

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 2214
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 25-14-5, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE POLITICAL SUBDIVISIONS OF THE STATE TO MAKE
3 CONTRIBUTIONS TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM'S
4 DEFERRED COMPENSATION PLAN ON BEHALF OF ACTIVELY PARTICIPATING
5 MEMBERS UNDER CERTAIN CIRCUMSTANCES; TO AUTHORIZE FUNDS IN THE
6 DEFERRED COMPENSATION PLAN TO BE USED TO PURCHASE FIXED OR
7 VARIABLE LIFE INSURANCE OR ANNUITY CONTRACTS IF THE CONTRACTS ARE
8 AUTHORIZED FOR PURCHASE BY THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
9 FROM A BUSINESS AUTHORIZED BY THE SYSTEM TO OFFER THEIR PRODUCTS
10 IN THE PLAN; TO AMEND SECTION 25-14-7, MISSISSIPPI CODE OF 1972,
11 TO MAKE IT CLEAR THAT THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM'S
12 DEFERRED COMPENSATION PROGRAM SHALL BE OPERATED IN ACCORDANCE WITH
13 THE GUIDELINES ESTABLISHED BY THE INTERNAL REVENUE SERVICE AS
14 REFLECTED IN THE PLAN DOCUMENT; AND 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 a county, municipality
22 or other political subdivision, except community and junior
23 college districts, may make contributions to the plan on behalf of
24 actively participating members on a uniform basis through an
25 employer contribution agreement as provided for in the Mississippi
26 Deferred Compensation Plan and Trust Plan Document if making the
27 contribution does not conflict with any other state law. Those
28 funds may subsequently be used to purchase a fixed or variable
29 life insurance or annuity contract authorized for purchase by the
30 Public Employees' Retirement System of Mississippi for the purpose
31 of protecting its obligation to the deferred compensation program
32 for the employee from any life underwriter duly licensed by this
33 state who represents an insurance company licensed to contract

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

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

60 25-14-7. The administration of the deferred compensation
61 program shall be under the direction of the Public Employees'
62 Retirement System of Mississippi or the appropriate officer
63 designated by a county, municipality or other political
64 subdivision. The deferred compensation program shall be operated
65 in accordance with the guidelines established by the Internal
66 Revenue Service as reflected in the plan document as may be

67 modified from time to time by the board of trustees. Payroll
68 reductions shall be made, in each instance, by the appropriate
69 payroll officer. The administrator of a deferred compensation
70 program may contract with a private corporation or institution for
71 providing consolidated billing and other administrative services
72 if deemed necessary by the administrator.

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

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