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Chapter No. 402  
11/SS26/R669CS.2  
JN / AS/KR

**SENATE BILL NO. 2437**

Originated in Senate *Armita Guano* Secretary

SENATE BILL NO. 2437

AN ACT TO CREATE A NEW CODE SECTION TO BE CODIFIED AS SECTION 25-11-106.1, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE COUNTY IS RESPONSIBLE FOR EMPLOYER CONTRIBUTIONS TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) ON NET INCOME ATTRIBUTABLE TO DIRECT TREASURY OR COUNTY PAYROLL INCOME TO THE CHANCERY OR CIRCUIT CLERK FROM THE COUNTY AND THE CHANCERY OR CIRCUIT CLERK IS RESPONSIBLE FOR THE EMPLOYEE CONTRIBUTIONS TO PERS ON NET INCOME ATTRIBUTABLE TO DIRECT TREASURY OR COUNTY PAYROLL INCOME AND BOTH THE EMPLOYEE AND EMPLOYER SHARE OF CONTRIBUTIONS ON THE PROPORTIONATE SHARE OF NET INCOME ATTRIBUTABLE TO FEES; TO AUTHORIZE THE COUNTY TO ELECT TO BE RESPONSIBLE FOR THE EMPLOYER SHARE OF CONTRIBUTIONS TO PERS ON THE PROPORTIONATE SHARE OF NET INCOME OF CHANCERY AND CIRCUIT CLERKS ATTRIBUTABLE TO FEES; TO PROVIDE THAT IF THE COUNTY ELECTS TO BE RESPONSIBLE FOR SUCH EMPLOYER CONTRIBUTIONS, THE ELECTION SHALL BE IRREVOCABLE UNTIL THE BOARD OF SUPERVISORS TAKES OFFICE FOR THE NEXT SUCCEEDING TERM OF OFFICE AT WHICH TIME THE BOARD MAY ELECT WHETHER TO CONTINUE SUCH ELECTION; TO PROVIDE THAT IF THE CHANCERY OR CIRCUIT CLERK FAILS TO MAKE FULL PAYMENT OF CONTRIBUTIONS AS REQUIRED IN CALENDAR YEAR 2010 OR ANY CALENDAR YEAR THEREAFTER, PERS SHALL CERTIFY THE DELINQUENCY TO THE COUNTY AND THE COUNTY SHALL WITHHOLD ANY AND ALL PAYMENTS AND FEES DUE TO THE CHANCERY OR CIRCUIT CLERK UNTIL SUCH TIME AS THE AMOUNT OF HIS OR HER DELINQUENT CONTRIBUTIONS ARE WITHHELD AND PAY THE AMOUNT SO WITHHELD TO PERS; TO PROVIDE THAT ANY CURRENT OR FORMER CHANCERY OR CIRCUIT CLERK FOR WHOM APPROPRIATE EMPLOYEE AND EMPLOYER CONTRIBUTIONS AND INTEREST ON ALL FEES AND COUNTY INCOME FROM COVERED SERVICE BEFORE JANUARY 1, 2010, HAVE NOT BEEN MADE, SHALL PAY TO PERS THE REQUIRED CONTRIBUTIONS AND INTEREST BY NOT LATER THAN DECEMBER 31, 2011, OR IRREVOCABLY FORFEIT SERVICE CREDIT FOR ANY PERIOD FOR WHICH CONTRIBUTIONS ARE DELINQUENT, OR ELECT, BEFORE DECEMBER 31, 2011, NOT TO PAY DELINQUENT EMPLOYEE AND EMPLOYER CONTRIBUTIONS AND APPLICABLE INTEREST FOR SERVICE AS A CHANCERY OR CIRCUIT CLERK BEFORE JANUARY 1, 2010, AND IRREVOCABLY FORFEIT SERVICE CREDIT FOR ANY PERIOD FOR WHICH CONTRIBUTIONS ARE DELINQUENT; TO AMEND SECTION 9-1-43, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT EMPLOYER CONTRIBUTIONS MADE TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM UNDER SECTION 25-11-106.1 MAY BE DEDUCTED IN DETERMINING THE MAXIMUM AMOUNT OF FEES AS COMPENSATION THE CHANCERY OR CIRCUIT CLERKS MAY RECEIVE FOR THEIR SERVICES; TO AMEND SECTION 25-11-123, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO AND REMOVE THE JULY 1, 2012, REPEAL DATE ON THIS SECTION; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

