

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
**BOARD OF TRUSTEES MEETING**  
**JUNE 27, 2014**

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**POLITICAL SUBDIVISIONS  
SEEKING MEMBERSHIP**

**Political Subdivisions Beginning Participation  
in the Tennessee Consolidated Retirement System  
July 1, 2014**

Political Subdivision	Amount of Service Purchased		Employer Rate	Accrued Liability	Cost of Living	Number of Employees
	Employer	Employee				

**City of Harrogate**

**Regular Defined Benefit Plan**

All	0	Normal	4.27 %	\$71,277	Exclude	5
		Accrued	4.69 %			
		Adm. Cost	.21 %			
		<u>TOTAL</u>	<u>9.17 %</u>			

**Meetings:**

November, 2013

Explained results of actuarial study and participation procedures to the governing body.

July, 2014

Upon approval by TCRS Board of Trustees, will explain laws, policies and benefit provisions to employees of the district.

July, 2014

Upon approval by TCRS Board of Trustees, will explain reporting procedures to payroll officer.



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

DAVID H. LILLARD, JR.  
STATE TREASURER

JILL BACHUS  
DIRECTOR

**MEMORANDUM**

TO: Sandi Thompson, Division of Local Finance  
FROM: Melissa L. Davis, TCRS Field Services *MLD*  
SUBJECT: Participation in Tennessee Consolidated Retirement System  
DATE: May 8, 2014

The City of Harrogate will begin participation in the Tennessee Consolidated Retirement System effective 7/1/2014.

The Board of Trustees of the TCRS requires a political subdivision to appropriate the necessary funds in their annual budget for retirement costs. The total first year cost for the entity is Thirteen Thousand, One Hundred and Ninety-Seven Dollars (\$13,197.00.) One Hundred Percent (100%) of this figure is required to be budgeted for the fiscal year 2015 budgeted year ending June 30, 2015.

Enclosed is the fiscal year 2015 budget for this entity. Please let me know if this information is sufficient and accurately reflects adequate funding for retirement costs for this entity.

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

Enclosure



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
OFFICE OF STATE AND LOCAL FINANCE  
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING  
505 DEADERICK STREET  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7872  
FAX (615) 741-5986**

Memorandum

TO: Melissa L. Davis, TCRS Field Services

FROM: Sandra Thompson, Director *Sandra Thompson*

DATE: May 22, 2014

SUBJECT: City of Harrogate

The fiscal year 2015 annual budget submitted by the City of Harrogate appears sufficient to fund the required \$13,197 first year retirement contribution for the fiscal year ending June 30, 2015.

**City of Harrogate  
Condensed Budget  
2015 Budget Year**

Revenues	\$	1,850,655.00
Beginning Fund Balance		<u>836,885.00</u>
Available Funds		2,687,540.00
Less: Appropriations*		<u>1,719,691.00</u>
Ending Fund Balance	\$	967,849.00

\*Appropriations include a retirement contribution of \$13,197

The financial information received by this Office with the request for the review of the City's fiscal year 2015 annual budget represents the City's assertions of its financial condition that may or may not reflect the current or future financial condition of the City.

If you need additional information, please do not hesitate to contact me.

**A RESOLUTION to authorize a political subdivision's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.**

**WHEREAS**, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System (“TCRS”) subject to the approval of the TCRS Board of Trustees; and

**WHEREAS**, the City of Harrogate desires to participate in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34 – 37 and in accordance with the following terms and conditions:

- A. **TYPE PLAN.** *(CHECK BOX 1 OR BOX 2 OR BOX 3 OR BOX 4).* The Political Subdivision adopts the following type plan:
- (1)  Regular Defined Benefit Plan.
  - (2)  Alternate Defined Benefit Plan.
  - (3)  Local Government Hybrid Plan *(If this Plan is chosen, the Political Subdivision MUST also maintain a defined contribution plan on behalf of its employees and pass the attached resolution that describes the type of defined contribution plan the Political Subdivision will adopt. The defined contribution plan could provide for employer contributions of 0% to up to 7% of its employees' salaries).*
  - (4)  State Employee and Teacher Hybrid Plan *(If this Plan is chosen, the Political Subdivision MUST also maintain a defined contribution plan on behalf of its employees whereby the Political Subdivision makes a mandatory employer contribution on behalf of each of its employees participating in the Hybrid Plan equal to 5% of the respective employee's salary subject to the cost controls and unfunded liability controls of the Hybrid Plan. The Political Subdivision must also pass the attached resolution that describes the type of defined contribution plan the Political Subdivision will adopt).*
- B. **ASSUMPTION OF EMPLOYEE CONTRIBUTIONS.** *(CHECK BOX 1 OR BOX 2 OR BOX 3 - IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, NO EMPLOYEE CONTRIBUTIONS MAY BE ASSUMED AND BOX 1 MUST BE CHECKED).* The Political Subdivision shall:
- (1)  NOT assume any employee contributions.
  - (2)  ASSUME 2.5% of its employees' contributions.
  - (3)  ASSUME 5.0% of its employees' contributions.
- C. **COST-OF-LIVING INCREASES FOR RETIREES.** *(CHECK BOX 1 OR BOX 2 – IF EITHER THE LOCAL GOVERNMENT, OR THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, COST-OF-LIVING INCREASES FOR RETIREES MUST BE GIVEN, SUBJECT TO ANY APPLICABLE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS AND BOX 2 MUST BE CHECKED).* The Political Subdivision shall:
- (1)  NOT provide cost-of-living increases for its retirees.
  - (2)  PROVIDE cost-of-living increases for its retirees.
- D. **ELIGIBILITY OF PART-TIME EMPLOYEES.** *(CHECK BOX 1 OR BOX 2).* The Political Subdivision shall:
- (1)  NOT allow its part-time employees to participate in TCRS.
  - (2)  ALLOW its part-time employees to participate in TCRS.
- E. **PRIOR SERVICE.** *(CHECK AND COMPLETE BOX 1 OR BOX 2 OR BOX 3 OR BOX 4 OR BOX 5 – CAUTION: IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE AND IF BOX 3 BELOW IS NOT CHOSEN, THE EMPLOYER CONTRIBUTION COULD EXCEED 4% THEREBY CAUSING THE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS TO AUTOMATICALLY APPLY. ACCORDINGLY, PRIOR SERVICE IS*

*NOT RECOMMENDED*). For each employee employed with the Political Subdivision on the effective date of the Political Subdivision's participation in TCRS, the Political Subdivision shall:

- (1)  Purchase ALL years of prior service credit on behalf of its employees.
- (2)  Purchase NO years of prior service credit on behalf of its employees, but shall accept the unfunded liability should its employees establish ALL years of prior service.
- (3)  NOT allow its employees to establish any prior service credit with the Political Subdivision.
- (4)  Purchase \_\_\_\_\_ years of prior service credit on behalf of its employees and accept the unfunded liability should its employees establish an additional \_\_\_\_\_ years of prior service credit.
- (5)  Purchase \_\_\_\_\_ years of prior service credit on behalf of its employees and no additional prior service credit may be established; and

**WHEREAS**, the liability for participation and costs of administration shall be the sole responsibility of the Political Subdivision and not the State of Tennessee; and

**WHEREAS**, the Political Subdivision has passed a budget amendment appropriating the funds necessary to meet such liability and the same is attached hereto; and

**WHEREAS**, the effective date of participation shall be on a date as determined by the TCRS Board of Trustees, and the initial employer contribution rate shall be 9.17%, which is based on the estimated lump sum accrued liability of \$71,277.00.

**NOW, THEREFORE, BE IT RESOLVED that the Board of Mayor and Aldermen of the City of Harrogate, Tennessee,**

hereby authorizes all its employees in all its departments or instrumentalities to become eligible to participate in TCRS in accordance with the above terms and conditions subject to the approval of the TCRS Board of Trustees. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 the Political Subdivision shall not make employer contributions to any other retirement or deferred compensation plans on behalf of any employee who participates in TCRS pursuant to this Resolution wherein the total combined employer contributions to such plans exceed 3% of the employee's salary, unless the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Political Subdivision for such employee. If either the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Political Subdivision, the Political Subdivision may make employer contributions to the defined contribution plan component of that Plan and to any one or more additional tax deferred compensation or retirement plans on behalf of such employee provided that the total combined employer contributions to such plans on behalf of the employee does not exceed 7% of the employee's salary.

STATE OF TENNESSEE  
COUNTY OF CLAIBORNE

I, Rose F. Kiser, Recorder of the Board of Mayor and Aldermen of the City of Harrogate, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 24th day of March, 2014, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the City of Harrogate, Tennessee.



Seal

*Rose F. Kiser*

As Recorder of the Board, as aforesaid

TR 9023

An actuarial valuation was performed as of January 1, 2014 to examine the cost of any benefits provided by the Tennessee Consolidated Retirement System (TCRS) as it would apply to the City of Harrogate if the group joined the TCRS on that date.

The TCRS offers three different plan design options for political subdivisions, referred to throughout this report as Plan 1, Plan 2, and Plan 3. Each of the three plans has a unique set of benefits and corresponding costs. The description of the benefits can be found in the Plan Provisions section of this report. The summary of the annual employer costs as a percentage of payroll for each of the three plans is shown in the table below. Further, within Plan 1 and Plan 2, each political subdivision can elect whether to include or exclude cost of living benefits in its retirement plan. If cost of living benefits are included, they must be “advance funded” in the same manner as other retirement benefits. Costs have been developed both “with” and “without” cost of living benefits for Plan 1 and Plan 2. Plan 3 is required to include cost of living benefits.

Each political subdivision joining the TCRS also has the option of whether or not to include employees' past service (service earned prior to the date of joining the TCRS) in the determination of benefits. If past service is included, the political subdivision may elect whether or not to limit the past service to a selected number of years. Further, the included years of past service may be fully purchased by the employer, or the employee can be made to be responsible for voluntarily purchasing the past service with the employer accepting its share of the liability for any years that the employee purchases. The prospective annual employer cost as a percentage of payroll for each of the past service scenarios currently considered by the entity is shown below.

	Plan 1		Plan 2		Plan 3
	Without COLA	With COLA	Without COLA	With COLA	With COLA
<b>Past Service Scenarios</b>					
1. All Past Service (Employer purchases all years)	9.17%	12.11%	6.48%	8.70%	4.83%
2. All Past Service (Employee purchases all years at 5%)	7.15%	10.09%	4.45%	6.67%	2.79%

The above results assume that employees will contribute 5% of pay toward the future cost of their retirement benefit. Alternatively, the entity may elect to charge only 2.5% employee contributions or to require no employee contributions, in which case TCRS will increase the above results by 2.5% or 5%, respectively.

**Plan 1 Without COLA**

	Past Service Scenarios*	
	Scenario 1	Scenario 2
(a) Present Value of Benefits	157,266	158,574
(b) Past Service Liability	71,277	69,746
(c) Present Value of Future Employee Contributions	47,172	47,172
(d) Present Value of Future Normal Costs (a) - (b) - (c)	38,817	41,656
(e) Present Value of Future Salaries	943,430	943,430
(f) Normal Cost Rate (d) / (e) x 1.0375	4.27%	4.58%
(g) Current Payroll	144,008	144,008
(h) Normal Cost (f) x (g)	6,149	6,596
(i) Employee Past Service Contribution	0	33,819
(j) Accrued Liability (b) - (i)	71,277	35,927
(k) Accrued Liability Contribution (j) x .09125 x 1.0375	6,748	3,401
(l) Accrued Liability Contribution Rate (k) / (g)	4.69%	2.36%
(m) Active Participant Count	5	5
(n) Administrative Expense (m) x \$60	300	300
(o) Administrative Expense Rate (n) / (g)	0.21%	0.21%
(p) Total Employer Contribution (h) + (k) + (n)	13,197	10,297
(q) Total Employer Contribution Rate (f) + (l) + (o)	9.17%	7.15%

\*Past Service Scenarios: Scenario 1 = All Past Service (Employer purchases all years)  
 Scenario 2 = All Past Service (Employee purchases all years at 5%)

### Distribution of Active Participants with Average Compensation

Attained Age	Years of Service										Total
	Under 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	Over 39	
Under 25	1 \$11,500										1 \$11,500
25 - 29	1 \$16,000										1 \$16,000
30 - 34											
35 - 39											
40 - 44											
45 - 49											
50 - 54											
55 - 59			2 \$36,353								2 \$36,353
60 - 64											
65 - 69				1 \$37,613							1 \$37,613
Over 69											
<b>Total</b>	<b>2</b> <b>\$13,750</b>	<b>2</b> <b>\$36,353</b>		<b>1</b> <b>\$37,613</b>						<b>1</b> <b>\$37,613</b>	<b>5</b> <b>\$27,564</b>

**ARLINGTON COMMUNITY SCHOOLS**

Will be distributed at the meeting

**BARTLETT CITY SCHOOLS**



**Board of Mayor and Aldermen**

6400 Stage Road  
Bartlett, TN 38134

**SCHEDULED**

**RESOLUTION (ID # 1274)**

Meeting: 06/10/14 07:00 PM  
Department: Administration  
Category: Agreement  
Prepared By: Stefanie McGee  
Initiator: Mark Brown  
Sponsors:  
DOC ID: 1274

**Resolution 20-14, a resolution to authorize the Bartlett City Schools Board of Education's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapters 34-37.**

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 provides that a local board of education may by resolution authorize the employees of the board of education to participate in the Tennessee Consolidated Retirement System ("TCRS") separately from the political subdivision with which it is associated subject to the approval of the TCRS Board of Trustees and subject to the passage of a resolution by the political subdivision accepting the financial responsibility for the liabilities associated with the board of education's participation in TCRS; and

WHEREAS, the governing body of Bartlett City Schools (the "Board of Education") has passed a resolution authorizing its employees to become members of TCRS under the provisions of state law, and under the following terms and conditions:

A. TYPE PLAN. (CHECK BOX 1 OR BOX 2 OR BOX 3 OR BOX 4). The Board of Education adopts the following type plan:

- (1)  Regular Defined Benefit Plan.
- (2)  Alternate Defined Benefit Plan.
- (3)  Local Government Hybrid Plan (If this Plan is chosen, the Board of Education MUST also maintain a defined contribution plan on behalf of its employees and pass the attached resolution that describes the type of defined contribution plan the Board of Education will adopt. The defined contribution plan could provide for employer contributions of 0% to up to 7% of its employees' salaries).
- (4)  State Employee and Teacher Hybrid Plan (If this Plan is chosen, the Board of Education MUST also maintain a defined contribution plan on behalf of its employees whereby the Board of Education makes a mandatory employer contribution on behalf of each of its employees participating in the Hybrid Plan equal to 5% of the respective employee's salary subject to the cost controls and unfunded liability controls of the Hybrid Plan. The Board of Education must also pass the attached resolution that describes the type of defined contribution plan the Board of Education will adopt).

