

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

SENATE ENROLLED ACT No. 22

AN ACT to amend the Indiana Code concerning pensions.

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

SECTION 1. IC 5-10.2-3-6, AS AMENDED BY P.L.193-2016, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 6. (a) After a member is suspended under section 5 of this chapter, the member is entitled to withdraw in a lump sum **all or part of** the amount of the member's contributions plus interest credited to the member.

(b) Except as provided in subsection (d), the suspended member's money is to remain in the stable value fund or the alternative investment program as the money was allocated on the day the member was suspended until:

- (1) the suspended member changes the allocation of the money among the stable value fund and the alternative investment program;
- (2) the suspended member withdraws the money from the fund; or
- (3) the fund is otherwise required to distribute the money.

Any earnings or losses on the money shall be credited to the member in the same manner as if the member's membership was not suspended.

(c) The board may charge a reasonable annual administrative fee against the money held in the annuity savings account of a suspended member.

(d) If:

SEA 22 — Concur



- (1) a member is suspended under section 5 of this chapter;
- (2) the member has not attained vested status in the fund; and
- (3) the value of the member's annuity savings account is not more than one thousand dollars (\$1,000);

the board ~~shall~~ **may** pay the member's annuity savings account **only** in a lump sum.

SECTION 2. IC 5-10.2-3-6.5, AS AMENDED BY P.L.179-2018, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 6.5. (a) After June 30, 2018, a member who meets all of the following requirements may elect to withdraw all or part of the amount in the member's annuity savings account:

- (1) The member has terminated employment with the applicable fund and is not currently employed in a covered position for the applicable fund.
- (2) The member has not performed any service in a position covered by the applicable fund or for the same employer for at least thirty (30) days after the date the member terminates employment.
- (3) The member makes the election described in this subsection:
 - (A) after December 31, 2008, if the member is a member of the public employees' retirement fund; or
 - (B) after June 30, 2009, if the member is a member of the Indiana state teachers' retirement fund.
- (4) Except as provided in subsection (b), the member is not eligible for:
 - (A) before July 1, 2011, a reduced or unreduced retirement; or
 - (B) after June 30, 2011, an unreduced retirement;
 under IC 5-10.2-4 on the date the fund receives notice of the election described in this subsection.

(b) The requirement described in subsection (a)(4) does not apply to a member of the public employees' retirement fund who:

- (1) was eligible for a reduced or unreduced retirement; and
- (2) received a distribution under this section;

after December 31, 2008, and before June 30, 2010.

(c) A member who elects to withdraw all or part of the amount in the member's annuity savings account under subsection (a) shall provide notice of the election on a form provided by the board.

(d) The election to withdraw all or part of the amount in the member's annuity savings account is irrevocable.

(e) The board shall pay an amount withdrawn from the member's annuity savings account under this section as a lump sum.

(f) Except as provided in subsection (g), a member who makes a



withdrawal under this section is entitled to receive, when the member becomes eligible to receive and applies for a retirement benefit under IC 5-10.2-4, a retirement benefit equal to the pension provided by employer contributions computed under IC 5-10.2-4.

(g) A member who:

(1) transfers creditable service earned under the fund to another governmental retirement plan under section 1(i) of this chapter; and

(2) withdraws the member's annuity savings account under this section to purchase the service;

may not use the transferred service in the computation of a retirement benefit payable under subsection (f).

(h) After June 30, 2019, a member's withdrawal of all or part of the member's annuity savings account under:

(1) this section; or

(2) rules adopted by the board with respect to the Pension Protection Act of 2006;

has no effect on the member's service credit or pension.

SECTION 3. IC 5-10.2-4-8.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 8.2. (a) Notwithstanding section 8 of this chapter, if a member who is receiving retirement benefits is elected or appointed to an elected position covered by this article, the member shall file a written, irrevocable election with the board to continue or discontinue retirement benefits while the member holds the elected position.

(b) If a member:

(1) is elected or appointed to an elected position and:

(A) becomes at least fifty-five (55) years of age; and

(B) completes at least twenty (20) years of service; or

(2) is serving in any other position covered by this article and:

(A) becomes at least seventy (70) years of age; and

(B) completes at least twenty (20) years of service;

while holding the position, the member may file a written, irrevocable election to begin receiving, while holding the position, retirement benefits to which the member would be entitled by age and service. A member who does not make the irrevocable election while holding the position is ~~entitled to retroactive payments to cover~~ **continues to accrue service credit for** any period from the date the member qualifies to make the election under this subsection to the date ~~on which the member files the election under this subsection; a retirement application or the date on which the member ceases to hold the position, whichever occurs first.~~

SEA 22 — Concur



(c) The form and content of an election shall be prescribed by the board. If the member elects to discontinue receiving retirement benefits, the member shall make contributions as required in IC 5-10.2-3-2. If the member elects to continue or begin receiving benefits:

- (1) the member may continue to make contributions under IC 5-10.2-3-2 but is not required to do so; and
- (2) the member waives the accrual of service credit and the right to any supplemental benefit from service in the position, except to the extent that the value of the accrual of additional service credit and any supplemental benefit exceeds the actuarial value of the benefits received under this chapter and that were continued or begun pursuant to an election under this section.

(d) Except to the extent of the liability for any additional benefit accrued under subsection (c)(2), the employer shall make the employer's contribution only for past service liability based on the salary for the position of a member who elects under subsection (a) or (b) to continue or begin receiving retirement benefits.

(e) Section 10 of this chapter applies to a member who elects under subsection (a) to discontinue receiving retirement benefits. Section 10 of this chapter does not apply, while the member holds a position covered by this article, to a member who elects under subsection (a) or (b) to continue or begin receiving retirement benefits.

