

By: Representative Guice

To: Education;
Appropriations

HOUSE BILL NO. 466

1 AN ACT TO AMEND SECTIONS 25-15-3, 25-15-15 AND 37-151-95,
2 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE STATE SHALL PAY 100%
3 OF THE COST OF THE HEALTH INSURANCE PREMIUMS FOR ALL RETIRED
4 MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO ARE
5 EMPLOYED BY PUBLIC SCHOOL DISTRICTS AS SCHOOL BUS DRIVERS; TO
6 AMEND SECTION 25-11-127, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
7 THE AMOUNT PAID BY THE STATE FOR THE COST OF HEALTH INSURANCE
8 PREMIUMS FOR THOSE RETIREES SHALL NOT BE CONSIDERED AS PART OF THE
9 SALARY, EARNED COMPENSATION OR AVERAGE COMPENSATION OF THOSE
10 RETIREES WHO ARE EMPLOYED AFTER RETIREMENT; AND FOR RELATED
11 PURPOSES.

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

13 **SECTION 1.** Section 25-15-3, Mississippi Code of 1972, is
14 amended as follows:

15 **[Through June 30 of the year in which Section 25-11-143**
16 **becomes effective as provided in subsection (1) of Section**
17 **25-11-143, this section shall read as follows:]**

18 25-15-3. For the purposes of this article, the words and
19 phrases used in this section shall have the following meanings:

20 (a) "Employee" means any person who works full time for
21 the State of Mississippi and receives his compensation in a direct
22 payment from a department, agency or institution of the state
23 government; any person who works full time for any school
24 district, community/junior college, public library or
25 university-based program authorized under Section 37-23-31 for
26 deaf, aphasic and emotionally disturbed children; any regular
27 nonstudent bus driver; and any retired member of the Public
28 Employees' Retirement System who is employed by a public school
29 district as a school bus driver. This term includes legislators,
30 employees of the legislative branch and the judicial branch of the
31 state, full-time salaried judges and full-time district attorneys

32 and their staff and full-time compulsory school attendance
33 officers. For the purposes of this article, any "employee" making
34 contributions to the Public Employees' Retirement System or the
35 Highway Safety Patrol Retirement System shall be considered a
36 full-time employee.

37 (b) "Department" means the Department of Finance and
38 Administration.

39 (c) "Plan" means the State and School Employees Life
40 and Health Insurance Plan created under this article.

41 (d) "Fund" means the State and School Employees
42 Insurance Fund set up under this article.

43 (e) "Retiree" means any employee who is retired under
44 the Public Employees' Retirement System or the Highway Safety
45 Patrol Retirement System and is receiving a retirement allowance
46 from either system.

47 (f) "Board" means the State and School Employees Health
48 Insurance Management Board created under Section 25-15-303.

49 **[From and after July 1 of the year in which Section 25-11-143**
50 **becomes effective as provided in subsection (1) of Section**
51 **25-11-143, this section shall read as follows:]**

52 25-15-3. For the purposes of this article, the words and
53 phrases used in this section shall have the following meanings:

54 (a) "Employee" means any person who works full time for
55 the State of Mississippi and receives his compensation in a direct
56 payment from a department, agency or institution of the state
57 government; any person who works full time for any school
58 district, community/junior college, public library,
59 university-based program authorized under Section 37-23-31 for
60 deaf, aphasic and emotionally disturbed children; and any regular
61 nonstudent bus driver. This term includes legislators, employees
62 of the legislative branch and the judicial branch of the state,
63 full-time salaried judges and full-time district attorneys and
64 their staff, and full-time compulsory school attendance officers.

65 For the purposes of this article, any "employee" making
66 contributions to the Public Employees' Retirement System or the
67 Highway Safety Patrol Retirement System shall be considered a
68 full-time employee.

69 (b) "Department" means the Department of Finance and
70 Administration.

71 (c) "Plan" means the State and School Employees Life
72 and Health Insurance Plan created under this article.

73 (d) "Fund" means the State and School Employees
74 Insurance Fund set up under this article.

75 (e) "Board" means the State and School Employees Health
76 Insurance Management Board created under Section 25-15-303.

