


TEACHERS' RETIREMENT FUND

# MEMBER HANDBOOK





**The TRF Member Handbook is intended as a guide only. For more information on your TRF retirement benefit, refer to Indiana Code 5-10.2 and 5-10.4, and 5-10.5, and Title 35 of the Indiana Administrative Code.**

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# About the Indiana State Teachers' Retirement Fund

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## About this Handbook

*This handbook provides general information for members of the Indiana State Teachers' Retirement Fund. For specific information, contact the TRF office at (317) 232-3860 or toll-free at (888) 286-3544.*

# About the Indiana State Teachers' Retirement Fund

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## History

The Indiana General Assembly created the Indiana State Teachers' Retirement Fund (TRF or Fund) in 1921. Since its establishment, the laws governing the administration of TRF have changed and expanded to respond to the needs of TRF members.

Effective July 1, 2010, the board of trustees of the Indiana State Teachers' Retirement Fund (TRF) and the Public Employees' Retirement Fund (PERF) was required to appoint and fix the compensation of a common director for TRF and PERF. Each fund is required to pay 50 percent of the director's compensation and each fund is required to cooperate to the extent practicable and feasible in administering and investing the assets of the funds and in hiring investment managers, investment advisors, and other service providers.

Effective July 1, 2011, in accordance with Indiana law, the Indiana Public Retirement System (INPRS) is established. INPRS will administer and manage:

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

INPRS will also oversee three non-retirement funds including:

- Pension Relief Fund,
- Public Safety Officers' Special Death Benefit Fund, and
- State Employees' Death Benefit Fund.

Each of the current funds will remain separate and will be administered by the nine-member board of trustees of INPRS.

## ***Mission***

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.

## ***Board of Trustees***

The Board establishes investment policies in accordance with the "prudent investor standard". Under this standard, investment decisions are made with the same degree of care that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a similar character with similar aims.

A nine-member board of trustees governs TRF. Appointed by the Governor by July 15, 2011, the board consists of the following:

- 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 (2) 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.

## ***Membership and Asset Totals***

As of June 30, 2010, TRF had over 162,000 active, inactive and retired members and beneficiaries and managed approximately \$9.3 billion in assets.

*All IC and IAC references in this document are available online at the Indiana General Assembly Web site at <http://www.in.gov/legislative/ic-iac>.*

## **Indiana Code and Indiana Administrative Code Governing the Indiana State Teachers' Retirement Fund**

The Indiana Code (IC) Sections 5-10.2 and 5-10.4 and 5-10.5, Title 35 of the Indiana Administrative Code (IAC), and Section 401 of the Internal Revenue Code govern TRF, as well as specific resolutions adopted by the Board of Trustees. These codes are available online at the Indiana General Assembly Web site at:

<http://www.in.gov/legislative/ic-iac>.



# Membership

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*Substitute teachers qualify as members after one year of service (120 days in one fiscal year or 60 days in each of any two fiscal years).*

# Membership

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## **Eligibility and Enrollment**

An employee of the Teachers' Retirement Fund (TRF) who is a member of TRF before July 1, 2011, and becomes an employee of INPRS after June 30, 2011, remains a member of TRF after June 30, 2011. An employee who becomes an employee of INPRS after June 30, 2011, is a member of PERF. Faculty and staff at certain charter schools and public universities throughout Indiana and some legally qualified State employees and employers are eligible for optional enrollment.

Members of TRF include teachers in a public school corporation, certain TRF employees, and some employees in charter schools and public universities. According to Indiana law, a substitute teacher may be a member of TRF upon completion of the following: 1) Be certified by the Indiana State Board of Education; 2) Have obtained at least an associate's degree; 3) Teach at least 120 days in a fiscal year (July 1 to June 30) or at least 60 days in each of two fiscal years. Certification from the State Board of Education may include a teaching license, a substitute teaching permit, a temporary teaching license, or an emergency teaching license. However, if the member's license expires, he or she is no longer eligible to be a TRF member until a new license is issued. No contributions are collected for substitute teachers who do not meet the criteria outlined above.

Indiana Administrative Code provides that teacher aides and higher education graduate assistants are not eligible for membership in the Fund.

Employers will enroll the new member online in the TRF plan by INPRS. Once this form is processed, the member receives a welcome mailing.

## **Suspension of Membership**

### **By Member**

- Generally, a member who is no longer employed in a TRF- or PERF-covered position, does not plan to return

to a TRF- or PERF-covered position, and is not eligible for a retirement pension benefit or a disability retirement benefit may suspend his or her membership and may withdraw the balance of the member's Annuity Savings Account (ASA).

- A member who is vested, even if age and service eligible to receive a benefit but has not yet applied for a benefit and is not currently employed in a covered position, and is transferring TRF creditable service to another governmental retirement plan may suspend membership in order to withdraw the member's ASA and Rollover Savings Account (RSA) to purchase creditable service in the other governmental retirement plan. A member who is ineligible for normal retirement may withdraw the member's ASA balance after a 30-day separation period following termination of employment in a covered position.

### By TRF

The membership status of a member with less than 10 years of covered service is automatically suspended five years after leaving a TRF-covered position.

The membership status of a member with less than 10 years of covered service may be suspended two years after leaving a TRF-covered position if the value of the member's Annuity Savings Account (ASA) is \$1,000 or less. TRF, by law, can automatically issue reimbursements to inactive members with less than \$1,000 in their ASA. Members can go online or call TRF at (888) 286-3544 to complete the paperwork process. We are available Monday through Friday from 8 a.m. to 8 p.m. EST.

# Service Credit

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*A member may **not** earn more than one year of service credit during a fiscal year.*

## Service Credit

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The most common form of service credit is service earned in a position covered by TRF or the Public Employees' Retirement Fund (PERF). Still, there are other methods used to obtain service credit, both for free and for purchase.

### **Creditable Service**

Creditable service is the amount of time that can be counted in the calculation of the pension portion of the TRF retirement benefit. TRF members earn one year of service credit for working 120 or more days in a fiscal year. One-half year of credit is earned for working between 60 and 119 days in a fiscal year. Service is creditable only if the member works in a position covered by either PERF or TRF. Service credit is measured by a fiscal year that runs from July 1 through June 30. Any time worked during a work day entitles members to a full day of service credit. Service arising out of jury duty, sick leave, or worker's compensation may be included.

### **Indiana Service Credit for Vesting**

Only certain types of service credit can be used to count toward a member's 10-year vesting requirement under Indiana law. The following categories of service credit may be recognized and counted toward vesting:

1. Regular Indiana teaching service
2. Omitted contributions
3. Approved leaves of absence
4. Service in a position covered by the Indiana Public Employees' Retirement Fund (PERF)

### **Regular Indiana Teaching Service**

One year of regular Indiana teaching service is earned when a member works 120 days or more in the State's fiscal year (July 1 through June 30). One-half year of creditable service is earned for 60 to 119 days of service worked in the fiscal year. An active member is entitled to one day of

service credit if the member engages in covered service for a standard workday or any fraction thereof.

To claim any in-state service that has been removed due to a voluntary withdrawal, the member must call or write TRF with all pertinent information. The member may have his or her service reinstated after earning one-half year of service credit in a TRF- or PERF-covered position.

TRF requires the member's Social Security number. TRF will complete a service credit analysis and send the results to the member. Should the member so choose, any applicable service credit will be added to the member's account.

### Omitted Contributions

Eligible members may have taught part-time or substituted in previous years, but the employing unit did not enroll the member or withhold contributions. This is referred to as omitted contributions. Members must meet the eligibility requirements to have this service added to their accounts. Members may claim this service in two ways.

1. If the 3 percent mandatory contributions were paid by the member on a post-tax basis, the member should complete Part I of State Form 41625, *Verification of In-State Teaching Service*. This form may be obtained on the INPRS Web site at [www.inprs.in.gov](http://www.inprs.in.gov).

The member should send one form to each employing unit where he/she seeks to confirm service. The employer will complete the form (years, days worked, salary, etc.) and return it to TRF.

If service occurred after July 1, 1995, the *Verification of In-State Teaching Service* form will not be considered complete unless the employer has paid all contributions in accordance with Indiana Code, Section 5-10.4-7 et seq.

2. If the employer paid the 3 percent mandatory contributions on a pre-tax basis, the employer must submit the missing service, wages, and contributions.

## Service Credit Analysis

*TRF encourages members to request a service credit analysis approximately two years prior to retirement to allow for additional verification, if needed.*

## Approved Leaves of Absence (see Leave of Absence)

Certain leaves of absence may count toward your vesting requirement. TRF is generally able to recognize board-approved leaves of absence granted by a school corporation (employer) for the following reasons.

1. Sabbatical for improvement of professional skills through the following:
  - a. Advanced study
  - b. Work experience
  - c. Teacher exchange programs
  - d. Approved educational travel
2. Disability or sick leave taken pursuant to the employer's sick leave policy, as long as you are not receiving a benefit from TRF.
3. Pregnancy
4. Adoption leave

## PERF-Covered Service

Service credit granted by PERF for service in a PERF-covered position counts as TRF creditable service. Any overlapping service covered by both TRF and PERF is only credited once.

## Additional or Enhancement Service Credit

Members may use the following five other sources of creditable service in the calculation of the State-provided portion of the retirement benefit.

