

By: Senator(s) Johnson (38th)

To: Finance

SENATE BILL NO. 3054

1 AN ACT TO AUTHORIZE CERTAIN MEMBERS OF THE PUBLIC EMPLOYEES'
2 RETIREMENT SYSTEM TO PARTICIPATE IN A DEFERRED RETIREMENT OPTION
3 PLAN IN LIEU OF TERMINATING REEMPLOYMENT AND ACCEPTING A
4 RETIREMENT ALLOWANCE; TO PROVIDE THAT AN ELECTION TO PARTICIPATE
5 IN THE PLAN MAY BE MADE ONLY ONCE FOR A SPECIFIED PERIOD NOT TO
6 EXCEED THREE YEARS; TO PROVIDE THAT A MEMBER PARTICIPATING IN THE
7 PLAN MAY NOT TERMINATE PARTICIPATION PRIOR TO THE END OF THE
8 SELECTED DURATION WITHOUT TERMINATING EMPLOYMENT; TO PROVIDE THAT
9 DURING PARTICIPATION IN THE DEFERRED RETIREMENT OPTION PLAN THE
10 PARTICIPANT SHALL REMAIN A MEMBER OF THE SYSTEM BUT EMPLOYER AND
11 EMPLOYEE CONTRIBUTIONS SHALL NOT BE PAYABLE; TO PROVIDE THAT THE
12 RETIREMENT BENEFITS WHICH OTHERWISE WOULD HAVE BEEN DUE THE
13 PARTICIPANT SHALL, DURING THE PERIOD OF PARTICIPATION IN THE PLAN,
14 BE CREDITED TO THE DEFERRED RETIREMENT OPTION PLAN ACCOUNT; TO
15 REQUIRE THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO ESTABLISH A
16 DEFERRED RETIREMENT OPTION PLAN ACCOUNT AND TO MAINTAIN
17 SUBACCOUNTS WITHIN THIS ACCOUNT REFLECTING THE CREDITS ATTRIBUTED
18 TO EACH PARTICIPANT IN THE PLAN; TO PROVIDE THAT UPON TERMINATION
19 OR PARTICIPATION IN THE PLAN AND EMPLOYMENT, A PARTICIPANT SHALL
20 RECEIVE A LUMP-SUM PAYMENT FROM THE ACCOUNT OR SYSTEMATIC
21 DISBURSEMENTS FROM HIS INDIVIDUAL SUBACCOUNT IN ANY MANNER
22 APPROVED BY THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES'
23 RETIREMENT SYSTEM, AND BEGIN TO RECEIVE MONTHLY RETIREMENT
24 BENEFITS BASED ON THE OPTION SELECTED AT THE TIME OF PARTICIPATION
25 IN THE PLAN; TO PROVIDE THAT THE ELECTION TO PARTICIPATE IN THE
26 PLAN IS IRREVOCABLE ONCE MADE; TO AMEND SECTIONS 25-11-109,
27 25-11-117 AND 25-11-127, MISSISSIPPI CODE OF 1972, IN CONFORMITY
28 THERETO; AND FOR RELATED PURPOSES.

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

30 **SECTION 1.** (1) In lieu of terminating employment and
31 accepting a retirement allowance, any member of the Public
32 Employees' Retirement System who has thirty (30) years of
33 creditable service at any age, twenty-five (25) years of
34 creditable service and is at least age fifty-five (55) or has
35 twenty (20) years of creditable service exclusive of military
36 service and is at least age sixty-five (65), may elect to
37 participate in the Deferred Retirement Option Plan.

38 (2) An election to participate in the plan may be made only
39 once for a specified period not to exceed three (3) years. The
40 three-year period begins within sixty (60) calendar days after the



41 first time the member reaches one (1) of the eligibility
42 requirements of subsection (1) of this section. The participation
43 period must end not more than three (3) years and sixty (60)
44 calendar days from the date the member first becomes eligible
45 under any of the eligibility requirements of subsection (1) of
46 this section, and in no case may the actual participation in the
47 plan exceed three (3) years. Once specified, the period of
48 participation may not be extended. A member participating in the
49 plan may not terminate participation prior to the end of the
50 selected duration without terminating employment. A member who
51 chooses to participate in the plan shall elect a retirement plan
52 option at the beginning of the participation period and such
53 election shall be irrevocable once the participation period
54 begins.