77 **SECTION 2.** Section 25-15-15, Mississippi Code of 1972, is
78 amended as follows:

79 **[Through June 30 of the year in which Section 25-11-143**
80 **becomes effective as provided in subsection (1) of Section**
81 **25-11-143, this section shall read as follows:]**

82 25-15-15. (1) The board may determine the manner in which
83 premiums and contributions by the state agencies, local school
84 districts, colleges, universities, community/junior colleges and
85 public libraries will be collected to provide the self-insured
86 health insurance program for employees as provided under this
87 article. The state shall provide fifty percent (50%) of the cost
88 of the above life insurance plan for all active full-time
89 employees; the state shall not share in the cost of the life
90 insurance plan for retired members of the Public Employees'
91 Retirement System who are employed by public school districts as
92 school bus drivers. The state shall provide one hundred percent
93 (100%) of the cost of the health insurance plan for active
94 full-time employees who were initially employed before January 1,
95 2006, and all retired members of the Public Employees' Retirement
96 System who are employed by public school districts as school bus
97 drivers. For active full-time employees who were initially

98 employed on or after January 1, 2006, the state shall provide one
99 hundred percent (100%) of the cost of a basic level of health
100 insurance, and the employees may pay additional amounts to
101 purchase additional benefits or levels of coverage offered under
102 the plan. All active full-time employees shall be given the
103 opportunity to purchase coverage for their eligible dependents
104 with the premiums for the dependent coverage, as well as the
105 employee's fifty percent (50%) share for his or her life insurance
106 coverage, to be deductible from the employee's salary by the
107 agency, department or institution head. Those deductions,
108 together with the fifty percent (50%) share of the life insurance
109 premiums of the employing agency, department or institution head
110 from funds appropriated to or authorized to be expended by the
111 employing agency, department or institution head, shall be
112 deposited directly into a depository bank or special fund in the
113 State Treasury, as determined by the board. These funds and
114 interest earned on these funds may be used for the disbursement of
115 claims and shall be exempt from the appropriation process.

116 (2) The state shall provide annually, by line item in the
117 Mississippi Library Commission appropriation bill, the funds to
118 pay one hundred percent (100%) of the cost of health insurance
119 under the State and School Employees Health Insurance Plan for
120 full-time library staff members in each public library in
121 Mississippi who were initially employed before January 1, 2006.
122 For full-time library staff members who were initially employed on
123 or after January 1, 2006, the state shall provide one hundred
124 percent (100%) of the cost of a basic level of health insurance
125 under the State and School Employees Health Insurance Plan, and
126 the employees may pay additional amounts to purchase additional
127 benefits or levels of coverage offered under the plan. The
128 commission shall allot to each public library a sufficient amount
129 of those funds appropriated to pay the costs of insurance for
130 eligible employees. Any funds so appropriated by line item that

131 are not expended during the fiscal year for which the funds were
132 appropriated shall be carried forward for the same purposes during
133 the next succeeding fiscal year. If any premiums for the health
134 insurance and/or late charges and interest penalties are not paid
135 by a public library in a timely manner, as defined by the board,
136 the Mississippi Library Commission, upon notice by the board,
137 shall immediately withhold all later disbursements of funds to
138 that public library.

139 (3) The state shall annually provide one hundred percent
140 (100%) of the cost of the health insurance plan for public school
141 district employees who work no less than twenty (20) hours during
142 each week and regular nonstudent school bus drivers, if those
143 employees and school bus drivers were initially employed before
144 January 1, 2006, and retired members of the Public Employees'
145 Retirement System who are employed by public school districts as
146 school bus drivers. For those employees and regular nonstudent
147 school bus drivers who were initially employed on or after January
148 1, 2006, the state shall provide one hundred percent (100%) of the
149 cost of a basic level of health insurance under the State and
150 School Employees Health Insurance Plan, and the employees may pay
151 additional amounts to purchase additional benefits or levels of
152 coverage offered under the plan. Where federal funding is
153 allowable to defray, in full or in part, the cost of participation
154 in the program by district employees who work no less than twenty
155 (20) hours during the week, regular nonstudent bus drivers, and
156 retired members of the Public Employees' Retirement System who are
157 employed by public school districts as school bus drivers, whose
158 salaries are paid, in full or in part, by federal funds, the
159 allowance under this section shall be reduced to the extent of
160 that federal funding. Where the use of federal funds is allowable
161 but not available, it is the intent of the Legislature that school
162 districts contribute the cost of participation for the employees

163 from local funds, except that parent fees for child nutrition
164 programs shall not be increased to cover that cost.