B. ASSUMPTION OF EMPLOYEE CONTRIBUTIONS. (CHECK BOX 1 OR BOX 2 OR BOX 3 - IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, NO EMPLOYEE CONTRIBUTIONS MAY BE ASSUMED AND BOX 1 MUST BE CHECKED). The Board of Education shall:

- (1)  NOT assume any employee contributions.

- (2)  ASSUME 2.5% of its employees' contributions.
- (3)  ASSUME 5.0% of its employees' contributions.
- C. COST-OF-LIVING INCREASES FOR RETIREES. (*CHECK BOX 1 OR BOX 2 - IF EITHER THE LOCAL GOVERNMENT, OR THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, COST-OF-LIVING INCREASES FOR RETIREES MUST BE GIVEN, SUBJECT TO ANY APPLICABLE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS AND BOX 2 MUST BE CHECKED*). The Board of Education shall:
- (1)  NOT provide cost-of-living increases for its retirees.
- (2)  PROVIDE cost-of-living increases for its retirees.
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. (*CHECK BOX 1 OR BOX 2*). The Board of Education shall:
- (1)  NOT allow its part-time employees to participate in TCRS.
- (2)  ALLOW its part-time employees to participate in TCRS.
- E. PRIOR SERVICE. (*CHECK AND COMPLETE BOX 1 OR BOX 2 OR BOX 3 OR BOX 4 OR BOX 5 - CAUTION: IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE AND IF BOX 3 BELOW IS NOT CHOSEN, THE EMPLOYER CONTRIBUTION COULD EXCEED 4% THEREBY CAUSING THE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS TO AUTOMATICALLY APPLY. ACCORDINGLY, PRIOR SERVICE IS NOT RECOMMENDED*). For each employee employed with the Board of Education on the effective date of the Board of Education's participation in TCRS, the Board of Education shall:
- (1)  Purchase ALL years of prior service credit on behalf of its employees.
- (2)  Purchase NO years of prior service credit on behalf of its employees, but shall accept the unfunded liability should its employees establish ALL years of prior service.
- (3)  NOT allow its employees to establish any prior service credit with the Board of Education.
- (4)  Purchase \_\_\_\_\_ years of prior service credit on behalf of its employees and accept the unfunded liability should its employees establish an additional \_\_\_\_\_ years of prior service credit.

(5) [ ] Purchase \_\_\_\_\_ years of prior service credit on behalf of its employees and no additional prior

service credit may be established; and

F. MAXIMUM UNFUNDED LIABILITY. (COMPLETE THIS ITEM F ONLY IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE). For purposes of the cost control provisions of Tennessee Code Annotated, Section 8-36-922(d), the Board of Education defines "maximum unfunded liability" to mean an unfunded liability of no greater than \_\_\_\_\_

WHEREAS, the effective date of participation shall be on July 1, 2014 or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate will be 9.27%. Due to the majority of employees/non-certificated staff coming from the Shelby County Board of Education, the blended employer rate for the Shelby County Board of Education for the school year 2014-2015 is being used for the initial employer contribution rate;

WHEREAS, the City of Bartlett is the political subdivision with which the Board of Education is associated and desires all the employees of the Board of Education to participate in TCRS under the above terms and conditions, or under such other terms and conditions the governing body of the Board of Education may adopt pursuant to the laws governing TCRS; provided, however, this governing body must approve by resolution any such action that would increase the liabilities of either the Board of Education or the Political Subdivision;

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Board of Education and the Political Subdivision and not the State of Tennessee; provided, however, if the administration of the school system is transferred to the board of education of the county in which the Political Subdivision is located, then neither the Board of Education nor the Political Subdivision shall be liable for any unfunded liabilities if such unfunded liabilities become the obligation of the county school system by operation of law.

WHEREAS, the Board of Education has passed a budget amendment appropriating the funds necessary to meet such liability, which has been approved by the Political Subdivision and the same is attached hereto.

NOW, THEREFORE, BE IT RESOLVED that the Board of Mayor and Aldermen of the City of Bartlett hereby authorizes all the employees of the Board of Education to become eligible to participate in TCRS in accordance with the above terms and conditions subject to the approval of the TCRS Board of Trustees. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 neither the Board of Education nor the Political Subdivision shall make employer contributions to any other retirement or deferred compensation plans on behalf of any employee who participates in TCRS pursuant to this Resolution wherein the total combined employer contributions to such plans exceed 3% of the employee's salary, unless the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Board of Education for such employee. If either the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Board of Education, the Board of Education or the Political Subdivision may make employer contributions to the defined contribution plan component of that Plan and to any one or more additional tax deferred compensation or retirement plans on behalf of such employee provided that the total combined employer contributions to such plans on behalf of the employee does not exceed 7% of the employee's salary.

W.C. Pleasant

W.C. Pleasant, Register to the  
Board of Mayor and Aldermen

A. Keith McDonald

A. Keith McDonald, Mayor

[Signature]

Stefanie McGee, City Clerk

STATE OF TENNESSEE

COUNTY OF Shelby

I, Stefanie McGee, clerk of the Board of the

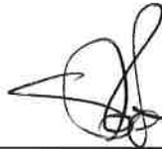
City of Bartlett, Tennessee do hereby certify that this is a true and exact copy

(Name of Political Subdivision)

of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 10 day of

June, 2014, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.



(Name of Political Subdivision)

As Clerk of the Board, as aforesaid

Seal



**Tennessee Consolidated  
Retirement System  
(Board of Education )**

A RESOLUTION to authorize a local board of education's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a local board of education to participate in the Tennessee Consolidated Retirement System ("TCRS") separately from the political subdivision with which it is associated subject to the approval of the TCRS Board of Trustees and subject to the passage of a resolution by the political subdivision accepting the financial responsibility for the liabilities associated with the board of education's participation in TCRS; and

WHEREAS, the Bartlett City Board of Education desires to participate in TCRS under the  
(Name of Board of Education)

provisions of Tennessee Code Annotated, Title 8, Chapters 34 – 37 and in accordance with the following terms and conditions:

- A. TYPE PLAN. (CHECK BOX 1 OR BOX 2 OR BOX 3 OR BOX 4). The Board of Education adopts the following type plan:
- (1)  Regular Defined Benefit Plan.
  - (2)  Alternate Defined Benefit Plan.
  - (3)  Local Government Hybrid Plan (If this Plan is chosen, the Board of Education MUST also maintain a defined contribution plan on behalf of its employees and pass the attached resolution that describes the type of defined contribution plan the Board of Education will adopt. The defined contribution plan could provide for employer contributions of 0% to up to 7% of its employees' salaries).
  - (4)  State Employee and Teacher Hybrid Plan (If this Plan is chosen, the Board of Education MUST also maintain a defined contribution plan on behalf of its employees whereby the Board of Education makes a mandatory employer contribution on behalf of each of its employees participating in the Hybrid Plan equal to 5% of the respective employee's salary subject to the cost controls and unfunded liability controls of the Hybrid Plan. The Board of Education must also pass the attached resolution that describes the type of defined contribution plan the Board of Education will adopt).
- B. ASSUMPTION OF EMPLOYEE CONTRIBUTIONS. (CHECK BOX 1 OR BOX 2 OR BOX 3 - IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, NO EMPLOYEE CONTRIBUTIONS MAY BE ASSUMED AND BOX 1 MUST BE CHECKED). The Board of Education shall:
- (1)  NOT assume any employee contributions.
  - (2)  ASSUME 2.5% of its employees' contributions.
  - (3)  ASSUME 5.0% of its employees' contributions.
- C. COST-OF-LIVING INCREASES FOR RETIREES. (CHECK BOX 1 OR BOX 2 – IF EITHER THE LOCAL GOVERNMENT, OR THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, COST-OF-LIVING INCREASES FOR RETIREES MUST BE GIVEN, SUBJECT TO ANY APPLICABLE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS, AND BOX 2 MUST BE CHECKED). The Board of Education shall:
- (1)  NOT provide cost-of-living increases for its retirees.
  - (2)  PROVIDE cost-of-living increases for its retirees.
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. (CHECK BOX 1 OR BOX 2). The Board of Education shall:
- (1)  NOT allow its part-time employees to participate in TCRS.
  - (2)  ALLOW its part-time employees to participate in TCRS.
- E. PRIOR SERVICE. (CHECK AND COMPLETE BOX 1 OR BOX 2 OR BOX 3 OR BOX 4 OR BOX 5 – CAUTION: IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE AND IF BOX 3 BELOW IS NOT

CHOSEN, THE EMPLOYER CONTRIBUTION COULD EXCEED 4% THEREBY CAUSING THE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS TO AUTOMATICALLY APPLY. ACCORDINGLY, PRIOR SERVICE IS NOT RECOMMENDED). For each employee employed with the Board of Education on the effective date of the Board of Education's participation in TCRS, the Board of Education shall:

- (1)  Purchase ALL years of prior service credit on behalf of its employees.
- (2)  Purchase NO years of prior service credit on behalf of its employees, but shall accept the unfunded liability should its employees establish ALL years of prior service.
- (3)  NOT allow its employees to establish any prior service credit with the Board of Education.
- (4)  Purchase \_\_\_\_\_ years of prior service credit on behalf of its employees and accept the unfunded liability should its employees establish an additional \_\_\_\_\_ years of prior service credit.
- (5)  Purchase \_\_\_\_\_ years of prior service credit on behalf of its employees and no additional prior service credit may be established; and

F. MAXIMUM UNFUNDED LIABILITY. (COMPLETE THIS ITEM F ONLY IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE). For purposes of the cost control provisions of Tennessee Code Annotated, Section 8-36-922(d), the Board of Education defines "maximum unfunded liability" to mean an unfunded liability of no greater than \_\_\_\_\_ N/A \_\_\_\_\_

; and

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Board of Education and the Political Subdivision with which it is associated, and not the State of Tennessee; provided, however, if the administration of the school system is transferred to the board of education of the county in which the Political Subdivision is located, then neither the Board of Education nor the Political Subdivision shall be liable for any unfunded liabilities if such unfunded liabilities become the obligation of the county school system by operation of law; and

WHEREAS, the Board of Education has passed a budget amendment, approved by the Political Subdivision, appropriating the funds necessary to meet such liability and the same is attached hereto; and

WHEREAS, the effective date of participation shall be on July 1, 2014, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate will be 9.27%. Due to the majority of employees/non-certificated staff coming from the Shelby County Board of Education, the blended employer rate for the Shelby County Board of Education for the school year 2014-2015 is being used for the initial employer contribution rate.

NOW, THEREFORE, BE IT RESOLVED That the Board of the \_\_\_\_\_ (Name of Governing Body)

Bartlett City Board of Education hereby authorizes all its employees in all its departments or \_\_\_\_\_ (Name of Local Board of Education)

instrumentalities to become eligible to participate in TCRS in accordance with the above terms and conditions subject to the approval of the TCRS Board of Trustees. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 neither the Board of Education nor the Political Subdivision shall make employer contributions to any other retirement or deferred compensation plans on behalf of any employee who participates in TCRS pursuant to this Resolution wherein the total combined employer contributions to such plans exceed 3% of the employee's salary, unless the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Board of Education for such employee. If either the Local Government Hybrid

Plan or the State Employee and Teacher Hybrid Plan is adopted by the Board of Education, the Board of Education or the Political Subdivision may make employer contributions to the defined contribution plan component of that Plan and to any one or more additional tax deferred compensation or retirement plans on behalf of such employee provided that the total combined employer contributions to such plans on behalf of the employee does not exceed 7% of the employee's salary.

STATE OF TENNESSEE  
COUNTY OF SHELBY

I, Bethany McConville, clerk of the  
Bartlett City Board of Education City of Bartlett  
(Name of Governing Body) (County, City Town, etc.)

Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 9th day of June, 2014 the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Bartlett City Board of Education  
(Name of Board of Education)

Bethany McConville  
As Clerk of the Board, as aforesaid



**Tennessee Consolidated  
Retirement System**  
(Board of Education )

A RESOLUTION to authorize a local board of education to change from its existing regular defined benefit plan to either the alternate defined benefit plan or the local government hybrid plan in accordance with Tennessee Code Annotated, Title 8, Chapter 35, Part 2, or to the hybrid retirement plan for state employees and teachers in accordance with Tennessee Code Annotated, Title 8, Chapter 36, Part 9.

