

# SENATE MOTION

**MADAM PRESIDENT:**

**I move** that Engrossed House Bill 1057 be amended to read as follows:

1 Page 3, delete lines 27 through 42, begin a new paragraph and  
2 insert:

3 "SECTION 5. IC 33-39-7-16, AS AMENDED BY P.L.16-2011,  
4 SECTION 11, AND SEA 499-2013, SECTION 4, IS AMENDED TO  
5 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 16. (a) This  
6 section does not apply to a participant who ~~meets the requirements for~~  
7 ~~disability benefits under~~ **becomes permanently disabled, as**  
8 **described in** section 17 of this chapter.

9 **(b) A participant who:**  
10 **(1) applies for a retirement benefit; and**  
11 **(2) is at least:**  
12 **(A) sixty-five (65) years of age; or**  
13 **(B) fifty-five (55) years of age and the participant's age in**  
14 **years plus the participant's years of service is at least**  
15 **eighty-five (85);**  
16 **is entitled to an annual retirement benefit as calculated in**  
17 **subsection (c).**

18 ~~(b) (c)~~ Except as provided in subsections ~~(c)~~, (d), ~~and (e)~~, **and (f)**,  
19 the amount of the annual retirement benefit to which a participant ~~who~~  
20 ~~applies for a retirement benefit and who is at least sixty-five (65) years~~  
21 ~~of age described in subsection (b)~~ **is entitled equals the product of:**

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

25 Participant's Years	Percentage
26 of Service	
27 Less than 8	0
28 8	24%
29 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%

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

~~(c)~~ **(d)** Except as provided in subsections (e) and (f), and section 19(c)(2)(B) of this chapter, a participant who:

(1) applies for a retirement benefit; and

(2) is not at least sixty-five (65) years of age; the participant described in subsection (b);

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)~~ **(e)** Except as provided in subsection ~~(c)~~; (f), 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)~~ **(f)** 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

1 date of the participant's retirement from the prosecuting attorneys  
 2 retirement fund.  
 3 ~~(f)~~ **(g)** If benefits payable from the public employees' retirement  
 4 fund exceed the benefits payable from the prosecuting attorneys  
 5 retirement fund, the participant is entitled at retirement to withdraw  
 6 from the prosecuting attorneys retirement fund the total sum  
 7 contributed plus interest at a rate specified by rule by the board."  
 8 Delete page 4.  
 9 Page 5, delete lines 1 through 9.  
 10 Page 6, delete lines 18 through 42, begin a new paragraph and  
 11 insert:  
 12 "SECTION 7. IC 33-39-7-18, AS AMENDED BY SEA 499-2013,  
 13 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 2013]: Sec. 18. (a) Except as provided in subsections (b) and  
 15 (c), ~~the amount of the annual benefit payable to a participant who meets~~  
 16 ~~the requirements for disability benefits under section 17 of this chapter~~  
 17 **becomes permanently disabled, as described in section 17 of this**  
 18 **chapter, is entitled to an annual benefit** equal to the product of:  
 19 (1) the annual 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:

22 Participant's Years	23 Percentage
24 of Service	
24 <del>Less than 5</del>	<del>0</del>
25 <del>5-10</del> <b>0-12</b>	<del>40%</del> <b>50%</b>
26 <del>11</del>	<del>41%</del>
27 <del>12</del>	<del>42%</del>
28 13	<del>43%</del> <b>51%</b>
29 14	<del>44%</del> <b>52%</b>
30 15	<del>45%</del> <b>53%</b>
31 16	<del>46%</del> <b>54%</b>
32 17	<del>47%</del> <b>55%</b>
33 18	<del>48%</del> <b>56%</b>
34 19	<del>49%</del> <b>57%</b>
35 <b>20</b>	<b>58%</b>
36 <b>21</b>	<b>59%</b>
37 <del>20</del> <b>22</b> or more	<del>50%</del> <b>60%</b>

38 **If a participant has a partial year of service in addition to at least**  
 39 **ten (10) years of service, an additional percentage is calculated**  
 40 **under this subsection by prorating between the applicable**  
 41 **percentages, based on the number of months in the partial year of**  
 42 **service.**  
 43 (b) Except as provided in subsection (c), benefits payable to a  
 44 participant under this section are reduced by the amounts, if any, that  
 45 are payable to the participant from the public employees' retirement  
 46 fund.

