



February 20, 2026

ENGROSSED HOUSE BILL No. 1145

DIGEST OF HB 1145 (Updated February 19, 2026 11:50 am - DI 120)

Citations Affected: IC 5-10; noncode.

Synopsis: Thirteenth check. Allows a participant in the state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan to elect a joint and survivor option for the payment of the participant's retirement allowance. Provides for a thirteenth check in calendar year 2026 for certain members, participants, or beneficiaries of the: (1) Indiana state teachers' retirement fund; (2) Indiana public employees' retirement fund; (3) state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan; (4) state police pre-1987 benefit system; and (5) state police 1987 benefit system.

Effective: July 1, 2026.

**Karickhoff, VanNatter, Porter,
Olthoff**

(SENATE SPONSORS — BUCHANAN, ROGERS, GOODE, QADDOURA)

January 5, 2026, read first time and referred to Committee on Employment, Labor and Pensions.

January 15, 2026, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 126.3.

January 27, 2026, reported — Do Pass.

January 29, 2026, read second time, ordered engrossed.

January 30, 2026, engrossed.

February 2, 2026, read third time, passed. Yeas 96, nays 0.

SENATE ACTION

February 5, 2026, read first time and referred to Committee on Pensions and Labor.

February 12, 2026, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

February 19, 2026, amended, reported favorably — Do Pass.

EH 1145—LS 6771/DI 153



February 20, 2026

Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1145

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 5-10-5.5-10, AS AMENDED BY P.L.128-2008,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 10. (a) Benefits provided under this section are
4 subject to section 2.5 of this chapter.

5 (b) **Except as provided in section 10.5 of this chapter**, the annual
6 retirement allowance of a participant, payable in equal monthly
7 installments beginning on the participant's normal retirement date, shall
8 be a percentage of the participant's average annual salary, such
9 percentage to be twenty-five percent (25%) increased by one and
10 two-thirds percent (1 2/3%) of the participant's average annual salary
11 for each completed year of creditable service more than ten (10) years.
12 However, the annual retirement allowance computed under this
13 subsection may not exceed seventy-five percent (75%) of the
14 participant's average annual salary.

15 (c) The annual retirement allowance **under subsection (b)** shall
16 cease with the last monthly payment prior to the death of the
17 participant.

EH 1145—LS 6771/DI 153



1 SECTION 2. IC 5-10-5.5-10.5 IS ADDED TO THE INDIANA
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2026]: **Sec. 10.5. (a) This section applies to a**
 4 **participant who retires after June 30, 2026.**

5 **(b) A participant may elect a joint and survivor option for the**
 6 **payment of the participant's retirement allowance instead of the**
 7 **annual retirement allowance provided under section 10 of this**
 8 **chapter. The amount of the optional payments shall be determined**
 9 **under rules of the board and shall be the actuarial equivalent of the**
 10 **benefit payable under section 10 of this chapter.**

11 **(c) The following apply to the joint and survivor option under**
 12 **subsection (b):**

13 **(1) The participant receives a decreased retirement benefit**
 14 **during the participant's lifetime, and there is a benefit**
 15 **payable after the participant's death to a designated**
 16 **beneficiary during the lifetime of the beneficiary, which**
 17 **benefit equals, at the option of the participant, either the full**
 18 **decreased retirement benefit or two-thirds (2/3) or one-half**
 19 **(1/2) of that benefit.**

20 **(2) If the participant dies before retirement, the designated**
 21 **beneficiary may receive survivors' benefits if the individual is**
 22 **entitled to survivors' benefits under section 16.3 of this**
 23 **chapter.**

24 **(3) If the designated beneficiary dies before the participant**
 25 **retires, the election is automatically canceled and the**
 26 **participant may make a new beneficiary election. A**
 27 **participant described by this subdivision may elect the joint**
 28 **and survivor option after making a new beneficiary election.**

29 SECTION 3. IC 5-10-5.5-16.3, AS ADDED BY P.L.6-2020,
 30 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2026]: **Sec. 16.3. (a) This section applies to:**

32 **(1) an active participant, regardless of the participant's years of**
 33 **creditable service; and**

34 **(2) an inactive participant with at least fifteen (15) years of**
 35 **creditable service;**

36 **who dies other than in the line of duty after January 31, 2018. Except**
 37 **as provided in section 10.5(c)(2) of this chapter, this section does**
 38 **not apply to a participant who elects the joint and survivor option**
 39 **under section 10.5 of this chapter.**

40 **(b) Benefits provided under this section are subject to section 2.5 of**
 41 **this chapter.**

42 **(c) A surviving mother or father nominated by the participant to**



1 receive survivors' benefits under the provisions of this chapter is
 2 entitled to an annual survivors' allowance for life equal to fifty percent
 3 (50%) of the amount to which the participant would have been entitled
 4 if the participant had retired with twenty-five (25) years of service at
 5 fifty (50) years of age.

