

Purdue/Sackler Settlement – Payment Information for Tennessee Subdivisions

If the Purdue bankruptcy plan and related settlement agreements become effective, the settlement payments and estate distributions for local governments will generally follow the same process as the prior national settlements. What is different is that there are two sources of funds: 1) the settlement payments being made by the Sackler family to resolve the direct claims against them (“Purdue Direct Settlement”) and 2) the disbursements from the Purdue estate (“Purdue Estate Settlement”). This document walks through the maximum amounts that would be paid to Tennessee and its local governments from the Purdue Direct Settlement and the current estimated distributions from the Purdue Estate Settlement. It also explains how counties and municipalities receiving payments can calculate their estimated share of these payments.

While the payments from the two settlements will likely be combined when they are disbursed to the subdivisions, they are addressed separately below because the figures and distribution schedule for the Estate Settlement funds are much rougher estimates than those for the Direct Settlement and are based on different factors. As with the prior settlement agreements, the Direct Settlement payments will reflect earned incentives, calculated by state. The Estate Settlement payments are distributions that will reflect amounts available to the States and Subdivisions after other financial commitments have been addressed.

All participating counties and eligible municipalities will receive funds from both the Direct Settlement and Estate Settlement. With the adoption of Amendment 6 to the Tennessee State-Subdivision Opioid Abatement Agreement, the allocation of funds for the Estate Settlement for Tennessee Subdivisions will be the same as with the Direct Settlement payments. (Subdivisions are being asked to approve Amendment 6 at the same time they submit their participation forms for the Direct Settlement.)

All the payment information below assumes that the settlements and the bankruptcy plan become effective and that Amendment 6 to the State-Subdivision Agreement is adopted. We anticipate payments will begin in 2026, though the schedule depends on when the bankruptcy plan becomes effective.

A. Purdue Direct Settlement: Maximum payments to Tennessee and its Subdivisions

The chart and calculations for the Direct Settlement make the same assumptions that were made when information about prior settlements has been shared. First, the payment figures assume maximum payments. Because Tennessee has already amended its opioid settlement statutes to apply to a Purdue/Sackler agreement and bankruptcy plan– including the application of a statutory bar on the claims of governmental entities – we are confident that maximum payments will be earned as they have been for all other agreements. Second, the figures assume the Sacklers will make the full payments they will owe under the settlement. Finally, the figures also assume there will not be any prepayments, which is unlikely as the agreement allows for certain prepayments to be made and we expect that some will occur. So the actual annual payments will likely vary from the scheduled payments to reflect some prepayments.

Chart 1 shows the maximum abatement payments to be made to Tennessee and its Subdivisions from the Purdue Direct Settlement. As with other agreements, the Tennessee figure is split three ways, with 15% paid directly to local governments (the Subdivision Fund, highlighted in yellow), 15% paid to the State, and 70% paid to the State's Opioid Abatement Fund (highlighted in green). By statute, 35% of the Abatement Fund payment will be directed to counties by the Opioid Abatement Council.

There are 15 payments over 16 years, with the scheduled payments occurring annually.

Chart 1: Purdue Direct Settlement Maximum Payments

Payment	TN Total	TN 15% State Fund	TN 15% Subdivision Fund	TN 70% Abatement Fund
1	\$10,573,608.99	\$1,586,041.35	\$1,586,041.35	\$7,401,526.29
2	\$6,292,628.86	\$943,894.33	\$943,894.33	\$4,404,840.20
3	\$7,632,822.55	\$1,144,923.38	\$1,144,923.38	\$5,342,975.79
4	\$6,156,679.27	\$923,501.89	\$923,501.89	\$4,309,675.49
5	\$3,439,376.42	\$515,906.46	\$515,906.46	\$2,407,563.50
6	\$2,111,084.42	\$316,662.66	\$316,662.66	\$1,477,759.10
7	\$2,226,308.42	\$333,946.26	\$333,946.26	\$1,558,415.90
8	\$2,256,421.05	\$338,463.16	\$338,463.16	\$1,579,494.73
9	\$2,390,665.34	\$358,599.80	\$358,599.80	\$1,673,465.74
10	\$3,680,126.21	\$552,018.93	\$552,018.93	\$2,576,088.35
11	\$4,071,432.08	\$610,714.81	\$610,714.81	\$2,850,002.46
12	\$4,071,432.08	\$610,714.81	\$610,714.81	\$2,850,002.46
13	\$4,071,432.08	\$610,714.81	\$610,714.81	\$2,850,002.46
14	\$8,036,964.04	\$1,205,544.61	\$1,205,544.61	\$5,625,874.82
15	\$8,036,964.04	\$1,205,544.61	\$1,205,544.61	\$5,625,874.82
16	\$8,036,964.04	\$1,205,544.61	\$1,205,544.61	\$5,625,874.82
Total	\$83,084,909.89	\$12,462,736.50	\$12,462,736.50	\$58,159,436.93

