



Indiana State Lodge Fraternal Order of Police 1934

January 19, 2018

FOP Members

RE: Senate Bill 075

Dear Brothers and Sisters:

In August, 2017, at our annual State FOP Conference, the delegates directed the State Lodge to support legislation that would enhance pension benefits for our members.

Senate Bill 075, authored by Jon Ford (Terre Haute area) reduces from 52 to 50 the age at which a member of the 1977 Police and Fire Pension and Disability Fund is eligible to receive an unreduced retirement benefit. It eliminates early retirement with a reduced benefit. It also increases from 1% to 1.5% the amount of additional retirement benefit payable to a 1977 Fund member for each 6 months of active service beyond 20 years. In addition, it reduces from 32 to 28 the maximum number of years of service that may be used to compute a retirement benefit for a 1977 Fund member. Maximum earned benefit allowed would remain at 74% but could be achieved at 28 years of service instead of the current 32.

Senate Bill 075, if passed, would not affect the DROP. If passed, the Bill would not increase the maximum pension achievable to 80%. It would not change the pension formula to have a pension determined by the average of the highest 3 years of salary.

Since the legislative session began on January 4, 2018, Senate Bill 075 has been a focus of attention by our members. Rumors have run rampant. We have consistently reported on the Bill, its progress in the Assembly, and our efforts to see pension enhancement come to fruition.

Every week throughout the Session, we have published a legislative report on our website and distributed that report to any member who has requested to receive it. Senate Bill 075 has succeeded in getting the dialogue started in the legislature that the time has come to improve public safety pension benefits in Indiana.

The Bill was heard in Committee on January 17, 2018 and the Committee has voted to recommend the Bill to the Committee on Pension Management Oversight. There, the interested parties (the FOP, the Fire Union, INPRS, and the Association of Cities and Towns) will be invited to examine costs, concerns and suggested revisions.

This Bill is of major significance to the 1977 Fund and our members. The FOP has always worked to keep the Fund strong and actuarially sound. While we seek improvements in benefits, they cannot come at the expense of future generations of members. We must ensure the continued stability of the Fund. The Summer Study Committee will help ensure that if a Bill is passed, it will not put the 1977 Fund in jeopardy.

We have heard from many members. Some who favor the Bill as written, some who do not, and some who have other ideas concerning pension improvement. We have been asked to lead a charge to bring pressure on elected officials to pass Senate Bill 075 (or in some cases some members have asked that we kill it). The time may come when we will ask our members to throw all of their effort behind a pension enhancement Bill. We will let you know if and when that time comes.

It is imperative that the Indiana FOP speak with one voice if we are to succeed. As your President, I will be that voice and our message will be consistent. We will work throughout the rest of the session and next summer. We will participate with the Summer Study Committee and we will do all we can to bring about pension improvements for our members while, at the same time, protecting the integrity of the 1977 Pension Fund.

Please feel free to contact me personally if you have any questions regarding this message, Senate Bill 075 or any other matter.

Fraternally,


William R. Owensby
President, Indiana Fraternal Order of Police

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