6 (d) A surviving spouse nominated by the participant to receive
 7 survivors' benefits under the provisions of this chapter is entitled to an
 8 annual survivors' allowance equal to fifty percent (50%) of the amount
 9 to which the participant would have been entitled if the participant had
 10 retired with twenty-five (25) years of service at fifty (50) years of age.
 11 A survivors' allowance payable to a surviving spouse under this
 12 subsection ends with the last payment before the surviving spouse's
 13 death.

14 (e) An eligible surviving child who is nominated by the participant
 15 to receive survivors' benefits under this chapter is entitled to an annual
 16 survivors' allowance equal to fifty percent (50%) of the amount to
 17 which the participant would have been entitled if the participant had
 18 retired with twenty-five (25) years of service at fifty (50) years of age.
 19 If more than one (1) eligible surviving child is nominated to receive
 20 survivors' benefits, the annual survivors' allowance shall be divided
 21 equally between or among the eligible surviving children who were
 22 nominated to receive survivors' benefits. A survivors' allowance to a
 23 child ends when the child attains the age of eighteen (18) years or
 24 marries, whichever occurs first. If a survivors' allowance is divided
 25 between or among more than one (1) child, and payments to one (1) or
 26 more children receiving the survivor's allowance cease because of the
 27 age, marriage, or death of the child, the total annual survivors'
 28 allowance payable under this subsection shall be divided evenly among
 29 or between the surviving children, if any, who remain eligible to
 30 receive the survivors' allowance.

31 SECTION 4. [EFFECTIVE JULY 1, 2026] (a) **As used in this**
 32 **SECTION, "fund" refers to the Indiana state teachers' retirement**
 33 **fund established by IC 5-10.4-2-1.**

34 (b) **As used in this SECTION, "supplemental allowance reserve**
 35 **account" refers to the supplemental allowance reserve account**
 36 **established under IC 5-10.2-2-2(c)(3).**

37 (c) **Not later than October 1, 2026, the supplemental allowance**
 38 **reserve account shall pay to a member of the fund (or to a survivor**
 39 **or beneficiary of a member) who retired or was disabled on or**
 40 **before December 1, 2025, and who is entitled to receive a monthly**
 41 **benefit on July 1, 2026, the amount determined under subsection**
 42 **(d) for the member of the fund. The amount is not an increase in**



1 the pension portion of the monthly benefit.

2 (d) For purposes of determining the amount paid under
3 subsection (c) to a member of the fund (or to a survivor or
4 beneficiary of a member) who meets the requirements of
5 subsection (c), the applicable amount is determined as follows:

6 If a Member's Creditable 7 Service Is:	The Amount Is:
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8 At least 5 years, but less than 10 years	\$150
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9 At least 10 years, but less than 20 years	\$275
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10 At least 20 years, but less than 30 years	\$375
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11 At least 30 years	\$450
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12 (e) The creditable service used to determine the amount paid to
13 a member (or to a survivor or beneficiary of a member) under
14 subsection (c) is the creditable service that was used to compute the
15 member's retirement benefit under IC 5-10.2-4-4, except that
16 partial years of creditable service may not be used to determine the
17 amount paid under subsection (c).

18 (f) If two (2) or more survivors or beneficiaries of a member are
19 entitled to an amount paid under subsection (c), the amount shall
20 be allocated to the survivors or beneficiaries in shares using the
21 same percentages as the percentages determined under
22 IC 5-10.2-3-7.5 or IC 5-10.4-4-10 to pay the monthly benefit to the
23 survivors or beneficiaries.

24 (g) This SECTION applies notwithstanding IC 5-10.2-12-4(b).

25 (h) This SECTION expires January 1, 2028.

26 SECTION 5. [EFFECTIVE JULY 1, 2026] (a) As used in this
27 SECTION, "fund" refers to the Indiana public employees'
28 retirement fund established by IC 5-10.3-2-1.

29 (b) As used in this SECTION, "supplemental allowance reserve
30 account" refers to the supplemental allowance reserve account
31 established under IC 5-10.2-2-2(a)(3).

