

By: Representative Jennings

To: Appropriations

HOUSE BILL NO. 1553

1 AN ACT TO CREATE A NEW SECTION TO BE CODIFIED AS SECTION
 2 25-11-126, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT CERTAIN
 3 PERSONS RECEIVING A RETIREMENT ALLOWANCE FROM THE PUBLIC
 4 EMPLOYEES' RETIREMENT SYSTEM WHO ARE EMPLOYED AS TEACHERS IN THE
 5 PUBLIC SCHOOL SYSTEM AFTER THEIR RETIREMENT MAY RECEIVE A
 6 RETIREMENT ALLOWANCE DURING THEIR EMPLOYMENT AS TEACHERS IN
 7 ADDITION TO RECEIVING A TEACHER'S SALARY; TO PROVIDE CONDITIONS
 8 FOR SUCH EMPLOYMENT; TO AMEND SECTIONS 25-11-103, 25-11-105,
 9 25-11-123 AND 25-11-127, MISSISSIPPI CODE OF 1972, IN CONFORMITY
 10 WITH THE PROVISIONS OF THIS ACT; TO AMEND SECTION 37-19-7,
 11 MISSISSIPPI CODE OF 1972, TO PROVIDE CERTAIN LIMITATIONS ON THE
 12 TEACHERS' SALARIES OF THOSE PERSONS; AND FOR RELATED PURPOSES.

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

14 **SECTION 1.** The following shall be codified as Section
 15 25-11-126, Mississippi Code of 1972:

16 25-11-126. (1) Any person receiving a retirement allowance
 17 under this article and who is employed as a teacher in the public
 18 school system after his retirement, may choose to continue
 19 receiving the retirement allowance under this article during his
 20 employment as a teacher after his retirement in addition to
 21 receiving the salary authorized under Section 37-19-7(3), under
 22 the following conditions:

23 (a) The retired member holds any teacher's professional
 24 license or certificate as may be required in Section 37-3-2.

25 (b) The superintendent of schools of the employing
 26 school district certifies in writing to the Executive Director of
 27 the Public Employees' Retirement System and the State
 28 Superintendent of Education that the retired member has the
 29 requisite experience, training and expertise for the position to
 30 be filled and that no other qualified persons are available to
 31 fill the position;

32 (c) The State Superintendent of Education certifies in
33 writing to the system that the employing school system serves an
34 area that lacks qualified teachers to serve in the position to be
35 filled;

36 (d) Such retired member shall not be eligible to accrue
37 additional retirement benefits and shall not be a contributing
38 member of the system;

39 (e) The retired member's appointment to serve as
40 teacher cannot exceed one (1) year. The retired member may be
41 reappointed to additional one-year periods provided the conditions
42 contained in this section are met for each such reappointment,
43 including the certifications required in paragraphs (b) and (c) of
44 this section.

45 (2) To fund the additional pension liability created by this
46 act, the State Department of Education is directed to transfer to
47 the Mississippi Public Employees' Retirement System the following
48 funds: Minimum and adequate education program funds of local
49 school districts that on or after July 1, 2004, hire retired
50 members as teachers pursuant to the provisions of this act and
51 other funds which would have otherwise been payable to the
52 agencies had the agencies not taken advantage of the provisions of
53 this section. The crediting of assets and financing shall follow
54 the provisions of Section 25-11-123.

55 **SECTION 2.** Section 25-11-103, Mississippi Code of 1972, is
56 amended as follows:

57 25-11-103. The following words and phrases as used in
58 Articles 1 and 3, unless a different meaning is plainly required
59 by the context, shall have the following meanings:

60 (a) "Accumulated contributions" shall mean the sum of
61 all the amounts deducted from the compensation of a member and
62 credited to his individual account in the annuity savings account,
63 together with regular interest thereon as provided in Section
64 25-11-123.

65 (b) "Actuarial cost" shall mean the amount of funds
66 presently required to provide future benefits as determined by the
67 board based on applicable tables and formulas provided by the
68 actuary.

69 (c) "Actuarial equivalent" shall mean a benefit of
70 equal value to the accumulated contributions, annuity or benefit,
71 as the case may be, when computed upon the basis of such mortality
72 tables as shall be adopted by the board of trustees, and regular
73 interest.

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

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

79 (f) "Average compensation" shall mean the average of
80 the four (4) highest years of earned compensation reported for an
81 employee in a fiscal or calendar year period, or combination
82 thereof which do not overlap, or the last forty-eight (48)
83 consecutive months of earned compensation reported for an
84 employee. The four (4) years need not be successive or joined
85 years of service. In no case shall the average compensation so
86 determined be in excess of One Hundred Fifty Thousand Dollars
87 (\$150,000.00). In computing the average compensation, any amount
88 paid in a lump sum for personal leave shall be included in the
89 calculation to the extent that such amount does not exceed an
90 amount which is equal to thirty (30) days of earned compensation
91 and to the extent that it does not cause the employees' earned
92 compensation to exceed the maximum reportable amount specified in
93 Section 25-11-103(k); however, this thirty-day limitation shall
94 not prevent the inclusion in the calculation of leave earned under
95 federal regulations prior to July 1, 1976, and frozen as of that
96 date as referred to in Section 25-3-99. Only the amount of lump
97 sum pay for personal leave due and paid upon the death of a member

98 attributable for up to one hundred fifty (150) days shall be used
99 in the deceased member's average compensation calculation in
100 determining the beneficiary's benefits. In computing the average
101 compensation, no amounts shall be used which are in excess of the
102 amount on which contributions were required and paid. If any
103 member who is or has been granted any increase in annual salary or
104 compensation of more than eight percent (8%) retires within
105 twenty-four (24) months from the date that such increase becomes
106 effective, then the board shall exclude that part of the increase
107 in salary or compensation that exceeds eight percent (8%) in
108 calculating that member's average compensation for retirement
109 purposes. The board may enforce this provision by rule or
110 regulation. However, increases in compensation in excess of eight
111 percent (8%) per year granted within twenty-four (24) months of
112 the date of retirement may be included in such calculation of
113 average compensation if satisfactory proof is presented to the
114 board showing that the increase in compensation was the result of
115 an actual change in the position held or services rendered, or
116 that such compensation increase was authorized by the State
117 Personnel Board or was increased as a result of statutory
118 enactment, and the employer furnishes an affidavit stating that
119 such increase granted within the last twenty-four (24) months was
120 not contingent on a promise or agreement of the employee to
121 retire. Nothing in Section 25-3-31 shall affect the calculation
122 of the average compensation of any member for the purposes of this
123 article. The average compensation of any member who retires
124 before July 1, 1992, shall not exceed the annual salary of the
125 Governor.

