

By: Senator(s) Blount

To: Finance

SENATE BILL NO. 2903

1 AN ACT TO AMEND SECTION 25-14-5, MISSISSIPPI CODE OF 1972, TO  
 2 ALLOW THE MISSISSIPPI DEFERRED COMPENSATION PLAN AND TRUST TO  
 3 OFFER ROTH ACCOUNTS AND OTHER AFTER-TAX CONTRIBUTION VEHICLES; TO  
 4 PROVIDE THAT A PARTICIPANT'S ROTH OR OTHER ALLOWABLE AFTER-TAX  
 5 CONTRIBUTION INTO A DEFERRED COMPENSATION ACCOUNT SHALL BE TREATED  
 6 BY THE EMPLOYER AS INCLUDABLE IN THE PARTICIPANT'S INCOME AT THE  
 7 TIME THE PARTICIPANT WOULD HAVE RECEIVED THAT AMOUNT IN  
 8 COMPENSATION IF THE PARTICIPANT HAD NOT MADE A DEFERRED ELECTION;  
 9 TO PROVIDE THAT THE MISSISSIPPI DEFERRED COMPENSATION PLAN AND  
 10 TRUST SHALL COMPLY WITH ANY QUALIFIED DOMESTIC RELATIONS ORDER  
 11 UNDER THE INTERNAL REVENUE CODE ESTABLISHING THE RIGHT OF AN  
 12 ALTERNATE PAYEE TO ALL OR A PORTION OF A PARTICIPANT'S BENEFIT  
 13 UNDER THE PLAN; TO AMEND SECTION 25-14-15, MISSISSIPPI CODE OF  
 14 1972, TO CONFORM; AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** Section 25-14-5, Mississippi Code of 1972, is  
 17 amended as follows:

18 25-14-5. (1) The State of Mississippi, or any state agency,  
 19 county, municipality or other political subdivision may, by  
 20 contract, agree with any employee to defer, in whole or in part,  
 21 any portion of that employee's income, and a county, municipality  
 22 or other political subdivision, except community and junior  
 23 college districts, may make contributions to the plan on behalf of  
 24 actively participating members on a uniform basis through an



25 employer contribution agreement as provided for in the Mississippi  
26 Deferred Compensation Plan and Trust Plan Document if making the  
27 contribution does not conflict with any other state law. Those  
28 funds may subsequently be used to purchase a fixed or variable  
29 life insurance or annuity contract authorized for purchase by the  
30 Public Employees' Retirement System of Mississippi for the purpose  
31 of protecting its obligation to the deferred compensation program  
32 for the employee from any life underwriter duly licensed by this  
33 state who represents an insurance company licensed to contract  
34 fixed and variable annuities and fixed or variable life insurance  
35 business in this state and authorized by the Public Employees'  
36 Retirement System of Mississippi to offer their products in the  
37 plan, or to purchase any investments authorized for purchase by  
38 the Public Employees' Retirement System of Mississippi under  
39 Section 25-11-121, or to invest those monies in a fund or funds  
40 maintained by a corporate trustee, which fund or funds are used as  
41 an investment media for retirement, pension or profit sharing  
42 plans that are tax qualified for that purpose. However, in the  
43 administration of this plan, the Public Employees' Retirement  
44 System of Mississippi may adopt such regulations as are reasonable  
45 and necessary to assure the orderly functioning of the plan, but  
46 those regulations shall not unreasonably restrict all licensed  
47 life underwriters and insurance companies described in this  
48 section from concurrently participating in providing contracts  
49 authorized under this section.



50       (2) Anything in any other law to the contrary  
51 notwithstanding, except as provided in subsections (3) and (4) of  
52 this section, the deferred portion of the employee's compensation,  
53 the plan and the monies in the plan created by this chapter are  
54 exempt from any state, county or municipal ad valorem taxes,  
55 income taxes, premium taxes, privilege taxes, property taxes,  
56 sales and use taxes and any other taxes not so named, until the  
57 deferred compensation is paid to the employee or beneficiary and  
58 exempt from levy, garnishment, attachment or any other process  
59 whatsoever.

60       (3) The Mississippi Deferred Compensation Plan and Trust, or  
61 any other deferred compensation plan established by this chapter,  
62 may include Roth accounts pursuant to 26 USC Section 402A or any  
63 other after-tax contribution vehicle allowed under the Internal  
64 Revenue Code, if permitted by the plan document. A participant's  
65 Roth or other allowable after-tax contribution into a deferred  
66 compensation account shall be treated by the employer as  
67 includable in the participant's income at the time the participant  
68 would have received that amount in compensation if the participant  
69 had not made a deferred election.

70       (4) The Mississippi Deferred Compensation Plan and Trust  
71 shall comply with any judgment, decree or order establishing the  
72 right of an alternate payee, as defined in 26 USC Section  
73 414(p) (8), to all or a portion of a participant's benefit under  
74 the plan to the extent that it is a qualified domestic relations



75 order under 26 USC Section 414(p). The administrator shall  
76 establish reasonable written procedures to determine whether an  
77 order is a qualified domestic relations order, and to administer  
78 the distribution of benefits with respect to such an order, which  
79 procedures may be amended from time to time. Notwithstanding any  
80 other provisions in the plan, the plan may make an immediate  
81 distribution to the alternate payee pursuant to a qualified  
82 domestic relations order.

83       **SECTION 2.** Section 25-14-15, Mississippi Code of 1972, is  
84 amended as follows:

85       25-14-15. Notwithstanding any other provision of this  
86 chapter or any other provision of law to the contrary, except as  
87 provided in Section 25-14-5(3), any sum deferred under the  
88 deferred compensation program shall not be included for the  
89 purposes of computation of any taxes withheld on behalf of any  
90 employee.

91       **SECTION 3.** This act shall take effect and be in force from  
92 and after July 1, 2024.

