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# HOUSE BILL No. 1184

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## DIGEST OF INTRODUCED BILL

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

**Synopsis:** Police and firefighters' retirement. Provides that a member of the 1977 police officers' and firefighters' pension and disability fund is eligible to retire at 50 years of age. Provides that a member of the 1977 fund who is disabled is entitled to a monthly benefit determined as if the member were retiring at 50 years of age. Provides that 1977 fund benefits for a Class I impairment are payable until the member becomes 50 years of age, at which time the member is entitled to receive the retirement benefit payable at 50 years of age. Reduces to age 50 the age limit for the calculation of a Class 2 or Class 3  
(Continued next page)

**Effective:** July 1, 1998.

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January 8, 1998, read first time and referred to Committee on Ways and Means.

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Digest Continued

impairment and requires the impaired member's subsequent retirement benefit to be calculated based on full retirement at 50 years of age. Provides that if a member of the 1977 fund dies on active duty or while retired but not receiving benefits, the surviving spouse or dependent child of the member is entitled to a monthly benefit determined as if the police officer or firefighter had 20 years of service and was 50 years of age at death. Provides that a firefighter's credit in the 1977 fund for service credited to a prior fund is limited to the amount of service necessary to allow the firefighter to accrue 20 years of service by the time the firefighter becomes 50 years of age. Provides that if an individual transfers from PERF to the 1977 fund, the individual is entitled at age 50 to a minimum retirement benefit that is not less than the actuarial equivalent of the vested retirement benefit payable to the individual upon normal PERF retirement as of the date before the transfer.

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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.

## HOUSE BILL No. 1184

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A BILL FOR AN ACT to amend the Indiana Code concerning local government.

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

- 1 SECTION 1. IC 36-8-8-10, AS AMENDED BY P.L.232-1997,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 1998]: Sec. 10. (a) A fund member is eligible for retirement  
4 after he has completed twenty (20) years of active service.  
5 (b) Benefits to a retired fund member begin the date:  
6 (1) the fund member becomes ~~fifty-five (55)~~ **fifty (50)** years of  
7 age; or  
8 (2) on which the fund member retires;  
9 whichever is later. Benefit payments to a retired fund member begin on  
10 the first day of the month on or after the date he reaches ~~fifty-five (55)~~  
11 **fifty (50)** years of age or on which he retires, whichever is later.  
12 (c) If a fund member:  
13 (1) becomes ~~fifty-five (55)~~ **fifty (50)** years of age; or  
14 (2) retires on a date other than on the first day of the month;  
15 the amount due the fund member for the initial partial monthly benefit

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1 is payable together with the regular monthly benefit on the first of the  
 2 month following the date the fund member becomes ~~fifty-five (55)~~ **fifty**  
 3 **(50)** years of age or retires, whichever is later.

4 SECTION 2. IC 36-8-8-12, AS AMENDED BY P.L.213-1995,  
 5 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 1998]: Sec. 12. (a) Benefits paid under this section are subject  
 7 to sections 2.5 and 2.6 of this chapter.

8 (b) If an active fund member has a covered impairment, as  
 9 determined under sections 12.3 through 13.1 of this chapter, the  
 10 member is entitled to receive the benefit prescribed by section 13.3 or  
 11 13.5 of this chapter. A member who has had a covered impairment and  
 12 returns to active duty with the department shall not be treated as a new  
 13 applicant seeking to become a member of the 1977 fund.

14 (c) If a retired fund member who has not yet reached the member's  
 15 ~~fifty-fifth~~ **fiftieth** birthday is found by the PERF board to be  
 16 permanently or temporarily unable to perform all suitable work for  
 17 which the member is or may be capable of becoming qualified, the  
 18 member is entitled to receive during the disability the retirement  
 19 benefit payments payable at ~~fifty-five (55)~~ **fifty (50)** years of age.  
 20 During a reasonable period in which a disabled fund member is  
 21 becoming qualified for suitable work, the member may continue to  
 22 receive disability benefit payments. However, benefits payable for  
 23 disability under this subsection are reduced by amounts for which the  
 24 fund member is eligible from:

25 (1) a plan or policy of insurance providing benefits for loss of  
 26 time because of disability;

27 (2) a plan, fund, or other arrangement to which the fund member's  
 28 employer has contributed or for which the fund member's  
 29 employer has made payroll deductions, including a group life  
 30 policy providing installment payments for disability, a group  
 31 annuity contract, or a pension or retirement annuity plan other  
 32 than the fund established by this chapter;

33 (3) the federal Social Security Act (42 U.S.C. 401 et seq.), the  
 34 Railroad Retirement Act (45 U.S.C. 231 et seq.), the United States  
 35 Department of Veterans Affairs, or another federal, state, local, or  
 36 other governmental agency;

37 (4) worker's compensation payable under IC 22-3; and

38 (5) a salary or wage, including overtime and bonus pay and extra  
 39 or additional remuneration of any kind, the fund member receives  
 40 or is entitled to receive from the member's employer.

