

# EXCISE, GAMING & CONSERVATION OFFICERS' RETIREMENT FUND

## MEMBER HANDBOOK

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### 1.1 Excise, Gaming and Conservation Officers' Retirement Fund (EG&C)

In 1972, the Indiana Legislature established what is now known as the Excise, Gaming and Conservation Officers' Retirement Plan (EG&C). The purpose of this plan is to provide retirement, disability, and survivor benefits for employees who engage solely in law enforcement duties for the Department of Natural Resources, Alcohol and Tobacco Commission, and Indiana Gaming Commission.

### 1.2 Indiana Code Governing EG&C

The laws and regulations governing the Indiana EG&C Plan may be found in Indiana Code (IC) 5-10-5.5 and in Title 35 Article 4 of the Indiana Administrative Code (IAC). The content of this member handbook does not constitute legal advice, and nothing herein should be considered a legal opinion. In the event of a discrepancy between information in this member handbook and the laws of the state of Indiana, the applicable law shall apply.

### 1.3 Administration of System and Funds

Effective July 1, 2010, the board of trustees of the Indiana State Teachers' Retirement Fund (TRF) and the Public Employees' Retirement Fund (PERF) were required to appoint and compensate a common director for TRF and PERF. Effective July 1, 2011, the Indiana Public Retirement System (INPRS) was established under Indiana law. INPRS administers and manages EG&C.

INPRS administers sixteen funds of which eight are defined benefit (DB), five are defined contribution (DC), two are other post-employment benefit, and one is custodial. INPRS combined membership totals over 500,000 members representing more than 1,250 participating employers including public universities, school corporations, municipalities, and state agencies.

For a listing of all the funds administered by INPRS and additional information about each one, visit the Annual Reports page of the INPRS website.

### 1.4 Board of Trustees

INPRS is governed by a nine-member Board of Trustees, appointed by the Governor. Board members serve as "fiduciaries" of the Fund, which means they are legally bound to make investment decisions with your best interest in mind. The executive director carries out the policies set by the Board and administers the Fund on a daily basis (IC 5-10.5).

### 1.5 INPRS' Vision, Mission, and Values

Mission: Engaged members able to realize their retirement dreams.

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

Values: INPRS believes people are the foundation of our success. It takes people with different backgrounds, ideas, and strengths to be successful. Success is built upon accountability, commitment, constructive conflict, and trust.

## 1.6 Important Terms

- **Beneficiary** – a person or persons designated by the EG&C member to receive all or part of a participant’s savings fund after the death of a member. Beneficiaries are set by statute under the EG&C Plan.
- **Interest** – the rate of interest set by the INPRS Board.
- **Defined Benefit (DB)** – a pension benefit funded by your employer. This pension benefit is separate from a defined contribution (DC) account.
- **Dies In the Line of Duty** - death that occurs as a direct result of personal injury or illness caused by incident, accident, or violence that results from any action that the participant, in the participant’s capacity as an officer: (A) is obligated or authorized by rule, regulation, condition of employment or service, or law to perform; or (B) performs in the course of controlling or reducing crime or enforcing the criminal law. The term includes a death presumed incurred in the line of duty under IC 5-10-13 for an officer who is an Indiana State excise police officer or an Indiana State conservation enforcement officer.
- **Mandatory Member Contributions** – State law requires that 4% of an EG&C participant’s annual salary be contributed to the EG&C Plan.
- **Officer** – any excise police officer, conservation enforcement officer, gaming agent or gaming control officer employed by the State of Indiana.
- **Participant’s Savings Fund** – the term used to describe the participant’s contribution account. If the member separates from employment prior to becoming vested, the member may withdraw the participants' savings fund. The participants' savings fund is used to fund any benefits payable.
- **Retirement Allowance** – a pension benefit (also known as defined benefit (DB)) paid either to a participant after retirement from EG&C employment or to the participant’s designated survivor.
- **Retirement Effective Date** - the first of the month following your last date of employment in an EG&C covered position or your age eligibility date.
- **Salary** – the total compensation paid to any officer by the department or the commission. “Salary” does not include additional expense allowances and is calculated before any salary reduction related to IRC § 125.
- **Average Annual Salary** – the average annual salary of an officer during the 5 years of highest annual salary in the 10 years immediately preceding an officer's retirement date, determined without regard to any salary reduction agreement established under IRC § 125.
- **Service Credit** – refers to the period of time you accumulate through continuous employment in an EG&C-covered position. Service credit is important in determining your qualification for benefits.
- **Survivor** – the person or persons who may receive a pension benefit after the death of the participant.
- **Vesting/Vested** – the status of having earned services in an EG&C covered position for 15 years unless you enrolled in the EG&C Plan after the age of 50. If you become a participant after the age of 50, you vest with only 10 years of creditable service.

