

By: Senator(s) Sparks

To: Rules

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2439

1 AN ACT TO CREATE A FIFTH TIER IN THE PUBLIC EMPLOYEES'
2 RETIREMENT SYSTEM OF MISSISSIPPI (PERS) FOR EMPLOYEES HIRED ON OR
3 AFTER JULY 1, 2025; TO TERMINATE THE SUPPLEMENTAL LEGISLATIVE
4 RETIREMENT PLAN (SLRP) FOR EMPLOYEES HIRED ON OR AFTER JULY 1,
5 2025; TO BRING FORWARD SECTIONS 25-11-101, 25-11-103, 25-11-105,
6 25-11-106, 25-11-106.1, 25-11-107, 25-11-109, 25-11-110,
7 25-11-111, 25-11-111.1, 25-11-112, 25-11-113, 25-11-114,
8 25-11-115, 25-11-115.1, 25-11-115.2, 25-11-117, 25-11-117.1,
9 25-11-118, 25-11-119, 25-11-119.1, 25-11-120, 25-11-121,
10 25-11-123, 25-11-124, 25-11-125, 25-11-126, 25-11-127, 25-11-129,
11 25-11-131, 25-11-133, 25-11-135, 25-11-137, 25-11-139, 25-11-141,
12 25-11-301, 25-11-303, 25-11-305, 25-11-307, 25-11-309, 25-11-311,
13 25-11-311.1, 25-11-312, 25-11-313, 25-11-315, 25-11-317 AND
14 25-11-319, MISSISSIPPI CODE OF 1972, FOR THE PURPOSE OF POSSIBLE
15 AMENDMENT; AND FOR RELATED PURPOSES.

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

17 **SECTION 1.** Section 25-11-101, Mississippi Code of 1972, is
18 brought forward as follows:

19 25-11-101. A retirement system is hereby established and
20 placed under the management of the board of trustees for the
21 purpose of providing retirement allowances and other benefits
22 under the provisions of this article for officers and employees in
23 the state service and their beneficiaries. The retirement system
24 provided by this article shall go into operation as of the first



25 day of the month following the effective date thereof, when
26 contributions by members shall begin and benefits shall become
27 payable.

28 This system shall be an agency of the State of Mississippi
29 having all the powers and privileges of a public corporation and
30 shall be known as the "Public Employees' Retirement System of
31 Mississippi." By such name all of its business shall be
32 transacted, all of its funds invested, and all of its cash and
33 securities and other property held; but in ordinary correspondence
34 the word "system" may be used instead of the full title. After
35 appropriation for administrative expenses and after payment of
36 investment management fees and costs, all funds of the system
37 shall be held in trust in the custody of the board of trustees as
38 funds of the beneficiaries of the trust. The Joint Legislative
39 Committee on Performance Evaluation and Expenditure Review is
40 hereby authorized and directed to have performed random actuarial
41 evaluations, as necessary, of the funds and expenses of the Public
42 Employees' Retirement System and to make annual reports to the
43 Legislature on the financial soundness of the system.

44 **SECTION 2.** Section 25-11-103, Mississippi Code of 1972, is
45 brought forward as follows:

46 25-11-103. (1) The following words and phrases as used in
47 Articles 1 and 3, unless a different meaning is plainly required
48 by the context, have the following meanings:



49 (a) "Accumulated contributions" means the sum of all
50 the amounts deducted from the compensation of a member and
51 credited to his or her individual account in the annuity savings
52 account, together with regular interest as provided in Section
53 25-11-123.

54 (b) "Actuarial cost" means the amount of funds
55 presently required to provide future benefits as determined by the
56 board based on applicable tables and formulas provided by the
57 actuary.

58 (c) "Actuarial equivalent" means a benefit of equal
59 value to the accumulated contributions, annuity or benefit, as the
60 case may be, when computed upon the basis of such mortality tables
61 as adopted by the board of trustees, and regular interest.

62 (d) "Actuarial tables" mean such tables of mortality
63 and rates of interest as adopted by the board in accordance with
64 the recommendation of the actuary.

65 (e) "Agency" means any governmental body employing
66 persons in the state service.

67 (f) "Average compensation" means the average of the
68 four (4) highest years of earned compensation reported for an
69 employee in a fiscal or calendar year period, or combination
70 thereof that do not overlap, or the last forty-eight (48)
71 consecutive months of earned compensation reported for an
72 employee. The four (4) years need not be successive or joined
73 years of service. In computing the average compensation for



74 retirement, disability or survivor benefits, any amount lawfully
75 paid in a lump sum for personal leave or major medical leave shall
76 be included in the calculation to the extent that the amount does
77 not exceed an amount that is equal to thirty (30) days of earned
78 compensation and to the extent that it does not cause the
79 employee's earned compensation to exceed the maximum reportable
80 amount specified in paragraph (k) of this subsection; however,
81 this thirty-day limitation shall not prevent the inclusion in the
82 calculation of leave earned under federal regulations before July
83 1, 1976, and frozen as of that date as referred to in Section
84 25-3-99. In computing the average compensation, no amounts shall
85 be used that are in excess of the amount on which contributions
86 were required and paid, and no nontaxable amounts paid by the
87 employer for health or life insurance premiums for the employee
88 shall be used. If any member who is or has been granted any
89 increase in annual salary or compensation of more than eight
90 percent (8%) retires within twenty-four (24) months from the date
91 that the increase becomes effective, then the board shall exclude
92 that part of the increase in salary or compensation that exceeds
93 eight percent (8%) in calculating that member's average
94 compensation for retirement purposes. The board may enforce this
95 provision by rule or regulation. However, increases in
96 compensation in excess of eight percent (8%) per year granted
97 within twenty-four (24) months of the date of retirement may be
98 included in the calculation of average compensation if



99 satisfactory proof is presented to the board showing that the
100 increase in compensation was the result of an actual change in the
101 position held or services rendered, or that the compensation
102 increase was authorized by the State Personnel Board or was
103 increased as a result of statutory enactment, and the employer
104 furnishes an affidavit stating that the increase granted within
105 the last twenty-four (24) months was not contingent on a promise
106 or agreement of the employee to retire. Nothing in Section
107 25-3-31 shall affect the calculation of the average compensation
108 of any member for the purposes of this article. The average
109 compensation of any member who retires before July 1, 1992, shall
110 not exceed the annual salary of the Governor.

111 (g) "Beneficiary" means any person entitled to receive
112 a retirement allowance, an annuity or other benefit as provided by
113 Articles 1 and 3. The term "beneficiary" may also include an
114 organization, estate, trust or entity; however, a beneficiary
115 designated or entitled to receive monthly payments under an
116 optional settlement based on life contingency or under a statutory
117 monthly benefit may only be a natural person. In the event of the
118 death before retirement of any member who became a member of the
119 system before July 1, 2007, and whose spouse and/or children are
120 not entitled to a retirement allowance on the basis that the
121 member has less than four (4) years of membership service credit,
122 or who became a member of the system on or after July 1, 2007, and
123 whose spouse and/or children are not entitled to a retirement



124 allowance on the basis that the member has less than eight (8)
125 years of membership service credit, and/or has not been married
126 for a minimum of one (1) year or the spouse has waived his or her
127 entitlement to a retirement allowance under Section 25-11-114, the
128 lawful spouse of a member at the time of the death of the member
129 shall be the beneficiary of the member unless the member has
130 designated another beneficiary after the date of marriage in
131 writing, and filed that writing in the office of the executive
132 director of the board of trustees. No designation or change of
133 beneficiary shall be made in any other manner.

134 (h) "Board" means the board of trustees provided in
135 Section 25-11-15 to administer the retirement system created under
136 this article.

137 (i) "Creditable service" means "prior service,"
138 "retroactive service" and all lawfully credited unused leave not
139 exceeding the accrual rates and limitations provided in Section
140 25-3-91 et seq., as of the date of withdrawal from service plus
141 "membership service" and other service for which credit is
142 allowable as provided in Section 25-11-109. Except to limit
143 creditable service reported to the system for the purpose of
144 computing an employee's retirement allowance or annuity or
145 benefits provided in this article, nothing in this paragraph shall
146 limit or otherwise restrict the power of the governing authority
147 of a municipality or other political subdivision of the state to
148 adopt such vacation and sick leave policies as it deems necessary.



149 (j) "Child" means either a natural child of the member,
150 a child that has been made a child of the member by applicable
151 court action before the death of the member, or a child under the
152 permanent care of the member at the time of the latter's death,
153 which permanent care status shall be determined by evidence
154 satisfactory to the board. For purposes of this paragraph, a
155 natural child of the member is a child of the member that is
156 conceived before the death of the member.

157 (k) "Earned compensation" means the full amount earned
158 during a fiscal year by an employee not to exceed the employee
159 compensation limit set pursuant to Section 401(a)(17) of the
160 Internal Revenue Code for the calendar year in which the fiscal
161 year begins and proportionately for less than one (1) year of
162 service. Except as otherwise provided in this paragraph, the
163 value of maintenance furnished to an employee shall not be
164 included in earned compensation. Earned compensation shall not
165 include any amounts paid by the employer for health or life
166 insurance premiums for an employee. Earned compensation shall be
167 limited to the regular periodic compensation paid, exclusive of
168 litigation fees, bond fees, performance-based incentive payments,
169 and other similar extraordinary nonrecurring payments. In
170 addition, any member in a covered position, as defined by Public
171 Employees' Retirement System laws and regulations, who is also
172 employed by another covered agency or political subdivision shall
173 have the earnings of that additional employment reported to the



174 Public Employees' Retirement System regardless of whether the
175 additional employment is sufficient in itself to be a covered
176 position. In addition, computation of earned compensation shall
177 be governed by the following:

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

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

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

189 (iv) The amount by which an eligible employee's
190 salary is reduced under a salary reduction agreement authorized
191 under Section 25-17-5 shall be included as earned compensation
192 under this paragraph, provided this inclusion does not conflict
193 with federal law, including federal regulations and federal
194 administrative interpretations under the federal law, pertaining
195 to the Federal Insurance Contributions Act or to Internal Revenue
196 Code Section 125 cafeteria plans.

197 (v) Compensation in addition to an employee's base
198 salary that is paid to the employee under the vacation and sick



199 leave policies of a municipality or other political subdivision of
200 the state that employs him or her that exceeds the maximums
201 authorized by Section 25-3-91 et seq. shall be excluded from the
202 calculation of earned compensation under this article.

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

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

208 (viii) The value of maintenance furnished to an
209 employee before July 1, 2013, for which the proper amount of
210 employer and employee contributions have been paid, shall be
211 included in earned compensation. From and after July 1, 2013, the
212 value of maintenance furnished to an employee shall be reported as
213 earned compensation only if the proper amount of employer and
214 employee contributions have been paid on the maintenance and the
215 employee was receiving maintenance and having maintenance reported
216 to the system as of June 30, 2013. The value of maintenance when
217 not paid in money shall be fixed by the employing state agency,
218 and, in case of doubt, by the board of trustees as defined in
219 Section 25-11-15.

220 (ix) Except as otherwise provided in this
221 paragraph, the value of any in-kind benefits provided by the
222 employer shall not be included in earned compensation. As used in
223 this subparagraph, "in-kind benefits" shall include, but not be



224 limited to, group life insurance premiums, health or dental
225 insurance premiums, nonpaid major medical and personal leave,
226 employer contributions for social security and retirement, tuition
227 reimbursement or educational funding, day care or transportation
228 benefits.

229 (l) "Employee" means any person legally occupying a
230 position in the state service, and shall include the employees of
231 the retirement system created under this article.

232 (m) "Employer" means the State of Mississippi or any of
233 its departments, agencies or subdivisions from which any employee
234 receives his or her compensation.

235 (n) "Executive director" means the secretary to the
236 board of trustees, as provided in Section 25-11-15(9), and the
237 administrator of the Public Employees' Retirement System and all
238 systems under the management of the board of trustees. Wherever
239 the term "Executive Secretary of the Public Employees' Retirement
240 System" or "executive secretary" appears in this article or in any
241 other provision of law, it shall be construed to mean the
242 Executive Director of the Public Employees' Retirement System.

243 (o) "Fiscal year" means the period beginning on July 1
244 of any year and ending on June 30 of the next succeeding year.

245 (p) "Medical board" means the board of physicians or
246 any governmental or nongovernmental disability determination
247 service designated by the board of trustees that is qualified to



248 make disability determinations as provided for in Section
249 25-11-119.

250 (q) "Member" means any person included in the
251 membership of the system as provided in Section 25-11-105. For
252 purposes of Sections 25-11-103, 25-11-105, 25-11-109, 25-11-111,
253 25-11-113, 25-11-114, 25-11-115 and 25-11-117, if a member of the
254 system withdrew from state service and received a refund of the
255 amount of the accumulated contributions to the credit of the
256 member in the annuity savings account before July 1, 2007, and the
257 person reenters state service and becomes a member of the system
258 again on or after July 1, 2007, and repays all or part of the
259 amount received as a refund and interest in order to receive
260 creditable service for service rendered before July 1, 2007, the
261 member shall be considered to have become a member of the system
262 on or after July 1, 2007, subject to the eight-year membership
263 service requirement, as applicable in those sections. For
264 purposes of Sections 25-11-103, 25-11-111, 25-11-114 and
265 25-11-115, if a member of the system withdrew from state service
266 and received a refund of the amount of the accumulated
267 contributions to the credit of the member in the annuity savings
268 account before July 1, 2011, and the person reenters state service
269 and becomes a member of the system again on or after July 1, 2011,
270 and repays all or part of the amount received as a refund and
271 interest in order to receive creditable service for service



272 rendered before July 1, 2011, the member shall be considered to
273 have become a member of the system on or after July 1, 2011.

274 (r) "Membership service" means service as an employee
275 in a covered position rendered while a contributing member of the
276 retirement system.

277 (s) "Position" means any office or any employment in
278 the state service, or two (2) or more of them, the duties of which
279 call for services to be rendered by one (1) person, including
280 positions jointly employed by federal and state agencies
281 administering federal and state funds. The employer shall
282 determine upon initial employment and during the course of
283 employment of an employee who does not meet the criteria for
284 coverage in the Public Employees' Retirement System based on the
285 position held, whether the employee is or becomes eligible for
286 coverage in the Public Employees' Retirement System based upon any
287 other employment in a covered agency or political subdivision. If
288 or when the employee meets the eligibility criteria for coverage
289 in the other position, then the employer must withhold
290 contributions and report wages from the noncovered position in
291 accordance with the provisions for reporting of earned
292 compensation. Failure to deduct and report those contributions
293 shall not relieve the employee or employer of liability thereof.
294 The board shall adopt such rules and regulations as necessary to
295 implement and enforce this provision.

296 (t) "Prior service" means:



297 (i) For persons who became members of the system
298 before July 1, 2007, service rendered before February 1, 1953, for
299 which credit is allowable under Sections 25-11-105 and 25-11-109,
300 and which shall allow prior service for any person who is now or
301 becomes a member of the Public Employees' Retirement System and
302 who does contribute to the system for a minimum period of four (4)
303 years.

304 (ii) For persons who became members of the system
305 on or after July 1, 2007, service rendered before February 1,
306 1953, for which credit is allowable under Sections 25-11-105 and
307 25-11-109, and which shall allow prior service for any person who
308 is now or becomes a member of the Public Employees' Retirement
309 System and who does contribute to the system for a minimum period
310 of eight (8) years.

311 (u) "Regular interest" means interest compounded
312 annually at such a rate as determined by the board in accordance
313 with Section 25-11-121.

314 (v) "Retirement allowance" means an annuity for life as
315 provided in this article, payable each year in twelve (12) equal
316 monthly installments beginning as of the date fixed by the board.
317 The retirement allowance shall be calculated in accordance with
318 Section 25-11-111. However, any spouse who received a spouse
319 retirement benefit in accordance with Section 25-11-111(d) before
320 March 31, 1971, and those benefits were terminated because of
321 eligibility for a social security benefit, may again receive his



322 or her spouse retirement benefit from and after making application
323 with the board of trustees to reinstate the spouse retirement
324 benefit.

325 (w) "Retroactive service" means service rendered after
326 February 1, 1953, for which credit is allowable under Section
327 25-11-105(b) and Section 25-11-105(k).

328 (x) "System" means the Public Employees' Retirement
329 System of Mississippi established and described in Section
330 25-11-101.

331 (y) "State" means the State of Mississippi or any
332 political subdivision thereof or instrumentality of the state.

333 (z) "State service" means all offices and positions of
334 trust or employment in the employ of the state, or any political
335 subdivision or instrumentality of the state, that elect to
336 participate as provided by Section 25-11-105(f), including the
337 position of elected or fee officials of the counties and their
338 deputies and employees performing public services or any
339 department, independent agency, board or commission thereof, and
340 also includes all offices and positions of trust or employment in
341 the employ of joint state and federal agencies administering state
342 and federal funds and service rendered by employees of the public
343 schools. Effective July 1, 1973, all nonprofessional public
344 school employees, such as bus drivers, janitors, maids,
345 maintenance workers and cafeteria employees, shall have the option
346 to become members in accordance with Section 25-11-105(b), and



347 shall be eligible to receive credit for services before July 1,
348 1973, provided that the contributions and interest are paid by the
349 employee in accordance with that section; in addition, the county
350 or municipal separate school district may pay the employer
351 contribution and pro rata share of interest of the retroactive
352 service from available funds. "State service" shall not include
353 the President of the Mississippi Lottery Corporation and personnel
354 employed by the Mississippi Lottery Corporation. From and after
355 July 1, 1998, retroactive service credit shall be purchased at the
356 actuarial cost in accordance with Section 25-11-105(b).

357 (aa) "Withdrawal from service" or "termination from
358 service" means complete severance of employment in the state
359 service of any member by resignation, dismissal or discharge.

360 (bb) The masculine pronoun, wherever used, includes the
361 feminine pronoun.

362 (2) For purposes of this article, the term "political
363 subdivision" shall have the meaning ascribed to such term in
364 Section 25-11-5 and shall also include public charter schools.

365 **SECTION 3.** Section 25-11-105, Mississippi Code of 1972, is
366 brought forward as follows:

367 25-11-105. **I. THOSE WHO ARE ELIGIBLE FOR MEMBERSHIP**

368 The membership of this retirement system shall be composed as
369 follows:

370 (a) (i) All persons who become employees in the state
371 service after January 31, 1953, and whose wages are subject to



372 payroll taxes and are lawfully reported on IRS Form W-2, except
373 those specifically excluded, or as to whom election is provided in
374 Articles 1 and 3, shall become members of the retirement system as
375 a condition of their employment.

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

386 (b) All persons who become employees in the state
387 service after January 31, 1953, except those specifically excluded
388 or as to whom election is provided in Articles 1 and 3, unless
389 they file with the board before the lapse of sixty (60) days of
390 employment or sixty (60) days after the effective date of the
391 cited articles, whichever is later, on a form prescribed by the
392 board, a notice of election not to be covered by the membership of
393 the retirement system and a duly executed waiver of all present
394 and prospective benefits that would otherwise inure to them on
395 account of their participation in the system, shall become members
396 of the retirement system; however, no credit for prior service



397 will be granted to members who became members of the system before
398 July 1, 2007, until they have contributed to Article 3 of the
399 retirement system for a minimum period of at least four (4) years,
400 or to members who became members of the system on or after July 1,
401 2007, until they have contributed to Article 3 of the retirement
402 system for a minimum period of at least eight (8) years. Those
403 members shall receive credit for services performed before January
404 1, 1953, in employment now covered by Article 3, but no credit
405 shall be granted for retroactive services between January 1, 1953,
406 and the date of their entry into the retirement system, unless the
407 employee pays into the retirement system both the employer's and
408 the employee's contributions on wages paid him during the period
409 from January 31, 1953, to the date of his becoming a contributing
410 member, together with interest at the rate determined by the board
411 of trustees. Members reentering after withdrawal from service
412 shall qualify for prior service under the provisions of Section
413 25-11-117. From and after July 1, 1998, upon eligibility as noted
414 above, the member may receive credit for such retroactive service
415 provided:

416 (i) The member shall furnish proof satisfactory to
417 the board of trustees of certification of that service from the
418 covered employer where the services were performed; and

419 (ii) The member shall pay to the retirement system
420 on the date he or she is eligible for that credit or at any time
421 thereafter before the date of retirement the actuarial cost for



422 each year of that creditable service. The provisions of this
423 subparagraph (ii) shall be subject to the limitations of Section
424 415 of the Internal Revenue Code and regulations promulgated under
425 Section 415.

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

430 (c) All persons who become employees in the state
431 service after January 31, 1953, and who are eligible for
432 membership in any other retirement system shall become members of
433 this retirement system as a condition of their employment, unless
434 they elect at the time of their employment to become a member of
435 that other system.

436 (d) All persons who are employees in the state service
437 on January 31, 1953, and who are members of any nonfunded
438 retirement system operated by the State of Mississippi, or any of
439 its departments or agencies, shall become members of this system
440 with prior service credit unless, before February 1, 1953, they
441 file a written notice with the board of trustees that they do not
442 elect to become members.

443 (e) All persons who are employees in the state service
444 on January 31, 1953, and who under existing laws are members of
445 any fund operated for the retirement of employees by the State of
446 Mississippi, or any of its departments or agencies, shall not be



447 entitled to membership in this retirement system unless, before
448 February 1, 1953, any such person indicates by a notice filed with
449 the board, on a form prescribed by the board, his individual
450 election and choice to participate in this system, but no such
451 person shall receive prior service credit unless he becomes a
452 member on or before February 1, 1953.

453 (f) Each political subdivision of the state and each
454 instrumentality of the state or a political subdivision, or both,
455 is authorized to submit, for approval by the board of trustees, a
456 plan for extending the benefits of this article to employees of
457 any such political subdivision or instrumentality. Each such plan
458 or any amendment to the plan for extending benefits thereof shall
459 be approved by the board of trustees if it finds that the plan, or
460 the plan as amended, is in conformity with such requirements as
461 are provided in Articles 1 and 3; however, upon approval of the
462 plan or any such plan previously approved by the board of
463 trustees, the approved plan shall not be subject to cancellation
464 or termination by the political subdivision or instrumentality.
465 No such plan shall be approved unless:

466 (i) It provides that all services that constitute
467 employment as defined in Section 25-11-5 and are performed in the
468 employ of the political subdivision or instrumentality, by any
469 employees thereof, shall be covered by the plan, with the
470 exception of municipal employees who are already covered by



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

473 (ii) It specifies the source or sources from which
474 the funds necessary to make the payments required by paragraph (d)
475 of Section 25-11-123 and of paragraph (f) (v)2 and 3 of this
476 section are expected to be derived and contains reasonable
477 assurance that those sources will be adequate for that purpose;

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

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

486 (v) It authorizes the board of trustees to
487 terminate the plan in its entirety in the discretion of the board
488 if it finds that there has been a failure to comply substantially
489 with any provision contained in the plan, the termination to take
490 effect at the expiration of such notice and on such conditions as
491 may be provided by regulations of the board and as may be
492 consistent with applicable federal law.

