

HOUSE BILL No. 1074

DIGEST OF INTRODUCED BILL

Citations Affected: Noncode.

Synopsis: Pension thirteenth checks. Provides for a thirteenth check for certain members of the: (1) Indiana state teachers' retirement fund; (2) public employees' retirement fund; (3) state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement fund; and (4) state police 1987 benefits system.

Effective: July 1, 2014.

Burton, Niezgodski

January 9, 2014, read first time and referred to Committee on Employment, Labor and Pensions.



Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1074

A BILL FOR AN ACT concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. [EFFECTIVE JULY 1, 2014] (a) **As used in this**
2 **SECTION, "fund" refers to the Indiana state teachers' retirement**
3 **fund established by IC 5-10.4-2-1.**
4 (b) **Not later than October 1, 2014, the fund shall pay the**
5 **amount determined under subsection (c) to a member of the fund**
6 **(or to a survivor or beneficiary of a member) who retired or was**
7 **disabled on or before December 1, 2013, and who is entitled to**
8 **receive a monthly benefit on July 1, 2014. The amount is not an**
9 **increase in the pension portion of the monthly benefit.**
10 (c) **The amount paid under this SECTION to a member of the**
11 **fund (or to a survivor or beneficiary of a member) who meets the**
12 **requirements of subsection (b) is equal to the result determined**
13 **under STEP FOUR of the following formula:**
14 **STEP ONE: Multiply:**
15 **(A) the lesser of:**
16 **(i) the number of years of the member's creditable**
17 **service; or**



- 1 (ii) thirty (30) years; by
 2 (B) ten dollars (\$10).
 3 **STEP TWO: Multiply:**
 4 (A) the pension portion (plus postretirement increases to
 5 the pension portion) provided by employer contributions
 6 of the monthly benefit payable to the member as of July 1,
 7 2014; by
 8 (B) twelve (12).
 9 **STEP THREE: Multiply:**
 10 (A) the lesser of:
 11 (i) the STEP TWO result; or
 12 (ii) thirty thousand dollars (\$30,000); by
 13 (B) one percent (1%).
 14 **STEP FOUR: Add:**
 15 (A) the STEP ONE result; and
 16 (B) the STEP THREE result.
 17 (d) The creditable service used to determine the amount paid to
 18 a member (or to a survivor or beneficiary of a member) under this
 19 SECTION is the creditable service that was used to compute the
 20 member's retirement benefit under IC 5-10.2-4-4, except that
 21 partial years of creditable service may not be used to determine the
 22 amount paid under this SECTION.
 23 (e) If two (2) or more survivors or beneficiaries of a member are
 24 entitled to an amount paid under this SECTION, the amount shall
 25 be allocated to the survivors or beneficiaries in shares using the
 26 same percentages as the percentages determined under
 27 IC 5-10.2-3-7.5 or IC 5-10.4-4-10 to pay the monthly benefit to the
 28 survivors or beneficiaries.
 29 (f) This SECTION expires January 1, 2015.
 30 SECTION 2. [EFFECTIVE JULY 1, 2014] (a) As used in this
 31 SECTION, "fund" refers to the public employees' retirement fund
 32 established by IC 5-10.3-2-1.
 33 (b) Not later than October 1, 2014, the fund shall pay the
 34 amount determined under subsection (c) to a member of the fund
 35 (or to a survivor or beneficiary of a member) who retired or was
 36 disabled on or before December 1, 2013, and who is entitled to
 37 receive a monthly benefit on July 1, 2014. The amount is not an
 38 increase in the pension portion of the monthly benefit.
 39 (c) The amount paid under this SECTION to a member of the
 40 fund (or to a survivor or beneficiary of a member) who meets the
 41 requirements of subsection (b) is equal to the result determined
 42 under STEP FOUR of the following formula:



- 1 **STEP ONE: Multiply:**
 2 (A) the lesser of:
 3 (i) the number of years of the member's creditable
 4 service; or
 5 (ii) thirty (30) years; by
 6 (B) ten dollars (\$10).
- 7 **STEP TWO: Multiply:**
 8 (A) the pension portion (plus postretirement increases to
 9 the pension portion) provided by employer contributions
 10 of the monthly benefit payable to the member as of July 1,
 11 2014; by
 12 (B) twelve (12).
- 13 **STEP THREE: Multiply:**
 14 (A) the lesser of:
 15 (i) the STEP TWO result; or
 16 (ii) thirty thousand dollars (\$30,000); by
 17 (B) one percent (1%).
- 18 **STEP FOUR: Add:**
 19 (A) the STEP ONE result; and
 20 (B) the STEP THREE result.
- 21 (d) The creditable service used to determine the amount paid to
 22 a member (or to a survivor or beneficiary of a member) under this
 23 SECTION is the creditable service that was used to compute the
 24 member's retirement benefit under IC 5-10.2-4-4, except that
 25 partial years of creditable service may not be used to determine the
 26 amount paid under this SECTION.
- 27 (e) If two (2) or more survivors or beneficiaries of a member are
 28 entitled to an amount paid under this SECTION, the amount shall
 29 be allocated to the survivors or beneficiaries in shares using the
 30 same percentages as the percentages determined under
 31 IC 5-10.2-3-7.5 or IC 5-10.3-8-15 to pay the monthly benefit to the
 32 survivors or beneficiaries.
- 33 (f) This SECTION expires January 1, 2015.
- 34 SECTION 3. [EFFECTIVE JULY 1, 2014] (a) As used in this
 35 SECTION, "participant" has the meaning set forth in
 36 IC 5-10-5.5-1.
- 37 (b) As used in this SECTION, "plan" refers to the state excise
 38 police, gaming agent, gaming control officer, and conservation
 39 enforcement officers' retirement plan established by IC 5-10-5.5-2.
- 40 (c) Not later than October 1, 2014, the board of trustees of the
 41 Indiana public retirement system established by IC 5-10.5-3-1 shall
 42 pay the amount determined under subsection (d) to a plan



1 participant (or to a survivor or beneficiary of a plan participant)
 2 who retired or was disabled on or before December 1, 2013, and
 3 who is entitled to receive a monthly benefit on July 1, 2014. The
 4 amount is not an increase in the annual retirement allowance.

5 (d) The amount paid under this SECTION to a plan participant
 6 of the fund (or to a survivor or beneficiary of a plan participant)
 7 who meets the requirements of subsection (c) is equal to the result
 8 determined under STEP FOUR of the following formula:

9 **STEP ONE: Multiply:**

10 (A) the lesser of:

11 (i) the number of years of the plan participant's
 12 creditable service; or

13 (ii) thirty (30) years; by

14 (B) ten dollars (\$10).

15 **STEP TWO: Multiply:**

16 (A) the monthly benefit (including any postretirement
 17 increases to the monthly benefit) payable to the plan
 18 participant as of July 1, 2014; by

19 (B) twelve (12).

20 **STEP THREE: Multiply:**

21 (A) the lesser of:

22 (i) the STEP TWO result; or

23 (ii) thirty thousand dollars (\$30,000); by

24 (B) one percent (1%).

25 **STEP FOUR: Add:**

26 (A) the STEP ONE result; and

27 (B) the STEP THREE result.

28 (e) The creditable service used to determine the amount paid to
 29 a plan participant (or to a survivor or beneficiary of a plan
 30 participant) under this SECTION is the creditable service that was
 31 used to compute the plan participant's retirement allowance under
 32 IC 5-10-5.5-10 and IC 5-10-5.5-12, except that partial years of
 33 creditable service may not be used to determine the amount paid
 34 under this SECTION.

35 (f) If two (2) or more survivors of a plan participant are entitled
 36 to an amount paid under this SECTION, the amount shall be
 37 allocated to the survivors in shares using the same percentages as
 38 the percentages determined under IC 5-10-5.5-16 to pay the
 39 monthly benefit to the survivors.

40 (g) This SECTION expires January 1, 2015.

41 SECTION 4. [EFFECTIVE JULY 1, 2014] (a) As used in this
 42 SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.



1 **(b) As used in this SECTION, "trust fund" has the meaning set**
2 **forth in IC 10-12-1-11.**

3 **(c) Not later than October 1, 2014, the trustee shall pay from the**
4 **trust fund to each employee beneficiary of the state police 1987**
5 **benefit system covered by IC 10-12-4 who:**

6 **(1) retired or was disabled after June 30, 1987, and before**
7 **July 2, 2013; and**

8 **(2) is entitled to receive a monthly benefit as of September 1,**
9 **2014;**

10 **an amount equal to one percent (1%) of the maximum basic annual**
11 **pension amount payable to a retired state police employee in the**
12 **grade of trooper who has completed twenty-five (25) years of**
13 **service as of July 1, 2014, as calculated under IC 10-12-4-7.**

14 **(d) The amount paid under this SECTION is not an increase in**
15 **the monthly pension amount of an employee beneficiary.**

16 **(e) This SECTION expires January 1, 2015.**

