

INDIANA STATE POLICE

DEPARTMENT

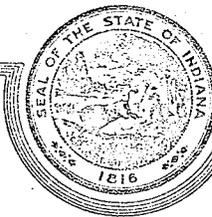
8/3/68

Supplemental Agreement

( Police Benefit Fund )

as amended

Effective August 1, 1968



OFFICES OF ATTORNEY GENERAL  
JOHN J. DILLON, ATTORNEY GENERAL  
219 STATE HOUSE

September 4, 1968

Mr. Robert A. O'Neal  
Superintendent  
Indiana State Police  
State Office Building  
Indianapolis, Indiana 46204

Dear Superintendent O'Neal:

Pursuant to your request for approval of the form and legality of the proposed amendments to the Indiana State Police Pension Trust and Supplemental Agreements, as recommended by the vote taken of the employee beneficiaries of said trust, I have inserted each proposed amendment in the sequence they were presented to me, as follows:

At page 2, paragraph 4, of the Supplemental Agreement, the figure \$5,000 appearing in line 4 of said paragraph should be stricken and in its place should be inserted the figure \$10,000.

At page 9, paragraph 14b, of the Supplemental Agreement, the following language should be inserted in lieu of the language now contained in said agreement beginning with the third word in the eighth line of said Paragraph 14b:

"Said fund shall be used for the purposes of providing additional supplementary

Mr. Robert A. O'Neal  
September 4, 1968  
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death benefits and disability income over and above that provided by the Police Benefit Fund (Except that accidental death and dismemberment benefits may also be provided) and to provide a Major Medical Health and Hospitalization Group Plan, to supplement the Department's Health and Hospitalization Group Plan, to all qualifying employees who authorize a deduction from salary or wages for said purpose."

I have examined all of the forgoing proposal and find the same to be consistent with the provisions of the Acts of 1937, Chapter 54 as amended. It is my opinion that such amendments meet with existing requirements as to legality and form.

Enclosed are three carbon copies of this letter for such distribution as you may require.

Very truly yours,

John J. Dillon  
Attorney General of Indiana

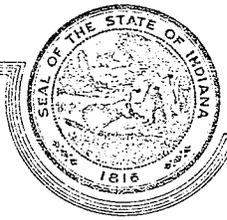
by Rex P. Killian  
Rex P. Killian  
Deputy Attorney General



RPK/ldw

encl.

STATE OF INDIANA



INDIANAPOLIS 46204

THE DEPARTMENT OF INSURANCE  
509 STATE OFFICE BUILDING

October 27, 1969

Mr. Robert K. Konkle, Superintendent  
Indiana State Police Department  
Indiana State Office Building - Room 301  
Indianapolis, Indiana.

Dear Superintendent:

This will acknowledge receipt of your letter of August 8, 1968.

Your letter of April, 1968, stated that the employee beneficiaries of this Indiana State Police Pension and Beneficial programs voted to amend the supplemental trust agreement (Police Benefit Fund) to include certain additional benefits to be paid for from the Employee Insurance Fund authorized in that agreement.

Since these benefits are underwritten by Insurance Companies, and the premiums are paid by the contributions of the employees, and not from State funds, this Department has no objection to their becoming effective.

Sincerely,

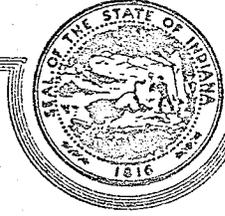
THE DEPARTMENT OF INSURANCE  
State of Indiana

A handwritten signature in cursive script, reading "J. Edward Faust, jr.", written over a circular stamp.

J. Edward Faust, jr. F.C.A.S.  
Consulting Actuary

JEF/eh

STATE OF INDIANA



INDIANAPOLIS 46209

DEPARTMENT OF ADMINISTRATION

507 STATE OFFICE BUILDING  
100 NORTH SENATE AVENUE

8/21/68

Staff Captain James R. Pava:  
Subject: Amendments to Supplemental  
Trust Agreement

Dear Sir:

This will inform you of my approval of  
the amendments to the Supplemental Trust  
Agreement set out in former Superintendent  
O'Neal's letter to me dated August 8, 1968

Respectfully

Carl R. Ashman  
State Actuary

DEPARTMENT OF STATE POLICE  
SUPPLEMENTAL AGREEMENT  
(POLICE BENEFIT FUND)

THIS AGREEMENT made and entered into this first day of July, 1937, by and between the Department of State Police, Party of the First Part, (hereinafter referred to as the "Department"), and the Treasurer of State, Party of the Second Part, (hereinafter referred to as the "Trustee"), and as last amended on May 1, 1968, has been further amended and modified to become effective August 1, 1968, so as to read as follows:

WITNESSETH:

WHEREAS, the Department is a division of the Indiana State Government with its principal office at Indianapolis, Indiana, and the Department desires to establish a Police Benefit Fund in order to provide supplementary death benefits to the beneficiaries or estates of deceased Employee Beneficiaries, disability expense reimbursement and payments to disabled Employee Beneficiaries, and payments to dependent parents, widows and children of Employee Beneficiaries killed in line of duty, as authorized by the General Assembly of the State of Indiana by Chapter 54, Acts of 1937, as amended, and

WHEREAS, the Trustee is an officer of the State of Indiana with full power to act as Trustee and with its principal office and place of business at Indianapolis, Indiana.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Parties hereto agree as follows:

1. The Trustee will act as Trustee of the Police Benefit Fund established pursuant hereto and will receive and hold in trust, manage, invest and reinvest any moneys paid to its as such Trustee in accordance with the terms and provisions of this Supplemental Trust Agreement.

2. The Police Benefit Fund shall consist of voluntary contributions from the Department, fees, awards, and any other payments or contributions made to the Police Benefit Fund by the State of Indiana or by any other person or persons, firm or corporation and the income and proceeds derived from the investment thereof.

3. The terms "Employee", "Employee Beneficiary", "any person claiming by, through, or under any Employee Beneficiary", "fiscal year", and "Engineers" as used in this Supplemental Trust Agreement shall have the same meaning as defined in the Pension Trust.

The term "Pension Trust", as used herein, means the Pension Trust Agreement entered into by and between the Department and the Trustee, effective the first day of July, 1937, as amended.

The term "Pension Advisory Board", as used herein, means the Board established by the terms of the Pension Trust for the purpose of adjusting compensation, approving payments and pensions, formulating policies, and assisting in the administration of this program.

4. All Employee Beneficiaries shall be furnished supplementary death benefits in the amount of \$10,000, the cost of which shall be totally paid by the Benefit Fund. Any Employee Beneficiary may also subscribe for additional supplementary death benefits in the amount of \$10,000, the cost of which shall be totally paid by the Employee Beneficiary at a rate per month determined by the Pension Advisory Board for each One Thousand Dollars (\$1,000) of coverage, and this contribution shall be deducted from the Employee Beneficiary's salary by the Department pursuant to the terms of the wage assignment laws of the State and the "Application and Authorization for Deduction" form. All such deductions shall be credited to the "Employee Insurance Fund" hereinafter authorized and

described. All Employee Beneficiaries who retire after reaching age fifty (50) or after twenty (20) years of service shall be entitled to have the supplementary death benefit in the amount of \$10,000 continued for the balance of their lives by the Benefit Fund at no cost to such retirees. Supplementary death benefits furnished by the Benefit Fund may be paid directly from the assets of the Benefit Fund or this liability may be reinsured in an old line legal reserve life insurance company selected and approved by the Department and the Engineers and licensed to operate in the State of Indiana.

5. In the event an Employee Beneficiary shall incur disability through the performance of duty (as determined by the Pension Advisory Board) he, his beneficiary, or estate shall be entitled to receive reimbursement for all travel, medical, surgical, and hospital expense directly resulting from such disability. In addition thereto, he shall be entitled to receive monthly payments which shall commence one month after payment of his last regular wages from the Department and shall continue as long thereafter as disability exists, or death occurs, or until the fifty-fifth (55th) birthday, whichever event occurs first. The amount of disability payment shall be determined by the Pension Advisory Board in accordance with the extent of disability, but in no event shall it exceed the maximum pension amount to which such Employee Beneficiary would be entitled at normal retirement age.

In the event an Employee Beneficiary shall become totally disabled in the performance of duty (as determined by the Pension Advisory Board) he shall, in addition to the monthly disability pension payment provided for herein, receive Forty Dollars (\$40.00) per month for each dependent parent and dependent minor child less than eighteen (18) years of age.

In the event an Employee Beneficiary shall become disabled for any cause not directly attributable to performance of duty, he shall be entitled to receive

monthly payments of an amount in accordance with the extent of disability (as determined by the Pension Advisory Board), but in no event shall it exceed the maximum pension amount to which such Employee Beneficiary would be entitled at normal retirement age nor shall it continue for a longer period of time than the number of months the person was an employee of the Department prior to disability, death, or the fifty-fifth (55th) birthday, whichever event occurs first.

Disability payments shall be based on the possibility of twenty (20) years service prior to age fifty-five (55) and on a maximum of one-half ( $\frac{1}{2}$ ) average monthly salaries received, or to be received, during the highest paid consecutive five (5) years prior to the end of the then current biennium, plus Twenty Dollars (\$20.00), except that any moneys received in excess of the monthly wage received by a police employee at the beginning of his third year of service in the grade of Trooper shall not be considered as a part of the averages. Disability payments for Employee Beneficiaries with less than five (5) years of service prior to the end of the then current biennium shall be based on existing averages prior to said end. Disability payments once granted shall not be increased in individual amounts (except when percent of disability is increased by the Pension Advisory Board) but neither shall same decrease (except when percent of disability is decreased by the Pension Advisory Board), except that maximums shall be recomputed biannually, effective July 1, 1955, and Employee Beneficiaries shall be paid any resultant increases.

