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August 11, 2016

Steve Russo, Executive Director
Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204

We have reviewed the audit report prepared by RSM US LLP, Independent Public Accountants, for the period July 1, 2014 to June 30, 2015. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Indiana Public Retirement System, as of June 30, 2015, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2015

The Indiana Public Retirement System is a pension trust fund of the State of Indiana.

INPRS

INDIANA PUBLIC RETIREMENT SYSTEM

2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2015

The Indiana Public Retirement System is a pension trust fund of the State of Indiana.

Public Employees' Retirement Fund | Teachers' Retirement Fund: *Pre-1996 Account and 1996 Account* | 1977 Police Officers' and Firefighters' Pension and Disability Fund | Judges' Retirement System | State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan | Prosecuting Attorneys' Retirement Fund | Legislators' Retirement System: *Defined Benefit Plan and Defined Contribution Plan* | State Employees' Death Benefit Fund | Public Safety Officers' Special Death Benefit Fund | Pension Relief Fund

INPRS | One North Capitol, Suite 001 | Indianapolis, IN 46204
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INPRS is a trust and an independent body, corporate and politic. The fund is not a department or agency of the State of Indiana, but is an independent instrumentality exercising essential governmental functions. (Indiana Code Section 5-10.5-2-3).

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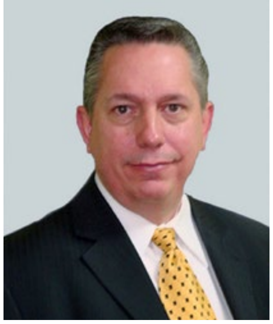
Indiana Public Retirement System

INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2015

Introductory Section



December 4, 2015

Dear Board Members:

It is with pleasure that we present the Comprehensive Annual Financial Report (CAFR) of the Indiana Public Retirement System (INPRS) for the fiscal year ended June 30, 2015.

About the System

As of June 30, 2015, INPRS was responsible for the investment of approximately $29.9 billion in net assets. For the year, INPRS paid approximately $2.4 billion in monthly retirement, disability and survivor benefits to 137,992 benefit recipients. INPRS received contributions of approximately $2.1 billion from 221,962 members actively employed in public service and 1,212 participating employers statewide, and a nonemployer contributing entity (State of Indiana). INPRS also maintains accounts for 93,389 inactive members for a total membership of 453,343. Details about INPRS members and employers can be found in the Statistical Section of this report.

This report provides detailed information on the performance of nine (9) retirement plans administered by INPRS, including:

- Public Employees' Retirement Fund (PERF)
- Teachers' Retirement Fund Pre-1996 Account (TRF Pre-1996)
- Teachers' Retirement Fund 1996 Account (TRF 1996)
- 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund)
- Judges' Retirement System (JRS)
- State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan (EG&C Plan)
- Prosecuting Attorneys' Retirement Fund (PARF)
- Legislators' Defined Benefit Plan (LEDB Plan)
- Legislators' Defined Contribution Plan (LEDC Plan)

INPRS also administers two (2) Other Postemployment Benefit Funds. Both are special death benefit funds for public safety officers and state employees who die in the line of duty. In addition, INPRS manages an Agency Fund. The agency fund is the Pension Relief Fund, which was created by the Indiana General Assembly to address the unfunded pension obligations of the police officers' and firefighters' pension systems of Indiana's cities and towns. INPRS is not responsible for the administration of those local pension funds, which have been closed to new membership since the creation of the 1977 Police Officers' and Firefighters' Pension and Disability Fund. However, INPRS makes disbursements from funds provided by the General Assembly to the local police and firefighter units throughout the state that are still obliged to pay benefits under those former plans.

Since their establishment, the laws governing the administration of INPRS-administered funds have changed and expanded in response to the needs of our members, employers, and citizens.

In 1955, the Annuity Savings Account (ASA) was established as a supplemental benefit to the then existing defined benefit for PERF and TRF members, making these plans amongst the first in the nation to adopt a hybrid plan design. With employers paying the necessary contribution to fund the defined benefit, employees have since been required to make a contribution into a member managed account. Members are immediately vested in their ASAs. Upon retirement, PERF and TRF members can withdraw their ASA balance in a lump sum or they can convert their balance into an annuitized amount that is added to their defined benefit. Non-vested inactive members (i.e., members who have not met the requirements for a defined pension benefit) may elect to withdraw their ASA balances upon termination of employment.

The 1995 legislative session brought several significant changes to TRF. Legislation was passed that closed the pay-as-you-go plan (the Pre-1996 Account) to newly hired members and created a new account named the 1996 Account. All teachers hired after June 30, 1995, would be members of the 1996 Account. The 1996 Account was established to be actuarially pre-funded by requiring school corporations to set aside a fixed percentage of payrolls for teacher retirement benefits. Also, in 1995, the General Assembly passed legislation creating the Pension Stabilization Fund (PSF), designed to partially fund TRF's unfunded liability of the Pre-1996 Account. The PSF was initially funded from $425 million of employer reserves from the Pre-1996 Account and, since that time, has received contributions from the Indiana State General Fund, contributions from the Indiana State Lottery, and interest earned from the investment of PSF assets. As of June 30, 2015, the PSF had a balance of $2.8 billion.

A public referendum held in 1996 approved an amendment to the Indiana Constitution to allow the funds to invest in equities. Since that time, INPRS has been able to diversify its investment asset classes and grow its asset base.

In 2000, legislation established that the fund's administrative bodies would no longer be state agencies but each would be an "independent body corporate and politic." This means INPRS is not a department or agency of the State, but is an independent instrument exercising essential government functions. Under Indiana law, INPRS is under the jurisdiction of the State Ethics Commission.

Effective July 1, 2011, the administration of the Indiana State Teachers' Retirement Fund (TRF), established in 1921, and the funds previously administered by the Indiana Public Employees' Retirement Fund (PERF), established in 1945, were consolidated as the Indiana Public Retirement System (INPRS).

Benefit Plan and Other Legislative Changes during Fiscal Year 2015

Major changes passed in fiscal year 2014 that become effective in fiscal year 2015:

- Legislation provided a one-time check (a.k.a. 13th check) to benefit recipients of PERF, TRF and the EG&C Plan in various amounts based on years of service. In addition, benefit recipients of the 1977 Fund received a COLA increase.
- Legislation provided that INPRS keep the ASA annuity program in-house until at least January 1, 2017. Legislation also provided that between October 1, 2014 and September 30, 2015, the Board shall provide ASA annuities to retiring and retired PERF and TRF members at a 5.75 percent interest rate. Between October 1, 2015 and December 31, 2016, the interest rate will be the greater of the market rate or 4.5 percent. After December 31, 2016, whenever the Board enters into an agreement with a third party provider, the interest rate will be the market rate.

Major changes passed in fiscal year 2015 that become effective in fiscal year 2016:

- Legislation provided a one-time check (a.k.a. 13th check) to benefit recipients of PERF, TRF and the EG&C Plan in various amounts based on years of service. In addition, benefit recipients of the 1977 Fund received a COLA increase.
- Legislation allows emergency medical service providers access to a special death benefit. Their death must be a direct result of carrying out their duties as a provider. This applies only to deaths after June 30, 2015. The employer must purchase coverage for each EMS provider at $100 per year.
- Legislation allows INPRS to provide other methods of payment to members, in addition to direct deposit.
- Legislation provides PERF employers the choice to offer the PERF ASA Only option for retirement. They can offer the PERF ASA Only plan in addition to or instead of the PERF Hybrid plan. PERF employers are not able to offer a retirement benefit other than PERF. Pre-existing defined contribution plans are exempt. In addition, if an employer in the Public Employees' Retirement Fund (PERF) stops enrolling new positions in the fund, they must pay their share of unfunded liabilities.

Management's Responsibility for Financial Reporting

INPRS management has the fiduciary responsibility to safeguard the system and is responsible for the contents of this report. INPRS management is also responsible for establishing and maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization. INPRS management is responsible for ensuring that an adequate internal control structure is in place to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized user disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires management to make estimates and judgments. The internal control structure is subject to periodic evaluation by management and the internal audit staff to ensure compliance with applicable laws and regulations.

INPRS' unmodified opinion, as expressed in the independent auditor's report regarding the fair presentation of the financial statements, can be viewed in the Financial Section. In addition, the Financial Section contains the Management's Discussion and Analysis, which provides in depth discussion and analysis of the fiduciary net position, additions and deductions to net position, and funding progress.

Economic Condition

The economic condition of INPRS is based primarily upon investment results and contributions from members, employers and nonemployer contributing entities. Verus, the primary investment management consultant for INPRS, and the INPRS Chief Investment Officer (CIO) evaluated the impact of economic conditions on the investments of INPRS. The Verus Report on Investment Activities and the CIO Report are located in the Investment Section of this report. In aggregate, fiscal year 2015 contributions from members, employers, and nonemployer contributing entities to all of the INPRS administered plans were 104.5 percent of the Actuarial Determined Contribution.

Investments

In fiscal year 2015, INPRS Consolidated Defined Benefit Assets time-weighted rate of return is 0.0 percent net of fees. Investments in global public equity, private equity, absolute return and commodities outperformed their respective benchmarks. The five-year return rate of 7.7 percent is above the long-term actuarial assumed rate of 6.75 percent. While, the three-year rate of return of 6.4 percent and the 10-year rate of return of 4.7 percent are below the long term actuarial assumed rate of 6.75 percent. INPRS implemented a risk-based asset allocation beginning in 2011. Since that time, the portfolio has performed as expected given U.S. and global market conditions. As with any long-term, forward-looking asset allocation, the true test will be time as the portfolio weathers changing environments.

The foundation of any successful investment program is the commitment to and execution of disciplined decision-making policies and processes conducted by competent investment professionals. The INPRS Investment Policy Statement is an essential element of our commitment to investments excellence. Detailed investment policies and results can be found in the Investment Section of this report.

Funding

An actuarial analysis of all INPRS-administered retirement plans is performed on an annual basis. An assumption experience study is performed every three to five years. PricewaterhouseCoopers (PwC) completed an experience study for all DB retirement plans except TRF and Nyhart completed an experience study for both TRF Pre-1996 and TRF 1996 during fiscal year 2015.

One purpose of the annual actuarial analysis is to measure the funding status, typically referred to as the funded percentage. The percentage is computed by dividing the actuarial value of net assets by the actuarial accrued liability. This ratio provides an indication of the funding status of the plan, and generally, the greater this percentage, the stronger the plan.

As discussed earlier in this letter, INPRS administers eight (8) separate DB retirement plans. The aggregate funded status percentage for all the pre-funded plans in fiscal year 2015 is 86.0 percent compared to 87.9 percent in fiscal year 2014. Decline from last year is due to the experience study. INPRS adopted the mortality tables issued by the Society of Actuaries in 2014. The TRF Pre-1996 pay-as-you-go account, designed in 1921 for a zero funded status, actually has a funded status of 30.4 percent thanks to the underpinning of the Pension Stabilization Fund and member ASA account balances. Actuarial standards consider a funded percentage of 80 percent or better as being healthy. We are pleased with our overall funded status and continue to work to achieve 100 percent funding.

Details of the actuarial analysis can be found in the Actuarial Section of this report and the supporting statistics can be found in the Statistical Section. In the Statement of Changes in Fiduciary Net Position, contained in the Financial Section of this report, the accumulated balance of funds derived from the excess of additions over deductions is referred to as the net position restricted for pension benefits. The actuarial accrued liability is not disclosed in the Statement of Fiduciary Net Position, but is disclosed in the Summary of INPRS Funded Status in the Actuarial Section.

Accomplishments in 2015

The INPRS strategic plan provides the foundation from which INPRS moves towards its vision to be a 100% funded public retirement system trusted and valued by stakeholders. A copy of the INPRS strategic plan that includes details of accomplishments in FY15 can be found on the INPRS website www.inprs.in.gov. FY15 marked a year of transition as INPRS shifted focus from the implementation of modernized IT systems to a focus on quality management and process improvement. Embedding a culture of value oriented continuous improvement is the cornerstone to achieving the INPRS strategic plan.

Acknowledgements

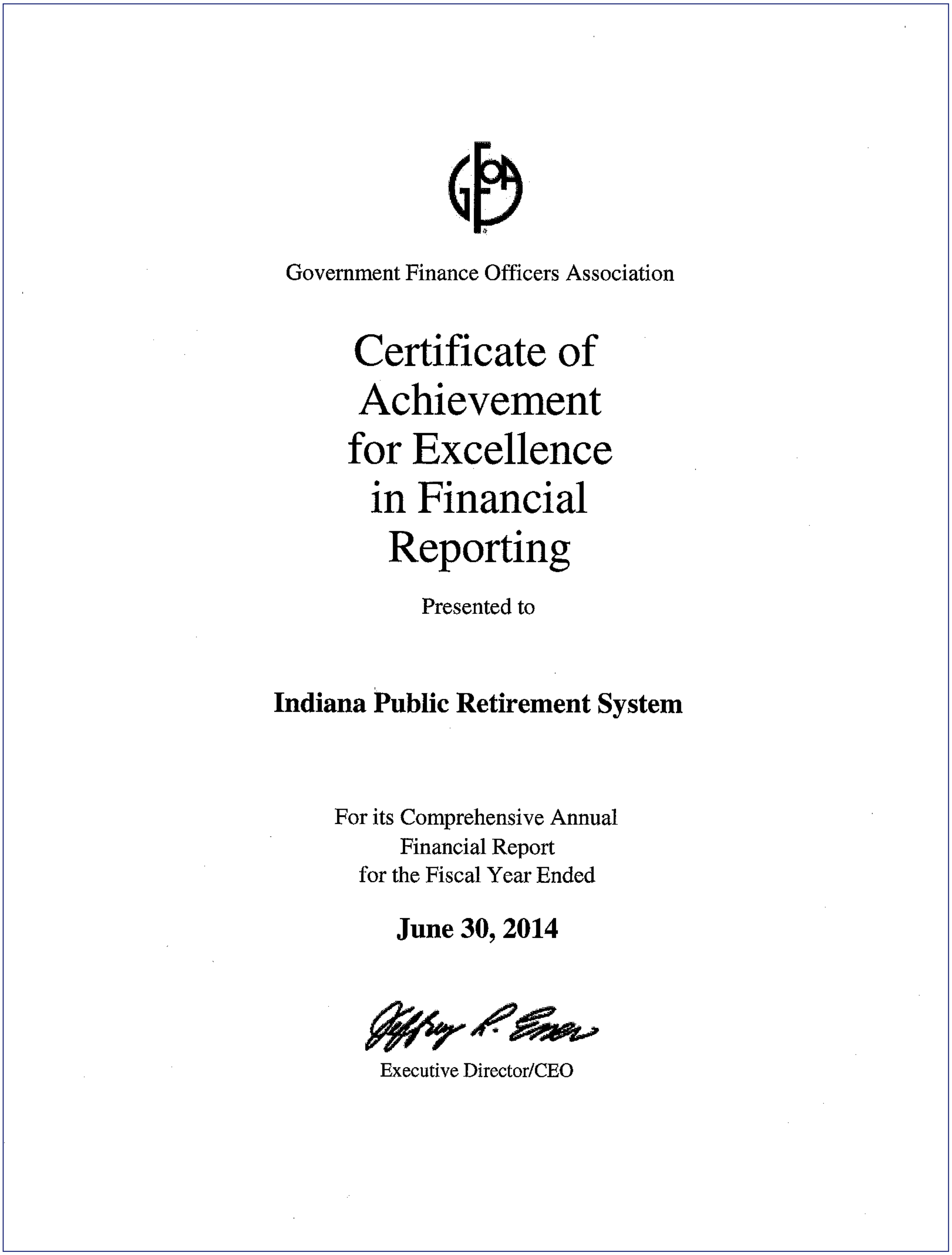
The compilation of this report reflects the combined efforts of INPRS staff and advisors. It is intended to demonstrate the spirit of full disclosure and to provide information for use as the basis for making management decisions, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the assets contributed by our members and employers.

If, after reviewing this report, you would like more information, please feel free to contact us at questions@inprs.in.gov.

We express our gratitude to the staff, advisors, and all who have contributed to the preparation of this report. The INPRS staff also wishes to express our gratitude to Indiana Governor Mike Pence, the Indiana General Assembly, members of the Indiana Committee on Pension Management Oversight, and the INPRS Board of Trustees who provided INPRS staff the privilege of serving the needs of our members and employers.

Sincerely,

Steve Russo
Executive Director



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Indiana Public Retirement System

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

PPCC

Public Pension Coordinating Council

Public Pension Standards Award
For Funding and Administration
2015

Presented to

Indiana Public Retirement System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)

National Conference on Public Employee Retirement Systems (NCPERS)

National Council on Teacher Retirement (NCTR)

Alan H Winkle

Alan H. Winkle
Program Administrator

Administrative Organization[1]

Board of Trustees


Brian Abbott


Jillean Battle


Ken Cochran


Suzanne Crouch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Deanna Oware


Mike Pinkham


Kyle Rosebrough


Bret Swanson

Executive Team


Steve Russo
Executive Director


Steven Barley
Chief Operations Officer and Deputy Director


Donna Brown
Chief Financial Officer


David Cooper
Chief Investment Officer


Tony Green
Chief Legal and Compliance Officer


Donna Grotz
Director of Strategic Initiatives and Administration


Mike Hineline
Chief Information and Technology Officer


Jeffrey Hutson
Chief Communication Officer


Teresa Snedigar
Director of Internal Audit

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[1] *As of June 30, 2015.*

Vision:

To be a 100 percent funded public retirement system trusted and valued by stakeholders.

Mission:

Efficiently collect necessary contributions, manage assets and pay earned benefits.

Principles:

Integrity. We hold ourselves accountable to the highest standards of ethical and professional behavior.

Stewardship. We prudently invest assets held in trust for current and future retirees. We wisely manage expenses to maximize value to our stakeholders. We rigorously identify, measure, and manage risk across the organization.

Service. We exist to serve our stakeholders with attentiveness to high quality, respectful customer service.

Trust. We are our stakeholders' trusted source of reliable information.

Collaboration. We seek out stakeholder input when establishing goals and setting priorities.

Mike Pence
Governor

Sue Ellspermann
Lt. Governor

Executive Team[1]

Steve Russo
Executive Director

Steven Barley
Chief Operations Officer
and Deputy Director

Donna Brown
Chief Financial Officer

David Cooper
Chief Investment Officer

Tony Green
Chief Legal and Compliance Officer

Donna Grotz
Director of Strategic Initiatives
and Administration

Mike Hineline
Chief Information and
Technology Officer

Jeffrey Hutson
Chief Communication Officer

Teresa Snedigar
Director of Internal Audit

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Indianapolis, IN 46204

Nyhart
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Indianapolis, IN 46250

PricewaterhouseCoopers LLP
One North Wacker Drive
Chicago, IL 60606

Verus
999 Third Avenue, Suite 4200
Seattle, WA 98104

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[1] *As of June 30, 2015.*

[2] *A complete list of investment professionals that have provided services to INPRS can be found at the end of the Investment Section.*

Indiana Public Retirement System

Summary of Key Data as of June 30, 2015

- PERF = Public Employees' Retirement Fund
- TRF Pre-1996 = Teachers' Retirement Fund Pre-1996 Account
- TRF 1996 = Teachers' Retirement Fund 1996 Account
- 1977 Fund = 1977 Police Officers' and Firefighters' Pension and Disability Fund
- JRS = Judges' Retirement System
- EG&C Plan = State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan
- PARF = Prosecuting Attorneys' Retirement Fund
- LEDB Plan = Legislators' Defined Benefit Plan
- LEDC Plan = Legislators' Defined Contribution Plan

(dollars in millions)

Plan	Number of Employers[1]	Total Number of Members	Fiduciary Net Position	Actuarial Value of Assets (AVA)	Actuarial Accrued Liabilities (AAL)	Unfunded AAL	Funded Status (AVA/AAL)
PERF	1,167	288,342	$ 13,908	$ 14,132	$ 17,980	$ 3,848	78.6%
TRF Pre-1996	339	71,477	5,100	5,172	17,018	11,846	30.4
TRF 1996	360	72,984	5,379	5,461	5,906	445	92.5
1977 Fund	165	18,103	4,828	4,939	4,681	(258)	105.5
JRS	1	804	437	448	469	21	95.4
EG&C Plan	1	759	110	113	133	20	84.9
PARF	1	553	54	55	78	23	70.4
LEDB Plan	1	99	3	3	4	1	77.1
LEDC Plan	1	222	28	-	-	-	-
Other[2]	-	-	14	-	-	-	-
Total	**1,212**	**453,343**	**$ 29,861**	**$ 30,323**	**$ 46,269**	**$ 15,946**	**86.0%[3]**

[1] Sum of individual employers by retirement plan does not equal total employers, since one (1) employer may participate in multiple retirement plans.
[2] Includes State Employees' Death Benefit Fund and Public Safety Officers' Special Death Benefit Fund.
[3] Total INPRS, excluding TRF Pre-1996 Account (Pay-As-You-Go).

Hybrid Plan

The membership of the Public Employees' Retirement Fund (PERF) Hybrid plan includes eligible state and local government entities.

Eligibility for Pension Benefit Payment[1]

- Early retirement with reduced benefits between ages 50-59 with 15 years of service
- At age 55 if age and creditable service total at least 85 ("Rule of 85")
- Age 60 with 15 years of service
- Age 65 with 10 years of service
- Age 65 with 8 years of service[2]
- Age 70 with 20 years of service[3]

Contribution Rates

- Employer contribution rates for the Defined Benefit (pension) are determined annually by the INPRS Board based on recommendations by the INPRS actuary.
- Members are required to contribute 3 percent of gross wages to their Annuity Savings Account. Employers have the option of making all or part of this contribution on behalf of the member. Members may also make voluntary contributions to the Annuity Savings Account up to an additional 10 percent of their gross wages, under certain limitations.

Benefit Formula

Lifetime Annual Benefit = (Years of Creditable Service x Average Highest 20 Quarters of Salary x .011) + Annuity Savings Account[4]

Cost of Living Allowance (COLA)

Cost of living adjustments are granted by the Indiana General Assembly on an ad hoc basis.

ASA Only Plan

Established on March 1, 2013, the membership of the Public Employees' Retirement Fund (PERF) ASA Only plan includes first-time, full-time employees of the State of Indiana and quasi agencies.

Eligibility for Plan Payment

- Members are fully vested in the 3 percent employee share (Annuity Savings Account) upon hire
- The member's share of the employer contribution is based on full years of participation:

1 year = 20 percent
2 years = 40 percent
3 years = 60 percent
4 years = 80 percent
5 years = 100 percent

Contribution Rates

- Employer pays the mandatory 3 percent employee (member) share of gross wages.
- The employer share is also paid by the employer, but the member must meet vesting requirements.[5]

Benefit Formula

Not applicable

Cost of Living Allowance (COLA)

Not applicable

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[1] *A member is eligible for withdrawal of the PERF Hybrid Plan Annuity Savings Account (ASA) benefit once he/she separates from service for 30 days. Certain restrictions may apply if the member is vested in a pension benefit.*

[2] *A member who has at least eight years of PERF Plan service as a county clerk, county auditor, county recorder, county treasurer, county sheriff or county coroner is eligible for normal retirement after reaching age 65. This change in the law applies only to members retiring after June 30, 2002. Public Law 73-2002 also provides that a member serving as state auditor, state treasurer or secretary of state, and whose term commences after the November 5, 2002 election, be vested with at least eight years of creditable service.*

[3] *Actively employed members who have completed at least 20 years of service may apply for retirement benefits at age 70, remain actively employed in a PERF covered position without a separation from service, and receive monthly benefits.*

[4] *Members can elect at retirement to receive their Annuity Savings Account as a monthly supplement to their defined pension benefit or in a total distribution.*

[5] *Contribution amounts covering unfunded pension liability are not made to member ASA Only accounts.*

Fund Highlights, continued

The membership of the Indiana State Teachers' Retirement Fund (TRF Pre-1996 and 1996 Accounts) includes eligible educators and administrators.

Eligibility for Pension Benefit Payment[1]

- Early retirement with reduced benefits between ages 50-59 with 15 years of service
- At age 55 if age and creditable service total at least 85 ("Rule of 85")
- Age 60 with 15 years of service
- Age 65 with 10 years of service
- Age 70 with 20 years of service[2]

Contribution Rates

- The Pre-1996 Account is funded primarily by State General Fund appropriations and state lottery proceeds.
- Employer contribution rates for the 1996 Account are determined annually by the INPRS Board based on recommendations by the INPRS actuary.
- Members are required to contribute 3 percent of gross wages to their Annuity Savings Account. Employers have the option of making all or part of this contribution on behalf of the member. Members may also make voluntary contributions to the Annuity Savings Account up to an additional 10 percent of their wages, under certain limitations.

Benefit Formula

Lifetime Annual Benefit =
(Years of Creditable Service
x Average Highest Five-Year Annual Salary
x .011) + Annuity Savings Account[3]

Cost of Living Allowance (COLA)

Cost of living adjustments are granted by the Indiana General Assembly on an ad-hoc basis.

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[1] *A member is eligible for withdrawal of the Annuity Savings Account (ASA) benefit once he/she separates from service for 30 days. Certain restrictions may apply if the member is vested in a pension benefit.*

[2] *Actively employed members who have completed at least 20 years of service may apply for retirement benefits at age 70, remain actively employed in a TRF covered position without a separation from service, and receive monthly benefits.*

[3] *Members can elect at retirement to receive their Annuity Savings Account as a monthly supplement to their defined pension benefit or in a total distribution.*

1977 Police Officers' and Firefighters' Pension and Disability Fund provides coverage to full-time sworn officers of a police force of an Indiana city or town and full-time firefighters employed by an Indiana city, town or township.

Eligibility for Pension Benefit Payment

- Early retirement with reduced benefits at age 50
- Age 52 with 20 years of service
- Deferred Retirement Option Plan (DROP) available to members who are eligible for an unreduced retirement – members continue to work and earn a salary while accumulating a DROP benefit

Contribution Rates

- Employer contribution rate is adopted by the INPRS Board of Trustees based on recommendations by the INPRS actuary.
- Member must also contribute 6 percent of first-class salary for the term of the member's employment up to 32 years.
- Employers have the option of making all or part of this contribution on behalf of the member.

Benefit Formula

Annual Benefit = 50 percent of first-class salary for 20 years of service.[1]

Cost of Living Allowance (COLA)

Cost of living adjustment is a percentage determined by statute equal to the change in the Consumer Price Index but not in excess of a 3 percent increase.

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[1] *This percentage is increased by 1 percent for each six months of active service accumulated after 20 years of service (to a maximum of 32 years, or 74 percent).*

Fund Highlights, continued

The Judges' Retirement System includes any person who has served, is serving or shall serve as a regular judge or justice of the Supreme Court of the state of Indiana, Court of Appeals, Indiana Tax Court, Circuit Court of a Judicial Court, or County Courts including: Superior, Criminal, Probate, Juvenile, Municipal and County Courts. Beginning Jan. 1, 2011, full-time magistrates who are serving on July 1, 2010, may elect to be members of the 1985 System. The 1985 System is mandatory for all new judges and beginning Jan.1, 2011, all new full-time magistrates.

Eligibility for Pension Benefit Payment

- Early retirement with reduced benefits at age 62 and at least eight years of service credit
- At age 55 if age and creditable service total at least 85 ("Rule of 85")
- Age 65 with at least eight years of service credit

Contribution Rates

- Employer contributions are determined by the Indiana General Assembly as appropriations from the state's General Fund and certain court and docket fees.
- A member of either the 1977 or 1985 Judges' Retirement System is required to contribute 6 percent of the member's salary for a maximum period of 22 years.
- No contributions are due to either retirement system during the time that a member is not employed as a judge or for any period of service as a senior judge.

Benefit Formula

Annual Benefit = Salary at Retirement[1]
x Percentage Below

Years of Service	Percentages	Years of Service	Percentages
8	24%	16	54%
9	27%	17	55%
10	30%	18	56%
11	33%	19	57%
12	50%	20	58%
13	51%	21	59%
14	52%	22 or more	60%
15	53%		

Cost of Living Allowance (COLA)

For participants of the 1977 System and the 1985 System (who apply for a benefit after 12/31/09), the cost of living allowance is a percentage increase equal to the increase in the salary of the participant's position from which the participant retired.

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[1] Benefit calculations for the 1977 System (those who began service as a judge before September 1, 1985) are based on the salary being paid for the office that the participant held at the time of the participant's separation from service. The 1985 System (those who began service as a judge after August 31, 1985) uses the applicable salary determined by statute.

State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan includes members engaged exclusively in the performance of law enforcement duties of the (1) Indiana Department of Natural Resources, (2) Indiana Alcohol and Tobacco Commission and (3) any Indiana state excise police officer, Indiana state conservation enforcement officer or gaming agent.

Eligibility for Pension Benefit Payment

- Early retirement with reduced benefits at age 45 with at least 15 years of creditable service
- Age 50 with 25 years of service
- At age 55 if age and creditable service total at least 85 ("Rule of 85")
- Deferred Retirement Option Plan (DROP) – continue to work and earn a salary while accumulating a DROP benefit

Contribution Rates

- Employer contribution rate is adopted by the INPRS Board of Trustees based on recommendations by the INPRS actuary.
- Member is required to contribute 4 percent of member's annual salary. The contribution is made through payroll deduction and is deposited in member's account.

Benefit Formula

Annual Benefit = 25 percent[1] x Average Annual Salary[2]

Cost of Living Allowance (COLA)

Cost of living allowance is applied at the same rate as was granted by the Indiana General Assembly for the Public Employees' Retirement Fund.

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[1] *This percentage is increased by 1.66 percent of average annual salary for each completed year of creditable service after 10 years. However, the total percentage may not exceed 75 percent.*

[2] *Average Annual Salary is defined as the average annual salary of an officer during the five years of highest annual salary in the 10 years immediately preceding an officer's retirement date.*

The Prosecuting Attorneys' Retirement Fund (PARF) includes prosecuting attorneys, chief deputy prosecuting attorneys and other deputy prosecuting attorneys paid by the state. PARF members are also members of the PERF Plan. According to statute, benefits payable from PARF are reduced by any benefits payable from the PERF Plan.

Eligibility for Pension Benefit Payment

- Early retirement with reduced benefits at age 62 and at least eight years of service credit
- At age 55 if age and creditable service total at least 85 ("Rule of 85")
- Age 65 with at least eight years of service credit

Contribution Rates

- Actuarially determined State General Fund appropriations
- A prosecuting attorney or chief deputy prosecuting attorney must contribute 6 percent of the state-paid portion of member's salary. The State of Indiana has the option of making this contribution on behalf of the member. This 6 percent contribution will be withheld by the Auditor of the State.
- Prosecuting attorneys and chief deputy prosecuting attorneys are also PERF members, and the member's mandatory 3 percent PERF ASA contributions are paid on member's behalf by the state.

Benefit Formula

Annual Benefit = Highest Annual Salary
(state-paid portion only) at Retirement
x Percentage Below

Years of Service	Percentages	Years of Service	Percentages
Less than 8	0%	15	53%
8	24%	16	54%
9	27%	17	55%
10	30%	18	56%
11	33%	19	57%
12	50%	20	58%
13	51%	21	59%
14	52%	22 or more	60%

Cost of Living Allowance (COLA)

No cost of living allowance is provided.

The Legislators' Retirement System Defined Benefit Plan (LEDB plan) includes only legislators of the state of Indiana who were serving on April 30, 1989, and elected participation. Legislators elected or appointed after April 30, 1989, participate in the Legislators' Defined Contribution Plan (LEDC plan).

Eligibility for Pension Benefit Payment

- Early retirement at least age 55 with 10 years of creditable service, when member is no longer serving in the General Assembly and is not receiving, nor entitled to receive, compensation from the state for work in any capacity
- At age 55 if age and creditable service equal at least 85 ("Rule of 85")
- Age 60 with at least 15 years of service as a member of the General Assembly
- Age 65 with 10 years or more of creditable service as a member of the General Assembly (or meet the requirements for disability benefits under this plan)

Contribution Rates

- The LEDB plan employer contributions are actuarially determined State General Fund appropriations. There are no member contributions for the defined benefit plan.
- For the LEDC plan, the state contribution is determined by multiplying the member's salary for that year by a percentage determined by the INPRS Board and confirmed by the State Budget Agency not to exceed the total contribution rate paid that year by the state to INPRS for state members. The member must contribute 5 percent of member's salary for service after June 30, 1989.

Benefit Formula

The lesser of:

- $40 x Years of service before November 8, 1989 or
- Highest consecutive three-year average annual salary at termination ÷ 12

Cost of Living Allowance (COLA)

Cost of living allowance is applied at the same rate as was granted by the Indiana General Assembly for the Public Employees' Retirement Fund.

Indiana Public Retirement System

INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2015

Financial Section

Financial Statements

Required Supplementary Information

Other Supplementary Schedules

RSM

RSM US LLP

Independent Auditor's Report

Board of Trustees
Indiana Public Retirement System

Report on the Financial Statements

We have audited the accompanying Statement of Fiduciary Net Position of the Indiana Public Retirement System (System), a component unit of the State of Indiana, as of June 30, 2015, and the related Statement of Changes in Fiduciary Net Position for the year then ended, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Indiana Public Retirement System as of June 30, 2015, and the changes in fiduciary net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Prior-Year Comparative Information:
We have previously audited the System's 2014 financial statements, and we expressed an unmodified opinion in our report dated December, 17, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information:
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 28 through 37 and the schedules of changes in net pension liability and net pension liability, schedule of contributions, schedule of investment returns, annual money-weighted rate of return, net of investment expense and the related schedule of notes to required supplementary information on pages 92 through 103 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information:
Our audit for the year ended June 30, 2015 was conducted for the purpose of forming an opinion on the System's financial statements. The other supplementary information consisting of Supporting Schedules in the financial section, and the accompanying introductory, investment, actuarial, and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements.

The other supplementary information for the year ended June 30, 2015 (pages 104 through 107) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements for the year ended June 30, 2015 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the financial statements as a whole as of and for the year ended June 30, 2015.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the System's financial statements as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated December 17, 2014, which contained an unmodified opinion on those financial statements. The accompanying supplementary information which consists of supporting schedules in the financial section (pages 104 through 107), for the year ended June 30, 2014 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the 2014 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole for the year ended June 30, 2014.

The introductory, investment, actuarial, and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

RSM US LLP

Indianapolis, Indiana
December 4, 2015

Management's Discussion and Analysis

Management's Discussion and Analysis (MD&A) of the Indiana Public Retirement System (INPRS) provides a narrative summary of INPRS financial position and performance for fiscal year ended June 30, 2015, including highlights and comparative data. The MD&A is presented as required supplementary information to the financial statements of the INPRS Comprehensive Annual Financial Report (CAFR) and should be read in conjunction with the Letter of Transmittal included in the Introductory Section, and the Financial Statements, the Notes to the Financial Statements, Required Supplementary Information, and the Other Supplementary Schedules presented in the Financial Section.

INPRS is an independent instrumentality of the State of Indiana, administering nine (9) pension trust funds including eight (8) Defined Benefit retirement plans and one (1) Defined Contribution retirement plan, two (2) other postemployment benefit funds (Death Benefits), and one (1) agency fund. The following retirement plans and non-retirement funds are included in the INPRS financial statements. In this regard, refer to the Notes to the Financial Statements for descriptions of these retirement plans and non-retirement funds.

Defined Benefit Retirement Plans:

1. Public Employees' Retirement Fund (PERF)
2. Teachers' Retirement Fund Pre-1996 Account (TRF Pre-1996)
3. Teachers' Retirement Fund 1996 Account (TRF 1996)
4. 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund)
5. Judges' Retirement System (JRS)
6. State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan (EG&C Plan)
7. Prosecuting Attorneys' Retirement Fund (PARF)
8. Legislators' Retirement System – Legislators' Defined Benefit Plan (LEDB Plan)

Defined Contribution Retirement Plan:

1. Legislators' Retirement System – Legislators' Defined Contribution Plan (LEDC Plan)

Other Postemployment Benefit Funds:

1. State Employees' (SE) Death Benefit Fund
2. Public Safety Officers' (PSO) Special Death Benefit Fund

Agency Fund:

1. Pension Relief Fund (PR Fund)

Financial Highlights

- Total net position of INPRS was $29,861 million as of June 30, 2015, which is restricted for future pension and death benefit payments.

- Total net position of INPRS decreased by $336 million or 1.1 percent during fiscal year 2015. The decrease is primarily driven by $2,577 million in benefits and expenses, but is somewhat offset by employer contributions of $2,119 million, net investment income of $105 million, and other additions of $17 million.

- INPRS contributions primarily from employers, members, and non-employer contributing entities increased to $2,119 million during fiscal year 2015, or by $56 million (2.7 percent), from contributions of $2,063 million during fiscal year 2014. The main reasons for this increase were due to employer rate increases and a higher wage base.

- For fiscal year 2015 INPRS time-weighted rate of return was 0.4 percent or a $105 million increase in asset value, compared to a time-weighted rate of return of 12.7 percent or a $3,434 million increase in asset value for fiscal year 2014. The money-weighted rate of return for fiscal year 2015 was 0.4 percent compared to a money-weighted rate of return in fiscal year 2014 of 12.7 percent.

- INPRS paid $2,520 million in pension and disability benefits, special death benefits, and distributions of contributions and interest during fiscal year 2015. This represented an increase of $216 million, or 9.4 percent, from the $2,304 million paid during fiscal year 2014 caused by a significant rise in retirees.

- INPRS membership was 453,343 as of June 30, 2015. There were 221,962 active members, 137,992 benefit recipients, 35,705 inactive vested members, and 57,684 inactive non-vested members.

- As of June 30, 2015, the date of the most recent actuarial valuation, the aggregate INPRS (excluding the TRF Pre-1996 Pay-As-You-Go plan) market value of assets funded ratio was 84.5 percent. This represents a decrease of 5.7 percentage points from the 90.2 percent market value of assets funded ratio as of June 30, 2014. This is mainly due to an updated actuarial experience study and a low investment return in fiscal year 2015. The mortality assumption within the experience study had the largest unfavorable impact due to adopting and applying the RP-2014 Mortality Tables, released by the Society of Actuaries (SOA) in October 2014 with the Social Security Administration generational improvement scale.

Overview of the Financial Statements

The Financial Section is comprised of four (4) components: (1) Financial Statements, (2) Notes to the Financial Statements, (3) Required Supplementary Information, and (4) Other Supplementary Schedules. The information available in each of these sections is briefly summarized as follows:

1. Financial Statements

   The Statement of Fiduciary Net Position is a point-in-time snapshot of the INPRS assets and liabilities at fiscal year end June 30, 2015 and 2014. It reports the net position (assets less liabilities equals net position) restricted for pension benefits, death benefits and pool participants. This statement reflects INPRS investments, at fair value, along with cash, receivables, and other assets and liabilities at June 30, 2015 and 2014.

   The Statement of Changes in Fiduciary Net Position reflects the effect of financial transactions that occurred during fiscal year 2015, where additions less deductions equal net increase (or net decrease) in net position. Additions come primarily from contributions by employers, members, and non-employer contributing entities, which include State appropriations and revenues from lottery proceeds and taxes, as well as net investment income. Deductions are pension, disability and death benefit disbursements, administrative and project expenses, and other deductions. This increase (or decrease) in net position reflects the change in the value of Fiduciary Net Position that occurred between June 30, 2015 and 2014.

Management's Discussion and Analysis, continued

2. Notes to the Financial Statements

The Notes to the Financial Statements are an integral part of the financial statements and provide additional detailed information that is essential for a full understanding of the data provided in the INPRS financial statements.

Note 1. – provides a general description of the retirement plans and non-retirement funds administered by INPRS. Information regarding membership, member, employer and nonemployer contributing entity contributions, retirement benefits, and disability and survivor benefits for each of the retirement plans is also provided.

Note 2. – provides a summary of significant accounting policies, including the basis of accounting, investment accounting policies, management's use of estimates, and other significant accounting policies.

Note 3. – provides information on cash and investments.

Note 4. – provides information on derivative financial instruments.

Note 5. – provides information on long-term commitments for alternative investments.

Note 6. – provides information on risk management.

Note 7. – provides information on contingent liabilities.

Note 8. – provides information on the net pension liability, funded status and other actuarial information for each of the defined benefit retirement plans.

Note 9. – provides information on subsequent events to fiscal year-end 2015.

3. Required Supplementary Information

Because of the long-term nature of public defined benefit pension plans, financial statements for the past fiscal year alone cannot provide sufficient information to properly reflect the plan fiduciary net position as a percent of the total pension liability of the plans. Therefore, in addition to the basic financial statements, three (3) required schedules of historical trend information related to the defined benefit plans are presented as Required Supplementary Information (RSI) in the INPRS CAFR Financial Section. The three (3) RSI schedules consist of the Schedule of Changes in Net Pension Liability and Net Pension Liability, the Schedule of Contributions, and the Schedule of Investment Returns. These schedules give historical trend information that is designed to provide decision-usefulness of the financial reports, improved value for assessing accountability and greater transparency related to measures of net pension liabilities impacting INPRS.

4. Other Supplementary Schedules

The Other Supplementary Schedules consist of a Schedule of Pension Relief Changes in Assets and Liabilities, Schedule of Administrative and Project Expenses, Schedule of Administrative and Project Contractual and Professional Services Expenses, and Schedule of Investment Expenses.

Financial Analysis

Statement of Fiduciary Net Position

As shown in the table below, the total net position for INPRS was $29,861 million as of June 30, 2015, which represents a decrease of $336 million or 1.1 percent, compared to total net position of $30,197 million as of June 30, 2014.

Net Position
(dollars in millions)

	June 30, 2015	June 30, 2014	Increase / (Decrease)	Percentage Change
Assets				
Cash	$ 7	$ 15	$ (8)	(53.3) %
Receivables	6,351	4,611	1,740	37.7
Investments	31,292	32,698	(1,406)	(4.3)
Net Capital and Other Assets	8	10	(2)	(20.0)
Total Assets	**$ 37,658**	**$ 37,334**	**$ 324**	**0.9 %**
Liabilities				
Investments Payable	$ 7,613	$ 6,972	$ 641	9.2 %
All Other Liabilities	184	165	19	11.5
Total Liabilities	**$ 7,797**	**$ 7,137**	**$ 660**	**9.2 %**
Total Net Position	**$ 29,861**	**$ 30,197**	**$ (336)**	**(1.1) %**

Total assets of INPRS were $37,658 million as of June 30, 2015, compared to $37,334 million as of June 30, 2014, which represents an increase in total assets of $324 million, or 0.9 percent. The primary reasons for this increase are as follows:

- **Cash** decreased $8 million or 53.3 percent, which reflected a high beginning balance due to last year's final contributions received in late June 2014 and transferred to investments at the beginning of the current fiscal year.
- **Receivables** increased by $1,740 million or 37.7 percent, primarily due to an increase in the foreign currency futures contracts receivable of $1,771 million. The majority of this amount was created by current hedging positions, which are used to reduce foreign currency exposure. Foreign currency receivable contracts are overlapped with payable contracts in order to prevent currency exposure when the original contract expires and the fluctuation can be significant as of the balance sheet date.
- **Investments** decreased by $1,406 million or 4.3 percent, driven primarily by securities lending collateral decreasing by $934 million and benefit payments exceeding contributions by $416 million due to the high level of retirements in the year. The decrease in securities lending cash collateral was due to a general reduction in demand for cash-collateral lending transactions, in addition to a $374 million shift in collateral allocation to INPRS' allowable non-cash collateral versus cash collateral.
- **Net Capital and Other Assets** decreased by $2 million or 20.0 percent primarily due to the amortization of software costs related to the modernization projects.

Total liabilities of INPRS were $7,797 million as of June 30, 2015, compared to $7,137 million as of June 30, 2014, which represents an increase in total liabilities of $660 million, or 9.2 percent. The primary reasons for the increase are as follows:

- **Investments Payable** increased by $641 million or 9.2 percent driven primarily due to an increase in foreign currency futures contracts payable of $1,773. The majority of this amount was created by current hedging positions, which are used to reduce foreign currency exposure. Foreign currency payable contracts are overlapped with receivable contracts in order to prevent currency exposure when the original contract expires and the fluctuation can be significant as of the balance sheet date. This increase is partially offset by a reduction in securities lending obligations for $934 million and investment trade payables of $159 million.
- **All Other Liabilities** increased by $19 million or 11.5 percent, primarily due to an increase in Due to Other Governmental Units relating to the net change in the Pension Relief Fund.

A summary of net position by fund compared to the prior fiscal year is as follows:

Summary of Net Position by Fund
(dollars in millions)

	June 30, 2015	June 30, 2014	Increase / (Decrease)	Percentage Change
PERF	$ 13,908	$ 14,104	$ (196)	(1.4) %
TRF Pre-1996	5,100	5,502	(402)	(7.3)
TRF 1996	5,379	5,189	190	3.7
1977 Fund	4,828	4,758	70	1.5
JRS	437	433	4	0.9
EG&C Plan	110	111	(1)	(0.9)
PARF	54	55	(1)	(1.8)
LEDB Plan	3	3	-	0.0
LEDC Plan	28	29	(1)	(3.4)
SE Death Benefit Fund	8	8	-	-
PSO Special Death Benefit Fund	6	5	1	20.0
Total Net Position	**$ 29,861**	**$ 30,197**	**$ (336)**	**(1.1) %**

Liquidity

The System's defined benefit liquidity needs are met through employer, nonemployer contributing entity and other contributions, earnings from investments, and the well diversified portfolio of INPRS. On June 30, 2015, INPRS held $3,980 million in Money Market Sweep Vehicles and U.S. Government and Agency Securities. INPRS also held approximately $1,137 million in highly liquid, Large-Cap Domestic Equities. Because of their characteristics, investments in Asset-Backed Securities, Commingled Funds, Corporate Bonds, Non U.S. Governments, other Domestic Equities, International Equities, and Risk Parity are not considered a primary source of liquidity. Investments in Private Equity, Absolute Return, and Private Real Estate are generally considered illiquid.

Statement of Changes in Fiduciary Net Position

As shown in the table below, the total net position for INPRS decreased by $336 million or 1.1 percent, for fiscal year 2015, compared to a total net position increase of $3,149 million, or 11.6 percent as of June 30, 2014. A summary of changes in net position during the fiscal years ended June 30, 2015 and June 30, 2014 is presented below:

Changes in Net Position
(dollars in millions)

	June 30, 2015	June 30, 2014	Increase / (Decrease)	Percentage Change
Additions				
Member Contributions	$ 349	$ 342	$ 7	2.0 %
Employer Contributions	924	895	29	3.2
Nonemployer Contributing Entity	846	826	20	2.4
Net Investment Income	105	3,434	(3,329)	(96.9)
Other Additions	17	15	2	13.3
Total Additions	**$ 2,241**	**$ 5,512**	**$ (3,271)**	**(59.3) %**
Deductions				
Benefits – Pension, Disability, Death	$ 2,431	$ 2,217	$ 214	9.7 %
Distributions of Contributions and Interest	89	87	2	2.3
Administrative Expenses	36	35	1	2.9
Project Expenses	4	9	(5)	(55.6)
Other Deductions	17	15	2	13.3
Total Deductions	**$ 2,577**	**$ 2,363**	**$ 214**	**9.1 %**
Net Increase / (Decrease) in Net Position	**$ (336)**	**$ 3,149**	**$ (3,485)**	**(110.7) %**

Additions

Additions to the net position of INPRS needed to finance retirement benefits are accumulated primarily through contributions and investment income. Total additions for INPRS were $2,241 million for fiscal year 2015, compared to $5,512 million for fiscal year 2014, which represents a decrease in total additions of $3,271 million, or 59.3 percent. The primary reasons for the decrease are as follows:

- **Contributions** increased by $56 million or 2.7 percent. The primary reason for this increase was due to employer rate increases and a higher wage base.
- **Net Investment Income** decreased by $3,329 million or 96.9 percent, driven by a 0.4 percent time-weighted rate of return in fiscal year 2015, compared to a 12.7 percent time-weighted rate of return for fiscal year 2014. The money-weighted rate of return was 0.4 percent compared to fiscal year 2014 money-weighted rate of return of 12.7 percent.
- **Other Additions** increased by $2 million, or 13.3 percent, due to an increase in member reassignments which by their nature, can fluctuate significantly from year to year.

Deductions

Benefit payments, distributions of contributions and interest to members who terminate employment, administrative expenses and project expenses primarily comprise the INPRS expenses or deductions from net position. Total deductions for INPRS were $2,577 million for fiscal year 2015, compared to $2,363 million for fiscal year 2014, which represents an increase in total deductions of $214 million, or 9.1 percent. The primary reasons for the increase are as follows:

- **Pension, Disability and Death Benefits** increased by $214 million or 9.7 percent due to an increase in the number of retirees.
- **Administrative and Project Expenses** decreased by $4 million or 9.1 percent compared to prior fiscal year due to a smaller project portfolio after modernization projects completed in fiscal year 2014.
- **Other Deductions** increased by $2 million or 13.3 percent due to higher member reassignments which, by their nature, can fluctuate significantly from year to year.

Consolidated Defined Benefit Asset Allocation and Rate of Return on Investments

In October 2011, the INPRS Board of Trustees adopted a new Investment Policy Statement (IPS) effective January 1, 2012. The strategic asset allocation outlined within the IPS is for the Consolidated Defined Benefit Assets. Substantially all of the investments for the retirement plans administered by INPRS are pooled in the Consolidated Defined Benefit Assets. The following table presents the INPRS Consolidated Defined Benefit Assets investment allocation as of June 30, 2015, compared to the INPRS current target investment allocation and actual allocation as of June 30, 2014.

Consolidated Defined Benefit Asset Allocation

	June 30, 2015 Actual	June 30, 2015 Target	June 30, 2014 Actual	Allowable Range For Investments[1]
Public Equity	22.4 %	22.5 %	23.6 %	20.0% to 25.0%
Private Equity	12.9	10.0	12.7	7.0% to 13.0%
Fixed Income - Ex Inflation-Linked	21.6	22.0	22.2	19.0% to 25.0%
Fixed Income - Inflation-Linked	10.0	10.0	9.4	7.0% to 13.0%
Commodities	7.5	8.0	7.8	6.0% to 10.0%
Real Estate	6.2	7.5	5.4	4.0% to 11.0%
Absolute Return	9.4	10.0	8.7	6.0% to 14.0%
Risk Parity	10.0	10.0	10.2	5.0% to 15.0%
Total	**100.0 %**	**100.0 %**	**100.0 %**	

[1] See Notes to the Financial Statements, Note 3. for additional information.

The Consolidated Defined Benefit Assets (i.e. INPRS-controlled asset allocation) time-weighted rate of return on investments was 0.0 percent for fiscal year 2015, compared to the 6.75 percent actuarial-assumed long-term rate of return. The fiscal year 2015 time-weighted rate of return was 13.7 percentage points lower than fiscal year 2014 time-weighted rate of return of 13.7 percent. The following provides a brief summary of the rate of return for each asset class for fiscal year 2015, compared to the respective benchmark for each asset class. The Investment Section provides additional information for the INPRS investments.

- **Public Equity** seeks to provide long-term capital appreciation and income through exposure to public equity securities and had a return on investment of positive 2.4 percent for fiscal year 2015. This return compared to the benchmark of 0.8 percent for the MSCI All Country World IMI Index was 1.6 percentage points favorable to the portfolio.

- **Private Equity** seeks to provide risk-adjusted returns in excess of the public equity markets while simultaneously decreasing the volatility of the INPRS investment portfolio through diversification. The rate of return on investment was 10.9 percent for fiscal year 2015 compared to the benchmark return of 10.3 percent for the Russell 3000 Index Plus 300 Basis Points and was 0.6 percentage points favorable to the portfolio.
- **Fixed Income – Ex Inflation-Linked** seeks to generate current income and long-term risk-adjusted returns through investments in debt securities and had a rate of return on investment of 1.5 percent for fiscal year 2015. This return was (1.5) percentage points unfavorable to the portfolio as compared to the benchmark return of 3.0 percent for the Barclays Global Aggregate Index (USDH).
- **Fixed Income – Inflation-Linked** or Treasury Inflation Protected Securities (TIPS) seeks to generate long-term risk-adjusted returns through investments in inflation-linked securities as well as provide protection against unanticipated inflation. The rate of return on investment was (0.1) percent for fiscal year 2015. This return is (0.1) percentage points unfavorable to the portfolio as compared to the benchmark return for the custom global inflation-linked bond index, which was flat for the fiscal year.
- **Commodities** seeks to enhance long-term risk-adjusted returns by preserving investment capital, lowering overall portfolio volatility, and providing a hedge against unanticipated inflation and had a rate of return on investment of (30.3) percent for fiscal year 2015. This return was 0.3 percentage points favorable to the portfolio as compared to the custom benchmark return of (30.6) percent. The custom benchmark includes the Bloomberg and Goldman Sachs Commodities Indices (50% each) and a collateral component including U.S. TIPS, Global Inflation Linked Bonds and 90-day Treasury Bills (75%/25% respectively).
- **Real Estate** seeks to generate attractive risk-adjusted returns by providing stable current income, preserving investment capital, and curtailing volatility by serving as a hedge against unanticipated inflation and had a rate of return on investment of 10.6 percent for fiscal year 2015. This compares to the benchmark return of 12.4 percent for the NCREIF Open End Diversified Core Equity Index, and is (1.8) percentage points unfavorable to the portfolio.
- **Absolute Return** seeks to enhance the long-term risk-adjusted returns by providing diversification benefits, while preserving capital and reducing volatility and had a rate of return on investment of 3.8 percent for fiscal year 2015. The return is 1.4 percentage points favorable to the portfolio as compared to the benchmark return of 2.4 percent for the HFRI Fund of Funds Custom Index.
- **Risk Parity** seeks a risk-balancing methodology capable of delivering consistent and high risk-adjusted returns in several macro-economic environments. The rate of return on investment for fiscal year 2015 was (3.1) percent. This compares to the custom benchmark return which includes MSCI ACWI IMI Index (Equities 60 percent) and Barclays Global Aggregate Bond Index (Bonds 40 percent) of 1.8 percent, and is (4.9) percentage points unfavorable to the portfolio.

