

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.

## HOUSE ENROLLED ACT No. 1986

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AN ACT to amend the Indiana Code concerning pensions.

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

SECTION 1. IC 5-10.2-5-27 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 27. (a) The pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable after June 30, 1999, to a member of the public employees' retirement fund or the Indiana state teachers' retirement fund (or to a survivor or beneficiary of a member of the public employees' retirement fund or the Indiana state teachers' retirement fund) who retired or was disabled:**

- (1) after July 1, 1990, and before July 2, 1995, shall be increased by one and one-quarter percent (1.25%);
- (2) after July 1, 1980, and before July 2, 1990, shall be increased by two percent (2%);
- (3) after July 1, 1970, and before July 2, 1980, shall be increased by five percent (5%);
- (4) after July 1, 1960, and before July 2, 1970, shall be increased by seven percent (7%); and
- (5) before July 2, 1960, shall be increased by nine percent (9%).

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**(b) The increases specified in this section:**

- (1) are based upon the date of the member's latest retirement or disability;**
- (2) do not apply to benefits payable in a lump sum; and**
- (3) are in addition to any other increase provided by law.**

SECTION 2. IC 5-10.2-5-28 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 28. (a) The pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable after June 30, 2000, to a member of the public employees' retirement fund or the Indiana state teachers' retirement fund (or to a survivor or beneficiary of a member of the public employees' retirement fund or the Indiana state teachers' retirement fund) who retired or was disabled:**

- (1) after July 1, 1990, and before July 2, 1996, shall be increased by one percent (1%);**
- (2) after July 1, 1980, and before July 2, 1990, shall be increased by two percent (2%);**
- (3) after July 1, 1970, and before July 2, 1980, shall be increased by five percent (5%);**
- (4) after July 1, 1960, and before July 2, 1970, shall be increased by seven percent (7%); and**
- (5) before July 2, 1960, shall be increased by nine percent (9%).**

**(b) The increases specified in this section:**

- (1) are based upon the date of the member's latest retirement or disability;**
- (2) do not apply to benefits payable in a lump sum; and**
- (3) are in addition to any other increase provided by law.**

SECTION 3. IC 5-10.2-5-29 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 29. (a) In addition to any other cost of living provided under this chapter, the pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable after June 30, 1999, to a member of the public employees' retirement fund or the Indiana state teachers' retirement fund (or to a survivor or beneficiary of a member of the public employees' retirement fund or the Indiana state teachers' retirement fund) who retired or was disabled before July 2, 1960, shall be increased by the amount necessary to ensure that the purchasing power (as determined by**

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the PERF or TRF board, based on changes in the consumer price index and postretirement increases to the pension portion) of the member's pension portion is at least equal to fifty percent (50%) of the purchasing power of the member's pension portion at the time the member retired, as determined on July 1, 1999.

(b) The increases specified in this section:

- (1) are based upon the date of the member's latest retirement or disability;
- (2) do not apply to benefits payable in a lump sum; and
- (3) are in addition to any other increase provided by law.

SECTION 4. IC 5-10.2-5-30 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 30. (a) In addition to any other cost of living provided under this chapter, the pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable after June 30, 2000, to a member of the public employees' retirement fund or the Indiana state teachers' retirement fund (or to a survivor or beneficiary of a member of the public employees' retirement fund or the Indiana state teachers' retirement fund) who retired or was disabled before July 2, 1975, shall be increased by the amount necessary to ensure that the purchasing power (as determined by the PERF or TRF board, based on changes in the consumer price index and postretirement increases to the pension portion) of the member's pension portion is at least equal to fifty-seven and four-tenths percent (57.4%) of the purchasing power of the member's pension portion at the time the member retired, as determined on July 1, 2000.

(b) The increases specified in this section:

- (1) are based upon the date of the member's latest retirement or disability;
- (2) do not apply to benefits payable in a lump sum; and
- (3) are in addition to any other increase provided by law.

SECTION 5. [EFFECTIVE JULY 1, 1999] (a) As used in this SECTION, "fund" refers to the Indiana state teachers' retirement fund.

(b) The amount determined in the following STEPS shall be paid from the annuity reserve account of the fund on November 1, 1999, to any person who was a retired member (or to a survivor or beneficiary of a retired member) of the fund as of July 2, 1998, and who was entitled to receive a monthly benefit on October 1, 1999. The amount shall be paid in a single check. The amount is not an

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increase in the pension portion of the monthly benefit.

**STEP ONE: Determine the difference between:**

- (A) the balance in the fund's retired teacher annuity reserve account as of June 30, 1998; and
- (B) the computed liability of the annuity portion of the normal allowance for the retired members as of June 30, 1998.

**STEP TWO: Multiply the STEP ONE result by ten percent (10%).**

(c) The amounts distributed under subsection (b) shall be distributed to each retired member (or to the survivor or beneficiary of a retired member) who meets the requirements of subsection (b) in an amount determined under the following STEPS:

**STEP ONE: Determine the sum of:**

- (A) the total number of years of creditable service (excluding creditable service under Acts 1965, c.410, s.4) in the fund of all retired members eligible to receive a portion of the distribution; plus
- (B) the total number of years that all retired members who are eligible to receive a portion of the distribution have been retired.

