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## SENATE BILL No. 69

AM006901 has been incorporated into introduced printing.

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**Synopsis:** 1977 pension and disability fund.

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IN 69—LS 6341/DI 153



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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.

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

8 (1) **with respect to an agreement entered into:**

9 (A) **before January 1, 2027; or**

10 (B) **after June 30, 2029;**

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

12 (2) **with respect to an agreement entered into after December  
13 31, 2026, but before July 1, 2029:**

14 (A) **up to six percent (6%) of the contribution for the  
15 member before July 1, 2029; and**

2026

IN 69—LS 6341/DI 153



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**(B) all or a part of the contribution for the member after June 30, 2029.**

3 The amount of the contribution, other than contributions paid on behalf  
4 of a member, shall be deducted each pay period from each fund  
5 member's salary by the disbursing officer of the employer. The  
6 employer shall send to the system board each year on March 31, June  
7 30, September 30, and December 31, for the calendar quarters ending  
8 on those dates, or an alternate date established by the rules of the  
9 system board, a certified list of fund members and a warrant issued by  
10 the employer for the total amount deducted for fund members'  
11 contributions.

12 (b) After December 31, 2011, an employer shall submit:

13 (1) the list described in subsection (a) in a uniform format  
14 through a secure connection over the Internet or through other  
15 electronic means specified by the system board; and  
16 (2) the contributions paid by or on behalf of a member under  
17 subsection (a) by electronic funds transfer.

18 (c) Except as provided in section 7(n) or 7.2 of this chapter, if a  
19 fund member ends the fund member's employment other than by death  
20 or disability before the fund member completes twenty (20) years of  
21 active service, the system board shall return to the fund member in a  
22 lump sum the fund member's contributions plus interest at a rate  
23 specified by rule by the system board. If the fund member returns to  
24 service, the fund member is entitled to credit for the years of service for  
25 which the fund member's contributions were refunded if the fund  
26 member repays the amount refunded to the fund member plus interest  
27 at a rate specified by rule by the system board in either a lump sum or  
28 a series of payments determined by the system board.

29 SECTION 2. IC 36-8-8-11, AS AMENDED BY P.L.146-2019,  
30 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31 JANUARY 1, 2027]: Sec. 11. (a) Benefits paid under this section are  
32 subject to section 2.5 of this chapter.

(1) for a member who retires before January 1, 1986, two percent (2%) of that salary for each full year of active service; or (2) for a member who retires after December 31, 1985, one



percent (1%) of that salary for each six (6) months of active service;

3 over twenty (20) years, to a maximum of twelve (12) years.

4 (c) This subsection applies to a fund member who retires after  
5 June 30, 2019. Each fund member who qualifies for a retirement  
6 benefit payment under section 10(b) of this chapter is entitled to  
7 receive a monthly benefit equal to fifty-two percent (52%) of the  
8 monthly salary of a first class patrolman or firefighter in the year the  
9 member ended the member's active service plus one percent (1%) of  
10 that salary for each six (6) months of active service over twenty (20)  
11 years, to a maximum of twelve (12) years.

12 (d) This subsection applies to a fund member who retires before  
13 July 1, 2019. Each fund member who qualifies for a retirement benefit  
14 payment under section 10(c) of this chapter is entitled to receive a  
15 monthly benefit equal to fifty percent (50%) of the monthly salary of  
16 a first class patrolman or firefighter in the year the member ended the  
17 member's active service plus one percent (1%) of that salary for each  
18 six (6) months of active service over twenty (20) years, to a maximum  
19 of twelve (12) years; all actuarially reduced for each month (if any) of  
20 benefit payments prior to fifty-two (52) years of age, by a factor  
21 established by the fund's actuary from time to time.

22 (e) This subsection applies to a fund member who retires after  
23 June 30, 2019. Each fund member who qualifies for a retirement  
24 benefit payment under section 10(c) of this chapter is entitled to  
25 receive a monthly benefit equal to fifty-two percent (52%) of the  
26 monthly salary of a first class patrolman or firefighter in the year the  
27 member ended the member's active service plus one percent (1%) of  
28 that salary for each six (6) months of active service over twenty (20)  
29 years; to a maximum of twelve (12) years; all actuarially reduced for  
30 each month (if any) of benefit payments prior to fifty-two (52) years of  
31 age; by a factor established by the fund's actuary from time to time.

