



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:

- 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

1 cease with the last monthly payment prior to the death of the
2 participant.

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

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

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

15 **(1) The participant receives a decreased retirement benefit**
16 **during the participant's lifetime, and there is a benefit**
17 **payable after the participant's death to a designated**
18 **beneficiary during the lifetime of the beneficiary, which**
19 **benefit equals, at the option of the participant, either the full**
20 **decreased retirement benefit or two-thirds (2/3) or one-half**
21 **(1/2) of that benefit.**

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

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

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

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

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

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

42 **(b) Benefits provided under this section are subject to section 2.5 of**

1 this chapter.

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

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

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

- 1 or between the surviving children, if any, who remain eligible to
- 2 receive the survivors' allowance."
- 3 Renumber all SECTIONS consecutively.
(Reference is to HB 1145 as printed January 27, 2026.)

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

Committee Vote: Yeas 10, Nays 0.

Senator Rogers, Chairperson