

# HOUSE BILL No. 1468

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 2-3.5.

**Synopsis:** Legislator pensions. Provides that after June 30, 1999, service earned by members of the general assembly is covered by the public employees' retirement fund and the Indiana state teachers' retirement fund.

**Effective:** July 1, 1999.

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January 19, 1999, read first time and referred to Committee on Ways and Means.

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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. 1468



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 2-3.5-1-2 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) A member of the  
 3 general assembly who is serving on April 30, 1989, may elect to  
 4 become a participant in both the defined benefit plan and the defined  
 5 contribution plan of the legislators' retirement system, as provided by  
 6 IC 2-3.5-3-1. If such a member does not elect to become a participant  
 7 in the legislators' retirement system, that member is not affected by this  
 8 article and is instead covered by IC 5-10.2, IC 5-10.3, and IC 21-6.1.  
 9 (b) Notwithstanding IC 5-10.3-7-2 or any other law, a member of  
 10 the general assembly who is a participant in the legislators' defined  
 11 benefit plan shall also be a member of PERF or TRF while serving in  
 12 another position covered by PERF or TRF. However, the following  
 13 provisions apply to a participant who is also a member of PERF or  
 14 TRF:  
 15 (1) The PERF board or TRF board shall include the participant's  
 16 years of service in the general assembly in the determination of  
 17 eligibility for benefits under PERF or TRF.



1 (2) Except as provided in subdivision (4), the PERF board or TRF  
 2 board shall not include in the computation of benefits from PERF  
 3 or TRF the participant's:

4 (A) salary as a member of the general assembly; or

5 (B) years of service as a member of the general assembly.

6 (3) The participant is not required to make annuity contributions  
 7 to PERF or TRF for service as a member of the general assembly  
 8 after July 1, 1989, **and before July 1, 1999.**

9 (4) IC 5-10.2-4-3.1 and the special provisions for members of the  
 10 general assembly in IC 5-10.2-3-7.5, IC 5-10.3-7-3, IC 5-10.3-7-7,  
 11 IC 5-10.3-8-2, IC 20-6.1-6-14, and IC 21-6.1-5-7.5 do apply to the  
 12 determination of the participant's benefits under PERF and TRF  
 13 for benefits earned before July 1, 1989. IC 5-10.2-4-3.1 and the  
 14 special provisions for members of the general assembly in  
 15 IC 5-10.2-3-7.5, IC 5-10.3-7-3, IC 5-10.3-7-7, IC 5-10.3-8-2,  
 16 IC 20-6.1-6-14(c), and IC 21-6.1-5-7.5 do not apply to the  
 17 determination of the participant's benefits under PERF or TRF for  
 18 benefits earned after June 30, 1989, **and before July 1, 1999.**

19 SECTION 2. IC 2-3.5-1-3 IS AMENDED TO READ AS  
 20 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. A member of the  
 21 general assembly who is elected or appointed to the general assembly  
 22 for the first time after April 30, 1989, is a participant in the defined  
 23 contribution plan of the legislators' retirement system. **However,**  
 24 **service earned by a member of the general assembly after June 30,**  
 25 **1999, is covered by IC 5-10.2, IC 5-10.3, and IC 21-6.1.**

26 SECTION 3. IC 2-3.5-1-4 IS AMENDED TO READ AS  
 27 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) A member of the  
 28 general assembly who:

29 (1) served as a member of the general assembly before April 30,  
 30 1989;

31 (2) was not serving as a member of the general assembly on April  
 32 30, 1989; and

33 (3) ~~is~~ **was** subsequently elected or appointed to the general  
 34 assembly **before July 1, 1999;**

35 is a participant in the defined contribution plan of the legislators'  
 36 retirement system **for service earned before July 1, 1999.**

37 (b) The PERF and TRF benefits earned by a participant described  
 38 in subsection (a) before July 1, 1989, for service as a member of the  
 39 general assembly or in another covered position, are not affected by  
 40 this article. However, the following provisions apply to such a  
 41 participant who is also a member of PERF or TRF:

42 (1) The PERF board or TRF board shall include the participant's

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1 years of service in the general assembly in the determination of  
2 eligibility for benefits under PERF or TRF.

3 (2) The PERF board or TRF board shall not include in the  
4 computation of benefits from PERF or TRF the participant's:

5 (A) salary as a member of the general assembly that is  
6 received after July 1, 1989, **and before July 1, 1999**; or

7 (B) years of service as a member of the general assembly after  
8 July 1, 1989, **and before July 1, 1999**.