165 (4) The state shall provide annually, by line item in the
166 community/junior college appropriation bill, the funds to pay one
167 hundred percent (100%) of the cost of the health insurance plan
168 for community/junior college district employees who were initially
169 employed before January 1, 2006, and who work no less than twenty
170 (20) hours during each week. For those employees who were
171 initially employed on or after January 1, 2006, the state shall
172 provide one hundred percent (100%) of the cost of a basic level of
173 health insurance under the State and School Employees Health
174 Insurance Plan, and the employees may pay additional amounts to
175 purchase additional benefits or levels of coverage offered under
176 the plan.

177 (5) When the use of federal funding is allowable to defray,
178 in full or in part, the cost of participation in the insurance
179 plan by community/junior college district employees who work no
180 less than twenty (20) hours during each week, whose salaries are
181 paid, in full or in part, by federal funds, the allowance under
182 this section shall be reduced to the extent of the federal
183 funding. Where the use of federal funds is allowable but not
184 available, it is the intent of the Legislature that
185 community/junior college districts contribute the cost of
186 participation for the employees from local funds.

187 (6) Any community/junior college district may contribute to
188 the cost of coverage for any district employee from local
189 community/junior college district funds, and any public school
190 district may contribute to the cost of coverage for any district
191 employee from funds other than adequate education program funds.
192 Any part of the cost of the coverage for participating employees
193 of public school districts and public community/junior college
194 districts that is not paid by the state shall be paid by the

195 participating employees, which shall be deducted from the salaries
196 of the employees in a manner determined by the board.

197 (7) Any funds appropriated for the cost of insurance by line
198 item in the community/junior colleges appropriation bill that are
199 not expended during the fiscal year for which the funds were
200 appropriated shall be carried forward for the same purposes during
201 the next succeeding fiscal year.

202 (8) The board may establish and enforce late charges and
203 interest penalties or other penalties for the purpose of requiring
204 the prompt payment of all premiums for life and health insurance
205 permitted under Chapter 15 of Title 25. All funds in excess of
206 the amount needed for disbursement of claims shall be deposited in
207 a special fund in the State Treasury to be known as the State and
208 School Employees Insurance Fund. The State Treasurer shall invest
209 all funds in the State and School Employees Insurance Fund and all
210 interest earned shall be credited to the State and School
211 Employees Insurance Fund. Those funds shall be placed with one or
212 more depositories of the state and invested on the first day that
213 the funds are available for investment in certificates of deposit,
214 repurchase agreements or in United States Treasury bills or as
215 otherwise authorized by law for the investment of Public
216 Employees' Retirement System funds, as long as the investment is
217 made from competitive offering and at the highest and best market
218 rate obtainable consistent with any available investment
219 alternatives. However, those investments shall not be made in
220 shares of stock, common or preferred, or in any other investments
221 that would mature more than one (1) year from the date of
222 investment. The board shall have the authority to draw from this
223 fund periodically such funds as are necessary to operate the
224 self-insurance plan or to pay to the insurance carrier the cost of
225 operation of this plan, it being the purpose to limit the amount
226 of participation by the state to fifty percent (50%) of the cost
227 of the life insurance program and not to limit the contracting for

228 additional benefits where the cost will be paid in full by the
229 employee. The state shall not share in the cost of coverage for
230 retired employees, except for retired members of the Public
231 Employees' Retirement System who are employed by public school
232 districts as school bus drivers.

233 (9) The board shall also provide for the creation of an
234 Insurance Reserve Fund, and funds in the reserve fund shall be
235 invested by the State Treasurer with all interest earned credited
236 to the State and School Employees Insurance Fund.

237 (10) Any retired employee electing to purchase retired life
238 and health insurance will have the full cost of the insurance
239 deducted monthly from his State of Mississippi retirement plan
240 check or direct billed for the cost of the premium if the
241 retirement check is insufficient to pay for the premium. If the
242 board determines actuarially that the premium paid by the
243 participating retirees adversely affects the overall cost of the
244 plan to the state, then the board may impose a premium surcharge,
245 not to exceed fifteen percent (15%), upon the participating
246 retired employees who are under the age for Medicare eligibility
247 and who were initially employed before January 1, 2006. For
248 participating retired employees who are under the age for Medicare
249 eligibility and who were initially employed on or after January 1,
250 2006, the board may impose a premium surcharge in an amount the
251 board determines actuarially to cover the full cost of insurance.