Actuarial Valuations and Funding Progress

The overall objective of a pension fund is to accumulate sufficient funds to meet all expected future obligations to members. A pension fund is fully funded when it has enough money in reserve to meet all expected future obligations to participants. The goal for the defined benefit retirement plans is to make progress toward achieving full funding.

With the implementation of GASB Statement No. 67, the Actuarial Value of Assets (AVA) is no longer to be used for financial reporting purposes. The Market Value of Assets (MVA) is required for financial reporting purposes; however, the Actuarial Value of Assets (AVA) will continue to be used for funding purposes as presented in the Actuarial Section.

Management's Discussion and Analysis, continued

The market value funded ratios of the defined benefit retirement plans administered by INPRS as of the latest actuarial valuations are listed below. The year-over-year change is primarily driven by the experience study completed in April 2015 and the fiscal year 2015 investment return.

Historical Trends

Pre-Funded Defined Benefit Pension Trust Funds	**June 30, 2015**	**June 30, 2014**
PERF	77.3 %	84.3 %
TRF 1996 Account	91.1	99.1
1977 Fund	103.2	101.1
JRS	93.3	93.1
EG&C Plan	82.9	89.5
PARF	68.6	83.4
LEDB Plan	73.4	83.7
Pay-As-You-Go Defined Benefit Pension Trust Fund		
TRF Pre-1996 Account	30.0 %	33.6 %

An analysis of the funding progress, contributions and a discussion of actuarial assumptions and methods is set forth in Note 8 and in the Required Supplementary Information of the Financial Section. For additional actuarial-related information on a funding basis, refer to the Actuarial Section of the CAFR.

Statement of Fiduciary Net Position

As of June 30, 2015 (with Comparative Totals as of June 30, 2014)[1]

(dollars in thousands)

	Pension Trust Funds								
	Public Employees' Retirement Fund	**Teachers' Retirement Fund Pre-1996 Account**	**Teachers' Retirement Fund 1996 Account**	**1977 Police Officers' and Firefighters' Pension and Disability Fund**	**Judges' Retirement System**	**State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan**	**Prosecuting Attorneys' Retirement Fund**	**Legislators' Defined Benefit Plan**	**Legislators' Defined Contribution Plan**
Assets									
Cash	$ 4,224	$ 479	$1,083	$ 1,127	$ 9	$ 4	$ -	$ -	$ 38
Receivables:									
Contributions Receivable	4,267	2,798	2,250	2,017	-	-	-	-	-
Miscellaneous Receivables	2,077	253	299	271	109	-	38	-	753
Investments Receivable	202,562	77,640	81,431	75,979	6,885	1,733	841	50	618
Foreign Exchange Contracts Receivable	2,636,399	906,641	1,002,490	1,110,886	100,664	25,343	12,294	734	3,124
Interest and Dividends	39,007	15,153	15,335	12,409	1,125	283	137	8	99
Due From Other Funds	1,510	538	1,116	-	-	-	-	-	-
Total Receivables	2,885,822	1,003,023	1,102,921	1,201,562	108,783	27,359	13,310	792	4,594
Investments:									
Short Term Investments	9,653	21,026	9,953	-	-	-	-	-	-
Pooled Unit Trust Assets:									
Short Term Investments	574,750	208,731	223,460	223,934	20,292	5,109	2,478	148	1,127
Fixed Income	5,683,760	2,115,466	2,122,904	1,654,560	149,929	37,746	18,312	1,093	6,124
Equities	3,280,535	1,397,754	1,397,182	1,069,427	96,907	24,398	11,835	707	16,713
Alternative Investments	4,380,624	1,471,881	1,646,501	1,885,912	170,832	43,009	20,864	1,246	3,545
Derivatives	1,195	688	608	182	17	4	2	-	15
Securities Lending Collateral	561,804	188,769	211,164	241,868	21,917	5,518	2,677	160	455
Total Investments	14,492,321	5,404,315	5,611,772	5,075,883	459,894	115,784	56,168	3,354	27,979
Other Assets	503	-	-	-	-	-	-	-	-
Gross Capital Assets	13,925	2,583	2,382	579	23	22	17	1	3
Less: Accumulated Depreciation and Amortization	(8,612)	(1,795)	(1,665)	(392)	(15)	(15)	(11)	(1)	(3)
Net Capital Assets	5,313	788	717	187	8	7	6	-	-
Total Assets	**17,388,183**	**6,408,605**	**6,716,493**	**6,278,759**	**568,694**	**143,154**	**69,484**	**4,146**	**32,611**
Liabilities									
Accounts Payable	3,493	245	237	65	37	29	19	13	2
Retirement Benefits Payable	10,581	110,841	17,514	1,170	-	25	-	-	-
Salaries and Benefits Payable	2,680	-	-	-	-	-	-	-	-
Investments Payable	169,227	69,206	69,657	55,029	4,986	1,255	609	37	672
Foreign Exchange Contracts Payable	2,646,166	909,778	1,006,080	1,115,259	101,060	25,443	12,343	737	3,125
Securities Lending Obligations	561,804	188,769	211,164	241,868	21,917	5,518	2,677	160	455
Obligations Under Reverse Repurchase Agreement	85,402	28,695	32,100	36,767	3,332	839	407	24	69
Due to Other Funds	1,164	1,161	628	186	10	7	5	1	-
Due to Other Governments	-	-	-	-	-	-	-	-	-
Total Liabilities	**3,480,517**	**1,308,695**	**1,337,380**	**1,450,344**	**131,342**	**33,116**	**16,060**	**972**	**4,323**
Total Net Position Restricted	**$ 13,907,666**	**$ 5,099,910**	**$ 5,379,113**	**$ 4,828,415**	**$ 437,352**	**$ 110,038**	**$ 53,424**	**$ 3,174**	**$ 28,288**

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[1] *The accompanying notes are an integral part of the financial statements.*

Statement of Fiduciary Net Position, continued

As of June 30, 2015 (with Comparative Totals as of June 30, 2014)[1]

(dollars in thousands)	Other Postemployment Benefit Funds				Agency Fund		INPRS Totals	
	State Employees' Death Benefit Fund	Public Safety Officers' Special Death Benefit Fund	Pension Trust and Other Postemployment Benefit Funds 2015 Totals	Pension Trust and Other Postemployment Benefit Funds 2014 Totals	Pension Relief Fund 2015	Pension Relief Fund 2014	2015 INPRS Totals	2014 INPR Totals
Assets								
Cash	$ -	$ 112	$ 7,076	$ 13,758	$ 200	$ 1,243	$ 7,276	$ 15,001
Receivables:								
Contributions Receivable	-	-	11,332	8,646	2,500	-	13,832	8,646
Miscellaneous Receivables	-	5	3,805	3,935	-	-	3,805	3,935
Investments Receivable	318	223	448,280	476,585	-	-	448,280	476,585
Foreign Exchange Contracts Receivable	-	-	5,798,575	4,027,199	-	-	5,798,575	4,027,199
Interest and Dividends	27	19	83,602	87,595	-	-	83,602	87,595
Due From Other Funds	-	-	3,164	7,163	-	-	3,164	7,163
Total Receivables	345	247	6,348,758	4,611,123	2,500	-	6,351,258	4,611,123
Investments:								
Short Term Investments	-	-	40,632	39,299	30,356	15,933	70,988	55,232
Pooled Unit Trust Assets:								
Short Term Investments	4,193	2,945	1,267,167	1,275,631	-	-	1,267,167	1,275,631
Fixed Income	3,521	2,473	11,795,888	12,387,865	-	-	11,795,888	12,387,865
Equities	-	-	7,295,458	7,648,565	-	-	7,295,458	7,648,565
Alternative Investments	-	-	9,624,414	9,134,860	-	-	9,624,414	9,134,860
Derivatives	-	-	2,711	27,082	-	-	2,711	27,082
Securities Lending Collateral	384	271	1,234,987	2,168,992	-	-	1,234,987	2,168,992
Total Investments	8,098	5,689	31,261,257	32,682,294	30,356	15,933	31,291,613	32,698,227
Other Assets	-	-	503	408	-	-	503	408
Gross Capital Assets	-	-	19,535	19,159	2	2	19,537	19,161
Less: Accumulated Depreciation and Amortization	-	-	(12,509)	(9,956)	(2)	(2)	(12,511)	(9,958)
Net Capital Assets	-	-	7,026	9,203	-	-	7,026	9,203
Total Assets	**8,443**	**6,048**	**37,624,620**	**37,316,786**	**33,056**	**17,176**	**37,657,676**	**37,333,962**
Liabilities								
Accounts Payable	1	150	4,291	3,776	15	4	4,306	3,780
Retirement Benefits Payable	-	-	140,131	133,930	-	-	140,131	133,930
Salaries and Benefits Payable	-	-	2,680	3,236	-	-	2,680	3,236
Investments Payable	45	31	370,754	530,106	-	-	370,754	530,106
Foreign Exchange Contracts Payable	-	-	5,819,991	4,046,822	-	-	5,819,991	4,046,822
Securities Lending Obligations	384	271	1,234,987	2,168,992	-	-	1,234,987	2,168,992
Obligations Under Reverse Repurchase Agreement	-	-	187,635	225,614	-	-	187,635	225,614
Due to Other Funds	-	-	3,162	7,158	2	5	3,164	7,163
Due to Other Governments	-	-	-	-	33,039	17,167	33,039	17,167
Total Liabilities	**430**	**452**	**7,763,631**	**7,119,634**	**33,056**	**17,176**	**7,796,687**	**7,136,810**
Total Net Position Restricted	**$ 8,013**	**$ 5,596**	**$ 29,860,989**	**$ 30,197,152**	**$ -**	**$ -**	**$ 29,860,989**	**$ 30,197,152**

[1] *The accompanying notes are an integral part of the financial statements.*

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2015 (with Comparative Totals for the Year Ended June 30, 2014)[1]

(dollars in thousands)

	Pension Trust Funds							
	Public Employees' Retirement Fund	Teachers' Retirement Fund Pre-1996 Account	Teachers' Retirement Fund 1996 Account	1977 Police Officers' and Firefighters' Pension and Disability Fund	Judges' Retirement System	State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	Prosecuting Attorneys' Retirement Fund	Legislators' Defined Benefit Plan
Additions								
Contributions:								
Member Contributions	$ 169,731	$ 41,740	$ 86,515	$ 43,523	$ 3,292	$ 1,004	$ 1,269	$ -
Employer Contributions	538,059	5,811	205,763	146,697	21,020	5,215	1,063	131
Nonemployer Contributing Entity	-	845,616	-	-	-	-	-	-
Total Contributions	707,790	893,167	292,278	190,220	24,312	6,219	2,332	131
Investment Income:								
Net Appreciation/(Depreciation) Fair Value of Investments	(61,557)	(4,437)	(14,665)	(32,382)	(2,882)	(766)	(370)	(25)
Other Net Investment Income	2,131	737	765	885	50	13	6	-
Net Interest and Dividends Income	191,186	71,769	71,351	64,297	5,831	1,481	725	45
Securities Lending Income	1,904	672	702	813	74	19	9	1
Total Net Investment Income	133,664	68,741	58,153	33,613	3,073	747	370	21
Less Direct Investment Expenses:								
Investment Management Fees	(80,755)	(29,163)	(29,958)	(33,486)	(3,038)	(772)	(377)	(24)
Securities Lending Fees	(308)	(109)	(113)	(131)	(12)	(3)	(1)	-
Direct Investment Expenses	(8,963)	(2,584)	(2,495)	(1,596)	(125)	(43)	(26)	(2)
Net Investment Income / (Loss)	43,638	36,885	25,587	(1,600)	(102)	(71)	(34)	(5)
Other Additions:								
Miscellaneous Income	83	21	24	15	9	-	-	-
Member Reassignments	4,184	6,273	7,134	-	-	-	-	-
Total Other Additions	4,267	6,294	7,158	15	9	-	-	-
Total Additions	**755,695**	**936,346**	**325,023**	**188,635**	**24,219**	**6,148**	**2,298**	**126**
Deductions								
Pension and Disability Benefits	850,676	1,321,709	116,187	112,015	19,421	6,523	2,995	370
Special Death Benefits	-	-	-	860	-	-	-	-
Distribution of Contributions and Interest	62,732	7,145	11,712	3,615	11	85	259	-
Administrative Expenses	22,861	5,920	5,602	1,559	158	152	122	70
Project Expenses	2,645	610	582	149	7	7	5	1
Member Reassignments	13,403	2,919	1,269	-	-	-	-	-
Total Deductions	**952,317**	**1,338,303**	**135,352**	**118,198**	**19,597**	**6,767**	**3,381**	**441**
Net Increase / (Decrease)	**(196,622)**	**(401,957)**	**189,671**	**70,437**	**4,622**	**(619)**	**(1,083)**	**(315)**
Beginning Net Position Restricted	14,104,288	5,501,867	5,189,442	4,757,978	432,730	110,657	54,507	3,489
Ending Net Position Restricted	**$ 13,907,666**	**$ 5,099,910**	**$ 5,379,113**	**$ 4,828,415**	**$ 437,352**	**$ 110,038**	**$ 53,424**	**$ 3,174**

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[1]The accompanying notes are an integral part of the financial statements.

[2]Please note that as the Pension Relief Fund is an Agency Fund, it is not included in the Statement of Changes in Fiduciary Net Position.

Statement of Changes in Fiduciary Net Position, continued

For the Year Ended June 30, 2015 (with Comparative Totals for the Year Ended June 30, 2014)[1]

(dollars in thousands)	Pension Trust Funds	Other Postemployment Benefit Funds		INPRS Totals[2]	
	Legislators' Defined Contribution Plan	State Employees' Death Benefit Fund	Public Safety Officers' Special Death Benefit Fund	Pension Trust and Other Postemployment Benefit Funds 2015 Totals	Pension Trust and Other Postemployment Benefit Funds 2014 Totals
Additions					
Contributions:					
Member Contributions	$ 1,715	$ -	$ -	$ 348,789	$ 341,609
Employer Contributions	-	-	-	923,759	894,851
Nonemployer Contributing Entity	-	-	506	846,122	826,142
Total Contributions	1,715	-	506	2,118,670	2,062,602
Investment Income:					
Net Appreciation/(Depreciation) Fair Value of Investments	396	(61)	(41)	(116,790)	3,188,175
Other Net Investment Income	1	-	-	4,588	4,830
Net Interest and Dividends Income	230	170	115	407,200	425,024
Securities Lending Income	2	2	2	4,200	4,064
Total Net Investment Income	629	111	76	299,198	3,622,093
Less Direct Investment Expenses:					
Investment Management Fees	(79)	(13)	(8)	(177,673)	(172,835)
Securities Lending Fees	-	-	-	(677)	(562)
Direct Investment Expenses	(10)	(2)	(2)	(15,848)	(14,645)
Net Investment Income / (Loss)	540	96	66	105,000	3,434,051
Other Additions:					
Miscellaneous Income	36	-	-	188	172
Member Reassignments	-	-	-	17,591	15,582
Total Other Additions	36	-	-	17,779	15,754
Total Additions	**2,291**	**96**	**572**	**2,241,449**	**5,512,407**
Deductions					
Pension and Disability Benefits	-	-	-	2,429,896	2,216,056
Special Death Benefits	-	-	150	1,010	870
Distribution of Contributions and Interest	3,100	-	-	88,659	87,375
Administrative Expenses	6	-	-	36,450	34,544
Project Expenses	-	-	-	4,006	8,855
Member Reassignments	-	-	-	17,591	15,582
Total Deductions	**3,106**	-	**150**	**2,577,612**	**2,363,282**
Net Increase / (Decrease)	**(815)**	**96**	**422**	**(336,163)**	**3,149,125**
Beginning Net Position Restricted	29,103	7,917	5,174	30,197,152	27,048,027
Ending Net Position Restricted	**$ 28,288**	**$ 8,013**	**$ 5,596**	**$ 29,860,989**	**$ 30,197,152**

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[1] *The accompanying notes are an integral part of the financial statements.*

[2] *Please note that as the Pension Relief Fund is an Agency Fund, it is not included in the Statement of Changes in Fiduciary Net Position.*

Note 1. Descriptions of System and Plans

Administration of System and Plans

The Indiana Public Retirement System (INPRS) administers nine (9) pension trust funds including eight (8) Defined Benefit retirement plans and one (1) Defined Contribution retirement plan, two (2) Other Postemployment Benefit funds and one (1) Agency fund. INPRS is governed by a nine-member Board of Trustees, appointed by the Governor pursuant to the following criteria: one (1) trustee with experience in economics, finance, or investments, one (1) trustee with experience in executive management of benefits administration, one (1) trustee who is an active or retired member of the 1977 Fund, two (2) trustees who are TRF members with at least 10 years of creditable service, one (1) trustee who is a PERF member with at least 10 years of creditable service, Director of the State Budget Agency, or designee, Auditor of State, or nominee, and Treasurer of State, or nominee.

(A) Public Employees' Retirement Fund

Plan Description

The Public Employees' Retirement Fund (PERF) is a cost-sharing, multiple-employer defined benefit plan based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions mean a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, or township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation. There are two (2) aspects to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the Public Employees' Annuity Savings Account Only Plan (PERF ASA Only Plan). Currently, the PERF ASA Only Plan is available only to employees of the State. As of July 1, 2016, employees for political subdivisions may be eligible to participate. Details of the PERF Hybrid Plan and PERF ASA Only Plan are described below.

Membership

PERF members are officers and employees of units of State and local governments in Indiana (referred to as political subdivisions), including counties, cities, towns, townships, libraries, and school corporations. The political subdivisions become participants by ordinance or resolution of the governing body, which specifies the classifications of employees who will become members of the PERF Hybrid Plan. The ordinance or resolution is filed with and approved by INPRS. In order to be a member, employees hired after June 30, 1982, except employees of a participating school corporation, must occupy positions normally requiring performance of service of more than 1,000 hours during a year. Effective July 1, 2008, members who have at least one (1) year of service in both PERF and TRF have the option of choosing from which of these funds they would like to retire.

As of June 30, 2015, there were 1,166 participating political subdivisions in addition to the State. As of June 30, 2015, PERF membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	79,198
Inactive Vested Members Entitled To But Not Yet Receiving Benefits	26,681
Inactive Non-Vested Members Entitled To a Distribution of ASA Balance	43,803
Active Members: Vested and Non-Vested	138,660
Total	288,342

Contributions

The State of Indiana is obligated by statute to make contributions to the PERF Hybrid Plan or the PERF ASA Only Plan. Any political subdivision that elects to participate in the PERF Hybrid Plan is obligated by statute to make contributions to the plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During fiscal year 2015, all participating employers were required to contribute 11.2 percent of covered payroll for members employed by the State. For political subdivisions, an average contribution rate of 11.03 percent was required from employers during the period of July 1 – December 31, 2014, and an average contribution rate of 11.19 percent was required for the period of January 1 – June 30, 2015. For the ASA Only Plan, the State was also required to contribute 11.2 percent of covered payroll. In accordance to IC 5-10.3-12-24, the amount credited from the employer's contribution rate to the member's account shall not be less than 3 percent and not be greater than the normal cost of the fund which was 4.6 percent for fiscal year 2015 and any amount not credited to the member's account shall be applied to the pooled assets of the PERF Hybrid Plan.

The PERF Hybrid Plan or the PERF ASA Only Plan members contribute three (3) percent of covered payroll to their annuity savings account, which is not used to fund the defined benefit pension for the PERF Hybrid Plan. For the PERF Hybrid Plan, the employer may elect to make the contributions on behalf of the member. The employer shall pay the member's contributions on behalf of the member for the PERF ASA Only Plan. In addition, members of the PERF Hybrid Plan (effective 7/1/2014 the PERF ASA Only Plan may also participate) may elect to make additional voluntary contributions, under certain criteria, of up to 10 percent of their compensation into their annuity savings accounts.

PERF Hybrid Plan

Plan Description

The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and IC 5-10.5. There are two (2) aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the annuity savings account (ASA) that supplements the defined benefit at retirement.

Retirement Benefits – Defined Benefit Pension

The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account. Pension benefits (non ASA) vest after 10 years of creditable service. The vesting period is eight (8) years for certain elected officials. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait 30 days after termination, may withdraw their annuity savings account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the annuity savings account. A non-vested member who terminates employment prior to retirement may withdraw his/her annuity savings account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) different groups. For PERF members who serve as an elected official, the highest one (1) year (total of four (4) consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to $2,000 are included as part of the member’s annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member’s lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an “ad hoc” basis and can only be granted by the Indiana General Assembly. There was no COLA for the year ended June 30, 2015; however, eligible members received a one-time check (a.k.a. 13th check) in September 2014. The amount of the one-time check ranged from $150 to $450, depending upon a member’s years of service, and was for a member who retired or was disabled on or before December 1, 2013, and who was entitled to receive a monthly benefit on July 1, 2014.

Disability and Survivor Benefits

The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers’ compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is $180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

Retirement Benefits – Annuity Savings Account

Members are required to participate in an Annuity Savings Account (ASA). The ASA consists of the member's contributions, set by statute at three (3) percent of compensation as defined by IC 5-10.2-3-2 for PERF, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. In addition, under certain conditions, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their annuity savings accounts. A member's contributions and interest credits belong to the member and do not belong to the State or political subdivision.

Investments in the members' annuity savings accounts are individually directed and controlled by plan participants who direct the investment of their account balances among the following eight (8) investment options, with varying degrees of risk and return potential:

- Guaranteed Fund – This fund's objective is to provide stability of principal and a competitive interest rate. The interest rate is set by the INPRS Board of Trustees each year and is guaranteed for the fiscal year. Market risk is assumed by the Fund.
- Large Cap Equity Index Fund – This fund's objective is to seek investment growth/capital appreciation through passive investment in the stocks of the 500 largest U.S. companies. Market risk is assumed by the member.
- Small/Mid Cap Equity Fund – This fund's objective is to seek investment growth/capital appreciation through both active and passive investment in stocks of small- and mid-sized U.S. companies. Market risk is assumed by the member.
- International Equity Fund – This fund's objective is to seek investment growth/capital appreciation through both active and passive investment in stocks of non-U.S. companies in both developed and emerging markets. Market risk is assumed by the member.
- Fixed Income Fund – This fund's objective is to seek total return, consisting of income and capital appreciation. Market risk is assumed by the member.
- Inflation-Linked Fixed Income Fund – This fund's objective is to provide investors inflation protection and income consistent with investment in inflation-indexed securities. Principal and interest payments are adjusted in response to changes in inflation. Market risk is assumed by the member.
- Target Date Funds – The Funds are designed to seek an appropriate amount of total return, commensurate with risk, given the specific time horizon of each Fund. The Target Date Funds provide participants with a one-stop shop for investing. Participants simply choose the Fund most appropriate for them based on the year in which they plan to withdraw their money (usually their retirement year). Once a participant selects the appropriate Fund, the underlying asset allocation automatically adjusts over time. Market risk is assumed by the member.
- Money Market Fund – This fund's objective is to provide a market rate of return consistent with the preservation of capital through a shorter maturity, high quality portfolio. Market risk is assumed by the member.

Members may make changes to their investment directions daily and investments are reported at fair market value.

ASA Only Plan

Plan Description

The PERF ASA Only Plan was established by the Indiana Legislature in 2011 with an effective date of March 1, 2013 and is governed by the INPRS Board of Trustees in accordance with IC 5-10.3-12, and IC 5-10.5. This plan is funded by an employer and a member for the use of the member, or the member's beneficiaries or survivors, after the member's retirement. PERF ASA Only Plan members are full-time employees of the State of Indiana (as defined in IC 5-10.3-7-1(d)), who are in a position eligible for membership in the PERF Hybrid Plan and who elect to become members of the PERF ASA Only Plan. The PERF ASA Only Plan membership does not include individuals who: (1) before March 1, 2013 were members of the PERF Hybrid Plan or (2) on or after March 1, 2013 do not elect to participate in the PERF ASA Only Plan. Any government agency that pays employees through the Auditor of the State is a mandatory participant in the ASA Only Plan and must offer eligible employees the ASA Only Plan option. Quasi-government agencies and State educational institutions may choose to offer the ASA-Only Plan as an option to their employees. Since inception 759 members have selected the ASA Only Plan, or approximately 8 percent of eligible new hires of the State. Currently, the PERF ASA Only Plan is available only to employees of the State. As of July 1, 2016, employees for political subdivisions may be eligible to participate.

Retirement Account

The PERF ASA Only Plan maintains an annuity savings account for each member. Each member's account consists of two (2) subaccounts within the annuity savings account structure. There is a member contribution subaccount (which is the same as the annuity savings account in the PERF Hybrid Plan) and an employer contribution subaccount.

The member's contribution subaccount consists of the member's contributions, set by statute at three (3) percent of covered payroll as defined by IC 5-10.3-12-23 plus the interest/earnings or losses credited to the member's contribution subaccount. The State shall pay the member's contributions on behalf of the member. The employer contribution subaccount consists of the employer's contributions and the earnings on the employer's contributions. The employer contribution rate is set by INPRS Board of Trustees in accordance with IC 5-10.2-2-11.

The PERF ASA Only Plan allows members to actively participate in managing their retirement benefits through self-directed investment options. All contributions made to a member's account (member contribution subaccount and employer contribution subaccount) are invested as a combined total according to the member's investment elections. The members can direct their investments among the following aforementioned eight (8) investment options: Large Cap Equity Index Fund, Small/Mid Cap Equity Fund, International Equity Fund, Fixed Income Fund, Inflation-Linked Fixed Income Fund, Money Market Fund, Stable Value Fund, and Target Date Funds. A description of each of these Funds is earlier in this note in the PERF Hybrid Plan Retirement Benefits – Annuity Savings Account section, except for the Stable Value Fund:

- Stable Value Fund (available only to PERF ASA Only members) - This fund's objective is to provide a market rate of return consistent with the preservation of principal through a shorter maturity, high quality portfolio.