1 (c) This subsection applies to a participant who is a member of the  
 2 public employees' defined contribution (annuity savings account only)  
 3 plan established by IC 5-10.3-12-18. Benefits payable to a participant  
 4 under this section are reduced by the pension portion of the retirement  
 5 benefit, if any, that would be payable to the participant from the public  
 6 employees' retirement fund if the participant had not made an election  
 7 under IC 5-10.3-12-20 to become a member of the public employees'  
 8 defined contribution (annuity savings account only) plan.

9 SECTION 8. IC 33-39-7-19, AS AMENDED BY P.L.33-2006,  
 10 SECTION 3, AND SEA 499-2013, SECTION 6, IS AMENDED TO  
 11 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 19. **(a) A**  
 12 **participant may designate the participant's surviving spouse or one**  
 13 **(1) or more of the participant's surviving dependent children to**  
 14 **receive the benefit provided by this section upon the death of the**  
 15 **participant. A participant may designate a trust or a custodian**  
 16 **account under IC 30-2-8.5 that is established for one (1) or more of**  
 17 **the participant's surviving dependent children to receive the**  
 18 **benefit provided by this section instead of designating one (1) or**  
 19 **more of the participant's surviving dependent children to receive**  
 20 **the benefit directly.**

21 ~~(a)~~ **(b) The surviving spouse of** If a participant: who:

22 (1) dies; and

23 (2) on the date of death:

24 (A) was receiving benefits under this chapter;

25 **(B) was in service in a position described in section 8 of this**  
 26 **chapter and had completed at least eight (8) years of service**  
 27 **in a position described in section 8 of this chapter; or**

28 ~~(C) met the requirements for had a permanent disability~~  
 29 ~~benefits under as described in section 17 of this chapter; or~~

30 **(D) was not in service in a position described in section 8 of**  
 31 **this chapter, had completed at least eight (8) years of**  
 32 **service in a position described in section 8 of this chapter,**  
 33 **and was entitled to a future benefit;**

34 **the participant's beneficiary designated under subsection (a) is**  
 35 **entitled, regardless of the participant's age, to the benefit prescribed by**  
 36 **subsection ~~(b)~~, (c), (e), or ~~(d)~~: (f).**

37 ~~(b)~~ **(c) The surviving spouse amount of the annual benefit payable**  
 38 **to a beneficiary to whom subsection (b) applies is entitled to a**  
 39 **benefit for life equal to the greater of:**

40 (1) ~~seven~~ **twelve** thousand dollars ~~(\$7,000)~~; **(\$12,000)**; or

41 (2) fifty percent (50%) of the amount of retirement benefit:

42 (A) the participant was drawing at the time of death; or

43 **(B) to which the participant would have been entitled had the**  
 44 **participant retired and begun receiving retirement benefits on**  
 45 **the date of death. with reductions as necessary under**

46 **However, the reduction described in section ~~16(c)~~ 16(d) of**

1           this chapter does not apply to the calculation of a survivor  
2           benefit under this clause.

3           **(d) A benefit payable under this section is subject to the**  
4           **following:**

5           **(1) A surviving spouse designated as the beneficiary under**  
6           **subsection (a) is entitled to receive the benefit for life.**

7           **(2) The total monthly benefit payable to a surviving child or**  
8           **children is equal to the same monthly benefit that was to have**  
9           **been payable to the surviving spouse.**

10          **(3) If there is more than one (1) child designated by the**  
11          **participant, the children are entitled to share the benefit in**  
12          **equal monthly amounts.**

13          **(4) A child entitled to a benefit shall receive that child's share**  
14          **until the child becomes eighteen (18) years of age or during**  
15          **the entire period of the child's physical or mental disability,**  
16          **whichever period is longer.**

