

## BOARD OF TRUSTEES OF THE INDIANA PUBLIC RETIREMENT SYSTEM

## Resolution No. 2019-05-03

Adopting rules related to the administration of the Fund as described herein.

WHEREAS, the Indiana Public Retirement System exists to provide retirement benefits to its members, their survivors, and beneficiaries;

WHEREAS, the Board of Trustees of the Indiana Public Retirement System, by statute, administers the Fund;

WHEREAS, the Board of Trustees, pursuant to [IC 5-10.5-4-2](#), may establish and amend rules and regulations for the administration of the Fund without adopting a rule under [IC 4-22-2](#);

WHEREAS, the Board of Trustees of the Indiana Public Retirement System wishes to adopt, 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; and

WHEREAS, the following adoptions and amendments are effective July 1, 2019, with implementation of TRF MyChoice;

NOW THEREFORE, BE IT RESOLVED by the Board of Trustees of the Indiana Public Retirement System that:

SECTION 1. [35 IAC 1.3-4-1](#) IS AMENDED TO READ AS FOLLOWS:

**[35 IAC 1.3-4-1](#) Participants of the plan**

**Authority:** [IC 5-10.3-12-18](#); [IC 5-10.5-4-2](#)

**Affected:** [IC 5-10.3-2-4](#); [IC 5-10.3-6-1](#); [IC 5-10.3-7-1](#); [IC 5-10.3-12-1](#)

Sec. 1. (a) ~~Members~~ **Participants** of the plan are determined by [IC 5-10.3-12](#) and this article.

(b) Eligible ~~members~~ **participants** must elect ~~membership to participate~~ in the plan defined in [IC 5-10.3-12](#) within the first sixty (60) days of their employment, or the member will be defaulted to membership in either the plan or the fund, determined by the default membership elected by the employer in the resolution on file with INPRS.

(c) The default described in subsection (b) is irrevocable.

(d) If a ~~member~~ **participant** terminates employment prior to making a ~~membership participation~~ election the ~~member participant~~ will be defaulted to membership in either the plan or the fund, determined by the default membership elected by the employer in the resolution on file with INPRS.

(e) **An election made due to a material mistake by the participant may be corrected under INPRS' sole discretion within sixty (60) days following the end of the election period upon petition by the participant if the participant can prove to INPRS' satisfaction that the election was made due to a material mistake by the participant.** (*Board of Trustees of the Indiana Public Retirement System; [35 IAC 1.3-4-1](#); adopted Sep 16, 2011: [20110928-IR-035110564ONA](#); adopted Dec 14, 2012: [20121226-IR-035120663ONA](#); adopted Jun 20, 2014: [20140820-IR-035140335ONA](#); adopted Sep 11, 2015: [20150923-IR-035150302ONA](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#)*)

SECTION 2. [35 IAC 1.3-5-1](#) IS AMENDED TO READ AS FOLLOWS:

**[35 IAC 1.3-5-1](#) Member accounts**

**Authority:** [IC 5-10.3-12-18](#); [IC 5-10.5-4-2](#)

**Affected:** [IC 5-10.2-3-10](#); [IC 5-10.3-12](#)

Sec. 1. (a) Each member in the plan will have an account that includes the following subaccounts:

- (1) A member contribution subaccount as defined in [IC 5-10.3-12-13](#).
- (2) An employer contribution subaccount as defined in [IC 5-10.3-12-9](#).