## 1.7 Contacting INPRS

Information about EG&C can be found on the INPRS website: [www.in.gov/inprs](http://www.in.gov/inprs). Go to Plan Info at the top of the navigation menu, and then select Excise, Gaming, and Conservation. You can review frequently asked questions (FAQs), quick reference guides (QRGs), and more on the INPRS website.

If you need additional information, have questions, or need assistance, feel free to contact the Member Service Center at (844) GO-INPRS (844-464-6777). For TDD call (800) 579-5708. INPRS Member

Advocates are available weekdays (excluding weekends and state-designated holidays) from 8 a.m. to 8 p.m. ET. You can also submit inquiries via email to [questions@inprs.in.gov](mailto:questions@inprs.in.gov).

Changes to your EG&C account can be made by logging into your online account at [myINPRSretirement.org](http://myINPRSretirement.org).

Forms to complete and return can be found at <https://www.in.gov/inprs/forms/excise-plan-member-forms/>. You can send requests and/or completed forms to INPRS at One N. Capitol, Suite 001, Indianapolis, IN, 46204. INPRS lobby hours are 8:30 a.m. to 4:30 p.m. ET Monday through Friday.



## 2.1 Eligibility

State employees are eligible for membership in the EG&C Plan based on specific criteria (IC 5-10-5.5-5). The covered positions within the EG&C Plan include State excise police, gaming agents, gaming control officers, and conservation enforcement officers.

If you were a State excise police or conservation enforcement officer on September 2, 1971, joining this plan was optional. You were allowed 20 days prior to September 2, 1971, to file a written notice with the Public Employees' Retirement Fund (PERF) Hybrid plan if you elected not to join. Your decision not to join the plan was final. All State excise police and conservation enforcement officers hired after September 2, 1971, must join the EG&C plan, as membership in the plan is a condition of employment.

Gaming agents became covered by the EG&C Plan on July 1, 2005, and gaming control officers became covered on July 1, 2007.

## 2.2 Ineligibility

Anyone who does not meet requirements in IC 5-10.5-5-5 is not eligible for membership in the EG&C Plan.

## 2.3 Designating A Beneficiary/Survivor

*Beneficiary* refers to the person designated to receive all or part of your benefits upon your death. A *survivor* refers to the person who receives a survivor retirement pension benefit upon your death.

Beneficiaries are set by statute, but you must designate a specific beneficiary. You may designate one or more of your beneficiaries to receive a lump sum payment plus interest if you die without:

- receiving a retirement benefit,
- receiving a disability benefit,
- a survivor entitled to receive a benefit, and
- INPRS returning your mandatory member contributions.

Your mandatory member contributions plus interest are paid to your beneficiary. INPRS will decide the interest rate. If you do not designate a beneficiary and you do not have survivors entitled to a benefit, your contributions plus interest will be paid to your estate. INPRS will decide the payment rate paid to your estate.

You may designate your spouse, unmarried child/children under the age of 18, or your mother or father. If you do not make a designation, any payment due at time of death would be payable to your estate. See IC 5-10-5.5-15, IC 5-10-5.5-16, IC 5-10-5.5-16.3, IC 5-10-5.5-16.6

You may designate beneficiaries after you have been enrolled by your employer, received your welcome packet, and registered for your online account. You may then designate beneficiaries by completing the form applicable to the EG&C Plan from the INPRS website.

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



### 3.1 Employer Contributions

Employer contributions are dedicated to benefit obligations for the EG&C Plan. These contributions do not fund individual member accounts.

### 3.2 Mandatory Member Contributions

Every participant contributes 4% of their annual salary to the participants' savings fund. The contribution is made through payroll deduction and is deposited in your account. The employer may pay all or a part of the contributions for the participant.

### 3.3 Investment Options

There are currently no investment options for members of the EG&C Plan. The credited interest rate for EG&C Plan member accounts is set annually by the INPRS Board.

### 3.4 Annual Member Statement

You will receive an annual statement about your member contribution account. The total will include any investment gains or losses and any investment fees.

Your statement will be mailed and posted online. To access your statement online, log on to your account, go to the **My Profile** link, and then select **Communications Preferences**.

If you have retired or withdrawn from the fund, you will not receive quarterly member statements.





## 4.1 Member Service Credit

The most common form of service credit is service earned in a position covered by the EG&C Plan. Service credit refers to the period of time you accumulate through employment in an EG&C Plan-covered position as outlined in this section. You receive service credit for each period of continuous employment in an EG&C Plan-covered position from the date of hire to the last day in pay. Service credit is important in determining your qualification for retirement benefits. At the time of retirement, only full years of service credit are used in the benefit calculation.

## 4.2 Vested Status

You are vested in the EG&C Plan with 15 years of creditable service unless you enrolled in the EG&C Plan after the age of 50. If you become a participant after the age of 50, you vest with only 10 years of creditable service.

