

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

To: Appropriations

HOUSE BILL NO. 899
(As Sent to Governor)

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 25-11-103, MISSISSIPPI
26 CODE OF 1972, TO REVISE CERTAIN DEFINITIONS RELATING TO THE LAWS
27 GOVERNING THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; TO REVISE THE
28 DEFINITION OF THE TERM "BENEFICIARY" TO MAKE IT CLEAR THAT, IN THE
29 EVENT THAT A MEMBER OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
30 DIES BEFORE RETIREMENT AND THE SPOUSE AND/OR CHILDREN ARE NOT
31 ENTITLED TO A RETIREMENT ALLOWANCE ON THE BASIS THAT THE DECEASED
32 MEMBER DID NOT HAVE THE REQUISITE NUMBER OF YEARS OF SERVICE, THE
33 TYPE OF SERVICE TO WHICH IS REFERRED IS MEMBERSHIP SERVICE; TO
34 REVISE THE DEFINITION OF THE TERM "CHILD" TO CLARIFY THAT A



35 NATURAL CHILD OF A MEMBER OF THE PUBLIC EMPLOYEES' RETIREMENT
36 SYSTEM IS ONE THAT IS CONCEIVED BEFORE THE DEATH OF THE MEMBER; TO
37 AMEND SECTION 25-11-105, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
38 A MEMBER WHO IS AN EMPLOYEE OF A POLITICAL SUBDIVISION WHO WAS
39 EMPLOYED BY THE POLITICAL SUBDIVISION BEFORE THE SUBDIVISION
40 BECAME COVERED BY THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM MAY MAKE
41 PAYMENTS FOR AND RECEIVE CREDIT FOR SERVICE PRIOR TO SUCH COVERAGE
42 IN INCREMENTS OF NOT LESS THAN ONE MONTH; TO AMEND SECTION
43 25-11-109, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT CREDITABLE
44 SERVICE FOR MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR
45 PERIODS OF TIME AFTER JULY 1, 2017, SHALL BE AWARDED IN MONTHLY
46 INCREMENTS; TO PROVIDE THAT THE COMPUTATION OF UNUSED LEAVE FOR
47 CREDITABLE SERVICE FOR MEMBERS WHO RETIRE ON OR AFTER JULY 1,
48 2017, SHALL BE CALCULATED IN MONTHLY INCREMENTS; TO MAKE IT CLEAR
49 THAT LEAVE CREDIT FOR ELECTED OFFICIALS WHO ARE MEMBERS OF THE
50 PUBLIC EMPLOYEES' RETIREMENT SYSTEM IS IN LIEU OF, AND NOT IN
51 ADDITION TO, LEAVE EARNED WHILE SIMULTANEOUSLY EMPLOYED IN A
52 NONELECTED POSITION IN THE SYSTEM; TO AMEND SECTION 25-11-111,
53 MISSISSIPPI CODE OF 1972, TO CLARIFY THAT A MEMBER'S RETIREMENT
54 BENEFIT PAYMENTS BEGIN THE FIRST DAY OF THE MONTH AFTER THE
55 MEMBER'S APPLICATION FOR BENEFITS IS RECEIVED BY THE BOARD OF
56 TRUSTEES OF THE RETIREMENT SYSTEM; TO AMEND SECTIONS 25-11-111.1,
57 25-13-11.1 AND 21-29-325, MISSISSIPPI CODE OF 1972, TO PROVIDE
58 THAT THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM SHALL MAKE PAYMENTS
59 OF RETIREMENT BENEFITS TO MEMBERS OF THE PUBLIC EMPLOYEES'
60 RETIREMENT SYSTEM, THE MISSISSIPPI HIGHWAY SAFETY PATROL
61 RETIREMENT SYSTEM AND MUNICIPAL RETIREMENT SYSTEMS BY WHATEVER
62 MEANS THE BOARD OF TRUSTEES PRESCRIBES BY REGULATION TO BE THE
63 MOST APPROPRIATE FOR PROPER AND EFFICIENT PAYMENT OF BENEFITS; TO
64 PROVIDE THAT THE BOARD OF TRUSTEES MAY PROVIDE FOR ALTERNATIVE
65 MEANS OF PAYMENT IN CERTAIN CIRCUMSTANCES; TO AMEND SECTION
66 25-11-113, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IF A MEMBER
67 WHO HAS BEEN APPROVED FOR A DISABILITY RETIREMENT ALLOWANCE DOES
68 NOT TERMINATE STATE SERVICE WITHIN 90 DAYS AFTER APPROVAL, THE
69 DISABILITY RETIREMENT AND THE APPLICATION FOR DISABILITY
70 RETIREMENT SHALL BE VOID; TO PROVIDE THAT A MEMBER OF THE PUBLIC
71 EMPLOYEES' RETIREMENT SYSTEM WHO APPLIES FOR A DISABILITY
72 RETIREMENT ALLOWANCE MUST PROVIDE SUFFICIENT OBJECTIVE MEDICAL
73 EVIDENCE IN SUPPORT OF THE CLAIM AND TO DEFINE "OBJECTIVE MEDICAL
74 EVIDENCE"; TO PROVIDE THAT APPLICATIONS FOR DISABILITY RETIREMENT
75 MUST BE FILED WITHIN ONE YEAR AFTER TERMINATION FROM ACTIVE
76 SERVICE AND TO PROVIDE FOR EXTENSIONS OF SUCH PERIOD UNDER CERTAIN
77 CIRCUMSTANCES; TO AMEND SECTION 25-11-114, MISSISSIPPI CODE OF
78 1972, TO MAKE IT CLEAR THAT IF A MEMBER OF THE PUBLIC EMPLOYEES'
79 RETIREMENT SYSTEM DIES BEFORE BEING QUALIFIED FOR A FULL,
80 UNREDUCED RETIREMENT ALLOWANCE, THE REDUCTION FACTOR FOR THE
81 ANNUITY OF THE SURVIVING SPOUSE SHALL BE BASED ON THE NUMBER OF
82 YEARS THAT WOULD HAVE BEEN REQUIRED FOR THE DECEASED MEMBER TO
83 QUALIFY FOR A FULL, UNREDUCED RETIREMENT ALLOWANCE; TO PROVIDE
84 THAT THE EXTENSION OF THE AGE LIMITATION UNDER THE PUBLIC
85 EMPLOYEES' RETIREMENT SYSTEM FOR BEING A DEPENDENT THAT IS



86 EXTENDED TO THE JULY 1 AFTER ATTAINING AGE 23 SHALL APPLY ONLY TO
87 STUDENT CHILDREN RECEIVING A RETIREMENT ALLOWANCE AS OF JUNE 30,
88 2016; TO MAKE IT CLEAR THAT IN ORDER FOR BENEFITS FOR A DEATH OR
89 DISABILITY THAT OCCURS IN THE PERFORMANCE OF DUTY TO BE PAYABLE,
90 THE DEATH OR DISABILITY MUST HAVE BEEN AS A DIRECT RESULT OF A
91 PHYSICAL INJURY SUSTAINED FROM AN ACCIDENT OR A TRAUMATIC EVENT
92 CAUSED BY EXTERNAL VIOLENCE OR PHYSICAL FORCE OCCURRING IN THE
93 PERFORMANCE OF DUTY; TO AMEND SECTION 25-13-13, MISSISSIPPI CODE
94 OF 1972, TO PROVIDE THAT THE EXTENSION OF THE AGE LIMITATION FOR
95 BEING A DEPENDENT UNDER THE MISSISSIPPI HIGHWAY SAFETY PATROL
96 RETIREMENT SYSTEM THAT IS EXTENDED TO THE JULY 1 AFTER ATTAINING
97 AGE 23 SHALL APPLY ONLY TO STUDENT CHILDREN RECEIVING A RETIREMENT
98 ALLOWANCE AS OF JUNE 30, 2016; TO AMEND SECTION 25-11-115,
99 MISSISSIPPI CODE OF 1972, TO ESTABLISH A DEADLINE OF ONE YEAR FROM
100 THE DATE OF THE MARRIAGE FOR A RETIREE TO CHANGE FROM OPTION 1 TO
101 OPTION 2 OR 4-A TO PROVIDE A LIFETIME BENEFIT FOR A NEW SPOUSE; TO
102 AMEND SECTIONS 25-11-117, 25-11-311 AND 25-13-21, MISSISSIPPI CODE
103 OF 1972, TO PROVIDE THAT MEMBERS OF THE PUBLIC EMPLOYEES'
104 RETIREMENT SYSTEM, THE SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN
105 AND THE HIGHWAY SAFETY PATROL RETIREMENT SYSTEM WHO HAVE RECEIVED
106 A REFUND OF THEIR CONTRIBUTIONS AND REENTER STATE SERVICE MAY
107 PURCHASE THE CREDITABLE SERVICE THAT WAS COVERED BY THE REFUND IN
108 INCREMENTS OF NOT LESS THAN ONE MONTH; TO AMEND SECTION 25-13-11,
109 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IN THE CASE OF THE
110 RETIREMENT OF ANY MEMBER OF THE HIGHWAY SAFETY PATROL RETIREMENT
111 SYSTEM PRIOR TO THE AGE OF ATTAINING 55, THE EMPLOYER'S ANNUITY
112 AND PRIOR SERVICE ANNUITY SHALL BE REDUCED BY AN ACTUARIALLY
113 DETERMINED FACTOR FOR EACH YEAR OF AGE BELOW 55 OR EACH YEAR OF
114 SERVICE BELOW 25, WHICHEVER IS LESSER; TO AMEND SECTIONS
115 25-11-141, 25-15-3, 25-15-9, 25-15-11, 25-15-14 AND 25-15-15,
116 MISSISSIPPI CODE OF 1972, TO REMOVE CERTAIN PROVISIONS REGARDING
117 THE IMPLEMENTATION OF A PLAN OF HEALTH INSURANCE DESIGNED BY THE
118 BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; TO
119 REPEAL SECTIONS 25-11-143 AND 25-11-145, MISSISSIPPI CODE OF 1972,
120 WHICH REQUIRE THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES'
121 RETIREMENT SYSTEM TO DESIGN A PLAN OF HEALTH INSURANCE FOR ALL
122 CURRENT AND FUTURE RETIREES AND PROVIDE WHEN SUCH PLAN SHALL BE
123 IMPLEMENTED; AND FOR RELATED PURPOSES.

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

125 **SECTION 1.** The following shall be codified as Section
126 25-11-110, Mississippi Code of 1972:

127 25-11-110. (1) With respect to the death of a member that
128 occurs while the member is performing qualified military service
129 within the meaning of Section 414(u) of the Internal Revenue Code:



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

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

138 (2) To the extent required by Section 414(u)(12) of the
139 Internal Revenue Code, a member receiving differential wage
140 payments within the meaning of Section 3401(h)(2) of the Internal
141 Revenue Code from an employer shall be treated as employed by that
142 employer, and the differential wage payment shall be treated as
143 compensation for purposes of applying the limits on an annual
144 addition under Section 415(c) of the Internal Revenue Code. This
145 provision shall be applied to all similarly situated individuals
146 in a reasonably equivalent manner.

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

149 25-11-119.1. (1) (a) The system may perform on-site
150 compliance audits of employers to determine compliance with
151 reporting, contributions, and certification requirements under
152 this title.

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



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

158 (d) The employer shall extract and provide records as
159 requested by the office in an appropriate, organized and usable
160 format.

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

165 (i) Any liabilities and expenses, including
166 administrative expenses and travel expenses, resulting from the
167 employer's failure to comply with the audit; and

168 (ii) A penalty equal to one percent (1%) of the
169 employer's contribution for the month preceding the notification
170 of the audit.

171 (2) If the audit reveals an employer's failure to make
172 contributions as required under Section 25-11-124, a failure to
173 correctly report eligibility as required under Section
174 25-11-103(s), or a failure to maintain records as required under
175 the rules and regulations of the system, the employer shall
176 reimburse the system for the cost of the audit.

177 (3) The executive director may waive all or any part of the
178 penalties and expenses if the executive director finds there were



179 extenuating circumstances surrounding the employer's failure to
180 comply with this section.

181 **SECTION 3.** Section 25-11-103, Mississippi Code of 1972, is
182 amended as follows:

183 25-11-103. The following words and phrases as used in
184 Articles 1 and 3, unless a different meaning is plainly required
185 by the context, have the following meanings:

186 (a) "Accumulated contributions" means the sum of all
187 the amounts deducted from the compensation of a member and
188 credited to his or her individual account in the annuity savings
189 account, together with regular interest as provided in Section
190 25-11-123.

191 (b) "Actuarial cost" means the amount of funds
192 presently required to provide future benefits as determined by the
193 board based on applicable tables and formulas provided by the
194 actuary.

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

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

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



204 (f) "Average compensation" means the average of the
205 four (4) highest years of earned compensation reported for an
206 employee in a fiscal or calendar year period, or combination
207 thereof that do not overlap, or the last forty-eight (48)
208 consecutive months of earned compensation reported for an
209 employee. The four (4) years need not be successive or joined
210 years of service. In computing the average compensation for
211 retirement, disability or survivor benefits, any amount lawfully
212 paid in a lump sum for personal leave or major medical leave shall
213 be included in the calculation to the extent that the amount does
214 not exceed an amount that is equal to thirty (30) days of earned
215 compensation and to the extent that it does not cause the
216 employee's earned compensation to exceed the maximum reportable
217 amount specified in paragraph (k) of this section; however, this
218 thirty-day limitation shall not prevent the inclusion in the
219 calculation of leave earned under federal regulations before July
220 1, 1976, and frozen as of that date as referred to in Section
221 25-3-99. In computing the average compensation, no amounts shall
222 be used that are in excess of the amount on which contributions
223 were required and paid, and no nontaxable amounts paid by the
224 employer for health or life insurance premiums for the employee
225 shall be used. If any member who is or has been granted any
226 increase in annual salary or compensation of more than eight
227 percent (8%) retires within twenty-four (24) months from the date
228 that the increase becomes effective, then the board shall exclude



229 that part of the increase in salary or compensation that exceeds
230 eight percent (8%) in calculating that member's average
231 compensation for retirement purposes. The board may enforce this
232 provision by rule or regulation. However, increases in
233 compensation in excess of eight percent (8%) per year granted
234 within twenty-four (24) months of the date of retirement may be
235 included in the calculation of average compensation if
236 satisfactory proof is presented to the board showing that the
237 increase in compensation was the result of an actual change in the
238 position held or services rendered, or that the compensation
239 increase was authorized by the State Personnel Board or was
240 increased as a result of statutory enactment, and the employer
241 furnishes an affidavit stating that the increase granted within
242 the last twenty-four (24) months was not contingent on a promise
243 or agreement of the employee to retire. Nothing in Section
244 25-3-31 shall affect the calculation of the average compensation
245 of any member for the purposes of this article. The average
246 compensation of any member who retires before July 1, 1992, shall
247 not exceed the annual salary of the Governor.

248 (g) "Beneficiary" means any person entitled to receive
249 a retirement allowance, an annuity or other benefit as provided by
250 Articles 1 and 3. The term "beneficiary" may also include an
251 organization, estate, trust or entity; however, a beneficiary
252 designated or entitled to receive monthly payments under an
253 optional settlement based on life contingency or under a statutory



254 monthly benefit may only be a natural person. In the event of the
255 death before retirement of any member who became a member of the
256 system before July 1, 2007, and whose spouse and/or children are
257 not entitled to a retirement allowance on the basis that the
258 member has less than four (4) years of membership service credit,
259 or who became a member of the system on or after July 1, 2007, and
260 whose spouse and/or children are not entitled to a retirement
261 allowance on the basis that the member has less than eight (8)
262 years of membership service credit, and/or has not been married
263 for a minimum of one (1) year or the spouse has waived his or her
264 entitlement to a retirement allowance under Section 25-11-114, the
265 lawful spouse of a member at the time of the death of the member
266 shall be the beneficiary of the member unless the member has
267 designated another beneficiary after the date of marriage in
268 writing, and filed that writing in the office of the executive
269 director of the board of trustees. No designation or change of
270 beneficiary shall be made in any other manner.

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

274 (i) "Creditable service" means "prior service,"
275 "retroactive service" and all lawfully credited unused leave not
276 exceeding the accrual rates and limitations provided in Section
277 25-3-91 et seq., as of the date of withdrawal from service plus
278 "membership service" and other service for which credit is



279 allowable as provided in Section 25-11-109. Except to limit
280 creditable service reported to the system for the purpose of
281 computing an employee's retirement allowance or annuity or
282 benefits provided in this article, nothing in this paragraph shall
283 limit or otherwise restrict the power of the governing authority
284 of a municipality or other political subdivision of the state to
285 adopt such vacation and sick leave policies as it deems necessary.

286 (j) "Child" means either a natural child of the member,
287 a child that has been made a child of the member by applicable
288 court action before the death of the member, or a child under the
289 permanent care of the member at the time of the latter's death,
290 which permanent care status shall be determined by evidence
291 satisfactory to the board. For purposes of this paragraph, a
292 natural child of the member is a child of the member that is
293 conceived before the death of the member.

294 (k) "Earned compensation" means the full amount earned
295 during a fiscal year by an employee not to exceed the employee
296 compensation limit set pursuant to Section 401(a)(17) of the
297 Internal Revenue Code for the calendar year in which the fiscal
298 year begins and proportionately for less than one (1) year of
299 service. Except as otherwise provided in this paragraph, the
300 value of maintenance furnished to an employee shall not be
301 included in earned compensation. Earned compensation shall not
302 include any amounts paid by the employer for health or life
303 insurance premiums for an employee. Earned compensation shall be



304 limited to the regular periodic compensation paid, exclusive of
305 litigation fees, bond fees, performance-based incentive payments,
306 and other similar extraordinary nonrecurring payments. In
307 addition, any member in a covered position, as defined by Public
308 Employees' Retirement System laws and regulations, who is also
309 employed by another covered agency or political subdivision shall
310 have the earnings of that additional employment reported to the
311 Public Employees' Retirement System regardless of whether the
312 additional employment is sufficient in itself to be a covered
313 position. In addition, computation of earned compensation shall
314 be governed by the following:

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

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

323 (iii) In the case of members of the State
324 Legislature, all remuneration or amounts paid, except mileage
325 allowance, shall apply.

326 (iv) The amount by which an eligible employee's
327 salary is reduced under a salary reduction agreement authorized
328 under Section 25-17-5 shall be included as earned compensation



329 under this paragraph, provided this inclusion does not conflict
330 with federal law, including federal regulations and federal
331 administrative interpretations under the federal law, pertaining
332 to the Federal Insurance Contributions Act or to Internal Revenue
333 Code Section 125 cafeteria plans.

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

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

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

345 (viii) The value of maintenance furnished to an
346 employee before July 1, 2013, for which the proper amount of
347 employer and employee contributions have been paid, shall be
348 included in earned compensation. From and after July 1, 2013, the
349 value of maintenance furnished to an employee shall be reported as
350 earned compensation only if the proper amount of employer and
351 employee contributions have been paid on the maintenance and the
352 employee was receiving maintenance and having maintenance reported
353 to the system as of June 30, 2013. The value of maintenance when



354 not paid in money shall be fixed by the employing state agency,
355 and, in case of doubt, by the board of trustees as defined in
356 Section 25-11-15.