126 (g) "Beneficiary" shall mean any person entitled to
127 receive a retirement allowance, an annuity or other benefit as
128 provided by Articles 1 and 3. In the event of the death prior to
129 retirement of any member whose spouse and/or children are not
130 entitled to a retirement allowance on the basis that the member

131 has less than four (4) years of service credit and/or has not been
132 married for a minimum of one (1) year or the spouse has waived his
133 or her entitlement to a retirement allowance pursuant to Section
134 25-11-114, the lawful spouse of a member at the time of the death
135 of such member shall be the beneficiary of such member unless the
136 member has designated another beneficiary subsequent to the date
137 of marriage in writing, and filed such writing in the office of
138 the executive director of the board of trustees. No designation
139 or change of beneficiary shall be made in any other manner.

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

143 (i) "Creditable service" shall mean "prior service,"
144 "retroactive service" and all lawfully credited unused leave not
145 exceeding the accrual rates and limitations provided in Section
146 25-3-91 et seq., as of the date of withdrawal from service plus
147 "membership service" for which credit is allowable as provided in
148 Section 25-11-109. Except to limit creditable service reported to
149 the system for the purpose of computing an employee's retirement
150 allowance or annuity or benefits provided in this article, nothing
151 in this paragraph shall limit or otherwise restrict the power of
152 the governing authority of a municipality or other political
153 subdivision of the state to adopt such vacation and sick leave
154 policies as it deems necessary.

155 (j) "Child" means either a natural child of the member,
156 a child that has been made a child of the member by applicable
157 court action before the death of the member, or a child under the
158 permanent care of the member at the time of the latter's death,
159 which permanent care status shall be determined by evidence
160 satisfactory to the board.

161 (k) "Earned compensation" shall mean the full amount
162 earned by an employee for a given pay period including any
163 maintenance furnished up to a maximum of One Hundred Fifty

164 Thousand Dollars (\$150,000.00) per year, and proportionately for
165 less than one (1) year of service. The value of such maintenance
166 when not paid in money shall be fixed by the employing state
167 agency, and, in case of doubt, by the board of trustees as defined
168 in Section 25-11-15. In any case, earned compensation shall be
169 limited to the regular periodic compensation paid, exclusive of
170 litigation fees, bond fees, and other similar extraordinary
171 nonrecurring payments. In addition, any member in a covered
172 position, as defined by Public Employees' Retirement System laws
173 and regulations, who is also employed by another covered agency or
174 political subdivision shall have the earnings of that additional
175 employment reported to the Public Employees' Retirement System
176 regardless of whether the additional employment is sufficient in
177 itself to be a covered position. In addition, computation of
178 earned compensation shall be governed by the following:

179 (i) In the case of constables, the net earnings
180 from their office after deduction of expenses shall apply, except
181 that in no case shall earned compensation be less than the total
182 direct payments made by the state or governmental subdivisions to
183 the official.

184 (ii) In the case of chancery or circuit clerks,
185 the net earnings from their office after deduction of expenses
186 shall apply as expressed in Section 25-11-123(f)(4).

187 (iii) In the case of members of the State
188 Legislature, all remuneration or amounts paid, except mileage
189 allowance, shall apply.

190 (iv) The amount by which an eligible employee's
191 salary is reduced pursuant to a salary reduction agreement
192 authorized under Section 25-17-5 shall be included as earned
193 compensation under this paragraph, provided this inclusion does
194 not conflict with federal law, including federal regulations and
195 federal administrative interpretations thereunder, pertaining to

196 the Federal Insurance Contributions Act or to Internal Revenue
197 Code Section 125 cafeteria plans.

198 (v) Compensation in addition to an employee's base
199 salary that is paid to the employee pursuant to the vacation and
200 sick leave policies of a municipality or other political
201 subdivision of the state that employs him which exceeds the
202 maximums authorized by Section 25-3-91 et seq. shall be excluded
203 from the calculation of earned compensation under this article.

204 (vi) The maximum salary applicable for retirement
205 purposes before July 1, 1992, shall be the salary of the Governor.

206 (vii) Nothing in Section 25-3-31 shall affect the
207 determination of the earned compensation of any member for the
208 purposes of this article.

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

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

215 (n) "Executive director" shall mean the secretary to
216 the board of trustees, as provided in Section 25-11-15(9), and the
217 administrator of the Public Employees' Retirement System and all
218 systems under the management of the board of trustees. Wherever
219 the term "Executive Secretary of the Public Employees' Retirement
220 System" or "executive secretary" appears in this article or in any
221 other provision of law, it shall be construed to mean the
222 Executive Director of the Public Employees' Retirement System.

223 (o) "Fiscal year" shall mean the period beginning on
224 July 1 of any year and ending on June 30 of the next succeeding
225 year.

226 (p) "Medical board" shall mean the board of physicians
227 or any governmental or nongovernmental disability determination
228 service designated by the board of trustees that is qualified to

229 make disability determinations as provided for in Section
230 25-11-119.

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

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

235 (s) "Position" means any office or any employment in
236 the state service, or two (2) or more of them, the duties of which
237 call for services to be rendered by one (1) person, including
238 positions jointly employed by federal and state agencies
239 administering federal and state funds. The employer shall
240 determine upon initial employment and during the course of
241 employment of an employee who does not meet the criteria for
242 coverage in the Public Employees' Retirement System based on the
243 position held, whether the employee is or becomes eligible for
244 coverage in the Public Employees' Retirement System based upon any
245 other employment in a covered agency or political subdivision. If
246 or when the employee meets the eligibility criteria for coverage
247 in such other position, then the employer must withhold
248 contributions and report wages from the noncovered position in
249 accordance with the provisions for reporting of earned
250 compensation. Failure to deduct and report those contributions
251 shall not relieve the employee or employer of liability thereof.
252 The board shall adopt such rules and regulations as necessary to
253 implement and enforce this provision.

254 (t) "Prior service" shall mean service rendered before
255 February 1, 1953, for which credit is allowable under Sections
256 25-11-105 and 25-11-109, and which shall allow prior service for
257 any person who is now or becomes a member of the Public Employees'
258 Retirement System and who does contribute to the system for a
259 minimum period of four (4) years.

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

263 (v) "Retirement allowance" shall mean an annuity for
264 life as provided in this article, payable each year in twelve (12)
265 equal monthly installments beginning as of the date fixed by the
266 board. The retirement allowance shall be calculated in accordance
267 with Section 25-11-111. However, any spouse who received a spouse
268 retirement benefit in accordance with Section 25-11-111(d) before
269 March 31, 1971, and those benefits were terminated because of
270 eligibility for a social security benefit, may again receive his
271 spouse retirement benefit from and after making application with
272 the board of trustees to reinstate the spouse retirement benefit.

