

IC 5-10.3

ARTICLE 10.3. THE PUBLIC EMPLOYEES' RETIREMENT FUND

IC 5-10.3-1

Chapter 1. Definitions

IC 5-10.3-1-1

"Board"

Sec. 1. "Board" as used in this article means the board of trustees of the Indiana public retirement system established by IC 5-10.5-3-1. *As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.23-2011, SEC.13.*

IC 5-10.3-1-2

"Employer"

Sec. 2. Employer. "Employer" as used in this article means the state for employees of the state and a political subdivision for its employees. *As added by Acts 1977, P.L.53, SEC.3.*

IC 5-10.3-1-2.5

"Director"

Sec. 2.5. As used in this article, "director" refers to the director of the Indiana public retirement system established by IC 5-10.5-2-1. *As added by P.L.5-1990, SEC.6. Amended by P.L.23-2011, SEC.14.*

IC 5-10.3-1-3

"Fund"

Sec. 3. Fund. "Fund" as used in this article means the public employees' retirement fund. *As added by Acts 1977, P.L.53, SEC.3.*

IC 5-10.3-1-4

"Governing body"

Sec. 4. "Governing body" means the fiscal body of a county, city, town, or township, board of school commissioners, library board, or any board which by law is authorized to fix a rate of taxation on property of a political subdivision, or any other board which is empowered to administer the affairs of any department of a political subdivision, which department receives revenue independently of, or in addition to, funds obtained from taxation. *As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.8-1987, SEC.10; P.L.8-1989, SEC.20.*

IC 5-10.3-1-5

"Member"

Sec. 5. Member. "Member" as used in this article means persons

qualifying for membership under IC 5-10.3-7-1.
As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-1-6
"Political subdivision"

Sec. 6. Political Subdivision. "Political subdivision" as used in this article means a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-1-7
Repealed

(Repealed by P.L.5-1990, SEC.24.)

IC 5-10.3-1-8
Gender; number

Sec. 8. Gender; Number. (a) When a masculine pronoun is used in this article, it refers to the masculine, feminine, or neuter, as appropriate.

(b) The singular form of any noun used in this article includes the plural, and the plural includes the singular, as appropriate.
As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-1-9
"Member's contribution"

Sec. 9. As used in this article, "member's contribution" includes contributions paid by the employer for members of the fund.
As added by P.L.41-1983, SEC.6. Amended by P.L.35-1985, SEC.18.

IC 5-10.3-2

Chapter 2. The Public Employees' Retirement Fund

IC 5-10.3-2-0.3

Legalization of payment of certain benefits

Sec. 0.3. If before June 1, 1985, the board approved a member's choice of retirement date that preceded the member's application for benefits, payments made as a result of the choice of retirement date are legalized.

As added by P.L.220-2011, SEC.77.

IC 5-10.3-2-0.4

Validation of certain board actions

Sec. 0.4. (a) If the board, the state, or a political subdivision denied, after December 31, 1986, an employee of the state or the political subdivision who was sixty (60) years of age or older the option not to join the fund, the denial is validated.

(b) Actions taken by the board before March 5, 1988, that would have been valid under IC 5-10.3-7-3(a), as amended by P.L.46-1988, are validated.

As added by P.L.220-2011, SEC.78.

IC 5-10.3-2-1

Establishment and administration of fund

Sec. 1. (a) The public employees' retirement fund of Indiana, referred to as the fund, is established to pay benefits to officers and employees of the state and its political subdivisions after specified years of service and under other specified circumstances. The purpose of the fund is to promote economy and efficiency in the administration of state and local government by providing an orderly way for members to be retired without prejudice and without inflicting hardship on the retired member.

(b) The fund is a trust. The board of trustees of the Indiana public retirement system shall administer the fund and implement this article, without the supervision of the department of insurance.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.23-2011, SEC.15.

IC 5-10.3-2-2

Interests in fund

Sec. 2. No individual, group of persons, or entity has a right to any specific security, property, or cash other than an undivided interest in the whole fund as specified in this article.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.28-1984, SEC.3.

IC 5-10.3-2-3

Legislative intent; public obligations

Sec. 3. The general assembly intends that, to the extent specified in this article, the payments to the fund by the state or the participating political subdivisions, the payment of all benefits, the payment of interest credits, and the payment of administration expenses are obligations of the state and the participating political subdivisions. However, this obligation is not a guarantee that the amount credited to a member in the annuity savings account will not vary in value as a result of the performance of the investment program selected by the member under IC 5-10.2-2, unless the member selected the guaranteed program (before its elimination on January 1, 2017), in which case the obligation is such a guarantee. *As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.35-1985, SEC.19; P.L.193-2016, SEC.13.*

IC 5-10.3-2-4

Participation in fund or state defined contribution plan by qualifying employees of eligible entity

Sec. 4. (a) The following definitions apply throughout this section:

- (1) "Defined contribution plan" refers to the public employees' defined contribution plan established under IC 5-10.3-12.
- (2) "Eligible entity" means an entity that is eligible but not required to participate in the public employees' retirement fund.
- (3) "Qualifying employee" means an employee who would be eligible under IC 5-10.3-7 to become a member of the fund, if the employee's employer were to participate in the fund.

(b) Except as otherwise provided in this section, if an eligible entity wishes to offer a retirement plan to a qualifying employee, the eligible entity must provide the retirement plan to the qualifying employee by participating in the fund or the defined contribution plan.

(c) If, on July 1, 2015, an eligible employer is providing a retirement plan other than the fund or the defined contribution plan to a departmental, occupational, or other definable classification of an eligible entity's employees, the qualifying employees in the departmental, occupational, or other classification of employees may continue to participate in the retirement plan, regardless of whether the qualifying employees in the departmental, occupational, or other definable classification begin employment with the eligible entity after June 30, 2015.

(d) An eligible entity may offer a retirement plan other than the fund or the defined contribution plan to an employee, if the employee is not a qualifying employee.

As added by P.L.241-2015, SEC.10.

IC 5-10.3-3

Chapter 3. The Board of Trustees

IC 5-10.3-3-1

Repealed

(As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.36-1996, SEC.1; P.L.246-2001, SEC.9; P.L.62-2005, SEC.4. Repealed by P.L.23-2011, SEC.31.)

IC 5-10.3-3-2

Repealed

(As added by Acts 1977, P.L.53, SEC.3. Repealed by P.L.23-2011, SEC.31.)

IC 5-10.3-3-3

Repealed

(As added by Acts 1977, P.L.53, SEC.3. Repealed by P.L.23-2011, SEC.31.)

IC 5-10.3-3-4

Repealed

(As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.25-1994, SEC.6; P.L.62-2005, SEC.5. Repealed by P.L.23-2011, SEC.31.)

IC 5-10.3-3-5

Repealed

(As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.28-1984, SEC.4. Repealed by P.L.23-2011, SEC.31.)

IC 5-10.3-3-6

Repealed

(As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.62-2005, SEC.6. Repealed by P.L.23-2011, SEC.31.)

IC 5-10.3-3-7

Repealed

(As added by Acts 1977, P.L.53, SEC.3. Amended by Acts 1979, P.L.17, SEC.6; P.L.35-1985, SEC.20; P.L.5-1990, SEC.7; P.L.119-2000, SEC.4; P.L.107-2010, SEC.2. Repealed by P.L.23-2011, SEC.31.)

IC 5-10.3-3-7.1

Annual analysis of fund

Sec. 7.1. The board shall annually analyze for internal control purposes the fund's;

- (1) income and expenditures;
- (2) actuarial condition;
- (3) reserve accounts;

- (4) investments; and
- (5) such other data as necessary to interpret the fund's condition and the board's administration of the fund.

As added by Acts 1979, P.L.17, SEC.7.

IC 5-10.3-3-8

Repealed

(As added by Acts 1977, P.L.53, SEC.3. Amended by Acts 1977(ss), P.L.1, SEC.2; P.L.35-1985, SEC.21; P.L.43-1991, SEC.4; P.L.22-1998, SEC.7; P.L.119-2000, SEC.5; P.L.61-2002, SEC.7; P.L.183-2003, SEC.1. Repealed by P.L.23-2011, SEC.31.)

IC 5-10.3-3-9

Repealed

(As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.46-1988, SEC.1; P.L.5-1990, SEC.8; P.L.115-2009, SEC.9. Repealed by P.L.23-2011, SEC.31.)

IC 5-10.3-3-10

Actuary; duties

Sec. 10. The actuary shall perform the duties specified in this article and in IC 5-10.2 and all other duties assigned by the board.
As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.23-2011, SEC.16.

IC 5-10.3-4

Chapter 4. State Officers of the Fund

IC 5-10.3-4-1

Repealed

(As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.46-1988, SEC.2. Repealed by P.L.115-2009, SEC.21.)

IC 5-10.3-4-2

Repealed

(As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.5-1990, SEC.9; P.L.62-2005, SEC.7. Repealed by P.L.115-2009, SEC.21.)

IC 5-10.3-4-3

Attorney general

Sec. 3. The Attorney General. The attorney general of the state is the legal advisor of the board.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-5

Chapter 5. Accounts; Investments

IC 5-10.3-5-1

Accounts in fund

Sec. 1. Accounts in the Fund. The fund consists of separate annuity savings and retirement allowance accounts established and administered as specified in IC 5-10.2-2.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-5-2

Employer contributions; federal money

Sec. 2. Employer Contributions; Federal Moneys. (a) The state shall make contributions to the retirement allowance account as specified in IC 5-10.2-2. Participating political subdivisions shall make contributions as specified in chapter 6 of this article.

(b) If members receive compensation from federal funds, the board shall at the end of each fiscal year determine the employer's contribution, excluding administration expenses, to be paid from federal funds. The amount shall be determined by such method adopted by the board as results in an equitable sharing of the employer contribution by the federal government on account of members receiving compensation from federal funds.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-5-3

Investments of assets; management agreements; board exemptions on sale of surplus personal property or state property

Sec. 3. (a) The board shall invest its assets with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The board shall also diversify such investments in accordance with prudent investment standards, subject to the limitations and restrictions set forth in IC 5-10.2-2-18.

(b) The board may invest up to five percent (5%) of the excess of its cash working balance in debentures of the corporation for innovation development subject to IC 30-4-3-3.

(c) The board is not subject to IC 4-13, IC 4-13.6, and IC 5-16 when managing real property as an investment. Any management agreements entered into by the board must ensure that the management agent acts in a prudent manner with regard to the purchase of goods and services. Contracts for the management of investment property shall be submitted to the governor, the attorney general, and the budget agency for approval. A contract for management of real property as an investment:

(1) may not exceed a four (4) year term and must be based upon guidelines established by the board;

(2) may provide that the property manager may collect rent and make disbursements for routine operating expenses such as utilities, cleaning, maintenance, and minor tenant finish needs;

(3) must establish, consistent with the board's duty under IC 30-4-3-3(c), guidelines for the prudent management of expenditures related to routine operation and capital improvements; and

(4) may provide specific guidelines for the board to purchase new properties, contract for the construction or repair of properties, and lease or sell properties without individual transactions requiring the approval of the governor, the attorney general, the Indiana department of administration, and the budget agency. However, each individual contract involving the purchase or sale of real property is subject to review and approval by the attorney general at the specific request of the attorney general.

(d) Whenever the board takes bids in managing or selling real property, the board shall require a bid submitted by a trust (as defined in IC 30-4-1-1(a)) to identify all of the following:

(1) Each beneficiary of the trust.

(2) Each settlor empowered to revoke or modify the trust.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.51-1983, SEC.1; P.L.46-1988, SEC.3; P.L.336-1989(ss), SEC.14; P.L.1-1991, SEC.34; P.L.37-1996, SEC.1; P.L.49-1997, SEC.26; P.L.224-2003, SEC.187.

IC 5-10.3-5-3.1

Board transactions subject to qualification requirements of Internal Revenue Code

Sec. 3.1. The board's transactions under section 3 of this chapter are subject to IC 5-10.2-2-1.5.

As added by P.L.55-1989, SEC.22.

IC 5-10.3-5-4

Investments

Sec. 4. (a) Securities shall be held for the fund by banks or trust companies under a custodial agreement. Income, interest, proceeds of sale, materials, redemptions, and all other receipts from securities and other investments which the board retains for the cash working balance shall be deposited as authorized by the board.

(b) The board may contract with investment counsel, trust companies, or banks to assist the board in its investment program.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.46-1988, SEC.4; P.L.55-1993, SEC.2; P.L.195-1999, SEC.19; P.L.1-2002, SEC.16; P.L.115-2009, SEC.10.

IC 5-10.3-5-5

Custodians

Sec. 5. (a) The custodians must be banks or trust companies that are domiciled in the United States and approved by the board to:

- (1) act in a fiduciary capacity; and
- (2) manage custodial accounts;

on behalf of the fund.

(b) The board is authorized to accept safekeeping receipts for securities held by the custodians. Each custodian must have a combined capital and surplus of at least ten million dollars (\$10,000,000) according to the last published report of condition for the bank or trust company and have physical custody of such securities. The state board of accounts is authorized to rely on safekeeping receipts from the custodian. The custodian may be authorized by the agreement to:

- (1) hold securities and other investments in the name of the fund, in the name of a nominee of the custodian, or in bearer form;
- (2) collect and receive income, interest, proceeds of sale, maturities, redemptions, and all other receipts from the securities and other investments;
- (3) deposit all the receipts collected and received under subdivision (2) in a custodian account or checking account as instructed by the board;
- (4) reinvest the receipts collected and received under subdivision (2) as directed by the board;
- (5) maintain accounting records and prepare reports which are required by the board and the state board of accounts; and
- (6) perform other services for the board as are customary and appropriate for custodians.

(c) The custodian is responsible for all securities held in the name of its nominee for the fund.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.46-1988, SEC.5; P.L.25-1994, SEC.7; P.L.72-2003, SEC.1; P.L.97-2004, SEC.19; P.L.90-2008, SEC.2.

IC 5-10.3-5-6

Termination of agreements

Sec. 6. Termination of Agreements and Contracts. The board may terminate contracts and custodial agreements with investment counsel, trust companies and banks and may recover securities and moneys held under the custodial agreements whenever the board considers these actions necessary to protect the fund.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-5-7

Actuarial reports; status of reserve account; charges against difference between reserves in account and accrued liability

Sec. 7. (a) After each fiscal year, the actuary shall report the status of the reserve account for persons receiving benefits from the fund.

The report must contain a statement of the reserves in the account and the accrued liability for these persons.

(b) Taking into consideration the actuary's report, the board shall after June 30, 1985, charge the costs of postretirement benefit increases against any difference between the reserves in the account and the accrued liability. However, the board may withhold from the difference, as a contingency reserve, an amount less than or equal to two percent (2%) of the reserve. If the amount of the difference is insufficient to meet the costs of the postretirement benefit increases, the excess shall be charged against each employer's account in the retirement allowance account on a prorata basis.

As added by Acts 1977, P.L.53, SEC.3. Amended by Acts 1977(ss), P.L.2, SEC.3; P.L.50-1985, SEC.2.

IC 5-10.3-6

Chapter 6. Participation by Political Subdivisions

IC 5-10.3-6-0.5

"Plan"

Sec. 0.5. As used in this chapter, "plan" refers to the public employees' defined contribution plan under IC 5-10.3-12.

As added by P.L.241-2015, SEC.11.

