Indiana PERF
Public Employees' Retirement Fund

Public Employees' Retirement Fund

Member Handbook

Valid through April 29, 2009.

Indiana PERF
Public Employees' Retirement Fund

Member Handbook

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Acknowledgement

Special thanks to the members of the PERF staff, whose contributions made this handbook possible.

Your goals ... our commitment.

If you do not find the answers to your questions in this handbook, or on the Web, you can contact the PERF Call Center.

(888) 526-1687

Regular business hours are Monday through Friday, 8 a.m. to 5 p.m.

Mailing Address:

143 West Market Street
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www.perf.in.gov

PERF also provides educational sessions across the state with Outreach Representatives who will make presentations to groups of members or employers. Check with your employer to find out if a session can be scheduled for you and your co-workers.

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Introduction

Welcome to the Public Employees' Retirement Fund Member Handbook.
You will learn about the opportunities and responsibilities of membership in the Fund, options available to you during your career in public service, and your benefits when and if you retire.

We urge you to read this handbook completely in order to understand the overall benefits of PERF membership. You may make photocopies of all information provided.

The best way to find the most current information is to use the PERF Web site at **www.perf.in.gov**.

You are encouraged to register for PERF Online services. Using PERF Online, you can update your address, select or change your beneficiary information and change your investment direction. On PERF's Web site, go to "My Plan" in the left navigation bar, then select "Login." You can also access PERF Online via the link in the "Online Services" box in the upper right hand corner. Once you have registered, you will receive a PIN number that you will use to log in.

The laws and regulations governing the Indiana Public Employees' Retirement Fund may be found in Title 5-10.2 and 5-10.3 of Indiana Code.

While every attempt has been made to verify that all the information in this handbook is correct and up-to-date, PERF does not make any representation or warranty as to the completeness or accuracy of any information provided herein. The content of this handbook does not constitute legal advice, and nothing herein should be considered a legal opinion. In the event of a discrepancy between information in this handbook and the laws of the state of Indiana, the applicable state law shall apply.

PERF ADMINISTRATION

Founded in 1945, Indiana PERF is now one of the largest pension funds in the United States— both public and private. PERF administers six funds, including the namesake Public Employees' Retirement Fund.

The Fund works with more than 1,100 participating employers across the state in serving approximately 220,000 active members, 56,000 benefit recipients, and their families. Benefits paid by the Fund come from the contributions of public employers and members, and returns on the investment portfolio.

PERF is responsible for receiving contributions from employers and members, investing those funds in a prudent manner, and paying benefits to qualifying members. Since 1996, PERF has been authorized by state law to invest the assets of the Consolidated Retirement Investment Fund (CRIF) in the stock market.

Five members of the PERF Board of Trustees are appointed to four-year terms by the governor. The director of the state budget agency or his designee brings the number of Board members to six.

Board members serve as the "fiduciaries" of the Fund, which means they are legally bound to make investment decisions with your best interest at heart. Professional money managers invest PERF assets. The better the Fund does in investing contributions, the less your employer has to contribute in order to fund your future benefits.

Public Employee
Employees of the state of Indiana, public schools and universities, and other state and local political subdivisions. Employees of private companies are not eligible for membership.

Member
A public employee enrolled in the PERF plan.

Employer
A public entity recognized by PERF that employs PERF members.

A PERF-Covered Position
Any job for which an employer makes contributions to the Public Employees' Retirement Fund to fund the Defined Benefit (pension).

Defined Benefit (Pension)
A lifetime monthly retirement benefit paid by PERF either to an eligible member after retirement from PERF-covered employment or to the member's surviving dependent. This benefit is funded by PERF employers.

Annuity Savings Account or ASA (Defined Contribution)
The individual account provided for each member of PERF that is funded by 3 percent mandatory contributions. These contributions are paid either by the member in payroll deductions or by the employer on the member's behalf.

Contributions
Funds paid to PERF by employers and/or employees to fund future benefits. Pre-tax contributions are paid to PERF from any source (wages, employer-paid contributions, rollovers) prior to the payment of income taxes. Taxes on pre-tax contributions are deferred until the funds are distributed in a refund or retirement benefit. Post-tax contributions are paid to PERF after income taxes have been paid. No additional tax obligations will accrue once a refund distribution or retirement benefit has been made.

Mandatory Contributions
Contributions to the Annuity Savings Account that must be made as required by state law.

Voluntary Contributions
Contributions to the Annuity Savings Account that a member may choose to make through payroll deductions if their employer participates in the program.

Creditable Service
Each period of continuous employment in a covered position. Creditable service is important in determining your qualification for benefits.

Vesting or Vested
The minimum amount of time you must work in one or more covered positions to receive a benefit from a retirement fund.

Beneficiary
The person or institution receiving all or part of your PERF benefits upon your death.

Look For These Icons in this Handbook:

ASA

For Annuity Savings Account Information

DB

For Defined Benefit (Pension) Information

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For forms that are available on the website

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For very important notices

Section 1 Two-Part Benefit Structure

3 *Defined Benefit (Pension)*

3 *Annuity Savings Account*

7 *Participating in the Fund*

PERF Call Center Representatives respond to more than 10,000 inquiries each month

Two-Part Benefit Structure

Membership in PERF means you are working toward earning a retirement income. You and your employer may share in paying for this benefit. However, this depends upon how your employer participates in PERF. There are two pieces making up the PERF benefit structure:

- The Defined Benefit (pension), and
- The Annuity Savings Account or ASA (defined contribution)

DB

DEFINED BENEFIT (PENSION)

This portion of your PERF benefits is paid as a lifetime monthly benefit. It is funded entirely by your employer at no cost to you, and remains an employer asset. When a member applies to receive a retirement benefit, the employer account will be used to fund those retirement benefits. Members who choose to leave PERF-covered service and do not become eligible to receive a retirement benefit cannot withdraw these funds. Since this is a relationship between PERF and employers, you will not be asked to make any decisions regarding the management of Defined Benefit contributions.

ASA

ANNUITY SAVINGS ACCOUNT (ASA)

The second part of the PERF benefit structure is the Annuity Savings Account (ASA). It serves to supplement the Defined Benefit at retirement, and is an important way of increasing your retirement savings. However, if you leave covered employment before becoming eligible to receive a retirement benefit, you may take a distribution of your Annuity Savings Account.

Within the Annuity Savings Account there are two types of contributions—mandatory and voluntary. The mandatory portion can be paid by the employer, the employee, or shared by both. The voluntary portion is optional and available to members who work for an employer who participates in the voluntary contributions program.

Mandatory Contributions

State law requires that three-percent (3%) of an employee's gross wages (regular and overtime pay) must be contributed to fund the Annuity Savings Account.

