



January 24, 2020

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## SENATE BILL No. 181

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DIGEST OF SB 181 (Updated January 23, 2020 11:31 am - DI 133)

**Citations Affected:** IC 5-10.

**Synopsis:** Survivors' benefits. Provides that a participant in the state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan (EG&C plan) who dies after January 31, 2018, is not required to have a minimum number of years of creditable service in the EG&C plan at the time of the participant's death in order for the participant's nominated survivor to be entitled to receive survivors' benefits. Provides that if a participant in the EG&C plan dies in the line of duty after January 31, 2018, the participant's nominated survivor is entitled to an annual survivors' allowance for life equal to 100% of the amount to which the participant would have been entitled had the participant retired with 25 years of service at 50 years of age. Provides that in the EG&C plan if: (1) an active participant regardless of the participant's years of creditable service and (2) an inactive participant with at least 15 years of creditable service dies other than in the line of duty after January 31, 2018, the participant's nominated survivor is entitled to an annual survivors' allowance for life equal to 50% of the amount to which the participant would have been entitled had the participant retired with 25 years of service at 50 years of age. Makes technical corrections. (The introduced version of this bill was prepared by the interim study committee on pension management oversight.)

**Effective:** February 1, 2018 (retroactive); July 1, 2018 (retroactive).

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**Sandlin, Boots, Freeman, Houchin,  
Tallian, Niezgodski, Ford J.D., Doriot,  
Crane, Kruse, Brown L, Breaux,  
Ruckelshaus**

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January 6, 2020, read first time and referred to Committee on Pensions and Labor.  
January 16, 2020, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.  
January 23, 2020, reported favorably — Do Pass.

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SB 181—LS 6106/DI 113





January 24, 2020

Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

## SENATE BILL No. 181

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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 5-10-5.5-0.1, AS ADDED BY P.L.220-2011,  
2 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 FEBRUARY 1, 2018 (RETROACTIVE)]: Sec. 0.1. (a) As used in this  
4 section, "plan" refers to the state excise police, gaming agent, gaming  
5 control officer, and conservation enforcement officers' retirement plan  
6 established by section 2 of this chapter.  
7 (b) The following amendments to this chapter apply as follows:  
8 (1) The addition of section 7.5 of this chapter by P.L.180-2007  
9 applies after June 30, 2007, to active participants of the plan.  
10 (2) The amendments made to section 8 of this chapter by  
11 P.L.180-2007 apply after June 30, 2007, to active participants of  
12 the plan.  
13 (3) The amendments made to sections 10, 11, and 12 of this  
14 chapter by P.L.180-2007 apply to participants of the plan who  
15 retire after June 30, 2007.  
16 (4) The amendments made to sections 7 and 13.5 of this chapter  
17 by P.L.180-2007 apply to participants of the plan who become

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1 disabled after June 30, 2007.

2 (5) The addition of section 22 of this chapter by P.L.128-2008  
3 applies only to a participant in the plan who is in active service  
4 after June 30, 2008.

5 (6) The amendments made to sections 9 and 10 of this chapter by  
6 P.L.128-2008 apply only to a participant in the plan who is in  
7 active service after June 30, 2008.

8 **(c) Notwithstanding any other law, if a participant dies in the**  
9 **line of duty after January 31, 2018, and before April 1, 2020, and**  
10 **a survivors' benefit is paid under section 17(b) of this chapter to**  
11 **the participant's survivor, either:**

12 **(1) the survivor may repay the full amount distributed under**  
13 **section 17(b) of this chapter and the board shall provide the**  
14 **full annual survivors' allowance allowed under section 16.6 of**  
15 **this chapter; or**

16 **(2) the board may adjust the amount of the full annual**  
17 **survivors' allowance allowed under section 16.6 of this**  
18 **chapter to account for any amount distributed under section**  
19 **17(b) of this chapter.**

20 SECTION 2. IC 5-10-5.5-1, AS AMENDED BY P.L.35-2012,  
21 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
22 FEBRUARY 1, 2018 (RETROACTIVE)]: Sec. 1. ~~As used in~~ **The**  
23 **following definitions apply throughout** this chapter, ~~and~~ unless the  
24 context clearly denotes otherwise:

25 **(1) "Americans with Disabilities Act" refers to the Americans**  
26 **with Disabilities Act (42 U.S.C. 12101 et seq.) and any**  
27 **amendments and regulations related to the Act.**

28 **(2) "Average annual salary" means the average annual salary**  
29 **of an officer during the five (5) years of highest annual salary**  
30 **in the ten (10) years immediately preceding an officer's**  
31 **retirement date, determined without regard to any salary**  
32 **reduction agreement established under Section 125 of the**  
33 **Internal Revenue Code.**

34 ~~(+)~~ **(3) "Board" refers to the board of trustees of the Indiana public**  
35 **retirement system established by IC 5-10.5-3-1.**

36 **(4) "Commission" means the alcohol and tobacco commission.**

37 ~~(2)~~ **(5) "Department" means the Indiana department of natural**  
38 **resources.**

39 ~~(3)~~ **"Commission" means the alcohol and tobacco commission.**

40 **(6) "Dies in the line of duty" means death that occurs as a**  
41 **direct result of personal injury or illness caused by incident,**  
42 **accident, or violence that results from any action that the**



1 participant, in the participant's capacity as an officer:

2 (A) is obligated or authorized by rule, regulation, condition  
3 of employment or service, or law to perform; or

4 (B) performs in the course of controlling or reducing crime  
5 or enforcing the criminal law.

6 The term includes a death presumed incurred in the line of  
7 duty under IC 5-10-13 for an officer who is an Indiana state  
8 excise police officer or an Indiana state conservation  
9 enforcement officer.

10 (7) "Interest" means the rate of interest specified by rule by  
11 the board of trustees of the Indiana public retirement system  
12 established by IC 5-10.5-3-1.

13 ~~(4)~~ (8) "Officer" means any Indiana state excise police officer, any  
14 Indiana state conservation enforcement officer, any gaming agent,  
15 or any gaming control officer.

16 ~~(5)~~ (9) "Participant" means any officer who has elected to  
17 participate in the retirement plan created by this chapter.

18 (6) "Salary" means the total compensation, exclusive of expense  
19 allowances, paid to any officer by the department or the  
20 commission, determined without regard to any salary reduction  
21 agreement established under Section 125 of the Internal Revenue  
22 Code.

23 (7) "Average annual salary" means the average annual salary of  
24 an officer during the five (5) years of highest annual salary in the  
25 ten (10) years immediately preceding an officer's retirement date,  
26 determined without regard to any salary reduction agreement  
27 established under Section 125 of the Internal Revenue Code.

28 (8) (10) "Public employees' retirement act" means IC 5-10.3.

29 (9) (11) "Public employees' retirement fund" means refers to the  
30 public employees' retirement fund created by IC 5-10.3-2.

31 ~~(10)~~ "Interest" means the rate of interest specified by rule by the  
32 board of trustees of the Indiana public retirement system  
33 established by IC 5-10.5-3-1.

34 ~~(11)~~ "Americans with Disabilities Act" refers to the Americans  
35 with Disabilities Act (42 U.S.C. 12101 et seq.) and any  
36 amendments and regulations related to the Act.

37 (12) "Salary" means the total compensation, exclusive of  
38 expense allowances, paid to any officer by the department or  
39 the commission, determined without regard to any salary  
40 reduction agreement established under Section 125 of the  
41 Internal Revenue Code.

42 ~~(12)~~ (13) Other words and phrases when used in this chapter



1 shall, for the purposes of this chapter, have the meanings  
2 respectively ascribed to them as set forth in IC 5-10.3-1.

3 SECTION 3. IC 5-10-5.5-15, AS AMENDED BY P.L.136-2018,  
4 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2018 (RETROACTIVE)]: Sec. 15. **(a) This subsection  
6 applies to participants who die before February 1, 2018.** Surviving  
7 mothers, fathers, surviving spouses or unmarried children under the age  
8 of eighteen (18) years, of participants who have accrued at least fifteen  
9 (15) years of creditable service and who die, shall be entitled to receive  
10 survivors' benefits in the amount provided in this chapter. ~~Survivor's~~  
11 **Survivors'** benefits shall be paid to such of the above enumerated  
12 persons as the participant shall nominate by written direction duly  
13 acknowledged and filed with the board.

