

# SENATE BILL No. 670

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-8-10.

**Synopsis:** Pensions for Lake County jail employees. Provides that the sheriff's department in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000) may set up a pension trust for the correctional officers in the county. Allows contributions to the pension trust fund of 4% deducted from the correctional officers' salaries to be made each month by the county treasurer. Provides that a correctional officer who contributes to the fund is vested for benefits after 10 years of service. Allows full retirement benefits to be paid to a vested correctional officer at 55 years of age, and at 45 years of age if the correctional officer has accrued at least 20 years of service. Provides for disability retirement  
(Continued next page)

**Effective:** July 1, 1999.

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January 22, 1999, read first time and referred to Committee on Pensions and Labor.

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Digest Continued

benefits if the correctional officer is found to not be physically or mentally capable of performing the duties of an officer. Provides that the normal retirement benefit is: (1) the sum of one dollar plus 2 1/2% of the participant's average monthly compensation during the highest paid five years of service, multiplied by the participant's years of credited service up to 20 years; and (2) an additional 2% of the participant's average monthly compensation during the highest paid five years of service multiplied by the participant's years of credited service in excess of 20 years up to an additional 12 years. Allows a correctional officer participating in the pension plan who had been a member of the public employees' retirement fund to receive credit for the same service if the correctional officer purchases, at the total actual cost to the plan, service credit for prior service in the public employees' retirement fund. Allows the sheriff's department to establish and operate a death benefit program for the survivors of a deceased correctional officer.

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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.

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## SENATE BILL No. 670



A BILL FOR AN ACT to amend the Indiana Code concerning local government.

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

1 SECTION 1. IC 36-8-10-2 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. As used in this  
 3 chapter:  
 4 "Board" refers to the sheriff's merit board established under this  
 5 chapter.  
 6 "Department" refers to the sheriff's department of a county.  
 7 "Eligible employee" means the sheriff of a county, ~~or~~ a county  
 8 police officer, **or a correctional officer as set forth in sections 12.5**  
 9 **and 15 of this chapter.**  
 10 "Employee beneficiary" means an eligible employee who has  
 11 completed an application to become an employee beneficiary and who  
 12 has had the proper deductions made from his wages as required in the  
 13 pension trust agreement.  
 14 "Net amount paid into the trust fund from wages of an employee  
 15 beneficiary" means the amount of money actually paid in from the



1 wages of the employee beneficiary, plus interest at the rate of three  
2 percent (3%) compounded annually and less a sum including interest  
3 at the same rate, paid from the trust fund to the employee beneficiary  
4 or to a governmental fund for the credit or benefit of the employee  
5 beneficiary.

6 "Pension engineers" means technical consultants qualified to  
7 supervise and assist in the establishment, maintenance, and operation  
8 of a pension trust on an actuarially sound basis.

9 "Trust fund" means the assets of the pension trust and consists of  
10 voluntary contributions from the department, money paid from the  
11 wages of employee beneficiaries, and other payments or contributions  
12 made to the pension trust, including the income and proceeds derived  
13 from the investment of them.

14 "Trustee" refers to the trustee of the pension trust, who may be one  
15 (1) or more corporate trustees or the treasurer of the county serving  
16 under bond.

17 SECTION 2. IC 36-8-10-12.5 IS ADDED TO THE INDIANA  
18 CODE AS A NEW SECTION TO READ AS FOLLOWS  
19 [EFFECTIVE JULY 1, 1999]: **Sec. 12.5. (a) This section applies to a**  
20 **county having a population of more than four hundred thousand**  
21 **(400,000) but less than seven hundred thousand (700,000).**

22 **(b) As used in this section, "county" means a county having a**  
23 **population of more than four hundred thousand (400,000) but less**  
24 **than seven hundred thousand (700,000).**

25 **(c) As used in this section, "correctional officer" has the**  
26 **meaning set forth in IC 5-10-10-1.5(1).**

27 **(d) The department of a county with a trustee may establish a**  
28 **retirement plan for the benefit of the correctional officers of the**  
29 **county.**

30 **(e) Contributions to the pension trust fund consisting of four**  
31 **percent (4%) of the participant's salary shall be made by the**  
32 **county and the participant.**

33 **(f) The disbursing officer of the county under IC 36-2-10-9 shall**  
34 **do the following:**

35 **(1) Deduct the amount of the contribution each month from**  
36 **the member's salary.**

37 **(2) Send the contributions to the trust fund.**

38 **(3) Keep a proper accounting of the contributions made by**  
39 **each member beneficiary.**

40 **(g) If a correctional officer no longer is an employee beneficiary**  
41 **due to death, disability, termination of employment with the**  
42 **department, retirement, or any other reason, the former employee**



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1 beneficiary or the estate is entitled to receive at least the net  
 2 amount paid into the trust fund from salary, either in a lump sum  
 3 or in monthly installments not less than the pension amount due.