A member is immediately vested in the member contribution subaccount. In order to receive contributions and earnings from the employer contribution subaccount, a member must meet vesting requirements (full years of participation) to qualify for a distribution. The vesting schedule is as follows:

One (1) year of participation = 20%
Two (2) years of participation = 40%
Three (3) years of participation = 60%
Four (4) years of participation = 80%
Five (5) years of participation = 100%

A member who terminates service with their employer is entitled to withdraw the total amount in the member contribution subaccount. In addition, the member is entitled to withdraw amounts in the employer contribution subaccount to the extent the member is vested in this account. The member must be separated from employment for at least 30 days before the member may take a withdrawal from the member's account. The amount available for withdrawal is the fair value of the participant's account on the processing date. The withdrawal amount can be paid in a lump sum, a direct rollover to another eligible retirement plan, or if the member has attained normal retirement age and met other criteria established by the INPRS Board of Trustees as a monthly annuity provided through INPRS.

If a member becomes disabled while in active service, subject to the member providing proof of the member's qualification for social security disability benefits to the Board of Trustees, a member may withdraw the total amount in the member contribution subaccount. To the extent that the member is vested, the member may make a withdrawal from the member's employer subaccount. The withdrawal amount can be paid in a lump sum, a direct rollover to another eligible retirement plan, or a monthly annuity provided through INPRS if the member has attained normal retirement age and met other criteria established by the INPRS Board of Trustees.

If a member dies while in active service or after terminating service in a position covered by the PERF ASA Only Plan, but before withdrawing the member's account, all of the member's contribution subaccount, and to the extent that the member is vested, the employer contribution subaccount, will be paid to the beneficiary or beneficiaries designated by the member. The amount available for payment is the fair value of the participant's account. The beneficiary may elect to the have member's account paid as a lump sum, a direct rollover to another eligible retirement plan, or as a monthly annuity in accordance with the rules of the INPRS Board of Trustees. The monthly annuity is an option only on or after the beneficiary attains normal retirement age and meets other criteria established by the INPRS Board of Trustees. If a member dies in the line of duty while in active service, the designated beneficiary or beneficiaries or surviving spouse or dependents, are entitled to payment of the member's account as described above. In addition, if the member was not fully vested in the employer contribution subaccount, the account is deemed to be fully vested for purposes of withdrawal.

(B) Teachers' Retirement Funds

The Indiana State Teachers' Retirement Fund (TRF) was established by the Indiana General Assembly in 1921. In 1955, TRF was designed as a pay-as-you-go defined benefit retirement plan. In 1995, legislation was passed that closed the pay-as-you-go plan (renamed the TRF Pre-1996 Account) to newly hired members and created a new account (named the TRF 1996 Account) for all members hired after June 30, 1995. TRF is two (2) cost-sharing, multiple-employer defined benefit plans, TRF Pre-1996 Account and TRF 1996 Account. TRF is governed by the INPRS Board of Trustees in accordance with IC 5-10.2, IC 5-10.4, and IC 5-10.5.

Teachers' Retirement Fund Pre-1996 Account

Plan Description

The Indiana State Teachers' Retirement Fund Pre-1996 Account (TRF Pre-1996) is a pay-as-you-go cost-sharing, multiple-employer defined benefit plan established to provide retirement, disability, and survivor benefits to public school teachers and administrators, regularly employed licensed teachers at certain State universities and other educational institutions, and certain INPRS employees hired before July 1, 1995, and who have maintained continuous employment with the same school corporation or covered institution since that date to June 30, 2005. There are two (2) aspects to the TRF Pre-1996 defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the State of Indiana. The second portion of the TRF Pre-1996 benefit structure is the annuity savings account that supplements the defined benefit at retirement and was described in the PERF Hybrid Plan Retirement Benefits – Annuity Savings Account section. Investment options are similar to the PERF Hybrid Plan.

Membership

Membership in TRF Pre-1996 is closed to new entrants. Legally qualified and regularly employed licensed teachers who serve in the public schools of Indiana, teachers employed by the State at State institutions, and certain INPRS employees hired before July 1, 2011, are required to participate in TRF as a condition of employment. Generally, members hired prior to 1996 participate in the TRF Pre-1996 Account and members hired after 1996 participate in the TRF 1996 Account (IC 5-10.2-2-2; IC 5-10.4-4-1; IC 5-10.4-7-1; 35 IAC 14-4-16(a)).

As of June 30, 2015, the number of participating employers was 338 in addition to the State. The State of Indiana makes contributions as the sole non-employer contributing entity. As of June 30, 2015, TRF Pre-1996 Account membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	50,214
Inactive Vested Members Entitled To But Not Yet Receiving Benefits	4,545
Inactive Non-Vested Members Entitled To a Distribution of ASA Balance	408
Active Members: Vested and Non-Vested	16,310
Total	71,477

Contributions

State appropriations are made in accordance with IC 5-10.4-2-4 for each fiscal year. Currently, a three (3) percent year-over-year increase is being provided through State appropriations. If the actual pension benefit payout for the fiscal year exceeds the amount appropriated, the difference is paid from the Pension Stabilization Fund (PSF) as part of the assets of the TRF Pre-1996. The PSF was established pursuant to IC 21-6.1-2-8 before its repeal and is now codified at IC 5-10.4-2-5. As a nonemployer contributing entity, the State of Indiana contributed $845.6 million in fiscal year 2015 to TRF Pre-1996. As part of the $845.6 million contribution, the State pre-funded a one-time check (a.k.a.13th check) of $20.4 million in accordance with 2014 HEA 1074 (which went into the Pension Stabilization Fund).

TRF Pre-1996 Account members contribute three (3) percent of covered payroll to their annuity savings account, which is not used to fund the defined benefit pension. The employer may elect to make the contributions on behalf of the member. In addition, members may elect to make additional voluntary contributions, under certain criteria, of up to 10 percent of their compensation into their annuity savings accounts.

Teachers' Retirement Fund 1996 Account

Plan Description

The Indiana State Teachers' Retirement 1996 Account (TRF 1996) is a cost-sharing, multiple-employer defined benefit plan established to provide retirement, disability, and survivor benefits to public school teachers and administrators, regularly employed licensed teachers at certain State universities and other educational institutions, and certain INPRS employees (hired before July 1, 2011) hired after June 30, 1995. Members who were hired before July 1, 1995, were members of TRF Pre-1996. However, pursuant to the law in place prior to July 1, 2005, if a member of TRF Pre-1996 left employment and re-employed after June 30, 1995, the member and the liability were transferred to TRF 1996. There are two (2) aspects to the TRF 1996 defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the TRF 1996 benefit structure is the annuity savings account that supplements the defined benefit at retirement and was described in the PERF Hybrid Plan Retirement Benefits – Annuity Savings Account section. Investment options are similar to the PERF Hybrid Plan.

Membership

Membership in TRF 1996 is required for all legally qualified and regularly employed licensed teachers who serve in the public schools of Indiana, teachers employed by the State at State institutions, and certain INPRS employees. Additionally, faculty members and professional employees at Ball State University and Vincennes University have the option of selecting membership in the Fund or the alternate University Plan not administered by INPRS. Membership in TRF 1996 is optional for teachers employed by charter schools, employees and officials of the Indiana State Board of Education who were Indiana licensed teachers prior to their employment with the Board, and teachers employed by special management teams as defined under IC 20-31 et Seq.

As of June 30, 2015, the number of participating employers was 359 in addition to the State. As of June 30, 2015, TRF 1996 Account membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	4,136
Inactive Vested Members Entitled To But Not Yet Receiving Benefits	4,132
Inactive Non-Vested Members Entitled To a Distribution of ASA Balance	12,292
Active Members: Vested and Non-Vested	52,424
Total	72,984

Contributions

The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As the TRF 1996 Account is a cost-sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers. During fiscal year 2015, all participating employers in the TRF 1996 Account were required to contribute 7.5 percent of covered payroll.

TRF 1996 Account members contribute three (3) percent of covered payroll to their annuity savings account, which is not used to fund the defined benefit pension. The employer may elect to make the contributions on behalf of the member. In addition, members may elect to make additional voluntary contributions, under certain criteria, of up to 10 percent of their compensation into their annuity savings accounts.

TRF Pre-1996 Account and TRF 1996 Account Retirement Benefits

The TRF retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member’s annuity savings account as described earlier in this note above. Pension benefits (non ASA) vest after 10 years of creditable service. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member’s annuity savings account, receive the amount as an annuity provided through INPRS, or leave the contributions invested with INPRS. Vested TRF members terminating service with an employer, who wait 30 days after termination, may withdraw their annuity savings account and will not forfeit creditable service or a future retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the annuity savings account. A non-vested member who terminates employment prior to retirement may withdraw his/her annuity savings account after 30 days, but by doing so forfeit his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. Generally, the average annual compensation in this calculation is the average of the highest five (5) years of annual compensation in a covered position. For TRF members who take a leave of absence to serve as an elected official, the highest one (1) year of salary is used. In order for a salary year to be included as one of the five (5) years, the member must have received at least one-half (1/2) year of service credit for that year as stated in IC 5-10.4-4-2. The five (5) years do not have to be continuous. Member contributions paid by the employer on behalf of the member and severance pay up to $2,000 are included as part of the member’s salary.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member’s lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

Monthly pension benefits for members in pay status may be increased as COLA. Such increases are not guaranteed by statute and have historically been provided on an “ad hoc” basis and can only be granted by the Indiana General Assembly. There was no COLA for the year ended June 30, 2015; however, eligible members did receive a one-time check (a.k.a. 13th check) in August 2014. The amount of the one-time check ranged from $150 to $450, depending upon a member’s years of service, and was for a member who retired or was disabled on or before December 1, 2013, and who was entitled to receive a monthly benefit on July 1, 2014

TRF Pre-1996 Account and TRF 1996 Account Disability and Survivor Benefits

TRF also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers’ compensation benefits, or receiving employer-provided disability insurance benefits, may retire for the duration of the disability if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement.

Members are eligible for a classroom disability benefit once they have earned five (5) years of service, have a temporary or permanent disability that continues for six (6) months or more, and applies for classroom disability benefits within one (1) year of the disability. Classroom disability refers to a medically confirmed inability to continue classroom teaching due to a mental or physical condition that is not necessarily of sufficient severity to meet social security disability guidelines. The eligible members may receive $125 per month plus $5 for each additional year of service credit over five (5) years.

Upon the death in service of a member with 15 or more years of creditable service, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after March 31, 1990, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

(C) 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund) is a cost-sharing, multiple-employer defined benefit plan established to provide retirement, disability, and survivor benefits to all full-time police officers and firefighters who are hired (or rehired) after April 30, 1977. The 1977 Fund was established in 1977 and is governed by the INPRS Board of Trustees in accordance with IC 36-8-8 to provide coverage to full-time sworn officers of a police force of an Indiana city or town and full-time firefighters employed by an Indiana city, town, township or county.

Membership

As of June 30, 2015, the number of participating employers totaled 165. As of June 30, 2015, the 1977 Fund membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	3,736
Inactive Vested Members Entitled To But Not Yet Receiving Benefits	155
Inactive Non-Vested Members Entitled To a Distribution of Contributions	822
Active Members: Vested and Non-Vested	13,390
Total	18,103

Contributions

The funding policy for the 1977 Fund requires remittances of member and employer contributions based on percentages of the salary of a first class officer or firefighter rather than actual payroll. The employer contribution rate is actuarially determined. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 36-8-8-6. As the 1977 Fund is a cost-sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers. During fiscal year 2015, all participating employers were required to contribute 19.7 percent of the salary of a first class officer or firefighter.

The member contribution rate is established by statute IC 36-8-8-8 at six (6) percent of the salary of a first class officer or firefighter. Each fund member shall contribute during the period of the fund member's employment or for 32 years, whichever is shorter. The employer may pay all or a part of the contribution for the member. Member contributions are used to fund a portion of the defined benefit payment unless the member ends employment other than by death or disability before the fund member completes 20 years of active service. The accumulated value of the member's contribution, including interest, may be withdrawn if the member terminates employment prior to completing 20 years of service. The INPRS Board of Trustees shall return to the fund member in a lump sum the fund member's contributions plus interest as determined by the INPRS Board of Trustees in accordance with IC 36-8-8-8.

Retirement Benefits

A member vests after 20 years of service. If the member retires at or after the age of 52 with 20 years of service, the benefit is equal to 50 percent of the salary of a first class officer, as reported by the employer in the year the 1977 Fund member ended service plus one (1) percent of that salary for each six (6) months of active service over 20 years to a maximum of 12 years. At age 50 and with 20 years of service, a member may elect to receive a reduced benefit by a factor established by the fund's actuary (IC 36-8-8-11).

The monthly pension benefits for members in pay status may be increased annually in accordance with the cost of living adjustment (COLA) statute (IC 36-8-8-15). A member is entitled to an annual increase in the member's benefit based on the percentage increase in the Consumer Price Index (January-March); however, the maximum increase is 3.0 percent. There was a COLA increase of 1.4 percent effective July 1, 2014.

Disability and Survivor Benefits

The 1977 Fund also provides disability and survivor benefits. An active member may file an application for disability benefits. A determination is then made by the local pension board, and reviewed by the INPRS Board of Trustees, as to whether the member has a covered impairment and whether the impairment was incurred in the line of duty or not. The calculation for disability benefits is based on when the member was first hired, the type of impairment and other factors. In addition, the heirs or estate of a fund member may be entitled to receive $12,000 upon the member's death.

If a member dies while receiving retirement or disability benefits, there are provisions for the surviving spouse and child(ren) to receive a portion of the benefits. The member's surviving spouse is entitled to a monthly benefit equal to 60 percent of the member's monthly benefit during the spouse's lifetime. Each of the member's surviving child(ren) is entitled to a monthly benefit equal to 20 percent of the member's monthly benefit until the age of 18, or age 23, if a full-time student. If there is no eligible surviving spouse or child(ren), a dependent parent(s) may receive 50 percent of the member's monthly benefit during their lifetime.

Deferred Retirement Option Plan

The Deferred Retirement Option Plan (DROP) for the 1977 Fund was established by the Indiana Legislature in 2002 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 36-8-8.5. Members of the 1977 Fund that are eligible to retire may elect to accumulate a DROP benefit while continuing to work. At the time of their election, the member executes an irrevocable election to retire on a DROP retirement date and remains in active service contributing to the fund until that date. The DROP retirement date must be not less than twelve (12) months and not more than thirty-six (36) months after their DROP entry date, and not after the date they reach any mandatory retirement age that may apply.

The member may make an election to enter the DROP only once in their lifetime. The DROP and future retirement monthly benefit is calculated as of the member's DROP entry date. At the time of retirement, the member must choose among the available options for distribution of the accumulated benefit under the DROP. As of June 30, 2015, the amount held by the plan pursuant to the DROP is $63 million.

(D) Judges' Retirement System

Plan Description

The Judges' Retirement System (JRS) is a single-employer (the State of Indiana) defined benefit plan established to provide retirement, disability, and survivor benefits to judges and magistrates. JRS was established in 1985, and is governed through the INPRS Board of Trustees by IC 33-38-6, IC 33-38-7 (judges beginning service before September 1, 1985) and IC 33-38-8 (judges beginning service after August 31, 1985). Coverage is for any person who has served, is serving, or shall serve, as a regular judge, magistrate or justice of the (1) Supreme Court of the State of Indiana, (2) Court of Appeals, (3) Indiana Tax Court, (4) Circuit Court of a Judicial Circuit, or (5) county courts including: Superior, Criminal, Probate, Juvenile, Municipal and County.

Membership

The Judges' Retirement System consists of two classes of members (the 1977 System and the 1985 System). The 1977 System includes all individuals who began service as a judge before September 1, 1985, unless the individual, within twenty days after becoming a judge, filed an irrevocable election not to participate in the 1977 System. The 1985 System covers all individuals who: (1) began service as a judge after August 31, 1985; and (2) are not participants in the 1977 System. Beginning January 1, 2011, full-time magistrates who were serving on July 1, 2010, may elect to be members of the 1985 System. The 1985 System is for all new judges, and beginning January 1, 2011, all new full-time magistrates (IC 33-38-8-10).

As of June 30, 2015, the Judges' Retirement System membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	326
Inactive Vested Members Entitled To But Not Yet Receiving Benefits	78
Inactive Non-Vested Members Entitled To a Distribution of Contributions	32
Active Members: Vested and Non-Vested	368
Total	804

Contributions

The funding policy for the Judges' Retirement System is in accordance with statute IC 33-38-6-17 that requires an appropriation by the Indiana General Assembly, determined by the INPRS Board of Trustees from the State of Indiana General Fund, for each biennium to the Judges' Retirement System computed on an actuarially funded basis and the recommendation of the actuary. The statute also provides for remittance of docket fees and court fees which are considered employer contributions. For fiscal 2015, employer contributions were $21.0 million.

The member contribution rate is established by statute IC 33-38-7-10 (1977 System) and IC 33-38-8-11 (1985 System) at six (6) percent of salary. Each fund member shall contribute during the period of the fund member's employment, or for 22 years, whichever is shorter. The employer may pay all or a part of the contributions for the member. Member contributions are used to fund a portion of the defined benefit payment unless the member ends employment other than by death or disability before being eligible for a retirement benefit. The INPRS Board of Trustees shall return to the fund member an amount equal to the total sum contributed to the fund plus interest at a rate specified by the INPRS Board of Trustees in accordance with IC 33-38-7-13 (1977 System) and IC 33-38-8-12 (1985 System).

Retirement Benefits

A member vests after eight (8) years of creditable service. Judges who retire at or after age 65 with eight (8) years of creditable service (or are at least 55 years of age and the participant's age in years plus the participant's years of service total 85 or more) are entitled to an annual retirement benefit, payable monthly for life, in an amount calculated in accordance with the statute.

The annual retirement benefit for a participant equals the product of the salary that was paid to the participant at the time of separation from service, multiplied by a percentage for years of service as defined in the statute. Applicable salary for participants in the 1985 Judges' System is defined in IC 33-38-8-14(e). The pension benefit for participants of the 1977 Judges' System is based on the salary being paid for the office that the participant held at the time of separation from service [IC 33-38-7-11(d)]. The statute provides for the percentage to be prorated for partial years of service. If the annual retirement benefit of a participant who began service as a judge before July 1, 1977, as computed per IC 33-38-7-11, is less than the benefit the participant would have received under IC 33-38-6 as in effect on June 30, 1977, the participant is entitled to receive the greater amount as the participant's annual retirement benefit.

A member may retire at age 62 with the requisite years of service, however the participant's benefit is reduced by 0.1 percent for each month the member's age on the date the participant begins receiving a retirement benefit precedes the participant's 65th birthday.

The monthly pension benefits of the retired judges that were former participants in the 1977 System receive benefit increases whenever the salary of the position the retiree held at separation from service increases. Before fiscal year 2011, benefits of judges who are members of the 1985 System were tied to the salary of the position at the time the participant separated from service and did not increase if the salary of the position increased after the participant separated from service. Before fiscal year 2011, the General Assembly provided COLA increases to participants in the 1985 System on an "ad hoc" basis. Beginning after June 30, 2010, a participant in the 1985 System receives an increase in the monthly benefit of the same percentage by which the salary of the office of the participant held at separation from service increases. The percentage increase to the monthly benefit takes effect at the same time the salary increase takes effect (IC 33-38-8-25). There was no COLA for the fiscal year ended June 30, 2015 for eligible participants in the 1977 System and 1985 System.

Disability and Survivor Benefits

There is no vesting requirement for permanent disability benefits. For both the 1977 System and the 1985 System, a participant is considered permanently disabled if the INPRS Board of Trustees receives a written certification by at least two (2) licensed and practicing physicians appointed by the INPRS Board of Trustees. A participant receiving disability benefits must be reexamined at least once a year by at least two (2) physicians appointed by the INPRS Board of Trustees.

Surviving spouses or dependent child(ren) are entitled to benefits if the participant had qualified to receive a retirement or disability benefit, or had completed at least eight (8) years of service and was in service as a judge. The minimum survivor benefit is $12,000.

(E) State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan

Plan Description

The State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan (EG&C Plan) is a single-employer (the State of Indiana) defined benefit plan established to provide retirement, disability, and survivor benefits to certain employees of the (1) Indiana Department of Natural Resources, (2) Indiana Alcohol and Tobacco Commission and (3) any Indiana State excise police officer, Indiana State conservation enforcement officer, gaming agent or any gaming control officer who is engaged exclusively in the performance of law enforcement duties. The EG&C Plan was established in 1972 and is governed by the INPRS Board of Trustees in accordance with IC 5-10-5.5.

Membership

As of June 30, 2015, the EG&C Plan membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	207
Inactive Vested Members Entitled To But Not Yet Receiving Benefits	3
Inactive Non-Vested Members Entitled To a Distribution of Contributions	101
Active Members: Vested and Non-Vested	448
Total	759

Contributions

The funding policy for the EG&C Plan is in accordance with statute IC 5-10-5.5-8.5. The employer contribution rate is actuarially determined. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation. During fiscal year 2015, the State of Indiana was required to contribute 20.75 percent of covered payroll.

The member contribution rate is established by statute IC 5-10-5.5-8 at four (4) percent of a participant's salary to be contributed to the participant's savings account. The employer may pay all or a part of the contribution for the participant. Member contributions are used to fund a portion of the defined benefit payment. Any participant who terminates employment before accumulating 15 years of creditable service and before attaining the age of 45 shall be entitled to a lump sum refund of all contributions in the participant's savings account plus accumulated interest as determined by the INPRS Board of Trustees in accordance with IC 5-10-5.5-17.

Retirement Benefits

Generally, pension benefits vest after 15 years of creditable service. Officers becoming participants after age 50 are vested after completion of 10 years of service. A participant is entitled to an annual pension benefit, paid in equal monthly installments beginning on the participant's normal retirement date, equal to 25 percent of the participant's average annual salary. A participant who completes more than 10 years of creditable service is entitled to receive an additional amount equal to 1.67 percent of the participant's average annual salary for each completed year of creditable service over 10 years. However, a participant's annual pension benefit may not exceed 75 percent of the participant's average annual salary.

Each participant is required to retire on or before the first day of the month following the participant's 65th birthday. However, a participant who is hired after age 50 must retire upon the earlier of: (1) the first day of the month following the participant's 65th birthday; or (2) the first day of the month following the date the participant completes 15 years of creditable service. A participant, who is at least 55 years of age and the sum of the participant's years of creditable service and age in years, equals at least 85, may retire and become eligible for full retirement benefits. In addition, a participant may elect full retirement benefits at age 50 with 25 years of service. A reduced benefit is provided for early retirements that are elected upon attainment of age 45 with at least 15 years of creditable service. The monthly benefit is reduced by 0.25 percent for each full month by which the participant's early retirement date precedes the participant's 60th birthday.

Any participant who terminates service before accumulating 15 years of creditable service may become a member of the Public Employees' Retirement Fund (PERF). Upon payment of contributions and interest required by the INPRS Board of Trustees, the withdrawing participant shall be entitled to transfer creditable service to PERF.

The monthly pension benefits for members in pay status may be increased periodically as COLA. Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was no COLA for the year ended June 30, 2015; however, eligible members did receive a one-time check (a.k.a. 13th check) in September 2014. The amount of the one-time check ranged from $125 to $400, depending upon a member's years of service, and was for a member who retired or was disabled on or before December 1, 2013, and who was entitled to receive a monthly benefit on July 1, 2014.

Disability and Survivor Benefits

A participant who becomes permanently or temporarily disabled from performing all suitable and available work "on the force" for which the participant is or may be capable of becoming qualified, considering reasonable accommodation to the extent required by the Americans with Disabilities Act, is entitled to receive a disability benefit. The amount of the disability benefit paid to a participant depends on whether the disability arose in the line of duty, the degree of impairment as determined by INPRS Board of Trustees' medical authority, and the participant's monthly salary. A participant is entitled to receive creditable service for the time the participant receives disability benefits under a State disability plan established under IC 5-10-8-7.

If a participant has more than 15 years of creditable service at the time of death, survivor benefits are payable to the surviving spouse, parents, or dependent children, as nominated by the participant's written direction, acknowledged, and filed with the INPRS Board of Trustees. The surviving spouse or the parent(s) is entitled to an annual survivor's allowance for life equal to 50 percent of the amount the participant would have been entitled to if he/she had retired on the date of death. If nominated and eligible, surviving unmarried minor child(ren) are entitled to an annual survivor's allowance equal to 50 percent of the amount the participant would have been entitled to if he/she had retired, divided equally between or among all nominated and eligible children. This benefit will continue until the child reaches 18 years of age or marries, whichever occurs first.

Deferred Retirement Option Plan

The DROP for the EG&C Plan was established by the Indiana Legislature in 2008 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10-5.5-22. Members of the EG&C Plan that are eligible to retire at an unreduced annual retirement allowance, may elect to accumulate a DROP benefit while continuing to work. At the time of their election, the member executes an irrevocable election to retire on a DROP retirement date and remains in active service contributing to the plan until that date. The DROP retirement date must be not less than twelve (12) months and not more than thirty-six (36) months after their DROP entry date, and not after the date they reach any mandatory retirement age that may apply. The member may make an election to enter the DROP only once in their lifetime. The DROP and future retirement monthly benefit is calculated as of the member's DROP entry date. At the time of retirement, the member must choose among the available options for distribution of the accumulated benefit under the DROP. As of June 30, 2015, the amount held by the plan pursuant to the DROP is $1.2 million.

(F) Prosecuting Attorneys' Retirement Fund

Plan Description

The Prosecuting Attorneys' Retirement Fund (PARF) is a single-employer (the State of Indiana) defined benefit plan established to provide retirement, disability, and survivor benefits to prosecuting attorneys. PARF was established in 1989 and is governed through the INPRS Board of Trustees by IC 33-39-7. Coverage is for individuals who: (1) serve as a prosecuting attorney or a chief deputy prosecuting attorney; or (2) serve as the executive director or assistant executive director of the Indiana Prosecuting Attorneys Council or as a State-paid deputy prosecuting attorney. These individuals' salaries are paid from the General Fund of the State of Indiana.

Membership

As of June 30, 2015, the PARF membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	107
Inactive Vested Members Entitled To But Not Yet Receiving Benefits	97
Inactive Non-Vested Members Entitled To a Distribution of Contributions	153
Active Members: Vested and Non-Vested	196
Total	553

Contributions

The funding policy for PARF is in accordance with statute IC 33-39-7-23 that requires an appropriation, determined by the INPRS Board of Trustees from the State of Indiana General Fund, for each biennium to PARF computed on an actuarially funded basis and the recommendation of the actuary. For fiscal year 2015, employer contributions were $1.1 million.

The member contribution rate is established by statute IC 33-39-7-12 at six (6) percent of salary. The employer may elect to pay the contributions for a member. Members receive interest earnings at a rate specified by the INPRS Board of Trustees in accordance with IC 33-39-7-14. Member contributions are used to fund a portion of the defined benefit payment unless the member ends employment other than by death or disability before the member completes eight (8) years of creditable service. The INPRS Board of Trustees shall return to the fund member an amount equal to the total sum contributed to the fund plus interest as determined by the INPRS Board of Trustees in accordance with IC 33-39-7-13.

