

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 128 be amended to read as follows:

1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 5-10-5.5-7 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) Upon election to
5 become a participant by any officer who is a member of the public
6 employees' retirement fund, the board shall transfer all creditable
7 service standing to the credit of the electing officer under the public
8 employees' retirement fund to the credit of the electing officer under
9 the retirement plan created by this chapter.
10 (b) Creditable service under this chapter, including credit for
11 military service, shall accrue and be computed and credited to
12 participants in the same manner and in the same amount as creditable
13 service accrues, is computed and credited under the public employees'
14 retirement law.
15 (c) **In addition to creditable service computed under subsection**
16 **(b), a participant is entitled to receive creditable service under this**
17 **chapter for the time the participant receives disability benefits**
18 **under a disability plan established under IC 5-10-8-7.**
19 SECTION 2. IC 5-10-5.5-7.5 IS ADDED TO THE INDIANA
20 CODE AS A NEW SECTION TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2007]: Sec. 7.5. (a) **As used in this section,**
22 **"board" refers to the board of trustees of the public employees'**
23 **retirement fund established by IC 5-10.3-3-1.**

1 (b) As used in this section, "public retirement fund" refers
2 collectively to:

- 3 (1) the public employees' retirement fund (IC 5-10.3);
4 (2) the Indiana state teachers' retirement fund (IC 5-10.4);
5 (3) the state police pension trust (IC 10-12); and
6 (4) the 1977 police officers' and firefighters' pension and
7 disability fund (IC 36-8-8).

8 (c) Subject to this section, a participant may purchase service
9 credit for the participant's prior service in a position covered by a
10 public retirement fund.

11 (d) To purchase the service credit described in subsection (c), a
12 participant must meet the following requirements:

- 13 (1) The participant has at least one (1) year of creditable
14 service in the retirement plan created by this chapter.
15 (2) The participant has not attained vested status in and is not
16 an active participant in the public retirement fund from
17 which the participant is purchasing the service credit.
18 (3) Before the participant retires, the participant makes
19 contributions to the retirement plan created by this chapter
20 as follows:

21 (A) Contributions that are equal to the product of the
22 following:

- 23 (i) The participant's salary at the time the participant
24 actually makes a contribution for the service credit.
25 (ii) A rate, determined by the actuary for the retirement
26 plan created by this chapter, based on the age of the
27 participant at the time the participant actually makes a
28 contribution for service credit and computed to result in
29 a contribution amount that approximates the actuarial
30 present value of the benefit attributable to the service
31 credit purchased.
32 (iii) The number of years of service credit the participant
33 intends to purchase.

34 (B) Contributions for any accrued interest, at a rate
35 determined by the actuary for the retirement plan created
36 by this chapter, for the period from the participant's initial
37 participation in the retirement plan created by this chapter
38 to the date payment is made by the participant.

39 (e) At the request of the participant purchasing service credit
40 under this section, the amount a participant is required to
41 contribute under subsection (d)(3) may be reduced by a trustee to
42 trustee transfer from a public retirement fund in which the
43 participant has an account that contains amounts attributable to
44 member contributions (plus any credited earnings) to the
45 retirement plan created by this chapter. The participant may
46 direct the transfer of an amount only to the extent necessary to
47 fund the service purchase under subsection (d)(3). The participant

1 shall complete any forms required by the public retirement fund
2 from which the participant is requesting a transfer or the
3 retirement plan created by this chapter before the transfer is made.

4 (f) At least ten (10) years of service in the retirement plan
5 created by this chapter is required before a participant may
6 receive a benefit based on service credit purchased under this
7 section.

8 (g) A participant who:

9 (1) terminates employment before satisfying the eligibility
10 requirements necessary to receive an annual retirement
11 allowance; or

12 (2) receives an annual retirement allowance for the same
13 service from another tax supported governmental retirement
14 plan other than under the federal Social Security Act;

15 may withdraw the purchase amount plus accumulated interest
16 after submitting a properly completed application for a refund to
17 the retirement plan created by this chapter.

18 (h) The following may apply to the purchase of service credit
19 under this section:

20 (1) The board may allow a participant to make periodic
21 payments of the contributions required for the purchase of
22 the service credit. The board shall determine the length of the
23 period during which the payments must be made.