(b) To the extent a member has made rollover contributions to the plan, a rollover account as defined in [IC 5-10.3-12-22](#) [IC 5-10.3-12-2](#) and [IC 5-10.3-12-29](#) will be maintained on behalf of the member as a separate subaccount within the member's account. ~~Unless a member with a rollover account as defined within [IC 5-10.2-3-10](#) rolls over the account into a rollover account under this rule, and as defined within [IC 5-10.3-12](#), rollovers are to be maintained in separate subaccounts.~~

(c) The accounts will be held and invested in the annuity savings account, subject to the provisions of [IC 5-10.3-12](#) and this title, and the plan shall be a component of the fund. (*Board of Trustees of the Indiana Public Retirement System; [35 IAC 1.3-5-1](#); adopted Sep 16, 2011: [20110928-IR-035110564ONA](#); adopted Dec 14, 2012: [20121226-IR-035120663ONA](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#)*)

SECTION 3. [35 IAC 14-7-11](#) IS AMENDED TO READ AS FOLLOWS:

### [35 IAC 14-7-11](#) Overpayments and underpayments

Authority: [IC 5-10.2-2-1](#); [IC 5-10.5-4-2](#)

Affected: [IC 5-10.2-2-11](#); [IC 5-10.2-3-2](#); [IC 6-8.1-10-1](#)

Sec. 11. (a) When there has been an overpayment of picked up member contributions or after-tax member contributions, the principal amount of the overpayment will be credited to the employer. The principal amount of the overpayment may be adjusted for earnings/interest at the interest rate defined in subsection (e).

(b) When there has been an underpayment of picked up member contributions or after-tax member contributions, the principal amount of the underpayment will be billed to the employer **to the extent funds are in the account**. The principal amount of the underpayment may be adjusted for earnings/interest at the interest rate defined in subsection (e) to begin accruing seven (7) days after the pay period end date of the original wage and contribution report.

(c) When there has been an overpayment of employer contributions, the principal amount of the overpayment will be credited to the employer. The principal amount of the overpayment may be adjusted for earnings/interest at the interest rate defined in subsection (e).

(d) When there has been an underpayment of the employer contribution, the principal amount of the underpayment will be billed to the employer. The principal amount may be adjusted for earnings/interest at the interest rate defined in subsection (e) to begin accruing seven (7) days after the pay period end date of the original wage and contribution report.

(e) For purposes of this section, the interest rate shall be determined by the executive director and shall not exceed the assumed rate of return set by the board. (*Board of Trustees of the Indiana Public Retirement System; [35 IAC 14-7-11](#); adopted Dec 16, 2009: [20100106-IR-550090990ONA](#); errata filed Jan 19, 2010, 12:48 p.m.: [20100203-IR-550100043ACA](#); adopted Sep 16, 2010: [20100929-IR-550100612ONA](#); adopted Mar 6, 2015: [20150318-IR-035150060ONA](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#)*) NOTE: Transferred from the Board of Trustees of the Indiana State Teachers' Retirement Fund ([550 IAC 2-7-9](#)) to the Board of Trustees of the Indiana Public Retirement System ([35 IAC 14-7-11](#)) by P.L.23-2011, SECTION 22, effective July 1, 2011.

SECTION 4. [35 IAC 14.1](#) IS ADDED TO READ AS FOLLOWS:

## ARTICLE 14.1. INDIANA STATE TEACHERS' RETIREMENT FUND—DEFINED CONTRIBUTION PROGRAM

### Rule 1. General Provisions

#### [35 IAC 14.1-1-1](#) Administration

Authority: [IC 5-10.4-8](#); [IC 5-10.5-4-2](#)

Affected: [IC 5-10.4-3](#); [IC 5-10.4-8](#); [IC 5-10.5-4](#)

Sec. 1. (a) The teachers' defined contribution plan, created under [IC 5-10.4-8-4](#) (hereinafter referred to as the plan) shall be administered by the INPRS board of trustees of the Indiana public retirement system (hereinafter referred to as the INPRS board). The plan is a separate defined contribution account of the Indiana state teachers' retirement fund under the administration of the INPRS board.

(b) The executive director of the fund shall have the same duties and authority over the plan as apply to the fund under [35 IAC 14-1-12](#).

(c) The INPRS board shall have the same duties and authority over the plan as apply to the fund under [IC 5-10.4-3](#) and [IC 5-10.5-4](#).