SECTION 4. IC 5-10.3-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 6. ~~Leave Service:~~ (a) A member is entitled to service credit for adoption leave **and maternity or paternity leave** of not more than one (1) year **and if the employer certifies that the leave is granted in accordance with the employer's leave policy.**

(b) A member is entitled to service credit for leaves of absence, granted under rules in force at the time of the leave, totaling ~~six (6)~~ months or less during any period of four (4) consecutive years: **not more than one-eighth (1/8) of the member's creditable service in the fund at the time the leave is taken. However, service credit for leave granted under this subsection may be included in calculating the maximum leave period if the employer makes employer contributions for the employee during the leave period.**

(c) If a member receives compensation from the employer during the leave period, the employer must make contributions to the fund for the employee.

~~(b)~~ **(d)** A member may make contributions during the leave of absence based on ~~his~~ **the member's** rate of compensation on the date



his the member's leave of absence began.

(e) (e) Notwithstanding any law, this section must be administered in a manner consistent with the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.). A member on a leave of absence that qualifies for the benefits and protections afforded by the Family and Medical Leave Act is entitled to receive credit for vesting and eligibility purposes to the extent required by the Family and Medical Leave Act, but is not entitled to receive credit for service for benefit purposes unless the leave is described in subsection (a) or (b).

SECTION 5. IC 5-10.3-11-3, AS AMENDED BY P.L.182-2009(ss), SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 3. The pension relief fund may be used only for making payments to cities, counties, towns, and townships, referred to as "units of local government" in this chapter, having pension funds established under IC 18-1-12, IC 19-1-18, IC 19-1-24, IC 19-1-25-4, IC 19-1-30, IC 19-1-37, or IC 19-1-44 (all before their repeal), **and paying reasonable administrative expenses approved by the state board.** Payments received by the units may be used only for:

- (1) pension payments from a pension fund listed in this section;
- or
- (2) withdrawals under section 6 of this chapter.

SECTION 6. IC 5-10.3-12-18, AS ADDED BY P.L.22-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 18. (a) The public employees' defined contribution plan is established for the purpose of providing amounts funded by an employer and a member for the use of the member or the member's beneficiaries or survivors after the member's retirement.

(b) The board shall adopt provisions to implement the plan established under subsection (a) as follows:

- (1) The board shall initially offer the plan using the annuity savings account, subject to obtaining the approval of the Internal Revenue Service in a manner satisfactory to the board to preserve the qualified status of the plan and the fund. **If, and while, the plan uses the annuity savings account as provided in this subdivision,** the plan as provided under this subdivision is a component within the fund.
- (2) If the approval of the Internal Revenue Service to offer the plan using the annuity savings account cannot be obtained in a manner satisfactory to the board, the board shall offer the plan as a separate fund under Section 401(a) or another applicable section of the Internal Revenue Code.
- (3) **If the board initially offers the plan using the annuity**



savings account as provided under subdivision (1), the board may at any time afterwards convert the plan to a separate fund under Section 401(a) or another applicable section of the Internal Revenue Code. If the board converts the plan to a separate fund as provided under this subdivision, after the conversion the plan is not a component within the fund.

(c) The board shall administer the plan.

(d) The board may adopt a plan document that it considers appropriate or necessary to administer the plan.

SECTION 7. IC 5-10.3-12-21, AS AMENDED BY P.L.209-2016, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 21. (a) The plan consists of the following:

(1) Each member's contributions to the plan under section 23 of this chapter.

(2) Contributions made by an employer to the plan on behalf of each member under section 24 or 24.5 of this chapter.

(3) Rollovers to the plan by a member under section 29 of this chapter.

(4) All earnings on investments or deposits of the plan.

(5) All contributions or payments to the plan made in the manner provided by the general assembly.

(b) The plan shall establish an account for each member. A member's account consists of two (2) subaccounts credited individually as follows:

(1) The member contribution subaccount consists of:

(A) the member's contributions to the plan under section 23 of this chapter; and

(B) the net earnings on the contributions described in clause (A) as determined under section 22 of this chapter.

(2) The employer contribution subaccount consists of:

(A) the employer's contributions made on behalf of the member to the plan under section 24 or 24.5 of this chapter; and

(B) the earnings on the contributions described in clause (A) as determined under section 22 of this chapter.

The board may combine the two (2) subaccounts established under this subsection into a single account, if the board determines that a single account is administratively appropriate and permissible under applicable law.

(c) If a member makes rollover contributions under section 29 of this chapter, the plan shall establish a rollover account as a separate subaccount within the member's account.



(d) If:

- (1) the board offers the plan using the annuity savings account; and
- (2) an individual is both a member of the plan and a member (as defined in IC 5-10.3-1-5) of the fund;

the board shall account for the individual's contributions and the employer contributions made on behalf of the individual under the fund separately from the individual's contributions and the employer's contributions made on behalf of the individual under the plan.

SECTION 8. IC 5-10.3-12-22, AS AMENDED BY P.L.86-2018, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 22. (a) Subject to the board obtaining the approval of the Internal Revenue Service as described in section 18(b) of this chapter, the board shall establish:

- (1) a stable value fund as the initial regular investment program for the plan; and
- (2) the alternative investment programs (as described by IC 5-10.2-2-3 and IC 5-10.2-2-4 (before its expiration)) within the annuity savings account as the initial alternative investment programs for the plan.

If the board considers it necessary or appropriate, the board may establish different or additional alternative investment programs for the plan.

(b) The board may adopt requirements and rules that apply to the alternative investment programs within the annuity savings account are the initial requirements and rules that apply to the alternative investment programs within the plan, including the following:

- (1) The board's investment guidelines and limits for the alternative investment programs.
- (2) A member's selection of and changes to the member's investment options.
- (3) The valuation of a member's account.
- (4) The allocation and payment of administrative expenses for the alternative investment programs.

(c) If the board considers it necessary or appropriate, the board may establish different or additional requirements and rules that apply to the alternative investment programs within the plan.

(d) (c) The board shall determine the appropriate administrative fees to be charged to the member accounts.