55 (3) For purposes of this plan, sick and annual leave may not
56 be converted for purposes of establishing eligibility.

57 **SECTION 2.** (1) (a) During participation in the Deferred
58 Retirement Option Plan, although the member shall remain a member
59 of this retirement system, neither regular member nor employer
60 contributions to the regular plan shall be payable.

61 (b) Any member who is a participant of the Deferred
62 Retirement Option Plan shall not be subject to any change in his
63 seniority status or other related benefits to which he is entitled
64 as a condition of employment.

65 (2) For purposes of this act, average compensation and
66 creditable service shall remain fixed as they existed on the date
67 of commencement of participation in the plan. Creditable service
68 shall not include conversion of sick and annual leave.

69 (3) Retirement benefits based on average compensation and
70 creditable service as established under subsection (2) of this
71 section and which otherwise would have been due the participant
72 shall, during the period of participation in the plan, be credited
73 to the Deferred Retirement Option Plan Account.



74 (4) Individuals who participate in the Deferred Retirement
75 Option Plan shall not receive the benefit of any cost-of-living
76 adjustments granted during participation while employed and for a
77 period of one (1) year following termination of employment.

78 **SECTION 3.** (1) The system shall establish a Deferred
79 Retirement Option Plan Account which shall be a part of the system
80 fund. This account shall not be subject to any fees, costs or
81 expenses of any kind.

82 (2) The system shall maintain subaccounts within this
83 account reflecting the credits attributed to each participant in
84 the plan, but the monies in the account shall remain a part of the
85 fund until disbursed to a participant in accordance with the plan
86 provisions.

87 (3) Interest shall not be credited to a participant's
88 subaccount during the period of participation. All amounts which
89 remain credited to the individual's subaccount after termination
90 of participation in the plan shall be credited with interest after
91 the end of each fiscal year at a rate equal to the realized return
92 on the system's portfolio for that fiscal year as certified by the
93 system actuary in his actuarial report, less one-half of one
94 percent (1/2-1%).

95 **SECTION 4.** (1) Upon termination of participation in both
96 the plan and employment, a participant shall:

97 (a) At the participant's option, receive either a
98 lump-sum payment from the account equal to the amount then
99 credited to his individual subaccount or systematic disbursements
100 based on his individual subaccount in any manner approved by the
101 Board of Trustees of the Public Employees' Retirement System.

102 (b) Begin to receive monthly retirement benefits based
103 on the option selected at the time of election to participate in
104 the plan, as adjusted pursuant to subsection (4) of this section.

105 (2) Upon termination of participation in the plan but not
106 employment, credits to the account shall cease, and no retirement



107 benefits shall be paid to the participant until employment is
108 terminated. No payment shall be made based on credits in the
109 account until employment is terminated. Employer and employee
110 contributions shall resume.

111 (3) If a participant dies while still employed, his credits
112 and benefits, if any, shall be payable in accordance with Section
113 25-11-117.

114 (4) Monthly retirement benefits payable to a participant
115 after termination of participation in the plan and employment
116 shall be calculated as follows:

117 (a) There shall be a "base benefit" which shall equal
118 the participant's monthly credit to the account plus conversion of
119 sick and annual leave, if any, based on the average compensation
120 rate used to calculate the monthly credit.

121 (b) If the participant does not continue employment
122 after termination of participation in the plan, his monthly
123 retirement benefit shall equal his base benefit.

124 (c) If the participant continues employment after
125 termination of participation in the plan for a period of less than
126 thirty-six (36) months, his monthly retirement benefit shall equal
127 his base benefit plus an amount based upon the service credit for
128 the additional employment, together with conversion of the net
129 amount of sick and annual leave accumulated during that period of
130 employment, based upon the average compensation used to calculate
131 the monthly credit.

