

By: Senator(s) Doxey, Brown, Davis

To: Finance

SENATE BILL NO. 2428

1 AN ACT TO AMEND SECTION 25-11-112, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT ONLY PERSONS WHO BECAME MEMBERS OF THE PUBLIC  
3 EMPLOYEES' RETIREMENT SYSTEM BEFORE JULY 1, 2006, SHALL BE  
4 ENTITLED TO RECEIVE AN ADDITIONAL ANNUAL PAYMENT; AND FOR RELATED  
5 PURPOSES.

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

7 **SECTION 1.** Section 25-11-112, Mississippi Code of 1972, is  
8 amended as follows:

9 25-11-112. (1) Any member who is receiving a retirement  
10 allowance for service or disability retirement, or any beneficiary  
11 thereof, who has received a monthly benefit for at least one (1)  
12 full fiscal year, and who became a member before July 1, 2006,  
13 shall be eligible to receive an additional benefit, on December 1  
14 or July 1 of the year as provided in subsection (3) of this  
15 section, equal to the greater of the amounts calculated under  
16 paragraph (a) or (b) below:

17 (a) An amount equal to four percent (4%) of the annual  
18 retirement allowance multiplied by the number of full fiscal years  
19 in retirement through June 30, 1998; or

20 (b) The sum of:

21 (i) An amount equal to three percent (3%) of the  
22 annual retirement allowance multiplied by the number of full  
23 fiscal years in retirement before the end of the fiscal year in  
24 which the member reaches age fifty-five (55), plus

25 (ii) An additional amount equal to three percent  
26 (3%) compounded by the number of full fiscal years in retirement  
27 beginning with the fiscal year in which the member reaches age

28 fifty-five (55), multiplied by the amount of the annual retirement  
29 allowance.

30 (2) The calculation of the beneficiary's additional benefit  
31 under subsection (1)(b)(i) or (1)(b)(ii) of this section shall be  
32 based on the member's age and full fiscal years in retirement as  
33 if the member had lived.

34 (3) (a) The additional benefit provided for under this  
35 section shall be paid in one (1) payment in December of each year  
36 to those persons who are receiving a retirement allowance on  
37 December 1 of that year, unless an election is made under this  
38 subsection. However, if a retiree who is receiving a retirement  
39 allowance that will terminate upon the retiree's death is  
40 receiving the additional benefit in one (1) payment and dies on or  
41 after July 1 but before December 1, the beneficiary designated on  
42 the retirement application, if any, shall receive in a single  
43 payment a fractional part of the additional benefit based on the  
44 number of months in which a retirement allowance was received  
45 during the fiscal year. Likewise, if a retiree is receiving a  
46 retirement allowance that will terminate upon his or her death in  
47 two (2) to six (6) monthly installments, any remaining payments of  
48 the additional benefit will be paid in a lump sum to the  
49 beneficiary designated on the application, or if none, pursuant to  
50 Section 25-11-117.1(1). Any similar remaining payments of  
51 additional benefits payable under this section to a deceased  
52 beneficiary who was receiving a monthly benefit shall be payable  
53 in accordance with the provisions of Section 25-11-117.1(2). If  
54 the additional monthly benefit is being received in one (1)  
55 payment, the additional benefit shall also be prorated based on  
56 the number of months in which a retirement allowance was received  
57 during the fiscal year when (i) the monthly benefit payable to a  
58 beneficiary terminates due to the expiration of an option,  
59 remarriage or cessation of dependent status or due to the  
60 retiree's return to covered employment, and (ii) the monthly

61 benefit terminates on or after July 1 and before December 1. The  
62 board may, in its discretion, allow a retired member or a  
63 beneficiary thereof who is receiving the additional annual payment  
64 in the manner provided for in this paragraph to change the manner  
65 in which the additional annual payment is received to that  
66 provided for in paragraph (b) of this subsection if the retired  
67 member or beneficiary submits satisfactory documentation that the  
68 continued receipt of the additional annual payment as provided for  
69 in this paragraph will cause a financial hardship to the retired  
70 member or beneficiary.

71           (b) Retired members or beneficiaries thereof who on  
72 July 1, 1999, or July 1 of any fiscal year thereafter, are  
73 receiving a retirement allowance, may elect by an irrevocable  
74 agreement in writing filed in the Office of the Public Employees'  
75 Retirement System no less than thirty (30) days before July 1 of  
76 the appropriate year, to begin receiving the additional benefit  
77 provided for under this section in twelve (12) equal monthly  
78 installments beginning July 1, 1999, or July 1 of any fiscal year  
79 thereafter. This irrevocable agreement shall be binding on the  
80 member and subsequent beneficiaries. Payment of those monthly  
81 installments shall not extend beyond the month in which a  
82 retirement allowance is due and payable. The board may, in its  
83 discretion, allow a retired member or a beneficiary thereof who is  
84 receiving the additional annual payment in the manner provided for  
85 in this paragraph to change the manner in which the additional  
86 annual payment is received to that provided for in paragraph (a)  
87 of this subsection if the retired member or beneficiary submits  
88 satisfactory documentation that the continued receipt of the  
89 additional annual payment as provided for in this paragraph will  
90 cause a financial hardship to the retired member or beneficiary.

91           (4) The additional payment or payments provided for under  
92 this section are for the fiscal year in which they are paid.

93 (5) The amount provided for under subsection (1)(b)(ii) of  
94 this section is calculated using the following formula:

95  $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$ ,

96 where  $n$  is the number of full fiscal years in retirement beginning  
97 with the fiscal year in which the member reaches age fifty-five  
98 (55).

99 (6) Any retired member or beneficiary thereof who has  
100 previously elected to receive the additional annual payment in  
101 monthly installments may elect, upon application on a form  
102 prescribed by the board of trustees, to have that payment made in  
103 one (1) additional payment each year. This written election must  
104 be filed in the Office of the Public Employees' Retirement System  
105 before June 1, 2000, and shall be effective for the fiscal year  
106 beginning July 1, 2000.

107 (7) In the event of death of a retired member or a  
108 beneficiary thereof who is receiving the additional annual payment  
109 in two (2) to six (6) monthly installments pursuant to an election  
110 made before July 1, 1999, and who would otherwise be eligible to  
111 receive the additional benefit provided for under this section in  
112 one (1) payment in December of the current fiscal year, any  
113 remaining amounts shall be paid in a lump sum to the designated  
114 beneficiary.

115 (8) When a member retires after July 1 and has previously  
116 received a retirement allowance for one or more full fiscal years,  
117 the retired member shall be eligible immediately for the  
118 additional benefit. The additional benefit shall be based on the  
119 current retirement allowance and the number of full fiscal years  
120 in retirement and shall be prorated and paid in monthly  
121 installments based on the number of months a retirement allowance  
122 is paid during the fiscal year.

123 (9) For the purposes of subsection (1) of this section, if a  
124 member of the system withdrew from state service and received a  
125 refund of the amount of the accumulated contributions to the

126 credit of the member in the annuity savings account before July 1,  
127 2006, and the person reenters state service and becomes a member  
128 of the system again on or after July 1, 2006, and repays all or  
129 part of the amount received as a refund and interest in order to  
130 receive creditable service for service rendered before July 1,  
131 2006, the member shall be considered to have become a member of  
132 the system on or after July 1, 2006.

133       **SECTION 2.** This act shall take effect and be in force from  
134 and after July 1, 2006.