

# HOUSE BILL No. 1109

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-10.2-4-1.2; IC 5-10.5-4-4.

**Synopsis:** Payment of monthly pension benefits. Provides that members and beneficiaries of any public pension fund administered by the Indiana public retirement system may receive monthly benefits only by direct deposit or another method approved by the board of trustees of the Indiana public retirement system. Repeals a similar but more narrowly applicable section concerning methods of paying monthly benefits to members and beneficiaries of the public employees' retirement fund and the teachers' retirement fund.

**Effective:** July 1, 2015.

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**Burton, Niezgodski, Gutwein**

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January 8, 2015, read first time and referred to Committee on Employment, Labor and Pensions.

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First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

# HOUSE BILL No. 1109



A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

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

1           SECTION 1. IC 5-10.2-4-1.2 IS REPEALED [EFFECTIVE JULY  
2 1, 2015]. ~~Sec. 1-2.~~ (a) Each fund shall adopt a policy that requires  
3 direct deposit or another method approved by the board as the preferred  
4 way for members and beneficiaries to receive monthly benefits.  
5           (b) A member or beneficiary who does not wish to have payments  
6 to the person deposited by direct deposit or another method approved  
7 by the board under subsection (a) may request the board or a designee  
8 of the board to grant a waiver of the requirement of direct deposit or  
9 another method approved by the board. The member or beneficiary  
10 must:  
11           (1) state the reason to the board for requesting the waiver; and  
12           (2) sign a waiver form.  
13           (c) The board or a designee of the board shall grant the member's or  
14 beneficiary's request for a waiver, approval of which shall not be  
15 unreasonably denied, if any of the following apply:



- 1 (1) The member or beneficiary currently does not have a savings  
2 or checking account.
- 3 (2) The member or beneficiary is unable to establish a savings or  
4 checking account within the geographic area of the home of the  
5 member or beneficiary without payment of a service fee. In  
6 support of this reason, the member or beneficiary must submit a  
7 written statement of the inability to establish the account without  
8 the payment of a fee with the waiver request.
- 9 (3) The home of the member or beneficiary is too remote to have  
10 access to a financial institution where direct deposit or another  
11 method approved by the board may be made.
- 12 (4) The financial institution of the member or beneficiary is  
13 unable to:
- 14 (A) accept direct deposit or another method approved by the  
15 board; or
- 16 (B) process electronic withdrawal.
- 17 The member or beneficiary must submit with the waiver a written  
18 statement from the financial institution of the member or  
19 beneficiary that the financial institution is unable to accept direct  
20 deposit or another method approved by the board or process  
21 electronic withdrawal.
- 22 (5) The board determines that the facts of the particular case  
23 warrant a waiver of the requirement of direct deposit or another  
24 method approved by the board.
- 25 (d) The policy of the board must provide that a member or  
26 beneficiary who is in pay status as of July 1, 2009, and is receiving  
27 monthly benefits in a manner other than direct deposit or another  
28 method approved by the board shall not have the monthly benefits  
29 stopped for receiving monthly benefits in a manner other than direct  
30 deposit or another method approved by the board.
- 31 SECTION 2. IC 5-10.5-4-4 IS ADDED TO THE INDIANA CODE  
32 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
33 1, 2015]: **Sec. 4. Members and beneficiaries of the public pension  
34 and retirement funds of the system may receive monthly benefits  
35 only by direct deposit or another method approved by the board.**