(d) Pursuant to [IC 5-10.4-8-5](#), the INPRS board shall implement this article within a reasonable amount of time after which the Internal Revenue Service issues an approval of the plan. (*Board of Trustees of the Indiana Public Retirement System; 35 IAC 14.1-1-1; adopted May 3, 2019: 20190515-IR-035190262ONA*)

## Rule 2. Definitions

### [35 IAC 14.1-2-1](#) Definitions

Authority: [IC 5-10.4-8](#); [IC 5-10.5-4-2](#)

Affected: [IC 5-10-8-7](#); [IC 5-10.2-2-2](#); [IC 5-10.2-4-3](#); [IC 5-10.4-2-2](#); [IC 5-10.4-4-1](#); [IC 5-10.4-8](#)

Sec. 1. The definitions in [35 IAC 14-1](#) apply throughout this article, unless the term is defined in this section or unless the context otherwise clearly requires:

- (1) "Annuity savings account" or "ASA" means the annuity savings account maintained under [IC 5-10.2-2-2\(a\)\(1\)](#), as described in [IC 5-10.4-8-2\(2\)](#), and is also referred to as a "defined contribution account".
- (2) "Compensation", for the purposes of [IC 5-10.4-8-9](#) and this plan, means all compensation that is included as gross income as reported on the participant's W-2 as described in [35 IAC 14-2-10](#) for covered service by a covered employer, plus the amounts stated in [IC 5-10.2-4-3](#) that are not paid directly to the participant.
- (3) "Defined contribution account" means the account maintained under [IC 5-10.2-2-2\(a\)\(1\)](#), as described in [IC 5-10.4-8-2\(2\)](#), and is also referred to as an "annuity savings account".
- (4) "Employer contributions" means contributions made by the state, and public school corporations credited to the participant's employer contribution subaccount, as described in [IC 5-10.4-8-2\(6\)](#) and [IC 5-10.4-8-10](#).
- (5) "Full year of participation" means service of at least one hundred twenty (120) days in one (1) year or sixty (60) days in each of two (2) years.
- (6) "Fund" means the Indiana state teachers' defined benefit plan as described in [IC 5-10.2-2-2](#) and [IC 5-10.4-2-2](#).
- (7) "In service", "active service", and "serve" means physically performing plan covered employment duties in any one (1) day or fraction thereof. The terms also include service by a participant who is a state employee and who is entitled to service credit for the time the member is receiving disability benefits under a disability plan established under [IC 5-10-8-7](#).
- (8) "Member" means a person who participates in the fund.
- (9) "Normal cost of the fund", for purposes of [IC 5-10.4-8-10](#) and this plan, means the present value of the portion of the actuarial cost of projected benefits allocated to the current plan year. The normal cost is calculated by determining the projected future benefits to members, discounting the projected future benefits to the valuation date to establish the present value of benefits, and allocating the cost of the present value of benefits to past service, current service, and future service. The amount allocated to the current service is the normal cost. The normal cost of the fund is calculated annually by the actuary as part of the valuation process.
- (10) "Participant" means a person who participates in the plan.
- (11) "Participant's contributions" means the participant's contributions credited to the participant's contribution subaccount, as described in [IC 5-10.4-8-2\(9\)](#) and [IC 5-10.4-8-9](#), which includes the participant's compensation under [IC 5-10.4-8-2\(3\)](#).
- (12) "Plan" means the teachers' defined contribution plan established under [IC 5-10.4-8-4](#).
- (13) "TRF membership" or "TRF member" means a person who is eligible for membership in TRF pursuant to [IC 5-10.4-4-1](#) whether or not the person makes an election to participate in the plan.
- (14) "Vested" or "vested portion" means the portion of the employer contribution subaccount that is vested as described in [IC 5-10.4-8-11](#).

