Adopted	Rejected

COMMITTEE REPORT

YES: 9
NO: 1

MR. SPEAKER:

Your Committee on ***Labor and Employment****, to which was referred House Bill 1008, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill* ***be amended*** *as follows:*

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 33-39-7-26 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 26. (a) This section applies to a participant who, after June 30, 2010, completes service for which the fund gives credit.**

(b) As used in this section, "out-of-state service" means service in another state in a comparable position for which the participant would receive service credit in the fund if the service had been performed in Indiana.

(c) Subject to subsections (d) through (g), a participant may purchase out-of-state service credit if the participant meets the following requirements:

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

(2) Before the participant retires, the participant makes contributions to the fund as follows:

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

(i) The participant's annual salary at the time the participant makes a contribution for the service credit.

(ii) A rate, determined by the actuary for the fund, that is based on the age of the participant at the time the participant makes a contribution for the service credit and that is computed to result in a contribution amount that approximates the actuarial present value of the retirement benefit attributable to the service credit purchased.

(iii) The number of years of out-of-state service credit the participant intends to purchase.

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

(3) The participant has received verification from the fund that the out-of-state service is, as of the date payment is made by the participant, valid.

(d) A participant must have at least eight (8) years of service before the participant may receive a benefit based on service credit purchased under this section.

(e) A participant may not receive service credit under this section if the service for which the participant requests credit also qualifies the participant for a benefit in another governmental retirement system.

(f) A participant who:

(1) terminates service before satisfying the eligibility requirements necessary to receive a retirement benefit payment from the fund; or

(2) receives a retirement benefit for the same service from another retirement system, other than under the federal Social Security Act;

may withdraw the participant's contributions made under this section plus accumulated interest after submitting to the fund a properly completed application for a refund.

(g) The following apply to the purchase of service credit under this section:

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

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

(3) The participant may not claim the service credit for purposes of determining eligibility or computing benefits unless the participant has made all payments required for the purchase of the service credit.

(h) To the extent permitted by the Internal Revenue Code and the applicable regulations, the fund may accept, on behalf of a participant who is purchasing service credit under this section, a rollover of a distribution from any of the following:

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

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

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

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

(i) To the extent permitted by the Internal Revenue Code and the applicable regulations, the fund may accept, on behalf of a participant who is purchasing service credit under this section, a trustee to trustee transfer from any of the following:

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

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

1 Renumber all SECTIONS consecutively.
(Reference is to HB 1008 as introduced.)

and when so amended that said bill do pass.

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Representative Niezgodski