

SENATE BILL No. 75

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-8-8.

Synopsis: 1977 pension fund retirement age and benefits. Reduces from 52 to 50 the age at which a member of the 1977 police officers' and firefighters' pension and disability fund (1977 fund) is eligible to receive an unreduced retirement benefit. Eliminates early retirement with a reduced retirement benefit. Increases from 1% to 1.5% the amount of the additional retirement benefit payable to a 1977 fund member for each six months of active service over 20 years. Reduces from 32 to 28 the maximum number of years of service that may be used to compute a retirement benefit for a 1977 fund member.

Effective: July 1, 2018.

Ford

January 3, 2018, read first time and referred to Committee on Pensions and Labor.



Second Regular Session 120th General Assembly (2018)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2017 Regular Session of the General Assembly.

SENATE BILL No. 75

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

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

1 SECTION 1. IC 36-8-8-10, AS AMENDED BY P.L.127-2017,
2 SECTION 261, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2018]: Sec. 10. (a) A fund member is eligible
4 for retirement after the member has completed twenty (20) years of
5 active service.
6 (b) **This subsection applies before July 1, 2018.** Unless the
7 member is receiving benefits under subsection ~~(c)~~; **(d)**, unreduced
8 benefits to a retired fund member begin the date:
9 (1) the fund member becomes fifty-two (52) years of age; or
10 (2) on which the fund member retires;
11 whichever is later. Benefit payments to a retired fund member under
12 this subsection begin on the first day of the month on or after the date
13 the member reaches fifty-two (52) years of age or on which the member
14 retires, whichever is later.
15 (c) **This subsection applies after June 30, 2018. Benefits to a**
16 **retired fund member begin the date:**
17 (1) **the fund member becomes fifty (50) years of age; or**



1 **(2) on which the fund member retires;**
 2 **whichever is later. Benefit payments to a retired fund member**
 3 **under this subsection begin on the first day of the month on or**
 4 **after the date the member reaches fifty (50) years of age or on**
 5 **which the member retires, whichever is later.**

6 ~~(c)~~ **(d) This subsection applies before July 1, 2018.** A retired
 7 member may elect to receive actuarially reduced benefits that begin the
 8 date:

9 (1) the fund member becomes fifty (50) years of age; or

10 (2) on which the fund member retires;

11 whichever is later. Benefit payments to a retired fund member under
 12 this subsection begin on the first day of the month on or after the day
 13 the member reaches fifty (50) years of age or on which the member
 14 retires, whichever is later.

15 ~~(d)~~ **(e) This subsection applies before July 1, 2018.** If a fund
 16 member:

17 (1) becomes fifty-two (52) years of age in the case of unreduced
 18 benefits or fifty (50) years of age in the case of reduced benefits;

19 or

20 (2) retires on a date other than on the first day of the month;

21 the amount due the fund member for the initial partial monthly benefit
 22 is payable together with the regular monthly benefit on the first of the
 23 month following the date the fund member becomes fifty-two (52) or
 24 fifty (50) years of age, respectively, or retires, whichever is later.

25 **(f) This subsection applies after June 30, 2018. If a fund**
 26 **member:**

27 **(1) becomes fifty (50) years of age; or**

28 **(2) retires on a date other than on the first day of the month;**

29 **the amount due the fund member for the initial partial monthly**
 30 **benefit is payable together with the regular monthly benefit on the**
 31 **first of the month following the date the fund member becomes**
 32 **fifty (50) years of age or retires, whichever is later.**

33 SECTION 2. IC 36-8-8-11, AS AMENDED BY P.L.42-2011,
 34 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2018]: Sec. 11. (a) Benefits paid under this section are subject
 36 to section 2.5 of this chapter.

37 (b) ~~Except as provided in section 24.8 of this chapter,~~ Each fund
 38 member who qualifies for a retirement benefit payment under section
 39 10(b) or 10(c) of this chapter is entitled to receive a monthly benefit
 40 equal to fifty percent (50%) of the monthly salary of a first class
 41 patrolman or firefighter in the year the member ended the member's
 42 active service plus:



- 1 (1) for a member who retires before January 1, 1986, two percent
 2 (2%) of that salary for each full year of active service; ~~or~~
 3 (2) for a member who retires after December 31, 1985, **and**
 4 **before July 1, 2018**, one percent (1%) of that salary for each six
 5 (6) months of active service; **or**
 6 **(3) for a member who retires after June 30, 2018, one and**
 7 **one-half percent (1.5%) of that salary for each six (6) months**
 8 **of active service;**

9 over twenty (20) years, to a maximum of twelve (12) years, **for a**
 10 **member who retires before July 1, 2018, or to a maximum of eight**
 11 **(8) years, for a member who retires after June 30, 2018.**

12 (c) Each fund member who qualifies, **before July 1, 2018**, for a
 13 retirement benefit payment under section ~~10(c)~~ **10(d)** of this chapter is
 14 entitled to receive a monthly benefit equal to fifty percent (50%) of the
 15 monthly salary of a first class patrolman or firefighter in the year the
 16 member ended the member's active service plus one percent (1%) of
 17 that salary for each six (6) months of active service over twenty (20)
 18 years, to a maximum of twelve (12) years, all actuarially reduced for
 19 each month (if any) of benefit payments prior to fifty-two (52) years of
 20 age, by a factor established by the fund's actuary from time to time.

21 SECTION 3. IC 36-8-8-12, AS AMENDED BY P.L.35-2012,
 22 SECTION 126, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2018]: Sec. 12. (a) Benefits paid under this
 24 section are subject to sections 2.5 and 2.6 of this chapter.

25 (b) If an active fund member has a covered impairment, as
 26 determined under sections 12.3 through 13.1 of this chapter, the
 27 member is entitled to receive the benefit prescribed by section 13.3 or
 28 13.5 of this chapter. A member who has had a covered impairment and
 29 returns to active duty with the department shall not be treated as a new
 30 applicant seeking to become a member of the 1977 fund.

