



March 20, 2025

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# ENGROSSED

## SENATE BILL No. 388

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DIGEST OF SB 388 (Updated March 19, 2025 2:15 pm - DI 140)

**Citations Affected:** IC 36-8.

**Synopsis:** 1977 pension and disability fund. Increases the basic monthly pension benefit payable to a member of the 1977 police officers' and firefighters' pension and disability fund who retires after June 30, 2025, with 20 years of service. Increases the contribution rate of fund members. Provides that a municipality, a unit, an airport authority, a school corporation, or a charter school may require certain members of the public employees retirement fund to continue as members of that fund instead of the 1977 police officers' and firefighters' pension and disability fund.

**Effective:** Upon passage; July 1, 2025.

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**Rogers, Baldwin, Niezgodski,  
Goode, Donato, Pol Jr.,  
Randolph Lonnie M**  
(HOUSE SPONSOR — VANNATTER)

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January 13, 2025, read first time and referred to Committee on Pensions and Labor.  
January 29, 2025, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.  
February 13, 2025, reported favorably — Do Pass.  
February 17, 2025, read second time, amended, ordered engrossed.  
February 18, 2025, engrossed.  
February 20, 2025, read third time, passed. Yeas 49, nays 0.  
HOUSE ACTION  
March 3, 2025, read first time and referred to Committee on Employment, Labor and Pensions.  
March 20, 2025, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 126.3.

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ES 388—LS 6751/DI 153





March 20, 2025

First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 388

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 36-8-8-3, AS AMENDED BY P.L.135-2024,  
2       SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       UPON PASSAGE]: Sec. 3. (a) If a town establishes a board of  
4       metropolitan police commissioners, or if a town becomes a city, the  
5       municipality shall participate in the 1977 fund and shall enroll all  
6       full-time police officers and firefighters in the 1977 fund. However, if  
7       a police officer or former marshal is a member of the public employees'  
8       retirement fund, the police officer or former marshal may continue as  
9       a member of that fund instead of the 1977 fund. Notwithstanding the  
10      age requirements under section 7(a) of this chapter, a police officer or  
11      former marshal employed by a municipality at the time the  
12      municipality enters the 1977 fund under this section shall be a member  
13      of the 1977 fund unless the **municipality elects to require** a police  
14      officer or former marshal ~~elects~~ to continue as a member of the public  
15      employees' retirement fund. A person may become a member of the  
16      1977 fund under this subsection without meeting the age limitation  
17      under section 7(a) of this chapter only if the person satisfies:

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(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

(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 the unit may elect to require** a police officer or firefighter **that** is a member of the public employees' retirement fund ~~the police officer or firefighter may to~~ 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.

(e) An airport authority may participate in the 1977 fund. An airport authority that participates in the 1977 fund under this subsection must comply with section 21 of this chapter. However, **if the airport authority may elect to require** a police officer or firefighter **that** is a member of the public employees' retirement fund ~~the police officer or firefighter may to~~ continue as a member of that fund instead of the 1977 fund.

(f) A school corporation or charter school that:

(1) employs a school resource officer; or

(2) enters into a contract or memorandum of understanding with a:

(A) local law enforcement agency;



1 (B) private entity; or  
 2 (C) nonprofit corporation;  
 3 to employ a school resource officer;  
 4 may participate in the 1977 fund. A school corporation or charter  
 5 school that participates in the 1977 fund under this subsection or  
 6 subsection (g) must comply with section 21.5 of this chapter. However,  
 7 **if the school corporation or charter school may elect to require** a  
 8 school resource officer **that** is a member of the public employees'  
 9 retirement fund **the school resource officer may to** continue as a  
 10 member of that fund instead of the 1977 fund.

11 (g) A school resource officer hired or rehired after June 30, 2024,  
 12 who is a member of the 1977 fund shall remain in the 1977 fund.

13 SECTION 2. IC 36-8-8-8, AS AMENDED BY P.L.92-2021,  
 14 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JULY 1, 2025]: Sec. 8. (a) Each fund member shall contribute during  
 16 the period of the fund member's employment or for thirty-two (32)  
 17 years, whichever is shorter, an amount equal to ~~six percent (6%)~~ **six**  
 18 **and one-half percent (6.5%)** of the salary of a first class patrolman or  
 19 firefighter. However, the employer may pay all or a part of the  
 20 contribution for the member. The amount of the contribution, other  
 21 than contributions paid on behalf of a member, shall be deducted each  
 22 pay period from each fund member's salary by the disbursing officer of  
 23 the employer. The employer shall send to the system board each year  
 24 on March 31, June 30, September 30, and December 31, for the  
 25 calendar quarters ending on those dates, or an alternate date established  
 26 by the rules of the system board, a certified list of fund members and  
 27 a warrant issued by the employer for the total amount deducted for fund  
 28 members' contributions.

