

By: Representative Brown

To: Appropriations

HOUSE BILL NO. 1149

1 AN ACT TO CREATE NEW SECTION 21-29-327, MISSISSIPPI CODE OF
2 1972, TO AUTHORIZE THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES'
3 RETIREMENT SYSTEM TO ASSESS INTEREST ON DELINQUENT PAYMENTS FROM
4 MUNICIPALITIES WHOSE RETIREMENT FUNDS IT ADMINISTERS; TO AUTHORIZE
5 THE BOARD TO SUE MUNICIPALITIES FOR THOSE DELINQUENT PAYMENTS AND
6 INTEREST IN A COURT OF COMPETENT JURISDICTION; TO CREATE NEW
7 SECTION 21-29-329, MISSISSIPPI CODE OF 1972, TO AUTHORIZE
8 MUNICIPALITIES THAT HAVE A RETIREMENT FUND ADMINISTERED BY THE
9 BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO
10 ADOPT A RESOLUTION TO ALLOW THOSE SPOUSES WHO ARE RECEIVING
11 RETIREMENT BENEFITS TO CONTINUE TO RECEIVE SPOUSE RETIREMENT
12 BENEFITS FOR LIFE EVEN IF THE SPOUSE REMARRIES; TO PROVIDE THAT
13 THE RESOLUTION ALSO MAY PROVIDE THAT SURVIVING SPOUSES OF DECEASED
14 MEMBERS WHO RECEIVED SPOUSE RETIREMENT BENEFITS THAT WERE
15 TERMINATED UPON REMARRIAGE TO AGAIN RECEIVE SPOUSE RETIREMENT
16 BENEFITS; TO PROVIDE THE CONDITIONS MUST BE MET IN ORDER FOR THE
17 BENEFITS TO BE REINSTATED; TO AMEND SECTIONS 25-11-15, 25-11-103,
18 25-11-105, 25-11-114, 25-11-137, 25-13-12 AND 25-13-13,
19 MISSISSIPPI CODE OF 1972, TO REMOVE CERTAIN RESTRICTIONS ON THE
20 PURCHASE OF COMPUTER SOFTWARE AND EQUIPMENT BY THE PUBLIC
21 EMPLOYEES' RETIREMENT SYSTEM; TO REVISE DEFINITIONS UNDER THE LAWS
22 GOVERNING THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO CLARIFY THAT
23 THE TERMS "AVERAGE COMPENSATION" AND "EARNED COMPENSATION" DO NOT
24 INCLUDE NONTAXABLE AMOUNTS PAID BY THE EMPLOYER FOR HEALTH AND
25 LIFE INSURANCE, TO PROVIDE THAT CERTAIN AMOUNTS LAWFULLY PAID IN A
26 LUMP SUM FOR MAJOR MEDICAL LEAVE SHALL BE INCLUDED IN THE
27 CALCULATION OF AVERAGE COMPENSATION, AND TO PROVIDE THAT THE TERM
28 "BENEFICIARY" MAY INCLUDE AN ORGANIZATION, ESTATE, TRUST OR ENTITY
29 UNDER CERTAIN CIRCUMSTANCES; TO MAKE IT CLEAR THAT THE BOARD OF
30 TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM MAY SUE FOR
31 DELINQUENT PAYMENTS AND OTHER AMOUNTS CERTIFIED BY THE BOARD AS
32 OWED BY THE EMPLOYER; TO REQUIRE THE PUBLIC EMPLOYEES' RETIREMENT
33 SYSTEM TO ALLOW THOSE SPOUSES WHO ARE RECEIVING RETIREMENT
34 BENEFITS TO CONTINUE TO RECEIVE SPOUSE RETIREMENT BENEFITS FOR
35 LIFE EVEN IF THE SPOUSE REMARRIES, AND TO ALLOW SURVIVING SPOUSES
36 OF DECEASED MEMBERS WHO RECEIVED SPOUSE RETIREMENT BENEFITS THAT
37 WERE TERMINATED UPON REMARRIAGE TO AGAIN RECEIVE SPOUSE RETIREMENT
38 BENEFITS; TO PROVIDE THAT A LAW ENFORCEMENT OFFICER OR FIREMAN WHO
39 CHANGES EMPLOYMENT AND TRANSFERS RETIREMENT SERVICE CREDIT OR
40 FUNDS TO ANOTHER RETIREMENT SYSTEM ADMINISTERED BY THE BOARD OF
41 TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM MAY DO SO
42 IMMEDIATELY, BUT THE AMOUNTS SO TRANSFERRED MAY NOT BE USED IN ANY
43 BENEFIT CALCULATION OR DETERMINATION OF THE ELIGIBILITY FOR
44 BENEFITS UNTIL THE PERSON HAS REMAINED A CONTRIBUTING MEMBER OF
45 THE RETIREMENT SYSTEM TO WHICH HE IS TRANSFERRING FOR THE MINIMUM
46 PERIOD NECESSARY TO QUALIFY FOR A MONTHLY RETIREMENT ALLOWANCE OR
47 BENEFIT; TO PROVIDE THAT RETIRED MEMBERS OF THE HIGHWAY PATROL
48 RETIREMENT SYSTEM WHO ARE REEMPLOYED AND WHO PREVIOUSLY QUALIFIED
49 FOR A COST OF LIVING ALLOWANCE SHALL BE ELIGIBLE IMMEDIATELY FOR
50 THE COST OF LIVING ALLOWANCE UPON A LATER RETIREMENT; TO AMEND
51 SECTIONS 21-29-45, 21-29-145, 21-29-147 AND 21-29-255, MISSISSIPPI

52 CODE OF 1972, IN CONFORMITY TO THE PROVISIONS OF THIS ACT; AND FOR
53 RELATED PURPOSES.

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

55 **SECTION 1.** The following provision shall be codified as
56 Section 21-29-327, Mississippi Code of 1972:

57 21-29-327. Any municipality that has established a
58 retirement fund or disability and relief fund under Articles 1, 3
59 and 5 of this chapter shall be assessed interest on delinquent
60 payments as determined by the Board of Trustees of the Public
61 Employees' Retirement System in accordance with rules and
62 regulations adopted by the board of trustees. Any delinquent
63 payments, assessed interest and any other amount certified by the
64 board of trustees as owed by the municipality may be recovered by
65 action in a court of competent jurisdiction against the
66 municipality or may, upon due certification of delinquency and at
67 the request of the board of trustees, be deducted from any other
68 monies payable to the municipality by any department or agency of
69 the state.

70 **SECTION 2.** The following provision shall be codified as
71 Section 21-29-329, Mississippi Code of 1972:

72 21-29-329. (1) Any municipality that has established a
73 retirement fund or disability and relief fund under the provisions
74 of Article 1, 3 or 5 of this chapter, shall be authorized to adopt
75 a resolution to allow those spouses who are receiving retirement
76 benefits under the provisions of those articles, to continue to
77 receive the spouse retirement benefits for life even if the spouse
78 remarries. The resolution also may provide that surviving spouses
79 of deceased members who received spouse retirement benefits that
80 were terminated upon remarriage may again receive the spouse
81 retirement benefits from and after making application with the
82 Board of Trustees of the Public Employees' Retirement System to
83 reinstate the benefits. Any reinstatement of spouse retirement
84 benefits shall be prospective only from and after the first of the
85 month following the date of application for reinstatement.

86 (2) The continuation or reinstatement of spouse retirement
87 benefits authorized under this section shall not be continued or
88 reinstated unless all of the following requirements are met:

89 (a) The municipal retirement fund or disability and
90 relief fund is actuarially sound, as shown by the most recent
91 actuarial study required by Section 21-29-27, 21-29-119 or
92 21-29-221;

93 (b) The municipal retirement fund or disability and
94 relief fund will remain actuarially sound if the spouse retirement
95 benefits are continued or reinstated, as shown by a certified
96 statement from the actuarial firm that prepared the most recent
97 actuarial study;

98 (c) The governing authorities of the municipality adopt
99 a resolution requesting the continuation or reinstatement of the
100 spouse retirement benefits as authorized in this section and
101 transmit the resolution to the Board of Trustees of the Public
102 Employees' Retirement System; and

103 (d) If applicable, the surviving spouse makes an
104 application to the Board of Trustees of the Public Employees'
105 Retirement System to reinstate the spouse retirement benefits.

106 **SECTION 3.** Section 25-11-15, Mississippi Code of 1972, is
107 amended as follows:

108 25-11-15. (1) Board of trustees: The general
109 administration and responsibility for the proper operation of the
110 Public Employees' Retirement System and the federal-state
111 agreement and for making effective the provisions of Articles 1
112 and 3 are * * * vested in a board of trustees.

113 (2) The board shall consist of ten (10) trustees, as
114 follows:

115 (a) The State Treasurer;

116 (b) One (1) member who shall be appointed by the
117 Governor for a term of four (4) years, who shall be a member of
118 the system;

119 (c) Two (2) members of the system having at least ten
120 (10) years of creditable service who are state employees who are
121 not * * * employees of the state institutions of higher learning,
122 who shall be elected by members of the system who are employees of
123 state agencies and by members of the Mississippi Highway Safety
124 Patrol Retirement System, but not by employees of the state
125 institutions of higher learning;

126 (d) Two (2) members of the system having at least ten
127 (10) years of creditable service who do not hold office in the
128 legislative or judicial departments of municipal or county
129 government, one (1) of whom shall be an employee of a
130 municipality, instrumentality or juristic entity thereof, who
131 shall be elected by members of the system who are employees of the
132 municipalities, instrumentalities or juristic entities thereof and
133 by members of the municipal systems and the firemen's and
134 policemen's disability and relief funds administered by the board
135 of trustees, and one (1) of whom shall be an employee of a county,
136 instrumentality or juristic entity thereof, who shall be elected
137 by members of the system who are employees of the counties,
138 instrumentalities or juristic entities thereof;

139 (e) One (1) member of the system having at least ten
140 (10) years of creditable service who is an employee of a state
141 institution of higher learning, who shall be elected by members of
142 the system who are employees of the state institutions of higher
143 learning as included in Section 37-101-1. Any member of the board
144 on July 1, 1984, who is an employee of an institution of higher
145 learning shall serve as the member trustee representing the
146 institutions of higher learning until the end of the term for
147 which he was elected;

148 (f) Two (2) retired members who are receiving a
149 retirement allowance from the system, who shall be elected by the
150 retired members or beneficiaries receiving a retirement allowance
151 from the system and by the retired members or beneficiaries of the

152 municipal systems, the firemen's and policemen's disability and
153 relief funds and the Mississippi Highway Safety Patrol Retirement
154 System administered by the board of trustees, to serve for a term
155 of six (6) years under rules and regulations adopted by the board
156 to govern that election; however, any retired member of the board
157 in office on April 19, 1993, shall serve as a retired trustee
158 until the end of the term for which he was elected;

159 (g) One (1) member of the system having at least ten
160 (10) years of creditable service who is an employee of any public
161 school district or junior college or community college district
162 that participates in the system, who shall be elected by the
163 members of the system who are employees of any public school
164 district or junior college or community college district; however,
165 any member of the board on June 30, 1989, who is a certified
166 classroom teacher shall serve as the member representing a
167 classroom teacher until the end of the term for which the member
168 was appointed;

169 (h) In the first election to be held for trustees one
170 (1) member shall be elected for a term of two (2) years, and one
171 (1) member for a term of four (4) years, and one (1) member for a
172 term of six (6) years. Thereafter, their successors shall be
173 elected for terms of six (6) years. All elections shall be held
174 in accordance with rules and regulations adopted by the board to
175 govern those elections and the board shall be the sole judge of
176 all questions arising incident to or connected with the elections.

177 (i) Any person eligible to vote for the election of a
178 member of the board of trustees and who meets the qualifications
179 for the office may seek election to the office and serve if
180 elected. For purposes of determining eligibility to seek office
181 as a member of the board of trustees, the required creditable
182 service in "the system" shall include each system administered by
183 the board of trustees in which the person is a member.

184 The members described above and serving on the board on June
185 30, 1989, shall continue to serve on the board until the
186 expiration of their terms.