- ***If you work for the State, a quasi-governmental agency, or a university, the three-percent (3%) is paid by your employer before taxes are calculated on your wages.***
- ***For all other employers, the three-percent (3%) may be deducted from your paycheck, or your employer may pay all or part of this mandatory three-percent (3%) contribution. The governing body of the employer makes this decision, and may change it at any time.***

Whether deducted or paid by the employer, this is a ***mandatory*** contribution to benefit each member of the fund. It is sent to PERF for deposit in your Annuity Savings Account each quarter, as mandated by state law.

You become vested in the ASA immediately and contributions are credited to an individual account in your name. However, you can only withdraw funds from your Annuity Savings Account as a distribution when you separate from PERF- covered employment or at retirement. YOU CANNOT TAKE A LOAN AGAINST YOUR ANNUITY SAVINGS ACCOUNT.

Voluntary Contributions

You may also be able to make additional contributions to your Annuity Savings Account if your employer's governing body has decided, by resolution, to allow payroll deductions for this purpose. The employer can make this decision at any time, and may choose to stop payroll deductions at any time. Voluntary contributions to the ASA must be made through your employer through a payroll deduction. The maximum for all types of voluntary contributions is ten-percent (10%) of gross wages in addition to the three-percent (3%) mandatory contribution.

Post-Tax Voluntary Contributions

A post-tax contribution is taken out of your check after all taxes have been paid on your gross wages. Your take home pay would be reduced by the total amount contributed. For you to make post-tax voluntary contributions, your employer must simply agree to deduct the amount requested (up to ten-percent [10%]). That money is then sent to PERF as a contribution to your ASA. You may choose to stop making ***post***-tax voluntary contributions, or change the amount deducted at any time.

Pre-Tax Voluntary Contributions

The Internal Revenue Service has given its approval for the Public Employees' Retirement Fund to accept voluntary contributions on a ***pre***-tax basis, as well.

You are urged to carefully consider all the conditions and consequences of pre-tax contributions because making changes later is severely restricted.

The conditions that apply to pre-tax contributions include:

- ***Your employer must have elected to participate in this program.***
- ***You must have five years of creditable service in PERF.***
- ***You must choose to make a voluntary pre-tax contribution of not more than ten-percent (10%) of your gross wages within two (2) years following the date of August 31st after you have reached five (5) years of PERF-covered service.***
- ***The percentage of each pay period's wages that you choose to contribute pre-tax CANNOT be changed as long as you work for the same employer in any PERF-covered position.***

- ***If you leave employment and return to the same employer, your pre-tax contribution will be reinstated.***
- ***If you work for a different PERF employer, and have not taken an ASA distribution, you will be able to make a new pre-tax contribution decision.***
- ***Your employer could choose to discontinue pre-tax contributions, which would allow you to discontinue making them.***

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Further details on this option are available on the PERF Web site (www.perf.in.gov).

Self-Directed Investment Options

The PERF Annuity Savings Account program allows members to actively participate in managing their retirement benefits through self-directed investment options. Mandatory and voluntary contributions to your account are invested according to your choices in one or more of the six options available through PERF:

1. ***Guaranteed Fund***
2. ***Money Market Fund***
3. ***Bond Fund***
4. ***S&P 500 Stock Index Fund***
5. ***U.S. Small Companies Stock Fund***
6. ***International Equity Index Fund***

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You may choose among these options for the first time when you enroll in PERF. Your employer should provide you with the Investment Direction Form at that time. You may also visit **www.perf.in.gov** to obtain a copy of the form or register for PERF Online to change your investment allocations via the Web.

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If you do not submit these choices to PERF, all ASA contributions will automatically be invested in the Guaranteed Fund.

By state law, you may change your investment options quarterly. A signed Investment Direction Form must be received by PERF no later than thirty (30) days prior to the beginning of the following quarter.

You direct PERF to invest a portion of your account (present balance and future contributions) into any or all of the investment funds in ten-percent (10%) increments. These investment options have grown in number over the years as the PERF Board of Trustees has added new asset classes to the investment of the overall PERF portfolio.

Quarterly and Annual Member Statements

PERF mails a quarterly member statement for the Annuity Savings Account to all fund members. An annual statement with employment history and personal account information is sent only to members in the following categories: those with less than five years of service credit, vested members (see Vested Status section, page nine) who are ineligible for the Defined Benefit (pension) and vested members who are eligible for the pension benefit.

You will receive these statements as long as you have money invested in your Annuity Savings Account— even if you are no longer employed in a PERF-covered position. ***This is one reason why it is so important to maintain a correct address with the Fund.***

The quarterly statement shows how much you have contributed and any change in value to your holdings. You do not pay federal income tax on mandatory or pre-tax voluntary contributions, interest, or earnings while you are an active member. Tax obligations apply when payment is made to the member as a retirement benefit or an Annuity Savings Account distribution. Many members assume that the amount shown on the quarterly statement is the entire benefit they would receive if they were to retire. It is important to remember the largest portion of retirement income will come from the pension, which is not shown on the quarterly statement.

However, members who are vested AND eligible for the pension benefit will receive annual statements showing the estimated yearly pension amount they would receive if they were to retire within the year. Annual statements sent to members with less than five years of service credit and to those who are vested but not yet eligible for a pension benefit will not provide an estimated pension amount.

If you would like to calculate your own benefit estimate, please visit **www.perf.in.gov** and select "Benefit Estimate Calculator" from the Online Services section in the upper right hand corner. Please remember this is only an estimation of your benefit amount.

Rollovers Into PERF

Members are able to deposit with PERF funds rolled over from any of the following:

- ***A qualified plan described in IRS Section 401(a), 403(a), an annuity contract or account described in Section 403(b).***
- ***An eligible plan maintained by a state or political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state under IRS Section 457(b).***
- ***An Individual Retirement Account (IRA) described in IRS Section 408(a) or 408(b).***

These rollover funds may be invested in any of the current investment options except for the Guaranteed Fund. They may be withdrawn at any time prior to retirement. At retirement, these funds may be combined with your pension and ASA as part of your total benefit.

PARTICIPATING IN THE FUND

Membership Eligibility

Your employer chose to join PERF. It also chose the positions that are covered under the PERF plan. Therefore, you become eligible for PERF membership when you begin employment in a position your employer chose to cover under the PERF benefits structure.

For a position to be PERF-covered, making you eligible for membership, the position must be:

- ***Full time,***
- ***Permanent,***
- ***Specified in a resolution passed by the employer's governing body, and***
- ***Not covered by another public retirement or pension plan***

Enrollment

When you begin working in a PERF-covered position, you and your employer will complete a Membership Record informing PERF that you have become employed in a covered position and will begin participation in the Fund. That is all you have to do to become enrolled. PERF will open an Annuity Savings Account in your name and you formally become a member of the Fund.

Naming Beneficiaries

You immediately begin saving toward your retirement when you become a member of PERF. When you enroll, you may name a beneficiary to receive the assets remaining in your Annuity Savings Account in the event that you die. You may name one or more individuals, a trust, estate, or other legal entity, such as a charity. If no beneficiary is named on this form, any assets would pass to your estate.