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 and Title 8, Chapter 36, Part 9 allow a local board of education to change from its existing regular defined benefit plan to either the alternate defined benefit plan, the local government hybrid plan, or to the hybrid retirement plan for state employees and teachers; and

WHEREAS, effective January 1, 2015 (the "Effective Date"), the  
(Must be the 1<sup>st</sup> day of any quarter following 6 months' notice to TCRS)

Bartlett City Board of Education (the "Board of Education") desires to change from its existing regular defined benefit plan to either the alternate defined benefit plan or the local government hybrid plan in accordance with Tennessee Code Annotated, Title 8, Chapter 35, Part 2, or to the hybrid retirement plan for state employees and teachers in accordance with Tennessee Code Annotated, Title 8, Chapter 36, Part 9 and in accordance with the following terms and conditions; and

WHEREAS, employees of the Board of Education who were hired by the Board of Education prior to August 1, 2014 and who are members of TCRS on the Effective Date shall continue membership in TCRS pursuant to the regular defined benefit plan as it exists for the Board of Education on the Effective Date; provided, however, any such employee who thereafter (i) leaves or is discharged from employment with the Board of Education, (ii) loses membership in TCRS pursuant to Tennessee Code Annotated, Section 8-35-104(a)(1) or (a)(2), and (iii) later returns to employment with the Board of Education shall participate prospectively in whatever plan exists for that Board of Education on the date the employee returns to employment; and

WHEREAS, employees of the Board of Education, other than those employees described in the preceding "Whereas", shall participate in either the alternate defined benefit plan, the local government hybrid plan, or the hybrid retirement plan for state employees and teachers, as selected below, and as otherwise provided in this Resolution;

A. TYPE PLAN. (CHECK BOX 1 OR BOX 2 OR BOX 3). The Board of Education adopts the following type plan:

- (1)  Alternate Defined Benefit Plan.
- (2)  Local Government Hybrid Plan (If this Plan is chosen, the Board of Education MUST also maintain a defined contribution plan on behalf of its employees who will be covered by the Plan and pass the attached resolution that describes the type of defined contribution plan the Board of Education will adopt. The defined contribution plan could provide for Board of Education contributions of 0% to up to 7% of its employees' salaries).
- (3)  State Employee and Teacher Hybrid Plan (If this Plan is chosen, the Board of Education MUST also maintain a defined contribution plan on behalf of its employees who will be covered by the Plan whereby the Board of Education makes a mandatory employer contribution on behalf of each of its employees participating in the Plan equal to 5% of the respective employee's salary subject to the cost controls and unfunded liability controls of the Hybrid Plan. The Board of Education must also pass the attached resolution that describes the type of defined contribution plan the Board of Education will adopt).

B. ASSUMPTION OF EMPLOYEE CONTRIBUTIONS. (CHECK BOX 1 OR BOX 2 OR BOX 3 - IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, NO EMPLOYEE CONTRIBUTIONS MAY BE ASSUMED AND BOX 1 MUST BE CHECKED). The Board of Education shall:

- (1)  NOT assume any employee contributions.
- (2)  ASSUME 2.5% of its employees' contributions.
- (3)  ASSUME 5.0% of its employees' contributions.

C. COST-OF-LIVING INCREASES FOR RETIREES. (CHECK BOX 1 OR BOX 2 – IF EITHER THE LOCAL GOVERNMENT, OR THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, COST-OF-LIVING INCREASES FOR RETIREES MUST BE GIVEN, SUBJECT TO ANY APPLICABLE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS, AND BOX 2 MUST BE CHECKED). The Board of Education shall:

- (1)  NOT provide cost-of-living increases for its retirees.
- (2)  PROVIDE cost-of-living increases for its retirees.

D. ELIBILITY OF PART-TIME EMPLOYEES. (CHECK BOX 1 OR BOX 2). The Board of Education shall:

- (1)  NOT allow its part-time employees to participate in TCRS.
- (2)  ALLOW its part-time employees to participate in TCRS.

E. MAXIMUM UNFUNDED LIABILITY. (COMPLETE THIS ITEM ONLY IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE). For purposes of the cost control provisions of Tennessee Code Annotated, Section 8-36-922(d), the Board of Education defines "maximum unfunded liability" to mean an unfunded

liability of no greater than five percent (5%) of the local board of education general purpose budget in the amount of (\$3,569,860.65) and

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Board of Education and the Political Subdivision with which it is associated, and not the State of Tennessee; provided however, if the administration of the school system is transferred to the board of education of the county in which the Political Subdivision is located, then neither the Board of Education nor the Political Subdivision shall be liable for any unfunded liabilities if such unfunded liabilities become the obligation of the county school system by operation of law.

NOW, THEREFORE, BE IT RESOLVED That the Board of the  
(Name of Governing Body)

Bartlett City Board of Education hereby changes from its existing defined benefit to either the alternate defined benefit plan, the local government hybrid plan, or the hybrid retirement plan for state employees and teachers, as selected above, in accordance with Tennessee Code Annotated, Title 8, Chapter 35, Part 2 or Title 8, Chapter 36, Part 9, whichever is applicable, and in accordance with the above terms and conditions. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 neither the Board of Education nor the Political Subdivision shall make employer contributions to any other retirement or deferred compensation plans on behalf of any employee who participates in TCRS pursuant to this Resolution wherein the total combined employer contributions to such plans exceed 3% of the employee's salary, unless the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Board of Education for such employee. If either the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Board of Education, the Board of Education or the Political Subdivision may make employer contributions to the defined contribution plan component of that Plan and to any one or more additional tax deferred compensation or retirement plans on behalf of such employee provided that the total combined employer contributions to such plans on behalf of the employee does not exceed 7% of the employee's salary.

STATE OF TENNESSEE

COUNTY OF SHELBY

I, Bethany McConville, clerk of the Board of  
Bartlett City Board of Education for the City of Bartlett  
(Name of Governing Body) (Name of Board of Education)

do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 9th day of June, 2014, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Bartlett City Board of Education  
(Name of Board of Education)

Bethany McConville  
As Clerk of the Board, as aforesaid



**Tennessee Consolidated Retirement System**

A RESOLUTION to allow a local board of education to contribute to a tax deferred retirement plan in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.

WHEREAS, Tennessee Code Annotated, Section 8-35-111(b)(3) provides that all tax deferred retirement plans established by public employers participating in the Tennessee Consolidated Retirement System (“TCRS”), wherein employer contributions made, must be approved by the TCRS director; and

WHEREAS, Tennessee Code Annotated, Section 8-35-111(b)(3) further provides that the total combined employer contributions to all such additional tax deferred retirement plans made on behalf of a single employee, other than those made pursuant to a salary reduction agreement, cannot exceed three percent (3%) of the employee’s salary, unless the board of education has adopted the hybrid plan authorized in Tennessee Code Annotated, Section 8-35-256, or in Tennessee Code Annotated, Section 8-36-919; and

WHEREAS, in the event the board of education has adopted the hybrid plan authorized in Tennessee Code Annotated, Section 8-35-256, or in Tennessee Code Annotated, Section 8-36-919, the total combined employer contributions made by the board of education to the defined contribution plan component of the hybrid plan and to any one or more additional tax deferred compensation or retirement plans on behalf of single employee does not exceed seven percent (7%) of the employee’s salary, or such lower amount as required by the Internal Revenue Code; and

WHEREAS, the Bartlett City Board of Education desires to make employer contributions to the  
(Name of Board of Education)

following plan(s) in addition to the contributions it makes to TCRS.

**PLAN DATA:**

Type of Plan: 401(k)

Plan Administrator’s Name: State of Tennessee

Address: 502 Deaderick St., 15<sup>th</sup> Floor

Beginning Date of Plan: January 1, 2015 Phone: (615) 741-7063

Employer Contributions as Percentage of Employee's Salary: 5%

Type of Plan: \_\_\_\_\_

Plan Administrator’s Name: \_\_\_\_\_

Address: \_\_\_\_\_

Beginning Date of Plan: \_\_\_\_\_ Phone: \_\_\_\_\_

Employer Contributions as Percentage of Employee's Salary: \_\_\_\_\_

NOW, THEREFORE, BE IT RESOLVED that the Board  
(Name of Governing Body)

of the Bartlett City Board of Education (the "Board of Education") hereby requests the approval of the TCRS director  
(Name of Board of Education)

for the Board of Education to make employer contributions to the above referenced plan(s) in the amount(s) specified and in accordance with the provisions of this resolution. Upon approval, the Board of Education agrees it shall not permit contributions to such plan(s) in excess of the applicable amount specified above and which, when combined with projected benefits from TCRS, would exceed the limitations of the Internal Revenue Code, as amended. The Board of Education further agrees to file, upon request of the Council on Pensions and Insurance or the TCRS director, an annual report of the actuarial and financial status of the plan(s) with the TCRS director, which shall cover the most recently ended plan year ending on or before June 30 of the year of the request. The report shall be filed with the TCRS director within ninety (90) calendar days from the date of the request and contain such additional information as may be prescribed by the TCRS director.

STATE OF TENNESSEE

COUNTY OF SHELBY

I, Bethany McConville, clerk of the Board  
(Name of Governing Body)

of Bartlett City Board of Education, Tennessee do hereby certify that this is a true and  
(Name of Board of Education)

exact copy of the resolution that was approved and adopted in accordance with applicable law at a meeting held on the 9 day  
of June, 20 14, the original of which is on file in this office.

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

Bartlett City Board of Education  
(Board of Education)

Bethany McConville  
As Clerk of the Board, as aforesaid



**COLLIERVILLE SCHOOLS**  
**BOARD OF EDUCATION**

## RESOLUTION 2014 - 33

### Tennessee Consolidated Retirement System (Board of Education – Political Subdivision)

A RESOLUTION to authorize a local board of education's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 provides that a local board of education may by resolution authorize the employees of the board of education to participate in the Tennessee Consolidated Retirement System ("TCRS") separately from the political subdivision with which it is associated subject to the approval of the TCRS Board of Trustees and subject to the passage of a resolution by the political subdivision accepting the financial responsibility for the liabilities associated with the board of education's participation in TCRS; and

WHEREAS, the governing body of the Collierville Schools (the "Board of Education") has passed a resolution authorizing its employees to become members of TCRS under the provisions of state law, and under the following terms and conditions:

A. TYPE PLAN. (CHECK BOX 1 OR BOX 2 OR BOX 3 OR BOX 4). The Board of Education adopts the following type plan:

- (1)  Regular Defined Benefit Plan.
- (2)  Alternate Defined Benefit Plan.
- (3)  Local Government Hybrid Plan (If this Plan is chosen, the Board of Education MUST also maintain a defined contribution plan on behalf of its employees and pass the attached resolution that describes the type of defined contribution plan the Board of Education will adopt. The defined contribution plan could provide for employer contributions of 0% to up to 7% of its employees' salaries).
- (4)  State Employee and Teacher Hybrid Plan (If this Plan is chosen, the Board of Education MUST also maintain a defined contribution plan on behalf of its employees whereby the Board of Education makes a mandatory employer contribution on behalf of each of its employees participating in the Hybrid Plan equal to 5% of the respective employee's salary subject to the cost controls and unfunded liability controls of the Hybrid Plan. The Board of Education must also pass the attached resolution that describes the type of defined contribution plan the Board of Education will adopt).

B. ASSUMPTION OF EMPLOYEE CONTRIBUTIONS. (CHECK BOX 1 OR BOX 2 OR BOX 3 - IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, NO EMPLOYEE CONTRIBUTIONS MAY BE ASSUMED AND BOX 1 MUST BE CHECKED). The Board of Education shall:

- (1)  NOT assume any employee contributions.
- (2)  ASSUME 2.5% of its employees' contributions.
- (3)  ASSUME 5.0% of its employees' contributions.

C. COST-OF-LIVING INCREASES FOR RETIREES. (CHECK BOX 1 OR BOX 2 – IF EITHER THE LOCAL GOVERNMENT, OR THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, COST-OF-LIVING INCREASES FOR RETIREES MUST BE GIVEN, SUBJECT TO ANY APPLICABLE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS AND BOX 2 MUST BE CHECKED). The Board of Education shall:

- (1)  NOT provide cost-of-living increases for its retirees.
- (2)  PROVIDE cost-of-living increases for its retirees.

D. ELIGIBILITY OF PART-TIME EMPLOYEES. (CHECK BOX 1 OR BOX 2). The Board of Education shall:

- (1)  NOT allow its part-time employees to participate in TCRS.
- (2)  ALLOW its part-time employees to participate in TCRS.

E. PRIOR SERVICE. (CHECK AND COMPLETE BOX 1 OR BOX 2 OR BOX 3 OR BOX 4 OR BOX 5 – CAUTION: IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE AND IF BOX 3 BELOW IS NOT CHOSEN, THE EMPLOYER CONTRIBUTION COULD EXCEED 4% THEREBY CAUSING THE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS TO AUTOMATICALLY APPLY. ACCORDINGLY, PRIOR SERVICE IS NOT RECOMMENDED). For each employee employed with the Board of Education on the effective date of the Board of Education's participation in TCRS, the Board of Education shall:

- (1)  Purchase ALL years of prior service credit on behalf of its employees.
- (2)  Purchase NO years of prior service credit on behalf of its employees, but shall accept the unfunded liability should its employees establish ALL years of prior service.