31 (c) If a retired fund member who has not yet reached the member's
 32 ~~fifty-second~~ **applicable** birthday **specified in section 10(b) or 10(c) of**
 33 **this chapter** is found by the system board to be permanently or
 34 temporarily unable to perform all suitable work for which the member
 35 is or may be capable of becoming qualified, the member is entitled to
 36 receive during the disability the retirement benefit payments payable
 37 at ~~fifty-two (52) years of the applicable~~ **age specified in section 10(b)**
 38 **or 10(c) of this chapter.** During a reasonable period in which a fund
 39 member with a disability is becoming qualified for suitable work, the
 40 member may continue to receive disability benefit payments. However,
 41 benefits payable for disability under this subsection are reduced by
 42 amounts for which the fund member is eligible from:



1 (1) a plan or policy of insurance providing benefits for loss of
2 time because of disability;

3 (2) a plan, fund, or other arrangement to which the fund member's
4 employer has contributed or for which the fund member's
5 employer has made payroll deductions, including a group life
6 policy providing installment payments for disability, a group
7 annuity contract, or a pension or retirement annuity plan other
8 than the fund established by this chapter;

9 (3) the federal Social Security Act (42 U.S.C. 401 et seq.), the
10 Railroad Retirement Act (45 U.S.C. 231 et seq.), the United States
11 Department of Veterans Affairs, or another federal, state, local, or
12 other governmental agency;

13 (4) worker's compensation payable under IC 22-3; and

14 (5) a salary or wage, including overtime and bonus pay and extra
15 or additional remuneration of any kind, the fund member receives
16 or is entitled to receive from the member's employer.

17 For the purposes of this subsection, a retired fund member is
18 considered eligible for benefits from subdivisions (1) through (5)
19 whether or not the member has made application for the benefits.

20 (d) Notwithstanding any other law, a plan, policy of insurance, fund,
21 or other arrangement:

22 (1) delivered, issued for delivery, amended, or renewed after
23 April 9, 1979; and

24 (2) described in subsection (c)(1) or (c)(2);

25 may not provide for a reduction or alteration of benefits as a result of
26 benefits for which a fund member may be eligible from the 1977 fund
27 under subsection (c).

28 (e) Time spent receiving disability benefits, not to exceed twenty
29 (20) years, is considered active service for the purpose of determining
30 retirement benefits. A fund member's retirement benefit shall be based
31 on:

32 (1) the member's years of active service; plus

33 (2) if applicable, the period, not to exceed twenty (20) years,
34 during which the member received disability benefits.

35 (f) A fund member who is receiving disability benefits:

36 (1) under section 13.3(d) of this chapter; or

37 (2) based on a determination under this chapter that the fund
38 member has a Class 3 impairment;

39 shall be transferred from disability to regular retirement status when the
40 member becomes fifty-two (52) years of age **(if the fund member
41 becomes disabled before July 1, 2018) or fifty (50) years of age (if
42 the fund member becomes disabled after June 30, 2018).**



1 (g) A fund member who is receiving disability benefits:

2 (1) under section 13.3(c) of this chapter; or

3 (2) based on a determination under this chapter that the fund
4 member has a Class 1 or Class 2 impairment;

5 is entitled to receive a disability benefit for the remainder of the fund
6 member's life in the amount determined under the applicable sections
7 of this chapter.

8 SECTION 4. IC 36-8-8-13.3, AS AMENDED BY P.L.161-2017,
9 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2018]: Sec. 13.3. (a) This section applies only to a fund
11 member who:

12 (1) is hired for the first time before January 1, 1990; and

13 (2) does not choose coverage by sections 12.5 and 13.5 of this
14 chapter under section 12.4 of this chapter.

15 This section does not apply to a fund member described in section
16 12.3(c)(2) of this chapter.

17 (b) A fund member:

18 (1) who became disabled before July 1, 2000;

19 (2) **who** is determined to have a covered impairment; and

20 (3) for whom it is determined that there is no suitable and
21 available work within the fund member's department, considering
22 reasonable accommodation to the extent required by the
23 Americans with Disabilities Act;

24 is entitled to receive during the disability a benefit equal to the benefit
25 that the fund member would have received if the fund member had
26 retired. If the fund member with a disability does not have at least
27 twenty (20) years of service or is not at least ~~fifty-two (52)~~ **years of the**
28 **applicable age specified in section 10(b) or 10(c) of this chapter**, the
29 benefit is computed and paid as if the fund member had twenty (20)
30 years of service and was ~~fifty-two (52)~~ **years of the applicable**
31 **age specified in section 10(b) or 10(c) of this chapter**.

32 (c) Except as otherwise provided in this subsection, a fund member:

33 (1) who becomes disabled after July 1, 2000;

34 (2) who is determined to have a covered impairment that is:

35 (A) the direct result of:

36 (i) a personal injury that occurs while the fund member is on
37 duty;

38 (ii) a personal injury that occurs while the fund member is
39 off duty and is responding to an offense or a reported
40 offense, in the case of a police officer, or an emergency or
41 reported emergency for which the fund member is trained,
42 in the case of a firefighter; or