All authorized deductions made under the authority of this Supplemental Agreement and under the authority of the Pension Trust Agreement shall be withheld from any disability payment during disability status.

6. In the event an Employee Beneficiary dies as a direct result of injury or illness incurred in line of duty (as determined by the Pension Advisory Board), his widow, dependent children, dependent parent, or parents shall be entitled to receive payments as follows:

Monthly payment to a widow shall be Two Hundred Twenty-five Dollars (\$225.00) per month and a total maximum of Two Hundred Twenty-five Dollars (\$225.00) per month shall be paid to a dependent or partially dependent parent or parents from the Police Benefit Fund. Such payments shall begin one month after death of the Employee Beneficiary and, in the case of a widow, shall cease with the last regular payment prior to the widow's death or remarriage. Payments to dependent children shall be Forty Dollars (\$40.00) per month per child. Such payments shall begin one month after the death of the Employee Beneficiary and shall cease with the last regular payment prior to the child's attaining eighteen (18) years of age. Payments to a dependent parent or parents shall be determined by the Pension Advisory Board in accordance with extent of dependency. Such payments shall begin one month after the death of the Employee Beneficiary and continue as long as either parent survives and remains dependent upon the above source of revenue.

(See widow's option under Item 14B of Pension Trust.)

7. The Trustee with the approval of the Department shall invest, reinvest, and manage the Police Benefit Fund for the purchase of or payment of the following:

a. Such investments as the Trustee may be authorized to invest trust funds in, under the laws of the State of Indiana.

b. Single premium life insurance contracts or policies on the life of any Employee Beneficiary or any executive officer of the Department.

c. Annuities for Employee Beneficiaries or dependents of deceased Employee Beneficiaries.

d. Payments authorized to be made by the terms of this Agreement.

e. Current operating expense authorized by the Department with the approval of the Engineers.

The right of the Trustee to invest and use the assets of the Police Benefit Fund shall be subject to the following limitations:

a. All annuities and life insurance contracts or policies shall be purchased only for such persons and at such times as shall be approved by the Engineers and the Department, and from such companies as shall be approved by the Engineers and the Department and are licensed to operate in the State of Indiana.

8. The Trustee with the assistance of the Engineers shall, within ninety days after the close of the fiscal year, prepare and file with the Department and the Indiana Insurance Department a detailed annual report showing receipts, disbursements, gross value of the assets of the Police Benefit Fund listing investments as to book value and current market value as of the end of the fiscal year, case histories, and making recommendations as to the necessary contributions required to keep the program in operation.

9. The gross and net value of the assets of the Police Benefit Fund shall be determined in the same manner as the assets of the Pension Fund as set out in the Pension Trust.

10. The Police Benefit Fund may be liquidated at any time by the Department and shall be liquidated in the event of liquidation of the Pension Trust.

11. The liquidation of the Police Benefit Fund shall be under the direction and supervision of the Engineers and the Indiana Insurance Department and in the following manner:

All refund annuities which are subject to such conversion shall be converted into life annuities, and all life insurance contracts or policies which have a

cash surrender value shall be surrendered, and all remaining assets of the Police Benefit Fund shall be sold or otherwise converted into cash.

If this Supplemental Agreement shall be terminated after July 1, 1959, the net assets of the Police Benefit Fund shall be used as follows:

a. Pensions and payments shall be continued to persons then receiving same either directly or by purchase of annuities from eligible life insurance companies yielding as nearly as possible the maximum monthly amounts payable to the persons then receiving same.

b. Any balance of the Police Benefit Fund remaining after the payments provided for in (a) of this Item 11 shall revert to the Pension Trust and be administered in accordance with the terms thereof.

12. The Trustee shall at all times employ Engineers with the approval of the Department to assist and supervise the operation of the Police Benefit Fund. The terms of employment and compensation of the Engineers shall be as provided in the Pension Trust.

The Trustee shall be reimbursed from the trust assets for any extraordinary service or out-of-pocket expense necessarily and properly incurred by it in the administration of the trust, subject to the approval of the Department. The Trustee shall receive no compensation for its services hereunder.

Neither the Trustee, the Department, the Pension Advisory Board, the Engineers, nor their representatives shall be liable for any error of judgment, mistake, or omission made in good faith but only for negligence or willful misconduct in the performance of their duties hereunder.

The Department shall keep complete records of the amounts authorized to be deducted from the wages of each Employee Beneficiary for the Employee Insurance Program and it shall maintain complete employment records of Employee Beneficiaries.

