's benefits. In computing the average
54 compensation, no amounts shall be used which are in excess of the
55 amount on which contributions were required and paid. If any
56 member who is or has been granted any increase in annual salary or
57 compensation of more than eight percent (8%) retires within
58 twenty-four (24) months from the date that such increase becomes
59 effective, then the board shall exclude that part of the increase
60 in salary or compensation that exceeds eight percent (8%) in
61 calculating that member's average compensation for retirement
62 purposes. The board may enforce this provision by rule or

63 regulation. However, increases in compensation in excess of eight
64 percent (8%) per year granted within twenty-four (24) months of
65 the date of retirement may be included in such calculation of
66 average compensation if satisfactory proof is presented to the
67 board showing that the increase in compensation was the result of
68 an actual change in the position held or services rendered, or
69 that such compensation increase was authorized by the State
70 Personnel Board or was increased as a result of statutory
71 enactment, and the employer furnishes an affidavit stating that
72 such increase granted within the last twenty-four (24) months was
73 not contingent on a promise or agreement of the employee to
74 retire. Nothing in Section 25-3-31 shall affect the calculation
75 of the average compensation of any member for the purposes of this
76 article. The average compensation of any member who retires
77 before July 1, 1992, shall not exceed the annual salary of the
78 Governor.

79 (g) "Beneficiary" shall mean any person entitled to
80 receive a retirement allowance, an annuity or other benefit as
81 provided by Articles 1 and 3. In the event of the death prior to
82 retirement of any member whose spouse and/or children are not
83 entitled to a retirement allowance on the basis that the member
84 has less than four (4) years of service credit and/or has not been
85 married for a minimum of one (1) year or the spouse has waived his
86 or her entitlement to a retirement allowance pursuant to Section
87 25-11-114, the lawful spouse of a member at the time of the death
88 of such member shall be the beneficiary of such member unless the
89 member has designated another beneficiary subsequent to the date
90 of marriage in writing, and filed such writing in the office of
91 the executive director of the board of trustees. No designation
92 or change of beneficiary shall be made in any other manner.

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

96 (i) "Creditable service" shall mean "prior service,"
97 "retroactive service" and all lawfully credited unused leave not
98 exceeding the accrual rates and limitations provided in Section
99 25-3-91 et seq., as of the date of withdrawal from service plus
100 "membership service" for which credit is allowable as provided in
101 Section 25-11-109. Except to limit creditable service reported to
102 the system for the purpose of computing an employee's retirement
103 allowance or annuity or benefits provided in this article, nothing
104 in this paragraph shall limit or otherwise restrict the power of
105 the governing authority of a municipality or other political
106 subdivision of the state to adopt such vacation and sick leave
107 policies as it deems necessary.

108 (j) "Child" means either a natural child of the member,
109 a child that has been made a child of the member by applicable
110 court action before the death of the member, or a child under the
111 permanent care of the member at the time of the latter's death,
112 which permanent care status shall be determined by evidence
113 satisfactory to the board.

114 (k) "Earned compensation" shall mean the full amount
115 earned by an employee for a given pay period including any
116 maintenance furnished up to a maximum of One Hundred Fifty
117 Thousand Dollars (\$150,000.00) per year, and proportionately for
118 less than one (1) year of service. The value of such maintenance
119 when not paid in money shall be fixed by the employing state
120 agency, and, in case of doubt, by the board of trustees as defined
121 in Section 25-11-15. In any case, earned compensation shall be
122 limited to the regular periodic compensation paid, exclusive of
123 litigation fees, bond fees, and other similar extraordinary
124 nonrecurring payments. In addition, any member in a covered
125 position, as defined by Public Employees' Retirement System laws
126 and regulations, who is also employed by another covered agency or
127 political subdivision shall have the earnings of that additional
128 employment reported to the Public Employees' Retirement System

129 regardless of whether the additional employment is sufficient in
130 itself to be a covered position. In addition, computation of
131 earned compensation shall be governed by the following:

132 (i) In the case of constables, the net earnings
133 from their office after deduction of expenses shall apply, except
134 that in no case shall earned compensation be less than the total
135 direct payments made by the state or governmental subdivisions to
136 the official.