- 1 (iii) an occupational disease (as defined in IC 22-3-7-10),
 2 including a duty related disease that is also included within
 3 clause (B);
- 4 (B) a duty related disease (for purposes of this section, a "duty
 5 related disease" means a disease arising out of the fund
 6 member's employment. A disease is considered to arise out of
 7 the fund member's employment if it is apparent to the rational
 8 mind, upon consideration of all of the circumstances, that:
- 9 (i) there is a connection between the conditions under which
 10 the fund member's duties are performed and the disease;
- 11 (ii) the disease can be seen to have followed as a natural
 12 incident of the fund member's duties as a result of the
 13 exposure occasioned by the nature of the fund member's
 14 duties; and
- 15 (iii) the disease can be traced to the fund member's
 16 employment as the proximate cause); or
- 17 (C) a disability presumed incurred in the line of duty under
 18 IC 5-10-13 or IC 5-10-15; and
- 19 (3) for whom it is determined that there is no suitable and
 20 available work within the fund member's department, considering
 21 reasonable accommodation to the extent required by the
 22 Americans with Disabilities Act;
- 23 is entitled to receive during the disability a benefit equal to the benefit
 24 that the fund member would have received if the fund member had
 25 retired. If the fund member with a disability does not have at least
 26 twenty (20) years of service or is not at least ~~fifty-two (52) years of the~~
 27 **applicable age specified in section 10(b) or 10(c) of this chapter**, the
 28 benefit is computed and paid as if the fund member had twenty (20)
 29 years of service and was ~~fifty-two (52) years of the applicable age~~
 30 **specified in section 10(b) or 10(c) of this chapter**.
- 31 (d) Except as otherwise provided in this subsection, a fund member:
- 32 (1) who becomes disabled after July 1, 2000;
- 33 (2) who is determined to have a covered impairment that is not a
 34 covered impairment described in subsection (c)(2); and
- 35 (3) for whom it is determined that there is no suitable and
 36 available work within the fund member's department, considering
 37 reasonable accommodation to the extent required by the federal
 38 Americans with Disabilities Act;
- 39 is entitled to receive during the disability a benefit equal to the benefit
 40 that the fund member would have received if the fund member had
 41 retired. If the fund member with a disability does not have at least
 42 twenty (20) years of service or is not at least ~~fifty-two (52) years of the~~



1 **applicable age specified in section 10(b) or 10(c) of this chapter**, the
 2 benefit is computed and paid as if the fund member had twenty (20)
 3 years of service and was ~~fifty-two (52)~~ **years of the applicable age**
 4 **specified in section 10(b) or 10(c) of this chapter.**

5 (e) Notwithstanding section 12.3 of this chapter and any other
 6 provision of this section, a member who:

- 7 (1) has had a covered impairment;
- 8 (2) recovers and returns to active service with the department; and
- 9 (3) within two (2) years after returning to active service has an
 10 impairment that except for section 12.3 of this chapter would be
 11 a covered impairment;

12 is entitled to the benefit under this subsection if the impairment
 13 described in subdivision (3) results from the same condition or
 14 conditions (without an intervening circumstance) that caused the
 15 covered impairment described in subdivision (1). The member is
 16 entitled to receive the monthly disability benefit amount paid to the
 17 member at the time of the member's return to active service plus any
 18 adjustments under section 15 of this chapter that would have been
 19 applicable during the member's period of reemployment.

20 (f) As used in this subsection, "catastrophic physical personal
 21 injury" means a physical personal injury that results in a degree of
 22 impairment to the fund member of at least sixty-seven percent (67%).
 23 Notwithstanding any other provision of this section, a fund member
 24 who has a permanent and total covered impairment that is the direct
 25 result of a catastrophic physical personal injury that:

- 26 (1) occurs in the line of duty after July 1, 2008; and
- 27 (2) permanently prevents the fund member from performing any
 28 gainful work;

29 shall receive, after July 1, 2017, a disability benefit equal to the
 30 monthly salary of a first class patrolman or firefighter at the
 31 commencement of the disability. The disability benefit provided under
 32 this subsection is paid instead of the disability benefit otherwise
 33 determined under this section. The disability benefit determined under
 34 this subsection is payable for the remainder of the fund member's life.
 35 The disability benefit provided under this subsection must be increased
 36 at a rate equal to the increases in the monthly salary of a first class
 37 patrolman or firefighter.

38 SECTION 5. IC 36-8-8-13.5, AS AMENDED BY P.L.161-2017,
 39 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2018]: Sec. 13.5. (a) This section applies only to a fund
 41 member who:

- 42 (1) is hired for the first time after December 31, 1989;



- 1 (2) chooses coverage by this section and section 12.5 of this
2 chapter under section 12.4 of this chapter; or
3 (3) is described in section 12.3(c)(2) of this chapter.
- 4 (b) A fund member who is determined to have a Class 1 impairment
5 and for whom it is determined that there is no suitable and available
6 work within the fund member's department, considering reasonable
7 accommodation to the extent required by the Americans with
8 Disabilities Act, is entitled to a monthly base benefit equal to forty-five
9 percent (45%) of the monthly salary of a first class patrolman or
10 firefighter in the year of the local board's determination of impairment.
- 11 (c) A fund member who is determined to have a Class 2 impairment
12 and for whom it is determined that there is no suitable and available
13 work within the fund member's department, considering reasonable
14 accommodation to the extent required by the Americans with
15 Disabilities Act, is entitled to a monthly base benefit equal to
16 twenty-two percent (22%) of the monthly salary of a first class
17 patrolman or firefighter in the year of the local board's determination
18 of impairment plus one-half percent (0.5%) of that salary for each year
19 of service, up to a maximum of:
- 20 (1) thirty (30) years of service **(if the fund member becomes**
21 **disabled before July 1, 2018); or**
22 (2) **twenty-eight (28) years of service (if the fund member**
23 **becomes disabled after June 30, 2018).**
- 24 (d) For applicants hired before March 2, 1992, a fund member who
25 is determined to have a Class 3 impairment and for whom it is
26 determined that there is no suitable and available work within the fund
27 member's department, considering reasonable accommodation to the
28 extent required by the Americans with Disabilities Act, is entitled to a
29 monthly base benefit equal to the product of the member's years of
30 service (not to exceed thirty (30) years of service, **if the fund member**
31 **becomes disabled before July 1, 2018, or twenty-eight (28) years of**
32 **service, if the fund member becomes disabled after June 30, 2018),**
33 multiplied by one percent (1%) of the monthly salary of a first class
34 patrolman or firefighter in the year of the local board's determination
35 of impairment.
- 36 (e) For applicants hired after March 1, 1992, or described in section
37 12.3(c)(2) of this chapter, a fund member who is determined to have a
38 Class 3 impairment and for whom it is determined that there is no
39 suitable and available work within the fund member's department,
40 considering reasonable accommodation to the extent required by the
41 Americans with Disabilities Act, is entitled to the following benefits
42 instead of benefits provided under subsection (d):



