

HOUSE BILL No. 1445

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10.2-4-1; IC 5-10.3; IC 5-10.4.

Synopsis: Public employee pensions. Provides that a member of the public employees' retirement fund (PERF) or the Indiana state teachers' retirement fund (TRF) who first performs creditable service after June 30, 2019, is eligible for normal retirement if: (1) the member is at least 65 years of age and has at least 20 years of creditable service (current law requires at least 10 years of creditable service); (2) the member is at least 60 years of age and has at least 25 years of creditable service (current law requires at least 15 years of creditable service); or (3) the member is at least 55 years of age and the member's age plus years of creditable service is at least 95 (current law requires the member's age plus years of creditable service be at least 85). Provides that after June 30, 2019, an individual who becomes a full-time employee of the state for the first time becomes a member of the public employees' defined contribution plan (plan) unless the individual elects to become a member of PERF. (Under current law, an eligible employee becomes a member of PERF unless the employee elects to become a member of the plan.) Provides that after June 30, 2019, an individual who begins employment for the first time in a covered position with a school corporation and is not already a member of TRF becomes a member of the teachers' defined contribution plan unless the individual makes an election to become a member of TRF. (Under current law, an individual who begins employment in a covered position becomes a member of TRF unless the individual elects to become a member of the teachers' defined contribution plan.)

Effective: July 1, 2019.

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January 15, 2019, read first time and referred to Committee on Employment, Labor and Pensions.



First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1445

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 5-10.2-4-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 1. (a) This subsection
3 applies to:
4 (1) members of the public employees' retirement fund who retire
5 before July 1, 1995; and
6 (2) members of the Indiana state teachers' retirement fund who
7 retire before May 2, 1989.
8 A member who has reached age sixty-five (65) and has at least ten (10)
9 years of creditable service is eligible for normal retirement.
10 (b) This subsection applies to members of the Indiana state teachers'
11 retirement fund who retire after May 1, 1989, and to members of the
12 public employees' retirement fund who retire after June 30, 1995,
13 except as provided in section 1.7 of this chapter. A member is eligible
14 for normal retirement if:
15 (1) the member is at least sixty-five (65) years of age and **the**
16 **member** has at least:
17 (A) ten (10) years of creditable service, **for a member who**



- 1 **first performs creditable service before July 1, 2019; or**
 2 **(B) twenty (20) years of creditable service, for a member**
 3 **who first performs creditable service after June 30, 2019;**
 4 (2) the member is at least sixty (60) years of age and the member
 5 has at least:
 6 **(A) fifteen (15) years of creditable service, for a member who**
 7 **first performs creditable service before July 1, 2019; or**
 8 **(B) twenty-five (25) years of creditable service, for a**
 9 **member who first performs creditable service after June**
 10 **30, 2019; or**
 11 (3) **the member is at least fifty-five (55) years of age and the**
 12 **member's age in years plus the member's years of service is at**
 13 **least:**
 14 **(A) eighty-five (85), and the member is at least fifty-five (55)**
 15 **years of age; for a member who first performs creditable**
 16 **service before July 1, 2019; or**
 17 **(B) ninety-five (95), for a member who first performs**
 18 **creditable service after June 30, 2019.**
 19 (c) A member who has reached age fifty (50) and has at least fifteen
 20 (15) years of creditable service is eligible for early retirement with a
 21 reduced pension.
 22 (d) A member who is eligible for normal or early retirement is
 23 entitled to choose a retirement date on which the member's benefit
 24 begins if the following conditions are met:
 25 (1) The application for retirement benefits and the choice of the
 26 date is filed on a form provided by the board.
 27 (2) The date must be after the cessation of the member's service
 28 and be the first day of a month.
 29 (3) The retirement date is not more than six (6) months before the
 30 date the application is received by the board. However, if the
 31 board determines that a member is incompetent to file for benefits
 32 and choose a retirement date, the retirement date may be any date
 33 that is the first of the month after the time the member became
 34 incompetent.
 35 SECTION 2. IC 5-10.3-6-8.9, AS ADDED BY P.L.158-2006,
 36 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2019]: Sec. 8.9. (a) This section applies when certain
 38 employees of the state in particular departmental, occupational, or
 39 other definable classifications are terminated from employment with
 40 the state as a result of:
 41 (1) a lease or other transfer of state property to a nongovernmental
 42 entity; or



