

Adopted	Rejected
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COMMITTEE REPORT

YES:	17
NO:	0

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Senate Bill 568, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 2, after line 25, begin a new paragraph and insert:
- 2 "SECTION 3. [EFFECTIVE JULY 1, 2007] (a) **As used in this**
- 3 **SECTION, "board" refers to the board of trustees of the fund.**
- 4 **(b) As used in this SECTION, "fund" refers to the public**
- 5 **employees' retirement fund established by IC 5-10.3-2-1.**
- 6 **(c) This SECTION applies to an individual who:**
- 7 **(1) was a state employee who, after November 24, 1996, and**
- 8 **before July 1, 2006, was terminated from employment with**
- 9 **the state;**
- 10 **(2) was a member of the fund;**
- 11 **(3) on the date of the individual's termination, had not**
- 12 **attained vested status (as defined in IC 5-10.2-1-8) in the fund;**
- 13 **and**

1 **(4) on the date of the individual's termination, needed to earn**
2 **not more than six (6) months of creditable service to attain**
3 **vested status in the fund.**

4 **(d) An individual described in subsection (c) may elect to**
5 **purchase up to twelve (12) months of service credit in the fund by**
6 **filing a written notice on a form prescribed by the board.**

7 **(e) An individual who elects to purchase service credit under**
8 **this SECTION must contribute to the fund as follows:**

9 **(1) Contributions that are equal to the product of the**
10 **following:**

11 **(A) The individual's salary at the time the individual was**
12 **terminated from state employment.**

13 **(B) A rate, determined by the actuary for the fund, that is**
14 **based on the age of the individual at the time the individual**
15 **actually makes a contribution for the service credit and**
16 **computed to result in a contribution amount that**
17 **approximates the actuarial present value of the benefit**
18 **attributable to the service credit purchased.**

19 **(C) The number of months of service credit the individual**
20 **intends to purchase.**

21 **(2) Contributions for any accrued interest, at a rate**
22 **determined by the actuary for the fund, for the period from**
23 **the individual's initial membership in the fund to the date**
24 **payment is made by the individual.**

25 **(f) The following apply to the purchase of service credit under**
26 **this SECTION:**

27 **(1) The board may allow an individual to make periodic**
28 **payments of the contributions required for the purchase of**
29 **service credit. The board shall determine the length of the**
30 **period during which the payments must be made.**

31 **(2) The board may deny an election for the purchase of**
32 **service credit if the purchase would exceed the limitations**
33 **under Section 415 of the Internal Revenue Code.**

34 **(3) An individual may not claim the service credit for the**
35 **purpose of computing benefits unless the individual has made**
36 **all payments required for the purchase of the service credit.**

37 **(4) To the extent permitted by the Internal Revenue Code and**
38 **applicable regulations, an individual may purchase service**

- 1 **credit under this SECTION by a rollover distribution to the**
- 2 **fund from any of the following:**
- 3 **(A) A qualified plan described in Section 401(a) or Section**
- 4 **403(b) of the Internal Revenue Code.**
- 5 **(B) An annuity contract or account described in Section**
- 6 **403(b) of the Internal Revenue Code.**
- 7 **(C) An eligible plan that is maintained by a state, a**
- 8 **political subdivision of a state, or an agency or**
- 9 **instrumentality of a state or political subdivision of a state**
- 10 **under Section 457(b) of the Internal Revenue Code.**
- 11 **(D) An individual retirement account or annuity described**
- 12 **in Section 408(a) or Section 408(b) of the Internal Revenue**
- 13 **Code.**
- 14 **(g) For the election described in subsection (d) to be effective**
- 15 **and in addition to the contributions required under subsection (e),**
- 16 **an individual who received a lump sum distribution from the fund**
- 17 **under IC 5-10.2-3-6 must repay to the fund, in the manner and**
- 18 **with interest at a rate determined by the board, the lump sum**
- 19 **distribution received under IC 5-10.2-3-6.**
- 20 **(h) This SECTION expires July 1, 2012."**
- 21 Renumber all SECTIONS consecutively.
- (Reference is to SB 568 as printed February 16, 2007.)

and when so amended that said bill do pass.

Representative Crawford