

By: Carlton, Walls

To: Finance

SENATE BILL NO. 2016

1 AN ACT TO AMEND SECTION 25-11-111, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE THE RETIREMENT ALLOWANCE FOR MEMBERS OF THE PUBLIC  
3 EMPLOYEES' RETIREMENT SYSTEM FOR YEARS OF SERVICE AS A MUNICIPAL  
4 LAW ENFORCEMENT OFFICER; TO PROVIDE THAT THE RETIREMENT BENEFIT OF  
5 A RETIRED MUNICIPAL LAW ENFORCEMENT OFFICER SHALL NOT EXCEED 100%  
6 OF THE AVERAGE COMPENSATION OF SUCH OFFICER; AND FOR RELATED  
7 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:[JU1]

11 25-11-111. (a) Any member upon withdrawal from service upon  
12 or after attainment of the age of sixty (60) years who shall have  
13 completed at least four (4) years of creditable service, or any  
14 member upon withdrawal from service regardless of age who shall  
15 have completed at least twenty-five (25) years of creditable  
16 service, shall be entitled to receive a retirement allowance which  
17 shall begin on the first of the month following the date the  
18 member's application for the allowance is received by the board,  
19 but in no event before withdrawal from service.

20 (b) Any member whose withdrawal from service occurs prior to  
21 attaining the age of sixty (60) years who shall have completed  
22 four (4) or more years of creditable service and shall not have  
23 received a refund of his accumulated contributions shall be

24 entitled to receive a retirement allowance, beginning upon his  
25 attaining the age of sixty (60) years, of the amount earned and  
26 accrued at the date of withdrawal from service.

27 (c) Any member in service who has qualified for retirement  
28 benefits may select any optional method of settlement of  
29 retirement benefits by notifying the Executive Director of the  
30 Board of Trustees of the Public Employees' Retirement System in  
31 writing, on a form prescribed by the board, of the option he has  
32 selected and by naming the beneficiary of such option and  
33 furnishing necessary proof of age. Such option, once selected,  
34 may be changed at any time prior to actual retirement or death,  
35 but upon the death or retirement of the member, the optional  
36 settlement shall be placed in effect upon proper notification to  
37 the executive director.

38 (d) Except as otherwise provided in subsection (i) of this  
39 section, the annual amount of the retirement allowance shall  
40 consist of:

41 (1) A member's annuity which shall be the actuarial  
42 equivalent of the accumulated contributions of the member at the  
43 time of retirement computed according to the actuarial table in  
44 use by the system; and

45 (2) An employer's annuity which, together with the  
46 member's annuity provided above, shall be equal to one and  
47 seven-eighths percent (1-7/8%) of the average compensation for  
48 each year of state service up to and including twenty-five (25)  
49 years of membership service, and two and one-fourth percent  
50 (2-1/4%) of the average compensation for each year of state  
51 service exceeding twenty-five (25) years of membership service.  
52 However, after the board of trustees has begun implementing the  
53 changes in the computation of the retirement allowance as provided  
54 in subsection (e), the employer's annuity shall be equal to:

55                   (i) One and seven-eighths percent (1-7/8%) of the  
56 average compensation for each year of membership service up to and  
57 including the number of years specified in Column A of the table  
58 in subsection (e) for the latest phase that has been implemented,  
59 and

60                   (ii) Two percent (2%) of the average compensation  
61 for each year of membership service exceeding the number of years  
62 specified in Column A of the table in subsection (e) for the  
63 latest phase that has been implemented up to and including  
64 twenty-five (25) years, and

65                   (iii) The percentage of the average compensation  
66 specified in Column B of the table in subsection (e) for the  
67 latest phase that has been implemented for each year of membership  
68 service exceeding twenty-five (25) years.

