

By: Senator(s) Thames

To: Finance

SENATE BILL NO. 2677

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. Such 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 such 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 such purpose. Provided
 30 that 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 such regulations shall not unreasonably restrict all
34 licensed life underwriters and insurance companies described
35 herein from concurrently participating in providing contracts
36 authorized hereunder. Anything in any other law to the contrary
37 notwithstanding, the deferred portion of the employee's
38 compensation, the plan and the monies in the plan created by said
39 article, are exempt from any state, county or municipal ad valorem
40 taxes, income taxes, premium taxes, privilege taxes, property
41 taxes, sales and use taxes and any other taxes not so named, until
42 the deferred compensation is paid to the employee or beneficiary
43 and exempt from levy, garnishment, attachment or any other process
44 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.