IC 5-10.3-6-1

Admission to fund or plan

Sec. 1. (a) The governing body of a political subdivision may adopt an ordinance or resolution specifying a departmental, occupational, or other definable classification of employees:

- (1) who are required to become members of the fund;
- (2) who are required to become members of the plan; or
- (3) who may each elect whether to become members of the fund or members of the plan.

An ordinance or resolution adopted by the governing body of a political subdivision under this subsection that specifies the departmental, occupational, or other definable classification of employees who are required under subdivision (2) to become members of the plan or who may under subdivision (3) elect whether to become members of the fund or plan may not take effect before January 2, 2016. A political subdivision may become a participant in the fund or the plan, or both, as applicable, if the ordinance or resolution is filed with and approved by the board.

(b) An ordinance or resolution adopted under subsection (a) that includes a provision described under subsection (a)(3) may also include one (1) of the following provisions:

- (1) If an employee who may elect whether to become a member of the fund or a member of the plan does not make an election under IC 5-10.3-7-1.1, the employee becomes a member of the plan.
- (2) If an employee who may elect whether to become a member of the fund or a member of the plan does not make an election under IC 5-10.3-12-20.5, the employee becomes a member of the fund.

If an ordinance or resolution adopted under subsection (a) that includes a provision described under subsection (a)(3) does not include either of the provisions described in subdivision (1) or (2), subdivision (2) applies to the departmental, occupational, or other definable classification of employees that may elect to become members of the fund or members of the plan.

(c) If an ordinance or resolution adopted under subsection (a) includes a provision described under subsection (a)(2) or (a)(3), or both, the ordinance or resolution must include a specification of the political subdivision's contribution rate to the plan as a percentage of

each member's compensation. Each year, the political subdivision's contribution rate specified under this subsection must be greater than or equal to zero percent (0%) and may not exceed the percentage that would produce the normal cost for participation in the fund under IC 5-10.2-2-11, if the political subdivision were a participant in the fund. If a provision specifying the political subdivision's contribution rate is not included in the ordinance or resolution, the political subdivision's contribution rate to the plan is zero percent (0%).

(d) If an ordinance or resolution adopted under subsection (a) includes a provision described under subsection (a)(2) or (a)(3), or both, the ordinance or resolution must include a specification of the political subdivision's matching rate that is the percentage of each member's additional contributions to the plan that the political subdivision will match. A political subdivision may specify only:

- (1) zero percent (0%); or
- (2) fifty percent (50%).

If a provision specifying the political subdivision's matching rate is not included in the ordinance or resolution, the political subdivision's matching rate for the plan is zero percent (0%).

(e) A governing body may include in its ordinance or resolution adopted under subsection (a) a determination of the date from which prior service for its employees will be computed. Creditable service for these employees is determined under IC 5-10.3-7-7.5.

(f) The effective date of participation is the earlier of January 1 or July 1 after the date of approval. However, no retirement benefit may be paid until six (6) months after the effective date of participation. *As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.60-1987, SEC.1; P.L.241-2015, SEC.12.*

IC 5-10.3-6-1.5

Authorized agent in third class city or town

Sec. 1.5. (a) This section applies to a third class city or a town.

(b) The clerk-treasurer of a city or town is that city's or town's authorized agent for all matters concerning the fund and the plan.

As added by P.L.69-1995, SEC.1. Amended by P.L.241-2015, SEC.13.

IC 5-10.3-6-2

Preliminary survey

Sec. 2. The governing body may request a preliminary survey, at its expense as determined by the board, to determine the estimated cost of participation. The board and its actuary shall give an estimate of the costs, the benefits, and other appropriate information.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.246-2001, SEC.10; P.L.23-2011, SEC.17.

IC 5-10.3-6-3

Powers of governing body

Sec. 3. Powers of the Governing Body. After a political subdivision becomes a participant, its governing body may make appropriations, make payments, and do all things required by this article.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-6-4

Accounts

Sec. 4. The board shall maintain separate accounts for each contribution rate group. Credits and charges to these accounts shall be made as prescribed in IC 5-10.2-2 and IC 5-10.3-12, as applicable.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.23-2011, SEC.18; P.L.241-2015, SEC.14.

IC 5-10.3-6-5

Repealed

(As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.47-1985, SEC.6; P.L.54-1993, SEC.12. Repealed by P.L.23-2011, SEC.31.)

IC 5-10.3-6-6

Appropriations and payments by school corporations

Sec. 6. Appropriations and Payments by School Corporations. A school corporation shall make the appropriations and payments required of participating political subdivisions from its general fund.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-6-7

Collection of payments

Sec. 7. (a) If the employer or political subdivision fails to make payments required by this chapter, the amount payable may be:

- (1) withheld by the auditor of state from moneys payable to the employer or subdivision and transferred to the fund or the plan, as applicable; or
- (2) recovered in a suit in the circuit or superior court of the county in which the political subdivision is located. The suit shall be an action by the state on the relation of the board, prosecuted by the attorney general.

(b) If:

- (1) service credit is verified for a member who has filed an application for retirement benefits; and
- (2) the member's employer at the time the service credit was earned has not made contributions for or on behalf of the member for the service credit;

liability for the unfunded service credit shall be charged against the employer's account and collected by the fund as provided in subsection (a). Processing of a member's application for retirement benefits may not be delayed by an employer's failure to make contributions for the service credit earned by the member while the

member was employed by the employer.

(c) If the employer or political subdivision fails to file the reports or records required by this chapter or by IC 5-10.3-7-12.5, the auditor of state shall:

(1) withhold the penalty described in IC 5-10.3-7-12.5 from money payable to the employer or the political subdivision; and

(2) transfer the penalty to the fund or the plan, as applicable.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.195-1999, SEC.20; P.L.115-2009, SEC.11; P.L.241-2015, SEC.15.

IC 5-10.3-6-8

Withdrawal of political subdivision

Sec. 8. (a) As used in this section, "withdrawing political subdivision" means a political subdivision that takes an action described in subsection (b).

(b) Subject to the provisions of this section, a political subdivision may do the following:

(1) Stop its participation in the fund and withdraw all of the political subdivision's employees from participation in the fund.

(2) Withdraw a departmental, an occupational, or other definable classification of employees from participation in the fund.

(3) Stop the political subdivision's participation in the fund by:

(A) selling all of the political subdivision's assets; or

(B) ceasing to exist as a political subdivision.

(c) The withdrawal of a political subdivision's participation in the fund is effective on a termination date established by the board. The termination date may not occur before all of the following have occurred:

(1) The withdrawing political subdivision has provided written notice of the following to the board:

(A) The withdrawing political subdivision's intent to cease participation.

(B) The names of the withdrawing political subdivision's current employees and former employees as of the date on which the notice is provided.

(2) The expiration of:

(A) a ninety (90) day period following the filing of the notice with the board, for a withdrawing political subdivision that sells all of the withdrawing political subdivision's assets or that ceases to exist as a political subdivision; or

(B) a two (2) year period following the filing of the notice with the board, for all other withdrawing political subdivisions.

(3) The withdrawing political subdivision takes all actions required in subsections (d) through (g).

(d) With respect to retired members who have creditable service

with the withdrawing political subdivision, the withdrawing political subdivision must contribute to the fund any additional amounts that the board determines are necessary to provide for reserves with sufficient assets to pay all future benefits from the fund to those retired members attributable to service with the withdrawing political subdivision. The contribution by the withdrawing political subdivision must be made in a lump sum or in a series of payments over a term determined by the board that does not exceed thirty (30) years.

(e) A member who is an employee of the political subdivision as of the date of the notice under subsection (c) is vested in the pension portion of the member's retirement benefit. The withdrawing political subdivision must contribute to the fund the amount the board determines is necessary to fund fully the vested benefit attributable to service with the withdrawing political subdivision. The contribution by the withdrawing political subdivision must be made in a lump sum or in a series of payments over a term determined by the board that does not exceed thirty (30) years.

(f) A member who is covered by subsection (e) and who is at least sixty-five (65) years of age may elect to retire under IC 5-10.2-4-1 even if the member has fewer than ten (10) years of service. The benefit for the member shall be computed under IC 5-10.2-4-4 using the member's actual years of service.

(g) With respect to members of the fund who have creditable service with the withdrawing political subdivision and who are not employees as of the date of the notice under subsection (c), the withdrawing political subdivision must contribute the amount that the board determines is necessary to fund fully the service for those members that is attributable to service with the withdrawing political subdivision. The contribution by the withdrawing political subdivision must be made in a lump sum or in a series of payments over a term determined by the board that does not exceed thirty (30) years.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.28-1984, SEC.5; P.L.22-1993, SEC.4; P.L.241-2015, SEC.16.

IC 5-10.3-6-8.2

Freeze in participation by political subdivision

Sec. 8.2. (a) The following definitions apply throughout this section:

(1) "Freeze" or "freeze participation in the fund" means to take an action described under subsection (b)(1), (b)(2), or (b)(3).

(2) "Freezing political subdivision" means a political subdivision that freezes its participation in the fund.

(b) Subject to the provisions of this section, a political subdivision that did not take an action described in this subsection before the effective date of this section may adopt an ordinance or resolution, which may not be effective before January 2, 2016, to do the

following:

- (1) Determine a date (which may not be before January 2, 2016):
 - (A) before which newly hired employees of a departmental, occupational, or other definable classification of employees are eligible to participate in the fund; and
 - (B) on or after which newly hired employees of the departmental, occupational, or other definable classification of employees are not eligible to participate in the fund.
 - (2) Determine a date (which may not be before January 2, 2016):
 - (A) before which newly hired employees of a departmental, occupational, or other definable classification of employees are required to participate in the fund; and
 - (B) on or after which newly hired employees of the departmental, occupational, or other definable classification of employees are allowed to choose whether to participate in a retirement benefit system other than the fund.
 - (3) Modify the political subdivision's employee classification scheme as of a specified date (which may not be before January 2, 2016) in such a way that there is at least one (1) position that:
 - (A) is covered by the fund before the specified date; and
 - (B) is not covered by the fund on or after the specified date.
- (c) A political subdivision that freezes its participation in the fund after December 31, 2010, shall do the following:
- (1) Provide written notice of the following to the board:
 - (A) The action that was taken under subsection (b) by the freezing political subdivision.
 - (B) The effective date of the action taken under subsection (b).
 - (C) The employee classifications that:
 - (i) are covered by the fund before the effective date of the freeze; and
 - (ii) will not be covered by the fund on or after the effective date of the freeze.
 - (D) The names of the freezing political subdivision's current employees and former employees as of the date on which the notice is provided.
 - (2) Comply with subsections (d) through (f).
- (d) With respect to retired members who have creditable service with the freezing political subdivision, the freezing political subdivision shall contribute to the fund any additional amounts that the board determines are necessary to provide for reserves with sufficient assets to pay all future benefits from the fund to those retired members attributable to service with the freezing political subdivision. The board shall collaborate with the freezing political subdivision by sharing the actuarial method and report. The contribution by the freezing political subdivision must be made in a

lump sum or in a series of payments over a term that does not exceed thirty (30) years, as determined by the freezing political subdivision.

(e) With respect to members of the fund who have creditable service with the freezing political subdivision and who are not employees as of the effective date on which the political subdivision freezes its participation in the fund, the freezing political subdivision shall contribute the amount that the board determines is necessary to fund fully the service for those members that is attributable to service with the freezing political subdivision. The board shall collaborate with the freezing political subdivision by sharing the actuarial method and report. The contribution by the freezing political subdivision must be made in a lump sum or in a series of payments over a term that does not exceed thirty (30) years, as determined by the freezing political subdivision.

(f) With respect to members of the fund who are employees of the freezing political subdivision as of the date of the notice under subsection (c), the freezing political subdivision shall continue to contribute the amounts required under IC 5-10.2-2-11 for those employees for the duration of their employment with the freezing political subdivision. In addition, the freezing political subdivision shall contribute to the fund the amount the board determines is necessary to fund fully the benefits attributable to service with the freezing political subdivision that are vested or will become vested and are not anticipated to be fully funded through the continuing contributions under IC 5-10.2-2-11 during the duration of the members' employment with the freezing political subdivision. The board shall collaborate with the freezing political subdivision by sharing the actuarial method and report. The contribution by the freezing participating entity must be made in a lump sum or in a series of payments over a term that does not exceed thirty (30) years, as determined by the freezing political subdivision.

(g) The Indiana public retirement system may do any of the following to determine a political subdivision's compliance with this section:

- (1) Require reports from the political subdivision.
- (2) Audit the political subdivision.

As added by P.L.241-2015, SEC.17.

IC 5-10.3-6-8.3

Retirement plans offered by political subdivision that withdraws from or freezes participation in fund

Sec. 8.3. (a) This section applies to a political subdivision that:

- (1) either:
 - (A) withdraws from the fund under section 8 of this chapter;
 - or
 - (B) freezes its participation in the fund as described in section 8.2 of this chapter; and
- (2) chooses thereafter to offer a retirement plan to its

employees.

(b) Except as provided in subsection (c), a political subdivision to which this section applies may offer a retirement plan to its employees only by participating in the defined contribution plan under IC 5-10.3-12.

(c) If, on July 1, 2015, a political subdivision to which this section applies has established or is otherwise participating in a defined contribution plan other than the defined contribution plan under IC 5-10.3-12, the political subdivision may continue to participate in the defined contribution plan in which the political subdivision participated on July 1, 2015.

As added by P.L.241-2015, SEC.18.

IC 5-10.3-6-8.5

Certain state university employees involved in health care

Sec. 8.5. (a) This section only applies if:

(1) certain employees of a state university in a departmental, occupational, or other definable classification involved in health care are terminated from employment with the state university as a result of:

(A) a lease or other transfer of university property to a nongovernmental entity; or

(B) a contractual arrangement with a nongovernmental entity to perform certain state university functions;

(2) the state university requests coverage under this section from the board; and

(3) the board approves the request.

(b) The withdrawal of the employees described in subsection (a) from the fund is effective on a termination date established by the board. The board may not establish a termination date that occurs before all of the following have occurred:

(1) The state university has requested coverage under this section and provided written notice of the following to the board:

(A) The intent of the state university to terminate the employees from employment.

(B) The names of the terminated employees as of the date that the termination is to occur.

(2) The expiration of a thirty (30) day period following the filing of the notice with the board.

(3) The state university fully complies with subsection (c).

(c) A member who is an employee of the state university described in subsection (a) as of the date of the notice under subsection (b) and who is listed in the notice under subsection (b) is vested in the pension portion of the member's retirement benefit. The state university must contribute to the fund the amount the board determines is necessary to completely fund the vested benefit. The contribution by the state university must be made in a lump sum or

in a series of payments determined by the board.

(d) A member who is covered by subsection (c) and who is at least sixty-five (65) years of age may elect to retire under IC 5-10.2-4-1 even if the member has less than ten (10) years of service. The benefit for the member shall be computed under IC 5-10.2-4-4 using the member's actual years of creditable service.

(e) The board shall evaluate each withdrawal under this section to determine if the withdrawal affects the fund's compliance with Section 401(a) of the Internal Revenue Code of 1954, as in effect on September 1, 1974. The board may deny an employee permission to withdraw if the denial is necessary to achieve compliance with Section 401(a) of the Internal Revenue Code of 1954, as in effect on September 1, 1974.

As added by P.L.38-1996, SEC.1.