29 (b) After December 31, 2011, an employer shall submit:

- 30 (1) the list described in subsection (a) in a uniform format through
- 31 a secure connection over the Internet or through other electronic
- 32 means specified by the system board; and
- 33 (2) the contributions paid by or on behalf of a member under
- 34 subsection (a) by electronic funds transfer.

35 (c) Except as provided in section 7(n) or 7.2 of this chapter, if a fund  
 36 member ends the fund member's employment other than by death or  
 37 disability before the fund member completes twenty (20) years of  
 38 active service, the system board shall return to the fund member in a  
 39 lump sum the fund member's contributions plus interest at a rate  
 40 specified by rule by the system board. If the fund member returns to  
 41 service, the fund member is entitled to credit for the years of service for  
 42 which the fund member's contributions were refunded if the fund



member repays the amount refunded to the fund member plus interest at a rate specified by rule by the system board in either a lump sum or a series of payments determined by the system board.

SECTION 3. IC 36-8-8-11, AS AMENDED BY P.L.146-2019, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 11. (a) Benefits paid under this section are subject to section 2.5 of this chapter.

(b) This subsection applies to a fund member who retires before July 1, 2019. Each fund member who qualifies for a retirement benefit payment under section 10(b) of this chapter is entitled to receive a monthly benefit equal to fifty percent (50%) of the monthly salary of a first class patrolman or firefighter in the year the member ended the member's active service plus:

(1) for a member who retires before January 1, 1986; two percent (2%) of that salary for each full year of active service; or

(2) for a member who retires after December 31, 1985; one percent (1%) of that salary for each six (6) months of active service;

over twenty (20) years; to a maximum of twelve (12) years.

(c) This subsection applies to a fund member who retires after June 30, 2019. Each fund member who qualifies for a retirement benefit payment under section 10(b) of this chapter is entitled to receive a monthly benefit equal to fifty-two percent (52%) of the monthly salary of a first class patrolman or firefighter in the year the member ended the member's active service plus one percent (1%) of that salary for each six (6) months of active service over twenty (20) years; to a maximum of twelve (12) years.

(d) This subsection applies to a fund member who retires before July 1, 2019. Each fund member who qualifies for a retirement benefit payment under section 10(c) of this chapter is entitled to receive a monthly benefit equal to fifty percent (50%) of the monthly salary of a first class patrolman or firefighter in the year the member ended the member's active service plus one percent (1%) of that salary for each six (6) months of active service over twenty (20) years; to a maximum of twelve (12) years; all actuarially reduced for each month (if any) of benefit payments prior to fifty-two (52) years of age; by a factor established by the fund's actuary from time to time.

(e) This subsection applies to a fund member who retires after June 30, 2019. Each fund member who qualifies for a retirement benefit payment under section 10(c) of this chapter is entitled to receive a monthly benefit equal to fifty-two percent (52%) of the monthly salary of a first class patrolman or firefighter in the year the member ended



the member's active service plus one percent (1%) of that salary for each six (6) months of active service over twenty (20) years; to a maximum of twelve (12) years; all actuarially reduced for each month (if any) of benefit payments prior to fifty-two (52) years of age; by a factor established by the fund's actuary from time to time.

(b) Each fund member who qualifies for a retirement benefit payment under section 10(b) of this chapter is entitled to receive a monthly benefit equal to the following:

(1) For a fund member who retires before July 1, 2019, fifty percent (50%) of the monthly salary of a first class patrolman or firefighter in the year the member ended the member's active service plus:

(A) for a member who retires before January 1, 1986, two percent (2%) of that salary for each full year of active service; or

(B) for a member who retires after December 31, 1985, one percent (1%) of that salary for each six (6) months of active service;

over twenty (20) years, to a maximum of twelve (12) years.

(2) For a fund member who retires after June 30, 2019, and before July 1, 2025, fifty-two percent (52%) of the monthly salary of a first class patrolman or firefighter in the year the member ended the member's active service plus one percent (1%) of that salary for each six (6) months of active service over twenty (20) years, to a maximum of twelve (12) years.

(3) For a fund member who retires after June 30, 2025, fifty-three percent (53%) of the monthly salary of a first class patrolman or firefighter in the year the member ended the member's active service plus one percent (1%) of that salary for each six (6) months of active service over twenty (20) years, to a maximum of twelve (12) years.

