SENATE BILL No. 160

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DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10.2-4.

Synopsis: Increase of PERF pension benefits. Provides that the multiplier used in calculating pension benefits for members of the public employees' retirement fund (PERF) who retire after June 30, 2000, is 1.1% plus an additional 0.02% for each year of service in excess of ten years, with a maximum multiplier of 1.5%. (Current law provides that the multiplier is 1.1%.)

Effective: July 1, 2000.

Waterman

January 10, 2000, read first time and referred to Committee on Pensions and Labor.

Introduced

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 1999 General Assembly.

SENATE BILL No. 160

A BILL FOR AN ACT to amend the Indiana Code concerning public pensions.

Be it enacted by the General Assembly of the State of Indiana:

1   SECTION 1. IC 5-10.2-4-4, AS AMENDED BY P.L.195-1999,
2 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2000]: Sec. 4. (a) The computation of benefits under this
4 section is subject to IC 5-10.2-2-1.5.
5   (b) For retirement benefits payable on and after July 1, 1975, for a
6 member retired on and after January 1, 1956, the pension (p) is
7 computed as follows:
8   STEP ONE: Multiply ~~one and one-tenths percent (1.1%)~~ **the**
9   **applicable percentage (ap) determined under section 4.5 of**
10   **this chapter** times the average of the annual compensation (aac)
11   and obtain a product.
12   STEP TWO: To obtain the pension, multiply the STEP ONE
13   product by the total creditable service (scr) completed by the
14   member on his retirement date.
15   Expressed mathematically:
16   p = ~~(.011)~~ **(ap)** times (aac) times (scr)
17 (c) Unless the member has chosen a lump sum payment under

1   section 2 of this chapter or elects to defer receiving in any form the
2   member's annuity savings account under section 2(c) of this chapter,
3   the annuity is the amount purchasable on the member's retirement date
4   by the amount credited to the member in the annuity savings account.
5   The amount purchasable is based on actuarial tables adopted by the
6   board under IC 5-10.2-2-10 at an interest rate determined by the board.
7   SECTION 2. IC 5-10.2-4-4.5 IS ADDED TO THE INDIANA
8   CODE AS A **NEW** SECTION TO READ AS FOLLOWS
9   [EFFECTIVE JULY 1, 2000]: **Sec. 4.5. (a) The applicable percentage**
10 **referred to in section 4(b) of this chapter is one and one-tenth**
11 **percent (1.1%) for:**
12   **(1) a member of the Indiana state teachers' retirement fund;**
13   **and**
14   **(2) a member of the public employees' retirement fund who**
15   **retires before July 1, 2000.**
16   **(b) For a member of the public employees' retirement fund who**
17 **retires after June 30, 2000, the applicable percentage referred to**
18 **in section 4(b) of this chapter is determined in STEP FOUR of the**
19 **following formula:**
20   **STEP ONE: Subtract ten (10) from the member's total years**
21   **of creditable service.**
22   **STEP TWO: Multiply the result determined under STEP**
23   **ONE by two-hundredths percent (0.02%).**
24   **STEP THREE: Add the STEP TWO product to one and**
25   **one-tenth percent (1.1%).**
26   **STEP FOUR: Determine the lesser of:**
27   **(A) the STEP THREE sum; or**
28   **(B) one and five-tenths percent (1.5%).**