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

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

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

281 (z) "State service" shall mean all offices and
282 positions of trust or employment in the employ of the state, or
283 any political subdivision or instrumentality thereof, which elect
284 to participate as provided by Section 25-11-105(f), including the
285 position of elected or fee officials of the counties and their
286 deputies and employees performing public services or any
287 department, independent agency, board or commission thereof, and
288 shall also include all offices and positions of trust or
289 employment in the employ of joint state and federal agencies
290 administering state and federal funds and service rendered by
291 employees of the public schools. Effective July 1, 1973, all
292 nonprofessional public school employees, such as bus drivers,

293 janitors, maids, maintenance workers and cafeteria employees,
294 shall have the option to become members in accordance with Section
295 25-11-105(b), and shall be eligible to receive credit for services
296 before July 1, 1973, provided that the contributions and interest
297 are paid by the employee in accordance with that section; in
298 addition, the county or municipal separate school district may pay
299 the employer contribution and pro rata share of interest of the
300 retroactive service from available funds. From and after July 1,
301 1998, retroactive service credit shall be purchased at the
302 actuarial cost in accordance with Section 25-11-105(b).

303 (aa) "Withdrawal from service" or "termination from
304 service" shall mean complete severance of employment in the state
305 service of any member by resignation, dismissal or discharge,
306 except in the case of persons who become eligible to receive a
307 retirement allowance under this article and who choose to receive
308 the retirement allowance during their employment as teachers as
309 authorized by Section 25-11-126.

310 (bb) The masculine pronoun, wherever used, shall
311 include the feminine pronoun.

312 **SECTION 3.** Section 25-11-105, Mississippi Code of 1972, is
313 amended as follows:

314 25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

315 The membership of this retirement system shall be composed as
316 follows:

317 (a) (i) All persons who shall become employees in the
318 state service after January 31, 1953, and whose wages are subject
319 to payroll taxes and are lawfully reported on IRS Form W-2, except
320 those persons who are specifically excluded, those persons as to
321 whom election is provided in Articles 1 and 3, or those persons
322 who choose to receive or continue receiving a retirement allowance
323 during their employment as teachers as authorized by Section
324 25-11-126, shall become members of the retirement system as a
325 condition of their employment.

326 (ii) From and after July 1, 2002, any individual
327 who is employed by a governmental entity to perform professional
328 services shall become a member of the system if the individual is
329 paid regular periodic compensation for those services that is
330 subject to payroll taxes, is provided all other employee benefits
331 and meets the membership criteria established by the regulations
332 adopted by the board of trustees that apply to all other members
333 of the system; however, any active member employed in such a
334 position on July 1, 2002, will continue to be an active member for
335 as long as they are employed in any such position.

336 (b) All persons who shall become employees in the state
337 service after January 31, 1953, except those specifically excluded
338 or as to whom election is provided in Articles 1 and 3, unless
339 they shall file with the board prior to the lapse of sixty (60)
340 days of employment or sixty (60) days after the effective date of
341 the cited articles, whichever is later, on a form prescribed by
342 the board, a notice of election not to be covered by the
343 membership of the retirement system and a duly executed waiver of
344 all present and prospective benefits which would otherwise inure
345 to them on account of their participation in the system, shall
346 become members of the retirement system; however, no credit for
347 prior service will be granted to members until they have
348 contributed to Article 3 of the retirement system for a minimum
349 period of at least four (4) years. Such members shall receive
350 credit for services performed prior to January 1, 1953, in
351 employment now covered by Article 3, but no credit shall be
352 granted for retroactive services between January 1, 1953, and the
353 date of their entry into the retirement system unless the employee
354 pays into the retirement system both the employer's and the
355 employee's contributions on wages paid him during the period from
356 January 31, 1953, to the date of his becoming a contributing
357 member, together with interest at the rate determined by the board
358 of trustees. Members reentering after withdrawal from service

359 shall qualify for prior service under the provisions of Section
360 25-11-117. From and after July 1, 1998, upon eligibility as noted
361 above, the member may receive credit for such retroactive service
362 provided:

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

366 (2) The member shall pay to the retirement system
367 on the date he or she is eligible for such credit or at any time
368 thereafter prior to the date of retirement the actuarial cost for
369 each year of such creditable service. The provisions of this
370 subparagraph (2) shall be subject to the limitations of Section
371 415 of the Internal Revenue Code and regulations promulgated
372 thereunder.

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

377 (c) All persons who shall become employees in the state
378 service after January 31, 1953, and who are eligible for
379 membership in any other retirement system shall become members of
380 this retirement system as a condition of their employment unless
381 they elect at the time of their employment to become a member of
382 such other system.

383 (d) All persons who are employees in the state service
384 on January 31, 1953, and who are members of any nonfunded
385 retirement system operated by the State of Mississippi, or any of
386 its departments or agencies, shall become members of this system
387 with prior service credit unless, before February 1, 1953, they
388 shall file a written notice with the board of trustees that they
389 do not elect to become members.

390 (e) All persons who are employees in the state service
391 on January 31, 1953, and who under existing laws are members of

392 any fund operated for the retirement of employees by the State of
393 Mississippi, or any of its departments or agencies, shall not be
394 entitled to membership in this retirement system unless, before
395 February 1, 1953, any such person shall indicate by a notice filed
396 with the board, on a form prescribed by the board, his individual
397 election and choice to participate in this system, but no such
398 person shall receive prior service credit unless he becomes a
399 member on or before February 1, 1953.

400 (f) Each political subdivision of the state and each
401 instrumentality of the state or a political subdivision, or both,
402 is hereby authorized to submit, for approval by the board of
403 trustees, a plan for extending the benefits of this article to
404 employees of any such political subdivision or instrumentality.
405 Each such plan or any amendment to the plan for extending benefits
406 thereof shall be approved by the board of trustees if it finds
407 that such plan, or such plan as amended, is in conformity with
408 such requirements as are provided in Articles 1 and 3; however,
409 upon approval of such plan or any such plan heretofore approved by
410 the board of trustees, the approved plan shall not be subject to
411 cancellation or termination by the political subdivision or
412 instrumentality, except that any community hospital serving a
413 municipality that joined the Public Employees' Retirement System
414 as of November 1, 1956, to offer social security coverage for its
415 employees and subsequently extended retirement annuity coverage to
416 its employees as of December 1, 1965, may, upon documentation of
417 extreme financial hardship, have future retirement annuity
418 coverage cancelled or terminated at the discretion of the board of
419 trustees. No such plan shall be approved unless:

420 (1) It provides that all services which constitute
421 employment as defined in Section 25-11-5 and are performed in the
422 employ of the political subdivision or instrumentality, by any
423 employees thereof, shall be covered by the plan; with the
424 exception of municipal employees who are already covered by

425 existing retirement plans; however, those employees in this class
426 may elect to come under the provisions of this article;

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

432 (3) It provides for such methods of administration
433 of the plan by the political subdivision or instrumentality as are
434 found by the board of trustees to be necessary for the proper and
435 efficient administration thereof;

436 (4) It provides that the political subdivision or
437 instrumentality will make such reports, in such form and
438 containing such information, as the board of trustees may from
439 time to time require;

440 (5) It authorizes the board of trustees to
441 terminate the plan in its entirety in the discretion of the board
442 if it finds that there has been a failure to comply substantially
443 with any provision contained in such plan, such termination to
444 take effect at the expiration of such notice and on such
445 conditions as may be provided by regulations of the board and as
446 may be consistent with applicable federal law.

