



Reprinted
January 27, 2021

SENATE BILL No. 94

DIGEST OF SB 94 (Updated January 26, 2021 3:09 pm - DI 144)

Citations Affected: IC 4-3; IC 5-10; IC 5-10.3; IC 5-10.4; IC 33-38; IC 33-39; IC 36-8.

Synopsis: Pension matters. Provides that the Indiana public retirement system (INPRS) shall pay the governors' retirement and surviving spouse pensions from the public employees' retirement fund (PERF). (Current law makes the auditor of state responsible for the payments.) Modifies provisions related to the pension entitlement for the surviving spouse of a governor. Changes the definition of "retired participant" in the retirement medical benefits account statute. Eliminates the requirement that INPRS shall make an actuarial valuation of the assets and liabilities of the retiree health benefit trust fund at least every two years and instead requires INPRS each year to report the assets and liabilities of the retiree health benefit trust fund and make recommendations for employer contribution amounts. Provides that if an individual becomes a participant in the public employees' defined contribution plan with respect to the individual's service as a volunteer
(Continued next page)

Effective: July 1, 2021.

Boots

January 5, 2021, read first time and referred to Committee on Pensions and Labor.
January 14, 2021, amended, reported favorably — Do Pass.
January 26, 2021, read second time, amended, ordered engrossed.

SB 94—LS 6208/DI 113



Digest Continued

firefighter, the individual does not earn creditable service in the fund for service with a volunteer fire department. Provides that interest shall be credited to the account of each participant in the prosecuting attorneys' retirement fund at least annually. Specifies the repayment conditions that apply if a participant of the judges' retirement system or a fund member of the 1977 police officers' and firefighters' pension and disability fund withdraws from the respective fund and again becomes a participant or member of the respective fund at a later date. For purposes of the PERF and state teachers' retirement fund: (1) Adds survivors and beneficiaries to provisions related to recouping, stopping, or terminating benefits; and (2) Provides that if an overpayment occurs, the board may not require a member, survivor, or beneficiary to pay more than 25% of their monthly benefit toward the overpayment. Provides that the budget agency may transfer appropriations from federal or dedicated funds to the retiree health benefit trust fund. (The introduced version of this bill was prepared by the interim study committee on pension management oversight.)

SB 94—LS 6208/DI 113



Reprinted
January 27, 2021

First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

SENATE BILL No. 94

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 4-3-3-1.1, AS AMENDED BY P.L.13-2013,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2021]: Sec. 1.1. (a) An individual who holds the office of
4 governor for any length of time during one (1) term of that office is
5 entitled to receive an annual retirement benefit under subsection (e).
6 However, an individual who succeeds to the office of governor without
7 being elected is not entitled to an annual retirement benefit under this
8 section unless such person serves for more than one (1) year of the term
9 of the office.
10 (b) An individual who holds the office of governor for any length of
11 time during each of two (2) separate terms of that office is entitled to
12 receive an annual retirement benefit under subsection (f).
13 (c) If an individual who holds the office of governor resigns or is
14 removed from office, during a term of that office, for any reason except
15 a mental or physical disability that renders the individual unable to
16 discharge the powers and duties of the office, then the term during
17 which the individual resigned or was removed may not be considered

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1 for determining the individual's annual retirement benefit under this
2 section.

3 (d) The retirement benefit shall be paid in equal monthly
4 installments ~~by the treasurer of state on warrant of the auditor of state~~
5 **from the public employees' retirement fund** after a claim has been
6 made for the retirement benefit to the ~~auditor~~ **Indiana public**
7 **retirement system** by the governor or a person acting on the governor's
8 behalf. A governor shall choose the date on which the governor will
9 begin receiving the governor's retirement benefit. However, the date
10 must be the first ~~state employee payday day~~ of a month. A governor
11 may not receive the retirement benefit as long as the governor holds an
12 elective position with any federal, state, or local governmental unit, and
13 the governor may not receive the retirement benefit until the governor
14 has reached at least ~~age~~ sixty-two (62) years **of age**. The governor's
15 choice of initial benefit payment date and the governor's choice of
16 benefit payment amount under subsections (e) and (f) are revocable
17 until the governor receives the first monthly installment of the
18 governor's retirement benefit. After that installment is received, the
19 choice of date and the choice of amount are irrevocable.