- (3) [ ] NOT allow its employees to establish any prior service credit with the Board of Education.
- (4) [ ] Purchase \_\_\_\_\_ years of prior service credit on behalf of its employees and accept the unfunded liability should its employees establish an additional \_\_\_\_\_ years of prior service credit.
- (5) [ ] Purchase \_\_\_\_\_ years of prior service credit on behalf of its employees and no additional prior service credit may be established; and

F. MAXIMUM UNFUNDED LIABILITY. (COMPLETE THIS ITEM F ONLY IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE). For purposes of the cost control provisions of Tennessee Code Annotated, Section 8-36-922(d), the Board of Education defines "maximum unfunded liability" to mean an unfunded liability of no greater than

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WHEREAS, the effective date of participation shall be on July 1, 2014 or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate will be 9.27 %. Due to the majority of employees/non-certificated staff coming from the Shelby County Board of Education, the blended employer rate for the Shelby County Board of Education for the school year 2014-2015 is being used for the initial employer contribution rate;

WHEREAS, the Town of Collierville is the political subdivision with which the Board of Education is associated and desires all the employees of the Board of Education to participate in TCRS under the above terms and conditions, or under such other terms and conditions the governing body of the Board of Education may adopt pursuant to the laws governing TCRS; provided, however, this governing body must approve by resolution any such action that would increase the liabilities of either the Board of Education or the Political Subdivision;

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Board of Education and the Political Subdivision and not the State of Tennessee; provided, however, if the administration of the school system is transferred to the board of education of the county in which the Political Subdivision is located, then neither the Board of Education nor the Political Subdivision shall be liable for any unfunded liabilities if such unfunded liabilities become the obligation of the county school system by operation of law.

WHEREAS, the Board of Education has passed a budget amendment appropriating the funds necessary to meet such liability, which has been approved by the Political Subdivision and the same is attached hereto.

NOW, THEREFORE, BE IT RESOLVED that the Board of Mayor and Aldermen of the Town of Collierville hereby authorizes all the employees of the Board of Education to become eligible to participate in TCRS in accordance with the above terms and conditions subject to the approval of the TCRS Board of Trustees. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 neither the Board of Education nor the Political Subdivision shall make employer contributions to any other retirement or deferred compensation plans on behalf of any employee who participates in TCRS pursuant to this Resolution wherein the total combined employer contributions to such plans exceed 3% of the employee's salary, unless the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Board of Education for such employee. If either the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Board of Education, the Board of Education or the Political Subdivision may make employer contributions to the defined contribution plan component of that Plan and to any one or more additional tax deferred compensation or retirement plans on behalf of such employee provided that the total combined employer contributions to such plans on behalf of the employee does not exceed 7% of the employee's salary.

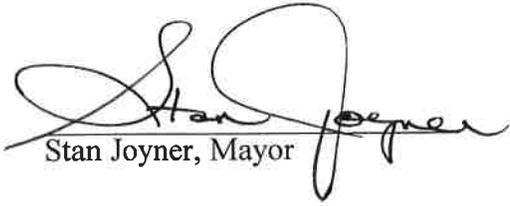
STATE OF TENNESSEE  
 COUNTY OF Shelby

I, Lynn Carmack, clerk of the Board of the Town of Collierville, Tennessee do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 9<sup>th</sup> day of June, 2014, the original of which is on file in this office.

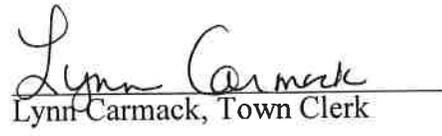
IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Town of Collierville.

Lynn Carmack  
 As Clerk of the Board, as aforesaid

Adopted this the 9 day of June, 2014.



Stan Joyner, Mayor



Lynn Carmack, Town Clerk

**Tennessee Consolidated Retirement System**  
(Board of Education )

A RESOLUTION to authorize a local board of education's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a local board of education to participate in the Tennessee Consolidated Retirement System ("TCRS") separately from the political subdivision with which it is associated subject to the approval of the TCRS Board of Trustees and subject to the passage of a resolution by the political subdivision accepting the financial responsibility for the liabilities associated with the board of education's participation in TCRS; and

WHEREAS, the Collierville Schools Board of Education desires to participate in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34 – 37 and in accordance with the following terms and conditions:

- A. TYPE PLAN. (CHECK BOX 1 OR BOX 2 OR BOX 3 OR BOX 4). The Board of Education adopts the following type plan:
- (1)  Regular Defined Benefit Plan.
  - (2)  Alternate Defined Benefit Plan.
  - (3)  Local Government Hybrid Plan (If this Plan is chosen, the Board of Education MUST also maintain a defined contribution plan on behalf of its employees and pass the attached resolution that describes the type of defined contribution plan the Board of Education will adopt. The defined contribution plan could provide for employer contributions of 0% to up to 7% of its employees' salaries).
  - (4)  State Employee and Teacher Hybrid Plan (If this Plan is chosen, the Board of Education MUST also maintain a defined contribution plan on behalf of its employees whereby the Board of Education makes a mandatory employer contribution on behalf of each of its employees participating in the Hybrid Plan equal to 5% of the respective employee's salary subject to the cost controls and unfunded liability controls of the Hybrid Plan. The Board of Education must also pass the attached resolution that describes the type of defined contribution plan the Board of Education will adopt).
- B. ASSUMPTION OF EMPLOYEE CONTRIBUTIONS. (CHECK BOX 1 OR BOX 2 OR BOX 3 - IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, NO EMPLOYEE CONTRIBUTIONS MAY BE ASSUMED AND BOX 1 MUST BE CHECKED). The Board of Education shall:
- (1)  NOT assume any employee contributions.
  - (2)  ASSUME 2.5% of its employees' contributions.
  - (3)  ASSUME 5.0% of its employees' contributions.
- C. COST-OF-LIVING INCREASES FOR RETIREES. (CHECK BOX 1 OR BOX 2 – IF EITHER THE LOCAL GOVERNMENT, OR THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, COST-OF-LIVING INCREASES FOR RETIREES MUST BE GIVEN, SUBJECT TO ANY APPLICABLE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS, AND BOX 2 MUST BE CHECKED). The Board of Education shall:
- (1)  NOT provide cost-of-living increases for its retirees.
  - (2)  PROVIDE cost-of-living increases for its retirees.
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. (CHECK BOX 1 OR BOX 2). The Board of Education shall:
- (1)  NOT allow its part-time employees to participate in TCRS.
  - (2)  ALLOW its part-time employees to participate in TCRS.
- E. PRIOR SERVICE. (CHECK AND COMPLETE BOX 1 OR BOX 2 OR BOX 3 OR BOX 4 OR BOX 5 – CAUTION: IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE AND IF BOX 3 BELOW IS NOT CHOSEN, THE EMPLOYER CONTRIBUTION COULD EXCEED 4% THEREBY CAUSING THE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS TO AUTOMATICALLY APPLY. ACCORDINGLY, PRIOR SERVICE IS



STATE OF TENNESSEE  
COUNTY OF SHELBY

I, John S. Cullum, clerk of the

Collierville Schools Board of Education, Collierville, Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 10<sup>th</sup> day of June, 2017, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Collierville Schools Board of Education.

John S. Cullum  
As Clerk of the Board, as aforesaid

Seal

**Tennessee Consolidated Retirement System**

A RESOLUTION to authorize a local board of education to change from its existing regular defined benefit plan to either the alternate defined benefit plan or the local government hybrid plan in accordance with Tennessee Code Annotated, Title 8, Chapter 35, Part 2, or to the hybrid retirement plan for state employees and teachers in accordance with Tennessee Code Annotated, Title 8, Chapter 36, Part 9.

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2, and Title 8, Chapter 36, Part 9 allow a local board of education to change from its existing regular defined benefit plan to either the alternate defined benefit plan, the local government hybrid plan, or to the hybrid retirement plan for state employees and teachers; and

WHEREAS, effective January 1, 2015 (the "Effective Date"), the  
(Must be the 1<sup>st</sup> day of any quarter following 6 months' notice to TCRS)

Collierville Schools Board of Education (the "Board of Education") desires to change from  
(Name of Board of Education)

its existing regular defined benefit plan to either the alternate defined benefit plan or the local government hybrid plan in accordance with Tennessee Code Annotated, Title 8, Chapter 35, Part 2, or to the hybrid retirement plan for state employees and teachers in accordance with Tennessee Code Annotated, Title 8, Chapter 36, Part 9 and in accordance with the following terms and conditions; and

WHEREAS, employees of the Board of Education who were hired by the Board of Education prior to August 1, 2014 and who are members of TCRS on the Effective Date shall continue membership in TCRS pursuant to the regular defined benefit plan as it exists for such Board of Education on the Effective Date; provided, however, any such employee who thereafter (i) leaves or is discharged from employment with the Board of Education, (ii) loses membership in TCRS pursuant to Tennessee Code Annotated, Section 8-35-104(a)(1) or (a)(2), and (iii) later returns to employment with the Board of Education shall participate prospectively in whatever plan exists for that Board of Education on the date the employee returns to employment; and

WHEREAS, employees of the Board of Education, other than those employees described in the preceding "Whereas", shall participate in either the alternate defined benefit plan, the local government hybrid plan, or the hybrid retirement plan for state employees and teachers, as selected below, and as otherwise provided in this Resolution;

A. TYPE PLAN. (CHECK BOX 1 OR BOX 2 OR BOX 3). The Board of Education adopts the following type plan:

- (1)  Alternate Defined Benefit Plan.
- (2)  Local Government Hybrid Plan (If this Plan is chosen, the Board of Education MUST also maintain a defined contribution plan on behalf of its employees who will be covered by the Plan and pass the attached resolution that describes the type of defined contribution plan the Board of Education will adopt. The defined contribution plan could provide for Board of Education contributions of 0% to up to 7% of its employees' salaries).
- (3)  State Employee and Teacher Hybrid Plan (If this Plan is chosen, the Board of Education MUST also maintain a defined contribution plan on behalf of its employees who will be covered by the Plan whereby the Board of Education makes a mandatory employer contribution on behalf of each of its employees participating in the Plan equal to 5% of the respective employee's salary subject to the cost controls and unfunded liability

*controls of the Hybrid Plan. The Board of Education must also pass the attached resolution that describes the type of defined contribution plan the Board of Education will adopt).*

- B. ASSUMPTION OF EMPLOYEE CONTRIBUTIONS. *(CHECK BOX 1 OR BOX 2 OR BOX 3 - IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, NO EMPLOYEE CONTRIBUTIONS MAY BE ASSUMED AND BOX 1 MUST BE CHECKED).* The Board of Education shall:
- (1)  NOT assume any employee contributions.
  - (2)  ASSUME 2.5% of its employees' contributions.
  - (3)  ASSUME 5.0% of its employees' contributions.
- C. COST-OF-LIVING INCREASES FOR RETIREES. *(CHECK BOX 1 OR BOX 2 - IF EITHER THE LOCAL GOVERNMENT, OR THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, COST-OF-LIVING INCREASES FOR RETIREES MUST BE GIVEN, SUBJECT TO ANY APPLICABLE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS, AND BOX 2 MUST BE CHECKED).* The Board of Education shall:
- (1)  NOT provide cost-of-living increases for its retirees.
  - (2)  PROVIDE cost-of-living increases for its retirees.
- D. ELIBILITY OF PART-TIME EMPLOYEES. *(CHECK BOX 1 OR BOX 2).* The Board of Education shall:
- (1)  NOT allow its part-time employees to participate in TCRS.
  - (2)  ALLOW its part-time employees to participate in TCRS.
- E. MAXIMUM UNFUNDED LIABILITY. *(COMPLETE THIS ITEM ONLY IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE).* For purposes of the cost control provisions of Tennessee Code Annotated, Section 8-36-922(d), the Board of Education defines "maximum unfunded liability" to mean an unfunded liability of no greater than five percent (5%) of the General Fund Budget for a given fiscal year; and

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Board of Education and the Political Subdivision with which it is associated and not the State of Tennessee provided, however, if the administration of the school system is transferred to the board of education of the county in which the Political Subdivision is located, then neither the Board of Education nor the Political Subdivision shall be liable for any unfunded liabilities if such unfunded liabilities become the obligation of the county school system by operation of law.

NOW, THEREFORE, BE IT RESOLVED That the Board of Education of the Collierville Schools hereby changes from its existing defined benefit to either the alternate defined benefit plan, the local government hybrid plan, or the hybrid retirement plan for state employees and teachers, as selected above, in accordance with Tennessee Code Annotated, Title 8, Chapter 35, Part 2 or Title 8, Chapter 36, Part 9, whichever is applicable, and in accordance with the above terms and conditions. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 neither the Board of Education nor the Political Subdivision shall make employer contributions to any other retirement or deferred compensation plans on behalf of any employee who participates in TCRS pursuant to this Resolution wherein the total combined employer contributions to such plans exceed 3% of the employee's salary, unless the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Board of Education for such employee. If either the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Board of Education, the Board of Education or the Political Subdivision may make employer contributions to the defined contribution plan component of that Plan and to any one or more additional tax deferred compensation or retirement plans on behalf of such employee provided that the total combined employer contributions to such plans on behalf of the employee does not exceed 7% of the employee's salary.

STATE OF TENNESSEE  
COUNTY OF SHELBY

I, John S. Aitken, clerk of the Collierville Schools

Board of Education do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 10<sup>th</sup> day of June, 2017, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Collierville Schools Board of Education

John S. Aitken  
As Clerk of the Board, as aforesaid

Seal

**Tennessee Consolidated Retirement System**

A RESOLUTION to allow a local board of education to contribute to a tax deferred retirement plan in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.

