

# SENATE BILL No. 416

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-10-8-8; IC 5-10.3-7; IC 5-10.5-2-2; IC 33-39-7.

**Synopsis:** Public defender participation in PARF. Adds a person who serves in one of the following positions on or after January 1, 2016, to the prosecuting attorneys retirement fund (PARF): (1) The state public defender or chief deputy state public defender employed by the state public defender. (2) The executive director of the public defender council of Indiana or the second highest paid staff person or a full-time staff attorney employed by the public defender council of Indiana. (3) The highest paid or the second highest paid staff person employed by the Indiana commission on court appointed attorneys. (4) A chief public defender or chief deputy public defender. Allows staff attorneys of the prosecuting attorneys council of Indiana employed on or after January 1, 2012, to participate in PARF. Changes the name of the prosecuting attorneys retirement fund to the prosecuting attorneys and public defenders retirement fund. Provides that after a participant has contributed to PARF for 22 years, the state or county shall pay the contributions to the fund for the participant. Provides that the computation of benefits is based in part on the highest salary that was paid to the participant before separation from service. Provides that 1% shall be added to the percentage used to calculate benefits for each year of service after 22 years. Provides that a reduced annual retirement benefit equals the benefit that would be payable if the participant were 65 years of age reduced by 0.10% for each month before the participant's sixty-fifth birthday. Provides for a cost of living adjustment for participants of PARF based on increases to judge salaries. Allows a participant to receive service credit in PARF for more than one year and less than 10 years of service received by the  
(Continued next page)

**Effective:** July 1, 2025.

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## Rogers

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January 13, 2025, read first time and referred to Committee on Judiciary.

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Digest Continued

participant in the public employees' retirement fund under certain conditions. Provides for the calculation of an offset of PARF benefits payable to a participant from a participant's public employees' retirement fund benefits based on the concurrent service and wages the participant earned in both the public employees' retirement fund and PARF. Makes corresponding changes.



Introduced

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. 416

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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 5-10-8-8, AS AMENDED BY P.L.121-2017,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2025]: Sec. 8. (a) This section applies only to the state and  
4 employees who are not covered by a plan established under section 6  
5 of this chapter.  
6 (b) After June 30, 1986, the state shall provide a group health  
7 insurance plan to each retired employee:  
8 (1) whose retirement date is:  
9 (A) after June 29, 1986, for a retired employee who was a  
10 member of the field examiners' retirement fund;  
11 (B) after May 31, 1986, for a retired employee who was a  
12 member of the Indiana state teachers' retirement fund; or  
13 (C) after June 30, 1986, for a retired employee not covered by  
14 clause (A) or (B);  
15 (2) who will have reached fifty-five (55) years of age on or before



1 the employee's retirement date but who will not be eligible on that  
 2 date for Medicare coverage as prescribed by 42 U.S.C. 1395 et  
 3 seq.; and

4 (3) who:

5 (A) for an employee who retires before January 1, 2007, will  
 6 have completed:

7 (i) twenty (20) years of creditable employment with a public  
 8 employer on or before the employee's retirement date, ten  
 9 (10) years of which shall have been completed immediately  
 10 preceding the retirement; and

11 (ii) at least fifteen (15) years of participation in the  
 12 retirement plan of which the employee is a member on or  
 13 before the employee's retirement date; or

14 (B) for an employee who retires after December 31, 2006, will  
 15 have completed fifteen (15) years of creditable employment  
 16 with a public employer on or before the employee's retirement  
 17 date, ten (10) years of which shall have been completed  
 18 immediately preceding the retirement.

19 (c) The state shall provide a group health insurance program to each  
 20 retired employee:

21 (1) who is a retired judge;

22 (2) whose retirement date is after June 30, 1990;

23 (3) who is at least sixty-two (62) years of age;

24 (4) who is not eligible for Medicare coverage as prescribed by 42  
 25 U.S.C. 1395 et seq.; and

26 (5) who has at least eight (8) years of service credit as a  
 27 participant in the Indiana judges' retirement fund, with at least  
 28 eight (8) years of that service credit completed immediately  
 29 preceding the judge's retirement.

30 (d) The state shall provide a group health insurance program to each  
 31 retired employee:

32 (1) who is a retired participant under the prosecuting attorneys  
 33 **and public defenders** retirement fund;

34 (2) whose retirement date is after January 1, 1990;

35 (3) who is at least sixty-two (62) years of age;

36 (4) who is not eligible for Medicare coverage as prescribed by 42  
 37 U.S.C. 1395 et seq.; and

38 (5) who has at least ten (10) years of service credit as a participant  
 39 in the prosecuting attorneys **and public defenders** retirement  
 40 fund, with at least ten (10) years of that service credit completed  
 41 immediately preceding the participant's retirement.

