



February 14, 2017

HOUSE BILL No. 1537

DIGEST OF HB 1537 (Updated February 13, 2017 1:22 pm - DI 113)

Citations Affected: Noncode.

Synopsis: Pension thirteenth checks. Provides for thirteenth checks in 2017 and 2018 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 pre-1987 benefit system; and (5) state police 1987 benefit system.

Effective: July 1, 2017.

Gutwein, Burton, GiaQuinta

January 18, 2017, read first time and referred to Committee on Employment, Labor and Pensions.

January 31, 2017, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

February 14, 2017, amended, reported — Do Pass.

HB 1537—LS 7313/DI 113



February 14, 2017

First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

HOUSE BILL No. 1537

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, 2017] (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, 2017, 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, 2016, and who is entitled to
8 receive a monthly benefit on July 1, 2017. The amount is not an
9 increase in the pension portion of the monthly benefit.
10 (c) After June 30, 2018, and not later than October 1, 2018, the
11 fund shall pay the amount determined under subsection (d) to a
12 member of the fund (or to a survivor or beneficiary of a member)
13 who retired or was disabled on or before December 1, 2017, and
14 who is entitled to receive a monthly benefit on July 1, 2018. The
15 amount is not an increase in the pension portion of the monthly
16 benefit.
17 (d) The amount paid under this SECTION to a member of the
18 fund (or to a survivor or beneficiary of a member) who meets the

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1 requirements of subsection (b) or (c) is determined as follows:

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

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

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

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

22 (g) The fund may not use employer contributions to make the
 23 payments required under subsection (b) or (c), as applicable,
 24 unless, and only to the extent that, the amounts necessary to make
 25 the payments required under subsection (b) or (c), as applicable,
 26 exceed the amounts appropriated in the state budget for the
 27 biennium beginning July 1, 2017, for the purposes described in
 28 subsection (b) or (c), as applicable.

29 (h) This SECTION expires January 1, 2019.

30 SECTION 2. [EFFECTIVE JULY 1, 2017] (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, 2017, 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, 2016, and who is entitled to receive a
 37 monthly benefit on July 1, 2017. The amount is not an increase in
 38 the pension portion of the monthly benefit.

39 (c) After June 30, 2018, and not later than October 1, 2018, the
 40 fund shall pay the amount determined under subsection (d) to a
 41 member of the fund (or to a survivor or beneficiary of a member)
 42 who retired or was disabled on or before December 1, 2017, and



1 who is entitled to receive a monthly benefit on July 1, 2018. The
 2 amount is not an increase in the pension portion of the monthly
 3 benefit.

4 (d) The amount paid under this SECTION to a member of the
 5 fund (or to a survivor or beneficiary of a member) who meets the
 6 requirements of subsection (b) or (c) is determined as follows:

7 If a Member's Creditable 8 Service Is:	The Amount Is:
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9 At least 5 years, but less than 10 years 10 (only in the case of a member receiving 11 disability retirement benefits)	\$150
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12 At least 10 years, but less than 20 years	\$275
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13 At least 20 years, but less than 30 years	\$375
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14 At least 30 years	\$450
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15 (e) The creditable service used to determine the amount paid to
 16 a member (or to a survivor or beneficiary of a member) under this
 17 SECTION is the creditable service that was used to compute the
 18 member's retirement benefit under IC 5-10.2-4-4, except that
 19 partial years of creditable service may not be used to determine the
 20 amount paid under this SECTION.

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

27 (g) The fund may not use employer contributions to make the
 28 payments required under subsection (b) or (c), as applicable,
 29 unless, and only to the extent that, the amounts necessary to make
 30 the payments required under subsection (b) or (c), as applicable,
 31 exceed the amounts appropriated in the state budget for the
 32 biennium beginning July 1, 2017, for the purposes described in
 33 subsection (b) or (c), as applicable.

34 (h) This SECTION expires January 1, 2019.

35 SECTION 3. [EFFECTIVE JULY 1, 2017] (a) As used in this
 36 SECTION, "participant" has the meaning set forth in
 37 IC 5-10-5.5-1.

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

41 (c) Not later than October 1, 2017, the board of trustees of the
 42 Indiana public retirement system established by IC 5-10.5-3-1 shall



1 pay the amount determined under subsection (e) to a plan
 2 participant (or to a survivor or beneficiary of a plan participant)
 3 who retired or was disabled on or before December 1, 2016, and
 4 who is entitled to receive a monthly benefit on July 1, 2017. The
 5 amount is not an increase in the annual retirement allowance.

6 (d) After June 30, 2018, and not later than October 1, 2018, the
 7 board of trustees of the Indiana public retirement system
 8 established by IC 5-10.5-3-1 shall pay the amount determined
 9 under subsection (e) to a plan participant (or to a survivor or
 10 beneficiary of a plan participant) who retired or was disabled on
 11 or before December 1, 2017, and who is entitled to receive a
 12 monthly benefit on July 1, 2018. The amount is not an increase in
 13 the annual retirement allowance.

