

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WITHDRAWN	Noes _____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

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1546 be amended to read as follows:

- 1 Page 3, between lines 14 and 15, begin a new paragraph and insert:
- 2 "SECTION 2. IC 5-10.2-1-8, AS AMENDED BY P.L.115-2008,
- 3 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2009]: Sec. 8. (a) ~~Except as provided in subsection (b);~~ **For**
- 5 **a member of:**
- 6 **(1) the Indiana state teachers' retirement fund; or**
- 7 **(2) the public employees' retirement fund who retires before**
- 8 **January 1, 2010;**
- 9 "vested status" as used in this article means the status of having ten
- 10 (10) years of creditable service.
- 11 **(b) For a member of the public employees' retirement fund who**
- 12 **retires after December 31, 2009, "vested status" as used in this**
- 13 **article means the status of having at least eight (8) years of**
- 14 **creditable service.**
- 15 ~~(b)~~ **(c)** In the case of a person who is an elected county official
- 16 whose governing body has provided for the county official's
- 17 participation in the public employees' retirement fund under
- 18 IC 5-10.3-7-2(1), "vested status" means the status of: ~~having:~~
- 19 (1) **having** at least eight (8) years of creditable service as an
- 20 elected county official in an office described in IC 5-10.2-4-1.7;
- 21 (2) **having** been elected at least two (2) times if the person would
- 22 have had at least eight (8) years of creditable service as an elected
- 23 county official in an office described in IC 5-10.2-4-1.7 had the

1 person's term of office not been shortened under a statute enacted
 2 under Article 6, Section 2(b) of the Constitution of the State of
 3 Indiana; or

4 **(3) having:**

5 **(A) before January 1, 2010, at least ten (10) years of**
 6 **creditable service; or**

7 **(B) after December 31, 2009, at least eight (8) years of**
 8 **creditable service;**

9 as a member of the fund based on a combination of service as an
 10 elected county official and as a full-time employee in a covered
 11 position.

12 ~~(c)~~ **(d)** In the case of a person whose term of office commences after
 13 the election on November 5, 2002, as auditor of state, secretary of state,
 14 or treasurer of state, and who is prohibited by Article 6, Section 1 of the
 15 Constitution of the State of Indiana from serving in that office for more
 16 than eight (8) years during any period of twelve (12) years, that person
 17 shall be vested with at least eight (8) years of creditable service as a
 18 member of the fund.

19 ~~(d)~~ **(e)** This subsection applies to an individual elected to the office
 20 of treasurer of state at the election on November 7, 2006. The
 21 individual is vested for purposes of this article if the individual is
 22 reelected as treasurer of state at the 2010 general election and serves
 23 in the office until January 1, 2015."

24 Page 6, between lines 4 and 5, begin a new paragraph and insert:

25 "SECTION 4. IC 5-10.2-3-1.2, AS AMENDED BY P.L.115-2008,
 26 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2009]: Sec. 1.2. (a) A member who:

28 **(1) before January 1, 2010, has earned at least ten (10) years of**
 29 **service in a position covered by PERF, TRF, or a combination of**
 30 **the two (2) funds; or**

31 **(2) after December 31, 2009, has earned:**

32 **(A) at least eight (8) years of service in a position covered**
 33 **by PERF; or**

34 **(B) at least ten (10) years of service in:**

35 **(i) a position covered by TRF; or**

36 **(ii) a combination of one (1) or more positions covered by**
 37 **PERF and one (1) or more positions covered by TRF;**

38 may purchase one (1) year of service credit for each five (5) years of
 39 service that the member has completed in a position covered by PERF
 40 or TRF.

41 (b) Before a member retires, a member who desires to purchase
 42 additional service credit under subsection (a) must contribute to the
 43 fund as follows:

44 (1) Contributions that are equal to the product of the following:

45 (A) The member's salary at the time the member actually
 46 makes a contribution for the service credit.

- 1 (B) A rate, determined by the actuary for the fund, that is
2 based on the age of the member at the time the member
3 actually makes a contribution for the service credit and
4 computed to result in a contribution amount that approximates
5 the actuarial present value of the benefit attributable to the
6 service credit purchased.
- 7 (C) The number of years of service credit the member intends
8 to purchase.
- 9 (2) Contributions for any accrued interest, at a rate determined by
10 the actuary for the fund, for the period from the member's initial
11 membership in the fund to the date payment is made by the
12 member.
- 13 (c) The following apply to the purchase of service credit under this
14 section:
- 15 (1) The board may allow a member to make periodic payments of
16 the contributions required for the purchase of service credit. The
17 board shall determine the length of the period during which the
18 payments must be made.
- 19 (2) The board may deny an application for the purchase of service
20 credit if the purchase would exceed the limitations under Section
21 415 of the Internal Revenue Code.
- 22 (3) A member may not claim the service credit for the purpose of
23 computing benefits unless the member has made all payments
24 required for the purchase of the service credit.
- 25 (4) To the extent permitted by the Internal Revenue Code and
26 applicable regulations, a member may purchase service credit
27 under this section by a rollover distribution to the fund from any
28 of the following:
- 29 (A) A qualified plan described in Section 401(a) or Section
30 403(a) of the Internal Revenue Code.
- 31 (B) An annuity contract or account described in Section 403(b)
32 of the Internal Revenue Code.
- 33 (C) An eligible plan that is maintained by a state, a political
34 subdivision of a state, or an agency or instrumentality of a state
35 or political subdivision of a state under Section 457(b) of the
36 Internal Revenue Code.
- 37 (D) An individual retirement account or annuity described in
38 Section 408(a) or Section 408(b) of the Internal Revenue
39 Code.
- 40 (d) A member who terminates employment before satisfying the
41 eligibility requirements necessary to receive a monthly benefit may
42 withdraw the purchase amount, plus accumulated interest, after
43 submitting a properly completed application for a refund to the fund.
44 However, the member must also apply for a refund of the member's
45 entire annuity savings account under section 6 or 6.5 of this chapter to
46 be eligible for a refund of the member's rollover amount.

1 (e) For a member who is a state employee, the employer may pay all
 2 or a part of the member contributions required for the purchase of
 3 service credit under this section. In that event, the actuary shall
 4 determine the amortization, and subsections (c)(1), (c)(3), (c)(4), and
 5 (d) do not apply.

6 (f) For a member who is an employee of a participating political
 7 subdivision, the employer may adopt an ordinance to pay all or a part
 8 of the member contributions required for the purchase of service credit
 9 under this section. In that event, the actuary shall determine the
 10 amortization, and subsections (c)(1), (c)(3), (c)(4), and (d) do not
 11 apply.

12 SECTION 5. IC 5-10.2-4-1 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) This subsection
 14 applies to:

- 15 (1) members of the public employees' retirement fund who retire
 16 before July 1, 1995; and
- 17 (2) members of the Indiana state teachers' retirement fund who
 18 retire before May 2, 1989.

19 A member who has reached age sixty-five (65) and has at least ten (10)
 20 years of creditable service is eligible for normal retirement.

21 (b) This subsection applies to members of the Indiana state teachers'
 22 retirement fund who retire after May 1, 1989, and to members of the
 23 public employees' retirement fund who retire after June 30, 1995, **and**
 24 **before January 1, 2010**, except as provided in section 1.7 of this
 25 chapter. A member is eligible for normal retirement if:

- 26 (1) the member is at least sixty-five (65) years of age and has at
 27 least ten (10) years of creditable service;
- 28 (2) the member is at least sixty (60) years of age and has at least
 29 fifteen (15) years of creditable service; or
- 30 (3) the member's age in years plus the member's years of service
 31 is at least eighty-five (85) and the member is at least fifty-five
 32 (55) years of age.

33 **(c) This subsection applies to a member of the public employees'**
 34 **retirement fund who retires after December 31, 2009. A member**
 35 **is eligible for normal retirement if:**

- 36 **(1) the member is at least sixty-five (65) years of age and has**
 37 **at least eight (8) years of creditable service;**
- 38 **(2) the member is at least sixty (60) years of age and has at**
 39 **least fifteen (15) years of creditable service; or**
- 40 **(3) the member's age in years plus the member's years of**
 41 **service is at least eighty-five (85) and the member is at least**
 42 **fifty-five (55) years of age.**

43 ~~(c)~~ **(d)** A member who has reached age fifty (50) and has at least
 44 fifteen (15) years of creditable service is eligible for early retirement
 45 with a reduced pension.

46 ~~(d)~~ **(e)** A member who is eligible for normal or early retirement is

1 entitled to choose a retirement date on which the member's benefit
2 begins if the following conditions are met:

3 (1) The application for retirement benefits and the choice of the
4 date is filed on a form provided by the board.

5 (2) The date must be after the cessation of the member's service
6 and be the first day of a month.

7 (3) The retirement date is not more than six (6) months before the
8 date the application is received by the board. However, if the
9 board determines that a member is incompetent to file for benefits
10 and choose a retirement date, the retirement date may be any date
11 that is the first of the month after the time the member became
12 incompetent.

13 SECTION 6. IC 5-10.2-4-1.7, AS AMENDED BY P.L.88-2005,
14 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2009]: Sec. 1.7. (a) This section applies only to members of
16 the public employees' retirement fund who retire after June 30, 2002.

17 (b) A member is eligible for normal retirement after becoming
18 sixty-five (65) years of age if the member:

19 (1) has:

20 (A) served as an elected county official in an office described
21 in Article 6, Section 2 of the Constitution of the State of
22 Indiana for at least eight (8) years; or

23 (B) been elected at least two (2) times and would have served
24 at least eight (8) years as an elected county official in an office
25 described in Article 6, Section 2 of the Constitution of the
26 State of Indiana had the member's term of office not been
27 shortened under a statute enacted under Article 6, Section 2(b)
28 of the Constitution of the State of Indiana; and

29 (2) is prohibited by Article 6, Section 2 of the Constitution of the
30 State of Indiana from serving in that office for more than eight (8)
31 years in any period of twelve (12) years.

