

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2989 – SB 2886

March 12, 2010

SUMMARY OF AMENDMENT (015060): Deletes the language of the original bill. Requires interest of five percent be paid to any member of the superseded judges' retirement system when such member does not receive a retirement benefit to which the member is entitled when errors are made by the state. Limits any such interest payment to retirement benefits which were payable from April 1, 2008 to January 1, 2009. Requires the member to file a written request for such interest payment with the retirement system no later than December 31, 2010.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$509,300

Increase Federal Expenditures - \$91,100

Increase Local Expenditures - \$157,400*

*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.*

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$1,800/One-Time

Assumptions applied to amendment:

- Based on information provided by the Tennessee Consolidated Retirement System (TCRS), retirement benefits were not paid to a retiree for the ten months.
- The retiree did not notify TCRS of the oversight.

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- According to TCRS, an interest payment for the one retiree is equal to \$1,800. Therefore, a one-time increase to state expenditures of \$1,800.

CERTIFICATION:

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

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc