

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 2001 General Assembly.

## SENATE ENROLLED ACT No. 233

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AN ACT to amend the Indiana Code concerning pensions.

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

SECTION 1. IC 21-6.1-2-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 1.5. (a) The board shall assign the following fund members to the pre-1996 account described in section 2(a)(1) of this chapter:**

- (1) A member who was first hired before July 1, 1995, by a school corporation or other institution covered by the fund.
- (2) A member described in subdivision (1) who:
  - (A) is not described in subsection (b)(2); and
  - (B) after June 30, 2001, was hired by another school corporation or institution covered by the fund or rehired by a prior employer.

**(b) The board shall assign the following fund members to the 1996 account described in section 2(a)(2) of this chapter:**

- (1) A member who was first hired after June 30, 1995, by a school corporation or other institution covered by the fund.
- (2) A member who:
  - (A) before July 1, 1995, served in a position covered by the fund; and
  - (B) after June 30, 1995, and before July 1, 2001, was hired by another school corporation or institution covered by the fund or rehired by a prior employer.



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SECTION 2. IC 21-6.1-2-2, AS AMENDED BY P.L.291-2001, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) The board shall segregate the fund into the following accounts:

- (1) The pre-1996 account.
- (2) The 1996 account.

(b) The board shall segregate each of the accounts established under subsection (a) into the following subaccounts:

- (1) The annuity savings account.
- (2) The retirement allowance account.

(c) Except as provided in subsection (d), member contributions shall be credited to the annuity savings accounts within the pre-1996 account:

(d) Member contributions made after June 30, 1995, with respect to the following members shall be credited to the annuity savings account within the 1996 account:

- (1) A member who was hired after June 30, 1995, by a

(c) The board shall credit member contributions of members assigned to the pre-1996 account under section 1.5 of this chapter to the annuity savings accounts within the pre-1996 account.

(d) The board shall credit member contributions of members assigned to the 1996 account under section 1.5 of this chapter to the annuity savings accounts within the 1996 account.

(e) The board shall credit employer contributions for members assigned to the pre-1996 account under section 1.5 of this chapter to the retirement allowance account within the pre-1996 account.

(f) The board shall credit employer contributions for members assigned to the 1996 account under section 1.5 of this chapter to the retirement allowance account within the 1996 account.

school corporation or other institution covered by the fund:

- (2) A member who:

(A) before July 1, 1995, served in a position covered by the fund; and

(B) after June 30, 1995, and before July 1, 2001, was hired by another school corporation or institution covered by the fund or rehired by a prior employer:

- (3) A member described in subdivision (2) who, after June 30, 2001, is hired by another school corporation or institution covered by the fund or rehired by a prior employer:

(e) Member contributions made to the pre-1996 account with respect to a member covered by subsection (d) shall be transferred to the annuity savings account within the 1996 account.

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(f) Employer contributions made after June 30, 1995, with respect to members described in subsection (d) shall be credited to the retirement allowance account within the 1996 account. Employer contributions made after June 30, 1995, with respect to all other members shall be credited to the retirement allowance account within the pre-1996 account.

(g) Employer contributions, if any (as determined by the board), made to the pre-1996 account with respect to a member covered by subsection (d) shall be transferred to the retirement allowance account within the 1996 account.

(h) (g) The board shall administer these accounts and subaccounts as specified in IC 5-10.2-2.

SECTION 3. IC 21-6.1-7-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Annually the board shall certify to each school corporation and each school corporation shall pay its employer contribution rate to the fund, computed as specified in IC 5-10.2-2 for the employer contribution for teachers covered by the 1996 account, including its share of administration expenses for the 1996 account. **However, notwithstanding IC 5-10.2-2, if the total employer contribution rate to the fund chargeable to a school corporation before July 1, 2006, for the employer contribution for teachers covered by the 1996 account, is greater than nine percent (9%), the total employer contribution rate may not exceed the rate approved by the budget agency after review by the budget committee.**

(b) The board shall determine the amount of unfunded accrued liability of the school corporations. The board shall determine the unfunded accrued liability by individual employers or by a group of employers. The school corporations shall pay the amount in a lump sum or amortize the amount over a period determined by the board.

(c) The payments by school corporations for the amounts in subsections (a), (b), and (d) are allocated to the school corporations and not to the state.

(d) If a school corporation's account shows a deficit, the board may require the school corporation to make additional payments necessary to eliminate the deficit, in addition to the employer contributions computed under subsections (a) and (b).

SECTION 4. **An emergency is declared for this act.**

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President of the Senate

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President Pro Tempore

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Speaker of the House of Representatives

Approved: \_\_\_\_\_

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Governor of the State of Indiana

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SEA 233 — Concur+