32 (c) A member who:

33 (1) has served as an elected county official; and

34 (2) does not meet the requirements of subsection (b);

35 is eligible for normal retirement if the member has attained vested
36 status (as defined in ~~IC 5-10.2-1-8(b)(3)~~ **IC 5-10.2-1-8(c)(3)**) and
37 meets the requirements of section 1 of this chapter.

38 SECTION 7. IC 5-10.2-4-1.9, AS ADDED BY P.L.115-2008,
39 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2009]: Sec. 1.9. (a) This section applies only to a member of
41 the public employees' retirement fund:

42 (1) who has served as a state officer listed in Article 6, Section 1
43 of the Constitution of the State of Indiana; and

44 (2) whose term of office as a state officer commenced after the
45 election held on November 5, 2002.

46 (b) A member is eligible for normal retirement after becoming

- 1 sixty-five (65) years of age if the member:
 2 (1) has:
 3 (A) served as a state officer listed in Article 6, Section 1 of the
 4 Constitution of the State of Indiana for at least eight (8) years;
 5 or
 6 (B) been elected at least two (2) times and would have served
 7 at least eight (8) years as a state officer listed in Article 6,
 8 Section 1 of the Constitution of the State of Indiana had the
 9 member's term of office not been shortened under a statute
 10 enacted to establish uniform dates for beginning the terms of
 11 state officers listed in Article 6, Section 1 of the Constitution
 12 of the State of Indiana; and
 13 (2) is prohibited by Article 6, Section 1 of the Constitution of the
 14 State of Indiana from serving in that office for more than eight (8)
 15 years in any period of twelve (12) years.
 16 (c) A member who:
 17 (1) has served as a state officer listed in Article 6, Section 1 of the
 18 Constitution of the State of Indiana; and
 19 (2) does not meet the requirements of subsection (b);
 20 is eligible for normal retirement if the member has attained vested
 21 status (as defined in ~~IC 5-10.2-1-8(a)~~ **IC 5-10.2-1-8**) and meets the
 22 requirements of section 1 of this chapter."
 23 Page 7, between lines 28 and 29, begin a new paragraph and insert:
 24 "SECTION 9. IC 5-10.3-3-1, AS AMENDED BY P.L.62-2005,
 25 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2009]: Sec. 1. (a) The board is composed of six (6) trustees.
 27 (b) Five (5) of the trustees shall be appointed by the governor, as
 28 follows:
 29 (1) One (1) must be a member of the fund with:
 30 (A) **before January 1, 2010**, at least ten (10) years of
 31 creditable service; **or**
 32 (B) **after December 31, 2009, at least eight (8) years of**
 33 **creditable service.**
 34 (2) Not more than three (3) may be members of the same political
 35 party.
 36 (3) One (1) must be:
 37 (A) a:
 38 (i) member of the fund or retired member of the fund; or
 39 (ii) member of a collective bargaining unit of state
 40 employees represented by a labor organization; or
 41 (B) an individual who is:
 42 (i) an officer or a member of a local, a national, or an
 43 international labor union that represents state or university
 44 employees; and
 45 (ii) an Indiana resident.
 46 (c) The director of the budget agency or the director's designee is an

1 ex officio voting member of the board. An individual appointed under
2 this subsection to serve as the director's designee:

- 3 (1) is subject to the provisions of section 3 of this chapter; and
- 4 (2) serves as a permanent designee until replaced by the director.

5 (d) The governor shall fill by appointment vacancies on the board
6 in the manner described in subsection (b).

7 (e) In making the appointments under subsection (b)(1) or (b)(2),
8 the governor may consider whether at least one (1) trustee is a retired
9 member of the fund under subsection (b)(3)(A)(i).

10 SECTION 10. IC 5-10.3-6-8 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) As used in this
12 section, "withdrawing political subdivision" means a political
13 subdivision that takes an action described in subsection (b).

14 (b) Subject to the provisions of this section, a political subdivision
15 may do the following:

- 16 (1) Stop its participation in the fund and withdraw all of the
17 political subdivision's employees from participation in the fund.
- 18 (2) Withdraw a departmental, an occupational, or other definable
19 classification of employees from participation in the fund.
- 20 (3) Stop the political subdivision's participation in the fund by:
21 (A) selling all of the political subdivision's assets; or
22 (B) ceasing to exist as a political subdivision.

