

By: Representative Stringer

To: Appropriations

## HOUSE BILL NO. 701

1 AN ACT TO AMEND SECTIONS 25-11-133, 25-11-309, 25-13-33 AND  
2 21-29-317, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE BOARD OF  
3 TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO PROVIDE BY  
4 RULE OR REGULATION FOR THE PAYMENT OF BENEFITS UNDER THE PUBLIC  
5 EMPLOYEES' RETIREMENT SYSTEM, THE SUPPLEMENTAL LEGISLATIVE  
6 RETIREMENT SYSTEM, THE HIGHWAY SAFETY PATROL RETIREMENT SYSTEM AND  
7 CERTAIN MUNICIPAL RETIREMENT SYSTEMS, UNDER CIRCUMSTANCES NOT  
8 OTHERWISE PROVIDED FOR BY LAW TO THE EXTENT THAT THE PAYMENT IS  
9 REQUIRED TO MAINTAIN THE PLANS AS QUALIFIED RETIREMENT PLANS FOR  
10 PURPOSES OF FEDERAL INCOME TAX LAWS; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** Section 25-11-133, Mississippi Code of 1972, is  
13 amended as follows:

14 25-11-133. (1) The maintenance of actuarial reserves for  
15 the various allowances and benefits under Articles 1 and 3, and  
16 the payment of all annuities, retirement allowances, refunds and  
17 other benefits granted hereunder are \* \* \* made obligations of the  
18 employer's accumulation accounts. All income, interest and  
19 dividends derived from deposits and investments authorized by  
20 those articles shall be used for the payment of the obligations of  
21 the system.

22 (2) In the event of the termination of the Public Employees'  
23 Retirement System established pursuant to the provisions of  
24 Section 25-11-101 et seq., all members of the system as of the  
25 date of termination of the system shall be deemed to have a vested  
26 right to benefits to the extent and in the same manner that rights  
27 would be vested under the statute existing as of the date of  
28 termination of the system, except that any member who, because of  
29 a termination of the system has not fulfilled the requirements for  
30 length of service, shall nonetheless be entitled to compensation  
31 as of the date that such member would otherwise be eligible, with

32 such compensation to be computed on the basis of time actually a  
33 member of the service and compensation actually earned during the  
34 time a member, in the manner now provided by statute.

35 In the event of a deficit in the availability of funds for  
36 payment due under the provisions of the Public Employees'  
37 Retirement System, an appropriation shall \* \* \* be made sufficient  
38 for the payment thereof as an obligation of the state.

39 (3) (a) Notwithstanding any provisions of this section or  
40 this title to the contrary, the maximum annual retirement  
41 allowance attributable to the employer contributions payable by  
42 the system to a member shall be subject to the limitations set  
43 forth in Section 415 of the Internal Revenue Code and any  
44 regulations issued thereunder as applicable to governmental plans  
45 as the term is defined under Section 414(d) of the Internal  
46 Revenue Code.

47 (b) The board is authorized to provide by rule or  
48 regulation for the payment of benefits as provided under this  
49 chapter to members or beneficiaries of the retirement system at a  
50 time and under circumstances not otherwise provided for in this  
51 chapter to the extent that the payment is required to maintain the  
52 system as a qualified retirement plan for purposes of federal  
53 income tax laws.

54 (4) Notwithstanding any other provision of this plan, all  
55 distributions from this plan shall conform to the regulations  
56 issued under Section 401(a)(9) of the Internal Revenue Code,  
57 applicable to governmental plans, as defined in Section 414(d) of  
58 the Internal Revenue Code, including the incidental death benefit  
59 provisions of Section 401(a)(9)(G) of the Internal Revenue Code.  
60 Further, the regulations shall override any plan provision that is  
61 inconsistent with Section 401(a)(9) of the Internal Revenue Code.

62 (5) The actuarial assumptions used to convert a retirement  
63 allowance from the normal form of payment to an optional form of

64 payment shall be an appendix to Article 3 and subject to approval  
65 by the board \* \* \* based upon certification by the actuary.

