

By: Representative Robinson (84th)

To: Appropriations

HOUSE BILL NO. 790

1 AN ACT TO AMEND SECTION 25-11-103, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT PUBLIC SCHOOL BUS DRIVERS SHALL BE ELIGIBLE TO
3 BECOME OR REMAIN MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT
4 SYSTEM REGARDLESS OF THE WEEKLY OR MONTHLY NUMBER OF HOURS WORKED;
5 TO AMEND SECTION 25-11-105, MISSISSIPPI CODE OF 1972, IN
6 CONFORMITY TO THE PRECEDING PROVISION; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 25-11-103, Mississippi Code of 1972, is
9 amended as follows:

10 25-11-103. The following words and phrases as used in
11 Articles 1 and 3, unless a different meaning is plainly required
12 by the context, shall have the following meanings:

13 (a) "Accumulated contributions" shall mean the sum of
14 all the amounts deducted from the compensation of a member and
15 credited to his individual account in the annuity savings account,
16 together with regular interest thereon as provided in Section
17 25-11-123.

18 (b) "Actuarial cost" shall mean the amount of funds
19 presently required to provide future benefits as determined by the
20 board based on applicable tables and formulas provided by the
21 actuary.

22 (c) "Actuarial equivalent" shall mean a benefit of
23 equal value to the accumulated contributions, annuity or benefit,
24 as the case may be, when computed upon the basis of such mortality
25 tables as shall be adopted by the board of trustees, and regular
26 interest.

27 (d) "Actuarial tables" shall mean such tables of
28 mortality and rates of interest as shall be adopted by the board
29 in accordance with the recommendation of the actuary.



30 (e) "Agency" shall mean any governmental body employing
31 persons in the state service.

32 (f) "Average compensation" shall mean the average of
33 the four (4) highest years of earned compensation reported for an
34 employee in a fiscal or calendar year period, or combination
35 thereof which do not overlap, or the last forty-eight (48)
36 consecutive months of earned compensation reported for an
37 employee. The four (4) years need not be successive or joined
38 years of service. In no case shall the average compensation so
39 determined be in excess of One Hundred Twenty-five Thousand
40 Dollars (\$125,000.00). In computing the average compensation, any
41 amount paid in a lump sum for personal leave shall be included in
42 the calculation to the extent that such amount does not exceed an
43 amount which is equal to thirty (30) days of earned compensation
44 and to the extent that it does not cause the employees' earned
45 compensation to exceed the maximum reportable amount specified in
46 Section 25-11-103(k); provided, however, that such thirty-day
47 limitation shall not prevent the inclusion in the calculation of
48 leave earned under federal regulations prior to July 1, 1976, and
49 frozen as of that date as referred to in Section 25-3-99. Only
50 the amount of lump sum pay for personal leave due and paid upon
51 the death of a member attributable for up to one hundred fifty
52 (150) days shall be used in the deceased member's average
53 compensation calculation in determining the beneficiary's
54 benefits. In computing the average compensation, no amounts shall
55 be used which are in excess of the amount on which contributions
56 were required and paid. If any member who is or has been granted
57 any increase in annual salary or compensation of more than eight
58 percent (8%) retires within twenty-four (24) months from the date
59 that such increase becomes effective, then the board shall exclude
60 that part of the increase in salary or compensation that exceeds
61 eight percent (8%) in calculating that member's average
62 compensation for retirement purposes. The board may enforce this



63 provision by rule or regulation. However, increases in
64 compensation in excess of eight percent (8%) per year granted
65 within twenty-four (24) months of the date of retirement may be
66 included in such calculation of average compensation if
67 satisfactory proof is presented to the board showing that the
68 increase in compensation was the result of an actual change in the
69 position held or services rendered, or that such compensation
70 increase was authorized by the State Personnel Board or was
71 increased as a result of statutory enactment, and the employer
72 furnishes an affidavit stating that such increase granted within
73 the last twenty-four (24) months was not contingent on a promise
74 or agreement of the employee to retire. Nothing in Section
75 25-3-31 shall affect the calculation of the average compensation
76 of any member for the purposes of this article. The average
77 compensation of any member who retires before July 1, 1992, shall
78 not exceed the annual salary of the Governor.