187 (3) If a vacancy occurs in the office of a trustee, the
188 vacancy shall be filled for the unexpired term in the same manner
189 as the office was previously filled. However, if the unexpired
190 term is six (6) months or less, an election shall be held to fill
191 the office vacated for the next succeeding full term of office,
192 and the person so elected to fill the next full term shall be
193 appointed by the board to fill the remainder of the unexpired
194 term. Whenever any member who is elected to a position to
195 represent a class of members ceases to be a member of that class,
196 that board member is no longer eligible for membership on the
197 board. The position shall be declared vacant, and the unexpired
198 term shall be filled in the same manner as the office was
199 previously filled.

200 (4) Each trustee shall, within ten (10) days after his
201 appointment or election, take an oath of office as provided by law
202 and, in addition, shall take an oath that he will diligently and
203 honestly administer the affairs of the * * * board, and that he
204 will not knowingly violate or willingly permit to be violated any
205 of the provisions of law applicable to Articles 1 and 3. The oath
206 shall be signed by the member making it, certified by the officer
207 before whom it is taken, and immediately filed in the office of
208 the Secretary of State.

209 (5) Each trustee shall be entitled to one (1) vote. Six (6)
210 members shall constitute a quorum at any meeting of the board, and
211 a majority of those present shall be necessary for a decision.

212 (6) Subject to the limitations of Articles 1 and 3, the
213 board shall establish rules and regulations for the administration
214 of the system created by those articles and for the transaction of
215 its business, and to give force and effect to the provisions of
216 those articles wherever necessary to carry out the intent and

217 purposes of the Legislature. The cited articles are remedial law
218 and shall be liberally construed to accomplish their purposes.

219 (7) Notwithstanding any other law to the contrary, in the
220 event of a natural disaster or other occurrence that results in
221 the failure of the retirement system's computer system or a
222 significant disruption of the normal activities of the retirement
223 system, the executive director of the board, or his deputy, shall
224 be authorized to contract with another entity, governmental or
225 private, during the period of the failure or disruption, for
226 services, commodities, work space and supplies as necessary to
227 carry out the administration of all systems and programs
228 administered by the board. The board shall be authorized to pay
229 the reasonable cost of those services, commodities, work space and
230 supplies. At the meeting of the board next following the
231 execution of a contract authorized under this subsection,
232 documentation of the contract, including a description of the
233 services, commodities, work space or supplies, the price thereof
234 and the nature of the disaster or occurrence, shall be presented
235 to the board and placed on the minutes of the board. Because of
236 their emergency nature, purchases made under this subsection shall
237 not be required to comply with the provisions of Section 31-7-13
238 or any other law governing public purchases.

239 (8) * * * The computer equipment and software owned by the
240 Public Employees' Retirement System are assets of the Trust Fund
241 by virtue of the Constitution, Section 272-A and acquisition and
242 operation thereof shall be under the jurisdiction of the Public
243 Employees' Retirement System.

244 (9) The board shall elect a chairman and shall by a majority
245 vote of all of its members appoint a secretary whose title shall
246 be executive director, who shall serve at the will and pleasure of
247 the board, who shall not be a member of the board of trustees, who
248 shall be entitled to membership in the system, and who shall act
249 as secretary of the board. The board of trustees shall employ

250 such actuarial, clerical and other employees as are required to
251 transact the business of the system, and shall fix the
252 compensation of all employees, subject to the rules and
253 regulations of the State Personnel Board.

254 (10) Each member of the board shall receive as compensation
255 for his services Three Hundred Dollars (\$300.00) per month. All
256 members of the board shall be reimbursed for their necessary
257 traveling expenses, which shall be paid in accordance with the
258 requirements of Section 25-3-41 or other applicable statutes with
259 respect to traveling expenses of state officials and employees on
260 official business. All members of the board shall be entitled to
261 be members of the system and shall be entitled to creditable
262 service for all time served as a member of the board, except for
263 the retired members, who shall not be entitled to be a member of
264 the system and who shall be eligible to receive the retirement
265 allowance and compensation for services from the system while
266 serving as a member of the board.

267 (11) All expenses of the board incurred in the
268 administration of Articles 1 and 3 shall be paid from such funds
269 as may be appropriated by the Legislature for that purpose or from
270 administrative fees collected from political subdivisions or
271 juristic entities of the state. Each political subdivision of the
272 state and each instrumentality of the state or of a political
273 subdivision or subdivisions that submit a plan for approval by the
274 board as provided in Section 25-11-11 shall reimburse the board,
275 for coverage into the administrative expense fund, its pro rata
276 share of the total expense of administering Articles 1 and 3 as
277 provided by regulations of the board.

278 (12) There shall be an investment advisory board to provide
279 advice and counsel to the board of trustees regarding the
280 investment of the funds of the system. The advisory board shall
281 consist of three (3) members, one (1) appointed by the Governor,
282 one (1) appointed by the Lieutenant Governor, and one (1)

283 appointed by the Speaker of the House of Representatives. Each
284 member of the advisory board shall be someone who is not a public
285 employee who has had at least ten (10) years' experience in
286 investment banking or commercial banking or who has had at least
287 ten (10) years' professional experience in managing investments.
288 Each member of the advisory board shall serve for a term
289 concurrent with the term of the appointing authority. Any vacancy
290 on the advisory board shall be filled by appointment of the
291 original appointing authority for the remainder of the unexpired
292 term. Members of the advisory board shall receive no compensation
293 for their services, but shall be reimbursed for their actual and
294 necessary expenses incurred in the performance of their duties, as
295 provided in Section 25-3-41 for state officers and employees. The
296 advisory board shall operate under the rules and regulations of
297 the board of trustees and shall meet at such times as determined
298 by the board of trustees.

299 (13) The Lieutenant Governor may designate two (2) Senators
300 and the Speaker of the House of Representatives may designate two
301 (2) Representatives to attend any meeting of the Board of Trustees
302 of the Public Employees' Retirement System. The appointing
303 authorities may designate alternate members from their respective
304 houses to serve when the regular designees are unable to attend
305 the meetings of the board. The legislative designees shall have
306 no jurisdiction or vote on any matter within the jurisdiction of
307 the board. For attending meetings of the board, the legislators
308 shall receive per diem and expenses, which shall be paid from the
309 contingent expense funds of their respective houses in the same
310 amounts as provided for committee meetings when the Legislature is
311 not in session; however, no per diem and expenses for attending
312 meetings of the board will be paid while the Legislature is in
313 session. No per diem and expenses will be paid except for
314 attending meetings of the board without prior approval of the
315 proper committee in their respective houses.

316 **SECTION 4.** Section 25-11-103, Mississippi Code of 1972, is
317 amended as follows:

318 25-11-103. The following words and phrases as used in
319 Articles 1 and 3, unless a different meaning is plainly required
320 by the context, * * * have the following meanings:

321 (a) "Accumulated contributions" * * * means the sum of
322 all the amounts deducted from the compensation of a member and
323 credited to his individual account in the annuity savings account,
324 together with regular interest * * * as provided in Section
325 25-11-123.

326 (b) "Actuarial cost" * * * means the amount of funds
327 presently required to provide future benefits as determined by the
328 board based on applicable tables and formulas provided by the
329 actuary.

330 (c) "Actuarial equivalent" * * * means a benefit of
331 equal value to the accumulated contributions, annuity or benefit,
332 as the case may be, when computed upon the basis of such mortality
333 tables as * * * adopted by the board of trustees, and regular
334 interest.

335 (d) "Actuarial tables" * * * means such tables of
336 mortality and rates of interest as * * * adopted by the board in
337 accordance with the recommendation of the actuary.

338 (e) "Agency" * * * means any governmental body
339 employing persons in the state service.

340 (f) "Average compensation" * * * means the average of
341 the four (4) highest years of earned compensation reported for an
342 employee in a fiscal or calendar year period, or combination
343 thereof that do not overlap, or the last forty-eight (48)
344 consecutive months of earned compensation reported for an
345 employee. The four (4) years need not be successive or joined
346 years of service. In no case shall the average compensation so
347 determined be in excess of One Hundred Fifty Thousand Dollars
348 (\$150,000.00). In computing the average compensation, any amount

349 lawfully paid in a lump sum for personal leave or major medical
350 leave shall be included in the calculation to the extent that the
351 amount does not exceed an amount that is equal to thirty (30) days
352 of earned compensation and to the extent that it does not cause
353 the employees' earned compensation to exceed the maximum
354 reportable amount specified in Section 25-11-103(k); however, this
355 thirty-day limitation shall not prevent the inclusion in the
356 calculation of leave earned under federal regulations before July
357 1, 1976, and frozen as of that date as referred to in Section
358 25-3-99. Only the amount of lump sum pay for personal leave due
359 and paid upon the death of a member attributable for up to one
360 hundred fifty (150) days shall be used in the deceased member's
361 average compensation calculation in determining the beneficiary's
362 benefits. In computing the average compensation, no amounts shall
363 be used that are in excess of the amount on which contributions
364 were required and paid, and no nontaxable amounts paid by the
365 employer for health or life insurance premiums for the employee
366 shall be used. If any member who is or has been granted any
367 increase in annual salary or compensation of more than eight
368 percent (8%) retires within twenty-four (24) months from the date
369 that the increase becomes effective, then the board shall exclude
370 that part of the increase in salary or compensation that exceeds
371 eight percent (8%) in calculating that member's average
372 compensation for retirement purposes. The board may enforce this
373 provision by rule or regulation. However, increases in
374 compensation in excess of eight percent (8%) per year granted
375 within twenty-four (24) months of the date of retirement may be
376 included in the calculation of average compensation if
377 satisfactory proof is presented to the board showing that the
378 increase in compensation was the result of an actual change in the
379 position held or services rendered, or that the compensation
380 increase was authorized by the State Personnel Board or was
381 increased as a result of statutory enactment, and the employer

382 furnishes an affidavit stating that the increase granted within
383 the last twenty-four (24) months was not contingent on a promise
384 or agreement of the employee to retire. Nothing in Section
385 25-3-31 shall affect the calculation of the average compensation
386 of any member for the purposes of this article. The average
387 compensation of any member who retires before July 1, 1992, shall
388 not exceed the annual salary of the Governor.

389 (g) "Beneficiary" * * * means any person entitled to
390 receive a retirement allowance, an annuity or other benefit as
391 provided by Articles 1 and 3. The term "beneficiary" may also
392 include an organization, estate, trust or entity; however, a
393 beneficiary designated or entitled to receive monthly payments
394 under an optional settlement based on life contingency or pursuant
395 to a statutory monthly benefit may only be a natural person. In
396 the event of the death before retirement of any member whose
397 spouse and/or children are not entitled to a retirement allowance
398 on the basis that the member has less than four (4) years of
399 service credit and/or has not been married for a minimum of one
400 (1) year or the spouse has waived his or her entitlement to a
401 retirement allowance under Section 25-11-114, the lawful spouse of
402 a member at the time of the death of the member shall be the
403 beneficiary of the member unless the member has designated another
404 beneficiary after the date of marriage in writing, and filed that
405 writing in the office of the executive director of the board of
406 trustees. No designation or change of beneficiary shall be made
407 in any other manner.

408 (h) "Board" * * * means the board of trustees provided
409 in Section 25-11-15 to administer the retirement system * * *
410 created under this article.

411 (i) "Creditable service" * * * means "prior service,"
412 "retroactive service" and all lawfully credited unused leave not
413 exceeding the accrual rates and limitations provided in Section
414 25-3-91 et seq., as of the date of withdrawal from service plus

415 "membership service" for which credit is allowable as provided in
416 Section 25-11-109. Except to limit creditable service reported to
417 the system for the purpose of computing an employee's retirement
418 allowance or annuity or benefits provided in this article, nothing
419 in this paragraph shall limit or otherwise restrict the power of
420 the governing authority of a municipality or other political
421 subdivision of the state to adopt such vacation and sick leave
422 policies as it deems necessary.

423 (j) "Child" means either a natural child of the member,
424 a child that has been made a child of the member by applicable
425 court action before the death of the member, or a child under the
426 permanent care of the member at the time of the latter's death,
427 which permanent care status shall be determined by evidence
428 satisfactory to the board.

429 (k) "Earned compensation" * * * means the full amount
430 earned by an employee for a given pay period including any
431 maintenance furnished up to a maximum of One Hundred Fifty
432 Thousand Dollars (\$150,000.00) per year, and proportionately for
433 less than one (1) year of service. The value of that maintenance
434 when not paid in money shall be fixed by the employing state
435 agency, and, in case of doubt, by the board of trustees as defined
436 in Section 25-11-15. Earned compensation shall not include any
437 nontaxable amounts paid by the employer for health or life
438 insurance premiums for an employee. In any case, earned
439 compensation shall be limited to the regular periodic compensation
440 paid, exclusive of litigation fees, bond fees, and other similar
441 extraordinary nonrecurring payments. In addition, any member in a
442 covered position, as defined by Public Employees' Retirement
443 System laws and regulations, who is also employed by another
444 covered agency or political subdivision shall have the earnings of
445 that additional employment reported to the Public Employees'
446 Retirement System regardless of whether the additional employment
447 is sufficient in itself to be a covered position. In addition,

448 computation of earned compensation shall be governed by the
449 following:

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

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

458 (iii) In the case of members of the State
459 Legislature, all remuneration or amounts paid, except mileage
460 allowance, shall apply.

461 (iv) The amount by which an eligible employee's
462 salary is reduced under a salary reduction agreement authorized
463 under Section 25-17-5 shall be included as earned compensation
464 under this paragraph, provided this inclusion does not conflict
465 with federal law, including federal regulations and federal
466 administrative interpretations under the federal law, pertaining
467 to the Federal Insurance Contributions Act or to Internal Revenue
468 Code Section 125 cafeteria plans.

469 (v) Compensation in addition to an employee's base
470 salary that is paid to the employee under the vacation and sick
471 leave policies of a municipality or other political subdivision of
472 the state that employs him that exceeds the maximums authorized by
473 Section 25-3-91 et seq. shall be excluded from the calculation of
474 earned compensation under this article.

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

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

480 (1) "Employee" means any person legally occupying a
481 position in the state service, and shall include the employees of
482 the retirement system created under this article.

483 (m) "Employer" * * * means the State of Mississippi or
484 any of its departments, agencies or subdivisions from which any
485 employee receives his compensation.

486 (n) "Executive director" * * * means the secretary to
487 the board of trustees, as provided in Section 25-11-15(9), and the
488 administrator of the Public Employees' Retirement System and all
489 systems under the management of the board of trustees. Wherever
490 the term "Executive Secretary of the Public Employees' Retirement
491 System" or "executive secretary" appears in this article or in any
492 other provision of law, it shall be construed to mean the
493 Executive Director of the Public Employees' Retirement System.

494 (o) "Fiscal year" * * * means the period beginning on
495 July 1 of any year and ending on June 30 of the next succeeding
496 year.

497 (p) "Medical board" * * * means the board of physicians
498 or any governmental or nongovernmental disability determination
499 service designated by the board of trustees that is qualified to
500 make disability determinations as provided for in Section
501 25-11-119.

502 (q) "Member" * * * means any person included in the
503 membership of the system as provided in Section 25-11-105.

504 (r) "Membership service" * * * means service as an
505 employee rendered while a member of the retirement system.

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

513 coverage in the Public Employees' Retirement System based on the
514 position held, whether the employee is or becomes eligible for
515 coverage in the Public Employees' Retirement System based upon any
516 other employment in a covered agency or political subdivision. If
517 or when the employee meets the eligibility criteria for coverage
518 in the other position, then the employer must withhold
519 contributions and report wages from the noncovered position in
520 accordance with the provisions for reporting of earned
521 compensation. Failure to deduct and report those contributions
522 shall not relieve the employee or employer of liability thereof.
523 The board shall adopt such rules and regulations as necessary to
524 implement and enforce this provision.

525 (t) "Prior service" * * * means service rendered before
526 February 1, 1953, for which credit is allowable under Sections
527 25-11-105 and 25-11-109, and which shall allow prior service for
528 any person who is now or becomes a member of the Public Employees'
529 Retirement System and who does contribute to the system for a
530 minimum period of four (4) years.

531 (u) "Regular interest" * * * means interest compounded
532 annually at such a rate as * * * determined by the board in
533 accordance with Section 25-11-121.

534 (v) "Retirement allowance" * * * means an annuity for
535 life as provided in this article, payable each year in twelve (12)
536 equal monthly installments beginning as of the date fixed by the
537 board. The retirement allowance shall be calculated in accordance
538 with Section 25-11-111. However, any spouse who received a spouse
539 retirement benefit in accordance with Section 25-11-111(d) before
540 March 31, 1971, and those benefits were terminated because of
541 eligibility for a social security benefit, may again receive his
542 spouse retirement benefit from and after making application with
543 the board of trustees to reinstate the spouse retirement benefit.

544 (w) "Retroactive service" * * * means service rendered
545 after February 1, 1953, for which credit is allowable under
546 Section 25-11-105(b) and Section 25-11-105(k).

547 (x) "System" * * * means the Public Employees'
548 Retirement System of Mississippi established and described in
549 Section 25-11-101.

550 (y) "State" * * * means the State of Mississippi or any
551 political subdivision thereof or instrumentality of the state.

552 (z) "State service" * * * means all offices and
553 positions of trust or employment in the employ of the state, or
554 any political subdivision or instrumentality of the state, that
555 elect to participate as provided by Section 25-11-105(f),
556 including the position of elected or fee officials of the counties
557 and their deputies and employees performing public services or any
558 department, independent agency, board or commission thereof,
559 and * * * also includes all offices and positions of trust or
560 employment in the employ of joint state and federal agencies
561 administering state and federal funds and service rendered by
562 employees of the public schools. Effective July 1, 1973, all
563 nonprofessional public school employees, such as bus drivers,
564 janitors, maids, maintenance workers and cafeteria employees,
565 shall have the option to become members in accordance with Section
566 25-11-105(b), and shall be eligible to receive credit for services
567 before July 1, 1973, provided that the contributions and interest
568 are paid by the employee in accordance with that section; in
569 addition, the county or municipal separate school district may pay
570 the employer contribution and pro rata share of interest of the
571 retroactive service from available funds. From and after July 1,
572 1998, retroactive service credit shall be purchased at the
573 actuarial cost in accordance with Section 25-11-105(b).

574 (aa) "Withdrawal from service" or "termination from
575 service" * * * means complete severance of employment in the state
576 service of any member by resignation, dismissal or discharge.

577 (bb) The masculine pronoun, wherever used, * * *
578 includes the feminine pronoun.

579 **SECTION 5.** Section 25-11-105, Mississippi Code of 1972, is
580 amended as follows:

581 25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

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

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

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

600 (b) All persons who * * * become employees in the state
601 service after January 31, 1953, except those specifically excluded
602 or as to whom election is provided in Articles 1 and 3, unless
603 they * * * file with the board before the lapse of sixty (60) days
604 of employment or sixty (60) days after the effective date of the
605 cited articles, whichever is later, on a form prescribed by the
606 board, a notice of election not to be covered by the membership of
607 the retirement system and a duly executed waiver of all present
608 and prospective benefits that would otherwise inure to them on
609 account of their participation in the system, shall become members

610 of the retirement system; however, no credit for prior service
611 will be granted to members until they have contributed to Article
612 3 of the retirement system for a minimum period of at least four
613 (4) years. Those members shall receive credit for services
614 performed before January 1, 1953, in employment now covered by
615 Article 3, but no credit shall be granted for retroactive services
616 between January 1, 1953, and the date of their entry into the
617 retirement system, unless the employee pays into the retirement
618 system both the employer's and the employee's contributions on
619 wages paid him during the period from January 31, 1953, to the
620 date of his becoming a contributing member, together with interest
621 at the rate determined by the board of trustees. Members
622 reentering after withdrawal from service shall qualify for prior
623 service under the provisions of Section 25-11-117. From and after
624 July 1, 1998, upon eligibility as noted above, the member may
625 receive credit for such retroactive service provided:

626 (1) The member shall furnish proof satisfactory to
627 the board of trustees of certification of that service from the
628 covered employer where the services were performed; and

629 (2) The member shall pay to the retirement system
630 on the date he or she is eligible for that credit or at any time
631 thereafter before the date of retirement the actuarial cost for
632 each year of that creditable service. The provisions of this
633 subparagraph (2) shall be subject to the limitations of Section
634 415 of the Internal Revenue Code and regulations promulgated under
635 Section 415.

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

640 (c) All persons who * * * become employees in the state
641 service after January 31, 1953, and who are eligible for
642 membership in any other retirement system shall become members of

643 this retirement system as a condition of their employment, unless
644 they elect at the time of their employment to become a member of
645 that other system.

646 (d) All persons who are employees in the state service
647 on January 31, 1953, and who are members of any nonfunded
648 retirement system operated by the State of Mississippi, or any of
649 its departments or agencies, shall become members of this system
650 with prior service credit unless, before February 1, 1953,
651 they * * * file a written notice with the board of trustees that
652 they do not elect to become members.

653 (e) All persons who are employees in the state service
654 on January 31, 1953, and who under existing laws are members of
655 any fund operated for the retirement of employees by the State of
656 Mississippi, or any of its departments or agencies, shall not be
657 entitled to membership in this retirement system unless, before
658 February 1, 1953, any such person * * * indicates by a notice
659 filed with the board, on a form prescribed by the board, his
660 individual election and choice to participate in this system, but
661 no such person shall receive prior service credit unless he
662 becomes a member on or before February 1, 1953.

663 (f) Each political subdivision of the state and each
664 instrumentality of the state or a political subdivision, or both,
665 is * * * authorized to submit, for approval by the board of
666 trustees, a plan for extending the benefits of this article to
667 employees of any such political subdivision or instrumentality.
668 Each such plan or any amendment to the plan for extending benefits
669 thereof shall be approved by the board of trustees if it finds
670 that the plan, or the plan as amended, is in conformity with such
671 requirements as are provided in Articles 1 and 3; however, upon
672 approval of the plan or any such plan previously approved by the
673 board of trustees, the approved plan shall not be subject to
674 cancellation or termination by the political subdivision or
675 instrumentality, except that any community hospital serving a

676 municipality that joined the Public Employees' Retirement System
677 as of November 1, 1956, to offer social security coverage for its
678 employees and subsequently extended retirement annuity coverage to
679 its employees as of December 1, 1965, may, upon documentation of
680 extreme financial hardship, have future retirement annuity
681 coverage cancelled or terminated at the discretion of the board of
682 trustees. No such plan shall be approved unless:

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

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

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

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

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

708 may be provided by regulations of the board and as may be
709 consistent with applicable federal law.

710 A. The board of trustees shall not finally
711 refuse to approve a plan submitted under paragraph (f), and shall
712 not terminate an approved plan without reasonable notice and
713 opportunity for hearing to each political subdivision or
714 instrumentality affected by the board's decision. The board's
715 decision in any such case shall be final, conclusive and binding
716 unless an appeal is taken by the political subdivision or
717 instrumentality aggrieved by the decision to the Circuit Court of
718 Hinds County, Mississippi, in accordance with the provisions of
719 law with respect to civil causes by certiorari.

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

727 C. Every political subdivision or
728 instrumentality required to make payments under paragraph (f)(5)B
729 of this section is authorized, in consideration of the employees'
730 retention in or entry upon employment after enactment of Articles
731 1 and 3, to impose upon its employees, as to services that are
732 covered by an approved plan, a contribution with respect to wages
733 (as defined in Section 25-11-5) not exceeding the amount provided
734 in Section 25-11-123(d) if those services constituted employment
735 within the meaning of Articles 1 and 3, and to deduct the amount
736 of the contribution from the wages as and when paid.
737 Contributions so collected shall be paid into the contribution
738 fund as partial discharge of the liability of the political
739 subdivisions or instrumentalities under paragraph (f)(5)B of this

740 section. Failure to deduct the contribution shall not relieve the
741 employee or employer of liability for the contribution.

742 D. Any state agency, school, political
743 subdivision, instrumentality or any employer that is required to
744 submit contribution payments or wage reports under any section of
745 this chapter shall be assessed interest on delinquent payments or
746 wage reports as determined by the board of trustees in accordance
747 with rules and regulations adopted by the board and delinquent
748 payments, assessed interest and any other amount certified by the
749 board as owed by an employer, may be recovered by action in a
750 court of competent jurisdiction against the reporting agency
751 liable therefor or may, upon due certification of delinquency and
752 at the request of the board of trustees, be deducted from any
753 other monies payable to the reporting agency by any department or
754 agency of the state.

