

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.

## SENATE ENROLLED ACT No. 521

AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 5-10-1.1-3.5, AS AMENDED BY P.L.3-2008, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3.5. (a) This section applies to an individual who becomes an employee of the state after June 30, 2007.

(b) Unless an employee notifies the state that the employee does not want to enroll in the deferred compensation plan, on day thirty-one (31) of the employee's employment:

- (1) the employee is automatically enrolled in the deferred compensation plan; and
- (2) the state is authorized to begin deductions as otherwise allowed under this chapter.

(c) The auditor of state shall provide written notice to an employee of the provisions of this chapter. The notice provided under this subsection must:

- (1) be provided:
  - (A) with the employee's first paycheck; and
  - (B) on paper that is a color that is separate and distinct from the color of the employee's paycheck;
- (2) contain a statement concerning:
  - (A) the purposes of;
  - (B) procedures for notifying the state that the employee does not want to enroll in;

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- (C) the tax consequences of; and
- (D) the details of the state match for employee contribution to; the deferred compensation plan; and
- (3) list the telephone number, electronic mail address, and other contact information for the auditor of state, who serves as plan administrator.

**(d) This subsection applies to contributions made before July 1, 2011.** Notwithstanding IC 22-2-6, except as provided by subsection ~~(c)~~, **(g)**, the state shall deduct from an employee's compensation as a contribution to the deferred compensation plan established by the state under this chapter an amount equal to the maximum amount of any match provided by the state on behalf of the employee to a defined contribution plan established under section 1.5(a) of this chapter.

**(e) This subsection applies to contributions made after June 30, 2011.** Notwithstanding IC 22-2-6 and except as provided by subsection **(g)**, during the first year an employee is enrolled under subsection **(b)** in the deferred compensation plan, the state shall deduct each pay period from the employee's compensation as a contribution to the deferred compensation plan an amount equal to the greater of the following:

- (1) The maximum amount of any match provided by the state on behalf of the employee to a defined contribution plan established under section 1.5(a) of this chapter.**
- (2) One-half percent (0.5%) of the employee's base salary.**

**(f) This subsection applies to a year:**

- (1) after the first year in which an employee is enrolled in the deferred compensation plan; and**
- (2) in which the employee does not affirmatively choose a contribution amount under subsection (g).**

**The percentage of the employee's base salary used for the year in subsection (e)(2) to determine the employee's contribution increases by one-half percent (0.5%) from the percentage determined in the immediately preceding year for five (5) years. The maximum percentage of an employee's base salary that may be deducted under this subsection is three percent (3%). The contribution increase occurs on the anniversary date of the employee's enrollment in the deferred compensation plan.**

~~(c)~~ **(g)** An employee may contribute to the deferred compensation plan established by the state under this chapter an amount other than the amount described in ~~subsection~~ **subsections (d) through (f)** by affirmatively choosing to contribute:

- (1) a higher amount;**

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(2) a lower amount; or  
(3) zero (0).

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President of the Senate

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President Pro Tempore

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Speaker of the House of Representatives

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Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

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