

By: Senator(s) Sparks

To: Rules

SENATE BILL NO. 2439

1 AN ACT TO CREATE A FIFTH TIER IN THE PUBLIC EMPLOYEES'
2 RETIREMENT SYSTEM OF MISSISSIPPI (PERS) FOR EMPLOYEES HIRED ON OR
3 AFTER JULY 1, 2025; TO TERMINATE THE SUPPLEMENTAL LEGISLATIVE
4 RETIREMENT PLAN (SLRP) FOR EMPLOYEES HIRED ON OR AFTER JULY 1,
5 2025; TO BRING FORWARD SECTIONS 25-11-101, 25-11-103, 25-11-105,
6 25-11-106, 25-11-106.1, 25-11-107, 25-11-109, 25-11-110,
7 25-11-111, 25-11-111.1, 25-11-112, 25-11-113, 25-11-114,
8 25-11-115, 25-11-115.1, 25-11-115.2, 25-11-117, 25-11-117.1,
9 25-11-118, 25-11-119, 25-11-119.1, 25-11-120, 25-11-121,
10 25-11-123, 25-11-124, 25-11-125, 25-11-126, 25-11-127, 25-11-129,
11 25-11-131, 25-11-133, 25-11-135, 25-11-137, 25-11-139 AND
12 25-11-141, MISSISSIPPI CODE OF 1972, FOR THE PURPOSE OF POSSIBLE
13 AMENDMENT; AND FOR RELATED PURPOSES.

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

15 **SECTION 1.** Section 25-11-101, Mississippi Code of 1972, is
16 brought forward as follows:

17 25-11-101. A retirement system is hereby established and
18 placed under the management of the board of trustees for the
19 purpose of providing retirement allowances and other benefits
20 under the provisions of this article for officers and employees in
21 the state service and their beneficiaries. The retirement system
22 provided by this article shall go into operation as of the first
23 day of the month following the effective date thereof, when



24 contributions by members shall begin and benefits shall become
25 payable.

26 This system shall be an agency of the State of Mississippi
27 having all the powers and privileges of a public corporation and
28 shall be known as the "Public Employees' Retirement System of
29 Mississippi." By such name all of its business shall be
30 transacted, all of its funds invested, and all of its cash and
31 securities and other property held; but in ordinary correspondence
32 the word "system" may be used instead of the full title. After
33 appropriation for administrative expenses and after payment of
34 investment management fees and costs, all funds of the system
35 shall be held in trust in the custody of the board of trustees as
36 funds of the beneficiaries of the trust. The Joint Legislative
37 Committee on Performance Evaluation and Expenditure Review is
38 hereby authorized and directed to have performed random actuarial
39 evaluations, as necessary, of the funds and expenses of the Public
40 Employees' Retirement System and to make annual reports to the
41 Legislature on the financial soundness of the system.

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

44 25-11-103. (1) The following words and phrases as used in
45 Articles 1 and 3, unless a different meaning is plainly required
46 by the context, have the following meanings:

47 (a) "Accumulated contributions" means the sum of all
48 the amounts deducted from the compensation of a member and



49 credited to his or her individual account in the annuity savings
50 account, together with regular interest as provided in Section
51 25-11-123.

52 (b) "Actuarial cost" means the amount of funds
53 presently required to provide future benefits as determined by the
54 board based on applicable tables and formulas provided by the
55 actuary.

56 (c) "Actuarial equivalent" means a benefit of equal
57 value to the accumulated contributions, annuity or benefit, as the
58 case may be, when computed upon the basis of such mortality tables
59 as adopted by the board of trustees, and regular interest.

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

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

65 (f) "Average compensation" means the average of the
66 four (4) highest years of earned compensation reported for an
67 employee in a fiscal or calendar year period, or combination
68 thereof that do not overlap, or the last forty-eight (48)
69 consecutive months of earned compensation reported for an
70 employee. The four (4) years need not be successive or joined
71 years of service. In computing the average compensation for
72 retirement, disability or survivor benefits, any amount lawfully
73 paid in a lump sum for personal leave or major medical leave shall



74 be included in the calculation to the extent that the amount does
75 not exceed an amount that is equal to thirty (30) days of earned
76 compensation and to the extent that it does not cause the
77 employee's earned compensation to exceed the maximum reportable
78 amount specified in paragraph (k) of this subsection; however,
79 this thirty-day limitation shall not prevent the inclusion in the
80 calculation of leave earned under federal regulations before July
81 1, 1976, and frozen as of that date as referred to in Section
82 25-3-99. In computing the average compensation, no amounts shall
83 be used that are in excess of the amount on which contributions
84 were required and paid, and no nontaxable amounts paid by the
85 employer for health or life insurance premiums for the employee
86 shall be used. If any member who is or has been granted any
87 increase in annual salary or compensation of more than eight
88 percent (8%) retires within twenty-four (24) months from the date
89 that the increase becomes effective, then the board shall exclude
90 that part of the increase in salary or compensation that exceeds
91 eight percent (8%) in calculating that member's average
92 compensation for retirement purposes. The board may enforce this
93 provision by rule or regulation. However, increases in
94 compensation in excess of eight percent (8%) per year granted
95 within twenty-four (24) months of the date of retirement may be
96 included in the calculation of average compensation if
97 satisfactory proof is presented to the board showing that the
98 increase in compensation was the result of an actual change in the



99 position held or services rendered, or that the compensation
100 increase was authorized by the State Personnel Board or was
101 increased as a result of statutory enactment, and the employer
102 furnishes an affidavit stating that the increase granted within
103 the last twenty-four (24) months was not contingent on a promise
104 or agreement of the employee to retire. Nothing in Section
105 25-3-31 shall affect the calculation of the average compensation
106 of any member for the purposes of this article. The average
107 compensation of any member who retires before July 1, 1992, shall
108 not exceed the annual salary of the Governor.

109 (g) "Beneficiary" means any person entitled to receive
110 a retirement allowance, an annuity or other benefit as provided by
111 Articles 1 and 3. The term "beneficiary" may also include an
112 organization, estate, trust or entity; however, a beneficiary
113 designated or entitled to receive monthly payments under an
114 optional settlement based on life contingency or under a statutory
115 monthly benefit may only be a natural person. In the event of the
116 death before retirement of any member who became a member of the
117 system before July 1, 2007, and whose spouse and/or children are
118 not entitled to a retirement allowance on the basis that the
119 member has less than four (4) years of membership service credit,
120 or who became a member of the system on or after July 1, 2007, and
121 whose spouse and/or children are not entitled to a retirement
122 allowance on the basis that the member has less than eight (8)
123 years of membership service credit, and/or has not been married



for a minimum of one (1) year or the spouse has waived his or her entitlement to a retirement allowance under Section 25-11-114, the lawful spouse of a member at the time of the death of the member shall be the beneficiary of the member unless the member has designated another beneficiary after the date of marriage in writing, and filed that writing in the office of the executive director of the board of trustees. No designation or change of beneficiary shall be made in any other manner.

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

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

(j) "Child" means either a natural child of the member, a child that has been made a child of the member by applicable



149 court action before the death of the member, or a child under the
150 permanent care of the member at the time of the latter's death,
151 which permanent care status shall be determined by evidence
152 satisfactory to the board. For purposes of this paragraph, a
153 natural child of the member is a child of the member that is
154 conceived before the death of the member.

155 (k) "Earned compensation" means the full amount earned
156 during a fiscal year by an employee not to exceed the employee
157 compensation limit set pursuant to Section 401(a)(17) of the
158 Internal Revenue Code for the calendar year in which the fiscal
159 year begins and proportionately for less than one (1) year of
160 service. Except as otherwise provided in this paragraph, the
161 value of maintenance furnished to an employee shall not be
162 included in earned compensation. Earned compensation shall not
163 include any amounts paid by the employer for health or life
164 insurance premiums for an employee. Earned compensation shall be
165 limited to the regular periodic compensation paid, exclusive of
166 litigation fees, bond fees, performance-based incentive payments,
167 and other similar extraordinary nonrecurring payments. In
168 addition, any member in a covered position, as defined by Public
169 Employees' Retirement System laws and regulations, who is also
170 employed by another covered agency or political subdivision shall
171 have the earnings of that additional employment reported to the
172 Public Employees' Retirement System regardless of whether the
173 additional employment is sufficient in itself to be a covered



position. In addition, computation of earned compensation shall be governed by the following:

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

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

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

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

(v) Compensation in addition to an employee's base salary that is paid to the employee under the vacation and sick leave policies of a municipality or other political subdivision of the state that employs him or her that exceeds the maximums



199 authorized by Section 25-3-91 et seq. shall be excluded from the
200 calculation of earned compensation under this article.

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

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

206 (viii) The value of maintenance furnished to an
207 employee before July 1, 2013, for which the proper amount of
208 employer and employee contributions have been paid, shall be
209 included in earned compensation. From and after July 1, 2013, the
210 value of maintenance furnished to an employee shall be reported as
211 earned compensation only if the proper amount of employer and
212 employee contributions have been paid on the maintenance and the
213 employee was receiving maintenance and having maintenance reported
214 to the system as of June 30, 2013. The value of maintenance when
215 not paid in money shall be fixed by the employing state agency,
216 and, in case of doubt, by the board of trustees as defined in
217 Section 25-11-15.

218 (ix) Except as otherwise provided in this
219 paragraph, the value of any in-kind benefits provided by the
220 employer shall not be included in earned compensation. As used in
221 this subparagraph, "in-kind benefits" shall include, but not be
222 limited to, group life insurance premiums, health or dental
223 insurance premiums, nonpaid major medical and personal leave,



224 employer contributions for social security and retirement, tuition
225 reimbursement or educational funding, day care or transportation
226 benefits.

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

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

233 (n) "Executive director" means the secretary to the
234 board of trustees, as provided in Section 25-11-15(9), and the
235 administrator of the Public Employees' Retirement System and all
236 systems under the management of the board of trustees. Wherever
237 the term "Executive Secretary of the Public Employees' Retirement
238 System" or "executive secretary" appears in this article or in any
239 other provision of law, it shall be construed to mean the
240 Executive Director of the Public Employees' Retirement System.

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

243 (p) "Medical board" means the board of physicians or
244 any governmental or nongovernmental disability determination
245 service designated by the board of trustees that is qualified to
246 make disability determinations as provided for in Section
247 25-11-119.



248 (q) "Member" means any person included in the
249 membership of the system as provided in Section 25-11-105. For
250 purposes of Sections 25-11-103, 25-11-105, 25-11-109, 25-11-111,
251 25-11-113, 25-11-114, 25-11-115 and 25-11-117, if a member of the
252 system withdrew from state service and received a refund of the
253 amount of the accumulated contributions to the credit of the
254 member in the annuity savings account before July 1, 2007, and the
255 person reenters state service and becomes a member of the system
256 again on or after July 1, 2007, and repays all or part of the
257 amount received as a refund and interest in order to receive
258 creditable service for service rendered before July 1, 2007, the
259 member shall be considered to have become a member of the system
260 on or after July 1, 2007, subject to the eight-year membership
261 service requirement, as applicable in those sections. For
262 purposes of Sections 25-11-103, 25-11-111, 25-11-114 and
263 25-11-115, if a member of the system withdrew from state service
264 and received a refund of the amount of the accumulated
265 contributions to the credit of the member in the annuity savings
266 account before July 1, 2011, and the person reenters state service
267 and becomes a member of the system again on or after July 1, 2011,
268 and repays all or part of the amount received as a refund and
269 interest in order to receive creditable service for service
270 rendered before July 1, 2011, the member shall be considered to
271 have become a member of the system on or after July 1, 2011.



272 (r) "Membership service" means service as an employee
273 in a covered position rendered while a contributing member of the
274 retirement system.

275 (s) "Position" means any office or any employment in
276 the state service, or two (2) or more of them, the duties of which
277 call for services to be rendered by one (1) person, including
278 positions jointly employed by federal and state agencies
279 administering federal and state funds. The employer shall
280 determine upon initial employment and during the course of
281 employment of an employee who does not meet the criteria for
282 coverage in the Public Employees' Retirement System based on the
283 position held, whether the employee is or becomes eligible for
284 coverage in the Public Employees' Retirement System based upon any
285 other employment in a covered agency or political subdivision. If
286 or when the employee meets the eligibility criteria for coverage
287 in the other position, then the employer must withhold
288 contributions and report wages from the noncovered position in
289 accordance with the provisions for reporting of earned
290 compensation. Failure to deduct and report those contributions
291 shall not relieve the employee or employer of liability thereof.
292 The board shall adopt such rules and regulations as necessary to
293 implement and enforce this provision.

294 (t) "Prior service" means:

295 (i) For persons who became members of the system
296 before July 1, 2007, service rendered before February 1, 1953, for



which credit is allowable under Sections 25-11-105 and 25-11-109, and which shall allow prior service for any person who is now or becomes a member of the Public Employees' Retirement System and who does contribute to the system for a minimum period of four (4) years.

(ii) For persons who became members of the system on or after July 1, 2007, service rendered before February 1, 1953, for which credit is allowable under Sections 25-11-105 and 25-11-109, and which shall allow prior service for any person who is now or becomes a member of the Public Employees' Retirement System and who does contribute to the system for a minimum period of eight (8) years.

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

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



with the board of trustees to reinstate the spouse retirement benefit.

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

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

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

(z) "State service" means all offices and positions of trust or employment in the employ of the state, or any political subdivision or instrumentality of the state, that elect to participate as provided by Section 25-11-105(f), including the position of elected or fee officials of the counties and their deputies and employees performing public services or any department, independent agency, board or commission thereof, and also includes all offices and positions of trust or employment in the employ of joint state and federal agencies administering state and federal funds and service rendered by employees of the public schools. Effective July 1, 1973, all nonprofessional public school employees, such as bus drivers, janitors, maids, maintenance workers and cafeteria employees, shall have the option to become members in accordance with Section 25-11-105(b), and shall be eligible to receive credit for services before July 1,



1973, provided that the contributions and interest are paid by the employee in accordance with that section; in addition, the county or municipal separate school district may pay the employer contribution and pro rata share of interest of the retroactive service from available funds. "State service" shall not include the President of the Mississippi Lottery Corporation and personnel employed by the Mississippi Lottery Corporation. From and after July 1, 1998, retroactive service credit shall be purchased at the actuarial cost in accordance with Section 25-11-105(b).

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

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

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

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

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

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

(a) (i) All persons who become employees in the state service after January 31, 1953, and whose wages are subject to payroll taxes and are lawfully reported on IRS Form W-2, except



those specifically excluded, or as to whom election is provided in Articles 1 and 3, shall become members of the retirement system as a condition of their employment.

(ii) From and after July 1, 2002, any individual who is employed by a governmental entity to perform professional services shall become a member of the system if the individual is paid regular periodic compensation for those services that is subject to payroll taxes, is provided all other employee benefits and meets the membership criteria established by the regulations adopted by the board of trustees that apply to all other members of the system; however, any active member employed in such a position on July 1, 2002, will continue to be an active member for as long as they are employed in any such position.

(b) All persons who become employees in the state service after January 31, 1953, except those specifically excluded or as to whom election is provided in Articles 1 and 3, unless they file with the board before the lapse of sixty (60) days of employment or sixty (60) days after the effective date of the cited articles, whichever is later, on a form prescribed by the board, a notice of election not to be covered by the membership of the retirement system and a duly executed waiver of all present and prospective benefits that would otherwise inure to them on account of their participation in the system, shall become members of the retirement system; however, no credit for prior service will be granted to members who became members of the system before



July 1, 2007, until they have contributed to Article 3 of the retirement system for a minimum period of at least four (4) years, or to members who became members of the system on or after July 1, 2007, until they have contributed to Article 3 of the retirement system for a minimum period of at least eight (8) years. Those members shall receive credit for services performed before January 1, 1953, in employment now covered by Article 3, but no credit shall be granted for retroactive services between January 1, 1953, and the date of their entry into the retirement system, unless the employee pays into the retirement system both the employer's and the employee's contributions on wages paid him during the period from January 31, 1953, to the date of his becoming a contributing member, together with interest at the rate determined by the board of trustees. Members reentering after withdrawal from service shall qualify for prior service under the provisions of Section 25-11-117. From and after July 1, 1998, upon eligibility as noted above, the member may receive credit for such retroactive service provided:

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

(ii) The member shall pay to the retirement system on the date he or she is eligible for that credit or at any time thereafter before the date of retirement the actuarial cost for each year of that creditable service. The provisions of this



subparagraph (ii) shall be subject to the limitations of Section 415 of the Internal Revenue Code and regulations promulgated under Section 415.

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

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

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

(e) All persons who are employees in the state service on January 31, 1953, and who under existing laws are members of any fund operated for the retirement of employees by the State of Mississippi, or any of its departments or agencies, shall not be entitled to membership in this retirement system unless, before



February 1, 1953, any such person indicates by a notice filed with the board, on a form prescribed by the board, his individual election and choice to participate in this system, but no such person shall receive prior service credit unless he becomes a member on or before February 1, 1953.

(f) Each political subdivision of the state and each instrumentality of the state or a political subdivision, or both, is authorized to submit, for approval by the board of trustees, a plan for extending the benefits of this article to employees of any such political subdivision or instrumentality. Each such plan or any amendment to the plan for extending benefits thereof shall be approved by the board of trustees if it finds that the plan, or the plan as amended, is in conformity with such requirements as are provided in Articles 1 and 3; however, upon approval of the plan or any such plan previously approved by the board of trustees, the approved plan shall not be subject to cancellation or termination by the political subdivision or instrumentality. No such plan shall be approved unless:

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



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

476 (iii) It provides for such methods of
477 administration of the plan by the political subdivision or
478 instrumentality as are found by the board of trustees to be
479 necessary for the proper and efficient administration thereof;

480 (iv) It provides that the political subdivision or
481 instrumentality will make such reports, in such form and
482 containing such information, as the board of trustees may from
483 time to time require;

484 (v) It authorizes the board of trustees to
485 terminate the plan in its entirety in the discretion of the board
486 if it finds that there has been a failure to comply substantially
487 with any provision contained in the plan, the termination to take
488 effect at the expiration of such notice and on such conditions as
489 may be provided by regulations of the board and as may be
490 consistent with applicable federal law.

491 1. The board of trustees shall not finally
492 refuse to approve a plan submitted under paragraph (f), and shall
493 not terminate an approved plan without reasonable notice and
494 opportunity for hearing to each political subdivision or
495 instrumentality affected by the board's decision. The board's



decision in any such case shall be final, conclusive and binding unless an appeal is taken by the political subdivision or instrumentality aggrieved by the decision to the Circuit Court of the First Judicial District of Hinds County, Mississippi, in accordance with the provisions of law with respect to civil causes by certiorari.

