



February 2, 1999

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## HOUSE BILL No. 1293

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DIGEST OF HB 1293 (Updated January 28, 1999 10:12 am - DI 96)

**Citations Affected:** IC 5-10.2.

**Synopsis:** PERF and TRF benefits. Allows a member of the public employees' retirement fund or the teachers' retirement fund to designate a new beneficiary if the member's existing beneficiary dies.

**Effective:** July 1, 1999.

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### Ripley, Liggett

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January 11, 1999, read first time and referred to Committee on Labor and Employment.  
February 1, 1999, amended, reported — Do Pass.

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HB 1293—LS 6850/DI 73+



February 2, 1999

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

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## HOUSE BILL No. 1293

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 5-10.2-4-7 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) Benefits provided  
3 under this section are subject to IC 5-10.2-2-1.5.

4 (b) A member may select in writing any of the following  
5 nonconflicting options for the payment of the member's retirement  
6 benefits instead of the guaranteed retirement benefit payments  
7 specified in section 2 of this chapter. The amount of the optional  
8 payments shall be determined under rules of the board and shall be the  
9 actuarial equivalent of the benefit payable under sections 4, 5, and 6 of  
10 this chapter.

11 (1) Joint and Survivor Option.

12 (A) The member receives a decreased retirement benefit  
13 during the member's lifetime, and there is a benefit payable  
14 after the member's death to a designated beneficiary during the  
15 lifetime of the beneficiary, which benefit equals, at the option

HB 1293—LS 6850/DI 73+



1 of the member, either the full decreased retirement benefit or  
2 two-thirds (2/3) or one-half (1/2) of that benefit.

3 (B) If the member dies before retirement, the designated  
4 beneficiary may receive only the amount credited to the  
5 member in the annuity savings account unless the designated  
6 beneficiary is entitled to survivor benefits under IC 5-10.2-3.

7 (C) If the designated beneficiary dies before the member  
8 retires, the selection is automatically ~~cancelled~~  **canceled and**  
9  **the member may make a new beneficiary election and may**  
10  **elect a different form of benefit.**

11 (D) If the designated beneficiary dies while the member is  
12 receiving benefits, ~~the amount of reduced retirement benefits~~  
13  ~~is not affected.~~  **the member may elect to change the**  
14  **member's designated beneficiary or may elect a**  
15  **guaranteed retirement benefit under section 2 of this**  
16  **chapter. The following apply to an election under this**  
17  **clause:**

18 (i)  **If the member elects the joint and survivor option and**  
19  **elects to change the member's designated beneficiary, the**  
20  **member shall receive a benefit for the remainder of the**  
21  **member's life and the life of the newly designated**  
22  **beneficiary. The benefit shall be the actuarial equivalent**  
23  **of the member's benefit before the election to change the**  
24  **member's designated beneficiary. If the member elects**  
25  **the joint and survivor option, the member shall indicate**  
26  **whether the designated beneficiary's benefit shall equal,**  
27  **at the option of the member, either the member's full**  
28  **recalculated retirement benefit or two-thirds (2/3) or**  
29  **one-half (1/2) of this benefit.**

30 (ii)  **If the member elects the guaranteed retirement**  
31  **benefit under section 2 of this chapter, the member shall**  
32  **receive a benefit equal to the amount that would have**  
33  **been payable if the member had elected the guaranteed**  
34  **retirement benefit specified in section 2 of this chapter**  
35  **on the date of the member's retirement.**

36 (2) Benefit with No Guarantee. The member receives an increased  
37 lifetime retirement benefit without the five (5) year guarantee  
38 specified in section 2 of this chapter.

39 (3) Integration with Social Security. If the member retires before  
40 the age of eligibility for Social Security benefits, in order to  
41 provide a level benefit during the member's retirement, the  
42 member receives an increased retirement benefit until the age of

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1 Social Security eligibility and decreased retirement benefits after  
2 that age.  
3 (4) Cash Refund Annuity. The member receives a lifetime annuity  
4 purchasable by the amount credited to the member in the annuity  
5 savings account, and the member's designated beneficiary  
6 receives a refund payment equal to:  
7 (A) the total amount used in computing the annuity at the  
8 retirement date; minus  
9 (B) the total annuity payments paid and due to the member  
10 before the member's death.  
11 (c) A selection under subsection (b) may be made or revoked by the  
12 member on or before:  
13 (1) the retirement date selected under section 1 of this chapter; or  
14 (2) the date on which a retirement date is selected under section  
15 1 of this chapter;  
16 whichever is later.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1293, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 20, delete "an actuarially adjusted and" and insert "a".

Page 2, line 21, delete "recalculated".

and when so amended that said bill do pass.

(Reference is to HB 1293 as introduced.)

LIGGETT, Chair

Committee Vote: yeas 12, nays 0.

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