

# HOUSE BILL No. 1169

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-10.2-5-33; IC 5-10.2-5-34.

**Synopsis:** TRF COLAs and "thirteenth checks". Provides for a cost of living adjustment (COLA) and a supplemental "thirteenth check" for members of the teachers retirement fund (TRF) (or their survivors or beneficiaries) for 2004 and 2005.

**Effective:** July 1, 2003.

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**Herrell, Scholer**

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January 8, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

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 2002 Regular or Special Session of the General Assembly.

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## HOUSE BILL No. 1169



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 5-10.2-5-33 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2003]: **Sec. 33. (a) The pension portion (plus postretirement**  
4 **increases to the pension portion) provided by employer**  
5 **contributions of the monthly benefit payable after December 31,**  
6 **2003, to a member of the Indiana state teachers' retirement fund**  
7 **(or to a survivor or beneficiary of a member of the Indiana state**  
8 **teachers' retirement fund) who retired or was disabled:**  
9 (1) after July 1, 1996, and before July 2, 2001, shall be  
10 increased by one percent (1%);  
11 (2) after July 1, 1978, and before July 2, 1996, shall be  
12 increased by two percent (2%); and  
13 (3) before July 2, 1978, shall be increased by three percent  
14 (3%).  
15 (b) The increases specified in this section:  
16 (1) are based upon the date of the member's latest retirement  
17 or disability;



1           **(2) do not apply to benefits payable in a lump sum; and**

2           **(3) are in addition to any other increase provided by law.**

3           SECTION 2. IC 5-10.2-5-34 IS ADDED TO THE INDIANA CODE  
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
5 1, 2003]: **Sec. 34. (a) The pension portion (plus postretirement  
6 increases to the pension portion) provided by employer  
7 contributions of the monthly benefit payable after December 31,  
8 2004, to a member of the Indiana state teachers' retirement fund  
9 (or to a survivor or beneficiary of a member of the Indiana state  
10 teachers' retirement fund) who retired or was disabled:**

11           **(1) after July 1, 1996, and before July 2, 2002, shall be  
12 increased by one percent (1%);**

13           **(2) after July 1, 1978, and before July 2, 1996, shall be  
14 increased by two percent (2%); and**

15           **(3) before July 2, 1978, shall be increased by three percent  
16 (3%).**

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

18           **(1) are based upon the date of the member's latest retirement  
19 or disability;**

20           **(2) do not apply to benefits payable in a lump sum; and**

21           **(3) are in addition to any other increase provided by law.**

22           SECTION 3. [EFFECTIVE JULY 1, 2003] **(a) As used in this  
23 SECTION, "fund" refers to the Indiana state teachers' retirement  
24 fund.**

25           **(b) The amount determined in the following STEPS shall be  
26 paid from the annuity reserve account of the fund on November 1,  
27 2003, to any person who was a retired member (or to a survivor or  
28 beneficiary of a retired member) of the fund as of July 2, 2002, and  
29 who was entitled to receive a monthly benefit on October 1, 2003.  
30 The amount shall be paid in a single check. The amount is not an  
31 increase in the pension portion of the monthly benefit.**

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

33           **(A) the balance in the fund's retired teacher annuity  
34 reserve account as of June 30, 2002; and**

35           **(B) the computed liability of the annuity portion of the  
36 normal allowance for the retired members as of June 30,  
37 2002.**

38           **STEP TWO: Multiply the STEP ONE result by ten percent  
39 (10%).**

40           **(c) The amounts distributed under subsection (b) shall be  
41 distributed to each retired member (or to the survivor or  
42 beneficiary of a retired member) who meets the requirements of**

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1 subsection (b) in an amount determined under the following  
2 STEPS:

3 STEP ONE: Determine the sum of:

4 (A) the total number of years of creditable service  
5 (excluding creditable service under Acts 1965, c.410, s.4) in  
6 the fund of all retired members eligible to receive a portion  
7 of the distribution; plus

8 (B) the total number of years that all retired members who  
9 are eligible to receive a portion of the distribution have  
10 been retired.

11 STEP TWO: Determine the sum of:

12 (A) the eligible retired member's total number of years of  
13 creditable service (excluding creditable service under Acts  
14 1965, c.410, s.4) in the fund; plus

15 (B) the total number of years since the eligible retired  
16 member retired from the last covered position held by the  
17 member.

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

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

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

25 (d) This SECTION expires December 1, 2003.

26 SECTION 4. [EFFECTIVE JULY 1, 2003] (a) As used in this  
27 SECTION, "fund" refers to the Indiana state teachers' retirement  
28 fund.

29 (b) The amount determined in the following STEPS shall be  
30 paid from the annuity reserve account of the fund on November 1,  
31 2004, to any person who was a retired member (or to a survivor or  
32 beneficiary of a retired member) of the fund as of July 2, 2003, and  
33 who was entitled to receive a monthly benefit on October 1, 2004.  
34 The amount shall be paid in a single check. The amount is not an  
35 increase in the pension portion of the monthly benefit.

36 STEP ONE: Determine the difference between:

37 (A) the balance in the fund's retired teacher annuity  
38 reserve account as of June 30, 2003; and

39 (B) the computed liability of the annuity portion of the  
40 normal allowance for the retired members as of June 30,  
41 2003.

42 STEP TWO: Multiply the STEP ONE result by ten percent

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**(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, 2004.**

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