

8-36-701. Increase or decrease in allowance after retirement based on consumer price index - Cost-of-living adjustments.

Statute text

(a)(1) As of the end of each calendar year commencing with the year ending December 31, 1972, the difference between:

(A) The percentage representing the consumer price index as of the end of such calendar year divided by that index as of December 31, 1971, or the most recent December 31 subsequent thereto as of which an increase or decrease in retirement allowance shall have been granted pursuant to this section; and

(B) One hundred percent (100%); shall be determined.

(2) If such percentage is at least equal to one percent (1%), the retirement allowance payable to each beneficiary in receipt of an allowance prior to the July 1 next following shall be increased or decreased, as the case may be, commencing on such July 1, by an amount determined by multiplying the retirement allowance which would have been payable without regard to the provisions of this section by such percentage, but not to exceed three percent (3%).

(3) If the percentage increase or decrease in the consumer price index determined in accordance with this subsection (1) is less than one percent (1%), no increase or decrease in retirement allowance shall be granted.

(4) No reduction shall be made which has the effect of reducing a retirement allowance below the amount payable to the beneficiary without regard to the provisions of this section or as of May 1, 1975, whichever is greater.

(b)(1) Effective July 1, 1998, if there is a percentage increase in the consumer price index, as determined in accordance with subdivision (a)(1), of at least one half of one percent (0.5%), the retirement allowance payable to each beneficiary in receipt of an allowance prior to the July 1 next following shall be increased commencing on such July 1 by an amount determined by multiplying the beneficiary's then current retirement allowance by such percentage, but not to exceed three percent (3%). Notwithstanding the foregoing, if such percentage is one half of one percent (0.5%) or more but less than one percent (1%), the percentage shall be rounded to one percent (1%). This adjustment provision shall be in lieu of the adjustments provided for in subsection (a) hereof.

(2) If the percentage increase in the consumer price index is less than one half of one percent (0.5%), no retirement allowance increase shall be granted pursuant to this subsection (b).

(3) On January 1, 1998, the retirement allowance of each beneficiary shall be increased in accordance with the following schedule to reflect what the beneficiary's current allowance would be had the beneficiary received adjustments pursuant to this subsection (b) in lieu of the adjustments provided for in subsection (a):

Date of Retirement	Percentage Increase
prior to 7/2/72	17.5%
7/2/72 - 7/1/73	16.8%
7/2/73 - 7/1/74	15.14%
7/2/74 - 7/1/75	14.1%
7/2/75 - 7/1/76	12.9%
7/2/76 - 7/1/77	11.7%
7/2/77 - 7/1/78	10.5%
7/2/78 - 7/1/79	9.5%
7/2/79 - 7/1/80	8.4%
7/2/80 - 7/1/81	7.4%
7/2/81 - 7/1/82	6.5%
7/2/82 - 7/1/83	5.6%
7/2/83 - 7/1/84	4.8%
7/2/84 - 7/1/85	4.1%
7/2/85 - 7/1/86	3.4%
7/2/86 - 7/1/87	3.1%
7/2/87 - 7/1/88	2.5%
7/2/88 - 7/1/89	2.0%
7/2/89 - 7/1/90	1.5%
7/2/90 - 7/1/91	1.0%
7/2/91 - 7/1/92	0.7%
7/2/92 - 7/1/93	0.4%
7/2/93 - 7/1/94	0.2%
7/2/94 - 7/1/95	0.1%

The increase in the beneficiary's monthly retirement allowance shall not be paid retroactively, but shall become effective on January 1, 1998.

(4) Notwithstanding any provision of the law to the contrary, this subsection (b) shall not apply to individuals who are members of the retirement system by virtue of their employment with any employer participating in the retirement system pursuant to chapter 35 of this title unless the governing body of any such employer passes a resolution to accept the associated liability and costs to provide such benefits. This increase in benefits will

become effective following the adoption of the resolution. No retroactive benefits are to be paid under the provisions of this subsection (b).

(c) For purposes of this section, "consumer price index" means the consumer price index (all items - United States city average), as published by the United States department of labor, bureau of labor statistics. If the method of computing the consumer price index is revised by the bureau of labor statistics, the board of trustees shall give effect to such revisions in an equitable manner.

(d) The provisions of this section shall not apply to any person who retires after May 1, 1975, until such person has been retired for a minimum of twelve (12) months on July 1 next following the December 31 as of which the percentage is determined.

History

[Acts 1972, ch. 814, § 5; 1973, ch. 347, § 22; 1974, ch. 715, § 4; 1975, ch. 315, § 3; T.C.A., § 8-3923; Acts 1981, ch. 387, § 13; 1997, ch. 219, § 8; 1997, ch. 490, § 1; 1997, ch. 490, § 2.]