

By: Senator(s) Barrett

To: Finance; Appropriations

SENATE BILL NO. 2842

1 AN ACT TO AMEND SECTION 25-11-111, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT, FROM AND AFTER JULY 1, 2025, A RETIRED LAW
3 ENFORCEMENT OFFICER SHALL BE ENTITLED TO RECEIVE AS A RETIREMENT
4 ALLOWANCE FULL BASE PAY FOR HIS OR HER FORMER LAW ENFORCEMENT
5 POSITION; TO BRING FORWARD SECTIONS 25-11-112 AND 25-11-123,
6 MISSISSIPPI CODE OF 1972, FOR THE PURPOSE OF POSSIBLE AMENDMENT;
7 AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 25-11-111, Mississippi Code of 1972, is
10 amended as follows:

11 25-11-111. (a) (1) Any member who became a member of the
12 system before July 1, 2007, upon withdrawal from service upon or
13 after attainment of the age of sixty (60) years who has completed
14 at least four (4) years of membership service, or any member who
15 became a member of the system before July 1, 2011, upon withdrawal
16 from service regardless of age who has completed at least
17 twenty-five (25) years of creditable service, shall be entitled to
18 receive a retirement allowance, which shall begin on the first of
19 the month following the date the member's application for the



allowance is received by the board, but in no event before withdrawal from service.

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

(b) (1) Any member who became a member of the system before July 1, 2007, whose withdrawal from service occurs before attaining the age of sixty (60) years who has completed four (4) or more years of membership service and has not received a refund of his accumulated contributions, shall be entitled to receive a retirement allowance, beginning upon his attaining the age of sixty (60) years, of the amount earned and accrued at the date of withdrawal from service. The retirement allowance shall begin on the first of the month following the date the member's application for the allowance is received by the board, but in no event before withdrawal from service.



44 (2) Any member who became a member of the system on or
45 after July 1, 2007, whose withdrawal from service occurs before
46 attaining the age of sixty (60) years who has completed eight (8)
47 or more years of membership service and has not received a refund
48 of his accumulated contributions, shall be entitled to receive a
49 retirement allowance, beginning upon his attaining the age of
50 sixty (60) years, of the amount earned and accrued at the date of
51 withdrawal from service. The retirement allowance shall begin on
52 the first of the month following the date the member's application
53 for the allowance is received by the board, but in no event before
54 withdrawal from service.

55 (c) Any member in service who has qualified for retirement
56 benefits may select any optional method of settlement of
57 retirement benefits by notifying the Executive Director of the
58 Board of Trustees of the Public Employees' Retirement System in
59 writing, on a form prescribed by the board, of the option he has
60 selected and by naming the beneficiary of the option and
61 furnishing necessary proof of age. The option, once selected, may
62 be changed at any time before actual retirement or death, but upon
63 the death or retirement of the member, the optional settlement
64 shall be placed in effect upon proper notification to the
65 executive director.

66 (d) Any member who became a member of the system before July
67 1, 2011, shall be entitled to an annual retirement allowance which
68 shall consist of:



69 (1) A member's annuity, which shall be the actuarial
70 equivalent of the accumulated contributions of the member at the
71 time of retirement computed according to the actuarial table in
72 use by the system; and

73 (2) An employer's annuity, which, together with the
74 member's annuity provided above, shall be equal to two percent
75 (2%) of the average compensation for each year of service up to
76 and including twenty-five (25) years of creditable service, and
77 two and one-half percent (2-1/2%) of the average compensation for
78 each year of service exceeding twenty-five (25) years of
79 creditable service.

80 (3) Any retired member or beneficiary thereof who was
81 eligible to receive a retirement allowance before July 1, 1991,
82 and who is still receiving a retirement allowance on July 1, 1992,
83 shall receive an increase in the annual retirement allowance of
84 the retired member equal to one-eighth of one percent (1/8 of 1%)
85 of the average compensation for each year of state service in
86 excess of twenty-five (25) years of membership service up to and
87 including thirty (30) years. The maximum increase shall be
88 five-eighths of one percent (5/8 of 1%). In no case shall a
89 member who has been retired before July 1, 1987, receive less than
90 Ten Dollars (\$10.00) per month for each year of creditable service
91 and proportionately for each quarter year thereof. Persons
92 retired on or after July 1, 1987, shall receive at least Ten
93 Dollars (\$10.00) per month for each year of service and



94 proportionately for each quarter year thereof reduced for the
95 option selected. However, such Ten Dollars (\$10.00) minimum per
96 month for each year of creditable service shall not apply to a
97 retirement allowance computed under Section 25-11-114 based on a
98 percentage of the member's average compensation.