- 1 (1) If the fund member did not have a Class 3 excludable
 2 condition under section 13.6 of this chapter at the time the fund
 3 member entered or reentered the fund, the fund member is
 4 entitled to a monthly base benefit equal to the product of the
 5 member's years of service (not to exceed thirty (30) years of
 6 service, **if the fund member becomes disabled before July 1,**
 7 **2018, or twenty-eight (28) years of service, if the fund member**
 8 **becomes disabled after June 30, 2018**), multiplied by one
 9 percent (1%) of the monthly salary of a first class patrolman or
 10 firefighter in the year of the local board's determination of
 11 impairment.
- 12 (2) Except as provided in subdivision (5), a fund member is
 13 entitled to receive the benefits set forth in subdivision (1) if:
- 14 (A) the fund member had a Class 3 excludable condition under
 15 section 13.6 of this chapter at the time the fund member
 16 entered or reentered the fund;
- 17 (B) the fund member has a Class 3 impairment that is not
 18 related in any manner to the Class 3 excludable condition
 19 described in clause (A); and
- 20 (C) the Class 3 impairment described in clause (B) occurs after
 21 the fund member has completed four (4) years of service with
 22 the employer after the date the fund member entered or
 23 reentered the fund.
- 24 (3) Except as provided in subdivision (5), a fund member is not
 25 entitled to a monthly base benefit for a Class 3 impairment if:
- 26 (A) the fund member had a Class 3 excludable condition under
 27 section 13.6 of this chapter at the time the fund member
 28 entered or reentered the fund; and
- 29 (B) the Class 3 impairment occurs before the fund member has
 30 completed four (4) years of service with the employer after the
 31 date the fund member entered or reentered the fund.
- 32 (4) A fund member is not entitled to a monthly base benefit for a
 33 Class 3 impairment if:
- 34 (A) the fund member had a Class 3 excludable condition under
 35 section 13.6 of this chapter at the time the fund member
 36 entered or reentered the fund; and
- 37 (B) the Class 3 impairment is related in any manner to the
 38 Class 3 excludable condition.
- 39 (5) If, during the first four (4) years of service with the employer:
- 40 (A) a fund member with a Class 3 excludable condition is
 41 determined to have a Class 3 impairment; and
- 42 (B) the Class 3 impairment is attributable to an accidental



- 1 injury that is not related in any manner to the fund member's
 2 Class 3 excludable condition;
 3 the member is entitled to receive the benefits provided in
 4 subdivision (1) with respect to the accidental injury. For purposes
 5 of this subdivision, the local board shall make the initial
 6 determination of whether an impairment is attributable to an
 7 accidental injury. The local board shall forward the initial
 8 determination to the director of the system board for a final
 9 determination by the system board or the system board's designee.
- 10 (f) If a fund member is entitled to a monthly base benefit under
 11 subsection (b), (c), (d), or (e), the fund member is also entitled to a
 12 monthly amount that is no less than ten percent (10%) and no greater
 13 than forty-five percent (45%) of the monthly salary of a first class
 14 patrolman or firefighter in the year of the local board's determination
 15 of impairment. The additional monthly amount shall be determined by
 16 the Indiana public retirement system medical authority based on the
 17 degree of impairment.
- 18 (g) Benefits for a Class 1 impairment as determined under this
 19 section are payable for the remainder of the fund member's life.
- 20 (h) Benefits for a Class 2 impairment are payable:
 21 (1) for a period equal to the years of service of the member, if the
 22 member's total disability benefit is less than thirty percent (30%)
 23 of the monthly salary of a first class patrolman or firefighter in the
 24 year of the local board's determination of impairment and the
 25 member has fewer than four (4) years of service; or
 26 (2) for the remainder of the fund member's life if the fund
 27 member's benefit is:
 28 (A) equal to or greater than thirty percent (30%) of the
 29 monthly salary of a first class patrolman or firefighter in the
 30 year of the local board's determination of impairment; or
 31 (B) less than thirty percent (30%) of the monthly salary of a
 32 first class patrolman or firefighter in the year of the local
 33 board's determination of impairment if the member has at least
 34 four (4) years of service.
- 35 (i) Benefits for a Class 3 impairment are payable:
 36 (1) for a period equal to the years of service of the member, if the
 37 member's total disability benefit is less than thirty percent (30%)
 38 of the monthly salary of a first class patrolman or firefighter in the
 39 year of the local board's determination of impairment and the
 40 member has fewer than four (4) years of service; or
 41 (2) until the member becomes ~~fifty-two (52)~~ **years of the**
 42 **applicable age specified in section 10(b) or 10(c) of this**



- 1 **chapter**, if the member's benefit is:
- 2 (A) equal to or greater than thirty percent (30%) of the
- 3 monthly salary of a first class patrolman or firefighter in the
- 4 year of the local board's determination of impairment; or
- 5 (B) less than thirty percent (30%) of the monthly salary of a
- 6 first class patrolman or firefighter in the year of the local
- 7 board's determination of impairment if the member has at least
- 8 four (4) years of service.
- 9 (j) Upon becoming ~~fifty-two (52) years of the applicable age~~
specified in section 10(b) or 10(c) of this chapter, a fund member
 10 with a Class 2 impairment determined under subsection (h)(1) is
 11 entitled to receive the retirement benefit payable to a fund member
 12 with:
- 13 (1) twenty (20) years of service; or
- 14 (2) the total years of service (including both active service and the
- 15 period, not to exceed twenty (20) years, during which the member
- 16 received disability benefits) and salary, as of the year the member
- 17 becomes ~~fifty-two (52) years of the applicable age~~ **specified in**
 18 **section 10(b) or 10(c) of this chapter**, that the fund member
 19 would have earned if the fund member had remained in active
 20 service until becoming ~~fifty-two (52) years of the applicable age~~
 21 **specified in section 10(b) or 10(c) of this chapter**;
- 22 whichever is greater.
- 23 (k) Upon becoming ~~fifty-two (52) years of the applicable age~~
 24 **specified in section 10(b) or 10(c) of this chapter**, a fund member
 25 who is receiving or has received a Class 3 impairment benefit that is:
- 26 (1) equal to or greater than thirty percent (30%) of the monthly
- 27 salary of a first class patrolman or firefighter in the year of the
- 28 local board's determination of impairment; or
- 29 (2) less than thirty percent (30%) of the monthly salary of a first
- 30 class patrolman or firefighter in the year of the local board's
- 31 determination of impairment if the member has at least four (4)
- 32 years of service;
- 33 is entitled to receive the retirement benefit payable to a fund member
- 34 with twenty (20) years of service.
- 35 (l) Notwithstanding section 12.3 of this chapter and any other
- 36 provision of this section, a member who:
- 37 (1) has had a covered impairment;
- 38 (2) recovers and returns to active service with the department; and
- 39 (3) within two (2) years after returning to active service has an
- 40 impairment that, except for section 12.3(b)(3) of this chapter,
- 41 would be a covered impairment;
- 42