- 1 (2) a contractual arrangement with a nongovernmental entity to
 2 perform certain state functions.
- 3 (b) The governor shall request coverage under this section from the
 4 board whenever an employee of the state is terminated as described in
 5 subsection (a).
- 6 (c) The board must approve a request from the governor under
 7 subsection (b) unless approval violates subsection (k), federal or state
 8 law, or the terms of the fund.
- 9 (d) As used in this section, "early retirement" means a member is
 10 eligible to retire with a reduced pension under ~~IC 5-10.2-4-1~~, because
 11 the member:
 12 (1) is at least fifty (50) years of age; and
 13 (2) has at least fifteen (15) years of creditable service.
- 14 **IC 5-10.2-4-1(c).**
- 15 (e) As used in this section, "normal retirement" means a member is
 16 eligible to retire under ~~IC 5-10.2-4-1~~, because:
 17 (1) the member is at least sixty-five (65) years of age and has at
 18 least ten (10) years of creditable service;
 19 (2) the member is at least sixty (60) years of age and has at least
 20 fifteen (15) years of creditable service; or
 21 (3) the member's age in years plus the member's years of service
 22 is at least eighty-five (85) and the member is at least fifty-five
 23 (55) years of age.
- 24 **IC 5-10.2-4-1(a) or IC 5-10.2-4-1(b).**
- 25 (f) The withdrawal of the employees described in subsection (a)
 26 from the fund is effective on a termination date established by the
 27 board. The board may not establish a termination date that occurs
 28 before all of the following have occurred:
- 29 (1) The governor has requested coverage under this section and
 30 provided written notice of the following to the board:
 31 (A) The intent of the state to terminate the employees from
 32 employment.
 33 (B) The names of the terminated employees as of the date that
 34 the termination is to occur.
- 35 (2) The expiration of a thirty (30) day period following the filing
 36 of the notice with the board.
- 37 (3) The state complies with subsections (g) and (i).
- 38 (g) A member who:
 39 (1) is an employee of the state described in subsection (a) with at
 40 least twenty-four (24) months of creditable service as of the date
 41 of the notice under subsection (f); and
 42 (2) is listed in the notice under subsection (f);



1 is vested in the pension portion of the member's retirement benefit. The
2 state must contribute to the fund the amount the board determines is
3 necessary to completely fund the vested benefit. The contribution by
4 the state must be made in a lump sum or in a series of payments
5 determined by the board. The benefit for the member shall be
6 computed under IC 5-10.2-4-4 using the member's actual years of
7 creditable service.

8 (h) A member who is covered by subsection (g) and who is at least
9 sixty-five (65) years of age as of the date of the notice under subsection
10 (f) may elect to retire under IC 5-10.2-4-1 even if the member has less
11 than ten (10) years of service. The benefit for the member shall be
12 computed under IC 5-10.2-4-4 using the member's actual years of
13 creditable service.

14 (i) A member who is covered by subsection (f) and who, as of the
15 date of the notice under subsection (f), is less than twenty-four (24)
16 months from being eligible for normal or early retirement under
17 IC 5-10.2-4-1 may elect to retire by purchasing the service credit
18 needed for retirement under the following conditions:

19 (1) The state shall contribute to the fund an amount determined
20 under IC 5-10.2-3-1.2 and payable from the sources described in
21 subsection (j) sufficient to pay the member's contributions
22 required for the member's purchase of the service credit the
23 member needs to retire.

24 (2) The maximum amount of creditable service that the state may
25 purchase for a member under this subsection is twenty-four (24)
26 months.

27 (3) The benefit for the member shall be computed under
28 IC 5-10.2-4-4 using the member's actual years of creditable
29 service plus all other service for which the fund gives credit,
30 including the creditable service purchased under this subsection.