**SECTION 1.** The following shall be codified as Section 25-11-106.1, Mississippi Code of 1972:

25-11-106.1. (1) Any chancery or circuit clerk in office as of January 1, 2011, whose position is covered in the Public Employees' Retirement System by virtue of a plan submitted and approved under Section 25-11-105(f) will remain a member of the Public Employees' Retirement System.

(2) (a) (i) The county is responsible for employer contributions on net income attributable to direct treasury or county payroll income paid to the chancery or circuit clerk from the county.

(ii) Except as otherwise provided in this paragraph (2), the chancery or circuit clerk is responsible for the employee contributions on net income attributable to direct treasury or county payroll income paid to the clerk and both the employee and employer share of contributions on the proportionate share of net income attributable to fees.

(iii) For contributions required for calendar year 2011 and any calendar year thereafter, the county may elect, by majority vote of the board of supervisors spread upon its minutes, to be responsible for the employer share of contributions on the proportionate share of net income of the chancery and circuit clerk attributable to fees. If the county elects to be responsible for employer contributions under this provision, the election shall be irrevocable until the board of supervisors takes office for the next succeeding term of office at which time the board may elect whether to continue the election. Notice shall be given to the executive director of any election made under this subparagraph (iii) within five (5) days after the election is made.

(b) Not later than the date on which the annual report of earnings is due to be filed with the Office of the State Auditor, the chancery or circuit clerk shall submit to the system

a copy of the earnings record and make complete payment of required contributions on net income from his or her office; however, in no event shall the contributions be less than the contributions due on the governmental treasuries paid by the county in the prior calendar year.

(c) If the chancery or circuit clerk fails to make full payment of contributions as required for calendar year 2010 or any calendar year thereafter, the system shall certify the delinquency to the county and the county shall withhold any and all payments and fees, including accrued interest, due to the chancery or circuit clerk in a manner as prescribed by board regulations until such time as the total amount of his or her delinquent contributions are withheld and pay the amount so withheld to the system.

(3) Any current or former chancery or circuit clerk for whom appropriate employee and employer contributions and interest on all fees and county income from covered service before January 1, 2010, have not been made shall do one (1) of the following:

(a) Pay to the system the required contributions and interest by not later than December 31, 2011. Failure to pay the required contributions and interest by December 31, 2011, shall constitute an irrevocable election to forfeit service credit for any period for which contributions are delinquent. Upon such forfeiture, the chancery or circuit clerk shall be relieved of the liability for additional employee and employer contributions and applicable interest for covered service before January 1, 2010.

(b) Elect, before December 31, 2011, not to pay delinquent employee and employer contributions and applicable interest for service as a chancery or circuit clerk before January 1, 2010. By making this election, the current or former chancery or circuit clerk shall irrevocably forfeit service credit for any period for which contributions are delinquent and shall not be

liable for employee and employer contributions and applicable interest for covered service before January 1, 2010.

(4) If a current or former chancery or circuit clerk fails to make required contributions as provided in subsection (3)(a) of this section or elects to forfeit service credit as provided in subsection (3)(b) of this section, all employee and employer contributions previously paid on that service shall be credited to the county as the reporting entity to be distributed as appropriate between the county and the chancery or circuit clerk or former chancery or circuit clerk. No further contributions shall be due on that past service and any credit on that past service shall be removed from the member's record and may not be reinstated at any time in the future.