493 1. The board of trustees shall not finally
494 refuse to approve a plan submitted under paragraph (f), and shall
495 not terminate an approved plan without reasonable notice and



496 opportunity for hearing to each political subdivision or
497 instrumentality affected by the board's decision. The board's
498 decision in any such case shall be final, conclusive and binding
499 unless an appeal is taken by the political subdivision or
500 instrumentality aggrieved by the decision to the Circuit Court of
501 the First Judicial District of Hinds County, Mississippi, in
502 accordance with the provisions of law with respect to civil causes
503 by certiorari.

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

511 3. Every political subdivision or
512 instrumentality required to make payments under paragraph (f)(v)2
513 of this section is authorized, in consideration of the employees'
514 retention in or entry upon employment after enactment of Articles
515 1 and 3, to impose upon its employees, as to services that are
516 covered by an approved plan, a contribution with respect to wages
517 (as defined in Section 25-11-5) not exceeding the amount provided
518 in Section 25-11-123(d) if those services constituted employment
519 within the meaning of Articles 1 and 3, and to deduct the amount
520 of the contribution from the wages as and when paid.



521 Contributions so collected shall be paid into the contribution
522 fund as partial discharge of the liability of the political
523 subdivisions or instrumentalities under paragraph (f)(v)2 of this
524 section. Failure to deduct the contribution shall not relieve the
525 employee or employer of liability for the contribution.

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

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



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

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

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

567 If any member of any other actuarially funded system
568 maintained by an agency of the state changes his employment to an
569 agency covered by this system, the board of trustees may authorize
570 the receipt of the transfer of the member's creditable service and



571 of the present value of the member's employer's accumulation
572 account and of the present value of the member's accumulated
573 membership contributions from the other system, provided that the
574 employee agrees to the transfer of his accumulated membership
575 contributions to this system and provided that the other system is
576 authorized and agrees to make the transfer.

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

580 (k) Employees of a political subdivision or
581 instrumentality who were employed by the political subdivision or
582 instrumentality before an agreement between the entity and the
583 Public Employees' Retirement System to extend the benefits of this
584 article to its employees, and which agreement provides for the
585 establishment of retroactive service credit, and who became
586 members of the retirement system before July 1, 2007, and have
587 remained contributors to the retirement system for four (4) years,
588 or who became members of the retirement system on or after July 1,
589 2007, and have remained contributors to the retirement system for
590 eight (8) years, may receive credit for that retroactive service
591 with the political subdivision or instrumentality, provided that
592 the employee and/or employer, as provided under the terms of the
593 modification of the joinder agreement in allowing that coverage,
594 pay into the retirement system the employer's and employee's
595 contributions on wages paid the member during the previous



596 employment, together with interest or actuarial cost as determined
597 by the board covering the period from the date the service was
598 rendered until the payment for the credit for the service was
599 made. Those wages shall be verified by the Social Security
600 Administration or employer payroll records. Effective July 1,
601 1998, upon eligibility as noted above, a member may receive credit
602 for that retroactive service with the political subdivision or
603 instrumentality provided:

604 (i) The member shall furnish proof satisfactory to
605 the board of trustees of certification of those services from the
606 political subdivision or instrumentality where the services were
607 rendered or verification by the Social Security Administration;
608 and

609 (ii) The member shall pay to the retirement system
610 on the date he or she is eligible for that credit or at any time
611 thereafter before the date of retirement the actuarial cost for
612 each year of that creditable service. The provisions of this
613 subparagraph (ii) shall be subject to the limitations of Section
614 415 of the Internal Revenue Code and regulations promulgated under
615 Section 415.

616 Nothing contained in this paragraph (k) shall be construed to
617 limit the authority of the board to allow the correction of
618 reporting errors or omissions based on the payment of employee and
619 employer contributions plus applicable interest. Payment for that
620 time shall be made beginning with the most recent service. Upon



621 the payment of all or part of the required contributions, plus
622 interest or the actuarial cost as provided above, the member shall
623 receive credit for the period of creditable service for which full
624 payment has been made to the retirement system.

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

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

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

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

642 (a) Patient or inmate help in state charitable, penal
643 or correctional institutions;



644 (b) Students of any state educational institution
645 employed by any agency of the state for temporary, part-time or
646 intermittent work;

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

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

654 **III. TERMINATION OF MEMBERSHIP**

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

659 **SECTION 4.** Section 25-11-106, Mississippi Code of 1972, is
660 brought forward as follows:

661 25-11-106. (1) (a) Any constable in office as of July 1,
662 2005, whose position is covered in the Public Employees'
663 Retirement System by virtue of a plan submitted and approved under
664 Section 25-11-105(f) will remain a member of the Public Employees'
665 Retirement System.

666 (b) (i) The county is responsible for employer
667 contributions on all direct payments to the constable from the
668 county.



669 (ii) Except as otherwise provided in subparagraph
670 (iii) of this paragraph, the constable is responsible for the
671 employee contributions on direct payments to the constable from
672 the county and both the employer and employee share of
673 contributions on his or her net fee income.

674 (iii) For contributions required for calendar year
675 2014 and any calendar year thereafter, the county may elect, by
676 majority vote of the board of supervisors spread upon its minutes,
677 to be responsible for the employer share of contributions on the
678 net fee income of its constables. If the county elects to be
679 responsible for employer contributions under this provision, the
680 election shall be irrevocable until the board of supervisors takes
681 office for the next succeeding term of office at which time the
682 board may elect whether to continue the election. Notice shall be
683 given to the executive director of any election made under this
684 subparagraph (iii) within five (5) days after the election is
685 made.

686 (c) From and after January 1, 2006, in cases in which
687 the constable is responsible for both the employer and employee
688 contributions on net fee income, the county shall withhold from
689 fee income due to the constable a percentage amount, as set by the
690 board, of the gross fee income paid to the constable as estimated
691 retirement contributions and shall remit that amount to the
692 system. Not later than the date on which the annual report of
693 earnings is due to be filed as provided in Section 7-3-45, the



694 constable shall submit to the system a copy of the earnings record
695 and make complete payment of any required contributions on net
696 earnings from his or her office, but not less than the
697 contributions due on the governmental treasuries paid by the
698 county in the prior calendar year. If the constable fails to make
699 full payment of contributions at the time required, the system
700 shall certify the delinquency to the county and the county shall
701 withhold any and all payments and fees due to the constable until
702 such time as his or her retirement contributions are fully
703 reported and made.

704 (2) Any current or former constable for whom appropriate
705 employer and employee contributions and interest on all fees and
706 county income from covered service before January 1, 2006, have
707 not been made shall do one (1) of the following:

708 (a) Make the required payments or enter into an
709 irrevocable agreement by not later than December 31, 2005, to make
710 the payments for all calendar years before January 1, 2006.
711 Contributions and interest due and owing for covered services
712 before January 1, 2006, must be received by the system not later
713 than April 15, 2007, or such date as set forth in the payment
714 schedule mutually adopted by the member and the system.

715 (b) Elect, before December 31, 2005, not to pay
716 delinquent employee and employer contributions and applicable
717 interest for service as a constable before January 1, 2006. By
718 making this election, the current or former constable shall



719 irrevocably forfeit that service credit so as to be relieved of
720 the liability for additional employer and employee contributions
721 and applicable interest.

722 (3) Where a current or former constable fails to make
723 required contributions as provided in subsection (2) (a) of this
724 section, or where a current or former constable irrevocably elects
725 to forfeit service credit as provided in subsection (2) (b) of this
726 section, all employer and employee contributions previously paid
727 on that service shall be credited to the county as the reporting
728 entity to be distributed as appropriate between the county and the
729 constable or former constable. No further contributions shall be
730 due on that past service and any credit on that past service shall
731 be removed from the member's record and may not be reinstated at
732 any time in the future.

733 **SECTION 5.** Section 25-11-106.1, Mississippi Code of 1972, is
734 brought forward as follows:

735 25-11-106.1. (1) Any chancery or circuit clerk in office as
736 of January 1, 2011, whose position is covered in the Public
737 Employees' Retirement System by virtue of a plan submitted and
738 approved under Section 25-11-105(f) will remain a member of the
739 Public Employees' Retirement System.

740 (2) (a) (i) The county is responsible for employer
741 contributions on net income attributable to direct treasury or
742 county payroll income paid to the chancery or circuit clerk from
743 the county.



744 (ii) Except as otherwise provided in this
745 subsection (2), the chancery or circuit clerk is responsible for
746 the employee contributions on net income attributable to direct
747 treasury or county payroll income paid to the clerk and both the
748 employee and employer share of contributions on the proportionate
749 share of net income attributable to fees.

750 (iii) For contributions required for calendar year
751 2011 and any calendar year thereafter, the county may elect, by
752 majority vote of the board of supervisors spread upon its minutes,
753 to be responsible for the employer share of contributions on the
754 proportionate share of net income of the chancery and circuit
755 clerk attributable to fees. If the county elects to be
756 responsible for employer contributions under this provision, the
757 election shall be irrevocable until the board of supervisors takes
758 office for the next succeeding term of office at which time the
759 board may elect whether to continue the election. Notice shall be
760 given to the executive director of any election made under this
761 subparagraph (iii) within five (5) days after the election is
762 made.

763 (b) Not later than the date on which the annual report
764 of earnings is due to be filed with the Office of the State
765 Auditor, the chancery or circuit clerk shall submit to the system
766 a copy of the earnings record and make complete payment of
767 required contributions on net income from his or her office;
768 however, in no event shall the contributions be less than the



769 contributions due on the governmental treasuries paid by the
770 county in the prior calendar year.

771 (c) If the chancery or circuit clerk fails to make full
772 payment of contributions as required for calendar year 2010 or any
773 calendar year thereafter, the system shall certify the delinquency
774 to the county and the county shall withhold any and all payments
775 and fees, including accrued interest, due to the chancery or
776 circuit clerk in a manner as prescribed by board regulations until
777 such time as the total amount of his or her delinquent
778 contributions are withheld and pay the amount so withheld to the
779 system.

780 (3) Any current or former chancery or circuit clerk for whom
781 appropriate employee and employer contributions and interest on
782 all fees and county income from covered service before January 1,
783 2010, have not been made shall do one (1) of the following:

784 (a) Pay to the system the required contributions and
785 interest by not later than December 31, 2011. Failure to pay the
786 required contributions and interest by December 31, 2011, shall
787 constitute an irrevocable election to forfeit service credit for
788 any period for which contributions are delinquent. Upon such
789 forfeiture, the chancery or circuit clerk shall be relieved of the
790 liability for additional employee and employer contributions and
791 applicable interest for covered service before January 1, 2010.

792 (b) Elect, before December 31, 2011, not to pay
793 delinquent employee and employer contributions and applicable



794 interest for service as a chancery or circuit clerk before January
795 1, 2010. By making this election, the current or former chancery
796 or circuit clerk shall irrevocably forfeit service credit for any
797 period for which contributions are delinquent and shall not be
798 liable for employee and employer contributions and applicable
799 interest for covered service before January 1, 2010.

800 (4) If a current or former chancery or circuit clerk fails
801 to make required contributions as provided in subsection (3) (a) of
802 this section or elects to forfeit service credit as provided in
803 subsection (3) (b) of this section, all employee and employer
804 contributions previously paid on that service shall be credited to
805 the county as the reporting entity to be distributed as
806 appropriate between the county and the chancery or circuit clerk
807 or former chancery or circuit clerk. No further contributions
808 shall be due on that past service and any credit on that past
809 service shall be removed from the member's record and may not be
810 reinstated at any time in the future.

811 **SECTION 6.** Section 25-11-107, Mississippi Code of 1972, is
812 brought forward as follows:

813 25-11-107. The Board of Trustees of the Public Employees'
814 Retirement System is hereby authorized and empowered to include as
815 a coverage group under this article those regular full-time
816 civilian employees of the Mississippi National Guard whose entire
817 salary is paid on certification out of allotted federal funds,
818 provided funds are made available from the federal government or



819 state appropriations to pay employers' contributions on the
820 salaries of such employees. In event the employers' contributions
821 on such salaries should fail to be paid in full to the Public
822 Employees' Retirement System, the Board of Trustees of the Public
823 Employees' Retirement System shall be prevented from allowing
824 service credit for any such period of delinquency and such
825 retirants would be allowed only such service credits as had
826 accrued up to the time of any such delinquency; but members who
827 remain in the system with their service credits suspended during
828 any such period of delinquency may obtain full service credit upon
829 the payment of all employers' contributions due the retirement
830 system for the entire coverage group.

831 **SECTION 7.** Section 25-11-109, Mississippi Code of 1972, is
832 brought forward as follows:

833 25-11-109. (1) Under such rules and regulations as the
834 board of trustees shall adopt, each person who becomes a member of
835 this retirement system, as provided in Section 25-11-105, on or
836 before July 1, 1953, or who became a member of the system before
837 July 1, 2007, and contributes to the system for a minimum period
838 of four (4) years, or who became a member of the system on or
839 after July 1, 2007, and contributes to the system for a minimum
840 period of eight (8) years, shall receive credit for all state
841 service rendered before February 1, 1953. To receive that credit,
842 the member shall file a detailed statement of all services as an
843 employee rendered by him in the state service before February 1,



844 1953. For any member who joined the system after July 1, 1953,
845 and before July 1, 2007, any creditable service for which the
846 member is not required to make contributions shall not be credited
847 to the member until the member has contributed to the system for a
848 minimum period of at least four (4) years. For any member who
849 joined the system on or after July 1, 2007, any creditable service
850 for which the member is not required to make contributions shall
851 not be credited to the member until the member has contributed to
852 the system for a minimum period of at least eight (8) years.

853 (2) (a) (i) In the computation of creditable service for
854 service rendered before July 1, 2017, under the provisions of this
855 article, the total months of accumulative service during any
856 fiscal year shall be calculated in accordance with the schedule as
857 follows: ten (10) or more months of creditable service during any
858 fiscal year shall constitute a year of creditable service; seven
859 (7) months to nine (9) months inclusive, three-quarters (3/4) of a
860 year of creditable service; four (4) months to six (6) months
861 inclusive, one-half (1/2) year of creditable service; one (1)
862 month to three (3) months inclusive, one-quarter (1/4) of a year
863 of creditable service.

864 (ii) In the computation of creditable service
865 rendered on or after July 1, 2017, under the provisions of this
866 article, service credit shall be awarded in monthly increments in
867 a manner prescribed by regulations of the board.



868 (b) In no case shall credit be allowed for any period
869 of absence without compensation except for disability while in
870 receipt of a disability retirement allowance, nor shall less than
871 fifteen (15) days of service in any month, or service less than
872 the equivalent of one-half (1/2) of the normal working load for
873 the position and less than one-half (1/2) of the normal
874 compensation for the position in any month, constitute a month of
875 creditable service, nor shall more than one (1) year of service be
876 creditable for all services rendered in any one (1) fiscal year;
877 however, for a school employee, substantial completion of the
878 legal school term when and where the service was rendered shall
879 constitute a year of service credit. Any state or local elected
880 official shall be deemed a full-time employee for the purpose of
881 creditable service. However, an appointed or elected official
882 compensated on a per diem basis only shall not be allowed
883 creditable service for terms of office.

884 (c) In the computation of any retirement allowance or
885 any annuity or benefits provided in this article, any fractional
886 period of service of less than one (1) year shall be taken into
887 account and a proportionate amount of such retirement allowance,
888 annuity or benefit shall be granted for any such fractional period
889 of service.

890 (d) (i) In the computation of unused leave for
891 creditable service authorized in Section 25-11-103, the following
892 shall govern for members who retire before July 1, 2017:



893 twenty-one (21) days of unused leave shall constitute one (1)
894 month of creditable service and in no case shall credit be allowed
895 for any period of unused leave of less than fifteen (15) days.
896 The number of months of unused leave shall determine the number of
897 quarters or years of creditable service in accordance with the
898 above schedule for membership and prior service.

899 (ii) In the computation of unused leave for
900 creditable service authorized in Section 25-11-103, the following
901 shall govern for members who retire on or after July 1, 2017:
902 creditable service for unused leave shall be calculated in monthly
903 increments in which one (1) month of service credit shall be
904 awarded for each twenty-one (21) days of unused leave, except that
905 the first fifteen (15) to fifty-seven (57) days of leave shall
906 constitute three (3) months of service for those who became a
907 member of the system before July 1, 2017.

908 (iii) In order for the member to receive
909 creditable service for the number of days of unused leave under
910 this paragraph, the system must receive certification from the
911 governing authority.

912 (e) For the purposes of this subsection, members of the
913 system who retire on or after July 1, 2010, shall receive credit
914 for one-half (1/2) day of leave for each full year of membership
915 service accrued after June 30, 2010. The amount of leave received
916 by a member under this paragraph shall be added to the lawfully



917 credited unused leave for which creditable service is provided
918 under Section 25-11-103(i).

919 (f) For the purpose of this subsection, for members of
920 the system who are elected officers and who retire on or after
921 July 1, 1987, the following shall govern:

922 (i) For service before July 1, 1984, the members
923 shall receive credit for leave (combined personal and major
924 medical) for service as an elected official before that date at
925 the rate of thirty (30) days per year.

926 (ii) For service on and after July 1, 1984, the
927 member shall receive credit for personal and major medical leave
928 beginning July 1, 1984, at the rates authorized in Sections
929 25-3-93 and 25-3-95, computed as a full-time employee.

930 (iii) If a member is employed in a covered
931 nonelected position and a covered elected position simultaneously,
932 that member may not receive service credit for accumulated unused
933 leave for both positions at retirement for the period during which
934 the member was dually employed. During the period during which
935 the member is dually employed, the member shall only receive
936 credit for leave as provided for in this paragraph for an elected
937 official.

938 (3) Subject to the above restrictions and to such other
939 rules and regulations as the board may adopt, the board shall
940 verify, as soon as practicable after the filing of such statements
941 of service, the services therein claimed.



942 (4) Upon verification of the statement of prior service, the
943 board shall issue a prior service certificate certifying to each
944 member the length of prior service for which credit shall have
945 been allowed on the basis of his statement of service. So long as
946 membership continues, a prior service certificate shall be final
947 and conclusive for retirement purposes as to such service,
948 provided that any member may within five (5) years from the date
949 of issuance or modification of such certificate request the board
950 of trustees to modify or correct his prior service certificate.
951 Any modification or correction authorized shall only apply
952 prospectively.

953 When membership ceases, such prior service certificates shall
954 become void. Should the employee again become a member, he shall
955 enter the system as an employee not entitled to prior service
956 credit except as provided in Sections 25-11-105(I), 25-11-113 and
957 25-11-117.

958 (5) Creditable service at retirement, on which the
959 retirement allowance of a member shall be based, shall consist of
960 the membership service rendered by him since he last became a
961 member, and also, if he has a prior service certificate that is in
962 full force and effect, the amount of the service certified on his
963 prior service certificate.

964 (6) Any member who served on active duty in the Armed Forces
965 of the United States, who served in the Commissioned Corps of the
966 United States Public Health Service before 1972 or who served in



967 maritime service during periods of hostility in World War II,
968 shall be entitled to creditable service at no cost for his service
969 on active duty in the Armed Forces, in the Commissioned Corps of
970 the United States Public Health Service before 1972 or in such
971 maritime service, provided he entered state service after his
972 discharge from the Armed Forces or entered state service after he
973 completed such maritime service. The maximum period for such
974 creditable service for all military service as defined in this
975 subsection (6) shall not exceed four (4) years unless positive
976 proof can be furnished by such person that he was retained in the
977 Armed Forces during World War II or in maritime service during
978 World War II by causes beyond his control and without opportunity
979 of discharge. The member shall furnish proof satisfactory to the
980 board of trustees of certification of military service or maritime
981 service records showing dates of entrance into active duty service
982 and the date of discharge. From and after July 1, 1993, no
983 creditable service shall be granted for any military service or
984 maritime service to a member who qualifies for a retirement
985 allowance in another public retirement system administered by the
986 Board of Trustees of the Public Employees' Retirement System
987 based, in whole or in part, on such military or maritime service.
988 In no case shall the member receive creditable service if the
989 member received a dishonorable discharge from the Armed Forces of
990 the United States.



991 (7) (a) Any member of the Public Employees' Retirement
992 System whose membership service is interrupted as a result of
993 qualified military service within the meaning of Section 414(u) (5)
994 of the Internal Revenue Code, and who has received the maximum
995 service credit available under subsection (6) of this section,
996 shall receive creditable service for the period of qualified
997 military service that does not qualify as creditable service under
998 subsection (6) of this section upon reentering membership service
999 in an amount not to exceed five (5) years if:

1000 (i) The member pays the contributions he would
1001 have made to the retirement system if he had remained in
1002 membership service for the period of qualified military service
1003 based upon his salary at the time his membership service was
1004 interrupted;

1005 (ii) The member returns to membership service
1006 within ninety (90) days of the end of his qualified military
1007 service; and

1008 (iii) The employer at the time the member's
1009 service was interrupted and to which employment the member returns
1010 pays the contributions it would have made into the retirement
1011 system for such period based on the member's salary at the time
1012 the service was interrupted.

1013 (b) The payments required to be made in paragraph
1014 (a) (i) of this subsection may be made over a period beginning with
1015 the date of return to membership service and not exceeding three



1016 (3) times the member's qualified military service; however, in no
1017 event shall such period exceed five (5) years.

1018 (c) The member shall furnish proof satisfactory to the
1019 board of trustees of certification of military service showing
1020 dates of entrance into qualified service and the date of discharge
1021 as well as proof that the member has returned to active employment
1022 within the time specified.

1023 (8) Any member of the Public Employees' Retirement System
1024 who became a member of the system before July 1, 2007, and who has
1025 at least four (4) years of membership service credit, or who
1026 became a member of the system on or after July 1, 2007, and who
1027 has at least eight (8) years of membership service credit, shall
1028 be entitled to receive a maximum of five (5) years' creditable
1029 service for service rendered in another state as a public employee
1030 of such other state, or a political subdivision, public education
1031 system or other governmental instrumentality thereof, or service
1032 rendered as a teacher in American overseas dependent schools
1033 conducted by the Armed Forces of the United States for children of
1034 citizens of the United States residing in areas outside the
1035 continental United States, provided that:

1036 (a) The member shall furnish proof satisfactory to the
1037 board of trustees of certification of such services from the
1038 state, public education system, political subdivision or
1039 retirement system of the state where the services were performed



1040 or the governing entity of the American overseas dependent school
1041 where the services were performed; and

1042 (b) The member is not receiving or will not be entitled
1043 to receive from the public retirement system of the other state or
1044 from any other retirement plan, including optional retirement
1045 plans, sponsored by the employer, a retirement allowance including
1046 such services; and

1047 (c) The member shall pay to the retirement system on
1048 the date he or she is eligible for credit for such out-of-state
1049 service or at any time thereafter before the date of retirement
1050 the actuarial cost as determined by the actuary for each year of
1051 out-of-state creditable service. The provisions of this
1052 subsection are subject to the limitations of Section 415 of the
1053 Internal Revenue Code and regulations promulgated under that
1054 section.

