

SENATE BILL 1852

By Harris

AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 7; Title 8 and Title 49, relative to amendments to local pension and retirement plans for participants of a certain age.

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

SECTION 1. Tennessee Code Annotated, Title 7, is amended by adding Sections 2 through 5 as a new chapter.

SECTION 2. As used in this chapter:

(1) "Local retirement or pension plan" means any retirement or pension plan authorized to be established and maintained by a political subdivision for its employees pursuant to any ordinance, resolution, or private act;

(2) "Political subdivision" has the same meaning as defined in § 4-58-102; and

(3) "Substantial change in benefits":

(A) Means any change in retirement or pension benefits that results in a disadvantage to plan participants and is not accompanied by any comparable new advantage; and

(B) Includes:

(i) Increasing the rate or amount of a plan participant's contribution to the retirement or pension fund, without any corresponding increase in the amount of the benefit payments the participant is entitled to receive upon retirement; or

(ii) Revising the method of computing the retirement or pension benefits payable to participants retiring after a certain number of years of service where it is impossible to predict whether, at the time of retirement

of each of the participants affected, the amount paid the participants under the method previously provided for would be greater or less than the amount paid the participants under the new method.

SECTION 3. No amendment to a local retirement or pension plan that effects a substantial change in benefits for plan participants who are sixty-five (65) years of age or older shall be effective unless the amendment is approved by a majority of plan participants who have attained that age or is required by the general law of the state or federal law.

SECTION 4. This chapter applies to plans, including amendments to the plans, enacted by ordinance, resolution, or private act, prior to, or on or after, the effective date of this act.

SECTION 5. To the extent there is a conflict between this chapter and any private act, resolution, or ordinance, this chapter shall govern. The legislative body of any city or town, by ordinance, or county, by resolution, is authorized to modify the provisions of any ordinance or resolution enacted prior to the effective date of this act that conflict with this chapter.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.