IC 5-10.3-6-8.9

State employee terminations resulting from lease or contractual arrangement with nongovernmental entity

Sec. 8.9. (a) This section applies when certain employees of the state in particular departmental, occupational, or other definable classifications are terminated from employment with the state as a result of:

- (1) a lease or other transfer of state property to a nongovernmental entity; or
- (2) a contractual arrangement with a nongovernmental entity to perform certain state functions.

(b) The governor shall request coverage under this section from the board whenever an employee of the state is terminated as described in subsection (a).

(c) The board must approve a request from the governor under subsection (b) unless approval violates subsection (k), federal or state law, or the terms of the fund.

(d) As used in this section, "early retirement" means a member is eligible to retire with a reduced pension under IC 5-10.2-4-1, because the member:

- (1) is at least fifty (50) years of age; and
- (2) has at least fifteen (15) years of creditable service.

(e) As used in this section, "normal retirement" means a member is eligible to retire under IC 5-10.2-4-1, because:

- (1) the member is at least sixty-five (65) years of age and has at least ten (10) years of creditable service;
- (2) the member is at least sixty (60) years of age and has at least fifteen (15) years of creditable service; or
- (3) the member's age in years plus the member's years of service is at least eighty-five (85) and the member is at least fifty-five (55) years of age.

(f) The withdrawal of the employees described in subsection (a) from the fund is effective on a termination date established by the

board. The board may not establish a termination date that occurs before all of the following have occurred:

(1) The governor has requested coverage under this section and provided written notice of the following to the board:

(A) The intent of the state to terminate the employees from employment.

(B) The names of the terminated employees as of the date that the termination is to occur.

(2) The expiration of a thirty (30) day period following the filing of the notice with the board.

(3) The state complies with subsections (g) and (i).

(g) A member who:

(1) is an employee of the state described in subsection (a) with at least twenty-four (24) months of creditable service as of the date of the notice under subsection (f); and

(2) is listed in the notice under subsection (f);

is vested in the pension portion of the member's retirement benefit. The state must contribute to the fund the amount the board determines is necessary to completely fund the vested benefit. The contribution by the state must be made in a lump sum or in a series of payments determined by the board. The benefit for the member shall be computed under IC 5-10.2-4-4 using the member's actual years of creditable service.

(h) A member who is covered by subsection (g) and who is at least sixty-five (65) years of age as of the date of the notice under subsection (f) may elect to retire under IC 5-10.2-4-1 even if the member has less than ten (10) years of service. The benefit for the member shall be computed under IC 5-10.2-4-4 using the member's actual years of creditable service.

(i) A member who is covered by subsection (f) and who, as of the date of the notice under subsection (f), is less than twenty-four (24) months from being eligible for normal or early retirement under IC 5-10.2-4-1 may elect to retire by purchasing the service credit needed for retirement under the following conditions:

(1) The state shall contribute to the fund an amount determined under IC 5-10.2-3-1.2 and payable from the sources described in subsection (j) sufficient to pay the member's contributions required for the member's purchase of the service credit the member needs to retire.

(2) The maximum amount of creditable service that the state may purchase for a member under this subsection is twenty-four (24) months.

(3) The benefit for the member shall be computed under IC 5-10.2-4-4 using the member's actual years of creditable service plus all other service for which the fund gives credit, including the creditable service purchased under this subsection.

(j) The amounts that the state is required to contribute to the fund

under subsection (i) must come from the following sources:

(1) If the state receives monetary payments under the lease or contractual arrangement described in subsection (a), the proceeds of the monetary payments received by the state. The state may not require, as a condition of the transaction to transfer state property or have certain state functions performed by a nongovernmental entity, that the nongovernmental entity directly or indirectly pay the amounts that the state is required to contribute under subsection (i).

(2) If the state does not receive any monetary payments under the lease or contractual arrangement described in subsection (a), any remaining appropriations made to the state department, agency, or other entity terminating the employees described in subsection (a).

(3) If the sources described in subdivisions (1) and (2) do not fully fund the amounts that the state is required to contribute to the fund under subsection (i), the board shall request that the general assembly appropriate the amount necessary to fully fund the state's required contribution under subsection (i) in the next biennial state budget.

(k) The board shall evaluate each withdrawal under this section to determine if the withdrawal affects the fund's compliance with Section 401(a) of the Internal Revenue Code of 1954, as in effect on September 1, 1974. The board may deny an employee permission to withdraw if the denial is necessary to achieve compliance with Section 401(a) of the Internal Revenue Code of 1954, as in effect on September 1, 1974.

As added by P.L.47-2006, SEC.3 and P.L.158-2006, SEC.3.

IC 5-10.3-6-9

Participation of political subdivision with retirement system

Sec. 9. Participation of Political Subdivision with Retirement Systems. If a political subdivision has a retirement system for its employees, it must conduct a referendum, at which seventy-five percent (75%) of all active and retired members vote for participation, before it may follow the procedures in this chapter for participation.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-6-10

Transfer of assets

Sec. 10. (a) If a political subdivision with a retirement system becomes a participant, the moneys and securities in the retirement system shall be transferred to the fund. If the securities to be transferred are not acceptable to the board, they shall be converted to cash, which shall be transferred to the fund.

(b) If there are insufficient funds transferred under subsection (a), then the political subdivision shall pay the fund, either in a single

payment or in installment payments approved by the board, the amount needed. If the political subdivision is unable to make any payment, the board may reduce proportionately each benefit payable to retired members.

(c) The liabilities of a retirement system which is transferred to the fund are not liabilities of the fund, except as provided by agreement between the fund and the political subdivision.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.23-2011, SEC.19.

IC 5-10.3-6-11

(Repealed by P.L.16-1986, SEC.85.)

IC 5-10.3-7

Chapter 7. Membership; Creditable Service; Contributions; Withdrawal

IC 5-10.3-7-0.1

Application of certain amendments to chapter

Sec. 0.1. The amendments made to section 5 of this chapter by P.L.184-2001 apply only to members of the public employees' retirement fund or the Indiana state teachers' retirement fund who retire after June 30, 2001.

As added by P.L.220-2011, SEC.79.

IC 5-10.3-7-0.3

Legalization of certain actions under section 2 of chapter

Sec. 0.3. Actions taken before April 16, 1987, that would have been valid under section 2 of this chapter, as amended by P.L.62-1987, are legalized and validated.

As added by P.L.220-2011, SEC.80.

IC 5-10.3-7-1

Members of fund

Sec. 1. (a) This section does not apply to:

- (1) members of the general assembly; or
- (2) employees covered by section 3 of this chapter.

(b) As used in this section, "employees of the state" includes:

- (1) employees of the judicial circuits whose compensation is paid from state funds;
- (2) elected and appointed state officers;
- (3) prosecuting attorneys and deputy prosecuting attorneys of the judicial circuits, whose compensation is paid in whole or in part from state funds, including participants in the prosecuting attorneys retirement fund established under IC 33-39-7;
- (4) employees in the classified service;
- (5) employees of any state department, institution, board, commission, office, agency, court, or division of state government receiving state appropriations and having the authority to certify payrolls from appropriations or from a trust fund held by the treasurer of state or by any department;
- (6) employees of any state agency that is a body politic and corporate;
- (7) except as provided under IC 5-10.5-7-4, employees of the board of trustees of the Indiana public retirement system;
- (8) persons who:
 - (A) are employed by the state;
 - (B) have been classified as federal employees by the United States Secretary of Agriculture; and
 - (C) are excluded from coverage as federal employees by the federal Social Security program under 42 U.S.C. 410;

(9) the directors and employees of county offices of family and children;

(10) employees of the center for agricultural science and heritage (the barn); and

(11) members and employees of the state lottery commission.

(c) An employee of the state or of a participating political subdivision who:

(1) became a full-time employee of the state or of a participating political subdivision in a covered position; and

(2) had not become a member of the fund;

before April 1, 1988, shall on April 1, 1988, become a member of the fund unless the employee is excluded from membership under section 2 of this chapter.

(d) Except as otherwise provided, any individual who becomes a full-time employee of the state or of a participating political subdivision in a covered position after March 31, 1988, becomes a member of the fund on the date the individual's employment begins unless the individual is excluded from membership under section 2 of this chapter.

(e) An individual:

(1) who becomes a full-time employee of a political subdivision in a covered position after June 30, 2015;

(2) who is employed by a political subdivision that has elected in an ordinance or resolution adopted under IC 5-10.3-6-1 and approved by the board to require an employee in the covered position to become a member of the fund; and

(3) who is not excluded from membership under section 2 of this chapter;

becomes a member of the fund on the date the individual's employment begins.

(f) An individual:

(1) who becomes a full-time employee of a political subdivision in a covered position after an ordinance or resolution described in subdivision (2) that is adopted by the political subdivision has been approved by the board;

(2) who is employed by a political subdivision that has elected in an ordinance or resolution adopted under IC 5-10.3-6-1 and approved by the board:

(A) to allow an employee in the covered position to become a member of the fund or a member of the public employees' defined contribution plan at the discretion of the employee; and

(B) to require an employee in a covered position to make an election under IC 5-10.3-12-20.5 in order to become a member of the plan;

(3) who does not make an election under IC 5-10.3-12-20.5 to become a member of the public employees' defined contribution plan; and

(4) who is not excluded from membership under section 2 of this chapter;
becomes a member of the fund on the date the individual's employment begins.

(g) An individual:

(1) who becomes a full-time employee of a political subdivision in a covered position after an ordinance or resolution described in subdivision (2) that is adopted by the political subdivision has been approved by the board;

(2) who is employed by a political subdivision that has elected in an ordinance or resolution adopted under IC 5-10.3-6-1 and approved by the board:

(A) to allow an employee in the covered position to become a member of the fund or the public employees' defined contribution plan at the discretion of the employee; and

(B) to require an employee to make an election under section 1.1 of this chapter in order to become a member of the fund;

(3) who does make an election under section 1.1 of this chapter to become a member of the fund; and

(4) who is not excluded from membership under section 2 of this chapter;

becomes a member of the fund on the date the individual's employment begins.

As added by Acts 1977, P.L.53, SEC.3. Amended by Acts 1978, P.L.24, SEC.4; Acts 1982, P.L.37, SEC.2; P.L.41-1983, SEC.7; P.L.31-1984, SEC.1; P.L.35-1985, SEC.23; P.L.16-1986, SEC.2; P.L.61-1987, SEC.1; P.L.46-1988, SEC.6; P.L.62-1989, SEC.1; P.L.4-1993, SEC.7; P.L.5-1993, SEC.18; P.L.98-2004, SEC.67; P.L.91-2004, SEC.1; P.L.35-2012, SEC.81; P.L.195-2013, SEC.9; P.L.241-2015, SEC.19.

IC 5-10.3-7-1.1

Election by employee of political subdivision to become fund member; failure to make election

Sec. 1.1. (a) An individual:

(1) who becomes a full-time employee of a political subdivision in a covered position after an ordinance or resolution described in subdivision (2) that is adopted by the political subdivision has been approved by the board;

(2) who is employed by a political subdivision that has elected in an ordinance or resolution adopted under IC 5-10.3-6-1 and approved by the board:

(A) to allow an employee in the covered position to become a member of the fund or the public employees' defined contribution plan at the discretion of the employee; and

(B) to require an employee to make an election under this section in order to become a member of the fund; and

(3) who is not excluded from membership under section 2 of

this chapter;
may elect to become a member of the fund.

(b) An election under this section:

- (1) must be made in writing on a form prescribed by the board;
- (2) must be filed with the board; and
- (3) is irrevocable.

(c) An individual who:

- (1) is eligible to make the election under this section; and
- (2) does not make the election;

becomes a member of the public employees' defined contribution plan.

(d) An individual described in subsection (a) who separates from employment with a political subdivision and later returns to employment with the political subdivision having had an opportunity to make an election under this section during an earlier period of employment with the political subdivision is not entitled to a second opportunity to make an election under this section with respect to the individual's employment with the political subdivision.

As added by P.L.241-2015, SEC.20. Amended by P.L.209-2016, SEC.1.

IC 5-10.3-7-2

Exclusions from membership

Sec. 2. The following employees may not be members of the fund:

(1) Officials of a political subdivision elected by vote of the people, unless the governing body specifically provides for the participation of locally elected officials.

(2) Employees occupying positions normally requiring performance of service of less than six hundred (600) hours during a year who:

(A) were hired before July 1, 1982; or

(B) are employed by a participating school corporation.

(3) Independent contractors or officers or employees paid wholly on a fee basis.

(4) Employees who occupy positions that are covered by other pension or retirement funds or plans, maintained in whole or in part by appropriations by the state or a political subdivision, except:

(A) the federal Social Security program; and

(B) the prosecuting attorneys retirement fund established by IC 33-39-7-9.

(5) Managers or employees of a license branch of the bureau of motor vehicles commission, except those persons who may be included as members under IC 9-14-10.

(6) Employees, except employees of a participating school corporation, hired after June 30, 1982, occupying positions normally requiring performance of service of less than one thousand (1,000) hours during a year.

(7) Persons who:

(A) are employed by the state;

(B) have been classified as federal employees by the Secretary of Agriculture of the United States; and

(C) are covered by the federal Social Security program as federal employees under 42 U.S.C. 410.

As added by Acts 1977, P.L.53, SEC.3. Amended by Acts 1978, P.L.24, SEC.5; Acts 1982, P.L.37, SEC.3; P.L.31-1984, SEC.2; P.L.42-1986, SEC.1; P.L.62-1987, SEC.1; P.L.61-1987, SEC.2; P.L.341-1989(ss), SEC.5; P.L.62-1989, SEC.2; P.L.2-1991, SEC.26; P.L.98-2004, SEC.68; P.L.195-2013, SEC.10; P.L.198-2016, SEC.10.

IC 5-10.3-7-2.5

Constables

Sec. 2.5. Notwithstanding the provisions of section 2 of this chapter, any constable who:

(1) is not otherwise eligible for membership in the public employees' retirement fund; and

(2) was enrolled erroneously in the public employees' retirement fund as a contributing member;

is eligible for membership in the public employees' retirement fund and is entitled to receive the benefits provided by that fund.

As added by Acts 1981, P.L.51, SEC.1.

IC 5-10.3-7-2.7

Police officers and firefighters

Sec. 2.7. (a) This section applies only to an individual who:

(1) began service as a police officer or firefighter and became a member of a police officers' pension fund or firefighters' pension fund before 1980;

(2) began service in another position (referred to in this section as the "PERF position") and was enrolled erroneously as a contributing member of the public employees' retirement fund with respect to the PERF position before 1980;

(3) made contributions to the public employees' retirement fund with respect to the PERF position as if the individual had been legally enrolled in that fund;

(4) after 1991 was denied service credit in the public employees' retirement fund with respect to all or part of the individual's service in the PERF position because of the individual's service in the police officer or firefighter position described in subdivision (1); and

(5) claims service credit in PERF and applies for membership in PERF before January 1, 2000.

(b) Notwithstanding the provisions of section 2 of this chapter, an individual described in subsection (a) who:

(1) is not otherwise eligible for membership in the public

employees' retirement fund; and
(2) was enrolled erroneously in the public employees' retirement fund as a contributing member;
is eligible for membership in the public employees' retirement fund and is entitled to receive the benefits provided by that fund.
As added by P.L.195-1999, SEC.21.