1055 (9) Any member of the Public Employees' Retirement System
1056 who became a member of the system before July 1, 2007, and has at
1057 least four (4) years of membership service credit, or who became a
1058 member of the system on or after July 1, 2007, and has at least
1059 eight (8) years of membership service credit, and who receives, or
1060 has received, professional leave without compensation for
1061 professional purposes directly related to the employment in state
1062 service shall receive creditable service for the period of
1063 professional leave without compensation provided:



1064 (a) The professional leave is performed with a public
1065 institution or public agency of this state, or another state or
1066 federal agency;

1067 (b) The employer approves the professional leave
1068 showing the reason for granting the leave and makes a
1069 determination that the professional leave will benefit the
1070 employee and employer;

1071 (c) Such professional leave shall not exceed two (2)
1072 years during any ten-year period of state service;

1073 (d) The employee shall serve the employer on a
1074 full-time basis for a period of time equivalent to the
1075 professional leave period granted immediately following the
1076 termination of the leave period;

1077 (e) The contributing member shall pay to the retirement
1078 system the actuarial cost as determined by the actuary for each
1079 year of professional leave. The provisions of this subsection are
1080 subject to the regulations of the Internal Revenue Code
1081 limitations;

1082 (f) Such other rules and regulations consistent
1083 herewith as the board may adopt and in case of question, the board
1084 shall have final power to decide the questions.

1085 Any actively contributing member participating in the School
1086 Administrator Sabbatical Program established in Section 37-9-77
1087 shall qualify for continued participation under this subsection
1088 (9).



1089 (10) Any member of the Public Employees' Retirement System
1090 who became a member of the system before July 1, 2007, and has at
1091 least four (4) years of credited membership service, or who became
1092 a member of the system on or after July 1, 2007, and has at least
1093 eight (8) years of credited membership service, shall be entitled
1094 to receive a maximum of ten (10) years creditable service for:

1095 (a) Any service rendered as an employee of any
1096 political subdivision of this state, or any instrumentality
1097 thereof, that does not participate in the Public Employees'
1098 Retirement System; or

1099 (b) Any service rendered as an employee of any
1100 political subdivision of this state, or any instrumentality
1101 thereof, that participates in the Public Employees' Retirement
1102 System but did not elect retroactive coverage; or

1103 (c) Any service rendered as an employee of any
1104 political subdivision of this state, or any instrumentality
1105 thereof, for which coverage of the employee's position was or is
1106 excluded; provided that the member pays into the retirement system
1107 the actuarial cost as determined by the actuary for each year, or
1108 portion thereof, of such service. After a member has made full
1109 payment to the retirement system for all or any part of such
1110 service, the member shall receive creditable service for the
1111 period of such service for which full payment has been made to the
1112 retirement system.



1113 **SECTION 8.** Section 25-11-110, Mississippi Code of 1972, is
1114 brought forward as follows:

1115 25-11-110. (1) With respect to the death of a member that
1116 occurs while the member is performing qualified military service
1117 within the meaning of Section 414(u) of the Internal Revenue Code:

1118 (a) The deceased member's period of qualified military
1119 service must be counted for vesting purposes.

1120 (b) To the extent required by Section 401(a)(37) of the
1121 Internal Revenue Code, the deceased member's survivors are
1122 entitled to any additional benefits that the system would provide
1123 if the member had resumed employment and then died, such as those
1124 purchase rights the deceased member could have exercised under
1125 Section 25-11-109(7).

1126 (2) To the extent required by Section 414(u)(12) of the
1127 Internal Revenue Code, a member receiving differential wage
1128 payments within the meaning of Section 3401(h)(2) of the Internal
1129 Revenue Code from an employer shall be treated as employed by that
1130 employer, and the differential wage payment shall be treated as
1131 compensation for purposes of applying the limits on an annual
1132 addition under Section 415(c) of the Internal Revenue Code. This
1133 provision shall be applied to all similarly situated individuals
1134 in a reasonably equivalent manner.

1135 **SECTION 9.** Section 25-11-111, Mississippi Code of 1972, is
1136 brought forward as follows:



1137 25-11-111. (a) (1) Any member who became a member of the
1138 system before July 1, 2007, upon withdrawal from service upon or
1139 after attainment of the age of sixty (60) years who has completed
1140 at least four (4) years of membership service, or any member who
1141 became a member of the system before July 1, 2011, upon withdrawal
1142 from service regardless of age who has completed at least
1143 twenty-five (25) years of creditable service, shall be entitled to
1144 receive a retirement allowance, which shall begin on the first of
1145 the month following the date the member's application for the
1146 allowance is received by the board, but in no event before
1147 withdrawal from service.

1148 (2) Any member who became a member of the system on or
1149 after July 1, 2007, upon withdrawal from service upon or after
1150 attainment of the age of sixty (60) years who has completed at
1151 least eight (8) years of membership service, or any member who
1152 became a member of the system on or after July 1, 2011, upon
1153 withdrawal from service regardless of age who has completed at
1154 least thirty (30) years of creditable service, shall be entitled
1155 to receive a retirement allowance, which shall begin on the first
1156 of the month following the date the member's application for the
1157 allowance is received by the board, but in no event before
1158 withdrawal from service.

1159 (b) (1) Any member who became a member of the system before
1160 July 1, 2007, whose withdrawal from service occurs before
1161 attaining the age of sixty (60) years who has completed four (4)



1162 or more years of membership service and has not received a refund
1163 of his accumulated contributions, shall be entitled to receive a
1164 retirement allowance, beginning upon his attaining the age of
1165 sixty (60) years, of the amount earned and accrued at the date of
1166 withdrawal from service. The retirement allowance shall begin on
1167 the first of the month following the date the member's application
1168 for the allowance is received by the board, but in no event before
1169 withdrawal from service.

1170 (2) Any member who became a member of the system on or
1171 after July 1, 2007, whose withdrawal from service occurs before
1172 attaining the age of sixty (60) years who has completed eight (8)
1173 or more years of membership service and has not received a refund
1174 of his accumulated contributions, shall be entitled to receive a
1175 retirement allowance, beginning upon his attaining the age of
1176 sixty (60) years, of the amount earned and accrued at the date of
1177 withdrawal from service. The retirement allowance shall begin on
1178 the first of the month following the date the member's application
1179 for the allowance is received by the board, but in no event before
1180 withdrawal from service.

1181 (c) Any member in service who has qualified for retirement
1182 benefits may select any optional method of settlement of
1183 retirement benefits by notifying the Executive Director of the
1184 Board of Trustees of the Public Employees' Retirement System in
1185 writing, on a form prescribed by the board, of the option he has
1186 selected and by naming the beneficiary of the option and



1187 furnishing necessary proof of age. The option, once selected, may
1188 be changed at any time before actual retirement or death, but upon
1189 the death or retirement of the member, the optional settlement
1190 shall be placed in effect upon proper notification to the
1191 executive director.

1192 (d) Any member who became a member of the system before July
1193 1, 2011, shall be entitled to an annual retirement allowance which
1194 shall consist of:

1195 (1) A member's annuity, which shall be the actuarial
1196 equivalent of the accumulated contributions of the member at the
1197 time of retirement computed according to the actuarial table in
1198 use by the system; and

1199 (2) An employer's annuity, which, together with the
1200 member's annuity provided above, shall be equal to two percent
1201 (2%) of the average compensation for each year of service up to
1202 and including twenty-five (25) years of creditable service, and
1203 two and one-half percent (2-1/2%) of the average compensation for
1204 each year of service exceeding twenty-five (25) years of
1205 creditable service.

1206 (3) Any retired member or beneficiary thereof who was
1207 eligible to receive a retirement allowance before July 1, 1991,
1208 and who is still receiving a retirement allowance on July 1, 1992,
1209 shall receive an increase in the annual retirement allowance of
1210 the retired member equal to one-eighth of one percent (1/8 of 1%)
1211 of the average compensation for each year of state service in



1212 excess of twenty-five (25) years of membership service up to and
1213 including thirty (30) years. The maximum increase shall be
1214 five-eighths of one percent (5/8 of 1%). In no case shall a
1215 member who has been retired before July 1, 1987, receive less than
1216 Ten Dollars (\$10.00) per month for each year of creditable service
1217 and proportionately for each quarter year thereof. Persons
1218 retired on or after July 1, 1987, shall receive at least Ten
1219 Dollars (\$10.00) per month for each year of service and
1220 proportionately for each quarter year thereof reduced for the
1221 option selected. However, such Ten Dollars (\$10.00) minimum per
1222 month for each year of creditable service shall not apply to a
1223 retirement allowance computed under Section 25-11-114 based on a
1224 percentage of the member's average compensation.

1225 (e) Any member who became a member of the system on or after
1226 July 1, 2011, shall be entitled to an annual retirement allowance
1227 which shall consist of:

1228 (1) A member's annuity, which shall be the actuarial
1229 equivalent of the accumulated contributions of the member at the
1230 time of retirement computed according to the actuarial table in
1231 use by the system; and

1232 (2) An employer's annuity, which, together with the
1233 member's annuity provided above, shall be equal to two percent
1234 (2%) of the average compensation for each year of service up to
1235 and including thirty (30) years of creditable service, and two and



1236 one-half percent (2-1/2%) of average compensation for each year of
1237 service exceeding thirty (30) years of creditable service.

1238 (f) Any member who became a member of the system on or after
1239 July 1, 2011, upon withdrawal from service upon or after attaining
1240 the age of sixty (60) years who has completed at least eight (8)
1241 years of membership service, or any such member upon withdrawal
1242 from service regardless of age who has completed at least thirty
1243 (30) years of creditable service, shall be entitled to receive a
1244 retirement allowance computed in accordance with the formula set
1245 forth in subsection (e) of this section. In the case of the
1246 retirement of any member who has attained age sixty (60) but who
1247 has not completed at least thirty (30) years of creditable
1248 service, the retirement allowance shall be computed in accordance
1249 with the formula set forth in subsection (e) of this section
1250 except that the total annual retirement allowance shall be reduced
1251 by an actuarial equivalent factor for each year of creditable
1252 service below thirty (30) years or the number of years in age that
1253 the member is below age sixty-five (65), whichever is less.

1254 (g) No member, except members excluded by the Age
1255 Discrimination in Employment Act Amendments of 1986 (Public Law
1256 99-592), under either Article 1 or Article 3 in state service
1257 shall be required to retire because of age.

1258 (h) No payment on account of any benefit granted under the
1259 provisions of this section shall become effective or begin to
1260 accrue until January 1, 1953.



1261 (i) (1) A retiree or beneficiary may, on a form prescribed
1262 by and filed with the retirement system, irrevocably waive all or
1263 a portion of any benefits from the retirement system to which the
1264 retiree or beneficiary is entitled. The waiver shall be binding
1265 on the heirs and assigns of any retiree or beneficiary and the
1266 same must agree to forever hold harmless the Public Employees'
1267 Retirement System of Mississippi from any claim to the waived
1268 retirement benefits.

1269 (2) Any waiver under this subsection shall apply only
1270 to the person executing the waiver. A beneficiary shall be
1271 entitled to benefits according to the option selected by the
1272 member at the time of retirement. However, a beneficiary may, at
1273 the option of the beneficiary, execute a waiver of benefits under
1274 this subsection.

1275 (3) The retirement system shall retain in the annuity
1276 reserve account amounts that are not used to pay benefits because
1277 of a waiver executed under this subsection.

1278 (4) The board of trustees may provide rules and
1279 regulations for the administration of waivers under this
1280 subsection.

1281 **SECTION 10.** Section 25-11-111.1, Mississippi Code of 1972,
1282 is brought forward as follows:

1283 25-11-111.1. The Public Employees' Retirement System shall
1284 make payments of retirement benefits under this chapter to members
1285 and to the beneficiaries of those members, by whatever means the



1286 board prescribes by regulation to be the most appropriate for the
1287 proper and efficient payment of benefits, including, but not
1288 limited to, direct deposit to an account with a financial
1289 institution that is a participant of the Automated Clearing House
1290 designated by the member or beneficiary. The board may provide
1291 for alternative means of payment if the member or beneficiary can
1292 demonstrate that payment by the prescribed means will cause the
1293 member or beneficiary undue hardship.

1294 **SECTION 11.** Section 25-11-112, Mississippi Code of 1972, is
1295 brought forward as follows:

1296 25-11-112. (1) Any member who is receiving a retirement
1297 allowance for service or disability retirement, or any beneficiary
1298 thereof, who has received a monthly benefit for at least one (1)
1299 full fiscal year, shall be eligible to receive an additional
1300 benefit, on December 1 or July 1 of the year as provided in
1301 subsection (3) of this section, equal to an amount calculated
1302 under paragraph (a) or (b) below:

1303 (a) For any member who became a member of the system
1304 before July 1, 2011, the sum of:

1305 (i) An amount equal to three percent (3%) of the
1306 annual retirement allowance multiplied by the number of full
1307 fiscal years in retirement before the end of the fiscal year in
1308 which the member reaches age fifty-five (55), plus

1309 (ii) An additional amount equal to three percent
1310 (3%) compounded by the number of full fiscal years in retirement



1311 beginning with the fiscal year in which the member reaches age
1312 fifty-five (55), multiplied by the amount of the annual retirement
1313 allowance.

1314 (b) For any member who became a member of the system on
1315 or after July 1, 2011, the sum of:

1316 (i) An amount equal to three percent (3%) of the
1317 annual retirement allowance multiplied by the number of full
1318 fiscal years in retirement before the end of the fiscal year in
1319 which the member reaches age sixty (60), plus

1320 (ii) An additional amount equal to three percent
1321 (3%) compounded by the number of full fiscal years in retirement
1322 beginning with the fiscal year in which the member reaches age
1323 sixty (60), multiplied by the amount of the annual retirement
1324 allowance.

1325 (2) The calculation of the beneficiary's additional benefit
1326 under subsection (1)(a) or (b) of this section shall be based on
1327 the member's age and full fiscal years in retirement as if the
1328 member had lived.

1329 (3) (a) The additional benefit provided for under this
1330 section shall be paid in one (1) payment in December of each year
1331 to those persons who are receiving a retirement allowance on
1332 December 1 of that year, unless an election is made under this
1333 subsection. However, if a retiree who is receiving a retirement
1334 allowance that will terminate upon the retiree's death is
1335 receiving the additional benefit in one (1) payment and dies on or



1336 after July 1 but before December 1, the beneficiary designated on
1337 the retirement application, if any, shall receive in a single
1338 payment a fractional part of the additional benefit based on the
1339 number of months in which a retirement allowance was received
1340 during the fiscal year. Likewise, if a retiree is receiving a
1341 retirement allowance that will terminate upon his or her death in
1342 two (2) to six (6) monthly installments, any remaining payments of
1343 the additional benefit will be paid in a lump sum to the
1344 beneficiary designated on the application, or if none, pursuant to
1345 Section 25-11-117.1(1). Any similar remaining payments of
1346 additional benefits payable under this section to a deceased
1347 beneficiary who was receiving a monthly benefit shall be payable
1348 in accordance with the provisions of Section 25-11-117.1(2). If
1349 the additional monthly benefit is being received in one (1)
1350 payment, the additional benefit shall also be prorated based on
1351 the number of months in which a retirement allowance was received
1352 during the fiscal year when (i) the monthly benefit payable to a
1353 beneficiary terminates due to the expiration of an option,
1354 remarriage or cessation of dependent status or due to the
1355 retiree's return to covered employment, and (ii) the monthly
1356 benefit terminates on or after July 1 and before December 1. The
1357 board may, in its discretion, allow a retired member or a
1358 beneficiary thereof who is receiving the additional annual payment
1359 in the manner provided for in this paragraph to change the manner
1360 in which the additional annual payment is received to that



1361 provided for in paragraph (b) of this subsection if the retired
1362 member or beneficiary submits satisfactory documentation that the
1363 continued receipt of the additional annual payment as provided for
1364 in this paragraph will cause a financial hardship to the retired
1365 member or beneficiary.

1366 (b) Retired members or beneficiaries thereof who on
1367 July 1, 1999, or July 1 of any fiscal year thereafter, are
1368 receiving a retirement allowance, may elect by an irrevocable
1369 agreement in writing filed in the Office of the Public Employees'
1370 Retirement System no less than thirty (30) days before July 1 of
1371 the appropriate year, to begin receiving the additional benefit
1372 provided for under this section in twelve (12) equal monthly
1373 installments beginning July 1, 1999, or July 1 of any fiscal year
1374 thereafter. This irrevocable agreement shall be binding on the
1375 member and subsequent beneficiaries. Payment of those monthly
1376 installments shall not extend beyond the month in which a
1377 retirement allowance is due and payable. The board may, in its
1378 discretion, allow a retired member or a beneficiary thereof who is
1379 receiving the additional annual payment in the manner provided for
1380 in this paragraph to change the manner in which the additional
1381 annual payment is received to that provided for in paragraph (a)
1382 of this subsection if the retired member or beneficiary submits
1383 satisfactory documentation that the continued receipt of the
1384 additional annual payment as provided for in this paragraph will
1385 cause a financial hardship to the retired member or beneficiary.



1386 (4) The additional payment or payments provided for under
1387 this section are for the fiscal year in which they are paid.

1388 (5) (a) The amount provided for under subsection (1)
1389 (a)(ii) of this section is calculated using the following formula:

1390 $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,

1391 where n is the number of full fiscal years in retirement beginning
1392 with the fiscal year in which the member reaches age fifty-five
1393 (55).

1394 (b) The amount provided for under subsection (1)(b)(ii)
1395 of this section is calculated using the following formula:

1396 $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,

1397 where n is the number of full fiscal years in retirement beginning
1398 with the fiscal year in which the member reaches age sixty (60).

1399 (6) Any retired member or beneficiary thereof who has
1400 previously elected to receive the additional annual payment in
1401 monthly installments may elect, upon application on a form
1402 prescribed by the board of trustees, to have that payment made in
1403 one (1) additional payment each year. This written election must
1404 be filed in the Office of the Public Employees' Retirement System
1405 before June 1, 2000, and shall be effective for the fiscal year
1406 beginning July 1, 2000.

1407 (7) In the event of death of a retired member or a
1408 beneficiary thereof who is receiving the additional annual payment
1409 in two (2) to six (6) monthly installments pursuant to an election
1410 made before July 1, 1999, and who would otherwise be eligible to



1411 receive the additional benefit provided for under this section in
1412 one (1) payment in December of the current fiscal year, any
1413 remaining amounts shall be paid in a lump sum to the designated
1414 beneficiary.

1415 (8) When a member retires after July 1 and has previously
1416 received a retirement allowance for one or more full fiscal years,
1417 the retired member shall be eligible immediately for the
1418 additional benefit. The additional benefit shall be based on the
1419 current retirement allowance and the number of full fiscal years
1420 in retirement and shall be prorated and paid in monthly
1421 installments based on the number of months a retirement allowance
1422 is paid during the fiscal year.

1423 **SECTION 12.** Section 25-11-113, Mississippi Code of 1972, is
1424 brought forward as follows:

1425 25-11-113. (1) (a) Upon the application of a member or his
1426 employer, any active member in state service who became a member
1427 of the system before July 1, 2007, and who has at least four (4)
1428 years of membership service credit, or any active member in state
1429 service who became a member of the system on or after July 1,
1430 2007, who has at least eight (8) years of membership service
1431 credit, may be retired by the board of trustees on the first of
1432 the month following the date of filing the application on a
1433 disability retirement allowance, but in no event shall the
1434 disability retirement allowance begin before termination of state
1435 service, provided that the medical board, after an evaluation of



1436 medical evidence that may or may not include an actual physical
1437 examination by the medical board, certifies that the member is
1438 mentally or physically incapacitated for the further performance
1439 of duty, that the incapacity is likely to be permanent, and that
1440 the member should be retired; however, the board of trustees may
1441 accept a disability medical determination from the Social Security
1442 Administration in lieu of a certification from the medical board.
1443 If a member who has been approved for a disability retirement
1444 allowance does not terminate state service within ninety (90) days
1445 after approval, the disability retirement and the application for
1446 disability retirement shall be void. For the purposes of
1447 disability determination, the medical board shall apply the
1448 following definition of disability: the inability to perform the
1449 usual duties of employment or the incapacity to perform such
1450 lesser duties, if any, as the employer, in its discretion, may
1451 assign without material reduction in compensation, or the
1452 incapacity to perform the duties of any employment covered by the
1453 Public Employees' Retirement System (Section 25-11-101 et seq.)
1454 that is actually offered and is within the same general
1455 territorial work area, without material reduction in compensation.
1456 The employer shall be required to furnish the job description and
1457 duties of the member. The employer shall further certify whether
1458 the employer has offered the member other duties and has complied
1459 with the applicable provisions of the Americans With Disabilities



1460 Act in affording reasonable accommodations that would allow the
1461 employee to continue employment.

1462 (b) Any member applying for a disability retirement
1463 allowance must provide sufficient objective medical evidence in
1464 support of his or her claim. All disability determinations,
1465 whether the initial examination or reexamination, shall be based
1466 on objective medical evidence. "Objective medical evidence" means
1467 reports of examinations or treatments; medical signs that are
1468 anatomical, physiological, or psychological abnormalities that are
1469 observed and documented by medical professionals; psychiatric
1470 signs that are medically demonstrable phenomena indicating
1471 specific abnormalities of behavior, affect, thought, memory,
1472 orientation, or contact with reality; or laboratory findings that
1473 are anatomical, physiological, or psychological phenomena that are
1474 shown by medically acceptable laboratory diagnostic techniques,
1475 including, but not limited to, chemical tests, electrocardiograms,
1476 electroencephalograms, X-rays, and psychological tests.

1477 Nonmedical information shall not be considered objective medical
1478 evidence.

1479 (c) Any inactive member who became a member of the
1480 system before July 1, 2007, with four (4) or more years of
1481 membership service credit, or any inactive member who became a
1482 member of the system on or after July 1, 2007, with eight (8) or
1483 more years of membership service credit, who has withdrawn from
1484 active state service, is not eligible for a disability retirement



1485 allowance unless the disability occurs within six (6) months of
1486 the termination of active service and unless satisfactory proof is
1487 presented to the board of trustees that the disability was the
1488 direct cause of withdrawal from state service. Application for a
1489 disability retirement allowance must be filed within one (1) year
1490 of termination from active service. This period may be extended
1491 by an additional year if it can be factually demonstrated to the
1492 satisfaction of the board of trustees that throughout the initial
1493 one-year period the member was incapable of applying for benefits
1494 by reason of mental or physical impairment as certified by a
1495 medical doctor.

1496 (d) Any member who is or becomes eligible for service
1497 retirement benefits under Section 25-11-111 while pursuing a
1498 disability retirement allowance under this section or Section
1499 25-11-114 may elect to receive a service retirement allowance
1500 pending a final determination on eligibility for a disability
1501 retirement allowance or withdrawal of the application for the
1502 disability retirement allowance. In such a case, an application
1503 for a disability retirement allowance must be on file with the
1504 system before the beginning of a service retirement allowance. If
1505 the application is approved, the option selected and beneficiary
1506 designated on the retirement application shall be used to
1507 determine the disability retirement allowance. If the application
1508 is not approved or if the application is withdrawn, the service
1509 retirement allowance shall continue to be paid in accordance with



1510 the option selected. No person may apply for a disability
1511 retirement allowance after the person begins to receive a service
1512 retirement allowance.

1513 (e) If the medical board certifies that the member is
1514 not mentally or physically incapacitated for the future
1515 performance of duty, the member may request, within sixty (60)
1516 days, a hearing before the hearing officer as provided in Section
1517 25-11-120. All hearings shall be held in accordance with rules
1518 and regulations adopted by the board to govern those hearings.
1519 The hearing may be closed upon the request of the member.

