

By: Representative Lott

To: Appropriations

## HOUSE BILL NO. 376

1 AN ACT TO CREATE NEW SECTION 25-11-126, MISSISSIPPI CODE OF  
2 1972, TO PROVIDE THAT CERTAIN PERSONS RECEIVING A RETIREMENT  
3 ALLOWANCE FROM THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO ARE  
4 EMPLOYED AS TEACHERS IN THE PUBLIC SCHOOL SYSTEM AFTER THEIR  
5 RETIREMENT MAY RECEIVE A RETIREMENT ALLOWANCE DURING THEIR  
6 EMPLOYMENT AS TEACHERS IN ADDITION TO RECEIVING A TEACHER'S  
7 SALARY; TO PROVIDE CONDITIONS FOR THAT EMPLOYMENT; TO AMEND  
8 SECTIONS 25-11-105, 25-11-123 AND 25-11-127, MISSISSIPPI CODE OF  
9 1972, IN CONFORMITY WITH THE PROVISIONS OF THIS ACT; TO AMEND  
10 SECTION 37-19-7, MISSISSIPPI CODE OF 1972, TO PROVIDE CERTAIN  
11 LIMITATIONS ON THE TEACHERS' SALARIES OF THOSE PERSONS; AND FOR  
12 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 who has been receiving a  
17 retirement allowance under this article for at least one (1) year  
18 and who has at least thirty (30) years of creditable service and  
19 who is employed as a teacher in the public school system after his  
20 or her retirement, may choose to continue receiving the retirement  
21 allowance under this article during his or her employment as a  
22 teacher after his or her retirement in addition to receiving the  
23 salary authorized under Section 37-19-7(3), under the following  
24 conditions:

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

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

33 fill the position and there exists an active teacher recruitment  
34 program in the employing school district;

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

39 (d) The retired member shall not be eligible to accrue  
40 additional retirement benefits and shall not be a contributing  
41 member of the system;

42 (e) The retired member's appointment to serve as  
43 teacher cannot exceed one (1) year. The retired member may be  
44 reappointed to additional one-year periods, provided that the  
45 conditions contained in this section are met for each such  
46 reappointment, including the certifications required in paragraphs  
47 (b) and (c) of this subsection; however, a retired member may not  
48 be employed under this section for more than three (3) consecutive  
49 years.

50 (2) To fund the additional pension liability created by this  
51 section, the State Department of Education shall transfer to the  
52 Public Employees' Retirement System the following funds:  
53 Adequate education program funds of local school districts that on  
54 or after July 1, 2005, hire retired members as teachers under the  
55 provisions of this section and other funds that otherwise would  
56 have been payable to the districts if the districts had not taken  
57 advantage of the provisions of this section. The crediting of  
58 assets and financing shall follow the provisions of Section  
59 25-11-123.

60 (3) This section shall stand repealed from and after July 1,  
61 2007.

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

64 **[Through June 30, 2007 this section shall read as follows:]**

65 25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

66           The membership of this retirement system shall be composed as  
67 follows:

68           (a) (i) All persons who become employees in the state  
69 service after January 31, 1953, and whose wages are subject to  
70 payroll taxes and are lawfully reported on IRS Form W-2, except  
71 those persons who are specifically excluded, those persons as to  
72 whom election is provided in Articles 1 and 3, or those persons  
73 who choose to continue receiving a retirement allowance during  
74 their employment as teachers as authorized by Section 25-11-126,  
75 shall become members of the retirement system as a condition of  
76 their employment.

77           (ii) From and after July 1, 2002, any individual  
78 who is employed by a governmental entity to perform professional  
79 services shall become a member of the system if the individual is  
80 paid regular periodic compensation for those services that is  
81 subject to payroll taxes, is provided all other employee benefits  
82 and meets the membership criteria established by the regulations  
83 adopted by the board of trustees that apply to all other members  
84 of the system; however, any active member employed in such a  
85 position on July 1, 2002, will continue to be an active member for  
86 as long as they are employed in any such position.

87           (b) All persons who become employees in the state  
88 service after January 31, 1953, except those specifically excluded  
89 or as to whom election is provided in Articles 1 and 3, unless  
90 they file with the board before the lapse of sixty (60) days of  
91 employment or sixty (60) days after the effective date of the  
92 cited articles, whichever is later, on a form prescribed by the  
93 board, a notice of election not to be covered by the membership of  
94 the retirement system and a duly executed waiver of all present  
95 and prospective benefits that would otherwise inure to them on  
96 account of their participation in the system, shall become members  
97 of the retirement system; however, no credit for prior service  
98 will be granted to members until they have contributed to Article

99 3 of the retirement system for a minimum period of at least four  
100 (4) years. Those members shall receive credit for services  
101 performed before January 1, 1953, in employment now covered by  
102 Article 3, but no credit shall be granted for retroactive services  
103 between January 1, 1953, and the date of their entry into the  
104 retirement system, unless the employee pays into the retirement  
105 system both the employer's and the employee's contributions on  
106 wages paid him during the period from January 31, 1953, to the  
107 date of his becoming a contributing member, together with interest  
108 at the rate determined by the board of trustees. Members  
109 reentering after withdrawal from service shall qualify for prior  
110 service under the provisions of Section 25-11-117. From and after  
111 July 1, 1998, upon eligibility as noted above, the member may  
112 receive credit for such retroactive service provided:

113 (1) The member shall furnish proof satisfactory to  
114 the board of trustees of certification of that service from the  
115 covered employer where the services were performed; and

116 (2) The member shall pay to the retirement system  
117 on the date he or she is eligible for that credit or at any time  
118 thereafter before the date of retirement the actuarial cost for  
119 each year of that creditable service. The provisions of this  
120 subparagraph (2) shall be subject to the limitations of Section  
121 415 of the Internal Revenue Code and regulations promulgated under  
122 Section 415.

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

127 (c) All persons who become employees in the state  
128 service after January 31, 1953, and who are eligible for  
129 membership in any other retirement system shall become members of  
130 this retirement system as a condition of their employment, unless

131 they elect at the time of their employment to become a member of  
132 that other system.

133 (d) All persons who are employees in the state service  
134 on January 31, 1953, and who are members of any nonfunded  
135 retirement system operated by the State of Mississippi, or any of  
136 its departments or agencies, shall become members of this system  
137 with prior service credit unless, before February 1, 1953, they  
138 file a written notice with the board of trustees that they do not  
139 elect to become members.

140 (e) All persons who are employees in the state service  
141 on January 31, 1953, and who under existing laws are members of  
142 any fund operated for the retirement of employees by the State of  
143 Mississippi, or any of its departments or agencies, shall not be  
144 entitled to membership in this retirement system unless, before  
145 February 1, 1953, any such person indicates by a notice filed with  
146 the board, on a form prescribed by the board, his individual  
147 election and choice to participate in this system, but no such  
148 person shall receive prior service credit unless he becomes a  
149 member on or before February 1, 1953.

150 (f) Each political subdivision of the state and each  
151 instrumentality of the state or a political subdivision, or both,  
152 is authorized to submit, for approval by the board of trustees, a  
153 plan for extending the benefits of this article to employees of  
154 any such political subdivision or instrumentality. Each such plan  
155 or any amendment to the plan for extending benefits thereof shall  
156 be approved by the board of trustees if it finds that the plan, or  
157 the plan as amended, is in conformity with such requirements as  
158 are provided in Articles 1 and 3; however, upon approval of the  
159 plan or any such plan previously approved by the board of  
160 trustees, the approved plan shall not be subject to cancellation  
161 or termination by the political subdivision or instrumentality,  
162 except that any community hospital serving a municipality that  
163 joined the Public Employees' Retirement System as of November 1,

164 1956, to offer social security coverage for its employees and  
165 subsequently extended retirement annuity coverage to its employees  
166 as of December 1, 1965, may, upon documentation of extreme  
167 financial hardship, have future retirement annuity coverage  
168 cancelled or terminated at the discretion of the board of  
169 trustees. No such plan shall be approved unless:

170 (1) It provides that all services that constitute  
171 employment as defined in Section 25-11-5 and are performed in the  
172 employ of the political subdivision or instrumentality, by any  
173 employees thereof, shall be covered by the plan, with the  
174 exception of municipal employees who are already covered by  
175 existing retirement plans; however, those employees in this class  
176 may elect to come under the provisions of this article;

177 (2) It specifies the source or sources from which  
178 the funds necessary to make the payments required by paragraph (d)  
179 of Section 25-11-123 and of paragraph (f)(5)B and C of this  
180 section are expected to be derived and contains reasonable  
181 assurance that those sources will be adequate for that purpose;

182 (3) It provides for such methods of administration  
183 of the plan by the political subdivision or instrumentality as are  
184 found by the board of trustees to be necessary for the proper and  
185 efficient administration thereof;

186 (4) It provides that the political subdivision or  
187 instrumentality will make such reports, in such form and  
188 containing such information, as the board of trustees may from  
189 time to time require;

190 (5) It authorizes the board of trustees to  
191 terminate the plan in its entirety in the discretion of the board  
192 if it finds that there has been a failure to comply substantially  
193 with any provision contained in the plan, the termination to take  
194 effect at the expiration of such notice and on such conditions as  
195 may be provided by regulations of the board and as may be  
196 consistent with applicable federal law.

197                   A. The board of trustees shall not finally  
198 refuse to approve a plan submitted under paragraph (f), and shall  
199 not terminate an approved plan without reasonable notice and  
200 opportunity for hearing to each political subdivision or  
201 instrumentality affected by the board's decision. The board's  
202 decision in any such case shall be final, conclusive and binding  
203 unless an appeal is taken by the political subdivision or  
204 instrumentality aggrieved by the decision to the Circuit Court of  
205 Hinds County, Mississippi, in accordance with the provisions of  
206 law with respect to civil causes by certiorari.

