

By: Senator(s) Harden

To: Finance

SENATE BILL NO. 2188

1 AN ACT TO CREATE NEW SECTION 25-11-126, MISSISSIPPI CODE OF
 2 1972, TO PROVIDE THAT CERTAIN PERSONS RECEIVING A RETIREMENT
 3 ALLOWANCE FROM THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO ARE
 4 EMPLOYED AS TEACHERS IN THE PUBLIC SCHOOL SYSTEM AFTER THEIR
 5 RETIREMENT MAY RECEIVE A RETIREMENT ALLOWANCE DURING THEIR
 6 EMPLOYMENT AS TEACHERS IN ADDITION TO RECEIVING A TEACHER'S
 7 SALARY; TO PROVIDE CONDITIONS FOR SUCH EMPLOYMENT; TO AMEND
 8 SECTIONS 25-11-103, 25-11-105 AND 25-11-127, MISSISSIPPI CODE OF
 9 1972, IN CONFORMITY WITH THE PROVISIONS OF THIS ACT; TO AMEND
 10 SECTION 37-19-7, MISSISSIPPI CODE OF 1972, TO PROVIDE CERTAIN
 11 LIMITATIONS ON THE TEACHERS' SALARIES OF THOSE PERSONS; AND FOR
 12 RELATED PURPOSES.

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

14 **SECTION 1.** The following shall be codified as Section
 15 25-11-126, Mississippi Code of 1972:

16 25-11-126. (1) Any person receiving a retirement allowance
 17 under this article for at least one (1) year, who was employed as
 18 a teacher in the public school system at the time of his
 19 retirement and who is employed as a teacher in the public school
 20 system after his retirement, may choose to continue receiving the
 21 retirement allowance under this article during his employment as a
 22 teacher after his retirement in addition to receiving the salary
 23 authorized under Section 37-19-7(3), under the following
 24 conditions:

25 (a) The retired member holds any teacher's professional
 26 license or certificate as may be required in Section 37-3-2.

27 (b) The superintendent of schools of the employing
 28 school district certifies in writing to the Executive Director of
 29 the Public Employees' Retirement System and the State
 30 Superintendent of Education that the retired member has the
 31 requisite experience, training and expertise for the position to

32 be filled and that no other qualified persons are available to
33 fill the position;

34 (c) The State Superintendent of Education certifies in
35 writing to the Public Employees' Retirement System that the
36 employing school system serves an area that lacks qualified
37 teachers to serve in the position to be filled;

38 (d) Such retired member shall not be eligible to accrue
39 additional retirement benefits, accrue leave or receive medical
40 insurance coverage as a result of such employment;

41 (e) The retired member shall not receive automatic
42 credit for years of experience in determining compensation.
43 Provided, however, the salary paid to such retired member for
44 performing the teaching services shall not be less than the rate
45 of compensation set by the school district for teachers with no
46 experience filling similar positions, nor shall such salary exceed
47 eighty-five percent (85%) of the rate of compensation set by the
48 school district for teachers with comparable training and years of
49 experience filling similar positions. Once such compensation is
50 set, the retired member shall not be entitled to any supplements,
51 salary increases or annual increments;

52 (f) The retired member's appointment to serve as
53 teacher cannot exceed one (1) year. The retired member may be
54 reappointed to additional one-year periods provided the conditions
55 contained in this section are met for each such reappointment,
56 including the certifications required in paragraphs (b) and (c) of
57 this section.

58 (2) To fund the additional pension liability created by this
59 act, the State Department of Education is directed to transfer to
60 the Mississippi Public Employees' Retirement System the following
61 funds: Minimum and adequate education program funds of local
62 school districts that on or after July 1, 2004, hire retired
63 members who retired on or after July 1, 2003, as teachers pursuant
64 to the provisions of this act and other funds which would have

65 otherwise been payable to the agencies had the agencies not taken
66 advantage of the provisions of this section.

67 **SECTION 2.** Section 25-11-103, Mississippi Code of 1972, is
68 amended as follows:

69 25-11-103. The following words and phrases as used in
70 Articles 1 and 3, unless a different meaning is plainly required
71 by the context, shall have the following meanings:

72 (a) "Accumulated contributions" shall mean the sum of
73 all the amounts deducted from the compensation of a member and
74 credited to his individual account in the annuity savings account,
75 together with regular interest thereon as provided in Section
76 25-11-123.

77 (b) "Actuarial cost" shall mean the amount of funds
78 presently required to provide future benefits as determined by the
79 board based on applicable tables and formulas provided by the
80 actuary.

81 (c) "Actuarial equivalent" shall mean a benefit of
82 equal value to the accumulated contributions, annuity or benefit,
83 as the case may be, when computed upon the basis of such mortality
84 tables as shall be adopted by the board of trustees, and regular
85 interest.

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

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

91 (f) "Average compensation" shall mean the average of
92 the four (4) highest years of earned compensation reported for an
93 employee in a fiscal or calendar year period, or combination
94 thereof which do not overlap, or the last forty-eight (48)
95 consecutive months of earned compensation reported for an
96 employee. The four (4) years need not be successive or joined
97 years of service. In no case shall the average compensation so

