

PUBLIC EMPLOYEES' RETIREMENT FUND HYBRID PLAN

MEMBER HANDBOOK



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1.1 Administration of System and Funds

Indiana Public Retirement System (INPRS) administers 11 pension trust funds consisting of eight defined benefit and three defined contribution retirement funds, one other postemployment benefit fund, and one custodial fund. In accordance with Indiana Code (IC) 5-10.5, INPRS is governed by a nine-member Board of Trustees, appointed by the Governor.

Legislation approving the merging of the administration of funds for the Public Employees' Retirement Fund (PERF), which managed the following:

- Public Employees' Retirement Fund (PERF)
- Prosecuting Attorneys' Retirement Fund (PARF)
- 1977 Police Officers' and Firefighters' Retirement Fund ('77 Fund)
- Legislators' Retirement System (LRS)
- Judges' Retirement System (JRS)
- Excise, Gaming and Conservation Officers' Retirement Plan (EG&C)

and the Teachers' Retirement Fund (TRF) was adopted by the General Assembly and signed by the Governor in April 2011. The creation of the Indiana Public Retirement System (INPRS) became effective July 1, 2011. Combined membership totals equal nearly 500,000 members.

Each retirement fund will continue as a separate fund under the oversight of a combined INPRS nine-member Board of Trustees. Individual funded status for each plan will continue to be calculated separately.

INPRS also oversees three non-retirement funds:

- Special Death Benefit Fund (SDBF) - Effective July 1, 2017, the State Employees' Death Benefit Fund, Public Safety Officers' Benefit Fund, and the lump sum distributions for the line of duty deaths from the Local Public Safety Pension Relief Fund were merged together to form the Special Death Benefit Fund. The lump sum distributions from the SDBF is \$150,000 for public safety officers or other eligible officers (as defined by IC 5-10-10-4.5) who die in the line of duty before July 1, 2020. For public safety officers who die in the line of duty on July 1, 2020 or later, the amount of the special death benefit is \$225,000.
- Local Public Safety Pension Relief Fund (LPSPR) – LPSPR is a fiduciary fund and is generally administered in accordance with [IC 5-10.3](#) and [IC 36-8](#). The purpose is to provide financial relief to pension funds maintained by units of local government for their police officers' and firefighters' retirement plan benefits.
- Retirement Medical Benefits Account (RMBA) – RMBA is a health reimbursement account available to certain qualifying state retirees.

For additional information about each fund visit the [Annual Reports](#) page of the INPRS website.

1.2 Vision

Engaged members able to realize their retirement dreams

1.3 Mission

As fiduciaries, educate stakeholders, collect necessary contributions, and prudently manage member assets to deliver promised DB and DC benefits and services.

1.4 Principles

- **Integrity:** We hold ourselves accountable to the highest standards of ethical and professional behavior.
- **Stewardship:** We manage assets held in trust for current and future retirees. We are value oriented. We rigorously identify, measure, and manage risks.
- **Service:** We exist to serve our stakeholders with attentiveness to high quality, respectful customer service.
- **Trust:** We are our stakeholders' trusted source of reliable information.
- **Collaboration:** We seek out stakeholder input when establishing goals and setting priorities.

1.5 Board of Trustees

The Governor appoints the following Board members for INPRS pursuant to the following criteria:

- One trustee with experience in economics, finance, or investments.
- One trustee with experience in executive management or benefits administration.
- One trustee who is an active or retired member of the '77 Fund.
- Two trustees who are TRF members with at least 10 years of creditable service:
- One trustee who is a PERF member with at least 10 years of creditable service.
- Director of the State Budget Agency, or designee.
- Auditor of State, or nominee.
- Treasurer of State, or nominee

The executive director carries out the policies set by the Board and administers the Fund on a daily basis ([Indiana Code \(IC\) 5-10.5](#)).

1.6 Indiana Code Governing PERF

The laws and regulations governing the Indiana PERF may be found in Titles [IC 5-10.2](#) and [IC 5-10.3](#) of the Indiana Code (IC) and [Title 35 of the Indiana Administrative Code \(IAC\)](#). The content of this reference manual does not constitute legal advice, and nothing herein should be considered a legal opinion. In the event of a discrepancy between information in this handbook and the laws of the state of Indiana, the applicable law shall apply.

1.7 Other Public Employees' Retirement Fund Member Handbooks

Each plan in the Public Employees' Retirement Fund (PERF) has its own handbook:

- [PERF Hybrid Plan Member Handbook](#), referred to as the *PERF Hybrid Plan Member Handbook* throughout this handbook.
- [PERF My Choice: Retirement Savings Plan \(Local Government Employees\) Member Handbook](#), referred to as the *PERF My Choice: Local Government Employees Member Handbook* throughout this handbook.
- [PERF My Choice: Retirement Savings Plan \(State Employees\) Member Handbook](#), referred to as the *PERF My Choice: State Employees Member Handbook* throughout this handbook.

1.8 Important Terms

- **Beneficiary** – the person or institution chosen to receive all or part of your PERF benefits upon your death. Several types of beneficiaries are described in this handbook.
- **Contributions** – funds paid to PERF by employers and/or you to fund future benefits.
- **Creditable Service** – each period of continuous employment in a PERF-covered position. Creditable service is important in deciding your qualification for benefits.
- **Defined Contribution (DC) Account** – this is your individual account. It is funded by 3 percent mandatory contributions. These contributions are paid either with payroll deductions or by your employer. Voluntary contributions, interest and earnings may also be added to this account.
- **Employer** – a participating public organization that employs PERF members.
- **Mandatory Contributions** – contributions to your DC that must be made as required by state law.
- **Member** – a public employee enrolled in PERF.
- **PERF-Covered Position** – any qualified position for which an employer elects to cover and make contributions to PERF to fund retirement benefits.
- **Public Employee** – an employee of the state of Indiana, public schools, innovation schools and universities, and other state and government groups. Employees of private companies do not qualify for membership.
- **Retirement Benefit** – a lifetime monthly benefit paid by PERF to a qualified member after retirement from PERF-covered employment. It may also be paid to your qualified survivor. This benefit is funded by PERF employers.
- **Rollover Savings Account** – RSA now referred to as Rollover Pre-Tax Contribution or RSA (for Investments). Consists of a member's funds transferred to PERF from another qualified plan plus any interest or earnings.
- **Survivor Beneficiary** – the person receiving a percentage of your PERF benefits upon your death will receive a lifetime benefit. Several types of survivor beneficiaries are described in this handbook.

- **Vesting/Vested** – the status that determines eligibility for a retirement benefit.
- **Voluntary Contributions** – you may choose to make additional contributions to your DC through payroll deductions if your employer participates in the program.



Public employees are eligible for membership in PERF based on specific criteria as outlined in this section.

Your employer has the option of offering the PERF My Choice: Retirement Savings Plan in addition to or instead of the PERF Hybrid Plan. To find more information about the PERF My Choice: Retirement Savings Plan, see the [PERF My Choice: Local Government Employees Member Handbook](#) or the [PERF My Choice: State Employees Member Handbook](#).

You are a member of PERF when you begin employment in a position an employer chooses to cover under the PERF benefits structure.

The plans are explained in the following legislation:

- Indiana Codes [IC 5-10.2](#) and [IC 5-10.3](#)
- [Title 35 of the IAC](#)

If an employer plans to add a position in PERF, that position must be a position that ordinarily requires a minimum of 1,000 hours per year. If you are a school corporation employee, you must be in a position that ordinarily requires a minimum of 600 hours per year. Any position not meeting these requirements does not qualify as a PERF position.

2.1 PERF Hybrid Plan or PERF My Choice: Retirement Savings Plan

If you are a new employee and your employer chooses to participate in PERF, you have 60 days from your date of hire to choose between two retirement options:

- PERF Hybrid Plan [Defined Benefit (DB) plus a Defined Contribution (DC)], or
- PERF My Choice: Retirement Savings Plan (DC plan).

If you do not choose within 60 days, you will be defaulted to the plan that your employer has chosen as the default plan. If your employer does not participate in the PERF My Choice Plan, you will be enrolled into the PERF Hybrid Plan.

NOTE: The State of Indiana has chosen PERF Hybrid Plan as the default plan. If your position is **not** with the state of Indiana, the default is whatever plan your employer has chosen as the default.

Your election, or default, is irrevocable so be sure to make an informed decision within the 60-day election period.

2.2 Eligibility

Your employer chose to join PERF and decided which positions would be covered under the PERF Plan.

You qualify for PERF when you begin working in a position your employer covers with PERF benefits.

If you are an employee of the State and you are not statutorily assigned to another pension fund (or excluded from coverage), or you are an employee (who is not excluded from coverage) of a participating Local Government that offers Hybrid or both and are working in a covered position, you have the option to

become a member of the PERF Hybrid Plan or the PERF My Choice: Retirement Savings Plan (formerly the ASA Only Plan).

For a position to be PERF-covered, making you eligible for membership, the position must be:

- A non-excluded position as noted in [IC 5-10.3-7](#).
- Specified in a resolution passed by the employer's governing body.
- Not covered by another public retirement or pension plan [except Social Security or the Prosecuting Attorneys' Retirement Fund (PARF), established by [IC 33-39-7-9](#)].

For details about the PERF My Choice: Retirement Savings Plan, refer to the [PERF My Choice: Local Government Employees Member Handbook](#) or the [PERF My Choice: State Employees Member Handbook](#).

2.3 Enrollment

After your employer enrolls you in the fund, INPRS opens a DC account in your name and you become a member. Once INPRS receives contributions, you will receive a welcome packet with your membership information. The packet has instructions for you to register for an online account. A PIN will be mailed to you. Once you have registered, you can name beneficiaries, update your address, and make investment elections for your DC.

NOTE: If your employer designates your position as being PERF covered, you are a member of PERF. Unless an exception applies, you cannot opt out of PERF. Also, if you are working in a position that normally requires more than 1,000 hours and are a member of PERF, and you go into a position requiring 600 to 1,000 hours, you may elect to be a member PERF.

If you meet certain specific requirements you were also given the option to participate in PERF. These are:

- You were hired before July 1, 1982.
- Certain police officers and firefighters who erroneously made contributions as Fund members.
- You were a member of the general assembly and completed your service before July 1, 1987.

2.3.1 Participation for School Employees

If you are a school employee who works in a position normally requiring the performance of services more than 600 but less than 1,000 hours a year, and you are employed in a PERF-covered position, you are a member of PERF.

2.4 Ineligibility

Employment by other public employers, such as cities, towns, or school districts, does not automatically mean membership in PERF. This is because some of the more than 1,000 employers participating choose to offer PERF benefits only to certain groups of employees, but not automatically to all employees.

The following are **not eligible** to participate in PERF:

- Employees who are paid wholly on a fee basis or as an independent contractor

Membership

- Employees who occupy positions covered by PERF Resolution and at the same time occupy positions covered by another retirement or pension plan supported in whole or in part by either the State of Indiana or a participating Local Government including the following:
 - 1977 Police Officers' and Firefighters' Retirement Fund ('77 Fund)
 - Legislators' Retirement System (LRS)
 - Judges' Retirement System (JRS)
 - Excise, Gaming and Conservation Officers' Retirement Plan (EG&C)
 - 1953 Police Pension Fund
 - 1937 Firefighters' Pension Fund
 - 1925 Police Pension Fund
 - Sheriff's Pension Trust
 - Indiana State Police Pension Trust Fund

NOTE: The 1953 Police Pension Fund, 1937 Firefighters' Pension Fund, 1925 Police Pension Fund, Sheriff's Pension Trust, and Indiana State Police Pension Trust Fund are administered at the local unit level and not by INPRS.

- Elected officials of a Local Government, unless the governing body specifically provides for the participation of locally elected officials
- Employees occupying positions normally requiring performance of service of less than 600 hours per year who meet one of the following are ineligible:
 - Hired before July 1, 1982
 - Employed by a participating school corporation

NOTE: This does not apply to those PERF members who are authorized to participate simultaneously in TRF or those members who are required to participate in both PERF and PARF. No more than one year of service can be earned per year.

- Employees, except employees of a participating school corporation, hired after June 30, 1982, occupying positions normally requiring performance of service of less than 1,000 hours during a year

2.5 Suspension of Membership

See the [Investment Options, Suspension of Membership](#) section of this handbook for details.

2.6 Personal Information

Your name and address on file in INPRS records is the primary contact information maintained by INPRS.

You can report any change in demographic information by contacting the Member Service Center at (844) GO-INPRS (844-464-6777). For TDD call (800) 579-5708. Customer Service Representatives are available

Membership

weekdays (excluding weekends and state-designated holidays) from 8 a.m. to 8 p.m. ET, or by logging into your account at myINPRSretirement.org.

Your employer can report your name changes when reporting wage and contribution information. However, changing your address and beneficiary information with your employer will not update that information with INPRS. You need to contact INPRS directly to update your personal information.

To [*Change Your Beneficiary--Active Member*](#) submit the form to the address indicated on the form or log in to your account at myINPRSretirement.org. For forms applicable to PERF, visit the [Public Employees' Retirement Fund \(PERF\) Member Forms](#) page of the INPRS website.

NOTE: As long as you have assets or a current or future benefit with the Fund, it is critical you keep INPRS informed of any changes to your name, addresses, or beneficiaries. These changes require separate notifications to either the Member Service Center or by accessing your account at myINPRSretirement.org.

For example: Getting married and changing your name does not automatically result in a change to your beneficiary designation.



3.1 Employer Contributions

The employer contributions fund the employer's pension benefit obligations. These contributions do not fund individual member Defined Contribution (DC) accounts.

3.1.1 Contribution Rate

Each employer contributes at an actuarially determined rate. This rate is evaluated annually and is provided to employers 2 years prior to the fiscal year in which it applies. The contributions are made to fund the employer's pension obligations. The amount is expressed as a percentage of the gross payroll. This employer contribution rate is separate and distinct from the three percent mandatory member contributions.

3.1.2 Changes in Employer Contribution Rate

The PERF employer rate may change from year to year based on current plan pension obligations. Factors that may cause a change in rates include, but are not limited to, investment returns, turnover, mortality experience, an increase in membership or wages, recent retirements, members reaching vesting status, and certification of prior creditable service for current or former members. See the [Employer Contribution Rate Information](#) page on the INPRS website for details.

3.2 Member Contributions

You may contribute to your DC account or your employer may do this on your behalf, or both.

If you are not retired and have money in your DC account, you can also roll over funds from an IRA or other qualified retirement plan into your PERF Hybrid account. See the [Rollover Funds into PERF Hybrid](#) section of this handbook for details.

NOTE: PERF can only accept transfers of **taxable** (pre-tax) funds. Refer to the [Rollover Funds into PERF](#) section of this member handbook for details.

3.2.1 Defined Benefit

Your monthly pension benefit is referred to as the Defined Benefit (DB) and upon retirement you will receive a monthly benefit from PERF for the rest of your life. The State or your employer pays this pension benefit.

3.2.2 Defined Contributions

Your DC account has contributions set aside for you to use after you retire. The funds in this account come from money contributed by your employer on your behalf, and/or money contributed by you, and money earned from investing your account.

The DC can serve to supplement your retirement benefit and can be withdrawn (full or partial), rolled over (full or partial) into a qualifying IRA or retirement plan or an annuity plan, or used to purchase an annuity

Contributions

through MetLife. It is an important way of increasing retirement savings. However, if you leave covered employment before becoming eligible to receive a retirement benefit, you may take a distribution of your DC funds under certain conditions.

The following are the types of transactions that are part of your DC:

- mandatory contributions,
- voluntary contributions (pre- and post-tax), and
- investment profits and losses.

Within the DC there are two types of contributions:

- **Mandatory** – Paid by the employer, by you, or shared by both.
- **Voluntary** – Voluntary contributions are available to you if you work for an employer who is willing to deduct and report the voluntary contributions. As of January 1, 2018, voluntary pre-tax contributions are no longer available for new enrollment. However, if you enrolled in the Voluntary Pre-Tax Contribution account prior to January 1, 2018, you continue to make contributions and upon re-employment with the same employer you are required to continue with the voluntary pre-tax deductions. **Enrollment in the plan is irrevocable.**

Along with mandatory and voluntary contributions, your DC has contributions from investment profits and losses.

3.2.3 Mandatory Contributions

State law requires that 3 percent of your gross covered wages (W-2 reportable wages—regular and overtime) be contributed to PERF to fund the DC. Employers are given the option of paying your 3 percent contributions (pre-tax) as part of a wage adjustment; however, not all employers choose to do so.

- If you work for the State, a quasi-governmental agency, or a university, the 3 percent is paid by your employer on your behalf before taxes are calculated on wages.
- For all others, the 3 percent is deducted through payroll deduction, or your employer may pay all or part of this mandatory 3 percent contribution. The governing body of the employer makes this decision, and generally, may change it at any time.

Regardless of whether you make the 3 percent contribution, or your employer makes it on your behalf, those contributions are considered member contributions and are submitted to INPRS for deposit in your DC account. These contributions and accumulated interest (earnings and losses) are refundable to you should you terminate employment prior to becoming eligible for the Defined Benefit Retirement. While actively employed in a position covered by the Fund, you are not permitted to withdraw funds. See the [Millie Morgan Retirement](#) section of this handbook for an exception.

3.2.4 Voluntary Member Contributions

In addition to the 3 percent mandatory contribution, you may contribute up to an additional 10 percent of your compensation (gross wages). This additional 10 percent can be all post-tax, all pre-tax (if enrolled in the Voluntary Pre-Tax Contribution account prior to January 1, 2018), or a combination of both post- and

Contributions

pre-tax (if enrolled prior to January 1, 2018). If you want to make voluntary contributions to your DC, talk to your employer's payroll staff.

