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## SENATE BILL No. 69

Proposed Changes to introduced printing by AM006901

### DIGEST OF PROPOSED AMENDMENT

1977 fund. Provides that employers may pay up to 6% of member contributions during certain periods. Changes the effective date of certain provisions to January 1, 2027.

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 ~~JULY~~JANUARY 1, 202~~6~~7]: Sec. 8. (a) Each fund member  
4 shall contribute during the period of the fund member's employment or  
5 for thirty-two (32) years, whichever is shorter, an amount equal to ~~six~~  
6 ~~percent (6%)~~eight and sixty-five hundredths percent (8.65%) of the  
7 salary of a first class patrolman or firefighter. However, the employer  
8 may payl:

9 (1) with respect to an agreement entered into:

10 (A) before January 1, 2027; or

11 (B) after June 30, 2029;

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

13 (2) with respect to an agreement entered into after December

14 31, 2026, but before July 1, 2029:

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

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

19 lThe amount of the contribution, other than contributions paid on  
20 behalf of a member, shall be deducted each pay period from each fund

2026

IN 69—LS 6341/DI 153



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1 member's salary by the disbursing officer of the employer. The  
 2 employer shall send to the system board each year on March 31, June  
 3 30, September 30, and December 31, for the calendar quarters ending  
 4 on those dates, or an alternate date established by the rules of the  
 5 system board, a certified list of fund members and a warrant issued by  
 6 the employer for the total amount deducted for fund members'  
 7 contributions.

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

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

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

25 SECTION 2. IC 36-8-8-11, AS AMENDED BY P.L.146-2019,  
 26 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 ~~JULY~~JANUARY 1, 202~~6~~7]: Sec. 11. (a) Benefits paid under  
 28 this section are subject to section 2.5 of this chapter.

29 (b) This subsection applies to a fund member who retires before  
 30 July 1, 2019. Each fund member who qualifies for a retirement benefit  
 31 payment under section 10(b) of this chapter is entitled to receive a  
 32 monthly benefit equal to fifty percent (50%) of the monthly salary of  
 33 a first class patrolman or firefighter in the year the member ended the  
 34 member's active service plus:

35 (1) for a member who retires before January 1, 1986, two percent  
 36 (2%) of that salary for each full year of active service; or  
 37 (2) for a member who retires after December 31, 1985, one  
 38 percent (1%) of that salary for each six (6) months of active  
 39 service;

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

41 (c) This subsection applies to a fund member who retires after  
 42 June 30, 2019. Each fund member who qualifies for a retirement



1 benefit payment under section 10(b) of this chapter is entitled to  
 2 receive a monthly benefit equal to fifty-two percent (52%) of the  
 3 monthly salary of a first class patrolman or firefighter in the year the  
 4 member ended the member's active service plus one percent (1%) of  
 5 that salary for each six (6) months of active service over twenty (20)  
 6 years, to a maximum of twelve (12) years.

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

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

27 (b) Each fund member who qualifies for a retirement benefit  
 28 payment under section 10(b) of this chapter is entitled to receive a  
 29 monthly benefit equal to the following:

30 (1) For a fund member who retires before July 1, 2019, fifty  
 31 percent (50%) of the monthly salary of a first class  
 32 patrolman or firefighter in the year the member ended the  
 33 member's active service plus:

34 (A) for a member who retires before January 1, 1986,  
 35 two percent (2%) of that salary for each full year of  
 36 active service; or

37 (B) for a member who retires after December 31, 1985,  
 38 one percent (1%) of that salary for each six (6) months  
 39 of active service;

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

41 (2) For a fund member who retires after June 30, 2019, and  
 42 before ~~July~~January 1, 202~~6~~7, fifty-two percent



1 (52%) of the monthly salary of a first class patrolman or  
 2 firefighter in the year the member ended the member's  
 3 active service plus one percent (1%) of that salary for each  
 4 six (6) months of active service over twenty (20) years, to a  
 5 maximum of twelve (12) years.

6 (3) For a fund member who retires after ~~June~~[December]  
 7 ~~3~~0~~0~~1, 2026, fifty-three percent (53%) of the monthly  
 8 salary of a first class patrolman or firefighter in the year the  
 9 member ended the member's active service plus one and  
 10 one-quarter percent (1.25%) of that salary for each six (6)  
 11 months of active service over twenty (20) years, to a  
 12 maximum of twelve (12) years.

13 (c) 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 the following:

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

25 (2) For a fund member who retires after June 30, 2019, and  
 26 before ~~July~~[January] 1, 202~~2~~6~~7~~1, fifty-two percent  
 27 (52%) of the monthly salary of a first class patrolman or  
 28 firefighter in the year the member ended the member's  
 29 active service plus one percent (1%) of that salary for each  
 30 six (6) months of active service over twenty (20) years, to a  
 31 maximum of twelve (12) years, all actuarially reduced for  
 32 each month (if any) of benefit payments prior to fifty-two  
 33 (52) years of age, by a factor established by the fund's  
 34 actuary from time to time.

35 (3) For a fund member who retires after ~~June~~[December]  
 36 ~~3~~0~~0~~1, 2026, fifty-three percent (53%) of the monthly  
 37 salary of a first class patrolman or firefighter in the year the  
 38 member ended the member's active service plus one and  
 39 one-quarter percent (1.25%) of that salary for each six (6)  
 40 months of active service over twenty (20) years, to a  
 41 maximum of twelve (12) years, all actuarially reduced for  
 42 each month (if any) of benefit payments prior to fifty-two



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

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

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

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

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

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

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

35 (2) either:

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

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

2026

IN 69—LS 6341/DI 153



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1 if the member:

2 (i) executes an election described in section 10 of this

3 chapter after June 30, 2024; or

4 (ii) executes an extension described in section 10.5 of

5 this chapter;

6 (3) (2) the mandatory retirement age applicable to the member,

7 if any; or

8 (4) (3) the date the member retires because of a disability as

9 provided under section 16.5(d) of this chapter.

10 (b) A member of the 1925 fund, the 1937 fund, or the 1953 fund

11 who enters the DROP established by this chapter must exit the DROP

12 on the date the authority of the board of trustees of the Indiana public

13 retirement system to distribute from the pension relief fund established

14 under IC 5-10.3-11-1 to units of local government (described in

15 IC 5-10.3-11-3) amounts determined under IC 5-10.3-11-4.7 expires. [

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2026

IN 69—LS 6341/DI 153



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