24 (2) The board may deny an application for the purchase of
25 service credit if the purchase would exceed the limitations
26 under Section 415 of the Internal Revenue Code.

27 (3) A participant may not claim the service credit for
28 purposes of determining eligibility for a benefit or computing
29 benefits unless the participant has made all payments
30 required for the purchase of the service credit.

31 (i) To the extent permitted by the Internal Revenue Code and
32 applicable regulations, the retirement plan created by this chapter
33 may accept, on behalf of a participant who is purchasing
34 permissive service credit under this chapter, a rollover of a
35 distribution from any of the following:

36 (1) A qualified plan described in Section 401(a) or Section
37 403(a) of the Internal Revenue Code.

38 (2) An annuity contract or account described in Section 403(b)
39 of the Internal Revenue Code.

40 (3) An eligible plan that is maintained by a state, a political
41 subdivision of a state, or an agency or instrumentality of a
42 state or political subdivision of a state under Section 457(b) of
43 the Internal Revenue Code.

44 (4) An individual retirement account or annuity described in
45 Section 408(a) or Section 408(b) of the Internal Revenue
46 Code.

47 (j) To the extent permitted by the Internal Revenue Code and

1 applicable regulations, the retirement plan created by this chapter
 2 may accept, on behalf of a participant who is purchasing
 3 permissive service credit under this chapter, a trustee to trustee
 4 transfer from any of the following:

5 (1) An annuity contract or account described in Section 403(b)
 6 of the Internal Revenue Code.

7 (2) An eligible deferred compensation plan under Section
 8 457(b) of the Internal Revenue Code.

9 SECTION 3. IC 5-10-5.5-8 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) **Except as**
 11 **provided in subsection (c)**, every participant shall contribute ~~three~~
 12 **four percent (3%) (4%)** of the ~~first eight thousand five hundred dollars~~
 13 ~~(~~\$8,500~~)~~ of **his participant's** annual salary to the participants' savings
 14 fund.

15 (b) Contributions shall be made in the form of payroll deductions
 16 from each and every payment of salary received by the participant.
 17 Every participant shall, as a condition precedent to ~~his~~ becoming a
 18 participant, consent to the payroll deductions.

19 (c) **An employer may pay all or a part of the contributions for**
 20 **the participant. All contributions made by an employer under this**
 21 **subsection shall be treated as pick-up contributions under Section**
 22 **414(h)(2) of the Internal Revenue Code.**

23 SECTION 4. IC 5-10-5.5-10 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) Benefits
 25 provided under this section are subject to section 2.5 of this chapter.

26 (b) The annual retirement allowance of a participant, payable in
 27 equal monthly installments beginning on ~~his the participant's~~ normal
 28 retirement date, shall be a percentage of ~~his the participant's~~ average
 29 annual salary, such percentage to be twenty-five percent (25%)
 30 increased by one and two-thirds percent (1 2/3%) of ~~his the~~
 31 **participant's** average annual salary for each completed year of
 32 creditable service more than ten (10) years. ~~and one percent (1%) of his~~
 33 ~~average annual salary for each completed year of creditable service~~
 34 ~~more than twenty-five (25) years.~~

35 (c) The annual retirement allowance shall cease with the last
 36 monthly payment prior to the death of the participant.

37 SECTION 5. IC 5-10-5.5-11 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) Any participant
 39 who has attained the age of forty-five (45) years and has accrued at
 40 least fifteen (15) years of creditable service may retire and become
 41 eligible for benefits as provided in section 12(a) of this chapter.

42 (b) If:

43 (1) a participant is at least fifty-five (55) years of age; and

44 (2) the sum of the participant's years of creditable service and age
 45 in years equals at least eighty-five (85);

46 the participant may retire and become eligible for benefits as provided

1 in section 12(b) of this chapter.