1. Military service credit
2. Out-of-state service credit
3. Additional service credit
4. Private school service credit
5. Substitute teaching service credit

***Only substitute teaching, military service, and FMLA, under certain conditions, count toward vesting with TRF. The other three types of service above do not count for vesting purposes; they only count for pension calculation purposes once the member has the requisite 10 years of Indiana service.***

***Under the Uniformed Services Employment & Reemployment Rights Act of 1994 (USERRA), eligible military service earned after the implementation of this Act becomes immediately added and vested. However, prior to this Act, military service is not added or counted toward vesting until after 10 years of active TRF service is earned.***

*To apply for military service credit, submit the DD Form 214, Certificate of Release or Discharge from Active Duty to TRF.*

*The TRF military service credit provision is administered in conjunction with the rights of veterans under the Federal Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).*

## **Military Service Credit**

A member whose teacher training or teaching career is interrupted by service in the United States Armed Forces may be eligible for up to six years of service credit for time spent in the military. All service during periods of hostility or mobilization counts toward the six-year limit. Military service that occurred during other time periods is subject to the 1/7th rule, meaning no more than 1/7th of the total years of creditable service may be from military service credit. Contact TRF at (888) 286-3544 if you have questions.

According to Indiana law, TRF will grant military service credit to a member under the following conditions.

1. Member must have an honorable discharge from active military service.
2. Member must have started approved college teacher training or received a Bachelor's degree in teacher training before induction into active military service; or
3. If the member started but did not complete teacher training before induction into active military service, the member must have returned to four-year college teacher training within 24 months after discharge from active military service.
4. If the member completed college teacher training before induction into active military service, the member must start or return to an actual teaching position within 24 months after discharge from active service.

5. Member must have at least 10 years of Indiana teaching service credit.

### Reporting Military Service

The member is required to furnish military documents which show the following:

1. Date of entry into active military service
2. Date of honorable discharge from active military service

Note: Military form DD214 normally provides sufficient information.

If the member completed four years of college but did not teach before induction into active military service, member must provide:

1. Copies of transcripts of college work before induction into active military service
2. Copies of transcripts of college work after honorable discharge from military service

If a member needs help locating DD214 or other military records, the member should assemble all possible information concerning his/her military service and contact:

**National Personnel Records  
Military Personnel Records  
9700 Page Avenue  
St. Louis, MO 63132  
(314) 801-0800  
<http://www.archives.gov/st-louis/military-personnel/>**

If a member qualifies for USERRA military service, the required information should be reported using the *Leave of Absence Verification* (LOA) form on TRF's Web site. When completing the form, the entire compensation for the fiscal year should be entered in the *Compensation* section. If the USERRA military service covers more than one fiscal year, additional LOA forms must be completed for each fiscal year. Once the forms are received, TRF will calculate the contribution payment due and send an invoice for payment to the employer and/or the member.

### HEART Act

According to the Heroes Earning Assistance and Relief Tax Act of 2008 (HEART), if a member dies while performing qualified military service, the member's survivor may be entitled to a survivor benefit.

### Out-of-State Service Credit

Creditable out-of-state service includes:

- Teaching in another state at a public school in which service is covered by a retirement fund comparable to TRF
- Service teaching military dependents performed on a regular and continuing basis inside or outside of this country
- Service attributable to leaves of absence which meet the appropriate criteria required by Indiana Code (IC), section 23-6.1-4-5

Service at a federal agency in a position comparable to teaching in Indiana may also qualify. Teachers who became members of TRF prior to July 1, 1981, and who have out-of-state service prior to July 1, 1981, have specific rights of transfer. Up to eight years of out-of-state service may be added to a member's creditable service at no cost to the member, provided that the member has at least 10 years of creditable Indiana service (not including PERF or military service). The member may not use this service to receive any additional benefits from another state retirement system or the federal retirement system. If the member has not earned 10 years of creditable service, the out-of-state credit is held in pending status until the member attains the requisite 10 years. If the member does not qualify for free transfer of out-of-state credit, the cost to purchase this type of service is calculated actuarially.

To claim out-of-state service, the member must complete State Form 49530, *Verification of Out of State Teaching Service*. This form is available on the INPRS Web site. The member should complete the form and send it to the out-of-state school involved. The out-of-state school will complete its portion and send the form to the out-of-state pension fund involved.

Next, the member should send a copy of his or her latest teaching contract to TRF. After TRF has verified the service, TRF will send the member an assessment, along with an *IRS Section 415 Limitation* form. The member can use the assessment to decide whether or not to buy service. The *IRS Section 415 Limitation* form can be used to determine how much the IRS will allow the member to put into a tax-deferred fund in one calendar year.

If the member wishes to purchase out-of-state credit, it is necessary to notify TRF. The member must include the specific years to be purchased, a copy of the *IRS Section 415 Limitation* form, and a check for the amount of purchase. Out-of-state service that entitles a member to a benefit in another state system or any federal retirement system cannot be used in Indiana.

Members should allow a minimum of 60 days for TRF to receive the out-of-state verification form back from the out-of-state system.

Ordinarily, teaching out of the country does not qualify for service credit unless the teaching was in a military dependent school covered by the U.S. Department of Defense or teaching was during a qualified leave of absence granted for exchange teaching. However, out-of-country teaching that is comparable to Indiana teaching service may be purchased.

For military dependent teaching service, Form NA 13037-9-85 is required for proper verification. This form can be obtained at:

**National Personnel Records  
Civilian Personnel Records  
111 Winnebago St.  
St. Louis, MO 63118**

### **Additional Service Credit**

Members with at least 10 years of combined PERF and TRF service may purchase additional service credit. Once the 10-year requirement has been met, the member may purchase one year for each five years of service credit earned. The cost to purchase this type of service is calculated actuarially.

## Private School Service

A member may purchase private teaching service credit if the member has at least one year of credited service in TRF. The cost to purchase this type of service is calculated actuarially. The private school where the service occurred must be accredited in order for this service to count. A list of all accredited private schools is available on the Indiana Department of Education's Web site.

## Leave of Absence

TRF members who are teachers may earn credit for eligible leaves of absence if the leave is approved by the school board of the corporation granting the leave. To receive service credit for a leave of absence, the member must submit the *Leave of Absence Verification* form through the school granting the leave. This form is available on the INPRS Web site. Sabbatical leave for advanced study, work experience, teacher exchange programs, or approved educational travel require the teacher to return to a covered position for the same length of time as the leave. Leave for disability, pregnancy, or adoption does not require a return to service. All leaves of absence, except USERRA military service, are subject to the one-seventh (1/7th) rule, meaning no more than 1/7th of the total years of creditable service may be from leave of absence service credit.

## Substitute Teachers

Substitute teachers who are members of the Fund earn one year of service credit if they work 120 days in a fiscal year or between 60 and 119 days per year over two fiscal years. Once the substitute teacher has taught the requisite number of days, he or she becomes a member of the Fund.

Once these teachers achieve membership status and earn one full year of service as a member, they may purchase prior substitute or part-time teaching service, which is calculated actuarially. To do this, the member must complete the *Verification of Prior In-State Teaching* (State Form 41625), Part 1, and forward it to the employing school district for completion of Part 2. This form is available on

the INPRS Web site. The cost of the service in question is then calculated by TRF and an invoice is sent to the member. If the member chooses to purchase the service credit, a check must be sent to TRF for the invoiced amount.

## **General Service Credit Rules**

The following rules are in place regarding the addition of service credit to a member's account. *It is important to note that each rule is applicable only to certain types of service credit.*

### **1/7<sup>th</sup> Rule (One-Seventh Rule)**

- Applies to military and leave of absence service credit.
- A member may purchase or add for free one year of service for every six years of teaching.
- The six years of teaching must already be in the member's account. This can include in-state, out-of-state, federal, or leave of absence service.
- IC 5-10.4-4-7 provides that a TRF member may be given credit for leaves of absence for study, professional improvement, and temporary disability so long as the leave credit does not exceed one-seventh of the total years of service claimed for retirement.

### **1/5<sup>th</sup> Rule (One-Fifth Rule)**

- Applies to additional service.
- A member can add one year of service for every five years of Indiana service.
- Indiana service can be under TRF or PERF.

### **Minimum of One Year**

- Applies to out-of-state, federal, private school, and substitute teaching service.
- After one year of Indiana service in a covered position, a member can purchase service credit.

- At the time of purchase, the service credit will be added to the member's account.

## 10-Year Requirement

- Applies to additional service

Member can purchase service credit only after earning 10 years of Indiana service (TRF and/or PERF).

- Applies to out-of-state, federal, and private school service

Member will not accrue a benefit on purchased service until member completes 10 years of Indiana service (TRF only).

## Payment

TRF may accept funds for the purchase of service in the form of a rollover from another tax-deferred retirement plan as defined in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). This trustee-to-trustee transfer should not be for more than the cost to purchase the service. Any excess amount is deposited in a Rollover Savings Account (RSA).

***Note: The price paid to purchase service is the actuarially calculated amount required to fund the monthly pension benefit. Therefore, this amount is not added to the member's ASA. In the event the member terminates service prior to retirement eligibility, the purchase price plus interest as described in IC 34-13-1-6 is included in the refund to the member if the member withdraws his or her ASA. If the member returns to work in a TRF-covered position and the money has been refunded, the purchased service credit cannot be reinstated without purchasing it again.***

## Service in a Dual Position

550 IAC 2-4-2 dictates that whenever an individual is employed by the same employer in a position which requires the performance of covered and non-covered service, contributions shall be paid from the portion of the annual compensation attributable to the covered service.