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

3. Every political subdivision or instrumentality required to make payments under paragraph (f)(v)2 of this section is authorized, in consideration of the employees' retention in or entry upon employment after enactment of Articles 1 and 3, to impose upon its employees, as to services that are covered by an approved plan, a contribution with respect to wages (as defined in Section 25-11-5) not exceeding the amount provided in Section 25-11-123(d) if those services constituted employment within the meaning of Articles 1 and 3, and to deduct the amount of the contribution from the wages as and when paid. Contributions so collected shall be paid into the contribution fund as partial discharge of the liability of the political



subdivisions or instrumentalities under paragraph (f)(v)2 of this section. Failure to deduct the contribution shall not relieve the employee or employer of liability for the contribution.

4. Any state agency, school, political subdivision, instrumentality or any employer that is required to submit contribution payments or wage reports under any section of this chapter shall be assessed interest on delinquent payments or wage reports as determined by the board of trustees in accordance with rules and regulations adopted by the board and delinquent payments, assessed interest and any other amount certified by the board as owed by an employer, may be recovered by action in a court of competent jurisdiction against the reporting agency liable therefor or may, upon due certification of delinquency and at the request of the board of trustees, be deducted from any other monies payable to the reporting agency by any department or agency of the state.

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

(g) The board may, in its discretion, deny the right of membership in this system to any class of employees whose



546 compensation is only partly paid by the state or who are occupying
547 positions on a part-time or intermittent basis. The board may, in
548 its discretion, make optional with employees in any such classes
549 their individual entrance into this system.

550 (h) An employee whose membership in this system is
551 contingent on his own election, and who elects not to become a
552 member, may thereafter apply for and be admitted to membership;
553 but no such employee shall receive prior service credit unless he
554 becomes a member before July 1, 1953, except as provided in
555 paragraph (b).

556 (i) If any member of this system changes his employment
557 to any agency of the state having an actuarially funded retirement
558 system, the board of trustees may authorize the transfer of the
559 member's creditable service and of the present value of the
560 member's employer's accumulation account and of the present value
561 of the member's accumulated membership contributions to that other
562 system, provided that the employee agrees to the transfer of his
563 accumulated membership contributions and provided that the other
564 system is authorized to receive and agrees to make the transfer.

565 If any member of any other actuarially funded system
566 maintained by an agency of the state changes his employment to an
567 agency covered by this system, the board of trustees may authorize
568 the receipt of the transfer of the member's creditable service and
569 of the present value of the member's employer's accumulation
570 account and of the present value of the member's accumulated



membership contributions from the other system, provided that the employee agrees to the transfer of his accumulated membership contributions to this system and provided that the other system is authorized and agrees to make the transfer.

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

(k) Employees of a political subdivision or instrumentality who were employed by the political subdivision or instrumentality before an agreement between the entity and the Public Employees' Retirement System to extend the benefits of this article to its employees, and which agreement provides for the establishment of retroactive service credit, and who became members of the retirement system before July 1, 2007, and have remained contributors to the retirement system for four (4) years, or who became members of the retirement system on or after July 1, 2007, and have remained contributors to the retirement system for eight (8) years, may receive credit for that retroactive service with the political subdivision or instrumentality, provided that the employee and/or employer, as provided under the terms of the modification of the joinder agreement in allowing that coverage, pay into the retirement system the employer's and employee's contributions on wages paid the member during the previous employment, together with interest or actuarial cost as determined by the board covering the period from the date the service was



rendered until the payment for the credit for the service was made. Those wages shall be verified by the Social Security Administration or employer payroll records. Effective July 1, 1998, upon eligibility as noted above, a member may receive credit for that retroactive service with the political subdivision or instrumentality provided:

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

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

Nothing contained in this paragraph (k) shall be construed to limit the authority of the board to allow the correction of reporting errors or omissions based on the payment of employee and employer contributions plus applicable interest. Payment for that time shall be made beginning with the most recent service. Upon the payment of all or part of the required contributions, plus interest or the actuarial cost as provided above, the member shall



621 receive credit for the period of creditable service for which full
622 payment has been made to the retirement system.

623 (1) Through June 30, 1998, any state service eligible
624 for retroactive service credit, no part of which has ever been
625 reported, and requiring the payment of employee and employer
626 contributions plus interest, or, from and after July 1, 1998, any
627 state service eligible for retroactive service credit, no part of
628 which has ever been reported to the retirement system, and
629 requiring the payment of the actuarial cost for that creditable
630 service, may, at the member's option, be purchased in quarterly
631 increments as provided above at the time that its purchase is
632 otherwise allowed.

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

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

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

640 (a) Patient or inmate help in state charitable, penal
641 or correctional institutions;

642 (b) Students of any state educational institution
643 employed by any agency of the state for temporary, part-time or
644 intermittent work;



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

648 (d) From and after July 1, 2002, individuals who are
649 employed by a governmental entity to perform professional service
650 on less than a full-time basis who do not meet the criteria
651 established in I(a)(ii) of this section.

652 **III. TERMINATION OF MEMBERSHIP**

653 Membership in this system shall cease by a member withdrawing
654 his accumulated contributions, or by a member withdrawing from
655 active service with a retirement allowance, or by a member's
656 death.

657 **SECTION 4.** Section 25-11-106, Mississippi Code of 1972, is
658 brought forward as follows:

659 25-11-106. (1) (a) Any constable in office as of July 1,
660 2005, whose position is covered in the Public Employees'
661 Retirement System by virtue of a plan submitted and approved under
662 Section 25-11-105(f) will remain a member of the Public Employees'
663 Retirement System.

664 (b) (i) The county is responsible for employer
665 contributions on all direct payments to the constable from the
666 county.

667 (ii) Except as otherwise provided in subparagraph
668 (iii) of this paragraph, the constable is responsible for the
669 employee contributions on direct payments to the constable from



670 the county and both the employer and employee share of
671 contributions on his or her net fee income.

672 (iii) For contributions required for calendar year
673 2014 and any calendar year thereafter, the county may elect, by
674 majority vote of the board of supervisors spread upon its minutes,
675 to be responsible for the employer share of contributions on the
676 net fee income of its constables. If the county elects to be
677 responsible for employer contributions under this provision, the
678 election shall be irrevocable until the board of supervisors takes
679 office for the next succeeding term of office at which time the
680 board may elect whether to continue the election. Notice shall be
681 given to the executive director of any election made under this
682 subparagraph (iii) within five (5) days after the election is
683 made.

684 (c) From and after January 1, 2006, in cases in which
685 the constable is responsible for both the employer and employee
686 contributions on net fee income, the county shall withhold from
687 fee income due to the constable a percentage amount, as set by the
688 board, of the gross fee income paid to the constable as estimated
689 retirement contributions and shall remit that amount to the
690 system. Not later than the date on which the annual report of
691 earnings is due to be filed as provided in Section 7-3-45, the
692 constable shall submit to the system a copy of the earnings record
693 and make complete payment of any required contributions on net
694 earnings from his or her office, but not less than the



695 contributions due on the governmental treasuries paid by the
696 county in the prior calendar year. If the constable fails to make
697 full payment of contributions at the time required, the system
698 shall certify the delinquency to the county and the county shall
699 withhold any and all payments and fees due to the constable until
700 such time as his or her retirement contributions are fully
701 reported and made.

702 (2) Any current or former constable for whom appropriate
703 employer and employee contributions and interest on all fees and
704 county income from covered service before January 1, 2006, have
705 not been made shall do one (1) of the following:

706 (a) Make the required payments or enter into an
707 irrevocable agreement by not later than December 31, 2005, to make
708 the payments for all calendar years before January 1, 2006.
709 Contributions and interest due and owing for covered services
710 before January 1, 2006, must be received by the system not later
711 than April 15, 2007, or such date as set forth in the payment
712 schedule mutually adopted by the member and the system.

713 (b) Elect, before December 31, 2005, not to pay
714 delinquent employee and employer contributions and applicable
715 interest for service as a constable before January 1, 2006. By
716 making this election, the current or former constable shall
717 irrevocably forfeit that service credit so as to be relieved of
718 the liability for additional employer and employee contributions
719 and applicable interest.



(3) Where a current or former constable fails to make required contributions as provided in subsection (2)(a) of this section, or where a current or former constable irrevocably elects to forfeit service credit as provided in subsection (2)(b) of this section, all employer and employee contributions previously paid on that service shall be credited to the county as the reporting entity to be distributed as appropriate between the county and the constable or former constable. No further contributions shall be due on that past service and any credit on that past service shall be removed from the member's record and may not be reinstated at any time in the future.

SECTION 5. Section 25-11-106.1, Mississippi Code of 1972, is brought forward as follows:

25-11-106.1. (1) Any chancery or circuit clerk in office as of January 1, 2011, whose position is covered in the Public Employees' Retirement System by virtue of a plan submitted and approved under Section 25-11-105(f) will remain a member of the Public Employees' Retirement System.

(2) (a) (i) The county is responsible for employer contributions on net income attributable to direct treasury or county payroll income paid to the chancery or circuit clerk from the county.

(ii) Except as otherwise provided in this subsection (2), the chancery or circuit clerk is responsible for the employee contributions on net income attributable to direct



745 treasury or county payroll income paid to the clerk and both the
746 employee and employer share of contributions on the proportionate
747 share of net income attributable to fees.

748 (iii) For contributions required for calendar year
749 2011 and any calendar year thereafter, the county may elect, by
750 majority vote of the board of supervisors spread upon its minutes,
751 to be responsible for the employer share of contributions on the
752 proportionate share of net income of the chancery and circuit
753 clerk attributable to fees. If the county elects to be
754 responsible for employer contributions under this provision, the
755 election shall be irrevocable until the board of supervisors takes
756 office for the next succeeding term of office at which time the
757 board may elect whether to continue the election. Notice shall be
758 given to the executive director of any election made under this
759 subparagraph (iii) within five (5) days after the election is
760 made.

761 (b) Not later than the date on which the annual report
762 of earnings is due to be filed with the Office of the State
763 Auditor, the chancery or circuit clerk shall submit to the system
764 a copy of the earnings record and make complete payment of
765 required contributions on net income from his or her office;
766 however, in no event shall the contributions be less than the
767 contributions due on the governmental treasuries paid by the
768 county in the prior calendar year.



769 (c) If the chancery or circuit clerk fails to make full
770 payment of contributions as required for calendar year 2010 or any
771 calendar year thereafter, the system shall certify the delinquency
772 to the county and the county shall withhold any and all payments
773 and fees, including accrued interest, due to the chancery or
774 circuit clerk in a manner as prescribed by board regulations until
775 such time as the total amount of his or her delinquent
776 contributions are withheld and pay the amount so withheld to the
777 system.

778 (3) Any current or former chancery or circuit clerk for whom
779 appropriate employee and employer contributions and interest on
780 all fees and county income from covered service before January 1,
781 2010, have not been made shall do one (1) of the following:

782 (a) Pay to the system the required contributions and
783 interest by not later than December 31, 2011. Failure to pay the
784 required contributions and interest by December 31, 2011, shall
785 constitute an irrevocable election to forfeit service credit for
786 any period for which contributions are delinquent. Upon such
787 forfeiture, the chancery or circuit clerk shall be relieved of the
788 liability for additional employee and employer contributions and
789 applicable interest for covered service before January 1, 2010.

790 (b) Elect, before December 31, 2011, not to pay
791 delinquent employee and employer contributions and applicable
792 interest for service as a chancery or circuit clerk before January
793 1, 2010. By making this election, the current or former chancery



or circuit clerk shall irrevocably forfeit service credit for any period for which contributions are delinquent and shall not be liable for employee and employer contributions and applicable interest for covered service before January 1, 2010.

(4) If a current or former chancery or circuit clerk fails to make required contributions as provided in subsection (3) (a) of this section or elects to forfeit service credit as provided in subsection (3) (b) of this section, all employee and employer contributions previously paid on that service shall be credited to the county as the reporting entity to be distributed as appropriate between the county and the chancery or circuit clerk or former chancery or circuit clerk. No further contributions shall be due on that past service and any credit on that past service shall be removed from the member's record and may not be reinstated at any time in the future.

SECTION 6. Section 25-11-107, Mississippi Code of 1972, is brought forward as follows:

25-11-107. The Board of Trustees of the Public Employees' Retirement System is hereby authorized and empowered to include as a coverage group under this article those regular full-time civilian employees of the Mississippi National Guard whose entire salary is paid on certification out of allotted federal funds, provided funds are made available from the federal government or state appropriations to pay employers' contributions on the salaries of such employees. In event the employers' contributions



819 on such salaries should fail to be paid in full to the Public
820 Employees' Retirement System, the Board of Trustees of the Public
821 Employees' Retirement System shall be prevented from allowing
822 service credit for any such period of delinquency and such
823 retirants would be allowed only such service credits as had
824 accrued up to the time of any such delinquency; but members who
825 remain in the system with their service credits suspended during
826 any such period of delinquency may obtain full service credit upon
827 the payment of all employers' contributions due the retirement
828 system for the entire coverage group.

829 **SECTION 7.** Section 25-11-109, Mississippi Code of 1972, is
830 brought forward as follows:

831 25-11-109. (1) Under such rules and regulations as the
832 board of trustees shall adopt, each person who becomes a member of
833 this retirement system, as provided in Section 25-11-105, on or
834 before July 1, 1953, or who became a member of the system before
835 July 1, 2007, and contributes to the system for a minimum period
836 of four (4) years, or who became a member of the system on or
837 after July 1, 2007, and contributes to the system for a minimum
838 period of eight (8) years, shall receive credit for all state
839 service rendered before February 1, 1953. To receive that credit,
840 the member shall file a detailed statement of all services as an
841 employee rendered by him in the state service before February 1,
842 1953. For any member who joined the system after July 1, 1953,
843 and before July 1, 2007, any creditable service for which the



member is not required to make contributions shall not be credited to the member until the member has contributed to the system for a minimum period of at least four (4) years. For any member who joined the system on or after July 1, 2007, any creditable service for which the member is not required to make contributions shall not be credited to the member until the member has contributed to the system for a minimum period of at least eight (8) years.

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

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

(b) In no case shall credit be allowed for any period of absence without compensation except for disability while in receipt of a disability retirement allowance, nor shall less than



869 fifteen (15) days of service in any month, or service less than
870 the equivalent of one-half (1/2) of the normal working load for
871 the position and less than one-half (1/2) of the normal
872 compensation for the position in any month, constitute a month of
873 creditable service, nor shall more than one (1) year of service be
874 creditable for all services rendered in any one (1) fiscal year;
875 however, for a school employee, substantial completion of the
876 legal school term when and where the service was rendered shall
877 constitute a year of service credit. Any state or local elected
878 official shall be deemed a full-time employee for the purpose of
879 creditable service. However, an appointed or elected official
880 compensated on a per diem basis only shall not be allowed
881 creditable service for terms of office.

882 (c) In the computation of any retirement allowance or
883 any annuity or benefits provided in this article, any fractional
884 period of service of less than one (1) year shall be taken into
885 account and a proportionate amount of such retirement allowance,
886 annuity or benefit shall be granted for any such fractional period
887 of service.

888 (d) (i) In the computation of unused leave for
889 creditable service authorized in Section 25-11-103, the following
890 shall govern for members who retire before July 1, 2017:
891 twenty-one (21) days of unused leave shall constitute one (1)
892 month of creditable service and in no case shall credit be allowed
893 for any period of unused leave of less than fifteen (15) days.



894 The number of months of unused leave shall determine the number of
895 quarters or years of creditable service in accordance with the
896 above schedule for membership and prior service.

897 (ii) In the computation of unused leave for
898 creditable service authorized in Section 25-11-103, the following
899 shall govern for members who retire on or after July 1, 2017:
900 creditable service for unused leave shall be calculated in monthly
901 increments in which one (1) month of service credit shall be
902 awarded for each twenty-one (21) days of unused leave, except that
903 the first fifteen (15) to fifty-seven (57) days of leave shall
904 constitute three (3) months of service for those who became a
905 member of the system before July 1, 2017.

906 (iii) In order for the member to receive
907 creditable service for the number of days of unused leave under
908 this paragraph, the system must receive certification from the
909 governing authority.

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



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

(i) For service before July 1, 1984, the members shall receive credit for leave (combined personal and major medical) for service as an elected official before that date at the rate of thirty (30) days per year.

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

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

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

(4) Upon verification of the statement of prior service, the board shall issue a prior service certificate certifying to each



942 member the length of prior service for which credit shall have
943 been allowed on the basis of his statement of service. So long as
944 membership continues, a prior service certificate shall be final
945 and conclusive for retirement purposes as to such service,
946 provided that any member may within five (5) years from the date
947 of issuance or modification of such certificate request the board
948 of trustees to modify or correct his prior service certificate.
949 Any modification or correction authorized shall only apply
950 prospectively.

951 When membership ceases, such prior service certificates shall
952 become void. Should the employee again become a member, he shall
953 enter the system as an employee not entitled to prior service
954 credit except as provided in Sections 25-11-105(I), 25-11-113 and
955 25-11-117.

956 (5) Creditable service at retirement, on which the
957 retirement allowance of a member shall be based, shall consist of
958 the membership service rendered by him since he last became a
959 member, and also, if he has a prior service certificate that is in
960 full force and effect, the amount of the service certified on his
961 prior service certificate.

962 (6) Any member who served on active duty in the Armed Forces
963 of the United States, who served in the Commissioned Corps of the
964 United States Public Health Service before 1972 or who served in
965 maritime service during periods of hostility in World War II,
966 shall be entitled to creditable service at no cost for his service



on active duty in the Armed Forces, in the Commissioned Corps of the United States Public Health Service before 1972 or in such maritime service, provided he entered state service after his discharge from the Armed Forces or entered state service after he completed such maritime service. The maximum period for such creditable service for all military service as defined in this subsection (6) shall not exceed four (4) years unless positive proof can be furnished by such person that he was retained in the Armed Forces during World War II or in maritime service during World War II by causes beyond his control and without opportunity of discharge. The member shall furnish proof satisfactory to the board of trustees of certification of military service or maritime service records showing dates of entrance into active duty service and the date of discharge. From and after July 1, 1993, no creditable service shall be granted for any military service or maritime service to a member who qualifies for a retirement allowance in another public retirement system administered by the Board of Trustees of the Public Employees' Retirement System based, in whole or in part, on such military or maritime service. In no case shall the member receive creditable service if the member received a dishonorable discharge from the Armed Forces of the United States.

(7) (a) Any member of the Public Employees' Retirement System whose membership service is interrupted as a result of qualified military service within the meaning of Section 414(u)(5)



992 of the Internal Revenue Code, and who has received the maximum
993 service credit available under subsection (6) of this section,
994 shall receive creditable service for the period of qualified
995 military service that does not qualify as creditable service under
996 subsection (6) of this section upon reentering membership service
997 in an amount not to exceed five (5) years if:

998 (i) The member pays the contributions he would
999 have made to the retirement system if he had remained in
1000 membership service for the period of qualified military service
1001 based upon his salary at the time his membership service was
1002 interrupted;

1003 (ii) The member returns to membership service
1004 within ninety (90) days of the end of his qualified military
1005 service; and

1006 (iii) The employer at the time the member's
1007 service was interrupted and to which employment the member returns
1008 pays the contributions it would have made into the retirement
1009 system for such period based on the member's salary at the time
1010 the service was interrupted.