**SECTION 2.** Section 9-1-43, Mississippi Code of 1972, is amended as follows:

9-1-43. (1) After making deductions for employer contributions paid by the chancery or circuit clerk to the Public Employees' Retirement System under Sections 25-11-106.1 and 25-11-123(f)(4), employee salaries and related salary expenses, and expenses allowed as deductions by Schedule C of the Internal Revenue Code, no office of the chancery clerk or circuit clerk of any county in the state shall receive fees as compensation for the chancery clerk's or circuit clerk's services in excess of Ninety Thousand Dollars (\$90,000.00). All such fees received by the office of chancery or circuit clerks that are in excess of the salary limitation shall be deposited by such clerk into the county general fund on or before April 15 for the preceding calendar year. If the chancery clerk or circuit clerk serves less than one (1) year, then he shall not receive as compensation any fees in excess of that portion of the salary limitation that can be attributed to his time in office on a pro rata basis. Upon leaving office, income earned by any clerk in his last full year of office but not received until after his last full year of

office shall not be included in determining the salary limitation of the successor clerk. There shall be exempted from the provisions of this subsection any monies or commissions from private or governmental sources which: (a) are to be held by the chancery or circuit clerk in a trust or custodial capacity as prescribed in subsections (4) and (5); or (b) are received as compensation for services performed upon order of a court or board of supervisors which are not required of the chancery clerk or circuit clerk by statute.

(2) It shall be unlawful for any chancery clerk or circuit clerk to use fees in excess of Ninety Thousand Dollars (\$90,000.00), to pay the salaries or actual or necessary expenses of employees who are related to such clerk by blood or marriage within the first degree of kinship according to the civil law method of computing kinship as provided in Sections 1-3-71 and 1-3-73. However, the prohibition of this subsection shall not apply to any individual who was an employee of the clerk's office prior to the date his or her relative was elected as chancery or circuit clerk. The spouse and/or any children of the chancery clerk or circuit clerk employed in the office of the chancery clerk may be paid a salary; however, the combined annual salaries of the clerk, spouse and any child of the clerk may not exceed an amount equal to the salary limitation.

(3) The chancery clerk and the circuit clerk shall be liable on their official bond for the proper deposit and accounting of all monies received by his office. The State Auditor shall promulgate uniform accounting methods for the accounting of all sources of income by the offices of the chancery and circuit clerk.

(4) There is created in the county depository of each county a clearing account to be designated as the "chancery court clerk clearing account," into which shall be deposited: (a) all such monies as the clerk of the chancery court shall receive from any

person complying with any writ of garnishment, attachment, execution or other like process authorized by law for the enforcement of child support, spousal support or any other judgment; (b) any portion of any fees required by law to be collected in civil cases which are to pay for the service of process or writs in another county; and (c) any other money as shall be deposited with the court which by its nature is not, at the time of its deposit, public monies, but which is to be held by the court in a trust or custodial capacity in a case or proceeding before the court. The clerk of the chancery court shall account for all monies deposited in and disbursed from such account and shall be authorized and empowered to draw and issue checks on such account at such times, in such amounts and to such persons as shall be proper and in accordance with law.

The following monies paid to the chancery clerk shall be subject to the salary limitation prescribed under subsection (1): (a) all fees required by law to be collected for the filing, recording or abstracting of any bill, petition, pleading or decree in any civil case in chancery; (b) all fees collected for land recordings, charters, notary bonds, certification of decrees and copies of any documents; (c) all land redemption and mineral documentary stamp commissions; and (d) any other monies or commissions from private or governmental sources for statutory functions which are not to be held by the court in a trust capacity. Such fees as shall exceed the salary limitations shall be maintained in a bank account in the county depository and accounted for separately from those monies paid into the chancery court clerk clearing account.

(5) There is created in the county depository in each county a clearing account to be designated as the "circuit court clerk civil clearing account," into which shall be deposited: (a) all such monies and fees as the clerk of the circuit court shall receive from any person complying with any writ of garnishment,

attachment, execution or any other like process authorized by law for the enforcement of a judgment; (b) any portion of any fees required by law or court order to be collected in civil cases; (c) all fees collected for the issuance of marriage licenses; and (d) any other money as shall be deposited with the court which by its nature is not, at the time of its deposit, public monies but which is to be held by the court in a trust or custodial capacity in a case or proceeding before the court.

