
BOARD OF TRUSTEES OF THE INDIANA PUBLIC RETIREMENT SYSTEM

Resolution No. 2022-10-28

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 immediately, unless otherwise stated or covered by law;

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

SECTION 1. [35 IAC 1.2-5-12.5](#) IS AMENDED TO READ AS FOLLOWS:

[35 IAC 1.2-5-12.5](#) "De minimis account" and "de minimis overpayment" defined

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

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

Sec. 12.5. (a) "De minimis account" or "de minimis amount" means an inactive, retired, retired for disability, suspended, or deceased member's ASA account whereby no regular and continuing contributions are being received, and the account has a balance of which the value is less than the actual cost of making a distribution of the balance to the member or the member's beneficiary. The account will be closed once there are insufficient assets to pay the administration costs of the account.

(b) "De minimis overpayment" means an active, inactive, retired, retired for disability, suspended, or deceased member's ASA account that received an overpayment totaling not more than ~~one hundred dollars (\$100)~~ **two hundred fifty dollars (\$250)**. (*Board of Trustees of the Indiana Public Retirement System; [35 IAC 1.2-5-12.5](#); adopted Feb 22, 2019: [20190227-IR-035190137ONA](#); adopted Oct 28, 2022: [20221116-IR-035220338ONA](#)*)

SECTION 2. [35 IAC 1.2-8-5](#) IS AMENDED TO READ AS FOLLOWS:

[35 IAC 1.2-8-5](#) Actuarial rules

Authority: [IC 5-10.3](#)

Affected: [IC 5-10.3](#)

Sec. 5. Two (2) forms of benefit payments are considered to be actuarially equivalent if the expected present value of future payments are the same. For PERF, the expected present value is calculated based on a ~~six and seventy-five hundredths percent (6.75%)~~ **six and twenty-five hundredths percent (6.25%)** interest rate and the ~~2013 Static Mortality table for males and females, projected five (5) years using Scale AA, and weighted 50/50~~ **Pub-2010 Mortality Tables, projected to 2035 using Scale MP-2019, blended using a customized weighting**. 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~~ **Pub-2010 Mortality Tables, projected to 2035 using Scale MP-2019, blended using a customized weighting** 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 1.2-8-5](#); adopted Sep 14, 2012: [20120926-IR-035120542ONA](#); adopted Dec 13, 2019: [20191225-IR-035190683ONA](#)*;

SECTION 3. [35 IAC 1.3-10-1](#) IS AMENDED TO READ AS FOLLOWS:

[35 IAC 1.3-10-1](#) Actuarial rules

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

Affected: [IC 5-10.3-5-7](#)

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 PERF, the expected present value of the pension portion of the benefit is calculated based on a ~~six and seventy-five hundredths percent (6.75%)~~ **six and twenty-five hundredths percent (6.25%)** interest rate and the ~~2013 Static Mortality table for males and females, projected five (5) years using Scale AA, and weighted 50/50~~ **Pub-2010 Mortality Tables, projected to 2035 using Scale MP-2019, blended using a customized weighting**. 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~~ **Pub-2010 Mortality Tables, projected to 2035 using Scale MP-2019, blended using a customized weighting** 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 1.3-10-1](#); adopted Sep 14, 2012: [20120926-IR-035120542ONA](#); adopted Sep 11, 2015: [20150923-IR-035150302ONA](#); adopted Oct 28, 2022: [20221116-IR-035220338ONA](#))

SECTION 4. [35 IAC 2-2-3](#) IS AMENDED TO READ AS FOLLOWS:

[35 IAC 2-2-3](#) Actuarial assumptions

Authority: [IC 5-10.5-4-2](#); [IC 36-8-8](#)

Affected: [IC 36-8-8](#)

Sec. 3. Early retirement benefits are actuarially reduced to be equivalent to the normal retirement benefit. For the 1977 Fund, the reduction is ~~7.00%~~ **6.00%** per year. The reduction is prorated based on the number of months by which the member's age in completed months at commencement precedes normal retirement age. (*Board of Trustees of the Indiana Public Retirement System*; [35 IAC 2-2-3](#); adopted Apr 26, 2013: [20130508-IR-035130167ONA](#); adopted Oct 28, 2022: [20221116-IR-035220338ONA](#))