WHEREAS, Tennessee Code Annotated, Section 8-35-111(b)(3) provides that all tax deferred retirement plans established by public employers participating in the Tennessee Consolidated Retirement System (“TCRS”), wherein employer contributions made, must be approved by the TCRS director; and

WHEREAS, Tennessee Code Annotated, Section 8-35-111(b)(3) further provides that the total combined employer contributions to all such additional tax deferred retirement plans made on behalf of a single employee, other than those made pursuant to a salary reduction agreement, cannot exceed three percent (3%) of the employee’s salary, unless the board of education has adopted the hybrid plan authorized in Tennessee Code Annotated, Section 8-35-256, or in Tennessee Code Annotated, Section 8-36-919; and

WHEREAS, in the event the board of education has adopted the hybrid plan authorized in Tennessee Code Annotated, Section 8-35-256, or in Tennessee Code Annotated, Section 8-36-919, the total combined employer contributions made by the board of education to the defined contribution plan component of the hybrid plan and to any one or more additional tax deferred compensation or retirement plans on behalf of single employee does not exceed seven percent (7%) of the employee’s salary, or such lower amount as required by the Internal Revenue Code; and

WHEREAS, the Collierville Schools Board of Education desires to make employer contributions to the

following plan(s) in addition to the contributions it makes to TCRS.

**PLAN DATA:**

Type of Plan: 401(k)

Plan Administrator’s Name: State of Tennessee

Address: 502 Deadrick Street, 13<sup>th</sup> Floor, Nashville, Tennessee

Beginning Date of Plan: January 1, 2015 Phone: \_\_\_\_\_

Employer Contributions as Percentage of Employee's Salary: 5% \_\_\_\_\_

Type of Plan: \_\_\_\_\_

Plan Administrator’s Name: \_\_\_\_\_

Address: \_\_\_\_\_

Beginning Date of Plan: \_\_\_\_\_ Phone: \_\_\_\_\_

Employer Contributions as Percentage of Employee's Salary: \_\_\_\_\_

NOW, THEREFORE, BE IT RESOLVED that the Collierville Schools Board of Education (the "Board of Education") hereby requests the approval of the TCRS director for the Board of Education to make employer contributions to the above referenced plan(s) in the amount(s) specified and in accordance with the provisions of this resolution. Upon approval, the Board of Education agrees it shall not permit contributions to such plan(s) in excess of the applicable amount specified above and which, when combined with projected benefits from TCRS, would exceed the limitations of the Internal Revenue Code, as amended. The Board of Education further agrees to file, upon request of the Council on Pensions and Insurance or the TCRS director, an annual report of the actuarial and financial status of the plan(s) with the TCRS director, which shall cover the most recently ended plan year ending on or before June 30 of the year of the request. The report shall be filed with the TCRS director within ninety (90) calendar days from the date of the request and contain such additional information as may be prescribed by the TCRS director.

STATE OF TENNESSEE

COUNTY OF Shelby

I, John S. A. Hsu, clerk of the Collierville Schools Board of Education

of Collierville, TN, Tennessee do hereby certify that this is a true and

exact copy of the resolution that was approved and adopted in accordance with applicable law at a meeting held on the 10th day of June, 2014, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Collierville Schools Board of Education

  
As Clerk of the Board, as aforesaid

SEAL

**GERMANTOWN MUNICIPAL  
SCHOOL DISTRICT**

Will be distributed at the meeting

**LAKELAND SCHOOL SYSTEM**

Will be distributed at the meeting

**MILLINGTON MUNICIPAL SCHOOLS**

Will be distributed at the meeting

## **EXECUTIVE COMMITTEE ELECTION**



## Memorandum

**To:** Members of the TCRS Board of Trustees  
**From:** Jill Bachus   
**Date:** June 16, 2014  
**Subject:** Executive Committee

---

Tennessee Code Annotated, § 8-34-322 establishes an executive committee to the Board of Trustees. The seven member executive committee is composed of four ex-officio members and three members elected by the full Board. The three elected members may be retiree or active member representatives. However, one member must be elected from each area represented: state employee, K-12 teacher, and local government. The current two-year term ends on June 30, 2016.

The role of the executive committee is to review the actions of the full Board concerning investment policy, actuarial assumptions, interest rate used for retirement calculations, and employer contribution rate. If the executive committee does not modify any such action of the Board within 30 calendar days, the action of the full Board becomes final. A copy of the law is attached for your convenience.

Procedures adopted by the Board of Trustees in 2007 require Board members interested in serving on the executive committee to submit a brief summary of experience or a resume to the Director of TCRS by September 1. The full Board will vote on executive committee members at the September meeting.

If you have any questions or comments concerning this matter, please do not hesitate to contact me at (615) 253-3845.

*Tenn. Code Ann. § 8-34-322*

TENNESSEE CODE ANNOTATED  
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\*\*\* Current through the 2013 Regular Session \*\*\*

Title 8 Public Officers And Employees  
Chapter 34 Retirement--Generally  
Part 3 Board of Trustees

Tenn. Code Ann. § 8-34-322 (2014)

**8-34-322. Executive committee of the board.**

(a) There is established an executive committee of the board, which shall be composed of the state treasurer, the comptroller of the treasury, the secretary of state, one (1) board of trustees member appointed by the governor from among the board members who serve on the governor's cabinet, and three (3) additional board of trustees members selected by the entire board from among the employee or retiree board of trustees member representatives. The state treasurer shall also serve as chair of the executive committee, and the director of the division of retirement shall be the secretary to the committee.

(b) (1) Notwithstanding any provision of this title to the contrary, the executive committee shall have the power to disapprove, modify or otherwise change any of the following actions taken by the full board when, in the committee's sole judgment, the disapproval, modification or change is in the best interest of the retirement system:

(A) Establishing the terms of the investment policy for the assets of the retirement system;

(B) Adopting mortality, service and other such tables for the retirement system;

(C) Determining the rate or rates of regular interest for use in calculations relative to the retirement system; and

(D) Determining the employer contribution rate for state employees and teachers.

(2) If the executive committee does not disapprove, modify or otherwise change any such action taken by the full board within thirty (30) calendar days after the action is taken, then the action of the full board shall become effective as of the expiration of the thirty-day period. Notwithstanding this subdivision (b)(2), if the executive committee affirms the action of the full board prior to the expiration of the thirty-day period, then the action shall become effective upon the executive committee's affirmation.

(c) The executive committee shall meet at such times as deemed necessary by the chair in order to perform its responsibilities under this section, and shall keep a record of all its proceedings, which shall be open to public inspection. A report of any actions taken by the executive committee shall be presented to the full board at the board's next regular meeting following the action taken by the committee.

(d) No action of the executive committee shall be binding unless taken at a meeting at which at least four (4) members of the committee are present and vote in favor of the action.

**HISTORY:** Acts 2007, ch. 508, § 3; 2008, ch. 674, § 5.

## **LEGISLATION UPDATE**

## 2014 Legislation Highlights

**SB 2079/HB 2037 (Public Chapter 990)** – Public Employee Defined Benefit Financial Security Act of 2014. This law establishes funding requirements for a political subdivision's defined benefit pension plan that does not participate in TCRS

- Political subdivision must calculate an actuarially determined contribution (ADC) which includes normal costs and the amortization of any unfunded liability
- Requires specific parameters to be used in calculating the ADC.
- 100% of the ADC must be paid to the pension plan within 5 years and continued thereafter.
- Political subdivision must adopt a funding policy
- All entities participating in TCRS are already required to contribute 100% of ADC.

**SB 2324/HB 1957 (PC 659)** – TCRS omnibus. This bill modified several sections of the TCRS law for purposes of clarification and administrative efficiency.

Primary changes include:

- Establishes in law the Administrative and Investment committees of the Board of Trustees.
- Removes the authority for several political subdivisions to participate in TCRS. The entities have never utilized the provision.
- Removes the requirement that a political subdivision provide social security coverage to employees as a condition of participating in TCRS.
- Provides age consistency within several TCA sections concerning death benefits to a child.
- Clarifies a re-hired employee remains in the TCRS Legacy plan as long as the employee has not lost membership in the plan.
- Clarifies that the teacher trust liability is accounted for separately from the trust for general state employees and other members of TCRS.

**TCRS BOARD OF TRUSTEES  
APPOINTMENTS**



**BILL HASLAM**  
GOVERNOR  
STATE OF TENNESSEE

April 15, 2014

Mr. Alfred W. Laney  
264 Sailboat Drive  
Nashville, Tennessee 37217-3917

Dear Al:

Today, it is my distinct pleasure to confirm your appointment to the Tennessee Consolidated Retirement System Board of Trustees as a Representative of Employees. In the thorough, aggressive search for candidates, your individual characteristics and professional qualifications were exceptional among the number of nominees who expressed interest. This appointment is effective July 1, 2014 and runs through June 30, 2017.

I consider it very important to ensure that Tennessee's boards and commissions are filled with the most dedicated and qualified citizens. I believe that your participation is certain to leave a positive impact on this board and the work it does.

Thank you for your interest in state government and for your willingness to serve your fellow citizens of Tennessee in this way. Please accept my very best wishes. I look forward to working with you and all Tennesseans to make our great state an even better place to live, work, and raise a family.

Warmest regards,

A handwritten signature in black ink that reads "Bill Haslam".

Bill Haslam

BH:kh

STATE OF TENNESSEE

RONALD L. RAMSEY  
LIEUTENANT GOVERNOR  
ONE LEGISLATIVE PLAZA  
NASHVILLE, TN 37243  
(615) 741-4524



3311 HIGHWAY 126  
BLOUNTVILLE, TN 37617  
(423) 323-8700

OFFICE OF THE LIEUTENANT GOVERNOR  
SPEAKER OF THE SENATE

May 14, 2014

Patsy Moore  
277 Mollie Drive  
Selmer, TN 38376

Re: Tennessee Consolidated Retirement System Board of Trustees (TCRS)

Dear Ms. Moore:

As Speaker of the Senate acting pursuant to Tennessee Code Annotated, §8-34-302(a)(9), I am re-appointing you to serve as a Western Grand Division teacher member of the Tennessee Consolidated Retirement System Board of Trustees. Your term commences on July 1, 2014 and will expire on June 30, 2017.

I am forwarding a copy of this letter to TCRS Director Jill Bachus. Ms. Bachus will be contacting you in the near future regarding this appointment.

I am confident that you will perform the duties of office with the high standard of professionalism, dedication and integrity that the citizens of Tennessee deserve and expect of their public servants.

Best Wishes,

A handwritten signature in black ink, appearing to read "Ron Ramsey".

Lt. Governor Ron Ramsey

cc: Director Jill Bachus – TCRS  
Speaker Beth Harwell  
Cody York, 8<sup>th</sup> Floor, Snodgrass Tower  
Brian T. McCormack, G-7 State Capitol Bldg.  
Lance Frizzell  
Russell Humphrey  
Connie Ridley  
Joseph A. Barnes  
Karen Garrett  
Catherine Haire

## **STATISTICAL REPORTS**

## ANALYSIS OF MEMBERS ACTIVELY CONTRIBUTING

	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014
<b>Group I Members:</b>							
(State & Higher Ed.)	55,824	56,670	55,797	56,008	55,609	55,909	55,958
Teachers	78,159	78,876	78,463	78,303	78,393	78,106	78,244
General Employees of Polisubs	78,934	80,311	79,934	79,984	77,592	76,931	77,706
General Assembly	128	129	128	128	127	128	128
County Officials	2	2	2	2	2	2	2
PSC							
County Judges	1	1	1	1	1	1	1
Attorneys General	649	645	650	656	671	669	682
<b>Total Group I</b>	<b>213,697</b>	<b>216,634</b>	<b>214,975</b>	<b>215,082</b>	<b>212,395</b>	<b>211,746</b>	<b>212,721</b>
<b>Group II &amp; Prior Class:</b>							
Wildlife Officers	2	2	2	2	2	2	2
Highway Patrol	3	3	3	3	1	1	1
Firemen & Policemen- Political Subdivisions	13	17	15	14	13	12	8
<b>Total Group II &amp; Prior Class</b>	<b>18</b>	<b>22</b>	<b>20</b>	<b>19</b>	<b>16</b>	<b>15</b>	<b>11</b>
<b>Group III and Prior Class:</b>							
State Judges	2	2	1	1	1	1	1
County Judges							
Attorneys General	4	5	5	4	4	4	3
County Officials	4	5	4	4	4	4	4
<b>Total Group III &amp; Prior Class</b>	<b>10</b>	<b>12</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>8</b>
<b>Group IV</b>							
State Judges	182	181	182	183	184	184	184
<b>Total Membership</b>							
<b>Contributing to TCRS</b>	<b>213,907</b>	<b>216,849</b>	<b>215,187</b>	<b>215,293</b>	<b>212,604</b>	<b>211,954</b>	<b>212,924</b>
Teachers Contributing to ORP	11,546	11,569	11,610	11,627	11,688	11,659	11,694
<b>Grand Totals</b>	<b>225,453</b>	<b>228,418</b>	<b>226,797</b>	<b>226,920</b>	<b>224,292</b>	<b>223,613</b>	<b>224,618</b>