B. Purdue Estate Settlement: Estimated Distributions to Tennessee and its Subdivisions

Under the bankruptcy plan and related agreements, a certain amount of estate distributions are anticipated and estimates have been made concerning the amounts and timing of those disbursements to each state. As stated above, these are just estimates and the actual annual payments will reflect available funds.

Chart 2 shows the estimated distributions for Tennessee and how they are allocated within the state. As with the Direct Settlement, the standard three-way split is applied with 15% paid directly to local governments (the Subdivision Fund, highlighted in yellow), 15% paid to the State, and 70% paid to the State's Opioid Abatement Fund (highlighted in green). By statute, 35% of the Abatement Fund payment will be directed to counties by the Opioid Abatement Council.

There are 15 payments over 16 years, with the scheduled payments occurring annually.

Chart 2: Purdue Estate Settlement - Estimated Distributions

Payment	TN Total	TN 15% State Fund	TN 15% Subdivision Fund	TN 70% Abatement Fund
1	\$ 8,863,036.13	\$1,329,455.42	\$1,329,455.42	\$6,204,125.29
2	\$ 287,992.26	\$43,198.84	\$43,198.84	\$201,594.58
3	\$ 521,974.46	\$78,296.17	\$78,296.17	\$365,382.12
4	\$ 1,242,860.62	\$186,429.09	\$186,429.09	\$870,002.44
5	\$ 264,642.34	\$39,696.35	\$39,696.35	\$185,249.64
6	\$ 3,829,094.61	\$574,364.19	\$574,364.19	\$2,680,366.23
7	\$ 4,455,469.89	\$668,320.48	\$668,320.48	\$3,118,828.93
8	\$ 3,181,049.97	\$477,157.50	\$477,157.50	\$2,226,734.97
9	\$ 3,243,061.55	\$486,459.23	\$486,459.23	\$2,270,143.09
10	\$ 1,379,320.46	\$206,898.07	\$206,898.07	\$965,524.32
11	\$ 1,518,194.78	\$227,729.22	\$227,729.22	\$1,062,736.34
12	\$ 1,518,194.78	\$227,729.22	\$227,729.22	\$1,062,736.34
13	\$ 1,518,194.78	\$227,729.22	\$227,729.22	\$1,062,736.34
14	\$ 2,437,037.55	\$365,555.63	\$365,555.63	\$1,705,926.29
15	\$ 2,437,037.55	\$365,555.63	\$365,555.63	\$1,705,926.29
16	\$ 2,630,560.16	\$394,584.02	\$394,584.02	\$1,841,392.12
Total	\$ 39,327,721.89	\$5,899,158.28	\$5,899,158.28	\$27,529,405.30

C. Calculating an individual Subdivision's maximum Subdivision Fund payment

Counties and municipalities eligible to receive payment from the Subdivision Fund are listed in Exhibit G to the Purdue Direct Settlement agreement, the Governmental Entity & Shareholder Direct Settlement Agreement. (A copy of the Tennessee subdivision allocation from Exhibit G is attached as Attachment A.) The Exhibit G subdivision list is the same list with the same allocations as those used in the J&J/Janssen settlement and all six national settlements approved since the J&J/Janssen settlement. The Exhibit G allocation percentages do not change.

To determine an individual subdivision's estimated total share of the Subdivision Fund payments for each of the two Purdue settlements, take the Subdivision Fund total payment amounts and multiply them by the subdivision's Exhibit G allocation percentage. For an overall total, add the two figures together.

For example, for Anderson County, with an Exhibit G allocation percentage of 1.2063249026%, the calculation would be:

Direct Settlement Amount (Chart 1): $\$12,462,736.50 \times 1.2063249026\% = \$150,341.09$

Estate Settlement Amount (Chart 2): $\$5,899,158.28 \times 1.2063249026\% = \$71,163.02$

Total Estimated Subdivision Fund Payments: $\$150,341.09 + \$71,163.02 = \$221,504.11$

D. Calculating an individual county's maximum Abatement Fund distribution

In addition to their Subdivision Fund direct payment, counties will also receive a share of the Abatement Fund payments. The payments will go through the Opioid Abatement Fund, 35% of which will be disbursed to the counties.¹ A county's Abatement Fund allocation percentage for the Purdue settlements is the same as for the existing agreements. The current allocation percentages are listed in Attachment B. (By statute, these percentages will be updated every few years as set out in the Tennessee State-Subdivision Opioid Abatement Agreement.)

