

By: Representative Brown

To: Appropriations

HOUSE BILL NO. 1180

1 AN ACT TO AMEND SECTION 25-14-5, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE THE STATE AND ITS POLITICAL SUBDIVISIONS TO MAKE
3 CONTRIBUTIONS TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM'S
4 DEFERRED COMPENSATION PLAN ON BEHALF OF PARTICIPATING MEMBERS; TO
5 AMEND SECTION 25-14-7, MISSISSIPPI CODE OF 1972, TO MAKE IT CLEAR
6 THAT THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM'S DEFERRED
7 COMPENSATION PROGRAM SHALL BE OPERATED IN ACCORDANCE WITH THE
8 GUIDELINES ESTABLISHED BY THE INTERNAL REVENUE SERVICE AS
9 REFLECTED IN THE PLAN DOCUMENT; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** Section 25-14-5, Mississippi Code of 1972, is
12 amended as follows:

13 25-14-5. The State of Mississippi, or any state agency,
14 county, municipality or other political subdivision may, by
15 contract, agree with any employee to defer, in whole or in part,
16 any portion of that employee's income, and may make contributions
17 to the plan on behalf of participating members. Those funds may
18 subsequently be used to purchase a fixed or variable life
19 insurance or annuity contract for the purpose of protecting its
20 obligation to the deferred compensation program for the employee
21 from any life underwriter duly licensed by this state who
22 represents an insurance company licensed to contract fixed and
23 variable annuities and fixed or variable life insurance business
24 in this state, or to purchase any investments authorized for
25 purchase by the Public Employees' Retirement System of Mississippi
26 under Section 25-11-121, or to invest those monies in a fund or
27 funds maintained by a corporate trustee, which fund or funds are
28 used as an investment media for retirement, pension or profit
29 sharing plans that are tax qualified for that purpose. However,
30 in the administration of this plan, the Public Employees'

31 Retirement System of Mississippi may adopt such regulations as are
32 reasonable and necessary to assure the orderly functioning of the
33 plan, but those regulations shall not unreasonably restrict all
34 licensed life underwriters and insurance companies described in
35 this section from concurrently participating in providing
36 contracts authorized under this section. Anything in any other
37 law to the contrary notwithstanding, the deferred portion of the
38 employee's compensation, the plan and the monies in the plan
39 created by this chapter, are exempt from any state, county or
40 municipal ad valorem taxes, income taxes, premium taxes, privilege
41 taxes, property taxes, sales and use taxes and any other taxes not
42 so named, until the deferred compensation is paid to the employee
43 or beneficiary and exempt from levy, garnishment, attachment or
44 any other process whatsoever.

45 **SECTION 2.** Section 25-14-7, Mississippi Code of 1972, is
46 amended as follows:

47 25-14-7. The administration of the deferred compensation
48 program shall be under the direction of the Public Employees'
49 Retirement System of Mississippi or the appropriate officer
50 designated by a county, municipality, or other political
51 subdivision. The deferred compensation program shall be operated
52 in accordance with the guidelines established by the Internal
53 Revenue Service as reflected in the plan document as may be
54 modified from time to time by the board of trustees. Payroll
55 reductions shall be made, in each instance, by the appropriate
56 payroll officer. The administrator of a deferred compensation
57 program may contract with a private corporation or institution for
58 providing consolidated billing and other administrative services
59 if deemed necessary by the administrator.

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

64 of auditors, consultants, money managers and third-party
65 administrators.

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