Indiana Public Retirement System

PERF

Please silence your cell phone.
Indiana Public Retirement System

PERF

Please silence your cell phone.
Who participates in INPRS?

447,000 Members from over 1,400 Public Employers

Employers include...

- Cities
- Towns
- Counties
- Townships
- Public School Corporations
- Public Universities
- State of Indiana
PERF Benefits Structure

Benefits available to eligible members:

1. Disability Benefits
2. Survivor Benefits
3. Retirement Benefits
PERF Benefits

Disability Benefits

• Member who has 5 or more years of creditable service under PERF
• Deemed disabled by the Social Security Administration while on payroll

Survivor Benefits before Retirement

• Surviving spouse or dependent child may be entitled to this benefit if member dies in service or has left service while eligible to receive a benefit but has not yet applied for benefits.
• Member’s age 65 or under – must have at least 15 years of creditable service
• Member’s age 65 or older – must have at least 10 years of creditable service.
PERF Retirement Benefits Structure

**Defined Benefit (Pension)**

**Annuity Savings Account (ASA)**
Your Annuity Savings Account

- State law requires that a contribution of 3% of your gross wages be made to your ASA
  - This may be paid by the employee or the employer (employer decides)

- Voluntary employee contributions available (if your employer participates)
  - Up to 10% in addition to the mandatory 3% contribs.
  - Post- or pre-tax basis

- Immediately vested

- No loan provision or hardship withdrawals available
You Choose How To Invest Your Annuity Savings Account

**Investment Options**

- Guaranteed Fund
- Large Cap Equity Index
- Small/Mid Cap Equity Fund
- International Equity Fund
- Fixed Income Fund
- Money Market Fund
- Inflation-Linked Fixed Income Fund
- Target Date Funds: 2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055. Default fund for new members.

**NOTE:**
Allocations can be made in increments of 10% among the investment options.

Allocations can be changed daily on line by using PERF Interactive or by calling toll free 1 (888) 526-1687.
Your Annuity Savings Account

Quarterly Member Statement

As of June 30, 2008

Total Account Summary

Beginning Balance

Annuity Savings Account

Your Public Employees’ Retirement Fund (PERF) account is made up of a pension benefit, an Annual Annuity Savings Account (ASA). The statement shows the activity of your ASA ONLY and what will happen to your retirement benefit. Once a member is eligible to retire after 10 years of service in a PERF retirement benefit account, the ASA will be calculated based on 6% of the service of the member plus 50% of the retirement benefit which includes the ASA.

Annuity Savings Account (ASA) Activity

Notes: Contributions on this statement are for the reporting period of 04/01/2008 - 04/30/2008.

Investment Allocation as of 04/30/2008

<table>
<thead>
<tr>
<th>Allocation</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guaranteed Fund</td>
<td>2%</td>
</tr>
<tr>
<td>Money Market Fund</td>
<td>2%</td>
</tr>
<tr>
<td>Stock Fund</td>
<td>7%</td>
</tr>
<tr>
<td>SGF 500 Index Fund</td>
<td>2%</td>
</tr>
<tr>
<td>U.S. Large Companies Index Fund</td>
<td>60%</td>
</tr>
<tr>
<td>International Equity Index Fund</td>
<td>5%</td>
</tr>
</tbody>
</table>

Investment Allocation: $11,513

ASA Balance Allocation

Money Market Fund

Average Annualized Return as of June 30, 2008

<table>
<thead>
<tr>
<th>Investment</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>4.20%</td>
<td>12.96%</td>
<td>16.48%</td>
<td>16.48%</td>
</tr>
<tr>
<td>Standard &amp; Poor's 500 Index</td>
<td>-3.73%</td>
<td>-15.56%</td>
<td>-24.97%</td>
<td>-24.97%</td>
</tr>
<tr>
<td>Russell 1000 Index</td>
<td>8.02%</td>
<td>13.86%</td>
<td>17.16%</td>
<td>17.16%</td>
</tr>
<tr>
<td>MSCI EAFE Index</td>
<td>5.59%</td>
<td>13.86%</td>
<td>17.16%</td>
<td>17.16%</td>
</tr>
</tbody>
</table>

