

## House Amendments to Senate Bill No. 2903

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

### AMENDMENT NO. 1

1           **AMEND** by inserting the following language after line 90 and  
2 renumbering the succeeding section accordingly:

3           **SECTION 3.** Section 25-11-123, Mississippi Code of 1972, is  
4 amended as follows:

5           25-11-123. All of the assets of the system shall be credited  
6 according to the purpose for which they are held to one (1) of  
7 four (4) reserves; namely, the annuity savings account, the  
8 annuity reserve, the employer's accumulation account, and the  
9 expense account.

10           (a) **Annuity savings account.** In the annuity savings account  
11 shall be accumulated the contributions made by members to provide  
12 for their annuities, including interest thereon which shall be  
13 posted monthly. Credits to and charges against the annuity  
14 savings account shall be made as follows:

15           (1) Beginning July 1, 2010, the employer shall cause to  
16 be deducted from the salary of each member on each and every  
17 payroll of the employer for each and every payroll period nine

18 percent (9%) of earned compensation as defined in Section  
19 25-11-103. Future contributions shall be fixed biennially by the  
20 board on the basis of the liabilities of the retirement system for  
21 the various allowances and benefits as shown by actuarial  
22 valuation; however, any member earning at a rate less than Sixteen  
23 Dollars and Sixty-seven Cents (\$16.67) per month, or Two Hundred  
24 Dollars (\$200.00) per year, shall contribute not less than One  
25 Dollar (\$1.00) per month, or Twelve Dollars (\$12.00) per year.

26 (2) The deductions provided in paragraph (1) of this  
27 subsection shall be made notwithstanding that the minimum  
28 compensation provided by law for any member is reduced by the  
29 deduction. Every member shall be deemed to consent and agree to  
30 the deductions made and provided for in paragraph (1) of this  
31 subsection and shall receipt for his full salary or compensation,  
32 and payment of salary or compensation less the deduction shall be  
33 a full and complete discharge and acquittance of all claims and  
34 demands whatsoever for the services rendered by the person during  
35 the period covered by the payment, except as to the benefits  
36 provided under Articles 1 and 3. The board shall provide by rules  
37 for the methods of collection of contributions from members and  
38 the employer. The board shall have full authority to require the  
39 production of evidence necessary to verify the correctness of  
40 amounts contributed.

41 (b) **Annuity reserve.** The annuity reserve shall be the  
42 account representing the actuarial value of all annuities in

43 force, and to it shall be charged all annuities and all benefits  
44 in lieu of annuities, payable as provided in this article. If a  
45 beneficiary retired on account of disability is restored to active  
46 service with a compensation not less than his average final  
47 compensation at the time of his last retirement, the remainder of  
48 his contributions shall be transferred from the annuity reserve to  
49 the annuity savings account and credited to his individual account  
50 therein, and the balance of his annuity reserve shall be  
51 transferred to the employer's accumulation account.

52 (c) **Employer's accumulation account.** The employer's  
53 accumulation account shall represent the accumulation of all  
54 reserves for the payment of all retirement allowances and other  
55 benefits payable from contributions made by the employer, and  
56 against this account shall be charged all retirement allowances  
57 and other benefits on account of members. Credits to and charges  
58 against the employer's accumulation account shall be made as  
59 follows:

60 (1) On account of each member there shall be paid  
61 monthly into the employer's accumulation account by the employers  
62 for the preceding fiscal year an amount equal to a certain  
63 percentage of the total earned compensation, as defined in Section  
64 25-11-103, of each member. \* \* \* From and after the effective  
65 date of this act, the increase in the employer's contribution rate  
66 scheduled to take effect on July 1, 2024, is rescinded and shall  
67 not take effect.

68           (2) For the public good, any recommendation by the  
69 board to adjust the employer contributions shall be accompanied by  
70 at least two (2) assessments from actuaries who are independent  
71 from each other and the retirement plan. The actuaries shall  
72 analyze the economic impact of any such recommendation to the  
73 system and state, including, but not limited to, information  
74 showing the fiscal impact to every agency and arm of the state,  
75 including, but not limited to, state agencies, cities, counties  
76 and school districts. The actuarial assessments, with any such  
77 recommendation to adjust the employer contributions, shall be  
78 submitted to the Lieutenant Governor, Speaker of the House,  
79 Chairman of the Senate Appropriations Committee and Chairman of  
80 the House Appropriations Committee.

81           (3) The board shall have the authority to make  
82 recommendations regarding additional funding sources for the  
83 retirement plan, including employer contribution increases, based  
84 on the assets and liabilities of the retirement plan, and the  
85 analyses required by paragraph (2) of this subsection (c). The  
86 Legislature shall have the sole authority to implement any such  
87 recommendations.

88           (4) This section shall not be construed to provide  
89 authority to reduce or eliminate any earned benefits to be  
90 provided by the state to persons drawing a retirement allowance or  
91 to members of the system as of the effective date of this act.

92 ( \* \* \*5) On the basis of regular interest and of such  
93 mortality and other tables as are adopted by the board of  
94 trustees, the actuary engaged by the board to make each valuation  
95 required by this article during the period over which the accrued  
96 liability contribution is payable, immediately after making that  
97 valuation, shall determine the uniform and constant percentage of  
98 the earnable compensation of each member which, if contributed by  
99 the employer on the basis of compensation of the member throughout  
100 his entire period of membership service, would be sufficient to  
101 provide for the payment of any retirement allowance payable on his  
102 account for that service. The percentage rate so determined shall  
103 be known as the "normal contribution rate." After the accrued  
104 liability contribution has ceased to be payable, the normal  
105 contribution rate shall be the percentage rate of the salary of  
106 all members obtained by deducting from the total liabilities on  
107 account of membership service the amount in the employer's  
108 accumulation account, and dividing the remainder by one percent  
109 (1%) of the present value of the prospective future salaries of  
110 all members as computed on the basis of the mortality and service  
111 tables adopted by the board of trustees and regular interest. The  
112 normal rate of contributions shall be determined by the actuary  
113 after each valuation.

114 ( \* \* \*6) The total amount payable in each year to the  
115 employer's accumulation account shall not be less than the sum of  
116 the percentage rate known as the "normal contribution rate" and  
117 the "accrued liability contribution rate" of the total

118 compensation earnable by all members during the preceding year,  
119 provided that the payment by the employer shall be sufficient,  
120 when combined with the amounts in the account, to provide the  
121 allowances and other benefits chargeable to this account during  
122 the year then current.

123 ( \* \* \*7) The accrued liability contribution shall be  
124 discontinued as soon as the accumulated balance in the employer's  
125 accumulation account shall equal the present value, computed on  
126 the basis of the normal contribution rate then in force, or the  
127 prospective normal contributions to be received on account of all  
128 persons who are at that time members.

129 ( \* \* \*8) All allowances and benefits in lieu thereof,  
130 with the exception of those payable on account of members who  
131 receive no prior service credit, payable from contributions of the  
132 employer, shall be paid from the employer's accumulation account.

133 ( \* \* \*9) Upon the retirement of a member, an amount  
134 equal to his retirement allowance shall be transferred from the  
135 employer's accumulation account to the annuity reserve.

136 ( \* \* \*10) The employer's accumulation account shall be  
137 credited with any assets authorized by law to be credited to the  
138 account.

139 (d) **Expense account.** The expense account shall be the  
140 account to which the expenses of the administration of the system  
141 shall be charged, exclusive of amounts payable as retirement

142 allowances and as other benefits provided herein. The Legislature  
143 shall make annual appropriations in amounts sufficient to  
144 administer the system, which shall be credited to this account.  
145 There shall be transferred to the State Treasury from this  
146 account, not less than once per month, an amount sufficient for  
147 payment of the estimated expenses of the system for the succeeding  
148 thirty (30) days. Any interest earned on the expense account  
149 shall accrue to the benefit of the system. However,  
150 notwithstanding the provisions of Sections 25-11-15(10) and  
151 25-11-105(f) (v)5, all expenses of the administration of the system  
152 shall be paid from the interest earnings, provided the interest  
153 earnings are in excess of the actuarial interest assumption as  
154 determined by the board, and provided the present cost of the  
155 administrative expense fee of two percent (2%) of the  
156 contributions reported by the political subdivisions and  
157 instrumentalities shall be reduced to one percent (1%) from and  
158 after July 1, 1983, through June 30, 1984, and shall be eliminated  
159 thereafter.

160 (e) **Collection of contributions.** The employer shall cause  
161 to be deducted on each and every payroll of a member for each and  
162 every payroll period, beginning subsequent to January 31, 1953,  
163 the contributions payable by the member as provided in Articles 1  
164 and 3.