(*Board of Trustees of the Indiana Public Retirement System; 35 IAC 14.1-2-1; adopted May 3, 2019: 20190515-IR-035190262ONA*)

## Rule 3. Years of Participation

### [35 IAC 14.1-3-1](#) Years of participation

Authority: [IC 5-10.4-8-11](#); [IC 5-10.5-4-2](#)

Affected: [IC 5-10.2-3-1](#); [IC 5-10.4-4-2](#); [IC 5-10.4-8-11](#)

Sec. 1. (a) All years of participation for purposes of determining vesting under the plan are determined by [IC 5-10.4-8-11](#) and this article.

(b) A participant's full years of participation shall be credited in yearly increments in which the participant works at least one hundred twenty (120) days in one (1) year or sixty (60) days in each of two (2) years pursuant to [IC 5-10.4-4-2](#), and shall not be prorated for partial years of participation credit. For example, if Kevin is a participant in the plan and leaves employment after having received four (4) full years of participation credit, but works only sixty (60) working days with his employer during the last year of his employment, Kevin will be vested in only eighty percent (80%) of the employer contribution subaccount. Kevin decides not to withdraw any of his funds, and he returns to a plan-covered position three (3) years later. When Kevin serves an additional sixty (60) days during one (1) year with his new employer, he will receive one (1) additional full year of participation credit based on the combination of both sixty (60) day increments.

(c) If a plan participant:

(1) is employed in two (2) different plan-covered positions at the same time; and

(2) then terminates employment from either one (1) of those positions;

the participant does not forfeit those contributions, as described in [IC 5-10.4-8-11](#)(e), from the participating entity from which he or she terminates. The participant does not forfeit any participant contributions.

(d) Participants who separate employment from one (1) participating entity in the plan retain their accumulated years of participation if the participant is hired by another participating entity.

(e) A participant's years of participation in the plan may only be used towards calculating the participant's vesting percentage in the plan. Years of participation in the plan may not be treated as creditable service in the fund.

(f) If a plan participant is employed in two (2) plan-covered positions, the participant may earn years of participation from only one (1) position at a time. (*Board of Trustees of the Indiana Public Retirement System*; [35 IAC 14.1-3-1](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

### **[35 IAC 14.1-3-2](#) Leave of absence**

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

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

Sec. 2. (a) As used in this section, "FMLA" refers to the Family and Medical Leave Act (29 U.S.C. 2601 et seq.) and all applicable regulations and amendments.

(b) This section shall be administered in a manner consistent with the FMLA.

(c) Except as otherwise required by the FMLA, a participant shall be entitled to years of participation credit for vesting purposes under the plan if a copy of the grant of the leave of absence is filed with INPRS within ninety (90) days from the date the leave was authorized by the employer.

(d) If the participant is compensated while on an FMLA-covered leave, the statutory contributions must be maintained.

(e) The participant shall be entitled to not more than one (1) year of participation for each approved leave described in [IC 5-10.4-4-7](#)(c). (*Board of Trustees of the Indiana Public Retirement System*; [35 IAC 14.1-3-2](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

### **[35 IAC 14.1-3-3](#) Reinstatement**

Authority: [IC 5-10.5-4-2](#); [IC 5-10.4-8-4](#)

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

Sec. 3. A participant whose service is involuntarily terminated and who is later reinstated as a result of a court determination and order or administrative final determination and order may be eligible for

**employer and employee contributions as provided in the court determination and order or administrative final determination and order.** (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-3-3](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**[35 IAC 14.1-3-4](#) Service credit for injured employees**

Authority: [IC 5-10.5-4-2](#); [IC 5-10.4-8-4](#)

Affected: [IC 5-10.2-3-1](#); [IC 5-10.4-8](#)

**Sec. 4. Years of participation shall be earned by a participant injured during the scope of the participant's employment and paid benefits under the Worker's Compensation Act or the State Personnel Act.** (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-3-4](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**[35 IAC 14.1-3-5](#) Unused sick leave**

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4](#)

