
HOUSE BILL No. 1145

AM114501 has been incorporated into January 27, 2026 printing.

Synopsis: Thirteenth check.

M
e
r
g
e
d

HB 1145—LS 6771/DI 153



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

January 27, 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.

M
e
r
g
e
d

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
6 annual 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.

HB 1145—LS 6771/DI 153



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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
22 is 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
41 of this chapter.

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

M
e
r
g
e
d

HB 1145—LS 6771/DI 153



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**
 35 **reserve account" refers to the supplemental allowance reserve**
 36 **account 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**

M
e
r
g
e
d



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 The Amount Is:
 7 Service Is:

8	At least 5 years, but less than 10 years	\$150
9	At least 10 years, but less than 20 years	\$275
10	At least 20 years, but less than 30 years	\$375
11	At least 30 years	\$450

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:

M
e
r
g
e
d



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:	
33	(1) retired or was disabled on or before July 2, 2025; and	
34	(2) is entitled to receive a monthly benefit as of September 1,	
35	2026;	
36	an amount equal to one percent (1%) of the maximum basic annual	
37	pension amount payable to a retired state police employee in the	
38	grade of trooper who has completed twenty-five (25) years of	
39	service as of July 1, 2026, as calculated under IC 10-12-4-7. The	
40	amount is not an increase in the pension portion of the monthly	
41	benefit.	
42	(e) If two (2) or more survivors or beneficiaries of a plan	

M
e
r
g
e
d



1 participant are entitled to an amount paid under subsection (d), the
 2 amount shall be allocated to the survivors or beneficiaries in shares
 3 using the same percentages as the percentages determined under
 4 IC 5-10-5.5-16 or IC 5-10-5.5-16.3 to pay the monthly benefit to the
 5 survivors or beneficiaries.

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

7 (g) This SECTION expires January 1, 2028.

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

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

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

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

16 (2) is entitled to receive a monthly benefit as of September 1,
 17 2026;

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

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

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

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

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

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

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

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

35 (2) is entitled to receive a monthly benefit as of September 1,
 36 2026;

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

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

HB 1145—LS 6771/DI 153



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M
e
r
g
e
d

- 1 (e) This SECTION applies notwithstanding IC 10-12-7-2.
- 2 (f) This SECTION expires January 1, 2028.

M
e
r
g
e
d

HB 1145—LS 6771/DI 153



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY