

Method of Payment for the Cost-of-Living Adjustment (COLA) – Amend Miss. Code Ann. §§ 25-11-112 and 25-13-12 to prospectively mandate the twelve-month COLA default option for future retirees.

Public Employees’ Retirement System

§ 25-11-112. Additional annual payment to retirees and beneficiaries.

(1) Any member who is receiving a retirement allowance for service or disability retirement, or any beneficiary thereof, who has received a monthly benefit for at least one (1) full fiscal year, shall be eligible to receive an additional benefit, on December 1 or July 1 of the year as provided in subsection (3) of this section, equal to an amount calculated under paragraph (a) or (b) below:

(a) For any member who became a member of the system before July 1, 2011, the sum of:

(i) An amount equal to three percent (3%) of the annual retirement allowance multiplied by the number of full fiscal years in retirement before the end of the fiscal year in which the member reaches age fifty-five (55), plus

(ii) An additional amount equal to three percent (3%) compounded by the number of full fiscal years in retirement beginning with the fiscal year in which the member reaches age fifty-five (55), multiplied by the amount of the annual retirement allowance.

(b) For any member who became a member of the system on or after July 1, 2011, the sum of:

(i) An amount equal to three percent (3%) of the annual retirement allowance multiplied by the number of full fiscal years in retirement before the end of the fiscal year in which the member reaches age sixty (60), plus

(ii) An additional amount equal to three percent (3%) compounded by the number of full fiscal years in retirement beginning with the fiscal year in which the member reaches age sixty (60), multiplied by the amount of the annual retirement allowance.

(2) The calculation of the beneficiary’s additional benefit under subsection (1)(a) or (b) of this section shall be based on the member’s age and full fiscal years in retirement as if the member had lived.

(3)

(a) **For members who retire before July 1, 2025**, the additional benefit provided for under this section shall be paid in one (1) payment in December of each year to those persons who are receiving a retirement allowance on December 1 of that year, unless an election is made under this subsection. However, if a retiree who is receiving a retirement allowance that will terminate upon the retiree’s death is receiving the additional benefit in one (1) payment and dies on or after July 1 but before December 1, the beneficiary designated on the retirement application, if any, shall receive in a single payment a fractional part of the additional benefit based on the number of months in which a retirement allowance was received during the fiscal year. Likewise, if a retiree is receiving a retirement allowance that will terminate upon his or her death in two (2) to six (6) monthly installments, any remaining payments of the additional benefit will be paid in a lump sum to the beneficiary designated on the application, or if none, pursuant to Section 25-11-117.1(1). Any similar remaining payments of additional benefits payable under this section to a deceased beneficiary who was receiving a monthly benefit shall be payable in accordance with the provisions of Section 25-11-117.1(2). If the additional monthly benefit is being received in

one (1) payment, the additional benefit shall also be prorated based on the number of months in which a retirement allowance was received during the fiscal year when (i) the monthly benefit payable to a beneficiary terminates due to the expiration of an option, remarriage or cessation of dependent status or due to the retiree's return to covered employment, and (ii) the monthly benefit terminates on or after July 1 and before December 1. The board may, in its discretion, allow a retired member or a beneficiary thereof who is receiving the additional annual payment in the manner provided for in this paragraph to change the manner in which the additional annual payment is received to that provided for in paragraph (b) of this subsection if the retired member or beneficiary submits satisfactory documentation that the continued receipt of the additional annual payment as provided for in this paragraph will cause a financial hardship to the retired member or beneficiary.

(b) Retired members or beneficiaries thereof who ~~on July 1, 1999, or July 1 of any fiscal year thereafter,~~ are receiving a retirement allowance **as of June 30, 2025,** may elect by an irrevocable agreement in writing filed in the Office of the Public Employees' Retirement System no less than thirty (30) days before July 1 of the appropriate year, to begin receiving the additional benefit provided for under this section in twelve (12) equal monthly installments beginning ~~July 1, 1999,~~ ~~or~~ July 1 of ~~any fiscal~~ that year ~~thereafter~~. This irrevocable agreement shall be binding on the member and subsequent beneficiaries. Payment of those monthly installments shall not extend beyond the month in which a retirement allowance is due and payable. The board may, in its discretion, allow a retired member or a beneficiary thereof who is receiving the additional annual payment in the manner provided for in this paragraph to change the manner in which the additional annual payment is received to that provided for in paragraph (a) of this subsection if the retired member or beneficiary submits satisfactory documentation that the continued receipt of the additional annual payment as provided for in this paragraph will cause a financial hardship to the retired member or beneficiary.