69                   (3) A prior service annuity equal to one and  
70 seven-eighths percent (1-7/8%) of the average compensation for  
71 each year of state service up to and including twenty-five (25)  
72 years of prior service, and two and one-four percent (2-1/4%) of  
73 the average compensation for each year of state service exceeding  
74 twenty-five (25) years of prior service for which the member is  
75 allowed credit. However, after the board of trustees has begun  
76 implementing the changes in the computation of the retirement  
77 allowance as provided in subsection (e), the prior service annuity  
78 shall be equal to:

79                   (i) One and seven-eighths percent (1-7/8%) of the  
80 average compensation for each year of prior service up to and  
81 including the number of years specified in Column A of the table  
82 in subsection (e) for the latest phase that has been implemented,

83 and

84 (ii) Two percent (2%) of the average compensation  
85 for each year of prior service exceeding the number of years  
86 specified in Column A of the table in subsection (e) for the  
87 latest phase that has been implemented up to and including  
88 twenty-five (25) years, and

89 (iii) The percentage of the average compensation  
90 specified in Column B of the table in subsection (e) for the  
91 latest phase that has been implemented for each year of prior  
92 service exceeding twenty-five (25) years.

93 (4) Any retired member or beneficiary thereof who was  
94 eligible to receive a retirement allowance before July 1, 1991,  
95 and who is still receiving a retirement allowance on July 1, 1992,  
96 shall receive an increase in the annual retirement allowance of  
97 the retired member equal to one-eighth of one percent (1/8 of 1%)  
98 of the average compensation for each year of state service in  
99 excess of twenty-five (25) years of membership service up to and  
100 including thirty (30) years. The maximum increase shall be  
101 five-eighths of one percent (5/8 of 1%). In no case shall a  
102 member who has been retired prior to July 1, 1987, receive less  
103 than Ten Dollars (\$10.00) per month for each year of creditable  
104 service and proportionately for each quarter year thereof.  
105 Persons retired on or after July 1, 1987, shall receive at least  
106 Ten Dollars (\$10.00) per month for each year of service and  
107 proportionately for each quarter year thereof reduced for the  
108 option selected. However, such Ten Dollars (\$10.00) minimum per  
109 month for each year of creditable service shall not apply to a  
110 retirement allowance computed under Section 25-11-114 based on a

111 percentage of the member's average compensation.

112           (5) The board shall recalculate the retirement  
113 allowance of any member or the beneficiary of such a member, if  
114 the member or beneficiary is eligible to receive a retirement  
115 allowance before July 1, 1999, by using the criteria in paragraphs  
116 (2) and (3) of this subsection (d) that provides for two and  
117 one-fourth percent (2-1/4%) of the average compensation for each  
118 year of service exceeding twenty-five (25) years.

119           (6) Any member upon withdrawal from service upon or  
120 after attaining the age of sixty (60) years who has completed at  
121 least four (4) years of creditable service, or any member upon  
122 withdrawal from service regardless of age who has completed at  
123 least twenty-five (25) years of creditable service, shall be  
124 entitled to receive a retirement allowance computed in accordance  
125 with the formula set forth in this section. Such retirement  
126 allowance otherwise payable may be converted into a retirement  
127 allowance of equivalent actuarial value in such an amount that,  
128 with the member's benefit under Title II of the federal Social  
129 Security Act, the member will receive, so far as possible,  
130 approximately the same amount annually before and after the  
131 earliest age at which the member becomes eligible to receive a  
132 social security benefit.

133           (e) Beginning on July 1, 2000, the board of trustees shall  
134 implement changes in the computation of the amount of the annual  
135 retirement allowance, which changes shall be implemented in phases  
136 as set forth in the table in this subsection; provided, however,  
137 that these changes shall not apply to years of membership service  
138 as a municipal law enforcement officer while certified as a law

139 enforcement officer under Chapter 6, Title 45, Mississippi Code of  
140 1972. The board of trustees shall implement the phases  
141 systematically upon July 1 after the board's actuary certifies  
142 that implementation of a phase will not cause the unfunded accrued  
143 actuarial liability amortization period for the retirement system  
144 to exceed twenty-two (22) years. The board of trustees shall have  
145 the exclusive authority to set the assumptions that are used in  
146 the actuarial evaluation in accordance with Section 25-11-119(9).  
147 The board of trustees shall recalculate the retirement allowance  
148 of any retired member or beneficiary of such a member as each  
149 phase is implemented.