SECTION 9. IC 5-10.3-12-26, AS AMENDED BY P.L.66-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 26. (a) Subject to the provisions of the Internal

SEA 22 — Concur



Revenue Code applicable to qualified plan distributions, a member who:

- (1) terminates service in a covered position; and
- (2) does not perform any service in a position covered by the fund for at least thirty (30) days after the date on which the member terminates service;

is entitled to withdraw **all or part of the** amounts in the member's account to the extent the member is vested in the account. A member must make a required withdrawal from the member's account not later than the required beginning date under the Internal Revenue Code.

(b) The member may elect to have withdrawals paid as:

- (1) a lump sum;
- (2) a direct rollover to another eligible retirement plan; or
- (3) if the member has attained normal retirement age, a monthly annuity in accordance with the rules of the board.

(c) The board may establish a minimum account balance or a minimum monthly payment amount in order for a member to select the monthly annuity option. The board shall establish the forms of annuity by rule, in consultation with the board's actuary. The board shall give members information about these forms of payment and any information required by federal law to accompany such distributions.

(d) Unless otherwise required by federal or state law, the requirements and rules that apply to the distribution of the annuity savings account apply to distributions from a member's account.

SECTION 10. IC 5-10.3-12-29, AS AMENDED BY P.L.179-2018, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 29. (a) To the extent permitted by the Internal Revenue Code and the applicable regulations and guidance, the plan may accept, on behalf of any member, a rollover distribution from any of the following:

- (1) A qualified plan described in Section 401(a) or Section 403(a) of the Internal Revenue Code.
- (2) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.
- (3) An eligible plan maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state under Section 457(b) of the Internal Revenue Code.
- (4) An individual retirement account or annuity described in Section 408(a) or Section 408(b) of the Internal Revenue Code.

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

SEA 22 — Concur



in the plan. The member shall be fully vested in the member's rollover account.

(c) A member may direct the investment of the member's rollover account into any alternative investment option that the board may make available to the member's rollover account under section 22 of this chapter.

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

SECTION 11. IC 5-10.3-12-30, AS AMENDED BY P.L.6-2012, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 30. (a) If a member becomes disabled while in a covered position, subject to any federal law limitations concerning qualified plan distributions and the member furnishing proof of the member's qualification for Social Security disability benefits to the board, to the extent that the member is vested, the member may make a **full or partial** withdrawal from the member's account.

(b) The member may elect to have the withdrawal paid as:

- (1) a lump sum;
- (2) a direct rollover to another eligible retirement plan; or
- (3) a monthly annuity in accordance with the rules of the board.

(c) The board may establish a minimum account balance or a minimum monthly payment amount in order for a member to select the monthly annuity option.

SECTION 12. IC 5-10.4-8-2, AS ADDED BY P.L.217-2017, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 2. The following definitions apply throughout this chapter:

- (1) "Account" means the plan account established for a member under section 7(b) of this chapter.
- (2) "Annuity savings account" means the annuity savings account of the 1996 account maintained under IC 5-10.2-2-2(b)(2) and IC 5-10.2-2-2(c)(1).
- (3) "Compensation" has the meaning set forth in IC 5-10.2-3-2(a).
- (4) "Effective date" means the first day of the month that is six (6) months after the month in which the board adopts provisions to



implement the plan under section 4(b) of this chapter.

(5) "Employer" means a school corporation.

(6) "Employer contribution subaccount" means the subaccount in a member's plan account established under section 7(b)(2) of this chapter.

(7) "Fund" refers to the Indiana state teachers' retirement fund established by IC 5-10.4-2-1.

~~(7)~~ **(8)** "Internal Revenue Code" has the meaning set forth in IC 5-10.2-1-3.5.

~~(8)~~ **(9)** "Member" means an individual described in section 1(a) of this chapter who is not otherwise excluded from membership in the plan.

~~(9)~~ **(10)** "Member contribution subaccount" means the subaccount in a member's plan account established under section 7(b)(1) of this chapter.

~~(10)~~ **(11)** "Normal retirement age" for a member means the member is at least sixty-two (62) years of age with at least five (5) years of participation in the plan.

~~(11)~~ **(12)** "Plan" refers to the teachers' defined contribution plan established by section 4 of this chapter.

~~(12)~~ **(13)** "Years of participation" means all periods of participation in the plan in a covered position, plus any additional service for which this chapter provides years of participation credit.

SECTION 13. IC 5-10.4-8-4, AS ADDED BY P.L.217-2017, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 4. (a) The teachers' defined contribution plan is established for the purpose of providing amounts funded by an employer and a member for the use of the member or the member's beneficiaries or survivors after the member's retirement.

(b) The board shall adopt provisions to implement the plan established under subsection (a) as follows:

(1) The board shall initially offer the plan using the annuity savings account, subject to obtaining any approval from the Internal Revenue Service that the board considers necessary or desirable to preserve the qualified status of the plan and the fund.

If, and while, the plan is offered using the annuity savings account under this subdivision, the plan as ~~provided under this subdivision~~ is a component within the fund.

(2) If the approval of the Internal Revenue Service to offer the plan using the annuity savings account cannot be obtained in a manner satisfactory to the board, the board shall offer the plan as



a separate fund under Section 401(a) or another applicable section of the Internal Revenue Code.

(3) If the board initially offers the plan using the annuity savings account as provided under subdivision (1), the board may at any time afterwards convert the plan to a separate fund under Section 401(a) or another applicable section of the Internal Revenue Code. If the board converts the plan to a separate fund as provided under this subdivision, after the conversion the plan is not a component within the fund.

(c) The board shall administer the plan.

(d) The board may adopt a plan document that it considers appropriate or necessary to administer the plan.

SECTION 14. IC 5-10.4-8-8, AS ADDED BY P.L.217-2017, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 8. (a) Subject to the board obtaining any approval from the Internal Revenue Service that the board considers necessary or desirable, the board shall establish:

(1) a stable value fund for the plan; and

(2) alternative investment programs (as described by IC 5-10.2-2-3) within the annuity savings account as the initial alternative investment programs for the plan. If the board considers it necessary or appropriate, the board may establish different or additional alternative investment programs for the plan, except that the board shall maintain the stable value fund as described by IC 5-10.2-2-3(b).