(c) Each fund member who qualifies for a retirement benefit payment under section 10(c) of this chapter is entitled to receive a monthly benefit equal to the following:

(1) For a fund member who retires before July 1, 2019, fifty percent (50%) of the monthly salary of a first class patrolman or firefighter in the year the member ended the member's active service plus one percent (1%) of that salary for each six (6) months of active service over twenty (20) years, to a maximum of twelve (12) years, all actuarially reduced for each month (if any) of benefit payments prior to fifty-two (52) years of age, by a factor established by the fund's actuary



1 from time to time.

2 (2) For a fund member who retires after June 30, 2019, and  
3 before July 1, 2025, fifty-two percent (52%) of the monthly  
4 salary of a first class patrolman or firefighter in the year the  
5 member ended the member's active service plus one percent  
6 (1%) of that salary for each six (6) months of active service  
7 over twenty (20) years, to a maximum of twelve (12) years, all  
8 actuarially reduced for each month (if any) of benefit  
9 payments prior to fifty-two (52) years of age, by a factor  
10 established by the fund's actuary from time to time.

11 (3) For a fund member who retires after June 30, 2025,  
12 fifty-three percent (53%) of the monthly salary of a first class  
13 patrolman or firefighter in the year the member ended the  
14 member's active service plus one percent (1%) of that salary  
15 for each six (6) months of active service over twenty (20)  
16 years, to a maximum of twelve (12) years, all actuarially  
17 reduced for each month (if any) of benefit payments prior to  
18 fifty-two (52) years of age, by a factor established by the  
19 fund's actuary from time to time.

20 SECTION 4. An emergency is declared for this act.





## COMMITTEE REPORT

Mr. President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 388, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 5, delete "eight".

Page 1, line 6, delete "and one-half percent (8.5%)" and insert "**six and one-half percent (6.5%)**".

Page 3, line 40, delete "fifty-five percent (55%)" and insert "**fifty-three percent (53%)**".

Page 3, line 42, delete "and one-quarter".

Page 4, line 1, delete "(1.25%)" and insert "**(1%)**".

Page 4, line 25, delete "fifty-five percent (55%)" and insert "**fifty-three percent (53%)**".

Page 4, line 27, delete "and one-quarter".

Page 4, line 28, delete "(1.25%)" and insert "**(1%)**".

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 388 as introduced.)

ROGERS, Chairperson

Committee Vote: Yeas 11, Nays 0.

## COMMITTEE REPORT

Mr. President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 388, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 388 as printed January 30, 2025.)

MISHLER, Chairperson

Committee Vote: Yeas 12, Nays 0

ES 388—LS 6751/DI 153



## SENATE MOTION

Mr. President: I move that Senate Bill 388 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 36-8-8-3, AS AMENDED BY P.L.135-2024, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 **municipality elects to require** a 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
  - (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 the unit may elect to require** a police officer or firefighter **that** is a member of the public employees' retirement fund ~~the police officer or firefighter may to~~ 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.

(e) An airport authority may participate in the 1977 fund. An airport authority that participates in the 1977 fund under this subsection must comply with section 21 of this chapter. However, **if the airport authority may elect to require** a police officer or firefighter **that** is a member of the public employees' retirement fund ~~the police officer or firefighter may to~~ continue as a member of that fund instead of the 1977 fund.

(f) A school corporation or charter school that:

- (1) employs a school resource officer; or
- (2) enters into a contract or memorandum of understanding with a:

- (A) local law enforcement agency;
- (B) private entity; or
- (C) nonprofit corporation;

to employ a school resource officer;

may participate in the 1977 fund. A school corporation or charter school that participates in the 1977 fund under this subsection or subsection (g) must comply with section 21.5 of this chapter. However, **if the school corporation or charter school may elect to require** a school resource officer **that** is a member of the public employees' retirement fund ~~the school resource officer may to~~ continue as a member of that fund instead of the 1977 fund.

(g) A school resource officer hired or rehired after June 30, 2024, who is a member of the 1977 fund shall remain in the 1977 fund."

Page 4, after line 32, begin a new paragraph and insert:

"SECTION 4. **An emergency is declared for this act.**"

Re-number all SECTIONS consecutively.

(Reference is to SB 388 as printed February 14, 2025.)

ROGERS



COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred Senate Bill 388, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to SB 388 as reprinted February 18, 2025.)

VANNATTER

Committee Vote: Yeas 12, Nays 0

