

By: Senator(s) Blount

To: Finance

## SENATE BILL NO. 2806

1 AN ACT TO AMEND SECTION 25-11-123, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT COUNTIES AND MUNICIPALITIES SHALL NOT BE  
3 RESPONSIBLE FOR PAYING EMPLOYER CONTRIBUTIONS IN THE PUBLIC  
4 EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI (PERS) ABOVE THE  
5 AMOUNT CALCULATED BASED ON THE RATE SET ON JULY 1, 2024; TO  
6 PROVIDE THAT THE RESPONSIBILITY FOR ANY CONTRIBUTIONS OVER SAID  
7 AMOUNT SHALL BE BORNE BY THE STATE OF MISSISSIPPI; AND FOR RELATED  
8 PURPOSES.

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

10 **SECTION 1.** Section 25-11-123, Mississippi Code of 1972, is  
11 amended as follows:

12 25-11-123. All of the assets of the system shall be credited  
13 according to the purpose for which they are held to one (1) of  
14 four (4) reserves; namely, the annuity savings account, the  
15 annuity reserve, the employer's accumulation account, and the  
16 expense account.

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



22                   (1) Beginning July 1, 2010, except as otherwise  
23 provided in Section 25-11-126, the employer shall cause to be  
24 deducted from the salary of each member on each and every payroll  
25 of the employer for each and every payroll period nine percent  
26 (9%) of earned compensation as defined in Section 25-11-103.  
27 Future contributions shall be fixed biennially by the board on the  
28 basis of the liabilities of the retirement system for the various  
29 allowances and benefits as shown by actuarial valuation; however,  
30 any member earning at a rate less than Sixteen Dollars and  
31 Sixty-seven Cents (\$16.67) per month, or Two Hundred Dollars  
32 (\$200.00) per year, shall contribute not less than One Dollar  
33 (\$1.00) per month, or Twelve Dollars (\$12.00) per year.

34                   (2) The deductions provided in paragraph (1) of  
35 this subsection shall be made notwithstanding that the minimum  
36 compensation provided by law for any member is reduced by the  
37 deduction. Every member shall be deemed to consent and agree to  
38 the deductions made and provided for in paragraph (1) of this  
39 subsection and shall receipt for his full salary or compensation,  
40 and payment of salary or compensation less the deduction shall be  
41 a full and complete discharge and acquittance of all claims and  
42 demands whatsoever for the services rendered by the person during  
43 the period covered by the payment, except as to the benefits  
44 provided under Articles 1 and 3. The board shall provide by rules  
45 for the methods of collection of contributions from members and  
46 the employer. The board shall have full authority to require the



production of evidence necessary to verify the correctness of amounts contributed.

(b) **Annuity reserve.** The annuity reserve shall be the account representing the actuarial value of all annuities in force, and to it shall be charged all annuities and all benefits in lieu of annuities, payable as provided in this article. If a beneficiary retired on account of disability is restored to active service with a compensation not less than his average final compensation at the time of his last retirement, the remainder of his contributions shall be transferred from the annuity reserve to the annuity savings account and credited to his individual account therein, and the balance of his annuity reserve shall be transferred to the employer's accumulation account.

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

(1) On account of each member there shall be paid monthly into the employer's accumulation account by the employers for the preceding fiscal year an amount equal to a certain percentage of the total earned compensation, as defined in Section



25-11-103, of each member. From and after May 9, 2024, the increase in the employer's contribution rate scheduled to take effect on July 1, 2024, is rescinded and shall not take effect; however, on July 1 of each year from 2024 through 2028, the employer's contribution rate shall be increased by one-half percent (1/2%). However, counties and municipalities shall not be responsible for paying employer contributions above the amount calculated based on the rate set on July 1, 2024, and the responsibility for any contributions over that amount shall be borne by the State of Mississippi.

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

(3) The board shall have the authority to make recommendations regarding additional funding sources for the



97 retirement plan, including employer contribution increases, based  
98 on the assets and liabilities of the retirement plan, and the  
99 analyses required by paragraph (2) of this subsection (c). The  
100 Legislature shall have the sole authority to implement any such  
101 recommendations. It is the intent of the Legislature that, in the  
102 2025 Regular Session, a law be enacted to create a new tier for  
103 future members of the system, in furtherance of the system's  
104 continued financial stability and sustainability.