14 **(b) This subsection applies to participants who die after January  
15 31, 2018. Only surviving mothers, fathers, surviving spouses, or  
16 unmarried children under the age of eighteen (18) years of  
17 participants who die are eligible to receive survivors' benefits in  
18 the amount provided by this chapter. Survivors' benefits shall be  
19 paid to those eligible persons whom the participant nominates by  
20 written direction duly acknowledged and filed with the board.**

21 SECTION 4. IC 5-10-5.5-16 IS AMENDED TO READ AS  
22 FOLLOWS [EFFECTIVE FEBRUARY 1, 2018 (RETROACTIVE)]:  
23 Sec. 16. **(a) This section applies to participants who die before  
24 February 1, 2018.**

25 **(b)** Benefits provided under this section are subject to section 2.5 of  
26 this chapter.

27 ~~(b)~~ **(c)** A surviving mother or father nominated by the participant to  
28 receive survivors' benefits under the provisions of this chapter shall be  
29 entitled to an annual survivors' allowance for life equal to fifty percent  
30 (50%) of the amount the participant would have been entitled to if ~~he~~  
31 **the participant** had retired.

32 ~~(c)~~ **(d)** A surviving spouse nominated by the participant to receive  
33 survivors' benefits under the provisions of this chapter shall be entitled  
34 to an annual survivors' allowance equal to fifty percent (50%) of the  
35 amount the participant would have been entitled to if ~~he or she~~ **the**  
36 **participant** had retired. In the case of a surviving spouse who is more  
37 than five (5) years younger than the deceased participant at the time of  
38 the participant's death, the amount of the annual survivors' allowance  
39 shall be reduced actuarially, without regard to the sex of the spouse or  
40 the participant. In all cases the survivors' allowance to a surviving  
41 spouse shall cease with the last payment prior to the surviving spouse's  
42 death.



1           ~~(d)~~ **(e)** A surviving child eligible and nominated by the participant  
 2 to receive survivors' benefits under the provisions of this chapter shall  
 3 be entitled to an annual survivors' allowance equal to fifty percent  
 4 (50%) of the amount the participant would have been entitled to if ~~he~~  
 5 **the participant** had retired. If more than one (1) surviving child is  
 6 eligible and nominated to receive survivors' benefits, the annual  
 7 allowance shall be divided equally between or among such children. In  
 8 all cases, the survivors' allowance to a child shall cease when the child  
 9 attains the age of eighteen (18) years or marries, whichever occurs first.  
 10 Where a survivors' allowance is divided between or among more than  
 11 one (1) child, and payments to one (1) or more children cease, the total  
 12 annual allowance payable shall be divided evenly among or between  
 13 such of the remaining children who are eligible therefor.

14           ~~(e)~~ **(f)** In the event that no nomination is made by an eligible  
 15 participant, or in the event that the nominated survivor predeceases the  
 16 participant and no contingent survivor is nominated and an eligible  
 17 participant dies, no survivors' allowance shall be payable. In such case,  
 18 the board shall make a lump sum payment to the estate of the deceased  
 19 participant equal to the total of all funds standing to the credit of the  
 20 participant in the participant's savings fund plus accumulated interest  
 21 thereon.

22           ~~(f)~~ **(g)** A survivor's allowance under this section that was terminated  
 23 because of a surviving spouse's remarriage shall be reinstated on July  
 24 1, 1997, and continue during the life of the surviving spouse.

25           SECTION 5. IC 5-10-5.5-16.3 IS ADDED TO THE INDIANA  
 26 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 27 [EFFECTIVE FEBRUARY 1, 2018 (RETROACTIVE)]: **Sec. 16.3. (a)**

28           **This section applies to:**

29           **(1) an active participant, regardless of the participant's years**  
 30           **of creditable service; and**

31           **(2) an inactive participant with at least fifteen (15) years of**  
 32           **creditable service;**

33           **who dies other than in the line of duty after January 31, 2018.**

34           **(b) Benefits provided under this section are subject to section**  
 35           **2.5 of this chapter.**