There is created in the county depository in each county a clearing account to be designated as the "circuit court clerk criminal clearing account," into which shall be deposited: (a) all such monies as are received in criminal cases in the circuit court pursuant to any order requiring payment as restitution to the victims of criminal offenses; (b) any portion of any fees and fines required by law or court order to be collected in criminal cases; and (c) all cash bonds as shall be deposited with the court. The clerk of the circuit court shall account for all monies deposited in and disbursed from such account and shall be authorized and empowered to draw and issue checks on such account, at such times, in such amounts and to such persons as shall be proper and in accordance with law; however, such monies as are forfeited in criminal cases shall be paid by the clerk of the circuit court to the clerk of the board of supervisors for deposit in the general fund of the county.

The following monies paid to the circuit clerk shall be subject to the salary limitation prescribed under subsection (1): (a) all fees required by law to be collected for the filing, recording or abstracting of any bill, petition, pleading or decree in any civil action in circuit court; (b) copies of any documents; and (c) any other monies or commissions from private or governmental sources for statutory functions which are not to be held by the court in a trust capacity.

(6) The chancery clerk and the circuit clerk shall establish and maintain a cash journal for recording cash receipts from private or government sources for furnishing copies of any papers of record or on file, or for rendering services as a notary public, or other fees wherein the total fee for the transaction is Ten Dollars (\$10.00) or less. The cash journal entry shall include the date, amount and type of transaction, and the clerk shall not be required to issue a receipt to the person receiving such services. The State Auditor shall not take exception to the furnishing of copies or the rendering of services as a notary by any clerk free of charge.

In any county having two (2) judicial districts, whenever the chancery clerk serves as deputy to the circuit clerk in one (1) judicial district and the circuit clerk serves as deputy to the chancery clerk in the other judicial district, the chancery clerk may maintain a cash journal, separate from the cash journal maintained for chancery clerk receipts, for recording the cash receipts paid to him as deputy circuit clerk, and the circuit clerk may maintain a cash journal, separate from the cash journal maintained for circuit clerk receipts, for recording the cash receipts paid to him as deputy chancery clerk. The cash receipts collected by the chancery clerk in his capacity as deputy circuit clerk and the cash receipts collected by the circuit clerk in his capacity as deputy chancery clerk shall be subject to the salary limitation prescribed under subsection (1).

(7) Any clerk who knowingly shall fail to deposit funds or otherwise violate the provisions of this section shall be guilty of a misdemeanor in office and, upon conviction thereof, shall be fined in an amount not to exceed double the amount that he failed to deposit, or imprisoned for not to exceed six (6) months in the county jail, or be punished by both such fine and imprisonment.

**SECTION 3.** Section 25-11-123, Mississippi Code of 1972, is amended as follows:

25-11-123. All of the assets of the system shall be credited according to the purpose for which they are held to one (1) of four (4) reserves; namely, the annuity savings account, the annuity reserve, the employer's accumulation account, and the expense account.

(a) **Annuity savings account.** In the annuity savings account shall be accumulated the contributions made by members to provide for their annuities, including interest thereon which shall be posted monthly. Credits to and charges against the annuity savings account shall be made as follows:

(1) Beginning July 1, 2010, the employer shall cause to be deducted from the salary of each member on each and every payroll of the employer for each and every payroll period nine percent (9%) of earned compensation as defined in Section 25-11-103. Future contributions shall be fixed biennially by the board on the basis of the liabilities of the retirement system for the various allowances and benefits as shown by actuarial valuation; however, any member earning at a rate less than Sixteen Dollars and Sixty-seven Cents (\$16.67) per month, or Two Hundred Dollars (\$200.00) per year, shall contribute not less than One Dollar (\$1.00) per month, or Twelve Dollars (\$12.00) per year.

(2) The deductions provided herein shall be made notwithstanding that the minimum compensation provided by law for any member is reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided for herein and shall receipt for his full salary or compensation, and payment of salary or compensation less the deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by the person during the period covered by the payment, except as to the benefits provided under Articles 1 and 3. The board shall provide by rules for the methods of collection of contributions from members and the employer. The board shall have full authority to require the

production of evidence necessary to verify the correctness of amounts contributed.

