



STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

March 22, 2016

Mount Carmel
Attn: Mayor Larry Frost
P.O. Box 1421
Mount Carmel, TN 37645

Dear Mayor Frost,

Our office received the results of the actuarial study performed for the employees of Mount Carmel eligible for prior service pursuant to Tennessee Code Annotated 8-38-236. This law allows certain members of TCRS to establish retirement credit that was originally non-elect service or service prior to the date of participation.

The results show that should the employees listed be allowed to establish all years of prior service, the net employer liability would increase by approximately \$47,000 and the employer contribution rate produced by the July 1, 2013 actuarial valuation would increase by 0.88% of payroll. Employer contribution rates will be revised July 1, 2016.

The next step for the county in authorizing this service is for the governing body to pass the enclosed resolution by two-thirds (2/3) majority. Please forward a certified copy of the resolution to our office if it is passed.

If you have any questions, please call me at (615) 741-1971.

Sincerely,

Karen Curtis

TCRS Field Services

Enclosure

**Tennessee Consolidated
Retirement System**

A RESOLUTION NO. 534

to authorize members of the Tennessee Consolidated Retirement System who have one (1) year or more of current membership service in the Retirement System to establish retirement credit for time during which such members were employed by a political subdivision.

WHEREAS, Tennessee Code Annotated, Section 8-35-236 authorizes a political subdivision participating in the Tennessee Consolidated Retirement System to permit any member who has one (1) year or more of current membership service in the Retirement System to establish retirement credit for time during which such member was employed by such political subdivision;

WHEREAS, four (4) conditions must be met prior to allowing such members to make the above election. Said conditions are as follows:

- (1) The political subdivision authorizes and pays for the cost of an actuarial study to determine the liability associated with the granting of such prior service;
- (2) The member files with the political subdivision, within sixty (60) calendar days of the passage of the resolution authorizing the study, a notice of the member's intention to establish such prior service. Any member who fails to file the notice of election within the sixty (60) day period shall not later be eligible to establish such prior service;
- (3) Following the review of the cost of granting such prior service, the chief legislative body of the political subdivision by a two-thirds (2/3) vote passes a resolution authorizing the service for such members, and accepting the liability therefore; provided, however, the political subdivision may only authorize credit for such periods of previous service as authorized for other employees of the political subdivision; and
- (4) Any such member making the above election pays to the Retirement System in a lump sum the employee contributions he would have made had the member been a member of the Retirement System during the period claimed, plus interest at the rate provided in Tennessee Code Annotated, Section 8-37-214.

WHEREAS, an actuarial study has been conducted to determine the liability associated with the granting of such prior service. The accrued liability for such service is \$47,000.00. The employer contribution rate produced by the July 1, 2013 actuarial valuation would increase by 0.88% of payroll.

NOW, THEREFORE, BE IT RESOLVED, that having reviewed the costs of granting such prior service, the Board of Mayor and Alderman of the Town of Mount Carmel, Tennessee hereby authorizes any member of the Retirement System meeting the requirements of Tennessee Code Annotated, Section 8-35-236 to establish prior service under the provisions of said section, and accepts the liability therefor.

STATE OF TENNESSEE
COUNTY OF HAWKINS

I, Marian Sandidge, clerk of the Board of Mayor and Aldermen of the Town of Mount Carmel, Tennessee do hereby certify that this is a true and exact copy of the foregoing resolution that was approved and adopted at a meeting held on the 22nd day of March, 2016, 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 as Clerk of the Board, as aforesaid.

Marian Sandidge, City Recorder

SEAL

AUTHPC801

*tabled for later
date*

Motion:

Second:

FIRST READING	AYES	NAYS	OTHER
Alderman Eugene Christian			
Alderman Margaret Christian			
Alderman Wanda Davidson			
Alderman Paul Hale			
Alderman Carl Wolfe			
Vice-Mayor Christopher Jones			
Mayor Larry Frost			
TOTALS			

Passed: March 22, 2016