



DESTINATION: Retirement

PUBLIC EMPLOYEES' RETIREMENT FUND

SUMMER 2011

TRF + PERF = INPRS



Pension collaboration that has saved more than \$8.5 million in the last year has been formalized with the creation of the Indiana Public Retirement System (INPRS) effective July 1, 2011.

Legislation approving the merging of the administration of funds of the public employees' and teachers' retirement plans was adopted by

the General Assembly and signed by Gov. Mitch Daniels in April.

Bringing together the administration of the funds began a year ago when legislation called for the appointment of a single executive director over both funds.

The creation of INPRS does not merge the assets and liabilities of the public employees' and teachers' funds. Each retirement plan will continue among the seven separately managed funds under oversight of a nine-member board of trustees.

THE INPRS SYSTEM

- Public Employees' Retirement Fund (PERF)
- Teachers' Retirement Fund (TRF)
- Judges' Retirement System
- Prosecuting Attorneys' Retirement Fund
- 1977 Police Officers' and Firefighters' Pension and Disability Fund
- Legislators' Retirement System
- State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan

Money Market Manager Change

Are your Annuity Savings Account (ASA) funds invested in the Money Market Fund? If so, the current fund manager will change effective July 1, 2011. For more information, go online to www.inprs.in.gov. If you have questions, please contact our customer service center at (888) 526-1687. We are available Monday through Friday from 8 a.m. to 8 p.m. EST.



Legislative changes and how they affect PERF

The following legislative changes were approved by the 2011 Indiana General Assembly. Listed below are the items most relevant to our members. For a full list of legislative changes, visit www.inprs.in.gov.

Senate Enrolled Act (SEA) 12

Annuity Savings Account (ASA) Withdrawal Before Retirement:

It allows members of PERF and TRF who are eligible for an early retirement to be able to withdraw their ASA without forfeiting their retirement benefit or being forced to take an irrevocable early retirement with a reduced pension benefit for life. *Effective July 1, 2011. IC 5-10.2-3-6.5.*

Senate Enrolled Act (SEA) 549

Establishment of Indiana Public Retirement System (INPRS): This act establishes the Indiana Public Retirement System (INPRS). While each of the current funds (PERF, TRF, 1977 Police/Firefighter Fund, etc.) remain separate trust funds, they will be administered by the board of trustees of INPRS. This board, composed of nine members,

will be appointed by the Governor by July 15, 2011 and will be as follows:

- a. One (1) trustee must have experience in economics, finance, or investments.
- b. One (1) trustee must have experience in executive management or benefits administration.
- c. The Director of the Budget Agency, or his designee, shall serve on the Board.
- d. Two trustees must be nominated by the Speaker of the House of Representatives, as follows:
 - i. One (1) must be an active or retired member of the 1977 Fund.
 - ii. One (1) must be a TRF member with at least ten (10) years of creditable service.
- e. Two (2) trustees must be nominated by the President Pro Tempore of the Senate as follows:
 - i. One (1) must be a member of PERF with at least ten (10) years of creditable service.
 - ii. One (1) must be a member of TRF with at least ten (10) years of creditable service.

- f. The Auditor of State, or his designee, shall serve on the Board.
- g. The Treasurer of State, or his designee, shall serve on the Board.

Effective July 1, 2011. IC 5-10.5.

House Enrolled Act (HEA) 1001

13th Checks: The Budget Bill

provides 13th checks for PERF retirees:

PERF 13th Check: Provides that not later than October 1, 2011, the Board shall pay a 13th check to a member (or survivor or beneficiary of the member) who retired or was disabled before January 1, 2011, and who is entitled to receive a monthly benefit on July 1, 2011.

– continued on page 4

Guaranteed Fund rate maintained at 1.75 percent

Members who invest Annuity Savings Account (ASA) funds in the Guaranteed Fund will earn an annual return of 1.75 percent beginning July 1, 2011. The rate is set annually by the joint PERF and TRF board of trustees and remains unchanged from the previous year.

The Guaranteed Fund offers an investment option that will not lose value, with a return that is as good as or better than members could find in a similar investment product elsewhere.

Current rates for one-year Bank CD rates are at 0.25-1.30 percent¹, two-year U.S. Treasury Notes are at 0.59 percent², and Money Market rates are at 0.10-1.15 percent³.