357 (ix) Except as otherwise provided in this
358 paragraph, the value of any in-kind benefits provided by the
359 employer shall not be included in earned compensation. As used in
360 this subparagraph, "in-kind benefits" shall include, but not be
361 limited to, group life insurance premiums, health or dental
362 insurance premiums, nonpaid major medical and personal leave,
363 employer contributions for social security and retirement, tuition
364 reimbursement or educational funding, day care or transportation
365 benefits.

366 (l) "Employee" means any person legally occupying a
367 position in the state service, and shall include the employees of
368 the retirement system created under this article.

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

372 (n) "Executive director" means the secretary to the
373 board of trustees, as provided in Section 25-11-15(9), and the
374 administrator of the Public Employees' Retirement System and all
375 systems under the management of the board of trustees. Wherever
376 the term "Executive Secretary of the Public Employees' Retirement
377 System" or "executive secretary" appears in this article or in any



378 other provision of law, it shall be construed to mean the
379 Executive Director of the Public Employees' Retirement System.

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

382 (p) "Medical board" means the board of physicians or
383 any governmental or nongovernmental disability determination
384 service designated by the board of trustees that is qualified to
385 make disability determinations as provided for in Section
386 25-11-119.

387 (q) "Member" means any person included in the
388 membership of the system as provided in Section 25-11-105. For
389 purposes of Sections 25-11-103, 25-11-105, 25-11-109, 25-11-111,
390 25-11-113, 25-11-114, 25-11-115 and 25-11-117, if a member of the
391 system withdrew from state service and received a refund of the
392 amount of the accumulated contributions to the credit of the
393 member in the annuity savings account before July 1, 2007, and the
394 person reenters state service and becomes a member of the system
395 again on or after July 1, 2007, and repays all or part of the
396 amount received as a refund and interest in order to receive
397 creditable service for service rendered before July 1, 2007, the
398 member shall be considered to have become a member of the system
399 on or after July 1, 2007, subject to the eight-year membership
400 service requirement, as applicable in those sections. For
401 purposes of Sections 25-11-103, 25-11-111, 25-11-114 and
402 25-11-115, if a member of the system withdrew from state service



403 and received a refund of the amount of the accumulated
404 contributions to the credit of the member in the annuity savings
405 account before July 1, 2011, and the person reenters state service
406 and becomes a member of the system again on or after July 1, 2011,
407 and repays all or part of the amount received as a refund and
408 interest in order to receive creditable service for service
409 rendered before July 1, 2011, the member shall be considered to
410 have become a member of the system on or after July 1, 2011.

411 (r) "Membership service" means service as an employee
412 in a covered position rendered while a contributing member of the
413 retirement system.

414 (s) "Position" means any office or any employment in
415 the state service, or two (2) or more of them, the duties of which
416 call for services to be rendered by one (1) person, including
417 positions jointly employed by federal and state agencies
418 administering federal and state funds. The employer shall
419 determine upon initial employment and during the course of
420 employment of an employee who does not meet the criteria for
421 coverage in the Public Employees' Retirement System based on the
422 position held, whether the employee is or becomes eligible for
423 coverage in the Public Employees' Retirement System based upon any
424 other employment in a covered agency or political subdivision. If
425 or when the employee meets the eligibility criteria for coverage
426 in the other position, then the employer must withhold
427 contributions and report wages from the noncovered position in



428 accordance with the provisions for reporting of earned
429 compensation. Failure to deduct and report those contributions
430 shall not relieve the employee or employer of liability thereof.
431 The board shall adopt such rules and regulations as necessary to
432 implement and enforce this provision.

433 (t) "Prior service" means:

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

441 (ii) For persons who became members of the system
442 on or after July 1, 2007, service rendered before February 1,
443 1953, for which credit is allowable under Sections 25-11-105 and
444 25-11-109, and which shall allow prior service for any person who
445 is now or becomes a member of the Public Employees' Retirement
446 System and who does contribute to the system for a minimum period
447 of eight (8) years.

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

451 (v) "Retirement allowance" means an annuity for life as
452 provided in this article, payable each year in twelve (12) equal



453 monthly installments beginning as of the date fixed by the board.
454 The retirement allowance shall be calculated in accordance with
455 Section 25-11-111. However, any spouse who received a spouse
456 retirement benefit in accordance with Section 25-11-111(d) before
457 March 31, 1971, and those benefits were terminated because of
458 eligibility for a social security benefit, may again receive his
459 or her spouse retirement benefit from and after making application
460 with the board of trustees to reinstate the spouse retirement
461 benefit.

462 (w) "Retroactive service" means service rendered after
463 February 1, 1953, for which credit is allowable under Section
464 25-11-105(b) and Section 25-11-105(k).

465 (x) "System" means the Public Employees' Retirement
466 System of Mississippi established and described in Section
467 25-11-101.

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

470 (z) "State service" means all offices and positions of
471 trust or employment in the employ of the state, or any political
472 subdivision or instrumentality of the state, that elect to
473 participate as provided by Section 25-11-105(f), including the
474 position of elected or fee officials of the counties and their
475 deputies and employees performing public services or any
476 department, independent agency, board or commission thereof, and
477 also includes all offices and positions of trust or employment in



478 the employ of joint state and federal agencies administering state
479 and federal funds and service rendered by employees of the public
480 schools. Effective July 1, 1973, all nonprofessional public
481 school employees, such as bus drivers, janitors, maids,
482 maintenance workers and cafeteria employees, shall have the option
483 to become members in accordance with Section 25-11-105(b), and
484 shall be eligible to receive credit for services before July 1,
485 1973, provided that the contributions and interest are paid by the
486 employee in accordance with that section; in addition, the county
487 or municipal separate school district may pay the employer
488 contribution and pro rata share of interest of the retroactive
489 service from available funds. From and after July 1, 1998,
490 retroactive service credit shall be purchased at the actuarial
491 cost in accordance with Section 25-11-105(b).

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

495 (bb) The masculine pronoun, wherever used, includes the
496 feminine pronoun.

497 **SECTION 4.** Section 25-11-105, Mississippi Code of 1972, is
498 amended as follows:

499 25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

500 The membership of this retirement system shall be composed as
501 follows:



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

508 (ii) From and after July 1, 2002, any individual
509 who is employed by a governmental entity to perform professional
510 services shall become a member of the system if the individual is
511 paid regular periodic compensation for those services that is
512 subject to payroll taxes, is provided all other employee benefits
513 and meets the membership criteria established by the regulations
514 adopted by the board of trustees that apply to all other members
515 of the system; however, any active member employed in such a
516 position on July 1, 2002, will continue to be an active member for
517 as long as they are employed in any such position.

518 (b) All persons who become employees in the state
519 service after January 31, 1953, except those specifically excluded
520 or as to whom election is provided in Articles 1 and 3, unless
521 they file with the board before the lapse of sixty (60) days of
522 employment or sixty (60) days after the effective date of the
523 cited articles, whichever is later, on a form prescribed by the
524 board, a notice of election not to be covered by the membership of
525 the retirement system and a duly executed waiver of all present
526 and prospective benefits that would otherwise inure to them on



527 account of their participation in the system, shall become members
528 of the retirement system; however, no credit for prior service
529 will be granted to members who became members of the system before
530 July 1, 2007, until they have contributed to Article 3 of the
531 retirement system for a minimum period of at least four (4) years,
532 or to members who became members of the system on or after July 1,
533 2007, until they have contributed to Article 3 of the retirement
534 system for a minimum period of at least eight (8) years. Those
535 members shall receive credit for services performed before January
536 1, 1953, in employment now covered by Article 3, but no credit
537 shall be granted for retroactive services between January 1, 1953,
538 and the date of their entry into the retirement system, unless the
539 employee pays into the retirement system both the employer's and
540 the employee's contributions on wages paid him during the period
541 from January 31, 1953, to the date of his becoming a contributing
542 member, together with interest at the rate determined by the board
543 of trustees. Members reentering after withdrawal from service
544 shall qualify for prior service under the provisions of Section
545 25-11-117. From and after July 1, 1998, upon eligibility as noted
546 above, the member may receive credit for such retroactive service
547 provided:

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



551 (ii) The member shall pay to the retirement system
552 on the date he or she is eligible for that credit or at any time
553 thereafter before the date of retirement the actuarial cost for
554 each year of that creditable service. The provisions of this
555 subparagraph (ii) shall be subject to the limitations of Section
556 415 of the Internal Revenue Code and regulations promulgated under
557 Section 415.

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

562 (c) All persons who become employees in the state
563 service after January 31, 1953, and who are eligible for
564 membership in any other retirement system shall become members of
565 this retirement system as a condition of their employment, unless
566 they elect at the time of their employment to become a member of
567 that other system.

568 (d) All persons who are employees in the state service
569 on January 31, 1953, and who are members of any nonfunded
570 retirement system operated by the State of Mississippi, or any of
571 its departments or agencies, shall become members of this system
572 with prior service credit unless, before February 1, 1953, they
573 file a written notice with the board of trustees that they do not
574 elect to become members.



575 (e) All persons who are employees in the state service
576 on January 31, 1953, and who under existing laws are members of
577 any fund operated for the retirement of employees by the State of
578 Mississippi, or any of its departments or agencies, shall not be
579 entitled to membership in this retirement system unless, before
580 February 1, 1953, any such person indicates by a notice filed with
581 the board, on a form prescribed by the board, his individual
582 election and choice to participate in this system, but no such
583 person shall receive prior service credit unless he becomes a
584 member on or before February 1, 1953.

585 (f) Each political subdivision of the state and each
586 instrumentality of the state or a political subdivision, or both,
587 is authorized to submit, for approval by the board of trustees, a
588 plan for extending the benefits of this article to employees of
589 any such political subdivision or instrumentality. Each such plan
590 or any amendment to the plan for extending benefits thereof shall
591 be approved by the board of trustees if it finds that the plan, or
592 the plan as amended, is in conformity with such requirements as
593 are provided in Articles 1 and 3; however, upon approval of the
594 plan or any such plan previously approved by the board of
595 trustees, the approved plan shall not be subject to cancellation
596 or termination by the political subdivision or instrumentality,
597 except that any community hospital serving a municipality that
598 joined the Public Employees' Retirement System as of November 1,
599 1956, to offer social security coverage for its employees and



600 later extended retirement annuity coverage to its employees as of
601 December 1, 1965, may, upon documentation of extreme financial
602 hardship, have future retirement annuity coverage cancelled or
603 terminated at the discretion of the board of trustees. No such
604 plan shall be approved unless:

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

612 (ii) It specifies the source or sources from which
613 the funds necessary to make the payments required by paragraph (d)
614 of Section 25-11-123 and of paragraph (f)(v)2 and 3 of this
615 section are expected to be derived and contains reasonable
616 assurance that those sources will be adequate for that purpose;

617 (iii) It provides for such methods of
618 administration of the plan by the political subdivision or
619 instrumentality as are found by the board of trustees to be
620 necessary for the proper and efficient administration thereof;

621 (iv) It provides that the political subdivision or
622 instrumentality will make such reports, in such form and
623 containing such information, as the board of trustees may from
624 time to time require;



625 (v) It authorizes the board of trustees to
626 terminate the plan in its entirety in the discretion of the board
627 if it finds that there has been a failure to comply substantially
628 with any provision contained in the plan, the termination to take
629 effect at the expiration of such notice and on such conditions as
630 may be provided by regulations of the board and as may be
631 consistent with applicable federal law.

632 1. The board of trustees shall not finally
633 refuse to approve a plan submitted under paragraph (f), and shall
634 not terminate an approved plan without reasonable notice and
635 opportunity for hearing to each political subdivision or
636 instrumentality affected by the board's decision. The board's
637 decision in any such case shall be final, conclusive and binding
638 unless an appeal is taken by the political subdivision or
639 instrumentality aggrieved by the decision to the Circuit Court of
640 the First Judicial District of Hinds County, Mississippi, in
641 accordance with the provisions of law with respect to civil causes
642 by certiorari.

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



650 3. Every political subdivision or
651 instrumentality required to make payments under paragraph (f)(v)2
652 of this section is authorized, in consideration of the employees'
653 retention in or entry upon employment after enactment of Articles
654 1 and 3, to impose upon its employees, as to services that are
655 covered by an approved plan, a contribution with respect to wages
656 (as defined in Section 25-11-5) not exceeding the amount provided
657 in Section 25-11-123(d) if those services constituted employment
658 within the meaning of Articles 1 and 3, and to deduct the amount
659 of the contribution from the wages as and when paid.
660 Contributions so collected shall be paid into the contribution
661 fund as partial discharge of the liability of the political
662 subdivisions or instrumentalities under paragraph (f)(v)2 of this
663 section. Failure to deduct the contribution shall not relieve the
664 employee or employer of liability for the contribution.

665 4. Any state agency, school, political
666 subdivision, instrumentality or any employer that is required to
667 submit contribution payments or wage reports under any section of
668 this chapter shall be assessed interest on delinquent payments or
669 wage reports as determined by the board of trustees in accordance
670 with rules and regulations adopted by the board and delinquent
671 payments, assessed interest and any other amount certified by the
672 board as owed by an employer, may be recovered by action in a
673 court of competent jurisdiction against the reporting agency
674 liable therefor or may, upon due certification of delinquency and



675 at the request of the board of trustees, be deducted from any
676 other monies payable to the reporting agency by any department or
677 agency of the state.

678 5. Each political subdivision of the state
679 and each instrumentality of the state or a political subdivision
680 or subdivisions that submit a plan for approval of the board, as
681 provided in this section, shall reimburse the board for coverage
682 into the expense account, its pro rata share of the total expense
683 of administering Articles 1 and 3 as provided by regulations of
684 the board.

685 (g) The board may, in its discretion, deny the right of
686 membership in this system to any class of employees whose
687 compensation is only partly paid by the state or who are occupying
688 positions on a part-time or intermittent basis. The board may, in
689 its discretion, make optional with employees in any such classes
690 their individual entrance into this system.

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

697 (i) If any member of this system changes his employment
698 to any agency of the state having an actuarially funded retirement
699 system, the board of trustees may authorize the transfer of the



700 member's creditable service and of the present value of the
701 member's employer's accumulation account and of the present value
702 of the member's accumulated membership contributions to that other
703 system, provided that the employee agrees to the transfer of his
704 accumulated membership contributions and provided that the other
705 system is authorized to receive and agrees to make the transfer.

706 If any member of any other actuarially funded system
707 maintained by an agency of the state changes his employment to an
708 agency covered by this system, the board of trustees may authorize
709 the receipt of the transfer of the member's creditable service and
710 of the present value of the member's employer's accumulation
711 account and of the present value of the member's accumulated
712 membership contributions from the other system, provided that the
713 employee agrees to the transfer of his accumulated membership
714 contributions to this system and provided that the other system is
715 authorized and agrees to make the transfer.

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

719 (k) Employees of a political subdivision or
720 instrumentality who were employed by the political subdivision or
721 instrumentality before an agreement between the entity and the
722 Public Employees' Retirement System to extend the benefits of this
723 article to its employees, and which agreement provides for the
724 establishment of retroactive service credit, and who became



725 members of the retirement system before July 1, 2007, and have
726 remained contributors to the retirement system for four (4) years,
727 or who became members of the retirement system on or after July 1,
728 2007, and have remained contributors to the retirement system for
729 eight (8) years, may receive credit for that retroactive service
730 with the political subdivision or instrumentality, provided that
731 the employee and/or employer, as provided under the terms of the
732 modification of the joinder agreement in allowing that coverage,
733 pay into the retirement system the employer's and employee's
734 contributions on wages paid the member during the previous
735 employment, together with interest or actuarial cost as determined
736 by the board covering the period from the date the service was
737 rendered until the payment for the credit for the service was
738 made. Those wages shall be verified by the Social Security
739 Administration or employer payroll records. Effective July 1,
740 1998, upon eligibility as noted above, a member may receive credit
741 for that retroactive service with the political subdivision or
742 instrumentality provided:

743 (i) The member shall furnish proof satisfactory to
744 the board of trustees of certification of those services from the
745 political subdivision or instrumentality where the services were
746 rendered or verification by the Social Security Administration;
747 and

748 (ii) The member shall pay to the retirement system
749 on the date he or she is eligible for that credit or at any time



750 thereafter before the date of retirement the actuarial cost for
751 each year of that creditable service. The provisions of this
752 subparagraph (ii) shall be subject to the limitations of Section
753 415 of the Internal Revenue Code and regulations promulgated under
754 Section 415.

755 Nothing contained in this paragraph (k) shall be construed to
756 limit the authority of the board to allow the correction of
757 reporting errors or omissions based on the payment of employee and
758 employer contributions plus applicable interest. Payment for that
759 time shall be made in increments of not less than * * * one (1)
760 month of creditable service beginning with the most recent
761 service. Upon the payment of all or part of the required
762 contributions, plus interest or the actuarial cost as provided
763 above, the member shall receive credit for the period of
764 creditable service for which full payment has been made to the
765 retirement system.

766 (1) Through June 30, 1998, any state service eligible
767 for retroactive service credit, no part of which has ever been
768 reported, and requiring the payment of employee and employer
769 contributions plus interest, or, from and after July 1, 1998, any
770 state service eligible for retroactive service credit, no part of
771 which has ever been reported to the retirement system, and
772 requiring the payment of the actuarial cost for that creditable
773 service, may, at the member's option, be purchased in quarterly



774 increments as provided above at the time that its purchase is
775 otherwise allowed.

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

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

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

783 (a) Patient or inmate help in state charitable, penal
784 or correctional institutions;

785 (b) Students of any state educational institution
786 employed by any agency of the state for temporary, part-time or
787 intermittent work;

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

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

795 **III. TERMINATION OF MEMBERSHIP**

796 Membership in this system shall cease by a member withdrawing
797 his accumulated contributions, or by a member withdrawing from



798 active service with a retirement allowance, or by a member's
799 death.

800 **SECTION 5.** Section 25-11-109, Mississippi Code of 1972, is
801 amended as follows:

802 25-11-109. (1) Under such rules and regulations as the
803 board of trustees shall adopt, each person who becomes a member of
804 this retirement system, as provided in Section 25-11-105, on or
805 before July 1, 1953, or who became a member of the system before
806 July 1, 2007, and contributes to the system for a minimum period
807 of four (4) years, or who became a member of the system on or
808 after July 1, 2007, and contributes to the system for a minimum
809 period of eight (8) years, shall receive credit for all state
810 service rendered before February 1, 1953. To receive that credit,
811 the member shall file a detailed statement of all services as an
812 employee rendered by him in the state service before February 1,
813 1953. For any member who joined the system after July 1, 1953,
814 and before July 1, 2007, any creditable service for which the
815 member is not required to make contributions shall not be credited
816 to the member until the member has contributed to the system for a
817 minimum period of at least four (4) years. For any member who
818 joined the system on or after July 1, 2007, any creditable service
819 for which the member is not required to make contributions shall
820 not be credited to the member until the member has contributed to
821 the system for a minimum period of at least eight (8) years.



822 (2) (a) (i) In the computation of creditable service for
823 service rendered before July 1, 2017, under the provisions of this
824 article, the total months of accumulative service during any
825 fiscal year shall be calculated in accordance with the schedule as
826 follows: ten (10) or more months of creditable service during any
827 fiscal year shall constitute a year of creditable service; seven
828 (7) months to nine (9) months inclusive, three-quarters (3/4) of a
829 year of creditable service; four (4) months to six (6) months
830 inclusive, * * * one-half (1/2) year of creditable service; one
831 (1) month to three (3) months inclusive, one-quarter (1/4) of a
832 year of creditable service.