447 A. The board of trustees shall not finally
448 refuse to approve a plan submitted under paragraph (f), and shall
449 not terminate an approved plan without reasonable notice and
450 opportunity for hearing to each political subdivision or
451 instrumentality affected thereby. The board's decision in any
452 such case shall be final, conclusive and binding unless an appeal
453 be taken by the political subdivision or instrumentality aggrieved
454 thereby to the Circuit Court of Hinds County, Mississippi, in
455 accordance with the provisions of law with respect to civil causes
456 by certiorari.

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

464 C. Every political subdivision or
465 instrumentality required to make payments under paragraph (f)(5)B
466 hereof is authorized, in consideration of the employees' retention
467 in or entry upon employment after enactment of Articles 1 and 3,
468 to impose upon its employees, as to services which are covered by
469 an approved plan, a contribution with respect to wages (as defined
470 in Section 25-11-5) not exceeding the amount provided in Section
471 25-11-123(d) if such services constituted employment within the
472 meaning of Articles 1 and 3, and to deduct the amount of such
473 contribution from the wages as and when paid. Contributions so
474 collected shall be paid into the contribution fund as partial
475 discharge of the liability of such political subdivisions or
476 instrumentalities under paragraph (f)(5)B hereof. Failure to
477 deduct such contribution shall not relieve the employee or
478 employer of liability thereof.

479 D. Any state agency, school, political
480 subdivision, instrumentality or any employer that is required to
481 submit contribution payments or wage reports under any section of
482 this chapter shall be assessed interest on delinquent payments or
483 wage reports as determined by the board of trustees in accordance
484 with rules and regulations adopted by the board and such assessed
485 interest may be recovered by action in a court of competent
486 jurisdiction against such reporting agency liable therefor or may,
487 upon due certification of delinquency and at the request of the
488 board of trustees, be deducted from any other monies payable to
489 such reporting agency by any department or agency of the state.

490 E. Each political subdivision of the state
491 and each instrumentality of the state or a political subdivision
492 or subdivisions which submits a plan for approval of the board, as
493 provided in this section, shall reimburse the board for coverage
494 into the expense account, its pro rata share of the total expense
495 of administering Articles 1 and 3 as provided by regulations of
496 the board.

497 (g) The board may, in its discretion, deny the right of
498 membership in this system to any class of employees whose
499 compensation is only partly paid by the state or who are occupying
500 positions on a part-time or intermittent basis. The board may, in
501 its discretion, make optional with employees in any such classes
502 their individual entrance into this system.

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

509 (i) In the event any member of this system should
510 change his employment to any agency of the state having an
511 actuarially funded retirement system, the board of trustees may
512 authorize the transfer of the member's creditable service and of
513 the present value of the member's employer's accumulation account
514 and of the present value of the member's accumulated membership
515 contributions to such other system, provided the employee agrees
516 to the transfer of his accumulated membership contributions and
517 provided such other system is authorized to receive and agrees to
518 make such transfer.

519 In the event any member of any other actuarially funded
520 system maintained by an agency of the state changes his employment
521 to an agency covered by this system, the board of trustees may
522 authorize the receipt of the transfer of the member's creditable

523 service and of the present value of the member's employer's
524 accumulation account and of the present value of the member's
525 accumulated membership contributions from such other system,
526 provided the employee agrees to the transfer of his accumulated
527 membership contributions to this system and provided the other
528 system is authorized and agrees to make such transfer.

529 (j) Wherever herein state employment is referred to, it
530 shall include joint employment by state and federal agencies of
531 all kinds.

532 (k) Employees of a political subdivision or
533 instrumentality who were employed by such political subdivision or
534 instrumentality prior to an agreement between such entity and the
535 Public Employees' Retirement System to extend the benefits of this
536 article to its employees, and which agreement provides for the
537 establishment of retroactive service credit, and who have been
538 members of the retirement system and have remained contributors to
539 the retirement system for four (4) years, may receive credit for
540 such retroactive service with such political subdivision or
541 instrumentality, provided the employee and/or employer, as
542 provided under the terms of the modification of the joinder
543 agreement in allowing such coverage, pay into the retirement
544 system the employer's and employee's contributions on wages paid
545 the member during such previous employment, together with interest
546 or actuarial cost as determined by the board covering the period
547 from the date the service was rendered until the payment for the
548 credit for such service was made. Such wages shall be verified by
549 the Social Security Administration or employer payroll records.
550 Effective July 1, 1998, upon eligibility as noted above, a member
551 may receive credit for such retroactive service with such
552 political subdivision or instrumentality provided:

553 (1) The member shall furnish proof satisfactory to
554 the board of trustees of certification of such services from the
555 political subdivision or instrumentality where the services were

556 rendered or verification by the Social Security Administration;
557 and

558 (2) The member shall pay to the retirement system
559 on the date he or she is eligible for such credit or at any time
560 thereafter prior to the date of retirement the actuarial cost for
561 each year of such creditable service. The provisions of this
562 subparagraph (2) shall be subject to the limitations of Section
563 415 of the Internal Revenue Code and regulations promulgated
564 thereunder.

565 Nothing contained in this paragraph (k) shall be construed to
566 limit the authority of the board to allow the correction of
567 reporting errors or omissions based on the payment of employee and
568 employer contributions plus applicable interest. Payment for such
569 time shall be made in increments of not less than one-quarter
570 (1/4) year of creditable service beginning with the most recent
571 service. Upon the payment of all or part of such required
572 contributions, plus interest or the actuarial cost as provided
573 above, the member shall receive credit for the period of
574 creditable service for which full payment has been made to the
575 retirement system.

576 (1) Through June 30, 1998, any state service eligible
577 for retroactive service credit, no part of which has ever been
578 reported, and requiring the payment of employee and employer
579 contributions plus interest, or, from and after July 1, 1998, any
580 state service eligible for retroactive service credit, no part of
581 which has ever been reported to the retirement system, and
582 requiring the payment of the actuarial cost for such creditable
583 service, may, at the member's option, be purchased in quarterly
584 increments as provided above at such time as its purchase is
585 otherwise allowed.

