

# PROPOSED AMENDMENT

## HB 1145 # 1

### DIGEST

Survivors. 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.

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1 Delete the title and insert the following:

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

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

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

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

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

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

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

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

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

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

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

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

28           (1) an active participant, regardless of the participant's years of  
 29 creditable service; and

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

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

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

38           (c) A surviving mother or father nominated by the participant to  
 39 receive survivors' benefits under the provisions of this chapter is  
 40 entitled to an annual survivors' allowance for life equal to fifty percent

1 (50%) of the amount to which the participant would have been entitled  
2 if the participant had retired with twenty-five (25) years of service at  
3 fifty (50) years of age.

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

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

29 Renumber all SECTIONS consecutively.

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