



February 21, 2014

ENGROSSED HOUSE BILL No. 1074

DIGEST OF HB 1074 (Updated February 19, 2014 11:00 am - DI 84)

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; (4) state police 1987 benefits system; and (5) certain members of the pre-1987 state police benefit system.

Effective: July 1, 2014.

Burton, Niezgodski, Frye R, Smith M

(SENATE SPONSORS — WALKER, BOOTS, TALLIAN)

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

January 28, 2014, amended, reported — Do Pass.

January 30, 2014, read second time, ordered engrossed. Engrossed.

February 3, 2014, read third time, passed. Yeas 84, nays 0.

SENATE ACTION

February 10, 2014, read first time and referred to Committee on Pensions and Labor.

February 20, 2014, reported favorably — Do Pass; reassigned to Committee on Appropriations.

EH 1074—LS 6280/DI 113



February 21, 2014

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.

ENGROSSED 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

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(ii) thirty (30) years; by
 (B) ten dollars (\$10).
STEP TWO: Multiply:
 (A) the pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable to the member as of July 1, 2014; by
 (B) twelve (12).
STEP THREE: Multiply:
 (A) the lesser of:
 (i) the STEP TWO result; or
 (ii) thirty thousand dollars (\$30,000); by
 (B) a percentage, as applicable, equal to:
 (i) one percent (1%), if the member retired after December 31, 1994;
 (ii) two percent (2%), if the member retired after December 31, 1982, and before January 1, 1995; or
 (iii) three percent (3%), if the member retired before January 1, 1983.
STEP FOUR: Add:
 (A) the STEP ONE result; and
 (B) the STEP THREE result.
 (d) The creditable service used to determine the amount paid to a member (or to a survivor or beneficiary of a member) under this SECTION is the creditable service that was used to compute the member's retirement benefit under IC 5-10.2-4-4, except that partial years of creditable service may not be used to determine the amount paid under this SECTION.
 (e) If two (2) or more survivors or beneficiaries of a member are entitled to an amount paid under this SECTION, the amount shall be allocated to the survivors or beneficiaries in shares using the same percentages as the percentages determined under IC 5-10.2-3-7.5 or IC 5-10.4-4-10 to pay the monthly benefit to the survivors or beneficiaries.
 (f) This SECTION expires January 1, 2015.
SECTION 2. [EFFECTIVE JULY 1, 2014] (a) As used in this SECTION, "fund" refers to the public employees' retirement fund established by IC 5-10.3-2-1.
 (b) Not later than October 1, 2014, the fund shall pay the amount determined under subsection (c) to a member of the fund (or to a survivor or beneficiary of a member) who retired or was disabled on or before December 1, 2013, and who is entitled to



1 receive a monthly benefit on July 1, 2014. The amount is not an
2 increase in the pension portion of the monthly benefit.

3 (c) The amount paid under this SECTION to a member of the
4 fund (or to a survivor or beneficiary of a member) who meets the
5 requirements of subsection (b) is equal to the result determined
6 under STEP FOUR of the following formula:

7 **STEP ONE: Multiply:**

8 (A) the lesser of:

9 (i) the number of years of the member's creditable
10 service; or

11 (ii) thirty (30) years; by

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

13 **STEP TWO: Multiply:**

14 (A) the pension portion (plus postretirement increases to
15 the pension portion) provided by employer contributions
16 of the monthly benefit payable to the member as of July 1,
17 2014; by

18 (B) twelve (12).

19 **STEP THREE: Multiply:**

20 (A) the lesser of:

21 (i) the STEP TWO result; or

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

23 (B) a percentage, as applicable, equal to:

24 (i) one percent (1%), if the member retired after
25 December 31, 1994;

26 (ii) two percent (2%), if the member retired after
27 December 31, 1982, and before January 1, 1995; or

28 (iii) three percent (3%), if the member retired before
29 January 1, 1983.

30 **STEP FOUR: Add:**

31 (A) the STEP ONE result; and

32 (B) the STEP THREE result.

33 (d) The creditable service used to determine the amount paid to
34 a member (or to a survivor or beneficiary of a member) under this
35 SECTION is the creditable service that was used to compute the
36 member's retirement benefit under IC 5-10.2-4-4, except that
37 partial years of creditable service may not be used to determine the
38 amount paid under this SECTION.

39 (e) If two (2) or more survivors or beneficiaries of a member are
40 entitled to an amount paid under this SECTION, the amount shall
41 be allocated to the survivors or beneficiaries in shares using the
42 same percentages as the percentages determined under



1 IC 5-10.2-3-7.5 or IC 5-10.3-8-15 to pay the monthly benefit to the
2 survivors or beneficiaries.

3 (f) This SECTION expires January 1, 2015.

4 SECTION 3. [EFFECTIVE JULY 1, 2014] (a) As used in this
5 SECTION, "participant" has the meaning set forth in
6 IC 5-10-5.5-1.

