

By: Representative Zuber (By Request)

To: State Affairs

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1590

1 AN ACT TO AMEND SECTION 25-11-123, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT THE INCREASE IN THE EMPLOYER'S CONTRIBUTION RATE
3 THAT IS SCHEDULED TO TAKE EFFECT ON JULY 1, 2024, IS RESCINDED AND
4 SHALL NOT TAKE EFFECT; TO BRING FORWARD SECTIONS 25-11-15,
5 25-11-103, 25-11-105, 25-11-109, 25-11-111, 25-11-112, 25-11-113,
6 25-11-114, 25-11-115, 25-11-117, 25-11-119, 25-11-121 25-11-127,
7 25-11-133 AND 25-11-139, MISSISSIPPI CODE OF 1972, FOR THE PURPOSE
8 OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 25-11-15, Mississippi Code of 1972, is
11 brought forward as follows:

12 25-11-15. (1) Board of trustees: The general
13 administration and responsibility for the proper operation of the
14 Public Employees' Retirement System and the federal-state
15 agreement and for making effective the provisions of Articles 1
16 and 3 are vested in a board of trustees.

17 (2) The board shall consist of ten (10) trustees, as
18 follows:

19 (a) The State Treasurer;



20 (b) One (1) member who shall be appointed by the
21 Governor for a term of four (4) years, who shall be a member of
22 the system;

23 (c) Two (2) members of the system having at least ten
24 (10) years of creditable service who are state employees who are
25 not employees of the state institutions of higher learning, who
26 shall be elected by members of the system who are employees of
27 state agencies and by members of the Mississippi Highway Safety
28 Patrol Retirement System, but not by employees of the state
29 institutions of higher learning;

30 (d) Two (2) members of the system having at least ten
31 (10) years of creditable service who do not hold office in the
32 legislative or judicial departments of municipal or county
33 government, one (1) of whom shall be an employee of a
34 municipality, instrumentality or juristic entity thereof, who
35 shall be elected by members of the system who are employees of the
36 municipalities, instrumentalities or juristic entities thereof and
37 by members of the municipal systems and the firemen's and
38 policemen's disability and relief funds administered by the board
39 of trustees, and one (1) of whom shall be an employee of a county,
40 instrumentality or juristic entity thereof, who shall be elected
41 by members of the system who are employees of the counties,
42 instrumentalities or juristic entities thereof;

43 (e) One (1) member of the system having at least ten
44 (10) years of creditable service who is an employee of a state



45 institution of higher learning, who shall be elected by members of
46 the system who are employees of the state institutions of higher
47 learning as included in Section 37-101-1. Any member of the board
48 on July 1, 1984, who is an employee of an institution of higher
49 learning shall serve as the member trustee representing the
50 institutions of higher learning until the end of the term for
51 which he or she was elected;

52 (f) Two (2) retired members who are receiving a
53 retirement allowance from the system, who shall be elected by the
54 retired members or beneficiaries receiving a retirement allowance
55 from the system and by the retired members or beneficiaries of the
56 municipal systems, the firemen's and policemen's disability and
57 relief funds and the Mississippi Highway Safety Patrol Retirement
58 System administered by the board of trustees, to serve for a term
59 of six (6) years under rules and regulations adopted by the board
60 to govern that election; however, any retired member of the board
61 in office on April 19, 1993, shall serve as a retired trustee
62 until the end of the term for which he or she was elected;

63 (g) One (1) member of the system having at least ten
64 (10) years of creditable service who is an employee of any public
65 school district or junior college or community college district
66 that participates in the system, who shall be elected by the
67 members of the system who are employees of any public school
68 district or junior college or community college district; however,
69 any member of the board on June 30, 1989, who is a certified



70 classroom teacher shall serve as the member representing a
71 classroom teacher until the end of the term for which the member
72 was appointed;

73 (h) In the first election to be held for trustees one
74 (1) member shall be elected for a term of two (2) years, and one
75 (1) member for a term of four (4) years, and one (1) member for a
76 term of six (6) years. Thereafter, their successors shall be
77 elected for terms of six (6) years. All elections shall be held
78 in accordance with rules and regulations adopted by the board to
79 govern those elections and the board shall be the sole judge of
80 all questions arising incident to or connected with the elections.

81 (i) Any person eligible to vote for the election of a
82 member of the board of trustees and who meets the qualifications
83 for the office may seek election to the office and serve if
84 elected. For purposes of determining eligibility to seek office
85 as a member of the board of trustees, the required creditable
86 service in "the system" shall include each system administered by
87 the board of trustees in which the person is a member.

88 The members described above and serving on the board on June
89 30, 1989, shall continue to serve on the board until the
90 expiration of their terms.

91 (3) If a vacancy occurs in the office of a trustee, the
92 vacancy shall be filled for the unexpired term in the same manner
93 as the office was previously filled. However, if the unexpired
94 term is six (6) months or less, an election shall be held to fill



95 the office vacated for the next succeeding full term of office,
96 and the person so elected to fill the next full term shall be
97 appointed by the board to fill the remainder of the unexpired
98 term. Whenever any member who is elected to a position to
99 represent a class of members ceases to be a member of that class,
100 that board member is no longer eligible for membership on the
101 board. The position shall be declared vacant, and the unexpired
102 term shall be filled in the same manner as the office was
103 previously filled.

104 (4) Each trustee shall, within ten (10) days after his or
105 her appointment or election, take an oath of office as provided by
106 law and, in addition, shall take an oath that he or she will
107 diligently and honestly administer the affairs of the board, and
108 that he or she will not knowingly violate or willingly permit to
109 be violated any of the provisions of law applicable to Articles 1
110 and 3. The oath shall be signed by the member making it,
111 certified by the officer before whom it is taken, and immediately
112 filed in the office of the Secretary of State.

113 (5) Each trustee shall be entitled to one (1) vote. Six (6)
114 members shall constitute a quorum at any meeting of the board, and
115 a majority of those present shall be necessary for a decision.

116 (6) Subject to the limitations of Articles 1 and 3, the
117 board shall establish rules and regulations for the administration
118 of the system created by those articles and for the transaction of
119 its business, and to give force and effect to the provisions of



120 those articles wherever necessary to carry out the intent and
121 purposes of the Legislature. The cited articles are remedial law
122 and shall be liberally construed to accomplish their purposes.

123 (7) Notwithstanding any other law to the contrary, in the
124 event of a natural disaster or other occurrence that results in
125 the failure of the retirement system's computer system or a
126 significant disruption of the normal activities of the retirement
127 system, the executive director of the board, or his or her deputy,
128 shall be authorized to contract with another entity, governmental
129 or private, during the period of the failure or disruption, for
130 services, commodities, work space and supplies as necessary to
131 carry out the administration of all systems and programs
132 administered by the board. The board shall be authorized to pay
133 the reasonable cost of those services, commodities, work space and
134 supplies. At the meeting of the board next following the
135 execution of a contract authorized under this subsection,
136 documentation of the contract, including a description of the
137 services, commodities, work space or supplies, the price thereof
138 and the nature of the disaster or occurrence, shall be presented
139 to the board and placed on the minutes of the board. Because of
140 their emergency nature, purchases made under this subsection shall
141 not be required to comply with the provisions of Section 31-7-13
142 or any other law governing public purchases.

143 (8) The computer equipment and software owned by the Public
144 Employees' Retirement System are assets of the Trust Fund by



145 virtue of the Constitution, Section 272-A and acquisition and
146 operation thereof shall be under the jurisdiction of the Public
147 Employees' Retirement System.

148 (9) The board shall elect a chairman and shall by a majority
149 vote of all of its members appoint a secretary whose title shall
150 be executive director, who shall serve at the will and pleasure of
151 the board, who shall not be a member of the board of trustees, who
152 shall be entitled to membership in the system, and who shall act
153 as secretary of the board. The board of trustees shall employ
154 such actuarial, clerical and other employees as are required to
155 transact the business of the system, and shall fix the
156 compensation of all employees, subject to the rules and
157 regulations of the State Personnel Board.

158 (10) Each member of the board shall receive as compensation
159 for his or her services Three Hundred Dollars (\$300.00) per month.
160 All members of the board shall be reimbursed for their necessary
161 traveling expenses, which shall be paid in accordance with the
162 requirements of Section 25-3-41 or other applicable statutes with
163 respect to traveling expenses of state officials and employees on
164 official business. All members of the board shall be entitled to
165 be members of the system and shall be entitled to creditable
166 service for all time served as a member of the board, except for
167 the retired members, who shall not be entitled to be a member of
168 the system and who shall be eligible to receive the retirement
169 allowance and compensation for services from the system while



170 serving as a member of the board. Members of the board who are
171 employed in state service (as defined in Section 25-11-103) shall
172 not be required to take annual leave from their state service
173 employment while performing his or her official duties as a member
174 of the board.

175 (11) All expenses of the board incurred in the
176 administration of Articles 1 and 3 shall be paid from such funds
177 as may be appropriated by the Legislature for that purpose or from
178 administrative fees collected from political subdivisions or
179 juristic entities of the state. Each political subdivision of the
180 state and each instrumentality of the state or of a political
181 subdivision or subdivisions that submit a plan for approval by the
182 board as provided in Section 25-11-11 shall reimburse the board,
183 for coverage into the administrative expense fund, its pro rata
184 share of the total expense of administering Articles 1 and 3 as
185 provided by regulations of the board.

186 (12) The Lieutenant Governor may designate two (2) Senators
187 and the Speaker of the House of Representatives may designate two
188 (2) Representatives to attend any meeting of the Board of Trustees
189 of the Public Employees' Retirement System. The appointing
190 authorities may designate alternate members from their respective
191 houses to serve when the regular designees are unable to attend
192 the meetings of the board. The legislative designees shall have
193 no jurisdiction or vote on any matter within the jurisdiction of
194 the board. For attending meetings of the board, the legislators



195 shall receive per diem and expenses, which shall be paid from the
196 contingent expense funds of their respective houses in the same
197 amounts as provided for committee meetings when the Legislature is
198 not in session; however, no per diem and expenses for attending
199 meetings of the board will be paid while the Legislature is in
200 session. No per diem and expenses will be paid except for
201 attending meetings of the board without prior approval of the
202 proper committee in their respective houses.

203 **SECTION 2.** Section 25-11-103, Mississippi Code of 1972, is
204 brought forward as follows:

205 25-11-103. (1) The following words and phrases as used in
206 Articles 1 and 3, unless a different meaning is plainly required
207 by the context, have the following meanings:

208 (a) "Accumulated contributions" means the sum of all
209 the amounts deducted from the compensation of a member and
210 credited to his or her individual account in the annuity savings
211 account, together with regular interest as provided in Section
212 25-11-123.

213 (b) "Actuarial cost" means the amount of funds
214 presently required to provide future benefits as determined by the
215 board based on applicable tables and formulas provided by the
216 actuary.

217 (c) "Actuarial equivalent" means a benefit of equal
218 value to the accumulated contributions, annuity or benefit, as the



219 case may be, when computed upon the basis of such mortality tables
220 as adopted by the board of trustees, and regular interest.

221 (d) "Actuarial tables" mean such tables of mortality
222 and rates of interest as adopted by the board in accordance with
223 the recommendation of the actuary.

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

226 (f) "Average compensation" means the average of the
227 four (4) highest years of earned compensation reported for an
228 employee in a fiscal or calendar year period, or combination
229 thereof that do not overlap, or the last forty-eight (48)
230 consecutive months of earned compensation reported for an
231 employee. The four (4) years need not be successive or joined
232 years of service. In computing the average compensation for
233 retirement, disability or survivor benefits, any amount lawfully
234 paid in a lump sum for personal leave or major medical leave shall
235 be included in the calculation to the extent that the amount does
236 not exceed an amount that is equal to thirty (30) days of earned
237 compensation and to the extent that it does not cause the
238 employee's earned compensation to exceed the maximum reportable
239 amount specified in paragraph (k) of this subsection; however,
240 this thirty-day limitation shall not prevent the inclusion in the
241 calculation of leave earned under federal regulations before July
242 1, 1976, and frozen as of that date as referred to in Section
243 25-3-99. In computing the average compensation, no amounts shall



244 be used that are in excess of the amount on which contributions
245 were required and paid, and no nontaxable amounts paid by the
246 employer for health or life insurance premiums for the employee
247 shall be used. If any member who is or has been granted any
248 increase in annual salary or compensation of more than eight
249 percent (8%) retires within twenty-four (24) months from the date
250 that the increase becomes effective, then the board shall exclude
251 that part of the increase in salary or compensation that exceeds
252 eight percent (8%) in calculating that member's average
253 compensation for retirement purposes. The board may enforce this
254 provision by rule or regulation. However, increases in
255 compensation in excess of eight percent (8%) per year granted
256 within twenty-four (24) months of the date of retirement may be
257 included in the calculation of average compensation if
258 satisfactory proof is presented to the board showing that the
259 increase in compensation was the result of an actual change in the
260 position held or services rendered, or that the compensation
261 increase was authorized by the State Personnel Board or was
262 increased as a result of statutory enactment, and the employer
263 furnishes an affidavit stating that the increase granted within
264 the last twenty-four (24) months was not contingent on a promise
265 or agreement of the employee to retire. Nothing in Section
266 25-3-31 shall affect the calculation of the average compensation
267 of any member for the purposes of this article. The average



268 compensation of any member who retires before July 1, 1992, shall
269 not exceed the annual salary of the Governor.

270 (g) "Beneficiary" means any person entitled to receive
271 a retirement allowance, an annuity or other benefit as provided by
272 Articles 1 and 3. The term "beneficiary" may also include an
273 organization, estate, trust or entity; however, a beneficiary
274 designated or entitled to receive monthly payments under an
275 optional settlement based on life contingency or under a statutory
276 monthly benefit may only be a natural person. In the event of the
277 death before retirement of any member who became a member of the
278 system before July 1, 2007, and whose spouse and/or children are
279 not entitled to a retirement allowance on the basis that the
280 member has less than four (4) years of membership service credit,
281 or who became a member of the system on or after July 1, 2007, and
282 whose spouse and/or children are not entitled to a retirement
283 allowance on the basis that the member has less than eight (8)
284 years of membership service credit, and/or has not been married
285 for a minimum of one (1) year or the spouse has waived his or her
286 entitlement to a retirement allowance under Section 25-11-114, the
287 lawful spouse of a member at the time of the death of the member
288 shall be the beneficiary of the member unless the member has
289 designated another beneficiary after the date of marriage in
290 writing, and filed that writing in the office of the executive
291 director of the board of trustees. No designation or change of
292 beneficiary shall be made in any other manner.



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

296 (i) "Creditable service" means "prior service,"
297 "retroactive service" and all lawfully credited unused leave not
298 exceeding the accrual rates and limitations provided in Section
299 25-3-91 et seq., as of the date of withdrawal from service plus
300 "membership service" and other service for which credit is
301 allowable as provided in Section 25-11-109. Except to limit
302 creditable service reported to the system for the purpose of
303 computing an employee's retirement allowance or annuity or
304 benefits provided in this article, nothing in this paragraph shall
305 limit or otherwise restrict the power of the governing authority
306 of a municipality or other political subdivision of the state to
307 adopt such vacation and sick leave policies as it deems necessary.

308 (j) "Child" means either a natural child of the member,
309 a child that has been made a child of the member by applicable
310 court action before the death of the member, or a child under the
311 permanent care of the member at the time of the latter's death,
312 which permanent care status shall be determined by evidence
313 satisfactory to the board. For purposes of this paragraph, a
314 natural child of the member is a child of the member that is
315 conceived before the death of the member.

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



318 compensation limit set pursuant to Section 401(a) (17) of the
319 Internal Revenue Code for the calendar year in which the fiscal
320 year begins and proportionately for less than one (1) year of
321 service. Except as otherwise provided in this paragraph, the
322 value of maintenance furnished to an employee shall not be
323 included in earned compensation. Earned compensation shall not
324 include any amounts paid by the employer for health or life
325 insurance premiums for an employee. Earned compensation shall be
326 limited to the regular periodic compensation paid, exclusive of
327 litigation fees, bond fees, performance-based incentive payments,
328 and other similar extraordinary nonrecurring payments. In
329 addition, any member in a covered position, as defined by Public
330 Employees' Retirement System laws and regulations, who is also
331 employed by another covered agency or political subdivision shall
332 have the earnings of that additional employment reported to the
333 Public Employees' Retirement System regardless of whether the
334 additional employment is sufficient in itself to be a covered
335 position. In addition, computation of earned compensation shall
336 be governed by the following:

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



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

345 (iii) In the case of members of the State
346 Legislature, all remuneration or amounts paid, except mileage
347 allowance, shall apply.

348 (iv) The amount by which an eligible employee's
349 salary is reduced under a salary reduction agreement authorized
350 under Section 25-17-5 shall be included as earned compensation
351 under this paragraph, provided this inclusion does not conflict
352 with federal law, including federal regulations and federal
353 administrative interpretations under the federal law, pertaining
354 to the Federal Insurance Contributions Act or to Internal Revenue
355 Code Section 125 cafeteria plans.

