Personnel Committee

Meeting Minutes

Personnel;Committee

Present: Mary Ann Baker, Shane Burton, Stephen Chambers, Rachel Jones, Richard Johnson and Steve Whittaker, Tommy McFarland, Rita Crowder, Cindy Carmen, Sheriff Ray Russell and Vickie Howard.

Absent: Dewayne Byrd, Coy Dickey and Bill Fergusson.

1. Open Meeting

Richard Johnson opened the meeting at 6:00 P.M. in the absence of Chairman Fergusson and explained the purpose of this meeting was to elect officers. Rachel Jones nominated Bill Fergusson as Chairman, Seconded by Richard Johnson.

MOTION CARRIED

Mary Ann Baker nominated Steve Whittaker as Vice Chairman, Seconded by Shane Burton.

MOTION CARRIED

Richard Johnson nominated Mary Ann Baker as Secretary, Seconded by Steve Whittaker.

MOTION CARRIED

2. New Business

A. Mayor Chambers advised the Committee that they were working on the Personnel Policy and provided copies of some of the changes that were being looked at and hoped to have them to Department Heads within the next month or so to review before being given to this committee.

B. Mayor Chambers also provided a copy of the State 401(k) plan that he had been presented with and asked members to review for further discussion and noted that this would not cost the employer (Trousdale County) anything to participate in.

3. ADJOURN

Steve Whittaker made a motion to adjourn the meeting, Seconded by Mary Ann Baker.

MOTION CARRIED

PERSONNEL POLICY CHANGES

Section II

A. Regular Full-Time

This section shall be amended by removing the phrase “thirty-two (32) hours” and instead substituting the phrase “thirty (30) hours.”

Amended to read as:

Regular full-time employees are individuals employed by the Hartsville/Trousdale Metropolitan Government who work at least thirty (30) hours per week and have completed a six (6) month probationary period. Regular full-time employees receive full benefits unless specifically excluded by the metro charter, code or ordinances.

Legal requirement Patient Protection and Affordable Care Act 124 STAT. 255, 42 USC 18001, §1513(d)(4)(A)

Full-time employee.--

> ``(A) In general.--The term `full-time employee' means an employee who is employed on average at least 30 hours of service per week.

Section II

B. Part-Time

This section shall be amended by removing the phrase “thirty-two” and instead substituting the phrase “thirty (30) hours.”

This section shall be further amended by inserting the phrase “(6)” between the words “six” and “month.”

Amended to read as:

Part-time employees are individuals who do not work on a daily basis and whose hours are less than thirty (30) per week. Part-time employees do not receive the benefits afforded full-time employees. A part-time employee promoted to full-time employment shall be allowed to count from the first day of part-time employment with the Hartsville/Trousdale County Metro Government when determining the fulfillment of the six (6) month probationary period. Said employee shall be entitled to all benefits offered.

Section V.

N. Part-Time Employees

This section shall be amended by removing the phrase “thirty-two (32) hours” and instead substituting the phrase “thirty (30) hours.”

Amended to read as:

A part-time employee designation will be used for those employees whose regular assigned work schedule is less than thirty (30) hours per week. The benefits set out in this manual are intended to apply only to full-time employees. These rules and regulations are not intended to establish paid leave of any kind for part-time employees.

VACATION LEAVE

Vacation Time from Days to Hours

Sec. V – Benefits, (D). Vacation Leave

This section shall be amended by removing the phrase “two weeks (10) days,” and instead substituting the phrase “eighty (80) hours.”

This section shall be amended by removing the phrase “three weeks (15) days,” and instead substituting the phrase “one-hundred and twenty (120) hours.”

This section shall be amended by removing the phrase “10 days” and instead substituting the phrase “eighty (80) hours.”

This section shall be amended by removing the phrase “15 days” and instead substituting the phrase “one-hundred and twenty (120) hours.”

Amended to read as:

Full-time employees with less than ten (10) years or service shall earn eighty 80 hours of paid vacation per year. Full-time employees with ten (10) years or more of service shall earn one-hundred and twenty (120) hours of paid vacation per calendar year. In no case shall an employee be entitled to more than eighty (80) hours of vacation per calendar year for less than ten (10) years of services or more than one-hundred and twenty (120) hours per calendar year for ten (10) years or more of service. An employee is not eligible to use vacation time until the employee has completed six (6) months of service. Part-time employees do not qualify for vacation leave. However, part-time employees promoted to full-time status may count their first full day and forward of part-time employment with the Hartsville/Trousdale County Government toward the fulfillment of the six (6) month probationary period.

Sec. V. (D) Roll Over of Vacation for Full-Time Employees Ending Probation Period

Vacation must be taken in the calendar year with no carry over, except in the event an employee becomes eligible to use vacation leave upon completing six (6) months of service on or after the first (1st) day of November, and taking leave would create a hardship on the department. The

department head may request that up to forty (40) hours of the employee's vacation leave to be "rolled over" to the next calendar year, however, the leave so rolled over must be taken within the first quarter of the next calendar year. For all other employees, vacation time will be lost if not used within the calendar year.

If changing to Fiscal Year for vacation time, this paragraph is unnecessary.

Alternative Plan

Vacation Time from Calendar Year to Fiscal Year (TBD)

Sec. V – Benefits, (D). Vacation Leave

In the fist sentence under Subsection D., insert the word "fiscal" after the word "per."

In the second sentence under Subsection D., insert the word "fiscal" after the word "per."

In the third sentence under Subsection D., delete two instances of the word "calendar" and replace with the word "fiscal."

Amended to read as:

Full-time employees with less than ten (10) years of service shall earn two weeks (10 days) of paid vacation per fiscal year. Full-time employees with ten (10) years or more of service shall earn three weeks (15 days) of paid vacation per fiscal year. In no case shall an employee be entitled to more than 10 days vacation per fiscal year for less than ten (10) years services or more than 15 days per fiscal year for ten (10) years or more of service. An employee is not eligible to use vacation time until the employee has completed six months of service. Part-time employees do not qualify for vacation leave. However, part-time employees promoted to full-time status may count their first full day and forward of part-time employment with the Hartsville/Trousdale county Metro Government toward the fulfillment of the 6 month probationary period.

Vacation Time Per Fiscal Year (TBD) (Alternative language)

Sec. V – Benefits, (D). Vacation Leave.