(c) For members who retire on or after July 1, 2025, the additional benefit provided for under this section shall be paid in twelve (12) monthly installments, beginning July 1 of each year to those persons who are receiving a retirement allowance on July 1 of that year, unless an election is made at retirement to be paid in one (1) payment in December of each year. Payment of those monthly installments shall not extend beyond the month in which a retirement allowance is due and payable. The board may, in its discretion, allow a retired member or a beneficiary thereof who is receiving the additional annual payment in one (1) payment in December of each year to elect by an irrevocable agreement in writing filed in the Office of the Public Employees' Retirement System no less than thirty (30) days before July 1 of the appropriate year, to begin receiving the additional benefit provided for under this section in twelve (12) equal monthly installments.

(4) The additional payment or payments provided for under this section are for the fiscal year in which they are paid.

(5)

(a) The amount provided for under subsection (1)(a)(ii) of this section is calculated using the following formula:

$[(1.03)^n - 1] \times [\text{annual retirement allowance}],$

where n is the number of full fiscal years in retirement beginning with the fiscal year in which the member reaches age fifty-five (55).

(b) The amount provided for under subsection (1)(b)(ii) of this section is calculated using the following formula:

$$[(1.03)^n - 1] \times [\text{annual retirement allowance}],$$

where n is the number of full fiscal years in retirement beginning with the fiscal year in which the member reaches age sixty (60).

~~(6) Any retired member or beneficiary thereof who has previously elected to receive the additional annual payment in monthly installments may elect, upon application on a form prescribed by the board of trustees, to have that payment made in one (1) additional payment each year. This written election must be filed in the Office of the Public Employees' Retirement System before June 1, 2000, and shall be effective for the fiscal year beginning July 1, 2000.~~

(7) In the event of death of a retired member or a beneficiary thereof who is receiving the additional annual payment in two (2) to six (6) monthly installments pursuant to an election made before July 1, 1999, and who would otherwise be eligible to receive the additional benefit provided for under this section in one (1) payment in December of the current fiscal year, any remaining amounts shall be paid in a lump sum to the designated beneficiary.

(8) When a member retires after July 1 and has previously received a retirement allowance for one or more full fiscal years, the retired member shall be eligible immediately for the additional benefit. The additional benefit shall be based on the current retirement allowance and the number of full fiscal years in retirement and shall be prorated and paid in monthly installments based on the number of months a retirement allowance is paid during the fiscal year.

Mississippi Highway Safety Patrol Retirement System

§ 25-13-12. Additional benefit payments.

(1) Any member who is receiving a retirement allowance for service or disability retirement, or any beneficiary thereof, who has received a monthly benefit for at least one (1) full fiscal year, shall be eligible to receive an additional benefit, on December 1 or July 1 of the year as provided in subsection (6) or (7) of this section, equal to the sum of:

(a) An amount equal to three percent (3%) of the annual retirement allowance multiplied by the number of full fiscal years in retirement before the end of the fiscal year in which the member reaches age sixty (60) or the age established in the latest phase that has been implemented under subsection (3) of this section, plus

(b) An additional amount equal to three percent (3%) compounded by the number of full fiscal years in retirement beginning with the fiscal year in which the member reaches age sixty (60) or the age established in the latest phase that has been implemented under subsection (3) of this section, multiplied by the amount of the annual retirement allowance.

(2) The calculation of the beneficiary's additional benefit provided in this section shall be based on the member's age and full fiscal years in retirement as if the member had lived.

(3) From and after July 1, 2003, the board shall begin implementing a reduction in the age at which compounding of the portion of the additional benefit provided in subsection (1) (b) of this section will begin, which changes shall be implemented in phases as set forth in the table in this subsection. The board shall implement the phases systematically upon July 1 after the board's actuary certifies that implementation of a phase will not cause the unfunded accrued actuarial liability amortization period for the retirement system to exceed twenty (20) years. The board shall have the exclusive authority to set the assumptions that are used in the actuarial valuation in accordance with Section 25-13-29.

IMPLEMENTATION TABLE FOR AGE OF
COMPOUNDING THE ADDITIONAL BENEFIT

PHASE	AGE AT WHICH COMPOUNDING THE ADDITIONAL BENEFIT BEGINS
Phase 1	Age 59
Phase 2	Age 58
Phase 3	Age 57
Phase 4	Age 56
Phase 5	Age 55

