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# HOUSE BILL No. 1145

Proposed Changes to January 27, 2026 printing by AM114501

## DIGEST OF PROPOSED AMENDMENT

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.

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](#)**
- 10           **[and 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.](#)**
- 18           **[SECTION 2. IC 5-10-5.5-10.5 IS ADDED TO THE INDIANA](#)**
- 19           **[CODE AS A NEW SECTION TO READ AS FOLLOWS](#)**

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1 [EFFECTIVE JULY 1, 2026]: Sec. 10.5. (a) This section applies to a  
 2 participant who retires after June 30, 2026.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 **(d) For purposes of determining the amount paid under**

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1 subsection (c) to a member of the fund (or to a survivor or  
 2 beneficiary of a member) who meets the requirements of  
 3 subsection (c), the applicable amount is determined as follows:

4 **←→** **I** **I** f a M e m b e r ' s C r e d i t a b l e **←**

5 **→** **I** **T**he Amount Is:

6 **←→** **I** **S**ervice Is:

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

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

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

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

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

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

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

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

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

42 If a Member's Creditable The Amount Is:

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

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1 amount shall be allocated to the survivors or beneficiaries in shares  
2 using the same percentages as the percentages determined under  
3 IC 5-10-5.5-16 or IC 5-10-5.5-16.3 to pay the monthly benefit to the  
4 survivors or beneficiaries.

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

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

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

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

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

- 14 (1) retired or was disabled before July 2, 2025; and
- 15 (2) is entitled to receive a monthly benefit as of September 1,  
16 2026;

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

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

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

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

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

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

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

- 32 (1) retired or was disabled after June 30, 1987, and before  
33 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.

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

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

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

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