

Adopted	Rejected
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# COMMITTEE REPORT

<b>YES:</b>	<b>18</b>
<b>NO:</b>	<b>5</b>

## MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Senate Bill 120, 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:*

- 1           Replace the effective dates in SECTIONS 2 through 7 with
- 2           "[EFFECTIVE JULY 1, 1999]".
- 3           Page 1, between the enacting clause and line 1, begin a new
- 4           paragraph and insert:
- 5           "SECTION 1. IC 5-10-8-8.1 IS AMENDED TO READ AS
- 6           FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8.1. (a) This section
- 7           applies only to the state and former legislators, instead of section 8 of
- 8           this chapter.
- 9           (b) As used in this section, "legislator" means a member of the
- 10          general assembly.
- 11          (c) After June 30, 1988, the state shall provide to each retired
- 12          legislator:
- 13           (1) whose retirement date is after June 30, 1988;
- 14           (2) who will have reached fifty-five (55) years of age on or

- 1 before the legislator's retirement date but who is not participating  
 2 in a group health insurance coverage plan:
- 3 (A) including Medicare coverage as prescribed by 42  
 4 U.S.C. 1395 et seq.; but
  - 5 (B) not including a group health insurance plan provided by  
 6 the state;
- 7 (3) who served as a legislator for at least:
- 8 (A) fifteen (15) years; and
  - 9 (B) ten (10) years immediately preceding the legislator's  
 10 retirement date; and
- 11 (4) who participated in a group health insurance plan provided  
 12 by the state on the legislator's retirement date;  
 13 a group health insurance program that is equal to that offered active  
 14 employees.
- 15 (d) A retired legislator who qualifies under subsection (c) may  
 16 participate in the group health insurance program if the retired  
 17 legislator:
- 18 (1) pays an amount equal to the employer's and employee's  
 19 premium for the group health insurance for an active employee;  
 20 and
  - 21 (2) within ninety (90) days after the legislator's retirement date  
 22 files a written request for insurance coverage with the employer.
- 23 (e) A retired legislator's eligibility to continue insurance under this  
 24 section ends when the member becomes eligible for Medicare coverage  
 25 as prescribed by 42 U.S.C. 1395 et seq., or when the employer  
 26 terminates the health insurance program.
- 27 (f) A retired legislator who is eligible for insurance coverage under  
 28 this section may elect to have the legislator's spouse covered under the  
 29 health insurance program at the time the legislator retires. If a retired  
 30 legislator's spouse pays the amount the retired legislator would have  
 31 been required to pay for coverage selected by the spouse, the spouse's  
 32 subsequent eligibility to continue insurance under this section is not  
 33 affected by the death of the retired legislator **and is not affected by the**  
 34 **retired legislator's eligibility for Medicare.** The ~~surviving~~ spouse's  
 35 eligibility ends on the earliest of the following:
- 36 (1) When the spouse becomes eligible for Medicare coverage as  
 37 prescribed by 42 U.S.C. 1395 et seq.
  - 38 (2) When the employer terminates the health insurance program.

- 1           (3) The date of the spouse's remarriage.
- 2           (g) The surviving spouse of a legislator who dies or has died in  
3 office may elect to participate in the group health insurance program  
4 if all of the following apply:
- 5           (1) The deceased legislator would have been eligible to  
6 participate in the group health insurance program under this  
7 section had the legislator retired on the day of the legislator's  
8 death.
- 9           (2) The surviving spouse files a written request for insurance  
10 coverage with the employer.
- 11           (3) The surviving spouse pays an amount equal to the employer's  
12 and employee's premium for the group health insurance for an  
13 active employee.
- 14           (h) The eligibility of the surviving spouse of a legislator to  
15 purchase group health insurance under subsection (g) ends on the  
16 earliest of the following:
- 17           (1) When the employer terminates the health insurance program.
- 18           (2) The date of the spouse's remarriage.
- 19           (3) When the spouse becomes eligible for Medicare coverage as  
20 prescribed by 42 U.S.C. 1395 et seq.
- 21           SECTION 2. IC 5-10.2-3-1 IS AMENDED TO READ AS  
22 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. (a) Each member's  
23 creditable service, for the purpose of computing benefits under this  
24 article, consists of all service in a position covered by a retirement fund  
25 plus all other service for which the retirement fund law gives credit.
- 26           (b) No member may be required to pay any contributions for  
27 service before he is covered by this article as a condition precedent to  
28 receiving benefits under this article. However, he must furnish proof of  
29 the service to the board of the fund under which he claims service.
- 30           (c) A member who has past service as an employee of the state or  
31 a participating political subdivision in a position which was not  
32 covered by the retirement fund is entitled to credit for this service if the  
33 position becomes covered before January 1, 1985, by the Indiana state  
34 teachers' retirement fund, the public employees' retirement fund, or the  
35 retirement fund for the state board of accounts and if he submits proof  
36 of the service to the secretary of the fund in which he claims service.
- 37           (d) A member who has past service in a position that was not  
38 covered by the retirement fund is entitled to credit for this service if the

1 position becomes covered after December 31, 1984, by a fund while he  
 2 holds that position or another position with the same employer and if  
 3 he submits proof of the service to the director of the fund in which he  
 4 claims service.

5 (e) The proof required by this section must:

6 (1) be submitted in a form approved by the director;

7 (2) contain dates and nature of service and other information  
 8 required by the director; and

9 (3) be certified by the governing body or its agent.

10 (f) A member who is a state employee is entitled to service credit  
 11 for the time the member is receiving disability benefits under a  
 12 disability plan established under IC 5-10-8-7.

13 (g) If a participant in the legislators' defined benefit plan does not  
 14 become entitled to a benefit from that plan, the PERF board or the TRF  
 15 board shall include the participant's service in the general assembly in  
 16 the determination of eligibility for, and computation of, benefits under  
 17 PERF or TRF at the time the participant would be eligible to receive  
 18 benefits under PERF or TRF. After benefits commence under PERF or  
 19 TRF with the general assembly service included, the participant's  
 20 general assembly service may not be used for the computation of  
 21 benefits under IC 2-3.5-4.

22 **(h) A member may receive service credit for all or a part of the**  
 23 **member's creditable service in another governmental retirement**  
 24 **plan under IC 5-10.3-7-4.5 and IC 21-6.1-4-4.5. A member may not**  
 25 **receive credit for service for which the member receives service**  
 26 **credit in another retirement plan maintained by a state, a political**  
 27 **subdivision, or an instrumentality of the state for service that**  
 28 **PERF or TRF would otherwise give credit.**

29 **(i) A member may use all or a part of the member's creditable**  
 30 **service under PERF or TRF in another governmental retirement**  
 31 **plan under the terms of the other plan. Creditable service used**  
 32 **under the other governmental retirement plan may not be used in**  
 33 **PERF or TRF.**

34 SECTION 3. IC 5-10.2-3-5 IS AMENDED TO READ AS  
 35 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5. Suspension of  
 36 Membership. (a) A member who is not eligible for retirement or  
 37 disability retirement may suspend his membership if he terminates  
 38 employment. After five (5) continuous years in which he performs no

1 service, his membership shall be automatically suspended by the board  
 2 unless he is vested status. The board may establish ~~rule~~ **rules** for  
 3 deferring the effective date of a suspension of membership. The  
 4 deferral may not be for more than six (6) months.