20 (e) With respect to a governor who is entitled to a retirement benefit
21 under subsection (a):

22 (1) if the governor chooses to begin receiving the governor's
23 retirement benefit on or after the date the governor reaches ~~age~~
24 sixty-two (62) years **of age** but before the governor reaches ~~age~~
25 sixty-five (65) years **of age**, the governor may choose to receive:

26 (A) the retirement benefits the governor is entitled to, if any,
27 ~~from the public employees' retirement fund; under~~
28 **IC 5-10.2-4 and IC 5-10.3-8; or**

29 (B) thirty percent (30%) of the governor's annual salary set in
30 IC 4-2-1-1 for the remainder of the governor's life; or

31 (2) if the governor chooses to begin receiving the governor's
32 retirement benefit on or after the date the governor reaches ~~age~~
33 sixty-five (65) years **of age**, the governor may choose to receive:

34 (A) the retirement benefits the governor is entitled to, if any,
35 ~~from the public employees' retirement fund; under~~
36 **IC 5-10.2-4 and IC 5-10.3-8; or**

37 (B) forty percent (40%) of the governor's annual salary set in
38 IC 4-2-1-1 for the remainder of the governor's life.

39 (f) With respect to a governor who is entitled to a retirement benefit
40 under subsection (b):

41 (1) if the governor chooses to begin receiving the governor's
42 retirement benefit on or after the date the governor reaches ~~age~~



1 sixty-two (62) years **of age** but before the governor reaches ~~age~~
 2 sixty-five (65) years **of age**, the governor may choose to receive:

3 (A) the retirement benefits the governor is entitled to, if any,
 4 ~~from the public employees' retirement fund; under~~
 5 **IC 5-10.2-4 and IC 5-10.3-8; or**

6 (B) forty percent (40%) of the governor's annual salary set in
 7 IC 4-2-1-1 for the remainder of the governor's life; or

8 (2) if the governor chooses to begin receiving the governor's
 9 retirement benefit on or after the date the governor reaches ~~age~~
 10 sixty-five (65) years **of age**, the governor may choose to receive:

11 (A) the retirement benefits the governor is entitled to, if any,
 12 ~~from the public employees' retirement fund; under~~
 13 **IC 5-10.2-4 and IC 5-10.3-8; or**

14 (B) fifty percent (50%) of the governor's annual salary set in
 15 IC 4-2-1-1 for the remainder of the governor's life.

16 SECTION 2. IC 4-3-3-2, AS AMENDED BY P.L.177-2014,
 17 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2021]: Sec. 2. (a) The surviving spouse of each individual
 19 who:

20 (1) serves as governor; and

21 (2) is entitled to a retirement benefit under section 1.1 of this
 22 chapter;

23 is entitled to an annual pension.

24 (b) The pension to which a governor's surviving spouse is entitled
 25 under this section shall be paid in equal monthly installments ~~by the~~
 26 ~~treasurer of state on warrant of the auditor of state from the public~~
 27 **employees' retirement fund established** after a claim has been made
 28 for the pension to the ~~auditor~~ **Indiana public retirement system** by:

29 (1) the surviving spouse; or

30 (2) a person acting on behalf of the surviving spouse.

31 (c) The annual pension to which a governor's surviving spouse is
 32 entitled under this section is equal to the following:

33 (1) For the surviving spouse of a governor who died before July
 34 1, 1998, the greater of:

35 (A) the annual retirement benefit received by the surviving
 36 spouse during the year beginning July 1, 1998; or

37 (B) ten thousand dollars (\$10,000).

38 (2) For the surviving spouse of a governor who dies after June 30,
 39 1998, the greater of:

40 (A) fifty percent (50%) of the annual retirement benefit that
 41 the governor to whom the surviving spouse was married ~~was~~
 42 ~~receiving or~~ was entitled to receive; ~~on the date of the~~



1 governor's death; or

2 (B) ten thousand dollars (\$10,000).

