

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



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

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



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

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

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

25-14-15. Notwithstanding any other provision of this chapter or any other provision of law to the contrary, except as provided in Section 25-14-5(3), any sum deferred under the 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.