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

214                   C. Every political subdivision or  
215 instrumentality required to make payments under paragraph (f)(5)B  
216 of this section is authorized, in consideration of the employees'  
217 retention in or entry upon employment after enactment of Articles  
218 1 and 3, to impose upon its employees, as to services that are  
219 covered by an approved plan, a contribution with respect to wages  
220 (as defined in Section 25-11-5) not exceeding the amount provided  
221 in Section 25-11-123(d) if those services constituted employment  
222 within the meaning of Articles 1 and 3, and to deduct the amount  
223 of the contribution from the wages as and when paid.  
224 Contributions so collected shall be paid into the contribution  
225 fund as partial discharge of the liability of the political  
226 subdivisions or instrumentalities under paragraph (f)(5)B of this  
227 section. Failure to deduct the contribution shall not relieve the  
228 employee or employer of liability for the contribution.

229                   D. Any state agency, school, political  
230 subdivision, instrumentality or any employer that is required to  
231 submit contribution payments or wage reports under any section of  
232 this chapter shall be assessed interest on delinquent payments or  
233 wage reports as determined by the board of trustees in accordance  
234 with rules and regulations adopted by the board and delinquent  
235 payments, assessed interest and any other amount certified by the  
236 board as owed by an employer, may be recovered by action in a  
237 court of competent jurisdiction against the reporting agency  
238 liable therefor or may, upon due certification of delinquency and  
239 at the request of the board of trustees, be deducted from any  
240 other monies payable to the reporting agency by any department or  
241 agency of the state.

242                   E. Each political subdivision of the state  
243 and each instrumentality of the state or a political subdivision  
244 or subdivisions that submit a plan for approval of the board, as  
245 provided in this section, shall reimburse the board for coverage  
246 into the expense account, its pro rata share of the total expense  
247 of administering Articles 1 and 3 as provided by regulations of  
248 the board.

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

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



261           (i) If any member of this system changes his employment  
262 to any agency of the state having an actuarially funded retirement  
263 system, the board of trustees may authorize the transfer of the  
264 member's creditable service and of the present value of the  
265 member's employer's accumulation account and of the present value  
266 of the member's accumulated membership contributions to that other  
267 system, provided that the employee agrees to the transfer of his  
268 accumulated membership contributions and provided that the other  
269 system is authorized to receive and agrees to make the transfer.

270           If any member of any other actuarially funded system  
271 maintained by an agency of the state changes his employment to an  
272 agency covered by this system, the board of trustees may authorize  
273 the receipt of the transfer of the member's creditable service and  
274 of the present value of the member's employer's accumulation  
275 account and of the present value of the member's accumulated  
276 membership contributions from the other system, provided that the  
277 employee agrees to the transfer of his accumulated membership  
278 contributions to this system and provided that the other system is  
279 authorized and agrees to make the transfer.

280           (j) Wherever state employment is referred to in this  
281 section, it includes joint employment by state and federal  
282 agencies of all kinds.

283           (k) Employees of a political subdivision or  
284 instrumentality who were employed by the political subdivision or  
285 instrumentality before an agreement between the entity and the  
286 Public Employees' Retirement System to extend the benefits of this  
287 article to its employees, and which agreement provides for the  
288 establishment of retroactive service credit, and who have been  
289 members of the retirement system and have remained contributors to  
290 the retirement system for four (4) years, may receive credit for  
291 that retroactive service with the political subdivision or  
292 instrumentality, provided that the employee and/or employer, as  
293 provided under the terms of the modification of the joinder

294 agreement in allowing that coverage, pay into the retirement  
295 system the employer's and employee's contributions on wages paid  
296 the member during the previous employment, together with interest  
297 or actuarial cost as determined by the board covering the period  
298 from the date the service was rendered until the payment for the  
299 credit for the service was made. Those wages shall be verified by  
300 the Social Security Administration or employer payroll records.  
301 Effective July 1, 1998, upon eligibility as noted above, a member  
302 may receive credit for that retroactive service with the political  
303 subdivision or instrumentality provided:

304                   (1) The member shall furnish proof satisfactory to  
305 the board of trustees of certification of those services from the  
306 political subdivision or instrumentality where the services were  
307 rendered or verification by the Social Security Administration;  
308 and

309                   (2) The member shall pay to the retirement system  
310 on the date he or she is eligible for that credit or at any time  
311 thereafter before the date of retirement the actuarial cost for  
312 each year of that creditable service. The provisions of this  
313 subparagraph (2) shall be subject to the limitations of Section  
314 415 of the Internal Revenue Code and regulations promulgated under  
315 Section 415.

316           Nothing contained in this paragraph (k) shall be construed to  
317 limit the authority of the board to allow the correction of  
318 reporting errors or omissions based on the payment of employee and  
319 employer contributions plus applicable interest. Payment for that  
320 time shall be made in increments of not less than one-quarter  
321 (1/4) year of creditable service beginning with the most recent  
322 service. Upon the payment of all or part of the required  
323 contributions, plus interest or the actuarial cost as provided  
324 above, the member shall receive credit for the period of  
325 creditable service for which full payment has been made to the  
326 retirement system.

327           (1) Through June 30, 1998, any state service eligible  
328 for retroactive service credit, no part of which has ever been  
329 reported, and requiring the payment of employee and employer  
330 contributions plus interest, or, from and after July 1, 1998, any  
331 state service eligible for retroactive service credit, no part of  
332 which has ever been reported to the retirement system, and  
333 requiring the payment of the actuarial cost for that creditable  
334 service, may, at the member's option, be purchased in quarterly  
335 increments as provided above at the time that its purchase is  
336 otherwise allowed.

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

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

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

344           (a) Patient or inmate help in state charitable, penal  
345 or correctional institutions;

346           (b) Students of any state educational institution  
347 employed by any agency of the state for temporary, part-time or  
348 intermittent work;

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

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

356           **III. TERMINATION OF MEMBERSHIP**

357           Membership in this system shall cease by a member withdrawing  
358 his accumulated contributions, or by a member withdrawing from

359 active service with a retirement allowance, or by a member's  
360 death.

361 **[From and after July 1, 2007, this section shall read as**  
362 **follows:]**

363 25-11-105. I. **THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

364 The membership of this retirement system shall be composed as  
365 follows:

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

372 (ii) From and after July 1, 2002, any individual  
373 who is employed by a governmental entity to perform professional  
374 services shall become a member of the system if the individual is  
375 paid regular periodic compensation for those services that is  
376 subject to payroll taxes, is provided all other employee benefits  
377 and meets the membership criteria established by the regulations  
378 adopted by the board of trustees that apply to all other members  
379 of the system; however, any active member employed in such a  
380 position on July 1, 2002, will continue to be an active member for  
381 as long as they are employed in any such position.

382 (b) All persons who become employees in the state  
383 service after January 31, 1953, except those specifically excluded  
384 or as to whom election is provided in Articles 1 and 3, unless  
385 they file with the board before the lapse of sixty (60) days of  
386 employment or sixty (60) days after the effective date of the  
387 cited articles, whichever is later, on a form prescribed by the  
388 board, a notice of election not to be covered by the membership of  
389 the retirement system and a duly executed waiver of all present  
390 and prospective benefits that would otherwise inure to them on  
391 account of their participation in the system, shall become members

392 of the retirement system; however, no credit for prior service  
393 will be granted to members until they have contributed to Article  
394 3 of the retirement system for a minimum period of at least four  
395 (4) years. Those members shall receive credit for services  
396 performed before January 1, 1953, in employment now covered by  
397 Article 3, but no credit shall be granted for retroactive services  
398 between January 1, 1953, and the date of their entry into the  
399 retirement system, unless the employee pays into the retirement  
400 system both the employer's and the employee's contributions on  
401 wages paid him during the period from January 31, 1953, to the  
402 date of his becoming a contributing member, together with interest  
403 at the rate determined by the board of trustees. Members  
404 reentering after withdrawal from service shall qualify for prior  
405 service under the provisions of Section 25-11-117. From and after  
406 July 1, 1998, upon eligibility as noted above, the member may  
407 receive credit for such retroactive service provided:

408 (1) The member shall furnish proof satisfactory to  
409 the board of trustees of certification of that service from the  
410 covered employer where the services were performed; and

411 (2) The member shall pay to the retirement system  
412 on the date he or she is eligible for that credit or at any time  
413 thereafter before the date of retirement the actuarial cost for  
414 each year of that creditable service. The provisions of this  
415 subparagraph (2) shall be subject to the limitations of Section  
416 415 of the Internal Revenue Code and regulations promulgated under  
417 Section 415.

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

422 (c) All persons who become employees in the state  
423 service after January 31, 1953, and who are eligible for  
424 membership in any other retirement system shall become members of

425 this retirement system as a condition of their employment, unless  
426 they elect at the time of their employment to become a member of  
427 that other system.

428 (d) All persons who are employees in the state service  
429 on January 31, 1953, and who are members of any nonfunded  
430 retirement system operated by the State of Mississippi, or any of  
431 its departments or agencies, shall become members of this system  
432 with prior service credit unless, before February 1, 1953, they  
433 file a written notice with the board of trustees that they do not  
434 elect to become members.

435 (e) All persons who are employees in the state service  
436 on January 31, 1953, and who under existing laws are members of  
437 any fund operated for the retirement of employees by the State of  
438 Mississippi, or any of its departments or agencies, shall not be  
439 entitled to membership in this retirement system unless, before  
440 February 1, 1953, any such person indicates by a notice filed with  
441 the board, on a form prescribed by the board, his individual  
442 election and choice to participate in this system, but no such  
443 person shall receive prior service credit unless he becomes a  
444 member on or before February 1, 1953.