32 (c) Not later than October 1, 2026, the supplemental allowance
33 reserve account shall pay to a member of the fund (or to a survivor
34 or beneficiary of a member) who retired or was disabled on or
35 before December 1, 2025, and who is entitled to receive a monthly
36 benefit on July 1, 2026, the amount determined under subsection
37 (d) for the member of the fund. The amount is not an increase in
38 the pension portion of the monthly benefit.

39 (d) For purposes of determining the amount paid under
40 subsection (c) to a member of the fund (or to a survivor or
41 beneficiary of a member) who meets the requirements of
42 subsection (c), the applicable amount is determined as follows:



1	If a Member's Creditable	The Amount Is:
2	Service Is:	
3	At least 5 years, but less than 10 years	\$150
4	At least 10 years, but less than 20 years	\$275
5	At least 20 years, but less than 30 years	\$375
6	At least 30 years	\$450
7	(e) The creditable service used to determine the amount paid to	
8	a member (or to a survivor or beneficiary of a member) under	
9	subsection (c) is the creditable service that was used to compute the	
10	member's retirement benefit under IC 5-10.2-4-4, except that	
11	partial years of creditable service may not be used to determine the	
12	amount paid under subsection (c).	
13	(f) If two (2) or more survivors or beneficiaries of a member are	
14	entitled to an amount paid under subsection (c), the amount shall	
15	be allocated to the survivors or beneficiaries in shares using the	
16	same percentages as the percentages determined under	
17	IC 5-10.2-3-7.5 or IC 5-10.3-8-15 to pay the monthly benefit to the	
18	survivors or beneficiaries.	
19	(g) This SECTION applies notwithstanding IC 5-10.2-12-4(b).	
20	(h) This SECTION expires January 1, 2028.	
21	SECTION 6. [EFFECTIVE JULY 1, 2026] (a) As used in this	
22	SECTION, "participant" has the meaning set forth in	
23	IC 5-10-5.5-1.	
24	(b) As used in this SECTION, "plan" refers to the state excise	
25	police, gaming agent, gaming control officer, and conservation	
26	enforcement officers' retirement plan created by IC 5-10-5.5-2.	
27	(c) As used in this SECTION, "supplemental allowance reserve	
28	account" refers to the supplemental allowance reserve account	
29	established under IC 5-10-5.5-4(c).	
30	(d) Not later than October 1, 2026, the supplemental allowance	
31	reserve account shall pay to a plan participant (or to a survivor or	
32	beneficiary of a plan participant) who retired or was disabled on	
33	or before December 1, 2025, and who is entitled to receive a	
34	monthly benefit on July 1, 2026, the amount determined under	
35	subsection (e) for the plan participant. The amount is not an	
36	increase in the pension portion of the monthly benefit.	
37	(e) The amount paid under subsection (d) to a plan participant	
38	(or to a survivor or beneficiary of a plan participant) who meets	
39	the requirements of subsection (d) is determined as follows:	
40	If a Plan Participant's Creditable	The Amount Is:
41	Service Is:	
42	At least 5 years, but less than 10 years	\$150



- 1 At least 10 years, but less than 20 years \$275
 2 At least 20 years, but less than 30 years \$375
 3 At least 30 years \$450
 4 (f) The creditable service used to determine the amount paid to
 5 a plan participant (or to a survivor or beneficiary of a plan
 6 participant) under subsection (d) is the creditable service that was
 7 used to compute the plan participant's retirement allowance under
 8 IC 5-10-5.5-10 and IC 5-10-5.5-12, except that partial years of
 9 creditable service may not be used to determine the amount paid
 10 under subsection (d).
 11 (g) If two (2) or more survivors or beneficiaries of a plan
 12 participant are entitled to an amount paid under subsection (d), the
 13 amount shall be allocated to the survivors or beneficiaries in shares
 14 using the same percentages as the percentages determined under
 15 IC 5-10-5.5-16 or IC 5-10-5.5-16.3 to pay the monthly benefit to the
 16 survivors or beneficiaries.
 17 (h) This SECTION applies notwithstanding IC 5-10.2-12-4(b).
 18 (i) This SECTION expires January 1, 2028.
 19 SECTION 7. [EFFECTIVE JULY 1, 2026] (a) As used in this
 20 SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.
 21 (b) As used in this SECTION, "trust fund" has the meaning set
 22 forth in IC 10-12-1-11.
 23 (c) Not later than October 1, 2026, the trustee shall pay from the
 24 trust fund to each employee beneficiary of the state police pre-1987
 25 benefit system covered by IC 10-12-3 who:
 26 (1) retired or was disabled before July 2, 2025; and
 27 (2) is entitled to receive a monthly benefit as of September 1,
 28 2026;
 29 an amount equal to one percent (1%) of the maximum basic annual
 30 pension amount payable to a retired state police employee in the
 31 grade of trooper who has completed twenty (20) years of service as
 32 of July 1, 2026, as calculated under IC 10-12-3-7.
 33 (d) The amounts paid under this SECTION are not an increase
 34 in the monthly pension amount of an employee beneficiary.
 35 (e) This SECTION applies notwithstanding IC 10-12-7-2.
 36 (f) This SECTION expires January 1, 2028.
 37 SECTION 8. [EFFECTIVE JULY 1, 2026] (a) As used in this
 38 SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.
 39 (b) As used in this SECTION, "trust fund" has the meaning set
 40 forth in IC 10-12-1-11.
 41 (c) Not later than October 1, 2026, the trustee shall pay from the
 42 trust fund to each employee beneficiary of the state police 1987