79 (g) "Beneficiary" shall mean any person entitled to
80 receive a retirement allowance, an annuity or other benefit as
81 provided by Articles 1 and 3. In the event of the death prior to
82 retirement of any member whose spouse and/or children are not
83 entitled to a retirement allowance on the basis that the member
84 has less than four (4) years of service credit and/or has not been
85 married for a minimum of one (1) year or the spouse has waived his
86 or her entitlement to a retirement allowance pursuant to Section
87 25-11-114, the lawful spouse of a member at the time of the death
88 of such member shall be the beneficiary of such member unless the
89 member has designated another beneficiary subsequent to the date
90 of marriage in writing, and filed such writing in the office of
91 the executive director of the board of trustees. No designation
92 or change of beneficiary shall be made in any other manner.

93 (h) "Board" shall mean the board of trustees provided
94 in Section 25-11-15 to administer the retirement system herein
95 created.



96 (i) "Creditable service" shall mean "prior service,"
97 "retroactive service" and all lawfully credited unused leave not
98 exceeding the accrual rates and limitations provided in Section
99 25-3-91 et seq., as of the date of withdrawal from service plus
100 "membership service" for which credit is allowable as provided in
101 Section 25-11-109. Except to limit creditable service reported to
102 the system for the purpose of computing an employee's retirement
103 allowance or annuity or benefits provided in this article, nothing
104 in this paragraph shall limit or otherwise restrict the power of
105 the governing authority of a municipality or other political
106 subdivision of the state to adopt such vacation and sick leave
107 policies as it deems necessary.

108 (j) "Child" means either a natural child of the member,
109 a child that has been made a child of the member by applicable
110 court action before the death of the member, or a child under the
111 permanent care of the member at the time of the latter's death,
112 which permanent care status shall be determined by evidence
113 satisfactory to the board.

114 (k) "Earned compensation" shall mean the full amount
115 earned by an employee for a given pay period including any
116 maintenance furnished up to a maximum of One Hundred Twenty-five
117 Thousand Dollars (\$125,000.00) per year, and proportionately for
118 less than one (1) year of service. The value of such maintenance
119 when not paid in money shall be fixed by the employing state
120 agency, and, in case of doubt, by the board of trustees as defined
121 in Section 25-11-15. In any case, earned compensation shall be
122 limited to the regular periodic compensation paid, exclusive of
123 litigation fees, bond fees, and other similar extraordinary
124 nonrecurring payments. In addition, any member in a covered
125 position, as defined by Public Employees' Retirement System laws
126 and regulations, who is also employed by another covered agency or
127 political subdivision shall have the earnings of that additional
128 employment reported to the Public Employees' Retirement System



129 regardless of whether the additional employment is sufficient in
130 itself to be a covered position. In the case of fee officials,
131 the net earnings from their office after deduction of expenses
132 shall apply, except that in no case shall earned compensation be
133 less than the total direct payments made by the state or
134 governmental subdivisions to the official, and employer and
135 employee contributions shall be paid thereon. In the case of
136 members of the state Legislature, all remuneration or amounts
137 paid, except mileage allowance, shall apply. The amount by which
138 an eligible employee's salary is reduced pursuant to a salary
139 reduction agreement authorized under Section 25-17-5 shall be
140 included as earned compensation under this paragraph, provided
141 this inclusion does not conflict with federal law, including
142 federal regulations and federal administrative interpretations
143 thereunder, pertaining to the Federal Insurance Contributions Act
144 or to Internal Revenue Code Section 125 cafeteria plans.
145 Compensation in addition to an employee's base salary that is paid
146 to the employee pursuant to the vacation and sick leave policies
147 of a municipality or other political subdivision of the state that
148 employs him which exceeds the maximums authorized by Section
149 25-3-91 et seq., shall be excluded from the calculation of earned
150 compensation under this article. The maximum salary applicable
151 for retirement purposes before July 1, 1992, shall be the salary
152 of the Governor. Nothing in Section 25-3-31 shall affect the
153 determination of the earned compensation of any member for the
154 purposes of this article.

