

By: Representatives Robinson (84th), Horne

To: Appropriations

HOUSE BILL NO. 393

1 AN ACT TO AMEND SECTION 25-11-103, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT PUBLIC SCHOOL BUS DRIVERS SHALL BE ELIGIBLE TO
3 BECOME OR REMAIN MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT
4 SYSTEM REGARDLESS OF THE WEEKLY OR MONTHLY NUMBER OF HOURS WORKED;
5 TO AMEND SECTION 25-11-105, MISSISSIPPI CODE OF 1972, IN
6 CONFORMITY TO THE PRECEDING PROVISION; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 25-11-103, Mississippi Code of 1972, is
9 amended as follows:

10 25-11-103. The following words and phrases as used in
11 Articles 1 and 3, unless a different meaning is plainly required
12 by the context, have the following meanings:

13 (a) "Accumulated contributions" means the sum of all
14 the amounts deducted from the compensation of a member and
15 credited to his individual account in the annuity savings account,
16 together with regular interest as provided in Section 25-11-123.

17 (b) "Actuarial cost" means the amount of funds
18 presently required to provide future benefits as determined by the
19 board based on applicable tables and formulas provided by the
20 actuary.

21 (c) "Actuarial equivalent" means a benefit of equal
22 value to the accumulated contributions, annuity or benefit, as the
23 case may be, when computed upon the basis of such mortality tables
24 as adopted by the board of trustees, and regular interest.

25 (d) "Actuarial tables" means such tables of mortality
26 and rates of interest as adopted by the board in accordance with
27 the recommendation of the actuary.

28 (e) "Agency" means any governmental body employing
29 persons in the state service.

30 (f) "Average compensation" means the average of the
31 four (4) highest years of earned compensation reported for an
32 employee in a fiscal or calendar year period, or combination
33 thereof that do not overlap, or the last forty-eight (48)
34 consecutive months of earned compensation reported for an
35 employee. The four (4) years need not be successive or joined
36 years of service. In no case shall the average compensation so
37 determined be in excess of One Hundred Fifty Thousand Dollars
38 (\$150,000.00). In computing the average compensation, any amount
39 lawfully paid in a lump sum for personal leave or major medical
40 leave shall be included in the calculation to the extent that the
41 amount does not exceed an amount that is equal to thirty (30) days
42 of earned compensation and to the extent that it does not cause
43 the employees' earned compensation to exceed the maximum
44 reportable amount specified in Section 25-11-103(k); however, this
45 thirty-day limitation shall not prevent the inclusion in the
46 calculation of leave earned under federal regulations before July
47 1, 1976, and frozen as of that date as referred to in Section
48 25-3-99. Only the amount of lump sum pay for personal leave due
49 and paid upon the death of a member attributable for up to one
50 hundred fifty (150) days shall be used in the deceased member's
51 average compensation calculation in determining the beneficiary's
52 benefits. In computing the average compensation, no amounts shall
53 be used that are in excess of the amount on which contributions
54 were required and paid, and no nontaxable amounts paid by the
55 employer for health or life insurance premiums for the employee
56 shall be used. If any member who is or has been granted any
57 increase in annual salary or compensation of more than eight
58 percent (8%) retires within twenty-four (24) months from the date
59 that the increase becomes effective, then the board shall exclude
60 that part of the increase in salary or compensation that exceeds
61 eight percent (8%) in calculating that member's average
62 compensation for retirement purposes. The board may enforce this

63 provision by rule or regulation. However, increases in
64 compensation in excess of eight percent (8%) per year granted
65 within twenty-four (24) months of the date of retirement may be
66 included in the calculation of average compensation if
67 satisfactory proof is presented to the board showing that the
68 increase in compensation was the result of an actual change in the
69 position held or services rendered, or that the compensation
70 increase was authorized by the State Personnel Board or was
71 increased as a result of statutory enactment, and the employer
72 furnishes an affidavit stating that the increase granted within
73 the last twenty-four (24) months was not contingent on a promise
74 or agreement of the employee to retire. Nothing in Section
75 25-3-31 shall affect the calculation of the average compensation
76 of any member for the purposes of this article. The average
77 compensation of any member who retires before July 1, 1992, shall
78 not exceed the annual salary of the Governor.