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

140 (iii) In the case of members of the State
141 Legislature, all remuneration or amounts paid, except mileage
142 allowance, shall apply.

143 (iv) The amount by which an eligible employee's
144 salary is reduced pursuant to a salary reduction agreement
145 authorized under Section 25-17-5 shall be included as earned
146 compensation under this paragraph, provided this inclusion does
147 not conflict with federal law, including federal regulations and
148 federal administrative interpretations thereunder, pertaining to
149 the Federal Insurance Contributions Act or to Internal Revenue
150 Code Section 125 cafeteria plans.

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

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

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

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

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

168 (n) "Executive director" shall mean the secretary to
169 the board of trustees, as provided in Section 25-11-15(9), and the
170 administrator of the Public Employees' Retirement System and all
171 systems under the management of the board of trustees. Wherever
172 the term "Executive Secretary of the Public Employees' Retirement
173 System" or "executive secretary" appears in this article or in any
174 other provision of law, it shall be construed to mean the
175 Executive Director of the Public Employees' Retirement System.

176 (o) "Fiscal year" shall mean the period beginning on
177 July 1 of any year and ending on June 30 of the next succeeding
178 year.

179 (p) "Medical board" shall mean the board of physicians
180 or any governmental or nongovernmental disability determination
181 service designated by the board of trustees that is qualified to
182 make disability determinations as provided for in Section
183 25-11-119.

184 (q) "Member" shall mean any person included in the
185 membership of the system as provided in Section 25-11-105.

186 (r) "Membership service" shall mean service as an
187 employee rendered while a member of the retirement system.

188 (s) "Position" means any office or any employment in
189 the state service, or two (2) or more of them, the duties of which
190 call for services to be rendered by one (1) person, including
191 positions jointly employed by federal and state agencies
192 administering federal and state funds. The employer shall
193 determine upon initial employment and during the course of
194 employment of an employee who does not meet the criteria for

195 coverage in the Public Employees' Retirement System based on the
196 position held, whether the employee is or becomes eligible for
197 coverage in the Public Employees' Retirement System based upon any
198 other employment in a covered agency or political subdivision. If
199 or when the employee meets the eligibility criteria for coverage
200 in such other position, then the employer must withhold
201 contributions and report wages from the noncovered position in
202 accordance with the provisions for reporting of earned
203 compensation. Failure to deduct and report those contributions
204 shall not relieve the employee or employer of liability thereof.
205 The board shall adopt such rules and regulations as necessary to
206 implement and enforce this provision.

207 (t) "Prior service" shall mean service rendered before
208 February 1, 1953, for which credit is allowable under Sections
209 25-11-105 and 25-11-109, and which shall allow prior service for
210 any person who is now or becomes a member of the Public Employees'
211 Retirement System and who does contribute to the system for a
212 minimum period of four (4) years.

213 (u) "Regular interest" shall mean interest compounded
214 annually at such a rate as shall be determined by the board in
215 accordance with Section 25-11-121.

216 (v) "Retirement allowance" shall mean an annuity for
217 life as provided in this article, payable each year in twelve (12)
218 equal monthly installments beginning as of the date fixed by the
219 board. The retirement allowance shall be calculated in accordance
220 with Section 25-11-111. However, any spouse who received a spouse
221 retirement benefit in accordance with Section 25-11-111(d) before
222 March 31, 1971, and those benefits were terminated because of
223 eligibility for a social security benefit, may again receive his
224 spouse retirement benefit from and after making application with
225 the board of trustees to reinstate the spouse retirement benefit.

226 (w) "Retroactive service" shall mean service rendered
227 after February 1, 1953, for which credit is allowable under
228 Section 25-11-105(b) and Section 25-11-105(k).

229 (x) "System" shall mean the Public Employees'
230 Retirement System of Mississippi established and described in
231 Section 25-11-101.

232 (y) "State" shall mean the State of Mississippi or any
233 political subdivision thereof or instrumentality thereof.

