
BOARD OF TRUSTEES OF THE INDIANA STATE TEACHERS' RETIREMENT FUND
Resolution No. 2008-11-01

Adopting Rules Related to the Administration of the Fund as Described Herein.

WHEREAS, the Indiana State Teachers' Retirement Fund exists to provide retirement benefits to its members, their survivors, and beneficiaries;

WHEREAS, the Board of Trustees of the Indiana State Teachers' Retirement Fund, by statute, administers the Fund;

WHEREAS, the Board of Trustees, pursuant to [IC 5-10.4-3-8](#), may establish and amend rules and regulations for the administration of the Fund without adopting a rule under Indiana Code 4-22-2; and

WHEREAS, the Board of Trustees of the Indiana State Teachers' Retirement Fund wishes to adopt, readopt, amend, and/or repeal certain rules contained or to be contained in the Indiana Administrative Code related to the administration of the Fund as described herein;

NOW THEREFORE, BE IT RESOLVED by the Board of Trustees of the Indiana State Teachers' Retirement Fund that:

SECTION 1. [550 IAC 2-1-4.6](#) IS ADDED TO READ AS FOLLOWS:

[550 IAC 2-1-4.6](#) "Executive director duties and authority" defined

Authority: [IC 5-10.4-3-6](#)

Affected: [IC 5-10.4-3-5](#)

Sec. 4.6. The director shall have authority to:

- (1) act on applications for benefits;**
- (2) enter into agreements and sign contracts on behalf of the fund pursuant to and in accordance with procurement policies established by the board;**
- (3) develop, institute, and enforce fund personnel and administrative policies;**
- (4) perform duties as is necessary to effectuate the statutory purposes of the fund; and**
- (5) perform duties as may be assigned by the board.**

(Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-1-4.6](#); adopted Nov 19, 2008: [20081126-IR-550080887ONA](#))

SECTION 2. [550 IAC 2-1-11.5](#) IS ADDED TO READ AS FOLLOWS:

[550 IAC 2-1-11.5](#) "Separate accounts" defined

Authority: [IC 5-10.4-3-6](#)

Affected: [IC 5-10.4-7-10](#)

Sec. 11.5. Separate accounts within the 1996 account shall only be required in the event the board adopts individual employer contribution rates for each school corporation. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-1-11.5](#); adopted Nov 19, 2008: [20081126-IR-550080887ONA](#))*

SECTION 3. [550 IAC 2-1-12.5](#) IS ADDED TO READ AS FOLLOWS:

[550 IAC 2-1-12.5](#) "Benefit accrual date" defined

Authority: [IC 5-10.4-3-6](#)

Affected: [IC 5-10.2](#); [IC 5-10.4-5-8](#)

Sec. 12.5. (a) For members who choose not to delay their retirement date after ceasing employment, the benefit accrual date is the date in which a member ceases service.

(b) For all other members, the benefit accrual date is their retirement date chosen pursuant to [IC 5-10.2-4-1.3](#) and in accordance with [IC 5-10.2-4-1\(d\)\(3\)](#). *(Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-1-12.5](#); adopted Nov 19, 2008: [20081126-IR-550080887ONA](#))*

SECTION 4. [550 IAC 2-2-7](#) IS AMENDED TO READ AS FOLLOWS:

[550 IAC 2-2-7](#) Definition of compensation

Authority: [IC 5-10.4-3-6](#)

Affected: [IC 5-10.2-4-3](#); [IC 5-10.4-5-6](#)

Sec. 7. (a) "Basic salary" or "annual compensation" means the monetary compensation agreed to in advance in writing that is earned by and paid to a teacher for services rendered under a uniform or supplemental contract plus the amounts stated in [IC 5-10.2-4-3](#) that are not paid directly to the member.

(b) Annual compensation does not include any of the following:

(1) Those amounts excluded under [IC 5-10.2-4-3](#).

(2) A one (1) time payment, or lump sum payment, by the employer that is not made for services actually rendered or based upon the member's standard rate of pay.

(3) Back pay awards or settlements arising out of an employment grievance proceeding, except that back pay may be allocated among the years in which the service was rendered.

(4) Payments by the employer for accrued but unused compensatory time for overtime worked.

(5) Meals, lodging, life insurance, or other fringe benefits provided by the employer unless they fall within [IC 5-10.2-4-3\(e\)\(2\)](#); [IC 5-10.2-4-3\(d\)](#).

