

By: Representative Zuber (By Request)

To: State Affairs

HOUSE BILL NO. 1590
(As Passed the House)

1 AN ACT TO AMEND SECTION 25-11-15, MISSISSIPPI CODE OF 1972,
2 TO RECONSTITUTE THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES'
3 RETIREMENT SYSTEM; TO PROVIDE THAT THE BOARD SHALL CONSIST OF THE
4 STATE TREASURER, THE COMMISSIONER OF REVENUE, FOUR APPOINTEES OF
5 THE GOVERNOR, THREE APPOINTEES OF THE LIEUTENANT GOVERNOR, ONE
6 RETIRED MEMBER RECEIVING A RETIREMENT ALLOWANCE FROM THE SYSTEM
7 AND ELECTED BY THE RETIRED MEMBERS OR BENEFICIARIES RECEIVING A
8 RETIREMENT ALLOWANCE FROM THE SYSTEMS ADMINISTERED BY THE BOARD,
9 AND ONE MEMBER OF THE SYSTEM HAVING AT LEAST 10 YEARS OF
10 CREDITABLE SERVICE AND ELECTED BY THE MEMBERS OF THE RETIREMENT
11 SYSTEMS ADMINISTERED BY THE BOARD; TO PROVIDE FOR STAGGERED TERMS
12 OF FOUR YEARS FOR TRUSTEES AFTER THE INITIAL TERMS; TO PROVIDE
13 QUALIFICATIONS FOR THE APPOINTED AND ELECTED TRUSTEES; TO PROVIDE
14 THAT THE GOVERNOR'S AND LIEUTENANT GOVERNOR'S APPOINTMENTS BE
15 SUBJECT TO THE ADVICE AND CONSENT OF THE SENATE; TO AMEND SECTION
16 25-11-123, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE INCREASE
17 IN THE EMPLOYER'S CONTRIBUTION RATE THAT IS SCHEDULED TO TAKE
18 EFFECT ON JULY 1, 2024, IS RESCINDED AND SHALL NOT TAKE EFFECT,
19 AND THE BOARD SHALL NOT PROVIDE FOR ANY INCREASE IN THE EMPLOYER'S
20 CONTRIBUTION RATE THROUGH JUNE 30, 2024; AND FOR RELATED PURPOSES.

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

22 SECTION 1. Section 25-11-15, Mississippi Code of 1972, is
23 amended as follows:

24 25-11-15. (1) Board of trustees: The general
25 administration and responsibility for the proper operation of the
26 Public Employees' Retirement System and the federal-state



27 agreement and for making effective the provisions of Articles 1
28 and 3 are vested in a board of trustees.

29 (2) (a) The board shall consist of * * * eleven (11)
30 trustees, as follows:

31 (* * * i) The State Treasurer;

32 * * *

33 (ii) The Commissioner of Revenue;

34 (iii) Four (4) members appointed by the Governor;

35 (iv) Three (3) members appointed by the Lieutenant
36 Governor;

37 (v) One (1) retired member who is receiving a
38 retirement allowance from the system, elected by the retired
39 members or beneficiaries receiving a retirement allowance from the
40 system and by the retired members or beneficiaries of the
41 municipal systems, the firemen's and policemen's disability and
42 relief funds and the Mississippi Highway Safety Patrol Retirement
43 System administered by the board of trustees; and

44 (vi) One (1) member of the system having at least
45 ten (10) years of creditable service, elected by the members of
46 the system, the municipal systems and the Mississippi Highway
47 Safety Patrol Retirement System.

48 (b) (i) For the terms beginning July 1, 2024, the
49 appointed trustees shall serve terms of the following lengths:
50 two (2) appointees of the Governor shall serve for an initial term
51 ending on July 1, 2025; one (1) appointee of the Lieutenant



52 Governor shall serve for an initial term ending on July 1, 2026;
53 one (1) appointee of the Governor and one (1) appointee of the
54 Lieutenant Governor shall serve for an initial term ending on July
55 1, 2027; and one (1) appointee of the Governor and one (1)
56 appointee of the Lieutenant Governor shall serve for an initial
57 term ending on July 1, 2028. After the expiration of the initial
58 terms, their successors shall be appointed for terms of four (4)
59 years from the expiration date of the previous term.

60 (ii) All appointments for the initial terms shall
61 be made no later than May 31, 2024.

