
HOUSE BILL No. 1344

DIGEST OF INTRODUCED BILL

Citations Affected: IC 33-38-7-19; IC 33-38-8.

Synopsis: 1985 judges pension fund. Allows under certain conditions a judge who is a participant in the 1985 judges' retirement system (1985 system) to transfer to the 1985 system service credit earned as a full-time referee, commissioner, or magistrate after leaving an elected term on the bench. Makes technical corrections. (The introduced version of this bill was prepared by the code revision commission.)

Effective: Upon passage.

Klinker, GiaQuinta

January 15, 2008, read first time and referred to Committee on Labor and Employment.

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Second Regular Session 115th General Assembly (2008)

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 2007 Regular Session of the General Assembly.

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HOUSE BILL No. 1344



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. IC 33-38-7-19 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) This section
 3 applies only to a person who:
 4 (1) is a judge participating under this chapter;
 5 (2) before becoming a judge was a member of an Indiana public
 6 employees' retirement fund;
 7 (3) received credited service under an Indiana public employees'
 8 retirement fund for the employment described in subdivision (2),
 9 and the credited service is not eligible for **prior** service credit
 10 under section 18 of this chapter;
 11 (4) has not attained vested status under a public employees'
 12 retirement fund for the employment described in subdivision (2);
 13 and
 14 (5) has at least eight (8) years of service credit in the judges'
 15 retirement system.
 16 (b) If a person becomes a participant in the judges' 1977 benefit
 17 system under this chapter, credit for service described in subsection (a)



1 shall be granted under this chapter by the board if:

2 (1) the prior service was credited under an Indiana public

3 employees' retirement fund; and

4 (2) the judge pays in a lump sum or in a series of payments

5 determined by the board, not exceeding five (5) annual payments,

6 the amount determined by the actuary for the **judges'** 1977

7 benefit system as the total actual cost of the service.

8 (c) If the requirements of subsection (b) are not satisfied, a

9 participant is entitled to credit only for years of service after the date of

10 participation in the **judges'** 1977 benefit system.

11 (d) An amortization schedule for contributions paid under this

12 section must include interest at a rate determined by the board.

13 (e) If the requirements of subsection (b) are satisfied, the

14 appropriate board shall transfer from the retirement fund described in

15 subsection (a)(2) to the judges' 1977 benefit system the amount

16 credited to the judge's annuity savings account and the present value of

17 the retirement benefit payable at sixty-five (65) years of age that is

18 attributable to the transferring participant.

19 (f) The amount a participant must contribute to the judges' 1977

20 benefit system under subsection (b) shall be reduced by the amount

21 transferred to the judges' 1977 benefit system by the appropriate board

22 under subsection (e).

23 (g) If the requirements of subsection (b) are satisfied, credit for prior

24 service in a public employees' retirement fund is waived.

25 (h) To the extent permitted by the Internal Revenue Code and the

26 applicable regulations, the judges' 1977 benefit system may accept, on

27 behalf of a participant who is purchasing permissive service credit

28 under subsection (b), a rollover of a distribution from any of the

29 following:

30 (1) A qualified plan described in Section 401(a) or Section 403(a)

31 of the Internal Revenue Code.

32 (2) An annuity contract or account described in Section 403(b) of

33 the Internal Revenue Code.

34 (3) An eligible plan that is maintained by a state, a political

35 subdivision of a state, or an agency or instrumentality of a state or

36 political subdivision of a state under Section 457(b) of the

37 Internal Revenue Code.

38 (4) An individual retirement account or annuity described in

39 Section 408(a) or Section 408(b) of the Internal Revenue Code.

40 (i) To the extent permitted by the Internal Revenue Code and the

41 applicable regulations, the judges' 1977 benefit system may accept, on

42 behalf of a participant who is purchasing permissive service credit

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1 under subsection (b), a trustee to trustee transfer from any of the
2 following:

- 3 (1) An annuity contract or account described in Section 403(b) of
- 4 the Internal Revenue Code.
- 5 (2) An eligible deferred compensation plan under Section 457(b)
- 6 of the Internal Revenue Code.

7 SECTION 2. IC 33-38-8-22 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) This section
9 applies to a person who:

- 10 (1) is a judge participating under this chapter;
- 11 (2) ~~before becoming a judge~~ was appointed by a court to serve as
- 12 a full-time referee, full-time commissioner, or full-time magistrate
- 13 **either:**

- 14 (A) **before becoming a judge; or**
- 15 (B) **after leaving an elected term on the bench;**
- 16 (3) was a member of the public employees' retirement fund during
- 17 the employment described in subdivision (2); and
- 18 (4) received credited service under the public employees'
- 19 retirement fund for the employment described in subdivision (2).

20 (b) If a person becomes a participant in the judges' 1985 benefit
21 system under section 1 of this chapter, credit for prior **or subsequent**
22 service by the judge as a full-time referee, full-time commissioner, or
23 full-time magistrate shall be granted under this chapter by the board if:

- 24 (1) the prior service was credited under the public employees'
- 25 retirement fund;
- 26 (2) the state contributes to the judges' 1985 benefit system the
- 27 amount the board determines necessary to amortize the prior
- 28 service liability over a period determined by the board, but not
- 29 more than ten (10) years; and
- 30 (3) the judge pays in a lump sum or in a series of payments
- 31 determined by the board, not exceeding five (5) annual payments,
- 32 the amount the judge would have contributed if the judge had
- 33 been a member of the judges' 1985 benefit system during the prior
- 34 service.

35 (c) If the requirements of subsection (b)(2) and (b)(3) are not
36 satisfied, a participant is entitled to credit only for years of service ~~after~~
37 **the date of participation earned as a judge in the judges' 1985 benefit**
38 system.

39 (d) An amortization schedule for contributions paid under
40 subsection (b)(2) or (b)(3) must include interest at a rate determined by
41 the board.

42 (e) The following provisions apply to a person described in

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1 subsection (a):

- 2 (1) A minimum benefit applies to participants receiving credit in
 3 the judges' 1985 benefit system from service covered by the
 4 public employees' retirement fund. The minimum benefit is
 5 payable at sixty-five (65) years of age or when the participant is
 6 at least fifty-five (55) years of age and meets the requirements
 7 under section ~~13(2)(b)~~ **13(2)(B)** of this chapter and equals the
 8 actuarial equivalent of the vested retirement benefit that is:
 9 (A) payable to the member at normal retirement under
 10 IC 5-10.2-4-1 as of the day before the transfer; and
 11 (B) based solely on:
 12 (i) creditable service;
 13 (ii) the average of the annual compensation; and
 14 (iii) the amount credited under IC 5-10.2 and IC 5-10.3 to
 15 the annuity savings account of the transferring member as of
 16 the day before the transfer.
 17 (2) If the requirements of subsection (b)(2) and (b)(3) are
 18 satisfied, the board shall transfer from the public employees'
 19 retirement fund to the judges' 1985 benefit system the amount
 20 credited to the annuity savings account and the present value of
 21 the retirement benefit payable at sixty-five (65) years of age or at
 22 least fifty-five (55) years of age under section ~~13(2)(b)~~ **13(2)(B)**
 23 of this chapter that is attributable to the transferring participant.
 24 (3) The amount the state and the participant must contribute to the
 25 judges' 1985 benefit system under subsection (b) shall be reduced
 26 by the amount transferred to the judges' 1985 benefit system by
 27 the board under subdivision (2).
 28 (4) If the requirements of subsection (b)(2) and (b)(3) are
 29 satisfied, credit for prior service in the public employees'
 30 retirement fund as a full-time referee, full-time commissioner, or
 31 full-time magistrate is waived. Any credit for the prior service
 32 under the judges' 1985 benefit system may be granted only under
 33 subsection (b).
 34 (f) To the extent permitted by the Internal Revenue Code and the
 35 applicable regulations, the judges' 1985 benefit system may accept, on
 36 behalf of a participant who is purchasing permissive service credit
 37 under subsection (b), a rollover of a distribution from any of the
 38 following:
 39 (1) A qualified plan described in Section 401(a) or Section 403(a)
 40 of the Internal Revenue Code.
 41 (2) An annuity contract or account described in Section 403(b) of
 42 the Internal Revenue Code.

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

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

7 (g) To the extent permitted by the Internal Revenue Code and the
 8 applicable regulations, the judges' 1985 benefit system may accept, on
 9 behalf of a participant who is purchasing permissive service credit
 10 under subsection (b), a trustee to trustee transfer from any of the
 11 following:

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

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

16 SECTION 3. IC 33-38-8-23 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) This section
 18 applies only to a person who:

19 (1) is a judge participating under this chapter;

20 (2) before becoming a judge was a member of a public employees'
 21 retirement fund;

22 (3) received credited service under a public employees' retirement
 23 fund for the employment described in subdivision (2), and the
 24 credited service is not eligible for ~~prior~~ service credit under
 25 section 22 of this chapter;

26 (4) has not attained vested status under a public employees'
 27 retirement fund for the employment described in subdivision (2);
 28 and

29 (5) has at least eight (8) years of service credit in the judges'
 30 retirement system.

31 (b) If a person becomes a participant in the judges' 1985 benefit
 32 system under this chapter, credit for service described in subsection (a)
 33 shall be granted under this chapter by the board if:

34 (1) the prior service was credited under a public employees'
 35 retirement fund; and

36 (2) the judge pays in a lump sum or in a series of payments
 37 determined by the board, not exceeding five (5) annual payments,
 38 the amount determined by the actuary for the **judges'** 1985
 39 benefit system as the total cost of the service.

40 (c) If the requirements of subsection (b) are not satisfied, a
 41 participant is entitled to credit only for years of service after the date of
 42 participation in the **judges'** 1985 benefit system.

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1 (d) An amortization schedule for contributions paid under this
2 section must include interest at a rate determined by the board.

3 (e) If the requirements of subsection (b) are satisfied, the
4 appropriate board shall transfer from the retirement fund described in
5 subsection (a)(2) to the judges' 1985 benefit system the amount
6 credited to the judge's annuity savings account and the present value of
7 the retirement benefit payable at sixty-five (65) years of age that is
8 attributable to the transferring participant.

9 (f) The amount a participant must contribute to the judges' 1985
10 benefit system under subsection (b) shall be reduced by the amount
11 transferred to the judges' 1985 benefit system by the appropriate board
12 under subsection (e).

13 (g) If the requirements of subsection (b) are satisfied, credit for prior
14 service in a public employees' retirement fund is waived.

15 (h) To the extent permitted by the Internal Revenue Code and the
16 applicable regulations, the judges' 1985 benefit system may accept, on
17 behalf of a participant who is purchasing permissive service credit
18 under subsection (b), a rollover of a distribution from any of the
19 following:

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

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

24 (3) An eligible plan that is maintained by a state, a political
25 subdivision of a state, or an agency or instrumentality of a state or
26 political subdivision of a state under Section 457(b) of the
27 Internal Revenue Code.

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

30 (i) To the extent permitted by the Internal Revenue Code and the
31 applicable regulations, the judges' 1985 benefit system may accept, on
32 behalf of a participant who is purchasing permissive service credit
33 under subsection (b), a trustee to trustee transfer from any of the
34 following:

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

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

39 **SECTION 4. An emergency is declared for this act.**

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