### ***Important Note about Service Credit***

A member's service credit record receives an official evaluation at the time of retirement. Any service credit granted to a member must comply with the laws in effect at the time of retirement. TRF encourages members to request a service credit analysis approximately two years prior to retirement to allow for additional verification and correction, if needed.



# **Monthly Pension Benefit**

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# Monthly Pension Benefit

## Benefits Overview

A member's retirement benefit consists of a monthly pension benefit and an Annuity Savings Account (ASA).

- The member's monthly pension benefit is paid as a lifetime monthly benefit and is funded by the State or the member's employer. To become eligible for a benefit, the member must be vested with 10 years of service in a covered position.
- The member's Annuity Savings Account (ASA) contains the mandatory three percent (3%) of annual compensation contribution, which is made by the member or the member's employer, as well as any voluntary contributions made by the member and any investment gains or losses. A member is immediately vested in the ASA.
- A member may also create a Rollover Savings Account (RSA). Non-retired members may create an RSA by transferring funds from an IRA or other qualified retirement plan into TRF. TRF will only accept transfers of taxable funds. These rolled over funds, along with investment gains and losses, comprise the RSA. Refer to the Rollover Savings Account section of this handbook for additional information.

More information is available online at [www.inprs.in.gov/teachers.htm](http://www.inprs.in.gov/teachers.htm).

## Eligibility

### Vesting

A member must be vested (has earned 10 years of service credit in a covered position) to become eligible for a monthly pension benefit. Once vested, the member may receive a monthly pension benefit once he or she meets certain age and service requirements.

*Members with at least 10 years of service in a TRF- or PERF-covered position are considered vested in their monthly lifetime pension benefit.*

## Annual Pension Benefit Formula

*Average of Highest 5 Years of Annual Compensation × Total Years of Service × 1.1% (0.011)*

## Early Retirement

*Early retirement is available between the ages of 50 and 59 with 15 or more years of service credit.*

## Regular Retirement

To apply for a regular (unreduced) retirement benefit, a member must meet one of the following criteria:

- Age 65 or older with at least 10 years of service credit;
- Between ages 60 and 64 with at least 15 years of service credit; or
- Between ages 55 and 59, if age and service credit total at least 85 (known as the Rule of 85)

If the member meets the age and service requirements and chooses the A-1 payment option, the normal annual pension benefit is calculated by the following formula:

***Average of Highest 5 Years of Annual Compensation x Total Years of Service x 1.1% (0.011)***

## Early Retirement

Early retirement is available to members who are between ages 50 to 59 with 15 or more years of service credit. A member retiring early receives a percentage of the normal annual pension benefit, according to Table 2 (below). The percentage of the pension benefit you receive at retirement remains the same for your lifetime.

**Table 2 – Early Retirement Percentage of Normal Annual Pension Benefit**

Age	Percentage of Benefit
59	89%
58	84%
57	79%
56	74%
55	69%
54	64%
53	59%
52	54%
51	49%
50	44%

## Age 70 Benefits

A member who continues to teach in a TRF-covered position after age 70 and has 20 or more years of service is eligible to begin receiving retirement benefits without a separation

from service. During the time a monthly pension benefit is received and the member is still employed in a TRF-covered position, no additional service credit or salary credit are earned and thus the retirement benefit remains at the same level as when it began. Should you choose this option, all of the normal alternatives for distribution of both your monthly pension benefit and your Annuity Savings Account are available to you.

## ***Your Benefit***

### **Factors**

The amount of a member's monthly pension benefit is based on the following factors:

- Benefit multiplier: 1.1 percent (.011)
- Average annual compensation: The average of the five highest years of annual compensation earned for service in a covered position
- Years of service: Service credit earned or purchased by a member
- Member's age at retirement: Early retirement results in a reduction in the monthly pension benefit
- Retirement option selected

### **Benefits Calculator**

There are three ways a member may calculate an estimated monthly pension benefit. The following are the three methods.

#### ***Method 1***

Log in to the TRF Interactive Web site at <http://www.inprs.in.gov/> to generate an estimate based on the information we have to date which includes projected final average salary and service information, as well as the latest information reported from the employer. Estimates of all payout options are provided.

#### ***Method 2***

From the INPRS Web site, calculate an estimate by entering the projected retirement date, final average salary, and years of service.



	<b>Example</b>	<b>You</b>
Final average salary	\$50,000.00	\$ _____
Benefit multiplier	x _____ .011	x _____ .011
Pension base amount	\$ 550.00	\$ _____
Years of service	x _____ 30	x _____
Annual retirement benefit	\$16,500.00	\$ _____
Monthly benefit	÷ _____ 12	÷ _____ 12
Calculated as an A-1 option	\$ 1,375.00	\$ _____

**Method 3**

From the INPRS Web site or TRF Interactive Web site, calculate an estimate by using information from the member’s latest Social Security Statement. To be eligible for this payment option, the member must be less than 62 years of age at retirement and must enter the estimated Social Security income.

**Payment Options**

At retirement, a member must select one of the six options included in this section for distribution of the member’s monthly pension benefit. Additionally, a member may choose the Social Security Integration option in conjunction with any of the six available options if the member is under the age of 62 at the time of retirement. Each option provides a lifetime monthly benefit paid to the member. Upon the death of the member, some options provide lump sum benefits to the beneficiary or estate. Others continue to receive a monthly survivor benefit payment. The amount of the monthly pension benefit received depends upon the member’s selected option.

**A-1 (5-Year Certain & Life)**

This pension option provides a lifetime benefit to the member. In the event the member dies before receiving five years of payments, the beneficiary(ies) receives the remainder of the five years of guaranteed pension payments in a lump sum.

*Because survivor options (B-1, B-2, B-3) provide for a survivor benefit, the monthly pension benefit to the member is decreased.*

## **A-2 (Straight Life)**

This pension option provides a lifetime pension benefit to the member. Should you choose either the ASA 1 or ASA 7 option (see ASA section of this handbook), the A-2 comes with a minimum amount provision that ensures the member or beneficiary(ies) will receive a benefit at least equal to the ASA balance at the time of retirement. For details about the minimum amount provision, see the Minimum Amount Provision paragraph at the end of this section.

## **A-3 (Modified Cash Refund Plus 5-year Certain & Life)**

This pension option provides a lifetime benefit to the member. In the event the member dies before receiving five years of payments, the beneficiary(ies) will receive the remainder of the five years of guaranteed pension payments. The Annuity Savings Account (ASA) is reduced with each monthly benefit paid; if the member dies before reducing this balance to \$0.00, the beneficiary will receive a single payment of the amount remaining. This pension option is only available with the ASA 1 or ASA 7 and RSA 1 (see Rollover Savings Account section of this handbook), if applicable. This option also includes a monthly annuitization of the member's ASA. See the ASA section of this handbook for details.

## **B-1 (100% Survivor Benefit)**

This pension option provides a lifetime benefit to the member. This option guarantees that, upon the death of the member, the qualified survivor will receive 100 percent of the member's monthly benefit for the remainder of the survivor's life.

## **B-2 (66 2/3% Survivor Benefit)**

This pension option provides a lifetime benefit to the member. This option guarantees that, upon the death of the member, the designated survivor receives 66 2/3 percent of the member's monthly benefit for the remainder of the survivor's life.

### **B-3 (50% Survivor Benefit)**

This pension option provides a lifetime benefit to the member. This option guarantees that, upon the death of the member, the designated survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

### **Social Security Integration**

A member who retires between ages 50 and 62 may integrate the TRF monthly pension benefit with the member's estimated Social Security benefits. This does not affect the amount of the benefit received from the Social Security Administration.

Before age 62, the member's benefit will equal the sum of the member's Social Security estimate, multiplied by actuarial factors, and the member's early retirement benefit. This will result in the member receiving a larger monthly benefit payment before age 62. After age 62, the member's benefit will equal the difference between the member's Social Security estimate, multiplied by actuarial factors, and the member's pre-62 monthly pension benefit. Depending upon the member's estimated Social Security disbursement, benefit payments may be greatly reduced or terminated at age 62.

### **Minimum Amount Provision**

The minimum amount provision is relevant to certain options for distribution of the monthly pension benefit. The minimum amount provision is in place to guarantee that a member or that member's beneficiary will receive benefit payments that total at least the balance of the member's Annuity Savings Account (ASA) at the time retirement. If a member does not receive this minimum amount in combined annuity and pension payments during his or her lifetime, the member's beneficiary can claim the remaining amount due. For example, if a member has \$100,000 in her ASA at the time of retirement, this member's total benefits received (combined annuity and pension payments) must equal \$100,000 or the member's beneficiary(ies) may claim the difference.

# **Annuity Savings Account (ASA)**

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## Employer Pick-Up

*The 3 percent contribution to the member's ASA may be made by the employer.*

# Annuity Savings Account (ASA)

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The Annuity Savings Account (ASA) may be comprised of mandatory contributions, voluntary contributions (pre- and post-tax), and investment earnings, gains, and losses.

## **Mandatory Contributions**

All active members are required to contribute three percent (3%) of their annual compensation to their ASA. This contribution may be made by the employer. This is referred to as an employer pick-up.