Insert the following as a new sentence at the end of the first paragraph of Subsection D, "Vacation leave must be used within the same fiscal year, and beginning July 1, 2020, vacation leave cannot be carried over into the next fiscal year and will be forfeited."

Full-time employees with less than ten (10) years of service shall earn two weeks (10 days) of paid vacation per year. Full-time employees with ten (10) years or more of service shall earn three weeks (15 days) of paid vacation per year. In no case shall an employee be entitled to more than 10 days vacation per calendar year for less than ten (10) years services or more than 15 days per calendar year for ten (10) years or more of service. An employee is not eligible to use vacation time until the employee has completed six months of service. Part-time employees do not qualify for vacation leave. However, part-time employees promoted to full-time status may count their first full day and forward of part-time employment with the Hartsville/Trousdale county Metro Government toward the fulfillment of the 6 month probationary period. Vacation

leave must be used within the same fiscal year, and beginning July 1, 2020, vacation leave cannot be carried over into the next fiscal year and will be forfeited.

Vacation Time During Two Week Notice Period

Sec. V - Benefits

(D). Vacation Leave

Add as new paragraph to the "Use of Vacation Time" section

Vacation time cannot be used during a two week notice. If an employee turns in a written two week notice employee will be eligible for payout of his/her unused vacation on their last payroll. In the event an employee does not give a written two week notice any unused vacation will forfeited which is consistent with our separation policy section 1032. (Change effective 9/12/16).

Holiday vs. Sick Leave

Sec. V (B). Holidays

Add a bullet point to the end of existing list:

- An employee on sick leave without a physician's certificate/note, the day before or the day after a holiday, will not receive pay for the holiday.

Sick Leave

Sec. V - Benefits

(E). Sick Leave

Earning Sick Leave

This section shall be amended by removing the phrase "one day" and instead substituting the phrase "eight (8) hours".

Amended to read as:

Sick leave shall be considered a benefit and privilege and not a right. Full time employees will receive full pay during incapacity caused by illness or accident if sick leave is taken. Sick leave is **earned at the rate of eight (8) hours per month**, beginning with the first full month of employment as a full-time employee (i.e. 8 hours earned at the end of the first month – these 8 hours shall be available to use on the first day of the following month). The six-month probationary period shall not prevent the accrual of sick leave or use of earned sick leave during this time. *For retirement purposes, these days can build toward retirement with no maximum. This sick leave can be carried from one calendar year to the next.* Accumulated sick leave has no value except for the purpose granted, and in the event of separation (with the exception of retirement) all unused sick leave shall be forfeited.

Sec. V - Benefits

(E). Sick Leave

Documentation of Sick Leave

This section shall be amended by removing the phrase “three (3) or more consecutive work days” and instead substituting the phrase “twenty-four (24) or more consecutive hours”.

Amended to read as:

Employees are required to notify the employer as early as possible on the first day of their sick leave absence. **An employee who claims sick leave and the sickness or injury causes the employee to miss twenty-four (24) or more consecutive hours, shall be required to furnish a certificate from a medical provider stating the nature of the sickness or injury on the day they return to work.** The doctor's statement should also provide that said employee has been incapacitated from work for the period of his absence, and that he is again physically able to perform his duties.

Sec. V - Benefits

(E). Sick Leave

Leave of Absence Without Pay

This section shall be amended by removing the phrase “ten (10) working days per month.” and instead substituting the phrase “eighty (80) working hours per month.”

Amended to read as:

After an employee has exhausted his/her accrued sick leave or has not completed the six (6) month probationary period, a leave of absence without pay may be granted at the discretion of the employer. A leave of absence without pay may also be granted as a reasonable accommodation to people with disabilities. The employee may be placed on a special leave without pay, or the employee may be terminated if he/she is unable to perform his/her job or another job with or without reasonable accommodation. If the employee should be able later to return to work, upon presentation of certification by a doctor, he/she shall be given preference for employment for which he/she is qualified. During periods of unpaid leave, the employee will not accrue vacation or sick leave benefits if in an unpaid leave status for more eighty (80) working hours per month. The absence without pay leave shall not extend for a period in excess of six (6) months. Benefits will not be paid by the Hartsville/Trousdale Government during absence without pay. The employee may pre-pay benefits during this leave period to continue coverage.

Sec. V - Benefits

(F). Bereavement Leave

This section shall be amended by removing the phrase “three (3) working days” and instead substituting the phrase “twenty-four (24) hours”.

Amended to read as:

In case of death in the employee's immediate family, the employee will be given twenty-four (24) hours paid leave which will not be charged to vacation leave. Immediate family shall be defined as spouse, parent, children, brothers or sisters, mother-in-law, father-in-law, grandparents, grandchildren of the employee and legal guardians or dependents.

Sec. V - Benefits

(H). Jury and Court Duty

This section shall be amended by removing the phrase "comp time."

Amended to read as:

The above provisions concerning compensation for time in court do not apply if the employee is involved in private litigation. On these occasions, the employee must take vacation leave or leave without pay.

Sec. V - Benefits

(K). Administrative Leave With Pay

This section shall be amended by removing the phrase "three (3) working days" and instead substituting the phrase "twenty-four (24) working hours".

Amended to read as:

Absence with pay for administrative purposes may be granted by the employer as long as funding is available for such leave. Such leave must be for good cause as determined by the employer. This leave shall not exceed twenty-four (24) working hours per year unless exceptional circumstances exist.

Vacation time if employee quits in middle of month

Sec. VI – Separations and Disciplinary Actions

(A). Types of Separations

Resignation

This section shall be amended by adding the following as a new paragraph:

An employee's resignation will be effective upon the separation date given in the two (2) week notice, or shall be the employee's last day worked. An employee's unused vacation leave cannot be used to extend the employee's separation date beyond the separation date given in the two (2) week notice or beyond the last day worked. Any unused vacation leave shall be paid out on the next payroll date following the date of separation or last day worked.

Documentation of Sick Leave after 3 consecutive work days missed.

Sec. V - Benefits

(E). Sick Leave

Documentation of Sick Leave

This section shall be amended by removing the phrase “three (3) or more consecutive work days” and instead substituting the phrase “twenty-four (24) or more consecutive working hours”.

This section shall be further amended by adding the following as a new sentence:

Failure to provide the doctor’s statement shall result in the days missed being considered unauthorized absences under Section VI (A), Resignation.