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

**Sec. 5. No years of participation credit shall be given after a participant's last physical day at work for unused sick, vacation, or personal leave time that may or may not be paid to the participant, the participant's beneficiary, or estate.** (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-3-5](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**Rule 4. Participants of the Plan**

**[35 IAC 14.1-4-1](#) Participants of the plan**

Authority: [IC 5-10.4-8](#); [IC 5-10.5-4-2](#)

Affected: [IC 5-10.4-1-13](#); [IC 5-10.4-4-1](#); [IC 5-10.4-8-6](#); [IC 5-10.4-9-2](#)

**Sec. 1. (a) Participants of the plan are determined by [IC 5-10.4-8-6](#) and this article.**

**(b) Eligible participants of the plan include members of TRF as described in [IC 5-10.4-4-1](#) who are employed by school corporations as defined by [IC 5-10.4-1-13](#).**

**(c) Eligible participants of the plan do not include teachers in the private teaching service, charter schools, turnaround academies, or other alternative educational schools.**

**(d) Substitute teachers who have not qualified for membership in TRF are not eligible to participate in the plan.**

**(e) Eligible participants must elect to participate in the plan defined in [IC 5-10.4-8-6](#) within the first sixty (60) days of their employment, or the participant will be defaulted to membership in the fund.**

**(f) If a TRF member terminates employment prior to making an election to participate in the plan, the TRF member will be defaulted to membership in the fund.** (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-4-1](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**[35 IAC 14.1-4-2](#) Participant's election to participate in the plan**

Authority: [IC 5-10.4-8](#); [IC 5-10.5-4-2](#)

Affected: [IC 5-10.2](#); [IC 5-10.4-4-1](#); [IC 5-10.4-8-6](#)

**Sec. 2. (a) An individual who, on or after the effective date of the plan, begins employment with a school corporation in a covered position that would otherwise be eligible for membership in the fund under [IC 5-10.4-4-1](#) may elect to become a participant in the plan.**

**(b) An election under this section:**

**(1) must be in writing;**

**(2) must be filed with the board, on a form or in a manner approved by the board; and**

**(3) is irrevocable per [IC 5-10.4-8-6](#).**

**(c) An election made due to a material mistake by the participant may be corrected under INPRS' sole discretion within sixty (60) days following the end of the election period upon petition by the participant if**



the participant can prove to INPRS' satisfaction that the election was made due to a material mistake by the participant. (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-4-2](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

## Rule 5. Participant Accounts and Investment

### [35 IAC 14.1-5-1](#) Participant accounts

Authority: [IC 5-10.4-8](#); [IC 5-10.5-4-2](#)

Affected: [IC 5-10.2-3-10](#); [IC 5-10.4-8](#)

Sec. 1. (a) Each participant in the plan will have an account that includes the following subaccounts:

(1) A participant contribution subaccount as defined in [IC 5-10.4-8-7](#).

(2) An employer contribution subaccount as defined in [IC 5-10.4-8-7](#).

(b) To the extent a participant has made rollover contributions to the plan, a rollover account as defined in [IC 5-10.4-8-15](#) will be maintained on behalf of the participant as a separate subaccount within the participant's account.

(c) The accounts will be held and invested in the annuity savings account, subject to the provisions of [IC 5-10.4-8-8](#) and this title, and the plan shall be a component of TRF. (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-5-1](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

### [35 IAC 14.1-5-2](#) Participant accounts

Authority: [IC 5-10.4-8](#); [IC 5-10.5-4-2](#)

Affected: [IC 5-10.2-3-10](#); [IC 5-10.4-8-7](#); [IC 5-10.4-8-9](#)

Sec. 2. An administration fee as determined and set by the board will be assessed on each participant's account for administration and maintenance costs of the account. (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-5-2](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

## Rule 6. Retirement and Disability Benefits

### [35 IAC 14.1-6-1](#) Participant distribution options

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

Affected: [IC 5-10.2-3-10](#); [IC 5-10.2-4-7](#); [IC 5-10.4-8-2](#); [IC 5-10.4-8-12](#)

