

HOUSE BILL No. 1436

DIGEST OF INTRODUCED BILL

Citations Affected: IC 33-39-7.

Synopsis: Prosecuting attorneys' pension. Establishes the amount of the public employees' retirement fund (PERF) pension offset for a participant (and the surviving spouse and dependent child of a participant) in the prosecuting attorneys' retirement fund who is a member of PERF's defined contribution (annuity savings account only) plan.

Effective: July 1, 2013.

Niezgodski

January 22, 2013, read first time and referred to Committee on Employment, Labor and Pensions.

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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.

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HOUSE BILL No. 1436



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 33-39-7-16, AS AMENDED BY P.L.16-2011,
2 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: Sec. 16. (a) This section does not apply to a participant
4 who meets the requirements for disability benefits under section 17 of
5 this chapter.

6 (b) Except as provided in subsections (c), ~~and~~ (d), ~~and~~ (e), the
7 amount of the annual retirement benefit to which a participant who
8 applies for a retirement benefit and who is at least sixty-five (65) years
9 of age is entitled equals the product of:

10 (1) the highest annual salary that was paid to the participant
11 before separation from service; multiplied by

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

13 Participant's Years	Percentage
14 of Service	
15 Less than 8	0
16 8	24%
17 9	27%



1	10	30%
2	11	33%
3	12	50%
4	13	51%
5	14	52%
6	15	53%
7	16	54%
8	17	55%
9	18	56%
10	19	57%
11	20	58%
12	21	59%
13	22 or more	60%

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

(d) **Except as provided in subsection (e)**, benefits payable to a participant under this section are reduced by the pension, if any, that would be payable to the participant from the public employees' retirement fund if the participant had retired from the public employees' retirement fund on the date of the participant's retirement from the prosecuting attorneys retirement fund. Benefits payable to a participant under this section are not reduced by annuity payments made to the participant from the public employees' retirement fund.

(e) This subsection applies to a participant who is a member of the public employees' defined contribution (annuity savings account only) plan established by IC 5-10.3-12-18. Benefits payable to a participant under this section are reduced by the pension portion of the retirement benefit, if any, that would be payable to the participant from the public employees' retirement fund if the participant:

(1) had not made an election under IC 5-10.3-12-20 to become a member of the public employees' defined contribution (annuity savings account only) plan; and

(2) had retired from the public employees' retirement fund on the date of the participant's retirement from the prosecuting attorneys retirement fund.

(f) If benefits payable from the public employees' retirement fund exceed the benefits payable from the prosecuting attorneys

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1 retirement fund, the participant is entitled at retirement to withdraw
 2 from the prosecuting attorneys retirement fund the total sum
 3 contributed plus interest at a rate specified by rule by the board.

4 SECTION 2. IC 33-39-7-18 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 18. (a) Except as
 6 provided in ~~subsection~~ **subsections (b) and (c)**, the amount of the
 7 annual benefit payable to a participant who meets the requirements for
 8 disability benefits under section 17 of this chapter is equal to the
 9 product of:

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

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

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

27 (b) **Except as provided in subsection (c)**, benefits payable to a
 28 participant under this section are reduced by the amounts, if any, that
 29 are payable to the participant from the public employees' retirement
 30 fund.

31 (c) **This subsection applies to a participant who is a member of**
 32 **the public employees' defined contribution (annuity savings**
 33 **account only) plan established by IC 5-10.3-12-18. Benefits payable**
 34 **to a participant under this section are reduced by the pension**
 35 **portion of the retirement benefit, if any, that would be payable to**
 36 **the participant from the public employees' retirement fund if the**
 37 **participant had not made an election under IC 5-10.3-12-20 to**
 38 **become a member of the public employees' defined contribution**
 39 **(annuity savings account only) plan.**