Amended to read as:

Employees are required to notify the employer as early as possible on the first day of their sick leave absence. **An employee who claims sick leave and the sickness or injury causes the employee to miss twenty-four (24) or more consecutive working hours, shall be required to furnish a certificate from a medical provider stating the nature of the sickness or injury on the day they return to work.** The doctor's statement should also provide that said employee has been incapacitated from work for the period of his absence, and that he is again physically able to perform his duties. Failure to provide the doctor’s statement shall result in the days missed being considered unauthorized absences under Section VI (A), Resignation.

Sec. V - Benefits

(B). Holidays

This section shall be amended by adding the following as a new bullet point:

- A holiday is to be paid on the basis of eight (8) hours. (EMS may want something different).

More study needs to be done on these

Administrative Days

Davidson County Civil Service Rules

SECTION 4.10 - ADMINISTRATIVE LEAVE WITH PAY

Absence with pay for administrative purposes may be granted by the Appointing Authority only when other paid leave is not appropriate. This leave will not exceed five working days per calendar year unless approved by the Civil Service Commission. The five working day limit can be extended by the Appointing Authority to twenty (20) working days when the employee is on Administrative Leave with Pay pending a disciplinary action. If the time limit reaches 20 days, the appointing authority can request to the Human Resources Director for approval of up to an additional 25 days to complete the process. This request must contain justification for the additional time. Any time needed over the 45 day limit must seek approval from the Civil Service Commission.

Knox County Employee Handbook

Inclement Weather

Inclement Weather without Official Closing: Inclement weather usually does not warrant closing of county offices. Absence due to inclement weather requires you to make a personal judgment pertaining to your safety in traveling to and from work. Loss of work time for this reason is charged to your accrued compensatory time or annual leave. If you have no compensatory time or annual leave, then the time is charged as leave without pay. Official Closings Due to Inclement Weather: The County Mayor will decide if Knox County offices will be closed on normal workdays during inclement weather. The official outlet for closing information is the County's website, www.knoxcounty.org. Closing information will be posted on the County website and on social media before it is distributed anywhere else. Closing information will also be given to Knoxville media outlets for publication, if they so choose. Senior Directors or their designees may determine closing for departments that work evenings and/or weekends (i.e., Library). The County Mayor will also contact your director to inform him/her of the closing and each department will have a notification process. If you have any question about an official closing, you should contact your immediate supervisor.

The County Mayor (or designated Senior Directors) will also determine whether certain "critical emergency service personnel" must report to work during inclement weather. Such personnel may include employees from: Engineering and Public Works Medical Examiner's Office Health Department Information Technology If other employees are needed to assist with services, they will be contacted by a supervisor. If you are not required to work during an inclement weather closing, you will receive administrative pay for your regularly scheduled working hours during the period of closing. If you are among the critical emergency service personnel who must work, you will receive wages plus compensatory time for the hours actually worked. If you are not scheduled to work during an inclement weather closing, you will not be paid for the closing. If you are on annual, sick, or any other leave with pay during the declared times of closing, you will receive administrative leave with pay and will not have to charge that time to leave.

Smith County

1035 INCLEMENT WEATHER CONDITIONS

Effective Date: November 8, 2010

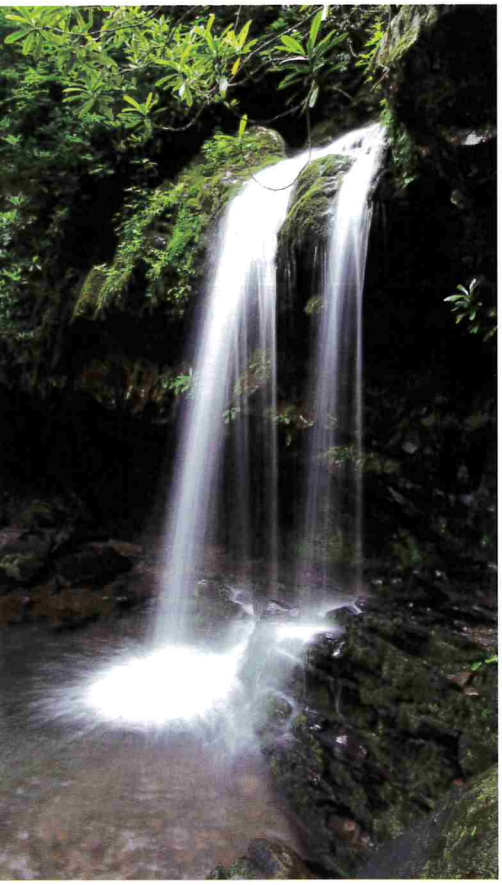
Smith County believes that employees should use their own judgment in deciding whether to travel to work in the event of inclement weather. If you feel driving conditions are too severe to drive, notify your supervisor as soon as possible. Employees will be required to use either annual leave or compensatory time in order to be paid for time off unless Smith County Government is closed. The County Mayor and / or Constitutional Officers will determine whether Smith County Government's offices are closed due to inclement weather and if the Mayor or Constitutional Officer chooses to close, employees should be granted administrative leave by their department head / constitutional officer.

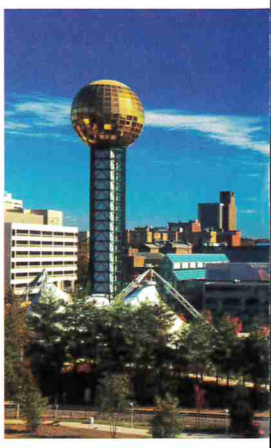
Minimum Hours If Called Into Work (request of Commissioner Whittaker)