62 (iii) Each appointee of the Governor and the
63 Lieutenant Governor shall be a person with knowledge and
64 understanding of the investment of financial assets and of the
65 principles of a retirement plan, as either a participant or an
66 employer, and shall not have a conflict of interest with any plan
67 administered by the board.

68 (iv) Two (2) of the members to be appointed by the
69 Governor shall be appointed only after consideration of
70 recommendations for those appointments made by the Speaker of the
71 House to the Governor. Two (2) of the members to be appointed by
72 the Lieutenant Governor shall be appointed only after
73 consideration of recommendations for those appointments made by
74 the Speaker of the House to the Lieutenant Governor.

75 (v) All appointments by the Governor and the
76 Lieutenant Governor shall be subject to the advice and consent of



77 the Senate. Members appointed when the Senate is not in session
78 shall serve only until the end of the next regular session, unless
79 confirmed by the Senate.

80 (* * * c) (i) In the * * * election to be held for
81 trustees whose terms begin July 1, 2024, one (1) member shall be
82 elected for a term * * * ending on July 1, 2026; and one (1)
83 member shall be elected for a term * * * ending on July 1, 2028.
84 Thereafter, their successors shall be elected for terms of * * *
85 four (4) years from the expiration date of the previous term. All
86 elections shall be held in accordance with rules and regulations
87 adopted by the board to govern those elections, and the board
88 shall be the sole judge of all questions arising incident to or
89 connected with the elections.

90 (* * * ii) The election for trustees whose terms
91 begin July 1, 2024, shall be held no later than May 31, 2024, with
92 any necessary runoffs occurring no later than June 21, 2024. Any
93 person eligible to vote for the election of a * * * trustee and
94 who meets the qualifications for the office may seek election to
95 the office and serve if elected. For purposes of determining
96 eligibility to seek office as a member of the board * * *, the
97 required creditable service in "the system" shall include each
98 system administered by the board * * * in which the person is a
99 member.

100 * * *



101 (3) The trustees serving on the effective date of this act
102 shall retain their positions through June 30, 2024. On July 1,
103 2024, the new members shall assume their positions.

104 (* * *4) If a vacancy occurs in the office of a trustee,
105 the vacancy shall be filled for the unexpired term in the same
106 manner as the office was previously filled. However, if the
107 unexpired term of an elected member is six (6) months or less, an
108 election shall be held to fill the office vacated for the next
109 succeeding full term of office, and the person so elected to fill
110 the next full term shall be appointed by the board to fill the
111 remainder of the unexpired term. Whenever any member who is
112 elected to a position to represent a class of members ceases to be
113 a member of that class, that board member is no longer eligible
114 for membership on the board. The position shall be declared
115 vacant, and the unexpired term shall be filled in the same manner
116 as the office was previously filled.

117 (* * *5) Each trustee shall, within ten (10) days after his
118 or her appointment or election, take an oath of office as provided
119 by law and, in addition, shall take an oath that he or she will
120 diligently and honestly administer the affairs of the board, and
121 that he or she will not knowingly violate or willingly permit to
122 be violated any of the provisions of law applicable to Articles 1
123 and 3. The oath shall be signed by the member making it,
124 certified by the officer before whom it is taken, and immediately
125 filed in the office of the Secretary of State.



126 (* * *6) Each trustee shall be entitled to one (1) vote.
127 Six (6) members shall constitute a quorum at any meeting of the
128 board, and a majority of those present shall be necessary for a
129 decision.

130 (* * *7) Subject to the limitations of Articles 1 and 3,
131 the board shall establish rules and regulations for the
132 administration of the system created by those articles and for the
133 transaction of its business, and to give force and effect to the
134 provisions of those articles wherever necessary to carry out the
135 intent and purposes of the Legislature. The cited articles are
136 remedial law and shall be liberally construed to accomplish their
137 purposes.

