

SENATE BILL No. 194

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10.3-11-1; IC 21-6.1-2-8.

Synopsis: Pension relief fund and TRF pension stabilization fund appropriations. Annually appropriates \$100,000,000 to the pension stabilization fund and \$25,000,000 to the "m portion" of the pension relief fund from the state general fund.

Effective: July 1, 1999.

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January 6, 1999, read first time and referred to Committee on Finance.

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Introduced

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.

SENATE BILL No. 194

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

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

1 SECTION 1. IC 5-10.3-11-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) There is created
3 within the public employees' retirement fund a separate account known
4 as the pension relief fund. This fund is administered by the board of
5 trustees of the public employees' retirement fund, referred to as the
6 "state board" in this chapter. The pension relief fund consists of
7 revenues received under IC 6-7-1-28.1(4), IC 7.1-4-12-1, any
8 appropriations to the fund, and earnings on these revenues.

9 (b) **There is annually appropriated to the "m portion" of the**
10 **pension relief fund twenty-five million dollars (\$25,000,000) from**
11 **the state general fund for carrying out the purposes of the pension**
12 **relief fund.**

13 SECTION 2. IC 21-6.1-2-8 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) It is the intent of
15 the 1995 session of the general assembly that the state create a program
16 to stabilize the state's general fund teacher pension expenditures as a
17 percentage of the general fund budget.

1999

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1 (b) The pension stabilization fund is established. The pension
2 stabilization fund shall be a part of the pre-1996 account and shall be
3 administered by the board of trustees of TRF in accordance with the
4 powers and duties granted to the board of trustees in IC 21-6.1-3-6,
5 IC 21-6.1-3-7, and IC 21-6.1-3-9 through IC 21-6.1-3-15.

6 (c) Amounts allocated to the pension stabilization fund under
7 IC 4-30-16-3, a portion of employer reserve balance (as determined by
8 the budget director so that the employer reserve is sufficient for the
9 cash flow needs), and other amounts appropriated to the pension
10 stabilization fund by the general assembly shall be deposited in the
11 pension stabilization fund.

12 (d) Expenditures from the fund may not be made until state fiscal
13 year 2006. After state fiscal year 2006, payments from the fund will
14 equal the pre-1996 Indiana state teachers' retirement fund pension
15 liabilities for the current fiscal year minus the prior year's state general
16 fund payments for the pre-1996 Indiana state teachers' retirement fund
17 times the pension stabilization percentage. The pension stabilization
18 percentage shall be set at one hundred six percent (106%). The budget
19 agency, after review by the state budget committee and with the
20 approval of the governor, may change the pension stabilization
21 percentage such that the present value of future payments from the
22 fund equal the fund's balance plus the present value of future receipts
23 to the fund, but the payments may not allow the fund balance to be
24 negative.

25 (e) Money in the pension stabilization fund at the end of a state
26 fiscal year does not revert to the state general fund.

27 **(f) There is annually appropriated to the pension stabilization**
28 **fund one hundred million dollars (\$100,000,000) from the state**
29 **general fund for carrying out the purposes of the pension**
30 **stabilization fund.**

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