98 determined be in excess of One Hundred Fifty Thousand Dollars
99 (\$150,000.00). In computing the average compensation, any amount
100 paid in a lump sum for personal leave shall be included in the
101 calculation to the extent that such amount does not exceed an
102 amount which is equal to thirty (30) days of earned compensation
103 and to the extent that it does not cause the employees' earned
104 compensation to exceed the maximum reportable amount specified in
105 Section 25-11-103(k); however, this thirty-day limitation shall
106 not prevent the inclusion in the calculation of leave earned under
107 federal regulations prior to July 1, 1976, and frozen as of that
108 date as referred to in Section 25-3-99. Only the amount of lump
109 sum pay for personal leave due and paid upon the death of a member
110 attributable for up to one hundred fifty (150) days shall be used
111 in the deceased member's average compensation calculation in
112 determining the beneficiary's benefits. In computing the average
113 compensation, no amounts shall be used which are in excess of the
114 amount on which contributions were required and paid. If any
115 member who is or has been granted any increase in annual salary or
116 compensation of more than eight percent (8%) retires within
117 twenty-four (24) months from the date that such increase becomes
118 effective, then the board shall exclude that part of the increase
119 in salary or compensation that exceeds eight percent (8%) in
120 calculating that member's average compensation for retirement
121 purposes. The board may enforce this provision by rule or
122 regulation. However, increases in compensation in excess of eight
123 percent (8%) per year granted within twenty-four (24) months of
124 the date of retirement may be included in such calculation of
125 average compensation if satisfactory proof is presented to the
126 board showing that the increase in compensation was the result of
127 an actual change in the position held or services rendered, or
128 that such compensation increase was authorized by the State
129 Personnel Board or was increased as a result of statutory
130 enactment, and the employer furnishes an affidavit stating that

131 such increase granted within the last twenty-four (24) months was
132 not contingent on a promise or agreement of the employee to
133 retire. Nothing in Section 25-3-31 shall affect the calculation
134 of the average compensation of any member for the purposes of this
135 article. The average compensation of any member who retires
136 before July 1, 1992, shall not exceed the annual salary of the
137 Governor.

138 (g) "Beneficiary" shall mean any person entitled to
139 receive a retirement allowance, an annuity or other benefit as
140 provided by Articles 1 and 3. In the event of the death prior to
141 retirement of any member whose spouse and/or children are not
142 entitled to a retirement allowance on the basis that the member
143 has less than four (4) years of service credit and/or has not been
144 married for a minimum of one (1) year or the spouse has waived his
145 or her entitlement to a retirement allowance pursuant to Section
146 25-11-114, the lawful spouse of a member at the time of the death
147 of such member shall be the beneficiary of such member unless the
148 member has designated another beneficiary subsequent to the date
149 of marriage in writing, and filed such writing in the office of
150 the executive director of the board of trustees. No designation
151 or change of beneficiary shall be made in any other manner.

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

155 (i) "Creditable service" shall mean "prior service,"
156 "retroactive service" and all lawfully credited unused leave not
157 exceeding the accrual rates and limitations provided in Section
158 25-3-91 et seq., as of the date of withdrawal from service plus
159 "membership service" for which credit is allowable as provided in
160 Section 25-11-109. Except to limit creditable service reported to
161 the system for the purpose of computing an employee's retirement
162 allowance or annuity or benefits provided in this article, nothing
163 in this paragraph shall limit or otherwise restrict the power of

164 the governing authority of a municipality or other political
165 subdivision of the state to adopt such vacation and sick leave
166 policies as it deems necessary.

167 (j) "Child" means either a natural child of the member,
168 a child that has been made a child of the member by applicable
169 court action before the death of the member, or a child under the
170 permanent care of the member at the time of the latter's death,
171 which permanent care status shall be determined by evidence
172 satisfactory to the board.

173 (k) "Earned compensation" shall mean the full amount
174 earned by an employee for a given pay period including any
175 maintenance furnished up to a maximum of One Hundred Fifty
176 Thousand Dollars (\$150,000.00) per year, and proportionately for
177 less than one (1) year of service. The value of such maintenance
178 when not paid in money shall be fixed by the employing state
179 agency, and, in case of doubt, by the board of trustees as defined
180 in Section 25-11-15. In any case, earned compensation shall be
181 limited to the regular periodic compensation paid, exclusive of
182 litigation fees, bond fees, and other similar extraordinary
183 nonrecurring payments. In addition, any member in a covered
184 position, as defined by Public Employees' Retirement System laws
185 and regulations, who is also employed by another covered agency or
186 political subdivision shall have the earnings of that additional
187 employment reported to the Public Employees' Retirement System
188 regardless of whether the additional employment is sufficient in
189 itself to be a covered position. In addition, computation of
190 earned compensation shall be governed by the following:

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

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

199 (iii) In the case of members of the State
200 Legislature, all remuneration or amounts paid, except mileage
201 allowance, shall apply.

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

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

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

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

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

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

227 (n) "Executive director" shall mean the secretary to
228 the board of trustees, as provided in Section 25-11-15(9), and the

229 administrator of the Public Employees' Retirement System and all
230 systems under the management of the board of trustees. Wherever
231 the term "Executive Secretary of the Public Employees' Retirement
232 System" or "executive secretary" appears in this article or in any
233 other provision of law, it shall be construed to mean the
234 Executive Director of the Public Employees' Retirement System.

235 (o) "Fiscal year" shall mean the period beginning on
236 July 1 of any year and ending on June 30 of the next succeeding
237 year.

238 (p) "Medical board" shall mean the board of physicians
239 or any governmental or nongovernmental disability determination
240 service designated by the board of trustees that is qualified to
241 make disability determinations as provided for in Section
242 25-11-119.

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

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

247 (s) "Position" means any office or any employment in
248 the state service, or two (2) or more of them, the duties of which
249 call for services to be rendered by one (1) person, including
250 positions jointly employed by federal and state agencies
251 administering federal and state funds. The employer shall
252 determine upon initial employment and during the course of
253 employment of an employee who does not meet the criteria for
254 coverage in the Public Employees' Retirement System based on the
255 position held, whether the employee is or becomes eligible for
256 coverage in the Public Employees' Retirement System based upon any
257 other employment in a covered agency or political subdivision. If
258 or when the employee meets the eligibility criteria for coverage
259 in such other position, then the employer must withhold
260 contributions and report wages from the noncovered position in
261 accordance with the provisions for reporting of earned

262 compensation. Failure to deduct and report those contributions
263 shall not relieve the employee or employer of liability thereof.
264 The board shall adopt such rules and regulations as necessary to
265 implement and enforce this provision.