Retirement Benefits

A participant is entitled to a retirement benefit if the participant: (1) is at least age 62 and has at least eight (8) years of service credit; (2) is at least age 55 and whose years of service as a member of PARF plus years of age equal at least 85; and (3) is not receiving salary for services currently performed. A member whose service ended prior to July 1, 2006 must have at least ten (10) years of service.

The retirement benefit of a participant who is at least age 65 (or are at least 55 years of age and the participant's age in years plus the participant's years of service total 85 or more) is calculated by multiplying: (1) the highest annual salary paid to the participant before the participant's separation from service; by (2) a percentage based on the participant's years of service. The percentages range from 24 percent for eight (8) years of service to 60 percent for 22 or more years of service. If a participant is at least 62 years of age with at least eight (8) years of creditable service, a participant is entitled to receive a reduced annual retirement benefit that equals the benefit, as calculated above, reduced by 0.25 percent per month for each month the participant retires prior to age 65.

In addition, a PARF participant is a member of PERF. A PARF participant's retirement benefit is reduced by the amount of the employer-financed pension benefit that would be payable to the participant had the participant retired from PERF on the date of the participant's retirement from the fund. However, the benefits payable to a participant from the fund are not reduced by any payments made to the participant from the participant's PERF annuity savings account. The employer may elect to make the contributions on behalf of the member.

Disability and Survivor Benefits

PARF also provides disability and survivor benefits. A participant who has at least five (5) years of creditable service and becomes disabled while in active service may retire for the duration of the disability if the participant has qualified for social security disability benefits and has furnished proof of the qualification. The amount of the annual benefit payable to a participant for disability benefits is equal to the product of the annual salary that was paid to the participant at the time of separation from service multiplied by a percentage based on the participant's years of service. The percentages range from 40 percent for 5 to 10 years of service to 50 percent for 20 or more years of service. These benefits are reduced by any benefits payable to the participant from PERF.

The surviving spouse or designated beneficiary of a participant is entitled to a benefit if, on the date of the participant's death, the participant: (1) was receiving benefits; (2) has completed at least eight (8) years of service and was in service as a prosecuting attorney or chief deputy prosecuting attorney, executive director or assistant executive director of the Indiana Prosecuting Attorneys Council, or as a State-paid deputy prosecuting attorney; or (3) had met the requirements for a disability benefit.

Regardless of the participant's age at death, the surviving spouse's benefit is equal to the greater of: (1) $7,000 annually; or (2) 50 percent of the amount of retirement benefit the participant was drawing at the time of death, or to which the participant would have been entitled had the participant retired and begun receiving retirement benefits on the date of death. Survivor benefits are not subject to reduction for early retirement. If there is not a surviving spouse, there are provisions for dependents to receive benefits.

(G) Legislators' Retirement System

Plan Description

The Legislators' Retirement System was established in 1989 by IC 2-3.5 and accordingly is governed by the INPRS Board of Trustees. The retirement system is for certain members of the General Assembly of the State of Indiana as specified by the provisions of the statute.

The Legislators' Retirement System is comprised of two (2) separate and distinct plans. The Legislators' Defined Benefit Plan (LEDB Plan) (IC 2-3.5-4), a single-employer (the State of Indiana) defined benefit plan, applies to members of the General Assembly who were serving on April 30, 1989, and who filed an election under IC 2-3.5-3-1(b). The Legislators' Defined Contribution Plan (LEDC Plan) (IC 2-3.5-5) applies to: (1) members of the General Assembly who were serving on April 30, 1989, and who filed an election under IC 2-3.5-3-1(b); (2) members of the General Assembly who are first elected or appointed after April 30, 1989; and (3) members of the General Assembly who: (a) served before April 30, 1989; (b) were not serving on April 20, 1989; and (c) are subsequently reelected or reappointed to the General Assembly.

Membership

As of June 30, 2015, the Legislators' Retirement System membership consisted of:

	Defined Benefit Plan	Defined Contribution Plan
Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	68	-
Inactive Vested Members Entitled To But Not Yet Receiving Benefits	14	-
Inactive Non-Vested Members Entitled To a Distribution of Contributions	-	73
Active Members: Vested and Non-Vested	17	149
Total	99	222

A member of the LEDB Plan, under certain circumstances, may also be a member of the LEDC Plan.

Legislators' Defined Benefit Plan

The LEDB Plan provides retirement, disability and survivor benefits. The LEDB Plan is closed to new entrants, as members of the General Assembly who began service after April 30, 1989, are not members of this plan.

Contributions

For the LEDB Plan, the funding policy is in accordance with statute IC 2-3.5-4-9 and IC 2-3.5-4-10. The amount required to actuarially fund participants' retirement benefits, as determined by the INPRS Board of Trustees on the recommendation of the actuary, is to be appropriated from the State of Indiana General Fund for each biennium. For fiscal year 2015, employer contributions were $0.1 million.

Retirement Benefits

A participant is entitled to an unreduced monthly retirement benefit if the participant is: (1) at least age 65 and has at least 10 years of service as a member of the General Assembly; (2) at least age 55 and whose years of service as a member of the General Assembly plus years of age equal at least 85; or (3) at least age 60 and has at least 15 years of service as a member of the General Assembly. To qualify for a monthly retirement benefit, the member: (1) must have terminated service as a member of the General Assembly; (2) has at least 10 years of service as a member of the General Assembly; and (3) is not receiving and is not entitled to receive a salary from the State.

The monthly retirement benefit is equal to the lesser of: (1) $40 multiplied by the number of years of service in the General Assembly completed before November 8, 1989, or (2) the highest consecutive three-year average annual salary of the participant under IC 2-3-1-1 at the date the participant's service as a member of the General Assembly is terminated, divided by 12.

A participant who has reached at least age 55, has terminated service as a member of the General Assembly, has at least 10 years of service as a member of the General Assembly, and is not receiving, nor is entitled to receive, a salary from the State of Indiana, is eligible for early retirement with a reduced benefit. The reduction in the benefit is equal to: (1) 0.1 percent a month between ages 60 and 65; and (2) 5/12 percent a month between ages 55 and 60.

The monthly pension benefits for members in pay status are increased periodically as COLA. COLA increases for the LEDB Plan are equal to the increase for the PERF Plan in accordance with IC 2-3.5-4-13 on an “ad hoc” basis and are generally based on date of retirement, and other eligibility factors. There was no COLA for the year ended June 30, 2015.

The LEDB Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service may retire for the duration of the disability if the member has qualified for social security disability and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. If a participant dies while receiving retirement benefits, or had completed at least 10 years of service as a member of the General Assembly, or was permanently disabled and receiving disability benefits from the system, the surviving spouse is entitled to receive survivor benefits. The benefits are for life and are equal to 50 percent of the amount of retirement benefits that the participant was receiving at the time of death or that the participant would have been entitled to receive at 55 years of age, or at the date of death, whichever is later. If there is not a surviving spouse, there are provisions for dependents to receive benefits.

Legislators’ Defined Contribution Plan

For the LEDC Plan, each participant is required to contribute five (5) percent of annual salary in accordance with statute IC 2-3.5-5-4. In addition, the State of Indiana is required by statute IC 2-3.5-5-5.5 to contribute a percentage of the member’s annual salary on behalf of the participant as determined by INPRS Board of Trustees and confirmed by the State Budget Agency each year. This rate, by statute, cannot exceed the total contribution rate paid that year by the State to PERF for State employees. The State contribution rate is the sum of: (1) the State’s employer contribution rate for State employees, and (2) the rate the State pays on behalf of State employees to their annuity savings accounts (3.0 percent).
The rate for fiscal year 2015 is 14.2 percent.

Investments in the members’ accounts are individually directed and controlled by plan participants who direct the investment of their account balances among several investment options of varying degrees of risk and return potential. There are nine (9) investment options available to LEDC Plan members: Defined Benefit Unitized Assets, Stable Value Fund, Fixed Income Fund, Inflation-Linked Fixed Income Fund, Money Market Fund, Small/Mid Cap Equity Fund, Large Cap Equity Index Fund, International Equity Fund and Target Date Funds. Members may make changes to their investment directions daily and investments of the plan are reported at fair value.

A participant of the LEDC Plan who terminates service as a member of the General Assembly is entitled to withdraw both the employee and employer contributions to the LEDC Plan. The amount available for withdrawal is the fair market value of the participant’s account on the processing date. Account balances are fully vested to the participants. The withdrawn amount can be paid in a lump sum, a partial lump sum, a monthly annuity as purchased by the INPRS Board of Trustees, or a series of monthly installment payments over 60, 120, or 180 months as elected by the participant.
If a participant dies while a member of the General Assembly or after terminating service as a member, but prior to withdrawing from the LEDC Plan, the participant’s account is to be paid to the beneficiary(ies) or to the survivor(s) if there

is no properly designated beneficiary, or if no beneficiary survives the participant. The amount to be paid is the fair market value of the participant's account (employer and employee contributions) on the processing date.

(H) Non-Retirement Plans

State Employees' Death Benefit Fund

Indiana Code 5-10-11 established the State Employees' Death Benefit program, which is an Other Postemployment Benefit plan (OPEB). Under the program as of July 1, 2013, a death benefit of $100,000 is to be paid in a lump sum to the surviving spouse, or if there is no surviving spouse, to the surviving child(ren) and stepchildren (to be shared equally) of a State of Indiana employee who dies in the line of duty as defined in the statute. The children and stepchildren must also be dependent on the State employee who died in the line of duty.

The law provides that "the State may provide these benefits by purchasing group life insurance or by establishing a program of self-insurance." It was determined that a program of self-insurance would be established, and effective with the State's pay period ended October 23, 1993, the State assessed State agencies 0.1 percent of gross pay to fund this program. Due to the size of the fund and the infrequency of payments, collection of the assessment was ceased in November 1999. The measurement of potential liability and the related disclosures required for other postemployment benefit plans, have been excluded as they would not be material to the INPRS system.

Public Safety Officers' Special Death Benefit Fund

Indiana Code 5-10-10 established the Public Safety Officers' Special Death Benefit Fund, which is an Other Postemployment Benefit plan (OPEB). The fund was established for the purpose of paying a lump sum death benefit of $150,000 to the surviving spouse or child(ren) of a public safety officer (as defined by IC 5-10-10-4) or other eligible officers (as defined by IC 5-10-10-4.5) who die in the line of duty. If there is no surviving spouse or child(ren), the benefit is paid to the parent(s) in equal shares. The fund consists of bail bond fees remitted under IC 35-33-8-3.2, payments under IC 5-10-10-4.5, and investment earnings of the fund. The measurement of potential liability and the related disclosures required for other postemployment benefit plans, have been excluded as they would not be material to the INPRS system.

Pension Relief Fund

The Pension Relief Fund (PR Fund) was created by the Indiana General Assembly in 1980 (IC 5-10.3-11) and is an Agency fund. The purpose of the PR Fund is to give financial relief to pension funds maintained by units of local government for their police officers' and firefighters' retirement plan benefits.

Funding for the PR Fund is derived from contributions from the State of Indiana from a portion of cigarette and alcohol taxes, a portion of the State's lottery proceeds, interest earned by the Public Deposit Insurance Fund, investment income earned, and appropriations from the General Assembly.

Distributions are made from the PR Fund to units of local government in two equal installments before July 1 and before October 2 of each year. Effective January 1, 2009, the distribution is determined by an estimate of the total amount of pension, disability and survivors benefits from the 1925 Police Pension Fund (IC 36-8-6), the 1937 Firefighters' Pension Fund (IC 36-8-7), and the 1953 Police Pension Fund (IC 36-8-7.5). The estimate is prepared by the actuary on a city-by-city basis, and on a departmental basis.

As defined by IC 36-8-8-20, the PR Fund also pays a lump sum line of duty death benefit of $150,000. As defined by IC 36-8-8-14.1, the benefit is paid to the following relative(s) of a fund member who dies in the line of duty: (1) to the surviving spouse; (2) if there is no surviving spouse, to the surviving child(ren) (to be shared equally); (3) if there is no surviving spouse or child(ren), to the parent(s) in equal shares.

In accordance with IC 5-10.3-11-6, separate accounts are maintained by INPRS for each unit of local government for amounts that have not been distributed to the local units. These amounts remain invested in the fund and are available to the units of local government at their request. As of June 30, 2015, units of local government had investments with a market value of approximately $1.6 million on deposit in the PR Fund.

Note 2. Summary of Significant Accounting Policies

(A) Reporting Entity

Established July 1, 2011, the Indiana Public Retirement System and the governing board of trustees merged the administration of the Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF). INPRS is an independent body corporate and politic and is not a department or agency of the State, but is an independent instrumentality exercising essential government functions (Public Law 23-2011). For these reasons, INPRS is a pension trust fund of the State of Indiana for financial statement reporting purposes.

The financial statements presented in this report represent only those funds for which the INPRS Board of Trustees has responsibility and are not intended to present the financial position or results of operations of the State of Indiana or all of the retirement and benefit plans administered by the State.

The INPRS Board of Trustees administers nine (9) pension trust funds [eight (8) Defined Benefit plans and one (1) Defined Contribution plan], two (2) death benefit funds accounted for as other postemployment benefit funds, and an agency fund. These fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

The following funds are included in the financial statements:

- Public Employees' Retirement Fund (PERF);
- Teachers' Retirement Fund Pre-1996 Account (TRF Pre-1996);
- Teachers' Retirement Fund 1996 Account (TRF 1996);
- 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund);
- Judges' Retirement System (JRS);
- State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan (EG&C Plan);
- Prosecuting Attorneys' Retirement Fund (PARF);
- Legislators' Defined Benefit Plan (LEDB Plan);
- Legislators' Defined Contribution Plan (LEDC Plan);
- State Employees' Death Benefit Fund;
- Public Safety Officers' Special Death Benefit Fund; and
- Pension Relief Fund (PR Fund).

See Note 1 for descriptions of these funds.

(B) Basis of Accounting

The financial statements of INPRS have been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as applied to government units. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for established governmental accounting and financial reporting principles. INPRS applies all applicable GASB pronouncements in accounting and reporting for its operations.

(C) Use of Estimates

In preparing the financial statements to conform to generally accepted accounting principles of the United States of America, the Board makes estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from estimates and assumptions.

(D) Reclassifications

The financial statements include summarized comparative totals from the prior fiscal year, but do not include all comparative disclosures to constitute comparative financial reporting. Certain reclassifications have been made within the fiscal year 2014 information to conform to the classifications for fiscal year 2015. These changes have no material impact on total net position for either fiscal year presented.

(E) Contributions Receivable

Contributions are recognized as revenues when earned, pursuant to legal requirements. Member and employer contributions are earned on the employers' payroll date. The estimate for contributions receivable at year-end was calculated utilizing member and employer contributions from the last reported payroll period. Contributions receivable and revenue pursuant to service purchase credits are recognized in full in the year when service purchase contract is signed.

In addition to actuarially determined contractual contributions, one employer also makes quarterly installment payments, including interest at 7.25 percent per year, for the cost of service credits granted retroactively when the employer resolved to enlarge participation in the Public Employees' Retirement Fund. As of June 30, 2015, the outstanding balance was $1.1 million. This agreement was entered into effective July 1, 2000, to be amortized over forty (40) years.

(F) Deposit and Investment Policies and Provisions

Oversight of INPRS' assets is the responsibility of the INPRS Board of Trustees. Indiana law requires the Board to establish investment guidelines and limits on all types of investments and take other actions necessary to fulfill its duty as a fiduciary for all assets under its control. The INPRS Board of Trustees is required to diversify investments in accordance with the prudent investor standards.

At June 30, 2015, cash and investments of the funds were held by banks or trust companies under custodial agreements with INPRS. The INPRS Board of Trustees contracts with investment counsel, trust companies or banks to assist INPRS in its investment program. The Investment Policy Statement adopted by the INPRS Board of Trustees including the asset allocation approved by the Board of Trustees contains target allocations and allowable ranges that are expected to meet target rates of return over a long period of time while minimizing risk. See Note 3 for more information.

There were no investment policy changes during the fiscal year. During the fiscal year, INPRS conducted an asset liability study. The board approved effective for fiscal year ended June 30, 2016, an asset allocation that will incorporate only slight changes to the prior asset allocation targets. Investment purchases and sales of securities are recorded as of their trade date.

(G) Method Used to Value Investments

The pooled and non-pooled investments are reported at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Short-term investments consist primarily of cash, money market funds, certificates of deposits and fixed income instruments with maturities of less than one year. Short-term investments are reported at cost, which approximates fair value or, for fixed income instruments, valued using similar methodologies as other fixed income securities described below.

Fixed income securities consist primarily of the U.S. government, U.S. government-sponsored agencies, publicly traded debt and commingled investment debt instruments. Equity securities consist primarily of domestic and international stocks in addition to commingled equity instruments. Fixed income and equity securities are generally valued based on published market prices and quotations from national security exchanges and securities pricing services. Securities that are not traded on a national security exchange are valued using modeling techniques that include market observable inputs required to develop a fair value. Commingled funds are valued using the net asset value (NAV) of the entity.

Alternative investments include limited partnership interests in private equity, absolute return, private real estate and risk parity investment strategies. Publicly traded alternative investments are valued based on quoted market prices. In the absence of readily determinable public market values, alternative investments are valued using current estimates of fair value obtained from the general partner or investment manager. Moreover, holdings are generally valued by a general partner or investment manager on a quarterly or semi-annual basis. Valuation assumptions are based upon the nature of the investment and the underlying business. Additionally, valuation techniques will vary by investment type and involve a certain degree of expert judgment. Alternative investments, such as investments in private equity or real estate, are generally considered to be illiquid long-term investments. Due to the inherent uncertainty that exists in the valuation of alternative investments, the realized value upon the sale of an asset may differ from the fair value.

Derivative instruments are marked to market daily with changes in fair value recognized as part of investments and investment income.

(H) Pooled Investment Unit Trust Accounting

Pooled unit trust accounting involves assigning units to each fund based on the share of the fund's investment fair value to the total fair value of the consolidated investments. The per-unit value of all participating funds will increase or (decrease) based on investment earnings or (losses) and appreciation or (depreciation). Deposits and withdrawals for each fund change the number of units held by each fund. These changes are recorded at the unit value on the transaction date. Investment earnings or losses and fees for the total consolidated fund are allocated to each of the pension funds on a daily basis.

In accordance with GASB criteria for internal investment pools, the assets and liabilities are allocated pro rata to each of the funds within the pool. This includes investment receivables, foreign exchange contract receivables, interest and dividend receivables, securities lending collateral, investment payables, foreign exchange contract payables, securities lending obligations, obligations under reverse repurchase agreements and the pooled investment holdings.

The INPRS Board of Trustees approved unitizing investment assets in order to provide for a consolidated rate of return and to invest in a diversified manner.

The INPRS Board of Trustees unitized, into a consolidated pool, the defined benefit assets of the following retirement funds and pension systems known collectively as the Consolidated Defined Benefit Assets:

Public Employees’ Retirement Fund (PERF)
Teachers’ Retirement Fund Pre-1996 Account (TRF Pre-1996)
Teachers’ Retirement Fund 1996 Account (TRF 1996)
1977 Police Officers’ and Firefighters’ Pension and Disability Fund (1977 Fund)
Judges’ Retirement Fund (JRS)
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement
  Officers’ Retirement Fund (EG&C Plan)
Prosecuting Attorneys’ Retirement Fund (PARF)
Legislators’ Defined Benefit Plan (LEDB Plan)

The INPRS Board of Trustees unitized into two separate consolidated pools that include the ASA investment assets of PERF, TRF Pre-1996 and TRF 1996 and, the defined contribution assets of Legislators’ Defined Contribution Plan (LEDC).

The first pool is comprised of the PERF, TRF Pre-1996, and TRF 1996 assets in the Guaranteed Fund, also known as the ASA Guaranteed Fund Assets. The second pool is comprised of all other ASA assets and the LEDC defined contribution assets.

The State Employees’ Death Benefit Fund and the Public Safety Officers’ Special Death Benefit Fund are pooled into the Death Benefit Unit Trust.

A summary of the pooled unit trust investments held by unitized value and fund is as follows:

(dollars in thousands)

Trust Fund	**Consolidated Defined Benefit Assets**	**ASA Guaranteed Fund Assets**	**All Other ASA/Defined Contribution Assets (1)**	**Death Benefit Funds**	**Pooled Unit Trust Investments**
Public Employees’ Retirement Fund	$ 11,210,314	$ 1,689,487	$ 998,236	$ -	$ 13,898,037
Teachers’ Retirement Fund Pre-1996 Account	3,766,687	711,613	707,975	-	5,186,275
Teachers’ Retirement Fund 1996 Account	4,213,559	589,850	578,665		5,382,074
1977 Police Officers’ and Firefighters’ Pension and Disability Fund	4,826,234	-	-	-	4,826,234
Judges’ Retirement System	437,273	-	-	-	437,273
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers’ Retirement Plan	110,088	-	-	-	110,088
Prosecuting Attorneys’ Retirement Plan	53,404	-	-	-	53,404
Legislators’ Defined Benefit Plan	3,188	-	-	-	3,188
Legislators’ Defined Contribution Plan (2)	9,073	-	18,426	-	27,499
State Employees’ Death Benefit Fund	-	-	-	8,014	8,014
Public Safety Officers’ Special Death Benefit Fund	-	-	-	5,629	5,629
Total INPRS Unitized Investments	**$ 24,629,820**	**$ 2,990,950**	**$ 2,303,302**	**$ 13,643**	**$ 29,937,715**

[1] *All other ASA/Defined Contribution Assets consist of PERF, TRF Pre-1996 and TRF 1996 ASA assets which are not invested into the Guaranteed Fund plus other LEDC defined contributions that are not invested into the Consolidated Defined Benefit Assets.*
[2] *The LEDC Plan allows members to invest in the Consolidated Defined Benefit Assets.*

(I) Investments and Foreign Exchange Contracts Receivable and Investments and Foreign Exchange Contracts Payable

Investments and foreign exchange contracts receivable in addition to investments and foreign exchange contracts payable, consist primarily of receivables or payables for securities purchased or sold, but not settled as of June 30, 2015.

See Note 4 for additional information related to foreign exchange contract receivables and payables.

(J) Capital Assets

Capital assets-fixed and intangible are capitalized at historical cost when total cost is $25,000 or more. The cost of items like normal maintenance, repairs, and software license agreements that do not add to the value of the assets or materially extend assets' lives are not capitalized. Depreciation and amortization are calculated using the straight-line method over the estimated useful life of assets exceeding one (1) year. Depreciation and amortization are recognized as administrative expenses.

The following are net capital asset values as of June 30, 2015:

(dollars in thousands)

Capital Assets	Balance June 30, 2014	Additions	Disposals	Balance June 30, 2015
Land	$ 547	$ -	$ -	$ 547
Depreciable Capital Assets:				
Building	2,893	-	-	2,893
Equipment	87	-	-	87
Software	15,634	-	-	15,634
Capital Assets in Process	-	376	-	376
Total Depreciable Capital Assets	18,614	376	-	18,990
Less Accumulated Depreciation/Amortization:				
Building	1,433	151	-	1,584
Equipment	87	-	-	87
Software	8,438	2,402	-	10,840
Total Accumulated Depreciation	9,958	2,553	-	12,511
Total Net Depreciable Capital Assets	8,656	(2,177)	-	6,479
Total Net Capital Assets	**$ 9,203**	**$ (2,177)**	**$ -**	**$ 7,026**

As of June 30, 2015, INPRS owned and occupied the land and building at 143 W. Market Street, Indianapolis, Indiana. The building is being depreciated over 20 years. On August 13, 2015, the property was sold and INPRS personnel were moved to INPRS offices at One North Capitol (1NC). Costs to renovate 1NC to accommodate additional staff were recorded as capital assets in process.

All capital equipment has been fully depreciated. No new equipment was capitalized during the current fiscal year.

Amortization of software is computed over five (5) years when assets are placed in service. Costs for purchase and development of computer software meeting minimum cost and service life estimates are capitalized as incurred. No new software was purchased or developed during the current fiscal year.

(K) Benefits and Distributions

Pension, disability, special death benefits, and distributions of contributions and interest are recognized when due and payable to members or beneficiaries. Benefits are paid once the retirement or survivor applications have been processed and approved. Distributions of contributions and interest are distributions from inactive, non-vested members' annuity savings accounts. These distributions may be requested by members or automatically distributed by the fund when certain criteria are met.

(L) Due To/From Other Funds and Member Reassignments

Total Due to/from other funds represents recurring transfers between funds for initial retirements and payments of shared administrative expenses as part of the agency's operations. Interfund balances are funded routinely between funds.

When statute allows, member reassignments occur resulting in the transfer of member and employer reserves between funds due to a retiring member having service in multiple funds. Once a member selects which fund he/she wishes to retire from, creditable service covered by the other fund and the related annuity savings account (ASA) balance will be transferred to the fund selected in calculating the member's retirement benefit.

When the member's retirement benefit is calculated, the fund selected establishes a receivable from the other fund for the ASA balance (member reserve) and the calculated employer reserve for the service credit transferred in from the other fund. The receivable is reported as a line item in the Receivables section of Statement of Fiduciary Net Position. Conversely, the payable is reported in the Liabilities section of the Statement of Fiduciary Net Position.

(M) Due To Other Governments

Total Due to Other Governments represents a liability account reflecting amounts owed by INPRS to another government (e.g., county or municipality). INPRS acts as an agent of the Pension Relief Fund.

(N) Compensated Absences

INPRS' full-time employees accumulate earned but unused vacation, sick pay, compensatory time, and personal time each pay period. Bonus vacation days are awarded upon completion of five (5), 10 and 20 years of employment with INPRS and/or the State of Indiana. Upon separation from service, employees in good standing will be paid for a maximum of 30 unused vacation leave days.

Vacation, compensatory time and personal leave are reported as part of the Salaries and Benefits Payable line in the Liabilities section of the Statement of Fiduciary Net Position. No liability is reported for unpaid accumulated sick leave since it is not probable that sick leave will be paid.

(O) Administrative, Project and Direct Investment Expenses

An annual budget for the administrative, project and direct investment expenses of INPRS is reviewed and approved by the INPRS Board of Trustees. These expenses are paid from plan assets and investment earnings.

The PERF plan pays the administrative, project and direct investment expenses of all the funds. At June 30, a receivable is recognized for the PERF plan and a payable is recognized for the other funds in the amount due to the PERF plan for the other funds' share of expenses. The receivable and payable are settled in following fiscal period.

(P) Federal Income Tax Status

Plans administered by INPRS qualify under Section 401(a) of the Internal Revenue Code (IRC) and are exempt from federal income taxes under Section 501(a) of the IRC.

