



January 16, 2018

HOUSE BILL No. 1109

DIGEST OF HB 1109 (Updated January 16, 2018 9:14 am - DI 84)

Citations Affected: IC 2-3.5; IC 5-10; IC 5-10.2; IC 5-10.3; IC 5-10.4; IC 36-8.

Synopsis: Various pension matters. Provides that the default investment option for the legislators' defined contribution plan is a target date fund rather than the Indiana public retirement system's consolidated retirement investment fund. Removes a requirement that only active members of the public employees' retirement fund (PERF) and the Indiana teachers' retirement fund (TRF) may make rollover distributions into annuity savings accounts (ASA) from other qualified retirement accounts. Allows any PERF or TRF member who terminates employment and is not currently employed in a covered position or for the same employer to suspend fund membership, retain the member's creditable service, and withdraw all or part of the amount in the member's ASA before retirement. Requires employers eligible to purchase death benefit fund coverage for certain employees to pay for the coverage annually rather than quarterly. Removes charitable contributions as a voluntary benefit deduction for the 1977 police officers' and firefighters' pension and disability fund and the state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan. Makes technical corrections. (The introduced version of this bill was prepared by the interim study committee on pension management oversight.)

Effective: July 1, 2018.

Carbaugh, Burton

January 4, 2018, read first time and referred to Committee on Employment, Labor and Pensions.
January 16, 2018, reported — Do Pass.

HB 1109—LS 6052/DI 102



January 16, 2018

Second Regular Session of the 120th General Assembly (2018)

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 2017 Regular 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 2-3.5-5-3, AS AMENDED BY P.L.35-2012,
2 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2018]: Sec. 3. (a) The board shall establish alternative
4 investment programs within the fund, based on the following
5 requirements:
6 (1) The board shall maintain at least one (1) alternative
7 investment program that is an indexed stock fund, one (1)
8 alternative investment program that is a bond fund, and one (1)
9 alternative investment program that is a stable value fund. The
10 board may maintain one (1) or more alternative investment
11 programs that:
12 (A) invest in one (1) or more commingled or pooled funds that
13 consist in part or entirely of mortgages that qualify as five star
14 mortgages under the program established by IC 24-5-23.6; or
15 (B) otherwise invest in mortgages that qualify as five star
16 mortgages under the program established by IC 24-5-23.6.
17 (2) The programs should represent a variety of investment

HB 1109—LS 6052/DI 102



- 1 objectives.
- 2 (3) The programs may not permit a **member participant** to
- 3 withdraw money from the **member's participant's** account,
- 4 except as provided in section 6 of this chapter.
- 5 (4) All administrative costs of each alternative program shall be
- 6 paid from the earnings on that program.
- 7 (5) A valuation of each **member's participant's** account must be
- 8 completed as of:
- 9 (A) the last day of each quarter; or
- 10 (B) a time that the board may specify by rule.
- 11 (b) A **member participant** shall direct the allocation of the amount
- 12 credited to the **member participant** among the available alternative
- 13 investment funds, subject to the following conditions:
- 14 (1) A **member participant** may make a selection or change an
- 15 existing selection under rules established by the board. The board
- 16 shall allow a **member participant** to make a selection or change
- 17 any existing selection at least once each quarter.
- 18 (2) The board shall implement the **member's participant's**
- 19 selection beginning on the first day of the next calendar quarter
- 20 that begins at least thirty (30) days after the selection is received
- 21 by the board or on an alternate date established by the rules of the
- 22 board. This date is the effective date of the **member's**
- 23 **participant's** selection.
- 24 (3) A **member participant** may select any combination of the
- 25 available investment funds, in ten percent (10%) increments or
- 26 smaller increments that may be established by the rules of the
- 27 board.
- 28 (4) A **member's participant's** selection remains in effect until a
- 29 new selection is made.
- 30 (5) On the effective date of a **member's participant's** selection,
- 31 the board shall reallocate the **member's participant's** existing
- 32 balance or balances in accordance with the **member's**
- 33 **participant's** direction, based on the market value on the
- 34 effective date.
- 35 (6) If a **member participant** does not make an investment
- 36 selection of the alternative investment programs, the **member's**
- 37 **participant's** account shall be invested in ~~the board's general~~
- 38 ~~investment fund:~~ **a target date fund as determined by the rules**
- 39 **of the board.**
- 40 (7) All contributions to the **member's participant's** account shall
- 41 be allocated as of the last day of the quarter in which the
- 42 contributions are received or at an alternate time established by



1 the rules of the board in accordance with the **member's**
 2 **participant's** most recent effective direction. The board shall not
 3 reallocate the **member's participant's** account at any other time.