132 (d) If the participant continues employment after
133 termination of participation in the plan for a period of
134 thirty-six (36) months or more, his monthly retirement benefit
135 shall equal his base benefit plus an amount based upon the service
136 credit for the additional employment, together with conversion of
137 the net amount of sick and annual leave accumulated during that
138 period of employment, based upon the average compensation for the



139 period of employment after termination of participation in the
140 plan.

141 **SECTION 5.** Once participation in the plan commences, the
142 election to participate is irrevocable and the term of
143 participation may not be extended. Only one (1) period of
144 participation is permitted. Average compensation and election of
145 option, if any, are fixed upon commencement of participation.

146 **SECTION 6.** (1) Any member who retires from the Public
147 Employees' Retirement System of Mississippi and terminates
148 employment, who participated in the Deferred Retirement Option
149 Plan and becomes employed or reemployed by any employer, shall
150 have his total benefit suspended for the duration of such
151 employment.

152 (2) During the period of his return to active service, the
153 retiree and his employer shall make contributions to the
154 retirement system, but the retiree shall receive no additional
155 service credit or accrue any additional retirement benefits in the
156 retirement system. Upon termination of such active service the
157 member shall, upon application, be refunded the employee
158 contributions paid since reemployment. The refund shall be
159 without interest. The retirement system shall retain the employer
160 contributions.

161 **SECTION 7.** Section 25-11-109, Mississippi Code of 1972, is
162 amended as follows:

163 25-11-109. (1) Under such rules and regulations as the
164 board of trustees shall adopt, each person who becomes a member of
165 this retirement system, as provided in Section 25-11-105, on or
166 prior to July 1, 1953, or who becomes a member and contributes to
167 the system for a minimum period of four (4) years, shall receive
168 credit for all state service rendered before February 1, 1953. To
169 receive such credit, such member shall file a detailed statement
170 of all services as an employee rendered by him in the state
171 service before February 1, 1953. For any member who joined the



172 system after July 1, 1953, any creditable service for which the
173 member is not required to make contributions shall not be credited
174 to the member until the member has contributed to the system for a
175 minimum period of at least four (4) years.

176 (2) In the computation of membership service or prior
177 service under the provisions of this article, the total months of
178 accumulative service during any fiscal year shall be calculated in
179 accordance with the schedule as follows: ten (10) or more months
180 of creditable service during any fiscal year shall constitute a
181 year of creditable service; seven (7) months to nine (9) months
182 inclusive, three-quarters ($3/4$) of a year of creditable service;
183 four (4) months to six (6) months inclusive, one-half-year of
184 creditable service; one (1) month to three (3) months inclusive,
185 one-quarter ($1/4$) of a year of creditable service. In no case
186 shall credit be allowed for any period of absence without
187 compensation except for disability while in receipt of a
188 disability retirement allowance, nor shall less than fifteen (15)
189 days of service in any month, or service less than the equivalent
190 of one-half ($1/2$) of the normal working load for the position and
191 less than one-half ($1/2$) of the normal compensation for the
192 position in any month, constitute a month of creditable service,
193 nor shall more than one (1) year of service be creditable for all
194 services rendered in any one (1) fiscal year; provided that for a
195 school employee, substantial completion of the legal school term
196 when and where the service was rendered shall constitute a year of
197 service credit for both prior service and membership service. Any
198 state or local elected official shall be deemed a full-time
199 employee for the purpose of creditable service for prior service
200 or membership service. However, an appointed or elected official
201 compensated on a per diem basis only shall not be allowed
202 creditable service for terms of office.

203 In the computation of any retirement allowance or any annuity
204 or benefits provided in this article, any fractional period of



205 service of less than one (1) year shall be taken into account and
206 a proportionate amount of such retirement allowance, annuity or
207 benefit shall be granted for any such fractional period of
208 service.