36           **(c) A surviving mother or father nominated by the participant**  
 37           **to receive survivors' benefits under the provisions of this chapter**  
 38           **is entitled to an annual survivors' allowance for life equal to fifty**  
 39           **percent (50%) of the amount to which the participant would have**  
 40           **been entitled if the participant had retired with twenty-five (25)**  
 41           **years of service at fifty (50) years of age.**

42           **(d) A surviving spouse nominated by the participant to receive**



1 survivors' benefits under the provisions of this chapter is entitled  
2 to an annual survivors' allowance equal to fifty percent (50%) of  
3 the amount to which the participant would have been entitled if the  
4 participant had retired with twenty-five (25) years of service at  
5 fifty (50) years of age. A survivors' allowance payable to a  
6 surviving spouse under this subsection ends with the last payment  
7 before the surviving spouse's death.

8 (e) An eligible surviving child who is nominated by the  
9 participant to receive survivors' benefits under this chapter is  
10 entitled to an annual survivors' allowance equal to fifty percent  
11 (50%) of the amount to which the participant would have been  
12 entitled if the participant had retired with twenty-five (25) years of  
13 service at fifty (50) years of age. If more than one (1) eligible  
14 surviving child is nominated to receive survivors' benefits, the  
15 annual survivors' allowance shall be divided equally between or  
16 among the eligible surviving children who were nominated to  
17 receive survivors' benefits. A survivors' allowance to a child ends  
18 when the child attains the age of eighteen (18) years or marries,  
19 whichever occurs first. If a survivors' allowance is divided between  
20 or among more than one (1) child, and payments to one (1) or more  
21 children receiving the survivor's allowance cease because of the  
22 age, marriage, or death of the child, the total annual survivors'  
23 allowance payable under this subsection shall be divided evenly  
24 among or between the surviving children, if any, who remain  
25 eligible to receive the survivors' allowance.

26 SECTION 6. IC 5-10-5.5-16.6 IS ADDED TO THE INDIANA  
27 CODE AS A NEW SECTION TO READ AS FOLLOWS  
28 [EFFECTIVE FEBRUARY 1, 2018 (RETROACTIVE)]: **Sec. 16.6. (a)**  
29 **This section applies to participants who die in the line of duty after**  
30 **January 31, 2018.**

31 (b) Benefits provided under this section are subject to section  
32 2.5 of this chapter.

33 (c) A surviving mother or father nominated by the participant  
34 to receive survivors' benefits under the provisions of this chapter  
35 is entitled to an annual survivors' allowance for life equal to one  
36 hundred percent (100%) of the amount to which the participant  
37 would have been entitled if the participant had retired with  
38 twenty-five (25) years of service at fifty (50) years of age.

39 (d) A surviving spouse nominated by the participant to receive  
40 survivors' benefits under the provisions of this chapter is entitled  
41 to an annual survivors' allowance equal to one hundred percent  
42 (100%) of the amount to which the participant would have been





1 entitled if the participant had retired with twenty-five (25) years of  
 2 service at fifty (50) years of age. A survivors' allowance payable to  
 3 a surviving spouse under this subsection ends with the last payment  
 4 before the surviving spouse's death.

5 (e) An eligible surviving child who is nominated by the  
 6 participant to receive survivors' benefits under this chapter is  
 7 entitled to an annual survivors' allowance equal to one hundred  
 8 percent (100%) of the amount to which the participant would have  
 9 been entitled if the participant had retired with twenty-five (25)  
 10 years of service at fifty (50) years of age. If more than one (1)  
 11 eligible surviving child is nominated to receive survivors' benefits,  
 12 the annual survivors' allowance shall be divided equally between  
 13 or among the eligible surviving children who were nominated to  
 14 receive survivors' benefits. A survivors' allowance to a child ends  
 15 when the child attains the age of eighteen (18) years or marries,  
 16 whichever occurs first. If a survivors' allowance is divided between  
 17 or among more than one (1) child, and payments to one (1) or more  
 18 children receiving the survivor's allowance cease because of the  
 19 age, marriage, or death of the child, the total annual survivors'  
 20 allowance payable under this subsection shall be divided evenly  
 21 among or between the surviving children, if any, who remain  
 22 eligible to receive the survivors' allowance.

