

Senate Bill 2218

PERS 2012 Housekeeping/Technical Amendments Bill

Legislative Agenda adopted by PERS Board of Trustees December 20, 2011

Legislation Pending

This legislation primarily serves to clarify existing statutory language and, if passed, would not reduce or eliminate accrued benefits for members and retirees of the retirement plans administered by the Public Employees' Retirement System of Mississippi.

Definition of Beneficiary

Amend 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 children are not entitled to a retirement allowance because the deceased member did not have the required number of years of service, the type of service to which is referred is membership service.

Definition of Child

Amend 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.

Definition of Earned Compensation

Amend Miss. Code Ann. §25-11-103(k) **to prospectively exclude** the value of maintenance from earned compensation effective July 1, 2012; **to clarify** that employer-paid health and life insurance premiums for an employee are not earned compensation, whether taxable or nontaxable to the employee; **to prospectively exclude** performance-based incentive payments from earned compensation effective July 1, 2012; and **to clarify** that in-kind benefits are not reportable as earned compensation.

Creditable Service

Amend Miss. Code Ann. §25-11-109(2) **to prospectively change** the method of granting service credit for members of PERS from quarterly to monthly increments effective for periods of time after July 1, 2013; and **to clarify** that leave credit for elected officials who are members of PERS is in lieu of, not in addition to, leave earned while simultaneously employed in a non-elected position.

Death and Disability Benefits

Amend Miss. Code Ann. §25-11-113 (1) **to provide** 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 as currently prescribed in PERS Board Regulation 45A, *Administration of Disability Benefits under PERS*.

Amend 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 allowance.

Amend Miss. Code Ann. §25-11-114 **to clarify** that for benefits for death or disability that occurs in the performance of duty 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 occurring in the performance of duty. This conforms to long-standing agency practice in the determination of duty-related benefits as opined by Attorney General Opinion (1994).

Administration

Amend Miss. Code Ann. §25-11-119(3) **to authorize** disclosure of certain confidential member information to the member's current or former employer as currently authorized by PERS Board Regulation 57, *Release of Member Information to Participating Employers*.

Investments

Amend Miss. Code Ann. §25-11-121 **to clarify** language consistent with the current investment environment and **to update** the investment opportunity set to allow PERS to take advantage of additional investment options.

Service Retirement Formula for Early Retirement – MHSPRS

Amend Miss. Code Ann. §25-13-11(1)(d) **to revise** the early retirement formula for MHSPRS to provide that the retirement annuity shall be reduced by an actuarially determined percentage or factor for each year of age below 55 or for each year of service below 25, whichever is less.

Payment of Benefits

Amend Miss. Code Ann. §25-11-111.1; §25-13-11.1; and §21-29-325 **to authorize** the PERS Board through its regulations to make payments of retirement benefits to members of the defined benefit plans administered by PERS by whatever electronic means it deems most appropriate (examples: direct deposit or bank card) and to authorize the PERS Board to provide for alternative means of payment if the retiree or beneficiary can demonstrate that payment by the prescribed means will cause undue hardship.

Administration and Operation

Amend Miss. Code Ann. §25-9-120(3)(a) **to specifically exempt** actuarial and investment management services contracts entered into by the PERS Board from the rules and regulations of the Personal Service Contract Review Board that govern solicitation and selection of contractual services personnel. This conforms to long-standing agency practice established prior to creation of the Personal Service Contract Review Board in accordance with an Attorney General Opinion (1988).