445 (f) Each political subdivision of the state and each  
446 instrumentality of the state or a political subdivision, or both,  
447 is authorized to submit, for approval by the board of trustees, a  
448 plan for extending the benefits of this article to employees of  
449 any such political subdivision or instrumentality. Each such plan  
450 or any amendment to the plan for extending benefits thereof shall  
451 be approved by the board of trustees if it finds that the plan, or  
452 the plan as amended, is in conformity with such requirements as  
453 are provided in Articles 1 and 3; however, upon approval of the  
454 plan or any such plan previously approved by the board of  
455 trustees, the approved plan shall not be subject to cancellation  
456 or termination by the political subdivision or instrumentality,  
457 except that any community hospital serving a municipality that

458 joined the Public Employees' Retirement System as of November 1,  
459 1956, to offer social security coverage for its employees and  
460 subsequently extended retirement annuity coverage to its employees  
461 as of December 1, 1965, may, upon documentation of extreme  
462 financial hardship, have future retirement annuity coverage  
463 cancelled or terminated at the discretion of the board of  
464 trustees. No such plan shall be approved unless:

465 (1) It provides that all services that constitute  
466 employment as defined in Section 25-11-5 and are performed in the  
467 employ of the political subdivision or instrumentality, by any  
468 employees thereof, shall be covered by the plan, with the  
469 exception of municipal employees who are already covered by  
470 existing retirement plans; however, those employees in this class  
471 may elect to come under the provisions of this article;

472 (2) It specifies the source or sources from which  
473 the funds necessary to make the payments required by paragraph (d)  
474 of Section 25-11-123 and of paragraph (f)(5)B and C of this  
475 section are expected to be derived and contains reasonable  
476 assurance that those sources will be adequate for that purpose;

477 (3) It provides for such methods of administration  
478 of the plan by the political subdivision or instrumentality as are  
479 found by the board of trustees to be necessary for the proper and  
480 efficient administration thereof;

481 (4) It provides that the political subdivision or  
482 instrumentality will make such reports, in such form and  
483 containing such information, as the board of trustees may from  
484 time to time require;

485 (5) It authorizes the board of trustees to  
486 terminate the plan in its entirety in the discretion of the board  
487 if it finds that there has been a failure to comply substantially  
488 with any provision contained in the plan, the termination to take  
489 effect at the expiration of such notice and on such conditions as

490 may be provided by regulations of the board and as may be  
491 consistent with applicable federal law.

492           A. The board of trustees shall not finally  
493 refuse to approve a plan submitted under paragraph (f), and shall  
494 not terminate an approved plan without reasonable notice and  
495 opportunity for hearing to each political subdivision or  
496 instrumentality affected by the board's decision. The board's  
497 decision in any such case shall be final, conclusive and binding  
498 unless an appeal is taken by the political subdivision or  
499 instrumentality aggrieved by the decision to the Circuit Court of  
500 Hinds County, Mississippi, in accordance with the provisions of  
501 law with respect to civil causes by certiorari.

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

509           C. Every political subdivision or  
510 instrumentality required to make payments under paragraph (f)(5)B  
511 of this section is authorized, in consideration of the employees'  
512 retention in or entry upon employment after enactment of Articles  
513 1 and 3, to impose upon its employees, as to services that are  
514 covered by an approved plan, a contribution with respect to wages  
515 (as defined in Section 25-11-5) not exceeding the amount provided  
516 in Section 25-11-123(d) if those services constituted employment  
517 within the meaning of Articles 1 and 3, and to deduct the amount  
518 of the contribution from the wages as and when paid.

519 Contributions so collected shall be paid into the contribution  
520 fund as partial discharge of the liability of the political  
521 subdivisions or instrumentalities under paragraph (f)(5)B of this



522 section. Failure to deduct the contribution shall not relieve the  
523 employee or employer of liability for the contribution.

524 D. Any state agency, school, political  
525 subdivision, instrumentality or any employer that is required to  
526 submit contribution payments or wage reports under any section of  
527 this chapter shall be assessed interest on delinquent payments or  
528 wage reports as determined by the board of trustees in accordance  
529 with rules and regulations adopted by the board and delinquent  
530 payments, assessed interest and any other amount certified by the  
531 board as owed by an employer, may be recovered by action in a  
532 court of competent jurisdiction against the reporting agency  
533 liable therefor or may, upon due certification of delinquency and  
534 at the request of the board of trustees, be deducted from any  
535 other monies payable to the reporting agency by any department or  
536 agency of the state.

537 E. Each political subdivision of the state  
538 and each instrumentality of the state or a political subdivision  
539 or subdivisions that submit a plan for approval of the board, as  
540 provided in this section, shall reimburse the board for coverage  
541 into the expense account, its pro rata share of the total expense  
542 of administering Articles 1 and 3 as provided by regulations of  
543 the board.

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

550 (h) An employee whose membership in this system is  
551 contingent on his own election, and who elects not to become a  
552 member, may thereafter apply for and be admitted to membership;  
553 but no such employee shall receive prior service credit unless he

554 becomes a member before July 1, 1953, except as provided in  
555 paragraph (b).

556 (i) If any member of this system changes his employment  
557 to any agency of the state having an actuarially funded retirement  
558 system, the board of trustees may authorize the transfer of the  
559 member's creditable service and of the present value of the  
560 member's employer's accumulation account and of the present value  
561 of the member's accumulated membership contributions to that other  
562 system, provided that the employee agrees to the transfer of his  
563 accumulated membership contributions and provided that the other  
564 system is authorized to receive and agrees to make the transfer.

565 If any member of any other actuarially funded system  
566 maintained by an agency of the state changes his employment to an  
567 agency covered by this system, the board of trustees may authorize  
568 the receipt of the transfer of the member's creditable service and  
569 of the present value of the member's employer's accumulation  
570 account and of the present value of the member's accumulated  
571 membership contributions from the other system, provided that the  
572 employee agrees to the transfer of his accumulated membership  
573 contributions to this system and provided that the other system is  
574 authorized and agrees to make the transfer.

575 (j) Wherever state employment is referred to in this  
576 section, it includes joint employment by state and federal  
577 agencies of all kinds.

578 (k) Employees of a political subdivision or  
579 instrumentality who were employed by the political subdivision or  
580 instrumentality before an agreement between the entity and the  
581 Public Employees' Retirement System to extend the benefits of this  
582 article to its employees, and which agreement provides for the  
583 establishment of retroactive service credit, and who have been  
584 members of the retirement system and have remained contributors to  
585 the retirement system for four (4) years, may receive credit for  
586 that retroactive service with the political subdivision or

587 instrumentality, provided that the employee and/or employer, as  
588 provided under the terms of the modification of the joinder  
589 agreement in allowing that coverage, pay into the retirement  
590 system the employer's and employee's contributions on wages paid  
591 the member during the previous employment, together with interest  
592 or actuarial cost as determined by the board covering the period  
593 from the date the service was rendered until the payment for the  
594 credit for the service was made. Those wages shall be verified by  
595 the Social Security Administration or employer payroll records.  
596 Effective July 1, 1998, upon eligibility as noted above, a member  
597 may receive credit for that retroactive service with the political  
598 subdivision or instrumentality provided:

599                   (1) The member shall furnish proof satisfactory to  
600 the board of trustees of certification of those services from the  
601 political subdivision or instrumentality where the services were  
602 rendered or verification by the Social Security Administration;  
603 and

604                   (2) The member shall pay to the retirement system  
605 on the date he or she is eligible for that credit or at any time  
606 thereafter before the date of retirement the actuarial cost for  
607 each year of that creditable service. The provisions of this  
608 subparagraph (2) shall be subject to the limitations of Section  
609 415 of the Internal Revenue Code and regulations promulgated under  
610 Section 415.

611           Nothing contained in this paragraph (k) shall be construed to  
612 limit the authority of the board to allow the correction of  
613 reporting errors or omissions based on the payment of employee and  
614 employer contributions plus applicable interest. Payment for that  
615 time shall be made in increments of not less than one-quarter  
616 (1/4) year of creditable service beginning with the most recent  
617 service. Upon the payment of all or part of the required  
618 contributions, plus interest or the actuarial cost as provided  
619 above, the member shall receive credit for the period of

620 creditable service for which full payment has been made to the  
621 retirement system.

622 (l) Through June 30, 1998, any state service eligible  
623 for retroactive service credit, no part of which has ever been  
624 reported, and requiring the payment of employee and employer  
625 contributions plus interest, or, from and after July 1, 1998, any  
626 state service eligible for retroactive service credit, no part of  
627 which has ever been reported to the retirement system, and  
628 requiring the payment of the actuarial cost for that creditable  
629 service, may, at the member's option, be purchased in quarterly  
630 increments as provided above at the time that its purchase is  
631 otherwise allowed.

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

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

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

639 (a) Patient or inmate help in state charitable, penal  
640 or correctional institutions;

641 (b) Students of any state educational institution  
642 employed by any agency of the state for temporary, part-time or  
643 intermittent work;

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

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

651 **III. TERMINATION OF MEMBERSHIP**

652 Membership in this system shall cease by a member withdrawing  
653 his accumulated contributions, or by a member withdrawing from  
654 active service with a retirement allowance, or by a member's  
655 death.

656 **SECTION 3.** Section 25-11-123, Mississippi Code of 1972, is  
657 amended as follows:

658 **[Through June 30, 2007, this section shall read as follows:]**

659 25-11-123. All of the assets of the system shall be credited  
660 according to the purpose for which they are held to one (1) of  
661 four (4) reserves; namely, the annuity savings account, the  
662 annuity reserve, the employer's accumulation account, and the  
663 expense account.

664 (a) **Annuity savings account.** In the annuity savings account  
665 shall be accumulated the contributions made by members to provide  
666 for their annuities, including interest thereon which shall be  
667 posted monthly. Credits to and charges against the annuity  
668 savings account shall be made as follows:

669 (1) Beginning July 1, 1991, the employer shall cause to  
670 be deducted from the salary of each member on each and every  
671 payroll of the employer for each and every payroll period seven  
672 and one-fourth percent (7-1/4%) of earned compensation as defined  
673 in Section 25-11-103. Future contributions shall be fixed  
674 biennially by the board on the basis of the liabilities of the  
675 retirement system for the various allowances and benefits as shown  
676 by actuarial valuation; however, any member earning at a rate less  
677 than Sixteen Dollars and Sixty-seven Cents (\$16.67) per month, or  
678 Two Hundred Dollars (\$200.00) per year, shall contribute not less  
679 than One Dollar (\$1.00) per month, or Twelve Dollars (\$12.00) per  
680 year. This paragraph (a)(1) shall not apply to the salary of  
681 persons who choose to continue receiving a retirement allowance  
682 during their employment as teachers as authorized by Section  
683 25-11-126.

