

SENATE BILL 396

By Overbey

AN ACT to amend Tennessee Code Annotated, Title 8,
relative to optional retirement allowances.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-36-601(b)(1), is amended by adding the following language after the last sentence in the subdivision:

If a member nominates the member's spouse as the beneficiary under this subdivision (b)(1) and the spouse predeceases the member after the retirement of the member, the member may, if remarried and not less than five (5) years after remarriage, nominate the member's current spouse as the beneficiary to the member's retirement allowance under this subdivision (b)(1) in accordance with rules adopted by the board of trustees under § 8-36-605. The nomination of a subsequent spouse as beneficiary must take effect immediately upon the filing with the board of trustees of a written designation duly acknowledged by the member. Upon the death of the member, a subsequent spouse nominated in accordance with this subdivision (b)(1) is entitled to a retirement allowance that is the actuarial equivalent of the retirement allowance to which an original beneficiary would otherwise be entitled under this subdivision (b)(1).

SECTION 2. Tennessee Code Annotated, Section 8-36-601(b)(2), is amended by adding the following language after the last sentence in the subdivision:

If a member nominates the member's spouse as the beneficiary under this subdivision (b)(2) and the spouse predeceases the member after the retirement of the member, the member may, if remarried and not less than five (5) years after remarriage, nominate the member's current spouse as the beneficiary to the member's retirement allowance under this subdivision (b)(2) in accordance with rules adopted by the board of trustees under §

8-36-605. The nomination of a subsequent spouse as beneficiary must take effect immediately upon the filing with the board of trustees of a written designation duly acknowledged by the member. Upon the death of the member, a subsequent spouse nominated in accordance with this subdivision (b)(2) is entitled to a retirement allowance that is the actuarial equivalent of the retirement allowance to which an original beneficiary would otherwise be entitled under this subdivision (b)(2).

SECTION 3. Tennessee Code Annotated, Section 8-36-605, is amended by deleting the section and substituting instead the following:

The election of an option must not be changed or revoked by the member after such member's retirement date, except in accordance with rules adopted by the board of trustees, which must include rules providing for the nomination of a subsequent spouse in accordance with § 8-36-601(b)(1) and (b)(2).

SECTION 4. This act shall take effect on July 1, 2017, the public welfare requiring it. This act shall apply only to existing, qualified retirees on July 1, 2017, and to qualified persons who retire on or after July 1, 2017. This act shall apply only to benefits of a beneficiary which accrue after the nomination of a subsequent spouse in accordance with Section 1 or 2 of this act, as applicable.