

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS  
FISCAL IMPACT STATEMENT**

**LS 6184**  
**BILL NUMBER: SB 10**

**NOTE PREPARED:** Nov 14, 2025  
**BILL AMENDED:**

**SUBJECT:** State Employee Retirement Benefits.

**FIRST AUTHOR:** Sen. Rogers  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State

**Summary of Legislation:** The bill requires the state to make contributions after December 31, 2026, that match, dollar for dollar, each state employee's deferred compensation contributions, not to exceed \$28 per paycheck. It specifies limitations on state contributions, including the availability of biennial appropriations and other amounts transferred. It also allows in certain circumstances the Budget Agency to suspend contributions, resume contributions, and make contributions that were missed due to suspension.

The bill requires the Interim Study Committee on Pension Management Oversight (PMOC) to study in each odd-numbered year whether the maximum state contribution should be increased and make a recommendation to the Budget Agency if it determines that the maximum contribution should be increased. The bill allows the Budget Agency to increase the maximum state contribution following a recommendation from PMOC.

The bill specifies a process by which portions of the funding sources for the Retirement Medical Benefits Account (RMBA) must be transferred to the state comptroller for the purpose of making matching contributions. It provides as a default rule that after December 31, 2026, each participant's membership in the RMBA is terminated, participant subaccounts are forfeited, and subaccount amounts must be transferred to the state General Fund. It specifies exceptions.

The bill requires the State Comptroller to transfer from the state General Fund to each participant's defined contribution plan an amount equal to the balance in each participant's subaccount at the time of forfeiture. It specifies a time frame within which a participant in the RMBA may elect to remain a participant.

(The introduced version of this bill was prepared by the Interim Study Committee on Pension Management Oversight (PMOC).)

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** *HoosierSTART State Match:* Increasing the state contribution match for HoosierSTART to up to \$28 per pay period would increase state expenditures for the match by up to

\$10.4 M. The additional \$13 match would be paid from appropriations, revenues, or transfers to the retiree health benefit trust that are not needed to meet RMBA funding requirements. In CY 2024, state employers made employer contributions of \$12.0 M to state employee HoosierSTART accounts to provide the current \$15 per pay period matching funds. The increase in expenditures could be lower if employees do not contribute the full match amount.

The matching amount could increase in future years based on the recommendation of PMOC and the availability of funding as determined by the State Budget Agency.

*Certain State Agencies as Employers:* State agencies that are required to pay employer contributions for the RMBA would have reduced expenditures in future years for RMBA contributions. The amount will depend on the number of employees who no longer participate in the RMBA. Impacted agencies includes state agencies not funded by the state General Fund and quasi agencies. In FY 2025, the RMBA received \$11.4 M in employer contributions. Employers paid \$790 per covered employee.

*Indiana Public Retirement System (INPRS), the State Comptroller, and the State Budget Agency:* INPRS, the State Comptroller, and the State Budget Agency will have additional workload and/or expenses to transfer funds and make the changes required under the bill.

The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions. The expenses of administering the RMBA are paid from the RMBA.

*PMOC:* In odd-numbered years, the bill requires PMOC to study whether the maximum state contribution for HoosierSTART should be increased. If PMOC were to hold additional meetings to address this topic, there would be additional expenditures for legislator per diem and travel reimbursement for the committee members. Any additional expenditures must be within the committee's budget, which is established by the Legislative Council.

*Additional Information* - The Retirement Medical Benefits Account (RMBA) is a health reimbursement account available for eligible retired state employees. The balance in retiree's RMBA may be used to reimburse retirees, spouses, and dependent children for the cost of health insurance premiums.

Active state employees each have a RMBA subaccount, and receive an annual contribution of the following amounts:

- \$500 for employees younger than 30,
- \$800 for employees who are at least 30, but younger than 40,
- \$1,100 for employees who are at least 40, but younger than 50,
- \$1,400 for employees who are at least 50.

Under current law, state employees who leave state employment before retirement forfeit the balance in their RMBA.

Under the proposal, state employees who do not elect to remain in the RMBA would have their RMBA account balances transferred to the General Fund. The value of the employee's RMBA account balance would then be deposited in the employee's HoosierSTART account. RMBA account balances include contributions to employee RMBA accounts and interest earned.

**Explanation of State Revenues:** The RMBA is funded by cigarette tax revenue and a per employee cost paid by quasi agencies and state agencies that are not funded by state General Fund appropriations. In FY 2025, the RMBA received \$23.9 M in revenue: \$12.5 M in cigarette tax revenue and \$11.4 M in employer contributions. Under the proposal, revenue from employer contributions to fund RMBA obligations would decrease. Revenue that is not needed to meet the obligations of the RMBA will be transferred to the State Comptroller to pay for matching contributions to employees' HoosierSTART accounts.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Public Retirement System, State Budget Agency, State Comptroller, Interim Study Committee on Pension Management Oversight, state agencies as employers.

**Local Agencies Affected:**

**Information Sources:** INPRS; INPRS. Retirement Medical Benefit Account Participant Handbook. <https://www.in.gov/inprs/files/RMBA-Participant-Handbook.pdf>; The State of Indiana Public Employee Deferred Compensation Plan. Financial Statements. (2024, December 31.) <https://www.in.gov/comptroller/hoosierstart/files/Hoosier-START-FS-2024-FINAL.pdf>

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