

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.

HOUSE ENROLLED ACT No. 1145

AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

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 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

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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.

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

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

(c) Not later than October 1, 2026, the supplemental allowance reserve account shall pay to a member of the fund (or to a survivor or beneficiary of a member) 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 (d) for the member of the fund. The amount is not an increase in the pension portion of the monthly benefit.

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



If a Member'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

(e) The creditable service used to determine the amount paid to a member (or to a survivor or beneficiary of a member) under subsection (c) is the creditable service that was used to compute the member's retirement benefit under IC 5-10.2-4-4, except that partial years of creditable service may not be used to determine the amount paid under subsection (c).

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

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

(h) This SECTION expires January 1, 2028.

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

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

(c) Not later than October 1, 2026, the supplemental allowance reserve account shall pay to a member of the fund (or to a survivor or beneficiary of a member) 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 (d) for the member of the fund. The amount is not an increase in the pension portion of the monthly benefit.

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

If a Member'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

(e) The creditable service used to determine the amount paid to a member (or to a survivor or beneficiary of a member) under subsection (c) is the creditable service that was used to compute the member's retirement benefit under IC 5-10.2-4-4, except that partial years of creditable service may not be used to determine the amount paid under subsection (c).

(f) If two (2) or more survivors or beneficiaries of a member are entitled to an amount paid under subsection (c), the amount shall be allocated to the survivors or beneficiaries in shares using the same percentages as the percentages determined under IC 5-10.2-3-7.5 or IC 5-10.3-8-15 to pay the monthly benefit to the survivors or beneficiaries.

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

(h) This SECTION expires January 1, 2028.

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	The Amount Is:
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Service 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.

SECTION 7. [EFFECTIVE JULY 1, 2026] (a) As used in this SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.

(b) As used in this SECTION, "trust fund" has the meaning set forth in IC 10-12-1-11.

(c) Not later than October 1, 2026, the trustee shall pay from the trust fund to each employee beneficiary of the state police pre-1987 benefit system covered by IC 10-12-3 who:

(1) retired or was disabled before July 2, 2025; and

(2) is entitled to receive a monthly benefit as of September 1, 2026;

an amount equal to one percent (1%) of the maximum basic annual pension amount payable to a retired state police employee in the grade of trooper who has completed twenty (20) years of service as of July 1, 2026, as calculated under IC 10-12-3-7.

(d) The amounts paid under this SECTION are not an increase in the monthly pension amount of an employee beneficiary.

(e) This SECTION applies notwithstanding IC 10-12-7-2.

(f) This SECTION expires January 1, 2028.

SECTION 8. [EFFECTIVE JULY 1, 2026] (a) As used in this SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.

(b) As used in this SECTION, "trust fund" has the meaning set forth in IC 10-12-1-11.

(c) Not later than October 1, 2026, the trustee shall pay from the trust fund to each employee beneficiary of the state police 1987 benefit system covered by IC 10-12-4 who:

(1) retired or was disabled after June 30, 1987, and before July 2, 2025; and

(2) is entitled to receive a monthly benefit as of September 1, 2026;



an amount equal to one percent (1%) of the maximum basic annual pension amount payable to a retired state police employee in the grade of trooper who has completed twenty-five (25) years of service as of July 1, 2026, as calculated under IC 10-12-4-7.

(d) The amount paid under this SECTION is not an increase in the monthly pension amount of an employee beneficiary.

(e) This SECTION applies notwithstanding IC 10-12-7-2.

(f) This SECTION expires January 1, 2028.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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