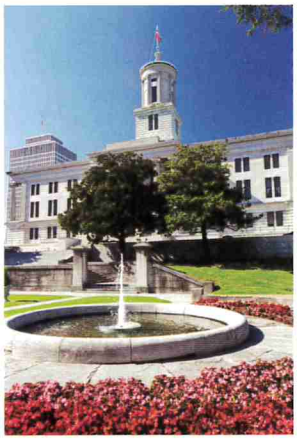
Sheriff's Department separate policy

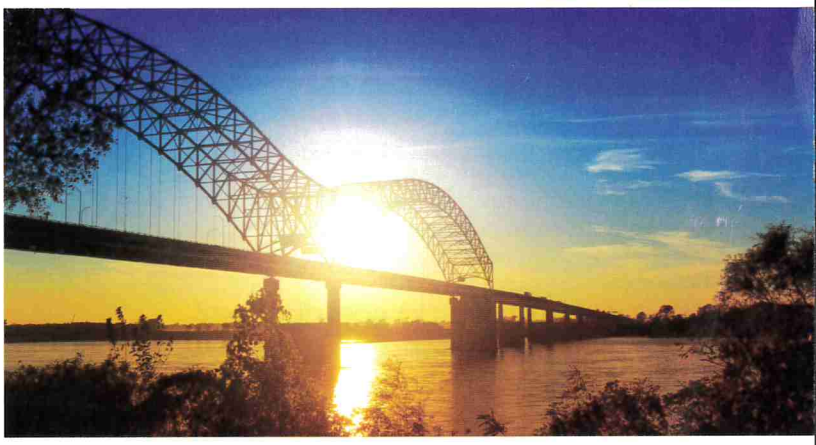
RETIRE READY

TENNESSEE'S RETIREMENT PROGRAM









State of Tennessee 401(k) & 457
Deferred Compensation Retirement Plan

Program Features and Highlights

A program of the
Tennessee Treasury Department
David H. Lillard, Jr., Treasurer

The State of Tennessee 401(k) and 457 Deferred Compensation Program is a powerful tool to help you reach your retirement dreams. As a supplement to other retirement benefits or savings that you may have, these tax-advantaged voluntary plans allow you to save and invest extra money for retirement.

You may choose to defer taxes immediately or pay the taxes now (available for the 401(k) plan only) and watch potential earnings grow tax-free. You may build extra savings consistently and automatically, select from a variety of investment options, and learn more about saving and investing for your financial future.

Local Government Employees

Plan availability may vary by employer. Check with your HR/Benefits Specialist to determine the availability of plan options and your eligibility to participate.

Read these highlights to learn more about your Program and how simple it is to enroll. If there are any discrepancies between this document and the Plan Document, the Plan Document will govern.

Getting Started

What is a 401(k) plan?

A 401(k) plan is a retirement savings plan designed to allow eligible employees to supplement any existing retirement and pension benefits by saving and investing your tax-advantaged dollars through voluntary salary deferral. You may select from pre-tax and after-tax (Roth 401(k)) deferral options. Pre-tax contributions and any earnings on contributions are tax-deferred until money is withdrawn.

Distributions are usually taken during retirement, when many participants are typically receiving less income and may be in a lower income tax bracket than while working. Distributions from pre-tax contributions are subject to ordinary income tax. If taken before you reach age 59½, distributions may be subject to an additional 10% federal early withdrawal tax.

What is a Roth 401(k) contribution?

A Roth 401(k) contribution is an option under the 401(k) plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing after-tax dollars through voluntary salary deferral. Contributions and any potential earnings can be distributed on a tax-free basis after you have reached age 59½ and after the required five-year holding period has passed. You have to designate all or a portion of your 401(k) elective deferrals as Roth contributions.

What is a 457 deferred compensation plan?

A governmental 457(b) deferred compensation plan (457 plan[1]) is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing pre-tax dollars through a voluntary salary contribution.

Contributions and any earnings on contributions are tax-deferred until money is withdrawn. Distributions are usually taken during retirement, when many participants typically receive less income and may be in a lower income tax bracket than while working. Distributions are subject to ordinary income tax. The early withdrawal penalty does not apply to 457 plan withdrawals.

The 457 deferred compensation plan does not offer a Roth option.

Why should I participate in the Program?

You may want to participate in the traditional 401(k) and 457 plans if you are interested in saving and investing additional money for retirement and/or reducing the amount of current state and federal income tax you pay each year. Your State of Tennessee 401(k) and 457 Deferred Compensation Program can be an excellent tool to help make your future more secure.

You may also qualify for a federal income tax credit by participating in this Program. For more information about this tax credit, please contact your Retire*Ready*TN advisor.[2]

The Program also offers a Roth 401(k) contribution option, which allows you to contribute on an after-tax basis. This may be an attractive feature if you expect to be in a higher tax bracket during your retirement. The qualified distributions of Roth contributions and earnings are generally tax-free if they satisfy the five-year minimum deposit restriction. Please refer to the Distributions and Taxes sections for additional information.

Is there any reason why I should not participate in the Program?

Participating may not be advantageous if you are experiencing financial difficulties, have excessive debt, do not have an adequate emergency fund (typically in an easy-to-access account), or expect to need the money you would contribute prior to retirement.

Who is eligible to enroll?

State of Tennessee, Tennessee Board of Regents, or University of Tennessee Employees

All current employees who are eligible to enroll in the Tennessee Consolidated Retirement System (TCRS) or the Optional Retirement Program (ORP) are also immediately eligible to participate in the 401(k) and 457 plans.

Local Government Employees

Check with your HR/Benefits Specialist to determine the availability of plan options and your eligibility to participate.

Important Notice: Local government employees should note that plan availability may vary by employer. Check with your HR/Benefits Specialist to determine the availability of plan options and your eligibility to participate.

The State of Tennessee 401(k) and 457 Deferred Compensation Program is a powerful tool to help you reach your retirement dreams. As a supplement to other retirement benefits or savings that you may have, these tax-advantaged voluntary plans allow you to save and invest extra money for retirement.

You may choose to defer taxes immediately or pay the taxes now (available for the 401(k) plan only) and watch potential earnings grow tax-free. You may build extra savings consistently and automatically, select from a variety of investment options, and learn more about saving and investing for your financial future.

Local Government Employees

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Read these highlights to learn more about your Program and how simple it is to enroll. If there are any discrepancies between this document and the Plan Document, the Plan Document will govern.

Getting Started

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A 401(k) plan is a retirement savings plan designed to allow eligible employees to supplement any existing retirement and pension benefits by saving and investing your tax-advantaged dollars through voluntary salary deferral. You may select from pre-tax and after-tax (Roth 401(k)) deferral options. Pre-tax contributions and any earnings on contributions are tax-deferred until money is withdrawn.

Distributions are usually taken during retirement, when many participants are typically receiving less income and may be in a lower income tax bracket than while working. Distributions from pre-tax contributions are subject to ordinary income tax. If taken before you reach age 59½, distributions may be subject to an additional 10% federal early withdrawal tax.

What is a Roth 401(k) contribution?

A Roth 401(k) contribution is an option under the 401(k) plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing after-tax dollars through voluntary salary deferral. Contributions and any potential earnings can be distributed on a tax-free basis after you have reached age 59½ and after the required five-year holding period has passed. You have to designate all or a portion of your 401(k) elective deferrals as Roth contributions.