5 (b) On resuming service the member may claim as creditable  
 6 service the period of employment before the suspension of  
 7 membership, **but only to the extent that the same period of**  
 8 **employment is not being used by another governmental plan for**  
 9 **purposes of the member's benefit in the other governmental plan.**

10 SECTION 4. IC 5-10.2-3-7.5, AS AMENDED BY P.L.35-1996,  
 11 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 1998]: Sec. 7.5. (a) A surviving dependent or surviving  
 13 spouse of a member who dies in service is entitled to a survivor benefit  
 14 if:

15 (1) the member dies after March 31, 1990;

16 (2) the member has:

17 (A) at least ten (10) years of creditable service, if the  
 18 member died in service as a member of the general  
 19 assembly;

20 (B) at least fifteen (15) years of creditable service, if the  
 21 member died in service in any other position covered by the  
 22 retirement fund; or

23 (C) at least ten (10) years but not more than fourteen (14)  
 24 years of creditable service if the member:

25 (i) was at least sixty-five (65) years of age; and

26 (ii) died in service in a position covered by the  
 27 teachers' retirement fund; and

28 (3) the surviving dependent or surviving spouse qualifies for a  
 29 survivor benefit under subsection (b) or (c).

30 (b) If a member described in subsection (a) dies with a surviving  
 31 spouse who was married to the member for at least two (2) years, the  
 32 surviving spouse is entitled to a survivor benefit equal to the monthly  
 33 benefit that would have been payable to the spouse under the joint and  
 34 survivor option of IC 5-10.2-4-7 upon the member's death following  
 35 retirement at:

36 (1) fifty (50) years of age; or

37 (2) the actual date of death;

38 whichever is later. However, benefits payable under this subsection are

1 subject to subsections (e) and (g).

2 (c) If a member described in subsection (a) dies without a  
3 surviving spouse who was married to the member for at least two (2)  
4 years, but with a surviving dependent, the surviving dependent is  
5 entitled to a survivor benefit in a monthly amount equal to the actuarial  
6 equivalent of the monthly benefit that would have been payable to the  
7 spouse (assuming the spouse would have had the same birth date as the  
8 member) under the joint and survivor option of IC 5-10.2-4-7 upon the  
9 member's death following retirement at:

10 (1) fifty (50) years of age; or

11 (2) the actual date of death;

12 whichever is later. If there are two (2) or more surviving dependents,  
13 the actuarial equivalent of the benefit described in this subsection shall  
14 be calculated and, considering the dependents' attained ages, an equal  
15 dollar amount shall be determined as the monthly benefit to be paid to  
16 each dependent. Monthly benefits under this subsection are payable  
17 until the date the dependent becomes eighteen (18) years of age or dies,  
18 whichever is earlier. However, if a dependent is permanently and  
19 totally disabled (using disability guidelines established by the Social  
20 Security Administration) at the date the dependent reaches eighteen  
21 (18) years of age, the monthly benefit is payable until the date the  
22 dependent is no longer disabled (using disability guidelines established  
23 by the Social Security Administration) or dies, whichever is earlier.  
24 Benefits payable under this subsection are subject to subsections (e)  
25 and (g).

26 (d) Except as provided in subsections (e) and (h), the surviving  
27 spouse or surviving dependent of a member who is entitled to a  
28 survivor benefit under subsection (b) or (c) or section 7.6 of this  
29 chapter may elect to receive a lump sum payment of the **total** amount  
30 credited to the member in the member's annuity savings account **or an**  
31 **amount equal to the member's federal income tax basis in the**  
32 **member's annuity savings account as of December 31, 1986.** A  
33 surviving spouse or surviving dependent who makes such an election  
34 is not entitled to an annuity as part of the survivor benefit under  
35 subsection (b) or (c) or section 7.6 of this chapter **to the extent of the**  
36 **lump sum payment.**

37 (e) If a member described in subsection (a) or section 7.6(a) of this  
38 chapter is survived by a designated beneficiary who is not a surviving

1 spouse or surviving dependent entitled to a survivor benefit under  
2 subsection (b) or (c) or section 7.6 of this chapter, the following  
3 provisions apply:

4 (1) If the member is survived by one (1) designated beneficiary,  
5 the designated beneficiary is entitled to receive in a lump sum  
6 the amount credited to the member's annuity savings account,  
7 less any disability benefits paid to the member.

8 (2) If the member is survived by two (2) or more designated  
9 beneficiaries, the designated beneficiaries are entitled to receive  
10 in a lump sum equal shares of the amount credited to the  
11 member's annuity savings account, less any disability benefits  
12 paid to the member.

13 (3) If the member is also survived by a spouse or dependent who  
14 is entitled to a survivor benefit under subsection (b) or (c) or  
15 section 7.6 of this chapter, the surviving spouse or dependent is  
16 not entitled to an annuity or a lump sum payment as part of the  
17 survivor benefit.

18 (f) If a member dies:

19 (1) without a surviving spouse or surviving dependent who  
20 qualifies for survivor benefits under subsection (b) or (c) or  
21 section 7.6 of this chapter; and

22 (2) without a surviving designated beneficiary who is entitled to  
23 receive the member's annuity savings account under subsection  
24 (e);

25 the amount credited to the member's annuity savings account, less any  
26 disability benefits paid to the member, shall be paid to the member's  
27 estate.

28 (g) Survivor benefits payable under this section or section 7.6 of  
29 this chapter shall be reduced by any disability benefits paid to the  
30 member.

31 (h) Additional annuity contributions, if any, shall not be included  
32 in determining survivor benefits under subsection (b) or (c) or section  
33 7.6 of this chapter, but are payable in a lump sum payment to:

34 (1) the member's surviving designated beneficiary; or

35 (2) the member's estate, if there is no surviving designated  
36 beneficiary.

37 (i) Survivor benefits provided under this section or section 7.6 of  
38 this chapter are subject to IC 5-10.2-2-1.5.

1           (j) A benefit specified in this section shall be forfeited and  
 2 credited to the member's retirement fund if no person entitled to  
 3 the benefit claims it within three (3) years after the member's  
 4 death. However, the board may honor a claim that is made more  
 5 than three (3) years after the member's death if the board finds, in  
 6 the board's discretion, that:

7           (1) the delay in making the claim was reasonable or other  
 8 extenuating circumstances justify the award of the benefit to  
 9 the claimant; and

10           (2) paying the claim would not cause a violation of the  
 11 applicable Internal Revenue Service rules.

12           SECTION 5. IC 5-10.2-4-6 IS AMENDED TO READ AS  
 13 FOLLOWS [EFFECTIVE APRIL 1, 1998]: Sec. 6. (a) A member who  
 14 becomes disabled while in active service receiving a salary or  
 15 employer provided income protection benefits or who is on leave  
 16 under the Family and Medical Leave Act may retire for the duration  
 17 of his disability if:

18           (1) the member has at least five (5) years of creditable service  
 19 before the:

20           (A) termination of a salary or employer provided  
 21 income protection benefits or Family and Medical Leave  
 22 Act leave; or

23           (B) exhaustion of all worker's compensation benefits;

24           (2) the member has qualified for Social Security disability  
 25 benefits and has furnished proof of the Social Security  
 26 qualification to the board; and

27           (3) at least once each year until the member reaches age  
 28 sixty-five (65) a representative of the board verifies the  
 29 continued disability.