(b) **Annuity reserve.** The annuity reserve shall be the account representing the actuarial value of all annuities in force, and to it shall be charged all annuities and all benefits in lieu of annuities, payable as provided in this article. If a beneficiary retired on account of disability is restored to active service with a compensation not less than his average final compensation at the time of his last retirement, the remainder of his contributions shall be transferred from the annuity reserve to the annuity savings account and credited to his individual account therein, and the balance of his annuity reserve shall be transferred to the employer's accumulation account.

(c) **Employer's accumulation account.** The employer's accumulation account shall represent the accumulation of all reserves for the payment of all retirement allowances and other benefits payable from contributions made by the employer, and against this account shall be charged all retirement allowances and other benefits on account of members. Credits to and charges against the employer's accumulation account shall be made as follows:

(1) On account of each member there shall be paid monthly into the employer's accumulation account by the employers for the preceding fiscal year an amount equal to a certain percentage of the total earned compensation, as defined in Section 25-11-103, of each member. The percentage rate of those contributions shall be fixed biennially by the board on the basis of the liabilities of the retirement system for the various allowances and benefits as shown by actuarial valuation. Beginning January 1, 1990, the rate shall be fixed at nine and three-fourths percent (9-3/4%). The board shall reduce the employer's contribution rate by one percent (1%) from and after July 1 of the year following the year in which the board

determines and the board's actuary certifies that the employer's contribution rate can be reduced by that amount without causing the unfunded accrued actuarial liability amortization period for the retirement system to exceed twenty (20) years. Political subdivisions joining Article 3 of the Public Employees' Retirement System after July 1, 1968, may adjust the employer's contributions by agreement with the Board of Trustees of the Public Employees' Retirement System to provide service credits for any period before execution of the agreement based upon an actuarial determination of employer's contribution rates.

(2) On the basis of regular interest and of such mortality and other tables as are adopted by the board of trustees, the actuary engaged by the board to make each valuation required by this article during the period over which the accrued liability contribution is payable, immediately after making that valuation, shall determine the uniform and constant percentage of the earnable compensation of each member which, if contributed by the employer on the basis of compensation of the member throughout his entire period of membership service, would be sufficient to provide for the payment of any retirement allowance payable on his account for that service. The percentage rate so determined shall be known as the "normal contribution rate." After the accrued liability contribution has ceased to be payable, the normal contribution rate shall be the percentage rate of the salary of all members obtained by deducting from the total liabilities on account of membership service the amount in the employer's accumulation account, and dividing the remainder by one percent (1%) of the present value of the prospective future salaries of all members as computed on the basis of the mortality and service tables adopted by the board of trustees and regular interest. The normal rate of contributions shall be determined by the actuary after each valuation.

(3) The total amount payable in each year to the employer's accumulation account shall not be less than the sum of the percentage rate known as the "normal contribution rate" and the "accrued liability contribution rate" of the total compensation earnable by all members during the preceding year, provided that the payment by the employer shall be sufficient, when combined with the amounts in the account, to provide the allowances and other benefits chargeable to this account during the year then current.

(4) The accrued liability contribution shall be discontinued as soon as the accumulated balance in the employer's accumulation account shall equal the present value, computed on the basis of the normal contribution rate then in force, or the prospective normal contributions to be received on account of all persons who are at that time members.

(5) All allowances and benefits in lieu thereof, with the exception of those payable on account of members who receive no prior service credit, payable from contributions of the employer, shall be paid from the employer's accumulation account.

(6) Upon the retirement of a member, an amount equal to his retirement allowance shall be transferred from the employer's accumulation account to the annuity reserve.

(d) **Expense account.** The expense account shall be the account to which the expenses of the administration of the system shall be charged, exclusive of amounts payable as retirement allowances and as other benefits provided herein. The Legislature shall make annual appropriations in amounts sufficient to administer the system, which shall be credited to this account. There shall be transferred to the State Treasury from this account, not less than once per month, an amount sufficient for payment of the estimated expenses of the system for the succeeding thirty (30) days. Any interest earned on the expense account shall accrue to the benefit of the system. However,

notwithstanding the provisions of Sections 25-11-15(10) and 25-11-105(f)(v)5, all expenses of the administration of the system shall be paid from the interest earnings, provided the interest earnings are in excess of the actuarial interest assumption as determined by the board, and provided the present cost of the administrative expense fee of two percent (2%) of the contributions reported by the political subdivisions and instrumentalities shall be reduced to one percent (1%) from and after July 1, 1983, through June 30, 1984, and shall be eliminated thereafter.