155 (l) "Employee" means any person legally occupying a
156 position in the state service, and shall include the employees of
157 the retirement system created hereunder.

158 (m) "Employer" shall mean the State of Mississippi or
159 any of its departments, agencies or subdivisions from which any
160 employee receives his compensation.



161 (n) "Executive director" shall mean the secretary to
162 the board of trustees, as provided in Section 25-11-15(9), and the
163 administrator of the Public Employees' Retirement System and all
164 systems under the management of the board of trustees. Wherever
165 the term "Executive Secretary of the Public Employees' Retirement
166 System" or "executive secretary" appears in this article or in any
167 other provision of law, it shall be construed to mean the
168 Executive Director of the Public Employees' Retirement System.

169 (o) "Fiscal year" shall mean the period beginning on
170 July 1 of any year and ending on June 30 of the next succeeding
171 year.

172 (p) "Medical board" shall mean the board of physicians
173 or any governmental or nongovernmental disability determination
174 service designated by the board of trustees that is qualified to
175 make disability determinations as provided for in Section
176 25-11-119.

177 (q) "Member" shall mean any person included in the
178 membership of the system as provided in Section 25-11-105.

179 (r) "Membership service" shall mean service as an
180 employee rendered while a member of the retirement system.

181 (s) "Position" means any office or any employment in
182 the state service, or two (2) or more of them, the duties of which
183 call for services to be rendered by one (1) person, including
184 positions jointly employed by federal and state agencies
185 administering federal and state funds. The employer shall
186 determine upon initial employment and during the course of
187 employment of an employee who does not meet the criteria for
188 coverage in the Public Employees' Retirement System based on the
189 position held, whether the employee is or becomes eligible for
190 coverage in the Public Employees' Retirement System based upon any
191 other employment in a covered agency or political subdivision. If
192 or when the employee meets the eligibility criteria for coverage
193 in such other position, then the employer must withhold



194 contributions and report wages from the noncovered position in
195 accordance with the provisions for reporting of earned
196 compensation. Failure to deduct and report those contributions
197 shall not relieve the employee or employer of liability thereof.
198 The board shall adopt such rules and regulations as necessary to
199 implement and enforce this provision.

200 (t) "Prior service" shall mean service rendered before
201 February 1, 1953, for which credit is allowable under Sections
202 25-11-105 and 25-11-109, and which shall allow prior service for
203 any person who is now or becomes a member of the Public Employees'
204 Retirement System and who does contribute to the system for a
205 minimum period of four (4) years.

206 (u) "Regular interest" shall mean interest compounded
207 annually at such a rate as shall be determined by the board in
208 accordance with Section 25-11-121.

209 (v) "Retirement allowance" shall mean an annuity for
210 life as provided in this article, payable each year in twelve (12)
211 equal monthly installments beginning as of the date fixed by the
212 board. The retirement allowance shall be calculated in accordance
213 with Section 25-11-111. Provided, any spouse who received a
214 spouse retirement benefit in accordance with Section 25-11-111(d)
215 prior to March 31, 1971, and said benefits were terminated because
216 of eligibility for a social security benefit, may again receive
217 his spouse retirement benefit from and after making application
218 with the board of trustees to reinstate such spouse retirement
219 benefit.

220 (w) "Retroactive service" shall mean service rendered
221 after February 1, 1953, for which credit is allowable under
222 Section 25-11-105(b) and Section 25-11-105(k).