1520 (f) The medical board may request additional medical
1521 evidence and/or other physicians to conduct an evaluation of the
1522 member's condition. If the medical board requests additional
1523 medical evidence and the member refuses the request, the
1524 application shall be considered void.

1525 (2) Allowance on disability retirement.

1526 (a) Upon retirement for disability, an eligible member
1527 shall receive a retirement allowance if he has attained the age of
1528 sixty (60) years.

1529 (b) Except as provided in paragraph (c) of this
1530 subsection (2), an eligible member who is retired for disability
1531 and who has not attained sixty (60) years of age shall receive a
1532 disability benefit as computed in Section 25-11-111(d), which
1533 shall consist of:



1534 (i) A member's annuity, which shall be the
1535 actuarial equivalent of his accumulated contributions at the time
1536 of retirement; and

1537 (ii) An employer's annuity equal to the amount
1538 that would have been payable as a retirement allowance for
1539 eligible creditable service if the member had continued in service
1540 to the age of sixty (60) years, which shall apply to the allowance
1541 for disability retirement paid to retirees receiving such
1542 allowance upon and after April 12, 1977. This employer's annuity
1543 shall be computed on the basis of the average "earned
1544 compensation" as defined in Section 25-11-103.

1545 (c) For persons who become members after June 30, 1992,
1546 and for active members on June 30, 1992, who elect benefits under
1547 this paragraph (c) instead of those provided under paragraph (b)
1548 of this subsection (2), the disability allowance shall consist of
1549 two (2) parts: a temporary allowance and a deferred allowance.

1550 The temporary allowance shall equal the greater of (i) forty
1551 percent (40%) of average compensation at the time of disability,
1552 plus ten percent (10%) of average compensation for each of the
1553 first two (2) dependent children, as defined in Sections 25-11-103
1554 and 25-11-114, or (ii) the accrued benefit based on actual
1555 service. It shall be payable for a period of time based on the
1556 member's age at disability, as follows:

1557	Age at Disability	Duration
1558	60 and earlier	to age 65



1559	61	to age 66
1560	62	to age 66
1561	63	to age 67
1562	64	to age 67
1563	65	to age 68
1564	66	to age 68
1565	67	to age 69
1566	68	to age 70
1567	69 and over	one year

1568 The deferred allowance shall begin when the temporary
1569 allowance ends and shall be payable for life. The deferred
1570 allowance shall equal the greater of (i) the allowance that would
1571 have been payable had the member continued in service to the
1572 termination age of the temporary allowance, but no more than forty
1573 percent (40%) of average compensation, or (ii) the accrued benefit
1574 based on actual service at the time of disability. The deferred
1575 allowance as determined at the time of disability shall be
1576 adjusted in accordance with Section 25-11-112 for the period
1577 during which the temporary annuity is payable. In no case shall a
1578 member receive less than Ten Dollars (\$10.00) per month for each
1579 year of service and proportionately for each quarter year thereof
1580 reduced for the option selected.

1581 (d) The member may elect to receive the actuarial
1582 equivalent of the disability retirement allowance in a reduced



1583 allowance payable throughout life under any of the provisions of
1584 the options provided under Section 25-11-115.

1585 (e) If a disability retiree who has not selected an
1586 option under Section 25-11-115 dies before being repaid in
1587 disability benefits the sum of his total contributions, then his
1588 named beneficiary shall receive the difference in cash, which
1589 shall apply to all deceased disability retirees from and after
1590 January 1, 1953.

1591 (3) Reexamination of retirees retired on account of
1592 disability. Except as otherwise provided in this section, once
1593 each year during the first five (5) years following retirement of
1594 a member on a disability retirement allowance, and once in every
1595 period of three (3) years thereafter, the board of trustees may,
1596 and upon his application shall, require any disability retiree who
1597 has not yet attained the age of sixty (60) years or the
1598 termination age of the temporary allowance under subsection (2)(c)
1599 of this section to undergo a medical examination, the examination
1600 to be made at the place of residence of the retiree or other place
1601 mutually agreed upon by a physician or physicians designated by
1602 the board. The board, however, in its discretion, may authorize
1603 the medical board to establish reexamination schedules appropriate
1604 to the medical condition of individual disability retirees. If
1605 any disability retiree who has not yet attained the age of sixty
1606 (60) years or the termination age of the temporary allowance under
1607 subsection (2)(c) of this section refuses to submit to any medical



1608 examination provided in this section, his allowance may be
1609 discontinued until his withdrawal of that refusal; and if his
1610 refusal continues for one (1) year, all his rights to a disability
1611 benefit shall be revoked by the board of trustees.

1612 (4) If the medical board reports and certifies to the board
1613 of trustees, after a comparable job analysis or other similar
1614 study, that the disability retiree is engaged in, or is able to
1615 engage in, a gainful occupation paying more than the difference
1616 between his disability allowance, exclusive of cost-of-living
1617 adjustments, and the average compensation, and if the board of
1618 trustees concurs in the report, the disability benefit shall be
1619 reduced to an amount that, together with the amount earnable by
1620 him, equals the amount of his average compensation. If his
1621 earning capacity is later changed, the amount of the benefit may
1622 be further modified, provided that the revised benefit shall not
1623 exceed the amount originally granted. A retiree receiving a
1624 disability benefit who is restored to active service at a salary
1625 less than the average compensation shall not become a member of
1626 the retirement system.

1627 (5) If a disability retiree under the age of sixty (60)
1628 years or the termination age of the temporary allowance under
1629 subsection (2) (c) of this section is restored to active service at
1630 a compensation not less than his average compensation, his
1631 disability benefit shall end, he shall again become a member of
1632 the retirement system, and contributions shall be withheld and



1633 reported. Any such prior service certificate, on the basis of
1634 which his service was computed at the time of retirement, shall be
1635 restored to full force and effect. In addition, upon his later
1636 retirement he shall be credited with all creditable service as a
1637 member, but the total retirement allowance paid to the retired
1638 member in his previous retirement shall be deducted from his
1639 retirement reserve and taken into consideration in recalculating
1640 the retirement allowance under a new option selected.

1641 (6) If following reexamination in accordance with the
1642 provisions contained in this section, the medical board determines
1643 that a retiree retired on account of disability is physically and
1644 mentally able to return to the employment from which he is
1645 retired, the board of trustees, upon certification of those
1646 findings from the medical board, shall, after a reasonable period
1647 of time, terminate the disability allowance, whether or not the
1648 retiree is reemployed or seeks that reemployment. In addition, if
1649 the board of trustees determines that the retiree is no longer
1650 sustaining a loss of income as established by documented evidence
1651 of the retiree's earned income, the eligibility for a disability
1652 allowance shall terminate and the allowance terminated within a
1653 reasonable period of time. If the retirement allowance is
1654 terminated under the provisions of this section, the retiree may
1655 later qualify for a retirement allowance under Section 25-11-111
1656 based on actual years of service credit plus credit for the period
1657 during which a disability allowance was paid.



1658 (7) Any current member as of June 30, 1992, who retires on a
1659 disability retirement allowance after June 30, 1992, and who has
1660 not elected to receive benefits under subsection (2)(c) of this
1661 section, shall relinquish all rights under the Age Discrimination
1662 in Employment Act of 1967, as amended, with regard to the benefits
1663 payable under this section.

1664 **SECTION 13.** Section 25-11-114, Mississippi Code of 1972, is
1665 brought forward as follows:

1666 25-11-114. (1) The applicable benefits provided in
1667 subsections (2) and (3) of this section shall be paid to eligible
1668 beneficiaries of any member who became a member of the system
1669 before July 1, 2007, and has completed four (4) or more years of
1670 membership service, or who became a member of the system on or
1671 after July 1, 2007, and has completed eight (8) or more years of
1672 membership service, and who dies before retirement and who has not
1673 filed a Pre-Retirement Optional Retirement Form as provided in
1674 Section 25-11-111.

1675 (2) (a) The surviving spouse of a member who dies before
1676 retirement shall receive a monthly benefit computed in accordance
1677 with paragraph (d) of this subsection (2) as if the member had
1678 nominated his spouse as beneficiary if:

1679 (i) The member completed the requisite minimum
1680 number of years of membership service to qualify for a retirement
1681 allowance at age sixty (60);



1682 (ii) The spouse has been married to the member for
1683 not less than one (1) year preceding the death of the member;

1684 (iii) The member has not exercised any other
1685 option.

1686 (b) If, at the time of the member's death, there are no
1687 dependent children, and the surviving spouse, who otherwise would
1688 receive the annuity under this subsection (2), has filed with the
1689 system a signed written waiver of his or her rights to the annuity
1690 and that waiver was in effect at the time of the member's death, a
1691 lump-sum distribution of the deceased member's accumulated
1692 contributions shall be refunded in accordance with Section
1693 25-11-117.

1694 (c) The spouse annuity shall begin on the first day of
1695 the month following the date of the member's death, but in case of
1696 late filing, retroactive payments will be made for a period of not
1697 more than one (1) year.

1698 (d) The spouse of a member who is eligible to receive a
1699 monthly benefit under paragraph (a) of this subsection (2) shall
1700 receive a benefit for life equal to the higher of the following:

1701 (i) The greater of twenty percent (20%) of the
1702 deceased member's average compensation as defined in Section
1703 25-11-103 at the time of death or Fifty Dollars (\$50.00) monthly;
1704 or

1705 (ii) Benefits calculated under Option 2 of Section
1706 25-11-115. The method of calculating the retirement benefits



1707 shall be on the same basis as provided in Section 25-11-111(d) or
1708 (e), as applicable. However, if the member dies before being
1709 qualified for a full, unreduced retirement allowance, then the
1710 benefits shall be reduced by an actuarially determined percentage
1711 or factor based on the lesser of either the number of years of
1712 service credit or the number of years in age required to qualify
1713 for a full, unreduced retirement allowance in Section 25-11-111(d)
1714 or (e), as applicable.

1715 (e) The surviving spouse of a deceased member who
1716 previously received spouse retirement benefits under paragraph
1717 (d)(i) of this subsection from and after July 1, 1992, and whose
1718 benefits were terminated before July 1, 2004, because of
1719 remarriage, may again receive the retirement benefits authorized
1720 under paragraph (d)(i) of this subsection by making application
1721 with the board to reinstate those benefits. Any reinstatement of
1722 the benefits shall be prospective only and shall begin after the
1723 first of the month following the date of the application for
1724 reinstatement, but no earlier than July 1, 2004. From and after
1725 July 1, 2010, any spouse who chose Option 2 from and after July 1,
1726 1992, but before July 1, 2004, where the benefit, although payable
1727 for life, was less than the benefit available under the
1728 calculation in paragraph (d)(i) of this subsection shall have his
1729 or her benefit increased to the amount which provides the greater
1730 benefit.



1731 (3) (a) Subject to the maximum limitation provided in this
1732 paragraph, the member's dependent children each shall receive an
1733 annuity of the greater of ten percent (10%) of the member's
1734 average compensation as defined in Section 25-11-103 at the time
1735 of the death of the member or Fifty Dollars (\$50.00) monthly;
1736 however, if there are more than three (3) dependent children, each
1737 dependent child shall receive an equal share of a total annuity
1738 equal to thirty percent (30%) of the member's average
1739 compensation, provided that the total annuity shall not be less
1740 than One Hundred Fifty Dollars (\$150.00) per month for all
1741 children.

1742 (b) A child shall be considered to be a dependent child
1743 until marriage, or the attainment of age nineteen (19), whichever
1744 comes first; however, this age limitation shall be extended beyond
1745 age nineteen (19), but in no event beyond the attainment of age
1746 twenty-three (23), as long as the child is a student regularly
1747 pursuing a full-time course of resident study or training in an
1748 accredited high school, trade school, technical or vocational
1749 institute, junior or community college, college, university or
1750 comparable recognized educational institution duly licensed by a
1751 state. A student child who is receiving a retirement allowance as
1752 of June 30, 2016, whose birthday falls during the school year
1753 (September 1 through June 30) is considered not to reach age
1754 twenty-three (23) until the July 1 following the actual
1755 twenty-third birthday. A full-time course of resident study or



1756 training means a day or evening noncorrespondence course that
1757 includes school attendance at the rate of at least thirty-six (36)
1758 weeks per academic year or other applicable period with a subject
1759 load sufficient, if successfully completed, to attain the
1760 educational or training objective within the period generally
1761 accepted as minimum for completion, by a full-time day student, of
1762 the academic or training program concerned. Any child who is
1763 physically or mentally incompetent, as adjudged by either a
1764 Mississippi court of competent jurisdiction or by the board, shall
1765 receive benefits for as long as the incompetency exists.

1766 (c) If there are more than three (3) dependent
1767 children, upon a child's ceasing to be a dependent child, his
1768 annuity shall terminate and there shall be a redetermination of
1769 the amounts payable to any remaining dependent children.

1770 (d) Annuities payable under this subsection (3) shall
1771 begin the first day of the month following the date of the
1772 member's death or in case of late filing, retroactive payments
1773 will be made for a period of not more than one (1) year. Those
1774 benefits may be paid to a surviving parent or the lawful custodian
1775 of a dependent child for the use and benefit of the child without
1776 the necessity of appointment as guardian.

1777 (4) (a) Death benefits in the line of duty. Regardless of
1778 the number of years of the member's creditable service, the spouse
1779 and/or the dependent children of an active member who is killed or
1780 dies as a direct result of a physical injury sustained from an



1781 accident or a traumatic event caused by external violence or
1782 physical force occurring in the line of performance of duty shall
1783 qualify, on approval of the board, for a retirement allowance on
1784 the first of the month following the date of death, but in the
1785 case of late filing, retroactive payments will be made for a
1786 period of not more than one (1) year. The spouse shall receive a
1787 retirement allowance for life equal to one-half (1/2) of the
1788 average compensation as defined in Section 25-11-103. In addition
1789 to the retirement allowance for the spouse, or if there is no
1790 surviving spouse, the member's dependent child shall receive a
1791 retirement allowance in the amount of one-fourth (1/4) of the
1792 member's average compensation as defined in Section 25-11-103;
1793 however, if there are two (2) or more dependent children, each
1794 dependent child shall receive an equal share of a total annuity
1795 equal to one-half (1/2) of the member's average compensation. If
1796 there are more than two (2) dependent children, upon a child's
1797 ceasing to be a dependent child, his annuity shall terminate and
1798 there shall be a redetermination of the amounts payable to any
1799 remaining dependent children. Those benefits shall cease to be
1800 paid for the support and maintenance of each child upon the child
1801 attaining the age of nineteen (19) years; however, the spouse
1802 shall continue to be eligible for the aforesaid retirement
1803 allowance. Those benefits may be paid to a surviving parent or
1804 lawful custodian of the children for the use and benefit of the
1805 children without the necessity of appointment as guardian. Any



1806 spouse who received spouse retirement benefits under this
1807 paragraph (a) from and after April 4, 1984, and whose benefits
1808 were terminated before July 1, 2004, because of remarriage, may
1809 again receive the retirement benefits authorized under this
1810 paragraph (a) by making application with the board to reinstate
1811 those benefits. Any reinstatement of the benefits shall be
1812 prospective only and shall begin after the first of the month
1813 following the date of the application for reinstatement, but not
1814 earlier than July 1, 2004.

1815 (b) A child shall be considered to be a dependent child
1816 until marriage, or the attainment of age nineteen (19), whichever
1817 comes first; however, this age limitation shall be extended beyond
1818 age nineteen (19), but in no event beyond the attainment of age
1819 twenty-three (23), as long as the child is a student regularly
1820 pursuing a full-time course of resident study or training in an
1821 accredited high school, trade school, technical or vocational
1822 institute, junior or community college, college, university or
1823 comparable recognized educational institution duly licensed by a
1824 state. A student child who is receiving a retirement allowance as
1825 of June 30, 2016, whose birthday falls during the school year
1826 (September 1 through June 30) is considered not to reach age
1827 twenty-three (23) until the July 1 following the actual
1828 twenty-third birthday. A full-time course of resident study or
1829 training means a day or evening noncorrespondence course that
1830 includes school attendance at the rate of at least thirty-six (36)



1831 weeks per academic year or other applicable period with a subject
1832 load sufficient, if successfully completed, to attain the
1833 educational or training objective within the period generally
1834 accepted as minimum for completion, by a full-time day student, of
1835 the academic or training program concerned. Any child who is
1836 physically or mentally incompetent, as adjudged by either a
1837 Mississippi court of competent jurisdiction or by the board, shall
1838 receive benefits for as long as the incompetency exists.

1839 (5) If all the annuities provided for in this section
1840 payable on account of the death of a member terminate before there
1841 has been paid an aggregate amount equal to the member's
1842 accumulated contributions standing to the member's credit in the
1843 annuity savings account at the time of the member's death, the
1844 difference between the accumulated contributions and the aggregate
1845 amount of annuity payments shall be paid to the person that the
1846 member has nominated by written designation duly executed and
1847 filed with the board. If there is no designated beneficiary
1848 surviving at termination of benefits, the difference shall be
1849 payable under Section 25-11-117.1(1).

1850 (6) Regardless of the number of years of creditable service,
1851 upon the application of a member or employer, any active member
1852 who becomes disabled as a direct result of a physical injury
1853 sustained from an accident or traumatic event caused by external
1854 violence or physical force occurring in the line of performance of
1855 duty, provided that the medical board or other designated



1856 governmental agency after a medical examination certifies that the
1857 member is mentally or physically incapacitated for the further
1858 performance of duty and the incapacity is likely to be permanent,
1859 may be retired by the board of trustees on the first of the month
1860 following the date of filing the application but in no event shall
1861 the retirement allowance begin before the termination of state
1862 service. If a member who has been approved for a retirement
1863 allowance under this subsection does not terminate state service
1864 within ninety (90) days after the approval, the retirement
1865 allowance and the application for the allowance shall be void.
1866 The retirement allowance shall equal the allowance on disability
1867 retirement as provided in Section 25-11-113 but shall not be less
1868 than fifty percent (50%) of average compensation. Line of duty
1869 disability benefits under this section shall be administered in
1870 accordance with the provisions of Section 25-11-113(1)(b), (c),
1871 (d), (e) and (f), (3), (4), (5) and (6).

1872 (7) For purposes of determining death or disability benefits
1873 under this section, the following shall apply:

1874 (a) Death or permanent and total disability resulting
1875 from a cardiovascular, pulmonary or musculoskeletal condition that
1876 was not a direct result of a physical injury sustained from an
1877 accident or a traumatic event caused by external violence or
1878 physical force occurring in the performance of duty shall be
1879 deemed a natural death or an ordinary disability.



1880 (b) A mental disability based exclusively on employment
1881 duties occurring on an ongoing basis shall be deemed an ordinary
1882 disability.

1883 (8) If the deceased or disabled member has less than four
1884 (4) years of membership service, the average compensation as
1885 defined in Section 25-11-103 shall be the average of all annual
1886 earned compensation in state service for the purposes of benefits
1887 provided in this section.

1888 (9) In case of death or total and permanent disability under
1889 subsection (4) or subsection (6) of this section and before the
1890 board shall consider any application for a retirement allowance,
1891 the employer must certify to the board that the member's death or
1892 disability was a direct result of an accident or a traumatic event
1893 occurring during and as a result of the performance of the regular
1894 and assigned duties of the employee and that the death or
1895 disability was not the result of the willful negligence of the
1896 employee.

1897 (10) The application for the retirement allowance must be
1898 filed within one (1) year after death of an active member who is
1899 killed in the line of performance of duty or dies as a direct
1900 result of an accident occurring in the line of performance of duty
1901 or traumatic event; but the board of trustees may consider an
1902 application for disability filed after the one-year period if it
1903 can be factually demonstrated to the satisfaction of the board of
1904 trustees that the disability is due to the accident and that the



1905 filing was not accomplished within the one-year period due to a
1906 delayed manifestation of the disability or to circumstances beyond
1907 the control of the member. However, in case of late filing,
1908 retroactive payments will be made for a period of not more than
1909 one (1) year only.

1910 (11) (a) Notwithstanding any other section of this article
1911 and in lieu of any payments to a designated beneficiary for a
1912 refund of contributions under Section 25-11-117, the spouse and/or
1913 children shall be eligible for the benefits payable under this
1914 section, and the spouse may elect, for both the spouse and/or
1915 children, to receive benefits in accordance with either
1916 subsections (2) and (3) or subsection (4) of this section;
1917 otherwise, the contributions to the credit of the deceased member
1918 shall be refunded in accordance with Section 25-11-117.

1919 (b) Notwithstanding any other section of this article,
1920 a spouse who is entitled to receive a monthly benefit under either
1921 subsection (2) or (4) of this section and who is also the named
1922 beneficiary for a refund of accumulated contributions in the
1923 member's annuity savings account, may, after the death of the
1924 member, elect to receive a refund of accumulated contributions in
1925 lieu of a monthly allowance, provided that there are no dependent
1926 children entitled to benefits under subsection (3) of this
1927 section.

1928 (12) If the member has previously received benefits from the
1929 system to which he was not entitled and has not repaid in full all



1930 amounts payable by him to the system, the annuity amounts
1931 otherwise provided by this section shall be withheld and used to
1932 effect repayment until the total of the withholdings repays in
1933 full all amounts payable by him to the system.