The EG&C Plan has a mandatory retirement age of 65 unless you become an officer after 50 years of age. In that case, the mandatory retirement date is the earlier of the first day of the month following your 65th birthday, or the first day of the month following the completion of 15 years of service.

## 4.3 Types of Service Credit

You may be able to add various types of service credit to enhance your pension benefit. You must have 10 years of completed service in the EG&C Plan before the additional service can be used in your retirement benefit.

### 4.3.1 Military Service

Members who served in the United States Armed Forces are eligible for EG&C service credit equal to actual military service if they **meet all of the following conditions**:

- Were in an EG&C Plan-covered position prior to entering the military
- Left an EG&C Plan-covered position and went directly into the United States Armed Forces
- Did not withdraw member contributions from the EG&C Plan
- Left the military service and returned to the same employer in an EG&C Plan-covered position within 120 days after receiving an honorable discharge (exceptions can be made for injury or disability that delays returning to work)

If the member resumed employment with the employer within 90 days after discharge, entitled to service credit for military service under Uniformed Services Employment And Reemployment Rights Act (USERRA) ([38 U.S.C. 4301 et seq.](#)). 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.
- You reported back to the civilian job in a timely manner or submitted a timely application for re-employment.

All you and your employer's contributions must be paid upon return to EG&C Plan-covered service USERRA service can be used towards the 15 years required for vesting; this can also be used towards the 10 years

required for you to join EG&C after the age of 50. Ultimately, INPRS relies on the assertions and verifications made by the plan's participating employer. Military service credit guidelines are governed by IC 5-10.3-7-5 and 35 IAC 1.2-3-10 in conjunction with federal USERRA laws.

### 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 \(FMLA\) \(29 USC 2601, et seq.\)](#). This service is used only for vesting and is not included in the DB calculation.

## 4.4 Purchase Service Credit

Purchased service may not be used in the DB calculation until you have 10 years of earned service in the EG&C Plan.

### 4.4.1 Purchase Additional Service Credit

As a member of the EG&C Plan you may purchase, at full actuarial cost, prior service credit in other public retirement funds including PERF Hybrid, TRF Hybrid, the State Police Trust, and the 1977 Fund. To purchase this service in the EG&C Plan, you must have at least 1 year of active service in the EG&C Plan, must not be vested in the other public retirement fund, and make payment(s) as indicated in IC 5-10-5.5-7.5.

### 4.4.2 Purchase Military Service Credit

If you have served in the United States Armed Services, you may purchase up to 2 years of military service credit if you are an active EG&C member. Payment may be made in a lump sum or annual installments for a period not to exceed 5 years. You **must meet all of the following conditions**:

- You have at least one year of service credit in the Plan.
- You served on active duty for at least six months.
- You received an honorable discharge.
- You make payments as required by 35 IAC 4-2-4.
- Your service was not eligible under USERRA or IC 5-10.3-7-5 leave of absence for military service.

### 4.4.3 Cost of Purchased Service Credit

The cost of purchased service credit is the product of:

- Your salary at the time you actually make a contribution for the service credit.
- A rate (determined by the INPRS actuary) based on your age when the contribution was made and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased.
- The number of years of service that you intend to purchase.
- Any accrued interest (at a rate determined by the INPRS actuary) for the period from your initial membership in the EG&C Plan to the date payment is made by you.

## 4.5 Transfer of Service Credit from the EG&C Plan

If you terminate employment before accumulating 15 years of service credit and become a member of PERF Hybrid, you may transfer service credit to PERF Hybrid if you have not taken a refund of your contributions and interest from the EG&C Plan. Contact INPRS for more information.

## 4.6 Reinstatement of Service Credit

If you are a member of the EG&C Plan, who has previously taken a refund of your contributions, and you return to a position covered by the EG&C Plan, you may buy back the previously withdrawn service credit by paying to the EG&C Plan all amounts previously withdrawn (35 IAC 4-2-1).



### 5.1 Withdrawals

If you are not age eligible for a retirement pension and separate from employment in an EG&C Plan-covered position for a reason other than death or disability **prior** to completing 15 years of active service (or 10 years of service credit if you become a participant after age 50), you may apply for a distribution of your contributions plus interest at a rate specified by rule by the INPRS Board.

If you are age eligible for a retirement pension and separate from employment in an EG&C Plan-covered position for a reason other than death or disability **after** completing 15 years of active service (or 10 years of service credit if you become a participant after age 50), you may apply for your retirement pension benefit. You will **not be eligible for distribution** of your contributions because they are used to fund your retirement pension benefit.

### 5.2 Distributions

The amount credited to your account equals the value of your member contributions plus interest valued the day before you apply for a distribution, or the date of your death plus contributions received after that date. You will not receive the employer contributions under any circumstances. If you die before you have earned 15 years of creditable service and you have not designated a beneficiary, your contributions and earned interest are paid to your estate. To request a distribution, you or your beneficiary can access your online account.