1 is entitled to the benefit under this subsection if the impairment
 2 described in subdivision (3) results from the same condition or
 3 conditions (without an intervening circumstance) that caused the
 4 covered impairment described in subdivision (1). The member is
 5 entitled to receive the monthly disability benefit amount paid to the
 6 member at the time of the member's return to active service plus any
 7 adjustments under section 15 of this chapter that would have been
 8 applicable during the member's period of reemployment.

9 (m) As used in this subsection, "catastrophic physical personal
 10 injury" means a physical personal injury that results in a degree of
 11 impairment to the fund member of at least sixty-seven percent (67%).
 12 Notwithstanding any other provision of this section, a fund member
 13 who has a permanent and total covered impairment that is the direct
 14 result of a catastrophic physical personal injury that:

15 (1) occurs in the line of duty after July 1, 2008; and

16 (2) permanently prevents the fund member from performing any
 17 gainful work;

18 shall receive, after July 1, 2017, a disability benefit equal to the
 19 monthly salary of a first class patrolman or firefighter at the
 20 commencement of the disability. The disability benefit provided under
 21 this subsection is paid instead of the disability benefit otherwise
 22 determined under this section. The disability benefit determined under
 23 this subsection is payable for the remainder of the fund member's life.
 24 The disability benefit provided under this subsection must be increased
 25 at a rate equal to the increases in the monthly salary of a first class
 26 patrolman or firefighter.

27 SECTION 6. IC 36-8-8-13.8, AS AMENDED BY P.L.23-2010,
 28 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2018]: Sec. 13.8. (a) This section applies to an active or
 30 retired member who dies other than in the line of duty (as defined in
 31 section 14.1 of this chapter) after August 31, 1982.

32 (b) If a fund member dies while receiving retirement or disability
 33 benefits, the following apply:

34 (1) Except as otherwise provided in this subsection, each of the
 35 member's surviving children is entitled to a monthly benefit equal
 36 to twenty percent (20%) of the fund member's monthly benefit:

37 (A) until the child becomes eighteen (18) years of age; or

38 (B) until the child becomes twenty-three (23) years of age if
 39 the child is enrolled in and regularly attending a secondary
 40 school or is a full-time student at an accredited college or
 41 university;

42 whichever period is longer. However, if the board finds upon the



1 submission of satisfactory proof that a child who is at least
 2 eighteen (18) years of age is mentally or physically incapacitated,
 3 is not a ward of the state, and is not receiving a benefit under
 4 clause (B), the child is entitled to receive an amount each month
 5 that is equal to the greater of thirty percent (30%) of the monthly
 6 pay of a first class patrolman or first class firefighter or fifty-five
 7 percent (55%) of the monthly benefit the deceased member was
 8 receiving or was entitled to receive on the date of the member's
 9 death as long as the mental or physical incapacity of the child
 10 continues. Benefits paid for a child shall be paid to the surviving
 11 parent as long as the child resides with and is supported by the
 12 surviving parent. If the surviving parent dies, the benefits shall be
 13 paid to the legal guardian of the child.

14 (2) The member's surviving spouse is entitled to a monthly benefit
 15 equal to sixty percent (60%) of the fund member's monthly
 16 benefit during the spouse's lifetime. If the spouse remarried before
 17 September 1, 1983, and benefits ceased on the date of remarriage,
 18 the benefits for the surviving spouse shall be reinstated on July 1,
 19 1997, and continue during the life of the surviving spouse.

20 If a fund member dies while receiving retirement or disability benefits,
 21 there is no surviving eligible child or spouse, and there is proof
 22 satisfactory to the local board, subject to review in the manner
 23 specified in section 13.1(c) of this chapter, that the parent was wholly
 24 dependent on the fund member, the member's surviving parent is
 25 entitled, or both surviving parents if qualified are entitled jointly, to
 26 receive fifty percent (50%) of the fund member's monthly benefit
 27 during the parent's or parents' lifetime. As used in this subsection, a
 28 parent is wholly dependent on a fund member if the fund member
 29 claimed the parent as a dependent on the federal income tax return filed
 30 by the fund member in the year before the year in which the fund
 31 member died.

32 (c) Except as otherwise provided in this subsection, if a fund
 33 member dies while on active duty or while retired and not receiving
 34 benefits, the member's children and the member's spouse, or the
 35 member's parent or parents are entitled to receive a monthly benefit
 36 determined under subsection (b). If the fund member did not have at
 37 least twenty (20) years of service or was not at least ~~fifty-two (52) years~~
 38 **of the applicable age specified in section 10(b) or 10(c) of this**
 39 **chapter**, the benefit is computed as if the member:

- 40 (1) did have twenty (20) years of service; and
 41 (2) was ~~fifty-two (52) years of the applicable~~ **age specified in**
 42 **section 10(b) or 10(c) of this chapter.**



1 SECTION 7. IC 36-8-8-13.9, AS AMENDED BY P.L.23-2010,
 2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2018]: Sec. 13.9. (a) This section applies to an active member
 4 who died in the line of duty (as defined in section 14.1 of this chapter)
 5 before September 1, 1982.

