

# SENATE BILL No. 527

---

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 33-38; IC 33-39-7.

**Synopsis:** Judges' and prosecutors' pensions. Changes various provisions of the judges' 1985 retirement system to incorporate features that are the same as or similar to features found in the prosecuting attorneys' retirement fund law, including the definition of "salary", the age and service requirements to receive an unreduced retirement benefit, the benefit reduction percentage for early retirement, a reduction in survivor benefits for early retirement, the requirement of active service with at least five years of creditable service to receive a disability benefit, and the computation of a disability benefit. Changes various provisions of the prosecuting attorneys retirement fund law to incorporate features that are the same as or similar to features found in the judges' 1985 retirement system, including pretax "pick-up" for participant contributions, a 22 year contribution period, interest on participant amounts credited at least annually at a rate determined by the board of trustees of the Indiana public retirement system, partial years of service used in benefit computation, survivor's benefit paid for a participant who dies in service, and the minimum annual survivor's benefit increased from \$7,000 to \$12,000.

**Effective:** July 1, 2013.

---

---

## Boots

---

---

January 14, 2013, read first time and referred to Committee on Pensions and Labor.

---

---

C  
o  
p  
y



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.

C  
o  
p  
y

## SENATE BILL No. 527



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 33-38-6-10 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. (a) As used in this  
3 chapter, "salary" means the total salary paid to a participant by the state  
4 and by a county or counties, determined without regard to any salary  
5 reduction agreement established under Section 125 of the Internal  
6 Revenue Code.

7 (b) **This subsection applies to salary earned for services**  
8 **performed after June 30, 2013, by a participant in the judges' 1985**  
9 **retirement system. As used in this chapter, "salary" means the**  
10 **salary paid to a participant by the state, determined without**  
11 **regard to any salary reduction agreement established under**  
12 **Section 125 of the Internal Revenue Code. The term does not**  
13 **include an amount paid to a participant by a county or counties.**

14 SECTION 2. IC 33-38-6-21, AS AMENDED BY P.L.13-2011,  
15 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 JULY 1, 2013]: Sec. 21. (a) When drawing a salary warrant for a  
17 participant:



- 1 (1) the auditor of state; and  
 2 (2) the county auditor, **for a salary warrant drawn for services**  
 3 **performed before July 1, 2013, for a participant in the judges'**  
 4 **1985 retirement system;**

5 shall deduct from the amount of the warrant the participant's  
 6 contribution, if any, to the fund in the amount certified in the vouchers  
 7 or an order issued by the director.

8 (b) The auditor of state and the county auditor shall draw a warrant  
 9 to the fund for the total contributions withheld from the participants  
 10 each month. The warrant drawn to the fund together with a list of  
 11 participants and the amount withheld from each participant shall be  
 12 transmitted immediately to the director.

13 (c) After December 31, 2011, the auditor of state and the county  
 14 auditor shall submit the contributions paid by or on behalf of a  
 15 participant under this section by electronic funds transfer in accordance  
 16 with section 21.5 of this chapter.

17 SECTION 3. IC 33-38-6-22 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 22. (a) **This section**  
 19 **applies to:**

- 20 (1) the auditor of state; and  
 21 (2) the county auditor, **for a salary warrant drawn for services**  
 22 **performed before July 1, 2013, for a participant in the judges'**  
 23 **1985 retirement system.**

24 (b) **The auditor of state and the county auditor**, in the preparation  
 25 of salary warrants to participants, shall indicate on the payroll voucher  
 26 the following information, in addition to other things:

- 27 (1) The amount of the participant's contribution to the fund  
 28 deducted from the salary of the participant.  
 29 (2) The net amount payable to the participant, after the deduction  
 30 of the participant's contribution.

31 SECTION 4. IC 33-38-8-8 IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. (a) **This subsection**  
 33 **applies to salary earned for services performed before July 1, 2013.**  
 34 As used in this chapter, "salary" means the total salary paid to a  
 35 participant by the state and by a county or counties, determined without  
 36 regard to any salary reduction agreement established under Section 125  
 37 of the Internal Revenue Code.

