

SENATE BILL No. 333

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-10-22; IC 5-10.2-12-4.

Synopsis: Thirteenth check. Requires a portion of excess reserves in an odd-numbered year to be used to provide a thirteenth check for certain members of the: (1) Indiana state teachers' retirement fund; (2) public employees' retirement fund; (3) state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan; (4) state police pre-1987 benefit system; and (5) state police 1987 benefit system. Makes conforming changes.

Effective: July 1, 2022.

Breaux

January 11, 2022, read first time and referred to Committee on Pensions and Labor.



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 BILL No. 333

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

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

1 SECTION 1. IC 4-10-22-3, AS AMENDED BY P.L.146-2016,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2022]: Sec. 3. (a) This subsection does not apply in calendar
4 year 2016. If, after completing the presentation to the state budget
5 committee described in section 2 of this chapter, the amount of the
6 excess reserves is fifty million dollars (\$50,000,000) or more, the
7 governor shall do the following:
8 (1) If the year is calendar year 2013, transfer one hundred percent
9 (100%) of the excess reserves to the pension stabilization fund
10 established by IC 5-10.4-2-5 for the purposes of the pension
11 stabilization fund. If the year is calendar year 2014 or the calendar
12 year is 2017 or an odd-numbered year thereafter, transfer fifty
13 percent (50%) of any excess reserves to the pension stabilization
14 fund established by IC 5-10.4-2-5 for the purposes of the pension
15 stabilization fund.
16 (2) If the year is calendar year 2014 or the calendar year is 2017
17 or an odd-numbered year thereafter, use fifty percent (50%) of



1 any excess reserves for the purposes of:

2 **(A) providing a thirteenth check in accordance with**
 3 **sections 6 through 10 of this chapter; and**

4 **(B) if excess reserves exist following the thirteenth check**
 5 **under clause (A),** providing an automatic taxpayer refund
 6 under section 4 of this chapter.

7 (b) This subsection applies in calendar year 2016. If excess reserves
 8 exist, and after completing the calculation required in section 1 of this
 9 chapter and the presentation to the state budget committee described
 10 in section 2 of this chapter, the governor shall transfer one hundred
 11 percent (100%) of the excess reserves as follows:

12 (1) Fifty-five percent (55%) of the excess reserves transferred
 13 shall be transferred to the state highway fund.

14 (2) Forty-five percent (45%) of the excess reserves transferred
 15 shall be transferred to the local road and bridge matching grant
 16 fund established by IC 8-23-30.

17 This transfer shall be made from the state general fund. Money
 18 transferred to the state highway fund under this subsection is
 19 appropriated from the state highway fund to the Indiana department of
 20 transportation for the Indiana department of transportation's use for
 21 preserving and reconstructing existing state highways and bridges for
 22 which the Indiana department of transportation is responsible. Money
 23 transferred to the state highway fund under this subsection does not
 24 revert to the state general fund at the end of a state fiscal year.

25 SECTION 2. IC 4-10-22-6 IS ADDED TO THE INDIANA CODE
 26 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 27 1, 2022]: **Sec. 6. (a) This section applies if sufficient excess reserves**
 28 **are available in an odd-numbered year under section 3(a)(2)(A) of**
 29 **this chapter to provide a thirteenth check in the manner described**
 30 **under this section and sections 7 through 10 of this chapter. If**
 31 **there are not sufficient excess reserves to provide a thirteenth**
 32 **check under this section and sections 7 through 10 of this chapter,**
 33 **any excess reserves remaining under section 3(a)(2) of this chapter**
 34 **must be used to provide an automatic taxpayer refund under**
 35 **section 4 of this chapter. The dates used in this section refer to the**
 36 **applicable odd-numbered year in which the governor makes a**
 37 **presentation to the state budget committee under sections 2 and 3**
 38 **of this chapter.**

39 (b) As used in this section, "fund" refers to the Indiana state
 40 teachers' retirement fund established by IC 5-10.4-2-1.