42 (e) The state shall make available a group health insurance program



1 to each former member of the general assembly or surviving spouse of  
2 each former member, if the former member:

- 3 (1) is no longer a member of the general assembly;  
4 (2) is not eligible for Medicare coverage as prescribed by 42  
5 U.S.C. 1395 et seq. or, in the case of a surviving spouse, the  
6 surviving spouse is not eligible for Medicare coverage as  
7 prescribed by 42 U.S.C. 1395 et seq.; and  
8 (3) has at least ten (10) years of service credit as a member in the  
9 general assembly.

10 A former member or surviving spouse of a former member who obtains  
11 insurance under this section is responsible for paying both the  
12 employer and the employee share of the cost of the coverage.

13 (f) The group health insurance program required under subsections  
14 (b) through (e) and subsection (k) must be equal to that offered active  
15 employees. The retired employee may participate in the group health  
16 insurance program if the retired employee pays an amount equal to the  
17 employer's and the employee's premium for the group health insurance  
18 for an active employee and if the retired employee within ninety (90)  
19 days after the employee's retirement date files a written request for  
20 insurance coverage with the employer. Except as provided in  
21 subsection (l), the employer may elect to pay any part of the retired  
22 employee's premium with respect to insurance coverage under this  
23 chapter.

24 (g) Except as provided in subsection (j), a retired employee's  
25 eligibility to continue insurance under this section ends when the  
26 employee becomes eligible for Medicare coverage as prescribed by 42  
27 U.S.C. 1395 et seq., or when the employer terminates the health  
28 insurance program. A retired employee who is eligible for insurance  
29 coverage under this section may elect to have the employee's spouse  
30 covered under the health insurance program at the time the employee  
31 retires. If a retired employee's spouse pays the amount the retired  
32 employee would have been required to pay for coverage selected by the  
33 spouse, the spouse's subsequent eligibility to continue insurance under  
34 this section is not affected by the death of the retired employee. The  
35 surviving spouse's eligibility ends on the earliest of the following:

- 36 (1) When the spouse becomes eligible for Medicare coverage as  
37 prescribed by 42 U.S.C. 1395 et seq.  
38 (2) When the employer terminates the health insurance program.  
39 (3) Two (2) years after the date of the employee's death.  
40 (4) The date of the spouse's remarriage.

41 (h) This subsection does not apply to an employee who is entitled  
42 to group insurance coverage under IC 20-28-10-2(b). An employee



1 who is on leave without pay is entitled to participate for ninety (90)  
 2 days in any health insurance program maintained by the employer for  
 3 active employees if the employee pays an amount equal to the total of  
 4 the employer's and the employee's premiums for the insurance.

5 (i) An employer may provide group health insurance for retired  
 6 employees or their spouses not covered by this section and may provide  
 7 group health insurance that contains provisions more favorable to  
 8 retired employees and their spouses than required by this section. A  
 9 public employer may provide group health insurance to an employee  
 10 who is on leave without pay for a longer period than required by  
 11 subsection (h).

12 (j) An employer may elect to permit former employees and their  
 13 spouses, including surviving spouses, to continue to participate in a  
 14 group health insurance program under this chapter after the former  
 15 employee (who is otherwise qualified under this chapter to participate  
 16 in a group insurance program) or spouse has become eligible for  
 17 Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.

18 (k) The state shall provide a group health insurance program to each  
 19 retired employee:

20 (1) who was employed as a teacher in a state institution under:

21 (A) IC 11-10-5;

22 (B) IC 12-24-3;

23 (C) IC 16-33-3;

24 (D) IC 16-33-4;

25 (E) IC 20-21-2-1; or

26 (F) IC 20-22-2-1;

27 (2) who is at least fifty-five (55) years of age on or before the  
 28 employee's retirement date;

29 (3) who is not eligible for Medicare coverage as prescribed by 42  
 30 U.S.C. 1395 et seq.; and

31 (4) who:

32 (A) has at least fifteen (15) years of service credit as a  
 33 participant in the retirement fund of which the employee is a  
 34 member on or before the employee's retirement date; or

35 (B) completes at least ten (10) years of service credit as a  
 36 participant in the retirement fund of which the employee is a  
 37 member immediately before the employee's retirement.

38 (l) The president pro tempore of the senate and the speaker of the  
 39 house of representatives may not elect to pay any part of the premium  
 40 for insurance coverage under this chapter for a former member of the  
 41 general assembly or the spouse of a former member of the general  
 42 assembly whose last day of service as a member of the general



1 assembly is after July 31, 2007.

2 (m) This subsection applies to a former member of the general  
3 assembly:

4 (1) whose last day of service as a member of the general assembly  
5 was before August 1, 2007;

6 (2) who, upon ceasing the service described in subdivision (1),  
7 obtained group health insurance coverage as a retired employee  
8 under this chapter;

9 (3) whose employer elected under subsection (f) to pay any part  
10 of the retired employee premium for the group health insurance  
11 coverage; and

12 (4) who, after December 31, 2016, is elected to any public office  
13 through which the former member may obtain coverage under a  
14 policy or contract for basic health care services (as defined in  
15 IC 27-13-1-4).

