

By: Senator(s) Ross

To: Finance

SENATE BILL NO. 2392

1 AN ACT TO AMEND SECTION 25-11-111, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT AN ELECTED PUBLIC OFFICIAL WHOSE TERM OF OFFICE
3 DOES NOT END AT THE END OF A MONTH AND WHO RETIRES AT THE END OF
4 HIS TERM OF OFFICE, TO BEGIN RECEIVING A RETIREMENT ALLOWANCE THE
5 DAY AFTER THEIR TERM OF OFFICE ENDS PRORATED TO THE END OF THE
6 MONTH UNDER CERTAIN CONDITIONS; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 25-11-111, Mississippi Code of 1972, is
9 amended as follows:

10 25-11-111. (1) Any member upon withdrawal from service upon
11 or after attainment of the age of sixty (60) years who shall have
12 completed at least four (4) years of creditable service, or any
13 member upon withdrawal from service regardless of age who shall
14 have completed at least twenty-five (25) years of creditable
15 service, shall be entitled to receive a retirement allowance which
16 shall begin on the first of the month following the date the
17 member's application for the allowance is received by the board,
18 but in no event before withdrawal from service; however, if the
19 member is an elected public official whose term of office does not
20 end at the end of a month, such member shall be entitled to
21 receive a retirement allowance prorated to the end of the month
22 beginning the day after the member's term of office ends if:

23 (a) The member retires at the end of the term of
24 office, and

25 (b) The member's application for the allowance is
26 received during the month prior to the date of the retirement of
27 the member.

28 (2) Any member whose withdrawal from service occurs prior to
29 attaining the age of sixty (60) years who shall have completed

30 four (4) or more years of creditable service and shall not have
31 received a refund of his accumulated contributions shall be
32 entitled to receive a retirement allowance, beginning upon his
33 attaining the age of sixty (60) years, of the amount earned and
34 accrued at the date of withdrawal from service.

35 (3) Any member in service who has qualified for retirement
36 benefits may select any optional method of settlement of
37 retirement benefits by notifying the Executive Director of the
38 Board of Trustees of the Public Employees' Retirement System in
39 writing, on a form prescribed by the board, of the option he has
40 selected and by naming the beneficiary of such option and
41 furnishing necessary proof of age. Such option, once selected,
42 may be changed at any time prior to actual retirement or death,
43 but upon the death or retirement of the member, the optional
44 settlement shall be placed in effect upon proper notification to
45 the executive director.

46 (4) The annual amount of the retirement allowance shall
47 consist of:

48 (a) A member's annuity which shall be the actuarial
49 equivalent of the accumulated contributions of the member at the
50 time of retirement computed according to the actuarial table in
51 use by the system; and

52 (b) An employer's annuity which, together with the
53 member's annuity provided above, shall be equal to one and
54 seven-eighths percent (1-7/8%) of the average compensation for
55 each year of state service up to and including twenty-five (25)
56 years of membership service, and two and one-fourth percent
57 (2-1/4%) of the average compensation for each year of state
58 service exceeding twenty-five (25) years of membership service.
59 However, after the board of trustees has begun implementing the
60 changes in the computation of the retirement allowance as provided
61 in subsection (5) of this section, the employer's annuity shall be
62 equal to:

63 (i) One and seven-eighths percent (1-7/8%) of the
64 average compensation for each year of membership service up to and
65 including the number of years specified in Column A of the table
66 in subsection (5) of this section for the latest phase that has
67 been implemented, and

68 (ii) Two percent (2%) of the average compensation
69 for each year of membership service exceeding the number of years
70 specified in Column A of the table in subsection (5) of this
71 section for the latest phase that has been implemented up to and
72 including twenty-five (25) years, and

73 (iii) The percentage of the average compensation
74 specified in Column B of the table in subsection (5) of this
75 section for the latest phase that has been implemented for each
76 year of membership service exceeding twenty-five (25) years.

77 (c) A prior service annuity equal to one and
78 seven-eighths percent (1-7/8%) of the average compensation for
79 each year of state service up to and including twenty-five (25)
80 years of prior service, and two and one-fourth percent (2-1/4%) of
81 the average compensation for each year of state service exceeding
82 twenty-five (25) years of prior service for which the member is
83 allowed credit. However, after the board of trustees has begun
84 implementing the changes in the computation of the retirement
85 allowance as provided in subsection (5) of this section, the prior
86 service annuity shall be equal to:

87 (i) One and seven-eighths percent (1-7/8%) of the
88 average compensation for each year of prior service up to and
89 including the number of years specified in Column A of the table
90 in subsection (5) of this section for the latest phase that has
91 been implemented, and

92 (ii) Two percent (2%) of the average compensation
93 for each year of prior service exceeding the number of years
94 specified in Column A of the table in subsection (5) of this

95 section for the latest phase that has been implemented up to and
96 including twenty-five (25) years, and

97 (iii) The percentage of the average compensation
98 specified in Column B of the table in subsection (5) of this
99 section for the latest phase that has been implemented for each
100 year of prior service exceeding twenty-five (25) years.