30           For the purposes of this section, a member of the public employees'  
 31 retirement fund who has qualified for disability benefits under the  
 32 federal civil service system is considered to have met the requirement  
 33 of subdivision (2) if he furnishes proof of the qualification to the board  
 34 of the public employees' retirement fund.

35           (b) ~~The month following the date of Benefits for~~ disability the  
 36 member is entitled to receive a benefit under this section: **shall be paid**  
 37 **beginning with the month following the onset of disability as**  
 38 **determined by the Social Security Administration.** The benefit is the

1 retirement benefit specified in section 4 of this chapter with the pension  
 2 computed using only the years of creditable service worked to the date  
 3 of disability and without reduction for early retirement. However, the  
 4 monthly disability retirement benefit may not be less than one hundred  
 5 dollars (\$100).

6 (c) The member may have his benefit paid under any of the  
 7 retirement benefit options specified in section 7 of this chapter, **except**  
 8 **that the member may not choose to have the member's disability**  
 9 **retirement benefit paid under the method specified under section**  
 10 **7(b)(3) of this chapter.**

11 (d) This section applies to:

- 12 (1) a member of the public employees' retirement fund who
- 13 became disabled after June 30, 1973; and
- 14 (2) a member of the Indiana state teachers' retirement fund who
- 15 becomes disabled after June 30, 1984, and who chooses
- 16 disability retirement under this section.

17 (e) To the extent required by the Americans with Disabilities Act  
 18 (42 U.S.C. 12101 et seq.) and any amendments and regulations to the  
 19 Act, the transcripts, records, and other material compiled to determine  
 20 the existence of a disability shall be:

- 21 (1) kept in separate medical files for each member; and
- 22 (2) treated as confidential medical records.

23 **(f) A member may continue to receive disability benefits from**  
 24 **the public employees' retirement fund or the Indiana state**  
 25 **teachers' retirement fund so long as the member is entitled to**  
 26 **receive Social Security benefits, including periods of trial**  
 27 **employment or rehabilitation under the Social Security guidelines.**  
 28 **However, during a period of trial employment or rehabilitation,**  
 29 **service credit may not be granted under the public employees'**  
 30 **retirement fund or the Indiana state teachers' retirement fund.**

31 SECTION 6. IC 5-10.3-3-8 IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8. (a) The board may:

- 33 (1) establish rules and regulations for the administration of the
- 34 fund;
- 35 (2) make contracts and sue and be sued as the board of trustees
- 36 of the public employees' retirement fund of Indiana;
- 37 (3) delegate duties to its employees;
- 38 (4) enter into agreements with one (1) or more insurance

1 companies to provide life, hospitalization, surgical, medical, or  
 2 supplemental Medicare insurance, utilizing individual or group  
 3 insurance policies for retired members of the fund, and, upon  
 4 authorization of the respective member, deduct premium  
 5 payments for such policies from the members' retirement  
 6 benefits and remit the payments to the insurance companies;  
 7 (5) enter into agreements with one (1) or more insurance  
 8 companies to provide annuities for retired members of the fund,  
 9 and, upon a member's authorization, transfer the amount credited  
 10 to the member in the annuity savings account to the insurance  
 11 companies;  
 12 (6) whenever the fund's membership is sufficiently large for  
 13 actuarial valuation, establish an employer's contribution rate for  
 14 all employers, including employers with special benefit  
 15 provisions for certain employees;  
 16 (7) amortize prior service liability over a period of forty (40)  
 17 years or less; and  
 18 (8) recover payments made under false or fraudulent  
 19 representation.

20 (b) An agreement under subsection (a)(4) may be for a duration of  
 21 three (3) years.

22 **(c) A contract under subsection (a)(2) may be for a term of not**  
 23 **more than five (5) years, with an ability to renew thereafter.**

24 SECTION 7. IC 5-10.3-7-4.5, AS ADDED BY P.L.5-1997,  
 25 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JULY 1, 1998]: Sec. 4.5. (a) As used in this section, "out-of-state  
 27 service" means service in another state in a comparable position that  
 28 would be creditable service if performed in Indiana.

29 (b) Subject to subsections (c) through (f), a member may purchase  
 30 out-of-state service credit if the member meets the following  
 31 requirements:

32 (1) The member has at least one (1) year of creditable service in  
 33 the fund.

34 (2) Before the member retires, the member makes contributions  
 35 to the fund as follows:

36 (A) Contributions that are equal to the product of the  
 37 following:

38 (i) The member's salary at the time the member

- 1 actually makes a contribution for the service credit.
- 2 (ii) A rate, determined by the actuary of the fund,  
3 based on the age of the member at the time the member  
4 actually makes a contribution for service credit and  
5 computed to result in a contribution amount that  
6 approximates the actuarial present value of the benefit  
7 attributable to the service credit purchased.
- 8 (iii) The number of years of out-of-state service the  
9 member intends to purchase.
- 10 (B) Contributions for any accrued interest, at a rate  
11 determined by the actuary for the fund, for the period from  
12 the member's initial membership in the fund to the date  
13 payment is made by the member.
- 14 (3) The member has received verification from the fund that the  
15 out-of-state service is, as of that date, valid.
- 16 (c) Out-of-state years that qualify a member for retirement in an  
17 out-of-state system or in any federal retirement system may not be  
18 granted under this section.
- 19 (d) At least ten (10) years of service in Indiana is required before  
20 a member may receive a benefit based on out-of-state service credits.
- 21 (e) A member who:
- 22 (1) terminates employment before satisfying the eligibility  
23 requirements necessary to receive a monthly allowance; or  
24 (2) receives a monthly allowance for the same service from  
25 another tax supported public employee retirement plan other  
26 than under the Social Security Act;
- 27 may withdraw the purchase amount plus accumulated interest after  
28 submitting a properly completed application for a refund to the fund.
- 29 (f) The following apply to the purchase of service credit under this  
30 section:
- 31 ~~(1) A member may purchase service credit not later than:~~
- 32 ~~(A) July 1, 1998; or~~
- 33 ~~(B) four (4) years after the member becomes eligible to~~  
34 ~~purchase the service credit;~~
- 35 ~~whichever is later.~~
- 36 ~~(2) (1) The board may allow a member to make periodic~~  
37 ~~payments of the contributions required for the purchase of the~~  
38 ~~service credit. The board shall determine the length of the period~~

- 1 during which the payments must be made.
- 2 ~~(3)~~ (2) The board may deny an application for the purchase of
- 3 service credit if the purchase would exceed the limitations under
- 4 Section 415 of the Internal Revenue Code.
- 5 ~~(4)~~ (3) A member may not claim the service credit for purposes
- 6 of determining eligibility or computing benefits unless the
- 7 member has made all payments required for the purchase of the
- 8 service credit.

