
PRELIMINARY DRAFT
No. 3362

PREPARED BY
LEGISLATIVE SERVICES AGENCY
2008 GENERAL ASSEMBLY

DIGEST

Citations Affected: IC 5-10.2; IC 5-10.4.

Synopsis: TRF member reemployment after retirement. Reduces from 90 days to 30 days the waiting period after which a retired member of the state teachers' retirement fund (TRF) may be reemployed in a covered position and continue to receive a retirement benefit.

Effective: July 1, 2008.



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 5-10.2-3-3, AS AMENDED BY P.L.72-2007,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2008]: Sec. 3. (a) This section does not apply to a member of
4 the Indiana state teachers' retirement fund who ~~after June 30, 2007~~ is
5 reemployed more than ~~ninety (90)~~ **thirty (30)** days after the member's
6 retirement in a position covered by the Indiana state teachers'
7 retirement fund.

8 (b) Members' contributions, other than members' contributions paid
9 on behalf of a member, shall be deducted from their compensation even
10 if the net compensation to the member is less than the statutory
11 minimum.

12 (c) The payment of a member's compensation minus the deduction
13 constitutes a complete discharge of all claims for services rendered by
14 the member during the period covered by the payment, except the
15 claim for benefits under this article.

16 SECTION 2. IC 5-10.2-4-8, AS AMENDED BY P.L.72-2007,
17 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2008]: Sec. 8. (a) As used in this section, "exempt amount"
19 means, in the case of a member who has not attained the Social
20 Security normal retirement age for unreduced benefits, thirty-five
21 thousand dollars (\$35,000), computed for the calendar year in which
22 a retired public employees' retirement fund member is reemployed and
23 computed for the fiscal year in which a retired teachers' retirement fund
24 member is reemployed.

25 (b) This subsection does not apply to a member who is employed by
26 the department of education or ~~after June 30, 2007~~; to a member of the
27 Indiana state teachers' retirement fund who is reemployed more than
28 ~~ninety (90)~~ **thirty (30)** days after the member's retirement in a position
29 covered by the Indiana state teachers' retirement fund. If a member who
30 is receiving retirement benefits and who has not attained the Social
31 Security normal retirement age for unreduced benefits:



1 (1) becomes reemployed in a position covered by this article; and
 2 (2) earns in that position more than the exempt amount;
 3 **his the member's** retirement benefit payments shall stop, and the
 4 member shall begin making contributions as required in IC 5-10.2-3-2.
 5 However, employer contributions shall be made throughout the period
 6 of reemployment. The earnings limitation under this subsection does
 7 not apply to a member who has attained the Social Security normal
 8 retirement age for unreduced benefits.

9 (c) If a member who is receiving retirement benefits is reemployed
 10 in a position covered by this article not more than:

11 (1) ninety (90) days after the member's retirement, **for a member**
 12 **who is not a member of the Indiana state teachers' retirement**
 13 **fund; or**

14 (2) **thirty (30) days after the member's retirement, for a**
 15 **member of the Indiana state teachers' retirement fund;**

16 the member's retirement benefits shall stop, the member shall begin
 17 making contributions as required by IC 5-10.2-3-2, and employer
 18 contributions shall be made throughout the period of reemployment.

19 (d) This subsection does not apply ~~after June 30, 2007,~~ to a member
 20 of the Indiana state teachers' retirement fund who is reemployed more
 21 than ~~ninety (90)~~ **thirty (30)** days after the member's retirement in a
 22 position covered by the Indiana state teachers' retirement fund. If a
 23 retired member is reemployed in a position covered by this article,
 24 section 10 of this chapter applies to the member upon the member's
 25 retirement from reemployment.

26 (e) The following apply to a member of the Indiana state teachers'
 27 retirement fund who ~~after June 30, 2007,~~ is reemployed more than
 28 ~~ninety (90)~~ **thirty (30)** days after the member's retirement in a position
 29 covered by the Indiana state teachers' retirement fund:

30 (1) The member's retirement benefit payments continue during the
 31 member's period of reemployment without regard to the amount
 32 of the member's earnings from the covered position.

33 (2) The member may not make contributions under IC 5-10.2-3-2
 34 or IC 5-10.4-4-11 during the member's period of reemployment.

35 (3) The member's employer may not make contributions under
 36 IC 5-10.2-2-11 or IC 5-10.4-4-11 for or on behalf of the member
 37 during the member's period of reemployment.

38 (4) The member does not earn creditable service under
 39 IC 5-10.2-3-1 for the member's period of reemployment.