38 (b) **This subsection applies to salary earned for services**  
 39 **performed after June 30, 2013. As used in this chapter, "salary"**  
 40 **means the salary paid to a participant by the state, determined**  
 41 **without regard to any salary reduction agreement established**  
 42 **under Section 125 of the Internal Revenue Code. The term does not**

C  
o  
p  
y



1 **include an amount paid to a participant by a county or counties.**

2 SECTION 5. IC 33-38-8-13, AS AMENDED BY P.L.122-2008,  
3 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2013]: Sec. 13. A participant whose employment as a judge  
5 or, after December 31, 2010, as a judge or full-time magistrate, is  
6 terminated is entitled to a retirement benefit computed under section  
7 14 of this chapter, beginning on the date specified by the participant in  
8 a written application, if the following conditions are met:

9 (1) The date on which the benefit begins is not:

10 (A) before the date of final termination of employment of the  
11 participant; or

12 (B) the date thirty (30) days before the receipt of the  
13 application by the board.

14 (2) The participant:

15 (A) is at least sixty-two (62) years of age and has at least eight  
16 (8) years of service credit;

17 (B) is at least fifty-five (55) years of age and the participant's  
18 age in years plus the participant's years of service is at least  
19 eighty-five (85), **for a participant who applies to receive a**  
20 **retirement benefit before July 1, 2013;** or

21 (C) ~~has become permanently disabled.~~ **meets the**  
22 **requirements to receive a disability benefit under section**  
23 **15 of this chapter.**

24 (3) The participant is not receiving a salary from the state for  
25 services currently performed as:

26 (A) a judge (as defined in IC 33-38-6-7); or

27 (B) a magistrate under IC 33-23-5.

28 SECTION 6. IC 33-38-8-14, AS AMENDED BY P.L.122-2008,  
29 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
30 JULY 1, 2013]: Sec. 14. (a) Benefits provided under this section are  
31 subject to IC 33-38-6-13 and section 20 of this chapter.

32 (b) A participant who:

33 (1) applies for a retirement benefit; and

34 (2) is at least:

35 (A) sixty-five (65) years of age; or

36 (B) fifty-five (55) years of age and meets the requirements  
37 under section 13(2)(B) of this chapter, **for a participant who**  
38 **applies to receive a retirement benefit before July 1, 2013;**

39 is entitled to an annual retirement benefit as calculated in subsection  
40 (c).

41 (c) The annual retirement benefit for a participant who meets the  
42 requirements of subsection (b) equals the product of:

C  
o  
p  
y



1 (1) the applicable salary determined under subsection (e); (f);  
 2 multiplied by  
 3 (2) the percentage prescribed in the following table:  
 4

5 Participant's Years of Service	6 Percentage
7 8	8 24%
9 9	9 27%
10 10	10 30%
11 11	11 33%
12 12	12 50%
13 13	13 51%
14 14	14 52%
15 15	15 53%
16 16	16 54%
17 17	17 55%
18 18	18 56%
19 19	19 57%
20 20	20 58%
21 21	21 59%
22 22 or more	22 60%

23 If a participant has a partial year of service in addition to at least eight  
 24 (8) full years of service, an additional percentage shall be calculated by  
 25 prorating between the applicable percentages, based on the number of  
 26 months in the partial year of service.

27 (d) Except as provided in section 13(2)(B) of this chapter and  
 28 subsection (b)(2)(B), if a participant who applies for a retirement  
 29 benefit has not attained sixty-five (65) years of age, the participant is  
 30 entitled to receive a reduced annual retirement benefit that equals the  
 31 benefit that would be payable if the participant were sixty-five (65)  
 32 years of age reduced by:

33 **(1) one-tenth percent (0.1%), for a participant who applies to  
 34 receive a retirement benefit before July 1, 2013; or**

35 **(2) one-fourth percent (0.25%), for a participant who applies  
 36 to receive a retirement benefit after June 30, 2013;**

37 for each month that the participant's age at retirement precedes the  
 38 participant's sixty-fifth birthday. ~~This~~

39 **(e) The reduction described in subsection (d) does not apply to:**

40 **(1) participants a participant who are separated from service  
 41 because of permanent disability meets the requirements to  
 42 receive a disability benefit under section 15 of this chapter;**

**(2) survivors of participants a participant who die dies while in  
 service after August 1, 1992, and before July 1, 2013; or**

C  
O  
P  
Y



(3) survivors of ~~participants~~ **a participant** who ~~die~~ **dies before July 1, 2013**, while not in service but while entitled to a future benefit.

