



# Calculator for Retirement Benefits

State Form 3240 (R11 / 4-08)  
 Approved by the State Board of Accounts, 2008

Indiana State Teachers' Retirement Fund  
 150 West Market Street, Suite 300  
 Indianapolis, IN 46204-2809  
 Phone: (317) 232-3860 / (888) 286-3544  
 Internet: <http://www.in.gov/trf>

<p>Members qualify for <u>full</u> retirement benefits:</p> <ol style="list-style-type: none"> <li>At age 65 with 10 years of service</li> <li>At age 60 with 15 years of service</li> <li>At age 55, if age and service combine to equal 85</li> </ol>	<p>Members qualify for <u>reduced</u> retirement benefits:</p> <ol style="list-style-type: none"> <li>At age 50 with 15 years of service</li> </ol>
<p>Members with 5 or more years of experience who become disabled while serving under the Fund may apply for <u>disability</u> benefits.</p>	

## Pension Benefit Option A-1

If, at your desired time of retirement, you qualify by age and service for full pension benefits provided by the State:

- Determine your average salary by dividing your five highest school year salaries (plus up to \$2,000 in retirement incentive) by five.
- Multiply the average salary reached in (1) above by 1.1%; multiply the answer by the number of years that you served. This figure is the basic annual State Pension under the Option A-1, "Regular Form of Retirement."

$$\begin{array}{ccccccc}
 \$ \underline{\hspace{2cm}} & & .011 & & \underline{\hspace{2cm}} & = & \$ \underline{\hspace{2cm}} \\
 \text{Average Salary} & \times & \text{FACTOR} & \times & \text{Years of Service} & & \text{Full State Pension, Opt. A-1}
 \end{array}$$

If you qualify for reduced pension benefits provided by the State because of age and service:

- Calculate the full basic annual State Pension using the information listed above.
- Find the appropriate "Early Retirement Factor Percentage" in the following chart:

AGE	59 = 89%	57 = 79%	55 = 69%	53 = 59%	51 = 49%
	58 = 84%	56 = 74%	54 = 64%	52 = 54%	50 = 44%

- Multiply the full basic annual State Pension by the Early Retirement Factor Percentage to get the "Reduced State Pension."

$$\begin{array}{ccccccc}
 \$ \underline{\hspace{2cm}} & & \underline{\hspace{2cm}} \% & & & = & \$ \underline{\hspace{2cm}} \\
 \text{Full State Pension, Opt. A-1} & \times & \text{Early Retirement Factor Percentage} & & & & \text{Reduced State Pension}
 \end{array}$$

## Annuity Savings Account Payment Options

During your professional career, you have accumulated an "Annuity Savings Account" with the Indiana State Teachers' Retirement Fund. When you apply for retirement benefits, you may choose one of the following seven options for distribution of your Annuity Savings Account (ASA):

ASA 1	You may elect to receive the total amount of your Annuity Savings Account paid as a monthly benefit. This option combines your monthly pension with your ASA, allowing you to receive a higher monthly benefit payment.
ASA 2	You may elect to have the total amount of your Annuity Savings Account (less the mandatory withholding for federal income tax) paid directly to you.
ASA 3	You may elect to have ALL of the taxable portion of your Annuity Savings Account paid in the form of a direct rollover to an IRA or a Qualified Retirement Plan that has provisions allowing it to accept the rollover on your behalf. You will receive a distribution paid directly to you of an amount equal to your tax basis (after-tax contribution) in your ASA balance as it existed on December 31, 1986.
ASA 4	You may elect to have part (minimum \$500) of the taxable portion of your ASA paid in the form of a Direct Rollover to an IRA or Qualified Retirement Plan. You will receive a distribution paid directly to you of an amount equal to your tax basis (after-tax contribution) in your ASA balance as it existed on December 31, 1986. Additionally, the part of the taxable portion of the distribution not directly rolled over (less mandatory Federal Income Tax Withholding) will be paid directly to you.
ASA 5	You may elect to defer distribution of your Annuity Savings Account until a later date. Your account will continue to be invested with TRF under the same guidelines applicable to an ASA. You may change the allocation strategy of your ASA quarterly.
ASA 6	You may elect to receive a distribution of an amount equal to your tax basis (after-tax contribution) in your ASA balance as it existed on December 31, 1986 and defer distribution of the remainder of your ASA until a later date. Your account will continue to be invested with TRF under the same guidelines applicable to an ASA. You may change the allocation strategy of your ASA quarterly.
ASA 7	You may elect to receive a distribution of an amount equal to your tax basis (after-tax contribution) in your ASA balance as it existed on December 31, 1986. The remainder of your ASA will be paid as a monthly benefit. By choosing this option, you will combine the monthly pension with the remainder of the ASA so that you may receive a higher monthly benefit payment.

To estimate the amount of an annual annuity paid in monthly installments and combined with your State Pension:

1. Estimate the amount of your Annuity Savings Account at your designated retirement date by combining the current balance with future deposits (3% of your salaries) and any interest that you expect to accrue in your account.
2. Remember, if you choose ASA 7, your Annuity Savings Account will be reduced by the after-tax amount that you withdraw.
3. Multiply the estimated future amount in your Annuity Savings Account by the appropriate "Age Buying Factor" below to get an "Annual Annuity Amount."

Age	Factor	Age	Factor	Age	Factor
50	.0825	57	.0883	64	.0974
51	.0832	58	.0893	65	.0992
52	.0839	59	.0905	66	.1010
53	.0847	60	.0917	67	.1030
54	.0855	61	.0929	68	.1051
55	.0864	62	.0943	69	.1073
56	.0873	63	.0958	70	.1097

$$\begin{array}{ccccccc}
 \$ \underline{\hspace{2cm}} & + & \$ \underline{\hspace{2cm}} & + & \$ \underline{\hspace{2cm}} & = & \$ \underline{\hspace{2cm}} \\
 \text{Current Account Balance} & & \text{Future Deposits} & & \text{Anticipated Accrued Income} & & \text{Estimated Future Account Balance}
 \end{array}$$

$$\begin{array}{ccc}
 \$ \underline{\hspace{2cm}} & \times & \underline{\hspace{2cm}} \\
 \text{Estimated Future Account Balance} & & \text{"Age Buying Factor"} \\
 & & = \\
 & & \$ \underline{\hspace{2cm}} \\
 & & \text{Estimated Yearly Annuity Amount}
 \end{array}$$

### Estimated Monthly Benefit from the Fund

$$\begin{array}{ccccccc}
 \$ \underline{\hspace{2cm}} & + & \$ \underline{\hspace{2cm}} & = & \$ \underline{\hspace{2cm}} & + & 12 = & \$ \underline{\hspace{2cm}} \\
 \text{Estimated Yearly State} & & \text{Estimated Yearly} & & \text{Total Estimated Yearly} & & & \text{Estimated Monthly Benefit Amount} \\
 \text{Pension Amount} & & \text{Annuity Amount} & & \text{Benefit Amount} & & & 
 \end{array}$$

### SPECIAL TAX NOTICE

Payment option choices are one-time retirement decisions. The staff of the Teachers' Retirement Fund is dedicated to providing assistance to members as they make these important decisions. However, we strongly recommend that you consult with a professional tax advisor.

For an explanation of retirement options available from the Fund, please review the "Member Handbook." This publication is available from the Web site [<http://in.gov/trf/>] or from our Member Service Center at (888) 286-3544.