

By: Representatives Huddleston (15th),
Frierson, Sykes, Campbell, Young

To: Appropriations

HOUSE BILL NO. 899

1 AN ACT TO CREATE SECTION 25-11-110, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT UPON THE DEATH OF A MEMBER OF THE PUBLIC
3 EMPLOYEES' RETIREMENT SYSTEM THAT OCCURS WHILE THE MEMBER IS
4 PERFORMING CERTAIN QUALIFIED MILITARY SERVICE, THE DECEASED
5 MEMBER'S PERIOD OF QUALIFIED MILITARY SERVICE SHALL BE COUNTED FOR
6 VESTING PURPOSES AND, TO THE EXTENT REQUIRED BY THE INTERNAL
7 REVENUE CODE, THE DECEASED MEMBER'S SURVIVORS ARE ENTITLED TO ANY
8 ADDITIONAL BENEFITS THAT THE SYSTEM WOULD PROVIDE IF THE MEMBER
9 HAD RESUMED EMPLOYMENT AND THEN DIED; TO PROVIDE THAT A MEMBER IN
10 QUALIFIED MILITARY SERVICE WHO IS RECEIVING DIFFERENTIAL WAGE
11 PAYMENTS (WITHIN THE MEANING OF CERTAIN PROVISIONS OF THE INTERNAL
12 REVENUE CODE) FROM AN EMPLOYER SHALL BE TREATED AS EMPLOYED BY
13 THAT EMPLOYER, AND THE DIFFERENTIAL WAGE PAYMENT SHALL BE TREATED
14 AS COMPENSATION FOR PURPOSES OF APPLYING THE LIMITS ON ANNUAL
15 ADDITIONS UNDER CERTAIN PROVISIONS OF THE INTERNAL REVENUE CODE;
16 TO CREATE SECTION 25-11-119.1, MISSISSIPPI CODE OF 1972, TO
17 AUTHORIZE THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO PERFORM
18 ON-SITE COMPLIANCE AUDITS OF EMPLOYERS TO DETERMINE COMPLIANCE
19 WITH REPORTING, CONTRIBUTIONS, AND CERTIFICATION REQUIREMENTS; TO
20 IMPOSE PENALTIES ON EMPLOYERS FOR FAILURE OF THE EMPLOYER TO ALLOW
21 ACCESS, PROVIDE RECORDS OR COMPLY IN ANY WAY WITH SUCH AN AUDIT;
22 TO AUTHORIZE THE WAIVER OF PENALTIES UNDER CERTAIN CIRCUMSTANCES;
23 TO REQUIRE AN EMPLOYER TO REIMBURSE THE SYSTEM FOR THE COST OF AN
24 AUDIT IF THE AUDIT REVEALS AN EMPLOYEE'S FAILURE TO MAKE CERTAIN
25 REQUIRED CONTRIBUTIONS; TO AMEND SECTION 25-11-119, MISSISSIPPI
26 CODE OF 1972, TO MAKE IT CLEAR THAT INDIVIDUAL MEMBER RECORDS OF
27 MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM ARE NOT PUBLIC
28 RECORDS; TO CLARIFY LANGUAGE THAT PROHIBITS DISCLOSURE OF
29 INDIVIDUAL MEMBER RECORDS; TO AUTHORIZE DISCLOSURE OF CERTAIN
30 INDIVIDUAL MEMBER RECORDS OF MEMBERS OF SUCH SYSTEM TO THE
31 MEMBER'S CURRENT OR FORMER EMPLOYER AS AUTHORIZED BY THE
32 REGULATIONS OF THE BOARD OF TRUSTEES OF THE SYSTEM; TO PROVIDE
33 THAT ANY LEGISLATION THAT SEEKS TO MODIFY ANY MAJOR ELEMENT OF THE
34 DESIGN OF SUCH SYSTEM'S RETIREMENT PLAN SHALL BE ACCOMPANIED BY A



35 FISCAL NOTE, AND, IF ENACTED, SHALL ALLOW SUFFICIENT TIME FOR THE
36 BOARD TO COMPLETE AN ACTUARIAL STUDY OF THE LONG-TERM FINANCIAL
37 IMPACT OF THE MODIFICATION ON THE AFFECTED RETIREMENT PLAN AND ITS
38 MEMBERS AND REPORT THE FINDINGS TO THE LEGISLATURE; TO AMEND
39 SECTIONS 25-11-317 AND 25-13-27, MISSISSIPPI CODE OF 1972, TO MAKE
40 IT CLEAR THAT INDIVIDUAL MEMBER RECORDS OF MEMBERS OF THE
41 SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN AND THE MISSISSIPPI
42 HIGHWAY SAFETY PATROL RETIREMENT SYSTEM ARE NOT PUBLIC RECORDS; TO
43 CLARIFY LANGUAGE THAT PROHIBITS DISCLOSURE OF INDIVIDUAL MEMBER
44 RECORDS OF SUCH SYSTEMS; TO AUTHORIZE DISCLOSURE OF CERTAIN
45 INDIVIDUAL MEMBER RECORDS OF MEMBERS OF SUCH SYSTEMS TO THE
46 MEMBER'S CURRENT OR FORMER EMPLOYER AS AUTHORIZED BY THE
47 REGULATIONS OF THE BOARD OF TRUSTEES OF THE SYSTEM; TO AMEND
48 SECTION 25-11-103, MISSISSIPPI CODE OF 1972, TO REVISE CERTAIN
49 DEFINITIONS RELATING TO THE LAWS GOVERNING THE PUBLIC EMPLOYEES'
50 RETIREMENT SYSTEM; TO REVISE THE DEFINITION OF THE TERM
51 "BENEFICIARY" TO MAKE IT CLEAR THAT, IN THE EVENT THAT A MEMBER OF
52 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM DIES BEFORE RETIREMENT AND
53 THE SPOUSE AND/OR CHILDREN ARE NOT ENTITLED TO A RETIREMENT
54 ALLOWANCE ON THE BASIS THAT THE DECEASED MEMBER DID NOT HAVE THE
55 REQUISITE NUMBER OF YEARS OF SERVICE, THE TYPE OF SERVICE TO WHICH
56 IS REFERRED IS MEMBERSHIP SERVICE; TO REVISE THE DEFINITION OF THE
57 TERM "CHILD" TO CLARIFY THAT A NATURAL CHILD OF A MEMBER OF THE
58 PUBLIC EMPLOYEES' RETIREMENT SYSTEM IS ONE THAT IS CONCEIVED
59 BEFORE THE DEATH OF THE MEMBER; TO AMEND SECTION 25-11-105,
60 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A MEMBER WHO IS AN
61 EMPLOYEE OF A POLITICAL SUBDIVISION WHO WAS EMPLOYED BY THE
62 POLITICAL SUBDIVISION BEFORE THE SUBDIVISION BECAME COVERED BY THE
63 PUBLIC EMPLOYEES' RETIREMENT SYSTEM MAY MAKE PAYMENTS FOR AND
64 RECEIVE CREDIT FOR SERVICE PRIOR TO SUCH COVERAGE IN INCREMENTS OF
65 NOT LESS THAN ONE MONTH; TO AMEND SECTION 25-11-109, MISSISSIPPI
66 CODE OF 1972, TO PROVIDE THAT CREDITABLE SERVICE FOR MEMBERS OF
67 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR PERIODS OF TIME AFTER
68 JULY 1, 2017, SHALL BE AWARDED IN MONTHLY INCREMENTS; TO PROVIDE
69 THAT THE COMPUTATION OF UNUSED LEAVE FOR CREDITABLE SERVICE FOR
70 MEMBERS WHO RETIRE ON OR AFTER JULY 1, 2017, SHALL BE CALCULATED
71 IN MONTHLY INCREMENTS; TO MAKE IT CLEAR THAT LEAVE CREDIT FOR
72 ELECTED OFFICIALS WHO ARE MEMBERS OF THE PUBLIC EMPLOYEES'
73 RETIREMENT SYSTEM IS IN LIEU OF, AND NOT IN ADDITION TO, LEAVE
74 EARNED WHILE SIMULTANEOUSLY EMPLOYED IN A NONELECTED POSITION IN
75 THE SYSTEM; TO AMEND SECTION 25-11-111, MISSISSIPPI CODE OF 1972,
76 TO CLARIFY THAT A MEMBER'S RETIREMENT BENEFIT PAYMENTS BEGIN THE
77 FIRST DAY OF THE MONTH AFTER THE MEMBER'S APPLICATION FOR BENEFITS
78 IS RECEIVED BY THE BOARD OF TRUSTEES OF THE RETIREMENT SYSTEM; TO
79 AMEND SECTIONS 25-11-111.1, 25-13-11.1 AND 21-29-325, MISSISSIPPI
80 CODE OF 1972, TO PROVIDE THAT THE PUBLIC EMPLOYEES' RETIREMENT
81 SYSTEM SHALL MAKE PAYMENTS OF RETIREMENT BENEFITS TO MEMBERS OF
82 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM, THE MISSISSIPPI HIGHWAY
83 SAFETY PATROL RETIREMENT SYSTEM AND MUNICIPAL RETIREMENT SYSTEMS
84 BY WHATEVER MEANS THE BOARD OF TRUSTEES PRESCRIBES BY REGULATION
85 TO BE THE MOST APPROPRIATE FOR PROPER AND EFFICIENT PAYMENT OF



86 BENEFITS; TO PROVIDE THAT THE BOARD OF TRUSTEES MAY PROVIDE FOR
87 ALTERNATIVE MEANS OF PAYMENT IN CERTAIN CIRCUMSTANCES; TO AMEND
88 SECTION 25-11-113, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IF A
89 MEMBER WHO HAS BEEN APPROVED FOR A DISABILITY RETIREMENT ALLOWANCE
90 DOES NOT TERMINATE STATE SERVICE WITHIN 90 DAYS AFTER APPROVAL,
91 THE DISABILITY RETIREMENT AND THE APPLICATION FOR DISABILITY
92 RETIREMENT SHALL BE VOID; TO PROVIDE THAT A MEMBER OF THE PUBLIC
93 EMPLOYEES' RETIREMENT SYSTEM WHO APPLIES FOR A DISABILITY
94 RETIREMENT ALLOWANCE MUST PROVIDE SUFFICIENT OBJECTIVE MEDICAL
95 EVIDENCE IN SUPPORT OF THE CLAIM AND TO DEFINE "OBJECTIVE MEDICAL
96 EVIDENCE"; TO PROVIDE THAT APPLICATIONS FOR DISABILITY RETIREMENT
97 MUST BE FILED WITHIN ONE YEAR AFTER TERMINATION FROM ACTIVE
98 SERVICE AND TO PROVIDE FOR EXTENSIONS OF SUCH PERIOD UNDER CERTAIN
99 CIRCUMSTANCES; TO AMEND SECTION 25-11-114, MISSISSIPPI CODE OF
100 1972, TO MAKE IT CLEAR THAT IF A MEMBER OF THE PUBLIC EMPLOYEES'
101 RETIREMENT SYSTEM DIES BEFORE BEING QUALIFIED FOR A FULL,
102 UNREDUCED RETIREMENT ALLOWANCE, THE REDUCTION FACTOR FOR THE
103 ANNUITY OF THE SURVIVING SPOUSE SHALL BE BASED ON THE NUMBER OF
104 YEARS THAT WOULD HAVE BEEN REQUIRED FOR THE DECEASED MEMBER TO
105 QUALIFY FOR A FULL, UNREDUCED RETIREMENT ALLOWANCE; TO PROVIDE
106 THAT THE EXTENSION OF THE AGE LIMITATION UNDER THE PUBLIC
107 EMPLOYEES' RETIREMENT SYSTEM FOR BEING A DEPENDENT THAT IS
108 EXTENDED TO THE JULY 1 AFTER ATTAINING AGE 23 SHALL APPLY ONLY TO
109 STUDENT CHILDREN RECEIVING A RETIREMENT ALLOWANCE AS OF JUNE 30,
110 2016; TO MAKE IT CLEAR THAT IN ORDER FOR BENEFITS FOR A DEATH OR
111 DISABILITY THAT OCCURS IN THE PERFORMANCE OF DUTY TO BE PAYABLE,
112 THE DEATH OR DISABILITY MUST HAVE BEEN AS A DIRECT RESULT OF A
113 PHYSICAL INJURY SUSTAINED FROM AN ACCIDENT OR A TRAUMATIC EVENT
114 CAUSED BY EXTERNAL VIOLENCE OR PHYSICAL FORCE OCCURRING IN THE
115 PERFORMANCE OF DUTY; TO AMEND SECTION 25-13-13, MISSISSIPPI CODE
116 OF 1972, TO PROVIDE THAT THE EXTENSION OF THE AGE LIMITATION FOR
117 BEING A DEPENDENT UNDER THE MISSISSIPPI HIGHWAY SAFETY PATROL
118 RETIREMENT SYSTEM THAT IS EXTENDED TO THE JULY 1 AFTER ATTAINING
119 AGE 23 SHALL APPLY ONLY TO STUDENT CHILDREN RECEIVING A RETIREMENT
120 ALLOWANCE AS OF JUNE 30, 2016; TO AMEND SECTIONS 25-11-115 AND
121 25-13-16, MISSISSIPPI CODE OF 1972, TO CLARIFY TO WHOM ANY
122 REMAINING PAYMENTS ARE MADE UNDER OPTION 4-B OF THE PUBLIC
123 EMPLOYEES' RETIREMENT SYSTEM AND THE HIGHWAY SAFETY PATROL
124 RETIREMENT SYSTEM; TO AMEND SECTIONS 25-11-117, 25-11-311 AND
125 25-13-21, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT MEMBERS OF THE
126 PUBLIC EMPLOYEES' RETIREMENT SYSTEM, THE SUPPLEMENTAL LEGISLATIVE
127 RETIREMENT PLAN AND THE HIGHWAY SAFETY PATROL RETIREMENT SYSTEM
128 WHO HAVE RECEIVED A REFUND OF THEIR CONTRIBUTIONS AND REENTER
129 STATE SERVICE MAY PURCHASE THE CREDITABLE SERVICE THAT WAS COVERED
130 BY THE REFUND IN INCREMENTS OF NOT LESS THAN ONE MONTH; TO AMEND
131 SECTION 25-13-11, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IN THE
132 CASE OF THE RETIREMENT OF ANY MEMBER OF THE HIGHWAY SAFETY PATROL
133 RETIREMENT SYSTEM PRIOR TO THE AGE OF ATTAINING 55, THE EMPLOYER'S
134 ANNUITY AND PRIOR SERVICE ANNUITY SHALL BE REDUCED BY AN
135 ACTUARIALLY DETERMINED FACTOR FOR EACH YEAR OF AGE BELOW 55 OR
136 EACH YEAR OF SERVICE BELOW 25, WHICHEVER IS LESSER; TO AMEND



137 SECTION 25-11-123, MISSISSIPPI CODE OF 1972, TO REMOVE CERTAIN
138 PROVISIONS THAT REQUIRE A REDUCTION IN THE EMPLOYER'S CONTRIBUTION
139 RATE AND DISCONTINUANCE OF THE ACCRUED LIABILITY CONTRIBUTION
140 UNDER CERTAIN CIRCUMSTANCES; TO AMEND SECTIONS 25-11-141, 25-15-3,
141 25-15-9, 25-15-11, 25-15-14 AND 25-15-15, MISSISSIPPI CODE OF
142 1972, TO REMOVE CERTAIN PROVISIONS REGARDING THE IMPLEMENTATION OF
143 A PLAN OF HEALTH INSURANCE DESIGNED BY THE BOARD OF TRUSTEES OF
144 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; TO REPEAL SECTIONS
145 25-11-143 AND 25-11-145, MISSISSIPPI CODE OF 1972, WHICH REQUIRE
146 THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
147 TO DESIGN A PLAN OF HEALTH INSURANCE FOR ALL CURRENT AND FUTURE
148 RETIREES AND PROVIDE WHEN SUCH PLAN SHALL BE IMPLEMENTED; AND FOR
149 RELATED PURPOSES.

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

151 **SECTION 1.** The following shall be codified as Section
152 25-11-110, Mississippi Code of 1972:

153 25-11-110. (1) With respect to the death of a member that
154 occurs while the member is performing qualified military service
155 within the meaning of Section 414(u) of the Internal Revenue Code:

156 (a) The deceased member's period of qualified military
157 service must be counted for vesting purposes.

158 (b) To the extent required by Section 401(a)(37) of the
159 Internal Revenue Code, the deceased member's survivors are
160 entitled to any additional benefits that the system would provide
161 if the member had resumed employment and then died, such as those
162 purchase rights the deceased member could have exercised under
163 Section 25-11-109(7).

164 (2) To the extent required by Section 414(u)(12) of the
165 Internal Revenue Code, a member receiving differential wage
166 payments within the meaning of Section 3401(h)(2) of the Internal
167 Revenue Code from an employer shall be treated as employed by that
168 employer, and the differential wage payment shall be treated as



169 compensation for purposes of applying the limits on an annual
170 addition under Section 415(c) of the Internal Revenue Code. This
171 provision shall be applied to all similarly situated individuals
172 in a reasonably equivalent manner.

173 **SECTION 2.** The following provision shall be codified as
174 Section 25-11-119.1, Mississippi Code of 1972:

175 25-11-119.1. (1) (a) The system may perform on-site
176 compliance audits of employers to determine compliance with
177 reporting, contributions, and certification requirements under
178 this title.

179 (b) The system may request records to be provided by
180 the employer at the time of the audit.

181 (c) Audits shall be conducted at the sole discretion of
182 the system after reasonable notice to the employer of at least
183 five (5) working days.

184 (d) The employer shall extract and provide records as
185 requested by the office in an appropriate, organized and usable
186 format.

187 (e) Failure of an employer to allow access, provide
188 records or comply in any way with an audit by the system under
189 this section shall result in the employer being liable to the
190 system for:

191 (i) Any liabilities and expenses, including
192 administrative expenses and travel expenses, resulting from the
193 employer's failure to comply with the audit; and



194 (ii) A penalty equal to one percent (1%) of the
195 employer's contribution for the month preceding the notification
196 of the audit.

197 (2) If the audit reveals an employer's failure to make
198 contributions as required under Section 25-11-124, a failure to
199 correctly report eligibility as required under Section
200 25-11-103(s), or a failure to maintain records as required under
201 the rules and regulations of the system, the employer shall
202 reimburse the system for the cost of the audit.

203 (3) The executive director may waive all or any part of the
204 penalties and expenses if the executive director finds there were
205 extenuating circumstances surrounding the employer's failure to
206 comply with this section.

207 **SECTION 3.** Section 25-11-119, Mississippi Code of 1972, is
208 amended as follows:

209 25-11-119. (1) The board shall keep such data as shall be
210 necessary for actuarial valuation of the assets and liabilities of
211 the system and for checking its operating experience.

212 (2) The board shall keep minutes which shall be open to
213 public inspection. It shall have the accounts of the system
214 audited annually by the * * * State Auditor and shall publish as
215 of the end of each fiscal year a report showing the fiscal
216 transactions of the system for the preceding fiscal year, the
217 amount of the accumulated cash and securities of the system, a
218 statement of income and expenditures, a statement of investments



219 acquired and disposed of, and a balance sheet showing the
220 financial condition of the system by means of an actuarial
221 valuation of its assets and liabilities. It shall also publish a
222 synopsis of the report.

223 (3) The board shall establish a general office for the
224 meeting of the board and for the administrative personnel; provide
225 for the installation of an adequate system of books, accounts, and
226 records which will give effect to all requirements of Articles 1
227 and 3; and credit all assets received by the funds according to
228 the purposes for which they are held. All books, accounts and
229 records shall be kept in the general office of the board and shall
230 be public records except for individual member records, which are
231 not public records. The system shall not disclose the name,
232 address * * *, contents or details of any individual member
233 records, whether maintained within the individual member records
234 or as a part of any other records maintained by the board, without
235 the prior written consent of the individual to whom the record
236 pertains, except to the member's current or former employer as
237 authorized by regulations of the board.

238 (4) The board shall hold regular meetings at least quarterly
239 in each year and such special meetings as may be deemed necessary.
240 All meetings shall be open to the public.

241 (5) The board shall have power to make contracts, and to sue
242 and be sued, under the name of the Board of Trustees of the Public
243 Employees' Retirement System of Mississippi.



244 (6) Legal advisor. The Attorney General shall be the legal
245 advisor of the board; and the board may employ counsel when
246 needed.

247 (7) Medical board. The board may designate a medical board
248 to be composed of three (3) physicians or may contract with
249 another governmental agency or nongovernmental disability
250 determination service that is qualified to make disability
251 determinations. If required, other physicians may be engaged to
252 report on special cases. The medical board or other governmental
253 or nongovernmental disability determination service agency so
254 designated shall arrange for, and pass upon, all medical
255 examinations required under the provisions of this article; shall
256 investigate all essential statements and certificates by or on
257 behalf of a member in connection with an application for
258 disability retirement; and shall report in writing to the board of
259 trustees its conclusions and recommendations upon all the matters
260 referred to it.

261 (8) Duties of actuary. The board of trustees shall
262 designate an actuary who shall be the technical advisor of the
263 board on matters regarding the operation of the system, and shall
264 perform such other duties as are required in connection therewith.

265 (9) At least once in each two-year period, the actuary shall
266 make an actuarial survey of the mortality, service, withdrawal and
267 compensation experience of the members and beneficiaries of the
268 retirement system, and shall make a valuation of the assets and



269 liabilities of the system. Taking into account the result of such
270 investigation and valuation, the board of trustees shall adopt for
271 the retirement system such mortality, service, and other tables as
272 shall be deemed necessary. On the basis of such tables as the
273 board of trustees shall adopt, the actuary shall make valuations
274 of the assets and liabilities of the funds of the system.

275 (10) Any legislation that seeks to modify any major element
276 of the design of the retirement plan established in this article
277 shall:

278 (a) Be accompanied by a fiscal note; and

279 (b) If enacted, contain provisions that allow
280 sufficient time for the board to complete an actuarial study of
281 the long-term financial impact of the modification on the affected
282 retirement plan and its members and report the findings to the
283 Legislature.

284 **SECTION 4.** Section 25-11-317, Mississippi Code of 1972, is
285 amended as follows:

286 25-11-317. (1) The general administration and
287 responsibility for the proper operation of the plan and for making
288 effective the provisions hereof are vested in the Board of
289 Trustees of the Public Employees' Retirement System of
290 Mississippi.

291 (2) The board shall invest all funds in accordance with
292 Section 25-11-121.



293 (3) The board shall designate an actuary who shall be the
294 technical advisor of the board on matters regarding the operation
295 of the plan and shall perform such other duties as are required in
296 connection therewith.

297 (4) At least once in each two-year period following the date
298 of establishment, the actuary shall make an actuarial
299 investigation into the mortality, service and compensation
300 experience of the members and beneficiaries of the plan and shall
301 make a valuation of the contingent assets and liabilities of the
302 plan.

303 (5) On the basis of regular interest and tables last adopted
304 by the board, the actuary shall make biennial valuation of the
305 contingent assets and liabilities of the plan.

306 (6) The board shall keep such data as shall be necessary for
307 the actuarial valuation of the contingent assets and liabilities
308 of the plan and for checking the experience of the plan.

309 (7) The board shall determine from time to time the rate of
310 regular interest for use in all calculations, with the rate of
311 five percent (5%) per annum applicable unless changed by the
312 board.

313 (8) Subject to the limitations hereof, the board from time
314 to time shall establish rules and regulations for the
315 administration of the plan and for the transaction of business.

316 (9) The board shall keep a record of all its proceedings
317 under this article which shall be open to public inspection,



318 except for individual member records, which are not public
319 records. The system shall not disclose the name, address * * *,
320 contents or details of any individual member records, whether
321 maintained within the individual member records or as a part of
322 any other records maintained by the board, without the prior
323 written consent of the individual to whom the record pertains,
324 except to the member's current or former employer as authorized by
325 the regulations of the board.

326 (10) The Executive Secretary of the Public Employees'
327 Retirement System of Mississippi shall serve as the executive
328 secretary of the plan.

329 **SECTION 5.** Section 25-13-27, Mississippi Code of 1972, is
330 amended as follows:

331 25-13-27. The Public Employees' Retirement System of
332 Mississippi is hereby authorized to deduct two percent (2%) of all
333 employers' contributions paid into the "disability and relief fund
334 for members of the Mississippi Highway Safety Patrol" to be
335 transferred to the expense fund of the Public Employees'
336 Retirement System of Mississippi to defray the cost of
337 administering this fund. All books, accounts, and records shall
338 be kept in the general office of the Public Employees' Retirement
339 System of Mississippi and shall be public records except for
340 individual member records, which are not public records. The
341 system shall not disclose the name, address * * *, contents or
342 details of any individual member records, whether maintained



343 within the individual member records or as a part of any other
344 records maintained by the board, without the prior written consent
345 of the individual to whom the record pertains, except to the
346 member's current or former employer as authorized by the
347 regulations of the board.

348 **SECTION 6.** Section 25-11-103, Mississippi Code of 1972, is
349 amended as follows:

350 25-11-103. The following words and phrases as used in
351 Articles 1 and 3, unless a different meaning is plainly required
352 by the context, have the following meanings:

353 (a) "Accumulated contributions" means the sum of all
354 the amounts deducted from the compensation of a member and
355 credited to his or her individual account in the annuity savings
356 account, together with regular interest as provided in Section
357 25-11-123.

358 (b) "Actuarial cost" means the amount of funds
359 presently required to provide future benefits as determined by the
360 board based on applicable tables and formulas provided by the
361 actuary.

362 (c) "Actuarial equivalent" means a benefit of equal
363 value to the accumulated contributions, annuity or benefit, as the
364 case may be, when computed upon the basis of such mortality tables
365 as adopted by the board of trustees, and regular interest.



366 (d) "Actuarial tables" means such tables of mortality
367 and rates of interest as adopted by the board in accordance with
368 the recommendation of the actuary.

369 (e) "Agency" means any governmental body employing
370 persons in the state service.

371 (f) "Average compensation" means the average of the
372 four (4) highest years of earned compensation reported for an
373 employee in a fiscal or calendar year period, or combination
374 thereof that do not overlap, or the last forty-eight (48)
375 consecutive months of earned compensation reported for an
376 employee. The four (4) years need not be successive or joined
377 years of service. In computing the average compensation for
378 retirement, disability or survivor benefits, any amount lawfully
379 paid in a lump sum for personal leave or major medical leave shall
380 be included in the calculation to the extent that the amount does
381 not exceed an amount that is equal to thirty (30) days of earned
382 compensation and to the extent that it does not cause the
383 employee's earned compensation to exceed the maximum reportable
384 amount specified in paragraph (k) of this section; however, this
385 thirty-day limitation shall not prevent the inclusion in the
386 calculation of leave earned under federal regulations before July
387 1, 1976, and frozen as of that date as referred to in Section
388 25-3-99. In computing the average compensation, no amounts shall
389 be used that are in excess of the amount on which contributions
390 were required and paid, and no nontaxable amounts paid by the



391 employer for health or life insurance premiums for the employee
392 shall be used. If any member who is or has been granted any
393 increase in annual salary or compensation of more than eight
394 percent (8%) retires within twenty-four (24) months from the date
395 that the increase becomes effective, then the board shall exclude
396 that part of the increase in salary or compensation that exceeds
397 eight percent (8%) in calculating that member's average
398 compensation for retirement purposes. The board may enforce this
399 provision by rule or regulation. However, increases in
400 compensation in excess of eight percent (8%) per year granted
401 within twenty-four (24) months of the date of retirement may be
402 included in the calculation of average compensation if
403 satisfactory proof is presented to the board showing that the
404 increase in compensation was the result of an actual change in the
405 position held or services rendered, or that the compensation
406 increase was authorized by the State Personnel Board or was
407 increased as a result of statutory enactment, and the employer
408 furnishes an affidavit stating that the increase granted within
409 the last twenty-four (24) months was not contingent on a promise
410 or agreement of the employee to retire. Nothing in Section
411 25-3-31 shall affect the calculation of the average compensation
412 of any member for the purposes of this article. The average
413 compensation of any member who retires before July 1, 1992, shall
414 not exceed the annual salary of the Governor.



415 (g) "Beneficiary" means any person entitled to receive
416 a retirement allowance, an annuity or other benefit as provided by
417 Articles 1 and 3. The term "beneficiary" may also include an
418 organization, estate, trust or entity; however, a beneficiary
419 designated or entitled to receive monthly payments under an
420 optional settlement based on life contingency or under a statutory
421 monthly benefit may only be a natural person. In the event of the
422 death before retirement of any member who became a member of the
423 system before July 1, 2007, and whose spouse and/or children are
424 not entitled to a retirement allowance on the basis that the
425 member has less than four (4) years of membership service credit,
426 or who became a member of the system on or after July 1, 2007, and
427 whose spouse and/or children are not entitled to a retirement
428 allowance on the basis that the member has less than eight (8)
429 years of membership service credit, and/or has not been married
430 for a minimum of one (1) year or the spouse has waived his or her
431 entitlement to a retirement allowance under Section 25-11-114, the
432 lawful spouse of a member at the time of the death of the member
433 shall be the beneficiary of the member unless the member has
434 designated another beneficiary after the date of marriage in
435 writing, and filed that writing in the office of the executive
436 director of the board of trustees. No designation or change of
437 beneficiary shall be made in any other manner.



438 (h) "Board" means the board of trustees provided in
439 Section 25-11-15 to administer the retirement system created under
440 this article.

441 (i) "Creditable service" means "prior service,"
442 "retroactive service" and all lawfully credited unused leave not
443 exceeding the accrual rates and limitations provided in Section
444 25-3-91 et seq., as of the date of withdrawal from service plus
445 "membership service" and other service for which credit is
446 allowable as provided in Section 25-11-109. Except to limit
447 creditable service reported to the system for the purpose of
448 computing an employee's retirement allowance or annuity or
449 benefits provided in this article, nothing in this paragraph shall
450 limit or otherwise restrict the power of the governing authority
451 of a municipality or other political subdivision of the state to
452 adopt such vacation and sick leave policies as it deems necessary.

453 (j) "Child" means either a natural child of the member,
454 a child that has been made a child of the member by applicable
455 court action before the death of the member, or a child under the
456 permanent care of the member at the time of the latter's death,
457 which permanent care status shall be determined by evidence
458 satisfactory to the board. For purposes of this paragraph, a
459 natural child of the member is a child of the member that is
460 conceived before the death of the member.

461 (k) "Earned compensation" means the full amount earned
462 during a fiscal year by an employee not to exceed the employee



463 compensation limit set pursuant to Section 401(a) (17) of the
464 Internal Revenue Code for the calendar year in which the fiscal
465 year begins and proportionately for less than one (1) year of
466 service. Except as otherwise provided in this paragraph, the
467 value of maintenance furnished to an employee shall not be
468 included in earned compensation. Earned compensation shall not
469 include any amounts paid by the employer for health or life
470 insurance premiums for an employee. Earned compensation shall be
471 limited to the regular periodic compensation paid, exclusive of
472 litigation fees, bond fees, performance-based incentive payments,
473 and other similar extraordinary nonrecurring payments. In
474 addition, any member in a covered position, as defined by Public
475 Employees' Retirement System laws and regulations, who is also
476 employed by another covered agency or political subdivision shall
477 have the earnings of that additional employment reported to the
478 Public Employees' Retirement System regardless of whether the
479 additional employment is sufficient in itself to be a covered
480 position. In addition, computation of earned compensation shall
481 be governed by the following:

482 (i) In the case of constables, the net earnings
483 from their office after deduction of expenses shall apply, except
484 that in no case shall earned compensation be less than the total
485 direct payments made by the state or governmental subdivisions to
486 the official.



487 (ii) In the case of chancery or circuit clerks,
488 the net earnings from their office after deduction of expenses
489 shall apply as expressed in Section 25-11-123(f) (4).

490 (iii) In the case of members of the State
491 Legislature, all remuneration or amounts paid, except mileage
492 allowance, shall apply.

493 (iv) The amount by which an eligible employee's
494 salary is reduced under a salary reduction agreement authorized
495 under Section 25-17-5 shall be included as earned compensation
496 under this paragraph, provided this inclusion does not conflict
497 with federal law, including federal regulations and federal
498 administrative interpretations under the federal law, pertaining
499 to the Federal Insurance Contributions Act or to Internal Revenue
500 Code Section 125 cafeteria plans.

501 (v) Compensation in addition to an employee's base
502 salary that is paid to the employee under the vacation and sick
503 leave policies of a municipality or other political subdivision of
504 the state that employs him or her that exceeds the maximums
505 authorized by Section 25-3-91 et seq. shall be excluded from the
506 calculation of earned compensation under this article.

507 (vi) The maximum salary applicable for retirement
508 purposes before July 1, 1992, shall be the salary of the Governor.

509 (vii) Nothing in Section 25-3-31 shall affect the
510 determination of the earned compensation of any member for the
511 purposes of this article.



512 (viii) The value of maintenance furnished to an
513 employee before July 1, 2013, for which the proper amount of
514 employer and employee contributions have been paid, shall be
515 included in earned compensation. From and after July 1, 2013, the
516 value of maintenance furnished to an employee shall be reported as
517 earned compensation only if the proper amount of employer and
518 employee contributions have been paid on the maintenance and the
519 employee was receiving maintenance and having maintenance reported
520 to the system as of June 30, 2013. The value of maintenance when
521 not paid in money shall be fixed by the employing state agency,
522 and, in case of doubt, by the board of trustees as defined in
523 Section 25-11-15.

524 (ix) Except as otherwise provided in this
525 paragraph, the value of any in-kind benefits provided by the
526 employer shall not be included in earned compensation. As used in
527 this subparagraph, "in-kind benefits" shall include, but not be
528 limited to, group life insurance premiums, health or dental
529 insurance premiums, nonpaid major medical and personal leave,
530 employer contributions for social security and retirement, tuition
531 reimbursement or educational funding, day care or transportation
532 benefits.

533 (1) "Employee" means any person legally occupying a
534 position in the state service, and shall include the employees of
535 the retirement system created under this article.



536 (m) "Employer" means the State of Mississippi or any of
537 its departments, agencies or subdivisions from which any employee
538 receives his or her compensation.

539 (n) "Executive director" means the secretary to the
540 board of trustees, as provided in Section 25-11-15(9), and the
541 administrator of the Public Employees' Retirement System and all
542 systems under the management of the board of trustees. Wherever
543 the term "Executive Secretary of the Public Employees' Retirement
544 System" or "executive secretary" appears in this article or in any
545 other provision of law, it shall be construed to mean the
546 Executive Director of the Public Employees' Retirement System.

547 (o) "Fiscal year" means the period beginning on July 1
548 of any year and ending on June 30 of the next succeeding year.

549 (p) "Medical board" means the board of physicians or
550 any governmental or nongovernmental disability determination
551 service designated by the board of trustees that is qualified to
552 make disability determinations as provided for in Section
553 25-11-119.

554 (q) "Member" means any person included in the
555 membership of the system as provided in Section 25-11-105. For
556 purposes of Sections 25-11-103, 25-11-105, 25-11-109, 25-11-111,
557 25-11-113, 25-11-114, 25-11-115 and 25-11-117, if a member of the
558 system withdrew from state service and received a refund of the
559 amount of the accumulated contributions to the credit of the
560 member in the annuity savings account before July 1, 2007, and the



561 person reenters state service and becomes a member of the system
562 again on or after July 1, 2007, and repays all or part of the
563 amount received as a refund and interest in order to receive
564 creditable service for service rendered before July 1, 2007, the
565 member shall be considered to have become a member of the system
566 on or after July 1, 2007, subject to the eight-year membership
567 service requirement, as applicable in those sections. For
568 purposes of Sections 25-11-103, 25-11-111, 25-11-114 and
569 25-11-115, if a member of the system withdrew from state service
570 and received a refund of the amount of the accumulated
571 contributions to the credit of the member in the annuity savings
572 account before July 1, 2011, and the person reenters state service
573 and becomes a member of the system again on or after July 1, 2011,
574 and repays all or part of the amount received as a refund and
575 interest in order to receive creditable service for service
576 rendered before July 1, 2011, the member shall be considered to
577 have become a member of the system on or after July 1, 2011.

578 (r) "Membership service" means service as an employee
579 in a covered position rendered while a contributing member of the
580 retirement system.

581 (s) "Position" means any office or any employment in
582 the state service, or two (2) or more of them, the duties of which
583 call for services to be rendered by one (1) person, including
584 positions jointly employed by federal and state agencies
585 administering federal and state funds. The employer shall



586 determine upon initial employment and during the course of
587 employment of an employee who does not meet the criteria for
588 coverage in the Public Employees' Retirement System based on the
589 position held, whether the employee is or becomes eligible for
590 coverage in the Public Employees' Retirement System based upon any
591 other employment in a covered agency or political subdivision. If
592 or when the employee meets the eligibility criteria for coverage
593 in the other position, then the employer must withhold
594 contributions and report wages from the noncovered position in
595 accordance with the provisions for reporting of earned
596 compensation. Failure to deduct and report those contributions
597 shall not relieve the employee or employer of liability thereof.
598 The board shall adopt such rules and regulations as necessary to
599 implement and enforce this provision.

600 (t) "Prior service" means:

601 (i) For persons who became members of the system
602 before July 1, 2007, service rendered before February 1, 1953, for
603 which credit is allowable under Sections 25-11-105 and 25-11-109,
604 and which shall allow prior service for any person who is now or
605 becomes a member of the Public Employees' Retirement System and
606 who does contribute to the system for a minimum period of four (4)
607 years.

608 (ii) For persons who became members of the system
609 on or after July 1, 2007, service rendered before February 1,
610 1953, for which credit is allowable under Sections 25-11-105 and



611 25-11-109, and which shall allow prior service for any person who
612 is now or becomes a member of the Public Employees' Retirement
613 System and who does contribute to the system for a minimum period
614 of eight (8) years.

615 (u) "Regular interest" means interest compounded
616 annually at such a rate as determined by the board in accordance
617 with Section 25-11-121.

618 (v) "Retirement allowance" means an annuity for life as
619 provided in this article, payable each year in twelve (12) equal
620 monthly installments beginning as of the date fixed by the board.
621 The retirement allowance shall be calculated in accordance with
622 Section 25-11-111. However, any spouse who received a spouse
623 retirement benefit in accordance with Section 25-11-111(d) before
624 March 31, 1971, and those benefits were terminated because of
625 eligibility for a social security benefit, may again receive his
626 or her spouse retirement benefit from and after making application
627 with the board of trustees to reinstate the spouse retirement
628 benefit.

629 (w) "Retroactive service" means service rendered after
630 February 1, 1953, for which credit is allowable under Section
631 25-11-105(b) and Section 25-11-105(k).

632 (x) "System" means the Public Employees' Retirement
633 System of Mississippi established and described in Section
634 25-11-101.



635 (y) "State" means the State of Mississippi or any
636 political subdivision thereof or instrumentality of the state.

637 (z) "State service" means all offices and positions of
638 trust or employment in the employ of the state, or any political
639 subdivision or instrumentality of the state, that elect to
640 participate as provided by Section 25-11-105(f), including the
641 position of elected or fee officials of the counties and their
642 deputies and employees performing public services or any
643 department, independent agency, board or commission thereof, and
644 also includes all offices and positions of trust or employment in
645 the employ of joint state and federal agencies administering state
646 and federal funds and service rendered by employees of the public
647 schools. Effective July 1, 1973, all nonprofessional public
648 school employees, such as bus drivers, janitors, maids,
649 maintenance workers and cafeteria employees, shall have the option
650 to become members in accordance with Section 25-11-105(b), and
651 shall be eligible to receive credit for services before July 1,
652 1973, provided that the contributions and interest are paid by the
653 employee in accordance with that section; in addition, the county
654 or municipal separate school district may pay the employer
655 contribution and pro rata share of interest of the retroactive
656 service from available funds. From and after July 1, 1998,
657 retroactive service credit shall be purchased at the actuarial
658 cost in accordance with Section 25-11-105(b).



659 (aa) "Withdrawal from service" or "termination from
660 service" means complete severance of employment in the state
661 service of any member by resignation, dismissal or discharge.

662 (bb) The masculine pronoun, wherever used, includes the
663 feminine pronoun.

664 **SECTION 7.** Section 25-11-105, Mississippi Code of 1972, is
665 amended as follows:

666 25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

667 The membership of this retirement system shall be composed as
668 follows:

669 (a) (i) All persons who become employees in the state
670 service after January 31, 1953, and whose wages are subject to
671 payroll taxes and are lawfully reported on IRS Form W-2, except
672 those specifically excluded, or as to whom election is provided in
673 Articles 1 and 3, shall become members of the retirement system as
674 a condition of their employment.

675 (ii) From and after July 1, 2002, any individual
676 who is employed by a governmental entity to perform professional
677 services shall become a member of the system if the individual is
678 paid regular periodic compensation for those services that is
679 subject to payroll taxes, is provided all other employee benefits
680 and meets the membership criteria established by the regulations
681 adopted by the board of trustees that apply to all other members
682 of the system; however, any active member employed in such a



683 position on July 1, 2002, will continue to be an active member for
684 as long as they are employed in any such position.

685 (b) All persons who become employees in the state
686 service after January 31, 1953, except those specifically excluded
687 or as to whom election is provided in Articles 1 and 3, unless
688 they file with the board before the lapse of sixty (60) days of
689 employment or sixty (60) days after the effective date of the
690 cited articles, whichever is later, on a form prescribed by the
691 board, a notice of election not to be covered by the membership of
692 the retirement system and a duly executed waiver of all present
693 and prospective benefits that would otherwise inure to them on
694 account of their participation in the system, shall become members
695 of the retirement system; however, no credit for prior service
696 will be granted to members who became members of the system before
697 July 1, 2007, until they have contributed to Article 3 of the
698 retirement system for a minimum period of at least four (4) years,
699 or to members who became members of the system on or after July 1,
700 2007, until they have contributed to Article 3 of the retirement
701 system for a minimum period of at least eight (8) years. Those
702 members shall receive credit for services performed before January
703 1, 1953, in employment now covered by Article 3, but no credit
704 shall be granted for retroactive services between January 1, 1953,
705 and the date of their entry into the retirement system, unless the
706 employee pays into the retirement system both the employer's and
707 the employee's contributions on wages paid him during the period



708 from January 31, 1953, to the date of his becoming a contributing
709 member, together with interest at the rate determined by the board
710 of trustees. Members reentering after withdrawal from service
711 shall qualify for prior service under the provisions of Section
712 25-11-117. From and after July 1, 1998, upon eligibility as noted
713 above, the member may receive credit for such retroactive service
714 provided:

715 (i) The member shall furnish proof satisfactory to
716 the board of trustees of certification of that service from the
717 covered employer where the services were performed; and

718 (ii) The member shall pay to the retirement system
719 on the date he or she is eligible for that credit or at any time
720 thereafter before the date of retirement the actuarial cost for
721 each year of that creditable service. The provisions of this
722 subparagraph (ii) shall be subject to the limitations of Section
723 415 of the Internal Revenue Code and regulations promulgated under
724 Section 415.

725 Nothing contained in this paragraph (b) shall be construed to
726 limit the authority of the board to allow the correction of
727 reporting errors or omissions based on the payment of the employee
728 and employer contributions plus applicable interest.

729 (c) All persons who become employees in the state
730 service after January 31, 1953, and who are eligible for
731 membership in any other retirement system shall become members of
732 this retirement system as a condition of their employment, unless



733 they elect at the time of their employment to become a member of
734 that other system.

735 (d) All persons who are employees in the state service
736 on January 31, 1953, and who are members of any nonfunded
737 retirement system operated by the State of Mississippi, or any of
738 its departments or agencies, shall become members of this system
739 with prior service credit unless, before February 1, 1953, they
740 file a written notice with the board of trustees that they do not
741 elect to become members.

742 (e) All persons who are employees in the state service
743 on January 31, 1953, and who under existing laws are members of
744 any fund operated for the retirement of employees by the State of
745 Mississippi, or any of its departments or agencies, shall not be
746 entitled to membership in this retirement system unless, before
747 February 1, 1953, any such person indicates by a notice filed with
748 the board, on a form prescribed by the board, his individual
749 election and choice to participate in this system, but no such
750 person shall receive prior service credit unless he becomes a
751 member on or before February 1, 1953.

752 (f) Each political subdivision of the state and each
753 instrumentality of the state or a political subdivision, or both,
754 is authorized to submit, for approval by the board of trustees, a
755 plan for extending the benefits of this article to employees of
756 any such political subdivision or instrumentality. Each such plan
757 or any amendment to the plan for extending benefits thereof shall



758 be approved by the board of trustees if it finds that the plan, or
759 the plan as amended, is in conformity with such requirements as
760 are provided in Articles 1 and 3; however, upon approval of the
761 plan or any such plan previously approved by the board of
762 trustees, the approved plan shall not be subject to cancellation
763 or termination by the political subdivision or instrumentality,
764 except that any community hospital serving a municipality that
765 joined the Public Employees' Retirement System as of November 1,
766 1956, to offer social security coverage for its employees and
767 later extended retirement annuity coverage to its employees as of
768 December 1, 1965, may, upon documentation of extreme financial
769 hardship, have future retirement annuity coverage cancelled or
770 terminated at the discretion of the board of trustees. No such
771 plan shall be approved unless:

772 (i) It provides that all services that constitute
773 employment as defined in Section 25-11-5 and are performed in the
774 employ of the political subdivision or instrumentality, by any
775 employees thereof, shall be covered by the plan, with the
776 exception of municipal employees who are already covered by
777 existing retirement plans; however, those employees in this class
778 may elect to come under the provisions of this article;

779 (ii) It specifies the source or sources from which
780 the funds necessary to make the payments required by paragraph (d)
781 of Section 25-11-123 and of paragraph (f) (v) 2 and 3 of this



782 section are expected to be derived and contains reasonable
783 assurance that those sources will be adequate for that purpose;

784 (iii) It provides for such methods of
785 administration of the plan by the political subdivision or
786 instrumentality as are found by the board of trustees to be
787 necessary for the proper and efficient administration thereof;

788 (iv) It provides that the political subdivision or
789 instrumentality will make such reports, in such form and
790 containing such information, as the board of trustees may from
791 time to time require;

792 (v) It authorizes the board of trustees to
793 terminate the plan in its entirety in the discretion of the board
794 if it finds that there has been a failure to comply substantially
795 with any provision contained in the plan, the termination to take
796 effect at the expiration of such notice and on such conditions as
797 may be provided by regulations of the board and as may be
798 consistent with applicable federal law.

799 1. The board of trustees shall not finally
800 refuse to approve a plan submitted under paragraph (f), and shall
801 not terminate an approved plan without reasonable notice and
802 opportunity for hearing to each political subdivision or
803 instrumentality affected by the board's decision. The board's
804 decision in any such case shall be final, conclusive and binding
805 unless an appeal is taken by the political subdivision or
806 instrumentality aggrieved by the decision to the Circuit Court of



807 the First Judicial District of Hinds County, Mississippi, in
808 accordance with the provisions of law with respect to civil causes
809 by certiorari.

810 2. Each political subdivision or
811 instrumentality as to which a plan has been approved under this
812 section shall pay into the contribution fund, with respect to
813 wages (as defined in Section 25-11-5), at such time or times as
814 the board of trustees may by regulation prescribe, contributions
815 in the amounts and at the rates specified in the applicable
816 agreement entered into by the board.

817 3. Every political subdivision or
818 instrumentality required to make payments under paragraph (f)(v)2
819 of this section is authorized, in consideration of the employees'
820 retention in or entry upon employment after enactment of Articles
821 1 and 3, to impose upon its employees, as to services that are
822 covered by an approved plan, a contribution with respect to wages
823 (as defined in Section 25-11-5) not exceeding the amount provided
824 in Section 25-11-123(d) if those services constituted employment
825 within the meaning of Articles 1 and 3, and to deduct the amount
826 of the contribution from the wages as and when paid.
827 Contributions so collected shall be paid into the contribution
828 fund as partial discharge of the liability of the political
829 subdivisions or instrumentalities under paragraph (f)(v)2 of this
830 section. Failure to deduct the contribution shall not relieve the
831 employee or employer of liability for the contribution.



832 4. Any state agency, school, political
833 subdivision, instrumentality or any employer that is required to
834 submit contribution payments or wage reports under any section of
835 this chapter shall be assessed interest on delinquent payments or
836 wage reports as determined by the board of trustees in accordance
837 with rules and regulations adopted by the board and delinquent
838 payments, assessed interest and any other amount certified by the
839 board as owed by an employer, may be recovered by action in a
840 court of competent jurisdiction against the reporting agency
841 liable therefor or may, upon due certification of delinquency and
842 at the request of the board of trustees, be deducted from any
843 other monies payable to the reporting agency by any department or
844 agency of the state.

845 5. Each political subdivision of the state
846 and each instrumentality of the state or a political subdivision
847 or subdivisions that submit a plan for approval of the board, as
848 provided in this section, shall reimburse the board for coverage
849 into the expense account, its pro rata share of the total expense
850 of administering Articles 1 and 3 as provided by regulations of
851 the board.

852 (g) The board may, in its discretion, deny the right of
853 membership in this system to any class of employees whose
854 compensation is only partly paid by the state or who are occupying
855 positions on a part-time or intermittent basis. The board may, in



856 its discretion, make optional with employees in any such classes
857 their individual entrance into this system.

858 (h) An employee whose membership in this system is
859 contingent on his own election, and who elects not to become a
860 member, may thereafter apply for and be admitted to membership;
861 but no such employee shall receive prior service credit unless he
862 becomes a member before July 1, 1953, except as provided in
863 paragraph (b).

864 (i) If any member of this system changes his employment
865 to any agency of the state having an actuarially funded retirement
866 system, the board of trustees may authorize the transfer of the
867 member's creditable service and of the present value of the
868 member's employer's accumulation account and of the present value
869 of the member's accumulated membership contributions to that other
870 system, provided that the employee agrees to the transfer of his
871 accumulated membership contributions and provided that the other
872 system is authorized to receive and agrees to make the transfer.

873 If any member of any other actuarially funded system
874 maintained by an agency of the state changes his employment to an
875 agency covered by this system, the board of trustees may authorize
876 the receipt of the transfer of the member's creditable service and
877 of the present value of the member's employer's accumulation
878 account and of the present value of the member's accumulated
879 membership contributions from the other system, provided that the
880 employee agrees to the transfer of his accumulated membership



881 contributions to this system and provided that the other system is
882 authorized and agrees to make the transfer.

883 (j) Wherever state employment is referred to in this
884 section, it includes joint employment by state and federal
885 agencies of all kinds.

886 (k) Employees of a political subdivision or
887 instrumentality who were employed by the political subdivision or
888 instrumentality before an agreement between the entity and the
889 Public Employees' Retirement System to extend the benefits of this
890 article to its employees, and which agreement provides for the
891 establishment of retroactive service credit, and who became
892 members of the retirement system before July 1, 2007, and have
893 remained contributors to the retirement system for four (4) years,
894 or who became members of the retirement system on or after July 1,
895 2007, and have remained contributors to the retirement system for
896 eight (8) years, may receive credit for that retroactive service
897 with the political subdivision or instrumentality, provided that
898 the employee and/or employer, as provided under the terms of the
899 modification of the joinder agreement in allowing that coverage,
900 pay into the retirement system the employer's and employee's
901 contributions on wages paid the member during the previous
902 employment, together with interest or actuarial cost as determined
903 by the board covering the period from the date the service was
904 rendered until the payment for the credit for the service was
905 made. Those wages shall be verified by the Social Security



906 Administration or employer payroll records. Effective July 1,
907 1998, upon eligibility as noted above, a member may receive credit
908 for that retroactive service with the political subdivision or
909 instrumentality provided:

910 (i) The member shall furnish proof satisfactory to
911 the board of trustees of certification of those services from the
912 political subdivision or instrumentality where the services were
913 rendered or verification by the Social Security Administration;
914 and

915 (ii) The member shall pay to the retirement system
916 on the date he or she is eligible for that credit or at any time
917 thereafter before the date of retirement the actuarial cost for
918 each year of that creditable service. The provisions of this
919 subparagraph (ii) shall be subject to the limitations of Section
920 415 of the Internal Revenue Code and regulations promulgated under
921 Section 415.

922 Nothing contained in this paragraph (k) shall be construed to
923 limit the authority of the board to allow the correction of
924 reporting errors or omissions based on the payment of employee and
925 employer contributions plus applicable interest. Payment for that
926 time shall be made in increments of not less than * * * one (1)
927 month of creditable service beginning with the most recent
928 service. Upon the payment of all or part of the required
929 contributions, plus interest or the actuarial cost as provided
930 above, the member shall receive credit for the period of



931 creditable service for which full payment has been made to the
932 retirement system.

933 (1) Through June 30, 1998, any state service eligible
934 for retroactive service credit, no part of which has ever been
935 reported, and requiring the payment of employee and employer
936 contributions plus interest, or, from and after July 1, 1998, any
937 state service eligible for retroactive service credit, no part of
938 which has ever been reported to the retirement system, and
939 requiring the payment of the actuarial cost for that creditable
940 service, may, at the member's option, be purchased in quarterly
941 increments as provided above at the time that its purchase is
942 otherwise allowed.

943 (m) All rights to purchase retroactive service credit
944 or repay a refund as provided in Section 25-11-101 et seq. shall
945 terminate upon retirement.

946 **II. THOSE WHO ARE NOT ELIGIBLE FOR MEMBERSHIP**

947 The following classes of employees and officers shall not
948 become members of this retirement system, any other provisions of
949 Articles 1 and 3 to the contrary notwithstanding:

950 (a) Patient or inmate help in state charitable, penal
951 or correctional institutions;

952 (b) Students of any state educational institution
953 employed by any agency of the state for temporary, part-time or
954 intermittent work;



955 (c) Participants of Comprehensive Employment and
956 Training Act of 1973 (CETA) being Public Law 93-203, who enroll on
957 or after July 1, 1979;

958 (d) From and after July 1, 2002, individuals who are
959 employed by a governmental entity to perform professional service
960 on less than a full-time basis who do not meet the criteria
961 established in I(a)(ii) of this section.

962 **III. TERMINATION OF MEMBERSHIP**

963 Membership in this system shall cease by a member withdrawing
964 his accumulated contributions, or by a member withdrawing from
965 active service with a retirement allowance, or by a member's
966 death.

967 **SECTION 8.** Section 25-11-109, Mississippi Code of 1972, is
968 amended as follows:

969 25-11-109. (1) Under such rules and regulations as the
970 board of trustees shall adopt, each person who becomes a member of
971 this retirement system, as provided in Section 25-11-105, on or
972 before July 1, 1953, or who became a member of the system before
973 July 1, 2007, and contributes to the system for a minimum period
974 of four (4) years, or who became a member of the system on or
975 after July 1, 2007, and contributes to the system for a minimum
976 period of eight (8) years, shall receive credit for all state
977 service rendered before February 1, 1953. To receive that credit,
978 the member shall file a detailed statement of all services as an
979 employee rendered by him in the state service before February 1,



980 1953. For any member who joined the system after July 1, 1953,
981 and before July 1, 2007, any creditable service for which the
982 member is not required to make contributions shall not be credited
983 to the member until the member has contributed to the system for a
984 minimum period of at least four (4) years. For any member who
985 joined the system on or after July 1, 2007, any creditable service
986 for which the member is not required to make contributions shall
987 not be credited to the member until the member has contributed to
988 the system for a minimum period of at least eight (8) years.

989 (2) (a) (i) In the computation of creditable service for
990 service rendered before July 1, 2017, under the provisions of this
991 article, the total months of accumulative service during any
992 fiscal year shall be calculated in accordance with the schedule as
993 follows: ten (10) or more months of creditable service during any
994 fiscal year shall constitute a year of creditable service; seven
995 (7) months to nine (9) months inclusive, three-quarters (3/4) of a
996 year of creditable service; four (4) months to six (6) months
997 inclusive, * * * one-half (1/2) year of creditable service; one
998 (1) month to three (3) months inclusive, one-quarter (1/4) of a
999 year of creditable service.

1000 (ii) In the computation of creditable service
1001 rendered on or after July 1, 2017, under the provisions of this
1002 article, service credit shall be awarded in monthly increments in
1003 a manner prescribed by regulations of the board.



1004 (b) In no case shall credit be allowed for any period
1005 of absence without compensation except for disability while in
1006 receipt of a disability retirement allowance, nor shall less than
1007 fifteen (15) days of service in any month, or service less than
1008 the equivalent of one-half (1/2) of the normal working load for
1009 the position and less than one-half (1/2) of the normal
1010 compensation for the position in any month, constitute a month of
1011 creditable service, nor shall more than one (1) year of service be
1012 creditable for all services rendered in any one (1) fiscal year;
1013 however, for a school employee, substantial completion of the
1014 legal school term when and where the service was rendered shall
1015 constitute a year of service credit. Any state or local elected
1016 official shall be deemed a full-time employee for the purpose of
1017 creditable service. However, an appointed or elected official
1018 compensated on a per diem basis only shall not be allowed
1019 creditable service for terms of office.

1020 (c) In the computation of any retirement allowance or
1021 any annuity or benefits provided in this article, any fractional
1022 period of service of less than one (1) year shall be taken into
1023 account and a proportionate amount of such retirement allowance,
1024 annuity or benefit shall be granted for any such fractional period
1025 of service.

1026 (d) (i) In the computation of unused leave for
1027 creditable service authorized in Section 25-11-103, the following
1028 shall govern for members who retire before July 1, 2017:



1029 twenty-one (21) days of unused leave shall constitute one (1)
1030 month of creditable service and in no case shall credit be allowed
1031 for any period of unused leave of less than fifteen (15) days.
1032 The number of months of unused leave shall determine the number of
1033 quarters or years of creditable service in accordance with the
1034 above schedule for membership and prior service.

1035 (ii) In the computation of unused leave for
1036 creditable service authorized in Section 25-11-103, the following
1037 shall govern for members who retire on or after July 1, 2017:
1038 creditable service for unused leave shall be calculated in monthly
1039 increments in which one (1) month of service credit shall be
1040 awarded for each twenty-one (21) days of unused leave, except that
1041 the first fifteen (15) to fifty-seven (57) days of leave shall
1042 constitute three (3) months of service for those who became a
1043 member of the system before July 1, 2017.

1044 (iii) In order for the member to receive
1045 creditable service for the number of days of unused leave under
1046 this paragraph, the system must receive certification from the
1047 governing authority.

1048 (e) For the purposes of this subsection, members of the
1049 system who retire on or after July 1, 2010, shall receive credit
1050 for * * * one-half (1/2) day of leave for each full year of
1051 membership service accrued after June 30, 2010. The amount of
1052 leave received by a member under this paragraph shall be added to



1053 the lawfully credited unused leave for which creditable service is
1054 provided under Section 25-11-103(i).

1055 (f) For the purpose of this subsection, for members of
1056 the system who are elected officers and who retire on or after
1057 July 1, 1987, the following shall govern:

1058 (* * *i) For service before July 1, 1984, the
1059 members shall receive credit for leave (combined personal and
1060 major medical) for service as an elected official before that date
1061 at the rate of thirty (30) days per year.

1062 (* * *ii) For service on and after July 1, 1984,
1063 the member shall receive credit for personal and major medical
1064 leave beginning July 1, 1984, at the rates authorized in Sections
1065 25-3-93 and 25-3-95, computed as a full-time employee.

1066 (iii) If a member is employed in a covered
1067 nonelected position and a covered elected position simultaneously,
1068 that member may not receive service credit for accumulated unused
1069 leave for both positions at retirement for the period during which
1070 the member was dually employed. During the period during which
1071 the member is dually employed, the member shall only receive
1072 credit for leave as provided for in this paragraph for an elected
1073 official.

1074 (3) Subject to the above restrictions and to such other
1075 rules and regulations as the board may adopt, the board shall
1076 verify, as soon as practicable after the filing of such statements
1077 of service, the services therein claimed.



1078 (4) Upon verification of the statement of prior service, the
1079 board shall issue a prior service certificate certifying to each
1080 member the length of prior service for which credit shall have
1081 been allowed on the basis of his statement of service. So long as
1082 membership continues, a prior service certificate shall be final
1083 and conclusive for retirement purposes as to such service,
1084 provided that any member may within five (5) years from the date
1085 of issuance or modification of such certificate request the board
1086 of trustees to modify or correct his prior service certificate.
1087 Any modification or correction authorized shall only apply
1088 prospectively.

1089 When membership ceases, such prior service certificates shall
1090 become void. Should the employee again become a member, he shall
1091 enter the system as an employee not entitled to prior service
1092 credit except as provided in Sections 25-11-105(I), 25-11-113 and
1093 25-11-117.

1094 (5) Creditable service at retirement, on which the
1095 retirement allowance of a member shall be based, shall consist of
1096 the membership service rendered by him since he last became a
1097 member, and also, if he has a prior service certificate that is in
1098 full force and effect, the amount of the service certified on his
1099 prior service certificate.

1100 (6) Any member who served on active duty in the Armed Forces
1101 of the United States, who served in the Commissioned Corps of the
1102 United States Public Health Service before 1972 or who served in



1103 maritime service during periods of hostility in World War II,
1104 shall be entitled to creditable service at no cost for his service
1105 on active duty in the Armed Forces, in the Commissioned Corps of
1106 the United States Public Health Service before 1972 or in such
1107 maritime service, provided he entered state service after his
1108 discharge from the Armed Forces or entered state service after he
1109 completed such maritime service. The maximum period for such
1110 creditable service for all military service as defined in this
1111 subsection (6) shall not exceed four (4) years unless positive
1112 proof can be furnished by such person that he was retained in the
1113 Armed Forces during World War II or in maritime service during
1114 World War II by causes beyond his control and without opportunity
1115 of discharge. The member shall furnish proof satisfactory to the
1116 board of trustees of certification of military service or maritime
1117 service records showing dates of entrance into active duty service
1118 and the date of discharge. From and after July 1, 1993, no
1119 creditable service shall be granted for any military service or
1120 maritime service to a member who qualifies for a retirement
1121 allowance in another public retirement system administered by the
1122 Board of Trustees of the Public Employees' Retirement System
1123 based, in whole or in part, on such military or maritime service.
1124 In no case shall the member receive creditable service if the
1125 member received a dishonorable discharge from the Armed Forces of
1126 the United States.



1127 (7) (a) Any member of the Public Employees' Retirement
1128 System whose membership service is interrupted as a result of
1129 qualified military service within the meaning of Section 414(u) (5)
1130 of the Internal Revenue Code, and who has received the maximum
1131 service credit available under subsection (6) of this section,
1132 shall receive creditable service for the period of qualified
1133 military service that does not qualify as creditable service under
1134 subsection (6) of this section upon reentering membership service
1135 in an amount not to exceed five (5) years if:

1136 (i) The member pays the contributions he would
1137 have made to the retirement system if he had remained in
1138 membership service for the period of qualified military service
1139 based upon his salary at the time his membership service was
1140 interrupted;

1141 (ii) The member returns to membership service
1142 within ninety (90) days of the end of his qualified military
1143 service; and

1144 (iii) The employer at the time the member's
1145 service was interrupted and to which employment the member returns
1146 pays the contributions it would have made into the retirement
1147 system for such period based on the member's salary at the time
1148 the service was interrupted.

1149 (b) The payments required to be made in paragraph
1150 (a) (i) of this subsection may be made over a period beginning with
1151 the date of return to membership service and not exceeding three



1152 (3) times the member's qualified military service; however, in no
1153 event shall such period exceed five (5) years.

1154 (c) The member shall furnish proof satisfactory to the
1155 board of trustees of certification of military service showing
1156 dates of entrance into qualified service and the date of discharge
1157 as well as proof that the member has returned to active employment
1158 within the time specified.

1159 (8) Any member of the Public Employees' Retirement System
1160 who became a member of the system before July 1, 2007, and who has
1161 at least four (4) years of membership service credit, or who
1162 became a member of the system on or after July 1, 2007, and who
1163 has at least eight (8) years of membership service credit, shall
1164 be entitled to receive a maximum of five (5) years' creditable
1165 service for service rendered in another state as a public employee
1166 of such other state, or a political subdivision, public education
1167 system or other governmental instrumentality thereof, or service
1168 rendered as a teacher in American overseas dependent schools
1169 conducted by the Armed Forces of the United States for children of
1170 citizens of the United States residing in areas outside the
1171 continental United States, provided that:

1172 (a) The member shall furnish proof satisfactory to the
1173 board of trustees of certification of such services from the
1174 state, public education system, political subdivision or
1175 retirement system of the state where the services were performed



1176 or the governing entity of the American overseas dependent school
1177 where the services were performed; and

1178 (b) The member is not receiving or will not be entitled
1179 to receive from the public retirement system of the other state or
1180 from any other retirement plan, including optional retirement
1181 plans, sponsored by the employer, a retirement allowance including
1182 such services; and

1183 (c) The member shall pay to the retirement system on
1184 the date he or she is eligible for credit for such out-of-state
1185 service or at any time thereafter before the date of retirement
1186 the actuarial cost as determined by the actuary for each year of
1187 out-of-state creditable service. The provisions of this
1188 subsection are subject to the limitations of Section 415 of the
1189 Internal Revenue Code and regulations promulgated under that
1190 section.

1191 (9) Any member of the Public Employees' Retirement System
1192 who became a member of the system before July 1, 2007, and has at
1193 least four (4) years of membership service credit, or who became a
1194 member of the system on or after July 1, 2007, and has at least
1195 eight (8) years of membership service credit, and who receives, or
1196 has received, professional leave without compensation for
1197 professional purposes directly related to the employment in state
1198 service shall receive creditable service for the period of
1199 professional leave without compensation provided:



1200 (a) The professional leave is performed with a public
1201 institution or public agency of this state, or another state or
1202 federal agency;

1203 (b) The employer approves the professional leave
1204 showing the reason for granting the leave and makes a
1205 determination that the professional leave will benefit the
1206 employee and employer;

1207 (c) Such professional leave shall not exceed two (2)
1208 years during any ten-year period of state service;

1209 (d) The employee shall serve the employer on a
1210 full-time basis for a period of time equivalent to the
1211 professional leave period granted immediately following the
1212 termination of the leave period;

1213 (e) The contributing member shall pay to the retirement
1214 system the actuarial cost as determined by the actuary for each
1215 year of professional leave. The provisions of this subsection are
1216 subject to the regulations of the Internal Revenue Code
1217 limitations;

1218 (f) Such other rules and regulations consistent
1219 herewith as the board may adopt and in case of question, the board
1220 shall have final power to decide the questions.

1221 Any actively contributing member participating in the School
1222 Administrator Sabbatical Program established in Section 37-9-77
1223 shall qualify for continued participation under this subsection
1224 (9).



1225 (10) Any member of the Public Employees' Retirement System
1226 who became a member of the system before July 1, 2007, and has at
1227 least four (4) years of credited membership service, or who became
1228 a member of the system on or after July 1, 2007, and has at least
1229 eight (8) years of credited membership service, shall be entitled
1230 to receive a maximum of ten (10) years creditable service for:

1231 (a) Any service rendered as an employee of any
1232 political subdivision of this state, or any instrumentality
1233 thereof, that does not participate in the Public Employees'
1234 Retirement System; or

1235 (b) Any service rendered as an employee of any
1236 political subdivision of this state, or any instrumentality
1237 thereof, that participates in the Public Employees' Retirement
1238 System but did not elect retroactive coverage; or

1239 (c) Any service rendered as an employee of any
1240 political subdivision of this state, or any instrumentality
1241 thereof, for which coverage of the employee's position was or is
1242 excluded; provided that the member pays into the retirement system
1243 the actuarial cost as determined by the actuary for each year, or
1244 portion thereof, of such service. Payment for such service may be
1245 made in increments of * * * one-quarter (1/4) year of creditable
1246 service. After a member has made full payment to the retirement
1247 system for all or any part of such service, the member shall
1248 receive creditable service for the period of such service for
1249 which full payment has been made to the retirement system.



1250 **SECTION 9.** Section 25-11-111, Mississippi Code of 1972, is
1251 amended as follows:

1252 25-11-111. (a) (1) Any member who became a member of the
1253 system before July 1, 2007, upon withdrawal from service upon or
1254 after attainment of the age of sixty (60) years who has completed
1255 at least four (4) years of membership service, or any member who
1256 became a member of the system before July 1, 2011, upon withdrawal
1257 from service regardless of age who has completed at least
1258 twenty-five (25) years of creditable service, shall be entitled to
1259 receive a retirement allowance, which shall begin on the first of
1260 the month following the date the member's application for the
1261 allowance is received by the board, but in no event before
1262 withdrawal from service.

1263 (2) Any member who became a member of the system on or
1264 after July 1, 2007, upon withdrawal from service upon or after
1265 attainment of the age of sixty (60) years who has completed at
1266 least eight (8) years of membership service, or any member who
1267 became a member of the system on or after July 1, 2011, upon
1268 withdrawal from service regardless of age who has completed at
1269 least thirty (30) years of creditable service, shall be entitled
1270 to receive a retirement allowance, which shall begin on the first
1271 of the month following the date the member's application for the
1272 allowance is received by the board, but in no event before
1273 withdrawal from service.



1274 (b) (1) Any member who became a member of the system before
1275 July 1, 2007, whose withdrawal from service occurs before
1276 attaining the age of sixty (60) years who has completed four (4)
1277 or more years of membership service and has not received a refund
1278 of his accumulated contributions, shall be entitled to receive a
1279 retirement allowance, beginning upon his attaining the age of
1280 sixty (60) years, of the amount earned and accrued at the date of
1281 withdrawal from service. The retirement allowance shall begin on
1282 the first of the month following the date the member's application
1283 for the allowance is received by the board, but in no event before
1284 withdrawal from service.

1285 (2) Any member who became a member of the system on or
1286 after July 1, 2007, whose withdrawal from service occurs before
1287 attaining the age of sixty (60) years who has completed eight (8)
1288 or more years of membership service and has not received a refund
1289 of his accumulated contributions, shall be entitled to receive a
1290 retirement allowance, beginning upon his attaining the age of
1291 sixty (60) years, of the amount earned and accrued at the date of
1292 withdrawal from service. The retirement allowance shall begin on
1293 the first of the month following the date the member's application
1294 for the allowance is received by the board, but in no event before
1295 withdrawal from service.

1296 (c) Any member in service who has qualified for retirement
1297 benefits may select any optional method of settlement of
1298 retirement benefits by notifying the Executive Director of the



1299 Board of Trustees of the Public Employees' Retirement System in
1300 writing, on a form prescribed by the board, of the option he has
1301 selected and by naming the beneficiary of the option and
1302 furnishing necessary proof of age. The option, once selected, may
1303 be changed at any time before actual retirement or death, but upon
1304 the death or retirement of the member, the optional settlement
1305 shall be placed in effect upon proper notification to the
1306 executive director.

1307 (d) Any member who became a member of the system before July
1308 1, 2011, shall be entitled to an annual retirement allowance which
1309 shall consist of:

1310 (1) A member's annuity, which shall be the actuarial
1311 equivalent of the accumulated contributions of the member at the
1312 time of retirement computed according to the actuarial table in
1313 use by the system; and

1314 (2) An employer's annuity, which, together with the
1315 member's annuity provided above, shall be equal to two percent
1316 (2%) of the average compensation for each year of service up to
1317 and including twenty-five (25) years of creditable service, and
1318 two and one-half percent (2-1/2%) of the average compensation for
1319 each year of service exceeding twenty-five (25) years of
1320 creditable service.

1321 (3) Any retired member or beneficiary thereof who was
1322 eligible to receive a retirement allowance before July 1, 1991,
1323 and who is still receiving a retirement allowance on July 1, 1992,



1324 shall receive an increase in the annual retirement allowance of
1325 the retired member equal to one-eighth of one percent (1/8 of 1%)
1326 of the average compensation for each year of state service in
1327 excess of twenty-five (25) years of membership service up to and
1328 including thirty (30) years. The maximum increase shall be
1329 five-eighths of one percent (5/8 of 1%). In no case shall a
1330 member who has been retired before July 1, 1987, receive less than
1331 Ten Dollars (\$10.00) per month for each year of creditable service
1332 and proportionately for each quarter year thereof. Persons
1333 retired on or after July 1, 1987, shall receive at least Ten
1334 Dollars (\$10.00) per month for each year of service and
1335 proportionately for each quarter year thereof reduced for the
1336 option selected. However, such Ten Dollars (\$10.00) minimum per
1337 month for each year of creditable service shall not apply to a
1338 retirement allowance computed under Section 25-11-114 based on a
1339 percentage of the member's average compensation.