(~~e~~) **(f)** The applicable salary is one (1) of the following:

(1) The salary that was being paid to the participant at the time of the participant's separation from service for:

(A) a participant who applies to receive a retirement benefit from the fund before January 1, 2010; or

(B) a participant who:

(i) before January 1, 2010, separates from service;

(ii) is entitled to receive a retirement benefit from the fund, but does not apply before January 1, 2010, to receive a retirement benefit; and

(iii) does not earn any service credit in the fund after December 31, 2009.

(2) The salary being paid for the office that the participant held at the time of the participant's separation from service for a participant who:

(A) applies to receive a benefit after December 31, 2009; and

(B) is not a participant described in subdivision (1)(B).

SECTION 7. IC 33-38-8-15, AS AMENDED BY P.L.99-2007, SECTION 198, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 15. (a) A participant ~~is considered to have a permanent disability who becomes disabled while in active service may retire for the duration of the disability~~ if:

**(1) the participant has at least five (5) years of creditable service, for a participant who applies to receive a disability benefit after June 30, 2013; and**

**(2) the board has received a written certification by at least two (2) licensed and practicing physicians, appointed by the board, that:**

**(~~1~~) (A) the participant is totally incapacitated, by reason of physical or mental infirmities, from earning a livelihood; and**

**(~~2~~) (B) for a participant who applies to receive a disability benefit before July 1, 2013, the condition is likely to be permanent.**

(b) The participant shall be reexamined by at least two (2) physicians appointed by the board, at the times the board designates but at intervals not to exceed one (1) year. If, in the opinion of these physicians, the participant has recovered from the participant's disability, then benefits shall cease to be payable as of the date of the examination unless, on that date, the participant is at least:

C  
O  
P  
Y



- 1 (1) sixty-five (65) years of age; or  
 2 (2) fifty-five (55) years of age and meets the requirements under  
 3 section 13(2)(B) of this chapter, **for a participant who applies**  
 4 **to receive a disability benefit before July 1, 2013.**

5 (c) To the extent required by the Americans with Disabilities Act,  
 6 the transcripts, reports, records, and other material generated by the  
 7 initial and periodic examinations and reviews to determine eligibility  
 8 for disability benefits under this section shall be:

- 9 (1) kept in separate medical files for each member; and  
 10 (2) treated as confidential medical records.

11 SECTION 8. IC 33-38-8-16 IS AMENDED TO READ AS  
 12 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 16. (a) Benefits  
 13 provided under this section are subject to IC 33-38-6-13 and section 20  
 14 of this chapter.

15 (b) A participant who ~~becomes permanently disabled~~ **first meets**  
 16 **the requirements for disability benefits under section 15 of this**  
 17 **chapter before July 1, 2013**, is entitled to an annual benefit that  
 18 equals the product of:

- 19 (1) the salary that was paid to the participant at the time of  
 20 separation from service; multiplied by  
 21 (2) the percentage prescribed in the following table:

Participant's Years of Service	Percentage
0-12	50%
13	51%
14	52%
15	53%
16	54%
17	55%
18	56%
19	57%
20	58%
21	59%
22 or more	60%

22 If a participant has a partial year of service in addition to at least eight  
 23 (8) full years of service, an additional percentage shall be calculated by  
 24 prorating between the applicable percentages, based on the number of  
 25 months in the partial year of service.

26 (c) **A participant who first meets the requirements for disability**  
 27 **benefits under section 15 of this chapter after June 30, 2013, is**  
 28 **entitled to an annual benefit that equals the product of:**

- 29 (1) the salary that was paid to the participant at the time of  
 30



C  
O  
P  
Y

1 separation from service; multiplied by

2 (2) the percentage prescribed in the following table:

3 Participant's Years	Percentage
4 of Service	
5 Less than 5	0
6 5-10	40%
7 11	41%
8 12	42%
9 13	43%
10 14	44%
11 15	45%
12 16	46%
13 17	47%
14 18	48%
15 19	49%
16 20 or more	50%

17 If a participant has a partial year of service in addition to at least  
18 eight (8) full years of service, an additional percentage shall be  
19 calculated by prorating between the applicable percentages, based  
20 on the number of months in the partial year of service.