755 E. Each political subdivision of the state
756 and each instrumentality of the state or a political subdivision
757 or subdivisions that submit a plan for approval of the board, as
758 provided in this section, shall reimburse the board for coverage
759 into the expense account, its pro rata share of the total expense
760 of administering Articles 1 and 3 as provided by regulations of
761 the board.

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

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

772 becomes a member before July 1, 1953, except as provided in
773 paragraph (b).

774 (i) If any member of this system * * * changes his
775 employment to any agency of the state having an actuarially funded
776 retirement system, the board of trustees may authorize the
777 transfer of the member's creditable service and of the present
778 value of the member's employer's accumulation account and of the
779 present value of the member's accumulated membership contributions
780 to that other system, provided that the employee agrees to the
781 transfer of his accumulated membership contributions and provided
782 that the other system is authorized to receive and agrees to make
783 the transfer.

784 If any member of any other actuarially funded system
785 maintained by an agency of the state changes his employment to an
786 agency covered by this system, the board of trustees may authorize
787 the receipt of the transfer of the member's creditable service and
788 of the present value of the member's employer's accumulation
789 account and of the present value of the member's accumulated
790 membership contributions from the other system, provided that the
791 employee agrees to the transfer of his accumulated membership
792 contributions to this system and provided that the other system is
793 authorized and agrees to make the transfer.

794 (j) Wherever * * * state employment is referred to in
795 this section, it * * * includes joint employment by state and
796 federal agencies of all kinds.

797 (k) Employees of a political subdivision or
798 instrumentality who were employed by the political subdivision or
799 instrumentality before an agreement between the entity and the
800 Public Employees' Retirement System to extend the benefits of this
801 article to its employees, and which agreement provides for the
802 establishment of retroactive service credit, and who have been
803 members of the retirement system and have remained contributors to
804 the retirement system for four (4) years, may receive credit for

805 that retroactive service with the political subdivision or
806 instrumentality, provided that the employee and/or employer, as
807 provided under the terms of the modification of the joinder
808 agreement in allowing that coverage, pay into the retirement
809 system the employer's and employee's contributions on wages paid
810 the member during the previous employment, together with interest
811 or actuarial cost as determined by the board covering the period
812 from the date the service was rendered until the payment for the
813 credit for the service was made. Those wages shall be verified by
814 the Social Security Administration or employer payroll records.
815 Effective July 1, 1998, upon eligibility as noted above, a member
816 may receive credit for that retroactive service with the political
817 subdivision or instrumentality provided:

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

823 (2) The member shall pay to the retirement system
824 on the date he or she is eligible for that credit or at any time
825 thereafter before the date of retirement the actuarial cost for
826 each year of that creditable service. The provisions of this
827 subparagraph (2) shall be subject to the limitations of Section
828 415 of the Internal Revenue Code and regulations promulgated under
829 Section 415.

830 Nothing contained in this paragraph (k) shall be construed to
831 limit the authority of the board to allow the correction of
832 reporting errors or omissions based on the payment of employee and
833 employer contributions plus applicable interest. Payment for that
834 time shall be made in increments of not less than one-quarter
835 (1/4) year of creditable service beginning with the most recent
836 service. Upon the payment of all or part of the required
837 contributions, plus interest or the actuarial cost as provided

838 above, the member shall receive credit for the period of
839 creditable service for which full payment has been made to the
840 retirement system.

841 (l) Through June 30, 1998, any state service eligible
842 for retroactive service credit, no part of which has ever been
843 reported, and requiring the payment of employee and employer
844 contributions plus interest, or, from and after July 1, 1998, any
845 state service eligible for retroactive service credit, no part of
846 which has ever been reported to the retirement system, and
847 requiring the payment of the actuarial cost for that creditable
848 service, may, at the member's option, be purchased in quarterly
849 increments as provided above at the time that its purchase is
850 otherwise allowed.

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

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

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

858 (a) Patient or inmate help in state charitable, penal
859 or correctional institutions;

860 (b) Students of any state educational institution
861 employed by any agency of the state for temporary, part-time or
862 intermittent work;

863 (c) Participants of Comprehensive Employment and
864 Training Act of 1973 (CETA) being Public Law 93-203, who enroll on
865 or after July 1, 1979;

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

870 **III. TERMINATION OF MEMBERSHIP**

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

875 **SECTION 6.** Section 25-11-114, Mississippi Code of 1972, is
876 amended as follows:

877 25-11-114. (1) The applicable benefits provided in
878 subsections (2) and (3) of this section shall be paid to eligible
879 beneficiaries of any member who has completed four (4) or more
880 years of creditable service and who dies before retirement and who
881 has not filed a Pre-Retirement Optional Retirement Form as
882 provided in Section 25-11-111.

883 (2) (a) The member's surviving spouse who has been married
884 to the member for not less than one (1) year immediately preceding
885 his death shall receive an annuity computed in accordance with
886 paragraph (d) of this subsection (2) as if the member:

887 (i) Had retired on the date of his death with
888 entitlement to an annuity provided for in Section 25-11-111,
889 notwithstanding that he might not have attained age sixty (60) or
890 acquired twenty-five (25) years of creditable service;

891 (ii) Had nominated his spouse as beneficiary; and

892 (b) If, at the time of the member's death, there are no
893 dependent children, and the surviving spouse, who otherwise would
894 receive the annuity under this subsection (2), has filed with the
895 system a signed written waiver of his or her rights to the annuity
896 and that waiver was in effect at the time of the member's death, a
897 lump sum distribution of the deceased member's accumulated
898 contributions shall be refunded in accordance with Section
899 25-11-117.

900 (c) The spouse annuity shall begin on the first day of
901 the month following the date of the member's death, but in case of
902 late filing, retroactive payments will be made for a period of not
903 more than one (1) year.

904 (d) The spouse annuity shall be payable for life and
905 shall be the greater of twenty percent (20%) of the deceased
906 member's average compensation as defined in Section 25-11-103 at
907 the time of death or Fifty Dollars (\$50.00) monthly. Surviving
908 spouses of deceased members who previously received spouse
909 retirement benefits under this paragraph (d) from and after July
910 1, 1992, and whose benefits were terminated before July 1, 2004,
911 because of remarriage, may again receive the retirement benefits
912 authorized under this paragraph (d) by making application with the
913 board to reinstate those benefits. Any reinstatement of the
914 benefits shall be prospective only and shall begin after the first
915 of the month following the date of the application for
916 reinstatement, but no earlier than July 1, 2004.

917 (e) However, the spouse may elect by an irrevocable
918 agreement on a form prescribed by the board of trustees to receive
919 a monthly allowance as computed under either paragraph (d) or this
920 paragraph. The irrevocable agreement shall constitute a waiver by
921 the spouse to any current and future monthly allowance under the
922 paragraph not elected, and the waiver shall be a complete and full
923 discharge of all obligations of the retirement system under that
924 paragraph.

925 Any member who has completed four (4) or more years of
926 creditable service and who dies before retirement and leaves a
927 spouse who has been married to the member for not less than one
928 (1) year immediately preceding his death and has not exercised any
929 other option shall be deemed to have exercised Option 2 under
930 Section 25-11-115 for the benefit of his spouse, which spouse
931 shall be paid Option 2 settlement benefits under this article
932 beginning on the first of the month following the date of death,
933 but in case of late filing, retroactive payments will be made for
934 a period of not more than one (1) year. The method of calculating
935 the retirement benefits shall be on the same basis as provided in
936 Section 25-11-111(d). However, if the member dies before being

937 qualified for full unreduced benefits, then the benefits shall be
938 reduced by three percent (3%) per year for the lesser of either
939 the years of service or age required for full unreduced benefits
940 in Section 25-11-111(d).

941 (3) (a) Subject to the maximum limitation provided in this
942 paragraph, the member's dependent children each shall receive an
943 annuity of the greater of ten percent (10%) of the member's
944 average compensation as defined in Section 25-11-103 at the time
945 of the death of the member or Fifty Dollars (\$50.00) monthly;
946 however, if there are more than three (3) dependent children, each
947 dependent child shall receive an equal share of a total annuity
948 equal to thirty percent (30%) of the member's average
949 compensation, provided that the total annuity shall not be less
950 than One Hundred Fifty Dollars (\$150.00) per month for all
951 children.

952 (b) A child shall be considered to be a dependent child
953 until marriage, or the attainment of age nineteen (19), whichever
954 comes first; however, this age limitation shall be extended beyond
955 age nineteen (19), but in no event beyond the attainment of age
956 twenty-three (23), as long as the child is a student regularly
957 pursuing a full-time course of resident study or training in an
958 accredited high school, trade school, technical or vocational
959 institute, junior or community college, college, university or
960 comparable recognized educational institution duly licensed by a
961 state. A student child whose birthday falls during the school
962 year (September 1 through June 30) is considered not to reach age
963 twenty-three (23) until the July 1 following the actual
964 twenty-third birthday. A full-time course of resident study or
965 training means a day or evening noncorrespondence course that
966 includes school attendance at the rate of at least thirty-six (36)
967 weeks per academic year or other applicable period with a subject
968 load sufficient, if successfully completed, to attain the
969 educational or training objective within the period generally

970 accepted as minimum for completion, by a full-time day student, of
971 the academic or training program concerned. Any child who is
972 physically or mentally incompetent, as adjudged by either a
973 Mississippi court of competent jurisdiction or by the board, shall
974 receive benefits for as long as the incompetency exists.

975 (c) If there are more than three (3) dependent
976 children, upon a child's ceasing to be a dependent child, his
977 annuity shall terminate and there shall be a redetermination of
978 the amounts payable to any remaining dependent children.

979 (d) Annuities payable under this subsection (3) shall
980 begin the first day of the month following the date of the
981 member's death or in case of late filing, retroactive payments
982 will be made for a period of not more than one (1) year. Those
983 benefits may be paid to a surviving parent or the lawful custodian
984 of a dependent child for the use and benefit of the child without
985 the necessity of appointment as guardian.

986 (4) (a) Death benefits in the line of duty. Regardless of
987 the number of years of the member's creditable service, the spouse
988 and/or the dependent children of an active member who is killed in
989 the line of performance of duty or dies as a direct result of an
990 accident occurring in the line of performance of duty shall
991 qualify, on approval of the board, for a retirement allowance on
992 the first of the month following the date of death, but in the
993 case of late filing, retroactive payments will be made for a
994 period of not more than one (1) year. The spouse shall receive a
995 retirement allowance for life equal to one-half (1/2) of the
996 average compensation as defined in Section 25-11-103. In addition
997 to the retirement allowance for the spouse, or if there is no
998 surviving spouse, the member's dependent child shall receive a
999 retirement allowance in the amount of one-fourth (1/4) of the
1000 member's average compensation as defined in Section 25-11-103;
1001 however, if there are two (2) or more dependent children, each
1002 dependent child shall receive an equal share of a total annuity

1003 equal to one-half (1/2) of the member's average compensation. If
1004 there are more than two (2) dependent children, upon a child's
1005 ceasing to be a dependent child, his annuity shall terminate and
1006 there shall be a redetermination of the amounts payable to any
1007 remaining dependent children. Those benefits shall cease to be
1008 paid for the support and maintenance of each child upon the child
1009 attaining the age of nineteen (19) years; however, the spouse
1010 shall continue to be eligible for the aforesaid retirement
1011 allowance. Those benefits may be paid to a surviving parent or
1012 lawful custodian of the children for the use and benefit of the
1013 children without the necessity of appointment as guardian. Any
1014 spouse who received spouse retirement benefits under this
1015 paragraph (a) from and after April 4, 1984, and whose benefits
1016 were terminated before July 1, 2004, because of remarriage, may
1017 again receive the retirement benefits authorized under this
1018 paragraph (a) by making application with the board to reinstate
1019 those benefits. Any reinstatement of the benefits shall be
1020 prospective only and shall begin after the first of the month
1021 following the date of the application for reinstatement, but not
1022 earlier than July 1, 2004.