Changing Your Personal Information

As long as you have assets with the Fund, it is critical that you keep PERF informed of any changes to your name, address or beneficiaries. You can most easily update your address and beneficiary information by visiting www.perf.in.gov and registering for PERF Online.

Beneficiaries– You may change the beneficiary of your Annuity Savings Account at any time before you retire. You may do so by registering for PERF Online and using the View or Change Beneficiary function or by requesting the appropriate paperwork by phone, filling out the form and mailing it back to PERF.

The importance of reporting any change of beneficiary cannot be overemphasized. Failure to make changes could result in payment being made to a named beneficiary who is no longer your choice to receive your Annuity Savings Account balance.

Name/Address– The address on file in PERF's records is the only contact information we have for you. Throughout your working life, you will receive a quarterly statement from PERF. If you leave PERF-covered employment, you may be eligible to receive a distribution of your Annuity Savings Account. Therefore, you must report any change of address directly to PERF in a document that includes the following:

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- ***Social Security Number,***
- ***Previous Name and/or Address,***
- ***New Name and/or Address, and***
- ***Printed Name and Signature.***
- ***Employer's Name should also be included.***

Register for PERF Online to make changes to your account information more quickly and easily

A change of address can be easily submitted via PERF Online once a member has registered. Change of name requests must be submitted only in writing and accompanied by the appropriate legal documentation such as a court order, divorce decree, or marriage license.

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Life Events

Divorce

Indiana law prevents assigning PERF benefits. Accordingly, PERF cannot honor any divorce decree which requires it to pay anyone other than you or your named beneficiary. In order to be consistent with the laws governing PERF, and in order to satisfy Indiana's domestic relations laws, divorce decrees should order you (or your legal beneficiary) to make payments to an ex-spouse rather than ordering PERF to make such payments. In addition, Indiana law prohibits PERF from garnishing your benefit for child support payments.

Qualified Domestic Relations Orders (QDRO's)

Under state law, benefits in the Fund are exempt from any legal process. QDRO's do not apply to PERF. Even though they are the product of federal legislation, which normally supersedes state law, they do not apply to PERF since it is a governmental plan exempt from the QDRO requirements.

Vesting for Specified Elected Officials:

By mandate, county officials named in the Indiana Constitution and limited by law to two four-year terms in office will vest at the end of their second term in office.

VESTED STATUS

Vested status in the Public Employees' Retirement Fund means you have at least ten (10) years of creditable service in PERF-covered employment. You will be entitled to full pension benefits when you meet these age and service requirements:

- ***Age sixty-five (65) with ten (10) years of creditable service,***
- ***Age sixty (60) with fifteen (15) years of creditable service, and***
- ***At least age fifty-five (55) and the sum of your age at retirement and your total years of creditable service under PERF equals eighty-five (85) or more (known as the "Rule of 85").***

You do not have to work for the same employer and the jobs do not have to be for ten (10) consecutive years, in order to reach vested status. A total of ten (10) years in any combination of PERF-covered positions for which an employer makes contributions qualifies as creditable service for vesting purposes.

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You become vested for the Annuity Savings Account immediately.

CREDITABLE SERVICE

You receive service credit for each period of continuous employment in a covered position. In addition, you may be entitled to service credit during military service and certain types of leave.

A school corporation employee who works the full school term or contract period for a position will receive credit for one year of service. Otherwise, service credit for school corporation employees will be granted for actual time worked.

Teaching Service

If you retire with service in both PERF and the Indiana State Teachers' Retirement Fund, you will be asked to choose from which fund you would like to retire. You will receive a single, combined benefit from that fund. When you complete your final service, your pension will be calculated on the basis of combined creditable service between the two funds. You will be credited one year for each year of covered service, no matter which fund you participated in at the time of service. Any annuity will be computed on the basis of total amounts credited to both accounts.

Military Service

Members who served in the United States armed services are eligible for PERF service credit equal to actual military service if they meet all of the following conditions:

- ***Were in a PERF-covered position prior to entering the military;***
- ***Left PERF-covered position and went directly into the United States Armed Services;***
- ***Did not withdraw their Annuity Savings Account; and***
- ***Left the military service and returned to the same employer in a PERF-covered position within 120 days after receiving an honorable discharge.***

Members may also be eligible for service credit if the provisions of the federal Uniformed Services Employment and Re-employment Rights Act (USERRA) cover their military service. The conditions for USERRA eligibility are:

- ***You must have applied for or currently hold a civilian job;***
- ***You must have given written or verbal notice to the civilian employer prior to leaving the job for military training or service except when precluded by military necessity;***
- ***You must not have exceeded the five-year cumulative limit on periods of service, subject to certain exceptions;***
- ***You must have been released from service under conditions other than dishonorable; and***
- ***You must have reported back to the civilian job in a timely manner or submit a timely application for re-employment.***

Purchasing Additional Service Credit

You may purchase additional service credit that can be used toward the calculation of the Defined Benefit if you have worked in a similar position(s) in another state, have worked for a quasi-state agency before it became PERF-covered or have prior military service.

The purchase cost of additional service is calculated on your age, years of service, and salary. Therefore, the sooner you make such a purchase, the lower the purchase cost. You may make the additional service purchase after one year of PERF-covered service. If you separate from service before vesting, the cost of the additional service plus interest will be returned to you.

Purchasing "Air Time" Service Credit

If you are vested, you may purchase an additional one year of service credit for every five years of actual accrued service. For example, if you have fifteen (15) years of service, you would be allowed to purchase an additional three (3) years of credit. Your retirement benefit would be calculated using a total of eighteen (18) years. The cost to purchase this service depends upon your age, years of service, and salary. Payment for this purchase can be made in a lump sum or amortized over five years.

Purchasing Out-of-State Service Credit

State law provides for the purchase of out-of-state service credit with the Public Employees' Retirement Fund if you meet the following qualifications:

- ***You have at least one year of service in a PERF-covered position;***
- ***Prior service in another state in a comparable position that would be creditable service if you had been in Indiana; and***
- ***You are no longer eligible to use those years to claim a retirement from any other retirement system.***

Purchasing Military Service Credit

Active PERF members who served in the United States Armed Forces and were honorably discharged may purchase up to two (2) years of military service credit at actuarial cost. This is in addition to any other military service credit that is granted by law to members.

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You may make the purchase of service after you have been in the Fund for a period of one (1) year. To determine the cost of purchasing this military service, contact PERF by phone or register for PERF Online and use the service credit purchase calculator.

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You may not use any purchased service for vesting purposes. Therefore, to become eligible to retire and receive the Defined Benefit (pension), you still must have ten (10) years of actual PERF-covered service. The additional purchased service will be used in the calculation of your retirement benefit.

Leaves of Absence From PERF-Covered Employment

Fewer and fewer employees stay with the same employer their entire career. Even if they do, situations often arise that force them to take time away from their positions. You may take certain types of leave from a covered position and still earn or retain service credit.

You should be certain to speak with your employer about any leave and ask them to contact PERF. Also, check with PERF to find out how your leave will affect your creditable service and eligibility.

