EXHIBIT A

WITHDRAWAL FROM STATE SPONSORED LOCAL GOVERNMENT INSURANCE PLAN

1. In order for any Local Government Agency (LGA) to withdraw from the State Sponsored Local Government Insurance Plan, the LGA must have participated in the State Sponsored Local Government Insurance Plan for a minimum of twenty-four (24) consecutive months prior to withdrawal.

2. When a Local Government Agency withdraws from the State Sponsored Local Government Insurance Plan, there are many factors to consider and consequences to keep in mind, including the following list which is not an exhaustive list but which includes several important consequences of withdrawal:

   a. Once withdrawn from the State Sponsored Plan, the LGA must remain out of the Plan for a period of twenty-four (24) months; the LGA is not eligible for re-enrollment in the State Sponsored Local Government Plan within that twenty-four (24) month period.

   b. Upon withdrawal, the LGA will be responsible for all legal requirements relating to providing health insurance coverage for active employees, dependents, COBRA participants and/or their dependents, and retirees and/or their dependents.

   c. The LGA must take responsibility for determining and reporting Other Post-Employment Benefits (OPEB) as outlined in Governmental Accounting Standards Board Statements 74 and 75.

   d. Upon withdrawal of a LGA from the State Sponsored Plan, its members' eligibility for COBRA coverage with the Local Government Plan terminates.

   e. (1). If a LGA chooses not to participate in the State Sponsored Health Insurance Plan, the LGA employees may not retire with medical coverage with the State Sponsored Health Insurance Plan. If a nonparticipating LGA returns to the State Sponsored Health Insurance Plan after the 24 month exclusion period, retirees and their dependents, including persons who were previously enrolled with the plan as retirees and employees who retired after the LGA's withdrawal from the plan, may enroll in the plan's retiree coverage without having to meet the plan rules for retiring employees. All active employees coming into the plan with a returning LGA may not retire with medical coverage in the State Sponsored Plan unless the employees meet the plan rules for retiring employees after the agency returns to the Plan: (1) employees age 55 or older with ten (10) to 20 years of employment with the local government agency from which they are retiring must work and remain in the plan for three continuous years immediately prior to retirement in order to continue in the plan upon retirement; and (2) employees age 55 or older with twenty (20) or more years of employment with the local government agency from which they are retiring must work and remain in the plan for one year immediately prior to retirement in order to continue in the plan upon retirement; and (3) public safety employees (policemen and firemen) whose local government agencies have a retirement system other than the Tennessee Consolidated Retirement System, age 50 or older with at least 25 years of creditable service must work and remain in the plan for one full year prior to retirement and must be qualified for an unreduced benefit to be eligible to continue in the plan upon retirement; and (4) employees with at least 30 years of service with the local government agency from which they are retiring must work and remain in the plan for one year immediately prior to final termination of retirement in order to continue in the plan upon retirement; and (5) utility board members must have 30 years of service as a member of the same utility district from which they are retiring and remain in the plan for one year immediately prior to retirement or be age 55 or older with at least 20 years of service as a member of the same utility district from which they are retiring must work and remain in the plan for one year immediately prior to retirement in order to continue in the plan upon retirement.

(2). If a LGA opted out of providing retiree coverage before leaving the plan, this decision is irrevocable and a LGA which returns to the plan after the 24 month exclusion period may not opt in to retiree coverage. A LGA which chose to make a "limited opt out" for active employees, as set forth in section 4.06(A)(3) of the Plan Document, before leaving the plan may not opt in to retiree coverage for those employees after returning to the plan. A returning LGA which did not previously opt out may choose a limited or full opt out, and a returning LGA which chose a limited opt out may choose to retain it or choose a full opt out. A returning LGA may select "opt out" status in a subsequent plan year in accordance with Plan Document sections 4.06(A)(2) and (3).

f. Retirees and their spouses of any age who are Medicare-eligible are not eligible to enroll in the State Sponsored Plan but may request enrollment in The Tennessee Plan (supplemental medical insurance for Retirees with Medicare) if they meet all requirements for that plan.

g. Voluntary benefits offered by the state will be impacted and in most cases will be unavailable for employees who are not enrolled in the state sponsored group insurance plan.
Please consult with your ABC for specific rules governing state-offered voluntary benefits available to retirees.

h. Persons whose first employment with a qualifying employer commenced on or after July 1, 2015 may not enroll in The Tennessee Plan (supplemental medical insurance for retirees with Medicare). It is the responsibility of the LGA to assist ineligible persons with finding other coverage.