(e) **Collection of contributions.** The employer shall cause to be deducted on each and every payroll of a member for each and every payroll period, beginning subsequent to January 31, 1953, the contributions payable by the member as provided in Articles 1 and 3.

The employer shall make deductions from salaries of employees as provided in Articles 1 and 3 and shall transmit monthly, or at such time as the board of trustees designates, the amount specified to be deducted to the Executive Director of the Public Employees' Retirement System. The executive director, after making a record of all those receipts, shall deposit such amounts as provided by law.

(f) (1) Upon the basis of each actuarial valuation provided herein, the board of trustees shall biennially determine the normal contribution rate and the accrued liability contribution rate as provided in this section. The sum of these two (2) rates shall be known as the "employer's contribution rate." Beginning on earned compensation effective January 1, 1990, the rate computed as provided in this section shall be nine and three-fourths percent (9-3/4%). The board shall reduce the employer's contribution rate by one percent (1%) from and after July 1 of the year following the year in which the board determines and the board's actuary certifies that the employer's

contribution rate can be reduced by that amount without causing the unfunded accrued actuarial liability amortization period for the retirement system to exceed twenty (20) years. The percentage rate of those contributions shall be fixed biennially by the board on the basis of the liabilities of the retirement system for the various allowances and benefits as shown by actuarial valuation.

(2) The amount payable by the employer on account of normal and accrued liability contributions shall be determined by applying the employer's contribution rate to the amount of compensation earned by employees who are members of the system. Monthly, or at such time as the board of trustees designates, each department or agency shall compute the amount of the employer's contribution payable, with respect to the salaries of its employees who are members of the system, and shall cause that amount to be paid to the board of trustees from the personal service allotment of the amount appropriated for the operation of the department or agency, or from funds otherwise available to the agency, for the payment of salaries to its employees.

(3) Constables shall pay employer and employee contributions on their net fee income as well as the employee contributions on all direct treasury or county payroll income. The county shall be responsible for the employer contribution on all direct treasury or county payroll income of constables.

(4) Except as otherwise provided in Section 25-11-106.1, chancery and circuit clerks shall be responsible for both the employer and employee share of contributions on the proportionate share of net income attributable to fees, as well as the employee share of net income attributable to direct treasury or county payroll income, and the employing county shall be responsible for the employer contributions on the net income attributable to direct treasury or county payroll income.

(5) Once each year, under procedures established by the system, each employer shall submit to the Public Employees' Retirement System a copy of their report to Social Security of all employees' earnings.

(6) The board shall provide by rules for the methods of collection of contributions of employers and members. The amounts determined due by an agency to the various funds as specified in Articles 1 and 3 are made obligations of the agency to the board and shall be paid as provided herein. Failure to deduct those contributions shall not relieve the employee and employer from liability thereof. Delinquent employee contributions and any accrued interest shall be the obligation of the employee and delinquent employer contributions and any accrued interest shall be the obligation of the employer. The employer may, in its discretion, elect to pay any or all of the interest on delinquent employee contributions. From and after July 1, 1996, under rules and regulations established by the board, all employers are authorized and shall transfer all funds due to the Public Employees' Retirement System electronically and shall transmit any wage or other reports by computerized reporting systems.

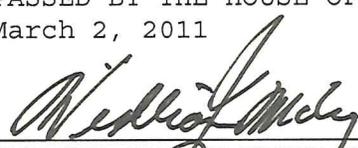
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**SECTION 4.** This act shall take effect and be in force from and after its passage.

PASSED BY THE SENATE  
February 2, 2011

  
PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES  
March 2, 2011

  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR

  
GOVERNOR

3/11/11

3:40 p