

# 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>.