3 **If a governor chooses to receive a retirement benefit under**
 4 **IC 5-10.2-4 and IC 5-10.3-8, the surviving spouse receives the**
 5 **survivor option, if any, selected by the governor under**
 6 **IC 5-10.2-4-7.**

7 (d) The surviving spouse of a governor must make the election
 8 required under subsection (c)(1) or (c)(2). Once a surviving spouse has
 9 received any pension payment under this section, the election is
 10 irrevocable.

11 (e) (d) A governor's surviving spouse is entitled to receive the
 12 pension provided under this section for life.

13 (f) (e) Notwithstanding any other law to the contrary, the pension
 14 provided under this section is in addition to any other retirement
 15 benefits a governor's surviving spouse is entitled to receive.

16 SECTION 3. IC 4-3-3-3, AS AMENDED BY P.L.215-2016,
 17 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2021]: Sec. 3. (a) This chapter applies to any governor of
 19 Indiana regardless of whether the governor's service occurred before,
 20 on, or after January 14, 1981, and to the surviving spouse of any
 21 governor.

22 (b) **The former governor and surviving spouse pension provided**
 23 **by this chapter is part of the public employees' retirement fund**
 24 **under IC 5-10.2 and IC 5-10.3. The biennial appropriation for the**
 25 **state's funding obligation to the public employees' retirement fund**
 26 **must include funding for these benefits.**

27 (c) **To the extent that this chapter conflicts with IC 5-10.2 or**
 28 **IC 5-10.3, this chapter governs. However, if a benefit payable from**
 29 **the public employees' retirement fund under this chapter would**
 30 **jeopardize the qualified status of the public employees' retirement**
 31 **fund under Internal Revenue Code Section 401(a), the benefit**
 32 **payable from the public employees' retirement fund under this**
 33 **chapter must be reduced to the extent required to preserve the**
 34 **qualified status of the public employees' retirement fund under**
 35 **Internal Revenue Code Section 401(a).**

36 SECTION 4. IC 5-10-8-8.5, AS AMENDED BY P.L.108-2019,
 37 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2021]: Sec. 8.5. (a) The retiree health benefit trust fund is
 39 established to provide funding for a retiree health benefit plan
 40 developed under IC 5-10-8.5.

41 (b) The trust fund shall be administered by the INPRS. The
 42 expenses of administering the trust fund shall be paid from money in



1 the trust fund. The trust fund consists of cigarette tax revenues
 2 deposited in the fund under IC 6-7-1-28.1(7) and other appropriations,
 3 revenues, or transfers to the trust fund under IC 4-12-1.

4 (c) The INPRS shall invest the money in the trust fund not currently
 5 needed to meet the obligations of the trust fund in the same manner and
 6 with the same limitations described in IC 5-10.5-4-1 and IC 5-10.5-5-1.

7 (d) The trust fund is considered a trust fund for purposes of
 8 IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise
 9 removed from the trust fund by the state board of finance, the budget
 10 agency, or any other state agency.

11 (e) The trust fund shall be established and administered in a manner
 12 that complies with Internal Revenue Code requirements concerning
 13 health reimbursement arrangement (HRA) trusts. Contributions by the
 14 state to the trust fund are irrevocable. All assets held in the trust fund
 15 must be held for the exclusive benefit of participants of the retiree
 16 health benefit plan developed under IC 5-10-8.5 and their beneficiaries.
 17 All assets in the trust fund:

18 (1) are dedicated exclusively to providing benefits to participants
 19 of the plan and their beneficiaries according to the terms of the
 20 plan; and

21 (2) are exempt from levy, sale, garnishment, attachment, or other
 22 legal process.

23 (f) Money in the trust fund does not revert to the state general fund
 24 at the end of any state fiscal year.

25 (g) The money in the trust fund is appropriated to the INPRS for
 26 providing the retiree health benefit plan developed under IC 5-10-8.5.