1934 **SECTION 14.** Section 25-11-115, Mississippi Code of 1972, is
1935 brought forward as follows:

1936 25-11-115. (1) Upon application for superannuation or
1937 disability retirement, any member may elect to receive his or her
1938 benefit in a retirement allowance payable throughout life with no
1939 further payments to anyone at the member's death, except that if
1940 the member's total retirement payments under this article do not
1941 equal the member's total contributions under this article, the
1942 named beneficiary shall receive the difference in cash at the
1943 member's death. Or the member may elect upon retirement, or upon
1944 becoming eligible for retirement, to receive the actuarial
1945 equivalent subject to the provisions of subsection (3) of this
1946 section of his or her retirement allowance in a reduced retirement
1947 allowance payable throughout life with the provision that:

1948 **Option 1.** If the retired member dies before he or she has
1949 received in annuity payment the value of the member's annuity
1950 savings account as it was at the time of the member's retirement,
1951 the balance shall be paid to the legal representative or to such
1952 person as the member has nominated by written designation duly
1953 acknowledged and filed with the board;



1954 **Option 2.** Upon the retired member's death, his or her
1955 reduced retirement allowance shall be continued throughout the
1956 life of, and paid to, such person as the member has nominated by
1957 written designation duly acknowledged and filed with the board of
1958 trustees at the time of his or her retirement;

1959 **Option 3.** Upon the retired member's death, one-half (1/2) of
1960 his or her reduced retirement allowance shall be continued
1961 throughout the life of, and paid to, such person as the member has
1962 nominated by written designation duly acknowledged and filed with
1963 the board of trustees at the time of his or her retirement, and
1964 the other one-half (1/2) of his or her reduced retirement
1965 allowance to some other designated beneficiary;

1966 **Option 4.** Upon the retired member's death, three-fourths
1967 (3/4) of his or her reduced retirement allowance, or such other
1968 specified amount, shall be continued throughout the life of, and
1969 paid to, such person as the member has nominated by written
1970 designation duly acknowledged and filed with the board of trustees
1971 at the time of his or her retirement;

1972 **Option 4-A.** Upon the retired member's death, one-half (1/2)
1973 of his or her reduced retirement allowance, or such other
1974 specified amount, shall be continued throughout the life of, and
1975 paid to, such person as the member has nominated by written
1976 designation duly acknowledged and filed with the board of trustees
1977 at the time of his or her retirement;



1978 **Option 4-B.** A reduced retirement allowance shall be
1979 continued throughout the life of the retirant, but with the
1980 further guarantee of payments to the named beneficiary or
1981 beneficiaries for a specified number of years certain. If the
1982 retired member or the last designated beneficiary both die before
1983 receiving all guaranteed payments due, the actuarial equivalent of
1984 the remaining payments shall be paid to the successors of the
1985 retired member under Section 25-11-117.1(1);

1986 **Option 6.** Any member who became a member of the system
1987 before July 1, 2007, and who has at least twenty-eight (28) years
1988 of creditable service at the time of retirement or who is at least
1989 sixty-three (63) years of age and eligible to retire, may select
1990 the maximum retirement benefit or an optional benefit as provided
1991 in this subsection together with a partial lump-sum distribution.
1992 Any member who became a member of the system on or after July 1,
1993 2007, but before July 1, 2011, and who has at least twenty-eight
1994 (28) years of creditable service at the time of retirement may
1995 select the maximum retirement benefit or any optional benefit as
1996 provided in this subsection together with a partial lump-sum
1997 distribution. Any member who became a member of the system on or
1998 after July 1, 2011, and who has at least thirty-three (33) years
1999 of creditable service at the time of retirement may select the
2000 maximum retirement benefit or any optional benefit as provided in
2001 this subsection together with a partial lump-sum distribution.
2002 The amount of the lump-sum distribution under this option shall be



2003 equal to the maximum monthly benefit multiplied by twelve (12),
2004 twenty-four (24) or thirty-six (36) as selected by the member.
2005 The maximum retirement benefit shall be actuarially reduced to
2006 reflect the amount of the lump-sum distribution selected and
2007 further reduced for any other optional benefit selected. The
2008 annuity and lump-sum distribution shall be computed to result in
2009 no actuarial loss to the system. The lump-sum distribution shall
2010 be made as a single payment payable at the time the first monthly
2011 annuity payment is paid to the retiree. The amount of the
2012 lump-sum distribution shall be deducted from the member's annuity
2013 savings account in computing what contributions remain at the
2014 death of the retiree and/or a beneficiary. The lump-sum
2015 distribution option may be elected only once by a member upon
2016 initial retirement, and may not be elected by a retiree, by
2017 members applying for a disability retirement annuity, or by
2018 survivors.

2019 (2) No change in the option selected shall be permitted
2020 after the member's death or after the member has received his or
2021 her first retirement check except as provided in subsections (3)
2022 and (4) of this section and in Section 25-11-127. Members who are
2023 pursuing a disability retirement allowance and simultaneously or
2024 later elect to begin to receive a service retirement allowance
2025 while continuing to pursue a disability retirement allowance,
2026 shall not be eligible to select Option 6 and that option may not
2027 be selected at a later time if the application for a disability



2028 retirement allowance is voided or denied. However, any retired
2029 member who is receiving a retirement allowance under Option 2 or
2030 Option 4-A upon July 1, 1992, and whose designated beneficiary
2031 predeceased him or her or whose marriage to a spouse who is his or
2032 her designated beneficiary is terminated by divorce or other
2033 dissolution, upon written notification to the retirement system of
2034 the death of the designated beneficiary or of the termination of
2035 the retired member's marriage to the designated beneficiary, the
2036 retirement allowance payable to the member after receipt of that
2037 notification by the retirement system shall be equal to the
2038 retirement allowance that would have been payable if the member
2039 had not elected the option. In addition, any retired member who
2040 is receiving the maximum retirement allowance for life, a
2041 retirement allowance under Option 1 or who is receiving a
2042 retirement allowance under Option 2 or Option 4-A on July 1, 1992,
2043 may elect to provide survivor benefits under Option 2 or Option
2044 4-A to a spouse who was not previously the member's beneficiary
2045 and whom the member married before July 1, 1992.

2046 (3) Any retired member who is receiving a reduced retirement
2047 allowance under Option 2, Option 4 or Option 4-A whose designated
2048 beneficiary predeceases him or her, or whose marriage to a spouse
2049 who is his or her designated beneficiary is terminated by divorce
2050 or other dissolution, may elect to cancel the reduced retirement
2051 allowance and receive the maximum retirement allowance for life in
2052 an amount equal to the amount that would have been payable if the



2053 member had not elected Option 2, Option 4 or Option 4-A. That
2054 election must be made in writing to the office of the executive
2055 director of the system on a form prescribed by the board. Any
2056 such election shall be effective the first of the month following
2057 the date the election is received by the system; however, the
2058 election may be applied retroactively for not more than three (3)
2059 months but no earlier than the first of the month following the
2060 date of the death of the beneficiary.

2061 (4) Any retired member who is receiving the maximum
2062 retirement allowance for life, or a retirement allowance under
2063 Option 1, and who marries after his or her retirement may elect to
2064 cancel the maximum retirement allowance and receive a reduced
2065 retirement allowance under Option 2, Option 4 or Option 4-A to
2066 provide continuing lifetime benefits to his or her spouse. That
2067 election must be made in writing to the office of the executive
2068 director of the system on a form prescribed by the board not
2069 earlier than the date of the marriage and not later than one (1)
2070 year from the date of the marriage. Any such election shall be
2071 effective the first of the month following the date the election
2072 is received by the system.

2073 (5) (a) Except as otherwise provided in this subsection, if
2074 the election of an optional benefit is made after the member has
2075 attained the age of sixty-five (65) years, the actuarial
2076 equivalent factor shall be used to compute the reduced retirement
2077 allowance as if the election had been made on his or her



2078 sixty-fifth birthday; however, from and after January 1, 2003, if
2079 there is an election of Option 6 after the member has attained the
2080 age of sixty-five (65) years, the actuarial equivalent factor
2081 based on the retiree's age at the time of retirement shall be used
2082 to compute the reduced maximum monthly retirement allowance.
2083 However, if a retiree marries or remarries after retirement and
2084 elects either Option 2 or Option 4-A as provided in subsection (2)
2085 or (4) of this section, the actuarial equivalent factor used to
2086 compute the reduced retirement allowance shall be the factor for
2087 the age of the retiree and his or her beneficiary at the time such
2088 election for recalculation of benefits is made.

2089 (b) For members who retire on or after July 1, 2012,
2090 the actuarial equivalent factor used to compute the reduced
2091 retirement allowance at retirement or upon any subsequent
2092 recalculation of the benefit shall be the factor for the age of
2093 the retiree and his or her beneficiary at the time of retirement
2094 or at the time an election for recalculation of benefits is made.

2095 (6) Notwithstanding any provision of Section 25-11-1 et
2096 seq., no payments may be made for a retirement allowance on a
2097 monthly basis for a period of time in excess of that allowed by
2098 federal law.

2099 (7) If a retirant and his or her eligible beneficiary, if
2100 any, both die before they have received in annuity payments a
2101 total amount equal to the accumulated contributions standing to
2102 the retirant's credit in the annuity savings account at the time



2103 of his or her retirement, the difference between the accumulated
2104 contributions and the total amount of annuities received by them
2105 shall be paid to such persons as the retirant has nominated by
2106 written designation duly executed and filed in the office of the
2107 executive director. If no designated person survives the retirant
2108 and his or her beneficiary, the difference, if any, shall be paid
2109 under Section 25-11-117.1(1).

2110 (8) Any retired member who retired on Option 2(5) or 4-A(5)
2111 before July 1, 1992, who is still receiving a retirement allowance
2112 on July 1, 1994, shall receive an increase in the annual
2113 retirement allowance effective July 1, 1994, equal to the amount
2114 they would have received under Option 2 or Option 4-A without a
2115 reduction for Option 5 based on the ages at retirement of the
2116 retiree and beneficiary and option factors in effect on July 1,
2117 1992. That increase shall be prospective only.

2118 **SECTION 15.** Section 25-11-115.1, Mississippi Code of 1972,
2119 is brought forward as follows:

2120 25-11-115.1. Any retired member who died in 1993, who
2121 retired under Option 4-A before January 1, 1980, with his spouse
2122 as his designated beneficiary, whose spouse predeceased him, and
2123 who remarried before July 1, 1992, shall be deemed to have
2124 designated his new spouse as his beneficiary under Option 4-A
2125 before his death. Monthly survivor benefits to the member's
2126 surviving spouse will be payable beginning on the first of the
2127 month after April 5, 1996. In addition, retroactive benefits will



2128 be payable to the surviving spouse back to the date of death of
2129 the retired member.

2130 **SECTION 16.** Section 25-11-115.2, Mississippi Code of 1972,
2131 is brought forward as follows:

2132 25-11-115.2. (1) It is the intent of the Public Employees'
2133 Retirement System to provide benefit payments in an efficient
2134 manner consistent with the member's best interest. The system
2135 shall not knowingly allow payments to be made directly to persons
2136 who are determined legally incompetent or incapable of managing or
2137 directing the management of benefits. Any person applying for or
2138 receiving benefits who comes to be known as incapable of applying
2139 for, managing or directing the management of benefits by reason of
2140 mental or physical impairment, as certified by a medical doctor,
2141 shall be directed to obtain a conservator or legal guardian for
2142 purposes of applying for, receiving, managing and/or directing
2143 benefit payments. In the absence of a conservator or legal
2144 guardian or valid durable power of attorney, the Public Employees'
2145 Retirement System may designate a representative payee for such
2146 purposes. The benefit recipient may nominate a representative
2147 payee for consideration by the system in selecting a payee, and
2148 the system is responsible for selecting a payee, including an
2149 agency, organization or institution, that will serve the interest
2150 of the benefit recipient. The system may also accept the Social
2151 Security Administration's designation of a representative payee to
2152 manage and direct funds paid by the system. The system shall have



2153 the authority to establish rules for the administration of this
2154 section.

2155 (2) A representative payee shall be directed to apply
2156 benefits paid from the system only for the use and benefit of the
2157 benefit recipient. The system's obligations to a benefit
2158 recipient shall be discharged when it makes a correct payment to a
2159 representative payee on the benefit recipient's behalf. The
2160 system is without liability for the theft or misuse of benefits if
2161 the benefits were properly paid based upon the information
2162 available to the system at the time the payments were made.

2163 (3) In the absence of a conservator, legal guardian or valid
2164 durable power of attorney, an unmarried benefit applicant who is
2165 deemed to be incapable of applying for, managing or directing his
2166 or her benefits, shall be entitled to receive annuity payments in
2167 an amount equal to a retirement allowance based on the maximum
2168 benefit payable to the member for life and with any remaining
2169 benefit at the death of the member payable pursuant to Section
2170 25-11-117.1(1). Such payments shall be paid to the representative
2171 payee, designated by the system in accordance with the provisions
2172 of this section during the period of the benefit recipient's
2173 incapacity.

2174 (4) In the absence of a conservator, legal guardian or valid
2175 durable power of attorney, any married benefit applicant who is
2176 deemed to be incapable of applying for, managing or directing his
2177 or her benefits, shall be paid a reduced retirement allowance



2178 under Option 2 as provided in Section 25-11-115, with the lawful
2179 spouse as the beneficiary. Such payments shall be paid to a
2180 representative payee as designated by the system in accordance
2181 with the provisions of this section during the period of the
2182 benefit recipient's incapacity.

2183 **SECTION 17.** Section 25-11-117, Mississippi Code of 1972, is
2184 brought forward as follows:

2185 25-11-117. (1) A member may be paid a refund of the amount
2186 of accumulated contributions to the credit of the member in the
2187 annuity savings account, provided that the member has withdrawn
2188 from state service and has not returned to state service on the
2189 date the refund of the accumulated contributions would be paid.
2190 That refund of the contributions to the credit of the member in
2191 the annuity savings account shall be paid within ninety (90) days
2192 from receipt in the office of the retirement system of the
2193 properly completed form requesting the payment. In the event of
2194 death before retirement of any member whose spouse and/or children
2195 are not entitled to a retirement allowance, the accumulated
2196 contributions to the credit of the deceased member in the annuity
2197 savings account shall be paid to the designated beneficiary on
2198 file in writing in the office of the executive director of the
2199 board of trustees within ninety (90) days from receipt of a
2200 properly completed form requesting the payment. If there is no
2201 such designated beneficiary on file for the deceased member in the
2202 office of the system, upon the filing of a proper request with the



2203 board, the contributions to the credit of the deceased member in
2204 the annuity savings account shall be refunded under Section
2205 25-11-117.1(1). The payment of the refund shall discharge all
2206 obligations of the retirement system to the member on account of
2207 any creditable service rendered by the member before the receipt
2208 of the refund. By the acceptance of the refund, the member shall
2209 waive and relinquish all accrued rights in the system.

2210 (2) Under the Unemployment Compensation Amendments of 1992
2211 (Public Law 102-318 (UCA)), a member or the spouse of a member who
2212 is an eligible beneficiary entitled to a refund under this section
2213 may elect, on a form prescribed by the board under rules and
2214 regulations established by the board, to have an eligible rollover
2215 distribution of accumulated contributions payable under this
2216 section paid directly to an eligible retirement plan, as defined
2217 under applicable federal law, or an individual retirement account.
2218 If the member or the spouse of a member who is an eligible
2219 beneficiary makes that election and specifies the eligible
2220 retirement plan or individual retirement account to which the
2221 distribution is to be paid, the distribution will be made in the
2222 form of a direct trustee-to-trustee transfer to the specified
2223 eligible retirement plan. A nonspouse beneficiary may elect to
2224 have an eligible rollover distribution paid in the form of a
2225 direct trustee-to-trustee transfer to an individual retirement
2226 account established to receive the distribution on behalf of the



2227 nonspouse beneficiary. Flexible rollovers under this subsection
2228 shall not be considered assignments under Section 25-11-129.

2229 (3) (a) If any person who has received a refund, reenters
2230 the state service and again becomes a member of the system before
2231 July 1, 2007, the member may repay all or part of the amounts
2232 previously received as a refund, together with regular interest
2233 covering the period from the date of refund to the date of
2234 repayment; however, the amounts that are repaid by the member and
2235 the creditable service related thereto shall not be used in any
2236 benefit calculation or determination until the member has remained
2237 a contributor to the system for a period of at least four (4)
2238 years after the member's reentry into state service. Repayment
2239 for that time shall be made beginning with the most recent service
2240 for which refund has been made. Upon the repayment of all or part
2241 of that refund and interest, the member shall again receive credit
2242 for the period of creditable service for which full repayment has
2243 been made to the system.

2244 (b) If any person who has received a refund, reenters
2245 the state service and again becomes a member of the system on or
2246 after July 1, 2007, the member may repay all or part of the
2247 amounts previously received as a refund, together with regular
2248 interest covering the period from the date of refund to the date
2249 of repayment; however, the amounts that are repaid by the member
2250 and the creditable service related thereto shall not be used in
2251 any benefit calculation or determination until the member has



2252 remained a contributor to the system for a period of at least
2253 eight (8) years after the member's reentry into state service.
2254 Repayment for that time shall be made beginning with the most
2255 recent service for which refund has been made. Upon the repayment
2256 of all or part of that refund and interest, the member shall again
2257 receive credit for the period of creditable service for which full
2258 repayment has been made to the system.

2259 (4) (a) In order to provide a source of income to members
2260 who have applied for disability benefits under Section 25-11-113
2261 or 25-11-114, the board may provide, at the employee's election, a
2262 temporary benefit to be paid from the member's accumulated
2263 contributions, if any, without forfeiting the right to pursue
2264 disability benefits, provided that the member has exhausted all
2265 personal and medical leave and has terminated his or her
2266 employment. The board may prescribe rules and regulations for
2267 carrying out the provisions of this subsection (4).

2268 (b) If a member who has elected to receive temporary
2269 benefits under this subsection later applies for a refund of his
2270 or her accumulated contributions, all amounts paid under this
2271 subsection shall be deducted from the accumulated contributions
2272 and the balance will be paid to the member. If a member who has
2273 elected to receive temporary benefits under this subsection is
2274 later approved for a disability retirement allowance, and a
2275 service retirement allowance or survivor benefits are paid on the
2276 account, the board shall adjust the benefits in such a manner that



2277 no more than the actuarial equivalent of the benefits to which the
2278 member or beneficiary was or is entitled shall be paid.

2279 (c) The board may study, develop and propose a
2280 disability benefit structure, including short- and long-term
2281 disability benefits, provided that it is the actuarial equivalent
2282 of the benefits currently provided in Section 25-11-113 or
2283 25-11-114.

2284 **SECTION 18.** Section 25-11-117.1, Mississippi Code of 1972,
2285 is brought forward as follows:

2286 25-11-117.1. (1) Except as otherwise provided in subsection
2287 (2) of this section, where benefits are payable to a designated
2288 beneficiary or beneficiaries under this article and the designated
2289 beneficiary or beneficiaries as provided by the member on the most
2290 recent form filed with the system is deceased or otherwise
2291 disqualified at the time such benefits become payable, the
2292 following persons, in descending order of precedence, shall be
2293 eligible to receive such benefits:

2294 (a) The surviving spouse of the member or retiree;

2295 (b) The children of the member or retiree or their
2296 descendants, per stirpes;

2297 (c) The brothers and sisters of the member or retiree
2298 or their descendants, per stirpes;

2299 (d) The parents of the member or retiree;

2300 (e) The executor or administrator on behalf of the
2301 member or retiree's estate;



2302 (f) The persons entitled by law to distribution of the
2303 member or retiree's estate.

2304 (2) Any monthly benefits payable to a beneficiary who dies
2305 prior to cashing his or her final check(s) and/or any additional
2306 benefits payable pursuant to Section 25-11-112 still payable at
2307 the death of a beneficiary receiving monthly benefits shall be
2308 paid as follows:

2309 (a) The surviving spouse of the beneficiary;

2310 (b) The children of the beneficiary or their
2311 descendants, per stirpes;

2312 (c) The brothers and sisters of the beneficiary or
2313 their descendants, per stirpes;

2314 (d) The parents of the beneficiary;

2315 (e) The executor or administrator on behalf of the
2316 beneficiary's estate;

2317 (f) The persons entitled by law to distribution of the
2318 beneficiary's estate.

2319 (3) In the event no claim is made by any individual listed
2320 in subsection (2) of this section, a distribution may be made
2321 pursuant to the provisions of subsection (1) of this section.

2322 (4) Payment under the provisions of this section shall bar
2323 recovery by any other person of the benefits distributed. Payment
2324 of benefits made to one or more members of a class of individuals
2325 are made on behalf of all members of the class. Any members of



2326 the class coming forward after payment is made must look to those
2327 who received the payment.

2328 **SECTION 19.** Section 25-11-118, Mississippi Code of 1972, is
2329 brought forward as follows:

2330 25-11-118. Effective July 1, 2000, and subject to the rules
2331 adopted by the board of trustees, the system shall accept an
2332 eligible rollover distribution or a direct transfer of funds from
2333 another eligible retirement plan, as defined under applicable
2334 federal law, or an individual retirement account, in payment of
2335 all or a portion of the cost to purchase optional service credit
2336 or to reinstate previously withdrawn service credit as permitted
2337 by the system. The system may only accept rollover payments in an
2338 amount equal to or less than the balance due for purchase or
2339 reinstatement of service credit. The rules adopted by the board
2340 of trustees shall condition the acceptance of a rollover or
2341 transfer from another eligible retirement plan or an individual
2342 retirement account on the receipt of information necessary to
2343 enable the system to determine the eligibility of any transferred
2344 funds for tax-free rollover treatment or other treatment under
2345 federal income tax law.

2346 **SECTION 20.** Section 25-11-119, Mississippi Code of 1972, is
2347 brought forward as follows:

2348 25-11-119. (1) The board shall keep such data as shall be
2349 necessary for actuarial valuation of the assets and liabilities of
2350 the system and for checking its operating experience.



2351 (2) The board shall keep minutes which shall be open to
2352 public inspection. It shall have the accounts of the system
2353 audited annually by the State Audit Department and shall publish
2354 as of the end of each fiscal year a report showing the fiscal
2355 transactions of the system for the preceding fiscal year, the
2356 amount of the accumulated cash and securities of the system, a
2357 statement of income and expenditures, a statement of investments
2358 acquired and disposed of, and a balance sheet showing the
2359 financial condition of the system by means of an actuarial
2360 valuation of its assets and liabilities. It shall also publish a
2361 synopsis of the report.

2362 (3) The board shall establish a general office for the
2363 meeting of the board and for the administrative personnel; provide
2364 for the installation of an adequate system of books, accounts, and
2365 records which will give effect to all requirements of Articles 1
2366 and 3; and credit all assets received by the funds according to
2367 the purposes for which they are held. All books, accounts and
2368 records shall be kept in the general office of the board and shall
2369 be public records except for individual member records. The
2370 system shall not disclose the name, address or contents of any
2371 individual member records without the prior written consent of the
2372 individual to whom the record pertains, except as authorized by
2373 regulations of the board.



2374 (4) The board shall hold regular meetings at least quarterly
2375 in each year and such special meetings as may be deemed necessary.
2376 All meetings shall be open to the public.

2377 (5) The board shall have power to make contracts, and to sue
2378 and be sued, under the name of the Board of Trustees of the Public
2379 Employees' Retirement System of Mississippi.

2380 (6) Legal advisor. The Attorney General shall be the legal
2381 advisor of the board; and the board may employ counsel when
2382 needed.

2383 (7) Medical board. The board may designate a medical board
2384 to be composed of three (3) physicians or may contract with
2385 another governmental agency or nongovernmental disability
2386 determination service that is qualified to make disability
2387 determinations. If required, other physicians may be engaged to
2388 report on special cases. The medical board or other governmental
2389 or nongovernmental disability determination service agency so
2390 designated shall arrange for, and pass upon, all medical
2391 examinations required under the provisions of this article; shall
2392 investigate all essential statements and certificates by or on
2393 behalf of a member in connection with an application for
2394 disability retirement; and shall report in writing to the board of
2395 trustees its conclusions and recommendations upon all the matters
2396 referred to it.

2397 (8) Duties of actuary. The board of trustees shall
2398 designate an actuary who shall be the technical advisor of the



2399 board on matters regarding the operation of the system, and shall
2400 perform such other duties as are required in connection therewith.

2401 (9) At least once in each two-year period, the actuary shall
2402 make an actuarial survey of the mortality, service, withdrawal and
2403 compensation experience of the members and beneficiaries of the
2404 retirement system, and shall make a valuation of the assets and
2405 liabilities of the system. Taking into account the result of such
2406 investigation and valuation, the board of trustees shall adopt for
2407 the retirement system such mortality, service, and other tables as
2408 shall be deemed necessary. On the basis of such tables as the
2409 board of trustees shall adopt, the actuary shall make valuations
2410 of the assets and liabilities of the funds of the system.

2411 **SECTION 21.** Section 25-11-119.1, Mississippi Code of 1972,
2412 is brought forward as follows:

2413 25-11-119.1. (1) (a) The system may perform on-site
2414 compliance audits of employers to determine compliance with
2415 reporting, contributions, and certification requirements under
2416 this title.