If you would like to change your investment allocation online, please visit PERF Online at www.perf.in.gov and follow the instructions. Change requests must be received by March 31 for April and July, and October 31 for January, March, June, and September. If you make a change after these dates, your new allocation will take effect in the following quarter. Please contact your retirement agent or call INPR at (888) 526-1687 for more information.
Defined Benefit (Pension) Characteristics

- Employer paid contributions.
- Employer contributions are not held in an individual account.
- The formula used to calculate Pension benefits is the same no matter which employer you work for.
- Amount is determined by age, salary, length of service and retirement option chosen.
- Monthly benefit payment to eligible members for their lifetime.
- Members must meet eligibility requirements for this benefit.
Normal (unreduced) Retirement Eligibility

1. Age **65** with **10** or more years of creditable service;

2. Age **60** with **15** or more years of creditable service;

3. **Rule of 85**: Minimum age 55, age plus years of service must equal 85 or more.
   For example: age 55+30 yrs = 85; or age 58+29 yrs = 87.
Early Retirement with a Reduced Pension

1. A member who has **15** or more years of creditable service, **and**,  
2. is between the ages of **50** and **59** can retire with a reduced pension...

<table>
<thead>
<tr>
<th>Retirement Age</th>
<th>Percentage of Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>44%</td>
</tr>
<tr>
<td>59</td>
<td>89%</td>
</tr>
</tbody>
</table>

(Percentage increases 5% per year between ages 50-59)

Please note that if you choose to take early retirement, your pension benefits will remain at a reduced level even after you reach 60 years of age.
Collect Retirement Benefits While Continuing to Work

1. **Millie Morgan**: Minimum age 70 with 20 or more years of creditable service (while working in a PERF-covered position);

2. **Elected officials**: Minimum age 55 with 20 or more years of creditable service (while serving in their elected position). If the member is younger than age 60, a reduced benefit would apply.
Defined Benefit Formula

The monthly Pension formula is defined by state law...

\[(\text{Final Average Salary} \times \text{Creditable Service} \times 1.1\%) \div 12\]

Examples

\[($30,000 \times 20 \text{ yrs} \times 0.011)/12 = \$550/\text{month} \text{ (before taxes)}\]
\[($30,000 \times 25 \text{ yrs} \times 0.011)/12 = \$688/\text{Month} \text{ (before taxes)}\]
\[($35,000 \times 30 \text{ yrs} \times 0.011)/12 = \$963/\text{Month} \text{ (before taxes)}\]
Final Average Salary $\times$ Creditable Service $\times$ 1.1%

- Five year salary average
- 20 highest quarters in groups of 4 consecutive quarters over your entire PERF career

**Note:** Phasing into retirement by working at a lower paying job will not impact your pension benefit.
Additional Creditable Service

**Earned Service:**
- Teaching service
- Military service leave
- Paid leave
- Unpaid leave

**Note:** Any service previously lost, in taking an ASA distribution prior to retiring from a PERF covered position, is automatically reinstated six months after taking another PERF position.
Purchased Service

Out of State Service
- Must have at least one year of PERF or TRF service.
- No longer eligible to use years to claim a retirement benefit from any other retirement system or fund.

Prior Military Service
- Must have at least one year of PERF or TRF service.
- Must have served on active duty in military for at least 6 months and received an honorable discharge.
- Must be able to provide a DD Form 214, Certificate of Release or Discharge.
- Only 2 years of service may be purchased.

Additional Service Credit (Available to vested members only)
- 1 year for every 5 actual years (must be in PERF-covered position to purchase)
Defined Benefit (Pension) Payment Options
Defined Benefit (Pension)

One of the most important decisions you will make is choosing your Defined Benefit (pension) payment option.