41 For the purposes of this subsection, a retired fund member is  
 42 considered eligible for benefits from subdivisions (1) through (5)



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1 whether or not the member has made application for the benefits.

2 (d) Notwithstanding any other law, a plan, policy of insurance, fund,  
3 or other arrangement:

4 (1) delivered, issued for delivery, amended, or renewed after  
5 April 9, 1979; and

6 (2) described in subsection (c)(1) or (c)(2);

7 may not provide for a reduction or alteration of benefits as a result of  
8 benefits for which a fund member may be eligible from the 1977 fund  
9 under subsection (c).

10 (e) Time spent receiving disability benefits is considered active  
11 service for the purpose of determining retirement benefits until the  
12 fund member has a total of twenty (20) years of service.

13 SECTION 3. IC 36-8-8-13.3, AS AMENDED BY P.L.213-1995,  
14 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JULY 1, 1998]: Sec. 13.3. (a) This section applies only to a fund  
16 member who:

17 (1) is hired for the first time before January 1, 1990; and

18 (2) does not choose coverage by sections 12.5 and 13.5 of this  
19 chapter under section 12.4 of this chapter.

20 This section does not apply to a fund member described in section  
21 12.3(c)(2) of this chapter.

22 (b) A fund member who is determined to have a covered  
23 impairment and for whom it is determined that there is no suitable and  
24 available work within the fund member's department, considering  
25 reasonable accommodation to the extent required by the Americans  
26 with Disabilities Act, is entitled to receive during the disability a  
27 benefit equal to the benefit that the fund member would have received  
28 if the fund member had retired. If the disabled fund member does not  
29 have at least twenty (20) years of service or is not at least ~~fifty-five (55)~~  
30 **fifty (50)** years of age, the benefit is computed and paid as if the fund  
31 member had twenty (20) years of service and was ~~fifty-five (55)~~ **fifty**  
32 **(50)** years of age.

33 (c) Notwithstanding section 12.3 of this chapter and any other  
34 provision of this section, a member who:

35 (1) has had a covered impairment;

36 (2) recovers and returns to active service with the department; and

37 (3) within two (2) years after returning to active service has an  
38 impairment that except for section 12.3 of this chapter would be  
39 a covered impairment;

40 is entitled to the benefit under this subsection if the impairment  
41 described in subdivision (3) results from the same condition or  
42 conditions (without an intervening circumstance) that caused the



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1 covered impairment described in subdivision (1). The member is  
 2 entitled to receive the monthly disability benefit amount paid to the  
 3 member at the time of the member's return to active service plus any  
 4 adjustments under section 15 of this chapter that would have been  
 5 applicable during the member's period of reemployment.

6 SECTION 4. IC 36-8-8-13.5, AS AMENDED BY P.L.213-1995,  
 7 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JULY 1, 1998]: Sec. 13.5. (a) This section applies only to a fund  
 9 member who:

10 (1) is hired for the first time after December 31, 1989;

11 (2) chooses coverage by this section and section 12.5 of this  
 12 chapter under section 12.4 of this chapter; or

13 (3) is described in section 12.3(c)(2) of this chapter.

14 (b) A fund member who is determined to have a Class 1 impairment  
 15 and for whom it is determined that there is no suitable and available  
 16 work within the fund member's department, considering reasonable  
 17 accommodation to the extent required by the Americans with  
 18 Disabilities Act, is entitled to a monthly base benefit equal to forty-five  
 19 percent (45%) of the monthly salary of a first class patrolman or  
 20 firefighter in the year of the local board's determination of impairment.

21 (c) A fund member who is determined to have a Class 2 impairment  
 22 and for whom it is determined that there is no suitable and available  
 23 work within the fund member's department, considering reasonable  
 24 accommodation to the extent required by the Americans with  
 25 Disabilities Act, is entitled to a monthly base benefit equal to  
 26 twenty-two percent (22%) of the monthly salary of a first class  
 27 patrolman or firefighter in the year of the local board's determination  
 28 of impairment plus one-half percent (0.5%) of that salary for each year  
 29 of service, up to a maximum of thirty (30) years of service.