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

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

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

593 (a) Patient or inmate help in state charitable, penal
594 or correctional institutions;

595 (b) Students of any state educational institution
596 employed by any agency of the state for temporary, part-time or
597 intermittent work;

598 (c) Participants of Comprehensive Employment and
599 Training Act of 1973 (CETA) being Public Law 93-203, who enroll on
600 or after July 1, 1979; and

601 (d) From and after July 1, 2002, individuals who are
602 employed by a governmental entity to perform professional service
603 on less than a full-time basis who do not meet the criteria
604 established in I(a)(ii) of this section.

605 **III. TERMINATION OF MEMBERSHIP**

606 Membership in this system shall cease by a member withdrawing
607 his accumulated contributions, or by a member withdrawing from
608 active service with a retirement allowance, or by a member's
609 death.

610 **SECTION 4.** Section 25-11-123, Mississippi Code of 1972, is
611 amended as follows:

612 25-11-123. All of the assets of the system shall be credited
613 according to the purpose for which they are held to one (1) of
614 four (4) reserves; namely, the annuity savings account, the
615 annuity reserve, the employer's accumulation account, and the
616 expense account.

617 (a) **Annuity savings account.** In the annuity savings account
618 shall be accumulated the contributions made by members to provide
619 for their annuities, including interest thereon which shall be
620 posted monthly. Credits to and charges against the annuity
621 savings account shall be made as follows:

622 (1) Beginning July 1, 1991, the employer shall cause to
623 be deducted from the salary of each member on each and every
624 payroll of the employer for each and every payroll period seven
625 and one-fourth percent (7-1/4%) of earned compensation as defined
626 in Section 25-11-103. Future contributions shall be fixed
627 biennially by the board on the basis of the liabilities of the
628 retirement system for the various allowances and benefits as shown
629 by actuarial valuation; however, any member earning at a rate less
630 than Sixteen Dollars and Sixty-seven Cents (\$16.67) per month, or
631 Two Hundred Dollars (\$200.00) per year, shall contribute not less
632 than One Dollar (\$1.00) per month, or Twelve Dollars (\$12.00) per
633 year. This paragraph (a)(1) shall not apply to the salary of
634 persons who choose to receive or continue receiving a retirement
635 allowance during their employment as teachers as authorized by
636 Section 25-11-126.

637 (2) The deductions provided herein shall be made
638 notwithstanding that the minimum compensation provided by law for
639 any member is reduced thereby. Every member shall be deemed to
640 consent and agree to the deductions made and provided for herein
641 and shall receipt for his full salary or compensation, and payment
642 of salary or compensation less the deduction shall be a full and
643 complete discharge and acquittance of all claims and demands
644 whatsoever for the services rendered by the person during the
645 period covered by the payment, except as to the benefits provided
646 under Articles 1 and 3. The board shall provide by rules for the
647 methods of collection of contributions from members and the
648 employer. The board shall have full authority to require the
649 production of evidence necessary to verify the correctness of
650 amounts contributed.

651 (b) **Annuity reserve.** The annuity reserve shall be the
652 account representing the actuarial value of all annuities in
653 force, and to it shall be charged all annuities and all benefits
654 in lieu of annuities, payable as provided in this article. If a

655 beneficiary retired on account of disability is restored to active
656 service with a compensation not less than his average final
657 compensation at the time of his last retirement, the remainder of
658 his contributions shall be transferred from the annuity reserve to
659 the annuity savings account and credited to his individual account
660 therein, and the balance of his annuity reserve shall be
661 transferred to the employer's accumulation account.

662 (c) **Employer's accumulation account.** The employer's
663 accumulation account shall represent the accumulation of all
664 reserves for the payment of all retirement allowances and other
665 benefits payable from contributions made by the employer, and
666 against this account shall be charged all retirement allowances
667 and other benefits on account of members. Credits to and charges
668 against the employer's accumulation account shall be made as
669 follows:

670 (1) On account of each member there shall be paid
671 monthly into the employer's accumulation account by the employers
672 for the preceding fiscal year an amount equal to a certain
673 percentage of the total earned compensation, as defined in Section
674 25-11-103, of each member. The percentage rate of those
675 contributions shall be fixed biennially by the board on the basis
676 of the liabilities of the retirement system for the various
677 allowances and benefits as shown by actuarial valuation.
678 Beginning January 1, 1990, the rate shall be fixed at nine and
679 three-fourths percent (9-3/4%). The board shall reduce the
680 employer's contribution rate by one percent (1%) from and after
681 July 1 of the year following the year in which the board
682 determines and the board's actuary certifies that the employer's
683 contribution rate can be reduced by that amount without causing
684 the unfunded accrued actuarial liability amortization period for
685 the retirement system to exceed twenty (20) years. Political
686 subdivisions joining Article 3 of the Public Employees' Retirement
687 System after July 1, 1968, may adjust the employer's contributions

688 by agreement with the Board of Trustees of the Public Employees'
689 Retirement System to provide service credits for any period before
690 execution of the agreement based upon an actuarial determination
691 of employer's contribution rates.

692 (2) On the basis of regular interest and of such
693 mortality and other tables as are adopted by the board of
694 trustees, the actuary engaged by the board to make each valuation
695 required by this article during the period over which the accrued
696 liability contribution is payable, immediately after making that
697 valuation, shall determine the uniform and constant percentage of
698 the earnable compensation of each member which, if contributed by
699 the employer on the basis of compensation of the member throughout
700 his entire period of membership service, would be sufficient to
701 provide for the payment of any retirement allowance payable on his
702 account for that service. The percentage rate so determined shall
703 be known as the "normal contribution rate." After the accrued
704 liability contribution has ceased to be payable, the normal
705 contribution rate shall be the percentage rate of the salary of
706 all members obtained by deducting from the total liabilities on
707 account of membership service the amount in the employer's
708 accumulation account, and dividing the remainder by one percent
709 (1%) of the present value of the prospective future salaries of
710 all members as computed on the basis of the mortality and service
711 tables adopted by the board of trustees and regular interest. The
712 normal rate of contributions shall be determined by the actuary
713 after each valuation.

714 (3) The total amount payable in each year to the
715 employer's accumulation account shall not be less than the sum of
716 the percentage rate known as the "normal contribution" rate and
717 the "accrued liability contribution" rate of the total
718 compensation earnable by all members during the preceding year,
719 provided that the payment by the employer shall be sufficient,
720 when combined with the amounts in the account, to provide the

721 allowances and other benefits chargeable to this account during
722 the year then current.

723 (4) The accrued liability contribution shall be
724 discontinued as soon as the accumulated balance in the employer's
725 accumulation account shall equal the present value, computed on
726 the basis of the normal contribution rate then in force, or the
727 prospective normal contributions to be received on account of all
728 persons who are at that time members.

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

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

736 (d) **Expense account.** The expense account shall be the
737 account to which the expenses of the administration of the system
738 shall be charged, exclusive of amounts payable as retirement
739 allowances and as other benefits provided herein. The Legislature
740 shall make annual appropriations in amounts sufficient to
741 administer the system, which shall be credited to this account.
742 There shall be transferred to the State Treasury from this
743 account, not less than once per month, an amount sufficient for
744 payment of the estimated expenses of the system for the succeeding
745 thirty (30) days. Any interest earned on the expense account
746 shall accrue to the benefit of the system. However,
747 notwithstanding the provisions of Sections 25-11-15(10) and
748 25-11-105(f)(5)E, all expenses of the administration of the system
749 shall be paid from the interest earnings, provided the interest
750 earnings are in excess of the actuarial interest assumption as
751 determined by the board, and provided the present cost of the
752 administrative expense fee of two percent (2%) of the
753 contributions reported by the political subdivisions and

754 instrumentalities shall be reduced to one percent (1%) from and
755 after July 1, 1983, through June 30, 1984, and shall be eliminated
756 thereafter.

757 (e) **Collection of contributions.** The employer shall cause
758 to be deducted on each and every payroll of a member for each and
759 every payroll period, beginning subsequent to January 31, 1953,
760 the contributions payable by the member as provided in Articles 1
761 and 3.

762 The employer shall make deductions from salaries of employees
763 as provided in Articles 1 and 3 and shall transmit monthly, or at
764 such time as the board of trustees designates, the amount
765 specified to be deducted to the Executive Director of the Public
766 Employees' Retirement System. The executive director, after
767 making a record of all those receipts, shall deposit such amounts
768 as provided by law.

769 (f) (1) Upon the basis of each actuarial valuation provided
770 herein, the board of trustees shall biennially determine the
771 normal contribution rate and the accrued liability contribution
772 rate as provided in this section. The sum of these two (2) rates
773 shall be known as the "employer's contribution rate." Beginning
774 on earned compensation effective January 1, 1990, the rate
775 computed as provided in this section shall be nine and
776 three-fourths percent (9-3/4%). The board shall reduce the
777 employer's contribution rate by one percent (1%) from and after
778 July 1 of the year following the year in which the board
779 determines and the board's actuary certifies that the employer's
780 contribution rate can be reduced by that amount without causing
781 the unfunded accrued actuarial liability amortization period for
782 the retirement system to exceed twenty (20) years. The percentage
783 rate of those contributions shall be fixed biennially by the board
784 on the basis of the liabilities of the retirement system for the
785 various allowances and benefits as shown by actuarial
786 valuation.

787 (2) The amount payable by the employer on account of
788 normal and accrued liability contributions shall be determined by
789 applying the employer's contribution rate to the amount of
790 compensation earned by employees who are members of the system.
791 Monthly, or at such time as the board of trustees designates, each
792 department or agency shall compute the amount of the employer's
793 contribution payable, with respect to the salaries of its
794 employees who are members of the system, and shall cause that
795 amount to be paid to the board of trustees from the personal
796 service allotment of the amount appropriated for the operation of
797 the department or agency, or from funds otherwise available to the
798 agency, for the payment of salaries to its employees.

799 (3) Constables shall pay employer and employee
800 contributions on their net fee income as well as the employee
801 contributions on all direct treasury or county payroll income.
802 The county shall be responsible for the employer contribution on
803 all direct treasury or county payroll income of constables.

804 (4) Chancery and circuit clerks shall be responsible
805 for both the employer and employee share of contributions on the
806 proportionate share of net income attributable to fees, as well as
807 the employee share of net income attributable to direct treasury
808 or county payroll income, and the employing county shall be
809 responsible for the employer contributions on the net income
810 attributable to direct treasury or county payroll income.

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

815 (6) The board shall provide by rules for the methods of
816 collection of contributions of employers and members. The amounts
817 determined due by an agency to the various funds as specified in
818 Articles 1 and 3 are made obligations of the agency to the board
819 and shall be paid as provided herein. Failure to deduct those

820 contributions shall not relieve the employee and employer from
821 liability thereof. Delinquent employee contributions and any
822 accrued interest shall be the obligation of the employee and
823 delinquent employer contributions and any accrued interest shall
824 be the obligation of the employer. The employer may, in its
825 discretion, elect to pay any or all of the interest on delinquent
826 employee contributions. From and after July 1, 1996, under rules
827 and regulations established by the board, all employers are
828 authorized and shall transfer all funds due to the Public
829 Employees' Retirement System electronically and shall transmit any
830 wage or other reports by computerized reporting systems.

831 **SECTION 5.** Section 25-11-127, Mississippi Code of 1972, is
832 amended as follows:

833 25-11-127. (1) (a) No person who is being paid a
834 retirement allowance or a pension after retirement under this
835 article shall be employed or paid for any service by the State of
836 Mississippi, except as provided in this section or in Section
837 25-11-126.

838 (b) No retiree of this retirement system who is
839 reemployed or is reelected to office after retirement shall
840 continue to draw retirement benefits while so reemployed, except
841 as provided in this section or in Section 25-11-126.

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

845 (2) Except as otherwise provided in Section 25-11-126, any
846 person who has been retired under the provisions of Article 3 and
847 who is later reemployed in service covered by this article shall
848 cease to receive benefits under this article and shall again
849 become a contributing member of the retirement system. When the
850 person retires again, if the person has been a contributing member
851 of the retirement system during his reemployment and the
852 reemployment exceeds six (6) months, the person shall have his or

853 her benefit recomputed, including service after again becoming a
854 member, provided that the total retirement allowance paid to the
855 retired member in his or her previous retirement shall be deducted
856 from the member's retirement reserve and taken into consideration
857 in recalculating the retirement allowance under a new option
858 selected.

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

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

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

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

872 To determine the normal working days for a position under
873 paragraph (a) of this subsection, the employer shall determine the
874 required number of working days for the position on a full-time
875 basis and the equivalent number of hours representing the
876 full-time position. The retiree then may work up to one-half
877 (1/2) of the required number of working days or up to one-half
878 (1/2) of the equivalent number of hours and receive up to one-half
879 (1/2) of the salary for the position. In the case of employment
880 with multiple employers, the limitation shall equal one-half (1/2)
881 of the number of days or hours for a single full-time position.

882 Notice shall be given in writing to the executive director,
883 setting forth the facts upon which the employment is being made,
884 and the notice shall be given within five (5) days from the date

885 of employment and also from the date of termination of the
886 employment.