Voluntary Pre-Tax Contributions

As of January 1, 2018, no further enrollments for voluntary pre-tax contributions are allowed. If you were enrolled prior to January 1, 2018, the percentage of each pay period's wages which you chose to contribute on a pre-tax basis will continue as it is an **irrevocable election** and **cannot** be changed as long as you work for the same employer in any PERF-covered position. If you leave employment and return to the same employer, your pre-tax contribution will be reinstated, but cannot be changed or stopped.

Voluntary Post-Tax Contributions

When you make post-tax voluntary contributions, federal, state, and Social Security taxes are withheld. Your take home pay is reduced by the total amount contributed.

Because these funds have already been taxed, they will not be taxed again; however, it is important to know that any earnings or interest accrued on these funds is still taxable at the time of distribution.

In order for you to make after-tax voluntary contributions, your employer must agree to deduct the amount requested (up to 10 percent) and submit it to PERF. You can stop making post-tax contributions or change the amount deducted at any time.

3.2.5 Rollover Funds into PERF Hybrid

You can roll over funds from an IRA or other qualified retirement plan into your PERF Hybrid DC account as a Rollover Pre-Tax Contribution at any time.

Complete the [Transfer Funds from an Outside Account into a PERF RSA](#) and the [Download the Rollover Acceptance Form](#), as applicable, and submit them to the address provided on the form. These forms are available on the [Public Employees' Retirement Fund \(PERF\) Member Forms](#) page on the INPRS website.

NOTE: PERF can only accept transfers of **taxable** (pre-tax) funds.

- You can roll over funds into your PERF Hybrid DC account as a Rollover Pre-Tax Contribution from any of the following: A qualified plan described in IRS Section 401(a), 403(a), or an annuity contract or account described in Section 403(b)
- An eligible plan maintained by a state or Local Government of a state, or an agency or instrumentality of a state or Local Government of a state under IRS Section 457(b)
- An Individual Retirement Account (IRA) described in IRS Section 408(a) or 408(b)
- A traditional or conduit IRA

The Rollover Pre-Tax Contribution may be invested in any of the available investment options. See the [Withdrawals, Distributions, and Loans](#) section of this handbook for information about DC Rollover Pre-Tax Contribution distributions. See the [Investment Options](#) section of this handbook for information about investing your RSA (Rollover Pre-Tax Contribution) funds.

NOTE: As of July 1, 2018, inactive members can roll over funds from a qualifying IRA or retirement plan into PERF DC as Rollover Pre-Tax Contributions and continue to direct the fund elections.

For additional information regarding the process to roll over funds from another qualified plan, access your account at myINPRSretirement.org.

3.3 Quarterly Member Statement

Each quarter, you receive a statement about your DC account. The total includes any investment gains or losses and any administrative fees.

If you have Rollover Pre-Tax Contributions, they will be included on the Quarterly Member Statement.

Your statement will be posted online and mailed to you. To elect to not have a paper statement mailed to your home, log on to your member account, go to the **My Profile** link and select **Communications Preferences**.

3.4 Vested Status

Under State law, vested status is defined as 10 or more years of creditable service or combined creditable and eligibility service under PERF and/or TRF. If you have attained vested status you are entitled to benefits when meeting the age and service requirements for either early or regular retirement. You are entitled to full retirement benefits when you meet any of the following age and service requirements:

- Age 65 with 10 years of creditable and/or eligibility service
- Age 60 with 15 years of creditable and/or eligibility service
- At least age 55 and the sum of the member's age at retirement and their total years of creditable and eligibility service under PERF equal 85 or more (Rule of 85)

NOTE: You are vested immediately for your contributions to your DC account. However, there are restrictions on distributions. Refer to the *Withdrawals, Distributions, and Loans* section of this member handbook for more information.

You do not have to work for the same employer and the jobs do not have to be for 10 consecutive years, in order to reach vested status. A total of 10 years in any combination of PERF Hybrid- and /or TRF Hybrid-covered positions for which an employer makes contributions qualifies as creditable service for vesting purposes.

NOTE: You may become vested immediately if the employer with which you are employed chooses to no longer be a participating employer in PERF. In this situation, you would be immediately vested based on the combination of your creditable and eligibility service. However, the benefit you receive is only calculated on the creditable portion of your service total.

3.4.1 Vesting for Specified Elected Officials

Some elected officials vest in 8 years instead of 10. By law, county officials named in the Indiana Constitution and limited by law to 2 4-year terms in office will vest when the second term in office ends and will be eligible for retirement at age 65. This also applies to state officials including the State Auditor, State Treasurer and Secretary of State.



The most common form of service credit is service earned in a position covered by PERF Hybrid or TRF Hybrid. The following are the types of available service credit; some with and some without cost.

To access the forms associated with purchasing service credit, visit the [Public Employees' Retirement Fund \(PERF\) Member Forms](#) page of the INPRS website.

The [PERF Service Purchase Calculator](#), visit the [Online Calculators](#) page of the INPRS website.

NOTE: Any service credit granted to you must comply with the laws in effect at the time of retirement. You are encouraged to request a service credit analysis about 2 years before you retire. This will allow the time needed to verify your service and make corrections, if needed.

After you retire, if you believe an error was made in computing your creditable service, you may request a re-examination of your benefit at any time. By law, ([IC 4-21.5](#)) you have up to 6 years after your first monthly retirement benefit payment to appeal a decision made during re-examination of your benefit

NOTE: Service credit whether purchased or earned, does not apply to the PERF My Choice: Retirement Savings Plan.

4.1 Member Service Credit

Service credit is earned in monthly increments. One month of service credit will be awarded for each month that you work at least one day.

You receive service credit for each period of continuous employment in a covered position. You may also be entitled to service credit during military service and certain types of leave. More information is available in the [Military Service](#) and [Leave of Absence](#) sections of this handbook.

A school corporation employee who works the full school term or contract period receives credit for 1 year of service. Otherwise, service credit for school corporation employees is granted for actual time worked.

If you have past service as an employee of the state or participating Local Government in a position not covered by the retirement fund, you may receive credit for this service. You must have worked before January 1, 1985, in PERF Hybrid or TRF Hybrid and the position became covered prior to January 1, 1985. You will need to submit proof of this service to INPRS.

If you have past service in a position not covered by the retirement fund, you may receive credit for this service if the position was covered after December 31, 1984, by PERF Hybrid or TRF Hybrid and you were employed in the position prior to January 1, 1985. You would need to remain in that position or another position with the same employer at least until the position became covered. You will need to submit proof of this service to INPRS. For more information, see [IC 5-10.2-3-1](#).

If you are a school corporation member who works the full school term or contract period for a position, you will receive credit for one year of service. Otherwise, service credit for school corporation members will be granted for actual time worked.

4.1.1 Service Credit – Partial Months

For those months in which you began or completed employment in a PERF Hybrid-covered position, service is earned in monthly increments. One month of creditable service is granted for each month in which you worked at least 1 full day in a full-time in a PERF Hybrid-covered position.

4.1.2 Service Credit by Employer

[35 IAC 1.2-5-5](#) indicates that whenever an individual is employed by the same employer in a position which requires the performance of covered and non-covered service, contributions shall be paid only from the portion of the annual compensation attributable to the covered service.

4.1.3 Employer Certification of Creditable Service

If you question a service credit amount with a current or former employer, you are responsible for providing evidence that service was rendered for the time period being questioned with that employer.

4.2 Types of Service Credit

As a PERF Hybrid member, you may be entitled to various types of service credit.

4.2.1 TRF Service

If you retire with service in both PERF Hybrid and TRF Hybrid you must select the fund from which to retire (receive retirement benefits). Upon selection of a fund, all service with both PERF Hybrid and TRF Hybrid will be combined into the fund from which you are retiring. You will receive a single, combined benefit from that specified fund.

When you complete your final service, your retirement benefit will be calculated on the basis of combined creditable service between the two funds. You will be credited one year for each year of covered service, no matter how many positions you held at the time of service.

NOTE: You are not allowed to earn double service credit.

See the [Teaching Service](#) section of this handbook for additional information.

NOTE: Any DC funds held in both PERF and TRF will be handled according to your choices made during completion of your online retirement application from your account at myINPRSretirement.org.

Example

Tom serves as a school teacher during the day in a TRF-covered position. He drives a snow plow at night in a PERF-covered position. Tom has accounts with both TRF and PERF. Even though he is a member of

both funds, at retirement his service is merged so that he only gets 1 day of service credit for the concurrent service in PERF and TRF.

4.2.2 Teaching Service

If you retire from PERF with service in both PERF and TRF, PERF will pay the combined benefit. Your retirement benefit will be computed, and your vested interest will be determined on the basis of combined creditable service. You have the opportunity to combine them, but are not required to do so.

See the [TRF Service](#) section of this handbook for additional information.

4.2.3 Other Concurrent Service

If you serve in a position covered by another governmental plan, you cannot participate in PERF while you are serving in the other position. The exceptions are PARF and TRF.

If you retire from or leave another governmental plan, and then work in a PERF-covered position, you can participate in PERF.

Example

Lindsay is a firefighter in a '77 Fund-covered position for Carmel. She is also a council member for Fishers. Due to her membership in the '77 Fund, she is excluded from membership in PERF.

4.2.4 Military Service

Military service credit is administered in conjunction with the rights of the veterans under the [Uniformed Services Employment and Re-employment Rights Act of 1994 \(USERRA\)](#).

Only active duty United States Armed Forces military service supported by a DD-214 bearing the Character of Discharge designation "Honorable" will be considered for adding service credits due to military leaves of absence.

If you served in the United States armed services, you are eligible for PERF service credit equal to your actual military service if you meet all of the following conditions:

- You were in a PERF-covered position prior to entering the military.
- You left your PERF-covered position and went directly into the United States armed services.
- You did not withdraw your DC account [formerly known as the Annuity Savings Account (ASA)].
- You left the military service and returned to the same employer in a PERF-covered position within 120 days after receiving an unconditional discharge.

You may also be eligible for service credit if your military service is covered by the provisions of the federal Uniformed Services Employment and Reemployment Rights Act (USERRA). See the [Uniformed Services Employment and Reemployment Rights Act \(USERRA\) Eligibility](#) section of this handbook for details.

Active Duty Before USERRA

Generally, if your military service was prior to USERRA, and while you were actively employed in a PERF-covered position, and did not take distribution of your DC, and return within 120 days of discharge, the time, up to 5 years, may be added to your service credit. There are exceptions. Supply your employer with a copy of your active duty discharge paperwork.

Active Duty After USERRA

If your active duty military service occurred after USERRA was implemented and while you were actively employed in a PERF-covered position, make sure that your employer is given notice of your leave of absence. Upon returning to work, supply your employer with a copy of your active duty discharge paperwork so that your employer may report your time and any wage and contribution reporting owed to INPRS per USERRA regulations up to a maximum of 5 years.

Report Military Service

Your military service credit must be documented and reported by your employer.

You must provide your employer with military documents that show your date of entry into active military service and the date you were honorably discharged from active military service.

NOTE: Normally, you can provide this information by sending in the Department of Defense (DD) Form 214, Certificate of Release or Discharge from Active Duty.

These documents should be mailed to:

Indiana Public Retirement System
One North Capitol Avenue, Suite 001
Indianapolis, IN 46204

If you need help locating the DD Form 214, visit the [Department of Defense's website](#).

For other military records, you can contact:

[National Personnel Records](#)
Civilian Personnel Records
1 Archives Drive
St. Louis, MO 63138
(314) 801-0800

Uniformed Services Employment and Reemployment Rights Act (USERRA) Eligibility

You may also be eligible for service credit if the provisions of the [Uniformed Services Employment and Reemployment Rights Act \(38 U.S.C. 4301, et seq.\)](#) cover your military service. Conditions for USERRA eligibility are that **you must meet all of the following criteria:**

- You applied for or currently hold a civilian job,
- You gave written or verbal notice to the civilian employer prior to leaving the job for military training or service except when precluded by military necessity,

- You have not exceeded the five-year limit on periods of service, subject to certain exceptions,
- You have been released from service under honorable conditions, and
- You reported back to the civilian job in a timely manner or submitted a timely application for re-employment

All yours and your employer's contributions must be paid upon return to PERF-covered service for leaves if the contributions are picked up by the employer. If the employer does not pick up the contributions, then your contributions are not required. Ultimately, INPRS relies on the assertions and verifications made by your participating employer. Military service credit guidelines are governed by [IC 5-10.3-7-5](#) and [35 IAC 1.2-3-10](#).

4.3 Leave of Absence

You may take certain types of leave from a covered position and still earn or retain service credit. The leave taken may have a different effect on eligibility for pension benefits than it does on the amount of benefits. Various types of leave are discussed below, but you should be certain to speak with your employer and should maintain your own written records of any leave.

NOTE: For Leave of Absence (LOA) reviews completed on or after July 1, 2019, the total LOA service credit cannot exceed 1/8th of the total creditable service.

4.3.1 Leave of Absence from PERF-Covered Employment

Few employees remain with the same employer their entire career. Even if you do, situations may force you to take time away from your job. You may take certain types of leave from a covered position and still earn or keep service credit. A leave of absence does not qualify as ending service.

You are entitled creditable leave provided it does not constitute 1/8th of your creditable service total at the time the leave is taken. This leave must be approved by the employer. Creditable service may be granted during a leave of absence only if you return to work for a period of 6 months or greater. The "return to work" requirement may be waived by an INPRS Board designee.

If you receive compensation during your LOA, your employer must make contributions for creditable leaves of absence. Leaves are granted by the employer. Typically, paid leaves are considered creditable. During a qualifying paid leave of absence, both yours and your employer's contributions must be made, and creditable service will be granted to the extent permitted by law.

You should consult with your employer about any leave and ask your employer to contact INPRS about how a leave will affect your creditable service and eligibility.

4.3.2 Family and Medical Leave Act (FMLA)

You may also receive credit for up to 12 weeks of leave taken during a 12-month period under [Family and Medical Leave Act \(FMLA\) \(29 USC 2601, et seq.\)](#). If this leave is in addition to the 6 months of unpaid authorized leave in a 4-year period, **it is considered service only for vesting and for the purpose of determining eligibility and not for calculating benefits** if the FMLA is for some reason other than those listed in the [Leave of Absence](#) section of this handbook.

4.3.3 Paid Leave

During a paid leave of absence, you and your employer are required to make contributions. See the [Leave of Absence from PERF-Covered Employment](#) section for details.

4.3.4 Unpaid Leave

You are entitled creditable leave provided it does not constitute 1/8th of your creditable service total at the time the leave is taken. ([IC 5-10.3-7-6](#)). This leave must be approved by your employer and a copy of the grant of leave of absence must be filed with INPRS in a manner prescribed by the Board, within 90 days after the leave commenced.

For more information, contact your employer or contact the Member Service Center at (844) GO-INPRS (844-464-6777). For TDD call (800) 579-5708. CSRs are available weekdays (excluding weekends and state-designated holidays) from 8 a.m. to 8 p.m. ET.

4.3.5 Adoption Leave and Maternity or Paternity Leave

You can receive up to one year of service credit for Adoption Leave and Maternity or Paternity Leave if the employer certifies that the leave is granted in accordance with the employer's leave policy.

4.3.6 Worker's Compensation Leave

Workers' Compensation Leaves are always creditable and service credit is granted for the full extent of the leave.

4.4 Service Credit for Disability

No creditable service will be granted during the period for which PERF disability benefits are paid; however, if you are a state employee, you are entitled to service credit for the time you receive short- or long term disability benefits under a state of Indiana sponsored disability plan, not to exceed 4½ years.

4.5 Reinstatement of Service

As of July 1, 2018, if you separate from service and later return to service in a PERF Hybrid-covered position, your service credit will immediately begin accruing from where it was when you separated from service.

If you were vested and took a disbursement of your DC after June 30, 2009, your service credit is not canceled.

If you took a disbursement prior to July 1, 2018, you must return to a PERF Hybrid- or TRF Hybrid-covered position for ½ year as defined by the Plan.

If you were not vested and took a disbursement of your DC after June 30, 2018, your service credit is not canceled.

4.6 Creditable Service

The most common form of service credit is service earned in a position covered by PERF Hybrid or TRF Hybrid. "Creditable service" is the amount of time that can be counted when calculating your monthly PERF retirement benefit. Other methods may be used to earn service credit, some with and some without associated cost.

You receive service credit for each period of continuous employment in a covered position. You may also be entitled to service credit during military service and certain types of leave. More information is available in the [Military Service](#) section of this handbook.

If you are a school corporation employee and you work the full school term or contract period, you receive credit for 1 year of service. Otherwise, service credit for school corporation employees is granted for actual time worked.

4.6.1 Transfer of Creditable Service into PERF Hybrid

If you have prior service in TRF Hybrid you may transfer creditable service earned with TRF Hybrid into PERF Hybrid. The transfer of service will be completed upon retirement. In certain situations, creditable service may also be transferred from the 1977 Police and Firefighters Fund. See the [1977 Police Officers' and Firefighters' Retirement Fund \('77 Fund\) Member Handbook](#) for further details about the Fund.

If you were a member of the EG&C Plan, left EG&C employment without taking distribution of the fund and did not vest in the plan, and you take a PERF Hybrid-covered position, the EG&C service can be transferred to PERF Hybrid upon request. See the [Excise, Gaming and Conservation Officers' \(EG&C\) Retirement Plan Member Handbook](#) for details.

4.6.2 Transfer of Creditable Service from PERF Hybrid

If you terminated employment with PERF Hybrid you may transfer creditable service with PERF Hybrid to TRF Hybrid, if you have previous service with TRF or are currently employed in a TRF-covered position. The transfer of service will be completed upon retirement. In certain situations, creditable service may also be transferred to the 1977 Police and Firefighters Fund. See the [1977 Police Officers' and Firefighters' Retirement Fund \('77 Fund\) Member Handbook](#) for further details about the Fund.