266 (t) "Prior service" shall mean service rendered before
267 February 1, 1953, for which credit is allowable under Sections
268 25-11-105 and 25-11-109, and which shall allow prior service for
269 any person who is now or becomes a member of the Public Employees'
270 Retirement System and who does contribute to the system for a
271 minimum period of four (4) years.

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

275 (v) "Retirement allowance" shall mean an annuity for
276 life as provided in this article, payable each year in twelve (12)
277 equal monthly installments beginning as of the date fixed by the
278 board. The retirement allowance shall be calculated in accordance
279 with Section 25-11-111. However, any spouse who received a spouse
280 retirement benefit in accordance with Section 25-11-111(d) before
281 March 31, 1971, and those benefits were terminated because of
282 eligibility for a social security benefit, may again receive his
283 spouse retirement benefit from and after making application with
284 the board of trustees to reinstate the spouse retirement benefit.

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

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

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

293 (z) "State service" shall mean all offices and
294 positions of trust or employment in the employ of the state, or

295 any political subdivision or instrumentality thereof, which elect
296 to participate as provided by Section 25-11-105(f), including the
297 position of elected or fee officials of the counties and their
298 deputies and employees performing public services or any
299 department, independent agency, board or commission thereof, and
300 shall also include all offices and positions of trust or
301 employment in the employ of joint state and federal agencies
302 administering state and federal funds and service rendered by
303 employees of the public schools. Effective July 1, 1973, all
304 nonprofessional public school employees, such as bus drivers,
305 janitors, maids, maintenance workers and cafeteria employees,
306 shall have the option to become members in accordance with Section
307 25-11-105(b), and shall be eligible to receive credit for services
308 before July 1, 1973, provided that the contributions and interest
309 are paid by the employee in accordance with that section; in
310 addition, the county or municipal separate school district may pay
311 the employer contribution and pro rata share of interest of the
312 retroactive service from available funds. From and after July 1,
313 1998, retroactive service credit shall be purchased at the
314 actuarial cost in accordance with Section 25-11-105(b).

315 (aa) "Withdrawal from service" or "termination from
316 service" shall mean complete severance of employment in the state
317 service of any member by resignation, dismissal or discharge,
318 except in the case of persons who become eligible to receive a
319 retirement allowance under this article and who choose to receive
320 the retirement allowance during their employment as teachers as
321 authorized by Section 25-11-126.

322 (bb) The masculine pronoun, wherever used, shall
323 include the feminine pronoun.

324 **SECTION 3.** Section 25-11-105, Mississippi Code of 1972, is
325 amended as follows:

326 25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

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

329 (a) (i) All persons who shall become employees in the
330 state service after January 31, 1953, and whose wages are subject
331 to payroll taxes and are lawfully reported on IRS Form W-2, except
332 those persons who are specifically excluded, those persons as to
333 whom election is provided in Articles 1 and 3, or those persons
334 who choose to receive or continue receiving a retirement allowance
335 during their employment as teachers as authorized by Section
336 25-11-126, shall become members of the retirement system as a
337 condition of their employment.

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

348 (b) All persons who shall become employees in the state
349 service after January 31, 1953, except those specifically excluded
350 or as to whom election is provided in Articles 1 and 3, unless
351 they shall file with the board prior to the lapse of sixty (60)
352 days of employment or sixty (60) days after the effective date of
353 the cited articles, whichever is later, on a form prescribed by
354 the board, a notice of election not to be covered by the
355 membership of the retirement system and a duly executed waiver of
356 all present and prospective benefits which would otherwise inure
357 to them on account of their participation in the system, shall
358 become members of the retirement system; however, no credit for
359 prior service will be granted to members until they have

360 contributed to Article 3 of the retirement system for a minimum
361 period of at least four (4) years. Such members shall receive
362 credit for services performed prior to January 1, 1953, in
363 employment now covered by Article 3, but no credit shall be
364 granted for retroactive services between January 1, 1953, and the
365 date of their entry into the retirement system unless the employee
366 pays into the retirement system both the employer's and the
367 employee's contributions on wages paid him during the period from
368 January 31, 1953, to the date of his becoming a contributing
369 member, together with interest at the rate determined by the board
370 of trustees. Members reentering after withdrawal from service
371 shall qualify for prior service under the provisions of Section
372 25-11-117. From and after July 1, 1998, upon eligibility as noted
373 above, the member may receive credit for such retroactive service
374 provided:

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

378 (2) The member shall pay to the retirement system
379 on the date he or she is eligible for such credit or at any time
380 thereafter prior to the date of retirement the actuarial cost for
381 each year of such creditable service. The provisions of this
382 subparagraph (2) shall be subject to the limitations of Section
383 415 of the Internal Revenue Code and regulations promulgated
384 thereunder.

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

389 (c) All persons who shall become employees in the state
390 service after January 31, 1953, and who are eligible for
391 membership in any other retirement system shall become members of
392 this retirement system as a condition of their employment unless

393 they elect at the time of their employment to become a member of
394 such other system.

395 (d) All persons who are employees in the state service
396 on January 31, 1953, and who are members of any nonfunded
397 retirement system operated by the State of Mississippi, or any of
398 its departments or agencies, shall become members of this system
399 with prior service credit unless, before February 1, 1953, they
400 shall file a written notice with the board of trustees that they
401 do not elect to become members.