21 SECTION 9. IC 33-38-8-22, AS AMENDED BY P.L.122-2008,  
22 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23 JULY 1, 2013]: Sec. 22. (a) This section applies to a person who:

- 24 (1) is a judge participating under this chapter;  
25 (2) was appointed by a court to serve as a full-time referee,  
26 full-time commissioner, or, before January 1, 2011, full-time  
27 magistrate, either:  
28 (A) before becoming a judge; or  
29 (B) after leaving an elected term on the bench;  
30 (3) was a member of the public employees' retirement fund during  
31 the employment described in subdivision (2); and  
32 (4) received credited service under the public employees'  
33 retirement fund for the employment described in subdivision (2).

34 (b) If a person becomes a participant as a judge in the judges' 1985  
35 benefit system under section 1 of this chapter, credit for service by the  
36 judge as a full-time referee, full-time commissioner, or, before January  
37 1, 2011, full-time magistrate shall be granted under this chapter by the  
38 board if:

- 39 (1) the service was credited under the public employees'  
40 retirement fund;  
41 (2) the state contributes to the judges' 1985 benefit system the  
42 amount the board determines necessary to amortize the service

C  
O  
P  
Y



1 liability over a period determined by the board, but not more than  
2 ten (10) years; and

3 (3) the judge pays in a lump sum or in a series of payments  
4 determined by the board, not exceeding five (5) annual payments,  
5 the amount the judge would have contributed if the judge had  
6 been a member of the judges' 1985 benefit system during the  
7 service.

8 (c) If the requirements of subsection (b)(2) and (b)(3) are not  
9 satisfied, a participant is entitled to credit only for years of service  
10 earned as a participant in the judges' 1985 benefit system.

11 (d) An amortization schedule for contributions paid under  
12 subsection (b)(2) or (b)(3) must include interest at a rate determined by  
13 the board.

14 (e) The following provisions apply to a person described in  
15 subsection (a):

16 (1) A minimum benefit applies to participants receiving credit in  
17 the judges' 1985 benefit system from service covered by the  
18 public employees' retirement fund. The minimum benefit is  
19 payable at sixty-five (65) years of age, or when the participant is  
20 at least fifty-five (55) years of age and meets the requirements  
21 under section 13(2)(B) of this chapter **for a participant who**  
22 **applies to receive a retirement benefit before July 1, 2013**, and  
23 equals the actuarial equivalent of the vested retirement benefit  
24 that is:

25 (A) payable to the member at normal retirement under  
26 IC 5-10.2-4-1 as of the day before the transfer; and

27 (B) based solely on:

28 (i) creditable service;

29 (ii) the average of the annual compensation; and

30 (iii) the amount credited under IC 5-10.2 and IC 5-10.3 to  
31 the annuity savings account of the transferring member as of  
32 the day before the transfer.

33 (2) If the requirements of subsection (b)(2) and (b)(3) are  
34 satisfied, the board shall transfer from the public employees'  
35 retirement fund to the judges' 1985 benefit system the amount  
36 credited to the annuity savings account and the present value of  
37 the retirement benefit **that is:**

38 (A) **attributable to the retiring participant; and**

39 (B) payable at:

40 (i) sixty-five (65) years of age; or

41 (ii) at least fifty-five (55) years of age under section  
42 13(2)(B) of this chapter, ~~that is attributable to the~~

