

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington St., Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
iga.in.gov

**FISCAL IMPACT STATEMENT**

**LS 6073**

**BILL NUMBER: SB 79**

**NOTE PREPARED:** Nov 8, 2021

**BILL AMENDED:**

**SUBJECT:** 1977 Pension and Disability Fund.

**FIRST AUTHOR:** Sen. Boots

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State

**Summary of Legislation:** The bill establishes the 1977 Fund Defined Contribution Plan ('77 Fund DC Plan). It provides that current employees may make contributions to the plan. It also specifies rules and requirements for the plan concerning items that include member elections, member contributions, vesting, rollover distributions, and withdrawal of funds. (The introduced version of this bill was prepared by the Interim Study Committee on Pension Management Oversight.)

**Effective Date:** July 1, 2022.

**Explanation of State Expenditures:** *Summary* - INPRS estimates a cost of \$1M to \$1.5 M to start up the '77 Fund DC Plan. An appropriation may be required to provide the initial startup costs for the '77 Fund DC Plan which could be paid back over time through members' monthly administrative fees.

*Additional Information* - INPRS has limited ability to shift staff and resources to pay for the initial startup costs with existing resources. INPRS is restricted from borrowing from other pension funds to pay for the costs of a new fund.

The costs of administering defined benefit (DB) plans are paid from the respective DB plans assets. The expenses of administering defined contribution (DC) plans are paid through monthly administrative fees. Members in the PERF DC, TRF DC, and LEDC plans pay a monthly administrative fee of \$3.75.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Public Retirement System.

**Local Agencies Affected:**

**Information Sources:** October 7, 2021 meeting of the Interim Study Committee on Pension Management Oversight,  
[https://iga.in.gov/information/archives/2021/video/committee\\_i\\_pension\\_management\\_oversight\\_interim\\_study\\_committee\\_on/](https://iga.in.gov/information/archives/2021/video/committee_i_pension_management_oversight_interim_study_committee_on/)

**Fiscal Analyst:** Camille Tesch, 317-232-5293.