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

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

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



367 (viii) The value of maintenance furnished to an
368 employee before July 1, 2013, for which the proper amount of
369 employer and employee contributions have been paid, shall be
370 included in earned compensation. From and after July 1, 2013, the
371 value of maintenance furnished to an employee shall be reported as
372 earned compensation only if the proper amount of employer and
373 employee contributions have been paid on the maintenance and the
374 employee was receiving maintenance and having maintenance reported
375 to the system as of June 30, 2013. The value of maintenance when
376 not paid in money shall be fixed by the employing state agency,
377 and, in case of doubt, by the board of trustees as defined in
378 Section 25-11-15.

379 (ix) Except as otherwise provided in this
380 paragraph, the value of any in-kind benefits provided by the
381 employer shall not be included in earned compensation. As used in
382 this subparagraph, "in-kind benefits" shall include, but not be
383 limited to, group life insurance premiums, health or dental
384 insurance premiums, nonpaid major medical and personal leave,
385 employer contributions for social security and retirement, tuition
386 reimbursement or educational funding, day care or transportation
387 benefits.

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



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

394 (n) "Executive director" means the secretary to the
395 board of trustees, as provided in Section 25-11-15(9), and the
396 administrator of the Public Employees' Retirement System and all
397 systems under the management of the board of trustees. Wherever
398 the term "Executive Secretary of the Public Employees' Retirement
399 System" or "executive secretary" appears in this article or in any
400 other provision of law, it shall be construed to mean the
401 Executive Director of the Public Employees' Retirement System.

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

404 (p) "Medical board" means the board of physicians or
405 any governmental or nongovernmental disability determination
406 service designated by the board of trustees that is qualified to
407 make disability determinations as provided for in Section
408 25-11-119.

409 (q) "Member" means any person included in the
410 membership of the system as provided in Section 25-11-105. For
411 purposes of Sections 25-11-103, 25-11-105, 25-11-109, 25-11-111,
412 25-11-113, 25-11-114, 25-11-115 and 25-11-117, if a member of the
413 system withdrew from state service and received a refund of the
414 amount of the accumulated contributions to the credit of the
415 member in the annuity savings account before July 1, 2007, and the



416 person reenters state service and becomes a member of the system
417 again on or after July 1, 2007, and repays all or part of the
418 amount received as a refund and interest in order to receive
419 creditable service for service rendered before July 1, 2007, the
420 member shall be considered to have become a member of the system
421 on or after July 1, 2007, subject to the eight-year membership
422 service requirement, as applicable in those sections. For
423 purposes of Sections 25-11-103, 25-11-111, 25-11-114 and
424 25-11-115, if a member of the system withdrew from state service
425 and received a refund of the amount of the accumulated
426 contributions to the credit of the member in the annuity savings
427 account before July 1, 2011, and the person reenters state service
428 and becomes a member of the system again on or after July 1, 2011,
429 and repays all or part of the amount received as a refund and
430 interest in order to receive creditable service for service
431 rendered before July 1, 2011, the member shall be considered to
432 have become a member of the system on or after July 1, 2011.

433 (r) "Membership service" means service as an employee
434 in a covered position rendered while a contributing member of the
435 retirement system.

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



441 determine upon initial employment and during the course of
442 employment of an employee who does not meet the criteria for
443 coverage in the Public Employees' Retirement System based on the
444 position held, whether the employee is or becomes eligible for
445 coverage in the Public Employees' Retirement System based upon any
446 other employment in a covered agency or political subdivision. If
447 or when the employee meets the eligibility criteria for coverage
448 in the other position, then the employer must withhold
449 contributions and report wages from the noncovered position in
450 accordance with the provisions for reporting of earned
451 compensation. Failure to deduct and report those contributions
452 shall not relieve the employee or employer of liability thereof.
453 The board shall adopt such rules and regulations as necessary to
454 implement and enforce this provision.

455 (t) "Prior service" means:

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

463 (ii) For persons who became members of the system
464 on or after July 1, 2007, service rendered before February 1,
465 1953, for which credit is allowable under Sections 25-11-105 and



466 25-11-109, and which shall allow prior service for any person who
467 is now or becomes a member of the Public Employees' Retirement
468 System and who does contribute to the system for a minimum period
469 of eight (8) years.

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

473 (v) "Retirement allowance" means an annuity for life as
474 provided in this article, payable each year in twelve (12) equal
475 monthly installments beginning as of the date fixed by the board.
476 The retirement allowance shall be calculated in accordance with
477 Section 25-11-111. However, any spouse who received a spouse
478 retirement benefit in accordance with Section 25-11-111(d) before
479 March 31, 1971, and those benefits were terminated because of
480 eligibility for a social security benefit, may again receive his
481 or her spouse retirement benefit from and after making application
482 with the board of trustees to reinstate the spouse retirement
483 benefit.

484 (w) "Retroactive service" means service rendered after
485 February 1, 1953, for which credit is allowable under Section
486 25-11-105(b) and Section 25-11-105(k).

487 (x) "System" means the Public Employees' Retirement
488 System of Mississippi established and described in Section
489 25-11-101.



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

492 (z) "State service" means all offices and positions of
493 trust or employment in the employ of the state, or any political
494 subdivision or instrumentality of the state, that elect to
495 participate as provided by Section 25-11-105(f), including the
496 position of elected or fee officials of the counties and their
497 deputies and employees performing public services or any
498 department, independent agency, board or commission thereof, and
499 also includes all offices and positions of trust or employment in
500 the employ of joint state and federal agencies administering state
501 and federal funds and service rendered by employees of the public
502 schools. Effective July 1, 1973, all nonprofessional public
503 school employees, such as bus drivers, janitors, maids,
504 maintenance workers and cafeteria employees, shall have the option
505 to become members in accordance with Section 25-11-105(b), and
506 shall be eligible to receive credit for services before July 1,
507 1973, provided that the contributions and interest are paid by the
508 employee in accordance with that section; in addition, the county
509 or municipal separate school district may pay the employer
510 contribution and pro rata share of interest of the retroactive
511 service from available funds. "State service" shall not include
512 the President of the Mississippi Lottery Corporation and personnel
513 employed by the Mississippi Lottery Corporation. From and after



514 July 1, 1998, retroactive service credit shall be purchased at the
515 actuarial cost in accordance with Section 25-11-105(b).

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

519 (bb) The masculine pronoun, wherever used, includes the
520 feminine pronoun.

521 (2) For purposes of this article, the term "political
522 subdivision" shall have the meaning ascribed to such term in
523 Section 25-11-5 and shall also include public charter schools.

524 **SECTION 3.** Section 25-11-105, Mississippi Code of 1972, is
525 brought forward as follows:

526 25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

527 The membership of this retirement system shall be composed as
528 follows:

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

535 (ii) From and after July 1, 2002, any individual
536 who is employed by a governmental entity to perform professional
537 services shall become a member of the system if the individual is
538 paid regular periodic compensation for those services that is



539 subject to payroll taxes, is provided all other employee benefits
540 and meets the membership criteria established by the regulations
541 adopted by the board of trustees that apply to all other members
542 of the system; however, any active member employed in such a
543 position on July 1, 2002, will continue to be an active member for
544 as long as they are employed in any such position.

545 (b) All persons who become employees in the state
546 service after January 31, 1953, except those specifically excluded
547 or as to whom election is provided in Articles 1 and 3, unless
548 they file with the board before the lapse of sixty (60) days of
549 employment or sixty (60) days after the effective date of the
550 cited articles, whichever is later, on a form prescribed by the
551 board, a notice of election not to be covered by the membership of
552 the retirement system and a duly executed waiver of all present
553 and prospective benefits that would otherwise inure to them on
554 account of their participation in the system, shall become members
555 of the retirement system; however, no credit for prior service
556 will be granted to members who became members of the system before
557 July 1, 2007, until they have contributed to Article 3 of the
558 retirement system for a minimum period of at least four (4) years,
559 or to members who became members of the system on or after July 1,
560 2007, until they have contributed to Article 3 of the retirement
561 system for a minimum period of at least eight (8) years. Those
562 members shall receive credit for services performed before January
563 1, 1953, in employment now covered by Article 3, but no credit



564 shall be granted for retroactive services between January 1, 1953,
565 and the date of their entry into the retirement system, unless the
566 employee pays into the retirement system both the employer's and
567 the employee's contributions on wages paid him during the period
568 from January 31, 1953, to the date of his becoming a contributing
569 member, together with interest at the rate determined by the board
570 of trustees. Members reentering after withdrawal from service
571 shall qualify for prior service under the provisions of Section
572 25-11-117. From and after July 1, 1998, upon eligibility as noted
573 above, the member may receive credit for such retroactive service
574 provided:

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

578 (ii) The member shall pay to the retirement system
579 on the date he or she is eligible for that credit or at any time
580 thereafter before the date of retirement the actuarial cost for
581 each year of that creditable service. The provisions of this
582 subparagraph (ii) shall be subject to the limitations of Section
583 415 of the Internal Revenue Code and regulations promulgated under
584 Section 415.

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



589 (c) All persons who become employees in the state
590 service after January 31, 1953, and who are eligible for
591 membership in any other retirement system shall become members of
592 this retirement system as a condition of their employment, unless
593 they elect at the time of their employment to become a member of
594 that other system.

595 (d) All persons who are employees in the state service
596 on January 31, 1953, and who are members of any nonfunded
597 retirement system operated by the State of Mississippi, or any of
598 its departments or agencies, shall become members of this system
599 with prior service credit unless, before February 1, 1953, they
600 file a written notice with the board of trustees that they do not
601 elect to become members.

602 (e) All persons who are employees in the state service
603 on January 31, 1953, and who under existing laws are members of
604 any fund operated for the retirement of employees by the State of
605 Mississippi, or any of its departments or agencies, shall not be
606 entitled to membership in this retirement system unless, before
607 February 1, 1953, any such person indicates by a notice filed with
608 the board, on a form prescribed by the board, his individual
609 election and choice to participate in this system, but no such
610 person shall receive prior service credit unless he becomes a
611 member on or before February 1, 1953.

612 (f) Each political subdivision of the state and each
613 instrumentality of the state or a political subdivision, or both,



614 is authorized to submit, for approval by the board of trustees, a
615 plan for extending the benefits of this article to employees of
616 any such political subdivision or instrumentality. Each such plan
617 or any amendment to the plan for extending benefits thereof shall
618 be approved by the board of trustees if it finds that the plan, or
619 the plan as amended, is in conformity with such requirements as
620 are provided in Articles 1 and 3; however, upon approval of the
621 plan or any such plan previously approved by the board of
622 trustees, the approved plan shall not be subject to cancellation
623 or termination by the political subdivision or instrumentality.
624 No such plan shall be approved unless:

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

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

637 (iii) It provides for such methods of
638 administration of the plan by the political subdivision or



639 instrumentality as are found by the board of trustees to be
640 necessary for the proper and efficient administration thereof;

641 (iv) It provides that the political subdivision or
642 instrumentality will make such reports, in such form and
643 containing such information, as the board of trustees may from
644 time to time require;

645 (v) It authorizes the board of trustees to
646 terminate the plan in its entirety in the discretion of the board
647 if it finds that there has been a failure to comply substantially
648 with any provision contained in the plan, the termination to take
649 effect at the expiration of such notice and on such conditions as
650 may be provided by regulations of the board and as may be
651 consistent with applicable federal law.

652 1. The board of trustees shall not finally
653 refuse to approve a plan submitted under paragraph (f), and shall
654 not terminate an approved plan without reasonable notice and
655 opportunity for hearing to each political subdivision or
656 instrumentality affected by the board's decision. The board's
657 decision in any such case shall be final, conclusive and binding
658 unless an appeal is taken by the political subdivision or
659 instrumentality aggrieved by the decision to the Circuit Court of
660 the First Judicial District of Hinds County, Mississippi, in
661 accordance with the provisions of law with respect to civil causes
662 by certiorari.



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

670 3. Every political subdivision or
671 instrumentality required to make payments under paragraph (f)(v)2
672 of this section is authorized, in consideration of the employees'
673 retention in or entry upon employment after enactment of Articles
674 1 and 3, to impose upon its employees, as to services that are
675 covered by an approved plan, a contribution with respect to wages
676 (as defined in Section 25-11-5) not exceeding the amount provided
677 in Section 25-11-123(d) if those services constituted employment
678 within the meaning of Articles 1 and 3, and to deduct the amount
679 of the contribution from the wages as and when paid.

680 Contributions so collected shall be paid into the contribution
681 fund as partial discharge of the liability of the political
682 subdivisions or instrumentalities under paragraph (f)(v)2 of this
683 section. Failure to deduct the contribution shall not relieve the
684 employee or employer of liability for the contribution.

685 4. Any state agency, school, political
686 subdivision, instrumentality or any employer that is required to
687 submit contribution payments or wage reports under any section of



688 this chapter shall be assessed interest on delinquent payments or
689 wage reports as determined by the board of trustees in accordance
690 with rules and regulations adopted by the board and delinquent
691 payments, assessed interest and any other amount certified by the
692 board as owed by an employer, may be recovered by action in a
693 court of competent jurisdiction against the reporting agency
694 liable therefor or may, upon due certification of delinquency and
695 at the request of the board of trustees, be deducted from any
696 other monies payable to the reporting agency by any department or
697 agency of the state.

698 5. Each political subdivision of the state
699 and each instrumentality of the state or a political subdivision
700 or subdivisions that submit a plan for approval of the board, as
701 provided in this section, shall reimburse the board for coverage
702 into the expense account, its pro rata share of the total expense
703 of administering Articles 1 and 3 as provided by regulations of
704 the board.

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

711 (h) An employee whose membership in this system is
712 contingent on his own election, and who elects not to become a



713 member, may thereafter apply for and be admitted to membership;
714 but no such employee shall receive prior service credit unless he
715 becomes a member before July 1, 1953, except as provided in
716 paragraph (b).

717 (i) If any member of this system changes his employment
718 to any agency of the state having an actuarially funded retirement
719 system, the board of trustees may authorize the transfer of the
720 member's creditable service and of the present value of the
721 member's employer's accumulation account and of the present value
722 of the member's accumulated membership contributions to that other
723 system, provided that the employee agrees to the transfer of his
724 accumulated membership contributions and provided that the other
725 system is authorized to receive and agrees to make the transfer.

726 If any member of any other actuarially funded system
727 maintained by an agency of the state changes his employment to an
728 agency covered by this system, the board of trustees may authorize
729 the receipt of the transfer of the member's creditable service and
730 of the present value of the member's employer's accumulation
731 account and of the present value of the member's accumulated
732 membership contributions from the other system, provided that the
733 employee agrees to the transfer of his accumulated membership
734 contributions to this system and provided that the other system is
735 authorized and agrees to make the transfer.



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

739 (k) Employees of a political subdivision or
740 instrumentality who were employed by the political subdivision or
741 instrumentality before an agreement between the entity and the
742 Public Employees' Retirement System to extend the benefits of this
743 article to its employees, and which agreement provides for the
744 establishment of retroactive service credit, and who became
745 members of the retirement system before July 1, 2007, and have
746 remained contributors to the retirement system for four (4) years,
747 or who became members of the retirement system on or after July 1,
748 2007, and have remained contributors to the retirement system for
749 eight (8) years, may receive credit for that retroactive service
750 with the political subdivision or instrumentality, provided that
751 the employee and/or employer, as provided under the terms of the
752 modification of the joinder agreement in allowing that coverage,
753 pay into the retirement system the employer's and employee's
754 contributions on wages paid the member during the previous
755 employment, together with interest or actuarial cost as determined
756 by the board covering the period from the date the service was
757 rendered until the payment for the credit for the service was
758 made. Those wages shall be verified by the Social Security
759 Administration or employer payroll records. Effective July 1,
760 1998, upon eligibility as noted above, a member may receive credit



761 for that retroactive service with the political subdivision or
762 instrumentality provided:

763 (i) The member shall furnish proof satisfactory to
764 the board of trustees of certification of those services from the
765 political subdivision or instrumentality where the services were
766 rendered or verification by the Social Security Administration;
767 and

768 (ii) The member shall pay to the retirement system
769 on the date he or she is eligible for that credit or at any time
770 thereafter before the date of retirement the actuarial cost for
771 each year of that creditable service. The provisions of this
772 subparagraph (ii) shall be subject to the limitations of Section
773 415 of the Internal Revenue Code and regulations promulgated under
774 Section 415.

775 Nothing contained in this paragraph (k) shall be construed to
776 limit the authority of the board to allow the correction of
777 reporting errors or omissions based on the payment of employee and
778 employer contributions plus applicable interest. Payment for that
779 time shall be made beginning with the most recent service. Upon
780 the payment of all or part of the required contributions, plus
781 interest or the actuarial cost as provided above, the member shall
782 receive credit for the period of creditable service for which full
783 payment has been made to the retirement system.