- 1 **benefit system covered by IC 10-12-4 who:**
2 **(1) retired or was disabled after June 30, 1987, and before**
3 **July 2, 2025; and**
4 **(2) is entitled to receive a monthly benefit as of September 1,**
5 **2026;**
6 **an amount equal to one percent (1%) of the maximum basic annual**
7 **pension amount payable to a retired state police employee in the**
8 **grade of trooper who has completed twenty-five (25) years of**
9 **service as of July 1, 2026, as calculated under IC 10-12-4-7.**
10 **(d) The amount paid under this SECTION is not an increase in**
11 **the monthly pension amount of an employee beneficiary.**
12 **(e) This SECTION applies notwithstanding IC 10-12-7-2.**
13 **(f) This SECTION expires January 1, 2028.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1145, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1145 as introduced.)

VANNATTER

Committee Vote: Yeas 13, Nays 0

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1145, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1145 as printed January 15, 2026.)

THOMPSON

Committee Vote: Yeas 23, Nays 0

COMMITTEE REPORT

Mr. President: The Senate Committee on Pensions and Labor, to which was referred House Bill No. 1145, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-10-5.5-10, AS AMENDED BY P.L.128-2008, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10. (a) Benefits provided under this section are subject to section 2.5 of this chapter.

(b) **Except as provided in section 10.5 of this chapter**, the annual retirement allowance of a participant, payable in equal monthly installments beginning on the participant's normal retirement date, shall



be a percentage of the participant's average annual salary, such percentage to be twenty-five percent (25%) increased by one and two-thirds percent ($1\frac{2}{3}\%$) of the participant's average annual salary for each completed year of creditable service more than ten (10) years. However, the annual retirement allowance computed under this subsection may not exceed seventy-five percent (75%) of the participant's average annual salary.

(c) The annual retirement allowance **under subsection (b)** shall cease with the last monthly payment prior to the death of the participant.

SECTION 2. IC 5-10-5.5-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2026]: **Sec. 10.5. (a) This section applies to a participant who retires after June 30, 2026.**

(b) A participant may elect a joint and survivor option for the payment of the participant's retirement allowance instead of the annual retirement allowance provided under section 10 of this chapter. The amount of the optional payments shall be determined under rules of the board and shall be the actuarial equivalent of the benefit payable under section 10 of this chapter.

(c) The following apply to the joint and survivor option under subsection (b):

(1) The participant receives a decreased retirement benefit during the participant's lifetime, and there is a benefit payable after the participant's death to a designated beneficiary during the lifetime of the beneficiary, which benefit equals, at the option of the participant, either the full decreased retirement benefit or two-thirds ($2/3$) or one-half ($1/2$) of that benefit.

(2) If the participant dies before retirement, the designated beneficiary may receive survivors' benefits if the individual is entitled to survivors' benefits under section 16.3 of this chapter.

(3) If the designated beneficiary dies before the participant retires, the election is automatically canceled and the participant may make a new beneficiary election. A participant described by this subdivision may elect the joint and survivor option after making a new beneficiary election.