IC 5-10.3-7-3

Optional membership

Sec. 3. (a) Members of the general assembly, including members who:

- (1) completed their service before July 1, 1987; and
- (2) were not members of the fund during their service in the general assembly;

are entitled to become, at their option, members of the fund. A member of the general assembly who completed his service before July 1, 1987, in order to become a member of the fund must apply to the board for membership and must present evidence satisfactory to the board of his prior service. Such a member of the general assembly may become a member without any service after June 30, 1987.

(b) Notwithstanding the exclusion specified in section 2(4) of this chapter, a member of the general assembly who is a member of the Indiana state teachers' retirement fund and who retires after June 30, 1980, may choose at his retirement date to become a member of the public employees' retirement fund and to receive his retirement benefit from the fund.

(c) An employee who:

- (1) was hired before July 1, 1982; or
- (2) is employed by a participating school corporation;

and who is occupying a position normally requiring performance of services of less than one thousand (1,000) hours a year may at his option be a member of the fund.

As added by Acts 1977, P.L.53, SEC.3. Amended by Acts 1980, P.L.28, SEC.8; Acts 1982, P.L.37, SEC.4; P.L.30-1984, SEC.2; P.L.381-1987(ss), SEC.2; P.L.46-1988, SEC.7.

IC 5-10.3-7-3.5

State lottery commission members and employees

Sec. 3.5. (a) As used in this section, "commission" refers to the state lottery commission established under IC 4-30-3-1.

(b) Not later than July 1, 2014, for each member or employee of the commission who:

- (1) is a participant in a defined benefit retirement plan offered by the commission before July 1, 2013; and
- (2) becomes a member of the fund on July 1, 2013, under IC 4-30-3-14.5;

the commission shall transfer from the lottery commission defined

benefit retirement plan to the retirement allowance account of the fund the amount required to fund the pension portion of each participant's accrued retirement benefit, calculated as if the participant had been in the fund during the participant's service with the lottery commission as of July 1, 2013. If the assets in the lottery commission defined benefit retirement plan are not sufficient to fund the retirement benefit accrued as of July 1, 2013, for the participants described in this subsection, the commission shall pay to the fund, either in a single payment or in installment payments approved by the board, the amount needed to fund the accrued retirement benefits as described in this subsection.

(c) No amounts shall be transferred as of July 1, 2013, to the annuity savings account of the fund for a member described in subsection (b).

(d) A member or employee of the commission who becomes a member of the fund on July 1, 2013, is entitled to receive creditable service in the fund for all service performed for the commission before July 1, 2013.

(e) The liabilities of a retirement plan offered by the commission before July 1, 2013, whose participants are transferred on July 1, 2013, to the fund are not liabilities of the fund, except as provided by agreement between the fund and the commission.

(f) This section shall not be interpreted to diminish the amount of the benefits previously accrued by any member of the commission's plan who is transferred to the fund under this section. To the extent that the member's benefit exceeds the amount due from the fund, the remaining obligation shall be that of the commission alone.

(g) A member or employee of the commission who becomes a member of the fund on July 1, 2013, under IC 4-30-3-14.5 is vested in the pension portion of the member's retirement benefit from the fund. To the extent that the amount transferred to the fund under this section is not sufficient to fund the cost for vesting under this subsection, the remaining obligation shall be that of the commission alone.

As added by P.L.195-2013, SEC.11.

IC 5-10.3-7-4

Creditable service

Sec. 4. Except as provided in section 7.5 of this chapter, creditable service is determined as specified in IC 5-10.2-3-1. Members also receive credit for service as specified in this chapter. *As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.60-1987, SEC.2.*

IC 5-10.3-7-4.3

Public employees' defined contribution plan service credit purchase

Sec. 4.3. (a) A member of the fund who is also a member of the

public employees' defined contribution plan may purchase and claim years of service credit in the fund subject to the following requirements:

(1) The member has at least one (1) year of credited service in the fund.

(2) The member has at least ten (10) years of credited service in a covered position in the fund before the member may claim the years of service credit.

(3) After acquiring one (1) year of credited service in the fund and before the member retires, the member must make the following contributions to the fund:

(A) Contributions that are equal to the product of the following:

(i) The member's salary at the time the member makes a contribution for the service credit.

(ii) A percentage rate, as determined by the actuary of the fund, based on the age of the member at the time the member makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased.

(iii) The number of years of service credit that the member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary of the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

(b) A member:

(1) who terminates employment before becoming eligible to receive a monthly allowance; or

(2) who receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the federal Social Security Act;

may withdraw the personal contributions made under this section plus accumulated interest after submitting an application for a refund to the fund in the manner prescribed by the board.

(c) The following apply to the purchase of service credit under this section:

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of service credit in the fund.

(2) A member may elect to make a transfer of the vested portion of the member's annuity savings account balance attributable to participation in the public employees' defined contribution plan to purchase service credit in the fund.

(3) The board may deny an application for the purchase of service credit in the fund if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.

(4) A member may not claim the service credit for the purpose of determining eligibility or computing benefits unless the member has made all the payments required for the purchase of the service credit.

As added by P.L.209-2016, SEC.2.

IC 5-10.3-7-4.5

Out-of-state service credit purchase

Sec. 4.5. (a) As used in this section, "out-of-state service" means service in another state in a comparable position that would be creditable service if performed in Indiana.

(b) Subject to subsections (c) through (f), a member may purchase and claim out-of-state service credit if the member meets the following requirements:

(1) The member has at least one (1) year of creditable service in the fund.

(2) Before the member retires, the member makes contributions to the fund as follows:

(A) Contributions that are equal to the product of the following:

(i) The member's salary at the time the member actually makes a contribution for the service credit.

(ii) A rate, determined by the actuary of the fund, based on the age of the member at the time the member actually makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased.

(iii) The number of years of out-of-state service the member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary for the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

(3) The member has received verification from the fund that the out-of-state service is, as of that date, valid.

(c) Out-of-state years that qualify a member for retirement in an out-of-state system or in any federal retirement system may not be granted under this section.

(d) At least ten (10) years of service in Indiana is required before a member may receive a benefit based on out-of-state service credits.

(e) A member who:

(1) terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance; or

(2) receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the Social Security Act;

may withdraw the purchase amount plus accumulated interest after

submitting a properly completed application for a refund to the fund.

(f) The following apply to the purchase of service credit under this section:

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of the service credit. The board shall determine the length of the period during which the payments must be made.

(2) The board may deny an application for the purchase of service credit if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.

(3) A member may not claim the service credit for purposes of determining eligibility or computing benefits unless the member has made all payments required for the purchase of the service credit.

As added by P.L.5-1997, SEC.4. Amended by P.L.22-1998, SEC.8; P.L.8-2015, SEC.2.

IC 5-10.3-7-4.6

In-state service credit purchase

Sec. 4.6. (a) Subject to the provisions of this section, a member may purchase and claim service credit for the member's prior service in a position covered by the 1925 police pension fund under IC 36-8-6, the 1937 firefighters' pension fund under IC 36-8-7, or the 1953 police pension fund under IC 36-8-7.5 if the member meets the following requirements:

(1) The member has at least one (1) year of credited service in the fund.

(2) The member has not attained vested status in and is not an active member of the 1925 police pension fund, the 1937 firefighters' pension fund, or the 1953 police pension fund.

(3) Before the member retires, the member makes contributions to the fund as follows:

(A) Contributions that are equal to the product of the following:

(i) The member's salary at the time the member actually makes a contribution for the service credit.

(ii) A rate, determined by the actuary of the fund, based on the age of the member at the time the member actually makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased.

(iii) The number of years of service credit the member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary for the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

(4) The member has received verification from the fund that the service in the 1925 police pension fund, the 1937 firefighters' pension fund, or the 1953 police pension fund is, as of that date, valid.

(b) At least ten (10) years of service in Indiana is required before a member may receive a benefit based on service credits purchased under this section.

(c) A member who:

(1) terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance; or

(2) receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the Social Security Act;

may withdraw the purchase amount plus accumulated interest after submitting a properly completed application for a refund to the fund.

(d) The following apply to the purchase of service credit under this section:

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of the service credit. The board shall determine the length of the period during which the payments must be made.

(2) The board may deny an application for the purchase of service credit if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.

(3) A member may not claim the service credit for purposes of determining eligibility or computing benefits unless the member has made all payments required for the purchase of the service credit.

As added by P.L.195-1999, SEC.22. Amended by P.L.8-2015, SEC.3.

IC 5-10.3-7-4.7

Purchase of service credit earned in 1977 police officers' and firefighters' pension and disability fund

Sec. 4.7. (a) As used in this section, "1977 fund" refers to the 1977 police officers' and firefighters' pension and disability fund established by IC 36-8-8-4.

(b) A member may purchase and claim service credit for the member's prior service in a position covered by the 1977 fund subject to the following:

(1) The member must have at least one (1) year of credited service in the fund.

(2) The member must not have attained vested status in and may not be an active member of the 1977 fund.

(3) The member must have at least ten (10) years of credited service in the fund before the member may claim the service credit.

(4) Before the member retires, the member must make contributions to the fund as follows:

(A) Contributions that are equal to the product of the following:

(i) The member's salary at the time the member makes a contribution for the service credit.

(ii) A percentage rate, as determined by the actuary of the fund, based on the age of the member at the time the member makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased.

(iii) The number of years of 1977 fund service the member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary of the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

(5) The member must receive verification from the fund that the member's service in the 1977 fund is valid.

(c) If a member meets the requirements to purchase service credit under this section and applies to purchase service credit under this section, the board shall transfer from the 1977 fund to the retirement allowance account of the fund:

(1) the member's contributions made under IC 36-8-8-8(a), if the contributions were not returned to the member under IC 36-8-8-8(c); plus

(2) the present value of the unreduced benefit payable upon retirement under IC 36-8-8-10 that is attributable to the member.

The amount a member must contribute to the fund under subsection (b)(4) is reduced by the amount transferred to the fund under this subsection.

(d) A member who:

(1) terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance; or

(2) receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the federal Social Security Act;

may withdraw the personal contributions made under this section plus accumulated interest after submitting to the fund a properly completed application for a refund.

(e) The following apply to the purchase of service credit under this section:

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of the service credit. The board shall determine the length of the period during which the payments must be made.

(2) The board may deny an application for the purchase of service credit if the purchase would exceed the limitations

under Section 415 of the Internal Revenue Code.

(3) A member may not claim the service credit for purposes of determining eligibility or computing benefits unless the member has made all payments required for the purchase of the service credit.

(f) If the requirements of subsection (b) are satisfied, credit for the member's service in a position covered by the 1977 fund that is purchased under this section is waived.

(g) To the extent permitted by the Internal Revenue Code and applicable regulations, the fund may accept, on behalf of a fund member who is purchasing service credit under this section, a rollover of a distribution from any of the following:

(1) A qualified plan described in Section 401(a) or 403(a) of the Internal Revenue Code.

(2) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.

(3) An eligible plan that is maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state under Section 457(b) of the Internal Revenue Code.

(4) An individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code.

(h) To the extent permitted by the Internal Revenue Code and applicable regulations, the fund may accept, on behalf of a member who is purchasing service credit under this section, a trustee to trustee transfer from any of the following:

(1) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.

(2) An eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code.

(i) The member's employer may pay all or a part of the member's contributions required for the purchase of service credit under this section. In that event, the actuary shall determine the amortization, and subsections (d), (e)(1), (e)(3), and (g) do not apply.

As added by P.L.8-2015, SEC.4.

IC 5-10.3-7-4.8

State quasi-governmental entity service credit purchase

Sec. 4.8. (a) As used in this section, "state quasi-governmental entity service" means service in Indiana that would be considered creditable service if performed by an employee of a member of the fund by an individual who:

(1) provided the service as an employee of a body corporate and politic, nonprofit corporation established by the state, or other quasi-governmental entity that performed a state governmental function; and

(2) was not a member of the fund under section 1 of this chapter during the period of employment.

(b) A member may purchase and claim state quasi-governmental entity service credit subject to the following:

(1) The member must have at least one (1) year of credited service in the fund.

(2) The member must have at least ten (10) years of in-state credited service before the member may claim the service credit.

(3) Before the member retires, the member must make contributions to the fund:

(A) that are equal to the product of:

(i) the member's salary at the time the member actually makes a contribution for the service credit;

(ii) a percentage rate, as determined by the actuary of the fund, based on the age of the member at the time the member makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased; and

(iii) the number of years of state quasi-governmental entity service the member intends to purchase; and

(B) for any accrued interest, at a rate determined by the actuary of the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

(4) The member must provide verification of the service with the state quasi-governmental entity in a manner prescribed by the fund.

(c) State quasi-governmental entity service that qualifies a member for retirement in a private retirement system or a federal retirement system may not be granted under this section.

(d) A member who:

(1) terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance; or

(2) receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the federal Social Security Act;

may withdraw the personal contributions made under the contributory plan plus accumulated interest after submitting to the fund a properly completed application for a refund.

(e) The following apply to the purchase of service credit under this section:

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of the service credit. The board shall determine the length of the period during which the payments must be made.

(2) The board may deny an application for the purchase of service credit if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.

(3) A member may not claim the service credit for purposes of determining eligibility or computing benefits unless the member has made all payments required for the purchase of the service credit.

As added by P.L.148-2007, SEC.1. Amended by P.L.8-2015, SEC.5.

IC 5-10.3-7-5

Military service credit

Sec. 5. (a) A member who:

- (1) enters the United States armed services;
- (2) leaves the member's contributions in the fund;
- (3) except as provided in subsection (c), resumes service with the member's employer within one hundred twenty (120) days after the member's unconditional discharge; and
- (4) would be entitled to service credit for military service under the Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. 4301 et seq.) if the member had resumed service with the member's employer within ninety (90) days after discharge;

is entitled to service credit for the armed service.

(b) A state employee who left employment before January 1, 1946, or an employee of a political subdivision who left employment before the participation date, to enter the United States armed services is entitled to service credit for the armed service if the member:

- (1) except as provided in subsection (c), resumes service with the employer within one hundred twenty (120) days after the member's unconditional discharge; and
- (2) would be entitled to service credit for military service under the applicable requirements of federal law in effect at the time of reemployment if the employee had resumed service with the employee's employer within ninety (90) days after discharge.

(c) The board shall extend the one hundred twenty (120) day reemployment requirement contained in subsection (a)(3) or (b)(1) if the board determines that an illness, an injury, or a disability related to the member's military service prevented the member from resuming employment within one hundred twenty (120) days after the member's discharge from military service. However, the board may not extend the deadline beyond thirty (30) months after the member's discharge.

(d) If a member retires and the board subsequently determines that the member is entitled to additional service credit due to the extension of a deadline under subsection (c), the board shall recompute the member's benefit. However, the additional service credit may be used only in the computation of benefits to be paid after the date of the board's determination, and the member is not entitled to a recomputation of benefits received before the date of the board's determination.

(e) Notwithstanding any provision of this section, a member is entitled to service credit and benefits in the amount and to the extent required by the Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. 4301 et seq.).

(f) Subject to the provisions of this section, an active member may purchase and claim not more than two (2) years of service credit for the member's service on active duty in the armed services if the member meets the following conditions:

(1) The member has at least one (1) year of credited service in the fund.

(2) The member serves on active duty in the armed services of the United States for at least six (6) months.

(3) The member receives an honorable discharge from the armed services.

(4) Before the member retires, the member makes contributions to the fund as follows:

(A) Contributions that are equal to the product of the following:

(i) The member's salary at the time the member actually makes a contribution for the service credit.