To determine an individual county's estimated total share of the Abatement Fund payments for each of the two Purdue settlements, take the Abatement Fund total payment amounts and multiply them by 35% to get the aggregate county share of the payments: for the Direct Settlement the county share is \$20,355,802.92; for the Estate Settlement the county share is \$9,635,291.85. Then multiply these figures by the county allocation percentage listed in Attachment B. (Again, this is a different percentage than the Subdivision Fund allocation.)

For example, for Anderson County, with an Abatement Fund county allocation percentage of 1.3529267%, the calculation would be:

Direct Settlement Amount (Chart 1): $\$20,355,802.92 \times 1.3529267\% = \$275,399.09$

Estate Settlement Amount (Chart 2): $\$9,635,291.85 \times 1.3529267\% = \$130,358.44$

Total Estimated Subdivision Fund Payments: $\$275,399.09 + \$130,358.44 = \$405,757.53$

¹ The Opioid Abatement Council disburses the county share of the Abatement Fund payments after receiving payments for multiple settlements and combining them. This disbursement has occurred in the Spring, but there is no set date for it to occur.

Attachment A
Purdue/Sackler Exhibit G, Subdivision Direct Payment Allocations

County	Allocation Percentage
Anderson County	1.2063249026%
Arlington	0.0036566309%
Bartlett	0.0730561566%
Bedford County	0.5762663555%
Benton County	0.5216608068%
Bledsoe County	0.1398580820%
Blount County	1.9196465581%
Bradley County	1.0430217552%
Brentwood	0.0478208600%
Bristol	0.5426871150%
Campbell County	1.5974370559%
Cannon County	0.3205453949%
Carroll County	0.4438060785%
Carter County	0.8435596891%
Chattanooga	0.4981237028%
Cheatham County	0.8209998781%
Chester County	0.1751399118%
Claiborne County	1.1929412357%
Clarksville	0.2296815192%
Clay County	0.3261509170%
Cleveland	0.5531282252%
Cocke County	0.8746257470%
Coffee County	0.8953551698%
Collierville	0.0617375387%
Columbia	0.0390894158%
Cookeville	0.8404101920%
Crockett County	0.1232062476%
Cumberland County	0.8784847959%
Dandridge	0.0109089663%
De Kalb County	0.4478425886%
Decatur County	0.3607195939%
Decatur	0.0050599481%
Dickson County	0.8341347308%
Dyer County	0.4019088559%
Fayette County	0.3157083831%
Fentress County	0.5526714656%
Franklin	0.1089989646%
Franklin County	0.6323371108%
Gallatin	0.0760079674%
Gatlinburg	0.0507819668%

Germantown	0.0687501047%
Gibson County	0.4940695219%
Giles County	0.4604367666%
Grainger County	0.4671260668%
Greene County	1.2127967101%
Grundy County	0.3896858892%
Hamblen County	2.2614488604%
Hamilton County	4.2055530346%
Hancock County	0.2089065376%
Hardeman County	0.2150658408%
Hardin County	0.5683946644%
Hartsville-Trousdale	0.1139641522%
Hawkins County	1.0968095083%
Haywood County	0.1104263592%
Henderson County	0.2498867656%
Hendersonville	0.1137407554%
Henry County	0.6661685991%
Hickman	0.2804089244%
Houston County	0.1198735525%
Humphreys County	0.2441608982%
Jackson	0.0431370644%
Jackson County	0.2780985367%
Jefferson County	0.8912247367%
Johnson	1.0682855260%
Johnson County	0.2282065978%
Kingsport	0.9871149359%
Knox County	9.1809198144%
Knoxville	1.5417816888%
La Vergne	0.0518950147%
Lake County	0.0671464632%
Lauderdale County	0.2733775153%
Lawrence County	0.6992850503%
Lebanon	0.1110258247%
Lewis County	0.1528225920%
Lexington	0.0796867496%
Lincoln County	0.4060784411%
Loudon County	0.8992484296%
Lynchburg, Moore	0.0579106070%
Macon County	0.3091017000%
Madison County	0.8907256845%
Marion County	0.3637161259%
Marshall County	0.5422227344%
Maryville	0.3223901040%
Maury County	1.0772540178%
McMinn County	0.9297273747%
McNairy County	0.4269884656%