(6) Payments by the employer for accrued but unused holiday, sick, and personal time, even when paid as part of a bargained agreement on a yearly or terminal basis.

(7) Payments for dues for professional or other organizations.

(8) Payments made as bonuses or awards for attendance, incentives, or performance unless such payments are available to all covered members employed by the employing unit.

(9) Payments in lieu of insurance coverage to members who do not participate in employer provided health insurance plans or other fringe benefits provided by the employer, except payments made pursuant to a bona fide Section 125 cafeteria plan, as defined in Section 125 of the Internal Revenue Code.

(10) Reimbursements for expenditures made by the member.

(11) Payments by the employer for accrued but unused vacation time, even when paid as part of a bargained agreement on a yearly or terminal basis, except for annual amounts paid to a member:

(A) employed in a state institution with an instructional calendar of less than one hundred ninety-five (195) days;

(B) pursuant to the state department of personnel's teacher salary policy; and

(C) who retired after May 1, 2001.

The items listed in this subsection do not constitute an exhaustive list.

(c) A member's basic salary or annual compensation must be certified by an official of the employing unit who has knowledge of and access to the records. A member may not certify his or her basic salary or annual compensation. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-2-7](#); filed Oct 5, 1992, 5:00 p.m.: 16 IR 705; filed Jul 26, 2000, 2:48 p.m.: 23 IR 3089; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; filed Apr 8, 2004, 3:23 p.m.: 27 IR 2496; adopted Mar 27, 2007: [20070404-IR-550070200ONA](#); adopted Nov 19, 2008: [20081126-IR-550080887ONA](#)*)

SECTION 5. [550 IAC 2-4-1](#) IS AMENDED TO READ AS FOLLOWS:

[550 IAC 2-4-1](#) Membership in the fund

Authority: [IC 5-10.4-3-6](#)

Affected: [IC 5-10.2-3-2](#); [IC 5-10.4-4-1](#); [IC 5-10.4-4-11](#); [IC 20-24-1-4](#)

Sec. 1. (a) Membership in the fund shall be compulsory for all teachers licensed by the Indiana state board of education or its successor who are regularly employed pursuant to a uniform or supplemental teaching contract to perform educational or administrative services in the public schools of the state of Indiana. Licensed substitute teachers who have at least an associate's degree and who have taught at least one hundred twenty (120) days in any one (1) school year or at least sixty (60) days in any two (2) school years are also required to become members of the fund. ~~Statutory~~ **Required** contributions must be paid to the fund for each covered teacher.

(b) Membership in the fund is compulsory for employees of the fund, and all licensed teachers regularly employed in state educational institutions supported solely by the state who devote their entire time to teaching or in state benevolent, charitable, or correctional institutions. ~~Both employer and employee~~ **Required** contributions must be paid to the fund.

(c) Membership is optional for regularly contracted faculty and professional staff at Ball State University, Indiana State University, University of Southern Indiana, and Vincennes University who are designated as eligible by the board. The universities shall petition the board before new teachers are given the opportunity to join the fund. ~~Both employer and employee~~ **Required** contributions must be paid to the fund.

(d) Membership in the fund is optional for employees and officials of a governing body and the Indiana state board of education who were licensed by the Indiana state board of education prior to their election or appointment. ~~Appropriate~~ **Required** contributions must be made to the fund.

(e) Membership in the fund is optional for teachers employed by charter schools as defined by IC 20-24-1-4. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-4-1; filed Oct 5, 1992, 5:00 p.m.: 16 IR 706; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Nov 19, 2008: 20081126-IR-550080887ONA*)

SECTION 6. [550 IAC 2-5-1](#) IS AMENDED TO READ AS FOLLOWS:

[550 IAC 2-5-1](#) One day of service credit

Authority: [IC 5-10.4-3-6](#)

Affected: [IC 5-10.4-4-2](#)

Sec. 1. For purposes of [IC 21-6.1-4-2\(a\)](#), [IC 5-10.4-4-2](#), a member is entitled to one (1) day of service credit when the member engages in covered service for a standard work day or any fraction thereof. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-5-1; filed Oct 5, 1992, 5:00 p.m.: 16 IR 707; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA*)

SECTION 7. [550 IAC 2-5-10.4](#) IS AMENDED TO READ AS FOLLOWS:

[550 IAC 2-5-10.4](#) Purchase of service credit

Authority: [IC 5-10.4-3-6](#)

Affected: [IC 5-10.2-3-1.2](#); [IC 5-10.2-4-10](#); [IC 5-10.4-4](#)

Sec. 10.4. (a) A member who is otherwise qualified to purchase service credit must do so while the member is in active service whereby the member is under contract or in an employment relationship to earn one (1) year of service credit during the year in which the application to purchase service credit is made. A retiring member who makes application for the purchase of service credit contemporaneously with the member's application for retirement following one (1) full year of service is deemed to have met this requirement.

