

January 28, 1998

HOUSE BILL No. 1018

DIGEST OF HB1018 (Updated January 27, 1998 12:39 pm - DI 73)

Citations Affected: IC 21-6.1-4-4.6.

Synopsis: Private school teaching credit. Allows a member of the Indiana state teachers' retirement fund to purchase service credit for teaching service in a private school. (The introduced version of this bill was prepared by the pension management oversight commission.)

Effective: July 1, 1998.

Stevenson, Fesko, Buell, Kruse

January 6, 1998, read first time and referred to Committee on Ways and Means.
January 27, 1998, reported — Do Pass.

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HB 1018—LS 6261/DI 79



January 28, 1998

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

HOUSE BILL No. 1018

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

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

- 1 SECTION 1. IC 21-6.1-4-4.6 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 1998]: **Sec. 4.6. (a) As used in this section,**
4 **"private teaching service" means service in Indiana as a teacher in**
5 **a private school that would be creditable service if performed in a**
6 **public school in Indiana.**
- 7 **(b) A member may purchase private teaching service if:**
8 **(1) the member has at least ten (10) years of creditable service**
9 **in the fund;**
10 **(2) the member makes contributions, before the member**
11 **retires, to the fund:**
12 **(A) that are equal to the product of the following:**
13 **(i) the member's salary at the time the member actually**
14 **makes a contribution for the service credit;**
15 **(ii) a percentage rate, as determined by the actuary of**
16 **the fund, based on the age of the member at the time the**
17 **member makes a contribution for service credit and**

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- 1 **computed to result in a contribution amount that**
 2 **approximates the actuarial present value of the benefit**
 3 **attributable to the service credit purchased; and**
 4 **(iii) the number of years of private teaching service the**
 5 **member intends to purchase; and**
 6 **(B) for any accrued interest, at a rate determined by the**
 7 **actuary of the fund, for the period from the member's**
 8 **initial membership in the fund to the date payment is made**
 9 **by the member; and**
 10 **(3) the fund receives verification from the private school that**
 11 **the private teaching service occurred.**
 12 **(c) Service for years of private teaching that qualify a member**
 13 **for retirement in an out-of-state system or in any federal**
 14 **retirement system may not be granted under this section.**
 15 **(d) A member who:**
 16 **(1) terminates employment before satisfying the eligibility**
 17 **requirements necessary to receive a monthly allowance; or**
 18 **(2) receives a monthly allowance for the same service from**
 19 **another tax supported public employee retirement plan other**
 20 **than under the Social Security Act;**
 21 **may withdraw the personal contributions made under the**
 22 **contributory plan plus accumulated interest after submitting to the**
 23 **fund a properly completed application for a refund.**
 24 **(e) The following apply to the purchase of service credit under**
 25 **this section:**
 26 **(1) The board may allow a member to make periodic**
 27 **payments of the contributions required for the purchase of**
 28 **the service credit. The board shall determine the length of the**
 29 **period during which the payments must be made.**
 30 **(2) The board may deny an application for the purchase of**
 31 **service credit if the purchase would exceed the limitations**
 32 **under Section 415 of the Internal Revenue Code.**
 33 **(3) A member may not claim the service credit for purposes**
 34 **of determining eligibility or computing benefits unless the**
 35 **member has made all payments required for the purchase of**
 36 **the service credit.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1018, 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.

BAUER, Chair

Committee Vote: yeas 21, nays 0.

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