

PROSECUTING ATTORNEYS' RETIREMENT FUND

MEMBER HANDBOOK

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1.1 Prosecuting Attorney's Retirement Fund (PARF) Overview

PARF was created January 1, 1990. The State of Indiana is the employer of record for the members of PARF. Prior to that date, individuals who were in positions currently covered by PARF were in the Public Employees' Retirement Fund (PERF) Hybrid Plan. Members of PARF are also active, contributing members of PERF Hybrid and are subject to all the laws, rules, and regulations governing PERF Hybrid.

The purpose of PARF is to provide retirement income for the exclusive benefit of eligible employees of participating employers and their designated beneficiaries subject to the conditions set forth herein.

1.2 Indiana Code Governing PARF

The laws and regulations governing the Indiana PARF may be found in Indiana Code (IC) 33-39-7. 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 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 PARF and PERF Hybrid.

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 institution designated by the PARF member to receive all or part of a member’s defined contribution funds after the death of a member. Beneficiaries are set by statute under the PARF plan.
- **Contributions** – funds paid to INPRS by employers and/or the employee/PARF member to fund future benefits.
- **Defined Benefit (DB)** – a pension benefit funded by the member’s employer. This pension benefit is separate from a defined contribution (DC) account.
- **Mandatory Contributions** – State law requires that 6% of a PARF participant’s salary be contributed to PARF for the first twenty-two (22) years of service credit.
- **Retirement Pension Benefit** – a lifetime monthly pension benefit paid either to a participant after retirement from PARF employment or to the participant’s designated survivor. This pension benefit is also known as the defined benefit (DB).
- **Retirement Effective Date** - the first day after the member ends employment in a PARF covered position. The member’s benefit may not begin more than 6 months before INPRS receives the retirement application.
- **Salary** – the salary paid to a participant by the state, determined without regard to any salary reduction agreement established under Section 125 of the Internal Revenue Code. The term does not include an amount paid to a participant by a county or counties.
- **Service Credit** – refers to the period of time the member accumulates through continuous employment in a PARF-covered position. Service credit is important in determining the member’s 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 service credit in a PARF covered position for eight (8) years under the PARF plan on or after to July 1, 2006. A PARF member who earned service credit in PARF covered position prior to July 1, 2006 and did not return to a PARF covered position after July 1, 2006 must complete ten (10) years of service credit to be vested.

1.7 Contacting INPRS

Information about PARF can be found on the INPRS website: www.in.gov/inprs. Go to Plan Info at the top of the navigation menu, and then select Prosecuting Attorneys Retirement Fund. 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.

Changes to your PARF account can be made by logging into your online account at myINPRSretirement.org.

Forms to complete and return can be found at <https://www.in.gov/inprs/forms/parf-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 PARF based on specific criteria. Members of PARF include the following positions:

- Prosecuting Attorney
- Chief Deputy Prosecuting Attorney
- Deputy Prosecuting Attorney appointed under IC 33-39-6-2 who is paid by the state general fund
- Executive Director of the Indiana Prosecuting Attorneys' Council
- Assistant Executive Director of the Indiana Prosecuting Attorneys' Council
- Active members of PARF are also active, contributing members of PERF Hybrid. See the PERF Hybrid Plan Member Handbook for details about PERF membership.

2.2 Ineligibility

A senior prosecuting attorney appointed under IC 33-39-1 et al is not an eligible member of PARF.

2.3 Designating Beneficiaries

Beneficiaries for this plan are set by statute. See IC 33-39-7-19, IC 33-39-7-20, and IC 33-39-7-21.

Members may designate their spouse, one or more of their surviving dependent children, or a trust for one or more of their surviving dependent children. If you do not make a designation, your surviving spouse would receive a benefit if due. You may designate beneficiaries after you have been enrolled by your employer, received your welcome packet, and registered for your online account. Alternatively, you can complete the Application For Beneficiary Designation for Active Member form located on the PARF Forms page of the INPRS website.

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.

It is your responsibility to notify INPRS of any address and beneficiary changes and keep your personal information up to date with INPRS. To change your personal information or beneficiary, you can log into your online account or submit the appropriate form located on the INPRS website. See section 1.7 of this handbook.