C  
O  
P  
Y



- 1                    ~~transferring participant.~~ **for a participant who applies to**  
 2                    **receive a retirement benefit before July 1, 2013.**  
 3                    (3) The amount the state and the participant must contribute to the  
 4                    judges' 1985 benefit system under subsection (b) shall be reduced  
 5                    by the amount transferred to the judges' 1985 benefit system by  
 6                    the board under subdivision (2).  
 7                    (4) If the requirements of subsection (b)(2) and (b)(3) are  
 8                    satisfied, credit for service in the public employees' retirement  
 9                    fund as a full-time referee, full-time commissioner, or, before  
 10                    January 1, 2011, full-time magistrate is waived. Any credit for the  
 11                    service under the judges' 1985 benefit system may be granted only  
 12                    under subsection (b).  
 13                    (f) To the extent permitted by the Internal Revenue Code and the  
 14                    applicable regulations, the judges' 1985 benefit system may accept, on  
 15                    behalf of a participant who is purchasing permissive service credit  
 16                    under subsection (b), a rollover of a distribution from any of the  
 17                    following:  
 18                    (1) A qualified plan described in Section 401(a) or Section 403(a)  
 19                    of the Internal Revenue Code.  
 20                    (2) An annuity contract or account described in Section 403(b) of  
 21                    the Internal Revenue Code.  
 22                    (3) An eligible plan that is maintained by a state, a political  
 23                    subdivision of a state, or an agency or instrumentality of a state or  
 24                    political subdivision of a state under Section 457(b) of the  
 25                    Internal Revenue Code.  
 26                    (4) An individual retirement account or annuity described in  
 27                    Section 408(a) or Section 408(b) of the Internal Revenue Code.  
 28                    (g) To the extent permitted by the Internal Revenue Code and the  
 29                    applicable regulations, the judges' 1985 benefit system may accept, on  
 30                    behalf of a participant who is purchasing permissive service credit  
 31                    under subsection (b), a trustee to trustee transfer from any of the  
 32                    following:  
 33                    (1) An annuity contract or account described in Section 403(b) of  
 34                    the Internal Revenue Code.  
 35                    (2) An eligible deferred compensation plan under Section 457(b)  
 36                    of the Internal Revenue Code.  
 37                    SECTION 10. IC 33-38-8-22.5, AS AMENDED BY P.L.16-2011,  
 38                    SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39                    JULY 1, 2013]: Sec. 22.5. (a) This section applies after December 31,  
 40                    2010, only to a person who:  
 41                    (1) is a full-time magistrate participating under this chapter;  
 42                    (2) was appointed by a court to serve as:

C  
o  
p  
y

- 1 (A) a full-time referee or full-time commissioner; or  
 2 (B) before January 1, 2011, a full-time magistrate;  
 3 (3) was a member of the public employees' retirement fund during  
 4 the employment described in subdivision (2); and  
 5 (4) received credited service under the public employees'  
 6 retirement fund for the employment described in subdivision (2).  
 7 (b) If a person becomes a participant as a full-time magistrate in the  
 8 judges' 1985 benefit system under section 1 of this chapter, credit for  
 9 service by the magistrate as a full-time referee, full-time commissioner,  
 10 or, before January 1, 2011, full-time magistrate shall be granted under  
 11 this chapter by the board if:  
 12 (1) the service was credited under the public employees'  
 13 retirement fund; and  
 14 (2) the magistrate pays in a lump sum or in a series of payments  
 15 determined by the board, not exceeding five (5) annual payments,  
 16 the amount determined by the actuary for the judges' 1985 benefit  
 17 system as the total cost of the service.  
 18 (c) If the requirements of subsection (b) are not satisfied, a  
 19 participant is entitled to credit only for years of service earned as a  
 20 participant in the judges' 1985 benefit system.  
 21 (d) An amortization schedule for contributions paid under this  
 22 section must include interest at a rate determined by the board.  
 23 (e) The following provisions apply to a person described in  
 24 subsection (a):  
 25 (1) A minimum benefit applies to participants receiving credit in  
 26 the judges' 1985 benefit system from service covered by the  
 27 public employees' retirement fund. The minimum benefit is  
 28 payable at sixty-five (65) years of age, or when the participant is  
 29 at least fifty-five (55) years of age and meets the requirements  
 30 under section 13(2)(B) of this chapter **for a participant who**  
 31 **applies to receive a retirement benefit before July 1, 2013**, and  
 32 equals the actuarial equivalent of the vested retirement benefit  
 33 that is:  
 34 (A) payable to the member at normal retirement under  
 35 IC 5-10.2-4-1 as of the day before the transfer; and  
 36 (B) based solely on:  
 37 (i) creditable service;  
 38 (ii) the average of the annual compensation; and  
 39 (iii) the amount credited under IC 5-10.2 and IC 5-10.3 to  
 40 the annuity savings account of the transferring member as of  
 41 the day before the transfer.  
 42 (2) If the requirements of subsection (b) are satisfied, the board

C  
O  
P  
Y

1 shall transfer from the public employees' retirement fund to the  
2 judges' 1985 benefit system the amount credited to the annuity  
3 savings account and the present value of the retirement benefit  
4 **that is:**

5 **(A) attributable to the transferring participant; and**

6 **(B) payable at:**

7 **(i)** sixty-five (65) years of age; or

8 **(ii)** at least fifty-five (55) years of age under section  
9 13(2)(B) of this chapter, ~~that is attributable to the~~  
10 ~~transferring participant.~~ **for a participant who applies to**  
11 **receive a retirement benefit before July 1, 2013.**

12 (3) The amount the participant must contribute to the judges' 1985  
13 benefit system under subsection (b) shall be reduced by the  
14 amount transferred to the judges' 1985 benefit system by the  
15 board under subdivision (2).