16 The eligibility of the former member, and of any spouse, former  
17 spouse, or dependent of the former member, to continue the group  
18 health insurance coverage described in subdivision (2) ends, and an  
19 election described in subdivision (3) is void, on the date on which the  
20 former member takes office.

21 SECTION 2. IC 5-10.3-7-1, AS AMENDED BY P.L.92-2019,  
22 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23 JULY 1, 2025]: Sec. 1. (a) This section does not apply to:

24 (1) members of the general assembly; or

25 (2) employees covered by section 3 of this chapter.

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

27 (1) employees of the judicial circuits whose compensation is paid  
28 from state funds;

29 (2) elected and appointed state officers;

30 (3) ~~prosecuting attorneys and deputy prosecuting attorneys of the~~  
31 ~~judicial circuits, whose compensation is paid in whole or in part~~  
32 ~~from state funds; persons described in IC 33-39-7-8(a),~~  
33 including participants in the prosecuting attorneys **and public**  
34 **defenders** retirement fund established under IC 33-39-7;

35 (4) employees in the classified service;

36 (5) employees of any state department, institution, board,  
37 commission, office, agency, court, or division of state government  
38 receiving state appropriations and having the authority to certify  
39 payrolls from appropriations or from a trust fund held by the  
40 treasurer of state or by any department;

41 (6) employees of any state agency that is a body politic and  
42 corporate;



- 1 (7) except as provided under IC 5-10.5-7-4, employees of the  
 2 board of trustees of the Indiana public retirement system;
- 3 (8) persons who:
- 4 (A) are employed by the state;
- 5 (B) have been classified as federal employees by the United  
 6 States Secretary of Agriculture; and
- 7 (C) are excluded from coverage as federal employees by the  
 8 federal Social Security program under 42 U.S.C. 410;
- 9 (9) the directors and employees of county offices of family and  
 10 children; and
- 11 (10) members and employees of the state lottery commission.
- 12 (c) An employee of the state or of a participating political  
 13 subdivision who:
- 14 (1) became a full-time employee of the state or of a participating  
 15 political subdivision in a covered position; and
- 16 (2) had not become a member of the fund;
- 17 before April 1, 1988, shall on April 1, 1988, become a member of the  
 18 fund unless the employee is excluded from membership under section  
 19 2 of this chapter.
- 20 (d) Except as otherwise provided, any individual who becomes a  
 21 full-time employee of the state or of a participating political  
 22 subdivision in a covered position after March 31, 1988, becomes a  
 23 member of the fund on the date the individual's employment begins  
 24 unless the individual is excluded from membership under section 2 of  
 25 this chapter.
- 26 (e) An individual:
- 27 (1) who becomes a full-time employee of a political subdivision  
 28 in a covered position after June 30, 2015;
- 29 (2) who is employed by a political subdivision that has elected in  
 30 an ordinance or resolution adopted under IC 5-10.3-6-1 and  
 31 approved by the board to require an employee in the covered  
 32 position to become a member of the fund; and
- 33 (3) who is not excluded from membership under section 2 of this  
 34 chapter;
- 35 becomes a member of the fund on the date the individual's employment  
 36 begins.
- 37 (f) An individual:
- 38 (1) who becomes a full-time employee of a political subdivision  
 39 in a covered position after an ordinance or resolution described in  
 40 subdivision (2) that is adopted by the political subdivision has  
 41 been approved by the board;
- 42 (2) who is employed by a political subdivision that has elected in





- 1 an ordinance or resolution adopted under IC 5-10.3-6-1 and  
 2 approved by the board:
- 3 (A) to allow an employee in the covered position to become a  
 4 member of the fund or a member of the public employees'  
 5 defined contribution plan at the discretion of the employee;  
 6 and
- 7 (B) to require an employee in a covered position to make an  
 8 election under IC 5-10.3-12-20.5 in order to become a member  
 9 of the plan;
- 10 (3) who does not make an election under IC 5-10.3-12-20.5 to  
 11 become a member of the public employees' defined contribution  
 12 plan; and
- 13 (4) who is not excluded from membership under section 2 of this  
 14 chapter;
- 15 becomes a member of the fund on the date the individual's employment  
 16 begins.
- 17 (g) An individual:
- 18 (1) who becomes a full-time employee of a political subdivision  
 19 in a covered position after an ordinance or resolution described in  
 20 subdivision (2) that is adopted by the political subdivision has  
 21 been approved by the board;
- 22 (2) who is employed by a political subdivision that has elected in  
 23 an ordinance or resolution adopted under IC 5-10.3-6-1 and  
 24 approved by the board:
- 25 (A) to allow an employee in the covered position to become a  
 26 member of the fund or the public employees' defined  
 27 contribution plan at the discretion of the employee; and
- 28 (B) to require an employee to make an election under section  
 29 1.1 of this chapter in order to become a member of the fund;
- 30 (3) who does make an election under section 1.1 of this chapter to  
 31 become a member of the fund; and
- 32 (4) who is not excluded from membership under section 2 of this  
 33 chapter;
- 34 becomes a member of the fund on the date the individual's employment  
 35 begins.
- 36 SECTION 3. IC 5-10.3-7-2, AS AMENDED BY P.L.198-2016,  
 37 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 JULY 1, 2025]: Sec. 2. The following employees may not be members  
 39 of the fund:
- 40 (1) Officials of a political subdivision elected by vote of the  
 41 people, unless the governing body specifically provides for the  
 42 participation of locally elected officials.