3.1 Employer Contributions

Employer contributions fund the employer's retirement benefit obligations: these contributions do not fund individual member accounts. The employer contributions for PARF are paid annually by the State of Indiana.

3.2 Member Contributions

State law requires that you must contribute 6% of the state paid portion of your salary. The 6% contribution is required for up to 22 years of service credit and is withheld by the Auditor of the State. PARF contributions made after July 1, 2013, are paid by you as a pre-tax salary reduction.

In addition to the state-paid portion of your salary, you may receive a salary from the county. Since the county-paid portion of your salary is not used in the benefit calculation, contributions to PARF are not required from this salary. However, PERF Hybrid contributions may be required on the salary paid by the county if the county covers the position under PERF Hybrid.

NOTE: Because members of PARF are also members of PERF Hybrid, the mandatory 3% PERF Hybrid contributions for your DC is paid on your behalf by the State. PARF contributions made after July 1, 2013, will be paid by you as a pre-tax deduction.

Regardless of whether you make the 6% contribution, or your employer makes it on your behalf, those contributions are considered your contributions and are sent to INPRS for deposit in your account. These contributions are refundable to you should you terminate employment prior to becoming eligible for the defined benefit. While actively employed in a position covered by the Fund, you are not permitted to withdraw your DC account.

3.3 Investment Options

There are currently no investment options for members of PARF. The credited interest rate for PARF member accounts is set annually by the INPRS Board. See IC 33-39-7-14 for more information.

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 posted online. Log on to online account. To have a paper statement mailed to your home, log on to your member account, go to the **My Profile** link and select **Communications Preferences**.

If you have retired or withdrawn the funds in your DC and RSA account and no longer have a balance, you will not receive quarterly member statements.



Service credit refers to the period of time the member accumulates through continuous employment in a PARF-covered position as outlined in this section. Service credit is important in determining the member's qualification for retirement benefits. The most common form of service credit is earned in a position covered by PARF. If you are a member of PARF and had service credit prior to January 1, 1990, in a position that is currently covered by PARF, you also receive credit for that service.

4.1 Vested Status

If you were in a PARF-covered position on July 1, 2006 or began serving in a PARF-covered position after July 1, 2006, you are vested in your PARF benefit after completing 8 years of creditable service.

If you completed PARF-covered employment prior to July 1, 2006 and did not return to a PARF-covered position after July 1, 2006, you must complete 10 years of service in order to be vested. See IC 33-39-7-.01.

4.2 Types of Service Credit

Currently, there is no provision in the Indiana Code for a member of PARF to add or purchase any other types of service credit for use in the PARF-defined benefit.

4.2.1 Military Service

You may be eligible for service credit if the provisions of [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.
- You reported back to the civilian job in a timely manner or submitted a timely application for re-employment.

All your contributions for leaves must be paid upon return to your PARF-covered position. Ultimately, INPRS relies on the assertions and verifications made by the plan's participating employer. Military service credit guidelines are governed by IC 33-39-7-25 in conjunction with Federal USERRA laws.

4.2.2 Family and Medical Leave Act (FMLA)

You may receive credit for up to 12 weeks of leave taken during a 12-month period under [Family and Medical Leave Act \(FMLA\) \(29 USC 2601, et seq.\)](#). Unpaid FMLA service is considered service only for vesting and for the purpose of determining eligibility and not for calculating benefits.

4.3 Reinstatement of Service Credit

If you end employment in PARF prior to becoming vested, receive a distribution of your member account balance, and return to a PARF-covered position, you may purchase all of your previous service credit. You must pay back the amount of the withdrawal plus interest, at a rate determined by the board. IC 33-39-7-13.

4.4 Return to Work After Retirement

If you are retired from a PARF-covered position and return to a PARF-covered position, the benefits being paid to you from PARF are suspended. You resume making contributions to PARF and earn additional service credit. Additionally, your PERF benefit may not be suspended if you are serving in a non-PARF position on the date you become reemployed in a PARF-covered position.



