

Pre-Tax Voluntary Contributions to your Annuity Savings Account (ASA)

Your Basic Questions Answered

Who? TRF members with five years of service, who are currently working for an employer participating in the pre-tax program and are within their two-year election period, may participate.

What? Beginning in 2001, the Indiana General Assembly enacted a provision allowing TRF members to make voluntary pre- and post-tax contributions to their ASAs in addition to the mandatory three percent contributions. That change allows you to increase your pre- and post-tax ASA contributions to a combined total of 10 percent of your compensation per pay period, for a maximum total of 13 percent. (Note that the pre-tax contribution is irrevocable; the post-tax is not.)

When? The two-year election period begins on September 1 following the fiscal year (July 1 to June 30) in which you earn or are credited with five years of service. You can make the pre-tax election at any time during your two-year election period. If you have already earned five years of service credit, you will have a two-year window from the date your school adopts the resolution.

Why? Your contributions are made before taxes apply, and your earnings are tax-deferred.

How? You may make a pre-tax election by completing the election form during your election period, found on our Web site at www.in.gov/trf. Once you make the pre-tax election, however, you cannot increase, decrease, or cancel your pre-tax contributions. The election is binding and irrevocable, unless you leave work and return to a different employer.

Still have questions?

Consult your employer with questions regarding your eligibility.