79 (g) "Beneficiary" means any person entitled to receive
80 a retirement allowance, an annuity or other benefit as provided by
81 Articles 1 and 3. The term "beneficiary" may also include an
82 organization, estate, trust or entity; however, a beneficiary
83 designated or entitled to receive monthly payments under an
84 optional settlement based on life contingency or pursuant to a
85 statutory monthly benefit may only be a natural person. In the
86 event of the death before retirement of any member whose spouse
87 and/or children are not entitled to a retirement allowance on the
88 basis that the member has less than four (4) years of service
89 credit and/or has not been married for a minimum of one (1) year
90 or the spouse has waived his or her entitlement to a retirement
91 allowance under Section 25-11-114, the lawful spouse of a member
92 at the time of the death of the member shall be the beneficiary of
93 the member unless the member has designated another beneficiary
94 after the date of marriage in writing, and filed that writing in
95 the office of the executive director of the board of trustees. No

96 designation or change of beneficiary shall be made in any other
97 manner.

98 (h) "Board" means the board of trustees provided in
99 Section 25-11-15 to administer the retirement system created under
100 this article.

101 (i) "Creditable service" means "prior service,"
102 "retroactive service" and all lawfully credited unused leave not
103 exceeding the accrual rates and limitations provided in Section
104 25-3-91 et seq., as of the date of withdrawal from service plus
105 "membership service" for which credit is allowable as provided in
106 Section 25-11-109. Except to limit creditable service reported to
107 the system for the purpose of computing an employee's retirement
108 allowance or annuity or benefits provided in this article, nothing
109 in this paragraph shall limit or otherwise restrict the power of
110 the governing authority of a municipality or other political
111 subdivision of the state to adopt such vacation and sick leave
112 policies as it deems necessary.

113 (j) "Child" means either a natural child of the member,
114 a child that has been made a child of the member by applicable
115 court action before the death of the member, or a child under the
116 permanent care of the member at the time of the latter's death,
117 which permanent care status shall be determined by evidence
118 satisfactory to the board.

119 (k) "Earned compensation" means the full amount earned
120 by an employee for a given pay period including any maintenance
121 furnished up to a maximum of One Hundred Fifty Thousand Dollars
122 (\$150,000.00) per year, and proportionately for less than one (1)
123 year of service. The value of that maintenance when not paid in
124 money shall be fixed by the employing state agency, and, in case
125 of doubt, by the board of trustees as defined in Section 25-11-15.
126 Earned compensation shall not include any nontaxable amounts paid
127 by the employer for health or life insurance premiums for an
128 employee. In any case, earned compensation shall be limited to

129 the regular periodic compensation paid, exclusive of litigation
130 fees, bond fees, and other similar extraordinary nonrecurring
131 payments. In addition, any member in a covered position, as
132 defined by Public Employees' Retirement System laws and
133 regulations, who is also employed by another covered agency or
134 political subdivision shall have the earnings of that additional
135 employment reported to the Public Employees' Retirement System
136 regardless of whether the additional employment is sufficient in
137 itself to be a covered position. In addition, computation of
138 earned compensation shall be governed by the following:

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

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

147 (iii) In the case of members of the State
148 Legislature, all remuneration or amounts paid, except mileage
149 allowance, shall apply.

150 (iv) The amount by which an eligible employee's
151 salary is reduced under a salary reduction agreement authorized
152 under Section 25-17-5 shall be included as earned compensation
153 under this paragraph, provided this inclusion does not conflict
154 with federal law, including federal regulations and federal
155 administrative interpretations under the federal law, pertaining
156 to the Federal Insurance Contributions Act or to Internal Revenue
157 Code Section 125 cafeteria plans.

158 (v) Compensation in addition to an employee's base
159 salary that is paid to the employee under the vacation and sick
160 leave policies of a municipality or other political subdivision of
161 the state that employs him that exceeds the maximums authorized by

162 Section 25-3-91 et seq. shall be excluded from the calculation of
163 earned compensation under this article.

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

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

169 (l) "Employee" means any person legally occupying a
170 position in the state service, and shall include the employees of
171 the retirement system created under this article.