31 (j) The amounts that the state is required to contribute to the fund
32 under subsection (i) must come from the following sources:

33 (1) If the state receives monetary payments under the lease or
34 contractual arrangement described in subsection (a), the proceeds
35 of the monetary payments received by the state. The state may not
36 require, as a condition of the transaction to transfer state property
37 or have certain state functions performed by a nongovernmental
38 entity, that the nongovernmental entity directly or indirectly pay
39 the amounts that the state is required to contribute under
40 subsection (i).

41 (2) If the state does not receive any monetary payments under the
42 lease or contractual arrangement described in subsection (a), any



1 remaining appropriations made to the state department, agency,
 2 or other entity terminating the employees described in subsection
 3 (a).

4 (3) If the sources described in subdivisions (1) and (2) do not
 5 fully fund the amounts that the state is required to contribute to
 6 the fund under subsection (i), the board shall request that the
 7 general assembly appropriate the amount necessary to fully fund
 8 the state's required contribution under subsection (i) in the next
 9 biennial state budget.

10 (k) The board shall evaluate each withdrawal under this section to
 11 determine if the withdrawal affects the fund's compliance with Section
 12 401(a) of the Internal Revenue Code of 1954, as in effect on September
 13 1, 1974. The board may deny an employee permission to withdraw if
 14 the denial is necessary to achieve compliance with Section 401(a) of
 15 the Internal Revenue Code of 1954, as in effect on September 1, 1974.

16 SECTION 3. IC 5-10.3-7-1, AS AMENDED BY P.L.241-2015,
 17 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2019]: Sec. 1. (a) This section does not apply to:

- 19 (1) members of the general assembly; or
- 20 (2) employees covered by section 3 of this chapter.

21 (b) As used in this section, "employees of the state" includes:

- 22 (1) employees of the judicial circuits whose compensation is paid
 23 from state funds;
- 24 (2) elected and appointed state officers;
- 25 (3) prosecuting attorneys and deputy prosecuting attorneys of the
 26 judicial circuits, whose compensation is paid in whole or in part
 27 from state funds, including participants in the prosecuting
 28 attorneys retirement fund established under IC 33-39-7;
- 29 (4) employees in the classified service;
- 30 (5) employees of any state department, institution, board,
 31 commission, office, agency, court, or division of state government
 32 receiving state appropriations and having the authority to certify
 33 payrolls from appropriations or from a trust fund held by the
 34 treasurer of state or by any department;
- 35 (6) employees of any state agency that is a body politic and
 36 corporate;
- 37 (7) except as provided under IC 5-10.5-7-4, employees of the
 38 board of trustees of the Indiana public retirement system;
- 39 (8) persons who:
 - 40 (A) are employed by the state;
 - 41 (B) have been classified as federal employees by the United
 42 States Secretary of Agriculture; and



- 1 (C) are excluded from coverage as federal employees by the
 2 federal Social Security program under 42 U.S.C. 410;
 3 (9) the directors and employees of county offices of family and
 4 children;
 5 (10) employees of the center for agricultural science and heritage
 6 (the barn); and
 7 (11) members and employees of the state lottery commission.
- 8 (c) An employee of the state or of a participating political
 9 subdivision who:
 10 (1) became a full-time employee of the state or of a participating
 11 political subdivision in a covered position; and
 12 (2) had not become a member of the fund;
 13 before April 1, 1988, shall on April 1, 1988, become a member of the
 14 fund unless the employee is excluded from membership under section
 15 2 of this chapter.
- 16 (d) Except as otherwise provided, any individual who becomes a
 17 full-time employee of the state ~~or of a participating political~~
 18 ~~subdivision in a covered position~~ after March 31, 1988, **and before**
 19 **July 1, 2019**, becomes a member of the fund on the date the
 20 individual's employment begins unless the individual is excluded from
 21 membership under section 2 of this chapter.
- 22 (e) **Except as otherwise provided, any individual who becomes**
 23 **a full-time employee of the state after June 30, 2019, becomes a**
 24 **member of the fund on the date the individual's employment begins**
 25 **if:**
 26 (1) **the individual makes an election under section 1.2 of this**
 27 **chapter to become a member of the fund; and**
 28 (2) **the individual is not excluded from membership under**
 29 **section 2 of this chapter.**
- 30 (f) **Except as otherwise provided, any individual who becomes**
 31 **a full-time employee of a participating political subdivision in a**
 32 **covered position after March 31, 1988, and before July 1, 2015,**
 33 **becomes a member of the fund on the date the individual's**
 34 **employment begins unless the individual is excluded from**
 35 **membership under section 2 of this chapter.**
- 36 (e) (g) An individual:
 37 (1) who becomes a full-time employee of a political subdivision
 38 in a covered position after June 30, 2015;
 39 (2) who is employed by a political subdivision that has elected in
 40 an ordinance or resolution adopted under IC 5-10.3-6-1 and
 41 approved by the board to require an employee in the covered
 42 position to become a member of the fund; and