#### 5.2.1 Payment Options

If you do **not** qualify for retirement pension benefits, you have three distribution options.

##### *Choice A*

If you end employment before you earn 15 years of service and then become a member of PERF Hybrid, you may transfer your creditable service to PERF Hybrid. If you transfer this service, your decision is final. If you transfer your account and service credit to PERF Hybrid, you may qualify for PERF Hybrid retirement benefits under the eligibility rules for the PERF Hybrid fund. You are **not** eligible to transfer service credit to PERF Hybrid if you are vested or if you withdraw your member contribution account. See the PERF Hybrid Member Handbook for details. Service credit is not available for PERF My Choice.

##### *Choice B*

You may leave your account balance with the EG&C plan. If you leave your balance with the EG&C plan, you will receive the interest rate as set each fiscal year by the INPRS Board. You can withdraw your balance at any time.

##### *Choice C*

You can select a lump sum distribution of all your contributions and earned interest if you end employment before you earn 15 years of creditable service:

- and you are not age 45 or became a member of the retirement plan after age 50;
- and have less than 10 years of service credit.

Your account will receive eligible interest credit when you elect a distribution. The credit amount is set by the laws in effect at the time of the distribution. The lump sum distribution can be made as a direct rollover or paid directly to you. IRS regulations state that you may not receive a distribution from your account if

you transfer to another position with the State of Indiana. You will only receive a distribution of your account when you have ended employment with the State of Indiana.

### ***Direct Rollover***

A direct rollover is a direct payment of your member contributions to an eligible IRA or an eligible employer plan (such as a 403[b] tax-sheltered annuity, a 457 deferred compensation plan), or a 401(a) qualified plan that will accept it. You can choose a direct rollover of all or any portion of the payment that is an eligible rollover distribution. You are not taxed on any taxable portion of a payment for which you choose a direct rollover until later when you take them out of the program into which they were rolled. In addition, there is no income tax withholding on the amount rolled over.

Direct rollover payments are issued as a paper check made payable to the receiving financial institution for your benefit. The check is mailed to you, and you will need to deposit the check to the rollover institution within 60 days after the check date.

### ***Paid Directly to You***

If you elect to withdraw contributions and do not elect a direct rollover of the distribution, it is subject to a mandatory 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days you roll it over to an eligible IRA or an eligible employer plan that accepts rollovers.

If you receive a distribution of your member contributions before reaching age 55 and do not roll it over, you will have to pay an early distribution tax penalty equal to 10% of the taxable portion of the payment in addition to the regular income tax.

## **5.3 Loans**

The EG&C Plan does not have a provision for loans.



**NOTE:** This information is being provided as a general explanation of benefit-related legislation. If this information is inconsistent with the underlying statutes, the statutory provisions shall control.

## 6.1 Retirement Eligibility & Options

The EG&C Plan has a mandatory retirement age of 65 unless the member becomes an officer after turning 50 years of age. In that case, the mandatory retirement date is the earlier of the first day of the month following the member's 65th birthday or the first day of the month following the completion of 15 years of service.

### 6.1.1 Regular Retirement with Normal (Unreduced) Pension Benefit

To qualify for a regular retirement with an unreduced pension benefit you must:

- reach age 65 (regular retirement pension benefits), or
- be at least age 60 AND:
  - have at least 15 years of service, and
  - was enrolled before age 50; or
- meet the requirements of IC 5-10-5.5-11:
  - if your age is at least 55 and your age plus service equals at least 85 (Rule of 85); or
  - if your age is at least 50 and you have at least 25 years of service.

A regular retirement pension benefit is 25% of your average annual pay. Your pension benefit is increased by 1.66% of your average annual pay for every full year of creditable service past 10 years (however, the pension benefit may not be more than 75% of the average salary). "Average annual salary" means the average annual salary of an officer during the five years of highest pay in the 10 years immediately preceding an officer's retirement date, determined without regard to any salary reduction agreement under Section 125 of the Internal Revenue Code.

### 6.1.2 Early Retirement with a Reduced Pension Benefit

You qualify for early retirement if you are at least age 45 and have earned at least 15 years of creditable service. Early retirement pension benefits are based on the regular retirement amount, then reduced by a quarter of a percent for every month that your early retirement date precedes your 60th birthday. See IC 5-10-5.5-11 and IC 5-10-5.5-12.

### 6.1.3 Deferred Retirement Option Plan (DROP)

DROP is an optional benefit that allows EG&C members (IC 5-10-5.5-22) who are eligible for an unreduced retirement pension benefit to continue to work and earn a salary while accumulating a DROP benefit payable in a lump sum or three annual installments. In addition, you will receive a monthly retirement pension benefit equal to your DROP frozen benefit.

