

HOUSE BILL No. 1463

DIGEST OF INTRODUCED BILL

Citations Affected: Noncode.

Synopsis: Pension thirteenth checks. Provides for a thirteenth check in 2015 and 2016 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 plan; (4) state police 1987 benefit system; and (5) state police pre-1987 benefit system. Provides that employer contributions may not be used to pay for the thirteenth checks unless, and only to the extent that, the appropriations in the state budget are insufficient to pay thirteenth checks. (This introduced version of this bill was prepared by the interim study committee on pension management oversight.)

Effective: July 1, 2015.

Carbaugh, Ober, Morris, Forestal

January 14, 2015, read first time and referred to Committee on Employment, Labor and Pensions.



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. 1463

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, 2015] (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, 2015, the fund shall pay the
- 5 amount determined under subsection (d) 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, 2014, and who is entitled to
- 8 receive a monthly benefit on July 1, 2015. The amount is not an
- 9 increase in the pension portion of the monthly benefit.
- 10 (c) Not later than October 1, 2016, the fund shall pay the
- 11 amount determined under subsection (d) to a member of the fund
- 12 (or to a survivor or beneficiary of a member) who retired or was
- 13 disabled on or before December 1, 2015, and who is entitled to
- 14 receive a monthly benefit on July 1, 2016. The amount is not an
- 15 increase in the pension portion of the monthly benefit.
- 16 (d) The amount paid under this SECTION to a member of the



1 fund (or to a survivor or beneficiary of a member) who meets the
2 requirements of subsection (b) or (c) is determined as follows:

3 **If a Member's Creditable The Amount Is:**
4 **Service Is:**

5 At least 5 years, but less than 10 years	\$150
6 (only in the case of a member receiving	
7 disability retirement benefits)	
8 At least 10 years, but less than 20 years	\$275
9 At least 20 years, but less than 30 years	\$375
10 At least 30 years	\$450

11 (e) The creditable service used to determine the amount paid to
12 a member (or to a survivor or beneficiary of a member) under this
13 SECTION is the creditable service that was used to compute the
14 member's retirement benefit under IC 5-10.2-4-4, except that
15 partial years of creditable service may not be used to determine the
16 amount paid under this SECTION.

17 (f) If two (2) or more survivors or beneficiaries of a member are
18 entitled to an amount paid under this SECTION, the amount shall
19 be allocated to the survivors or beneficiaries in shares using the
20 same percentages as the percentages determined under
21 IC 5-10.2-3-7.5 or IC 5-10.4-4-10 to pay the monthly benefit to the
22 survivors or beneficiaries.

23 (g) The fund may not use employer contributions to make the
24 payments required under subsections (b) and (c) unless, and only
25 to the extent that, the amounts necessary to make the payments
26 required under subsections (b) and (c) exceed the amounts
27 appropriated in the state budget for the biennium beginning July
28 1, 2015, for the purposes described in subsections (b) and (c).

29 (h) This SECTION expires January 1, 2017.

30 SECTION 2. [EFFECTIVE JULY 1, 2015] (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, 2015, the fund shall pay the amount
34 determined under subsection (d) to a member of the fund (or to a
35 survivor or beneficiary of a member) who retired or was disabled
36 on or before December 1, 2014, and who is entitled to receive a
37 monthly benefit on July 1, 2015. The amount is not an increase in
38 the pension portion of the monthly benefit.

39 (c) Not later than October 1, 2016, the fund shall pay the amount
40 determined under subsection (d) to a member of the fund (or to a
41 survivor or beneficiary of a member) who retired or was disabled
42 on or before December 1, 2015, and who is entitled to receive a



1 monthly benefit on July 1, 2016. The amount is not an increase in
2 the pension portion of the monthly benefit.

3 (d) 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) or (c) is determined as follows:

6 If a Member's Creditable	7 Service Is:	8 The Amount Is:
9 At least 5 years, but less than 10 years	10 (only in the case of a member receiving 11 disability retirement benefits)	12 \$150
13 At least 10 years, but less than 20 years		14 \$275
15 At least 20 years, but less than 30 years		16 \$375
17 At least 30 years		18 \$450

19 (e) The creditable service used to determine the amount paid to
20 a member (or to a survivor or beneficiary of a member) under this
21 SECTION is the creditable service that was used to compute the
22 member's retirement benefit under IC 5-10.2-4-4, except that
23 partial years of creditable service may not be used to determine the
24 amount paid under this SECTION.

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

31 (g) The fund may not use employer contributions to make the
32 payments required under subsections (b) and (c) unless, and only
33 to the extent that, the amounts necessary to make the payments
34 required under subsections (b) and (c) exceed the amounts
35 appropriated in the state budget for the biennium beginning July
36 1, 2015, for the purposes described in subsections (b) and (c).

37 (h) This SECTION expires January 1, 2017.

38 SECTION 3. [EFFECTIVE JULY 1, 2015] (a) As used in this
39 SECTION, "participant" has the meaning set forth in
40 IC 5-10-5.5-1.

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

44 (c) Not later than October 1, 2015, the board of trustees of the
45 Indiana public retirement system established by IC 5-10.5-3-1 shall
46 pay the amount determined under subsection (e) to a plan
47 participant (or to a survivor or beneficiary of a plan participant)



1 who retired or was disabled on or before December 1, 2014, and
 2 who is entitled to receive a monthly benefit on July 1, 2015. The
 3 amount is not an increase in the annual retirement allowance.