138 (* * *8) Notwithstanding any other law to the contrary, in
139 the event of a natural disaster or other occurrence that results
140 in the failure of the retirement system's computer system or a
141 significant disruption of the normal activities of the retirement
142 system, the executive director of the board, or his or her deputy,
143 shall be authorized to contract with another entity, governmental
144 or private, during the period of the failure or disruption, for
145 services, commodities, work space and supplies as necessary to
146 carry out the administration of all systems and programs
147 administered by the board. The board shall be authorized to pay
148 the reasonable cost of those services, commodities, work space and
149 supplies. At the meeting of the board next following the
150 execution of a contract authorized under this subsection,



151 documentation of the contract, including a description of the
152 services, commodities, work space or supplies, the price thereof
153 and the nature of the disaster or occurrence, shall be presented
154 to the board and placed on the minutes of the board. Because of
155 their emergency nature, purchases made under this subsection shall
156 not be required to comply with the provisions of Section 31-7-13
157 or any other law governing public purchases.

158 (* * *9) The computer equipment and software owned by the
159 Public Employees' Retirement System are assets of the Trust Fund
160 by virtue of the Constitution, Section 272-A and acquisition and
161 operation thereof shall be under the jurisdiction of the Public
162 Employees' Retirement System.

163 (* * *10) The board shall elect a chairman and shall by a
164 majority vote of all of its members appoint a secretary whose
165 title shall be executive director, who shall serve at the will and
166 pleasure of the board, who shall not be a member of the board of
167 trustees, who shall be entitled to membership in the system, and
168 who shall act as secretary of the board. The board of trustees
169 shall employ such actuarial, investment, clerical and other
170 employees as are required to transact the business of the system,
171 and shall fix the compensation of all employees, subject to the
172 rules and regulations of the State Personnel Board.

173 (* * *11) Each member of the board shall receive as
174 compensation for his or her services Three Hundred Dollars
175 (\$300.00) per month. All members of the board shall be reimbursed



176 for their necessary traveling expenses, which shall be paid in
177 accordance with the requirements of Section 25-3-41 or other
178 applicable statutes with respect to traveling expenses of state
179 officials and employees on official business. All members of the
180 board shall be entitled to be members of the system and shall be
181 entitled to creditable service for all time served as a member of
182 the board, except for the retired * * * member, who shall not be
183 entitled to be a member of the system and who shall be eligible to
184 receive the retirement allowance and compensation for services
185 from the system while serving as a member of the board. Members
186 of the board who are employed in state service (as defined in
187 Section 25-11-103) shall not be required to take annual leave from
188 their state service employment while performing his or her
189 official duties as a member of the board.

190 (* * * 12) All expenses of the board incurred in the
191 administration of Articles 1 and 3 shall be paid from such funds
192 as may be appropriated by the Legislature for that purpose or from
193 administrative fees collected from political subdivisions or
194 juristic entities of the state. Each political subdivision of the
195 state and each instrumentality of the state or of a political
196 subdivision or subdivisions that submit a plan for approval by the
197 board as provided in Section 25-11-11 shall reimburse the board,
198 for coverage into the administrative expense fund, its pro rata
199 share of the total expense of administering Articles 1 and 3 as
200 provided by regulations of the board.



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

218 **SECTION 2.** Section 25-11-123, Mississippi Code of 1972, is
219 amended as follows:

220 25-11-123. All of the assets of the system shall be credited
221 according to the purpose for which they are held to one (1) of
222 four (4) reserves; namely, the annuity savings account, the
223 annuity reserve, the employer's accumulation account, and the
224 expense account.



225 (a) **Annuity savings account.** In the annuity savings account
226 shall be accumulated the contributions made by members to provide
227 for their annuities, including interest thereon which shall be
228 posted monthly. Credits to and charges against the annuity
229 savings account shall be made as follows:

230 (1) Beginning July 1, 2010, the employer shall cause to
231 be deducted from the salary of each member on each and every
232 payroll of the employer for each and every payroll period nine
233 percent (9%) of earned compensation as defined in Section
234 25-11-103. Future contributions shall be fixed biennially by the
235 board on the basis of the liabilities of the retirement system for
236 the various allowances and benefits as shown by actuarial
237 valuation; however, any member earning at a rate less than Sixteen
238 Dollars and Sixty-seven Cents (\$16.67) per month, or Two Hundred
239 Dollars (\$200.00) per year, shall contribute not less than One
240 Dollar (\$1.00) per month, or Twelve Dollars (\$12.00) per year.