784 (l) Through June 30, 1998, any state service eligible
785 for retroactive service credit, no part of which has ever been



786 reported, and requiring the payment of employee and employer
787 contributions plus interest, or, from and after July 1, 1998, any
788 state service eligible for retroactive service credit, no part of
789 which has ever been reported to the retirement system, and
790 requiring the payment of the actuarial cost for that creditable
791 service, may, at the member's option, be purchased in quarterly
792 increments as provided above at the time that its purchase is
793 otherwise allowed.

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

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

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

801 (a) Patient or inmate help in state charitable, penal
802 or correctional institutions;

803 (b) Students of any state educational institution
804 employed by any agency of the state for temporary, part-time or
805 intermittent work;

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

809 (d) From and after July 1, 2002, individuals who are
810 employed by a governmental entity to perform professional service



811 on less than a full-time basis who do not meet the criteria
812 established in I(a)(ii) of this section.

813 **III. TERMINATION OF MEMBERSHIP**

814 Membership in this system shall cease by a member withdrawing
815 his accumulated contributions, or by a member withdrawing from
816 active service with a retirement allowance, or by a member's
817 death.

818 **SECTION 4.** Section 25-11-109, Mississippi Code of 1972, is
819 brought forward as follows:

820 25-11-109. (1) Under such rules and regulations as the
821 board of trustees shall adopt, each person who becomes a member of
822 this retirement system, as provided in Section 25-11-105, on or
823 before July 1, 1953, or who became a member of the system before
824 July 1, 2007, and contributes to the system for a minimum period
825 of four (4) years, or who became a member of the system on or
826 after July 1, 2007, and contributes to the system for a minimum
827 period of eight (8) years, shall receive credit for all state
828 service rendered before February 1, 1953. To receive that credit,
829 the member shall file a detailed statement of all services as an
830 employee rendered by him in the state service before February 1,
831 1953. For any member who joined the system after July 1, 1953,
832 and before July 1, 2007, any creditable service for which the
833 member is not required to make contributions shall not be credited
834 to the member until the member has contributed to the system for a
835 minimum period of at least four (4) years. For any member who



836 joined the system on or after July 1, 2007, any creditable service
837 for which the member is not required to make contributions shall
838 not be credited to the member until the member has contributed to
839 the system for a minimum period of at least eight (8) years.

840 (2) (a) (i) In the computation of creditable service for
841 service rendered before July 1, 2017, under the provisions of this
842 article, the total months of accumulative service during any
843 fiscal year shall be calculated in accordance with the schedule as
844 follows: ten (10) or more months of creditable service during any
845 fiscal year shall constitute a year of creditable service; seven
846 (7) months to nine (9) months inclusive, three-quarters (3/4) of a
847 year of creditable service; four (4) months to six (6) months
848 inclusive, one-half (1/2) year of creditable service; one (1)
849 month to three (3) months inclusive, one-quarter (1/4) of a year
850 of creditable service.

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

855 (b) In no case shall credit be allowed for any period
856 of absence without compensation except for disability while in
857 receipt of a disability retirement allowance, nor shall less than
858 fifteen (15) days of service in any month, or service less than
859 the equivalent of one-half (1/2) of the normal working load for
860 the position and less than one-half (1/2) of the normal



861 compensation for the position in any month, constitute a month of
862 creditable service, nor shall more than one (1) year of service be
863 creditable for all services rendered in any one (1) fiscal year;
864 however, for a school employee, substantial completion of the
865 legal school term when and where the service was rendered shall
866 constitute a year of service credit. Any state or local elected
867 official shall be deemed a full-time employee for the purpose of
868 creditable service. However, an appointed or elected official
869 compensated on a per diem basis only shall not be allowed
870 creditable service for terms of office.

871 (c) In the computation of any retirement allowance or
872 any annuity or benefits provided in this article, any fractional
873 period of service of less than one (1) year shall be taken into
874 account and a proportionate amount of such retirement allowance,
875 annuity or benefit shall be granted for any such fractional period
876 of service.

877 (d) (i) In the computation of unused leave for
878 creditable service authorized in Section 25-11-103, the following
879 shall govern for members who retire before July 1, 2017:
880 twenty-one (21) days of unused leave shall constitute one (1)
881 month of creditable service and in no case shall credit be allowed
882 for any period of unused leave of less than fifteen (15) days.
883 The number of months of unused leave shall determine the number of
884 quarters or years of creditable service in accordance with the
885 above schedule for membership and prior service.



886 (ii) In the computation of unused leave for
887 creditable service authorized in Section 25-11-103, the following
888 shall govern for members who retire on or after July 1, 2017:
889 creditable service for unused leave shall be calculated in monthly
890 increments in which one (1) month of service credit shall be
891 awarded for each twenty-one (21) days of unused leave, except that
892 the first fifteen (15) to fifty-seven (57) days of leave shall
893 constitute three (3) months of service for those who became a
894 member of the system before July 1, 2017.

895 (iii) In order for the member to receive
896 creditable service for the number of days of unused leave under
897 this paragraph, the system must receive certification from the
898 governing authority.

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

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

909 (i) For service before July 1, 1984, the members
910 shall receive credit for leave (combined personal and major



911 medical) for service as an elected official before that date at
912 the rate of thirty (30) days per year.

913 (ii) For service on and after July 1, 1984, the
914 member shall receive credit for personal and major medical leave
915 beginning July 1, 1984, at the rates authorized in Sections
916 25-3-93 and 25-3-95, computed as a full-time employee.

917 (iii) If a member is employed in a covered
918 nonelected position and a covered elected position simultaneously,
919 that member may not receive service credit for accumulated unused
920 leave for both positions at retirement for the period during which
921 the member was dually employed. During the period during which
922 the member is dually employed, the member shall only receive
923 credit for leave as provided for in this paragraph for an elected
924 official.

925 (3) Subject to the above restrictions and to such other
926 rules and regulations as the board may adopt, the board shall
927 verify, as soon as practicable after the filing of such statements
928 of service, the services therein claimed.

929 (4) Upon verification of the statement of prior service, the
930 board shall issue a prior service certificate certifying to each
931 member the length of prior service for which credit shall have
932 been allowed on the basis of his statement of service. So long as
933 membership continues, a prior service certificate shall be final
934 and conclusive for retirement purposes as to such service,
935 provided that any member may within five (5) years from the date



936 of issuance or modification of such certificate request the board
937 of trustees to modify or correct his prior service certificate.
938 Any modification or correction authorized shall only apply
939 prospectively.

940 When membership ceases, such prior service certificates shall
941 become void. Should the employee again become a member, he shall
942 enter the system as an employee not entitled to prior service
943 credit except as provided in Sections 25-11-105(I), 25-11-113 and
944 25-11-117.

945 (5) Creditable service at retirement, on which the
946 retirement allowance of a member shall be based, shall consist of
947 the membership service rendered by him since he last became a
948 member, and also, if he has a prior service certificate that is in
949 full force and effect, the amount of the service certified on his
950 prior service certificate.

951 (6) Any member who served on active duty in the Armed Forces
952 of the United States, who served in the Commissioned Corps of the
953 United States Public Health Service before 1972 or who served in
954 maritime service during periods of hostility in World War II,
955 shall be entitled to creditable service at no cost for his service
956 on active duty in the Armed Forces, in the Commissioned Corps of
957 the United States Public Health Service before 1972 or in such
958 maritime service, provided he entered state service after his
959 discharge from the Armed Forces or entered state service after he
960 completed such maritime service. The maximum period for such



961 creditable service for all military service as defined in this
962 subsection (6) shall not exceed four (4) years unless positive
963 proof can be furnished by such person that he was retained in the
964 Armed Forces during World War II or in maritime service during
965 World War II by causes beyond his control and without opportunity
966 of discharge. The member shall furnish proof satisfactory to the
967 board of trustees of certification of military service or maritime
968 service records showing dates of entrance into active duty service
969 and the date of discharge. From and after July 1, 1993, no
970 creditable service shall be granted for any military service or
971 maritime service to a member who qualifies for a retirement
972 allowance in another public retirement system administered by the
973 Board of Trustees of the Public Employees' Retirement System
974 based, in whole or in part, on such military or maritime service.
975 In no case shall the member receive creditable service if the
976 member received a dishonorable discharge from the Armed Forces of
977 the United States.

978 (7) (a) Any member of the Public Employees' Retirement
979 System whose membership service is interrupted as a result of
980 qualified military service within the meaning of Section 414(u) (5)
981 of the Internal Revenue Code, and who has received the maximum
982 service credit available under subsection (6) of this section,
983 shall receive creditable service for the period of qualified
984 military service that does not qualify as creditable service under



985 subsection (6) of this section upon reentering membership service
986 in an amount not to exceed five (5) years if:

987 (i) The member pays the contributions he would
988 have made to the retirement system if he had remained in
989 membership service for the period of qualified military service
990 based upon his salary at the time his membership service was
991 interrupted;

992 (ii) The member returns to membership service
993 within ninety (90) days of the end of his qualified military
994 service; and

995 (iii) The employer at the time the member's
996 service was interrupted and to which employment the member returns
997 pays the contributions it would have made into the retirement
998 system for such period based on the member's salary at the time
999 the service was interrupted.

1000 (b) The payments required to be made in paragraph
1001 (a) (i) of this subsection may be made over a period beginning with
1002 the date of return to membership service and not exceeding three
1003 (3) times the member's qualified military service; however, in no
1004 event shall such period exceed five (5) years.

1005 (c) The member shall furnish proof satisfactory to the
1006 board of trustees of certification of military service showing
1007 dates of entrance into qualified service and the date of discharge
1008 as well as proof that the member has returned to active employment
1009 within the time specified.



1010 (8) Any member of the Public Employees' Retirement System
1011 who became a member of the system before July 1, 2007, and who has
1012 at least four (4) years of membership service credit, or who
1013 became a member of the system on or after July 1, 2007, and who
1014 has at least eight (8) years of membership service credit, shall
1015 be entitled to receive a maximum of five (5) years' creditable
1016 service for service rendered in another state as a public employee
1017 of such other state, or a political subdivision, public education
1018 system or other governmental instrumentality thereof, or service
1019 rendered as a teacher in American overseas dependent schools
1020 conducted by the Armed Forces of the United States for children of
1021 citizens of the United States residing in areas outside the
1022 continental United States, provided that:

1023 (a) The member shall furnish proof satisfactory to the
1024 board of trustees of certification of such services from the
1025 state, public education system, political subdivision or
1026 retirement system of the state where the services were performed
1027 or the governing entity of the American overseas dependent school
1028 where the services were performed; and

1029 (b) The member is not receiving or will not be entitled
1030 to receive from the public retirement system of the other state or
1031 from any other retirement plan, including optional retirement
1032 plans, sponsored by the employer, a retirement allowance including
1033 such services; and



1034 (c) The member shall pay to the retirement system on
1035 the date he or she is eligible for credit for such out-of-state
1036 service or at any time thereafter before the date of retirement
1037 the actuarial cost as determined by the actuary for each year of
1038 out-of-state creditable service. The provisions of this
1039 subsection are subject to the limitations of Section 415 of the
1040 Internal Revenue Code and regulations promulgated under that
1041 section.

1042 (9) Any member of the Public Employees' Retirement System
1043 who became a member of the system before July 1, 2007, and has at
1044 least four (4) years of membership service credit, or who became a
1045 member of the system on or after July 1, 2007, and has at least
1046 eight (8) years of membership service credit, and who receives, or
1047 has received, professional leave without compensation for
1048 professional purposes directly related to the employment in state
1049 service shall receive creditable service for the period of
1050 professional leave without compensation provided:

1051 (a) The professional leave is performed with a public
1052 institution or public agency of this state, or another state or
1053 federal agency;

1054 (b) The employer approves the professional leave
1055 showing the reason for granting the leave and makes a
1056 determination that the professional leave will benefit the
1057 employee and employer;



1058 (c) Such professional leave shall not exceed two (2)
1059 years during any ten-year period of state service;

1060 (d) The employee shall serve the employer on a
1061 full-time basis for a period of time equivalent to the
1062 professional leave period granted immediately following the
1063 termination of the leave period;

1064 (e) The contributing member shall pay to the retirement
1065 system the actuarial cost as determined by the actuary for each
1066 year of professional leave. The provisions of this subsection are
1067 subject to the regulations of the Internal Revenue Code
1068 limitations;

1069 (f) Such other rules and regulations consistent
1070 herewith as the board may adopt and in case of question, the board
1071 shall have final power to decide the questions.

1072 Any actively contributing member participating in the School
1073 Administrator Sabbatical Program established in Section 37-9-77
1074 shall qualify for continued participation under this subsection
1075 (9).

1076 (10) Any member of the Public Employees' Retirement System
1077 who became a member of the system before July 1, 2007, and has at
1078 least four (4) years of credited membership service, or who became
1079 a member of the system on or after July 1, 2007, and has at least
1080 eight (8) years of credited membership service, shall be entitled
1081 to receive a maximum of ten (10) years creditable service for:



1082 (a) Any service rendered as an employee of any
1083 political subdivision of this state, or any instrumentality
1084 thereof, that does not participate in the Public Employees'
1085 Retirement System; or

1086 (b) Any service rendered as an employee of any
1087 political subdivision of this state, or any instrumentality
1088 thereof, that participates in the Public Employees' Retirement
1089 System but did not elect retroactive coverage; or

1090 (c) Any service rendered as an employee of any
1091 political subdivision of this state, or any instrumentality
1092 thereof, for which coverage of the employee's position was or is
1093 excluded; provided that the member pays into the retirement system
1094 the actuarial cost as determined by the actuary for each year, or
1095 portion thereof, of such service. After a member has made full
1096 payment to the retirement system for all or any part of such
1097 service, the member shall receive creditable service for the
1098 period of such service for which full payment has been made to the
1099 retirement system.

1100 **SECTION 5.** Section 25-11-111, Mississippi Code of 1972, is
1101 brought forward as follows:

1102 25-11-111. (a) (1) Any member who became a member of the
1103 system before July 1, 2007, upon withdrawal from service upon or
1104 after attainment of the age of sixty (60) years who has completed
1105 at least four (4) years of membership service, or any member who
1106 became a member of the system before July 1, 2011, upon withdrawal



1107 from service regardless of age who has completed at least
1108 twenty-five (25) years of creditable service, shall be entitled to
1109 receive a retirement allowance, which shall begin on the first of
1110 the month following the date the member's application for the
1111 allowance is received by the board, but in no event before
1112 withdrawal from service.

1113 (2) Any member who became a member of the system on or
1114 after July 1, 2007, upon withdrawal from service upon or after
1115 attainment of the age of sixty (60) years who has completed at
1116 least eight (8) years of membership service, or any member who
1117 became a member of the system on or after July 1, 2011, upon
1118 withdrawal from service regardless of age who has completed at
1119 least thirty (30) years of creditable service, shall be entitled
1120 to receive a retirement allowance, which shall begin on the first
1121 of the month following the date the member's application for the
1122 allowance is received by the board, but in no event before
1123 withdrawal from service.

1124 (b) (1) Any member who became a member of the system before
1125 July 1, 2007, whose withdrawal from service occurs before
1126 attaining the age of sixty (60) years who has completed four (4)
1127 or more years of membership service and has not received a refund
1128 of his accumulated contributions, shall be entitled to receive a
1129 retirement allowance, beginning upon his attaining the age of
1130 sixty (60) years, of the amount earned and accrued at the date of
1131 withdrawal from service. The retirement allowance shall begin on



1132 the first of the month following the date the member's application
1133 for the allowance is received by the board, but in no event before
1134 withdrawal from service.

1135 (2) Any member who became a member of the system on or
1136 after July 1, 2007, whose withdrawal from service occurs before
1137 attaining the age of sixty (60) years who has completed eight (8)
1138 or more years of membership service and has not received a refund
1139 of his accumulated contributions, shall be entitled to receive a
1140 retirement allowance, beginning upon his attaining the age of
1141 sixty (60) years, of the amount earned and accrued at the date of
1142 withdrawal from service. The retirement allowance shall begin on
1143 the first of the month following the date the member's application
1144 for the allowance is received by the board, but in no event before
1145 withdrawal from service.

1146 (c) Any member in service who has qualified for retirement
1147 benefits may select any optional method of settlement of
1148 retirement benefits by notifying the Executive Director of the
1149 Board of Trustees of the Public Employees' Retirement System in
1150 writing, on a form prescribed by the board, of the option he has
1151 selected and by naming the beneficiary of the option and
1152 furnishing necessary proof of age. The option, once selected, may
1153 be changed at any time before actual retirement or death, but upon
1154 the death or retirement of the member, the optional settlement
1155 shall be placed in effect upon proper notification to the
1156 executive director.



1157 (d) Any member who became a member of the system before July
1158 1, 2011, shall be entitled to an annual retirement allowance which
1159 shall consist of:

1160 (1) A member's annuity, which shall be the actuarial
1161 equivalent of the accumulated contributions of the member at the
1162 time of retirement computed according to the actuarial table in
1163 use by the system; and

1164 (2) An employer's annuity, which, together with the
1165 member's annuity provided above, shall be equal to two percent
1166 (2%) of the average compensation for each year of service up to
1167 and including twenty-five (25) years of creditable service, and
1168 two and one-half percent (2-1/2%) of the average compensation for
1169 each year of service exceeding twenty-five (25) years of
1170 creditable service.