(ii) A rate, determined by the actuary of the fund, that is based on the age of the member at the time the member actually makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased.

(iii) The number of years of service credit the member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary of the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

However, a member is entitled to purchase service credit under this subsection only to the extent that service credit is not granted for that time under another provision of this section. At least ten (10) years of service in Indiana is required before a member may receive a benefit based on service credits purchased under this section. A member who terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance or receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the federal Social Security Act may withdraw the purchase amount plus accumulated interest after submitting a properly completed application for a refund to the fund.

(g) The following apply to the purchase of service credit under subsection (f):

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of the service

credit. The board shall determine the length of the period during which the payments must be made.

(2) The board may deny an application for the purchase of service credit if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.

(3) A member may not claim the service credit for purposes of determining eligibility or computing benefits unless the member has made all payments required for the purchase of the service credit.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.43-1991, SEC.5; P.L.5-1997, SEC.5; P.L.184-2001, SEC.8; P.L.8-2015, SEC.6.

IC 5-10.3-7-6

Leave service credit

Sec. 6. Leave Service. (a) A member is entitled to service credit for adoption leave of not more than one (1) year and for leaves of absence, granted under rules in force at the time of the leave, totaling six (6) months or less during any period of four (4) consecutive years.

(b) A member may make contributions during the leave of absence based on his rate of compensation on the date his leave of absence began.

(c) Notwithstanding any law, this section must be administered in a manner consistent with the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.). A member on a leave of absence that qualifies for the benefits and protections afforded by the Family and Medical Leave Act is entitled to receive credit for vesting and eligibility purposes to the extent required by the Family and Medical Leave Act, but is not entitled to receive credit for service for benefit purposes unless the leave is described in subsection (a).

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.5-1997, SEC.6; P.L.195-1999, SEC.23.

IC 5-10.3-7-7

Service credits for public service

Sec. 7. (a) A member with at least one (1) year of service in a position covered by the fund after January 1, 1946, shall receive credit for years of service at any time as any of the following:

- (1) A member of the general assembly.
- (2) An elected state official.
- (3) A prosecuting attorney of a judicial circuit.
- (4) A judge who is covered by the judges' retirement system but who is ineligible for its benefits.
- (5) A member of the armed services if the member joined the armed services while the member was a member of the general assembly, including credit for the unexpired term if the unexpired term of the member of the general assembly was

longer than the armed service.
As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.381-1987(ss), SEC.3; P.L.5-1988, SEC.34.

IC 5-10.3-7-7.5

Exclusion of service before prior service credit date contained in resolution

Sec. 7.5. Notwithstanding IC 5-10.2-3-1, for the purpose of computing benefits the creditable service of a member covered by an ordinance or resolution adopted by a political subdivision's governing body under IC 5-10.3-6-1(e) excludes all service with the political subdivision before the prior service credit date contained in the resolution. However, service with the political subdivision before the prior service credit date shall be considered for the purpose of determining eligibility for benefits.

As added by P.L.60-1987, SEC.3. Amended by P.L.241-2015, SEC.21.

IC 5-10.3-7-7.7

Employees of township trustee's office; service credit

Sec. 7.7. (a) For the purposes of computing benefits and determining eligibility, a member who:

- (1) has at least one (1) year of service in a position covered by the fund;
- (2) became a member of the fund after December 31, 1987;
- (3) was at least sixty (60) years of age when the member joined the fund; and
- (4) before January 1, 1988, was an employee of a township trustee's office:
 - (A) located in a county having a consolidated city; and
 - (B) participating in the fund;

is entitled to service credit as provided in subsections (b) and (c).

(b) A member who is qualified under subsection (a) is entitled to service credit for the time the member:

- (1) was an employee of a township trustee's office described in subsection (a)(4);
- (2) was employed in a position covered by the fund; and
- (3) was not a member of the fund.

(c) To receive service credit under this section, a member must pay into the fund the amount the member would have contributed if the member had been a member of the fund for the period described in subsection (b).

As added by P.L.1-1990, SEC.59.

IC 5-10.3-7-7.8

Repealed

(Repealed by P.L.1-1990, SEC.60.)

IC 5-10.3-7-7.9

Service credits; eligibility; computation

Sec. 7.9. (a) This section applies to a person who is or was an employee of the office of a township executive in a county having a consolidated city.

(b) Except as provided in subsection (d), for the purposes of computing benefits and determining eligibility, a member who:

(1) has at least one (1) year of service in a position covered by the fund;

(2) became a member of the fund after December 31, 1987;

(3) was at least sixty (60) years of age when the member joined the fund; and

(4) was an employee of the state or a political subdivision participating in the fund, or both, before January 1, 1988;

is entitled to service credit as provided in subsection (c).

(c) A member who is qualified under subsection (b) is entitled to service credit for the time the member:

(1) was an employee of the state or a political subdivision participating in the fund, or both;

(2) was employed in a position covered by the fund; and

(3) was not a member of the fund.

(d) To receive service credit under this section, a member must pay into the fund the amount the member would have contributed if the member had been a member of the fund for the period described in subsection (c).

As added by P.L.1-1990, SEC.61.

IC 5-10.3-7-8

Other service

Sec. 8. Other Service. The board may establish rules to govern the determination of service in cases not specifically provided for in this article or in IC 5-10.2-3.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-7-9

Member contributions

Sec. 9. (a) This section:

(1) does not apply to a retired member who begins a period of reemployment in a covered position more than thirty (30) days after the member's retirement, except as provided in subdivision (2); or

(2) applies to the entire period of reemployment for a retired member of the public employees' retirement fund who, before July 1, 2013, begins a period of reemployment in a covered position.

(b) Each member shall contribute three percent (3%) of the member's compensation to the fund as specified in IC 5-10.2-3. However, for a member who is a state employee, the employer shall

pay the contribution for the member, and for a member who is not a state employee, the employer may pay all or a part of the contribution for the member.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.41-1983, SEC.8; P.L.35-1985, SEC.22; P.L.55-1989, SEC.23; P.L.246-2001, SEC.11; P.L.195-2013, SEC.12.

IC 5-10.3-7-9.5

Rollover contributions; trustee to trustee transfers; liability for income tax consequences of transfers

Sec. 9.5. (a) The fund may accept cash rollover contributions from a member who is making payments for additional service credits under this chapter if the following conditions are met:

- (1) The rollover contribution must represent:
 - (A) all or a portion of the member's interest in a retirement plan of a former employer which is qualified under Section 401(a) of the Internal Revenue Code and which permits the interest to be transferred to the fund as a qualifying rollover contribution under the Internal Revenue Code;
 - (B) all or a portion of the member's interest from an individual retirement account or annuity described in Section 408(a) or Section 408(b) of the Internal Revenue Code;
 - (C) all or a portion of the member's interest in:
 - (i) a qualified plan described in Section 403(a) of the Internal Revenue Code; or
 - (ii) an annuity contract or account described in Section 403(b) of the Internal Revenue Code; or
 - (D) all or a portion of the member's interest in an eligible plan that is maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state under Section 457(b) of the Internal Revenue Code.
- (2) The amount of the rollover contributions may not exceed the amount of payment required to purchase the service credits under this chapter.
- (3) The rollover contributions may contain only tax-deferred contributions and earnings on the contributions, and may not include any post-tax contributions.
- (4) The member must be otherwise eligible to purchase the service credit under this chapter.

(b) To the extent permitted by the Internal Revenue Code and the applicable regulations, the fund may accept, on behalf of a member who is purchasing permissive service credit under this chapter, a trustee to trustee transfer from:

- (1) an annuity contract or account described in Section 403(b) of the Internal Revenue Code; or
- (2) an eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code.

(c) The fund, the board, and their respective members, officers, and employees do not have any responsibility or liability with respect to the federal and state income tax consequences of any transfer made to the fund under this section. The board may require, as a condition to the fund's acceptance of a rollover contribution:

- (1) satisfactory evidence that the proposed transfer is a qualifying rollover contribution under the Internal Revenue Code; and
- (2) reasonable releases or indemnifications from the member against any and all liabilities that may be connected with the transfer.

(d) Cash transferred to the fund as a rollover contribution shall be deposited in the retirement allowance account.

(e) A member who terminates employment before satisfying the eligibility requirements necessary for a pension or disability benefit may withdraw the member's rollover contribution, plus accumulated interest, after submitting a properly completed application for a refund to the fund. However, the member must also apply for a refund of the member's entire annuity savings account under IC 5-10.2-3 to be eligible for a refund of the member's rollover amount.

(f) Except as provided in this section, the fund shall not accept any other rollover contributions from a member.

(g) The board shall administer this section in accordance with the rollover provisions of the Internal Revenue Code and any applicable regulations.

As added by P.L.5-1997, SEC.7. Amended by P.L.61-2002, SEC.8.

IC 5-10.3-7-9.6

State required to make certain contributions

Sec. 9.6. (a) The state shall initiate the contributions required by section 9 of this chapter, as amended by P.L.35-1985, as part of salary and fringe benefit adjustments provided for state employees after June 30, 1986.

(b) The state shall initiate the contributions required by section 9 of this chapter for each governor, lieutenant governor, attorney general, and state superintendent of public instruction elected or appointed to office after November 7, 1988.

(c) The state shall initiate, for compensation paid after June 30, 1987, the contributions required under section 9 of this chapter for the following persons whose compensation is paid in whole or in part from state funds:

- (1) Prosecuting attorneys.
- (2) Deputy prosecuting attorneys.
- (3) Juvenile court referees and full-time magistrates appointed under IC 31-6-9-2 (before its repeal, now codified at IC 31-31-3).
- (4) The master commissioners and full-time magistrates

appointed under IC 33-4-1-2.1 (before its repeal, now codified at IC 33-33-2-3), IC 33-4-1-74.3 (before its repeal, now codified at IC 33-33-75-2), IC 33-4-1-75.1 (as amended by P.L.378-1987(ss), before its repeal, now codified at IC 33-33-71-3), and IC 33-4-1-82.1 (before its repeal, now codified at IC 33-33-82-3).

(5) The court commissioner and a full-time magistrate appointed under IC 33-5-29.5-7.1 (as amended by P.L.378-1987(ss), before its repeal, now codified at IC 33-33-45-10).

As added by P.L.220-2011, SEC.81.

IC 5-10.3-7-10

Membership records

Sec. 10. Each department shall submit to the board certified membership records containing the names, titles, rates of compensation, dates of birth, length of service, and other pertinent information required by the board about the department's employees. A department must submit the membership record to the board not more than thirty (30) days after the member's date of hire.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.195-1999, SEC.24.

IC 5-10.3-7-11

Payroll preparation

Sec. 11. The director shall certify to the department the names of the employees for whom deductions or payments of contributions must be made. In the preparation of payrolls, each department shall indicate:

- (1) the total compensation of each employee;
- (2) the amount of each member's contribution; and
- (3) the net amount payable to each member.

No compensation may be paid and no payroll may be processed unless the deduction or payment is made for members' contributions.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.41-1983, SEC.9; P.L.5-1990, SEC.10.

IC 5-10.3-7-12

Certification of deductions; transfer to fund

Sec. 12. A certified copy of each department's payroll or an equivalent certified list of members shall be sent to the board together with a warrant issued by the department for members' contributions.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.41-1983, SEC.10.

IC 5-10.3-7-12.5

Reports, records, or membership payments; failure to submit

Sec. 12.5. (a) An employer or department shall make the reports, membership records, or payments required by IC 5-10.3-6 or by sections 10 through 12 of this chapter:

- (1) not more than thirty (30) days after the end of the calendar quarter, if applicable;
- (2) by another due date specified in section 10 of this chapter;
- or
- (3) by an alternate due date established by the rules of the board.

(b) If the employer or department does not make the reports, records, or payments within the time specified in subsection (a):

- (1) the board may fine the employer or department one hundred dollars (\$100) for each additional day that the reports, records, or payments are late, to be withheld under IC 5-10.3-6-7; and
- (2) if the employer or department is habitually late, as determined by the board, the board shall report the employer or the department to the auditor of state for additional withholding under IC 5-10.3-6-7.

(c) After December 31, 2009, an employer or department shall submit:

- (1) the reports and records described in subsection (a) in a uniform format through a secure connection over the Internet or through other electronic means specified by the board in accordance with IC 5-10.2-2-12.5; and
- (2) both:
 - (A) employer contributions determined under IC 5-10.2-2-11, IC 5-10.3-12-24, or IC 5-10.3-12-24.5; and
 - (B) contributions paid by or on behalf of a member under section 9 of this chapter or IC 5-10.3-12-23;by electronic funds transfer in accordance with IC 5-10.2-2-12.5.

As added by P.L.195-1999, SEC.25. Amended by P.L.165-2009, SEC.6; P.L.109-2015, SEC.22; P.L.241-2015, SEC.22.

IC 5-10.3-7-13

Suspension of membership; withdrawal of contributions

Sec. 13. Suspension of Membership; Withdrawal of Contributions. Each member who suspends his membership and withdraws his contributions plus interest credits is covered by IC 5-10.2-3.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-7-14

Governor's waiver of membership

Sec. 14. Governor's Waiver of Membership. A governor who makes an irrevocable choice under IC 4-3-3-1.1 to receive a retirement benefit other than the retirement benefit from the fund waives his right to membership in the fund and to any benefit from

the fund on and after the date of his irrevocable choice. After the governor makes that irrevocable choice, he is entitled to withdraw in a lump sum from the fund the amount of his contributions plus interest credited to him.

As added by Acts 1980, P.L.9, SEC.4.

IC 5-10.3-7-15

Reinstatements of eligibility

Sec. 15. A person who has fifteen (15) or more years of creditable service in the fund and has withdrawn from the fund before reaching the age of sixty-five (65) years may apply for reinstatement of eligibility, if the person:

- (1) makes the application before July 1, 1998, and within ninety (90) days after reaching the age of sixty-five (65) years; and
- (2) demonstrates that further employment with an employer covered by the fund is impractical due to health or other conditions as determined by the board.

The board has the ultimate authority whether to grant reinstatements of eligibility.

As added by P.L.5-1997, SEC.8.

IC 5-10.3-8

Chapter 8. Benefits

IC 5-10.3-8-0.1

Application of certain amendments to chapter

Sec. 0.1. The addition of section 13 of this chapter by P.L.191-2002 applies to monthly benefits payable by the public employees' retirement fund after December 31, 2002.

As added by P.L.220-2011, SEC.82.

IC 5-10.3-8-1

Conditions and computation

Sec. 1. Retirement and Retirement Benefits. The conditions for a member's retirement and the computation of his retirement benefit are stated in IC 5-10.2-4.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-8-2

State legislators; average of annual compensation; computation

Sec. 2. In computing the pension for a member of the general assembly, the average of the annual compensation is the highest compensation which the member received in any one (1) year while engaged in a position covered by the fund in state service, as a teacher, and in service with a political subdivision.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.381-1987(ss), SEC.4.

IC 5-10.3-8-3

Retirement benefit options

Sec. 3. Retirement Benefit Options. A member may have his retirement benefits paid under the options specified in IC 5-10.2-4-7.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-8-4

Disability retirement; conditions; computation

Sec. 4. Disability Retirement and Disability Retirement Benefit. The conditions for a member's disability retirement and the computation of his disability retirement benefit are stated in IC 5-10.2-4-6.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-8-5

Claims of error

Sec. 5. A member may petition the board to correct an error in the determination of the member's:

- (1) creditable service; or
- (2) benefit;

at any time. The petition must contain the necessary information to

sustain the member's claim of error. The board shall investigate the claim and, if error is found, shall order the member's records corrected. If no error is found and the member petitioned the board to correct the error within six (6) years after the determination of the member's creditable service or benefit, the member may appeal the board's decision under IC 4-21.5.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.99-2010, SEC.4.

