

## FISCAL NOTE

### SB 2727 - HB 2848

February 28, 2006

**SUMMARY OF BILL:** Amends the retirement law by changing the definition of *a period of armed conflict* to include the Persian Gulf War, Operation Iraqi Freedom, Operation Enduring Freedom and the Global War on Terrorism. This will provide that any member or retired member may establish that period of military service in the TCRS without charge, regardless of whether the service interrupted such member's employment.

#### ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$568,600 Annual Amortized Cost**

**Increase Local Govt. Expenditures\* - \$223,600 Annual Amortized Cost**

**Other Fiscal Impact - Increase Federal/Other Expenditures -  
\$77,800 Annual Amortized Cost**

#### Assumptions:

- Total lump sum liability of \$7,677,000 amortized over 20 years.
- Funding ratio for teacher cost at 60% state, 40% local education agencies.
- One percent of all members hired after August 9, 1991 would receive 36 months of military service credit.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

#### CERTIFICATION:

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



**SB 2727 - HB 2848**

James W. White, Executive Director

**SB 2727 - HB 2848**