2 **(c) A participant who:**

3 **(1) is at least fifty (50) years of age; and**

4 **(2) has accrued at least twenty-five (25) years of creditable**
5 **service;**

6 **may retire and become eligible for benefits under section 12(b) of**
7 **this chapter.**

8 SECTION 6. IC 5-10-5.5-12 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) The amount of
10 annual retirement allowance payable in equal monthly installments to
11 a participant who retires under section 11(a) of this chapter (relating to
12 early retirement) shall be determined in accordance with section 10(a)
13 of this chapter (relating to normal retirement). However, the amount of
14 annual retirement allowance otherwise payable upon early retirement
15 shall be reduced by one-quarter percent (1/4%) for each full month that
16 the date of early retirement precedes the attainment of the participant's
17 sixtieth birthday.

18 (b) The amount of annual retirement allowance payable in equal
19 monthly installments to a participant who retires under section 11(b)
20 **or 11(c)** of this chapter (relating to early retirement) shall be
21 determined in accordance with section 10(a) of this chapter (relating to
22 normal retirement).

23 SECTION 7. IC 5-10-5.5-13.5 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13.5. (a) This section
25 applies to participants whose disability occurred after June 30, 1987.

26 (b) Benefits provided under this section are subject to section 2.5 of
27 this chapter.

28 (c) As used in this section, a disability is to be considered to have
29 arisen in the line of duty if the disability is the direct result of:

30 (1) a personal injury that occurs while the participant is on duty;

31 or

32 (2) a personal injury that occurs while the participant is off duty
33 and responding to an offense or an emergency or a reported
34 offense or emergency;

35 or if the disability is presumed incurred in the line of duty under
36 IC 5-10-13.

37 (d) A participant whose disability arose in the line of duty is entitled
38 to a monthly benefit equal to the participant's monthly salary on the
39 date of disability multiplied by the degree of impairment (expressed as
40 a percentage impairment of the person as a whole). However, the
41 monthly benefit under this subsection must be at least:

42 (1) twenty percent (20%) of the participant's monthly salary on
43 the date of the disability if the participant has more than five (5)
44 years of service; or

45 (2) ten percent (10%) of the participant's monthly salary on the
46 date of the disability if the participant has five (5) or fewer years

1 of service.

2 (e) A participant whose disability did not arise in the line of duty is
3 entitled to a monthly benefit equal to one-half (1/2) of the participant's
4 monthly salary on the date of disability multiplied by the degree of
5 impairment (expressed as a percentage of the person as a whole).
6 However, the monthly benefit under this subsection must be at least:

7 (1) ten percent (10%) of the participant's monthly salary on the
8 date of the disability if the participant has more than five (5) years
9 of service; or

10 (2) five percent (5%) of the participant's monthly salary on the
11 date of the disability if the participant has five (5) or fewer years
12 of service.

13 **(f) A participant who is receiving a disability benefit under**
14 **subsection (d) is entitled:**

15 **(1) to receive a disability benefit for the remainder of the**
16 **participant's life; and**

17 **(2) to have the participant's benefit recomputed under section**
18 **10 of this chapter (relating to normal retirement) when the**
19 **participant becomes sixty (60) years of age."**

20 Page 4, after line 7, begin a new paragraph and insert:

21 "SECTION 11. [EFFECTIVE JULY 1, 2007] IC 5-10-5.5-7.5, as
22 added by this act, and IC 5-10-5.5-8, as amended by this act, apply
23 after June 30, 2007, to active participants in the state excise police,
24 gaming agent, and conservation enforcement officers' retirement
25 plan established by IC 5-10-5.5-2.

26 SECTION 12. [EFFECTIVE JULY 1, 2007] IC 5-10-5.5-10,
27 IC 5-10-5.5-11, and IC 5-10-5.5-12, all as amended by this act,
28 apply to participants of the state excise police, gaming agent, and
29 conservation enforcement officers' retirement plan established by
30 IC 5-10-5.5-2 who retire after June 30, 2007.

31 SECTION 13. [EFFECTIVE JULY 1, 2007] IC 5-10-5.5-7 and
32 IC 5-10-5.5-13.5, both as amended by this act, apply to participants
33 of the state excise police, gaming agent, and conservation
34 enforcement officers' retirement plan established by IC 5-10-5.5-2

- 1 **who become disabled after June 30, 2007."**
- 2 Renumber all SECTIONS consecutively.
(Reference is to ESB 128 as printed March 13, 2007.)

Representative Reske