209 In the computation of unused leave for creditable service
210 authorized in Section 25-11-103, the following shall govern:
211 twenty-one (21) days of unused leave shall constitute one (1)
212 month of creditable service and in no case shall credit be allowed
213 for any period of unused leave of less than fifteen (15) days.
214 The number of months of unused leave shall determine the number of
215 quarters or years of creditable service in accordance with the
216 above schedule for membership and prior service. In order for the
217 member to receive creditable service for the number of days of
218 unused leave, the system must receive certification from the
219 governing authority.

220 For the purpose of this subsection, for members of the system
221 who are elected officers and who retire on or after July 1, 1987,
222 the following shall govern:

223 (a) For service prior to July 1, 1984, the members
224 shall receive credit for leave (combined personal and major
225 medical) for service as an elected official prior to that date at
226 the rate of thirty (30) days per year.

227 (b) For service on and after July 1, 1984, the member
228 shall receive credit for personal and major medical leave
229 beginning July 1, 1984, at the rates authorized in Sections
230 25-3-93 and 25-3-95, computed as a full-time employee.

231 (3) Subject to the above restrictions and to such other
232 rules and regulations as the board may adopt, the board shall
233 verify, as soon as practicable after the filing of such statements
234 of service, the services therein claimed.

235 (4) Upon verification of the statement of prior service, the
236 board shall issue a prior service certificate certifying to each
237 member the length of prior service for which credit shall have



238 been allowed on the basis of his statement of service. So long as
239 membership continues, a prior service certificate shall be final
240 and conclusive for retirement purposes as to such service,
241 provided that any member may within five (5) years from the date
242 of issuance or modification of such certificate request the board
243 of trustees to modify or correct his prior service certificate.
244 Any modification or correction authorized shall only apply
245 prospectively.

246 When membership ceases, such prior service certificates shall
247 become void. Should the employee again become a member, he shall
248 enter the system as an employee not entitled to prior service
249 credit except as provided in Sections 25-11-105(I), 25-11-113 and
250 25-11-117.

251 (5) Creditable service at retirement, on which the
252 retirement allowance of a member shall be based, shall consist of
253 the membership service rendered by him since he last became a
254 member, and also, if he has a prior service certificate which is
255 in full force and effect, the amount of the service certified on
256 his prior service certificate. Creditable service shall not
257 consist of any service rendered while participating in the
258 Deferred Retirement Option Plan.

259 (6) Anything in this article to the contrary
260 notwithstanding, any member who served on active duty in the Armed
261 Forces of the United States, or who served in maritime service
262 during periods of hostility in World War II, shall be entitled to
263 creditable service at no cost for his service on active duty in
264 the Armed Forces or in such maritime service, provided he entered
265 state service after his discharge from the Armed Forces or entered
266 state service after he completed such maritime service. The
267 maximum period for such creditable service for all military
268 service as defined in this subsection (6) shall not exceed four
269 (4) years unless positive proof can be furnished by such person
270 that he was retained in the Armed Forces during World War II or in



271 maritime service during World War II by causes beyond his control
272 and without opportunity of discharge. The member shall furnish
273 proof satisfactory to the board of trustees of certification of
274 military service or maritime service records showing dates of
275 entrance into active duty service and the date of discharge. From
276 and after July 1, 1993, no creditable service shall be granted for
277 any military service or maritime service to a member who qualifies
278 for a retirement allowance in another public retirement system
279 administered by the Board of Trustees of the Public Employees'
280 Retirement System based in whole or in part on such military or
281 maritime service. In no case shall the member receive creditable
282 service if the member received a dishonorable discharge from the
283 Armed Forces of the United States.

284 (7) (a) Any member of the Public Employees' Retirement
285 System whose membership service is interrupted as a result of
286 qualified military service within the meaning of Section 414(u)(5)
287 of the Internal Revenue Code, and who has received the maximum
288 service credit available under subsection (6) of this section,
289 shall receive creditable service for the period of qualified
290 military service that does not qualify as creditable service under
291 subsection (6) of this section upon reentering membership service
292 in an amount not to exceed five (5) years if:

293 (i) The member pays the contributions he would
294 have made to the retirement system if he had remained in
295 membership service for the period of qualified military service
296 based upon his salary at the time his membership service was
297 interrupted;

298 (ii) The member returns to membership service
299 within ninety (90) days of the end of his qualified military
300 service; and

301 (iii) The employer at the time the member's
302 service was interrupted and to which employment the member returns
303 pays the contributions it would have made into the retirement



304 system for such period based on the member's salary at the time
305 the service was interrupted.