(Q) Reserves and Designations

The following are the legally required reserves.

1. Member Reserve – This reserve represents the accumulated contributions made by or on behalf of the members plus/minus earnings/losses, less amounts distributed or transferred to the Benefits in Force reserve for retirement, disability, or other benefits. For the PERF and TRF plans, this reserve includes the members' annuity savings accounts.

2. Employer Reserve – This reserve represents the accumulated contributions from employers plus/minus earnings/losses, less transfers made to the Benefits in Force reserve of the actuarial pension cost for retirement, disability, or other benefits.

3. Benefits in Force – This reserve represents the actuarially determined present value of future benefits for all members who are currently retired or disabled and survivors of the members who died in service. The accumulated contributions of the PERF and TRF members who elect to annuitize their annuity savings accounts and the actuarial pension cost are transferred to the reserve upon retirement, disability, or death.

The following are the balances of the reserves as of June 30, 2015:

(dollars in thousands)

Pension Trusts Funds	Member Reserve	Employer Reserve[1]	Benefits in Force	Total Reserves
PERF	$ 2,723,315	$ 5,499,469	$ 5,684,882	$ 13,907,666
TRF Pre-1996	1,421,455	-	3,678,455	5,099,910
TRF 1996	1,170,915	3,517,853	690,345	5,379,113
1977 Fund	833,292	2,793,516	1,201,607	4,828,415
Judges' Retirement System	32,445	204,470	200,437	437,352
EG&C Plan	8,456	52,867	48,715	110,038
PARF	25,479	6,060	21,885	53,424
Legislators' Retirement System –				
LEDB Plan	N/A	468	2,706	3,174
LEDC Plan	28,288	N/A	N/A	28,288

[1] *The employer reserve includes $1,293K of reserve monies for the unvested portion of the ASA Only Plan.*

(R) New Accounting Pronouncements

The GASB has issued Statement No. 68, *"Accounting and Financial Reporting for Pensions"* which will improve accounting and financial reporting by State and local governments for pensions. It also improves information provided by State and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement is an amendment to the requirements of Statement No. 27, *"Accounting for Pensions by State and Local Governmental Employers,"* as well as the requirements of Statement No. 50, *"Pension Disclosures,"* as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The provisions of GASB Statement No. 68 are effective for financial statements for periods beginning after June 15, 2014. GASB Statement No. 68 requires employers to record their proportionate share of net pension liability, deferred outflows and inflows of resources and pension expense, more extensive note disclosures and required supplementary information. Independent schedules for employers have been issued by INPRS to communicate employer's proportionate share of net pension liability, deferred outflows and inflows of resources, and pension expense for each of the plans. A training video is available on the INPRS' website to assist employers implementing GASB Statement No. 68 in their financial statements for fiscal year 2015.

The GASB has issued Statement No. 69, *"Government Combinations and Disposals of Government Operations."* This Statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all State and local governmental entities. The requirements of this Statement should be applied prospectively and are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. However, earlier application of the Statement is encouraged. Management has evaluated GASB Statement No. 69 and determined the Statement does not have an impact on INPRS' financial reporting.

The GASB has issued Statement No. 71; *"Pension Transition for Contributions Made Subsequent to the Measurement Date,"* which addresses the transition provisions of, and is an amendment to Statement No. 68, *"Accounting and Financial Reporting for Pensions."* The Statement eliminates a potential source of understatement of beginning net position and expense in a government's first year of implementing Statement No. 68. The provisions are effective simultaneously with the provisions of Statement No. 68, which is required to be applied in fiscal years beginning after June 15, 2014. In conjunction with GASB Statement No. 68, a training video is available on the INPRS' website to assist employers implementing GASB Statement No. 71 in their financial statements for fiscal year 2015.

The GASB has issued Statement No. 72, *"Fair Value Measurement and Application."* This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. The requirements of this Statement are effective for financial reporting periods beginning after June 15, 2015. Management is currently evaluating GASB Statement No. 72 and will implement it in the financial statements.

Notes to the Financial Statements, continued
June 30, 2015

The GASB has issued Statement No. 73, *"Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68."* This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68 for pension plans and pensions that are within their respective scopes. If the pension is not within the scope of Statement 68, the requirements are effective for financial reporting periods beginning after June 15, 2016. All other pension plans are required to use an effective financial reporting period beginning after June 15, 2015. Management is currently evaluating GASB Statement No. 73 and, if applicable, will implement it in the financial statements.

The GASB has issued Statement No. 74, *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"* for which the principal objective of this statement is to improve the usefulness of information about postemployment benefits. It establishes financial reporting standards for state and local governmental other post employment benefit (OPEB) plans that are administered through trusts or equivalent arrangements. The requirements of this Statement are effective for financial reporting periods beginning after June 15, 2016. Management is currently evaluating GASB Statement No. 74 and will implement it in the financial statements.

The GASB has issued Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). The requirements of this Statement are effective for financial reporting periods beginning after June 15, 2017. Management is currently evaluating GASB Statement No. 75 and if applicable, will implement it in the financial statements.

The GASB has issued Statement No. 76, *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Government,"* which establishes the hierarchy of generally accepted accounting principles (GAAP) for state and local governments and the framework for selecting those principles. The requirements of this Statement are effective for financial reporting periods beginning after June 15, 2015. Management is currently evaluating GASB Statement No. 76 and will implement it in the financial statements.

The GASB has issued Statement No. 77, *"Tax Abatement Disclosures,"* which will establish financial reporting standards for tax abatement agreements entered into by state and local governments. The requirements of this Statement are effective for financial reporting periods beginning after December 15, 2015. Management is currently evaluating GASB Statement No. 77 and, if applicable, will implement it in the financial statements.

Note 3. Cash and Investments

(A) Investment Guidelines and Limitations

The Indiana General Assembly enacted the prudent investor standard to apply to the INPRS Board of Trustees and govern all its investments. Under statute (IC 5-10.3-5-3(a)) for PERF and (IC 5-10.4-3-10(a)) for TRF, the Board of Trustees must "invest its assets with the care, skill, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims." The Board of Trustees also is required to diversify such investments in accordance with the prudent investor standard.

Within these governing statutes, the INPRS Board of Trustees has broad authority to invest the assets of the plans. The INPRS Board of Trustees utilizes external investment managers, each with specific mandates to collectively achieve the investment objectives of the retirement funds. Depending on the mandate and the contractual agreement with the investment manager, investments may be managed in separate accounts, commingled accounts, mutual funds or other structures acceptable to the INPRS Board of Trustees. An asset allocation review is conducted periodically.

In October 2011, the INPRS Board of Trustees adopted a new Investment Policy Statement effective January 1, 2012, and the new strategic asset allocation for the Consolidated Defined Benefit Assets is as follows:

Global Asset Classes	Target Allocation	Target Range
Public Equity	22.5%	20.0% to 25.0%
Private Equity	10.0%	7.0% to 13.0%
Fixed Income – Ex Inflation-Linked	22.0%	19.0% to 25.0%
Fixed Income – Inflation-Linked	10.0%	7.0% to 13.0%
Commodities	8.0%	6.0% to 10.0%
Real Estate	7.5%	4.0% to 11.0%
Absolute Return	10.0%	6.0% to 14.0%
Risk Parity	10.0%	5.0% to 15.0%

Contributions and asset reallocation in the PERF, TRF Pre-1996 and TRF 1996 Annuity Savings Accounts and the Legislators' Defined Contribution Plan (LEDC) are directed by the members in each plan and as such, the asset allocation will differ from that of the Consolidated Defined Benefit Assets.

The Pension Relief Fund (PR Fund) is invested 100 percent in a money market fund.

The State Employees' Death Benefit Fund and the Public Safety Officers' Special Death Benefit Fund are 100 percent invested in short-term and fixed income investments.

(B) Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the fiscal year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense is as follows:

Pension Trust Funds[1]	2015 Annual Money Weighted Rate of Return
Public Employees' Retirement Fund	0.32%
Teachers' Retirement Fund Pre-1996 Account[2]	0.57%
Teachers' Retirement Fund 1996 Account[2]	0.57%
1977 Police Officers' and Firefighters' Pension and Disability Fund	(0.07)%
Judges' Retirement System	(0.06)%
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	(0.09)%
Prosecuting Attorneys' Retirement Fund	(0.08)%
Legislators' Defined Benefit Plan	(0.13)%
Total INPRS[3]	**0.44%**

[1] *Excludes the Legislators' Defined Contribution Plan*

[2] *The Teachers' Retirement Fund Accounts are combined for investment purposes*

[3] *Rate of return also includes Legislators' Defined Contribution Plan, State Employees' Death Benefit Fund, Public Safety Officers' Special Death Benefit Fund and Pension Relief Fund*

(C) Cash in Bank and Deposits

Cash balances represent both operational demand deposit accounts held at the bank and, investment related cash and short-term investments, both pooled and non-pooled, on deposit with the investment custodian. To maximize investment income, the float caused by outstanding checks is invested in a short-term investment account, thus causing a possible negative book balance. Negative book balances are reflected in the liabilities section of the Statement of Fiduciary Net Position.

The table below presents the INPRS total deposits and short-term investment funds as of June 30, 2015.

(dollars in thousands)

Cash Deposits	Total
Demand Deposit Account – Bank Balances (Insured by FDIC up to $250 thousand per financial institution)	$ 6,472
Held with Indiana Treasurer of State (Fully Insured)	554
Demand Deposit – Outstanding Check Float	(40,632)
Held with Custodian Bank (Uncollateralized)	219,000
Short Term Investment Funds held at Bank (Collateralized)	943,432
Total	**$ 1,128,826**

(D) Summary of Investments Held

A summary of investments held as of June 30, 2015, exclusive of operational cash and the securities lending program which is fully disclosed in Section (I), is as follows:

(dollars in thousands)

Investment Type[1]	**Fair Value**	**% of Total Investments**
Short Term Investments[2]	$ 70,988	0.2 %
Short Term[2]		
Cash at Brokers	219,000	0.7
Money Market Sweep Vehicle	872,444	2.9
Commercial Paper	1,250	-
U.S. Treasury Obligations	120,528	0.4
U.S. Agencies	37,726	0.1
Non-U.S. Governments	16,219	0.1
Total Short Term Investments	1,267,167	4.2
Fixed Income		
U.S. Governments	4,039,049	13.5
Non-U.S. Governments	2,650,291	8.8
U.S. Agencies	600,841	2.0
Corporate Bonds	2,912,785	9.7
Asset-Backed Securities	760,515	2.5
Commingled Fixed Income Funds	832,407	2.8
Total Fixed Income Investments	11,795,888	39.3
Equity		
Domestic Equities	3,095,918	10.3
International Equities	2,854,181	9.5
Commingled Equity Funds	1,345,359	4.5
Total Equity Investments	7,295,458	24.3
Alternative Investments		
Private Equity	4,755,395	15.8
Absolute Return	1,564,922	5.2
Private Real Estate	797,717	2.7
Risk Parity	2,506,380	8.3
Total Alternative Investments	9,624,414	32.0
Derivatives	2,711	-
Total Investments	**$ 30,056,626**	**100.0 %**

[1] *The amounts disclosed above will differ from the Asset Allocation Summary shown in the Investment Section. The investment type disclosure combines assets according to the security type assigned to each investment by the Custodian. The Asset Allocation Summary groups assets according to the investment objective of each investment manager.*

[2] *Short Term Investments include highly liquid assets, both non-pooled and pooled, that are an integral part of the pension investments.*

(E) Custodial Credit Risk

Deposits, investment securities, and collateral securities are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of a failure of the counterparty, INPRS will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to risk if the securities are uninsured, are not registered in the name of INPRS and are held by either the counterparty or the counterparty trust department's agent, but not in INPRS' name.

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized or collateralized with securities held by the pledging financial institution. At June 30, 2015, there were no investment or collateral securities subject to custodial credit risk and $225,472 thousand of cash on deposit which was uninsured and uncollateralized and therefore exposed to credit risk as disclosed in Section (C).

Per IC 5-10.3-5-4(a) and IC 5-10.3-5-5 for PERF and IC 5-10.4-3-14(a) and IC 5-10.4-3-13 for TRF, securities are required to be held for the fund under custodial agreements. INPRS' custody agreement with the custodian requires that the custodian segregate the securities on the custodian's books and records from the custodian's own property. In addition, any investment manager for INPRS is not allowed, under any circumstances, to take possession, custody, title, or ownership of any managed assets.

(F) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. Duration is a measure of interest rate risk. The longer the maturity, the more the value of the fixed-income investment will fluctuate with interest rate changes. The INPRS Investment Policy Statement recognizes interest rate risk as a market risk factor that is monitored on an absolute and relative basis.

As of June 30, 2015, debt securities had the following duration information:

(dollars in thousands)

Debt Security Type	Fair Value	% of All Debt Securities	Portfolio Weighted Average Effective Duration (Years)
Short Term Investments			
Money Market Sweep Vehicle	$ 902,800	6.9 %	0.01
Commercial Paper	1,250	0.0	0.79
U.S. Treasury Obligations	120,528	0.9	0.14
U.S. Agencies	37,726	0.3	0.05
Non-U.S. Government	11,172	0.1	0.33
Duration Not Available	264,679	2.0	N/A
Total Short Term Investments	1,338,155	10.2	
Fixed Income Investments			
U.S. Governments	4,039,049	30.7	7.90
Non-U.S. Government	2,650,443	20.2	7.24
U.S. Agencies	599,121	4.6	2.93
Corporate Bonds	2,692,460	20.5	4.77
Asset-Backed Securities	682,887	5.2	1.22
Duration Not Available	1,131,928	8.6	N/A
Total Fixed Income Investments	11,795,888	89.8	
Total Debt Securities	**$ 13,134,043**	**100.0 %**	

The $1,397 million, for which no duration was available, is primarily made up of cash and commingled debt funds.

(G) Credit Risk

The credit risk of investments is the risk that the issuer will default and not meet their obligations. The INPRS Investment Policy Statement recognizes credit (quality) risk as a market and strategic risk factor that is monitored on an absolute and relative basis.

The quality rating of investments in debt securities as described by using Standard and Poor's as the primary rating, followed by Moody's next, if Standard and Poor's did not have a rating, and Fitch last, if Standard and Poor's and Moody's did not have ratings, at June 30, 2015 is as follows:

(dollars in thousands)

Credit Rating	Short Term Investments	Fixed Income Securities	Total	% of All Debt Securities
AAA	$ -	$ 1,021,392	$ 1,021,392	7.9 %
U.S. Government Guaranteed	-	4,639,890	4,639,890	35.9
AA	158,253	1,373,919	1,532,172	11.9
A	10,146	1,608,462	1,618,608	12.5
BBB	1,250	1,418,765	1,420,015	11.0
BB	-	337,491	337,491	2.6
B	-	139,966	139,966	1.1
Below B	-	246,587	246,587	1.9
Unrated	949,506	1,009,416	1,958,922	15.2
Total	**$ 1,119,155**	**$11,795,888**	**$12,915,043**	**100.0 %**

The $1,959 million not rated is primarily in the following security types: money market sweep vehicles, private placement, term loans and asset-backed securities, commercial mortgages, CMO/REMIC's and commingled debt funds.

Concentration of credit risk is the risk of loss that may arise in the event of default by a single issuer. The INPRS Investment Policy Statement recognizes issuer risk as a strategic risk factor that is monitored on an absolute and relative basis.

INPRS Investment Policy Statement has placed an upper limit on the concentration of assets placed with an investment manager.

- No investment manager shall manage more than 10 percent of the system's assets in actively managed portfolios at the time of funding. Through capital appreciation and additional purchases, no investment manager shall be allowed to manage in excess of 15 percent of the system's assets in actively managed portfolios without Board approval.
- No investment manager shall manage more than 15 percent of the system's assets in passively managed portfolios at the time of funding. Through capital appreciation and additional purchases, no investment manager shall be allowed to manage in excess of 20 percent of the system's assets in passively managed portfolios without Board approval.
- No investment manager shall manage more than 25 percent of the system's assets in a combination of actively and passively managed portfolios.

At June 30, 2015, single issuer exposure in the portfolio did not exceed 5 percent of the total investments.

(H) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. INPRS' foreign currency exposure is focused primarily in international fixed income and equity holdings.

At June 30, 2015, INPRS did not have a currency hedging program at the total fund level. However, at the manager level, hedging currency risk is allowed and certain managers actively manage currency exposure. INRPS monitors currency risk at the total fund level, portfolio level, and asset class level.

INPRS has exposure to foreign currency risk at June 30, 2015 as follows:

(dollars in thousands)	Foreign Currency Held at June 30, 2015					
Currency:	**Short Term**	**Fixed Income**	**Equity**	**Other Investments**	**Grand Total**	**% of Total**
Australian Dollar	$ 379	$ 63,857	$ 79,350	$ (78,626)	$ 64,960	0.2 %
Brazilian Real	664	54,592	27,562	(29,304)	53,514	0.2
Canadian Dollar	1,340	118,860	111,845	(109,899)	122,146	0.4
Chilean Peso	-	(20)	-	3,081	3,061	-
Chinese R Yuan HK	-	-	-	(9,567)	(9,567)	-
Colombian Peso	422	20,623	-	(1,455)	19,590	0.1
Czech Koruna	-	547	537	(526)	558	-
Danish Krone	298	17,196	45,768	(14,501)	48,761	0.2
Dominican Rep Peso	-	3,063	-	3	3,066	-
Egyptian Pound	-	-	924	-	924	-
Euro Currency Unit	14,158	1,090,236	559,133	(985,475)	678,052	2.3
German Mark	-	167	-	-	167	-
Hong Kong Dollar	404	-	165,918	(143)	166,179	0.6
Hungarian Forint	16	3,326	1,858	9,223	14,423	-
Indian Rupee	168	45	26,179	2,119	28,511	0.1
Indonesian Rupiah	24	28,124	2,657	(322)	30,483	0.1
Israeli Shekel	56	-	5,633	-	5,689	-
Japanese Yen	5,251	310,441	504,603	(331,598)	488,697	1.6
Malaysian Ringgit	18	18,099	-	7,005	25,122	0.1
Mexican Peso	17,532	61,591	1,209	(9,571)	70,761	0.2
Taiwan New Dollar	81	-	53,563	(4,935)	48,709	0.2
Turkish Lira	260	25,870	20,900	(343)	46,687	0.2
New Zealand Dollar	132	8,456	3,143	(8,591)	3,140	-
Nigerian Naira	-	-	-	1,385	1,385	-
Norwegian Krone	362	4,301	11,329	15,012	31,004	0.1
Peruvian Nuevo Sol	-	2,366	-	350	2,716	-
Philippines Peso	17	-	2,904	1,294	4,215	-
Polish Zloty	87	24,616	3,657	6,123	34,483	0.1
British Pound Sterling	8,738	584,614	356,961	(581,868)	368,445	1.2
Qatari Riyal	90	-	1,010	(90)	1,010	-
Romania Leu	6	1,707	-	6,416	8,129	-
Russian Ruble	2	17,016	-	(4,683)	12,335	-
South African Rand	243	28,852	32,003	(558)	60,540	0.2
Singapore Dollar	231	8,352	23,014	(18,491)	13,106	-
South Korean Won	94	(224)	79,473	(21,787)	57,556	0.2
Swedish Krona	464	64,204	82,073	(58,243)	88,498	0.3
Swiss Franc	1,917	4,033	148,299	(9,525)	144,724	0.5
Thai Baht	6	14,734	8,051	(1,248)	21,543	0.1
UAE Dirham	-	-	4,366	-	4,366	-
Zambia Kwacha	-	150	-	-	150	-
Held in Foreign Currency	**$ 53,460**	**$ 2,579,794**	**$ 2,363,922**	**$ (2,229,338)**	**$ 2,767,838**	**9.2 %**

The foreign currency exposure consists of unhedged assets within the investment portfolio. The short term investment, debt securities and equity securities include accruals. Other investments include foreign holdings of other investments, derivatives and receivables/payables.

(I) Securities Lending

Indiana Code 5-10.2-2-13(d) provides that the INPRS Board of Trustees may authorize a custodian bank to enter into a securities lending program agreement under which certain securities held by the custodian on behalf of INPRS may be loaned. The statute requires that collateral initially in excess of the total fair value of the loaned securities must be pledged by the borrower and must be maintained at no less than the total fair value of the loaned securities.

The purpose of such a program is to provide additional revenue for the Consolidated Defined Benefits Assets. The INPRS Investment Policy Statement requires that collateral securities and/or cash be initially pledged at 102 percent of the fair value of the securities lent for domestic securities and 105 percent for international securities. No more than 40 percent of the Consolidated Defined Benefit Assets may be lent at one time. The custodian bank and/or its securities lending sub-agents provide 100 percent indemnification of the Consolidated Defined Benefit Assets against borrower default, overnight market risk and failure to return loaned securities. Securities received as collateral cannot be pledged or sold unless the borrower defaults.

At June 30, 2015, INPRS had no credit risk exposure since the collateral value held exceeded the fair value of securities on loan.

(dollars in thousands)

Securities Lending as of June 30, 2015

Security Type	Fair Value of Securities on Loan	Collateral Value (Securities and Cash)
U.S. Governments	$ 1,183,756	$ 1,214,189
Corporate Bonds	120,349	123,581
International Bonds	24,443	25,576
Domestic Equities	594,077	608,724
International Equities	111,797	119,988
Total	**$ 2,034,422**	**$ 2,092,058**

Cash collateral can be reinvested. The reinvested assets are subject to the investment guidelines specified by the INPRS Investment Policy Statement. It states that the maximum weighted average days to maturity may not exceed 60. The securities lending agent matches the maturities of the cash collateral investments with stated securities loans' termination dates. Cash collateral received for open-ended loans that can be terminated on demand are invested with varying maturities. INPRS retains the fair value risk with respect to the investment of the cash collateral.

The quality rating of the reinvested cash collateral investments as described by Standard and Poor's at June 30, 2015 is as follows:

(dollars in thousands)

Credit Rating	Commercial Paper	Repurchase Agreements	Floating Rate Notes	Money Funds	Fair Value of Reinvested Cash Collateral	Percent of Portfolio
A-1	$ 141,853	$ -	$ -	$ -	$ 141,853	11.5 %
AA	-	-	419,963	-	419,963	34.0
A	-	-	115,366	-	115,366	9.3
Unrated	-	472,533	14,997	70,275	557,805	45.2
Total	**$ 141,853**	**$ 472,533**	**$ 550,326**	**$ 70,275**	**$ 1,234,987**	**100.0 %**

The majority of the unrated reinvested cash collateral investments consist of repurchase agreements that are not rated by any of the rating agencies.

(J) Repurchase Agreements

A repurchase agreement is an agreement in which INPRS transfers cash to a broker-dealer or financial institution. The broker-dealer or financial institution transfer securities to INPRS and promises to repay the cash plus interest in exchange for the same securities. Repurchase agreements are assets with the security collateral held at INPRS' custodian bank.

An obligation under reverse repurchase agreement is the same as a repurchase agreement, but from the perspective of the buyer rather than the seller. Obligations under reverse repurchase agreements are liabilities with INPRS' security collateral held at the broker dealer or financial institution's custodian bank.

Cash received and reinvested in securities are not required to match the maturities of the securities posted as collateral.

At June 30 2015, INPRS did not have a repurchase agreement or an obligation under reverse repurchase agreement program at the total fund level. However, at the manager level, repurchase agreements and obligations under reverse repurchase agreements are allowable investments.

There were no repurchase agreements held at June 30, 2015 outside of the securities lending collateral holdings that are disclosed in (I). The amounts held at June 30, 2015 for obligations under reverse repurchase agreements, exclusive of securities lending reinvested cash collateral, are as follows:

(dollars in thousands)

Obligations Under Reverse Repurchase Agreements by Collateral Type	Cash Collateral Posted	Market Value
U.S. Treasury	$ 187,635	$ 190,010

At June 30, 2015, INPRS had no credit risk exposure related to obligations under reverse repurchase agreements since the collateral value posted exceeded the fair value of the liability held.

Note 4. Derivative Financial Instruments

(A) Overview of Derivatives

Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates, or financial indices. The fair value of all derivative financial instruments is reported in the Statement of Fiduciary Net Position as either assets or liabilities, and the change in the fair value is recorded in the Statement of Changes in Fiduciary Net Position as investment income. A derivative instrument could be a contract negotiated on behalf of the Master Trust and a specific counterparty. This would typically be referred to as an “OTC contract” (Over the Counter) such as swaps and forward contracts. Alternatively, a derivative instrument, such as futures, could be listed and traded on an exchange and referred to as “exchange traded.” Due to the level of risk associated with certain derivative investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term, and such changes could affect the amounts reported in the financial statements. Investments in limited partnerships may include derivatives that are not shown in the derivative total.

The derivative instruments held by INPRS are considered investments and not hedges for accounting purposes. The gains and losses arising from this activity are recognized as incurred in the Statement of Changes in Fiduciary Net Position.

All investment derivatives discussed below are included within the Investment Risk Schedules, which precede this section. Investment derivative instruments are disclosed separately to provide a comprehensive and distinct view of this activity and its impact on the overall investment portfolio. INPRS holds investments in limited partnership and commingled investment funds, which may utilize derivatives from time to time for hedging purposes, and any derivatives held by these types of investment vehicles are not included in the information describing the INPRS’ derivatives.

Futures

A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date.

INPRS’ investment managers use financial futures to replicate an underlying security or index they intend to hold or sell in the portfolio. In certain instances, it may be beneficial to own a futures contract rather than the underlying security. Additionally, INPRS’ investment managers use futures contracts to adjust the portfolio risk exposure. Futures contracts may be used for the purpose of investing cash flows or modifying duration, but in no event may leverage be created by any individual security or combination of securities. No short sales of equity securities or equity index derivatives are permitted.

As the fair value of the futures contract varies from the original contract price, a gain or loss is recognized and paid to, or received from, the clearinghouse. The cash or securities to fulfill these obligations are held in the investment portfolio.

Options

Options are agreements that give the owner of the option the right, but not obligation, to buy (in the case of a call) or to sell (in the case of a put) a specific amount of an asset for a specific price on or before a specified expiration date.

The purchaser of put options pays a premium at the outset of the agreement and stands to gain from an unfavorable change (i.e., a decrease) in the price of the instrument underlying the option. The writer of a call option receives a premium at the outset of the agreement and bears the risk of an unfavorable change (i.e., an increase) in the price of the instrument underlying the option. An interest rate swaption is the option to enter into an interest rate swap based off a set of predetermined conditions.

Options are generally used to manage interest rate risk, adjust portfolio duration, or rebalance the total portfolio to the target asset allocation. The fair value of exchange-traded options is determined based upon quoted market prices.

The fair value of over the counter options is determined by external pricing services, using various proprietary methods, based upon the type of option.