887 (5) Any member may continue in municipal or county elected
888 office or be elected to a municipal or county office, provided
889 that the person:

890 (a) Files annually, in writing, in the office of the
891 employer and the office of the executive director of the system
892 before the person takes office or as soon as possible after
893 retirement, a waiver of all salary or compensation and elects to
894 receive in lieu of that salary or compensation a retirement
895 allowance as provided in this section, in which event no salary or
896 compensation shall thereafter be due or payable for those
897 services; however, any such officer or employee may receive, in
898 addition to the retirement allowance, office expense allowance,
899 mileage or travel expense authorized by any statute of the State
900 of Mississippi; or

901 (b) Elects to receive compensation for that elective
902 office in an amount not to exceed twenty-five percent (25%) of the
903 retiree's average compensation. As used in this paragraph, the
904 term "compensation" shall not include office expense allowance,
905 mileage or travel expense authorized by a statute of the State of
906 Mississippi. In order to receive compensation as allowed in this
907 paragraph, the member shall file annually, in writing, in the
908 office of the employer and the office of the executive director of
909 the system, an election to receive, in addition to a retirement
910 allowance, compensation as allowed in this paragraph.

911 **SECTION 6.** Section 37-19-7, Mississippi Code of 1972, is
912 amended as follows:

913 37-19-7. (1) This section shall be known and may be cited
914 as the Mississippi "Teacher Opportunity Program (TOP)." The
915 allowance in the minimum education program and the Mississippi
916 Adequate Education Program for teachers' salaries in each county
917 and separate school district shall be determined and paid in

918 accordance with the scale for teachers' salaries as provided in
 919 this subsection. For teachers holding the following types of
 920 licenses or the equivalent as determined by the State Board of
 921 Education, and the following number of years of teaching
 922 experience, the scale shall be as follows:

923 * * *

924 **2004-2005 School Year**

925 **Less Than 25 Years of Teaching Experience**

926	AAAA.....	\$ 31,775.00
927	AAA.....	30,850.00
928	AA.....	29,925.00
929	A.....	28,000.00

930 **25 or More Years of Teaching Experience**

931	AAAA.....	\$ 33,775.00
932	AAA.....	32,850.00
933	AA.....	31,925.00
934	A.....	30,000.00

935 The State Board of Education shall revise the salary scale
 936 prescribed above for the 2004-2005 school year to conform to any
 937 adjustments made to the salary scale in prior fiscal years due to
 938 revenue growth over and above five percent (5%). For each one
 939 percent (1%) that the Sine Die General Fund Revenue Estimate
 940 Growth exceeds five percent (5%) for fiscal year 2005, as
 941 certified by the Legislative Budget Office to the State Board of
 942 Education and subject to specific appropriation therefor by the
 943 Legislature, the State Board of Education shall revise the salary
 944 scale to provide an additional one percent (1%) across the board
 945 increase in the base salaries for each type of license.

946 **2005-2006 School Year and School Years Thereafter**

947 **Less Than 25 Years of Teaching Experience**

948	AAAA.....	\$ 34,000.00
949	AAA.....	33,000.00
950	AA.....	32,000.00

951	A.....	30,000.00
952	25 or More Years of Teaching Experience	
953	AAAA.....	\$ 36,000.00
954	AAA.....	35,000.00
955	AA.....	34,000.00
956	A.....	32,000.00

957 The State Board of Education shall revise the salary scale
958 prescribed above for the 2005-2006 school year to conform to any
959 adjustments made to the salary scale in prior fiscal years due to
960 revenue growth over and above five percent (5%). For each one
961 percent (1%) that the Sine Die General Fund Revenue Estimate
962 Growth exceeds five percent (5%) for fiscal year 2006, as
963 certified by the Legislative Budget Office to the State Board of
964 Education and subject to specific appropriation therefor by the
965 Legislature, the State Board of Education shall revise the salary
966 scale to provide an additional one percent (1%) across the board
967 increase in the base salaries for each type of license.

968 It is the intent of the Legislature that any state funds made
969 available for salaries of licensed personnel in excess of the
970 funds paid for such salaries for the 1986-1987 school year shall
971 be paid to licensed personnel pursuant to a personnel appraisal
972 and compensation system implemented by the State Board of
973 Education. The State Board of Education shall have the authority
974 to adopt and amend rules and regulations as are necessary to
975 establish, administer and maintain the system.

976 All teachers employed on a full-time basis shall be paid a
977 minimum salary in accordance with the above scale. However, no
978 school district shall receive any funds under this section for any
979 school year during which the local supplement paid to any
980 individual teacher shall have been reduced to a sum less than that
981 paid to that individual teacher for performing the same duties
982 from local supplement during the immediately preceding school
983 year. The amount actually spent for the purposes of group health

984 and/or life insurance shall be considered as a part of the
985 aggregate amount of local supplement but shall not be considered a
986 part of the amount of individual local supplement.

987 * * *

988 **2004-2005 School Year Annual Increment**

989 For teachers holding a Class AAAA license, the minimum base
990 pay specified in this subsection shall be increased by the sum of
991 Seven Hundred Forty Dollars (\$740.00) for each year of teaching
992 experience possessed by the person holding such license until such
993 person shall have twenty-five (25) years of teaching experience.

994 For teachers holding a Class AAA license, the minimum base
995 pay specified in this subsection shall be increased by the sum of
996 Six Hundred Seventy-five Dollars (\$675.00) for each year of
997 teaching experience possessed by the person holding such license
998 until such person shall have twenty-five (25) years of teaching
999 experience.

1000 For teachers holding a Class AA license, the minimum base pay
1001 specified in this subsection shall be increased by the sum of Six
1002 Hundred Ten Dollars (\$610.00) for each year of teaching experience
1003 possessed by the person holding such license until such person
1004 shall have twenty-five (25) years of teaching experience.

1005 For teachers holding a Class A license, the minimum base pay
1006 specified in this subsection shall be increased by the sum of Four
1007 Hundred Sixty-five Dollars (\$465.00) for each year of teaching
1008 experience possessed by the person holding such license until such
1009 person shall have twenty-four (24) years of teaching experience.

1010 **2005-2006 School Year**

1011 **and School Years Thereafter Annual Increments**

1012 For teachers holding a Class AAAA license, the minimum base
1013 pay specified in this subsection shall be increased by the sum of
1014 Seven Hundred Seventy Dollars (\$770.00) for each year of teaching
1015 experience possessed by the person holding such license until such
1016 person shall have twenty-five (25) years of teaching experience.

1017 For teachers holding a Class AAA license, the minimum base
1018 pay specified in this subsection shall be increased by the sum of
1019 Seven Hundred Five Dollars (\$705.00) for each year of teaching
1020 experience possessed by the person holding such license until such
1021 person shall have twenty-five (25) years of teaching experience.