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

102 (1) A member's annuity, which shall be the actuarial
103 equivalent of the accumulated contributions of the member at the
104 time of retirement computed according to the actuarial table in
105 use by the system; and

106 (2) An employer's annuity, which, together with the
107 member's annuity provided above, shall be equal to two percent
108 (2%) of the average compensation for each year of service up to
109 and including thirty (30) years of creditable service, and two and
110 one-half percent (2-1/2%) of average compensation for each year of
111 service exceeding thirty (30) years of creditable service.

112 (f) Any member who became a member of the system on or after
113 July 1, 2011, upon withdrawal from service upon or after attaining
114 the age of sixty (60) years who has completed at least eight (8)
115 years of membership service, or any such member upon withdrawal
116 from service regardless of age who has completed at least thirty
117 (30) years of creditable service, shall be entitled to receive a
118 retirement allowance computed in accordance with the formula set



119 forth in subsection (e) of this section. In the case of the
120 retirement of any member who has attained age sixty (60) but who
121 has not completed at least thirty (30) years of creditable
122 service, the retirement allowance shall be computed in accordance
123 with the formula set forth in subsection (e) of this section
124 except that the total annual retirement allowance shall be reduced
125 by an actuarial equivalent factor for each year of creditable
126 service below thirty (30) years or the number of years in age that
127 the member is below age sixty-five (65), whichever is less.

128 (g) No member, except members excluded by the Age
129 Discrimination in Employment Act Amendments of 1986 (Public Law
130 99-592), under either Article 1 or Article 3 in state service
131 shall be required to retire because of age.

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

135 (i) (1) A retiree or beneficiary may, on a form prescribed
136 by and filed with the retirement system, irrevocably waive all or
137 a portion of any benefits from the retirement system to which the
138 retiree or beneficiary is entitled. The waiver shall be binding
139 on the heirs and assigns of any retiree or beneficiary and the
140 same must agree to forever hold harmless the Public Employees'
141 Retirement System of Mississippi from any claim to the waived
142 retirement benefits.



143 (2) Any waiver under this subsection shall apply only
144 to the person executing the waiver. A beneficiary shall be
145 entitled to benefits according to the option selected by the
146 member at the time of retirement. However, a beneficiary may, at
147 the option of the beneficiary, execute a waiver of benefits under
148 this subsection.

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

152 (4) The board of trustees may provide rules and
153 regulations for the administration of waivers under this
154 subsection.

155 (j) Notwithstanding any other provision of this section,
156 from and after July 1, 2025, a retired law enforcement officer
157 shall be entitled to receive as a retirement allowance full base
158 pay for his or her former law enforcement position.

159 **SECTION 2.** Section 25-11-112, Mississippi Code of 1972, is
160 brought forward as follows:

161 25-11-112. (1) Any member who is receiving a retirement
162 allowance for service or disability retirement, or any beneficiary
163 thereof, who has received a monthly benefit for at least one (1)
164 full fiscal year, shall be eligible to receive an additional
165 benefit, on December 1 or July 1 of the year as provided in
166 subsection (3) of this section, equal to an amount calculated
167 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.

(b) For any member who became a member of the system on or after 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 sixty (60), 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 sixty (60), multiplied by the amount of the annual retirement allowance.

(2) The calculation of the beneficiary's additional benefit under subsection (1)(a) or (b) of this section shall be based on



the member's age and full fiscal years in retirement as if the member had lived.

(3) (a) The additional benefit provided for under this section shall be paid in one (1) payment in December of each year to those persons who are receiving a retirement allowance on December 1 of that year, unless an election is made under this subsection. However, if a retiree who is receiving a retirement allowance that will terminate upon the retiree's death is receiving the additional benefit in one (1) payment and dies on or after July 1 but before December 1, the beneficiary designated on the retirement application, if any, shall receive in a single payment a fractional part of the additional benefit based on the number of months in which a retirement allowance was received during the fiscal year. Likewise, if a retiree is receiving a retirement allowance that will terminate upon his or her death in two (2) to six (6) monthly installments, any remaining payments of the additional benefit will be paid in a lump sum to the beneficiary designated on the application, or if none, pursuant to Section 25-11-117.1(1). Any similar remaining payments of additional benefits payable under this section to a deceased beneficiary who was receiving a monthly benefit shall be payable in accordance with the provisions of Section 25-11-117.1(2). If the additional monthly benefit is being received in one (1) payment, the additional benefit shall also be prorated based on the number of months in which a retirement allowance was received