6 (b) Except as otherwise provided in this subsection, if a fund
 7 member dies in the line of duty, the following apply:

8 (1) Each of the member's surviving children is entitled to a
 9 monthly benefit equal to twenty percent (20%) of the fund
 10 member's monthly benefit:

11 (A) until the child becomes eighteen (18) years of age; or

12 (B) until the child becomes twenty-three (23) years of age if
 13 the child is enrolled in and regularly attending a secondary
 14 school or is a full-time student at an accredited college or
 15 university;

16 whichever period is longer. However, if the board finds upon the
 17 submission of satisfactory proof that a child who is at least
 18 eighteen (18) years of age is mentally or physically incapacitated,
 19 is not a ward of the state, and is not receiving a benefit under
 20 clause (B), the child is entitled to receive an amount each month
 21 that is equal to the greater of thirty percent (30%) of the monthly
 22 pay of a first class patrolman or first class firefighter or fifty-five
 23 percent (55%) of the monthly benefit the deceased member was
 24 receiving or was entitled to receive on the date of the member's
 25 death as long as the mental or physical incapacity of the child
 26 continues. Benefits paid for a child shall be paid to the surviving
 27 parent as long as the child resides with and is supported by the
 28 surviving parent. If the surviving parent dies, the benefits shall be
 29 paid to the legal guardian of the child.

30 (2) The member's surviving spouse is entitled to a monthly benefit
 31 equal to sixty percent (60%) of the fund member's monthly
 32 benefit during the spouse's lifetime. If the spouse remarried before
 33 September 1, 1983, and benefits ceased on the date of remarriage,
 34 the benefits for the surviving spouse shall be reinstated on July 1,
 35 1997, and continue during the life of the surviving spouse.

36 If there is no surviving eligible child or spouse, and there is proof
 37 satisfactory to the local board, subject to review in the manner
 38 specified in section 13.1(c) of this chapter, that the parent was wholly
 39 dependent on the fund member, the member's surviving parent is
 40 entitled, or both surviving parents if qualified are entitled jointly, to
 41 receive fifty percent (50%) of the fund member's monthly benefit
 42 during the parent's or parents' lifetime. As used in this subsection, a



1 parent is wholly dependent on a fund member if the fund member
 2 claimed the parent as a dependent on the federal income tax return filed
 3 by the fund member in the year before the year in which the fund
 4 member died.

5 (c) If the fund member did not have at least twenty (20) years of
 6 service or was not at least ~~fifty-two (52) years of the applicable age~~
 7 **specified in section 10(b) or 10(c) of this chapter**, the benefit under
 8 subsection (b) is computed as if the member:

9 (1) did have twenty (20) years of service; and

10 (2) was ~~fifty-two (52) years of the applicable age~~ **specified in**
 11 **section 10(b) or 10(c) of this chapter.**

12 (d) The unit of local government that employed the deceased
 13 member shall after December 31, 2003, offer to provide and pay for
 14 health insurance coverage for the member's surviving spouse and for
 15 each natural child, stepchild, or adopted child of the member:

16 (1) until the child becomes eighteen (18) years of age;

17 (2) until the child becomes twenty-three (23) years of age if the
 18 child is enrolled in and regularly attending a secondary school or
 19 is a full-time student at an accredited college or university; or

20 (3) during the entire period of the child's physical or mental
 21 disability;

22 whichever period is longest. If health insurance coverage is offered by
 23 the unit to active members, the health insurance provided to a surviving
 24 spouse and child under this subsection must be equal in coverage to
 25 that offered to active members. The offer to provide and pay for health
 26 insurance coverage shall remain open for as long as there is a surviving
 27 spouse or as long as a natural child, stepchild, or adopted child of the
 28 member is eligible for coverage under subdivision (1), (2), or (3).

29 SECTION 8. IC 36-8-8-14.1, AS AMENDED BY P.L.23-2010,
 30 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2018]: Sec. 14.1. (a) Benefits paid under this section are
 32 subject to section 2.5 of this chapter.

33 (b) This section applies to an active member who dies in the line of
 34 duty after August 31, 1982.

35 (c) If a fund member dies in the line of duty after August 31, 1982,
 36 the member's surviving spouse is entitled to a monthly benefit during
 37 the spouse's lifetime, equal to the benefit to which the member would
 38 have been entitled on the date of the member's death, but not less than
 39 the benefit payable to a member with twenty (20) years service at
 40 ~~fifty-two (52) years of the applicable age~~ **specified in section 10(b) or**
 41 **10(c) of this chapter.** If the spouse remarried before September 1,
 42 1983, and benefits ceased on the date of remarriage, the benefits for the



1 surviving spouse shall be reinstated on July 1, 1997, and continue
2 during the life of the surviving spouse.

3 (d) If a fund member dies in the line of duty, each of the member's
4 surviving children is entitled to a monthly benefit equal to twenty
5 percent (20%) of the fund member's monthly benefit:

6 (1) until the child reaches eighteen (18) years of age; or

7 (2) until the child reaches twenty-three (23) years of age if the
8 child is enrolled in and regularly attending a secondary school or
9 is a full-time student at an accredited college or university;

10 whichever period is longer. However, if the board finds upon the
11 submission of satisfactory proof that a child who is at least eighteen
12 (18) years of age is mentally or physically incapacitated, is not a ward
13 of the state, and is not receiving a benefit under subdivision (2), the
14 child is entitled to receive an amount each month that is equal to the
15 greater of thirty percent (30%) of the monthly pay of a first class
16 patrolman or first class firefighter or fifty-five percent (55%) of the
17 monthly benefit the deceased member was receiving or was entitled to
18 receive on the date of the member's death as long as the mental or
19 physical incapacity of the child continues. Benefits paid for a child
20 shall be paid to the surviving parent as long as the child resides with
21 and is supported by the surviving parent. If the surviving parent dies,
22 the benefits shall be paid to the legal guardian of the child.