4.7 Additional Service Credit

As a member of PERF Hybrid or TRF Hybrid, you have the option to buy extra service credit. Buying extra service credit gives you a higher monthly retirement benefit. It also may let you retire earlier. However, **you cannot buy extra service credit in order to vest with PERF or TRF.**

4.7.1 Basic Qualifications

As an eligible active member of PERF Hybrid and TRF Hybrid you can purchase 1 year of additional service credit for each 5 years of PERF Hybrid- or TRF Hybrid-covered employment. To purchase service credit, you must:

1. Be currently employed in a PERF Hybrid- or TRF Hybrid-covered position
2. Have at least 10 years of PERF Hybrid- or TRF Hybrid-covered employment

Information about the types of service credit available for purchase, specific qualifications for eligibility to purchase service credit, and the process for purchasing service credit are covered in this section of this handbook. Internal Revenue Code Section 415 purchase limits may apply.

4.7.2 Cost to Purchase Service Credit

If you want to increase your benefits you may purchase service credit. INPRS will provide you with the cost to purchase the service.

The calculation of the cost to purchase service credit is valid for 30 days. If the purchase is not completed in 30 days, the cost must be recalculated.

If you are interested in getting an estimate of how much it could cost you to purchase extra service credit, you can do one of the following:

- Access your account at myINPRSretirement.org or visit the [Online Calculators](#) page of the INPRS website for an estimate.
- Contact our Member Service Center at (844) GO-INPRS. CSRs are available weekdays (excluding weekends and state-designated holidays) from 8 a.m. – 5 p.m. ET.
- You can submit your request via email to questions@inprs.in.gov. INPRS will respond with the actual cost for purchasing service.

4.7.3 Purchase Additional Service Credit

Forms which need to be completed and submitted for purchasing service credit are available on the of the [Public Employees' Retirement Fund \(PERF\) Member Forms](#) page of the INPRS website.

You may purchase additional service credit that can be used toward the calculation of your retirement benefit by meeting one or more of the following criteria.

- Have been in the Fund for a period of 1 year (unless the purchased service is classified as "Air Time". For more information on "Air Time", see the [Purchase Air Time Service Credit](#) section of this handbook).
- Have worked in a similar position(s) in another state.
- Have worked for a quasi-State agency before it became PERF-covered.
- Have previous service from participating as a member in the 1977 Fund or State Police Pension Trust
- Have prior military service that was not credited under USERRA or other state pension law.
- Have 10 years of creditable TRF Hybrid and/or PERF Hybrid service.

The purchase cost of additional service is calculated based on your age, years of service, and salary. Therefore, in general, the sooner you make such a purchase, the lower the purchase cost.

You cannot use any purchased service for vesting purposes. If you have not earned 10 years of creditable service, the purchased service credit is held in pending status until you attain the requisite 10 years. Therefore, to become eligible to retire and receive the retirement benefit, you still must have 10 years of creditable and/or eligible PERF Hybrid-/TRF Hybrid-covered service. The additional purchased service will be used in the calculation of the retirement benefit.

Service Credit

If you are a non-vested member of the 1977 Police Officers' and Firefighters' Retirement Fund ('77 Fund), Judges' Retirement System (JRS), and Excise, Gaming and Conservation Officers' Retirement Plan (EG&C) and you become employed in a PERF Hybrid-covered position you may purchase those years of service in order to include them in your PERF Hybrid retirement benefit.

More information regarding PERF's process for purchasing service can be found in [35 IAC 1.2-3-13](#). Or by contacting the Member Service Center at (844) GO-INPRS ((844-464-6777).

NOTE: Minimum service requirements may apply. If you separate from service before vesting, the cost of the additional service plus interest will be returned to you.

Example

If you buy 1 year of service credit you will end up with 11 years of service when you complete your 10 years in the PERF Hybrid Plan.

Purchase of Prior 1977 Fund Service Credit

As a member of PERF you may purchase prior service earned in the '77 Fund. The purchase must be made at full actuarial cost and INPRS may transfer funds from the '77 Fund to PERF in order to fund the service purchase. The employer may opt to pay for all or part of the cost to purchase the service credit. Any '77 Fund balance remaining after purchase will be refunded to you. To be eligible to purchase the prior service, you must:

- Have at least 1 year of creditable service in the Fund
- Not have attained vesting status in the fund from which the service is being purchased
- Not be an active position in the fund from which the service is being purchased
- If you use your '77 Fund benefit in the '77 Fund, it cannot be used with any other fund.

Purchase Out-of-State Service Credit

You may purchase out-of-state service credit with PERF Hybrid if you:

- Have at least 1 year of service in a PERF Hybrid-covered position,
- Have prior service in another state in a similar position that would be creditable service if you had been in Indiana, and
- No longer qualify to use those years to claim a retirement from any other retirement system.

NOTE: You cannot use your out-of-state service to receive any additional benefits from another state or federal retirement system. If you qualify for a benefit from another state or federal retirement system, you cannot use that service to get creditable service with PERF Hybrid.

If you previously worked for a nonprofit corporation established by the state or other quasi-governmental entity, and that service would have been creditable if performed by you for the Fund, you may purchase

this service if you have 1 year of credited service in the Fund and make required contributions to the Fund prior to retirement.

Purchase Military Service Credit

If you do not otherwise qualify for military service credit, you may purchase up to 2 years of active duty military service. You may purchase service for time spent in the military if you meet the following criteria:

- Served in the United States Armed Services in Active Duty for at least 6 months.
- Have at least 1 year of service in the Fund.
- Were honorably discharged.

NOTE: The purchase of service for time spent in the military is limited to a maximum of 2 years.

This is added to any other military service credit that is granted by law.

You can buy service after you have been in the fund for 1 year. To determine the cost of buying this military service, contact the Member Service Center at (844) GO-INPRS (844-464-6777). For TDD call (800) 579-5708. CSRs are available weekdays (excluding weekends and state-designated holidays) from 8 a.m. to 8 p.m. ET.

Service Credit Purchase Estimate Calculators are available on the [Online Calculators](#) page of the INPRS website or by logging into your online account at myINPRRetirement.org.

If you purchase service, it cannot be used for vesting. You need 10 years of actual PERF Hybrid-covered service to qualify to retire and receive a retirement benefit. See [35 IAC 1.2-3-13](#) for more information about PERF's process for buying service or contact the Member Service Center at (844) GO-INPRS (844-464-6777).

The cost to purchase this service is calculated actuarially. See the [Cost to Purchase Service Credit](#) section of this handbook for details.

Purchase "Air Time" Service Credit

Generally, once vested, you can buy an additional 1 year of service credit for every 5 years of actual earned service. For example, if you have 15 years of service, you could buy an additional 3 years of credit. Your retirement benefit would be calculated using a total of 18 years. This service cost depends upon your age, years of service, and salary. You can pay for the service in a lump sum or annual payments over 5 years.

The cost to purchase this service is calculated actuarially. See the [Cost to Purchase Service Credit](#) section of this handbook for details. Payment for this purchase can be made in a lump sum or amortized over 5 years.

NOTE: You may purchase whole years of service credit up to a maximum of 2 years total. In addition, you may purchase partial years in increments of 1/12 (monthly increments) not to exceed a maximum of 2 years comprised of whole years and partial years.

Example 1

If you have 15 years of service, you would be able to purchase an additional 3 years of credit. Your retirement benefit would be calculated using a total of 18 years.

Example 2

If you have 10 years of service credit in total between the PERF Hybrid and TRF Hybrid plans, you are eligible to purchase Air Time Service Credit.

If you have 6 years of service in the PERF Hybrid plan and 4 years of service in the TRF Hybrid plan, you are eligible to purchase up to 2 years of service.

Purchase Service from PERF My Choice to PERF Hybrid

As outlined in [IC 5-10.3-7-4.3](#), to purchase service credit for PERF Hybrid from PERF My Choice, you must have been a member of both. You must meet the following requirements:

- You must have at least 1 year of creditable service in PERF Hybrid.
- You must have at least 10 years of creditable service in a PERF Hybrid-covered position.

Having met the above criteria you must make the following contributions to the fund that are equal to the product of the following:

- Your salary at the time you make a contribution for the service credit.
- A percentage rate, as determined by the actuary of the fund.
- The number of years of service credit that you intend to purchase.

As a member if you:

- terminate employment before becoming eligible to receive a monthly allowance; or
- receive a monthly allowance for the same service from another tax supported public employee retirement plan other than under the federal Social Security Act;

you 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 INPRS.

The following applies to the purchase of service credit under this section:

- INPRS may allow you to make periodic payments of the contributions required for the purchase of service credit in the fund.
- You may elect to make a transfer of the vested portion of your Direct Contribution, DC (formerly the Annuity Savings Account, ASA) balance attributable to participation in the public employees' defined contribution plan to purchase service credit in the fund.
- INPRS may deny your 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.
- You may not claim the service credit for the purpose of determining eligibility or computing benefits unless you have made all the payments required for the purchase of the service credit.

4.7.4 Purchase Service in another Plan

You can take money out of your DC to buy service credit in another government retirement plan and ordinarily you would withdraw the **exact** amount. The money ordinarily would be paid as a “trustee-to-trustee” transfer to the other governmental plan. This means INPRS would transfer the funds to the other government plan and you would not receive a cash payment.

If you should return to a PERF Hybrid-covered position, you would need to buy back the service credit from the other government plan to have it count toward your retirement.

4.7.5 Purchase Service Credit with Rollover from another Plan

You may pay INPRS for service in the form of a rollover from another tax-deferred retirement plan, as defined in the [Economic Growth and Tax Relief Reconciliation Act of 2001 \(EGTRRA\)](#). This purchase may be done as a “trustee-to-trustee transfer” (moving retirement assets from one managing institution or custodian directly to another) or a rollover and should not be for more than the cost to purchase the service. Any excess amount is deposited in your Rollover Pre-Tax Contributions account.

NOTE: If you end service before you qualify to retire, INPRS will refund the price you paid for the extra service. This amount will include interest. You will receive this refund if you withdraw your DC account. INPRS decides the amount based on the actuarial cost. If you take a refund or any funds for purchased service, you may return to a PERF Hybrid-covered position. If you re-employ and want to purchase service, you will have to start over with the service purchase process.

4.8 Service in a Dual Position

Whenever an individual is employed by the same employer in a position which requires the performance of covered and non-covered service, contributions shall be paid from the portion of the annual compensation attributable to the covered service.

NOTE: Service in a Dual Position can also have a meaning in relation to service credit. Working in a PERF Hybrid- and TRF Hybrid-covered position simultaneously can only earn 1 year of service for the same period of time.

4.9 Service Credit Inquiry

If you believe an error was made in calculating the creditable service, you may request a re-examination of the benefit at any time. You may only appeal the re-examination decision under the Indiana Administrative Orders and Procedures Act if the appeal is requested within 6 years after the re-examination of your creditable service or benefit.



INPRS offers a variety of investment options from which you can choose to invest your Defined Contribution (DC) and/or Rollover Pre-Tax Contribution (RSA) funds.

INPRS is unable to provide investment advice. The investment fund performance fact sheets available on the [Investment Fact Sheets](#) page of the INPRS website give you more information on each of the funds. You may want to talk to a trusted financial advisor or review the [Investing 101](#) page on the INPRS website.

5.1 Defined Contribution Account

The DC account portion of PERF Hybrid plan was previously known as an Annuity Savings Account (ASA). Your DC account is money set aside for you to use after you retire. The funds in this account come from money your employer contributed on your behalf, and/or money you contributed, and money earned from investing your account:

- mandatory contributions
- voluntary contributions (pre- and post-tax)
- investment profits and losses

As a new member, you will receive a welcome package with instructions on how to log in to your account at myINPRSretirement.org.

NOTE: As of January 1, 2018, the voluntary pre-tax contribution election is no longer available for new enrollment. However, if you enrolled in the Voluntary Pre-Tax Contribution account prior to January 1, 2018, you will continue to make contributions and upon re-employment with the same employer you are required to continue with the voluntary pre-tax deductions. **Enrollment in the plan is irrevocable.**

You can view or change your investment options by accessing your account at myINPRSretirement.org to complete your investment direction elections. For more information contact the Member Service Center at (844) GO-INPRS (844-464-6777). For TDD call (800) 579-5708. CSRs are available weekdays (excluding weekends and state-designated holidays) from 8 a.m. to 8 p.m. ET. You can complete your requests via phone with a CSR.

Your DC account is subject to market risk when your funds are invested.

NOTE: The Guaranteed Fund ceased to be an investment option as of January 1, 2017. If you had funds invested in the Guaranteed Fund, those funds were transferred into the Stable Value Fund. See the *Stable Value Fund* section of this handbook for more information. As with all your investment elections, you can choose to move all or part of your Stable Value Fund to other investment options.

You can choose from several available options. As of July 1, 2010, upon enrollment in PERF, you are enrolled in the Target Date Fund (default) based on your projected retirement date. Your DC will continue

with this investment option until you make other selections. You can log in to your myINPRRetirement.org account to complete your investment direction elections, or contact the Member Service Center at (844) GO-INPRS (844-464-6777) where you can complete your request via phone with a CSR.

NOTE: If you do not submit your choices to INPRS, your DC will automatically be invested in a Target Date Fund based on your projected date of retirement.

You direct INPRS to invest a portion of your account (present balance and future contributions) into any or all of the investment funds in at least 1 percent increments. Or, you can invest current contributions and new contributions separately. This means you can direct both current and future contributions, or leave current balances as they are and direct future contributions only.

5.1.1 Rollover Funds into PERF Hybrid

If you have a rollover account with PERF Hybrid and/or PERF My Choice: Retirement Savings, INPRS must keep the accounts separate. The funds are shown as Rollover Pre-Tax Contribution or RSA (for Investments) in your account at myINPRRetirement.org. Your rollover account can be invested as outlined in the *Investment Options for Defined Contribution and RSA Funds* section of this handbook. The amount must be at least 1 percent of your total balance and you can change it daily.

5.2 Investment Considerations

1. You will be able to view daily valuations of your DC and/or RSA funds and make daily changes to your investment allocations for these funds.
2. The investment direction can cover your current DC and/or RSA balances and all future contributions or just future contributions for these funds.
3. If you are newly enrolled in PERF your DC contributions will be invested only in a Target Date Fund until you select other options through myINPRRetirement.org. You may also contact the Member Service Center (844) GO-INPRS (844-464-6777). For TDD call 1-800-579-5708. CSRs are available weekdays (excluding weekends and state-designated holidays) from 8 a.m. to 8 p.m. ET to complete your investment direction requests via phone.
4. If you return to a PERF-covered position after having a break in service, generally, you will have the same investment elections as when you left, regardless of whether or not you elected to withdraw your DC funds. You can view or change your investment options by accessing your account at myINPRRetirement.org. You may also contact the Member Service Center to complete your investment direction requests via phone with a CSR.

5.2.1 Investment Options for Defined Contribution and RSA Funds

To view or change investment options, log in to your myINPRRetirement.org account and complete your investment direction elections. You can call the INPRS Member Service Center at (844) GO-INPRS (844-464-6777). For TDD call 1-800-579-5708. CSRs are available weekdays (excluding weekends and state-designated holidays) from 8 a.m. to 8 p.m. ET.

Investment Options

Several options are available from which you may choose. Upon enrollment in PERF, you are enrolled in the Target Date Fund based on your projected date of retirement. Your funds will continue in this investment option until you make another selection.

You direct INPRS to invest a portion of your account (present balance and future contributions) into any or all of the investment funds in at least one percent increments. Or, you can invest current contributions and new contributions separately. This means you can direct both current and future contributions, or leave current balances as they are and direct future contributions only.

PERF Hybrid Plan allows you to manage your retirement benefits with self-directed investment options. You may decide how to invest contributions posted to your account and choose any one or more of the eight funds available through PERF.

You can decide how you want your DC and RSA (Rollover Pre-Tax Contributions) funds to be invested with these options. Each option has a fund fact sheet associated with it to more fully explain the investment.

- [Fixed Income Fund](#)
- [Inflation-Linked Fixed Income Fund](#)
- [International Equity Fund](#)
- [Large Cap Equity Index Fund](#)
- [Money Market Fund](#)
- [Small/Mid Cap Equity Fund](#)
- [Stable Value Fund](#)
- [Target Date Funds](#) (including the [Retirement Fund](#))

Stable Value Fund

The Stable Value Fund is an investment option for PERF and TRF members. If you had funds in the Guaranteed Fund and did not elect to move those funds to other options prior to January 1, 2017, your Guaranteed Fund money was moved to the Stable Value Fund at that time. See the [Stable Value Fund](#) Fact sheet on the INPRS website for details. You may change your investment elections at any time by accessing your account at myINPRSretirement.org.

Target Date Funds

Target Date Funds are the default fund for new members who have not elected other fund options. The goal of the Target-Date Funds is to be a "one-stop shop". Target Date Funds consider the projected year in which you could retire in order to provide appropriate risk diversification. See the [Target Date Funds](#) Fact sheet on the INPRS website for details. You may change your investment elections at any time by accessing your account at myINPRSretirement.org.

Retirement Fund

The Retirement Fund contains your DC and/or RSA contributions in the situation where you elected a Target Date Fund, but did not retire by the time you reached your chosen Target Date Fund year. At any

time, you may elect to move your contributions (DC and/or RSA) into another Target Date Fund or any of the other available investment offerings.

If you are currently invested in the Retirement Fund but, based on your age, you should be in one of the new Target Date Funds (or 2015 or 2065), your Retirement Fund balances (DC and/or RSA) will be moved into the appropriate Target Date Fund year as applicable.

5.2.2 Defined Contribution and RSA Allocation Changes

As outlined in this handbook, you can change the amount of your DC and/or RSA funds you invest in each investment fund. The amount must be at least 1 percent of your total balance and can be changed daily.

It is important to ask yourself these questions.

1. **What is my *risk tolerance*?** This means how comfortable you are with the account value rising and falling with the markets.
2. **What is my *age*?** If you are younger you may be able to take on more market risk since stock losses can be made up over time. If you are closer to retirement you may want to invest in more stable value investments that provide regular income.
3. **What is my *portfolio diversification*?** This means spreading your money among different types of investments to reduce overall risk.