30 (d) For applicants hired before March 2, 1992, a fund member who  
 31 is determined to have a Class 3 impairment and for whom it is  
 32 determined that there is no suitable and available work within the fund  
 33 member's department, considering reasonable accommodation to the  
 34 extent required by the Americans with Disabilities Act, is entitled to a  
 35 monthly base benefit equal to the product of the member's years of  
 36 service (not to exceed thirty (30) years of service) multiplied by one  
 37 percent (1%) of the monthly salary of a first class patrolman or  
 38 firefighter in the year of the local board's determination of impairment.

39 (e) For applicants hired after March 1, 1992, or described in section  
 40 12.3(c)(2) of this chapter, a fund member who is determined to have a  
 41 Class 3 impairment and for whom it is determined that there is no  
 42 suitable and available work within the fund member's department,

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1 considering reasonable accommodation to the extent required by the  
 2 Americans with Disabilities Act, is entitled to the following benefits  
 3 instead of benefits provided under subsection (d):

4 (1) If the fund member did not have a Class 3 excludable  
 5 condition under section 13.6 of this chapter at the time the fund  
 6 member entered or reentered the fund, the fund member is  
 7 entitled to a monthly base benefit equal to the product of the  
 8 member's years of service, not to exceed thirty (30) years of  
 9 service, multiplied by one percent (1%) of the monthly salary of  
 10 a first class patrolman or firefighter in the year of the local board's  
 11 determination of impairment.

12 (2) Except as provided in subdivision (5), a fund member is  
 13 entitled to receive the benefits set forth in subdivision (1) if:

14 (A) the fund member had a Class 3 excludable condition under  
 15 section 13.6 of this chapter at the time the fund member  
 16 entered or reentered the fund;

17 (B) the fund member has a Class 3 impairment that is not  
 18 related in any manner to the Class 3 excludable condition  
 19 described in clause (A); and

20 (C) the Class 3 impairment described in clause (B) occurs after  
 21 the fund member has completed four (4) years of service with  
 22 the employer after the date the fund member entered or  
 23 reentered the fund.

24 (3) Except as provided in subdivision (5), a fund member is not  
 25 entitled to a monthly base benefit for a Class 3 impairment if:

26 (A) the fund member had a Class 3 excludable condition under  
 27 section 13.6 of this chapter at the time the fund member  
 28 entered or reentered the fund; and

29 (B) the Class 3 impairment occurs before the fund member has  
 30 completed four (4) years of service with the employer after the  
 31 date the fund member entered or reentered the fund.

32 (4) A fund member is not entitled to a monthly base benefit for a  
 33 Class 3 impairment if:

34 (A) the fund member had a Class 3 excludable condition under  
 35 section 13.6 of this chapter at the time the fund member  
 36 entered or reentered the fund; and

37 (B) the Class 3 impairment is related in any manner to the  
 38 Class 3 excludable condition.

39 (5) If, during the first four (4) years of service with the employer:

40 (A) a fund member with a Class 3 excludable condition is  
 41 determined to have a Class 3 impairment; and