27 **(h) The budget agency may transfer appropriations from**
 28 **federal or dedicated funds to the retiree health benefit trust fund.**

29 SECTION 5. IC 5-10-8.5-9, AS AMENDED BY P.L.205-2013,
 30 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2021]: Sec. 9. (a) As used in this chapter, "retired participant"
 32 means **the following:**

33 (1) A participant who is eligible for ~~and has applied to receive~~ a
 34 normal, unreduced or disability retirement benefit (as determined
 35 by the Indiana public employee retirement fund of which the
 36 participant is a member) on the participant's last day of service.

37 (2) A participant who has completed at least ten (10) years of
 38 service as an elected or appointed officer on the participant's last
 39 day of service as an elected or appointed officer. For purposes of
 40 determining whether a participant has completed at least ten (10)
 41 years of service on the participant's last day of service for
 42 purposes of this subdivision, any partial year of service completed



1 by the participant in the year in which the participant is appointed
 2 to fill a vacant elected office shall be considered to be one (1)
 3 complete year of service.

4 **(3) A participant in PERF MyChoice who is at least normal**
 5 **retirement age on the participant's last day of service.**

6 (b) For a participant described in subsection (a)(2) who has service
 7 with more than one (1) employer, the participant's years of service is
 8 the sum of all of the participant's years of service.

9 SECTION 6. IC 5-10-8.5-15, AS AMENDED BY P.L.108-2019,
 10 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2021]: Sec. 15. (a) Except as provided in subsections (c), (d),
 12 and (e), a participant's employer shall make contributions annually to
 13 the account on behalf of the participant sufficient to provide the benefit
 14 described in section 17 of this chapter. For a participant meeting the
 15 eligibility rules set forth in section 17 of this chapter, the amount
 16 credited to the participant's subaccount balance shall be the sum of
 17 annual contributions and earnings for each year of service. The amount
 18 of the contribution each fiscal year must equal **or exceed** the following,
 19 based on the participant's age on the last day of the calendar year that
 20 is in the fiscal year in which the contribution is made:

21 Participant's Age in Years	22 Annual Contribution Amount
23 Less than 30	\$ 500
24 At least 30, but less than 40	\$ 800
25 At least 40, but less than 50	\$ 1,100
26 At least 50	\$ 1,400

27 (b) The INPRS shall determine by rule the date on which the
 28 contributions are credited to participants' subaccounts.

29 (c) A contribution under this section shall not be made after June
 30 30, 2011, to any of the following participants:

- 31 (1) A conservation officer of the department of natural resources.
- 32 (2) An employee of the state excise police.
- 33 (3) An employee of the state police department, other than the
 34 following:

35 (A) An employee of the state police department who waived
 36 coverage under a common and unified plan of self-insurance
 37 under IC 5-10-8-6 before July 1, 2011.

38 (B) An employee of the state police department who makes an
 39 election under IC 5-10-8.5-9.5.

40 (C) An employee of the state police department who makes an
 41 election under IC 5-10-8.5-9.6.

42 (d) For individuals who are employed on June 30, 2011, the accrued



1 annual contributions made in accordance with subsection (a) to an
 2 account described in section 14 of this chapter on behalf of the
 3 individuals for any years the individuals were employed as described
 4 in section 1(b)(1) through 1(b)(3) of this chapter shall be transferred to
 5 the respective plans described in IC 5-10-8-6(a) for those individuals
 6 and shall be used only to reduce the unfunded other post-employment
 7 benefit (OPEB) liability of those plans and not to increase benefits or
 8 reduce premiums.

9 (e) A contribution under this section shall not be made after June
 10 30, 2017, to a participant who on June 30, 2017:

11 (1) is eligible for a normal, unreduced retirement benefit from the
 12 public employee retirement fund of which the participant is a
 13 member; and

14 (2) has completed:

15 (A) fifteen (15) years of service with the participant's employer;
 16 or

17 (B) ten (10) years of service as an elected or appointed officer.

