

By: Senator(s) Harkins

To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2907

1 AN ACT TO AMEND SECTION 25-11-411, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE EMPLOYER CONTRIBUTION RATES FOR PARTICIPANTS IN THE
3 OPTIONAL RETIREMENT PROGRAM; TO AMEND SECTION 25-11-407,
4 MISSISSIPPI CODE OF 1972, TO DELETE THE MINIMUM NUMBER OF
5 COMPANIES THAT THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM MUST
6 DESIGNATE TO PROVIDE INVESTMENT PRODUCTS FOR THE OPTIONAL
7 RETIREMENT PROGRAM; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 25-11-411, Mississippi Code of 1972, is
10 amended as follows:

11 25-11-411. Each participant shall contribute monthly to the
12 optional retirement program the same amount that he or she would
13 be required to contribute to the Public Employees' Retirement
14 System of Mississippi if he or she were a member of that
15 retirement system. Participant contributions may be made by a
16 reduction in salary in accordance with the provisions of Section
17 403(b) of the United States Internal Revenue Code or any amendment
18 thereto, or in accordance with Section 25-11-124, as may be
19 appropriate under the determination made in accordance with
20 Section 25-11-421. The entirety of each participant's



21 contribution shall be remitted to the appropriate company or
22 companies for application to the participant's contracts or
23 accounts, or both. Each employer of a participant in the optional
24 retirement program shall contribute on behalf of each participant
25 in the optional retirement program the same amount the employer
26 would be required to contribute to the Public Employees'
27 Retirement System of Mississippi if the participant were a member
28 of the retirement system. The employer's contribution shall be
29 remitted as follows:

30 (a) For those participants enrolled in the program
31 before July 1, 2024, and those participants enrolled on or after
32 July 1, 2024, but before July 1, 2025, an amount equal to * * *
33 fourteen and seven hundred fifty-one thousandths percent (14.751%)
34 of the participant's total earned compensation as defined in
35 Section 25-11-103 shall be remitted to the appropriate company or
36 companies for application to the participant's contracts or
37 accounts, or both * * *. The remainder, if any, shall be remitted
38 to the * * * Public Employees' Retirement System of Mississippi
39 for application to the accrued liability contribution fund.

40 If the employer's contribution level is decreased below * * *
41 fourteen and seven hundred fifty-one thousandths percent (14.751%)
42 of the employee's total earned compensation, the remittance
43 provided by this paragraph (* * *a) * * * shall be reduced
44 accordingly. There shall be no reduction in the remittance
45 provided by this paragraph (a) * * * until such time, if any, that



46 the employer's contribution level is less than * * * fourteen and
47 seven hundred fifty-one thousandths percent (14.751%) of the
48 participant's total earned compensation. * * * Any remittance
49 required to be made by the employer to the Public Employees'
50 Retirement System of Mississippi shall be made at the times the
51 employer remits contributions for members of the retirement
52 system.

53 (b) For those participants first enrolled in the
54 program on or after July 1, 2025, an amount, equal to nine percent
55 (9%) of the participant's total earned compensation as defined in
56 Section 25-11-103 shall be remitted to the appropriate company or
57 companies for application to the participant's contracts or
58 accounts, or both. The remainder, if any, shall be remitted to
59 the Public Employees' Retirement System for application to the
60 accrued liability contribution fund.

61 If the employer's contribution level is decreased below nine
62 percent (9%) of the employee's total earned compensation, the
63 remittance provided by this paragraph (b) shall be reduced
64 accordingly. There shall be no reduction in the remittance
65 provided by this paragraph (b) until such time, if any, that the
66 employer's contribution level is less than nine percent (9%) of
67 the participant's total earned compensation. Any remittance
68 required to be made by the employer to the Public Employees'
69 Retirement System shall be made at the times the employer remits
70 contributions for members of the retirement system.



71 **SECTION 2.** Section 25-11-407, Mississippi Code of 1972, is
72 amended as follows:

73 25-11-407. The Board of Trustees of the Public Employees'
74 Retirement System shall designate not * * * more than five (5)
75 companies to provide annuity contracts, mutual fund accounts or
76 similar investment products, and the types of investment contracts
77 or funds that may be offered by those companies. In making those
78 designations, the board of trustees shall consider and be guided
79 by:

80 (a) The nature and extent of the rights and benefits to
81 be provided by those contracts or accounts, or both, for
82 participants and their beneficiaries;

83 (b) The relation of those rights and benefits to the
84 amount of contributions to be made;

85 (c) The suitability of those rights and benefits to the
86 needs of the participants;

87 (d) The efficacy of the contracts or accounts, or both,
88 in the recruitment and retention of faculty and administrators;

89 (e) The ability and experience of the designated
90 companies in providing those suitable rights and benefits under
91 those contracts or accounts, or both; and

92 (f) The ability and experience of the designated
93 companies to provide both suitable participant investment guidance
94 and investment options.



95 The companies shall act in a fiduciary capacity in selecting
96 investment products that are suitable for the optional retirement
97 program. It shall be the duty of the companies to report to and
98 seek approval from the board for the investment products made
99 available under this paragraph and to report the participant use
100 of those options annually. The board reserves the right to refuse
101 or discontinue any product offered by those companies.

102 **SECTION 3.** This act shall take effect and be in force from
103 and after July 1, 2024, and shall stand repealed on June 30, 2024.

