



January 30, 2025

SENATE BILL No. 388

DIGEST OF SB 388 (Updated January 29, 2025 12:04 pm - DI 153)

Citations Affected: IC 36-8.

Synopsis: 1977 fund benefits. Increases the basic monthly pension benefit payable to a member of the 1977 police officers' and firefighters' pension and disability fund who retires after June 30, 2025, with 20 years of service. Increases the contribution rate of fund members.

Effective: July 1, 2025.

Rogers, Baldwin, Goode, Donato

January 13, 2025, read first time and referred to Committee on Pensions and Labor.
January 29, 2025, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

SB 388—LS 6751/DI 153



January 30, 2025

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.

SENATE BILL No. 388

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 36-8-8-8, AS AMENDED BY P.L.92-2021,
2 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]: Sec. 8. (a) Each fund member shall contribute during
4 the period of the fund member's employment or for thirty-two (32)
5 years, whichever is shorter, an amount equal to ~~six percent (6%)~~ **six**
6 **and one-half percent (6.5%)** of the salary of a first class patrolman or
7 firefighter. However, the employer may pay all or a part of the
8 contribution for the member. The amount of the contribution, other
9 than contributions paid on behalf of a member, shall be deducted each
10 pay period from each fund member's salary by the disbursing officer of
11 the employer. The employer shall send to the system board each year
12 on March 31, June 30, September 30, and December 31, for the
13 calendar quarters ending on those dates, or an alternate date established
14 by the rules of the system board, a certified list of fund members and
15 a warrant issued by the employer for the total amount deducted for fund
16 members' contributions.
17 (b) After December 31, 2011, an employer shall submit:

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1 (1) the list described in subsection (a) in a uniform format through
 2 a secure connection over the Internet or through other electronic
 3 means specified by the system board; and

4 (2) the contributions paid by or on behalf of a member under
 5 subsection (a) by electronic funds transfer.

6 (c) Except as provided in section 7(n) or 7.2 of this chapter, if a fund
 7 member ends the fund member's employment other than by death or
 8 disability before the fund member completes twenty (20) years of
 9 active service, the system board shall return to the fund member in a
 10 lump sum the fund member's contributions plus interest at a rate
 11 specified by rule by the system board. If the fund member returns to
 12 service, the fund member is entitled to credit for the years of service for
 13 which the fund member's contributions were refunded if the fund
 14 member repays the amount refunded to the fund member plus interest
 15 at a rate specified by rule by the system board in either a lump sum or
 16 a series of payments determined by the system board.

17 SECTION 2. IC 36-8-8-11, AS AMENDED BY P.L.146-2019,
 18 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2025]: Sec. 11. (a) Benefits paid under this section are subject
 20 to section 2.5 of this chapter.

21 (b) This subsection applies to a fund member who retires before
 22 July 1, 2019. Each fund member who qualifies for a retirement benefit
 23 payment under section 10(b) of this chapter is entitled to receive a
 24 monthly benefit equal to fifty percent (50%) of the monthly salary of
 25 a first class patrolman or firefighter in the year the member ended the
 26 member's active service plus:

27 (1) for a member who retires before January 1, 1986, two percent
 28 (2%) of that salary for each full year of active service; or

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

32 over twenty (20) years; to a maximum of twelve (12) years.

33 (c) This subsection applies to a fund member who retires after June
 34 30, 2019. Each fund member who qualifies for a retirement benefit
 35 payment under section 10(b) of this chapter is entitled to receive a
 36 monthly benefit equal to fifty-two percent (52%) of the monthly salary
 37 of a first class patrolman or firefighter in the year the member ended
 38 the member's active service plus one percent (1%) of that salary for
 39 each six (6) months of active service over twenty (20) years; to a
 40 maximum of twelve (12) years.

41 (d) This subsection applies to a fund member who retires before
 42 July 1, 2019. Each fund member who qualifies for a retirement benefit



1 payment under section 10(c) of this chapter is entitled to receive a
 2 monthly benefit equal to fifty percent (50%) of the monthly salary of
 3 a first class patrolman or firefighter in the year the member ended the
 4 member's active service plus one percent (1%) of that salary for each
 5 six (6) months of active service over twenty (20) years; to a maximum
 6 of twelve (12) years; all actuarially reduced for each month (if any) of
 7 benefit payments prior to fifty-two (52) years of age; by a factor
 8 established by the fund's actuary from time to time.