- 1 (2) Employees occupying positions normally requiring  
 2 performance of service of less than six hundred (600) hours  
 3 during a year who:  
 4 (A) were hired before July 1, 1982; or  
 5 (B) are employed by a participating school corporation.  
 6 (3) Independent contractors or officers or employees paid wholly  
 7 on a fee basis.  
 8 (4) Employees who occupy positions that are covered by other  
 9 pension or retirement funds or plans, maintained in whole or in  
 10 part by appropriations by the state or a political subdivision,  
 11 except:  
 12 (A) the federal Social Security program; and  
 13 (B) the prosecuting attorneys **and public defenders** retirement  
 14 fund established by IC 33-39-7-9.  
 15 (5) Managers or employees of a license branch of the bureau of  
 16 motor vehicles commission, except those persons who may be  
 17 included as members under IC 9-14-10.  
 18 (6) Employees, except employees of a participating school  
 19 corporation, hired after June 30, 1982, occupying positions  
 20 normally requiring performance of service of less than one  
 21 thousand (1,000) hours during a year.  
 22 (7) Persons who:  
 23 (A) are employed by the state;  
 24 (B) have been classified as federal employees by the Secretary  
 25 of Agriculture of the United States; and  
 26 (C) are covered by the federal Social Security program as  
 27 federal employees under 42 U.S.C. 410.
- 28 SECTION 4. IC 5-10.5-2-2, AS AMENDED BY P.L.27-2019,  
 29 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2025]: Sec. 2. The system consists of the following public  
 31 pension or retirement funds:  
 32 (1) The public employees' retirement fund established under  
 33 IC 5-10.2 and IC 5-10.3.  
 34 (2) The public employees' defined contribution plan established  
 35 under IC 5-10.3-12.  
 36 (3) The Indiana state teachers' retirement fund established under  
 37 IC 5-10.2 and IC 5-10.4.  
 38 (4) The teachers' defined contribution plan established under  
 39 IC 5-10.4-8.  
 40 (5) The Indiana judges' retirement fund established under  
 41 IC 33-38-6.  
 42 (6) The prosecuting attorneys **and public defenders** retirement



1 fund established under IC 33-39-7.

2 (7) The state excise police, gaming agent, gaming control officer,  
3 and conservation enforcement officers' retirement fund  
4 established under IC 5-10-5.5.

5 (8) The 1977 police officers' and firefighters' pension and  
6 disability fund established under IC 36-8-8.

7 (9) The legislators' retirement system established under IC 2-3.5.

8 (10) The pension relief fund established under IC 5-10.3-11.

9 (11) The special death benefit fund established under IC 5-10-9.8.

10 SECTION 5. IC 33-39-7-1 IS AMENDED TO READ AS  
11 FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. This chapter applies  
12 only to:

13 (1) an individual who serves as a prosecuting attorney or chief  
14 deputy prosecuting attorney on or after January 1, 1990; ~~and~~

15 (2) a participant employed in a position described in section  
16 8(a)(2) or 8(a)(3) of this chapter who serves in the position after  
17 June 30, 1995;

18 **(3) a participant employed in a position described in section**  
19 **8(a)(4) of this chapter on or after January 1, 2012; and**

20 **(4) a participant employed in a position described in section**  
21 **8(a)(5) through 8(a)(8) of this chapter who serves in the**  
22 **position on or after January 1, 2016.**

23 SECTION 6. IC 33-39-7-3.3 IS ADDED TO THE INDIANA CODE  
24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
25 1, 2025]: Sec. 3.3. As used in this chapter, "chief deputy public  
26 defender" means the one (1) individual who is:

27 (1) appointed to assist the chief public defender in carrying  
28 out the chief public defender's management activities; and

29 (2) paid a salary in accordance with standards adopted by the  
30 commission.

31 **The term does not include a person who engages in the private**  
32 **practice of law.**

33 SECTION 7. IC 33-39-7-3.5 IS ADDED TO THE INDIANA CODE  
34 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
35 1, 2025]: Sec. 3.5. As used in this chapter, "chief public defender"  
36 means the chief executive officer of a county public defender  
37 agency who is:

38 (1) responsible for the overall management of the agency,  
39 including daily administration, personnel, training, caseload  
40 management, ethics, and quality control; and

41 (2) paid a salary in accordance with standards adopted by the  
42 commission.



