HOUSE BILL No. 1173

DIGEST OF INTRODUCED BILL

Citations Affected: IC 10-12.

Synopsis: State police pension benefits. Provides a 1% cost of living adjustment (COLA) for retirees of the state police 1987 benefit system. Provides a COLA equal to the greater of: (1) the supplemental benefit; or (2) 1% of the retiree's monthly pension benefit; for retirees of the state police pre-1987 benefit system. Revises the calculation of the supplemental benefit.

Effective: July 1, 2007.

Goodin

January 11, 2007, read first time and referred to Committee on Ways and Means.

C o p y

Introduced

First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

C o p y

HOUSE BILL No. 1173

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

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

SECTION 1. IC 10-12-4-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 9. (a) The basic monthly pension amount (plus postretirement increases) payable after June 30, 2007, to an employee beneficiary who retired or was disabled after June 30, 1987, and before July 2, 2005, shall be increased by the lesser of:**

(1) one percent (1%) of the employee beneficiary's monthly benefit (the basic monthly pension amount calculated under section 7 of this chapter plus postretirement increases); or

(2) one percent (1%) of the maximum basic monthly pension amount payable to a retired state police employee in the grade of trooper, as calculated under section 7 of this chapter.

(b) The increases specified in this section:

(1) shall be based on the date of the employee beneficiary's latest retirement or disability;

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

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

SECTION 2. IC 10-12-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The pension advisory board that administers the pension under IC 10-12-3 shall direct and supervise the supplemental benefits provided in this chapter.

(b) The pension advisory board shall annually:

(1) provide a schedule showing the number of retirees receiving pension benefits under IC 10-12-3; and

(2) add to the regular pension benefit or annuity a supplemental benefit ~~equal to fifty percent (50%) of the difference between:~~

~~(A) the retiree's pension amount; and~~

~~(B) the pension benefits received by an employee retiring from the department after July 1, 1970, with twenty (20) years of active service.~~

described in subsection (c).

(c) The supplemental benefit referred to in subsection (b)(2) is equal to fifty percent (50%) of:

(1) for an employee beneficiary who retires after June 30, 1972, the total increase occurring after the employee beneficiary's retirement date in the pension benefits to be received by an employee retiring from the department with twenty (20) years of active service; or

(2) for an employee beneficiary who retired before July 1, 1972, the difference between:

(A) the pension benefits to be received by an employee retiring from the department with twenty (20) years of active service; and

(B) the lesser of:

(i) the pension benefit received by the employee beneficiary; or

(ii) the pension benefit received by an employee retiring from the department on July 1, 1972, with twenty (20) years of active service.

SECTION 3. IC 10-12-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. As an incentive to all employees of the department, the supplemental pension benefits of this chapter shall be increased by more than the fifty percent (50%) increase provided in section 3 of this chapter, at the rate of five percent (5%) per year for each year of active service over twenty (20) years up to thirty (30) years of service, to provide that retired employees with thirty (30) years of service are entitled to one hundred percent (100%) of: ~~the regular pension benefits of employees who retire with twenty (20) years of active service after July 1, 1970.~~

C o p y

(1) for an employee beneficiary who retires after June 30, 1972, the total increase occurring after the employee beneficiary's retirement date in the pension benefits to be received by an employee retiring from the department with twenty (20) years of active service; or

(2) for an employee beneficiary who retired before July 1, 1972, the difference between:

(A) the pension benefits to be received by an employee retiring from the department with twenty (20) years of active service; and

(B) the lesser of:

(i) the pension benefit received by the employee beneficiary; or

(ii) the pension benefit received by an employee retiring from the department on July 1, 1972, with twenty (20) years of active service.

SECTION 4. IC 10-12-5-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 8. (a) The monthly pension amount (plus postretirement increases) payable after June 30, 2007, to an employee beneficiary of the state police pre-1987 benefit system who is retired or disabled shall be increased by the greater of:**

(1) the amount of the supplemental benefit that will accrue to the employee beneficiary after July 1, 2007, and before July 1, 2008, under sections 3 and 4 of this chapter; or

(2) an amount equal to the monthly pension amount (plus postretirement increases) multiplied by one percent (1%).

(b) The increases specified in this section:

(1) shall be based on the date of the employee beneficiary's latest retirement or disability;

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

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

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