

By: Representative Lamar

To: Appropriations

HOUSE BILL NO. 520

1 AN ACT TO AMEND SECTION 25-11-109, MISSISSIPPI CODE OF 1972,
 2 TO AUTHORIZE VESTED MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT
 3 SYSTEM TO RECEIVE UP TO TEN YEARS OF CREDITABLE SERVICE FOR
 4 SERVICE RENDERED AS AN EMPLOYEE OF ANY EMPLOYER THAT DOES NOT
 5 PARTICIPATE IN THE RETIREMENT SYSTEM; TO PROVIDE THAT IN ORDER TO
 6 BE ABLE TO RECEIVE THAT SERVICE, THE MEMBER CANNOT BE RECEIVING
 7 AND WILL NOT BE ENTITLED TO RECEIVE A RETIREMENT ALLOWANCE THAT
 8 INCLUDES THAT SERVICE FROM ANY PUBLIC OR PRIVATE RETIREMENT SYSTEM
 9 OR PLAN SPONSORED BY THE EMPLOYER, AND THE MEMBER MUST PAY TO THE
 10 RETIREMENT SYSTEM BEFORE THE DATE OF RETIREMENT THE ACTUARIAL COST
 11 AS DETERMINED BY THE ACTUARY FOR EACH YEAR, OR PORTION THEREOF, OF
 12 CREDITABLE SERVICE; AND FOR RELATED PURPOSES.

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

14 **SECTION 1.** Section 25-11-109, Mississippi Code of 1972, is
 15 amended as follows:

16 25-11-109. (1) Under such rules and regulations as the
 17 board of trustees shall adopt, each person who becomes a member of
 18 this retirement system, as provided in Section 25-11-105, on or
 19 before July 1, 1953, or who became a member of the system before
 20 July 1, 2007, and contributes to the system for a minimum period
 21 of four (4) years, or who became a member of the system on or
 22 after July 1, 2007, and contributes to the system for a minimum
 23 period of eight (8) years, shall receive credit for all state



24 service rendered before February 1, 1953. To receive that credit,
25 the member shall file a detailed statement of all services as an
26 employee rendered by him in the state service before February 1,
27 1953. For any member who joined the system after July 1, 1953,
28 and before July 1, 2007, any creditable service for which the
29 member is not required to make contributions shall not be credited
30 to the member until the member has contributed to the system for a
31 minimum period of at least four (4) years. For any member who
32 joined the system on or after July 1, 2007, any creditable service
33 for which the member is not required to make contributions shall
34 not be credited to the member until the member has contributed to
35 the system for a minimum period of at least eight (8) years.

36 (2) (a) (i) In the computation of creditable service for
37 service rendered before July 1, 2017, under the provisions of this
38 article, the total months of accumulative service during any
39 fiscal year shall be calculated in accordance with the schedule as
40 follows: ten (10) or more months of creditable service during any
41 fiscal year shall constitute a year of creditable service; seven
42 (7) months to nine (9) months inclusive, three-quarters (3/4) of a
43 year of creditable service; four (4) months to six (6) months
44 inclusive, one-half (1/2) year of creditable service; one (1)
45 month to three (3) months inclusive, one-quarter (1/4) of a year
46 of creditable service.

47 (ii) In the computation of creditable service
48 rendered on or after July 1, 2017, under the provisions of this



49 article, service credit shall be awarded in monthly increments in
50 a manner prescribed by regulations of the board.

51 (b) In no case shall credit be allowed for any period
52 of absence without compensation except for disability while in
53 receipt of a disability retirement allowance, nor shall less than
54 fifteen (15) days of service in any month, or service less than
55 the equivalent of one-half (1/2) of the normal working load for
56 the position and less than one-half (1/2) of the normal
57 compensation for the position in any month, constitute a month of
58 creditable service, nor shall more than one (1) year of service be
59 creditable for all services rendered in any one (1) fiscal year;
60 however, for a school employee, substantial completion of the
61 legal school term when and where the service was rendered shall
62 constitute a year of service credit. Any state or local elected
63 official shall be deemed a full-time employee for the purpose of
64 creditable service. However, an appointed or elected official
65 compensated on a per diem basis only shall not be allowed
66 creditable service for terms of office.

67 (c) In the computation of any retirement allowance or
68 any annuity or benefits provided in this article, any fractional
69 period of service of less than one (1) year shall be taken into
70 account and a proportionate amount of such retirement allowance,
71 annuity or benefit shall be granted for any such fractional period
72 of service.



73 (d) (i) In the computation of unused leave for
74 creditable service authorized in Section 25-11-103, the following
75 shall govern for members who retire before July 1, 2017:
76 twenty-one (21) days of unused leave shall constitute one (1)
77 month of creditable service and in no case shall credit be allowed
78 for any period of unused leave of less than fifteen (15) days.
79 The number of months of unused leave shall determine the number of
80 quarters or years of creditable service in accordance with the
81 above schedule for membership and prior service.