234 (z) "State service" shall mean all offices and
235 positions of trust or employment in the employ of the state, or
236 any political subdivision or instrumentality thereof, which elect
237 to participate as provided by Section 25-11-105(f), including the
238 position of elected or fee officials of the counties and their
239 deputies and employees performing public services or any
240 department, independent agency, board or commission thereof, and
241 shall also include all offices and positions of trust or
242 employment in the employ of joint state and federal agencies
243 administering state and federal funds and service rendered by
244 employees of the public schools. Effective July 1, 1973, all
245 nonprofessional public school employees, such as bus drivers,
246 janitors, maids, maintenance workers and cafeteria employees,
247 shall have the option to become members in accordance with Section
248 25-11-105(b), and shall be eligible to receive credit for services
249 before July 1, 1973, provided that the contributions and interest
250 are paid by the employee in accordance with that section; in
251 addition, the county or municipal separate school district may pay
252 the employer contribution and pro rata share of interest of the
253 retroactive service from available funds. From and after July 1,
254 1998, retroactive service credit shall be purchased at the
255 actuarial cost in accordance with Section 25-11-105(b). Public
256 school bus drivers shall be eligible to become or remain members
257 of the system regardless of the number of hours per week or per
258 month for which they receive compensation.

259 (aa) "Withdrawal from service" or "termination from
260 service" shall mean complete severance of employment in the state
261 service of any member by resignation, dismissal or discharge.

262 (bb) The masculine pronoun, wherever used, shall
263 include the feminine pronoun.

264 **SECTION 2.** Section 25-11-105, Mississippi Code of 1972, is
265 amended as follows:

266 25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

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

269 (a) (i) All persons who shall become employees in the
270 state service after January 31, 1953, and whose wages are subject
271 to payroll taxes and are lawfully reported on IRS Form W-2, except
272 those specifically excluded, or as to whom election is provided in
273 Articles 1 and 3, shall become members of the retirement system as
274 a condition of their employment.

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

285 (b) All persons who shall become employees in the state
286 service after January 31, 1953, except those specifically excluded
287 or as to whom election is provided in Articles 1 and 3, unless
288 they shall file with the board prior to the lapse of sixty (60)
289 days of employment or sixty (60) days after the effective date of
290 the cited articles, whichever is later, on a form prescribed by
291 the board, a notice of election not to be covered by the

292 membership of the retirement system and a duly executed waiver of
293 all present and prospective benefits which would otherwise inure
294 to them on account of their participation in the system, shall
295 become members of the retirement system; however, no credit for
296 prior service will be granted to members until they have
297 contributed to Article 3 of the retirement system for a minimum
298 period of at least four (4) years. Such members shall receive
299 credit for services performed prior to January 1, 1953, in
300 employment now covered by Article 3, but no credit shall be
301 granted for retroactive services between January 1, 1953, and the
302 date of their entry into the retirement system unless the employee
303 pays into the retirement system both the employer's and the
304 employee's contributions on wages paid him during the period from
305 January 31, 1953, to the date of his becoming a contributing
306 member, together with interest at the rate determined by the board
307 of trustees. Members reentering after withdrawal from service
308 shall qualify for prior service under the provisions of Section
309 25-11-117. From and after July 1, 1998, upon eligibility as noted
310 above, the member may receive credit for such retroactive service
311 provided:

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

315 (2) The member shall pay to the retirement system
316 on the date he or she is eligible for such credit or at any time
317 thereafter prior to the date of retirement the actuarial cost for
318 each year of such creditable service. The provisions of this
319 subparagraph (2) shall be subject to the limitations of Section
320 415 of the Internal Revenue Code and regulations promulgated
321 thereunder.

322 Nothing contained in this paragraph (b) shall be construed to
323 limit the authority of the board to allow the correction of

324 reporting errors or omissions based on the payment of the employee
325 and employer contributions plus applicable interest.

326 (c) All persons who shall become employees in the state
327 service after January 31, 1953, and who are eligible for
328 membership in any other retirement system shall become members of
329 this retirement system as a condition of their employment unless
330 they elect at the time of their employment to become a member of
331 such other system.

332 (d) All persons who are employees in the state service
333 on January 31, 1953, and who are members of any nonfunded
334 retirement system operated by the State of Mississippi, or any of
335 its departments or agencies, shall become members of this system
336 with prior service credit unless, before February 1, 1953, they
337 shall file a written notice with the board of trustees that they
338 do not elect to become members.