16 (4) If the requirements of subsection (b) are satisfied, credit for  
17 service in the public employees' retirement fund as a full-time  
18 referee, full-time commissioner, or before July 1, 2010, full-time  
19 magistrate that is purchased under this section is waived. Any  
20 credit for the service under the judges' 1985 benefit system may  
21 be granted only under subsection (b).

22 (f) To the extent permitted by the Internal Revenue Code and the  
23 applicable regulations, the judges' 1985 benefit system may accept, on  
24 behalf of a participant who is purchasing permissive service credit  
25 under subsection (b), a rollover of a distribution from any of the  
26 following:

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

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

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

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

37 (g) To the extent permitted by the Internal Revenue Code and the  
38 applicable regulations, the judges' 1985 benefit system may accept, on  
39 behalf of a participant who is purchasing permissive service credit  
40 under subsection (b), a trustee to trustee transfer from any of the  
41 following:

42 (1) An annuity contract or account described in Section 403(b) of

C  
o  
p  
y



1 the Internal Revenue Code.  
 2 (2) An eligible deferred compensation plan under Section 457(b)  
 3 of the Internal Revenue Code.  
 4 SECTION 11. IC 33-39-7-12, AS AMENDED BY P.L.13-2011,  
 5 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2013]: Sec. 12. (a) Except as **otherwise** provided in  
 7 **subsection (b), this section**, each participant shall make contributions  
 8 to the fund as follows:  
 9 (1) A participant described in section 8(a)(1) of this chapter shall  
 10 make contributions of six percent (6%) of each payment of salary  
 11 received for services after December 31, 1989.  
 12 (2) A participant described in section 8(a)(2) or 8(a)(3) of this  
 13 chapter shall make contributions of six percent (6%) of each  
 14 payment of salary received for services after June 30, 1994.  
 15 A participant's contributions shall be deducted from the participant's  
 16 monthly salary by the auditor of state and credited to the fund.  
 17 (b) The state may pay the contributions for a participant. **The state**  
 18 **may elect to pay the contribution for the participant as a pickup**  
 19 **under Section 414(h) of the Internal Revenue Code.**  
 20 (c) **After a participant has contributed to the fund as provided**  
 21 **in subsection (a) for twenty-two (22) years, the participant is not**  
 22 **required to make additional contributions to the fund.**  
 23 ~~(c) After December 31, 2011;~~ (d) The auditor of state shall submit  
 24 the contributions paid by or on behalf of a participant under this section  
 25 by electronic funds transfer in accordance with section 12.5 of this  
 26 chapter.  
 27 SECTION 12. IC 33-39-7-14, AS AMENDED BY P.L.16-2011,  
 28 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2013]: Sec. 14. (a) Interest shall be credited **at least** annually  
 30 ~~on June 30~~ at a rate specified by rule by the board on all amounts **in the**  
 31 **fund** credited to the member. ~~as of June 30 of the preceding year.~~  
 32 (b) Contributions begin to accumulate interest at the beginning of  
 33 the fiscal year after the year in which the contributions are due **or at an**  
 34 **alternate time established by the rules of the board.**  
 35 (c) When a member retires or withdraws **from the fund**, a  
 36 proportional interest credit determined under this chapter shall be paid  
 37 for the period elapsed since the last date on which interest was credited.  
 38 SECTION 13. IC 33-39-7-16, AS AMENDED BY P.L.16-2011,  
 39 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 JULY 1, 2013]: Sec. 16. (a) This section does not apply to a participant  
 41 who meets the requirements for disability benefits under section 17 of  
 42 this chapter.