## **Voluntary Contributions**

An active member may make voluntary contributions in addition to the mandatory amount (three percent of annual compensation). Voluntary contributions may be made pre-tax or post-tax and must be made in one percent increments up to 10 percent (10%). To make voluntary ASA contributions, the member must contact the payroll administrator of the employer.

## **Voluntary Pre-Tax Contributions**

- These contributions are deducted prior to calculating the member's current federal and state income tax withholding, thus reducing the current taxable income;
- Social Security taxes still apply to the contributions at the time of withholding;
- Federal and state taxes are due at the time the contributions are actually received by the member;
- Earnings are tax-deferred until actually received by the member; and
- Election to participate and contribution percentage are **irrevocable** for as long as the member is with the employer where he or she made the election, even if the member terminates employment and re-employs with that employer.

- If a member terminates employment and re-employs with a different employer, all past voluntary contribution elections are no longer valid and the member must re-enroll in the program if he or she wishes to make voluntary pre-tax contributions.

In order to qualify for voluntary pre-tax contributions, the following requirements must be met:

- The employer must adopt a resolution enabling members to participate in this plan. Should an employer adopt such a resolution and the member has five years of service credit, the member has a two-year window in which to elect to begin making contributions. In this case, the two-year window is in place for any member, regardless of his or her years of service credit;
- The member must have at least five years of service credit in a covered position at the end of the previous fiscal year;
- The member has a two-year window to make an election, beginning September 1 after the fiscal year (July 1 to June 30) in which the member earns five years of service credit in a covered position. For example, a member who has five years of service credit in a covered position as of June 30, 2008 has a two-year window from Sept. 1, 2008 through Aug. 31, 2010, in which to elect to participate in the plan; and
- The member must submit an irrevocable payroll deduction authorization form to TRF, which is available on the INPRS Web site.

### Voluntary Post-Tax Contributions

- When a member makes post-tax voluntary contributions, federal, state and Social Security taxes have already been withheld. Since these funds have already been taxed, they will not be taxed again; however, it is important to note that any earnings or interest accrued on these funds is still taxable. If a member is ***not vested*** at the time of distribution, the non-taxable benefit will be paid directly to the member in a lump sum or the member can elect to roll over the non-taxable amount in some cases. If the member is

**vested** at the time of distribution, IRS regulations mandate that the member's non-taxable benefit must be recovered during retirement over the life of the pension. A portion of each monthly pension payment will be non-taxable until the member's entire post-tax voluntary contribution amount has been recovered.

- Election to participate and contribution percentage are revocable as often as the employer allows.

Visit <http://www.in.gov/inprs/2545.htm> for more information on voluntary post-tax contributions.

### ***Investment Election Options for an Annuity Savings Account (ASA)***

If a new TRF member fails to allocate ASA contributions, the member's contributions will default to an age-based target date fund.

#### **Fixed Income Fund**

The Investment Objective of the Fixed Income Fund is to seek total return, consisting of income and capital appreciation.

#### **Inflation Linked Fixed Income Fund**

The Investment Objective of the Inflation Linked Fixed Income Fund is to provide investors inflation protection and income consistent with investment in inflation-indexed securities. Principal and interest payments are adjusted in response to changes in inflation.

#### **International Equity Fund**

The Investment Objective of the International Equity Fund is to seek investment growth/capital appreciation through both active and passive investment in stocks of non-U.S. companies in both developed and emerging markets.

#### **Large Cap Equity Index Fund**

The Investment Objective of the Large Cap Equity Index Fund is to seek investment growth/capital appreciation through passive investment in the stocks of the 500 largest U.S. companies.

*The guarantee is provided by the assets of the Indiana State Teachers' Retirement Fund and therefore, by the State of Indiana.*

*Beneficiaries should be named to avoid potential conflicts upon the death of the member.*

## Small/Mid Cap Equity Fund

The Investment Objective of the Small/Mid Cap Equity Fund is to seek investment growth/capital appreciation through both active and passive investment in stocks of small- and mid-sized U.S. companies.

## Guaranteed Fund

The Guaranteed Fund seeks to provide stability of principal and a competitive rate of interest. The interest rate is set by the Board of Trustees each year and is guaranteed for the fiscal year. The guarantee is provided by the assets of the Teachers' Retirement Fund and, therefore, by the State of Indiana.

## Target Date Funds

The Funds are designed to seek an appropriate amount of total return, commensurate with risk, given the specific time horizon of each Fund. The Target Date Funds provide participants with a one-stop shop for investing. Participants simply choose the Fund most appropriate for them based on the year in which they plan to withdraw their money (usually their retirement year). For instance, a participant wishing to retire in 2041 would select the 2040 Fund, whereas a participant wishing to retire next year would select the Retirement Fund. Once a participant selects the appropriate Fund, the underlying asset allocation automatically adjusts over time.

## ASA Allocation Changes

Investment allocations must be in 1 percent increments, totaling 100 percent, and may be changed as often as daily.

## Beneficiary Designation

Beneficiaries should be named and kept current for the ASA. If no beneficiary is named, the account balance is paid to the member's estate upon death of the member. Should you decide to designate more than one beneficiary, you can allocate benefit shares in percentage increments. Please note: Pursuant to IC 5-10.4-4-10, regardless of whether there are court orders, levies or agreements to the

*Quarterly statements are an unaudited and unofficial record of the member's account and are available on the TRF Interactive Web site at [www.inprs.in.gov](http://www.inprs.in.gov).*

contrary, TRF must distribute death benefits to the designated beneficiary on file with TRF.

If a member designates more than one primary beneficiary, and a primary beneficiary predeceases the member and the member does not complete a new beneficiary designation form, the remaining primary beneficiaries will receive an apportioned pro rata share based upon the remaining primary beneficiaries' allocated percentages of the deceased primary beneficiary's portion.

For example, member X designates three (3) primary beneficiaries as follows: Ann 60%, Bob 30%, and Carl 10%. Ann predeceases member X, and member X does not submit a new beneficiary designation form. Member X had \$10,000 in her annuity savings account (ASA) at the time of her death. Ann's 60% share will be divided between Bob and Carl as follows: Bob \$4,500 and Carl \$1,500. The total amount that Bob will receive from member X's ASA is \$7,500, and the total amount that Carl will receive from member X's ASA is \$2,500.

## **Quarterly Statements**

A member with an ASA balance and a current address on file also receives a statement each quarter. A summary of the member's contributions, investment elections, and investment earnings, gains or losses is included in this section of the quarterly statement. The quarterly statement may also be viewed online at the TRF Interactive Web site at <http://www.inprs.in.gov/>.

All non-retired members will receive quarterly statements with a section focusing on the monthly pension benefit. Depending on how near the member actually is to retirement, this estimate may or may not be accurate. We are unable to provide an estimated monthly pension benefit to members with less than five years of service because we do not have enough information to calculate any estimate with enough certainty. These members are still provided with their years of service on record with TRF.

- Quarterly statements are an unaudited and unofficial record of the member's account. All data reflected on the statement is subject to correction or adjustment upon or before retirement. This

information becomes official at the time of retirement.

## ***Voluntary Withdrawal or Disbursement of ASA Funds Other than Retirement***

Please note: Your Annuity Savings Account is valued one final time on the day prior to your withdrawal date.

### **Eligibility**

A suspended member (refer to Suspension of Membership section for more information) may make a lump sum withdrawal of the member's ASA funds. To receive a distribution, members can log in to their TRF Interactive account at [www.inprs.in.gov](http://www.inprs.in.gov) to initiate their request for a distribution. Members may also call (888) 286-3544 to initiate their distribution request via phone with a customer service representative. We are available Monday through Friday from 8 a.m. to 8 p.m. EST.

The withdrawal process may take up to six weeks. If a suspended member does not withdraw the ASA funds within five years of the suspension, those ASA funds are credited to TRF unless or until claimed by the former member or the member's beneficiary. ***Once credited to TRF, no further interest credits or earnings are granted for the Guaranteed Fund investments in the ASA account.***

If TRF suspends a membership because two years have passed since an unvested member with \$1,000 or less in his or her ASA was employed in a covered position, TRF shall close the member's ASA and issue a lump sum payment of the ASA balance to the member.

Any inactive TRF member who has attained vested status, who has not been working in a covered position for at least 30 days, and elects to withdraw the balance in the ASA may receive a distribution from the member's ASA without forfeiting the member's monthly pension benefit, even if the member does not return to a covered position. In order to be eligible, the election to withdraw the ASA must be after June 30, 2009. There is no retroactive provision and the IRS early distribution tax may apply.

Effective July 1, 2011, if a member is eligible for a reduced pension benefit and has not been working for at least 30 days, the member may withdraw his or her ASA without forfeiting his or her pension benefit or be forced to take a reduced retirement.

If the member suspends membership because the member is vested, not retired, not currently employed in a TRF-covered position, and is transferring TRF creditable service to another governmental retirement plan, the member may withdraw only the amount necessary from the ASA to purchase creditable service in the other governmental retirement plan. Any such withdrawal must be paid as a trustee-to-trustee transfer to the other governmental plan. If the former member re-employs in a TRF-covered position, TRF service credit for the years transferred to another plan cannot be reinstated unless those years are purchased and transferred back to TRF.

## Penalties

### Federal Taxes

The taxable ASA amounts withdrawn from TRF before retirement are subject to mandatory 20 percent federal tax withholding unless the member elects to roll over the taxable amount into an individual retirement account (IRA) or other qualified retirement plan. If the member is under age 59½, the IRS may impose an additional 10 percent tax penalty on the taxable amount of the withdrawal unless the member elects to roll over the taxable amount into an IRA or other qualified plan.