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

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

26 (f) The creditable service used to determine the amount paid to
 27 a plan participant (or to a survivor or beneficiary of a plan
 28 participant) under this SECTION is the creditable service that was
 29 used to compute the plan participant's retirement allowance under
 30 IC 5-10-5.5-10 and IC 5-10-5.5-12, except that partial years of
 31 creditable service may not be used to determine the amount paid
 32 under this SECTION.

33 (g) If two (2) or more survivors or beneficiaries of a plan
 34 participant are entitled to an amount paid under this SECTION,
 35 the amount shall be allocated to the survivors or beneficiaries in
 36 shares using the same percentages as the percentages determined
 37 under IC 5-10-5.5-16 to pay the monthly benefit to the survivors or
 38 beneficiaries.

39 (h) The board of trustees of the Indiana public retirement system
 40 established by IC 5-10.5-3-1 may not use employer contributions
 41 to make the payments required under subsection (c) or (d), as
 42 applicable, unless, and only to the extent that, the amounts



1 required to make the payments under subsection (c) or (d), as
 2 applicable, exceed the appropriations in the state budget for the
 3 biennium beginning July 1, 2017, for the purposes described in
 4 subsection (c) or (d), as applicable.

5 (i) This SECTION expires January 1, 2019.

6 SECTION 4. [EFFECTIVE JULY 1, 2017] (a) As used in this
 7 SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.

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

10 (c) Not later than October 1, 2017, the trustee shall pay from the
 11 trust fund to each employee beneficiary of the state police pre-1987
 12 benefit system covered by IC 10-12-3 who:

13 (1) retired or was disabled before July 2, 2016; and

14 (2) is entitled to receive a monthly benefit as of September 1,
 15 2017;

16 an amount equal to one percent (1%) of the maximum basic annual
 17 pension amount payable to a retired state police employee in the
 18 grade of trooper who has completed twenty (20) years of service as
 19 of July 1, 2017, as calculated under IC 10-12-3-7.

20 (d) After September 1, 2018, and not later than October 1, 2018,
 21 the trustee shall pay from the trust fund to each employee
 22 beneficiary of the state police pre-1987 benefit system covered by
 23 IC 10-12-3 who:

24 (1) retired or was disabled before July 2, 2017; and

25 (2) is entitled to receive a monthly benefit as of September 1,
 26 2018;

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, 2018, as calculated under IC 10-12-3-7.

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

33 (f) The trustee may not use employer contributions to make the
 34 payments required under subsection (c) or (d), as applicable,
 35 unless, and only to the extent that, the amounts required to make
 36 the payments under subsection (c) or (d), as applicable, exceed the
 37 appropriations in the state budget for the biennium beginning July
 38 1, 2017, for the purposes described in subsection (c) or (d), as
 39 applicable.

40 (g) This SECTION expires January 1, 2019.

41 SECTION 5. [EFFECTIVE JULY 1, 2017] (a) As used in this
 42 SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.



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

3 (c) Not later than October 1, 2017, the trustee shall pay from the
4 trust fund to each employee beneficiary of the state police 1987
5 benefit system covered by IC 10-12-4 who:

6 (1) retired or was disabled after June 30, 1987, and before
7 July 2, 2016; and

8 (2) is entitled to receive a monthly benefit as of September 1,
9 2017;

10 an amount equal to one percent (1%) of the maximum basic annual
11 pension amount payable to a retired state police employee in the
12 grade of trooper who has completed twenty-five (25) years of
13 service as of July 1, 2017, as calculated under IC 10-12-4-7.

14 (d) After September 1, 2018, and not later than October 1, 2018,
15 the trustee shall pay from the trust fund to each employee
16 beneficiary of the state police 1987 benefit system covered by
17 IC 10-12-4 who:

18 (1) retired or was disabled after June 30, 1987, and before
19 July 2, 2017; and

20 (2) is entitled to receive a monthly benefit as of September 1,
21 2018;

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-five (25) years of
25 service as of July 1, 2018, as calculated under IC 10-12-4-7.

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

28 (f) The trustee may not use employer contributions to make the
29 payments required under subsection (c) or (d), as applicable,
30 unless, and only to the extent that, the amounts required to make
31 the payments under subsection (c) or (d), as applicable, exceed the
32 appropriations in the state budget for the biennium beginning July
33 1, 2017, for the purposes described in subsection (c) or (d), as
34 applicable.

35 (g) This SECTION expires January 1, 2019.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1537, 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 1537 as introduced.)

VANNATTER

Committee Vote: Yeas 11, Nays 0

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1537, 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 1, line 5, delete "(c)" and insert "(d)".

Page 1, between lines 9 and 10, begin a new paragraph and insert:

"(c) After June 30, 2018, and not later than October 1, 2018, the fund shall pay the amount determined under subsection (d) 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, 2017, and who is entitled to receive a monthly benefit on July 1, 2018. The amount is not an increase in the pension portion of the monthly benefit."