**RETIRED PAYROLL  
STATISTICS  
March 31, 2014**

	<u>AMOUNT</u>	<u># OF RETIREES</u>
STATE EMPLOYEES	\$51,381,667.98	40088
STATE PAID JUDGES	\$824,477.48	183
COUNTY PAID JUDGES	\$337,012.03	99
ATTORNEY GENERALS	\$910,360.39	252
COUNTY OFFICIALS	\$396,108.19	197
PUBLIC SERVICE COMMISSIONERS	\$9,101.90	5
POLITICAL SUBDIVISIONS	\$25,546,930.57	33046
TEACHERS	\$89,161,819.95	44003
LOCAL TEACHERS	\$3,542,233.37	1975
GOVERNORS AND WIDOWS	\$30,330.00	5
AGED STATE EMPLOYEES	\$135.40	1
AGED TEACHERS	\$1,364.88	10
OTHERS	<u>\$1,371.78</u>	<u>129</u>
<b>Total</b>	<b>\$172,142,913.92</b>	<b>119,993</b>

**RETIRED PAYROLL**  
**July 1, 2013**  
**through**  
**March 31, 2014**

	<u>AMOUNT</u>	<u># OF RETIREES</u>
STATE EMPLOYEES	\$454,028,097.03	40088
STATE PAID JUDGES	\$7,452,758.37	183
COUNTY PAID JUDGES	\$3,125,552.19	99
ATTORNEY GENERALS	\$7,896,709.10	252
COUNTY OFFICIALS	\$3,596,891.11	197
PUBLIC SERVICE COMMISSIONERS	\$81,917.10	5
POLITICAL SUBDIVISIONS	\$227,108,010.28	33046
TEACHERS	\$801,985,239.01	44003
LOCAL TEACHERS	\$32,370,912.71	1975
GOVERNORS AND WIDOWS	\$272,970.00	5
AGED STATE EMPLOYEES	\$1,218.60	1
AGED TEACHERS	\$14,892.56	10
OTHERS	\$1,552.60	129
<b>Total</b>	<b>\$1,537,936,720.66</b>	<b>119,993</b>

**NOTE: NINETY-FIVE PERCENT (95%) OF THE RETIREES ARE ON DIRECT DEPOSIT**

## NUMBER OF MEMBERS REFUNDED

<u>Month</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
July	1,149	450	894	499	496	475	516
August	675	308	612	406	466	471	782
September	566	316	494	431	447	394	457
October	609	411	369	379	383	375	378
November	492	353	320	293	364	319	314
December	234	257	256	276	257	241	276
January	450	332	257	307	348	338	402
February	308	310	242	265	312	335	310
March	316	291	278	299	262	253	284
April	308	311	687	277	346	311	
May	619	217	385	662	329	274	
June	843	340	360	406	339	336	
TOTAL	<u>6,569</u>	<u>3,896</u>	<u>5,154</u>	<u>4,500</u>	<u>4,349</u>	<u>4,122</u>	<u>3,719</u>

**REFUND EXPENDITURES  
2013-2014 FISCAL YEAR**

<b>MONTH</b>	<b>MEMBER'S CONTRIBUTIONS</b>	<b>414(H) CONTRIBUTIONS</b>	<b>MEMBER'S INTEREST</b>	<b>EMPLOYER CONTRIBUTIONS</b>	<b>DEATH PAYMENTS</b>	<b>TOTAL</b>
July	80,406.21	3,225,436.33	1,131,750.56	223,084.94	557,363.27	\$5,218,041.31
August	53,222.62	7,302,687.63	2,351,316.84	67,340.34	207,376.38	\$9,981,943.81
September	18,037.69	3,404,973.24	1,012,820.87	31,545.97	141,533.52	\$4,608,911.29
October	68,325.22	2,877,040.55	950,877.66	24,681.05	174,214.76	\$4,095,139.24
November	64,479.20	2,409,062.87	964,455.18	204,587.51	571,065.31	\$4,213,650.07
December	48,309.27	1,695,364.41	553,580.49	83,951.59	306,347.29	\$2,687,553.05
January	41,233.79	2,855,723.63	1,183,143.96	156,698.25	375,420.62	\$4,612,220.25
February	12,761.15	2,162,144.52	724,171.57	0.00	196,642.89	\$3,095,720.13
March	54,059.38	2,125,005.16	797,992.73	0.00	400,951.08	\$3,378,008.35
April						
May						
June						
<b>TOTAL</b>	<b>440,834.53</b>	<b>28,057,438.34</b>	<b>9,670,109.86</b>	<b>791,889.65</b>	<b>2,930,915.12</b>	<b>\$41,891,187.50</b>

**PRIOR SERVICE ACTIVITY**  
**January 1, 2014 through March 31, 2014**

<b>State:</b>	Type of Service	No of Members	Years of Service	Amount
	Backpayment	39	54	\$ 122,283
	Military	19	38	-
	Redeposit	7	29	31,936
	<b>Totals</b>	<b>65</b>	<b>121</b>	<b>\$ 154,218</b>

<b>Teachers:</b>	Type of Service	No of Members	Years of Service	Amount
	Backpayment	9	2	\$ 197,035
	Military	7	15	-
	Redeposit	18	98	328,611
	<b>Totals</b>	<b>34</b>	<b>115</b>	<b>\$ 525,646</b>

<b>Higher Education:</b>	Type of Service	No of Members	Years of Service	Amount
	Backpayment	90	87	\$ 7,603
	Military	3	6	-
	Redeposit	0	0	-
	<b>Totals</b>	<b>93</b>	<b>93</b>	<b>\$ 7,603</b>

<b>Political Subdivisions:</b>	Type of Service	No of Members	Years of Service	Amount
	Backpayment	241	218	\$ 62,883
	Military	21	38	1,106
	Redeposit	4	9	32,768
	<b>Totals</b>	<b>266</b>	<b>265</b>	<b>\$ 96,756</b>

<b>Grand Totals:</b>	Type of Service	No of Members	Years of Service	Amount
	Backpayment	379	361	\$ 389,803
	Military	50	97	1,106
	Redeposit	29	136	393,315
	<b>Totals</b>	<b>458</b>	<b>594</b>	<b>\$ 784,224</b>

# **DISABILITY RETIREMENT REPORT**

## Disability Statistical Report

### Third Quarter 13-14

Disability Applications Received	January	30
	February	42
	March	<u>18</u>
	TOTAL	90
Initial Claims Approved	January	27
	February	20
	March	<u>21</u>
	TOTAL	68
Initial Claims Disapproved	January	12
	February	05
	March	<u>12</u>
	TOTAL	20
Initial Claims Approved after Reconsideration		03
Initial Claims Disapproved after Reconsideration		04
Re-Evaluation Claims Approved		23
Re-Evaluation claims Disapproved		00

**APPROVED FOR DISABILITY  
THIRD QUARTER  
2013-2014**

Type	Re-E	Re-C	Age	Employer	Position	SVC	AFC	Opt.	Mo. Ben.	Disability Summary
ORD.	NO	YES	60	POL SUB	LIETENANT/AGENT	13	\$38,752	B	\$615	SEVERE KNEE INJURIES
ORD.	NO	NO	55	POL SUB	CUSTODIAN	5	\$22,406	B	\$215	CORONARY ATHEROSCLEROSIS, PERICARIAL EFFUSION, FOOT FRACTURE
ORD.	NO	NO	55	STATE	OFFICER	9	\$36,661	E	\$677	DDD, TENDONITIS L-SHOULDER PAIN, SLEEP APNEA, & HTN
SS-ORD.	NO	NO	55	STATE	LIBRARY SERVICES	15	\$43,903	A	\$1,037	COGNITIVE IMPAIRMENT, FIBROMYALGIA, CHF
SS-ORD.	YES	NO	53	TEACHER	ROTC INSTRUCTOR	7	\$59,663	A	\$1,069	MAJOR DEPRESSION/ANXIETY
ORD.	NO	NO	60	STATE	COUNSELOR	8	\$46,158	D	\$938	LIVER & PULMONARY DYSFUNCTION, ON OXYGEN
SS-ORD.	NO	NO	53	POL SUB	CLERK	15	\$13,675	D	\$63	METESTATIC BREAST CANCER
ORD.	YES	NO	58	STATE	CORRECTIONAL OFFICER	28	\$35,072	D	\$979	GLOMERULONEPHRITIS, RENAL FAILURE, HTN
ORD.	YES	NO	47	STATE	ANALYST V	7	\$46,824	D	\$895	GASTROESOPHEGEAL CANCER
SS-ORD.	YES	NO	52	TEACHER	TEACHER	13	\$48,927	A	\$1,156	DDD, FIBROMYALGIA, OA
SS-ORD.	NO	NO	57	POL SUB	SPECIAL ED ASSISTANT	19	\$22,141	D	\$446	NARCALEPSY, SLEEP APNEA, MIGRAINES, SHOULDER INJURY
SS-ORD.	YES	NO	50	POL SUB	SANITATION WORKER	15	\$29,009	D	\$585	STROKE, DEPRESSION, HEMIPLEGIA
ORD.	YES	NO	49	POL SUB	LABORER	16	\$32,093	B	\$686	AUTONOMIC DYSFUNCTION, HTN, OA, DEPRESSION & ANXIETY
ORD.	YES	NO	49	STATE	SUPERVISOR	26	\$66,202	A	\$2,080	CVA DUE TO HERPES ENCEPHALITIS
ORD.	NO	YES	48	POL SUB	ELIGIBILITY COUNSELOR	21	\$32,944	A	\$817	MS

**APPROVED FOR DISABILITY  
THIRD QUARTER  
2013-2014**

Type	Re-E	Re-C	Age	Employer	Position	SVC	AFC	Opt.	Mo. Ben.	Disability Summary
ORD.	NO	NO	53	STATE	CORRECTIONAL OFFICER	25	\$34,763	B	\$889	DM, CVA, MI
ORD.	NO	NO	58	POL SUB	COMPUTER TECH	7	\$47,152	A	\$530	STAGE III-IV PANCREATIC CANCER
SS-ORD.	NO	NO	53	STATE	EQUIPMENT TECH	7	\$26,643	E	\$452	LEFT OCCIPITAL CVA, HTN
SS-ORD.	YES	NO	44	POL SUB	INVENTORY ANALYST	8	\$21,420	A	\$506	MS
ORD.	NO	NO	58	POL SUB	EQUIPMENT OPERATOR	24	\$33,628	A	\$977	DEGENERATIVE DISC DISEASE
ORD.	NO	NO	57	STATE	EXAMINER III	8	\$43,844	A	\$591	MYELODYSPLASTIC SYNDROME
ORD.	NO	NO	57	STATE	ADMINISTRATIVE ASSISTANT II	21	\$33,958	A	\$879	MAJOR DEPRESSION & ADD
INACT.	NO	NO	43	POL SUB	FOOD SERVICE WORKER	8	\$12,023	A	\$24	PTSD, ADHD, DYSTHMIC MOOD D/O, OA OF KNEES, FIBROMYALGIA
ORD.	NO	NO	55	STATE	ADMINISTRATIVE ASSISTANT	16	\$37,169	A	\$878	DIABETIC RETINOPATHY, NEUROPATHY, EDEMA
ORD.	NO	NO	54	POL SUB	DETENTION OFFICER	20	\$41,480	A	\$1,021	DEMENTIA, ALZHEIMERS, COGNITIVE D/O
ORD.	YES	NO	48	STATE	COOK	21	\$21,742	A	\$541	ALCOHOLIC CIRRHOSIS
SS-ORD.	YES	NO	44	TEACHER	TEACHER	21	\$45,303	B	\$1,069	S/P KIDNEY TRANSPLANT, FANCONI SYNDROME, RAYNAUD'S DISEASE
ORD.	YES	NO	48	POL SUB	CARPENTER	25	\$32,356	A	\$975	SYNCOPE EPISODE, DEPRESSION/ANXIETY D/O
ORD.	NO	NO	57	STATE	SECRETARY	21	\$27,446	C	\$642	CHOLANGIOCARCINOMA, KIDNEY DISEASE
ORD.	NO	NO	56	STATE	ELIGIBILITY COUNSELOR	25	\$37,520	E	\$1,010	RETINITIS PIGMENTOSA, GLAUCOMA

**APPROVED FOR DISABILITY  
THIRD QUARTER  
2013-2014**

Type	Re-E	Re-C	Age	Employer	Position	SVC	AFC	Opt.	Mo. Ben.	Disability Summary
ORD.	YES	YES	53	POL SUB	EQUIPMENT OPERATOR	8	\$21,336	B	\$402	PELVIC FRACTURE, BLADDER RUPTURE, PTSD
SS-ORD.	NO	NO	54	POL SUB	CUSTODIAN	17	\$17,136	A	\$405	COPD, SEVERE NEUROPATHY, DM
ORD.	NO	NO	58	POL SUB	DIRECTOR	11	\$27,910	B	\$315	MS, WEAKNESS, FATIGUE, FIBROMYALGIA
SS-ORD.	YES	NO	47	STATE	CUSTODIAN	18	\$23,376	A	\$552	DYSPLASIA, CHRONIC HIP PAIN
ORD.	YES	NO	44	POL SUB	DEPUTY SHERIFF	20	\$40,247	A	\$971	S/P MVA, TRAUMATIC BRAIN INJURY
ORD.	YES	NO	37	POL SUB	CORRECTIONAL OFFICER	11	\$32,878	A	\$777	LUMBAR RADICULOPATHY, HYPOKALEMIC PERIODIC PARALYSIS
ORD.	NO	YES	52	TEACHER	TEACHER	15	\$56,864	A	\$1,343	CROHN'S DISEASE, CERVICAL DISK DISEASE, SEVERE DEPRESSION
ORD.	NO	NO	51	POL SUB	OPERATOR	7	\$44,654	B	\$762	METASTATIC LUNG CANCER
SS-ORD.	NO	NO	52	POL SUB	SECRETARY	12	\$32,897	B	\$624	CORTICAL BLINDNESS
ORD.	NO	NO	54	TEACHER	TEACHER	25	\$48,307	A	\$1,469	ASTHMA, RESPIRATORY FAILURE, ACIDOSIS, SLEEP APNEA, IDDM
ORD.	YES	NO	40	STATE	ACCOUNTS SPECIALIST I	10	\$53,808	B	\$1,174	CROHN'S DISEASE
ORD.	NO	NO	60	POL SUB	CASE MANAGER IV	19	\$49,680	A	\$1,799	MAJOR DEPRESSIVE D/O, DDD, DEMENTIA
ORD.	NO	NO	55	TEACHER	TEACHER	22	\$50,576	A	\$1,349	OVARIAN CANCER
ORD.	YES	NO	49	STATE	SUPPORT SPECIALIST	8	\$44,166	D	\$792	PTSD, ANXIETY/DEPRESSION, MIGRAINS, CAD, CONNECTIVE TISSUE D/O, BACK PAIN
ORD.	YES	NO	46	POL SUB	TEACHER	14	\$23,741	A	\$561	GLAUCOMA, ESRD, CHF