684           (2) The deductions provided herein shall be made  
685 notwithstanding that the minimum compensation provided by law for  
686 any member is reduced thereby. Every member shall be deemed to  
687 consent and agree to the deductions made and provided for herein  
688 and shall receipt for his full salary or compensation, and payment  
689 of salary or compensation less the deduction shall be a full and  
690 complete discharge and acquittance of all claims and demands  
691 whatsoever for the services rendered by the person during the  
692 period covered by the payment, except as to the benefits provided  
693 under Articles 1 and 3. The board shall provide by rules for the  
694 methods of collection of contributions from members and the  
695 employer. The board shall have full authority to require the  
696 production of evidence necessary to verify the correctness of  
697 amounts contributed.

698           (b) **Annuity reserve.** The annuity reserve shall be the  
699 account representing the actuarial value of all annuities in  
700 force, and to it shall be charged all annuities and all benefits  
701 in lieu of annuities, payable as provided in this article. If a  
702 beneficiary retired on account of disability is restored to active  
703 service with a compensation not less than his average final  
704 compensation at the time of his last retirement, the remainder of  
705 his contributions shall be transferred from the annuity reserve to  
706 the annuity savings account and credited to his individual account  
707 therein, and the balance of his annuity reserve shall be  
708 transferred to the employer's accumulation account.

709           (c) **Employer's accumulation account.** The employer's  
710 accumulation account shall represent the accumulation of all  
711 reserves for the payment of all retirement allowances and other  
712 benefits payable from contributions made by the employer, and  
713 against this account shall be charged all retirement allowances  
714 and other benefits on account of members. Credits to and charges  
715 against the employer's accumulation account shall be made as  
716 follows:

717           (1) On account of each member there shall be paid  
718 monthly into the employer's accumulation account by the employers  
719 for the preceding fiscal year an amount equal to a certain  
720 percentage of the total earned compensation, as defined in Section  
721 25-11-103, of each member. The percentage rate of those  
722 contributions shall be fixed biennially by the board on the basis  
723 of the liabilities of the retirement system for the various  
724 allowances and benefits as shown by actuarial valuation.  
725 Beginning January 1, 1990, the rate shall be fixed at nine and  
726 three-fourths percent (9-3/4%). The board shall reduce the  
727 employer's contribution rate by one percent (1%) from and after  
728 July 1 of the year following the year in which the board  
729 determines and the board's actuary certifies that the employer's  
730 contribution rate can be reduced by that amount without causing  
731 the unfunded accrued actuarial liability amortization period for  
732 the retirement system to exceed twenty (20) years. Political  
733 subdivisions joining Article 3 of the Public Employees' Retirement  
734 System after July 1, 1968, may adjust the employer's contributions  
735 by agreement with the Board of Trustees of the Public Employees'  
736 Retirement System to provide service credits for any period before  
737 execution of the agreement based upon an actuarial determination  
738 of employer's contribution rates.

739           (2) On the basis of regular interest and of such  
740 mortality and other tables as are adopted by the board of  
741 trustees, the actuary engaged by the board to make each valuation  
742 required by this article during the period over which the accrued  
743 liability contribution is payable, immediately after making that  
744 valuation, shall determine the uniform and constant percentage of  
745 the earnable compensation of each member which, if contributed by  
746 the employer on the basis of compensation of the member throughout  
747 his entire period of membership service, would be sufficient to  
748 provide for the payment of any retirement allowance payable on his  
749 account for that service. The percentage rate so determined shall

750 be known as the "normal contribution rate." After the accrued  
751 liability contribution has ceased to be payable, the normal  
752 contribution rate shall be the percentage rate of the salary of  
753 all members obtained by deducting from the total liabilities on  
754 account of membership service the amount in the employer's  
755 accumulation account, and dividing the remainder by one percent  
756 (1%) of the present value of the prospective future salaries of  
757 all members as computed on the basis of the mortality and service  
758 tables adopted by the board of trustees and regular interest. The  
759 normal rate of contributions shall be determined by the actuary  
760 after each valuation.

761 (3) The total amount payable in each year to the  
762 employer's accumulation account shall not be less than the sum of  
763 the percentage rate known as the "normal contribution" rate and  
764 the "accrued liability contribution" rate of the total  
765 compensation earnable by all members during the preceding year,  
766 provided that the payment by the employer shall be sufficient,  
767 when combined with the amounts in the account, to provide the  
768 allowances and other benefits chargeable to this account during  
769 the year then current.

770 (4) The accrued liability contribution shall be  
771 discontinued as soon as the accumulated balance in the employer's  
772 accumulation account shall equal the present value, computed on  
773 the basis of the normal contribution rate then in force, or the  
774 prospective normal contributions to be received on account of all  
775 persons who are at that time members.

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

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



783           (d) **Expense account.** The expense account shall be the  
784 account to which the expenses of the administration of the system  
785 shall be charged, exclusive of amounts payable as retirement  
786 allowances and as other benefits provided herein. The Legislature  
787 shall make annual appropriations in amounts sufficient to  
788 administer the system, which shall be credited to this account.  
789 There shall be transferred to the State Treasury from this  
790 account, not less than once per month, an amount sufficient for  
791 payment of the estimated expenses of the system for the succeeding  
792 thirty (30) days. Any interest earned on the expense account  
793 shall accrue to the benefit of the system. However,  
794 notwithstanding the provisions of Sections 25-11-15(10) and  
795 25-11-105(f)(5)E, all expenses of the administration of the system  
796 shall be paid from the interest earnings, provided the interest  
797 earnings are in excess of the actuarial interest assumption as  
798 determined by the board, and provided the present cost of the  
799 administrative expense fee of two percent (2%) of the  
800 contributions reported by the political subdivisions and  
801 instrumentalities shall be reduced to one percent (1%) from and  
802 after July 1, 1983, through June 30, 1984, and shall be eliminated  
803 thereafter.

804           (e) **Collection of contributions.** The employer shall cause  
805 to be deducted on each and every payroll of a member for each and  
806 every payroll period, beginning subsequent to January 31, 1953,  
807 the contributions payable by the member as provided in Articles 1  
808 and 3.

809           The employer shall make deductions from salaries of employees  
810 as provided in Articles 1 and 3 and shall transmit monthly, or at  
811 such time as the board of trustees designates, the amount  
812 specified to be deducted to the Executive Director of the Public  
813 Employees' Retirement System. The executive director, after  
814 making a record of all those receipts, shall deposit such amounts  
815 as provided by law.

816 (f) (1) Upon the basis of each actuarial valuation provided  
817 herein, the board of trustees shall biennially determine the  
818 normal contribution rate and the accrued liability contribution  
819 rate as provided in this section. The sum of these two (2) rates  
820 shall be known as the "employer's contribution rate." Beginning  
821 on earned compensation effective January 1, 1990, the rate  
822 computed as provided in this section shall be nine and  
823 three-fourths percent (9-3/4%). The board shall reduce the  
824 employer's contribution rate by one percent (1%) from and after  
825 July 1 of the year following the year in which the board  
826 determines and the board's actuary certifies that the employer's  
827 contribution rate can be reduced by that amount without causing  
828 the unfunded accrued actuarial liability amortization period for  
829 the retirement system to exceed twenty (20) years. The percentage  
830 rate of those contributions shall be fixed biennially by the board  
831 on the basis of the liabilities of the retirement system for the  
832 various allowances and benefits as shown by actuarial  
833 valuation.

834 (2) The amount payable by the employer on account of  
835 normal and accrued liability contributions shall be determined by  
836 applying the employer's contribution rate to the amount of  
837 compensation earned by employees who are members of the system.  
838 Monthly, or at such time as the board of trustees designates, each  
839 department or agency shall compute the amount of the employer's  
840 contribution payable, with respect to the salaries of its  
841 employees who are members of the system, and shall cause that  
842 amount to be paid to the board of trustees from the personal  
843 service allotment of the amount appropriated for the operation of  
844 the department or agency, or from funds otherwise available to the  
845 agency, for the payment of salaries to its employees.

846 (3) Constables shall pay employer and employee  
847 contributions on their net fee income as well as the employee  
848 contributions on all direct treasury or county payroll income.

849 The county shall be responsible for the employer contribution on  
850 all direct treasury or county payroll income of constables.

851 (4) Chancery and circuit clerks shall be responsible  
852 for both the employer and employee share of contributions on the  
853 proportionate share of net income attributable to fees, as well as  
854 the employee share of net income attributable to direct treasury  
855 or county payroll income, and the employing county shall be  
856 responsible for the employer contributions on the net income  
857 attributable to direct treasury or county payroll income.

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

862 (6) The board shall provide by rules for the methods of  
863 collection of contributions of employers and members. The amounts  
864 determined due by an agency to the various funds as specified in  
865 Articles 1 and 3 are made obligations of the agency to the board  
866 and shall be paid as provided herein. Failure to deduct those  
867 contributions shall not relieve the employee and employer from  
868 liability thereof. Delinquent employee contributions and any  
869 accrued interest shall be the obligation of the employee and  
870 delinquent employer contributions and any accrued interest shall  
871 be the obligation of the employer. The employer may, in its  
872 discretion, elect to pay any or all of the interest on delinquent  
873 employee contributions. From and after July 1, 1996, under rules  
874 and regulations established by the board, all employers are  
875 authorized and shall transfer all funds due to the Public  
876 Employees' Retirement System electronically and shall transmit any  
877 wage or other reports by computerized reporting systems.

878 **[From and after July 1, 2007, this section shall read as**  
879 **follows:]**

880 25-11-123. All of the assets of the system shall be credited  
881 according to the purpose for which they are held to one (1) of

882 four (4) reserves; namely, the annuity savings account, the  
883 annuity reserve, the employer's accumulation account, and the  
884 expense account.