9 (c) This subsection applies to a fund member who retires after June
 10 30, 2019: Each fund member who qualifies for a retirement benefit
 11 payment under section 10(c) of this chapter is entitled to receive a
 12 monthly benefit equal to fifty-two percent (52%) of the monthly salary
 13 of a first class patrolman or firefighter in the year the member ended
 14 the member's active service plus one percent (1%) of that salary for
 15 each six (6) months of active service over twenty (20) years; to a
 16 maximum of twelve (12) years; all actuarially reduced for each month
 17 (if any) of benefit payments prior to fifty-two (52) years of age; by a
 18 factor established by the fund's actuary from time to time.

19 (b) Each fund member who qualifies for a retirement benefit
 20 payment under section 10(b) of this chapter is entitled to receive a
 21 monthly benefit equal to the following:

22 (1) For a fund member who retires before July 1, 2019, fifty
 23 percent (50%) of the monthly salary of a first class patrolman
 24 or firefighter in the year the member ended the member's
 25 active service plus:

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

29 (B) for a member who retires after December 31, 1985,
 30 one percent (1%) of that salary for each six (6) months
 31 of active service;

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

33 (2) For a fund member who retires after June 30, 2019, and
 34 before July 1, 2025, fifty-two percent (52%) of the monthly
 35 salary of a first class patrolman or firefighter in the year the
 36 member ended the member's active service plus one percent
 37 (1%) of that salary for each six (6) months of active service
 38 over twenty (20) years, to a maximum of twelve (12) years.

39 (3) For a fund member who retires after June 30, 2025,
 40 fifty-three percent (53%) of the monthly salary of a first class
 41 patrolman or firefighter in the year the member ended the
 42 member's active service plus one percent (1%) of that salary



- 1 for each six (6) months of active service over twenty (20)
2 years, to a maximum of twelve (12) years.
- 3 (c) Each fund member who qualifies for a retirement benefit
4 payment under section 10(c) of this chapter is entitled to receive a
5 monthly benefit equal to the following:
- 6 (1) For a fund member who retires before July 1, 2019, fifty
7 percent (50%) of the monthly salary of a first class patrolman
8 or firefighter in the year the member ended the member's
9 active service plus one percent (1%) of that salary for each six
10 (6) months of active service over twenty (20) years, to a
11 maximum of twelve (12) years, all actuarially reduced for
12 each month (if any) of benefit payments prior to fifty-two (52)
13 years of age, by a factor established by the fund's actuary
14 from time to time.
- 15 (2) For a fund member who retires after June 30, 2019, and
16 before July 1, 2025, fifty-two percent (52%) of the monthly
17 salary of a first class patrolman or firefighter in the year the
18 member ended the member's active service plus one percent
19 (1%) of that salary for each six (6) months of active service
20 over twenty (20) years, to a maximum of twelve (12) years, all
21 actuarially reduced for each month (if any) of benefit
22 payments prior to fifty-two (52) years of age, by a factor
23 established by the fund's actuary from time to time.
- 24 (3) For a fund member who retires after June 30, 2025,
25 fifty-three percent (53%) of the monthly salary of a first class
26 patrolman or firefighter in the year the member ended the
27 member's active service plus one percent (1%) of that salary
28 for each six (6) months of active service over twenty (20)
29 years, to a maximum of twelve (12) years, all actuarially
30 reduced for each month (if any) of benefit payments prior to
31 fifty-two (52) years of age, by a factor established by the
32 fund's actuary from time to time.



COMMITTEE REPORT

Mr. President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 388, 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 1, line 5, delete "eight".

Page 1, line 6, delete "and one-half percent (8.5%)" and insert "**six and one-half percent (6.5%)**".

Page 3, line 40, delete "fifty-five percent (55%)" and insert "**fifty-three percent (53%)**".

Page 3, line 42, delete "and one-quarter".

Page 4, line 1, delete "(1.25%)" and insert "**(1%)**".

Page 4, line 25, delete "fifty-five percent (55%)" and insert "**fifty-three percent (53%)**".

Page 4, line 27, delete "and one-quarter".

Page 4, line 28, delete "(1.25%)" and insert "**(1%)**".

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

(Reference is to SB 388 as introduced.)

ROGERS, Chairperson

Committee Vote: Yeas 11, Nays 0.

