
SENATE BILL No. 69

AM006903 has been incorporated into January 9, 2026 printing.

Synopsis: 1977 pension and disability fund.

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SB 69—LS 6341/DI 153



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

January 9, 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
 22 10.5 of this chapter; or

23 (B) sixty (60) months after the member's DROP entry date,
 24 if 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
 28 this chapter;

29 (3) (2) the mandatory retirement age applicable to the member,
 30 if 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.

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