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

837 (b) In no case shall credit be allowed for any period
838 of absence without compensation except for disability while in
839 receipt of a disability retirement allowance, nor shall less than
840 fifteen (15) days of service in any month, or service less than
841 the equivalent of one-half (1/2) of the normal working load for
842 the position and less than one-half (1/2) of the normal
843 compensation for the position in any month, constitute a month of
844 creditable service, nor shall more than one (1) year of service be
845 creditable for all services rendered in any one (1) fiscal year;
846 however, for a school employee, substantial completion of the



847 legal school term when and where the service was rendered shall
848 constitute a year of service credit. Any state or local elected
849 official shall be deemed a full-time employee for the purpose of
850 creditable service. However, an appointed or elected official
851 compensated on a per diem basis only shall not be allowed
852 creditable service for terms of office.

853 (c) In the computation of any retirement allowance or
854 any annuity or benefits provided in this article, any fractional
855 period of service of less than one (1) year shall be taken into
856 account and a proportionate amount of such retirement allowance,
857 annuity or benefit shall be granted for any such fractional period
858 of service.

859 (d) (i) In the computation of unused leave for
860 creditable service authorized in Section 25-11-103, the following
861 shall govern for members who retire before July 1, 2017:
862 twenty-one (21) days of unused leave shall constitute one (1)
863 month of creditable service and in no case shall credit be allowed
864 for any period of unused leave of less than fifteen (15) days.
865 The number of months of unused leave shall determine the number of
866 quarters or years of creditable service in accordance with the
867 above schedule for membership and prior service.

868 (ii) In the computation of unused leave for
869 creditable service authorized in Section 25-11-103, the following
870 shall govern for members who retire on or after July 1, 2017:
871 creditable service for unused leave shall be calculated in monthly



872 increments in which one (1) month of service credit shall be
873 awarded for each twenty-one (21) days of unused leave, except that
874 the first fifteen (15) to fifty-seven (57) days of leave shall
875 constitute three (3) months of service for those who became a
876 member of the system before July 1, 2017.

877 (iii) In order for the member to receive
878 creditable service for the number of days of unused leave under
879 this paragraph, the system must receive certification from the
880 governing authority.

881 (e) For the purposes of this subsection, members of the
882 system who retire on or after July 1, 2010, shall receive credit
883 for * * * one-half (1/2) day of leave for each full year of
884 membership service accrued after June 30, 2010. The amount of
885 leave received by a member under this paragraph shall be added to
886 the lawfully credited unused leave for which creditable service is
887 provided under Section 25-11-103(i).

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

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

895 (* * * ii) For service on and after July 1, 1984,
896 the member shall receive credit for personal and major medical



897 leave beginning July 1, 1984, at the rates authorized in Sections
898 25-3-93 and 25-3-95, computed as a full-time employee.

899 (iii) If a member is employed in a covered
900 nonelected position and a covered elected position simultaneously,
901 that member may not receive service credit for accumulated unused
902 leave for both positions at retirement for the period during which
903 the member was dually employed. During the period during which
904 the member is dually employed, the member shall only receive
905 credit for leave as provided for in this paragraph for an elected
906 official.

907 (3) Subject to the above restrictions and to such other
908 rules and regulations as the board may adopt, the board shall
909 verify, as soon as practicable after the filing of such statements
910 of service, the services therein claimed.

911 (4) Upon verification of the statement of prior service, the
912 board shall issue a prior service certificate certifying to each
913 member the length of prior service for which credit shall have
914 been allowed on the basis of his statement of service. So long as
915 membership continues, a prior service certificate shall be final
916 and conclusive for retirement purposes as to such service,
917 provided that any member may within five (5) years from the date
918 of issuance or modification of such certificate request the board
919 of trustees to modify or correct his prior service certificate.
920 Any modification or correction authorized shall only apply
921 prospectively.



922 When membership ceases, such prior service certificates shall
923 become void. Should the employee again become a member, he shall
924 enter the system as an employee not entitled to prior service
925 credit except as provided in Sections 25-11-105(I), 25-11-113 and
926 25-11-117.

927 (5) Creditable service at retirement, on which the
928 retirement allowance of a member shall be based, shall consist of
929 the membership service rendered by him since he last became a
930 member, and also, if he has a prior service certificate that is in
931 full force and effect, the amount of the service certified on his
932 prior service certificate.

933 (6) Any member who served on active duty in the Armed Forces
934 of the United States, who served in the Commissioned Corps of the
935 United States Public Health Service before 1972 or who served in
936 maritime service during periods of hostility in World War II,
937 shall be entitled to creditable service at no cost for his service
938 on active duty in the Armed Forces, in the Commissioned Corps of
939 the United States Public Health Service before 1972 or in such
940 maritime service, provided he entered state service after his
941 discharge from the Armed Forces or entered state service after he
942 completed such maritime service. The maximum period for such
943 creditable service for all military service as defined in this
944 subsection (6) shall not exceed four (4) years unless positive
945 proof can be furnished by such person that he was retained in the
946 Armed Forces during World War II or in maritime service during



947 World War II by causes beyond his control and without opportunity
948 of discharge. The member shall furnish proof satisfactory to the
949 board of trustees of certification of military service or maritime
950 service records showing dates of entrance into active duty service
951 and the date of discharge. From and after July 1, 1993, no
952 creditable service shall be granted for any military service or
953 maritime service to a member who qualifies for a retirement
954 allowance in another public retirement system administered by the
955 Board of Trustees of the Public Employees' Retirement System
956 based, in whole or in part, on such military or maritime service.
957 In no case shall the member receive creditable service if the
958 member received a dishonorable discharge from the Armed Forces of
959 the United States.

960 (7) (a) Any member of the Public Employees' Retirement
961 System whose membership service is interrupted as a result of
962 qualified military service within the meaning of Section 414(u)(5)
963 of the Internal Revenue Code, and who has received the maximum
964 service credit available under subsection (6) of this section,
965 shall receive creditable service for the period of qualified
966 military service that does not qualify as creditable service under
967 subsection (6) of this section upon reentering membership service
968 in an amount not to exceed five (5) years if:

969 (i) The member pays the contributions he would
970 have made to the retirement system if he had remained in
971 membership service for the period of qualified military service



972 based upon his salary at the time his membership service was
973 interrupted;

974 (ii) The member returns to membership service
975 within ninety (90) days of the end of his qualified military
976 service; and

977 (iii) The employer at the time the member's
978 service was interrupted and to which employment the member returns
979 pays the contributions it would have made into the retirement
980 system for such period based on the member's salary at the time
981 the service was interrupted.

982 (b) The payments required to be made in paragraph
983 (a) (i) of this subsection may be made over a period beginning with
984 the date of return to membership service and not exceeding three
985 (3) times the member's qualified military service; however, in no
986 event shall such period exceed five (5) years.

987 (c) The member shall furnish proof satisfactory to the
988 board of trustees of certification of military service showing
989 dates of entrance into qualified service and the date of discharge
990 as well as proof that the member has returned to active employment
991 within the time specified.

992 (8) Any member of the Public Employees' Retirement System
993 who became a member of the system before July 1, 2007, and who has
994 at least four (4) years of membership service credit, or who
995 became a member of the system on or after July 1, 2007, and who
996 has at least eight (8) years of membership service credit, shall



997 be entitled to receive a maximum of five (5) years' creditable
998 service for service rendered in another state as a public employee
999 of such other state, or a political subdivision, public education
1000 system or other governmental instrumentality thereof, or service
1001 rendered as a teacher in American overseas dependent schools
1002 conducted by the Armed Forces of the United States for children of
1003 citizens of the United States residing in areas outside the
1004 continental United States, provided that:

1005 (a) The member shall furnish proof satisfactory to the
1006 board of trustees of certification of such services from the
1007 state, public education system, political subdivision or
1008 retirement system of the state where the services were performed
1009 or the governing entity of the American overseas dependent school
1010 where the services were performed; and

1011 (b) The member is not receiving or will not be entitled
1012 to receive from the public retirement system of the other state or
1013 from any other retirement plan, including optional retirement
1014 plans, sponsored by the employer, a retirement allowance including
1015 such services; and

1016 (c) The member shall pay to the retirement system on
1017 the date he or she is eligible for credit for such out-of-state
1018 service or at any time thereafter before the date of retirement
1019 the actuarial cost as determined by the actuary for each year of
1020 out-of-state creditable service. The provisions of this
1021 subsection are subject to the limitations of Section 415 of the



1022 Internal Revenue Code and regulations promulgated under that
1023 section.

1024 (9) Any member of the Public Employees' Retirement System
1025 who became a member of the system before July 1, 2007, and has at
1026 least four (4) years of membership service credit, or who became a
1027 member of the system on or after July 1, 2007, and has at least
1028 eight (8) years of membership service credit, and who receives, or
1029 has received, professional leave without compensation for
1030 professional purposes directly related to the employment in state
1031 service shall receive creditable service for the period of
1032 professional leave without compensation provided:

1033 (a) The professional leave is performed with a public
1034 institution or public agency of this state, or another state or
1035 federal agency;

1036 (b) The employer approves the professional leave
1037 showing the reason for granting the leave and makes a
1038 determination that the professional leave will benefit the
1039 employee and employer;

1040 (c) Such professional leave shall not exceed two (2)
1041 years during any ten-year period of state service;

1042 (d) The employee shall serve the employer on a
1043 full-time basis for a period of time equivalent to the
1044 professional leave period granted immediately following the
1045 termination of the leave period;



1046 (e) The contributing member shall pay to the retirement
1047 system the actuarial cost as determined by the actuary for each
1048 year of professional leave. The provisions of this subsection are
1049 subject to the regulations of the Internal Revenue Code
1050 limitations;

1051 (f) Such other rules and regulations consistent
1052 herewith as the board may adopt and in case of question, the board
1053 shall have final power to decide the questions.

1054 Any actively contributing member participating in the School
1055 Administrator Sabbatical Program established in Section 37-9-77
1056 shall qualify for continued participation under this subsection
1057 (9).

1058 (10) Any member of the Public Employees' Retirement System
1059 who became a member of the system before July 1, 2007, and has at
1060 least four (4) years of credited membership service, or who became
1061 a member of the system on or after July 1, 2007, and has at least
1062 eight (8) years of credited membership service, shall be entitled
1063 to receive a maximum of ten (10) years creditable service for:

1064 (a) Any service rendered as an employee of any
1065 political subdivision of this state, or any instrumentality
1066 thereof, that does not participate in the Public Employees'
1067 Retirement System; or

1068 (b) Any service rendered as an employee of any
1069 political subdivision of this state, or any instrumentality



1070 thereof, that participates in the Public Employees' Retirement
1071 System but did not elect retroactive coverage; or

1072 (c) Any service rendered as an employee of any
1073 political subdivision of this state, or any instrumentality
1074 thereof, for which coverage of the employee's position was or is
1075 excluded; provided that the member pays into the retirement system
1076 the actuarial cost as determined by the actuary for each year, or
1077 portion thereof, of such service. Payment for such service may be
1078 made in increments of * * * one-quarter (1/4) year of creditable
1079 service. After a member has made full payment to the retirement
1080 system for all or any part of such service, the member shall
1081 receive creditable service for the period of such service for
1082 which full payment has been made to the retirement system.

1083 **SECTION 6.** Section 25-11-111, Mississippi Code of 1972, is
1084 amended as follows:

1085 25-11-111. (a) (1) Any member who became a member of the
1086 system before July 1, 2007, upon withdrawal from service upon or
1087 after attainment of the age of sixty (60) years who has completed
1088 at least four (4) years of membership service, or any member who
1089 became a member of the system before July 1, 2011, upon withdrawal
1090 from service regardless of age who has completed at least
1091 twenty-five (25) years of creditable service, shall be entitled to
1092 receive a retirement allowance, which shall begin on the first of
1093 the month following the date the member's application for the



1094 allowance is received by the board, but in no event before
1095 withdrawal from service.

1096 (2) Any member who became a member of the system on or
1097 after July 1, 2007, upon withdrawal from service upon or after
1098 attainment of the age of sixty (60) years who has completed at
1099 least eight (8) years of membership service, or any member who
1100 became a member of the system on or after July 1, 2011, upon
1101 withdrawal from service regardless of age who has completed at
1102 least thirty (30) years of creditable service, shall be entitled
1103 to receive a retirement allowance, which shall begin on the first
1104 of the month following the date the member's application for the
1105 allowance is received by the board, but in no event before
1106 withdrawal from service.

1107 (b) (1) Any member who became a member of the system before
1108 July 1, 2007, whose withdrawal from service occurs before
1109 attaining the age of sixty (60) years who has completed four (4)
1110 or more years of membership service and has not received a refund
1111 of his accumulated contributions, shall be entitled to receive a
1112 retirement allowance, beginning upon his attaining the age of
1113 sixty (60) years, of the amount earned and accrued at the date of
1114 withdrawal from service. The retirement allowance shall begin on
1115 the first of the month following the date the member's application
1116 for the allowance is received by the board, but in no event before
1117 withdrawal from service.



1118 (2) Any member who became a member of the system on or
1119 after July 1, 2007, whose withdrawal from service occurs before
1120 attaining the age of sixty (60) years who has completed eight (8)
1121 or more years of membership service and has not received a refund
1122 of his accumulated contributions, shall be entitled to receive a
1123 retirement allowance, beginning upon his attaining the age of
1124 sixty (60) years, of the amount earned and accrued at the date of
1125 withdrawal from service. The retirement allowance shall begin on
1126 the first of the month following the date the member's application
1127 for the allowance is received by the board, but in no event before
1128 withdrawal from service.

1129 (c) Any member in service who has qualified for retirement
1130 benefits may select any optional method of settlement of
1131 retirement benefits by notifying the Executive Director of the
1132 Board of Trustees of the Public Employees' Retirement System in
1133 writing, on a form prescribed by the board, of the option he has
1134 selected and by naming the beneficiary of the option and
1135 furnishing necessary proof of age. The option, once selected, may
1136 be changed at any time before actual retirement or death, but upon
1137 the death or retirement of the member, the optional settlement
1138 shall be placed in effect upon proper notification to the
1139 executive director.

1140 (d) Any member who became a member of the system before July
1141 1, 2011, shall be entitled to an annual retirement allowance which
1142 shall consist of:



1143 (1) A member's annuity, which shall be the actuarial
1144 equivalent of the accumulated contributions of the member at the
1145 time of retirement computed according to the actuarial table in
1146 use by the system; and

1147 (2) An employer's annuity, which, together with the
1148 member's annuity provided above, shall be equal to two percent
1149 (2%) of the average compensation for each year of service up to
1150 and including twenty-five (25) years of creditable service, and
1151 two and one-half percent (2-1/2%) of the average compensation for
1152 each year of service exceeding twenty-five (25) years of
1153 creditable service.

1154 (3) Any retired member or beneficiary thereof who was
1155 eligible to receive a retirement allowance before July 1, 1991,
1156 and who is still receiving a retirement allowance on July 1, 1992,
1157 shall receive an increase in the annual retirement allowance of
1158 the retired member equal to one-eighth of one percent (1/8 of 1%)
1159 of the average compensation for each year of state service in
1160 excess of twenty-five (25) years of membership service up to and
1161 including thirty (30) years. The maximum increase shall be
1162 five-eighths of one percent (5/8 of 1%). In no case shall a
1163 member who has been retired before July 1, 1987, receive less than
1164 Ten Dollars (\$10.00) per month for each year of creditable service
1165 and proportionately for each quarter year thereof. Persons
1166 retired on or after July 1, 1987, shall receive at least Ten
1167 Dollars (\$10.00) per month for each year of service and



1168 proportionately for each quarter year thereof reduced for the
1169 option selected. However, such Ten Dollars (\$10.00) minimum per
1170 month for each year of creditable service shall not apply to a
1171 retirement allowance computed under Section 25-11-114 based on a
1172 percentage of the member's average compensation.

1173 (e) Any member who became a member of the system on or after
1174 July 1, 2011, shall be entitled to an annual retirement allowance
1175 which shall consist of:

1176 (1) A member's annuity, which shall be the actuarial
1177 equivalent of the accumulated contributions of the member at the
1178 time of retirement computed according to the actuarial table in
1179 use by the system; and

1180 (2) An employer's annuity, which, together with the
1181 member's annuity provided above, shall be equal to two percent
1182 (2%) of the average compensation for each year of service up to
1183 and including thirty (30) years of creditable service, and two and
1184 one-half percent (2-1/2%) of average compensation for each year of
1185 service exceeding thirty (30) years of creditable service.

1186 (f) Any member who became a member of the system on or after
1187 July 1, 2011, upon withdrawal from service upon or after attaining
1188 the age of sixty (60) years who has completed at least eight (8)
1189 years of membership service, or any such member upon withdrawal
1190 from service regardless of age who has completed at least thirty
1191 (30) years of creditable service, shall be entitled to receive a
1192 retirement allowance computed in accordance with the formula set



1193 forth in subsection (e) of this section. In the case of the
1194 retirement of any member who has attained age sixty (60) but who
1195 has not completed at least thirty (30) years of creditable
1196 service, the retirement allowance shall be computed in accordance
1197 with the formula set forth in subsection (e) of this section
1198 except that the total annual retirement allowance shall be reduced
1199 by an actuarial equivalent factor for each year of creditable
1200 service below thirty (30) years or the number of years in age that
1201 the member is below age sixty-five (65), whichever is less.

1202 (g) No member, except members excluded by the Age
1203 Discrimination in Employment Act Amendments of 1986 (Public Law
1204 99-592), under either Article 1 or Article 3 in state service
1205 shall be required to retire because of age.

1206 (h) No payment on account of any benefit granted under the
1207 provisions of this section shall become effective or begin to
1208 accrue until January 1, 1953.

1209 (i) (1) A retiree or beneficiary may, on a form prescribed
1210 by and filed with the retirement system, irrevocably waive all or
1211 a portion of any benefits from the retirement system to which the
1212 retiree or beneficiary is entitled. The waiver shall be binding
1213 on the heirs and assigns of any retiree or beneficiary and the
1214 same must agree to forever hold harmless the Public Employees'
1215 Retirement System of Mississippi from any claim to the waived
1216 retirement benefits.



1217 (2) Any waiver under this subsection shall apply only
1218 to the person executing the waiver. A beneficiary shall be
1219 entitled to benefits according to the option selected by the
1220 member at the time of retirement. However, a beneficiary may, at
1221 the option of the beneficiary, execute a waiver of benefits under
1222 this subsection.

1223 (3) The retirement system shall retain in the annuity
1224 reserve account amounts that are not used to pay benefits because
1225 of a waiver executed under this subsection.

1226 (4) The board of trustees may provide rules and
1227 regulations for the administration of waivers under this
1228 subsection.

1229 **SECTION 7.** Section 25-11-111.1, Mississippi Code of 1972, is
1230 amended as follows:

1231 25-11-111.1. The Public Employees' Retirement System shall
1232 make payments of retirement benefits under this chapter to
1233 members * * * and to the beneficiaries of those members, by
1234 whatever means the board prescribes by regulation to be the most
1235 appropriate for the proper and efficient payment of benefits,
1236 including, but not limited to, direct deposit to an account with a
1237 financial institution that is a participant of the Automated
1238 Clearing House designated by the member or beneficiary * * *. The
1239 board may provide for alternative means of payment if the member
1240 or beneficiary can demonstrate that payment by the prescribed
1241 means * * * will cause the member or beneficiary undue hardship.