2417 (b) The system may request records to be provided by
2418 the employer at the time of the audit.

2419 (c) Audits shall be conducted at the sole discretion of
2420 the system after reasonable notice to the employer of at least
2421 five (5) working days.



2422 (d) The employer shall extract and provide records as
2423 requested by the office in an appropriate, organized and usable
2424 format.

2425 (e) Failure of an employer to allow access, provide
2426 records or comply in any way with an audit by the system under
2427 this section shall result in the employer being liable to the
2428 system for:

2429 (i) Any liabilities and expenses, including
2430 administrative expenses and travel expenses, resulting from the
2431 employer's failure to comply with the audit; and

2432 (ii) A penalty equal to one percent (1%) of the
2433 employer's contribution for the month preceding the notification
2434 of the audit.

2435 (2) If the audit reveals an employer's failure to make
2436 contributions as required under Section 25-11-124, a failure to
2437 correctly report eligibility as required under Section
2438 25-11-103(s), or a failure to maintain records as required under
2439 the rules and regulations of the system, the employer shall
2440 reimburse the system for the cost of the audit.

2441 (3) The executive director may waive all or any part of the
2442 penalties and expenses if the executive director finds there were
2443 extenuating circumstances surrounding the employer's failure to
2444 comply with this section.

2445 **SECTION 22.** Section 25-11-120, Mississippi Code of 1972, is
2446 brought forward as follows:



2447 25-11-120. (1) Any individual aggrieved by an
2448 administrative determination, including a determination of the
2449 medical board, relating to the eligibility for or payment of
2450 benefits, or the calculation of creditable service or other
2451 similar matters relating to the Public Employees' Retirement
2452 System or any other retirement system or program administered by
2453 the board, may request a hearing before a hearing officer
2454 designated by the board. Such hearings shall be conducted in
2455 accordance with rules and regulations adopted by the board and
2456 formal rules of evidence shall not apply. The hearing officer is
2457 authorized to administer oaths, hear testimony of witnesses and
2458 receive documentary and other evidence. In case of disability
2459 appeals, the hearing officer shall have the authority to defer a
2460 decision in order to request a medical evaluation or test or
2461 additional existing medical records not previously furnished by
2462 the claimant. After the hearing and the receipt of any additional
2463 medical evidence requested by the hearing officer, the hearing
2464 officer shall certify the record to the board, which shall include
2465 the hearing officer's proposed statement of facts, conclusions of
2466 law and recommendation. The record may include a taped recording
2467 of the proceedings of the hearing in lieu of a transcribed copy of
2468 the proceedings. The board shall receive the record and make its
2469 determination based solely on matters contained therein.

2470 (2) Any individual aggrieved by the determination of the
2471 board may appeal to the Circuit Court of the First Judicial



2472 District of Hinds County, Mississippi, in accordance with the
2473 Uniform Circuit Court Rules governing appeals to the circuit court
2474 in civil cases. Such appeal shall be made solely on the record
2475 before the board and this procedure shall be the exclusive method
2476 of appealing determinations of the board.

2477 (3) The board is authorized to appoint a committee of the
2478 board to serve as hearing officer or to employ or contract with
2479 qualified personnel to perform the duties of hearing officer and
2480 court reporter as may be necessary for conducting, recording and
2481 transcribing such hearings. The board may assess and collect fees
2482 to offset costs related to such hearings. Those fees shall be
2483 deposited to the credit of the Public Employees' Retirement
2484 System.

2485 (4) Interest shall not be paid on any benefits, including,
2486 but not limited to, benefits that are delayed as a result of an
2487 administrative determination or an appeal from an administrative
2488 determination.

2489 **SECTION 23.** Section 25-11-121, Mississippi Code of 1972, is
2490 brought forward as follows:

2491 25-11-121. (1) The board shall, from time to time,
2492 determine the current requirements for benefit payments and
2493 administrative expense which shall be maintained as a cash working
2494 balance, except that such cash working balance shall not exceed at
2495 any time an amount necessary to meet the current obligations of



2496 the system for a period of ninety (90) days. Any amounts in
2497 excess of such cash working balance shall be invested, as follows:

2498 (a) Funds may be deposited in any institution insured
2499 by the Federal Deposit Insurance Corporation that maintains a
2500 facility that takes deposits in the State of Mississippi or a
2501 custodial bank;

2502 (b) Corporate bonds and taxable municipal bonds; or
2503 corporate short-term obligations of corporations or of wholly
2504 owned subsidiaries of corporations, whose short-term obligations
2505 are rated A-2 or better by Standard and Poor's, rated P-2 or
2506 better by Moody's Investment Service, F-2 or better by Fitch
2507 Ratings, Ltd., or the equivalent of these ratings if assigned by
2508 another United States Securities and Exchange Commission
2509 designated Nationally Recognized Statistical Rating Organization;

2510 (c) Agency and nonagency residential and commercial
2511 mortgage-backed securities and collateralized mortgage
2512 obligations;

2513 (d) Asset-backed securities;

2514 (e) Bank loans;

2515 (f) Convertible bonds;

2516 (g) Bonds of the Tennessee Valley Authority;

2517 (h) Bonds, notes, certificates and other valid
2518 obligations of the United States, and other valid obligations of
2519 any federal instrumentality that issues securities under authority



2520 of an act of Congress and are exempt from registration with the
2521 Securities and Exchange Commission;

2522 (i) Bonds, notes, debentures and other securities
2523 issued by any federal instrumentality and fully guaranteed by the
2524 United States;

2525 (j) Interest-bearing revenue bonds or notes or bonds or
2526 notes which are general obligations of any state in the United
2527 States or of any city or county therein;

2528 (k) Bonds of established non-United States companies
2529 and foreign government securities. The board may take requisite
2530 action to effectuate or hedge transactions or invest in currency
2531 through foreign or domestic banks, including the purchase and
2532 sale, transfer, exchange, or otherwise disposal of, and generally
2533 deal in foreign exchange through the use of foreign currency,
2534 interbank forward contracts, futures contracts, options contracts,
2535 swaps and other related derivative instruments, notwithstanding
2536 any other provisions of this article to the contrary;

2537 (l) Shares of stocks, common and/or preferred, of
2538 corporations created by or existing under the laws of the United
2539 States or any state, district or territory thereof and shares of
2540 stocks, common and/or preferred, and convertible securities of
2541 non-United States companies; provided:

2542 (i) The maximum investments in stocks shall not
2543 exceed eighty percent (80%) of the total book value of the total
2544 investment fund of the system;



2545 (ii) The stock of such corporation shall:
2546 1. Be listed on a national stock exchange; or
2547 2. Be traded in the over-the-counter market;
2548 (iii) The outstanding shares of such corporation
2549 shall have a total market value of not less than Fifty Million
2550 Dollars (\$50,000,000.00);
2551 (iv) The amount of investment in any one (1)
2552 corporation shall not exceed three percent (3%) of the book value
2553 of the assets of the system;
2554 (v) The shares of any one (1) corporation owned by
2555 the system shall not exceed five percent (5%) of that
2556 corporation's outstanding stock.
2557 The board may take requisite action utilizing foreign
2558 currency as an investment vehicle, or to effectuate or hedge
2559 transactions for shares of stocks and convertible securities of
2560 non-United States companies through foreign or domestic banks,
2561 including the purchase and sale, transfer, exchange, or otherwise
2562 disposal of, and generally deal in foreign exchange through the
2563 use of foreign currency, interbank forward contracts, futures
2564 contracts, options contracts, swaps and other related derivative
2565 instruments, notwithstanding any other provisions of this article
2566 to the contrary;
2567 (m) Covered call and put options on securities or
2568 indices traded on one or more of the regulated exchanges;



2569 (n) Pooled or commingled funds managed by a corporate
2570 trustee or by a Securities and Exchange Commission registered
2571 investment advisory firm retained as an investment manager by the
2572 board of trustees, and shares of investment companies and unit
2573 investment trusts registered under the Investment Company Act of
2574 1940, where such pooled or commingled funds or shares are
2575 comprised of common or preferred stocks, bonds, money market
2576 instruments or other investments authorized under this section.
2577 Such investment in commingled funds or shares shall be held in
2578 trust; provided that the total book value of investments under
2579 this paragraph shall at no time exceed five percent (5%) of the
2580 total book value of all investments of the system. Any investment
2581 manager approved by the board of trustees shall invest such
2582 commingled funds or shares as a fiduciary;

2583 (o) Pooled or commingled real estate funds or real
2584 estate securities managed by a corporate trustee or by a
2585 Securities and Exchange Commission registered investment advisory
2586 firm retained as an investment manager by the board of trustees.
2587 Such investment in commingled funds or shares shall be held in
2588 trust; provided that the total book value of investments under
2589 this paragraph shall at no time exceed ten percent (10%) of the
2590 total book value of all investments of the system. Any investment
2591 manager approved by the board of trustees shall invest such
2592 commingled funds or shares as a fiduciary. The ten percent (10%)



2593 limitation in this paragraph shall not be subject to the five
2594 percent (5%) limitation in paragraph (n) of this subsection;

2595 (p) Types of investments not specifically authorized by
2596 this subsection if the investments are in the form of a separate
2597 account managed by a Securities and Exchange Commission registered
2598 investment advisory firm retained as an investment manager by the
2599 board; or a limited partnership or commingled fund approved by the
2600 board; provided that the total book value of investments under
2601 this paragraph shall at no time exceed twenty percent (20%) of the
2602 total book value of all investments of the system. Any person or
2603 entity who exercises any discretionary authority or discretionary
2604 control respecting management of the separate account, limited
2605 partnership or commingled fund, or who exercises any authority or
2606 control respecting management or disposition of the assets of the
2607 separate account, limited partnership or commingled fund, shall
2608 exercise such authority or control as a fiduciary.

2609 (2) All investments shall be acquired at prices not
2610 exceeding the prevailing market values for such investments.

2611 (3) Any limitations herein set forth shall be applicable
2612 only at the time of purchase and shall not require the liquidation
2613 of any investment at any time. All investments shall be clearly
2614 marked to indicate ownership by the system and to the extent
2615 possible shall be registered in the name of the system.

2616 (4) Subject to the above terms, conditions, limitations and
2617 restrictions, the board shall have power to sell, assign, transfer



2618 and dispose of any of the securities and investments of the
2619 system, provided that said sale, assignment or transfer has the
2620 majority approval of the entire board. The board may employ or
2621 contract with investment managers, evaluation services or other
2622 such services as determined by the board to be necessary for the
2623 effective and efficient operation of the system.

2624 (5) Except as otherwise provided herein, no trustee and no
2625 employee of the board shall have any direct or indirect interest
2626 in the income, gains or profits of any investment made by the
2627 board, nor shall any such person receive any pay or emolument for
2628 his services in connection with any investment made by the board.
2629 No trustee or employee of the board shall become an endorser or
2630 surety, or in any manner an obligor for money loaned by or
2631 borrowed from the system.

2632 (6) All interest derived from investments and any gains from
2633 the sale or exchange of investments shall be credited by the board
2634 to the account of the system.

2635 (7) The board of trustees shall credit regular interest to
2636 the annuity savings account monthly. Regular interest shall mean
2637 such per centum rate to be compounded annually as set by the board
2638 of trustees through regulation.

2639 (8) The board of trustees shall be the custodian of the
2640 funds of the system. All retirement allowance payrolls shall be
2641 certified by the executive director who shall furnish the board a
2642 surety bond in a company authorized to do business in Mississippi



2643 in such an amount as shall be required by the board, the premium
2644 to be paid by the board from the expense account.

2645 (9) For the purpose of meeting disbursements for retirement
2646 allowances, annuities and other payments, cash may be kept
2647 available, not exceeding the requirements of the system for a
2648 period of ninety (90) days, on deposit in one or more banks or
2649 trust companies organized under the laws of the State of
2650 Mississippi or the laws of the United States, provided that the
2651 sum on deposit in any one (1) bank or trust company shall not
2652 exceed thirty-five percent (35%) of the paid-up capital and
2653 regular surplus of such bank or trust company.

2654 (10) The board, the executive director and employees shall
2655 discharge their duties with respect to the investments of the
2656 system solely for the interest of the system with the care, skill,
2657 prudence and diligence under the circumstances then prevailing
2658 that a prudent investor acting in a like capacity and familiar
2659 with such matters would use in the conduct of an enterprise of a
2660 like character and with like aims, including diversifying the
2661 investments of the system so as to minimize the risk of large
2662 losses, unless under the circumstances it is clearly prudent not
2663 to do so.

2664 (11) Documentary material or data made or received by the
2665 system which consists of trade secrets or commercial or financial
2666 information that relates to the investments of the system shall be
2667 exempt from the Mississippi Public Records Act of 1983 if the



2668 disclosure of the material or data is likely to impair the
2669 system's ability to obtain such information in the future, or is
2670 likely to cause substantial harm to the competitive position of
2671 the person or entity from whom the information was obtained.

2672 **SECTION 24.** Section 25-11-123, Mississippi Code of 1972, is
2673 brought forward as follows:

2674 25-11-123. All of the assets of the system shall be credited
2675 according to the purpose for which they are held to one (1) of
2676 four (4) reserves; namely, the annuity savings account, the
2677 annuity reserve, the employer's accumulation account, and the
2678 expense account.

2679 (a) **Annuity savings account.** In the annuity savings
2680 account shall be accumulated the contributions made by members to
2681 provide for their annuities, including interest thereon which
2682 shall be posted monthly. Credits to and charges against the
2683 annuity savings account shall be made as follows:

2684 (1) Beginning July 1, 2010, except as otherwise
2685 provided in Section 25-11-126, the employer shall cause to be
2686 deducted from the salary of each member on each and every payroll
2687 of the employer for each and every payroll period nine percent
2688 (9%) of earned compensation as defined in Section 25-11-103.
2689 Future contributions shall be fixed biennially by the board on the
2690 basis of the liabilities of the retirement system for the various
2691 allowances and benefits as shown by actuarial valuation; however,
2692 any member earning at a rate less than Sixteen Dollars and



2693 Sixty-seven Cents (\$16.67) per month, or Two Hundred Dollars
2694 (\$200.00) per year, shall contribute not less than One Dollar
2695 (\$1.00) per month, or Twelve Dollars (\$12.00) per year.

2696 (2) The deductions provided in paragraph (1) of
2697 this subsection shall be made notwithstanding that the minimum
2698 compensation provided by law for any member is reduced by the
2699 deduction. Every member shall be deemed to consent and agree to
2700 the deductions made and provided for in paragraph (1) of this
2701 subsection and shall receipt for his full salary or compensation,
2702 and payment of salary or compensation less the deduction shall be
2703 a full and complete discharge and acquittance of all claims and
2704 demands whatsoever for the services rendered by the person during
2705 the period covered by the payment, except as to the benefits
2706 provided under Articles 1 and 3. The board shall provide by rules
2707 for the methods of collection of contributions from members and
2708 the employer. The board shall have full authority to require the
2709 production of evidence necessary to verify the correctness of
2710 amounts contributed.

2711 (b) **Annuity reserve.** The annuity reserve shall be the
2712 account representing the actuarial value of all annuities in
2713 force, and to it shall be charged all annuities and all benefits
2714 in lieu of annuities, payable as provided in this article. If a
2715 beneficiary retired on account of disability is restored to active
2716 service with a compensation not less than his average final
2717 compensation at the time of his last retirement, the remainder of



2718 his contributions shall be transferred from the annuity reserve to
2719 the annuity savings account and credited to his individual account
2720 therein, and the balance of his annuity reserve shall be
2721 transferred to the employer's accumulation account.

2722 (c) **Employer's accumulation account.** The employer's
2723 accumulation account shall represent the accumulation of all
2724 reserves for the payment of all retirement allowances and other
2725 benefits payable from contributions made by the employer, and
2726 against this account shall be charged all retirement allowances
2727 and other benefits on account of members. Credits to and charges
2728 against the employer's accumulation account shall be made as
2729 follows:

2730 (1) On account of each member there shall be paid
2731 monthly into the employer's accumulation account by the employers
2732 for the preceding fiscal year an amount equal to a certain
2733 percentage of the total earned compensation, as defined in Section
2734 25-11-103, of each member. From and after May 9, 2024, the
2735 increase in the employer's contribution rate scheduled to take
2736 effect on July 1, 2024, is rescinded and shall not take effect;
2737 however, on July 1 of each year from 2024 through 2028, the
2738 employer's contribution rate shall be increased by one-half
2739 percent (1/2%).

2740 (2) For the public good, any recommendation by the
2741 board to adjust the employer contributions shall be accompanied by
2742 at least two (2) assessments from actuaries who are independent



2743 from each other and the retirement plan. The actuaries shall
2744 analyze the economic impact of any such recommendation to the
2745 system and state, including, but not limited to, information
2746 showing the fiscal impact to every agency and arm of the state,
2747 including, but not limited to, state agencies, cities, counties
2748 and school districts. The actuarial assessments, with any such
2749 recommendation to adjust the employer contributions, shall be
2750 submitted to the Lieutenant Governor, Speaker of the House,
2751 Chairman of the Senate Appropriations Committee and Chairman of
2752 the House Appropriations Committee.

2753 (3) The board shall have the authority to make
2754 recommendations regarding additional funding sources for the
2755 retirement plan, including employer contribution increases, based
2756 on the assets and liabilities of the retirement plan, and the
2757 analyses required by paragraph (2) of this subsection (c). The
2758 Legislature shall have the sole authority to implement any such
2759 recommendations. It is the intent of the Legislature that, in the
2760 2025 Regular Session, a law be enacted to create a new tier for
2761 future members of the system, in furtherance of the system's
2762 continued financial stability and sustainability.

2763 (4) This section shall not be construed to provide
2764 authority to reduce or eliminate any earned benefits to be
2765 provided by the state to persons who, before July 1, 2025, are
2766 drawing a retirement allowance or are members of the system.



2767 (5) On the basis of regular interest and of such
2768 mortality and other tables as are adopted by the board of
2769 trustees, the actuary engaged by the board to make each valuation
2770 required by this article during the period over which the accrued
2771 liability contribution is payable, immediately after making that
2772 valuation, shall determine the uniform and constant percentage of
2773 the earnable compensation of each member which, if contributed by
2774 the employer on the basis of compensation of the member throughout
2775 his entire period of membership service, would be sufficient to
2776 provide for the payment of any retirement allowance payable on his
2777 account for that service. The percentage rate so determined shall
2778 be known as the "normal contribution rate." After the accrued
2779 liability contribution has ceased to be payable, the normal
2780 contribution rate shall be the percentage rate of the salary of
2781 all members obtained by deducting from the total liabilities on
2782 account of membership service the amount in the employer's
2783 accumulation account, and dividing the remainder by one percent
2784 (1%) of the present value of the prospective future salaries of
2785 all members as computed on the basis of the mortality and service
2786 tables adopted by the board of trustees and regular interest. The
2787 normal rate of contributions shall be determined by the actuary
2788 after each valuation.

2789 (6) The total amount payable in each year to the
2790 employer's accumulation account shall not be less than the sum of
2791 the percentage rate known as the "normal contribution rate" and



2792 the "accrued liability contribution rate" of the total
2793 compensation earnable by all members during the preceding year,
2794 provided that the payment by the employer shall be sufficient,
2795 when combined with the amounts in the account, to provide the
2796 allowances and other benefits chargeable to this account during
2797 the year then current.

2798 (7) The accrued liability contribution shall be
2799 discontinued as soon as the accumulated balance in the employer's
2800 accumulation account shall equal the present value, computed on
2801 the basis of the normal contribution rate then in force, or the
2802 prospective normal contributions to be received on account of all
2803 persons who are at that time members.

2804 (8) All allowances and benefits in lieu thereof,
2805 with the exception of those payable on account of members who
2806 receive no prior service credit, payable from contributions of the
2807 employer, shall be paid from the employer's accumulation account.

2808 (9) Upon the retirement of a member, an amount
2809 equal to his retirement allowance shall be transferred from the
2810 employer's accumulation account to the annuity reserve.

2811 (10) The employer's accumulation account shall be
2812 credited with any assets authorized by law to be credited to the
2813 account.

2814 (d) **Expense account.** The expense account shall be the
2815 account to which the expenses of the administration of the system
2816 shall be charged, exclusive of amounts payable as retirement



2817 allowances and as other benefits provided herein. The Legislature
2818 shall make annual appropriations in amounts sufficient to
2819 administer the system, which shall be credited to this account.
2820 There shall be transferred to the State Treasury from this
2821 account, not less than once per month, an amount sufficient for
2822 payment of the estimated expenses of the system for the succeeding
2823 thirty (30) days. Any interest earned on the expense account
2824 shall accrue to the benefit of the system. However,
2825 notwithstanding the provisions of Sections 25-11-15(10) and
2826 25-11-105(f) (v)5, all expenses of the administration of the system
2827 shall be paid from the interest earnings, provided the interest
2828 earnings are in excess of the actuarial interest assumption as
2829 determined by the board, and provided the present cost of the
2830 administrative expense fee of two percent (2%) of the
2831 contributions reported by the political subdivisions and
2832 instrumentalities shall be reduced to one percent (1%) from and
2833 after July 1, 1983, through June 30, 1984, and shall be eliminated
2834 thereafter.

2835 (e) **Collection of contributions.** The employer shall
2836 cause to be deducted on each and every payroll of a member for
2837 each and every payroll period, beginning subsequent to January 31,
2838 1953, the contributions payable by the member as provided in
2839 Articles 1 and 3.

2840 The employer shall make deductions from salaries of employees
2841 as provided in Articles 1 and 3 and shall transmit monthly, or at



2842 such time as the board of trustees designates, the amount
2843 specified to be deducted to the Executive Director of the Public
2844 Employees' Retirement System. The executive director, after
2845 making a record of all those receipts, shall deposit such amounts
2846 as provided by law.

2847 (f) (1) The sum of the normal contribution rate and the
2848 accrued liability contribution rate shall be known as the
2849 "employer's contribution rate."

2850 (2) The amount payable by the employer on account
2851 of normal and accrued liability contributions shall be determined
2852 by applying the employer's contribution rate to the amount of
2853 compensation earned by employees who are members of the system.
2854 Monthly, or at such time as the board of trustees designates, each
2855 department or agency shall compute the amount of the employer's
2856 contribution payable, with respect to the salaries of its
2857 employees who are members of the system, and shall cause that
2858 amount to be paid to the board of trustees from the personal
2859 service allotment of the amount appropriated for the operation of
2860 the department or agency, or from funds otherwise available to the
2861 agency, for the payment of salaries to its employees.

2862 (3) Except as otherwise provided in Section
2863 25-11-106:

2864 (i) Constables shall pay employer and
2865 employee contributions on their net fee income as well as the



2866 employee contributions on all direct treasury or county payroll
2867 income.

2868 (ii) The county shall be responsible for the
2869 employer contribution on all direct treasury or county payroll
2870 income of constables.

2871 (4) Except as otherwise provided in Section
2872 25-11-106.1, chancery and circuit clerks shall be responsible for
2873 both the employer and employee share of contributions on the
2874 proportionate share of net income attributable to fees, as well as
2875 the employee share of net income attributable to direct treasury
2876 or county payroll income, and the employing county shall be
2877 responsible for the employer contributions on the net income
2878 attributable to direct treasury or county payroll income.