223 (x) "System" shall mean the Public Employees'
224 Retirement System of Mississippi established and described in
225 Section 25-11-101.



226 (y) "State" shall mean the State of Mississippi or any
227 political subdivision thereof or instrumentality thereof.

228 (z) "State service" shall mean all offices and
229 positions of trust or employment in the employ of the state, or
230 any political subdivision or instrumentality thereof, which elect
231 to participate as provided by Section 25-11-105(f), including the
232 position of elected or fee officials of the counties and their
233 deputies and employees performing public services or any
234 department, independent agency, board or commission thereof, and
235 shall also include all offices and positions of trust or
236 employment in the employ of joint state and federal agencies
237 administering state and federal funds and service rendered by
238 employees of the public schools. Effective July 1, 1973, all
239 nonprofessional public school employees, such as bus drivers,
240 janitors, maids, maintenance workers and cafeteria employees,
241 shall have the option to become members in accordance with Section
242 25-11-105(b), and shall be eligible to receive credit for services
243 prior to July 1, 1973, provided the contributions and interest are
244 paid by the employee in accordance with that section; provided,
245 further, that the county or municipal separate school district may
246 pay the employer contribution and pro rata share of interest of
247 the retroactive service from available funds. From and after July
248 1, 1998, retroactive service credit shall be purchased at the
249 actuarial cost in accordance with Section 25-11-105(b). Public
250 school bus drivers shall be eligible to become or remain members
251 of the retirement system regardless of the number of hours per
252 week or per month for which they receive compensation.

253 (aa) "Withdrawal from service" shall mean complete
254 severance of employment in the state service of any member by
255 resignation, dismissal or discharge.

256 (bb) The masculine pronoun, wherever used, shall
257 include the feminine pronoun.



258 **SECTION 2.** Section 25-11-105, Mississippi Code of 1972, is
259 amended as follows:

260 25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

261 The membership of this retirement system shall be composed as
262 follows:

263 (a) All persons who shall become employees in the state
264 service after January 31, 1953, and whose wages are subject to
265 payroll taxes and are lawfully reported on IRS Form W-2, except
266 those specifically excluded, or as to whom election is provided in
267 Articles 1 and 3, shall become members of the retirement system as
268 a condition of their employment.

269 (b) All persons who shall become employees in the state
270 service after January 31, 1953, except those specifically excluded
271 or as to whom election is provided in Articles 1 and 3, unless
272 they shall file with the board prior to the lapse of sixty (60)
273 days of employment or sixty (60) days after the effective date of
274 the cited articles, whichever is later, on a form prescribed by
275 the board, a notice of election not to be covered by the
276 membership of the retirement system and a duly executed waiver of
277 all present and prospective benefits which would otherwise inure
278 to them on account of their participation in the system, shall
279 become members of the retirement system; provided, however, that
280 no credit for prior service will be granted to members until they
281 have contributed to Article 3 of the retirement system for a
282 minimum period of at least four (4) years. Such members shall
283 receive credit for services performed prior to January 1, 1953, in
284 employment now covered by Article 3, but no credit shall be
285 granted for retroactive services between January 1, 1953, and the
286 date of their entry into the retirement system unless the employee
287 pays into the retirement system both the employer's and the
288 employee's contributions on wages paid him during the period from
289 January 31, 1953, to the date of his becoming a contributing
290 member, together with interest at the rate determined by the board



291 of trustees. Members reentering after withdrawal from service
292 shall qualify for prior service under the provisions of Section
293 25-11-117. From and after July 1, 1998, upon eligibility as noted
294 above, the member may receive credit for such retroactive service
295 provided:

296 (1) The member shall furnish proof satisfactory to
297 the board of trustees of certification of such service from the
298 covered employer where the services were performed; and

299 (2) The member shall pay to the retirement system
300 on the date he or she is eligible for such credit or at any time
301 thereafter prior to the date of retirement the actuarial cost for
302 each year of such creditable service. The provisions of this
303 subparagraph (2) shall be subject to the limitations of Section
304 415 of the Internal Revenue Code and regulations promulgated
305 thereunder.

