

PRINTING CODE. Deletions appear in ~~this style type~~. Insertions appear in this style type. Typeface changes are shown in **this** **style** **type** or in **this** **style** **type**.

## SENATE BILL No. 63

Proposed Changes to introduced printing by AM006301

### DIGEST OF PROPOSED AMENDMENT

Pension matters. 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. Changes or removes certain provisions to match HB 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.

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

2026

IN 63—LS 6204/DI 153



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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



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 <by>[under] IC 5-10.2-2-2(c)(3).

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



1 pension portion of the monthly benefit.

2 (d) ~~For purposes of determining t~~he 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)~~I, the applicable amount~~ is determined as follows:

6 ~~I~~ ~~I~~ If a Member's Creditable <

7 ~~I~~ ~~I~~ The Amount Is:

8 ~~I~~ ~~I~~ Service Is:

9 At least 5 years, but less than 10 years \$150

10 ~~only in the case of a member receiving  
 11 disability retirement benefits~~

12 > At least 10 years, but less than 20 years \$275

13 At least 20 years, but less than 30 years \$375

14 At least 30 years \$450~~I~~

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

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

27 ~~(g) Not later than October 1, 2026, either the fund or the state  
 28 general fund, or both, shall pay fifty dollars (\$50) to a member of  
 29 the fund (or to a survivor or beneficiary of a member) who retired  
 30 or was disabled on or before December 1, 2025, and who is entitled  
 31 to receive a monthly benefit on July 1, 2026.~~

32 > (~~h~~~~g~~) This SECTION applies notwithstanding  
 33 IC 5-10.2-12-4(b).

34 (~~h~~) This SECTION expires January 1, 202~~7~~~~8~~.

35 SECTION ~~5~~. [EFFECTIVE JULY 1, 2026] (a) As used in this  
 36 SECTION, "fund" refers to the Indiana public employees'  
 37 retirement fund established by IC 5-10.3-2-1.

38 (b) As used in this SECTION, "supplemental allowance reserve  
 39 account" refers to the supplemental allowance reserve account  
 40 established ~~by~~~~under~~ IC 5-10.2-2-2(a)(3).

41 (c) Not later than October 1, 2026, the supplemental allowance  
 42 reserve account shall pay ~~the amount determined under~~



1 ~~subsection (d)~~ to a member of the fund (or to a survivor or  
 2 beneficiary of a member) who retired or was disabled on or before  
 3 December 1, 2025, and who is entitled to receive a monthly benefit  
 4 on July 1, 2026], the amount determined under subsection (d) for  
 5 the member of the fund. The amount is not an increase in the  
 6 pension portion of the monthly benefit.

7 (d) ~~For purposes of determining t~~he amount paid under  
 8 subsection (c) to a member of the fund (or to a survivor or  
 9 beneficiary of a member) who meets the requirements of  
 10 subsection (c)], the applicable amount is determined as follows:

If a Member's Creditable Service Is:	The Amount Is:
--------------------------------------	----------------

At least 5 years, but less than 10 years	\$150
--	-------

~~←(only in the case of a member receiving disability retirement benefits)~~

At least 10 years, but less than 20 years	\$275
---	-------

At least 20 years, but less than 30 years	\$375
---	-------

At least 30 years	\$450
-------------------	-------

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

(f) If two (2) or more survivors or beneficiaries of a member are entitled to an amount paid under subsection (c), the amount shall be allocated to the survivors or beneficiaries in shares using the same percentages as the percentages determined under IC 5-10.2-3-7.5 or IC 5-10.3-8-15 to pay the monthly benefit to the survivors or beneficiaries.

~~←(g) Not later than October 1, 2026, either the fund or the state general fund, or both, shall pay fifty dollars (\$50) to a member of the fund (or to a survivor or beneficiary of a member) who retired or was disabled on or before December 1, 2025, and who is entitled to receive a monthly benefit on July 1, 2026.~~

~~> (h) This SECTION applies notwithstanding IC 5-10.2-12-4(b).~~

~~(i) This SECTION expires January 1, 2022~~

SECTION ~~[6]~~ [EFFECTIVE JULY 1, 2026] (a) As used in this SECTION, "participant" has the meaning set forth in IC 5-10-5.5-1.

(b) As used in this SECTION, "plan" refers to the state excise police, gaming agent, gaming control officer, and conservation



1 enforcement officers' retirement plan created by IC 5-10-5.5-2.

2 (c) As used in this SECTION, "supplemental allowance reserve

3 account" refers to the supplemental allowance reserve account

4 established ~~by~~<sup>under</sup> IC 5-10-5.5-4(c).

5 (d) Not later than October 1, 2026, the supplemental allowance

6 reserve account shall pay ~~the amount determined under subsection (e)~~

7 ~~to a plan participant (or to a survivor or beneficiary of a plan~~

8 ~~participant) who[:~~

9 ~~(1) retired or was disabled on or before December 1, [July 2],~~

10 ~~2025, and who[~~

11 ~~(2) is entitled to receive a monthly benefit on July 1, 2026, [as~~

12 ~~of September 1, 2026;~~

13 ~~an amount equal to one percent (1%) of the maximum basic annual~~

14 ~~pension amount payable to a retired state police employee in the grade~~

15 ~~of trooper who has completed twenty-five (25) years of service as of~~

16 ~~July 1, 2026, as calculated under IC 10-12-4-7]. The amount is not an~~

17 ~~increase in the annual retirement allowance.~~

18 ~~(e) The amount paid under subsection (d) to a plan participant (or~~

19 ~~to a survivor or beneficiary of a plan participant) who meets the~~

20 ~~requirements of subsection (d) is determined as follows:~~

21 ~~If a Plan Participant's Creditable~~

22 ~~The Amount Is:~~

23 ~~Service Is:~~

24 ~~At least 5 years, but less than 10 years~~

25 ~~\$150~~

26 ~~(only in the case of a member receiving~~

27 ~~disability retirement benefits)~~

28 ~~At least 10 years, but less than 20 years~~

29 ~~\$275~~

30 ~~At least 20 years, but less than 30 years~~

31 ~~\$375~~

32 ~~At least 30 years~~

33 ~~\$450~~

34 ~~(f) The creditable service used to determine the amount paid to a~~

35 ~~plan participant (or to a survivor or beneficiary of a plan participant)~~

36 ~~under subsection (d) is the creditable service that was used to compute~~

37 ~~the plan participant's retirement allowance under IC 5-10-5.5-10 and~~

38 ~~IC 5-10-5.5-12, except that partial years of creditable service may not~~

39 ~~be used to determine the amount paid under subsection (d).~~

40 ~~(g) [pension portion of the monthly 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~~



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 ~~(h) Not later than October 1, 2026, either the plan or the state  
 6 general fund, or both, shall pay fifty dollars (\$50) to a plan participant  
 7 (or to a survivor or beneficiary of a plan participant) who retired or was  
 8 disabled on or before December 1, 2025, and who is entitled to receive  
 9 a monthly benefit on July 1, 2026.~~

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

11 (g) This SECTION expires January 1, 202~~7~~[8].

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

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

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

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

20 (2) is entitled to receive a monthly benefit as of September 1,  
 21 2026;

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

26 (d) The amount~~s~~ paid under this SECTION~~are~~ not an  
 27 increase in the monthly pension amount of an employee  
 28 beneficiary.

29 (e) This SECTION applies notwithstanding  
 30 ~~IC 5-10.2-12-4(b)~~[IC 10-12-7-2].

31 (f) This SECTION expires January 1, 202~~7~~[8].

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

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

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

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

41 (2) is entitled to receive a monthly benefit as of September 1,  
 42 2026;



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

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

7       (e) This SECTION applies notwithstanding  
8       ~~IC 5-10.2-12-4(b)~~IC 10-12-7-2.1

9       ~~1~~ (f) This SECTION expires January 1, 202~~7~~8.1

10      ~~1~~

M

a

r

k

u

p

2026

IN 63—LS 6204/DI 153



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY