

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 2214

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 AUTHORIZE FUNDS IN THE DEFERRED COMPENSATION PLAN TO BE USED TO
6 PURCHASE FIXED OR VARIABLE LIFE INSURANCE OR ANNUITY CONTRACTS IF
7 THE CONTRACTS ARE AUTHORIZED FOR PURCHASE BY THE PUBLIC EMPLOYEES'
8 RETIREMENT SYSTEM FROM A BUSINESS AUTHORIZED BY THE SYSTEM TO
9 OFFER THEIR PRODUCTS IN THE PLAN; TO AMEND SECTION 25-14-7,
10 MISSISSIPPI CODE OF 1972, TO MAKE IT CLEAR THAT THE PUBLIC
11 EMPLOYEES' RETIREMENT SYSTEM'S DEFERRED COMPENSATION PROGRAM SHALL
12 BE OPERATED IN ACCORDANCE WITH THE GUIDELINES ESTABLISHED BY THE
13 INTERNAL REVENUE SERVICE AS REFLECTED IN THE PLAN DOCUMENT; AND
14 FOR RELATED PURPOSES.

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

16 **SECTION 1.** Section 25-14-5, Mississippi Code of 1972, is
17 amended as follows:

18 25-14-5. The State of Mississippi, or any state agency,
19 county, municipality or other political subdivision may, by
20 contract, agree with any employee to defer, in whole or in part,
21 any portion of that employee's income, and may make contributions
22 to the plan on behalf of participating members if making the
23 contribution does not conflict with any other state law. Those
24 funds may subsequently be used to purchase a fixed or variable
25 life insurance or annuity contract authorized for purchase by the
26 Public Employees' Retirement System of Mississippi for the purpose
27 of protecting its obligation to the deferred compensation program
28 for the employee from any life underwriter duly licensed by this
29 state who represents an insurance company licensed to contract
30 fixed and variable annuities and fixed or variable life insurance
31 business in this state and authorized by the Public Employees'
32 Retirement System of Mississippi to offer their products in the
33 plan, or to purchase any investments authorized for purchase by

34 the Public Employees' Retirement System of Mississippi under
35 Section 25-11-121, or to invest those monies in a fund or funds
36 maintained by a corporate trustee, which fund or funds are used as
37 an investment media for retirement, pension or profit sharing
38 plans that are tax qualified for that purpose. However, in the
39 administration of this plan, the Public Employees' Retirement
40 System of Mississippi may adopt such regulations as are reasonable
41 and necessary to assure the orderly functioning of the plan, but
42 those regulations shall not unreasonably restrict all licensed
43 life underwriters and insurance companies described in this
44 section from concurrently participating in providing contracts
45 authorized under this section. Anything in any other law to the
46 contrary notwithstanding, the deferred portion of the employee's
47 compensation, the plan and the monies in the plan created by this
48 chapter, are exempt from any state, county or municipal ad valorem
49 taxes, income taxes, premium taxes, privilege taxes, property
50 taxes, sales and use taxes and any other taxes not so named, until
51 the deferred compensation is paid to the employee or beneficiary
52 and exempt from levy, garnishment, attachment or any other process
53 whatsoever.

54 **SECTION 2.** Section 25-14-7, Mississippi Code of 1972, is
55 amended as follows:

56 25-14-7. The administration of the deferred compensation
57 program shall be under the direction of the Public Employees'
58 Retirement System of Mississippi or the appropriate officer
59 designated by a county, municipality, or other political
60 subdivision. The deferred compensation program shall be operated
61 in accordance with the guidelines established by the Internal
62 Revenue Service as reflected in the plan document as may be
63 modified from time to time by the board of trustees. Payroll
64 reductions shall be made, in each instance, by the appropriate
65 payroll officer. The administrator of a deferred compensation
66 program may contract with a private corporation or institution for

67 providing consolidated billing and other administrative services
68 if deemed necessary by the administrator.

69 The board of trustees may levy such charges and fees on
70 participants' contributions as may reasonably be necessary to
71 provide for the administrative expenses of operating the deferred
72 compensation program, including, but not limited to, the services
73 of auditors, consultants, money managers and third-party
74 administrators.

75 **SECTION 3.** This act shall take effect and be in force from
76 and after its passage.