What is a 457 deferred compensation plan?

A governmental 457(b) deferred compensation plan (457 plan[1]) is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing pre-tax dollars through a voluntary salary contribution.

Contributions and any earnings on contributions are tax-deferred until money is withdrawn. Distributions are usually taken during retirement, when many participants typically receive less income and may be in a lower income tax bracket than while working. Distributions are subject to ordinary income tax. The early withdrawal penalty does not apply to 457 plan withdrawals.

The 457 deferred compensation plan does not offer a Roth option.

Why should I participate in the Program?

You may want to participate in the traditional 401(k) and 457 plans if you are interested in saving and investing additional money for retirement and/or reducing the amount of current state and federal income tax you pay each year. Your State of Tennessee 401(k) and 457 Deferred Compensation Program can be an excellent tool to help make your future more secure.

You may also qualify for a federal income tax credit by participating in this Program. For more information about this tax credit, please contact your Retire*Ready*TN advisor.[2]

The Program also offers a Roth 401(k) contribution option, which allows you to contribute on an after-tax basis. This may be an attractive feature if you expect to be in a higher tax bracket during your retirement. The qualified distributions of Roth contributions and earnings are generally tax-free if they satisfy the five-year minimum deposit restriction. Please refer to the Distributions and Taxes sections for additional information.

Is there any reason why I should not participate in the Program?

Participating may not be advantageous if you are experiencing financial difficulties, have excessive debt, do not have an adequate emergency fund (typically in an easy-to-access account), or expect to need the money you would contribute prior to retirement.

Who is eligible to enroll?

State of Tennessee, Tennessee Board of Regents, or University of Tennessee Employees

All current employees who are eligible to enroll in the Tennessee Consolidated Retirement System (TCRS) or the Optional Retirement Program (ORP) are also immediately eligible to participate in the 401(k) and 457 plans.

Local Government Employees

Check with your HR/Benefits Specialist to determine the availability of plan options and your eligibility to participate.

Important Notice: Local government employees should note that plan availability may vary by employer. Check with your HR/Benefits Specialist to determine the availability of plan options and your eligibility to participate.

How do I enroll?

State of Tennessee Employees

1. Enroll online at **www.RetireReadyTN.gov**. Click on the *Register* button. You will need your Social Security number and either a personal identification number (PIN) or personal identifying information to enroll.
2. Or complete a paper enrollment form and mail it to the appropriate address on the form.

Local Government, Tennessee Board of Regents, or University of Tennessee Employees

1. Complete the paper enrollment form.

All employees can also visit **www.RetireReadyTN.gov** to obtain online enrollment instructions. Contact your Retire*Ready*TN advisor with additional questions regarding the enrollment process and/or investment options.

Is there an employer match?

State of Tennessee, Tennessee Board of Regents, or University of Tennessee Employees

Your employer may match your 401(k) contributions up to an annually appropriated limit.

Check with your HR/Benefits Specialist or campus resource office for current information on employer contributions.

There is no match offered on contributions to the 457 plan.

Local Government Employees

The employer match does not apply.

What are the contribution limits for the 457 plan?

In 2018, the maximum contribution amount is 100% of your includible compensation, less any mandatory before-tax contributions to a governmental pension plan, or $18,500, whichever is less. It may be indexed for inflation in $500 increments after 2018.

If you participate in the 457 plan, you may have two different opportunities to contribute more if you meet certain requirements. The "Special Catch-up" option allows you to contribute more to the 457 plan (up to double the annual contribution limit—$37,000 in 2018) in the three calendar years prior to normal retirement age.

The additional amount that you may be able to contribute under the Special Catch-up option will depend upon the amounts that you were eligible to contribute in previous years but did not.

Under the Age 50+ Catch-up option, if you turn age 50 or older in 2018, you may contribute an additional $6,000.

However, you may not use the Special Catch-up provision and the Age 50+ Catch-up provision in the same calendar year.

What are the contribution limits for the 401(k) plan?

In 2018, the maximum contribution amount is 100% of your includible compensation, less any mandatory before-tax contributions to a governmental pension plan, or $18,500, whichever is less. It may be indexed for inflation in $500 increments after 2018.

If you turn age 50 or older in 2018, you may contribute an additional $6,000.

Can I contribute to both plans?

If you participate in both the 457 and 401(k) plans, you can contribute up to $18,500 to each plan, for a possible total of $37,000. If you turn age 50 or older in 2018, you may also contribute an additional $6,000 to each plan.

Can I make Roth 401(k) contributions?

The Roth 401(k) option will give you the flexibility to designate all or part of your 401(k) elective deferrals as Roth 401(k) contributions.

In 2018, the maximum limit for 401(k) elective deferrals, for both traditional pre-tax and Roth 401(k) contributions combined is 100% of your compensation or $18,500, whichever is less.

The maximum contribution amount may then be indexed for inflation in $500 increments in subsequent years.

Roth contributions are made with after-tax dollars, as opposed to the pre-tax dollars you contribute traditionally to a 401(k). In other words, with the Roth option, you've already paid taxes on the money you contribute. Additionally, Roth 401(k) contributions could grow on a tax-free basis.[3] With traditional pre-tax contributions, your contribution is tax-deferred, meaning you pay taxes only when you take a distribution. Pre-tax contributions could also grow and will be taxed upon distribution.

What are my investment options?

A wide array of core investment options is available through your Program. Each option is explained in further detail in your Program's fund data sheets.

Investment option information is also available through the website or by calling Retire*Ready*TN at **(800) 922-7772** or the TDD line at **(800) 766-4952**.[4]

These services are available 24 hours a day, seven days a week. You may also email your Retire*Ready*TN advisor at **RetireReadyTN@empower-retirement.com**.[2]

In addition to the core investment options, a Self-Directed Brokerage Account (SDBA) is available. The SDBA allows you to select from numerous mutual funds for additional fees. These securities are not offered through GWFS Equities, Inc.

The SDBA is intended for investors who acknowledge and understand the risks associated with investing through the SDBA.

How do I enroll?

State of Tennessee Employees

1. Enroll online at **www.RetireReadyTN.gov**. Click on the *Register* button. You will need your Social Security number and either a personal identification number (PIN) or personal identifying information to enroll.