(4) For members who retire before July 1, 2025, if a retiree who is receiving a retirement allowance that will terminate upon the retiree's death is receiving the additional benefit in one (1) payment and dies on or after July 1 but before December 1, the beneficiary designated on the retirement application, if any, shall receive in a single payment a fractional part of the additional benefit based on the number of months in which a retirement allowance was received during the fiscal year. If there is no surviving beneficiary, payment shall be made in accordance with Section 25-13-21.1(1). Likewise, if a retiree is receiving a

retirement allowance that will terminate upon the retiree's death in two (2) to six (6) monthly installments, any remaining payments of the additional benefit will be paid in a lump sum to the beneficiary designated on the application, or if none, in accordance with Section 25-13-21.1(1). Any similar remaining payments of the additional benefit payable under this section to a deceased beneficiary who was receiving a monthly benefit shall be payable in accordance with the provisions of Section 25-13-21.1(2). If the additional benefit is being received in one (1) payment each year, the additional benefit shall be prorated based on the number of months in which a retirement allowance was received during the fiscal year when (i) the monthly benefit payable to a beneficiary terminates due to the expiration of an option, remarriage or cessation of dependent status or due to the retiree's return to covered employment, and (ii) the monthly benefit terminates on or after July 1 and before December 1.

(5) Each retired member or beneficiary thereof who receives an annual retirement allowance based on the average compensation for a period of five (5) successive or joined years and who receives a retirement allowance for the month of June 1986, shall receive an ad hoc increase of three percent (3%) in such retirement allowance effective July 1, 1986.

(5) For members who retire before July 1, 2025, the additional benefit provided in this section shall be paid in one (1) payment in December of each year to those persons who are receiving a retirement allowance on December 1 of that year, unless an election is made under subsection ~~(7)~~ (6) of this section. The board, in its discretion, may allow a retired member or a beneficiary thereof who is receiving the additional benefit in one (1) payment each year to have the additional benefit paid in monthly installments if the retired member or beneficiary submits satisfactory documentation that the continued receipt of the additional benefit in one (1) payment each year will cause a financial hardship to the retired member or beneficiary.

(6) Retired members or beneficiaries thereof who are receiving a retirement allowance as of June 30, 2025, may elect by an irrevocable agreement in writing filed in the Office of the Public Employees' Retirement System no less than thirty (30) days before July 1 of any year, to begin receiving the additional benefit provided in this section in twelve (12) equal monthly installments beginning on July 1 of the year. This irrevocable agreement shall be binding on the member and subsequent beneficiaries. Payment of those monthly installments shall not extend beyond the month in which a retirement allowance is due and payable. Any retired member or beneficiary thereof who previously elected to receive the additional annual payment in monthly installments may elect, upon application on a form prescribed by the board, to have that payment made in one (1) payment in December of each year. This written election must be filed in the office of the Public Employees' Retirement System before June 1, 2003, and shall be effective for the fiscal year beginning July 1, 2003. The board, in its discretion, may allow a retired member or a beneficiary thereof who is receiving the additional benefit in monthly installments to have the additional benefit paid in one (1) payment in December of each year if the retired member or beneficiary submits satisfactory documentation that the continued receipt of the additional benefit in monthly installments will cause financial hardship to the retired member or beneficiary.

(7) For members who retire on or after July 1, 2025, the additional benefit provided for in this section shall be paid in twelve (12) equal monthly installments beginning July 1 of each year to those persons who are receiving a retirement allowance on July 1 of that year, unless an election is made at retirement to be paid in one (1) payment in December of each year. Payment of those monthly installments shall not extend beyond the month in which a retirement allowance is due and payable. The board may, in its discretion, allow a retired member or a beneficiary thereof who is receiving the additional annual payment in one (1) payment in December of each year to elect by an irrevocable agreement in writing filed in the Office of the Public Employees' Retirement System no less than thirty (30) days before July 1 of the

appropriate year, to begin receiving the additional benefit provided for under this section in twelve (12) equal monthly installments.

(8) The additional benefit or benefits provided in this section are for the fiscal year in which they are paid.

(9) The amount of the additional benefit provided in subsection (1) (b) of this section is calculated using the following formula:

$[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,

where n is the number of full fiscal years in retirement beginning with the fiscal year in which the member reaches age sixty (60) or the age established in the latest phase that has been implemented under subsection (3) of this section.

(10) In the event of death of a retired member or a beneficiary thereof who is receiving the additional annual payment in two (2) to six (6) monthly installments under an election made before July 1, 2002, and who would otherwise be eligible to receive the additional benefit provided in this section in one (1) payment in December of the current fiscal year, any remaining amounts shall be paid in a lump sum to the designated beneficiary.

(11) When a member retires after July 1 and has previously received a retirement allowance for one or more full fiscal years, the retired member shall be eligible immediately for the additional benefit. The additional benefit shall be based on the current retirement allowance and the number of full fiscal years in retirement and shall be prorated and paid in monthly installments based on the number of months a retirement allowance is paid during the fiscal year.