



PERS 2016 Legislative Summary

As of May 13, 2016

House Bill 114 (Regular Session 2016), effective July 1, 2016

Approved by Governor Bryant April 18, 2016

Administration and Operation

- **PERS Building** - Renames the PERS building as the "Timothy Alan (Tim) Ford Building to pay tribute to the late Tim Ford who served as speaker of the Mississippi House of Representatives from 1988 to 2004.

House Bill 899 (Regular Session 2016), effective July 1, 2016, except as otherwise provided

Approved by Governor Bryant April 11, 2016

Administration and Operation

- **Electronic Payments** – Amends Miss. Code Ann. §§ 25-11-111.1, 25-13-11.1, and 21-29-325 to authorize the Board of Trustees through its regulations to make payments of retirement benefits by whatever electronic means it deems most appropriate (examples: direct deposit or bank card) and to authorize the Board of Trustees to provide for alternative means of payment if receipt of the payment by the prescribed means will cause undue hardship.
- **Compliance Audits** – Codifies Miss. Code Ann. § 25-11-119.1 to establish that PERS may perform on-site compliance audits of employers to determine compliance with PERS statutes and regulations. PERS may assess penalties for the employer's failure to comply with such an audit.
- **Retiree Health Insurance Plan** – Amends Miss. Code Ann. § 25-11-141 and repeals Miss. Code Ann. §§ 25-11-143 and 25-11-145, which had established a framework for a future health insurance plan to be administered by the Board of Trustees for current and future retirees.

Public Employees' Retirement System of Mississippi (PERS), Supplemental Legislative Retirement Plan (SLRP), and Mississippi Highway Safety Patrol Retirement System (MHSPRS),

- **Creditable Service** – Amends Miss. Code Ann. §§ 25-11-105(k), 25-11-109(2), 25-11-117(3)(b), 25-11-311(3)(b), and 25-13-21 effective July 1, 2017, to prospectively change the method of granting service credit from quarterly to monthly increments and to provide that, for member who retires on or after July 1, 2017, creditable service for unused leave will be awarded in monthly rather than quarterly increments, with every 21 days of unused leave counting as one month of service.
- **HEART Act and USERRA** – Codifies Miss. Code Ann. § 25-11-110 in compliance with the Heroes Earnings Assistance and Relief Tax Act (HEART Act) and Uniformed Services Employment and Reemployment Rights Act (USERRA). If a member dies while performing qualified military service as defined by the United States Code, survivors of a member of PERS, SLRP, or MHSPRS are entitled to any additional benefits that the system would provide if the member had resumed employment and then died. A deceased member's period of qualified military service must be counted for vesting purposes. An individual receiving differential wage

payments from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation. *Reference Board Regulation 49*

PERS and SLRP

- **Definitions of certain terms**
 - **Definition of Type of Service Required to Qualify for Survivor Benefits** – Amends Miss. Code Ann. § 25-11-103(g) to revise the definition of “beneficiary” to clarify that, in the event that a member of PERS dies before retirement and the spouse and/or dependent children are not entitled to a retirement allowance on the basis that the deceased member did not have the required number of years of service, the type of service to which is referred is “membership” service as defined in § 25-11-103(r).
 - **Definition of Child** – Amends Miss. Code Ann. § 25-11-103(j) to revise the definition of “child” to clarify that a natural child of a member of PERS is one who is conceived before the death of the member. *Reference PERS Board Regulation 35 § 101.3.e*
- **Leave Credit for Elected Officials** – Amends Miss. Code Ann. § 25-11-109(2) to clarify that leave credit for elected officials who are members of PERS is in lieu of, and not in addition to, leave earned while simultaneously employed in a non-elected position in the System. *Reference PERS Board Regulation 51 § 101.10.c*
- **Commencement of Benefits** – Amends Miss. Code Ann. §§ 25-11-111(b)(1) and 25-11-111(b)(2) to clarify that a member’s retirement benefit payments shall begin after the member submits the required application to PERS, but in no event before withdrawal from service. *Reference PERS Board Regulation 35*
- **Disability retirement**
 - **Termination after Disability Determination** – Amends Miss. Code Ann. § 25-11-113(1)(a) and § 25-11-114(6) to establish that a member of PERS who has applied and been approved for a disability retirement allowance must terminate from state service within 90 days of approval or the disability retirement and application shall be void.
 - **Disability Benefits** – Amends Miss. Code Ann. § 25-11-113(1)(b) to clarify that a member of PERS who applies for a disability retirement allowance must provide sufficient objective medical evidence in support of his or her claim and to define “objective medical evidence” in support of a claim for disability retirement benefits. *Reference PERS Board Regulation 45A §§ 105.3 and 105.4*
 - **Statute of Limitations for Disability Claims for Inactive Members** – Amends Miss. Code Ann. § 25-11-113(1)(c) to establish a one-year statute of limitations for the filing of claims for disability benefits following termination from covered employment and to provide for extensions of such period if it can be factually demonstrated to the satisfaction of the PERS Board of Trustees that, throughout the one-year period, the member was incapable of applying for benefits by reason of mental or physical impairment, as certified by a medical doctor.
- **Spouse Survivor Benefits** – Amends Miss. Code Ann. § 25-11-114(2)(d)(ii) to clarify that, if a member of PERS dies before qualifying for a full, unreduced retirement allowance, the reduction factor for the annuity of the surviving spouse will be based on the number of years that would have been required for the deceased member to qualify for a full, unreduced retirement.
- **Duty-Related Death and Disability Benefits** – Amends Miss. Code Ann. §§ 25-11-114(4)(a), 25-11-114(6), and 25-11-114(7)(a) to clarify that, for duty-related death or disability benefits to be payable, the death or disability must have been as a direct result of a physical injury sustained

