

By: Senator(s) Johnson (38th)

To: Finance

SENATE BILL NO. 2315

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; however, 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) Any member who served on active duty in the Armed Forces  
260 of the United States, who served in the Commissioned Corps of the  
261 United States Public Health Service prior to 1972 or who served in  
262 maritime service during periods of hostility in World War II,  
263 shall be entitled to creditable service at no cost for his service  
264 on active duty in the Armed Forces, in the Commissioned Corps of  
265 the United States Public Health Service prior to 1972 or in such  
266 maritime service, provided he entered state service after his  
267 discharge from the Armed Forces or entered state service after he  
268 completed such maritime service. The maximum period for such  
269 creditable service for all military service as defined in this  
270 subsection (6) shall not exceed four (4) years unless positive





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

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

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

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



303                   (iii) The employer at the time the member's  
304 service was interrupted and to which employment the member returns  
305 pays the contributions it would have made into the retirement  
306 system for such period based on the member's salary at the time  
307 the service was interrupted.

308                   (b) The payments required to be made in paragraph  
309 (a) (i) of this subsection may be made over a period beginning with  
310 the date of return to membership service and not exceeding three  
311 (3) times the member's qualified military service; however, in no  
312 event shall such period exceed five (5) years.

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

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

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

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



336 from any other retirement plan, including optional retirement  
337 plans, sponsored by the employer, a retirement allowance including  
338 such services; and

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

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

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

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

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

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

365 (e) The contributing member shall pay to the retirement  
366 system the actuarial cost as determined by the actuary for each  
367 year of professional leave. The provisions of this subsection are



368 subject to the regulations of the Internal Revenue Code  
369 limitations;

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

373 Any actively contributing member participating in the School  
374 Administrator Sabbatical Program established in Section 37-9-77  
375 shall qualify for continued participation under this subsection  
376 (9).

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

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

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

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



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

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

430           (2) Pursuant to the Unemployment Compensation Amendments of  
431 1992 (Public Law 102-318 (UCA)), a member or the spouse of a  
432 member who is an eligible beneficiary entitled to a refund under



433 this section may elect, on a form prescribed by the board under  
434 rules and regulations established by the board, to have an  
435 eligible rollover distribution of accumulated contributions  
436 payable under this section paid directly to an eligible retirement  
437 plan, as defined under applicable federal law, or an individual  
438 retirement account. If the member or the spouse of a member who  
439 is an eligible beneficiary makes such election and specifies the  
440 eligible retirement plan or individual retirement account to which  
441 such distribution is to be paid, the distribution will be made in  
442 the form of a direct trustee-to-trustee transfer to the specified  
443 eligible retirement plan. Flexible rollovers under this  
444 subsection shall not be considered assignments under Section  
445 25-11-129.

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

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

464 25-11-127. (1) (a) No person who is being paid a  
465 retirement allowance or a pension after retirement under this



466 article shall be employed or paid for any service by the State of  
467 Mississippi, except as provided in this section, unless such  
468 person was a participant in the Deferred Retirement Option Plan in  
469 which case Sections 1 through 6 of Senate Bill No. 2315, 2003  
470 Regular Session, shall also apply.

471 (b) No retiree of this retirement system who is  
472 reemployed or is reelected to office after retirement shall  
473 continue to draw retirement benefits while so reemployed, except  
474 as provided in this section.

475 (c) No person employed or elected under the exceptions  
476 provided for in this section shall become a member under Article 3  
477 of the retirement system.

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

489 (3) The board shall have the right to prescribe rules and  
490 regulations for carrying out the provisions of this section.

491 (4) The provisions of this section shall not be construed to  
492 prohibit any retiree, regardless of age, from being employed and  
493 drawing a retirement allowance either:

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



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

502 To determine the normal working days for a position under  
503 paragraph (a) of this subsection, the employer shall determine the  
504 required number of working days for the position on a full-time  
505 basis and the equivalent number of hours representing the  
506 full-time position. The retiree then may work up to one-half  
507 (1/2) of the required number of working days or up to one-half  
508 (1/2) of the equivalent number of hours and receive up to one-half  
509 (1/2) of the salary for the position. In the case of employment  
510 with multiple employers, the limitation shall equal one-half (1/2)  
511 of the number of days or hours for a single full-time position.

512 Notice shall be given in writing to the executive director,  
513 setting forth the facts upon which the employment is being made,  
514 and the notice shall be given within five (5) days from the date  
515 of employment and also from the date of termination of the  
516 employment.

517 (5) Any member may continue in municipal or county elected  
518 office or be elected to a municipal or county office, provided  
519 that the person:

520 (a) Files annually, in writing, in the office of the  
521 employer and the office of the executive director of the system  
522 before the person takes office or as soon as possible after  
523 retirement, a waiver of all salary or compensation and elects to  
524 receive in lieu of that salary or compensation a retirement  
525 allowance as provided in this section, in which event no salary or  
526 compensation shall thereafter be due or payable for those  
527 services; however, any such officer or employee may receive, in  
528 addition to the retirement allowance, office expense allowance,  
529 mileage or travel expense authorized by any statute of the State  
530 of Mississippi; or





531           (b) Elects to receive compensation for that elective  
532 office in an amount not to exceed twenty-five percent (25%) of the  
533 retiree's average compensation. As used in this paragraph, the  
534 term "compensation" shall not include office expense allowance,  
535 mileage or travel expense authorized by a statute of the State of  
536 Mississippi. In order to receive compensation as allowed in this  
537 paragraph, the member shall file annually, in writing, in the  
538 office of the employer and the office of the executive director of  
539 the system, an election to receive, in addition to a retirement  
540 allowance, compensation as allowed in this paragraph.

541           **SECTION 10.** This act shall take effect and be in force from  
542 and after July 1, 2003.