402 (e) All persons who are employees in the state service
403 on January 31, 1953, and who under existing laws are members of
404 any fund operated for the retirement of employees by the State of
405 Mississippi, or any of its departments or agencies, shall not be
406 entitled to membership in this retirement system unless, before
407 February 1, 1953, any such person shall indicate by a notice filed
408 with the board, on a form prescribed by the board, his individual
409 election and choice to participate in this system, but no such
410 person shall receive prior service credit unless he becomes a
411 member on or before February 1, 1953.

412 (f) Each political subdivision of the state and each
413 instrumentality of the state or a political subdivision, or both,
414 is hereby authorized to submit, for approval by the board of
415 trustees, a plan for extending the benefits of this article to
416 employees of any such political subdivision or instrumentality.
417 Each such plan or any amendment to the plan for extending benefits
418 thereof shall be approved by the board of trustees if it finds
419 that such plan, or such plan as amended, is in conformity with
420 such requirements as are provided in Articles 1 and 3; however,
421 upon approval of such plan or any such plan heretofore approved by
422 the board of trustees, the approved plan shall not be subject to
423 cancellation or termination by the political subdivision or
424 instrumentality, except that any community hospital serving a
425 municipality that joined the Public Employees' Retirement System

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

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

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

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

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

452 (5) It authorizes the board of trustees to
453 terminate the plan in its entirety in the discretion of the board
454 if it finds that there has been a failure to comply substantially
455 with any provision contained in such plan, such termination to
456 take effect at the expiration of such notice and on such
457 conditions as may be provided by regulations of the board and as
458 may be consistent with applicable federal law.

459 A. The board of trustees shall not finally
460 refuse to approve a plan submitted under paragraph (f), and shall
461 not terminate an approved plan without reasonable notice and
462 opportunity for hearing to each political subdivision or
463 instrumentality affected thereby. The board's decision in any
464 such case shall be final, conclusive and binding unless an appeal
465 be taken by the political subdivision or instrumentality aggrieved
466 thereby to the Circuit Court of Hinds County, Mississippi, in
467 accordance with the provisions of law with respect to civil causes
468 by certiorari.

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

476 C. Every political subdivision or
477 instrumentality required to make payments under paragraph (f)(5)B
478 hereof is authorized, in consideration of the employees' retention
479 in or entry upon employment after enactment of Articles 1 and 3,
480 to impose upon its employees, as to services which are covered by
481 an approved plan, a contribution with respect to wages (as defined
482 in Section 25-11-5) not exceeding the amount provided in Section
483 25-11-123(d) if such services constituted employment within the
484 meaning of Articles 1 and 3, and to deduct the amount of such
485 contribution from the wages as and when paid. Contributions so
486 collected shall be paid into the contribution fund as partial
487 discharge of the liability of such political subdivisions or
488 instrumentalities under paragraph (f)(5)B hereof. Failure to
489 deduct such contribution shall not relieve the employee or
490 employer of liability thereof.

491 D. Any state agency, school, political
492 subdivision, instrumentality or any employer that is required to
493 submit contribution payments or wage reports under any section of
494 this chapter shall be assessed interest on delinquent payments or
495 wage reports as determined by the board of trustees in accordance
496 with rules and regulations adopted by the board and such assessed
497 interest may be recovered by action in a court of competent
498 jurisdiction against such reporting agency liable therefor or may,
499 upon due certification of delinquency and at the request of the
500 board of trustees, be deducted from any other monies payable to
501 such reporting agency by any department or agency of the state.

502 E. Each political subdivision of the state
503 and each instrumentality of the state or a political subdivision
504 or subdivisions which submits a plan for approval of the board, as
505 provided in this section, shall reimburse the board for coverage
506 into the expense account, its pro rata share of the total expense
507 of administering Articles 1 and 3 as provided by regulations of
508 the board.

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

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

521 (i) In the event any member of this system should
522 change his employment to any agency of the state having an
523 actuarially funded retirement system, the board of trustees may

524 authorize the transfer of the member's creditable service and of
525 the present value of the member's employer's accumulation account
526 and of the present value of the member's accumulated membership
527 contributions to such other system, provided the employee agrees
528 to the transfer of his accumulated membership contributions and
529 provided such other system is authorized to receive and agrees to
530 make such transfer.

531 In the event any member of any other actuarially funded
532 system maintained by an agency of the state changes his employment
533 to an agency covered by this system, the board of trustees may
534 authorize the receipt of the transfer of the member's creditable
535 service and of the present value of the member's employer's
536 accumulation account and of the present value of the member's
537 accumulated membership contributions from such other system,
538 provided the employee agrees to the transfer of his accumulated
539 membership contributions to this system and provided the other
540 system is authorized and agrees to make such transfer.

541 (j) Wherever herein state employment is referred to, it
542 shall include joint employment by state and federal agencies of
543 all kinds.

544 (k) Employees of a political subdivision or
545 instrumentality who were employed by such political subdivision or
546 instrumentality prior to an agreement between such entity and the
547 Public Employees' Retirement System to extend the benefits of this
548 article to its employees, and which agreement provides for the
549 establishment of retroactive service credit, and who have been
550 members of the retirement system and have remained contributors to
551 the retirement system for four (4) years, may receive credit for
552 such retroactive service with such political subdivision or
553 instrumentality, provided the employee and/or employer, as
554 provided under the terms of the modification of the joinder
555 agreement in allowing such coverage, pay into the retirement
556 system the employer's and employee's contributions on wages paid

557 the member during such previous employment, together with interest
558 or actuarial cost as determined by the board covering the period
559 from the date the service was rendered until the payment for the
560 credit for such service was made. Such wages shall be verified by
561 the Social Security Administration or employer payroll records.
562 Effective July 1, 1998, upon eligibility as noted above, a member
563 may receive credit for such retroactive service with such
564 political subdivision or instrumentality provided:

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

570 (2) The member shall pay to the retirement system
571 on the date he or she is eligible for such credit or at any time
572 thereafter prior to the date of retirement the actuarial cost for
573 each year of such creditable service. The provisions of this
574 subparagraph (2) shall be subject to the limitations of Section
575 415 of the Internal Revenue Code and regulations promulgated
576 thereunder.