1023 (b) A child shall be considered to be a dependent child
1024 until marriage, or the attainment of age nineteen (19), whichever
1025 comes first; however, this age limitation shall be extended beyond
1026 age nineteen (19), but in no event beyond the attainment of age
1027 twenty-three (23), as long as the child is a student regularly
1028 pursuing a full-time course of resident study or training in an
1029 accredited high school, trade school, technical or vocational
1030 institute, junior or community college, college, university or
1031 comparable recognized educational institution duly licensed by a
1032 state. A student child whose birthday falls during the school
1033 year (September 1 through June 30) is considered not to reach age
1034 twenty-three (23) until the July 1 following the actual
1035 twenty-third birthday. A full-time course of resident study or

1036 training means a day or evening noncorrespondence course that
1037 includes school attendance at the rate of at least thirty-six (36)
1038 weeks per academic year or other applicable period with a subject
1039 load sufficient, if successfully completed, to attain the
1040 educational or training objective within the period generally
1041 accepted as minimum for completion, by a full-time day student, of
1042 the academic or training program concerned. Any child who is
1043 physically or mentally incompetent, as adjudged by either a
1044 Mississippi court of competent jurisdiction or by the board, shall
1045 receive benefits for as long as the incompetency exists.

1046 (5) If all the annuities provided for in this section
1047 payable on account of the death of a member terminate before there
1048 has been paid an aggregate amount equal to the member's
1049 accumulated contributions standing to the member's credit in the
1050 annuity savings account at the time of the member's death, the
1051 difference between the accumulated contributions and the aggregate
1052 amount of annuity payments shall be paid to the person that the
1053 member has nominated by written designation duly executed and
1054 filed with the board. If there is no designated beneficiary
1055 surviving at termination of benefits, the difference shall be
1056 payable pursuant to Section 25-11-117.1(1).

1057 (6) Regardless of the number of years of creditable service
1058 upon the application of a member or employer, any active member
1059 who becomes disabled as a direct result of an accident or
1060 traumatic event resulting in a physical injury occurring in the
1061 line of performance of duty, provided that the medical board or
1062 other designated governmental agency after a medical examination
1063 certifies that the member is mentally or physically incapacitated
1064 for the further performance of duty and the incapacity is likely
1065 to be permanent, may be retired by the board of trustees on the
1066 first of the month following the date of filing the application
1067 but in no event shall the retirement allowance begin before the
1068 termination of state service. The retirement allowance shall

1069 equal the allowance on disability retirement as provided in
1070 Section 25-11-113 but shall not be less than fifty percent (50%)
1071 of average compensation.

1072 Permanent and total disability resulting from a
1073 cardiovascular, pulmonary or musculo-skeletal condition that was
1074 not a direct result of a traumatic event occurring in the
1075 performance of duty shall be deemed an ordinary disability. A
1076 mental disability based exclusively on employment duties occurring
1077 on an ongoing basis shall be deemed an ordinary disability.

1078 (7) If the deceased or disabled member has less than four
1079 (4) years of creditable service, the average compensation as
1080 defined in Section 25-11-103 shall be the average of all annual
1081 earned compensation in state service for the purposes of benefits
1082 provided in this section.

1083 (8) In case of death or total and permanent disability under
1084 subsection (4) or subsection (6) of this section and before the
1085 board shall consider any application for a retirement allowance,
1086 the employer must certify to the board that the member's death or
1087 disability was a direct result of an accident or a traumatic event
1088 occurring during and as a result of the performance of the regular
1089 and assigned duties of the employee and that the death or
1090 disability was not the result of the willful negligence of the
1091 employee.

1092 (9) The application for the retirement allowance must be
1093 filed within one (1) year after death of an active member who is
1094 killed in the line of performance of duty or dies as a direct
1095 result of an accident occurring in the line of performance of duty
1096 or traumatic event; but the board of trustees may consider an
1097 application for disability filed after the one-year period if it
1098 can be factually demonstrated to the satisfaction of the board of
1099 trustees that the disability is due to the accident and that the
1100 filing was not accomplished within the one-year period due to a
1101 delayed manifestation of the disability or to circumstances beyond

1102 the control of the member. However, in case of late filing,
1103 retroactive payments will be made for a period of not more than
1104 one (1) year only.

1105 (10) Notwithstanding any other section of this article and
1106 in lieu of any payments to a designated beneficiary for a refund
1107 of contributions under Section 25-11-117, the spouse and/or
1108 children shall be eligible for the benefits payable under this
1109 section, and the spouse may elect, for both the spouse and/or
1110 children, to receive benefits in accordance with either
1111 subsections (2) and (3) or subsection (4) of this section;
1112 otherwise, the contributions to the credit of the deceased member
1113 shall be refunded in accordance with Section 25-11-117.

1114 (11) If the member has previously received benefits from the
1115 system to which he was not entitled and has not repaid in full all
1116 amounts payable by him to the system, the annuity amounts
1117 otherwise provided by this section shall be withheld and used to
1118 effect repayment until the total of the withholdings repays in
1119 full all amounts payable by him to the system.

1120 **SECTION 7.** Section 25-11-137, Mississippi Code of 1972, is
1121 amended as follows:

1122 25-11-137. (1) (a) Any law enforcement officer or fireman
1123 who has been covered under this article or under Section 21-29-101
1124 et seq., Section 21-29-201 et seq., or Section 25-13-1 et seq.,
1125 and who changes his employment from one jurisdiction to another
1126 jurisdiction, or has previously made that change, may elect to
1127 transfer retirement service credit earned while covered under the
1128 retirement system of the former jurisdiction to that of the latter
1129 as provided in this section.

1130 (b) Any * * * law enforcement officer or fireman
1131 transferring as described in paragraph (a) of this subsection and
1132 having paid retirement funds under this article or under Section
1133 21-29-101 et seq., Section 21-29-201 et seq., or Section 25-13-1
1134 et seq., must pay into the retirement system to which he is

1135 transferring the full amount of employee contributions that he
1136 would have paid into that system if he had been a member of that
1137 system for each year of creditable service that is being
1138 transferred, together with regular interest that would have been
1139 earned by that system on those contributions, and he must also
1140 pay, or the system from which he is transferring must pay, into
1141 the system to which he is being transferred, an amount equal to
1142 that which the employer would have paid if he had been a member of
1143 that system for each year transferred, together with regular
1144 interest that would have been earned by that system on those
1145 contributions. The retirement system from which he is being
1146 transferred shall be required to pay into the system to which he
1147 is transferring any funds credited to his account. Any additional
1148 funds that may be required shall be paid by the person being
1149 transferred. Those payments may be made in quarterly increments.
1150 Failure to make these proper adjustment payments will void any
1151 transfer of service credits.

1152 (2) The benefits that are being currently paid by the system
1153 in which the law enforcement officer or fireman has last been a
1154 member, and the requirements for retirement or disability
1155 benefits, shall be those applicable to the officer falling under
1156 the provisions of this section. Any law enforcement officer or
1157 fireman who elects to transfer retirement service credit may
1158 immediately transfer the funds and service as provided for in
1159 subsection (1) of this section; however, the amounts that are
1160 transferred by the law enforcement officer or fireman and his
1161 employer, if applicable, and the service credit related to the
1162 transfer of funds, shall not be used in any benefit calculation or
1163 determination of eligibility for benefits until the person has
1164 remained a contributing member of the retirement system to which
1165 he is transferring for the minimum period necessary to qualify for
1166 a monthly retirement allowance or benefit. Upon the complete
1167 transfer and payment of that credit, all time spent in the covered

1168 law enforcement or fire department service, as noted above, within
1169 and for the State of Mississippi or the political subdivisions
1170 thereof, shall apply to the time required by law necessary to
1171 effect the retirement or disability of the officer.

1172 **SECTION 8.** Section 25-13-12, Mississippi Code of 1972, is
1173 amended as follows:

1174 25-13-12. (1) Any member who is receiving a retirement
1175 allowance for service or disability retirement, or any beneficiary
1176 thereof, who has received a monthly benefit for at least one (1)
1177 full fiscal year, shall be eligible to receive an additional
1178 benefit, on December 1 or July 1 of the year as provided in
1179 subsection (6) or (7) of this section, equal to the sum of:

1180 (a) An amount equal to three percent (3%) of the annual
1181 retirement allowance multiplied by the number of full fiscal years
1182 in retirement before the end of the fiscal year in which the
1183 member reaches age sixty (60) or the age established in the latest
1184 phase that has been implemented under subsection (3) of this
1185 section, plus

1186 (b) An additional amount equal to three percent (3%)
1187 compounded by the number of full fiscal years in retirement
1188 beginning with the fiscal year in which the member reaches age
1189 sixty (60) or the age established in the latest phase that has
1190 been implemented under subsection (3) of this section, multiplied
1191 by the amount of the annual retirement allowance.

1192 (2) The calculation of the beneficiary's additional benefit
1193 provided in this section shall be based on the member's age and
1194 full fiscal years in retirement as if the member had lived.

1195 (3) From and after July 1, 2003, the board shall begin
1196 implementing a reduction in the age at which compounding of the
1197 portion of the additional benefit provided in subsection (1)(b) of
1198 this section will begin, which changes shall be implemented in
1199 phases as set forth in the table in this subsection. The board
1200 shall implement the phases systematically upon July 1 after the

1201 board's actuary certifies that implementation of a phase will not
 1202 cause the unfunded accrued actuarial liability amortization period
 1203 for the retirement system to exceed twenty (20) years. The board
 1204 shall have the exclusive authority to set the assumptions that are
 1205 used in the actuarial valuation in accordance with Section
 1206 25-13-29.

1207 IMPLEMENTATION TABLE FOR AGE OF
 1208 COMPOUNDING THE ADDITIONAL BENEFIT

1209 PHASE	1210 AGE AT WHICH 1211 COMPOUNDING 1212 THE ADDITIONAL 1213 BENEFIT BEGINS
1214 Phase 1	Age 59
1215 Phase 2	Age 58
1216 Phase 3	Age 57
1217 Phase 4	Age 56
1218 Phase 5	Age 55

1219 (4) If a retiree who is receiving a retirement allowance
 1220 that will terminate upon the retiree's death is receiving the
 1221 additional benefit in one (1) payment and dies on or after July 1
 1222 but before December 1, the beneficiary designated on the
 1223 retirement application, if any, shall receive in a single payment
 1224 a fractional part of the additional benefit based on the number of
 1225 months in which a retirement allowance was received during the
 1226 fiscal year. If there is no surviving beneficiary, payment shall
 1227 be made in accordance with Section 25-13-21.1(1). Likewise, if a
 1228 retiree is receiving a retirement allowance that will terminate
 1229 upon the retiree's death in two (2) to six (6) monthly
 1230 installments, any remaining payments of the additional benefit
 1231 will be paid in a lump sum to the beneficiary designated on the
 1232 application, or if none, in accordance with Section 25-13-21.1(1).
 1233 Any similar remaining payments of the additional benefit payable

1234 under this section to a deceased beneficiary who was receiving a
1235 monthly benefit shall be payable in accordance with the provisions
1236 of Section 25-13-21.1(2). If the additional benefit is being
1237 received in one (1) payment each year, the additional benefit
1238 shall be prorated based on the number of months in which a
1239 retirement allowance was received during the fiscal year when (i)
1240 the monthly benefit payable to a beneficiary terminates due to the
1241 expiration of an option, remarriage or cessation of dependent
1242 status or due to the retiree's return to covered employment, and
1243 (ii) the monthly benefit terminates on or after July 1 and before
1244 December 1.

1245 (5) Each retired member or beneficiary thereof who receives
1246 an annual retirement allowance based on the average compensation
1247 for a period of five (5) successive or joined years and who
1248 receives a retirement allowance for the month of June 1986, shall
1249 receive an ad hoc increase of three percent (3%) in such
1250 retirement allowance effective July 1, 1986.

1251 (6) The additional benefit provided in this section shall be
1252 paid in one (1) payment in December of each year to those persons
1253 who are receiving a retirement allowance on December 1 of that
1254 year, unless an election is made under subsection (7) of this
1255 section. The board, in its discretion, may allow a retired member
1256 or a beneficiary thereof who is receiving the additional benefit
1257 in one (1) payment each year to have the additional benefit paid
1258 in monthly installments if the retired member or beneficiary
1259 submits satisfactory documentation that the continued receipt of
1260 the additional benefit in one (1) payment each year will cause a
1261 financial hardship to the retired member or beneficiary.