306 Nothing contained in this paragraph (b) shall be construed to
307 limit the authority of the board to allow the correction of
308 reporting errors or omissions based on the payment of the employee
309 and employer contributions plus applicable interest.

310 (c) All persons who shall become employees in the state
311 service after January 31, 1953, and who are eligible for
312 membership in any other retirement system shall become members of
313 this retirement system as a condition of their employment unless
314 they elect at the time of their employment to become a member of
315 such other system.

316 (d) All persons who are employees in the state service
317 on January 31, 1953, and who are members of any nonfunded
318 retirement system operated by the State of Mississippi, or any of
319 its departments or agencies, shall become members of this system
320 with prior service credit unless, before February 1, 1953, they
321 shall file a written notice with the board of trustees that they
322 do not elect to become members.



323 (e) All persons who are employees in the state service
324 on January 31, 1953, and who under existing laws are members of
325 any fund operated for the retirement of employees by the State of
326 Mississippi, or any of its departments or agencies, shall not be
327 entitled to membership in this retirement system unless, before
328 February 1, 1953, any such person shall indicate by a notice filed
329 with the board, on a form prescribed by the board, his individual
330 election and choice to participate in this system, but no such
331 person shall receive prior service credit unless he becomes a
332 member on or before February 1, 1953.

333 (f) Each political subdivision of the state and each
334 instrumentality of the state or a political subdivision, or both,
335 is hereby authorized to submit, for approval by the board of
336 trustees, a plan for extending the benefits of this article to
337 employees of any such political subdivision or instrumentality.
338 Each such plan or any amendment to the plan for extending benefits
339 thereof shall be approved by the board of trustees if it finds
340 that such plan, or such plan as amended, is in conformity with
341 such requirements as are provided in Articles 1 and 3; however,
342 upon approval of such plan or any such plan heretofore approved by
343 the board of trustees, the approved plan shall not be subject to
344 cancellation or termination by the political subdivision or
345 instrumentality, except that any community hospital serving a
346 municipality that joined the Public Employees' Retirement System
347 as of November 1, 1956, to offer social security coverage for its
348 employees and subsequently extended retirement annuity coverage to
349 its employees as of December 1, 1965, may, upon documentation of
350 extreme financial hardship, have future retirement annuity
351 coverage cancelled or terminated at the discretion of the board of
352 trustees. No such plan shall be approved unless:

353 (1) It provides that all services which constitute
354 employment as defined in Section 25-11-5 and are performed in the
355 employ of the political subdivision or instrumentality, by any



356 employees thereof, shall be covered by the plan; with the
357 exception of municipal employees who are already covered by
358 existing retirement plans; provided, however, those employees in
359 this class may elect to come under the provisions of this article;

360 (2) It specifies the source or sources from which
361 the funds necessary to make the payments required by paragraph (d)
362 of Section 25-11-123 and of paragraph (f) (5)B and C of this
363 section are expected to be derived and contains reasonable
364 assurance that such sources will be adequate for such purpose;

365 (3) It provides for such methods of administration
366 of the plan by the political subdivision or instrumentality as are
367 found by the board of trustees to be necessary for the proper and
368 efficient administration thereof;

369 (4) It provides that the political subdivision or
370 instrumentality will make such reports, in such form and
371 containing such information, as the board of trustees may from
372 time to time require;

373 (5) It authorizes the board of trustees to
374 terminate the plan in its entirety in the discretion of the board
375 if it finds that there has been a failure to comply substantially
376 with any provision contained in such plan, such termination to
377 take effect at the expiration of such notice and on such
378 conditions as may be provided by regulations of the board and as
379 may be consistent with applicable federal law.

