

By: Senator(s) Doxey

To: Finance

SENATE BILL NO. 2466

1 AN ACT TO AMEND SECTION 25-11-112, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT ONLY PERSONS WHO BECAME MEMBERS OF THE PUBLIC
3 EMPLOYEES' RETIREMENT SYSTEM BEFORE JULY 1, 2007, SHALL BE
4 ENTITLED TO RECEIVE AN ADDITIONAL ANNUAL PAYMENT; AND FOR RELATED
5 PURPOSES.

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

7 **SECTION 1.** Section 25-11-112, Mississippi Code of 1972, is
8 amended as follows:

9 25-11-112. (1) Any member who is receiving a retirement
10 allowance for service or disability retirement, or any beneficiary
11 thereof, who has received a monthly benefit for at least one (1)
12 full fiscal year, and who became a member before July 1, 2007,
13 shall be eligible to receive an additional benefit, on December 1
14 or July 1 of the year as provided in subsection (3) of this
15 section, equal to the greater of the amounts calculated under
16 paragraph (a) or (b) below:

17 (a) An amount equal to four percent (4%) of the annual
18 retirement allowance multiplied by the number of full fiscal years
19 in retirement through June 30, 1998; or

20 (b) The sum of:

21 (i) An amount equal to three percent (3%) of the
22 annual retirement allowance multiplied by the number of full
23 fiscal years in retirement before the end of the fiscal year in
24 which the member reaches age fifty-five (55), plus

25 (ii) An additional amount equal to three percent
26 (3%) compounded by the number of full fiscal years in retirement
27 beginning with the fiscal year in which the member reaches age

28 fifty-five (55), multiplied by the amount of the annual retirement
29 allowance.

30 (2) The calculation of the beneficiary's additional benefit
31 under subsection (1)(b)(i) or (1)(b)(ii) of this section shall be
32 based on the member's age and full fiscal years in retirement as
33 if the member had lived.

34 (3) (a) The additional benefit provided for under this
35 section shall be paid in one (1) payment in December of each year
36 to those persons who are receiving a retirement allowance on
37 December 1 of that year, unless an election is made under this
38 subsection. However, if a retiree who is receiving a retirement
39 allowance that will terminate upon the retiree's death is
40 receiving the additional benefit in one (1) payment and dies on or
41 after July 1 but before December 1, the beneficiary designated on
42 the retirement application, if any, shall receive in a single
43 payment a fractional part of the additional benefit based on the
44 number of months in which a retirement allowance was received
45 during the fiscal year. Likewise, if a retiree is receiving a
46 retirement allowance that will terminate upon his or her death in
47 two (2) to six (6) monthly installments, any remaining payments of
48 the additional benefit will be paid in a lump sum to the
49 beneficiary designated on the application, or if none, pursuant to
50 Section 25-11-117.1(1). Any similar remaining payments of
51 additional benefits payable under this section to a deceased
52 beneficiary who was receiving a monthly benefit shall be payable
53 in accordance with the provisions of Section 25-11-117.1(2). If
54 the additional monthly benefit is being received in one (1)
55 payment, the additional benefit shall also be prorated based on
56 the number of months in which a retirement allowance was received
57 during the fiscal year when (i) the monthly benefit payable to a
58 beneficiary terminates due to the expiration of an option,
59 remarriage or cessation of dependent status or due to the
60 retiree's return to covered employment, and (ii) the monthly

61 benefit terminates on or after July 1 and before December 1. The
62 board may, in its discretion, allow a retired member or a
63 beneficiary thereof who is receiving the additional annual payment
64 in the manner provided for in this paragraph to change the manner
65 in which the additional annual payment is received to that
66 provided for in paragraph (b) of this subsection if the retired
67 member or beneficiary submits satisfactory documentation that the
68 continued receipt of the additional annual payment as provided for
69 in this paragraph will cause a financial hardship to the retired
70 member or beneficiary.

71 (b) Retired members or beneficiaries thereof who on
72 July 1, 1999, or July 1 of any fiscal year thereafter, are
73 receiving a retirement allowance, may elect by an irrevocable
74 agreement in writing filed in the Office of the Public Employees'
75 Retirement System no less than thirty (30) days before July 1 of
76 the appropriate year, to begin receiving the additional benefit
77 provided for under this section in twelve (12) equal monthly
78 installments beginning July 1, 1999, or July 1 of any fiscal year
79 thereafter. This irrevocable agreement shall be binding on the
80 member and subsequent beneficiaries. Payment of those monthly
81 installments shall not extend beyond the month in which a
82 retirement allowance is due and payable. The board may, in its
83 discretion, allow a retired member or a beneficiary thereof who is
84 receiving the additional annual payment in the manner provided for
85 in this paragraph to change the manner in which the additional
86 annual payment is received to that provided for in paragraph (a)
87 of this subsection if the retired member or beneficiary submits
88 satisfactory documentation that the continued receipt of the
89 additional annual payment as provided for in this paragraph will
90 cause a financial hardship to the retired member or beneficiary.

91 (4) The additional payment or payments provided for under
92 this section are for the fiscal year in which they are paid.

93 (5) The amount provided for under subsection (1)(b)(ii) of
94 this section is calculated using the following formula:

95 $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,

96 where n is the number of full fiscal years in retirement beginning
97 with the fiscal year in which the member reaches age fifty-five
98 (55).

99 (6) Any retired member or beneficiary thereof who has
100 previously elected to receive the additional annual payment in
101 monthly installments may elect, upon application on a form
102 prescribed by the board of trustees, to have that payment made in
103 one (1) additional payment each year. This written election must
104 be filed in the Office of the Public Employees' Retirement System
105 before June 1, 2000, and shall be effective for the fiscal year
106 beginning July 1, 2000.

107 (7) In the event of death of a retired member or a
108 beneficiary thereof who is receiving the additional annual payment
109 in two (2) to six (6) monthly installments pursuant to an election
110 made before July 1, 1999, and who would otherwise be eligible to
111 receive the additional benefit provided for under this section in
112 one (1) payment in December of the current fiscal year, any
113 remaining amounts shall be paid in a lump sum to the designated
114 beneficiary.

115 (8) When a member retires after July 1 and has previously
116 received a retirement allowance for one or more full fiscal years,
117 the retired member shall be eligible immediately for the
118 additional benefit. The additional benefit shall be based on the
119 current retirement allowance and the number of full fiscal years
120 in retirement and shall be prorated and paid in monthly
121 installments based on the number of months a retirement allowance
122 is paid during the fiscal year.

123 (9) For the purposes of subsection (1) of this section, if a
124 member of the system withdrew from state service and received a
125 refund of the amount of the accumulated contributions to the

126 credit of the member in the annuity savings account before July 1,
127 2007, and the person reenters state service and becomes a member
128 of the system again on or after July 1, 2007, and repays all or
129 part of the amount received as a refund and interest in order to
130 receive creditable service for service rendered before July 1,
131 2007, the member shall be considered to have become a member of
132 the system on or after July 1, 2007.

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