1340 (e) Any member who became a member of the system on or after
1341 July 1, 2011, shall be entitled to an annual retirement allowance
1342 which shall consist of:

1343 (1) A member's annuity, which shall be the actuarial
1344 equivalent of the accumulated contributions of the member at the
1345 time of retirement computed according to the actuarial table in
1346 use by the system; and

1347 (2) An employer's annuity, which, together with the
1348 member's annuity provided above, shall be equal to two percent



1349 (2%) of the average compensation for each year of service up to
1350 and including thirty (30) years of creditable service, and two and
1351 one-half percent (2-1/2%) of average compensation for each year of
1352 service exceeding thirty (30) years of creditable service.

1353 (f) Any member who became a member of the system on or after
1354 July 1, 2011, upon withdrawal from service upon or after attaining
1355 the age of sixty (60) years who has completed at least eight (8)
1356 years of membership service, or any such member upon withdrawal
1357 from service regardless of age who has completed at least thirty
1358 (30) years of creditable service, shall be entitled to receive a
1359 retirement allowance computed in accordance with the formula set
1360 forth in subsection (e) of this section. In the case of the
1361 retirement of any member who has attained age sixty (60) but who
1362 has not completed at least thirty (30) years of creditable
1363 service, the retirement allowance shall be computed in accordance
1364 with the formula set forth in subsection (e) of this section
1365 except that the total annual retirement allowance shall be reduced
1366 by an actuarial equivalent factor for each year of creditable
1367 service below thirty (30) years or the number of years in age that
1368 the member is below age sixty-five (65), whichever is less.

1369 (g) No member, except members excluded by the Age
1370 Discrimination in Employment Act Amendments of 1986 (Public Law
1371 99-592), under either Article 1 or Article 3 in state service
1372 shall be required to retire because of age.



1373 (h) No payment on account of any benefit granted under the
1374 provisions of this section shall become effective or begin to
1375 accrue until January 1, 1953.

1376 (i) (1) A retiree or beneficiary may, on a form prescribed
1377 by and filed with the retirement system, irrevocably waive all or
1378 a portion of any benefits from the retirement system to which the
1379 retiree or beneficiary is entitled. The waiver shall be binding
1380 on the heirs and assigns of any retiree or beneficiary and the
1381 same must agree to forever hold harmless the Public Employees'
1382 Retirement System of Mississippi from any claim to the waived
1383 retirement benefits.

1384 (2) Any waiver under this subsection shall apply only
1385 to the person executing the waiver. A beneficiary shall be
1386 entitled to benefits according to the option selected by the
1387 member at the time of retirement. However, a beneficiary may, at
1388 the option of the beneficiary, execute a waiver of benefits under
1389 this subsection.

1390 (3) The retirement system shall retain in the annuity
1391 reserve account amounts that are not used to pay benefits because
1392 of a waiver executed under this subsection.

1393 (4) The board of trustees may provide rules and
1394 regulations for the administration of waivers under this
1395 subsection.

1396 **SECTION 10.** Section 25-11-111.1, Mississippi Code of 1972,
1397 is amended as follows:



1398 25-11-111.1. The Public Employees' Retirement System shall
1399 make payments of retirement benefits under this chapter to
1400 members * * * and to the beneficiaries of those members, by
1401 whatever means the board prescribes by regulation to be the most
1402 appropriate for the proper and efficient payment of benefits,
1403 including, but not limited to, direct deposit to an account with a
1404 financial institution that is a participant of the Automated
1405 Clearing House designated by the member or beneficiary * * *. The
1406 board may provide for alternative means of payment if the member
1407 or beneficiary can demonstrate that payment by the prescribed
1408 means * * * will cause the member or beneficiary undue hardship.

1409 **SECTION 11.** Section 25-13-11.1, Mississippi Code of 1972, is
1410 amended as follows:

1411 25-13-11.1. The Public Employees' Retirement System shall
1412 make payments of retirement benefits under this chapter to
1413 members * * * and to the beneficiaries of those members, by
1414 whatever means the board prescribes by regulation to be the most
1415 appropriate for the proper and efficient payment of benefits,
1416 including, but not limited to, direct deposit to an account with a
1417 financial institution that is a participant of the Automated
1418 Clearing House designated by the member or beneficiary * * *. The
1419 board may provide for alternative means of payment if the member
1420 or beneficiary can demonstrate that payment by the prescribed
1421 means * * * will cause the member or beneficiary undue hardship.



1422 **SECTION 12.** Section 21-29-325, Mississippi Code of 1972, is
1423 amended as follows:

1424 21-29-325. The Public Employees' Retirement System shall
1425 make payments of retirement benefits under this chapter to
1426 members * * * and to the beneficiaries of those members, by
1427 whatever means the board prescribes by regulation to be the most
1428 appropriate for the proper and efficient payment of benefits,
1429 including, but not limited to, direct deposit to an account with a
1430 financial institution that is a participant of the Automated
1431 Clearing House designated by the member or beneficiary * * *. The
1432 board may provide for alternative means of payment if the member
1433 or beneficiary can demonstrate that payment by the prescribed
1434 means * * * will cause the member or beneficiary undue hardship.

1435 **SECTION 13.** Section 25-11-113, Mississippi Code of 1972, is
1436 amended as follows:

1437 25-11-113. (1) (a) Upon the application of a member or his
1438 employer, any active member in state service who became a member
1439 of the system before July 1, 2007, and who has at least four (4)
1440 years of membership service credit, or any active member in state
1441 service who became a member of the system on or after July 1,
1442 2007, who has at least eight (8) years of membership service
1443 credit, may be retired by the board of trustees on the first of
1444 the month following the date of filing the application on a
1445 disability retirement allowance, but in no event shall the
1446 disability retirement allowance begin before termination of state



1447 service, provided that the medical board, after an evaluation of
1448 medical evidence that may or may not include an actual physical
1449 examination by the medical board, certifies that the member is
1450 mentally or physically incapacitated for the further performance
1451 of duty, that the incapacity is likely to be permanent, and that
1452 the member should be retired; however, the board of trustees may
1453 accept a disability medical determination from the Social Security
1454 Administration in lieu of a certification from the medical board.
1455 If a member who has been approved for a disability retirement
1456 allowance does not terminate state service within ninety (90) days
1457 after approval, the disability retirement and the application for
1458 disability retirement shall be void. For the purposes of
1459 disability determination, the medical board shall apply the
1460 following definition of disability: the inability to perform the
1461 usual duties of employment or the incapacity to perform such
1462 lesser duties, if any, as the employer, in its discretion, may
1463 assign without material reduction in compensation, or the
1464 incapacity to perform the duties of any employment covered by the
1465 Public Employees' Retirement System (Section 25-11-101 et seq.)
1466 that is actually offered and is within the same general
1467 territorial work area, without material reduction in compensation.
1468 The employer shall be required to furnish the job description and
1469 duties of the member. The employer shall further certify whether
1470 the employer has offered the member other duties and has complied
1471 with the applicable provisions of the Americans With Disabilities



1472 Act in affording reasonable accommodations that would allow the
1473 employee to continue employment.

1474 (b) Any member applying for a disability retirement
1475 allowance must provide sufficient objective medical evidence in
1476 support of his or her claim. All disability determinations,
1477 whether the initial examination or reexamination, shall be based
1478 on objective medical evidence. "Objective medical evidence" means
1479 reports of examinations or treatments; medical signs that are
1480 anatomical, physiological, or psychological abnormalities that are
1481 observed and documented by medical professionals; psychiatric
1482 signs that are medically demonstrable phenomena indicating
1483 specific abnormalities of behavior, affect, thought, memory,
1484 orientation, or contact with reality; or laboratory findings that
1485 are anatomical, physiological, or psychological phenomena that are
1486 shown by medically acceptable laboratory diagnostic techniques,
1487 including, but not limited to, chemical tests, electrocardiograms,
1488 electroencephalograms, X-rays, and psychological tests.
1489 Nonmedical information shall not be considered objective medical
1490 evidence.

1491 (* * *c) Any inactive member who became a member of
1492 the system before July 1, 2007, with four (4) or more years of
1493 membership service credit, or any inactive member who became a
1494 member of the system on or after July 1, 2007, with eight (8) or
1495 more years of membership service credit, who has withdrawn from
1496 active state service, is not eligible for a disability retirement



1497 allowance unless the disability occurs within six (6) months of
1498 the termination of active service and unless satisfactory proof is
1499 presented to the board of trustees that the disability was the
1500 direct cause of withdrawal from state service. Application for a
1501 disability retirement allowance must be filed within one (1) year
1502 of termination from active service. This period may be extended
1503 by an additional year if it can be factually demonstrated to the
1504 satisfaction of the board of trustees that throughout the initial
1505 one-year period the member was incapable of applying for benefits
1506 by reason of mental or physical impairment as certified by a
1507 medical doctor.

1508 (* * *d) Any member who is or becomes eligible for
1509 service retirement benefits under Section 25-11-111 while pursuing
1510 a disability retirement allowance under this section or Section
1511 25-11-114 may elect to receive a service retirement allowance
1512 pending a final determination on eligibility for a disability
1513 retirement allowance or withdrawal of the application for the
1514 disability retirement allowance. In such a case, an application
1515 for a disability retirement allowance must be on file with the
1516 system before the beginning of a service retirement allowance. If
1517 the application is approved, the option selected and beneficiary
1518 designated on the retirement application shall be used to
1519 determine the disability retirement allowance. If the application
1520 is not approved or if the application is withdrawn, the service
1521 retirement allowance shall continue to be paid in accordance with



1522 the option selected. No person may apply for a disability
1523 retirement allowance after the person begins to receive a service
1524 retirement allowance.

1525 (* * *e) If the medical board certifies that the
1526 member is not mentally or physically incapacitated for the future
1527 performance of duty, the member may request, within sixty (60)
1528 days, a hearing before the hearing officer as provided in Section
1529 25-11-120. All hearings shall be held in accordance with rules
1530 and regulations adopted by the board to govern those hearings.
1531 The hearing may be closed upon the request of the member.

1532 (* * *f) The medical board may request additional
1533 medical evidence and/or other physicians to conduct an evaluation
1534 of the member's condition. If the medical board requests
1535 additional medical evidence and the member refuses the request,
1536 the application shall be considered void.

1537 (2) Allowance on disability retirement.

1538 (a) Upon retirement for disability, an eligible member
1539 shall receive a retirement allowance if he has attained the age of
1540 sixty (60) years.

1541 (b) Except as provided in paragraph (c) of this
1542 subsection (2), an eligible member who is retired for disability
1543 and who has not attained sixty (60) years of age shall receive a
1544 disability benefit as computed in Section 25-11-111(d), which
1545 shall consist of:



1546 (i) A member's annuity, which shall be the
1547 actuarial equivalent of his accumulated contributions at the time
1548 of retirement; and

1549 (ii) An employer's annuity equal to the amount
1550 that would have been payable as a retirement allowance for
1551 eligible creditable service if the member had continued in service
1552 to the age of sixty (60) years, which shall apply to the allowance
1553 for disability retirement paid to retirees receiving such
1554 allowance upon and after April 12, 1977. This employer's annuity
1555 shall be computed on the basis of the average "earned
1556 compensation" as defined in Section 25-11-103.

1557 (c) For persons who become members after June 30, 1992,
1558 and for active members on June 30, 1992, who elect benefits under
1559 this paragraph (c) instead of those provided under paragraph (b)
1560 of this subsection (2), the disability allowance shall consist of
1561 two (2) parts: a temporary allowance and a deferred allowance.

1562 The temporary allowance shall equal the greater of (i) forty
1563 percent (40%) of average compensation at the time of disability,
1564 plus ten percent (10%) of average compensation for each of the
1565 first two (2) dependent children, as defined in Sections 25-11-103
1566 and 25-11-114, or (ii) the accrued benefit based on actual
1567 service. It shall be payable for a period of time based on the
1568 member's age at disability, as follows:

1569	Age at Disability	Duration
1570	60 and earlier	to age 65



1571	61	to age 66
1572	62	to age 66
1573	63	to age 67
1574	64	to age 67
1575	65	to age 68
1576	66	to age 68
1577	67	to age 69
1578	68	to age 70
1579	69 and over	one year

1580 The deferred allowance shall begin when the temporary
1581 allowance ends and shall be payable for life. The deferred
1582 allowance shall equal the greater of (i) the allowance that would
1583 have been payable had the member continued in service to the
1584 termination age of the temporary allowance, but no more than forty
1585 percent (40%) of average compensation, or (ii) the accrued benefit
1586 based on actual service at the time of disability. The deferred
1587 allowance as determined at the time of disability shall be
1588 adjusted in accordance with Section 25-11-112 for the period
1589 during which the temporary annuity is payable. In no case shall a
1590 member receive less than Ten Dollars (\$10.00) per month for each
1591 year of service and proportionately for each quarter year thereof
1592 reduced for the option selected.

1593 (d) The member may elect to receive the actuarial
1594 equivalent of the disability retirement allowance in a reduced



1595 allowance payable throughout life under any of the provisions of
1596 the options provided under Section 25-11-115.

1597 (e) If a disability retiree who has not selected an
1598 option under Section 25-11-115 dies before being repaid in
1599 disability benefits the sum of his total contributions, then his
1600 named beneficiary shall receive the difference in cash, which
1601 shall apply to all deceased disability retirees from and after
1602 January 1, 1953.

1603 (3) Reexamination of retirees retired on account of
1604 disability. Except as otherwise provided in this section, once
1605 each year during the first five (5) years following retirement of
1606 a member on a disability retirement allowance, and once in every
1607 period of three (3) years thereafter, the board of trustees may,
1608 and upon his application shall, require any disability retiree who
1609 has not yet attained the age of sixty (60) years or the
1610 termination age of the temporary allowance under subsection (2)(c)
1611 of this section to undergo a medical examination, the examination
1612 to be made at the place of residence of the retiree or other place
1613 mutually agreed upon by a physician or physicians designated by
1614 the board. The board, however, in its discretion, may authorize
1615 the medical board to establish reexamination schedules appropriate
1616 to the medical condition of individual disability retirees. If
1617 any disability retiree who has not yet attained the age of sixty
1618 (60) years or the termination age of the temporary allowance under
1619 subsection (2)(c) of this section refuses to submit to any medical



1620 examination provided in this section, his allowance may be
1621 discontinued until his withdrawal of that refusal; and if his
1622 refusal continues for one (1) year, all his rights to a disability
1623 benefit shall be revoked by the board of trustees.

1624 (4) If the medical board reports and certifies to the board
1625 of trustees, after a comparable job analysis or other similar
1626 study, that the disability retiree is engaged in, or is able to
1627 engage in, a gainful occupation paying more than the difference
1628 between his disability allowance, exclusive of cost-of-living
1629 adjustments, and the average compensation, and if the board of
1630 trustees concurs in the report, the disability benefit shall be
1631 reduced to an amount that, together with the amount earnable by
1632 him, equals the amount of his average compensation. If his
1633 earning capacity is later changed, the amount of the benefit may
1634 be further modified, provided that the revised benefit shall not
1635 exceed the amount originally granted. A retiree receiving a
1636 disability benefit who is restored to active service at a salary
1637 less than the average compensation shall not become a member of
1638 the retirement system.

1639 (5) If a disability retiree under the age of sixty (60)
1640 years or the termination age of the temporary allowance under
1641 subsection (2) (c) of this section is restored to active service at
1642 a compensation not less than his average compensation, his
1643 disability benefit shall end, he shall again become a member of
1644 the retirement system, and contributions shall be withheld and



1645 reported. Any such prior service certificate, on the basis of
1646 which his service was computed at the time of retirement, shall be
1647 restored to full force and effect. In addition, upon his later
1648 retirement he shall be credited with all creditable service as a
1649 member, but the total retirement allowance paid to the retired
1650 member in his previous retirement shall be deducted from his
1651 retirement reserve and taken into consideration in recalculating
1652 the retirement allowance under a new option selected.

1653 (6) If following reexamination in accordance with the
1654 provisions contained in this section, the medical board determines
1655 that a retiree retired on account of disability is physically and
1656 mentally able to return to the employment from which he is
1657 retired, the board of trustees, upon certification of those
1658 findings from the medical board, shall, after a reasonable period
1659 of time, terminate the disability allowance, whether or not the
1660 retiree is reemployed or seeks that reemployment. In addition, if
1661 the board of trustees determines that the retiree is no longer
1662 sustaining a loss of income as established by documented evidence
1663 of the retiree's earned income, the eligibility for a disability
1664 allowance shall terminate and the allowance terminated within a
1665 reasonable period of time. If the retirement allowance is
1666 terminated under the provisions of this section, the retiree may
1667 later qualify for a retirement allowance under Section 25-11-111
1668 based on actual years of service credit plus credit for the period
1669 during which a disability allowance was paid.



1670 (7) Any current member as of June 30, 1992, who retires on a
1671 disability retirement allowance after June 30, 1992, and who has
1672 not elected to receive benefits under subsection (2)(c) of this
1673 section, shall relinquish all rights under the Age Discrimination
1674 in Employment Act of 1967, as amended, with regard to the benefits
1675 payable under this section.

1676 **SECTION 14.** Section 25-11-114, Mississippi Code of 1972, is
1677 amended as follows:

1678 25-11-114. (1) The applicable benefits provided in
1679 subsections (2) and (3) of this section shall be paid to eligible
1680 beneficiaries of any member who became a member of the system
1681 before July 1, 2007, and has completed four (4) or more years of
1682 membership service, or who became a member of the system on or
1683 after July 1, 2007, and has completed eight (8) or more years of
1684 membership service, and who dies before retirement and who has not
1685 filed a Pre-Retirement Optional Retirement Form as provided in
1686 Section 25-11-111.

1687 (2) (a) The surviving spouse of a member who dies before
1688 retirement shall receive a monthly benefit computed in accordance
1689 with paragraph (d) of this subsection (2) as if the member had
1690 nominated his spouse as beneficiary if:

1691 (i) The member completed the requisite minimum
1692 number of years of membership service to qualify for a retirement
1693 allowance at age sixty (60);



1694 (ii) The spouse has been married to the member for
1695 not less than one (1) year preceding the death of the member;

1696 (iii) The member has not exercised any other
1697 option.

1698 (b) If, at the time of the member's death, there are no
1699 dependent children, and the surviving spouse, who otherwise would
1700 receive the annuity under this subsection (2), has filed with the
1701 system a signed written waiver of his or her rights to the annuity
1702 and that waiver was in effect at the time of the member's death, a
1703 lump-sum distribution of the deceased member's accumulated
1704 contributions shall be refunded in accordance with Section
1705 25-11-117.

1706 (c) The spouse annuity shall begin on the first day of
1707 the month following the date of the member's death, but in case of
1708 late filing, retroactive payments will be made for a period of not
1709 more than one (1) year.

1710 (d) The spouse of a member who is eligible to receive a
1711 monthly benefit under paragraph (a) of this subsection (2) shall
1712 receive a benefit for life equal to the higher of the following:

1713 (i) The greater of twenty percent (20%) of the
1714 deceased member's average compensation as defined in Section
1715 25-11-103 at the time of death or Fifty Dollars (\$50.00) monthly;
1716 or

1717 (ii) Benefits calculated under Option 2 of Section
1718 25-11-115. The method of calculating the retirement benefits



1719 shall be on the same basis as provided in Section 25-11-111(d) or
1720 (e), as applicable. However, if the member dies before being
1721 qualified for a full, unreduced retirement allowance, then the
1722 benefits shall be reduced by an actuarially determined percentage
1723 or factor based on the lesser of either the number of years of
1724 service credit or the number of years in age required to qualify
1725 for a full, unreduced retirement allowance in Section 25-11-111(d)
1726 or (e), as applicable.

1727 (e) The surviving spouse of a deceased member who
1728 previously received spouse retirement benefits under paragraph
1729 (d)(i) of this subsection from and after July 1, 1992, and whose
1730 benefits were terminated before July 1, 2004, because of
1731 remarriage, may again receive the retirement benefits authorized
1732 under paragraph (d)(i) of this subsection by making application
1733 with the board to reinstate those benefits. Any reinstatement of
1734 the benefits shall be prospective only and shall begin after the
1735 first of the month following the date of the application for
1736 reinstatement, but no earlier than July 1, 2004. From and after
1737 July 1, 2010, any spouse who chose Option 2 from and after July 1,
1738 1992, but before July 1, 2004, where the benefit, although payable
1739 for life, was less than the benefit available under the
1740 calculation in paragraph (d)(i) of this subsection shall have his
1741 or her benefit increased to the amount which provides the greater
1742 benefit.



1743 (3) (a) Subject to the maximum limitation provided in this
1744 paragraph, the member's dependent children each shall receive an
1745 annuity of the greater of ten percent (10%) of the member's
1746 average compensation as defined in Section 25-11-103 at the time
1747 of the death of the member or Fifty Dollars (\$50.00) monthly;
1748 however, if there are more than three (3) dependent children, each
1749 dependent child shall receive an equal share of a total annuity
1750 equal to thirty percent (30%) of the member's average
1751 compensation, provided that the total annuity shall not be less
1752 than One Hundred Fifty Dollars (\$150.00) per month for all
1753 children.

1754 (b) A child shall be considered to be a dependent child
1755 until marriage, or the attainment of age nineteen (19), whichever
1756 comes first; however, this age limitation shall be extended beyond
1757 age nineteen (19), but in no event beyond the attainment of age
1758 twenty-three (23), as long as the child is a student regularly
1759 pursuing a full-time course of resident study or training in an
1760 accredited high school, trade school, technical or vocational
1761 institute, junior or community college, college, university or
1762 comparable recognized educational institution duly licensed by a
1763 state. A student child who is receiving a retirement allowance as
1764 of June 30, 2016, whose birthday falls during the school year
1765 (September 1 through June 30) is considered not to reach age
1766 twenty-three (23) until the July 1 following the actual
1767 twenty-third birthday. A full-time course of resident study or



1768 training means a day or evening noncorrespondence course that
1769 includes school attendance at the rate of at least thirty-six (36)
1770 weeks per academic year or other applicable period with a subject
1771 load sufficient, if successfully completed, to attain the
1772 educational or training objective within the period generally
1773 accepted as minimum for completion, by a full-time day student, of
1774 the academic or training program concerned. Any child who is
1775 physically or mentally incompetent, as adjudged by either a
1776 Mississippi court of competent jurisdiction or by the board, shall
1777 receive benefits for as long as the incompetency exists.

1778 (c) If there are more than three (3) dependent
1779 children, upon a child's ceasing to be a dependent child, his
1780 annuity shall terminate and there shall be a redetermination of
1781 the amounts payable to any remaining dependent children.

1782 (d) Annuities payable under this subsection (3) shall
1783 begin the first day of the month following the date of the
1784 member's death or in case of late filing, retroactive payments
1785 will be made for a period of not more than one (1) year. Those
1786 benefits may be paid to a surviving parent or the lawful custodian
1787 of a dependent child for the use and benefit of the child without
1788 the necessity of appointment as guardian.

1789 (4) (a) Death benefits in the line of duty. Regardless of
1790 the number of years of the member's creditable service, the spouse
1791 and/or the dependent children of an active member who is
1792 killed * * * or dies as a direct result of a physical injury



1793 sustained from an accident or a traumatic event caused by external
1794 violence or physical force occurring in the line of performance of
1795 duty shall qualify, on approval of the board, for a retirement
1796 allowance on the first of the month following the date of death,
1797 but in the case of late filing, retroactive payments will be made
1798 for a period of not more than one (1) year. The spouse shall
1799 receive a retirement allowance for life equal to one-half (1/2) of
1800 the average compensation as defined in Section 25-11-103. In
1801 addition to the retirement allowance for the spouse, or if there
1802 is no surviving spouse, the member's dependent child shall receive
1803 a retirement allowance in the amount of one-fourth (1/4) of the
1804 member's average compensation as defined in Section 25-11-103;
1805 however, if there are two (2) or more dependent children, each
1806 dependent child shall receive an equal share of a total annuity
1807 equal to one-half (1/2) of the member's average compensation. If
1808 there are more than two (2) dependent children, upon a child's
1809 ceasing to be a dependent child, his annuity shall terminate and
1810 there shall be a redetermination of the amounts payable to any
1811 remaining dependent children. Those benefits shall cease to be
1812 paid for the support and maintenance of each child upon the child
1813 attaining the age of nineteen (19) years; however, the spouse
1814 shall continue to be eligible for the aforesaid retirement
1815 allowance. Those benefits may be paid to a surviving parent or
1816 lawful custodian of the children for the use and benefit of the
1817 children without the necessity of appointment as guardian. Any



1818 spouse who received spouse retirement benefits under this
1819 paragraph (a) from and after April 4, 1984, and whose benefits
1820 were terminated before July 1, 2004, because of remarriage, may
1821 again receive the retirement benefits authorized under this
1822 paragraph (a) by making application with the board to reinstate
1823 those benefits. Any reinstatement of the benefits shall be
1824 prospective only and shall begin after the first of the month
1825 following the date of the application for reinstatement, but not
1826 earlier than July 1, 2004.

1827 (b) A child shall be considered to be a dependent child
1828 until marriage, or the attainment of age nineteen (19), whichever
1829 comes first; however, this age limitation shall be extended beyond
1830 age nineteen (19), but in no event beyond the attainment of age
1831 twenty-three (23), as long as the child is a student regularly
1832 pursuing a full-time course of resident study or training in an
1833 accredited high school, trade school, technical or vocational
1834 institute, junior or community college, college, university or
1835 comparable recognized educational institution duly licensed by a
1836 state. A student child who is receiving a retirement allowance as
1837 of June 30, 2016, whose birthday falls during the school year
1838 (September 1 through June 30) is considered not to reach age
1839 twenty-three (23) until the July 1 following the actual
1840 twenty-third birthday. A full-time course of resident study or
1841 training means a day or evening noncorrespondence course that
1842 includes school attendance at the rate of at least thirty-six (36)



1843 weeks per academic year or other applicable period with a subject
1844 load sufficient, if successfully completed, to attain the
1845 educational or training objective within the period generally
1846 accepted as minimum for completion, by a full-time day student, of
1847 the academic or training program concerned. Any child who is
1848 physically or mentally incompetent, as adjudged by either a
1849 Mississippi court of competent jurisdiction or by the board, shall
1850 receive benefits for as long as the incompetency exists.

1851 (5) If all the annuities provided for in this section
1852 payable on account of the death of a member terminate before there
1853 has been paid an aggregate amount equal to the member's
1854 accumulated contributions standing to the member's credit in the
1855 annuity savings account at the time of the member's death, the
1856 difference between the accumulated contributions and the aggregate
1857 amount of annuity payments shall be paid to the person that the
1858 member has nominated by written designation duly executed and
1859 filed with the board. If there is no designated beneficiary
1860 surviving at termination of benefits, the difference shall be
1861 payable under Section 25-11-117.1(1).

1862 (6) Regardless of the number of years of creditable service,
1863 upon the application of a member or employer, any active member
1864 who becomes disabled as a direct result of a physical injury
1865 sustained from an accident or traumatic event * * * caused by
1866 external violence or physical force occurring in the line of
1867 performance of duty, provided that the medical board or other



1868 designated governmental agency after a medical examination
1869 certifies that the member is mentally or physically incapacitated
1870 for the further performance of duty and the incapacity is likely
1871 to be permanent, may be retired by the board of trustees on the
1872 first of the month following the date of filing the application
1873 but in no event shall the retirement allowance begin before the
1874 termination of state service. If a member who has been approved
1875 for a retirement allowance under this subsection does not
1876 terminate state service within ninety (90) days after the
1877 approval, the retirement allowance and the application for the
1878 allowance shall be void. The retirement allowance shall equal the
1879 allowance on disability retirement as provided in Section
1880 25-11-113 but shall not be less than fifty percent (50%) of
1881 average compensation. Line of duty disability benefits under this
1882 section shall be administered in accordance with the provisions of
1883 Section 25-11-113(1)(b), (c), (d) * * *, (e) and (f), (3), (4),
1884 (5) and (6).

1885 (7) For purposes of determining death or disability benefits
1886 under this section, the following shall apply:

1887 (a) Death or permanent and total disability resulting
1888 from a cardiovascular, pulmonary or musculoskeletal condition that
1889 was not a direct result of a physical injury sustained from an
1890 accident or a traumatic event caused by external violence or
1891 physical force occurring in the performance of duty shall be
1892 deemed a natural death or an ordinary disability.



1893 (b) A mental disability based exclusively on employment
1894 duties occurring on an ongoing basis shall be deemed an ordinary
1895 disability.

1896 (8) If the deceased or disabled member has less than four
1897 (4) years of membership service, the average compensation as
1898 defined in Section 25-11-103 shall be the average of all annual
1899 earned compensation in state service for the purposes of benefits
1900 provided in this section.

1901 (9) In case of death or total and permanent disability under
1902 subsection (4) or subsection (6) of this section and before the
1903 board shall consider any application for a retirement allowance,
1904 the employer must certify to the board that the member's death or
1905 disability was a direct result of an accident or a traumatic event
1906 occurring during and as a result of the performance of the regular
1907 and assigned duties of the employee and that the death or
1908 disability was not the result of the willful negligence of the
1909 employee.

1910 (10) The application for the retirement allowance must be
1911 filed within one (1) year after death of an active member who is
1912 killed in the line of performance of duty or dies as a direct
1913 result of an accident occurring in the line of performance of duty
1914 or traumatic event; but the board of trustees may consider an
1915 application for disability filed after the one-year period if it
1916 can be factually demonstrated to the satisfaction of the board of
1917 trustees that the disability is due to the accident and that the



1918 filing was not accomplished within the one-year period due to a
1919 delayed manifestation of the disability or to circumstances beyond
1920 the control of the member. However, in case of late filing,
1921 retroactive payments will be made for a period of not more than
1922 one (1) year only.

1923 (11) (a) Notwithstanding any other section of this article
1924 and in lieu of any payments to a designated beneficiary for a
1925 refund of contributions under Section 25-11-117, the spouse and/or
1926 children shall be eligible for the benefits payable under this
1927 section, and the spouse may elect, for both the spouse and/or
1928 children, to receive benefits in accordance with either
1929 subsections (2) and (3) or subsection (4) of this section;
1930 otherwise, the contributions to the credit of the deceased member
1931 shall be refunded in accordance with Section 25-11-117.

1932 (b) Notwithstanding any other section of this article,
1933 a spouse who is entitled to receive a monthly benefit under either
1934 subsection (2) or (4) of this section and who is also the named
1935 beneficiary for a refund of accumulated contributions in the
1936 member's annuity savings account, may, after the death of the
1937 member, elect to receive a refund of accumulated contributions in
1938 lieu of a monthly allowance, provided that there are no dependent
1939 children entitled to benefits under subsection (3) of this
1940 section.

1941 (12) If the member has previously received benefits from the
1942 system to which he was not entitled and has not repaid in full all



1943 amounts payable by him to the system, the annuity amounts
1944 otherwise provided by this section shall be withheld and used to
1945 effect repayment until the total of the withholdings repays in
1946 full all amounts payable by him to the system.

1947 **SECTION 15.** Section 25-13-13, Mississippi Code of 1972, is
1948 amended as follows:

1949 25-13-13. (1) Upon the death of any highway patrolman who
1950 has retired for service or disability and who has not elected any
1951 other option under Section 25-13-16, his or her spouse shall
1952 receive one-half (1/2) the benefit that he or she was receiving
1953 and each child not having attained his nineteenth birthday shall
1954 receive one-fourth (1/4) of the benefit, but not more than
1955 one-half (1/2) of the benefits shall be paid for the support and
1956 maintenance of two (2) or more children. Upon each child's
1957 attaining the age of nineteen (19) years, the child shall no
1958 longer be eligible for the benefit, and when all of the children
1959 have attained their nineteenth birthday, only the spouse shall be
1960 eligible for one-half (1/2) the amount of the benefit. The spouse
1961 shall continue to be eligible for the benefit in the amount of
1962 fifty percent (50%) of his or her retirement benefit so long as
1963 the spouse may live. Surviving spouses of deceased members who
1964 previously received spouse retirement benefits under this
1965 subsection from and after July 1, 1958, and whose benefits were
1966 terminated before July 1, 2004, because of remarriage, may again
1967 receive the retirement benefits authorized under this subsection



1968 by making application with the board to reinstate the benefits.
1969 Any reinstatement of the benefits shall be prospective only and
1970 shall begin after the first of the month following the date of the
1971 application for reinstatement, but no earlier than July 1, 2004.

1972 (2) Upon the death of any highway patrolman who has served
1973 the minimum retirement period required for eligibility for this
1974 retirement program, his or her spouse and family shall receive all
1975 the benefits payable to the highway patrolman's beneficiaries as
1976 if he or she had retired at the time of his or her death. Those
1977 benefits continue to be paid to the spouse for life. The benefits
1978 are payable on a monthly basis. Surviving spouses of deceased
1979 members who previously received spouse retirement benefits under
1980 this subsection from and after July 1, 1958, and whose benefits
1981 were terminated before July 1, 2004, because of remarriage, may
1982 again receive the retirement benefits authorized under this
1983 subsection by making application with the board to reinstate the
1984 benefits. Any reinstatement of the benefits shall be prospective
1985 only and shall begin after the first of the month following the
1986 date of the application for reinstatement, but no earlier than
1987 July 1, 2004.

1988 (3) The spouse and/or the dependent children of an active
1989 member who is killed in the line of performance of duty or dies as
1990 a direct result of an accident occurring in the line of
1991 performance of duty shall qualify, on approval of the board, for a
1992 retirement allowance on the first of the month following the date



1993 of death, but not before receipt of application by the board. The
1994 spouse shall receive a retirement allowance equal to one-half
1995 (1/2) of the average compensation of the deceased highway
1996 patrolman. In addition to the retirement allowance for the
1997 spouse, or if there is no surviving spouse, a retirement allowance
1998 shall be paid in the amount of one-fourth (1/4) of the average
1999 compensation for the support and maintenance of one (1) child or
2000 in the amount of one-half (1/2) of the average compensation for
2001 the support and maintenance of two (2) or more children. Those
2002 benefits shall cease to be paid for the support and maintenance of
2003 each child upon the child attaining the age of nineteen (19)
2004 years; however, the spouse shall continue to be eligible for the
2005 aforesaid retirement allowance. Benefits may be paid to a
2006 surviving parent or lawful custodian of the children for the use
2007 and benefit of the children without the necessity of appointment
2008 as guardian. The retirement allowance shall continue to be paid
2009 to the spouse for life. Surviving spouses of deceased members who
2010 previously received spouse retirement benefits under this
2011 subsection from and after July 1, 1958, and whose benefits were
2012 terminated before July 1, 2004, because of remarriage, may again
2013 receive the retirement benefits authorized under this subsection
2014 by making application with the board to reinstate the benefits.
2015 Any reinstatement of the benefits shall be prospective only and
2016 shall begin after the first of the month following the date of the
2017 application for reinstatement, but no earlier than July 1, 2004.



2018 (4) All benefits accruing to any child under the provisions
2019 of this chapter shall be paid to the parent custodian of the
2020 children or the legal guardian.

2021 (5) Children receiving the benefits provided in this section
2022 who are permanently or totally disabled shall continue to receive
2023 the benefits for as long as the medical board or other designated
2024 governmental agency certifies that the disability continues. The
2025 age limitation for benefits payable to a child under any provision
2026 of this section shall be extended beyond age nineteen (19), but in
2027 no event beyond the attainment of age twenty-three (23), as long
2028 as the child is a student regularly pursuing a full-time course of
2029 resident study or training in an accredited high school, trade
2030 school, technical or vocational institute, junior or community
2031 college, college, university or comparable recognized educational
2032 institution duly licensed by a state. A student child who is
2033 receiving a retirement allowance as of June 30, 2016, whose
2034 birthday falls during the school year (September 1 through June
2035 30) is considered not to reach age twenty-three (23) until the
2036 July 1 following the actual twenty-third birthday. A full-time
2037 course of resident study or training means a day or evening
2038 noncorrespondence course that includes school attendance at the
2039 rate of at least thirty-six (36) weeks per academic year or other
2040 applicable period with a subject load sufficient, if successfully
2041 completed, to attain the educational or training objective within
2042 the period generally accepted as minimum for completion, by a



2043 full-time day student, of the academic or training program
2044 concerned.

2045 (6) If all the annuities provided for in this section
2046 payable on the account of the death of a member terminate before
2047 there has been paid an aggregate amount equal to the member's
2048 accumulated contributions standing to the member's credit in the
2049 annuity savings account at the time of the member's death, the
2050 difference between the accumulated contributions and the aggregate
2051 amount of annuity payments shall be paid to the person as the
2052 member has nominated by written designation duly executed and
2053 filed with the board of trustees in the office of the Public
2054 Employees' Retirement System. If there is no designated
2055 beneficiary surviving at termination of benefits, the difference
2056 shall be payable pursuant to Section 25-13-21.1(1).

2057 (7) All benefits paid to a spouse or child due to the death
2058 of a member before or after retirement shall be paid in accordance
2059 with the statutory provisions set forth as of the date of death.

2060 **SECTION 16.** Section 25-11-115, Mississippi Code of 1972, is
2061 amended as follows:

2062 25-11-115. (1) Upon application for superannuation or
2063 disability retirement, any member may elect to receive his or her
2064 benefit in a retirement allowance payable throughout life with no
2065 further payments to anyone at the member's death, except that if
2066 the member's total retirement payments under this article do not
2067 equal the member's total contributions under this article, the



2068 named beneficiary shall receive the difference in cash at the
2069 member's death. Or the member may elect upon retirement, or upon
2070 becoming eligible for retirement, to receive the actuarial
2071 equivalent subject to the provisions of subsection (3) of this
2072 section of his or her retirement allowance in a reduced retirement
2073 allowance payable throughout life with the provision that:

2074 **Option 1.** If the retired member dies before he or she has
2075 received in annuity payment the value of the member's annuity
2076 savings account as it was at the time of the member's retirement,
2077 the balance shall be paid to the legal representative or to such
2078 person as the member has nominated by written designation duly
2079 acknowledged and filed with the board;

2080 **Option 2.** Upon the retired member's death, his or her
2081 reduced retirement allowance shall be continued throughout the
2082 life of, and paid to, such person as the member has nominated by
2083 written designation duly acknowledged and filed with the board of
2084 trustees at the time of his or her retirement;

2085 **Option 3.** Upon the retired member's death, one-half (1/2) of
2086 his or her reduced retirement allowance shall be continued
2087 throughout the life of, and paid to, such person as the member has
2088 nominated by written designation duly acknowledged and filed with
2089 the board of trustees at the time of his or her retirement, and
2090 the other one-half (1/2) of his or her reduced retirement
2091 allowance to some other designated beneficiary;



2092 **Option 4.** Upon the retired member's death, three-fourths
2093 (3/4) of his or her reduced retirement allowance, or such other
2094 specified amount, shall be continued throughout the life of, and
2095 paid to, such person as the member has nominated by written
2096 designation duly acknowledged and filed with the board of trustees
2097 at the time of his or her retirement;

2098 **Option 4-A.** Upon the retired member's death, one-half (1/2)
2099 of his or her reduced retirement allowance, or such other
2100 specified amount, shall be continued throughout the life of, and
2101 paid to, such person as the member has nominated by written
2102 designation duly acknowledged and filed with the board of trustees
2103 at the time of his or her retirement;

2104 **Option 4-B.** A reduced retirement allowance shall be
2105 continued throughout the life of the retirant, but with the
2106 further guarantee of payments to the named beneficiary or
2107 beneficiaries for a specified number of years certain. If the
2108 retired member or the last designated beneficiary both die before
2109 receiving all guaranteed payments due, the actuarial equivalent of
2110 the remaining payments shall be paid * * * to the successors of
2111 the retired member pursuant to Section 25-11-117.1(1);

2112 **Option 6.** Any member who became a member of the system
2113 before July 1, 2007, and who has at least twenty-eight (28) years
2114 of creditable service at the time of retirement or who is at least
2115 sixty-three (63) years of age and eligible to retire, may select
2116 the maximum retirement benefit or an optional benefit as provided



2117 in this subsection together with a partial lump-sum distribution.
2118 Any member who became a member of the system on or after July 1,
2119 2007, but before July 1, 2011, and who has at least twenty-eight
2120 (28) years of creditable service at the time of retirement may
2121 select the maximum retirement benefit or any optional benefit as
2122 provided in this subsection together with a partial lump-sum
2123 distribution. Any member who became a member of the system on or
2124 after July 1, 2011, and who has at least thirty-three (33) years
2125 of creditable service at the time of retirement may select the
2126 maximum retirement benefit or any optional benefit as provided in
2127 this subsection together with a partial lump-sum distribution.
2128 The amount of the lump-sum distribution under this option shall be
2129 equal to the maximum monthly benefit multiplied by twelve (12),
2130 twenty-four (24) or thirty-six (36) as selected by the member.
2131 The maximum retirement benefit shall be actuarially reduced to
2132 reflect the amount of the lump-sum distribution selected and
2133 further reduced for any other optional benefit selected. The
2134 annuity and lump-sum distribution shall be computed to result in
2135 no actuarial loss to the system. The lump-sum distribution shall
2136 be made as a single payment payable at the time the first monthly
2137 annuity payment is paid to the retiree. The amount of the
2138 lump-sum distribution shall be deducted from the member's annuity
2139 savings account in computing what contributions remain at the
2140 death of the retiree and/or a beneficiary. The lump-sum
2141 distribution option may be elected only once by a member upon



2142 initial retirement, and may not be elected by a retiree, by
2143 members applying for a disability retirement annuity, or by
2144 survivors.

2145 (2) No change in the option selected shall be permitted
2146 after the member's death or after the member has received his or
2147 her first retirement check except as provided in subsections (3)
2148 and (4) of this section and in Section 25-11-127. Members who are
2149 pursuing a disability retirement allowance and simultaneously or
2150 later elect to begin to receive a service retirement allowance
2151 while continuing to pursue a disability retirement allowance,
2152 shall not be eligible to select Option 6 and that option may not
2153 be selected at a later time if the application for a disability
2154 retirement allowance is voided or denied. However, any retired
2155 member who is receiving a retirement allowance under Option 2 or
2156 Option 4-A upon July 1, 1992, and whose designated beneficiary
2157 predeceased him or her or whose marriage to a spouse who is his or
2158 her designated beneficiary is terminated by divorce or other
2159 dissolution, upon written notification to the retirement system of
2160 the death of the designated beneficiary or of the termination of
2161 the retired member's marriage to the designated beneficiary, the
2162 retirement allowance payable to the member after receipt of that
2163 notification by the retirement system shall be equal to the
2164 retirement allowance that would have been payable if the member
2165 had not elected the option. In addition, any retired member who
2166 is receiving the maximum retirement allowance for life, a



2167 retirement allowance under Option 1 or who is receiving a
2168 retirement allowance under Option 2 or Option 4-A on July 1, 1992,
2169 may elect to provide survivor benefits under Option 2 or Option
2170 4-A to a spouse who was not previously the member's beneficiary
2171 and whom the member married before July 1, 1992.

2172 (3) Any retired member who is receiving a reduced retirement
2173 allowance under Option 2, Option 4 or Option 4-A whose designated
2174 beneficiary predeceases him or her, or whose marriage to a spouse
2175 who is his or her designated beneficiary is terminated by divorce
2176 or other dissolution, may elect to cancel the reduced retirement
2177 allowance and receive the maximum retirement allowance for life in
2178 an amount equal to the amount that would have been payable if the
2179 member had not elected Option 2, Option 4 or Option 4-A. That
2180 election must be made in writing to the office of the executive
2181 director of the system on a form prescribed by the board. Any
2182 such election shall be effective the first of the month following
2183 the date the election is received by the system; however, the
2184 election may be applied retroactively for not more than three (3)
2185 months but no earlier than the first of the month following the
2186 date of the death of the beneficiary.

2187 (4) Any retired member who is receiving the maximum
2188 retirement allowance for life, or a retirement allowance under
2189 Option 1, and who marries after his or her retirement may elect to
2190 cancel the maximum retirement allowance and receive a reduced
2191 retirement allowance under Option 2, Option 4 or Option 4-A to



2192 provide continuing lifetime benefits to his or her spouse. That
2193 election must be made in writing to the office of the executive
2194 director of the system on a form prescribed by the board not
2195 earlier than the date of the marriage and not later than one (1)
2196 year from the date of the marriage. Any such election shall be
2197 effective the first of the month following the date the election
2198 is received by the system.

2199 (5) (a) Except as otherwise provided in this subsection, if
2200 the election of an optional benefit is made after the member has
2201 attained the age of sixty-five (65) years, the actuarial
2202 equivalent factor shall be used to compute the reduced retirement
2203 allowance as if the election had been made on his or her
2204 sixty-fifth birthday; however, from and after January 1, 2003, if
2205 there is an election of Option 6 after the member has attained the
2206 age of sixty-five (65) years, the actuarial equivalent factor
2207 based on the retiree's age at the time of retirement shall be used
2208 to compute the reduced maximum monthly retirement allowance.
2209 However, if a retiree marries or remarries after retirement and
2210 elects either Option 2 or Option 4-A as provided in subsection (2)
2211 or (4) of this section, the actuarial equivalent factor used to
2212 compute the reduced retirement allowance shall be the factor for
2213 the age of the retiree and his or her beneficiary at the time such
2214 election for recalculation of benefits is made.

2215 (b) For members who retire on or after July 1, 2012,
2216 the actuarial equivalent factor used to compute the reduced



2217 retirement allowance at retirement or upon any subsequent
2218 recalculation of the benefit shall be the factor for the age of
2219 the retiree and his or her beneficiary at the time of retirement
2220 or at the time an election for recalculation of benefits is made.

2221 (6) Notwithstanding any provision of Section 25-11-1 et
2222 seq., no payments may be made for a retirement allowance on a
2223 monthly basis for a period of time in excess of that allowed by
2224 federal law.

2225 (7) If a retirant and his or her eligible beneficiary, if
2226 any, both die before they have received in annuity payments a
2227 total amount equal to the accumulated contributions standing to
2228 the retirant's credit in the annuity savings account at the time
2229 of his or her retirement, the difference between the accumulated
2230 contributions and the total amount of annuities received by them
2231 shall be paid to such persons as the retirant has nominated by
2232 written designation duly executed and filed in the office of the
2233 executive director. If no designated person survives the retirant
2234 and his or her beneficiary, the difference, if any, shall be paid
2235 under Section 25-11-117.1(1).

2236 (8) Any retired member who retired on Option 2(5) or 4-A(5)
2237 before July 1, 1992, who is still receiving a retirement allowance
2238 on July 1, 1994, shall receive an increase in the annual
2239 retirement allowance effective July 1, 1994, equal to the amount
2240 they would have received under Option 2 or Option 4-A without a
2241 reduction for Option 5 based on the ages at retirement of the



2242 retiree and beneficiary and option factors in effect on July 1,
2243 1992. That increase shall be prospective only.

2244 **SECTION 17.** Section 25-13-16, Mississippi Code of 1972, is
2245 amended as follows:

2246 25-13-16. (1) Upon application for superannuation or
2247 disability retirement, any member who retires after July 1, 1990,
2248 may elect to receive his benefit pursuant to the provisions of
2249 Sections 25-13-11 and 25-13-13. Or he may elect upon retirement,
2250 or upon becoming eligible for retirement, to receive the actuarial
2251 equivalent, subject to the provisions of subsection (3) of this
2252 section, of his retirement allowance in a reduced retirement
2253 allowance payable throughout life with the provision that:

2254 **Option 1.** If he dies before he has received in annuity
2255 payment the value of the member's annuity savings account as it
2256 was at the time of his retirement, the balance shall be paid to
2257 his legal representative or to such person as he shall nominate by
2258 written designation duly acknowledged and filed with the board; or

2259 **Option 2.** Upon his death, his reduced retirement allowance
2260 shall be continued throughout the life of, and paid to, such
2261 person as he has nominated by written designation duly
2262 acknowledged and filed with the board of trustees at the time of
2263 his retirement;

2264 **Option 3.** Upon his death, one-half (1/2) of his reduced
2265 retirement allowance shall be continued throughout the life of,
2266 and paid to, such person as he shall have nominated by written



2267 designation duly acknowledged and filed with the board of trustees
2268 at the time of his retirement, and the other one-half (1/2) of his
2269 reduced retirement allowance to some other designated beneficiary;

2270 **Option 4.** Upon his death, three-fourths (3/4) of his reduced
2271 retirement allowance, or such other specified amount, shall be
2272 continued throughout the life of, and paid to, such person he
2273 shall have nominated by written designation duly acknowledged and
2274 filed with the board of trustees at the time of his retirement;

2275 **Option 4-A.** Upon his death, one-half (1/2) of his reduced
2276 retirement allowance, or such other specified amount, shall be
2277 continued throughout the life of, and paid to, such person as he
2278 shall have nominated by written designation duly acknowledged and
2279 filed with the board of trustees at the time of his retirement; or

2280 **Option 4-B.** A reduced retirement allowance shall be
2281 continued throughout the life of the retirant, but with the
2282 further guarantee of payments to the named beneficiary or
2283 beneficiaries for a specified number of years certain. If the
2284 retired member or the last designated beneficiary both die prior
2285 to receiving all guaranteed payments due, the actuarial equivalent
2286 of the remaining payments shall be paid to the successors of the
2287 retired member pursuant to Section 25-13-21.1(1);

2288 **Option 4-C.** Such retirement allowance otherwise payable may
2289 be converted into a retirement allowance of equivalent actuarial
2290 value in such an amount that, with the member's benefit under
2291 Title II of the federal Social Security Act, the member will



2292 receive, so far as possible, approximately the same amount
2293 annually before and after the earliest age at which the member
2294 becomes eligible to receive a social security benefit. This
2295 option shall not be available to retirees whose retirement is
2296 effective on or after July 1, 2004;

2297 **Option 6.** Any member who is eligible to retire with an
2298 unreduced benefit may select the maximum retirement benefit or an
2299 optional benefit as provided in this subsection together with a
2300 partial lump-sum distribution. The amount of the lump-sum
2301 distribution under this option shall be equal to the maximum
2302 monthly benefit multiplied by twelve (12), twenty-four (24) or
2303 thirty-six (36) as selected by the member. The maximum retirement
2304 benefit shall be actuarially reduced to reflect the amount of the
2305 lump-sum distribution selected and further reduced for any other
2306 optional benefit selected. The annuity and lump-sum distribution
2307 shall be computed to result in no actuarial loss to the system.
2308 The lump-sum distribution shall be made as a single payment
2309 payable at the time the first monthly annuity payment is paid to
2310 the retiree. The amount of the lump-sum distribution shall be
2311 deducted from the member's annuity savings account in computing
2312 what contributions remain at the death of the retiree and/or a
2313 beneficiary. The lump-sum distribution option may be elected only
2314 once by a member upon initial retirement, and may not be elected
2315 by a retiree, by members applying for a disability retirement
2316 annuity, by survivors or by a member selecting Option 4-C.



2317 (2) No change in the option selected shall be permitted
2318 after the member's death or after the member has received his
2319 first retirement check, except as provided in subsections (3) and
2320 (4) of this section. However, any retired member who is receiving
2321 a retirement allowance under Option 2 or Option 4-A upon July 1,
2322 1999, and whose designated beneficiary predeceased him or whose
2323 marriage to a spouse who is his designated beneficiary is
2324 terminated by divorce or other dissolution, upon written
2325 notification to the retirement system of the death of the
2326 designated beneficiary or of the termination of his marriage to
2327 his designated beneficiary, the retirement allowance payable to
2328 the member after receipt of such notification by the retirement
2329 system shall be equal to the retirement allowance that would have
2330 been payable if the member had not elected the option. In
2331 addition, any retired member who is receiving the maximum
2332 retirement allowance for life, a retirement allowance under Option
2333 1 or who is receiving a retirement allowance under Option 2 or
2334 Option 4-A on July 1, 1999, may elect to provide survivor benefits
2335 under Option 2 or Option 4-A to a spouse who was not previously
2336 the member's beneficiary and who the member married before July 1,
2337 1999. Should a member retired on disability be returned to active
2338 service, the option previously selected shall be null and void.
2339 Upon subsequent retirement a new option may be selected.

2340 (3) Any retired member who is receiving a reduced retirement
2341 allowance under Option 2, Option 4 or Option 4-A whose designated



2342 beneficiary predeceases him, or whose marriage to a spouse who is
2343 his designated beneficiary is terminated by divorce or other
2344 dissolution, may elect to cancel his reduced retirement allowance
2345 and receive the maximum retirement allowance for life in an amount
2346 equal to the amount that would have been payable if the member had
2347 not elected Option 2, Option 4 or Option 4-A. Such election must
2348 be made in writing to the office of the executive director of the
2349 system on a form prescribed by the board. Any such election shall
2350 be effective the first of the month following the date the
2351 election is received by the system; however, the election may be
2352 applied retroactively for not more than three (3) months but no
2353 earlier than the first of the month following the date of the
2354 death of the beneficiary.

2355 (4) Any retired member who is receiving the maximum
2356 retirement allowance for life, or a retirement allowance under
2357 Option 1, and who marries after his retirement may elect to cancel
2358 his maximum retirement allowance and receive a reduced retirement
2359 allowance under Option 2, Option 4 or Option 4-A to provide
2360 continuing lifetime benefits to his spouse. Such election must be
2361 made in writing to the office of the executive director of the
2362 system on a form prescribed by the board not earlier than the date
2363 of the marriage. Any such election shall be effective the first
2364 of the month following the date the election is received by the
2365 system. However, if a retiree marries or remarries after
2366 retirement and elects either Option 2, Option 4 or Option 4-A as



2367 provided in subsection (2) or (4) of this section, the actuarial
2368 equivalent factor used to compute the reduced retirement allowance
2369 shall be the factor for the age of the retiree and his or her
2370 beneficiary at the time such election for recalculation of
2371 benefits is made.

2372 (5) Any member in service who has qualified for retirement
2373 benefits may select any optional method of settlement of
2374 retirement benefits by notifying the Executive Director of the
2375 Board of Trustees of the Public Employees' Retirement System in
2376 writing, on a form prescribed by the board, of the option he has
2377 selected and by naming the beneficiary of such option and
2378 furnishing necessary proof of age. Such option, once selected,
2379 may be changed at any time prior to actual retirement or death,
2380 but upon the death or retirement of the member, the optional
2381 settlement shall be placed in effect upon proper notification to
2382 the executive director.

2383 (6) Notwithstanding any provision of Section 25-13-1 et
2384 seq., no payments may be made for a retirement allowance on a
2385 monthly basis for a period of time in excess of that allowed by
2386 federal law.

2387 (7) If a retirant and his eligible beneficiary, if any, both
2388 die before they have received in annuity payments a total amount
2389 equal to the accumulated contributions standing to the retirant's
2390 credit in the annuity savings account at the time of his
2391 retirement, the difference between the accumulated contributions



2392 and the total amount of annuities received by them shall be paid
2393 to such persons as the retirant has nominated by written
2394 designation duly executed and filed in the office of the executive
2395 director. If no designated person survives the retirant and his
2396 beneficiary, the difference, if any, shall be paid pursuant to
2397 Section 25-13-21.1(1).

2398 (8) Any retired member who retired on Option 2(5) or 4-A(5)
2399 before July 1, 1999, who is still receiving a retirement allowance
2400 as of July 1, 1999, shall receive an increase in the annual
2401 retirement allowance effective July 1, 1999, equal to the amount
2402 they would have received under Option 2 or Option 4-A without a
2403 reduction for Option 5 based on the ages at retirement of the
2404 retiree and beneficiary and option factors in effect on July 1,
2405 1999. Such increase shall be prospective only.

2406 (9) For purposes of this section:

2407 (a) "Beneficiary" means any person designated to
2408 receive a retirement allowance, an annuity or other benefit as
2409 provided by this chapter. Such designation shall be in writing
2410 filed in the Office of the Executive Director of the Board of
2411 Trustees of the Public Employees' Retirement System, and no
2412 designation or change of beneficiary shall be made in any other
2413 manner; however, notwithstanding any provision of this chapter to
2414 the contrary, the lawful spouse of a member at the time of the
2415 death of a member shall be the beneficiary of such member unless



2416 the member has designated another beneficiary subsequent to the
2417 date of marriage.

2418 (b) "Actuarial equivalent" shall mean a benefit of
2419 equal value to the accumulated contributions, annuity or benefit,
2420 as the case may be, when computed upon the basis of such mortality
2421 tables as shall be adopted by the board of trustees, and regular
2422 interest.

2423 (c) "Actuarial tables" shall mean such tables of
2424 mortality and rates of interest as shall be adopted by the board
2425 in accordance with the recommendation of the actuary.

2426 **SECTION 18.** Section 25-11-117, Mississippi Code of 1972, is
2427 amended as follows:

2428 25-11-117. (1) A member may be paid a refund of the amount
2429 of accumulated contributions to the credit of the member in the
2430 annuity savings account, provided that the member has withdrawn
2431 from state service and has not returned to state service on the
2432 date the refund of the accumulated contributions would be paid.
2433 That refund of the contributions to the credit of the member in
2434 the annuity savings account shall be paid within ninety (90) days
2435 from receipt in the office of the retirement system of the
2436 properly completed form requesting the payment. In the event of
2437 death before retirement of any member whose spouse and/or children
2438 are not entitled to a retirement allowance, the accumulated
2439 contributions to the credit of the deceased member in the annuity
2440 savings account shall be paid to the designated beneficiary on



2441 file in writing in the office of the executive director of the
2442 board of trustees within ninety (90) days from receipt of a
2443 properly completed form requesting the payment. If there is no
2444 such designated beneficiary on file for the deceased member in the
2445 office of the system, upon the filing of a proper request with the
2446 board, the contributions to the credit of the deceased member in
2447 the annuity savings account shall be refunded under Section
2448 25-11-117.1(1). The payment of the refund shall discharge all
2449 obligations of the retirement system to the member on account of
2450 any creditable service rendered by the member before the receipt
2451 of the refund. By the acceptance of the refund, the member shall
2452 waive and relinquish all accrued rights in the system.

2453 (2) Under the Unemployment Compensation Amendments of 1992
2454 (Public Law 102-318 (UCA)), a member or the spouse of a member who
2455 is an eligible beneficiary entitled to a refund under this section
2456 may elect, on a form prescribed by the board under rules and
2457 regulations established by the board, to have an eligible rollover
2458 distribution of accumulated contributions payable under this
2459 section paid directly to an eligible retirement plan, as defined
2460 under applicable federal law, or an individual retirement account.
2461 If the member or the spouse of a member who is an eligible
2462 beneficiary makes that election and specifies the eligible
2463 retirement plan or individual retirement account to which the
2464 distribution is to be paid, the distribution will be made in the
2465 form of a direct trustee-to-trustee transfer to the specified



2466 eligible retirement plan. A nonspouse beneficiary may elect to
2467 have an eligible rollover distribution paid in the form of a
2468 direct trustee-to-trustee transfer to an individual retirement
2469 account established to receive the distribution on behalf of the
2470 nonspouse beneficiary. Flexible rollovers under this subsection
2471 shall not be considered assignments under Section 25-11-129.

2472 (3) (a) If any person who became a member of the system
2473 before July 1, 2007, has received a refund, reenters the state
2474 service and again becomes a member of the system, the member may
2475 repay all or part of the amounts previously received as a refund,
2476 together with regular interest covering the period from the date
2477 of refund to the date of repayment; however, the amounts that are
2478 repaid by the member and the creditable service related thereto
2479 shall not be used in any benefit calculation or determination
2480 until the member has remained a contributor to the system for a
2481 period of at least four (4) years after the member's reentry into
2482 state service. Repayment for that time shall be made in
2483 increments of not less than one-quarter (1/4) year of creditable
2484 service beginning with the most recent service for which refund
2485 has been made. Upon the repayment of all or part of that refund
2486 and interest, the member shall again receive credit for the period
2487 of creditable service for which full repayment has been made to
2488 the system.

2489 (b) If any person who became a member of the system on
2490 or after July 1, 2007, has received a refund, reenters the state



2491 service and again becomes a member of the system, the member may
2492 repay all or part of the amounts previously received as a refund,
2493 together with regular interest covering the period from the date
2494 of refund to the date of repayment; however, the amounts that are
2495 repaid by the member and the creditable service related thereto
2496 shall not be used in any benefit calculation or determination
2497 until the member has remained a contributor to the system for a
2498 period of at least eight (8) years after the member's reentry into
2499 state service. Repayment for that time shall be made in
2500 increments of not less than * * * one (1) month of creditable
2501 service beginning with the most recent service for which refund
2502 has been made. Upon the repayment of all or part of that refund
2503 and interest, the member shall again receive credit for the period
2504 of creditable service for which full repayment has been made to
2505 the system.

2506 (4) (a) In order to provide a source of income to members
2507 who have applied for disability benefits under Section 25-11-113
2508 or 25-11-114, the board may provide, at the employee's election, a
2509 temporary benefit to be paid from the member's accumulated
2510 contributions, if any, without forfeiting the right to pursue
2511 disability benefits, provided that the member has exhausted all
2512 personal and medical leave and has terminated his or her
2513 employment. The board may prescribe rules and regulations for
2514 carrying out the provisions of this subsection (4).



2515 (b) If a member who has elected to receive temporary
2516 benefits under this subsection later applies for a refund of his
2517 or her accumulated contributions, all amounts paid under this
2518 subsection shall be deducted from the accumulated contributions
2519 and the balance will be paid to the member. If a member who has
2520 elected to receive temporary benefits under this subsection is
2521 later approved for a disability retirement allowance, and a
2522 service retirement allowance or survivor benefits are paid on the
2523 account, the board shall adjust the benefits in such a manner that
2524 no more than the actuarial equivalent of the benefits to which the
2525 member or beneficiary was or is entitled shall be paid.

2526 (c) The board may study, develop and propose a
2527 disability benefit structure, including short- and long-term
2528 disability benefits, provided that it is the actuarial equivalent
2529 of the benefits currently provided in Section 25-11-113 or
2530 25-11-114.

2531 **SECTION 19.** Section 25-11-311, Mississippi Code of 1972, is
2532 amended as follows:

2533 25-11-311. (1) A member may be paid a refund of the amount
2534 of accumulated contributions to the credit of the member in the
2535 annuity savings account, provided the member has withdrawn from
2536 state service and further provided the member has not returned to
2537 state service on the date the refund of the accumulated
2538 contributions would be paid. The refund of the contributions to
2539 the credit of the member in the annuity savings account shall be



2540 paid within ninety (90) days from receipt in the office of the
2541 retirement system of the properly completed form requesting that
2542 payment. In the event of death before retirement of any member
2543 whose spouse and/or children are not entitled to a retirement
2544 allowance, the accumulated contributions to the credit of the
2545 deceased member in the annuity savings account shall be paid to
2546 the designated beneficiary on file in writing in the office of the
2547 executive director of the board of trustees within ninety (90)
2548 days from receipt of a properly completed form requesting that
2549 payment. If there is no such designated beneficiary on file for
2550 the deceased member in the office of the system, upon the filing
2551 of a proper request with the board, the contributions to the
2552 credit of the deceased member in the annuity savings account shall
2553 be refunded under Section 25-11-311.1(1). The payment of the
2554 refund shall discharge all obligations of the retirement system to
2555 the member on account of any creditable service rendered by the
2556 member before the receipt of the refund. By the acceptance of the
2557 refund, the member shall waive and relinquish all accrued rights
2558 in the plan.

2559 (2) Pursuant to the Unemployment Compensation Amendments of
2560 1992 (Public Law 102-318 (USCS)), a member or the spouse of a
2561 member who is an eligible beneficiary making application for a
2562 refund under this section may elect, on a form prescribed by the
2563 board under rules and regulations established by the board, to
2564 have an eligible rollover distribution of accumulated



2565 contributions payable under this section paid directly to an
2566 eligible retirement plan, as defined under applicable federal law,
2567 or an individual retirement account. If the member or the spouse
2568 of a member who is an eligible beneficiary makes that election and
2569 specifies the eligible retirement plan or individual retirement
2570 account to which the distribution is to be paid, the distribution
2571 will be made in the form of a direct trustee-to-trustee transfer
2572 to the specified eligible retirement plan. A nonspouse
2573 beneficiary may elect to have an eligible rollover distribution of
2574 accumulated contributions paid in the form of a direct
2575 trustee-to-trustee transfer to an individual retirement account
2576 established to receive the distribution on behalf of the nonspouse
2577 beneficiary. Flexible rollovers under this subsection shall not
2578 be considered assignments under Section 25-11-129.

2579 (3) (a) If any person who became a member of the system
2580 before July 1, 2007, has received a refund, is reelected to the
2581 Legislature or as President of the Senate and again becomes a
2582 member of the plan, the member may repay all or part of the
2583 amounts previously received as a refund, together with regular
2584 interest covering the period from the date of refund to the date
2585 of repayment; however, the amounts that are repaid by the member
2586 and the creditable service related thereto shall not be used in
2587 any benefit calculation or determination until the member has
2588 remained a contributor to the system for a period of at least four
2589 (4) years after the member's reentry into state service.



2590 Repayment for that time shall be made in increments of not less
2591 than one-quarter (1/4) year of creditable service beginning with
2592 the most recent service for which refund has been made. Upon the
2593 repayment of all or part of that refund and interest, the member
2594 shall again receive credit for the period of creditable service
2595 for which full repayment has been made to the system.

2596 (b) If any person who became a member of the system on
2597 or after July 1, 2007, has received a refund, reenters the state
2598 service and again becomes a member of the system, the member may
2599 repay all or part of the amount previously received as a refund,
2600 together with regular interest covering the period from the date
2601 of refund to the date of repayment; however, the amounts that are
2602 repaid by the member and the creditable service related thereto
2603 shall not be used in any benefit calculation or determination
2604 until the member has remained a contributor to the system for a
2605 period of at least eight (8) years after the member's reentry into
2606 state service. Repayment for that time shall be made in
2607 increments of not less than * * * one (1) month of creditable
2608 service beginning with the most recent service for which refund
2609 has been made. Upon the repayment of all or part of that refund
2610 and interest, the member shall again receive credit for the period
2611 of creditable service for which full repayment has been made to
2612 the system.

2613 **SECTION 20.** Section 25-13-21, Mississippi Code of 1972, is
2614 amended as follows:



2615 25-13-21. In the event a highway patrolman ceases to work
2616 for the Highway Safety Patrol for any reason other than
2617 occupational disease contracted or for any accident sustained by
2618 the patrolman by reason of his service or discharge of his duty in
2619 the Highway Patrol, and if the highway patrolman is not eligible
2620 for retirement either for service or disability, he shall be
2621 refunded the amount of his total contribution under the provisions
2622 of this chapter, including any credit transferred to his account
2623 in this system from any other system, at his request; and should
2624 he die before retirement, his total contribution is to be refunded
2625 to any beneficiary he may name. If there is no surviving
2626 designated beneficiary, the contributions to the credit of the
2627 deceased member shall be refunded pursuant to Section
2628 25-13-21.1(1).

2629 Pursuant to the Unemployment Compensation Amendments of 1992
2630 (Public Law 102-318 (UCA)), a member or the spouse of a member who
2631 is an eligible beneficiary entitled to a refund under this section
2632 may elect, on a form prescribed by the board under rules and
2633 regulations established by the board, to have an eligible rollover
2634 distribution of accumulated contributions payable under this
2635 section paid directly to an eligible retirement plan, as defined
2636 under applicable federal law, or an individual retirement account.
2637 If the member or the spouse of a member who is an eligible
2638 beneficiary makes that election and specifies the eligible
2639 retirement plan or individual retirement account to which the



2640 distribution is to be paid, the distribution will be made in the
2641 form of a direct trustee-to-trustee transfer to the specified
2642 eligible retirement plan. A nonspouse beneficiary may elect to
2643 have an eligible rollover distribution paid in the form of a
2644 direct trustee-to-trustee transfer to an individual retirement
2645 account established to receive the distribution on behalf of the
2646 nonspouse beneficiary. Flexible rollovers under this subsection
2647 shall not be considered assignments under Section 25-13-31.

2648 If any highway patrolman who receives a refund reenters the
2649 service of the Highway Safety Patrol and again becomes a member of
2650 the system, he may repay all amounts previously received by him as
2651 a refund, together with regular interest covering the period from
2652 the date of refund to the date of repayment; however, the amounts
2653 that are repaid by the member and the creditable service related
2654 thereto shall not be used in any benefit calculation or
2655 determination until the member has remained a contributor to the
2656 system for a period of at least five (5) years after the member's
2657 reentry into state service. Repayment for such time shall be made
2658 in increments of not less than * * * one (1) month of creditable
2659 service beginning with the most recent service for which refund
2660 has been made. Upon the repayment of all or part of the refund
2661 and interest, the highway patrolman shall again receive credit for
2662 the period of creditable service for which full repayment has been
2663 made to the system.



2664 **SECTION 21.** Section 25-13-11, Mississippi Code of 1972, is
2665 amended as follows:

2666 25-13-11. (1) Any member upon withdrawal from service, upon
2667 or after attainment of the age of fifty-five (55) years, who has
2668 completed at least five (5) years of creditable service, or any
2669 member upon withdrawal from service upon or after attainment of
2670 the age of forty-five (45) years, who has completed at least
2671 twenty (20) years of creditable service, or any member upon
2672 withdrawal from service, regardless of age, who has completed at
2673 least twenty-five (25) years of creditable service, shall be
2674 entitled to receive a retirement allowance, which shall be payable
2675 the first of the month following receipt of the member's
2676 application in the Office of the Executive Director of the Public
2677 Employees' Retirement System, but in no event before withdrawal
2678 from service.

2679 Any member whose withdrawal from service occurs before
2680 attaining the age of fifty-five (55) years, who has completed more
2681 than five (5) years of creditable service and has not received a
2682 refund of the member's accumulated contributions, shall be
2683 entitled to receive a retirement allowance beginning upon his
2684 attaining the age of fifty-five (55) years of the amount earned
2685 and accrued at the date of withdrawal from service.

2686 The annual amount of the retirement allowance shall consist
2687 of:



2688 (a) A member's annuity, which shall be the actuarial
2689 equivalent of the accumulated contributions of the member at the
2690 time of retirement, computed according to the actuarial table in
2691 use by the system.

2692 (b) An employer's annuity which, together with the
2693 member's annuity provided above, shall be equal to two and
2694 one-half percent (2-1/2%) of the average compensation, based on
2695 the four (4) highest consecutive years, for each year of
2696 membership service.

2697 (c) A prior service annuity equal to two and one-half
2698 percent (2-1/2%) of the average compensation, based on the four
2699 (4) highest consecutive years, for each year of prior service for
2700 which the member is allowed credit.

2701 (d) In the case of retirement of any member prior to
2702 attaining the age of fifty-five (55) years, the retirement
2703 allowance shall be computed in accordance with the formula
2704 hereinabove set forth in this section, except that the employer's
2705 annuity and prior service annuity above described shall be
2706 reduced * * * by an actuarially determined percentage factor for
2707 each year of age below fifty-five (55) years, or * * * for each
2708 year of service below twenty-five (25) years of creditable
2709 service, whichever is lesser.

2710 (e) Upon retiring from service, a member shall be
2711 eligible to obtain retirement benefits, as computed above, for
2712 life, except that the aggregate amount of the employer's annuity



2713 and prior service annuity above described shall not exceed more
2714 than one hundred percent (100%) of the average compensation
2715 regardless of the years of service.

2716 (f) Any member in the service who has attained the age
2717 of sixty-three (63) years shall be retired immediately. However,
2718 any member who has attained age sixty-three (63) may ask the
2719 Commissioner of Public Safety to allow him to continue in service
2720 with the Mississippi Highway Safety Patrol beyond age sixty-three
2721 (63). If the commissioner determines that the member's
2722 continuance in service would be advantageous to the Highway Safety
2723 Patrol because of his expert knowledge, experience or
2724 qualifications, the member shall be allowed to continue in service
2725 beyond age sixty-three (63) for a period of one (1) year. After
2726 the initial one-year continuance, the commissioner may authorize
2727 the member to continue in service for another period of one (1)
2728 year until the member attains age sixty-five (65), at which time
2729 retirement shall be mandatory.

2730 (g) Notwithstanding any provision of this chapter
2731 pertaining to the Mississippi Highway Safety Patrol Retirement
2732 System, no payments may be made for a retirement allowance on a
2733 monthly basis for a period of time in excess of that allowed by
2734 any applicable federal law.

2735 (h) In no case shall any retired member who has
2736 completed at least fifteen (15) years of creditable service
2737 receive less than Five Hundred Dollars (\$500.00) per month; in no



2738 case shall any retired member who has completed ten (10) or more
2739 years of creditable service, but less than fifteen (15) years of
2740 creditable service, receive less than Three Hundred Dollars
2741 (\$300.00) per month; and in no case shall any retired member who
2742 has completed less than ten (10) years of creditable service
2743 receive less than Two Hundred Fifty Dollars (\$250.00) per month.
2744 In no case shall a beneficiary who is receiving a retirement
2745 allowance receive less than Two Hundred Fifty Dollars (\$250.00)
2746 per month or Three Thousand Dollars (\$3,000.00) per year.

2747 (i) Any retired member who is receiving a retirement
2748 allowance on July 1, 1999, shall receive an ad hoc increase in the
2749 annual retirement allowance equal to Three Dollars and Fifty Cents
2750 (\$3.50) per month for each full fiscal year through June 30, 1999,
2751 that the member has actually drawn retirement payments from the
2752 date of retirement, or the date of last retirement if there is
2753 more than one (1) retirement date, plus an amount equal to One
2754 Dollar (\$1.00) per month for each full year of creditable service
2755 and proportionately for each quarter year of creditable service,
2756 as documented by the system and on which benefits are being paid.
2757 If there are multiple beneficiaries receiving a retirement
2758 allowance from a deceased member's account, the ad hoc increase
2759 shall be divided proportionately.

2760 (2) (a) A retiree or beneficiary may, on a form prescribed
2761 by and filed with the Executive Director of the Public Employees'
2762 Retirement System, irrevocably waive all or a portion of any



2763 benefits from the plan to which the retiree or beneficiary is
2764 entitled. The waiver shall be binding on the heirs and assigns of
2765 any retiree or beneficiary and the same must agree to forever hold
2766 harmless the Highway Safety Patrol Retirement System and the
2767 Public Employees' Retirement System from any claim to the waived
2768 retirement benefits.

2769 (b) Any waiver under this subsection shall apply only
2770 to the person executing the waiver. A beneficiary shall be
2771 entitled to benefits according to the option selected by the
2772 member at the time of retirement; however, a beneficiary may
2773 execute a waiver of benefits under this subsection.

2774 (c) The Highway Safety Patrol Retirement System shall
2775 retain all amounts that are not used to pay benefits because of a
2776 waiver executed under this subsection.

2777 (d) The Board of Trustees of the Public Employees'
2778 Retirement System may provide rules and regulations for the
2779 administration of waivers under this subsection.

2780 **SECTION 22.** Section 25-11-123, Mississippi Code of 1972, is
2781 amended as follows:

2782 25-11-123. All of the assets of the system shall be credited
2783 according to the purpose for which they are held to one (1) of
2784 four (4) reserves; namely, the annuity savings account, the
2785 annuity reserve, the employer's accumulation account, and the
2786 expense account.



2787 (a) **Annuity savings account.** In the annuity savings account
2788 shall be accumulated the contributions made by members to provide
2789 for their annuities, including interest thereon which shall be
2790 posted monthly. Credits to and charges against the annuity
2791 savings account shall be made as follows:

2792 (1) Beginning July 1, 2010, the employer shall cause to
2793 be deducted from the salary of each member on each and every
2794 payroll of the employer for each and every payroll period nine
2795 percent (9%) of earned compensation as defined in Section
2796 25-11-103. Future contributions shall be fixed biennially by the
2797 board on the basis of the liabilities of the retirement system for
2798 the various allowances and benefits as shown by actuarial
2799 valuation; however, any member earning at a rate less than Sixteen
2800 Dollars and Sixty-seven Cents (\$16.67) per month, or Two Hundred
2801 Dollars (\$200.00) per year, shall contribute not less than One
2802 Dollar (\$1.00) per month, or Twelve Dollars (\$12.00) per year.

2803 (2) The deductions provided in paragraph (1) of this
2804 subsection shall be made notwithstanding that the minimum
2805 compensation provided by law for any member is reduced by the
2806 deduction. Every member shall be deemed to consent and agree to
2807 the deductions made and provided for in paragraph (1) of this
2808 subsection and shall receipt for his full salary or compensation,
2809 and payment of salary or compensation less the deduction shall be
2810 a full and complete discharge and acquittance of all claims and
2811 demands whatsoever for the services rendered by the person during



2812 the period covered by the payment, except as to the benefits
2813 provided under Articles 1 and 3. The board shall provide by rules
2814 for the methods of collection of contributions from members and
2815 the employer. The board shall have full authority to require the
2816 production of evidence necessary to verify the correctness of
2817 amounts contributed.

2818 (b) **Annuity reserve.** The annuity reserve shall be the
2819 account representing the actuarial value of all annuities in
2820 force, and to it shall be charged all annuities and all benefits
2821 in lieu of annuities, payable as provided in this article. If a
2822 beneficiary retired on account of disability is restored to active
2823 service with a compensation not less than his average final
2824 compensation at the time of his last retirement, the remainder of
2825 his contributions shall be transferred from the annuity reserve to
2826 the annuity savings account and credited to his individual account
2827 therein, and the balance of his annuity reserve shall be
2828 transferred to the employer's accumulation account.

2829 (c) **Employer's accumulation account.** The employer's
2830 accumulation account shall represent the accumulation of all
2831 reserves for the payment of all retirement allowances and other
2832 benefits payable from contributions made by the employer, and
2833 against this account shall be charged all retirement allowances
2834 and other benefits on account of members. Credits to and charges
2835 against the employer's accumulation account shall be made as
2836 follows:



2837 (1) On account of each member there shall be paid
2838 monthly into the employer's accumulation account by the employers
2839 for the preceding fiscal year an amount equal to a certain
2840 percentage of the total earned compensation, as defined in Section
2841 25-11-103, of each member. The percentage rate of those
2842 contributions shall be fixed biennially by the board on the basis
2843 of the liabilities of the retirement system for the various
2844 allowances and benefits as shown by actuarial valuation.
2845 Beginning January 1, 1990, the rate shall be fixed at nine and
2846 three-fourths percent (9-3/4%). * * * Political subdivisions
2847 joining Article 3 of the Public Employees' Retirement System after
2848 July 1, 1968, may adjust the employer's contributions by agreement
2849 with the Board of Trustees of the Public Employees' Retirement
2850 System to provide service credits for any period before execution
2851 of the agreement based upon an actuarial determination of
2852 employer's contribution rates.

2853 (2) On the basis of regular interest and of such
2854 mortality and other tables as are adopted by the board of
2855 trustees, the actuary engaged by the board to make each valuation
2856 required by this article during the period over which the accrued
2857 liability contribution is payable, immediately after making that
2858 valuation, shall determine the uniform and constant percentage of
2859 the earnable compensation of each member which, if contributed by
2860 the employer on the basis of compensation of the member throughout
2861 his entire period of membership service, would be sufficient to



2862 provide for the payment of any retirement allowance payable on his
2863 account for that service. The percentage rate so determined shall
2864 be known as the "normal contribution rate." After the accrued
2865 liability contribution has ceased to be payable, the normal
2866 contribution rate shall be the percentage rate of the salary of
2867 all members obtained by deducting from the total liabilities on
2868 account of membership service the amount in the employer's
2869 accumulation account, and dividing the remainder by one percent
2870 (1%) of the present value of the prospective future salaries of
2871 all members as computed on the basis of the mortality and service
2872 tables adopted by the board of trustees and regular interest. The
2873 normal rate of contributions shall be determined by the actuary
2874 after each valuation.

2875 (3) The total amount payable in each year to the
2876 employer's accumulation account shall not be less than the sum of
2877 the percentage rate known as the "normal contribution rate" and
2878 the "accrued liability contribution rate" of the total
2879 compensation earnable by all members during the preceding year,
2880 provided that the payment by the employer shall be sufficient,
2881 when combined with the amounts in the account, to provide the
2882 allowances and other benefits chargeable to this account during
2883 the year then current.

2884 * * *

2885 (* * *4) All allowances and benefits in lieu thereof,
2886 with the exception of those payable on account of members who



2887 receive no prior service credit, payable from contributions of the
2888 employer, shall be paid from the employer's accumulation account.

2889 (* * *5) Upon the retirement of a member, an amount
2890 equal to his retirement allowance shall be transferred from the
2891 employer's accumulation account to the annuity reserve.

2892 (* * *6) The employer's accumulation account shall be
2893 credited with any assets authorized by law to be credited to the
2894 account.

2895 (d) **Expense account.** The expense account shall be the
2896 account to which the expenses of the administration of the system
2897 shall be charged, exclusive of amounts payable as retirement
2898 allowances and as other benefits provided herein. The Legislature
2899 shall make annual appropriations in amounts sufficient to
2900 administer the system, which shall be credited to this account.
2901 There shall be transferred to the State Treasury from this
2902 account, not less than once per month, an amount sufficient for
2903 payment of the estimated expenses of the system for the succeeding
2904 thirty (30) days. Any interest earned on the expense account
2905 shall accrue to the benefit of the system. However,
2906 notwithstanding the provisions of Sections 25-11-15(10) and
2907 25-11-105(f)(v)5, all expenses of the administration of the system
2908 shall be paid from the interest earnings, provided the interest
2909 earnings are in excess of the actuarial interest assumption as
2910 determined by the board, and provided the present cost of the
2911 administrative expense fee of two percent (2%) of the



2912 contributions reported by the political subdivisions and
2913 instrumentalities shall be reduced to one percent (1%) from and
2914 after July 1, 1983, through June 30, 1984, and shall be eliminated
2915 thereafter.

2916 (e) **Collection of contributions.** The employer shall cause
2917 to be deducted on each and every payroll of a member for each and
2918 every payroll period, beginning subsequent to January 31, 1953,
2919 the contributions payable by the member as provided in Articles 1
2920 and 3.

2921 The employer shall make deductions from salaries of employees
2922 as provided in Articles 1 and 3 and shall transmit monthly, or at
2923 such time as the board of trustees designates, the amount
2924 specified to be deducted to the Executive Director of the Public
2925 Employees' Retirement System. The executive director, after
2926 making a record of all those receipts, shall deposit such amounts
2927 as provided by law.

2928 (f) (1) Upon the basis of each actuarial valuation provided
2929 herein, the board of trustees shall biennially determine the
2930 normal contribution rate and the accrued liability contribution
2931 rate as provided in this section. The sum of these two (2) rates
2932 shall be known as the "employer's contribution rate." Beginning
2933 on earned compensation effective January 1, 1990, the rate
2934 computed as provided in this section shall be nine and
2935 three-fourths percent (9-3/4%). * * * The percentage rate of
2936 those contributions shall be fixed biennially by the board on the



2937 basis of the liabilities of the retirement system for the various
2938 allowances and benefits as shown by actuarial valuation.

2939 (2) The amount payable by the employer on account of
2940 normal and accrued liability contributions shall be determined by
2941 applying the employer's contribution rate to the amount of
2942 compensation earned by employees who are members of the system.
2943 Monthly, or at such time as the board of trustees designates, each
2944 department or agency shall compute the amount of the employer's
2945 contribution payable, with respect to the salaries of its
2946 employees who are members of the system, and shall cause that
2947 amount to be paid to the board of trustees from the personal
2948 service allotment of the amount appropriated for the operation of
2949 the department or agency, or from funds otherwise available to the
2950 agency, for the payment of salaries to its employees.

2951 (3) Except as otherwise provided in Section 25-11-106:

2952 (i) Constables shall pay employer and employee
2953 contributions on their net fee income as well as the employee
2954 contributions on all direct treasury or county payroll income.

2955 (ii) The county shall be responsible for the
2956 employer contribution on all direct treasury or county payroll
2957 income of constables.

2958 (4) Except as otherwise provided in Section
2959 25-11-106.1, chancery and circuit clerks shall be responsible for
2960 both the employer and employee share of contributions on the
2961 proportionate share of net income attributable to fees, as well as



2962 the employee share of net income attributable to direct treasury
2963 or county payroll income, and the employing county shall be
2964 responsible for the employer contributions on the net income
2965 attributable to direct treasury or county payroll income.

2966 (5) Once each year, under procedures established by the
2967 system, each employer shall submit to the Public Employees'
2968 Retirement System a copy of their report to Social Security of all
2969 employees' earnings.

2970 (6) The board shall provide by rules for the methods of
2971 collection of contributions of employers and members. The amounts
2972 determined due by an agency to the various funds as specified in
2973 Articles 1 and 3 are made obligations of the agency to the board
2974 and shall be paid as provided herein. Failure to deduct those
2975 contributions shall not relieve the employee and employer from
2976 liability thereof. Delinquent employee contributions and any
2977 accrued interest shall be the obligation of the employee and
2978 delinquent employer contributions and any accrued interest shall
2979 be the obligation of the employer. The employer may, in its
2980 discretion, elect to pay any or all of the interest on delinquent
2981 employee contributions. From and after July 1, 1996, under rules
2982 and regulations established by the board, all employers are
2983 authorized and shall transfer all funds due to the Public
2984 Employees' Retirement System electronically and shall transmit any
2985 wage or other reports by computerized reporting systems.



2986 **SECTION 23.** Section 25-11-141, Mississippi Code of 1972, is
2987 amended as follows:

2988 * * *

2989 25-11-141. The board of trustees may enter into an agreement
2990 with insurance companies, hospital service associations, medical
2991 or health care corporations, health maintenance organizations, or
2992 government agencies authorized to do business in the state for
2993 issuance of a policy or contract of life, health, medical,
2994 hospital or surgical benefits, or any combination thereof, for
2995 those persons receiving a service, disability or survivor
2996 retirement allowance from any system administered by the board.
2997 Notwithstanding any other provision of this chapter, the policy or
2998 contract also may include coverage for the spouse and dependent
2999 children of such eligible person and for such sponsored dependents
3000 as the board considers appropriate. If all or any portion of the
3001 policy or contract premium is to be paid by any person receiving a
3002 service, disability or survivor retirement allowance, such person
3003 shall, by written authorization, instruct the board to deduct from
3004 the retirement allowance the premium cost and to make payments to
3005 such companies, associations, corporations or agencies.

3006 The board may contract for such coverage on the basis that
3007 the cost of the premium for the coverage will be paid by the
3008 person receiving a retirement allowance.



3009 The board is authorized to accept bids for such optional
3010 coverage and benefits and to make all necessary rules pursuant to
3011 the purpose and intent of this section.

3012 * * *

3013 **SECTION 24.** Section 25-15-3, Mississippi Code of 1972, is
3014 amended as follows:

3015 * * *

3016 25-15-3. For the purposes of this article, the words and
3017 phrases used herein shall have the following meanings:

3018 (a) "Employee" means a person who works full time for
3019 the State of Mississippi and receives his compensation in a direct
3020 payment from a department, agency or institution of the state
3021 government and any person who works full time for any school
3022 district, community/junior college, public library or
3023 university-based program authorized under Section 37-23-31 for
3024 deaf, aphasic and emotionally disturbed children or any regular
3025 nonstudent bus driver. This shall include legislators, employees
3026 of the legislative branch and the judicial branch of the state and
3027 "employees" shall include full-time salaried judges and full-time
3028 district attorneys and their staff and full-time compulsory school
3029 attendance officers. For the purposes of this article, any
3030 "employee" making contributions to the State of Mississippi
3031 retirement plan shall be considered a full-time employee.

3032 (b) "Department" means the Department of Finance and
3033 Administration.



3034 (c) "Plan" means the State and School Employees Life
3035 and Health Insurance Plan created under this article.

3036 (d) "Fund" means the State and School Employees
3037 Insurance Fund set up under this article.

3038 (e) "Retiree" means any employee retired under the
3039 Mississippi retirement plan.

3040 (f) "Board" means the State and School Employees Health
3041 Insurance Management Board created under Section 25-15-303.

3042 * * *

3043 **SECTION 25.** Section 25-15-9, Mississippi Code of 1972, is
3044 amended as follows:

3045 * * *

3046 25-15-9. (1) (a) The board shall design a plan of health
3047 insurance for state employees that provides benefits for
3048 semiprivate rooms in addition to other incidental coverages that
3049 the board deems necessary. The amount of the coverages shall be
3050 in such reasonable amount as may be determined by the board to be
3051 adequate, after due consideration of current health costs in
3052 Mississippi. The plan shall also include major medical benefits
3053 in such amounts as the board determines. The plan shall provide
3054 for coverage for telemedicine services as provided in Section
3055 83-9-351. The board is also authorized to accept bids for such
3056 alternate coverage and optional benefits as the board deems
3057 proper. The board is authorized to accept bids for surgical
3058 services that include assistance in locating a surgeon, setting up



3059 initial consultation, travel, a negotiated single case rate bundle
3060 and payment for orthopedic, spine, bariatric, cardiovascular and
3061 general surgeries. The surgical services may only utilize
3062 surgeons and facilities located in the State of Mississippi unless
3063 otherwise provided by the board. Any contract for alternative
3064 coverage and optional benefits shall be awarded by the board after
3065 it has carefully studied and evaluated the bids and selected the
3066 best and most cost-effective bid. The board may reject all of the
3067 bids; however, the board shall notify all bidders of the rejection
3068 and shall actively solicit new bids if all bids are rejected. The
3069 board may employ or contract for such consulting or actuarial
3070 services as may be necessary to formulate the plan, and to assist
3071 the board in the preparation of specifications and in the process
3072 of advertising for the bids for the plan. Those contracts shall
3073 be solicited and entered into in accordance with Section 25-15-5.
3074 The board shall keep a record of all persons, agents and
3075 corporations who contract with or assist the board in preparing
3076 and developing the plan. The board in a timely manner shall
3077 provide copies of this record to the members of the advisory
3078 council created in this section and those legislators, or their
3079 designees, who may attend meetings of the advisory council. The
3080 board shall provide copies of this record in the solicitation of
3081 bids for the administration or servicing of the self-insured
3082 program. Each person, agent or corporation that, during the
3083 previous fiscal year, has assisted in the development of the plan



3084 or employed or compensated any person who assisted in the
3085 development of the plan, and that bids on the administration or
3086 servicing of the plan, shall submit to the board a statement
3087 accompanying the bid explaining in detail its participation with
3088 the development of the plan. This statement shall include the
3089 amount of compensation paid by the bidder to any such employee
3090 during the previous fiscal year. The board shall make all such
3091 information available to the members of the advisory council and
3092 those legislators, or their designees, who may attend meetings of
3093 the advisory council before any action is taken by the board on
3094 the bids submitted. The failure of any bidder to fully and
3095 accurately comply with this paragraph shall result in the
3096 rejection of any bid submitted by that bidder or the cancellation
3097 of any contract executed when the failure is discovered after the
3098 acceptance of that bid. The board is authorized to promulgate
3099 rules and regulations to implement the provisions of this
3100 subsection.

3101 The board shall develop plans for the insurance plan
3102 authorized by this section in accordance with the provisions of
3103 Section 25-15-5.

3104 Any corporation, association, company or individual that
3105 contracts with the board for the third-party claims administration
3106 of the self-insured plan shall prepare and keep on file an
3107 explanation of benefits for each claim processed. The explanation
3108 of benefits shall contain such information relative to each



3109 processed claim that the board deems necessary, and, at a minimum,
3110 each explanation shall provide the claimant's name, claim number,
3111 provider number, provider name, service dates, type of services,
3112 amount of charges, amount allowed to the claimant and reason
3113 codes. The information contained in the explanation of benefits
3114 shall be available for inspection upon request by the board. The
3115 board shall have access to all claims information utilized in the
3116 issuance of payments to employees and providers.

3117 (b) There is created an advisory council to advise the
3118 board in the formulation of the State and School Employees Health
3119 Insurance Plan. The council shall be composed of the State
3120 Insurance Commissioner, or his designee, an
3121 employee-representative of the institutions of higher learning
3122 appointed by the board of trustees thereof, an
3123 employee-representative of the Department of Transportation
3124 appointed by the director thereof, an employee-representative of
3125 the Department of Revenue appointed by the Commissioner of
3126 Revenue, an employee-representative of the Mississippi Department
3127 of Health appointed by the State Health Officer, an
3128 employee-representative of the Mississippi Department of
3129 Corrections appointed by the Commissioner of Corrections, and an
3130 employee-representative of the Department of Human Services
3131 appointed by the Executive Director of Human Services, two (2)
3132 certificated public school administrators appointed by the State
3133 Board of Education, two (2) certificated classroom teachers



3134 appointed by the State Board of Education, a noncertificated
3135 school employee appointed by the State Board of Education and a
3136 community/junior college employee appointed by the Mississippi
3137 Community College Board.

3138 The Lieutenant Governor may designate the Secretary of the
3139 Senate, the Chairman of the Senate Appropriations Committee, the
3140 Chairman of the Senate Education Committee and the Chairman of the
3141 Senate Insurance Committee, and the Speaker of the House of
3142 Representatives may designate the Clerk of the House, the Chairman
3143 of the House Appropriations Committee, the Chairman of the House
3144 Education Committee and the Chairman of the House Insurance
3145 Committee, to attend any meeting of the State and School Employees
3146 Insurance Advisory Council. The appointing authorities may
3147 designate an alternate member from their respective houses to
3148 serve when the regular designee is unable to attend the meetings
3149 of the council. Those designees shall have no jurisdiction or
3150 vote on any matter within the jurisdiction of the council. For
3151 attending meetings of the council, the legislators shall receive
3152 per diem and expenses, which shall be paid from the contingent
3153 expense funds of their respective houses in the same amounts as
3154 provided for committee meetings when the Legislature is not in
3155 session; however, no per diem and expenses for attending meetings
3156 of the council will be paid while the Legislature is in session.
3157 No per diem and expenses will be paid except for attending



3158 meetings of the council without prior approval of the proper
3159 committee in their respective houses.

3160 (c) No change in the terms of the State and School
3161 Employees Health Insurance Plan may be made effective unless the
3162 board, or its designee, has provided notice to the State and
3163 School Employees Health Insurance Advisory Council and has called
3164 a meeting of the council at least fifteen (15) days before the
3165 effective date of the change. If the State and School Employees
3166 Health Insurance Advisory Council does not meet to advise the
3167 board on the proposed changes, the changes to the plan shall
3168 become effective at such time as the board has informed the
3169 council that the changes shall become effective.

3170 (d) **Medical benefits for retired employees and**
3171 **dependents under age sixty-five (65) years and not eligible for**
3172 **Medicare benefits.** For employees who retire before July 1, 2005,
3173 and for employees retiring due to work-related disability under
3174 the Public Employees' Retirement System, the same health insurance
3175 coverage as for all other active employees and their dependents
3176 shall be available to retired employees and all dependents under
3177 age sixty-five (65) years who are not eligible for Medicare
3178 benefits, the level of benefits to be the same level as for all
3179 other active participants. For employees who retire on or after
3180 July 1, 2005, and not retiring due to work-related disability
3181 under the Public Employees' Retirement System, the same health
3182 insurance coverage as for all other active employees and their



3183 dependents shall be available to those retiring employees and all
3184 dependents under age sixty-five (65) years who are not eligible
3185 for Medicare benefits only if the retiring employees were
3186 participants in the State and School Employees Health Insurance
3187 Plan for four (4) years or more before their retirement, the level
3188 of benefits to be the same level as for all other active
3189 participants. This section will apply to those employees who
3190 retire due to one hundred percent (100%) medical disability as
3191 well as those employees electing early retirement.