4 (c) When a **member participant** transfers the amount credited to the
 5 **member participant** from one (1) alternative investment program to
 6 another alternative investment program, the amount credited to the
 7 **member participant** shall be valued at the market value of the
 8 **member's participant's** investment, as of the day before the effective
 9 date of the **member's participant's** selection or at an alternate time
 10 established by the rules of the board. When a **member participant**
 11 retires, becomes disabled, dies, or withdraws from the fund, the amount
 12 credited to the **member participant** shall be the market value of the
 13 **member's participant's** investment as of the last day of the quarter
 14 preceding the **member's participant's** distribution or annuitization at
 15 retirement, disability, death, or withdrawal, plus contributions received
 16 after that date or at an alternate time established by the rules of the
 17 board.

18 (d) The board shall determine the value of each alternative program
 19 in the defined contribution fund, as of the last day of each calendar
 20 quarter, as follows:

21 (1) The market value shall exclude the employer contributions
 22 and employee contributions received during the quarter ending on
 23 the current allocation date.

24 (2) The market value as of the immediately preceding quarter end
 25 date shall include the employer contributions and employee
 26 contributions received during that preceding quarter.

27 (3) The market value as of the immediately preceding quarter end
 28 date shall exclude benefits paid from the fund during the quarter
 29 ending on the current quarter end date.

30 SECTION 2. IC 2-3.5-5-3.5 IS ADDED TO THE INDIANA CODE
 31 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 32 1, 2018]: **Sec. 3.5. (a) After June 30, 2018, a participant may not**
 33 **make contributions to the board's general investment fund.**

34 (b) **For those participants who, as of December 31, 2018, have**
 35 **designated the board's general investment fund as the investment**
 36 **program to receive all or part of the contributions to the**
 37 **participant's account, the board shall designate as a substitute one**
 38 **(1) or more alternative investment programs that are to receive**
 39 **those contributions after December 31, 2018. The designation by**
 40 **the board of an alternative investment program to receive a**
 41 **participant's contributions under this subsection remains in effect**
 42 **until the participant makes another allowable designation.**



1 (c) After December 31, 2018, if a participant has allocated all or
2 part of the amount credited to the participant to the board's
3 general investment fund, the board shall exchange the amount
4 allocated to the board's general investment fund by the participant
5 for an equivalent market value allocation to a target date fund
6 determined by the rules of the board.

7 SECTION 3. IC 5-10-5.5-23, AS ADDED BY P.L.41-2017,
8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2018]: Sec. 23. (a) Notwithstanding any other provision of this
10 chapter, a participant, survivor, or beneficiary receiving a monthly
11 benefit under this chapter may, after June 30, 2017, authorize the board
12 to make a deduction from the monthly benefit.

13 (b) An authorization for a deduction from a monthly benefit paid
14 under this chapter is valid only if all of the following requirements are
15 met:

16 (1) The authorization is:

17 (A) in writing;

18 (B) signed personally by the individual receiving the monthly
19 benefit;

20 (C) revocable at any time by the individual receiving the
21 monthly benefit upon written notice to the board; and

22 (D) agreed to in writing by the board.

23 (2) An executed copy of the authorization is delivered to the
24 board not later than ten (10) days after its execution.

25 (3) The deduction is made for a purpose described in subsection
26 (c).

27 (c) A deduction under this section may be made for the purpose of
28 paying any of the following:

29 (1) A premium on a policy of insurance for life, medical, surgical,
30 hospitalization, dental, vision, long term care, or Medicare
31 supplement coverage offered to retired participants by the
32 participant's former employer, the state, or the board.

33 ~~(2) A pledge or contribution to a charitable or nonprofit~~
34 ~~organization.~~

35 ~~(2)~~ (2) Dues payable by the individual receiving the benefit to a
36 labor organization of which the individual is a member.

37 SECTION 4. IC 5-10-10-4.5, AS AMENDED BY P.L.2-2007,
38 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2018]: Sec. 4.5. (a) As used in this section, "eligible officer"
40 means a police officer or firefighter whose employer purchases
41 coverage under this section.