252 **[From and after July 1 of the year in which Section 25-11-143**
253 **becomes effective as provided in subsection (1) of Section**
254 **25-11-143, this section shall read as follows:]**

255 25-15-15. (1) The board may determine the manner in which
256 premiums and contributions by the state agencies, local school
257 districts, colleges, universities, community/junior colleges and
258 public libraries will be collected to provide the self-insured
259 health insurance program for employees as provided under this
260 article. The state shall provide fifty percent (50%) of the cost

261 of the above life insurance plan for all active full-time
262 employees. The state shall provide one hundred percent (100%) of
263 the cost of the health insurance plan for active full-time
264 employees who were initially employed before January 1, 2006. For
265 active full-time employees who were initially employed on or after
266 January 1, 2006, the state shall provide one hundred percent
267 (100%) of the cost of a basic level of health insurance, and the
268 employees may pay additional amounts to purchase additional
269 benefits or levels of coverage offered under the plan. All active
270 full-time employees shall be given the opportunity to purchase
271 coverage for their eligible dependents with the premiums for the
272 dependent coverage, as well as the employee's fifty percent (50%)
273 share for his or her life insurance coverage, to be deductible
274 from the employee's salary by the agency, department or
275 institution head. Those deductions, together with the fifty
276 percent (50%) share of the life insurance premiums of the
277 employing agency, department or institution head from funds
278 appropriated to or authorized to be expended by the employing
279 agency, department or institution head, shall be deposited
280 directly into a depository bank or special fund in the State
281 Treasury, as determined by the board. These funds and interest
282 earned on these funds may be used for the disbursement of claims
283 and shall be exempt from the appropriation process.

284 (2) The state shall provide annually, by line item in the
285 Mississippi Library Commission appropriation bill, the funds to
286 pay one hundred percent (100%) of the cost of health insurance
287 under the State and School Employees Health Insurance Plan for all
288 full-time library staff members in each public library in
289 Mississippi who were initially employed before January 1, 2006.
290 For full-time library staff members who were initially employed on
291 or after January 1, 2006, the state shall provide one hundred
292 percent (100%) of the cost of a basic level of health insurance
293 under the State and School Employees Health Insurance Plan, and

294 the employees may pay additional amounts to purchase additional
295 benefits or levels of coverage offered under the plan. The
296 commission shall allot to each public library a sufficient amount
297 of those funds appropriated to pay the costs of insurance for
298 eligible employees. Any funds so appropriated by line item that
299 are not expended during the fiscal year for which the funds were
300 appropriated shall be carried forward for the same purposes during
301 the next succeeding fiscal year. If any premiums for the health
302 insurance and/or late charges and interest penalties are not paid
303 by a public library in a timely manner, as defined by the board,
304 the Mississippi Library Commission, upon notice by the board,
305 shall immediately withhold all later disbursements of funds to
306 that public library.

307 (3) The state shall annually provide one hundred percent
308 (100%) of the cost of the health insurance plan for public school
309 district employees who work no less than twenty (20) hours during
310 each week and regular nonstudent school bus drivers, if those
311 employees and school bus drivers were initially employed before
312 January 1, 2006. For those employees and school bus drivers who
313 were initially employed on or after January 1, 2006, the state
314 shall provide one hundred percent (100%) of the cost of a basic
315 level of health insurance under the State and School Employees
316 Health Insurance Plan, and the employees may pay additional
317 amounts to purchase additional benefits or levels of coverage
318 offered under the plan. Where federal funding is allowable to
319 defray, in full or in part, the cost of participation in the
320 program by district employees who work no less than twenty (20)
321 hours during the week and regular nonstudent bus drivers, whose
322 salaries are paid, in full or in part, by federal funds, the
323 allowance under this section shall be reduced to the extent of
324 that federal funding. Where the use of federal funds is allowable
325 but not available, it is the intent of the Legislature that school
326 districts contribute the cost of participation for the employees

327 from local funds, except that parent fees for child nutrition
328 programs shall not be increased to cover that cost.