9 (3) The participant is not required to make annuity contributions  
10 to PERF or TRF for service as a member of the general assembly  
11 after July 1, 1989, **and before July 1, 1999**.

12 (4) If IC 5-10.2-4-3.1 or any of the special provisions for members  
13 of the general assembly in IC 5-10.2-3-7.5, IC 5-10.3-7-3,  
14 IC 5-10.3-7-7, IC 5-10.3-8-2, IC 20-6.1-6-14, and IC 21-6.1-5-7.5  
15 applied to the determination of the participant's benefits under  
16 PERF or TRF before July 1, 1989, those provisions do not apply  
17 to the determination of the participant's benefits under PERF or  
18 TRF for benefits earned after July 1, 1989, **and before July 1,**  
19 **1999**.

20 SECTION 4. IC 2-3.5-2-11 IS AMENDED TO READ AS  
21 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 11. "Service" means the  
22 period beginning on the day a participant first became a member of the  
23 general assembly, whether that date is before, on, or after July 1, 1989,  
24 and ending on:

- 25 (1) the date under consideration, including all intervening  
26 employment as a member of the general assembly, following  
27 resignation or expiration of a term of election or appointment; **or**  
28 (2) **June 30, 1999**;

29 **whichever is earlier.**

30 SECTION 5. IC 2-3.5-3-1 IS AMENDED TO READ AS  
31 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) This chapter  
32 applies to:

33 (1) each member of the general assembly who is serving on April  
34 30, 1989, and who files an election under subsection (b); and

35 (2) each member of the general assembly who is elected or  
36 appointed after April 30, 1989, **and before July 1, 1999**.

37 **However, service earned by a member of the general assembly**  
38 **after June 30, 1999, is covered by IC 5-10.2, IC 5-10.3, and**  
39 **IC 21-6.1.**

40 (b) A member of the general assembly who is serving on April 30,  
41 1989, may elect to have the member's years of service in the general  
42 assembly **before July 1, 1999**, covered by this chapter, IC 2-3.5-4, and

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1 IC 2-3.5-5 instead of IC 5-10.2, IC 5-10.3, and IC 21-6.1. An election  
2 under this subsection:

- 3 (1) must be made in writing;  
4 (2) must be filed with the PERF board on a form prescribed by the  
5 board;  
6 (3) must be made before January 1, 1990; and  
7 (4) is irrevocable.

8 (c) Notwithstanding subsection (b), if a member of the general  
9 assembly files an election under subsection (b), the PERF board or the  
10 TRF board shall include all of the member's years of service in the  
11 general assembly in the determination of eligibility for benefits under  
12 PERF or TRF. However, except as provided by IC 2-3.5-1-2(b), the  
13 PERF board or TRF board shall not include in the computation of  
14 benefits from PERF or TRF the member's:

- 15 (1) salary as a member of the general assembly received after  
16 April 30, 1989, **and before July 1, 1999**; or  
17 (2) years of service as a member of the general assembly after  
18 April 30, 1989, **and before July 1, 1999**.

19 SECTION 6. IC 2-3.5-5-1 IS AMENDED TO READ AS  
20 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. This chapter applies  
21 to:

- 22 (1) each member of the general assembly who is serving on April  
23 30, 1989, and who files an election under IC 2-3.5-3-1(b); and  
24 (2) each member of the general assembly who is elected or  
25 appointed after April 30, 1989, **and before July 1, 1999**.

26 **However, service earned by a member of the general assembly**  
27 **after June 30, 1999, is covered by IC 5-10.2, IC 5-10.3, and**  
28 **IC 21-6.1.**

29 SECTION 7. IC 2-3.5-5-4 IS AMENDED TO READ AS  
30 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. Each participant  
31 shall make contributions to the defined contribution fund of five  
32 percent (5%) of each payment of salary received for services after June  
33 30, 1989, **and before July 1, 1999**. Contributions shall be deducted  
34 from the salary of each participant by the auditor of state. Contributions  
35 shall be credited to the fund on the June 30 following their deduction.

36 SECTION 8. IC 2-3.5-5-5 IS AMENDED TO READ AS  
37 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. The state shall make  
38 contributions to the defined contribution fund on behalf of each  
39 participant on June 30 of each year. The amount of these contributions  
40 must equal twenty percent (20%) of the annual salary received in that  
41 year by each participant for services after June 30, 1989, **and before**  
42 **July 1, 1999**.



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