
SENATE BILL No. 129

DIGEST OF INTRODUCED BILL

Citations Affected: IC 21-6.1-4-6.1.

Synopsis: Teacher pension credit for military service. Extends from 18 months to 36 months the period within which a member of the teachers' retirement fund must return to active teaching service or teacher training after completion of active military service in order to be entitled to credit for the military service.

Effective: July 1, 2005.

Craycraft

January 4, 2005, read first time and referred to Committee on Pensions and Labor.

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First Regular Session 114th General Assembly (2005)

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 2004 Regular Session of the General Assembly.

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SENATE BILL No. 129



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 21-6.1-4-6.1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.1. (a) This subsection
3 applies to members who retire before July 1, 1980. A member who had
4 completed four (4) years of approved college teacher training before
5 voluntary or involuntary induction into the military services is entitled
6 to credit for that service as if the member had begun teaching before
7 the induction. A member who serves in military service is considered
8 a teacher and is entitled to the benefits of the fund if for or during the
9 leave of absence the member pays into the fund the member's
10 contributions. Time served by a member in military service for the
11 duration of the hostilities or for the length of active service in the
12 hostilities and the necessary demobilization time after the hostilities is
13 not subject to the one-seventh rule specified in section 5 of this chapter.
14 (b) This subsection applies to members who retire after June 30,
15 1980. A member who had completed four (4) years of approved college
16 teacher training before voluntary or involuntary induction into military
17 service is entitled to credit for the member's active military service as



1 if the member had begun teaching before the induction. A member who
 2 serves in military service is considered a teacher and is entitled to the
 3 benefits of the fund if:

- 4 (1) the member has an honorable discharge; and
 5 (2) except as provided in subsection (f), the member returns to
 6 active teaching service within ~~eighteen (18)~~ **thirty-six (36)**
 7 months after the completion of active military service.

8 The time served by a member in military service for the duration of the
 9 hostilities or for the length of active service in the hostilities and the
 10 necessary demobilization time after the hostilities is not subject to the
 11 one-seventh rule specified in section 5 of this chapter. However, not
 12 more than six (6) years of military service credit may be granted under
 13 this subsection. In order to be eligible for any military service credit
 14 under this subsection, a member must have at least ten (10) years of
 15 in-state service credit.

16 (c) This subsection applies to members who retire after May 1,
 17 1989. A member who had begun but had not completed four (4) years
 18 of approved college teacher training before voluntary or involuntary
 19 induction into the military services is entitled to service credit in an
 20 amount equal to the duration of the member's active military service if
 21 the following conditions are met:

- 22 (1) The member has an honorable discharge.
 23 (2) Except as provided in subsection (f), the member returns to a
 24 four (4) year approved college teacher training program within
 25 ~~eighteen (18)~~ **thirty-six (36)** months after the completion of
 26 active military service and subsequently completes that program.
 27 (3) The member has at least ten (10) years of in-state service
 28 credit.

29 (d) This subsection applies to members who retire after May 1,
 30 1991, and who are employed at state institutions of higher education.
 31 A member who had begun but had not completed baccalaureate or
 32 post-baccalaureate training before voluntary or involuntary induction
 33 into military service is entitled to the member's active military service
 34 credit for the member's active military service in an amount equal to
 35 the duration of the member's military service if the following
 36 conditions are met:

- 37 (1) The member received an honorable discharge.
 38 (2) Except as provided in subsection (f), the member returns to
 39 baccalaureate or post-baccalaureate training within ~~eighteen (18)~~
 40 **thirty-six (36)** months after completion of active military service
 41 and subsequently completes that training.
 42 (3) The member has at least ten (10) years of in-state service

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1 credit.

2 (e) The maximum amount of service credit that may be granted to
3 a member who meets the conditions of subsection (c) or (d) is six (6)
4 years. However, for purposes of subsection (c) or (d), the time served
5 by the member in active military service for the length of active service
6 in hostilities and necessary demobilization is not subject to the
7 one-seventh rule specified in section 5 of this chapter.

8 (f) The board shall extend the ~~eighteen (18)~~ **thirty-six (36)** month
9 deadline contained in subsection (b)(2), (c)(2), or (d)(2) if the board
10 determines that an illness, an injury, or a disability related to the
11 member's military service prevented the member from returning to
12 active teaching service or to a teacher training program within ~~eighteen~~
13 **(18) thirty-six (36)** months after the member's discharge from military
14 service. However, the board may not extend the deadline beyond ~~thirty~~
15 **(30) sixty (60)** months after the member's discharge.

16 (g) If a member retires, and the board subsequently determines that
17 the member is entitled to additional service credit due to the extension
18 of a deadline under subsection (f), the board shall recompute the
19 member's benefit. However, the additional service credit may be used
20 only in the computation of benefits to be paid after the date of the
21 board's determination, and the member is not entitled to a
22 recomputation of benefits received before the date of the board's
23 determination.

24 (h) Notwithstanding any provision of this section, a member is
25 entitled to military service credit and benefits in the amount and to the
26 extent required by the Uniformed Services Employment and
27 Reemployment Rights Act (38 U.S.C. 4301 et seq.), including all later
28 amendments.

29 (i) Subject to the provisions of this section, an active member may
30 purchase not more than two (2) years of service credit for the member's
31 service on active duty in the armed services if the member meets the
32 following conditions:

33 (1) The member has at least one (1) year of credited service in the
34 fund.

35 (2) The member serves on active duty in the armed services of the
36 United States for at least six (6) months.

37 (3) The member receives an honorable discharge from the armed
38 services.

39 (4) Before the member retires, the member makes contributions
40 to the fund as follows:

41 (A) Contributions that are equal to the product of the
42 following:

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- 1 (i) The member's salary at the time the member actually
- 2 makes a contribution for the service credit.
- 3 (ii) A rate, determined by the actuary of the fund, that is
- 4 based on the age of the member at the time the member
- 5 actually makes a contribution for service credit and
- 6 computed to result in a contribution amount that
- 7 approximates the actuarial present value of the benefit
- 8 attributable to the service credit purchased.
- 9 (iii) The number of years of service credit the member
- 10 intends to purchase.
- 11 (B) Contributions for any accrued interest, at a rate determined
- 12 by the actuary of the fund, for the period from the member's
- 13 initial membership in the fund to the date payment is made by
- 14 the member.

15 However, a member is entitled to purchase service credit under this
 16 subsection only to the extent that service credit is not granted for that
 17 time under another provision of this section. At least ten (10) years of
 18 service in Indiana is required before a member may receive a benefit
 19 based on service credits purchased under this section. A member who
 20 terminates employment before satisfying the eligibility requirements
 21 necessary to receive a monthly allowance or receives a monthly
 22 allowance for the same service from another tax supported public
 23 employee retirement plan other than under the federal Social Security
 24 Act may withdraw the purchase amount plus accumulated interest after
 25 submitting a properly completed application for a refund to the fund.

- 26 (j) The following apply to the purchase of service credit under
- 27 subsection (i):
- 28 (1) The board may allow a member to make periodic payments of
- 29 the contributions required for the purchase of the service credit.
- 30 The board shall determine the length of the period during which
- 31 the payments must be made.
- 32 (2) The board may deny an application for the purchase of service
- 33 credit if the purchase would exceed the limitations under Section
- 34 415 of the Internal Revenue Code.
- 35 (3) A member may not claim the service credit for purposes of
- 36 determining eligibility or computing benefits unless the member
- 37 has made all payments required for the purchase of the service
- 38 credit.

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