#### ***DROP Enrollment***

If you elect to enter the DROP **your election is irrevocable** and requires you to retire on the DROP retirement date. To enroll you must be eligible for regular retirement and must submit an election to participate in the DROP specifying the DROP entry date (which must be the first day of your DROP period) and your retirement date (which must be the last day of your DROP period). Visit the EG&C forms page of the INPRS website for the appropriate form to submit, and any other forms required by INPRS.

### ***DROP Period***

You must select a DROP retirement date that meets the following criteria:

- Not less than 12 months after your DROP entry date.
- Not more than 36 months after your DROP entry date.
- Only one DROP election is allowed during your lifetime.
- DROP cannot extend past the mandatory retirement age of 65.

### ***DROP Contributions***

You will continue to make required employee contributions and your employer will continue to make any required employer contributions.

### ***DROP Disability***

If you become disabled (as decided by the INPRS Board or its designee), while in the DROP, your annual benefit is calculated as follows:

- If you retire because of a disability in less than 12 months from the date you enter the DROP, your benefit is calculated as if you had never entered the DROP.
- If you retire because of a disability 12 months or more after the date you enter the DROP, your benefit is calculated as a DROP benefit. Your retirement date is the date you retire because of a disability, not your DROP retirement date.

### ***DROP Retirement Pension Benefit***

If you elected to participate in the DROP, upon retirement you may elect to forego DROP benefits and instead receive monthly retirement pension benefits calculated as if you never elected to participate in the DROP. These benefits are based on your accrued service credit and base salary as of the retirement date.

When you exit the DROP and retire on your DROP retirement date, you can choose between the following two options:

1. Benefits that consist of a DROP benefit and a monthly benefit, calculated as follows:
  - a DROP benefit equal to the amount that “accrued” while you were in the DROP. This would be paid out, at your election, in a lump sum, or three equal annual installment payments, plus
  - a monthly benefit calculated based on your average annual pay and years of creditable service on the date you entered the DROP.
2. The monthly retirement pension benefit based on salary and service credit in effect when you exit the DROP, and no lump sum/installment component. (You will receive the monthly benefit that you would have otherwise received without ever entering the DROP.)

You will not continue to accrue service credit for the years in the DROP. Contributions are made and service credit is earned; but, if you retire on the DROP date, the service will not be used in your retirement calculation.

If you do not retire on your DROP date, your benefits will be determined under the provisions of the EG&C Plan as if you never entered the DROP, and you will not be able to make a future DROP election.

### ***DROP Frozen Benefit***

Upon entry into the DROP, a “DROP frozen benefit” is calculated. This is equal to your monthly retirement pension benefit based on accrued service credit and final average salary (FAS) as of the date you entered

the DROP. Upon your DROP retirement, you are eligible to receive a lump sum equal to the amount of your DROP frozen benefit multiplied by the number of months you were in the DROP. You may elect to receive this amount in three annual installments instead of in a single lump sum. In addition, you will receive a monthly retirement pension benefit equal to your DROP frozen benefit.

**NOTE:** The final average salary (FAS) is calculated as the average of the highest 5 salaries from the last 10 years. Any severance payment up to \$2,000 made to you as a member of the EG&C Plan is added to the FAS.

### 6.1.4 Disability Retirement

You may receive disability benefits if you become unable to perform all suitable and available work on the force, and reasonable accommodations (required by the Americans with Disabilities Act) are made, and you remain unable to perform work that you are qualified for or may become qualified for. A petition for disability retirement benefits may be made by you, the department, or the commission. The INPRS Board, or its designee, will decide:

- if your disability meets statutory requirements,
- the degree of your disability, and
- if the disability arose in the line of duty (as defined in the statute IC 5-10-5.5-13.5).

When you file for disability retirement pension benefits, the INPRS Medical Authority will use the impairment standards of the United States Department of Veterans Affairs' (USDVA) Schedule for Rating Disabilities to decide the degree of your impairment. The USDVA standard in effect at the time you file will be used to decide the degree of your disability. See IC 5-10-5.5-12.7 for more information.

#### *In the Line of Duty*

A disability is considered in the line of duty if the disability is the direct result of:

- a personal injury that happens while you are on duty, or
- a personal injury that happens while you are off duty and responding to an offense, an emergency, or a reported offense or emergency, or
- an exposure risk to disease according to state law (IC 5-10-13 et al.) while in the line of duty.

### 6.1.5 Disability Ineligibility

Disability benefits will not be provided for any disability that:

- is intentional or self-inflicted injury or attempted suicide while sane or insane,
- resulting from the member's commission or attempted commission of a felony,
- begins within two years after you enter or re-enter active employment on the force, and
- is a mental or physical condition that began before you entered or re-entered employment.

### 6.1.6 Disability Pension Benefit

Disability benefits from the EG&C Plan are payable for life, but the benefit is recalculated as a regular retirement when you turn 60 years of age. This recalculation will include any time you spent receiving state long-term disability benefits (IC 5-10-5.5-13.5).