The Guaranteed Fund is one of the options in a lineup of investment funds that provide members greater control in saving for their retirement futures.

For all of the investment fund options please visit inprs.in.gov and click on the *Retirement Market* icon.

If you have questions, please contact the customer service center Monday through Friday from 8 a.m. to 8 p.m. EST. Call (888) 526-1687 or e-mail questions@inprs.in.gov.

¹Source: Bankrate.com, 5/11/11

²Source: US Treasury Web site, 5/11/11

³Source: Bankrate.com, 5/11/11

Q&A: Ask a Consultant



Q. Can elected officials continue to serve in their position and collect a reduced retirement benefit?

A. Yes. Elected officials are eligible to apply for and receive benefits while they continue to serve in their elected position at age 55 with at least 20 years of service. Between

the ages of 55 and 59, the member would receive a reduced benefit. The reduced benefit will not increase with his or her age.

If you think you may qualify, contact us toll-free at (888) 526-1687 or via e-mail at questions@perf.in.gov.

Will your life after work be golden?

You've lived in your home for 40 years. Your children have moved away. Will you need that much space when you retire? You may consider downsizing to a less

expensive home to create equity for your retirement income.

If you're married, do you have enough life insurance that will

provide for your spouse if you should pass away first? An adequate life insurance policy can help to assure your spouse has a secure retirement.

While finances are important in planning for retirement, have you thought about what will replace

your daily routine? Planned activities, individual or with partners or groups, are also important in retirement.

Maintaining a healthy lifestyle is also vital to enjoying retirement. Watching your diet, incorporating exercise and spending time with loved ones are factors in prolonging fitness, health and happiness. There are many things to consider as you approach retirement. Do you have a checklist? You may consider meeting with a financial advisor to discuss your retirement plans based on your goals.



Pre-Retirement Workshops: A Two-Part Session

Are you considering retirement within the next 18 months? If so, please refer to one of the many workshops offered in your area. You can attend either the first half, second half or both halves.

The first half of the workshop focuses on retirement readiness and PERF's two-part retirement benefits plan. If you need help completing a retirement application, attend the second half of any workshop for a hands-on walkthrough of your application.

To view a list of workshops, go to www.inprs.in.gov. Under "Retirement Education," click "Workshops," then click "Register for a Pre-Retirement Workshop." You

will need to click on your region to complete the online registration form.

By attending a workshop you will receive:

- Information to help you budget for retirement
- A personalized benefit estimate
- Explanation of retirement options
- Step-by-step instructions for completing a retirement application
- Information about working after retirement
- Answers to retirement questions

Workshops begin at 10 a.m. and 2 p.m. You will receive a confirmation in the mail, including the date, time and workshop location that you selected.

Dates to Remember

Here are some dates for submitting retirement applications to PERF. You can find more Dates to Remember online at www.inprs.in.gov.

If your retirement date is:	Apply by:
Dec. 1, 2011	Sept. 1, 2011
Jan. 1, 2012	Oct. 1, 2011
Feb. 1, 2012	Nov. 1, 2011
March 1, 2012	Dec. 1, 2011
April 1, 2012	Jan. 1, 2012

Legislative changes, continued

The amount of the 13th check is as follows:

- Less than ten (10) years (disability): \$150
- At least ten (10) years, but less than twenty (20) years: \$275
- At least twenty (20) years, but less than thirty (30) years: \$375

- At least thirty (30) years: \$450
- As in past years, the creditable service used to determine the amount paid to a member (or survivor or beneficiary) is the creditable service that was used to calculate the member's retirement benefit.
Effective July 1, 2011. Noncode.

PAY ATTENTION TO PERF!

Keep your name, address and beneficiary information up-to-date. Visit www.inprs.in.gov, select Member Login and log in to PERF Online. Download the correct form online under Documents and Forms, or call (888) 526-1687 to request a form. Complete and sign the form and mail or fax to PERF.



Mitch Daniels, Governor | Steve Russo, Executive Director

We advance the achievement of retirement security for current and future retirees and beneficiaries through our delivery of operational and investment excellence, exemplary customer service and trusted stakeholder communication.

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

The Indiana Public Employees' Retirement Fund is a trust and an independent body, corporate and politic. The fund is not a department or agency of the state of Indiana, but is an independent instrumentality exercising essential government functions. (Indiana Code 5-10.2-2-1, 5-10.3-2-1(b))