66 (6) Notwithstanding any other provision of this plan, the  
67 maximum compensation that can be considered for all plan purposes  
68 shall not be greater than that allowed under Section 401(a)(17) of  
69 the Internal Revenue Code.

70 **SECTION 2.** Section 25-11-309, Mississippi Code of 1972, is  
71 amended as follows:

72 25-11-309. (1) The retirement allowance from the  
73 Supplemental Legislative Retirement Plan shall consist of fifty  
74 percent (50%) of an amount equal to the retirement allowance  
75 determined by creditable service as an elected Senator or  
76 Representative of the State Legislature or as President of the  
77 Senate payable by the Public Employees' Retirement System in  
78 accordance with Section 25-11-101 et seq.

79 (2) The percentage of the retirement allowance as provided  
80 in this section shall be transferred from the annuity savings  
81 account of the member and the employer accumulation account in the  
82 Supplemental Legislative Retirement Plan to the retirement account  
83 of the member in the Public Employees' Retirement System as  
84 provided.

85 (3) (a) Notwithstanding any provisions of this section or  
86 this title to the contrary, the maximum annual retirement  
87 allowance attributable to the employer contributions payable under  
88 the Supplemental Legislative Retirement Plan to a member shall be  
89 subject to the limitations set forth in Section 415 of the  
90 Internal Revenue Code and any regulations issued thereunder  
91 applicable to governmental plans as the term is defined under  
92 Section 414(d) of the Internal Revenue Code.

93 (b) The board is authorized to provide by rule or  
94 regulation for the payment of benefits as provided under this  
95 chapter to members or beneficiaries of the Supplemental  
96 Legislative Retirement System at a time and under circumstances

97 not otherwise provided for in this chapter to the extent that the  
98 payment is required to maintain the Supplemental Legislative  
99 Retirement System as a qualified retirement plan for purposes of  
100 federal income tax laws.

101       **SECTION 3.** Section 25-13-33, Mississippi Code of 1972, is  
102 amended as follows:

103       25-13-33. (1) The maintenance of actuarial reserves for the  
104 various allowances and benefits under this chapter, and the  
105 payment of all annuities, retirement allowances, refunds and other  
106 benefits granted under this chapter are \* \* \* made obligations of  
107 the disability and relief fund. All income, interest and  
108 dividends derived from deposits and investments authorized by this  
109 chapter shall be used for the payment of the obligations of the  
110 system.

111       (2) In the event of the termination of the Mississippi  
112 Highway Safety Patrol Retirement System, established pursuant to  
113 the provisions of Section 25-13-1 et seq., all members of the  
114 system as of the date of termination of the system shall be deemed  
115 to have a vested right to benefits to the extent and in the same  
116 manner that rights would be vested under the statute existing as  
117 of the date of termination of the system; except that any member  
118 who, because of a termination of the system has not fulfilled the  
119 requirements for length of service, shall be entitled to  
120 compensation as of the date that such member would otherwise be  
121 eligible, with such compensation to be computed on the basis of  
122 time actually a member of the service and compensation actually  
123 earned during the time as a member, in the manner now provided by  
124 statute.

125       In the event of a deficit in the availability of funds for  
126 payment due under the provisions of the Mississippi Highway Safety  
127 Patrol Retirement System, an appropriation shall \* \* \* be made  
128 sufficient for the payment thereof as an obligation of the State  
129 of Mississippi.

130           (3) (a) Notwithstanding any provisions of this section or  
131 chapter to the contrary, the maximum annual retirement allowance  
132 attributable to the employer contributions payable by the system  
133 to a member shall be subject to the limitations set forth in  
134 Section 415 of the Internal Revenue Code and any regulations  
135 issued thereunder as applicable to governmental plans as the term  
136 is defined under Section 414(d) of the Internal Revenue Code.

137                   (b) The Board of Trustees of the Public Employees'  
138 Retirement System is authorized to provide by rule or regulation  
139 for the payment of benefits as provided under this chapter to  
140 members or beneficiaries of the Highway Safety Patrol Retirement  
141 System at a time and under circumstances not otherwise provided  
142 for in this chapter to the extent that the payment is required to  
143 maintain the Highway Safety Patrol Retirement System as a  
144 qualified retirement plan for purposes of federal income tax laws.