(b) The **board may adopt** requirements and rules that apply to the alternative investment programs ~~within the annuity savings account are the initial requirements and rules that apply to the alternative investment programs~~ within the plan, including the following:

(1) The board's investment guidelines and limits for the alternative investment programs.

(2) A member's selection of and changes to the member's investment options.

(3) The valuation of a member's account.

(4) The allocation and payment of administrative expenses for the alternative investment programs.

~~(e) If the board considers it necessary or appropriate, the board may establish different or additional requirements and rules that apply to the alternative investment programs within the plan.~~

~~(d)~~ (c) The board shall determine the appropriate administrative fees to be charged to the member accounts.

SECTION 15. IC 5-10.4-8-12, AS ADDED BY P.L.217-2017,



SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 12. (a) Subject to the provisions of the Internal Revenue Code applicable to qualified plan distributions, a member who:

- (1) terminates service in a covered position; and
- (2) does not perform any service in a position covered by the fund for at least thirty (30) days after the date on which the member terminates service;

is entitled to withdraw **all or part of the** amounts in the member's account to the extent the member is vested in the account. A member must make a required withdrawal from the member's account not later than the required beginning date under the Internal Revenue Code.

(b) A member may elect to have withdrawals paid as:

- (1) a lump sum;
- (2) a direct rollover to another eligible retirement plan; or
- (3) if the member has attained normal retirement age, a monthly annuity in accordance with the rules of the board.

(c) The board may establish a minimum account balance or a minimum monthly payment amount in order for a member to select the monthly annuity option. The board shall establish the forms of annuity by rule, in consultation with the board's actuary. The board shall give members information about these forms of payment and any information required by federal law to accompany such distributions.

(d) Unless otherwise required by federal or state law, the requirements and rules that apply to the distribution of the annuity savings account apply to distributions from a member's account.

SECTION 16. IC 5-10.4-8-15, AS AMENDED BY P.L.179-2018, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 15. (a) To the extent permitted by the Internal Revenue Code and the applicable regulations and guidance, the plan may accept, on behalf of any member, a rollover distribution from any of the following:

- (1) A qualified plan described in Section 401(a) or Section 403(a) of the Internal Revenue Code.
- (2) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.
- (3) An eligible plan maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state under Section 457(b) of the Internal Revenue Code.
- (4) An individual retirement account or annuity described in Section 408(a) or Section 408(b) of the Internal Revenue Code.

SEA 22 — Concur



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

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

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

SECTION 17. IC 5-10.4-8-16, AS ADDED BY P.L.217-2017, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 16. (a) If a member becomes disabled while in a covered position, subject to any federal law limitations concerning qualified plan distributions and the member furnishing proof of the member's qualification for Social Security disability benefits to the board, to the extent that the member is vested, the member may make a **full or partial** withdrawal from the member's account.

(b) The member may elect to have the withdrawal paid as:

- (1) a lump sum;
- (2) a direct rollover to another eligible retirement plan; or
- (3) a monthly annuity in accordance with the rules of the board.

(c) The board may establish a minimum account balance or a minimum monthly payment amount in order for a member to select the monthly annuity option.

SECTION 18. IC 5-10.4-9-1, AS ADDED BY P.L.217-2017, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 1. The following definitions apply throughout this chapter:

(1) "Account" has the meaning set forth in ~~IC 5-10.4-8-2(1)~~.
IC 5-10.4-8-2.

(2) "Plan" has the meaning set forth in ~~IC 5-10.4-8-2(11)~~.
IC 5-10.4-8-2.

SECTION 19. IC 5-10.5-2-2, AS AMENDED BY P.L.40-2017, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 2. The system consists of the following public



pension or retirement funds:

- (1) The public employees' retirement fund established under IC 5-10.2 and IC 5-10.3.
- (2) The public employees' defined contribution plan established under IC 5-10.3-12.**
- ~~(2)~~ (3) The Indiana state teachers' retirement fund established under IC 5-10.2 and IC 5-10.4.
- (4) The teachers' defined contribution plan established under IC 5-10.4-8.**
- ~~(3)~~ (5) The Indiana judges' retirement fund established under IC 33-38-6.
- ~~(4)~~ (6) The prosecuting attorneys retirement fund established under IC 33-39-7.
- ~~(5)~~ (7) The state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement fund established under IC 5-10-5.5.
- ~~(6)~~ (8) The 1977 police officers' and firefighters' pension and disability fund established under IC 36-8-8.
- ~~(7)~~ (9) The legislators' retirement system established under IC 2-3.5.
- ~~(8)~~ (10) The pension relief fund established under IC 5-10.3-11.
- ~~(9)~~ (11) The special death benefit fund established under IC 5-10-9.8.

SECTION 20. IC 33-38-6-19.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 19.5. (a) All assets in the fund are exempt from levy, sale, garnishment, attachment, or other legal process. However, the participant's contributions or benefits, or both, may be transferred to reimburse the participant's employer for loss resulting from the participant's criminal taking of the employer's property by the board if the board receives adequate proof of the loss. The loss resulting from the participant's criminal taking of the participant's employer's property must be proven by an order for restitution in favor of the employer issued by the sentencing court following a felony or misdemeanor conviction.**

(b) The board may withhold payment of a participant's contributions and interest if the employer of the participant notifies the board that felony or misdemeanor charges accusing the participant of the criminal taking of the employer's property have been filed.

(c) The board may withhold payment of a participant's contributions and interest under subsection (b) until the final



resolution of the criminal charges.

SECTION 21. IC 33-38-7-20 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 20. A participant, beneficiary, or survivor may not assign any payment under this chapter except for the following:**

(1) Premiums on a life, hospitalization, surgical, or medical group insurance plan maintained in part by a state agency.

(2) Dues to an association that proves to the board's satisfaction that the association has as members at least twenty percent (20%) of the retired participants in the plan.

SECTION 22. IC 33-38-8-26 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 26. A participant, beneficiary, or survivor may not assign any payment under this chapter except for the following:**

(1) Premiums on a life, hospitalization, surgical, or medical group insurance plan maintained in part by a state agency.