1 (3) who is not excluded from membership under section 2 of this
 2 chapter;
 3 becomes a member of the fund on the date the individual's employment
 4 begins.

5 ~~(f)~~ **(h)** An individual:

6 (1) who becomes a full-time employee of a political subdivision
 7 in a covered position after an ordinance or resolution described in
 8 subdivision (2) that is adopted by the political subdivision has
 9 been approved by the board;

10 (2) who is employed by a political subdivision that has elected in
 11 an ordinance or resolution adopted under IC 5-10.3-6-1 and
 12 approved by the board:

13 (A) to allow an employee in the covered position to become a
 14 member of the fund or a member of the public employees'
 15 defined contribution plan at the discretion of the employee;
 16 and

17 (B) to require an employee in a covered position to make an
 18 election under IC 5-10.3-12-20.5 in order to become a member
 19 of the plan;

20 (3) who does not make an election under IC 5-10.3-12-20.5 to
 21 become a member of the public employees' defined contribution
 22 plan; and

23 (4) who is not excluded from membership under section 2 of this
 24 chapter;

25 becomes a member of the fund on the date the individual's employment
 26 begins.

27 ~~(g)~~ **(i)** An individual:

28 (1) who becomes a full-time employee of a political subdivision
 29 in a covered position after an ordinance or resolution described in
 30 subdivision (2) that is adopted by the political subdivision has
 31 been approved by the board;

32 (2) who is employed by a political subdivision that has elected in
 33 an ordinance or resolution adopted under IC 5-10.3-6-1 and
 34 approved by the board:

35 (A) to allow an employee in the covered position to become a
 36 member of the fund or the public employees' defined
 37 contribution plan at the discretion of the employee; and

38 (B) to require an employee to make an election under section
 39 1.1 of this chapter in order to become a member of the fund;

40 (3) who does make an election under section 1.1 of this chapter to
 41 become a member of the fund; and

42 (4) who is not excluded from membership under section 2 of this



1 chapter;
2 becomes a member of the fund on the date the individual's employment
3 begins.

4 SECTION 4. IC 5-10.3-7-1.2 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2019]: **Sec. 1.2. (a) An individual:**

7 **(1) who becomes a full-time employee of the state after June**
8 **30, 2019; and**

9 **(2) who is not excluded from membership under section 2 of**
10 **this chapter;**

11 **may elect to become a member of the fund.**

12 **(b) An election under this section:**

13 **(1) must be made in writing on a form prescribed by the**
14 **board;**

15 **(2) must be filed with the board; and**

16 **(3) is irrevocable.**

17 **(c) An individual who:**

18 **(1) is eligible to make the election under this section; and**

19 **(2) does not make the election;**

20 **becomes a member of the public employees' defined contribution**
21 **plan.**

22 **(d) An individual described in subsection (a) who separates from**
23 **employment with the state and later returns to employment with**
24 **the state having had an opportunity to make an election under this**
25 **section during an earlier period of employment with the state is not**
26 **entitled to a second opportunity to make an election under this**
27 **section with respect to the individual's employment with the state.**

28 SECTION 5. IC 5-10.3-12-1, AS AMENDED BY P.L.209-2016,
29 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2019]: Sec. 1. (a) Except as otherwise provided in this section,
31 this chapter applies to the following:

32 **(1) An individual who:**

33 **(A) on or after the effective date of the plan and before July**
34 **1, 2019, becomes for the first time a full-time employee of the**
35 **state:**

36 **(i) in a position that would otherwise be eligible for**
37 **membership in the fund under IC 5-10.3-7; and**

38 **(ii) who is paid by the auditor of state by salary warrants;**
39 **and**

40 **(B) makes the election described in section 20 of this chapter**
41 **to become a member of the plan.**

42 **(2) An individual who:**



- 1 (A) after June 30, 2019, becomes for the first time a
- 2 full-time employee of the state:
- 3 (i) in a position that would otherwise be eligible for
- 4 membership in the fund under IC 5-10.3-7; and
- 5 (ii) who is paid by the auditor of state by salary
- 6 warrants; and
- 7 (B) does not make the election described in IC 5-10.3-7-1.2
- 8 to become a member of the fund.
- 9 ~~(3)~~ (3) An individual:
- 10 (A) who becomes a full-time employee of a participating
- 11 political subdivision in a covered position after an ordinance
- 12 or resolution described in clause (C) that is adopted by the
- 13 political subdivision has been approved by the board;
- 14 (B) who would otherwise be eligible for membership in the
- 15 fund under IC 5-10.3-7; and
- 16 (C) who is employed by a political subdivision that has elected
- 17 in an ordinance or resolution adopted under IC 5-10.3-6-1 and
- 18 approved by the board to require an employee in the covered
- 19 position to become a member of the plan.
- 20 ~~(4)~~ (4) An individual:
- 21 (A) who becomes a full-time employee of a political
- 22 subdivision in a covered position after an ordinance or
- 23 resolution described in clause (C) that is adopted by the
- 24 political subdivision has been approved by the board;
- 25 (B) who would otherwise be eligible for membership in the
- 26 fund under IC 5-10.3-7;
- 27 (C) who is employed by a political subdivision that has elected
- 28 in an ordinance or resolution adopted under IC 5-10.3-6-1 and
- 29 approved by the board:
- 30 (i) to allow an employee in the covered position to become
- 31 a member of the fund or a member of the plan at the
- 32 discretion of the employee; and
- 33 (ii) to require an employee in a covered position to make an
- 34 election under section 20.5 of this chapter in order to
- 35 become a member of the plan; and
- 36 (D) who makes an election under section 20.5 of this chapter
- 37 to become a member of the plan.
- 38 ~~(5)~~ (5) An individual:
- 39 (A) who becomes a full-time employee of a political
- 40 subdivision in a covered position after an ordinance or
- 41 resolution described in clause (C) that is adopted by the
- 42 political subdivision has been approved by the board;



- 1 (B) who would otherwise be eligible for membership in the
 2 fund under IC 5-10.3-7;
 3 (C) who is employed by a political subdivision that has elected
 4 in an ordinance or resolution adopted under IC 5-10.3-6-1 and
 5 approved by the board:
 6 (i) to allow an employee in the covered position to become
 7 a member of the fund or a member of the plan at the
 8 discretion of the employee; and
 9 (ii) to require an employee to make an election under
 10 IC 5-10.3-7-1.1 in order to become a member of the fund;
 11 and
 12 (D) who does not make an election under IC 5-10.3-7-1.1 to
 13 become a member of the fund.
 14 ~~(5)~~ (6) An individual who makes an election described in section
 15 20.3 of this chapter.
 16 ~~(6)~~ (7) An individual:
 17 (A) who is a retired member (as defined in IC 5-10.3-1-5) of
 18 the fund;
 19 (B) who is prohibited from making contributions to the fund
 20 under IC 5-10.2-4-8(e) during a period of reemployment that
 21 begins more than thirty (30) days after the member retired; and
 22 (C) who, on or after the date:
 23 (i) the state files a notice; or
 24 (ii) a participating political subdivision files an adopted
 25 ordinance or resolution;
 26 with the board in accordance with section 32 of this chapter,
 27 begins, or is engaged in, a period of reemployment with the
 28 state or a participating political subdivision as a full-time
 29 employee more than thirty (30) days after the individual's
 30 retirement in a position that would otherwise be covered by the
 31 fund.
 32 (b) Except as provided in subsection (c), this chapter does not apply
 33 to an individual who, on or after the effective date of the plan:
 34 (1) becomes for the first time a full-time employee of the state in
 35 a position that would otherwise be eligible for membership in the
 36 fund under IC 5-10.3-7; and
 37 (2) is employed by:
 38 (A) a body corporate and politic of the state created by state
 39 statute; or
 40 (B) a state educational institution (as defined in
 41 IC 21-7-13-32).
 42 (c) The chief executive officer of a body or institution described in