40 (5) The member is not entitled to an additional benefit under
 41 sections 9 and 10 of this chapter for the member's period of
 42 reemployment.

43 **(f) The thirty (30) day period described in subsection (c) may be**
 44 **implemented only if the board of trustees of the Indiana state**
 45 **teachers' retirement fund receives from the Internal Revenue**
 46 **Service any rulings or determination letters that the board**



1 **considers necessary or appropriate.**

2 SECTION 3. IC 5-10.2-4-9, AS AMENDED BY P.L.72-2007,
3 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2008]: Sec. 9. (a) This section does not apply ~~after June 30,~~
5 ~~2007~~, to a member of the Indiana state teachers' retirement fund who
6 is reemployed more than ~~ninety (90)~~ **thirty (30)** days after the
7 member's retirement in a position covered by the Indiana state teachers'
8 retirement fund.

9 (b) If a member dies during reemployment and retirement benefits
10 from before ~~his~~ **the member's** reemployment are payable after ~~his~~ **the**
11 **member's** death, the payment of these amounts shall be made without
12 change, and any additional benefit earned during reemployment shall
13 be paid as provided in section 10 of this chapter.

14 SECTION 4. IC 5-10.2-4-10, AS AMENDED BY P.L.72-2007,
15 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2008]: Sec. 10. (a) This section does not apply ~~after June 30,~~
17 ~~2007~~, to a member of the Indiana state teachers' retirement fund who
18 is reemployed more than ~~ninety (90)~~ **thirty (30)** days after the
19 member's retirement in a position covered by the Indiana state teachers'
20 retirement fund.

21 (b) Benefits provided under this section are subject to
22 IC 5-10.2-2-1.5.

23 (c) Upon termination of reemployment, except by death, the
24 retirement benefits from before the member's reemployment which are
25 payable after termination shall be paid without change.

26 (d) If the member is reemployed for fewer than ninety (90)
27 consecutive school or working days, upon termination of
28 reemployment, contributions and interest credited to the member's
29 annuity savings account shall be paid to the member.

30 (e) If the member is reemployed for ninety (90) or more consecutive
31 school or working days, upon termination of reemployment, the
32 member shall receive an additional benefit.

33 (f) The additional retirement benefit consists of the sum of a
34 supplemental pension and a supplemental annuity. The supplemental
35 pension is computed under section 4 of this chapter using the
36 member's:

- 37 (1) years of service during the member's reemployment; and
38 (2) average compensation during the member's reemployment, if
39 the member is reemployed for less than five (5) years, or average
40 of the annual compensation (as defined in section 3 of this
41 chapter) during the member's reemployment.

42 If the member is entitled to a supplemental annuity, it consists of an
43 annuity provided by contributions and interest credited to the member
44 during reemployment, if any.

45 (g) The additional retirement benefits are guaranteed for five (5)
46 years or until the member's death, whichever is later. The member may



1 choose instead of the guaranteed payments any of the options under
2 section 7 of this chapter for the payment of the member's additional
3 retirement benefits.

4 (h) IC 5-10.2-2-7 applies to additional retirement benefits.

5 SECTION 5. IC 5-10.4-4-11, AS AMENDED BY P.L.72-2007,
6 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2008]: Sec. 11. (a) This section does not apply ~~after June 30,~~
8 ~~2007~~, to a member who is reemployed more than ~~ninety (90)~~ **thirty**
9 **(30)** days after the member's retirement in a position covered by the
10 fund.

11 (b) Each member shall contribute to the fund three percent (3%) of
12 the member's compensation as set forth in IC 5-10.2-3. However, the
13 member's employer may pay the contribution on behalf of the member.

14 (c) If a member's employer elects to pay the members' contributions
15 for its employees, the employer must initiate the payments as part of
16 salary and fringe benefit adjustments provided to these employees.

17 SECTION 6. IC 5-10.4-5-13, AS AMENDED BY P.L.72-2007,
18 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2008]: Sec. 13. (a) IC 5-10.2-4-8, IC 5-10.2-4-9, and
20 IC 5-10.2-4-10 apply to the reemployment of a retired member.

21 (b) This subsection does not apply ~~after June 30, 2007~~, to a member
22 who is reemployed more than ~~ninety (90)~~ **thirty (30)** days after the
23 member's retirement in a position covered by the fund. For a retired
24 member who withdraws from retirement status, resumes teaching, and
25 again retires, the board shall pay the member, after the member's
26 second or subsequent retirement, a monthly retirement benefit at least
27 equal to the highest amount the retired member has received as a
28 retirement benefit.

