

SENATE BILL No. 252

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10.2-4-2; IC 5-10.2-5-26.

Synopsis: Pension dividend supplement for PERF. Provides a pension dividend supplement for members of the public employees' retirement fund who have more than four years of service credit on June 30, 1998, and who retire after June 30, 1998.

Effective: Upon passage.

Meeks, Craycraft

January 7, 1998, read first time and referred to Committee on Pensions and Labor.

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Introduced

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.

SENATE BILL No. 252

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 5-10.2-4-2 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The
3 retirement benefit for each member consists of the sum of a pension
4 provided by employer contributions plus an annuity provided by the
5 amount credited to the member in the annuity savings account.
6 However, a member may choose at retirement or upon a disability
7 retirement to receive a lump sum payment of:
8 (1) the entire amount credited to the member in the annuity
9 savings account; or
10 (2) an amount equal to the member's federal income tax basis in
11 the member's annuity savings account balance as it existed on
12 December 31, 1986.
13 If the member chooses to receive the lump sum payment under
14 subdivision (1), the member is not entitled to an annuity as part of the
15 retirement or disability benefit. If the member chooses to receive the
16 lump sum payment under subdivision (2), the member is entitled to an
17 annuity purchasable by the amount remaining in the member's annuity

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1 savings account after the payment under subdivision (2).

2 (b) A member who retires is entitled to receive monthly retirement
3 benefits, which are guaranteed for five (5) years or until the member's
4 death, whichever is later.

5 (c) Retirement benefits must be distributed in a manner that
6 complies with Section 401(a)(9) of the Internal Revenue Code, as
7 specified in IC 5-10.2-2-1.5.

8 **(d) For a member of the public employees' retirement fund who**
9 **retires after June 30, 1998, a pension dividend supplement**
10 **calculated under IC 5-10.2-5-26 shall be added to the amount**
11 **credited to the member in the annuity savings account before**
12 **actuarial calculations are made to determine the monthly annuity**
13 **retirement benefit.**

14 SECTION 2. IC 5-10.2-5-26 IS ADDED TO THE INDIANA CODE
15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
16 UPON PASSAGE]: **Sec. 26. (a) This section applies to a member of**
17 **the public employees' retirement fund who:**

18 **(1) has more than four (4) years of service credit on June 30,**
19 **1998; and**

20 **(2) has not retired before July 1, 1998.**

21 **(b) For a member of the public employees' retirement fund on**
22 **June 30, 1998, a pension dividend supplement is determined under**
23 **STEP FOUR of the following formula:**

24 **STEP ONE: Determine the years of service credit earned by**
25 **the member before July 1, 1998. However, if the member has**
26 **earned more than fourteen (14) years before July 1, 1998,**
27 **reduce the number of years of service credit to fourteen (14)**
28 **for the purposes of this formula.**

29 **STEP TWO: Subtract four (4) from the STEP ONE result.**

30 **STEP THREE: Multiply the STEP TWO remainder by one**
31 **and five-tenths percent (1.5%).**

32 **STEP FOUR: Multiply the STEP THREE product by the**
33 **amount credited to the member's annuity savings account**
34 **balance on June 30, 1998. The product is credited to the**
35 **member's annuity savings account under IC 5-10.2-4-2(d).**

36 SECTION 3. An emergency is declared for this act.

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