42 (B) the Class 3 impairment is attributable to an accidental

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- 1 injury that is not related in any manner to the fund member's  
 2 Class 3 excludable condition;  
 3 the member is entitled to receive the benefits provided in  
 4 subdivision (1) with respect to the accidental injury. For purposes  
 5 of this subdivision, the local board shall make the initial  
 6 determination of whether an impairment is attributable to an  
 7 accidental injury. The local board shall forward the initial  
 8 determination to the director of the PERF board for a final  
 9 determination by the PERF board or the PERF board's designee.
- 10 (f) If a fund member is entitled to a monthly base benefit under  
 11 subsection (b), (c), (d), or (e), the fund member is also entitled to a  
 12 monthly amount that is no less than ten percent (10%) and no greater  
 13 than forty-five percent (45%) of the monthly salary of a first class  
 14 patrolman or firefighter in the year of the local board's determination  
 15 of impairment. The additional monthly amount shall be determined by  
 16 the PERF medical authority based on the degree of impairment.
- 17 (g) Benefits for a Class 1 impairment are payable until the fund  
 18 member becomes ~~fifty-five (55)~~ **fifty (50)** years of age. Benefits for a  
 19 Class 2 and a Class 3 impairment are payable:
- 20 (1) for a period equal to the years of service of the member, if the  
 21 member's total disability benefit is less than thirty percent (30%)  
 22 of the monthly salary of a first class patrolman or firefighter in the  
 23 year of the local board's determination of impairment and the  
 24 member has fewer than four (4) years of service; or
- 25 (2) until the member becomes ~~fifty-five (55)~~ **fifty (50)** years of  
 26 age if the member's benefit is:
- 27 (A) equal to or greater than thirty percent (30%) of the  
 28 monthly salary of a first class patrolman or firefighter in the  
 29 year of the local board's determination of impairment; or
- 30 (B) less than thirty percent (30%) of the monthly salary of a  
 31 first class patrolman or firefighter in the year of the local  
 32 board's determination of impairment if the member has at least  
 33 four (4) years of service.
- 34 (h) Upon becoming ~~fifty-five (55)~~ **fifty (50)** years of age, a fund  
 35 member with a Class 1 or Class 2 impairment is entitled to receive the  
 36 retirement benefit payable to a fund member with:
- 37 (1) twenty (20) years of service; or
- 38 (2) the total years of service and salary, as of the year the member  
 39 becomes ~~fifty-five (55)~~ **fifty (50)** years of age, that the fund  
 40 member would have earned if the fund member had remained in  
 41 active service until becoming ~~fifty-five (55)~~ **fifty (50)** years of  
 42 age;

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1       whichever is greater.

2       (i) Upon becoming ~~fifty-five (55)~~ **fifty (50)** years of age, a fund  
3       member who is receiving or has received a Class 3 impairment benefit  
4       that is:

5               (1) equal to or greater than thirty percent (30%) of the monthly  
6               salary of a first class patrolman or firefighter in the year of the  
7               local board's determination of impairment; or

8               (2) less than thirty percent (30%) of the monthly salary of a first  
9               class patrolman or firefighter in the year of the local board's  
10              determination of impairment if the member has at least four (4)  
11              years of service;

12       is entitled to receive the retirement benefit payable to a fund member  
13       with twenty (20) years of service.

14       (j) Notwithstanding section 12.3 of this chapter and any other  
15       provision of this section, a member who:

16              (1) has had a covered impairment;

17              (2) recovers and returns to active service with the department; and

18              (3) within two (2) years after returning to active service has an  
19              impairment that, except for section 12.3(b)(3) of this chapter,  
20              would be a covered impairment;

21       is entitled to the benefit under this subsection if the impairment  
22       described in subdivision (3) results from the same condition or  
23       conditions (without an intervening circumstance) that caused the  
24       covered impairment described in subdivision (1). The member is  
25       entitled to receive the monthly disability benefit amount paid to the  
26       member at the time of the member's return to active service plus any  
27       adjustments under section 15 of this chapter that would have been  
28       applicable during the member's period of reemployment.

29       SECTION 5. IC 36-8-8-14.1, AS AMENDED BY P.L.40-1997,  
30       SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31       JULY 1, 1998]: Sec. 14.1. (a) Benefits paid under this section are  
32       subject to section 2.5 of this chapter.

33       (b) If a fund member dies while receiving retirement or disability  
34       benefits, the following apply:

35              (1) Each of the member's surviving children is entitled to a  
36              monthly benefit equal to twenty percent (20%) of the fund  
37              member's monthly benefit:

38                      (A) until the child reaches eighteen (18) years of age; or

39                      (B) until the child reaches twenty-three (23) years of age if the  
40                      child is enrolled in and regularly attending a secondary school  
41                      or is a full-time student at an accredited college or university;

42              whichever period is longer. However, if the board finds upon the

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1 submission of satisfactory proof that a child who is at least  
 2 eighteen (18) years of age is mentally or physically incapacitated,  
 3 is not a ward of the state, and is not receiving a benefit under  
 4 subdivision (1)(B), the child is entitled to receive an amount each  
 5 month that is equal to the greater of thirty percent (30%) of the  
 6 monthly pay of a first class patrolman or first class firefighter or  
 7 fifty-five percent (55%) of the monthly benefit the deceased  
 8 member was receiving or was entitled to receive on the date of the  
 9 member's death as long as the mental or physical incapacity of the  
 10 child continues. Benefits paid for a child shall be paid to the  
 11 surviving parent as long as the child resides with and is supported  
 12 by the surviving parent. If the surviving parent dies, the benefits  
 13 shall be paid to the legal guardian of the child.