82 (ii) In the computation of unused leave for
83 creditable service authorized in Section 25-11-103, the following
84 shall govern for members who retire on or after July 1, 2017:
85 creditable service for unused leave shall be calculated in monthly
86 increments in which one (1) month of service credit shall be
87 awarded for each twenty-one (21) days of unused leave, except that
88 the first fifteen (15) to fifty-seven (57) days of leave shall
89 constitute three (3) months of service for those who became a
90 member of the system before July 1, 2017.

91 (iii) In order for the member to receive
92 creditable service for the number of days of unused leave under
93 this paragraph, the system must receive certification from the
94 governing authority.

95 (e) For the purposes of this subsection, members of the
96 system who retire on or after July 1, 2010, shall receive credit
97 for one-half (1/2) day of leave for each full year of membership



98 service accrued after June 30, 2010. The amount of leave received
99 by a member under this paragraph shall be added to the lawfully
100 credited unused leave for which creditable service is provided
101 under Section 25-11-103(i).

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

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

109 (ii) For service on and after July 1, 1984, the
110 member shall receive credit for personal and major medical leave
111 beginning July 1, 1984, at the rates authorized in Sections
112 25-3-93 and 25-3-95, computed as a full-time employee.

113 (iii) If a member is employed in a covered
114 nonelected position and a covered elected position simultaneously,
115 that member may not receive service credit for accumulated unused
116 leave for both positions at retirement for the period during which
117 the member was dually employed. During the period during which
118 the member is dually employed, the member shall only receive
119 credit for leave as provided for in this paragraph for an elected
120 official.

121 (3) Subject to the above restrictions and to such other
122 rules and regulations as the board may adopt, the board shall



123 verify, as soon as practicable after the filing of such statements
124 of service, the services therein claimed.

125 (4) Upon verification of the statement of prior service, the
126 board shall issue a prior service certificate certifying to each
127 member the length of prior service for which credit shall have
128 been allowed on the basis of his statement of service. So long as
129 membership continues, a prior service certificate shall be final
130 and conclusive for retirement purposes as to such service,
131 provided that any member may within five (5) years from the date
132 of issuance or modification of such certificate request the board
133 of trustees to modify or correct his prior service certificate.
134 Any modification or correction authorized shall only apply
135 prospectively.

136 When membership ceases, such prior service certificates shall
137 become void. Should the employee again become a member, he shall
138 enter the system as an employee not entitled to prior service
139 credit except as provided in Sections 25-11-105(I), 25-11-113 and
140 25-11-117.

141 (5) Creditable service at retirement, on which the
142 retirement allowance of a member shall be based, shall consist of
143 the membership service rendered by him since he last became a
144 member, and also, if he has a prior service certificate that is in
145 full force and effect, the amount of the service certified on his
146 prior service certificate.



147 (6) Any member who served on active duty in the Armed Forces
148 of the United States, who served in the Commissioned Corps of the
149 United States Public Health Service before 1972 or who served in
150 maritime service during periods of hostility in World War II,
151 shall be entitled to creditable service at no cost for his service
152 on active duty in the Armed Forces, in the Commissioned Corps of
153 the United States Public Health Service before 1972 or in such
154 maritime service, provided he entered state service after his
155 discharge from the Armed Forces or entered state service after he
156 completed such maritime service. The maximum period for such
157 creditable service for all military service as defined in this
158 subsection (6) shall not exceed four (4) years unless positive
159 proof can be furnished by such person that he was retained in the
160 Armed Forces during World War II or in maritime service during
161 World War II by causes beyond his control and without opportunity
162 of discharge. The member shall furnish proof satisfactory to the
163 board of trustees of certification of military service or maritime
164 service records showing dates of entrance into active duty service
165 and the date of discharge. From and after July 1, 1993, no
166 creditable service shall be granted for any military service or
167 maritime service to a member who qualifies for a retirement
168 allowance in another public retirement system administered by the
169 Board of Trustees of the Public Employees' Retirement System
170 based, in whole or in part, on such military or maritime service.
171 In no case shall the member receive creditable service if the



172 member received a dishonorable discharge from the Armed Forces of
173 the United States.

174 (7) (a) Any member of the Public Employees' Retirement
175 System whose membership service is interrupted as a result of
176 qualified military service within the meaning of Section 414(u) (5)
177 of the Internal Revenue Code, and who has received the maximum
178 service credit available under subsection (6) of this section,
179 shall receive creditable service for the period of qualified
180 military service that does not qualify as creditable service under
181 subsection (6) of this section upon reentering membership service
182 in an amount not to exceed five (5) years if:

183 (i) The member pays the contributions he would
184 have made to the retirement system if he had remained in
185 membership service for the period of qualified military service
186 based upon his salary at the time his membership service was
187 interrupted;

188 (ii) The member returns to membership service
189 within ninety (90) days of the end of his qualified military
190 service; and

191 (iii) The employer at the time the member's
192 service was interrupted and to which employment the member returns
193 pays the contributions it would have made into the retirement
194 system for such period based on the member's salary at the time
195 the service was interrupted.



