

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



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

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

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

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



72 25-11-103, of each member. From and after May 9, 2024, the
73 increase in the employer's contribution rate scheduled to take
74 effect on July 1, 2024, is rescinded and shall not take effect;
75 however, on July 1 of each year from 2024 through 2028, the
76 employer's contribution rate shall be increased by one-half
77 percent (1/2%). However, counties and municipalities shall not be
78 responsible for paying employer contributions above the amount
79 calculated based on the rate set on July 1, 2024, and the
80 responsibility for any contributions over that amount shall be
81 borne by the State of Mississippi.

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

95 (3) The board shall have the authority to make
96 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



122 contribution rate shall be the percentage rate of the salary of
123 all members obtained by deducting from the total liabilities on
124 account of membership service the amount in the employer's
125 accumulation account, and dividing the remainder by one percent
126 (1%) of the present value of the prospective future salaries of
127 all members as computed on the basis of the mortality and service
128 tables adopted by the board of trustees and regular interest. The
129 normal rate of contributions shall be determined by the actuary
130 after each valuation.

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

140 (7) The accrued liability contribution shall be
141 discontinued as soon as the accumulated balance in the employer's
142 accumulation account shall equal the present value, computed on
143 the basis of the normal contribution rate then in force, or the
144 prospective normal contributions to be received on account of all
145 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

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

177 (e) **Collection of contributions.** The employer shall
178 cause to be deducted on each and every payroll of a member for
179 each and every payroll period, beginning subsequent to January 31,
180 1953, the contributions payable by the member as provided in
181 Articles 1 and 3.

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

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

192 (2) The amount payable by the employer on account
193 of normal and accrued liability contributions shall be determined
194 by applying the employer's contribution rate to the amount of
195 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.

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

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

