

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1060 be amended to read as follows:

1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 5-10.2-4-3, AS AMENDED BY P.L.2-2006,
4 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2007]: Sec. 3. (a) Except as provided in subsection ~~(f)~~, **(h)**, in
6 computing the retirement benefit for a nonteacher member, "average
7 of the annual compensation" means the average annual compensation
8 calculated using the twenty (20) calendar quarters of service in a
9 position covered by the retirement fund before retirement in which the
10 member's annual compensation was the highest. However, in order for
11 a quarter to be included in the twenty (20) calendar quarters, the
12 nonteacher member must have performed service throughout the
13 calendar quarter. All twenty (20) calendar quarters do not have to be
14 continuous but they must be in groups of four (4) consecutive calendar
15 quarters. The same calendar quarter may not be included in two (2)
16 different groups.
17 (b) This subsection does not apply to a teacher member described
18 in ~~subsection~~ **subsections (c) and (d)**. In computing the retirement
19 benefit for a teacher member, "average of the annual compensation"
20 means the average annual compensation for the five (5) years of service
21 before retirement in which the member's annual compensation was
22 highest. In order for a year to be included in the five (5) years, the
23 teacher member must have received for the year credit under
24 IC 5-10.4-4-2 for at least one-half (1/2) year of service. The five (5)

1 years do not have to be continuous.

2 (c) This subsection applies to a member of the Indiana state
3 teachers' retirement fund who serves in an elected position for which
4 the member takes an unpaid leave of absence. In computing the
5 retirement benefit for a teacher member described in this subsection for
6 years of service to which IC 5-10.4-5-7 does not apply, "average of the
7 annual compensation" means the annual compensation for the one (1)
8 year of service before retirement in which the member's annual
9 compensation was highest. In order for a year to be used, the teacher
10 member must have received for the year credit under IC 5-10.4-4-2 for
11 at least one-half (1/2) year of service.

12 **(d) This subsection applies to a teacher member that begins to**
13 **receive service credit as a teacher after July 1, 2007. In computing**
14 **the retirement benefit for a teacher member, "average of the**
15 **annual compensation" means the average of the annual state**
16 **average compensation, as defined in subsection (f), for the five (5)**
17 **years of service before the member's retirement in which the**
18 **annual state average compensation for teachers was highest. In**
19 **order for a year to be included in the five (5) years, the teacher**
20 **member must have received for the year credit under IC 5-10.4-4-2**
21 **for at least one-half (1/2) year of service. The five (5) years do not**
22 **have to be continuous.**

23 ~~(d)~~ (e) Subject to IC 5-10.2-2-1.5, "annual compensation" means:
24 (1) the basic salary earned by and paid to the member plus the
25 amount that would have been part of that salary but for:
26 (A) the state's, a school corporation's, a participating political
27 subdivision's, or a state educational institution's (as defined in
28 IC 20-12-0.5-1) paying the member's contribution to the fund
29 for the member; or
30 (B) the member's salary reduction agreement established under
31 Section 125, 403(b), or 457 of the Internal Revenue Code; and
32 (2) in the case of a member described in subsection (c) and for
33 years of service to which IC 5-10.4-5-7 does not apply, the basic
34 salary that was not paid during the year but would have been paid
35 to the member during the year under the member's employment
36 contracts, if the member had not taken any unpaid leave of
37 absence to serve in an elected position.

38 The portion of a back pay award or a similar award that the board
39 determines is compensation under an agreement or under a judicial or
40 an administrative proceeding shall be allocated by the board among the
41 years the member earned or should have earned the compensation.
42 Only that portion of the award allocated to the year the award is made
43 is considered to have been earned during the year the award was made.
44 Interest on an award is not considered annual compensation for any
45 year.

46 **(f) As used in this section, "annual state average compensation"**

- 1 equals:
 2 (1) the total statewide compensation paid to teachers during
 3 a calendar year; divided by
 4 (2) the total number of teachers in Indiana during the
 5 calendar year provided in subdivision (1).
 6 ~~(e)~~ (g) Compensation of not more than two thousand dollars
 7 (\$2,000) received from the employer in contemplation of the member's
 8 retirement, including severance pay, termination pay, retirement bonus,
 9 or commutation of unused sick leave or personal leave, may be
 10 included in the total annual compensation from which the average of
 11 the annual compensation is determined, if it is received:
 12 (1) before the member ceases service; or
 13 (2) within twelve (12) months after the member ceases service.
 14 ~~(f)~~ (h) This subsection applies to a member of the general assembly:
 15 (1) who is a participant in the legislators' retirement system
 16 established under IC 2-3.5;
 17 (2) who is also a member of the public employees' retirement fund
 18 or the Indiana state teachers' retirement fund; and
 19 (3) whose years of service in the general assembly may not be
 20 considered in determining the average of the annual
 21 compensation under this section, as provided in
 22 IC 2-3.5-1-2(b)(2) or IC 2-3.5-3-1(c).
 23 The board shall use the board's actuarial salary increase assumption to
 24 project the salary for any previous year needed to determine the
 25 average of the annual compensation."
 26 Renumber all SECTIONS consecutively.
 (Reference is to HB 1060 as printed February 6, 2007.)

Representative Thompson