172 (m) "Employer" means the State of Mississippi or any of
173 its departments, agencies or subdivisions from which any employee
174 receives his compensation.

175 (n) "Executive director" means the secretary to the
176 board of trustees, as provided in Section 25-11-15(9), and the
177 administrator of the Public Employees' Retirement System and all
178 systems under the management of the board of trustees. Wherever
179 the term "Executive Secretary of the Public Employees' Retirement
180 System" or "executive secretary" appears in this article or in any
181 other provision of law, it shall be construed to mean the
182 Executive Director of the Public Employees' Retirement System.

183 (o) "Fiscal year" means the period beginning on July 1
184 of any year and ending on June 30 of the next succeeding year.

185 (p) "Medical board" means the board of physicians or
186 any governmental or nongovernmental disability determination
187 service designated by the board of trustees that is qualified to
188 make disability determinations as provided for in Section
189 25-11-119.

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

192 (r) "Membership service" means service as an employee
193 rendered while a member of the retirement system.

194 (s) "Position" means any office or any employment in
195 the state service, or two (2) or more of them, the duties of which
196 call for services to be rendered by one (1) person, including
197 positions jointly employed by federal and state agencies
198 administering federal and state funds. The employer shall
199 determine upon initial employment and during the course of
200 employment of an employee who does not meet the criteria for
201 coverage in the Public Employees' Retirement System based on the
202 position held, whether the employee is or becomes eligible for
203 coverage in the Public Employees' Retirement System based upon any
204 other employment in a covered agency or political subdivision. If
205 or when the employee meets the eligibility criteria for coverage
206 in the other position, then the employer must withhold
207 contributions and report wages from the noncovered position in
208 accordance with the provisions for reporting of earned
209 compensation. Failure to deduct and report those contributions
210 shall not relieve the employee or employer of liability thereof.
211 The board shall adopt such rules and regulations as necessary to
212 implement and enforce this provision.

213 (t) "Prior service" means service rendered before
214 February 1, 1953, for which credit is allowable under Sections
215 25-11-105 and 25-11-109, and which shall allow prior service for
216 any person who is now or becomes a member of the Public Employees'
217 Retirement System and who does contribute to the system for a
218 minimum period of four (4) years.

219 (u) "Regular interest" means interest compounded
220 annually at such a rate as determined by the board in accordance
221 with Section 25-11-121.

222 (v) "Retirement allowance" means an annuity for life as
223 provided in this article, payable each year in twelve (12) equal
224 monthly installments beginning as of the date fixed by the board.
225 The retirement allowance shall be calculated in accordance with
226 Section 25-11-111. However, any spouse who received a spouse

227 retirement benefit in accordance with Section 25-11-111(d) before
228 March 31, 1971, and those benefits were terminated because of
229 eligibility for a social security benefit, may again receive his
230 spouse retirement benefit from and after making application with
231 the board of trustees to reinstate the spouse retirement benefit.

232 (w) "Retroactive service" means service rendered after
233 February 1, 1953, for which credit is allowable under Section
234 25-11-105(b) and Section 25-11-105(k).

235 (x) "System" means the Public Employees' Retirement
236 System of Mississippi established and described in Section
237 25-11-101.

238 (y) "State" means the State of Mississippi or any
239 political subdivision thereof or instrumentality of the state.

240 (z) "State service" means all offices and positions of
241 trust or employment in the employ of the state, or any political
242 subdivision or instrumentality of the state, that elect to
243 participate as provided by Section 25-11-105(f), including the
244 position of elected or fee officials of the counties and their
245 deputies and employees performing public services or any
246 department, independent agency, board or commission thereof, and
247 also includes all offices and positions of trust or employment in
248 the employ of joint state and federal agencies administering state
249 and federal funds and service rendered by employees of the public
250 schools. Effective July 1, 1973, all nonprofessional public
251 school employees, such as bus drivers, janitors, maids,
252 maintenance workers and cafeteria employees, shall have the option
253 to become members in accordance with Section 25-11-105(b), and
254 shall be eligible to receive credit for services before July 1,
255 1973, provided that the contributions and interest are paid by the
256 employee in accordance with that section; in addition, the county
257 or municipal separate school district may pay the employer
258 contribution and pro rata share of interest of the retroactive
259 service from available funds. From and after July 1, 1998,

260 retroactive service credit shall be purchased at the actuarial
261 cost in accordance with Section 25-11-105(b). Public school bus
262 drivers shall be eligible to become or remain members of the
263 system regardless of the number of hours per week or per month for
264 which they receive compensation.