1171 (3) Any retired member or beneficiary thereof who was
1172 eligible to receive a retirement allowance before July 1, 1991,
1173 and who is still receiving a retirement allowance on July 1, 1992,
1174 shall receive an increase in the annual retirement allowance of
1175 the retired member equal to one-eighth of one percent (1/8 of 1%)
1176 of the average compensation for each year of state service in
1177 excess of twenty-five (25) years of membership service up to and
1178 including thirty (30) years. The maximum increase shall be
1179 five-eighths of one percent (5/8 of 1%). In no case shall a
1180 member who has been retired before July 1, 1987, receive less than
1181 Ten Dollars (\$10.00) per month for each year of creditable service



1182 and proportionately for each quarter year thereof. Persons
1183 retired on or after July 1, 1987, shall receive at least Ten
1184 Dollars (\$10.00) per month for each year of service and
1185 proportionately for each quarter year thereof reduced for the
1186 option selected. However, such Ten Dollars (\$10.00) minimum per
1187 month for each year of creditable service shall not apply to a
1188 retirement allowance computed under Section 25-11-114 based on a
1189 percentage of the member's average compensation.

1190 (e) Any member who became a member of the system on or after
1191 July 1, 2011, shall be entitled to an annual retirement allowance
1192 which shall consist of:

1193 (1) A member's annuity, which shall be the actuarial
1194 equivalent of the accumulated contributions of the member at the
1195 time of retirement computed according to the actuarial table in
1196 use by the system; and

1197 (2) An employer's annuity, which, together with the
1198 member's annuity provided above, shall be equal to two percent
1199 (2%) of the average compensation for each year of service up to
1200 and including thirty (30) years of creditable service, and two and
1201 one-half percent (2-1/2%) of average compensation for each year of
1202 service exceeding thirty (30) years of creditable service.

1203 (f) Any member who became a member of the system on or after
1204 July 1, 2011, upon withdrawal from service upon or after attaining
1205 the age of sixty (60) years who has completed at least eight (8)
1206 years of membership service, or any such member upon withdrawal



1207 from service regardless of age who has completed at least thirty
1208 (30) years of creditable service, shall be entitled to receive a
1209 retirement allowance computed in accordance with the formula set
1210 forth in subsection (e) of this section. In the case of the
1211 retirement of any member who has attained age sixty (60) but who
1212 has not completed at least thirty (30) years of creditable
1213 service, the retirement allowance shall be computed in accordance
1214 with the formula set forth in subsection (e) of this section
1215 except that the total annual retirement allowance shall be reduced
1216 by an actuarial equivalent factor for each year of creditable
1217 service below thirty (30) years or the number of years in age that
1218 the member is below age sixty-five (65), whichever is less.

1219 (g) No member, except members excluded by the Age
1220 Discrimination in Employment Act Amendments of 1986 (Public Law
1221 99-592), under either Article 1 or Article 3 in state service
1222 shall be required to retire because of age.

1223 (h) No payment on account of any benefit granted under the
1224 provisions of this section shall become effective or begin to
1225 accrue until January 1, 1953.

1226 (i) (1) A retiree or beneficiary may, on a form prescribed
1227 by and filed with the retirement system, irrevocably waive all or
1228 a portion of any benefits from the retirement system to which the
1229 retiree or beneficiary is entitled. The waiver shall be binding
1230 on the heirs and assigns of any retiree or beneficiary and the
1231 same must agree to forever hold harmless the Public Employees'



1232 Retirement System of Mississippi from any claim to the waived
1233 retirement benefits.

1234 (2) Any waiver under this subsection shall apply only
1235 to the person executing the waiver. A beneficiary shall be
1236 entitled to benefits according to the option selected by the
1237 member at the time of retirement. However, a beneficiary may, at
1238 the option of the beneficiary, execute a waiver of benefits under
1239 this subsection.

1240 (3) The retirement system shall retain in the annuity
1241 reserve account amounts that are not used to pay benefits because
1242 of a waiver executed under this subsection.

1243 (4) The board of trustees may provide rules and
1244 regulations for the administration of waivers under this
1245 subsection.

1246 **SECTION 6.** Section 25-11-112, Mississippi Code of 1972, is
1247 brought forward as follows:

1248 25-11-112. (1) Any member who is receiving a retirement
1249 allowance for service or disability retirement, or any beneficiary
1250 thereof, who has received a monthly benefit for at least one (1)
1251 full fiscal year, shall be eligible to receive an additional
1252 benefit, on December 1 or July 1 of the year as provided in
1253 subsection (3) of this section, equal to an amount calculated
1254 under paragraph (a) or (b) below:

1255 (a) For any member who became a member of the system
1256 before July 1, 2011, the sum of:



1257 (i) An amount equal to three percent (3%) of the
1258 annual retirement allowance multiplied by the number of full
1259 fiscal years in retirement before the end of the fiscal year in
1260 which the member reaches age fifty-five (55), plus

1261 (ii) An additional amount equal to three percent
1262 (3%) compounded by the number of full fiscal years in retirement
1263 beginning with the fiscal year in which the member reaches age
1264 fifty-five (55), multiplied by the amount of the annual retirement
1265 allowance.

1266 (b) For any member who became a member of the system on
1267 or after July 1, 2011, the sum of:

1268 (i) An amount equal to three percent (3%) of the
1269 annual retirement allowance multiplied by the number of full
1270 fiscal years in retirement before the end of the fiscal year in
1271 which the member reaches age sixty (60), plus

1272 (ii) An additional amount equal to three percent
1273 (3%) compounded by the number of full fiscal years in retirement
1274 beginning with the fiscal year in which the member reaches age
1275 sixty (60), multiplied by the amount of the annual retirement
1276 allowance.

1277 (2) The calculation of the beneficiary's additional benefit
1278 under subsection (1)(a) or (b) of this section shall be based on
1279 the member's age and full fiscal years in retirement as if the
1280 member had lived.



1281 (3) (a) The additional benefit provided for under this
1282 section shall be paid in one (1) payment in December of each year
1283 to those persons who are receiving a retirement allowance on
1284 December 1 of that year, unless an election is made under this
1285 subsection. However, if a retiree who is receiving a retirement
1286 allowance that will terminate upon the retiree's death is
1287 receiving the additional benefit in one (1) payment and dies on or
1288 after July 1 but before December 1, the beneficiary designated on
1289 the retirement application, if any, shall receive in a single
1290 payment a fractional part of the additional benefit based on the
1291 number of months in which a retirement allowance was received
1292 during the fiscal year. Likewise, if a retiree is receiving a
1293 retirement allowance that will terminate upon his or her death in
1294 two (2) to six (6) monthly installments, any remaining payments of
1295 the additional benefit will be paid in a lump sum to the
1296 beneficiary designated on the application, or if none, pursuant to
1297 Section 25-11-117.1(1). Any similar remaining payments of
1298 additional benefits payable under this section to a deceased
1299 beneficiary who was receiving a monthly benefit shall be payable
1300 in accordance with the provisions of Section 25-11-117.1(2). If
1301 the additional monthly benefit is being received in one (1)
1302 payment, the additional benefit shall also be prorated based on
1303 the number of months in which a retirement allowance was received
1304 during the fiscal year when (i) the monthly benefit payable to a
1305 beneficiary terminates due to the expiration of an option,



1306 remarriage or cessation of dependent status or due to the
1307 retiree's return to covered employment, and (ii) the monthly
1308 benefit terminates on or after July 1 and before December 1. The
1309 board may, in its discretion, allow a retired member or a
1310 beneficiary thereof who is receiving the additional annual payment
1311 in the manner provided for in this paragraph to change the manner
1312 in which the additional annual payment is received to that
1313 provided for in paragraph (b) of this subsection if the retired
1314 member or beneficiary submits satisfactory documentation that the
1315 continued receipt of the additional annual payment as provided for
1316 in this paragraph will cause a financial hardship to the retired
1317 member or beneficiary.

1318 (b) Retired members or beneficiaries thereof who on
1319 July 1, 1999, or July 1 of any fiscal year thereafter, are
1320 receiving a retirement allowance, may elect by an irrevocable
1321 agreement in writing filed in the Office of the Public Employees'
1322 Retirement System no less than thirty (30) days before July 1 of
1323 the appropriate year, to begin receiving the additional benefit
1324 provided for under this section in twelve (12) equal monthly
1325 installments beginning July 1, 1999, or July 1 of any fiscal year
1326 thereafter. This irrevocable agreement shall be binding on the
1327 member and subsequent beneficiaries. Payment of those monthly
1328 installments shall not extend beyond the month in which a
1329 retirement allowance is due and payable. The board may, in its
1330 discretion, allow a retired member or a beneficiary thereof who is



1331 receiving the additional annual payment in the manner provided for
1332 in this paragraph to change the manner in which the additional
1333 annual payment is received to that provided for in paragraph (a)
1334 of this subsection if the retired member or beneficiary submits
1335 satisfactory documentation that the continued receipt of the
1336 additional annual payment as provided for in this paragraph will
1337 cause a financial hardship to the retired member or beneficiary.

1338 (4) The additional payment or payments provided for under
1339 this section are for the fiscal year in which they are paid.

1340 (5) (a) The amount provided for under subsection (1)
1341 (a)(ii) of this section is calculated using the following formula:

1342 $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,

1343 where n is the number of full fiscal years in retirement beginning
1344 with the fiscal year in which the member reaches age fifty-five
1345 (55).

1346 (b) The amount provided for under subsection (1)(b)(ii)
1347 of this section is calculated using the following formula:

1348 $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,

1349 where n is the number of full fiscal years in retirement beginning
1350 with the fiscal year in which the member reaches age sixty (60).

1351 (6) Any retired member or beneficiary thereof who has
1352 previously elected to receive the additional annual payment in
1353 monthly installments may elect, upon application on a form
1354 prescribed by the board of trustees, to have that payment made in
1355 one (1) additional payment each year. This written election must



1356 be filed in the Office of the Public Employees' Retirement System
1357 before June 1, 2000, and shall be effective for the fiscal year
1358 beginning July 1, 2000.

1359 (7) In the event of death of a retired member or a
1360 beneficiary thereof who is receiving the additional annual payment
1361 in two (2) to six (6) monthly installments pursuant to an election
1362 made before July 1, 1999, and who would otherwise be eligible to
1363 receive the additional benefit provided for under this section in
1364 one (1) payment in December of the current fiscal year, any
1365 remaining amounts shall be paid in a lump sum to the designated
1366 beneficiary.

1367 (8) When a member retires after July 1 and has previously
1368 received a retirement allowance for one or more full fiscal years,
1369 the retired member shall be eligible immediately for the
1370 additional benefit. The additional benefit shall be based on the
1371 current retirement allowance and the number of full fiscal years
1372 in retirement and shall be prorated and paid in monthly
1373 installments based on the number of months a retirement allowance
1374 is paid during the fiscal year.

1375 **SECTION 7.** Section 25-11-113, Mississippi Code of 1972, is
1376 brought forward as follows:

1377 25-11-113. (1) (a) Upon the application of a member or his
1378 employer, any active member in state service who became a member
1379 of the system before July 1, 2007, and who has at least four (4)
1380 years of membership service credit, or any active member in state



1381 service who became a member of the system on or after July 1,
1382 2007, who has at least eight (8) years of membership service
1383 credit, may be retired by the board of trustees on the first of
1384 the month following the date of filing the application on a
1385 disability retirement allowance, but in no event shall the
1386 disability retirement allowance begin before termination of state
1387 service, provided that the medical board, after an evaluation of
1388 medical evidence that may or may not include an actual physical
1389 examination by the medical board, certifies that the member is
1390 mentally or physically incapacitated for the further performance
1391 of duty, that the incapacity is likely to be permanent, and that
1392 the member should be retired; however, the board of trustees may
1393 accept a disability medical determination from the Social Security
1394 Administration in lieu of a certification from the medical board.
1395 If a member who has been approved for a disability retirement
1396 allowance does not terminate state service within ninety (90) days
1397 after approval, the disability retirement and the application for
1398 disability retirement shall be void. For the purposes of
1399 disability determination, the medical board shall apply the
1400 following definition of disability: the inability to perform the
1401 usual duties of employment or the incapacity to perform such
1402 lesser duties, if any, as the employer, in its discretion, may
1403 assign without material reduction in compensation, or the
1404 incapacity to perform the duties of any employment covered by the
1405 Public Employees' Retirement System (Section 25-11-101 et seq.)



1406 that is actually offered and is within the same general
1407 territorial work area, without material reduction in compensation.
1408 The employer shall be required to furnish the job description and
1409 duties of the member. The employer shall further certify whether
1410 the employer has offered the member other duties and has complied
1411 with the applicable provisions of the Americans With Disabilities
1412 Act in affording reasonable accommodations that would allow the
1413 employee to continue employment.

1414 (b) Any member applying for a disability retirement
1415 allowance must provide sufficient objective medical evidence in
1416 support of his or her claim. All disability determinations,
1417 whether the initial examination or reexamination, shall be based
1418 on objective medical evidence. "Objective medical evidence" means
1419 reports of examinations or treatments; medical signs that are
1420 anatomical, physiological, or psychological abnormalities that are
1421 observed and documented by medical professionals; psychiatric
1422 signs that are medically demonstrable phenomena indicating
1423 specific abnormalities of behavior, affect, thought, memory,
1424 orientation, or contact with reality; or laboratory findings that
1425 are anatomical, physiological, or psychological phenomena that are
1426 shown by medically acceptable laboratory diagnostic techniques,
1427 including, but not limited to, chemical tests, electrocardiograms,
1428 electroencephalograms, X-rays, and psychological tests.
1429 Nonmedical information shall not be considered objective medical
1430 evidence.



1431 (c) Any inactive member who became a member of the
1432 system before July 1, 2007, with four (4) or more years of
1433 membership service credit, or any inactive member who became a
1434 member of the system on or after July 1, 2007, with eight (8) or
1435 more years of membership service credit, who has withdrawn from
1436 active state service, is not eligible for a disability retirement
1437 allowance unless the disability occurs within six (6) months of
1438 the termination of active service and unless satisfactory proof is
1439 presented to the board of trustees that the disability was the
1440 direct cause of withdrawal from state service. Application for a
1441 disability retirement allowance must be filed within one (1) year
1442 of termination from active service. This period may be extended
1443 by an additional year if it can be factually demonstrated to the
1444 satisfaction of the board of trustees that throughout the initial
1445 one-year period the member was incapable of applying for benefits
1446 by reason of mental or physical impairment as certified by a
1447 medical doctor.

1448 (d) Any member who is or becomes eligible for service
1449 retirement benefits under Section 25-11-111 while pursuing a
1450 disability retirement allowance under this section or Section
1451 25-11-114 may elect to receive a service retirement allowance
1452 pending a final determination on eligibility for a disability
1453 retirement allowance or withdrawal of the application for the
1454 disability retirement allowance. In such a case, an application
1455 for a disability retirement allowance must be on file with the



1456 system before the beginning of a service retirement allowance. If
1457 the application is approved, the option selected and beneficiary
1458 designated on the retirement application shall be used to
1459 determine the disability retirement allowance. If the application
1460 is not approved or if the application is withdrawn, the service
1461 retirement allowance shall continue to be paid in accordance with
1462 the option selected. No person may apply for a disability
1463 retirement allowance after the person begins to receive a service
1464 retirement allowance.

1465 (e) If the medical board certifies that the member is
1466 not mentally or physically incapacitated for the future
1467 performance of duty, the member may request, within sixty (60)
1468 days, a hearing before the hearing officer as provided in Section
1469 25-11-120. All hearings shall be held in accordance with rules
1470 and regulations adopted by the board to govern those hearings.
1471 The hearing may be closed upon the request of the member.

1472 (f) The medical board may request additional medical
1473 evidence and/or other physicians to conduct an evaluation of the
1474 member's condition. If the medical board requests additional
1475 medical evidence and the member refuses the request, the
1476 application shall be considered void.

1477 (2) Allowance on disability retirement.

1478 (a) Upon retirement for disability, an eligible member
1479 shall receive a retirement allowance if he has attained the age of
1480 sixty (60) years.



1481 (b) Except as provided in paragraph (c) of this
1482 subsection (2), an eligible member who is retired for disability
1483 and who has not attained sixty (60) years of age shall receive a
1484 disability benefit as computed in Section 25-11-111(d), which
1485 shall consist of:

1486 (i) A member's annuity, which shall be the
1487 actuarial equivalent of his accumulated contributions at the time
1488 of retirement; and

1489 (ii) An employer's annuity equal to the amount
1490 that would have been payable as a retirement allowance for
1491 eligible creditable service if the member had continued in service
1492 to the age of sixty (60) years, which shall apply to the allowance
1493 for disability retirement paid to retirees receiving such
1494 allowance upon and after April 12, 1977. This employer's annuity
1495 shall be computed on the basis of the average "earned
1496 compensation" as defined in Section 25-11-103.