IC 5-10.3-8-6

Death settlements

Sec. 6. Death Settlements. The conditions for payments upon the death of a member before retirement are stated in IC 5-10.2-3.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-8-7

Re-employment of retired members

Sec. 7. Re-employment of Retired Members. The re-employment of retired members is covered under IC 5-10.2-4.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-8-8

Payment of retirement benefit

Sec. 8. Except as provided under IC 5-10.2-4-7(f), the retirement benefit is payable in equal monthly installments. The benefit may not be increased, decreased, revoked or repealed except for error or by action of the general assembly.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.115-2009, SEC.12.

IC 5-10.3-8-9

Benefits exempted from legal process; reimbursement of employers; withholding payments while charges of criminal taking from employer pending

Sec. 9. (a) All benefits, refunds of contributions, and money in the fund are exempt from levy, sale, garnishment, attachment, or other legal process. However, the member's contributions or benefits, or both, may be transferred to reimburse the member's employer for loss resulting from the member's criminal taking of the employer's property by the board if the board receives adequate proof of the loss. The loss resulting from the member's criminal taking of the member's employer's property must be proven by an order for restitution in favor of the employer issued by the sentencing court following a felony or misdemeanor conviction.

(b) The board may withhold payment of a member's contributions and interest if the employer of the member notifies the board that felony or misdemeanor charges accusing the member of the criminal taking of the employer's property have been filed.

(c) The board may withhold payment of a member's contributions and interest under subsection (b) until the final resolution of the criminal charges.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.28-1984, SEC.6; P.L.22-1993, SEC.5; P.L.15-2013, SEC.2.

IC 5-10.3-8-10

Assignment of benefits

Sec. 10. Assignment of Benefits. A member or a beneficiary may not assign any payment except for:

(1) premiums on a life, hospitalization, surgical, or medical group insurance plan maintained in whole or in part by:

(A) a state agency; or

(B) any association that proves to the board's satisfaction that the association has as members at least twenty percent (20%) of the number of the retired members of the fund; and

(2) dues to any association which proves to the board's satisfaction that the association has as members at least twenty percent (20%) of the number of the retired members of the fund.

As added by Acts 1977, P.L.53, SEC.3. Amended by Acts 1980, P.L.28, SEC.9; P.L.12-2008, SEC.2.

IC 5-10.3-8-11

Federal agricultural employees; federal and state portions of retirement or disability benefit; limitations

Sec. 11. (a) The retirement or disability benefit (including the annuity) provided under this chapter at the date of retirement or disability to a member who:

(1) has been classified as a federal employee by the Secretary of Agriculture of the United States;

(2) was employed after July 1, 1955; and

(3) retires after December 31, 1978, and before July 1, 1987;

may not exceed at the date of retirement or disability, when added to his federal civil service benefit, seventy-four percent (74%) of the average of the annual compensation used in computing his benefit under this chapter. If the sum of his retirement or disability benefit and his federal civil service benefit does exceed seventy-four percent (74%), then the state pension portion of the benefit shall be reduced by the board so that the sum does not exceed that percent. In determination of the annual compensation under this section no more than two (2) tax supported retirement benefits shall be utilized. However, the annuity portion of the benefit may not be reduced by this subsection.

(b) The retirement or disability benefit (excluding the annuity) provided under this chapter at the date of retirement or disability to a member who:

(1) has been classified as a federal employee by the Secretary of Agriculture of the United States;

- (2) was employed after July 1, 1955; and
- (3) retires after June 30, 1987, and before July 1, 1995;

may not exceed at the date of retirement or disability, when added to the member's federal civil service benefit, eighty-five percent (85%) of the average of the annual compensation used in computing the member's benefit under this chapter. If the sum of the retirement or disability benefit (excluding the annuity) and the federal civil service benefit exceeds eighty-five percent (85%), the state pension portion of the benefit shall be reduced by the board so that the sum does not exceed that percent.

(c) The retirement or disability benefit (excluding the annuity) provided under this chapter at the date of retirement or disability to a member who:

- (1) has been classified as a federal employee by the Secretary of Agriculture of the United States;
- (2) was employed after July 1, 1955; and
- (3) retires after June 30, 1995;

may not exceed at the date of retirement or disability, when added to the member's federal civil service benefit, one hundred percent (100%) of the average of the annual compensation used in computing the member's benefit under this chapter. If the sum of the retirement or disability benefit (excluding the annuity) and the federal civil service benefit exceeds one hundred percent (100%), the state pension portion of the benefit shall be reduced by the board so that the sum does not exceed that percent.

As added by Acts 1978, P.L.24, SEC.6. Amended by P.L.61-1987, SEC.3; P.L.10-1995, SEC.5.

IC 5-10.3-8-12

Stopping member's benefit payments; grounds

Sec. 12. The board may stop a member's benefit if either of the following occurs:

- (1) The member does any of the following while receiving the benefit:
 - (A) Fails to report for a required examination, unless excused by the board.
 - (B) Disobeys the requirements of the board regarding the examination.
 - (C) Refuses to repay an overpayment of benefits.
- (2) The board has reasonable cause to believe:
 - (A) that the member has died; or
 - (B) in the case of a member receiving disability benefits under IC 5-10.2-4-6, that the member no longer has a disability.

As added by P.L.22-1993, SEC.6. Amended by P.L.99-2007, SEC.17.

IC 5-10.3-8-13

Public employees' retirement fund benefits; cost of living increase

Sec. 13. (a) The pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable to a member of the fund (or to a survivor or beneficiary of a member of the fund) shall be increased beginning on January 1, 2003, by the lesser of:

- (1) two percent (2%); or
- (2) the annual cost of living adjustment computed under 42 U.S.C. 415 and published in the Federal Register in accordance with 42 U.S.C. 215(i)(2)(D).

(b) The increase described in subsection (a) is payable to a member of the fund (or to a survivor or beneficiary of a member of the fund) who has been retired or disabled for at least one (1) year on January 1, 2003.

As added by P.L.191-2002, SEC.2.

IC 5-10.3-8-14

Retirement medical benefits account

Sec. 14. (a) Except as provided in subsection (d), this section applies to employees of the state who are:

- (1) members of the fund; and
- (2) paid by the auditor of state by salary warrants.

(b) Except as provided in subsection (d), this section does not apply to the employees of the state employed by:

- (1) a body corporate and politic of the state created by state statute; or
- (2) a state educational institution (as defined in IC 21-7-13-32).

(c) As used in this section, "employees of the state" has the meaning set forth in IC 5-10.3-7-1.

(d) The chief executive officer of a body or institution described in subsection (b) may elect to have this section apply to the employees of the state employed by the body or institution by submitting a written notice of the election to the director. An election under this subsection is effective on the later of:

- (1) the date the notice of the election is received by the director; or
- (2) July 1, 2013.

(e) The board shall adopt provisions to establish a retirement medical benefits account within the fund under Section 401(h) or as a separate fund under another applicable section of the Internal Revenue Code for the purpose of converting unused excess accrued leave to a monetary contribution for an employee of the state to fund on a pretax basis benefits for sickness, accident, hospitalization, and medical expenses for the employee and the spouse and dependents of the employee after the employee's retirement. The state may match all or a portion of an employee's contributions to the retirement medical benefits account established under this section.

(f) The board is the trustee of the account described in subsection (e). The account must be qualified, as determined by the Internal

Revenue Service, as a separate account within the fund whose benefits are subordinate to the retirement benefits provided by the fund.

(g) The board may adopt rules under IC 5-10.5-4-2 that it considers appropriate or necessary to implement this section after consulting with the state personnel department. The rules adopted by the board under this section must:

- (1) be consistent with the federal and state law that applies to:
 - (A) the account described in subsection (e); and
 - (B) the fund; and
- (2) include provisions concerning:
 - (A) the type and amount of leave that may be converted to a monetary contribution;
 - (B) the conversion formula for valuing any leave that is converted;
 - (C) the manner of employee selection of leave conversion; and
 - (D) the vesting schedule for any leave that is converted.

(h) The board may adopt the following:

- (1) Account provisions governing:
 - (A) the investment of amounts in the account; and
 - (B) the accounting for converted leave.
- (2) Any other provisions that are necessary or appropriate for operation of the account.

(i) The account described in subsection (e) may be implemented only if the board has received from the Internal Revenue Service any rulings or determination letters that the board considers necessary or appropriate.

(j) To the extent allowed by:

- (1) the Internal Revenue Code; and
- (2) rules adopted by:
 - (A) the board under this section; and
 - (B) the state personnel department under IC 5-10-1.1-7.5;

employees of the state may convert unused excess accrued leave to a monetary contribution under this section and under IC 5-10-1.1-7.5. *As added by P.L.220-2005, SEC.6. Amended by P.L.44-2007, SEC.2; P.L.35-2012, SEC.82; P.L.54-2013, SEC.1; P.L.205-2013, SEC.76; P.L.91-2014, SEC.15; P.L.241-2015, SEC.23.*

IC 5-10.3-8-15

Allocation of benefits; distribution of death benefit

Sec. 15. (a) The board may adopt rules to allow a member who designates more than one (1) beneficiary to allocate benefit shares in percentage increments.

(b) This subsection applies in the case of a member who dies after June 30, 2013. Notwithstanding a contrary collateral agreement, court order, process, attachment, or levy, the right to receive a death benefit under IC 5-10.2 or this article vests with the designated

beneficiary on file with the fund at the time of the member's death. The fund shall distribute the death benefit to the designated beneficiary or the designated beneficiary's estate in accordance with IC 5-10.2 and this article.

As added by P.L.99-2010, SEC.5. Amended by P.L.15-2013, SEC.3.

IC 5-10.3-9

Chapter 9. Administration of Other Retirement Plans

IC 5-10.3-9-1

Petitions; requisites

Sec. 1. Petition for Administration. (a) The members of a retirement system, other than the Indiana state teachers' retirement fund, may petition the board to assume the administration of their retirement system if:

- (1) the system was in existence on March 31, 1947; and
- (2) the system is maintained by the state or a political subdivision.

(b) The petition must be signed by at least sixty percent (60%) of the members of the retirement system and must be approved by the employer of the members and the trustees or administrator of the system.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-9-2

Actuarial investigation; audit of accounts

Sec. 2. Actuarial Investigation and Audit of Accounts. After the board receives the petition:

- (1) the actuary shall determine the actuarial soundness of the retirement system; and
- (2) the state board of accounts shall audit the records and accounts of the retirement system.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-9-3

Administration by board

Sec. 3. Administration by the Board. After reviewing the actuarial investigation and audit, the board may choose to administer the plan as a trustee in compliance with the law which created the plan.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-9-4

Advisory board

Sec. 4. Advisory Board. The board of trustees or administrators of the retirement system shall act as advisors to the fund's director.

As added by Acts 1977, P.L.53, SEC.3. Amended by P.L.5-1990, SEC.11.

IC 5-10.3-9-5

Repealed

(As added by Acts 1977, P.L.53, SEC.3. Repealed by P.L.115-2009, SEC.21.)

IC 5-10.3-9-6

Investments

Sec. 6. Investments. All investments made after the transfer shall be made by the board.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-9-7**Separate records**

Sec. 7. Separate Records. The board shall keep separate detailed records of the general or annuitant's reserve of each retirement system which it administers.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-9-8**Limited liability**

Sec. 8. Limited Liability. The liabilities of a retirement system which is administered by the board are not liabilities of the fund, except as provided for in the agreement between the retirement system and the board.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-10**Chapter 10. Construction of Codification****IC 5-10.3-10-1****Purpose**

Sec. 1. Purpose of Codification. This article is intended to be a codification and restatement of applicable or corresponding provisions in prior law. A citation to prior law in the Indiana Code shall be construed as a citation to the appropriate provision of this article if the prior law is reenacted in the same or restated form by this article.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-10-2**Headings**

Sec. 2. Headings. The headings prefixed to sections of this article are included for organizational purposes and do not affect the meaning, application, or construction of the sections.

As added by Acts 1977, P.L.53, SEC.3.

IC 5-10.3-11

Chapter 11. Pension Relief Fund

IC 5-10.3-11-0.3

Repealed

(As added by P.L.220-2011, SEC.83. Repealed by P.L.6-2012, SEC.29.)

IC 5-10.3-11-1

Creation; administration; revenues

Sec. 1. There is created within the public employees' retirement fund a separate account known as the pension relief fund. This fund is administered by the board of trustees of the Indiana public retirement system, referred to as the "state board" in this chapter. The pension relief fund consists of revenues received under IC 6-7-1-28.1(4), IC 7.1-4-12-1, any appropriations to the fund, and earnings on these revenues.

As added by Acts 1980, P.L.8, SEC.45. Amended by P.L.26-1996, SEC.3; P.L.23-2011, SEC.20.

IC 5-10.3-11-2

Powers and duties of state board

Sec. 2. The state board shall:

- (1) make payments from the pension relief fund;
- (2) administer the pension relief fund in accordance with the powers and duties granted it in IC 5-10.3-5-3 through IC 5-10.3-5-6, IC 5-10.5-4, and IC 5-10.5-6; and
- (3) provide by rule and regulation for the implementation of this chapter.

As added by Acts 1980, P.L.8, SEC.45. Amended by P.L.35-2012, SEC.83.

IC 5-10.3-11-3

Payments to units of local government; restriction

Sec. 3. The pension relief fund may be used only for making payments to cities, counties, towns, and townships, referred to as "units of local government" in this chapter, having pension funds established under IC 18-1-12, IC 19-1-18, IC 19-1-24, IC 19-1-25-4, IC 19-1-30, IC 19-1-37, or IC 19-1-44 (all before their repeal). Payments received by the units may be used only for:

- (1) pension payments from a pension fund listed in this section;
- or
- (2) withdrawals under section 6 of this chapter.

As added by Acts 1980, P.L.8, SEC.45. Amended by P.L.182-2009(ss), SEC.74.

IC 5-10.3-11-4

Certification of information to state board; determination of total

pension payments

Sec. 4. (a) Monies from the pension relief fund shall be paid annually by the state board under the procedures specified in this section.

(b) Each year, before a date set by the state board, each unit of local government must certify to the state board:

- (1) the amount of payments made during the preceding year for benefits under its pension funds covered by this chapter, referred to in this section as "pension payments";
- (2) the data determined necessary by the state board to perform an actuarial valuation of the unit's pension funds covered by this chapter;
- (3) the names required to prepare the list specified in subsection (c); and
- (4) any other information that is necessary for the state board to make distributions to units under this chapter.

A unit is ineligible to receive a distribution under this section if it does not supply the complete information required by this subsection or a substantial amount of the information required if it is accompanied by an affidavit of the chief executive officer of the unit detailing the steps which have been taken to obtain the information and the reasons the complete information has not been obtained. The reporting requirement of this subsection is in addition to the reporting requirement of IC 5-11-20.

(c) Each year, before a date set by the state board, the state board shall prepare a list of all police officers and firefighters, active, retired, and deceased if their beneficiaries are eligible for benefits, who are members of a police or fire pension fund that was established before May 1, 1977. The list may not include police officers, firefighters, or their beneficiaries for whom no future benefits will be paid. The state board shall then compute the present value of the accrued liability to provide the pension and other benefits to each person on the list.