265 (aa) "Withdrawal from service" or "termination from
266 service" means complete severance of employment in the state
267 service of any member by resignation, dismissal or discharge.

268 (bb) The masculine pronoun, wherever used, includes the
269 feminine pronoun.

270 **SECTION 2.** Section 25-11-105, Mississippi Code of 1972, is
271 amended as follows:

272 25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

273 The membership of this retirement system shall be composed as
274 follows:

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

281 (ii) From and after July 1, 2002, any individual
282 who is employed by a governmental entity to perform professional
283 services shall become a member of the system if the individual is
284 paid regular periodic compensation for those services that is
285 subject to payroll taxes, is provided all other employee benefits
286 and meets the membership criteria established by the regulations
287 adopted by the board of trustees that apply to all other members
288 of the system; however, any active member employed in such a
289 position on July 1, 2002, will continue to be an active member for
290 as long as they are employed in any such position.

291 (b) All persons who become employees in the state
292 service after January 31, 1953, except those specifically excluded

293 or as to whom election is provided in Articles 1 and 3, unless
294 they file with the board before the lapse of sixty (60) days of
295 employment or sixty (60) days after the effective date of the
296 cited articles, whichever is later, on a form prescribed by the
297 board, a notice of election not to be covered by the membership of
298 the retirement system and a duly executed waiver of all present
299 and prospective benefits that would otherwise inure to them on
300 account of their participation in the system, shall become members
301 of the retirement system; however, no credit for prior service
302 will be granted to members until they have contributed to Article
303 3 of the retirement system for a minimum period of at least four
304 (4) years. Those members shall receive credit for services
305 performed before January 1, 1953, in employment now covered by
306 Article 3, but no credit shall be granted for retroactive services
307 between January 1, 1953, and the date of their entry into the
308 retirement system, unless the employee pays into the retirement
309 system both the employer's and the employee's contributions on
310 wages paid him during the period from January 31, 1953, to the
311 date of his becoming a contributing member, together with interest
312 at the rate determined by the board of trustees. Members
313 reentering after withdrawal from service shall qualify for prior
314 service under the provisions of Section 25-11-117. From and after
315 July 1, 1998, upon eligibility as noted above, the member may
316 receive credit for such retroactive service provided:

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

320 (2) The member shall pay to the retirement system
321 on the date he or she is eligible for that credit or at any time
322 thereafter before the date of retirement the actuarial cost for
323 each year of that creditable service. The provisions of this
324 subparagraph (2) shall be subject to the limitations of Section

325 415 of the Internal Revenue Code and regulations promulgated under
326 Section 415.

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

331 (c) All persons who become employees in the state
332 service after January 31, 1953, and who are eligible for
333 membership in any other retirement system shall become members of
334 this retirement system as a condition of their employment, unless
335 they elect at the time of their employment to become a member of
336 that other system.

337 (d) All persons who are employees in the state service
338 on January 31, 1953, and who are members of any nonfunded
339 retirement system operated by the State of Mississippi, or any of
340 its departments or agencies, shall become members of this system
341 with prior service credit unless, before February 1, 1953, they
342 file a written notice with the board of trustees that they do not
343 elect to become members.

344 (e) All persons who are employees in the state service
345 on January 31, 1953, and who under existing laws are members of
346 any fund operated for the retirement of employees by the State of
347 Mississippi, or any of its departments or agencies, shall not be
348 entitled to membership in this retirement system unless, before
349 February 1, 1953, any such person indicates by a notice filed with
350 the board, on a form prescribed by the board, his individual
351 election and choice to participate in this system, but no such
352 person shall receive prior service credit unless he becomes a
353 member on or before February 1, 1953.