23 SECTION 7. IC 5-10-5.5-17 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE FEBRUARY 1, 2018 (RETROACTIVE)]:  
 25 Sec. 17. Any participant whose employment as an officer is terminated  
 26 before accumulating fifteen (15) years of creditable service and before  
 27 attaining the age of forty-five (45) years and is not receiving a  
 28 disability benefit under this chapter shall be entitled to a lump-sum  
 29 refund of all contributions standing to his the participant's credit in  
 30 the participants' savings fund plus accumulated interest thereon.

31 (b) **This subsection applies to participants who die before**  
 32 **February 1, 2018.** If a participant dies before accumulating fifteen  
 33 (15) years of creditable service, all contributions standing to his the  
 34 participant's credit in the participants' savings fund plus the  
 35 accumulated interest thereon shall be paid by the board to the person  
 36 the participant shall nominate by written direction duly acknowledged  
 37 and filed with the board. The payment may be in the form of a lump  
 38 sum or a series of payments, at the discretion of the board.

39 (c) If a participant dies before accumulating fifteen (15) years of  
 40 creditable service and has nominated no beneficiary, or in the event  
 41 that the participant's nominee predeceases him, the participant, all  
 42 contributions standing to his the participant's credit in the



1 participants' savings fund, plus accumulated interest thereon shall be  
2 paid by the board to the estate of the deceased participant. The payment  
3 may be in the form of a lump sum or a series of payments, at the  
4 discretion of the board.

5 (d) If a participant terminates ~~his~~ **the participant's** employment  
6 after accumulating fifteen (15) years of creditable service, but before  
7 becoming eligible for any benefits under this chapter, no refund of  
8 contributions and interest shall be allowed. In such case, the  
9 participant's contributions shall be retained by the board until the  
10 participant becomes eligible for benefits. At that time, benefits shall be  
11 paid to, or on behalf of the participant in the same manner and in the  
12 same amount as all similar benefits are paid.

13 **SECTION 8. An emergency is declared for this act.**



## COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 181, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 5, line 28, delete "to a participant who" and insert "**to:**

**(1) an active participant, regardless of the participant's years of creditable service; and**

**(2) an inactive participant with at least fifteen (15) years of creditable service;**

**who".**

Page 7, delete lines 19 through 42, begin a new paragraph and insert:

SECTION 7. IC 5-10-5.5-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE FEBRUARY 1, 2018 (RETROACTIVE)]:

Sec. 17. Any participant whose employment as an officer is terminated before accumulating fifteen (15) years of creditable service and ~~before attaining the age of forty-five (45) years and is not receiving a disability benefit under this chapter~~ shall be entitled to a lump-sum refund of all contributions standing to ~~his~~ **the participant's** credit in the participants' savings fund plus accumulated interest thereon.

(b) **This subsection applies to participants who die before February 1, 2018.** If a participant dies before accumulating fifteen (15) years of creditable service, all contributions standing to ~~his~~ **the participant's** credit in the participants' savings fund plus the accumulated interest thereon shall be paid by the board to the person the participant shall nominate by written direction duly acknowledged and filed with the board. The payment may be in the form of a lump sum or a series of payments, at the discretion of the board.

(c) If a participant dies before accumulating fifteen (15) years of creditable service and has nominated no beneficiary, or in the event that the participant's nominee predeceases ~~him~~, **the participant**, all contributions standing to ~~his~~ **the participant's** credit in the participants' savings fund, plus accumulated interest thereon shall be paid by the board to the estate of the deceased participant. The payment may be in the form of a lump sum or a series of payments, at the discretion of the board.

(d) If a participant terminates ~~his~~ **the participant's** employment after accumulating fifteen (15) years of creditable service, but before becoming eligible for any benefits under this chapter, no refund of contributions and interest shall be allowed. In such case, the



participant's contributions shall be retained by the board until the participant becomes eligible for benefits. At that time, benefits shall be paid to, or on behalf of the participant in the same manner and in the same amount as all similar benefits are paid."

Page 8, delete lines 1 through 33.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 181 as introduced)

BOOTS, Chairperson

Committee Vote: Yeas 10, Nays 0.

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#### COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 181, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 181 as printed January 17, 2020.)

MISHLER, Chairperson

Committee Vote: Yeas 12, Nays 0