1011 (b) The payments required to be made in paragraph
1012 (a)(i) of this subsection may be made over a period beginning with
1013 the date of return to membership service and not exceeding three
1014 (3) times the member's qualified military service; however, in no
1015 event shall such period exceed five (5) years.



1016 (c) The member shall furnish proof satisfactory to the
1017 board of trustees of certification of military service showing
1018 dates of entrance into qualified service and the date of discharge
1019 as well as proof that the member has returned to active employment
1020 within the time specified.

1021 (8) Any member of the Public Employees' Retirement System
1022 who became a member of the system before July 1, 2007, and who has
1023 at least four (4) years of membership service credit, or who
1024 became a member of the system on or after July 1, 2007, and who
1025 has at least eight (8) years of membership service credit, shall
1026 be entitled to receive a maximum of five (5) years' creditable
1027 service for service rendered in another state as a public employee
1028 of such other state, or a political subdivision, public education
1029 system or other governmental instrumentality thereof, or service
1030 rendered as a teacher in American overseas dependent schools
1031 conducted by the Armed Forces of the United States for children of
1032 citizens of the United States residing in areas outside the
1033 continental United States, provided that:

1034 (a) The member shall furnish proof satisfactory to the
1035 board of trustees of certification of such services from the
1036 state, public education system, political subdivision or
1037 retirement system of the state where the services were performed
1038 or the governing entity of the American overseas dependent school
1039 where the services were performed; and



1040 (b) The member is not receiving or will not be entitled
1041 to receive from the public retirement system of the other state or
1042 from any other retirement plan, including optional retirement
1043 plans, sponsored by the employer, a retirement allowance including
1044 such services; and

1045 (c) The member shall pay to the retirement system on
1046 the date he or she is eligible for credit for such out-of-state
1047 service or at any time thereafter before the date of retirement
1048 the actuarial cost as determined by the actuary for each year of
1049 out-of-state creditable service. The provisions of this
1050 subsection are subject to the limitations of Section 415 of the
1051 Internal Revenue Code and regulations promulgated under that
1052 section.

1053 (9) Any member of the Public Employees' Retirement System
1054 who became a member of the system before July 1, 2007, and has at
1055 least four (4) years of membership service credit, or who became a
1056 member of the system on or after July 1, 2007, and has at least
1057 eight (8) years of membership service credit, and who receives, or
1058 has received, professional leave without compensation for
1059 professional purposes directly related to the employment in state
1060 service shall receive creditable service for the period of
1061 professional leave without compensation provided:

1062 (a) The professional leave is performed with a public
1063 institution or public agency of this state, or another state or
1064 federal agency;



1065 (b) The employer approves the professional leave
1066 showing the reason for granting the leave and makes a
1067 determination that the professional leave will benefit the
1068 employee and employer;

1069 (c) Such professional leave shall not exceed two (2)
1070 years during any ten-year period of state service;

1071 (d) The employee shall serve the employer on a
1072 full-time basis for a period of time equivalent to the
1073 professional leave period granted immediately following the
1074 termination of the leave period;

1075 (e) The contributing member shall pay to the retirement
1076 system the actuarial cost as determined by the actuary for each
1077 year of professional leave. The provisions of this subsection are
1078 subject to the regulations of the Internal Revenue Code
1079 limitations;

1080 (f) Such other rules and regulations consistent
1081 herewith as the board may adopt and in case of question, the board
1082 shall have final power to decide the questions.

1083 Any actively contributing member participating in the School
1084 Administrator Sabbatical Program established in Section 37-9-77
1085 shall qualify for continued participation under this subsection
1086 (9).

1087 (10) Any member of the Public Employees' Retirement System
1088 who became a member of the system before July 1, 2007, and has at
1089 least four (4) years of credited membership service, or who became



1090 a member of the system on or after July 1, 2007, and has at least
1091 eight (8) years of credited membership service, shall be entitled
1092 to receive a maximum of ten (10) years creditable service for:

1093 (a) Any service rendered as an employee of any
1094 political subdivision of this state, or any instrumentality
1095 thereof, that does not participate in the Public Employees'
1096 Retirement System; or

1097 (b) Any service rendered as an employee of any
1098 political subdivision of this state, or any instrumentality
1099 thereof, that participates in the Public Employees' Retirement
1100 System but did not elect retroactive coverage; or

1101 (c) Any service rendered as an employee of any
1102 political subdivision of this state, or any instrumentality
1103 thereof, for which coverage of the employee's position was or is
1104 excluded; provided that the member pays into the retirement system
1105 the actuarial cost as determined by the actuary for each year, or
1106 portion thereof, of such service. After a member has made full
1107 payment to the retirement system for all or any part of such
1108 service, the member shall receive creditable service for the
1109 period of such service for which full payment has been made to the
1110 retirement system.

1111 **SECTION 8.** Section 25-11-110, Mississippi Code of 1972, is
1112 brought forward as follows:



25-11-110. (1) With respect to the death of a member that occurs while the member is performing qualified military service within the meaning of Section 414(u) of the Internal Revenue Code:

(a) The deceased member's period of qualified military service must be counted for vesting purposes.

(b) To the extent required by Section 401(a)(37) of the Internal Revenue Code, the deceased member's survivors are entitled to any additional benefits that the system would provide if the member had resumed employment and then died, such as those purchase rights the deceased member could have exercised under Section 25-11-109(7).

(2) To the extent required by Section 414(u)(12) of the Internal Revenue Code, a member receiving differential wage payments within the meaning of Section 3401(h)(2) of the Internal Revenue Code from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation for purposes of applying the limits on an annual addition under Section 415(c) of the Internal Revenue Code. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

SECTION 9. Section 25-11-111, Mississippi Code of 1972, is brought forward as follows:

25-11-111. (a) (1) Any member who became a member of the system before July 1, 2007, upon withdrawal from service upon or after attainment of the age of sixty (60) years who has completed



1138 at least four (4) years of membership service, or any member who
1139 became a member of the system before July 1, 2011, upon withdrawal
1140 from service regardless of age who has completed at least
1141 twenty-five (25) years of creditable service, shall be entitled to
1142 receive a retirement allowance, which shall begin on the first of
1143 the month following the date the member's application for the
1144 allowance is received by the board, but in no event before
1145 withdrawal from service.

1146 (2) Any member who became a member of the system on or
1147 after July 1, 2007, upon withdrawal from service upon or after
1148 attainment of the age of sixty (60) years who has completed at
1149 least eight (8) years of membership service, or any member who
1150 became a member of the system on or after July 1, 2011, upon
1151 withdrawal from service regardless of age who has completed at
1152 least thirty (30) years of creditable service, shall be entitled
1153 to receive a retirement allowance, which shall begin on the first
1154 of the month following the date the member's application for the
1155 allowance is received by the board, but in no event before
1156 withdrawal from service.

1157 (b) (1) Any member who became a member of the system before
1158 July 1, 2007, whose withdrawal from service occurs before
1159 attaining the age of sixty (60) years who has completed four (4)
1160 or more years of membership service and has not received a refund
1161 of his accumulated contributions, shall be entitled to receive a
1162 retirement allowance, beginning upon his attaining the age of



1163 sixty (60) years, of the amount earned and accrued at the date of
1164 withdrawal from service. The retirement allowance shall begin on
1165 the first of the month following the date the member's application
1166 for the allowance is received by the board, but in no event before
1167 withdrawal from service.

1168 (2) Any member who became a member of the system on or
1169 after July 1, 2007, whose withdrawal from service occurs before
1170 attaining the age of sixty (60) years who has completed eight (8)
1171 or more years of membership service and has not received a refund
1172 of his accumulated contributions, shall be entitled to receive a
1173 retirement allowance, beginning upon his attaining the age of
1174 sixty (60) years, of the amount earned and accrued at the date of
1175 withdrawal from service. The retirement allowance shall begin on
1176 the first of the month following the date the member's application
1177 for the allowance is received by the board, but in no event before
1178 withdrawal from service.

1179 (c) Any member in service who has qualified for retirement
1180 benefits may select any optional method of settlement of
1181 retirement benefits by notifying the Executive Director of the
1182 Board of Trustees of the Public Employees' Retirement System in
1183 writing, on a form prescribed by the board, of the option he has
1184 selected and by naming the beneficiary of the option and
1185 furnishing necessary proof of age. The option, once selected, may
1186 be changed at any time before actual retirement or death, but upon
1187 the death or retirement of the member, the optional settlement



1188 shall be placed in effect upon proper notification to the
1189 executive director.

1190 (d) Any member who became a member of the system before July
1191 1, 2011, shall be entitled to an annual retirement allowance which
1192 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 twenty-five (25) years of creditable service, and
1201 two and one-half percent (2-1/2%) of the average compensation for
1202 each year of service exceeding twenty-five (25) years of
1203 creditable service.

1204 (3) Any retired member or beneficiary thereof who was
1205 eligible to receive a retirement allowance before July 1, 1991,
1206 and who is still receiving a retirement allowance on July 1, 1992,
1207 shall receive an increase in the annual retirement allowance of
1208 the retired member equal to one-eighth of one percent (1/8 of 1%)
1209 of the average compensation for each year of state service in
1210 excess of twenty-five (25) years of membership service up to and
1211 including thirty (30) years. The maximum increase shall be
1212 five-eighths of one percent (5/8 of 1%). In no case shall a



1213 member who has been retired before July 1, 1987, receive less than
1214 Ten Dollars (\$10.00) per month for each year of creditable service
1215 and proportionately for each quarter year thereof. Persons
1216 retired on or after July 1, 1987, shall receive at least Ten
1217 Dollars (\$10.00) per month for each year of service and
1218 proportionately for each quarter year thereof reduced for the
1219 option selected. However, such Ten Dollars (\$10.00) minimum per
1220 month for each year of creditable service shall not apply to a
1221 retirement allowance computed under Section 25-11-114 based on a
1222 percentage of the member's average compensation.

1223 (e) Any member who became a member of the system on or after
1224 July 1, 2011, shall be entitled to an annual retirement allowance
1225 which shall consist of:

1226 (1) A member's annuity, which shall be the actuarial
1227 equivalent of the accumulated contributions of the member at the
1228 time of retirement computed according to the actuarial table in
1229 use by the system; and

1230 (2) An employer's annuity, which, together with the
1231 member's annuity provided above, shall be equal to two percent
1232 (2%) of the average compensation for each year of service up to
1233 and including thirty (30) years of creditable service, and two and
1234 one-half percent (2-1/2%) of average compensation for each year of
1235 service exceeding thirty (30) years of creditable service.

1236 (f) Any member who became a member of the system on or after
1237 July 1, 2011, upon withdrawal from service upon or after attaining



1238 the age of sixty (60) years who has completed at least eight (8)
1239 years of membership service, or any such member upon withdrawal
1240 from service regardless of age who has completed at least thirty
1241 (30) years of creditable service, shall be entitled to receive a
1242 retirement allowance computed in accordance with the formula set
1243 forth in subsection (e) of this section. In the case of the
1244 retirement of any member who has attained age sixty (60) but who
1245 has not completed at least thirty (30) years of creditable
1246 service, the retirement allowance shall be computed in accordance
1247 with the formula set forth in subsection (e) of this section
1248 except that the total annual retirement allowance shall be reduced
1249 by an actuarial equivalent factor for each year of creditable
1250 service below thirty (30) years or the number of years in age that
1251 the member is below age sixty-five (65), whichever is less.

1252 (g) No member, except members excluded by the Age
1253 Discrimination in Employment Act Amendments of 1986 (Public Law
1254 99-592), under either Article 1 or Article 3 in state service
1255 shall be required to retire because of age.

1256 (h) No payment on account of any benefit granted under the
1257 provisions of this section shall become effective or begin to
1258 accrue until January 1, 1953.

1259 (i) (1) A retiree or beneficiary may, on a form prescribed
1260 by and filed with the retirement system, irrevocably waive all or
1261 a portion of any benefits from the retirement system to which the
1262 retiree or beneficiary is entitled. The waiver shall be binding



1263 on the heirs and assigns of any retiree or beneficiary and the
1264 same must agree to forever hold harmless the Public Employees'
1265 Retirement System of Mississippi from any claim to the waived
1266 retirement benefits.

1267 (2) Any waiver under this subsection shall apply only
1268 to the person executing the waiver. A beneficiary shall be
1269 entitled to benefits according to the option selected by the
1270 member at the time of retirement. However, a beneficiary may, at
1271 the option of the beneficiary, execute a waiver of benefits under
1272 this subsection.

1273 (3) The retirement system shall retain in the annuity
1274 reserve account amounts that are not used to pay benefits because
1275 of a waiver executed under this subsection.

1276 (4) The board of trustees may provide rules and
1277 regulations for the administration of waivers under this
1278 subsection.

1279 **SECTION 10.** Section 25-11-111.1, Mississippi Code of 1972,
1280 is brought forward as follows:

1281 25-11-111.1. The Public Employees' Retirement System shall
1282 make payments of retirement benefits under this chapter to members
1283 and to the beneficiaries of those members, by whatever means the
1284 board prescribes by regulation to be the most appropriate for the
1285 proper and efficient payment of benefits, including, but not
1286 limited to, direct deposit to an account with a financial
1287 institution that is a participant of the Automated Clearing House



designated by the member or beneficiary. The board may provide for alternative means of payment if the member or beneficiary can demonstrate that payment by the prescribed means will cause the member or beneficiary undue hardship.

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

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

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

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

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



1312 (b) For any member who became a member of the system on
1313 or after July 1, 2011, the sum of:

1314 (i) An amount equal to three percent (3%) of the
1315 annual retirement allowance multiplied by the number of full
1316 fiscal years in retirement before the end of the fiscal year in
1317 which the member reaches age sixty (60), plus

1318 (ii) An additional amount equal to three percent
1319 (3%) compounded by the number of full fiscal years in retirement
1320 beginning with the fiscal year in which the member reaches age
1321 sixty (60), multiplied by the amount of the annual retirement
1322 allowance.

1323 (2) The calculation of the beneficiary's additional benefit
1324 under subsection (1)(a) or (b) of this section shall be based on
1325 the member's age and full fiscal years in retirement as if the
1326 member had lived.

1327 (3) (a) The additional benefit provided for under this
1328 section shall be paid in one (1) payment in December of each year
1329 to those persons who are receiving a retirement allowance on
1330 December 1 of that year, unless an election is made under this
1331 subsection. However, if a retiree who is receiving a retirement
1332 allowance that will terminate upon the retiree's death is
1333 receiving the additional benefit in one (1) payment and dies on or
1334 after July 1 but before December 1, the beneficiary designated on
1335 the retirement application, if any, shall receive in a single
1336 payment a fractional part of the additional benefit based on the



1337 number of months in which a retirement allowance was received
1338 during the fiscal year. Likewise, if a retiree is receiving a
1339 retirement allowance that will terminate upon his or her death in
1340 two (2) to six (6) monthly installments, any remaining payments of
1341 the additional benefit will be paid in a lump sum to the
1342 beneficiary designated on the application, or if none, pursuant to
1343 Section 25-11-117.1(1). Any similar remaining payments of
1344 additional benefits payable under this section to a deceased
1345 beneficiary who was receiving a monthly benefit shall be payable
1346 in accordance with the provisions of Section 25-11-117.1(2). If
1347 the additional monthly benefit is being received in one (1)
1348 payment, the additional benefit shall also be prorated based on
1349 the number of months in which a retirement allowance was received
1350 during the fiscal year when (i) the monthly benefit payable to a
1351 beneficiary terminates due to the expiration of an option,
1352 remarriage or cessation of dependent status or due to the
1353 retiree's return to covered employment, and (ii) the monthly
1354 benefit terminates on or after July 1 and before December 1. The
1355 board may, in its discretion, allow a retired member or a
1356 beneficiary thereof who is receiving the additional annual payment
1357 in the manner provided for in this paragraph to change the manner
1358 in which the additional annual payment is received to that
1359 provided for in paragraph (b) of this subsection if the retired
1360 member or beneficiary submits satisfactory documentation that the
1361 continued receipt of the additional annual payment as provided for



1362 in this paragraph will cause a financial hardship to the retired
1363 member or beneficiary.

1364 (b) Retired members or beneficiaries thereof who on
1365 July 1, 1999, or July 1 of any fiscal year thereafter, are
1366 receiving a retirement allowance, may elect by an irrevocable
1367 agreement in writing filed in the Office of the Public Employees'
1368 Retirement System no less than thirty (30) days before July 1 of
1369 the appropriate year, to begin receiving the additional benefit
1370 provided for under this section in twelve (12) equal monthly
1371 installments beginning July 1, 1999, or July 1 of any fiscal year
1372 thereafter. This irrevocable agreement shall be binding on the
1373 member and subsequent beneficiaries. Payment of those monthly
1374 installments shall not extend beyond the month in which a
1375 retirement allowance is due and payable. The board may, in its
1376 discretion, allow a retired member or a beneficiary thereof who is
1377 receiving the additional annual payment in the manner provided for
1378 in this paragraph to change the manner in which the additional
1379 annual payment is received to that provided for in paragraph (a)
1380 of this subsection if the retired member or beneficiary submits
1381 satisfactory documentation that the continued receipt of the
1382 additional annual payment as provided for in this paragraph will
1383 cause a financial hardship to the retired member or beneficiary.

1384 (4) The additional payment or payments provided for under
1385 this section are for the fiscal year in which they are paid.



1386 (5) (a) The amount provided for under subsection (1)
1387 (a)(ii) of this section is calculated using the following formula:
1388 $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,
1389 where n is the number of full fiscal years in retirement beginning
1390 with the fiscal year in which the member reaches age fifty-five
1391 (55).

1392 (b) The amount provided for under subsection (1)(b)(ii)
1393 of this section is calculated using the following formula:
1394 $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,
1395 where n is the number of full fiscal years in retirement beginning
1396 with the fiscal year in which the member reaches age sixty (60).

1397 (6) Any retired member or beneficiary thereof who has
1398 previously elected to receive the additional annual payment in
1399 monthly installments may elect, upon application on a form
1400 prescribed by the board of trustees, to have that payment made in
1401 one (1) additional payment each year. This written election must
1402 be filed in the Office of the Public Employees' Retirement System
1403 before June 1, 2000, and shall be effective for the fiscal year
1404 beginning July 1, 2000.

1405 (7) In the event of death of a retired member or a
1406 beneficiary thereof who is receiving the additional annual payment
1407 in two (2) to six (6) monthly installments pursuant to an election
1408 made before July 1, 1999, and who would otherwise be eligible to
1409 receive the additional benefit provided for under this section in
1410 one (1) payment in December of the current fiscal year, any



1411 remaining amounts shall be paid in a lump sum to the designated
1412 beneficiary.

