

HOUSE BILL No. 1018

DIGEST OF INTRODUCED BILL

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

January 6, 1998, read first time and referred to Committee on Ways and Means.



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.

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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**



- 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.**

