

A RESOLUTION to permit continuation of 3.6% indexing until June 30, 1998 in accordance with Tennessee Code Annotated, Section 8-34-101(4)(B)(i), as amended by Public Chapter 63, Acts of 1997.

WHEREAS, Tennessee Code Annotated, Section 8-34-101(4)(B)(i) provides that the salaries earned by a member of the Tennessee Consolidated Retirement System while covered by the noncontributory provisions of said system, shall be indexed by 3.6% until June 30, 1991 for the sole purpose of computing such member's retirement benefits; and

WHEREAS, said section was amended by Public Chapter 63, Acts of 1997 to permit the governing body of an employer participating in the Tennessee Consolidated Retirement System pursuant to Title 8, Chapter 35 of Tennessee Code Annotated to authorize continuation of such 3.6% indexing until June 30, 1998.

NOW, THEREFORE, BE IT RESOLVED, that the MT. CARMEL BOARD OF MAYOR AND ALDERMEN of
(Name of Governing Body)

TOWN OF MOUNT CARMEL, hereby authorizes the continuation of such 3.6% indexing until
(Name of Employer)
June 30, 1998 in accordance with Tennessee Code Annotated, Section 8-34-101(4)(B)(i), as amended by Public Chapter 63, Acts of 1997, and hereby agrees and directs that all liabilities, if any, resulting from such continuation shall be the liability of the employer and not the State of Tennessee.

STATE OF TENNESSEE

COUNTY OF HAWKINS

I, NANCY CARTER, clerk of the MOUNT CARMEL 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 of the foregoing
(Name of Employer)

resolution that was approved and adopted at a meeting held on the 25 day of September, 1997, the original of which is on file in this office. I further certify that 4 members voted in favor of the resolution and that 4 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)

Nancy Carter
As Clerk of the Board, as aforesaid

SEAL

R044FS01

STEVE ADAMS
STATE TREASURERSTEVE CURRY
DIRECTOR

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

MEMORANDUM

TO: Chief Fiscal Officers of Political Subdivisions

FROM: John Holloway, Supervisor of Counseling

SUBJECT: Continuance of 3.6% Indexing for Noncontributory Employers

DATE: June 23, 1997

Public Chapter Number 63, Acts of 1997 has been enacted which amends Tennessee Code Annotated Section 8-34-101 (4)(B)(i) to extend the 3.6% indexing feature for those noncontributory employers in the Tennessee Consolidated Retirement System (TCRS).

Effective July 1, 1981, the state of Tennessee elected to provide a noncontributory retirement plan for its employees. In addition, the law provided that political subdivisions could elect, by passage of a resolution, to provide a noncontributory plan. Your political subdivision elected this provision. One aspect of the provision was the indexing of salaries used to calculate the member's average final compensation (AFC) at retirement. The law stated that any salaries used in the AFC that were paid between the date the political subdivision adopted noncontributory and June 30, 1991 would be indexed or increased by 3.6%.

The recent amendment enacted by the General Assembly simply extends indexing to June 30, 1998. The indexing only applies to those employees who were members on the date your political subdivision became noncontributory. If your political subdivision would like to take advantage of this optional provision, the enclosed resolution should be passed by your governing body. The resolution will apply to all of your departments.

Our actuary has estimated that the increased cost will be approximately .01% of covered payroll. Since this is such a small increase, the TCRS will not adjust your current employer contribution rate. The additional liability will be included in the next biennial valuation, effective July 1, 1998.

If you have any questions or need additional information, please call the Field Services Section at (615) 741-1971.

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STATE OF TENNESSEE

STEVE ADAMS
STATE TREASURER



STEVE CURRY
DIRECTOR

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

October 22, 1997

Nancy Carter, City Recorder
Town of Mount Carmel
P.O. Box 1421
Mount Carmel, TN 37645

Dear Ms. Carter:

This will acknowledge receipt and approval of the resolution to continue 3.6% salary indexing until June 30, 1998, for the purpose of computing retirement benefits for employees of the Town of Mt. Carmel who were members of the Tennessee Consolidated Retirement System (TCRS) on the date your entity provided a noncontributory retirement plan.

The resolution is in order and effective July 1, 1997.

Please notify all participating departments of this action. If you have any questions, please call me at (615) 741-1971.

Sincerely,

A handwritten signature in blue ink that reads "Shannon Cragg".

Shannon Cragg
Field Representative

SC/df
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