1242 **SECTION 8.** Section 25-13-11.1, Mississippi Code of 1972, is
1243 amended as follows:

1244 25-13-11.1. The Public Employees' Retirement System shall
1245 make payments of retirement benefits under this chapter to
1246 members * * * and to the beneficiaries of those members, by
1247 whatever means the board prescribes by regulation to be the most
1248 appropriate for the proper and efficient payment of benefits,
1249 including, but not limited to, direct deposit to an account with a
1250 financial institution that is a participant of the Automated
1251 Clearing House designated by the member or beneficiary * * *. The
1252 board may provide for alternative means of payment if the member
1253 or beneficiary can demonstrate that payment by the prescribed
1254 means * * * will cause the member or beneficiary undue hardship.

1255 **SECTION 9.** Section 21-29-325, Mississippi Code of 1972, is
1256 amended as follows:

1257 21-29-325. The Public Employees' Retirement System shall
1258 make payments of retirement benefits under this chapter to
1259 members * * * and to the beneficiaries of those members, by
1260 whatever means the board prescribes by regulation to be the most
1261 appropriate for the proper and efficient payment of benefits,
1262 including, but not limited to, direct deposit to an account with a
1263 financial institution that is a participant of the Automated
1264 Clearing House designated by the member or beneficiary * * *. The
1265 board may provide for alternative means of payment if the member



1266 or beneficiary can demonstrate that payment by the prescribed
1267 means * * * will cause the member or beneficiary undue hardship.

1268 **SECTION 10.** Section 25-11-113, Mississippi Code of 1972, is
1269 amended as follows:

1270 25-11-113. (1) (a) Upon the application of a member or his
1271 employer, any active member in state service who became a member
1272 of the system before July 1, 2007, and who has at least four (4)
1273 years of membership service credit, or any active member in state
1274 service who became a member of the system on or after July 1,
1275 2007, who has at least eight (8) years of membership service
1276 credit, may be retired by the board of trustees on the first of
1277 the month following the date of filing the application on a
1278 disability retirement allowance, but in no event shall the
1279 disability retirement allowance begin before termination of state
1280 service, provided that the medical board, after an evaluation of
1281 medical evidence that may or may not include an actual physical
1282 examination by the medical board, certifies that the member is
1283 mentally or physically incapacitated for the further performance
1284 of duty, that the incapacity is likely to be permanent, and that
1285 the member should be retired; however, the board of trustees may
1286 accept a disability medical determination from the Social Security
1287 Administration in lieu of a certification from the medical board.
1288 If a member who has been approved for a disability retirement
1289 allowance does not terminate state service within ninety (90) days
1290 after approval, the disability retirement and the application for



1291 disability retirement shall be void. For the purposes of
1292 disability determination, the medical board shall apply the
1293 following definition of disability: the inability to perform the
1294 usual duties of employment or the incapacity to perform such
1295 lesser duties, if any, as the employer, in its discretion, may
1296 assign without material reduction in compensation, or the
1297 incapacity to perform the duties of any employment covered by the
1298 Public Employees' Retirement System (Section 25-11-101 et seq.)
1299 that is actually offered and is within the same general
1300 territorial work area, without material reduction in compensation.
1301 The employer shall be required to furnish the job description and
1302 duties of the member. The employer shall further certify whether
1303 the employer has offered the member other duties and has complied
1304 with the applicable provisions of the Americans With Disabilities
1305 Act in affording reasonable accommodations that would allow the
1306 employee to continue employment.

1307 (b) Any member applying for a disability retirement
1308 allowance must provide sufficient objective medical evidence in
1309 support of his or her claim. All disability determinations,
1310 whether the initial examination or reexamination, shall be based
1311 on objective medical evidence. "Objective medical evidence" means
1312 reports of examinations or treatments; medical signs that are
1313 anatomical, physiological, or psychological abnormalities that are
1314 observed and documented by medical professionals; psychiatric
1315 signs that are medically demonstrable phenomena indicating



1316 specific abnormalities of behavior, affect, thought, memory,
1317 orientation, or contact with reality; or laboratory findings that
1318 are anatomical, physiological, or psychological phenomena that are
1319 shown by medically acceptable laboratory diagnostic techniques,
1320 including, but not limited to, chemical tests, electrocardiograms,
1321 electroencephalograms, X-rays, and psychological tests.
1322 Nonmedical information shall not be considered objective medical
1323 evidence.

1324 (* * *c) Any inactive member who became a member of
1325 the system before July 1, 2007, with four (4) or more years of
1326 membership service credit, or any inactive member who became a
1327 member of the system on or after July 1, 2007, with eight (8) or
1328 more years of membership service credit, who has withdrawn from
1329 active state service, is not eligible for a disability retirement
1330 allowance unless the disability occurs within six (6) months of
1331 the termination of active service and unless satisfactory proof is
1332 presented to the board of trustees that the disability was the
1333 direct cause of withdrawal from state service. Application for a
1334 disability retirement allowance must be filed within one (1) year
1335 of termination from active service. This period may be extended
1336 by an additional year if it can be factually demonstrated to the
1337 satisfaction of the board of trustees that throughout the initial
1338 one-year period the member was incapable of applying for benefits
1339 by reason of mental or physical impairment as certified by a
1340 medical doctor.



1341 (* * *d) Any member who is or becomes eligible for
1342 service retirement benefits under Section 25-11-111 while pursuing
1343 a disability retirement allowance under this section or Section
1344 25-11-114 may elect to receive a service retirement allowance
1345 pending a final determination on eligibility for a disability
1346 retirement allowance or withdrawal of the application for the
1347 disability retirement allowance. In such a case, an application
1348 for a disability retirement allowance must be on file with the
1349 system before the beginning of a service retirement allowance. If
1350 the application is approved, the option selected and beneficiary
1351 designated on the retirement application shall be used to
1352 determine the disability retirement allowance. If the application
1353 is not approved or if the application is withdrawn, the service
1354 retirement allowance shall continue to be paid in accordance with
1355 the option selected. No person may apply for a disability
1356 retirement allowance after the person begins to receive a service
1357 retirement allowance.

1358 (* * *e) If the medical board certifies that the
1359 member is not mentally or physically incapacitated for the future
1360 performance of duty, the member may request, within sixty (60)
1361 days, a hearing before the hearing officer as provided in Section
1362 25-11-120. All hearings shall be held in accordance with rules
1363 and regulations adopted by the board to govern those hearings.
1364 The hearing may be closed upon the request of the member.



1365 (* * *f) The medical board may request additional
1366 medical evidence and/or other physicians to conduct an evaluation
1367 of the member's condition. If the medical board requests
1368 additional medical evidence and the member refuses the request,
1369 the application shall be considered void.

1370 (2) Allowance on disability retirement.

1371 (a) Upon retirement for disability, an eligible member
1372 shall receive a retirement allowance if he has attained the age of
1373 sixty (60) years.

1374 (b) Except as provided in paragraph (c) of this
1375 subsection (2), an eligible member who is retired for disability
1376 and who has not attained sixty (60) years of age shall receive a
1377 disability benefit as computed in Section 25-11-111(d), which
1378 shall consist of:

1379 (i) A member's annuity, which shall be the
1380 actuarial equivalent of his accumulated contributions at the time
1381 of retirement; and

1382 (ii) An employer's annuity equal to the amount
1383 that would have been payable as a retirement allowance for
1384 eligible creditable service if the member had continued in service
1385 to the age of sixty (60) years, which shall apply to the allowance
1386 for disability retirement paid to retirees receiving such
1387 allowance upon and after April 12, 1977. This employer's annuity
1388 shall be computed on the basis of the average "earned
1389 compensation" as defined in Section 25-11-103.



1390 (c) For persons who become members after June 30, 1992,
1391 and for active members on June 30, 1992, who elect benefits under
1392 this paragraph (c) instead of those provided under paragraph (b)
1393 of this subsection (2), the disability allowance shall consist of
1394 two (2) parts: a temporary allowance and a deferred allowance.

1395 The temporary allowance shall equal the greater of (i) forty
1396 percent (40%) of average compensation at the time of disability,
1397 plus ten percent (10%) of average compensation for each of the
1398 first two (2) dependent children, as defined in Sections 25-11-103
1399 and 25-11-114, or (ii) the accrued benefit based on actual
1400 service. It shall be payable for a period of time based on the
1401 member's age at disability, as follows:

1402	Age at Disability	Duration
1403	60 and earlier	to age 65
1404	61	to age 66
1405	62	to age 66
1406	63	to age 67
1407	64	to age 67
1408	65	to age 68
1409	66	to age 68
1410	67	to age 69
1411	68	to age 70
1412	69 and over	one year

1413 The deferred allowance shall begin when the temporary
1414 allowance ends and shall be payable for life. The deferred



1415 allowance shall equal the greater of (i) the allowance that would
1416 have been payable had the member continued in service to the
1417 termination age of the temporary allowance, but no more than forty
1418 percent (40%) of average compensation, or (ii) the accrued benefit
1419 based on actual service at the time of disability. The deferred
1420 allowance as determined at the time of disability shall be
1421 adjusted in accordance with Section 25-11-112 for the period
1422 during which the temporary annuity is payable. In no case shall a
1423 member receive less than Ten Dollars (\$10.00) per month for each
1424 year of service and proportionately for each quarter year thereof
1425 reduced for the option selected.

1426 (d) The member may elect to receive the actuarial
1427 equivalent of the disability retirement allowance in a reduced
1428 allowance payable throughout life under any of the provisions of
1429 the options provided under Section 25-11-115.

1430 (e) If a disability retiree who has not selected an
1431 option under Section 25-11-115 dies before being repaid in
1432 disability benefits the sum of his total contributions, then his
1433 named beneficiary shall receive the difference in cash, which
1434 shall apply to all deceased disability retirees from and after
1435 January 1, 1953.

1436 (3) Reexamination of retirees retired on account of
1437 disability. Except as otherwise provided in this section, once
1438 each year during the first five (5) years following retirement of
1439 a member on a disability retirement allowance, and once in every



1440 period of three (3) years thereafter, the board of trustees may,
1441 and upon his application shall, require any disability retiree who
1442 has not yet attained the age of sixty (60) years or the
1443 termination age of the temporary allowance under subsection (2)(c)
1444 of this section to undergo a medical examination, the examination
1445 to be made at the place of residence of the retiree or other place
1446 mutually agreed upon by a physician or physicians designated by
1447 the board. The board, however, in its discretion, may authorize
1448 the medical board to establish reexamination schedules appropriate
1449 to the medical condition of individual disability retirees. If
1450 any disability retiree who has not yet attained the age of sixty
1451 (60) years or the termination age of the temporary allowance under
1452 subsection (2)(c) of this section refuses to submit to any medical
1453 examination provided in this section, his allowance may be
1454 discontinued until his withdrawal of that refusal; and if his
1455 refusal continues for one (1) year, all his rights to a disability
1456 benefit shall be revoked by the board of trustees.

1457 (4) If the medical board reports and certifies to the board
1458 of trustees, after a comparable job analysis or other similar
1459 study, that the disability retiree is engaged in, or is able to
1460 engage in, a gainful occupation paying more than the difference
1461 between his disability allowance, exclusive of cost-of-living
1462 adjustments, and the average compensation, and if the board of
1463 trustees concurs in the report, the disability benefit shall be
1464 reduced to an amount that, together with the amount earnable by



1465 him, equals the amount of his average compensation. If his
1466 earning capacity is later changed, the amount of the benefit may
1467 be further modified, provided that the revised benefit shall not
1468 exceed the amount originally granted. A retiree receiving a
1469 disability benefit who is restored to active service at a salary
1470 less than the average compensation shall not become a member of
1471 the retirement system.

1472 (5) If a disability retiree under the age of sixty (60)
1473 years or the termination age of the temporary allowance under
1474 subsection (2) (c) of this section is restored to active service at
1475 a compensation not less than his average compensation, his
1476 disability benefit shall end, he shall again become a member of
1477 the retirement system, and contributions shall be withheld and
1478 reported. Any such prior service certificate, on the basis of
1479 which his service was computed at the time of retirement, shall be
1480 restored to full force and effect. In addition, upon his later
1481 retirement he shall be credited with all creditable service as a
1482 member, but the total retirement allowance paid to the retired
1483 member in his previous retirement shall be deducted from his
1484 retirement reserve and taken into consideration in recalculating
1485 the retirement allowance under a new option selected.

1486 (6) If following reexamination in accordance with the
1487 provisions contained in this section, the medical board determines
1488 that a retiree retired on account of disability is physically and
1489 mentally able to return to the employment from which he is



1490 retired, the board of trustees, upon certification of those
1491 findings from the medical board, shall, after a reasonable period
1492 of time, terminate the disability allowance, whether or not the
1493 retiree is reemployed or seeks that reemployment. In addition, if
1494 the board of trustees determines that the retiree is no longer
1495 sustaining a loss of income as established by documented evidence
1496 of the retiree's earned income, the eligibility for a disability
1497 allowance shall terminate and the allowance terminated within a
1498 reasonable period of time. If the retirement allowance is
1499 terminated under the provisions of this section, the retiree may
1500 later qualify for a retirement allowance under Section 25-11-111
1501 based on actual years of service credit plus credit for the period
1502 during which a disability allowance was paid.

1503 (7) Any current member as of June 30, 1992, who retires on a
1504 disability retirement allowance after June 30, 1992, and who has
1505 not elected to receive benefits under subsection (2)(c) of this
1506 section, shall relinquish all rights under the Age Discrimination
1507 in Employment Act of 1967, as amended, with regard to the benefits
1508 payable under this section.

1509 **SECTION 11.** Section 25-11-114, Mississippi Code of 1972, is
1510 amended as follows:

1511 25-11-114. (1) The applicable benefits provided in
1512 subsections (2) and (3) of this section shall be paid to eligible
1513 beneficiaries of any member who became a member of the system
1514 before July 1, 2007, and has completed four (4) or more years of



1515 membership service, or who became a member of the system on or
1516 after July 1, 2007, and has completed eight (8) or more years of
1517 membership service, and who dies before retirement and who has not
1518 filed a Pre-Retirement Optional Retirement Form as provided in
1519 Section 25-11-111.

1520 (2) (a) The surviving spouse of a member who dies before
1521 retirement shall receive a monthly benefit computed in accordance
1522 with paragraph (d) of this subsection (2) as if the member had
1523 nominated his spouse as beneficiary if:

1524 (i) The member completed the requisite minimum
1525 number of years of membership service to qualify for a retirement
1526 allowance at age sixty (60);

1527 (ii) The spouse has been married to the member for
1528 not less than one (1) year preceding the death of the member;

1529 (iii) The member has not exercised any other
1530 option.

1531 (b) If, at the time of the member's death, there are no
1532 dependent children, and the surviving spouse, who otherwise would
1533 receive the annuity under this subsection (2), has filed with the
1534 system a signed written waiver of his or her rights to the annuity
1535 and that waiver was in effect at the time of the member's death, a
1536 lump-sum distribution of the deceased member's accumulated
1537 contributions shall be refunded in accordance with Section
1538 25-11-117.



1539 (c) The spouse annuity shall begin on the first day of
1540 the month following the date of the member's death, but in case of
1541 late filing, retroactive payments will be made for a period of not
1542 more than one (1) year.

1543 (d) The spouse of a member who is eligible to receive a
1544 monthly benefit under paragraph (a) of this subsection (2) shall
1545 receive a benefit for life equal to the higher of the following:

1546 (i) The greater of twenty percent (20%) of the
1547 deceased member's average compensation as defined in Section
1548 25-11-103 at the time of death or Fifty Dollars (\$50.00) monthly;
1549 or

1550 (ii) Benefits calculated under Option 2 of Section
1551 25-11-115. The method of calculating the retirement benefits
1552 shall be on the same basis as provided in Section 25-11-111(d) or
1553 (e), as applicable. However, if the member dies before being
1554 qualified for a full, unreduced retirement allowance, then the
1555 benefits shall be reduced by an actuarially determined percentage
1556 or factor based on the lesser of either the number of years of
1557 service credit or the number of years in age required to qualify
1558 for a full, unreduced retirement allowance in Section 25-11-111(d)
1559 or (e), as applicable.

1560 (e) The surviving spouse of a deceased member who
1561 previously received spouse retirement benefits under paragraph
1562 (d)(i) of this subsection from and after July 1, 1992, and whose
1563 benefits were terminated before July 1, 2004, because of



1564 remarriage, may again receive the retirement benefits authorized
1565 under paragraph (d)(i) of this subsection by making application
1566 with the board to reinstate those benefits. Any reinstatement of
1567 the benefits shall be prospective only and shall begin after the
1568 first of the month following the date of the application for
1569 reinstatement, but no earlier than July 1, 2004. From and after
1570 July 1, 2010, any spouse who chose Option 2 from and after July 1,
1571 1992, but before July 1, 2004, where the benefit, although payable
1572 for life, was less than the benefit available under the
1573 calculation in paragraph (d)(i) of this subsection shall have his
1574 or her benefit increased to the amount which provides the greater
1575 benefit.

1576 (3) (a) Subject to the maximum limitation provided in this
1577 paragraph, the member's dependent children each shall receive an
1578 annuity of the greater of ten percent (10%) of the member's
1579 average compensation as defined in Section 25-11-103 at the time
1580 of the death of the member or Fifty Dollars (\$50.00) monthly;
1581 however, if there are more than three (3) dependent children, each
1582 dependent child shall receive an equal share of a total annuity
1583 equal to thirty percent (30%) of the member's average
1584 compensation, provided that the total annuity shall not be less
1585 than One Hundred Fifty Dollars (\$150.00) per month for all
1586 children.

1587 (b) A child shall be considered to be a dependent child
1588 until marriage, or the attainment of age nineteen (19), whichever



1589 comes first; however, this age limitation shall be extended beyond
1590 age nineteen (19), but in no event beyond the attainment of age
1591 twenty-three (23), as long as the child is a student regularly
1592 pursuing a full-time course of resident study or training in an
1593 accredited high school, trade school, technical or vocational
1594 institute, junior or community college, college, university or
1595 comparable recognized educational institution duly licensed by a
1596 state. A student child who is receiving a retirement allowance as
1597 of June 30, 2016, whose birthday falls during the school year
1598 (September 1 through June 30) is considered not to reach age
1599 twenty-three (23) until the July 1 following the actual
1600 twenty-third birthday. A full-time course of resident study or
1601 training means a day or evening noncorrespondence course that
1602 includes school attendance at the rate of at least thirty-six (36)
1603 weeks per academic year or other applicable period with a subject
1604 load sufficient, if successfully completed, to attain the
1605 educational or training objective within the period generally
1606 accepted as minimum for completion, by a full-time day student, of
1607 the academic or training program concerned. Any child who is
1608 physically or mentally incompetent, as adjudged by either a
1609 Mississippi court of competent jurisdiction or by the board, shall
1610 receive benefits for as long as the incompetency exists.

1611 (c) If there are more than three (3) dependent
1612 children, upon a child's ceasing to be a dependent child, his



1613 annuity shall terminate and there shall be a redetermination of
1614 the amounts payable to any remaining dependent children.

