



January 23, 2026

SENATE BILL No. 69

DIGEST OF SB 69 (Updated January 22, 2026 12:18 pm - DI 120)

Citations Affected: IC 36-8.

Synopsis: 1977 pension and disability fund. Increases the lump sum death benefit payable to the heirs or estate of a 1977 fund member. Provides that a 1977 fund member may extend their deferred retirement option plan (DROP) retirement date up to 60 months after the member entered the DROP. Makes conforming changes.

Effective: July 1, 2026.

Rogers, Goode, Doriot, Donato, Niezgodski

December 8, 2025, read first time and referred to Committee on Pensions and Labor.
January 8, 2026, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.
January 22, 2026, amended, reported favorably — Do Pass.

SB 69—LS 6341/DI 153



January 23, 2026

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.

SENATE BILL No. 69

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 36-8-8-16, AS AMENDED BY P.L.28-2008,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 16. (a) Benefits paid under this section are subject
4 to section 2.5 of this chapter.

5 (b) The heirs or estate of a fund member is entitled to receive at
6 least ~~twelve thousand dollars (\$12,000)~~ **fifteen thousand dollars**
7 **(\$15,000)** upon the fund member's death, **adjusted annually by the**
8 **percentage increase, if any, in the consumer price index as**
9 **calculated under section 15 of this chapter.**

10 (c) **The board shall annually publish the total benefit payable**
11 **under this section on the board's website.**

12 SECTION 2. IC 36-8-8.5-8 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8. As used in this
14 chapter, "DROP retirement date" means the future retirement date
15 selected by a member at the time the member makes a DROP election
16 **or extension.**

17 SECTION 3. IC 36-8-8.5-10.5, AS ADDED BY P.L.129-2024,

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1 SECTION 11 AND P.L.136-2024, SECTION 57, IS AMENDED TO
2 READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10.5. (a)
3 Notwithstanding section 10 of this chapter, a member that entered the
4 DROP ~~before July 1, 2024~~; and that has not exited the DROP may elect
5 to extend the member's DROP retirement date up to sixty (60) months
6 after the member's DROP entry date.

7 (b) A member that makes the election described in subsection (a)
8 shall notify the member's employer within thirty (30) days of the
9 election.

10 SECTION 4. IC 36-8-8.5-14, AS AMENDED BY P.L.129-2024,
11 SECTION 12 AND P.L.136-2024, SECTION 58, IS AMENDED TO
12 READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 14. (a)
13 Subject to subsection (b), a member who enters the DROP established
14 by this chapter shall exit the DROP at the earliest of:

15 (1) the member's DROP retirement date;

16 (2) either:

17 (A) ~~thirty-six (36) months after the member's DROP entry~~
18 ~~date, if the member:~~

19 (i) ~~executes an election described in section 10 of this~~
20 ~~chapter before July 1, 2024; and~~

21 (ii) ~~does not execute an extension described in section 10.5~~
22 ~~of this chapter; or~~

23 (B) ~~sixty (60) months after the member's DROP entry date, if~~
24 ~~the member:~~

25 (i) ~~executes an election described in section 10 of this~~
26 ~~chapter after June 30, 2024; or~~

27 (ii) ~~executes an extension described in section 10.5 of this~~
28 ~~chapter;~~

29 (3) ~~(2) the mandatory retirement age applicable to the member, if~~
30 ~~any; or~~

31 (4) ~~(3) the date the member retires because of a disability as~~
32 ~~provided under section 16.5(d) of this chapter.~~

33 (b) A member of the 1925 fund, the 1937 fund, or the 1953 fund
34 who enters the DROP established by this chapter must exit the DROP
35 on the date the authority of the board of trustees of the Indiana public
36 retirement system to distribute from the pension relief fund established
37 under IC 5-10.3-11-1 to units of local government (described in
38 IC 5-10.3-11-3) amounts determined under IC 5-10.3-11-4.7 expires.



COMMITTEE REPORT

Mr. President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 69, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Replace the effective date in SECTION 2 with "[EFFECTIVE JANUARY 1, 2027]."

Page 1, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 1. IC 36-8-8-8, AS AMENDED BY P.L.92-2021, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2027]: Sec. 8. (a) Each fund member shall contribute during the period of the fund member's employment or for thirty-two (32) years, whichever is shorter, an amount equal to ~~six percent (6%)~~ **eight and sixty-five hundredths percent (8.65%)** of the salary of a first class patrolman or firefighter. However, the employer may pay:

(1) with respect to an agreement entered into:

- (A) before January 1, 2027; or**
- (B) after June 30, 2029;**

all or a part of the contribution for the member; **and**

(2) with respect to an agreement entered into after December 31, 2026, but before July 1, 2029:

- (A) up to six percent (6%) of the contribution for the member before July 1, 2029; and**
- (B) all or a part of the contribution for the member after June 30, 2029.**

The amount of the contribution, other than contributions paid on behalf of a member, shall be deducted each pay period from each fund member's salary by the disbursing officer of the employer. The employer shall send to the system board each year on March 31, June 30, September 30, and December 31, for the calendar quarters ending on those dates, or an alternate date established by the rules of the system board, a certified list of fund members and a warrant issued by the employer for the total amount deducted for fund members' contributions.".

Page 3, line 34, delete "July 1, 2026," and insert "**January 1, 2027**".

Page 3, line 39, delete "June 30, 2026," and insert "**December 31, 2026**".

Page 4, line 16, delete "July 1, 2026," and insert "**January 1, 2027**".

Page 4, line 24, delete "June 30, 2026," and insert "**December 31**,



2026,".

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 69 as introduced.)

ROGERS, Chairperson

Committee Vote: Yeas 11, Nays 0.

COMMITTEE REPORT

Mr. President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 69, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17.

Delete pages 2 through 4.

Page 5, delete line 1.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 69 as printed January 9, 2026.)

GARTEN, Chairperson

Committee Vote: Yeas 12, Nays 0.

