

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 513 - SB 1355

February 26, 2015

SUMMARY OF BILL: Makes multiple changes to the Tennessee Consolidated Retirement System (TCRS), including but not limited to, the authorization for the TCRS Board of Trustees to delegate the responsibilities of operating and administering the state's retirement system to the State Treasurer; adds the instances of disability and ineligibility to the events in which a member may be appointed to the board to fill the unexpired term; authorizes the executive committee to hear appeals of initial orders and commence litigation or any legal action on behalf of the retirement system. Authorizes a member who receives temporary disability under a workers compensation program to establish retirement credit for the period of disability at any time during or after the period of disability, provided the employer provides certification and the remittance of contributions is remitted in the manner prescribed by the state treasurer.

Authorizes the board to withhold payment of a members accumulated contributions and interest or monthly benefit upon: the filing of criminal charges or a civil suit against a member relating to the members employment; an audit finding from the Comptroller of the Treasury relating to the members employment; or an affidavit submitted by the employer to the director of the retirement system containing the employees actions that the employer asserts could constitute a crime. Authorizes the board to withhold such payments until such time as the charges have been dismissed or the charges have resulted in a determination that the member owes money to the employer. Authorizes the member to appeal the decision to the director of the retirement system if the member is not charged criminally or civilly.

Authorizes employer to satisfy any debt from member's monthly benefit in the retirement system that elects to retire. Requires survivor benefits payable to optional allowances not exceed the maximum amount determined under the applicable incidental death benefits regulations of the Internal Revenue Code, unless the retired member's surviving spouse is the member's sole beneficiary. Eliminates incorrect references in the retirement system statutes; makes other clarifications concerning department and TCRS practices; and makes other updates for the purpose of administering the retirement system in compliance with federal law.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

HB 513 - SB 1355

- Under current law, the Department of Treasury requires TCRS to administer the retirement system for members.
- Based on all information provided by the Department of the Treasury, any change in liability of the retirement system, as well as any other fiscal or operational impact to the department as a result of this bill, is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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