380 A. The board of trustees shall not finally
381 refuse to approve a plan submitted under paragraph (f), and shall
382 not terminate an approved plan without reasonable notice and
383 opportunity for hearing to each political subdivision or
384 instrumentality affected thereby. The board's decision in any
385 such case shall be final, conclusive and binding unless an appeal
386 be taken by the political subdivision or instrumentality aggrieved
387 thereby to the Circuit Court of Hinds County, Mississippi, in



388 accordance with the provisions of law with respect to civil causes
389 by certiorari.

390 B. Each political subdivision or
391 instrumentality as to which a plan has been approved under this
392 section shall pay into the contribution fund, with respect to
393 wages (as defined in Section 25-11-5), at such time or times as
394 the board of trustees may by regulation prescribe, contributions
395 in the amounts and at the rates specified in the applicable
396 agreement entered into by the board.

397 C. Every political subdivision or
398 instrumentality required to make payments under paragraph (f) (5)B
399 hereof is authorized, in consideration of the employees' retention
400 in or entry upon employment after enactment of Articles 1 and 3,
401 to impose upon its employees, as to services which are covered by
402 an approved plan, a contribution with respect to wages (as defined
403 in Section 25-11-5) not exceeding the amount provided in Section
404 25-11-123(d) if such services constituted employment within the
405 meaning of Articles 1 and 3, and to deduct the amount of such
406 contribution from the wages as and when paid. Contributions so
407 collected shall be paid into the contribution fund as partial
408 discharge of the liability of such political subdivisions or
409 instrumentalities under paragraph (f) (5)B hereof. Failure to
410 deduct such contribution shall not relieve the employee or
411 employer of liability thereof.

412 D. Any state agency, school, political
413 subdivision, instrumentality or any employer that is required to
414 submit contribution payments or wage reports under any section of
415 this chapter shall be assessed interest on delinquent payments or
416 wage reports as determined by the board of trustees in accordance
417 with rules and regulations adopted by the board and such assessed
418 interest may be recovered by action in a court of competent
419 jurisdiction against such reporting agency liable therefor or may,
420 upon due certification of delinquency and at the request of the



421 board of trustees, be deducted from any other monies payable to
422 such reporting agency by any department or agency of the state.

423 E. Each political subdivision of the state
424 and each instrumentality of the state or a political subdivision
425 or subdivisions which submits a plan for approval of the board, as
426 provided in this section, shall reimburse the board for coverage
427 into the expense account, its pro rata share of the total expense
428 of administering Articles 1 and 3 as provided by regulations of
429 said board.

430 (g) The board may, in its discretion, deny the right of
431 membership in this system to any class of employees whose
432 compensation is only partly paid by the state or who are occupying
433 positions on a part-time or intermittent basis. The board may, in
434 its discretion, make optional with employees in any such classes
435 their individual entrance into this system. However, the board
436 may not deny the right of membership in the system to public
437 school bus drivers.

438 (h) An employee whose membership in this system is
439 contingent on his own election, and who elects not to become a
440 member, may thereafter apply for and be admitted to membership;
441 but no such employee shall receive prior service credit unless he
442 becomes a member prior to July 1, 1953, except as provided in
443 paragraph (b).

444 (i) In the event any member of this system should
445 change his employment to any agency of the state having an
446 actuarially funded retirement system, the board of trustees may
447 authorize the transfer of the member's creditable service and of
448 the present value of the member's employer's accumulation account
449 and of the present value of the member's accumulated membership
450 contributions to such other system, provided the employee agrees
451 to the transfer of his accumulated membership contributions and
452 provided such other system is authorized to receive and agrees to
453 make such transfer.



454 In the event any member of any other actuarially funded
455 system maintained by an agency of the state changes his employment
456 to an agency covered by this system, the board of trustees may
457 authorize the receipt of the transfer of the member's creditable
458 service and of the present value of the member's employer's
459 accumulation account and of the present value of the member's
460 accumulated membership contributions from such other system,
461 provided the employee agrees to the transfer of his accumulated
462 membership contributions to this system and provided the other
463 system is authorized and agrees to make such transfer.