42 (b) As used in this section, "employer" means:



- 1 (1) with respect to a police officer:
 2 (A) a postsecondary educational institution, other than a state
 3 educational institution, that appoints a police officer under
 4 IC 21-17-5; or
 5 (B) an operator that employs the police officer under
 6 IC 8-22-3-34(b); or
 7 (2) with respect to a firefighter:
 8 (A) a postsecondary educational institution, other than a state
 9 educational institution, located in Indiana that:
 10 (i) maintains a fire department;
 11 (ii) employs firefighters for the fire department; and
 12 (iii) is accredited by the North Central Association; or
 13 (B) an operator that enters into an operating agreement under
 14 IC 5-23 for the operation of a public use airport that:
 15 (i) maintains a fire department; and
 16 (ii) employs firefighters for the fire department.
 17 (c) If an employer purchases coverage for an eligible officer, the
 18 eligible officer is eligible for a special death benefit from the fund in
 19 the same manner that any other public safety officer is eligible for a
 20 special death benefit from the fund. The cost of the coverage shall be
 21 one hundred dollars (\$100) for each eligible officer annually. The cost
 22 of the coverage shall be paid to the board for deposit in the fund.
 23 (d) If an employer elects to provide coverage under this section, the
 24 employer must purchase coverage for all eligible officers of the
 25 employer. ~~The board shall allow~~ An employer **that elects** to purchase
 26 coverage **under this section must purchase coverage** by making
 27 ~~quarterly annual~~ **quarterly annual** payments ~~on dates as~~ **on dates as** prescribed by the board.
 28 SECTION 5. IC 5-10-10-4.9, AS ADDED BY P.L.100-2017,
 29 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2018]: Sec. 4.9. (a) As used in this section, "eligible
 31 emergency medical services provider" means an emergency medical
 32 services provider whose employer purchases coverage under this
 33 section.
 34 (b) As used in this section, "emergency medical services provider"
 35 has the meaning set forth in IC 16-41-10-1.
 36 (c) As used in this section, "employer" means a health care system
 37 affiliated with a state educational institution that:
 38 (1) maintains an air ambulance services provider; and
 39 (2) employs emergency medical services providers for the air
 40 ambulance services provider.
 41 (d) If an employer purchases coverage for an eligible emergency
 42 medical services provider, the eligible emergency medical services



1 provider is eligible for a special death benefit from the fund in the same
 2 manner that any other public safety officer is eligible for a special
 3 death benefit from the fund. The cost of the coverage must be one
 4 hundred dollars (\$100) for each eligible emergency medical services
 5 provider annually. The cost of the coverage shall be paid to the board
 6 for deposit into the fund.

7 (e) If an employer elects to provide coverage under this section, the
 8 employer must purchase coverage for all eligible emergency medical
 9 services providers of the employer. ~~The board shall allow~~ An employer
 10 **that elects to purchase coverage under this section must purchase**
 11 **coverage** by making ~~quarterly~~ **annual** payments ~~on dates as~~ prescribed
 12 by the board.

13 SECTION 6. IC 5-10.2-3-5, AS AMENDED BY P.L.193-2016,
 14 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2018]: Sec. 5. (a) A member ~~who is not eligible for retirement~~
 16 ~~or disability retirement~~ may suspend the member's membership **in the**
 17 **applicable fund** if the member terminates employment **and is not**
 18 **currently employed in a covered position with the applicable fund.**

19 (b) After five (5) continuous years in which the member performs
 20 no service, the member's membership shall be automatically suspended
 21 by the board unless the member has vested status.

22 (c) ~~On resuming service the~~ A member ~~may claim as~~ **retains the**
 23 **member's** creditable service **for** the period of employment before the
 24 suspension of membership, but only to the extent that the same period
 25 of employment is not being used by another governmental plan for
 26 purposes of the member's benefit in the other governmental plan.

27 SECTION 7. IC 5-10.2-3-6.5, AS AMENDED BY P.L.40-2017,
 28 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2018]: Sec. 6.5. (a) **After June 30, 2018**, a member who
 30 meets all of the following requirements may elect to withdraw all or
 31 part of the amount in the member's annuity savings account:

32 ~~(1)~~ **The member has attained vested status in the fund:**

33 ~~(2)~~ **(1)** The member has terminated employment with the
 34 applicable fund and is not currently employed in a covered
 35 position for the applicable fund.