#### *6.1.6.1 Disability in the Line of Duty Pension Benefit Calculation*

If your disability arose in the line of duty you are entitled to a monthly benefit equal to your monthly salary on the date of disability multiplied by the degree of impairment (expressed as a percentage impairment of the person as a whole). However, the monthly benefit must be at least one of the following:



- 20% of your monthly salary on the date of the disability if you have more than 5 years of service credit, or
- 10% of your monthly salary on the date of the disability if you have 5 or fewer years of service credit.

#### **6.1.6.2 Disability Not in the Line of Duty Pension Benefit Calculation**

If your disability did not arise in the line of duty you are entitled to a monthly benefit equal to  $\frac{1}{2}$  of your monthly salary on the date of disability multiplied by the degree of impairment (expressed as a percentage of the person as a whole). However, the monthly benefit must be at least **one** of the following:

- 10% of your monthly salary on the date of the disability if you have more than 5 years of service credit; or
- 5% of your monthly salary on the date of the disability if you have 5 or fewer years of service credit.

## **6.2 Retirement Effective Date**

As a member of the EG&C Plan the effective date of your retirement is the first of the month following your last date of employment or your age eligibility date. When completing the retirement application online, it will default to the first day of the month.

## **6.3 Retirement Application Requirements**

You will need to submit your retirement application to INPRS at least 90 days before you plan to retire. To complete your retirement application, you will access your online account 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.
- **DROP** – enter the requested information if applicable,
- **Direct Deposit** – provide the requested information.
- **Required Documents** – upload any additional document as applicable or as required.

**NOTE:** You will only be taxed on your benefit payments when you receive your benefit.

## **6.4 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. You can update your direct deposit information online at any time. You must complete the Direct Deposit form from your online account. For direct deposit applications for survivor or disability purposes, the paper form, *Application for Direct Deposit (State Form 39175)*, must be requested from INPRS.

## **6.5 Benefit Overpayment and Underpayment**

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

## 6.6 Re-Employment of Retired Members

As a retired member of the EG&C Plan, you cannot return to an EG&C-covered position and receive service credit; however, you can return to active employment in a position not covered by the EG&C Plan.



## Death Benefits



**NOTE:** Marriages will be recognized, regardless of gender.

### 7.1 Survivor Benefit

EG&C participants who died prior to February 1, 2018, have different survivor benefit requirements and benefits. See IC 5-10-5.5-16 for more information.

An **active** member in the EG&C plan who died **after January 31, 2018**, is not required to have a minimum number of years of creditable service in the EG&C Plan at the time of the member's death for the member's designated survivor to be entitled to receive survivors' benefits.

If an **active** member dies **in the line of duty**, then the designated survivor will receive 100% of the benefit that the member would have received with 25 years of service credit at 50 years of age.

- A survivors' allowance payable to a surviving spouse ends with the last payment before the surviving spouse's death.
- A survivors' allowance to a child ends when the child attains the age of 18 years or marries, whichever occurs first. If a survivors' allowance is divided between or among more than 1 child, and payments to 1 or more children receiving the survivor's allowance cease because of the age, marriage, or death of the child, the total annual survivors' allowance payable under this subsection shall be divided evenly among or between the surviving children, if any, who remain eligible to receive the survivors' allowance.

If an **active** member dies **other than** in the line of duty, or an **inactive** member with at least 15 years of service credit dies **other than** in the line of duty, then the designated survivor will receive 50% of the benefit that the member would have received with 25 years of service credit at 50 years of age.

- A survivors' allowance payable to a surviving spouse ends with the last payment before the surviving spouse's death.
- A survivors' allowance to a child ends when the child attains the age of 18 years or marries, whichever occurs first. If a survivors' allowance is divided between or among more than 1 child, and payments to 1 or more children receiving the survivor's allowance cease because of the age, marriage, or death of the child, the total annual survivors' allowance payable shall be divided evenly among or between the surviving children, if any, who remain eligible to receive the survivors' allowance.

If an **inactive** member dies **other than** in the line of duty **and** does **not** have at least 15 years of service credit **and** the member was not receiving a disability benefit, the designated survivor will receive a refund of the member contributions plus interest as determined by the INPRS Board.

If you do not designate anyone to receive your survivor benefit, or those designated precede you in death, your estate will receive a lump sum payment of your contributions and earned interest.

If a retired member and the designated beneficiary die prior to recovering contributions plus interest there is no lump sum payable to the estate of the last beneficiary. See 35 IAC 4-1-1.