Unpaid Leave

You may be entitled to service credit for unpaid leaves of absence totaling six (6) months or less during any four (4) consecutive years. Your employer must approve this leave and a copy of the grant of leave of absence should be filed with PERF within ninety (90) days after the leave commences. Contact PERF for further information.

Family and Medical Leave Act (FMLA)

You may also receive credit for up to twelve (12) weeks of leave taken during a calendar year under the Family Medical Leave Act (29 USC 2601, et seq.). If this leave is in addition to the six (6) months of unpaid authorized leave in a four-year period, it is considered creditable only for vesting and for the purpose of determining eligibility and not for calculating benefits.

Adoption Leave

You are entitled to up to one (1) year of service credit for Adoption Leave.

Paid Leave

During a paid leave of absence, employer and employee contributions will be made and creditable service will be granted.

Section 2 Receiving Benefits Before Retiring

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17 *Survivor Benefits Before Retirement*

18 *Disability Benefits*

PERF Outreach serves 1,100 employers statewide

Leaving PERF-covered employment requires you to make important decisions regarding your retirement savings. This section explains the issues you will need to consider if you leave a covered position and separate from service.

If you have worked for approximately ten (10) years in any combination of PERF-covered positions and have not received an annual PERF statement, you should check with PERF to see if you are, or are close to, being vested.

WITHDRAWING YOUR ANNUITY SAVINGS ACCOUNT (ASA)

You may withdraw the balance of your Annuity Savings Account (ASA) (in the form of a refund or rollover to another qualified retirement plan) if you are no longer in a PERF-covered position.

These withdrawal amounts consist of:

- ***The three-percent (3%) mandatory contributions;***
- ***Any voluntary contributions (if applicable); and***
- ***All interest and earnings credited to your account.***

If you continue uninterrupted employment in any capacity (full-time or part-time) in any agency or department of your current employer— regardless of whether your new position is covered under PERF or not— you will not be considered separated from service. ***If you are re-employed in a PERF-covered position within thirty (30) days from the date of termination, you are not eligible for a distribution.***

Effective Jan. 1, 2009, if you elect to withdraw your entire Annuity Savings Account (ASA), you are still entitled to receive your pension when retirement eligible if you are vested, terminate your employment after Dec. 31, 2008, and do not perform service in a position covered by the fund for at least 90 days after terminating employment. ***Please consult a tax advisor if you withdraw your ASA before you are age 59 1/2. If you are eligible to receive a pension, you may not take a distribution of your ASA without also starting your monthly retirement benefit.***

PAYMENT OPTIONS

When you apply for an Annuity Savings Account distribution, you must choose how to receive the payment. You must select one payment option for the taxable portion and one payment for the non-taxable portion.

The tax status of your mandatory ASA contributions depends on whether or not taxes were paid on them before or after the contributions were made to PERF. The employer-paid portion of the mandatory contributions are pre-tax. Portions deducted from a member's wages after taxes are deducted post-tax.

Taxable Portion - Direct Rollover
You may elect to have all or part of the taxable portion of your Annuity Savings Account paid in the form of a direct rollover into an eligible 401(a), 403(b) or governmental 457(b) plan, or Traditional or Roth IRA, which has provisions allowing it to accept the rollover on your behalf.

Except in the case of a Roth IRA, this option defers any taxes you owe on your Annuity Savings Account balance.

If you choose to rollover only part of the taxable amount, the portion not rolled over is paid directly to you (less the mandatory twenty-percent [20%] withholding for federal income tax).

Taxable Portion - Paid Directly to the Member
You may elect to have the total amount of the taxable portion of your Annuity Savings Account (less the mandatory twenty-percent [20%] withholding for federal income tax) paid directly to you.

Non-Taxable Portion - Direct Rollover
You may elect to have all or part of the non-taxable portion of your ASA paid in the form of a direct rollover into an eligible qualified plan, 403(b) plan, or Traditional or Roth IRA, which has provisions allowing it to accept the rollover on your behalf. If you choose to rollover only part of the non-taxable amount, the portion not rolled over is paid directly to you.

Non-Taxable Portion - Paid Directly to the Member
You may elect to have the total amount of the non-taxable portion of your Annuity Savings Account paid directly to you.

You will receive a 1099-R by January 31 of the year after you receive your distribution.

PERF will withhold twenty-percent (20%) from your distribution of the pre-tax portion paid to you or to your surviving spouse whether or not the IRS levies a ten-percent (10%) penalty. Adjustments may be made for payments made to survivors under special circumstances.

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If you choose to take a rollover distribution and do not complete the rollover by the 60th day following the day on which you receive the distribution, your distribution may be subject to taxes and/or penalties unless you qualify for a waiver. Please consult your tax professional for waiver qualifications.

Tax Penalty – Early Withdrawal of Annuity Savings Account

You may be subject to an additional ten-percent (10%) federal tax penalty on your ASA if you have not reached the age of 59$^{1/2}$ at the time of your distribution.

STAYING INVESTED

When you leave covered employment, you may leave your ASA invested with PERF. You may continue to invest in any of the six available options, and will continue to receive a quarterly statement. **However, if you are not vested, investments in the Guaranteed Fund will only be credited with interest for a period of ten (10) years, after which, no further interest will be credited.** An exception to this 10-year rule exists when you leave PERF-covered employment but remain with the same employer in a full-time position. In this case, interest will be credited on the Guaranteed Fund for forty-five (45) years.

Notice:
If you are not vested when you leave PERF-covered employment, investments in the Guaranteed Fund will only be credited with interest for a period of ten (10) years, after which, no further interest will be credited.

DEATH OF A MEMBER

When a member dies, PERF must be notified in order to make payments to the appropriate beneficiaries in a timely manner. PERF needs a copy of the death certificate in order to process any distributions of ASA balances or survivor benefits that might be available. Employers may inform PERF of a member's death; however, the death certificate is still required. Employers do not always provide member death notification.

If you call with information about a member's death, please leave your name, relationship to the member, and telephone number. A death can also be reported by simply sending the death certificate to PERF by mail or fax.

If you:

- ***have fifteen (15) or more years of creditable service and die while in active service, or***
- ***if you would have been eligible to receive retirement or disability benefits but died while out of service and before applying for them, your surviving dependent(s) may be entitled to survivor benefits.***

SURVIVOR BENEFITS BEFORE RETIREMENT

A PERF survivor benefit was created by the Indiana Legislature for the benefit of survivors of PERF members. Your surviving spouse and/or surviving dependent(s) may be entitled to survivor benefits.

If you meet the conditions listed to the right and you have been married for at least two years before your death, then your spouse qualifies for a monthly survivor benefit for life. If there is no eligible surviving spouse, your survivor benefit is divided between all surviving dependents who are younger than eighteen (18) (or older if the dependent[s] is permanently disabled). If you have neither an eligible surviving spouse nor surviving dependents, then no survivor benefit will be paid.