2. Or complete a paper enrollment form and mail it to the appropriate address on the form.

Local Government, Tennessee Board of Regents, or University of Tennessee Employees

1. Complete the paper enrollment form.

All employees can also visit **www.RetireReadyTN.gov** to obtain online enrollment instructions. Contact your Retire*Ready*TN advisor with additional questions regarding the enrollment process and/or investment options.

Is there an employer match?

State of Tennessee, Tennessee Board of Regents, or University of Tennessee Employees

Your employer may match your 401(k) contributions up to an annually appropriated limit.

Check with your HR/Benefits Specialist or campus resource office for current information on employer contributions.

There is no match offered on contributions to the 457 plan.

Local Government Employees

The employer match does not apply.

What are the contribution limits for the 457 plan?

In 2018, the maximum contribution amount is 100% of your includible compensation, less any mandatory before-tax contributions to a governmental pension plan, or $18,500, whichever is less. It may be indexed for inflation in $500 increments after 2018.

If you participate in the 457 plan, you may have two different opportunities to contribute more if you meet certain requirements. The "Special Catch-up" option allows you to contribute more to the 457 plan (up to double the annual contribution limit—$37,000 in 2018) in the three calendar years prior to normal retirement age.

The additional amount that you may be able to contribute under the Special Catch-up option will depend upon the amounts that you were eligible to contribute in previous years but did not.

Under the Age 50+ Catch-up option, if you turn age 50 or older in 2018, you may contribute an additional $6,000.

However, you may not use the Special Catch-up provision and the Age 50+ Catch-up provision in the same calendar year.

What are the contribution limits for the 401(k) plan?

In 2018, the maximum contribution amount is 100% of your includible compensation, less any mandatory before-tax contributions to a governmental pension plan, or $18,500, whichever is less. It may be indexed for inflation in $500 increments after 2018.

If you turn age 50 or older in 2018, you may contribute an additional $6,000.

Can I contribute to both plans?

If you participate in both the 457 and 401(k) plans, you can contribute up to $18,500 to each plan, for a possible total of $37,000. If you turn age 50 or older in 2018, you may also contribute an additional $6,000 to each plan.

Can I make Roth 401(k) contributions?

The Roth 401(k) option will give you the flexibility to designate all or part of your 401(k) elective deferrals as Roth 401(k) contributions.

In 2018, the maximum limit for 401(k) elective deferrals, for both traditional pre-tax and Roth 401(k) contributions combined is 100% of your compensation or $18,500, whichever is less.

The maximum contribution amount may then be indexed for inflation in $500 increments in subsequent years.

Roth contributions are made with after-tax dollars, as opposed to the pre-tax dollars you contribute traditionally to a 401(k). In other words, with the Roth option, you've already paid taxes on the money you contribute. Additionally, Roth 401(k) contributions could grow on a tax-free basis.[3] With traditional pre-tax contributions, your contribution is tax-deferred, meaning you pay taxes only when you take a distribution. Pre-tax contributions could also grow and will be taxed upon distribution.

What are my investment options?

A wide array of core investment options is available through your Program. Each option is explained in further detail in your Program's fund data sheets.

Investment option information is also available through the website or by calling Retire*Ready*TN at **(800) 922-7772** or the TDD line at **(800) 766-4952**.[4]

These services are available 24 hours a day, seven days a week. You may also email your Retire*Ready*TN advisor at **RetireReadyTN@empower-retirement.com**.[2]

In addition to the core investment options, a Self-Directed Brokerage Account (SDBA) is available. The SDBA allows you to select from numerous mutual funds for additional fees. These securities are not offered through GWFS Equities, Inc.

The SDBA is intended for investors who acknowledge and understand the risks associated with investing through the SDBA.

Managing your accounts

How do I keep track of my accounts?

Your quarterly account statement from Empower Retirement is delivered electronically, showing your account balances and activity. Or, you may choose to receive your statements online in paper form by opting out of electronic delivery. You can choose to be notified by email when statements are issued by adding a current email address to your online profile. Please read the special messages when your statement arrives.

You can also check your account balances and move money among investment options by accessing your account on the website or by calling Retire*Ready*TN.[4]

You will also receive quarterly statements on your SDBA from your SDBA provider. The SDBA provider will send you a monthly statement if you have account activity in any given month.

How do I make investment option changes?

Use your username and PIN to access the Retire*Ready*TN website. You can also use your Social Security number and PIN to contact Retire*Ready*TN. You can move all or a portion of your existing balances among investment options (subject to Program rules) and change how your payroll contributions are invested.[4]

How do I make contribution changes?

State of Tennessee, Tennessee Board of Regents, or University of Tennessee Employees

Fill out a Salary Reduction Agreement, which is available through your Retire*Ready*TN advisor or by calling **(800) 922-7772**.

Local Government Employees

Contact your Retire*Ready*TN advisor at **(800) 922-7772**.

Rollovers

May I roll over my account from my former employer's plan?

Yes, but only approved balances from an eligible governmental 457(b), 401(k), 403(b), or 401(a) plan or an Individual Retirement Account (IRA) may be rolled over to the 457 or 401(k) plan.

Distributions from these plans, other than a 457 plan rolling into the 457 plan, may be subject to the 10% early withdrawal federal tax penalty.

Please check with your Retire*Ready*TN advisor regarding any applicable fees on the rollover account.[2]

You are encouraged to discuss rolling money from one account to another with your financial advisor/planner and to consider any potential fees and/or limitations of available investment options.

What are my account options if I leave my current employment?

You can leave your entire account balance in your State of Tennessee 401(k) and 457 Deferred Compensation Program account. If you sever employment with your current employer, you may also roll over your account balances to another eligible governmental 457(b), 401(k), 403(b), or 401(a) plan, if your new employer's plan accepts such rollovers, or to an IRA. Always compare fees, commissions, trading expenses, and other transaction costs before making a decision.

Please keep in mind that if you roll over your 457 plan balance to a 401(k), 403(b), or 401(a) plan, or to an IRA, distributions taken before you reach age 59½ may be subject to the 10% early withdrawal federal tax penalty. Please contact your Retire*Ready*TN advisor or your tax advisor for more information.

Vesting

When am I vested in the 457 and 401(k) plans?

Vesting refers to the percentage of your account you are entitled to receive from the Program upon the occurrence of a distributable event.

State of Tennessee, Tennessee Board of Regents, or University of Tennessee Employees

Your contributions to the Program (including rollovers from previous employers), the employer match, and any earnings they generate are always 100% vested.