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

109 (5) On the basis of regular interest and of such  
110 mortality and other tables as are adopted by the board of  
111 trustees, the actuary engaged by the board to make each valuation  
112 required by this article during the period over which the accrued  
113 liability contribution is payable, immediately after making that  
114 valuation, shall determine the uniform and constant percentage of  
115 the earnable compensation of each member which, if contributed by  
116 the employer on the basis of compensation of the member throughout  
117 his entire period of membership service, would be sufficient to  
118 provide for the payment of any retirement allowance payable on his  
119 account for that service. The percentage rate so determined shall  
120 be known as the "normal contribution rate." After the accrued  
121 liability contribution has ceased to be payable, the normal



contribution rate shall be the percentage rate of the salary of all members obtained by deducting from the total liabilities on account of membership service the amount in the employer's accumulation account, and dividing the remainder by one percent (1%) of the present value of the prospective future salaries of all members as computed on the basis of the mortality and service tables adopted by the board of trustees and regular interest. The normal rate of contributions shall be determined by the actuary after each valuation.

(6) The total amount payable in each year to the employer's accumulation account shall not be less than the sum of the percentage rate known as the "normal contribution rate" and the "accrued liability contribution rate" of the total compensation earnable by all members during the preceding year, provided that the payment by the employer shall be sufficient, when combined with the amounts in the account, to provide the allowances and other benefits chargeable to this account during the year then current.

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



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

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

153 (10) The employer's accumulation account shall be  
154 credited with any assets authorized by law to be credited to the  
155 account.

156 (d) **Expense account.** The expense account shall be the  
157 account to which the expenses of the administration of the system  
158 shall be charged, exclusive of amounts payable as retirement  
159 allowances and as other benefits provided herein. The Legislature  
160 shall make annual appropriations in amounts sufficient to  
161 administer the system, which shall be credited to this account.  
162 There shall be transferred to the State Treasury from this  
163 account, not less than once per month, an amount sufficient for  
164 payment of the estimated expenses of the system for the succeeding  
165 thirty (30) days. Any interest earned on the expense account  
166 shall accrue to the benefit of the system. However,  
167 notwithstanding the provisions of Sections 25-11-15(10) and  
168 25-11-105(f)(v)5, all expenses of the administration of the system  
169 shall be paid from the interest earnings, provided the interest  
170 earnings are in excess of the actuarial interest assumption as



determined by the board, and provided the present cost of the administrative expense fee of two percent (2%) of the contributions reported by the political subdivisions and instrumentalities shall be reduced to one percent (1%) from and after July 1, 1983, through June 30, 1984, and shall be eliminated thereafter.

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

The employer shall make deductions from salaries of employees as provided in Articles 1 and 3 and shall transmit monthly, or at such time as the board of trustees designates, the amount specified to be deducted to the Executive Director of the Public Employees' Retirement System. The executive director, after making a record of all those receipts, shall deposit such amounts as provided by law.

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

(2) The amount payable by the employer on account of normal and accrued liability contributions shall be determined by applying the employer's contribution rate to the amount of compensation earned by employees who are members of the system.





196 Monthly, or at such time as the board of trustees designates, each  
197 department or agency shall compute the amount of the employer's  
198 contribution payable, with respect to the salaries of its  
199 employees who are members of the system, and shall cause that  
200 amount to be paid to the board of trustees from the personal  
201 service allotment of the amount appropriated for the operation of  
202 the department or agency, or from funds otherwise available to the  
203 agency, for the payment of salaries to its employees.

204 (3) Except as otherwise provided in Section  
205 25-11-106:

206 (i) Constables shall pay employer and  
207 employee contributions on their net fee income as well as the  
208 employee contributions on all direct treasury or county payroll  
209 income.

210 (ii) The county shall be responsible for the  
211 employer contribution on all direct treasury or county payroll  
212 income of constables.

213 (4) Except as otherwise provided in Section  
214 25-11-106.1, chancery and circuit clerks shall be responsible for  
215 both the employer and employee share of contributions on the  
216 proportionate share of net income attributable to fees, as well as  
217 the employee share of net income attributable to direct treasury  
218 or county payroll income, and the employing county shall be  
219 responsible for the employer contributions on the net income  
220 attributable to direct treasury or county payroll income.



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

225 (6) The board shall provide by rules for the  
226 methods of collection of contributions of employers and members.  
227 The amounts determined due by an agency to the various funds as  
228 specified in Articles 1 and 3 are made obligations of the agency  
229 to the board and shall be paid as provided herein. Failure to  
230 deduct those contributions shall not relieve the employee and  
231 employer from liability thereof. Delinquent employee  
232 contributions and any accrued interest shall be the obligation of  
233 the employee and delinquent employer contributions and any accrued  
234 interest shall be the obligation of the employer. The employer  
235 may, in its discretion, elect to pay any or all of the interest on  
236 delinquent employee contributions. From and after July 1, 1996,  
237 under rules and regulations established by the board, all  
238 employers are authorized and shall transfer all funds due to the  
239 Public Employees' Retirement System electronically and shall  
240 transmit any wage or other reports by computerized reporting  
241 systems.

242 **SECTION 2.** This act shall take effect and be in force from  
243 and after July 1, 2025.