## ***ASA Options at Retirement***

Members who elect to withdraw their ASAs at retirement will remain invested according to their pre-retirement investment allocations until their ASA is paid out at the time TRF processes their retirement.

Members who elect to annuitize their ASAs at retirement will have the balance of their ASA put into a fixed value account set at the same rate as the Guaranteed Fund. This happens not more than 30 days prior to the member's retirement date or the processing of the member's retirement application.

Members who elect to defer their ASA at retirement will have the balance of their ASA invested according to their pre-retirement investment allocation.

The following options are available to the member at retirement:

### **ASA 1**

This option distributes the ASA as a monthly benefit. That monthly benefit is combined with the monthly pension benefit, enabling the member to receive a higher monthly benefit payment. A minimum amount provision ensures an amount equal to the ASA balance at the time of retirement will be paid either to the member or beneficiary. For more information, see the paragraph regarding the minimum amount provision at the end of this section with certain provision options.

### **ASA 2**

This option distributes the total amount of the ASA (less mandatory Federal Income Tax Withholding) paid directly to the member. If the member is under age 59½, the IRS may impose an additional 10 percent tax penalty on the taxable amount of the withdrawal.

### **ASA 3**

This option distributes all of the taxable portion of the member's ASA paid in the form of a direct rollover to an IRA or other qualified retirement plan. An amount equal to the tax basis (after-tax contribution) in a member's ASA as it existed on Dec. 31, 1986, will be distributed directly to the member.

### **ASA 4**

This option distributes part of the taxable portion of the ASA paid in the form of a direct rollover to an IRA or other qualified retirement plan (not less than \$500). The taxable portion of the ASA not directly rolled over (less mandatory Federal Income Tax Withholding) is paid directly to the member. The member also directly receives the amount of the member's tax basis (after-tax contribution) in the ASA balance as it existed on Dec. 31, 1986.

### **ASA 5**

This option defers distribution of the ASA until a later date. The ASA will continue to be invested with TRF under the same guidelines applicable to an ASA. The member may change the allocation strategy of the ASA on a daily basis. Distribution must begin no later than April 1 after the calendar year in which the member reaches age 70½.

### **ASA 6**

This option distributes an amount equal to the member's tax basis (after-tax contribution) in the ASA balance as it existed on Dec. 31, 1986, and defers distribution of the remaining ASA balance until a later date. The account will continue to be invested with TRF under the same guidelines applicable to an ASA. The member may change the allocation strategy of the ASA on a daily basis. According to IRS guidelines, distribution must begin no later than April 1 after the calendar year in which the member reaches age 70½.

### **ASA 7**

This option distributes an amount equal to the member's tax basis (after-tax contribution) in the ASA balance as it existed on Dec. 31, 1986. The remaining ASA balance is paid as a monthly benefit. This option combines the monthly pension with the remainder of the ASA so that the member receives a higher monthly benefit payment.

### **Minimum Amount Provision**

The minimum amount provision is relevant to the A2 option where the retiree has also chosen the ASA 1 or ASA 7 option for distribution of the ASA. The minimum amount provision is in place to guarantee that a member or that member's beneficiary will receive benefit payments that total at least the balance of the member's Annuity Savings Account (ASA) at the time of retirement. If a member does not receive this minimum amount in combined annuity and pension payments during his or her lifetime, the member's beneficiary can claim the remaining amount due. For example, if a member has \$100,000 in her ASA at the time of retirement, this member's total benefits received



(combined annuity and pension payments) must equal \$100,000 or the member's beneficiary may claim the difference.

# **Rollover Savings Account (RSA)**

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# Rollover Savings Account (RSA)

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An active member may transfer funds from an IRA or other qualified retirement plan into TRF. TRF will only accept transfers of taxable funds. These rolled over funds, along with investment earnings, gains, and losses will be kept in a separate account called a Rollover Savings Account (RSA).

## Investment Election Options for a Rollover Savings Account (RSA)

There are seven fund options for a Rollover Savings Account.

Fixed Income Fund

Inflation Linked Fixed Income Fund

International Fund

Large Cap Equity Index Fund

Small/Mid Cap Equity Fund

Target Date Funds

Money Market Fund (RSA Only)

For descriptions of the first six funds, refer to the section on Investment Election Options for an Annuity Savings Account.

The Money Market Fund is the only fund unique to the Rollover Savings Account (RSA). The Investment Objective of the Money Market Fund is to provide a market rate of return consistent with the preservation of capital through a shorter maturity, high quality portfolio.

## Rollover Savings Account Allocation Changes

The information contained in the ASA Allocation Changes section also applies to RSA allocation changes.

## Beneficiary Designation

Beneficiaries should be named and kept current for the Rollover Savings Account. The beneficiary for the Rollover

*Beneficiaries should be named to avoid issues upon the death of the member.*

*A voluntary withdrawal of the Rollover Savings Account balance must withdraw the account balance in full.*

Savings Account may be different than those named for the ASA. If no beneficiary is named, the account balance is paid to the member's estate upon death of the member. Should you decide to designate more than one beneficiary, you can now allocate benefit shares in percentage increments. Please note: Regardless of whether there are court orders, levies, or agreements to the contrary, TRF must distribute death benefits to the designated beneficiary on file with TRF.

### **Quarterly Statements**

The information contained in the paragraph titled Quarterly Statements, which appears in the ASA section, also applies to Rollover Savings Account Quarterly Statements.

### **Voluntary Withdrawal of Rollover Savings Account Funds Other Than at Retirement**

A member may make a lump sum withdrawal of his or her Rollover Savings Account balance at any time prior to retirement by completing the *Application for Rollover Account Withdrawal* and submitting it to TRF. A voluntary withdrawal of the Rollover Savings Account must withdraw the account balance in full.

### **Rollover Savings Account Options at Retirement**

The following options are available to the member at retirement:

#### **RSA 1**

The RSA 1 option distributes the entire RSA balance as a monthly benefit. This monthly benefit combines the member's monthly RSA benefit with the monthly pension benefit to receive a higher monthly payment. The member does not receive any distribution from the RSA other than as a monthly benefit payable until the member's death.

#### **RSA 2**

The RSA 2 option distributes the total amount of the RSA (less mandatory Federal Income Tax Withholding) paid directly to the member.

### **RSA 3**

The RSA 3 option distributes the RSA as a direct rollover to an IRA or other qualified retirement plan.

### **RSA 4**

The RSA 4 option distributes part of the RSA (minimum of \$500) as a direct rollover to an IRA or qualified retirement plan. The part of the taxable portion of the distribution not directly rolled over (less mandatory Federal Income Tax Withholding) will be paid directly to the member.

### **RSA 5**

The RSA 5 option defers distribution of the RSA until a later date. The RSA will continue to be invested with TRF under the same guidelines applicable to an Annuity Savings Account (ASA). The member may change the allocation strategy of the RSA on a daily basis. Distribution must begin no later than April 1 after the calendar year in which the member reaches age 70½.



# Retirement

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# Retirement

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## ***Retirement Appointments***

TRF has designated benefit specialists who are available by appointment to discuss retirement options and the retirement process with members. These appointments may take place in TRF's Indianapolis office, or, if set up in advance by the schools, TRF will travel to members' individual schools. It is also possible to schedule a telephone appointment with a benefit specialist. Though you may schedule a benefit appointment at any time during your career, TRF highly recommends that all members within two years of retirement schedule an appointment with one of TRF's benefit specialists.

## ***Retirement Application***

The Retirement Application is available on the INPRS Web site, which is located at <http://www.inprs.in.gov/>.

If you do not wish to fill out a hard copy of the Retirement Application, the whole process may be completed online by logging in to TRF Interactive.

### **Part I**

- Retiring members are required to complete and submit the *Application for Retirement Benefits, Part I* to TRF.
- Generally, the selected payment options and survivor designations are irrevocable once the retirement application has been processed and a benefit is scheduled to begin. Certain exceptions would be if the retired member's designated beneficiary pre-deceases the member, the member marries for the first time after retirement, or the member becomes divorced and the divorce decree permits the change.

### **Part II**

- It is the member's responsibility to give a copy of the *Application for Retirement Benefits, Part II* to all employers the member has worked for during the member's most eight recent years of service.

- Once the employer is given the form, it is the employer's responsibility to get this form to TRF.

### ***Determining Retirement Date***

Your benefit accrual date is generally your last day at work. You will receive a prorated payment for that month. Your retirement date is the first of the month following your benefit accrual date or any future month requested in writing by the member. For example, if your last day of work is May 15, your retirement date would be June 1. Benefits are paid 30 days in arrears.

### ***Preliminary and Final Calculations and Payments for the Monthly Pension Benefit***

When a completed *Application for Retirement Benefits, Part I* is received, contains all the necessary information and supporting documentation, and the member's retirement date is at hand, TRF processes a monthly pension benefit check for the estimated monthly pension benefit amount. The member begins receiving 100 percent of the final monthly pension benefit once TRF receives all contributions from the employer(s) and calculates and processes the final monthly pension benefit. The member also receives the difference between the estimated benefit and the 100 percent final benefit times the number of months the member received an estimated benefit. Any ASA contributions totaling \$1,000 or less received after the final date on which a member's retirement benefit is processed may be paid directly to the member in a lump sum.