23 (c) The withdrawal of a political subdivision's participation in the
24 fund is effective on a termination date established by the board. The
25 termination date may not occur before all of the following have
26 occurred:

- 27 (1) The withdrawing political subdivision has provided written
28 notice of the following to the board:
29 (A) The withdrawing political subdivision's intent to cease
30 participation.
31 (B) The names of the withdrawing political subdivision's
32 current employees and former employees as of the date on
33 which the notice is provided.
- 34 (2) The expiration of:
35 (A) a ninety (90) day period following the filing of the notice
36 with the board, for a withdrawing political subdivision that
37 sells all of the withdrawing political subdivision's assets or that
38 ceases to exist as a political subdivision; or
39 (B) a two (2) year period following the filing of the notice with
40 the board, for all other withdrawing political subdivisions.
- 41 (3) The withdrawing political subdivision takes all actions
42 required in subsections (d) through (h).

43 (d) With respect to retired members who have creditable service
44 with the withdrawing political subdivision, the withdrawing political
45 subdivision must contribute to the fund any additional amounts that the
46 board determines are necessary to provide for reserves with sufficient

1 assets to pay all future benefits from the fund to those retired members.
 2 The contribution by the withdrawing political subdivision must be
 3 made in a lump sum or in a series of payments determined by the
 4 board.

5 (e) A member who is an employee of the political subdivision as of
 6 the date of the notice under subsection (c) is vested in the pension
 7 portion of the member's retirement benefit. The withdrawing political
 8 subdivision must contribute to the fund the amount the board
 9 determines is necessary to fund fully the vested benefit. The
 10 contribution by the withdrawing political subdivision must be made in
 11 a lump sum or in a series of payments determined by the board.

12 (f) A member who is covered by subsection (e) and who is at least
 13 sixty-five (65) years of age may elect to retire under IC 5-10.2-4-1 even
 14 if the member has:

- 15 (1) **before January 1, 2010**, fewer than ten (10) years of service;
- 16 **or**
- 17 (2) **after December 31, 2009**, fewer than eight (8) years of
 18 **service.**

19 The benefit for the member shall be computed under IC 5-10.2-4-4
 20 using the member's actual years of service.

21 (g) With respect to members of the fund who have creditable service
 22 with the withdrawing political subdivision and who are not employees
 23 as of the date of the notice under subsection (c), the withdrawing
 24 political subdivision must contribute the amount that the board
 25 determines is necessary to fund fully the service for those members that
 26 is attributable to service with the withdrawing political subdivision.
 27 The contribution by the withdrawing political subdivision must be
 28 made in a lump sum or in a series of payments determined by the
 29 board.

30 (h) The board shall evaluate each withdrawal under this section to
 31 determine if the withdrawal affects the fund's compliance with Section
 32 401(a)(4) of the Internal Revenue Code of 1954, as in effect on
 33 September 1, 1974. The board may deny a political subdivision
 34 permission to withdraw if the denial is necessary to achieve compliance
 35 with Section 401(a)(4) of the Internal Revenue Code of 1954, as in
 36 effect on September 1, 1974.

37 SECTION 11. IC 5-10.3-6-8.5 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8.5. (a) This section
 39 only applies if:

- 40 (1) certain employees of a state university in a departmental,
 41 occupational, or other definable classification involved in health
 42 care are terminated from employment with the state university as
 43 a result of:
 - 44 (A) a lease or other transfer of university property to a
 45 nongovernmental entity; or
 - 46 (B) a contractual arrangement with a nongovernmental entity

- 1 to perform certain state university functions;
 2 (2) the state university requests coverage under this section from
 3 the board; and
 4 (3) the board approves the request.

5 (b) The withdrawal of the employees described in subsection (a)
 6 from the fund is effective on a termination date established by the
 7 board. The board may not establish a termination date that occurs
 8 before all of the following have occurred:

9 (1) The state university has requested coverage under this section
 10 and provided written notice of the following to the board:

11 (A) The intent of the state university to terminate the
 12 employees from employment.

13 (B) The names of the terminated employees as of the date that
 14 the termination is to occur.

15 (2) The expiration of a thirty (30) day period following the filing
 16 of the notice with the board.

17 (3) The state university fully complies with subsection (c).

18 (c) A member who is an employee of the state university described
 19 in subsection (a) as of the date of the notice under subsection (b) and
 20 who is listed in the notice under subsection (b) is vested in the pension
 21 portion of the member's retirement benefit. The state university must
 22 contribute to the fund the amount the board determines is necessary to
 23 completely fund the vested benefit. The contribution by the state
 24 university must be made in a lump sum or in a series of payments
 25 determined by the board.

26 (d) A member who is covered by subsection (c) and who is at least
 27 sixty-five (65) years of age may elect to retire under IC 5-10.2-4-1 even
 28 if the member has:

29 (1) **before January 1, 2010**, less than ten (10) years of service;

30 **or**

31 (2) **after December 31, 2009, less than eight (8) years of**
 32 **service.**

33 The benefit for the member shall be computed under IC 5-10.2-4-4
 34 using the member's actual years of creditable service.