(2) Dues to an association that proves to the board's satisfaction that the association has as members at least twenty percent (20%) of the retired participants in the plan.

SECTION 23. IC 33-39-7-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10.5. (a) All assets in the fund are exempt from levy, sale, garnishment, attachment, or other legal process. However, a participant's contributions or benefits, or both, may be transferred to reimburse the participant's employer for loss resulting from the participant's criminal taking of the employer's property by the board if the board receives adequate proof of the loss. The loss resulting from the participant's criminal taking of the participant's employer's property must be proven by an order for restitution in favor of the employer issued by the sentencing court following a felony or misdemeanor conviction.**

(b) The board may withhold payment of a participant's contributions and interest if the employer of the participant notifies the board that felony or misdemeanor charges accusing the participant of the criminal taking of the employer's property have been filed.

(c) The board may withhold payment of a participant's contributions and interest under subsection (b) until the final resolution of the criminal charges.

SECTION 24. IC 33-39-7-16, AS AMENDED BY P.L.57-2017,

SEA 22 — Concur



SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 16. (a) This section does not apply to a participant who becomes permanently disabled, as described in section 17 of this chapter.

(b) A participant who:

(1) applies for a retirement benefit; and

(2) is at least:

(A) sixty-five (65) years of age; or

(B) fifty-five (55) years of age and the participant's age in years plus the participant's years of service is at least eighty-five (85);

is entitled to an annual retirement benefit as calculated in subsection (c).

(c) Except as provided in subsections (d), (e), and (f), the amount of the annual retirement benefit to which a participant described in subsection (b) is entitled equals the product of:

(1) the highest annual salary that was paid to the participant before separation from service; multiplied by

(2) the percentage prescribed in the following table:

Participant's Years of Service	Percentage
Less than 8	0
8	24%
9	27%
10	30%
11	33%
12	50%
13	51%
14	52%
15	53%
16	54%
17	55%
18	56%
19	57%
20	58%
21	59%
22 or more	60%

If a participant has a partial year of service in addition to at least eight (8) full years of service, an additional percentage is calculated under this subsection by prorating between the applicable percentages, based on the number of months in the partial year of service.

(d) Except as provided in subsections (e) and (f), and section



19(c)(2)(B) of this chapter, a participant who:

- (1) applies for a retirement benefit; and
- (2) is not described in subsection (b);

is entitled to receive a reduced annual retirement benefit that equals the benefit that would be payable if the participant were sixty-five (65) years of age reduced by one-fourth percent (0.25%) for each month that the participant's age at retirement precedes the participant's sixty-fifth birthday.

(e) Except as provided in subsection (f), benefits payable to a participant under this section are reduced by the pension, if any, that:

- (1) the participant is receiving from the public employees' retirement fund, if the participant is receiving a pension from the public employees' retirement fund on the date of the participant's retirement from the prosecuting attorneys retirement fund; or
- (2) would be payable to the participant from the public employees' retirement fund if the participant had retired from the public employees' retirement fund on the date of the participant's retirement from the prosecuting attorneys retirement fund, if the participant is not receiving a pension from the public employees' retirement fund on the date of the participant's retirement from the prosecuting attorneys retirement fund.

Benefits payable to a participant under this section are not reduced by annuity payments made to the participant from the public employees' retirement fund **or by postretirement increases to the pension, if any, that the participant is receiving from the public employees' retirement fund.** A participant to whom subdivision (2) applies is entitled to a recalculation of the benefits payable to the participant under this section after the participant has begun receiving a pension from the public employees' retirement fund based on the actual amount of the pension that the participant is receiving from the public employees' retirement fund.

(f) This subsection applies to a participant who is a member of the public employees' defined contribution (~~annuity savings account only~~) plan established by IC 5-10.3-12-18. Benefits payable to a participant under this section are reduced by the pension portion of the retirement benefit, if any, that would be payable to the participant from the public employees' retirement fund if the participant:

- (1) had not made an election under IC 5-10.3-12-20 to become a member of the public employees' defined contribution (~~annuity savings account only~~) plan; and
- (2) had retired from the public employees' retirement fund on the date of the participant's retirement from the prosecuting attorneys



retirement fund.

(g) If benefits payable from the public employees' retirement fund exceed the benefits payable from the prosecuting attorneys retirement fund, the participant is entitled at retirement to withdraw from the prosecuting attorneys retirement fund the total sum contributed plus interest at a rate specified by rule by the board.

SECTION 25. IC 33-39-7-18, AS AMENDED BY P.L.160-2013, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 18. (a) Except as provided in subsections (b) and (c), a participant who becomes permanently disabled, as described in section 17 of this chapter, is entitled to an annual benefit equal to the product of:

(1) the annual salary that was paid to the participant at the time of separation from service; multiplied by

(2) the percentage prescribed in the following table:

Participant's Years of Service	Percentage
0-12	50%
13	51%
14	52%
15	53%
16	54%
17	55%
18	56%
19	57%
20	58%
21	59%
22 or more	60%

If a participant has a partial year of service in addition to at least ten (10) years of service, an additional percentage is calculated under this subsection by prorating between the applicable percentages, based on the number of months in the partial year of service.

(b) Except as provided in subsection (c), benefits payable to a participant under this section are reduced by the amounts, if any, that are payable to the participant from the public employees' retirement fund.

(c) This subsection applies to a participant who is a member of the public employees' defined contribution (~~annuity savings account~~ only) plan established by IC 5-10.3-12-18. Benefits payable to a participant under this section are reduced by the pension portion of the retirement benefit, if any, that would be payable to the participant from the public employees' retirement fund if the participant had not made an election

SEA 22 — Concur



under IC 5-10.3-12-20 to become a member of the public employees' defined contribution (~~annuity savings account only~~) plan.