1 subsection (b) may elect, by submitting a written notice of the election
 2 to the director, to have this chapter apply to individuals who, as
 3 employees of the body or institution, become for the first time full-time
 4 employees of the state in positions that would otherwise be eligible for
 5 membership in the fund under IC 5-10.3-7. An election under this
 6 subsection is effective on the later of:

- 7 (1) the date the notice of the election is received by the director;
 8 or
 9 (2) March 1, 2013.

10 SECTION 6. IC 5-10.3-12-20, AS AMENDED BY P.L.209-2016,
 11 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2019]: Sec. 20. (a) This section applies only to an individual
 13 who, on or after the effective date of the plan **and before July 1, 2019**,
 14 becomes for the first time a full-time employee of the state in a position
 15 that would otherwise be eligible for membership in the fund under
 16 IC 5-10.3-7.

17 (b) An individual to whom this section applies may elect to become
 18 a member of the plan for all service credit that the member accrues in
 19 a covered position as an employee of the state. An election under this
 20 section:

- 21 (1) must be made in writing;
 22 (2) must be filed with the board, on a form prescribed by the
 23 board; and
 24 (3) is irrevocable.

25 (c) Except as provided in section 32(a) of this chapter, an individual
 26 who does not elect to become a member of the plan becomes a member
 27 (as defined in IC 5-10.3-1-5) of the fund for all service credit that the
 28 member accrues in a covered position as an employee of the state.

29 SECTION 7. IC 5-10.3-12-20.5, AS AMENDED BY P.L.209-2016,
 30 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2019]: Sec. 20.5. (a) This section applies to an individual
 32 described in section ~~1(a)(3)~~ **1(a)(4)** of this chapter who is otherwise
 33 eligible to become a member of the plan.

34 (b) An individual described in subsection (a) may elect to become
 35 a member of the plan on the date the individual begins the individual's
 36 employment in a covered position with a political subdivision that
 37 participates in the plan. The election applies to all service credit that
 38 the member accrues in a covered position as an employee of the
 39 political subdivision while the political subdivision participates in the
 40 plan.

- 41 (c) An election under this section:
 42 (1) must be made in writing;



- 1 (2) must be filed with the board on a form prescribed by the
 2 board; and
 3 (3) is irrevocable.

4 (d) Except as provided in section 32(b) of this chapter, an individual
 5 described in subsection (a) who does not elect to become a member of
 6 the plan becomes a member (as defined in IC 5-10.3-1-5) of the fund
 7 for all service credit that the member accrues in a covered position as
 8 an employee of the political subdivision while the political subdivision
 9 participates in the fund.

10 SECTION 8. IC 5-10.3-12-31, AS AMENDED BY P.L.85-2017,
 11 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2019]: Sec. 31. (a) If a member of the plan separates from
 13 employment with the member's employer and later begins employment
 14 with the same or a different employer in a position covered by the plan:

- 15 (1) the member resumes the member's participation in the plan;
 16 and
 17 (2) the member is entitled to receive credit for the member's years
 18 of participation in the plan before the member's separation.

19 Any amounts forfeited by the member under section 25(e) of this
 20 chapter may not be restored to the member's account.