329 (4) The state shall provide annually, by line item in the
330 community/junior college appropriation bill, the funds to pay one
331 hundred percent (100%) of the cost of the health insurance plan
332 for community/junior college district employees who were initially
333 employed before January 1, 2006, and who work no less than twenty
334 (20) hours during each week. For those employees who were
335 initially employed on or after January 1, 2006, the state shall
336 provide one hundred percent (100%) of the cost of a basic level of
337 health insurance under the State and School Employees Health
338 Insurance Plan, and the employees may pay additional amounts to
339 purchase additional benefits or levels of coverage offered under
340 the plan.

341 (5) When the use of federal funding is allowable to defray,
342 in full or in part, the cost of participation in the insurance
343 plan by community/junior college district employees who work no
344 less than twenty (20) hours during each week, whose salaries are
345 paid, in full or in part, by federal funds, the allowance under
346 this section shall be reduced to the extent of the federal
347 funding. Where the use of federal funds is allowable but not
348 available, it is the intent of the Legislature that
349 community/junior college districts contribute the cost of
350 participation for the employees from local funds.

351 (6) Any community/junior college district may contribute to
352 the cost of coverage for any district employee from local
353 community/junior college district funds, and any public school
354 district may contribute to the cost of coverage for any district
355 employee from funds other than adequate education program funds.
356 Any part of the cost of the coverage for participating employees
357 of public school districts and public community/junior college
358 districts that is not paid by the state shall be paid by the

359 participating employees, which shall be deducted from the salaries
360 of the employees in a manner determined by the board.

361 (7) Any funds appropriated for the cost of insurance by line
362 item in the community/junior colleges appropriation bill that are
363 not expended during the fiscal year for which the funds were
364 appropriated shall be carried forward for the same purposes during
365 the next succeeding fiscal year.

366 (8) The board may establish and enforce late charges and
367 interest penalties or other penalties for the purpose of requiring
368 the prompt payment of all premiums for life and health insurance
369 permitted under Chapter 15 of Title 25. All funds in excess of
370 the amount needed for disbursement of claims shall be deposited in
371 a special fund in the State Treasury to be known as the State and
372 School Employees Insurance Fund. The State Treasurer shall invest
373 all funds in the State and School Employees Insurance Fund and all
374 interest earned shall be credited to the State and School
375 Employees Insurance Fund. Those funds shall be placed with one or
376 more depositories of the state and invested on the first day that
377 the funds are available for investment in certificates of deposit,
378 repurchase agreements or in United States Treasury bills or as
379 otherwise authorized by law for the investment of Public
380 Employees' Retirement System funds, as long as the investment is
381 made from competitive offering and at the highest and best market
382 rate obtainable consistent with any available investment
383 alternatives. However, those investments shall not be made in
384 shares of stock, common or preferred, or in any other investments
385 that would mature more than one (1) year from the date of
386 investment. The board shall have the authority to draw from this
387 fund periodically such funds as are necessary to operate the
388 self-insurance plan or to pay to the insurance carrier the cost of
389 operation of this plan, it being the purpose to limit the amount
390 of participation by the state to fifty percent (50%) of the cost
391 of the life insurance program and not to limit the contracting for

392 additional benefits where the cost will be paid in full by the
393 employee.

394 (9) The board shall also provide for the creation of an
395 Insurance Reserve Fund, and funds in the reserve fund shall be
396 invested by the State Treasurer with all interest earned credited
397 to the State and School Employees Insurance Fund.

398 **SECTION 3.** Section 37-151-95, Mississippi Code of 1972, is
399 amended as follows:

400 37-151-95. Adequate education program funds shall include
401 one hundred percent (100%) of the cost of the State and School
402 Employees' Life and Health Insurance Plan created under Article 7,
403 Chapter 15, Title 25, Mississippi Code of 1972, for all district
404 employees who work no less than twenty (20) hours during each
405 week, regular nonstudent school bus drivers employed by the
406 district, and retired members of the Public Employees' Retirement
407 System who are employed by the district as school bus drivers.