18 (f) ~~At least every two (2) years and in every year in which benefits~~
 19 ~~are changed under this chapter; the actuary shall make a valuation of~~
 20 ~~the assets and liabilities of the retiree health benefit trust fund. The~~
 21 ~~valuation must include a recommended amount to actuarially fund~~
 22 ~~participants' benefits described in section 17 of this chapter. Each~~
 23 ~~year, the INPRS shall:~~

24 **(1) report the assets and liabilities of the retiree health benefit**
 25 **trust fund; and**

26 **(2) based on the assets and liabilities of the retiree health**
 27 **benefit trust fund, recommend an employer contribution**
 28 **amount to fund the participants' benefits described in section**
 29 **17 of this chapter.**

30 SECTION 7. IC 5-10.3-6-1.1, AS ADDED BY P.L.96-2020,
 31 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2021]: Sec. 1.1. (a) This section applies to a political
 33 subdivision that is served by a volunteer fire department.

34 (b) The following definitions apply throughout this section:

35 (1) "Nominal compensation" has the meaning set forth in
 36 IC 36-8-12-2.

37 (2) "Volunteer fire department" has the meaning set forth in
 38 IC 36-8-12-2.

39 (c) The governing body of a political subdivision may adopt an
 40 ordinance or resolution specifying the departmental, occupational, or
 41 other definable classifications of members of the volunteer fire
 42 department that are required to become members of the plan. A



1 political subdivision may become a participant in the plan if the
2 ordinance or resolution is filed with and approved by the board.

3 (d) The governing body of a political subdivision shall determine
4 the amounts of the contributions that the political subdivision will
5 make on behalf of the eligible members of the volunteer fire
6 department. However, the contributions that are made on behalf of each
7 eligible member of the volunteer fire department in any specified
8 departmental, occupational, or other definable classification must be
9 equal. The governing body of the political subdivision shall specify the
10 amounts of the contributions that the political subdivision will make for
11 each departmental, occupational, or other definable classification of the
12 members of the volunteer fire department in an ordinance or resolution
13 adopted under subsection (c) and in any subsequent ordinance or
14 resolution that changes the contribution amounts. If the governing body
15 of the political subdivision changes the contribution amounts, the
16 governing body shall file the ordinance or resolution with the board.
17 The new contribution amounts become effective on the later of the date
18 on which the ordinance or resolution is approved by the board or the
19 effective date specified in the resolution.

20 (e) Contributions made under this section on behalf of the eligible
21 members of a volunteer fire department may not be considered in the
22 computation of nominal compensation for purposes of IC 36-8-12.

23 **(f) A individual who participates in the plan under subsection (c)**
24 **does not earn creditable service (as defined in IC 5-10.2-3-1) in the**
25 **fund for the individual's service with a volunteer fire department.**

26 SECTION 8. IC 5-10.3-7-14 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 14. ~~Governor's Waiver~~
28 ~~of Membership~~: A governor who makes an irrevocable choice under
29 IC 4-3-3-1.1 to receive a retirement benefit other than the retirement
30 benefit from the fund **under IC 5-10.2 and this article** waives ~~his the~~
31 ~~governor's~~ right to ~~membership in the fund and~~ to any **pension** benefit
32 from the fund on and after the date of ~~his the governor's~~ irrevocable
33 choice. After the governor makes that irrevocable choice, ~~he the~~
34 ~~governor~~ is entitled, **as a member of the fund**, to ~~withdraw in a lump~~
35 ~~sum from the fund the amount of his contributions plus interest~~
36 ~~credited to him.~~ **required under sections 9 and 9.6 of this chapter.**
37 **The retirement and surviving spouse benefits for a governor are**
38 **determined in accordance with IC 4-3-3.**

39 SECTION 9. IC 5-10.3-8-12, AS AMENDED BY P.L.99-2007,
40 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2021]: Sec. 12. (a) The board may stop a member's,
42 **survivor's, or beneficiary's** benefit if ~~either~~ **any** of the following



1 ~~occurs:~~ **occur:**

2 (1) The member does any of the following while receiving the
3 benefit:

4 (A) Fails to report for a required examination, unless excused
5 by the board.

