

**CONFERENCE COMMITTEE REPORT  
DIGEST FOR EHB 1173**

**Citations Affected:** IC 10-12.

**Synopsis:** State police pension benefits. Conference committee report for EHB 1173. Requires that the salary of a sixth year trooper, rather than the salary of a third year trooper, be used to compute the basic pension amount under the state police pre-1987 benefit system. Provides a cost of living adjustment (COLA) in each of the next two state fiscal years to retired or disabled members of the state police 1987 benefit system. Changes the manner in which the supplemental benefit for retired or disabled members of the state police pre-1987 benefit system is calculated. Provides that the state police pension advisory board (board) may meet at any time to compute the supplemental pension benefits for members of the state police pre-1987 benefit system. Requires the board to meet at least one time each year. **(This conference committee report: (1) adds a provision that requires the salary of a sixth year trooper, rather than the salary of a third year trooper, be used to compute the basic pension amount under the state police pre-1987 benefit system; (2) removes an option to pay 1% of a retiree's monthly benefit as the COLA for the 1987 benefit system; (3) specifies that the COLA for the 1987 benefit system is based on the basic monthly pension amount payable to a retired state police employee in the grade of a 25 year trooper; (4) amends provisions to specify that the supplemental pension benefit is calculated using the difference between: (A) the pension benefit received by an employee retiring from the department the day after a change in the salary of a sixth year trooper and (B) the lesser of: (i) the pension benefit received by the retiree; or (ii) the pension benefit received by an employee retiring the day before a change in the salary of a sixth year trooper; (5) adds the provisions of HB 1078-2007 that: (A) authorize the state police pension advisory board (board) to meet at any time to compute the supplemental pension benefits for members of the state police pre-1987 benefit system; and (B) require the board to meet at least one time each year; and (6) makes technical corrections.)**

**Effective:** Upon passage.

## CONFERENCE COMMITTEE REPORT

**MADAM PRESIDENT:**

*Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1173 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:  
2 SECTION 1. IC 10-12-3-7 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Benefits  
4 provided under this section are subject to IC 10-12-2-3.  
5 (b) The basic monthly pension amount may not exceed by more than  
6 twenty dollars (\$20) one-half (1/2) the amount of the employee  
7 beneficiary's average monthly wage (excluding payments for overtime  
8 and determined without regard to any salary reduction agreement  
9 established under Section 125 of the Internal Revenue Code) received  
10 during the highest paid consecutive twelve (12) months before  
11 retirement. Salary that exceeds the monthly wage received by a police  
12 employee in the grade of trooper at the beginning of the trooper's ~~third~~  
13 **sixth** year of service may not be considered when the basic pension  
14 amount is computed.  
15 (c) An employee beneficiary in the active service of the department  
16 who has completed twenty (20) years of service after July 1, 1937, and  
17 who continues after July 1, 1937, in the service of the department is  
18 entitled to add to the basic monthly pension amount, at retirement, the  
19 following:  
20 (1) Two percent (2%) of the basic amount for each of the next two  
21 (2) full years of service over twenty (20) years.

- 1 (2) Three percent (3%) of the basic amount for each of the next  
 2 two (2) full years over twenty-two (22) years.  
 3 (3) Four percent (4%) of the basic amount for each of the next  
 4 two (2) full years over twenty-four (24) years.  
 5 (4) Five percent (5%) of the basic amount for each of the next two  
 6 (2) full years over twenty-six (26) years.  
 7 (5) Six percent (6%) of the basic amount for each of the next two  
 8 (2) full years over twenty-eight (28) years.  
 9 (6) Seven percent (7%) of the basic amount for each of the next  
 10 two (2) full years over thirty (30) years.  
 11 (7) Eight percent (8%) of the basic amount for each of the next  
 12 two (2) full years over thirty-two (32) years.

13 However, the total of the additional amount may not exceed seventy  
 14 percent (70%) of the basic pension amount. These additional benefits  
 15 are subject to the compulsory retirement age provided by the pension  
 16 trust.