885 (a) **Annuity savings account.** In the annuity savings account  
886 shall be accumulated the contributions made by members to provide  
887 for their annuities, including interest thereon which shall be  
888 posted monthly. Credits to and charges against the annuity  
889 savings account shall be made as follows:

890 (1) Beginning July 1, 1991, the employer shall cause to  
891 be deducted from the salary of each member on each and every  
892 payroll of the employer for each and every payroll period seven  
893 and one-fourth percent (7-1/4%) of earned compensation as defined  
894 in Section 25-11-103. Future contributions shall be fixed  
895 biennially by the board on the basis of the liabilities of the  
896 retirement system for the various allowances and benefits as shown  
897 by actuarial valuation; however, any member earning at a rate less  
898 than Sixteen Dollars and Sixty-seven Cents (\$16.67) per month, or  
899 Two Hundred Dollars (\$200.00) per year, shall contribute not less  
900 than One Dollar (\$1.00) per month, or Twelve Dollars (\$12.00) per  
901 year.

902 (2) The deductions provided herein shall be made  
903 notwithstanding that the minimum compensation provided by law for  
904 any member is reduced thereby. Every member shall be deemed to  
905 consent and agree to the deductions made and provided for herein  
906 and shall receipt for his full salary or compensation, and payment  
907 of salary or compensation less the deduction shall be a full and  
908 complete discharge and acquittance of all claims and demands  
909 whatsoever for the services rendered by the person during the  
910 period covered by the payment, except as to the benefits provided  
911 under Articles 1 and 3. The board shall provide by rules for the  
912 methods of collection of contributions from members and the  
913 employer. The board shall have full authority to require the

914 production of evidence necessary to verify the correctness of  
915 amounts contributed.

916 (b) **Annuity reserve.** The annuity reserve shall be the  
917 account representing the actuarial value of all annuities in  
918 force, and to it shall be charged all annuities and all benefits  
919 in lieu of annuities, payable as provided in this article. If a  
920 beneficiary retired on account of disability is restored to active  
921 service with a compensation not less than his average final  
922 compensation at the time of his last retirement, the remainder of  
923 his contributions shall be transferred from the annuity reserve to  
924 the annuity savings account and credited to his individual account  
925 therein, and the balance of his annuity reserve shall be  
926 transferred to the employer's accumulation account.

927 (c) **Employer's accumulation account.** The employer's  
928 accumulation account shall represent the accumulation of all  
929 reserves for the payment of all retirement allowances and other  
930 benefits payable from contributions made by the employer, and  
931 against this account shall be charged all retirement allowances  
932 and other benefits on account of members. Credits to and charges  
933 against the employer's accumulation account shall be made as  
934 follows:

935 (1) On account of each member there shall be paid  
936 monthly into the employer's accumulation account by the employers  
937 for the preceding fiscal year an amount equal to a certain  
938 percentage of the total earned compensation, as defined in Section  
939 25-11-103, of each member. The percentage rate of those  
940 contributions shall be fixed biennially by the board on the basis  
941 of the liabilities of the retirement system for the various  
942 allowances and benefits as shown by actuarial valuation.  
943 Beginning January 1, 1990, the rate shall be fixed at nine and  
944 three-fourths percent (9-3/4%). The board shall reduce the  
945 employer's contribution rate by one percent (1%) from and after  
946 July 1 of the year following the year in which the board

947 determines and the board's actuary certifies that the employer's  
948 contribution rate can be reduced by that amount without causing  
949 the unfunded accrued actuarial liability amortization period for  
950 the retirement system to exceed twenty (20) years. Political  
951 subdivisions joining Article 3 of the Public Employees' Retirement  
952 System after July 1, 1968, may adjust the employer's contributions  
953 by agreement with the Board of Trustees of the Public Employees'  
954 Retirement System to provide service credits for any period before  
955 execution of the agreement based upon an actuarial determination  
956 of employer's contribution rates.

957           (2) On the basis of regular interest and of such  
958 mortality and other tables as are adopted by the board of  
959 trustees, the actuary engaged by the board to make each valuation  
960 required by this article during the period over which the accrued  
961 liability contribution is payable, immediately after making that  
962 valuation, shall determine the uniform and constant percentage of  
963 the earnable compensation of each member which, if contributed by  
964 the employer on the basis of compensation of the member throughout  
965 his entire period of membership service, would be sufficient to  
966 provide for the payment of any retirement allowance payable on his  
967 account for that service. The percentage rate so determined shall  
968 be known as the "normal contribution rate." After the accrued  
969 liability contribution has ceased to be payable, the normal  
970 contribution rate shall be the percentage rate of the salary of  
971 all members obtained by deducting from the total liabilities on  
972 account of membership service the amount in the employer's  
973 accumulation account, and dividing the remainder by one percent  
974 (1%) of the present value of the prospective future salaries of  
975 all members as computed on the basis of the mortality and service  
976 tables adopted by the board of trustees and regular interest. The  
977 normal rate of contributions shall be determined by the actuary  
978 after each valuation.

979           (3) The total amount payable in each year to the  
980 employer's accumulation account shall not be less than the sum of  
981 the percentage rate known as the "normal contribution" rate and  
982 the "accrued liability contribution" rate of the total  
983 compensation earnable by all members during the preceding year,  
984 provided that the payment by the employer shall be sufficient,  
985 when combined with the amounts in the account, to provide the  
986 allowances and other benefits chargeable to this account during  
987 the year then current.

988           (4) The accrued liability contribution shall be  
989 discontinued as soon as the accumulated balance in the employer's  
990 accumulation account shall equal the present value, computed on  
991 the basis of the normal contribution rate then in force, or the  
992 prospective normal contributions to be received on account of all  
993 persons who are at that time members.

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

998           (6) Upon the retirement of a member, an amount equal to  
999 his retirement allowance shall be transferred from the employer's  
1000 accumulation account to the annuity reserve.

1001           (d) **Expense account.** The expense account shall be the  
1002 account to which the expenses of the administration of the system  
1003 shall be charged, exclusive of amounts payable as retirement  
1004 allowances and as other benefits provided herein. The Legislature  
1005 shall make annual appropriations in amounts sufficient to  
1006 administer the system, which shall be credited to this account.  
1007 There shall be transferred to the State Treasury from this  
1008 account, not less than once per month, an amount sufficient for  
1009 payment of the estimated expenses of the system for the succeeding  
1010 thirty (30) days. Any interest earned on the expense account  
1011 shall accrue to the benefit of the system. However,

1012 notwithstanding the provisions of Sections 25-11-15(10) and  
1013 25-11-105(f)(5)E, all expenses of the administration of the system  
1014 shall be paid from the interest earnings, provided the interest  
1015 earnings are in excess of the actuarial interest assumption as  
1016 determined by the board, and provided the present cost of the  
1017 administrative expense fee of two percent (2%) of the  
1018 contributions reported by the political subdivisions and  
1019 instrumentalities shall be reduced to one percent (1%) from and  
1020 after July 1, 1983, through June 30, 1984, and shall be eliminated  
1021 thereafter.

1022       (e) **Collection of contributions.** The employer shall cause  
1023 to be deducted on each and every payroll of a member for each and  
1024 every payroll period, beginning subsequent to January 31, 1953,  
1025 the contributions payable by the member as provided in Articles 1  
1026 and 3.

1027       The employer shall make deductions from salaries of employees  
1028 as provided in Articles 1 and 3 and shall transmit monthly, or at  
1029 such time as the board of trustees designates, the amount  
1030 specified to be deducted to the Executive Director of the Public  
1031 Employees' Retirement System. The executive director, after  
1032 making a record of all those receipts, shall deposit such amounts  
1033 as provided by law.

1034       (f) (1) Upon the basis of each actuarial valuation provided  
1035 herein, the board of trustees shall biennially determine the  
1036 normal contribution rate and the accrued liability contribution  
1037 rate as provided in this section. The sum of these two (2) rates  
1038 shall be known as the "employer's contribution rate." Beginning  
1039 on earned compensation effective January 1, 1990, the rate  
1040 computed as provided in this section shall be nine and  
1041 three-fourths percent (9-3/4%). The board shall reduce the  
1042 employer's contribution rate by one percent (1%) from and after  
1043 July 1 of the year following the year in which the board  
1044 determines and the board's actuary certifies that the employer's



1045 contribution rate can be reduced by that amount without causing  
1046 the unfunded accrued actuarial liability amortization period for  
1047 the retirement system to exceed twenty (20) years. The percentage  
1048 rate of those contributions shall be fixed biennially by the board  
1049 on the basis of the liabilities of the retirement system for the  
1050 various allowances and benefits as shown by actuarial  
1051 valuation.

1052 (2) The amount payable by the employer on account of  
1053 normal and accrued liability contributions shall be determined by  
1054 applying the employer's contribution rate to the amount of  
1055 compensation earned by employees who are members of the system.  
1056 Monthly, or at such time as the board of trustees designates, each  
1057 department or agency shall compute the amount of the employer's  
1058 contribution payable, with respect to the salaries of its  
1059 employees who are members of the system, and shall cause that  
1060 amount to be paid to the board of trustees from the personal  
1061 service allotment of the amount appropriated for the operation of  
1062 the department or agency, or from funds otherwise available to the  
1063 agency, for the payment of salaries to its employees.

1064 (3) Constables shall pay employer and employee  
1065 contributions on their net fee income as well as the employee  
1066 contributions on all direct treasury or county payroll income.  
1067 The county shall be responsible for the employer contribution on  
1068 all direct treasury or county payroll income of constables.

1069 (4) Chancery and circuit clerks shall be responsible  
1070 for both the employer and employee share of contributions on the  
1071 proportionate share of net income attributable to fees, as well as  
1072 the employee share of net income attributable to direct treasury  
1073 or county payroll income, and the employing county shall be  
1074 responsible for the employer contributions on the net income  
1075 attributable to direct treasury or county payroll income.