9 SECTION 8. IC 5-10.3-7-2 IS AMENDED TO READ AS  
 10 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. The following  
 11 employees may not be members of the fund:

- 12 (1) Officials of a political subdivision elected by vote of the
- 13 people, unless the governing body specifically provides for the
- 14 participation of locally elected officials.
- 15 (2) Employees occupying positions normally requiring
- 16 performance of service of less than six hundred (600) hours
- 17 during a year who:
  - 18 (A) were hired before July 1, 1982; or
  - 19 (B) are employed by a participating school corporation.
- 20 (3) Independent contractors or officers or employees paid wholly
- 21 on a fee basis.
- 22 (4) **Except as provided in section 4.2 of this chapter,**
- 23 employees who occupy positions that are covered by other
- 24 pension or retirement funds or plans, maintained in whole or in
- 25 part by appropriations by the state or a political subdivision,
- 26 except:
  - 27 (A) the federal Social Security program; and
  - 28 (B) the prosecuting attorneys retirement fund created by
  - 29 IC 33-14-9.
- 30 (5) Managers or employees of a license branch of the bureau of
- 31 motor vehicles commission, except those persons who may be
- 32 included as members under IC 9-16-4.
- 33 (6) Employees, except employees of a participating school
- 34 corporation, hired after June 30, 1982, occupying positions
- 35 normally requiring performance of service of less than one
- 36 thousand (1,000) hours during a year.
- 37 (7) Persons who:
  - 38 (A) are employed by the state;

1 (B) have been classified as federal employees by the  
2 Secretary of Agriculture of the United States; and

3 (C) are covered by the federal Social Security program as  
4 federal employees under 42 U.S.C. 410.

5 (8) Members and employees of the state lottery commission.

6 SECTION 9. IC 5-10.3-7-4.2 IS ADDED TO THE INDIANA  
7 CODE AS A NEW SECTION TO READ AS FOLLOWS  
8 [EFFECTIVE JULY 1, 1998]: **Sec. 4.2. (a) As used in this section,**  
9 **"police officers' or firefighters' fund" includes the 1925 fund**  
10 **established by IC 36-8-6, the 1937 fund established by IC 36-8-7,**  
11 **the 1953 fund established by IC 36-8-7.5, and the 1977 fund**  
12 **established by IC 36-8-8.**

13 (b) **This section applies to an individual who:**

14 (1) **began service as a police officer or firefighter and became**  
15 **a member of a police officers' or firefighters' fund before**  
16 **1980;**

17 (2) **began service in another position (referred to in this**  
18 **section as the "PERF position") and was enrolled**  
19 **erroneously as a contributing member of the public**  
20 **employees' retirement fund with respect to the PERF**  
21 **position before 1980;**

22 (3) **made contributions to the public employees' retirement**  
23 **fund with respect to the PERF position as if the individual**  
24 **had been legally enrolled in that fund; and**

25 (4) **after 1991 was denied service credit in the public**  
26 **employees' retirement fund with respect to all or part of the**  
27 **individual's service in the PERF position because of the**  
28 **individual's service in the police officer or firefighter**  
29 **position described in subdivision (1).**

30 (c) **Notwithstanding section 2(4) of this chapter, an individual**  
31 **described in subsection (b) may elect to claim service credit in the**  
32 **public employees' retirement fund with respect to all of the**  
33 **individual's service in the PERF position if:**

34 (1) **the individual pays into the public employees' retirement**  
35 **fund an amount equal to:**

36 (A) **any amount refunded to the individual as a result of**  
37 **the denial of service credit; and**

38 (B) **any additional amount that the individual would**

- 1           **have contributed with respect to the PERF position if**  
2           **the individual had been a member of the public**  
3           **employees' retirement fund during the period for which**  
4           **service credit has been denied;**
- 5           **(2) the individual agrees to continue making contributions to**  
6           **the public employees' retirement fund with respect to the**  
7           **PERF position as required by this article for continuing**  
8           **service, if any, in the PERF position;**
- 9           **(3) the unit that employed the individual in the PERF**  
10           **position agrees to pay into the public employees' retirement**  
11           **fund an amount equal to:**
- 12                   **(A) any amount refunded or credited to the employer as**  
13                   **a result of the denial of service credit with respect to the**  
14                   **individual's service in the PERF position; and**
- 15                   **(B) any additional amount that the employer would have**  
16                   **contributed with respect to the individual's service in**  
17                   **the PERF position if the individual had been a member**  
18                   **of that fund during the period for which service credit**  
19                   **has been denied; and**
- 20           **(4) the unit that employed the individual in the PERF**  
21           **position agrees to continue making contributions to the**  
22           **public employees' retirement fund with respect to the PERF**  
23           **position as required by this article for continuing service, if**  
24           **any, by the individual in the PERF position.**
- 25           **(d) An individual is entitled to membership in the public**  
26           **employees' retirement fund and service credit in that fund for all**  
27           **service in the PERF position if:**
- 28                   **(1) the individual makes the election permitted by subsection**  
29                   **(c);**
- 30                   **(2) the individual makes the contributions required by**  
31                   **subsection (c)(1) and (c)(2);**
- 32                   **(3) the unit that employed the individual in the PERF**  
33                   **position makes the contributions required by subsection**  
34                   **(c)(3) and (c)(4); and**
- 35                   **(4) the individual meets all other requirements of this article**  
36                   **for membership in the public employees' retirement fund**  
37                   **with respect to the PERF position.**
- 38           **However, the individual is not entitled to service credit or benefits**

1       **under the public employees' retirement fund with respect to any**  
 2       **service in a police officer or firefighter position described in**  
 3       **subsection (b)(1).**

4               **(e) The board of trustees of the public employees' retirement**  
 5       **fund may allow:**

6               **(1) an individual who is entitled to service credit under this**  
 7               **section; and**

8               **(2) the unit that employed the individual in the PERF**  
 9               **position;**

10       **to make periodic payments of the contributions required for the**  
 11       **purchase of service credit under this section. The board shall**  
 12       **determine the length of the period during which the payments must**  
 13       **be made.**

14               SECTION 10. IC 21-6.1-3-7 IS AMENDED TO READ AS  
 15       FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 7. (a) The board may:

16               (1) adopt and enforce bylaws regarding the department's  
 17               administration and the control and investment of the fund;

18               (2) employ staff, who are not trustees, to perform clerical work  
 19               needed by the board;

20               (3) bond employees for the fund's protection;

21               (4) receive from the federal government the state's share of the  
 22               cost of the pension contribution for a member on leave of  
 23               absence to work in a federally supported educational project;

24               (5) sue and be sued as the board of trustees of the Indiana state  
 25               teachers' retirement fund;

26               (6) summon and examine witnesses when adjusting claims;

27               (7) require, when adjusting disability claims, medical  
 28               examinations by doctors approved or appointed by the board;  
 29               however, not more than two (2) examinations may be conducted  
 30               in one (1) year;

31               (8) conduct investigations to help determine the merit of a claim;

32               (9) meet any emergency which may arise in the administration  
 33               of its trust;

34               (10) determine other matters regarding its trust which are not  
 35               specified;

36               (11) enter into agreements with one (1) or more insurance  
 37               companies to provide life, hospitalization, surgical, medical, or  
 38               supplemental Medicare insurance, utilizing individual or group

1 insurance policies for retired teachers, and, upon authorization  
 2 of the respective retired teacher, deduct premium payments for  
 3 such policies from the teachers' retirement benefits and remit the  
 4 payments to the insurance companies; and  
 5 (12) enter into agreements with one (1) or more insurance  
 6 companies to provide annuities for retired teachers and upon a  
 7 member's authorization transfer the amount credited to the  
 8 member in the annuity savings account to the insurance  
 9 companies.