**APPROVED FOR DISABILITY  
THIRD QUARTER  
2013-2014**

Type	Re-E	Re-C	Age	Employer	Position	SVC	AFC	Opt.	Mo. Ben.	Disability Summary
ORD.	YES	NO	47	STATE	SUPPORT SPECIALIST II	8	\$24,108	A	\$570	EPILEPSY, ALTERED MENTAL STATUS, ANXIETY/STRESS D/O
INACT.	NO	NO	47	TEACHER	TEACHER	10	\$36,367	D	\$158	BIPOLAR D/O, PTSD, OCD
ORD.	NO	NO	57	TEACHER	TEACHER	28	\$63,452	A	\$2,105	LUPUS, COPD, CHRONIC FATIGUE
ORD.	NO	YES	53	STATE	HOUSEKEEPING SUPERVISOR	5	\$24,811	A	\$366	OBESITY, CERVICAL SPONDYLOSIS, & LUMBAR STENOSIS
ORD.	YES	YES	41	STATE	OPERATIONS SPECIALIST	12	\$48,641	D	\$1,075	S/P MVA, SEVERE PAIN
ORD.	NO	NO	52	TEACHER	PROFESSOR	24	\$70,449	A	\$2,082	HEPATIC CIRRHOSIS & ENCEPHALOPATHY, ESOPHAGEAL VARICES, CHRONIC ANEMIA
ORD.	NO	NO	57	STATE	MEDICAL ADMINISTRATIVE SPECIALIST	10	\$39,026	A	\$592	BREAST CANCER, CVA
ORD.	NO	NO	54	STATE	COUNSELOR	16	\$34,034	B	\$611	OA, DDD, PTSD, CFS, MORBID OBESITY
SS-ORD.	YES	NO	38	TEACHER	TEACHER	11	\$41,911	D	\$919	SEVERE DEPRESSION/ANXIETY, SEVERED ARTERY, CHRONIC PAIN
SS-ORD.	NO	NO	51	TEACHER	TEACHER	23	\$43,105	A	\$1,214	COLAN & UTERI CANCER
SS-ORD.	YES	NO	47	TEACHER	ASSISTANT PRINCIPAL	21	\$57,151	A	\$1,451	MS, PARAPLEGIA, SACRAL DECUBITUS ULCER, COLESTOMY, ANXIETY/DEPRESSION
ORD.	YES	NO	48	TEACHER	TEACHER	19	\$48,689	B	\$1,061	STAGE IV BREAST CANCER
ORD.	YES	YES	38	STATE	SECRETARY	9	\$21,596	A	\$510	HEART PROBLEMS, BACK INJURY
SS-ORD.	NO	NO	52	POL SUB	TEACHER'S ASSISTANT	14	\$15,645	A	\$370	L-FEMBER FRACTURES, RA, OA, OP, SCOLIOSIS, FIBROMYALGIA, OPTIC NEURITIS
SS-ORD.	NO	NO	59	STATE	HIGHWAY MAINTENANCE	5	\$19,718	B	\$211	SYNCOPE, CARDIOMYOPATHY, GERD

**APPROVED FOR DISABILITY  
THIRD QUARTER  
2013-2014**

Type	Re-E	Re-C	Age	Employer	Position	SVC	AFC	Opt.	Mo. Ben.	Disability Summary
ORD.	NO	NO	59	STATE	SUPERVISOR	13	\$32,816	A	\$572	PULMONARY FIBROSIS
SS-ORD.	NO	NO	58	STATE	ENVIRONMENTAL SPECIALIST	16	\$37,695	B	\$769	STAGE IV METASTATIC COLON CANCER
ORD.	YES	NO	51	POL SUB	SECRETARY	6	\$17,230	A	\$315	LUNG CANCER, METASTATIC TUMOR
ORD.	NO	NO	54	STATE	SECRETARY	10	\$28,559	C	\$529	RUPTURED CVA DUE TO AV BRAIN MALFORMATION, & BIPOLAR D/O
ORD.	NO	YES	56	POL SUB	TEACHER'S AIDE/BUS DRIVER	6	\$13,614	A	\$185	SEIZURES, CERVICAL DYSTONIA
ORD.	NO	NO	60	TEACHER	TEACHER	19	\$66,527	A	\$1,578	MALIGNANT NEOPLASM OF THYMUS

**DISAPPROVED FOR DISABILITY  
THIRD QUARTER  
2013-2014**

Type	Re-C	Age	Employer	Position	Svc	Disability Summary	Reason Denied
ORD.	NO	55	STATE	SUPERVISOR	16	CROHN'S DISEASE	CAP SED WRA
ORD.	NO	55	POL SUB	BUS DRIVER	6	MORBID OBESITY, COPD, ARTHRITIS	CAP SED WRA
ORD.	NO	54	TEACHER	TEACHER	26	DEPRESSION, ANXIETY, PTSD	CAP SED WRA
ORD.	NO	54	STATE	CUSTODIAN	7	DDD, COPD, RA, DM	CAP SED-MED WRA-INSUFFICIENT MEDICAL DOCUMENTATION
ORD.	NO	55	STATE	PSYCH TECH	12	MIGRAINES, L-SIDED FACIAL/NECK PAIN	NO EVIDENCE OF BRAIN DAMAGE OR NEUROLOGIC DEFICIT
ORD.	NO	50	STATE	DENTAL ASSISTANT	18	CHRONIC PAIN	CAP SED WRA
ORD.	NO	52	POL SUB	RECORDS CLERK	7	BACK PAIN, DJD, DDD, ANXIETY	CAP LGT WRA
ORD.	NO	54	TEACHER	TEACHER	28	ACUTE STRESS D/O, HTN, DEPRESSION	CAP LGT WRA
ORD.	YES	54	TEACHER	TEACHER	21	DEPRESSION, ANXIETY, BI-POLAR D/O	CAP SED-MED WRA
ORD.	YES	54	TEACHER	TEACHER	21	DEPRESSION, ANXIETY, BI-POLAR D/O	CAP LGT-MED WRA
ORD.	YES	47	POL SUB	DISPATCHER	8	CERVICAL SPONDYLOSIS, CARPEL TUNNEL, CHRONIC PAIN	CAP SED-LGT WRA
ORD.	NO	55	STATE	SUPPORT TECH	9	CERVICALGIA	CAP SED WRA
ORD.	NO	45	POL SUB	DRIVER	14	VISUAL IMPAIRMENT, DIABETES	CAP SED WRA
ORD.	NO	41	STATE	PROGRAM SPECIALIST	9	CHRONIC BACK PAIN, DEGENERATIVE SCOLIOSIS, SCIATICA	CAP LGT WRA
ORD.	YES	49	STATE	RECORDS TECH	28	ULCERATIVE COLITIS, FIBROMYALGIA, OA	CAP SED WRA

**DISAPPROVED FOR DISABILITY  
THIRD QUARTER  
2013-2014**

Type	Re-C	Age	Employer	Position	Svc	Disability Summary	Reason Denied
ORD.	NO	46	STATE	SECRETARY	25	CVA, COPD, FIBROMYALGIA	NORMAL FUNCTIONAL CAPACITY
ACC.	NO	51	STATE	HIGHWAY MAINTENANCE	4	LUMBAR DD, CARDIOMYOPATHY, BIVENTRICULAR HEART FAILURE	NOT DISABLED DUE TO OJA, NOT VESTED
ORD.	NO	45	STATE	SUPPORT TECH	19	RA, DEPRESSION, ANXIETY	CAP SED WRA
INACT.	NO	53	STATE	HIGHWAY MAINTENANCE	19	DDD, DIABETES	CAP LGT WRA
ORD.	NO	51	STATE	SERGEANT	24	DDD	CAP SED WRA
ORD.	NO	40	STATE	TEACHER	10	LUMBAR DD, SEIZURE D/O	CAP SED WRA-INSUFFICIENT MED DOCUMENTATION
ORD.	NO	47	STATE	CUSTODIAN	11	LUPUS, SJOGREN'S SYNDROME, R-ANKLE/FOOT PAIN	CAP SED-MED WRA
ORD.	NO	59	STATE	ELIGIBILITY COUNSELOR	11	RA, DDD	CAP SED WRA
ORD.	NO	55	STATE	CORRECTIONAL OFFICER	11	OA, DIABETES	CAP LGT WRA
ORD.	YES	43	POL SUB	OFFICE ASSISTANT	8	FIBROMYALGIA, ANXIETY, FOOT PROBLEMS	CAP LGT WRA
ACC.	NO	39	STATE	THERAPY TECH	16	CERVICAL DD, FIBROMYALGIA, BRACHIAL NEURITIS	CAP SED WRA
ORD.	NO	56	STATE	SUPERVISOR	14	FIBROMYALGIA, CHRONIC PAIN	CAP LGT-MED WRA
ORD.	YES	35	STATE	CORRECTIONAL OFFICER	11	CHRONIC L-ANKLE/FOOT SPRAIN, GERD	CAP SED-MED WRA
ACC.	NO	46	STATE	CORPORAL	20	BACK PAIN S/P LUMBAR FUSION	CAP LGT WRA

## **FINANCIAL STATEMENTS**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM  
STATEMENT OF PLAN NET POSITION  
AS OF MARCH 31, 2014**

<b>ASSETS</b>	
Cash and cash equivalents	\$491,341,862.58
<hr/>	
Receivables	
Member receivable	614,940.98
Employer receivable	917,425.13
Accrued interest receivable	91,112,318.71
Accrued dividends receivable	52,466,373.38
Real estate income receivable	1,755,490.95
Investments sold	358,874,455.67
Total receivables	<u>505,741,004.82</u>
Investments, at fair value	
Short-term securities	47,656,328.08
Government securities	8,837,147,743.72
Corporate securities	5,515,768,429.50
Corporate stocks	23,551,503,520.37
Strategic Lending	314,674,388.00
Private Equities	492,729,444.24
Real estate	2,200,774,919.85
Total investments	<u>40,960,254,773.76</u>
Capital Assets (net)	<u>25,375,265.40</u>
<b>TOTAL ASSETS</b>	<u><u>41,982,712,906.56</u></u>
<b>LIABILITIES</b>	
Retired payroll payable	578,001.08
Retiree insurance premium payable	454,131.03
Accounts payable	81,468.46
Investments purchased	819,731,555.81
<b>TOTAL LIABILITIES</b>	<u><u>820,845,156.38</u></u>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<u><u>\$ 41,161,867,750.18</u></u>

*See Accompanying Notes to the Financial Statements*

**UNAUDITED**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM  
STATEMENT OF CHANGES IN PLAN NET POSITION  
JULY 1, 2013 THROUGH MARCH 31, 2014**

<b>ADDITIONS</b>	
Contributions	
Member contributions	\$174,496,351.27
Employer contributions	693,701,559.31
Total contributions	<u>868,197,910.58</u>
Investment income	
Net Appreciation in fair value of investments	3,556,269,663.10
Interest	349,913,034.48
Dividends	346,376,119.64
Real Estate income, net of operating expenses	73,870,648.87
Total investment income	<u>4,326,429,466.09</u>
Less: Investment expense	(21,450,312.56)
Net income from investing activities	<u>4,304,979,153.53</u>
Securities lending activities	
Securities lending income	940,754.75
Less: Securities lending expense	123,040.87
Net income from securities lending activities	<u>817,713.88</u>
Net investment income	<u>4,305,796,867.41</u>
<b>TOTAL ADDITIONS</b>	<u><u>5,173,994,777.99</u></u>
<b>DEDUCTIONS</b>	
Annuity benefits	1,529,926,066.53
Death benefits	2,856,682.51
Refunds	36,587,597.48
Administrative expenses	7,662,043.73
<b>TOTAL DEDUCTIONS</b>	<u>1,577,032,390.25</u>
<b>NET INCREASE</b>	3,596,962,387.74
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	
JULY 1, 2013	37,564,905,362.44
MARCH 31, 2014	<u><u>\$41,161,867,750.18</u></u>

*See Accompanying Notes to the Financial Statements*

**UNAUDITED**

**Tennessee Consolidated Retirement System**  
**Notes to the Financial Statements**  
**March 31, 2014**

The Tennessee Consolidated Retirement System (TCRS) administers two defined benefit pension plans - State Employees, Teachers and Higher Education Employees Pension Plan (SETHEEPP) and Political Subdivisions Pension Plan (PSPP). Although the assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to members of that plan, in accordance with the terms of the plan.