1615 (d) Annuities payable under this subsection (3) shall
1616 begin the first day of the month following the date of the
1617 member's death or in case of late filing, retroactive payments
1618 will be made for a period of not more than one (1) year. Those
1619 benefits may be paid to a surviving parent or the lawful custodian
1620 of a dependent child for the use and benefit of the child without
1621 the necessity of appointment as guardian.

1622 (4) (a) Death benefits in the line of duty. Regardless of
1623 the number of years of the member's creditable service, the spouse
1624 and/or the dependent children of an active member who is
1625 killed * * * or dies as a direct result of a physical injury
1626 sustained from an accident or a traumatic event caused by external
1627 violence or physical force occurring in the line of performance of
1628 duty shall qualify, on approval of the board, for a retirement
1629 allowance on the first of the month following the date of death,
1630 but in the case of late filing, retroactive payments will be made
1631 for a period of not more than one (1) year. The spouse shall
1632 receive a retirement allowance for life equal to one-half (1/2) of
1633 the average compensation as defined in Section 25-11-103. In
1634 addition to the retirement allowance for the spouse, or if there
1635 is no surviving spouse, the member's dependent child shall receive
1636 a retirement allowance in the amount of one-fourth (1/4) of the
1637 member's average compensation as defined in Section 25-11-103;



1638 however, if there are two (2) or more dependent children, each
1639 dependent child shall receive an equal share of a total annuity
1640 equal to one-half (1/2) of the member's average compensation. If
1641 there are more than two (2) dependent children, upon a child's
1642 ceasing to be a dependent child, his annuity shall terminate and
1643 there shall be a redetermination of the amounts payable to any
1644 remaining dependent children. Those benefits shall cease to be
1645 paid for the support and maintenance of each child upon the child
1646 attaining the age of nineteen (19) years; however, the spouse
1647 shall continue to be eligible for the aforesaid retirement
1648 allowance. Those benefits may be paid to a surviving parent or
1649 lawful custodian of the children for the use and benefit of the
1650 children without the necessity of appointment as guardian. Any
1651 spouse who received spouse retirement benefits under this
1652 paragraph (a) from and after April 4, 1984, and whose benefits
1653 were terminated before July 1, 2004, because of remarriage, may
1654 again receive the retirement benefits authorized under this
1655 paragraph (a) by making application with the board to reinstate
1656 those benefits. Any reinstatement of the benefits shall be
1657 prospective only and shall begin after the first of the month
1658 following the date of the application for reinstatement, but not
1659 earlier than July 1, 2004.

1660 (b) A child shall be considered to be a dependent child
1661 until marriage, or the attainment of age nineteen (19), whichever
1662 comes first; however, this age limitation shall be extended beyond



1663 age nineteen (19), but in no event beyond the attainment of age
1664 twenty-three (23), as long as the child is a student regularly
1665 pursuing a full-time course of resident study or training in an
1666 accredited high school, trade school, technical or vocational
1667 institute, junior or community college, college, university or
1668 comparable recognized educational institution duly licensed by a
1669 state. A student child who is receiving a retirement allowance as
1670 of June 30, 2016, whose birthday falls during the school year
1671 (September 1 through June 30) is considered not to reach age
1672 twenty-three (23) until the July 1 following the actual
1673 twenty-third birthday. A full-time course of resident study or
1674 training means a day or evening noncorrespondence course that
1675 includes school attendance at the rate of at least thirty-six (36)
1676 weeks per academic year or other applicable period with a subject
1677 load sufficient, if successfully completed, to attain the
1678 educational or training objective within the period generally
1679 accepted as minimum for completion, by a full-time day student, of
1680 the academic or training program concerned. Any child who is
1681 physically or mentally incompetent, as adjudged by either a
1682 Mississippi court of competent jurisdiction or by the board, shall
1683 receive benefits for as long as the incompetency exists.

1684 (5) If all the annuities provided for in this section
1685 payable on account of the death of a member terminate before there
1686 has been paid an aggregate amount equal to the member's
1687 accumulated contributions standing to the member's credit in the



1688 annuity savings account at the time of the member's death, the
1689 difference between the accumulated contributions and the aggregate
1690 amount of annuity payments shall be paid to the person that the
1691 member has nominated by written designation duly executed and
1692 filed with the board. If there is no designated beneficiary
1693 surviving at termination of benefits, the difference shall be
1694 payable under Section 25-11-117.1(1).

1695 (6) Regardless of the number of years of creditable service,
1696 upon the application of a member or employer, any active member
1697 who becomes disabled as a direct result of a physical injury
1698 sustained from an accident or traumatic event * * * caused by
1699 external violence or physical force occurring in the line of
1700 performance of duty, provided that the medical board or other
1701 designated governmental agency after a medical examination
1702 certifies that the member is mentally or physically incapacitated
1703 for the further performance of duty and the incapacity is likely
1704 to be permanent, may be retired by the board of trustees on the
1705 first of the month following the date of filing the application
1706 but in no event shall the retirement allowance begin before the
1707 termination of state service. If a member who has been approved
1708 for a retirement allowance under this subsection does not
1709 terminate state service within ninety (90) days after the
1710 approval, the retirement allowance and the application for the
1711 allowance shall be void. The retirement allowance shall equal the
1712 allowance on disability retirement as provided in Section



1713 25-11-113 but shall not be less than fifty percent (50%) of
1714 average compensation. Line of duty disability benefits under this
1715 section shall be administered in accordance with the provisions of
1716 Section 25-11-113(1)(b), (c), (d) * * *, (e) and (f), (3), (4),
1717 (5) and (6).

1718 (7) For purposes of determining death or disability benefits
1719 under this section, the following shall apply:

1720 (a) Death or permanent and total disability resulting
1721 from a cardiovascular, pulmonary or musculoskeletal condition that
1722 was not a direct result of a physical injury sustained from an
1723 accident or a traumatic event caused by external violence or
1724 physical force occurring in the performance of duty shall be
1725 deemed a natural death or an ordinary disability.

1726 (b) A mental disability based exclusively on employment
1727 duties occurring on an ongoing basis shall be deemed an ordinary
1728 disability.

1729 (8) If the deceased or disabled member has less than four
1730 (4) years of membership service, the average compensation as
1731 defined in Section 25-11-103 shall be the average of all annual
1732 earned compensation in state service for the purposes of benefits
1733 provided in this section.

1734 (9) In case of death or total and permanent disability under
1735 subsection (4) or subsection (6) of this section and before the
1736 board shall consider any application for a retirement allowance,
1737 the employer must certify to the board that the member's death or



1738 disability was a direct result of an accident or a traumatic event
1739 occurring during and as a result of the performance of the regular
1740 and assigned duties of the employee and that the death or
1741 disability was not the result of the willful negligence of the
1742 employee.

1743 (10) The application for the retirement allowance must be
1744 filed within one (1) year after death of an active member who is
1745 killed in the line of performance of duty or dies as a direct
1746 result of an accident occurring in the line of performance of duty
1747 or traumatic event; but the board of trustees may consider an
1748 application for disability filed after the one-year period if it
1749 can be factually demonstrated to the satisfaction of the board of
1750 trustees that the disability is due to the accident and that the
1751 filing was not accomplished within the one-year period due to a
1752 delayed manifestation of the disability or to circumstances beyond
1753 the control of the member. However, in case of late filing,
1754 retroactive payments will be made for a period of not more than
1755 one (1) year only.

1756 (11) (a) Notwithstanding any other section of this article
1757 and in lieu of any payments to a designated beneficiary for a
1758 refund of contributions under Section 25-11-117, the spouse and/or
1759 children shall be eligible for the benefits payable under this
1760 section, and the spouse may elect, for both the spouse and/or
1761 children, to receive benefits in accordance with either
1762 subsections (2) and (3) or subsection (4) of this section;



1763 otherwise, the contributions to the credit of the deceased member
1764 shall be refunded in accordance with Section 25-11-117.

1765 (b) Notwithstanding any other section of this article,
1766 a spouse who is entitled to receive a monthly benefit under either
1767 subsection (2) or (4) of this section and who is also the named
1768 beneficiary for a refund of accumulated contributions in the
1769 member's annuity savings account, may, after the death of the
1770 member, elect to receive a refund of accumulated contributions in
1771 lieu of a monthly allowance, provided that there are no dependent
1772 children entitled to benefits under subsection (3) of this
1773 section.

1774 (12) If the member has previously received benefits from the
1775 system to which he was not entitled and has not repaid in full all
1776 amounts payable by him to the system, the annuity amounts
1777 otherwise provided by this section shall be withheld and used to
1778 effect repayment until the total of the withholdings repays in
1779 full all amounts payable by him to the system.

1780 **SECTION 12.** Section 25-13-13, Mississippi Code of 1972, is
1781 amended as follows:

1782 25-13-13. (1) Upon the death of any highway patrolman who
1783 has retired for service or disability and who has not elected any
1784 other option under Section 25-13-16, his or her spouse shall
1785 receive one-half (1/2) the benefit that he or she was receiving
1786 and each child not having attained his nineteenth birthday shall
1787 receive one-fourth (1/4) of the benefit, but not more than



1788 one-half (1/2) of the benefits shall be paid for the support and
1789 maintenance of two (2) or more children. Upon each child's
1790 attaining the age of nineteen (19) years, the child shall no
1791 longer be eligible for the benefit, and when all of the children
1792 have attained their nineteenth birthday, only the spouse shall be
1793 eligible for one-half (1/2) the amount of the benefit. The spouse
1794 shall continue to be eligible for the benefit in the amount of
1795 fifty percent (50%) of his or her retirement benefit so long as
1796 the spouse may live. Surviving spouses of deceased members who
1797 previously received spouse retirement benefits under this
1798 subsection from and after July 1, 1958, and whose benefits were
1799 terminated before July 1, 2004, because of remarriage, may again
1800 receive the retirement benefits authorized under this subsection
1801 by making application with the board to reinstate the benefits.
1802 Any reinstatement of the benefits shall be prospective only and
1803 shall begin after the first of the month following the date of the
1804 application for reinstatement, but no earlier than July 1, 2004.

1805 (2) Upon the death of any highway patrolman who has served
1806 the minimum retirement period required for eligibility for this
1807 retirement program, his or her spouse and family shall receive all
1808 the benefits payable to the highway patrolman's beneficiaries as
1809 if he or she had retired at the time of his or her death. Those
1810 benefits continue to be paid to the spouse for life. The benefits
1811 are payable on a monthly basis. Surviving spouses of deceased
1812 members who previously received spouse retirement benefits under



1813 this subsection from and after July 1, 1958, and whose benefits
1814 were terminated before July 1, 2004, because of remarriage, may
1815 again receive the retirement benefits authorized under this
1816 subsection by making application with the board to reinstate the
1817 benefits. Any reinstatement of the benefits shall be prospective
1818 only and shall begin after the first of the month following the
1819 date of the application for reinstatement, but no earlier than
1820 July 1, 2004.

1821 (3) The spouse and/or the dependent children of an active
1822 member who is killed in the line of performance of duty or dies as
1823 a direct result of an accident occurring in the line of
1824 performance of duty shall qualify, on approval of the board, for a
1825 retirement allowance on the first of the month following the date
1826 of death, but not before receipt of application by the board. The
1827 spouse shall receive a retirement allowance equal to one-half
1828 (1/2) of the average compensation of the deceased highway
1829 patrolman. In addition to the retirement allowance for the
1830 spouse, or if there is no surviving spouse, a retirement allowance
1831 shall be paid in the amount of one-fourth (1/4) of the average
1832 compensation for the support and maintenance of one (1) child or
1833 in the amount of one-half (1/2) of the average compensation for
1834 the support and maintenance of two (2) or more children. Those
1835 benefits shall cease to be paid for the support and maintenance of
1836 each child upon the child attaining the age of nineteen (19)
1837 years; however, the spouse shall continue to be eligible for the



1838 aforesaid retirement allowance. Benefits may be paid to a
1839 surviving parent or lawful custodian of the children for the use
1840 and benefit of the children without the necessity of appointment
1841 as guardian. The retirement allowance shall continue to be paid
1842 to the spouse for life. Surviving spouses of deceased members who
1843 previously received spouse retirement benefits under this
1844 subsection from and after July 1, 1958, and whose benefits were
1845 terminated before July 1, 2004, because of remarriage, may again
1846 receive the retirement benefits authorized under this subsection
1847 by making application with the board to reinstate the benefits.
1848 Any reinstatement of the benefits shall be prospective only and
1849 shall begin after the first of the month following the date of the
1850 application for reinstatement, but no earlier than July 1, 2004.

1851 (4) All benefits accruing to any child under the provisions
1852 of this chapter shall be paid to the parent custodian of the
1853 children or the legal guardian.

1854 (5) Children receiving the benefits provided in this section
1855 who are permanently or totally disabled shall continue to receive
1856 the benefits for as long as the medical board or other designated
1857 governmental agency certifies that the disability continues. The
1858 age limitation for benefits payable to a child under any provision
1859 of this section shall be extended beyond age nineteen (19), but in
1860 no event beyond the attainment of age twenty-three (23), as long
1861 as the child is a student regularly pursuing a full-time course of
1862 resident study or training in an accredited high school, trade



1863 school, technical or vocational institute, junior or community
1864 college, college, university or comparable recognized educational
1865 institution duly licensed by a state. A student child who is
1866 receiving a retirement allowance as of June 30, 2016, whose
1867 birthday falls during the school year (September 1 through June
1868 30) is considered not to reach age twenty-three (23) until the
1869 July 1 following the actual twenty-third birthday. A full-time
1870 course of resident study or training means a day or evening
1871 noncorrespondence course that includes school attendance at the
1872 rate of at least thirty-six (36) weeks per academic year or other
1873 applicable period with a subject load sufficient, if successfully
1874 completed, to attain the educational or training objective within
1875 the period generally accepted as minimum for completion, by a
1876 full-time day student, of the academic or training program
1877 concerned.

1878 (6) If all the annuities provided for in this section
1879 payable on the account of the death of a member terminate before
1880 there has been paid an aggregate amount equal to the member's
1881 accumulated contributions standing to the member's credit in the
1882 annuity savings account at the time of the member's death, the
1883 difference between the accumulated contributions and the aggregate
1884 amount of annuity payments shall be paid to the person as the
1885 member has nominated by written designation duly executed and
1886 filed with the board of trustees in the office of the Public
1887 Employees' Retirement System. If there is no designated



1888 beneficiary surviving at termination of benefits, the difference
1889 shall be payable pursuant to Section 25-13-21.1(1).

1890 (7) All benefits paid to a spouse or child due to the death
1891 of a member before or after retirement shall be paid in accordance
1892 with the statutory provisions set forth as of the date of death.

1893 **SECTION 13.** Section 25-11-115, Mississippi Code of 1972, is
1894 amended as follows:

1895 25-11-115. (1) Upon application for superannuation or
1896 disability retirement, any member may elect to receive his or her
1897 benefit in a retirement allowance payable throughout life with no
1898 further payments to anyone at the member's death, except that if
1899 the member's total retirement payments under this article do not
1900 equal the member's total contributions under this article, the
1901 named beneficiary shall receive the difference in cash at the
1902 member's death. Or the member may elect upon retirement, or upon
1903 becoming eligible for retirement, to receive the actuarial
1904 equivalent subject to the provisions of subsection (3) of this
1905 section of his or her retirement allowance in a reduced retirement
1906 allowance payable throughout life with the provision that:

1907 **Option 1.** If the retired member dies before he or she has
1908 received in annuity payment the value of the member's annuity
1909 savings account as it was at the time of the member's retirement,
1910 the balance shall be paid to the legal representative or to such
1911 person as the member has nominated by written designation duly
1912 acknowledged and filed with the board;



1913 **Option 2.** Upon the retired member's death, his or her
1914 reduced retirement allowance shall be continued throughout the
1915 life of, and paid to, such person as the member has nominated by
1916 written designation duly acknowledged and filed with the board of
1917 trustees at the time of his or her retirement;

1918 **Option 3.** Upon the retired member's death, one-half (1/2) of
1919 his or her reduced retirement allowance shall be continued
1920 throughout the life of, and paid to, such person as the member has
1921 nominated by written designation duly acknowledged and filed with
1922 the board of trustees at the time of his or her retirement, and
1923 the other one-half (1/2) of his or her reduced retirement
1924 allowance to some other designated beneficiary;

1925 **Option 4.** Upon the retired member's death, three-fourths
1926 (3/4) of his or her reduced retirement allowance, or such other
1927 specified amount, shall be continued throughout the life of, and
1928 paid to, such person as the member has nominated by written
1929 designation duly acknowledged and filed with the board of trustees
1930 at the time of his or her retirement;

1931 **Option 4-A.** Upon the retired member's death, one-half (1/2)
1932 of his or her reduced retirement allowance, or such other
1933 specified amount, shall be continued throughout the life of, and
1934 paid to, such person as the member has nominated by written
1935 designation duly acknowledged and filed with the board of trustees
1936 at the time of his or her retirement;



1937 **Option 4-B.** A reduced retirement allowance shall be
1938 continued throughout the life of the retirant, but with the
1939 further guarantee of payments to the named beneficiary or
1940 beneficiaries for a specified number of years certain. If the
1941 retired member or the last designated beneficiary both die before
1942 receiving all guaranteed payments due, the actuarial equivalent of
1943 the remaining payments shall be paid under Section 25-11-117.1(1);

1944 **Option 6.** Any member who became a member of the system
1945 before July 1, 2007, and who has at least twenty-eight (28) years
1946 of creditable service at the time of retirement or who is at least
1947 sixty-three (63) years of age and eligible to retire, may select
1948 the maximum retirement benefit or an optional benefit as provided
1949 in this subsection together with a partial lump-sum distribution.
1950 Any member who became a member of the system on or after July 1,
1951 2007, but before July 1, 2011, and who has at least twenty-eight
1952 (28) years of creditable service at the time of retirement may
1953 select the maximum retirement benefit or any optional benefit as
1954 provided in this subsection together with a partial lump-sum
1955 distribution. Any member who became a member of the system on or
1956 after July 1, 2011, and who has at least thirty-three (33) years
1957 of creditable service at the time of retirement may select the
1958 maximum retirement benefit or any optional benefit as provided in
1959 this subsection together with a partial lump-sum distribution.
1960 The amount of the lump-sum distribution under this option shall be
1961 equal to the maximum monthly benefit multiplied by twelve (12),



1962 twenty-four (24) or thirty-six (36) as selected by the member.
1963 The maximum retirement benefit shall be actuarially reduced to
1964 reflect the amount of the lump-sum distribution selected and
1965 further reduced for any other optional benefit selected. The
1966 annuity and lump-sum distribution shall be computed to result in
1967 no actuarial loss to the system. The lump-sum distribution shall
1968 be made as a single payment payable at the time the first monthly
1969 annuity payment is paid to the retiree. The amount of the
1970 lump-sum distribution shall be deducted from the member's annuity
1971 savings account in computing what contributions remain at the
1972 death of the retiree and/or a beneficiary. The lump-sum
1973 distribution option may be elected only once by a member upon
1974 initial retirement, and may not be elected by a retiree, by
1975 members applying for a disability retirement annuity, or by
1976 survivors.