14 (2) The member's surviving spouse is entitled to a monthly benefit  
 15 equal to sixty percent (60%) of the fund member's monthly  
 16 benefit during the spouse's lifetime. If the spouse remarried before  
 17 September 1, 1983, and benefits ceased on the date of remarriage,  
 18 the benefits for the surviving spouse shall be reinstated on July 1,  
 19 1997, and continue during the life of the surviving spouse.

20 If a fund member dies while receiving retirement or disability benefits,  
 21 there is no surviving eligible child or spouse, and there is proof  
 22 satisfactory to the local board, subject to review in the manner  
 23 specified in section 13.1(b) of this chapter, that the parent was wholly  
 24 dependent on the fund member, the member's surviving parent is  
 25 entitled, or both surviving parents if qualified are entitled jointly, to  
 26 receive fifty percent (50%) of the fund member's monthly benefit  
 27 during the parent's or parents' lifetime.

28 (c) If a fund member dies while on active duty or while retired and  
 29 not receiving benefits, the member's children and the member's spouse,  
 30 or the member's parent or parents, are entitled to receive a monthly  
 31 benefit determined under subsection (b). If the fund member did not  
 32 have at least twenty (20) years of service or was not at least ~~fifty-five~~  
 33 ~~(55)~~ **fifty (50)** years ~~old~~, **of age**, the benefit is computed as if the  
 34 member:

35 (1) did have twenty (20) years of service; and

36 (2) was ~~fifty-five (55)~~ **fifty (50)** years of age.

37 (d) If a fund member dies in the line of duty after August 31, 1982,  
 38 the member's surviving spouse is entitled to an additional monthly  
 39 benefit during the spouse's lifetime, equal to the difference between the  
 40 benefit payable under subsection (b)(2) and the benefit to which the  
 41 member would have been entitled on the date of the member's death,  
 42 but not less than the benefit payable to a member with twenty (20)

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1 years service at ~~fifty-five (55)~~ **fifty (50)** years of age. If the spouse  
 2 remarried before September 1, 1983, and benefits ceased on the date  
 3 of remarriage, the benefits for the surviving spouse shall be reinstated  
 4 on July 1, 1997, and continue during the life of the surviving spouse.  
 5 For purposes of this subsection, "dies in the line of duty" means death  
 6 that occurs as a direct result of personal injury or illness resulting from:

7 (1) any action that the member, in the member's capacity as a  
 8 police officer, is obligated or authorized by rule, regulation,  
 9 condition of employment or service, or law to perform in the  
 10 course of controlling or reducing crime or enforcing the criminal  
 11 law; or

12 (2) any action that the member, in the member's capacity as a  
 13 firefighter, is obligated or authorized by rule, regulation,  
 14 condition of employment or service, or law to perform while on  
 15 the scene of an emergency run (including false alarms) or on the  
 16 way to or from the scene.

17 SECTION 6. IC 36-8-8-18 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 18. (a) Except as  
 19 provided in subsection (b), if a unit becomes a participant in the 1977  
 20 fund, credit for prior service by police officers or firefighters before the  
 21 date of participation may be given by the PERF board only if:

22 (1) the unit contributes to the 1977 fund the amount necessary to  
 23 amortize prior service liability over a period of not more than  
 24 forty (40) years, the amount and period to be determined by the  
 25 PERF board; and

26 (2) the police officers or firefighters pay, either in a lump sum or  
 27 in a series of payments determined by the PERF board, the  
 28 amount that they would have contributed if they had been  
 29 members of the 1977 fund during their prior service.

30 If the requirements of subdivisions (1) and (2) are not met, a fund  
 31 member is entitled to credit only for years of service after the date of  
 32 participation.

33 (b) If a unit becomes a participant in the 1977 fund under section  
 34 3(c) of this chapter, or if a firefighter becomes a member of the 1977  
 35 fund under section 7(g) of this chapter, credit for prior service before  
 36 the date of participation or membership may be given by the PERF  
 37 board only if the following requirements are met:

38 (1) The unit contributes to the 1977 fund the amount necessary to  
 39 fund prior service liability amortized over a period of not more  
 40 than ten (10) years. The amount of contributions must be based on  
 41 the actual salary earned by a first class firefighter at the time the  
 42 unit becomes a participant in the 1977 fund, or the firefighter