1413 (8) When a member retires after July 1 and has previously
1414 received a retirement allowance for one or more full fiscal years,
1415 the retired member shall be eligible immediately for the
1416 additional benefit. The additional benefit shall be based on the
1417 current retirement allowance and the number of full fiscal years
1418 in retirement and shall be prorated and paid in monthly
1419 installments based on the number of months a retirement allowance
1420 is paid during the fiscal year.

1421 **SECTION 12.** Section 25-11-113, Mississippi Code of 1972, is
1422 brought forward as follows:

1423 25-11-113. (1) (a) Upon the application of a member or his
1424 employer, any active member in state service who became a member
1425 of the system before July 1, 2007, and who has at least four (4)
1426 years of membership service credit, or any active member in state
1427 service who became a member of the system on or after July 1,
1428 2007, who has at least eight (8) years of membership service
1429 credit, may be retired by the board of trustees on the first of
1430 the month following the date of filing the application on a
1431 disability retirement allowance, but in no event shall the
1432 disability retirement allowance begin before termination of state
1433 service, provided that the medical board, after an evaluation of
1434 medical evidence that may or may not include an actual physical
1435 examination by the medical board, certifies that the member is



1436 mentally or physically incapacitated for the further performance
1437 of duty, that the incapacity is likely to be permanent, and that
1438 the member should be retired; however, the board of trustees may
1439 accept a disability medical determination from the Social Security
1440 Administration in lieu of a certification from the medical board.
1441 If a member who has been approved for a disability retirement
1442 allowance does not terminate state service within ninety (90) days
1443 after approval, the disability retirement and the application for
1444 disability retirement shall be void. For the purposes of
1445 disability determination, the medical board shall apply the
1446 following definition of disability: the inability to perform the
1447 usual duties of employment or the incapacity to perform such
1448 lesser duties, if any, as the employer, in its discretion, may
1449 assign without material reduction in compensation, or the
1450 incapacity to perform the duties of any employment covered by the
1451 Public Employees' Retirement System (Section 25-11-101 et seq.)
1452 that is actually offered and is within the same general
1453 territorial work area, without material reduction in compensation.
1454 The employer shall be required to furnish the job description and
1455 duties of the member. The employer shall further certify whether
1456 the employer has offered the member other duties and has complied
1457 with the applicable provisions of the Americans With Disabilities
1458 Act in affording reasonable accommodations that would allow the
1459 employee to continue employment.



1460 (b) Any member applying for a disability retirement
1461 allowance must provide sufficient objective medical evidence in
1462 support of his or her claim. All disability determinations,
1463 whether the initial examination or reexamination, shall be based
1464 on objective medical evidence. "Objective medical evidence" means
1465 reports of examinations or treatments; medical signs that are
1466 anatomical, physiological, or psychological abnormalities that are
1467 observed and documented by medical professionals; psychiatric
1468 signs that are medically demonstrable phenomena indicating
1469 specific abnormalities of behavior, affect, thought, memory,
1470 orientation, or contact with reality; or laboratory findings that
1471 are anatomical, physiological, or psychological phenomena that are
1472 shown by medically acceptable laboratory diagnostic techniques,
1473 including, but not limited to, chemical tests, electrocardiograms,
1474 electroencephalograms, X-rays, and psychological tests.
1475 Nonmedical information shall not be considered objective medical
1476 evidence.

1477 (c) Any inactive member who became a member of the
1478 system before July 1, 2007, with four (4) or more years of
1479 membership service credit, or any inactive member who became a
1480 member of the system on or after July 1, 2007, with eight (8) or
1481 more years of membership service credit, who has withdrawn from
1482 active state service, is not eligible for a disability retirement
1483 allowance unless the disability occurs within six (6) months of
1484 the termination of active service and unless satisfactory proof is



1485 presented to the board of trustees that the disability was the
1486 direct cause of withdrawal from state service. Application for a
1487 disability retirement allowance must be filed within one (1) year
1488 of termination from active service. This period may be extended
1489 by an additional year if it can be factually demonstrated to the
1490 satisfaction of the board of trustees that throughout the initial
1491 one-year period the member was incapable of applying for benefits
1492 by reason of mental or physical impairment as certified by a
1493 medical doctor.

1494 (d) Any member who is or becomes eligible for service
1495 retirement benefits under Section 25-11-111 while pursuing a
1496 disability retirement allowance under this section or Section
1497 25-11-114 may elect to receive a service retirement allowance
1498 pending a final determination on eligibility for a disability
1499 retirement allowance or withdrawal of the application for the
1500 disability retirement allowance. In such a case, an application
1501 for a disability retirement allowance must be on file with the
1502 system before the beginning of a service retirement allowance. If
1503 the application is approved, the option selected and beneficiary
1504 designated on the retirement application shall be used to
1505 determine the disability retirement allowance. If the application
1506 is not approved or if the application is withdrawn, the service
1507 retirement allowance shall continue to be paid in accordance with
1508 the option selected. No person may apply for a disability



1509 retirement allowance after the person begins to receive a service
1510 retirement allowance.

1511 (e) If the medical board certifies that the member is
1512 not mentally or physically incapacitated for the future
1513 performance of duty, the member may request, within sixty (60)
1514 days, a hearing before the hearing officer as provided in Section
1515 25-11-120. All hearings shall be held in accordance with rules
1516 and regulations adopted by the board to govern those hearings.
1517 The hearing may be closed upon the request of the member.

1518 (f) The medical board may request additional medical
1519 evidence and/or other physicians to conduct an evaluation of the
1520 member's condition. If the medical board requests additional
1521 medical evidence and the member refuses the request, the
1522 application shall be considered void.

1523 (2) Allowance on disability retirement.

1524 (a) Upon retirement for disability, an eligible member
1525 shall receive a retirement allowance if he has attained the age of
1526 sixty (60) years.

1527 (b) Except as provided in paragraph (c) of this
1528 subsection (2), an eligible member who is retired for disability
1529 and who has not attained sixty (60) years of age shall receive a
1530 disability benefit as computed in Section 25-11-111(d), which
1531 shall consist of:



1532 (i) A member's annuity, which shall be the
1533 actuarial equivalent of his accumulated contributions at the time
1534 of retirement; and

1535 (ii) An employer's annuity equal to the amount
1536 that would have been payable as a retirement allowance for
1537 eligible creditable service if the member had continued in service
1538 to the age of sixty (60) years, which shall apply to the allowance
1539 for disability retirement paid to retirees receiving such
1540 allowance upon and after April 12, 1977. This employer's annuity
1541 shall be computed on the basis of the average "earned
1542 compensation" as defined in Section 25-11-103.

1543 (c) For persons who become members after June 30, 1992,
1544 and for active members on June 30, 1992, who elect benefits under
1545 this paragraph (c) instead of those provided under paragraph (b)
1546 of this subsection (2), the disability allowance shall consist of
1547 two (2) parts: a temporary allowance and a deferred allowance.

1548 The temporary allowance shall equal the greater of (i) forty
1549 percent (40%) of average compensation at the time of disability,
1550 plus ten percent (10%) of average compensation for each of the
1551 first two (2) dependent children, as defined in Sections 25-11-103
1552 and 25-11-114, or (ii) the accrued benefit based on actual
1553 service. It shall be payable for a period of time based on the
1554 member's age at disability, as follows:

1555	Age at Disability	Duration
1556	60 and earlier	to age 65



1557	61	to age 66
1558	62	to age 66
1559	63	to age 67
1560	64	to age 67
1561	65	to age 68
1562	66	to age 68
1563	67	to age 69
1564	68	to age 70
1565	69 and over	one year

1566 The deferred allowance shall begin when the temporary
 1567 allowance ends and shall be payable for life. The deferred
 1568 allowance shall equal the greater of (i) the allowance that would
 1569 have been payable had the member continued in service to the
 1570 termination age of the temporary allowance, but no more than forty
 1571 percent (40%) of average compensation, or (ii) the accrued benefit
 1572 based on actual service at the time of disability. The deferred
 1573 allowance as determined at the time of disability shall be
 1574 adjusted in accordance with Section 25-11-112 for the period
 1575 during which the temporary annuity is payable. In no case shall a
 1576 member receive less than Ten Dollars (\$10.00) per month for each
 1577 year of service and proportionately for each quarter year thereof
 1578 reduced for the option selected.

1579 (d) The member may elect to receive the actuarial
 1580 equivalent of the disability retirement allowance in a reduced



1581 allowance payable throughout life under any of the provisions of
1582 the options provided under Section 25-11-115.

1583 (e) If a disability retiree who has not selected an
1584 option under Section 25-11-115 dies before being repaid in
1585 disability benefits the sum of his total contributions, then his
1586 named beneficiary shall receive the difference in cash, which
1587 shall apply to all deceased disability retirees from and after
1588 January 1, 1953.

1589 (3) Reexamination of retirees retired on account of
1590 disability. Except as otherwise provided in this section, once
1591 each year during the first five (5) years following retirement of
1592 a member on a disability retirement allowance, and once in every
1593 period of three (3) years thereafter, the board of trustees may,
1594 and upon his application shall, require any disability retiree who
1595 has not yet attained the age of sixty (60) years or the
1596 termination age of the temporary allowance under subsection (2)(c)
1597 of this section to undergo a medical examination, the examination
1598 to be made at the place of residence of the retiree or other place
1599 mutually agreed upon by a physician or physicians designated by
1600 the board. The board, however, in its discretion, may authorize
1601 the medical board to establish reexamination schedules appropriate
1602 to the medical condition of individual disability retirees. If
1603 any disability retiree who has not yet attained the age of sixty
1604 (60) years or the termination age of the temporary allowance under
1605 subsection (2)(c) of this section refuses to submit to any medical



1606 examination provided in this section, his allowance may be
1607 discontinued until his withdrawal of that refusal; and if his
1608 refusal continues for one (1) year, all his rights to a disability
1609 benefit shall be revoked by the board of trustees.

1610 (4) If the medical board reports and certifies to the board
1611 of trustees, after a comparable job analysis or other similar
1612 study, that the disability retiree is engaged in, or is able to
1613 engage in, a gainful occupation paying more than the difference
1614 between his disability allowance, exclusive of cost-of-living
1615 adjustments, and the average compensation, and if the board of
1616 trustees concurs in the report, the disability benefit shall be
1617 reduced to an amount that, together with the amount earnable by
1618 him, equals the amount of his average compensation. If his
1619 earning capacity is later changed, the amount of the benefit may
1620 be further modified, provided that the revised benefit shall not
1621 exceed the amount originally granted. A retiree receiving a
1622 disability benefit who is restored to active service at a salary
1623 less than the average compensation shall not become a member of
1624 the retirement system.

1625 (5) If a disability retiree under the age of sixty (60)
1626 years or the termination age of the temporary allowance under
1627 subsection (2)(c) of this section is restored to active service at
1628 a compensation not less than his average compensation, his
1629 disability benefit shall end, he shall again become a member of
1630 the retirement system, and contributions shall be withheld and



1631 reported. Any such prior service certificate, on the basis of
1632 which his service was computed at the time of retirement, shall be
1633 restored to full force and effect. In addition, upon his later
1634 retirement he shall be credited with all creditable service as a
1635 member, but the total retirement allowance paid to the retired
1636 member in his previous retirement shall be deducted from his
1637 retirement reserve and taken into consideration in recalculating
1638 the retirement allowance under a new option selected.

1639 (6) If following reexamination in accordance with the
1640 provisions contained in this section, the medical board determines
1641 that a retiree retired on account of disability is physically and
1642 mentally able to return to the employment from which he is
1643 retired, the board of trustees, upon certification of those
1644 findings from the medical board, shall, after a reasonable period
1645 of time, terminate the disability allowance, whether or not the
1646 retiree is reemployed or seeks that reemployment. In addition, if
1647 the board of trustees determines that the retiree is no longer
1648 sustaining a loss of income as established by documented evidence
1649 of the retiree's earned income, the eligibility for a disability
1650 allowance shall terminate and the allowance terminated within a
1651 reasonable period of time. If the retirement allowance is
1652 terminated under the provisions of this section, the retiree may
1653 later qualify for a retirement allowance under Section 25-11-111
1654 based on actual years of service credit plus credit for the period
1655 during which a disability allowance was paid.



1656 (7) Any current member as of June 30, 1992, who retires on a
1657 disability retirement allowance after June 30, 1992, and who has
1658 not elected to receive benefits under subsection (2)(c) of this
1659 section, shall relinquish all rights under the Age Discrimination
1660 in Employment Act of 1967, as amended, with regard to the benefits
1661 payable under this section.

1662 **SECTION 13.** Section 25-11-114, Mississippi Code of 1972, is
1663 brought forward as follows:

1664 25-11-114. (1) The applicable benefits provided in
1665 subsections (2) and (3) of this section shall be paid to eligible
1666 beneficiaries of any member who became a member of the system
1667 before July 1, 2007, and has completed four (4) or more years of
1668 membership service, or who became a member of the system on or
1669 after July 1, 2007, and has completed eight (8) or more years of
1670 membership service, and who dies before retirement and who has not
1671 filed a Pre-Retirement Optional Retirement Form as provided in
1672 Section 25-11-111.

1673 (2) (a) The surviving spouse of a member who dies before
1674 retirement shall receive a monthly benefit computed in accordance
1675 with paragraph (d) of this subsection (2) as if the member had
1676 nominated his spouse as beneficiary if:

1677 (i) The member completed the requisite minimum
1678 number of years of membership service to qualify for a retirement
1679 allowance at age sixty (60);



1680 (ii) The spouse has been married to the member for
1681 not less than one (1) year preceding the death of the member;

1682 (iii) The member has not exercised any other
1683 option.

1684 (b) If, at the time of the member's death, there are no
1685 dependent children, and the surviving spouse, who otherwise would
1686 receive the annuity under this subsection (2), has filed with the
1687 system a signed written waiver of his or her rights to the annuity
1688 and that waiver was in effect at the time of the member's death, a
1689 lump-sum distribution of the deceased member's accumulated
1690 contributions shall be refunded in accordance with Section
1691 25-11-117.

1692 (c) The spouse annuity shall begin on the first day of
1693 the month following the date of the member's death, but in case of
1694 late filing, retroactive payments will be made for a period of not
1695 more than one (1) year.

1696 (d) The spouse of a member who is eligible to receive a
1697 monthly benefit under paragraph (a) of this subsection (2) shall
1698 receive a benefit for life equal to the higher of the following:

1699 (i) The greater of twenty percent (20%) of the
1700 deceased member's average compensation as defined in Section
1701 25-11-103 at the time of death or Fifty Dollars (\$50.00) monthly;
1702 or

1703 (ii) Benefits calculated under Option 2 of Section
1704 25-11-115. The method of calculating the retirement benefits



1705 shall be on the same basis as provided in Section 25-11-111(d) or
1706 (e), as applicable. However, if the member dies before being
1707 qualified for a full, unreduced retirement allowance, then the
1708 benefits shall be reduced by an actuarially determined percentage
1709 or factor based on the lesser of either the number of years of
1710 service credit or the number of years in age required to qualify
1711 for a full, unreduced retirement allowance in Section 25-11-111(d)
1712 or (e), as applicable.

1713 (e) The surviving spouse of a deceased member who
1714 previously received spouse retirement benefits under paragraph
1715 (d)(i) of this subsection from and after July 1, 1992, and whose
1716 benefits were terminated before July 1, 2004, because of
1717 remarriage, may again receive the retirement benefits authorized
1718 under paragraph (d)(i) of this subsection by making application
1719 with the board to reinstate those benefits. Any reinstatement of
1720 the benefits shall be prospective only and shall begin after the
1721 first of the month following the date of the application for
1722 reinstatement, but no earlier than July 1, 2004. From and after
1723 July 1, 2010, any spouse who chose Option 2 from and after July 1,
1724 1992, but before July 1, 2004, where the benefit, although payable
1725 for life, was less than the benefit available under the
1726 calculation in paragraph (d)(i) of this subsection shall have his
1727 or her benefit increased to the amount which provides the greater
1728 benefit.



1729 (3) (a) Subject to the maximum limitation provided in this
1730 paragraph, the member's dependent children each shall receive an
1731 annuity of the greater of ten percent (10%) of the member's
1732 average compensation as defined in Section 25-11-103 at the time
1733 of the death of the member or Fifty Dollars (\$50.00) monthly;
1734 however, if there are more than three (3) dependent children, each
1735 dependent child shall receive an equal share of a total annuity
1736 equal to thirty percent (30%) of the member's average
1737 compensation, provided that the total annuity shall not be less
1738 than One Hundred Fifty Dollars (\$150.00) per month for all
1739 children.

1740 (b) A child shall be considered to be a dependent child
1741 until marriage, or the attainment of age nineteen (19), whichever
1742 comes first; however, this age limitation shall be extended beyond
1743 age nineteen (19), but in no event beyond the attainment of age
1744 twenty-three (23), as long as the child is a student regularly
1745 pursuing a full-time course of resident study or training in an
1746 accredited high school, trade school, technical or vocational
1747 institute, junior or community college, college, university or
1748 comparable recognized educational institution duly licensed by a
1749 state. A student child who is receiving a retirement allowance as
1750 of June 30, 2016, whose birthday falls during the school year
1751 (September 1 through June 30) is considered not to reach age
1752 twenty-three (23) until the July 1 following the actual
1753 twenty-third birthday. A full-time course of resident study or



1754 training means a day or evening noncorrespondence course that
1755 includes school attendance at the rate of at least thirty-six (36)
1756 weeks per academic year or other applicable period with a subject
1757 load sufficient, if successfully completed, to attain the
1758 educational or training objective within the period generally
1759 accepted as minimum for completion, by a full-time day student, of
1760 the academic or training program concerned. Any child who is
1761 physically or mentally incompetent, as adjudged by either a
1762 Mississippi court of competent jurisdiction or by the board, shall
1763 receive benefits for as long as the incompetency exists.

1764 (c) If there are more than three (3) dependent
1765 children, upon a child's ceasing to be a dependent child, his
1766 annuity shall terminate and there shall be a redetermination of
1767 the amounts payable to any remaining dependent children.

1768 (d) Annuities payable under this subsection (3) shall
1769 begin the first day of the month following the date of the
1770 member's death or in case of late filing, retroactive payments
1771 will be made for a period of not more than one (1) year. Those
1772 benefits may be paid to a surviving parent or the lawful custodian
1773 of a dependent child for the use and benefit of the child without
1774 the necessity of appointment as guardian.