306 (b) The payments required to be made in paragraph
307 (a) (i) of this subsection may be made over a period beginning with
308 the date of return to membership service and not exceeding three
309 (3) times the member's qualified military service; provided,
310 however, that in no event shall such period exceed fifteen (15)
311 years.

312 (c) The member shall furnish proof satisfactory to the
313 board of trustees of certification of military service showing
314 dates of entrance into qualified service and the date of discharge
315 as well as proof that the member has returned to active employment
316 within the time specified.

317 (8) Any member of the Public Employees' Retirement System
318 who has at least four (4) years of membership service credit shall
319 be entitled to receive a maximum of five (5) years creditable
320 service for service rendered in another state as a public employee
321 of such other state, or a political subdivision, public education
322 system or other governmental instrumentality thereof, or service
323 rendered as a teacher in American overseas dependent schools
324 conducted by the Armed Forces of the United States for children of
325 citizens of the United States residing in areas outside the
326 continental United States, provided that:

327 (a) The member shall furnish proof satisfactory to the
328 board of trustees of certification of such services from the
329 state, public education system, political subdivision or
330 retirement system of the state where the services were performed
331 or the governing entity of the American overseas dependent school
332 where the services were performed; and

333 (b) The member is not receiving or will not be entitled
334 to receive from the public retirement system of the other state or
335 from any other retirement plan, including optional retirement



336 plans, sponsored by the employer, a retirement allowance including
337 such services; and

338 (c) The member shall pay to the retirement system on
339 the date he or she is eligible for credit for such out-of-state
340 service or at any time thereafter prior to date of retirement the
341 actuarial cost as determined by the actuary for each year of
342 out-of-state creditable service. The provisions of this
343 subsection are subject to the limitations of Section 415 of the
344 Internal Revenue Code and regulations promulgated thereunder.

345 (9) Any member of the Public Employees' Retirement System
346 who has at least four (4) years of membership service credit and
347 who receives, or has received, professional leave without
348 compensation for professional purposes directly related to the
349 employment in state service shall receive creditable service for
350 the period of professional leave without compensation provided:

351 (a) The professional leave is performed with a public
352 institution or public agency of this state, or another state or
353 federal agency;

354 (b) The employer approves the professional leave
355 showing the reason for granting the leave and makes a
356 determination that the professional leave will benefit the
357 employee and employer;

358 (c) Such professional leave shall not exceed two (2)
359 years during any ten-year period of state service;

360 (d) The employee shall serve the employer on a
361 full-time basis for a period of time equivalent to the
362 professional leave period granted immediately following the
363 termination of the leave period;

364 (e) The contributing member shall pay to the retirement
365 system the actuarial cost as determined by the actuary for each
366 year of professional leave. The provisions of this subsection are
367 subject to the regulations of the Internal Revenue Code
368 limitations;



369 (f) Such other rules and regulations consistent
370 herewith as the board may adopt and in case of question, the board
371 shall have final power to decide the questions.

372 Any actively contributing member participating in the School
373 Administrator Sabbatical Program established in Section 37-9-77
374 shall qualify for continued participation under this subsection
375 (9).

376 (10) Any member of the Public Employees' Retirement System
377 who has at least four (4) years of credited membership service
378 shall be entitled to receive a maximum of ten (10) years
379 creditable service for:

380 (a) Any service rendered as an employee of any
381 political subdivision of this state, or any instrumentality
382 thereof, which does not participate in the Public Employees'
383 Retirement System; or

384 (b) Any service rendered as an employee of any
385 political subdivision of this state, or any instrumentality
386 thereof, which participates in the Public Employees' Retirement
387 System but did not elect retroactive coverage; or

388 (c) Any service rendered as an employee of any
389 political subdivision of this state, or any instrumentality
390 thereof, for which coverage of the employee's position was or is
391 excluded; provided that the member pays into the retirement system
392 the actuarial cost as determined by the actuary for each year, or
393 portion thereof, of such service. Payment for such service may be
394 made in increments of one-quarter-year of creditable service.
395 After a member has made full payment to the retirement system for
396 all or any part of such service, the member shall receive
397 creditable service for the period of such service for which full
398 payment has been made to the retirement system.