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



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- 1 (1) dies; and
 2 (2) on the date of death:
 3 (A) was receiving benefits under this chapter;
 4 (B) had completed at least eight (8) years of service in a
 5 position described in section 8 of this chapter; or
 6 (C) met the requirements for disability benefits under section
 7 17 of this chapter;
 8 is entitled, regardless of the participant's age, to the benefit prescribed
 9 by subsection (b), (c), or (d).
 10 (b) The surviving spouse is entitled to a benefit for life equal to the
 11 greater of:
 12 (1) seven thousand dollars (\$7,000); or
 13 (2) fifty percent (50%) of the amount of retirement benefit the
 14 participant was drawing at the time of death, or to which the
 15 participant would have been entitled had the participant retired
 16 and begun receiving retirement benefits on the date of death, with
 17 reductions as necessary under section 16(c) of this chapter.
 18 (c) **Except as provided in subsection (d),** benefits payable to a
 19 surviving spouse under this section are reduced by the ~~amounts;~~
 20 **amount,** if any, that ~~are~~ **is** payable to the surviving spouse from the
 21 public employees' retirement fund as a result of the participant's death
 22 **after subtracting the participant's contributions and earnings**
 23 **attributable to the participant's contributions in the participant's**
 24 **annuity savings account.**
 25 (d) **This subsection applies to a surviving spouse of a participant**
 26 **who is a member of the public employees' defined contribution**
 27 **(annuity savings account only) plan established by IC 5-10.3-12-18.**
 28 **Benefits payable to a surviving spouse of a participant under this**
 29 **section are reduced by the pension portion of the retirement**
 30 **benefit, if any, that would be payable to the spouse from the public**
 31 **employees' retirement fund under the joint and survivor option**
 32 **under IC 5-10.2-4-7, computed at fifty percent (50%) of the**
 33 **participant's decreased retirement benefit, if the participant had**
 34 **not made an election under IC 5-10.3-12-20 to become a member**
 35 **of the public employees' defined contribution (annuity savings**
 36 **account only) plan.**
 37 SECTION 4. IC 33-39-7-20 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 20. (a) If a participant's
 39 spouse does not survive the participant, the dependent child of a
 40 participant is, upon the death of the participant, entitled to a benefit
 41 equal to the benefit the participant's spouse would have received under
 42 section 19 of this chapter.

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1 (b) If a surviving spouse of a decedent participant dies and a
 2 dependent child of the surviving spouse and the decedent participant
 3 survives them, that dependent child is entitled to receive a benefit equal
 4 to the benefit the spouse was receiving or would have received under
 5 section 19 of this chapter.

6 (c) If there is more than one (1) dependent child, the dependent
 7 children are entitled to share the benefit equally.

8 (d) Each dependent child is entitled to receive that child's share until
 9 the child becomes eighteen (18) years of age or during the entire period
 10 of the child's physical or mental disability, whichever period is longer.

11 (e) **Except as provided in subsection (f),** benefits payable to a
 12 dependent child are reduced by the ~~amounts;~~ **amount,** if any, that ~~are~~
 13 **is** payable to the dependent child from the public employees' retirement
 14 fund **after subtracting the participant's contributions and earnings**
 15 **attributable to the participant's contributions in the participant's**
 16 **annuity savings account.**

17 (f) **This subsection applies to a dependent child of a participant**
 18 **who is a member of the public employees' defined contribution**
 19 **(annuity savings account only) plan established by IC 5-10.3-12-18.**
 20 **Benefits payable to a dependent child of a participant under this**
 21 **section are reduced by the actuarial equivalent of the pension**
 22 **portion of the retirement benefit, if any, that would be payable to**
 23 **the spouse (assuming the spouse would have had the same birth**
 24 **date as the participant) from the public employees' retirement fund**
 25 **under the joint and survivor option under IC 5-10.2-4-7, computed**
 26 **at fifty percent (50%) of the participant's decreased retirement**
 27 **benefit, if the participant had not made an election under**
 28 **IC 5-10.3-12-20 to become a member of the public employees'**
 29 **defined contribution (annuity savings account only) plan.**

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