

SENATE BILL 1826

By Kyle

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 36, Part 7 and Section 8-36-124, relative to improving the retirement benefits of certain Tennessee public employees.

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

SECTION 1. Tennessee Code Annotated, Section 8-36-124, is amended by adding the following new subsection at the end thereof:

(c)

(1) Effective January 1, 2010, the amount of the base benefit improvement adopted pursuant to subdivision (a)(3)(A) of this section shall be increased from five percent (5%) to ten percent (10%), and shall apply to both active and retired members in the groups and systems referenced in subdivision (a)(3) above. This increase in benefits shall not be paid retroactively, but shall become effective on January 1, 2010.

(2) This subsection shall not apply to employees of employers participating in the retirement system pursuant to chapter 35, part 2 of this title, unless the governing body of any such employer, after receipt of the liability information from the retirement system, passes a resolution authorizing the increase and accepting the liability thereof. Any such increase in benefits shall become effective following the adoption of the resolution. No retroactive benefits shall be paid under the provisions of this subsection (c). It is the legislative intent that the state shall realize no increased cost as a result of providing the increase to employees of employers participating in the retirement system pursuant to

chapter 35, part 2 of this title. All costs associated with such increase shall be the responsibility of the respective employer.

SECTION 2. Tennessee Code Annotated, Title 8, Chapter 36, Part 7, is amended by adding the following as a new, appropriately designated section:

Section 8-36-716.

(a)

(1) The retirement allowance of each retired teacher, wildlife officer, state police officer, firefighter, police officer and general employee shall be increased effective January 1, 2010, in accordance with the following schedule:

<u>Date of Retirement</u>	<u>Percentage Increase</u>
prior to 7/2/75	10.0%
7/2/75 - 7/1/77	7.5%
7/2/77 - 7/1/79	6.0%
7/2/79 - 7/1/81	3.0%
7/2/81 - 7/1/83	1.2%
7/2/83 - 7/1/85	0.9%
7/2/85 - 7/1/87	0.5%
7/2/87 - 7/1/89	0.3%

(2) The increase provided in subdivision (a)(1) shall be in addition to any other increase in retirement benefits provided by this part and shall not be paid retroactively, but shall become effective on January 1, 2010.

(b) As used in this section, "teacher" and "general employee" mean any retired teacher and any retired general employee, as defined in § 8-34-101, and any former teacher or state employee receiving benefits under chapter 39, part 1 of this title.

(c) The provisions of §§ 8-36-102 and 8-36-208(a) shall not be construed to prevent any increase in the retirement allowance of a retiree when such increase is in accordance with this section.

(d) Notwithstanding any provision of the law to the contrary, this section shall not apply to individuals who are members of the retirement system by virtue of their employment with any employer participating in the retirement system pursuant to chapter 35, part 2 of this title unless the governing body of any such employer passes a resolution to accept the associated liability and costs to provide such benefits. Any such increase in benefits shall become effective following the adoption of the resolution. No retroactive benefits are to be paid under the provisions of this subsection (d). It is the legislative intent that the state shall realize no increased cost as a result of providing the increase to employees of employers participating in the retirement system pursuant to chapter 35, part 2 of this title. All costs associated with such increase shall be the responsibility of the respective employer.

SECTION 3. The provisions of this act shall be subject to the funding being provided in the general appropriations act.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.