399 **SECTION 8.** Section 25-11-117, Mississippi Code of 1972, is
400 amended as follows:



401 25-11-117. (1) A member may be paid a refund of the amount
402 of accumulated contributions to the credit of the member in the
403 annuity savings account provided the member has withdrawn from
404 state service and further provided the member has not returned to
405 state service on the date the refund of the accumulated
406 contributions would be paid. Such refund of the contributions to
407 the credit of the member in the annuity savings account shall be
408 paid within ninety (90) days from receipt in the office of the
409 retirement system of the properly completed form requesting such
410 payment. In the event of death prior to retirement of any member
411 whose spouse and/or children are not entitled to a retirement
412 allowance, the accumulated contributions to the credit of the
413 deceased member in the annuity savings account or Deferred
414 Retirement Option Plan Account shall be paid to the designated
415 beneficiary on file in writing in the office of the executive
416 director of the board of trustees within ninety (90) days from
417 receipt of a properly completed form requesting such payment. If
418 there is no such designated beneficiary on file for such deceased
419 member in the office of the system, upon the filing of a proper
420 request with the board, the contributions to the credit of the
421 deceased member in the annuity savings account or Deferred
422 Retirement Option Plan Account shall be refunded pursuant to
423 Section 25-11-117.1(1). The payment of the refund shall discharge
424 all obligations of the retirement system to the member on account
425 of any creditable service rendered by the member prior to the
426 receipt of the refund. By the acceptance of the refund, the
427 member shall waive and relinquish all accrued rights in the
428 system.

429 (2) Pursuant to the Unemployment Compensation Amendments of
430 1992 (Public Law 102-318 (UCA)), a member or eligible beneficiary
431 eligible for a refund under this section may elect on a form
432 prescribed by the board under rules and regulations established by
433 the board, to have an eligible rollover distribution of



434 accumulated contributions payable under this section paid directly
435 to an eligible retirement plan or individual retirement account.
436 If the member or eligible beneficiary makes such election and
437 specifies the eligible retirement plan or individual retirement
438 account to which such distribution is to be paid, the distribution
439 will be made in the form of a direct trustee-to-trustee transfer
440 to the specified eligible retirement plan. Flexible rollovers
441 under this subsection shall not be considered assignments under
442 Section 25-11-129.

443 (3) If any person who has received a refund reenters the
444 state service and again becomes a member of the system, the member
445 may repay all or part of the amounts previously received as a
446 refund, together with regular interest covering the period from
447 the date of refund to the date of repayment; provided, however,
448 that the amounts that are repaid by the member and the creditable
449 service related thereto shall not be used in any benefit
450 calculation or determination until the member has remained a
451 contributor to the system for a period of at least four (4) years
452 subsequent to such member's reentry into state service. Repayment
453 for such time shall be made in increments of not less than
454 one-quarter (1/4) year of creditable service beginning with the
455 most recent service for which refund has been made. Upon the
456 repayment of all or part of such refund and interest, the member
457 shall again receive credit for the period of creditable service
458 for which full repayment has been made to the system.

459 **SECTION 9.** Section 25-11-127, Mississippi Code of 1972, is
460 amended as follows:

461 25-11-127. (1) No person who is being paid a retirement
462 allowance or a pension after retirement under this article shall
463 be employed or paid for any service by the State of Mississippi,
464 except as provided in this section, unless such person was a
465 participant in the Deferred Retirement Option Plan Account, in
466 which case Section 6 of Senate Bill No. _____, 2002 Regular



467 Session, shall also apply. This section shall not apply to any
468 pensioner who has been elected to public office after retirement,
469 nor to any person employed because of special knowledge or
470 experience. This section shall not be construed to mean that any
471 person employed or elected under the above exceptions shall become
472 a member under Article 3 of the retirement system, nor shall any
473 retiree of this retirement system who is reemployed or is
474 reelected to office after retirement continue to draw retirement
475 benefits while so reemployed.

