

January 21, 1998

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## SENATE BILL No. 120

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DIGEST OF SB 120 (Updated January 20, 1998 4:31 pm - DI rs)

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

**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 52 years of age. Provides that a member may receive reduced benefits if he or she retires at age 50. Creates a formula specifying the benefits to be received if he or she retires after age 50 but before age 52. Provides that a member of a 1925, 1937, or 1953 fund who has converted to the 1977 fund who retires or becomes disabled on or before June 30, 1998 shall be treated as a member of the 1977 fund.

**Effective:** See text of bill.

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**Harrison**

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January 6, 1998, read first time and referred to Committee on Rules and Legislative Procedure.  
January 20, 1998, amended, reported favorably; reassigned to Committee on Pensions and Labor.

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SB 120—LS 6355/DI 13



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January 21, 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.

## SENATE BILL No. 120

A BILL FOR AN ACT concerning local government.

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

1 SECTION 1. IC 36-8-8-9 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. (a) This section  
3 applies to all police officers and firefighters who converted their  
4 benefits under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were  
5 repealed September 1, 1981).

6 (b) A police officer or firefighter who converted his benefits from  
7 a 1925, 1937, or 1953 fund to the benefits and conditions of the chapter  
8 is not entitled to receive any benefits from the original fund. **However,**  
9 **he is entitled to credit for all years of service for which he would**  
10 **have received credit before his conversion in that original fund.**

11 (c) A police officer or firefighter who:

- 12 (i) converted his benefits from a 1925, 1937, or 1953 fund,  
13 (ii) who retired or became disabled on or before June 30,  
14 1998, and  
15 (iii) who is entitled to receive benefits provided under this  
16 chapter based on the eligibility requirements of this chapter  
17 shall be treated as a member of this fund for purposes of paying his  
18 benefits from the 1977 fund effective for benefits paid on or after

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1 **October 1, 1998. Prior to October 1, 1998, he remains a member**  
 2 **of the original fund entitled to receive only the benefits provided**  
 3 **under this chapter based on the eligibility requirements of this**  
 4 **chapter.**

5 **(d) A police officer or firefighter who:**

6 **(i) converted his benefits from a 1925, 1937 or 1953 fund,**

7 **(ii) who did not retire or become disabled on or before June**  
 8 **30, 1998,**

9 **(iii) who is entitled to receive benefits provided under this**  
 10 **chapter based on the eligibility requirements of this chapter**

11 remains a member of that original fund but is entitled to receive only  
 12 the benefits provided under this chapter and based on the eligibility  
 13 requirements of this chapter. ~~He also is entitled to credit for all years~~  
 14 ~~of service for which he would have received credit before his~~  
 15 ~~conversion in that original fund.~~

16 ~~(e) A police officer or firefighter who converted shall contribute~~  
 17 ~~six percent (6%) of the salary of a first class patrolman or firefighter~~  
 18 ~~to the 1925, 1937, or 1953 fund. This amount shall be deducted from~~  
 19 ~~his salary each pay period by the disbursing officer of the employer.~~  
 20 ~~Contributions under this subsection may not be refunded.~~

21 **SECTION 2. IC 36-8-8-10 IS AMENDED TO READ AS**  
 22 **FOLLOWS [EFFECTIVE APRIL 1, 1998]: Sec. 10. (a) A fund**  
 23 **member is eligible for retirement after he has completed twenty (20)**  
 24 **years of active service.**

25 **(b) Unreduced ~~Benefits~~ benefits to a retired fund member begin**  
 26 **the date:**

27 **(1) the fund member becomes ~~fifty-five (55)~~ fifty-two (52) years**  
 28 **of age; or**

29 **(2) on which the fund member retires;**

30 **whichever is later. Benefit payments to a retired fund member under**  
 31 **this subsection begin on the first day of the month on or after the date**  
 32 **he reaches ~~fifty-five (55)~~ fifty-two (52) years of age or on which he**  
 33 **retires, whichever is later.**

34 **(c) Actuarially reduced benefits to a retired fund member may**  
 35 **begin the date:**

36 **(1) the fund members becomes fifty (50) years of age; or**

37 **(2) on which the fund member retires;**

38 **whichever is later. Benefit payments to a retired fund member**  
 39 **under this subsection begin on whichever of the following dates the**  
 40 **fund member selects:**

41 **(i) the first day of the month on or after the date the**  
 42 **member reaches age fifty (50) years of age or on which he**