41 (c) Not later than December 1, the state general fund shall pay
 42 the amount determined under subsection (d) to a member of the



1 fund (or to a survivor or beneficiary of a member) who retired or
 2 was disabled on or before January 1, and who is entitled to receive
 3 a monthly benefit on July 1. The amount is not an increase in the
 4 pension portion of the monthly benefit.

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

8 If a Member's Creditable	The Amount Is:
9 Service Is:	

10 At least 5 years, but less than 10 years 11 (only in the case of a member receiving 12 disability retirement benefits)	\$150
13 At least 10 years, but less than 20 years	\$275
14 At least 20 years, but less than 30 years	\$375
15 At least 30 years	\$450

16 After calendar year 2023, the amounts specified in this section
 17 must be increased in the same percentage as any increase in the
 18 Consumer Price Index for Urban Wage Earners and Clerical
 19 Workers for the period of time between July 1, 2023, and July 1 of
 20 the odd-numbered year in which the governor makes a
 21 presentation to the budget committee under sections 2 and 3 of this
 22 chapter.

23 (e) The creditable service used to determine the amount paid to
 24 a member (or to a survivor or beneficiary of a member) under
 25 subsection (c) is the creditable service that was used to compute the
 26 member's retirement benefit under IC 5-10.2-4-4, except that
 27 partial years of creditable service may not be used to determine the
 28 amount paid under subsection (c).

29 (f) If two (2) or more survivors or beneficiaries of a member are
 30 entitled to an amount paid under subsection (c), the amount shall
 31 be allocated to the survivors or beneficiaries in shares using the
 32 same percentages as the percentages determined under
 33 IC 5-10.2-3-7.5 or IC 5-10.4-4-10 to pay the monthly benefit to the
 34 survivors or beneficiaries.

35 (g) The fund may not use employer contributions to make the
 36 payments required under subsection (c).

37 SECTION 3. IC 4-10-22-7 IS ADDED TO THE INDIANA CODE
 38 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 39 1, 2022]: Sec. 7. (a) This section applies if sufficient excess reserves
 40 are available in an odd-numbered year under section 3(a)(2)(A) of
 41 this chapter to provide a thirteenth check in the manner described
 42 under this section and sections 6, 8, 9, and 10 of this chapter. If



1 there are not sufficient excess reserves to provide a thirteenth
 2 check under this section and sections 6, 8, 9, and 10 of this chapter,
 3 any excess reserves remaining under section 3(a)(2) of this chapter
 4 must be used to provide an automatic taxpayer refund under
 5 section 4 of this chapter. The dates used in this section refer to the
 6 applicable odd-numbered year in which the governor makes a
 7 presentation to the state budget committee under sections 2 and 3
 8 of this chapter.

9 (b) As used in this section, "fund" refers to the public employees'
 10 retirement fund established by IC 5-10.3-2-1.

11 (c) Not later than December 1, the state general fund shall pay
 12 the amount determined under subsection (d) to a member of the
 13 fund (or to a survivor or beneficiary of a member) who retired or
 14 was disabled on or before January 1, and who is entitled to receive
 15 a monthly benefit on July 1. The amount is not an increase in the
 16 pension portion of the monthly benefit.

17 (d) The amount paid under subsection (c) to a member of the
 18 fund (or to a survivor or beneficiary of a member) who meets the
 19 requirements of subsection (c) is determined as follows:

If a Member's Creditable	The Amount Is:
Service Is:	
At least 5 years, but less than 10 years (only in the case of a member receiving disability retirement benefits)	\$150
At least 10 years, but less than 20 years	\$275
At least 20 years, but less than 30 years	\$375
At least 30 years	\$450

28 After calendar year 2023, the amounts specified in this section
 29 must be increased in the same percentage as any increase in the
 30 Consumer Price Index for Urban Wage Earners and Clerical
 31 Workers for the period of time between July 1, 2023, and July 1 of
 32 the odd-numbered year in which the governor makes a
 33 presentation to the budget committee under sections 2 and 3 of this
 34 chapter.

35 (e) The creditable service used to determine the amount paid to
 36 a member (or to a survivor or beneficiary of a member) under
 37 subsection (c) is the creditable service that was used to compute the
 38 member's retirement benefit under IC 5-10.2-4-4, except that
 39 partial years of creditable service may not be used to determine the
 40 amount paid under subsection (c).