### ***Deductions***

A member may elect to have federal and/or Indiana state, as well as county, taxes withheld from his or her monthly pension benefit payments. Additionally, if the member elects to participate in the TRF-sponsored supplemental group health insurance, the member's premiums will be deducted from the monthly pension benefit payments.

*COLAs are not guaranteed annually. They are voted on each year and approved by the Indiana General Assembly.*

## **Cost of Living Adjustment (COLA)**

Cost of living adjustments (COLAs) are an adjustment to the member's monthly pension benefit payment (does not include annuitized ASA). COLAs are not automatic in Indiana; the General Assembly must pass legislation granting a COLA. When such legislation has been passed, it generally applies a graduated percentage increase that is greater for those who have been retired longer. TRF adds all COLAs to the monthly pension benefit payments as directed by the legislation.

## **13<sup>th</sup> Check**

The 13<sup>th</sup> check is a lump sum single payment made in addition to a member's monthly pension benefit payment and does not increase a member's monthly pension benefit base. The 13<sup>th</sup> check is not automatic in Indiana; the General Assembly must pass legislation granting a 13<sup>th</sup> check. When such legislation has been passed, it awards a benefit amount to a member based upon the creditable service that was used to calculate the member's retirement benefit. TRF distributes the 13<sup>th</sup> check as directed by legislation.

# Working after Retirement

*Beginning July 1, 2008, retirees may re-employ in a TRF- or PERF-covered position after a 30-day separation period.*

## Working after Retirement

A member may re-employ after retirement; however, the member must ensure that applicable separation from service requirements are met by waiting a minimum of 30 days to re-employ.

### **TRF- and PERF-Covered Positions**

Effective July 1, 2008, a member may continue to receive pension payments and re-employ in a TRF- or PERF-covered position with a 30-day required separation from service period before re-employment and no earnings limitation during re-employment. During re-employment in a TRF-covered position, no ASA contributions are made to TRF on the member's behalf and no additional service credit or supplemental pension is earned. A member who re-employs in a PERF-covered position can earn contributions and service credit. He or she can potentially qualify for a second retirement.

The 30-day separation period is measured from the member's benefit accrual date to the first date of re-employment. The benefit accrual date is the last day of employment in a TRF- or PERF-covered position. For example, if a member's last day of employment in a TRF-covered position was May 31, the member's first date of re-employment in a PERF-covered position must be on or after July 1.

For a member who chooses to delay his or her retirement, the benefit accrual date is the retirement date. ***If the member does not have a 30-day separation from service, the member's retirement is voided and the member is not eligible for pension benefits. The member must repay to the Fund any amounts received for which the member was not eligible.***

***After July 31, 2009, if, on or before the date the member files an application for a retirement benefit, the member has entered into any re-employment agreement (formal or informal) with a covered employer, the member's application for retirement is void and any benefits paid during the period of re-***

***employment must be repaid to TRF. IRS penalties may also apply.***

### ***Age 70 Benefits***

A member who continues to teach in a TRF-covered position after age 70 and has 20 or more years of service is eligible to begin receiving retirement benefits without a separation from service. During the time a monthly pension benefit is received and the member is still employed in a TRF-covered position, no additional service credit or salary credit are earned and thus the retirement benefit remains at the same level as when it began. Should you choose this option, all of the normal alternatives for distribution of both your monthly pension benefit and your Annuity Savings Account are available to you.



# Disability Benefits

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*In order to qualify for a disability retirement benefit from TRF, the onset date of the Social Security disability must be effective back to the time the member was covered by an Indiana teaching contract.*

## Disability Benefits

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If a member with five or more years of service in a TRF-covered position becomes disabled while an active teacher, he or she may be eligible for a classroom or retirement disability benefit.

### **Classroom Disability Benefit**

Classroom disability refers to a medically confirmed inability to continue classroom teaching due to a mental or physical condition that is not necessarily of sufficient severity to meet Social Security disability guidelines. Benefits are \$125 per month plus \$5 for each additional year of TRF-covered service over five years. The member must be out of the classroom because of the disability for a continuous period of six months without pay before disability benefits may be paid. No teaching service may be earned while receiving the benefit.

A member must apply for classroom disability within one year of the disability's diagnosis. A physician selected by the Fund will make the initial determination of eligibility and cases will be reviewed annually for a continued classroom disability benefit until age 65, at which time the member is eligible to apply for disability retirement.

If a member dies while receiving a classroom disability benefit or after returning to the classroom but prior to retirement, the member's ASA balance is reduced by the amount of any classroom disability benefits paid to the member before death. For additional information, refer to the Death of a Member section of the handbook.

### **Disability Retirement**

To become eligible for a disability retirement, a member's disability must occur after June 30, 1984 and occur while employed in a TRF-covered position or while receiving classroom disability benefits from the Fund. Additionally, the disability must qualify for Social Security disability, and the member must have at least five years of service credit in a covered position.

The member must provide proof of Social Security disability qualification to TRF. If the member has applied for but not received an award letter from Social Security, the member may still complete an *Application for Retirement Benefits* and attach a copy of the application sent to the Social Security Administration.

**Note: In order to qualify for a disability retirement benefit from TRF, the onset date of the Social Security disability must be effective back to the time the member was an active teacher.**

At least once a year until the member reaches age 65, the Fund is required to confirm that the member continues to remain eligible for Social Security disability benefits.

Disability Retirement benefit options and calculations for the monthly pension benefit plan, the ASA, and the RSA are the same as those for any other retiree except that 1) the Social Security Integration option is not available, 2) only the creditable service worked up to the date of the disability applies, 3) there is no early retirement reduction, and 4) the monthly pension benefit payment may not be less than \$180 per month.



# Death of a Member

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## Death of a Member

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When the death of a member occurs, a representative should notify the TRF office or complete a *Death Report* (State Form 50790). This form is available on the INPRS Web site at <http://www.inprs.in.gov/>. The Fund reviews the deceased member's account and sends the appropriate paperwork which must be completed and returned along with a certified Death Certificate. Upon receipt of the necessary paperwork, the Fund will calculate all benefits for which the named survivors, beneficiaries, or estate may be entitled and distribute such benefits. If a member dies while receiving a classroom disability benefit or after returning to the classroom but before retirement, his or her ASA balance is reduced by the amount of any classroom disability benefits paid to the member before death.

### ***Death While in Service***

When a member dies while employed in a TRF-covered position, the designated beneficiary or estate is entitled to a lump sum payment of the deceased member's ASA and RSA balance. The member's surviving spouse or dependent(s), if any, may also be entitled to a monthly pension benefit based on a number of factors, such as how many years of service credit the member had at the time of death, the age of the deceased member, the number of years the deceased member was married to the surviving spouse, and the age of the surviving dependents.

### ***Death While Out of Service***

If the member dies while not employed in a TRF-covered position and the deceased member was not eligible to retire or was not eligible for disability retirement, the named beneficiaries or the estate are eligible to receive the balance of the ASA and RSA funds.

If the member dies while not employed in a TRF-covered position and the deceased member was eligible to retire or was eligible for disability retirement but had not applied for such benefits at the time of death, the designated beneficiary or estate is entitled to a lump sum payment of the deceased member's ASA and RSA balance. The

member's surviving spouse or dependent(s), if any, may also be entitled to a monthly pension benefit based on a number of factors, such as how many years of service credit the member had at the time of death, the age of the deceased member, the number of years the deceased member was married to the surviving spouse, and the age of the surviving dependents.

If no claim is made for benefits within three years of the member's death, death benefits are forfeited and credited to the Fund.

### ***Death of a Retiree***

When a retiree dies, named survivors and beneficiaries or the deceased's estate will receive the benefits for which the retiree was eligible according to the retirement payout options chosen by the deceased.



# General Information

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# General Information

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## ***Access to Records***

TRF records are confidential with the exception of a member's name and years of service. A member's record may only be released to the member, guardian, representative of the member's estate, someone to whom the member gives express permission, attorney-in-fact (aka Power of Attorney or POA), or someone named by court order.

## ***Guardians***

A guardian is appointed by the court to oversee the legal and financial affairs (and/or the personal care) of a minor (under 18 years of age) or of an adult who is not able to manage personal affairs due to a physical or mental disability. A legally appointed guardian may conduct TRF business on behalf of the member or survivor beneficiary after providing TRF with Letters of Guardianship or other official court documents identifying and describing the powers of the guardian. TRF does not recognize acts of the guardian or the member that are inconsistent with guardianship.

## ***Power of Attorney***

TRF honors requests and direction from a lawful holder of a Power of Attorney (POA) document for a member. This individual is known as the attorney-in-fact. The Power of Attorney document must grant the attorney-in-fact the authority to transact business of the type requested.

If a member wants to name a Power of Attorney for TRF business only, the Fund provides a Power of Attorney Affidavit. However, this Power of Attorney only applies to TRF business and is not valid for general public use.

TRF requires a copy of the Power of Attorney to be approved and on file in the TRF office. If a copy of the Power of Attorney is not in the member's file, the requested transaction by the POA will be denied.

*A revocable trust is a trust whereby the member has the right to access trust funds at any time without condition.*

*A trust cannot be a survivor beneficiary.*

*TRF is a governmental plan and is exempt from the provisions of the ERISA. Therefore, TRF does not recognize Qualified Domestic Orders (QDROs) as described in ERISA.*

The member retains the right to act on the member's own behalf even if powers are also granted to an attorney-in-fact.

