

By: Senator(s) Sparks

To: Rules

SENATE BILL NO. 2449
(As Passed the Senate)

1 AN ACT TO AMEND SECTION 25-11-401, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT MEMBERSHIP IN THE OPTIONAL RETIREMENT PROGRAM FOR
3 EMPLOYEES OF THE STATE INSTITUTIONS OF HIGHER LEARNING SHALL APPLY
4 ONLY TO THOSE EMPLOYEES WHO ASSUMED THEIR POSITIONS BEFORE MARCH
5 1, 2026; TO AMEND SECTION 25-11-409, MISSISSIPPI CODE OF 1972, TO
6 CONFORM; TO AMEND SECTION 25-11-411, MISSISSIPPI CODE OF 1972, TO
7 PROVIDE THAT EACH PARTICIPANT IN THE OPTIONAL RETIREMENT PROGRAM
8 SHALL CONTRIBUTE MONTHLY TO THE OPTIONAL RETIREMENT PROGRAM 9% OF
9 THE PARTICIPANT'S TOTAL EARNED COMPENSATION; TO REALLOCATE THE
10 EMPLOYER'S CONTRIBUTION TO THE OPTIONAL RETIREMENT PROGRAM; TO
11 PROVIDE THAT AN AMOUNT EQUAL TO 9% OF THE PARTICIPANT'S TOTAL
12 EARNED COMPENSATION SHALL BE APPLIED TO THE PARTICIPANT'S
13 CONTRACTS OR ACCOUNTS; TO PROVIDE THAT UP TO 0.2% OF THE
14 PARTICIPANT'S TOTAL EARNED COMPENSATION SHALL BE APPLIED TO THE
15 EXPENSE FUND OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO DEFRAY
16 THE COST OF ADMINISTERING THE OPTIONAL RETIREMENT PROGRAM; TO
17 PROVIDE THAT THE REMAINDER SHALL BE REMITTED TO THE PUBLIC
18 EMPLOYEES' RETIREMENT SYSTEM FOR APPLICATION TO THE ACCRUED
19 LIABILITY CONTRIBUTION FUND; TO REPEAL SECTION 25-11-415,
20 MISSISSIPPI CODE OF 1972, WHICH PROVIDES THAT THE PUBLIC
21 EMPLOYEES' RETIREMENT SYSTEM MAY DEDUCT NOT MORE THAN 2% OF ALL
22 EMPLOYERS' CONTRIBUTIONS AND TRANSFER SUCH DEDUCTIONS TO THE
23 EXPENSE FUND OF THE SYSTEM TO DEFRAY THE COST OF ADMINISTERING THE
24 OPTIONAL RETIREMENT PROGRAM; AND FOR RELATED PURPOSES.

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

26 **SECTION 1.** Section 25-11-401, Mississippi Code of 1972, is
27 amended as follows:

28 25-11-401. There is established an optional retirement
29 program for employees of the state institutions of higher learning



30 included in Section 37-101-1 * * * who are appointed or employed
31 after July 1, 1990, and are employed before March 1, 2026. To be
32 eligible to participate in the optional retirement program, a
33 newly appointed employee must:

34 (a) (i) Hold a teaching or administrative faculty
35 position, or

36 (ii) Hold a position as an intern or resident in
37 training at the University Medical Center or the College of
38 Veterinary Medicine at Mississippi State University under a
39 teaching program at such institutions; and

40 (b) Be eligible for membership in the Public Employees'
41 Retirement System of Mississippi.

42 **SECTION 2.** Section 25-11-409, Mississippi Code of 1972, is
43 amended as follows:

44 25-11-409. Eligible employees initially employed on or after
45 July 1, 1990, and before March 1, 2026, shall elect to participate
46 in the optional retirement program within thirty (30) days after
47 (i) entry into state service, or (ii) the effective date of the
48 optional retirement program, whichever is later. The election
49 must be made in writing and filed with the board of trustees and
50 will be effective as of the date of employment. If an eligible
51 employee fails to timely make the election provided in this
52 section, he shall become a member of the Public Employees'
53 Retirement System of Mississippi in accordance with Article 3 of
54 this chapter.



55 **SECTION 3.** Section 25-11-411, Mississippi Code of 1972, is
56 amended as follows:

57 25-11-411. (1) Each participant shall contribute monthly to
58 the optional retirement program * * * nine percent (9%) of the
59 participant's total earned compensation as defined in Section
60 25-11-103. Participant contributions may be made by a reduction
61 in salary in accordance with the provisions of Section 403(b) of
62 the United States Internal Revenue Code or any amendment thereto,
63 or in accordance with Section 25-11-124, as may be appropriate
64 under the determination made in accordance with Section 25-11-421.
65 The entirety of each participant's contribution shall be remitted
66 to the appropriate company or companies for application to the
67 participant's contracts or accounts, or both. Each employer of a
68 participant in the optional retirement program shall contribute on
69 behalf of each participant in the optional retirement program the
70 same amount the employer would be required to contribute to the
71 Public Employees' Retirement System of Mississippi if the
72 participant were a member of the retirement system. The
73 employer's contribution shall be remitted as follows:

74 (a) An amount equal to * * * nine percent (9%) of the
75 participant's total earned compensation as defined in Section
76 25-11-103 shall be remitted to the appropriate company or
77 companies for application to the participant's contracts or
78 accounts, or both;



(b) An amount *** up to *** two-tenths percent
(0.2%) of the participant's total earned compensation as defined
in Section 25-11-103 shall be remitted to the Public Employees'
Retirement System of Mississippi *** for application to the
system's expense fund to defray the cost of administering the
optional retirement program created by this article;

(c) The remainder *** shall be remitted to the ***
Public Employees' Retirement System of Mississippi for application
to the accrued liability contribution fund.

If the employer's contribution level is decreased below nine
and three-fourths percent (9-3/4%) of the employee's total earned
compensation, the remittance provided by paragraph (***c) of
this section shall be reduced accordingly. There shall be no
reduction in the remittance provided by paragraph (a) of this
section until such time, if any, that the employer's contribution
level is less than *** nine percent (9%) of the participant's
total earned compensation. If the accrued liability contribution
is reduced or discontinued under Section 25-11-123, the amount of
the reduction, or the entirety of the employer's contribution, in
case of discontinuance, shall be remitted to the appropriate
company or companies for application to the participant's
contracts or accounts, or both. Any remittance required to be
made by the employer to the Public Employees' Retirement System of
Mississippi shall be made at the times the employer remits
contributions for members of the retirement system.



104 (2) The employer may, in its discretion, make additional
105 contributions to the participant's contracts or accounts up to the
106 maximum amount allowable under federal law.

107 **SECTION 4.** Section 25-11-415, Mississippi Code of 1972,
108 which provides that the Public Employees' Retirement System of
109 Mississippi may deduct not more than two percent (2%) of all
110 employers' contributions and transfer such deductions to the
111 expense fund of the Public Employees' Retirement System to defray
112 the cost of administering the optional retirement program for
113 employees of the state institutions of higher learning, is
114 repealed.

115 **SECTION 5.** This act shall take effect and be in force from
116 and after July 1, 2025.