(b) Except as provided in subsection (c), no additional purchase of service credit can be made once a member's application for retirement has been processed and a retirement benefit is scheduled to be distributed.

~~(c) Otherwise qualified reemployed retiree members may purchase service credit as provided by law, and such purchase of service credit shall be used in the determination of the member's supplemental retirement benefit as described in [IC 5-10.2-4-10](#).~~

~~(d)~~ (c) A qualified member may only purchase service credit in increments of one-twelfth (1/12) of a year.

(e) (d) A member seeking to purchase service credit must provide documentary evidence that the statutory requirements and the requirements stated herein have been satisfied. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-5-10.4; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Nov 19, 2008: 20081126-IR-550080887ONA*)

SECTION 8. [550 IAC 2-6-4](#) IS AMENDED TO READ AS FOLLOWS:

[550 IAC 2-6-4](#) Death in service; surviving dependents

Authority: [IC 5-10.4-3-6](#)

Affected: [IC 5-10.2-3-7.5](#); [IC 5-10.2-3-8](#); [IC 5-10.4-5-12](#)

Sec. 4. (a) Whenever a member dies while in active service and is not survived by a qualified spouse but is survived by one (1) qualified dependent, the dependent is entitled to the ~~monetary~~ **monthly** benefits determined under the statutory criteria.

(b) Whenever a member dies while in active service and is not survived by a qualified spouse but is survived by more than one (1) qualified dependent, the qualified dependents are entitled to an equal share of the monthly benefits determined under statutory criteria. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-6-4; filed Oct 5, 1992, 5:00 p.m.: 16 IR 710; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: [20070404-IR-550070200ONA](#); adopted Nov 19, 2008: [20081126-IR-550080887ONA](#)*)

SECTION 9. [550 IAC 2-7-2](#) IS AMENDED TO READ AS FOLLOWS:

[550 IAC 2-7-2](#) Retirement effective date

Authority: [IC 5-10.4-3-6](#)

Affected: [IC 5-10.2-4-1](#); [IC 5-10.2-4-8](#); [IC 5-10.4-5-8](#)

Sec. 2. (a) A member's retirement shall become effective on the latest of the first day of:

- (1) the month following the last day of compensated service;
- (2) the month following the date that age, service credit, or disability requirements are met; or
- (3) any future month requested by the member in writing.

(b) For the purpose of ~~[IC 5-10.2-4-8](#)~~(e), [IC 5-10.2-4-8](#), the ~~ninety (90)-day~~ separation requirement counting period begins with the member's retirement benefit accrual date.

(c) For the purpose of [IC 5-10.2-4-8](#), the separation requirement period is measured between the date of reemployment and the member's benefit accrual date. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-7-2](#); filed Oct 5, 1992, 5:00 p.m.: 16 IR 711; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: [20070404-IR-550070200ONA](#); adopted Nov 19, 2008: [20081126-IR-550080887ONA](#)*)

SECTION 10. [550 IAC 2-7-4](#) IS AMENDED TO READ AS FOLLOWS:

[550 IAC 2-7-4](#) Guaranteed plan

Authority: [IC 5-10.4-3-6](#)

Affected: [IC 5-10.2-3-9](#); [IC 5-10.2-4-2](#)

Sec. 4. (a) When a member elects the five (5) year guaranteed retirement plan option and does not live to exhaust the full amount of the payments, the balance shall accrue to the **designated** beneficiary or the estate of the member.

(b) When a member dies prior to exhausting the balance held in the member's annuity savings account, the balance, after deducting any payments from the account, including death settlements, will be distributed to the designated beneficiary or the member's estate. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-7-4](#); filed Oct 5, 1992, 5:00 p.m.: 16 IR 711; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: [20081126-IR-550080887ONA](#)*)

SECTION 11. [550 IAC 2-7-7](#) IS AMENDED TO READ AS FOLLOWS:

[550 IAC 2-7-7](#) Death while receiving benefit under five year guarantee option

Authority: [IC 5-10.4-3-6](#)

Affected: [IC 5-10.2-4-2](#); [IC 5-10.2-4-8.2](#)

Sec. 7. (a) Except as provided in subsection (b), if a member who selected the five (5) year guarantee retirement option dies prior to the end of the five (5) year period, the remaining payments shall be paid to the **designated** beneficiary or the member's estate in a lump sum after being actuarially reduced for early payment.