Sec. 1. (a) As provided under [IC 5-10.4-8-12](#) and this article, a participant who terminates service in covered employment and does not perform any service in a position covered by the fund for at least thirty (30) days is entitled to withdraw the vested portion of the participant's account as:

(1) a lump sum or partial distribution as permitted by [IC 5-10.4-8-12](#);

(2) a direct rollover to an eligible retirement plan; or

(3) if the participant has attained normal retirement age, as defined in [IC 5-10.4-8-2](#)(10), a monthly annuity, subject to this article.

(b) For a participant electing a distribution under subsection (a)(3), the forms of monthly annuity payments that are available under the annuity savings account of the fund shall be available, pursuant to [IC 5-10.2-4-7](#). (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-6-1](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

### [35 IAC 14.1-6-2](#) Preretirement survivor benefits

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

Affected: [IC 5-10.4-8-13](#)

Sec. 2. The distribution options available to the beneficiary or beneficiaries shall be as described in [IC 5-10.4-8-13](#), and subject to the provisions of section 1 of this rule with regard to participant distribution options. (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-6-2](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

### [35 IAC 14.1-6-3](#) Disability benefits

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

Affected: [IC 5-10.4-8-11](#); [IC 5-10.4-8-16](#)

**Sec. 3. (a)** A participant who becomes disabled while in service in a covered position and who presents proof of the participant's qualification for Social Security benefits to the INPRS board is entitled to withdraw the vested portion of the participant's account as described in [IC 5-10.4-8-11](#) and section 1 of this rule, provided that a monthly annuity shall be available as a distribution option regardless of whether the participant has attained normal retirement age, if the minimum monthly annuity amount rule under section 1(b) of this rule is satisfied.

**(b)** Nonvested amounts at the time of the initial disability distribution are not forfeited under [IC 5-10.4-8-11\(e\)](#) at the time of the disability distribution. *(Board of Trustees of the Indiana Public Retirement System; 35 IAC 14.1-6-3; adopted May 3, 2019: 20190515-IR-035190262ONA)*

**[35 IAC 14.1-6-4](#) Disability benefits effect of return to work or reemployment**

**Authority:** [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

**Affected:** [IC 5-10.4-8-11](#); [IC 5-10.4-8-16](#)

**Sec. 4. (a)** If a disabled participant of the plan separates from employment with a participating school corporation and later returns to state employment in a position covered by the plan, the participant is entitled to receive credit for the participant's years of participation in the plan before the participant's separation. However, any amounts forfeited by the participant under [IC 5-10.4-8-11\(e\)](#) or this article may not be restored to the participant's account.

**(b)** When a disabled participant of the plan receiving a disability annuity under [IC 5-10.4-8-16](#) and this article returns to active duty in a position covered by the plan, the participant is entitled to continue receiving the disability annuity and the participant is entitled to receive credit for the participant's years of participation in the plan before the participant's separation. However, any amounts forfeited by the participant under [IC 5-10.4-8-11\(e\)](#) or this article may not be restored to the participant's account. *(Board of Trustees of the Indiana Public Retirement System; 35 IAC 14.1-6-4; adopted May 3, 2019: 20190515-IR-035190262ONA)*

**[35 IAC 14.1-6-5](#) In service for disability and survivor benefits**

**Authority:** [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

**Affected:** [IC 5-10.4-8-16](#)

**Sec. 5. (a)** "In service", for purposes of availability of account distribution under the plan, means that the participant was in an employer-employee relationship as determined by the employer within established rules of the employer.

**(b)** To be eligible to receive disability benefits, the participant must be receiving salary, worker's compensation benefits, employer-provided income protection benefits, or be on leave under the Family and Medical Leave Act on the date the Social Security Administration (SSA) determines the participant becomes disabled.