217 during the fiscal year when (i) the monthly benefit payable to a
218 beneficiary terminates due to the expiration of an option,
219 remarriage or cessation of dependent status or due to the
220 retiree's return to covered employment, and (ii) the monthly
221 benefit terminates on or after July 1 and before December 1. The
222 board may, in its discretion, allow a retired member or a
223 beneficiary thereof who is receiving the additional annual payment
224 in the manner provided for in this paragraph to change the manner
225 in which the additional annual payment is received to that
226 provided for in paragraph (b) of this subsection if the retired
227 member or beneficiary submits satisfactory documentation that the
228 continued receipt of the additional annual payment as provided for
229 in this paragraph will cause a financial hardship to the retired
230 member or beneficiary.

231 (b) Retired members or beneficiaries thereof who on
232 July 1, 1999, or July 1 of any fiscal year thereafter, are
233 receiving a retirement allowance, may elect by an irrevocable
234 agreement in writing filed in the Office of the Public Employees'
235 Retirement System no less than thirty (30) days before July 1 of
236 the appropriate year, to begin receiving the additional benefit
237 provided for under this section in twelve (12) equal monthly
238 installments beginning July 1, 1999, or July 1 of any fiscal year
239 thereafter. This irrevocable agreement shall be binding on the
240 member and subsequent beneficiaries. Payment of those monthly
241 installments shall not extend beyond the month in which a



retirement allowance is due and payable. The board may, in its discretion, allow a retired member or a beneficiary thereof who is receiving the additional annual payment in the manner provided for in this paragraph to change the manner in which the additional annual payment is received to that provided for in paragraph (a) of this subsection if the retired member or beneficiary submits satisfactory documentation that the continued receipt of the additional annual payment as provided for in this paragraph will cause a financial hardship to the retired member or beneficiary.

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

(5) (a) The amount provided for under subsection (1) (a)(ii) of this section is calculated using the following formula:

$$[(1.03)^n - 1] \times [\text{annual retirement allowance}],$$

where n is the number of full fiscal years in retirement beginning with the fiscal year in which the member reaches age fifty-five (55).

(b) The amount provided for under subsection (1)(b)(ii) of this section is calculated using the following formula:

$$[(1.03)^n - 1] \times [\text{annual retirement allowance}],$$

where n is the number of full fiscal years in retirement beginning with the fiscal year in which the member reaches age sixty (60).

(6) Any retired member or beneficiary thereof who has previously elected to receive the additional annual payment in monthly installments may elect, upon application on a form



prescribed by the board of trustees, to have that payment made in one (1) additional payment each year. This written election must be filed in the Office of the Public Employees' Retirement System before June 1, 2000, and shall be effective for the fiscal year beginning July 1, 2000.

(7) In the event of death of a retired member or a beneficiary thereof who is receiving the additional annual payment in two (2) to six (6) monthly installments pursuant to an election made before July 1, 1999, and who would otherwise be eligible to receive the additional benefit provided for under this section in one (1) payment in December of the current fiscal year, any remaining amounts shall be paid in a lump sum to the designated beneficiary.

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

SECTION 3. 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 Sixty-seven Cents (\$16.67) per month, or Two Hundred Dollars (\$200.00) per year, shall contribute not less than One Dollar (\$1.00) per month, or Twelve Dollars (\$12.00) per year.

(2) The deductions provided in paragraph (1) of this subsection shall be made notwithstanding that the minimum compensation provided by law for any member is reduced by the deduction. Every member shall be deemed to consent and agree to the deductions made and provided for in paragraph (1) of this



subsection and shall receipt for his full salary or compensation, and payment of salary or compensation less the deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by the person during the period covered by the payment, except as to the benefits provided under Articles 1 and 3. The board shall provide by rules for the methods of collection of contributions from members and 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



342 against this account shall be charged all retirement allowances
343 and other benefits on account of members. Credits to and charges
344 against the employer's accumulation account shall be made as
345 follows:

346 (1) On account of each member there shall be paid
347 monthly into the employer's accumulation account by the employers
348 for the preceding fiscal year an amount equal to a certain
349 percentage of the total earned compensation, as defined in Section
350 25-11-103, of each member. From and after May 9, 2024, the
351 increase in the employer's contribution rate scheduled to take
352 effect on July 1, 2024, is rescinded and shall not take effect;
353 however, on July 1 of each year from 2024 through 2028, the
354 employer's contribution rate shall be increased by one-half
355 percent (1/2%).

356 (2) For the public good, any recommendation by the
357 board to adjust the employer contributions shall be accompanied by
358 at least two (2) assessments from actuaries who are independent
359 from each other and the retirement plan. The actuaries shall
360 analyze the economic impact of any such recommendation to the
361 system and state, including, but not limited to, information
362 showing the fiscal impact to every agency and arm of the state,
363 including, but not limited to, state agencies, cities, counties
364 and school districts. The actuarial assessments, with any such
365 recommendation to adjust the employer contributions, shall be
366 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 retirement plan, including employer contribution increases, based on the assets and liabilities of the retirement plan, and the analyses required by paragraph (2) of this subsection (c). The Legislature shall have the sole authority to implement any such recommendations. It is the intent of the Legislature that, in the 2025 Regular Session, a law be enacted to create a new tier for future members of the system, in furtherance of the system's continued financial stability and sustainability.

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

(5) On the basis of regular interest and of such mortality and other tables as are adopted by the board of trustees, the actuary engaged by the board to make each valuation required by this article during the period over which the accrued liability contribution is payable, immediately after making that valuation, shall determine the uniform and constant percentage of the earnable compensation of each member which, if contributed by the employer on the basis of compensation of the member throughout his entire period of membership service, would be sufficient to



392 provide for the payment of any retirement allowance payable on his
393 account for that service. The percentage rate so determined shall
394 be known as the "normal contribution rate." After the accrued
395 liability contribution has ceased to be payable, the normal
396 contribution rate shall be the percentage rate of the salary of
397 all members obtained by deducting from the total liabilities on
398 account of membership service the amount in the employer's
399 accumulation account, and dividing the remainder by one percent
400 (1%) of the present value of the prospective future salaries of
401 all members as computed on the basis of the mortality and service
402 tables adopted by the board of trustees and regular interest. The
403 normal rate of contributions shall be determined by the actuary
404 after each valuation.

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

414 (7) The accrued liability contribution shall be
415 discontinued as soon as the accumulated balance in the employer's
416 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.

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

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

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

(d) **Expense account.** The expense account shall be the account to which the expenses of the administration of the system shall be charged, exclusive of amounts payable as retirement allowances and as other benefits provided herein. The Legislature shall make annual appropriations in amounts sufficient to administer the system, which shall be credited to this account. There shall be transferred to the State Treasury from this account, not less than once per month, an amount sufficient for payment of the estimated expenses of the system for the succeeding thirty (30) days. Any interest earned on the expense account shall accrue to the benefit of the system. However, notwithstanding the provisions of Sections 25-11-15(10) and



25-11-105(f)(v)5, all expenses of the administration of the system shall be paid from the interest earnings, provided the interest 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."



466 (2) The amount payable by the employer on account
467 of normal and accrued liability contributions shall be determined
468 by applying the employer's contribution rate to the amount of
469 compensation earned by employees who are members of the system.
470 Monthly, or at such time as the board of trustees designates, each
471 department or agency shall compute the amount of the employer's
472 contribution payable, with respect to the salaries of its
473 employees who are members of the system, and shall cause that
474 amount to be paid to the board of trustees from the personal
475 service allotment of the amount appropriated for the operation of
476 the department or agency, or from funds otherwise available to the
477 agency, for the payment of salaries to its employees.

478 (3) Except as otherwise provided in Section
479 25-11-106:

480 (i) Constables shall pay employer and
481 employee contributions on their net fee income as well as the
482 employee contributions on all direct treasury or county payroll
483 income.

484 (ii) The county shall be responsible for the
485 employer contribution on all direct treasury or county payroll
486 income of constables.

487 (4) Except as otherwise provided in Section
488 25-11-106.1, chancery and circuit clerks shall be responsible for
489 both the employer and employee share of contributions on the
490 proportionate share of net income attributable to fees, as well as



the employee share of net income attributable to direct treasury or county payroll income, and the employing county shall be responsible for the employer contributions on the net income attributable to direct treasury or county payroll income.

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



516 **SECTION 4.** This act shall take effect and be in force from
517 and after July 1, 2025.