35 (e) The board shall evaluate each withdrawal under this section to
 36 determine if the withdrawal affects the fund's compliance with Section
 37 401(a) of the Internal Revenue Code of 1954, as in effect on September
 38 1, 1974. The board may deny an employee permission to withdraw if
 39 the denial is necessary to achieve compliance with Section 401(a) of
 40 the Internal Revenue Code of 1954, as in effect on September 1, 1974.

41 SECTION 12. IC 5-10.3-6-8.9, AS ADDED BY P.L.158-2006,
 42 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 43 JULY 1, 2009]: Sec. 8.9. (a) This section applies when certain
 44 employees of the state in particular departmental, occupational, or
 45 other definable classifications are terminated from employment with
 46 the state as a result of:

- 1 (1) a lease or other transfer of state property to a nongovernmental
2 entity; or
3 (2) a contractual arrangement with a nongovernmental entity to
4 perform certain state functions.
- 5 (b) The governor shall request coverage under this section from the
6 board whenever an employee of the state is terminated as described in
7 subsection (a).
- 8 (c) The board must approve a request from the governor under
9 subsection (b) unless approval violates subsection (k), federal or state
10 law, or the terms of the fund.
- 11 (d) As used in this section, "early retirement" means a member is
12 eligible to retire with a reduced pension under IC 5-10.2-4-1, because
13 the member:
14 (1) is at least fifty (50) years of age; and
15 (2) has at least fifteen (15) years of creditable service.
- 16 (e) As used in this section, "normal retirement" means a member is
17 eligible to retire under IC 5-10.2-4-1, because:
18 (1) the member is at least sixty-five (65) years of age and has:
19 **(A) before January 1, 2010, at least ten (10) years of**
20 **creditable service; or**
21 **(B) after December 31, 2009, at least eight (8) years of**
22 **creditable service.**
23 (2) the member is at least sixty (60) years of age and has at least
24 fifteen (15) years of creditable service; or
25 (3) the member's age in years plus the member's years of service
26 is at least eighty-five (85) and the member is at least fifty-five
27 (55) years of age.
- 28 (f) The withdrawal of the employees described in subsection (a)
29 from the fund is effective on a termination date established by the
30 board. The board may not establish a termination date that occurs
31 before all of the following have occurred:
32 (1) The governor has requested coverage under this section and
33 provided written notice of the following to the board:
34 (A) The intent of the state to terminate the employees from
35 employment.
36 (B) The names of the terminated employees as of the date that
37 the termination is to occur.
38 (2) The expiration of a thirty (30) day period following the filing
39 of the notice with the board.
40 (3) The state complies with subsections (g) and (i).
- 41 (g) A member who:
42 (1) is an employee of the state described in subsection (a) with at
43 least twenty-four (24) months of creditable service as of the date
44 of the notice under subsection (f); and
45 (2) is listed in the notice under subsection (f);
46 is vested in the pension portion of the member's retirement benefit. The

1 state must contribute to the fund the amount the board determines is
 2 necessary to completely fund the vested benefit. The contribution by
 3 the state must be made in a lump sum or in a series of payments
 4 determined by the board. The benefit for the member shall be
 5 computed under IC 5-10.2-4-4 using the member's actual years of
 6 creditable service.

7 (h) A member who is covered by subsection (g) and who is at least
 8 sixty-five (65) years of age as of the date of the notice under subsection
 9 (f) may elect to retire under IC 5-10.2-4-1 even if the member has:

10 **(1) before January 1, 2010, less than ten (10) years of service;**

11 **or**

12 **(2) after December 31, 2009, less than eight (8) years of**
 13 **service.**

14 The benefit for the member shall be computed under IC 5-10.2-4-4
 15 using the member's actual years of creditable service.

16 (i) A member who is covered by subsection (f) and who, as of the
 17 date of the notice under subsection (f), is less than twenty-four (24)
 18 months from being eligible for normal or early retirement under
 19 IC 5-10.2-4-1 may elect to retire by purchasing the service credit
 20 needed for retirement under the following conditions:

21 (1) The state shall contribute to the fund an amount determined
 22 under IC 5-10.2-3-1.2 and payable from the sources described in
 23 subsection (j) sufficient to pay the member's contributions
 24 required for the member's purchase of the service credit the
 25 member needs to retire.

26 (2) The maximum amount of creditable service that the state may
 27 purchase for a member under this subsection is twenty-four (24)
 28 months.

29 (3) The benefit for the member shall be computed under
 30 IC 5-10.2-4-4 using the member's actual years of creditable
 31 service plus all other service for which the fund gives credit,
 32 including the creditable service purchased under this subsection.

33 (j) The amounts that the state is required to contribute to the fund
 34 under subsection (i) must come from the following sources:

35 (1) If the state receives monetary payments under the lease or
 36 contractual arrangement described in subsection (a), the proceeds
 37 of the monetary payments received by the state. The state may not
 38 require, as a condition of the transaction to transfer state property
 39 or have certain state functions performed by a nongovernmental
 40 entity, that the nongovernmental entity directly or indirectly pay
 41 the amounts that the state is required to contribute under
 42 subsection (i).