3192 (e) **Medical benefits for retired employees and**
3193 **dependents over age sixty-five (65) years or otherwise eligible**
3194 **for Medicare benefits.** For employees who retire before July 1,
3195 2005, and for employees retiring due to work-related disability
3196 under the Public Employees' Retirement System, the health
3197 insurance coverage available to retired employees over age
3198 sixty-five (65) years or otherwise eligible for Medicare benefits,
3199 and all dependents over age sixty-five (65) years or otherwise
3200 eligible for Medicare benefits, shall be the major medical
3201 coverage. For employees retiring on or after July 1, 2005, and
3202 not retiring due to work-related disability under the Public
3203 Employees' Retirement System, the health insurance coverage
3204 described in this paragraph (e) shall be available to those
3205 retiring employees only if they were participants in the State and
3206 School Employees Health Insurance Plan for four (4) years or more
3207 and are over age sixty-five (65) years or otherwise eligible for



3208 Medicare benefits, and to all dependents over age sixty-five (65)
3209 years or otherwise eligible for Medicare benefits. Benefits shall
3210 be reduced by Medicare benefits as though the Medicare benefits
3211 were the base plan.

3212 All covered individuals shall be assumed to have full
3213 Medicare coverage, Parts A and B; and any Medicare payments under
3214 both Parts A and B shall be computed to reduce benefits payable
3215 under this plan.

3216 (f) Lifetime maximum: The lifetime maximum amount of
3217 benefits payable under the health insurance plan for each
3218 participant is Two Million Dollars (\$2,000,000.00).

3219 (2) Nonduplication of benefits – reduction of benefits by
3220 Title XIX benefits: When benefits would be payable under more
3221 than one (1) group plan, benefits under those plans will be
3222 coordinated to the extent that the total benefits under all plans
3223 will not exceed the total expenses incurred.

3224 Benefits for hospital or surgical or medical benefits shall
3225 be reduced by any similar benefits payable in accordance with
3226 Title XIX of the Social Security Act or under any amendments
3227 thereto, or any implementing legislation.

3228 Benefits for hospital or surgical or medical benefits shall
3229 be reduced by any similar benefits payable by workers'
3230 compensation.

3231 No health care benefits under the state plan shall restrict
3232 coverage for medically appropriate treatment prescribed by a



3233 physician and agreed to by a fully informed insured, or if the
3234 insured lacks legal capacity to consent by a person who has legal
3235 authority to consent on his or her behalf, based on an insured's
3236 diagnosis with a terminal condition. As used in this paragraph,
3237 "terminal condition" means any aggressive malignancy, chronic
3238 end-stage cardiovascular or cerebral vascular disease, or any
3239 other disease, illness or condition which physician diagnoses as
3240 terminal.

3241 Not later than January 1, 2016, the state health plan shall
3242 not require a higher co-payment, deductible or coinsurance amount
3243 for patient-administered anti-cancer medications, including, but
3244 not limited to, those orally administered or self-injected, than
3245 it requires for anti-cancer medications that are injected or
3246 intravenously administered by a health care provider, regardless
3247 of the formulation or benefit category determination by the plan.
3248 For the purposes of this paragraph, the term "anti-cancer
3249 medications" has the meaning as defined in Section 83-9-24.

3250 (3) (a) Schedule of life insurance benefits – group term:
3251 The amount of term life insurance for each active employee of a
3252 department, agency or institution of the state government shall
3253 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
3254 twice the amount of the employee's annual wage to the next highest
3255 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
3256 case less than Thirty Thousand Dollars (\$30,000.00), with a like
3257 amount for accidental death and dismemberment on a



3258 twenty-four-hour basis. The plan will further contain a premium
3259 waiver provision if a covered employee becomes totally and
3260 permanently disabled before age sixty-five (65) years. Employees
3261 retiring after June 30, 1999, shall be eligible to continue life
3262 insurance coverage in an amount of Five Thousand Dollars
3263 (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty Thousand
3264 Dollars (\$20,000.00) into retirement.

3265 (b) Effective October 1, 1999, schedule of life
3266 insurance benefits – group term: The amount of term life
3267 insurance for each active employee of any school district,
3268 community/junior college, public library or university-based
3269 program authorized under Section 37-23-31 for deaf, aphasic and
3270 emotionally disturbed children or any regular nonstudent bus
3271 driver shall not be in excess of One Hundred Thousand Dollars
3272 (\$100,000.00), or twice the amount of the employee's annual wage
3273 to the next highest One Thousand Dollars (\$1,000.00), whichever
3274 may be less, but in no case less than Thirty Thousand Dollars
3275 (\$30,000.00), with a like amount for accidental death and
3276 dismemberment on a twenty-four-hour basis. The plan will further
3277 contain a premium waiver provision if a covered employee of any
3278 school district, community/junior college, public library or
3279 university-based program authorized under Section 37-23-31 for
3280 deaf, aphasic and emotionally disturbed children or any regular
3281 nonstudent bus driver becomes totally and permanently disabled
3282 before age sixty-five (65) years. Employees of any school



3283 district, community/junior college, public library or
3284 university-based program authorized under Section 37-23-31 for
3285 deaf, aphasic and emotionally disturbed children or any regular
3286 nonstudent bus driver retiring after September 30, 1999, shall be
3287 eligible to continue life insurance coverage in an amount of Five
3288 Thousand Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or
3289 Twenty Thousand Dollars (\$20,000.00) into retirement.

3290 (4) Any eligible employee who on March 1, 1971, was
3291 participating in a group life insurance program that has
3292 provisions different from those included in this article and for
3293 which the State of Mississippi was paying a part of the premium
3294 may, at his discretion, continue to participate in that plan. The
3295 employee shall pay in full all additional costs, if any, above the
3296 minimum program established by this article. Under no
3297 circumstances shall any individual who begins employment with the
3298 state after March 1, 1971, be eligible for the provisions of this
3299 subsection.

3300 (5) The board may offer medical savings accounts as defined
3301 in Section 71-9-3 as a plan option.

3302 (6) Any premium differentials, differences in coverages,
3303 discounts determined by risk or by any other factors shall be
3304 uniformly applied to all active employees participating in the
3305 insurance plan. It is the intent of the Legislature that the
3306 state contribution to the plan be the same for each employee
3307 throughout the state.



3308 (7) On October 1, 1999, any school district,
3309 community/junior college district or public library may elect to
3310 remain with an existing policy or policies of group life insurance
3311 with an insurance company approved by the State and School
3312 Employees Health Insurance Management Board, in lieu of
3313 participation in the State and School Life Insurance Plan. On or
3314 after July 1, 2004, until October 1, 2004, any school district,
3315 community/junior college district or public library may elect to
3316 choose a policy or policies of group life insurance existing on
3317 October 1, 1999, with an insurance company approved by the State
3318 and School Employees Health Insurance Management Board in lieu of
3319 participation in the State and School Life Insurance Plan. The
3320 state's contribution of up to fifty percent (50%) of the active
3321 employee's premium under the State and School Life Insurance Plan
3322 may be applied toward the cost of coverage for full-time employees
3323 participating in the approved life insurance company group plan.
3324 For purposes of this subsection (7), "life insurance company group
3325 plan" means a plan administered or sold by a private insurance
3326 company. After October 1, 1999, the board may assess charges in
3327 addition to the existing State and School Life Insurance Plan
3328 rates to such employees as a condition of enrollment in the State
3329 and School Life Insurance Plan. In order for any life insurance
3330 company group plan to be approved by the State and School
3331 Employees Health Insurance Management Board under this subsection
3332 (7), it shall meet the following criteria:



3333 (a) The insurance company offering the group life
3334 insurance plan shall be rated "A-" or better by A.M. Best state
3335 insurance rating service and be licensed as an admitted carrier in
3336 the State of Mississippi by the Mississippi Department of
3337 Insurance.

3338 (b) The insurance company group life insurance plan
3339 shall provide the same life insurance, accidental death and
3340 dismemberment insurance and waiver of premium benefits as provided
3341 in the State and School Life Insurance Plan.

3342 (c) The insurance company group life insurance plan
3343 shall be fully insured, and no form of self-funding life insurance
3344 by the company shall be approved.

3345 (d) The insurance company group life insurance plan
3346 shall have one (1) composite rate per One Thousand Dollars
3347 (\$1,000.00) of coverage for active employees regardless of age and
3348 one (1) composite rate per One Thousand Dollars (\$1,000.00) of
3349 coverage for all retirees regardless of age or type of retiree.

3350 (e) The insurance company and its group life insurance
3351 plan shall comply with any administrative requirements of the
3352 State and School Employees Health Insurance Management Board. If
3353 any insurance company providing group life insurance benefits to
3354 employees under this subsection (7) fails to comply with any
3355 requirements specified in this subsection or any administrative
3356 requirements of the board, the state shall discontinue providing
3357 funding for the cost of that insurance.



3358 * * *

3359 **SECTION 26.** Section 25-15-11, Mississippi Code of 1972, is
3360 amended as follows:

3361 * * *

3362 25-15-11. (1) The board is authorized to execute a contract
3363 or contracts to provide the benefits under the plan. Such
3364 contract or contracts may be executed with one or more
3365 corporations or associations licensed to transact life and
3366 accident and health insurance business in this state; however, no
3367 such contract shall be executed with any corporation, association
3368 or company domiciled in any other state except that such
3369 corporation, association or company shall meet the conditions and
3370 terms for a like contract established by the state of the domicile
3371 of such corporation, association or company for a Mississippi
3372 corporation, association or company. No corporation, association
3373 or company with less than five (5) years' experience in the life
3374 and health field may bid. All of the benefits to be provided
3375 under the plan may be included in one or more similar contracts,
3376 or the benefits may be classified into different types with each
3377 type included under one or more similar contracts issued by the
3378 same or different companies.

3379 The board shall supply the statistical information upon which
3380 a quotation is to be calculated, upon request, to all carriers
3381 licensed in the state. Bids may be accepted at the discretion of
3382 the board, and the board shall have the right to adjust rates on



3383 an annual basis if the board shall deem such adjustment necessary.
3384 The plan for active employees shall be on retention accounting
3385 basis, and a separate retention accounting basis shall be used for
3386 retired employees. Any additional written information the carrier
3387 wishes to submit, supporting the proposed benefits and premium
3388 rate, may accompany the proposal. After receiving the proposals,
3389 the board shall determine whether to contract with the carrier
3390 which has been determined to have submitted the lowest and best
3391 bid, or to reject all such bids and receive new proposals.

3392 The board shall authorize any corporation licensed to
3393 transact accident and health insurance business in this state
3394 issuing any such contract to reinsure portions of such contract
3395 with any other such corporation which elected to be a reinsurer
3396 and is legally competent to enter into a reinsurance agreement.
3397 The board may designate one or more of such corporations as the
3398 administering corporation or corporations. Each employee who is
3399 covered under any such contract or contracts shall receive a
3400 certificate setting forth the benefits to which the employee is
3401 entitled thereunder, to whom such benefits shall be payable, to
3402 whom claims should be submitted, and summarizing the provisions of
3403 the contract principally affecting the employee. Such certificate
3404 shall be in lieu of the certificate which the corporation or
3405 corporations issuing such contract or contracts would otherwise
3406 issue.



3407 The board may, as of the end of any contract year,
3408 discontinue any contract or contracts it has executed with any
3409 corporation or corporations and replace it or them with a contract
3410 or contracts in any other corporation or corporations meeting the
3411 requirements of this section.

3412 The board may reject any and all bids and contracts under
3413 this section and may elect for the state to become a self-insurer;
3414 however, administration and service of any such self-insured
3415 program may be contracted to a third party by the board.

3416 Any contract with a third party to administer the plan shall
3417 be bid and entered into in accordance with the procedures provided
3418 in Section 25-15-301.

3419 (2) By September 30 of each year, the board shall report to
3420 the Joint Legislative Budget Committee, Senate Insurance
3421 Committee, House Insurance Committee, Senate Education Committee,
3422 House Education Committee and Joint Legislative Committee on
3423 Performance Evaluation and Expenditure Review the condition of the
3424 State and School Employees Life and Health Insurance Plan. Such
3425 report shall contain for the most recently completed fiscal year,
3426 but not be limited to, the following:

3427 (a) The plan's financial condition at the close of the
3428 fiscal year.

3429 (b) The history of yearly claims paid and premiums
3430 received for each premium class, including, but not limited to,
3431 active employees, dependents and retirees.



3432 (c) The history of loss ratios for the active
3433 employees, dependents and retirees premium classes as well as
3434 historical trend of such ratios. For the purposes of this
3435 section, the term "loss ratios" means claims paid by the plan for
3436 each premium class divided by premiums received by the plan for
3437 insurance coverage of the members in that premium class.

3438 (d) Budgetary information, including:

3439 (i) A detailed breakdown of all expenditures of
3440 the plan, administrative and otherwise, for the most recently
3441 completed fiscal year and projected expenditures, administrative
3442 and otherwise, for the current and next fiscal year;

3443 (ii) A schedule of all contracts, administrative
3444 and otherwise, executed for the benefit of the plan during the
3445 most recent completed fiscal year and those executed and
3446 anticipated for the current fiscal year; and

3447 (iii) A description of the processes used by the
3448 board to procure all contracts, administrative and otherwise, as
3449 well as a description of the scope of services to be provided by
3450 each contractor.

3451 Budgetary information shall be provided in a format
3452 designated by the Joint Legislative Budget Committee.

3453 The Joint Legislative Budget Committee, Senate Insurance
3454 Committee, House Insurance Committee, Senate Education Committee,
3455 House Education Committee and Joint Legislative Committee on
3456 Performance Evaluation and Expenditure Review may request



3457 additional information or reports from the board on an as-needed
3458 basis.

3459 (3) Annually, the board shall request, and the Department of
3460 Audit shall conduct, a comprehensive audit of the State and School
3461 Employees Life and Health Insurance Plan. For purposes of this
3462 section, the audit required herein shall be separate and distinct
3463 from any audit prepared in conjunction with the development of the
3464 Comprehensive Annual Financial Report (CAFR).

3465 * * *

3466 **SECTION 27.** Section 25-15-14, Mississippi Code of 1972, is
3467 amended as follows:

3468 * * *

3469 25-15-14. Any elected state or district official who does
3470 not run for reelection or who is defeated before being entitled to
3471 receive a retirement allowance shall be eligible to continue to
3472 participate in the State and School Employees Health Insurance
3473 Plan under the same conditions and coverages for retired
3474 employees.

3475 * * *

3476 **SECTION 28.** Section 25-15-15, Mississippi Code of 1972, is
3477 amended as follows:

3478 * * *

3479 25-15-15. (1) The board is authorized to determine the
3480 manner in which premiums and contributions by the state agencies,
3481 local school districts, colleges, universities, community/junior



3482 colleges and public libraries shall be collected to provide the
3483 self-insured health insurance program for employees as provided
3484 under this article. The state shall provide fifty percent (50%)
3485 of the cost of the above life insurance plan for all active
3486 full-time employees. The state shall provide one hundred percent
3487 (100%) of the cost of the health insurance plan for active
3488 full-time employees initially employed before January 1, 2006,
3489 except as otherwise provided in this section. For active
3490 full-time employees initially employed on or after January 1,
3491 2006, the state shall provide one hundred percent (100%) of the
3492 cost of a basic level of health insurance, except as otherwise
3493 provided in this section, and the employees may pay additional
3494 amounts to purchase additional benefits or levels of coverage
3495 offered under the plan. The board, if determined to be necessary,
3496 may assess active full-time employees a portion of the active
3497 employee premium in an amount not to exceed Twenty Dollars
3498 (\$20.00) per month, notwithstanding any language in this section
3499 to the contrary. All active full-time employees shall be given
3500 the opportunity to purchase coverage for their eligible dependents
3501 with the premiums for such dependent coverage, as well as the
3502 employee's fifty percent (50%) share for his life insurance
3503 coverage, to be deductible from the employee's salary by the
3504 agency, department or institution head, which deductions, together
3505 with the fifty percent (50%) share of such life insurance premiums
3506 of such employing agency, department or institution head from



3507 funds appropriated to or authorized to be expended by the
3508 employing agency, department or institution head, shall be
3509 deposited directly into a depository bank or special fund in the
3510 State Treasury, as determined by the board. These funds and
3511 interest earned on these funds may be used for the disbursement of
3512 claims and shall be exempt from the appropriation process.

3513 (2) The state shall provide annually, by line item in the
3514 Mississippi Library Commission appropriation bill, such funds to
3515 pay one hundred percent (100%) of the cost of health insurance
3516 under the State and School Employees Health Insurance Plan, or any
3517 lesser percentage of the cost that is not assessed to the
3518 employees by the board, for full-time library staff members in
3519 each public library in Mississippi initially employed before
3520 January 1, 2006. For full-time library staff members initially
3521 employed on or after January 1, 2006, the state shall provide one
3522 hundred percent (100%) of the cost of a basic level of health
3523 insurance under the State and School Employees Health Insurance
3524 Plan, or any lesser percentage of the cost that is not assessed to
3525 the employees by the board, and the employees may pay additional
3526 amounts to purchase additional benefits or levels of coverage
3527 offered under the plan. The commission shall allot to each public
3528 library a sufficient amount of those funds appropriated to pay the
3529 costs of insurance for eligible employees. Any funds so
3530 appropriated by line item which are not expended during the fiscal
3531 year for which such funds were appropriated shall be carried



3532 forward for the same purposes during the next succeeding fiscal
3533 year. If any premiums for the health insurance and/or late
3534 charges and interest penalties are not paid by a public library in
3535 a timely manner, as defined by the board, the Mississippi Library
3536 Commission, upon notice by the board, shall immediately withhold
3537 all subsequent disbursements of funds to that public library.

3538 (3) The state shall annually provide one hundred percent
3539 (100%) of the cost of the health insurance plan, or any lesser
3540 percentage of the cost that is not assessed to the employees by
3541 the board, for public school district employees who work no less
3542 than twenty (20) hours during each week and regular nonstudent
3543 school bus drivers, if such employees and school bus drivers were
3544 initially employed before January 1, 2006. For such employees and
3545 school bus drivers initially employed on or after January 1, 2006,
3546 the state shall provide one hundred percent (100%) of the cost of
3547 a basic level of health insurance under the State and School
3548 Employees Health Insurance Plan, or any lesser percentage of the
3549 cost that is not assessed to the employees by the board, and the
3550 employees may pay additional amounts to purchase additional
3551 benefits or levels of coverage offered under the plan. Where
3552 federal funding is allowable to defray, in full or in part, the
3553 cost of participation in the program by district employees who
3554 work no less than twenty (20) hours during the week and regular
3555 nonstudent bus drivers, whose salaries are paid, in full or in
3556 part, by federal funds, the allowance under this section shall be



3557 reduced to the extent of such federal funding. Where the use of
3558 federal funds is allowable but not available, it is the intent of
3559 the Legislature that school districts contribute the cost of
3560 participation for such employees from local funds, except that
3561 parent fees for child nutrition programs shall not be increased to
3562 cover such cost.

3563 (4) The state shall provide annually, by line item in the
3564 community/junior college appropriation bill, such funds to pay one
3565 hundred percent (100%) of the cost of the health insurance plan,
3566 or any lesser percentage of the cost that is not assessed to the
3567 employees by the board, for community/junior college district
3568 employees initially employed before January 1, 2006, who work no
3569 less than twenty (20) hours during each week. For such employees
3570 initially employed on or after January 1, 2006, the state shall
3571 provide one hundred percent (100%) of the cost of a basic level of
3572 health insurance under the State and School Employees Health
3573 Insurance Plan, or any lesser percentage of the cost that is not
3574 assessed to the employees by the board, and the employees may pay
3575 additional amounts to purchase additional benefits or levels of
3576 coverage offered under the plan.

3577 (5) When the use of federal funding is allowable to defray,
3578 in full or in part, the cost of participation in the insurance
3579 plan by community/junior college district employees who work no
3580 less than twenty (20) hours during each week, whose salaries are
3581 paid, in full or in part, by federal funds, the allowance under



3582 this section shall be reduced to the extent of the federal
3583 funding. Where the use of federal funds is allowable but not
3584 available, it is the intent of the Legislature that
3585 community/junior college districts contribute the cost of
3586 participation for such employees from local funds.

3587 (6) Any community/junior college district may contribute to
3588 the cost of coverage for any district employee from local
3589 community/junior college district funds, and any public school
3590 district may contribute to the cost of coverage for any district
3591 employee from nonminimum program funds. Any part of the cost of
3592 such coverage for participating employees of public school
3593 districts and public community/junior college districts that is
3594 not paid by the state shall be paid by the participating
3595 employees, which shall be deducted from the salaries of the
3596 employees in a manner determined by the board.

3597 (7) Any funds appropriated for the cost of insurance by line
3598 item in the community/junior colleges appropriation bill which are
3599 not expended during the fiscal year for which such funds were
3600 appropriated shall be carried forward for the same purposes during
3601 the next succeeding fiscal year.

3602 (8) The board may establish and enforce late charges and
3603 interest penalties or other penalties for the purpose of requiring
3604 the prompt payment of all premiums for life and health insurance
3605 permitted under this chapter. All funds in excess of the amount
3606 needed for disbursement of claims shall be deposited in a special



3607 fund in the State Treasury to be known as the State and School
3608 Employees Insurance Fund. The State Treasurer shall invest all
3609 funds in the State and School Employees Insurance Fund and all
3610 interest earned shall be credited to the State and School
3611 Employees Insurance Fund. Such funds shall be placed with one or
3612 more depositories of the state and invested on the first day such
3613 funds are available for investment in certificates of deposit,
3614 repurchase agreements or in United States Treasury bills or as
3615 otherwise authorized by law for the investment of Public
3616 Employees' Retirement System funds, as long as such investment is
3617 made from competitive offering and at the highest and best market
3618 rate obtainable consistent with any available investment
3619 alternatives; however, such investments shall not be made in
3620 shares of stock, common or preferred, or in any other investments
3621 which would mature more than one (1) year from the date of
3622 investment. The board shall have the authority to draw from this
3623 fund periodically such funds as are necessary to operate the
3624 self-insurance plan or to pay to the insurance carrier the cost of
3625 operation of this plan, it being the purpose to limit the amount
3626 of participation by the state to fifty percent (50%) of the cost
3627 of the life insurance program and not to limit the contracting for
3628 additional benefits where the cost will be paid in full by the
3629 employee. The state shall not share in the cost of coverage for
3630 retired employees.



3631 (9) The board shall also provide for the creation of an
3632 Insurance Reserve Fund and funds therein shall be invested by the
3633 State Treasurer with all interest earned credited to the State and
3634 School Employees Insurance Fund.

3635 (10) Any retired employee electing to purchase retired life
3636 and health insurance will have the full cost of such insurance
3637 deducted monthly from his State of Mississippi retirement plan
3638 check or direct billed for the cost of the premium if the
3639 retirement check is insufficient to pay for the premium. If the
3640 board determines actuarially that the premium paid by the
3641 participating retirees adversely affects the overall cost of the
3642 plan to the state, then the board may impose a premium surcharge,
3643 not to exceed fifteen percent (15%), upon such participating
3644 retired employees who are under the age for Medicare eligibility
3645 and who were initially employed before January 1, 2006. For
3646 participating retired employees who are under the age for Medicare
3647 eligibility and who were initially employed on or after January 1,
3648 2006, the board may impose a premium surcharge in an amount the
3649 board determines actuarially to cover the full cost of insurance.

3650 (11) The board may not impose a premium surcharge or any
3651 other premium differential upon any class of participant of the
3652 plan based on the use or nonuse of tobacco-related products.

3653 (12) This section shall stand repealed on July 1, 2018.

3654 * * *



3655 **SECTION 29.** Sections 25-11-143 and 25-11-145, Mississippi
3656 Code of 1972, which require the Board of Trustees of the Public
3657 Employees' Retirement System to design a plan of health insurance
3658 for all current and future retirees and provide when such plan
3659 shall be implemented, are repealed.

3660 **SECTION 30.** This act shall take effect and be in force from
3661 and after July 1, 2016.