There could be other factors to consider. Consult your financial advisor.

NOTE: If you do not choose your DC investment option(s), your DC will default to a Target Date Fund based your projected date of retirement.

5.3 Suspension of Membership

See the [Suspension of Membership](#) section of the [Withdrawals, Distributions, and Loans](#) section of this handbook for additional details.

5.3.1 Staying Invested

When you leave covered employment, you can leave your DC and/or Rollover Pre-Tax Contribution funds invested with PERF and can continue to invest in any of the available options. If you have been inactive for 5 years your accounts will be suspended. Inactive means no wages and contributions have been reported for a 5-year period.

NOTE: The implementation of the 5-year suspension began on July 1, 2016, for all DC funds inactive for 5 years or more on that date going forward.

If your account has less than \$1,000 invested, the funds may be disbursed to you in a lump sum.

If your account has \$1,000 or more invested, you retain access to your account and the ability to direct investments. Your suspended account will remain invested per your investment elections and will be charged an administrative fee.

The exception to this is if you leave covered employment with PERF but stay employed with the same employer.

See the [Less Than 10 Years of Service Credit](#) section of this handbook for additional information regarding suspension and distribution.

5.3.2 Rollover Funds for Inactive Member

As of July 1, 2018, if you are an inactive member you can roll over funds from a qualifying IRA or retirement plan into PERF Hybrid plan and continue to direct the RSA fund elections as outlined in the [Investment Options for Defined Contribution and RSA Funds](#) section of this handbook. Complete the [Transfer Funds from an Outside Account into a PERF RSA](#) and the [Download the Rollover Acceptance Form](#), as applicable, available on the [Public Employees' Retirement Fund \(PERF\) Member Forms](#) page on the INPRS website.



6.1 Withdrawals

If you separate from service in a PERF Hybrid-covered position, you may apply for a distribution of your DC Account. See the [Distributions](#) section of this member handbook for details.

You also have the option to leave your contributions invested with PERF. They can be withdrawn at any time. See the [Distributions](#) section of this member handbook for details and the [Income Tax Considerations](#) section for details about taxes that may be levied on early distributions.

If you leave a PERF Hybrid-covered position for a TRF Hybrid-covered position without the required separation of service (when a separation of service is required), you cannot take distribution of your Defined Contribution (DC) account. If you leave PERF Hybrid-covered employment for employment other than PERF or TRF, you may be eligible to receive a distribution of your DC account.

6.2 Distributions

The following sections address taking distribution of your PERF funds.

6.2.1 Defined Contribution Distribution

If you are no longer in a PERF-covered position and have completely separated from your employer for at least 30 days, you may take disbursement of the balance of your DC (in the form of a distribution or roll over to another Qualified Retirement Plan). As of January 1, 2021, if you are at least 59 ½ years of age and are age and service eligible for normal retirement, you do not have to wait 30 days after separation in order to take a distribution from your DC account.

These disbursement amounts consist of:

- The 3 percent mandatory contributions
- Any voluntary contributions (if applicable)
- All interest and earnings credited to the account
- Any payments made to purchase service credit unless you are vested and therefore eligible to receive a future retirement benefit.

DC disbursements are regulated by the following conditions since July 1, 2018:

- If you continue uninterrupted employment in any capacity (full time or part-time) in any agency or department of the current employer, regardless of whether the new position is covered under PERF or not, you will not be considered separated from service. There is an exception that allows you to withdrawal your DC without a separation under [35 IAC 1.2-5-1.3](#).

NOTE: As of January 1, 2021, if you are at least 59 ½ years of age and are age and service eligible for normal retirement, you do not have to wait 30 days after separation in order to withdraw from your DC account. In that case, you may take an in-service withdrawal or a withdrawal after separation.

- If you continue uninterrupted employment but are placed in a non-covered position, you may be eligible to withdrawal your DC under [35 IAC 1.2-5-1.3](#) without a 30 day separation but must meet the following conditions:
 - You must be at least age 62
 - You cannot be age and service eligible for a retirement benefit AND
 - You must be in a non-covered position
- If you are re-employed in a PERF-covered position within 30 days from the date of termination, **you are not eligible for a distribution.** As of January 1, 2021, this applies to individuals who are not age and service eligible for retirement at the time of their distribution.
- Subject to the requirements in State and Federal law and discussed above, you may withdraw your DC without forfeiting your retirement benefit.
- If you are re-employed in a PERF-covered position within 30 days from the date of termination, **you are not eligible for a distribution.** As of January 1, 2021, this applies to individuals who are not age and service eligible for retirement at the time of their distribution.
- If you are not vested and your account has been inactive for 5 years from the date of the last contribution, your suspended account will remain invested per your investment elections but will be charged an administrative fee.

Distribution of Defined Contributions after Employer Separation

If you are no longer in a PERF Hybrid-covered position and you are not receiving a retirement benefit, a disability retirement benefit, or are not eligible to receive a full (unreduced) retirement benefit, you can take disbursement of your DC balance if you left your PERF Hybrid- or TRF Hybrid-covered position more than 30 days ago.

As of July 1, 2011, if you are vested and are eligible for early retirement you may withdraw your DC, without forfeiting your retirement benefit, as long as you have separated from service for more than 30 days.

As of January 1, 2021, if you are age and service eligible for normal retirement and separate from employment, you do not have to wait 30 days for your disbursement.

Distribution of Defined Contributions without Employer Separation

As of January 1, 2021, if you are an active member who is:

- Age and service eligible for normal retirement and
- At least 59½ years of age

You can take an in-service withdrawal from your DC account. No separation of service is required.

If you are a member of PERF or TRF who is not age and service eligible for a retirement benefit, and you are:

1. No longer working in a PERF Hybrid- or TRF Hybrid-covered position with an employer;
2. Actively working with the same employer; and
3. Working in a non-PERF- or non-TRF-covered position,

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you may suspend and take distribution of the amounts in your DC account if you are at least 62 years of age at the time you apply for the distribution.

Example

Josh has worked in a PERF-covered position for 4 years. He is promoted to a non-PERF covered position with the same employer. When Josh is 62 years of age, he may take disbursement of his DC account as long as he is not working in a PERF- or TRF-covered position and is not age and service eligible to receive a PERF or TRF retirement benefit.

NOTE: You are immediately vested in the DC account and contributions are credited to your account. However, you can only withdraw funds from your DC account as distributions when you separate from PERF-covered employment or at retirement. If you are re-employed in a PERF- covered position within 30 days from the date of termination, you are not eligible for a distribution. You must fully separate from your employer in order to withdraw your funds. As of January 1, 2021, if you are eligible for normal retirement you do not have to wait the 30 days. Additionally, as of January 1, 2021, if you are at least 59 ½ years of age and are age and service eligible for normal retirement, you may take a distribution from your DC account without separating service.

Voluntary Member Contributions

The following sections explain possible distribution options for voluntary member contributions.

Voluntary Pre-Tax Contributions

As of July 1, 2018, if you are enrolled in the Voluntary Pre-Tax Contribution account, you are eligible to take disbursement of your pre-tax contributions once you have separated from service from your PERF Hybrid- or TRF Hybrid-covered position.

NOTE: The Voluntary Pre-Tax Contribution election is no longer available for enrollment as of January 1, 2018. If you elected this option prior to January 1, 2018, you will continue to make pre-tax contributions until you retire or separate from service. **This election is irrevocable.**

Because these funds have not been taxed, they will be taxed along with any earnings or interest accrued at the time of distribution.

Voluntary Post-Tax Contributions

Because these funds have already been taxed, they will not be taxed again; however, it is important to know that any earnings or interest accrued on these funds is still taxable at the time of distribution.

If you are **not vested** at the time of distribution, the non-taxable contributions will be paid directly to you in a lump sum or you can elect to roll over the non-taxable amount in some cases. See the [Distribution Payment Options](#) section for details regarding taxable and non-taxable distributions.

6.3 IRC 401(a) 17 Limits

The Internal Revenue Code (IRC) makes the following point regarding particular accounts:

- As a member of PERF you are subject to the annual compensation limit under Sections 401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii) of the IRC. These limits are subject to change on an annual basis.

NOTE: The Omnibus Budget Reconciliation Act (OBRA '93) states that the law should be adopted by July 1, 1993; however, INPRS did not adopt this law until 1996.

Table 1 lists the compensation limits for INPRS (applicable to all funds).

Table 1: Compensation Limits

Fiscal Year	Max. Comp. Limit	Max. Comp. for OBRA '93 (Members of the Fund Prior to 7/1/1996)
7/1/1994 – 6/30/1995	N/A	\$242,280.00
7/1/1995 – 6/30/1996	N/A	\$247,600.00
7/1/1996 – 6/30/1997	\$150,000.00	\$247,600.00
7/1/1997 – 6/30/1998	\$160,000.00	\$261,600.00
7/1/1998 – 6/30/1999	\$160,000.00	\$265,000.00
7/1/1999 – 6/30/2000	\$160,000.00	\$270,000.00
7/1/2000 – 6/30/2001	\$170,000.00	\$275,000.00
7/1/2001 – 6/30/2002	\$170,000.00	\$285,000.00
7/1/2002 – 6/30/2003	\$200,000.00	\$295,000.00
7/1/2003 – 6/30/2004	\$200,000.00	\$300,000.00
7/1/2004 – 6/30/2005	\$205,000.00	\$305,000.00
7/1/2005 – 6/30/2006	\$210,000.00	\$315,000.00
7/1/2006 – 6/30/2007	\$220,000.00	\$325,000.00
7/1/2007 – 6/30/2008	\$225,000.00	\$335,000.00
7/1/2008 – 6/30/2009	\$230,000.00	\$345,000.00
7/1/2009 – 6/30/2010	\$245,000.00	\$360,000.00
7/1/2010 – 6/30/2011	\$245,000.00	\$360,000.00
7/1/2011 – 6/30/2012	\$245,000.00	\$360,000.00
7/1/2012 – 6/30/2013	\$250,000.00	\$360,000.00*
7/1/2013 – 6/30/2014	\$255,000.00	\$360,000.00*
7/1/2014 – 6/30/2015	\$260,000.00	\$360,000.00*
7/1/2015 – 6/30/2016	\$265,000.00	\$360,000.00*
7/1/2016 – 6/30/2017	\$265,000.00	\$360,000.00*
7/1/2017 – 6/30/2018	\$270,000.00	\$360,000.00*
7/1/2018 – 6/30/2019	\$275,000.00	\$360,000.00*
7/1/2019 – 6/30/2020	\$280,000.00	\$360,000.00*
7/1/2020 – 6/30/2021	\$285,000.00	\$360,000.00*

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* The IRS set a higher level but INPRS reserved the right and is permitted to keep the limit at \$360K the years indicated.

6.3.1 Distribution of a Rollover into PERF Hybrid

See the [Rollover Funds into PERF Hybrid](#) section of this handbook for details about rolling funds into your PERF Rollover Pre-Tax Contributions account.

6.3.2 Voluntary Withdrawal of Rollover Funds Other than at Retirement

You may make a lump sum withdrawal of your Rollover Pre-Tax Contribution balance at any time prior to retirement by contacting INPRS.

At retirement, you may additionally withdraw your Rollover Savings Account in accordance with Defined Contribution Account Options available at retirement, including deferral.

6.3.3 Suspension of Membership

Defined Contribution Distribution Request

If you are no longer employed in a PERF Hybrid- or TRF Hybrid-covered position and are not eligible for an unreduced retirement benefit or a disability retirement benefit you may suspend your membership and may take disbursement of the balance of your DC and/or Rollover Pre-Tax Contribution accounts once separated for at least 30 days. See the [Withdrawals, Distributions, and Loans, Suspension of Membership](#) section of this handbook for details. See [Section 6.2.1](#) for more information on distributions.

If you are vested, not retired, not currently employed in a PERF Hybrid- or TRF Hybrid-covered position, and are transferring PERF or TRF creditable service to another governmental retirement plan you may suspend membership in order to withdraw your DC and/or Rollover Pre-Tax Contributions funds to purchase creditable service in the other governmental retirement plan. See the [Purchase Service in Another Plan](#) section of this handbook for details. See [Section 6.2.1](#) for more information on distributions.

If you are vested, meeting all other conditions, you may take disbursement of your DC and/or Rollover Pre-Tax Contributions even if you are eligible for early retirement without forfeiting your retirement benefit. You retain the right to receive a monthly retirement benefit [Defined Benefit (DB)] upon reaching age and service eligibility. See the [Purchase Service in another Plan](#) section of this handbook for details.

If you have moved from a PERF- or TRF-covered position to a non-covered position, you may be eligible to withdraw your DC and/or Rollover Pre-Tax Contribution without separating from employment. To be eligible to withdraw the DC, you must meet one of the following sets of qualifications:

- You must be at least age 62 you meet the following additional requirements:
 - You are no longer in a TRF or PERF covered position with an employer
 - You cannot be age and service eligible for a retirement benefit AND
 - You must be in a non-covered position with the PERF or TRF employer
- You must be at least age 59 ½ and you meet the following additional requirement:
 - You must be age and service eligible for normal retirement

Less Than 10 Years of Service Credit

If you have less than 10 years of service credit you will continue to earn interest and can continue to move your funds into and out of the various investment options. If you are inactive (no wage and contribution reporting) for 5 years your account will be suspended. If your account is suspended with a balance of less than \$1,000, the balance may be disbursed to you. If your account balance is in excess of \$1,000 will remain invested per your investment elections and will be charged an administrative fee.

The exception to this is if you leave covered employment with PERF but stay employed with the same employer. In such a circumstance a covered to non-covered life event would be entered by your employer to prevent a distribution (automatic or otherwise) of contributions.

6.3.4 Distribution Payment Options

When you apply for DC and/or Rollover Pre-Tax Contributions distributions, you must choose how to receive the payments.

Direct Rollover

Taxable Portion

You may elect to have all or part of the taxable portion of your DC account paid in the form of a direct rollover into an eligible 401(a), 403(b), or governmental 457(b) plan, or Traditional IRA, which has provisions allowing it to accept the rollover on your behalf.

Except in the case of a Roth IRA, this option defers any taxes owed on the DC balance.

If you choose to roll over only part of the taxable amount, the portion not rolled over is paid directly to you (less the mandatory 20 percent withholding for federal income tax).

If you choose to take a rollover distribution and do not complete the rollover by the 60th day following the day on which you receive the distribution, your distribution may be subject to taxes and/or penalties unless you qualify for a waiver. You should consult a tax professional for waiver qualifications.

Non-Taxable Portion

You may choose to have all or part of the non-taxable portion of your DC paid as a direct rollover into a qualified plan. The percentage of taxable to non-taxable funds that are rolled over must reflect the same percentage as currently in the DC account. In other words, it cannot be all non-taxable. Those plans include a 403(b) plan, or Traditional or Roth IRA. If you roll over only part of the non-taxable amount, the portion not rolled over is paid directly to you.

Paid Directly to You

Taxable Portion

You may elect to have the total amount of the taxable portion of your DC account (less the mandatory 20 percent withholding for federal income tax) paid directly to you.

Non-Taxable Portion

If you take the full distribution of your DC account, the full amount of taxable and non-taxable funds in your DC will be distributed directly to you.

You will receive a 1099-R after you receive your distribution. By law, January 31 is the latest date 1099-Rs can be mailed.

PERF will withhold 20 percent from your withdrawal of the taxable portion paid to you or to your surviving spouse. This is done whether or not the IRS imposes a 10 percent penalty.

Tax Penalty – Early Withdrawal of Your Defined Contribution Account

You may be subject to an additional 10 percent federal tax penalty on your DC account if you have not reached the age of 59½ at the time of distribution and you do not meet any other exception. By January 31 of the year after you receive your distribution, you will receive a 1099-R.

6.4 CARES Act

The CARES Act, federal legislation which became effective March 27, 2020 suspended required minimum distributions for the calendar year 2020 for defined contribution plans and allowed states to provide for COVID-related distributions, provided certain requirements were met. Through an Indiana Executive Order, INPRS allowed COVID related distributions pursuant to the CARES act for TRF My Choice, PERF My Choice, PERF Hybrid DC accounts, TRF Hybrid DC Accounts, and LEDC Accounts. If you qualified for one of these distributions and took one of these distributions and you have questions about tax consequences, contact your tax advisor.

6.4.1 CARES Act – COVID Qualifications

The CARES Act allows coronavirus (SARS-CoV-2 or COVID 19) distributions for DC plans if:

- Member, spouse, or dependent is diagnosed with SARS-CoV-2 or COVID 19
- The Member experiences adverse financial consequences based on being:
 - Quarantined, furloughed, or laid off due to a SARS-CoV-2 or COVID 19
 - Reduced work hours or unable to work due to childcare due to SARS-CoV-2 or COVID 19
 - Closing or reducing business hours for business owned or operated by the person due SARS-CoV-2 or COVID 19
 - Other factors determined by the U.S. Secretary of the Treasury
- Member must certify that they meet one of these requirements in order to receive the distribution
- These distributions are for a limited time only.
-

6.5 Staying Invested

When you leave covered employment, you may leave your DC and/or Rollover Pre-Tax Contribution funds invested with PERF and may continue to invest in any of the available options. If you have been inactive for 5 years (beginning July 1, 2016) with no wage and contribution reporting your account will be

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suspended. Your suspended account will remain invested per your investment elections but will be charged an administrative fee.

The exception to this is if you leave covered employment with PERF (or moved from a PERF-covered position to a non-PERF-covered position with the same employer) but stay employed with the same employer. Your account will remain invested per your investment elections but be charged an administrative fee.

6.6 Loans

Loans from your PERF DC are not permitted at this time.



Beneficiary refers to the person or institution designated to receive all or part of your Defined Contribution (DC) account upon your death. With certain elections at the time of retirement, you can name a beneficiary or beneficiaries for the Defined Benefit (DB) portion of your benefit amount.