SECTION 26. IC 33-39-7-19, AS AMENDED BY P.L.160-2013, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 19. (a) A participant may designate the participant's surviving spouse or one (1) or more of the participant's surviving dependent children to receive the benefit provided by this section upon the death of the participant. A participant may designate a trust or a custodian account under IC 30-2-8.5 that is established for one (1) or more of the participant's surviving dependent children to receive the benefit provided by this section instead of designating one (1) or more of the participant's surviving dependent children to receive the benefit directly.

(b) If a participant:

(1) dies; and

(2) on the date of death:

(A) was receiving benefits under this chapter;

(B) was in service in a position described in section 8 of this chapter and had completed at least eight (8) years of service in a position described in section 8 of this chapter;

(C) had a permanent disability as described in section 17 of this chapter; or

(D) was not in service in a position described in section 8 of this chapter, had completed at least eight (8) years of service in a position described in section 8 of this chapter, and was entitled to a future benefit;

the participant's beneficiary designated under subsection (a) is entitled, regardless of the participant's age, to the benefit prescribed by subsection (c), (e), or (f).

(c) The amount of the annual benefit payable to a beneficiary to whom subsection (b) applies is equal to the greater of:

(1) twelve thousand dollars (\$12,000); or

(2) fifty percent (50%) of the amount of retirement benefit:

(A) the participant was drawing at the time of death; or

(B) to which the participant would have been entitled had the participant retired and begun receiving retirement benefits on the date of death. However, the reduction described in section 16(d) of this chapter does not apply to the calculation of a survivor benefit under this clause.

(d) A benefit payable under this section is subject to the following:

(1) A surviving spouse designated as the beneficiary under subsection (a) is entitled to receive the benefit for life.



(2) The total monthly benefit payable to a surviving child or children is equal to the same monthly benefit that was to have been payable to the surviving spouse.

(3) If there is more than one (1) child designated by the participant, the children are entitled to share the benefit in equal monthly amounts.

(4) A child entitled to a benefit shall receive that child's share until the child becomes eighteen (18) years of age or during the entire period of the child's physical or mental disability, whichever period is longer.

(5) Upon the cessation of benefits to one (1) designated child, if there are one (1) or more other children then surviving and still entitled to benefits, the remaining children shall share the benefit equally. If the surviving spouse of the participant is surviving upon the cessation of benefits to all designated children, the surviving spouse shall then receive the benefit for the remainder of the spouse's life.

(6) The benefit is payable to the participant's surviving spouse if any of the following occur:

(A) No child or children named as a beneficiary by the participant survives or survive the participant.

(B) No child or children designated by the participant is or are entitled to a benefit due to the age of the child or children at the time of death of the participant.

(C) A designation is not made.

(e) Except as provided in subsection (f), benefits payable to a designated beneficiary under this section are reduced by the amount, if any, that is payable to the surviving spouse or the surviving dependent children from the public employees' retirement fund as a result of the participant's death after subtracting the participant's contributions and earnings attributable to the participant's contributions in the participant's annuity savings account.

(f) This subsection applies to a surviving spouse of a participant who is a member of the public employees' defined contribution (~~annuity savings account only~~) plan established by IC 5-10.3-12-18. Benefits payable to a surviving spouse of a participant under this section are reduced by the pension portion of the retirement benefit, if any, that would be payable to the spouse from the public employees' retirement fund under the joint and survivor option under IC 5-10.2-4-7, computed at fifty percent (50%) of the participant's decreased retirement benefit, if the participant had not made an election under IC 5-10.3-12-20 to become a member of the public



employees' defined contribution (~~annuity savings account only~~) plan.

SECTION 27. IC 33-39-7-20, AS AMENDED BY P.L.160-2013, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 20. (a) If:

- (1) a participant's spouse does not survive the participant; and
- (2) the participant did not designate one (1) or more of the participant's surviving dependent children to receive the benefit provided by section 19 of this chapter;

the participant's surviving dependent children are, upon the death of the participant, entitled to a benefit equal to the benefit the participant's spouse would have received under section 19 of this chapter.

(b) If a surviving spouse of a decedent participant dies and a dependent child of the surviving spouse and the decedent participant survives them, that dependent child is entitled to receive a benefit equal to the benefit the spouse was receiving or would have received under section 19 of this chapter.

(c) If there is more than one (1) dependent child, the dependent children are entitled to share the benefit equally.

(d) Each dependent child is entitled to receive that child's share until the child becomes eighteen (18) years of age or during the entire period of the child's physical or mental disability, whichever period is longer.

(e) Except as provided in subsection (f), benefits payable to a dependent child are reduced by the amount, if any, that is payable to the dependent child from the public employees' retirement fund after subtracting the participant's contributions and earnings attributable to the participant's contributions in the participant's annuity savings account.

(f) This subsection applies to a dependent child of a participant who is a member of the public employees' defined contribution (~~annuity savings account only~~) plan established by IC 5-10.3-12-18. Benefits payable to a dependent child of a participant under this section are reduced by the actuarial equivalent of the pension portion of the retirement benefit, if any, that would be payable to the spouse (assuming the spouse would have had the same birth date as the participant) from the public employees' retirement fund under the joint and survivor option under IC 5-10.2-4-7, computed at fifty percent (50%) of the participant's decreased retirement benefit, if the participant had not made an election under IC 5-10.3-12-20 to become a member of the public employees' defined contribution (~~annuity savings account only~~) plan.

SECTION 28. IC 33-39-7-26 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

SEA 22 — Concur



[EFFECTIVE UPON PASSAGE]: **Sec. 26. A participant, beneficiary, or survivor may not assign any payment under this chapter except for the following:**

- (1) Premiums on a life, hospitalization, surgical, or medical group insurance plan maintained in part by a state agency.**
- (2) Dues to an association that proves to the board's satisfaction that the association has as members at least twenty percent (20%) of the retired participants in the plan.**

SECTION 29. IC 36-8-8-7, AS AMENDED BY P.L.115-2016, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Subject to IC 36-8-4.7 and except as provided in subsections (d), (e), (f), (g), (h), (k), (l), and (m):

- (1) a police officer; or
- (2) a firefighter;

who is less than thirty-six (36) years of age and who passes the baseline statewide physical and mental examinations required under section 19 of this chapter shall be a member of the 1977 fund and is not a member of the 1925 fund, the 1937 fund, or the 1953 fund.