1262 (7) Retired members or beneficiaries thereof who are
1263 receiving a retirement allowance may elect by an irrevocable
1264 agreement in writing filed in the Office of the Public Employees'
1265 Retirement System no less than thirty (30) days before July 1 of
1266 any year, to begin receiving the additional benefit provided in

1267 this section in twelve (12) equal monthly installments beginning
1268 on July 1 of the year. This irrevocable agreement shall be
1269 binding on the member and subsequent beneficiaries. Payment of
1270 those monthly installments shall not extend beyond the month in
1271 which a retirement allowance is due and payable. Any retired
1272 member or beneficiary thereof who previously elected to receive
1273 the additional annual payment in monthly installments may elect,
1274 upon application on a form prescribed by the board, to have that
1275 payment made in one (1) payment in December of each year. This
1276 written election must be filed in the office of the Public
1277 Employees' Retirement System before June 1, 2003, and shall be
1278 effective for the fiscal year beginning July 1, 2003. The board,
1279 in its discretion, may allow a retired member or a beneficiary
1280 thereof who is receiving the additional benefit in monthly
1281 installments to have the additional benefit paid in one (1)
1282 payment in December of each year if the retired member or
1283 beneficiary submits satisfactory documentation that the continued
1284 receipt of the additional benefit in monthly installments will
1285 cause financial hardship to the retired member or beneficiary.

1286 (8) The additional benefit or benefits provided in this
1287 section are for the fiscal year in which they are paid.

1288 (9) The amount of the additional benefit provided in
1289 subsection (1)(b) of this section is calculated using the
1290 following formula:

1291
$$[(1.03)^n - 1] \times [\text{annual retirement allowance}],$$

1292 where n is the number of full fiscal years in retirement beginning
1293 with the fiscal year in which the member reaches age sixty (60) or
1294 the age established in the latest phase that has been implemented
1295 under subsection (3) of this section.

1296 (10) In the event of death of a retired member or a
1297 beneficiary thereof who is receiving the additional annual payment
1298 in two (2) to six (6) monthly installments under an election made
1299 before July 1, 2002, and who would otherwise be eligible to

1300 receive the additional benefit provided in this section in one (1)
1301 payment in December of the current fiscal year, any remaining
1302 amounts shall be paid in a lump sum to the designated beneficiary.

1303 (11) When a member retires after July 1 and has previously
1304 received a retirement allowance for one or more full fiscal years,
1305 the retired member shall be eligible immediately for the
1306 additional benefit. The additional benefit shall be based on the
1307 current retirement allowance and the number of full fiscal years
1308 in retirement and shall be prorated and paid in monthly
1309 installments based on the number of months a retirement allowance
1310 is paid during the fiscal year.

1311 **SECTION 9.** Section 25-13-13, Mississippi Code of 1972, is
1312 amended as follows:

1313 25-13-13. (1) Upon the death of any highway patrolman who
1314 has retired for service or disability and who has not elected any
1315 other option under Section 25-13-16, his or her spouse shall
1316 receive one-half (1/2) the benefit that he or she was receiving
1317 and each child not having attained his nineteenth birthday shall
1318 receive one-fourth (1/4) of the benefit, but not more than
1319 one-half (1/2) of the benefits shall be paid for the support and
1320 maintenance of two (2) or more children. Upon each child's
1321 attaining the age of nineteen (19) years, the child shall no
1322 longer be eligible for the benefit, and when all of the children
1323 have attained their nineteenth birthday, only the spouse shall be
1324 eligible for one-half (1/2) the amount of the benefit. The spouse
1325 shall continue to be eligible for the benefit in the amount of
1326 fifty percent (50%) of his or her retirement benefit so long as
1327 the spouse may live * * *. Surviving spouses of deceased members
1328 who previously received spouse retirement benefits under this
1329 subsection from and after July 1, 1958, and whose benefits were
1330 terminated before July 1, 2004, because of remarriage, may again
1331 receive the retirement benefits authorized under this subsection
1332 by making application with the board to reinstate the benefits.

1333 Any reinstatement of the benefits shall be prospective only and
1334 shall begin after the first of the month following the date of the
1335 application for reinstatement, but no earlier than July 1, 2004.

1336 (2) Upon the death of any highway patrolman who has served
1337 the minimum retirement period required for eligibility for this
1338 retirement program, his or her spouse and family shall receive all
1339 the benefits payable to the highway patrolman's beneficiaries as
1340 if he or she had retired at the time of his or her death. Those
1341 benefits continue to be paid to the spouse for life. The benefits
1342 are payable on a monthly basis. Surviving spouses of deceased
1343 members who previously received spouse retirement benefits under
1344 this subsection from and after July 1, 1958, and whose benefits
1345 were terminated before July 1, 2004, because of remarriage, may
1346 again receive the retirement benefits authorized under this
1347 subsection by making application with the board to reinstate the
1348 benefits. Any reinstatement of the benefits shall be prospective
1349 only and shall begin after the first of the month following the
1350 date of the application for reinstatement, but no earlier than
1351 July 1, 2004.

1352 (3) The spouse and/or the dependent children of an active
1353 member who is killed in the line of performance of duty or dies as
1354 a direct result of an accident occurring in the line of
1355 performance of duty shall qualify, on approval of the board, for a
1356 retirement allowance on the first of the month following the date
1357 of death, but not before receipt of application by the board. The
1358 spouse shall receive a retirement allowance equal to one-half
1359 (1/2) of the average compensation of the deceased highway
1360 patrolman. In addition to the retirement allowance for the
1361 spouse, or if there is no surviving spouse, a retirement allowance
1362 shall be paid in the amount of one-fourth (1/4) of the average
1363 compensation for the support and maintenance of one (1) child or
1364 in the amount of one-half (1/2) of the average compensation for
1365 the support and maintenance of two (2) or more children. Those

1366 benefits shall cease to be paid for the support and maintenance of
1367 each child upon the child attaining the age of nineteen (19)
1368 years; however, the spouse shall continue to be eligible for the
1369 aforesaid retirement allowance. Benefits may be paid to a
1370 surviving parent or lawful custodian of the children for the use
1371 and benefit of the children without the necessity of appointment
1372 as guardian. The retirement allowance shall continue to be paid
1373 to the spouse for life. Surviving spouses of deceased members who
1374 previously received spouse retirement benefits under this
1375 subsection from and after July 1, 1958, and whose benefits were
1376 terminated before July 1, 2004, because of remarriage, may again
1377 receive the retirement benefits authorized under this subsection
1378 by making application with the board to reinstate the benefits.
1379 Any reinstatement of the benefits shall be prospective only and
1380 shall begin after the first of the month following the date of the
1381 application for reinstatement, but no earlier than July 1, 2004.

1382 (4) All benefits accruing to any child under the provisions
1383 of this chapter shall be paid to the parent custodian of the
1384 children or the legal guardian.

1385 (5) Children receiving the benefits provided in this section
1386 who are permanently or totally disabled shall continue to receive
1387 the benefits for as long as the medical board or other designated
1388 governmental agency certifies that the disability continues. The
1389 age limitation for benefits payable to a child under any provision
1390 of this section shall be extended beyond age nineteen (19), but in
1391 no event beyond the attainment of age twenty-three (23), as long
1392 as the child is a student regularly pursuing a full-time course of
1393 resident study or training in an accredited high school, trade
1394 school, technical or vocational institute, junior or community
1395 college, college, university or comparable recognized educational
1396 institution duly licensed by a state. A student child whose
1397 birthday falls during the school year (September 1 through June
1398 30) is considered not to reach age twenty-three (23) until the

1399 July 1 following the actual twenty-third birthday. A full-time
1400 course of resident study or training means a day or evening
1401 noncorrespondence course that includes school attendance at the
1402 rate of at least thirty-six (36) weeks per academic year or other
1403 applicable period with a subject load sufficient, if successfully
1404 completed, to attain the educational or training objective within
1405 the period generally accepted as minimum for completion, by a
1406 full-time day student, of the academic or training program
1407 concerned.

1408 (6) If all the annuities provided for in this section
1409 payable on the account of the death of a member terminate before
1410 there has been paid an aggregate amount equal to the member's
1411 accumulated contributions standing to the member's credit in the
1412 annuity savings account at the time of the member's death, the
1413 difference between the accumulated contributions and the aggregate
1414 amount of annuity payments shall be paid to the person as the
1415 member has nominated by written designation duly executed and
1416 filed with the board of trustees in the office of the Public
1417 Employees' Retirement System. If there is no designated
1418 beneficiary surviving at termination of benefits, the difference
1419 shall be payable pursuant to Section 25-13-21.1(1).

1420 (7) All benefits paid to a spouse or child due to the death
1421 of a member before or after retirement shall be paid in accordance
1422 with the statutory provisions set forth as of the date of death.

1423 **SECTION 10.** Section 21-29-45, Mississippi Code of 1972, is
1424 amended as follows:

1425 **[For any municipality that has not elected to authorize the**
1426 **continuation of or reinstatement of spouse retirement benefits**
1427 **under the provisions of Section 21-29-329, this section shall read**
1428 **as follows:]**

1429 21-29-45. Upon proper application to the general retirement
1430 board, the benefits to dependents of deceased members and
1431 retirants shall be paid as follows:

1432 (a) If any member dies for causes other than the
1433 performance of duty in the service of the municipality before
1434 completing five (5) years' service, there shall be paid to his or
1435 her designated beneficiary or his or her legal representative, if
1436 no beneficiary has been designated, from the employees' savings
1437 fund the sum equal to the amount accumulated in his or her
1438 individual account.

1439 (b) If any member dies who has not had less than five
1440 (5) and not more than twenty (20) years' service with the
1441 municipality, there shall be paid to the spouse, from the
1442 retirement reserve fund, for each year's active service, not to
1443 exceed a period of twenty (20) years, one-fortieth (1/40) of the
1444 average monthly salary or compensation received by the member in
1445 the four-year or two-year period, as the case may be, next
1446 preceding the death, for the use of the spouse and the child or
1447 children of the deceased member under the age of eighteen (18)
1448 years, so long as the spouse remains unmarried. If, after the
1449 marriage of the spouse, there remains a child or children of the
1450 deceased member under the age of eighteen (18) years, the payments
1451 shall continue to be made to a parent or lawful custodian of the
1452 child or children without the necessity of appointment as guardian
1453 for the benefit of the child or children, so long as the child or
1454 children are under the age of eighteen (18) years. After the
1455 death or marriage of the spouse, all payments to the spouse shall
1456 cease, and after the death or attainment of eighteen (18) years of
1457 any child or children of the deceased, all payments to the child
1458 or children over eighteen (18) years of age shall cease. If the
1459 deceased member is not survived by a spouse or child or children
1460 under the age of eighteen (18) years, but is survived by a
1461 father * * * or a mother dependent upon him or her, the payments
1462 shall continue to be made to the dependent father or mother, or
1463 both, so long as each lives. The word "dependent," as used in

1464 this section, shall mean "wholly dependent," as determined by the
1465 retirement board.

1466 (c) If any member dies after having completed twenty
1467 (20) years' service as required by Section 21-29-31, or if any
1468 retirant dies, there shall be paid from the retirement reserve
1469 fund to the spouse or the dependents designated in paragraph (b)
1470 of this section, the amount of benefits or retirement pay equal to
1471 the sum being paid to the deceased member or retirant, or which
1472 would have been paid to the deceased member or retirant if he or
1473 she had applied for benefits under this section, on the date of
1474 his or her death.

1475 (d) If any member dies before becoming eligible to
1476 receive benefits under this article as a result of the performance
1477 of duty to the municipality, there shall be paid to the spouse or
1478 dependents designated in paragraph (b) of this section from the
1479 retirement reserve fund, an amount equal to fifty percent (50%) of
1480 the monthly salary of the deceased member on the date of his or
1481 her death. This amount shall be paid to the same beneficiaries
1482 and for the same period of time as those beneficiaries and periods
1483 of time set forth in paragraph (b) of this section.