241 (2) The deductions provided in paragraph (1) of this
242 subsection shall be made notwithstanding that the minimum
243 compensation provided by law for any member is reduced by the
244 deduction. Every member shall be deemed to consent and agree to
245 the deductions made and provided for in paragraph (1) of this
246 subsection and shall receipt for his full salary or compensation,
247 and payment of salary or compensation less the deduction shall be
248 a full and complete discharge and acquittance of all claims and
249 demands whatsoever for the services rendered by the person during



250 the period covered by the payment, except as to the benefits
251 provided under Articles 1 and 3. The board shall provide by rules
252 for the methods of collection of contributions from members and
253 the employer. The board shall have full authority to require the
254 production of evidence necessary to verify the correctness of
255 amounts contributed.

256 (b) **Annuity reserve.** The annuity reserve shall be the
257 account representing the actuarial value of all annuities in
258 force, and to it shall be charged all annuities and all benefits
259 in lieu of annuities, payable as provided in this article. If a
260 beneficiary retired on account of disability is restored to active
261 service with a compensation not less than his average final
262 compensation at the time of his last retirement, the remainder of
263 his contributions shall be transferred from the annuity reserve to
264 the annuity savings account and credited to his individual account
265 therein, and the balance of his annuity reserve shall be
266 transferred to the employer's accumulation account.

267 (c) **Employer's accumulation account.** The employer's
268 accumulation account shall represent the accumulation of all
269 reserves for the payment of all retirement allowances and other
270 benefits payable from contributions made by the employer, and
271 against this account shall be charged all retirement allowances
272 and other benefits on account of members. Credits to and charges
273 against the employer's accumulation account shall be made as
274 follows:



275 (1) On account of each member there shall be paid
276 monthly into the employer's accumulation account by the employers
277 for the preceding fiscal year an amount equal to a certain
278 percentage of the total earned compensation, as defined in Section
279 25-11-103, of each member. The percentage rate of those
280 contributions shall be fixed biennially by the board on the basis
281 of the liabilities of the retirement system for the various
282 allowances and benefits as shown by actuarial valuation. * * *
283 Political subdivisions joining Article 3 of the Public Employees'
284 Retirement System after July 1, 1968, may adjust the employer's
285 contributions by agreement with the Board of Trustees of the
286 Public Employees' Retirement System to provide service credits for
287 any period before execution of the agreement based upon an
288 actuarial determination of employer's contribution rates. From
289 and after the effective date of this act, the increase in the
290 employer's contribution rate that is scheduled to take effect on
291 July 1, 2024, is rescinded and shall not take effect, and the
292 board shall not provide for any increase in the employer's
293 contribution rate through June 30, 2024.

294 (2) On the basis of regular interest and of such
295 mortality and other tables as are adopted by the board of
296 trustees, the actuary engaged by the board to make each valuation
297 required by this article during the period over which the accrued
298 liability contribution is payable, immediately after making that
299 valuation, shall determine the uniform and constant percentage of



300 the earnable compensation of each member which, if contributed by
301 the employer on the basis of compensation of the member throughout
302 his entire period of membership service, would be sufficient to
303 provide for the payment of any retirement allowance payable on his
304 account for that service. The percentage rate so determined shall
305 be known as the "normal contribution rate." After the accrued
306 liability contribution has ceased to be payable, the normal
307 contribution rate shall be the percentage rate of the salary of
308 all members obtained by deducting from the total liabilities on
309 account of membership service the amount in the employer's
310 accumulation account, and dividing the remainder by one percent
311 (1%) of the present value of the prospective future salaries of
312 all members as computed on the basis of the mortality and service
313 tables adopted by the board of trustees and regular interest. The
314 normal rate of contributions shall be determined by the actuary
315 after each valuation.

316 (3) The total amount payable in each year to the
317 employer's accumulation account shall not be less than the sum of
318 the percentage rate known as the "normal contribution rate" and
319 the "accrued liability contribution rate" of the total
320 compensation earnable by all members during the preceding year,
321 provided that the payment by the employer shall be sufficient,
322 when combined with the amounts in the account, to provide the
323 allowances and other benefits chargeable to this account during
324 the year then current.



325 (4) The accrued liability contribution shall be
326 discontinued as soon as the accumulated balance in the employer's
327 accumulation account shall equal the present value, computed on
328 the basis of the normal contribution rate then in force, or the
329 prospective normal contributions to be received on account of all
330 persons who are at that time members.

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

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

338 (7) The employer's accumulation account shall be
339 credited with any assets authorized by law to be credited to the
340 account.