If you end employment in a PARF-covered position **before you are vested** in a retirement benefit, you may take a distribution. Upon withdrawal of total contributions plus interest, you forfeit the right to this service credit in the PARF plan unless you return to a PARF-covered position and pay into the fund the full amount received at the time of distribution plus interest at a rate specified by the Board. This service credit will not be reinstated if you become an active member again later. (IC 33-39-7-13)

NOTE: As a member of PARF you cannot take a distribution from the fund before you end employment from your PARF-covered position.

As a rule, benefits cannot begin until you end employment with the employer who sponsors the plan. This rule is found in both Indiana pension law and federal law.

To request a distribution of your contributions and earned interest, you can access your member account online or contact INPRS. See section 1.7 for contact information.

5.1 Payment Options

You must choose how to receive distributions. The interest portion of your distribution and the 6% contributions paid by your employer on your behalf will be taxable in the year you received the distribution. If you are under the age of 59½ at the time of separation from employment, an additional 10% penalty will be imposed on the taxable amount. The 6% contributions that were withheld from your pay are not subject to further taxation. An explanation of the three payment choices and the tax consequences of those choices are as follows:

Choice A – Direct Payment

You can have the total amount of your PARF contributions (less the mandatory withholding for federal income tax) paid directly to you.

NOTE: INPRS is required to withhold 20% federal tax of any taxable portion of PARF contributions which are paid directly to you and not paid in the form of a **direct rollover** to an IRA or a qualified retirement plan.

Choice B – Partial Rollover

You can have a part of the taxable portion of your PARF contributions paid in the form of a direct rollover to an IRA or a Qualified Retirement Plan which has provisions allowing it to accept the rollover on your behalf (may be selected only if you want a partial rollover amount of at least \$500).

Choice C - Direct Rollover

A direct rollover is a direct payment of all or part of your 6% contributions to:

- a Traditional 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 the rollover.

You can choose a direct rollover for all or a portion of your eligible distribution. You will not be taxed on your direct rollover until you withdraw the funds from the rollover account. There is no income tax withholding on the amount you roll over.

If you elect Choice B or C, INPRS will mail a paper check **to you** payable to the trustee of the IRA or qualified retirement plan and a separate check payable **to you** representing your non-taxable portion and any

taxable portion not directly rolled over. **You are responsible** for delivering the check to the trustee of the IRA or qualified retirement plan that you specified on the distribution form.

NOTE: There will be no income tax withholding on any amount directly rolled over. You should consult the trustee of your qualified plan or IRA or your professional tax advisor if you need further information regarding the taxes on your distributions.

5.2 Loans

PARF does not have any provisions for loans.



As a vested member of PARF, the benefit payable upon retirement is a DB. Both you and your employer's contributions are used to fund this monthly retirement benefit.

As a member of PARF you are also a contributing member of PERF Hybrid. For the PERF Hybrid pension benefit, the employer contributions fund the DB, and your contributions fund the DC. All laws, policies, and procedures that govern PERF Hybrid also apply to the PERF Hybrid portion of your PARF benefit.

PARF pension benefits are funded, in part, by PERF Hybrid. Upon retirement from PARF, the benefits payable from PARF are reduced by the retirement benefit (if any) that would be payable to you from PERF Hybrid if you have retired from PERF Hybrid on the date of your retirement from PARF. Any benefits payable from your PERF Hybrid DC account do not impact your PARF retirement pension benefit.

6.1 Offset

Your PERF Hybrid defined benefit is used to reduce the amount of your benefit paid by the PARF trust fund. This is commonly known as the "offset".

- If you are receiving a PERF Hybrid pension defined benefit when you begin your PARF pension benefit, the offset is based on the actual PERF Hybrid defined benefit you are receiving.
- If you are **not** receiving a PERF Hybrid pension defined benefit when you begin your PARF pension benefit, the offset is based on what the PERF Hybrid pension defined benefit would be if you were receiving a PERF Hybrid pension defined benefit. When you eventually retire from PERF Hybrid, your PARF pension benefit will be recalculated based on your actual PERF defined benefit.

6.2 Retirement Eligibility & Options

For information and the criteria for a PERF Hybrid retirement, see the PERF Hybrid Retirement for Members of PARF section in Chapter 7 of the PERF Hybrid Plan Member Handbook.