10 (b) An agreement under subsection (a)(11) may be for a duration  
 11 of three (3) years.

12 **(c) This subsection does not apply to an agreement under**  
 13 **subsection (a)(11). A contract that the board enters into under**  
 14 **section 9(b) of this chapter or any other provision may be for a**  
 15 **term of not more than five (5) years, with an ability to renew**  
 16 **thereafter.**

17 SECTION 11. IC 21-6.1-4-1 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. (a) The members of  
 19 the fund include:

- 20 (1) legally qualified and regularly employed teachers in the  
 21 public schools;
- 22 (2) persons employed by a governing body, who were qualified  
 23 before their election or appointment;
- 24 (3) legally qualified and regularly employed teachers at Ball  
 25 State University, Indiana State University, University of  
 26 Southern Indiana, or Vincennes University;
- 27 (4) legally qualified and regularly employed teachers in a state  
 28 educational institution supported wholly by public money and  
 29 whose teachers devote their entire time to teaching;
- 30 (5) legally qualified and regularly employed teachers in state  
 31 benevolent, charitable, or correctional institutions;
- 32 (6) legally qualified and regularly employed teachers in an  
 33 experimental school in a state university who teach elementary  
 34 or high school students;
- 35 (7) as determined by the board, certain instructors serving in a  
 36 university extension division not covered by a state retirement  
 37 law;
- 38 (8) employees and officers of the department of education and of

1 the fund who were qualified before their election or  
2 appointment; and

3 (9) a person:

4 (A) who is employed as a nurse appointed under  
5 IC 20-8.1-7-5 by a school corporation located in a city  
6 having a population of more than one hundred ten thousand  
7 (110,000) but less than one hundred twenty thousand  
8 (120,000); and

9 (B) who participated in the fund before December 31, 1991,  
10 in the position described in clause (A).

11 (b) Teachers in any state institution who accept the benefits of a  
12 state supported retirement benefit system comparable to the fund's  
13 benefits may not come under the fund unless permitted by law or the  
14 rules of the board.

15 **(c) The members of the fund do not include substitute teachers**  
16 **who have not obtained an associate degree or a baccalaureate**  
17 **degree.**

18 SECTION 12. IC 21-6.1-4-4.5, AS AMENDED BY P.L.25-1994,  
19 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20 JULY 1, 1998]: Sec. 4.5. (a) "Out-of-state service" means service in  
21 any state in a comparable position which would be creditable service  
22 if performed in Indiana. The term includes comparable service  
23 performed on a United States military installation, in a federal prison,  
24 or at an educational facility operated or supervised by the Bureau of  
25 Indian Affairs.

26 (b) In computing the service credit for each member who began  
27 teaching in Indiana before July 1, 1981, and who has served as a public  
28 school teacher out of state, the board may include the greater of eight  
29 (8) years or one (1) year of out-of-state service for every four (4) years  
30 of in-state service; however, this out-of-state service may be included  
31 only if rendered before July 1, 1981.

32 (c) In addition, a member may purchase out-of-state service credit  
33 which has not been claimed under subsection (b) ~~of this section;~~  
34 subject to the limitations of subsections (d) and (e) ~~of this section;~~ if he:

35 (1) has at least one (1) year of creditable service in the teachers'  
36 retirement fund;

37 (2) makes contributions, before he retires, to the teachers'  
38 retirement fund:

- 1 (A) which are equal to the product of the following:
- 2 (i) the member's salary when the member first becomes
- 3 a member of the teachers' retirement fund, for service
- 4 credit purchased before January 1, 1994, or the
- 5 member's salary at the time the member actually makes
- 6 a contribution for the service credit, for service credit
- 7 purchased after December 31, 1993;
- 8 (ii) normal cost, as determined by the actuary of the
- 9 teachers' retirement fund (For purposes of this chapter,
- 10 "normal cost" means the value of the annual amount
- 11 required to fund the prospective benefits promised an
- 12 employee for the work he has performed.) for service
- 13 credit purchased before January 1, 1994, or a
- 14 percentage rate, as determined by the actuary of the
- 15 teachers' retirement fund, based on the age of the
- 16 member at the time the member actually makes a
- 17 contribution for service credit and computed to result
- 18 in a contribution amount that approximates the
- 19 actuarial present value of the benefit attributable to the
- 20 service credit purchased, for service credit purchased
- 21 after December 31, 1993; and
- 22 (iii) the number of years of out-of-state service the
- 23 member intends to purchase; and
- 24 (B) for any accrued interest, at a rate determined by the
- 25 actuary for the teachers' retirement fund, for the period from
- 26 the member's initial membership in the teachers' retirement
- 27 fund to the date payment is made by the member; and
- 28 (3) has received verification from the teachers' retirement fund
- 29 that the out-of-state service is, as of that date, valid.
- 30 (d) Out-of-state years which qualify a member for retirement in an
- 31 out-of-state system or in any federal retirement system may not be
- 32 granted under this section.
- 33 (e) After April 1, 1965, at least ten (10) years of in-state service is
- 34 required before a member may claim any out-of-state service credits.
- 35 (f) A member who:
- 36 (1) terminates employment before satisfying the eligibility
- 37 requirements necessary to receive a monthly allowance; or
- 38 (2) receives a monthly allowance for the same service from

1 another tax supported public employee retirement plan other  
2 than under the Social Security Act;  
3 may withdraw the personal contributions made under the contributory  
4 plan plus accumulated interest after submitting a properly completed  
5 application for a refund to the teachers' retirement fund.

6 (g) The following apply to the purchase of service credit under this  
7 section after July 1, ~~1993~~: **1998**:

8 ~~(1) A member may purchase service credit not later than the later~~  
9 ~~of:~~

10 (A) ~~July 1, 1998~~; or

11 (B) ~~four (4) years after the member becomes eligible to~~  
12 ~~purchase the service credit.~~

13 ~~(2) (1) The board may allow a member to make periodic~~  
14 ~~payments of the contributions required for the purchase of the~~  
15 ~~service credit. The board shall determine the length of the period~~  
16 ~~during which the payments must be made.~~

17 ~~(3) (2) The board may deny an application for the purchase of~~  
18 ~~service credit if the purchase would exceed the limitations under~~  
19 ~~Section 415 of the Internal Revenue Code.~~

20 ~~(4) (3) A member may not claim the service credit for purposes~~  
21 ~~of determining eligibility or computing benefits unless the~~  
22 ~~member has made all payments required for the purchase of the~~  
23 ~~service credit.~~

24 (h) Contributions received after July 1, 1993, for the purchase of  
25 service credit under this section must be applied against the unfunded  
26 accrued liability of the fund.

