
HOUSE BILL No. 1573

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10.2-5.

Synopsis: PERF COLA and 13th check; minimum benefit. Provides for a cost of living adjustment (COLA) and a supplemental "thirteenth check" for members of the public employees' retirement fund (PERF) (or their survivors or beneficiaries) for 2004 and 2005. Provides for a minimum pension portion of the monthly benefit for a retired member with at least 12 years of creditable service, excluding members whose only creditable service was as an elected official.

Effective: July 1, 2003.

**Cochran, Scholer, Friend,
Kromkowski**

January 16, 2003, read first time and referred to Committee on Labor and Employment.

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First Regular Session 113th General Assembly (2003)

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 2002 Regular or Special Session of the General Assembly.

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HOUSE BILL No. 1573



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 5-10.2-5-33 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2003]: **Sec. 33. (a) The pension portion (plus postretirement**
- 4 **increases to the pension portion) provided by employer**
- 5 **contributions of the monthly benefit payable after December 31,**
- 6 **2003, to a member of the public employees' retirement fund (or to**
- 7 **a survivor or beneficiary of a member of the public employees'**
- 8 **retirement fund) who retired or was disabled before January 1,**
- 9 **2003, shall be increased by two and six-tenths percent (2.6%).**
- 10 (b) The monthly amount of the increase described in subsection
- 11 (a) payable to a member of the public employees' retirement fund
- 12 (or to a survivor or beneficiary of a member of the public
- 13 employees' retirement fund) may not be less than five dollars (\$5).
- 14 (c) The increases specified in this section:
- 15 (1) are based upon the date of the member's latest retirement
- 16 or disability;
- 17 (2) do not apply to benefits payable in a lump sum; and



1 **(3) are in addition to any other increase provided by law.**

2 SECTION 2. IC 5-10.2-5-34 IS ADDED TO THE INDIANA CODE
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
4 1, 2003]: **Sec. 34. (a) This section does not apply to a member of the
5 public employees' retirement fund (or to a survivor or beneficiary
6 of a member of the public employees' retirement fund) whose
7 creditable service was earned only as an elected official.**

8 **(b) In addition to any other cost of living increase provided
9 under this chapter, the pension portion (plus postretirement
10 increases to the pension portion) provided by employer
11 contributions of the monthly benefit payable after December 31,
12 2003, to a member of the public employees' retirement fund (or to
13 a survivor or beneficiary of a member of the public employees'
14 retirement fund) who was a retired member of the fund with at
15 least twelve (12) years of creditable service and was entitled to
16 receive a monthly benefit on December 1, 2003, may not be less
17 than one hundred eighty dollars (\$180).**

18 **(c) The increases specified in this section:**

19 **(1) are based upon the date of the member's latest retirement
20 or disability;**

21 **(2) do not apply to benefits payable in a lump sum; and**

22 **(3) are in addition to any other increase provided by law.**

23 SECTION 3. IC 5-10.2-5-35 IS ADDED TO THE INDIANA CODE
24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
25 1, 2003]: **Sec. 35. (a) The pension portion (plus postretirement
26 increases to the pension portion) provided by employer
27 contributions of the monthly benefit payable after December 31,
28 2004, to a member of the public employees' retirement fund (or to
29 a survivor or beneficiary of a member of the public employees'
30 retirement fund) who retired or was disabled before January 1,
31 2004, shall be increased by the greater of:**

32 **(1) two percent (2%); or**

33 **(2) eighty percent (80%) of the increase in the consumer price
34 index for all urban consumers (CPI-U) for the twelve (12)
35 month period beginning on October 1, 2003, and ending on
36 September 30, 2004.**

37 **(b) The monthly amount of the increase described in subsection
38 (a) payable to a member of the public employees' retirement fund
39 (or to a survivor or beneficiary of a member of the public
40 employees' retirement fund) may not be less than five dollars (\$5).**

41 **(c) The increases specified in this section:**

42 **(1) are based upon the date of the member's latest retirement**

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1 or disability;

2 (2) do not apply to benefits payable in a lump sum; and

3 (3) are in addition to any other increase provided by law.

4 SECTION 4. [EFFECTIVE JULY 1, 2003] (a) As used in this
5 SECTION, "fund" refers to:

6 (1) the public employees' retirement fund, with respect to
7 members (and survivors and beneficiaries of members) of that
8 fund; and

9 (2) the excise police and conservation enforcement officers'
10 retirement plan, with respect to members (and survivors and
11 beneficiaries of members) of that fund.

12 (b) The amount determined in this SECTION shall be paid from
13 the fund on or before November 1, 2003, to any person who was a
14 retired member (or to a survivor or beneficiary of a retired
15 member) of the fund as of July 2, 2002, and who was entitled to
16 receive a monthly benefit on October 1, 2003. The amount shall be
17 paid in a single check. The amount is not an increase in the pension
18 portion of the monthly benefit.

19 (c) The greater of the following shall be paid from the fund to a
20 retired member (or to a survivor or beneficiary of a retired
21 member) who meets the requirements of subsection (b):

22 (1) One hundred twenty-five dollars (\$125).

23 (2) The amount determined as follows:

24 **STEP ONE:** Determine the product of twelve (12)
25 multiplied by the pension portion (plus postretirement
26 increases to the pension portion) provided by employer
27 contributions of the monthly benefit payable the month
28 before the payment is made under this SECTION to the
29 member (or to a survivor or beneficiary of the member).

30 **STEP TWO:** Multiply the amount determined in STEP
31 ONE by the applicable percentage from the following
32 table:

33 Calendar Year of	Applicable
34 Last Retirement of Member	Percentage
35 1950 through 1984	5%
36 1985 through 1994	4%
37 1995 through July 2, 2002	2%

38 (d) This SECTION expires December 1, 2003.

39 SECTION 5. [EFFECTIVE JULY 1, 2003] (a) As used in this
40 SECTION, "fund" refers to:

41 (1) the public employees' retirement fund, with respect to
42 members (and survivors and beneficiaries of members) of that

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1 fund; and

2 (2) the excise police and conservation enforcement officers'
3 retirement plan, with respect to members (and survivors and
4 beneficiaries of members) of that fund.

5 (b) The amount determined in this SECTION shall be paid from
6 the fund on or before November 1, 2004, to any person who was a
7 retired member (or to a survivor or beneficiary of a retired
8 member) of the fund as of July 2, 2003, and who was entitled to
9 receive a monthly benefit on October 1, 2004. The amount shall be
10 paid in a single check. The amount is not an increase in the pension
11 portion of the monthly benefit.

12 (c) The greater of the following shall be paid from the fund to a
13 retired member (or to a survivor or beneficiary of a retired
14 member) who meets the requirements of subsection (b):

15 (1) One hundred twenty-five dollars (\$125).

16 (2) The amount determined as follows:

17 STEP ONE: Determine the product of twelve (12)
18 multiplied by the pension portion (plus postretirement
19 increases to the pension portion) provided by employer
20 contributions of the monthly benefit payable the month
21 before the payment is made under this SECTION to the
22 member (or to a survivor or beneficiary of the member).

23 STEP TWO: Multiply the amount determined in STEP
24 ONE by the applicable percentage from the following
25 table:

26 Calendar Year of	Applicable
27 Last Retirement of Member	Percentage
28 1950 through 1984	5%
29 1985 through 1994	4%
30 1995 through July 2, 2003	2%

31 (d) This SECTION expires December 1, 2004.

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