

By: Senator(s) Walls

To: Finance

SENATE BILL NO. 2309

1 AN ACT TO AMEND SECTION 25-11-111, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT ANY MEMBER OF THE PUBLIC EMPLOYEES' RETIREMENT
3 SYSTEM, REGARDLESS OF AGE, WHO WAS EMPLOYED AS A LAW ENFORCEMENT
4 OFFICER, A FIRE FIGHTER OR AN EMERGENCY SERVICES EMPLOYEE AT THE
5 TIME OF SUCH EMPLOYEES' WITHDRAWAL FROM SERVICE MAY RETIRE IF SUCH
6 EMPLOYEE HAS COMPLETED AT LEAST 20 YEARS OF CREDITABLE SERVICE AS
7 A LAW ENFORCEMENT OFFICER, A FIRE FIGHTER OR AN EMERGENCY SERVICES
8 EMPLOYEE AT THE TIME OF SUCH WITHDRAWAL FROM SERVICE; AND FOR
9 RELATED PURPOSES.

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

11 **SECTION 1.** Section 25-11-111, Mississippi Code of 1972, is
12 amended as follows:

13 25-11-111. (a) (1) Except as otherwise provided in this
14 section, any member upon withdrawal from service upon or after
15 attainment of the age of sixty (60) years who shall have completed
16 at least four (4) years of creditable service, or any member upon
17 withdrawal from service regardless of age who shall have completed
18 at least twenty-five (25) years of creditable service, shall be
19 entitled to receive a retirement allowance computed in accordance
20 with the formula set forth in this section which shall begin on
21 the first of the month following the date the member's application
22 for the allowance is received by the board, but in no event before
23 withdrawal from service.

24 (2) Any member upon withdrawal from service, regardless
25 of age, who was employed as a law enforcement officer, a fire
26 fighter or an emergency services employee and certified as a law
27 enforcement officer under Chapter 6, Title 45, Mississippi Code of
28 1972, at the time of such withdrawal from service and who has
29 completed at least twenty (20) years of creditable service as a
30 law enforcement officer, a fire fighter or an emergency services

31 employee shall be entitled to receive a retirement allowance
32 computed in accordance with the formula set forth in this section
33 which shall begin on the first of the month following the date the
34 member's application for the said allowance is received by the
35 board, but in no event before withdrawal from service.

36 (b) Any member whose withdrawal from service occurs prior to
37 attaining the age of sixty (60) years who shall have completed
38 four (4) or more years of creditable service and shall not have
39 received a refund of his accumulated contributions shall be
40 entitled to receive a retirement allowance, beginning upon his
41 attaining the age of sixty (60) years, of the amount earned and
42 accrued at the date of withdrawal from service.

43 (c) Any member in service who has qualified for retirement
44 benefits may select any optional method of settlement of
45 retirement benefits by notifying the Executive Director of the
46 Board of Trustees of the Public Employees' Retirement System in
47 writing, on a form prescribed by the board, of the option he has
48 selected and by naming the beneficiary of such option and
49 furnishing necessary proof of age. Such option, once selected,
50 may be changed at any time prior to actual retirement or death,
51 but upon the death or retirement of the member, the optional
52 settlement shall be placed in effect upon proper notification to
53 the executive director.

54 (d) The annual amount of the retirement allowance shall
55 consist of:

56 (1) A member's annuity which shall be the actuarial
57 equivalent of the accumulated contributions of the member at the
58 time of retirement computed according to the actuarial table in
59 use by the system; and

60 (2) An employer's annuity which, together with the
61 member's annuity provided above, shall be equal to one and
62 seven-eighths percent (1-7/8%) of the average compensation for
63 each year of state service up to and including twenty-five (25)

64 years of membership service, and two and one-fourth percent
65 (2-1/4%) of the average compensation for each year of state
66 service exceeding twenty-five (25) years of membership service.
67 However, after the board of trustees has begun implementing the
68 changes in the computation of the retirement allowance as provided
69 in subsection (e), the employer's annuity shall be equal to:

70 (i) One and seven-eighths percent (1-7/8%) of the
71 average compensation for each year of membership service up to and
72 including the number of years specified in Column A of the table
73 in subsection (e) for the latest phase that has been implemented,
74 and

75 (ii) Two percent (2%) of the average compensation
76 for each year of membership service exceeding the number of years
77 specified in Column A of the table in subsection (e) for the
78 latest phase that has been implemented up to and including
79 twenty-five (25) years, and

80 (iii) The percentage of the average compensation
81 specified in Column B of the table in subsection (e) for the
82 latest phase that has been implemented for each year of membership
83 service exceeding twenty-five (25) years.

84 (3) A prior service annuity equal to one and
85 seven-eighths percent (1-7/8%) of the average compensation for
86 each year of state service up to and including twenty-five (25)
87 years of prior service, and two and one-fourth percent (2-1/4%) of
88 the average compensation for each year of state service exceeding
89 twenty-five (25) years of prior service for which the member is
90 allowed credit. However, after the board of trustees has begun
91 implementing the changes in the computation of the retirement
92 allowance as provided in subsection (e), the prior service annuity
93 shall be equal to:

94 (i) One and seven-eighths percent (1-7/8%) of the
95 average compensation for each year of prior service up to and
96 including the number of years specified in Column A of the table

97 in subsection (e) for the latest phase that has been implemented,
98 and

99 (ii) Two percent (2%) of the average compensation
100 for each year of prior service exceeding the number of years
101 specified in Column A of the table in subsection (e) for the
102 latest phase that has been implemented up to and including
103 twenty-five (25) years, and

104 (iii) The percentage of the average compensation
105 specified in Column B of the table in subsection (e) for the
106 latest phase that has been implemented for each year of prior
107 service exceeding twenty-five (25) years.

