

By: Senator(s) Flowers

To: Finance

SENATE BILL NO. 2982

1 AN ACT TO AMEND SECTION 25-11-15, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT THE GOVERNOR SHALL APPOINT THE EXECUTIVE DIRECTOR
3 OF THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT
4 SYSTEM; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 25-11-15, Mississippi Code of 1972, is
7 amended as follows:

8 25-11-15. (1) Board of trustees: The general
9 administration and responsibility for the proper operation of the
10 Public Employees' Retirement System and the federal-state
11 agreement and for making effective the provisions of Articles 1
12 and 3 are vested in a board of trustees.

13 (2) The board shall consist of ten (10) trustees, as
14 follows:

15 (a) The State Treasurer;

16 (b) One (1) member who shall be appointed by the
17 Governor for a term of four (4) years, who shall be a member of
18 the system;

19 (c) Two (2) members of the system having at least ten
20 (10) years of creditable service who are state employees who are
21 not employees of the state institutions of higher learning, who
22 shall be elected by members of the system who are employees of
23 state agencies and by members of the Mississippi Highway Safety
24 Patrol Retirement System, but not by employees of the state
25 institutions of higher learning;

26 (d) Two (2) members of the system having at least ten
27 (10) years of creditable service who do not hold office in the
28 legislative or judicial departments of municipal or county

29 government, one (1) of whom shall be an employee of a
30 municipality, instrumentality or juristic entity thereof, who
31 shall be elected by members of the system who are employees of the
32 municipalities, instrumentalities or juristic entities thereof and
33 by members of the municipal systems and the firemen's and
34 policemen's disability and relief funds administered by the board
35 of trustees, and one (1) of whom shall be an employee of a county,
36 instrumentality or juristic entity thereof, who shall be elected
37 by members of the system who are employees of the counties,
38 instrumentalities or juristic entities thereof;

39 (e) One (1) member of the system having at least ten
40 (10) years of creditable service who is an employee of a state
41 institution of higher learning, who shall be elected by members of
42 the system who are employees of the state institutions of higher
43 learning as included in Section 37-101-1. Any member of the board
44 on July 1, 1984, who is an employee of an institution of higher
45 learning shall serve as the member trustee representing the
46 institutions of higher learning until the end of the term for
47 which he was elected;

48 (f) Two (2) retired members who are receiving a
49 retirement allowance from the system, who shall be elected by the
50 retired members or beneficiaries receiving a retirement allowance
51 from the system and by the retired members or beneficiaries of the
52 municipal systems, the firemen's and policemen's disability and
53 relief funds and the Mississippi Highway Safety Patrol Retirement
54 System administered by the board of trustees, to serve for a term
55 of six (6) years under rules and regulations adopted by the board
56 to govern that election; however, any retired member of the board
57 in office on April 19, 1993, shall serve as a retired trustee
58 until the end of the term for which he was elected;

59 (g) One (1) member of the system having at least ten
60 (10) years of creditable service who is an employee of any public
61 school district or junior college or community college district

62 that participates in the system, who shall be elected by the
63 members of the system who are employees of any public school
64 district or junior college or community college district; however,
65 any member of the board on June 30, 1989, who is a certified
66 classroom teacher shall serve as the member representing a
67 classroom teacher until the end of the term for which the member
68 was appointed;

69 (h) In the first election to be held for trustees one
70 (1) member shall be elected for a term of two (2) years, and one
71 (1) member for a term of four (4) years, and one (1) member for a
72 term of six (6) years. Thereafter, their successors shall be
73 elected for terms of six (6) years. All elections shall be held
74 in accordance with rules and regulations adopted by the board to
75 govern those elections and the board shall be the sole judge of
76 all questions arising incident to or connected with the elections.

77 (i) Any person eligible to vote for the election of a
78 member of the board of trustees and who meets the qualifications
79 for the office may seek election to the office and serve if
80 elected. For purposes of determining eligibility to seek office
81 as a member of the board of trustees, the required creditable
82 service in "the system" shall include each system administered by
83 the board of trustees in which the person is a member.

84 The members described above and serving on the board on June
85 30, 1989, shall continue to serve on the board until the
86 expiration of their terms.

87 (3) If a vacancy occurs in the office of a trustee, the
88 vacancy shall be filled for the unexpired term in the same manner
89 as the office was previously filled. However, if the unexpired
90 term is six (6) months or less, an election shall be held to fill
91 the office vacated for the next succeeding full term of office,
92 and the person so elected to fill the next full term shall be
93 appointed by the board to fill the remainder of the unexpired
94 term. Whenever any member who is elected to a position to

95 represent a class of members ceases to be a member of that class,
96 that board member is no longer eligible for membership on the
97 board. The position shall be declared vacant, and the unexpired
98 term shall be filled in the same manner as the office was
99 previously filled.

100 (4) Each trustee shall, within ten (10) days after his
101 appointment or election, take an oath of office as provided by law
102 and, in addition, shall take an oath that he will diligently and
103 honestly administer the affairs of the board, and that he will not
104 knowingly violate or willingly permit to be violated any of the
105 provisions of law applicable to Articles 1 and 3. The oath shall
106 be signed by the member making it, certified by the officer before
107 whom it is taken, and immediately filed in the office of the
108 Secretary of State.

109 (5) Each trustee shall be entitled to one (1) vote. Six (6)
110 members shall constitute a quorum at any meeting of the board, and
111 a majority of those present shall be necessary for a decision.

