

RESOLUTION 250

Tennessee Consolidated Retirement System

A RESOLUTION to authorize the additional line-of-duty death benefits provided by Chapter 446 of the Tennessee Public Acts of 2001.

WHEREAS, prior to the passage of Chapter 446 of the Tennessee Public Acts of 2001, the law governing the Tennessee Consolidated Retirement System provided that if a Group I member dies in service as the natural and proximate result of an on-the-job accident, an annuity equal to one half (1/2) the member's average final compensation shall be paid to the member's surviving spouse or surviving minor child or children; provided, that either and no other person, persons or institution are named by the member in writing on file with the Retirement System; and

WHEREAS, the law further provided if the member's surviving spouse was named, this annuity would continue to such spouse until death. If the surviving spouse died, then this annuity was divided equally among the member's surviving minor children. Each child received such child's share until reaching majority status or death, whichever occurred first, at which time the annuity was redistributed equally among the remaining minor children and ended when the youngest child reached majority; and

WHEREAS, if a surviving minor child or children were named, then the annuity was divided equally among them. Each child received such child's share until reaching majority status or death, whichever occurs first, at which time the annuity was redistributed equally among the remaining minor children and ended when the youngest child reached majority; and

WHEREAS, the above line-of-duty death benefits were not available to the surviving spouse or minor children of the member if the member designated an individual or individuals other than, or in addition to, the member's surviving spouse or surviving child or children. Further, if the member designated an individual or individuals other than the member's surviving spouse or surviving child or children, no benefit was due as a result the member's line-of-duty death unless the member had an account balance or had reached the conditions for a service retirement benefit; and

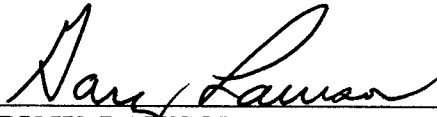
WHEREAS, Chapter 446 of the Tennessee Public Acts of 2001 amended the above law to provide that:

(1) If the member designated his surviving minor child or children but did not designate his surviving spouse, then the annuity would continue to the member's surviving spouse after the last surviving child reaches majority status or death. The annuity would continue to the surviving spouse until the spouse's death.

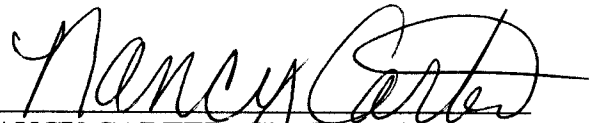
(2) If the member designated an individual or individuals other than, or in addition to, the member's surviving spouse or surviving child or children thereby nullifying the line-of-duty death benefits, such individuals may disclaim the death benefit otherwise payable so that the line-of-duty death benefits can be paid to the member's surviving spouse and surviving minor children.

(3) If the individuals do not disclaim the death benefit as provided above, an annuity will nevertheless be paid the member's surviving spouse and surviving child or children. The annuity would be equal to the line-of-duty death benefit that would have otherwise been payable had the member designated the member's surviving spouse or surviving minor child or children as beneficiary, minus (i) the actuarial value

Duly passed and approved this the 25 day of April, 2002.


GARY W. LAWSON, Mayor

ATTEST:


NANCY CARTER, City Recorder

APPROVED AS TO FORM:


LAW OFFICE OF MAYOR & COUP

FIRST READING	AYES	NAYS	OTHER
Alderman Henry Bailey	✓		
Vice-Mayor Eugene Christian	absent		
Alderman Paul Hale	✓		
Mayor Gary Lawson	✓		
Alderman George E. Pierce	✓		
Alderman Thomas Wheeler	absent		
Alderman Wanda Worley	absent		
TOTALS	4	0	0

PASSED: 4-25-02

of the benefits payable to the non-disclaiming beneficiaries, or (ii) in the case of a lump sum payment, the amount of the lump payment made to the non-disclaiming beneficiaries. The annuity has a guaranteed minimum total value of \$50,000, minus the (i) actuarial value of the benefits payable to the non-disclaiming beneficiaries, or (ii) in the case of a lump sum payment, the amount of the lump sum payment made to the non-disclaiming beneficiaries. The guaranteed minimum value will be paid in monthly installments calculated on a sixty month basis and divided in the manner prescribed in Tennessee Code Annotated, Section 8-36-108(b)(5)(B) and (C).

(4) The aggregate total death benefits payable by the Retirement System on account of a member who dies in the line-of-duty shall not be less than \$50,000, regardless of whom the member designated as his/her beneficiary(ies).

(5) The amendments made by Chapter 446 of the Tennessee Public Acts of 2001 shall not apply to individuals who are members of the Retirement System by virtue of their employment with any employer participating in the Retirement System pursuant to Tennessee Code Annotated, Title 8, Chapter 35 unless the governing body of any such employer passes a resolution authorizing and accepting the associated liability and costs to provide the additional benefits provided by such amendments.