577 Nothing contained in this paragraph (k) shall be construed to
578 limit the authority of the board to allow the correction of
579 reporting errors or omissions based on the payment of employee and
580 employer contributions plus applicable interest. Payment for such
581 time shall be made in increments of not less than one-quarter
582 (1/4) year of creditable service beginning with the most recent
583 service. Upon the payment of all or part of such required
584 contributions, plus interest or the actuarial cost as provided
585 above, the member shall receive credit for the period of
586 creditable service for which full payment has been made to the
587 retirement system.

588 (1) Through June 30, 1998, any state service eligible
589 for retroactive service credit, no part of which has ever been

590 reported, and requiring the payment of employee and employer
591 contributions plus interest, or, from and after July 1, 1998, any
592 state service eligible for retroactive service credit, no part of
593 which has ever been reported to the retirement system, and
594 requiring the payment of the actuarial cost for such creditable
595 service, may, at the member's option, be purchased in quarterly
596 increments as provided above at such time as its purchase is
597 otherwise allowed.

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

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

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

605 (a) Patient or inmate help in state charitable, penal
606 or correctional institutions;

607 (b) Students of any state educational institution
608 employed by any agency of the state for temporary, part-time or
609 intermittent work;

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

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

617 **III. TERMINATION OF MEMBERSHIP**

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

622 **SECTION 4.** Section 25-11-127, Mississippi Code of 1972, is
623 amended as follows:

624 25-11-127. (1) (a) No person who is being paid a
625 retirement allowance or a pension after retirement under this
626 article shall be employed or paid for any service by the State of
627 Mississippi, except as provided in this section or in Section
628 25-11-126.

629 (b) No retiree of this retirement system who is
630 reemployed or is reelected to office after retirement shall
631 continue to draw retirement benefits while so reemployed, except
632 as provided in this section or in Section 25-11-126.

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

636 (2) Except as otherwise provided in Section 25-11-126, any
637 person who has been retired under the provisions of Article 3 and
638 who is later reemployed in service covered by this article shall
639 cease to receive benefits under this article and shall again
640 become a contributing member of the retirement system. When the
641 person retires again, if the person has been a contributing member
642 of the retirement system during his reemployment and the
643 reemployment exceeds six (6) months, the person shall have his or
644 her benefit recomputed, including service after again becoming a
645 member, provided that the total retirement allowance paid to the
646 retired member in his or her previous retirement shall be deducted
647 from the member's retirement reserve and taken into consideration
648 in recalculating the retirement allowance under a new option
649 selected.

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

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

655 (a) For a period of time not to exceed one-half (1/2)
656 of the normal working days for the position in any fiscal year
657 during which the retiree will receive no more than one-half (1/2)
658 of the salary in effect for the position at the time of
659 employment, or

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

663 To determine the normal working days for a position under
664 paragraph (a) of this subsection, the employer shall determine the
665 required number of working days for the position on a full-time
666 basis and the equivalent number of hours representing the
667 full-time position. The retiree then may work up to one-half
668 (1/2) of the required number of working days or up to one-half
669 (1/2) of the equivalent number of hours and receive up to one-half
670 (1/2) of the salary for the position. In the case of employment
671 with multiple employers, the limitation shall equal one-half (1/2)
672 of the number of days or hours for a single full-time position.

673 Notice shall be given in writing to the executive director,
674 setting forth the facts upon which the employment is being made,
675 and the notice shall be given within five (5) days from the date
676 of employment and also from the date of termination of the
677 employment.

678 (5) Any member may continue in municipal or county elected
679 office or be elected to a municipal or county office, provided
680 that the person:

681 (a) Files annually, in writing, in the office of the
682 employer and the office of the executive director of the system
683 before the person takes office or as soon as possible after
684 retirement, a waiver of all salary or compensation and elects to
685 receive in lieu of that salary or compensation a retirement
686 allowance as provided in this section, in which event no salary or
687 compensation shall thereafter be due or payable for those

688 services; however, any such officer or employee may receive, in
689 addition to the retirement allowance, office expense allowance,
690 mileage or travel expense authorized by any statute of the State
691 of Mississippi; or

692 (b) Elects to receive compensation for that elective
693 office in an amount not to exceed twenty-five percent (25%) of the
694 retiree's average compensation. As used in this paragraph, the
695 term "compensation" shall not include office expense allowance,
696 mileage or travel expense authorized by a statute of the State of
697 Mississippi. In order to receive compensation as allowed in this
698 paragraph, the member shall file annually, in writing, in the
699 office of the employer and the office of the executive director of
700 the system, an election to receive, in addition to a retirement
701 allowance, compensation as allowed in this paragraph.

702 **SECTION 5.** Section 37-19-7, Mississippi Code of 1972, is
703 amended as follows:

704 37-19-7. (1) This section shall be known and may be cited
705 as the Mississippi "Teacher Opportunity Program (TOP)." The
706 allowance in the minimum education program and the Mississippi
707 Adequate Education Program for teachers' salaries in each county
708 and separate school district shall be determined and paid in
709 accordance with the scale for teachers' salaries as provided in
710 this subsection. For teachers holding the following types of
711 licenses or the equivalent as determined by the State Board of
712 Education, and the following number of years of teaching
713 experience, the scale shall be as follows:

714 **2001-2002 School Year**

715 **Less Than 25 Years of Teaching Experience**

716	AAAA.....	\$ 26,290.00
717	AAA.....	25,440.00
718	AA.....	24,590.00
719	A.....	23,540.00

720 **25 or More Years of Teaching Experience**

721	AAAA.....	\$ 27,790.00
722	AAA.....	26,940.00
723	AA.....	26,090.00
724	A.....	25,040.00

2002-2003 School Year

Less Than 25 Years of Teaching Experience

727	AAAA.....	\$ 27,850.00
728	AAA.....	27,000.00
729	AA.....	26,150.00
730	A.....	24,700.00

25 or More Years of Teaching Experience

732	AAAA.....	\$ 29,850.00
733	AAA.....	29,000.00
734	AA.....	28,150.00
735	A.....	26,700.00

736 For each one percent (1%) that the Sine Die General Fund
737 Revenue Estimate Growth exceeds five percent (5%) for fiscal year
738 2003, as certified by the Legislative Budget Office to the State
739 Board of Education and subject to specific appropriation therefor
740 by the Legislature, the State Board of Education shall revise the
741 salary scale to provide an additional one percent (1%) across the
742 board increase in the base salaries for each type of license.

2003-2004 School Year

Less Than 25 Years of Teaching Experience

745	AAAA.....	\$ 29,550.00
746	AAA.....	28,700.00
747	AA.....	27,850.00
748	A.....	26,000.00

25 or More Years of Teaching Experience

750	AAAA.....	\$ 31,550.00
751	AAA.....	30,700.00
752	AA.....	29,850.00
753	A.....	28,000.00

754 The State Board of Education shall revise the salary scale
 755 prescribed above for the 2003-2004 school year to conform to any
 756 adjustments made to the salary scale in the prior fiscal year due
 757 to revenue growth over and above five percent (5%). For each one
 758 percent (1%) that the Sine Die General Fund Revenue Estimate
 759 Growth exceeds five percent (5%) for fiscal year 2004, as
 760 certified by the Legislative Budget Office to the State Board of
 761 Education and subject to specific appropriation therefor by the
 762 Legislature, the State Board of Education shall revise the salary
 763 scale to provide an additional one percent (1%) across the board
 764 increase in the base salaries for each type of license.

765 **2004-2005 School Year**

766 **Less Than 25 Years of Teaching Experience**

767	AAAA.....	\$ 31,775.00
768	AAA.....	30,850.00
769	AA.....	29,925.00
770	A.....	28,000.00

771 **25 or More Years of Teaching Experience**

772	AAAA.....	\$ 33,775.00
773	AAA.....	32,850.00
774	AA.....	31,925.00
775	A.....	30,000.00

776 The State Board of Education shall revise the salary scale
 777 prescribed above for the 2004-2005 school year to conform to any
 778 adjustments made to the salary scale in prior fiscal years due to
 779 revenue growth over and above five percent (5%). For each one
 780 percent (1%) that the Sine Die General Fund Revenue Estimate
 781 Growth exceeds five percent (5%) for fiscal year 2005, as
 782 certified by the Legislative Budget Office to the State Board of
 783 Education and subject to specific appropriation therefor by the
 784 Legislature, the State Board of Education shall revise the salary
 785 scale to provide an additional one percent (1%) across the board
 786 increase in the base salaries for each type of license.

787	2005-2006 School Year and School Years Thereafter	
788	Less Than 25 Years of Teaching Experience	
789	AAAA.....	\$ 34,000.00
790	AAA.....	33,000.00
791	AA.....	32,000.00
792	A.....	30,000.00
793	25 or More Years of Teaching Experience	
794	AAAA.....	\$ 36,000.00
795	AAA.....	35,000.00
796	AA.....	34,000.00
797	A.....	32,000.00

798 The State Board of Education shall revise the salary scale
799 prescribed above for the 2005-2006 school year to conform to any
800 adjustments made to the salary scale in prior fiscal years due to
801 revenue growth over and above five percent (5%). For each one
802 percent (1%) that the Sine Die General Fund Revenue Estimate
803 Growth exceeds five percent (5%) for fiscal year 2006, as
804 certified by the Legislative Budget Office to the State Board of
805 Education and subject to specific appropriation therefor by the
806 Legislature, the State Board of Education shall revise the salary
807 scale to provide an additional one percent (1%) across the board
808 increase in the base salaries for each type of license.

809 It is the intent of the Legislature that any state funds made
810 available for salaries of licensed personnel in excess of the
811 funds paid for such salaries for the 1986-1987 school year shall
812 be paid to licensed personnel pursuant to a personnel appraisal
813 and compensation system implemented by the State Board of
814 Education. The State Board of Education shall have the authority
815 to adopt and amend rules and regulations as are necessary to
816 establish, administer and maintain the system.

817 All teachers employed on a full-time basis shall be paid a
818 minimum salary in accordance with the above scale. However, no
819 school district shall receive any funds under this section for any

820 school year during which the local supplement paid to any
821 individual teacher shall have been reduced to a sum less than that
822 paid to that individual teacher for performing the same duties
823 from local supplement during the immediately preceding school
824 year. The amount actually spent for the purposes of group health
825 and/or life insurance shall be considered as a part of the
826 aggregate amount of local supplement but shall not be considered a
827 part of the amount of individual local supplement.

828 **2001-2002 School Year Annual Increment**

829 For teachers holding a Class AAAA license, the minimum base
830 pay specified in this subsection shall be increased by the sum of
831 Six Hundred Sixty Dollars (\$660.00) for each year of teaching
832 experience possessed by the person holding such license until such
833 person shall have twenty-five (25) years of teaching experience.