1775 (4) (a) Death benefits in the line of duty. Regardless of
1776 the number of years of the member's creditable service, the spouse
1777 and/or the dependent children of an active member who is killed or
1778 dies as a direct result of a physical injury sustained from an



1779 accident or a traumatic event caused by external violence or
1780 physical force occurring in the line of performance of duty shall
1781 qualify, on approval of the board, for a retirement allowance on
1782 the first of the month following the date of death, but in the
1783 case of late filing, retroactive payments will be made for a
1784 period of not more than one (1) year. The spouse shall receive a
1785 retirement allowance for life equal to one-half (1/2) of the
1786 average compensation as defined in Section 25-11-103. In addition
1787 to the retirement allowance for the spouse, or if there is no
1788 surviving spouse, the member's dependent child shall receive a
1789 retirement allowance in the amount of one-fourth (1/4) of the
1790 member's average compensation as defined in Section 25-11-103;
1791 however, if there are two (2) or more dependent children, each
1792 dependent child shall receive an equal share of a total annuity
1793 equal to one-half (1/2) of the member's average compensation. If
1794 there are more than two (2) dependent children, upon a child's
1795 ceasing to be a dependent child, his annuity shall terminate and
1796 there shall be a redetermination of the amounts payable to any
1797 remaining dependent children. Those benefits shall cease to be
1798 paid for the support and maintenance of each child upon the child
1799 attaining the age of nineteen (19) years; however, the spouse
1800 shall continue to be eligible for the aforesaid retirement
1801 allowance. Those benefits may be paid to a surviving parent or
1802 lawful custodian of the children for the use and benefit of the
1803 children without the necessity of appointment as guardian. Any



1804 spouse who received spouse retirement benefits under this
1805 paragraph (a) from and after April 4, 1984, and whose benefits
1806 were terminated before July 1, 2004, because of remarriage, may
1807 again receive the retirement benefits authorized under this
1808 paragraph (a) by making application with the board to reinstate
1809 those benefits. Any reinstatement of the benefits shall be
1810 prospective only and shall begin after the first of the month
1811 following the date of the application for reinstatement, but not
1812 earlier than July 1, 2004.

1813 (b) A child shall be considered to be a dependent child
1814 until marriage, or the attainment of age nineteen (19), whichever
1815 comes first; however, this age limitation shall be extended beyond
1816 age nineteen (19), but in no event beyond the attainment of age
1817 twenty-three (23), as long as the child is a student regularly
1818 pursuing a full-time course of resident study or training in an
1819 accredited high school, trade school, technical or vocational
1820 institute, junior or community college, college, university or
1821 comparable recognized educational institution duly licensed by a
1822 state. A student child who is receiving a retirement allowance as
1823 of June 30, 2016, whose birthday falls during the school year
1824 (September 1 through June 30) is considered not to reach age
1825 twenty-three (23) until the July 1 following the actual
1826 twenty-third birthday. A full-time course of resident study or
1827 training means a day or evening noncorrespondence course that
1828 includes school attendance at the rate of at least thirty-six (36)



1829 weeks per academic year or other applicable period with a subject
1830 load sufficient, if successfully completed, to attain the
1831 educational or training objective within the period generally
1832 accepted as minimum for completion, by a full-time day student, of
1833 the academic or training program concerned. Any child who is
1834 physically or mentally incompetent, as adjudged by either a
1835 Mississippi court of competent jurisdiction or by the board, shall
1836 receive benefits for as long as the incompetency exists.

1837 (5) If all the annuities provided for in this section
1838 payable on account of the death of a member terminate before there
1839 has been paid an aggregate amount equal to the member's
1840 accumulated contributions standing to the member's credit in the
1841 annuity savings account at the time of the member's death, the
1842 difference between the accumulated contributions and the aggregate
1843 amount of annuity payments shall be paid to the person that the
1844 member has nominated by written designation duly executed and
1845 filed with the board. If there is no designated beneficiary
1846 surviving at termination of benefits, the difference shall be
1847 payable under Section 25-11-117.1(1).

1848 (6) Regardless of the number of years of creditable service,
1849 upon the application of a member or employer, any active member
1850 who becomes disabled as a direct result of a physical injury
1851 sustained from an accident or traumatic event caused by external
1852 violence or physical force occurring in the line of performance of
1853 duty, provided that the medical board or other designated



1854 governmental agency after a medical examination certifies that the
1855 member is mentally or physically incapacitated for the further
1856 performance of duty and the incapacity is likely to be permanent,
1857 may be retired by the board of trustees on the first of the month
1858 following the date of filing the application but in no event shall
1859 the retirement allowance begin before the termination of state
1860 service. If a member who has been approved for a retirement
1861 allowance under this subsection does not terminate state service
1862 within ninety (90) days after the approval, the retirement
1863 allowance and the application for the allowance shall be void.
1864 The retirement allowance shall equal the allowance on disability
1865 retirement as provided in Section 25-11-113 but shall not be less
1866 than fifty percent (50%) of average compensation. Line of duty
1867 disability benefits under this section shall be administered in
1868 accordance with the provisions of Section 25-11-113(1)(b), (c),
1869 (d), (e) and (f), (3), (4), (5) and (6).

1870 (7) For purposes of determining death or disability benefits
1871 under this section, the following shall apply:

1872 (a) Death or permanent and total disability resulting
1873 from a cardiovascular, pulmonary or musculoskeletal condition that
1874 was not a direct result of a physical injury sustained from an
1875 accident or a traumatic event caused by external violence or
1876 physical force occurring in the performance of duty shall be
1877 deemed a natural death or an ordinary disability.



1878 (b) A mental disability based exclusively on employment
1879 duties occurring on an ongoing basis shall be deemed an ordinary
1880 disability.

1881 (8) If the deceased or disabled member has less than four
1882 (4) years of membership service, the average compensation as
1883 defined in Section 25-11-103 shall be the average of all annual
1884 earned compensation in state service for the purposes of benefits
1885 provided in this section.

1886 (9) In case of death or total and permanent disability under
1887 subsection (4) or subsection (6) of this section and before the
1888 board shall consider any application for a retirement allowance,
1889 the employer must certify to the board that the member's death or
1890 disability was a direct result of an accident or a traumatic event
1891 occurring during and as a result of the performance of the regular
1892 and assigned duties of the employee and that the death or
1893 disability was not the result of the willful negligence of the
1894 employee.

1895 (10) The application for the retirement allowance must be
1896 filed within one (1) year after death of an active member who is
1897 killed in the line of performance of duty or dies as a direct
1898 result of an accident occurring in the line of performance of duty
1899 or traumatic event; but the board of trustees may consider an
1900 application for disability filed after the one-year period if it
1901 can be factually demonstrated to the satisfaction of the board of
1902 trustees that the disability is due to the accident and that the



filing was not accomplished within the one-year period due to a delayed manifestation of the disability or to circumstances beyond the control of the member. However, in case of late filing, retroactive payments will be made for a period of not more than one (1) year only.

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

(b) Notwithstanding any other section of this article, a spouse who is entitled to receive a monthly benefit under either subsection (2) or (4) of this section and who is also the named beneficiary for a refund of accumulated contributions in the member's annuity savings account, may, after the death of the member, elect to receive a refund of accumulated contributions in lieu of a monthly allowance, provided that there are no dependent children entitled to benefits under subsection (3) of this section.

(12) If the member has previously received benefits from the system to which he was not entitled and has not repaid in full all



amounts payable by him to the system, the annuity amounts otherwise provided by this section shall be withheld and used to effect repayment until the total of the withholdings repays in full all amounts payable by him to the system.

SECTION 14. Section 25-11-115, Mississippi Code of 1972, is brought forward as follows:

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

Option 1. If the retired member dies before he or she has received in annuity payment the value of the member's annuity savings account as it was at the time of the member's retirement, the balance shall be paid to the legal representative or to such person as the member has nominated by written designation duly acknowledged and filed with the board;



1952 **Option 2.** Upon the retired member's death, his or her
1953 reduced retirement allowance shall be continued throughout the
1954 life of, and paid to, such person as the member has nominated by
1955 written designation duly acknowledged and filed with the board of
1956 trustees at the time of his or her retirement;

1957 **Option 3.** Upon the retired member's death, one-half (1/2) of
1958 his or her reduced retirement allowance shall be continued
1959 throughout the life of, and paid to, such person as the member has
1960 nominated by written designation duly acknowledged and filed with
1961 the board of trustees at the time of his or her retirement, and
1962 the other one-half (1/2) of his or her reduced retirement
1963 allowance to some other designated beneficiary;

1964 **Option 4.** Upon the retired member's death, three-fourths
1965 (3/4) of his or her reduced retirement allowance, or such other
1966 specified amount, shall be continued throughout the life of, and
1967 paid to, such person as the member has nominated by written
1968 designation duly acknowledged and filed with the board of trustees
1969 at the time of his or her retirement;

1970 **Option 4-A.** Upon the retired member's death, one-half (1/2)
1971 of his or her reduced retirement allowance, or such other
1972 specified amount, shall be continued throughout the life of, and
1973 paid to, such person as the member has nominated by written
1974 designation duly acknowledged and filed with the board of trustees
1975 at the time of his or her retirement;



1976 **Option 4-B.** A reduced retirement allowance shall be
1977 continued throughout the life of the retirant, but with the
1978 further guarantee of payments to the named beneficiary or
1979 beneficiaries for a specified number of years certain. If the
1980 retired member or the last designated beneficiary both die before
1981 receiving all guaranteed payments due, the actuarial equivalent of
1982 the remaining payments shall be paid to the successors of the
1983 retired member under Section 25-11-117.1(1);

1984 **Option 6.** Any member who became a member of the system
1985 before July 1, 2007, and who has at least twenty-eight (28) years
1986 of creditable service at the time of retirement or who is at least
1987 sixty-three (63) years of age and eligible to retire, may select
1988 the maximum retirement benefit or an optional benefit as provided
1989 in this subsection together with a partial lump-sum distribution.
1990 Any member who became a member of the system on or after July 1,
1991 2007, but before July 1, 2011, and who has at least twenty-eight
1992 (28) years of creditable service at the time of retirement may
1993 select the maximum retirement benefit or any optional benefit as
1994 provided in this subsection together with a partial lump-sum
1995 distribution. Any member who became a member of the system on or
1996 after July 1, 2011, and who has at least thirty-three (33) years
1997 of creditable service at the time of retirement may select the
1998 maximum retirement benefit or any optional benefit as provided in
1999 this subsection together with a partial lump-sum distribution.
2000 The amount of the lump-sum distribution under this option shall be



2001 equal to the maximum monthly benefit multiplied by twelve (12),
2002 twenty-four (24) or thirty-six (36) as selected by the member.
2003 The maximum retirement benefit shall be actuarially reduced to
2004 reflect the amount of the lump-sum distribution selected and
2005 further reduced for any other optional benefit selected. The
2006 annuity and lump-sum distribution shall be computed to result in
2007 no actuarial loss to the system. The lump-sum distribution shall
2008 be made as a single payment payable at the time the first monthly
2009 annuity payment is paid to the retiree. The amount of the
2010 lump-sum distribution shall be deducted from the member's annuity
2011 savings account in computing what contributions remain at the
2012 death of the retiree and/or a beneficiary. The lump-sum
2013 distribution option may be elected only once by a member upon
2014 initial retirement, and may not be elected by a retiree, by
2015 members applying for a disability retirement annuity, or by
2016 survivors.

2017 (2) No change in the option selected shall be permitted
2018 after the member's death or after the member has received his or
2019 her first retirement check except as provided in subsections (3)
2020 and (4) of this section and in Section 25-11-127. Members who are
2021 pursuing a disability retirement allowance and simultaneously or
2022 later elect to begin to receive a service retirement allowance
2023 while continuing to pursue a disability retirement allowance,
2024 shall not be eligible to select Option 6 and that option may not
2025 be selected at a later time if the application for a disability



retirement allowance is voided or denied. However, any retired member who is receiving a retirement allowance under Option 2 or Option 4-A upon July 1, 1992, and whose designated beneficiary predeceased him or her or whose marriage to a spouse who is his or her designated beneficiary is terminated by divorce or other dissolution, upon written notification to the retirement system of the death of the designated beneficiary or of the termination of the retired member's marriage to the designated beneficiary, the retirement allowance payable to the member after receipt of that notification by the retirement system shall be equal to the retirement allowance that would have been payable if the member had not elected the option. In addition, any retired member who is receiving the maximum retirement allowance for life, a retirement allowance under Option 1 or who is receiving a retirement allowance under Option 2 or Option 4-A on July 1, 1992, may elect to provide survivor benefits under Option 2 or Option 4-A to a spouse who was not previously the member's beneficiary and whom the member married before July 1, 1992.

(3) Any retired member who is receiving a reduced retirement allowance under Option 2, Option 4 or Option 4-A whose designated beneficiary predeceases him or her, or whose marriage to a spouse who is his or her designated beneficiary is terminated by divorce or other dissolution, may elect to cancel the reduced retirement allowance and receive the maximum retirement allowance for life in an amount equal to the amount that would have been payable if the



member had not elected Option 2, Option 4 or Option 4-A. That election must be made in writing to the office of the executive director of the system on a form prescribed by the board. Any such election shall be effective the first of the month following the date the election is received by the system; however, the election may be applied retroactively for not more than three (3) months but no earlier than the first of the month following the date of the death of the beneficiary.

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

(5) (a) Except as otherwise provided in this subsection, if the election of an optional benefit is made after the member has attained the age of sixty-five (65) years, the actuarial equivalent factor shall be used to compute the reduced retirement allowance as if the election had been made on his or her



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

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

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

(7) If a retirant and his or her eligible beneficiary, if any, both die before they have received in annuity payments a total amount equal to the accumulated contributions standing to the retirant's credit in the annuity savings account at the time



2101 of his or her retirement, the difference between the accumulated
2102 contributions and the total amount of annuities received by them
2103 shall be paid to such persons as the retirant has nominated by
2104 written designation duly executed and filed in the office of the
2105 executive director. If no designated person survives the retirant
2106 and his or her beneficiary, the difference, if any, shall be paid
2107 under Section 25-11-117.1(1).

2108 (8) Any retired member who retired on Option 2(5) or 4-A(5)
2109 before July 1, 1992, who is still receiving a retirement allowance
2110 on July 1, 1994, shall receive an increase in the annual
2111 retirement allowance effective July 1, 1994, equal to the amount
2112 they would have received under Option 2 or Option 4-A without a
2113 reduction for Option 5 based on the ages at retirement of the
2114 retiree and beneficiary and option factors in effect on July 1,
2115 1992. That increase shall be prospective only.

2116 **SECTION 15.** Section 25-11-115.1, Mississippi Code of 1972,
2117 is brought forward as follows:

2118 25-11-115.1. Any retired member who died in 1993, who
2119 retired under Option 4-A before January 1, 1980, with his spouse
2120 as his designated beneficiary, whose spouse predeceased him, and
2121 who remarried before July 1, 1992, shall be deemed to have
2122 designated his new spouse as his beneficiary under Option 4-A
2123 before his death. Monthly survivor benefits to the member's
2124 surviving spouse will be payable beginning on the first of the
2125 month after April 5, 1996. In addition, retroactive benefits will



2126 be payable to the surviving spouse back to the date of death of
2127 the retired member.

2128 **SECTION 16.** Section 25-11-115.2, Mississippi Code of 1972,
2129 is brought forward as follows:

2130 25-11-115.2. (1) It is the intent of the Public Employees'
2131 Retirement System to provide benefit payments in an efficient
2132 manner consistent with the member's best interest. The system
2133 shall not knowingly allow payments to be made directly to persons
2134 who are determined legally incompetent or incapable of managing or
2135 directing the management of benefits. Any person applying for or
2136 receiving benefits who comes to be known as incapable of applying
2137 for, managing or directing the management of benefits by reason of
2138 mental or physical impairment, as certified by a medical doctor,
2139 shall be directed to obtain a conservator or legal guardian for
2140 purposes of applying for, receiving, managing and/or directing
2141 benefit payments. In the absence of a conservator or legal
2142 guardian or valid durable power of attorney, the Public Employees'
2143 Retirement System may designate a representative payee for such
2144 purposes. The benefit recipient may nominate a representative
2145 payee for consideration by the system in selecting a payee, and
2146 the system is responsible for selecting a payee, including an
2147 agency, organization or institution, that will serve the interest
2148 of the benefit recipient. The system may also accept the Social
2149 Security Administration's designation of a representative payee to
2150 manage and direct funds paid by the system. The system shall have



2151 the authority to establish rules for the administration of this
2152 section.

2153 (2) A representative payee shall be directed to apply
2154 benefits paid from the system only for the use and benefit of the
2155 benefit recipient. The system's obligations to a benefit
2156 recipient shall be discharged when it makes a correct payment to a
2157 representative payee on the benefit recipient's behalf. The
2158 system is without liability for the theft or misuse of benefits if
2159 the benefits were properly paid based upon the information
2160 available to the system at the time the payments were made.

2161 (3) In the absence of a conservator, legal guardian or valid
2162 durable power of attorney, an unmarried benefit applicant who is
2163 deemed to be incapable of applying for, managing or directing his
2164 or her benefits, shall be entitled to receive annuity payments in
2165 an amount equal to a retirement allowance based on the maximum
2166 benefit payable to the member for life and with any remaining
2167 benefit at the death of the member payable pursuant to Section
2168 25-11-117.1(1). Such payments shall be paid to the representative
2169 payee, designated by the system in accordance with the provisions
2170 of this section during the period of the benefit recipient's
2171 incapacity.

2172 (4) In the absence of a conservator, legal guardian or valid
2173 durable power of attorney, any married benefit applicant who is
2174 deemed to be incapable of applying for, managing or directing his
2175 or her benefits, shall be paid a reduced retirement allowance



under Option 2 as provided in Section 25-11-115, with the lawful spouse as the beneficiary. Such payments shall be paid to a representative payee as designated by the system in accordance with the provisions of this section during the period of the benefit recipient's incapacity.

SECTION 17. Section 25-11-117, Mississippi Code of 1972, is brought forward as follows:

25-11-117. (1) A member may be paid a refund of the amount of accumulated contributions to the credit of the member in the annuity savings account, provided that the member has withdrawn from state service and has not returned to state service on the date the refund of the accumulated contributions would be paid. That refund of the contributions to the credit of the member in the annuity savings account shall be paid within ninety (90) days from receipt in the office of the retirement system of the properly completed form requesting the payment. In the event of death before retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the accumulated contributions to the credit of the deceased member in the annuity savings account shall be paid to the designated beneficiary on file in writing in the office of the executive director of the board of trustees within ninety (90) days from receipt of a properly completed form requesting the payment. If there is no such designated beneficiary on file for the deceased member in the office of the system, upon the filing of a proper request with the



2201 board, the contributions to the credit of the deceased member in
2202 the annuity savings account shall be refunded under Section
2203 25-11-117.1(1). The payment of the refund shall discharge all
2204 obligations of the retirement system to the member on account of
2205 any creditable service rendered by the member before the receipt
2206 of the refund. By the acceptance of the refund, the member shall
2207 waive and relinquish all accrued rights in the system.

