



Police and Firefighter 25-Year Retirement in the Tennessee Consolidated Retirement System (TCRS) - Public Chapter 362

The 111th General Assembly enacted new legislation that creates a new early service retirement option for police officers and firefighters. This document contains general information of the impact that Public Chapter 362 will have on the retirement benefit provided to police officers and firefighters through the Tennessee Consolidated Retirement System (TCRS).



What is the impact of the new 25-year early retirement provision (Public Chapter 362) for Police and Firefighters?

Police officers and firefighters retiring on or after January 1, 2020 shall be eligible for an early service retirement option in any type of plan offered by the Tennessee Consolidated Retirement System (TCRS), upon completion of 25 years of service and irrespective of the age of the police officer or firefighter at the time of retirement. This early service retirement allowance will be an actuarially reduced retirement benefit.

For purposes of this law, who is defined in law as a police officer and firefighter?

This law applies to police officers and firefighters as defined in Tennessee Code Annotated § 8-34-101. "Police officer" includes any person employed by a political subdivision participating in TCRS who is actively engaged in police work, as well as any commissioned member of the Department of Safety and any agent of the Tennessee Bureau of Investigation. "Firefighter" means any person employed by a political subdivision participating in TCRS who derives his or her primary livelihood from firefighting work.

What does actuarial equivalent of a service retirement allowance mean?

Actuarial equivalent means the benefit is permanently reduced because the member retired before reaching eligibility for a full (unreduced) retirement benefit.

Does this legislation change when a member is eligible for the bridge benefit?

No. For police officers and/or firefighters eligible for a bridge benefit, the legislation does not impact the start date for the bridge benefit. The earliest the bridge benefit will begin is at age 55, regardless of whether the police officer and/or firefighter chooses to retire on the reduced allowance after 25 years of service. Additionally, this new law does not provide a bridge benefit if the employer has not adopted the bridge benefit provision.

Has mandatory retirement changed?

No. This legislation does not change the mandatory retirement age of 60 that some employers have adopted for police officers and/or firefighters, and it does not change the mandatory retirement benefit improvement which includes a bridge benefit.

Do local governments have to take any action to offer the 25-year reduced retirement option?

No.

If I retire after 25 years of service on the reduced allowance, will my allowance increase to a service retirement allowance later?

No. If a police officer and/or firefighter chooses to retire on the reduced allowance after 25 years of service, the allowance will be reduced permanently.

Does this legislation mean I am eligible for the Age 55/25 Year Service Retirement Allowance?

No. To be eligible for an unreduced service retirement allowance under the Age 55/25 Year Service provision, your employer must have adopted the 55/25 provision, and you must meet both the age 55 and 25 years of service requirements.

I am an employer in the Legacy plan. What is the difference for me in adopting the 25-year early provision vs. the provisions of this legislation?

The 25-year early provision, if adopted by the employer, applies to all of an employer's employees and provides employees with the ability to receive a reduced retirement allowance upon 25 years of service.

This new legislation, Public Chapter 362 only applies to police officers and/or firefighters employed by an employer participating in TCRS and does not require the employer to adopt any resolutions.

Key Terms

The following are plan provisions that local government employers with police and firefighter employees may have that are referenced in this document. These provisions are not impacted by Public Chapter 362.

Mandatory Retirement: Requires retirement on the first day of the month following the month in which the member attains a certain age. This age may be between 60 and 62, depending on the election of the employer.

Bridge Benefit: If the employer elects a mandatory retirement age earlier than age 62, the current age requirement for Social Security benefits, a supplemental bridge is payable to the member. This bridge benefit is payable from age 60 or the mandatory retirement age, whichever is greater, through age 62. For example, if an employer has elected a mandatory retirement age of 60, the supplemental bridge will be payable to the member from age 60 until age 62. The benefit is temporary and in addition to the member's monthly retirement benefit.

55/25 Service Retirement Provision: This is an enhanced provision that includes both the mandatory retirement at age 60 for all public safety officers and pays a bridge benefit, but also adds the option of an unreduced service retirement benefit to these members upon attainment of age 55 with 25 years of public safety officer service. The bridge benefit begins at the date of retirement or age 55, whichever is later, and continues through the age the member meets the requirement for Social Security benefits, currently age 62. The benefit is in addition to the member's monthly retirement benefit.

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