6.2.1 Regular Retirement with a Full (Unreduced) Pension Benefit

As a member of PARF you are eligible to receive a monthly unreduced pension benefit if you meet **one** of the following:

- You are at least 65 years of age and have at least 8 years of creditable service if you were serving on or after July 1, 2006.
- You are at least 65 years of age and have at least 10 years of creditable service if you terminated service before July 1, 2006, and did not serve on or after July 1, 2006.
- You are at least 55 years of age and your age in years plus years of creditable service is at least 85 (the Rule of 85).

6.2.2 Early Retirement with a Reduced Pension Benefit

If you choose to take early retirement, your retirement benefits will remain at a reduced level even after you reach age 65.

If you are at least 62 but not yet 65 years of age, and have at least 8 years of creditable service, you are entitled to receive a reduced annual retirement benefit that equals the benefit that would be payable if you were age 65, reduced by 0.25% for each month that your age at retirement precedes your 65th birthday.

6.2.3 PERF Hybrid Retirement for Participants in PARF

Per 35 IAC 1.2-6-17.2, effective July 1, 2017, active PARF members meeting the following criteria may take a PERF Hybrid retirement effective on or after July 1, 2017, without separating from PARF-covered position:

- You are at least 55 years of age and have accrued at least 20 years of creditable service with PERF Hybrid, if you are the Elected Prosecutor;
- You meet the Rule of 85 and have at least 30 years of creditable PERF Hybrid service credit; or
- You have reached PERF Hybrid regular retirement age as defined in 35 IAC 1.2-1-4.
 - A participant making such election cannot accrue additional PERF Hybrid service credit and the participant's PERF Hybrid defined benefit remains unchanged despite further employment in any PERF-Hybrid covered position.
 - **The election is irrevocable** and must be made on a form approved by INPRS.
 - Retroactive PERF retirement benefits are limited to six (6) months prior to your effective date and you must have separated from your PERF Hybrid position.
 - No additional service credit is earned if a PARF member elects a PERF in-service retirement benefit.
 - An in-service PERF retirement benefit is reduced for early retirement if the PARF member is not eligible for an unreduced PERF benefit. In-service retirements are the first of the month following application submission.

6.2.4 Disability Retirement

A participant is considered to have a permanent disability if INPRS has received a written certification by at least two licensed and practicing physicians, appointed by the board, that the participant is (1) totally incapacitated, by reason of physical or mental infirmities, from earning a livelihood and (2) the condition is likely to be permanent.

The participant must be reexamined by at least two physicians appointed by the board, at the times the board designates but at intervals not to exceed one year. If, in the opinion of these physicians, the participant has recovered from the participant's disability, then benefits must cease to be payable as of the date of the examination unless, on that date, the participant is at least 65 or 55 years of age and the participant's age in years plus the participant's years of service credit is at least 85.

- The INPRS Medical Authority may serve as a second doctor when a re-examination is required.
- At age 65 or when the member meets the Rule of 85, the PARF disability benefit is converted to a regular PARF retirement benefit.

Disability Retirement Benefit Calculation

If you are a disabled member of PARF, the retirement benefit is calculated by multiplying the annual salary paid to you at the time of separation from the PARF-covered position by the appropriate percentage from Table 2 below. If you have a partial year of service credit in addition to at least 10 years of service credit, the benefit percentage is prorated accordingly. Benefits payable to you are reduced by the amounts, if any, that are payable to you from PERF Hybrid (IC 33-39-7-18(b)).

Table 1: Years of Service Credit and Percentage for Calculating Disability Benefit

Years of Service Credit	Percentage	Years of Service Credit	Percentage
0-12	50%	18	56%
13	51%	19	57%
14	52%	20	58%

Years of Service Credit	Percentage
15	53%
16	54%
17	55%

Years of Service Credit	Percentage
21	59%
22 or more	60%

6.3 Calculating Full & Early Retirement Pension Benefits

If you are receiving a monthly retirement pension benefit from PERF Hybrid, that benefit payment will be used to determine the amount payable to you from PARF.