339 (e) All persons who are employees in the state service
340 on January 31, 1953, and who under existing laws are members of
341 any fund operated for the retirement of employees by the State of
342 Mississippi, or any of its departments or agencies, shall not be
343 entitled to membership in this retirement system unless, before
344 February 1, 1953, any such person shall indicate by a notice filed
345 with the board, on a form prescribed by the board, his individual
346 election and choice to participate in this system, but no such
347 person shall receive prior service credit unless he becomes a
348 member on or before February 1, 1953.

349 (f) Each political subdivision of the state and each
350 instrumentality of the state or a political subdivision, or both,
351 is * * * authorized to submit, for approval by the board of
352 trustees, a plan for extending the benefits of this article to
353 employees of any such political subdivision or instrumentality.
354 Each such plan or any amendment to the plan for extending benefits
355 thereof shall be approved by the board of trustees if it finds
356 that such plan, or such plan as amended, is in conformity with

357 such requirements as are provided in Articles 1 and 3; however,
358 upon approval of such plan or any such plan heretofore approved by
359 the board of trustees, the approved plan shall not be subject to
360 cancellation or termination by the political subdivision or
361 instrumentality, except that any community hospital serving a
362 municipality that joined the Public Employees' Retirement System
363 as of November 1, 1956, to offer social security coverage for its
364 employees and subsequently extended retirement annuity coverage to
365 its employees as of December 1, 1965, may, upon documentation of
366 extreme financial hardship, have future retirement annuity
367 coverage cancelled or terminated at the discretion of the board of
368 trustees. No such plan shall be approved unless:

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

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

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

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

389 (5) It authorizes the board of trustees to
390 terminate the plan in its entirety in the discretion of the board
391 if it finds that there has been a failure to comply substantially
392 with any provision contained in such plan, such termination to
393 take effect at the expiration of such notice and on such
394 conditions as may be provided by regulations of the board and as
395 may be consistent with applicable federal law.

396 A. The board of trustees shall not finally
397 refuse to approve a plan submitted under paragraph (f), and shall
398 not terminate an approved plan without reasonable notice and
399 opportunity for hearing to each political subdivision or
400 instrumentality affected thereby. The board's decision in any
401 such case shall be final, conclusive and binding unless an appeal
402 be taken by the political subdivision or instrumentality aggrieved
403 thereby to the Circuit Court of Hinds County, Mississippi, in
404 accordance with the provisions of law with respect to civil causes
405 by certiorari.

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

413 C. Every political subdivision or
414 instrumentality required to make payments under paragraph (f)(5)B
415 hereof is authorized, in consideration of the employees' retention
416 in or entry upon employment after enactment of Articles 1 and 3,
417 to impose upon its employees, as to services which are covered by
418 an approved plan, a contribution with respect to wages (as defined
419 in Section 25-11-5) not exceeding the amount provided in Section
420 25-11-123(d) if such services constituted employment within the
421 meaning of Articles 1 and 3, and to deduct the amount of such

422 contribution from the wages as and when paid. Contributions so
423 collected shall be paid into the contribution fund as partial
424 discharge of the liability of such political subdivisions or
425 instrumentalities under paragraph (f)(5)B hereof. Failure to
426 deduct such contribution shall not relieve the employee or
427 employer of liability thereof.

428 D. Any state agency, school, political
429 subdivision, instrumentality or any employer that is required to
430 submit contribution payments or wage reports under any section of
431 this chapter shall be assessed interest on delinquent payments or
432 wage reports as determined by the board of trustees in accordance
433 with rules and regulations adopted by the board and such assessed
434 interest may be recovered by action in a court of competent
435 jurisdiction against such reporting agency liable therefor or may,
436 upon due certification of delinquency and at the request of the
437 board of trustees, be deducted from any other monies payable to
438 such reporting agency by any department or agency of the state.

439 E. Each political subdivision of the state
440 and each instrumentality of the state or a political subdivision
441 or subdivisions which submits a plan for approval of the board, as
442 provided in this section, shall reimburse the board for coverage
443 into the expense account, its pro rata share of the total expense
444 of administering Articles 1 and 3 as provided by regulations of
445 the board.

446 (g) The board may, in its discretion, deny the right of
447 membership in this system to any class of employees whose
448 compensation is only partly paid by the state or who are occupying
449 positions on a part-time or intermittent basis. The board may, in
450 its discretion, make optional with employees in any such classes
451 their individual entrance into this system. However, the board
452 may not deny the right of membership in the system to public
453 school bus drivers.

