



January 25, 2013

SENATE BILL No. 248

DIGEST OF SB 248 (Updated January 23, 2013 10:59 am - DI 102)

Citations Affected: IC 5-10.

Synopsis: State employee deferred compensation contributions. 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.)

Effective: July 1, 2013.

Walker

January 7, 2013, read first time and referred to Committee on Pensions and Labor.
January 24, 2013, reported favorably — Do Pass.

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SB 248—LS 6396/DI 102+



January 25, 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.

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SENATE BILL No. 248

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

SB 248—LS 6396/DI 102+



- 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

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- 1 deferred compensation plan; and
 2 (2) in which the employee does not affirmatively choose a
 3 contribution amount under subsection ~~(g)~~: **(h)**.
 4 The percentage of the employee's base salary used for the year in
 5 subsection (e)(2) **or (f)(2)** to determine the employee's contribution
 6 increases by one-half percent (0.5%) from the percentage determined
 7 in the immediately preceding year. ~~for five (5) years~~. The maximum
 8 percentage of an employee's base salary that may be deducted under
 9 this subsection is three percent (3%). The contribution increase occurs
 10 on the anniversary date of the employee's enrollment in the deferred
 11 compensation plan.
 12 ~~(g)~~ **(h)** An employee may contribute to the deferred compensation
 13 plan established by the state under this chapter an amount other than
 14 the amount described in subsections (d) through ~~(f)~~ **(g)** by affirmatively
 15 choosing to contribute:
 16 (1) a higher amount;
 17 (2) a lower amount; or
 18 (3) zero (0).

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COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 248, 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 Senate Bill 248 as introduced.)

BOOTS, Chairperson

Committee Vote: Yeas 10, Nays 0.

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