23 (e) If there is no surviving eligible child or spouse, and there is
24 proof satisfactory to the local board, subject to review in the manner
25 specified in section 13.1(c) of this chapter, that the parent was wholly
26 dependent on the fund member, the member's surviving parent is
27 entitled, or both surviving parents if qualified are entitled jointly, to
28 receive fifty percent (50%) of the fund member's monthly benefit
29 during the parent's or parents' lifetime. As used in this subsection, a
30 parent is wholly dependent on a fund member if the fund member
31 claimed the parent as a dependent on the federal income tax return filed
32 by the fund member in the year before the year in which the fund
33 member died.

34 (f) If the fund member did not have at least twenty (20) years of
35 service or was not at least ~~fifty-two (52) years old~~ **the applicable age**
36 **specified in section 10(b) or 10(c) of this chapter**, the benefit is
37 computed as if the member:

38 (1) did have twenty (20) years of service; and

39 (2) was ~~fifty-two (52) years of~~ **the applicable age specified in**
40 **section 10(b) or 10(c) of this chapter.**

41 (g) For purposes of this section, "dies in the line of duty" means
42 death that occurs as a direct result of personal injury or illness caused



1 by incident, accident, or violence that results from:

2 (1) any action that the member, in the member's capacity as a
3 police officer:

4 (A) is obligated or authorized by rule, regulation, condition of
5 employment or service, or law to perform; or

6 (B) performs in the course of controlling or reducing crime or
7 enforcing the criminal law; or

8 (2) any action that the member, in the member's capacity as a
9 firefighter:

10 (A) is obligated or authorized by rule, regulation, condition of
11 employment or service, or law to perform; or

12 (B) performs while on the scene of an emergency run
13 (including false alarms) or on the way to or from the scene.

14 The term includes a death presumed incurred in the line of duty under
15 IC 5-10-13.

16 (h) The unit of local government that employed the deceased
17 member shall after December 31, 2003, offer to provide and pay for
18 health insurance coverage for the member's surviving spouse and for
19 each natural child, stepchild, or adopted child of the member:

20 (1) until the child becomes eighteen (18) years of age;

21 (2) until the child becomes twenty-three (23) years of age if the
22 child is enrolled in and regularly attending a secondary school or
23 is a full-time student at an accredited college or university; or

24 (3) during the entire period of the child's physical or mental
25 disability;

26 whichever period is longest. If health insurance coverage is offered by
27 the unit to active members, the health insurance provided to a surviving
28 spouse and child under this subsection must be equal in coverage to
29 that offered to active members. The offer to provide and pay for health
30 insurance coverage shall remain open for as long as there is a surviving
31 spouse or as long as a natural child, stepchild, or adopted child of the
32 member is eligible for coverage under subdivision (1), (2), or (3).

33 SECTION 9. IC 36-8-8-18, AS AMENDED BY P.L.111-2015,
34 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2018]: Sec. 18. (a) Except as provided in subsection (b), if a
36 unit becomes a participant in the 1977 fund, credit for prior service by
37 police officers (including prior service as a full-time, fully paid town
38 marshal or full-time, fully paid deputy town marshal by a police officer
39 employed by a metropolitan board of police commissioners) or by
40 firefighters before the date of participation may be given by the system
41 board only if:

42 (1) the unit contributes to the 1977 fund the amount necessary to



1 amortize prior service liability over a period of not more than
 2 thirty (30) years, the amount and period to be determined by the
 3 system board; and

4 (2) the police officers or firefighters pay, either in a lump sum or
 5 in a series of payments determined by the system board, the
 6 amount that they would have contributed if they had been
 7 members of the 1977 fund during their prior service.

8 If the requirements of subdivisions (1) and (2) are not met, a fund
 9 member is entitled to credit only for years of service after the date of
 10 participation.

11 (b) If a unit becomes a participant in the 1977 fund under section
 12 3(c) of this chapter, or if a firefighter becomes a member of the 1977
 13 fund under section 7(g) of this chapter, credit for prior service before
 14 the date of participation or membership shall be given by the system
 15 board as follows:

16 (1) For a member who will accrue twenty (20) years of service
 17 credit in the 1977 fund by the time the member reaches the
 18 earliest retirement age under the fund at the time of the member's
 19 date of participation in the 1977 fund, the member will be given
 20 credit in the 1977 fund for one-third (1/3) of the member's years
 21 of participation in PERF as a police officer, a firefighter, or an
 22 emergency medical technician.

23 (2) For a member who will not accrue twenty (20) years of service
 24 credit in the 1977 fund by the time the member reaches the
 25 earliest retirement age under the fund at the time of the member's
 26 date of participation in the 1977 fund, credit for such prior service
 27 shall be given only if:

28 (A) The unit contributes to the 1977 fund the amount
 29 necessary to fund prior service liability amortized over a
 30 period of not more than ten (10) years. The amount of
 31 contributions must be based on the actual salary earned by a
 32 first class patrolman or a first class firefighter at the time the
 33 unit becomes a participant in the 1977 fund, or the police
 34 officer or firefighter becomes a member of the 1977 fund, or
 35 if no such salary designation exists, the actual salary earned by
 36 the police officer or firefighter. The limit on credit for prior
 37 service does not apply to a firefighter if the firefighter was a
 38 member of the 1937 fund or 1977 fund whose participation
 39 was terminated due to the creation of a new fire protection
 40 district under IC 36-8-11-5 and who subsequently became a
 41 member of the 1977 fund. A firefighter who was a member of
 42 or reentered the 1937 fund or 1977 fund whose participation



1 was terminated due to the creation of a new fire protection
 2 district under IC 36-8-11-5 is entitled to full credit for prior
 3 service in an amount equal to the firefighter's years of service
 4 before becoming a member of or reentering the 1977 fund.
 5 Service may only be credited for time as a full-time, fully paid
 6 police officer, firefighter, or emergency medical technician
 7 under section 7(g) of this chapter.

8 (B) The amount the police officer or firefighter would have
 9 contributed if the police officer or firefighter had been a
 10 member of the 1977 fund during the police officer's or
 11 firefighter's prior service must be fully paid and must be based
 12 on the police officer's or firefighter's actual salary earned
 13 during that period before service can be credited under this
 14 section.

15 (C) Any amortization schedule for contributions paid under
 16 clause (A) and contributions to be paid under clause (B) must
 17 include interest at a rate determined by the system board.