2208 (2) Under the Unemployment Compensation Amendments of 1992
2209 (Public Law 102-318 (UCA)), a member or the spouse of a member who
2210 is an eligible beneficiary entitled to a refund under this section
2211 may elect, on a form prescribed by the board under rules and
2212 regulations established by the board, to have an eligible rollover
2213 distribution of accumulated contributions payable under this
2214 section paid directly to an eligible retirement plan, as defined
2215 under applicable federal law, or an individual retirement account.
2216 If the member or the spouse of a member who is an eligible
2217 beneficiary makes that election and specifies the eligible
2218 retirement plan or individual retirement account to which the
2219 distribution is to be paid, the distribution will be made in the
2220 form of a direct trustee-to-trustee transfer to the specified
2221 eligible retirement plan. A nonspouse beneficiary may elect to
2222 have an eligible rollover distribution paid in the form of a
2223 direct trustee-to-trustee transfer to an individual retirement
2224 account established to receive the distribution on behalf of the



2225 nonspouse beneficiary. Flexible rollovers under this subsection
2226 shall not be considered assignments under Section 25-11-129.

2227 (3) (a) If any person who has received a refund, reenters
2228 the state service and again becomes a member of the system before
2229 July 1, 2007, the member may repay all or part of the amounts
2230 previously received as a refund, together with regular interest
2231 covering the period from the date of refund to the date of
2232 repayment; however, the amounts that are repaid by the member and
2233 the creditable service related thereto shall not be used in any
2234 benefit calculation or determination until the member has remained
2235 a contributor to the system for a period of at least four (4)
2236 years after the member's reentry into state service. Repayment
2237 for that time shall be made beginning with the most recent service
2238 for which refund has been made. Upon the repayment of all or part
2239 of that refund and interest, the member shall again receive credit
2240 for the period of creditable service for which full repayment has
2241 been made to the system.

2242 (b) If any person who has received a refund, reenters
2243 the state service and again becomes a member of the system on or
2244 after July 1, 2007, the member may repay all or part of the
2245 amounts previously received as a refund, together with regular
2246 interest covering the period from the date of refund to the date
2247 of repayment; however, the amounts that are repaid by the member
2248 and the creditable service related thereto shall not be used in
2249 any benefit calculation or determination until the member has



2250 remained a contributor to the system for a period of at least
2251 eight (8) years after the member's reentry into state service.
2252 Repayment for that time shall be made beginning with the most
2253 recent service for which refund has been made. Upon the repayment
2254 of all or part of that refund and interest, the member shall again
2255 receive credit for the period of creditable service for which full
2256 repayment has been made to the system.

2257 (4) (a) In order to provide a source of income to members
2258 who have applied for disability benefits under Section 25-11-113
2259 or 25-11-114, the board may provide, at the employee's election, a
2260 temporary benefit to be paid from the member's accumulated
2261 contributions, if any, without forfeiting the right to pursue
2262 disability benefits, provided that the member has exhausted all
2263 personal and medical leave and has terminated his or her
2264 employment. The board may prescribe rules and regulations for
2265 carrying out the provisions of this subsection (4).

2266 (b) If a member who has elected to receive temporary
2267 benefits under this subsection later applies for a refund of his
2268 or her accumulated contributions, all amounts paid under this
2269 subsection shall be deducted from the accumulated contributions
2270 and the balance will be paid to the member. If a member who has
2271 elected to receive temporary benefits under this subsection is
2272 later approved for a disability retirement allowance, and a
2273 service retirement allowance or survivor benefits are paid on the
2274 account, the board shall adjust the benefits in such a manner that



2275 no more than the actuarial equivalent of the benefits to which the
2276 member or beneficiary was or is entitled shall be paid.

2277 (c) The board may study, develop and propose a
2278 disability benefit structure, including short- and long-term
2279 disability benefits, provided that it is the actuarial equivalent
2280 of the benefits currently provided in Section 25-11-113 or
2281 25-11-114.

2282 **SECTION 18.** Section 25-11-117.1, Mississippi Code of 1972,
2283 is brought forward as follows:

2284 25-11-117.1. (1) Except as otherwise provided in subsection
2285 (2) of this section, where benefits are payable to a designated
2286 beneficiary or beneficiaries under this article and the designated
2287 beneficiary or beneficiaries as provided by the member on the most
2288 recent form filed with the system is deceased or otherwise
2289 disqualified at the time such benefits become payable, the
2290 following persons, in descending order of precedence, shall be
2291 eligible to receive such benefits:

2292 (a) The surviving spouse of the member or retiree;

2293 (b) The children of the member or retiree or their
2294 descendants, per stirpes;

2295 (c) The brothers and sisters of the member or retiree
2296 or their descendants, per stirpes;

2297 (d) The parents of the member or retiree;

2298 (e) The executor or administrator on behalf of the
2299 member or retiree's estate;



2300 (f) The persons entitled by law to distribution of the
2301 member or retiree's estate.

2302 (2) Any monthly benefits payable to a beneficiary who dies
2303 prior to cashing his or her final check(s) and/or any additional
2304 benefits payable pursuant to Section 25-11-112 still payable at
2305 the death of a beneficiary receiving monthly benefits shall be
2306 paid as follows:

2307 (a) The surviving spouse of the beneficiary;

2308 (b) The children of the beneficiary or their
2309 descendants, per stirpes;

2310 (c) The brothers and sisters of the beneficiary or
2311 their descendants, per stirpes;

2312 (d) The parents of the beneficiary;

2313 (e) The executor or administrator on behalf of the
2314 beneficiary's estate;

2315 (f) The persons entitled by law to distribution of the
2316 beneficiary's estate.

2317 (3) In the event no claim is made by any individual listed
2318 in subsection (2) of this section, a distribution may be made
2319 pursuant to the provisions of subsection (1) of this section.

2320 (4) Payment under the provisions of this section shall bar
2321 recovery by any other person of the benefits distributed. Payment
2322 of benefits made to one or more members of a class of individuals
2323 are made on behalf of all members of the class. Any members of



2324 the class coming forward after payment is made must look to those
2325 who received the payment.

2326 **SECTION 19.** Section 25-11-118, Mississippi Code of 1972, is
2327 brought forward as follows:

2328 25-11-118. Effective July 1, 2000, and subject to the rules
2329 adopted by the board of trustees, the system shall accept an
2330 eligible rollover distribution or a direct transfer of funds from
2331 another eligible retirement plan, as defined under applicable
2332 federal law, or an individual retirement account, in payment of
2333 all or a portion of the cost to purchase optional service credit
2334 or to reinstate previously withdrawn service credit as permitted
2335 by the system. The system may only accept rollover payments in an
2336 amount equal to or less than the balance due for purchase or
2337 reinstatement of service credit. The rules adopted by the board
2338 of trustees shall condition the acceptance of a rollover or
2339 transfer from another eligible retirement plan or an individual
2340 retirement account on the receipt of information necessary to
2341 enable the system to determine the eligibility of any transferred
2342 funds for tax-free rollover treatment or other treatment under
2343 federal income tax law.

2344 **SECTION 20.** Section 25-11-119, Mississippi Code of 1972, is
2345 brought forward as follows:

2346 25-11-119. (1) The board shall keep such data as shall be
2347 necessary for actuarial valuation of the assets and liabilities of
2348 the system and for checking its operating experience.



2349 (2) The board shall keep minutes which shall be open to
2350 public inspection. It shall have the accounts of the system
2351 audited annually by the State Audit Department and shall publish
2352 as of the end of each fiscal year a report showing the fiscal
2353 transactions of the system for the preceding fiscal year, the
2354 amount of the accumulated cash and securities of the system, a
2355 statement of income and expenditures, a statement of investments
2356 acquired and disposed of, and a balance sheet showing the
2357 financial condition of the system by means of an actuarial
2358 valuation of its assets and liabilities. It shall also publish a
2359 synopsis of the report.

2360 (3) The board shall establish a general office for the
2361 meeting of the board and for the administrative personnel; provide
2362 for the installation of an adequate system of books, accounts, and
2363 records which will give effect to all requirements of Articles 1
2364 and 3; and credit all assets received by the funds according to
2365 the purposes for which they are held. All books, accounts and
2366 records shall be kept in the general office of the board and shall
2367 be public records except for individual member records. The
2368 system shall not disclose the name, address or contents of any
2369 individual member records without the prior written consent of the
2370 individual to whom the record pertains, except as authorized by
2371 regulations of the board.



2372 (4) The board shall hold regular meetings at least quarterly
2373 in each year and such special meetings as may be deemed necessary.
2374 All meetings shall be open to the public.

2375 (5) The board shall have power to make contracts, and to sue
2376 and be sued, under the name of the Board of Trustees of the Public
2377 Employees' Retirement System of Mississippi.

2378 (6) Legal advisor. The Attorney General shall be the legal
2379 advisor of the board; and the board may employ counsel when
2380 needed.

2381 (7) Medical board. The board may designate a medical board
2382 to be composed of three (3) physicians or may contract with
2383 another governmental agency or nongovernmental disability
2384 determination service that is qualified to make disability
2385 determinations. If required, other physicians may be engaged to
2386 report on special cases. The medical board or other governmental
2387 or nongovernmental disability determination service agency so
2388 designated shall arrange for, and pass upon, all medical
2389 examinations required under the provisions of this article; shall
2390 investigate all essential statements and certificates by or on
2391 behalf of a member in connection with an application for
2392 disability retirement; and shall report in writing to the board of
2393 trustees its conclusions and recommendations upon all the matters
2394 referred to it.

2395 (8) Duties of actuary. The board of trustees shall
2396 designate an actuary who shall be the technical advisor of the



2397 board on matters regarding the operation of the system, and shall
2398 perform such other duties as are required in connection therewith.

2399 (9) At least once in each two-year period, the actuary shall
2400 make an actuarial survey of the mortality, service, withdrawal and
2401 compensation experience of the members and beneficiaries of the
2402 retirement system, and shall make a valuation of the assets and
2403 liabilities of the system. Taking into account the result of such
2404 investigation and valuation, the board of trustees shall adopt for
2405 the retirement system such mortality, service, and other tables as
2406 shall be deemed necessary. On the basis of such tables as the
2407 board of trustees shall adopt, the actuary shall make valuations
2408 of the assets and liabilities of the funds of the system.

2409 **SECTION 21.** Section 25-11-119.1, Mississippi Code of 1972,
2410 is brought forward as follows:

2411 25-11-119.1. (1) (a) The system may perform on-site
2412 compliance audits of employers to determine compliance with
2413 reporting, contributions, and certification requirements under
2414 this title.

2415 (b) The system may request records to be provided by
2416 the employer at the time of the audit.

2417 (c) Audits shall be conducted at the sole discretion of
2418 the system after reasonable notice to the employer of at least
2419 five (5) working days.



2420 (d) The employer shall extract and provide records as
2421 requested by the office in an appropriate, organized and usable
2422 format.

2423 (e) Failure of an employer to allow access, provide
2424 records or comply in any way with an audit by the system under
2425 this section shall result in the employer being liable to the
2426 system for:

2427 (i) Any liabilities and expenses, including
2428 administrative expenses and travel expenses, resulting from the
2429 employer's failure to comply with the audit; and

2430 (ii) A penalty equal to one percent (1%) of the
2431 employer's contribution for the month preceding the notification
2432 of the audit.

2433 (2) If the audit reveals an employer's failure to make
2434 contributions as required under Section 25-11-124, a failure to
2435 correctly report eligibility as required under Section
2436 25-11-103(s), or a failure to maintain records as required under
2437 the rules and regulations of the system, the employer shall
2438 reimburse the system for the cost of the audit.

2439 (3) The executive director may waive all or any part of the
2440 penalties and expenses if the executive director finds there were
2441 extenuating circumstances surrounding the employer's failure to
2442 comply with this section.

2443 **SECTION 22.** Section 25-11-120, Mississippi Code of 1972, is
2444 brought forward as follows:



2445 25-11-120. (1) Any individual aggrieved by an
2446 administrative determination, including a determination of the
2447 medical board, relating to the eligibility for or payment of
2448 benefits, or the calculation of creditable service or other
2449 similar matters relating to the Public Employees' Retirement
2450 System or any other retirement system or program administered by
2451 the board, may request a hearing before a hearing officer
2452 designated by the board. Such hearings shall be conducted in
2453 accordance with rules and regulations adopted by the board and
2454 formal rules of evidence shall not apply. The hearing officer is
2455 authorized to administer oaths, hear testimony of witnesses and
2456 receive documentary and other evidence. In case of disability
2457 appeals, the hearing officer shall have the authority to defer a
2458 decision in order to request a medical evaluation or test or
2459 additional existing medical records not previously furnished by
2460 the claimant. After the hearing and the receipt of any additional
2461 medical evidence requested by the hearing officer, the hearing
2462 officer shall certify the record to the board, which shall include
2463 the hearing officer's proposed statement of facts, conclusions of
2464 law and recommendation. The record may include a taped recording
2465 of the proceedings of the hearing in lieu of a transcribed copy of
2466 the proceedings. The board shall receive the record and make its
2467 determination based solely on matters contained therein.

2468 (2) Any individual aggrieved by the determination of the
2469 board may appeal to the Circuit Court of the First Judicial



2470 District of Hinds County, Mississippi, in accordance with the
2471 Uniform Circuit Court Rules governing appeals to the circuit court
2472 in civil cases. Such appeal shall be made solely on the record
2473 before the board and this procedure shall be the exclusive method
2474 of appealing determinations of the board.

2475 (3) The board is authorized to appoint a committee of the
2476 board to serve as hearing officer or to employ or contract with
2477 qualified personnel to perform the duties of hearing officer and
2478 court reporter as may be necessary for conducting, recording and
2479 transcribing such hearings. The board may assess and collect fees
2480 to offset costs related to such hearings. Those fees shall be
2481 deposited to the credit of the Public Employees' Retirement
2482 System.

2483 (4) Interest shall not be paid on any benefits, including,
2484 but not limited to, benefits that are delayed as a result of an
2485 administrative determination or an appeal from an administrative
2486 determination.

2487 **SECTION 23.** Section 25-11-121, Mississippi Code of 1972, is
2488 brought forward as follows:

2489 25-11-121. (1) The board shall, from time to time,
2490 determine the current requirements for benefit payments and
2491 administrative expense which shall be maintained as a cash working
2492 balance, except that such cash working balance shall not exceed at
2493 any time an amount necessary to meet the current obligations of



2494 the system for a period of ninety (90) days. Any amounts in
2495 excess of such cash working balance shall be invested, as follows:

2496 (a) Funds may be deposited in any institution insured
2497 by the Federal Deposit Insurance Corporation that maintains a
2498 facility that takes deposits in the State of Mississippi or a
2499 custodial bank;

2500 (b) Corporate bonds and taxable municipal bonds; or
2501 corporate short-term obligations of corporations or of wholly
2502 owned subsidiaries of corporations, whose short-term obligations
2503 are rated A-2 or better by Standard and Poor's, rated P-2 or
2504 better by Moody's Investment Service, F-2 or better by Fitch
2505 Ratings, Ltd., or the equivalent of these ratings if assigned by
2506 another United States Securities and Exchange Commission
2507 designated Nationally Recognized Statistical Rating Organization;

2508 (c) Agency and nonagency residential and commercial
2509 mortgage-backed securities and collateralized mortgage
2510 obligations;

2511 (d) Asset-backed securities;

2512 (e) Bank loans;

2513 (f) Convertible bonds;

2514 (g) Bonds of the Tennessee Valley Authority;

2515 (h) Bonds, notes, certificates and other valid
2516 obligations of the United States, and other valid obligations of
2517 any federal instrumentality that issues securities under authority



2518 of an act of Congress and are exempt from registration with the
2519 Securities and Exchange Commission;

2520 (i) Bonds, notes, debentures and other securities
2521 issued by any federal instrumentality and fully guaranteed by the
2522 United States;

2523 (j) Interest-bearing revenue bonds or notes or bonds or
2524 notes which are general obligations of any state in the United
2525 States or of any city or county therein;

2526 (k) Bonds of established non-United States companies
2527 and foreign government securities. The board may take requisite
2528 action to effectuate or hedge transactions or invest in currency
2529 through foreign or domestic banks, including the purchase and
2530 sale, transfer, exchange, or otherwise disposal of, and generally
2531 deal in foreign exchange through the use of foreign currency,
2532 interbank forward contracts, futures contracts, options contracts,
2533 swaps and other related derivative instruments, notwithstanding
2534 any other provisions of this article to the contrary;

2535 (l) Shares of stocks, common and/or preferred, of
2536 corporations created by or existing under the laws of the United
2537 States or any state, district or territory thereof and shares of
2538 stocks, common and/or preferred, and convertible securities of
2539 non-United States companies; provided:

2540 (i) The maximum investments in stocks shall not
2541 exceed eighty percent (80%) of the total book value of the total
2542 investment fund of the system;



2543 (ii) The stock of such corporation shall:
2544 1. Be listed on a national stock exchange; or
2545 2. Be traded in the over-the-counter market;
2546 (iii) The outstanding shares of such corporation
2547 shall have a total market value of not less than Fifty Million
2548 Dollars (\$50,000,000.00);
2549 (iv) The amount of investment in any one (1)
2550 corporation shall not exceed three percent (3%) of the book value
2551 of the assets of the system;
2552 (v) The shares of any one (1) corporation owned by
2553 the system shall not exceed five percent (5%) of that
2554 corporation's outstanding stock.
2555 The board may take requisite action utilizing foreign
2556 currency as an investment vehicle, or to effectuate or hedge
2557 transactions for shares of stocks and convertible securities of
2558 non-United States companies through foreign or domestic banks,
2559 including the purchase and sale, transfer, exchange, or otherwise
2560 disposal of, and generally deal in foreign exchange through the
2561 use of foreign currency, interbank forward contracts, futures
2562 contracts, options contracts, swaps and other related derivative
2563 instruments, notwithstanding any other provisions of this article
2564 to the contrary;
2565 (m) Covered call and put options on securities or
2566 indices traded on one or more of the regulated exchanges;



2567 (n) Pooled or commingled funds managed by a corporate
2568 trustee or by a Securities and Exchange Commission registered
2569 investment advisory firm retained as an investment manager by the
2570 board of trustees, and shares of investment companies and unit
2571 investment trusts registered under the Investment Company Act of
2572 1940, where such pooled or commingled funds or shares are
2573 comprised of common or preferred stocks, bonds, money market
2574 instruments or other investments authorized under this section.
2575 Such investment in commingled funds or shares shall be held in
2576 trust; provided that the total book value of investments under
2577 this paragraph shall at no time exceed five percent (5%) of the
2578 total book value of all investments of the system. Any investment
2579 manager approved by the board of trustees shall invest such
2580 commingled funds or shares as a fiduciary;

2581 (o) Pooled or commingled real estate funds or real
2582 estate securities managed by a corporate trustee or by a
2583 Securities and Exchange Commission registered investment advisory
2584 firm retained as an investment manager by the board of trustees.
2585 Such investment in commingled funds or shares shall be held in
2586 trust; provided that the total book value of investments under
2587 this paragraph shall at no time exceed ten percent (10%) of the
2588 total book value of all investments of the system. Any investment
2589 manager approved by the board of trustees shall invest such
2590 commingled funds or shares as a fiduciary. The ten percent (10%)



limitation in this paragraph shall not be subject to the five percent (5%) limitation in paragraph (n) of this subsection;

(p) Types of investments not specifically authorized by this subsection if the investments are in the form of a separate account managed by a Securities and Exchange Commission registered investment advisory firm retained as an investment manager by the board; or a limited partnership or commingled fund approved by the board; provided that the total book value of investments under this paragraph shall at no time exceed twenty percent (20%) of the total book value of all investments of the system. Any person or entity who exercises any discretionary authority or discretionary control respecting management of the separate account, limited partnership or commingled fund, or who exercises any authority or control respecting management or disposition of the assets of the separate account, limited partnership or commingled fund, shall exercise such authority or control as a fiduciary.