341 (d) **Expense account.** The expense account shall be the
342 account to which the expenses of the administration of the system
343 shall be charged, exclusive of amounts payable as retirement
344 allowances and as other benefits provided herein. The Legislature
345 shall make annual appropriations in amounts sufficient to
346 administer the system, which shall be credited to this account.
347 There shall be transferred to the State Treasury from this
348 account, not less than once per month, an amount sufficient for
349 payment of the estimated expenses of the system for the succeeding



350 thirty (30) days. Any interest earned on the expense account
351 shall accrue to the benefit of the system. However,
352 notwithstanding the provisions of Sections 25-11-15(10) and
353 25-11-105(f) (v) 5, all expenses of the administration of the system
354 shall be paid from the interest earnings, provided the interest
355 earnings are in excess of the actuarial interest assumption as
356 determined by the board, and provided the present cost of the
357 administrative expense fee of two percent (2%) of the
358 contributions reported by the political subdivisions and
359 instrumentalities shall be reduced to one percent (1%) from and
360 after July 1, 1983, through June 30, 1984, and shall be eliminated
361 thereafter.

362 (e) **Collection of contributions.** The employer shall cause
363 to be deducted on each and every payroll of a member for each and
364 every payroll period, beginning subsequent to January 31, 1953,
365 the contributions payable by the member as provided in Articles 1
366 and 3.

367 The employer shall make deductions from salaries of employees
368 as provided in Articles 1 and 3 and shall transmit monthly, or at
369 such time as the board of trustees designates, the amount
370 specified to be deducted to the Executive Director of the Public
371 Employees' Retirement System. The executive director, after
372 making a record of all those receipts, shall deposit such amounts
373 as provided by law.



374 (f) (1) Upon the basis of each actuarial valuation provided
375 herein, the board of trustees shall biennially determine the
376 normal contribution rate and the accrued liability contribution
377 rate as provided in this section. The sum of these two (2) rates
378 shall be known as the "employer's contribution rate." * * * The
379 percentage rate of those contributions shall be fixed biennially
380 by the board on the basis of the liabilities of the retirement
381 system for the various allowances and benefits as shown by
382 actuarial valuation.

383 (2) The amount payable by the employer on account of
384 normal and accrued liability contributions shall be determined by
385 applying the employer's contribution rate to the amount of
386 compensation earned by employees who are members of the system.
387 Monthly, or at such time as the board of trustees designates, each
388 department or agency shall compute the amount of the employer's
389 contribution payable, with respect to the salaries of its
390 employees who are members of the system, and shall cause that
391 amount to be paid to the board of trustees from the personal
392 service allotment of the amount appropriated for the operation of
393 the department or agency, or from funds otherwise available to the
394 agency, for the payment of salaries to its employees.

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

396 (i) Constables shall pay employer and employee
397 contributions on their net fee income as well as the employee
398 contributions on all direct treasury or county payroll income.



399 (ii) The county shall be responsible for the
400 employer contribution on all direct treasury or county payroll
401 income of constables.

402 (4) Except as otherwise provided in Section
403 25-11-106.1, chancery and circuit clerks shall be responsible for
404 both the employer and employee share of contributions on the
405 proportionate share of net income attributable to fees, as well as
406 the employee share of net income attributable to direct treasury
407 or county payroll income, and the employing county shall be
408 responsible for the employer contributions on the net income
409 attributable to direct treasury or county payroll income.

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

414 (6) The board shall provide by rules for the methods of
415 collection of contributions of employers and members. The amounts
416 determined due by an agency to the various funds as specified in
417 Articles 1 and 3 are made obligations of the agency to the board
418 and shall be paid as provided herein. Failure to deduct those
419 contributions shall not relieve the employee and employer from
420 liability thereof. Delinquent employee contributions and any
421 accrued interest shall be the obligation of the employee and
422 delinquent employer contributions and any accrued interest shall
423 be the obligation of the employer. The employer may, in its



424 discretion, elect to pay any or all of the interest on delinquent
425 employee contributions. From and after July 1, 1996, under rules
426 and regulations established by the board, all employers are
427 authorized and shall transfer all funds due to the Public
428 Employees' Retirement System electronically and shall transmit any
429 wage or other reports by computerized reporting systems.

430 **SECTION 3.** This act shall take effect and be in force from
431 and after its passage.