SECTION 3. IC 5-10-5.5-16.3, AS ADDED BY P.L.6-2020, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 16.3. (a) This section applies to:**

(1) an active participant, regardless of the participant's years of



creditable service; and

(2) an inactive participant with at least fifteen (15) years of creditable service;

who dies other than in the line of duty after January 31, 2018. **Except as provided in section 10.5(c)(2) of this chapter, this section does not apply to a participant who elects the joint and survivor option under section 10.5 of this chapter.**

(b) Benefits provided under this section are subject to section 2.5 of this chapter.

(c) A surviving mother or father nominated by the participant to receive survivors' benefits under the provisions of this chapter is entitled to an annual survivors' allowance for life equal to fifty percent (50%) of the amount to which the participant would have been entitled if the participant had retired with twenty-five (25) years of service at fifty (50) years of age.

(d) A surviving spouse nominated by the participant to receive survivors' benefits under the provisions of this chapter is entitled to an annual survivors' allowance equal to fifty percent (50%) of the amount to which the participant would have been entitled if the participant had retired with twenty-five (25) years of service at fifty (50) years of age. A survivors' allowance payable to a surviving spouse under this subsection ends with the last payment before the surviving spouse's death.

(e) An eligible surviving child who is nominated by the participant to receive survivors' benefits under this chapter is entitled to an annual survivors' allowance equal to fifty percent (50%) of the amount to which the participant would have been entitled if the participant had retired with twenty-five (25) years of service at fifty (50) years of age. If more than one (1) eligible surviving child is nominated to receive survivors' benefits, the annual survivors' allowance shall be divided equally between or among the eligible surviving children who were nominated to receive survivors' benefits. A survivors' allowance to a child ends when the child attains the age of eighteen (18) years or marries, whichever occurs first. If a survivors' allowance is divided between or among more than one (1) child, and payments to one (1) or more children receiving the survivor's allowance cease because of the age, marriage, or death of the child, the total annual survivors' allowance payable under this subsection shall be divided evenly among or between the surviving children, if any, who remain eligible to receive the survivors' allowance."

Renumber all SECTIONS consecutively.



and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to HB 1145 as printed January 27, 2026.)

ROGERS, Chairperson

Committee Vote: Yeas 10, Nays 0.

COMMITTEE REPORT

Mr. President: The Senate Committee on Appropriations, to which was referred Engrossed House Bill No. 1145, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 5, delete lines 21 through 42.

Page 6, delete lines 1 through 7, begin a new paragraph and insert: "SECTION 6. [EFFECTIVE JULY 1, 2026] (a) As used in this SECTION, "participant" has the meaning set forth in IC 5-10-5.5-1.

(b) As used in this SECTION, "plan" refers to the state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan created by IC 5-10-5.5-2.

(c) As used in this SECTION, "supplemental allowance reserve account" refers to the supplemental allowance reserve account established under IC 5-10-5.5-4(c).

(d) Not later than October 1, 2026, the supplemental allowance reserve account shall pay to a plan participant (or to a survivor or beneficiary of a plan participant) who retired or was disabled on or before December 1, 2025, and who is entitled to receive a monthly benefit on July 1, 2026, the amount determined under subsection (e) for the plan participant. The amount is not an increase in the pension portion of the monthly benefit.

(e) The amount paid under subsection (d) to a plan participant (or to a survivor or beneficiary of a plan participant) who meets the requirements of subsection (d) is determined as follows:

If a Plan Participant's Creditable Service Is:	The Amount Is:
At least 5 years, but less than 10 years	\$150
At least 10 years, but less than 20 years	\$275
At least 20 years, but less than 30 years	\$375



At least 30 years **\$450**

(f) The creditable service used to determine the amount paid to a plan participant (or to a survivor or beneficiary of a plan participant) under subsection (d) is the creditable service that was used to compute the plan participant's retirement allowance under IC 5-10-5.5-10 and IC 5-10-5.5-12, except that partial years of creditable service may not be used to determine the amount paid under subsection (d).

(g) If two (2) or more survivors or beneficiaries of a plan participant are entitled to an amount paid under subsection (d), the amount shall be allocated to the survivors or beneficiaries in shares using the same percentages as the percentages determined under IC 5-10-5.5-16 or IC 5-10-5.5-16.3 to pay the monthly benefit to the survivors or beneficiaries.

(h) This SECTION applies notwithstanding IC 5-10.2-12-4(b).

(i) This SECTION expires January 1, 2028."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to EHB 1145 as printed February 13, 2026.)

MISHLER, Chairperson

Committee Vote: Yeas 8, Nays 4.