17 SECTION 2. IC 10-12-4-9 IS ADDED TO THE INDIANA CODE  
 18 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
 19 UPON PASSAGE]: **Sec. 9. (a) The basic monthly pension amount**  
 20 **(plus postretirement increases) payable after June 30, 2007, to an**  
 21 **employee beneficiary of the state police 1987 benefit system who**  
 22 **retired or was disabled after June 30, 1987, and before July 2,**  
 23 **2005, shall be increased by one percent (1%) of the maximum basic**  
 24 **monthly pension amount payable to a retired state police employee**  
 25 **in the grade of a trooper who has completed twenty-five (25) years**  
 26 **of service as of July 1, 2007, as calculated under section 7 of this**  
 27 **chapter.**

- 28 (b) **The increases specified in this section:**  
 29 (1) **shall be based on the date of the employee beneficiary's**  
 30 **latest retirement or disability;**  
 31 (2) **do not apply to the benefits payable in a lump sum; and**  
 32 (3) **are in addition to any other increase provided by law.**

33 SECTION 3. IC 10-12-4-10 IS ADDED TO THE INDIANA CODE  
 34 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
 35 UPON PASSAGE]: **Sec. 10. (a) The basic monthly pension amount**  
 36 **(plus postretirement increases) payable after June 30, 2008, to an**  
 37 **employee beneficiary of the state police 1987 benefit system who**  
 38 **retired or was disabled after June 30, 1987, and before July 2,**  
 39 **2006, shall be increased by one percent (1%) of the maximum basic**  
 40 **monthly pension amount payable to a retired state police employee**  
 41 **in the grade of trooper who has completed twenty-five (25) years**  
 42 **of service as of July 1, 2007, as calculated under section 7 of this**  
 43 **chapter.**

- 44 (b) **The increases specified in this section:**  
 45 (1) **shall be based on the date of the employee beneficiary's**  
 46 **latest retirement or disability;**  
 47 (2) **do not apply to the benefits payable in a lump sum; and**  
 48 (3) **are in addition to any other increase provided by law.**

49 SECTION 4. IC 10-12-5-3 IS AMENDED TO READ AS  
 50 FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3. (a) The pension**  
 51 **advisory board that administers the pension under IC 10-12-3 shall**

1 direct and supervise the supplemental benefits provided in this chapter.

2 (b) The pension advisory board shall: ~~annually~~:

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

5 (2) **meet at least one (1) time each year to** add to the regular  
6 pension benefit or annuity ~~α~~ **and any previously granted**  
7 supplemental benefit ~~equal to fifty percent (50%) of the difference~~  
8 ~~between:~~

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

10 (B) the pension benefits received by an employee retiring from  
11 the department after July 1, 1970; with twenty (20) years of  
12 active service:

13 **the amount described in subsection (c).**

14 (c) **The supplemental benefit referred to in subsection (b)(2) is**  
15 **equal to fifty percent (50%) of the difference between:**

16 (1) **the pension benefits to be received by an employee retiring**  
17 **from the department with twenty (20) years of active service**  
18 **the day after a change in the monthly wage received by a**  
19 **police employee in the grade of trooper at the beginning of the**  
20 **trooper's sixth year of service; and**

21 (2) **the lesser of:**

22 (A) **the pension benefit received by the employee**  
23 **beneficiary; or**

24 (B) **the pension benefit received by an employee retiring**  
25 **from the department with twenty (20) years of active**  
26 **service the day before a change in the monthly wage**  
27 **received by a police employee in the grade of trooper at the**  
28 **beginning of the trooper's sixth year of service.**

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

40 SECTION 6. IC 10-12-5-5 IS AMENDED TO READ AS  
41 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The pension  
42 advisory board ~~shall~~ **may meet at any time to** make the necessary  
43 computations required by this chapter. ~~on or before August 1 of each~~  
44 ~~year preceding a session of the general assembly.~~

45 (b) The general assembly shall appropriate and the budget agency  
46 shall make available an amount sufficient to provide the funds  
47 necessary for supplemental pension benefits for eligible retirees under  
48 this chapter.

49 SECTION 7. **An emergency is declared for this act.**

(Reference is to EHB 1173 as printed April 6, 2007.)



**Conference Committee Report**  
**on**  
**Engrossed House Bill 1173**

**S**igned by:

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Representative Cochran  
Chairperson

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Senator Kruse

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Representative Leonard

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Senator Deig

**House Conferees**

**Senate Conferees**