101 (d) Any retired member or beneficiary thereof who was
102 eligible to receive a retirement allowance before July 1, 1991,
103 and who is still receiving a retirement allowance on July 1, 1992,
104 shall receive an increase in the annual retirement allowance of
105 the retired member equal to one-eighth of one percent (1/8 of 1%)
106 of the average compensation for each year of state service in
107 excess of twenty-five (25) years of membership service up to and
108 including thirty (30) years. The maximum increase shall be
109 five-eighths of one percent (5/8 of 1%). In no case shall a
110 member who has been retired prior to July 1, 1987, receive less
111 than Ten Dollars (\$10.00) per month for each year of creditable
112 service and proportionately for each quarter year thereof.
113 Persons retired on or after July 1, 1987, shall receive at least
114 Ten Dollars (\$10.00) per month for each year of service and
115 proportionately for each quarter year thereof reduced for the
116 option selected. However, such Ten Dollars (\$10.00) minimum per
117 month for each year of creditable service shall not apply to a
118 retirement allowance computed under Section 25-11-114 based on a
119 percentage of the member's average compensation.

120 (e) The board shall recalculate the retirement
121 allowance of any member or the beneficiary of such a member, if
122 the member or beneficiary is eligible to receive a retirement
123 allowance before July 1, 1999, by using the criteria in paragraphs
124 (b) and (c) of * * * subsection (5) of this section that provides
125 for two and one-fourth percent (2-1/4%) of the average
126 compensation for each year of service exceeding twenty-five (25)
127 years.

128 (f) Any member upon withdrawal from service upon or
129 after attaining the age of sixty (60) years who has completed at
130 least four (4) years of creditable service, or any member upon
131 withdrawal from service regardless of age who has completed at
132 least twenty-five (25) years of creditable service, shall be
133 entitled to receive a retirement allowance computed in accordance
134 with the formula set forth in this section. Such retirement
135 allowance otherwise payable may be converted into a retirement
136 allowance of equivalent actuarial value in such an amount that,
137 with the member's benefit under Title II of the federal Social
138 Security Act, the member will receive, so far as possible,
139 approximately the same amount annually before and after the
140 earliest age at which the member becomes eligible to receive a
141 social security benefit.

142 (5) Beginning on July 1, 2000, the board of trustees shall
143 implement changes in the computation of the amount of the annual
144 retirement allowance, which changes shall be implemented in phases
145 as set forth in the table in this subsection. The board of
146 trustees shall implement the phases systematically upon July 1
147 after the board's actuary certifies that implementation of a phase
148 will not cause the unfunded accrued actuarial liability
149 amortization period for the retirement system to exceed twenty-two
150 (22) years. The board of trustees shall have the exclusive
151 authority to set the assumptions that are used in the actuarial
152 evaluation in accordance with Section 25-11-119(9). The board of
153 trustees shall recalculate the retirement allowance of any retired
154 member or beneficiary of such a member as each phase is
155 implemented.

156 RETIREMENT ALLOWANCE COMPUTATION

157 IMPLEMENTATION TABLE

158	(A)	(B)	
159	PHASE	2% FOR YEARS	PERCENTAGE
160		ABOVE THIS	FOR YEARS

	NUMBER AND	ABOVE 25	
	≤25 YEARS	YEARS	
164	Phase 1	20 years	2.250%
165	Phase 2	15 years	2.250%
166	Phase 3	10 years	2.250%
167	Phase 4	5 years	2.250%
168	Phase 5	0 years	2.250%
169	Phase 6	0 years	2.375%
170	Phase 7	0 years	2.500%

171 Column A shows the years to which two percent (2%) is
172 applicable in computing the retirement allowance, which are all
173 the years of service exceeding the number specified in Column A
174 for the phase that has been implemented up to and including
175 twenty-five (25) years.

176 Column B shows the percentage that is applicable to the
177 number of years of service exceeding twenty-five (25) years in
178 computing the retirement allowance.

179 (6) No member, except members excluded by the Age
180 Discrimination in Employment Act Amendments of 1986 (Public Law
181 99-592), under either Article 1 or Article 3 in state service
182 shall be required to retire because of age.

183 (7) No payment on account of any benefit granted under the
184 provisions of this section shall become effective or begin to
185 accrue until January 1, 1953.

186 (8) (a) A retiree or beneficiary may, on a form prescribed
187 by and filed with the retirement system, irrevocably waive all or
188 a portion of any benefits from the retirement system to which the
189 retiree or beneficiary is entitled. Such waiver shall be binding
190 on the heirs and assigns of any retiree or beneficiary and the
191 same must agree to forever hold harmless the Public Employees'
192 Retirement System of Mississippi from any claim to such waived
193 retirement benefits.

194 (b) Any waiver pursuant to this subsection shall apply
195 only to the person executing the waiver. A beneficiary shall be
196 entitled to benefits according to the option selected by the
197 member at the time of retirement. However, a beneficiary may, at
198 the option of the beneficiary, execute a waiver of benefits
199 pursuant to this subsection.

200 (c) The retirement system shall retain in the annuity
201 reserve account amounts that are not used to pay benefits because
202 of a waiver executed under this subsection.

203 (d) The board of trustees may provide rules and
204 regulations for the administration of waivers under this
205 subsection.

206 **SECTION 2.** This act shall take effect and be in force from
207 and after July 1, 2004.