This benefit is separate and distinct from any benefit created by your Annuity Savings Account. The Annuity Savings Account will be distributed to the beneficiary or beneficiaries you named on the your Membership Record or in your most recent change of beneficiary.

Failure to tell PERF in writing, or online via PERF Online, of changes in beneficiary could result in payment being made to a previously named beneficiary who is no longer your choice to receive your Annuity Savings Account balance upon your death.

DISABILITY BENEFITS

If you become disabled, the Public Employees' Retirement Fund will provide disability benefits if you:

- ***Have five (5) or more years of creditable service under PERF before the termination of salary, employer provided income protection benefits, leave under the Family and Medical Leave Act (FMLA), or worker's compensation benefits; and***
- ***Are determined by the Social Security Administration to be disabled, and are receiving salary or employer-provided income protection benefits, or are on leave under the Family and Medical Leave Act (FMLA) as of the onset date established by the Social Security Administration (SSA).***
- ***Timing of the disability onset date as established by SSA before termination of the employer/employee relationship is critical. Please contact PERF if you have any questions about establishing eligibility for disability benefits.***

Notice:
PERF ***CANNOT*** process your disability application without a copy of your Social Security award letter with the onset date.

DIRECT DEPOSIT

If you are receiving a benefit check from PERF, consider using direct deposit. On the same day each month, the amount of your payment will be deposited directly into the account you specify. You will receive an annual notice of deposits. Your money cannot be lost or stolen, and there are no delays due to mishandled mail or incorrect addresses. Please contact PERF or download the Direct Deposit form from www.perf.in.gov.

Section 3 Retiring from PERF

21 *Separation From Service*

21 *Calculating Your Pension Benefits*

22 *Retirement With Full (Unreduced) Pension Benefits*

23 *Early Retirement With a Reduced Pension*

24 *Defined Benefit (Pension) Payment Options*

25 *Annuity Savings Account Payment Methods*

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26 *Applying for Retirement*

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28 *Bridge to Retirement Checklist*

PERF sends monthly benefits to over 54,000 recipients

This section of the handbook explains the issues a member applying for retirement will confront, including how the Defined Benefit (pension) is calculated, the normal and early retirement benefits available to members, and the selection of the pension and Annuity Savings Account (ASA) payment options. Working after retirement and other issues related to being a retired member are covered in Section Four.

SEPARATION FROM SERVICE

Indiana Code 5-10.2-4-8(c) provides that if a PERF member who is receiving retirement benefits is re-employed in a PERF-covered position within thirty (30) days of the date on which the member's retirement benefit begins, the member's retirement benefits are stopped.

CALCULATING YOUR PENSION BENEFITS

Vested Status

Vested status is the ten (10) or more years you must work, in one or more covered positions, to receive a benefit from PERF. ***You must be vested to collect a pension.***

Pension Benefit Calculation

DB

You **CANNOT** receive a pension benefit without at least ten (10) years of creditable service

You will begin collecting a lifetime monthly pension benefit after you officially retire from PERF-covered service. The size of the pension portion of your monthly check is calculated using a formula set by law. PERF cannot alter this formula, which uses these three factors:

- ***Final Average Salary***
- ***Creditable Service***
- ***Multiplier of 1.1% (.011)***

The Benefits Calculator on the Web site **(www.perf.in.gov)** is available to get an idea of how the formula works. You may also obtain a benefit estimate using this calculation once you are within two years of eligibility for early or normal retirement.

Final Average Salary

"Final Average Salary" refers to your highest five years of compensation in a PERF-covered position. PERF will combine twenty (20) quarters in groups of four (4) consecutive quarters (as mandated by law) over your entire PERF- or TRF-covered career. The resulting average in all cases will be the highest possible benefit.

Additional payments up to $2,000 made upon termination (for example, pay for unused vacation days) are included in this calculation.

DB

Creditable Service

All creditable service is subject to final certification at retirement. The employer's governing body or its agent must agree that you were employed full-time (or on an approved leave of absence) and the employer must make the contributions to fund the Defined Benefit (pension) corresponding to your service.

Members who retire with service in both PERF and TRF are required to elect which retirement fund to receive their pension benefits from when they apply for retirement.

Retirement Date

Your last day in pay status is generally the date most people think of as the day they "retire." PERF uses an "effective date" for retirement benefits. The effective date of your retirement benefits can be no earlier than the first day of the month following your last day in pay status.

EXAMPLE:

Your last day in pay status is Aug. 2. Your effective date of retirement is Sept. 1.

RETIREMENT WITH FULL (UNREDUCED) PENSION BENEFITS

The calculation of the pension benefit rewards members who earn more years of service even though they have the opportunity to retire at an earlier age. There are three ways you become eligible to receive full (unreduced) pension benefits under PERF:

- ***If you are age sixty-five (65) and have ten (10) or more years of creditable service under PERF.***
- ***If you are age sixty (60) and have fifteen (15) or more years of creditable service under PERF.***
- ***If you are at least age fifty-five (55) and your age at retirement plus your total years of service under PERF equals eighty-five (85) or more (known as the Rule of 85.)***

EARLY RETIREMENT WITH A REDUCED PENSION

PERF also provides early retirement options (assuming you do not yet qualify for full retirement benefits). Your pension benefit will be reduced based on your age if you take early retirement. You will qualify for early retirement with a permanently reduced pension if:

- ***You have fifteen (15) or more years of creditable service under PERF, and***
- ***You are between the ages of fifty (50) and fifty-nine (59).***

Keep in mind that if you choose to take early retirement, your pension benefits will remain at a reduced level even after you reach sixty (60) years of age.

If you are entitled to early retirement with reduced benefits, the following chart shows how the pension part of the benefit is reduced according to your age:

RETIREMENT AGE	PERCENTAGE OF PENSION
59	89%
58	84%
57	79%
56	74%
55	69%
54	64%
53	59%
52	54%
51	49%
50	44%

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By law, if you are eligible to receive pension benefits and wait to submit a retirement application, PERF can only pay up to six (6) months of retroactive benefits.

DEFINED BENEFIT (PENSION) PAYMENT OPTIONS

DB

The payment decisions you make at retirement will affect the amount of your monthly payment and determine whether or not any survivors or beneficiaries will receive monthly payments after you die. How much you will receive each month in retirement benefits will depend on your wages, how much you have added to your Annuity Savings Account, and how you choose to take payments from your account.

Five Year Guaranteed Beneficiary Benefit (Option 10): You will receive a monthly benefit for the rest of your life. If you die before receiving benefit payments for five years, your beneficiary will receive that monthly benefit for the remainder of those five years OR a lump sum distribution equal to the present value of those remaining payments. After five years, there are no payments available to the beneficiary.

Benefit with No Guarantee (Option 20): You will receive a monthly benefit for life, but there are no monthly payments to anyone after your death. However, the balance of your Annuity Savings Account will be distributed to your beneficiary or estate if it is larger than the payments previously made to you.