43 (2) If the state does not receive any monetary payments under the
 44 lease or contractual arrangement described in subsection (a), any
 45 remaining appropriations made to the state department, agency,
 46 or other entity terminating the employees described in subsection

- 1 (a).
 2 (3) If the sources described in subdivisions (1) and (2) do not
 3 fully fund the amounts that the state is required to contribute to
 4 the fund under subsection (i), the board shall request that the
 5 general assembly appropriate the amount necessary to fully fund
 6 the state's required contribution under subsection (i) in the next
 7 biennial state budget.
- 8 (k) The board shall evaluate each withdrawal under this section to
 9 determine if the withdrawal affects the fund's compliance with Section
 10 401(a) of the Internal Revenue Code of 1954, as in effect on September
 11 1, 1974. The board may deny an employee permission to withdraw if
 12 the denial is necessary to achieve compliance with Section 401(a) of
 13 the Internal Revenue Code of 1954, as in effect on September 1, 1974.
- 14 SECTION 13. IC 5-10.3-7-4.5 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4.5. (a) As used in this
 16 section, "out-of-state service" means service in another state in a
 17 comparable position that would be creditable service if performed in
 18 Indiana.
- 19 (b) Subject to subsections (c) through (f), a member may purchase
 20 out-of-state service credit if the member meets the following
 21 requirements:
- 22 (1) The member has at least one (1) year of creditable service in
 23 the fund.
- 24 (2) Before the member retires, the member makes contributions
 25 to the fund as follows:
- 26 (A) Contributions that are equal to the product of the
 27 following:
- 28 (i) The member's salary at the time the member actually
 29 makes a contribution for the service credit.
- 30 (ii) A rate, determined by the actuary of the fund, based on
 31 the age of the member at the time the member actually
 32 makes a contribution for service credit and computed to
 33 result in a contribution amount that approximates the
 34 actuarial present value of the benefit attributable to the
 35 service credit purchased.
- 36 (iii) The number of years of out-of-state service the member
 37 intends to purchase.
- 38 (B) Contributions for any accrued interest, at a rate determined
 39 by the actuary for the fund, for the period from the member's
 40 initial membership in the fund to the date payment is made by
 41 the member.
- 42 (3) The member has received verification from the fund that the
 43 out-of-state service is, as of that date, valid.
- 44 (c) Out-of-state years that qualify a member for retirement in an
 45 out-of-state system or in any federal retirement system may not be
 46 granted under this section.

- 1 (d) At least:
 2 (1) **before January 1, 2010**, ten (10); or
 3 (2) **after December 31, 2009**, eight (8);
 4 years of service in Indiana is required before a member may receive a
 5 benefit based on out-of-state service credits.
- 6 (e) A member who:
 7 (1) terminates employment before satisfying the eligibility
 8 requirements necessary to receive a monthly allowance; or
 9 (2) receives a monthly allowance for the same service from
 10 another tax supported public employee retirement plan other than
 11 under the Social Security Act;
 12 may withdraw the purchase amount plus accumulated interest after
 13 submitting a properly completed application for a refund to the fund.
- 14 (f) The following apply to the purchase of service credit under this
 15 section:
 16 (1) The board may allow a member to make periodic payments of
 17 the contributions required for the purchase of the service credit.
 18 The board shall determine the length of the period during which
 19 the payments must be made.
 20 (2) The board may deny an application for the purchase of service
 21 credit if the purchase would exceed the limitations under Section
 22 415 of the Internal Revenue Code.
 23 (3) A member may not claim the service credit for purposes of
 24 determining eligibility or computing benefits unless the member
 25 has made all payments required for the purchase of the service
 26 credit.
- 27 SECTION 14. IC 5-10.3-7-4.6 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4.6. (a) Subject to the
 29 provisions of this section, a member may purchase service credit for
 30 the member's prior service in a position covered by the 1925 police
 31 pension fund under IC 36-8-6, the 1937 firefighters' pension fund under
 32 IC 36-8-7, or the 1953 police pension fund under IC 36-8-7.5 if the
 33 member meets the following requirements:
 34 (1) The member has at least one (1) year of credited service in the
 35 fund.
 36 (2) The member has not attained vested status in and is not an
 37 active member of the 1925 police pension fund, the 1937
 38 firefighters' pension fund, or the 1953 police pension fund.
 39 (3) Before the member retires, the member makes contributions
 40 to the fund as follows:
 41 (A) Contributions that are equal to the product of the
 42 following:
 43 (i) The member's salary at the time the member actually
 44 makes a contribution for the service credit.
 45 (ii) A rate, determined by the actuary of the fund, based on
 46 the age of the member at the time the member actually

- 1 makes a contribution for service credit and computed to
 2 result in a contribution amount that approximates the
 3 actuarial present value of the benefit attributable to the
 4 service credit purchased.
- 5 (iii) The number of years of service credit the member
 6 intends to purchase.
- 7 (B) Contributions for any accrued interest, at a rate determined
 8 by the actuary for the fund, for the period from the member's
 9 initial membership in the fund to the date payment is made by
 10 the member.
- 11 (4) The member has received verification from the fund that the
 12 service in the 1925 police pension fund, the 1937 firefighters'
 13 pension fund, or the 1953 police pension fund is, as of that date,
 14 valid.
- 15 (b) At least:
- 16 **(1) before January 1, 2010, ten (10); or**
 17 **(2) after December 31, 2009, eight (8);**
 18 years of service in Indiana is required before a member may receive a
 19 benefit based on service credits purchased under this section.
- 20 (c) A member who:
- 21 (1) terminates employment before satisfying the eligibility
 22 requirements necessary to receive a monthly allowance; or
 23 (2) receives a monthly allowance for the same service from
 24 another tax supported public employee retirement plan other than
 25 under the Social Security Act;
- 26 may withdraw the purchase amount plus accumulated interest after
 27 submitting a properly completed application for a refund to the fund.
- 28 (d) The following apply to the purchase of service credit under this
 29 section:
- 30 (1) The board may allow a member to make periodic payments of
 31 the contributions required for the purchase of the service credit.
 32 The board shall determine the length of the period during which
 33 the payments must be made.
- 34 (2) The board may deny an application for the purchase of service
 35 credit if the purchase would exceed the limitations under Section
 36 415 of the Internal Revenue Code.
- 37 (3) A member may not claim the service credit for purposes of
 38 determining eligibility or computing benefits unless the member
 39 has made all payments required for the purchase of the service
 40 credit.
- 41 SECTION 15. IC 5-10.3-7-4.8, AS ADDED BY P.L.148-2007,
 42 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 43 JULY 1, 2009]: Sec. 4.8. (a) As used in this section, "state
 44 quasi-governmental entity service" means service in Indiana that would
 45 be considered creditable service if performed by an employee of a
 46 member of the fund by an individual who:

- 1 (1) provided the service as an employee of a body corporate and
 2 politic, nonprofit corporation established by the state, or other
 3 quasi-governmental entity that performed a state governmental
 4 function; and
 5 (2) was not a member of the fund under section 1 of this chapter
 6 during the period of employment.
- 7 (b) A member may purchase state quasi-governmental entity service
 8 credit subject to the following:
- 9 (1) The member must have at least one (1) year of credited
 10 service in the fund.
- 11 (2) The member must have at least:
- 12 (A) **before January 1, 2010**, ten (10); or
 13 (B) **after December 31, 2009**, eight (8);
 14 years of in-state credited service before the member may claim the
 15 service credit.
- 16 (3) Before the member retires, the member must make
 17 contributions to the fund:
- 18 (A) that are equal to the product of:
- 19 (i) the member's salary at the time the member actually
 20 makes a contribution for the service credit;
- 21 (ii) a percentage rate, as determined by the actuary of the
 22 fund, based on the age of the member at the time the
 23 member makes a contribution for service credit and
 24 computed to result in a contribution amount that
 25 approximates the actuarial present value of the benefit
 26 attributable to the service credit purchased; and
- 27 (iii) the number of years of state quasi-governmental entity
 28 service the member intends to purchase; and
- 29 (B) for any accrued interest, at a rate determined by the
 30 actuary of the fund, for the period from the member's initial
 31 membership in the fund to the date payment is made by the
 32 member.
- 33 (4) The member must provide verification of the service with the
 34 state quasi-governmental entity in a manner prescribed by the
 35 fund.
- 36 (c) State quasi-governmental entity service that qualifies a member
 37 for retirement in a private retirement system or a federal retirement
 38 system may not be granted under this section.
- 39 (d) A member who:
- 40 (1) terminates employment before satisfying the eligibility
 41 requirements necessary to receive a monthly allowance; or
 42 (2) receives a monthly allowance for the same service from
 43 another tax supported public employee retirement plan other than
 44 under the federal Social Security Act;
- 45 may withdraw the personal contributions made under the contributory
 46 plan plus accumulated interest after submitting to the fund a properly

