



March 18, 2005

**ENGROSSED
HOUSE BILL No. 1394**

DIGEST OF HB 1394 (Updated March 17, 2005 11:08 am - DI 102)

Citations Affected: Noncode.

Synopsis: Teachers' retirement fund beneficiary change. Allows a member of the teachers' retirement fund who is receiving a retirement benefit and is a party in an action for dissolution of marriage to elect, before January 1, 2006, in certain circumstances to change the member's designated beneficiary or form of benefit.

Effective: July 1, 2005.

Stutzman

(SENATE SPONSORS — YOUNG R MICHAEL, RIEGSECKER)

January 13, 2005, read first time and referred to Committee on Employment and Labor.
February 8, 2005, reported — Do Pass.
February 14, 2005, read second time, ordered engrossed. Engrossed.
February 15, 2005, read third time, passed. Yeas 95, nays 0.

SENATE ACTION

February 24, 2005, read first time and referred to Committee on Pensions and Labor.
March 17, 2005, amended, reported favorably — Do Pass.

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March 18, 2005

First Regular Session 114th General Assembly (2005)

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 2004 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1394

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. [EFFECTIVE JULY 1, 2005] (a) A member of the
2 Indiana state teachers' retirement fund (referred to in this
3 SECTION as "fund") who is:

- 4 (1) receiving a benefit from the fund; and
5 (2) a party in an action for dissolution of marriage in which a
6 court issues an order that prohibits the fund member's
7 designated beneficiary from receiving any of the fund
8 member's benefit from the fund;

9 may, before January 1, 2006, make the election described in
10 subsection (b).

- 11 (b) A fund member described in subsection (a) may elect to:
12 (1) change the fund member's designated beneficiary or form
13 of benefit under IC 5-10.2-4-7(b); and
14 (2) receive an actuarially adjusted and recalculated benefit for
15 the remainder of:

- 16 (A) the fund member's life; or
17 (B) the fund member's life and the life of the newly

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1 **designated beneficiary.**
2 (c) **A fund member making the election under subsection (b)**
3 **may not elect to change to a five (5) year guaranteed form of**
4 **benefit.**
5 (d) **If a fund member elects a benefit under subsection (b)(2)(B),**
6 **the fund member must indicate whether the newly designated**
7 **beneficiary's benefit will equal:**
8 (1) **the fund member's full recalculated retirement benefit;**
9 (2) **two-thirds (2/3) of the fund member's recalculated**
10 **retirement benefit; or**
11 (3) **one-half (1/2) of the fund member's recalculated**
12 **retirement benefit.**
13 (e) **The fund member bears the cost of recalculating a benefit**
14 **under subsection (b)(2), and the cost shall be included in the**
15 **actuarial adjustment.**
16 (f) **This SECTION expires January 1, 2006.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment and Labor, to which was referred House Bill 1394, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

TORR, Chair

Committee Vote: yeas 10, nays 0.

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COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred House Bill No. 1394, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17.

Delete page 2.

Page 3, delete lines 1 through 26, begin a new paragraph and insert:

"SECTION 1. [EFFECTIVE JULY 1, 2005] **(a) A member of the Indiana state teachers' retirement fund (referred to in this SECTION as "fund") who is:**

- (1) receiving a benefit from the fund; and**
- (2) a party in an action for dissolution of marriage in which a court issues an order that prohibits the fund member's designated beneficiary from receiving any of the fund member's benefit from the fund;**

may, before January 1, 2006, make the election described in subsection (b).

(b) A fund member described in subsection (a) may elect to:

- (1) change the fund member's designated beneficiary or form of benefit under IC 5-10.2-4-7(b); and**
- (2) receive an actuarially adjusted and recalculated benefit for the remainder of:**

- (A) the fund member's life; or**
- (B) the fund member's life and the life of the newly designated beneficiary.**

(c) A fund member making the election under subsection (b) may not elect to change to a five (5) year guaranteed form of benefit.

(d) If a fund member elects a benefit under subsection (b)(2)(B), the fund member must indicate whether the newly designated beneficiary's benefit will equal:

- (1) the fund member's full recalculated retirement benefit;**
- (2) two-thirds (2/3) of the fund member's recalculated retirement benefit; or**
- (3) one-half (1/2) of the fund member's recalculated retirement benefit.**

(e) The fund member bears the cost of recalculating a benefit under subsection (b)(2), and the cost shall be included in the actuarial adjustment.

(f) This SECTION expires January 1, 2006."

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Renumber all SECTIONS consecutively.
and when so amended that said bill do pass.

(Reference is to HB 1394 as printed February 9, 2005.)

HARRISON, Chairperson

Committee Vote: Yeas 10, Nays 0.

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