42 (B) for a member who retires after December 31, 1985,

2026

IN 69—LS 6341/DI 153



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3 over twenty (20) years, to a maximum of twelve (12) years.

11 (3) For a fund member who retires after December 31, 2026,  
12 fifty-three percent (53%) of the monthly salary of a first  
13 class patrolman or firefighter in the year the member ended  
14 the member's active service plus one and one-quarter  
15 percent (1.25%) of that salary for each six (6) months of  
16 active service over twenty (20) years, to a maximum of  
17 twelve (12) years.

21 (1) For a fund member who retires before July 1, 2019, fifty  
22 percent (50%) of the monthly salary of a first class  
23 patrolman or firefighter in the year the member ended the  
24 member's active service plus one percent (1%) of that salary  
25 for each six (6) months of active service over twenty (20)  
26 years, to a maximum of twelve (12) years, all actuarially  
27 reduced for each month (if any) of benefit payments prior to  
28 fifty-two (52) years of age, by a factor established by the  
29 fund's actuary from time to time.

30 (2) For a fund member who retires after June 30, 2019, and  
31 before January 1, 2027, fifty-two percent (52%) of the  
32 monthly salary of a first class patrolman or firefighter in the  
33 year the member ended the member's active service plus one  
34 percent (1%) of that salary for each six (6) months of active  
35 service over twenty (20) years, to a maximum of twelve (12)  
36 years, all actuarially reduced for each month (if any) of  
37 benefit payments prior to fifty-two (52) years of age, by a  
38 factor established by the fund's actuary from time to time

38 factor established by the fund's actuary from time to time.  
39 (3) For a fund member who retires after December 31, 2026,  
40 fifty-three percent (53%) of the monthly salary of a first  
41 class patrolman or firefighter in the year the member ended  
42 the member's active service plus one and one-quarter

2026

IN 69—LS 6341/DI 153



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1 percent (1.25%) of that salary for each six (6) months of  
2 active service over twenty (20) years, to a maximum of  
3 twelve (12) years, all actuarially reduced for each month (if  
4 any) of benefit payments prior to fifty-two (52) years of age,  
5 by a factor established by the fund's actuary from time to  
6 time.

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

18 SECTION 4. IC 36-8-8.5-8 IS AMENDED TO READ AS  
19 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8. As used in this  
20 chapter, "DROP retirement date" means the future retirement date  
21 selected by a member at the time the member makes a DROP election  
22 **or extension.**

23 SECTION 5. IC 36-8-8.5-10.5, AS ADDED BY P.L.129-2024,  
24 SECTION 11 AND P.L.136-2024, SECTION 57, IS AMENDED TO  
25 READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10.5. (a)  
26 Notwithstanding section 10 of this chapter, a member that entered the  
27 DROP ~~before July 1, 2024~~, and that has not exited the DROP may elect  
28 to extend the member's DROP retirement date up to sixty (60) months  
29 after the member's DROP entry date.

33 SECTION 6. IC 36-8-8.5-14, AS AMENDED BY P.L.129-2024,  
34 SECTION 12 AND P.L.136-2024, SECTION 58, IS AMENDED TO  
35 READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 14. (a)  
36 Subject to subsection (b), a member who enters the DROP established  
37 by this chapter shall exit the DROP at the earliest of:

38 (1) the member's DROP retirement date;  
39 (2) either:  
40 (A) thirty-six (36) months after the member's DROP entry  
41 date, if the member:  
42 (i) executes an election described in section 10 of this



1 chapter before July 1, 2024; and  
2 (ii) does not execute an extension described in section  
3 10.5 of this chapter; or  
4 (B) sixty (60) months after the member's DROP entry date;  
5 if the member:  
6 (i) executes an election described in section 10 of this  
7 chapter after June 30, 2024; or  
8 (ii) executes an extension described in section 10.5 of  
9 this chapter;  
10 (3) (2) the mandatory retirement age applicable to the member,  
11 if any; or  
12 (4) (3) the date the member retires because of a disability as  
13 provided under section 16.5(d) of this chapter.  
14 (b) A member of the 1925 fund, the 1937 fund, or the 1953 fund  
15 who enters the DROP established by this chapter must exit the DROP  
16 on the date the authority of the board of trustees of the Indiana public  
17 retirement system to distribute from the pension relief fund established  
18 under IC 5-10.3-11-1 to units of local government (described in  
19 IC 5-10.3-11-3) amounts determined under IC 5-10.3-11-4.7 expires.

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