1977 (2) No change in the option selected shall be permitted
1978 after the member's death or after the member has received his or
1979 her first retirement check except as provided in subsections (3)
1980 and (4) of this section and in Section 25-11-127. Members who are
1981 pursuing a disability retirement allowance and simultaneously or
1982 later elect to begin to receive a service retirement allowance
1983 while continuing to pursue a disability retirement allowance,
1984 shall not be eligible to select Option 6 and that option may not
1985 be selected at a later time if the application for a disability
1986 retirement allowance is voided or denied. However, any retired



1987 member who is receiving a retirement allowance under Option 2 or
1988 Option 4-A upon July 1, 1992, and whose designated beneficiary
1989 predeceased him or her or whose marriage to a spouse who is his or
1990 her designated beneficiary is terminated by divorce or other
1991 dissolution, upon written notification to the retirement system of
1992 the death of the designated beneficiary or of the termination of
1993 the retired member's marriage to the designated beneficiary, the
1994 retirement allowance payable to the member after receipt of that
1995 notification by the retirement system shall be equal to the
1996 retirement allowance that would have been payable if the member
1997 had not elected the option. In addition, any retired member who
1998 is receiving the maximum retirement allowance for life, a
1999 retirement allowance under Option 1 or who is receiving a
2000 retirement allowance under Option 2 or Option 4-A on July 1, 1992,
2001 may elect to provide survivor benefits under Option 2 or Option
2002 4-A to a spouse who was not previously the member's beneficiary
2003 and whom the member married before July 1, 1992.

2004 (3) Any retired member who is receiving a reduced retirement
2005 allowance under Option 2, Option 4 or Option 4-A whose designated
2006 beneficiary predeceases him or her, or whose marriage to a spouse
2007 who is his or her designated beneficiary is terminated by divorce
2008 or other dissolution, may elect to cancel the reduced retirement
2009 allowance and receive the maximum retirement allowance for life in
2010 an amount equal to the amount that would have been payable if the
2011 member had not elected Option 2, Option 4 or Option 4-A. That



2012 election must be made in writing to the office of the executive
2013 director of the system on a form prescribed by the board. Any
2014 such election shall be effective the first of the month following
2015 the date the election is received by the system; however, the
2016 election may be applied retroactively for not more than three (3)
2017 months but no earlier than the first of the month following the
2018 date of the death of the beneficiary.

2019 (4) Any retired member who is receiving the maximum
2020 retirement allowance for life, or a retirement allowance under
2021 Option 1, and who marries after his or her retirement may elect to
2022 cancel the maximum retirement allowance and receive a reduced
2023 retirement allowance under Option 2, Option 4 or Option 4-A to
2024 provide continuing lifetime benefits to his or her spouse. That
2025 election must be made in writing to the office of the executive
2026 director of the system on a form prescribed by the board not
2027 earlier than the date of the marriage and not later than one (1)
2028 year from the date of the marriage. Any such election shall be
2029 effective the first of the month following the date the election
2030 is received by the system.

2031 (5) (a) Except as otherwise provided in this subsection, if
2032 the election of an optional benefit is made after the member has
2033 attained the age of sixty-five (65) years, the actuarial
2034 equivalent factor shall be used to compute the reduced retirement
2035 allowance as if the election had been made on his or her
2036 sixty-fifth birthday; however, from and after January 1, 2003, if



2037 there is an election of Option 6 after the member has attained the
2038 age of sixty-five (65) years, the actuarial equivalent factor
2039 based on the retiree's age at the time of retirement shall be used
2040 to compute the reduced maximum monthly retirement allowance.
2041 However, if a retiree marries or remarries after retirement and
2042 elects either Option 2 or Option 4-A as provided in subsection (2)
2043 or (4) of this section, the actuarial equivalent factor used to
2044 compute the reduced retirement allowance shall be the factor for
2045 the age of the retiree and his or her beneficiary at the time such
2046 election for recalculation of benefits is made.

2047 (b) For members who retire on or after July 1, 2012,
2048 the actuarial equivalent factor used to compute the reduced
2049 retirement allowance at retirement or upon any subsequent
2050 recalculation of the benefit shall be the factor for the age of
2051 the retiree and his or her beneficiary at the time of retirement
2052 or at the time an election for recalculation of benefits is made.

2053 (6) Notwithstanding any provision of Section 25-11-1 et
2054 seq., no payments may be made for a retirement allowance on a
2055 monthly basis for a period of time in excess of that allowed by
2056 federal law.

2057 (7) If a retirant and his or her eligible beneficiary, if
2058 any, both die before they have received in annuity payments a
2059 total amount equal to the accumulated contributions standing to
2060 the retirant's credit in the annuity savings account at the time
2061 of his or her retirement, the difference between the accumulated



2062 contributions and the total amount of annuities received by them
2063 shall be paid to such persons as the retirant has nominated by
2064 written designation duly executed and filed in the office of the
2065 executive director. If no designated person survives the retirant
2066 and his or her beneficiary, the difference, if any, shall be paid
2067 under Section 25-11-117.1(1).

2068 (8) Any retired member who retired on Option 2(5) or 4-A(5)
2069 before July 1, 1992, who is still receiving a retirement allowance
2070 on July 1, 1994, shall receive an increase in the annual
2071 retirement allowance effective July 1, 1994, equal to the amount
2072 they would have received under Option 2 or Option 4-A without a
2073 reduction for Option 5 based on the ages at retirement of the
2074 retiree and beneficiary and option factors in effect on July 1,
2075 1992. That increase shall be prospective only.

2076 **SECTION 14.** Section 25-11-117, Mississippi Code of 1972, is
2077 amended as follows:

2078 25-11-117. (1) A member may be paid a refund of the amount
2079 of accumulated contributions to the credit of the member in the
2080 annuity savings account, provided that the member has withdrawn
2081 from state service and has not returned to state service on the
2082 date the refund of the accumulated contributions would be paid.
2083 That refund of the contributions to the credit of the member in
2084 the annuity savings account shall be paid within ninety (90) days
2085 from receipt in the office of the retirement system of the
2086 properly completed form requesting the payment. In the event of



2087 death before retirement of any member whose spouse and/or children
2088 are not entitled to a retirement allowance, the accumulated
2089 contributions to the credit of the deceased member in the annuity
2090 savings account shall be paid to the designated beneficiary on
2091 file in writing in the office of the executive director of the
2092 board of trustees within ninety (90) days from receipt of a
2093 properly completed form requesting the payment. If there is no
2094 such designated beneficiary on file for the deceased member in the
2095 office of the system, upon the filing of a proper request with the
2096 board, the contributions to the credit of the deceased member in
2097 the annuity savings account shall be refunded under Section
2098 25-11-117.1(1). The payment of the refund shall discharge all
2099 obligations of the retirement system to the member on account of
2100 any creditable service rendered by the member before the receipt
2101 of the refund. By the acceptance of the refund, the member shall
2102 waive and relinquish all accrued rights in the system.

2103 (2) Under the Unemployment Compensation Amendments of 1992
2104 (Public Law 102-318 (UCA)), a member or the spouse of a member who
2105 is an eligible beneficiary entitled to a refund under this section
2106 may elect, on a form prescribed by the board under rules and
2107 regulations established by the board, to have an eligible rollover
2108 distribution of accumulated contributions payable under this
2109 section paid directly to an eligible retirement plan, as defined
2110 under applicable federal law, or an individual retirement account.
2111 If the member or the spouse of a member who is an eligible



2112 beneficiary makes that election and specifies the eligible
2113 retirement plan or individual retirement account to which the
2114 distribution is to be paid, the distribution will be made in the
2115 form of a direct trustee-to-trustee transfer to the specified
2116 eligible retirement plan. A nonspouse beneficiary may elect to
2117 have an eligible rollover distribution paid in the form of a
2118 direct trustee-to-trustee transfer to an individual retirement
2119 account established to receive the distribution on behalf of the
2120 nonspouse beneficiary. Flexible rollovers under this subsection
2121 shall not be considered assignments under Section 25-11-129.

2122 (3) (a) If any person who became a member of the system
2123 before July 1, 2007, has received a refund, reenters the state
2124 service and again becomes a member of the system, the member may
2125 repay all or part of the amounts previously received as a refund,
2126 together with regular interest covering the period from the date
2127 of refund to the date of repayment; however, the amounts that are
2128 repaid by the member and the creditable service related thereto
2129 shall not be used in any benefit calculation or determination
2130 until the member has remained a contributor to the system for a
2131 period of at least four (4) years after the member's reentry into
2132 state service. Repayment for that time shall be made in
2133 increments of not less than one-quarter (1/4) year of creditable
2134 service beginning with the most recent service for which refund
2135 has been made. Upon the repayment of all or part of that refund
2136 and interest, the member shall again receive credit for the period



2137 of creditable service for which full repayment has been made to
2138 the system.

2139 (b) If any person who became a member of the system on
2140 or after July 1, 2007, has received a refund, reenters the state
2141 service and again becomes a member of the system, the member may
2142 repay all or part of the amounts previously received as a refund,
2143 together with regular interest covering the period from the date
2144 of refund to the date of repayment; however, the amounts that are
2145 repaid by the member and the creditable service related thereto
2146 shall not be used in any benefit calculation or determination
2147 until the member has remained a contributor to the system for a
2148 period of at least eight (8) years after the member's reentry into
2149 state service. Repayment for that time shall be made in
2150 increments of not less than * * * one (1) month of creditable
2151 service beginning with the most recent service for which refund
2152 has been made. Upon the repayment of all or part of that refund
2153 and interest, the member shall again receive credit for the period
2154 of creditable service for which full repayment has been made to
2155 the system.

2156 (4) (a) In order to provide a source of income to members
2157 who have applied for disability benefits under Section 25-11-113
2158 or 25-11-114, the board may provide, at the employee's election, a
2159 temporary benefit to be paid from the member's accumulated
2160 contributions, if any, without forfeiting the right to pursue
2161 disability benefits, provided that the member has exhausted all



2162 personal and medical leave and has terminated his or her
2163 employment. The board may prescribe rules and regulations for
2164 carrying out the provisions of this subsection (4).

2165 (b) If a member who has elected to receive temporary
2166 benefits under this subsection later applies for a refund of his
2167 or her accumulated contributions, all amounts paid under this
2168 subsection shall be deducted from the accumulated contributions
2169 and the balance will be paid to the member. If a member who has
2170 elected to receive temporary benefits under this subsection is
2171 later approved for a disability retirement allowance, and a
2172 service retirement allowance or survivor benefits are paid on the
2173 account, the board shall adjust the benefits in such a manner that
2174 no more than the actuarial equivalent of the benefits to which the
2175 member or beneficiary was or is entitled shall be paid.

2176 (c) The board may study, develop and propose a
2177 disability benefit structure, including short- and long-term
2178 disability benefits, provided that it is the actuarial equivalent
2179 of the benefits currently provided in Section 25-11-113 or
2180 25-11-114.

2181 **SECTION 15.** Section 25-11-311, Mississippi Code of 1972, is
2182 amended as follows:

2183 25-11-311. (1) A member may be paid a refund of the amount
2184 of accumulated contributions to the credit of the member in the
2185 annuity savings account, provided the member has withdrawn from
2186 state service and further provided the member has not returned to



2187 state service on the date the refund of the accumulated
2188 contributions would be paid. The refund of the contributions to
2189 the credit of the member in the annuity savings account shall be
2190 paid within ninety (90) days from receipt in the office of the
2191 retirement system of the properly completed form requesting that
2192 payment. In the event of death before retirement of any member
2193 whose spouse and/or children are not entitled to a retirement
2194 allowance, the accumulated contributions to the credit of the
2195 deceased member in the annuity savings account shall be paid to
2196 the designated beneficiary on file in writing in the office of the
2197 executive director of the board of trustees within ninety (90)
2198 days from receipt of a properly completed form requesting that
2199 payment. If there is no such designated beneficiary on file for
2200 the deceased member in the office of the system, upon the filing
2201 of a proper request with the board, the contributions to the
2202 credit of the deceased member in the annuity savings account shall
2203 be refunded under Section 25-11-311.1(1). The payment of the
2204 refund shall discharge all obligations of the retirement system to
2205 the member on account of any creditable service rendered by the
2206 member before the receipt of the refund. By the acceptance of the
2207 refund, the member shall waive and relinquish all accrued rights
2208 in the plan.

2209 (2) Pursuant to the Unemployment Compensation Amendments of
2210 1992 (Public Law 102-318 (USCS)), a member or the spouse of a
2211 member who is an eligible beneficiary making application for a



2212 refund under this section may elect, on a form prescribed by the
2213 board under rules and regulations established by the board, to
2214 have an eligible rollover distribution of accumulated
2215 contributions payable under this section paid directly to an
2216 eligible retirement plan, as defined under applicable federal law,
2217 or an individual retirement account. If the member or the spouse
2218 of a member who is an eligible beneficiary makes that election and
2219 specifies the eligible retirement plan or individual retirement
2220 account to which the distribution is to be paid, the distribution
2221 will be made in the form of a direct trustee-to-trustee transfer
2222 to the specified eligible retirement plan. A nonspouse
2223 beneficiary may elect to have an eligible rollover distribution of
2224 accumulated contributions paid in the form of a direct
2225 trustee-to-trustee transfer to an individual retirement account
2226 established to receive the distribution on behalf of the nonspouse
2227 beneficiary. Flexible rollovers under this subsection shall not
2228 be considered assignments under Section 25-11-129.

2229 (3) (a) If any person who became a member of the system
2230 before July 1, 2007, has received a refund, is reelected to the
2231 Legislature or as President of the Senate and again becomes a
2232 member of the plan, the member may repay all or part of the
2233 amounts previously received as a refund, together with regular
2234 interest covering the period from the date of refund to the date
2235 of repayment; however, the amounts that are repaid by the member
2236 and the creditable service related thereto shall not be used in



2237 any benefit calculation or determination until the member has
2238 remained a contributor to the system for a period of at least four
2239 (4) years after the member's reentry into state service.

2240 Repayment for that time shall be made in increments of not less
2241 than one-quarter (1/4) year of creditable service beginning with
2242 the most recent service for which refund has been made. Upon the
2243 repayment of all or part of that refund and interest, the member
2244 shall again receive credit for the period of creditable service
2245 for which full repayment has been made to the system.

2246 (b) If any person who became a member of the system on
2247 or after July 1, 2007, has received a refund, reenters the state
2248 service and again becomes a member of the system, the member may
2249 repay all or part of the amount previously received as a refund,
2250 together with regular interest covering the period from the date
2251 of refund to the date of repayment; however, the amounts that are
2252 repaid by the member and the creditable service related thereto
2253 shall not be used in any benefit calculation or determination
2254 until the member has remained a contributor to the system for a
2255 period of at least eight (8) years after the member's reentry into
2256 state service. Repayment for that time shall be made in
2257 increments of not less than * * * one (1) month of creditable
2258 service beginning with the most recent service for which refund
2259 has been made. Upon the repayment of all or part of that refund
2260 and interest, the member shall again receive credit for the period



2261 of creditable service for which full repayment has been made to
2262 the system.

2263 **SECTION 16.** Section 25-13-21, Mississippi Code of 1972, is
2264 amended as follows:

2265 25-13-21. In the event a highway patrolman ceases to work
2266 for the Highway Safety Patrol for any reason other than
2267 occupational disease contracted or for any accident sustained by
2268 the patrolman by reason of his service or discharge of his duty in
2269 the Highway Patrol, and if the highway patrolman is not eligible
2270 for retirement either for service or disability, he shall be
2271 refunded the amount of his total contribution under the provisions
2272 of this chapter, including any credit transferred to his account
2273 in this system from any other system, at his request; and should
2274 he die before retirement, his total contribution is to be refunded
2275 to any beneficiary he may name. If there is no surviving
2276 designated beneficiary, the contributions to the credit of the
2277 deceased member shall be refunded pursuant to Section
2278 25-13-21.1(1).

2279 Pursuant to the Unemployment Compensation Amendments of 1992
2280 (Public Law 102-318 (UCA)), a member or the spouse of a member who
2281 is an eligible beneficiary entitled to a refund under this section
2282 may elect, on a form prescribed by the board under rules and
2283 regulations established by the board, to have an eligible rollover
2284 distribution of accumulated contributions payable under this
2285 section paid directly to an eligible retirement plan, as defined



2286 under applicable federal law, or an individual retirement account.
2287 If the member or the spouse of a member who is an eligible
2288 beneficiary makes that election and specifies the eligible
2289 retirement plan or individual retirement account to which the
2290 distribution is to be paid, the distribution will be made in the
2291 form of a direct trustee-to-trustee transfer to the specified
2292 eligible retirement plan. A nonspouse beneficiary may elect to
2293 have an eligible rollover distribution paid in the form of a
2294 direct trustee-to-trustee transfer to an individual retirement
2295 account established to receive the distribution on behalf of the
2296 nonspouse beneficiary. Flexible rollovers under this subsection
2297 shall not be considered assignments under Section 25-13-31.

2298 If any highway patrolman who receives a refund reenters the
2299 service of the Highway Safety Patrol and again becomes a member of
2300 the system, he may repay all amounts previously received by him as
2301 a refund, together with regular interest covering the period from
2302 the date of refund to the date of repayment; however, the amounts
2303 that are repaid by the member and the creditable service related
2304 thereto shall not be used in any benefit calculation or
2305 determination until the member has remained a contributor to the
2306 system for a period of at least five (5) years after the member's
2307 reentry into state service. Repayment for such time shall be made
2308 in increments of not less than * * * one (1) month of creditable
2309 service beginning with the most recent service for which refund
2310 has been made. Upon the repayment of all or part of the refund



2311 and interest, the highway patrolman shall again receive credit for
2312 the period of creditable service for which full repayment has been
2313 made to the system.

2314 **SECTION 17.** Section 25-13-11, Mississippi Code of 1972, is
2315 amended as follows:

2316 25-13-11. (1) Any member upon withdrawal from service, upon
2317 or after attainment of the age of fifty-five (55) years, who has
2318 completed at least five (5) years of creditable service, or any
2319 member upon withdrawal from service upon or after attainment of
2320 the age of forty-five (45) years, who has completed at least
2321 twenty (20) years of creditable service, or any member upon
2322 withdrawal from service, regardless of age, who has completed at
2323 least twenty-five (25) years of creditable service, shall be
2324 entitled to receive a retirement allowance, which shall be payable
2325 the first of the month following receipt of the member's
2326 application in the Office of the Executive Director of the Public
2327 Employees' Retirement System, but in no event before withdrawal
2328 from service.

2329 Any member whose withdrawal from service occurs before
2330 attaining the age of fifty-five (55) years, who has completed more
2331 than five (5) years of creditable service and has not received a
2332 refund of the member's accumulated contributions, shall be
2333 entitled to receive a retirement allowance beginning upon his
2334 attaining the age of fifty-five (55) years of the amount earned
2335 and accrued at the date of withdrawal from service.



2336 The annual amount of the retirement allowance shall consist
2337 of:

2338 (a) A member's annuity, which shall be the actuarial
2339 equivalent of the accumulated contributions of the member at the
2340 time of retirement, computed according to the actuarial table in
2341 use by the system.

2342 (b) An employer's annuity which, together with the
2343 member's annuity provided above, shall be equal to two and
2344 one-half percent (2-1/2%) of the average compensation, based on
2345 the four (4) highest consecutive years, for each year of
2346 membership service.

2347 (c) A prior service annuity equal to two and one-half
2348 percent (2-1/2%) of the average compensation, based on the four
2349 (4) highest consecutive years, for each year of prior service for
2350 which the member is allowed credit.