7 (b) As used in this SECTION, "plan" refers to the state excise
8 police, gaming agent, gaming control officer, and conservation
9 enforcement officers' retirement plan established by IC 5-10-5.5-2.

10 (c) Not later than October 1, 2014, the board of trustees of the
11 Indiana public retirement system established by IC 5-10.5-3-1 shall
12 pay the amount determined under subsection (d) to a plan
13 participant (or to a survivor or beneficiary of a plan participant)
14 who retired or was disabled on or before December 1, 2013, and
15 who is entitled to receive a monthly benefit on July 1, 2014. The
16 amount is not an increase in the annual retirement allowance.

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

21 STEP ONE: Multiply:

22 (A) the lesser of:

23 (i) the number of years of the plan participant's
24 creditable service; or

25 (ii) thirty (30) years; by

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

27 STEP TWO: Multiply:

28 (A) the monthly benefit (including any postretirement
29 increases to the monthly benefit) payable to the plan
30 participant as of July 1, 2014; by

31 (B) twelve (12).

32 STEP THREE: Multiply:

33 (A) the lesser of:

34 (i) the STEP TWO result; or

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

36 (B) a percentage, as applicable, equal to:

37 (i) one percent (1%), if the member retired after
38 December 31, 1994;

39 (ii) two percent (2%), if the member retired after
40 December 31, 1982, and before January 1, 1995; or

41 (iii) three percent (3%), if the member retired before
42 January 1, 1983.



1 **STEP FOUR: Add:**

2 (A) the STEP ONE result; and

3 (B) the STEP THREE result.

4 (e) The creditable service used to determine the amount paid to
5 a plan participant (or to a survivor or beneficiary of a plan
6 participant) under this SECTION is the creditable service that was
7 used to compute the plan participant's retirement allowance under
8 IC 5-10-5.5-10 and IC 5-10-5.5-12, except that partial years of
9 creditable service may not be used to determine the amount paid
10 under this SECTION.

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

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

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

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

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

24 (1) retired or was disabled before July 2, 2013; and

25 (2) is entitled to receive a monthly benefit as of September 1,
26 2014;

27 an amount equal to one percent (1%) of the maximum basic annual
28 pension amount payable to a retired state police employee in the
29 grade of trooper who has completed twenty (20) years of service as
30 of July 1, 2014, as calculated under IC 10-12-3-7.

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

33 (e) This SECTION expires January 1, 2015.

34 SECTION 5. [EFFECTIVE JULY 1, 2014] (a) As used in this
35 SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.

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

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

41 (1) retired or was disabled after June 30, 1987, and before
42 July 2, 2013; and



1 **(2) is entitled to receive a monthly benefit as of September 1,**
2 **2014;**
3 **an amount equal to one percent (1%) of the maximum basic annual**
4 **pension amount payable to a retired state police employee in the**
5 **grade of trooper who has completed twenty-five (25) years of**
6 **service as of July 1, 2014, as calculated under IC 10-12-4-7.**
7 **(d) The amount paid under this SECTION is not an increase in**
8 **the monthly pension amount of an employee beneficiary.**
9 **(e) This SECTION expires January 1, 2015.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1074, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 13, delete "one percent (1%)." and insert "**a percentage, as applicable, equal to:**

- (i) one percent (1%), if the member retired after December 31, 1994;**
- (ii) two percent (2%), if the member retired after December 31, 1982, and before January 1, 1995; or**
- (iii) three percent (3%), if the member retired before January 1, 1983."**

Page 3, line 17, delete "one percent (1%)." and insert "**a percentage, as applicable, equal to:**

- (i) one percent (1%), if the member retired after December 31, 1994;**
- (ii) two percent (2%), if the member retired after December 31, 1982, and before January 1, 1995; or**
- (iii) three percent (3%), if the member retired before January 1, 1983."**

Page 4, line 24, delete "one percent (1%)." and insert "**a percentage, as applicable, equal to:**

- (i) one percent (1%), if the member retired after December 31, 1994;**
- (ii) two percent (2%), if the member retired after December 31, 1982, and before January 1, 1995; or**
- (iii) three percent (3%), if the member retired before January 1, 1983."**

Page 4, between lines 40 and 41, begin a new paragraph and insert:
"SECTION 4. [EFFECTIVE JULY 1, 2014] **(a) As used in this SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.**

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

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

- (1) retired or was disabled before July 2, 2013; and**
- (2) is entitled to receive a monthly benefit as of September 1, 2014;**

an amount equal to one percent (1%) of the maximum basic annual



pension amount payable to a retired state police employee in the grade of trooper who has completed twenty (20) years of service as of July 1, 2014, as calculated under IC 10-12-3-7.

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

(e) This SECTION expires January 1, 2015."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1074 as introduced.)

GUTWEIN, Chair

Committee Vote: yeas 10, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred House Bill No. 1074, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS and be reassigned to the Senate Committee on Appropriations.

(Reference is to HB 1074 as printed January 28, 2014.)

Committee Vote: Yeas 8, Nays 0

Senator Boots, Chairperson