Local Government Employees

The vesting schedule on any matching contributions is determined by your employer. Please contact your HR/Benefits Specialist.

Distributions

When can I receive a distribution from my accounts?

Pre-Tax Contributions

401(k) qualifying distribution events are as follows:

- Retirement
- Disability retirement (allowed but as defined by the Social Security Administration or TCRS)
- Financial hardship (401(k) plan only, as defined by the Internal Revenue Code and your Program's provisions)
- Attainment of age 59½ for the 401(k) plan (for participant contributions only)
- In-service distribution at retirement age of 60 for the 401(k) only (all money types allowed)
- Severance of employment (as defined by Internal Revenue Code provisions)
- Death (upon which your beneficiary receives your benefits)
- Purchase of service credit

457 qualifying distribution events are as follows:

- Retirement
- Disability retirement (allowed but as defined by the Social Security Administration or TCRS)
- Unforeseeable emergency (457 plan only, as defined by the Internal Revenue Code and if allowed by your Program's provisions)

- Severance of employment (as defined by the Internal Revenue Code provisions)
- Death (upon which your beneficiary receives your benefits)
- Purchase of service credit
- Distribution requested by a qualified retired public safety officer to be made directly to a health or long-term care insurance provider
- Attainment of age 70½

Each distribution of pre-tax contributions is subject to ordinary income tax. Distributions from the 401(k) plan taken before you reach age 59½ may also be subject to a 10% early withdrawal federal tax penalty.

Roth 401(k) Contributions

If you withdraw your Roth 401(k) contributions and earnings after you've reached age 59½ or severed employment due to death or disability, and have held the account for at least five years, the distribution is income tax-free and penalty-free.

If you take a distribution of your Roth 401(k) contributions before age 59½, death, retirement, or the five-year period beginning with your first Roth 401(k) contribution, you will pay income taxes plus a 10% penalty tax on any earnings that are distributed. No income or penalty taxes are due on qualified distributions of Roth 401(k) contributions because contributions are made with after-tax dollars.

What are my distribution options?

1. Leave the value of your accounts in the Program until a future date.
2. Receive one of the following:
   - Periodic payments,
   - Partial lump sum with remainder paid as periodic payments, or
   - A lump sum.
3. Roll over your account balances to an eligible governmental 457(b), 401(k), 403(b), or 401(a) plan, or to an IRA.

What happens to my accounts when I die?

Your designated beneficiary(ies) will receive the remaining value of your accounts, if any. Your beneficiary(ies) must contact a Retire*Ready*TN representative to request a Death Benefit Claim Form.

Fees

Are there any fees for participating in the 457 and 401(k) plans?

For the 457 plan, the annual administration fee is 0.23% (23 bps) of assets in your account. For the 401(k) plan, the annual administration fee is 0.23% (23 bps) with a minimum fee of $12 per year (deducted quarterly).

Some investment options give voluntary and/or contractual fee reimbursements. These reimbursements are given at the end of each quarter or month, depending on the fund.

Reimbursements may offset the plan administrative fees depending on the investment options in which you are invested.

Are there any fees for the investment options?

Each investment option has an investment management fee that varies by investment option.

These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees pay for trading individual securities in the underlying investment options and other management expenses.

Funds may impose redemption fees on certain transfers, redemptions, or exchanges resulting from presumed market timing. Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds.

For more information, see the prospectus and/or disclosure documents.

To participate in the SDBA option, there is a $50 annual administrative fee, charged at $12.50 quarterly, and a 0.23% recordkeeping fee, charged at 0.0575% quarterly. In order to start an SDBA, you must have a balance of $20,000 in core investments, with a minimum initial deposit of $5,000. There must be $15,000 remaining in core investments. Additional SDBA deposits must be a minimum of $1,000.

Loans

May I take a loan from my account?

The 401(k) plan allows you to borrow the lesser of $50,000 or 50% of your total account balance. The minimum loan amount is $2,000, and you have up to five years to repay your loan—up to 15 years if the money is used to purchase your primary residence. There is also a $50 origination fee for each loan, which is deducted from the loan proceeds, plus a quarterly fee of $6.25. Employer contributions are not eligible for loans.

Loan payments are made through payroll as after-tax deductions.

Your 457 plan does not allow loans.

For more information about loans, please contact your Retire*Ready*TN representative.

Taxes

How does my participation in the Program affect my taxes?

Because your traditional contributions are taken out of your paycheck before taxes are calculated, you pay less in current income tax. You do not report any current earnings or losses on your accounts or on your current income tax return. Your accounts are tax-deferred until you withdraw money, usually during retirement.

Pre-Tax 401(k) and 457 Contributions

Distributions from the plans are taxable as ordinary income during the years in which they are distributed or made available to you or to your beneficiary(ies). Distributions taken before age 59½ from the 401(k) plan may also be subject to a 10% early withdrawal federal tax penalty. The 10% early withdrawal penalty does not apply to 457 plan withdrawals.

Roth 401(k) Contributions

Roth contributions are made with after-tax money. Distributions of contributions and earnings are not taxable if you have reached age 59½ or severed employment due to retirement, disability, or death and have held the account for at least five years. Income taxes and a 10% early withdrawal federal tax penalty may apply to any earnings distributed before you have reached age 59½, you have retired, become disabled, or died, or before the five-year period beginning with your first Roth contribution has ended.

Investment Assistance

Can I get help with my investment decisions?

Employees of Empower Retirement and the State of Tennessee cannot give investment advice. Financial calculators and tools provided on the website can help you determine which investment options might be best for you if you would like to construct your Program accounts yourself.

Your Program offers access to three levels of investment advisory tools and services called Empower Retirement Advisory Services, offered by Advised Assets Group, LLC (AAG), a registered investment adviser. You can have AAG manage your retirement account for you through the Managed Account service. Or, if you prefer to manage your retirement account on your own, you can use Online Investment Guidance or Online Investment Advice. These tools and services provide a personalized retirement strategy for you based on your investment goals, time horizon, and tolerance for risk. There is no guarantee provided by any party that participation in any of the Advisory Services will result in a profit or that the related account will outperform a self-managed portfolio invested without assistance.

For more detailed information, log in to your Program account by visiting **www.RetireReadyTN.gov** and click on the tabs in the *Investment* section at the bottom of the page. Or, you may call **(800) 888-4952, ext. 41066**, to speak to an AAG investment adviser representative.