If you are eligible for a monthly retirement pension benefit from PERF Hybrid but are not yet receiving it, the amount payable to you from PERF Hybrid will be calculated to determine the amount payable to you from PARF. You will need to submit a separate retirement application to begin receiving your PERF Hybrid pension benefit.

If you are a participant in the PERF My Choice: Retirement Savings Plan (formerly PERF ASA-Only) DC plan instead of the PERF Hybrid Fund, the amount to be deducted from the PARF benefit is the defined benefit portion of the retirement pension benefit that would be payable to you from PERF Hybrid if you had not made the election for the My Choice Plan and had retired from PERF Hybrid on the date of your retirement from PARF.

If the pension benefit payable from PERF Hybrid exceeds the pension benefit payable from PARF, you are entitled at retirement to withdraw from PARF the total sum contributed plus interest at a rate specified by rule by the Board (IC 33-39-7-16(e)).

The retirement benefit for a retiring member of PARF is calculated by multiplying the highest annual salary paid to you prior to separation from the PARF-covered position by the appropriate percentage from Table 3 below. The highest annual salary is the sum of the highest completed consecutive 12 months of salary that was paid to you before retirement (35 IAC 1.2-4-7).

If you have a partial year of service credit, the benefit percentage is prorated accordingly. Any partial years between 8 and 11 full years of service credit are worth 0.25% per month. Between years 11 and 12, each month is worth 1.42%, and over 12 years each additional month is entitled to 0.083%.

Table 2: Annual Retirement Pension Benefit

Years of Service Credit	Percentage
Less than 8	0
8	24%
9	27%
10	30%
11	33%
12	50%
13	51%
14	52%

Years of Service Credit	Percentage
15	53%
16	54%
17	55%
18	56%
19	57%
20	58%
21	59%
22 or more	60%

PERF Hybrid pension benefit payments attributed to your defined contributions are not a part of the retirement benefits and do not reduce the PARF benefits (IC 33-39-7-16(e)). PERF pension payments payable to a participant are not reduced by annuity payments made to the participant from PERF Hybrid or post-retirement increases the participant is receiving from PERF.

6.4 Retirement Effective Date

The effective date of your PARF 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. Your PARF benefit may not begin more than 6 months before INPRS receives your retirement application. IC 33-39-7-15.

6.5 Retirement Application Requirements

You will need to submit your online application and the requested information to the INPRS at least 90 days before you plan to retire. To process your retirement benefit, you will need the following:

- Application for retirement benefits completed and submitted from your online account,
- As an attachment to your online retirement application:
 - A copy of your birth certificate, registration from the public health department, court decree, or other evidence relating to your date of birth upon board approval, and
 - Tax withholding forms (state, local, county, and federal),
 - If married, copy of your spouse's birth certificate, and
- Completed direct deposit information as part of your online retirement application.

6.6 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.

6.7 Benefit Overpayment or 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.

6.8 Re-Employment of Retired Members

If you are retired and you return to a PARF-covered position, the benefits being paid to you as a retired PARF member are suspended. You resume making contributions to the Fund and earn additional service credit. Upon separation of employment, you will need to initiate the retirement process. The new benefit will be calculated using the appropriate salary and all service credit you have earned in a PARF-covered position.



7.1 Survivor Benefit

PARF members may designate their spouse, one or more of their surviving dependent children, or a trust for one or more of their surviving dependent children. If you do not make a designation, your surviving spouse would receive a pension benefit if one is due. See IC 33-39-7-19 for additional information.

NOTE: Marriages are recognized regardless of gender.

Your designated survivor shall receive a survivor benefit if you meet **one** of the following provisions:

- died while receiving benefits (post-retirement); or
- completed at least 8 years of service credit and currently in a PARF-covered position (pre-retirement); or
- completed at least 8 years of service credit and was not currently in a PARF-covered position, but was entitled to a future benefit; or
- was permanently disabled at the time of death.

If one of the above is met, your designated survivor is entitled to receive a benefit for life which is equal to the greater of:

- An annual benefit of \$12,000 payable in monthly installments, or
- 50% of the monthly retirement benefit you were drawing at the time of death, or
- 50% of the amount you would have been entitled to if you had retired and were receiving benefits on the date of death.