1076 (5) Once each year, under procedures established by the  
1077 system, each employer shall submit to the Public Employees'

1078 Retirement System a copy of their report to Social Security of all  
1079 employees' earnings.

1080 (6) The board shall provide by rules for the methods of  
1081 collection of contributions of employers and members. The amounts  
1082 determined due by an agency to the various funds as specified in  
1083 Articles 1 and 3 are made obligations of the agency to the board  
1084 and shall be paid as provided herein. Failure to deduct those  
1085 contributions shall not relieve the employee and employer from  
1086 liability thereof. Delinquent employee contributions and any  
1087 accrued interest shall be the obligation of the employee and  
1088 delinquent employer contributions and any accrued interest shall  
1089 be the obligation of the employer. The employer may, in its  
1090 discretion, elect to pay any or all of the interest on delinquent  
1091 employee contributions. From and after July 1, 1996, under rules  
1092 and regulations established by the board, all employers are  
1093 authorized and shall transfer all funds due to the Public  
1094 Employees' Retirement System electronically and shall transmit any  
1095 wage or other reports by computerized reporting systems.

1096 **SECTION 4.** Section 25-11-127, Mississippi Code of 1972, is  
1097 amended as follows:

1098 **[Through June 30, 2007, this section shall read as follows:]**

1099 25-11-127. (1) (a) No person who is being paid a  
1100 retirement allowance or a pension after retirement under this  
1101 article shall be employed or paid for any service by the State of  
1102 Mississippi, except as provided in this section or in Section  
1103 25-11-126.

1104 (b) No retiree of this retirement system who is  
1105 reemployed or is reelected to office after retirement shall  
1106 continue to draw retirement benefits while so reemployed, except  
1107 as provided in this section or in Section 25-11-126.

1108 (c) No person employed or elected under the exceptions  
1109 provided for in this section shall become a member under Article 3  
1110 of the retirement system.

1111           (2) Except as otherwise provided in Section 25-11-126, any  
1112 person who has been retired under the provisions of Article 3 and  
1113 who is later reemployed in service covered by this article shall  
1114 cease to receive benefits under this article and shall again  
1115 become a contributing member of the retirement system. When the  
1116 person retires again, if the person has been a contributing member  
1117 of the retirement system during his reemployment and the  
1118 reemployment exceeds six (6) months, the person shall have his or  
1119 her benefit recomputed, including service after again becoming a  
1120 member, provided that the total retirement allowance paid to the  
1121 retired member in his or her previous retirement shall be deducted  
1122 from the member's retirement reserve and taken into consideration  
1123 in recalculating the retirement allowance under a new option  
1124 selected.

1125           (3) The board shall have the right to prescribe rules and  
1126 regulations for carrying out the provisions of this section.

1127           (4) The provisions of this section shall not be construed to  
1128 prohibit any retiree, regardless of age, from being employed and  
1129 drawing a retirement allowance either:

1130                 (a) For a period of time not to exceed one-half (1/2)  
1131 of the normal working days for the position in any fiscal year  
1132 during which the retiree will receive no more than one-half (1/2)  
1133 of the salary in effect for the position at the time of  
1134 employment, or

1135                 (b) For a period of time in any fiscal year sufficient  
1136 in length to permit a retiree to earn not in excess of twenty-five  
1137 percent (25%) of retiree's average compensation.

1138           To determine the normal working days for a position under  
1139 paragraph (a) of this subsection, the employer shall determine the  
1140 required number of working days for the position on a full-time  
1141 basis and the equivalent number of hours representing the  
1142 full-time position. The retiree then may work up to one-half  
1143 (1/2) of the required number of working days or up to one-half

1144 (1/2) of the equivalent number of hours and receive up to one-half  
1145 (1/2) of the salary for the position. In the case of employment  
1146 with multiple employers, the limitation shall equal one-half (1/2)  
1147 of the number of days or hours for a single full-time position.

1148 Notice shall be given in writing to the executive director,  
1149 setting forth the facts upon which the employment is being made,  
1150 and the notice shall be given within five (5) days from the date  
1151 of employment and also from the date of termination of the  
1152 employment.

1153 (5) Any member may continue in municipal or county elected  
1154 office or be elected to a municipal or county office, provided  
1155 that the person:

1156 (a) Files annually, in writing, in the office of the  
1157 employer and the office of the executive director of the system  
1158 before the person takes office or as soon as possible after  
1159 retirement, a waiver of all salary or compensation and elects to  
1160 receive in lieu of that salary or compensation a retirement  
1161 allowance as provided in this section, in which event no salary or  
1162 compensation shall thereafter be due or payable for those  
1163 services; however, any such officer or employee may receive, in  
1164 addition to the retirement allowance, office expense allowance,  
1165 mileage or travel expense authorized by any statute of the State  
1166 of Mississippi; or

1167 (b) Elects to receive compensation for that elective  
1168 office in an amount not to exceed twenty-five percent (25%) of the  
1169 retiree's average compensation. As used in this paragraph, the  
1170 term "compensation" shall not include office expense allowance,  
1171 mileage or travel expense authorized by a statute of the State of  
1172 Mississippi. In order to receive compensation as allowed in this  
1173 paragraph, the member shall file annually, in writing, in the  
1174 office of the employer and the office of the executive director of  
1175 the system, an election to receive, in addition to a retirement  
1176 allowance, compensation as allowed in this paragraph.

1177 [From and after July 1, 2007, this section shall read as  
1178 follows:]

1179 25-11-127. (1) (a) No person who is being paid a  
1180 retirement allowance or a pension after retirement under this  
1181 article shall be employed or paid for any service by the State of  
1182 Mississippi, except as provided in this section.

1183 (b) No retiree of this retirement system who is  
1184 reemployed or is reelected to office after retirement shall  
1185 continue to draw retirement benefits while so reemployed, except  
1186 as provided in this section.

1187 (c) No person employed or elected under the exceptions  
1188 provided for in this section shall become a member under Article 3  
1189 of the retirement system.

1190 (2) Any person who has been retired under the provisions of  
1191 Article 3 and who is later reemployed in service covered by this  
1192 article shall cease to receive benefits under this article and  
1193 shall again become a contributing member of the retirement system.  
1194 When the person retires again, if the reemployment exceeds six (6)  
1195 months, the person shall have his or her benefit recomputed,  
1196 including service after again becoming a member, provided that the  
1197 total retirement allowance paid to the retired member in his or  
1198 her previous retirement shall be deducted from the member's  
1199 retirement reserve and taken into consideration in recalculating  
1200 the retirement allowance under a new option selected.

1201 (3) The board shall have the right to prescribe rules and  
1202 regulations for carrying out the provisions of this section.

1203 (4) The provisions of this section shall not be construed to  
1204 prohibit any retiree, regardless of age, from being employed and  
1205 drawing a retirement allowance either:

1206 (a) For a period of time not to exceed one-half (1/2)  
1207 of the normal working days for the position in any fiscal year  
1208 during which the retiree will receive no more than one-half (1/2)

1209 of the salary in effect for the position at the time of  
1210 employment, or

1211 (b) For a period of time in any fiscal year sufficient  
1212 in length to permit a retiree to earn not in excess of twenty-five  
1213 percent (25%) of retiree's average compensation.

1214 To determine the normal working days for a position under  
1215 paragraph (a) of this subsection, the employer shall determine the  
1216 required number of working days for the position on a full-time  
1217 basis and the equivalent number of hours representing the  
1218 full-time position. The retiree then may work up to one-half  
1219 (1/2) of the required number of working days or up to one-half  
1220 (1/2) of the equivalent number of hours and receive up to one-half  
1221 (1/2) of the salary for the position. In the case of employment  
1222 with multiple employers, the limitation shall equal one-half (1/2)  
1223 of the number of days or hours for a single full-time position.

1224 Notice shall be given in writing to the executive director,  
1225 setting forth the facts upon which the employment is being made,  
1226 and the notice shall be given within five (5) days from the date  
1227 of employment and also from the date of termination of the  
1228 employment.

1229 (5) Any member may continue in municipal or county elected  
1230 office or be elected to a municipal or county office, provided  
1231 that the person:

1232 (a) Files annually, in writing, in the office of the  
1233 employer and the office of the executive director of the system  
1234 before the person takes office or as soon as possible after  
1235 retirement, a waiver of all salary or compensation and elects to  
1236 receive in lieu of that salary or compensation a retirement  
1237 allowance as provided in this section, in which event no salary or  
1238 compensation shall thereafter be due or payable for those  
1239 services; however, any such officer or employee may receive, in  
1240 addition to the retirement allowance, office expense allowance,

1241 mileage or travel expense authorized by any statute of the State  
1242 of Mississippi; or

1243 (b) Elects to receive compensation for that elective  
1244 office in an amount not to exceed twenty-five percent (25%) of the  
1245 retiree's average compensation. As used in this paragraph, the  
1246 term "compensation" shall not include office expense allowance,  
1247 mileage or travel expense authorized by a statute of the State of  
1248 Mississippi. In order to receive compensation as allowed in this  
1249 paragraph, the member shall file annually, in writing, in the  
1250 office of the employer and the office of the executive director of  
1251 the system, an election to receive, in addition to a retirement  
1252 allowance, compensation as allowed in this paragraph.

