

Tennessee Consolidated Retirement System

A RESOLUTION for a political subdivision to voluntarily withdraw from participating in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.

WHEREAS, Tennessee Code Annotated, Section 8-35-218 provides that upon giving at least one (1) year's advance notice in writing to the Board of Trustees of the Tennessee Consolidated Retirement System ("TCRS"), a political subdivision may terminate its participation in TCRS effective July 1 of the calendar year following the end of said notice period, under the following terms and conditions:

1. The political subdivision shall submit to TCRS a resolution to withdraw from TCRS, which was legally adopted by two-thirds (2/3) of the membership of the chief governing body of the political subdivision;
2. The withdrawal shall apply to all departments of the political subdivision; and
3. Such resolution to withdraw may be rescinded and withdrawn by a resolution legally adopted and approved by the chief legislative body of the political subdivision at any time prior to the expiration of the one (1) year notice period; and

WHEREAS, the employee rights to participate in TCRS after the effective date of the withdrawal shall be governed by the following terms and conditions:

1. Employees who are members of TCRS on the date such withdrawal resolution becomes effective shall continue membership in TCRS until termination of employment, with the political subdivision being liable for contributions and benefits as provided herein;
2. An employee who is not yet a TCRS member but is serving a probationary period pursuant to Tennessee Code Annotated, Section 8-35-107 on the date the withdrawal becomes effective shall have such probationary period waived and shall have thirty (30) days to elect to participate in TCRS with the political subdivision being liable for contributions as herein provided;
3. Employees who are hired by the political subdivision after the effective date of the withdrawal shall not be permitted to participate in TCRS;
4. Any employee participating in TCRS shall not be eligible to participate in any other retirement plan provided by the political subdivision, as noted in Tennessee Code Annotated, Section 8-35-111. An exception to this provision would be employer contributions to a defined contribution plan that do not exceed three (3) percent of the employee's salary;
5. Any employee who, upon termination of employment with the political subdivision, withdraws service rendered to such political subdivision shall not later be permitted to establish that service in TCRS, unless such political subdivision rejoins TCRS pursuant to Tennessee Code Annotated, Section 8-35-218;
6. An employee of the withdrawing political subdivision shall not be permitted to retire, begin receiving a benefit, and continue working with the political subdivision;
7. All employees participating in TCRS, including retired employees, shall be entitled to benefits according to the political subdivision's retirement plan with TCRS as it exists on the date of withdrawal; and

WHEREAS, the political subdivision's responsibilities and liabilities following withdrawal are as follows:

1. An actuarial evaluation shall be completed by TCRS' actuary to determine the appropriate employer contributions to be made to the plan based on a level dollar contribution so as to amortize the unfunded accrued liability over a period of time established by the TCRS Board of Trustees, such period not to exceed a thirty (30) year period. The TCRS Board of Trustees may, at its discretion, reestablish the amortization period at any time provided such reestablished period does

not exceed thirty (30) years. The level dollar contribution amount shall be remitted monthly to TCRS. Pursuant to Tennessee Code Annotated, Section 8-34-506, the biennial valuation shall continue to be performed;

2. Employer contributions may be adjusted as frequently as monthly should such additional contributions be needed to fund the benefits;
3. Any liabilities resulting from this withdrawal shall be the liability of the political subdivision and not the State. Should any required employer costs become delinquent, the Tennessee Commissioner of Finance and Administration, at the direction of the TCRS Board of Trustees, is authorized to withhold such amount or part of such amount from any state shared taxes which are otherwise apportioned to such political subdivision, and any amounts so withheld shall come last from the state shared gasoline tax designated in Tennessee Code Annotated, Title 54, Chapter 4; and
4. The political subdivision may elect at a later date to rejoin TCRS in accordance with Tennessee Code Annotated, Section 8-35-201; provided that any such resolution to rejoin shall be irrevocable and the political subdivision shall not later be permitted to withdraw under the provisions of Tennessee Code Annotated, Section 8-35-218.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Crossville, Tennessee hereby gives notice to the TCRS Board of Trustees of its intention to withdraw from TCRS effective July 1, 2013 pursuant to Tennessee Code Annotated, Section 8-35-218.

ADOPTED, this ____ of _____, 2012.

Mayor

STATE OF TENNESSEE

COUNTY OF _____

I, _____, clerk of the _____ of _____
(Name of Governing Body)

_____, Tennessee do hereby certify that this is a true and exact copy of the resolution that was approved
(County and Town or City)

and adopted at a meeting held on the ____ day of _____, 20__, the original of which is on file in this office. I further certify that ____ members voted in favor of the resolution and that _____ members were present and voting.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the _____.
(Political Subdivision)

As Clerk of the Board, as aforesaid

SEAL

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