The Engineers and the Trustee shall be entitled to rely upon statements of the Department or its representatives as to the following matters: the amounts paid into the Employee Insurance Fund from the wages of Employee Beneficiaries; the ages of Employee Beneficiaries and their dependents; whether or not Employee Beneficiaries were on the payroll of the Department on stated dates; the length of time Employee Beneficiaries have been on the payroll of the Department; and wages paid by the Department to Employee Beneficiaries.

The Department and Engineers shall be entitled to rely on the statements of the Trustee or its representative as to the amount held in and the amount paid from the Police Benefit Fund and the Employee Insurance Fund to any persons whomsoever.

Parties hereto shall be entitled to rely upon any statement contained in any employee's Application and Authorization for Deduction.

A statement shall be deemed to have been made by the Department, Pension Advisory Board, Trustee, or the Engineers if it shall be signed by one of their respective executive officers or any person authorized to sign such statements by one of their respective executive officers.

Any statement shall be deemed to have been made by the Trustee provided it shall be signed by the Treasurer of State or by any person authorized by the Treasurer of State to sign such statement.

It is not intended that the Trust created by this Agreement shall be administered by or under the supervision of any court: but in the event that any party hereto shall apply to a court for a construction hereof, or for direction as to the duties or rights of any party hereunder, then and in any such event, such application shall be made to any court of competent jurisdiction sitting in Marion County, State of Indiana, and having jurisdiction of the subject matter,

and such court shall have jurisdiction to issue such order, decree or judgment as the equity of the case may require. In the event of any such proceeding or proceedings being instituted, it shall not be necessary to make a party or to serve process upon any Employee Beneficiary, any former Employee Beneficiary, or any person claiming by, through, or under any Employee Beneficiary or former Employee Beneficiary, whether resident or nonresident of the State of Indiana, but it shall be sufficient to publish such notice of the institution of said suit in two newspapers of general paid circulation in Marion County, Indiana, as the court may direct. If in any such proceedings the court shall determine that the Engineers are negligent or guilty of willfull misconduct in performing their functions hereunder, the Trustee shall have the right to select successor Engineers with the approval of the Department and such successor shall perform the functions agreed hereunder to be performed by the Engineers.

The Trust arising under the operation hereof shall constitute a trust under the laws of the State of Indiana, and this Agreement shall be construed by the applicable laws of Indiana.

13. It is understood and agreed that inasmuch as Employee Beneficiaries are required to make no payments into the Police Benefit Fund, neither they, nor any person claiming by, through, nor under them shall have any vested rights in or to the Police Benefit Fund, nor any claim against any party hereto or representatives thereof including the Engineers and the Pension Advisory Board. Any suggestions or grievances, however, may be presented to the Pension Advisory Board for proper review and consideration, and its decision shall be final and binding upon all parties to the fullest extent permitted by law, unless the decision is contrary to the terms of this Agreement.

14 a. The Police Benefit Fund, consisting of the mortality reserve account, the disability reserve account, and the dependent pension reserve account, as authorized by Acts 1937, Chapter 54, Section 6, shall, on and after July 1, 1966, not be commingled with any funds representing authorized deductions from the salary or wages of Employees of the Department, but shall be accounted for and operated as a separate and distinct fund from the Pension Fund and the Employees Insurance Fund.

b. Subject to the approval of the Trustee, the Engineers, and the State Actuary, there is hereby authorized and created a separate and distinct fund, to be known as the Employees' Insurance Fund, which shall, on and after July 1, 1966, be accounted for and operated separately from the Police Pension Fund and the Police Benefit Fund. The Employees' Insurance Fund shall consist of the necessary authorized deductions from the salary and wages of Employees of the Department heretofore made and hereafter made in accordance with the wage assignment laws of the State. Said fund shall be used for the purposes of providing additional supplementary death benefits and disability income over and above that provided by the Police Benefit Fund (except that accidental death and dismemberment benefits may also be provided) and to provide a Major Medical Health and Hospitalization Plan to supplement the Department's Health and Hospitalization Group Plan, to all qualifying employees who authorize a deduction from salary or wages for said purpose. The Department shall maintain separate accounting records for each employee participating in the Employee Insurance Fund and no part of said fund shall be commingled with the Police Pension Fund or Police Benefit Fund.

15. This Supplemental Trust Agreement may be amended in any particular by the Department with the consent of the Engineers. A copy of any such amendment shall be filed with the Trustee and the Engineers.

Executed in triplicate at Indianapolis, Indiana, the day and year first above written.

DEPARTMENT OF STATE POLICE

By Robert A. O'Neal

Attest:

James R. Pera  
First Party

TREASURER OF STATE

By [Signature]

Attest:

Robert H. Kordle  
Second Party

Approved:

[Signature]  
Engineers