



1977 FUND AT A GLANCE

1977 POLICE OFFICERS' & FIREFIGHTERS'
PENSION AND DISABILITY FUND

Membership in the 1977 Fund is for full-time, police officers and firefighters who work for employers participating in the 1977 Fund and who are hired or rehired after April 30, 1977. To become a member of the 1977 Fund, a police officer or firefighter must pass the required statewide baseline physical examinations and be less than 36 years of age.

Base Salary

Benefits paid by the 1977 Fund are calculated according to a base salary amount. The base salary is the salary of a first-class police officer or firefighter plus all longevity increases (if provided by the employer) when applied to years of service less than 20 years. Upon retirement, benefits are based on the base salary effective for your department in the year your service ends.

Contributions

Employer Contributions

Employers are required to contribute 19.5 percent of an employee's base salary to the 1977 Fund.

Employee Contributions

You must also contribute 6 percent of your base salary, which is deducted each pay period from your salary.

Retirement and Survivor Benefits

Three types of benefits payable in the 1977 Fund are all funded by the employer-financed contribution and the employee mandatory contribution. They include retirement benefits, survivor benefits and disability benefits.

Normal Retirement Benefits

Eligibility

You are eligible for an unreduced retirement benefit if you have at least 20 years of creditable service in the 1977 Fund, are at least 52 years of age and have retired from service.

After June 30, 2010, if you are eligible for an unreduced retirement benefit, and you have not elected to participate in the DROP, you may elect to receive at retirement a partial lump sum distribution equal to your monthly benefit times your years of service in exchange for an actuarially reduced monthly benefit. (Expires July 1, 2012).

Amount

You will receive a monthly benefit equal to at least 50 percent of the base salary in the year you retired. With 20 years or more of service, you will receive an additional 1 percent of base salary for each six months of active service over 20 years, up to a maximum of 12 additional years.



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Normal Retirement Benefits, cont.

Deferred Retirement Option Plan (DROP)

The Deferred Retirement Option Plan (DROP) allows members who are eligible for an unreduced retirement benefit to continue to work and earn a salary while accumulating a DROP benefit payable in a lump sum or three annual installments. The member shall select a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date.

Early Retirement Benefits

If you have 20 years of service, you may elect to retire and receive actuarially reduced benefits at age 50.

Lump Sum Death Benefit

Your heirs or estate are entitled to receive a one-time death benefit of \$12,000 upon your death.

Survivors of Members Who Die in the Line of Duty

If you die in the line of duty while an active member of the 1977 Fund, the following survivor monthly benefits will be paid. Each benefit below will be calculated as though you were receiving retirement benefits at age 52 with 20 years of service.

- **Spouse:** entitled to a monthly benefit equal to 100 percent of your monthly retirement benefit
- **Surviving children:** entitled to a monthly benefit equal to 20 percent of your monthly retirement or disability benefit
- **No surviving eligible child or spouse:** qualified parents are entitled jointly to receive 50 percent of your monthly benefit

Survivor Benefits

Survivors of Active Members (Non-Line of Duty) and Survivors of Retirees

If you die as either an active member of the 1977 Fund, or after leaving employment with at least 20 years of creditable service but are not yet retired and receiving benefits, the following survivor benefits will be paid. Each benefit will be calculated as though you were receiving retirement benefits at age 52 with 20 years of service. The following survivor benefits will also be paid if you die while receiving retirement or disability benefits.

- **Spouse:** entitled to a monthly benefit equal to 60 percent of your monthly retirement benefit
- **Surviving children:** entitled to a monthly benefit equal to 20 percent of your monthly retirement benefit
- **No surviving eligible child or spouse:** qualified parents are entitled jointly to receive 50 percent of your monthly benefit

Eligible beneficiaries for 1977 Fund members are set by law and are not subject to personal choice.

Beneficiaries

You may designate one or more beneficiaries to receive contributions if you die before receiving retirement benefits, without a spouse, child or parent entitled to receive survivor benefits. Contributions will be paid to your estate if there is no eligible survivor and no beneficiary is designated.

Line of Duty Benefits

Death Benefit

If you die in the line of duty, a special one-time death benefit of \$150,000 will be paid to your surviving spouse, or surviving children if there is no spouse. If you have no surviving spouse or child, the special death benefit is payable to your parents.

Distribution of Member Contributions

If you have at least 20 years of service and terminate employment before you are age eligible for a retirement benefit, your member contributions will be held until you become eligible for a benefit. If you terminate employment before you complete 20 years of service, you can withdraw your 6 percent member contributions and accumulated interest from the 1977 Fund. You may elect to have the distribution paid directly to you, or you may direct the 1977 Fund to make a direct rollover of the distribution amount.

Distribution Application Checklist

Submit the following for processing your retirement benefit:

- Application for retirement benefits;
- Copy of birth certificate, baptismal certificate or passport; and
- Tax withholding forms (state and federal)
- Marital status forms – employer to complete page (4) – date of retirement

Survivor Benefit Application Checklist

Submit the following for processing your survivor benefit:

- Survivor benefit application;
- Copy of marriage certificate and affidavit stating member was married to spouse at the time of death (for surviving spouse claims);
- For surviving child claims, birth certificates of any survivors;
- Death certificate of deceased member
- Picture ID
- Social Security card

Income Taxes

INPRS is required to withhold income taxes on distributions. INPRS is also required to withhold taxes on monthly payments unless you elect not to have taxes withheld. When applying for the 1977 Fund benefits, make sure you complete the tax withholding forms. The taxation rules are complex, so if you need additional information, you should obtain IRS publication 575; or, if you need further assistance, you should contact your local IRS office or tax consultant.

Please call us toll-free at (888) 526-1687 or e-mail us at questions@inprs.in.gov if you have specific questions regarding your retirement benefits.

Every attempt has been made to verify that the information in this publication is correct and up-to-date. Published content does not constitute legal advice. If a conflict arises between information contained in this publication and the law, the applicable law shall apply.