
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: All Counties, Municipalities, and Townships

FROM: Wesley R. Bennett, Commissioner

RE: Public Safety Officer Survivors' Health Coverage Cumulative Fund, House Enrolled Act 1113-2020

DATE: June 12, 2020

The Department of Local Government Finance (“Department”) issues this memorandum that discusses a new cumulative fund created by House Enrolled Act 1113-2020 (“HEA 1113”). This memoranda is for informative purposes only and is not a substitute for reading the law.

Section 83 of HEA 1113 adds IC 36-8-8-14.2, effective July 1, 2020. This new section applies to a unit that is an employer of one (1) or more individuals who are active members of the 1977 fund established under IC 36-8-8. The unit may establish a Public Safety Officer Survivors’ Health Coverage Cumulative Fund if

- (1) the unit is obligated to pay for health insurance coverage for one (1) or more survivors of a deceased member of the 1977 fund who died in the line of duty; and
- (2) the unit follows the procedures outlined in IC 6-1.1-41 for establishing a cumulative fund.

A “survivor” is defined as

- (1) a surviving spouse of a deceased member of the 1977 fund; or
- (2) a surviving natural child, stepchild, or adopted child of a deceased member of the 1977 fund;

who is entitled to health insurance coverage under IC 36-8-8-14.1(h).

The unit may levy a property tax for the Public Safety Officer Survivors’ Health Coverage Cumulative Fund. The property tax rate may not exceed the rate necessary to pay the annual cost of health coverage that the unit is obligated to pay under IC 36-8-8-14.1(h). The unit must provide any documentation requested by the Department necessary to certify the rate adopted by the unit. The levy is outside the maximum permissible levy under IC 6-1.1-18.5-3 for the unit.

For the City of Indianapolis, money may be transferred from the Public Safety Officer Survivors’ Health Coverage Cumulative Fund to the fund of the department of the City responsible for carrying out a purpose for which the Public Safety Officer Survivors’ Health Coverage Cumulative Fund was created. The department of the unit may not expend any money that has been transferred until an appropriation is made, and the money transferred may not be used for operating costs.

Per IC 6-1.1-41-4 and IC 6-1.1-17-16.7, a unit must submit a proposal for the establishment of a cumulative fund before May 1 of the year before the budget year when the unit will be using the cumulative fund. Therefore, a unit may first establish this cumulative fund starting in the 2021-pay-2022 tax cycle. The Department will include a list of needed documents necessary to certify the rate for the Public Safety Officer Survivors' Health Coverage Cumulative Fund in its annual memorandum on establishing or reestablishing a cumulative fund for 2021.

Contact Information

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