SECTION 5. [35 IAC 4-4-3](#) IS AMENDED TO READ AS FOLLOWS:

[35 IAC 4-4-3](#) Actuarial assumptions

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

Affected: [IC 5-10-5.5-16](#)

Sec. 3. **This section applies to participants who died before February 1, 2018.** In the case of a surviving spouse who is more than five (5) years younger than the deceased participant at the time of the participant's death, the amount of the annual survivor allowance shall be reduced by a factor equal to 0.03% (0.0003), multiplied by the number of months in excess of sixty (60) months, that the surviving spouse is younger than the deceased participant at the time of the participant's death. (*Board of Trustees of the Indiana Public Retirement System*; [35 IAC 4-4-3](#); adopted Apr 26, 2013: [20130508-IR-035130167ONA](#); adopted Dec 13, 2013: [20131225-IR-035130565ONA](#); adopted Oct 28, 2022: [20221116-IR-035220338ONA](#))

SECTION 6. [35 IAC 14-1-7](#) IS AMENDED TO READ AS FOLLOWS:

[35 IAC 14-1-7](#) "De minimis overpayment" defined

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

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

Sec. 7. "De minimis overpayment" means an active, inactive, retired, retired for disability, suspended, or deceased member's ASA account that received an overpayment totaling not more than ~~one hundred dollars (\$100)~~ **two hundred fifty dollars (\$250)**. (*Board of Trustees of the Indiana Public Retirement System*; [35 IAC 14-1-7](#); adopted Dec 17, 2010: [20101229-IR-550100778ONA](#); adopted Feb 22, 2019: [20190227-IR-035190137ONA](#); adopted Oct 28, 2022: [20221116-IR-035220338ONA](#)) NOTE: Transferred from the Board of Trustees of the Indiana State Teachers' Retirement Fund ([550 IAC 2-1-2.7](#)) to the Board of Trustees of the Indiana Public Retirement System ([35 IAC 14-1-7](#)) by P.L.23-2011, SECTION 22, effective July 1, 2011.

SECTION 7. [35 IAC 14-2-16](#) IS AMENDED TO READ AS FOLLOWS:

[35 IAC 14-2-16](#) Actuarial rule

Authority: [IC 5-10.4](#)

Affected: [IC 5-10.4](#)

Sec. 16. 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%)~~ **six and twenty-five hundredths percent (6.25%)** interest rate and the ~~2013 Static Mortality table for males and females, projected five (5) years using Scale AA, and weighted 50/50~~ **Pub-2010 Mortality Tables, projected to 2035 using Scale MP-2019, blended using a customized weighting**. 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~~ **Pub-2010 Mortality Tables, projected to 2035 using Scale MP-2019, blended using a customized weighting** 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 14-2-16](#); adopted Sep 14, 2012: [20120926-IR-035120542ONA](#); adopted Sep 11, 2015: [20150923-IR-035150302ONA](#); adopted Oct 28, 2022: [20221116-IR-035220338ONA](#)*)

SECTION 8. [35 IAC 14.1-10-1](#) IS AMENDED TO READ AS FOLLOWS:

[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%)~~ **six and twenty-five hundredths percent (6.25%)** interest rate and the ~~2013 Static Mortality table for males and females, projected five (5) years using Scale AA, and weighted 50/50~~ **Pub-2010 Mortality Tables, projected to 2035 using Scale MP-2019, blended using a customized weighting**. 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~~ **Pub-2010 Mortality Tables, projected to 2035 using Scale MP-2019, blended using a customized weighting** 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](#); adopted Oct 28, 2022: [20221116-IR-035220338ONA](#)*)

DATED: October 28, 2022

Bret Swanson, Chairman
INPRS Board of Trustees
Indiana Public Retirement System

Resolution adopted by 6 affirmative, 0 negative votes.

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