

SENATE BILL 1851

By Bailey

AN ACT to amend Tennessee Code Annotated, Title 8,
relative to retirement benefits for certain
employees of public institutions of higher
education.

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

SECTION 1. Tennessee Code Annotated, Section 8-25-204, is amended by adding the following as a new subsection:

(i) Notwithstanding any provision of this part or any other law to the contrary, an employee who, as of the effective date of this act, is currently enrolled in the retirement system and also has attained more than six (6) but less than eight (8) years of creditable service in the optional retirement program, may elect to transfer all years of creditable service from the optional retirement program to the retirement system under the following conditions:

(1) The employee is employed in a position covered by the retirement system;

(2) The employee joined the optional retirement program after January 1, 1992, and before December 31, 1992, while employed at Tennessee Technological University;

(3) The employee enrolled in the retirement system between January 1, 1999, and December 31, 1999;

(4) The election shall be made on election forms prescribed by the retirement system;

(5) The election form shall be filed with the retirement system and the institution where the employee is employed by no later than July 1, 2017;

(6) Any such transfer shall include both past and prospective membership;

(7) The transfer shall be irrevocable;

(8) The employee may be required to pay to the retirement system, in an amount determined by the retirement system, a portion of the employee's earnable compensation during the period of the employee's membership in the optional retirement program, plus interest at the applicable statutory rate;

(9) Notwithstanding § 8-37-220, any payment required under this subsection (i) shall be made in a lump sum to the retirement system by no later than December 31, 2017, and may be funded in whole or in part from amounts transferred from the employee's accounts in the optional retirement program, from other eligible retirement accounts, or from other funds available to the employee. Any difference between the payment required under this subsection (i) and the amount transferred from the optional retirement program or an eligible retirement account shall be paid to the retirement system within sixty (60) days following the transfer, but in any event no later than December 31, 2017.

Notwithstanding § 8-35-111 or any other law to the contrary, if the payment is not funded in whole or in part from amounts transferred from the optional retirement program, the employee shall be permitted to retain ownership of the amounts without violating § 8-35-111 or other law;

(10) The employee shall have no rights, benefits, or privileges in the retirement system until the full amount of any payment required pursuant to this subsection (i) is received by the retirement system. In the event the employee fails to remit the full amount by the time specified in subdivision (i)(9), the employee shall irrevocably lose the employee's right to transfer membership from the optional retirement program to the retirement system; and

(11) All payments made pursuant to this subsection (i) shall be credited to the state accumulation fund pursuant to § 8-37-301 and not to the individual accounts of members in the members' fund.

SECTION 2. Tennessee Code Annotated, Section 8-37-220, is amended by deleting the language "§ 8-25-204(g) and 8-36-105" from subsection (b) and substituting instead the language "8-25-204(g) and (i), and 8-36-105".

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.