## **Trusts**

### **Payments to a Trust**

Direct deposit retirement benefit payments may be made to a revocable trust [IC 5-10.2-4-7(e)]. A revocable trust is a trust whereby the member has the right to access trust funds at any time without condition.

TRF must have a copy of the trust instrument to ensure compliance with Indiana law or a sworn affidavit identifying the trust.

If the terms, conditions, or the designated trust payee instrument change, the member must immediately notify TRF and provide a copy of the new and amended trust instrument.

### **Trust as a Death Beneficiary**

A member who intends for the death benefit to be paid to a trust must designate the trustee for the benefit of the trust as the beneficiary using the *Active Member Data Change* (State Form 43567). There is no restriction as to what type of trust can be designated as a beneficiary. A trust cannot be designated as a survivor beneficiary. These forms are available on the INPRS Web site at <http://www.inprs.in.gov/>.

## **Divorce**

TRF is a governmental plan and is exempt from the provisions of the Employee Retirement Income Security Act (ERISA). Therefore, TRF does not recognize Qualified Domestic Relations Orders (QDROs) as described in ERISA.

Pursuant to IC 5-10.4-5-14, the benefits payable from the Fund are protected. This provision states the benefits due a member from TRF are exempt from seizure, levy, attachment, and other processes. Therefore, the Fund does not make any payment of a member's benefits payable to anyone other than the member. The only exception to this rule is an action by the IRS. This does not, however, relieve

## Supplemental Group Health Insurance

*For more information,  
contact Anthem Insurance  
at (866) 648-2041.*

a member from otherwise complying with legal orders of a court.

### ***Health Insurance***

TRF sponsors a Medicare supplemental group health insurance plan available to eligible TRF retirees and spouses age 65 and over. Members under age 65 who receive a disability retirement benefit may be eligible to participate in the supplemental group health insurance plan. A member receives information on the available plan, options, and costs at age 65 or upon request.

For more information, contact Anthem Insurance at (866) 649-2041.



# Office Information

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## Contact Information

*Indiana State Teachers'  
Retirement Fund*

*One North Capitol,  
Suite 001  
Indianapolis, IN  
46204-2809*

*Direct: (317) 232-3860  
Toll-free: (888) 286-3544  
Fax: (317) 232-3882*

*Web site:  
<http://www.inprs.in.gov/>*

*E-mail: [trf@trf.in.gov](mailto:trf@trf.in.gov)*

# Office Information

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## Hours

8 a.m. to 5 p.m. Eastern Time, Monday through Friday  
(excluding State holidays)

## Contact Information

Indiana State Teachers' Retirement Fund  
One North Capitol, Suite 001  
Indianapolis, IN 46204

(317) 232-3860 or (888) 286-3544

<http://www.inprs.in.gov/>

## Driving Directions

The TRF office is located at One North Capitol, Suite 001 (Basement Level), at the corner of Capitol Avenue and Washington Street. Please consider that construction projects may interfere with the below directions.

### If arriving from Richmond, Indiana (I-70 W)

Take I-70 West to Exit 83A. Take the exit toward Fletcher Avenue/Ohio Street/Michigan Street. Follow the fork to the left, continuing onto Ohio Street. Follow the Ohio Street signs and merge with East Ohio Street. Turn left (south) at Capitol Avenue. Stay in the left lane. Turn left into the parking garage on your left just after Market Street.

### If arriving from Ft. Wayne, Indiana (I-69 S)

Take I-69 South to I-465 South. Merge onto I-70 West and follow it downtown to Exit 83A. Take the exit toward Fletcher Avenue/Ohio Street/Michigan Street. Follow the fork to the left, continuing onto Ohio Street. Follow the Ohio Street signs and merge with East Ohio Street. Turn left (south) at Capitol Avenue. Stay in the left lane. Turn left into the parking garage on your left just after Market Street.

### **If arriving from Lafayette, Indiana (I-65 S)**

Take I-65 South to Exit 114 for West Street, following the exit toward – and continuing south on – Dr. Martin Luther King Jr. Street. Turn left onto New York Street. Turn right onto Capitol Avenue. Stay in the left lane. Turn left into the parking garage on your left just after Market Street.

### **If arriving from South Bend, Indiana (US 31 S)**

Take US 31 South/Meridian Street to downtown Indianapolis. Turn right onto Michigan Street. Turn left onto Capitol Avenue. Stay in the left lane. Turn left into the parking garage on your left just after Market Street.

### **If arriving from Terre Haute, Indiana (I-70 E)**

Take I-70 East to Exit 79A for West Street. Turn left at South Missouri Street. Continue on South West Street. Turn right onto Ohio Street. Stay in the right lane and turn right on Capitol Avenue. Stay in the left lane. Turn left into the parking garage on your left just after Market Street.

### **If arriving from Columbus, Indiana (I-65 N)**

Take I-65 North to downtown Indianapolis, following Exit 111 for Washington Street. Turn left at Washington Street. Follow Washington Street to Illinois Street. Turn right onto Illinois Street. Follow Illinois Street to Market Street. Turn left onto Market Street. Turn left onto Capitol Avenue. Stay in the left lane. Turn left into the parking garage on your left just after Market Street.

### **Parking**

For your convenience, a garage is located to the immediate north of the building, on Capitol Avenue, next to Avis Car Rental. Hourly parking rates apply.

The Hilton garage is located on Market Street between the ISTA building and the Hilton Hotel. Hourly parking rates apply.

In addition, parking meters are located on Capitol Avenue and Washington Street near the One North Capitol building.

# Frequently Asked Questions (FAQs)

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## Frequently Asked Questions (FAQs)

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1) **When am I vested with TRF?**

Once you have accumulated 10 years of Indiana teaching service, PERF service, and/or approved leave of absence service, you are considered vested with TRF.

2) **What is the TRF Interactive Web site?**

This is an online tool offering members and employers convenient 24-hour account access. Active members may view and change addresses, investment allocations, and beneficiary names. Members with Annuity Savings Accounts (ASA) may also view their quarterly statements through this system. Investment allocation changes may be made as often as daily. Retired members are able to view and modify address information, tax withholding information, and direct deposit information.

3) **How do I get started using the TRF Interactive Web site?**

For your first login after July 7, 2010, you will need your Social Security number and passcode (both of which were mailed to you). After your initial login, you will be prompted to change your login information. If you do not have the login information necessary, you may call our office at (888) 286-3544.

4) **How much does service credit cost?**

TRF offers a service credit purchase calculator on the INPRS Web site, which is located at <http://www.inprs.in.gov/>. It estimates the cost to purchase your requested years. A service credit calculator is also available in TRF Interactive. This calculator pre-fills many of the data fields with your personal information from TRF's records.

5) **My years of service are incorrect on my quarterly statement. How do I correct this?**

Contact the TRF office to request a service analysis of your account. If there is a discrepancy with the years,

*FMLA service is not creditable towards retirement; however, in some cases it may be used to count towards vesting.*

your school corporation must complete a *Verification of Prior Indiana State Teaching Service* (State Form 41625). This form is available on the INPRS Web site.

**6) Are my years of service between TRF and PERF combined at retirement?**

Yes. As of July 1, 2008, you have the choice of which fund you prefer to retire from - TRF or PERF. Your years of service will be automatically combined at retirement.

**7) Is service credit granted for sick leave?**

Service credit may be added for unpaid sick leave.

**8) Do I earn service credit if I take leave covered by the Family and Medical Leave Act (FMLA)?**

No, FMLA service is not creditable toward retirement; however, in some cases it may be used to count toward vesting.

**9) I was in the military. Am I able to add this service to my account?**

Yes, but only if your teaching service or four-year college training was interrupted by military service. In order to evaluate this, TRF requires a copy of your DD214 and college transcripts from before and after your military service.

**10) I taught many years ago. How do I find out if I have money in a retirement account?**

Contact the TRF office at (888) 286-3544 to verify if you have an account balance.

**11) I haven't taught in several years. How do I withdraw the money from my Annuity Savings Account (ASA)?**

If you are not vested, which means you have less than 10 years of service, and do not plan to return to teaching in Indiana, you may withdraw the balance of your ASA. To receive a distribution, you can log in to your TRF Interactive account at [www.inprs.in.gov](http://www.inprs.in.gov) to initiate your request for a distribution. You can also call (888) 286-3544 to initiate a distribution request via phone with a customer service representative. We are available Monday through Friday from 8 a.m. to 8 p.m.

EST. If you are vested, which means you have at least 10 years of service, have terminated from employment after June 30, 2009, and have been inactive for at least 30 days, you may withdraw your ASA balance without forfeiting your monthly pension benefit.

**12) What does my retirement account consist of?**

Your retirement account has at least two parts: a monthly pension benefit and an Annuity Savings Account (ASA). The pension benefit is paid as a lifetime monthly benefit and is funded by the State and your employer. To become eligible, members must be vested with 10 years of Indiana service in a covered position.

Annuity Savings Accounts are made up of contributions from members and/or employers and the earnings, gains, and losses on your investments. Members are immediately vested in their ASAs and receive a detailed statement each quarter with account activity and balance information.

Members may add a third part to their retirement accounts by creating a Rollover Savings Account (RSA).