165 The employer shall make deductions from salaries of employees  
166 as provided in Articles 1 and 3 and shall transmit monthly, or at

167 such time as the board of trustees designates, the amount  
168 specified to be deducted to the Executive Director of the Public  
169 Employees' Retirement System. The executive director, after  
170 making a record of all those receipts, shall deposit such amounts  
171 as provided by law.

172 (f) (1) Upon the basis of each actuarial valuation provided  
173 herein, the board of trustees shall biennially determine the  
174 normal contribution rate and the accrued liability contribution  
175 rate as provided in this section. The sum of these two (2) rates  
176 shall be known as the "employer's contribution rate." The  
177 percentage rate of those contributions shall be fixed biennially  
178 by the board on the basis of the liabilities of the retirement  
179 system for the various allowances and benefits as shown by  
180 actuarial valuation.

181 (2) The amount payable by the employer on account of  
182 normal and accrued liability contributions shall be determined by  
183 applying the employer's contribution rate to the amount of  
184 compensation earned by employees who are members of the system.  
185 Monthly, or at such time as the board of trustees designates, each  
186 department or agency shall compute the amount of the employer's  
187 contribution payable, with respect to the salaries of its  
188 employees who are members of the system, and shall cause that  
189 amount to be paid to the board of trustees from the personal  
190 service allotment of the amount appropriated for the operation of



191 the department or agency, or from funds otherwise available to the  
192 agency, for the payment of salaries to its employees.

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

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

197 (ii) The county shall be responsible for the  
198 employer contribution on all direct treasury or county payroll  
199 income of constables.

200 (4) Except as otherwise provided in Section  
201 25-11-106.1, chancery and circuit clerks shall be responsible for  
202 both the employer and employee share of contributions on the  
203 proportionate share of net income attributable to fees, as well as  
204 the employee share of net income attributable to direct treasury  
205 or county payroll income, and the employing county shall be  
206 responsible for the employer contributions on the net income  
207 attributable to direct treasury or county payroll income.

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

212 (6) The board shall provide by rules for the methods of  
213 collection of contributions of employers and members. The amounts  
214 determined due by an agency to the various funds as specified in

215 Articles 1 and 3 are made obligations of the agency to the board  
216 and shall be paid as provided herein. Failure to deduct those  
217 contributions shall not relieve the employee and employer from  
218 liability thereof. Delinquent employee contributions and any  
219 accrued interest shall be the obligation of the employee and  
220 delinquent employer contributions and any accrued interest shall  
221 be the obligation of the employer. The employer may, in its  
222 discretion, elect to pay any or all of the interest on delinquent  
223 employee contributions. From and after July 1, 1996, under rules  
224 and regulations established by the board, all employers are  
225 authorized and shall transfer all funds due to the Public  
226 Employees' Retirement System electronically and shall transmit any  
227 wage or other reports by computerized reporting systems.

228 **AMEND further** the title online 14 by inserting the following  
229 language after the semicolon:

230 TO AMEND SECTIONS 25-11-123, MISSISSIPPI CODE OF 1972, TO PROVIDE  
231 THAT THE INCREASE IN THE EMPLOYER'S CONTRIBUTION RATE THAT IS  
232 SCHEDULED TO TAKE EFFECT ON JULY 1, 2024, IS RESCINDED AND SHALL  
233 NOT TAKE EFFECT; TO REQUIRE THAT ANY RECOMMENDATION BY THE BOARD  
234 TO ADJUST EMPLOYER CONTRIBUTIONS BE ACCOMPANIED BY AT LEAST TWO  
235 INDEPENDENT ACTUARIAL ASSESSMENTS; TO ALLOW THE BOARD TO MAKE  
236 RECOMMENDATIONS REGARDING ADDITIONAL FUNDING SOURCES FOR THE  
237 RETIREMENT PLAN, INCLUDING EMPLOYER CONTRIBUTION INCREASES, BASED  
238 ON THE PLAN'S ASSETS AND LIABILITIES, AND THE REQUIRED ACTUARIAL  
239 ASSESSMENTS; TO RESERVE TO THE LEGISLATURE THE AUTHORITY TO  
240 IMPLEMENT SUCH RECOMMENDATIONS; TO SPECIFY THAT THE SECTION SHALL  
241 NOT BE CONSTRUED TO PROVIDE AUTHORITY TO REDUCE OR ELIMINATE ANY  
242 EARNED BENEFITS PROVIDED BY THE STATE TO CURRENT RETIREES OR  
243 CURRENT MEMBERS OF THE RETIREMENT SYSTEM;

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Andrew Ketchings  
Clerk of the House of Representatives