1497 (c) For persons who become members after June 30, 1992,
1498 and for active members on June 30, 1992, who elect benefits under
1499 this paragraph (c) instead of those provided under paragraph (b)
1500 of this subsection (2), the disability allowance shall consist of
1501 two (2) parts: a temporary allowance and a deferred allowance.

1502 The temporary allowance shall equal the greater of (i) forty
1503 percent (40%) of average compensation at the time of disability,
1504 plus ten percent (10%) of average compensation for each of the
1505 first two (2) dependent children, as defined in Sections 25-11-103



1506 and 25-11-114, or (ii) the accrued benefit based on actual
1507 service. It shall be payable for a period of time based on the
1508 member's age at disability, as follows:

1509	Age at Disability	Duration
1510	60 and earlier	to age 65
1511	61	to age 66
1512	62	to age 66
1513	63	to age 67
1514	64	to age 67
1515	65	to age 68
1516	66	to age 68
1517	67	to age 69
1518	68	to age 70
1519	69 and over	one year

1520 The deferred allowance shall begin when the temporary
1521 allowance ends and shall be payable for life. The deferred
1522 allowance shall equal the greater of (i) the allowance that would
1523 have been payable had the member continued in service to the
1524 termination age of the temporary allowance, but no more than forty
1525 percent (40%) of average compensation, or (ii) the accrued benefit
1526 based on actual service at the time of disability. The deferred
1527 allowance as determined at the time of disability shall be
1528 adjusted in accordance with Section 25-11-112 for the period
1529 during which the temporary annuity is payable. In no case shall a
1530 member receive less than Ten Dollars (\$10.00) per month for each



1531 year of service and proportionately for each quarter year thereof
1532 reduced for the option selected.

1533 (d) The member may elect to receive the actuarial
1534 equivalent of the disability retirement allowance in a reduced
1535 allowance payable throughout life under any of the provisions of
1536 the options provided under Section 25-11-115.

1537 (e) If a disability retiree who has not selected an
1538 option under Section 25-11-115 dies before being repaid in
1539 disability benefits the sum of his total contributions, then his
1540 named beneficiary shall receive the difference in cash, which
1541 shall apply to all deceased disability retirees from and after
1542 January 1, 1953.

1543 (3) Reexamination of retirees retired on account of
1544 disability. Except as otherwise provided in this section, once
1545 each year during the first five (5) years following retirement of
1546 a member on a disability retirement allowance, and once in every
1547 period of three (3) years thereafter, the board of trustees may,
1548 and upon his application shall, require any disability retiree who
1549 has not yet attained the age of sixty (60) years or the
1550 termination age of the temporary allowance under subsection (2)(c)
1551 of this section to undergo a medical examination, the examination
1552 to be made at the place of residence of the retiree or other place
1553 mutually agreed upon by a physician or physicians designated by
1554 the board. The board, however, in its discretion, may authorize
1555 the medical board to establish reexamination schedules appropriate



1556 to the medical condition of individual disability retirees. If
1557 any disability retiree who has not yet attained the age of sixty
1558 (60) years or the termination age of the temporary allowance under
1559 subsection (2) (c) of this section refuses to submit to any medical
1560 examination provided in this section, his allowance may be
1561 discontinued until his withdrawal of that refusal; and if his
1562 refusal continues for one (1) year, all his rights to a disability
1563 benefit shall be revoked by the board of trustees.

1564 (4) If the medical board reports and certifies to the board
1565 of trustees, after a comparable job analysis or other similar
1566 study, that the disability retiree is engaged in, or is able to
1567 engage in, a gainful occupation paying more than the difference
1568 between his disability allowance, exclusive of cost-of-living
1569 adjustments, and the average compensation, and if the board of
1570 trustees concurs in the report, the disability benefit shall be
1571 reduced to an amount that, together with the amount earnable by
1572 him, equals the amount of his average compensation. If his
1573 earning capacity is later changed, the amount of the benefit may
1574 be further modified, provided that the revised benefit shall not
1575 exceed the amount originally granted. A retiree receiving a
1576 disability benefit who is restored to active service at a salary
1577 less than the average compensation shall not become a member of
1578 the retirement system.

1579 (5) If a disability retiree under the age of sixty (60)
1580 years or the termination age of the temporary allowance under



1581 subsection (2) (c) of this section is restored to active service at
1582 a compensation not less than his average compensation, his
1583 disability benefit shall end, he shall again become a member of
1584 the retirement system, and contributions shall be withheld and
1585 reported. Any such prior service certificate, on the basis of
1586 which his service was computed at the time of retirement, shall be
1587 restored to full force and effect. In addition, upon his later
1588 retirement he shall be credited with all creditable service as a
1589 member, but the total retirement allowance paid to the retired
1590 member in his previous retirement shall be deducted from his
1591 retirement reserve and taken into consideration in recalculating
1592 the retirement allowance under a new option selected.

1593 (6) If following reexamination in accordance with the
1594 provisions contained in this section, the medical board determines
1595 that a retiree retired on account of disability is physically and
1596 mentally able to return to the employment from which he is
1597 retired, the board of trustees, upon certification of those
1598 findings from the medical board, shall, after a reasonable period
1599 of time, terminate the disability allowance, whether or not the
1600 retiree is reemployed or seeks that reemployment. In addition, if
1601 the board of trustees determines that the retiree is no longer
1602 sustaining a loss of income as established by documented evidence
1603 of the retiree's earned income, the eligibility for a disability
1604 allowance shall terminate and the allowance terminated within a
1605 reasonable period of time. If the retirement allowance is



1606 terminated under the provisions of this section, the retiree may
1607 later qualify for a retirement allowance under Section 25-11-111
1608 based on actual years of service credit plus credit for the period
1609 during which a disability allowance was paid.

1610 (7) Any current member as of June 30, 1992, who retires on a
1611 disability retirement allowance after June 30, 1992, and who has
1612 not elected to receive benefits under subsection (2)(c) of this
1613 section, shall relinquish all rights under the Age Discrimination
1614 in Employment Act of 1967, as amended, with regard to the benefits
1615 payable under this section.

1616 **SECTION 8.** Section 25-11-114, Mississippi Code of 1972, is
1617 brought forward as follows:

1618 25-11-114. (1) The applicable benefits provided in
1619 subsections (2) and (3) of this section shall be paid to eligible
1620 beneficiaries of any member who became a member of the system
1621 before July 1, 2007, and has completed four (4) or more years of
1622 membership service, or who became a member of the system on or
1623 after July 1, 2007, and has completed eight (8) or more years of
1624 membership service, and who dies before retirement and who has not
1625 filed a Pre-Retirement Optional Retirement Form as provided in
1626 Section 25-11-111.

1627 (2) (a) The surviving spouse of a member who dies before
1628 retirement shall receive a monthly benefit computed in accordance
1629 with paragraph (d) of this subsection (2) as if the member had
1630 nominated his spouse as beneficiary if:



1631 (i) The member completed the requisite minimum
1632 number of years of membership service to qualify for a retirement
1633 allowance at age sixty (60);

1634 (ii) The spouse has been married to the member for
1635 not less than one (1) year preceding the death of the member;

1636 (iii) The member has not exercised any other
1637 option.

1638 (b) If, at the time of the member's death, there are no
1639 dependent children, and the surviving spouse, who otherwise would
1640 receive the annuity under this subsection (2), has filed with the
1641 system a signed written waiver of his or her rights to the annuity
1642 and that waiver was in effect at the time of the member's death, a
1643 lump-sum distribution of the deceased member's accumulated
1644 contributions shall be refunded in accordance with Section
1645 25-11-117.

1646 (c) The spouse annuity shall begin on the first day of
1647 the month following the date of the member's death, but in case of
1648 late filing, retroactive payments will be made for a period of not
1649 more than one (1) year.

1650 (d) The spouse of a member who is eligible to receive a
1651 monthly benefit under paragraph (a) of this subsection (2) shall
1652 receive a benefit for life equal to the higher of the following:

1653 (i) The greater of twenty percent (20%) of the
1654 deceased member's average compensation as defined in Section



1655 25-11-103 at the time of death or Fifty Dollars (\$50.00) monthly;
1656 or

1657 (ii) Benefits calculated under Option 2 of Section
1658 25-11-115. The method of calculating the retirement benefits
1659 shall be on the same basis as provided in Section 25-11-111(d) or
1660 (e), as applicable. However, if the member dies before being
1661 qualified for a full, unreduced retirement allowance, then the
1662 benefits shall be reduced by an actuarially determined percentage
1663 or factor based on the lesser of either the number of years of
1664 service credit or the number of years in age required to qualify
1665 for a full, unreduced retirement allowance in Section 25-11-111(d)
1666 or (e), as applicable.

1667 (e) The surviving spouse of a deceased member who
1668 previously received spouse retirement benefits under paragraph
1669 (d)(i) of this subsection from and after July 1, 1992, and whose
1670 benefits were terminated before July 1, 2004, because of
1671 remarriage, may again receive the retirement benefits authorized
1672 under paragraph (d)(i) of this subsection by making application
1673 with the board to reinstate those benefits. Any reinstatement of
1674 the benefits shall be prospective only and shall begin after the
1675 first of the month following the date of the application for
1676 reinstatement, but no earlier than July 1, 2004. From and after
1677 July 1, 2010, any spouse who chose Option 2 from and after July 1,
1678 1992, but before July 1, 2004, where the benefit, although payable
1679 for life, was less than the benefit available under the



1680 calculation in paragraph (d)(i) of this subsection shall have his
1681 or her benefit increased to the amount which provides the greater
1682 benefit.

1683 (3) (a) Subject to the maximum limitation provided in this
1684 paragraph, the member's dependent children each shall receive an
1685 annuity of the greater of ten percent (10%) of the member's
1686 average compensation as defined in Section 25-11-103 at the time
1687 of the death of the member or Fifty Dollars (\$50.00) monthly;
1688 however, if there are more than three (3) dependent children, each
1689 dependent child shall receive an equal share of a total annuity
1690 equal to thirty percent (30%) of the member's average
1691 compensation, provided that the total annuity shall not be less
1692 than One Hundred Fifty Dollars (\$150.00) per month for all
1693 children.

1694 (b) A child shall be considered to be a dependent child
1695 until marriage, or the attainment of age nineteen (19), whichever
1696 comes first; however, this age limitation shall be extended beyond
1697 age nineteen (19), but in no event beyond the attainment of age
1698 twenty-three (23), as long as the child is a student regularly
1699 pursuing a full-time course of resident study or training in an
1700 accredited high school, trade school, technical or vocational
1701 institute, junior or community college, college, university or
1702 comparable recognized educational institution duly licensed by a
1703 state. A student child who is receiving a retirement allowance as
1704 of June 30, 2016, whose birthday falls during the school year



1705 (September 1 through June 30) is considered not to reach age
1706 twenty-three (23) until the July 1 following the actual
1707 twenty-third birthday. A full-time course of resident study or
1708 training means a day or evening noncorrespondence course that
1709 includes school attendance at the rate of at least thirty-six (36)
1710 weeks per academic year or other applicable period with a subject
1711 load sufficient, if successfully completed, to attain the
1712 educational or training objective within the period generally
1713 accepted as minimum for completion, by a full-time day student, of
1714 the academic or training program concerned. Any child who is
1715 physically or mentally incompetent, as adjudged by either a
1716 Mississippi court of competent jurisdiction or by the board, shall
1717 receive benefits for as long as the incompetency exists.

1718 (c) If there are more than three (3) dependent
1719 children, upon a child's ceasing to be a dependent child, his
1720 annuity shall terminate and there shall be a redetermination of
1721 the amounts payable to any remaining dependent children.

1722 (d) Annuities payable under this subsection (3) shall
1723 begin the first day of the month following the date of the
1724 member's death or in case of late filing, retroactive payments
1725 will be made for a period of not more than one (1) year. Those
1726 benefits may be paid to a surviving parent or the lawful custodian
1727 of a dependent child for the use and benefit of the child without
1728 the necessity of appointment as guardian.



1729 (4) (a) Death benefits in the line of duty. Regardless of
1730 the number of years of the member's creditable service, the spouse
1731 and/or the dependent children of an active member who is killed or
1732 dies as a direct result of a physical injury sustained from an
1733 accident or a traumatic event caused by external violence or
1734 physical force occurring in the line of performance of duty shall
1735 qualify, on approval of the board, for a retirement allowance on
1736 the first of the month following the date of death, but in the
1737 case of late filing, retroactive payments will be made for a
1738 period of not more than one (1) year. The spouse shall receive a
1739 retirement allowance for life equal to one-half (1/2) of the
1740 average compensation as defined in Section 25-11-103. In addition
1741 to the retirement allowance for the spouse, or if there is no
1742 surviving spouse, the member's dependent child shall receive a
1743 retirement allowance in the amount of one-fourth (1/4) of the
1744 member's average compensation as defined in Section 25-11-103;
1745 however, if there are two (2) or more dependent children, each
1746 dependent child shall receive an equal share of a total annuity
1747 equal to one-half (1/2) of the member's average compensation. If
1748 there are more than two (2) dependent children, upon a child's
1749 ceasing to be a dependent child, his annuity shall terminate and
1750 there shall be a redetermination of the amounts payable to any
1751 remaining dependent children. Those benefits shall cease to be
1752 paid for the support and maintenance of each child upon the child
1753 attaining the age of nineteen (19) years; however, the spouse



1754 shall continue to be eligible for the aforesaid retirement
1755 allowance. Those benefits may be paid to a surviving parent or
1756 lawful custodian of the children for the use and benefit of the
1757 children without the necessity of appointment as guardian. Any
1758 spouse who received spouse retirement benefits under this
1759 paragraph (a) from and after April 4, 1984, and whose benefits
1760 were terminated before July 1, 2004, because of remarriage, may
1761 again receive the retirement benefits authorized under this
1762 paragraph (a) by making application with the board to reinstate
1763 those benefits. Any reinstatement of the benefits shall be
1764 prospective only and shall begin after the first of the month
1765 following the date of the application for reinstatement, but not
1766 earlier than July 1, 2004.

1767 (b) A child shall be considered to be a dependent child
1768 until marriage, or the attainment of age nineteen (19), whichever
1769 comes first; however, this age limitation shall be extended beyond
1770 age nineteen (19), but in no event beyond the attainment of age
1771 twenty-three (23), as long as the child is a student regularly
1772 pursuing a full-time course of resident study or training in an
1773 accredited high school, trade school, technical or vocational
1774 institute, junior or community college, college, university or
1775 comparable recognized educational institution duly licensed by a
1776 state. A student child who is receiving a retirement allowance as
1777 of June 30, 2016, whose birthday falls during the school year
1778 (September 1 through June 30) is considered not to reach age



1779 twenty-three (23) until the July 1 following the actual
1780 twenty-third birthday. A full-time course of resident study or
1781 training means a day or evening noncorrespondence course that
1782 includes school attendance at the rate of at least thirty-six (36)
1783 weeks per academic year or other applicable period with a subject
1784 load sufficient, if successfully completed, to attain the
1785 educational or training objective within the period generally
1786 accepted as minimum for completion, by a full-time day student, of
1787 the academic or training program concerned. Any child who is
1788 physically or mentally incompetent, as adjudged by either a
1789 Mississippi court of competent jurisdiction or by the board, shall
1790 receive benefits for as long as the incompetency exists.

1791 (5) If all the annuities provided for in this section
1792 payable on account of the death of a member terminate before there
1793 has been paid an aggregate amount equal to the member's
1794 accumulated contributions standing to the member's credit in the
1795 annuity savings account at the time of the member's death, the
1796 difference between the accumulated contributions and the aggregate
1797 amount of annuity payments shall be paid to the person that the
1798 member has nominated by written designation duly executed and
1799 filed with the board. If there is no designated beneficiary
1800 surviving at termination of benefits, the difference shall be
1801 payable under Section 25-11-117.1(1).

1802 (6) Regardless of the number of years of creditable service,
1803 upon the application of a member or employer, any active member



1804 who becomes disabled as a direct result of a physical injury
1805 sustained from an accident or traumatic event caused by external
1806 violence or physical force occurring in the line of performance of
1807 duty, provided that the medical board or other designated
1808 governmental agency after a medical examination certifies that the
1809 member is mentally or physically incapacitated for the further
1810 performance of duty and the incapacity is likely to be permanent,
1811 may be retired by the board of trustees on the first of the month
1812 following the date of filing the application but in no event shall
1813 the retirement allowance begin before the termination of state
1814 service. If a member who has been approved for a retirement
1815 allowance under this subsection does not terminate state service
1816 within ninety (90) days after the approval, the retirement
1817 allowance and the application for the allowance shall be void.
1818 The retirement allowance shall equal the allowance on disability
1819 retirement as provided in Section 25-11-113 but shall not be less
1820 than fifty percent (50%) of average compensation. Line of duty
1821 disability benefits under this section shall be administered in
1822 accordance with the provisions of Section 25-11-113(1) (b), (c),
1823 (d), (e) and (f), (3), (4), (5) and (6).

1824 (7) For purposes of determining death or disability benefits
1825 under this section, the following shall apply:

1826 (a) Death or permanent and total disability resulting
1827 from a cardiovascular, pulmonary or musculoskeletal condition that
1828 was not a direct result of a physical injury sustained from an



1829 accident or a traumatic event caused by external violence or
1830 physical force occurring in the performance of duty shall be
1831 deemed a natural death or an ordinary disability.

1832 (b) A mental disability based exclusively on employment
1833 duties occurring on an ongoing basis shall be deemed an ordinary
1834 disability.

1835 (8) If the deceased or disabled member has less than four
1836 (4) years of membership service, the average compensation as
1837 defined in Section 25-11-103 shall be the average of all annual
1838 earned compensation in state service for the purposes of benefits
1839 provided in this section.

1840 (9) In case of death or total and permanent disability under
1841 subsection (4) or subsection (6) of this section and before the
1842 board shall consider any application for a retirement allowance,
1843 the employer must certify to the board that the member's death or
1844 disability was a direct result of an accident or a traumatic event
1845 occurring during and as a result of the performance of the regular
1846 and assigned duties of the employee and that the death or
1847 disability was not the result of the willful negligence of the
1848 employee.

1849 (10) The application for the retirement allowance must be
1850 filed within one (1) year after death of an active member who is
1851 killed in the line of performance of duty or dies as a direct
1852 result of an accident occurring in the line of performance of duty
1853 or traumatic event; but the board of trustees may consider an



1854 application for disability filed after the one-year period if it
1855 can be factually demonstrated to the satisfaction of the board of
1856 trustees that the disability is due to the accident and that the
1857 filing was not accomplished within the one-year period due to a
1858 delayed manifestation of the disability or to circumstances beyond
1859 the control of the member. However, in case of late filing,
1860 retroactive payments will be made for a period of not more than
1861 one (1) year only.

1862 (11) (a) Notwithstanding any other section of this article
1863 and in lieu of any payments to a designated beneficiary for a
1864 refund of contributions under Section 25-11-117, the spouse and/or
1865 children shall be eligible for the benefits payable under this
1866 section, and the spouse may elect, for both the spouse and/or
1867 children, to receive benefits in accordance with either
1868 subsections (2) and (3) or subsection (4) of this section;
1869 otherwise, the contributions to the credit of the deceased member
1870 shall be refunded in accordance with Section 25-11-117.

1871 (b) Notwithstanding any other section of this article,
1872 a spouse who is entitled to receive a monthly benefit under either
1873 subsection (2) or (4) of this section and who is also the named
1874 beneficiary for a refund of accumulated contributions in the
1875 member's annuity savings account, may, after the death of the
1876 member, elect to receive a refund of accumulated contributions in
1877 lieu of a monthly allowance, provided that there are no dependent



1878 children entitled to benefits under subsection (3) of this
1879 section.

1880 (12) If the member has previously received benefits from the
1881 system to which he was not entitled and has not repaid in full all
1882 amounts payable by him to the system, the annuity amounts
1883 otherwise provided by this section shall be withheld and used to
1884 effect repayment until the total of the withholdings repays in
1885 full all amounts payable by him to the system.

1886 **SECTION 9.** Section 25-11-115, Mississippi Code of 1972, is
1887 brought forward as follows:

1888 25-11-115. (1) Upon application for superannuation or
1889 disability retirement, any member may elect to receive his or her
1890 benefit in a retirement allowance payable throughout life with no
1891 further payments to anyone at the member's death, except that if
1892 the member's total retirement payments under this article do not
1893 equal the member's total contributions under this article, the
1894 named beneficiary shall receive the difference in cash at the
1895 member's death. Or the member may elect upon retirement, or upon
1896 becoming eligible for retirement, to receive the actuarial
1897 equivalent subject to the provisions of subsection (3) of this
1898 section of his or her retirement allowance in a reduced retirement
1899 allowance payable throughout life with the provision that:

1900 **Option 1.** If the retired member dies before he or she has
1901 received in annuity payment the value of the member's annuity
1902 savings account as it was at the time of the member's retirement,



1903 the balance shall be paid to the legal representative or to such
1904 person as the member has nominated by written designation duly
1905 acknowledged and filed with the board;

1906 **Option 2.** Upon the retired member's death, his or her
1907 reduced retirement allowance shall be continued throughout the
1908 life of, and paid to, such person as the member has nominated by
1909 written designation duly acknowledged and filed with the board of
1910 trustees at the time of his or her retirement;

1911 **Option 3.** Upon the retired member's death, one-half (1/2) of
1912 his or her reduced retirement allowance shall be continued
1913 throughout the life of, and paid to, such person as the member has
1914 nominated by written designation duly acknowledged and filed with
1915 the board of trustees at the time of his or her retirement, and
1916 the other one-half (1/2) of his or her reduced retirement
1917 allowance to some other designated beneficiary;

1918 **Option 4.** Upon the retired member's death, three-fourths
1919 (3/4) of his or her reduced retirement allowance, or such other
1920 specified amount, shall be continued throughout the life of, and
1921 paid to, such person as the member has nominated by written
1922 designation duly acknowledged and filed with the board of trustees
1923 at the time of his or her retirement;

1924 **Option 4-A.** Upon the retired member's death, one-half (1/2)
1925 of his or her reduced retirement allowance, or such other
1926 specified amount, shall be continued throughout the life of, and
1927 paid to, such person as the member has nominated by written



1928 designation duly acknowledged and filed with the board of trustees
1929 at the time of his or her retirement;

1930 **Option 4-B.** A reduced retirement allowance shall be
1931 continued throughout the life of the retirant, but with the
1932 further guarantee of payments to the named beneficiary or
1933 beneficiaries for a specified number of years certain. If the
1934 retired member or the last designated beneficiary both die before
1935 receiving all guaranteed payments due, the actuarial equivalent of
1936 the remaining payments shall be paid to the successors of the
1937 retired member under Section 25-11-117.1(1);

1938 **Option 6.** Any member who became a member of the system
1939 before July 1, 2007, and who has at least twenty-eight (28) years
1940 of creditable service at the time of retirement or who is at least
1941 sixty-three (63) years of age and eligible to retire, may select
1942 the maximum retirement benefit or an optional benefit as provided
1943 in this subsection together with a partial lump-sum distribution.
1944 Any member who became a member of the system on or after July 1,
1945 2007, but before July 1, 2011, and who has at least twenty-eight
1946 (28) years of creditable service at the time of retirement may
1947 select the maximum retirement benefit or any optional benefit as
1948 provided in this subsection together with a partial lump-sum
1949 distribution. Any member who became a member of the system on or
1950 after July 1, 2011, and who has at least thirty-three (33) years
1951 of creditable service at the time of retirement may select the
1952 maximum retirement benefit or any optional benefit as provided in



1953 this subsection together with a partial lump-sum distribution.
1954 The amount of the lump-sum distribution under this option shall be
1955 equal to the maximum monthly benefit multiplied by twelve (12),
1956 twenty-four (24) or thirty-six (36) as selected by the member.
1957 The maximum retirement benefit shall be actuarially reduced to
1958 reflect the amount of the lump-sum distribution selected and
1959 further reduced for any other optional benefit selected. The
1960 annuity and lump-sum distribution shall be computed to result in
1961 no actuarial loss to the system. The lump-sum distribution shall
1962 be made as a single payment payable at the time the first monthly
1963 annuity payment is paid to the retiree. The amount of the
1964 lump-sum distribution shall be deducted from the member's annuity
1965 savings account in computing what contributions remain at the
1966 death of the retiree and/or a beneficiary. The lump-sum
1967 distribution option may be elected only once by a member upon
1968 initial retirement, and may not be elected by a retiree, by
1969 members applying for a disability retirement annuity, or by
1970 survivors.

1971 (2) No change in the option selected shall be permitted
1972 after the member's death or after the member has received his or
1973 her first retirement check except as provided in subsections (3)
1974 and (4) of this section and in Section 25-11-127. Members who are
1975 pursuing a disability retirement allowance and simultaneously or
1976 later elect to begin to receive a service retirement allowance
1977 while continuing to pursue a disability retirement allowance,



1978 shall not be eligible to select Option 6 and that option may not
1979 be selected at a later time if the application for a disability
1980 retirement allowance is voided or denied. However, any retired
1981 member who is receiving a retirement allowance under Option 2 or
1982 Option 4-A upon July 1, 1992, and whose designated beneficiary
1983 predeceased him or her or whose marriage to a spouse who is his or
1984 her designated beneficiary is terminated by divorce or other
1985 dissolution, upon written notification to the retirement system of
1986 the death of the designated beneficiary or of the termination of
1987 the retired member's marriage to the designated beneficiary, the
1988 retirement allowance payable to the member after receipt of that
1989 notification by the retirement system shall be equal to the
1990 retirement allowance that would have been payable if the member
1991 had not elected the option. In addition, any retired member who
1992 is receiving the maximum retirement allowance for life, a
1993 retirement allowance under Option 1 or who is receiving a
1994 retirement allowance under Option 2 or Option 4-A on July 1, 1992,
1995 may elect to provide survivor benefits under Option 2 or Option
1996 4-A to a spouse who was not previously the member's beneficiary
1997 and whom the member married before July 1, 1992.

1998 (3) Any retired member who is receiving a reduced retirement
1999 allowance under Option 2, Option 4 or Option 4-A whose designated
2000 beneficiary predeceases him or her, or whose marriage to a spouse
2001 who is his or her designated beneficiary is terminated by divorce
2002 or other dissolution, may elect to cancel the reduced retirement



2003 allowance and receive the maximum retirement allowance for life in
2004 an amount equal to the amount that would have been payable if the
2005 member had not elected Option 2, Option 4 or Option 4-A. That
2006 election must be made in writing to the office of the executive
2007 director of the system on a form prescribed by the board. Any
2008 such election shall be effective the first of the month following
2009 the date the election is received by the system; however, the
2010 election may be applied retroactively for not more than three (3)
2011 months but no earlier than the first of the month following the
2012 date of the death of the beneficiary.

2013 (4) Any retired member who is receiving the maximum
2014 retirement allowance for life, or a retirement allowance under
2015 Option 1, and who marries after his or her retirement may elect to
2016 cancel the maximum retirement allowance and receive a reduced
2017 retirement allowance under Option 2, Option 4 or Option 4-A to
2018 provide continuing lifetime benefits to his or her spouse. That
2019 election must be made in writing to the office of the executive
2020 director of the system on a form prescribed by the board not
2021 earlier than the date of the marriage and not later than one (1)
2022 year from the date of the marriage. Any such election shall be
2023 effective the first of the month following the date the election
2024 is received by the system.

2025 (5) (a) Except as otherwise provided in this subsection, if
2026 the election of an optional benefit is made after the member has
2027 attained the age of sixty-five (65) years, the actuarial



2028 equivalent factor shall be used to compute the reduced retirement
2029 allowance as if the election had been made on his or her
2030 sixty-fifth birthday; however, from and after January 1, 2003, if
2031 there is an election of Option 6 after the member has attained the
2032 age of sixty-five (65) years, the actuarial equivalent factor
2033 based on the retiree's age at the time of retirement shall be used
2034 to compute the reduced maximum monthly retirement allowance.
2035 However, if a retiree marries or remarries after retirement and
2036 elects either Option 2 or Option 4-A as provided in subsection (2)
2037 or (4) of this section, the actuarial equivalent factor used to
2038 compute the reduced retirement allowance shall be the factor for
2039 the age of the retiree and his or her beneficiary at the time such
2040 election for recalculation of benefits is made.

2041 (b) For members who retire on or after July 1, 2012,
2042 the actuarial equivalent factor used to compute the reduced
2043 retirement allowance at retirement or upon any subsequent
2044 recalculation of the benefit shall be the factor for the age of
2045 the retiree and his or her beneficiary at the time of retirement
2046 or at the time an election for recalculation of benefits is made.

2047 (6) Notwithstanding any provision of Section 25-11-1 et
2048 seq., no payments may be made for a retirement allowance on a
2049 monthly basis for a period of time in excess of that allowed by
2050 federal law.

2051 (7) If a retirant and his or her eligible beneficiary, if
2052 any, both die before they have received in annuity payments a



2053 total amount equal to the accumulated contributions standing to
2054 the retirant's credit in the annuity savings account at the time
2055 of his or her retirement, the difference between the accumulated
2056 contributions and the total amount of annuities received by them
2057 shall be paid to such persons as the retirant has nominated by
2058 written designation duly executed and filed in the office of the
2059 executive director. If no designated person survives the retirant
2060 and his or her beneficiary, the difference, if any, shall be paid
2061 under Section 25-11-117.1(1).

2062 (8) Any retired member who retired on Option 2(5) or 4-A(5)
2063 before July 1, 1992, who is still receiving a retirement allowance
2064 on July 1, 1994, shall receive an increase in the annual
2065 retirement allowance effective July 1, 1994, equal to the amount
2066 they would have received under Option 2 or Option 4-A without a
2067 reduction for Option 5 based on the ages at retirement of the
2068 retiree and beneficiary and option factors in effect on July 1,
2069 1992. That increase shall be prospective only.

2070 **SECTION 10.** Section 25-11-117, Mississippi Code of 1972, is
2071 brought forward as follows:

2072 25-11-117. (1) A member may be paid a refund of the amount
2073 of accumulated contributions to the credit of the member in the
2074 annuity savings account, provided that the member has withdrawn
2075 from state service and has not returned to state service on the
2076 date the refund of the accumulated contributions would be paid.
2077 That refund of the contributions to the credit of the member in



2078 the annuity savings account shall be paid within ninety (90) days
2079 from receipt in the office of the retirement system of the
2080 properly completed form requesting the payment. In the event of
2081 death before retirement of any member whose spouse and/or children
2082 are not entitled to a retirement allowance, the accumulated
2083 contributions to the credit of the deceased member in the annuity
2084 savings account shall be paid to the designated beneficiary on
2085 file in writing in the office of the executive director of the
2086 board of trustees within ninety (90) days from receipt of a
2087 properly completed form requesting the payment. If there is no
2088 such designated beneficiary on file for the deceased member in the
2089 office of the system, upon the filing of a proper request with the
2090 board, the contributions to the credit of the deceased member in
2091 the annuity savings account shall be refunded under Section
2092 25-11-117.1(1). The payment of the refund shall discharge all
2093 obligations of the retirement system to the member on account of
2094 any creditable service rendered by the member before the receipt
2095 of the refund. By the acceptance of the refund, the member shall
2096 waive and relinquish all accrued rights in the system.

2097 (2) Under the Unemployment Compensation Amendments of 1992
2098 (Public Law 102-318 (UCA)), a member or the spouse of a member who
2099 is an eligible beneficiary entitled to a refund under this section
2100 may elect, on a form prescribed by the board under rules and
2101 regulations established by the board, to have an eligible rollover
2102 distribution of accumulated contributions payable under this



2103 section paid directly to an eligible retirement plan, as defined
2104 under applicable federal law, or an individual retirement account.
2105 If the member or the spouse of a member who is an eligible
2106 beneficiary makes that election and specifies the eligible
2107 retirement plan or individual retirement account to which the
2108 distribution is to be paid, the distribution will be made in the
2109 form of a direct trustee-to-trustee transfer to the specified
2110 eligible retirement plan. A nonspouse beneficiary may elect to
2111 have an eligible rollover distribution paid in the form of a
2112 direct trustee-to-trustee transfer to an individual retirement
2113 account established to receive the distribution on behalf of the
2114 nonspouse beneficiary. Flexible rollovers under this subsection
2115 shall not be considered assignments under Section 25-11-129.

2116 (3) (a) If any person who has received a refund, reenters
2117 the state service and again becomes a member of the system before
2118 July 1, 2007, the member may repay all or part of the amounts
2119 previously received as a refund, together with regular interest
2120 covering the period from the date of refund to the date of
2121 repayment; however, the amounts that are repaid by the member and
2122 the creditable service related thereto shall not be used in any
2123 benefit calculation or determination until the member has remained
2124 a contributor to the system for a period of at least four (4)
2125 years after the member's reentry into state service. Repayment
2126 for that time shall be made beginning with the most recent service
2127 for which refund has been made. Upon the repayment of all or part



2128 of that refund and interest, the member shall again receive credit
2129 for the period of creditable service for which full repayment has
2130 been made to the system.

2131 (b) If any person who has received a refund, reenters
2132 the state service and again becomes a member of the system on or
2133 after July 1, 2007, the member may repay all or part of the
2134 amounts previously received as a refund, together with regular
2135 interest covering the period from the date of refund to the date
2136 of repayment; however, the amounts that are repaid by the member
2137 and the creditable service related thereto shall not be used in
2138 any benefit calculation or determination until the member has
2139 remained a contributor to the system for a period of at least
2140 eight (8) years after the member's reentry into state service.
2141 Repayment for that time shall be made beginning with the most
2142 recent service for which refund has been made. Upon the repayment
2143 of all or part of that refund and interest, the member shall again
2144 receive credit for the period of creditable service for which full
2145 repayment has been made to the system.

