

Tennessee Department of Treasury



Tennessee Consolidated Retirement System Hybrid Plan with Cost Controls New Hires on or after July 1, 2014

Legacy Plan

Defined Benefit

1.575% benefit formula
5 year vesting
Retirement eligibility:
Service: age 60 and vested
Early: age 55 and vested
Employee contributions: 5% or 0%
Employer contributions: actuarially determined

Defined Contribution

Employee contributions: optional
Employer contributions: optional

Total Contributions DB + DC

Employee contributions: 5% or 0%
Employer contributions: actuarially determined

Employees impacted

State, Teacher, Higher Education, and Local Government employees
Current employees are "grandfathered" into the legacy plan unless they lose membership

Hybrid Plan with Cost Controls

Defined Benefit

1.0% benefit formula
5 year vesting
Retirement eligibility:
Service: rule of 90 or 65 and vested
Early: rule of 80 or age 60 and vested
Employee contributions: 5%
Employer contributions: 4%

Defined Contribution

Employee contributions: 2% auto-enrollment with opt-out feature
Employer contributions: 5%

Total Contributions DB + DC

Employee contributions: 7% (including 2% auto-enrollment)
Employer contributions: 9%

Employees impacted

State, Teacher, Higher Education, and employees working with a Local Government agency that chooses to adopt the plan via resolution**

- Effective for State, Teacher, and Higher Ed new hires on or after 7/1/14
- Effective for Local Government employees newly-hired after the effective date of adoption

**not recommended for local government agencies with fewer than 100 employees

For more information, including a new employee brochure and FAQs, refer to the tab labeled "Hybrid Plan - Cost Controls" via <http://tcrs.tn.gov>.