408 Where the use of federal funding is allowable to defray, in
409 full or in part, the cost of participation in the insurance plan
410 by district employees who work no less than twenty (20) hours
411 during each week, regular nonstudent school bus drivers, and
412 retired members of the Public Employees' Retirement System who are
413 employed by the district as school bus drivers, whose salaries are
414 paid, in full or in part, by federal funds, the allowance under
415 this section shall be reduced to the extent of the federal
416 funding. Where the use of federal funds is allowable but not
417 available, it is the intent of the Legislature that school
418 districts contribute the cost of participation for the employees
419 from local funds, except that parent fees for child nutrition
420 programs shall not be increased to cover that cost.

421 The State Department of Education, in accordance with rules
422 and regulations established by the State Board of Education, may
423 withhold a school district's adequate education program funds for
424 failure of the district to timely report student, fiscal and

425 personnel data necessary to meet state and/or federal
426 requirements. The rules and regulations promulgated by the State
427 Board of Education shall require the withholding of adequate
428 education program funds for those districts that fail to remit
429 premiums, interest penalties and/or late charges under the State
430 and School Employees' Life and Health Insurance Plan.
431 Noncompliance with those rules and regulations shall result in a
432 violation of compulsory accreditation standards as established by
433 the State Board of Education and Commission on School
434 Accreditation.

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

437 25-11-127. (1) (a) No person who is being paid a
438 retirement allowance or a pension after retirement under this
439 article shall be employed or paid for any service by the State of
440 Mississippi, except as provided in this section.

441 (b) No retiree of this retirement system who is
442 reemployed or is reelected to office after retirement shall
443 continue to draw retirement benefits while so reemployed, except
444 as provided in this section.

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

448 (2) Any person who has been retired under the provisions of
449 Article 3 and who is later reemployed in service covered by this
450 article shall cease to receive benefits under this article and
451 shall again become a contributing member of the retirement system.
452 When the person retires again, if the reemployment exceeds six (6)
453 months, the person shall have his or her benefit recomputed,
454 including service after again becoming a member, provided that the
455 total retirement allowance paid to the retired member in his or
456 her previous retirement shall be deducted from the member's

457 retirement reserve and taken into consideration in recalculating
458 the retirement allowance under a new option selected.

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

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

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

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

472 To determine the normal working days for a position under
473 paragraph (a) of this subsection, the employer shall determine the
474 required number of working days for the position on a full-time
475 basis and the equivalent number of hours representing the
476 full-time position. The retiree then may work up to one-half
477 (1/2) of the required number of working days or up to one-half
478 (1/2) of the equivalent number of hours and receive up to one-half
479 (1/2) of the salary for the position. In the case of employment
480 with multiple employers, the limitation shall equal one-half (1/2)
481 of the number of days or hours for a single full-time position.

482 Notice shall be given in writing to the executive director,
483 setting forth the facts upon which the employment is being made,
484 and the notice shall be given within five (5) days from the date
485 of employment and also from the date of termination of the
486 employment.

487 For the purposes of this subsection (4), the nontaxable
488 amounts paid by the state for the cost of the health insurance
489 premiums for retirees who are employed by public school districts

490 as school bus drivers, as provided in Section 25-15-15, shall not
491 be considered as part of the salary, earned compensation or
492 average compensation of those retirees.

493 (5) Any member may continue in municipal or county elected
494 office or be elected to a municipal or county office, provided
495 that the person:

496 (a) Files annually, in writing, in the office of the
497 employer and the office of the executive director of the system
498 before the person takes office or as soon as possible after
499 retirement, a waiver of all salary or compensation and elects to
500 receive in lieu of that salary or compensation a retirement
501 allowance as provided in this section, in which event no salary or
502 compensation shall thereafter be due or payable for those
503 services; however, any such officer or employee may receive, in
504 addition to the retirement allowance, office expense allowance,
505 mileage or travel expense authorized by any statute of the State
506 of Mississippi; or

507 (b) Elects to receive compensation for that elective
508 office in an amount not to exceed twenty-five percent (25%) of the
509 retiree's average compensation. As used in this paragraph, the
510 term "compensation" shall not include office expense allowance,
511 mileage or travel expense authorized by a statute of the State of
512 Mississippi. In order to receive compensation as allowed in this
513 paragraph, the member shall file annually, in writing, in the
514 office of the employer and the office of the executive director of
515 the system, an election to receive, in addition to a retirement
516 allowance, compensation as allowed in this paragraph.

517 **SECTION 5.** This act shall take effect and be in force from
518 and after its passage.