



March 15, 2013

**ENGROSSED
HOUSE BILL No. 1148**

DIGEST OF HB 1148 (Updated March 13, 2013 10:26 am - DI 102)

Citations Affected: IC 5-10.3.

Synopsis: Public employees' defined contribution plan. Changes the definition of "normal retirement age" in the public employees' defined contribution plan (plan) to reduce the minimum number of years required for participation in the plan from ten years to five years. Requires a vested plan member to be separated from employment for at least 30 days before the member may make a withdrawal from the member's account. (The introduced version of this bill was prepared by the pension management oversight commission.)

Effective: July 1, 2013.

Niezgodski, Burton

(SENATE SPONSORS — TALLIAN, BOOTS)

January 10, 2013, read first time and referred to Committee on Employment, Labor and Pensions.

January 15, 2013, reported — Do Pass.

January 22, 2013, read second time, ordered engrossed. Engrossed.

January 23, 2013, read third time, passed. Yeas 80, nays 14.

SENATE ACTION

February 25, 2013, read first time and referred to Committee on Pensions and Labor.

March 14, 2013, reported favorably — Do Pass.

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EH 1148—LS 6074/DI 113+



March 15, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1148

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 5-10.3-12-14, AS ADDED BY P.L.22-2011,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: Sec. 14. As used in this chapter, "normal retirement
4 age" for a member means the member is at least sixty-two (62) years of
5 age with at least ~~ten (10)~~ **five (5)** years of participation in the plan.
6 SECTION 2. IC 5-10.3-12-26, AS AMENDED BY P.L.6-2012,
7 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2013]: Sec. 26. (a) Subject to the provisions of the Internal
9 Revenue Code applicable to qualified plan distributions, a member
10 who:
11 **(1) terminates service in a covered position; and**
12 **(2) does not perform any service in a position covered by the**
13 **fund for at least thirty (30) days after the date on which the**
14 **member terminates service;**
15 is entitled to withdraw amounts in the member's account to the extent
16 the member is vested in the account. A member must make a required
17 withdrawal from the member's account not later than the required

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- 1 beginning date under the Internal Revenue Code.
- 2 (b) The member may elect to have withdrawals paid as:
- 3 (1) a lump sum;
- 4 (2) a direct rollover to another eligible retirement plan; or
- 5 (3) if the member has attained normal retirement age, a monthly
- 6 annuity in accordance with the rules of the board.
- 7 (c) The board may establish a minimum account balance or a
- 8 minimum monthly payment amount in order for a member to select the
- 9 monthly annuity option. The board shall establish the forms of annuity
- 10 by rule, in consultation with the board's actuary. The board shall give
- 11 members information about these forms of payment and any
- 12 information required by federal law to accompany such distributions.
- 13 (d) Unless otherwise required by federal or state law, the
- 14 requirements and rules that apply to the distribution of the annuity
- 15 savings account apply to distributions from a member's account.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1148, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

GUTWEIN, Chair

Committee Vote: yeas 11, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred House Bill No. 1148, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to House Bill 1148 as printed January 15, 2013.)

BOOTS, Chairperson

Committee Vote: Yeas 8, Nays 0.

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