Joint with Full Survivor Benefits (Option 30): You will be paid a monthly benefit for life. After you die, the same monthly benefit will be paid to your beneficiary for his/her lifetime.

Joint with Two-Thirds Survivor Benefits (Option 40): You will be paid a monthly benefit for life. After you die, two-thirds of your benefit will be paid to your beneficiary for his/her lifetime.

Joint with One-Half Survivor Benefits (Option 50): You will be paid a monthly benefit for life. After you die, one-half of your benefit will be paid to your beneficiary for his/her lifetime.

Integration with Social Security (Option 61): You are eligible to select this option if you retire between the ages of 50 and 62. PERF will pay you a larger monthly benefit up until you turn 62. At age 62, your benefit will be reduced or terminated depending on your estimated Social Security benefit. If you die before receiving benefits for five years, your beneficiary will receive either your monthly benefit for the remainder of those five years OR the present value of those remaining payments in a lump sum. ***If you have applied for or been awarded a Social Security Disability benefit, do not select Option 61.***

Five Year Guaranteed Beneficiary Benefit with ASA Cash Refund (Option 71): In order to select this option, you must choose to combine at least a portion of your ASA with your lifetime monthly pension benefit. If you select this option, you will receive a monthly benefit for the rest of your life. If you die before receiving payments for five years, your beneficiary will receive that monthly benefit for the remainder of those five years OR a lump sum equal to the present value of those remaining payments. Also, upon your death (whether you die before or after receiving five years of benefits), your beneficiary may receive any remaining balance of your Annuity Savings Account. ***If you have applied for or been awarded a Social Security Disability benefit, do not select Option 71.***

IMPORTANT NOTICE

(Applies to Options 10, 20, 30, 40, 50, and 61.)

If you and your beneficiary die, you didn't withdraw your Annuity Savings Account at retirement, and the total amount of payments received up to the date of death (including pensions and ASA payments) is less than the balance of the ASA at the time of retirement, then either the beneficiary or member's estate will be paid the remaining Annuity Savings Account balance. Please note that if a total distribution of the Annuity Savings Account is chosen as the payment option, this guarantee does not apply. Also, if a partial distribution of the Annuity Savings Account is chosen, this guarantee only applies to the remaining ASA balance.

DB

Option 71 is not available to members who elect to receive total payment of their Annuity Savings Account upon retirement. However, if the member chooses a partial withdrawal of the Annuity Savings Account (a distribution of the 1986 Tax Basis), Option 71 is available. Please note that your Annuity Savings Account balance is reduced with each monthly benefit paid. Therefore, if you die after the account has been reduced to zero, there will be no Annuity Savings Account distribution to your beneficiary.

ASA

ANNUITY SAVINGS ACCOUNT PAYMENT METHODS

Your Annuity Savings Account is the second piece of your two-part retirement benefit. You have received statements tracking this account throughout your career as a PERF member. You may annuitize this ASA. That is, you may take this money in combination with your pension as a lifetime monthly payment. Or you may choose to receive a distribution of the ASA funds when you retire from PERF.

Taxation of the Annuity Savings Account

The decision of how to receive the distribution of your Annuity Savings Account can have significant tax implications, and we urge you to consult with a tax advisor. PERF can explain your options but cannot offer tax advice. The information below is included to aid you and your advisors with federal tax provisions as they apply to PERF benefits.

Any contributions to your ASA made with after-tax dollars are considered "tax basis" because you have already paid taxes on those dollars. Mandatory contributions paid by your employer were not taxed at the time they were paid. Therefore, they do not create "tax basis". Upon retirement, any after-tax contribution (your tax basis) is reported by PERF as non-taxable on the IRS Form 1099-R issued to retired members and the IRS. However, it is important to note that your tax basis is recoverable under very specific IRS rules. The following briefly outlines the basis recovery rules applicable to your situation.

You can elect to receive a total distribution of your ASA at the same time you begin receiving your monthly pension benefit. However, if you elect to do so, federal tax law does not allow you to immediately recover your entire basis when you receive your ASA. Instead, part of the basis has to be allocated to the monthly pension benefits. The basis allocated to the monthly pension payment is divided up and recovered over a mandatory number of monthly payments, as determined by applicable IRS regulations. Therefore, a portion of each monthly benefit paid to you is non-taxable, for as long as basis remains.

This division of the basis is required because the IRS has issued a letter ruling to PERF concluding that the ASA and monthly pension benefits payable to you do not constitute separate accounts. The consequence of this ruling is that, upon retirement, basis from contributions to the ASA must be partially allocated to your pension benefit, as we have described above. One exception to this basis allocation rule is also relevant: a special provision of federal tax law permits you to immediately recover any tax basis that you may have had in your ASA on December 31, 1986. The post-1986 basis, however, must be allocated to your monthly retirement benefits.

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Leave Your ASA Invested with PERF: You may choose to leave your Annuity Savings Account invested with PERF. When you decide to do this, you defer distribution of your Annuity Savings Account balance at this time. According to IRS regulations, you must begin distribution at age 701/2. Until you elect to receive your funds, they will remain invested according to your directions.

Combine ASA with Lifetime Pension Benefit: You may choose to receive, as part of your monthly benefit, the total amount of your Annuity Savings Account. You will not receive any other distribution from the Annuity Savings Account other than this monthly payment.

Withdraw Entire ASA: If you decide to withdraw your entire Annuity Savings Account, you must choose either a direct rollover, complete withdrawal, or partial rollover to a qualified plan for the Taxable Portion of your Annuity Savings Account and, if it applies to you, one of these choices for the 1986 Tax Basis Portion. Please consider the tax consequences you may face if you choose a complete withdrawal of the Taxable Portion of your account.

Withdraw 1986 Tax Basis Portion of ASA and Combine Taxable Portion with Pension Benefit: If you make this choice for your Annuity Savings Account, you will withdraw the non-taxable (1986 Tax Basis) portion of your Annuity Savings Account in the form of a direct rollover, a complete distribution, or a partial rollover to a qualified plan, and then receive the balance of the account as a part of your monthly payment.

TAX WITHHOLDING

PERF is required by law to withhold twenty-percent (20%) for federal income taxes for any part of the eligible rollover distribution that is not directly rolled over. You will have to pay federal and state income taxes on this taxable portion.

DESIGNATING A BENEFICIARY ON THE APPLICATION

You may name only one beneficiary if you select any of the joint with survivor benefit options (30, 40, or 50). You may name a person, trust, your estate, or other legal entity as beneficiary if you select retirement options 10, 61, or 71. If you name more than one beneficiary under those options, any benefits due upon your death will be prorated among your beneficiaries.

You will receive a monthly benefit for life under each retirement payment option. Several of the options provide for further payments to your beneficiary or beneficiaries.

Changing beneficiaries after retirement has different procedures and restrictions (see Section Four).

