

# SENATE BILL No. 105

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-10.2-5-44.

**Synopsis:** PERF and TRF pension benefit adjustments. Establishes a formula for a postretirement benefit adjustment for members, survivors, and beneficiaries of the public employees' retirement fund (PERF) and the Indiana state teachers' retirement fund (TRF), to be determined in 2014. Specifies that such a postretirement benefit adjustment may not be made after 2014.

**Effective:** July 1, 2014.

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January 8, 2014, read first time and referred to Committee on Pensions and Labor.

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Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## SENATE BILL No. 105

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 5-10.2-5-44 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2014]: **Sec. 44. (a) This section applies to an individual who**  
4 **receives a monthly benefit payable after June 30, 2014, as:**  
5 **(1) a member of the public employees' retirement fund or the**  
6 **Indiana state teachers' retirement fund; or**  
7 **(2) a survivor or beneficiary of a member described in**  
8 **subdivision (1).**  
9 **(b) Before December 1, 2014, the board shall determine the**  
10 **adjustment in the amount payable by a fund to a member after**  
11 **June 30, 2015, in an amount equal to the result of STEP FOUR of**  
12 **the following formula:**  
13 **STEP ONE: Multiply:**  
14 **(A) the lesser of:**  
15 **(i) the number of years of creditable service used to**  
16 **compute the member's retirement benefit under**



- 1                    **IC 5-10.2-4-4; or**  
 2                    **(ii) thirty (30) years; by**  
 3                    **(B) ten dollars (\$10).**  
 4                    **STEP TWO: Multiply:**  
 5                    **(A) the pension portion (plus postretirement increases to**  
 6                    **the pension portion) of the monthly retirement benefit**  
 7                    **provided by employer contributions paid to the member on**  
 8                    **July 1 of the year in which the adjustment is being**  
 9                    **determined under this subsection; by**  
 10                    **(B) twelve (12).**  
 11                    **STEP THREE: Multiply:**  
 12                    **(A) the lesser of:**  
 13                    **(i) the STEP TWO result; or**  
 14                    **(ii) thirty thousand dollars (\$30,000); by**  
 15                    **(B) one percent (1%).**  
 16                    **STEP FOUR: Add:**  
 17                    **(A) the STEP ONE result; and**  
 18                    **(B) the STEP THREE result.**  
 19                    **The board may not adjust the amount payable by a fund to a**  
 20                    **member after November 30, 2014.**  
 21                    **(c) The adjustment determined under subsection (b) may be**  
 22                    **paid by either of the following methods, to be determined by an act**  
 23                    **of the general assembly:**  
 24                    **(1) In twelve (12) equal installments as an increase in the**  
 25                    **pension portion (plus postretirement increases to the pension**  
 26                    **portion) provided by employer or state contributions of the**  
 27                    **monthly retirement benefit.**  
 28                    **(2) As a one (1) time lump sum amount that is not an increase**  
 29                    **in the pension portion of the monthly retirement benefit.**  
 30                    **(d) If the adjustment determined under subsection (b) is payable**  
 31                    **as an increase in the pension portion of the monthly retirement**  
 32                    **benefit, the adjustment:**  
 33                    **(1) applies to a monthly benefit payable after June 30, 2015;**  
 34                    **(2) does not apply to benefits payable in a one (1) time lump**  
 35                    **sum; and**  
 36                    **(3) is in addition to any other increase provided by law.**  
 37                    **(e) If the adjustment determined under subsection (b) is payable**  
 38                    **as a one (1) time lump sum amount, the fund shall pay the**  
 39                    **adjustment amount not later than July 1, 2015.**  
 40                    **(f) If two (2) or more survivors or beneficiaries of a member are**  
 41                    **entitled to an amount paid under subsection (e), the amount shall**  
 42                    **be allocated to the survivors or beneficiaries in shares using the**



1 same percentages determined under IC 5-10.2-3-7.5 or  
2 IC 5-10.4-4-10 to pay the monthly benefit to the survivors or  
3 beneficiaries.