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. **Reporting Entity** - The TCRS is included in the State of Tennessee Financial Reporting Entity. Because of the state's fiduciary responsibility, the TCRS has been included as pension trust funds in the *Tennessee Comprehensive Annual Financial Report*.
2. **Measurement Focus and Basis of Accounting** - The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements have been prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Plan member contributions are recognized in the period of time for which the contributions are assessed. Plan employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

3. **Cash and Cash Equivalents** - Cash and cash equivalents includes cash and short-term investments with a maturity date within three months of the acquisition date. Cash management pools are included as cash. Cash received by the TCRS that cannot be invested immediately in securities, or that is needed for operations, is invested in the State Pooled Investment Fund sponsored by the State of Tennessee and administered by the State Treasurer. The classification of cash and cash equivalents also includes cash invested in a short-term, open-end mutual fund under the contractual arrangement for master custody services.
4. **Method Used to Value Assets and Investments** - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is determined at least every three years by qualified independent appraisers who are members of the Appraisal Institute and internally by real estate advisors for those years when independent appraisals are not performed. The fair value of private equity investments is determined by the fund managers using various methodologies as applicable under Generally Accepted Accounting Principles. In many cases, these valuations are additionally reviewed by advisory boards comprised of a subgroup of the fund's investors. These valuations are audited on an annual basis by independent accounting firms engaged by the private equity fund managers. Investment income includes realized and unrealized appreciation (depreciation) in the fair value of investments. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on trade-date basis. Real estate transactions are recorded in the financial statements at the time of closing.

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**Tennessee Consolidated Retirement System**  
**Notes to the Financial Statements**  
**March 31, 2014**

5. **Capital Assets** - Capital assets consist of internally generated computer software in development and the completed phases of internally generated computer software, which are reported at historical cost, less any applicable amortization. Capital assets are defined by the state as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of two years. Software in development will be amortized using the straight line method over the ten year estimated life of the system once a phase is implemented. The first phase of the computer software was implemented during the fiscal year ended June 30, 2012 and the second phase was implemented during the fiscal year ended June 30, 2013. Amortization of both these phases has been reflected in the statements.

**B. PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION**

At July 1, 2011, the date of the latest actuarial valuation, the membership of each plan consisted of the following:

	SETHEEPP	PSPP
Retirees and beneficiaries currently receiving benefits	83,041	33,544
Terminated members entitled to but not receiving benefits	22,867	9,758
Current active members	<u>135,588</u>	<u>79,488</u>
Total	241,496	122,790
Number of participating employers	140	482

**State Employees, Teachers and Higher Education Employees Pension Plan**

*Plan Description* - SETHEEPP is a cost-sharing, multiple employer defined benefit pension plan that covers the employees of the state, teachers with Local Education Agencies (LEA's) and higher education employees. The TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979 are vested after five years of service. Members joining prior to July 1, 1979 are vested after four years of service. Compounded cost of living adjustments (COLA) are provided each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year except that (a) no COLA is granted if the CPI is less than one-half percent; (b) a COLA of 1 percent will be granted if the CPI increases between one-half percent and one percent; (c) the maximum annual COLA is capped at three percent. Benefit provisions are established by state statute found in Title Eight, Chapters 34 through 37 of the *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Ad hoc increases may only be authorized by the General Assembly. Public safety officers receive an additional supplemental benefit that is paid from age 60 to age 62.

*Superseded Systems and Certain Employment Classifications* - Members of superseded systems that became members of the TCRS at consolidation in 1972, have their rights preserved to the

**Tennessee Consolidated Retirement System**  
**Notes to the Financial Statements**  
**March 31, 2014**

benefits of the superseded system, if the benefit from the superseded plan exceeds that provided by the Group 1 (teachers and general employees) TCRS formula. Likewise, public safety employees and officials of TCRS Groups 2, 3 and 4 are entitled to the benefits of those formulas, if better than the Group 1 benefits.

*Contributions and Reserves* - Effective July 1, 1981, the plan became noncontributory for most state and higher education employees. The contribution rate for teachers is five percent of gross salary. The employers contribute a set percentage of their payrolls, determined by an actuarial valuation. *Tennessee Code Annotated* Title Eight, Chapter 37 provides that the contribution rates be established and may be amended by the Board of Trustees of the TCRS. The administrative budget for the plan is approved through the state of Tennessee's annual budget process. Funding for the administrative budget is included in employer contributions.

The net assets of the plan are legally required to be reserved in two accounts, the Member Reserve and the Employer Reserve. The Member Reserve represents the accumulation of employee contributions plus interest. The Employer Reserve represents the accumulation of employer contributions, investment income and transfers from the Member Reserve for retiring members. Benefit payments and interest credited to the members' accounts are reductions to the Employer Reserve.

**Political Subdivisions Pension Plan**

*Plan Description* - PSPP is an agent multiple-employer defined benefit pension plan that covers the employees of participating political subdivisions of the state of Tennessee. Employee class differentiations are not made under PSPP. The TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan prior to July 1, 1979 are vested after four years of service. Members joining on or after July 1, 1979 are vested upon completion of 10 years of service, unless five years vesting is authorized by resolution of the chief governing body. Cost of living adjustments (COLA) are the same as provided by SETHEEPP except that the local government may elect (a) to provide no COLA benefits or (b) to provide COLA benefits under a non-compounding basis rather than the compounded basis applicable under SETHEEPP. Benefit provisions are established and amended by state statute. Pursuant to Article Two, Section 24 of the *Constitution of the State of Tennessee*, the state cannot mandate costs on local governments. Any benefit improvement may be adopted by the governing body of a governmental entity participating in the TCRS.

*Contributions and Reserves* - Political subdivisions may elect contributory or noncontributory retirement for their employees. The contribution rate for contributory employees of political subdivisions is five percent of gross salary. The employers contribute a set percentage of their payrolls, equal to at least, the percentage determined by an actuarial valuation. State statute provides that the contribution rates be established and may be amended by the Board of

**Tennessee Consolidated Retirement System**  
**Notes to the Financial Statements**  
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Trustees of the TCRS. The administrative budget for the plan is approved through the state's annual budget process. Funding for the administrative budget is included in employer contributions.

The net assets of the plan are legally required to be reserved in two accounts, the Member Reserve and the Employer Reserve. The Member Reserve represents the accumulation of employee contributions plus interest. The Employer Reserve represents the accumulation of employer contributions, investment income and transfers from the Member Reserve for retiring members. Benefit payments and interest credited to the members' accounts are reductions to the Employer Reserve.

**C. DEPOSITS AND INVESTMENTS**

State statute authorizes the TCRS to maintain cash, not exceeding ten percent of the total amount of funds in the retirement system, on deposit in one or more banks, savings and loan associations or trust companies that are qualified as state depositories. The TCRS does not utilize its own bank accounts but invests in the State Pooled Investment Fund for the initial deposit of funds and for its operating cash needs. The State Pooled Investment Fund is authorized by state statute to invest funds in accordance with policy guidelines approved by the Funding Board of the State of Tennessee. The current resolution of that board gives the Treasurer authority to invest in collateralized certificates of deposit in authorized state depositories, prime commercial paper, prime bankers' acceptances, certain repurchase agreements and various U.S. Treasury and Agency obligations. The State Pooled Investment Fund is also authorized to enter into securities lending agreements in which U.S. Government Securities may be loaned for a fee. The loaned securities are transferred to the borrower by the custodial agent upon simultaneous receipt of collateral securities.

State statute also authorizes the TCRS to invest in bonds, debentures, preferred stock and common stock, real estate and in other good and solvent securities subject to the approval of the Board of Trustees, but further subject to the following statutory restrictions and provisions:

- a. The total sum invested in common and preferred stocks shall not exceed seventy-five percent (75 percent) of the total of the funds of the retirement system.
- b. The total sum invested in notes and bonds or other fixed income securities exceeding one year in maturity shall not exceed seventy-five percent (75 percent) of the total funds of the retirement system.
- c. Within the restrictions in (a) and (b) above, an amount not to exceed twenty-five percent (25 percent) of the total of the funds of the retirement system may be invested in securities of the same kinds, classes, and investment grades as those otherwise eligible for investment in various approved foreign countries, provided that such percentage may be increased by the board with the subsequent approval of the council on pensions and insurance.

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**Tennessee Consolidated Retirement System**  
**Notes to the Financial Statements**  
**March 31, 2014**

- d. Within the restrictions in (a) and (b) above, funds may be invested in Canadian securities which are substantially of the same kinds, classes and investment grades as those otherwise eligible for investment.
- e. The total amount of securities loaned under a securities lending program cannot exceed thirty percent (30 percent) of total assets.
- f. The total sum invested in real estate shall not exceed ten percent (10 percent) of the market value of total assets.
- g. The total sum invested in private equities shall not exceed ten percent (10 percent) of the market value of total assets.

State statute also authorizes the TCRS to invest in forward contracts to hedge its foreign currency exposure and to purchase or sell domestic stock index futures contracts for the purpose of asset allocation relating to the domestic equity portfolio. The total amount of the financial futures contract obligation shall not exceed five percent (5 percent) of the market value of total assets.

Title to real property invested in by the TCRS is held by real estate investment holding companies.

The TCRS' investment policy specifies that bond issues subject for purchase are investment grade bonds rated in the four highest ratings by one of the recognized rating agencies. In addition, the policy states that private placements that do not have an active secondary market shall be thoroughly researched from a credit standpoint and shall be viewed by TCRS' investment staff as having the credit quality rating equivalent of an AA rating on a publicly traded issue. For short-term investments, the TCRS' investment policy provides for the purchase of only the highest quality debt issues. Commercial paper should be rated in the highest tier by all rating agencies which rate the paper, with a minimum of two ratings required. Commercial paper cannot be purchased if a rating agency has the commercial paper on a negative credit watch. The investment policy also requires preparation of a credit analysis report on the corporation prior to purchasing commercial paper.

**Asset-Backed Securities** - The TCRS invests in various collateralized mortgage obligations (CMOs) which are mortgage-backed securities. These securities are based on cash flows from interest and principal payments on underlying mortgages and could therefore be more sensitive to prepayments by mortgagees as a result of a decline in interest rates.

**Derivatives** - The TCRS may buy or sell fixed income and equity index futures contracts for the purposes of making asset allocation changes in an efficient and cost effective manner and to improve liquidity. Gains (losses) on equity index futures hedge losses (gains) produced by any deviation from the TCRS' target equity allocation. The gains and losses resulting from daily fluctuations in the fair value of the outstanding futures contract are settled daily, on the following day, and a receivable or payable is established for any unsettled gain or loss as of the financial statement date. TCRS was under contract for fixed income and equity index futures and the resulting payable is reflected in the financial statements at fair value.

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The international securities expose the TCRS to potential losses due to a possible rise in the value of the US dollar. The TCRS investment managers can reduce foreign currency exposure by selling foreign currency forward contracts, at agreed terms and for future settlement, usually within a year. The manager will reverse the contract by buying the foreign currency before the settlement date. A gain (loss) on this transaction pair will hedge a loss (gain) on the currency movement of the international security. The TCRS can sell up to 80% of its foreign currency exposure into US dollars. Forward currency forward contracts expose the TCRS to foreign currency risk as they are denominated in foreign currency. Any unrealized gain on foreign currency forward contracts has been reflected in the financial statements as an investment. The notional amount of the foreign currency forward contracts has been reflected in the financial statements as a receivable and a payable. Any unrealized loss on foreign currency forward contracts has been included in the payable established for the contracts.

The TCRS is authorized to invest in To Be Announced (TBA) mortgage backed securities similar to the foreign currency forward contracts. The TCRS enters into agreements to purchase pools of mortgage backed securities prior to the actual security being identified. The TCRS will roll this agreement prior to settlement date to avoid taking delivery of the security. Any unrealized gain on TBA mortgage backed securities has been reflected in the financial statements as an investment. Any unrealized loss on TBA mortgage backed securities has been included in the payable established for the mortgages. The notional amounts of these agreements have been included in the financial statements as a receivable and a payable. The TCRS invests in these derivatives to adjust its exposure to mortgage coupon risk and to replicate the return on mortgage backed securities portfolios without actually purchasing the security.

The TCRS is authorized to enter into option contracts and any income earned on option contracts has been included as investment income on the statement.

The fair values of foreign currency forward contracts are estimated based on the present value of their estimated future cash flows. Futures contracts and TBA mortgage backed securities are exchange traded and their price is based on quoted market prices at year end. It is the TCRS policy to conduct derivative transactions through the custodian bank and high quality money center banks or brokerage firms. The credit risk of foreign currency forward contracts is managed by limiting the term of the forward contracts and restricting the trading to high quality banks. The credit risk of futures contracts is managed by maintaining a daily variation margin.

**D. COMMITMENTS**

**Standby Commercial Paper Purchase Agreement** - The TCRS has agreed to serve as standby commercial paper purchaser for commercial paper issued by the Funding Board of the State of Tennessee. By serving as a standby commercial paper purchaser, the TCRS receives an annual fee of 25 basis points on the \$350 million maximum issuance under this agreement during times when both Moody's and Standard and Poor's investment ratings assigned to the State of Tennessee's general obligation bonds are Aaa and AAA respectively, 40 basis points during times when either Moody's or Standard and Poor's has assigned ratings of Aa and AA respectively, or 75 basis points during times when either Moody's or Standard and Poor's has assigned ratings lower than Aa and AA respectively. In the unlikely event that the

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TCRS would be called upon to purchase the commercial paper, the TCRS would receive interest at a rate equal to prime plus 75 basis points during the first 30 consecutive days, plus an additional 50 basis points for each consecutive 30 days thereafter, up to a maximum rate allowed by state law.