

SENATE BILL No. 85

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-8-8.

Synopsis: 1977 fund retirement and surviving spouse benefits. Increases the basic monthly pension benefit payable to a member of the 1977 police officers' and firefighters' pension and disability fund (1977 fund) who retires after June 30, 2019, with 20 years of service from 50% to 52% of the monthly salary of a first class patrolman or firefighter in the year the member ended active service. Increases from 60% to 70% of the member's monthly benefit the monthly benefit paid to a surviving spouse of a 1977 fund member who dies after June 30, 2019, other than in the line of duty. (The introduced version of this bill was prepared by the interim study committee on pension management oversight.)

Effective: July 1, 2019.

Ford Jon

January 3, 2019, read first time and referred to Committee on Pensions and Labor.



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.

SENATE BILL No. 85

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 36-8-8-11, AS AMENDED BY P.L.42-2011,
2 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: Sec. 11. (a) Benefits paid under this section are subject
4 to section 2.5 of this chapter.

5 (b) ~~Except as provided in section 24.8 of this chapter, This~~
6 **subsection applies to a fund member who retires before July 1,**
7 **2019.** Each fund member who qualifies for a retirement benefit
8 payment under section 10(b) of this chapter is entitled to receive a
9 monthly benefit equal to fifty percent (50%) of the monthly salary of
10 a first class patrolman or firefighter in the year the member ended the
11 member's active service plus:

12 (1) for a member who retires before January 1, 1986, two percent
13 (2%) of that salary for each full year of active service; or

14 (2) for a member who retires after December 31, 1985, one
15 percent (1%) of that salary for each six (6) months of active
16 service;

17 over twenty (20) years, to a maximum of twelve (12) years.



1 **(c) This subsection applies to a fund member who retires after**
 2 **June 30, 2019. Each fund member who qualifies for a retirement**
 3 **benefit payment under section 10(b) of this chapter is entitled to**
 4 **receive a monthly benefit equal to fifty-two percent (52%) of the**
 5 **monthly salary of a first class patrolman or firefighter in the year**
 6 **the member ended the member's active service plus one percent**
 7 **(1%) of that salary for each six (6) months of active service over**
 8 **twenty (20) years, to a maximum of twelve (12) years.**

9 (↵) **(d)** Each fund member who qualifies for a retirement benefit
 10 payment under section 10(c) of this chapter is entitled to receive a
 11 monthly benefit equal to fifty percent (50%) of the monthly salary of
 12 a first class patrolman or firefighter in the year the member ended the
 13 member's active service plus one percent (1%) of that salary for each
 14 six (6) months of active service over twenty (20) years, to a maximum
 15 of twelve (12) years, all actuarially reduced for each month (if any) of
 16 benefit payments prior to fifty-two (52) years of age, by a factor
 17 established by the fund's actuary from time to time.

18 SECTION 2. IC 36-8-8-13.8, AS AMENDED BY P.L.23-2010,
 19 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2019]: Sec. 13.8. (a) This section applies to an active or
 21 retired member who dies other than in the line of duty (as defined in
 22 section 14.1 of this chapter) after August 31, 1982.

23 (b) If a fund member dies while receiving retirement or disability
 24 benefits, the following apply:

25 (1) Except as otherwise provided in this subsection, each of the
 26 member's surviving children is entitled to a monthly benefit equal
 27 to twenty percent (20%) of the fund member's monthly benefit:

28 (A) until the child becomes eighteen (18) years of age; or

29 (B) until the child becomes twenty-three (23) years of age if
 30 the child is enrolled in and regularly attending a secondary
 31 school or is a full-time student at an accredited college or
 32 university;

33 whichever period is longer. However, if the board finds upon the
 34 submission of satisfactory proof that a child who is at least
 35 eighteen (18) years of age is mentally or physically incapacitated,
 36 is not a ward of the state, and is not receiving a benefit under
 37 clause (B), the child is entitled to receive an amount each month
 38 that is equal to the greater of thirty percent (30%) of the monthly
 39 pay of a first class patrolman or first class firefighter or fifty-five
 40 percent (55%) of the monthly benefit the deceased member was
 41 receiving or was entitled to receive on the date of the member's
 42 death as long as the mental or physical incapacity of the child



1 continues. Benefits paid for a child shall be paid to the surviving
 2 parent as long as the child resides with and is supported by the
 3 surviving parent. If the surviving parent dies, the benefits shall be
 4 paid to the legal guardian of the child.

5 **(2) This subdivision applies to the surviving spouse of an**
 6 **active or retired member who dies before July 1, 2019.** The
 7 member's surviving spouse is entitled to a monthly benefit equal
 8 to sixty percent (60%) of the fund member's monthly benefit
 9 during the spouse's lifetime. If the spouse remarried before
 10 September 1, 1983, and benefits ceased on the date of remarriage,
 11 the benefits for the surviving spouse shall be reinstated on July 1,
 12 1997, and continue during the life of the surviving spouse.

13 **(3) This subdivision applies to the surviving spouse of an**
 14 **active or retired member who dies after June 30, 2019. The**
 15 **member's surviving spouse is entitled to a monthly benefit**
 16 **equal to seventy percent (70%) of the fund member's monthly**
 17 **benefit during the spouse's lifetime.**

18 If a fund member dies while receiving retirement or disability benefits,
 19 there is no surviving eligible child or spouse, and there is proof
 20 satisfactory to the local board, subject to review in the manner
 21 specified in section 13.1(c) of this chapter, that the parent was wholly
 22 dependent on the fund member, the member's surviving parent is
 23 entitled, or both surviving parents if qualified are entitled jointly, to
 24 receive fifty percent (50%) of the fund member's monthly benefit
 25 during the parent's or parents' lifetime. As used in this subsection, a
 26 parent is wholly dependent on a fund member if the fund member
 27 claimed the parent as a dependent on the federal income tax return filed
 28 by the fund member in the year before the year in which the fund
 29 member died.

30 (c) Except as otherwise provided in this subsection, if a fund
 31 member dies while on active duty or while retired and not receiving
 32 benefits, the member's children and the member's spouse, or the
 33 member's parent or parents are entitled to receive a monthly benefit
 34 determined under subsection (b). If the fund member did not have at
 35 least twenty (20) years of service or was not at least fifty-two (52) years
 36 of age, the benefit is computed as if the member:

- 37 (1) did have twenty (20) years of service; and
 38 (2) was fifty-two (52) years of age.