Benefits payable to a designated survivor are reduced by the amounts, if any, that are payable to the designated survivor from PERF Hybrid or My Choice as a result of your death (IC 33-39-7-19).

If you are a PERF My Choice: Retirement Savings Plan member, your PARF benefit payable to a surviving spouse will be reduced by the PERF My Choice benefits payable under the joint and survivor option (IC 5-10.2-4-7). The benefit will be calculated at 50% of your decreased retirement pension benefit if you had not made an election to become a member of the PERF My Choice: Retirement Savings Plan. (IC 5-10.3-12-20).

7.1.1 Surviving Dependent Child Benefits

If your spouse precedes you in death or if your spouse survives you but then dies, your dependent child is entitled to the benefit your spouse would have received (or was receiving). If you have more than one dependent child, the dependent children will share the benefit equally. Each dependent child is entitled to receive the benefit until the child turns 18 years of age, or during the entire period of the child's physical or mental disability, whichever period is longer. The benefits paid to a dependent child will be reduced by any benefits paid from your PERF Hybrid fund. See IC 33-39-7-20 for more information.

7.2 Benefits Not Payable

If benefits are not payable to the survivor, your designated survivor or estate may file a withdrawal application with the INPRS Board. The total of the PARF member's contributions plus interest minus payments made to PARF member will be paid to:

- Your surviving spouse,
- Any dependent(s) if your spouse precedes you in death, or
- Your estate if a spouse or dependent precede you in death.

7.2 Survivor Benefit Application Requirements

To process the survivor benefit, the survivor must submit the following:

- complete and submit the application titled Apply for Survivor Benefits. It also includes direct deposit information,
- a copy of your marriage certificate and confirmation that the deceased was married to you at the time of death (for surviving spouse claims),
- the birth certificates of any survivors (for surviving child claims),
- the death certificate of deceased member, and
- the birth certificate of member, if not already on file at INPRS

The survivor benefit application is available from the Prosecuting Attorneys' Retirement Fund Member Forms page of the INPRS website. Contact INPRS to request a copy of the direct deposit form. See section 1.7 of this handbook for INPRS's contact information.



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.

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 benefits received during the year. It also shows the taxable and non-taxable amounts.

8.3 Taxation of Retirement Benefits

The taxable portion of your benefit will be calculated under the *Simplified Method for Reporting Annuities* in the IRS regulations. Once your total 6% contribution to the fund has been left out from income, all of your future benefits will be taxable.

8.3.1 Tax Withholding

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 may elect not to have taxes withheld. Remember to complete the tax withholding forms when you apply for benefits.

CAUTION: 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.

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



9.1 Cost of Living Adjustments (COLAs)

Cost of Living Adjustments (COLAs) are an adjustment to your monthly retirement benefit payment. COLAs are actuarially funded and they are not automatic in Indiana. The General Assembly must pass legislation granting a COLA.

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

9.2 13th Check Supplemental Payment

The 13th check is a supplemental payment that is actuarially funded and may be made to retired members. The General Assembly must pass legislation granting the 13th check. Information about the 13th checks is available on the COLAs and 13th Checks page of the INPRS website.

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. 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.

9.4 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.

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 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 \(State Form 49614\)](#). 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 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 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.

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 Garnishments

Indiana law prevents assigning PARF and PERF Hybrid benefits. Accordingly, INPRS cannot honor any divorce decree requiring INPRS to pay anyone other than the member or the member's designated beneficiary. To be consistent with the laws governing PARF and PERF Hybrid, and 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 INPRS to make such payments. In addition, Indiana law prohibits INPRS from garnishing a pension benefit for child support payments. However, INPRS must honor any IRS tax levy or court order for restitution when an employee/member has been convicted of a crime by their employer.

9.7.1 Qualified Domestic Relations Order (QDRO)

Under state law, benefits in PARF and PERF Hybrid Fund are exempt from any legal process; therefore, INPRS cannot honor any QDRO. PARF and PERF Hybrid are governmental plans exempt from the QDRO requirements. If you purchase an annuity or roll over funds to another plan outside of INPRS, this may not apply.

9.8 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