

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1587 - HB 1870

February 2, 2016

SUMMARY OF BILL: Specifies that money received as pension benefits from the state or a political subdivision is not exempt from execution, attachment, or garnishment issued under a qualified domestic relations order (QDRO). Deletes the exemption of public retirement plans from the claims of alternate payees under a QDRO. Deletes requirement indicating that a local government with an established qualified plan must honor claims under a QDRO under certain conditions.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Tennessee Consolidated Retirement System (TCRS), payments are made through a custom pension administration system called Concord.
- The TCRS has been in the process of developing administrative rules and design elements to enable the Concord system to process QDROs. Under current law, this work is projected to be completed by July 1, 2016.
- The bill is effective upon becoming law.
- In the event the provisions of this bill are effective prior to completion of the Concord system upgrades, TCRS would require QDRO processing services from the third party administrator currently under contract with TCRS. Additional processing fees would be assessed to and retained by the third party vendor against plan participants to cover the costs of any modifications; therefore any fiscal impact to TCRS is not significant.
- Based on information provided by the TCRS, there will be no impact to the pension fund or unfunded liability.

CERTIFICATION:

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

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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