150 RETIREMENT ALLOWANCE COMPUTATION

151 IMPLEMENTATION TABLE

152	(A)	(B)
153	2% FOR YEARS	PERCENTAGE
154	ABOVE THIS	FOR YEARS
155	NUMBER AND	ABOVE 25
156	25 YEARS	YEARS
157	<hr/>	
158	Phase 1	20 years 2.250%
159	Phase 2	15 years 2.250%
160	Phase 3	10 years 2.250%
161	Phase 4	5 years 2.250%
162	Phase 5	0 years 2.250%
163	Phase 6	0 years 2.375%
164	Phase 7	0 years 2.500%

165 Column A shows the years to which two percent (2%) is  
166 applicable in computing the retirement allowance, which are all

167 the years of service exceeding the number specified in Column A  
168 for the phase that has been implemented up to and including  
169 twenty-five (25) years.

170 Column B shows the percentage that is applicable to the  
171 number of years of service exceeding twenty-five (25) years in  
172 computing the retirement allowance.

173 (f) No member, except members excluded by the Age  
174 Discrimination in Employment Act Amendments of 1986 (Public Law  
175 99-592), under either Article 1 or Article 3 in state service  
176 shall be required to retire because of age.

177 (g) No payment on account of any benefit granted under the  
178 provisions of this section shall become effective or begin to  
179 accrue until January 1, 1953.

180 (h) (1) A retiree or beneficiary may, on a form prescribed  
181 by and filed with the retirement system, waive all or a portion of  
182 any benefits from the retirement system to which the retiree or  
183 beneficiary is entitled. A retiree or beneficiary may revoke a  
184 waiver of benefits in the same manner as the original waiver was  
185 made. Such waiver shall be binding on the heirs and assigns of  
186 any retiree or beneficiary and the same must agree to forever hold  
187 harmless the Public Employees' Retirement System of Mississippi  
188 from any claim to such waived retirement benefits.

189 (2) Any waiver pursuant to this subsection shall apply  
190 only to the person executing the waiver and any beneficiary shall  
191 be entitled to benefits according to the option selected by the  
192 member at the time of retirement. However, a beneficiary may, at  
193 the option of the beneficiary, execute a waiver of benefits  
194 pursuant to this subsection.

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

198           (4) The board of trustees may provide rules and  
199 regulations for the administration of waivers under this  
200 subsection.

201       (i) The annual amount of the retirement allowance for any  
202 member who was employed as a municipal law enforcement officer for  
203 membership service completed as a municipal law enforcement  
204 officer while certified as a law enforcement officer under Chapter  
205 6, Title 45, Mississippi Code of 1972, shall consist of:

206           (1) A member's annuity which shall be the actuarial  
207 equivalent of the accumulated contributions of the member at the  
208 time of retirement computed according to the actuarial table in  
209 use by the system;

210           (2) An employer's annuity which, together with the  
211 member's annuity provided above, shall be equal to three percent  
212 (3%) of the average compensation for each year of membership  
213 service as a law enforcement officer; and

214           (3) A prior service annuity equal to three percent (3%)  
215 of the average compensation for each year of prior service as a  
216 law enforcement officer.

217       (j) Upon retiring, a member who was employed as a municipal  
218 law enforcement officer while certified as a law enforcement  
219 officer under Chapter 6, Title 45, Mississippi Code of 1972, shall  
220 be entitled to benefits, computed as provided for in this section,  
221 for life, except that the aggregate amount of the employer's  
222 annuity and prior service annuity shall not exceed more than one



223 hundred percent (100%) of the average compensation regardless of  
224 the years of service of such member.

225 SECTION 2. This act shall take effect and be in force from  
226 and after July 1, 2000.