



February 25, 2023

SUMMARY OF BILL: Reduces, from nine months to two months, the amount of time a law enforcement officer must be retired before they are allowed to accept reemployment without a loss or suspension of retirement benefits. Extends the authorization for a retired law enforcement officer to be reemployed without a loss or suspension of retirement benefits from July 1, 2023 to July 1, 2026.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures – \$66,300/Each FY23-24 through FY25-26/Permissive

Assumptions:

- 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.
- Extending the authorization for retired law enforcement officers to be reemployed without a loss or suspension of retirement benefits will require an increase in local 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 is not less than five percent of the retired member's pay rate; therefore, allowing the reemployment of law enforcement officers without a loss or suspension of retirement benefits to happen within two months will create an 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 FY25-26.
- 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 ($\$2,764 \times 24$) each year in FY23-24 through FY25-26.
- 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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