36 ~~(3)~~ **(2)** The member has not performed any service in a position
 37 covered by the **applicable fund or for the same employer** for at
 38 least thirty (30) days after the date the member terminates
 39 employment.

40 ~~(4)~~ **(3)** The member makes the election described in this
 41 subsection:

42 (A) after December 31, 2008, if the member is a member of



- 1 the public employees' retirement fund; or
 2 (B) after June 30, 2009, if the member is a member of the
 3 Indiana state teachers' retirement fund.
- 4 ~~(5)~~ (4) Except as provided in subsection (b), the member is not
 5 eligible for:
- 6 (A) before July 1, 2011, a reduced or unreduced retirement; or
 7 (B) after June 30, 2011, an unreduced retirement;
 8 under IC 5-10.2-4 on the date the fund receives notice of the
 9 election described in this subsection.
- 10 (b) The requirement described in subsection ~~(a)(5)~~ (a)(4) does not
 11 apply to a member of the public employees' retirement fund who:
- 12 (1) was eligible for a reduced or unreduced retirement; and
 13 (2) received a distribution under this section;
 14 after December 31, 2008, and before June 30, 2010.
- 15 (c) A member who elects to withdraw all or part of the amount in
 16 the member's annuity savings account under subsection (a) shall
 17 provide notice of the election on a form provided by the board.
- 18 (d) The election to withdraw all or part of the amount in the
 19 member's annuity savings account is irrevocable.
- 20 (e) The board shall pay an amount withdrawn from the member's
 21 annuity savings account under this section as a lump sum.
- 22 (f) Except as provided in subsection (g), a member who makes a
 23 withdrawal under this section is entitled to receive, when the member
 24 becomes eligible to receive and applies for a retirement benefit under
 25 IC 5-10.2-4, a retirement benefit equal to the pension provided by
 26 employer contributions computed under IC 5-10.2-4.
- 27 (g) A member who:
- 28 (1) transfers creditable service earned under the fund to another
 29 governmental retirement plan under section 1(i) of this chapter;
 30 and
 31 (2) withdraws the member's annuity savings account under this
 32 section to purchase the service;
 33 may not use the transferred service in the computation of a retirement
 34 benefit payable under subsection (f).
- 35 SECTION 8. IC 5-10.2-3-10, AS AMENDED BY P.L.193-2016,
 36 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2018]: Sec. 10. (a) To the extent permitted by the Internal
 38 Revenue Code and the applicable regulations, the fund may accept, on
 39 behalf of any ~~active~~ member, a rollover distribution from any of the
 40 following:
- 41 (1) A qualified plan described in Section 401(a) or Section 403(a)
 42 of the Internal Revenue Code.



1 (2) An annuity contract or account described in Section 403(b) of
2 the Internal Revenue Code.

3 (3) An eligible plan maintained by a state, a political subdivision
4 of a state, or an agency or instrumentality of a state or political
5 subdivision of a state under Section 457(b) of the Internal
6 Revenue Code.

7 (4) An individual retirement account or annuity described in
8 Section 408(a) or Section 408(b) of the Internal Revenue Code.

9 (b) Any amounts rolled over under subsection (a) must be accounted
10 for in a "rollover account" that is separate from the member's annuity
11 savings account.

12 (c) A member may direct the investment of the member's rollover
13 account into the stable value fund or any alternative investment option
14 that the board may make available to the member's rollover account
15 under IC 5-10.2-2-3.

16 (d) A member may withdraw the member's rollover account from
17 the fund in a lump sum at any time before retirement. At retirement, the
18 member may withdraw the member's rollover account in accordance
19 with the retirement options that are available for the member's annuity
20 savings account, including the deferral of a withdrawal.

21 SECTION 9. IC 5-10.3-12-29, AS ADDED BY P.L.22-2011,
22 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2018]: Sec. 29. (a) To the extent permitted by the Internal
24 Revenue Code and the applicable regulations and guidance, the plan
25 may accept, on behalf of any member, ~~who is employed in a covered~~
26 ~~position~~, a rollover distribution from any of the following:

27 (1) A qualified plan described in Section 401(a) or Section 403(a)
28 of the Internal Revenue Code.

29 (2) An annuity contract or account described in Section 403(b) of
30 the Internal Revenue Code.