834 For teachers holding a Class AAA license, the minimum base
835 pay specified in this subsection shall be increased by the sum of
836 Five Hundred Ninety-five Dollars (\$595.00) for each year of
837 teaching experience possessed by the person holding such license
838 until such person shall have twenty-five (25) years of teaching
839 experience.

840 For teachers holding a Class AA license, the minimum base pay
841 specified in this subsection shall be increased by the sum of Five
842 Hundred Thirty Dollars (\$530.00) for each year of teaching
843 experience possessed by the person holding such license until such
844 person shall have twenty-five (25) years of teaching experience.

845 For teachers holding a Class A license, the minimum base pay
846 specified in this subsection shall be increased by the sum of Four
847 Hundred Thirty-five Dollars (\$435.00) for each year of teaching
848 experience possessed by the person holding such license until such
849 person shall have twenty-one (21) years of teaching experience.

850 **2002-2003 School Year Annual Increment**

851 For teachers holding a Class AAAA license, the minimum base
852 pay specified in this subsection shall be increased by the sum of

853 Six Hundred Eighty-five Dollars (\$685.00) for each year of
854 teaching experience possessed by the person holding such license
855 until such person shall have twenty-five (25) years of teaching
856 experience.

857 For teachers holding a Class AAA license, the minimum base
858 pay specified in this subsection shall be increased by the sum of
859 Six Hundred Twenty Dollars (\$620.00) for each year of teaching
860 experience possessed by the person holding such license until such
861 person shall have twenty-five (25) years of teaching experience.

862 For teachers holding a Class AA license, the minimum base pay
863 specified in this subsection shall be increased by the sum of Five
864 Hundred Fifty-five Dollars (\$555.00) for each year of teaching
865 experience possessed by the person holding such license until such
866 person shall have twenty-five (25) years of teaching experience.

867 For teachers holding a Class A license, the minimum base pay
868 specified in this subsection shall be increased by the sum of Four
869 Hundred Forty-five Dollars (\$445.00) for each year of teaching
870 experience possessed by the person holding such license until such
871 person shall have twenty-two (22) years of teaching experience.

872 **2003-2004 School Year Annual Increment**

873 For teachers holding a Class AAAA license, the minimum base
874 pay specified in this subsection shall be increased by the sum of
875 Seven Hundred Ten Dollars (\$710.00) for each year of teaching
876 experience possessed by the person holding such license until such
877 person shall have twenty-five (25) years of teaching experience.

878 For teachers holding a Class AAA license, the minimum base
879 pay specified in this subsection shall be increased by the sum of
880 Six Hundred Forty-five Dollars (\$645.00) for each year of teaching
881 experience possessed by the person holding such license until such
882 person shall have twenty-five (25) years of teaching experience.

883 For teachers holding a Class AA license, the minimum base pay
884 specified in this subsection shall be increased by the sum of Five
885 Hundred Eighty Dollars (\$580.00) for each year of teaching

886 experience possessed by the person holding such license until such
887 person shall have twenty-five (25) years of teaching experience.

888 For teachers holding a Class A license, the minimum base pay
889 specified in this subsection shall be increased by the sum of Four
890 Hundred Fifty-five Dollars (\$455.00) for each year of teaching
891 experience possessed by the person holding such license until such
892 person shall have twenty-three (23) years of teaching experience.

893 **2004-2005 School Year Annual Increment**

894 For teachers holding a Class AAAA license, the minimum base
895 pay specified in this subsection shall be increased by the sum of
896 Seven Hundred Forty Dollars (\$740.00) for each year of teaching
897 experience possessed by the person holding such license until such
898 person shall have twenty-five (25) years of teaching experience.

899 For teachers holding a Class AAA license, the minimum base
900 pay specified in this subsection shall be increased by the sum of
901 Six Hundred Seventy-five Dollars (\$675.00) for each year of
902 teaching experience possessed by the person holding such license
903 until such person shall have twenty-five (25) years of teaching
904 experience.

905 For teachers holding a Class AA license, the minimum base pay
906 specified in this subsection shall be increased by the sum of Six
907 Hundred Ten Dollars (\$610.00) for each year of teaching experience
908 possessed by the person holding such license until such person
909 shall have twenty-five (25) years of teaching experience.

910 For teachers holding a Class A license, the minimum base pay
911 specified in this subsection shall be increased by the sum of Four
912 Hundred Sixty-five Dollars (\$465.00) for each year of teaching
913 experience possessed by the person holding such license until such
914 person shall have twenty-four (24) years of teaching experience.

915 **2005-2006 School Year**

916 **and School Years Thereafter Annual Increments**

917 For teachers holding a Class AAAA license, the minimum base
918 pay specified in this subsection shall be increased by the sum of

919 Seven Hundred Seventy Dollars (\$770.00) for each year of teaching
920 experience possessed by the person holding such license until such
921 person shall have twenty-five (25) years of teaching experience.

922 For teachers holding a Class AAA license, the minimum base
923 pay specified in this subsection shall be increased by the sum of
924 Seven Hundred Five Dollars (\$705.00) for each year of teaching
925 experience possessed by the person holding such license until such
926 person shall have twenty-five (25) years of teaching experience.

927 For teachers holding a Class AA license, the minimum base pay
928 specified in this subsection shall be increased by the sum of Six
929 Hundred Forty Dollars (\$640.00) for each year of teaching
930 experience possessed by the person holding such license until such
931 person shall have twenty-five (25) years of teaching experience.

932 For teachers holding a Class A license, the minimum base pay
933 specified in this subsection shall be increased by the sum of Four
934 Hundred Eighty Dollars (\$480.00) for each year of teaching
935 experience possessed by the person holding such license until such
936 person shall have twenty-four (24) years of teaching experience.

937 The level of professional training of each teacher to be used
938 in establishing the salary allotment for the teachers for each
939 year shall be determined by the type of valid teacher's license
940 issued to those teachers on or before October 1 of the current
941 school year.

