

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 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:
 - "SECTION 1. IC 36-8-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. (a) This section applies to all police officers and firefighters who converted their benefits under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were repealed September 1, 1981).
 - (b) A police officer or firefighter who converted his benefits from a 1925, 1937, or 1953 fund to the benefits and conditions of the chapter is not entitled to receive any benefits from the original fund. **However, he is entitled to credit for all years of service for which he would have received credit before his conversion in that original fund.**
 - (c) A police officer or firefighter who:
 - (i) converted his benefits from a 1925, 1937, or 1953 fund,
 - (ii) who retired or became disabled on or before June 30, 1998, and
 - (iii) who is entitled to receive benefits provided under this chapter based on the eligibility requirements of this chapter shall be treated as a member of this fund for purposes of paying his benefits from the 1977 fund effective for benefits paid on or after October 1, 1998. Prior to October 1, 1998, he remains a member of the original fund entitled to receive only the benefits provided under this chapter based on the eligibility requirements of this chapter.
 - (d) A police officer or firefighter who:
 - (i) converted his benefits from a 1925, 1937 or 1953 fund,
 - (ii) who did not retire or become disabled on or before June 30, 1998,
 - (iii) who is entitled to receive benefits provided under this chapter based on the eligibility requirements of this chapterremains a member of that original fund but is entitled to receive only the benefits provided under this chapter and based on the eligibility

requirements of this chapter. ~~He also is entitled to credit for all years of service for which he would have received credit before his conversion in that original fund.~~

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

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

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

- (1) the fund member becomes ~~fifty-five (55)~~ **fifty-two (52)** years of age; or
- (2) on which the fund member retires;

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

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

- (1) ~~the fund members becomes fifty (50) years of age; or~~
- (2) ~~on which the fund member retires;~~

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

- (i) ~~the first day of the month on or after the date the member reaches age fifty (50) years of age or on which he retires, whichever is later; or~~
- (ii) ~~the date described in IC 36-8-8-10(b).~~

(c) (d) If a fund member:

- (1) becomes ~~fifty-five (55)~~ **fifty-two (52) or fifty (50)** years of age; or
- (2) retires on a date other than on the first day of the month;

the amount due the fund member for the initial partial monthly benefit is payable together with the regular monthly benefit on the first of the month following the date the fund member becomes ~~fifty-five (55)~~ **fifty-two (52) or fifty (50)** years of age or retires, whichever is later.

SECTION 3. IC 36-8-8-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 1998]: Sec. 11. (a) Benefits paid under this section are subject to section 2.5 of this chapter.

(b) Each fund member who qualifies for a retirement benefit payment under section 10(b) of this chapter is entitled to receive a monthly benefit equal to fifty percent (50%) of the monthly salary of a first class patrolman or firefighter in the year the member ended his active service plus:

- (1) for a member who retires before January 1, 1986, two percent (2%) of that salary for each full year of active service; or
- (2) for a member who retires after December 31, 1985, one percent (1%) of that salary for each six (6) months of active service;

over twenty (20) years, to a maximum of twelve (12) years.

(c) **Each fund member who qualifies for a retirement benefit**

payment under section 10(c) of this chapter is entitled to receive a monthly benefit equal to fifty percent (50%) of the monthly salary of a first class patrolman or firefighter in the year the member ended his active service plus one percent (1%) of that salary for each six (6) months of active service over twenty (20) years, to a maximum of twelve (12) years; all actuarially reduced for each month (if any) of benefit payments prior to age 52, by a factor established by the fund's actuary from time to time.

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

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

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

- (1) a plan or policy of insurance providing benefits for loss of time because of disability;
- (2) a plan, fund, or other arrangement to which the fund member's employer has contributed or for which the fund member's employer has made payroll deductions, including a group life policy providing installment payments for disability, a group annuity contract, or a pension or retirement annuity plan other than the fund established by this chapter;
- (3) the federal Social Security Act (42 U.S.C. 401 et seq.), the Railroad Retirement Act (45 U.S.C. 231 et seq.), the United States Department of Veterans Affairs, or another federal, state, local, or other governmental agency;
- (4) worker's compensation payable under IC 22-3; and
- (5) a salary or wage, including overtime and bonus pay and extra or additional remuneration of any kind, the fund member receives or is entitled to receive from the member's employer.

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

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

- (1) delivered, issued for delivery, amended, or renewed after April 9, 1979; and
- (2) described in subsection (c)(1) or (c)(2);

may not provide for a reduction or alteration of benefits as a result of

||| benefits for which a fund member may be eligible from the 1977 fund
||| under subsection (c).

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

||| SECTION 5. **An emergency is declared for this act.**"

||| Renumber all SECTIONS consecutively.

||| (Reference is to SB 120 as introduced.)

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

Garton

Chairperson