



March 7, 2023

SUMMARY OF BILL AS AMENDED (004453): Extends the authorization for retired law enforcement officers to be reemployed without a loss or suspension to retirement benefits through FY24-25. Prohibits a retiree who is reemployed in a position covered by the Tennessee consolidated retirement system (TCRS), following retirement, from switching from one reemployment provision under this part to another and from being reemployed under more than one reemployment provision simultaneously. Establishes a law enforcement officer must be retired for at least 60 days before they are allowed to accept reemployment without a loss or suspension of retirement benefits. Establishes that retirement benefits payable to retired law enforcement officers during periods of reemployment must be reduced to 70 percent of the retirement allowance the law enforcement officer would have otherwise received. Requires the employer of retired law enforcement officers who are reemployed in a position covered by TCRS, to notify TCRS of the member's reemployment, and certify in writing that the retired member has the requisite experience for the position, the requisite training for the position, and that no other qualified persons are available to fill the position.

ESTIMATED FISCAL IMPACT OF BILL AS AMENDED:

Increase Local Expenditures – \$66,300/Each FY23-24 through FY24-25/Permissive

Assumptions for the bill as amended:

- The proposed legislation will require programming changes to TCRS's recordkeeping system that will be made utilizing existing resources without a significant increase in state expenditures.
- Local governments may choose to adopt a resolution authorizing such additional benefits for local government employees.
- According to information provided by TCRS, as of July 30th, 2022, the average law enforcement officer salary is \$55,289.
- Pursuant to Tenn. Code Ann. § 8-36-809(c)(2), the current determined contribution for employers of law enforcement officers who return to work must not be less than five percent of the retired member's pay rate, until July 1, 2023 following the expiration of current provisions regarding law enforcement officers returning to work following retirement; the proposed legislation extends the minimum contribution of five percent of the retired member's pay rate until June 30, 2025. Therefore, the annual permissive

increase in local expenditures of \$2,764 ($\$55,289 \times 5\%$) per retired law enforcement officer who returns to the profession between FY23-24 and FY24-25.

- According to information provided by TCRS, 24 retired local law enforcement officers returned to work under the current standards in Tenn. Code Ann. § 8-36-809 in FY22-23. For the purposes of this analysis, this number is expected to remain constant in perpetuity.
- The permissive increase in local expenditures is estimated to be \$66,336 ($\$2,764 \times 24$) in FY23-24 and FY24-25.
- Any impact on state expenditures is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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