31 (3) An eligible plan maintained by a state, a political subdivision
32 of a state, or an agency or instrumentality of a state or political
33 subdivision of a state under Section 457(b) of the Internal
34 Revenue Code.

35 (4) An individual retirement account or annuity described in
36 Section 408(a) or Section 408(b) of the Internal Revenue Code.

37 (b) Any amounts rolled over under subsection (a) must be accounted
38 for in a "rollover account" that is separate from the member's account
39 in the plan. The member shall be fully vested in the member's rollover
40 account.

41 (c) A member may direct the investment of the member's rollover
42 account into any alternative investment option that the board may make



1 available to the member's rollover account under section 22 of this
2 chapter.

3 (d) A member may withdraw the member's rollover account from
4 the plan in a lump sum or direct a rollover to an eligible retirement plan
5 at any time. Upon attainment of normal retirement age, in addition to
6 these payment options, the member may withdraw the member's
7 rollover account as a monthly annuity as established by the board in
8 accordance with the annuity options that are available for the member's
9 account in the plan. A member must make a required withdrawal from
10 the member's account in the plan not later than the required beginning
11 date under the Internal Revenue Code.

12 SECTION 10. IC 5-10.4-8-15, AS ADDED BY P.L.217-2017,
13 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2018]: Sec. 15. (a) To the extent permitted by the Internal
15 Revenue Code and the applicable regulations and guidance, the plan
16 may accept, on behalf of any member, ~~who is employed in a covered~~
17 ~~position~~, a rollover distribution from any of the following:

18 (1) A qualified plan described in Section 401(a) or Section 403(a)
19 of the Internal Revenue Code.

20 (2) An annuity contract or account described in Section 403(b) of
21 the Internal Revenue Code.

22 (3) An eligible plan maintained by a state, a political subdivision
23 of a state, or an agency or instrumentality of a state or political
24 subdivision of a state under Section 457(b) of the Internal
25 Revenue Code.

26 (4) An individual retirement account or annuity described in
27 Section 408(a) or Section 408(b) of the Internal Revenue Code.

28 (b) Any amounts rolled over under subsection (a) must be accounted
29 for in a rollover account that is separate from the member's account in
30 the plan. The member is fully vested in the member's rollover account.

31 (c) A member may direct the investment of the member's rollover
32 account into any alternative investment option that the board may make
33 available to the member's rollover account under section 8 of this
34 chapter.

35 (d) A member may withdraw the member's rollover account from
36 the plan in a lump sum or direct a rollover to an eligible retirement plan
37 at any time. Upon attainment of normal retirement age, in addition to
38 these payment options, the member may withdraw the member's
39 rollover account as a monthly annuity as established by the board in
40 accordance with the annuity options that are available for the member's
41 account in the plan. A member shall make a required withdrawal from
42 the member's account in the plan not later than the required beginning



1 date under the Internal Revenue Code.

2 SECTION 11. IC 36-8-8-13.1, AS AMENDED BY P.L.35-2012,
3 SECTION 130, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2018]: Sec. 13.1. (a) If:

5 (1) the local board has determined under this chapter that a
6 covered impairment exists and the safety board has determined
7 that there is no suitable and available work within the department,
8 considering reasonable accommodation to the extent required by
9 the Americans with Disabilities Act; or

10 (2) the fund member has filed an appeal under section 12.7(o) of
11 this chapter;

12 the local board shall submit the local board's determinations and the
13 safety board's determinations to the system board's director.

14 (b) Whenever a fund member is determined to have an impairment
15 under section 12.7(i) of this chapter, the system board's director shall
16 initiate a review of the default award not later than sixty (60) days after
17 the director learns of the default award.

18 (c) After the system board's director receives the determinations
19 under subsection (a) or initiates a review under subsection (b), the fund
20 member must submit to an examination by a medical authority selected
21 by the system board. The authority shall determine if there is a covered
22 impairment. With respect to a fund member who is covered by sections
23 12.5 and 13.5 of this chapter, the authority shall determine the degree
24 of impairment. The system board shall adopt rules to establish
25 impairment standards, such as the impairment standards contained in
26 the United States Department of Veterans Affairs Schedule for Rating
27 Disabilities. The report of the examination shall be submitted to the
28 system board's director. If a fund member refuses to submit to an
29 examination, the authority may find that no impairment exists.