Remember
You will receive a monthly benefit for the rest of your life.

Before choosing an option, ask yourself the following questions:
• How much monthly income will I need after retirement?
• Do I need to plan for a beneficiary?
• If yes, how much income will my beneficiary require?
• How long will my beneficiary require this income?
Defined Benefit (Pension) Payment Options

- **Option 10** – 5 Year Guaranteed Survivor Benefit
- **Option 20** – Benefits With No Guarantee
- **Option 30** – Joint with Full Survivor Benefits
- **Option 40** – Joint with Two-Thirds Survivor
- **Option 50** – Joint with One-Half Survivor
- **Option 61** – Integration with Social Security
- **Option 71** – Five Year Guaranteed Survivor Benefit with ASA Cash Refund
Annuity Savings Account (ASA) Payment Options
Annuity Savings Account
Payment Options

1. Deferral of Payment
2. Annuitization (Combine ASA with Pension)
3. Lump Sum
4. Rollover or Partial Rollover
Returning to Work After Retirement
Working After Retirement in a PERF Covered Position

- You must wait **more than 30 days** from your effective date of retirement before returning to a PERF covered position to continue receiving PERF benefits. *(Effective July 1, 2008)*

- A PERF member’s application for retirement benefits is void if the member has an agreement, prior to their retirement, with a covered employer to become re-employed in a covered position.

- Eligible for second retirement (Non PERF-covered employment is exempt)
Working After Retirement
Non-PERF Covered Position

- If you go back to work for the **same employer**
  - IRS separation of service guidelines may apply
  - Talk to your employer and/or the IRS

- If you go to work for a **different employer**
  - No separation period required

- The Social Security Administration does not consider your PERF benefit to be earned income

- Social Security toll free number 1-800-772-1213 or [www.ssa.gov](http://www.ssa.gov)
# Application Submission Dates

Submit your retirement application no later than 3 months before your retirement date.

<table>
<thead>
<tr>
<th>Retirement Date</th>
<th>Submission Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>October</td>
</tr>
<tr>
<td>February 1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>November</td>
</tr>
<tr>
<td>March 1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>December</td>
</tr>
<tr>
<td>April 1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>January</td>
</tr>
<tr>
<td>May 1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>February</td>
</tr>
<tr>
<td>June 1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>March</td>
</tr>
<tr>
<td>July 1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>April</td>
</tr>
<tr>
<td>August 1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>May</td>
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<tr>
<td>September 1&lt;sup&gt;st&lt;/sup&gt;</td>
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</tr>
<tr>
<td>December 1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>September</td>
</tr>
</tbody>
</table>
Additional resources are located on the INPRS website.

Please visit us at www.inprs.in.gov
INPRS Online

Accessing Your Account Online

Welcome

If you have forgotten your User ID, click the Forgot Your User ID? link.

If you have forgotten your Passcode, click the Forgot Your Passcode? link.

If this is your first time logging in, your User ID is your Social Security number. You can access an interactive tool to help you understand how to use the features of this site here.

If you have any questions, please call the Indiana Public Retirement System (INPRS) Customer Service Center at (888) 526-1687 and speak with a Customer Service Representative. Representatives are available Monday through Friday, 8 a.m. to 8 p.m. Eastern time, except on holidays. For TDD communication services for the hearing impaired, dial (800) TDD-TDD or (800) 833-8334.

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INPRS Online

• After receiving a Pension ID and Passcode you can:
  – Change address
  – Change beneficiary
  – Change beneficiary address
  – Access last PERF statement
  – Change Annuity Savings Account investments
  – Calculate estimate of benefit with your data
PERF Contact Information

Website
www.inprs.in.gov

e-mail:
questions@inprs.in.gov

Phone:
1-888-526-1687 (toll free)

Mailing Address:
INPRS
1 North Capitol, Suite 001
Indianapolis, IN 46204
Questions?