

SENATE BILL 1128

By Kyle

AN ACT to amend Tennessee Code Annotated, Title 5;
Title 6; Title 7; Title 8; Title 9 and Title 56, relative
to local government employee retirement benefits.

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

SECTION 1. Tennessee Code Annotated, Title 8, Chapter 27, Part 8, is amended by
adding the following language as a new section:

(a) As used in this section:

(1) "Local government" means a county, municipality, city, school district,
or other political subdivision of this state;

(2) "Post-employment benefit" means a benefit, other than a pension
benefit, paid on behalf of retired employees by a local government, including,
without limitation, a medical, prescription drug, vision, hearing, life insurance,
long-term care, and disability benefit; and

(3) "Retired employee" means a retired employee of a local government.

(b) Notwithstanding any provision of law to the contrary:

(1) Once a local government has provided a post-employment benefit for
a retired employee, the post-employment benefit level for the retired employee
must not be reduced below the benefit level offered to the retired employee at the
time of the employee's retirement without the written consent of the retired
employee; and

(2) A local government shall not increase the premiums of a retired
employee under a post-employment benefit plan during a plan year in an amount
that exceeds the most recently published average annual rate of inflation as

calculated using the consumer price index and published by the United States
department of labor, bureau of labor statistics.

SECTION 2. This act shall take effect on July 1, 2017, the public welfare requiring it.