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

201 (c) The member shall furnish proof satisfactory to the
202 board of trustees of certification of military service showing
203 dates of entrance into qualified service and the date of discharge
204 as well as proof that the member has returned to active employment
205 within the time specified.

206 (8) Any member of the Public Employees' Retirement System
207 who became a member of the system before July 1, 2007, and who has
208 at least four (4) years of membership service credit, or who
209 became a member of the system on or after July 1, 2007, and who
210 has at least eight (8) years of membership service credit, shall
211 be entitled to receive a maximum of five (5) years' creditable
212 service for service rendered in another state as a public employee
213 of such other state, or a political subdivision, public education
214 system or other governmental instrumentality thereof, or service
215 rendered as a teacher in American overseas dependent schools
216 conducted by the Armed Forces of the United States for children of
217 citizens of the United States residing in areas outside the
218 continental United States, provided that:

219 (a) The member shall furnish proof satisfactory to the
220 board of trustees of certification of such services from the



221 state, public education system, political subdivision or
222 retirement system of the state where the services were performed
223 or the governing entity of the American overseas dependent school
224 where the services were performed; and

225 (b) The member is not receiving or will not be entitled
226 to receive from the public retirement system of the other state or
227 from any other retirement plan, including optional retirement
228 plans, sponsored by the employer, a retirement allowance including
229 such services; and

230 (c) The member shall pay to the retirement system on
231 the date he or she is eligible for credit for such out-of-state
232 service or at any time thereafter before the date of retirement
233 the actuarial cost as determined by the actuary for each year of
234 out-of-state creditable service. The provisions of this
235 subsection are subject to the limitations of Section 415 of the
236 Internal Revenue Code and regulations promulgated under that
237 section.

238 (9) Any member of the Public Employees' Retirement System
239 who became a member of the system before July 1, 2007, and has at
240 least four (4) years of membership service credit, or who became a
241 member of the system on or after July 1, 2007, and has at least
242 eight (8) years of membership service credit, and who receives, or
243 has received, professional leave without compensation for
244 professional purposes directly related to the employment in state



245 service shall receive creditable service for the period of
246 professional leave without compensation provided:

247 (a) The professional leave is performed with a public
248 institution or public agency of this state, or another state or
249 federal agency;

250 (b) The employer approves the professional leave
251 showing the reason for granting the leave and makes a
252 determination that the professional leave will benefit the
253 employee and employer;

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

256 (d) The employee shall serve the employer on a
257 full-time basis for a period of time equivalent to the
258 professional leave period granted immediately following the
259 termination of the leave period;

260 (e) The contributing member shall pay to the retirement
261 system the actuarial cost as determined by the actuary for each
262 year of professional leave. The provisions of this subsection are
263 subject to the regulations of the Internal Revenue Code
264 limitations;

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

268 Any actively contributing member participating in the School
269 Administrator Sabbatical Program established in Section 37-9-77



270 shall qualify for continued participation under this subsection
271 (9).

272 (10) Any member of the Public Employees' Retirement System
273 who became a member of the system before July 1, 2007, and has at
274 least four (4) years of credited membership service, or who became
275 a member of the system on or after July 1, 2007, and has at least
276 eight (8) years of credited membership service, shall be entitled
277 to receive a maximum of ten (10) years creditable service for:

278 (a) Any service rendered as an employee of any
279 political subdivision of this state, or any instrumentality
280 thereof, that does not participate in the Public Employees'
281 Retirement System; or

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

286 (c) Any service rendered as an employee of any
287 political subdivision of this state, or any instrumentality
288 thereof, for which coverage of the employee's position was or is
289 excluded; provided that the member pays into the retirement system
290 the actuarial cost as determined by the actuary for each year, or
291 portion thereof, of such service. After a member has made full
292 payment to the retirement system for all or any part of such
293 service, the member shall receive creditable service for the



294 period of such service for which full payment has been made to the
295 retirement system.

296 (11) Any member of the Public Employees' Retirement System
297 who became a member of the system before July 1, 2007, and who has
298 at least four (4) years of membership service credit, or who
299 became a member of the system on or after July 1, 2007, and who
300 has at least eight (8) years of membership service credit, shall
301 be entitled to receive a maximum of ten (10) years of creditable
302 service for service rendered as an employee of any employer that
303 does not participate in the Public Employees' Retirement System,
304 provided that:

305 (a) The member shall furnish proof satisfactory to the
306 board of trustees of certification of that service from the
307 employer for which the service was performed; and

308 (b) The member is not receiving or will not be entitled
309 to receive a retirement allowance that includes that service from
310 any public or private retirement system or plan sponsored by the
311 employer; and

312 (c) The member shall pay to the retirement system on
313 the date he or she is eligible for credit for that service or at
314 any time thereafter before the date of retirement the actuarial
315 cost as determined by the actuary for each year, or portion
316 thereof, of creditable service.

317 After a member has made full payment to the retirement system
318 for all or any part of that service, the member shall receive



319 creditable service for the period of that service for which full
320 payment has been made to the retirement system.

321 **SECTION 2.** This act shall take effect and be in force from
322 and after July 1, 2018.

