



Legislative Committee Meeting Agenda

Wednesday, April 23, 2025

11:00 A.M.

(or immediately following the Administrative Committee)

- I. 2025 Legislative Update
(Intended Outcome – To Be Determined)
- II. Other

Legislative

Committee Members:

Mr. George Dale, *Committee Chair*
Mr. Bill Benson
State Treasurer David McRae
Dr. Brian Rutledge
Mr. Terrance Yarbrough

Mr. Kelly Breland, *Board Chair*



PERS 2025 Legislative Bill Tracking

April 8, 2025

House Bills

BILL	AUTHOR	COMMITTEE	SYSTEM	DESCRIPTION	DETAILS	IMPACT	STATUS
<u>1</u>	Trey Lamar	Ways & Means (H)	PERS, SLRP, ORP	"Build Up Mississippi Act"	Mississippi Tax Reform Legislation. Creates PERS Tier 5, a hybrid retirement plan, for those hired on or after March 1, 2026. Terminates SLRP for those newly elected on or after March 1, 2026. Reforms ORP by creating a 9% employer contribution for those entering ORP on or after July 1, 2025, and allocates all remaining employer contributions to PERS.	Closes PERS Tier 4 for new hires and creates a new offering of benefits. Also closes SLRP to new legislators and reforms ORP.	Approved by Governor March 27, 2025
<u>1762</u>	Sam Mims	Appropriations D; Appropriations A	PERS	Appropriation; Public Employees' Retirement System	FY 2026 Appropriation	\$21,052,911 beginning July 1, 2025, and ending June 30, 2026, including \$300,000 for building maintenance and \$3,538,000 for computer expenses; 167 permanent positions.	Died in Conference March 29, 2025

Senate Bills

BILL	AUTHOR	COMMITTEE	SYSTEM	DESCRIPTION	DETAILS	IMPACT	STATUS
<u>3095</u>	Harkins	Finance	PERS	Tax; cut income and grocery taxes, increase fuel excise tax, and adjust distribution of certain fuel and sales taxes.	Mississippi Tax Reform Legislation. The House version reallocated net proceeds of the lottery to PERS at \$100,000,000 per year until the system is funded at 80%.	Potential dedicated stream of revenue to PERS	Died in Conference March 29, 2025



PERS Tier 4 and Tier 5 Benefit Overview

	PERS Tier 4	PERS Tier 5
Entry Date	July 1, 2011 – February 28, 2026	March 1, 2026, forward
Type of Plan	Traditional Defined Benefit Pension	Hybrid of Defined Benefit Pension and Defined Contribution Plan
Employee Contribution Rate	9%	9% (4% into Defined Benefit, 5% into Defined Contribution)
Employer Contribution Rate effective July 1, 2025	18.40% to PERS	18.40% to PERS
Defined Contribution Plan Employer Match	N/A	None guaranteed. Employer may elect to contribute an additional amount
Defined Contribution Plan Vesting	N/A	Immediately
Defined Benefit Plan Vesting	8 years	8 years
Defined Benefit Retirement Eligibility	30 years of creditable service at any age or age 60 and vested	35 years of creditable service at any age or age 62 and vested
Defined Benefit Formula	2% of average compensation per year of creditable service for up to 30 years, plus 2.5% of average compensation per year for each year of creditable service over 30, with an actuarial reduction for each year of creditable service below 30 years or for each year in age below age 65, whichever is less	1% of average compensation for all years of service. If member reaches age 62 with less than 30 years of service, an actuarial reduction is made for each year of creditable service below 30 years or for each year in age below age 65, whichever is less
Average Compensation	4 highest fiscal or calendar years of earned compensation or last 48 months, whichever is greater	8 highest consecutive fiscal or calendar years of earned compensation or last 96 months, whichever is greater
Cost-of-Living Adjustments (COLA)	3% of annual base benefit for each full fiscal year of retirement to age 60, plus 3% compounded for each fiscal year thereafter	No guaranteed COLA; Legislature may provide an additional benefit for a specific year
Partial Lump Sum Eligibility	33 years of creditable service at any age	N/A
Unused Leave	Unused leave certified to PERS is computed to additional creditable service	No service credit shall be awarded for unused leave
Military Service	Up to 4 years of free creditable service for honorable military service; members may purchase additional military service credit under USERRA	Up to 4 years of free creditable service for honorable military service; members may purchase additional military service credit under USERRA
Early Withdrawals	No withdrawals before termination	Defined contribution plan allows hardship withdrawals
Service Purchase	Members may purchase certain out-of-state service, professional leave credit, and other non-covered public service credit	No service credit shall be purchased for out-of-state service, professional leave, or any other non-covered service
Refund Payback	Individuals reentering the system before March 1, 2026, are eligible to repurchase the withdrawn service credit	Individuals reentering the system on or after March 1, 2026, are ineligible to repurchase the withdrawn service credit