27 SECTION 13. IC 21-6.1-4-4.6 IS ADDED TO THE INDIANA  
28 CODE AS A NEW SECTION TO READ AS FOLLOWS  
29 [EFFECTIVE JULY 1, 1998]: **Sec. 4.6. (a) As used in this section,**  
30 **"substitute teaching service" means service in Indiana as a**  
31 **substitute teacher that is not covered under section 1(c) of this**  
32 **chapter, but is served by a person who has other service that is**  
33 **covered under section 1(a) of this chapter.**

34 (b) **A member may purchase substitute teaching service if:**

35 (1) **the member has at least one (1) year of creditable service**  
36 **in the fund;**

37 (2) **the member makes contributions, before the member**  
38 **retires, to the fund:**

- 1                   **(A) that are equal to the product of the following:**
- 2                    **(i) the member's salary at the time the member**
- 3                    **actually makes a contribution for the service credit;**
- 4                    **(ii) a percentage rate, as determined by the actuary**
- 5                    **of the fund, based on the age of the member at the**
- 6                    **time the member makes a contribution for service**
- 7                    **credit and computed to result in a contribution**
- 8                    **amount that approximates the actuarial present**
- 9                    **value of the benefit attributable to the service credit**
- 10                   **purchased; and**
- 11                   **(iii) the number of years of substitute teaching**
- 12                   **service the member intends to purchase; and**
- 13                   **(B) for any accrued interest, at a rate determined by the**
- 14                   **actuary of the fund, for the period from the member's**
- 15                   **initial membership in the fund to the date payment is**
- 16                   **made by the member; and**
- 17                   **(3) the fund receives verification from the school corporation**
- 18                   **that the substitute teaching service occurred.**
- 19                   **(c) Service for years of substitute teaching that qualify a**
- 20                   **member for retirement in an out-of-state system or in any federal**
- 21                   **retirement system may not be granted under this section.**
- 22                   **(d) A member who:**
- 23                    **(1) terminates employment before satisfying the eligibility**
- 24                    **requirements necessary to receive a monthly allowance; or**
- 25                    **(2) receives a monthly allowance for the same service from**
- 26                    **another tax supported public employee retirement plan other**
- 27                    **than under the Social Security Act;**
- 28                   **may withdraw the personal contributions made under the**
- 29                   **contributory plan plus accumulated interest after submitting to the**
- 30                   **fund a properly completed application for a refund.**
- 31                   **(e) The following apply to the purchase of service credit under**
- 32                   **this section:**
- 33                    **(1) The board may allow a member to make periodic**
- 34                    **payments of the contributions required for the purchase of**
- 35                    **the service credit. The board shall determine the length of**
- 36                    **the period during which the payments must be made.**
- 37                    **(2) The board may deny an application for the purchase of**
- 38                    **service credit if the purchase would exceed the limitations**

1           **under Section 415 of the Internal Revenue Code.**  
 2           **(3) A member may not claim the service credit for purposes**  
 3           **of determining eligibility or computing benefits unless the**  
 4           **member has made all payments required for the purchase of**  
 5           **the service credit.**

6           SECTION 14. IC 21-6.1-7-7 IS AMENDED TO READ AS  
 7 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 7. (a) On or before  
 8 January 15, April 15, July 15, and October 15 of each year, the  
 9 treasurer of each school corporation, the township trustee, or the  
 10 appropriate officer of any other institution covered by the fund shall  
 11 make an employer report **as provided in section 8 of this chapter**, on  
 12 a form furnished by the board, to the board and accompany it with a  
 13 warrant in payment of:

- 14           (1) total net contributions made for or by the members in the
- 15           preceding three (3) months for the fund; and
- 16           (2) employer contributions as required by section 12 of this
- 17           chapter.

18           Amendatory reports to correct errors or omissions may be required and  
 19           made.

20           (b) As used in this section, "net contributions" means the gross  
 21           amount of a member's contributions minus any refund paid or due a  
 22           teacher.

23           SECTION 15. IC 21-6.1-7-8 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8. (a) ~~Before or on July~~  
 25 ~~31~~ **On or before January 15, April 15, July 15, and October 15** of  
 26 each year, the treasurer of each school corporation, the township  
 27 trustee, or the appropriate officer of any other institution covered by the  
 28 fund shall make a report to the board on a form furnished by the board  
 29 **and within the time set by the board.** Amendatory reports to correct  
 30 errors or omissions may be required and made.

- 31           (b) The report required by subsection (a) must include:
- 32           (1) the name of each member employed in the preceding ~~school~~  
 33 **year; reporting period**, except substitute teachers; ~~employed~~  
 34 ~~without a contract~~;
- 35           (2) the total salary and other compensation paid for personal  
 36 services to each member in the ~~school year~~; **reporting period**;
- 37           (3) the sum of contributions made for or by each member and the  
 38 sum of employer contributions made by the school corporation

- 1 or other institution;
- 2 (4) the number of days each member received salary or other
- 3 compensation for teaching services; ~~under contract~~; and
- 4 (5) any other information which the board finds necessary for the
- 5 effective management of the fund.

6 **(c) As often as the board determines necessary, the board may**

7 **review or cause to be reviewed the pertinent records of any public**

8 **entity contributing to the fund under IC 21-6.1.**

9 SECTION 16. IC 21-6.1-7-9 IS AMENDED TO READ AS

10 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. If the treasurer of a

11 school corporation, the township trustee, or the appropriate officer of

12 any other institution covered by the fund fails to make the reports **and**

13 **payments** as required in section 7 or 8 of this chapter:

- 14 **(1) the officer has an additional thirty (30) days to make the**
- 15 **reports and payments without a penalty;**
- 16 **(2) after thirty (30) days have passed since the deadlines**
- 17 **required under section 7 or 8 of this chapter, the board may**
- 18 **fine the school corporation or institution that the officer**
- 19 **serves one hundred dollars (\$100) for each additional day**
- 20 **that the reports and payments are late; and**
- 21 **(3) if the officer is habitually late as determined by the**
- 22 **board**, the school corporation or institution which that officer
- 23 serves is ineligible to receive any distribution of money from the
- 24 state for school purposes until the reports and payments are
- 25 received and approved by the board.

26 SECTION 17. IC 36-8-8-1, AS AMENDED BY P.L.43-1997,

27 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

28 UPON PASSAGE]: Sec. 1. This chapter applies to:

- 29 (1) full-time police officers hired or rehired after April 30, 1977,
- 30 in all municipalities, or who converted their benefits under
- 31 IC 19-1-17.8-7 (repealed September 1, 1981);
- 32 (2) full-time fully paid firefighters hired or rehired after April 30,
- 33 1977, or who converted their benefits under IC 19-1-36.5-7
- 34 (repealed September 1, 1981);
- 35 (3) a police matron hired or rehired after April 30, 1977, and
- 36 before July 1, 1996, who is a member of a police department in
- 37 a second or third class city on March 31, 1996; and
- 38 (4) a park ranger who:

- 1 (A) completed at least ~~twelve (12)~~ **the number of** weeks of  
 2 training at the Indiana law enforcement academy **that were**  
 3 **required at the time the park ranger attended the**  
 4 **Indiana law enforcement academy;**  
 5 (B) graduated from the Indiana law enforcement academy;  
 6 and  
 7 (C) is employed by the parks department of a city having a  
 8 population of more than one hundred twenty thousand  
 9 (120,000) but less than one hundred fifty thousand  
 10 (150,000);

11 except as provided by section 7 of this chapter.