6 (B) Disobeys the requirements of the board regarding the
7 examination.

8 (C) Refuses to repay an overpayment of benefits.

9 **(2) A survivor or beneficiary refuses to repay an overpayment
10 of benefits while receiving the benefit or overpayment of
11 benefits made to the member.**

12 ~~(2)~~ **(3)** The board has reasonable cause to believe:

13 (A) that the member, **survivor, or beneficiary** has died; or

14 (B) in the case of a member receiving disability benefits under
15 IC 5-10.2-4-6, that the member no longer has a disability.

16 **(b) If an overpayment under this section occurs, the board may
17 not require a member, survivor, or beneficiary to pay more than
18 twenty-five percent (25%) of their monthly benefit toward the
19 overpayment.**

20 SECTION 10. IC 5-10.3-12-16, AS ADDED BY P.L.22-2011,
21 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2021]: Sec. 16. As used in this chapter, "years of
23 participation" means ~~all~~ periods of participation in the plan in a
24 covered position, plus any additional service for which this chapter
25 provides years of participation credit, **except that the term excludes
26 periods of participation in the plan in a covered position for service
27 described in section 1(a)(7) of this chapter.**

28 SECTION 11. IC 5-10.4-5-15, AS AMENDED BY P.L.99-2007,
29 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2021]: Sec. 15. (a) The board may stop a member's benefit if
31 the member does any of the following while receiving the benefit:

32 (1) Fails to report for a required examination, unless excused by
33 the board.

34 (2) Disobeys the requirements of the board regarding the
35 examination.

36 (3) Refuses to repay an overpayment of benefits.

37 **(b) The board may stop a survivor's or beneficiary's benefit if
38 the survivor or beneficiary refuses to repay an overpayment of
39 benefits while receiving the benefit or overpayment of benefits
40 made to the member.**

41 ~~(b)~~ **(c)** The board also may stop a member's, **survivor's, or
42 beneficiary's** benefit if the board has reasonable cause to believe that:



- 1 (1) the member, **survivor, or beneficiary** has died; or
 2 (2) in the case of a member receiving disability benefits under
 3 IC 5-10.2-4-6 or classroom disability benefits under section 1 of
 4 this chapter, the member no longer has a disability.

5 **(d) If an overpayment under this section occurs, the board may**
 6 **not require a member, survivor, or beneficiary to pay more than**
 7 **twenty-five percent (25%) of their monthly benefit toward the**
 8 **overpayment.**

9 SECTION 12. IC 33-38-7-13, AS AMENDED BY P.L.16-2011,
 10 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2021]: Sec. 13. (a) Except as otherwise provided in this
 12 chapter, a participant:

- 13 (1) whose employment as a judge is terminated regardless of
 14 cause; and

15 (2) who has less than twelve (12) years service;
 16 is entitled to withdraw from the fund, beginning on the date specified
 17 by the participant in a written application. However, the date on which
 18 the withdrawal begins may not be before the date of final termination
 19 of employment of the participant, or the date thirty (30) days before the
 20 receipt of the application by the board.

21 (b) Upon the withdrawal, a participant is entitled to receive out of
 22 the fund an amount equal to the total sum contributed to the fund on
 23 behalf of the participant plus interest at a rate specified by rule by the
 24 board, payable within sixty (60) days after date of the withdrawal
 25 application or in monthly installments as the participant may elect.

