

HOUSE BILL No. 1293

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10.2-4-7.

Synopsis: PERF and TRF benefits. Allows a member of the public employees' retirement fund or the teachers' retirement fund to designate a new beneficiary if the member's existing beneficiary dies. Provides that if the member chooses the joint and survivor option and elects to change the member's beneficiary after the death of the existing beneficiary, the member shall receive an actuarially adjusted and recalculated benefit for the remainder of the member's life and the life of the newly designated beneficiary. Provides that if a member chooses the joint and survivor option and the member's beneficiary dies while the member is receiving benefits, the member may elect to receive the guaranteed retirement benefit in an amount equal to the amount that
(Continued next page)

Effective: July 1, 1999.

Ripley

January 11, 1999, read first time and referred to Committee on Labor and Employment.

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Digest Continued

would have been paid to the member if the member had elected the guaranteed retirement benefit on the date of the member's retirement.

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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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HOUSE BILL No. 1293



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

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

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

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

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



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

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

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

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

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

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

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

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

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

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