A *survivor* refers to the person who receives a survivor retirement (pension) benefit upon your death.

7.1 Designating Beneficiaries (Survivors)

Beneficiaries/survivors for your monthly retirement benefit (your DB), as applicable, are assigned at the time you apply for retirement.

For your DC account, it is important to keep your beneficiary information up-to-date. Your beneficiary is the person who will receive your DC and/or Rollover-Pre-Tax Contribution funds, as applicable, after you die. This decision must be made by you. If you do not name a beneficiary for your DC, INPRS will pay it to your estate upon your death.

NOTE: If you name more than one primary or contingent beneficiary for your account, you must choose percentages for each beneficiary that will equal 100 percent total.

NOTE: INPRS must pay your DC and/or Rollover Pre-Tax Contribution funds, as applicable, to your named beneficiary. No other court orders, levies, or agreements can override your decision.

You may name either single or multiple beneficiaries to receive your DC and/or Rollover-Pre-Tax Contribution funds, as applicable, if death occurs before retirement or after retirement should you defer distribution of your DC and/or Rollover-Pre-Tax Contribution funds, as applicable, . You must allocate benefit shares in percentage increments if you designate more than one beneficiary. In lieu of named individual(s), you may also designate a trust or legal entity as your beneficiary.

If you designate more than 1 primary beneficiary, and a primary beneficiary predeceases you, and you do not complete a new beneficiary designation, the remaining primary beneficiaries will receive an apportioned pro rata share based upon the remaining primary beneficiaries' allocated percentages of the deceased primary beneficiary's portion.

You can also designate contingent beneficiaries. Contingent beneficiaries would be paid upon your death only if all primary beneficiaries had pre-deceased you.

You can designate a new beneficiary by logging into your account at myINPRSretirement.org. Failure to update beneficiaries could result in payment being made to a previously designated beneficiary.

Regardless of whether there are court orders, levies, or agreements to the contrary, PERF must distribute death benefits to the designated beneficiary on file with PERF.

NOTE: As long as you have assets with the Fund, it is critical that you keep INPRS informed of any changes to your name, addresses, or beneficiaries.

Example

Xavier is a PERF member and designates three primary beneficiaries as follows:

- Ann - 60 percent
- Bob - 30 percent
- Carl - 10 percent

Ann predeceases Xavier, and Xavier does not submit a new beneficiary form. Xavier had \$10,000 in his DC account at the time of his death. Ann's 60 percent share will be divided between Bob and Carl as follows:

- Bob - \$4,500
- Carl - \$1,500

The total amount that Bob will receive from member Xavier's DC account is \$7,500. The total amount that Carl will receive from member Xavier's DC account is \$2,500.

7.1.1 Survivor Benefit when Member Is Not Retired

The Indiana Legislature created a PERF survivor benefit for the survivors of PERF members. If you die while in service, your surviving spouse or surviving dependent(s) may be entitled to survivor benefits if you have:

- been married for at least 2 years (they do not have to be consecutive years), and
- at least 8 years of creditable service as a member of the General Assembly, or if
- at least 10 years of service in any other position, but not more than 14 years of service, and you are at least age 65, or if
- at least 10 years of service in any other position.

Refer to the [Death Benefits](#) section of this handbook for details.

7.2 Changing a Beneficiary after Retirement

You may change your survivor designation and or monthly retirement benefit option *without* a major life event, after the retirement application has been processed. There is no limit on the number of times a change can be made; however, a fee may be assessed after the first change is processed. Changing your beneficiary or form of DB retirement benefit after retirement must be done through completing forms and sending them to INPRS; those changes cannot be completed through logging into your account online.

You can obtain a benefit estimate before authorizing a change. If a living spouse is removed, a divorce decree must be submitted, or the spouse must provide consent. The only limitation is that you may not elect to change to a 5-year guaranteed benefit. INPRS will need proof of birth of your new survivor as well

Beneficiaries (Survivors)

as the marriage certificate if a new spouse is being named. If the new survivor is not a spouse, they must meet the age requirements as established by the IRS for a non-spouse joint survivor.

Once the request is approved the change will become effective at the time the completed application has been received. The benefit will be actuarially recalculated using all factors including annuity interest in effect at the time INPRS receives the completed form.

NOTE: Changing a survivor may have a significant impact on your monthly benefit.

NOTE: Marriages are recognized regardless of gender.

The [For retirees: Change your beneficiary, survivor beneficiary and/or retirement option](#) form is available on the [Public Employees' Retirement Fund \(PERF\) Member Forms](#) page on the INPRS website.

7.3 Divorce

Indiana law prevents assigning PERF benefits. Accordingly, PERF cannot honor any divorce decree which requires INPRS to pay anyone other than you or the named beneficiary. In order to be consistent with the laws governing PERF, and in order to satisfy Indiana's domestic relations laws, divorce decrees should order you (or the legal beneficiary) to make payments to an ex-spouse rather than ordering PERF to make such payments. In addition, Indiana law prohibits PERF from garnishing your benefit for child support payments.

7.4 Qualified Domestic Relations Order (QDRO)

Under state law, benefits in the Fund are exempt from any legal process. [Qualified Domestic Relations Order \(QDRO\)](#) does not apply to PERF. Even though they are the product of federal legislation, which normally supersedes state law, they do not apply to PERF since it is a governmental plan exempt from the QDRO requirements. If you purchase an annuity or roll over funds to another plan outside of INPRS, this may not apply. Consult the administrator for the plan.

7.5 Naming a Trust or Legal Entity as Beneficiary

In certain situations, naming a Trust or Legal entity as beneficiary is possible. Generally, you can leave your DC account death benefit to a trust, but you cannot name a trust for a survivor benefit of your pension benefit. Complete and submit to the address on the form the [Change Your Beneficiary—Active Member](#) available on the [Public Employees' Retirement Fund \(PERF\) Member Forms](#) page of the INPRS website.

There is no restriction on what type of trust you can name as your beneficiary. See the [Defined Contribution Account Payment Options](#) section of this handbook for more details.

7.6 Disclaiming a Benefit

Indiana law allows a beneficiary to decline (disclaim) a benefit. The law also decides how the bequest is handled if the beneficiary declines it. For specific information on your situation, contact the Member

Service Center at (844) GO-INPRS (844-464-6777). The [Disclaimer \(State Form 55221\)](#) is available from the INPRS website. It must be completed, signed, and dated and submitted to INPRS at the address on the form.



Your retirement benefit has two parts: a monthly retirement benefit, Defined Benefit (DB), and a Defined Contribution (DC) account.

1. You will receive a monthly benefit (DB) from PERF Hybrid for the rest of your life. The state or your employer pays for this benefit.
2. You also have a DC account. The funds in your DC are from the mandatory annual payment (3 percent of your annual salary) paid by contributions from you and/or your employer on your behalf.

Your DC includes any voluntary payments you make and any interest or earnings from investments. Unlike your monthly benefit, you are vested in the DC immediately.

If you are not retired, you can roll over funds from an IRA or other qualified retirement plan into PERF.

NOTE: Only transfers of **taxable** (pre-tax) funds can be accepted by INPRS. Refer to the *Rollover Funds into PERF* section of this handbook for more information.

8.1 Retirement Benefit

No employee contributions are required for the retirement benefit (DB). The cost of the plan is paid for by the participating employers as well as the state. The benefit is calculated using your final high-5 average salary, service credit, and a statutory defined rate of 1.1 percent (0.011). This does not consider any age reduction factors for early retirement and/or any retirement options you elect at time of your retirement (e.g., 5-Year Certain and Life, 100% Survivorship, etc.).

NOTE: As of January 1, 2018, DC and Rollover Pre-Tax Contribution funds are no longer included in your retirement benefit. They are handled according to your choices made during completion of the retirement application from your account at myINPRSretirement.org.

8.2 Retirement Eligibility

Your eligibility for retirement benefits is determined by two factors:

- Age
- Service credit

Effective July 1, 2015, in-service retirement age changed from 62 to match regular retirement ages for all plans employing the Rule of 85 ([35 IAC 1.2-1-4](#)):

- You are age 65 and have 10 or more years of creditable and/or eligibility service under PERF Hybrid and TRF Hybrid combined
- You are age 60 and have 15 or more years of creditable and/or eligibility service under PERF Hybrid and TRF Hybrid combined.

- You are at least age 55 and your age at retirement plus the total years of service (creditable and/or eligibility) under PERF Hybrid and TRF Hybrid combined equals 85 or more (Rule of 85).

NOTE: If your age or years of service are a combination of years and months, the Rule of 85 still applies. For example, if you are 55 years and 3 months old and have 29 years and 9 months of service, your combined total of age and years of service equals 85. Refer to the *Early Retirement with a Reduced Benefit* section of this handbook for more details.

8.3 Retirement Ineligibility

If you do not meet the Rule of 85 as defined in the *Retirement Eligibility* section or the other enumerated qualifications, you are not eligible for regular retirement. See the *Retirement Options* section for details about the various types of retirements available and the qualifications for each.

8.4 Retirement Effective Date

Your retirement date will be the first day of the month. Once you decide your last day of work, then your retirement date may be the first day of the next month unless you have chosen to defer. If your birthday is the first day of the month, your birthday will be your retirement date.

The last day you work is normally your “benefit accrual date”. This is your “separation date”, or the last day you are physically at work. This date is used when INPRS calculates your monthly retirement benefit.

8.5 Retirement Options

Table 2 outlines the available retirement options for the PERF Hybrid Plan.

Table 2: Retirement Options

Option	Age and Service Requirements*	Benefit Calculation
Regular Retirement with a Full (Unreduced) Benefit	<ul style="list-style-type: none"> • Age 65 or older with at least 10 years of service credit, • Between age 60 and 64 with at least 15 years of service credit, or • Between age 55 and 59, if age and service credit total at least 85 (Rule of 85) 	Average of Highest 5 Years of Annual Compensation x Total Years of Service x 1.1% (0.011) See the <i>Regular Retirement with a Full (Unreduced) Benefit</i> section of this handbook for details.
Regular Retirement without Employer Separation (Active, In Service)	Meet Age and Service Requirements for Regular Retirement with a Full (Unreduced) Benefit and continue to work in a position not covered by PERF or TRF.	Average of Highest 5 Years of Annual Compensation x Total Years of Service x 1.1% (0.011) See the <i>Regular Retirement without Employer Separation (Active, In Service)</i> section of this handbook for details
Millie Morgan Retirement	Age 70 or older with at least 20 years of creditable service and still working in your PERF-covered position	Average of Highest 5 Years of Annual Compensation x Total Years of Service x 1.1% (0.011) See the <i>Millie Morgan Retirement</i> section of this handbook for details.

Retirement Benefits

Option	Age and Service Requirements*	Benefit Calculation
Elected Official Retirement	<ul style="list-style-type: none"> At least age 55 with at least 20 years of PERF-covered service and continuing to serve in an elected position Younger than age 60 and do not meet the Rule of 85, the benefit is reduced for early retirement. 	<p>Average of Highest 5 Years of Annual Compensation x Total Years of Service x 1.1% (0.011)</p> <p>See Table 3: Retirement Age/Percent of Retirement Benefit for reduction percentage for early retirement.</p> <p>See the Elected Official Retirement section of this manual for details.</p>
PERF Retirement for Member of PARF	<ul style="list-style-type: none"> At least 55 years of age and have accrued at least 20 years of creditable service with PERF Meet the Rule of 85 and have at least 30 years of creditable PERF service; or Reached PERF normal retirement age, as defined in 35 IAC 1.2-1-4. See the PERF Retirement for Members of PARF section for details. 	<p>Effective July 1, 2017, member may take a PERF retirement.</p> <p>See the PERF Retirement for Members of PARF section of this handbook for details.</p>
Early Retirement with a Reduced Benefit	At least 15 years of service and at least age 50	<p>Average of Highest 5 Years of Annual Compensation x Total Years of Service x 1.1% (0.011) x reduction for early retirement</p> <p>See Table 3: Retirement Age/Percent of Retirement Benefit for reduction percentage for early retirement.</p> <p>Actuarially reduced benefit for each month prior to age 60</p> <p>See the Early Retirement with a Reduced Benefit section of this handbook for details.</p>
Deferred Retirement Option Plan (DROP)	Not offered to PERF members	N/A
Disability Retirement	<ul style="list-style-type: none"> No age requirement Minimum of 5 years of creditable service Disability confirmed by Social Security 	See the Disability Retirement section of this handbook for details.

* You will not receive service credit for earned and unused sick leave even if you received pay for the leave.

8.5.1 Regular Retirement with a Full (Unreduced) Benefit

The calculation of the retirement benefit rewards you if you earn more years of service even though you have the opportunity to retire at an earlier age. There are three primary ways you become eligible to receive full (unreduced) retirement benefits under PERF:

Category 1

If you are age 65 and have 10 or more years of creditable and/or eligibility service under PERF and TRF combined

Category 2

If you are age 60 and have 15 or more years of creditable and/or eligibility service under PERF and TRF combined

Category 3

If you are at least age 55 and your age at retirement plus the total years of service (creditable and/or eligibility) under PERF and TRF combined equals 85 or more (Rule of 85).

NOTE: If your age or years of service is a combination of years and months, the Rule of 85 still applies. For example, if you are 55 years and 3 months old and have 29 years and 9 months of service. The combined total of age and years of service equals 85. However, you may not be under age 55 to qualify for full benefits.

If you meet the age and service requirements for regular retirement, you will have a few payment options. See the [Retirement Benefit Payment Options](#) section of this handbook for details. INPRS uses a different formula to determine your benefit, based on retirement option.

INPRS calculates your annual retirement benefit using the following formula:

$$\text{Average of Highest 5 Years of Annual Compensation} \\ \times \text{Total Years of Service} \times 1.1\% (0.011)$$

NOTE: As of July 1, 2019, In Service Retirements (including Millie Morgan Retirements and Elected Official Retirements) can no longer be back dated (retro retirement). However, INPRS is allowing a grace period for applications submitted on or before September 30, 2019, if the retirement date selected is prior to July 1, 2019.

8.5.2 Regular Retirement without Employer Separation (Active, In Service)

If you are a PERF or TRF member who is:

1. No longer working in a PERF Hybrid- or TRF Hybrid-covered position with an employer;
2. Actively working with the same employer, and
3. Working in a non-PERF Hybrid- or non-TRF Hybrid-covered position,

You are entitled to retire from PERF Hybrid or TRF Hybrid and begin receiving retirement benefits if you are otherwise eligible for retirement and have reached normal retirement age.

See the [NOTE](#) regarding legislation effective July 1, 2019, applicable to Millie Morgan Retirements and back dating retirements.

Example

Steve is 60 years of age and has 15 years of PERF service as a state of Indiana employee. Steve is elected as a judge eligible for service in the Judges' Retirement System (JRS). Steve terminates his previous state of Indiana PERF-covered employment and immediately begins serving as a judge participating in the JRS. Since Steve is age and service eligible for a PERF benefit, has reached normal retirement age, and has



terminated his PERF-covered position, he is eligible to begin receiving PERF retirement benefits even though he did not separate from state employment.

8.5.3 Millie Morgan Retirement

If you are at least 70 years of age with at least 20 years of creditable service, you can start receiving your retirement benefit while still working in your PERF Hybrid-covered position.

Once you elect a Millie Morgan Retirement, your election is irrevocable.

If you choose to start receiving your retirement benefit while still working, you will not earn any more service credit toward retirement. You can continue to contribute to your DC but if you choose this option, you cannot withdraw the additional DC contributions made after retirement until you end service.

As a Millie Morgan retiree you are not eligible for a second Retirement if you terminate and later reemploy. However, you can elect to continue to make contributions to your DC.

School Year Service Credit (PERF) can be applied to a Millie Morgan retirement if the date of hire and Millie Morgan Retirement date are reflective of a full regular school term or contract period for your position.

Required Minimum Distribution (RMD) does not apply to Millie Morgan Retirements because you are continuing to work and draw a salary.

See the [NOTE](#) regarding legislation effective July 1, 2019, applicable to Millie Morgan Retirements and back dating retirements.

8.5.4 Elected Official Retirement

Under Indiana law, a person in an elected position who turns at least age 55 and has 20 or more years of PERF Hybrid-covered service can begin receiving retirement benefits while continuing to work in an elected position covered by PERF Hybrid. You must make the election while holding the elected position.

If you choose to begin receiving monthly retirement benefits while working in a PERF Hybrid-covered position you will not earn additional service credit toward retirement; however, you must make an election to continue or discontinue additional contributions to your DC. If you retire under this option, you must make the election as part of the online retirement application (elected officials age 55 with 20 years of service) and submit it to INPRS.

If you are younger than age 60 and do not meet the Rule of 85, the benefit is reduced for early retirement.

See the [NOTE](#) regarding legislation effective July 1, 2019, applicable to Elected Official Retirements and back dating retirements.

8.5.5 Retired Members in Elected Positions

[IC 5-10.2-4-8.2](#) provides that if you are a member of PERF Hybrid and are receiving retirement benefits and are elected or appointed to an elected position covered by PERF Hybrid, and are age 55 with 20 years of service, you must elect either to continue or discontinue retirement benefits while the elected position is held by you by completing the [Choose to Continue or Discontinue Receiving Benefits as an Elected Official](#)

form available on the [Public Employees' Retirement Fund \(PERF\) Member](#) forms page and submit it to INPRS. **This election is irrevocable and cannot be changed.**

If you elect to continue retirement benefits, no creditable service will be accrued for service in the elected position. You do not have to make contributions to your DC account as required in [IC 5-10.2-3-2](#), but may elect to do so. If you elect to discontinue retirement benefits, you must make the contributions to your DC account and creditable service will be earned for service in the elected position. Your retirement benefit will be reinstated upon leaving office, along with any additional benefit earned while in office.

NOTE: Notwithstanding all other rules, if you retire effective July 1, 2008, or later and are then re-employed in a PERF- or TRF-covered position within 30 days of the date on which your retirement benefit begins, regardless of age, **benefits will be stopped.** You will be treated as having never retired, and employee and employer contributions will be due while re-employed.