from an accident or a traumatic event caused by external violence or physical force that occurred in the performance of duty. *Reference PERS Board Regulation 45A §§ 102.1, 105.1.d, and 105.5*

- **Statute of Limitations for Modifying Benefit Options after Marriage** – Amends Miss. Code Ann. § 25-11-115(4) to establish an application filing deadline of one year from the date of the marriage for a retiree to elect to change (“pop-down”) from the Maximum Retirement Allowance or Option 1 to Option 2, Option 4, or Option 4-A to provide a lifetime benefit to his or her new spouse.

PERS and MHSPRS

- **Dependent Child Survivor Benefits** – Amends Miss. Code Ann. §§ 25-11-114(3)(b), 25-11-114(4)(b), and 25-13-13(5) to prospectively remove the extension of the age limitation for the payment of the dependent child survivor benefit beyond age 23 for a student child whose birthday falls during the school year (September 1 through June 30) and instead terminates the benefit after the student child reaches age 23, regardless of the month in which the birthday falls.

MHSPRS

- **MHSPRS Service retirement formula for early retirement** – Amends Miss. Code Ann. § 25-13-11(1)(d) to revise the early retirement formula to provide that the retirement annuity of any member of MHSPRS shall be reduced by an actuarially determined percentage or factor (rather than a fixed 3 percent) for each year of age below 55 or for each year of service below 25, whichever is less.

House Bill 1605 (Regular Session 2016), effective May 3, 2016

Approved by Governor Bryant May 3, 2016

Administration and Operation

- **Natchez Regional Medical Center** – Authorizes Adams County Board of Supervisors to settle claims for obligations of the former Natchez Regional Medical Center for unpaid employer retirement plan contributions owed to PERS.

House Bill 1630 (Regular Session 2016), effective July 1, 2016

Approved by Governor Bryant May 13, 2016

Administration and Operation

- **PERS FY 2017 Appropriation (Budget) Bill**

Senate Bill 2064 (Regular Session 2016), effective July 1, 2016

Approved by Governor Bryant April 6, 2016

PERS

- **Coverage** – Provides in pertinent part that a teacher, assistant teacher, or other employee whose salary and fringe benefits are paid from state funds allocated for the Distance Learning Collaborative Program shall only be classified as a state or local school district employee eligible for state health insurance benefits or membership in PERS if the person’s employer is already a public school district or an agency or instrumentality of the state and the employee would be eligible for such benefits in the normal course of business.

Senate Bill 2161 (Regular Session 2016), effective July 1, 2016
Approved by Governor Bryant April 14, 2016

PERS

- **Charter School Coverage** – Establishes that public charter schools are political subdivisions and eligible for participation in PERS and other benefit programs if the public charter school governing board chooses to participate. (**Note:** When charter schools were initially established by the Mississippi Charter School Act of 2013, they were specifically excluded from participation in PERS. During the 2016 Legislative Session, legislators cited challenges in recruiting faculty and staff for these schools as the foundation for changing the law to allow participation in PERS on a school by school basis.)

Senate Bill 2362 (Regular Session 2016), effective July 1, 2016
Approved by Governor Bryant May 6, 2016

Administration and Operation

- **Mississippi Budget Transparency and Simplification Act of 2016** – Specifically exempts trust fund accounts maintained by PERS and protected under Section 272A of the Mississippi Constitution of 1890 from the provision of the Mississippi Budget Transparency and Simplification Act of 2016 that requires special fund agencies to be funded through general fund appropriation.

Senate Bill 2924 (Regular Session 2016), effective May 13, 2016
Approved by Governor Bryant May 13, 2016

Administration and Operation

- **Appropriations** – Makes an additional appropriation to PERS for fiscal year 2016 to defray the expenses of the actuarial costs associated with the accrual of leave for Jackson County Sheriff's Office employees.