



# Legislative Committee Meeting Agenda

Wednesday, October 23, 2024

11:30 A.M.

(or immediately following the Administrative Committee)

I. 2025 Legislative Initiatives  
(Intended Outcome – TBD)

II. Other

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**Legislative**

**Committee Members:**

Mr. George Dale, *Committee Chair*  
Mr. Bill Benson  
State Treasurer David McRae  
Dr. Brian Rutledge  
Vacant State Employee Representative

Mr. Kelly Breland, *Board Chair*

**§ 25-14-5. Deferred compensation program authorized; investment; deferred compensation exempt from tax and execution.**

(1) The State of Mississippi, or any state agency, county, municipality or other political subdivision may, by contract, agree with any employee to defer, in whole or in part, any portion of that employee's income, and a county, municipality or other political subdivision, except community and junior college districts, may make contributions to the plan on behalf of actively participating members on a uniform basis through an employer contribution agreement as provided for in the Mississippi 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) Except as otherwise provided in subsections (3) and (4) of this section and anything in any other law to the contrary notwithstanding, 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 Section 402A of the Internal Revenue Code or any other post-tax vehicle contribution allowed pursuant to the Internal Revenue Code if permitted under the plan document. A participant's Roth or other allowable post-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.

(4) The Mississippi Deferred Compensation Plan and Trust shall comply with any judgment, decree or order which establishes the right of an alternate payee within the meaning of Internal Revenue Code Section 414(p)(8) to all or a portion of a Participant's benefit under the Plan to the extent that it is a "qualified domestic relations order" ("QDRO") under Code Section 414(p). The administrator shall establish reasonable written procedures to determine whether a domestic relations order is a QDRO and to administer the distribution of benefits with respect to such orders, which procedures may be amended from time to time. Notwithstanding any other provisions in the plan, the plan may make an immediate distribution to the alternate payee pursuant to a QDRO.

**§ 25-14-15. Deferred compensation not included for withholding taxes purposes.**

Except as provided in Section 25-14-5(3) and notwithstanding any other provision of this chapter or any other provision of law to the contrary, any sum deferred under the deferred compensation program shall not be included for the purposes of computation of any taxes withheld on behalf of any employee.

DRAFT

# UAAL Draft

## Unfunded Actuarial Accrued Liability

**25-11-105(f)** Each political subdivision of the state and each instrumentality of the state or a political subdivision, or both, is authorized to submit, for approval by the board of trustees, a plan for extending the benefits of this article to employees of any such political subdivision or instrumentality. Each such plan or any amendment to the plan for extending benefits thereof shall be approved by the board of trustees if it finds that the plan, or the plan as amended, is in conformity with such requirements as are provided in Articles 1 and 3; however, upon approval of the plan or any such plan previously approved by the board of trustees, the approved plan shall not be subject to cancellation or termination by the political subdivision or instrumentality. Any plan terminated through legislation, privatization, sale, dissolution, actions of the board of trustees through subparagraph (v), or any other method of termination, shall pay to the board its portion of the unfunded actuarial accrued liability as of June 30, 2025, or the date of termination, whichever amount is greater, in a lump sum before termination, as provided by regulations of the board of trustees. No such plan shall be approved unless:

(i) It provides that all services that constitute employment as defined in Section 25-11-5 and are performed in the employ of the political subdivision or instrumentality, by any employees thereof, shall be covered by the plan, with the exception of municipal employees who are already covered by existing retirement plans; however, those employees in this class may elect to come under the provisions of this article;

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

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

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

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

1. The board of trustees shall not finally refuse to approve a plan submitted under paragraph (f), and shall not terminate an approved plan without reasonable notice and opportunity for hearing to each political subdivision or instrumentality affected by the board's decision. The board's decision in any such case shall be final, conclusive and binding unless an appeal is taken by the political subdivision or instrumentality aggrieved by the decision to the Circuit Court of the First Judicial District of Hinds County, Mississippi, in accordance with the provisions of law with respect to civil causes by certiorari.

2. Each political subdivision or instrumentality as to which a plan has been approved under this section shall pay into the contribution fund, with respect to wages (as defined

in Section 25-11-5), at such time or times as the board of trustees may by regulation prescribe, contributions in the amounts and at the rates specified in the applicable agreement entered into by the board.

3. Every political subdivision or instrumentality required to make payments under paragraph (f)(v)2 of this section is authorized, in consideration of the employees' retention in or entry upon employment after enactment of Articles 1 and 3, to impose upon its employees, as to services that are covered by an approved plan, a contribution with respect to wages (as defined in Section 25-11-5) not exceeding the amount provided in Section 25-11-123(d) if those services constituted employment within the meaning of Articles 1 and 3, and to deduct the amount of the contribution from the wages as and when paid. Contributions so collected shall be paid into the contribution fund as partial discharge of the liability of the political subdivisions or instrumentalities under paragraph (f)(v)2 of this section. Failure to deduct the contribution shall not relieve the employee or employer of liability for the contribution.

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

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