Also, your PERF retirement application for retirement benefits is void if you have an agreement, formal or informal, prior to retirement, with a participating employer to become re-employed in a covered position.

NOTE: By law, if you are eligible to receive retirement benefits, but wait to submit a retirement application, PERF can only pay up to 6 months of retroactive benefits.

8.5.6 PERF Retirement for Members of PARF

Per [35 IAC 1.2-6-17.2](#), effective July 1, 2017, if you are an active Prosecuting Attorneys' Retirement Fund (PARF) member who meets the following criteria, you may take a PERF retirement effective on or after July 1, 2017, without separating from PARF-covered service.

- If you are at least 55 years of age and have accrued at least 20 years of creditable service with PERF Hybrid,
- If you meet the Rule of 85 and have at least 30 years of creditable PERF Hybrid service, or
- If you have reached PERF Hybrid normal retirement age, as defined in [35 IAC 1.2-1-4](#).
 - A participant making such election shall not accrue additional PERF service credit and the participant's PERF Hybrid benefit will remain unchanged despite further employment in any PERF Hybrid-covered service.
 - **The election is irrevocable** and must be made on a form approved by INPRS.

See the [NOTE](#) regarding legislation effective July 1, 2019, applicable to In Service Retirements and back dating retirements.

8.5.7 Early Retirement with a Reduced Benefit

You can qualify for early retirement with a reduced retirement benefit if you are between the ages of 50 and 59 and have 15 or more years of creditable and/or eligibility service under PERF Hybrid and TRF Hybrid combined.

If you choose to take early retirement, your retirement benefit will remain at a reduced level for life, even after reaching 60 years of age.

If you are entitled to early retirement with reduced benefits, [Table 3](#) illustrates how much of the retirement benefit you receive according to your age:

Table 3: Retirement Age/Percent of Retirement Benefit

Retirement Age	Percent of Retirement Benefit
59	89%
58	84%
57	79%
56	74%
55	69%
54	64%
53	59%
52	54%
51	49%
50	44%

NOTE: Notwithstanding all other rules, if you retire effective July 1, 2008, or later and are then re-employed in a PERF- or TRF-covered position within 30 days of the date on which your retirement benefit begins, regardless of age, **benefits will be stopped**. You will be treated as having never retired, and both yours and your employer’s contributions will be due while re-employed. Also, your PERF application for retirement benefits is void if you have an agreement, formal or informal, prior to retirement, with a covered employer to become re-employed in a covered position.

NOTE: By law, if you are eligible to receive retirement benefits but wait to submit a retirement application, PERF can only pay up to 6 months of retroactive benefits.

8.5.8 Deferred Retirement Option Plan (DROP)

The Deferred Retirement Option Plan (DROP) is not offered to PERF members.

8.5.9 Disability Retirement

Disability retirement with Board-approved eligibility requires the completion of at least 5 years of creditable service and eligible for Social Security disability.

The disability retirement benefit commencement date is either:

- The month following Social Security disability onset.
- The later of onset or last day of pay, dependent upon your age and service at time of disability.
- The onset date must be within 30 days from last check date.

Disability Eligibility

To become eligible for a disability retirement,

- Your disability must have occurred after June 30, 1984, and occurred while employed in a TRF- and/or PERF-covered position.
- You must have at least 5 years of service credit in a PERF- and/or TRF-covered position.
- Your disability must occur while employed in a PERF- and/or TRF-covered position.
- Your disability must be confirmed by the Social Security Administration and you are receiving salary, worker's compensation benefits, or employer-provided income protection benefits (for example, long-term disability), or are on leave under FMLA as of the onset date established by the Social Security Administration (SSA).
- You may be receiving disability insurance payments from your employer.
- Your disability benefit calculation will only use the service credit accrued prior to your onset date.

NOTE: To qualify for a disability retirement benefit from PERF, you must have an employment relationship with your PERF employer in a PERF-covered position as of the *onset date* of the Social Security disability.

You must show proof that you qualify for a Social Security disability. You can apply for disability retirement while waiting to receive an award letter from the Social Security Administration. In such a situation you must provide a copy of the application you sent to Social Security when completing the online retirement application for disability.

NOTE: The Social Security Administration will decide on an *onset date* for your disability. To qualify for a disability retirement benefit, your *onset date* must be during the time you worked in a PERF-covered position, were on FMLA leave, or were getting disability insurance payments from your employer. You can also qualify if on that date you were on workers' compensation.

Disability Benefits

At least once a year prior to you reaching age 65 or becoming eligible for an unreduced normal PERF Hybrid retirement based on age and total service, the Fund is required to confirm that you continue to remain eligible for Social Security disability benefits.

Disability retirement benefit options and calculations for the monthly retirement benefit (DB) and the DC (including rolled over funds) are the same as those for any other retiree with the exceptions that:

1. You cannot choose the Social Security Integration option,
2. Generally, you will only get service credit for your work up to the *onset date* of your disability,
3. Your monthly retirement benefit will not be reduced for early retirement, and
4. You will not be paid any less than \$180 each month with the 5-year certain and life benefit or the actuarial equivalent with any other benefit election.

No creditable service will be granted during the period for which PERF disability benefits are paid. As a member who is a state employee you are entitled to service credit for the time you receive short- or long-term disability benefits under a state-of-Indiana-sponsored disability plan.

When you notify INPRS that you qualify for Social Security disability benefits, INPRS will stop the early retirement benefits, recalculate the benefit without the reduction factor, and begin the monthly disability benefits.

NOTE: Effective July 1, 2008, Indiana law states that the disability benefit cannot be less than \$180 per month. Prior to July 1, 2008, the minimum monthly benefit was \$100.

Disability Retirement to Regular Retirement

If you are receiving a disability retirement it will be automatically converted to regular retirement benefits upon reaching age and service eligibility. Unless otherwise prohibited by law, service credit earned or awarded during the period of time you were receiving PERF disability benefits will be used in the calculation of the retirement benefit.

At least once a year until you reach age 65, you are required to confirm continued eligibility for Social Security disability benefits.

Disability retirement options and calculations for the monthly retirement benefit, the DC is the same as those for any other retiree with the exceptions that:

1. You cannot choose the Social Security Integration option,
2. Generally, you will only get service credit for your work up to the *onset date* of your disability,
3. Your monthly benefit will not be reduced for early retirement, and
4. You will not be paid any less than \$180 each month.

Disability Alternatives

If you have 5 years of creditable service, are not eligible for early retirement, and have a copy of your request to Social Security for disability determination on file with INPRS, you may request a lump sum withdrawal of your DC account.

To withdraw your DC funds, you can access your account at myINPRSretirement.org. You can also contact the Member Service Center at (844) GO-INPRS (844-464-6777). For TDD call (800) 579-5708. CSRs are available weekdays (excluding weekends and state-designated holidays) from 8 a.m. to 8 p.m. ET.

8.6 Retirement Minimum Benefit

Effective July 1, 2008, [35 IAC 1.2-5-12\(a\)](#) sets your minimum retirement benefit at \$180 per month if you have reached full retirement eligibility and have at least 10 years of creditable service. Elected officials who have service credit which consists only of service in the elected position do not qualify for this minimum benefit.

8.7 Calculating Retirement Benefits

You begin collecting a lifetime monthly retirement benefit after you officially retire from PERF- or TRF-covered service and submit a properly completed online retirement application. The amount of your monthly benefit is calculated using a three-factor formula set by law. PERF or TRF cannot alter this formula.

- Final Average Salary
- Creditable Service
- Multiplier of 1.1 percent (0.011)

For further information on benefits calculation access the list of available calculators on the [Online Calculators](#) page of the INPRS website.

The retirement calculation is based on the wage and contribution submissions from your employer. If your employer has not submitted all of your wage and contribution information at the time of your retirement, INPRS will review and recalculate your benefit to include any trailing wage and contributions which could potentially increase your monthly benefit.

8.7.1 Retirement Benefits Calculator

The amount of your monthly retirement benefit is based on the following factors and your entries and selections as you create your estimate:

- **Benefit multiplier.** This amount is 1.1 percent (0.011). It is used in the math formula to come up with your monthly retirement benefit.
- **Average annual compensation (yearly salary).** This is the average dollar amount of your 5 highest yearly salaries. These are salaries you received working in a covered position.
- **Years of service.** Service credit you earned while working. You may also purchase service credit.
- **Age at retirement.** If you retire early, the amount of your monthly retirement benefit will be less.
- **Retirement option.** You will have several options when you retire. The amount of your monthly retirement benefit will change for each option.

You can calculate your retirement benefits estimate using one of the following:

- The calculation worksheet and example shown in [Table 4](#).
- The [PERF Retirement Benefit Estimate Calculator](#) available on the INPRS website.

- The calculator available by logging into your account on myINPRSretirement.org. See *Option 1* for instructions to locate this calculator.

Table 4: Retirement Benefits Calculator and Example

	Example	You
Final average salary	\$50,000.00	\$
Benefit multiplier	X 0.011	X 0.011
Retirement benefit base amount	\$550.00	\$
Years of service	X 30	X
Annual retirement benefit	\$16,500.00	\$
Monthly benefit	÷ 12	÷ 12
Calculated as an A-1 option	\$1,375.00	\$

Option 1

To use the online calculator, login to your online account at myINPRSretirement.org.

1. Go to the **Application and Calculators**
2. Click the **PERF Pension** tab.
3. Select the Calculator **Estimate Retirement Benefit**.
4. Enter a retirement date.
5. Click **Apply Projected Retirement Date**.
6. Answer the questions on beneficiary and social security.
7. Click **Calculate**.

The results will be an estimate of your monthly retirement benefit broken down by the selected options.

Option 2

Using one of the available calculator features or the worksheet, calculate an estimate by entering your projected retirement date, your final average salary, and your years of service.

Option 3 (Social Security Integration)

Using one of the available calculator features or the worksheet, calculate an estimate with the information from your latest Social Security statement. To qualify for this Social Security Integration (SSI) payment option, you must be less than age 62 at retirement and you must enter your estimated Social Security monthly payment amount that Social Security shows for you at age 62.

8.7.2 Final Average Earnings for Retirement

Final average earnings (FAE) refers to the highest 5 years of compensation in a PERF-covered position. PERF will combine 20 quarters in groups of 4 consecutive quarters (as mandated by law) over the entire PERF- or TRF-covered career. The resulting average in all cases will be the highest possible benefit. In order for a quarter to be included in the 20 calendar quarters, you must have performed service



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throughout the calendar quarter. The 20 calendar quarters do not have to be continuous, but they must be in groups of 4 consecutive calendar quarters. The same calendar quarter may not be included in two different groups.

The items included in this calculation are:

- All compensation reported as gross income on a W-2 for covered service by an employee in a PERF- and/or TRF-covered position.
- Pre-tax contributions paid to the Fund by the employer.
- Amounts deferred under sections 125, 403(b), or 457 of the IRC.
- Amounts that would have been paid during a period of time when you were on an unpaid leave of absence while serving in an elected position.
- Compensation paid in contemplation of your retirement (severance pay), up to \$2,000, including any employer-paid mandatory contributions paid either before you cease service or within 12 months after you cease service.
- Compensation paid as part of a legal settlement or for back-pay that will be allocated to the year in which the compensation was earned or would have been earned.
- Differential wage payments for you on active military duty on or after January 1, 2009.

Compensation from multiple employers is totaled if you receive annual compensation from two or more participating employers and:

- You and each employer made all required contributions to the Fund.
- You served in at least one position that normally required more than 600 hours of service during the year.

8.7.3 Last Day in Pay for Retirement

The last day in pay (LDIP) is the last day worked in a covered position. PERF uses an “effective date” for retirement benefits. The effective date of your retirement benefits can be no earlier than the first day of the month following your last day in pay unless you defer.

Example

If the last day in pay is August 2, the effective date of retirement is September 1. Last day in pay is not needed for Millie Morgan, Elected Official, or Disability retirements; however, you cannot receive distribution of additional contributions until a last day in pay is received.

8.8 Retirement Benefit Payment Options

The payment decisions you make at retirement will affect the amount of your monthly retirement benefit and determine whether or not any survivors or beneficiaries will receive monthly benefits after your death.

How much you will receive each month in retirement benefits will depend on:

- Your wages and service credit from your DB. See options listed below.

- How you choose to take payments from your DC and/or Rollover-Pre-Tax Contribution funds, as applicable. See the [Defined Contribution Account Payment Options](#) section of this handbook for details.

8.8.1 Five-Year Certain and Life

You will receive monthly benefits for the rest of your life. If you die before receiving 60 monthly benefit payments, your beneficiary(ies) will receive that monthly benefit for the remainder of those 60 months, **or** a lump sum distribution equal to the present value of those remaining payments. After 60 months (5 years), there are no payments available to the beneficiary(ies).

8.8.2 Straight Life

You will receive a monthly benefit for life, but there are no monthly payments to anyone after your death.

8.8.3 100 Percent Survivor Benefit

You will be paid a monthly benefit for life. After your death, the same monthly benefit will be paid to your named survivor for the survivor's lifetime. Contact the Member Service Center at (844) GO-INPRS (844-464-6777) if your survivor/beneficiary is not your spouse. There are restrictions (age, child, etc.) and only one survivor can be named.

8.8.4 66⅔ Percent Survivor Benefit

You will be paid a monthly benefit for life. After your death, two-thirds (66⅔ percent) of the benefit will be paid to the named survivor for the survivor's lifetime. Contact the Member Service Center at (844) GO-INPRS (844-464-6777) if your survivor/beneficiary is not your spouse. There are restrictions (age, child, etc.) and only one survivor can be named.

8.8.5 50 Percent Survivor Benefit

You will be paid a monthly benefit for life. After your death, one-half (50 percent) of the benefit will be paid to the named survivor for the survivor's lifetime. Contact the Member Service Center at (844) GO-INPRS (844-464-6777) if your survivor/beneficiary is not your spouse. There are restrictions (age, child, etc.) and only one survivor can be named.

8.8.6 Social Security Integration (SSI)

If you retire between ages 50 and 62 you may integrate the monthly retirement benefit with your estimated Social Security benefits. This does not affect the amount of the benefit received from the Social Security Administration (SSA).

Before age 62, your benefits will equal the sum of your age 62 Social Security estimate, multiplied by actuarial factors, and your early retirement benefit. This will result in you receiving a larger monthly benefit payment before age 62.

At age 62, your benefit will equal the difference between your age 62 Social Security estimate, multiplied by actuarial factors, and your pre-62 monthly retirement benefit. Depending upon your estimated Social

Security disbursement, benefit payments may be greatly reduced or terminated at age 62. When receiving an unreduced benefit, the age 62 benefit shall not reduce below \$180.

NOTE: Applicable to all Options

If you and your beneficiary(ies) die, and you did not withdraw your DC and/or Rollover Pre-Tax Contribution funds at retirement, and if the total amount of payments received up to the date of death [including benefits, DC and/or Rollover-Pre-Tax Contribution payments, as applicable,] is/are less than the balance of the DC and/or Rollover-Pre-Tax Contribution account, as applicable, at the time of retirement, then either the beneficiary(ies) or your estate will be paid the remaining DC and/or Rollover-Pre-Tax Contribution balance, as applicable.

8.9 Deductions

You may elect to have federal and/or state, as well as county taxes withheld from the monthly retirement benefit payments. Additionally, if you elect to participate in the TRF-sponsored supplemental group health insurance, your premiums will be deducted from your monthly retirement benefit payments.

8.9.1 Modified Cash Refund Plus Five-Year Certain and Life (Option only available prior to January 1, 2018)

In order to select this option, you must have retired prior to January 1, 2018, and chose to combine at least a portion of your DC and/or Rollover-Pre-Tax Contribution funds, as applicable, with your lifetime monthly retirement benefits. If you selected this option, you will receive monthly benefits for the rest of your life.

If you die before receiving 60 monthly payments, the beneficiary(ies) will receive that monthly benefit for the remainder of those 60 months, **or** a lump sum equal to the present value of those remaining payments. Also, upon your death (whether before or after receiving 60 months of benefits), the beneficiary(ies) may receive any remaining balance of the DC and/or Rollover-Pre-Tax Contribution funds, as applicable.

NOTE: The **Modified Cash Refund Plus Five Year Certain and Life** option is not available to you if you elect to defer receipt of your DC and/or Rollover-Pre-Tax Contribution funds or receive total payment of your DC and/or Rollover-Pre-Tax Contribution funds upon retirement. However, if you choose a partial withdrawal of your DC and/or Rollover-Pre-Tax Contribution funds (a distribution of the 1986 Tax Basis), this option is available.

Your DC and/or Rollover-Pre-Tax Contribution fund balance is reduced with each monthly benefit paid. Therefore, if you die after the account has been reduced to zero, there will be **no** DC and/or Rollover-Pre-Tax Contribution funds distribution to the beneficiary(ies).

8.10 Defined Contribution and Rollover Pre-Tax Contribution Account Payment Options

Your DC and/or Rollover-Pre-Tax Contribution funds is/are the second piece of your two-part retirement benefits. You have received statements tracking this account throughout your career as a PERF member.

Retirement Benefits

You may annuitize your DC and/or Rollover-Pre-Tax Contribution funds. You may also choose to receive a distribution of the DC and/or Rollover-Pre-Tax Contribution funds (full or partial) when you retire from PERF.

NOTE: Any DC and Rollover-Pre-Tax Contribution funds totaling \$1,000 or less received after the final date on which your retirement benefit is processed may be paid directly to you.

As of July 1, 2008, if you are a vested member who is eligible for early retirement, you may withdraw your DC and/or Rollover-Pre-Tax Contribution funds without forfeiting your retirement benefit, so long as you separate from service for more than 30 days.

NOTE: If you elect to defer your DC and Rollover-Pre-Tax Contribution funds at retirement the balances of your DC and Rollover-Pre-Tax Contribution accounts will be invested according to your pre-retirement investment allocations.