2879 (5) Once each year, under procedures established
2880 by the system, each employer shall submit to the Public Employees'
2881 Retirement System a copy of their report to Social Security of all
2882 employees' earnings.

2883 (6) The board shall provide by rules for the
2884 methods of collection of contributions of employers and members.
2885 The amounts determined due by an agency to the various funds as
2886 specified in Articles 1 and 3 are made obligations of the agency
2887 to the board and shall be paid as provided herein. Failure to
2888 deduct those contributions shall not relieve the employee and
2889 employer from liability thereof. Delinquent employee
2890 contributions and any accrued interest shall be the obligation of



2891 the employee and delinquent employer contributions and any accrued
2892 interest shall be the obligation of the employer. The employer
2893 may, in its discretion, elect to pay any or all of the interest on
2894 delinquent employee contributions. From and after July 1, 1996,
2895 under rules and regulations established by the board, all
2896 employers are authorized and shall transfer all funds due to the
2897 Public Employees' Retirement System electronically and shall
2898 transmit any wage or other reports by computerized reporting
2899 systems.

2900 **SECTION 25.** Section 25-11-124, Mississippi Code of 1972, is
2901 brought forward as follows:

2902 25-11-124. Each employer shall pick up the member
2903 contributions required by Section 25-11-123, Mississippi Code of
2904 1972, for all compensation earned after June 30, 1982, and the
2905 contributions so picked up shall be treated as employer
2906 contributions in determining tax treatment under the United States
2907 Internal Revenue Code and the Mississippi Income Tax Code;
2908 however, each employer shall continue to withhold federal and
2909 state income taxes based upon such contributions until the
2910 Internal Revenue Service or the federal courts rule that, pursuant
2911 to Section 414(h) of the United States Internal Revenue Code,
2912 these contributions shall not be included as gross income of the
2913 member until such time as they are distributed or made available.
2914 The employer shall pay these member contributions from the same
2915 source of funds which is used in paying earnings to the member.



2916 The employer may pick up these contributions by a reduction in the
2917 cash salary of the member, or by an offset against a future salary
2918 increase, or by a combination of a reduction in salary and offset
2919 against a future salary increase. If member contributions are
2920 picked up they shall be treated for all purposes of the Public
2921 Employees' Retirement System in the same manner and to the same
2922 extent as member contributions made prior to the date picked up.

2923 **SECTION 26.** Section 25-11-125, Mississippi Code of 1972, is
2924 brought forward as follows:

2925 25-11-125. (1) The board of supervisors may appropriate and
2926 include in its budget for public purposes a sufficient sum to pay
2927 the required employer contribution to the Public Employees'
2928 Retirement System for all fee-paid elected officials in judicial
2929 capacities of the county and supervisors districts, and those
2930 contributions shall be included by the clerk of the board in his
2931 regular reports and remittals to the Executive Director of the
2932 Public Employees' Retirement System for other county officers and
2933 regular county employees whose employer contributions are not
2934 included in and paid from the annual county budget.

2935 (2) If the county elects to be responsible for contributions
2936 on the net fee income of the constable, the board of supervisors
2937 of the county shall appropriate and include in its budget a
2938 sufficient sum to pay to the Public Employees' Retirement System
2939 for each constable holding office in that county the required
2940 employer contributions on the net fee income and all direct



2941 payments to the constable from the county, and those contributions
2942 shall be handled by the clerk of the board in the manner required
2943 by subsection (1) of this section.

2944 **SECTION 27.** Section 25-11-126, Mississippi Code of 1972, is
2945 brought forward as follows:

2946 25-11-126. (1) Any person who has at least thirty (30)
2947 years of creditable service, who was employed as a public school
2948 teacher at the time of his or her retirement, has been retired at
2949 least ninety (90) days and is receiving a retirement allowance,
2950 and holds a standard teaching license in Mississippi, may be
2951 employed as a teacher in a public school district after
2952 retirement, and choose to continue receiving the retirement
2953 allowance under this article during his or her employment as a
2954 teacher after retirement in addition to receiving the salary
2955 authorized under this section, along with the local contribution
2956 of the school district in which the retiree is employed, at the
2957 discretion of the school district. Any teacher who has retired
2958 with at least twenty-five (25) years of creditable service as of
2959 July 1, 2024, may also participate in this program if the teacher
2960 otherwise qualifies under this section.

2961 (2) A retired teacher may only be hired to teach in a school
2962 district designated by the Department of Education as having
2963 critical shortages and/or critical subject-area shortages, and
2964 shall hold the related standard teaching license and/or
2965 endorsements to teach in the subject area. The base compensation



2966 authorized for returning retired teachers under Section 37-19-7
2967 shall not be graduated annually in the same manner as teachers who
2968 are employed by a school district under traditional employment
2969 guidelines, but shall remain static for the entirety of his or her
2970 eligible teaching period as a retired teacher.

2971 (3) (a) A retired teacher may be employed as a teacher,
2972 continue receiving his or her retirement allowance and be a
2973 contributing member of the system without accruing additional
2974 retirement benefits for a total of five (5) years, which may be
2975 performed consecutively or intermittently. This method is
2976 designed specifically to provide funding for the system to
2977 actuarially offset any pension liability created by this section.
2978 Each school district hiring retired teachers under the authority
2979 of this section, shall make a direct payment to PERS, which shall
2980 serve as pension liability participation assessment. The pension
2981 liability participation assessment and the retired teacher's
2982 salary for returning to work shall be determined as follows:

2983 (i) A school district shall rely on the salary
2984 schedule in Section 37-19-7 in considering the salary for a
2985 retired teacher; provided, however, that the school district may
2986 allocate up to one hundred and twenty-five percent (125%) of the
2987 amount provided under the salary schedule comparable to the
2988 teacher's years of service and license type as salary and
2989 assessment under the program.



2990 (ii) After determining the retired teacher's
2991 compensation, the school district may pay no more than fifty
2992 percent (50%) of the retired teacher's compensation as salary to
2993 the retired teacher; and

2994 (iii) The remaining fifty percent (50%) of the
2995 retired teacher's compensation as salary shall be paid by the
2996 school district to PERS as a pension liability participation
2997 assessment.

2998 (b) If a retired teacher, reemployed under the
2999 authority of this section, works in a school district for any
3000 portion of a scholastic year less than a full contractual term of
3001 traditional teachers, the time worked by the retired teacher shall
3002 constitute one (1) of the five (5) years of post retirement
3003 teaching eligibility. A retired teacher, under the authority of
3004 this section, shall be entitled to work in any applicable school
3005 district and shall not be obligated to remain in any one (1)
3006 school district for the entirety of his or her post retirement
3007 teaching eligibility, but shall be cumulative in nature so as not
3008 to exceed five (5) years. The salary authorized under Section
3009 37-19-7 for retired teachers shall be prorated for any period
3010 worked by the retired teacher that is less than one (1) full
3011 academic year.

3012 (c) The State Department of Education shall transfer to
3013 the system the Mississippi Adequate Education Program funds of
3014 local school districts that on or after July 1, 2024, hire retired



3015 members as teachers under this section and other funds that
3016 otherwise would have been payable to the districts if the
3017 districts had not taken advantage of this section. The crediting
3018 of assets and financing shall follow the provisions of Section
3019 25-11-123.

3020 (d) Local educational agencies shall transfer to the
3021 system Mississippi Adequate Education Program funds of local
3022 school districts that on or after July 1, 2024, hire retired
3023 members as teachers under this section and other funds that
3024 otherwise would have been payable to the districts if the
3025 districts had not taken advantage of this section. The crediting
3026 of assets and financing must follow the provisions of Section
3027 25-11-123.

3028 (4) Under the authority of this section, school districts
3029 may employ retired teachers based on criteria established by the
3030 department of education for critical teacher shortage areas and
3031 critical subject-matter areas. A school district that is not
3032 within a critical teacher shortage area may employ teachers for
3033 critical subject-matter areas.

3034 (5) A person may be hired under this section subject to the
3035 following conditions:

3036 (a) The retired member holds any teacher's professional
3037 license or certificate as may be required in Section 37-3-2, and
3038 holds the related standard teaching license and/or endorsements to
3039 teach in the applicable subject area;



3040 (b) The superintendent of the employing school district
3041 certifies in writing to the State Department of Education that the
3042 retired member has the requisite experience, training and
3043 expertise for the position to be filled;

3044 (c) The superintendent of the school district certifies
3045 or the principal of the school certifies that there was no
3046 preexisting arrangement for the person to be hired;

3047 (d) The person had a satisfactory performance review
3048 for the most recent period before retirement; and

3049 (e) The person is hired to teach in a critical
3050 subject-matter area or in a critical teacher shortage area.

3051 (6) The State Superintendent of Public Education shall
3052 report the persons who are employed under this section to the
3053 Executive Director of the Public Employees' Retirement System.

3054 (7) The department of education shall promulgate regulations
3055 that prescribe a salary schedule that reflects the provisions of
3056 this section. Each school district shall create a policy,
3057 approved by the local school board, related to the hiring of
3058 retired teachers and including, but not limited to, the hiring of
3059 full- and part-time retired teacher employees under this section
3060 and Section 25-11-127.

3061 (8) Any retired teacher who returns to work in accordance
3062 with this section shall not be eligible to return to work under
3063 the provisions of Section 25-11-127.



3064 **SECTION 28.** Section 25-11-127, Mississippi Code of 1972, is
3065 brought forward as follows:

3066 25-11-127. (1) (a) No person who is being paid a
3067 retirement allowance or a pension after retirement under this
3068 article shall be employed or paid for any service by the State of
3069 Mississippi, including services as an employee, contract worker,
3070 contractual employee or independent contractor, until the retired
3071 person has been retired for not less than ninety (90) consecutive
3072 days from his or her effective date of retirement. After the
3073 person has been retired for not less than ninety (90) consecutive
3074 days from his or her effective date of retirement or such later
3075 date as established by the board, he or she may be reemployed
3076 while being paid a retirement allowance under the terms and
3077 conditions provided in this section or in Section 25-11-126.

3078 (b) No retiree of this retirement system who is
3079 reemployed or is reelected to office after retirement shall
3080 continue to draw retirement benefits while so reemployed, except
3081 as provided in this section or in Section 25-11-126.

3082 (c) No person employed or elected under the exceptions
3083 provided for in this section shall become a member under Article 3
3084 of the retirement system.

3085 (2) Except as otherwise provided in Section 25-11-126, any
3086 person who has been retired under the provisions of Article 3 and
3087 who is later reemployed in service covered by this article shall
3088 cease to receive benefits under this article and shall again



3089 become a contributing member of the retirement system. When the
3090 person retires again, if the reemployment exceeds six (6) months,
3091 the person shall have his or her benefit recomputed, including
3092 service after again becoming a member, provided that the total
3093 retirement allowance paid to the retired member in his or her
3094 previous retirement shall be deducted from the member's retirement
3095 reserve and taken into consideration in recalculating the
3096 retirement allowance under a new option selected.

3097 (3) The board shall have the right to prescribe rules and
3098 regulations for carrying out the provisions of this section.

3099 (4) The provisions of this section shall not be construed to
3100 prohibit any retiree, regardless of age, from being employed and
3101 drawing a retirement allowance either:

3102 (a) For a period of time not to exceed one-half (1/2)
3103 of the normal working days for the position in any fiscal year
3104 during which the retiree will receive no more than one-half (1/2)
3105 of the salary in effect for the position at the time of
3106 employment, or

3107 (b) For a period of time in any fiscal year sufficient
3108 in length to permit a retiree to earn not in excess of twenty-five
3109 percent (25%) of retiree's average compensation.

3110 To determine the normal working days for a position under
3111 paragraph (a) of this subsection, the employer shall determine the
3112 required number of working days for the position on a full-time
3113 basis and the equivalent number of hours representing the



3114 full-time position. The retiree then may work up to one-half
3115 (1/2) of the required number of working days or up to one-half
3116 (1/2) of the equivalent number of hours and receive up to one-half
3117 (1/2) of the salary for the position. In the case of employment
3118 with multiple employers, the limitation shall equal one-half (1/2)
3119 of the number of days or hours for a single full-time position.

3120 Notice shall be given in writing to the executive director,
3121 setting forth the facts upon which the employment is being made,
3122 and the notice shall be given within five (5) days from the date
3123 of employment and also from the date of termination of the
3124 employment.

3125 (5) Except as otherwise provided in subsection (6) of this
3126 section, the employer of any person who is receiving a retirement
3127 allowance and who is employed in service covered by subsection (4)
3128 of this section as an employee or a contractual employee shall pay
3129 to the board the full amount of the employer's contribution on the
3130 amount of compensation received by the retiree for his or her
3131 employment in accordance with regulations prescribed by the board.
3132 The retiree shall not receive any additional creditable service in
3133 the retirement system as a result of the payment of the employer's
3134 contribution. This subsection does not apply to persons who are
3135 receiving a retirement allowance and who contract with an employer
3136 to provide services as a true independent contractor, as defined
3137 by the board through regulation.



3138 (6) (a) A member may retire and continue in municipal or
3139 county elective office provided that the member has reached the
3140 age and/or service requirement that will not result in a
3141 prohibited in-service distribution as defined by the Internal
3142 Revenue Service, or a retiree may be elected to a municipal or
3143 county office, provided that the person:

3144 (i) Files annually, in writing, in the office of
3145 the employer and the office of the executive director of the
3146 system before the person takes office or as soon as possible after
3147 retirement, a waiver of all salary or compensation and elects to
3148 receive in lieu of that salary or compensation a retirement
3149 allowance as provided in this section, in which event no salary or
3150 compensation shall thereafter be due or payable for those
3151 services; however, any such officer or employee may receive, in
3152 addition to the retirement allowance, office expense allowance,
3153 mileage or travel expense authorized by any statute of the State
3154 of Mississippi; or

3155 (ii) Elects to receive compensation for that
3156 elective office in an amount not to exceed twenty-five percent
3157 (25%) of the retiree's average compensation. In order to receive
3158 compensation as allowed in this subparagraph, the retiree shall
3159 file annually, in writing, in the office of the employer and the
3160 office of the executive director of the system, an election to
3161 receive, in addition to a retirement allowance, compensation as
3162 allowed in this subparagraph.



3163 (b) The municipality or county in which the retired
3164 person holds elective office shall pay to the board the amount of
3165 the employer's contributions on the full amount of the regular
3166 compensation for the elective office that the retired person
3167 holds.

3168 (c) As used in this subsection, the term "compensation"
3169 does not include office expense allowance, mileage or travel
3170 expense authorized by a statute of the State of Mississippi.

3171 (7) Any retired teacher who returns to work in accordance
3172 with this section shall not be eligible to return to work under
3173 the provisions of Section 25-11-126.

3174 **SECTION 29.** Section 25-11-129, Mississippi Code of 1972, is
3175 brought forward as follows:

3176 25-11-129. (1) The right of a person to an annuity, a
3177 retirement allowance or benefit, or to the return of
3178 contributions, or to any optional benefit or any other right
3179 accrued or accruing to any person under the provisions of Articles
3180 1 and 3, the system and the monies in the system created by said
3181 articles, are hereby exempt from any state, county or municipal ad
3182 valorem taxes, income taxes, premium taxes, privilege taxes,
3183 property taxes, sales and use taxes or other taxes not so named,
3184 notwithstanding any other provision of law to the contrary, and
3185 exempt from levy and sale, garnishment, attachment or any other
3186 process whatsoever, and shall be unassignable except as



3187 specifically otherwise provided in this article and except as
3188 otherwise provided in subsection (2) of this section.

3189 (2) Any retired member or beneficiary receiving a retirement
3190 allowance or benefit under this article may authorize the system
3191 to make deductions from the retirement allowance or benefit for
3192 the payment of employer or system sponsored group life or health
3193 insurance. The deductions authorized under this subsection shall
3194 be subject to rules and regulations adopted by the board.

3195 **SECTION 30.** Section 25-11-131, Mississippi Code of 1972, is
3196 brought forward as follows:

3197 25-11-131. (1) Any person or corporation who shall receive
3198 and retain any payment, after the death of a member or after the
3199 death of the beneficiary of any member, which amount is not
3200 lawfully due, shall be liable for the repayment of such amount to
3201 the retirement system plus interest thereon at ten percent (10%)
3202 per annum plus all costs of collection. Any person who shall
3203 knowingly make any false statement or shall falsify or permit to
3204 be falsified any record or records of this retirement system in
3205 any attempt to defraud such system as a result of such act shall
3206 be guilty of a misdemeanor if the amount obtained or attempted to
3207 be obtained does not exceed the amount of Five Hundred Dollars
3208 (\$500.00), and, on conviction thereof by any court of competent
3209 jurisdiction, shall be punished by a fine not exceeding Five
3210 Hundred Dollars (\$500.00) or imprisonment in the county jail not
3211 exceeding six (6) months, or both; if such amount obtained or



3212 attempted to be obtained shall exceed the sum of Five Hundred
3213 Dollars (\$500.00), such person or persons shall be guilty of a
3214 felony and, on conviction thereof by any court of competent
3215 jurisdiction, shall be punished by a fine not exceeding Ten
3216 Thousand Dollars (\$10,000.00) or by imprisonment in the State
3217 Penitentiary not exceeding five (5) years, or both.

3218 (2) Should any change or error in the records result in any
3219 member or beneficiary receiving from the retirement system more or
3220 less than he would have been entitled to receive had the records
3221 been correct, the board of trustees shall correct such error upon
3222 detection, regardless of the length of time between the reporting
3223 error or the time payment started and the time the board became
3224 aware of the error, and, as far as practicable, adjust the payment
3225 in such a manner that the actuarial equivalent of the benefit to
3226 which such member or beneficiary was correctly entitled shall be
3227 paid. This responsibility is, and has been, the duty of the board
3228 since the creation of the retirement system.

3229 **SECTION 31.** Section 25-11-133, Mississippi Code of 1972, is
3230 brought forward as follows:

3231 25-11-133. (1) The maintenance of actuarial reserves for
3232 the various allowances and benefits under Articles 1 and 3, and
3233 the payment of all annuities, retirement allowances, refunds and
3234 other benefits granted hereunder are made obligations of the
3235 employer's accumulation accounts. All income, interest and
3236 dividends derived from deposits and investments authorized by



3237 those articles shall be used for the payment of the obligations of
3238 the system.

3239 (2) In the event of the termination of the Public Employees'
3240 Retirement System established pursuant to the provisions of
3241 Section 25-11-101 et seq., all members of the system as of the
3242 date of termination of the system shall be deemed to have a vested
3243 right to benefits to the extent and in the same manner that rights
3244 would be vested under the statute existing as of the date of
3245 termination of the system, except that any member who, because of
3246 a termination of the system has not fulfilled the requirements for
3247 length of service, shall nonetheless be entitled to compensation
3248 as of the date that such member would otherwise be eligible, with
3249 such compensation to be computed on the basis of time actually a
3250 member of the service and compensation actually earned during the
3251 time a member, in the manner now provided by statute.

3252 In the event of a deficit in the availability of funds for
3253 payment due under the provisions of the Public Employees'
3254 Retirement System, an appropriation shall be made sufficient for
3255 the payment thereof as an obligation of the state.

3256 (3) (a) Notwithstanding any provisions of this section or
3257 this title to the contrary, the maximum annual retirement
3258 allowance attributable to the employer contributions payable by
3259 the system to a member shall be subject to the limitations set
3260 forth in Section 415 of the Internal Revenue Code and any
3261 regulations issued thereunder as applicable to governmental plans



3262 as the term is defined under Section 414(d) of the Internal
3263 Revenue Code.

3264 (b) The board is authorized to provide by rule or
3265 regulation for the payment of benefits as provided under this
3266 chapter to members or beneficiaries of the retirement system at a
3267 time and under circumstances not otherwise provided for in this
3268 chapter to the extent that the payment is required to maintain the
3269 system as a qualified retirement plan for purposes of federal
3270 income tax laws.

3271 (4) Notwithstanding any other provision of this plan, all
3272 distributions from this plan shall conform to the regulations
3273 issued under Section 401(a)(9) of the Internal Revenue Code,
3274 applicable to governmental plans, as defined in Section 414(d) of
3275 the Internal Revenue Code, including the incidental death benefit
3276 provisions of Section 401(a)(9)(G) of the Internal Revenue Code.
3277 Further, the regulations shall override any plan provision that is
3278 inconsistent with Section 401(a)(9) of the Internal Revenue Code.

3279 (5) The actuarial assumptions used to convert a retirement
3280 allowance from the normal form of payment to an optional form of
3281 payment shall be an appendix to Article 3 and subject to approval
3282 by the board based upon certification by the actuary.

3283 (6) Notwithstanding any other provision of this plan, the
3284 maximum compensation that can be considered for all plan purposes
3285 shall not be greater than that allowed under Section 401(a)(17) of
3286 the Internal Revenue Code.



3287 **SECTION 32.** Section 25-11-135, Mississippi Code of 1972, is
3288 brought forward as follows:

3289 25-11-135. Nothing contained in this article shall be construed as
3290 repealing any existing law of this state providing for the retirement of
3291 teachers, firemen, policemen, or any other public employees.

3292 **SECTION 33.** Section 25-11-137, Mississippi Code of 1972, is
3293 brought forward as follows:

3294 25-11-137. (1) (a) Any law enforcement officer or fireman
3295 who has been covered under this article or under Section 21-29-101
3296 et seq., Section 21-29-201 et seq., or Section 25-13-1 et seq.,
3297 and who changes his employment from one jurisdiction to another
3298 jurisdiction, or has previously made that change, may elect to
3299 transfer retirement service credit earned while covered under the
3300 retirement system of the former jurisdiction to that of the latter
3301 as provided in this section.

3302 (b) Any law enforcement officer or fireman transferring
3303 as described in paragraph (a) of this subsection and having paid
3304 retirement funds under this article or under Section 21-29-101 et
3305 seq., Section 21-29-201 et seq., or Section 25-13-1 et seq., must
3306 pay into the retirement system to which he is transferring the
3307 full amount of employee contributions that he would have paid into
3308 that system if he had been a member of that system for each year
3309 of creditable service that is being transferred, together with
3310 regular interest that would have been earned by that system on
3311 those contributions, and he must also pay, or the system from



3312 which he is transferring must pay, into the system to which he is
3313 being transferred, an amount equal to that which the employer
3314 would have paid if he had been a member of that system for each
3315 year transferred, together with regular interest that would have
3316 been earned by that system on those contributions. The retirement
3317 system from which he is being transferred shall be required to pay
3318 into the system to which he is transferring any funds credited to
3319 his account. Any additional funds that may be required shall be
3320 paid by the person being transferred. Those payments may be made
3321 in quarterly increments. Failure to make these proper adjustment
3322 payments will void any transfer of service credits.