21 (b) An individual who returns to state employment **before July 1,**
 22 **2019, after** having had an opportunity to make an election under
 23 section 20 of this chapter during an earlier period of state employment
 24 is not entitled to a second opportunity to make an election under
 25 section 20 of this chapter. **An individual who returns to state**
 26 **employment after June 30, 2019, after having become a member of**
 27 **the fund during an earlier period of state employment continues to**
 28 **be a member of the fund with respect to the individual's state**
 29 **employment.**

30 (c) An individual described in section ~~1(a)(3)~~ **1(a)(4)** of this chapter
 31 who returns to employment with a participating political subdivision
 32 having had an opportunity to make an election under section 20.5 of
 33 this chapter during an earlier period of employment with the
 34 participating political subdivision is not entitled to a second
 35 opportunity to make an election under section 20.5 of this chapter with
 36 respect to that employer.

37 SECTION 9. IC 5-10.4-4-1, AS AMENDED BY P.L.217-2017,
 38 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2019]: Sec. 1. (a) **Except as otherwise provided in this**
 40 **section,** the members of the fund include:

- 41 (1) legally qualified and regularly employed teachers in the public
 42 schools;



- 1 (2) persons employed by a governing body, who were qualified
 2 before their election or appointment;
 3 (3) legally qualified and regularly employed teachers at Ball State
 4 University, Indiana State University, University of Southern
 5 Indiana, and Vincennes University;
 6 (4) legally qualified and regularly employed teachers in a state
 7 educational institution whose teachers devote their entire time to
 8 teaching;
 9 (5) legally qualified and regularly employed teachers in state
 10 benevolent, charitable, or correctional institutions;
 11 (6) legally qualified and regularly employed teachers in an
 12 experimental school in a state university who teach elementary or
 13 high school students;
 14 (7) as determined by the board, certain instructors serving in a
 15 state educational institution extension division not covered by a
 16 state retirement law;
 17 (8) employees and officers of the department of education and of
 18 the fund who were qualified before their election or appointment;
 19 (9) a person who:
 20 (A) is employed as a nurse appointed under IC 20-34-3-6 by
 21 a school corporation located in a city having a population of
 22 more than eighty thousand (80,000) but less than eighty
 23 thousand four hundred (80,400); and
 24 (B) participated in the fund before December 31, 1991, in the
 25 position described in clause (A); and
 26 (10) persons who are employed by the fund.
 27 (b) Teachers in any state institution who accept the benefits of a
 28 state supported retirement benefit system comparable to the fund's
 29 benefits may not come under the fund unless permitted by law or the
 30 rules of the board.
 31 (c) The members of the fund do not include substitute teachers who
 32 have not obtained an associate degree or a baccalaureate degree.
 33 (d) The members of the fund do not include individuals who
 34 participate in the teachers' defined contribution plan under IC 5-10.4-8.
 35 **(e) The members of the fund do not include individuals who:**
 36 **(1) begin employment after June 30, 2019, in a covered**
 37 **position with a school corporation;**
 38 **(2) were not, before beginning the employment described in**
 39 **subdivision (1), already members of the fund or the teachers'**
 40 **defined contribution plan under IC 5-10.4-8; and**
 41 **(3) do not elect to become members of the fund under section**
 42 **1.5 of this chapter.**



1 SECTION 10. IC 5-10.4-4-1.5 IS ADDED TO THE INDIANA
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2019]: **Sec. 1.5. (a) As used in this section,**
 4 **"plan" refers to the teachers' defined contribution plan under**
 5 **IC 5-10.4-8.**

6 **(b) An individual who:**

7 **(1) begins employment after June 30, 2019, in a covered**
 8 **position with a school corporation; and**

9 **(2) was not, before beginning the employment described in**
 10 **subdivision (1), already a member of the fund or the plan;**
 11 **may elect to become a member of the fund.**

12 **(c) An election under this section:**

13 **(1) must be made in writing on a form prescribed by the**
 14 **board;**

15 **(2) must be filed with the board; and**

16 **(3) is irrevocable.**

17 **(d) An individual who:**

18 **(1) is eligible to make the election under this section; and**

19 **(2) does not make the election;**

20 **becomes a member of the plan.**

21 **(e) An individual described in subsection (b) who separates from**
 22 **employment with a school corporation and later returns to**
 23 **employment with a school corporation having had an opportunity**
 24 **to make an election under this section during an earlier period of**
 25 **employment with the school corporation is not entitled to a second**
 26 **opportunity to make an election under this section with respect to**
 27 **the individual's subsequent employment with a school corporation.**