2351 (d) In the case of retirement of any member prior to
2352 attaining the age of fifty-five (55) years, the retirement
2353 allowance shall be computed in accordance with the formula
2354 hereinabove set forth in this section, except that the employer's
2355 annuity and prior service annuity above described shall be
2356 reduced * * * by an actuarially determined percentage factor for
2357 each year of age below fifty-five (55) years, or * * * for each
2358 year of service below twenty-five (25) years of creditable
2359 service, whichever is lesser.



2360 (e) Upon retiring from service, a member shall be
2361 eligible to obtain retirement benefits, as computed above, for
2362 life, except that the aggregate amount of the employer's annuity
2363 and prior service annuity above described shall not exceed more
2364 than one hundred percent (100%) of the average compensation
2365 regardless of the years of service.

2366 (f) Any member in the service who has attained the age
2367 of sixty-three (63) years shall be retired immediately. However,
2368 any member who has attained age sixty-three (63) may ask the
2369 Commissioner of Public Safety to allow him to continue in service
2370 with the Mississippi Highway Safety Patrol beyond age sixty-three
2371 (63). If the commissioner determines that the member's
2372 continuance in service would be advantageous to the Highway Safety
2373 Patrol because of his expert knowledge, experience or
2374 qualifications, the member shall be allowed to continue in service
2375 beyond age sixty-three (63) for a period of one (1) year. After
2376 the initial one-year continuance, the commissioner may authorize
2377 the member to continue in service for another period of one (1)
2378 year until the member attains age sixty-five (65), at which time
2379 retirement shall be mandatory.

2380 (g) Notwithstanding any provision of this chapter
2381 pertaining to the Mississippi Highway Safety Patrol Retirement
2382 System, no payments may be made for a retirement allowance on a
2383 monthly basis for a period of time in excess of that allowed by
2384 any applicable federal law.



2385 (h) In no case shall any retired member who has
2386 completed at least fifteen (15) years of creditable service
2387 receive less than Five Hundred Dollars (\$500.00) per month; in no
2388 case shall any retired member who has completed ten (10) or more
2389 years of creditable service, but less than fifteen (15) years of
2390 creditable service, receive less than Three Hundred Dollars
2391 (\$300.00) per month; and in no case shall any retired member who
2392 has completed less than ten (10) years of creditable service
2393 receive less than Two Hundred Fifty Dollars (\$250.00) per month.
2394 In no case shall a beneficiary who is receiving a retirement
2395 allowance receive less than Two Hundred Fifty Dollars (\$250.00)
2396 per month or Three Thousand Dollars (\$3,000.00) per year.

2397 (i) Any retired member who is receiving a retirement
2398 allowance on July 1, 1999, shall receive an ad hoc increase in the
2399 annual retirement allowance equal to Three Dollars and Fifty Cents
2400 (\$3.50) per month for each full fiscal year through June 30, 1999,
2401 that the member has actually drawn retirement payments from the
2402 date of retirement, or the date of last retirement if there is
2403 more than one (1) retirement date, plus an amount equal to One
2404 Dollar (\$1.00) per month for each full year of creditable service
2405 and proportionately for each quarter year of creditable service,
2406 as documented by the system and on which benefits are being paid.
2407 If there are multiple beneficiaries receiving a retirement
2408 allowance from a deceased member's account, the ad hoc increase
2409 shall be divided proportionately.



2410 (2) (a) A retiree or beneficiary may, on a form prescribed
2411 by and filed with the Executive Director of the Public Employees'
2412 Retirement System, irrevocably waive all or a portion of any
2413 benefits from the plan to which the retiree or beneficiary is
2414 entitled. The waiver shall be binding on the heirs and assigns of
2415 any retiree or beneficiary and the same must agree to forever hold
2416 harmless the Highway Safety Patrol Retirement System and the
2417 Public Employees' Retirement System from any claim to the waived
2418 retirement benefits.

2419 (b) Any waiver under this subsection shall apply only
2420 to the person executing the waiver. A beneficiary shall be
2421 entitled to benefits according to the option selected by the
2422 member at the time of retirement; however, a beneficiary may
2423 execute a waiver of benefits under this subsection.

2424 (c) The Highway Safety Patrol Retirement System shall
2425 retain all amounts that are not used to pay benefits because of a
2426 waiver executed under this subsection.

2427 (d) The Board of Trustees of the Public Employees'
2428 Retirement System may provide rules and regulations for the
2429 administration of waivers under this subsection.

2430 **SECTION 18.** Section 25-11-141, Mississippi Code of 1972, is
2431 amended as follows:

2432 * * *

2433 25-11-141. The board of trustees may enter into an agreement
2434 with insurance companies, hospital service associations, medical



2435 or health care corporations, health maintenance organizations, or
2436 government agencies authorized to do business in the state for
2437 issuance of a policy or contract of life, health, medical,
2438 hospital or surgical benefits, or any combination thereof, for
2439 those persons receiving a service, disability or survivor
2440 retirement allowance from any system administered by the board.
2441 Notwithstanding any other provision of this chapter, the policy or
2442 contract also may include coverage for the spouse and dependent
2443 children of such eligible person and for such sponsored dependents
2444 as the board considers appropriate. If all or any portion of the
2445 policy or contract premium is to be paid by any person receiving a
2446 service, disability or survivor retirement allowance, such person
2447 shall, by written authorization, instruct the board to deduct from
2448 the retirement allowance the premium cost and to make payments to
2449 such companies, associations, corporations or agencies.

2450 The board may contract for such coverage on the basis that
2451 the cost of the premium for the coverage will be paid by the
2452 person receiving a retirement allowance.

2453 The board is authorized to accept bids for such optional
2454 coverage and benefits and to make all necessary rules pursuant to
2455 the purpose and intent of this section.

2456 * * *

2457 **SECTION 19.** Section 25-15-3, Mississippi Code of 1972, is
2458 amended as follows:

2459 * * *



2460 25-15-3. For the purposes of this article, the words and
2461 phrases used herein shall have the following meanings:

2462 (a) "Employee" means a person who works full time for
2463 the State of Mississippi and receives his compensation in a direct
2464 payment from a department, agency or institution of the state
2465 government and any person who works full time for any school
2466 district, community/junior college, public library or
2467 university-based program authorized under Section 37-23-31 for
2468 deaf, aphasic and emotionally disturbed children or any regular
2469 nonstudent bus driver. This shall include legislators, employees
2470 of the legislative branch and the judicial branch of the state and
2471 "employees" shall include full-time salaried judges and full-time
2472 district attorneys and their staff and full-time compulsory school
2473 attendance officers. For the purposes of this article, any
2474 "employee" making contributions to the State of Mississippi
2475 retirement plan shall be considered a full-time employee.

2476 (b) "Department" means the Department of Finance and
2477 Administration.

2478 (c) "Plan" means the State and School Employees Life
2479 and Health Insurance Plan created under this article.

2480 (d) "Fund" means the State and School Employees
2481 Insurance Fund set up under this article.

2482 (e) "Retiree" means any employee retired under the
2483 Mississippi retirement plan.



2484 (f) "Board" means the State and School Employees Health
2485 Insurance Management Board created under Section 25-15-303.

2486 * * *

2487 **SECTION 20.** Section 25-15-9, Mississippi Code of 1972, is
2488 amended as follows:

2489 * * *

2490 25-15-9. (1) (a) The board shall design a plan of health
2491 insurance for state employees that provides benefits for
2492 semiprivate rooms in addition to other incidental coverages that
2493 the board deems necessary. The amount of the coverages shall be
2494 in such reasonable amount as may be determined by the board to be
2495 adequate, after due consideration of current health costs in
2496 Mississippi. The plan shall also include major medical benefits
2497 in such amounts as the board determines. The plan shall provide
2498 for coverage for telemedicine services as provided in Section
2499 83-9-351. The board is also authorized to accept bids for such
2500 alternate coverage and optional benefits as the board deems
2501 proper. The board is authorized to accept bids for surgical
2502 services that include assistance in locating a surgeon, setting up
2503 initial consultation, travel, a negotiated single case rate bundle
2504 and payment for orthopedic, spine, bariatric, cardiovascular and
2505 general surgeries. The surgical services may only utilize
2506 surgeons and facilities located in the State of Mississippi unless
2507 otherwise provided by the board. Any contract for alternative
2508 coverage and optional benefits shall be awarded by the board after



2509 it has carefully studied and evaluated the bids and selected the
2510 best and most cost-effective bid. The board may reject all of the
2511 bids; however, the board shall notify all bidders of the rejection
2512 and shall actively solicit new bids if all bids are rejected. The
2513 board may employ or contract for such consulting or actuarial
2514 services as may be necessary to formulate the plan, and to assist
2515 the board in the preparation of specifications and in the process
2516 of advertising for the bids for the plan. Those contracts shall
2517 be solicited and entered into in accordance with Section 25-15-5.
2518 The board shall keep a record of all persons, agents and
2519 corporations who contract with or assist the board in preparing
2520 and developing the plan. The board in a timely manner shall
2521 provide copies of this record to the members of the advisory
2522 council created in this section and those legislators, or their
2523 designees, who may attend meetings of the advisory council. The
2524 board shall provide copies of this record in the solicitation of
2525 bids for the administration or servicing of the self-insured
2526 program. Each person, agent or corporation that, during the
2527 previous fiscal year, has assisted in the development of the plan
2528 or employed or compensated any person who assisted in the
2529 development of the plan, and that bids on the administration or
2530 servicing of the plan, shall submit to the board a statement
2531 accompanying the bid explaining in detail its participation with
2532 the development of the plan. This statement shall include the
2533 amount of compensation paid by the bidder to any such employee



2534 during the previous fiscal year. The board shall make all such
2535 information available to the members of the advisory council and
2536 those legislators, or their designees, who may attend meetings of
2537 the advisory council before any action is taken by the board on
2538 the bids submitted. The failure of any bidder to fully and
2539 accurately comply with this paragraph shall result in the
2540 rejection of any bid submitted by that bidder or the cancellation
2541 of any contract executed when the failure is discovered after the
2542 acceptance of that bid. The board is authorized to promulgate
2543 rules and regulations to implement the provisions of this
2544 subsection.

2545 The board shall develop plans for the insurance plan
2546 authorized by this section in accordance with the provisions of
2547 Section 25-15-5.

2548 Any corporation, association, company or individual that
2549 contracts with the board for the third-party claims administration
2550 of the self-insured plan shall prepare and keep on file an
2551 explanation of benefits for each claim processed. The explanation
2552 of benefits shall contain such information relative to each
2553 processed claim that the board deems necessary, and, at a minimum,
2554 each explanation shall provide the claimant's name, claim number,
2555 provider number, provider name, service dates, type of services,
2556 amount of charges, amount allowed to the claimant and reason
2557 codes. The information contained in the explanation of benefits
2558 shall be available for inspection upon request by the board. The



2559 board shall have access to all claims information utilized in the
2560 issuance of payments to employees and providers.

2561 (b) There is created an advisory council to advise the
2562 board in the formulation of the State and School Employees Health
2563 Insurance Plan. The council shall be composed of the State
2564 Insurance Commissioner, or his designee, an
2565 employee-representative of the institutions of higher learning
2566 appointed by the board of trustees thereof, an
2567 employee-representative of the Department of Transportation
2568 appointed by the director thereof, an employee-representative of
2569 the Department of Revenue appointed by the Commissioner of
2570 Revenue, an employee-representative of the Mississippi Department
2571 of Health appointed by the State Health Officer, an
2572 employee-representative of the Mississippi Department of
2573 Corrections appointed by the Commissioner of Corrections, and an
2574 employee-representative of the Department of Human Services
2575 appointed by the Executive Director of Human Services, two (2)
2576 certificated public school administrators appointed by the State
2577 Board of Education, two (2) certificated classroom teachers
2578 appointed by the State Board of Education, a noncertificated
2579 school employee appointed by the State Board of Education and a
2580 community/junior college employee appointed by the Mississippi
2581 Community College Board.

2582 The Lieutenant Governor may designate the Secretary of the
2583 Senate, the Chairman of the Senate Appropriations Committee, the



2584 Chairman of the Senate Education Committee and the Chairman of the
2585 Senate Insurance Committee, and the Speaker of the House of
2586 Representatives may designate the Clerk of the House, the Chairman
2587 of the House Appropriations Committee, the Chairman of the House
2588 Education Committee and the Chairman of the House Insurance
2589 Committee, to attend any meeting of the State and School Employees
2590 Insurance Advisory Council. The appointing authorities may
2591 designate an alternate member from their respective houses to
2592 serve when the regular designee is unable to attend the meetings
2593 of the council. Those designees shall have no jurisdiction or
2594 vote on any matter within the jurisdiction of the council. For
2595 attending meetings of the council, the legislators shall receive
2596 per diem and expenses, which shall be paid from the contingent
2597 expense funds of their respective houses in the same amounts as
2598 provided for committee meetings when the Legislature is not in
2599 session; however, no per diem and expenses for attending meetings
2600 of the council will be paid while the Legislature is in session.
2601 No per diem and expenses will be paid except for attending
2602 meetings of the council without prior approval of the proper
2603 committee in their respective houses.

2604 (c) No change in the terms of the State and School
2605 Employees Health Insurance Plan may be made effective unless the
2606 board, or its designee, has provided notice to the State and
2607 School Employees Health Insurance Advisory Council and has called
2608 a meeting of the council at least fifteen (15) days before the



2609 effective date of the change. If the State and School Employees
2610 Health Insurance Advisory Council does not meet to advise the
2611 board on the proposed changes, the changes to the plan shall
2612 become effective at such time as the board has informed the
2613 council that the changes shall become effective.

2614 (d) **Medical benefits for retired employees and**
2615 **dependents under age sixty-five (65) years and not eligible for**
2616 **Medicare benefits.** For employees who retire before July 1, 2005,
2617 and for employees retiring due to work-related disability under
2618 the Public Employees' Retirement System, the same health insurance
2619 coverage as for all other active employees and their dependents
2620 shall be available to retired employees and all dependents under
2621 age sixty-five (65) years who are not eligible for Medicare
2622 benefits, the level of benefits to be the same level as for all
2623 other active participants. For employees who retire on or after
2624 July 1, 2005, and not retiring due to work-related disability
2625 under the Public Employees' Retirement System, the same health
2626 insurance coverage as for all other active employees and their
2627 dependents shall be available to those retiring employees and all
2628 dependents under age sixty-five (65) years who are not eligible
2629 for Medicare benefits only if the retiring employees were
2630 participants in the State and School Employees Health Insurance
2631 Plan for four (4) years or more before their retirement, the level
2632 of benefits to be the same level as for all other active
2633 participants. This section will apply to those employees who



2634 retire due to one hundred percent (100%) medical disability as
2635 well as those employees electing early retirement.

2636 (e) **Medical benefits for retired employees and**
2637 **dependents over age sixty-five (65) years or otherwise eligible**
2638 **for Medicare benefits.** For employees who retire before July 1,
2639 2005, and for employees retiring due to work-related disability
2640 under the Public Employees' Retirement System, the health
2641 insurance coverage available to retired employees over age
2642 sixty-five (65) years or otherwise eligible for Medicare benefits,
2643 and all dependents over age sixty-five (65) years or otherwise
2644 eligible for Medicare benefits, shall be the major medical
2645 coverage. For employees retiring on or after July 1, 2005, and
2646 not retiring due to work-related disability under the Public
2647 Employees' Retirement System, the health insurance coverage
2648 described in this paragraph (e) shall be available to those
2649 retiring employees only if they were participants in the State and
2650 School Employees Health Insurance Plan for four (4) years or more
2651 and are over age sixty-five (65) years or otherwise eligible for
2652 Medicare benefits, and to all dependents over age sixty-five (65)
2653 years or otherwise eligible for Medicare benefits. Benefits shall
2654 be reduced by Medicare benefits as though the Medicare benefits
2655 were the base plan.

2656 All covered individuals shall be assumed to have full
2657 Medicare coverage, Parts A and B; and any Medicare payments under



2658 both Parts A and B shall be computed to reduce benefits payable
2659 under this plan.

2660 (f) Lifetime maximum: The lifetime maximum amount of
2661 benefits payable under the health insurance plan for each
2662 participant is Two Million Dollars (\$2,000,000.00).

2663 (2) Nonduplication of benefits – reduction of benefits by
2664 Title XIX benefits: When benefits would be payable under more
2665 than one (1) group plan, benefits under those plans will be
2666 coordinated to the extent that the total benefits under all plans
2667 will not exceed the total expenses incurred.

2668 Benefits for hospital or surgical or medical benefits shall
2669 be reduced by any similar benefits payable in accordance with
2670 Title XIX of the Social Security Act or under any amendments
2671 thereto, or any implementing legislation.

2672 Benefits for hospital or surgical or medical benefits shall
2673 be reduced by any similar benefits payable by workers'
2674 compensation.

2675 No health care benefits under the state plan shall restrict
2676 coverage for medically appropriate treatment prescribed by a
2677 physician and agreed to by a fully informed insured, or if the
2678 insured lacks legal capacity to consent by a person who has legal
2679 authority to consent on his or her behalf, based on an insured's
2680 diagnosis with a terminal condition. As used in this paragraph,
2681 "terminal condition" means any aggressive malignancy, chronic
2682 end-stage cardiovascular or cerebral vascular disease, or any



2683 other disease, illness or condition which physician diagnoses as
2684 terminal.

2685 Not later than January 1, 2016, the state health plan shall
2686 not require a higher co-payment, deductible or coinsurance amount
2687 for patient-administered anti-cancer medications, including, but
2688 not limited to, those orally administered or self-injected, than
2689 it requires for anti-cancer medications that are injected or
2690 intravenously administered by a health care provider, regardless
2691 of the formulation or benefit category determination by the plan.
2692 For the purposes of this paragraph, the term "anti-cancer
2693 medications" has the meaning as defined in Section 83-9-24.

2694 (3) (a) Schedule of life insurance benefits – group term:
2695 The amount of term life insurance for each active employee of a
2696 department, agency or institution of the state government shall
2697 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
2698 twice the amount of the employee's annual wage to the next highest
2699 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
2700 case less than Thirty Thousand Dollars (\$30,000.00), with a like
2701 amount for accidental death and dismemberment on a
2702 twenty-four-hour basis. The plan will further contain a premium
2703 waiver provision if a covered employee becomes totally and
2704 permanently disabled before age sixty-five (65) years. Employees
2705 retiring after June 30, 1999, shall be eligible to continue life
2706 insurance coverage in an amount of Five Thousand Dollars



2707 (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty Thousand
2708 Dollars (\$20,000.00) into retirement.

2709 (b) Effective October 1, 1999, schedule of life
2710 insurance benefits – group term: The amount of term life
2711 insurance for each active employee of any school district,
2712 community/junior college, public library or university-based
2713 program authorized under Section 37-23-31 for deaf, aphasic and
2714 emotionally disturbed children or any regular nonstudent bus
2715 driver shall not be in excess of One Hundred Thousand Dollars
2716 (\$100,000.00), or twice the amount of the employee's annual wage
2717 to the next highest One Thousand Dollars (\$1,000.00), whichever
2718 may be less, but in no case less than Thirty Thousand Dollars
2719 (\$30,000.00), with a like amount for accidental death and
2720 dismemberment on a twenty-four-hour basis. The plan will further
2721 contain a premium waiver provision if a covered employee of any
2722 school district, community/junior college, public library or
2723 university-based program authorized under Section 37-23-31 for
2724 deaf, aphasic and emotionally disturbed children or any regular
2725 nonstudent bus driver becomes totally and permanently disabled
2726 before age sixty-five (65) years. Employees of any school
2727 district, community/junior college, public library or
2728 university-based program authorized under Section 37-23-31 for
2729 deaf, aphasic and emotionally disturbed children or any regular
2730 nonstudent bus driver retiring after September 30, 1999, shall be
2731 eligible to continue life insurance coverage in an amount of Five



2732 Thousand Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or
2733 Twenty Thousand Dollars (\$20,000.00) into retirement.