COPY



1 (b) Except as provided in subsections (c) and (d), the amount of the  
 2 annual retirement benefit to which a participant who applies for a  
 3 retirement benefit and who is at least sixty-five (65) years of age is  
 4 entitled equals the product of:

- 5 (1) the highest annual salary that was paid to the participant  
 6 before separation from service; multiplied by  
 7 (2) the percentage prescribed in the following table:

8 Participant's Years	9 of Service	Percentage
10 Less than 8		0
11 8		24%
12 9		27%
13 10		30%
14 11		33%
15 12		50%
16 13		51%
17 14		52%
18 15		53%
19 16		54%
20 17		55%
21 18		56%
22 19		57%
23 20		58%
24 21		59%
25 22 or more		60%

26 **If a participant has a partial year of service in addition to at least**  
 27 **eight (8) full years of service, an additional percentage is calculated**  
 28 **under this subsection by prorating between the applicable**  
 29 **percentages, based on the number of months in the partial year of**  
 30 **service.**

31 (c) If a participant who applies for a retirement benefit is not at least  
 32 sixty-five (65) years of age, the participant is entitled to receive a  
 33 reduced annual retirement benefit that equals the benefit that would be  
 34 payable if the participant were sixty-five (65) years of age reduced by  
 35 one-fourth percent (0.25%) for each month that the participant's age at  
 36 retirement precedes the participant's sixty-fifth birthday.

37 (d) Benefits payable to a participant under this section are reduced  
 38 by the pension, if any, that would be payable to the participant from the  
 39 public employees' retirement fund if the participant had retired from the  
 40 public employees' retirement fund on the date of the participant's  
 41 retirement from the prosecuting attorneys retirement fund. Benefits  
 42 payable to a participant under this section are not reduced by annuity

C  
o  
p  
y



1 payments made to the participant from the public employees' retirement  
2 fund.

3 (e) If benefits payable from the public employees' retirement fund  
4 exceed the benefits payable from the prosecuting attorneys retirement  
5 fund, the participant is entitled at retirement to withdraw from the  
6 prosecuting attorneys retirement fund the total sum contributed plus  
7 interest at a rate specified by rule by the board.

8 SECTION 14. IC 33-39-7-18 IS AMENDED TO READ AS  
9 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 18. (a) Except as  
10 provided in subsection (b), the amount of the annual benefit payable to  
11 a participant who meets the requirements for disability benefits under  
12 section 17 of this chapter is equal to the product of:

13 (1) the annual salary that was paid to the participant at the time of  
14 separation from service; multiplied by

15 (2) the percentage prescribed in the following table:

16 Participant's Years	17 Percentage
18 of Service	
19 Less than 5	0
20 5-10	40%
21 11	41%
22 12	42%
23 13	43%
24 14	44%
25 15	45%
26 16	46%
27 17	47%
28 18	48%
29 19	49%
20 or more	50%

30 **If a participant has a partial year of service in addition to at least**  
31 **five (5) years of service, an additional percentage is calculated**  
32 **under this subsection by prorating between the applicable**  
33 **percentages, based on the number of months in the partial year of**  
34 **service.**

35 (b) Benefits payable to a participant under this section are reduced  
36 by the amounts, if any, that are payable to the participant from the  
37 public employees' retirement fund.

38 SECTION 15. IC 33-39-7-19, AS AMENDED BY P.L.33-2006,  
39 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
40 JULY 1, 2013]: Sec. 19. (a) The surviving spouse of a participant who:

- 41 (1) dies; and
- 42 (2) on the date of death:

C  
o  
p  
y



1 (A) was receiving benefits under this chapter;  
 2 (B) **was in service and** had completed at least eight (8) years  
 3 of service in a position described in section 8 of this chapter;  
 4 **or**  
 5 (C) met the requirements for disability benefits under section  
 6 17 of this chapter; **or**  
 7 **(D) was not in service in a position described in section 8 of**  
 8 **this chapter, had completed at least eight (8) years of**  
 9 **service in a position described in section 8 of this chapter,**  
 10 **and was entitled to a future benefit;**  
 11 is entitled, regardless of the participant's age, to the benefit prescribed  
 12 by subsection (b).  
 13 (b) The surviving spouse is entitled to a benefit for life equal to the  
 14 greater of:  
 15 (1) ~~seven twelve~~ thousand dollars (~~\$7,000~~); **(\$12,000)**; or  
 16 (2) fifty percent (50%) of the amount of retirement benefit the  
 17 participant was drawing at the time of death, or to which the  
 18 participant would have been entitled had the participant retired  
 19 and begun receiving retirement benefits on the date of death, with  
 20 reductions as necessary under section 16(c) of this chapter.  
 21 (c) Benefits payable to a surviving spouse under this section are  
 22 reduced by the amounts, if any, that are payable to the surviving spouse  
 23 from the public employees' retirement fund as a result of the  
 24 participant's death.

C  
O  
P  
Y