(d) Each year, before a date set by the state board, the state board shall determine the total pension payments made by all units of local government for the preceding year and shall estimate the total pension payments to be made to all units in the calendar year in which the July 1 occurs and in the following calendar year.

As added by Acts 1980, P.L.8, SEC.45. Amended by Acts 1982, P.L.39, SEC.1; P.L.25-1994, SEC.8; P.L.26-1996, SEC.4; P.L.38-2001, SEC.1; P.L.146-2008, SEC.35; P.L.47-2013, SEC.2.

IC 5-10.3-11-4.5

Repealed

(As added by P.L.47-1988, SEC.1. Amended by P.L.55-1989, SEC.24; P.L.1-1994, SEC.19; P.L.118-2000, SEC.3. Repealed by P.L.146-2008, SEC.814.)

IC 5-10.3-11-4.7

Distributions to units of local government

Sec. 4.7. (a) In 2009 and each year thereafter, the state board shall distribute from the pension relief fund to each unit of local government the total amount of pension, disability, and survivor benefit payments from the 1925 police pension fund (IC 36-8-6), the 1937 firefighters' pension fund (IC 36-8-7), and the 1953 police pension fund (IC 36-8-7.5) to be made by the unit in the calendar year, as estimated by the state board under section 4 of this chapter.

(b) The state board shall make the distributions under subsection (a) in two (2) equal installments before July 1 and before October 2 of each year.

As added by P.L.38-2001, SEC.2. Amended by P.L.28-2006, SEC.1; P.L.234-2007, SEC.277; P.L.146-2008, SEC.36; P.L.115-2010, SEC.4.

IC 5-10.3-11-5

Annual report

Sec. 5. At least annually the state board shall report in writing to each affected unit of local government the following information:

(1) The projected pension payments for the next twenty (20) years.

(2) The present value of the total future projected pension payments.

As added by Acts 1980, P.L.8, SEC.45. Amended by P.L.47-1985, SEC.7; P.L.26-1996, SEC.5.

IC 5-10.3-11-6

Separate accounts

Sec. 6. (a) The state board shall maintain separate accounts for each unit of local government for purposes of this section. The accounts are separate and distinct accounts within the public employees' retirement fund and the pension relief fund.

(b) A unit of local government may do the following:

(1) Make deposits at any time to the separate account established for the unit under this section.

(2) Withdraw once each year from the unit's separate account all or a part of the balance in the account to pay pension benefits under IC 36-8-6, IC 36-8-7, or IC 36-8-7.5.

(3) Direct the state board at any time to pay from the unit's separate account all or a part of either or both of the following:

(A) The unit's employer contributions under IC 36-8-8-6.

(B) The contributions paid by the unit for a member under IC 36-8-8-8(a).

As added by P.L.38-2001, SEC.3. Amended by P.L.146-2008, SEC.37; P.L.182-2009(ss), SEC.75.

IC 5-10.3-12

Chapter 12. Public Employees' Defined Contribution Plan

IC 5-10.3-12-1

Applicability of chapter

Sec. 1. (a) Except as otherwise provided in this section, this chapter applies to the following:

(1) An individual who:

(A) on or after the effective date of the plan, becomes for the first time a full-time employee of the state:

(i) in a position that would otherwise be eligible for membership in the fund under IC 5-10.3-7; and

(ii) who is paid by the auditor of state by salary warrants; and

(B) makes the election described in section 20 of this chapter to become a member of the plan.

(2) An individual:

(A) who becomes a full-time employee of a participating political subdivision in a covered position after an ordinance or resolution described in clause (C) that is adopted by the political subdivision has been approved by the board;

(B) who would otherwise be eligible for membership in the fund under IC 5-10.3-7; and

(C) who is employed by a political subdivision that has elected in an ordinance or resolution adopted under IC 5-10.3-6-1 and approved by the board to require an employee in the covered position to become a member of the plan.

(3) An individual:

(A) who becomes a full-time employee of a political subdivision in a covered position after an ordinance or resolution described in clause (C) that is adopted by the political subdivision has been approved by the board;

(B) who would otherwise be eligible for membership in the fund under IC 5-10.3-7;

(C) who is employed by a political subdivision that has elected in an ordinance or resolution adopted under IC 5-10.3-6-1 and approved by the board:

(i) to allow an employee in the covered position to become a member of the fund or a member of the plan at the discretion of the employee; and

(ii) to require an employee in a covered position to make an election under section 20.5 of this chapter in order to become a member of the plan; and

(D) who makes an election under section 20.5 of this chapter to become a member of the plan.

(4) An individual:

(A) who becomes a full-time employee of a political

- subdivision in a covered position after an ordinance or resolution described in clause (C) that is adopted by the political subdivision has been approved by the board;
 - (B) who would otherwise be eligible for membership in the fund under IC 5-10.3-7;
 - (C) who is employed by a political subdivision that has elected in an ordinance or resolution adopted under IC 5-10.3-6-1 and approved by the board:
 - (i) to allow an employee in the covered position to become a member of the fund or a member of the plan at the discretion of the employee; and
 - (ii) to require an employee to make an election under IC 5-10.3-7-1.1 in order to become a member of the fund; and
 - (D) who does not make an election under IC 5-10.3-7-1.1 to become a member of the fund.
- (5) An individual who makes an election described in section 20.3 of this chapter.
- (6) An individual:
- (A) who is a retired member (as defined in IC 5-10.3-1-5) of the fund;
 - (B) who is prohibited from making contributions to the fund under IC 5-10.2-4-8(e) during a period of reemployment that begins more than thirty (30) days after the member retired; and
 - (C) who, on or after the date:
 - (i) the state files a notice; or
 - (ii) a participating political subdivision files an adopted ordinance or resolution;with the board in accordance with section 32 of this chapter, begins, or is engaged in, a period of reemployment with the state or a participating political subdivision as a full-time employee more than thirty (30) days after the individual's retirement in a position that would otherwise be covered by the fund.
- (b) Except as provided in subsection (c), this chapter does not apply to an individual who, on or after the effective date of the plan:
- (1) becomes for the first time a full-time employee of the state in a position that would otherwise be eligible for membership in the fund under IC 5-10.3-7; and
 - (2) is employed by:
 - (A) a body corporate and politic of the state created by state statute; or
 - (B) a state educational institution (as defined in IC 21-7-13-32).
- (c) The chief executive officer of a body or institution described in subsection (b) may elect, by submitting a written notice of the election to the director, to have this chapter apply to individuals who,

as employees of the body or institution, become for the first time full-time employees of the state in positions that would otherwise be eligible for membership in the fund under IC 5-10.3-7. An election under this subsection is effective on the later of:

(1) the date the notice of the election is received by the director;

or

(2) March 1, 2013.

As added by P.L.22-2011, SEC.2. Amended by P.L.54-2013, SEC.2; P.L.241-2015, SEC.24; P.L.193-2016, SEC.14; P.L.209-2016, SEC.3.

IC 5-10.3-12-2

"Account"

Sec. 2. As used in this chapter, "account" means the plan account established for a member under section 21(b) of this chapter.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-3

"Annuity savings account"

Sec. 3. As used in this chapter, "annuity savings account" means the annuity savings account maintained under IC 5-10.2-2-2(a)(1).

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-4

"Board"

Sec. 4. As used in this chapter, "board" has the meaning set forth in IC 5-10.3-1-1.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-5

"Compensation"

Sec. 5. As used in this chapter, "compensation" has the meaning set forth in IC 5-10.2-3-2(a).

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-6

"Dies in the line of duty"

Sec. 6. As used in this chapter, "dies in the line of duty" has the meaning set forth in IC 5-10-11-2.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-7

"Effective date"

Sec. 7. As used in this chapter, "effective date" means the first day of the month that is six (6) months after the month in which the Internal Revenue Service issues an approval of the plan.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-7.5

"Employees of the state"

Sec. 7.5. As used in this chapter, "employees of the state" has the meaning set forth in IC 5-10.3-7-1.

As added by P.L.241-2015, SEC.25.

IC 5-10.3-12-8

"Employer"

Sec. 8. As used in this chapter, "employer" means the state or a participating political subdivision.

As added by P.L.22-2011, SEC.2. Amended by P.L.241-2015, SEC.26.

IC 5-10.3-12-9

"Employer contribution subaccount"

Sec. 9. As used in this chapter, "employer contribution subaccount" means the subaccount in a member's plan account established under section 21(b)(2) of this chapter.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-10

"Fund"

Sec. 10. As used in this chapter, "fund" has the meaning set forth in IC 5-10.3-1-3.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-11

"Internal Revenue Code"

Sec. 11. As used in this chapter, "Internal Revenue Code" has the meaning set forth in IC 5-10.2-1-3.5.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-12

"Member"

Sec. 12. As used in this chapter, "member" means an individual who has elected or is required to participate in the plan.

As added by P.L.22-2011, SEC.2. Amended by P.L.241-2015, SEC.27.

IC 5-10.3-12-13

"Member contribution account"

Sec. 13. As used in this chapter, "member contribution subaccount" means the subaccount in a member's plan account established under section 21(b)(1) of this chapter.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-14

"Normal retirement age"

Sec. 14. As used in this chapter, "normal retirement age" for a member means the member is at least sixty-two (62) years of age with at least five (5) years of participation in the plan.

As added by P.L.22-2011, SEC.2. Amended by P.L.66-2013, SEC.1.

IC 5-10.3-12-14.5

"Participating political subdivision"

Sec. 14.5. As used in this chapter, "participating political subdivision" means a political subdivision which is participating in the plan as specified in IC 5-10.3-6.

As added by P.L.241-2015, SEC.28.

IC 5-10.3-12-15

"Plan"

Sec. 15. As used in this chapter, "plan" refers to the public employees' defined contribution plan established by section 18 of this chapter.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-16

"Years of participation"

Sec. 16. As used in this chapter, "years of participation" means all periods of participation in the plan in a covered position, plus any additional service for which this chapter provides years of participation credit.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-17

Applicability of other laws

Sec. 17. Except as otherwise provided in this chapter or by federal law, and subject to the board obtaining the approval of the Internal Revenue Service as described in section 18(b) of this chapter, the provisions of IC 5-10.3 that apply to the annuity savings account apply to an account established under this chapter.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-18

Establishment and administration of plan; Internal Revenue Service approval

Sec. 18. (a) The public employees' defined contribution plan is established for the purpose of providing amounts funded by an employer and a member for the use of the member or the member's beneficiaries or survivors after the member's retirement.

(b) The board shall adopt provisions to implement the plan established under subsection (a) as follows:

- (1) The board shall initially offer the plan using the annuity savings account, subject to obtaining the approval of the Internal Revenue Service in a manner satisfactory to the board

to preserve the qualified status of the plan and the fund. The plan as provided under this subdivision is a component within the fund.

(2) If the approval of the Internal Revenue Service to offer the plan using the annuity savings account cannot be obtained in a manner satisfactory to the board, the board shall offer the plan as a separate fund under Section 401(a) or another applicable section of the Internal Revenue Code.

(c) The board shall administer the plan.

(d) The board may adopt a plan document that it considers appropriate or necessary to administer the plan.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-19

Authorization to request Internal Revenue Service rulings or determination letters

Sec. 19. The board may request from the Internal Revenue Service any rulings or determination letters that the board considers necessary or appropriate in order to implement or administer the plan.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-20

Plan membership; election; fund membership

Sec. 20. (a) This section applies only to an individual who, on or after the effective date of the plan, becomes for the first time a full-time employee of the state in a position that would otherwise be eligible for membership in the fund under IC 5-10.3-7.

(b) An individual to whom this section applies may elect to become a member of the plan for all service credit that the member accrues in a covered position as an employee of the state. An election under this section:

- (1) must be made in writing;
- (2) must be filed with the board, on a form prescribed by the board; and
- (3) is irrevocable.

(c) Except as provided in section 32(a) of this chapter, an individual who does not elect to become a member of the plan becomes a member (as defined in IC 5-10.3-1-5) of the fund for all service credit that the member accrues in a covered position as an employee of the state.

As added by P.L.22-2011, SEC.2. Amended by P.L.241-2015, SEC.29; P.L.209-2016, SEC.4.

IC 5-10.3-12-20.3

Election during July 2016, by first time state employee who is fund member

Sec. 20.3. (a) This section applies to an individual who:

- (1) is an employee of the state on July 1, 2016;
 - (2) became for the first time, after January 1, 2013, a full-time employee of the state in a position that is eligible for membership in the fund under IC 5-10.3-7; and
 - (3) is a member (as defined in IC 5-10.3-1-5) of the fund.
- (b) An individual to whom this section applies may elect to become a member of the plan. An election under this section:
- (1) must be made in writing;
 - (2) must be filed with the board, on a form prescribed by the board, not later than July 30, 2016; and
 - (3) is irrevocable.
- (c) If an individual makes the election described in subsection (b), the following apply:
- (1) The individual's service from the date, after January 1, 2013, that the individual first became a full-time employee of the state until the date immediately preceding the date of the individual's election under subsection (b) is considered participation in the plan for purposes of vesting in the employer contribution subaccount under section 25 of this chapter, and the individual waives service credit in the fund for the service.
 - (2) The amount credited to the individual's annuity savings account in the fund on the date of the individual's election under subsection (b) is transferred to the individual's member contribution subaccount.
 - (3) The amounts paid to the fund by the state as employer normal cost contributions for the individual from the date, after January 1, 2013, that the individual first became a full-time employee of the state until the date immediately preceding the date of the individual's election under subsection (b) are transferred to the individual's employer contribution subaccount.

As added by P.L.193-2016, SEC.15.

IC 5-10.3-12-20.5

Election by employee of political subdivision to become plan member; failure to make election

Sec. 20.5. (a) This section applies to an individual described in section 1(a)(3) of this chapter who is otherwise eligible to become a member of the plan.

(b) An individual described in subsection (a) may elect to become a member of the plan on the date the individual begins the individual's employment in a covered position with a political subdivision that participates in the plan. The election applies to all service credit that the member accrues in a covered position as an employee of the political subdivision while the political subdivision participates in the plan.

- (c) An election under this section:
- (1) must be made in writing;

(2) must be filed with the board on a form prescribed by the board; and

(3) is irrevocable.

(d) Except as provided in section 32(b) of this chapter, an individual described in subsection (a) who does not elect to become a member of the plan becomes a member (as defined in IC 5-10.3-1-5) of the fund for all service credit that the member accrues in a covered position as an employee of the political subdivision while the political subdivision participates in the fund. *As added by P.L.241-2015, SEC.30. Amended by P.L.209-2016, SEC.5.*

IC 5-10.3-12-21

Plan; member accounts; rollover accounts; member with fund annuity savings account

Sec. 21. (a) The plan consists of the following:

(1) Each member's contributions to the plan under section 23 of this chapter.

(2) Contributions made by an employer to the plan on behalf of each member under section 24 or 24.5 of this chapter.

(3) Rollovers to the plan by a member under section 29 of this chapter.

(4) All earnings on investments or deposits of the plan.

(5) All contributions or payments to the plan made in the manner provided by the general assembly.

(b) The plan shall establish an account for each member. A member's account consists of two (2) subaccounts credited individually as follows:

(1) The member contribution subaccount consists of:

(A) the member's contributions to the plan under section 23 of this chapter; and

(B) the net earnings on the contributions described in clause (A) as determined under section 22 of this chapter.