1253 **SECTION 5.** Section 37-19-7, Mississippi Code of 1972, is  
1254 amended as follows:

1255 **[Through June 30, 2007, this section shall read as follows:]**

1256 37-19-7. (1) This section shall be known and may be cited  
1257 as the Mississippi "Teacher Opportunity Program (TOP)." The  
1258 allowance in the minimum education program and the Mississippi  
1259 Adequate Education Program for teachers' salaries in each county  
1260 and separate school district shall be determined and paid in  
1261 accordance with the scale for teachers' salaries as provided in  
1262 this subsection. For teachers holding the following types of  
1263 licenses or the equivalent as determined by the State Board of  
1264 Education, and the following number of years of teaching  
1265 experience, the scale shall be as follows:

1266 \* \* \*

1267 **2005-2006 School Year and School Years Thereafter**

1268 **Less Than 25 Years of Teaching Experience**

1269	AAAA.....	\$ 34,000.00
1270	AAA.....	33,000.00
1271	AA.....	32,000.00
1272	A.....	30,000.00

1273 **25 or More Years of Teaching Experience**

1274	AAAA.....	\$ 36,000.00
1275	AAA.....	35,000.00
1276	AA.....	34,000.00
1277	A.....	32,000.00

1278       The State Board of Education shall revise the salary scale  
1279 prescribed above for the 2005-2006 school year to conform to any  
1280 adjustments made to the salary scale in prior fiscal years due to  
1281 revenue growth over and above five percent (5%). For each one  
1282 percent (1%) that the Sine Die General Fund Revenue Estimate  
1283 Growth exceeds five percent (5%) for fiscal year 2006, as  
1284 certified by the Legislative Budget Office to the State Board of  
1285 Education and subject to specific appropriation therefor by the  
1286 Legislature, the State Board of Education shall revise the salary  
1287 scale to provide an additional one percent (1%) across the board  
1288 increase in the base salaries for each type of license.

1289       It is the intent of the Legislature that any state funds made  
1290 available for salaries of licensed personnel in excess of the  
1291 funds paid for such salaries for the 1986-1987 school year shall  
1292 be paid to licensed personnel pursuant to a personnel appraisal  
1293 and compensation system implemented by the State Board of  
1294 Education. The State Board of Education shall have the authority  
1295 to adopt and amend rules and regulations as are necessary to  
1296 establish, administer and maintain the system.

1297       All teachers employed on a full-time basis shall be paid a  
1298 minimum salary in accordance with the above scale. However, no  
1299 school district shall receive any funds under this section for any  
1300 school year during which the local supplement paid to any  
1301 individual teacher shall have been reduced to a sum less than that  
1302 paid to that individual teacher for performing the same duties  
1303 from local supplement during the immediately preceding school  
1304 year. The amount actually spent for the purposes of group health  
1305 and/or life insurance shall be considered as a part of the



1306 aggregate amount of local supplement but shall not be considered a  
1307 part of the amount of individual local supplement.

1308 \* \* \*

1309 **2005-2006 School Year**

1310 **and School Years Thereafter Annual Increments**

1311 For teachers holding a Class AAAA license, the minimum base  
1312 pay specified in this subsection shall be increased by the sum of  
1313 Seven Hundred Seventy Dollars (\$770.00) for each year of teaching  
1314 experience possessed by the person holding such license until such  
1315 person shall have twenty-five (25) years of teaching experience.

1316 For teachers holding a Class AAA license, the minimum base  
1317 pay specified in this subsection shall be increased by the sum of  
1318 Seven Hundred Five Dollars (\$705.00) for each year of teaching  
1319 experience possessed by the person holding such license until such  
1320 person shall have twenty-five (25) years of teaching experience.

1321 For teachers holding a Class AA license, the minimum base pay  
1322 specified in this subsection shall be increased by the sum of Six  
1323 Hundred Forty Dollars (\$640.00) for each year of teaching  
1324 experience possessed by the person holding such license until such  
1325 person shall have twenty-five (25) years of teaching experience.

1326 For teachers holding a Class A license, the minimum base pay  
1327 specified in this subsection shall be increased by the sum of Four  
1328 Hundred Eighty Dollars (\$480.00) for each year of teaching  
1329 experience possessed by the person holding such license until such  
1330 person shall have twenty-four (24) years of teaching experience.

1331 The level of professional training of each teacher to be used  
1332 in establishing the salary allotment for the teachers for each  
1333 year shall be determined by the type of valid teacher's license  
1334 issued to those teachers on or before October 1 of the current  
1335 school year.

1336 (2) (a) The following employees shall receive an annual  
1337 salary supplement in the amount of Six Thousand Dollars

1338 (\$6,000.00), plus fringe benefits, in addition to any other  
1339 compensation to which the employee may be entitled:

1340 (i) Any licensed teacher who has met the  
1341 requirements and acquired a Master Teacher certificate from the  
1342 National Board for Professional Teaching Standards and who is  
1343 employed by a local school board or the State Board of Education  
1344 as a teacher and not as an administrator. Such teacher shall  
1345 submit documentation to the State Department of Education that the  
1346 certificate was received prior to October 15 in order to be  
1347 eligible for the full salary supplement in the current school  
1348 year, or the teacher shall submit such documentation to the State  
1349 Department of Education prior to February 15 in order to be  
1350 eligible for a prorated salary supplement beginning with the  
1351 second term of the school year.

1352 (ii) A licensed nurse who has met the requirements  
1353 and acquired a certificate from the National Board for  
1354 Certification of School Nurses, Inc., and who is employed by a  
1355 local school board or the State Board of Education as a school  
1356 nurse and not as an administrator. The licensed school nurse  
1357 shall submit documentation to the State Department of Education  
1358 that the certificate was received before October 15 in order to be  
1359 eligible for the full salary supplement in the current school  
1360 year, or the licensed school nurse shall submit the documentation  
1361 to the State Department of Education before February 15 in order  
1362 to be eligible for a prorated salary supplement beginning with the  
1363 second term of the school year. Provided, however, that the total  
1364 number of licensed school nurses eligible for a salary supplement  
1365 under this paragraph (ii) shall not exceed twenty (20).

1366 (iii) Any licensed school counselor who has met  
1367 the requirements and acquired a National Certified School  
1368 Counselor (NCSC) endorsement from the National Board of Certified  
1369 Counselors and who is employed by a local school board or the  
1370 State Board of Education as a counselor and not as an

1371 administrator. Such licensed school counselor shall submit  
1372 documentation to the State Department of Education that the  
1373 endorsement was received prior to October 15 in order to be  
1374 eligible for the full salary supplement in the current school  
1375 year, or the licensed school counselor shall submit such  
1376 documentation to the State Department of Education prior to  
1377 February 15 in order to be eligible for a prorated salary  
1378 supplement beginning with the second term of the school year.  
1379 However, any school counselor who started the National Board for  
1380 Professional Teaching Standards process for school counselors  
1381 between June 1, 2003, and June 30, 2004, and completes the  
1382 requirements and acquires the master teacher certificate shall be  
1383 entitled to the master teacher supplement, and those counselors  
1384 who complete the process shall be entitled to a one (1) time  
1385 reimbursement for the actual cost of the process as outlined in  
1386 paragraph (b) of this subsection.

1387           (iv) Any licensed speech-language pathologist and  
1388 audiologist who has met the requirements and acquired a  
1389 Certificate of Clinical Competence from the American  
1390 Speech-Language-Hearing Association and who is employed by a local  
1391 school board. Such licensed speech-language pathologist and  
1392 audiologist shall submit documentation to the State Department of  
1393 Education that the certificate or endorsement was received prior  
1394 to October 15 in order to be eligible for the full salary  
1395 supplement in the current school year, or the licensed  
1396 speech-language pathologist and audiologist shall submit such  
1397 documentation to the State Department of Education prior to  
1398 February 15 in order to be eligible for a prorated salary  
1399 supplement beginning with the second term of the school year.

1400           (b) An employee shall be reimbursed one (1) time for  
1401 the actual cost of completing the process of acquiring the  
1402 certificate or endorsement, excluding any costs incurred for  
1403 postgraduate courses, not to exceed Five Hundred Dollars (\$500.00)

1404 for a school counselor or speech-language pathologist and  
1405 audiologist, regardless of whether or not the process resulted in  
1406 the award of the certificate or endorsement. A local school  
1407 district or any private individual or entity may pay the cost of  
1408 completing the process of acquiring the certificate or endorsement  
1409 for any employee of the school district described under paragraph  
1410 (a), and the State Department of Education shall reimburse the  
1411 school district for such cost, regardless of whether or not the  
1412 process resulted in the award of the certificate or endorsement.  
1413 If a private individual or entity has paid the cost of completing  
1414 the process of acquiring the certificate or endorsement for an  
1415 employee, the local school district may agree to directly  
1416 reimburse the individual or entity for such cost on behalf of the  
1417 employee.

1418 (c) All salary supplements, fringe benefits and process  
1419 reimbursement authorized under this subsection shall be paid  
1420 directly by the State Department of Education to the local school  
1421 district and shall be in addition to its minimum education program  
1422 allotments and not a part thereof in accordance with regulations  
1423 promulgated by the State Board of Education, and subject to  
1424 appropriation by the Legislature. Local school districts shall  
1425 not reduce the local supplement paid to any employee receiving  
1426 such salary supplement, and the employee shall receive any local  
1427 supplement to which employees with similar training and experience  
1428 otherwise are entitled.

1429 (d) The State Department of Education may not pay any  
1430 process reimbursement to a school district for an employee who  
1431 does not complete the certification or endorsement process  
1432 required to be eligible for the certificate or endorsement. If an  
1433 employee for whom such cost has been paid in full or in part by a  
1434 local school district or private individual or entity fails to  
1435 complete the certification or endorsement process, the employee  
1436 shall be liable to the school district or individual or entity for

1437 all amounts paid by the school district or individual or entity on  
1438 behalf of that employee toward his or her certificate or  
1439 endorsement.

1440 (3) Notwithstanding any provision in this section to the  
1441 contrary, any person who is receiving a retirement allowance from  
1442 the Public Employees' Retirement System who is employed as a  
1443 teacher after his or her retirement, and chooses to continue  
1444 receiving the retirement allowance during his or her employment as  
1445 a teacher after his or her retirement, as authorized by Section  
1446 25-11-126, shall be paid a salary not less than the amount of the  
1447 salary for teachers with no experience filling similar positions,  
1448 nor more than eighty-five percent (85%) of the rate of  
1449 compensation set by the school district for teachers with  
1450 comparable training and years of experience filling similar  
1451 positions. Once the compensation is set, the retired member shall  
1452 not be entitled to any supplements, annual increments or other  
1453 increases.

