

SENATE BILL 1577

By Haile

AN ACT to amend Tennessee Code Annotated, Section 8-34-605, relative to certain 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 or retired member 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; provided, that this subdivision (c)(1)(B) shall not apply to the extent it is preempted by federal law; and

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

(2) "Period of armed conflict" means:

Multinational Force in Lebanon 8/21/82 – 2/26/84

Invasion of Grenada/Operation Urgent Fury 10/25/83 – 12/15/83

Invasion of Panama/Operation Just Cause 12/20/89 – 1/31/90

Persian Gulf War 8/2/90 – 4/6/91

Iraqi No-Fly Zone Conflict 4/7/91 – 3/18/03

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. Further, and notwithstanding any other law to the contrary, it is the legislative intent that the estimated first year's funding of this act on account of teachers, based on a twenty-year amortization period, shall be funded through an increase in the employer contribution rate during fiscal year 2020-2021. It is further the legislative intent that the remaining estimated increased pension liability created by this act on account of teachers shall be totally funded by an increase in the employer contribution rate for the fiscal year 2021-2022 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.