

# FISCAL NOTE

## SB 2436

January 3, 2006

**SUMMARY OF BILL:** Requires public employees or officials who are re-elected, re-appointed, promoted or change job classification after the effective date of this bill to forfeit Tennessee retirement benefits upon a state or federal felony conviction arising out of their employment or official capacity, regardless of the date the employee or official became a member of the public pension plan.

### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – If certain employees and officials in the future were denied retirement benefits that would not have been denied in the absence of this bill, a savings in expenditures from the retirement system would occur. Any such savings would depend on the number of persons affected and the level of benefits which would have been received by such persons. These savings cannot be precisely quantified, but are reasonably estimated to exceed \$100,000 over time.**

**Note:** The Tennessee Supreme Court has held that no detrimental modification to the terms of a pension plan may be carried out absent the consent of the affected employee. *Blackwell v. Quarterly Court of Shelby County*, 622 S.W.2d 535 (1981). An employee's position may be reclassified to a different or new job classification without the consent of the employee. This bill may be unconstitutional in certain circumstances in which the employee's job classification changes. If this bill were held unconstitutional, the fiscal impact would not be significant.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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