**13) When am I eligible to receive an unreduced pension benefit?**

Once you are:

- Age 65+ with 10 years of creditable service; or
- Age 60+ with 15 years of creditable service; or
- Age 55+ if age and creditable service total at least 85 (Rule of 85).

**14) If my last day of work is June 1, what is my retirement date?**

Your retirement date is July 1. Your retirement date is the first day of the month following your last day of work.

**15) If my birth date is August 1 and I am not eligible for retirement until my birth date, what is my retirement date?**

August 1. Because the date of birth falls on the first of the month, it is used as the retirement date. However, if

your birth date is August 2, your retirement date would be September 1.

**16) I am unable to reconcile the retroactive amount in my new retirement letter to my retirement date. How did TRF reach this figure?**

If a member goes directly from teaching into retirement without any delay due to age or late submission of application, the member receives retroactive pay back to the last day of work. The retroactive pay received is the difference between the final monthly benefit amount and the estimated checks already received, as well as the full amount for the number of days in the month after their last day of work (TRF always uses 30-day months). In addition, remember that TRF benefits are paid one month in arrears.

**17) Am I able to borrow from my Annuity Savings Account without collecting my pension?**

No, you may not borrow from your ASA; however, if you quit teaching and have been inactive for at least 30 days, you may withdraw the balance of your ASA. If you are vested, ineligible for normal or reduced retirement, and terminated employment after June 30, 2009, you may withdraw the balance of your ASA without forfeiting your monthly pension benefit.

**18) If I roll over my ASA, does that affect my monthly retirement benefit?**

Yes. TRF recommends doing a benefit calculation to see the different payment options with and without the ASA paid as a monthly benefit. You may calculate an estimate on the TRF Interactive Web site or by contacting the TRF office.

**19) If I roll over money from an IRA to TRF, does the benefit from the IRA continue for the rest of my life?**

If you elect to take your Rollover Savings Account (RSA) monies as a monthly benefit, when you retire you will receive a set amount each month for the rest of your life.

*There is a difference between a beneficiary and a survivorship. A beneficiary is for the A-1 or A-3 options and is limited to five years certain and life for the pension. A survivorship is for the B-1, B-2, and B-3 options, and upon the death of the member, pays out for the lifetime of the survivor.*

**20) The benefit calculator does not download my current information; how do I get an estimate with my updated information?**

In order to calculate an estimate using your current information, you must select Method 1. This method requires you to log onto your account through the TRF Interactive Web site.

**21) I would like to calculate an estimate by entering my information manually; which method should I choose?**

You should choose Method 2 or 3 to enter your information. When entering a year, use the full digits (Ex: 1958, not 58).

**22) I am the child and Power of Attorney (POA) of a member who is not deceased; am I able to obtain information on the account?**

Yes, provided that POA papers are on file at TRF. If no POA papers are on file, TRF is unable to release any information to the POA.

**23) My wife and I are both members of TRF. If we each name the other beneficiary, does the surviving spouse receive the beneficiary's retirement as well as the surviving spouse's own retirement? Can a spouse receive retirement as the beneficiary if he or she is still working and contributing to TRF?**

Yes, upon your death your beneficiary or survivor receives a benefit additional to any retirement benefit the beneficiary or survivor may have earned/is receiving as the beneficiary or survivor's own pension benefit. The beneficiary or survivor still receives this benefit even if the beneficiary or survivor is currently teaching.

Remember: There is a difference between a beneficiary and a survivor beneficiary. A beneficiary is for the A-1 or A-3 options and is limited to five years certain and life for the pension. A survivor beneficiary is for the B-1, B-2 and B-3 options, and upon the death of the member, pays out for the lifetime of the survivor.

**24) I am over age 70 and still working; what are my options?**

The IRS allows members of pension plans who meet certain minimum age and service requirements to continue working without a separation from employment or earnings limitation. For TRF, the minimum age is 70 and the minimum years of service are 20. If a member elects to begin receiving a benefit under this rule, the member no longer earns service credit when the TRF benefit begins.

**25) How soon can I return to teaching after I retire?**

There is a 30-day required separation period from your benefit accrual date. For a member who delays retirement, the 30-day separation begins on the designated retirement date. If a member returns to teaching prior to the 30-day separation period or had an agreement to return to work, the member must repay the benefits paid to date.

**26) How does TRF determine my pension benefit?**

There are several options to choose from; however, under the A-1 option, the TRF pension formula is your average salary of the five highest years x 1.1% x years of service.

**27) What is Early Retirement?**

If you are between the ages of 50 and 59, have a minimum of 15 years of service, and do not meet the Rule of 85 (age + years of service = 85), you may take early retirement. You receive a reduced pension benefit based on your age at early retirement:

**Table 3 – Early Retirement Age and Reduced Pension Benefit Percentage**

Age	Pension Benefit	Age	Pension Benefit
50	44%	55	69%
51	49%	56	74%
52	54%	57	79%
53	59%	58	84%
54	64%	59	89%

The reduced pension amount determined at retirement remains at the same percentage for the lifetime of the member.

**28) The online benefit estimate calculator shows a monthly total before age 62 and after age 62. Why are these numbers different and which should I use for my retirement planning?**

The before and after age 62 are for the Social Security Integration option. This option is available if retiring between the ages of 50 and 62. This option allows the member to receive a higher benefit until age 62 (the earliest age Social Security could begin) and a reduced benefit beginning at age 62. If you are not taking the Social Security Integration option, you should ignore those two columns.

**29) I have a birth certificate to send with my retirement application. How can I guarantee this document will remain intact?**

TRF only needs a legible photocopy of your certified or original birth certificate. If you send TRF the original, be sure to attach a note requesting the original be mailed back to you.

**30) If I defer distribution of my Annuity Savings Account, can I withdraw the non-taxable balance and defer just the taxable portion?**

Yes, you may withdraw all non-taxable contributions made before Dec. 1, 1986.

**31) If I defer distribution of my Annuity Savings Account and have already received the non-taxable portion of the balance, can I make periodic withdrawals from the taxable annuity?**

No. You can choose to annuitize your ASA with your monthly pension or you can take a lump sum distribution of the taxable portion of the balance.

**32) If I choose to integrate my TRF pension with my estimated Social Security benefit, does it change what I collect from Social Security?**

No.

**33) When I retire can I name anyone as a survivor?**

Yes, but the IRS places restrictions on what survivor options you elect if your survivor is a non-spouse.

**34) Can my survivor name a survivor once my survivor is receiving my benefit?**

No.

**35) How do I report the death of my spouse?**

You need to complete a *Death Report* (State Form 50790). You can find the *Death Report* on the INPRS Web site. If you do not have internet access, you should contact the TRF office, toll-free, at (888) 286-3544 for a copy of the form. We are available Monday through Friday from 8 a.m. to 8 p.m. EST. Complete this form and return it to TRF.

**36) Am I able to request an adjustment of my Anthem insurance deduction through TRF?**

No, but you may request adjustments directly through Anthem. Open enrollment elections become effective May 1.

**37) The 1099-R I received this year does not reflect my total gross distribution for the year. How do I get a corrected version?**

While it is possible TRF has made an error and needs to send a corrected 1099-R, there may be a legal reason for the suspected discrepancy. For the year in which a member reaches 60 years of age, TRF sends two 1099-Rs. The first reflects a distribution code of 2 in box 7. This indicates two things: first, the taxpayer has not reached the age of 59½ and second, the distribution is from a Qualified Retirement Plan after separation from service where the taxpayer has reached age 55. The second 1099-R reflects a distribution code of 7 in box 7. This indicates a normal distribution from a plan when a taxpayer is at least age 59½. The combined amounts from both 1099-Rs agree with the total benefits received for the year.

*Indiana Retired Teachers' Association (IRTA) Web site is located at <http://www.retiredteachers.org/>*

**38) Can TRF help me with preparing my taxes?**

TRF cannot provide tax advice or consultation, as the regulations regarding the filing of personal state and federal tax are outside of TRF's scope.

**39) Why can't TRF make direct electronic (direct deposit) transfers of rollover payments instead of sending me a paper check which I then have to mail to the rollover company?**

TRF's policy requires that the payment be sent directly to the member, as most companies require paperwork to be completed prior to the transferring of funds.

**40) I noticed an amount of \$30 for dues deducted from my monthly check. What is this?**

The only dues TRF is able to withhold are from the Indiana Retired Teachers' Association (IRTA). Membership in IRTA is handled through that organization. At the member's request, TRF withholds those dues and in turn submits payment to IRTA. TRF is not associated with IRTA. For more information, visit IRTA's Web site at <http://www.retiredteachers.org/>.

**41) Why are the insurance premiums still being deducted from my check? I called Anthem on this and told them to cancel the insurance.**

TRF cannot stop the deduction until notification is received from Anthem. If it has been a while since you contacted Anthem, call them again. Anthem's toll-free number is (866) 649-2041.

**42) I did not receive my 1099-R. Can you send it again?**

You may obtain a copy of your 1099-R through the TRF Interactive Web site or by contacting the TRF office, toll-free, at (888) 286-3544. We are available Monday through Friday from 8 a.m. to 8 p.m. EST.

**43) Why did I receive two 1099-Rs and what are Box 5 and Box 2a?**

You may have received two 1099-Rs because you turned 59½ last year. The IRS requires these forms be separated. You may add them together when reporting



your taxes. Box 5 is money you made while you were working and on which taxes have already been paid. Box 2a on the 1099-R is the amount you must report as taxable income to the IRS.