2146 (4) (a) In order to provide a source of income to members
2147 who have applied for disability benefits under Section 25-11-113
2148 or 25-11-114, the board may provide, at the employee's election, a
2149 temporary benefit to be paid from the member's accumulated
2150 contributions, if any, without forfeiting the right to pursue
2151 disability benefits, provided that the member has exhausted all
2152 personal and medical leave and has terminated his or her



2153 employment. The board may prescribe rules and regulations for
2154 carrying out the provisions of this subsection (4).

2155 (b) If a member who has elected to receive temporary
2156 benefits under this subsection later applies for a refund of his
2157 or her accumulated contributions, all amounts paid under this
2158 subsection shall be deducted from the accumulated contributions
2159 and the balance will be paid to the member. If a member who has
2160 elected to receive temporary benefits under this subsection is
2161 later approved for a disability retirement allowance, and a
2162 service retirement allowance or survivor benefits are paid on the
2163 account, the board shall adjust the benefits in such a manner that
2164 no more than the actuarial equivalent of the benefits to which the
2165 member or beneficiary was or is entitled shall be paid.

2166 (c) The board may study, develop and propose a
2167 disability benefit structure, including short- and long-term
2168 disability benefits, provided that it is the actuarial equivalent
2169 of the benefits currently provided in Section 25-11-113 or
2170 25-11-114.

2171 **SECTION 11.** Section 25-11-119, Mississippi Code of 1972, is
2172 brought forward as follows:

2173 25-11-119. (1) The board shall keep such data as shall be
2174 necessary for actuarial valuation of the assets and liabilities of
2175 the system and for checking its operating experience.

2176 (2) The board shall keep minutes which shall be open to
2177 public inspection. It shall have the accounts of the system



2178 audited annually by the State Audit Department and shall publish
2179 as of the end of each fiscal year a report showing the fiscal
2180 transactions of the system for the preceding fiscal year, the
2181 amount of the accumulated cash and securities of the system, a
2182 statement of income and expenditures, a statement of investments
2183 acquired and disposed of, and a balance sheet showing the
2184 financial condition of the system by means of an actuarial
2185 valuation of its assets and liabilities. It shall also publish a
2186 synopsis of the report.

2187 (3) The board shall establish a general office for the
2188 meeting of the board and for the administrative personnel; provide
2189 for the installation of an adequate system of books, accounts, and
2190 records which will give effect to all requirements of Articles 1
2191 and 3; and credit all assets received by the funds according to
2192 the purposes for which they are held. All books, accounts and
2193 records shall be kept in the general office of the board and shall
2194 be public records except for individual member records. The
2195 system shall not disclose the name, address or contents of any
2196 individual member records without the prior written consent of the
2197 individual to whom the record pertains, except as authorized by
2198 regulations of the board.

2199 (4) The board shall hold regular meetings at least quarterly
2200 in each year and such special meetings as may be deemed necessary.
2201 All meetings shall be open to the public.



2202 (5) The board shall have power to make contracts, and to sue
2203 and be sued, under the name of the Board of Trustees of the Public
2204 Employees' Retirement System of Mississippi.

2205 (6) Legal advisor. The Attorney General shall be the legal
2206 advisor of the board; and the board may employ counsel when
2207 needed.

2208 (7) Medical board. The board may designate a medical board
2209 to be composed of three (3) physicians or may contract with
2210 another governmental agency or nongovernmental disability
2211 determination service that is qualified to make disability
2212 determinations. If required, other physicians may be engaged to
2213 report on special cases. The medical board or other governmental
2214 or nongovernmental disability determination service agency so
2215 designated shall arrange for, and pass upon, all medical
2216 examinations required under the provisions of this article; shall
2217 investigate all essential statements and certificates by or on
2218 behalf of a member in connection with an application for
2219 disability retirement; and shall report in writing to the board of
2220 trustees its conclusions and recommendations upon all the matters
2221 referred to it.

2222 (8) Duties of actuary. The board of trustees shall
2223 designate an actuary who shall be the technical advisor of the
2224 board on matters regarding the operation of the system, and shall
2225 perform such other duties as are required in connection therewith.



2226 (9) At least once in each two-year period, the actuary shall
2227 make an actuarial survey of the mortality, service, withdrawal and
2228 compensation experience of the members and beneficiaries of the
2229 retirement system, and shall make a valuation of the assets and
2230 liabilities of the system. Taking into account the result of such
2231 investigation and valuation, the board of trustees shall adopt for
2232 the retirement system such mortality, service, and other tables as
2233 shall be deemed necessary. On the basis of such tables as the
2234 board of trustees shall adopt, the actuary shall make valuations
2235 of the assets and liabilities of the funds of the system.

2236 **SECTION 12.** Section 25-11-121, Mississippi Code of 1972, is
2237 brought forward as follows:

2238 25-11-121. (1) The board shall, from time to time,
2239 determine the current requirements for benefit payments and
2240 administrative expense which shall be maintained as a cash working
2241 balance, except that such cash working balance shall not exceed at
2242 any time an amount necessary to meet the current obligations of
2243 the system for a period of ninety (90) days. Any amounts in
2244 excess of such cash working balance shall be invested, as follows:

2245 (a) Funds may be deposited in any institution insured
2246 by the Federal Deposit Insurance Corporation that maintains a
2247 facility that takes deposits in the State of Mississippi or a
2248 custodial bank;

2249 (b) Corporate bonds and taxable municipal bonds; or
2250 corporate short-term obligations of corporations or of wholly



2251 owned subsidiaries of corporations, whose short-term obligations
2252 are rated A-2 or better by Standard and Poor's, rated P-2 or
2253 better by Moody's Investment Service, F-2 or better by Fitch
2254 Ratings, Ltd., or the equivalent of these ratings if assigned by
2255 another United States Securities and Exchange Commission
2256 designated Nationally Recognized Statistical Rating Organization;

2257 (c) Agency and nonagency residential and commercial
2258 mortgage-backed securities and collateralized mortgage
2259 obligations;

2260 (d) Asset-backed securities;

2261 (e) Bank loans;

2262 (f) Convertible bonds;

2263 (g) Bonds of the Tennessee Valley Authority;

2264 (h) Bonds, notes, certificates and other valid

2265 obligations of the United States, and other valid obligations of
2266 any federal instrumentality that issues securities under authority
2267 of an act of Congress and are exempt from registration with the
2268 Securities and Exchange Commission;

2269 (i) Bonds, notes, debentures and other securities
2270 issued by any federal instrumentality and fully guaranteed by the
2271 United States;

2272 (j) Interest-bearing revenue bonds or notes or bonds or
2273 notes which are general obligations of any state in the United
2274 States or of any city or county therein;



2275 (k) Bonds of established non-United States companies
2276 and foreign government securities. The board may take requisite
2277 action to effectuate or hedge transactions or invest in currency
2278 through foreign or domestic banks, including the purchase and
2279 sale, transfer, exchange, or otherwise disposal of, and generally
2280 deal in foreign exchange through the use of foreign currency,
2281 interbank forward contracts, futures contracts, options contracts,
2282 swaps and other related derivative instruments, notwithstanding
2283 any other provisions of this article to the contrary;

2284 (l) Shares of stocks, common and/or preferred, of
2285 corporations created by or existing under the laws of the United
2286 States or any state, district or territory thereof and shares of
2287 stocks, common and/or preferred, and convertible securities of
2288 non-United States companies; provided:

2289 (i) The maximum investments in stocks shall not
2290 exceed eighty percent (80%) of the total book value of the total
2291 investment fund of the system;

2292 (ii) The stock of such corporation shall:

- 2293 1. Be listed on a national stock exchange; or
2294 2. Be traded in the over-the-counter market;

2295 (iii) The outstanding shares of such corporation
2296 shall have a total market value of not less than Fifty Million
2297 Dollars (\$50,000,000.00);



2298 (iv) The amount of investment in any one (1)
2299 corporation shall not exceed three percent (3%) of the book value
2300 of the assets of the system;

2301 (v) The shares of any one (1) corporation owned by
2302 the system shall not exceed five percent (5%) of that
2303 corporation's outstanding stock.

2304 The board may take requisite action utilizing foreign
2305 currency as an investment vehicle, or to effectuate or hedge
2306 transactions for shares of stocks and convertible securities of
2307 non-United States companies through foreign or domestic banks,
2308 including the purchase and sale, transfer, exchange, or otherwise
2309 disposal of, and generally deal in foreign exchange through the
2310 use of foreign currency, interbank forward contracts, futures
2311 contracts, options contracts, swaps and other related derivative
2312 instruments, notwithstanding any other provisions of this article
2313 to the contrary;

2314 (m) Covered call and put options on securities or
2315 indices traded on one or more of the regulated exchanges;

2316 (n) Pooled or commingled funds managed by a corporate
2317 trustee or by a Securities and Exchange Commission registered
2318 investment advisory firm retained as an investment manager by the
2319 board of trustees, and shares of investment companies and unit
2320 investment trusts registered under the Investment Company Act of
2321 1940, where such pooled or commingled funds or shares are
2322 comprised of common or preferred stocks, bonds, money market



2323 instruments or other investments authorized under this section.
2324 Such investment in commingled funds or shares shall be held in
2325 trust; provided that the total book value of investments under
2326 this paragraph shall at no time exceed five percent (5%) of the
2327 total book value of all investments of the system. Any investment
2328 manager approved by the board of trustees shall invest such
2329 commingled funds or shares as a fiduciary;

2330 (o) Pooled or commingled real estate funds or real
2331 estate securities managed by a corporate trustee or by a
2332 Securities and Exchange Commission registered investment advisory
2333 firm retained as an investment manager by the board of trustees.
2334 Such investment in commingled funds or shares shall be held in
2335 trust; provided that the total book value of investments under
2336 this paragraph shall at no time exceed ten percent (10%) of the
2337 total book value of all investments of the system. Any investment
2338 manager approved by the board of trustees shall invest such
2339 commingled funds or shares as a fiduciary. The ten percent (10%)
2340 limitation in this paragraph shall not be subject to the five
2341 percent (5%) limitation in paragraph (n) of this subsection;

2342 (p) Types of investments not specifically authorized by
2343 this subsection if the investments are in the form of a separate
2344 account managed by a Securities and Exchange Commission registered
2345 investment advisory firm retained as an investment manager by the
2346 board; or a limited partnership or commingled fund approved by the
2347 board; provided that the total book value of investments under



2348 this paragraph shall at no time exceed twenty percent (20%) of the
2349 total book value of all investments of the system. Any person or
2350 entity who exercises any discretionary authority or discretionary
2351 control respecting management of the separate account, limited
2352 partnership or commingled fund, or who exercises any authority or
2353 control respecting management or disposition of the assets of the
2354 separate account, limited partnership or commingled fund, shall
2355 exercise such authority or control as a fiduciary.

2356 (2) All investments shall be acquired at prices not
2357 exceeding the prevailing market values for such investments.

2358 (3) Any limitations herein set forth shall be applicable
2359 only at the time of purchase and shall not require the liquidation
2360 of any investment at any time. All investments shall be clearly
2361 marked to indicate ownership by the system and to the extent
2362 possible shall be registered in the name of the system.

2363 (4) Subject to the above terms, conditions, limitations and
2364 restrictions, the board shall have power to sell, assign, transfer
2365 and dispose of any of the securities and investments of the
2366 system, provided that said sale, assignment or transfer has the
2367 majority approval of the entire board. The board may employ or
2368 contract with investment managers, evaluation services or other
2369 such services as determined by the board to be necessary for the
2370 effective and efficient operation of the system.

2371 (5) Except as otherwise provided herein, no trustee and no
2372 employee of the board shall have any direct or indirect interest



2373 in the income, gains or profits of any investment made by the
2374 board, nor shall any such person receive any pay or emolument for
2375 his services in connection with any investment made by the board.
2376 No trustee or employee of the board shall become an endorser or
2377 surety, or in any manner an obligor for money loaned by or
2378 borrowed from the system.

2379 (6) All interest derived from investments and any gains from
2380 the sale or exchange of investments shall be credited by the board
2381 to the account of the system.

2382 (7) The board of trustees shall credit regular interest to
2383 the annuity savings account monthly. Regular interest shall mean
2384 such per centum rate to be compounded annually as set by the board
2385 of trustees through regulation.

2386 (8) The board of trustees shall be the custodian of the
2387 funds of the system. All retirement allowance payrolls shall be
2388 certified by the executive director who shall furnish the board a
2389 surety bond in a company authorized to do business in Mississippi
2390 in such an amount as shall be required by the board, the premium
2391 to be paid by the board from the expense account.

2392 (9) For the purpose of meeting disbursements for retirement
2393 allowances, annuities and other payments, cash may be kept
2394 available, not exceeding the requirements of the system for a
2395 period of ninety (90) days, on deposit in one or more banks or
2396 trust companies organized under the laws of the State of
2397 Mississippi or the laws of the United States, provided that the



2398 sum on deposit in any one (1) bank or trust company shall not
2399 exceed thirty-five percent (35%) of the paid-up capital and
2400 regular surplus of such bank or trust company.

2401 (10) The board, the executive director and employees shall
2402 discharge their duties with respect to the investments of the
2403 system solely for the interest of the system with the care, skill,
2404 prudence and diligence under the circumstances then prevailing
2405 that a prudent investor acting in a like capacity and familiar
2406 with such matters would use in the conduct of an enterprise of a
2407 like character and with like aims, including diversifying the
2408 investments of the system so as to minimize the risk of large
2409 losses, unless under the circumstances it is clearly prudent not
2410 to do so.

2411 (11) Documentary material or data made or received by the
2412 system which consists of trade secrets or commercial or financial
2413 information that relates to the investments of the system shall be
2414 exempt from the Mississippi Public Records Act of 1983 if the
2415 disclosure of the material or data is likely to impair the
2416 system's ability to obtain such information in the future, or is
2417 likely to cause substantial harm to the competitive position of
2418 the person or entity from whom the information was obtained.

2419 **SECTION 13.** Section 25-11-123, Mississippi Code of 1972, is
2420 amended as follows:

2421 25-11-123. All of the assets of the system shall be credited
2422 according to the purpose for which they are held to one (1) of



2423 four (4) reserves; namely, the annuity savings account, the
2424 annuity reserve, the employer's accumulation account, and the
2425 expense account.

2426 (a) **Annuity savings account.** In the annuity savings account
2427 shall be accumulated the contributions made by members to provide
2428 for their annuities, including interest thereon which shall be
2429 posted monthly. Credits to and charges against the annuity
2430 savings account shall be made as follows:

2431 (1) Beginning July 1, 2010, the employer shall cause to
2432 be deducted from the salary of each member on each and every
2433 payroll of the employer for each and every payroll period nine
2434 percent (9%) of earned compensation as defined in Section
2435 25-11-103. Future contributions shall be fixed biennially by the
2436 board on the basis of the liabilities of the retirement system for
2437 the various allowances and benefits as shown by actuarial
2438 valuation; however, any member earning at a rate less than Sixteen
2439 Dollars and Sixty-seven Cents (\$16.67) per month, or Two Hundred
2440 Dollars (\$200.00) per year, shall contribute not less than One
2441 Dollar (\$1.00) per month, or Twelve Dollars (\$12.00) per year.

2442 (2) The deductions provided in paragraph (1) of this
2443 subsection shall be made notwithstanding that the minimum
2444 compensation provided by law for any member is reduced by the
2445 deduction. Every member shall be deemed to consent and agree to
2446 the deductions made and provided for in paragraph (1) of this
2447 subsection and shall receipt for his full salary or compensation,



2448 and payment of salary or compensation less the deduction shall be
2449 a full and complete discharge and acquittance of all claims and
2450 demands whatsoever for the services rendered by the person during
2451 the period covered by the payment, except as to the benefits
2452 provided under Articles 1 and 3. The board shall provide by rules
2453 for the methods of collection of contributions from members and
2454 the employer. The board shall have full authority to require the
2455 production of evidence necessary to verify the correctness of
2456 amounts contributed.

2457 (b) **Annuity reserve.** The annuity reserve shall be the
2458 account representing the actuarial value of all annuities in
2459 force, and to it shall be charged all annuities and all benefits
2460 in lieu of annuities, payable as provided in this article. If a
2461 beneficiary retired on account of disability is restored to active
2462 service with a compensation not less than his average final
2463 compensation at the time of his last retirement, the remainder of
2464 his contributions shall be transferred from the annuity reserve to
2465 the annuity savings account and credited to his individual account
2466 therein, and the balance of his annuity reserve shall be
2467 transferred to the employer's accumulation account.