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

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

(4) Subject to the above terms, conditions, limitations and restrictions, the board shall have power to sell, assign, transfer



2616 and dispose of any of the securities and investments of the
2617 system, provided that said sale, assignment or transfer has the
2618 majority approval of the entire board. The board may employ or
2619 contract with investment managers, evaluation services or other
2620 such services as determined by the board to be necessary for the
2621 effective and efficient operation of the system.

2622 (5) Except as otherwise provided herein, no trustee and no
2623 employee of the board shall have any direct or indirect interest
2624 in the income, gains or profits of any investment made by the
2625 board, nor shall any such person receive any pay or emolument for
2626 his services in connection with any investment made by the board.
2627 No trustee or employee of the board shall become an endorser or
2628 surety, or in any manner an obligor for money loaned by or
2629 borrowed from the system.

2630 (6) All interest derived from investments and any gains from
2631 the sale or exchange of investments shall be credited by the board
2632 to the account of the system.

2633 (7) The board of trustees shall credit regular interest to
2634 the annuity savings account monthly. Regular interest shall mean
2635 such per centum rate to be compounded annually as set by the board
2636 of trustees through regulation.

2637 (8) The board of trustees shall be the custodian of the
2638 funds of the system. All retirement allowance payrolls shall be
2639 certified by the executive director who shall furnish the board a
2640 surety bond in a company authorized to do business in Mississippi



2641 in such an amount as shall be required by the board, the premium
2642 to be paid by the board from the expense account.

2643 (9) For the purpose of meeting disbursements for retirement
2644 allowances, annuities and other payments, cash may be kept
2645 available, not exceeding the requirements of the system for a
2646 period of ninety (90) days, on deposit in one or more banks or
2647 trust companies organized under the laws of the State of
2648 Mississippi or the laws of the United States, provided that the
2649 sum on deposit in any one (1) bank or trust company shall not
2650 exceed thirty-five percent (35%) of the paid-up capital and
2651 regular surplus of such bank or trust company.

2652 (10) The board, the executive director and employees shall
2653 discharge their duties with respect to the investments of the
2654 system solely for the interest of the system with the care, skill,
2655 prudence and diligence under the circumstances then prevailing
2656 that a prudent investor acting in a like capacity and familiar
2657 with such matters would use in the conduct of an enterprise of a
2658 like character and with like aims, including diversifying the
2659 investments of the system so as to minimize the risk of large
2660 losses, unless under the circumstances it is clearly prudent not
2661 to do so.

2662 (11) Documentary material or data made or received by the
2663 system which consists of trade secrets or commercial or financial
2664 information that relates to the investments of the system shall be
2665 exempt from the Mississippi Public Records Act of 1983 if the



disclosure of the material or data is likely to impair the system's ability to obtain such information in the future, or is likely to cause substantial harm to the competitive position of the person or entity from whom the information was obtained.

SECTION 24. Section 25-11-123, Mississippi Code of 1972, is brought forward as follows:

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

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

(1) Beginning July 1, 2010, except as otherwise provided in Section 25-11-126, the employer shall cause to be deducted from the salary of each member on each and every payroll of the employer for each and every payroll period nine percent (9%) of earned compensation as defined in Section 25-11-103. Future contributions shall be fixed biennially by the board on the basis of the liabilities of the retirement system for the various allowances and benefits as shown by actuarial valuation; however, any member earning at a rate less than Sixteen Dollars and



2691 Sixty-seven Cents (\$16.67) per month, or Two Hundred Dollars
2692 (\$200.00) per year, shall contribute not less than One Dollar
2693 (\$1.00) per month, or Twelve Dollars (\$12.00) per year.

2694 (2) The deductions provided in paragraph (1) of
2695 this subsection shall be made notwithstanding that the minimum
2696 compensation provided by law for any member is reduced by the
2697 deduction. Every member shall be deemed to consent and agree to
2698 the deductions made and provided for in paragraph (1) of this
2699 subsection and shall receipt for his full salary or compensation,
2700 and payment of salary or compensation less the deduction shall be
2701 a full and complete discharge and acquittance of all claims and
2702 demands whatsoever for the services rendered by the person during
2703 the period covered by the payment, except as to the benefits
2704 provided under Articles 1 and 3. The board shall provide by rules
2705 for the methods of collection of contributions from members and
2706 the employer. The board shall have full authority to require the
2707 production of evidence necessary to verify the correctness of
2708 amounts contributed.

2709 (b) **Annuity reserve.** The annuity reserve shall be the
2710 account representing the actuarial value of all annuities in
2711 force, and to it shall be charged all annuities and all benefits
2712 in lieu of annuities, payable as provided in this article. If a
2713 beneficiary retired on account of disability is restored to active
2714 service with a compensation not less than his average final
2715 compensation at the time of his last retirement, the remainder of



2716 his contributions shall be transferred from the annuity reserve to
2717 the annuity savings account and credited to his individual account
2718 therein, and the balance of his annuity reserve shall be
2719 transferred to the employer's accumulation account.

2720 (c) **Employer's accumulation account.** The employer's
2721 accumulation account shall represent the accumulation of all
2722 reserves for the payment of all retirement allowances and other
2723 benefits payable from contributions made by the employer, and
2724 against this account shall be charged all retirement allowances
2725 and other benefits on account of members. Credits to and charges
2726 against the employer's accumulation account shall be made as
2727 follows:

2728 (1) On account of each member there shall be paid
2729 monthly into the employer's accumulation account by the employers
2730 for the preceding fiscal year an amount equal to a certain
2731 percentage of the total earned compensation, as defined in Section
2732 25-11-103, of each member. From and after May 9, 2024, the
2733 increase in the employer's contribution rate scheduled to take
2734 effect on July 1, 2024, is rescinded and shall not take effect;
2735 however, on July 1 of each year from 2024 through 2028, the
2736 employer's contribution rate shall be increased by one-half
2737 percent (1/2%).

2738 (2) For the public good, any recommendation by the
2739 board to adjust the employer contributions shall be accompanied by
2740 at least two (2) assessments from actuaries who are independent



2741 from each other and the retirement plan. The actuaries shall
2742 analyze the economic impact of any such recommendation to the
2743 system and state, including, but not limited to, information
2744 showing the fiscal impact to every agency and arm of the state,
2745 including, but not limited to, state agencies, cities, counties
2746 and school districts. The actuarial assessments, with any such
2747 recommendation to adjust the employer contributions, shall be
2748 submitted to the Lieutenant Governor, Speaker of the House,
2749 Chairman of the Senate Appropriations Committee and Chairman of
2750 the House Appropriations Committee.

2751 (3) The board shall have the authority to make
2752 recommendations regarding additional funding sources for the
2753 retirement plan, including employer contribution increases, based
2754 on the assets and liabilities of the retirement plan, and the
2755 analyses required by paragraph (2) of this subsection (c). The
2756 Legislature shall have the sole authority to implement any such
2757 recommendations. It is the intent of the Legislature that, in the
2758 2025 Regular Session, a law be enacted to create a new tier for
2759 future members of the system, in furtherance of the system's
2760 continued financial stability and sustainability.

2761 (4) This section shall not be construed to provide
2762 authority to reduce or eliminate any earned benefits to be
2763 provided by the state to persons who, before July 1, 2025, are
2764 drawing a retirement allowance or are members of the system.



2765 (5) On the basis of regular interest and of such
2766 mortality and other tables as are adopted by the board of
2767 trustees, the actuary engaged by the board to make each valuation
2768 required by this article during the period over which the accrued
2769 liability contribution is payable, immediately after making that
2770 valuation, shall determine the uniform and constant percentage of
2771 the earnable compensation of each member which, if contributed by
2772 the employer on the basis of compensation of the member throughout
2773 his entire period of membership service, would be sufficient to
2774 provide for the payment of any retirement allowance payable on his
2775 account for that service. The percentage rate so determined shall
2776 be known as the "normal contribution rate." After the accrued
2777 liability contribution has ceased to be payable, the normal
2778 contribution rate shall be the percentage rate of the salary of
2779 all members obtained by deducting from the total liabilities on
2780 account of membership service the amount in the employer's
2781 accumulation account, and dividing the remainder by one percent
2782 (1%) of the present value of the prospective future salaries of
2783 all members as computed on the basis of the mortality and service
2784 tables adopted by the board of trustees and regular interest. The
2785 normal rate of contributions shall be determined by the actuary
2786 after each valuation.

2787 (6) The total amount payable in each year to the
2788 employer's accumulation account shall not be less than the sum of
2789 the percentage rate known as the "normal contribution rate" and



2790 the "accrued liability contribution rate" of the total
2791 compensation earnable by all members during the preceding year,
2792 provided that the payment by the employer shall be sufficient,
2793 when combined with the amounts in the account, to provide the
2794 allowances and other benefits chargeable to this account during
2795 the year then current.

2796 (7) The accrued liability contribution shall be
2797 discontinued as soon as the accumulated balance in the employer's
2798 accumulation account shall equal the present value, computed on
2799 the basis of the normal contribution rate then in force, or the
2800 prospective normal contributions to be received on account of all
2801 persons who are at that time members.

2802 (8) All allowances and benefits in lieu thereof,
2803 with the exception of those payable on account of members who
2804 receive no prior service credit, payable from contributions of the
2805 employer, shall be paid from the employer's accumulation account.

2806 (9) Upon the retirement of a member, an amount
2807 equal to his retirement allowance shall be transferred from the
2808 employer's accumulation account to the annuity reserve.

2809 (10) The employer's accumulation account shall be
2810 credited with any assets authorized by law to be credited to the
2811 account.

2812 (d) **Expense account.** The expense account shall be the
2813 account to which the expenses of the administration of the system
2814 shall be charged, exclusive of amounts payable as retirement



2815 allowances and as other benefits provided herein. The Legislature
2816 shall make annual appropriations in amounts sufficient to
2817 administer the system, which shall be credited to this account.
2818 There shall be transferred to the State Treasury from this
2819 account, not less than once per month, an amount sufficient for
2820 payment of the estimated expenses of the system for the succeeding
2821 thirty (30) days. Any interest earned on the expense account
2822 shall accrue to the benefit of the system. However,
2823 notwithstanding the provisions of Sections 25-11-15(10) and
2824 25-11-105(f)(v)5, all expenses of the administration of the system
2825 shall be paid from the interest earnings, provided the interest
2826 earnings are in excess of the actuarial interest assumption as
2827 determined by the board, and provided the present cost of the
2828 administrative expense fee of two percent (2%) of the
2829 contributions reported by the political subdivisions and
2830 instrumentalities shall be reduced to one percent (1%) from and
2831 after July 1, 1983, through June 30, 1984, and shall be eliminated
2832 thereafter.

2833 (e) **Collection of contributions.** The employer shall
2834 cause to be deducted on each and every payroll of a member for
2835 each and every payroll period, beginning subsequent to January 31,
2836 1953, the contributions payable by the member as provided in
2837 Articles 1 and 3.

2838 The employer shall make deductions from salaries of employees
2839 as provided in Articles 1 and 3 and shall transmit monthly, or at



2840 such time as the board of trustees designates, the amount
2841 specified to be deducted to the Executive Director of the Public
2842 Employees' Retirement System. The executive director, after
2843 making a record of all those receipts, shall deposit such amounts
2844 as provided by law.

2845 (f) (1) The sum of the normal contribution rate and the
2846 accrued liability contribution rate shall be known as the
2847 "employer's contribution rate."

2848 (2) The amount payable by the employer on account
2849 of normal and accrued liability contributions shall be determined
2850 by applying the employer's contribution rate to the amount of
2851 compensation earned by employees who are members of the system.
2852 Monthly, or at such time as the board of trustees designates, each
2853 department or agency shall compute the amount of the employer's
2854 contribution payable, with respect to the salaries of its
2855 employees who are members of the system, and shall cause that
2856 amount to be paid to the board of trustees from the personal
2857 service allotment of the amount appropriated for the operation of
2858 the department or agency, or from funds otherwise available to the
2859 agency, for the payment of salaries to its employees.

2860 (3) Except as otherwise provided in Section
2861 25-11-106:

2862 (i) Constables shall pay employer and
2863 employee contributions on their net fee income as well as the



2864 employee contributions on all direct treasury or county payroll
2865 income.

2866 (ii) The county shall be responsible for the
2867 employer contribution on all direct treasury or county payroll
2868 income of constables.

2869 (4) Except as otherwise provided in Section
2870 25-11-106.1, chancery and circuit clerks shall be responsible for
2871 both the employer and employee share of contributions on the
2872 proportionate share of net income attributable to fees, as well as
2873 the employee share of net income attributable to direct treasury
2874 or county payroll income, and the employing county shall be
2875 responsible for the employer contributions on the net income
2876 attributable to direct treasury or county payroll income.

2877 (5) Once each year, under procedures established
2878 by the system, each employer shall submit to the Public Employees'
2879 Retirement System a copy of their report to Social Security of all
2880 employees' earnings.

2881 (6) The board shall provide by rules for the
2882 methods of collection of contributions of employers and members.
2883 The amounts determined due by an agency to the various funds as
2884 specified in Articles 1 and 3 are made obligations of the agency
2885 to the board and shall be paid as provided herein. Failure to
2886 deduct those contributions shall not relieve the employee and
2887 employer from liability thereof. Delinquent employee
2888 contributions and any accrued interest shall be the obligation of



2889 the employee and delinquent employer contributions and any accrued
2890 interest shall be the obligation of the employer. The employer
2891 may, in its discretion, elect to pay any or all of the interest on
2892 delinquent employee contributions. From and after July 1, 1996,
2893 under rules and regulations established by the board, all
2894 employers are authorized and shall transfer all funds due to the
2895 Public Employees' Retirement System electronically and shall
2896 transmit any wage or other reports by computerized reporting
2897 systems.

2898 **SECTION 25.** Section 25-11-124, Mississippi Code of 1972, is
2899 brought forward as follows:

2900 25-11-124. Each employer shall pick up the member
2901 contributions required by Section 25-11-123, Mississippi Code of
2902 1972, for all compensation earned after June 30, 1982, and the
2903 contributions so picked up shall be treated as employer
2904 contributions in determining tax treatment under the United States
2905 Internal Revenue Code and the Mississippi Income Tax Code;
2906 however, each employer shall continue to withhold federal and
2907 state income taxes based upon such contributions until the
2908 Internal Revenue Service or the federal courts rule that, pursuant
2909 to Section 414(h) of the United States Internal Revenue Code,
2910 these contributions shall not be included as gross income of the
2911 member until such time as they are distributed or made available.
2912 The employer shall pay these member contributions from the same
2913 source of funds which is used in paying earnings to the member.



2914 The employer may pick up these contributions by a reduction in the
2915 cash salary of the member, or by an offset against a future salary
2916 increase, or by a combination of a reduction in salary and offset
2917 against a future salary increase. If member contributions are
2918 picked up they shall be treated for all purposes of the Public
2919 Employees' Retirement System in the same manner and to the same
2920 extent as member contributions made prior to the date picked up.

2921 **SECTION 26.** Section 25-11-125, Mississippi Code of 1972, is
2922 brought forward as follows:

2923 25-11-125. (1) The board of supervisors may appropriate and
2924 include in its budget for public purposes a sufficient sum to pay
2925 the required employer contribution to the Public Employees'
2926 Retirement System for all fee-paid elected officials in judicial
2927 capacities of the county and supervisors districts, and those
2928 contributions shall be included by the clerk of the board in his
2929 regular reports and remittals to the Executive Director of the
2930 Public Employees' Retirement System for other county officers and
2931 regular county employees whose employer contributions are not
2932 included in and paid from the annual county budget.

2933 (2) If the county elects to be responsible for contributions
2934 on the net fee income of the constable, the board of supervisors
2935 of the county shall appropriate and include in its budget a
2936 sufficient sum to pay to the Public Employees' Retirement System
2937 for each constable holding office in that county the required
2938 employer contributions on the net fee income and all direct



payments to the constable from the county, and those contributions shall be handled by the clerk of the board in the manner required by subsection (1) of this section.

SECTION 27. Section 25-11-126, Mississippi Code of 1972, is brought forward as follows:

25-11-126. (1) Any person who has at least thirty (30) years of creditable service, who was employed as a public school teacher at the time of his or her retirement, has been retired at least ninety (90) days and is receiving a retirement allowance, and holds a standard teaching license in Mississippi, may be employed as a teacher in a public school district after retirement, and choose to continue receiving the retirement allowance under this article during his or her employment as a teacher after retirement in addition to receiving the salary authorized under this section, along with the local contribution of the school district in which the retiree is employed, at the discretion of the school district. Any teacher who has retired with at least twenty-five (25) years of creditable service as of July 1, 2024, may also participate in this program if the teacher otherwise qualifies under this section.

(2) A retired teacher may only be hired to teach in a school district designated by the Department of Education as having critical shortages and/or critical subject-area shortages, and shall hold the related standard teaching license and/or endorsements to teach in the subject area. The base compensation



2964 authorized for returning retired teachers under Section 37-19-7
2965 shall not be graduated annually in the same manner as teachers who
2966 are employed by a school district under traditional employment
2967 guidelines, but shall remain static for the entirety of his or her
2968 eligible teaching period as a retired teacher.

2969 (3) (a) A retired teacher may be employed as a teacher,
2970 continue receiving his or her retirement allowance and be a
2971 contributing member of the system without accruing additional
2972 retirement benefits for a total of five (5) years, which may be
2973 performed consecutively or intermittently. This method is
2974 designed specifically to provide funding for the system to
2975 actuarially offset any pension liability created by this section.
2976 Each school district hiring retired teachers under the authority
2977 of this section, shall make a direct payment to PERS, which shall
2978 serve as pension liability participation assessment. The pension
2979 liability participation assessment and the retired teacher's
2980 salary for returning to work shall be determined as follows:

2981 (i) A school district shall rely on the salary
2982 schedule in Section 37-19-7 in considering the salary for a
2983 retired teacher; provided, however, that the school district may
2984 allocate up to one hundred and twenty-five percent (125%) of the
2985 amount provided under the salary schedule comparable to the
2986 teacher's years of service and license type as salary and
2987 assessment under the program.