**(c)** For the purposes of [IC 5-10.4-8-16](#):

**(1)** "while receiving a salary" includes the last check date for a participant, but does not include any checks or compensation received later than thirty (30) days from the last day the participant was paid for physical work, for used sick time, for used compensatory time, or while on other leave or vacation; or

**(2)** a participant will be deemed to be "receiving a salary" for a period of thirty (30) days from the last day the participant was paid for work, for used sick time, for used compensatory time, or for other leave or vacation; or for the participant's termination of employment related to the illness or injury resulting in the disability and not more than thirty (30) days has elapsed between the employment termination date and SSA disability onset date. INPRS in its sole discretion will determine whether there was a relationship between the injury or illness causing the disability and the termination of covered employment by the participant. Example one: Donna becomes ill while in service in a covered position and exhausts all leaves and terminates employment due to the illness on July 1. Because of this illness, Donna received a SSA disability onset of July 28 of the same year. Donna meets the "while receiving a salary" definition because there was nexus between the illness and her employment and the onset date is within thirty (30) days of termination. Example two: Mary terminated covered service on July 1 and was paid her final compensation on July 15; on July 28 Mary is involved in an automobile accident while on vacation causing a disability. Mary does not

meet the requirement for disability benefits because there is no nexus between the cause of the disability and work and she was not otherwise receiving salary or on leave.

(Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-6-5](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**[35 IAC 14.1-6-6](#) Military service and death in service; compliance with the Uniformed Services Employment and Reemployment Rights Act of 1994 and the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART)**

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

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

Sec. 6. (a) The provisions of [35 IAC 14-6-3](#), as applicable to the annuity savings account, shall apply to the plan.

(b) Participation service and plan benefits will be governed by the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-6-6](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**[35 IAC 14.1-6-7](#) De minimis accounts**

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

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

Sec. 7. The provisions of [35 IAC 14-3-7](#) shall apply to the plan. (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-6-7](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**[35 IAC 14.1-6-8](#) Beneficiary designation**

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

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

Sec. 8. The provisions of [35 IAC 14-4-4](#) shall apply to the plan. (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-6-8](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**[35 IAC 14.1-6-9](#) Birth date; proof required**

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

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

Sec. 9. The provisions of [35 IAC 14-6-9](#) and [35 IAC 14-7-3](#) shall apply to the plan. (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-6-9](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**[35 IAC 14.1-6-10](#) Minors and other incompetent persons**

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

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

Sec. 10. The provisions of [35 IAC 14-7-6](#) shall apply to the plan. (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-6-10](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**[35 IAC 14.1-6-11](#) Stale checks**

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

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

Sec. 11. The provisions of [35 IAC 14-7-13](#) shall apply to the plan. (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-6-11](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**[35 IAC 14.1-6-12](#) Required minimum distributions**

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

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

Sec. 12. The provisions of [35 IAC 14-7-7](#), as applied to the annuity savings account, shall apply to the plan. (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-6-12](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))



**Rule 7. Miscellaneous**

**35 IAC 14.1-7-1 Deductions for health insurance**

Authority: [IC 5-10.4-8](#); [IC 5-10.5-4-2](#)

Affected: [IC 5-10.4-8-14](#)

**Sec. 1. INPRS may allow benefit deductions for payments described in [IC 5-10.4-8-14\(b\)](#).** (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-7-1](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**35 IAC 14.1-7-2 Adjustments**

Authority: [IC 5-10.4-8](#); [IC 5-10.5-4-2](#)

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

**Sec. 2. The provisions of [35 IAC 14-7-10](#) shall apply to the plan.** (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-7-2](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**35 IAC 14.1-7-3 Refund of contributions**

Authority: [IC 5-10.5-4-2](#)

Affected: [IC 5-10.2](#); [IC 5-10.3](#); [IC 5-10.4-8-11](#); [IC 5-10.4-8-12](#)