Applicable forms for beneficiary designation for your DC and/or Rollover-Pre-Tax Contribution funds is/are available on the [Public Employees' Retirement Fund \(PERF\) Member Forms](#) page of the INPRS website.

8.10.1 Prior to Retirement

If you are vested, but are not eligible for a retirement benefit at the time of distribution, you are not eligible to elect an annuity directly from INPRS to MetLife.

As long as you are working in a PERF-covered position (PERF Hybrid or PERF My Choice) you may not take a withdrawal, partial or otherwise. This would be an in-service distribution and is only allowed in certain circumstances.

If you are not working in a PERF-covered position, you may take a partial withdraw of your DC and/or Rollover-Pre-Tax Contribution funds (PERF Hybrid or PERF My Choice).

If you are working in TRF-covered position you will now be eligible to take withdraws from your PERF DC and/or Rollover-Pre-Tax Contribution funds. Prior to this, the requirement was that you had to be separated from both PERF and TRF.

8.10.2 Combine Defined Contribution Account with Monthly Retirement Benefit

As of January 1, 2018, INPRS no longer combines your DC and/or Rollover-Pre-Tax Contribution funds with your DB account to provide your monthly retirement benefit. Your monthly retirement benefit is now funded solely by your DB.

INPRS has partnered with MetLife to offer annuities at competitive rates for your DC and Rollover-Pre-Tax Contribution funds. With the transition to MetLife not only do you still have the ability to purchase a lifetime income annuity with all your INPRS DC and/or Rollover-Pre-Tax Contribution fund's assets, but also with a portion of those assets. You are also eligible to rollover all or part of your DC and Rollover Pre-Tax Contributions to any Qualified Retirement Plan.

NOTE: Once you purchase an annuity with your DC Account, INPRS is not able to reverse your selection. Carefully consider and determine what you would like to do with the money within your DC account.

8.10.3 Split Defined Contribution and Rollover Pre-Tax Contribution Account Balance

You may elect to split your DC and Rollover-Pre-Tax Contribution funds between these options:

- MetLife Annuity (Visit the [MetLife Retirement Income Center](#) to create your annuity estimate)
- Direct Rollover
- Lump Sum
- Deferment

You must complete your IRA or Qualified Retirement Plan information if you choose to roll over all or a portion of your DC and/or Rollover-Pre-Tax Contribution funds, as applicable.

You may elect to use this percentage of your DC and/or Rollover-Pre-Tax Contribution funds, as applicable, to purchase a MetLife Annuity or any Qualified Retirement Plan:

- Straight Life Annuity with Cash Refund
- 100 percent Survivor Annuity with Cash Refund
- 66⅔ percent Survivor Annuity with Cash Refund
- 50 percent Survivor Annuity with Cash Refund

For more information about the MetLife annuity, visit the [MetLife Retirement Income Center](#) to create your annuity estimate.

For 100 percent, 66⅔ percent or 50 percent annuity survivor benefit, designate only one survivor.

8.10.4 MetLife Annuity

You may elect to rollover all or any portion of your DC and Rollover-Pre-Tax Contribution funds up to 100 percent into a MetLife annuity. The minimum rollover amount is \$5,000. The option to rollover all or part of your DC and/or Rollover-Pre-Tax Contribution funds into MetLife is offered when you are completing your online retirement application.

If you elect to do only a partial rollover of your DC and Rollover-Pre-Tax Contribution funds to MetLife, you must choose to do one or a combination of the following with the remainder of your DC and/or Rollover-Pre-Tax Contribution account balances. Whatever you elect, it must equal 100 percent of your DC and Rollover-Pre-Tax Contribution funds, as applicable.

1. Rollover part or the remaining DC and Rollover-Pre-Tax Contribution funds balance into another Qualified Retirement Plan.
2. Take disbursement of all or part of the remaining DC and Rollover-Pre-Tax Contribution funds balance to be paid directly to you (be aware of tax implications for this type of disbursement). See the [Income Tax Considerations](#) section of this handbook for details.

3. Leave all or part of your DC and Rollover-Pre-Tax Contribution funds balance invested with PERF Hybrid (deferment) until a later time. See the [Required Minimum Distribution \(RMD\) Information](#) section of this handbook for details about DC and Rollover-Pre-Tax Contribution funds distributions at age 70½, or 72, depending upon when you reach age 70 ½, for deferred funds.

NOTE: Once you purchase an annuity with your DC Account, INPRS is not able to reverse your selection. Carefully consider and determine what you would like to do with the money within your DC account.

8.10.5 Direct Rollover

You may elect to rollover any portion of your DC and Rollover-Pre-Tax Contribution funds up to 100 percent into a Qualified Retirement Plan. This option is available when you are completing your online application.

If you elect to do only a partial rollover of your DC and Rollover-Pre-Tax Contribution funds to a Qualified Retirement Plan, you must choose to do one or a combination of the three options outlined in the [MetLife Annuity](#) section of this handbook. Whatever you elect, it must equal 100 percent of your DC and Rollover-Pre-Tax Contribution funds balance.

You must verify that your Qualified Retirement Plan or IRA will accept the rollover, especially if it is rolling over tax basis funds.

8.10.6 Lump Sum

You may elect to take a lump sum distribution of any portion of your DC and Rollover-Pre-Tax Contribution funds, as applicable, up to 100 percent. This is a direct distribution of your DC and Rollover-Pre-Tax Contribution funds, as applicable, and has tax implications. See the [Income Tax Considerations](#) of this handbook for details. This option is available when you are completing your online application.

If you elect to do only a partial distribution from your DC and Rollover-Pre-Tax Contribution funds you must choose to do one or a combination of the remaining three options outlined in the [MetLife Annuity](#) section of this handbook. Whatever you elect, it must equal 100 percent of your DC and Rollover-Pre-Tax Contribution funds balance.

8.10.7 Deferment

You may elect defer distribution of any portion of your DC and Rollover-Pre-Tax Contribution funds up to 100 percent. See the [Required Minimum Distribution \(RMD\) Information](#) section of this handbook for details about DC and Rollover-Pre-Tax Contribution funds distributions at age 70½ or 72, depending upon when you reach age 70 ½, for deferred funds. This option is available when you are completing your online application.

If you elect to defer only a portion of your DC and Rollover-Pre-Tax Contribution funds you must choose to do one or a combination of the remaining three options outlined in the [MetLife Annuity](#) section of this handbook. Whatever you elect, it must equal 100 percent of your DC and Rollover-Pre-Tax Contribution funds balance.

NOTE: Your decision on how to receive distributions from you DC and Rollover-Pre-Tax Contribution funds can have significant tax implications, and you are urged to consult with a tax advisor. INPRS can explain options, but cannot offer investment or tax advice.

8.11 Re-Employment of Retired Members

You are entitled to go back to work after you retire and continue receiving PERF Hybrid retirement benefits. If you are returning to a PERF or TRF position (covered or not covered), you must have a separation of employment for a period of at least 30 days.

Your effective retirement date is the first day of the month for which you were paid retirement benefits. There is no earnings limitation for those who choose to return to work in a PERF Hybrid-covered position after retirement; however, you will not receive additional service or contributions.

8.11.1 30-Day Requirement

If you retire from a PERF Hybrid- or TRF Hybrid-covered position and re-employ more than 30 days later in a PERF Hybrid-covered position on or before June 30, 2013, you are eligible for a second retirement as long as service requirements are met. However, if you retire from a PERF Hybrid- or TRF Hybrid-covered position and re-employ more than 30 days later in a PERF Hybrid-covered position on or after July 1, 2013, you are **not** eligible for a second retirement.

If you retire from a PERF Hybrid-covered position and reemploy more than 30 days later in a position covered by the PERF My Choice: Retirement Savings Plan (formerly ASA Only Plan), depending on whether the employer offers PERF My Choice to re-employed retirees, you may be eligible to begin accruing a benefit under the PERF My Choice Plan.

Example

You stop teaching on May 18. Your “retirement date” is June 1. You may acquire a job with your employer or another TRF- or PERF-covered position on June 18.

If you go back to work before 30 days or make an agreement to do so, your retirement becomes void. That means you will no longer receive a monthly retirement benefit and will also have to pay back any money you received from INPRS.

You will continue to earn service credit for when you do retire.

If you acquire a job after retirement after meeting the 30-day requirement, there will not be any limits on how much money you can make. You will also still receive your monthly retirement benefit. No more money will be placed in your DC and you will not be earning any more service credit. Your new job will not increase your retirement benefit.

If you retire from a PERF-covered position and reemploy more than 30 days later in a position covered by the PERF My Choice Retirement Savings Plan (formerly ASA Only Plan), depending on the employer’s choice, you may be eligible to begin accruing a benefit under the PERF My Choice Plan.

NOTE: Your PERF Hybrid retirement application is void if you have an agreement, formal or informal, prior to your retirement, with a covered employer to become re-employed in a covered position.

8.11.2 Second Retirement

If you retired from a PERF Hybrid-covered position and reemployed more than 30 days later in a PERF Hybrid-covered position on or before June 30, 2013, you are eligible for a second retirement as long as service requirements are met. However, if you retire from a PERF Hybrid-covered position and reemploy more than 30 days later in a PERF Hybrid- or TRF Hybrid-covered position on or after July 1, 2013, you are **not** eligible for a second retirement.

If you are an elected official, you must complete and submit to INPRS the [Choose to Continue or Discontinue Receiving Benefits as an Elected Official](#) form available on the [Public Employees' Retirement Fund \(PERF\) Member Forms](#) page of the INPRS website.

You are entitled to go back to work after you retire from your PERF- or TRF-covered position and continue receiving PERF Hybrid retirement benefits. If you are returning to a PERF or TRF position (covered or not covered), you must have a separation of employment for a period of at least 30 days.

Your effective retirement date is the first day of the month for which you were paid retirement benefits. There is no earnings limitation for those who choose to return to work in a PERF Hybrid-covered position after retirement.

8.12 Direct Deposit

Direct deposit is the required method to distribute benefit payments. On the same day each month, your payment will be deposited directly into your specified account. You will receive an annual notice of deposits.

The Direct Deposit form is completed and submitted online from your account at myINPRSretirement.org. You can contact the Member Service Center at (844) GO-INPRS (844-464-6777). For TDD call 1-800-579-5708. CSRs are available weekdays (excluding weekends and state designated holidays) from 8 a.m. to 8 p.m. ET. The CSR will direct you to your account at myINPRSretirement.org to complete and submit the online information.

If you do not enter ACH information you will be directed to contact the Member Service Center.

The retirement application cannot be submitted until the direct deposit election is resolved.

8.13 Retirement Benefit Payment Dates

Your retirement benefit payment date is the 15th of the month. If the 15th falls on a weekend or holiday, your payment will be dated the business day before. The direct deposit is made on the same day as the payable date. If you have questions, contact the Member Service Center at (844) GO-INPRS.

The list of [PERF Retirement Benefit Payment Dates](#) is available on the INPRS website.

8.14 Retirement Application Requirements

It may take up to 90 days to process your retirement application once it is submitted to INPRS. To complete your retirement application, you will access your account at myINPRSretirement.org and follow the prompts and instructions provided.

- **Confirm Personal Information** – your address and personal information as requested
- **Choose Your Retirement Date and Plan** – provide your retirement date and retirement type as requested (options will be limited by the Plan and date entered)
- **Survivor Designation** – enter your survivor information as requested
- **Tax Notices** – enter information and make selections for state, federal, and local, as applicable
- **Direct Deposit** – provide the requested information
- **Required Documents** – upload any additional document as applicable or as required

If you need assistance call the Member Service Center at (844) GO-INPRS (844-464-6777). For TDD call (800) 579-5708. CSRs are available weekdays (excluding weekends and state-designated holidays) from 8 a.m. to 8 p.m. ET.

8.15 Benefit Overpayment and Underpayment

INPRS is required by federal and state law to correct any errors in benefit calculations. If you receive an overpayment as a result of an error, INPRS must recover the overpayment. If you are underpaid, you will receive another payment from INPRS.

8.16 Health Insurance

8.16.1 Retired Indiana Public Employees Association (RIPEA)

As an active or retired member of PERF, you are eligible to enroll in the Retired Indiana Public Employees Association (RIPEA). Information about this is available from the RIPEA website at www.ripea.org. As a retired member of PERF and also a member of RIPEA you may have your RIPEA [membership dues](#) and/or [group insurance premiums](#) deducted from your PERF monthly retirement benefit. Complete the required online information on the RIPEA website or contact RIPEA for additional information.

Contact RIPEA customer service at (317) 789-0244 (local) or 1-800-345-9214 (toll free). TTY contact at 1-800-759-1089. Hours are Monday through Friday, 8:30 AM – 8 PM, ET.

8.16.2 Early Retiree Insurance Program

This information is excerpted from the Indiana State Personnel Department (SPD), Benefits, [Early Retiree Insurance Program](#) website.

Upon retirement, eligible employees between the ages of 55 and 65 who have at least 15 years of creditable employment with a public employer (10 of which shall have been completed immediately preceding retirement) are offered early retiree insurance to continue their State insurance until they become eligible for Medicare. Complete eligibility requirements can be found in [IC 5-10-8-8](#) or in the

[Benefiting You Handbook](#) available from the website. Eligible retirees will have 90 days from their retirement to elect early retiree insurance coverage.





This section addresses the survivor benefits. For taxation information see the [Income Tax Considerations](#) section of this manual.

NOTE: This applies to PERF Hybrid and TRF Hybrid:

Cash Refund and **Minimum Death Benefit** are two different things for INPRS under Indiana Code:

- **Cash Refund:** You receive annuity for life, and at your death, beneficiary gets total used in computing annuity minus annuity paid to you. IC 5-10.2-4-7(b)(4)
- **Minimum Death Benefit:** At your or you and survivor(s)' death, ASA minus all DB and DC payments made to you or you and all survivors. IC 5-10.2-3-9

Metlife can now offer what the INPRS board approves in terms of options without a minimum death benefit. The discretion lies with INPRS, not Metlife.

9.1 Death in Retirement

Upon your death, INPRS will begin paying your retirement benefit to your designated survivor beneficiary. They will be paid based on the options you chose at retirement.

It is important that your beneficiary or someone who represents you contacts us to report your death. Your representative must contact the Member Service Center at (844) GO-INPRS (844-464-6777).

Here are the steps:

1. Your representative contacts INPRS to report your death.
2. INPRS reviews your account and sends the appropriate paperwork to your representative.
3. Your representative returns the completed paperwork to INPRS, along with your death certificate.
4. INPRS calculates what money is due to your beneficiaries or your estate.

In order to claim your benefit at the time of your death your beneficiary must be named and on file at INPRS prior to your death. INPRS cannot accept a change of beneficiary after your death.

NOTE: Applicable to all Options for Retirees with Whom INPRS Services the Monthly Annuity:

If you and your beneficiary(ies) die, and if you did not withdraw your DC and/or Rollover-Pre-Tax Contribution funds at retirement, and if the total amount of payments received up to the date of death (including retirement and DC and/or Rollover-Pre-Tax Contribution fund payments) is less than the balance of the DC and/or Rollover-Pre-Tax Contribution funds at the time of retirement, then either the beneficiary(ies) or your estate will be paid the remaining DC and/or Rollover-Pre-Tax Contribution funds balance.

If a total distribution of the DC and/or Rollover-Pre-Tax Contribution funds is chosen as the payment option, this guarantee does not apply. Also, if a partial distribution of the DC and/or Rollover-Pre-Tax Contribution funds is/are chosen, this guarantee only applies to the remaining DC and/or Rollover-Pre-Tax Contribution funds balance.

9.2 Death While In Service

If your death occurs while you are still working (in service), INPRS will disburse the funds in your DC and Rollover-Pre-Tax Contribution account(s) to your beneficiary or your estate based on the beneficiary information on file with INPRS. If no beneficiary is named, the funds go to your estate.

If you are married for at least 2 years, your spouse may be entitled to a survivor benefit. If you have minor children, they may qualify for a benefit only if you do not have a qualifying spouse.

Your spouse or minor children can receive your retirement benefit, Defined Benefit (DB), if:

- You have at least 10 years of service, or
- You are a member of the Indiana General Assembly with at least 10 years of service.

9.2.1 Survivor Benefit when Member Is Not Retired

If you die before retiring, but were eligible to retire, your qualifying surviving spouse and/or surviving dependent(s) may be entitled to survivor benefits if you:

- Were at least age 65 and had at least 10 years of creditable and eligibility service combined.
- Had 10 or more years of creditable service combined at age 60 for full retirement benefits.
- Would have been eligible to receive retirement or disability benefits but died before applying for them.

If you meet these conditions and have been married for at least 2 years before your death, then your spouse qualifies for a monthly survivor benefit for life. If there is no eligible surviving spouse, survivor benefits are divided between all surviving dependents that are younger than 18 (or older if the dependent[s] is permanently disabled). If you have neither an eligible surviving spouse nor surviving dependents, then no survivor benefit will be paid.

NOTE: Marriages will be recognized regardless of gender.

The survivor benefit is paid as a 100 percent survivor retirement calculated at the later of your age at date of death or age 50.

There may be a benefit payable from the DC and Rollover Pre-Tax Contribution accounts depending upon your named beneficiaries.

NOTE: The survivor benefit is separate and distinct from any benefit created by your DC and/or Rollover-Pre-Tax Contribution account(s).

Failure to inform INPRS of changes in beneficiary(ies) could result in payment being made to a previously named beneficiary who is no longer your choice to receive the DC and Rollover-Pre-Tax Contribution funds balance upon your death.

9.3 Death While Out of Service

Upon your death, if you are no longer working in a PERF-covered position, you do not lose your DC and Rollover-Pre-Tax Contribution funds. Whether or not you qualify to retire, upon your death your beneficiary(ies) will receive the funds in your DC and/or Rollover-Pre-Tax Contribution account(s). If you have no living designated beneficiaries your estate will receive the funds in your DC and Rollover-Pre-Tax Contribution account(s).