1022 For teachers holding a Class AA license, the minimum base pay
1023 specified in this subsection shall be increased by the sum of Six
1024 Hundred Forty Dollars (\$640.00) for each year of teaching
1025 experience possessed by the person holding such license until such
1026 person shall have twenty-five (25) years of teaching experience.

1027 For teachers holding a Class A license, the minimum base pay
1028 specified in this subsection shall be increased by the sum of Four
1029 Hundred Eighty Dollars (\$480.00) for each year of teaching
1030 experience possessed by the person holding such license until such
1031 person shall have twenty-four (24) years of teaching experience.

1032 The level of professional training of each teacher to be used
1033 in establishing the salary allotment for the teachers for each
1034 year shall be determined by the type of valid teacher's license
1035 issued to those teachers on or before October 1 of the current
1036 school year.

1037 (2) (a) The following employees shall receive an annual
1038 salary supplement in the amount of Six Thousand Dollars
1039 (\$6,000.00), plus fringe benefits, in addition to any other
1040 compensation to which the employee may be entitled:

1041 (i) Any licensed teacher who has met the
1042 requirements and acquired a Master Teacher certificate from the
1043 National Board for Professional Teaching Standards and who is
1044 employed by a local school board or the State Board of Education
1045 as a teacher and not as an administrator. Such teacher shall
1046 submit documentation to the State Department of Education that the
1047 certificate was received prior to October 15 in order to be
1048 eligible for the full salary supplement in the current school
1049 year, or the teacher shall submit such documentation to the State

1050 Department of Education prior to February 15 in order to be
1051 eligible for a prorated salary supplement beginning with the
1052 second term of the school year.

1053 (ii) Any licensed school counselor who has met the
1054 requirements and acquired a National Certified School Counselor
1055 (NCSC) endorsement from the National Board of Certified Counselors
1056 and who is employed by a local school board or the State Board of
1057 Education as a counselor and not as an administrator. Such
1058 licensed school counselor shall submit documentation to the State
1059 Department of Education that the endorsement was received prior to
1060 October 15 in order to be eligible for the full salary supplement
1061 in the current school year, or the licensed school counselor shall
1062 submit such documentation to the State Department of Education
1063 prior to February 15 in order to be eligible for a prorated salary
1064 supplement beginning with the second term of the school year.
1065 However, the salary supplement authorized under this item shall be
1066 discontinued two (2) years after the date on which the National
1067 Board for Professional Teaching Standards offers a certification
1068 process for a Master Teacher certificate for school counselors,
1069 and any school counselor receiving the salary supplement will be
1070 required to complete the Master Teacher certificate process under
1071 item (i) of this paragraph in order to continue receiving such
1072 salary supplement.

1073 (iii) Any licensed speech-language pathologist and
1074 audiologist who has met the requirements and acquired a
1075 Certificate of Clinical Competence from the American
1076 Speech-Language-Hearing Association and who is employed by a local
1077 school board. Such licensed speech-language pathologist and
1078 audiologist shall submit documentation to the State Department of
1079 Education that the certificate or endorsement was received prior
1080 to October 15 in order to be eligible for the full salary
1081 supplement in the current school year, or the licensed
1082 speech-language pathologist and audiologist shall submit such

1083 documentation to the State Department of Education prior to
1084 February 15 in order to be eligible for a prorated salary
1085 supplement beginning with the second term of the school year.
1086 However, the salary supplement authorized under this item shall be
1087 discontinued two (2) years after the date on which the National
1088 Board for Professional Teaching Standards offers a certification
1089 process for a Master Teacher certificate for school
1090 speech-language pathologists and audiologists, and any school
1091 speech-language pathologist and audiologist receiving the salary
1092 supplement will be required to complete the Master Teacher
1093 certificate process under item (i) of this paragraph in order to
1094 continue receiving such salary supplement.

1095 (b) An employee shall be reimbursed one (1) time for
1096 the actual cost of completing the process of acquiring the
1097 certificate or endorsement, excluding any costs incurred for
1098 postgraduate courses, not to exceed Five Hundred Dollars (\$500.00)
1099 for a school counselor or speech-language pathologist and
1100 audiologist, regardless of whether or not the process resulted in
1101 the award of the certificate or endorsement. A local school
1102 district or any private individual or entity may pay the cost of
1103 completing the process of acquiring the certificate or endorsement
1104 for any employee of the school district described under paragraph
1105 (a), and the State Department of Education shall reimburse the
1106 school district for such cost, regardless of whether or not the
1107 process resulted in the award of the certificate or endorsement.
1108 If a private individual or entity has paid the cost of completing
1109 the process of acquiring the certificate or endorsement for an
1110 employee, the local school district may agree to directly
1111 reimburse the individual or entity for such cost on behalf of the
1112 employee.

1113 (c) All salary supplements, fringe benefits and process
1114 reimbursement authorized under this subsection shall be paid
1115 directly by the State Department of Education to the local school

1116 district and shall be in addition to its minimum education program
1117 allotments and not a part thereof in accordance with regulations
1118 promulgated by the State Board of Education, and subject to
1119 appropriation by the Legislature. Local school districts shall
1120 not reduce the local supplement paid to any employee receiving
1121 such salary supplement, and the employee shall receive any local
1122 supplement to which employees with similar training and experience
1123 otherwise are entitled.

1124 (d) The State Department of Education may not pay any
1125 process reimbursement to a school district for an employee who
1126 does not complete the certification or endorsement process
1127 required to be eligible for the certificate or endorsement. If an
1128 employee for whom such cost has been paid in full or in part by a
1129 local school district or private individual or entity fails to
1130 complete the certification or endorsement process, the employee
1131 shall be liable to the school district or individual or entity for
1132 all amounts paid by the school district or individual or entity on
1133 behalf of that employee toward his or her certificate or
1134 endorsement.

1135 (3) Notwithstanding any provision in this section to the
1136 contrary, any person who is receiving a retirement allowance from
1137 the Public Employees' Retirement System who is employed as a
1138 teacher after his retirement, and chooses to continue receiving
1139 the retirement allowance during his employment as a teacher after
1140 his retirement, as authorized by Section 25-11-126, shall be paid
1141 a salary not less than the amount of the salary for teachers with
1142 no experience filling similar positions, nor shall such salary
1143 exceed eighty-five percent (85%) of the rate of compensation set
1144 by the school district for teachers with comparable training and
1145 years of experience filling similar positions. Once such
1146 compensation is set, the retired member shall not be entitled to
1147 any supplements, annual increments or other increases.

1148 **SECTION 7.** This act shall take effect and be in force from
1149 and after July 1, 2004.