108 (4) Any retired member or beneficiary thereof who was
109 eligible to receive a retirement allowance before July 1, 1991,
110 and who is still receiving a retirement allowance on July 1, 1992,
111 shall receive an increase in the annual retirement allowance of
112 the retired member equal to one-eighth of one percent (1/8 of 1%)
113 of the average compensation for each year of state service in
114 excess of twenty-five (25) years of membership service up to and
115 including thirty (30) years. The maximum increase shall be
116 five-eighths of one percent (5/8 of 1%). In no case shall a
117 member who has been retired prior to July 1, 1987, receive less
118 than Ten Dollars (\$10.00) per month for each year of creditable
119 service and proportionately for each quarter year thereof.
120 Persons retired on or after July 1, 1987, shall receive at least
121 Ten Dollars (\$10.00) per month for each year of service and
122 proportionately for each quarter year thereof reduced for the
123 option selected. However, such Ten Dollars (\$10.00) minimum per
124 month for each year of creditable service shall not apply to a
125 retirement allowance computed under Section 25-11-114 based on a
126 percentage of the member's average compensation.

127 (5) The board shall recalculate the retirement
128 allowance of any member or the beneficiary of such a member, if
129 the member or beneficiary is eligible to receive a retirement

130 allowance before July 1, 1999, by using the criteria in paragraphs
131 (2) and (3) of this subsection (d) that provides for two and
132 one-fourth percent (2-1/4%) of the average compensation for each
133 year of service exceeding twenty-five (25) years.

134 (6) The member upon withdrawal from service upon or
135 after attaining the age of sixty (60) years who has completed at
136 least four (4) years of creditable service, or any member upon
137 withdrawal from service regardless of age who has completed at
138 least twenty-five (25) years of creditable service, shall be
139 entitled to receive a retirement allowance computed in accordance
140 with the formula set forth in this section. Such retirement
141 allowance otherwise payable may be converted into a retirement
142 allowance of equivalent actuarial value in such an amount that,
143 with the member's benefit under Title II of the federal Social
144 Security Act, the member will receive, so far as possible,
145 approximately the same amount annually before and after the
146 earliest age at which the member becomes eligible to receive a
147 social security benefit.

148 (e) Beginning on July 1, 2000, the board of trustees shall
149 implement changes in the computation of the amount of the annual
150 retirement allowance, which changes shall be implemented in phases
151 as set forth in the table in this subsection. The board of
152 trustees shall implement the phases systematically upon July 1
153 after the board's actuary certifies that implementation of a phase
154 will not cause the unfunded accrued actuarial liability
155 amortization period for the retirement system to exceed twenty-two
156 (22) years. The board of trustees shall have the exclusive
157 authority to set the assumptions that are used in the actuarial
158 evaluation in accordance with Section 25-11-119(9). The board of
159 trustees shall recalculate the retirement allowance of any retired
160 member or beneficiary of such a member as each phase is
161 implemented.

162 RETIREMENT ALLOWANCE COMPUTATION

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IMPLEMENTATION TABLE

	(A)	(B)
PHASE	2% FOR YEARS ABOVE THIS NUMBER AND ≤25 YEARS	PERCENTAGE FOR YEARS ABOVE 25 YEARS
Phase 1	20 years	2.250%
Phase 2	15 years	2.250%
Phase 3	10 years	2.250%
Phase 4	5 years	2.250%
Phase 5	0 years	2.250%
Phase 6	0 years	2.375%
Phase 7	0 years	2.500%

Column A shows the years to which two percent (2%) is applicable in computing the retirement allowance, which are all the years of service exceeding the number specified in Column A for the phase that has been implemented up to and including twenty-five (25) years.

Column B shows the percentage that is applicable to the number of years of service exceeding twenty-five (25) years in computing the retirement allowance.

(f) No member, except members excluded by the Age Discrimination in Employment Act Amendments of 1986 (Public Law 99-592), under either Article 1 or Article 3 in state service shall be required to retire because of age.

(g) No payment on account of any benefit granted under the provisions of this section shall become effective or begin to accrue until January 1, 1953.

(h) (1) A retiree or beneficiary may, on a form prescribed by and filed with the retirement system, irrevocably waive all or a portion of any benefits from the retirement system to which the retiree or beneficiary is entitled. Such waiver shall be binding

196 on the heirs and assigns of any retiree or beneficiary and the
197 same must agree to forever hold harmless the Public Employees'
198 Retirement System of Mississippi from any claim to such waived
199 retirement benefits.

200 (2) Any waiver pursuant to this subsection shall apply
201 only to the person executing the waiver. A beneficiary shall be
202 entitled to benefits according to the option selected by the
203 member at the time of retirement. However, a beneficiary may, at
204 the option of the beneficiary, execute a waiver of benefits
205 pursuant to this subsection.

206 (3) The retirement system shall retain in the annuity
207 reserve account amounts that are not used to pay benefits because
208 of a waiver executed under this subsection.

209 (4) The board of trustees may provide rules and
210 regulations for the administration of waivers under this
211 subsection.

212 **SECTION 2.** This act shall take effect and be in force from
213 and after July 1, 2007.