APPLYING FOR RETIREMENT

When you are ready to apply for retirement benefits, please visit **www.perf.in.gov** and select Member Login to register for a PERF Online account if you do not already have one. Submitting your application online is quick and easy. You may also download a copy of the application from our Web site at **http://www.in.gov/perf/files/ra_and_tax_forms.pdf**.

RECEIVING MONTHLY BENEFITS WHILE CONTINUING TO WORK

F

At Age 70 With 20 Years of Service

You may begin receiving retirement benefits while continuing to work in a PERF-covered position if you are age seventy (70) and have at least twenty (20) years of creditable service. A member who chooses to begin receiving monthly retirement benefits while working in a PERF-covered position cannot earn additional service credit towards retirement, but may continue to make contributions to their ASA.

F

Special Provisions for Those in Elected Office

You can begin receiving retirement benefits while continuing to work in an elected position if:

- ***You are in an eligible elected position covered by PERF (either by election or appointment),***
- ***You have turned age fifty-five (55), and***
- ***You have twenty (20) or more years of creditable service.***

If you are receiving monthly retirement benefits and are elected or appointed to an eligible elected position covered by PERF, you may continue or discontinue your retirement benefits while in office. If you continue your benefits, you will not earn additional service credit, and you may ***choose*** to make Annuity Savings Account contributions, but are not obligated to do so. If you discontinue retirement benefits, mandatory three-percent (3%) contributions must be made to your ASA, and you will earn additional service credit.

BRIDGE TO RETIREMENT — CHECKLIST

APPLYING FOR RETIREMENT BENEFITS

For most people, applying for a retirement benefit is a once-in-a-lifetime event. This PERF guide will help you make the transition from your last pay check to your first PERF check as easy as possible. This checklist will guide you and your family through the retirement process. If you have any questions, call PERF's toll-free number, (888) 526-1687, and we will be happy to assist you.

24 MONTHS PRIOR TO RETIRING:

- ☐ Gather information on all of your benefits, including Social Security, at **www.ssa.gov** or call your local Social Security office.
- ☐ Review your current living expenses and project what these will be at retirement. Will your income from all sources cover your projected expenses?
- ☐ Anticipate new or recurring expenses, such as car payments, medical bills and home repairs. You might want to take care of some of these before you retire.
- ☐ Consider your other investments: When will the funds be available? What are your withdrawal options and tax implications?
- ☐ Consider your tax situation. How much will you be required to pay in income taxes?
- ☐ Choose a retirement date that fits your goals. Be sure to consider how much time there will be from your last pay check to your first benefit payment.

18 MONTHS PRIOR TO RETIRING:

- ☐ If you require assistance in completing your retirement application or need help understanding your retirement options, please attend a PERF pre-retirement workshop. You can also get information from the PERF Web site, or you can meet with one of our regional retirement services consultants. Contact PERF at (888) 526-1687 for more information.
- ☐ Discuss the various benefit options with your family and decide which works best for your situation.
- ☐ Review health insurance options and verify your post-retirement eligibility, such as Medicare.
- ☐ Request an estimate of your PERF retirement benefits. Carefully review the years of service and average salary listed. If there are any issues, please contact PERF or your employer(s).
- ☐ Request an estimate from the Social Security Administration.
- ☐ Position yourself to be debt free by retirement. Track your current expenses and then project your retirement expenses based on how you plan to live. Assess how much income you will need to achieve your retirement goals.
- ☐ Review your estate plan and make sure your will, trust and powers of attorney are up-to-date. Learn how your assets pass to others under state law.

12 MONTHS PRIOR TO RETIRING:

- ☐ Access PERF Online to begin your online application for regular retirement. Follow the simple steps until completed. If you're unable to complete the application in one session, save it and complete it at a later time.
- ☐ Or, request a retirement application from PERF or visit **www.perf.in.gov** to download it. This packet includes a Request for Estimate of Benefits, the application, federal and state tax forms and a direct deposit form.
- ☐ If you need further explanation, call (888) 526-1687 to attend a pre-retirement workshop.
- ☐ Review your application to make sure you've chosen the options that best suit your needs. Begin collecting all required documents, such as birth certificates and copies of Social Security cards, for you and your beneficiaries.
- ☐ Submit the retirement application and required documentation **no later than 90 days** in advance of your final day on the job. Keep in mind that your effective date of retirement must be the first of any month that falls after your last day.
- ☐ Closely review your most recent Annuity Savings Account quarterly statement. Make sure your name and address are correct. If you need to update information, call (888) 526-1687.

3 MONTHS PRIOR TO RETIRING:

- ☐ Check your retirement application for all required information, especially signatures and notarization. Include any required documents, such as birth certificates. Don't forget to include information required for beneficiaries. Keep a copy of the application and documentation for your records.
- ☐ If you choose to apply online, finish and carefully review your online retirement application. Submit the application **no later than 90 days** in advance of your final day on the job.
- ☐ Mail or deliver your paper application and all required documentation directly to PERF. Please be certain to do this **no later than 90 days** in advance of your anticipated last day of work in order to ensure there is no interruption between your last pay check and your first benefit payment.

1 MONTH PRIOR TO RETIRING:

- ☐ Inform your employer of your intention to retire, if you have not done so by now. Be certain to choose a retirement date that falls after your eligibility date for retirement benefits. PERF will contact your employer about three weeks prior to your retirement date to obtain your last day in pay status to establish eligibility.
- ☐ Fulfill all your obligations to your current employer. Complete any outstanding paperwork required by your employer(s), checking carefully for errors in addresses, beneficiaries or personal information like your Social Security Number.
- ☐ Look forward to venturing into the next chapter of your life!

Section 4 After Retirement

31 *A Family Matter*

31 *Tax Forms and Withholding*

31 *Direct Deposit*

32 *Lost Check Replacement*

32 *Death of a Member*

32 *Surviving Beneficiary*

32 *Declining or Passing Through a Benefit*

32 *Changing Your Beneficiary After Retirement*

33 *Working After Retirement*

PERF pays more than $375 million in benefits annually

A FAMILY MATTER

While all of these questions are not directly related to PERF membership and benefits, you will help assure peace of mind if you can answer "yes" to the following:

Do you review your financial obligations and resources with your family?

Does your family know what your PERF benefits are, and what will or will not change in the event of your death?

Is your family aware of how your money is managed, such as bank accounts, investments, and insurance policies?

Are your records complete, including contact numbers for your bank, PERF, and any insurance agents or companies? Are they organized so someone else can refer to them?

Are children or others you count on involved in money matters that affect them? Is someone you trust in a position to help manage your family's finances should the need arise?

TAX FORMS AND WITHHOLDING

Each year, PERF mails 1099-R forms to all benefit recipients by Jan. 31. The 1099-R form is much like a W2 form. It lists the total amount of benefits received during the year. It also shows the taxable and non-taxable amounts. PERF can also withhold Indiana and Federal taxes. If you did not complete tax withholding forms at the time of your retirement, you may do so at any time. To complete the tax forms, you simply indicate the dollar amount that you want withheld.