2468 (c) **Employer's accumulation account.** The employer's
2469 accumulation account shall represent the accumulation of all
2470 reserves for the payment of all retirement allowances and other
2471 benefits payable from contributions made by the employer, and
2472 against this account shall be charged all retirement allowances



2473 and other benefits on account of members. Credits to and charges
2474 against the employer's accumulation account shall be made as
2475 follows:

2476 (1) On account of each member there shall be paid
2477 monthly into the employer's accumulation account by the employers
2478 for the preceding fiscal year an amount equal to a certain
2479 percentage of the total earned compensation, as defined in Section
2480 25-11-103, of each member. The percentage rate of those
2481 contributions shall be fixed biennially by the board on the basis
2482 of the liabilities of the retirement system for the various
2483 allowances and benefits as shown by actuarial valuation. * * *
2484 Political subdivisions joining Article 3 of the Public Employees'
2485 Retirement System after July 1, 1968, may adjust the employer's
2486 contributions by agreement with the Board of Trustees of the
2487 Public Employees' Retirement System to provide service credits for
2488 any period before execution of the agreement based upon an
2489 actuarial determination of employer's contribution rates. From
2490 and after the effective date of this act, the increase in the
2491 employer's contribution rate that is scheduled to take effect on
2492 July 1, 2024, is rescinded and shall not take effect.

2493 (2) On the basis of regular interest and of such
2494 mortality and other tables as are adopted by the board of
2495 trustees, the actuary engaged by the board to make each valuation
2496 required by this article during the period over which the accrued
2497 liability contribution is payable, immediately after making that



2498 valuation, shall determine the uniform and constant percentage of
2499 the earnable compensation of each member which, if contributed by
2500 the employer on the basis of compensation of the member throughout
2501 his entire period of membership service, would be sufficient to
2502 provide for the payment of any retirement allowance payable on his
2503 account for that service. The percentage rate so determined shall
2504 be known as the "normal contribution rate." After the accrued
2505 liability contribution has ceased to be payable, the normal
2506 contribution rate shall be the percentage rate of the salary of
2507 all members obtained by deducting from the total liabilities on
2508 account of membership service the amount in the employer's
2509 accumulation account, and dividing the remainder by one percent
2510 (1%) of the present value of the prospective future salaries of
2511 all members as computed on the basis of the mortality and service
2512 tables adopted by the board of trustees and regular interest. The
2513 normal rate of contributions shall be determined by the actuary
2514 after each valuation.

2515 (3) The total amount payable in each year to the
2516 employer's accumulation account shall not be less than the sum of
2517 the percentage rate known as the "normal contribution rate" and
2518 the "accrued liability contribution rate" of the total
2519 compensation earnable by all members during the preceding year,
2520 provided that the payment by the employer shall be sufficient,
2521 when combined with the amounts in the account, to provide the



2522 allowances and other benefits chargeable to this account during
2523 the year then current.

2524 (4) The accrued liability contribution shall be
2525 discontinued as soon as the accumulated balance in the employer's
2526 accumulation account shall equal the present value, computed on
2527 the basis of the normal contribution rate then in force, or the
2528 prospective normal contributions to be received on account of all
2529 persons who are at that time members.

2530 (5) All allowances and benefits in lieu thereof, with
2531 the exception of those payable on account of members who receive
2532 no prior service credit, payable from contributions of the
2533 employer, shall be paid from the employer's accumulation account.

2534 (6) Upon the retirement of a member, an amount equal to
2535 his retirement allowance shall be transferred from the employer's
2536 accumulation account to the annuity reserve.

2537 (7) The employer's accumulation account shall be
2538 credited with any assets authorized by law to be credited to the
2539 account.

2540 (d) **Expense account.** The expense account shall be the
2541 account to which the expenses of the administration of the system
2542 shall be charged, exclusive of amounts payable as retirement
2543 allowances and as other benefits provided herein. The Legislature
2544 shall make annual appropriations in amounts sufficient to
2545 administer the system, which shall be credited to this account.
2546 There shall be transferred to the State Treasury from this



2547 account, not less than once per month, an amount sufficient for
2548 payment of the estimated expenses of the system for the succeeding
2549 thirty (30) days. Any interest earned on the expense account
2550 shall accrue to the benefit of the system. However,
2551 notwithstanding the provisions of Sections 25-11-15(10) and
2552 25-11-105(f) (v)5, all expenses of the administration of the system
2553 shall be paid from the interest earnings, provided the interest
2554 earnings are in excess of the actuarial interest assumption as
2555 determined by the board, and provided the present cost of the
2556 administrative expense fee of two percent (2%) of the
2557 contributions reported by the political subdivisions and
2558 instrumentalities shall be reduced to one percent (1%) from and
2559 after July 1, 1983, through June 30, 1984, and shall be eliminated
2560 thereafter.

2561 (e) **Collection of contributions.** The employer shall cause
2562 to be deducted on each and every payroll of a member for each and
2563 every payroll period, beginning subsequent to January 31, 1953,
2564 the contributions payable by the member as provided in Articles 1
2565 and 3.

2566 The employer shall make deductions from salaries of employees
2567 as provided in Articles 1 and 3 and shall transmit monthly, or at
2568 such time as the board of trustees designates, the amount
2569 specified to be deducted to the Executive Director of the Public
2570 Employees' Retirement System. The executive director, after



2571 making a record of all those receipts, shall deposit such amounts
2572 as provided by law.

2573 (f) (1) Upon the basis of each actuarial valuation provided
2574 herein, the board of trustees shall biennially determine the
2575 normal contribution rate and the accrued liability contribution
2576 rate as provided in this section. The sum of these two (2) rates
2577 shall be known as the "employer's contribution rate." * * * The
2578 percentage rate of those contributions shall be fixed biennially
2579 by the board on the basis of the liabilities of the retirement
2580 system for the various allowances and benefits as shown by
2581 actuarial valuation.

2582 (2) The amount payable by the employer on account of
2583 normal and accrued liability contributions shall be determined by
2584 applying the employer's contribution rate to the amount of
2585 compensation earned by employees who are members of the system.
2586 Monthly, or at such time as the board of trustees designates, each
2587 department or agency shall compute the amount of the employer's
2588 contribution payable, with respect to the salaries of its
2589 employees who are members of the system, and shall cause that
2590 amount to be paid to the board of trustees from the personal
2591 service allotment of the amount appropriated for the operation of
2592 the department or agency, or from funds otherwise available to the
2593 agency, for the payment of salaries to its employees.

2594 (3) Except as otherwise provided in Section 25-11-106:



2595 (i) Constables shall pay employer and employee
2596 contributions on their net fee income as well as the employee
2597 contributions on all direct treasury or county payroll income.

2598 (ii) The county shall be responsible for the
2599 employer contribution on all direct treasury or county payroll
2600 income of constables.

2601 (4) Except as otherwise provided in Section
2602 25-11-106.1, chancery and circuit clerks shall be responsible for
2603 both the employer and employee share of contributions on the
2604 proportionate share of net income attributable to fees, as well as
2605 the employee share of net income attributable to direct treasury
2606 or county payroll income, and the employing county shall be
2607 responsible for the employer contributions on the net income
2608 attributable to direct treasury or county payroll income.

2609 (5) Once each year, under procedures established by the
2610 system, each employer shall submit to the Public Employees'
2611 Retirement System a copy of their report to Social Security of all
2612 employees' earnings.

2613 (6) The board shall provide by rules for the methods of
2614 collection of contributions of employers and members. The amounts
2615 determined due by an agency to the various funds as specified in
2616 Articles 1 and 3 are made obligations of the agency to the board
2617 and shall be paid as provided herein. Failure to deduct those
2618 contributions shall not relieve the employee and employer from
2619 liability thereof. Delinquent employee contributions and any



2620 accrued interest shall be the obligation of the employee and
2621 delinquent employer contributions and any accrued interest shall
2622 be the obligation of the employer. The employer may, in its
2623 discretion, elect to pay any or all of the interest on delinquent
2624 employee contributions. From and after July 1, 1996, under rules
2625 and regulations established by the board, all employers are
2626 authorized and shall transfer all funds due to the Public
2627 Employees' Retirement System electronically and shall transmit any
2628 wage or other reports by computerized reporting systems.

2629 **SECTION 14.** Section 25-11-127, Mississippi Code of 1972, is
2630 brought forward as follows:

2631 25-11-127. (1) (a) No person who is being paid a
2632 retirement allowance or a pension after retirement under this
2633 article shall be employed or paid for any service by the State of
2634 Mississippi, including services as an employee, contract worker,
2635 contractual employee or independent contractor, until the retired
2636 person has been retired for not less than ninety (90) consecutive
2637 days from his or her effective date of retirement. After the
2638 person has been retired for not less than ninety (90) consecutive
2639 days from his or her effective date of retirement or such later
2640 date as established by the board, he or she may be reemployed
2641 while being paid a retirement allowance under the terms and
2642 conditions provided in this section.

2643 (b) No retiree of this retirement system who is
2644 reemployed or is reelected to office after retirement shall



2645 continue to draw retirement benefits while so reemployed, except
2646 as provided in this section.

2647 (c) No person employed or elected under the exceptions
2648 provided for in this section shall become a member under Article 3
2649 of the retirement system.

2650 (2) Any person who has been retired under the provisions of
2651 Article 3 and who is later reemployed in service covered by this
2652 article shall cease to receive benefits under this article and
2653 shall again become a contributing member of the retirement system.
2654 When the person retires again, if the reemployment exceeds six (6)
2655 months, the person shall have his or her benefit recomputed,
2656 including service after again becoming a member, provided that the
2657 total retirement allowance paid to the retired member in his or
2658 her previous retirement shall be deducted from the member's
2659 retirement reserve and taken into consideration in recalculating
2660 the retirement allowance under a new option selected.

2661 (3) The board shall have the right to prescribe rules and
2662 regulations for carrying out the provisions of this section.

2663 (4) The provisions of this section shall not be construed to
2664 prohibit any retiree, regardless of age, from being employed and
2665 drawing a retirement allowance either:

2666 (a) For a period of time not to exceed one-half (1/2)
2667 of the normal working days for the position in any fiscal year
2668 during which the retiree will receive no more than one-half (1/2)



2669 of the salary in effect for the position at the time of
2670 employment, or

2671 (b) For a period of time in any fiscal year sufficient
2672 in length to permit a retiree to earn not in excess of twenty-five
2673 percent (25%) of retiree's average compensation.

2674 To determine the normal working days for a position under
2675 paragraph (a) of this subsection, the employer shall determine the
2676 required number of working days for the position on a full-time
2677 basis and the equivalent number of hours representing the
2678 full-time position. The retiree then may work up to one-half
2679 (1/2) of the required number of working days or up to one-half
2680 (1/2) of the equivalent number of hours and receive up to one-half
2681 (1/2) of the salary for the position. In the case of employment
2682 with multiple employers, the limitation shall equal one-half (1/2)
2683 of the number of days or hours for a single full-time position.

2684 Notice shall be given in writing to the executive director,
2685 setting forth the facts upon which the employment is being made,
2686 and the notice shall be given within five (5) days from the date
2687 of employment and also from the date of termination of the
2688 employment.

2689 (5) Except as otherwise provided in subsection (6) of this
2690 section, the employer of any person who is receiving a retirement
2691 allowance and who is employed in service covered by subsection (4)
2692 of this section as an employee or a contractual employee shall pay
2693 to the board the full amount of the employer's contribution on the



2694 amount of compensation received by the retiree for his or her
2695 employment in accordance with regulations prescribed by the board.
2696 The retiree shall not receive any additional creditable service in
2697 the retirement system as a result of the payment of the employer's
2698 contribution. This subsection does not apply to persons who are
2699 receiving a retirement allowance and who contract with an employer
2700 to provide services as a true independent contractor, as defined
2701 by the board through regulation.

2702 (6) (a) A member may retire and continue in municipal or
2703 county elective office provided that the member has reached the
2704 age and/or service requirement that will not result in a
2705 prohibited in-service distribution as defined by the Internal
2706 Revenue Service, or a retiree may be elected to a municipal or
2707 county office, provided that the person:

2708 (i) Files annually, in writing, in the office of
2709 the employer and the office of the executive director of the
2710 system before the person takes office or as soon as possible after
2711 retirement, a waiver of all salary or compensation and elects to
2712 receive in lieu of that salary or compensation a retirement
2713 allowance as provided in this section, in which event no salary or
2714 compensation shall thereafter be due or payable for those
2715 services; however, any such officer or employee may receive, in
2716 addition to the retirement allowance, office expense allowance,
2717 mileage or travel expense authorized by any statute of the State
2718 of Mississippi; or



2719 (ii) Elects to receive compensation for that
2720 elective office in an amount not to exceed twenty-five percent
2721 (25%) of the retiree's average compensation. In order to receive
2722 compensation as allowed in this subparagraph, the retiree shall
2723 file annually, in writing, in the office of the employer and the
2724 office of the executive director of the system, an election to
2725 receive, in addition to a retirement allowance, compensation as
2726 allowed in this subparagraph.

2727 (b) The municipality or county in which the retired
2728 person holds elective office shall pay to the board the amount of
2729 the employer's contributions on the full amount of the regular
2730 compensation for the elective office that the retired person
2731 holds.

2732 (c) As used in this subsection, the term "compensation"
2733 does not include office expense allowance, mileage or travel
2734 expense authorized by a statute of the State of Mississippi.

2735 **SECTION 15.** Section 25-11-133, Mississippi Code of 1972, is
2736 brought forward as follows:

2737 25-11-133. (1) The maintenance of actuarial reserves for
2738 the various allowances and benefits under Articles 1 and 3, and
2739 the payment of all annuities, retirement allowances, refunds and
2740 other benefits granted hereunder are made obligations of the
2741 employer's accumulation accounts. All income, interest and
2742 dividends derived from deposits and investments authorized by



2743 those articles shall be used for the payment of the obligations of
2744 the system.

2745 (2) In the event of the termination of the Public Employees'
2746 Retirement System established pursuant to the provisions of
2747 Section 25-11-101 et seq., all members of the system as of the
2748 date of termination of the system shall be deemed to have a vested
2749 right to benefits to the extent and in the same manner that rights
2750 would be vested under the statute existing as of the date of
2751 termination of the system, except that any member who, because of
2752 a termination of the system has not fulfilled the requirements for
2753 length of service, shall nonetheless be entitled to compensation
2754 as of the date that such member would otherwise be eligible, with
2755 such compensation to be computed on the basis of time actually a
2756 member of the service and compensation actually earned during the
2757 time a member, in the manner now provided by statute.

2758 In the event of a deficit in the availability of funds for
2759 payment due under the provisions of the Public Employees'
2760 Retirement System, an appropriation shall be made sufficient for
2761 the payment thereof as an obligation of the state.

2762 (3) (a) Notwithstanding any provisions of this section or
2763 this title to the contrary, the maximum annual retirement
2764 allowance attributable to the employer contributions payable by
2765 the system to a member shall be subject to the limitations set
2766 forth in Section 415 of the Internal Revenue Code and any
2767 regulations issued thereunder as applicable to governmental plans



2768 as the term is defined under Section 414(d) of the Internal
2769 Revenue Code.

2770 (b) The board is authorized to provide by rule or
2771 regulation for the payment of benefits as provided under this
2772 chapter to members or beneficiaries of the retirement system at a
2773 time and under circumstances not otherwise provided for in this
2774 chapter to the extent that the payment is required to maintain the
2775 system as a qualified retirement plan for purposes of federal
2776 income tax laws.

2777 (4) Notwithstanding any other provision of this plan, all
2778 distributions from this plan shall conform to the regulations
2779 issued under Section 401(a)(9) of the Internal Revenue Code,
2780 applicable to governmental plans, as defined in Section 414(d) of
2781 the Internal Revenue Code, including the incidental death benefit
2782 provisions of Section 401(a)(9)(G) of the Internal Revenue Code.
2783 Further, the regulations shall override any plan provision that is
2784 inconsistent with Section 401(a)(9) of the Internal Revenue Code.

2785 (5) The actuarial assumptions used to convert a retirement
2786 allowance from the normal form of payment to an optional form of
2787 payment shall be an appendix to Article 3 and subject to approval
2788 by the board based upon certification by the actuary.

2789 (6) Notwithstanding any other provision of this plan, the
2790 maximum compensation that can be considered for all plan purposes
2791 shall not be greater than that allowed under Section 401(a)(17) of
2792 the Internal Revenue Code.



2793 **SECTION 16.** Section 25-11-139, Mississippi Code of 1972, is
2794 brought forward as follows:

2795 25-11-139. Any retirement allowance or other annuity or
2796 benefit provided by Articles 1 and 3 shall be paid in equal
2797 monthly installments for life and shall not be increased,
2798 decreased, revoked or repealed, except for error upon detection,
2799 regardless of the length of time between the reporting error or
2800 the time payment started and the time the board became aware of
2801 the error, or except where specifically otherwise provided by said
2802 articles. This responsibility is, and has been, the duty of the
2803 board since the creation of the retirement system.

2804 Pursuant to Section 25-11-111, Mississippi Code of 1972, it
2805 is and has been the sole responsibility of the member or
2806 beneficiary thereof to apply for benefits and no benefits shall be
2807 paid for any period prior to the first of the month following the
2808 receipt of such application for such benefits, but in no event
2809 prior to termination of employment, except as authorized in
2810 Section 25-11-114.

2811 **SECTION 17.** This act shall take effect and be in force from
2812 and after its passage.