26 **(c) A participant who withdraws from the fund under**
 27 **subsection (a) and becomes a participant again at a later date is not**
 28 **entitled to service credit for the participant's years of service**
 29 **accrued before the withdrawal, unless the participant pays into the**
 30 **fund the full amount received by the participant when the**
 31 **participant withdrew from the fund plus interest at a rate specified**
 32 **by rule by the board. The board shall grant service credit to a**
 33 **participant for the years of service accrued by the participant**
 34 **before the participant's withdrawal from the fund if the**
 35 **participant makes the repayment required by this section in a lump**
 36 **sum or a series of payments determined by the board, not to exceed**
 37 **five (5) annual installments.**

38 SECTION 13. IC 33-38-8-12, AS AMENDED BY P.L.16-2011,
 39 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2021]: Sec. 12. (a) A participant who:

- 41 (1) ceases service:
 42 (A) as a judge; or



1 (B) after December 31, 2010, as a judge or full-time magistrate;
 2 other than by death or disability; and
 3 (2) is not eligible for a retirement benefit under this chapter;
 4 is entitled to withdraw from the fund, beginning on the date specified
 5 by the participant in a written application. The date on which the
 6 withdrawal begins may not be before the date of final termination of
 7 employment or the date thirty (30) days before the receipt of the
 8 application by the board.

9 (b) Upon the withdrawal, the participant is entitled to receive the
 10 total sum contributed plus interest at a rate specified by rule by the
 11 board, payable within sixty (60) days from the date of the withdrawal
 12 application or in monthly installments as the participant may elect.

13 **(c) A participant who withdraws from the fund under**
 14 **subsection (a) and becomes a participant again at a later date is not**
 15 **entitled to service credit for the participant's years of service**
 16 **accrued before the withdrawal, unless the participant pays into the**
 17 **fund the full amount received by the participant when the**
 18 **participant withdrew from the fund plus interest at a rate specified**
 19 **by rule by the board. The board shall grant service credit to a**
 20 **participant for the years of service accrued by the participant**
 21 **before the participant's withdrawal from the fund if the**
 22 **participant makes the repayment required by this section in a lump**
 23 **sum or a series of payments determined by the board, not to exceed**
 24 **five (5) annual installments.**

25 SECTION 14. IC 33-39-7-14, AS AMENDED BY P.L.16-2011,
 26 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2021]: Sec. 14. (a) Interest shall be credited **at least** annually
 28 on **or before** June 30 at a rate specified by rule by the board on all
 29 amounts credited to the member as of June 30 of the preceding year.

30 (b) Contributions begin to accumulate interest at the beginning of
 31 the fiscal year after the year in which the contributions are due.

32 (c) When a member retires or withdraws, a proportional interest
 33 credit determined under this chapter shall be paid for the period
 34 elapsed since the last date on which interest was credited.

35 SECTION 15. IC 36-8-8-8, AS AMENDED BY P.L.117-2013,
 36 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2021]: Sec. 8. (a) Each fund member shall contribute during
 38 the period of the fund member's employment or for thirty-two (32)
 39 years, whichever is shorter, an amount equal to six percent (6%) of the
 40 salary of a first class patrolman or firefighter. However, the employer
 41 may pay all or a part of the contribution for the member. The amount
 42 of the contribution, other than contributions paid on behalf of a



1 member, shall be deducted each pay period from each fund member's
2 salary by the disbursing officer of the employer. The employer shall
3 send to the system board each year on March 31, June 30, September
4 30, and December 31, for the calendar quarters ending on those dates,
5 or an alternate date established by the rules of the system board, a
6 certified list of fund members and a warrant issued by the employer for
7 the total amount deducted for fund members' contributions.

8 (b) After December 31, 2011, an employer shall submit:

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

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

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



COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 94, 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 3, line 41, after "was married" strike "was".

Page 3, line 42, strike "receiving or".

Page 3, line 42, after "receive" insert ";".

Page 3, line 42, strike "on the date of the".

Page 4, line 1, strike "governor's death;".

Page 8, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 8. IC 5-10.3-8-12, AS AMENDED BY P.L.99-2007, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 12. The board may stop a member's, **survivor's, or beneficiary's** benefit if ~~either any~~ of the following ~~occurs~~: **occur**:

(1) The member does any of the following while receiving the benefit:

(A) Fails to report for a required examination, unless excused by the board.

(B) Disobeys the requirements of the board regarding the examination.

(C) Refuses to repay an overpayment of benefits.

(2) A survivor or beneficiary refuses to repay an overpayment of benefits while receiving the benefit or overpayment of benefits made to the member.