If you are married for at least 2 years, and have at least 10 years of service, your spouse may be entitled to a survivor pension benefit. You must be qualified to retire at the time of your death. You cannot have already started receiving your retirement. If you have applied for your retirement benefit when you die, then your benefit will be paid based on your retirement benefit option chosen at the time you retired.

9.4 Death in Disability

When applying for disability with PERF, one of the activities is to complete a disability (retirement) application and submit it by accessing your account at myINPRSretirement.org. As part of the application process you select your benefits option which includes your choice of death benefits for your beneficiary/survivor or estate. Upon your death, INPRS is notified by your survivor or a representative and the [Death in Retirement](#) process begins.

You must include the beneficiary information prior to your death as changes to beneficiary/survivor information cannot be made after your death.

9.5 Trust or Legal Entity as Death Beneficiary

IN certain situations, naming a Trust or Legal entity as beneficiary is possible. Generally, you can leave your death benefit of your DC account to a trust, but you cannot name a trust for a survivor benefit of your pension benefit. Complete and submit to the address on the [Change Your Beneficiary – Active Member](#) form available on the [Public Employees' Retirement Fund \(PERF\) Member Forms](#) page of the INPRS website.

There is no restriction on what type of trust you can name as your beneficiary. See the [Defined Contribution Account Payment Options](#) section of this handbook for more details.

9.6 HEART Act

According to the [Heroes Earning Assistance and Relief Tax Act of 2008 \(HEART\)](#), if you die while performing qualified military service, your survivor may be entitled to a survivor benefit. For more information contact the Member Service Center at (844) GO-INPRS (844-464-6777). For TDD call (800) 579-5708. CSRs are available weekdays (excluding weekends and state-designated holidays) from 8 a.m. to 8 p.m. ET.

9.7 Disclaiming a Benefit

Indiana law allows a beneficiary to decline (disclaim) a benefit. The law also decides how the bequest is handled if the beneficiary declines it. For specific information on your situation contact the Member Service Center at (844) GO-INPRS (844-464-6777). The [Disclaimer \(State Form 55221\)](#) must be completed and submitted to INPRS.



10.1 Tax Forms and Withholding

Each year, INPRS mails 1099-R forms to all benefit recipients by January 31. The 1099-R form is much like a W-2 form. It lists the total amount of benefits received during the year. It also shows the taxable and non-taxable amounts. INPRS can also withhold federal, state, county, and local taxes. If you did not complete tax withholding forms at the time of your retirement, you may do so at any time.

INPRS can withhold federal taxes based upon the marital status and the number of exemptions claimed.

10.2 Tax Withholding

INPRS is required by law to withhold 20 percent for federal income taxes for any non-recurring, taxable lump sum distribution that is paid directly to you. You will have to pay federal, state, county, and local income taxes on this taxable portion.

NOTE: You must enter a withholding election (e.g., married with 3 exemptions, single, etc.) before electing an additional flat, whole dollar amount.

10.3 Deductions

You may elect to have federal, state, county, and local taxes withheld from your monthly retirement benefit payments. Additionally, if you elect to participate in the Retired Indiana Public Employees Association (RIPEA)-sponsored supplemental group health insurance, your premiums can be deducted from the monthly retirement benefit payments.

10.3.1 Taxation of Defined Contributions

Any contributions to a Defined Contribution (DC) account made with after-tax dollars are considered “tax basis” because you have already paid taxes on those dollars. Mandatory contributions paid by an employer were not taxed at the time they were paid. Therefore, they do not create “tax basis”.

Upon retirement, any after-tax contribution (your tax basis) is reported by INPRS as non-taxable on the IRS Form 1099-R issued to you and the IRS. However, it is important to note that your tax basis is recoverable under very specific IRS rules. The following briefly outlines the basis recovery rules applicable to this situation.

NOTE: INPRS only accepts rollover pre-tax contributions.

10.3.2 Basis Recovery Tax Rules

Retirements Processed Prior to January 1, 2018

You can elect to receive a total distribution of your DC and/or Rollover-Pre-Tax Contribution funds at the same time you begin receiving your monthly retirement benefits. However, if you elect to do so, federal tax law does not allow you to immediately recover your entire basis when you receive your DC funds.

Income Tax Considerations

Instead, part of the basis must be allocated to the monthly retirement benefits. The basis allocated to the monthly retirement payment is divided up and recovered over a mandatory number of monthly payments, as determined by applicable IRS regulations. Therefore, a portion of each monthly benefit paid to you is non-taxable, for as long as the basis remain.

This division of the basis is required because the IRS has issued a letter ruling to PERF concluding that the DC funds and monthly retirement benefits payable to you do not constitute separate accounts. The consequence of this ruling is that, upon retirement, basis from contributions to the DC account must be partially allocated to your retirement benefit, as described above. One exception to this basis allocation rule is also relevant: a special provision of federal tax law permits you to immediately recover any tax basis you may have had in your DC account on December 31, 1986. However, the post-1986 basis must be allocated to your monthly retirement benefits.

All Active Accounts beginning January 1, 2018

Your choice about how to distribute your DC and/or Rollover-Pre-Tax Contribution funds can have important tax implications, and INPRS urges you to consult with a tax advisor. INPRS can explain your options but cannot offer tax advice. The information below will help you and your advisors with federal tax rules as they apply to PERF benefits.

Contributions to your DC made with after-tax dollars are referred to as “cost basis”. Mandatory contributions paid by your employer were not taxed when they were paid so they do not create “cost basis”. At retirement, any after-tax contribution (your cost basis) is reported by INPRS as non-taxable on the IRS Form 1099-R. The 1099-R is issued to retired members and the IRS. It is important to note that your cost basis is recovered under very specific IRS rules. You can choose to receive a total withdrawal of your DC and/or Rollover-Pre-Tax Contribution funds when you begin receiving your monthly retirement benefit. This will include your total cost basis that is included in your DC.

There are two scenarios where the “cost basis” is still recoverable only with the monthly retirement benefit:

1. Any service purchases using personal funds may also be included as a “cost basis”, and
2. Any vested distribution prior to January 1, 2018, with a cumulative cost basis.



11.1 Cost of Living Adjustments

Cost of living adjustments (COLAs) are increases made to your monthly retirement benefit payment to help if the cost of living is more than when you retired. COLAs are not automatic in Indiana. The General Assembly must pass legislation granting a COLA.

Your annuitized DC and Rollover-Pre-Tax Contribution funds are not included when calculating your COLA.

You will receive a COLA only if the General Assembly passes legislation. Your COLA will normally be a percentage of your current retirement benefit. Usually those who have been retired longer will see an increase.

NOTE: If you are a PARF member and are receiving a PERF retirement, and if a 13th check or COLA are issued, neither the 13th check nor the COLA will reduce your overall PARF retirement benefit.

11.2 13th Check Annual Supplemental Payment

The 13th check is a lump sum, single payment INPRS makes to you. It is a single payment and does not increase your base monthly retirement benefit. The amount INPRS pays you is based on your creditable service at retirement.

You will receive a 13th check only if the General Assembly passes legislation.

A survivor or beneficiary of the member may be eligible for the check. The amount of the check will be distributed in equal shares if the member has two or more survivors or beneficiaries.

11.3 Required Minimum Distribution (RMD) Information

The Internal Revenue Service (IRS) requires that if you have an interest in a retirement benefit you must take a Required Minimum Distribution (RMD) from that benefit. [Section 401\(a\)\(9\)](#) of the Internal Revenue code (IRC) requires PERF to begin making required minimum distributions of your benefit starting by April 1 of the calendar year following the calendar year in which the you attain age 70½ or 72 (depending upon the date the individual reaches age 70½) or terminates employment, whichever date is later. Individuals who turn 70½ on or after January 1, 2020, do not have to take their RMD until age 72.

If the benefit does not begin in a timely fashion, the IRS may impose a 50 percent penalty due to a late distribution.

NOTE: Individuals who turn 70½ on or after January 1, 2020, do not have to take their RMD until age 72.

You must complete the online Retirement Application if you:

- Have at least 10 years of creditable and/or eligibility service.

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- Have separated from service.
- Have not begun the retirement benefit. Will be age 70½ by December 31, 2019. The requirements indicated in the first paragraph of this section apply.
- If you reach 70 ½ on or after January 1, 2020, you do not have to apply for or take your RMD until age 72. The requirements indicated in the first paragraph of this section apply.

You must complete a request for distribution by accessing your account at myINPRRetirement.org if you meet one of the following requirements:

- You have 10 years of creditable service and/or eligibility service and have separated from service.
- You have deferred receipt of your DC and/or Rollover-Pre-Tax Contribution funds at retirement and will be age 70½ by December 31 pursuant to the requirements contained within Federal and State law and discussed above.
- You would have been age 70½ by December 31 and the surviving spouse did not take a distribution from your DC and/or Rollover-Pre-Tax Contribution funds at the time of your death.

The retirement application must be completed online and submitted to INPRS. The Retirement Application is available by accessing your account at myINPRRetirement.org. For more information contact the Member Service Center at (844) GO-INPRS (844-464-6777). For TDD call 1-800-579-5708. CSRs are available weekdays (excluding weekends and state designated holidays) from 8 a.m. to 8 p.m. ET.

If INPRS does not receive the application by December 31, and you will be age 70½ by December 31 pursuant to the requirements discussed above, INPRS will undertake to contact you to set up the RMD for distribution of any retirement and/or DC and/or Rollover-Pre-Tax Contribution funds to which you are entitled.

If you have reached the age requirement of 70½ or 72 as discussed above before submitting the Retirement Application, INPRS is required to adjust the benefit for any IRS imposed penalties. See [35 IAC 13-1-1](#) for more detailed information regarding INPRS's RMD process.

11.3.1 Death Benefit Required Minimum Distribution

If you die with a DC account and/or Rollover Pre-Tax Contribution account balance, the designated beneficiary(ies) must receive their distributions within 5 years of the date of death. The beneficiary(ies) may take the distribution in a single lump sum or proportionate annual payments over the 5-year period. If the beneficiary(ies) annuitizes the amount, then it may be paid over the life expectancy of the beneficiary(ies) pursuant to IRS rules.

11.4 Administrative Review

NOTE: This information is only a guide and neither a substitute for, nor intended as legal advice.

If INPRS staff have answered your questions regarding your account but you disagree with the action or determination, and no alternative resolution is available, you may request administrative review under the

Administrative Orders and Procedures Act ([IC 4-21.5](#)). You must have standing as a party or a right to intervention to request administrative review.

11.4.1 Initial Determination

Petition INPRS in the form of a letter to request a review of the action or determination with which you disagree. This letter should specifically state the basis of your disagreement and include sufficient facts so that INPRS administration can make an evaluation and determination. You may include copies of any supporting documents. For a sample format of this member petition, see the [Step 1: Member Petition for Administrative Review of Staff Action/Determination](#) form available on the INPRS website.

Once an evaluation has been completed, you will be notified with an initial determination letter, sent by certified mail. INPRS will detail in the letter our initial determination and provide supporting justification. In addition, INPRS will provide explicit instructions should you want to appeal the initial determination. Indiana law sets forth specific time lines to appeal a decision. Should your appeal be received after the deadline, under Indiana law, the initial determination will become final and you will forfeit any future claims specific to that particular outcome. As noted, many processes and procedures followed by INPRS are statutory, meaning INPRS does not have the discretion to act outside of the law in granting a benefit that federal and/or state law does not permit.

11.4.2 Administrative Law Judge

If you disagree with the initial determination and want to further challenge, you may bring the matter before an Administrative Law Judge (ALJ). To initiate this process, you must file a petition for review with the INPRS Executive Director. The petition for review:

- Must meet the statutory requirements set forth in [IC 4-21.5-3-7\(a\)](#); AND
- Must be filed within 15 days after you have received the written notice of the INPRS initial determination letter. ([IC 4-21.5-3-7\(a\)](#)).

If your petition for review meets the statutory requirements, INPRS will arrange for an administrative hearing of your case, which is similar to a trial in a lawsuit, but is conducted in less formal manner ([IC 4-21.5-3-25\(b\)](#)). You may be represented by counsel, but there is no requirement that you obtain representation. INPRS is not responsible for costs associated with your representation. The ALJ who conducts the review will consider the evidence concerning the administrative action/decision and decide whether INPRS has misinterpreted or misapplied the law and/or acted beyond the scope of its authority in your case.

After an ALJ is selected, you will be notified of the time and place of a pre-hearing conference, ordinarily conducted by conference call between you, INPRS, and the ALJ. The purpose of this conference is for the ALJ to identify and narrow the issues of the case and to set a timeframe for pleadings and discovery. A pleading is a formal document that sets forth allegations, complaints, denials, or defenses. Discovery is the process of learning information and obtaining documents from the other party.

If there are no material facts in dispute and the ALJ believes that the issues involved in the case deal with whether INPRS has applied or interpreted the law correctly, the ALJ may request a party file a motion for summary judgment. This means the ALJ may determine the case based on information submitted to the

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ALJ in writing. This is a process that speeds up the disposition of the case without the need for an evidentiary hearing where witnesses testify and are cross examined.

If there are material issues of fact, the ALJ will set a date for an evidentiary hearing where each party will call and cross examine witnesses and present other evidence. For a detailed outline of the ALJ review process, see the [General Outline for Administrative Law Judge \(ALJ\) Review](#) available on the INPRS website.

Within 90 days after the conclusion of the administrative hearing, the ALJ will issue a Finding of Facts and Conclusions of Law and written order concerning the action or decision that you are challenging ([IC 4-21.5-3-27](#)). The ALJ's order is then subject to review by the INPRS Executive Director. On behalf of the Board of Trustees, the Executive Director will issue a final order that affirms, modifies, or dissolves the ALJ's order ([IC 4-21.5-3-29\(b\)](#)).

11.4.3 Judicial Review

If you are still in disagreement at the conclusion of the administrative review, you may seek judicial review within thirty (30) days of receipt of the final order ([IC 4-21.5-5](#)). A reviewing court will examine only those disputed issues of fact that appear in the agency record of the appeal. The trial court may not retry the appeal or substitute its judgment for that of agency ([IC 4-21.5-5-11](#)).

See the [Administrative Review Regulations](#) available on the INPRS website for a list of all relevant IAC references.

11.5 Power of Attorney

The fund honors requests and directions from a lawful holder of a Power of Attorney document for you. This individual is known as the attorney-in-fact. The Power of Attorney must grant the attorney-in-fact the authority to transact business of the type requested. For instance, if the Power of Attorney document grants the attorney-in-fact broad discretion to handle all banking and financial transactions, the fund will accept directions regarding benefit check delivery. If, on the other hand, you grant what is known as a Health Care Power of Attorney, the attorney-in-fact does not have the authority to direct the fund on any matter, even something as simple as an address change.

If you want to name a Power of Attorney for fund business only, without incurring the expense of legal counsel, the fund can provide a [Limited Power of Attorney for Members and Recipients \(State Form 49614\)](#). However, this Power of Attorney applies only to fund business and is not valid for general public use. To receive a copy of this form to be completed and returned to the address on the form, contact the Member Service Center at (844) GO-INPRS (844-464-6777). For TDD call 1-800-579-5708. CSRs are available weekdays (excluding weekends and state designated holidays) from 8 a.m. to 8 p.m. ET.

If an attorney-in-fact attempts to act on your behalf, the fund will require a copy of the Power of Attorney. If a copy of the Power of Attorney is not in your file, the requested transaction will be denied. The denial will then be returned to the attorney-in-fact, requesting proof of legal authority to act on your behalf.

NOTE: Indiana law has very specific requirements for a Power of Attorney to be valid. Your signature must be witnessed and attested to by a Notary Public. Further, the Notary Public must sign the document along with the attorney's printed name and notarial seal.

11.6 Guardian

The fund honors requests and directions from a legally appointed guardian of your estate.

Before the fund can recognize acts of a guardian, the fund must receive copies of the Letters of Guardianship and/or other official court documents appointing the guardian. Only the guardian of your "estate", the person with the power to handle financial matters (as opposed to the guardian of the "person" who is responsible for your physical well-being), may direct the fund.

Guardians are appointed only when you are declared incompetent by a court of law. Thus, while you are under an active guardianship and unable to act on your own behalf. The fund will not recognize your acts until provided proof that your right to act on your own behalf has been restored.

11.7 Access to Records

11.7.1 Member Records

Your records are confidential by law. INPRS will only release your name, fund, and years of service.

INPRS can provide information from your records to you, or to one of the following:

- a guardian,
- a representative of your estate,
- an attorney-in-fact (aka Power of Attorney or POA),
- someone to whom you have given express permission, or
- someone named by a court order.

There are other exceptions to this rule. Contact INPRS if you have a situation other than those outlined herein.

11.7.2 Public Records

You do not need to fill out a request for access to public records to get your information. You can:

- Call (844) GO-INPRS (844-464-6777),
- Email us at questions@inprs.in.gov, or
- Send a written request or stop by in person at:

Indiana Public Retirement System
One North Capitol Avenue, Suite 001
Indianapolis, IN 46204

There are other exceptions to this rule. Contact INPRS if you have a situation other than those outlined herein.

11.8 Confidentiality of Fund Records

Your records are protected by law under [35 IAC 1.2-1-5](#) and [IC 5-10.5-6-4](#). The law outlines INPRS confidentiality rules and allows INPRS, at its discretion, to provide member information to:

- members of the Indiana General Assembly,
- state agencies,
- quasi-governmental agencies,
- any person with the member's written permission, including a Power of Attorney,
- an active member's employer,
- a deceased member's personal representative with Letters Testamentary or a beneficiary, according to a small estate affidavit,
- to follow state or federal law, a subpoena, legal discovery under the Indiana trial rules or Orders and Procedures Act or other court order.

There are other exceptions to this rule. Contact INPRS if you have a situation other than those outlined herein.