1454 **[From and after July 1, 2007, this section shall read as**  
1455 **follows:]**

1456 37-19-7. (1) This section shall be known and may be cited  
1457 as the Mississippi "Teacher Opportunity Program (TOP)." The  
1458 allowance in the minimum education program and the Mississippi  
1459 Adequate Education Program for teachers' salaries in each county  
1460 and separate school district shall be determined and paid in  
1461 accordance with the scale for teachers' salaries as provided in  
1462 this subsection. For teachers holding the following types of  
1463 licenses or the equivalent as determined by the State Board of  
1464 Education, and the following number of years of teaching  
1465 experience, the scale shall be as follows:

1466 \* \* \*

1467 **2005-2006 School Year and School Years Thereafter**

1468 **Less Than 25 Years of Teaching Experience**

1469 AAAA..... \$ 34,000.00

1470	AAA.....	33,000.00
1471	AA.....	32,000.00
1472	A.....	30,000.00
1473	<b>25 or More Years of Teaching Experience</b>	
1474	AAAA.....	\$ 36,000.00
1475	AAA.....	35,000.00
1476	AA.....	34,000.00
1477	A.....	32,000.00

1478       The State Board of Education shall revise the salary scale  
1479 prescribed above for the 2005-2006 school year to conform to any  
1480 adjustments made to the salary scale in prior fiscal years due to  
1481 revenue growth over and above five percent (5%). For each one  
1482 percent (1%) that the Sine Die General Fund Revenue Estimate  
1483 Growth exceeds five percent (5%) for fiscal year 2006, as  
1484 certified by the Legislative Budget Office to the State Board of  
1485 Education and subject to specific appropriation therefor by the  
1486 Legislature, the State Board of Education shall revise the salary  
1487 scale to provide an additional one percent (1%) across the board  
1488 increase in the base salaries for each type of license.

1489       It is the intent of the Legislature that any state funds made  
1490 available for salaries of licensed personnel in excess of the  
1491 funds paid for such salaries for the 1986-1987 school year shall  
1492 be paid to licensed personnel pursuant to a personnel appraisal  
1493 and compensation system implemented by the State Board of  
1494 Education. The State Board of Education shall have the authority  
1495 to adopt and amend rules and regulations as are necessary to  
1496 establish, administer and maintain the system.

1497       All teachers employed on a full-time basis shall be paid a  
1498 minimum salary in accordance with the above scale. However, no  
1499 school district shall receive any funds under this section for any  
1500 school year during which the local supplement paid to any  
1501 individual teacher shall have been reduced to a sum less than that  
1502 paid to that individual teacher for performing the same duties

1503 from local supplement during the immediately preceding school  
1504 year. The amount actually spent for the purposes of group health  
1505 and/or life insurance shall be considered as a part of the  
1506 aggregate amount of local supplement but shall not be considered a  
1507 part of the amount of individual local supplement.

1508 \* \* \*

1509 **2005-2006 School Year**  
1510 **and School Years Thereafter Annual Increments**

1511 For teachers holding a Class AAAA license, the minimum base  
1512 pay specified in this subsection shall be increased by the sum of  
1513 Seven Hundred Seventy Dollars (\$770.00) for each year of teaching  
1514 experience possessed by the person holding such license until such  
1515 person shall have twenty-five (25) years of teaching experience.

1516 For teachers holding a Class AAA license, the minimum base  
1517 pay specified in this subsection shall be increased by the sum of  
1518 Seven Hundred Five Dollars (\$705.00) for each year of teaching  
1519 experience possessed by the person holding such license until such  
1520 person shall have twenty-five (25) years of teaching experience.

1521 For teachers holding a Class AA license, the minimum base pay  
1522 specified in this subsection shall be increased by the sum of Six  
1523 Hundred Forty Dollars (\$640.00) for each year of teaching  
1524 experience possessed by the person holding such license until such  
1525 person shall have twenty-five (25) years of teaching experience.

1526 For teachers holding a Class A license, the minimum base pay  
1527 specified in this subsection shall be increased by the sum of Four  
1528 Hundred Eighty Dollars (\$480.00) for each year of teaching  
1529 experience possessed by the person holding such license until such  
1530 person shall have twenty-four (24) years of teaching experience.

1531 The level of professional training of each teacher to be used  
1532 in establishing the salary allotment for the teachers for each  
1533 year shall be determined by the type of valid teacher's license  
1534 issued to those teachers on or before October 1 of the current  
1535 school year.

1536           (2) (a) The following employees shall receive an annual  
1537 salary supplement in the amount of Six Thousand Dollars  
1538 (\$6,000.00), plus fringe benefits, in addition to any other  
1539 compensation to which the employee may be entitled:

1540                   (i) Any licensed teacher who has met the  
1541 requirements and acquired a Master Teacher certificate from the  
1542 National Board for Professional Teaching Standards and who is  
1543 employed by a local school board or the State Board of Education  
1544 as a teacher and not as an administrator. Such teacher shall  
1545 submit documentation to the State Department of Education that the  
1546 certificate was received prior to October 15 in order to be  
1547 eligible for the full salary supplement in the current school  
1548 year, or the teacher shall submit such documentation to the State  
1549 Department of Education prior to February 15 in order to be  
1550 eligible for a prorated salary supplement beginning with the  
1551 second term of the school year.

1552                   (ii) A licensed nurse who has met the requirements  
1553 and acquired a certificate from the National Board for  
1554 Certification of School Nurses, Inc., and who is employed by a  
1555 local school board or the State Board of Education as a school  
1556 nurse and not as an administrator. The licensed school nurse  
1557 shall submit documentation to the State Department of Education  
1558 that the certificate was received before October 15 in order to be  
1559 eligible for the full salary supplement in the current school  
1560 year, or the licensed school nurse shall submit the documentation  
1561 to the State Department of Education before February 15 in order  
1562 to be eligible for a prorated salary supplement beginning with the  
1563 second term of the school year. Provided, however, that the total  
1564 number of licensed school nurses eligible for a salary supplement  
1565 under this paragraph (ii) shall not exceed twenty (20).

1566                   (iii) Any licensed school counselor who has met  
1567 the requirements and acquired a National Certified School  
1568 Counselor (NCSC) endorsement from the National Board of Certified



1569 Counselors and who is employed by a local school board or the  
1570 State Board of Education as a counselor and not as an  
1571 administrator. Such licensed school counselor shall submit  
1572 documentation to the State Department of Education that the  
1573 endorsement was received prior to October 15 in order to be  
1574 eligible for the full salary supplement in the current school  
1575 year, or the licensed school counselor shall submit such  
1576 documentation to the State Department of Education prior to  
1577 February 15 in order to be eligible for a prorated salary  
1578 supplement beginning with the second term of the school year.  
1579 However, any school counselor who started the National Board for  
1580 Professional Teaching Standards process for school counselors  
1581 between June 1, 2003, and June 30, 2004, and completes the  
1582 requirements and acquires the master teacher certificate shall be  
1583 entitled to the master teacher supplement, and those counselors  
1584 who complete the process shall be entitled to a one (1) time  
1585 reimbursement for the actual cost of the process as outlined in  
1586 paragraph (b) of this subsection.

1587                   (iv) Any licensed speech-language pathologist and  
1588 audiologist who has met the requirements and acquired a  
1589 Certificate of Clinical Competence from the American  
1590 Speech-Language-Hearing Association and who is employed by a local  
1591 school board. Such licensed speech-language pathologist and  
1592 audiologist shall submit documentation to the State Department of  
1593 Education that the certificate or endorsement was received prior  
1594 to October 15 in order to be eligible for the full salary  
1595 supplement in the current school year, or the licensed  
1596 speech-language pathologist and audiologist shall submit such  
1597 documentation to the State Department of Education prior to  
1598 February 15 in order to be eligible for a prorated salary  
1599 supplement beginning with the second term of the school year.

1600                   (b) An employee shall be reimbursed one (1) time for  
1601 the actual cost of completing the process of acquiring the

1602 certificate or endorsement, excluding any costs incurred for  
1603 postgraduate courses, not to exceed Five Hundred Dollars (\$500.00)  
1604 for a school counselor or speech-language pathologist and  
1605 audiologist, regardless of whether or not the process resulted in  
1606 the award of the certificate or endorsement. A local school  
1607 district or any private individual or entity may pay the cost of  
1608 completing the process of acquiring the certificate or endorsement  
1609 for any employee of the school district described under paragraph  
1610 (a), and the State Department of Education shall reimburse the  
1611 school district for such cost, regardless of whether or not the  
1612 process resulted in the award of the certificate or endorsement.  
1613 If a private individual or entity has paid the cost of completing  
1614 the process of acquiring the certificate or endorsement for an  
1615 employee, the local school district may agree to directly  
1616 reimburse the individual or entity for such cost on behalf of the  
1617 employee.

1618 (c) All salary supplements, fringe benefits and process  
1619 reimbursement authorized under this subsection shall be paid  
1620 directly by the State Department of Education to the local school  
1621 district and shall be in addition to its minimum education program  
1622 allotments and not a part thereof in accordance with regulations  
1623 promulgated by the State Board of Education, and subject to  
1624 appropriation by the Legislature. Local school districts shall  
1625 not reduce the local supplement paid to any employee receiving  
1626 such salary supplement, and the employee shall receive any local  
1627 supplement to which employees with similar training and experience  
1628 otherwise are entitled.

1629 (d) The State Department of Education may not pay any  
1630 process reimbursement to a school district for an employee who  
1631 does not complete the certification or endorsement process  
1632 required to be eligible for the certificate or endorsement. If an  
1633 employee for whom such cost has been paid in full or in part by a  
1634 local school district or private individual or entity fails to

1635 complete the certification or endorsement process, the employee  
1636 shall be liable to the school district or individual or entity for  
1637 all amounts paid by the school district or individual or entity on  
1638 behalf of that employee toward his or her certificate or  
1639 endorsement.

1640         **SECTION 6.** This act shall take effect and be in force from  
1641 and after July 1, 2005.