**STEP TWO: Determine the sum of:**

- (A) the eligible retired member's total number of years of creditable service (excluding creditable service under Acts 1965, c.410, s.4) in the fund; plus
- (B) the total number of years since the eligible retired member retired from the last covered position held by the member.

**STEP THREE: Divide the amount determined in STEP TWO by the amount determined in STEP ONE.**

**STEP FOUR: Multiply the amount determined in STEP THREE by the amount of the distribution under STEP TWO of subsection (b).**

**STEP FIVE: Determine the greater of fifty dollars (\$50) or the amount determined in STEP FOUR.**

**(d) This SECTION expires December 1, 1999.**

SECTION 6. [EFFECTIVE JULY 1, 1999] (a) As used in this SECTION, "fund" refers to the public employees' retirement fund, with respect to members (and survivors and beneficiaries of members) of that fund, and the excise police and conservation enforcement officers' retirement plan, with respect to members

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(and survivors and beneficiaries of members) of that fund.

(b) The amount determined in this SECTION shall be paid from the fund November 1, 1999, to any person who was a retired member (or to a survivor or beneficiary of a retired member) of the fund as of July 2, 1998, and who was entitled to receive a monthly benefit on October 1, 1999. The amount shall be paid in a single check. The amount is not an increase in the pension portion of the monthly benefit.

(c) The greater of the following shall be paid from the fund to a retired member (or to a survivor or beneficiary of a retired member) who meets the requirements of subsection (b):

(1) Fifty dollars (\$50).

(2) The amount determined as follows:

**STEP ONE:** Determine the product of twelve (12) multiplied by the pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable the month before the payment is made under this SECTION to the member (or to a survivor or beneficiary of the member).

**STEP TWO:** Multiply the amount determined in STEP ONE by the applicable percentage from the following table:

Calendar Year of Last Retirement of Member	Applicable Percentage
1950 through 1969	7%
1970 through 1977	6%
1978 through 1981	5%
1982 through 1985	4%
1986 through 1989	3%
1990 through 1998	2%

(d) This SECTION expires December 1, 1999.

SECTION 7. [EFFECTIVE JULY 1, 2000] (a) As used in this SECTION, "fund" refers to the Indiana state teachers' retirement fund.

(b) The amount determined in the following STEPS shall be paid from the annuity reserve account of the fund on November 1, 2000, to any person who was a retired member (or to a survivor or beneficiary of a retired member) of the fund as of July 2, 1999, and who was entitled to receive a monthly benefit on October 1, 2000. The amount shall be paid in a single check. The amount is not an increase in the pension portion of the monthly benefit.

**STEP ONE:** Determine the difference between:

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- (A) the balance in the fund's retired teacher annuity reserve account as of June 30, 1999; and
- (B) the computed liability of the annuity portion of the normal allowance for the retired members as of June 30, 1999.

**STEP TWO:** Multiply the STEP ONE result by ten percent (10%).

(c) The amounts distributed under subsection (b) shall be distributed to each retired member (or to a survivor or beneficiary of a retired member) who meets the requirements of subsection (b) in an amount determined under the following STEPS:

**STEP ONE:** Determine the sum of:

- (A) the total number of years of creditable service (excluding creditable service under Acts 1965, c.410, s.4) in the fund of all retired members eligible to receive a portion of the distribution; plus
- (B) the total number of years that all retired members who are eligible to receive a portion of the distribution have been retired.

**STEP TWO:** Determine the sum of:

- (A) the eligible retired member's total number of years of creditable service (excluding creditable service under Acts 1965, c.410, s.4) in the fund; plus
- (B) the total number of years since the eligible retired member retired from the last covered position held by the member.

**STEP THREE:** Divide the amount determined in STEP TWO by the amount determined in STEP ONE.

**STEP FOUR:** Multiply the amount determined in STEP THREE by the amount of the distribution under STEP TWO of subsection (b).

**STEP FIVE:** Determine the greater of fifty dollars (\$50) or the amount determined in STEP FOUR.

(d) This SECTION expires December 1, 2000.

SECTION 8. [EFFECTIVE JULY 1, 2000] (a) As used in this SECTION, "fund" refers to the public employees' retirement fund, with respect to members (and survivors and beneficiaries of members) of that fund, and the excise police and conservation enforcement officers' retirement plan, with respect to members (and survivors and beneficiaries of members) of that fund.

(b) The amount determined in this SECTION shall be paid from the fund November 1, 2000, to any person who was a retired

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member (or to a survivor or beneficiary of a retired member) of the fund as of July 2, 1999, and who was entitled to receive a monthly benefit on October 1, 2000. The amount shall be paid in a single check. The amount is not an increase in the pension portion of the monthly benefit.

(c) The greater of the following shall be paid from the fund to a retired member (or to a survivor or beneficiary of a retired member) who meets the requirements of subsection (b):

(1) Fifty dollars (\$50).

(2) The amount determined as follows:

**STEP ONE:** Determine the product of twelve (12) multiplied by the pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable the month before the payment is made under this SECTION to the member (or to a survivor or beneficiary of the member).

**STEP TWO:** Multiply the amount determined in STEP ONE by the applicable percentage from the following table:

Calendar Year of Last Retirement of Member	Applicable Percentage
1950 through 1969	7%
1970 through 1977	6%
1978 through 1981	5%
1982 through 1985	4%
1986 through 1989	3%
1990 through 1999	2%

(d) This SECTION expires December 1, 2000.

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