**Sec. 3. A participant may withdraw the participant's contributions and earnings subject to the provisions of [IC 5-10.4-8-11](#) and [IC 5-10.4-8-12](#).** (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-7-3](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**35 IAC 14.1-7-4 Annuity savings account contributions received by INPRS subsequent to processing of retirement benefit**

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

Affected: [IC 5-10.2-4-2](#); [IC 5-10.4-8](#)

**Sec. 4. (a) Notwithstanding a participant's election to receive an annuity provided by the amounts credited to the participant's annuity savings account at retirement, annuity savings account contributions totaling not more than one thousand dollars (\$1,000) posted to a participant's account after the final date on which the participant's benefit is processed shall be distributed to the participant in a lump sum payment.**

**(b) A participant may elect to receive annuity savings account contributions exceeding one thousand dollars (\$1,000) posted to a participant's account after the final date on which the participant's benefit is processed in either a lump sum payment or as a direct rollover to a non-TRF tax deferred account.**

**(c) Pursuant to the provisions of the Internal Revenue Code applicable to qualified plan distributions, a participant who:**

**(1) terminates service in a covered position; and**

**(2) does not perform any service in a position covered by the fund for at least thirty (30) days after the date on which the participant terminates service;**

**is entitled to withdraw amounts in the participant's account to the extent the participant is vested in the account.** (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-7-4](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**35 IAC 14.1-7-5 Direct deposit of benefits**

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

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

**Sec. 5. The provisions of [35 IAC 14-2-2](#) shall apply to the plan.** (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-7-5](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

**35 IAC 14.1-7-6 Withholding of payments**

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

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

**Sec. 6. The provisions of [35 IAC 14-2-1](#) shall apply to the plan.** (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-7-6](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

## Rule 8. Administrative Proceedings

### [35 IAC 14.1-8-1](#) Administrative orders; proceedings; reviews

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

Affected: [IC 4-21.5](#); [IC 5-10.4-8](#)

Sec. 1. All administrative orders, proceedings, and reviews shall be made pursuant to [IC 4-21.5](#) and [35 IAC 14-2-4](#). (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-8-1](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

## Rule 9. Annual Compensation Limit

### [35 IAC 14.1-9-1](#) Annual compensation limit

Authority: [IC 5-10.4-8](#); [IC 5-10.5-4-2](#)

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

Sec. 1. The provisions of [35 IAC 9-1-1](#), [35 IAC 9-1-2](#), [35 IAC 9-1-3](#), and [35 IAC 9-1-4](#), as applied to the annuity savings account, shall apply to the plan. (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-9-1](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

## Rule 10. Assumptions

### [35 IAC 14.1-10-1](#) Actuarial rules

Authority: [IC 5-10.4-8-4](#); [IC 5-10.5-4-2](#)

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

Sec. 1. Two (2) forms of benefit payments are considered to be actuarially equivalent if the expected present value of future payments are the same. For TRF, the expected present value of the pension portion of the benefit is calculated based on a six and seventy-five hundredths percent (6.75%) interest rate and the 2013 Static Mortality table for males and females, projected five (5) years using Scale AA, and weighted 50/50. The expected present value of the annuity portion of the benefit is calculated using the 2013 Static Mortality table for males and females, projected five (5) years using Scale AA, and weighted 50/50 and prior to January 1, 2017, and after October 1, 2015, an interest rate equal to the greater of similar annuities in the private market or four and one-half percent (4.5%). After January 1, 2017, the interest rate used will be equal to similar annuities in the private market. (Board of Trustees of the Indiana Public Retirement System; [35 IAC 14.1-10-1](#); adopted May 3, 2019: [20190515-IR-035190262ONA](#))

DATED: May 3, 2019

\_\_\_\_\_  
Bret Swanson, Chairperson of the INPRS Board of Trustees  
Indiana Public Retirement System

Resolution adopted by 8 affirmative, 0 negative votes.

Posted: 05/15/2019 by Legislative Services Agency  
An [html](#) version of this document.