41 (f) If two (2) or more survivors or beneficiaries of a member are
 42 entitled to an amount paid under subsection (c), the amount shall



1 be allocated to the survivors or beneficiaries in shares using the
 2 same percentages as the percentages determined under
 3 IC 5-10.2-3-7.5 or IC 5-10.3-8-15 to pay the monthly benefit to the
 4 survivors or beneficiaries.

5 (g) The fund may not use employer contributions to make the
 6 payments required under subsection (c).

7 SECTION 4. IC 4-10-22-8 IS ADDED TO THE INDIANA CODE
 8 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 9 1, 2022]: **Sec. 8. (a) This section applies if sufficient excess reserves**
 10 **are available in an odd-numbered year under section 3(a)(2)(A) of**
 11 **this chapter to provide a thirteenth check in the manner described**
 12 **under this section and sections 6, 7, 9, and 10 of this chapter. If**
 13 **there are not sufficient excess reserves to provide a thirteenth**
 14 **check under this section and sections 6, 7, 9, and 10 of this chapter,**
 15 **any excess reserves remaining under section 3(a)(2) of this chapter**
 16 **must be used to provide an automatic taxpayer refund under**
 17 **section 4 of this chapter. The dates used in this section refer to the**
 18 **applicable odd-numbered year in which the governor makes a**
 19 **presentation to the state budget committee under sections 2 and 3**
 20 **of this chapter.**

21 (b) As used in this section, "participant" has the meaning set
 22 forth in IC 5-10-5.5-1.

23 (c) As used in this section, "plan" refers to the state excise police,
 24 gaming agent, gaming control officer, and conservation
 25 enforcement officers' retirement plan created by IC 5-10-5.5-2.

26 (d) Not later than December 1, the state general fund shall pay
 27 the amount determined under subsection (e) to a plan participant
 28 (or to a survivor or beneficiary of a plan participant) who retired
 29 or was disabled on or before January 1, and who is entitled to
 30 receive a monthly benefit on July 1. The amount is not an increase
 31 in the annual retirement allowance.

32 (e) The amount paid under subsection (d) to a plan participant
 33 (or to a survivor or beneficiary of a plan participant) who meets
 34 the requirements of subsection (d) is determined as follows:

35 If a Plan Participant's Creditable	The Amount Is:
36 Service Is:	
37 At least 5 years, but less than 10 years	\$150
38 (only in the case of a member receiving	
39 disability retirement benefits)	
40 At least 10 years, but less than 20 years	\$275
41 At least 20 years, but less than 30 years	\$375
42 At least 30 years	\$450



1 After calendar year 2023, the amounts specified in this section
 2 must be increased in the same percentage as any increase in the
 3 Consumer Price Index for Urban Wage Earners and Clerical
 4 Workers for the period of time between July 1, 2023, and July 1 of
 5 the odd-numbered year in which the governor makes a
 6 presentation to the budget committee under sections 2 and 3 of this
 7 chapter.

8 (f) The creditable service used to determine the amount paid to
 9 a plan participant (or to a survivor or beneficiary of a plan
 10 participant) under subsection (d) is the creditable service that was
 11 used to compute the plan participant's retirement allowance under
 12 IC 5-10-5.5-10 and IC 5-10-5.5-12, except that partial years of
 13 creditable service may not be used to determine the amount paid
 14 under subsection (d).

15 (g) If two (2) or more survivors or beneficiaries of a plan
 16 participant are entitled to an amount paid under subsection (d), the
 17 amount shall be allocated to the survivors or beneficiaries in shares
 18 using the same percentages as the percentages determined under
 19 IC 5-10-5.5-16 to pay the monthly benefit to the survivors or
 20 beneficiaries.

21 (h) The plan may not use employer contributions to make the
 22 payments required under subsection (d).