12 SECTION 18. IC 36-8-8-7, AS AMENDED BY P.L.43-1997,  
 13 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 UPON PASSAGE]: Sec. 7. (a) Except as provided in subsections (d),  
 15 (e), (f), (g), and (h):

16 (1) a police officer; or

17 (2) a firefighter;

18 who is less than thirty-six (36) years of age and who passes the baseline  
 19 statewide physical and mental examinations required under section 19  
 20 of this chapter shall be a member of the 1977 fund and is not a member  
 21 of the 1925 fund, the 1937 fund, or the 1953 fund.

22 (b) A police officer or firefighter with service before May 1, 1977,  
 23 who is hired or rehired after April 30, 1977, may receive credit under  
 24 this chapter for service as a police officer or firefighter prior to entry  
 25 into the 1977 fund if the employer who rehires him chooses to  
 26 contribute to the 1977 fund the amount necessary to amortize his prior  
 27 service liability over a period of not more than forty (40) years, the  
 28 amount and the period to be determined by the PERF board. If the  
 29 employer chooses to make the contributions, the police officer or  
 30 firefighter is entitled to receive credit for his prior years of service  
 31 without making contributions to the 1977 fund for that prior service. In  
 32 no event may a police officer or firefighter receive credit for prior years  
 33 of service if the police officer or firefighter is receiving a benefit or is  
 34 entitled to receive a benefit in the future from any other public pension  
 35 plan with respect to the prior years of service.

36 (c) Except as provided in section 18 of this chapter, a police  
 37 officer or firefighter is entitled to credit for all years of service after  
 38 April 30, 1977, with the police or fire department of an employer

1 covered by this chapter.

2 (d) A police officer or firefighter with twenty (20) years of service  
3 does not become a member of the 1977 fund and is not covered by this  
4 chapter, if he:

- 5 (1) was hired before May 1, 1977;
- 6 (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both  
7 of which were repealed September 1, 1981); and
- 8 (3) is rehired after April 30, 1977, by the same employer.

9 (e) A police officer or firefighter does not become a member of the  
10 1977 fund and is not covered by this chapter if he:

- 11 (1) was hired before May 1, 1977;
- 12 (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both  
13 of which were repealed September 1, 1981);
- 14 (3) was rehired after April 30, 1977, but before February 1,  
15 1979; and
- 16 (4) was made, before February 1, 1979, a member of a 1925,  
17 1937, or 1953 fund.

18 (f) A police officer or firefighter does not become a member of the  
19 1977 fund and is not covered by this chapter if he:

- 20 (1) was hired by the police or fire department of a unit before  
21 May 1, 1977;
- 22 (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both  
23 of which were repealed September 1, 1981);
- 24 (3) is rehired by the police or fire department of another unit  
25 after December 31, 1981; and
- 26 (4) is made, by the fiscal body of the other unit after December  
27 31, 1981, a member of a 1925, 1937, or 1953 fund of the other  
28 unit.

29 If the police officer or firefighter is made a member of a 1925, 1937, or  
30 1953 fund, he is entitled to receive credit for all his years of service,  
31 including years before January 1, 1982.

32 (g) As used in this subsection, "emergency medical services" and  
33 "emergency medical technician" have the meanings set forth in  
34 IC 16-18-2-110 and IC 16-18-2-112. A firefighter who:

- 35 (1) is employed by a unit that is participating in the 1977 fund;
- 36 (2) was employed as an emergency medical technician by a  
37 political subdivision wholly or partially within the department's  
38 jurisdiction;

1 (3) was a member of the public employees' retirement fund  
 2 during the employment described in subdivision (2); and  
 3 (4) ceased employment with the political subdivision and was  
 4 hired by the unit's fire department due to the reorganization of  
 5 emergency medical services within the department's jurisdiction;  
 6 shall participate in the 1977 fund. A firefighter who participates in the  
 7 1977 fund under this subsection is subject to sections 18 and 21 of this  
 8 chapter.

9 (h) A police officer or firefighter does not become a member of the  
 10 1977 fund and is not covered by this chapter if the individual was  
 11 appointed as:

12 (1) a fire chief under a waiver under IC 36-8-4-6(c); or  
 13 (2) a police chief under a waiver under IC 36-8-4-6.5(c);  
 14 unless the executive of the unit requests that the 1977 fund accept the  
 15 individual in the 1977 fund and the individual previously was a  
 16 member of the 1977 fund.

17 (i) A police matron hired or rehired after April 30, 1977, and  
 18 before July 1, 1996, who is a member of a police department in a  
 19 second or third class city on March 31, 1996, is a member of the 1977  
 20 fund.

21 (j) A park ranger who:  
 22 (1) completed at least ~~twelve (12)~~ **the number of** weeks of  
 23 training at the Indiana law enforcement academy **that were**  
 24 **required at the time the park ranger attended the Indiana**  
 25 **law enforcement academy;**  
 26 (2) graduated from the Indiana law enforcement academy; and  
 27 (3) is employed by the parks department of a city having a  
 28 population of more than one hundred twenty thousand (120,000)  
 29 but less than one hundred fifty thousand (150,000);  
 30 is a member of the fund."

31 Page 4, after line 42, begin a new paragraph and insert:

32 "SECTION 23. IC 36-8-8-12.7 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 12.7. (a) This section  
 34 applies to hearings conducted by local boards concerning  
 35 determinations of impairment under this chapter or of disability under  
 36 IC 36-8-5-2(g), IC 36-8-6, IC 36-8-7, and IC 36-8-7.5.

37 (b) At least five (5) days before the hearing, the local board shall  
 38 give notice to the fund member and the safety board of the time, date,

1 and place of the hearing.

2 (c) At the hearing, the local board shall permit the fund member  
3 and the safety board to:

- 4 (1) be represented by any individual;  
5 (2) through witnesses and documents, present evidence;  
6 (3) conduct cross-examination; and  
7 (4) present arguments.

8 (d) At the hearing, the local board shall require all witnesses to be  
9 examined under oath, which may be administered by a member of the  
10 local board.

11 (e) The local board shall, at the request of the fund member or the  
12 safety board, issue:

- 13 (1) subpoenas;  
14 (2) discovery orders; and  
15 (3) protective orders;

16 in accordance with the Indiana Rules of Trial Procedure that govern  
17 discovery, depositions, and subpoenas in civil actions.

18 (f) The local board shall have the hearing recorded so that a  
19 transcript may be made of the proceedings.

20 (g) After the hearing, the local board shall make its  
21 determinations, including findings of fact, in writing and shall provide  
22 copies of its determinations to the fund member and the safety board.

23 (h) The local board may on its own motion issue:

- 24 (1) subpoenas;  
25 (2) discovery orders; and  
26 (3) protective orders;

27 in accordance with the Indiana Rules of Trial Procedure that govern  
28 discovery, depositions, and subpoenas in civil actions.