~~(2)~~ **(3)** The board has reasonable cause to believe:

(A) that the member, **survivor, or beneficiary** has died; or

(B) in the case of a member receiving disability benefits under IC 5-10.2-4-6, that the member no longer has a disability."

Page 8, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 10. IC 5-10.4-5-15, AS AMENDED BY P.L.99-2007, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 15. (a) The board may stop a member's benefit if the member does any of the following while receiving the benefit:

(1) Fails to report for a required examination, unless excused by the board.

(2) Disobeys the requirements of the board regarding the examination.

(3) Refuses to repay an overpayment of benefits.

(b) The board may stop a survivor's or beneficiary's benefit if the survivor or beneficiary refuses to repay an overpayment of



benefits while receiving the benefit or overpayment of benefits made to the member.

(b) (c) The board also may stop a member's, **survivor's, or beneficiary's** benefit if the board has reasonable cause to believe that:

- (1) the member, **survivor, or beneficiary** has died; or
- (2) in the case of a member receiving disability benefits under IC 5-10.2-4-6 or classroom disability benefits under section 1 of this chapter, the member no longer has a disability."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 94 as introduced.)

BOOTS, Chairperson

Committee Vote: Yeas 11, Nays 0.

SENATE MOTION

Madam President: I move that Senate Bill 94 be amended to read as follows:

Page 4, between lines 35 and 36, begin a new paragraph and insert:
"SECTION 4. IC 5-10-8-8.5, AS AMENDED BY P.L.108-2019, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 8.5. (a) The retiree health benefit trust fund is established to provide funding for a retiree health benefit plan developed under IC 5-10-8.5.

(b) The trust fund shall be administered by the INPRS. The expenses of administering the trust fund shall be paid from money in the trust fund. The trust fund consists of cigarette tax revenues deposited in the fund under IC 6-7-1-28.1(7) and other appropriations, revenues, or transfers to the trust fund under IC 4-12-1.

(c) The INPRS shall invest the money in the trust fund not currently needed to meet the obligations of the trust fund in the same manner and with the same limitations described in IC 5-10.5-4-1 and IC 5-10.5-5-1.

(d) The trust fund is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise removed from the trust fund by the state board of finance, the budget agency, or any other state agency.

(e) The trust fund shall be established and administered in a manner that complies with Internal Revenue Code requirements concerning

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health reimbursement arrangement (HRA) trusts. Contributions by the state to the trust fund are irrevocable. All assets held in the trust fund must be held for the exclusive benefit of participants of the retiree health benefit plan developed under IC 5-10-8.5 and their beneficiaries. All assets in the trust fund:

(1) are dedicated exclusively to providing benefits to participants of the plan and their beneficiaries according to the terms of the plan; and

(2) are exempt from levy, sale, garnishment, attachment, or other legal process.

(f) Money in the trust fund does not revert to the state general fund at the end of any state fiscal year.

(g) The money in the trust fund is appropriated to the INPRS for providing the retiree health benefit plan developed under IC 5-10-8.5.

(h) The budget agency may transfer appropriations from FEDERAL or dedicated funds to the retiree health benefit trust fund."

Renumber all SECTIONS consecutively.

(Reference is to SB 94 as printed January 15, 2021.)

BOOTS

SENATE MOTION

Madam President: I move that Senate Bill 94 be amended to read as follows:

Page 8, line 6, after "Sec. 12." insert "(a)".

Page 8, between lines 21 and 22, begin a new paragraph and insert:

"(b) If an overpayment under this section occurs, the board may not require a member, survivor, or beneficiary to pay more than twenty-five percent (25%) of their monthly benefit toward the overpayment."

Page 9, between lines 6 and 7, begin a new paragraph and insert:

"(d) If an overpayment under this section occurs, the board may not require a member, survivor, or beneficiary to pay more than twenty-five percent (25%) of their monthly benefit toward the overpayment."

(Reference is to SB 94 as printed January 15, 2021.)

BOOTS