What fees do I pay to participate in Empower Retirement Advisory Services?

Online Investment Guidance and Online Investment Advice are available at no additional cost to you.

If you choose to have AAG manage your account for you, the annual Managed Account service fee will be assessed in quarterly installments based on a percentage of your account balance, as follows:

Participant Account Balance	Managed Account Quarterly Fee
Up to $100,000	0.1125%
Next $150,000	0.0875%
Next $150,000	0.0625%
Greater than $400,000	0.0375%

For example, if your account balance is $50,000, the maximum quarterly fee will be 0.1125% of the account balance. If your account balance is $500,000, the first $100,000 will be subject to a maximum quarterly fee of 0.1125%; the next $150,000 will be subject to a maximum quarterly fee of 0.0875%; the next $150,000 will be subject to a maximum quarterly fee of 0.0625%; and any amounts over $400,000 will be subject to a maximum quarterly fee of 0.0375%.

How do I get more information?

Visit the Retire*Ready*TN website at **www.RetireReadyTN.gov** or call Retire*Ready*TN toll free at **(800) 922-7772** or the TDD line at **(800) 766-4952** for more information. The website provides information regarding your Program and financial education, as well as financial calculators and other tools to help you manage your accounts.

Local Retire*Ready*TN advisors are available to meet with you one-on-one or in a group setting.

To schedule an appointment:

- Call your local representative[2] (visit **www.retirereadytn.gov** to find your representative)
- Contact **Retire*Ready*TN** at **(800) 922-7772** between the hours of 8 a.m. and 7 p.m. Central time

Call or visit your local Retire*Ready*TN office at:

545 Mainstream Drive, Suite 407
Nashville, TN 37228
(800) 922-7772
TDD line: (800) 766-4952

1 All references to the 457 plan are to a governmental 457(b) plan.

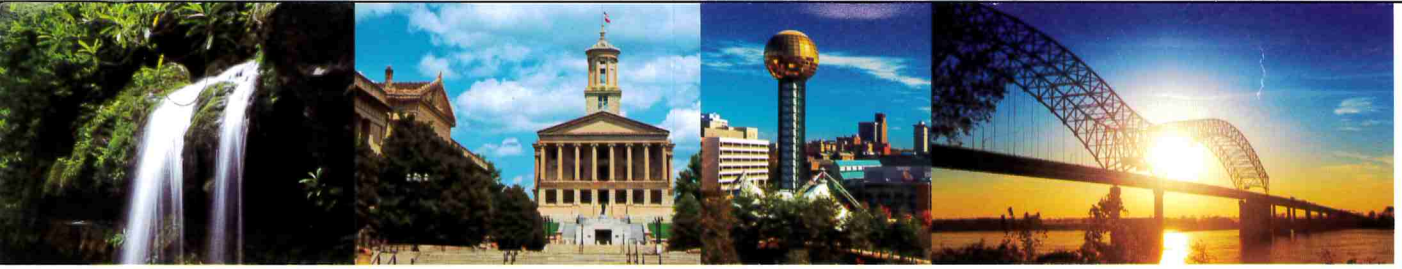
2 GWFS Equities, Inc. registered representatives may also be investment adviser representatives of GWFS affiliate, Advised Assets Group, LLC. Representatives do not offer or provide investment, fiduciary, financial, legal or tax advice or act in a fiduciary capacity for any client unless explicitly described in writing.

3 Any earnings on Roth contributions may be tax-free if the withdrawal is a qualified distribution.

4 Transfer requests received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or in other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

Securities offered or distributed through GWFS Equities, Inc., Member FINRA/SIPC and a subsidiary of Great-West Life & Annuity Insurance Company.

Great-West Financial®, Empower Retirement and Great-West InvestmentsTM are the marketing names of Great-West Life & Annuity Insurance Company, Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: New York, NY, and their subsidiaries and affiliates, including registered investment advisers Advised Assets Group, LLC and Great-West Capital Management, LLC.



RETIRE READY

TENNESSEE'S RETIREMENT PROGRAM

A program of the Tennessee Treasury Department | David H. Lillard, Jr., Treasurer

Investment Options

The following chart is intended to illustrate investment options available to you under the State of Tennessee 401(k) and 457 Deferred Compensation Program. Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, you may obtain prospectuses for mutual funds, any applicable annuity contract and the annuity's underlying funds and/or disclosure documents from your registered representative or Program's website.

For prospectuses related to investments in your Self-Directed Brokerage Account (SDBA), contact your SDBA provider. ***Read prospectuses carefully before investing.***

RELATIVE RISK INCREASE

Short-Term/Fixed	Bonds	Balanced	Large Cap Equity	Mid Cap	Small Cap	International
Voya Fixed Fund[1] Nationwide Bank Account[2]	Vanguard Total Bond Market Index Inst (VBTIX) Western Asset Core Plus Bond IS (WAPSX)	Fidelity Puritan (FPURX) Tennessee Treasury Managed Fund	Allianz NFJ Large Cap Value Instl[3] Fidelity Contrafund (FCNTX) Fidelity OTC Portfolio (FOCPX) Vanguard Institutional Index Fund (VINIX)	Janus Enterprise Fund (JDMNX) Columbia Mid Cap Value Z [3]	Brown Capital Small Company Inv (BCSIX) Invesco Van Kampen Small Cap Value Fund Y[3]	DFA International Value Fund I (DFIVX) Fidelity International Discovery (FIGRX)

Lifecycle Funds[4]						***Risk managed according to retirement date***
Vanguard Institutional Target Date Funds:	Retirement Income (VITRX)	2015 (VITVX) 2020 (VITWX)	2025 (VRIVX) 2030 (VTTWX)	2035 (VITFX) 2040 (VIRSX)	2045 (VITLX) 2050 (VTRLX)	2055 (VIVLX) 2060 (VILVX)

1 The Voya Fixed Fund is backed by the general assets of ING.
2 The Nationwide Bank Account Fund has FDIC protection of up to $250,000 per participant.
3 Offered through a group fixed and variable deferred annuity issued by ING. A ticker symbol is not available for this investment option.
4 The date in a target date fund's name represents an approximate date when an investor is expected to retire. The principal value of the funds is not guaranteed at any time, including the target date.

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker-dealers.

GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.
Core investment options offered through a group fixed and variable deferred annuity issued by ING, mutual funds and a bank account. GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping distribution and administrative services.
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