29 (i) At the hearing, the local board may exclude evidence that is  
30 irrelevant, immaterial, unduly repetitious, or excludable on the basis of  
31 evidentiary privilege recognized by the courts.

32 (j) At the hearing, the local board may request the testimony of  
33 witnesses and the production of documents.

34 (k) If a subpoena or order is issued under this section, the party  
35 seeking the subpoena or order shall serve it in accordance with the  
36 Indiana Rules of Trial Procedure. However, if the subpoena or order is  
37 on the local board's own motion, the sheriff of the county in which the  
38 subpoena or order is to be served shall serve it. A subpoena or order

1 under this section may be enforced in the circuit or superior court of  
2 the county in which the subpoena or order is served.

3 (l) With respect to a hearing conducted for purposes of  
4 determining disability under IC 36-8-6, IC 36-8-7, or IC 36-8-7.5, the  
5 determination of the local board after a hearing is final and may be  
6 appealed to the court.

7 (m) With respect to a hearing conducted for purposes of  
8 determining impairment **or class of impairment** under this chapter, the  
9 fund member may appeal the local board's determinations. ~~if the local~~  
10 ~~board determines that a covered impairment does not exist.~~ An appeal  
11 under this subsection:

- 12 (1) must be made in writing;
- 13 (2) must state the class of impairment and the degree of
- 14 impairment that is claimed by the fund member;
- 15 (3) must include a written determination by the chief of the
- 16 police or fire department stating that there is no suitable and
- 17 available work; and
- 18 (4) must be filed with the local board and the PERF board's
- 19 director no later than thirty (30) days after the date on which the
- 20 fund member received a copy of the local board's determinations.

21 (n) To the extent required by the Americans with Disabilities Act,  
22 the transcripts, records, reports, and other materials generated as a  
23 result of a hearing, review, or appeal conducted to determine an  
24 impairment under this chapter or a disability under IC 36-8-6,  
25 IC 36-8-7, or IC 36-8-7.5 must be:

- 26 (1) retained in the separate medical file created for the member;
- 27 and
- 28 (2) treated as a confidential medical record."

29 Page 11, between lines 3 and 4, begin a new paragraph and insert:

30 "SECTION 27. [EFFECTIVE UPON PASSAGE] (a) **As used in**  
31 **this SECTION, "board" refers to the board of trustees of the**  
32 **public employees' retirement fund.**

33 (b) **Before November 1, 1998, the board shall do the following:**

- 34 (1) **Effective January 1, 1999, remove park rangers described**
- 35 **in IC 36-8-8-1(4), as amended by this act, from membership**
- 36 **in the public employees' retirement fund.**
- 37 (2) **For a park ranger described in IC 36-8-8-1(4), as**
- 38 **amended by this act, credit to the 1977 fund the amount of**

- 1           **contributions that:**
- 2                **(A) the park ranger has made to the public employees'**
- 3                **retirement fund; and**
- 4                **(B) the employer of the park ranger has made to the**
- 5                **public employees' retirement fund on behalf of the park**
- 6                **ranger.**
- 7           **(c) If a park ranger described in IC 36-8-8-1(4), as amended by**
- 8           **this act, becomes a participant in the 1977 fund, credit for prior**
- 9           **service before the date of participation or membership may be**
- 10           **given by the board only if the following occur:**
- 11                **(1) The amount the park ranger would have contributed if**
- 12                **the park ranger had been a member of the 1977 fund during**
- 13                **the park ranger's prior service is:**
- 14                **(A) fully paid; and**
- 15                **(B) based on the park ranger's actual salary earned**
- 16                **during that period.**
- 17           **However, the board may accept payment over a period not**
- 18           **greater than five (5) years at a rate of interest determined by**
- 19           **the board.**
- 20                **(2) If the park ranger has prior service in the 1977 fund, the**
- 21                **unit contributes to the 1977 fund the amount necessary to**
- 22                **fund prior service liability amortized over not more than ten**
- 23                **(10) years.**
- 24           **(d) If a park ranger becomes a participant in the 1977 fund,**
- 25           **the following provisions apply:**
- 26                **(1) A minimum benefit applies to a park ranger who**
- 27                **transfers to the 1977 fund from the public employees'**
- 28                **retirement fund. The minimum benefit for such a member,**
- 29                **payable at fifty-five (55) years of age, equals the actuarial**
- 30                **equivalent of the vested retirement benefit payable to the**
- 31                **member upon normal retirement under IC 5-10.2-4-1 as of**
- 32                **the day before the transfer, based solely on:**
- 33                **(A) creditable service; and**
- 34                **(B) the average of the annual compensation;**
- 35                **of the transferring member as of the day before the transfer.**
- 36                **(2) The board shall transfer from the public employees'**
- 37                **retirement fund to the 1977 fund the present value of the**
- 38                **retirement benefits payable at sixty-five (65) years of age**

- 1           **attributable to the transferring member.**
- 2           **(3) The amount the member and the unit must contribute to**  
3           **the 1977 fund shall be reduced by the amounts transferred to**  
4           **the 1977 fund by the board under subdivision (2).**
- 5           **(4) Credit for prior service in the public employees'**  
6           **retirement fund of a member as a park ranger is waived in**  
7           **the public employees' retirement fund. Any credit for that**  
8           **service under the 1977 fund shall be given only in accordance**  
9           **with subsection (c).**
- 10          **(5) Credit for prior service in the public employees'**  
11          **retirement fund of a member, other than as a park ranger,**  
12          **remains in the public employees' retirement fund and may**  
13          **not be credited under the 1977 fund.**
- 14          **(e) A park ranger described in IC 36-8-8-1(4), as amended by**  
15          **this act, shall be treated as having been a member of the**  
16          **appropriate fund from the date of employment for all purposes,**  
17          **including the calculation of benefits and eligibility for benefits.**
- 18          **(f) This SECTION expires July 1, 1998.**
- 19          SECTION 28. [EFFECTIVE UPON PASSAGE] **(a) The pension**  
20          **management oversight commission established by IC 2-5-12 shall**  
21          **study the creation of a pension system for town marshals to be**  
22          **effective July 1, 1999.**
- 23          **(b) The pension management oversight commission shall make**  
24          **recommendations to the general assembly before November 2,**  
25          **1998, concerning the results of the study described in subsection**  
26          **(a).**
- 27          **(c) This SECTION expires December 31, 1998.**
- 28          SECTION 29. [EFFECTIVE APRIL 1, 1998] **The PERF board**  
29          **(as defined in IC 2-3.5-2-9) may consider a claim for benefits under**  
30          **IC 5-10.2-4-6(a), as amended by this act, even if the disability of the**  
31          **member making the claim arose from events occurring after**  
32          **March 31, 1994, and before April 2, 1998. A benefit claim**

1 **approved by the PERF board under this SECTION is payable after**  
2 **the later of April 1, 1998, or the date of the member's claim."**

3 Renumber all SECTIONS consecutively.  
(Reference is to SB 120 as printed January 30, 1998.)

**and when so amended that said bill do pass.**

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Representative Bauer