



March 8, 2022

**SUMMARY OF BILL AS AMENDED (014489):** Establishes a reserve account in the retirement system for payment of state liabilities resulting from the established military service credit. Requires an additional appropriation to the Tennessee Consolidated Retirement System (TCRS) to fund military service credit established as a result of expanding military service. Requires all interest and dividends earned on funds in the reserve account to be credited to the account and not revert back to the General Fund. Permits the State Treasurer to charge the reserve account to meet expenses related to administering and investing assets in the reserve account.

**FISCAL IMPACT OF BILL AS AMENDED:**

**Other Fiscal Impact – Any funds deposited to the reserve account will be used to fund future expansion of military service credit. The amount and timing of any appropriation to the reserve account is dependent upon future action by the General Assembly and cannot be reasonably determined.**

Assumptions for the bill as amended:

- The proposed legislation allows the State Treasurer to use a portion of funds in the reserve account to cover the cost of administering and investing the account's assets.
- According to TCRS an appropriation made to the reserve account will not be used to fund any existing liability, but will be used to offset future liabilities for any military service credit established as a result of expanding military service.
- The amount and timing of any such appropriation is dependent upon future action by the General Assembly and cannot be reasonably determined.
- No impact on the overall lump sum pension liability.

**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".

Krista Lee Carsner, Executive Director

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