

By: Senator(s) Sparks, Blount

To: Finance

## SENATE BILL NO. 2912

1       AN ACT TO AMEND SECTION 25-14-5, MISSISSIPPI CODE OF 1972, TO  
2 ALLOW THE MISSISSIPPI DEFERRED COMPENSATION PLAN AND TRUST TO  
3 OFFER ROTH ACCOUNTS AND OTHER AFTER-TAX CONTRIBUTION VEHICLES; TO  
4 PROVIDE THAT A PARTICIPANT'S ROTH OR OTHER ALLOWABLE AFTER-TAX  
5 CONTRIBUTION INTO A DEFERRED COMPENSATION ACCOUNT SHALL BE TREATED  
6 BY THE EMPLOYER AS INCLUDABLE IN THE PARTICIPANT'S INCOME AT THE  
7 TIME THE PARTICIPANT WOULD HAVE RECEIVED THAT AMOUNT IN  
8 COMPENSATION IF THE PARTICIPANT HAD NOT MADE A DEFERRED ELECTION;  
9 TO AMEND SECTION 25-14-15, MISSISSIPPI CODE OF 1972, TO CONFORM;  
10 AND FOR RELATED PURPOSES.

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

12       **SECTION 1.** Section 25-14-5, Mississippi Code of 1972, is  
13 amended as follows:

14       25-14-5. (1) The State of Mississippi, or any state agency,  
15 county, municipality or other political subdivision may, by  
16 contract, agree with any employee to defer, in whole or in part,  
17 any portion of that employee's income, and a county, municipality  
18 or other political subdivision, except community and junior  
19 college districts, may make contributions to the plan on behalf of  
20 actively participating members on a uniform basis through an  
21 employer contribution agreement as provided for in the Mississippi  
22 Deferred Compensation Plan and Trust Plan Document if making the

23 contribution does not conflict with any other state law. Those  
24 funds may subsequently be used to purchase a fixed or variable  
25 life insurance or annuity contract authorized for purchase by the  
26 Public Employees' Retirement System of Mississippi for the purpose  
27 of protecting its obligation to the deferred compensation program  
28 for the employee from any life underwriter duly licensed by this  
29 state who represents an insurance company licensed to contract  
30 fixed and variable annuities and fixed or variable life insurance  
31 business in this state and authorized by the Public Employees'  
32 Retirement System of Mississippi to offer their products in the  
33 plan, or to purchase any investments authorized for purchase by  
34 the Public Employees' Retirement System of Mississippi under  
35 Section 25-11-121, or to invest those monies in a fund or funds  
36 maintained by a corporate trustee, which fund or funds are used as  
37 an investment media for retirement, pension or profit sharing  
38 plans that are tax qualified for that purpose. However, in the  
39 administration of this plan, the Public Employees' Retirement  
40 System of Mississippi may adopt such regulations as are reasonable  
41 and necessary to assure the orderly functioning of the plan, but  
42 those regulations shall not unreasonably restrict all licensed  
43 life underwriters and insurance companies described in this  
44 section from concurrently participating in providing contracts  
45 authorized under this section.

46        (2) Anything in any other law to the contrary  
47 notwithstanding, except as provided in subsection (3) of this



48 section, the deferred portion of the employee's compensation, the  
49 plan and the monies in the plan created by this chapter are exempt  
50 from any state, county or municipal ad valorem taxes, income  
51 taxes, premium taxes, privilege taxes, property taxes, sales and  
52 use taxes and any other taxes not so named, until the deferred  
53 compensation is paid to the employee or beneficiary and exempt  
54 from levy, garnishment, attachment or any other process  
55 whatsoever.

56 (3) The Mississippi Deferred Compensation Plan and Trust, or  
57 any other deferred compensation plan established by this chapter,  
58 may include Roth accounts pursuant to 26 USC § 402A or any other  
59 after-tax contribution vehicle allowed under the Internal Revenue  
60 Code, if permitted by the plan document. A participant's Roth or  
61 other allowable after-tax contribution into a deferred  
62 compensation account shall be treated by the employer as  
63 includable in the participant's income at the time the participant  
64 would have received that amount in compensation if the participant  
65 had not made a deferred election.

66 **SECTION 2.** Section 25-14-15, Mississippi Code of 1972, is  
67 amended as follows:

68 25-14-15. Notwithstanding any other provision of this  
69 chapter or any other provision of law to the contrary, except as  
70 provided in Section 25-14-5(3), any sum deferred under the  
71 deferred compensation program shall not be included for the



72 purposes of computation of any taxes withheld on behalf of any  
73 employee.

74       **SECTION 3.** This act shall take effect and be in force from  
75 and after July 1, 2026.