Swaps

Interest rate swaps are derivative instruments in which one party exchanges a stream of fixed interest rate cash flows for floating interest rate cash flows. A notional amount of principal is required to compute the actual cash amounts and is determined at the inception of the contract.

Interest rate swaps are generally used to manage interest rate risk, adjust portfolio duration, or rebalance the total portfolio to the target asset allocation. The fair value is determined by external pricing services using various proprietary methods.

An inflation swap is a derivative used to transfer inflation risk from one party to another through an exchange of cash flows. In an inflation swap, one party pays a fixed rate on a notional principal amount, while the other party pays a floating rate linked to an inflation index, such as the Consumer Price Index (CPI) or an inflation bond.

Credit default swap agreements involve one party (referred to as the buyer of protection) making a stream of payments to another party (the seller of protection) in exchange for the right to receive a specified return in the event of a default or other predetermined credit event for the referenced entity, obligation or index.

Credit default swaps are used to achieve the desired credit exposure of a security or basket of securities. One of the main advantages of a credit default swap is it allows for exposure to credit risk while limiting exposure to other risks, such as interest rate and currency risk. The fair value is determined by external pricing services using various proprietary methods.

Forwards

A forward currency exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. A contract is classified as a forward contract when the settlement date is more than two days after the trade date. Risks associated with such contracts include movement in the value of a foreign currency relative to the U.S. dollar. The contracts are valued at forward exchange rates and include net appreciation / depreciation in the Statement of Fiduciary Net Position. Realized gains or losses on forward currency contracts is the difference between the original contract and the closing value of such contract and is included in the Statement of Changes in Fiduciary Net Position.

The Fund enters into foreign currency forwards to manage exposure to fluctuations in foreign currency exchange rates on portfolio holdings and to settle future obligations.

(B) Derivative Contracts

The table below summarizes INPRS' derivative contracts for the year ended June 30, 2015:

(dollars in thousands)

Investment Derivatives	Change in Fair Value	Fair Value	Notional
Futures:			
Index Futures – Long	$ 4,746	$ 4,746	$ 634,840
Commodity Futures – Long	(227)	(227)	1,217,244
Fixed Income Futures – Long	(1,939)	(1,939)	466,368
Fixed Income Futures – Short	115	115	(535,520)
Total Futures	2,695	2,695	1,782,932
Options:			
Currency Spot Options Bought	(628)	574	201,005
Currency Spot Options Written	646	(689)	126,004
Interest Rate Options Bought	(1,006)	6,983	2,329,410
Interest Rate Options Written	1,117	(7,285)	931,800
Fixed Income Options Bought	(214)	400	400
Fixed Income Options Written	75	(52)	(52)
Inflation Rate Swaptions Bought	(12)	2	6,955
Total Options	(22)	(67)	3,595,522
Swaps:			
Interest Rate Swaps - Pay Fixed Receive Variable	(2,237)	(2,238)	1,157,707
Interest Rate Swaps - Pay Variable Receive Fixed	3,379	(3,322)	484,488
Inflation Swaps- Pay Fixed Receive Variable	655	632	36,500
Inflation Swaps- Pay Variable Receive Fixed	(106)	(102)	3,036
Currency Swaps	(254)	(251)	16,819
Total Return Swaps	(18)	(18)	6,323,000
Credit Default Swaps Single Name - Buy Protection	(182)	865	50,543
Credit Default Swaps Single Name - Sell Protection	(401)	1,406	68,480
Credit Default Swaps Index - Buy Protection	(849)	1,479	7,917
Credit Default Swaps Index - Sell Protection	(56)	1,632	54,766
Total Swaps	(69)	83	8,203,256
Total Derivatives	**$ 2,604**	**$ 2,711**	**$ 13,581,710**

The table below summarizes the swap maturity profile as of June 30, 2015.

(dollars in thousands)

	Swap Maturity Profile at June 30, 2015					
Swap Type	**< 1 yr**	**1-5 yrs**	**5-10 yrs**	**10-20 yrs**	**20+ yrs**	**Total**
Interest Rate Swaps - Pay Fixed Receive Variable	$ 124	$ (2,202)	$ (1,226)	$ 821	$ 245	$ (2,238)
Interest Rate Swaps - Pay Variable Receive Fixed	(210)	(560)	(3,565)	1,014	(1)	(3,322)
Inflation Swaps - Pay Fixed Receive Variable	-	632	-	-	-	632
Inflation Swaps - Pay Variable Receive Fixed	-	-	-	(64)	(38)	(102)
Currency Swaps	(62)	(37)	(152)	-	-	(251)
Total Return Swaps	(18)	-	-	-	-	(18)
Credit Default Swaps Single Name - Buy Protection	-	(462)	745	-	582	865
Credit Default Swaps Single Name - Sell Protection	16	1,390	-	-	-	1,406
Credit Default Swaps Index - Buy Protection	-	-	-	-	1,479	1,479
Credit Default Swaps Index - Sell Protection	91	1,551	-	-	(10)	1,632
Total Swap Fair Value	**$ (59)**	**$ 312**	**$ (4,198)**	**$ 1,771**	**$ 2,257**	**$ 83**

(C) Credit Risk

Counterparty credit risk exists on all open OTC positions. Counterparty credit risk is the risk that a derivative counterparty may fail to meet its payment obligation under the derivative contract.

INPRS' investment managers use International Swaps and Derivative Association Master Agreements to further reduce counterparty risk by specifying credit protection mechanisms and providing standardization that improves legal certainty, thereby reducing the probability of unforeseen losses. Furthermore, the master agreements can provide additional credit protection through the requirement of collateral exchange and certain event of default and mutual termination provisions. Securities eligible as collateral are typically United States government bills and U.S. dollar cash.

The maximum amount of loss due to credit risk that the Fund would incur if the counterparty to the derivative instrument failed to perform according to the terms of the contract, without respect to any collateral or other security, or netting arrangements, is the total unrealized gain of derivatives at the end of the reporting period. The aggregate fair value of investment derivative instruments in an unrealized gain position at June 30, 2015, was $17,514 thousand, of which $13,519 thousand was uncollateralized.

The table below summarizes the counterparty positions as of June 30, 2015:

(dollars in thousands)	**Fair Value**			**Collateral**		
Swaps Counterparty	**S&P Rating**	**Receivable Unrealized Gain**	**Payable (Unrealized Loss)**	**Total Fair Value**	**Posted**	**Received**
Bank of America	A-	$ 689	$ (942)	$ (98)	$ 1,720	$ (100)
Banque Nationale De Paris	A+	98	(164)	(49)	660	-
Barclays	BBB	67	(58)	(49)	-	-
Citibank	A-	662	(1,824)	1,564	1,442	(3,170)
CME Central	AA-	11,902	(6,243)	(1,888)	-	-
Credit Suisse	BBB+	28	(318)	(241)	877	(2)
Deutsche Bank	BBB+	2,396	(3,149)	(658)	650	(3,909)
Goldman Sachs	A-	492	(761)	1,441	-	(1,590)
HSBC Securities Inc.	A	23	(348)	(337)	910	-
IntercontinentalExchange Inc.	A	1	(181)	2,262	830	-
JPMorgan Chase Bank	A	245	(229)	(20)	300	(1,000)
London Clearing House	BBB+	911	(3,378)	(1,842)	-	-
Grand Total		**$ 17,514**	**$ (17,595)**	**$ 85**	**$ 7,389**	**$ (9,771)**

(D) Interest Rate Risk

The System has exposure to interest rate risk due to investments in interest rate and inflation swaps and TBAs. The required risk disclosures are included in the Interest Rate Risk schedule in Note 3.

The table below summarizes INPRS' Investments that are highly sensitive to interest rate changes:

(dollars in thousands)

Derivative Instruments Highly Sensitive to Interest Rate Changes

Reference Currency	Pays	Receives	Fair Value	Notional
Interest Rate Swap- Pay Fixed Receive Variable:				
U.S. Dollar	1.25% to 3.75%	3M USD LIBOR	$ (2,349)	$ 1,027,376
Indian Rupee	7.35% to 7.66%	INR MIBOR OIS COMPOUND	45	30,444
British Pound Sterling	0.65% to 2.75%	6M GBP LIBOR BBA	(211)	20,791
Brazilian Real	12.00% to 13.16%	1D BRL CDI	168	19,276
Euro Currency Unit	0.75% to 2.10%	6M EURIBOR REUTERS	557	19,181
Mexican Peso	3.57% to 5.66%	28D MXN TIIE BANXICO	7	14,310
Chilean Peso	3.64% to 5.36%	6M CLP CLICP BLOOMBERG	(20)	6,751
Swedish Krona	0.75%	3M SEK STIBOR SIDE	22	4,906
South Korean Won	3.47% to 3.56%	3M KRW KWCDC COD	(433)	4,246
Malaysian Ringgit	0.00% to 4.52%	3M MYR KLIBOR	(24)	4,164
Japanese Yen	0.75% to 1.00%	6M JPY LIBOR BBA	-	3,587
Colombian Peso	4.85% to 5.35%	1D COP COOVIBR	(2)	1,036
South African Rand	7.89% to 8.55%	3M ZAR JIBAR SAFEX	10	636
Colombian Peso	5.11% to 5.92%	DTF90 COP	(1)	568
Australian Dollar	3.50%	6M AUD BBR BBSW	(3)	300
New Zealand Dollar	4.25%	3M NZD BBR FRA	(4)	135
			$ (2,238)	**$ 1,157,707**
Interest Rate Swap- Pay Variable Receive Fixed:				
Brazilian Real	1D BRL CDI	8.86% to 13.95%	$ (1,590)	$ 128,911
U.S. Dollar	3M USD LIBOR	1.00% to 3.00%	(1,645)	127,270
Euro Currency Unit	6M EURIBOR REUTERS	0.50% to 1.85%	654	79,849
Mexican Peso	28D MXN TIIE BANXICO	3.51% to 7.64%	(564)	53,543
Thailand Baht	6M THBFIX REUTERS	1.80% to 1.99%	103	22,836
Brazilian Real	1M BRL CDI	11.12% to 13.87%	(43)	21,942
Canadian Dollar	3M CAD BA CDOR	1.00%	25	12,964
South Korean Won	3M KRW CD KSDA	2.17% to 2.88%	107	8,065
Norwegian Krone	6M NOK NIBOR BBG	1.00%	(42)	7,742
South African Rand	3M ZAR JIBAR SAFEX	6.55% to 7.64%	(255)	7,292
South Korean Won	3M KRW KWCDC COD	2.03% to 2.94%	103	6,664
Swedish Krona	3M SEK STIBOR SIDE	1.50% to 1.75%	(197)	4,304
British Pound Sterling	6M GBP LIBOR BBA	2.25%	8	1,541
Japanese Yen	6M JPY LIBOR BBA	1.50%	(1)	1,253
Canadian Dollar	6M CAD BA CDOR	2.75%	15	312
			$ (3,322)	**$ 484,488**

(E) Foreign Currency Risk

The Fund is exposed to foreign currency risk on its foreign currency forward contracts and futures contracts. The required risk disclosures are included in the Foreign Currency Risk schedule in Note 3.

At June 30, 2015, INPRS' investments included the following currency forwards balances:

(dollars in thousands)

Foreign Currency Contract Receivable	$ 5,798,575
Foreign Currency Contract Payable	(5,819,991)

The aggregate realized gain/loss recognized for the year ended June 30, 2015 due to foreign currency transactions was a $132.1 million realized gain.

Note 5. Long Term Commitments for Alternative Investments

INPRS inters into long-term commitments for funding other investments in private equity and private real estate. These amounts include Euro currency, Norwegian Krone and British Pound Sterling denominated commitments to limited liability partnerships. The remaining amount of unfunded commitments, converted to U.S. dollars using the closing exchange rate, as of June 30, 2015, is as follows:

(dollars in thousands)

Currency	**Total Unfunded Commitments**
U.S. Dollar	$ 2,030,629
Euro Currency Unit	37,957
Norwegian Krone	5,949
British Pound Sterling	1,078
	$ 2,075,613

Note 6. Risk Management

INPRS is exposed to various risks that could lead to loss and disruption to its operations, including damage to property owned by INPRS; personal injury or property damage liabilities; errors, omissions and theft by employees; certain employee death benefits, employee health benefits and unemployment and worker's compensation costs for INPRS employees; and breach of fiduciary responsibility.

For risks related to physical loss and liability, employee benefits and fiduciary responsibility, INPRS purchases commercial insurance for property, general liability, employee crime, employee health and unemployment, and fiduciary responsibility. INPRS records expenses for losses, if any, as the liabilities are incurred or replacement items are purchased.

Note 7. Contingent Liabilities

INPRS participates in lawsuits that, in management's opinion, will not have a material effect on the financial statements.

Note 8. Net Pension Liability and Actuarial Information – Defined Benefit Plans

The components of the net pension liability of each defined benefit retirement plan as of June 30, 2015:

(dollars in thousands)

Pre-Funded Defined Benefit Pension Trust Funds	**Total Pension Liability (a)**	**Fiduciary Net Position (b)**	**Net Pension Liability (Surplus) (a) - (b)**	**Fiduciary Net Position as a Percent of Total Pension Liability (b) / (a)**
PERF	$ 17,980,568	$ 13,907,666	$ 4,072,902	77.3 %
TRF 1996 Account	5,905,691	5,379,113	526,578	91.1
1977 Fund	4,680,695	4,828,415	(147,720)	103.2
JRS	468,944	437,352	31,592	93.3
EG&C Plan	132,796	110,038	22,758	82.9
PARF	77,861	53,424	24,437	68.6
LEDB Plan	4,325	3,174	1,151	73.4
Pay-As-You-Go Defined Benefit Pension Trust Fund				
TRF Pre-1996 Account	$ 17,017,747	$ 5,099,910	$ 11,917,837	30.0 %

The total pension liability is determined by our actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. The most recent modifications to the assumptions and methods of these plans were based on the April 2015 Experience Study completed by the INPRS Actuaries.

The accompanying Schedule of Contributions in the Required Supplementary Information presents trend information about the amounts contributed to the plan by employers and a nonemployer contributing entity in comparison to the Actuarially Determined Contribution (ADC). The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost for each year and the amortization of any unfunded actuarial accrued liability (or funding excess) over 30 years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Description	PERF	TRF Pre-1996 Account	TRF 1996 Account	1977 Fund	JRS	EG&C Plan	PARF	LEDB Plan
Valuation Date:								
Assets	June 30, 2015							
Liabilities	June 30, 2014 - Member census data as of June 30, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2014 to June 30, 2015.							
Actuarial Cost Method (Accounting)	Entry Age Normal (Level Percent of Payroll)							
Actuarial Assumptions:								
Experience Study Date	Period of 4 years ended June 30, 2014	Period of 3 years ended June 30, 2014		Period of 4 years ended June 30, 2014				
Investment Rate of Return (Accounting)	6.75%, net of investment expense, including inflation							
Cost of Living Increases (COLA) or "Ad Hoc" COLA (see Note 1.)	1.0%	1.0%		2.0%	2.5%	1.0%	N/A	1.0%
Future Salary Increases, including Inflation	2.50% - 4.25%	2.5% - 12.5%		2.5%	2.5%	2.5%	4.0%	2.25%
Inflation	2.25%							
Mortality	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2016	RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2016		RP-2014 Blue Collar Mortality Table, with Social Security Administration generational improvement scale from 2016	RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2016	RP-2014 Blue Collar Mortality Table, with Social Security Administration generational improvement scale from 2016	RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2016	

The long-term return expectation for the INPRS defined benefit retirement plans has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

		Geometric Basis
	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	22.5%	5.3%
Private Equity	10.0%	5.6%
Fixed Income – Ex Inflation-Linked	22.0%	2.1%
Fixed Income – Inflation-Linked	10.0%	0.7%
Commodities	8.0%	2.0%
Real Estate	7.5%	3.0%
Absolute Return	10.0%	3.9%
Risk Parity	10.0%	5.0%

Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the Board, and contributions required by the State of Indiana (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on those assumptions, each defined benefit pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members, Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for each plan.

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of each defined benefit pension plan calculated using the discount rate of 6.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%), or one percentage point higher (7.75%) than the current rate:

(dollars in thousands)

Pre-Funded Defined Benefit Pension Trust Funds	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
PERF	$ 6,007,880	$ 4,072,902	$ 2,466,517
TRF 1996 Account	1,408,000	526,578	(172,300)
1977 Fund	621,702	(147,720)	(768,120)
JRS	86,319	31,592	(14,319)
EG&C Plan	41,012	22,758	7,798
PARF	34,432	24,437	16,206
LEDB Plan	1,480	1,151	863
Pay-As-You-Go Defined Benefit Pension Trust Fund			
TRF Pre-1996 Account	$ 13,522,900	$ 11,917,837	$ 10,563,400

Note 9. Subsequent Events

Financial Statement Events

Events or transactions that were known prior to the date the financial statements were issued, that provided additional evidence about conditions that existed at June 30, 2015, were not material to the financial statements and were not recognized in the financial statements for the year ended June 30, 2015.

Events or transactions that were known prior to the date the financial statements were issued, that provided additional evidence about conditions that did not exist at June 30, 2015, were not material to the financial statements and were not disclosed in the financial statements for the year ended June 30, 2015.

Legislative Changes

Below is a summary of significant legislative changes that are effective July 1, 2015. These changes have been reflected in the actuarial valuations as of June 30, 2015.

Public Employees' Retirement Fund

- PERF members, beneficiaries, and survivors received a one-time check, based on years of service, in September 2015. The amount of the one-time check ranged from $150 to $450, depending upon a member's years of service, and was for a member who retired or was disabled on or before December 1, 2014, and who was entitled to receive a monthly benefit on July 1, 2015.

Teachers' Retirement Fund – TRF Pre-1996 Account

- TRF members, beneficiaries, and survivors received a one-time check, based on years of service, in September 2015. The amount of the one-time check ranged from $150 to $450, depending upon a member's years of service, and was for a member who retired or was disabled on or before December 1, 2014, and who was entitled to receive a monthly benefit on July 1, 2015.

Teachers' Retirement Fund – TRF 1996 Account

- TRF members, beneficiaries, and survivors received a one-time check, based on years of service, in September 2015. The amount of the one-time check ranged from $150 to $450, depending upon a member's years of service, and was for a member who retired or was disabled on or before December 1, 2014, and who was entitled to receive a monthly benefit on July 1, 2015.

Judges Retirement System

- A 2.2 percent COLA was approved for eligible participants effective July 1, 2015, in accordance with IC 33-38-8-25.

State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan

- EG&C Plan members, beneficiaries, and survivors received a one-time check, based on years of service, in September 2015. The amount of the one-time check ranged from $125 to $400, depending upon a member's years of service, and was for a member who retired or was disabled on or before December 1, 2014, and who was entitled to receive a monthly benefit on July 1, 2015.

Introduction Required Supplementary Information and Other Supplementary Schedules

Historical trend information is designed to provide decision-usefulness of the financial reports, improved value for assessing accountability, and greater transparency related to measures of net pension liabilities impacting INPRS. The Schedules of Changes in Net Pension Liability and Net Pension Liability, Schedule of Contributions, Schedule of Investment Returns, and Schedule of Notes to Required Supplemental Information are required in addition to the Financial Statements. Other Supplementary Schedules are presented for the purpose of additional analysis and are not required for the Financial Statements. These supplemental reports are the Schedule of Pension Relief Changes in Assets and Liabilities, Schedule of Administrative and Project Expenses, Schedule of Administrative and Project Contractual and Professional Services Expenses, and the Schedule of Investment Expenses.

Schedules of Changes in Net Pension Liability and Net Pension Liability[1]
Public Employees' Retirement Fund

(dollars in thousands)	**Fiscal Year Ended June 30**		
	2015	**2014**	**2013**
Total Pension Liability			
Total Pension Liability - Beginning of Year	**$ 16,732,223**	**$ 16,145,681**	**$ 15,784,240**
Annuity Savings Account (ASA) - Beginning of Year	2,851,501	2,796,103	2,749,449
Excluding ASA - Beginning of Year	13,880,722	13,349,578	13,034,791
Service Cost	273,910	258,070	270,974
Interest Cost	936,404	895,454	875,616
Experience (Gains) / Losses	247,978	(15,161)	(104,471)
Assumption Changes	488,354	-	-
Plan Amendments	-	(42,985)	(167,486)
Benefit Payments [2]	(752,896)	(680,203)	(662,283)
ASA Annuitizations	196,788	119,094	107,520
Net Member Reassignment [3]	(8,155)	(3,125)	(5,083)
Other	290	-	-
Net Change in Total Pension Liability - Excluding ASA	1,382,673	531,144	314,787
Net Change in Total Pension Liability - ASA	(134,328)	55,398	46,654
Net Change in Total Pension Liability	**1,248,345**	**586,542**	**361,441**
Total Pension Liability - Excluding ASA - End of Year	15,263,395	13,880,722	13,349,578
Total Pension Liability - ASA - End of Year	2,717,173	2,851,501	2,796,103
Total Pension Liability - End of Year	**$ 17,980,568**	**$ 16,732,223**	**$ 16,145,681**
Fiduciary Net Position			
Fiduciary Net Position - Beginning of Year	**$ 14,104,288**	**$ 12,720,601**	**$ 12,243,755**
Employer Contributions [4]	538,059	526,090	455,658
Member Contributions	169,731	164,189	156,408
Net Investment Income / (Loss)	43,638	1,553,393	691,332
Benefit Payments [5]	(913,408)	(828,358)	(791,360)
Net Member Reassignment [6]	(9,219)	(4,246)	(6,042)
Administrative and Project Expenses [7]	(25,506)	(27,433)	(29,181)
Other	83	52	31
Net Change in Fiduciary Net Position	**(196,622)**	**1,383,687**	**476,846**
Fiduciary Net Position - End of Year	**$ 13,907,666**	**$ 14,104,288**	**$ 12,720,601**
Net Pension Liability			
Total Pension Liability	$ 17,980,568	$ 16,732,223	$ 16,145,681
Plan Fiduciary Net Position	13,907,666	14,104,288	12,720,601
Net Pension Liability	**$ 4,072,902**	**$ 2,627,935**	**$ 3,425,080**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**77.3%**	**84.3%**	**78.8%**
Covered-Employee Payroll (Actual)	$ 4,804,145	$ 4,896,635	$ 4,700,000[8]
Net Pension Liability as a Percentage of Covered-Employee Payroll	84.8%	53.7%	72.9%

[1] *Information is not available prior to 2013. Additional years will be added until 10 years of historical data are shown.*

[2] *Excludes ASA lump sum payments to retired members or refunds of accumulated member contributions associated with ASA balances*

[3] *Includes net interfund transfers, except for interfund transfers of ASA balances*

[4] *Includes $289,933 of employer service purchases.*

[5] *Includes ASA lump sum payments to retired members and refunds of employee contributions associated with ASA balances*

[6] *Includes net interfund transfers*

[7] *Includes $1,212,551 of contributions by INPRS for its employees*

[8] *2013 covered-employee payroll was adjusted to reflect actual contribution rates*

Schedules of Changes in Net Pension Liability and Net Pension Liability[1]
Teachers' Retirement Fund Pre-1996 Account

(dollars in thousands)	**Fiscal Year Ended June 30**		
	2015	**2014**	**2013**
Total Pension Liability			
Total Pension Liability - Beginning of Year	**$ 16,355,216**	**$ 16,463,598**	**$ 16,522,015**
Annuity Savings Account (ASA) - Beginning of Year	1,715,340	1,814,049	1,974,076
Excluding ASA - Beginning of Year	14,639,876	14,649,549	14,547,939
Service Cost	57,751	68,860	81,343
Interest Cost	959,895	961,628	957,228
Experience (Gains) / Losses	(140,466)	(70,517)	(40,719)
Assumption Changes	1,033,158	-	-
Plan Amendments	-	(25,524)	-
Benefit Payments [2]	(1,100,434)	(1,034,563)	(988,335)
ASA Annuitizations	143,225	93,982	86,941
Net Member Reassignment [3]	3,266	(3,802)	-
Other	21	263	5,152
Net Change in Total Pension Liability - Excluding ASA	956,416	(9,673)	101,610
Net Change in Total Pension Liability - ASA	(293,885)	(98,709)	(160,027)
Net Change in Total Pension Liability	**662,531**	**(108,382)**	**(58,417)**
Total Pension Liability - Excluding ASA - End of Year	15,596,292	14,639,876	14,649,549
Total Pension Liability - ASA - End of Year	1,421,455	1,715,340	1,814,049
Total Pension Liability - Ending	**$ 17,017,747**	**$ 16,355,216**	**$ 16,463,598**
Fiduciary Net Position			
Fiduciary Net Position - Beginning of Year	**$ 5,501,867**	**$ 5,215,202**	**$ 5,058,910**
Employer Contributions	5,811	6,325	9,484
Nonemployer Contributing Entity Contributions	845,616	825,617	1,003,596
Member Contributions	41,740	47,028	45,421
Net Investment Income / (Loss)	36,885	647,581	315,598
Benefit Payments [4]	(1,328,854)	(1,229,301)	(1,212,945)
Net Member Reassignment [5]	3,354	(3,594)	3,059
Administrative and Project Expenses	(6,530)	(7,010)	(7,926)
Other	21	19	5
Net Change in Fiduciary Net Position	**(401,957)**	**286,665**	**156,292**
Fiduciary Net Position - End of Year	**$ 5,099,910**	**$ 5,501,867**	**$ 5,215,202**
Net Pension Liability			
Total Pension Liability	$ 17,017,747	$ 16,355,216	$ 16,463,598
Plan Fiduciary Net Position	5,099,910	5,501,867	5,215,202
Net Pension Liability	**$ 11,917,837**	**$ 10,853,349**	**$ 11,248,396**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**30.0%**	**33.6%**	**31.7%**
Covered-Employee Payroll (Actual) [6]	$ 1,074,827	$ 1,262,828	$ 1,383,428
Net Pension Liability as a Percentage of Covered-Employee Payroll	1,108.8%	859.4%	813.1%

[1] *Information is not available prior to 2013. Additional years will be added until 10 years of historical data are shown.*

[2] *Excludes ASA lump sum payments to retired members or refunds of accumulated member contributions associated with ASA balances*

[3] *Includes net interfund transfers, except for interfund transfers of ASA balances*

[4] *Includes ASA lump sum payments to retired members and refunds of employee contributions associated with ASA balances*

[5] *Includes net interfund transfers*

[6] *2013 represents anticipated covered-employee payroll*

Schedules of Changes in Net Pension Liability and Net Pension Liability[1]
Teachers' Retirement Fund 1996 Account

(dollars in thousands)

