

# COMMITTEE REPORT

## MADAM PRESIDENT:

**The Senate Committee on Pensions and Labor, to which was referred House Bill No. 1067, 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:**

- 1           Page 1, between the enacting clause and line 1, begin a new  
2 paragraph and insert:  
3           "SECTION 1. IC 2-3.5-4-2 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. A participant who is  
5 at least sixty-five (65) years of age is entitled for the remainder of the  
6 participant's life to a monthly retirement benefit computed under  
7 section 3 of this chapter, beginning on the date specified by the  
8 participant in a written application, if all of the following conditions are  
9 met on the date on which the benefit begins:  
10           (1) The participant's service as a member of the general assembly  
11 is terminated.  
12           (2) The participant:  
13               (A) has at least ten (10) years of service as a member of the  
14 general assembly; or  
15               (B) meets the requirements for disability benefits under  
16 section 5 of this chapter.  
17           ~~(3) The participant is not receiving and is not entitled to receive~~  
18 ~~a salary from the state.~~  
19           ~~(4)~~ (3) The participant is not receiving and has not previously

1 received a reduced monthly retirement benefit under section 4 of  
2 this chapter.

3 SECTION 2. IC 2-3.5-4-4 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) A participant who  
5 is at least fifty-five (55) years of age is entitled, for the remainder of the  
6 participant's life, to a reduced monthly retirement benefit computed  
7 under subsection (b), beginning on the date specified by the participant  
8 in a written application, if ~~at~~ **both** of the following conditions are met  
9 on the date on which the benefit begins:

10 (1) The participant's service as a member of the general assembly  
11 is terminated.

12 (2) The participant has at least ten (10) years of service as a  
13 member of the general assembly.

14 ~~(3) The participant is not receiving and is not entitled to receive~~  
15 ~~a salary from the state.~~

16 (b) The reduced monthly benefit payable for life to a participant  
17 eligible under this section is the benefit calculated under section 3 of  
18 this chapter, multiplied by a percentage determined as follows:

19 STEP ONE: From seven hundred eighty (780) months, which  
20 equals sixty-five (65) years, subtract the age of the participant at  
21 the participant's retirement date expressed in whole months  
22 (retirement age in months) and obtain a remainder (X).

23 STEP TWO:

24 (A) If the remainder (X) is less than or equal to sixty (60),  
25 multiply the remainder (X) times one-tenth percent (0.1%) and  
26 obtain a product (Y).

27 (B) If the remainder (X) is greater than sixty (60), multiply  
28 five-twelfths percent (5/12%) times the difference obtained by  
29 subtracting sixty (60) from the remainder (X) and obtain a  
30 product. Add to this six percent (6%) and obtain a sum (Y).

31 STEP THREE: From one hundred percent (100%) subtract the  
32 appropriate (Y). This equals the percentage used to determine the  
33 reduced monthly benefit.

34 SECTION 3. IC 2-3.5-4-4.1 IS AMENDED TO READ AS  
35 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4.1. (a) This section  
36 applies to a participant who:

37 (1) is at least fifty-five (55) years of age and whose years of  
38 service as a member of the general assembly plus years of age are

1 equal to at least eighty-five (85); or  
 2 (2) is at least sixty (60) years of age and has at least fifteen (15)  
 3 years of service as a member of the general assembly.

4 (b) A participant who is described in subsection (a) is entitled, for  
 5 the remainder of the participant's life, to a monthly retirement benefit  
 6 calculated under section 3 of this chapter, if ~~at~~ **both** of the following  
 7 conditions are met on the date on which the benefit begins:

8 (1) The participant's service as a member of the general assembly  
 9 is terminated.

10 (2) The participant has at least ten (10) years of service as a  
 11 member of the general assembly.

12 ~~(3) The participant is not receiving and is not entitled to receive~~  
 13 ~~a salary from the state.~~

14 (c) A participant who receives a benefit under this section is not  
 15 entitled to a benefit under section 4 of this chapter."

16 Page 4, line 28, after "SECTION," delete ""committee"" and insert  
 17 **""commission""**.

18 Page 4, line 28, delete "interim study committee on" and insert  
 19 **"pension management oversight commission"**.

20 Page 4, delete line 29.

21 Page 4, line 30, delete "this SECTION." and insert **"IC 2-5-12-1."**

22 Page 4, line 31, delete "There is established the interim study  
 23 committee on the".

24 Page 4, line 32, delete "structure of the Indiana state teachers'  
 25 retirement fund".

26 Page 4, line 33, delete "committee" and insert **"commission"**.

27 Page 4, line 33, after "study" insert **"and make recommendations,**  
 28 **including any recommended legislation, concerning"**.

29 Page 4, line 35, delete "committee" and insert **"commission"**.

30 Page 4, delete lines 37 through 39.

31 Page 4, line 40, delete "(e)" and insert **"(d)"**.

32 Page 4, line 40, after "2007" insert **."**

33 Page 4, after line 40, begin a new paragraph and insert:

34 **"SECTION 7. [EFFECTIVE JULY 1, 2007] IC 2-3.5-4-2,**  
 35 **IC 2-3.5-4-4, and IC 2-3.5-4-4.1, all as amended by this act, apply**  
 36 **to participants in the legislators' defined benefit plan regardless of**  
 37 **whether they:**

38 **(1) retired before July 1, 2007; or**

- 1           **(2) retire after June 30, 2007.**
- 2           **However, IC 2-3.5-4-2, IC 2-3.5-4-4, and IC 2-3.5-4-4.1, all as**
- 3           **amended by this act, apply only to benefits first payable after June**
- 4           **30, 2007."**
- 5           Renumber all SECTIONS consecutively.  
            (Reference is to HB 1067 as reprinted February 24, 2007.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 7, Nays 0.

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**Kruse**

**Chairperson**