

**Adopted
AMENDMENT NO 1 PROPOSED TO**

Senate Bill No. 2903

BY: Representative Lamar

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;