454 (h) An employee whose membership in this system is
455 contingent on his own election, and who elects not to become a
456 member, may thereafter apply for and be admitted to membership;
457 but no such employee shall receive prior service credit unless he
458 becomes a member prior to July 1, 1953, except as provided in
459 paragraph (b).

460 (i) In the event any member of this system should
461 change his employment to any agency of the state having an
462 actuarially funded retirement system, the board of trustees may
463 authorize the transfer of the member's creditable service and of
464 the present value of the member's employer's accumulation account
465 and of the present value of the member's accumulated membership
466 contributions to such other system, provided the employee agrees
467 to the transfer of his accumulated membership contributions and
468 provided such other system is authorized to receive and agrees to
469 make such transfer.

470 In the event any member of any other actuarially funded
471 system maintained by an agency of the state changes his employment
472 to an agency covered by this system, the board of trustees may
473 authorize the receipt of the transfer of the member's creditable
474 service and of the present value of the member's employer's
475 accumulation account and of the present value of the member's
476 accumulated membership contributions from such other system,
477 provided the employee agrees to the transfer of his accumulated
478 membership contributions to this system and provided the other
479 system is authorized and agrees to make such transfer.

480 (j) Wherever herein state employment is referred to, it
481 shall include joint employment by state and federal agencies of
482 all kinds.

483 (k) Employees of a political subdivision or
484 instrumentality who were employed by such political subdivision or
485 instrumentality prior to an agreement between such entity and the
486 Public Employees' Retirement System to extend the benefits of this

487 article to its employees, and which agreement provides for the
488 establishment of retroactive service credit, and who have been
489 members of the retirement system and have remained contributors to
490 the retirement system for four (4) years, may receive credit for
491 such retroactive service with such political subdivision or
492 instrumentality, provided the employee and/or employer, as
493 provided under the terms of the modification of the joinder
494 agreement in allowing such coverage, pay into the retirement
495 system the employer's and employee's contributions on wages paid
496 the member during such previous employment, together with interest
497 or actuarial cost as determined by the board covering the period
498 from the date the service was rendered until the payment for the
499 credit for such service was made. Such wages shall be verified by
500 the Social Security Administration or employer payroll records.
501 Effective July 1, 1998, upon eligibility as noted above, a member
502 may receive credit for such retroactive service with such
503 political subdivision or instrumentality provided:

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

509 (2) The member shall pay to the retirement system
510 on the date he or she is eligible for such credit or at any time
511 thereafter prior to the date of retirement the actuarial cost for
512 each year of such creditable service. The provisions of this
513 subparagraph (2) shall be subject to the limitations of Section
514 415 of the Internal Revenue Code and regulations promulgated
515 thereunder.

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

520 time shall be made in increments of not less than one-quarter
521 (1/4) year of creditable service beginning with the most recent
522 service. Upon the payment of all or part of such required
523 contributions, plus interest or the actuarial cost as provided
524 above, the member shall receive credit for the period of
525 creditable service for which full payment has been made to the
526 retirement system.

527 (l) Through June 30, 1998, any state service eligible
528 for retroactive service credit, no part of which has ever been
529 reported, and requiring the payment of employee and employer
530 contributions plus interest, or, from and after July 1, 1998, any
531 state service eligible for retroactive service credit, no part of
532 which has ever been reported to the retirement system, and
533 requiring the payment of the actuarial cost for such creditable
534 service, may, at the member's option, be purchased in quarterly
535 increments as provided above at such time as its purchase is
536 otherwise allowed.

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

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

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

544 (a) Patient or inmate help in state charitable, penal
545 or correctional institutions;

546 (b) Students of any state educational institution
547 employed by any agency of the state for temporary, part-time or
548 intermittent work;

549 (c) Participants of Comprehensive Employment and
550 Training Act of 1973 (CETA) being Public Law 93-203, who enroll on
551 or after July 1, 1979.

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

556 **III. TERMINATION OF MEMBERSHIP**

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

561 **SECTION 3.** This act shall take effect and be in force from
562 and after July 1, 2004.