1484 **[For any municipality that has elected to authorize the**
1485 **continuation of or reinstatement of spouse retirement benefits**
1486 **under the provisions of Section 21-29-329, this section shall read**
1487 **as follows:]**

1488 21-29-45. Upon proper application to the general retirement
1489 board, the benefits to dependents of deceased members and
1490 retirants shall be paid as follows:

1491 (a) If any member dies for causes other than the
1492 performance of duty in the service of the municipality before
1493 completing five (5) years' service, there shall be paid to his or
1494 her designated beneficiary or his or her legal representative, if
1495 no beneficiary has been designated, from the employees' savings

1496 fund the sum equal to the amount accumulated in his or her
1497 individual account.

1498 (b) If any member dies who has not had less than five
1499 (5) and not more than twenty (20) years' service with the
1500 municipality, there shall be paid to the spouse, from the
1501 retirement reserve fund, for each year's active service, not to
1502 exceed a period of twenty (20) years, one-fortieth (1/40) of the
1503 average monthly salary or compensation received by the member in
1504 the four-year or two-year period, as the case may be, next
1505 preceding the death, for the use of the spouse and the child or
1506 children of the deceased member under the age of eighteen (18)
1507 years, so long as the spouse lives. If, after the death of the
1508 spouse, there remains a child or children of the deceased member
1509 under the age of eighteen (18) years, the payments shall continue
1510 to be made to a parent or lawful custodian of the child or
1511 children without the necessity of appointment as guardian for the
1512 benefit of the child or children, so long as the child or children
1513 are under the age of eighteen (18) years. After the death * * *
1514 of the spouse, all payments to the spouse shall cease, and after
1515 the death or attainment of eighteen (18) years of any child or
1516 children of the deceased member, all payments to the child or
1517 children over eighteen (18) years of age shall cease. If the
1518 deceased member is not survived by a spouse, child or children
1519 under the age of eighteen (18) years, but is survived by a
1520 father * * * or a mother dependent upon him or her, the payments
1521 shall continue to be made to the dependent father or mother, or
1522 both, so long as each lives. The word "dependent," as used in
1523 this section, shall mean "wholly dependent," as determined by the
1524 retirement board.

1525 (c) If any member dies after having completed twenty
1526 (20) years' service as required by Section 21-29-31, or if any
1527 retirant dies, there shall be paid from the retirement reserve
1528 fund to the spouse or the dependents designated in paragraph (b)

1529 of this section, the amount of benefits or retirement pay equal to
1530 the sum being paid to the deceased member or retirant, or which
1531 would have been paid to the deceased member or retirant if he or
1532 she had applied for benefits under this section, on the date of
1533 his or her death.

1534 (d) If any member dies before becoming eligible to
1535 receive benefits under this article as a result of the performance
1536 of duty to the municipality, there shall be paid to the spouse or
1537 dependents designated in paragraph (b) of this section from the
1538 retirement reserve fund, an amount equal to fifty percent (50%) of
1539 the monthly salary of the deceased member on the date of his or
1540 her death. This amount shall be paid to the same beneficiaries
1541 and for the same period of time as those beneficiaries and periods
1542 of time set forth in paragraph (b) of this section.

1543 **SECTION 11.** Section 21-29-145, Mississippi Code of 1972, is
1544 amended as follows:

1545 **[For any municipality that has not elected to authorize the**
1546 **continuation of or reinstatement of spouse retirement benefits**
1547 **under the provisions of Section 21-29-329, this section shall read**
1548 **as follows:]**

1549 21-29-145. (1) If any member of the fire or police
1550 department dies in active service, or dies in inactive service on
1551 account of disability approved for disability relief under the
1552 provisions of Section 21-29-133, as a result of injury received
1553 while in the discharge of duty in the service of the fire
1554 department or police department, or dies as a result of sickness
1555 or disease, due to the discharge of duty while in service as a
1556 member of the fire or police department, or if the member dies
1557 while entitled to relief after retirement under Section 21-29-139,
1558 the amount of disability relief or retirement being paid, or which
1559 should have been properly paid, shall continue to be paid from the
1560 fund to the spouse of the deceased member for the use of the
1561 spouse * * * and the child or children of the deceased member, so

1562 long as the spouse remains unmarried. If, after the marriage of
1563 the spouse, there remains a child or children of the deceased
1564 member, the payments shall continue to be made to a parent or
1565 lawful custodian of the child or children without the necessity of
1566 appointment as guardian for the benefit of the child or children.
1567 After the death or marriage of the spouse, all payments to the
1568 spouse shall cease, and after the death of any child or children
1569 of the deceased member, all payments to the child or children
1570 shall cease. If the deceased member is not survived by spouse or
1571 child or children, but is survived by a father, * * *
1572 mother * * *, or an unmarried sister dependent upon him or her,
1573 the payments shall continue to be made to the dependent father or
1574 mother or both, so long as each lives, or if there is no dependent
1575 father or mother surviving the deceased member, the payments shall
1576 continue to be made to the unmarried dependent sister or dependent
1577 sisters of the deceased, so long as the beneficiary or
1578 beneficiaries * * * remain unmarried. Upon the death or marriage
1579 of any such sister, all payments shall cease to her. Payments to
1580 dependents under this section are for services rendered by the
1581 members of the fire and/or police department, and the amount of
1582 payment is within the discretion of the board of disability and
1583 relief, but in no event shall the amount payable under this
1584 section be in excess of the amount that would have been payable as
1585 disability and relief to a member of the department. If the
1586 father, * * * mother * * *, or * * * sisters are not wholly
1587 dependent, then they shall not receive any amount in excess of the
1588 difference between the income of the father, mother, sister or
1589 sisters, and the amount that the deceased member would have been
1590 entitled to.

1591 (2) For purposes of this section:

1592 (a) * * * "Dependent" means wholly dependent upon the
1593 deceased at the time of his death.

1594 (b) * * * "Child" or "children" means:

1595 (i) Children of the deceased member under the age
1596 of eighteen (18);

1597 (ii) Children of the deceased member eighteen (18)
1598 years of age or older who have not yet reached their twenty-third
1599 birthday and are pursuing a full-time education; or

1600 (iii) Children of the deceased member who, though
1601 eighteen (18) years of age or older, are wholly dependent upon the
1602 deceased member and incapable of self-support by reason of mental
1603 or physical disability.

1604 **[For any municipality that has elected to authorize the**
1605 **continuation of or reinstatement of spouse retirement benefits**
1606 **under the provisions of Section 21-29-329, this section shall read**
1607 **as follows:]**

1608 21-29-145. (1) If any member of the fire or police
1609 department dies in active service, or dies in inactive service on
1610 account of disability approved for disability relief under the
1611 provisions of Section 21-29-133, as a result of injury received
1612 while in the discharge of duty in the service of the fire
1613 department or police department, or dies as a result of sickness
1614 or disease, due to the discharge of duty while in service as a
1615 member of the fire or police department, or if the member dies
1616 while entitled to relief after retirement under Section 21-29-139,
1617 the amount of disability relief or retirement being paid, or which
1618 should have been properly paid, shall continue to be paid from the
1619 fund to the spouse of the deceased member for life for the use of
1620 the spouse * * * and the child or children of the deceased member.
1621 If the deceased member is not survived by a spouse, but there
1622 remains a child or children of the deceased member, the payments
1623 shall continue to be made to a parent or lawful custodian of the
1624 child or children without the necessity of appointment as guardian
1625 for the benefit of the child or children. After the death * * *
1626 of the spouse, all payments to the spouse shall cease, and after
1627 the death of any child or children of the deceased member, all

1628 payments to the child or children shall cease. If the deceased
1629 member is not survived by spouse or child or children, but is
1630 survived by a father, * * * mother * * * or an unmarried sister
1631 dependent upon him or her, the payments shall continue to be made
1632 to the dependent father or mother or both, so long as each lives.
1633 If there is no dependent father or mother surviving the deceased
1634 member, the payments shall continue to be made to the unmarried
1635 dependent sister or * * * sisters of the deceased member, so long
1636 as the beneficiary or beneficiaries * * * remain unmarried. Upon
1637 the death or marriage of any such sister, all payments shall cease
1638 to her. Payments to dependents under this section are for
1639 services rendered by the members of the fire and/or police
1640 department, and the amount of payment is within the discretion of
1641 the board of disability and relief, but in no event shall the
1642 amount payable under this section be in excess of the amount that
1643 would have been payable as disability and relief to a member of
1644 the department. If the father, * * * mother * * * or * * *
1645 sisters are not wholly dependent, then they shall not receive any
1646 amount in excess of the difference between the income of the
1647 father, mother, sister or sisters, and the amount that the
1648 deceased member would have been entitled to.

1649 (2) For the purposes of this section:

1650 (a) * * * "Dependent" means wholly dependent upon the
1651 deceased member at the time of his or her death.

1652 (b) * * * "Child" or "children" means:

1653 (i) Children of the deceased member under the age
1654 of eighteen (18);

1655 (ii) Children of the deceased member who are
1656 eighteen (18) years of age or older who have not yet reached their
1657 twenty-third birthday and are pursuing a full-time education; or

1658 (iii) Children of the deceased member who, though
1659 eighteen (18) years of age or older, are wholly dependent upon the

1660 deceased member and incapable of self-support by reason of mental
1661 or physical disability.

1662 **SECTION 12.** Section 21-29-147, Mississippi Code of 1972, is
1663 amended as follows:

1664 **[For any municipality that has not elected to authorize the**
1665 **continuation of or reinstatement of spouse retirement benefits**
1666 **under the provisions of Section 21-29-329, this section shall read**
1667 **as follows:]**

1668 21-29-147. (1) If any member of a fire or police department
1669 dies while a member of the fire or police department, and * * *
1670 has had not less than five (5) years' service with the department,
1671 there shall be paid from the firemen's and policemen's disability
1672 and relief fund benefits as follows:

1673 (a) For each year's active service, not to exceed a
1674 period of twenty (20) years, one-fortieth (1/40) of the average
1675 monthly salary or compensation received by the member in the
1676 six-month period next preceding his or her death; and

1677 (b) For each full year of active service in excess of
1678 twenty (20) years service, an additional payment in a sum equal to
1679 one and seven-tenths percent (1-7/10%) of the same average monthly
1680 base salary and longevity pay received by the member in the
1681 six-month period next preceding his or her death (provided that no
1682 such payment shall exceed sixty-six and two-thirds percent
1683 (66-2/3%) of the average monthly base salary and longevity pay
1684 received by a member for the six-month period next preceding his
1685 or her death) to the spouse of the deceased member for the use of
1686 the spouse and the child or children of the deceased member under
1687 the age of eighteen (18) years, so long as he or she remains
1688 unmarried, and if, after the marriage of the spouse, there remains
1689 a child or children of the deceased member still under the age of
1690 eighteen (18) years, the payments shall continue to be made to a
1691 parent or lawful custodian of the child or children without the
1692 necessity of appointment as guardian for the benefit of the child

1693 or children, so long as the child or children are under the age of
1694 eighteen (18) years. After the death or marriage of the spouse,
1695 all payments to the spouse shall cease, and after the death or
1696 attainment of the age of eighteen (18) years of any child or
1697 children of the deceased member, all payments to the child or
1698 children over eighteen (18) years of age shall cease. If the
1699 deceased member is not survived by spouse or child or children
1700 under the age of eighteen (18) years, but is survived by a
1701 father, * * * mother * * * or an unmarried sister dependent upon
1702 him or her, the payments shall continue to be made to the
1703 dependent father or mother or both, so long as each lives. If
1704 there is no dependent father or mother surviving the deceased
1705 member, the payments shall continue to be made to the dependent
1706 sister or * * * sisters of the deceased member, or dependent
1707 incurable children of the deceased member, so long as the
1708 beneficiary or beneficiaries * * * remain unmarried. Upon the
1709 death or marriage of any such sisters, all payments shall cease to
1710 her. The word "dependent" as used in this section shall mean
1711 "wholly dependent."

1712 (2) It is the intention of the Legislature that the benefits
1713 authorized by paragraph (b) of subsection (1) of this section,
1714 shall be paid to all qualified and eligible spouses whose deceased
1715 spouses died before March 27, 1978.