4 (d) Not later than October 1, 2016, the board of trustees of the
 5 Indiana public retirement system established by IC 5-10.5-3-1 shall
 6 pay the amount determined under subsection (e) to a plan
 7 participant (or to a survivor or beneficiary of a plan participant)
 8 who retired or was disabled on or before December 1, 2015, and
 9 who is entitled to receive a monthly benefit on July 1, 2016. The
 10 amount is not an increase in the annual retirement allowance.

11 (e) The amount paid under this SECTION to a plan participant
 12 of the fund (or to a survivor or beneficiary of a plan participant)
 13 who meets the requirements of subsection (c) or (d) is determined
 14 as follows:

If a Plan Participant's Creditable Service Is:	The Amount 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

15 (f) The creditable service used to determine the amount paid to
 16 a plan participant (or to a survivor or beneficiary of a plan
 17 participant) under this SECTION is the creditable service that was
 18 used to compute the plan participant's retirement allowance under
 19 IC 5-10-5.5-10 and IC 5-10-5.5-12, except that partial years of
 20 creditable service may not be used to determine the amount paid
 21 under this SECTION.
 22

23 (g) If two (2) or more survivors or beneficiaries of a plan
 24 participant are entitled to an amount paid under this SECTION,
 25 the amount shall be allocated to the survivors or beneficiaries in
 26 shares using the same percentages as the percentages determined
 27 under IC 5-10-5.5-16 to pay the monthly benefit to the survivors or
 28 beneficiaries.
 29

30 (h) The board of trustees of the Indiana public retirement system
 31 established by IC 5-10.5-3-1 may not use employer contributions
 32 to make the payments required under subsections (c) and (d)
 33 unless, and only to the extent that, the amounts required to make
 34 the payments under subsections (c) and (d) exceed the
 35 appropriations in the state budget for the biennium beginning July
 36 1, 2015, for the purposes described in subsections (c) and (d).
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1 (i) This SECTION expires January 1, 2017.

2 SECTION 4. [EFFECTIVE JULY 1, 2015] (a) As used in this
3 SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.

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

6 (c) Not later than October 1, 2015, the trustee shall pay from the
7 trust fund to each employee beneficiary of the state police pre-1987
8 benefit system covered by IC 10-12-3 who:

9 (1) retired or was disabled before July 2, 2014; and

10 (2) is entitled to receive a monthly benefit as of September 1,
11 2015;

12 an amount equal to one percent (1%) of the maximum basic annual
13 pension amount payable to a retired state police employee in the
14 grade of trooper who has completed twenty (20) years of service as
15 of July 1, 2015, as calculated under IC 10-12-3-7.

16 (d) Not later than October 1, 2016, the trustee shall pay from the
17 trust fund to each employee beneficiary of the state police pre-1987
18 benefit system covered by IC 10-12-3 who:

19 (1) retired or was disabled before July 2, 2015; and

20 (2) is entitled to receive a monthly benefit as of September 1,
21 2016;

22 an amount equal to one percent (1%) of the maximum basic annual
23 pension amount payable to a retired state police employee in the
24 grade of trooper who has completed twenty (20) years of service as
25 of July 1, 2016, as calculated under IC 10-12-3-7.

26 (e) The amounts paid under this SECTION are not an increase
27 in the monthly pension amount of an employee beneficiary.

28 (f) The trustee may not use employer contributions to make the
29 payments required under subsections (c) and (d) unless, and only
30 to the extent that, the amounts required to make the payments
31 under subsections (c) and (d) exceed the appropriations in the state
32 budget for the biennium beginning July 1, 2015, for the purposes
33 described in subsections (c) and (d).

34 (g) This SECTION expires January 1, 2017.

35 SECTION 5. [EFFECTIVE JULY 1, 2015] (a) As used in this
36 SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.

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

39 (c) Not later than October 1, 2015, the trustee shall pay from the
40 trust fund to each employee beneficiary of the state police 1987
41 benefit system covered by IC 10-12-4 who:

42 (1) retired or was disabled after June 30, 1987, and before



- 1 **July 2, 2014; and**
2 **(2) is entitled to receive a monthly benefit as of September 1,**
3 **2015;**
4 **an amount equal to one percent (1%) of the maximum basic annual**
5 **pension amount payable to a retired state police employee in the**
6 **grade of trooper who has completed twenty-five (25) years of**
7 **service as of July 1, 2015, as calculated under IC 10-12-4-7.**
8 **(d) Not later than October 1, 2016, the trustee shall pay from the**
9 **trust fund to each employee beneficiary of the state police 1987**
10 **benefit system covered by IC 10-12-4 who:**
11 **(1) retired or was disabled after June 30, 1987, and before**
12 **July 2, 2015; and**
13 **(2) is entitled to receive a monthly benefit as of September 1,**
14 **2016;**
15 **an amount equal to one percent (1%) of the maximum basic annual**
16 **pension amount payable to a retired state police employee in the**
17 **grade of trooper who has completed twenty-five (25) years of**
18 **service as of July 1, 2016, as calculated under IC 10-12-4-7.**
19 **(e) The amount paid under this SECTION is not an increase in**
20 **the monthly pension amount of an employee beneficiary.**
21 **(f) The trustee may not use employer contributions to make the**
22 **payments required under subsections (c) and (d) unless, and only**
23 **to the extent that, the amounts required to make the payments**
24 **under subsections (c) and (d) exceed the appropriations in the state**
25 **budget for the biennium beginning July 1, 2015, for the purposes**
26 **described in subsections (c) and (d).**
27 **(g) This SECTION expires January 1, 2017.**

