



February 28, 2014

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# ENGROSSED HOUSE BILL No. 1074

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DIGEST OF HB 1074 (Updated February 27, 2014 12:04 pm - DI 73)

**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.

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## Burton, Niezgodski, Frye R, Smith M

(SENATE SPONSORS — WALKER, BOOTS, TALLIAN, HUME, SKINNER,  
CHARBONNEAU)

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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.

February 27, 2014, amended, reported favorably — Do Pass.

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EH 1074—LS 6280/DI 113





February 28, 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 determined as follows:**

<b>If a Member's Creditable</b>	<b>The Amount Is:</b>
<b>Service Is:</b>	

<b>At least 5 years, but less than 10 years</b>	<b>\$150</b>
<b>(only in the case of a member receiving</b>	
<b>disability retirement benefits)</b>	

EH 1074—LS 6280/DI 113



- 1           At least 10 years, but less than 20 years           \$275  
 2           At least 20 years, but less than 30 years           \$375  
 3           At least 30 years           \$450
- 4           (d) The creditable service used to determine the amount paid to  
 5 a member (or to a survivor or beneficiary of a member) under this  
 6 SECTION is the creditable service that was used to compute the  
 7 member's retirement benefit under IC 5-10.2-4-4, except that  
 8 partial years of creditable service may not be used to determine the  
 9 amount paid under this SECTION.
- 10           (e) If two (2) or more survivors or beneficiaries of a member are  
 11 entitled to an amount paid under this SECTION, the amount shall  
 12 be allocated to the survivors or beneficiaries in shares using the  
 13 same percentages as the percentages determined under  
 14 IC 5-10.2-3-7.5 or IC 5-10.4-4-10 to pay the monthly benefit to the  
 15 survivors or beneficiaries.
- 16           (f) This SECTION expires January 1, 2015.
- 17           SECTION 2. [EFFECTIVE JULY 1, 2014] (a) As used in this  
 18 SECTION, "fund" refers to the public employees' retirement fund  
 19 established by IC 5-10.3-2-1.
- 20           (b) Not later than October 1, 2014, the fund shall pay the amount  
 21 determined under subsection (c) to a member of the fund (or to a  
 22 survivor or beneficiary of a member) who retired or was disabled  
 23 on or before December 1, 2013, and who is entitled to receive a  
 24 monthly benefit on July 1, 2014. The amount is not an increase in  
 25 the pension portion of the monthly benefit.
- 26           (c) The amount paid under this SECTION to a member of the  
 27 fund (or to a survivor or beneficiary of a member) who meets the  
 28 requirements of subsection (b) is determined as follows:
- | If a Member's Creditable<br>Service Is:   | The Amount Is: |
|---|----------------|
| 31           At least 5 years, but less than 10 years<br>32           (only in the case of a member receiving<br>33           disability retirement benefits) | \$150          |
| 34           At least 10 years, but less than 20 years  | \$275          |
| 35           At least 20 years, but less than 30 years  | \$375          |
| 36           At least 30 years  | \$450          |
- 37           (d) The creditable service used to determine the amount paid to  
 38 a member (or to a survivor or beneficiary of a member) under this  
 39 SECTION is the creditable service that was used to compute the  
 40 member's retirement benefit under IC 5-10.2-4-4, except that  
 41 partial years of creditable service may not be used to determine the  
 42 amount paid under this SECTION.



1 (e) If two (2) or more survivors or beneficiaries of a member are  
 2 entitled to an amount paid under this SECTION, the amount shall  
 3 be allocated to the survivors or beneficiaries in shares using the  
 4 same percentages as the percentages determined under  
 5 IC 5-10.2-3-7.5 or IC 5-10.3-8-15 to pay the monthly benefit to the  
 6 survivors or beneficiaries.

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

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

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

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

21 (d) The amount paid under this SECTION to a plan participant  
 22 of the fund (or to a survivor or beneficiary of a plan participant)  
 23 who meets the requirements of subsection (c) is determined as  
 24 follows:

If a Plan Participant's Creditable	The Amount Is:
Service Is:	
At least 5 years, but less than 10 years (only in the case of a member receiving disability retirement benefits)	\$125
At least 10 years, but less than 20 years	\$235
At least 20 years, but less than 30 years	\$325
At least 30 years	\$400

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

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



1 the percentages determined under IC 5-10-5.5-16 to pay the  
2 monthly benefit to the survivors.

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

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

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

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

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

12 (2) is entitled to receive a monthly benefit as of September 1,  
13 2014;

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

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

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

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

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

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

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

30 (2) is entitled to receive a monthly benefit as of September 1,  
31 2014;

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

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

38 (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.

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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

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COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, 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 be AMENDED as follows:

Page 1, delete lines 12 through 17.

Page 2, delete lines 1 through 22, and insert "**requirements of subsection (b) is determined as follows:**

<b>If a Member's Creditable Service Is:</b>	<b>The Amount Is:</b>
<b>At least 5 years, but less than 10 years</b>	<b>\$150</b>

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**(only in the case of a member receiving disability retirement benefits)**

<b>At least 10 years, but less than 20 years</b>	<b>\$275</b>
<b>At least 20 years, but less than 30 years</b>	<b>\$375</b>
<b>At least 30 years</b>	<b>\$450".</b>

Page 3, delete lines 5 through 32, and insert: "**requirements of subsection (b) is determined as follows:**

<b>If a Member's Creditable Service Is:</b>	<b>The Amount Is:</b>
<b>At least 5 years, but less than 10 years</b>	<b>\$150</b>
<b>(only in the case of a member receiving disability retirement benefits)</b>	
<b>At least 10 years, but less than 20 years</b>	<b>\$275</b>
<b>At least 20 years, but less than 30 years</b>	<b>\$375</b>
<b>At least 30 years</b>	<b>\$450".</b>

Page 4, delete lines 19 through 42.

Page 5, delete lines 1 through 3, and insert "**who meets the requirements of subsection (c) is determined as follows:**

<b>If a Plan Participant's Creditable Service Is:</b>	<b>The Amount Is:</b>
<b>At least 5 years, but less than 10 years</b>	<b>\$125</b>
<b>(only in the case of a member receiving disability retirement benefits)</b>	
<b>At least 10 years, but less than 20 years</b>	<b>\$235</b>
<b>At least 20 years, but less than 30 years</b>	<b>\$325</b>
<b>At least 30 years</b>	<b>\$400".</b>

and when so amended that said bill do pass.

(Reference is to EHB 1074 as printed February 21, 2014.)

KENLEY, Chairperson

Committee Vote: Yeas 11, Nays 0.

