

# HOUSE BILL No. 1225

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 10-12-2.

**Synopsis:** Pension garnishment for restitution. Provides that when a court issues a restitution order against an employee beneficiary of the state police benefit system (system), the prosecuting attorney must bring an action requesting garnishment of amounts that the employee beneficiary is entitled to receive under the system. Requires the court to order the trustee to take certain actions if the court finds that the restitution order has been issued and has not been fully satisfied or discharged.

**Effective:** Upon passage.

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January 9, 2025, read first time and referred to Committee on Judiciary.

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First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

## HOUSE BILL No. 1225

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 10-12-2-10, AS AMENDED BY P.L.203-2019,  
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 10. (a) A person entitled to, having an interest  
4 in, or sharing a pension or benefit from the trust funds does not, before  
5 the actual payment of the pension or benefit, have the right to  
6 anticipate, sell, assign, pledge, mortgage, or otherwise dispose of or  
7 encumber the pension or benefit.  
8 (b) **Except as provided in subsections (c) through (f) and section**  
9 **10.5 of this chapter**, a person's interest, share, pension, or benefit,  
10 before the actual payment of the interest, share, pension, or benefit,  
11 may not be:  
12 (1) used to satisfy the debts or liabilities of the person entitled to  
13 the interest, share, pension, or benefit;  
14 (2) subject to attachment, garnishment, execution, or levy or sale  
15 on judicial proceedings; or  
16 (3) transferred by any means, voluntarily or involuntarily.  
17 (c) The trustee may pay from the trust fund the amounts that the



1 trustee determines are proper and necessary expenses of the trust fund.

2 (d) However, the person's contributions or benefits, or both, may be  
3 transferred to reimburse the person's employer for loss resulting from  
4 the person's criminal taking of the employer's property by the trustee if  
5 the trustee receives adequate proof of the loss. The loss resulting from  
6 the person's criminal taking of the employer's property must be proven  
7 by an order for restitution in favor of the employer issued by the  
8 sentencing court following a felony or misdemeanor conviction.

9 (e) The trustee may withhold payment of the person's contributions  
10 and interest if the employer of the person notifies the trustee that felony  
11 or misdemeanor charges accusing the person of the criminal taking of  
12 the employer's property have been filed.

13 (f) The trustee may withhold payment of a person's contributions  
14 and interest under subsection (e) until the final resolution of the  
15 criminal charges.

16 (g) Subsections (e) and (f) do not apply to the:

17 (1) monthly benefit of a retired employee beneficiary; or

18 (2) disability pension of an employee beneficiary with a disability.

19 SECTION 2. IC 10-12-2-10.5 IS ADDED TO THE INDIANA  
20 CODE AS A NEW SECTION TO READ AS FOLLOWS  
21 [EFFECTIVE UPON PASSAGE]: **Sec. 10.5. (a) This section applies**  
22 **when a court issues a restitution order under IC 35-50-5-3**  
23 **requiring an employee beneficiary to make restitution to the victim**  
24 **of a crime, the victim's estate, or the family of a victim who is**  
25 **deceased.**

26 (b) The prosecuting attorney of the county in which the  
27 restitution order was issued shall bring an action in the name of the  
28 state requesting garnishment of amounts that an employee  
29 beneficiary is entitled to receive under this article.

30 (c) Notwithstanding any other law, if the court presiding over an  
31 action filed under subsection (b) finds both of the following, the  
32 court shall enter an order under subsection (d):

33 (1) A restitution order has been issued under IC 35-50-5-3  
34 requiring an employee beneficiary to make restitution to the  
35 victim of a crime, the victim's estate, or the family of a victim  
36 who is deceased.

37 (2) The restitution order has not been fully satisfied or  
38 discharged.

39 (d) A court that makes both findings under subsection (c) shall  
40 order the trustee to do the following:

41 (1) Cease payment to the employee beneficiary of any  
42 amounts the employee beneficiary is entitled to receive under



- 1           **this article.**  
2           **(2) Pay the amounts described in subdivision (1) to the**  
3           **individual entitled to receive payment under the restitution**  
4           **order. If more than one (1) individual is entitled to receive**  
5           **payment under the restitution order, the trustee shall pay the**  
6           **amounts described in subdivision (1) in the manner required**  
7           **by the restitution order.**  
8           **(e) Payment under subsection (d)(2) must occur at the time the**  
9           **employee beneficiary would have received the amounts, unless the**  
10          **trustee determines that paying the amounts earlier is appropriate.**  
11          **(f) The court shall vacate an order issued under subsection (d)**  
12          **if the restitution order against the employee beneficiary is fully**  
13          **satisfied or discharged.**  
14          **(g) The court shall provide notice to the trustee when an order**  
15          **is:**  
16                **(1) issued under subsection (d); and**  
17                **(2) vacated under subsection (f).**  
18          **SECTION 3. An emergency is declared for this act.**