18 (3) If, at the time a unit entered the 1977 fund, the unit
 19 contributed the amount required by subdivision (2) so that a fund
 20 member received the maximum prior service credit allowed by
 21 subdivision (2) and, at a later date, the earliest retirement age was
 22 lowered, the unit may contribute to the 1977 fund on the fund
 23 member's behalf an additional amount that is determined in the
 24 same manner as under subdivision (2) with respect to the
 25 additional prior service, if any, available as a result of the lower
 26 retirement age. If the unit pays the additional amount described in
 27 this subdivision in accordance with the requirements of
 28 subdivision (2), the fund member shall receive the additional
 29 service credit necessary for the fund member to retire at the lower
 30 earliest retirement age.

31 (c) This subsection applies to a unit that:

32 (1) becomes a participant in the 1977 fund under section 3(c) of
 33 this chapter; and

34 (2) is a fire protection district created under IC 36-8-11 that
 35 includes a township or a municipality that had a 1937 fund.

36 A firefighter who continues uninterrupted service with a unit covered
 37 by this subsection and who participated in the township or municipality
 38 1937 fund is entitled to receive service credit for such service in the
 39 1977 fund. However, credit for such service is limited to the amount
 40 accrued by the firefighter in the 1937 fund or the amount necessary to
 41 allow the firefighter to accrue twenty (20) years of service credit in the
 42 1977 fund by the time the firefighter becomes ~~fifty-two (52)~~ years of



1 **the applicable age specified in section 10(b) or 10(c) of this chapter,**
 2 whichever is less.

3 (d) The unit shall contribute into the 1977 fund the amount
 4 necessary to fund the amount of past service determined in accordance
 5 with subsection (c), amortized over a period not to exceed ten (10)
 6 years with interest at a rate determined by the system board.

7 (e) If the township or municipality has accumulated money in its
 8 1937 fund, any amount accumulated that exceeds the present value of
 9 all projected future benefits from the 1937 plan shall be paid by the
 10 township or municipality to the unit for the sole purpose of making the
 11 contributions determined in subsection (d).

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

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

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

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

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

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

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

32 (2) An eligible deferred compensation plan under Section 457(b)
 33 of the Internal Revenue Code.

34 SECTION 10. IC 36-8-8-18.1, AS AMENDED BY P.L.35-2012,
 35 SECTION 137, IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE JULY 1, 2018]: Sec. 18.1. (a) As used in this section,
 37 "police officer" includes a former full-time, fully paid town marshal or
 38 full-time, fully paid deputy town marshal who is employed as a police
 39 officer by a metropolitan board of police commissioners.

40 (b) If a unit becomes a participant in the 1977 fund and the unit
 41 previously covered police officers, firefighters, or emergency medical
 42 technicians in PERF, or if the employees of the unit become members



1 of the 1977 fund under section 7(g) of this chapter, the following
 2 provisions apply:

3 (1) A minimum benefit applies to members electing to transfer or
 4 being transferred to the 1977 fund from PERF. The minimum
 5 benefit, payable at **the applicable age ~~fifty-two (52)~~; specified in**
 6 **section 10(b) or 10(c) of this chapter**, for such a member equals
 7 the actuarial equivalent of the vested retirement benefit payable
 8 to the member upon normal retirement under IC 5-10.2-4-1 as of
 9 the day before the transfer, based solely on:

10 (A) creditable service;

11 (B) the average of the annual compensation; and

12 (C) the amount credited to the annuity savings account;

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

15 (2) The system board shall transfer from PERF to the 1977 fund
 16 the amount credited to the annuity savings accounts and the
 17 present value of the retirement benefits payable at age sixty-five
 18 (65) attributable to the transferring members.

19 (3) The amount the unit and the member must contribute to the
 20 1977 fund under section 18 of this chapter, if any service credit
 21 is to be given under that section, will be reduced by the amounts
 22 transferred to the 1977 fund by the system board under
 23 subdivision (2).

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

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

31 SECTION 11. IC 36-8-8-23, AS ADDED BY P.L.34-2009,
 32 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2018]: Sec. 23. (a) This section applies to a fund member
 34 who:

35 (1) after June 30, 2009, receives a benefit based on a
 36 determination that the member has a Class 1 or Class 2
 37 impairment, regardless of whether the determination was made
 38 before, on, or after June 30, 2009; and

39 (2) before July 1, 2009, has not had the member's disability
 40 benefit recalculated under section 13.5 of this chapter.

41 (b) Upon becoming ~~fifty-two (52) years~~ of **the applicable age**
 42 **specified in section 10(b) or 10(c) of this chapter**, a fund member



1 receiving a Class 1 impairment benefit or Class 2 impairment benefit
 2 under section 13.5(h)(2) of this chapter is entitled to receive a monthly
 3 supplemental benefit determined in STEP THREE of the following
 4 formula:

5 STEP ONE: Determine the greater of:

6 (A) the monthly retirement benefit payable to a fund member
 7 with twenty (20) years of service; or

8 (B) the monthly retirement benefit payable to a fund member
 9 with the total years of service (including both active service
 10 and the period, not to exceed twenty (20) years, during which
 11 the member received disability benefits) and salary, as of the
 12 year the fund member becomes ~~fifty-two (52) years of the~~
 13 **applicable age specified in section 10(b) or 10(c) of this**
 14 **chapter**, that the fund member would have earned if the fund
 15 member had remained in active service until becoming
 16 ~~fifty-two (52) years of the applicable age specified in section~~
 17 **10(b) or 10(c) of this chapter.**

18 STEP TWO: Subtract from the amount determined under STEP
 19 ONE the amount of any monthly benefit determined under section
 20 13.5 of this chapter that the fund member is entitled to receive for
 21 the remainder of the fund member's life.

22 STEP THREE: Determine the greater of the following:

23 (A) The remainder determined under STEP TWO.

24 (B) Zero (0).

25 (c) A monthly supplemental benefit determined under this section
 26 is payable for the remainder of the fund member's life.