23 SECTION 5. IC 4-10-22-9 IS ADDED TO THE INDIANA CODE
 24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 25 1, 2022]: Sec. 9. (a) This section applies if sufficient excess reserves
 26 are available in an odd-numbered year under section 3(a)(2)(A) of
 27 this chapter to provide a thirteenth check in the manner described
 28 under this section and sections 6, 7, 8, and 10 of this chapter. If
 29 there are not sufficient excess reserves to provide a thirteenth
 30 check under this section and sections 6, 7, 8, and 10 of this chapter,
 31 any excess reserves remaining under section 3(a)(2) of this chapter
 32 must be used to provide an automatic taxpayer refund under
 33 section 4 of this chapter. The dates used in this section refer to the
 34 applicable odd-numbered year in which the governor makes a
 35 presentation to the state budget committee under sections 2 and 3
 36 of this chapter.

37 (b) As used in this section, "trustee" has the meaning set forth
 38 in IC 10-12-1-10.

39 (c) As used in this section, "trust fund" has the meaning set
 40 forth in IC 10-12-1-11.

41 (d) Not later than December 1, the trustee shall pay from the
 42 trust fund to each employee beneficiary of the state police pre-1987



1 benefit system covered by IC 10-12-3 who:

2 (1) retired or was disabled before January 1; and

3 (2) is entitled to receive a monthly benefit as of July 1;

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

8 (e) The amount paid under this section is not an increase in the
9 monthly pension amount of an employee beneficiary.

10 (f) The trustee may not use employer contributions to make the
11 payments required under subsection (d).

12 SECTION 6. IC 4-10-22-10 IS ADDED TO THE INDIANA CODE
13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
14 1, 2022]: **Sec. 10. (a) This section applies if sufficient excess reserves**
15 **are available in an odd-numbered year under section 3(a)(2)(A) of**
16 **this chapter to provide a thirteenth check in the manner described**
17 **under this section and sections 6 through 9 of this chapter. If there**
18 **are not sufficient excess reserves to provide a thirteenth check**
19 **under this section and sections 6 through 9 of this chapter, any**
20 **excess reserves remaining under section 3(a)(2) of this chapter**
21 **must be used to provide an automatic taxpayer refund under**
22 **section 4 of this chapter. The dates used in this section refer to the**
23 **applicable odd-numbered year in which the governor makes a**
24 **presentation to the state budget committee under sections 2 and 3**
25 **of this chapter.**

26 (b) As used in this section, "trustee" has the meaning set forth
27 in IC 10-12-1-10.

28 (c) As used in this section, "trust fund" has the meaning set
29 forth in IC 10-12-1-11.

30 (d) Not later than December 1, the trustee shall pay from the
31 trust fund to each employee beneficiary of the state police 1987
32 benefit system covered by IC 10-12-4 who:

33 (1) retired or was disabled after June 30, 1987, and before
34 January 1; and

35 (2) is entitled to receive a monthly benefit as of July 1;

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

40 (e) The amount paid under this section is not an increase in the
41 monthly pension amount of an employee beneficiary.

42 (f) The trustee may not use employer contributions to make the



1 **payments required under subsection (d).**

2 SECTION 7. IC 5-10.2-12-4, AS ADDED BY P.L.127-2018,
3 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2022]: Sec. 4. (a) In each even-numbered calendar year,
5 beginning in 2018, the board shall present to the interim study
6 committee on pension management oversight (established by
7 IC 2-5-1.3-4) an actuarial report concerning the status of each
8 supplemental allowance reserve account.

9 **(b) Except as provided in IC 4-10-22-6 through IC 4-10-22-10,**
10 the general assembly may grant a postretirement benefit increase,
11 thirteenth check, or other benefit change or adjustment for members of
12 or participants in a fund or plan listed in section 1 of this chapter only:

13 (1) in an odd-numbered calendar year; and

14 (2) if the postretirement benefit increase, thirteenth check, or
15 other benefit change or adjustment:

16 (A) may be funded from the uncommitted balance in the
17 supplemental allowance reserve account of the particular fund
18 or plan; and

19 (B) may be paid in the same amount or percentage, or by using
20 the same formula or computation method, to members of or
21 participants in each of the funds and plans listed in section 1
22 of this chapter.

