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ENGROSSED HOUSE BILL No. 1145

Proposed Changes to February 13, 2026 printing by AM114502

DIGEST OF PROPOSED AMENDMENT

Thirteenth check. Provides for a thirteenth check to a participant in the state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan (the current bill allows a percentage amount).

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.
- 18 SECTION 2. IC 5-10-5.5-10.5 IS ADDED TO THE INDIANA

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2026]: **Sec. 10.5. (a) This section applies to a**
 3 **participant who retires after June 30, 2026.**

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

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

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

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

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

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

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

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

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

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

41 **(c) A surviving mother or father nominated by the participant to**
 42 **receive survivors' benefits under the provisions of this chapter is**

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1 entitled to an annual survivors' allowance for life equal to fifty percent
2 (50%) of the amount to which the participant would have been entitled
3 if the participant had retired with twenty-five (25) years of service at
4 fifty (50) years of age.

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

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

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

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

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

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

5 ~~←→~~ I I f a Member's Creditable ~~←~~

6 ~~→~~ I [The Amount Is:

7 ~~←→~~ I [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:

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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> <u>[December</u>	
34	<u>1], 2025<=>[.] and<</u>	
35	—(2)>[who] is entitled to receive a monthly benefit <as of	
36	September 1, 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> <u>[on</u>	
41	<u>July 1, 2026, the amount determined under subsection (e) for the</u>	
42	<u>plan participant].</u> The amount is not an increase in the pension	

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1 portion of the monthly benefit.

2 [(e) The amount paid under subsection (d) to a plan participant
 3 (or to a survivor or beneficiary of a plan participant) who meets
 4 the requirements of subsection (d) is determined as follows:

5 If a Plan Participant's Creditable The Amount Is:

6 Service 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 (f) The creditable service used to determine the amount paid to
 12 a plan participant (or to a survivor or beneficiary of a plan
 13 participant) under subsection (d) is the creditable service that was
 14 used to compute the plan participant's retirement allowance under
 15 IC 5-10-5.5-10 and IC 5-10-5.5-12, except that partial years of
 16 creditable service may not be used to determine the amount paid
 17 under subsection (d).

18 [(<e>[g]) If two (2) or more survivors or beneficiaries of a plan
 19 participant are entitled to an amount paid under subsection (d), the
 20 amount shall be allocated to the survivors or beneficiaries in shares
 21 using the same percentages as the percentages determined under
 22 IC 5-10-5.5-16 or IC 5-10-5.5-16.3 to pay the monthly benefit to the
 23 survivors or beneficiaries.

24 (<f>[h]) This SECTION applies notwithstanding
 25 IC 5-10.2-12-4(b).

26 (<g>[i]) This SECTION expires January 1, 2028.

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

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

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

34 (1) retired or was disabled before 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 (20) years of service as
 40 of July 1, 2026, as calculated under IC 10-12-3-7.

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

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- 1 (e) This SECTION applies notwithstanding IC 10-12-7-2.
- 2 (f) This SECTION expires January 1, 2028.
- 3 SECTION 8. [EFFECTIVE JULY 1, 2026] (a) As used in this
- 4 SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.
- 5 (b) As used in this SECTION, "trust fund" has the meaning set
- 6 forth in IC 10-12-1-11.
- 7 (c) Not later than October 1, 2026, the trustee shall pay from the
- 8 trust fund to each employee beneficiary of the state police 1987
- 9 benefit system covered by IC 10-12-4 who:
- 10 (1) retired or was disabled after June 30, 1987, and before
- 11 July 2, 2025; and
- 12 (2) is entitled to receive a monthly benefit as of September 1,
- 13 2026;
- 14 an amount equal to one percent (1%) of the maximum basic annual
- 15 pension amount payable to a retired state police employee in the
- 16 grade of trooper who has completed twenty-five (25) years of
- 17 service as of July 1, 2026, as calculated under IC 10-12-4-7.
- 18 (d) The amount paid under this SECTION is not an increase in
- 19 the monthly pension amount of an employee beneficiary.
- 20 (e) This SECTION applies notwithstanding IC 10-12-7-2.
- 21 (f) This SECTION expires January 1, 2028.

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