1     **The term does not include a person who engages in the private**  
 2     **practice of law.**

3     SECTION 8. IC 33-39-7-3.7 IS ADDED TO THE INDIANA CODE  
 4     AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**  
 5     **1, 2025]: Sec. 3.7. As used in this chapter, "commission" refers to**  
 6     **the Indiana commission on court appointed attorneys established**  
 7     **by IC 33-40-5-2.**

8     SECTION 9. IC 33-39-7-5 IS AMENDED TO READ AS  
 9     FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 5. As used in this  
 10    chapter, "fund" refers to the prosecuting attorneys **and public**  
 11    **defenders** retirement fund established by this chapter.

12    SECTION 10. IC 33-39-7-7 IS AMENDED TO READ AS  
 13    FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 7. As used in this  
 14    chapter, "salary" means the salary paid to a participant by the state **and**  
 15    **by a county or counties**, determined without regard to any salary  
 16    reduction agreement established under Section 125 of the Internal  
 17    Revenue Code. The term does not include ~~an amount paid to a~~  
 18    ~~participant~~ **any additional salary provided** by a county or counties  
 19    **under IC 36-2-5-14 or IC 36-3-6-3(c).**

20    SECTION 11. IC 33-39-7-8, AS AMENDED BY P.L.57-2014,  
 21    SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 22    JULY 1, 2025]: Sec. 8. (a) As used in this chapter, "services" means  
 23    the sum of all periods in which a person is employed as:

- 24       (1) a prosecuting attorney or chief deputy prosecuting attorney;  
 25       (2) any other deputy prosecuting attorney who is:  
 26            (A) appointed under IC 33-39-6-2; and  
 27            (B) paid by the state from the state general fund; ~~or~~  
 28       (3) the executive director or the assistant executive director of the  
 29       prosecuting attorneys council of Indiana;  
 30       **(4) a staff attorney of the prosecuting attorneys council of**  
 31       **Indiana;**  
 32       **(5) the state public defender appointed under IC 33-40-1-1 or**  
 33       **chief deputy state public defender employed by the state**  
 34       **public defender;**  
 35       **(6) the executive director of the public defender council of**  
 36       **Indiana or the second highest paid staff person or a full-time**  
 37       **staff attorney employed by the public defender council of**  
 38       **Indiana;**  
 39       **(7) the highest paid or the second highest paid staff person**  
 40       **employed by the commission; or**  
 41       **(8) a chief public defender or chief deputy public defender.**

42    If an individual is elected or appointed to a position described in



1 subdivisions (1) through (3) and serves one (1) or more terms or part  
 2 of a term, then retires from office or otherwise separates from service,  
 3 but at a later period or periods is appointed or elected and serves in a  
 4 position described in subdivisions (1) through (3), the individual shall  
 5 pay into the fund during all the periods that the individual serves in that  
 6 position, except as otherwise provided in this chapter, whether the  
 7 periods are connected or disconnected. **In addition, the term includes**  
 8 **any period of service, after December 31, 2015, in the public**  
 9 **employees' retirement fund (IC 5-10.2 and IC 5-10.3) credited to**  
 10 **a person described in subdivisions (5) through (8) while serving in**  
 11 **a position described in subdivisions (5) through (8).**

12 (b) A senior prosecuting attorney appointed under IC 33-39-10-1 is  
 13 not required to pay into the fund during any period of service as a  
 14 senior prosecuting attorney.

15 SECTION 12. IC 33-39-7-9 IS AMENDED TO READ AS  
 16 FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 9. The prosecuting  
 17 attorneys **and public defenders** retirement fund is established. The  
 18 fund consists of the following:

- 19 (1) Each participant's contributions to the fund.
- 20 (2) All gifts, grants, devises, and bequests in money, property, or  
 21 other form made to the fund.
- 22 (3) All interest on investments or on deposits of the funds.
- 23 (4) A contribution or payment to the fund made in a manner  
 24 provided by the general assembly.

25 SECTION 13. IC 33-39-7-12, AS AMENDED BY P.L.9-2024,  
 26 SECTION 521, IS AMENDED TO READ AS FOLLOWS  
 27 [EFFECTIVE JULY 1, 2025]: Sec. 12. (a) Except as otherwise  
 28 provided in this section, each participant shall make contributions to  
 29 the fund as follows:

- 30 (1) A participant described in section 8(a)(1) of this chapter shall  
 31 make contributions of six percent (6%) of each payment of salary  
 32 received for services after December 31, 1989.
- 33 (2) A participant described in section 8(a)(2) or 8(a)(3) of this  
 34 chapter shall make contributions of six percent (6%) of each  
 35 payment of salary received for services after June 30, 1994.
- 36 **(3) A participant described in section 8(a)(4) through 8(a)(8)**  
 37 **of this chapter shall make contributions to the fund of six**  
 38 **percent (6%) of each payment of salary received for services**  
 39 **on or after July 1, 2025.**

40 (b) A participant's contributions shall be deducted from the  
 41 participant's monthly salary **for the initial twenty-two (22) years** by  
 42 the:



1 (1) state comptroller and credited to the fund; or  
 2 (2) county auditor and transferred to the auditor of state to be  
 3 credited to the fund;

4 **whichever is applicable.**

5 ~~(b)~~ (c) The state or county may pay the contributions for a  
 6 participant. The state or county may elect to pay the contribution for  
 7 the participant as a pickup under Section 414(h) of the Internal  
 8 Revenue Code.

9 ~~(c)~~ (d) After a participant has contributed to the fund as provided in  
 10 subsection (a) for twenty-two (22) years:

11 (1) the participant is not required to make additional contributions  
 12 to the fund; and

13 (2) the state or county, whichever is applicable, shall pay the  
 14 contributions to the fund for the participant.

15 ~~(d)~~ (e) After December 31, 2011, The state comptroller shall submit  
 16 the contributions paid by or on behalf of a participant under this section  
 17 by electronic funds transfer in accordance with section 12.5 of this  
 18 chapter.

19 SECTION 14. IC 33-39-7-12.5, AS ADDED BY P.L.13-2011,  
 20 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2025]: Sec. 12.5. (a) This section applies to reports, records,  
 22 and contributions submitted after December 31, 2011, under this  
 23 chapter.

24 (b) As used in this section, "electronic funds transfer" has the  
 25 meaning set forth in IC 4-8.1-2-7(f).

26 (c) The state and a county auditor shall submit through the use of  
 27 electronic funds transfer contributions paid by or on behalf of a  
 28 participant under section 12 of this chapter.

29 (d) The state and a county auditor shall submit in a uniform format  
 30 through a secure connection over the Internet or through other  
 31 electronic means specified by the board the reports and records  
 32 required by the board under this chapter.

33 (e) The board shall establish by rule the due dates for all reports,  
 34 records, and contributions required under this chapter.

35 SECTION 15. IC 33-39-7-16, AS AMENDED BY P.L.27-2019,  
 36 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 2025]: Sec. 16. (a) This section does not apply to a participant  
 38 who becomes permanently disabled, as described in section 17 of this  
 39 chapter.

40 (b) A participant who:

41 (1) applies for a retirement benefit; and

42 (2) is at least:



1 (A) sixty-five (65) years of age; or  
 2 (B) fifty-five (55) years of age and the participant's age in  
 3 years plus the participant's years of service is at least  
 4 eighty-five (85);  
 5 is entitled to an annual retirement benefit as calculated in subsection  
 6 (c).

7 (c) Except as provided in subsections (d), (e), and (f), the amount of  
 8 the annual retirement benefit to which a participant described in  
 9 subsection (b) is entitled equals the product of:

10 (1) the highest ~~annual~~ salary that was paid to the participant  
 11 before separation from service; multiplied by

12 (2) the percentage prescribed in the following table:

Participant's Years of Service	Percentage
Less than 8	0
8	24%
9	27%
10	30%
11	33%
12	50%
13	51%
14	52%
15	53%
16	54%
17	55%
18	56%
19	57%
20	58%
21	59%
22 or more	60%

31 **One percent (1%) shall be added to the percentage prescribed**  
 32 **under subdivision (2) for each year of service completed after**  
 33 **twenty-two (22) years by a participant who serves in a position**  
 34 **described in section 8(a) of this chapter after June 30, 2025.** If a  
 35 participant has a partial year of service in addition to at least eight (8)  
 36 full years of service, an additional percentage is calculated under this  
 37 subsection by prorating between the applicable percentages, based on  
 38 the number of months in the partial year of service.

39 (d) Except as provided in subsections (e) and (f), and section  
 40 19(c)(2)(B) of this chapter, a participant who:

- 41 (1) applies for a retirement benefit; and
- 42 (2) is not described in subsection (b);



1 is entitled to receive a reduced annual retirement benefit that equals the  
 2 benefit that would be payable if the participant were sixty-five (65)  
 3 years of age reduced by ~~one-fourth percent (0.25%)~~ **ten-hundredths**  
 4 **percent (0.10%)** for each month that the participant's age at retirement  
 5 precedes the participant's sixty-fifth birthday.

6 (e) Except as provided in subsection (f), ~~benefits payable to a costs~~  
 7 **from the prosecuting attorneys and public defenders fund benefits**  
 8 **payable to a participant under this section are to be offset by the**  
 9 **amount of public employees' retirement fund benefits calculated**  
 10 **based on the amount of concurrent service and wages the**  
 11 **participant earned in both the public employees' retirement fund**  
 12 **and the prosecuting attorneys and public defenders fund. The**  
 13 **concurrent public employees' retirement fund service and wages**  
 14 **may not be used in any calculation of a separate public employees'**  
 15 **retirement fund retirement benefit. The calculation and offset shall**  
 16 **be made regardless of whether the participant has vested in a**  
 17 **public employees' retirement fund pension benefit. Benefits**  
 18 **payable to a participant under this section are not reduced by**  
 19 **annuity payments made to the participant from the public**  
 20 **employees' retirement fund or by postretirement increases to the**  
 21 **pension, if any, that the participant is receiving from the public**  
 22 **employees' retirement fund. participant under this section are**  
 23 **reduced by the pension, if any; that:**