(b) If a member makes an election under [IC 5-10.2-4-8.2](#)(b)(2) and selects the five (5) year guarantee retirement option, the **designated** beneficiary is entitled to the remaining payments as described in subsection (a), less the amount of retroactive retirement benefits paid to the member as a result of such selection, if any. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-7-7](#); filed Oct 5, 1992, 5:00 p.m.: 16 IR 712; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: [20070404-IR-550070200ONA](#); adopted Nov 19, 2008: [20081126-IR-550080887ONA](#)*)

SECTION 12. [550 IAC 2-9-6](#) IS AMENDED TO READ AS FOLLOWS:

550 IAC 2-9-6 Minimum disability retirement benefit

Authority: [IC 5-10.4-3-6](#)

Affected: [IC 5-10.2-4-7](#); [IC 5-10.4-5-1](#)

Sec. 6. (a) The minimum monthly disability retirement benefit is one hundred **eighty** dollars (~~\$100~~) (**\$180**) only if the member chooses the five (5) year retirement benefit guarantee and purchases an annuity with the amount credited in the member's annuity savings account.

(b) The minimum monthly disability retirement benefit shall be no less than the actuarial equivalent of one hundred **eighty** dollars (~~\$100~~) (**\$180**) if the member chooses:

- (1) to take the amount credited to the member's annuity savings account in a lump sum distribution;
- (2) a retirement benefit option under [IC 5-10.2-4-7](#); or
- (3) a combination of a lump sum distribution of the annuity savings account and an option under [IC 5-10.2-4-7](#).

(Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-9-6](#); filed Oct 5, 1992, 5:00 p.m.: 16 IR 713; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: [20081126-IR-550080887ONA](#))

SECTION 13. [550 IAC 2-9-6.4](#) IS ADDED TO READ AS FOLLOWS:

550 IAC 2-9-6.4 Confidentiality of fund records

Authority: [IC 5-10.4-3-6](#)

Affected: [IC 5-10.2-2-17](#)

Sec. 6.4. Pursuant to [IC 5-10.2-2-17](#), fund records of individual members and membership information are confidential, except for the name and years of service of a fund member. Notwithstanding the fund may in its sole discretion provide member record or membership information to:

- (1) state agencies;
- (2) independent bodies corporate and politic; and
- (3) service providers who contract with the fund;

so long as such service providers, state agencies, and independent bodies corporate and politic are contractually bound by a confidentiality agreement approved by the fund and where in the fund's sole discretion the fund determines there is a necessity to provide such records to carry out the administrative functions of the fund. (Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-9-6.4](#); adopted Nov 19, 2008: [20081126-IR-550080887ONA](#))

SECTION 14. THE FOLLOWING ARE REPEALED: [550 IAC 2-4-1.4](#); [550 IAC 2-5-9](#); [550 IAC 2-5-12](#); [550 IAC 2-6-8.4](#); [550 IAC 2-8-1](#); [550 IAC 2-8-3](#).

SECTION 15. THE FOLLOWING ARE READOPTED WITHOUT CHANGES: [550 IAC 2-1-1](#); [550 IAC 2-1-2](#); [550 IAC 2-1-6](#); [550 IAC 2-1-7](#); [550 IAC 2-1-8](#); [550 IAC 2-1-11](#); [550 IAC 2-1-12](#); [550 IAC 2-1-14](#); [550 IAC 2-1-15](#); [550 IAC 2-4-2](#); [550 IAC 2-4-4](#); [550 IAC 2-5-2](#); [550 IAC 2-5-3](#); [550 IAC 2-5-4](#); [550 IAC 2-5-7](#); [550 IAC 2-5-8](#); [550 IAC 2-5-10](#); [550 IAC 2-6-1](#); [550 IAC 2-6-5](#); [550 IAC 2-6-7](#); [550 IAC 2-6-9](#); [550 IAC 2-9-3](#); [550 IAC 2-9-4](#); [550 IAC 2-9-5](#).

DATED: November 19, 2008

Signed: Dave Adams
President of the Board of Trustees
Indiana State Teachers' Retirement Fund

Resolution adopted by 6 affirmative and 0 negative votes.

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