

HOUSE BILL No. 1188

DIGEST OF INTRODUCED BILL

Citations Affected: IC 10-12-5.

Synopsis: State police pensions. Extends eligibility for supplemental pension benefits and incentive increases to employee beneficiaries of the state police 1987 benefit system. (Current law provides eligibility to employee beneficiaries under the state police pre-1987 benefit system.) Modifies the: (1) terms of eligibility for; and (2) calculation of; supplemental pension benefits and incentive increases. Provides that first time payments of and increases to supplemental pension benefits shall be paid or commence beginning in July of each year.

Effective: July 1, 2026.

Davis, VanNatter

January 5, 2026, read first time and referred to Committee on Employment, Labor and Pensions.



Introduced

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.

HOUSE BILL No. 1188

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 10-12-5-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. This chapter is
3 intended to be a supplement to IC 10-12-3 **and IC 10-12-4** and does
4 not repeal, impair, or otherwise adversely affect the pension fund or
5 pension benefits provided for in IC 10-12-3 **and IC 10-12-4** for eligible
6 employees of the department.

7 SECTION 2. IC 10-12-5-2 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. To become eligible
9 for any supplemental benefits provided in this chapter, an employee of
10 the department must:

11 (1) be at least fifty-five (55) years of age;
12 (2) have completed at least:
13 (A) twenty (20) years of service with the department, ~~or be~~
14 ~~retired by virtue of becoming fifty-five (55) years of age; if~~
15 ~~IC 10-12-3 applies to the employee; or~~
16 ~~(B) twenty-five (25) years of service with the department,~~
17 ~~if IC 10-12-4 applies to the employee; and~~



(3) be eligible to receive retirement benefits under IC 10-12-3 **or**
IC 10-12-4.

SECTION 3. IC 10-12-5-3, AS AMENDED BY P.L.201-2023, SECTION 124, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) The pension advisory board that administers the pension under IC 10-12-3 **and** IC 10-12-4 shall direct and supervise the supplemental benefits provided in this chapter.

(b) The pension advisory board shall:

(1) annually provide a schedule showing the number of retirees receiving pension benefits under IC 10-12-3 **and IC 10-12-4**; and
(2) meet at least one (1) time each year to add to the regular pension benefit or annuity and any previously granted supplemental benefit the amount described in subsection (c), **or (d), (e), or (f)**.

(c) This subsection applies only to a retiree **under IC 10-12-3** who is eligible for the first time under section 2 of this chapter to receive a supplemental benefit **and who retires before July 1, 2026**. The supplemental benefit referred to in subsection (b)(2) for a retiree in the first year the retiree is eligible for a supplemental benefit is the sum of:

(1) the difference between:

- (A) the retiree's pension benefit; and
- (B) the pension benefit:

- (i) received by an employee retiring in that year from the department with twenty (20) years of active service **whose average monthly wage is equal to the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's sixth year of service**; and
- (ii) computed on the day the pension advisory board meets as required under subsection (b)(2); plus

(2) any amount computed under subsection (d) after the date the retiree reaches fifty-five (55) years of age.

(d) This subsection applies to a retiree **under IC 10-12-3** who is eligible under section 2 of this chapter to receive a supplemental benefit, but whose supplemental benefit is not computed under subsection (c). The supplemental benefit referred to in subsection (b)(2) is equal to **the following:**

(1) For a supplemental benefit calculated in 2026, either:

(A) if on July 1, 2026, there is no change in the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's sixth year of service, fifty percent (50%) of the difference between:

(i) the pension benefits to be received by an employee



retiring from the department with twenty (20) years of active service and whose average monthly wage is equal to the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's sixth year of service; and

(ii) the pension benefits to be received by an employee retiring from the department with twenty (20) years of active service and whose average monthly wage is equal to the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's fourth year of service; or

(B) if the condition described in clause (A) does not apply, fifty percent (50%) of the difference between:

(i) the pension benefits to be received by an employee retiring from the department with twenty (20) years of active service and whose average monthly wage is equal to the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's sixth year of service the day after a change in the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's sixth year of service; and

(ii) the pension benefit received by an employee retiring from the department with twenty (20) years of active service and whose average monthly wage is equal to the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's fourth year of service the day before a change in the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's fourth year of service.

(2) For a supplemental benefit calculated in a year not described in subdivision (1), fifty percent (50%) of the difference between:

(+) (A) the pension benefits to be received by an employee retiring from the department:

(i) with twenty (20) years of active service; and

(ii) whose average monthly wage is equal to the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's sixth year of service;

the day after a change in the monthly wage received by a police employee in the grade of trooper at the beginning of the



1 trooper's ~~fourth~~ **sixth** year of service; and
 2 (2) (B) the pension benefit received by an employee retiring
 3 from the department:

4 (i) with twenty (20) years of active service; **and**
 5 (ii) **whose average monthly wage is equal to the monthly**
 6 **wage received by a police employee in the grade of**
 7 **trooper at the beginning of the trooper's sixth year of**
 8 **service;**

9 the day before a change in the monthly wage received by a
 10 police employee in the grade of trooper at the beginning of the
 11 trooper's ~~fourth~~ **sixth** year of service.

12 (e) **This subsection applies to a retiree under IC 10-12-4 who is**
 13 **eligible under section 2 of this chapter to receive a supplemental**
 14 **benefit and who has not already received a supplemental benefit**
 15 **under this subsection. The supplemental benefit referred to in**
 16 **subsection (b)(2) is equal to fifty percent (50%) of the difference**
 17 **between:**

18 (1) **the retiree's pension benefit; and**
 19 (2) **the pension benefit:**

20 (A) **received by an employee retiring in that year from the**
 21 **department with twenty-five (25) years of active service**
 22 **whose average monthly wage is equal to the monthly wage**
 23 **received by a police employee in the grade of trooper at the**
 24 **beginning of the trooper's sixth year of service; and**
 25 (B) **computed on the day the pension advisory board meets**
 26 **as required under subsection (b)(2).**

27 For purposes of this subsection, a retiree that meets the criteria in
 28 section 2 of this chapter may be eligible for supplemental benefits
 29 notwithstanding the fact that the retiree received benefits under
 30 IC 10-12-4 prior to July 1, 2026.

31 (f) **This subsection applies to a retiree under IC 10-12-4 who is**
 32 **eligible under section 2 of this chapter to receive a supplemental**
 33 **benefit, but whose supplemental benefit is not computed under**
 34 **subsection (e). The supplemental benefit referred to in subsection**
 35 **(b)(2) is equal to fifty percent (50%) of the difference between:**

36 (1) **the pension benefit to be received by an employee retiring**
 37 **from the department:**

38 (A) **with twenty-five (25) years of active service; and**
 39 (B) **whose average monthly wage is equal to the monthly**
 40 **wage received by a police employee in the grade of trooper**
 41 **at the beginning of the trooper's sixth year of service;**
 42 **the day after a change in the monthly wage received by a**



police employee in the grade of trooper at the beginning of the trooper's sixth year of service; and

(2) the pension benefit received by an employee retiring from the department;

(A) with twenty-five (25) years of active service; and

(B) whose average monthly wage is equal to the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's sixth year of service;

the day before a change in the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's sixth year of service.

SECTION 4. IC 10-12-5-4, AS AMENDED BY P.L.1-2009, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 4. This section applies to supplemental benefits paid to employee beneficiaries receiving pension benefits under IC 10-12-3.** As an incentive to all employees of the department, the supplemental pension benefits of this chapter shall be increased by more than the increase provided in section 3(c) or 3(d) of this chapter, at the rate of a five percent (5%) per year increase for each year of active service over twenty (20) years up to thirty (30) years of service, as calculated in section 3(c) or 3(d) of this chapter.

SECTION 5. IC 10-12-5-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 4.5. This section applies to supplemental benefits paid to employee beneficiaries receiving pension benefits under IC 10-12-4. As an incentive to all employees of the department, the supplemental pension benefits of this chapter shall be increased by more than the increase provided in section 3(e) or 3(f) of this chapter, at the rate of a five percent (5%) per year increase for each year of active service over twenty-five (25) years up to thirty-five (35) years of service, as calculated in section 3(e) or 3(f) of this chapter.**

SECTION 6. IC 10-12-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. The supplemental pension benefits provided for in this chapter shall be paid at the same time and along with the regular pension benefits. **First time payments of and increases to supplemental pension benefits shall be paid or commence beginning in July of each year.**