2988 (ii) After determining the retired teacher's
2989 compensation, the school district may pay no more than fifty
2990 percent (50%) of the retired teacher's compensation as salary to
2991 the retired teacher; and

2992 (iii) The remaining fifty percent (50%) of the
2993 retired teacher's compensation as salary shall be paid by the
2994 school district to PERS as a pension liability participation
2995 assessment.

2996 (b) If a retired teacher, reemployed under the
2997 authority of this section, works in a school district for any
2998 portion of a scholastic year less than a full contractual term of
2999 traditional teachers, the time worked by the retired teacher shall
3000 constitute one (1) of the five (5) years of post retirement
3001 teaching eligibility. A retired teacher, under the authority of
3002 this section, shall be entitled to work in any applicable school
3003 district and shall not be obligated to remain in any one (1)
3004 school district for the entirety of his or her post retirement
3005 teaching eligibility, but shall be cumulative in nature so as not
3006 to exceed five (5) years. The salary authorized under Section
3007 37-19-7 for retired teachers shall be prorated for any period
3008 worked by the retired teacher that is less than one (1) full
3009 academic year.

3010 (c) The State Department of Education shall transfer to
3011 the system the Mississippi Adequate Education Program funds of
3012 local school districts that on or after July 1, 2024, hire retired



3013 members as teachers under this section and other funds that
3014 otherwise would have been payable to the districts if the
3015 districts had not taken advantage of this section. The crediting
3016 of assets and financing shall follow the provisions of Section
3017 25-11-123.

3018 (d) Local educational agencies shall transfer to the
3019 system Mississippi Adequate Education Program funds of local
3020 school districts that on or after July 1, 2024, hire retired
3021 members as teachers under this section and other funds that
3022 otherwise would have been payable to the districts if the
3023 districts had not taken advantage of this section. The crediting
3024 of assets and financing must follow the provisions of Section
3025 25-11-123.

3026 (4) Under the authority of this section, school districts
3027 may employ retired teachers based on criteria established by the
3028 department of education for critical teacher shortage areas and
3029 critical subject-matter areas. A school district that is not
3030 within a critical teacher shortage area may employ teachers for
3031 critical subject-matter areas.

3032 (5) A person may be hired under this section subject to the
3033 following conditions:

3034 (a) The retired member holds any teacher's professional
3035 license or certificate as may be required in Section 37-3-2, and
3036 holds the related standard teaching license and/or endorsements to
3037 teach in the applicable subject area;



3038 (b) The superintendent of the employing school district
3039 certifies in writing to the State Department of Education that the
3040 retired member has the requisite experience, training and
3041 expertise for the position to be filled;

3042 (c) The superintendent of the school district certifies
3043 or the principal of the school certifies that there was no
3044 preexisting arrangement for the person to be hired;

3045 (d) The person had a satisfactory performance review
3046 for the most recent period before retirement; and

3047 (e) The person is hired to teach in a critical
3048 subject-matter area or in a critical teacher shortage area.

3049 (6) The State Superintendent of Public Education shall
3050 report the persons who are employed under this section to the
3051 Executive Director of the Public Employees' Retirement System.

3052 (7) The department of education shall promulgate regulations
3053 that prescribe a salary schedule that reflects the provisions of
3054 this section. Each school district shall create a policy,
3055 approved by the local school board, related to the hiring of
3056 retired teachers and including, but not limited to, the hiring of
3057 full- and part-time retired teacher employees under this section
3058 and Section 25-11-127.

3059 (8) Any retired teacher who returns to work in accordance
3060 with this section shall not be eligible to return to work under
3061 the provisions of Section 25-11-127.



SECTION 28. Section 25-11-127, Mississippi Code of 1972, is brought forward as follows:

25-11-127. (1) (a) No person who is being paid a retirement allowance or a pension after retirement under this article shall be employed or paid for any service by the State of Mississippi, including services as an employee, contract worker, contractual employee or independent contractor, until the retired person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement. After the person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement or such later date as established by the board, he or she may be reemployed while being paid a retirement allowance under the terms and conditions provided in this section or in Section 25-11-126.

(b) No retiree of this retirement system who is reemployed or is reelected to office after retirement shall continue to draw retirement benefits while so reemployed, except as provided in this section or in Section 25-11-126.

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

(2) Except as otherwise provided in Section 25-11-126, any person who has been retired under the provisions of Article 3 and who is later reemployed in service covered by this article shall cease to receive benefits under this article and shall again



3087 become a contributing member of the retirement system. When the
3088 person retires again, if the reemployment exceeds six (6) months,
3089 the person shall have his or her benefit recomputed, including
3090 service after again becoming a member, provided that the total
3091 retirement allowance paid to the retired member in his or her
3092 previous retirement shall be deducted from the member's retirement
3093 reserve and taken into consideration in recalculating the
3094 retirement allowance under a new option selected.

3095 (3) The board shall have the right to prescribe rules and
3096 regulations for carrying out the provisions of this section.

3097 (4) The provisions of this section shall not be construed to
3098 prohibit any retiree, regardless of age, from being employed and
3099 drawing a retirement allowance either:

3100 (a) For a period of time not to exceed one-half (1/2)
3101 of the normal working days for the position in any fiscal year
3102 during which the retiree will receive no more than one-half (1/2)
3103 of the salary in effect for the position at the time of
3104 employment, or

3105 (b) For a period of time in any fiscal year sufficient
3106 in length to permit a retiree to earn not in excess of twenty-five
3107 percent (25%) of retiree's average compensation.

3108 To determine the normal working days for a position under
3109 paragraph (a) of this subsection, the employer shall determine the
3110 required number of working days for the position on a full-time
3111 basis and the equivalent number of hours representing the



3112 full-time position. The retiree then may work up to one-half
3113 (1/2) of the required number of working days or up to one-half
3114 (1/2) of the equivalent number of hours and receive up to one-half
3115 (1/2) of the salary for the position. In the case of employment
3116 with multiple employers, the limitation shall equal one-half (1/2)
3117 of the number of days or hours for a single full-time position.

3118 Notice shall be given in writing to the executive director,
3119 setting forth the facts upon which the employment is being made,
3120 and the notice shall be given within five (5) days from the date
3121 of employment and also from the date of termination of the
3122 employment.

3123 (5) Except as otherwise provided in subsection (6) of this
3124 section, the employer of any person who is receiving a retirement
3125 allowance and who is employed in service covered by subsection (4)
3126 of this section as an employee or a contractual employee shall pay
3127 to the board the full amount of the employer's contribution on the
3128 amount of compensation received by the retiree for his or her
3129 employment in accordance with regulations prescribed by the board.
3130 The retiree shall not receive any additional creditable service in
3131 the retirement system as a result of the payment of the employer's
3132 contribution. This subsection does not apply to persons who are
3133 receiving a retirement allowance and who contract with an employer
3134 to provide services as a true independent contractor, as defined
3135 by the board through regulation.



3136 (6) (a) A member may retire and continue in municipal or
3137 county elective office provided that the member has reached the
3138 age and/or service requirement that will not result in a
3139 prohibited in-service distribution as defined by the Internal
3140 Revenue Service, or a retiree may be elected to a municipal or
3141 county office, provided that the person:

3142 (i) Files annually, in writing, in the office of
3143 the employer and the office of the executive director of the
3144 system before the person takes office or as soon as possible after
3145 retirement, a waiver of all salary or compensation and elects to
3146 receive in lieu of that salary or compensation a retirement
3147 allowance as provided in this section, in which event no salary or
3148 compensation shall thereafter be due or payable for those
3149 services; however, any such officer or employee may receive, in
3150 addition to the retirement allowance, office expense allowance,
3151 mileage or travel expense authorized by any statute of the State
3152 of Mississippi; or

3153 (ii) Elects to receive compensation for that
3154 elective office in an amount not to exceed twenty-five percent
3155 (25%) of the retiree's average compensation. In order to receive
3156 compensation as allowed in this subparagraph, the retiree shall
3157 file annually, in writing, in the office of the employer and the
3158 office of the executive director of the system, an election to
3159 receive, in addition to a retirement allowance, compensation as
3160 allowed in this subparagraph.



3161 (b) The municipality or county in which the retired
3162 person holds elective office shall pay to the board the amount of
3163 the employer's contributions on the full amount of the regular
3164 compensation for the elective office that the retired person
3165 holds.

3166 (c) As used in this subsection, the term "compensation"
3167 does not include office expense allowance, mileage or travel
3168 expense authorized by a statute of the State of Mississippi.

3169 (7) Any retired teacher who returns to work in accordance
3170 with this section shall not be eligible to return to work under
3171 the provisions of Section 25-11-126.

3172 **SECTION 29.** Section 25-11-129, Mississippi Code of 1972, is
3173 brought forward as follows:

3174 25-11-129. (1) The right of a person to an annuity, a
3175 retirement allowance or benefit, or to the return of
3176 contributions, or to any optional benefit or any other right
3177 accrued or accruing to any person under the provisions of Articles
3178 1 and 3, the system and the monies in the system created by said
3179 articles, are hereby exempt from any state, county or municipal ad
3180 valorem taxes, income taxes, premium taxes, privilege taxes,
3181 property taxes, sales and use taxes or other taxes not so named,
3182 notwithstanding any other provision of law to the contrary, and
3183 exempt from levy and sale, garnishment, attachment or any other
3184 process whatsoever, and shall be unassignable except as



specifically otherwise provided in this article and except as otherwise provided in subsection (2) of this section.

(2) Any retired member or beneficiary receiving a retirement allowance or benefit under this article may authorize the system to make deductions from the retirement allowance or benefit for the payment of employer or system sponsored group life or health insurance. The deductions authorized under this subsection shall be subject to rules and regulations adopted by the board.

SECTION 30. Section 25-11-131, Mississippi Code of 1972, is brought forward as follows:

25-11-131. (1) Any person or corporation who shall receive and retain any payment, after the death of a member or after the death of the beneficiary of any member, which amount is not lawfully due, shall be liable for the repayment of such amount to the retirement system plus interest thereon at ten percent (10%) per annum plus all costs of collection. Any person who shall knowingly make any false statement or shall falsify or permit to be falsified any record or records of this retirement system in any attempt to defraud such system as a result of such act shall be guilty of a misdemeanor if the amount obtained or attempted to be obtained does not exceed the amount of Five Hundred Dollars (\$500.00), and, on conviction thereof by any court of competent jurisdiction, shall be punished by a fine not exceeding Five Hundred Dollars (\$500.00) or imprisonment in the county jail not exceeding six (6) months, or both; if such amount obtained or



3210 attempted to be obtained shall exceed the sum of Five Hundred
3211 Dollars (\$500.00), such person or persons shall be guilty of a
3212 felony and, on conviction thereof by any court of competent
3213 jurisdiction, shall be punished by a fine not exceeding Ten
3214 Thousand Dollars (\$10,000.00) or by imprisonment in the State
3215 Penitentiary not exceeding five (5) years, or both.

3216 (2) Should any change or error in the records result in any
3217 member or beneficiary receiving from the retirement system more or
3218 less than he would have been entitled to receive had the records
3219 been correct, the board of trustees shall correct such error upon
3220 detection, regardless of the length of time between the reporting
3221 error or the time payment started and the time the board became
3222 aware of the error, and, as far as practicable, adjust the payment
3223 in such a manner that the actuarial equivalent of the benefit to
3224 which such member or beneficiary was correctly entitled shall be
3225 paid. This responsibility is, and has been, the duty of the board
3226 since the creation of the retirement system.

3227 **SECTION 31.** Section 25-11-133, Mississippi Code of 1972, is
3228 brought forward as follows:

3229 25-11-133. (1) The maintenance of actuarial reserves for
3230 the various allowances and benefits under Articles 1 and 3, and
3231 the payment of all annuities, retirement allowances, refunds and
3232 other benefits granted hereunder are made obligations of the
3233 employer's accumulation accounts. All income, interest and
3234 dividends derived from deposits and investments authorized by



3235 those articles shall be used for the payment of the obligations of
3236 the system.

3237 (2) In the event of the termination of the Public Employees'
3238 Retirement System established pursuant to the provisions of
3239 Section 25-11-101 et seq., all members of the system as of the
3240 date of termination of the system shall be deemed to have a vested
3241 right to benefits to the extent and in the same manner that rights
3242 would be vested under the statute existing as of the date of
3243 termination of the system, except that any member who, because of
3244 a termination of the system has not fulfilled the requirements for
3245 length of service, shall nonetheless be entitled to compensation
3246 as of the date that such member would otherwise be eligible, with
3247 such compensation to be computed on the basis of time actually a
3248 member of the service and compensation actually earned during the
3249 time a member, in the manner now provided by statute.

3250 In the event of a deficit in the availability of funds for
3251 payment due under the provisions of the Public Employees'
3252 Retirement System, an appropriation shall be made sufficient for
3253 the payment thereof as an obligation of the state.

3254 (3) (a) Notwithstanding any provisions of this section or
3255 this title to the contrary, the maximum annual retirement
3256 allowance attributable to the employer contributions payable by
3257 the system to a member shall be subject to the limitations set
3258 forth in Section 415 of the Internal Revenue Code and any
3259 regulations issued thereunder as applicable to governmental plans



3260 as the term is defined under Section 414(d) of the Internal
3261 Revenue Code.

3262 (b) The board is authorized to provide by rule or
3263 regulation for the payment of benefits as provided under this
3264 chapter to members or beneficiaries of the retirement system at a
3265 time and under circumstances not otherwise provided for in this
3266 chapter to the extent that the payment is required to maintain the
3267 system as a qualified retirement plan for purposes of federal
3268 income tax laws.

3269 (4) Notwithstanding any other provision of this plan, all
3270 distributions from this plan shall conform to the regulations
3271 issued under Section 401(a)(9) of the Internal Revenue Code,
3272 applicable to governmental plans, as defined in Section 414(d) of
3273 the Internal Revenue Code, including the incidental death benefit
3274 provisions of Section 401(a)(9)(G) of the Internal Revenue Code.
3275 Further, the regulations shall override any plan provision that is
3276 inconsistent with Section 401(a)(9) of the Internal Revenue Code.

3277 (5) The actuarial assumptions used to convert a retirement
3278 allowance from the normal form of payment to an optional form of
3279 payment shall be an appendix to Article 3 and subject to approval
3280 by the board based upon certification by the actuary.

3281 (6) Notwithstanding any other provision of this plan, the
3282 maximum compensation that can be considered for all plan purposes
3283 shall not be greater than that allowed under Section 401(a)(17) of
3284 the Internal Revenue Code.



SECTION 32. Section 25-11-135, Mississippi Code of 1972, is brought forward as follows:

25-11-135. Nothing contained in this article shall be construed as repealing any existing law of this state providing for the retirement of teachers, firemen, policemen, or any other public employees.

SECTION 33. Section 25-11-137, Mississippi Code of 1972, is brought forward as follows:

25-11-137. (1) (a) Any law enforcement officer or fireman who has been covered under this article or under Section 21-29-101 et seq., Section 21-29-201 et seq., or Section 25-13-1 et seq., and who changes his employment from one jurisdiction to another jurisdiction, or has previously made that change, may elect to transfer retirement service credit earned while covered under the retirement system of the former jurisdiction to that of the latter as provided in this section.

(b) Any law enforcement officer or fireman transferring as described in paragraph (a) of this subsection and having paid retirement funds under this article or under Section 21-29-101 et seq., Section 21-29-201 et seq., or Section 25-13-1 et seq., must pay into the retirement system to which he is transferring the full amount of employee contributions that he would have paid into that system if he had been a member of that system for each year of creditable service that is being transferred, together with regular interest that would have been earned by that system on those contributions, and he must also pay, or the system from



3310 which he is transferring must pay, into the system to which he is
3311 being transferred, an amount equal to that which the employer
3312 would have paid if he had been a member of that system for each
3313 year transferred, together with regular interest that would have
3314 been earned by that system on those contributions. The retirement
3315 system from which he is being transferred shall be required to pay
3316 into the system to which he is transferring any funds credited to
3317 his account. Any additional funds that may be required shall be
3318 paid by the person being transferred. Those payments may be made
3319 in quarterly increments. Failure to make these proper adjustment
3320 payments will void any transfer of service credits.

3321 (2) The benefits that are being currently paid by the system
3322 in which the law enforcement officer or fireman has last been a
3323 member, and the requirements for retirement or disability
3324 benefits, shall be those applicable to the officer falling under
3325 the provisions of this section. Any law enforcement officer or
3326 fireman who elects to transfer retirement service credit may
3327 immediately transfer the funds and service as provided for in
3328 subsection (1) of this section; however, the amounts that are
3329 transferred by the law enforcement officer or fireman and his
3330 employer, if applicable, and the service credit related to the
3331 transfer of funds, shall not be used in any benefit calculation or
3332 determination of eligibility for benefits until the person has
3333 remained a contributing member of the retirement system to which
3334 he is transferring for the minimum period necessary to qualify for



a monthly retirement allowance or benefit. Upon the complete transfer and payment of that credit, all time spent in the covered law enforcement or fire department service, as noted above, within and for the State of Mississippi or the political subdivisions thereof, shall apply to the time required by law necessary to effect the retirement or disability of the officer.

SECTION 34. Section 25-11-139, Mississippi Code of 1972, is brought forward as follows:

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

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



3359 **SECTION 35.** Section 25-11-141, Mississippi Code of 1972, is
3360 brought forward as follows:

3361 25-11-141. The board of trustees may enter into an agreement
3362 with insurance companies, hospital service associations, medical
3363 or health care corporations, health maintenance organizations, or
3364 government agencies authorized to do business in the state for
3365 issuance of a policy or contract of life, health, medical,
3366 hospital or surgical benefits, or any combination thereof, for
3367 those persons receiving a service, disability or survivor
3368 retirement allowance from any system administered by the board.
3369 Notwithstanding any other provision of this chapter, the policy or
3370 contract also may include coverage for the spouse and dependent
3371 children of such eligible person and for such sponsored dependents
3372 as the board considers appropriate. If all or any portion of the
3373 policy or contract premium is to be paid by any person receiving a
3374 service, disability or survivor retirement allowance, such person
3375 shall, by written authorization, instruct the board to deduct from
3376 the retirement allowance the premium cost and to make payments to
3377 such companies, associations, corporations or agencies.

3378 The board may contract for such coverage on the basis that
3379 the cost of the premium for the coverage will be paid by the
3380 person receiving a retirement allowance.

3381 The board is authorized to accept bids for such optional
3382 coverage and benefits and to make all necessary rules pursuant to
3383 the purpose and intent of this section.



3384 **SECTION 36.** This act shall take effect and be in force from
3385 and after July 1, 2025.