(2) The employer contribution subaccount consists of:

(A) the employer's contributions made on behalf of the member to the plan under section 24 or 24.5 of this chapter; and

(B) the earnings on the contributions described in clause (A) as determined under section 22 of this chapter.

The board may combine the two (2) subaccounts established under this subsection into a single account, if the board determines that a single account is administratively appropriate and permissible under applicable law.

(c) If a member makes rollover contributions under section 29 of this chapter, the plan shall establish a rollover account as a separate subaccount within the member's account.

(d) If:

(1) the board offers the plan using the annuity savings account;

and

(2) an individual is both a member of the plan and a member (as defined in IC 5-10.3-1-5) of the fund;

the board shall account for the individual's contributions and the employer contributions made on behalf of the individual under the fund separately from the individual's contributions and the employer's contributions made on behalf of the individual under the plan.

As added by P.L.22-2011, SEC.2. Amended by P.L.6-2012, SEC.30; P.L.35-2012, SEC.84; P.L.241-2015, SEC.31; P.L.209-2016, SEC.6.

IC 5-10.3-12-22

Alternative investment programs; stable value fund program; requirements and rules; administrative fees

Sec. 22. (a) Subject to the board obtaining the approval of the Internal Revenue Service as described in section 18(b) of this chapter, the board shall establish:

(1) a stable value fund as the initial regular investment program for the plan; and

(2) the alternative investment programs (as described by IC 5-10.2-2-3 and IC 5-10.2-2-4) within the annuity savings account as the initial alternative investment programs for the plan.

If the board considers it necessary or appropriate, the board may establish different or additional alternative investment programs for the plan.

(b) The requirements and rules that apply to the alternative investment programs within the annuity savings account are the initial requirements and rules that apply to the alternative investment programs within the plan, including the following:

(1) The board's investment guidelines and limits for the alternative investment programs.

(2) A member's selection of and changes to the member's investment options.

(3) The valuation of a member's account.

(4) The allocation and payment of administrative expenses for the alternative investment programs.

(c) If the board considers it necessary or appropriate, the board may establish different or additional requirements and rules that apply to the alternative investment programs within the plan.

(d) The board shall determine the appropriate administrative fees to be charged to the member accounts.

As added by P.L.22-2011, SEC.2. Amended by P.L.6-2012, SEC.31; P.L.193-2016, SEC.16.

IC 5-10.3-12-23

Member required contributions; additional contributions; crediting; employer pick-up and payment

Sec. 23. (a) Each member's contribution to the plan is equal to three percent (3%) of the member's compensation.

(b) For a member who is an employee of the state, the state shall pay the member's contribution on behalf of the member each year.

(c) For a member who is an employee of a political subdivision, the political subdivision may pay all or part of the member's contribution on behalf of the member.

(d) To the extent permitted by the Internal Revenue Code and applicable regulations, a member of the plan may make contributions to the plan in addition to the contribution required under subsection (a). IC 5-10.2-3-2(c) and IC 5-10.2-3-2(d) govern additional contributions made under this subsection.

(e) Member contributions will be credited to the member's account as specified in IC 5-10.2-3.

(f) Although designated as employee contributions, the contributions made under subsection (b) are picked up and paid by the state as the employer in lieu of the contributions being paid by the employee in accordance with Section 414(h)(2) of the Internal Revenue Code.

(g) Although designated as employee contributions, the contributions made under subsection (c) by a political subdivision may be picked up and paid by the employer instead of the contributions being paid by the employee in accordance with Section 414(h)(2) of the Internal Revenue Code.

(h) A member may not receive any amounts paid by an employer under this section directly instead of having the amounts paid to the plan.

As added by P.L.22-2011, SEC.2. Amended by P.L.5-2014, SEC.1; P.L.241-2015, SEC.32.

IC 5-10.3-12-24

State employer contribution; contribution rate determination; minimum rate; amounts credited; electronic submission of contributions

Sec. 24. (a) The state shall make employer contributions to the plan based on the rate determined under this section.

(b) The state's contribution rate for the plan is equal to the employer's contribution rate for the fund as determined by the board under IC 5-10.2-2-11(b). The amount credited from the employer's contribution rate to the member's account shall not be greater than the normal cost of the fund. Any amount not credited to the member's account shall be applied to the unfunded accrued liability of the fund as determined under IC 5-10.2-2-11(a)(3) and IC 5-10.2-2-11(a)(4).

(c) The state's minimum contribution under this section is equal to three percent (3%) of the compensation of all members of the plan who are employees of the state.

(d) The state shall submit the employer contributions determined under this section as provided in IC 5-10.2-2-12.5.

As added by P.L.22-2011, SEC.2. Amended by P.L.241-2015, SEC.33.

IC 5-10.3-12-24.5

Political subdivision employer contribution; contribution rate determination; amounts credited; electronic submission of contributions

Sec. 24.5. (a) A participating political subdivision shall make employer contributions to the plan based on the rate determined under this section.

(b) A participating political subdivision's contribution rate for the plan is equal to the sum of:

- (1) the contribution rate determined by the participating political subdivision under IC 5-10.3-6-1(c); and
- (2) the sum, for each member employed by the participating political subdivision, of:

(A) the member's additional contribution to the plan under section 23(d) of this chapter; multiplied by

(B) the participating political subdivision's matching rate determined under IC 5-10.3-6-1(d).

(c) For each employee of a participating political subdivision, the amount credited to the member's account is the part of the employer's contribution determined under subsection (b) that is attributable to the member's compensation and the member's additional contributions.

(d) A participating political subdivision shall submit the employer contributions determined under this section as provided in IC 5-10.2-2-12.5.

As added by P.L.241-2015, SEC.34.

IC 5-10.3-12-25

Member contributions belong to member; vesting schedule for employer contributions; forfeiture of amounts not vested

Sec. 25. (a) Member contributions and net earnings on the member contributions in the member contribution subaccount belong to the member at all times and do not belong to any employer.

(b) A member is vested in the employer contribution subaccount in accordance with the following schedule:

Years of participation in the plan	Vested percentage of employer contributions and earnings
1	20%
2	40%
3	60%
4	80%
5	100%

For purposes of vesting in the employer contribution subaccount, only a member's full years of participation in the plan may be

counted.

(c) The amount that a member may withdraw from the member's account is limited to the vested portion of the account.

(d) A member who attains normal retirement age is fully vested in all amounts in the member's account.

(e) If a member separates from service with the member's employer before the member is fully vested in the employer contribution subaccount, the amount in the employer contribution subaccount that is not vested is forfeited as of the date the member separates from service.

(f) Amounts forfeited under subsection (e) must be used to reduce the unfunded accrued liability of the fund as determined under IC 5-10.2-2-11(a)(3) and IC 5-10.2-2-11(a)(4).

(g) A member may not earn creditable service (as defined in IC 5-10.2-3-1(a)) under the plan.

As added by P.L.22-2011, SEC.2. Amended by P.L.6-2012, SEC.32; P.L.241-2015, SEC.35.

IC 5-10.3-12-26

Member accounts; withdrawals; forms of payment

Sec. 26. (a) Subject to the provisions of the Internal Revenue Code applicable to qualified plan distributions, a member who:

- (1) terminates service in a covered position; and
- (2) does not perform any service in a position covered by the fund for at least thirty (30) days after the date on which the member terminates service;

is entitled to withdraw amounts in the member's account to the extent the member is vested in the account. A member must make a required withdrawal from the member's account not later than the required beginning date under the Internal Revenue Code.

(b) The member may elect to have withdrawals paid as:

- (1) a lump sum;
- (2) a direct rollover to another eligible retirement plan; or
- (3) if the member has attained normal retirement age, a monthly annuity in accordance with the rules of the board.

(c) The board may establish a minimum account balance or a minimum monthly payment amount in order for a member to select the monthly annuity option. The board shall establish the forms of annuity by rule, in consultation with the board's actuary. The board shall give members information about these forms of payment and any information required by federal law to accompany such distributions.

(d) Unless otherwise required by federal or state law, the requirements and rules that apply to the distribution of the annuity savings account apply to distributions from a member's account.

As added by P.L.22-2011, SEC.2. Amended by P.L.6-2012, SEC.33; P.L.66-2013, SEC.2.

IC 5-10.3-12-27

Member accounts; beneficiary or survivor withdrawals; forms of payment

Sec. 27. (a) If a member dies:

- (1) while in service in a position covered by the plan but not in the line of duty; or
- (2) after terminating service in a position covered by the plan but before withdrawing the member's account;

to the extent that the member is vested, the member's account shall be paid to the beneficiary or beneficiaries designated by the member on a form prescribed by the board. The amount paid shall be valued as provided in IC 5-10.2-2-3 and IC 5-10.2-2-4. The board shall invest the total amount in the member's account in the stable value fund not later than thirty (30) days after receiving notification of a member's death.

(b) If there is no properly designated beneficiary, or if no beneficiary survives the member, the member's account shall be paid to:

- (1) the surviving spouse of the member;
- (2) if there is not a surviving spouse, the surviving dependent or dependents of the member in equal shares; or
- (3) if there is not a surviving spouse or dependent, the member's estate.

(c) The beneficiary or beneficiaries designated under subsection (a) or a survivor determined under subsection (b) may elect to have the member's account paid as:

- (1) a lump sum;
- (2) a direct rollover to another eligible retirement plan; or
- (3) a monthly annuity in accordance with rules of the board.

A monthly annuity is an option only on or after the beneficiary or survivor attains sixty-two (62) years of age. The board shall establish the forms of annuity by rule, in consultation with the board's actuary. Further, the board may establish a minimum account balance or a minimum monthly payment amount that is required in order for a beneficiary or survivor to select the monthly annuity option.

(d) If a member dies in the line of duty while in service in a covered position, the designated beneficiary or beneficiaries or the surviving spouse or dependents, as applicable, are entitled to payment of the member's account as provided in this section. In addition, if the member was not fully vested in the employer contribution subaccount, the account is deemed to be fully vested for purposes of withdrawal under this section.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-28

Plan exempt from legal process; assignment of payments

Sec. 28. (a) All assets in the plan are exempt from levy, sale, garnishment, attachment, or other legal process.

(b) A member, beneficiary, or survivor may not assign any payment under this chapter except for the following:

- (1) Premiums on a life, hospitalization, surgical, or medical group insurance plan maintained in part by a state agency.
- (2) Dues to an association that proves to the board's satisfaction that the association has as members at least twenty percent (20%) of the retired members in the plan.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-29

Rollover contributions; rollover accounts

Sec. 29. (a) To the extent permitted by the Internal Revenue Code and the applicable regulations and guidance, the plan may accept, on behalf of any member who is employed in a covered position, a rollover distribution from any of the following:

- (1) A qualified plan described in Section 401(a) or Section 403(a) of the Internal Revenue Code.
- (2) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.
- (3) An eligible plan maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state under Section 457(b) of the Internal Revenue Code.
- (4) An individual retirement account or annuity described in Section 408(a) or Section 408(b) of the Internal Revenue Code.

(b) Any amounts rolled over under subsection (a) must be accounted for in a "rollover account" that is separate from the member's account in the plan. The member shall be fully vested in the member's rollover account.

(c) A member may direct the investment of the member's rollover account into any alternative investment option that the board may make available to the member's rollover account under section 22 of this chapter.

(d) A member may withdraw the member's rollover account from the plan in a lump sum or direct a rollover to an eligible retirement plan at any time. Upon attainment of normal retirement age, in addition to these payment options, the member may withdraw the member's rollover account as a monthly annuity as established by the board in accordance with the annuity options that are available for the member's account in the plan. A member must make a required withdrawal from the member's account in the plan not later than the required beginning date under the Internal Revenue Code.

As added by P.L.22-2011, SEC.2.

IC 5-10.3-12-30

Member accounts; disability withdrawals; forms of payment

Sec. 30. (a) If a member becomes disabled while in a covered position, subject to any federal law limitations concerning qualified

plan distributions and the member furnishing proof of the member's qualification for Social Security disability benefits to the board, to the extent that the member is vested, the member may make a withdrawal from the member's account.

(b) The member may elect to have the withdrawal paid as:

- (1) a lump sum;
- (2) a direct rollover to another eligible retirement plan; or
- (3) a monthly annuity in accordance with the rules of the board.

(c) The board may establish a minimum account balance or a minimum monthly payment amount in order for a member to select the monthly annuity option.

As added by P.L.22-2011, SEC.2. Amended by P.L.6-2012, SEC.34.

IC 5-10.3-12-31

Effect of reemployment on plan participation

Sec. 31. (a) If a member of the plan separates from employment with the member's employer, later begins employment with the same or a different employer in a position covered by the plan:

- (1) the member resumes the member's participation in the plan; and
- (2) the member is entitled to receive credit for the member's years of participation in the plan before the member's separation.

Any amounts forfeited by the member under section 25(e) of this chapter may not be restored to the member's account.

(b) An individual who returns to state employment having had an opportunity to make an election under section 20 of this chapter during an earlier period of state employment is not entitled to a second opportunity to make an election under section 20 of this chapter.

(c) An individual described in section 1(a)(3) of this chapter who returns to employment with a participating political subdivision having had an opportunity to make an election under section 20.5 of this chapter during an earlier period of employment with the participating political subdivision is not entitled to a second opportunity to make an election under section 20.5 of this chapter with respect to that employer.

As added by P.L.22-2011, SEC.2. Amended by P.L.241-2015, SEC.36; P.L.209-2016, SEC.7.

IC 5-10.3-12-32

Election by state or participating political subdivision to allow plan participation by retired reemployed fund members

Sec. 32. (a) Notwithstanding section 20 and section 31(b) of this chapter, the state may elect to allow an individual who meets the following conditions to begin or resume membership in the plan for a period of reemployment with the state on the later of the date the board receives notice that the state has made an election under this

subsection or the date on which the individual's period of reemployment begins:

(1) The individual is a retired member (as defined in IC 5-10.3-1-5) of the fund.

(2) The individual is prohibited from making contributions to the fund under IC 5-10.2-4-8(e) during a period of reemployment that begins more than thirty (30) days after the member retired.

(3) On or after the date the board receives notice that the state has made an election under this subsection, the individual begins, or is engaged in, a period of reemployment with the state in a position that would otherwise be covered by the fund.

An election by the state under this subsection must be made as provided under IC 5-10.2-2-23 and is effective on the date that notice of the election is filed with the board.

(b) Notwithstanding section 20.5 and section 31(c) of this chapter, a participating political subdivision may adopt an ordinance or resolution allowing an individual who meets the following conditions to begin or resume membership in the plan for a period of reemployment with the participating political subdivision on the later of the date the ordinance or resolution adopted by the participating political subdivision is filed with the board or the date on which the individual's period of reemployment begins:

(1) The individual is a retired member (as defined in IC 5-10.3-1-5) of the fund.

(2) The individual is prohibited from making contributions to the fund under IC 5-10.2-4-8(e) during a period of reemployment that begins more than thirty (30) days after the member retired.

(3) On or after the date a participating political subdivision files an ordinance or resolution adopted under this subsection, the individual begins, or is engaged in, a period of reemployment with a participating political subdivision as a full-time employee in a position that would otherwise be covered by the fund.

An election by a participating political subdivision under this subsection is effective on the date the ordinance or resolution adopted by a participating political subdivision is filed with the board.

As added by P.L.209-2016, SEC.8.