

**CONFERENCE COMMITTEE REPORT
DIGEST FOR ESB 248**

Citations Affected: IC 5-10-1.1-3.5.

Synopsis: State employee deferred compensation contributions. Conference committee report for ESB 248. Increases to 2% the amount of a state employee's base salary contributed during the first year the employee is automatically enrolled in the state's deferred compensation plan (plan), if that amount is greater than the maximum state match. (Currently, a state employee's contribution in the first year the employee is automatically enrolled in the plan is the greater of: (1) the maximum state match; or (2) 0.5% of the employee's base salary.) **(This conference committee report removes provisions that: (1) authorize the payment of a qualified domestic relations order by the legislators' defined contribution fund; and (2) exempt criminal offenders in a facility: (A) operated by the department of correction; or (B) operated by a private operator under contract with the department of correction; from certain provisions concerning the frequency of wage payment and wage claims.)**

Effective: July 1, 2013.

Adopted Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill No. 248 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete the title and insert the following:
2 A BILL FOR AN ACT to amend the Indiana Code concerning
3 pensions.
4 Delete everything after the enacting clause and insert the following:
5 SECTION 1. IC 5-10-1.1-3.5, AS AMENDED BY P.L.21-2011,
6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2013]: Sec. 3.5. (a) This section applies to an individual who
8 becomes an employee of the state after June 30, 2007.
9 (b) Unless an employee notifies the state that the employee does not
10 want to enroll in the deferred compensation plan, on day thirty-one (31)
11 of the employee's employment:
12 (1) the employee is automatically enrolled in the deferred
13 compensation plan; and
14 (2) the state is authorized to begin deductions as otherwise
15 allowed under this chapter.
16 (c) The auditor of state shall provide written notice to an employee
17 of the provisions of this chapter. The notice provided under this
18 subsection must:
19 (1) be provided:
20 (A) with the employee's first paycheck; and
21 (B) on paper that is a color that is separate and distinct from

- 1 the color of the employee's paycheck;
- 2 (2) contain a statement concerning:
- 3 (A) the purposes of;
- 4 (B) procedures for notifying the state that the employee does
- 5 not want to enroll in;
- 6 (C) the tax consequences of; and
- 7 (D) the details of the state match for employee contribution to;
- 8 the deferred compensation plan; and
- 9 (3) list the telephone number, electronic mail address, and other
- 10 contact information for the auditor of state, who serves as plan
- 11 administrator.
- 12 (d) This subsection applies to contributions made before July 1,
- 13 2011. Notwithstanding IC 22-2-6, except as provided by subsection ~~(g)~~,
- 14 **(h)**, the state shall deduct from an employee's compensation as a
- 15 contribution to the deferred compensation plan established by the state
- 16 under this chapter an amount equal to the maximum amount of any
- 17 match provided by the state on behalf of the employee to a defined
- 18 contribution plan established under section 1.5(a) of this chapter.
- 19 (e) This subsection applies to contributions made after June 30,
- 20 2011, **and before July 1, 2013**. Notwithstanding IC 22-2-6 and except
- 21 as provided by subsection ~~(g)~~, **(h)**, during the first year an employee is
- 22 enrolled under subsection (b) in the deferred compensation plan, the
- 23 state shall deduct each pay period from the employee's compensation
- 24 as a contribution to the deferred compensation plan an amount equal
- 25 to the greater of the following:
- 26 (1) The maximum amount of any match provided by the state on
- 27 behalf of the employee to a defined contribution plan established
- 28 under section 1.5(a) of this chapter.
- 29 (2) One-half percent (0.5%) of the employee's base salary.
- 30 **(f) This subsection applies to contributions made after June 30,**
- 31 **2013. Notwithstanding IC 22-2-6 and except as provided by**
- 32 **subsection (h), during the first year an employee is enrolled under**
- 33 **subsection (b) in the deferred compensation plan, the state shall**
- 34 **deduct each pay period from the employee's compensation as a**
- 35 **contribution to the deferred compensation plan an amount equal**
- 36 **to the greater of the following:**
- 37 **(1) The maximum amount of any match provided by the state**
- 38 **on behalf of the employee to a defined contribution plan**
- 39 **established under section 1.5(a) of this chapter.**
- 40 **(2) Two percent (2%) of the employee's base salary.**
- 41 ~~(f)~~ **(g)** This subsection applies to a year:
- 42 (1) after the first year in which an employee is enrolled in the
- 43 deferred compensation plan; and
- 44 (2) in which the employee does not affirmatively choose a
- 45 contribution amount under subsection ~~(g)~~; **(h)**.
- 46 The percentage of the employee's base salary used for the year in
- 47 subsection (e)(2) **or (f)(2)** to determine the employee's contribution
- 48 increases by one-half percent (0.5%) from the percentage determined
- 49 in the immediately preceding year. ~~for five (5) years~~. The maximum
- 50 percentage of an employee's base salary that may be deducted under
- 51 this subsection is three percent (3%). The contribution increase occurs

1 on the anniversary date of the employee's enrollment in the deferred
2 compensation plan.

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

- 7 (1) a higher amount;
8 (2) a lower amount; or
9 (3) zero (0).

(Reference is to ESB 248 as reprinted March 26, 2013.)

Conference Committee Report
on
Engrossed Senate Bill 248

Signed by:

Senator Walker
Chairperson

Representative Steuerwald

Senator Tallian

Representative Niezgodski

Senate Conferees

House Conferees