942 (2) (a) The following employees shall receive an annual
943 salary supplement in the amount of Six Thousand Dollars
944 (\$6,000.00), plus fringe benefits, in addition to any other
945 compensation to which the employee may be entitled:

946 (i) Any licensed teacher who has met the
947 requirements and acquired a Master Teacher certificate from the
948 National Board for Professional Teaching Standards and who is
949 employed by a local school board or the State Board of Education
950 as a teacher and not as an administrator. Such teacher shall
951 submit documentation to the State Department of Education that the

952 certificate was received prior to October 15 in order to be
953 eligible for the full salary supplement in the current school
954 year, or the teacher shall submit such documentation to the State
955 Department of Education prior to February 15 in order to be
956 eligible for a prorated salary supplement beginning with the
957 second term of the school year.

958 (ii) Any licensed school counselor who has met the
959 requirements and acquired a National Certified School Counselor
960 (NCSC) endorsement from the National Board of Certified Counselors
961 and who is employed by a local school board or the State Board of
962 Education as a counselor and not as an administrator. Such
963 licensed school counselor shall submit documentation to the State
964 Department of Education that the endorsement was received prior to
965 October 15 in order to be eligible for the full salary supplement
966 in the current school year, or the licensed school counselor shall
967 submit such documentation to the State Department of Education
968 prior to February 15 in order to be eligible for a prorated salary
969 supplement beginning with the second term of the school year.

970 However, the salary supplement authorized under this item shall be
971 discontinued two (2) years after the date on which the National
972 Board for Professional Teaching Standards offers a certification
973 process for a Master Teacher certificate for school counselors,
974 and any school counselor receiving the salary supplement will be
975 required to complete the Master Teacher certificate process under
976 item (i) of this paragraph in order to continue receiving such
977 salary supplement.

978 (iii) Any licensed speech-language pathologist and
979 audiologist who has met the requirements and acquired a
980 Certificate of Clinical Competence from the American
981 Speech-Language-Hearing Association and who is employed by a local
982 school board. Such licensed speech-language pathologist and
983 audiologist shall submit documentation to the State Department of
984 Education that the certificate or endorsement was received prior

985 to October 15 in order to be eligible for the full salary
986 supplement in the current school year, or the licensed
987 speech-language pathologist and audiologist shall submit such
988 documentation to the State Department of Education prior to
989 February 15 in order to be eligible for a prorated salary
990 supplement beginning with the second term of the school year.
991 However, the salary supplement authorized under this item shall be
992 discontinued two (2) years after the date on which the National
993 Board for Professional Teaching Standards offers a certification
994 process for a Master Teacher certificate for school
995 speech-language pathologists and audiologists, and any school
996 speech-language pathologist and audiologist receiving the salary
997 supplement will be required to complete the Master Teacher
998 certificate process under item (i) of this paragraph in order to
999 continue receiving such salary supplement.

1000 (b) An employee shall be reimbursed one (1) time for
1001 the actual cost of completing the process of acquiring the
1002 certificate or endorsement, excluding any costs incurred for
1003 postgraduate courses, not to exceed Five Hundred Dollars (\$500.00)
1004 for a school counselor or speech-language pathologist and
1005 audiologist, regardless of whether or not the process resulted in
1006 the award of the certificate or endorsement. A local school
1007 district or any private individual or entity may pay the cost of
1008 completing the process of acquiring the certificate or endorsement
1009 for any employee of the school district described under paragraph
1010 (a), and the State Department of Education shall reimburse the
1011 school district for such cost, regardless of whether or not the
1012 process resulted in the award of the certificate or endorsement.
1013 If a private individual or entity has paid the cost of completing
1014 the process of acquiring the certificate or endorsement for an
1015 employee, the local school district may agree to directly
1016 reimburse the individual or entity for such cost on behalf of the
1017 employee.

1018 (c) All salary supplements, fringe benefits and process
1019 reimbursement authorized under this subsection shall be paid
1020 directly by the State Department of Education to the local school
1021 district and shall be in addition to its minimum education program
1022 allotments and not a part thereof in accordance with regulations
1023 promulgated by the State Board of Education, and subject to
1024 appropriation by the Legislature. Local school districts shall
1025 not reduce the local supplement paid to any employee receiving
1026 such salary supplement, and the employee shall receive any local
1027 supplement to which employees with similar training and experience
1028 otherwise are entitled.

1029 (d) The State Department of Education may not pay any
1030 process reimbursement to a school district for an employee who
1031 does not complete the certification or endorsement process
1032 required to be eligible for the certificate or endorsement. If an
1033 employee for whom such cost has been paid in full or in part by a
1034 local school district or private individual or entity fails to
1035 complete the certification or endorsement process, the employee
1036 shall be liable to the school district or individual or entity for
1037 all amounts paid by the school district or individual or entity on
1038 behalf of that employee toward his or her certificate or
1039 endorsement.

1040 (3) Notwithstanding any provision in this section to the
1041 contrary, any person who is receiving a retirement allowance from
1042 the Public Employees' Retirement System who is employed as a
1043 teacher after his retirement, and chooses to continue receiving
1044 the retirement allowance during his employment as a teacher after
1045 his retirement, as authorized by Section 25-11-126, shall be paid
1046 a salary not less than the amount of the salary for teachers with
1047 no experience filling similar positions, nor shall such salary
1048 exceed eighty-five percent (85%) of the rate of compensation set
1049 by the school district for teachers with comparable training and
1050 years of experience filling similar positions. Once such

1051 compensation is set, the retired member shall not be entitled to
1052 any supplements, annual increments or other increases.

1053 **SECTION 6.** This act shall take effect and be in force from
1054 and after July 1, 2004.