145           (4) Notwithstanding any other provision of this plan, all  
146 distributions from this plan shall conform to the regulations  
147 issued under Section 401(a)(9) of the Internal Revenue Code,  
148 applicable to governmental plans, as defined in Section 414(d) of  
149 the Internal Revenue Code, including the incidental death benefit  
150 provisions of Section 401(a)(9)(G) of the Internal Revenue Code.  
151 Further, such regulations shall override any plan provision that  
152 is inconsistent with Section 401(a)(9) of the Internal Revenue  
153 Code.

154           (5) The actuarial assumptions used to convert a retirement  
155 allowance from the normal form of payment to an optional form of  
156 payment shall be an appendix to this chapter and subject to  
157 approval by the board of trustees based upon certification by the  
158 actuary.

159           (6) Notwithstanding any other provision of this plan, the  
160 maximum compensation that can be considered for all plan purposes  
161 shall not be greater than that allowed under Section 401(a)(17) of  
162 the Internal Revenue Code.

163           **SECTION 4.** Section 21-29-317, Mississippi Code of 1972, is  
164 amended as follows:

165           21-29-317. (1) (a) Notwithstanding any provisions of  
166 Articles 1, 3 and 5 of this chapter to the contrary, the maximum  
167 annual retirement allowance attributable to the employer  
168 contributions payable by the system to a member under Article 1, 3  
169 or 5 of this chapter shall be subject to the limitations set forth  
170 in Section 415 of the Internal Revenue Code and any regulations  
171 issued thereunder as applicable to governmental plans as the term  
172 is defined under Section 414(d) of the Internal Revenue Code.

173           (b) The Board of Trustees of the Public Employees'  
174 Retirement System is authorized to provide by rule or regulation  
175 for the payment of benefits as provided under Articles 1, 3 and 5  
176 of this chapter to members or beneficiaries of a municipal  
177 employees retirement fund or disability and relief fund at a time  
178 and under circumstances not otherwise provided for in this chapter  
179 to the extent that the payment is required to maintain the  
180 municipal employees retirement fund or disability and relief fund  
181 as a qualified retirement plan for purposes of federal income tax  
182 laws.

183           (2) Notwithstanding any other provision of this plan, all  
184 distributions from this plan shall conform to the regulations  
185 issued under Section 401(a)(9) of the Internal Revenue Code,  
186 applicable to governmental plans, as defined in Section 414(d) of  
187 the Internal Revenue Code, including the incidental death benefit  
188 provisions of Section 401(a)(9)(G) of the Internal Revenue Code.  
189 Further, such regulations shall override any plan provision that  
190 is inconsistent with Section 401(a)(9) of the Internal Revenue  
191 Code.

192           (3) The actuarial assumptions used to convert a retirement  
193 allowance from the normal form of payment to an optional form of  
194 payment shall be an appendix to Article 7 of this chapter and

195 subject to approval by the board of directors based upon  
196 certification by the actuary.

197 (4) Notwithstanding any other provision of this plan, the  
198 maximum compensation that can be considered for all plan purposes  
199 shall not be greater than that allowed under Section 401(a)(17) of  
200 the Internal Revenue Code.

201 (5) In the event of the termination of one or more of the  
202 retirement plans established pursuant to Article 1, 3 or 5 of this  
203 chapter, all members of the plan or system as of the date of  
204 termination of the system shall be deemed to have a vested right  
205 to benefits to the extent and in the same manner that rights would  
206 be vested under the laws existing as of the date of termination of  
207 the system; however, any member, who because of a termination of  
208 the system has not fulfilled the requirements for length of  
209 service, shall be entitled to compensation as of the date that  
210 such member would otherwise be eligible, with such compensation to  
211 be computed on the basis of time actually a member of the service  
212 and compensation actually earned during the time a member, in the  
213 manner now provided by law.

214 **SECTION 5.** This act shall take effect and be in force from  
215 and after July 1, 2007.