30 (d) The system board's director shall review the medical authority's
31 report and the local board's determinations and issue an initial
32 determination within sixty (60) days after receipt of the local board's
33 determinations. The system board's director shall notify the local board,
34 the safety board, and the fund member of the initial determination. The
35 following provisions apply if the system board's director does not issue
36 an initial determination within sixty (60) days and if the delay is not
37 attributable to the fund member or the safety board:

38 (1) In the case of a review initiated under subsection (a)(1):

39 (A) the determinations of the local board and the chief of the
40 police or fire department are considered to be the initial
41 determination; and

42 (B) for purposes of section 13.5(d) of this chapter, the fund



- 1 member is considered to be totally impaired.
- 2 (2) In the case of an appeal submitted under subsection (a)(2), the
3 statements made by the fund member under section 12.7(o) of this
4 chapter are considered to be the initial determination.
- 5 (3) In the case of a review initiated under subsection (b), the
6 initial determination is the impairment determined under section
7 12.7(i) of this chapter.
- 8 (e) The fund member, the safety board, or the local board may
9 object in writing to the director's initial determination within fifteen
10 (15) days after the determination is issued. If no written objection is
11 filed, the initial determination becomes the final order of the system
12 board. If a timely written objection is filed, the system board shall issue
13 the final order after a hearing. Unless an administrative law judge
14 orders a waiver or an extension of the period for cause shown, the final
15 order shall be issued not later than one hundred eighty (180) days after
16 the date of receipt of the local board's determination or the date the
17 system board's director initiates a review under subsection (b). The
18 following provisions apply if a final order is not issued within the time
19 limit described in this subsection and if the delay is not attributable to
20 the fund member or the chief of the police or fire department:
- 21 (1) In the case of a review initiated under subsection (a)(1):
- 22 (A) the determinations of the local board and the chief of the
23 police or fire department are considered to be the final order;
24 and
- 25 (B) for purposes of section ~~13.5(d)~~ **13.5(f)** of this chapter, the
26 fund member is considered to be totally impaired.
- 27 (2) In the case of an appeal submitted under subsection (a)(2), the
28 statements made by the fund member under section 12.7(o) of this
29 chapter are considered to be the final order.
- 30 (3) In the case of a review initiated under subsection (b), the
31 impairment determined under section 12.7(i) of this chapter is
32 considered to be the final order.
- 33 (f) If the system board approves the director's initial determination,
34 then the system board shall issue a final order adopting the initial
35 determination. The local board and the chief of the police or fire
36 department shall comply with the initial determination. If the system
37 board does not approve the initial determination, the system board may
38 receive additional evidence on the matter before issuing a final order.
- 39 (g) Appeals of the system board's final order may be made under
40 IC 4-21.5.
- 41 (h) The transcripts, records, reports, and other materials compiled
42 under this section must be retained in accordance with the procedures



1 specified in section 12.7(p) of this chapter.

2 SECTION 12. IC 36-8-8-17.2, AS AMENDED BY P.L.35-2012,
3 SECTION 135, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2018]: Sec. 17.2. (a) Notwithstanding any other
5 provision of this chapter, a person receiving a disability, retirement, or
6 survivor monthly benefit under this chapter may, after June 30, 2004,
7 authorize the system board to make a deduction from the benefit.

8 (b) An authorization for a deduction from a disability, retirement, or
9 survivor monthly benefit paid under this chapter is valid only if all the
10 following requirements are met:

11 (1) The authorization is:

12 (A) in writing;

13 (B) signed personally by the person receiving the benefit;

14 (C) revocable at any time by the person receiving the benefit
15 upon written notice to the system board; and

16 (D) agreed to in writing by the system board.

17 (2) An executed copy of the authorization is delivered to the
18 system board within ten (10) days after its execution.

19 (3) The deduction is made for a purpose described in subsection
20 (c).

21 (c) A deduction under this section may be made for the purpose of
22 paying any of the following:

23 (1) A premium on a policy of insurance for medical, surgical,
24 hospitalization, dental, vision, long term care, or Medicare
25 supplement coverage offered to retired fund members by the fund
26 member's former employer, the state, or the system board.

27 ~~(2) A pledge or contribution to a charitable or nonprofit~~
28 ~~organization:~~

29 ~~(3) (2) Dues payable by the person receiving the benefit to a labor~~
30 ~~organization of which the person is a member.~~



COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1109, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1109 as introduced.)

VANNATTER

Committee Vote: Yeas 11, Nays 0