- 24 (1) the participant is receiving from the public employees'  
 25 retirement fund; if the participant is receiving a pension from the  
 26 public employees' retirement fund on the date of the participant's  
 27 retirement from the prosecuting attorneys retirement fund; or  
 28 (2) would be payable to the participant from the public employees'  
 29 retirement fund if the participant had retired from the public  
 30 employees' retirement fund on the date of the participant's  
 31 retirement from the prosecuting attorneys retirement fund, if the  
 32 participant is not receiving a pension from the public employees'  
 33 retirement fund on the date of the participant's retirement from the  
 34 prosecuting attorneys retirement fund:

35 Benefits payable to a participant under this section are not reduced by  
 36 annuity payments made to the participant from the public employees'  
 37 retirement fund or by postretirement increases to the pension, if any,  
 38 that the participant is receiving from the public employees' retirement  
 39 fund. A participant to whom subdivision (2) applies is entitled to a  
 40 recalculation of the benefits payable to the participant under this  
 41 section after the participant has begun receiving a pension from the  
 42 public employees' retirement fund based on the actual amount of the





1 pension that the participant is receiving from the public employees'  
2 retirement fund.

3 (f) This subsection applies to a participant who is a member of the  
4 public employees' defined contribution plan established by  
5 IC 5-10.3-12-18. Benefits payable to a participant under this section are  
6 reduced by the pension portion of the retirement benefit, if any, that  
7 would be payable to the participant from the public employees'  
8 retirement fund if the participant:

- 9 (1) had not made an election under IC 5-10.3-12-20 to become a
- 10 member of the public employees' defined contribution plan; and
- 11 (2) had retired from the public employees' retirement fund on the
- 12 date of the participant's retirement from the prosecuting attorneys
- 13 **and public defenders** retirement fund.

14 (g) If benefits payable from the public employees' retirement fund  
15 exceed the benefits payable from the prosecuting attorneys retirement  
16 fund, the participant is entitled at retirement to withdraw from the  
17 prosecuting attorneys retirement fund the total sum contributed plus  
18 interest at a rate specified by rule by the board.

19 SECTION 16. IC 33-39-7-16.5 IS ADDED TO THE INDIANA  
20 CODE AS A NEW SECTION TO READ AS FOLLOWS  
21 [EFFECTIVE JULY 1, 2025]: **Sec. 16.5. If a salary increase is**  
22 **provided in a particular state fiscal year under IC 33-38-5-8.1, the**  
23 **monthly benefit payable under this chapter to a participant shall**  
24 **be increased by the same percentage by which salaries are**  
25 **increased under IC 33-38-5-8.1(b) in that state fiscal year. The**  
26 **percentage increase shall be applied to the monthly benefit**  
27 **(including any previous increases to the monthly benefit received**  
28 **under this section or under any other provision) received by the**  
29 **participant as of June 30 of the immediately preceding state fiscal**  
30 **year. The percentage increase to the monthly benefit takes effect**  
31 **at the same time that the salary increase under IC 33-38-5-8.1**  
32 **takes effect.**

33 SECTION 17. IC 33-39-7-18, AS AMENDED BY P.L.27-2019,  
34 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
35 JULY 1, 2025]: Sec. 18. (a) Except as provided in subsections (b) and  
36 (c), a participant who becomes permanently disabled, as described in  
37 section 17 of this chapter, is entitled to an annual benefit equal to the  
38 product of:

- 39 (1) the ~~annual~~ **highest** salary that was paid to the participant ~~at the~~  
40 ~~time of~~ **before** separation from service; multiplied by
- 41 (2) the percentage prescribed in the following table:

42 Participant's Years	Percentage
------------------------	------------



1	of Service	
2	0-12	50%
3	13	51%
4	14	52%
5	15	53%
6	16	54%
7	17	55%
8	18	56%
9	19	57%
10	20	58%
11	21	59%
12	22 or more	60%

13 **One percent (1%) shall be added to the percentage prescribed**  
 14 **under subdivision (2) for each year of service completed after**  
 15 **twenty-two (22) years by a participant who serves in a position**  
 16 **described in section 8(a) of this chapter after June 30, 2025.** If a  
 17 participant has a partial year of service in addition to at least ~~ten (10)~~  
 18 **eight (8)** years of service, an additional percentage is calculated under  
 19 this subsection by prorating between the applicable percentages, based  
 20 on the number of months in the partial year of service.