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1 becomes a member of the 1977 fund, or if no such salary  
 2 designation exists, the actual salary earned by the firefighter.  
 3 However, credit for prior service is limited to the amount  
 4 necessary to allow the firefighter to accrue twenty (20) years of  
 5 service credit in the 1977 fund by the time the firefighter reaches  
 6 ~~fifty-five (55)~~ **fifty (50)** years of age. The limit on credit for prior  
 7 service does not apply if the firefighter was a member of the 1937  
 8 fund or 1977 fund whose participation was terminated due to the  
 9 creation of a new fire protection district under IC 36-8-11-5 and  
 10 who subsequently became a member of the 1977 fund. A  
 11 firefighter who was a member of or reentered the 1937 fund or  
 12 1977 fund whose participation was terminated due to the creation  
 13 of a new fire protection district under IC 36-8-11-5 is entitled to  
 14 full credit for prior service in an amount equal to the firefighter's  
 15 years of service before becoming a member of or reentering the  
 16 1977 fund. Service may only be credited for time as a full-time,  
 17 fully paid firefighter or as an emergency medical technician under  
 18 section 7(g) of this chapter.

19 (2) The amount the firefighter would have contributed if the  
 20 firefighter had been a member of the 1977 fund during the  
 21 firefighter's prior service must be fully paid and must be based on  
 22 the firefighter's actual salary earned during that period before  
 23 service can be credited under this section.

24 (3) Any amortization schedule for contributions paid under  
 25 subdivision (1) and contributions to be paid under subdivision (2)  
 26 must include interest at a rate determined by the PERF board.

27 (c) This subsection applies to a unit that:

28 (1) becomes a participant in the 1977 fund under section 3(c) of  
 29 this chapter; and

30 (2) is a fire protection district created under IC 36-8-11 that  
 31 includes a township or a municipality that had a 1937 fund.

32 A firefighter who continues uninterrupted service with a unit covered  
 33 by this subsection and who participated in the township or municipality  
 34 1937 fund is entitled to receive service credit for such service in the  
 35 1977 fund. However, credit for such service is limited to the amount  
 36 accrued by the firefighter in the 1937 fund or the amount necessary to  
 37 allow the firefighter to accrue twenty (20) years of service credit in the  
 38 1977 fund by the time the firefighter becomes ~~fifty-five (55)~~ **fifty (50)**  
 39 years of age, whichever is less.

40 (d) The unit shall contribute into the 1977 fund the amount  
 41 necessary to fund the amount of past service determined in accordance  
 42 with subsection (c), amortized over a period not to exceed ten (10)



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1 years with interest at a rate determined by the PERF board.

2 (e) If the township or municipality has accumulated money in its  
3 1937 fund, any amount accumulated that exceeds the present value of  
4 all projected future benefits from the 1937 plan shall be paid by the  
5 township or municipality to the unit for the sole purpose of making the  
6 contributions determined in subsection (d).

7 SECTION 7. IC 36-8-8-18.1 IS AMENDED TO READ AS  
8 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 18.1. If a unit becomes  
9 a participant in the 1977 fund and the unit previously covered police  
10 officers, firefighters, or emergency medical technicians in PERF, or if  
11 the employees of the unit become members of the 1977 fund under  
12 section 7(g) of this chapter, the following provisions apply:

13 (1) A minimum benefit applies to members electing to transfer or  
14 being transferred to the 1977 fund from PERF. The minimum  
15 benefit, payable at age ~~fifty-five (55)~~; **fifty (50)** for such a  
16 member equals the actuarial equivalent of the vested retirement  
17 benefit payable to the member upon normal retirement under  
18 IC 5-10.2-4-1 as of the day before the transfer, based solely on:

19 (A) creditable service;

20 (B) the average of the annual compensation; and

21 (C) the amount credited to the annuity savings account;

22 of the transferring member as of the day before the transfer under  
23 IC 5-10.2 and IC 5-10.3.

24 (2) The PERF board shall transfer from PERF to the 1977 fund  
25 the amount credited to the annuity savings accounts and the  
26 present value of the retirement benefits payable at age sixty-five  
27 (65) attributable to the transferring members.

28 (3) The amount the unit and the member must contribute to the  
29 1977 fund under section 18 of this chapter, if any service credit  
30 is to be given under that section, will be reduced by the amounts  
31 transferred to the 1977 fund by the PERF board under subdivision  
32 (2).

33 (4) Credit for prior service in PERF of a member as a police  
34 officer, a firefighter, or an emergency medical technician is  
35 waived in PERF. Any credit for that service under the 1977 fund  
36 shall only be given in accordance with section 18 of this chapter.

37 (5) Credit for prior service in PERF of a member, other than as a  
38 police officer, a firefighter, or an emergency medical technician,  
39 remains in PERF and may not be credited under the 1977 fund.

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