(b) A police officer or firefighter with service before May 1, 1977, who is hired or rehired after April 30, 1977, may receive credit under this chapter for service as a police officer or firefighter prior to entry into the 1977 fund if the employer who rehires the police officer or firefighter chooses to contribute to the 1977 fund the amount necessary to amortize the police officer's or firefighter's prior service liability over a period of not more than thirty (30) years, the amount and the period to be determined by the system board. If the employer chooses to make the contributions, the police officer or firefighter is entitled to receive credit for the police officer's or firefighter's prior years of service without making contributions to the 1977 fund for that prior service. In no event may a police officer or firefighter receive credit for prior years of service if the police officer or firefighter is receiving a benefit or is entitled to receive a benefit in the future from any other public pension plan with respect to the prior years of service.

(c) Except as provided in section 18 of this chapter, a police officer or firefighter is entitled to credit for all years of service after April 30, 1977, with the police or fire department of an employer covered by this chapter.

(d) A police officer or firefighter with twenty (20) years of service does not become a member of the 1977 fund and is not covered by this chapter, if the police officer or firefighter:

- (1) was hired before May 1, 1977;
- (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both

SEA 22 — Concur



of which were repealed September 1, 1981); and

(3) is rehired after April 30, 1977, by the same employer.

(e) A police officer or firefighter does not become a member of the 1977 fund and is not covered by this chapter if the police officer or firefighter:

(1) was hired before May 1, 1977;

(2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were repealed September 1, 1981);

(3) was rehired after April 30, 1977, but before February 1, 1979; and

(4) was made, before February 1, 1979, a member of a 1925, 1937, or 1953 fund.

(f) A police officer or firefighter does not become a member of the 1977 fund and is not covered by this chapter if the police officer or firefighter:

(1) was hired by the police or fire department of a unit before May 1, 1977;

(2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were repealed September 1, 1981);

(3) is rehired by the police or fire department of another unit after December 31, 1981; and

(4) is made, by the fiscal body of the other unit after December 31, 1981, a member of a 1925, 1937, or 1953 fund of the other unit.

If the police officer or firefighter is made a member of a 1925, 1937, or 1953 fund, the police officer or firefighter is entitled to receive credit for all the police officer's or firefighter's years of service, including years before January 1, 1982.

(g) As used in this subsection, "emergency medical services" and "emergency medical technician" have the meanings set forth in IC 16-18-2-110 and IC 16-18-2-112. A firefighter who:

(1) is employed by a unit that is participating in the 1977 fund;

(2) was employed as an emergency medical technician by a political subdivision wholly or partially within the department's jurisdiction;

(3) was a member of the public employees' retirement fund during the employment described in subdivision (2); and

(4) ceased employment with the political subdivision and was hired by the unit's fire department due to the reorganization of emergency medical services within the department's jurisdiction;

shall participate in the 1977 fund. A firefighter who participates in the 1977 fund under this subsection is subject to sections 18 and 21 of this



chapter.

(h) A police officer or firefighter does not become a member of the 1977 fund and is not covered by this chapter if the individual was appointed as:

- (1) a fire chief under a waiver under IC 36-8-4-6(c); or
- (2) a police chief under a waiver under IC 36-8-4-6.5(c);

unless the executive of the unit requests that the 1977 fund accept the individual in the 1977 fund and the individual previously was a member of the 1977 fund.

(i) A police matron hired or rehired after April 30, 1977, and before July 1, 1996, who is a member of a police department in a second or third class city on March 31, 1996, is a member of the 1977 fund.

(j) A park ranger who:

- (1) completed at least the number of weeks of training at the Indiana law enforcement academy or a comparable law enforcement academy in another state that were required at the time the park ranger attended the Indiana law enforcement academy or the law enforcement academy in another state;
- (2) graduated from the Indiana law enforcement academy or a comparable law enforcement academy in another state; and
- (3) is employed by the parks department of a city having a population of more than one hundred ten thousand (110,000) but less than one hundred fifty thousand (150,000);

is a member of the fund.

(k) Notwithstanding any other provision of this chapter, a police officer or firefighter:

- (1) who is a member of the 1977 fund before a consolidation under IC 36-3-1-5.1 or IC 36-3-1-6.1;
- (2) whose employer is consolidated into the consolidated law enforcement department or the fire department of a consolidated city under IC 36-3-1-5.1 or IC 36-3-1-6.1; and
- (3) who, after the consolidation, becomes an employee of the consolidated law enforcement department or the consolidated fire department under IC 36-3-1-5.1 or IC 36-3-1-6.1;

is a member of the 1977 fund without meeting the requirements under sections 19 and 21 of this chapter.

(l) Notwithstanding any other provision of this chapter, if:

- (1) before a consolidation under IC 8-22-3-11.6, a police officer or firefighter provides law enforcement services or fire protection services for an entity in a consolidated city;
- (2) the provision of those services is consolidated into the law enforcement department or fire department of a consolidated city;

SEA 22 — Concur



and

(3) after the consolidation, the police officer or firefighter becomes an employee of the consolidated law enforcement department or the consolidated fire department under IC 8-22-3-11.6;

the police officer or firefighter is a member of the 1977 fund without meeting the requirements under sections 19 and 21 of this chapter.

(m) A police officer or firefighter who is a member of the 1977 fund under subsection (k) or (l) may not be:

(1) retired for purposes of section 10 of this chapter; or

(2) disabled for purposes of section 12 of this chapter;

solely because of a change in employer under the consolidation.