Page 1, line 10, delete "(c)" and insert "(d)".

Page 1, line 12, after "(b)" insert "or (c)".

Page 2, line 3, delete "(d)" and insert "(e)".

Page 2, line 9, delete "(e)" and insert "(f)".

Page 2, line 15, delete "(f)" and insert "(g)".

Page 2, line 16, after "(b)" insert "or (c), as applicable,".

Page 2, line 18, after "(b)" insert "or (c), as applicable,".

Page 2, line 20, delete "." and insert "or (c), as applicable,".

Page 2, line 21, delete "(g)" and insert "(h)".

Page 2, line 21, delete "2018." and insert "2019.".

Page 2, line 26, delete "(c)" and insert "(d)".

Page 2, between lines 30 and 31, begin a new paragraph and insert:

"(c) After June 30, 2018, and not later than October 1, 2018, the fund shall pay the amount determined under subsection (d) 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, 2017, and who is entitled to receive a monthly benefit on July 1, 2018. The amount is not an increase in the pension portion of the monthly benefit."

Page 2, line 31, delete "(c)" and insert "**(d)**".

Page 2, line 33, after "(b)" insert "**or (c)**".

Page 2, line 42, delete "(d)" and insert "**(e)**".

Page 3, line 6, delete "(e)" and insert "**(f)**".

Page 3, line 12, delete "(f)" and insert "**(g)**".

Page 3, line 13, after "(b)" insert "**or (c), as applicable,**".

Page 3, line 15, after "(b)" insert "**or (c), as applicable,**".

Page 3, line 17, delete "." and insert "**or (c), as applicable.**".

Page 3, line 18, delete "(g)" and insert "**(h)**".

Page 3, line 18, delete "2018." and insert "**2019.**".

Page 3, line 27, delete "(d)" and insert "**(e)**".

Page 3, between lines 31 and 32, begin a new paragraph and insert:
"(d) After June 30, 2018, and not later than October 1, 2018, the board of trustees of the Indiana public retirement system established by IC 5-10.5-3-1 shall pay the amount determined under subsection (e) to a plan participant (or to a survivor or beneficiary of a plan participant) who retired or was disabled on or before December 1, 2017, and who is entitled to receive a monthly benefit on July 1, 2018. The amount is not an increase in the annual retirement allowance."

Page 3, line 32, delete "(d)" and insert "**(e)**".

Page 3, line 34, after "(c)" insert "**or (d)**".

Page 4, line 2, delete "(e)" and insert "**(f)**".

Page 4, line 9, delete "(f)" and insert "**(g)**".

Page 4, line 15, delete "(g)" and insert "**(h)**".

Page 4, line 17, after "(c)" insert "**or (d), as applicable,**".

Page 4, line 19, after "(c)" insert "**or (d), as applicable,**".

Page 4, line 21, delete "." and insert "**or (d), as applicable.**".

Page 4, line 22, delete "(h)" and insert "**(i)**".

Page 4, line 22, delete "2018." and insert "**2019.**".

Page 4, between lines 36 and 37, begin a new paragraph and insert:
"(d) After September 1, 2018, and not later than October 1, 2018, 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, 2017; and

(2) is entitled to receive a monthly benefit as of September 1, 2018;



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, 2018, as calculated under IC 10-12-3-7."

Page 4, line 37, delete "(d)" and insert "(e)".

Page 4, line 39, delete "(e)" and insert "(f)".

Page 4, line 40, after "(c)" insert "**or (d), as applicable,**".

Page 4, line 42, after "(c)" insert "**or (d), as applicable,**".

Page 5, line 2, delete "." and insert "**or (d), as applicable.**".

Page 5, line 3, delete "(f)" and insert "(g)".

Page 5, line 3, delete "2018." and insert "**2019.**".

Page 5, between lines 18 and 19, begin a new paragraph and insert:
"(d) After September 1, 2018, and not later than October 1, 2018, the trustee shall pay from the trust fund to each employee beneficiary of the state police 1987 benefit system covered by IC 10-12-4 who:

(1) retired or was disabled after June 30, 1987, and before July 2, 2017; and

(2) is entitled to receive a monthly benefit as of September 1, 2018;

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-five (25) years of service as of July 1, 2018, as calculated under IC 10-12-4-7."

Page 5, line 19, delete "(d)" and insert "(e)".

Page 5, line 21, delete "(e)" and insert "(f)".

Page 5, line 22, after "(c)" insert "**or (d), as applicable,**".

Page 5, line 24, after "(c)" insert "**or (d), as applicable,**".

Page 5, line 26, delete "." and insert "**or (d), as applicable.**".

Page 5, line 27, delete "(f)" and insert "(g)".

Page 5, line 27, delete "2018." and insert "**2019.**".

and when so amended that said bill do pass.

(Reference is to HB 1537 as printed January 31, 2017.)

BROWN T

Committee Vote: yeas 21, nays 0.

