



February 8, 2011

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## HOUSE BILL No. 1176

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DIGEST OF HB 1176 (Updated February 8, 2011 10:17 am - DI 96)

**Citations Affected:** IC 5-10.2; noncode.

**Synopsis:** COLAs for retired public employees; 13th checks. Provides for a cost of living adjustment (COLA) and thirteenth check for public employees' retirement fund (PERF) and teachers' retirement fund (TRF) members, survivors, and beneficiaries. Provides for a thirteenth check for employee beneficiaries of the state police 1987 benefit system who retired or were disabled after June 30, 1987, and before July 2, 2010, and were entitled to receive a monthly benefit as of September 1, 2011.

**Effective:** July 1, 2011.

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**Burton, Niezgodski, Crouch,  
Crawford**

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January 10, 2011, read first time and referred to Committee on Employment, Labor and Pensions.

February 8, 2011, amended, reported — Do Pass. Recommended to Committee on Ways and Means pursuant to Rule 127.

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HB 1176—LS 6655/DI 116+



February 8, 2011

First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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## HOUSE BILL No. 1176

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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 5-10.2-5-44 IS ADDED TO THE INDIANA CODE  
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2011]: **Sec. 44. (a) The pension portion (plus post retirement  
4 increases to the pension portion) provided by employer  
5 contributions of the monthly benefit payable after June 30, 2011,  
6 to a member of the Indiana state teachers' retirement fund (or to  
7 a survivor or beneficiary of a member of the Indiana state  
8 teachers' retirement fund) who retired or was disabled before  
9 January 1, 2011, shall be increased by one percent (1%).**

10 **(b) The increase specified in this section:**  
11 **(1) is based on the date of the member's latest retirement or**  
12 **disability;**  
13 **(2) does not apply to benefits payable in a lump sum; and**  
14 **(3) is in addition to any other increase provided by law.**

15 SECTION 2. IC 5-10.2-5-45 IS ADDED TO THE INDIANA CODE  
16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
17 1, 2011]: **Sec. 45. (a) The pension portion (plus post retirement**

HB 1176—LS 6655/DI 116+



1 increases to the pension portion) provided by employer  
2 contributions of the monthly benefit payable after June 30, 2011,  
3 to a member of the public employees' retirement fund (or to a  
4 survivor or beneficiary of a member of the public employees'  
5 retirement fund) who retired or was disabled before January 1,  
6 2011, shall be increased by one percent (1%).

- 7 (b) The increase specified in this section:
- 8 (1) is based on the date of the member's latest retirement or
- 9 disability;
- 10 (2) does not apply to benefits payable in a lump sum; and
- 11 (3) is in addition to any other increase provided by law.

12 SECTION 3. [EFFECTIVE JULY 1, 2011] (a) As used in this  
13 SECTION, "fund" refers to the Indiana state teachers' retirement  
14 fund established by IC 5-10.4-2-1.

15 (b) Not later than October 1, 2011, the fund shall pay the  
16 amount determined under subsection (c) to a member of the fund  
17 (or to a survivor or beneficiary of a member) who retired or was  
18 disabled before January 1, 2011, and who is entitled to receive a  
19 monthly benefit on July 1, 2011. The amount is not an increase in  
20 the pension portion of the monthly benefit.

21 (c) The amount paid under this SECTION to a member of the  
22 fund (or to a survivor or beneficiary of a member) who meets the  
23 requirements of subsection (b) is determined as follows:

24 If a Member's Creditable	The Amount Is:
25 Service Is:	
26 At least 5 years, but less than 10 years	\$150
27 (only in the case of a member receiving	
28 disability retirement benefits)	
29 At least 10 years, but less than 20 years	\$275
30 At least 20 years, but less than 30 years	\$375
31 At least 30 years	\$450

32 (d) The creditable service used to determine the amount paid to  
33 a member (or a survivor or beneficiary of a member) under this  
34 SECTION is the creditable service that was used to compute the  
35 member's retirement benefit under IC 5-10.2-4-4 except that  
36 partial years of creditable service may not be used to determine the  
37 amount paid under this SECTION.

38 (e) This SECTION expires January 1, 2012.

39 SECTION 4. [EFFECTIVE JULY 1, 2011] (a) As used in this  
40 SECTION, "fund" refers to the public employees' retirement fund  
41 established by IC 5-10.3-2-1.

42 (b) Not later than October 1, 2011, the fund shall pay the

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1 amount determined under subsection (c) to a member of the fund  
2 (or to a survivor or beneficiary of a member) who retired or was  
3 disabled before January 1, 2011, and who is entitled to receive a  
4 monthly benefit on July 1, 2011. The amount is not an increase in  
5 the pension portion of the monthly benefit.

6 (c) The amount paid under this SECTION to a member of the  
7 fund (or to a survivor or beneficiary of a member) who meets the  
8 requirements of subsection (b) is determined as follows:

9 If a Member's Creditable 10 Service Is:	The Amount Is:
11 At least 5 years, but less than 10 years 12 (only in the case of a member receiving 13 disability retirement benefits)	\$150
14 At least 10 years, but less than 20 years	\$275
15 At least 20 years, but less than 30 years	\$375
16 At least 30 years	\$450

17 (d) The creditable service used to determine the amount paid to  
18 a member (or a survivor or beneficiary of a member) under this  
19 SECTION is the creditable service that was used to compute the  
20 member's retirement benefit under IC 5-10.2-4-4 except that  
21 partial years of creditable service may not be used to determine the  
22 amount paid under this SECTION.

23 (e) This SECTION expires January 1, 2012.

24 SECTION 5. [EFFECTIVE JULY 1, 2011] (a) As used in this  
25 SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.

26 (b) As used in this SECTION, "trust fund" has the meaning set  
27 forth in IC 10-12-1-11.

28 (c) Not later than October 1, 2011, the trustee shall pay from the  
29 trust fund to each employee beneficiary of the state police 1987  
30 benefit system covered by IC 10-12-4 who:

31 (1) retired or was disabled after June 30, 1987, and before  
32 July 2, 2010; and

33 (2) is entitled to receive a monthly benefit as of September 1,  
34 2011;

35 an amount equal to one percent (1%) of the maximum basic annual  
36 pension amount payable to a retired state police employee in the  
37 grade of trooper who has completed twenty-five (25) years of  
38 service as of July 1, 2011, as calculated under IC 10-12-4-7.

39 (d) The amount paid under this SECTION is not an increase in  
40 the monthly pension amount of an employee beneficiary.

41 (e) This SECTION expires January 1, 2012.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1176, 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 3, after line 23, begin a new paragraph and insert:

"SECTION 5. [EFFECTIVE JULY 1, 2011] (a) As used in this SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.

(b) As used in this SECTION, "trust fund" has the meaning set forth in IC 10-12-1-11.

(c) Not later than October 1, 2011, the trustee shall pay from the trust fund to each employee beneficiary of the state police 1987 benefit system covered by IC 10-12-4 who:

(1) retired or was disabled after June 30, 1987, and before July 2, 2010; and

(2) is entitled to receive a monthly benefit as of September 1, 2011;

an amount equal to one percent (1%) of the maximum basic annual pension amount payable to a retired state police employee in the grade of trooper who has completed twenty-five (25) years of service as of July 1, 2011, as calculated under IC 10-12-4-7.

(d) The amount paid under this SECTION is not an increase in the monthly pension amount of an employee beneficiary.

(e) This SECTION expires January 1, 2012."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1176 as introduced.)

GUTWEIN, Chair

Committee Vote: yeas 10, nays 0.

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