

HOUSE BILL 1878

By Reedy

AN ACT to amend Tennessee Code Annotated, Section 8-34-605 and Section 8-36-205, relative to military service as creditable service in the Tennessee consolidated retirement system.

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

SECTION 1. Tennessee Code Annotated, Section 8-34-605(e), is amended by deleting the language "(b)-(d)" and substituting instead the language "(b)-(e)".

SECTION 2. Tennessee Code Annotated, Section 8-34-605(g), is amended by deleting the language "(b)-(d)" and substituting instead the language "(b)-(e)".

SECTION 3. Tennessee Code Annotated, Section 8-34-605, is further amended by adding the following as a new subsection (c) and redesignating the existing subsection (c) and subsequent subsections accordingly:

(c)

(1) Any member who is employed in a position requiring mandatory retirement pursuant to § 8-36-205, who served in the armed forces of the United States during any period of armed conflict as defined in subdivision (c)(2), and whose service was rendered in the specific geographic area in which the conflict took place is entitled to establish retirement credit for the military service without charge to the member under the following conditions:

(A) The member was honorably discharged from such military service;

(B) The member cannot establish the military service in any other retirement system. However, this subdivision (c)(1)(B) does not apply to the extent it is preempted by federal law;

(C) The military service credit cannot be used in determining any rights under the retirement system prior to the member becoming vested; and

(D) The member is within six (6) months of the date of mandatory retirement and is not employed in a supervisory or administrative position that qualifies for an exception under § 8-36-205(a)(3).

(2) As used in this subsection (c), "period of armed conflict" means:

Persian Gulf War      8/2/90 – 4/6/91

Operation Enduring Freedom 10/7/01 – 12/28/14

Operation Iraqi Freedom      3/19/03 – 8/31/10

(3) Notwithstanding § 8-35-217 to the contrary, this subsection (c) is optional to any employer participating in the retirement system pursuant to chapter 35, part 2 of this title. To adopt this subsection (c), the chief governing body of the employer must pass a resolution authorizing and accepting the liability associated with the granting of the retirement credit. The chief governing body must also agree to pay the estimated increased pension liability created by the granting of the credit in either a lump sum, or through an increase in the employer's contribution rate for a period not to exceed twelve (12) months immediately following the adoption of the resolution by the employer. A former or current employee of the employer is not permitted to establish the service credit authorized under this subsection (c) until the estimated increased pension liability has been totally funded by the employer. The retirement system or the retirement system's actuary shall determine the estimated increased pension liability and associated increased contribution rate for the employer.

SECTION 4. Notwithstanding any other law to the contrary, it is the legislative intent that the estimated increased pension liability created by this act on account of state employees shall

be totally funded by an increase in the employer contribution rate for the fiscal year 2020-2021 and shall not be amortized.

SECTION 5. This act shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the General Appropriations Act.

SECTION 6. This act shall take effect July 1, 2020, the public welfare requiring it.