464 (j) Wherever herein state employment is referred to, it
465 shall include joint employment by state and federal agencies of
466 all kinds.

467 (k) Employees of a political subdivision or
468 instrumentality who were employed by such political subdivision or
469 instrumentality prior to an agreement between such entity and the
470 Public Employees' Retirement System to extend the benefits of this
471 article to its employees, and which agreement provides for the
472 establishment of retroactive service credit, and who have been
473 members of the retirement system and have remained contributors to
474 the retirement system for four (4) years, may receive credit for
475 such retroactive service with such political subdivision or
476 instrumentality, provided the employee and/or employer, as
477 provided under the terms of the modification of the joinder
478 agreement in allowing such coverage, pay into the retirement
479 system the employer's and employee's contributions on wages paid
480 the member during such previous employment, together with interest
481 or actuarial cost as determined by the board covering the period
482 from the date the service was rendered until the payment for the
483 credit for such service was made. Such wages shall be verified by
484 the Social Security Administration or employer payroll records.
485 Effective July 1, 1998, upon eligibility as noted above, a member



486 may receive credit for such retroactive service with such
487 political subdivision or instrumentality provided:

488 (1) The member shall furnish proof satisfactory to
489 the board of trustees of certification of such services from the
490 political subdivision or instrumentality where the services were
491 rendered or verification by the Social Security Administration;
492 and

493 (2) The member shall pay to the retirement system
494 on the date he or she is eligible for such credit or at any time
495 thereafter prior to the date of retirement the actuarial cost for
496 each year of such creditable service. The provisions of this
497 subparagraph (2) shall be subject to the limitations of Section
498 415 of the Internal Revenue Code and regulations promulgated
499 thereunder.

500 Nothing contained in this paragraph (k) shall be construed to
501 limit the authority of the board to allow the correction of
502 reporting errors or omissions based on the payment of employee and
503 employer contributions plus applicable interest. Payment for such
504 time shall be made in increments of not less than one-quarter
505 (1/4) year of creditable service beginning with the most recent
506 service. Upon the payment of all or part of such required
507 contributions, plus interest or the actuarial cost as provided
508 above, the member shall receive credit for the period of
509 creditable service for which full payment has been made to the
510 retirement system.

511 (1) Through June 30, 1998, any state service eligible
512 for retroactive service credit, no part of which has ever been
513 reported, and requiring the payment of employee and employer
514 contributions plus interest, or, from and after July 1, 1998, any
515 state service eligible for retroactive service credit, no part of
516 which has ever been reported to the retirement system, and
517 requiring the payment of the actuarial cost for such creditable
518 service, may, at the member's option, be purchased in quarterly



519 increments as provided above at such time as its purchase is
520 otherwise allowed.

521 (m) All rights to purchase retroactive service credit
522 or repay a refund as provided in Section 25-11-101 et seq. shall
523 terminate upon retirement.

524 **II. THOSE WHO ARE NOT ELIGIBLE FOR MEMBERSHIP**

525 The following classes of employees and officers shall not
526 become members of this retirement system, any other provisions of
527 Articles 1 and 3 to the contrary notwithstanding:

528 (a) Patient or inmate help in state charitable, penal
529 or correctional institutions;

530 (b) Students of any state educational institution
531 employed by any agency of the state for temporary, part-time or
532 intermittent work;

533 (c) Participants of Comprehensive Employment and
534 Training Act of 1973 (CETA) being Public Law 93-203, who enroll on
535 or after July 1, 1979.

536 **III. TERMINATION OF MEMBERSHIP**

537 Membership in this system shall cease by a member withdrawing
538 his accumulated contributions, or by a member withdrawing from
539 active service with a retirement allowance, or by a member's
540 death.

541 **SECTION 3.** This act shall take effect and be in force from
542 and after July 1, 2002.