354 (f) Each political subdivision of the state and each
355 instrumentality of the state or a political subdivision, or both,
356 is authorized to submit, for approval by the board of trustees, a
357 plan for extending the benefits of this article to employees of

358 any such political subdivision or instrumentality. Each such plan
359 or any amendment to the plan for extending benefits thereof shall
360 be approved by the board of trustees if it finds that the plan, or
361 the plan as amended, is in conformity with such requirements as
362 are provided in Articles 1 and 3; however, upon approval of the
363 plan or any such plan previously approved by the board of
364 trustees, the approved plan shall not be subject to cancellation
365 or termination by the political subdivision or instrumentality,
366 except that any community hospital serving a municipality that
367 joined the Public Employees' Retirement System as of November 1,
368 1956, to offer social security coverage for its employees and
369 subsequently extended retirement annuity coverage to its employees
370 as of December 1, 1965, may, upon documentation of extreme
371 financial hardship, have future retirement annuity coverage
372 cancelled or terminated at the discretion of the board of
373 trustees. No such plan shall be approved unless:

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

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

386 (3) It provides for such methods of administration
387 of the plan by the political subdivision or instrumentality as are
388 found by the board of trustees to be necessary for the proper and
389 efficient administration thereof;

390 (4) It provides that the political subdivision or
391 instrumentality will make such reports, in such form and
392 containing such information, as the board of trustees may from
393 time to time require;

394 (5) It authorizes the board of trustees to
395 terminate the plan in its entirety in the discretion of the board
396 if it finds that there has been a failure to comply substantially
397 with any provision contained in the plan, the termination to take
398 effect at the expiration of such notice and on such conditions as
399 may be provided by regulations of the board and as may be
400 consistent with applicable federal law.

401 A. The board of trustees shall not finally
402 refuse to approve a plan submitted under paragraph (f), and shall
403 not terminate an approved plan without reasonable notice and
404 opportunity for hearing to each political subdivision or
405 instrumentality affected by the board's decision. The board's
406 decision in any such case shall be final, conclusive and binding
407 unless an appeal is taken by the political subdivision or
408 instrumentality aggrieved by the decision to the Circuit Court of
409 Hinds County, Mississippi, in accordance with the provisions of
410 law with respect to civil causes by certiorari.

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

418 C. Every political subdivision or
419 instrumentality required to make payments under paragraph (f)(5)B
420 of this section is authorized, in consideration of the employees'
421 retention in or entry upon employment after enactment of Articles
422 1 and 3, to impose upon its employees, as to services that are

423 covered by an approved plan, a contribution with respect to wages
424 (as defined in Section 25-11-5) not exceeding the amount provided
425 in Section 25-11-123(d) if those services constituted employment
426 within the meaning of Articles 1 and 3, and to deduct the amount
427 of the contribution from the wages as and when paid.

428 Contributions so collected shall be paid into the contribution
429 fund as partial discharge of the liability of the political
430 subdivisions or instrumentalities under paragraph (f)(5)B of this
431 section. Failure to deduct the contribution shall not relieve the
432 employee or employer of liability for the contribution.

433 D. Any state agency, school, political
434 subdivision, instrumentality or any employer that is required to
435 submit contribution payments or wage reports under any section of
436 this chapter shall be assessed interest on delinquent payments or
437 wage reports as determined by the board of trustees in accordance
438 with rules and regulations adopted by the board and delinquent
439 payments, assessed interest and any other amount certified by the
440 board as owed by an employer, may be recovered by action in a
441 court of competent jurisdiction against the reporting agency
442 liable therefor or may, upon due certification of delinquency and
443 at the request of the board of trustees, be deducted from any
444 other monies payable to the reporting agency by any department or
445 agency of the state.

446 E. Each political subdivision of the state
447 and each instrumentality of the state or a political subdivision
448 or subdivisions that submit a plan for approval of the board, as
449 provided in this section, shall reimburse the board for coverage
450 into the expense account, its pro rata share of the total expense
451 of administering Articles 1 and 3 as provided by regulations of
452 the board.

453 (g) The board may, in its discretion, deny the right of
454 membership in this system to any class of employees whose
455 compensation is only partly paid by the state or who are occupying

456 positions on a part-time or intermittent basis. The board may, in
457 its discretion, make optional with employees in any such classes
458 their individual entrance into this system. However, the board
459 may not deny the right of membership in the system to public
460 school bus drivers.