2734 (4) Any eligible employee who on March 1, 1971, was
2735 participating in a group life insurance program that has
2736 provisions different from those included in this article and for
2737 which the State of Mississippi was paying a part of the premium
2738 may, at his discretion, continue to participate in that plan. The
2739 employee shall pay in full all additional costs, if any, above the
2740 minimum program established by this article. Under no
2741 circumstances shall any individual who begins employment with the
2742 state after March 1, 1971, be eligible for the provisions of this
2743 subsection.

2744 (5) The board may offer medical savings accounts as defined
2745 in Section 71-9-3 as a plan option.

2746 (6) Any premium differentials, differences in coverages,
2747 discounts determined by risk or by any other factors shall be
2748 uniformly applied to all active employees participating in the
2749 insurance plan. It is the intent of the Legislature that the
2750 state contribution to the plan be the same for each employee
2751 throughout the state.

2752 (7) On October 1, 1999, any school district,
2753 community/junior college district or public library may elect to
2754 remain with an existing policy or policies of group life insurance
2755 with an insurance company approved by the State and School
2756 Employees Health Insurance Management Board, in lieu of



2757 participation in the State and School Life Insurance Plan. On or
2758 after July 1, 2004, until October 1, 2004, any school district,
2759 community/junior college district or public library may elect to
2760 choose a policy or policies of group life insurance existing on
2761 October 1, 1999, with an insurance company approved by the State
2762 and School Employees Health Insurance Management Board in lieu of
2763 participation in the State and School Life Insurance Plan. The
2764 state's contribution of up to fifty percent (50%) of the active
2765 employee's premium under the State and School Life Insurance Plan
2766 may be applied toward the cost of coverage for full-time employees
2767 participating in the approved life insurance company group plan.
2768 For purposes of this subsection (7), "life insurance company group
2769 plan" means a plan administered or sold by a private insurance
2770 company. After October 1, 1999, the board may assess charges in
2771 addition to the existing State and School Life Insurance Plan
2772 rates to such employees as a condition of enrollment in the State
2773 and School Life Insurance Plan. In order for any life insurance
2774 company group plan to be approved by the State and School
2775 Employees Health Insurance Management Board under this subsection
2776 (7), it shall meet the following criteria:

2777 (a) The insurance company offering the group life
2778 insurance plan shall be rated "A-" or better by A.M. Best state
2779 insurance rating service and be licensed as an admitted carrier in
2780 the State of Mississippi by the Mississippi Department of
2781 Insurance.



2782 (b) The insurance company group life insurance plan
2783 shall provide the same life insurance, accidental death and
2784 dismemberment insurance and waiver of premium benefits as provided
2785 in the State and School Life Insurance Plan.

2786 (c) The insurance company group life insurance plan
2787 shall be fully insured, and no form of self-funding life insurance
2788 by the company shall be approved.

2789 (d) The insurance company group life insurance plan
2790 shall have one (1) composite rate per One Thousand Dollars
2791 (\$1,000.00) of coverage for active employees regardless of age and
2792 one (1) composite rate per One Thousand Dollars (\$1,000.00) of
2793 coverage for all retirees regardless of age or type of retiree.

2794 (e) The insurance company and its group life insurance
2795 plan shall comply with any administrative requirements of the
2796 State and School Employees Health Insurance Management Board. If
2797 any insurance company providing group life insurance benefits to
2798 employees under this subsection (7) fails to comply with any
2799 requirements specified in this subsection or any administrative
2800 requirements of the board, the state shall discontinue providing
2801 funding for the cost of that insurance.

2802 * * *

2803 **SECTION 21.** Section 25-15-11, Mississippi Code of 1972, is
2804 amended as follows:

2805 * * *



2806 25-15-11. (1) The board is authorized to execute a contract
2807 or contracts to provide the benefits under the plan. Such
2808 contract or contracts may be executed with one or more
2809 corporations or associations licensed to transact life and
2810 accident and health insurance business in this state; however, no
2811 such contract shall be executed with any corporation, association
2812 or company domiciled in any other state except that such
2813 corporation, association or company shall meet the conditions and
2814 terms for a like contract established by the state of the domicile
2815 of such corporation, association or company for a Mississippi
2816 corporation, association or company. No corporation, association
2817 or company with less than five (5) years' experience in the life
2818 and health field may bid. All of the benefits to be provided
2819 under the plan may be included in one or more similar contracts,
2820 or the benefits may be classified into different types with each
2821 type included under one or more similar contracts issued by the
2822 same or different companies.

2823 The board shall supply the statistical information upon which
2824 a quotation is to be calculated, upon request, to all carriers
2825 licensed in the state. Bids may be accepted at the discretion of
2826 the board, and the board shall have the right to adjust rates on
2827 an annual basis if the board shall deem such adjustment necessary.
2828 The plan for active employees shall be on retention accounting
2829 basis, and a separate retention accounting basis shall be used for
2830 retired employees. Any additional written information the carrier



2831 wishes to submit, supporting the proposed benefits and premium
2832 rate, may accompany the proposal. After receiving the proposals,
2833 the board shall determine whether to contract with the carrier
2834 which has been determined to have submitted the lowest and best
2835 bid, or to reject all such bids and receive new proposals.

2836 The board shall authorize any corporation licensed to
2837 transact accident and health insurance business in this state
2838 issuing any such contract to reinsure portions of such contract
2839 with any other such corporation which elected to be a reinsurer
2840 and is legally competent to enter into a reinsurance agreement.
2841 The board may designate one or more of such corporations as the
2842 administering corporation or corporations. Each employee who is
2843 covered under any such contract or contracts shall receive a
2844 certificate setting forth the benefits to which the employee is
2845 entitled thereunder, to whom such benefits shall be payable, to
2846 whom claims should be submitted, and summarizing the provisions of
2847 the contract principally affecting the employee. Such certificate
2848 shall be in lieu of the certificate which the corporation or
2849 corporations issuing such contract or contracts would otherwise
2850 issue.

2851 The board may, as of the end of any contract year,
2852 discontinue any contract or contracts it has executed with any
2853 corporation or corporations and replace it or them with a contract
2854 or contracts in any other corporation or corporations meeting the
2855 requirements of this section.



2856 The board may reject any and all bids and contracts under
2857 this section and may elect for the state to become a self-insurer;
2858 however, administration and service of any such self-insured
2859 program may be contracted to a third party by the board.

2860 Any contract with a third party to administer the plan shall
2861 be bid and entered into in accordance with the procedures provided
2862 in Section 25-15-301.

2863 (2) By September 30 of each year, the board shall report to
2864 the Joint Legislative Budget Committee, Senate Insurance
2865 Committee, House Insurance Committee, Senate Education Committee,
2866 House Education Committee and Joint Legislative Committee on
2867 Performance Evaluation and Expenditure Review the condition of the
2868 State and School Employees Life and Health Insurance Plan. Such
2869 report shall contain for the most recently completed fiscal year,
2870 but not be limited to, the following:

2871 (a) The plan's financial condition at the close of the
2872 fiscal year.

2873 (b) The history of yearly claims paid and premiums
2874 received for each premium class, including, but not limited to,
2875 active employees, dependents and retirees.

2876 (c) The history of loss ratios for the active
2877 employees, dependents and retirees premium classes as well as
2878 historical trend of such ratios. For the purposes of this
2879 section, the term "loss ratios" means claims paid by the plan for



2880 each premium class divided by premiums received by the plan for
2881 insurance coverage of the members in that premium class.

2882 (d) Budgetary information, including:

2883 (i) A detailed breakdown of all expenditures of
2884 the plan, administrative and otherwise, for the most recently
2885 completed fiscal year and projected expenditures, administrative
2886 and otherwise, for the current and next fiscal year;

2887 (ii) A schedule of all contracts, administrative
2888 and otherwise, executed for the benefit of the plan during the
2889 most recent completed fiscal year and those executed and
2890 anticipated for the current fiscal year; and

2891 (iii) A description of the processes used by the
2892 board to procure all contracts, administrative and otherwise, as
2893 well as a description of the scope of services to be provided by
2894 each contractor.

2895 Budgetary information shall be provided in a format
2896 designated by the Joint Legislative Budget Committee.

2897 The Joint Legislative Budget Committee, Senate Insurance
2898 Committee, House Insurance Committee, Senate Education Committee,
2899 House Education Committee and Joint Legislative Committee on
2900 Performance Evaluation and Expenditure Review may request
2901 additional information or reports from the board on an as-needed
2902 basis.

2903 (3) Annually, the board shall request, and the Department of
2904 Audit shall conduct, a comprehensive audit of the State and School



2905 Employees Life and Health Insurance Plan. For purposes of this
2906 section, the audit required herein shall be separate and distinct
2907 from any audit prepared in conjunction with the development of the
2908 Comprehensive Annual Financial Report (CAFR).

2909 * * *

2910 **SECTION 22.** Section 25-15-14, Mississippi Code of 1972, is
2911 amended as follows:

2912 * * *

2913 25-15-14. Any elected state or district official who does
2914 not run for reelection or who is defeated before being entitled to
2915 receive a retirement allowance shall be eligible to continue to
2916 participate in the State and School Employees Health Insurance
2917 Plan under the same conditions and coverages for retired
2918 employees.

2919 * * *

2920 **SECTION 23.** Section 25-15-15, Mississippi Code of 1972, is
2921 amended as follows:

2922 * * *

2923 25-15-15. (1) The board is authorized to determine the
2924 manner in which premiums and contributions by the state agencies,
2925 local school districts, colleges, universities, community/junior
2926 colleges and public libraries shall be collected to provide the
2927 self-insured health insurance program for employees as provided
2928 under this article. The state shall provide fifty percent (50%)
2929 of the cost of the above life insurance plan for all active



2930 full-time employees. The state shall provide one hundred percent
2931 (100%) of the cost of the health insurance plan for active
2932 full-time employees initially employed before January 1, 2006,
2933 except as otherwise provided in this section. For active
2934 full-time employees initially employed on or after January 1,
2935 2006, the state shall provide one hundred percent (100%) of the
2936 cost of a basic level of health insurance, except as otherwise
2937 provided in this section, and the employees may pay additional
2938 amounts to purchase additional benefits or levels of coverage
2939 offered under the plan. The board, if determined to be necessary,
2940 may assess active full-time employees a portion of the active
2941 employee premium in an amount not to exceed Twenty Dollars
2942 (\$20.00) per month, notwithstanding any language in this section
2943 to the contrary. All active full-time employees shall be given
2944 the opportunity to purchase coverage for their eligible dependents
2945 with the premiums for such dependent coverage, as well as the
2946 employee's fifty percent (50%) share for his life insurance
2947 coverage, to be deductible from the employee's salary by the
2948 agency, department or institution head, which deductions, together
2949 with the fifty percent (50%) share of such life insurance premiums
2950 of such employing agency, department or institution head from
2951 funds appropriated to or authorized to be expended by the
2952 employing agency, department or institution head, shall be
2953 deposited directly into a depository bank or special fund in the
2954 State Treasury, as determined by the board. These funds and



2955 interest earned on these funds may be used for the disbursement of
2956 claims and shall be exempt from the appropriation process.

2957 (2) The state shall provide annually, by line item in the
2958 Mississippi Library Commission appropriation bill, such funds to
2959 pay one hundred percent (100%) of the cost of health insurance
2960 under the State and School Employees Health Insurance Plan, or any
2961 lesser percentage of the cost that is not assessed to the
2962 employees by the board, for full-time library staff members in
2963 each public library in Mississippi initially employed before
2964 January 1, 2006. For full-time library staff members initially
2965 employed on or after January 1, 2006, the state shall provide one
2966 hundred percent (100%) of the cost of a basic level of health
2967 insurance under the State and School Employees Health Insurance
2968 Plan, or any lesser percentage of the cost that is not assessed to
2969 the employees by the board, and the employees may pay additional
2970 amounts to purchase additional benefits or levels of coverage
2971 offered under the plan. The commission shall allot to each public
2972 library a sufficient amount of those funds appropriated to pay the
2973 costs of insurance for eligible employees. Any funds so
2974 appropriated by line item which are not expended during the fiscal
2975 year for which such funds were appropriated shall be carried
2976 forward for the same purposes during the next succeeding fiscal
2977 year. If any premiums for the health insurance and/or late
2978 charges and interest penalties are not paid by a public library in
2979 a timely manner, as defined by the board, the Mississippi Library



2980 Commission, upon notice by the board, shall immediately withhold
2981 all subsequent disbursements of funds to that public library.

2982 (3) The state shall annually provide one hundred percent
2983 (100%) of the cost of the health insurance plan, or any lesser
2984 percentage of the cost that is not assessed to the employees by
2985 the board, for public school district employees who work no less
2986 than twenty (20) hours during each week and regular nonstudent
2987 school bus drivers, if such employees and school bus drivers were
2988 initially employed before January 1, 2006. For such employees and
2989 school bus drivers initially employed on or after January 1, 2006,
2990 the state shall provide one hundred percent (100%) of the cost of
2991 a basic level of health insurance under the State and School
2992 Employees Health Insurance Plan, or any lesser percentage of the
2993 cost that is not assessed to the employees by the board, and the
2994 employees may pay additional amounts to purchase additional
2995 benefits or levels of coverage offered under the plan. Where
2996 federal funding is allowable to defray, in full or in part, the
2997 cost of participation in the program by district employees who
2998 work no less than twenty (20) hours during the week and regular
2999 nonstudent bus drivers, whose salaries are paid, in full or in
3000 part, by federal funds, the allowance under this section shall be
3001 reduced to the extent of such federal funding. Where the use of
3002 federal funds is allowable but not available, it is the intent of
3003 the Legislature that school districts contribute the cost of
3004 participation for such employees from local funds, except that



3005 parent fees for child nutrition programs shall not be increased to
3006 cover such cost.

3007 (4) The state shall provide annually, by line item in the
3008 community/junior college appropriation bill, such funds to pay one
3009 hundred percent (100%) of the cost of the health insurance plan,
3010 or any lesser percentage of the cost that is not assessed to the
3011 employees by the board, for community/junior college district
3012 employees initially employed before January 1, 2006, who work no
3013 less than twenty (20) hours during each week. For such employees
3014 initially employed on or after January 1, 2006, the state shall
3015 provide one hundred percent (100%) of the cost of a basic level of
3016 health insurance under the State and School Employees Health
3017 Insurance Plan, or any lesser percentage of the cost that is not
3018 assessed to the employees by the board, and the employees may pay
3019 additional amounts to purchase additional benefits or levels of
3020 coverage offered under the plan.

3021 (5) When the use of federal funding is allowable to defray,
3022 in full or in part, the cost of participation in the insurance
3023 plan by community/junior college district employees who work no
3024 less than twenty (20) hours during each week, whose salaries are
3025 paid, in full or in part, by federal funds, the allowance under
3026 this section shall be reduced to the extent of the federal
3027 funding. Where the use of federal funds is allowable but not
3028 available, it is the intent of the Legislature that



3029 community/junior college districts contribute the cost of
3030 participation for such employees from local funds.

3031 (6) Any community/junior college district may contribute to
3032 the cost of coverage for any district employee from local
3033 community/junior college district funds, and any public school
3034 district may contribute to the cost of coverage for any district
3035 employee from nonminimum program funds. Any part of the cost of
3036 such coverage for participating employees of public school
3037 districts and public community/junior college districts that is
3038 not paid by the state shall be paid by the participating
3039 employees, which shall be deducted from the salaries of the
3040 employees in a manner determined by the board.

3041 (7) Any funds appropriated for the cost of insurance by line
3042 item in the community/junior colleges appropriation bill which are
3043 not expended during the fiscal year for which such funds were
3044 appropriated shall be carried forward for the same purposes during
3045 the next succeeding fiscal year.

3046 (8) The board may establish and enforce late charges and
3047 interest penalties or other penalties for the purpose of requiring
3048 the prompt payment of all premiums for life and health insurance
3049 permitted under this chapter. All funds in excess of the amount
3050 needed for disbursement of claims shall be deposited in a special
3051 fund in the State Treasury to be known as the State and School
3052 Employees Insurance Fund. The State Treasurer shall invest all
3053 funds in the State and School Employees Insurance Fund and all



3054 interest earned shall be credited to the State and School
3055 Employees Insurance Fund. Such funds shall be placed with one or
3056 more depositories of the state and invested on the first day such
3057 funds are available for investment in certificates of deposit,
3058 repurchase agreements or in United States Treasury bills or as
3059 otherwise authorized by law for the investment of Public
3060 Employees' Retirement System funds, as long as such investment is
3061 made from competitive offering and at the highest and best market
3062 rate obtainable consistent with any available investment
3063 alternatives; however, such investments shall not be made in
3064 shares of stock, common or preferred, or in any other investments
3065 which would mature more than one (1) year from the date of
3066 investment. The board shall have the authority to draw from this
3067 fund periodically such funds as are necessary to operate the
3068 self-insurance plan or to pay to the insurance carrier the cost of
3069 operation of this plan, it being the purpose to limit the amount
3070 of participation by the state to fifty percent (50%) of the cost
3071 of the life insurance program and not to limit the contracting for
3072 additional benefits where the cost will be paid in full by the
3073 employee. The state shall not share in the cost of coverage for
3074 retired employees.

3075 (9) The board shall also provide for the creation of an
3076 Insurance Reserve Fund and funds therein shall be invested by the
3077 State Treasurer with all interest earned credited to the State and
3078 School Employees Insurance Fund.



3079 (10) Any retired employee electing to purchase retired life
3080 and health insurance will have the full cost of such insurance
3081 deducted monthly from his State of Mississippi retirement plan
3082 check or direct billed for the cost of the premium if the
3083 retirement check is insufficient to pay for the premium. If the
3084 board determines actuarially that the premium paid by the
3085 participating retirees adversely affects the overall cost of the
3086 plan to the state, then the board may impose a premium surcharge,
3087 not to exceed fifteen percent (15%), upon such participating
3088 retired employees who are under the age for Medicare eligibility
3089 and who were initially employed before January 1, 2006. For
3090 participating retired employees who are under the age for Medicare
3091 eligibility and who were initially employed on or after January 1,
3092 2006, the board may impose a premium surcharge in an amount the
3093 board determines actuarially to cover the full cost of insurance.

3094 (11) The board may not impose a premium surcharge or any
3095 other premium differential upon any class of participant of the
3096 plan based on the use or nonuse of tobacco-related products.

3097 (12) This section shall stand repealed on July 1, 2018.

3098 * * *

3099 **SECTION 24.** Sections 25-11-143 and 25-11-145, Mississippi
3100 Code of 1972, which require the Board of Trustees of the Public
3101 Employees' Retirement System to design a plan of health insurance
3102 for all current and future retirees and provide when such plan
3103 shall be implemented, are repealed.



3104 **SECTION 25.** This act shall take effect and be in force from
3105 and after July 1, 2016.