(n) Notwithstanding any other provision of this chapter and subject to subsection (o), a police officer or firefighter who:

(1) is an active member of the 1977 fund with an employer that participates in the 1977 fund;

(2) separates from that employer; and

(3) not later than one hundred eighty (180) days after the date of the separation described in subdivision (2), becomes employed as a full-time police officer or firefighter with **the same or** a second employer that participates in the 1977 fund;

is a member of the 1977 fund without meeting for a second time the age limitation under subsection (a) and the requirements under sections 19 and 21 of this chapter. A police officer or firefighter to whom this subsection applies is entitled to receive credit for all years of 1977 fund covered service as a police officer or firefighter with all employers that participate in the 1977 fund.

(o) The one hundred eighty (180) day limitation described in subsection (n)(3) does not apply to a member of the 1977 fund who is eligible for reinstatement under IC 36-8-4-11.

(p) Notwithstanding any other provision of this chapter, a veteran who is:

(1) described in IC 36-8-4.7; and

(2) employed as a firefighter or police officer;

is a member of the 1977 fund.

SECTION 30. IC 36-8-8-8.6, AS ADDED BY P.L.91-2018, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 8.6. (a) This section applies to a fund member who completes service for which the 1977 fund gives credit.

(b) As used in this section, "prior service" means service performed in Indiana **for a previous employer** in a comparable position for which the fund member would receive service credit in the 1977 fund if the

SEA 22 — Concur



service had been performed for an employer that participates in the 1977 fund.

(c) Subject to subsections (d) through (g), a fund member may purchase and claim prior service credit if the fund member meets the following requirements:

(1) The fund member has at least one (1) year of credited service in the 1977 fund.

(2) Before the fund member retires, the fund member makes contributions to the 1977 fund as follows:

(A) Contributions that are equal to the product of the following:

(i) The salary of a first class patrolman or firefighter at the time the fund member makes a contribution for the service credit.

(ii) A rate, determined by the actuary for the 1977 fund, that is based on the age of the fund member at the time the fund member makes a contribution for the service credit and that is computed to result in a contribution amount that approximates the actuarial present value of the retirement benefit attributable to the service credit purchased.

(iii) The number of years of prior service credit the fund member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary for the 1977 fund, for the period from the fund member's initial membership in the 1977 fund to the date payment is made by the fund member.

(3) The fund member has received verification from the 1977 fund that the prior service is, as of the date payment is made by the fund member, valid.

(d) A fund member must have at least twenty (20) years of service before the fund member may receive a benefit based on service credit purchased under this section. A fund member's years of service may not exceed thirty-two (32) years with the inclusion of service credit purchased under this section.

(e) A fund member may not receive service credit under this section if the service for which the fund member requests credit also qualifies the fund member for a benefit in another governmental retirement system.

(f) A fund member who:

(1) terminates service before satisfying the eligibility requirements necessary to receive a retirement benefit payment from the 1977 fund; or

(2) receives a retirement benefit for the same service from another



retirement system, other than under the federal Social Security Act;
 may withdraw the fund member's contributions made under this section plus accumulated interest after submitting to the 1977 fund a properly completed application for a refund.

(g) The following apply to the purchase of service credit under this section:

- (1) The system board may allow a fund member to make periodic payments of the contributions required for the purchase of the service credit. The system board shall determine the length of the period during which the payments must be made.
- (2) The system board may deny an application for the purchase of service credit if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.
- (3) The fund member may not claim the service credit for purposes of determining eligibility or computing benefits unless the fund member has made all payments required for the purchase of the service credit.

(h) To the extent permitted by the Internal Revenue Code and the applicable regulations, the 1977 fund may accept, on behalf of a fund member who is purchasing service credit under this section, a rollover of a distribution from any of the following:

- (1) A qualified plan described in Section 401(a) or Section 403(a) of the Internal Revenue Code.
- (2) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.
- (3) An eligible plan that is maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state under Section 457(b) of the Internal Revenue Code.
- (4) An individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code.

(i) To the extent permitted by the Internal Revenue Code and the applicable regulations, the 1977 fund may accept, on behalf of a fund member who is purchasing service credit under this section, a trustee to trustee transfer from any of the following:

- (1) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.
- (2) An eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code.

SECTION 31. IC 36-8-8-18.1, AS AMENDED BY P.L.35-2012, SECTION 137, IS AMENDED TO READ AS FOLLOWS

SEA 22 — Concur



[EFFECTIVE JULY 1, 2019]: Sec. 18.1. (a) As used in this section, "police officer" includes a former full-time, fully paid town marshal or full-time, fully paid deputy town marshal who is employed as a police officer by a metropolitan board of police commissioners.

(b) If a unit becomes a participant in the 1977 fund and the unit previously covered police officers, firefighters, or emergency medical technicians in PERF, or if the employees of the unit become members of the 1977 fund under section 7(g) of this chapter, the following provisions apply:

(1) A minimum benefit applies to members electing to transfer or being transferred to the 1977 fund from PERF. The minimum benefit, payable at age fifty-two (52), for such a member equals the actuarial equivalent of the vested retirement benefit payable to the member upon normal retirement under IC 5-10.2-4-1 as of the day before the transfer, based solely on:

- (A) creditable service;
- (B) the average of the annual compensation; and
- (C) the amount credited to the annuity savings account;

of the transferring member as of the day before the transfer under IC 5-10.2 and IC 5-10.3.

(2) The system board shall transfer from PERF to the 1977 fund the amount credited to the annuity savings accounts **that is necessary for the purchase of service credit** and the present value of ~~the retirement benefits payable at age sixty-five (65)~~ attributable to the transferring members.

(3) The amount the unit and the member must contribute to the 1977 fund under section 18 of this chapter, if any service credit is to be given under that section, will be reduced by the amounts transferred to the 1977 fund by the system board under subdivision (2).

(4) Credit for prior service in PERF of a member as a police officer, a firefighter, or an emergency medical technician is waived in PERF. Any credit for that service under the 1977 fund shall only be given in accordance with section 18 of this chapter.

(5) Credit for prior service in PERF of a member, other than as a police officer, a firefighter, or an emergency medical technician, remains in PERF and may not be credited under the 1977 fund.

SECTION 32. An emergency is declared for this act.



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

SEA 22 — Concur