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

467 (i) If any member of this system changes his employment
468 to any agency of the state having an actuarially funded retirement
469 system, the board of trustees may authorize the transfer of the
470 member's creditable service and of the present value of the
471 member's employer's accumulation account and of the present value
472 of the member's accumulated membership contributions to that other
473 system, provided that the employee agrees to the transfer of his
474 accumulated membership contributions and provided that the other
475 system is authorized to receive and agrees to make the transfer.

476 If any member of any other actuarially funded system
477 maintained by an agency of the state changes his employment to an
478 agency covered by this system, the board of trustees may authorize
479 the receipt of the transfer of the member's creditable service and
480 of the present value of the member's employer's accumulation
481 account and of the present value of the member's accumulated
482 membership contributions from the other system, provided that the
483 employee agrees to the transfer of his accumulated membership
484 contributions to this system and provided that the other system is
485 authorized and agrees to make the transfer.

486 (j) Wherever state employment is referred to in this
487 section, it includes joint employment by state and federal
488 agencies of all kinds.

489 (k) Employees of a political subdivision or
490 instrumentality who were employed by the political subdivision or
491 instrumentality before an agreement between the entity and the
492 Public Employees' Retirement System to extend the benefits of this
493 article to its employees, and which agreement provides for the
494 establishment of retroactive service credit, and who have been
495 members of the retirement system and have remained contributors to
496 the retirement system for four (4) years, may receive credit for
497 that retroactive service with the political subdivision or
498 instrumentality, provided that the employee and/or employer, as
499 provided under the terms of the modification of the joinder
500 agreement in allowing that coverage, pay into the retirement
501 system the employer's and employee's contributions on wages paid
502 the member during the previous employment, together with interest
503 or actuarial cost as determined by the board covering the period
504 from the date the service was rendered until the payment for the
505 credit for the service was made. Those wages shall be verified by
506 the Social Security Administration or employer payroll records.
507 Effective July 1, 1998, upon eligibility as noted above, a member
508 may receive credit for that retroactive service with the political
509 subdivision or instrumentality provided:

510 (1) The member shall furnish proof satisfactory to
511 the board of trustees of certification of those services from the
512 political subdivision or instrumentality where the services were
513 rendered or verification by the Social Security Administration;
514 and

515 (2) The member shall pay to the retirement system
516 on the date he or she is eligible for that credit or at any time
517 thereafter before the date of retirement the actuarial cost for
518 each year of that creditable service. The provisions of this
519 subparagraph (2) shall be subject to the limitations of Section
520 415 of the Internal Revenue Code and regulations promulgated under
521 Section 415.

522 Nothing contained in this paragraph (k) shall be construed to
523 limit the authority of the board to allow the correction of
524 reporting errors or omissions based on the payment of employee and
525 employer contributions plus applicable interest. Payment for that
526 time shall be made in increments of not less than one-quarter
527 (1/4) year of creditable service beginning with the most recent
528 service. Upon the payment of all or part of the required
529 contributions, plus interest or the actuarial cost as provided
530 above, the member shall receive credit for the period of
531 creditable service for which full payment has been made to the
532 retirement system.

533 (1) Through June 30, 1998, any state service eligible
534 for retroactive service credit, no part of which has ever been
535 reported, and requiring the payment of employee and employer
536 contributions plus interest, or, from and after July 1, 1998, any
537 state service eligible for retroactive service credit, no part of
538 which has ever been reported to the retirement system, and
539 requiring the payment of the actuarial cost for that creditable
540 service, may, at the member's option, be purchased in quarterly
541 increments as provided above at the time that its purchase is
542 otherwise allowed.

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

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

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

550 (a) Patient or inmate help in state charitable, penal
551 or correctional institutions;

552 (b) Students of any state educational institution
553 employed by any agency of the state for temporary, part-time or
554 intermittent work;

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

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

562 **III. TERMINATION OF MEMBERSHIP**

563 Membership in this system shall cease by a member withdrawing
564 his accumulated contributions, or by a member withdrawing from
565 active service with a retirement allowance, or by a member's
566 death.

567 **SECTION 3.** This act shall take effect and be in force from
568 and after July 1, 2005.