Meigs County	0.2016450737%
Memphis	4.9079216307%
Millington	0.0212200583%
Monroe County	0.7506735593%
Montgomery County	1.6758545682%
Morgan County	0.5132562715%
Morristown	0.3919462797%
Mount Juliet	0.0577622481%
Murfreesboro	0.7283549414%
Nashville-Davidson	8.9810236006%
Oak Ridge	0.9598050011%
Obion County	0.3198033491%
Overton County	0.5461670803%
Perry County	0.0857864664%
Pickett County	0.1471132648%
Pigeon Forge	0.0877322588%
Polk County	0.3220131560%
Putnam County	0.3930896023%
Rhea County	0.5404420504%
Ripley	0.0190759934%
Roane County	1.6361535854%
Robertson County	0.9333043197%
Rutherford County	2.5756978154%
Scott County	0.5189341096%
Sequatchie County	0.2433974548%
Sevier County	1.4412782095%
Shelby County	3.5255489082%
Smith County	0.5711842980%
Smyrna	0.1314691656%
Spring Hill	0.0244598773%
Stewart County	0.1459273147%
Sullivan County	1.4573397906%
Sumner County	1.7449087187%
Tipton County	0.6312749815%
Unicoi County	0.3464527663%
Union County	0.5606745148%
Van Buren County	0.0479172535%
Warren County	0.5719112694%
Washington County	1.1061046159%
Wayne County	0.2328717594%
Weakley County	0.3874777573%
White County	0.4162394991%
Williamson County	1.6843304984%
Wilson County	1.4019072760%
Total	100.0000000%

Attachment B
Tennessee Initial Opioid Abatement Fund County Allocation Percentages

County	Allocation Percentage
Anderson	1.3529267%
Bedford	0.7147711%
Benton	0.2558695%
Bledsoe	0.2225720%
Blount	2.0533524%
Bradley	1.4648524%
Campbell	0.7492480%
Cannon	0.2830317%
Carroll	0.3845316%
Carter	0.8133771%
Cheatham	0.9247968%
Chester	0.2164707%
Claiborne	0.5410868%
Clay	0.1396219%
Cocke	0.6453452%
Coffee	0.9292878%
Crockett	0.1655486%
Cumberland	0.9377659%
Davidson	10.8999846%
Decatur	0.1784083%
DeKalb	0.3791980%
Dickson	0.9733390%
Dyer	0.4779140%
Fayette	0.5229554%
Fentress	0.3672900%
Franklin	0.6164429%
Gibson	0.6441719%
Giles	0.4460273%
Grainger	0.3563783%
Greene	1.0622152%
Grundy	0.2677408%
Hamblen	0.9270873%
Hamilton	4.7857829%
Hancock	0.1108552%
Hardeman	0.3326917%
Hardin	0.4285971%
Hawkins	0.9214592%
Haywood	0.1952676%
Henderson	0.3890979%
Henry	0.4744302%

Hickman	0.4816033%
Houston	0.1578236%
Humphreys	0.2902618%
Jackson	0.2202072%
Jefferson	0.7742937%
Johnson	0.2220085%
Knox	7.9971725%
Lake	0.1130733%
Lauderdale	0.3225823%
Lawrence	0.6708883%
Lewis	0.2126860%
Lincoln	0.4758274%
Loudon	0.7783832%
Macon	0.3743831%
Madison	1.1728499%
Marion	0.4562305%
Marshall	0.5351692%
Maury	1.3766506%
McMinn	0.8186667%
McNairy	0.3515796%
Meigs	0.1905215%
Monroe	0.6757426%
Montgomery	3.1176576%
Moore	0.0950776%
Morgan	0.3914142%
Obion	0.4278681%
Overton	0.3774135%
Perry	0.1400999%
Pickett	0.0775687%
Polk	0.2477589%
Putnam	1.1154615%
Rhea	0.5123362%
Roane	0.9738860%
Robertson	1.2118923%
Rutherford	4.8157438%
Scott	0.3389911%
Sequatchie	0.2451811%
Sevier	1.5771190%
Shelby	11.3894382%
Smith	0.3466744%
Stewart	0.2587489%
Sullivan	2.3419111%
Sumner	2.8691118%
Tipton	0.8476023%
Trousdale	0.2031046%
Unicoi	0.2910812%

Union	0.3348429%
Van Buren	0.0893332%
Warren	0.6471045%
Washington	1.6866631%
Wayne	0.2500918%
Weakley	0.4660285%
White	0.4417949%
Williamson	2.4813940%
Wilson	2.1692092%
Total	100.0000000%