

Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 78

AN ACT to amend the Indiana Code concerning pensions.

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

SECTION 1. IC 36-8-1-9.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2022]: **Sec. 9.5. "PERF" refers to the public employees' retirement fund established under IC 5-10.3-2-1.**

SECTION 2. IC 36-8-3.2-2, AS AMENDED BY P.L.35-2012, SECTION 108, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 2. (a) A person who is an applicant to become a firefighter or police officer must, before being hired, be certified by the local board to the board of trustees of the Indiana public retirement system as having passed the minimum agility and aptitude tests outlined in this chapter.

(b) An applicant who:

(1) passes the baseline statewide physical and mental examination under IC 36-8-8-19; and

(2) meets the conditions for eligibility under IC 36-8-8-7;

shall be a member of the 1977 fund.

SECTION 3. IC 36-8-4-7, AS AMENDED BY P.L.103-2021, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 7. (a) Subject to IC 36-8-4.7, a person may not be appointed as a member of the:

(1) fire department after the person has reached thirty-six (36) years of age; or

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(2) police department after the person has reached forty (40) years of age.

A person may be reappointed as a member of ~~the~~ **any** department only if the person is a former member or a retired member not yet receiving retirement benefits of the 1925, 1937, 1953, or 1977 fund and can complete twenty (20) years of service before reaching sixty (60) years of age.

(b) This section does not apply to a fire chief appointed under a waiver under section 6(c) of this chapter or a police chief appointed under a waiver under section 6.5(c) of this chapter.

(c) A person must pass the aptitude, physical agility, and physical examination required by the local board of the fund and by IC 36-8-8-19 to be appointed or reappointed as a member of the department.

(d) A fire chief appointed under a waiver under section 6(c) of this chapter or police chief appointed under a waiver under section 6.5(c) of this chapter who is receiving, or is entitled to receive, benefits from the 1925, 1937, 1953, or 1977 fund may receive those benefits while serving as chief, subject to all normal requirements for receipt of a benefit, including a separation from service.

SECTION 4. IC 36-8-8-3, AS AMENDED BY P.L.103-2021, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 3. (a) If a town establishes a board of metropolitan police commissioners, or if a town becomes a city, the municipality shall participate in the 1977 fund **and shall enroll all full-time police officers and firefighters in the 1977 fund.** However, if a police officer or former marshal is a member of the public employees' retirement fund, the police officer or former marshal may continue as a member of that fund instead of the 1977 fund. Notwithstanding the age requirements under section 7(a) of this chapter, a police officer or former marshal employed by a municipality at the time the municipality enters the 1977 fund under this section shall be a member of the 1977 fund unless the police officer or former marshal elects to continue as a member of the public employees' retirement fund. A person may become a member of the 1977 fund under this subsection without meeting the age limitation under section 7(a) of this chapter only if the person satisfies:

- (1) any aptitude, physical agility, or physical and mental standards established by a local board under IC 36-8-3.2; and
- (2) the minimum standards that are:
 - (A) adopted by the system board under section 19 of this chapter; and

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(B) in effect on the date the person becomes a member of the 1977 fund.

Credit for prior service of a person who becomes a member of the 1977 fund under this subsection shall be determined under section 18 or 18.1 of this chapter. No service credit beyond that allowed under section 18 or 18.1 of this chapter may be recognized under the 1977 fund.

(b) If a unit did not establish a 1937 fund for its firefighters, the unit may participate in the public employees' retirement fund or it may participate in the 1977 fund. If a unit established a 1937 fund for its firefighters, the unit is and shall remain a participant in the 1977 fund.

(c) A unit that:

- (1) has not established a pension fund for its firefighters; or
- (2) is participating in the public employees' retirement fund under subsection (b);

may participate in the 1977 fund upon approval by the fiscal body, notwithstanding IC 5-10.3-6-8. A unit that participates in the 1977 fund under this subsection must comply with section 21 of this chapter. However, if a police officer or firefighter is a member of the public employees' retirement fund, the police officer or firefighter may continue as a member of that fund instead of the 1977 fund.

(d) If a unit that participates in the 1977 fund provides longevity increases, the amount of the longevity increase provided in a year must be greater than or equal to the amount of the longevity increase provided in the previous year.

SECTION 5. IC 36-8-8-5, AS AMENDED BY P.L.35-2012, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 5. (a) The system board shall:

- (1) determine eligibility for and make payments of benefits, except as provided in section 12 of this chapter;
- (2) in accordance with the powers and duties granted it in IC 5-10.3-5-3 through IC 5-10.3-5-6, IC 5-10.5-4, and IC 5-10.5-5, administer the 1977 fund;
- (3) provide by rule for the implementation of this chapter; and
- (4) authorize deposits.

(b) A determination by the system board may be appealed under the procedures in IC 4-21.5.

(c) The powers and duties of the director appointed by the system board, the actuary of the system board, and the attorney general, with respect to the 1977 fund, are those specified in IC 5-10.3-3, IC 5-10.3-4, and IC 5-10.5.

(d) The system board may hire additional personnel, including hearing officers, to assist it in the implementation of this chapter.

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(e) The 1977 fund records of individual members and membership information are confidential, except for the name and years of service of a 1977 fund member.

(f) After July 1, 2022, if the system board determines that a new police officer or firefighter in PERF should be a member of the 1977 fund, the system board shall require the employer to:

- (1) transfer the member into the 1977 fund; and**
- (2) contribute the amount that the system board determines is necessary to fund fully the member's service credit in the 1977 fund for all service earned as a police officer or firefighter in PERF.**

SECTION 6. IC 36-8-8-7, AS AMENDED BY P.L.96-2020, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: 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 who is less than forty (40) years of age; or
- (2) a firefighter who is less than thirty-six (36) years of age;

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 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; 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.

(q) Notwithstanding any other provision of this chapter and except as provided in 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) more 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 the age limitation under subsection (a) provided the member can accrue twenty (20) years of service credit in the 1977 fund by the time the firefighter becomes sixty (60) years of age. A police officer or firefighter who participates in the 1977 fund under this subsection must pass the baseline statewide physical and mental examination under section 19 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.



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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