476 (2) Any person who has been retired under the provisions of
477 Articles 1 and 3 and who is later reemployed in service covered by
478 this article shall cease to receive benefits under this article
479 and shall again become a contributing member of the retirement
480 system. When the person retires again, if the reemployment
481 exceeds six (6) months, the person shall have his or her benefit
482 recomputed, including service after again becoming a member,
483 provided that the total retirement allowance paid to the retired
484 member in his or her previous retirement shall be deducted from
485 the member's retirement reserve and taken into consideration in
486 recalculating the retirement allowance under a new option
487 selected.

488 (3) Nothing contained in this section shall be construed as
489 prohibiting any county or city not a member of the Public
490 Employees' Retirement System from employing persons up to the age
491 of seventy-three (73). In addition, through June 30, 1988,
492 nothing contained in this section shall be construed as
493 prohibiting any governmental unit that is a member from employing
494 persons up to the age of seventy-three (73) who are not eligible
495 for membership at the time of employment under Article 3.

496 (4) The board of trustees of the retirement system shall
497 have the right to prescribe rules and regulations for carrying out
498 the provisions of this section.



499 (5) The provisions of this section shall not be construed to
500 prohibit any retiree, regardless of age, from being employed and
501 drawing a retirement allowance either:

502 (a) For a period of time not to exceed one-half (1/2)
503 of the normal working days for the position in any fiscal year
504 during which the retiree will receive no more than one-half (1/2)
505 of the salary in effect for the position at the time of
506 employment, or

507 (b) For a period of time in any fiscal year sufficient
508 in length to permit a retiree to earn not in excess of twenty-five
509 percent (25%) of retiree's average compensation.

510 To determine the normal working days for a position under
511 paragraph (a) of this subsection, the employer shall determine the
512 required number of working days for the position on a full-time
513 basis and the equivalent number of hours representing the
514 full-time position. The retiree then may work up to one-half
515 (1/2) of the required number of working days or up to one-half
516 (1/2) of the equivalent number of hours and receive up to one-half
517 (1/2) of the salary for the position. In the case of employment
518 with multiple employers, the limitation shall equal one-half (1/2)
519 of the number of days or hours for a single full-time position.

520 Notice shall be given in writing to the executive director of
521 the system, setting forth the facts upon which the employment is
522 being made, and the notice shall be given within five (5) days
523 from the date of employment and also from the date of termination
524 of the employment.

525 (6) Any member who has attained seventy (70) years of age
526 and who has forty (40) or more years of creditable service may
527 continue in office or employment or be reemployed or elected,
528 provided that the person files annually, in writing, in the office
529 of the employer and the office of the executive director of the
530 system before those services, a waiver of all salary or
531 compensation and elects to receive in lieu of that salary or



532 compensation a retirement allowance as provided in this section,
533 in which event no salary or compensation shall thereafter be due
534 or payable for those services. However, any such officer or
535 employee may receive, in addition to the retirement allowance, any
536 per diem, office expense allowance, mileage or travel expense
537 authorized by any statute of the State of Mississippi.

538 (7) Any member may continue in municipal or county office or
539 employment or be reemployed or elected in a municipality or
540 county, provided that the person files annually, in writing, in
541 the office of the employer and the office of the executive
542 director of the system before those services, a waiver of all
543 salary or compensation and elects to receive in lieu of that
544 salary or compensation a retirement allowance as provided in this
545 section, in which event no salary or compensation shall thereafter
546 be due or payable for those services. However, any such officer
547 or employee may receive, in addition to the retirement allowance,
548 any per diem, office expense allowance, mileage or travel expense
549 authorized by any statute of the State of Mississippi.

550 **SECTION 10.** This act shall take effect and be in force from
551 and after July 1, 2002.