4 (h) An employee beneficiary may retire and receive retirement  
 5 benefits subject to the following:

6 (1) The employee must have accrued ten (10) years of service  
 7 as a correctional officer in a county.

8 (2) Subject to the vesting requirements in subsection (1), an  
 9 employee beneficiary may retire at any earlier date and may  
 10 receive retirement benefits at fifty-five (55) years of age.

11 (3) An employee beneficiary with at least twenty (20) years of  
 12 service as a correctional officer in a county may retire and  
 13 may receive retirement benefits at forty-five (45) years of age.

14 (4) An employee beneficiary who has accrued at least ten (10)  
 15 but less than twenty (20) years of service as a correctional  
 16 employee in a county may receive retirement benefits subject  
 17 to the following:

18 (A) The employee beneficiary may receive retirement  
 19 benefits at fifty-five (55) years of age.

20 (B) The pension amount is proportional to the length of  
 21 service of the employee beneficiary.

22 (5) The sheriff may retire an employee beneficiary who is  
 23 otherwise eligible for retirement if the board finds that the  
 24 employee is not physically or mentally capable of performing  
 25 the duties of an officer.

26 (i) The normal retirement benefit is:

27 (1) the sum of one dollar (\$1) plus two and one-half percent  
 28 (2 1/2%) of the participant's average monthly compensation  
 29 during the highest paid five (5) years of service, multiplied by  
 30 the participant's years of credited service up to twenty (20)  
 31 years; and

32 (2) an additional two percent (2%) of the participant's  
 33 average monthly compensation during the highest paid five  
 34 (5) years of service multiplied by the participant's years of  
 35 credited service exceeding twenty (20) years up to an  
 36 additional twelve (12) years.

37 (j) The early retirement benefit is the normal retirement benefit  
 38 as computed in subsection (i), reduced by five percent (5%) for  
 39 each full or partial year less than fifty-five (55) years of age at the  
 40 time of retirement.

41 (k) An employee who retires and who is drawing a pension  
 42 benefit on the basis of age is entitled to receive a monthly income



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1 in the proper amount of the pension for life.

2 (l) This section applies to an employee beneficiary who:

3 (1) is participating under this chapter;

4 (2) was a member of the public employees' retirement fund  
5 before July 1, 1999; and

6 (3) received credited service under the public employees'  
7 retirement fund for the employment described in subdivision  
8 (2).

9 (m) If an employee beneficiary becomes a participant in a  
10 retirement plan under this chapter, the trustee shall grant credit  
11 under this chapter for service described in subsection (l) if:

12 (1) the prior service was credited under the public employees'  
13 retirement fund; and

14 (2) the employee beneficiary pays in a lump sum or a series of  
15 payments determined by the trustee, the amount to be  
16 determined by the trustee as the total actual cost to the plan.

17 (n) If the requirements of subsection (m) are not satisfied, an  
18 employee beneficiary is entitled to credit only for years of service  
19 after the date of participation in the retirement plan.

20 (o) An amortization schedule for contributions paid under this  
21 section must include interest at a rate determined by the trustee.

22 (p) If the requirements of subsection (m) are satisfied, the public  
23 employees' retirement fund board shall transfer from the public  
24 employees' retirement fund to the retirement fund described in this  
25 chapter the amount credited to the employee beneficiary's annuity  
26 savings account and the present value of the retirement benefit  
27 payable at the time of transfer that is attributable to the  
28 transferring participant.

29 (q) If the requirements of subsection (m)(2) are satisfied, credit  
30 for the same prior service in the public employees' retirement fund  
31 is waived.

32 (r) The trustee shall administer the plan in accordance with  
33 section 12(f), 12(k), 12(l), 12(m), 12(n), and 12(o) of this chapter.

34 (s) The department may establish and operate a death benefit  
35 program for the survivors of the deceased employee beneficiary,  
36 subject to section 14 of this chapter.

37 (t) An employee beneficiary may receive disability benefits  
38 subject to the maximum amount provided in section 15(b) of this  
39 chapter until the earlier of:

40 (1) death; or

41 (2) recovery from the disability.

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