

SENATE BILL 1727

By Gardenhire

AN ACT to amend Tennessee Code Annotated, Title 9,
Chapter 3, Part 5, relative to the Public Employee
Defined Benefit Financial Security Act of 2014.

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

SECTION 1. Tennessee Code Annotated, Section 9-3-504, is amended by adding the following language as new subsection:

(j) The actuary's determinations, including the ADC, shall be contained in a report submitted to the political subdivision and shall include a certification indicating the actuary's report has been prepared in accordance with all of the Actuarial Standards of Practice established by the Actuarial Standards Board as well as an explanation for any deviations. The actuary shall also certify in the report the overall appropriateness of the analysis in addition to the assumptions and results. The assumptions analyzed by the actuary must include, but not be limited to, the following: asset experience, including, but not limited to, the investment rate of return, discount rate, salary experience, cost of living adjustments, rates of retirement, turnover, and disability; mortality, including future improvement; and forms of benefit payments, including, but not limited to, lump sum payments.

SECTION 2. Tennessee Code Annotated, Section 9-3-505, is amended by adding the following language as a new subsection:

(d) A political subdivision that does not pay one hundred percent (100%) of its ADC in any fiscal year beginning with July 1, 2020, shall pay the difference between funding equal to one hundred percent (100%) of its ADC and what was actually paid by the political subdivision in a particular fiscal year by adding the difference or differences

to the one-hundred-percent payment of the political subdivision's ADC, which must be paid in the fiscal year subsequent to the underpaid ADC. The difference or differences may be added cumulatively to the political subdivision's one-hundred-percent payment of its ADC.

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

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