NOW, THEREFORE, BE IT RESOLVED that the, Board of Mayor and Aldermen, of
(Name of Governing Body)
Town of Mount Carmel, Tennessee hereby authorizes the additional benefits provided
(Name of Employer)
by Chapter 446 of the Tennessee Public Acts of 2001 for all its employees who are members of the Retirement System and accepts all costs associated therewith.

STATE OF TENNESSEE

COUNTY OF Hawkins

I, Nancy Carter, clerk of the Board of Mayor and Aldermen of
(Name of Governing Body)
Town of Mount Carmel, Tennessee do hereby certify that this is a true and exact copy
(Name of Employer)
of the foregoing resolution that was approved and adopted at a meeting held on the ____ day of
____, 2002, the original of which is on file in this office. I further certify that ____ members
voted in favor of the resolution and that ____ members were present and voting-

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the

Town of Mount Carmel
(Name of Employer)

As Clerk of the Board, as aforesaid

SEAL

Res. 250

STATE OF TENNESSEE

STEVE ADAMS
STATE TREASURER



ED HENNESSEE
DIRECTOR

**TREASURY DEPARTMENT
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
10TH FLOOR ANDREW JACKSON STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0230**

MEMORANDUM

TO: TCRS Employers
FROM: Jill Bachus, Assistant Director *JB*
DATE: July 17, 2002
SUBJECT: Retirement Legislation

Following is a brief overview of legislation enacted during the recent session of the General Assembly.

Change in Definition of "In-Service"

Certain TCRS death benefits are only available to one who was "in-service" on the date of death. This includes someone who has not retired or been refunded, or who has not been out-of-service for more than 150 days (previously 120 days). Further, for the purpose of the matching lump sum death benefit, a member is considered "in-service" if the employee is on an approved medical leave of absence, the employer health insurance is maintained, and death occurs within one year of being approved for the leave of absence. If you have any questions concerning the retirement status of an employee on medical leave, please contact TCRS.

Additional Tax Sheltered Rollovers Permitted

Technical changes to TCRS law were made to clarify that TCRS will accept tax-sheltered rollovers from an IRA, 401(k), 457, 403(b) for the purpose of purchasing prior service. These changes correspond to recent changes in federal tax law. This means that if a member has refunded service or other qualifying service that is permitted in TCRS, it can be purchased on a tax preferred basis. If a member is using the TCRS installment plan to purchase prior service, a rollover can be used to pay off the installment balance but it cannot be used as a down payment to start an installment plan.

Changes in Provisions Governing Temporary Employment of Retirees

After a 60 day break in service, a retiree may be re-employed on a temporary basis for the equivalent of up to 100 days or, if teaching at a higher education institution, the retiree may teach up to 15 semester hours (21 quarter hours for technology centers). If the employer certifies that no other qualified person can be employed to perform the duties, the retiree may work up to 50% of the 60 day break period.

For temporary employment arrangements beginning on or after July 1, 2002 a compensation restriction has also been established. In the first year following retirement, a retiree is limited to 50% of the fiscal year compensation earned in his last year of employment. The safe harbor for the year following retirement is one-half the final annual salary, plus 5%. The compensation cap will then compound by 5% on the anniversary date of the retiree's date of retirement.

Those retirees who exceed 100 days of work, teach more than the higher education instruction limits, or are paid in excess of the compensation caps will be subject to suspension of benefits. Both the retiree and the employer should exercise care to stay within these parameters. The temporary employment form is changing significantly and will be available at the TCRS Internet site www.treasury.state.tn.us/tcrs

If you have questions, please contact our counseling section at (615) 741-1971.

Town of Mount Carmel

100 East Main Street, PO Box 1421, Mount Carmel, TN 37645
townofmountcarmel.org

Phone: 423-357-7311
Fax: 423-357-7710

May 2, 2002

Treasury Department
Tennessee Consolidated Retirement System
10th Floor Andrew Jackson State Office Building
Nashville, TN 37243-0230

RE: A Resolution to Authorize the Additional Line-of-Duty Death Benefit

Dear Treasury Department:

Please find enclosed a certified copy of Resolution 250, A Resolution to authorize the additional line-of-duty death benefits provided by Chapter 446 of the Tennessee Public Acts of 2001, that was passed by the Board of Mayor and Aldermen on April 25, 2002.

Should you have any questions or if any additional information is needed, please do not hesitate to contact me. Thank you for your kind attention in this regard.

Sincerely,
TOWN OF MOUNT CARMEL



Marian Gibson, Administrative Assistant

:mg

Enclosures

pc: Nancy Carter, City Recorder (w/enclosures)