



June 2, 2020

SUMMARY OF ORIGINAL BILL: Changes the term “member” to “trustee” in reference to persons sitting on the Tennessee Consolidated Retirement System Board of Trustees. Clarifies that in the event of a death, disability, resignation, or ineligibility of a trustee who was appointed as a teacher trustee or a retired teacher trustee, the Speaker of the Senate or the Speaker of the House of Representatives who appointed the now deceased, disabled, resigned, or ineligible trustee will appoint another trustee to fill the trustee's unexpired term.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (014792): Deletes all language after the enacting clause. Authorizes the chief governing body of a political subdivision to have an actuarial study done before participating in the retirement system at the expense of the political division, to determine the share of the assets of the retirement system and associated liabilities attributable to the new political subdivision. Establishes the information that must be included in the actuarial study. Authorizes the political subdivision to make payments towards the entity's pension liability with any assets from the actuarial study. Authorizes the state Treasurer to require the political subdivision and the entity to provide documentation, including, but not limited to, financial statements, actuarial assessments, and an opinion of an independent actuary.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue - \$1,000/FY20-21 and Subsequent Years/TCRS

Increase Local Expenditures – \$1,000/FY20-21 and Subsequent Years/Permissive

Assumption for the bill as amended:

- It is estimated that at least one political subdivision will pay the cost of an actuarial study from Tennessee Consolidated Retirement Systems (TCRS) each year, resulting in a recurring increase in local expenditures and a corresponding increase in revenue to TCRS of \$1,000 beginning in FY20-21.

CERTIFICATION:

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

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/abw