21 (b) Except as provided in subsection (c), benefits payable to a  
 22 participant under this section are reduced by the amounts, if any, that  
 23 are payable to the participant from the public employees' retirement  
 24 fund **for time served in a position described in section 8(a) of this**  
 25 **chapter.**

26 (c) This subsection applies to a participant who is a member of the  
 27 public employees' defined contribution plan established by  
 28 IC 5-10.3-12-18. Benefits payable to a participant under this section are  
 29 reduced by the pension portion of the retirement benefit, if any, that  
 30 would be payable to the participant from the public employees'  
 31 retirement fund if the participant had not made an election under  
 32 IC 5-10.3-12-20 to become a member of the public employees' defined  
 33 contribution plan.

34 SECTION 18. IC 33-39-7-27 IS ADDED TO THE INDIANA  
 35 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 36 [EFFECTIVE JULY 1, 2025]: **Sec. 27. (a) This section applies to a**  
 37 **person who:**

38 **(1) is serving in a position described in section 8(a) of this**  
 39 **chapter;**

40 **(2) was a member of the public employees' retirement fund**  
 41 **while employed in a position not described in section 8(a) of**  
 42 **this chapter; and**



- 1           (3) received more than one (1) year and less than ten (10)  
2           years of service credit in the public employees' retirement  
3           fund for the employment described in subdivision (2).  
4           (b) This section does not apply to a person who has received at  
5           least ten (10) years of service credit in the public employees'  
6           retirement fund.  
7           (c) If a person becomes a participant in the prosecuting  
8           attorneys and public defenders retirement fund, credit for service  
9           by the participant in a position not described in section 8(a) of this  
10          chapter shall be granted under this chapter by the board if:  
11          (1) the service was credited under the public employees'  
12          retirement fund;  
13          (2) the state or county, whichever is applicable, contributes to  
14          the prosecuting attorneys and public defenders retirement  
15          fund the amount the board determines necessary to amortize  
16          the service liability over a period determined by the board,  
17          but not more than nine (9) years; and  
18          (3) the participant pays in a lump sum or in a series of  
19          payments determined by the board, not exceeding five (5)  
20          annual payments, the amount the participant would have  
21          contributed if the participant had been a member of the  
22          prosecuting attorneys and public defenders retirement fund  
23          during the service.  
24          (d) If the requirements of subsection (c)(2) and (c)(3) are not  
25          satisfied, a participant is entitled to credit only for years of service  
26          earned as a participant in the prosecuting attorneys and public  
27          defenders retirement fund.  
28          (e) An amortization schedule for contributions paid under  
29          subsection (c)(2) or (c)(3) must include interest at a rate  
30          determined by the board.  
31          (f) The following provisions apply to a person described in  
32          subsection (a):  
33          (1) If the requirements of subsection (c)(2) and (c)(3) are  
34          satisfied, the board shall transfer from the public employees'  
35          retirement fund to the prosecuting attorneys and public  
36          defenders retirement fund the amount credited to the annuity  
37          savings account and the present value of the retirement  
38          benefit payable at sixty-five (65) years of age or at least  
39          fifty-five (55) years of age under section 16(b)(2) of this  
40          chapter that is attributable to the transferring participant.  
41          (2) The amount the state or county, whichever is applicable,  
42          and the participant must contribute to the prosecuting



- 1 attorneys and public defenders retirement fund under  
 2 subsection (c) shall be reduced by the amount transferred to  
 3 the prosecuting attorneys and public defenders retirement  
 4 fund by the board under subdivision (1).
- 5 (3) If the requirements of subsection (c)(2) and (c)(3) are  
 6 satisfied, credit for service in the public employees' retirement  
 7 fund as a participant in a position not described in section 8(a)  
 8 of this chapter is waived. Any credit for the service under the  
 9 prosecuting attorneys and public defenders retirement fund  
 10 may be granted only under subsection (c).
- 11 (g) To the extent permitted by the Internal Revenue Code and  
 12 the applicable regulations, the prosecuting attorneys and public  
 13 defenders retirement fund may accept, on behalf of a participant  
 14 who is purchasing permissive service credit under subsection (c),  
 15 a rollover of a distribution from any of the following:
- 16 (1) A qualified plan described in Section 401(a) or Section  
 17 403(a) of the Internal Revenue Code.
  - 18 (2) An annuity contract or account described in Section 403(b)  
 19 of the Internal Revenue Code.
  - 20 (3) An eligible plan that is maintained by a state, a political  
 21 subdivision of a state, or an agency or instrumentality of a  
 22 state or political subdivision of a state under Section 457(b) of  
 23 the Internal Revenue Code.
  - 24 (4) An individual retirement account or annuity described in  
 25 Section 408(a) or Section 408(b) of the Internal Revenue  
 26 Code.
- 27 (h) To the extent permitted by the Internal Revenue Code and  
 28 the applicable regulations, the prosecuting attorneys and public  
 29 defenders retirement fund may accept, on behalf of a participant  
 30 who is purchasing permissive service credit under subsection (c),  
 31 a trustee to trustee transfer from any of the following:
- 32 (1) An annuity contract or account described in Section 403(b)  
 33 of the Internal Revenue Code.
  - 34 (2) An eligible deferred compensation plan under Section  
 35 457(b) of the Internal Revenue Code.