112 (6) Subject to the limitations of Articles 1 and 3, the
113 board shall establish rules and regulations for the administration
114 of the system created by those articles and for the transaction of
115 its business, and to give force and effect to the provisions of
116 those articles wherever necessary to carry out the intent and
117 purposes of the Legislature. The cited articles are remedial law
118 and shall be liberally construed to accomplish their purposes.

119 (7) Notwithstanding any other law to the contrary, in the
120 event of a natural disaster or other occurrence that results in
121 the failure of the retirement system's computer system or a
122 significant disruption of the normal activities of the retirement
123 system, the executive director of the board, or his deputy, shall
124 be authorized to contract with another entity, governmental or
125 private, during the period of the failure or disruption, for
126 services, commodities, work space and supplies as necessary to
127 carry out the administration of all systems and programs

128 administered by the board. The board shall be authorized to pay
129 the reasonable cost of those services, commodities, work space and
130 supplies. At the meeting of the board next following the
131 execution of a contract authorized under this subsection,
132 documentation of the contract, including a description of the
133 services, commodities, work space or supplies, the price thereof
134 and the nature of the disaster or occurrence, shall be presented
135 to the board and placed on the minutes of the board. Because of
136 their emergency nature, purchases made under this subsection shall
137 not be required to comply with the provisions of Section 31-7-13
138 or any other law governing public purchases.

139 (8) The computer equipment and software owned by the Public
140 Employees' Retirement System are assets of the Trust Fund by
141 virtue of the Constitution, Section 272-A and acquisition and
142 operation thereof shall be under the jurisdiction of the Public
143 Employees' Retirement System.

144 (9) (a) The board shall elect a chairman * * *.

145 (b) The board of trustees shall employ such actuarial,
146 clerical and other employees as are required to transact the
147 business of the system, and shall fix the compensation of all
148 employees, subject to the rules and regulations of the State
149 Personnel Board.

150 (c) The Governor shall, with the advice and consent of
151 the Senate, appoint a secretary of the board whose title shall be
152 executive director. The secretary shall serve for a term of
153 office that coincides with the term of Office of the Governor.
154 The secretary shall not be a member of the board of trustees,
155 shall be entitled to membership in the system and shall act as
156 secretary of the board.

157 (10) Each member of the board shall receive as compensation
158 for his services Three Hundred Dollars (\$300.00) per month. All
159 members of the board shall be reimbursed for their necessary
160 traveling expenses, which shall be paid in accordance with the

161 requirements of Section 25-3-41 or other applicable statutes with
162 respect to traveling expenses of state officials and employees on
163 official business. All members of the board shall be entitled to
164 be members of the system and shall be entitled to creditable
165 service for all time served as a member of the board, except for
166 the retired members, who shall not be entitled to be a member of
167 the system and who shall be eligible to receive the retirement
168 allowance and compensation for services from the system while
169 serving as a member of the board.

170 (11) All expenses of the board incurred in the
171 administration of Articles 1 and 3 shall be paid from such funds
172 as may be appropriated by the Legislature for that purpose or from
173 administrative fees collected from political subdivisions or
174 juristic entities of the state. Each political subdivision of the
175 state and each instrumentality of the state or of a political
176 subdivision or subdivisions that submit a plan for approval by the
177 board as provided in Section 25-11-11 shall reimburse the board,
178 for coverage into the administrative expense fund, its pro rata
179 share of the total expense of administering Articles 1 and 3 as
180 provided by regulations of the board.

181 (12) There shall be an investment advisory board to provide
182 advice and counsel to the board of trustees regarding the
183 investment of the funds of the system. The advisory board shall
184 consist of three (3) members, one (1) appointed by the Governor,
185 one (1) appointed by the Lieutenant Governor, and one (1)
186 appointed by the Speaker of the House of Representatives. Each
187 member of the advisory board shall be someone who is not a public
188 employee who has had at least ten (10) years' experience in
189 investment banking or commercial banking or who has had at least
190 ten (10) years' professional experience in managing investments.
191 Each member of the advisory board shall serve for a term
192 concurrent with the term of the appointing authority. Any vacancy
193 on the advisory board shall be filled by appointment of the

194 original appointing authority for the remainder of the unexpired
195 term. Members of the advisory board shall receive no compensation
196 for their services, but shall be reimbursed for their actual and
197 necessary expenses incurred in the performance of their duties, as
198 provided in Section 25-3-41 for state officers and employees. The
199 advisory board shall operate under the rules and regulations of
200 the board of trustees and shall meet at such times as determined
201 by the board of trustees.

202 (13) The Lieutenant Governor may designate two (2) Senators
203 and the Speaker of the House of Representatives may designate two
204 (2) Representatives to attend any meeting of the Board of Trustees
205 of the Public Employees' Retirement System. The appointing
206 authorities may designate alternate members from their respective
207 houses to serve when the regular designees are unable to attend
208 the meetings of the board. The legislative designees shall have
209 no jurisdiction or vote on any matter within the jurisdiction of
210 the board. For attending meetings of the board, the legislators
211 shall receive per diem and expenses, which shall be paid from the
212 contingent expense funds of their respective houses in the same
213 amounts as provided for committee meetings when the Legislature is
214 not in session; however, no per diem and expenses for attending
215 meetings of the board will be paid while the Legislature is in
216 session. No per diem and expenses will be paid except for
217 attending meetings of the board without prior approval of the
218 proper committee in their respective houses.

219 **SECTION 2.** This act shall take effect and be in force from
220 and after July 1, 2005.