



PROSECUTORS' FUND AT A GLANCE

PROSECUTING ATTORNEYS' RETIREMENT FUND

Applicability

If you were serving as a prosecuting attorney, chief deputy prosecuting attorney, deputy prosecuting attorney appointed under IC 33-39-6-2 and paid from the state general fund, or the executive director or the assistant executive director of the prosecuting attorneys council of Indiana on or after Jan. 1, 1990, you are a member of the Prosecuting Attorneys' Retirement Fund. The Public Employees' Retirement Fund (PERF) is the administrator of your benefit system, and the Indiana Public Retirement System (INPRS) Board of Trustees determines your eligibility for benefits.

Summary of PARF Benefits

The Prosecutors' Fund benefits will be offset by the applicable PERF benefit entitlement, if any, on the date you begin benefits from the Prosecutors' Fund.

The PERF benefit entitlement may completely offset any monthly benefits due from the Prosecutors' Fund. If this situation occurs, you will receive a one-time payment of your Prosecutors' Fund contributions plus interest credited and compounded annually at 5.5 percent. Under this circumstance, you will not receive a monthly benefit from the Prosecutors' Fund.

Contributions

If you are a prosecuting attorney or chief deputy prosecuting attorney, you must contribute 6 percent of the state-paid portion of your salary. This 6 percent contribution will be withheld by the Auditor of the State.

As prosecuting attorneys and chief deputy prosecuting attorneys, you are also PERF members, and your 3 percent PERF contributions are paid on your behalf by the state.

Withdrawal

If you separate from employment and are not eligible for retirement benefits, you are entitled to receive a distribution of your total contributions plus interest at an annual rate of 5.5 percent. The payment is to be made no later than 60 days after the date that the distribution application is received by the INPRS board.

Benefits

Retirement Benefits

Eligibility

You are entitled to receive a monthly retirement benefit if you:

- Are at least 62 years of age, and
- Have at least eight years of creditable service, or
- If you were serving on or began service after July 1, 2006, or
- Have at least 10 years of creditable service if you ended service before July 1, 2006, or
- Meet the requirements for disability benefits

Your retirement date must be:

- After the cessation of service,
- On the first day of the month, and
- Not more than six months before the date the retirement application is received by the INPRS board



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Benefits

Retirement Benefits, cont.

Amount

If you are eligible and apply for a benefit at 65 years of age, you are eligible for an annual retirement benefit. The highest state portion of an annual salary (state portion only) paid to the participant before separation from service multiplied by a percentage based on your years of service will determine the amount of your benefit.

Early Retirement

If you are not 65 years of age, you are entitled to receive a reduced annual retirement benefit that equals the benefit that would be payable if you were age 65 reduced by .25 percent for each month that your age at retirement precedes your 65th birthday.

Disability Benefits

Eligibility

If you become disabled while in active service you may receive monthly benefits for the duration of your disability if:

- You have at least five years of creditable service; and
- You have qualified for Social Security disability benefits (or you have qualified for federal civil service disability benefits and have provided proof of qualification).

Your disability is subject to verification at least once a year until you reach age 65.

Amount

The annual salary (state portion only) that you were receiving at the time of separation from service, multiplied by a percentage based on your years of service will determine the amount of your benefit. Disability benefits paid from the Prosecutors' Fund are reduced by pension benefits paid from PERF.

Survivor Benefits

Survivors of Members Entitled to Benefits:

If you should die and on the date of your death you:

- Were receiving benefits, or
- Were in ACTIVE service and had completed eight years of creditable service as a prosecuting or chief deputy prosecuting attorney, or
- Met the requirements for disability benefits,

Your survivors are entitled to receive benefits as follows:

The surviving spouse or child or children qualify for the following survivor benefits:

- \$7,000; or 50 percent of the monthly retirement benefit you were drawing at the time of death, or to which you would have been entitled had you retired and begun receiving retirement benefits on the date of death

Survivors of Members NOT Entitled to Benefits:

If there is no surviving spouse or children eligible for benefits, and if a withdrawal application is filed with the INPRS board by your survivors or your estate, the total of your contributions plus interest (5.5 percent), minus any payments made to you, will be paid to:

- Your surviving spouse,
- Any dependent(s) if your spouse does not survive or
- Your estate, if a spouse or dependent does not survive.



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Income Tax Concerns

Distribution Before Retirement

If you terminate employment prior to being eligible for monthly pension benefits, you can withdraw your 6 percent contributions and accumulated interest from the fund. The interest portion of your distribution will be taxable (as ordinary income) in the year you received the distribution.

If you are under the age of 59 1/2 at the time you separate from service, an additional 10 percent penalty may be imposed on the taxable amount.

The 6 percent contributions that were withheld from your pay are not subject to further taxation.

An explanation of your three payment choices and the tax consequences of those choices follows:

- **Choice A:** To have the total amount of your Prosecutors' Fund account (less the mandatory withholding for federal income tax) paid directly to you.
- **Choice B:** To have all of the taxable portion of your Prosecutors' Fund account paid in the form of a direct rollover to an Individual Retirement Account (IRA) or a Qualified Retirement Plan which has provisions allowing it to accept the rollover on your behalf.
- **Choice C:** (may be selected only if you want a partial rollover amount of at least \$500) To have a part of the taxable portion of your Prosecutors' Fund account paid in the form of a DIRECT ROLLOVER to an IRA or a Qualified Retirement Plan which has provisions allowing it to accept the rollover on your behalf.

NOTE: The Prosecutors' Fund is required to withhold 20 percent of any taxable portion of your account which is paid directly to you and not paid in the form of a direct rollover to an IRA or a Qualified Retirement Plan.

If you elect Choice B or C, the Prosecutors' Fund will deliver to you a check payable to the trustee of the IRA or Qualified Retirement Plan and a separate check payable to you representing your non-taxable portion and any taxable portion not directly rolled over. You will then be responsible for delivering the check to the trustee of the IRA or Qualified Retirement Plan that you specified on your Prosecutors' Fund distribution form.

NOTE: There will be no income tax withholding on any amount directly rolled over.

CAUTION: You should consult the trustee of your qualified plan or IRA or your professional tax advisor if you need further information regarding the taxes on your distribution.

Taxation of Retirement Benefit

The taxable portion of your benefit will be computed under the Simplified Method for Reporting Annuities in the IRS regulations. Once the total 6 percent you have contributed to the fund has been excluded from income, all future benefits paid will be taxable.

These tax rules are complex. If you need further tax assistance, you should contact your local IRS office or tax consultant.

Please call us toll-free at (888) 526-1687 if you have specific questions regarding your retirement benefits.

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