- 1 completed application for a refund.
- 2 (e) The following apply to the purchase of service credit under this
3 section:
- 4 (1) The board may allow a member to make periodic payments of
5 the contributions required for the purchase of the service credit.
6 The board shall determine the length of the period during which
7 the payments must be made.
- 8 (2) The board may deny an application for the purchase of service
9 credit if the purchase would exceed the limitations under Section
10 415 of the Internal Revenue Code.
- 11 (3) A member may not claim the service credit for purposes of
12 determining eligibility or computing benefits unless the member
13 has made all payments required for the purchase of the service
14 credit.
- 15 SECTION 16. IC 5-10.3-7-5 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) A member who:
- 17 (1) enters the United States armed services;
18 (2) leaves ~~his~~ **the member's** contributions in the fund;
19 (3) except as provided in subsection (c), resumes service with ~~his~~
20 **the member's** employer within one hundred twenty (120) days
21 after ~~his~~ **the member's** unconditional discharge; and
22 (4) would be entitled to service credit for military service under
23 the Uniformed Services Employment and Reemployment Rights
24 Act (38 U.S.C. 4301 et seq.) if the member had resumed service
25 with the member's employer within ninety (90) days after
26 discharge;
- 27 is entitled to service credit for the armed service.
- 28 (b) A state employee who left employment before January 1, 1946,
29 or an employee of a political subdivision who left employment before
30 the participation date, to enter the United States armed services is
31 entitled to service credit for the armed service if ~~he~~ **the employee:**
- 32 (1) except as provided in subsection (c), resumes service with the
33 employer within one hundred twenty (120) days after ~~his~~ **the**
34 **employee's** unconditional discharge; and
35 (2) would be entitled to service credit for military service under
36 the applicable requirements of federal law in effect at the time of
37 reemployment if the employee had resumed service with the
38 employee's employer within ninety (90) days after discharge.
- 39 (c) The board shall extend the one hundred twenty (120) day
40 reemployment requirement contained in subsection (a)(3) or (b)(1) if
41 the board determines that an illness, an injury, or a disability related to
42 the member's military service prevented the member from resuming
43 employment within one hundred twenty (120) days after the member's
44 discharge from military service. However, the board may not extend the
45 deadline beyond thirty (30) months after the member's discharge.
- 46 (d) If a member retires and the board subsequently determines that

1 the member is entitled to additional service credit due to the extension
 2 of a deadline under subsection (c), the board shall recompute the
 3 member's benefit. However, the additional service credit may be used
 4 only in the computation of benefits to be paid after the date of the
 5 board's determination, and the member is not entitled to a
 6 recomputation of benefits received before the date of the board's
 7 determination.

8 (e) Notwithstanding any provision of this section, a member is
 9 entitled to service credit and benefits in the amount and to the extent
 10 required by the Uniformed Services Employment and Reemployment
 11 Rights Act (38 U.S.C. 4301 et seq.).

12 (f) Subject to the provisions of this section, an active member may
 13 purchase not more than two (2) years of service credit for the member's
 14 service on active duty in the armed services if the member meets the
 15 following conditions:

16 (1) The member has at least one (1) year of credited service in the
 17 fund.

18 (2) The member serves on active duty in the armed services of the
 19 United States for at least six (6) months.

20 (3) The member receives an honorable discharge from the armed
 21 services.

22 (4) Before the member retires, the member makes contributions
 23 to the fund as follows:

24 (A) Contributions that are equal to the product of the
 25 following:

26 (i) The member's salary at the time the member actually
 27 makes a contribution for the service credit.

28 (ii) A rate, determined by the actuary of the fund, that is
 29 based on the age of the member at the time the member
 30 actually makes a contribution for service credit and
 31 computed to result in a contribution amount that
 32 approximates the actuarial present value of the benefit
 33 attributable to the service credit purchased.

34 (iii) The number of years of service credit the member
 35 intends to purchase.

36 (B) Contributions for any accrued interest, at a rate determined
 37 by the actuary of the fund, for the period from the member's
 38 initial membership in the fund to the date payment is made by
 39 the member.

40 However, a member is entitled to purchase service credit under this
 41 subsection only to the extent that service credit is not granted for that
 42 time under another provision of this section. At least **before January**
 43 **1, 2010, ten (10) or after December 31, 2009, eight (8)** years of
 44 service in Indiana is required before a member may receive a benefit
 45 based on service credits purchased under this section. A member who
 46 terminates employment before satisfying the eligibility requirements

1 necessary to receive a monthly allowance or receives a monthly
2 allowance for the same service from another tax supported public
3 employee retirement plan other than under the federal Social Security
4 Act may withdraw the purchase amount plus accumulated interest after
5 submitting a properly completed application for a refund to the fund.

6 (g) The following apply to the purchase of service credit under
7 subsection (f):

8 (1) The board may allow a member to make periodic payments of
9 the contributions required for the purchase of the service credit.
10 The board shall determine the length of the period during which
11 the payments must be made.

12 (2) The board may deny an application for the purchase of service
13 credit if the purchase would exceed the limitations under Section
14 415 of the Internal Revenue Code.

15 (3) A member may not claim the service credit for purposes of
16 determining eligibility or computing benefits unless the member
17 has made all payments required for the purchase of the service
18 credit."

19 Page 7, line 36, delete "September" and insert "**October**".

20 Page 8, line 1, after "check" insert "**at the same time that the**
21 **monthly benefit is paid**".

22 Renumber all SECTIONS consecutively.

(Reference is to HB 1546 as printed February 17, 2009.)

Representative Niezgodski