3323 (2) The benefits that are being currently paid by the system
3324 in which the law enforcement officer or fireman has last been a
3325 member, and the requirements for retirement or disability
3326 benefits, shall be those applicable to the officer falling under
3327 the provisions of this section. Any law enforcement officer or
3328 fireman who elects to transfer retirement service credit may
3329 immediately transfer the funds and service as provided for in
3330 subsection (1) of this section; however, the amounts that are
3331 transferred by the law enforcement officer or fireman and his
3332 employer, if applicable, and the service credit related to the
3333 transfer of funds, shall not be used in any benefit calculation or
3334 determination of eligibility for benefits until the person has
3335 remained a contributing member of the retirement system to which
3336 he is transferring for the minimum period necessary to qualify for



3337 a monthly retirement allowance or benefit. Upon the complete
3338 transfer and payment of that credit, all time spent in the covered
3339 law enforcement or fire department service, as noted above, within
3340 and for the State of Mississippi or the political subdivisions
3341 thereof, shall apply to the time required by law necessary to
3342 effect the retirement or disability of the officer.

3343 **SECTION 34.** Section 25-11-139, Mississippi Code of 1972, is
3344 brought forward as follows:

3345 25-11-139. Any retirement allowance or other annuity or
3346 benefit provided by Articles 1 and 3 shall be paid in equal
3347 monthly installments for life and shall not be increased,
3348 decreased, revoked or repealed, except for error upon detection,
3349 regardless of the length of time between the reporting error or
3350 the time payment started and the time the board became aware of
3351 the error, or except where specifically otherwise provided by said
3352 articles. This responsibility is, and has been, the duty of the
3353 board since the creation of the retirement system.

3354 Pursuant to Section 25-11-111, Mississippi Code of 1972, it
3355 is and has been the sole responsibility of the member or
3356 beneficiary thereof to apply for benefits and no benefits shall be
3357 paid for any period prior to the first of the month following the
3358 receipt of such application for such benefits, but in no event
3359 prior to termination of employment, except as authorized in
3360 Section 25-11-114.



3361 **SECTION 35.** Section 25-11-141, Mississippi Code of 1972, is
3362 brought forward as follows:

3363 25-11-141. The board of trustees may enter into an agreement
3364 with insurance companies, hospital service associations, medical
3365 or health care corporations, health maintenance organizations, or
3366 government agencies authorized to do business in the state for
3367 issuance of a policy or contract of life, health, medical,
3368 hospital or surgical benefits, or any combination thereof, for
3369 those persons receiving a service, disability or survivor
3370 retirement allowance from any system administered by the board.
3371 Notwithstanding any other provision of this chapter, the policy or
3372 contract also may include coverage for the spouse and dependent
3373 children of such eligible person and for such sponsored dependents
3374 as the board considers appropriate. If all or any portion of the
3375 policy or contract premium is to be paid by any person receiving a
3376 service, disability or survivor retirement allowance, such person
3377 shall, by written authorization, instruct the board to deduct from
3378 the retirement allowance the premium cost and to make payments to
3379 such companies, associations, corporations or agencies.

3380 The board may contract for such coverage on the basis that
3381 the cost of the premium for the coverage will be paid by the
3382 person receiving a retirement allowance.

3383 The board is authorized to accept bids for such optional
3384 coverage and benefits and to make all necessary rules pursuant to
3385 the purpose and intent of this section.



3386 **SECTION 36.** Section 25-11-301, Mississippi Code of 1972, is
3387 brought forward as follows:

3388 25-11-301. There is hereby established and placed under the
3389 management of the Board of Trustees of the Public Employees'
3390 Retirement System of Mississippi a supplemental legislative
3391 retirement plan for the purpose of providing supplemental
3392 retirement allowances and other benefits under the provisions of
3393 this article for elected members of the State Legislature and the
3394 President of the Senate and their beneficiaries. The retirement
3395 plan provided by this article shall go into operation on July 1,
3396 1989, when contributions by members shall begin and benefits shall
3397 become payable. This retirement plan is designed to supplement
3398 and is in addition to the provisions of Section 25-11-1 et seq.
3399 Under the terms of this article, the members of the State
3400 Legislature and the President of the Senate shall retain all
3401 social security benefits under Article 1 and additional state
3402 retirement and disability benefits under Article 3 of the Public
3403 Employees' Retirement Law of 1952, as amended. This article is a
3404 supplement to those sections, and is designed to provide more
3405 benefits for members of the State Legislature and the President of
3406 the Senate by reason of their service to the state.

3407 **SECTION 37.** Section 25-11-303, Mississippi Code of 1972, is
3408 brought forward as follows:



3409 25-11-303. For the purposes of this article, the definitions
3410 in Section 25-11-5 and Section 25-11-103 shall apply unless a
3411 different meaning is plainly expressed by the context.

3412 **SECTION 38.** Section 25-11-305, Mississippi Code of 1972, is
3413 brought forward as follows:

3414 25-11-305. (1) The membership of the Supplemental
3415 Legislative Retirement Plan shall be composed as follows:

3416 (a) All members of the State Legislature who are
3417 currently serving in the capacity of an elected official of the
3418 State Legislature and the person currently serving as President of
3419 the Senate shall become members of this system on July 1, 1989,
3420 unless they file with the board within thirty (30) days after July
3421 1, 1989, on a form prescribed by the board, a notice of election
3422 not to be covered in the membership of the Supplemental
3423 Legislative Retirement Plan and a duly executed waiver of all
3424 present and prospective benefits which would otherwise inure to
3425 them on account of their participation in the plan.

3426 (b) All members of the State Legislature and the
3427 President of the Senate who are elected after July 1, 1989.

3428 (2) Any state legislators who would have otherwise qualified
3429 for membership in the plan under subsection (1) of this section
3430 but who were excluded from membership by other provisions of this
3431 section as it read before March 26, 1991, shall become members of
3432 the plan upon March 26, 1991, and shall receive creditable service
3433 in the plan for the period from July 1, 1989, to March 26, 1991,



3434 upon payment of the proper employee and employer contributions for
3435 that period.

3436 (3) Membership in the plan shall cease by a member
3437 withdrawing his accumulated contributions, or by a member
3438 withdrawing from active service with a retirement allowance, or by
3439 death of the member.

3440 (4) No benefits under the plan shall accrue or otherwise be
3441 payable to any person who does not qualify for membership in the
3442 plan under subsection (1) of this section.

3443 **SECTION 39.** Section 25-11-307, Mississippi Code of 1972, is
3444 brought forward as follows:

3445 25-11-307. (1) The Board of Trustees of the Public
3446 Employees' Retirement System of Mississippi shall act as custodian
3447 of the funds for members of the State Legislature and the
3448 President of the Senate, and shall receive to the credit of such
3449 fund all donations, bequests, appropriations, and all funds
3450 available as an employer's contribution thereto from any source
3451 whatsoever. The State Legislature shall each month deduct from
3452 the compensation of each member three percent (3%) thereof, and
3453 shall pay the amount so deducted to the board of trustees to be
3454 credited to the fund for the members. The compensation of each
3455 member shall include all remuneration or amounts paid, except
3456 mileage allowance. From the funds credited to this account, the
3457 board of trustees shall pay retirement allowances, disability
3458 benefits, survivors' benefits and expenses, and shall refund



3459 contributions as provided. The fund for the Supplemental
3460 Legislative Retirement Plan shall be maintained as a separate
3461 fund, separate from all other funds held by the board of trustees
3462 and shall be used only for the payment of benefits provided for by
3463 the plan, or amendments thereto.

3464 (2) On account of each member there shall be paid monthly
3465 into the fund for members of the Supplemental Legislative
3466 Retirement Plan by the State Legislature from funds available an
3467 amount equal to a certain percentage of the compensation of each
3468 member to be known as the "normal contributions," and an
3469 additional amount equal to a percentage of his compensation to be
3470 known as the "accrued liability contribution." The percentage
3471 rate of such contributions shall be fixed by the board of trustees
3472 on the basis of the liabilities of the plan for the various
3473 allowances and benefits as shown by the actuarial valuation.
3474 Until changed by the board of trustees, the contribution rate
3475 shall be six and one-third percent (6-1/3%) of the annual
3476 compensation of all members, which shall include all remuneration
3477 or amounts paid, except mileage allowance.

3478 (3) The board of trustees is hereby authorized to deduct two
3479 percent (2%) of all employer's contributions paid into the fund
3480 for members of the State Legislature and the President of the
3481 Senate to be transferred to the expense fund of the Public
3482 Employees' Retirement System of Mississippi to defray the cost of
3483 administering this fund.



3484 **SECTION 40.** Section 25-11-309, Mississippi Code of 1972, is
3485 brought forward as follows:

3486 25-11-309. (1) The retirement allowance from the
3487 Supplemental Legislative Retirement Plan shall consist of fifty
3488 percent (50%) of an amount equal to the retirement allowance
3489 determined by creditable service as an elected Senator or
3490 Representative of the State Legislature or as President of the
3491 Senate payable by the Public Employees' Retirement System in
3492 accordance with Section 25-11-101 et seq.

3493 (2) The percentage of the retirement allowance as provided
3494 in this section shall be transferred from the annuity savings
3495 account of the member and the employer accumulation account in the
3496 Supplemental Legislative Retirement Plan to the retirement account
3497 of the member in the Public Employees' Retirement System as
3498 provided.

3499 (3) (a) Notwithstanding any provisions of this section or
3500 this title to the contrary, the maximum annual retirement
3501 allowance attributable to the employer contributions payable under
3502 the Supplemental Legislative Retirement Plan to a member shall be
3503 subject to the limitations set forth in Section 415 of the
3504 Internal Revenue Code and any regulations issued thereunder
3505 applicable to governmental plans as the term is defined under
3506 Section 414(d) of the Internal Revenue Code.

3507 (b) The board is authorized to provide by rule or
3508 regulation for the payment of benefits as provided under this



3509 chapter to members or beneficiaries of the Supplemental
3510 Legislative Retirement System at a time and under circumstances
3511 not otherwise provided for in this chapter to the extent that the
3512 payment is required to maintain the Supplemental Legislative
3513 Retirement System as a qualified retirement plan for purposes of
3514 federal income tax laws.

3515 (4) (a) A retiree or beneficiary may, on a form prescribed
3516 by and filed with the Executive Director of the Public Employees'
3517 Retirement System, irrevocably waive all or a portion of any
3518 benefits from the plan to which the retiree or beneficiary is
3519 entitled under this article. The waiver shall be binding on the
3520 heirs and assigns of any retiree or beneficiary and the same must
3521 agree to forever hold harmless the plan and the Public Employees'
3522 Retirement System from any claim to the waived retirement
3523 benefits.

3524 (b) Any waiver under this subsection shall apply only
3525 to the person executing the waiver. A beneficiary shall be
3526 entitled to benefits according to the option selected by the
3527 member at the time of retirement; however, a beneficiary may
3528 execute a waiver of benefits under this subsection.

3529 (c) The plan shall retain all amounts that are not used
3530 to pay benefits because of a waiver executed under this
3531 subsection.



3532 (d) The Board of Trustees of the Public Employees'
3533 Retirement System may provide rules and regulations for the
3534 administration of waivers under the subsection.

3535 **SECTION 41.** Section 25-11-311, Mississippi Code of 1972, is
3536 brought forward as follows:

3537 25-11-311. (1) A member may be paid a refund of the amount
3538 of accumulated contributions to the credit of the member in the
3539 annuity savings account, provided the member has withdrawn from
3540 state service and further provided the member has not returned to
3541 state service on the date the refund of the accumulated
3542 contributions would be paid. The refund of the contributions to
3543 the credit of the member in the annuity savings account shall be
3544 paid within ninety (90) days from receipt in the office of the
3545 retirement system of the properly completed form requesting that
3546 payment. In the event of death before retirement of any member
3547 whose spouse and/or children are not entitled to a retirement
3548 allowance, the accumulated contributions to the credit of the
3549 deceased member in the annuity savings account shall be paid to
3550 the designated beneficiary on file in writing in the office of the
3551 executive director of the board of trustees within ninety (90)
3552 days from receipt of a properly completed form requesting that
3553 payment. If there is no such designated beneficiary on file for
3554 the deceased member in the office of the system, upon the filing
3555 of a proper request with the board, the contributions to the
3556 credit of the deceased member in the annuity savings account shall



3557 be refunded under Section 25-11-311.1(1). The payment of the
3558 refund shall discharge all obligations of the retirement system to
3559 the member on account of any creditable service rendered by the
3560 member before the receipt of the refund. By the acceptance of the
3561 refund, the member shall waive and relinquish all accrued rights
3562 in the plan.

3563 (2) Pursuant to the Unemployment Compensation Amendments of
3564 1992 (Public Law 102-318 (USCS)), a member or the spouse of a
3565 member who is an eligible beneficiary making application for a
3566 refund under this section may elect, on a form prescribed by the
3567 board under rules and regulations established by the board, to
3568 have an eligible rollover distribution of accumulated
3569 contributions payable under this section paid directly to an
3570 eligible retirement plan, as defined under applicable federal law,
3571 or an individual retirement account. If the member or the spouse
3572 of a member who is an eligible beneficiary makes that election and
3573 specifies the eligible retirement plan or individual retirement
3574 account to which the distribution is to be paid, the distribution
3575 will be made in the form of a direct trustee-to-trustee transfer
3576 to the specified eligible retirement plan. A nonspouse
3577 beneficiary may elect to have an eligible rollover distribution of
3578 accumulated contributions paid in the form of a direct
3579 trustee-to-trustee transfer to an individual retirement account
3580 established to receive the distribution on behalf of the nonspouse



3581 beneficiary. Flexible rollovers under this subsection shall not
3582 be considered assignments under Section 25-11-129.

3583 (3) (a) If any person who has received a refund, is
3584 reelected to the Legislature or as President of the Senate and
3585 again becomes a member of the plan before July 1, 2007, the member
3586 may repay all or part of the amounts previously received as a
3587 refund, together with regular interest covering the period from
3588 the date of refund to the date of repayment; however, the amounts
3589 that are repaid by the member and the creditable service related
3590 thereto shall not be used in any benefit calculation or
3591 determination until the member has remained a contributor to the
3592 system for a period of at least four (4) years after the member's
3593 reentry into state service. Repayment for that time shall be made
3594 beginning with the most recent service for which refund has been
3595 made. Upon the repayment of all or part of that refund and
3596 interest, the member shall again receive credit for the period of
3597 creditable service for which full repayment has been made to the
3598 system.

3599 (b) If any person who has received a refund, reenters
3600 the state service and again becomes a member of the system on or
3601 after July 1, 2007, the member may repay all or part of the amount
3602 previously received as a refund, together with regular interest
3603 covering the period from the date of refund to the date of
3604 repayment; however, the amounts that are repaid by the member and
3605 the creditable service related thereto shall not be used in any



3606 benefit calculation or determination until the member has remained
3607 a contributor to the system for a period of at least eight (8)
3608 years after the member's reentry into state service. Repayment
3609 for that time shall be made beginning with the most recent service
3610 for which refund has been made. Upon the repayment of all or part
3611 of that refund and interest, the member shall again receive credit
3612 for the period of creditable service for which full repayment has
3613 been made to the system.

3614 **SECTION 42.** Section 25-11-311.1, Mississippi Code of 1972,
3615 is brought forward as follows:

3616 25-11-311.1. (1) Except as provided in subsection (2) of
3617 this section, where benefits are payable to a designated
3618 beneficiary or beneficiaries and the designated beneficiary or
3619 beneficiaries as provided by the member on the most recent form
3620 filed with the system are deceased or otherwise disqualified at
3621 the time such benefits become payable, the following persons, in
3622 descending order of precedence, shall be eligible to receive such
3623 benefits:

3624 (a) The surviving spouse of the member or retiree;

3625 (b) The children of the member or retiree or their
3626 descendants, per stirpes;

3627 (c) The brothers and sisters of the member or retiree
3628 or their descendants, per stirpes;

3629 (d) The parents of the member or retiree;



3630 (e) The executor or administrator on behalf of the
3631 member or retiree's estate;

3632 (f) The persons entitled by law to distribution of the
3633 member or retiree's estate.

3634 (2) Any monthly benefits payable to a beneficiary who dies
3635 prior to cashing his or her final check(s) and/or any additional
3636 benefits payable pursuant to Section 25-11-112 still payable at
3637 the death of a beneficiary receiving monthly benefits shall be
3638 paid as follows:

3639 (a) The surviving spouse of the beneficiary;

3640 (b) The children of the beneficiary or their
3641 descendants, per stirpes;

3642 (c) The brothers and sisters of the beneficiary or
3643 their descendants, per stirpes;

3644 (d) The parents of the beneficiary;

3645 (e) The executor or administrator on behalf of the
3646 beneficiary's estate;

3647 (f) The persons entitled by law to distribution of the
3648 beneficiary's estate.

3649 (3) In the event no claim is made by any individual listed
3650 in subsection (2) of this section, a distribution may be made
3651 pursuant to the provisions of subsection (1) of this section.

3652 (4) Payment under the provisions above shall bar recovery by
3653 any other person of the benefits distributed. Payment of benefits
3654 made to one or more members of a class of individuals are made on



3655 behalf of all members of the class. Any members of the class
3656 coming forward after payment is made must look to those who
3657 received the payment.

3658 **SECTION 43.** Section 25-11-312, Mississippi Code of 1972, is
3659 brought forward as follows:

3660 25-11-312. From and after July 1, 2000, subject to the rules
3661 adopted by the board, the supplemental legislative retirement plan
3662 shall accept an eligible rollover distribution or a direct
3663 transfer of funds from another eligible retirement plan, as
3664 defined under applicable federal law, or an individual retirement
3665 account, in payment of all or a portion of the cost to reinstate
3666 previously withdrawn service credit as permitted by the plan. The
3667 plan may only accept rollover payments in an amount equal to or
3668 less than the balance due for reinstatement of service credit.
3669 The rules adopted by the board of trustees shall condition the
3670 acceptance of a rollover or transfer from another eligible
3671 retirement plan or an individual retirement account on the receipt
3672 of information necessary to enable the plan to determine the
3673 eligibility of any transferred funds for tax-free rollover
3674 treatment or other treatment under federal income tax law.

3675 **SECTION 44.** Section 25-11-313, Mississippi Code of 1972, is
3676 brought forward as follows:

3677 25-11-313. The employer shall pick up the member
3678 contributions required by this article for all compensation earned
3679 on and after July 1, 1989, and the contributions so picked up



3680 shall be treated as employer contributions in determining tax
3681 treatment under the United States Internal Revenue Code and the
3682 Mississippi Income Tax Code. However, the employer shall continue
3683 to withhold federal and state income taxes based upon such
3684 contributions until the Internal Revenue Service or the federal
3685 courts rule that, pursuant to Section 414(h) of the United States
3686 Internal Revenue Code, these contributions shall not be included
3687 as gross income of the member until such time as they are
3688 distributed or made available. The employer shall pay these
3689 member contributions from the same source of funds which is used
3690 in paying earnings to the member. The employer may pick up these
3691 contributions by a reduction in the cash salary of the member, or
3692 by offset against future salary increase, or by a combination of a
3693 reduction in salary and offset against future salary increase. If
3694 member contributions are picked up they shall be treated for all
3695 purposes of the Supplemental Legislative Retirement Plan in the
3696 same manner and to the same extent as member contributions made
3697 prior to the date picked up.

3698 **SECTION 45.** Section 25-11-315, Mississippi Code of 1972, is
3699 brought forward as follows:

3700 25-11-315. (1) Any member of the State Legislature or the
3701 President of the Senate who becomes a member of the plan on July
3702 1, 1989, shall be eligible for prior service as a member of the
3703 State Legislature or as President of the Senate. Each member
3704 shall submit to the board a verification of prior service as a



3705 member of the State Legislature or as President of the Senate.
3706 Upon receipt of that prior service statement, the board shall
3707 issue a prior service certificate certifying to each member the
3708 length of prior service for which credit has been allowed on the
3709 basis of the statement of service. Additional prior service
3710 regulations in force shall be those found in Section 25-11-101 et
3711 seq.

3712 (2) (a) Any member of the State Legislature or the
3713 President of the Senate who becomes a member of this plan after
3714 July 1, 1989, but before July 1, 2007, shall not be allowed prior
3715 service unless the member serves as a member of the State
3716 Legislature or as President of the Senate for a minimum of four
3717 (4) years and contributes to the plan for a minimum period of four
3718 (4) years.

3719 (b) Any member of the State Legislature or the
3720 President of the Senate who becomes a member of this plan on or
3721 after July 1, 2007, shall not be allowed prior service unless the
3722 member serves as a member of the State Legislature or as President
3723 of the Senate for a minimum of eight (8) years and contributes to
3724 the plan for a minimum period of eight (8) years.

3725 **SECTION 46.** Section 25-11-317, Mississippi Code of 1972, is
3726 brought forward as follows:

3727 25-11-317. (1) The general administration and
3728 responsibility for the proper operation of the plan and for making
3729 effective the provisions hereof are vested in the Board of



3730 Trustees of the Public Employees' Retirement System of
3731 Mississippi.

3732 (2) The board shall invest all funds in accordance with
3733 Section 25-11-121.

3734 (3) The board shall designate an actuary who shall be the
3735 technical advisor of the board on matters regarding the operation
3736 of the plan and shall perform such other duties as are required in
3737 connection therewith.

3738 (4) At least once in each two-year period following the date
3739 of establishment, the actuary shall make an actuarial
3740 investigation into the mortality, service and compensation
3741 experience of the members and beneficiaries of the plan and shall
3742 make a valuation of the contingent assets and liabilities of the
3743 plan.

3744 (5) On the basis of regular interest and tables last adopted
3745 by the board, the actuary shall make biennial valuation of the
3746 contingent assets and liabilities of the plan.

3747 (6) The board shall keep such data as shall be necessary for
3748 the actuarial valuation of the contingent assets and liabilities
3749 of the plan and for checking the experience of the plan.

3750 (7) The board shall determine from time to time the rate of
3751 regular interest for use in all calculations, with the rate of
3752 five percent (5%) per annum applicable unless changed by the
3753 board.



3754 (8) Subject to the limitations hereof, the board from time
3755 to time shall establish rules and regulations for the
3756 administration of the plan and for the transaction of business.

3757 (9) The board shall keep a record of all its proceedings
3758 under this article which shall be open to public inspection,
3759 except for individual member records. The system shall not
3760 disclose the name, address or contents of any individual member
3761 records without the prior written consent of the individual to
3762 whom the record pertains.

3763 (10) The Executive Secretary of the Public Employees'
3764 Retirement System of Mississippi shall serve as the executive
3765 secretary of the plan.

3766 **SECTION 47.** Section 25-11-319, Mississippi Code of 1972, is
3767 brought forward as follows:

3768 25-11-319. (1) The right of a person to an annuity, a
3769 retirement allowance or benefit, or to the return of
3770 contributions, or to any optional benefit or any other right
3771 accrued or accruing to any person under the provisions of the
3772 Supplemental Legislative Retirement Plan, and the monies in the
3773 plan created by this article, are exempt from any state or
3774 municipal tax, and exempt from levy and sale, garnishment,
3775 attachment or any other process whatsoever, and shall be
3776 unassignable except as specifically otherwise provided in this
3777 article.



3778 (2) Any retired member or beneficiary receiving a retirement
3779 allowance or benefit under this article may authorize the system
3780 to make deductions from the retirement allowance or benefit for
3781 the payment of employer or system sponsored group life or health
3782 insurance. The deductions authorized under this subsection shall
3783 be subject to rules and regulations adopted by the board.

3784 **SECTION 48.** This act shall take effect and be in force from
3785 and after July 1, 2025.