### 7.2 DROP Survivor Benefits

If you die before your benefits begin, death benefits will be paid to your surviving spouse. If you do not have a surviving spouse, the lump sum will be divided equally among your surviving children. If you do not

have surviving children, the lump sum will be paid to your surviving parents. If you do not have surviving parents, the lump sum will be paid to your estate. Death benefits are determined as follows:

### **Effective June 30, 2020, per 5-10-5.5-0.1(b)(7)**

If you enter the DROP at any time and die after June 30, 2020, the following apply:

1. If you die within less than 12 months after entering the DROP, the death benefits are calculated as if you never entered the DROP;
2. If you die at least 12 months after entering the DROP, the death benefits consist of:
  - a. The DROP frozen benefit
  - b. An additional lump sum amount or 3 equal annual lump sum payments.
3. Per IC 5-10-5.5-0.1(c), if a participant dies **in the line of duty** after January 31, 2018, and before April 1, 2020, and a survivors' benefit is paid under section IC 5-10-5.5-17(b) to the participant's survivor, either:
  - a. the survivor may repay the full amount distributed and the INPRS board shall provide the full annual survivors' allowance allowed under section IC 5-10-5.5-16.6; or
  - b. the INPRS board may adjust the amount of the full annual survivors' allowance allowed under section IC 5-10-5.5-16.6 to account for any amount distributed under IC 5-10-5.5-17(b).

## **7.3 Survivor Benefit Application Requirements**

To process a survivor benefit, the survivor must submit the following to INPRS:

- survivor benefit application,
- copy of your marriage certificate and confirmation that the deceased was married to you at the time of death (for surviving spouse claims),
- birth certificates of any survivors, (for surviving child claims), and
- death certificate of deceased member,
- birth certificate of member, if not already on file at INPRS, and
- request for direct deposit of benefits.

## **7.4 Benefit Overpayment and Underpayment**

INPRS is required by federal and state law to correct any errors in benefit calculations. If your survivor received an overpayment because of an error, INPRS must recover the overpayment. If your survivor is underpaid, your survivor will receive another payment from INPRS.



### 8.1 Tax Withholding

Your retirement distributions are subject to federal income tax withholding. INPRS can withhold federal, state, county, and local taxes from your monthly retirement pension benefit payments. If you did not complete tax withholding forms at the time of your retirement, you may do so at any time.

INPRS is required by law to withhold 20% 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.

You should talk to the trustee of your qualified plan or IRA or your professional tax advisor if you need more information about the taxes on your distribution.

If you would like more information about tax rules, refer to IRS Publication 575. If you need more help, you should contact your local IRS office or a tax consultant.

### 8.2 Tax Forms

Each year, INPRS mails 1099-R forms to all benefit recipients by January 31. The form lists the total amount of taxable and non-taxable (if any) benefits received during the year. It also shows the taxable and non-taxable amounts.

### 8.3 Taxation of Retirement Pension Benefits

When you retire, you will be taxed on all of your pension benefit payments. Your "tax basis" portion will not be taxed. The tax basis is the 4% member contribution that was taxed when the contribution was paid into the plan. Over an IRS determined number of payments, you will recover your non-taxable (tax basis) amount from each benefit payment. Your recovery amount is based on your age at the time your benefits start. The schedule for repayment is set by IRS regulations. After all the non-taxable amounts have been left out of your benefit payments, 100% of the remaining benefit payments will be included as taxable income.

### 8.4 Benefit Deductions

Effective July 1, 2018, you will not be able to deduct pledges or contributions to charitable or non-profit organizations. However, after retirement, you are allowed to make deductions from your monthly retirement pension benefit to pay insurance premiums or labor organization dues. Allowable insurance premiums include only those for life, medical, surgical, hospitalization, dental, vision, long-term care, or Medicare supplement coverage. The only insurance eligible for this deduction is insurance provided by your employer. Survivors may also make these deductions.

The form for benefit deductions for labor organization dues is available on the EG&C Forms page of the INPRS website. You can contact INPRS for a copy of the form. For deductions from your monthly retirement pension benefit to pay insurance premiums, see your employer.



### 9.1 Cost of Living Adjustment (COLA)

A cost of living adjustment (COLA) is an adjustment to your monthly retirement pension benefit. COLAs are actuarially funded, and they are not automatic in Indiana. The General Assembly must pass legislation granting a COLA. Retired members and survivors of the EG&C Plan receive the same COLAs as received by retired members and survivors of PERF Hybrid.

### 9.2 13th Check Supplemental Payment

The 13th check is a lump sum, single payment INPRS makes to you. It does not increase your base monthly pension benefit. The amount INPRS pays to you is actuarially funded and 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 13<sup>th</sup> check. The amount of the 13<sup>th</sup> check will be distributed in equal shares if the member has two or more survivors or beneficiaries.