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- 1                   **retires, whichever is later; or**  
 2                   **(ii) the date described in IC 36-8-8-10(b).**  
 3        ~~(c)~~ **(d)** If a fund member:  
 4            (1) becomes ~~fifty-five (55)~~ **fifty-two (52) or fifty (50)** years of  
 5            age; or  
 6            (2) retires on a date other than on the first day of the month;  
 7        the amount due the fund member for the initial partial monthly benefit  
 8        is payable together with the regular monthly benefit on the first of the  
 9        month following the date the fund member becomes ~~fifty-five (55)~~  
 10       **fifty-two (52) or fifty (50)** years of age or retires, whichever is later.  
 11        SECTION 3. IC 36-8-8-11 IS AMENDED TO READ AS  
 12        FOLLOWS [EFFECTIVE APRIL 1, 1998]: Sec. 11. (a) Benefits paid  
 13        under this section are subject to section 2.5 of this chapter.  
 14        (b) Each fund member who qualifies for a retirement benefit  
 15        payment under section 10**(b)** of this chapter is entitled to receive a  
 16        monthly benefit equal to fifty percent (50%) of the monthly salary of  
 17        a first class patrolman or firefighter in the year the member ended his  
 18        active service plus:  
 19            (1) for a member who retires before January 1, 1986, two percent  
 20            (2%) of that salary for each full year of active service; or  
 21            (2) for a member who retires after December 31, 1985, one  
 22            percent (1%) of that salary for each six (6) months of active  
 23            service;  
 24        over twenty (20) years, to a maximum of twelve (12) years.  
 25        **(c) Each fund member who qualifies for a retirement benefit**  
 26        **payment under section 10(c) of this chapter is entitled to receive a**  
 27        **monthly benefit equal to fifty percent (50%) of the monthly salary**  
 28        **of a first class patrolman or firefighter in the year the member**  
 29        **ended his active service plus one percent (1%) of that salary for**  
 30        **each six (6) months of active service over twenty (20) years, to a**  
 31        **maximum of twelve (12) years; all actuarially reduced for each**  
 32        **month (if any) of benefit payments prior to age 52, by a factor**  
 33        **established by the fund's actuary from time to time.**  
 34        SECTION 4. IC 36-8-8-12, AS AMENDED BY P.L.213-1995,  
 35        SECTION 8, IS AMENDED TO READ AS FOLLOWS[EFFECTIVE  
 36        APRIL 1, 1998]: Sec. 12. (a) Benefits paid under this section are  
 37        subject to sections 2.5 and 2.6 of this chapter.  
 38        (b) If an active fund member has a covered impairment, as  
 39        determined under sections 12.3 through 13.1 of this chapter, the  
 40        member is entitled to receive the benefit prescribed by section 13.3 or  
 41        13.5 of this chapter. A member who has had a covered impairment and  
 42        returns to active duty with the department shall not be treated as a new



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1 applicant seeking to become a member of the 1977 fund.

2 (c) If a retired fund member who has not yet reached the member's  
 3 ~~fifty-fifth~~ **fifty-second** birthday is found by the PERF board to be  
 4 permanently or temporarily unable to perform all suitable work for  
 5 which the member is or may be capable of becoming qualified the  
 6 member is entitled to receive during the disability the retirement  
 7 benefit payments payable at ~~fifty-five (55)~~ **fifty-two (52)** years of age.  
 8 During a reasonable period in which a disabled fund member is  
 9 becoming qualified for suitable work, the member may continue to  
 10 receive disability benefit payments. However, benefits payable for  
 11 disability under this subsection are reduced by amounts for which the  
 12 fund member is eligible from:

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

15 (2) a plan, fund, or other arrangement to which the fund member's  
 16 employer has contributed or for which the fund member's  
 17 employer has made payroll deductions, including a group life  
 18 policy providing installment payments for disability, a group  
 19 annuity contract, or a pension or retirement annuity plan other  
 20 than the fund established by this chapter;

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

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

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

29 For the purposes of this subsection, a retired fund member is  
 30 considered eligible for benefits from subdivisions (1) through (5)  
 31 whether or not the member has made application for the benefits.

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

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

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

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

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



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1        **SECTION 5. An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill 120, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

"A BILL FOR AN ACT concerning local government."

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Pensions and Labor.

(Reference is to Senate Bill 120 as introduced.)

GARTON, Chairperson

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