1716 **[For any municipality that has elected to authorize the**
1717 **continuation of or reinstatement of spouse retirement benefits**
1718 **under the provisions of Section 21-29-329, this section shall read**
1719 **as follows:]**

1720 21-29-147. (1) If any member of a fire or police department
1721 dies while a member of the fire or police department, and who has
1722 had not less than five (5) years' service with the department,
1723 there shall be paid from the firemen's and policemen's disability
1724 and relief fund benefits as follows:

1725 (a) For each year's active service, not to exceed a
1726 period of twenty (20) years, one-fortieth (1/40) of the average
1727 monthly salary or compensation received by the member in the
1728 six-month period next preceding his or her death; and

1729 (b) For each full year of active service in excess of
1730 twenty (20) years service, an additional payment in a sum equal to
1731 one and seven-tenths percent (1-7/10%) of the same average monthly
1732 base salary and longevity pay received by the member in the
1733 six-month period next preceding his or her death (provided that no
1734 such payment shall exceed sixty-six and two-thirds percent
1735 (66-2/3%) of the average monthly base salary and longevity pay
1736 received by a member for the six-month period next preceding his
1737 or her death) to the spouse of the deceased member for life for
1738 the use of the spouse and the child or children of the deceased
1739 member under the age of eighteen (18) years. If the deceased
1740 member is not survived by a spouse, but there remains a child or
1741 children of the deceased member still under the age of eighteen
1742 (18) years, the payments shall * * * be made to a parent or lawful
1743 custodian of the child or children without the necessity of
1744 appointment as guardian for the benefit of the child or children,
1745 so long as the child or children are under the age of eighteen
1746 (18) years. After the death * * * of the spouse, all payments to
1747 the spouse shall cease, and after the death or attainment of the
1748 age of eighteen (18) years of any child or children of the
1749 deceased member, all payments to the child or children over
1750 eighteen (18) years of age shall cease. If the deceased member is
1751 not survived by spouse or child or children under the age of
1752 eighteen (18) years, but is survived by a father, * * *
1753 mother * * * or an unmarried sister dependent upon him or her, the
1754 payments shall continue to be made to the dependent father or
1755 mother or both, so long as each lives. If there is no dependent
1756 father or mother surviving the deceased member, the payments shall
1757 continue to be made to the dependent sister or * * * sisters of

1758 the deceased member, or dependent incurable children of the
1759 deceased member, so long as the beneficiary or beneficiaries * * *
1760 remain unmarried. Upon the death or marriage of any such sisters,
1761 all payments shall cease to her. The word "dependent" as used in
1762 this section shall mean "wholly dependent."

1763 (2) It is the intention of the Legislature that the benefits
1764 authorized by paragraph (b) of subsection (1) of this section
1765 shall be paid to all qualified and eligible spouses whose deceased
1766 spouses died before March 27, 1978.

1767 **SECTION 13.** Section 21-29-255, Mississippi Code of 1972, is
1768 amended as follows:

1769 **[For any municipality that has not elected to authorize the**
1770 **continuation of or reinstatement of spouse retirement benefits**
1771 **under the provisions of Section 21-29-329, this section shall read**
1772 **as follows:]**

1773 21-29-255. (1) If any member of the fire or police
1774 department dies in active service, or dies in inactive service on
1775 account of disability approved for disability relief under Section
1776 21-29-241, as a result of injury received while in the discharge
1777 of duty in the service of the fire department or police
1778 department, or dies as a result of sickness or disease, due to the
1779 discharge of duty while in service as a member of the fire or
1780 police department, or if the member dies while entitled to relief
1781 after retirement under Section 21-29-245, the amount of disability
1782 relief or retirement relief being paid, or which should have been
1783 properly paid, shall continue to be paid from the fund to the
1784 spouse of the deceased member for the use of the spouse and the
1785 child, or children of the deceased member, so long as the spouse
1786 remains unmarried. If, after the marriage of the spouse, there
1787 remains a child or children of the deceased member, the payments
1788 shall continue to be made to a parent or lawful custodian of the
1789 child or children without the necessity of appointment as guardian
1790 for the benefit of the child or children. After the death or

1791 marriage of the spouse, all payments to the spouse shall cease,
1792 and after the death of any child or children of the deceased, all
1793 payments to the child or children shall cease. If the deceased
1794 member is not survived by a spouse or child or children, but is
1795 survived by a father * * * or a mother dependent upon him or her,
1796 the payments shall continue to be made to the dependent father or
1797 mother, or both, so long as each lives. If there is no dependent
1798 father or mother surviving the deceased member, the payments shall
1799 continue to be made to the unmarried dependent sister or * * *
1800 sisters of the deceased member, so long as the beneficiary or
1801 beneficiaries * * * remain unmarried. Upon the death or marriage
1802 of any such sister, all payments shall cease to her. Payments to
1803 dependents under this section are for services rendered to the
1804 members of the fire and/or police department, and the amount of
1805 payments is within the discretion of the board of disability and
1806 relief, but in no event shall the amount payable under this
1807 section be in excess of the amount that would have been payable as
1808 disability and relief to a member of the department.

1809 If any member of the fire or police department dies while a
1810 member of the fire department or police department, and the member
1811 has not less than five (5) years' service with the department,
1812 there shall be paid from the firemen's and policemen's disability
1813 and relief fund the following benefits:

1814 (a) For each year's active service, not to exceed a
1815 period of twenty (20) years, one-fortieth (1/40) of the average
1816 monthly salary or compensation received by the member in the
1817 six-month period next preceding his or her death; and

1818 (b) For each full year of active service in excess of
1819 twenty (20) years' service, an additional payment in a sum equal
1820 to one and seven-tenths percent (1-7/10%) of the same average
1821 monthly base salary and longevity pay received by the member in
1822 the six-month period next preceding his or her death (provided
1823 that no such payment shall exceed sixty-six and two-thirds percent

1824 (66-2/3%) of the average monthly base salary and longevity pay
1825 received by a member for the six-month period next preceding his
1826 or her death) to the spouse of the deceased member for the use of
1827 the spouse and the child or children of the deceased member, so
1828 long as the spouse remains unmarried and if, after the marriage of
1829 the spouse, there remains a child or children of the deceased
1830 member, the payments shall continue to be made to a parent or
1831 lawful custodian of the child or children without the necessity of
1832 appointment as guardian for the benefit of the child or children,
1833 and after the death or marriage of the spouse, all payments to the
1834 spouse shall cease, and after the death of any child or children
1835 of the deceased member, all payments to the child or children
1836 shall cease. If the deceased member is not survived by a spouse
1837 or child or children, but is survived by a father, * * *
1838 mother * * * or an unmarried sister dependent upon him or her, the
1839 payments shall continue to be made to the dependent father or
1840 mother or both, so long as each lives, or if there is no dependent
1841 father or mother surviving the deceased member, the payments shall
1842 continue to be made to the dependent sister or * * * sisters of
1843 the deceased member, or dependent incurable children, so long as
1844 the beneficiary or beneficiaries * * * remain unmarried. Upon the
1845 death or marriage of any such sisters, all payments shall cease to
1846 her. * * *

1847 (2) For purposes of this section:

1848 (a) * * * "Dependent" means wholly dependent.

1849 (b) * * * "Child" or "children" means:

1850 (i) Children of the deceased member under the age
1851 of eighteen (18);

1852 (ii) Children of the deceased member eighteen (18)
1853 years of age or older who have not yet reached their twenty-third
1854 birthday and are pursuing a full-time education; or

1855 (iii) Children of the deceased member who, though
1856 eighteen (18) years of age or older, are wholly dependent upon the

1857 deceased member and incapable of self-support by reason of mental
1858 or physical disability.

1859 **[For any municipality that has elected to authorize the**
1860 **continuation of or reinstatement of spouse retirement benefits**
1861 **under the provisions of Section 21-29-329, this section shall read**
1862 **as follows:]**

1863 21-29-255. (1) If any member of the fire or police
1864 department dies in active service, or dies in inactive service on
1865 account of disability approved for disability relief under Section
1866 21-29-241, as a result of injury received while in the discharge
1867 of duty in the service of the fire department or police
1868 department, or dies as a result of sickness or disease, due to the
1869 discharge of duty while in service as a member of the fire or
1870 police department, or if the member dies while entitled to relief
1871 after retirement under Section 21-29-245, the amount of disability
1872 relief or retirement relief being paid, or which should have been
1873 properly paid, shall continue to be paid from the fund to the
1874 spouse of the deceased member for life for the use of the spouse
1875 and the child or children of the deceased member. If the deceased
1876 member is not survived by a spouse, but there remains a child or
1877 children of the deceased member, the payments shall continue to be
1878 made to a parent or lawful custodian of the child or children
1879 without the necessity of appointment as guardian for the benefit
1880 of the child or children. After the death * * * of the spouse,
1881 all payments to the spouse shall cease, and after the death of any
1882 child or children of the deceased member, all payments to the
1883 child or children shall cease. If the deceased member is not
1884 survived by a spouse or child or children, but is survived by a
1885 father * * * or a mother dependent upon him or her, the payments
1886 shall continue to be made to the dependent father or mother, or
1887 both, so long as each lives, or if there is no dependent father or
1888 mother surviving the deceased member, the payments shall continue
1889 to be made to the unmarried dependent sister or * * * sisters of

1890 the deceased member, so long as the beneficiary or
1891 beneficiaries * * * remain unmarried. Upon the death or marriage
1892 of any such sister, all payments shall cease to her. Payments to
1893 dependents under this section are for services rendered to the
1894 members of the fire and/or police department, and the amount of
1895 payments is within the discretion of the board of disability and
1896 relief, but in no event shall the amount payable under this
1897 section be in excess of the amount that would have been payable as
1898 disability and relief to a member of the department.

1899 If any member of the fire or police department dies while a
1900 member of the fire department or police department, and the member
1901 has had not less than five (5) years' service with the department,
1902 there shall be paid from the firemen's and policemen's disability
1903 and relief fund the following benefits:

1904 (a) For each year's active service, not to exceed a
1905 period of twenty (20) years, one-fortieth (1/40) of the average
1906 monthly salary or compensation received by the member in the
1907 six-month period next preceding his or her death; and

1908 (b) For each full year of active service in excess of
1909 twenty (20) years service, an additional payment in a sum equal to
1910 one and seven-tenths percent (1-7/10%) of the same average monthly
1911 base salary and longevity pay received by the member in the
1912 six-month period next preceding his or her death (provided that no
1913 such payment shall exceed sixty-six and two-thirds percent
1914 (66-2/3%) of the average monthly base salary and longevity pay
1915 received by a member for the six-month period next preceding his
1916 or her death) to the spouse of the deceased member for the use of
1917 the spouse and the child or children of the deceased member, so
1918 long as the spouse lives and if, after the death of the spouse,
1919 there remains a child or children of the deceased member, the
1920 payments shall continue to be made to a parent or lawful custodian
1921 of the child or children without the necessity of appointment as
1922 guardian for the benefit of the child or children. After the

1923 death * * * of the spouse, all payments to the spouse shall cease,
1924 and after the death of any child or children of the deceased
1925 member, all payments to the child or children shall cease. If the
1926 deceased member is not survived by spouse or child or children,
1927 but is survived by a father, * * * mother * * * or an unmarried
1928 sister dependent upon him or her, the payments shall continue to
1929 be made to the dependent father or mother or both, so long as each
1930 lives, or if there is no dependent father or mother surviving the
1931 deceased member, the payments shall continue to be made to the
1932 dependent sister or * * * sisters of the deceased, or dependent
1933 incurable children, so long as the beneficiary or beneficiaries
1934 remains unmarried. Upon the death or marriage of any such
1935 sisters, all payments shall cease to her. * * *

1936 (2) For the purposes of this section:

1937 (a) * * * "Dependent" means wholly dependent.

1938 (b) * * * "Child" or "children" means:

1939 (i) Children of the deceased member under the age
1940 of eighteen (18);

1941 (ii) Children of the deceased member eighteen (18)
1942 years of age or older who have not yet reached their twenty-third
1943 birthday and are pursuing a full-time education; or

1944 (iii) Children of the deceased member who, though
1945 eighteen (18) years of age or older, are wholly dependent upon the
1946 deceased and incapable of self-support by reason of mental or
1947 physical disability.

1948 **SECTION 14.** Sections 1, 4 and 8 of this act shall take
1949 effect and be in force from and after the passage of this act.
1950 The remainder of this act shall take effect and be in force from
1951 and after July 1, 2004.