### 9.3 Required Minimum Distribution (RMD) Information

The Internal Revenue Service (IRS) requires you to take required minimum distribution (RMD) if you have an interest in a pension benefit. [Section 401\(a\)\(9\)](#) of the Internal Revenue code (IRC) requires INPRS to begin paying distributions of your benefit starting April 1 of the calendar year following the calendar year in which you attain the RMD age specified by the IRS:

RMD Age	Condition(s)	Source
70 1/2	Reach age 70 ½ before 01/01/2020	Pre Secure Acts
72	Turn 70 ½ on and after 01/01/2020	Secure 1.0
73	Turn 72 on and after 01/01/2023 & reaches 73 before 01/01/2033	Secure Act 2.0
75	Turn 74 on or after 01/01/2033	Secure Act 2.0

- Anyone who turned 72 in 2022 or earlier follows the old rules. Those who turned 72 in 2022 had to take their first RMD no later than April 1, 2023.
- Those who turn 72 in 2023 and any time through 12/31/2032 (born from 1951 to 1959) must take the first RMD by April 1 of the year after they turn age 73.
- Anyone born in 1960 or later must take their first RMD by April 1 of the year after they turn age 75.

If the benefit does not begin in a timely fashion, the IRS will impose a 25% penalty on the member due to a late distribution. The IRS could reduce that penalty to 10% if the member receives a distribution within a correction window.

You must complete the online retirement application through the Retirement Application Center (RAC) from your online account at [myINPRSretirement.org](https://myINPRSretirement.org). If the application is not completed on time, RMD payments will automatically begin if you have separated from employment and have not begun the distribution process.

If INPRS does not receive the application by December 31, and the member meets the RMD requirements described in federal law and 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.

Furthermore, INPRS is required to adjust the benefit for any IRS imposed penalties. See 35 IAC 14-7-7 for more detailed information regarding INPRS's RMD process.

### 9.3.1 Death Benefit Required Minimum Distribution

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

## 9.4 Administrative Review

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

If you disagree with the action or final determination by INPRS staff, 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.

### Initial Determination

You must petition INPRS in the form of a letter to request a review of the action or final determination with which you disagree. This letter should specifically state the basis of your disagreement and include sufficient facts so that INPRS can evaluate your request for review. You should include copies of any supporting documents. For a sample format of this member petition, see form Step 1: Member Petition for Administrative Review of Staff Action/Determination available on the INPRS website. You will need to complete the form and submit it to INPRS, Attn: Administrative Review, One North Capitol, Suite #001, Indianapolis, IN 46204, or by emailing the form to [AdministrativeReviews@INPRS.in.gov](mailto:AdministrativeReviews@INPRS.in.gov).

Once an evaluation has been completed, you will be notified with an initial or amended determination letter, sent by certified mail. The letter will indicate INPRS' initial or amended determination and provide supporting justification. In addition, INPRS will provide explicit instructions should you want to appeal. Indiana law sets forth specific timelines to appeal a decision. Should your appeal be received after the appeal deadline, under Indiana law, the initial or amended 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.

### Administrative Law Judge

If you disagree with the initial or amended determination and want to further challenge, you may request to 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 and you must file a petition using the form available from the Your Right to Administrative Review page on the INPRS website.

These are the available forms and instructions:

1. Complete Member Petition for Administrative Review of Staff Action or Determination
2. Petition for Review by ALJ
3. General outline for ALJ review

Complete and return the form (Step 1 or Step 2) to INPRS at [AdministrativeReviews@INPRS.in.gov](mailto:AdministrativeReviews@INPRS.in.gov) or the address provided on the form. It is recommended that you retain copies of the submitted documents for your records.

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. For a detailed outline of the ALJ review process, see the General Outline for Administrative Law Judge (ALJ) Review available on the INPRS website.

At the conclusion of the administrative hearing process, 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\(b\)](#)).

### Judicial Review

If you are still in disagreement at the conclusion of the administrative review, you may seek judicial review within 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.

## 9.5 Power of Attorney

INPRS 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, INPRS will accept directions regarding benefit payments. 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 INPRS 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, INPRS can provide a Limited Power of Attorney for Members and Recipients form. 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 INPRS.

If an attorney-in-fact attempts to act on your behalf, INPRS 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 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.



## 9.6 Guardian

INPRS honors requests and directions from a legally appointed guardian of your estate. Before INPRS can recognize acts of a guardian, INPRS must receive copies of the Letters of Guardianship and/or other official court documents appointing the guardian. A guardian is appointed only when you are declared incompetent by a court of law while you are under an active guardianship and unable to act on your own behalf. INPRS will not recognize your acts until provided proof that your right to act on your own behalf has been restored.

## 9.7 Access to Records

### Member Records & Confidentiality

Your records are confidential by law. INPRS will only release your name, fund, and years of service. Member records are not public records.

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 written permission, or
- someone named by a court order.

Indiana law, 35 IAC 1.2-1-5 and IC 5-10.5-6-4, 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.

### Public Records

INPRS is committed to making public records available upon request. To get information, you can:

- Call (844) GO-INPRS (844-464-6777),
- Submit your request through the online portal at: <https://in.accessgov.com/inprs-apra>; or
- Send a written request or stop by in person at:  
Indiana Public Retirement System  
One North Capitol Avenue, Suite 001  
Indianapolis, IN 46204