28 SECTION 11. IC 5-10.4-8-1, AS ADDED BY P.L.217-2017,
 29 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2019]: Sec. 1. (a) Except as **otherwise** provided in ~~subsection~~
 31 ~~(b)~~, **this section**, this chapter applies ~~after the effective date of the plan~~
 32 ~~to an individual who:~~ **the following:**

33 **(1) An individual who, on or after the effective date of the**
 34 **plan and before July 1, 2019:**

35 ~~(1)~~ **(A)** begins employment with a school corporation in a
 36 covered position that would otherwise be eligible for
 37 membership in the fund under IC 5-10.4-4; and

38 ~~(2)~~ **(B)** makes an election described in section 6 of this chapter
 39 to become a member of the plan.

40 **(2) An individual who, after June 30, 2019:**

41 **(A) begins employment with a school corporation in a**
 42 **covered position that would otherwise be eligible for**



- 1 **membership in the fund under IC 5-10.4-4; and**
 2 **(B) does not make an election described in IC 5-10.4-4-1.5**
 3 **to become a member of the fund.**
 4 (b) This chapter does not apply to the following:
 5 (1) An individual who, before the effective date of the plan, is or
 6 was a member (as defined in IC 5-10.4-1-9) of the fund.
 7 (2) An individual who, on or after the effective date of the plan:
 8 (A) begins employment with a school corporation that
 9 participates in the plan in a covered position that ~~would~~
 10 **otherwise be makes the individual** eligible for membership in
 11 the fund under IC 5-10.4-4; and
 12 (B) ~~does not make the election described in section 6 of this~~
 13 ~~chapter to become a member of the plan:~~ **becomes a member**
 14 **of the fund.**

15 SECTION 12. IC 5-10.4-8-6, AS ADDED BY P.L.217-2017,
 16 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2019]: Sec. 6. (a) **This section applies to** an individual who,
 18 on or after the effective date of the plan **and before July 1, 2019,**
 19 begins employment with a school corporation that participates in the
 20 plan in a covered position that would otherwise be eligible for
 21 membership in the fund under IC 5-10.4-4.

22 **(b) An individual to whom this section applies** may elect to
 23 become a member of the plan.

24 ~~(b)~~ **(c)** An election under this section:

- 25 (1) must be made in writing;
 26 (2) must be filed with the board, on a form prescribed by the
 27 board; and
 28 (3) is irrevocable.

29 ~~(c)~~ **(d)** An individual who does not elect to become a member of the
 30 plan becomes a member (as defined in IC 5-10.4-1-9) of the fund.

31 SECTION 13. IC 5-10.4-8-17, AS ADDED BY P.L.217-2017,
 32 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2019]: Sec. 17. (a) If a member of the plan separates from
 34 employment with the member's employer and later returns to
 35 employment in a position covered by the plan:

- 36 (1) the individual resumes membership in the plan; and
 37 (2) the member is entitled to receive credit for the member's years
 38 of participation in the plan before the member's separation.

39 (b) An individual who:

- 40 **(1) before July 1, 2019,** elected under section 6 of this chapter to
 41 become a member of the plan; **or**
 42 **(2) after June 30, 2019, was eligible to make an election under**



1 **IC 5-10.4-4-1.5 to become a member of the fund and did not**
2 **make the election;**
3 resumes membership in the plan upon the individual's return to
4 employment covered by the plan.
5 (c) An individual who:
6 **(1) before July 1, 2019, did not elect to become a member of the**
7 **plan; or**
8 **(2) after June 30, 2019, elected to become a member of the**
9 **fund;**
10 resumes membership in the fund.
11 (d) An individual who returns to employment in a position covered
12 by the plan having had an opportunity to make an election under
13 section 6 of this chapter during an earlier period of employment is not
14 entitled to a second opportunity to make an election under section 6 of
15 this chapter.