17          **(5) Upon the cessation of benefits to one (1) designated child,**  
18          **if there are one (1) or more other children then surviving and**  
19          **still entitled to benefits, the remaining children shall share the**  
20          **benefit equally. If the surviving spouse of the participant is**  
21          **surviving upon the cessation of benefits to all designated**  
22          **children, the surviving spouse shall then receive the benefit**  
23          **for the remainder of the spouse's life.**

24          **(6) The benefit is payable to the participant's surviving spouse**  
25          **if any of the following occur:**

26                **(A) No child or children named as a beneficiary by the**  
27                **participant survives or survive the participant.**

28                **(B) No child or children designated by the participant is or**  
29                **are entitled to a benefit due to the age of the child or**  
30                **children at the time of death of the participant.**

31                **(C) A designation is not made.**

32           ~~(e)~~ **(e)** Except as provided in subsection ~~(d)~~, **(f)**, benefits payable to  
33           a surviving spouse **designated beneficiary** under this section are  
34           reduced by the amount, if any, that is payable to the surviving spouse  
35           **or the surviving dependent children** from the public employees'  
36           retirement fund as a result of the participant's death after subtracting  
37           the participant's contributions and earnings attributable to the  
38           participant's contributions in the participant's annuity savings account.

39           ~~(d)~~ **(f)** This subsection applies to a surviving spouse of a participant  
40           who is a member of the public employees' defined contribution  
41           (annuity savings account only) plan established by IC 5-10.3-12-18.  
42           Benefits payable to a surviving spouse of a participant under this  
43           section are reduced by the pension portion of the retirement benefit, if  
44           any, that would be payable to the spouse from the public employees'  
45           retirement fund under the joint and survivor option under  
46           IC 5-10.2-4-7, computed at fifty percent (50%) of the participant's

1 decreased retirement benefit, if the participant had not made an  
 2 election under IC 5-10.3-12-20 to become a member of the public  
 3 employees' defined contribution (annuity savings account only) plan.

4 SECTION 9. IC 33-39-7-20, AS AMENDED BY SEA 499-2013,  
 5 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2013]: Sec. 20. (a) If:

- 7 (1) a participant's spouse does not survive the participant; **and**  
 8 (2) **the participant did not designate one (1) or more of the**  
 9 **participant's surviving dependent child of a participant is;**  
 10 **children to receive the benefit provided by section 19 of this**  
 11 **chapter;**

12 **the participant's surviving dependent children are**, upon the death  
 13 of the participant, entitled to a benefit equal to the benefit the  
 14 participant's spouse would have received under section 19 of this  
 15 chapter.

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

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

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

26 (e) Except as provided in subsection (f), benefits payable to a  
 27 dependent child are reduced by the amount, if any, that is payable to  
 28 the dependent child from the public employees' retirement fund after  
 29 subtracting the participant's contributions and earnings attributable to  
 30 the participant's contributions in the participant's annuity savings  
 31 account.

32 (f) This subsection applies to a dependent child of a participant who  
 33 is a member of the public employees' defined contribution (annuity  
 34 savings account only) plan established by IC 5-10.3-12-18. Benefits  
 35 payable to a dependent child of a participant under this section are  
 36 reduced by the actuarial equivalent of the pension portion of the  
 37 retirement benefit, if any, that would be payable to the spouse  
 38 (assuming the spouse would have had the same birth date as the  
 39 participant) from the public employees' retirement fund under the joint  
 40 and survivor option under IC 5-10.2-4-7, computed at fifty percent  
 41 (50%) of the participant's decreased retirement benefit, if the  
 42 participant had not made an election under IC 5-10.3-12-20 to become  
 43 a member of the public employees' defined contribution (annuity  
 44 savings account only) plan."

45 Delete pages 7 through 8.

46 Page 9, delete lines 1 through 23.

- 1 Renumber all SECTIONS consecutively.  
(Reference is to EHB 1057 as printed April 5, 2013.)

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Senator BOOTS