PERF can withhold Federal tax based upon your marital status and the number of exemptions claimed. State and Federal tax forms are available from the PERF office. You may call or write to request them.

DIRECT DEPOSIT

You may choose to have your retirement benefits directly deposited into the account of your choice each month. That way your check cannot be late, lost, or stolen. If you change banks, or change your mind, you can stop direct deposit at any time by sending a written and signed request. You may also start again at a new bank by completing a PERF direct deposit form.

If you change account numbers with the same bank, simply send written confirmation of the number to PERF. If you change banks, call or write PERF or download a direct deposit form from the PERF Web site. Do NOT close your old account until you know funds are being deposited into your new account.

LOST CHECK REPLACEMENT

If you are not using direct deposit and have not received your check by the 25th of the month, contact the PERF office. We can begin the replacement process no sooner than ten (10) days after the monthly benefit checks were mailed.

As soon as you contact PERF, you will be sent a Lost Check Affidavit to sign, have notarized and return to the fund. PERF will then issue a replacement check. Using direct deposit eliminates the risk of lost checks.

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DEATH OF A MEMBER

When a member dies, PERF must be notified to stop the member's benefit payments and make payments to the appropriate beneficiaries. PERF needs a copy of the death certificate, including the retiree's name, social security number and date of death. The family may keep the check received in the month the member dies, but must return any subsequent payments to the Fund. ***Please mail or fax a copy of the death certificate to PERF.***

Surviving Beneficiary

Once PERF has verified the retiree's death, the surviving beneficiary will be notified of any necessary action that may be needed on their part in order to start receiving their benefit.

For this reason it is very important that you keep PERF informed of your beneficiary's current address.

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Declining or Passing Through a Benefit

Indiana law allows a beneficiary to decline a bequest if they feel it is in their interest to do so. The law also determines how the bequest will be handled if the beneficiary declines it. For more specific information on your situation, please contact PERF directly.

CHANGING YOUR BENEFICIARY AFTER RETIREMENT

Once you have named a beneficiary or beneficiaries on your Retirement Application and processsing is completed, you can change that designation only in limited circumstances, depending on the option you chose. Be certain which option your benefit is being paid under, then check the chart on the next page to find out the changes you are entitled to make.

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Option 10, 61, or 71 at retirement	***You may change your beneficiary up to five years from the effective date of your retirement.***
Option 30, 40, or 50 at retirement	***You cannot make a change as long as your beneficiary is alive (with the exceptions shown below).***
You are receiving a benefit and are a party in an action for a dissolution of marriage	***You may elect to change your beneficiary or form of benefit (this applies to a dissolution of marriage either within the state of Indiana or out of state.)***
You were single at the time of retirement and then marry.	***You may change your beneficiary to name your spouse if your current spouse was not the beneficiary.***
Option 30, 40, or 50 at retirement and your beneficiary dies first.	***You may name a new beneficiary, or change to retirement Option 20.***
Option 20 at any time	***NOT APPLICABLE, at no time can you name a beneficiary under Option 20.***

For options 30, 40 and 50, you must furnish a copy of your spouse or beneficiary's death certificate, and, in the case of marriage, a copy of your marriage license. PERF will also need the birth certificate of your new beneficiary. Please note that changing your beneficiary may have a significant impact on your monthly benefit.

Members may change their beneficiary or form of benefit after retirement due to divorce. This event has been added to the limited number of circumstances under which a beneficiary may be changed after retirement.

WORKING AFTER RETIREMENT

You are entitled to go back to work after you retire and continue receiving PERF retirement benefits. If you are returning to a position covered by PERF, you must have a separation of employment from any PERF-covered position for a period of at least thirty (30) days from your effective retirement date. Your effective retirement date is the first day of the month for which you were paid retirement benefits. There is no earnings limitation for members who choose to return to work in a PERF-covered position after retirement.

Members who have retired from another Indiana public pension fund (such as the 1977 Police Officers' and Firefighters' Pension & Disability Fund) must also meet this 30-day separation from service requirement before taking a PERF-covered position with the same employer.

Receiving Monthly Benefits While Continuing to Work

If you are age 70 and have at least twenty (20) years of creditable service, you can begin receiving retirement benefits while continuing to work in a PERF-covered position. A member who chooses to begin receiving monthly retirement benefits while working in a PERF-covered position cannot earn additional service credit towards retirement.

BRIDGE TO RETIREMENT GUIDE

For most people, applying for a retirement benefit is a once-in-a-lifetime event. This PERF guide will help you make the transition from your last pay check to your first PERF check as easy as possible. This checklist will guide you and your family through the retirement process. If you have any questions, call PERF's toll-free number, (888) 526-1687, and we will be happy to assist you.

HOW DO I KNOW WHEN I'M READY TO RETIRE?

There are many things to consider before retiring. Here is a list of questions that can help you to prepare for this important chapter of your life.

- Do you own your home completely? If not, once you retire, will your income be enough to cover your house payments?
- Do you and your spouse have adequate insurance and disability coverage?
- Have you estimated your total retirement income from all sources? Is that estimate between 60 percent and 80 percent of your current income?
- Have you saved or created a plan to save for major expenses like home repairs, traveling or buying a car during your retirement?
- Do you have a current estimate of what your Social Security benefits will be?
- Do you have money saved for emergencies? If not, do you have a plan to maintain a cash reserve for unexpected expenses?
- Do you already have hobbies and activities that you can devote time to once you retire?
- Do you have your wills, trusts and powers of attorney set up as you wish?

If you answered 'yes' to most of these questions, you have made preparations for retirement and have a better chance of preserving your current standard of living.

However, if you answered 'no' more often than 'yes,' you might want to more carefully consider your retirement date and begin making financial plans so you will be well-prepared when you do retire.

THE RETIREMENT APPLICATION PROCESS

What members must do:

- Complete the online or paper application by making choices about how you and your beneficiaries will receive retirement benefits.
- Sign the application and have your signature notarized, or submit it electronically.
- Send the application and all supporting documentation for you and any named beneficiaries (such as birth certificates) to PERF.

What employers must do:

- Authorize PERF to make benefit payments based on how long you worked and all wages paid.
- Be current with employer contributions, which pay for monthly pension benefits promised to all eligible PERF members.
- Send a report to PERF stating your last day in pay and final wages paid. Authorize your last day of employment (some future date) so PERF can establish eligibility.

What PERF does:

- Check application for required information and signatures.
- Get necessary information from all your PERF-covered employers to calculate the benefit amount.
- Check PERF's records to verify that all employer and employee records are accurate.
- Calculate the correct amount of monthly payment based on your records, the calculation formula established by law and your application choices.
- Audit the calculation to verify its accuracy.
- Process the benefit for direct deposit each month.

PERF mails a quarterly statement detailing your account balance and interest earnings. If you are currently employed in a PERF-covered position or still have an account with PERF, but are not receiving this statement, please contact PERF immediately toll-free at (888) 526-1687.

Log on to your PERF Online account for benefit estimate calculations and an online retirement application.

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