	Fiscal Year Ended June 30		
	2015	2014	2013
Total Pension Liability			
Total Pension Liability - Beginning of Year	**$ 5,236,993**	**$ 4,748,149**	**$ 4,338,309**
Annuity Savings Account (ASA) - Beginning of Year	1,120,729	990,705	899,339
Excluding ASA - Beginning of Year	4,116,264	3,757,444	3,438,970
Service Cost	170,892	155,314	147,337
Interest Cost	287,264	262,263	240,282
Experience (Gains) / Losses	(40,857)	504	(15,995)
Assumption Changes	263,991	-	-
Plan Amendments	-	(4,504)	-
Benefit Payments [2]	(90,267)	(77,253)	(68,793)
ASA Annuitizations	22,575	15,151	11,621
Net Member Reassignment [3]	4,890	6,922	-
Other	24	423	4,022
Net Change in Total Pension Liability - Excluding ASA	618,512	358,820	318,474
Net Change in Total Pension Liability - ASA	50,186	130,024	91,366
Net Change in Total Pension Liability	**668,698**	**488,844**	**409,840**
Total Pension Liability - Excluding ASA - End of Year	4,734,776	4,116,264	3,757,444
Total Pension Liability - ASA - End of Year	1,170,915	1,120,729	990,705
Total Pension Liability - Ending	**$ 5,905,691**	**$ 5,236,993**	**$ 4,748,149**
Fiduciary Net Position			
Fiduciary Net Position - Beginning of Year	**$ 5,189,442**	**$ 4,433,677**	**$ 4,018,149**
Employer Contributions	205,763	194,751	180,714
Member Contributions	86,515	81,802	77,532
Net Investment Income / (Loss)	25,587	586,782	258,111
Benefit Payments [4]	(127,899)	(108,720)	(97,157)
Net Member Reassignment [5]	5,865	7,836	2,806
Administrative and Project Expenses	(6,184)	(6,707)	(6,482)
Other	24	21	4
Net Change in Fiduciary Net Position	**189,671**	**755,765**	**415,528**
Fiduciary Net Position - End of Year	**$ 5,379,113**	**$ 5,189,442**	**$ 4,433,677**
Net Pension Liability			
Total Pension Liability	$ 5,905,691	$ 5,236,993	$ 4,748,149
Plan Fiduciary Net Position	5,379,113	5,189,442	4,433,677
Plan Net Pension Liability	**$ 526,578**	**$ 47,551**	**$ 314,472**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**91.1%**	**99.1%**	**93.4%**
Covered-Employee Payroll (Actual)	$ 2,742,187	$ 2,598,115	$ 2,442,496
Net Pension Liability as a Percentage of Covered-Employee Payroll	19.2%	1.8%	12.9%

[1] Information is not available prior to 2013. Additional years will be added until 10 years of historical data are shown.
[2] Excludes ASA lump sum payments to retired members or refunds of accumulated member contributions associated with ASA balances
[3] Includes net interfund transfers, except for interfund transfers of ASA balances
[4] Includes ASA lump sum payments to retired members and refunds of employee contributions associated with ASA balances
[5] Includes net interfund transfers

Schedules of Changes in Net Pension Liability and Net Pension Liability[1]
1977 Police Officers' and Firefighters' Pension and Disability Fund

(dollars in thousands)		Fiscal Year Ended June 30	
	2015	**2014**	**2013**
Total Pension Liability			
Total Pension Liability - Beginning of Year	**$ 4,706,998**	**$ 4,392,947**	**$ 4,122,436**
Service Cost	138,204	133,075	130,912
Interest Cost	323,129	301,824	283,733
Experience (Gains) / Losses	(61,640)	(11,754)	(39,592)
Assumption Changes	(309,801)	-	(4,810)
Plan Amendments	-	-	-
Benefit Payments [2]	(116,490)	(109,094)	(99,803)
Net Member Reassignment [3]	-	-	71
Other	295	-	-
Net Change in Total Pension Liability	**(26,303)**	**314,051**	**270,511**
Total Pension Liability - End of Year	**$ 4,680,695**	**$ 4,706,998**	**$ 4,392,947**
Plan Fiduciary Net Position			
Plan Fiduciary Net Position - Beginning of Year	**$ 4,757,978**	**$ 4,116,861**	**$ 3,817,013**
Employer Contributions	146,697	140,119	137,111
Member Contributions	43,523	41,791	40,786
Net Investment Income / (Loss)	(1,600)	570,058	223,510
Benefit Payments [2]	(116,490)	(109,094)	(99,803)
Net Member Reassignment [3]	-	-	71
Administrative and Project Expenses	(1,708)	(1,787)	(1,845)
Other	15	30	18
Net Change in Plan Fiduciary Net Position	**70,437**	**641,117**	**299,848**
Plan Fiduciary Net Position - End of Year	**$ 4,828,415**	**$ 4,757,978**	**$ 4,116,861**
Net Pension Liability / (Asset)			
Total Pension Liability	$ 4,680,695	$ 4,706,998	$ 4,392,947
Plan Fiduciary Net Position	4,828,415	4,757,978	4,116,861
Plan Net Pension Liability / (Asset)	**$ (147,720)**	**$ (50,980)**	**$ 276,086**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**103.2%**	**101.1%**	**93.7%**
Covered-Employee Payroll (Actual)	$ 745,336	$ 710,581	$ 695,000[4]
Net Pension Liability / (Asset) as a Percentage of Covered-	(19.8%)	(7.2%)	39.7%

[1] *Information is not available prior to 2013. Additional years will be added until 10 years of historical data are shown.*

[2] *Includes refunds of employee contributions*

[3] *Includes net interfund transfers*

[4] *2013 covered-employee payroll was adjusted to reflect actual contribution rates*

Schedules of Changes in Net Pension Liability and Net Pension Liability[1]
Judges' Retirement System

(dollars in thousands)	Fiscal Year Ended June 30		
	2015	2014	2013
Total Pension Liability			
Total Pension Liability - Beginning of Year	**$ 464,855**	**$ 453,110**	**$ 437,854**
Service Cost	15,283	15,302	16,084
Interest Cost	31,753	30,992	30,047
Experience (Gains) / Losses	8,411	(16,026)	(13,603)
Assumption Changes	(31,926)	-	186
Plan Amendments	-	-	-
Benefit Payments [2]	(19,432)	(18,527)	(17,579)
Net Member Reassignment [3]	-	4	121
Other	-	-	-
Net Change in Total Pension Liability	**4,089**	**11,745**	**15,256**
Total Pension Liability - End of Year	**$ 468,944**	**$ 464,855**	**$ 453,110**
Plan Fiduciary Net Position			
Plan Fiduciary Net Position - Beginning of Year	**$432,730**	**$375,752**	**$262,326**
Employer Contributions	21,020	20,895	111,419
Member Contributions	3,292	2,856	2,631
Net Investment Income / (Loss)	(102)	51,890	16,955
Benefit Payments [2]	(19,432)	(18,527)	(17,579)
Net Member Reassignment [3]	-	4	121
Administrative and Project Expenses	(165)	(146)	(126)
Other	9	6	5
Net Change in Plan Fiduciary Net Position	**4,622**	**56,978**	**113,426**
Plan Fiduciary Net Position - End of Year	**$ 437,352**	**$ 432,730**	**$ 375,752**
Net Pension Liability			
Total Pension Liability	$ 468,944	$ 464,855	$ 453,110
Plan Fiduciary Net Position	437,352	432,730	375,752
Plan Net Pension Liability	**$ 31,592**	**$ 32,125**	**$ 77,358**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**93.3%**	**93.1%**	**82.9%**
Covered-Employee Payroll (Actual) [4]	$48,582	$46,041	$47,595
Net Pension Liability as a Percentage of Covered-Employee Payroll	65.0%	69.8%	162.5%

[1] *Information is not available prior to 2013. Additional years will be added until 10 years of historical data are shown.*
[2] *Includes refunds of employee contributions*
[3] *Includes net interfund transfers*
[4] *2013 represents anticipated covered-employee payroll*

Schedules of Changes in Net Pension Liability and Net Pension Liability[1]
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan

(dollars in thousands)	Fiscal Year Ended June 30		
	2015	**2014**	**2013**
Total Pension Liability			
Total Pension Liability - Beginning of Year	**$ 123,601**	**$ 118,097**	**$ 113,282**
Service Cost	3,905	3,841	3,811
Interest Cost	8,384	8,031	7,740
Experience (Gains) / Losses	845	(430)	(1,845)
Assumption Changes	2,669	-	(40)
Plan Amendments	-	-	-
Benefit Payments [2]	(6,608)	(5,938)	(4,836)
Net Member Reassignment [3]	-	-	(15)
Other	-	-	-
Net Change in Total Pension Liability	**9,195**	**5,504**	**4,815**
Total Pension Liability - End of Year	**$ 132,796**	**$ 123,601**	**$ 118,097**
Plan Fiduciary Net Position			
Plan Fiduciary Net Position - Beginning of Year	**$ 110,657**	**$ 97,019**	**$ 76,543**
Employer Contributions	5,215	5,359	19,740
Member Contributions	1,004	1,019	1,006
Net Investment Income / (Loss)	(71)	13,339	4,702
Benefit Payments [2]	(6,608)	(5,938)	(4,836)
Net Member Reassignment [3]	-	-	(15)
Administrative and Project Expenses	(159)	(141)	(121)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	**(619)**	**13,638**	**20,476**
Plan Fiduciary Net Position - End of Year	**$ 110,038**	**$ 110,657**	**$ 97,019**
Net Pension Liability			
Total Pension Liability	$ 132,796	$ 123,601	$ 118,097
Plan Fiduciary Net Position	110,038	110,657	97,019
Plan Net Pension Liability	**$ 22,758**	**$ 12,944**	**$ 21,078**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**82.9%**	**89.5%**	**82.2%**
Covered-Employee Payroll (Actual)	$25,133	$25,825	$24,675 [4]
Net Pension Liability as a Percentage of Covered-Employee Payroll	90.6%	50.1%	85.4%

[1] *Information is not available prior to 2013. Additional years will be added until 10 years of historical data are shown.*

[2] *Includes refunds of employee contributions*

[3] *Includes net interfund transfers*

[4] *2013 covered-employee payroll was adjusted to reflect actual contribution rates*

Schedules of Changes in Net Pension Liability and Net Pension Liability[1]
Prosecuting Attorneys' Retirement Fund

(dollars in thousands)

	Fiscal Year Ended June 30		
	2015	2014	2013
Total Pension Liability			
Total Pension Liability - Beginning of Year	**$ 65,336**	**$ 61,940**	**$ 56,080**
Service Cost	1,603	1,587	1,568
Interest Cost	4,409	4,207	3,816
Experience (Gains) / Losses	4,551	-	1,474
Assumption Changes	5,216	-	(109)
Plan Amendments	-	-	1,346
Benefit Payments [2]	(3,254)	(2,398)	(2,235)
Net Member Reassignment [3]	-	-	-
Other	-	-	-
Net Change in Total Pension Liability	**12,525**	**3,396**	**5,860**
Total Pension Liability - End of Year	**$ 77,861**	**$ 65,336**	**$ 61,940**
Plan Fiduciary Net Position			
Plan Fiduciary Net Position - Beginning of Year	**$ 54,507**	**$ 47,920**	**$ 27,689**
Employer Contributions	1,063	1,174	19,443
Member Contributions	1,269	1,334	1,271
Net Investment Income / (Loss)	(34)	6,581	1,897
Benefit Payments [2]	(3,254)	(2,398)	(2,235)
Net Member Reassignment [3]	-	-	-
Administrative and Project Expenses	(127)	(108)	(145)
Other	-	4	-
Net Change in Plan Fiduciary Net Position	**(1,083)**	**6,587**	**20,231**
Plan Fiduciary Net Position - End of Year	**$ 53,424**	**$ 54,507**	**$ 47,920**
Net Pension Liability			
Total Pension Liability	$ 77,861	$ 65,336	$ 61,940
Plan Fiduciary Net Position	53,424	54,507	47,920
Plan Net Pension Liability	**$ 24,437**	**$ 10,829**	**$ 14,020**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**68.6%**	**83.4%**	**77.4%**
Covered-Employee Payroll (Actual) [4]	$21,145	$20,608	$18,805
Net Pension Liability as a Percentage of Covered-Employee Payroll	115.6%	52.5%	74.6%

[1] *Information is not available prior to 2013. Additional years will be added until 10 years of historical data are shown.*
[2] *Includes refunds of employee contributions*
[3] *Includes net interfund transfers*
[4] *2013 represents anticipated covered-employee payroll*

Schedules of Changes in Net Pension Liability and Net Pension Liability[1]
Legislators' Defined Benefit Plan

(dollars in thousands)	Fiscal Year Ended June 30		
	2015	**2014**	**2013**
Total Pension Liability			
Total Pension Liability - Beginning of Year	**$ 4,166**	**$ 4,285**	**$ 4,497**
Service Cost	3	3	2
Interest Cost	269	277	291
Experience (Gains) / Losses	(68)	(36)	(140)
Assumption Changes	325	-	-
Plan Amendments	-	-	-
Benefit Payments [2]	(370)	(363)	(365)
Net Member Reassignment [3]	-	-	-
Other	-	-	-
Net Change in Total Pension Liability	**159**	**(119)**	**(212)**
Total Pension Liability - End of Year	**$ 4,325**	**$ 4,166**	**$ 4,285**
Plan Fiduciary Net Position			
Plan Fiduciary Net Position - Beginning of Year	**$ 3,489**	**$ 3,337**	**$ 3,385**
Employer Contributions	131	138	150
Member Contributions	-	-	-
Net Investment Income / (Loss)	(5)	439	201
Benefit Payments [2]	(370)	(363)	(365)
Net Member Reassignment [3]	-	-	-
Administrative and Project Expenses	(71)	(62)	(34)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	**(315)**	**152**	**(48)**
Plan Fiduciary Net Position - End of Year	**$ 3,174**	**$ 3,489**	**$ 3,337**
Net Pension Liability			
Total Pension Liability	$ 4,325	$ 4,166	$ 4,285
Plan Fiduciary Net Position	3,174	3,489	3,337
Plan Net Pension Liability	**$ 1,151**	**$ 677**	**$ 948**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**73.4%**	**83.7%**	**77.9%**
Covered-Employee Payroll (Actual) [4]	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered-Employee Payroll[4]	N/A	N/A	N/A

[1] *Information is not available prior to 2013. Additional years will be added until 10 years of historical data are shown.*

[2] *Includes refunds of employee contributions*

[3] *Includes net interfund transfers*

[4] *Is a closed plan with no payroll*

Schedule of Contributions
Fiscal Year Ended June 30

(dollars in thousands)

Fiscal Year End	Actuarially Determined Contribution (ADC)	Contributions in Relation to ADC[1]	Contribution Deficiency (Excess)	Contributions as a Percentage of ADC	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
PUBLIC EMPLOYEES' RETIREMENT FUND						
6/30/2006 [2]	$ 230,966	$ 230,357	$ 609	99.7%	$ 4,600,000	5.0%
6/30/2007 [2]	259,768	260,150	(382)	100.1%	4,325,000	6.0%
6/30/2008 [2]	303,700	303,877	(177)	100.1%	4,550,000	6.7%
6/30/2009 [2]	326,170	323,151	3,019	99.1%	4,850,000	6.7%
6/30/2010 [2]	329,731	331,090	(1,359)	100.4%	4,800,000	6.9%
6/30/2011 [2]	351,000	342,779	8,221	97.7%	4,500,000	7.6%
6/30/2012 [2]	449,388	397,843	51,545	88.5%	4,550,000	8.7%
6/30/2013 [2]	464,047	455,658	8,389	98.2%	4,700,000	9.7%
6/30/2014 [2,3]	528,562	519,576	8,986	98.3%	4,896,635	10.6%
6/30/2015 [2,3]	517,717	536,467	(18,750)	103.6%	4,804,145	11.2%
TEACHERS' RETIREMENT FUND PRE-1996 ACCOUNT						
6/30/2006 [5]	$ 601,259	$ 601,259	$ -	100.0%	$ 2,237,380	26.9%
6/30/2007 [5]	636,039	636,039	-	100.0%	2,376,390	26.8%
6/30/2008 [5]	675,682	675,682	-	100.0%	2,295,816	29.4%
6/30/2009 [5]	706,366	706,366	-	100.0%	2,030,484	34.8%
6/30/2010 [5]	731,149	731,149	-	100.0%	1,865,102	39.2%
6/30/2011 [5]	748,978	748,978	-	100.0%	1,762,750	42.5%
6/30/2012 [5]	764,423	764,423	-	100.0%	1,637,066	46.7%
6/30/2013 [5,6]	1,013,080	1,013,080	-	100.0%	1,383,428	73.2%
6/30/2014 [5]	831,942	831,942	-	100.0%	1,262,828	65.9%
6/30/2015 [5]	851,427	851,427	-	100.0%	1,074,827	79.2%
TEACHERS' RETIREMENT FUND 1996 ACCOUNT						
6/30/2006 [2]	$ 119,558	$ 100,081	$ 19,477	83.7%	$ 1,425,000	7.0%
6/30/2007 [2]	150,415	117,001	33,414	77.8%	1,675,000	7.0%
6/30/2008 [2]	130,305	132,446	(2,141)	101.6%	1,825,000	7.3%
6/30/2009 [2]	125,330	147,425	(22,095)	117.6%	2,075,000	7.1%
6/30/2010 [2]	99,000	154,491	(55,491)	156.1%	2,200,000	7.0%
6/30/2011 [2]	135,057	166,633	(31,576)	123.4%	2,225,000	7.5%
6/30/2012 [2]	154,800	181,067	(26,267)	117.0%	2,400,000	7.5%
6/30/2013 [2]	167,311	180,714	(13,403)	108.0%	2,442,496	7.4%
6/30/2014 [2]	177,711	194,751	(17,040)	109.6%	2,598,115	7.5%
6/30/2015 [2]	178,260	205,763	(27,503)	115.4%	2,742,187	7.5%
1977 POLICE OFFICERS' AND FIREFIGHTERS' PENSION AND DISABILITY FUND						
12/31/2006 [2]	$ 134,354	$ 143,272	$ (8,918)	106.6%	$ 682,000	21.0%
12/31/2007 [2]	114,075	122,712	(8,637)	107.6%	585,000	21.0%
12/31/2008 [2]	123,825	133,196	(9,371)	107.6%	635,000	21.0%
6/30/2009 [2,7]	64,285	64,285	-	100.0%	330,000	19.5%
6/30/2010 [2]	94,135	130,775	(36,640)	138.9%	670,000	19.5%
6/30/2011 [2]	117,820	133,726	(15,906)	113.5%	687,000	19.5%
6/30/2012 [2]	132,549	135,605	(3,056)	102.3%	690,000	19.7%
6/30/2013 [2]	112,590	137,111	(24,521)	121.8%	695,000	19.7%
6/30/2014 [2]	103,425	140,119	(36,694)	135.5%	710,581	19.7%
6/30/2015 [2,4]	118,881	146,402	(27,521)	123.2%	745,336	19.6%

[1] Contributions are from employers except for the Teachers' Retirement Fund TRF Pre-1996 Account, which are predominately from a nonemployer contributing entity

[2] Actuarially determined contribution and covered-employee payroll were adjusted to reflect actual employee payroll

[3] Contributions exclude specific financed liabilities of $290 thousand for 6/30/2015 and $6,514 thousand for 6/30/2014, and excludes ASA Only plan contributions of $1,302 for 6/30/2015

[4] Contributions exclude specific financed liabilities of $295 thousand

[5] The Actuarially Determined Contribution (ADC) & the Covered Employee Payroll match the Contributions, since the Contributions are the Nonemployer Contributing Entity appropriation as determined by State statute.

[6] In FY2013, the State of Indiana appropriated additional monies to: TRF Pre-1996 - $206,796 thousand, JRS - $90,187 thousand, EG&C Plan - $14,619 thousand, and PARF - $17,363 thousand

[7] Represents only a half year of activity

Schedule of Contributions
Fiscal Year Ended June 30

(dollars in thousands)

Fiscal Year End	Actuarially Determined Contribution (ADC)	Contributions in Relation to ADC[1]	Contribution Deficiency (Excess)	Contributions as a Percentage of ADC	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
JUDGES' RETIREMENT SYSTEM						
6/30/2006 [8]	$ 14,932	$ 13,537	$ 1,395	90.7%	$ 34,065	39.7%
6/30/2007 [8]	12,249	14,662	(2,413)	119.7%	29,712	49.3%
6/30/2008 [8]	10,028	15,920	(5,892)	158.8%	33,729	47.2%
6/30/2009 [8]	16,131	20,861	(4,730)	129.3%	36,196	57.6%
6/30/2010 [8]	16,077	18,631	(2,554)	115.9%	36,722	50.7%
6/30/2011 [8]	18,910	19,200	(290)	101.5%	45,764	42.0%
6/30/2012 [8]	19,664	18,896	768	96.1%	45,138	41.9%
6/30/2013 [6,8]	25,458	111,419	(85,961)	437.7%	47,595	234.1%
6/30/2014 [8]	27,648	20,895	6,753	75.6%	46,041	45.4%
6/30/2015 [8]	18,865	21,020	(2,155)	111.4%	48,582	43.3%
STATE EXCISE POLICE, GAMING AGENT, GAMING CONTROL OFFICER, AND CONSERVATION ENFORCEMENT OFFICERS' RETIREMENT PLAN						
6/30/2006 [2]	$ 3,198	$ 2,498	$ 700	78.1%	$ 15,600	16.0%
6/30/2007 [2]	4,410	3,359	1,051	76.2%	21,000	16.0%
6/30/2008 [2]	4,918	4,854	64	98.7%	23,700	20.5%
6/30/2009 [2]	5,294	5,294	-	100.0%	25,500	20.8%
6/30/2010 [2]	4,200	5,256	(1,056)	125.1%	25,300	20.8%
6/30/2011 [2]	4,112	5,197	(1,085)	126.4%	25,000	20.8%
6/30/2012 [2]	4,556	5,054	(498)	110.9%	24,300	20.8%
6/30/2013 [2,6]	4,794	19,740	(14,946)	411.8%	24,675	80.0%
6/30/2014 [2]	5,341	5,359	(18)	100.3%	25,825	20.8%
6/30/2015 [2]	4,820	5,215	(395)	108.2%	25,133	20.7%
PROSECUTING ATTORNEYS' RETIREMENT FUND						
6/30/2006 [8]	$ 952	$ 170	$ 782	17.9%	$ 19,225	0.9%
6/30/2007 [8]	1,044	190	854	18.2%	18,092	1.1%
6/30/2008 [8]	1,040	170	870	16.3%	20,617	0.8%
6/30/2009 [8]	1,340	170	1,170	12.7%	20,782	0.8%
6/30/2010 [8]	1,663	170	1,493	10.2%	21,016	0.8%
6/30/2011 [8]	1,960	170	1,790	8.7%	18,082	0.9%
6/30/2012 [8]	2,037	1,839	198	90.3%	21,705	8.5%
6/30/2013 [6,8]	2,542	19,443	(16,901)	764.9%	18,805	103.4%
6/30/2014 [8]	2,345	1,174	1,171	50.1%	20,608	5.7%
6/30/2015 [8]	1,419	1,063	356	74.9%	21,145	5.0%
LEGISLATORS' RETIREMENT SYSTEM – DEFINED BENEFIT PLAN[9]						
6/30/06	$ 91	$ 100	$ (9)	109.9%	N/A	N/A
6/30/07	120	100	20	83.3%	N/A	N/A
6/30/08	66	100	(34)	151.5%	N/A	N/A
6/30/09	45	100	(55)	222.2%	N/A	N/A
6/30/10	63	-	63	0.0%	N/A	N/A
6/30/11	113	-	113	0.0%	N/A	N/A
6/30/12	113	112	1	99.1%	N/A	N/A
6/30/13	140	150	(10)	107.1%	N/A	N/A
6/30/14	138	138	-	100.0%	N/A	N/A
6/30/15	119	131	(12)	110.1%	N/A	N/A

[1] Contributions are from employers except for the Teachers' Retirement Fund TRF Pre-1996 Account, which are predominately from a nonemployer contributing entity
[2] Actuarially determined contribution and covered-employee payroll were adjusted to reflect actual employee payroll
[6] In FY2013, the State of Indiana appropriated additional monies to: TRF Pre-1996 - $206,796 thousand, JRS - $90,187 thousand, EG&C Plan - $14,619 thousand, and PARF - $17,363 thousand
[8] Covered-employee payroll represents anticipated covered-employee payroll except for 6/30/2014 & 6/30/2015, which represents actual employee payroll
[9] Is a closed plan with no payroll

Schedule of Investment Returns[1]
Annual Money-Weighted Rate of Return, Net of Investment Expense

	Fiscal Year Ended June 30		
Pension Trust Funds	2015	2014	2013
Public Employees' Retirement Fund	0.32 %	12.33 %	5.79 %
Teachers' Retirement Fund Pre-1996 Account[2]	0.57 %	12.71 %	5.11 %
Teachers' Retirement Fund 1996 Account[2]	0.57 %	12.71 %	5.11 %
1977 Police Officers' and Firefighters' Pension and Disability Fund	(0.07) %	13.70 %	5.85 %
Judges' Retirement System	(0.06) %	13.69 %	5.24 %
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	(0.09) %	13.69 %	5.48 %
Prosecuting Attorneys' Retirement Fund	(0.08) %	13.70 %	4.84 %
Legislators' Defined Benefit Plan	(0.13) %	13.65 %	6.16 %
Total INPRS[3]	0.44 %	12.69 %	5.57 %

[1] *Information is not available prior to 2013. Additional years will be added until 10 years of historical data are shown.*

[2] *The Teachers' Retirement Fund Accounts are combined for investment purposes.*

[3] *Rate of return also includes Legislators' Defined Contribution Plan, State Employees' Death Benefit Fund, Public Safety Officers' Special Death Benefit Fund and Pension Relief Fund.*

Schedule of Notes to Required Supplementary Information
Fiscal Year Ended June 30

Schedules of Changes In Net Pension Liability and Net Pension Liability

Plan Amendments

In 2015, there were no changes to the Plan that impacted the pension benefits during the fiscal year.

In 2014, HB 1075 impacted the Public Employees' Retirement Fund, the Teachers' Retirement Fund Pre-1996 Account, and the Teachers' Retirement Fund 1996 Account by reducing the Annuity Savings Account (ASA) interest crediting rate on annuities from 7.5% to 5.75% effective October 1, 2014. Effective October 1, 2015 the rate is 4.5%. On January 1, 2017, the ASA annuities are allowed to be outsourced to a third party provider.

Assumption Changes

An experience study was performed in April of 2015 resulting in an update to several assumptions. These assumption changes included a change in the mortality assumptions, retirement assumptions, withdrawal assumptions, disability assumptions, ASA annuitization assumptions (PERF & TRF only), dependent assumptions, future salary increase assumptions, inflation assumptions and COLA assumptions. For further details refer to the Actuarial Section of the CAFR.

Schedule of Contributions

Methods and Assumptions Used in Calculating Actuarially Determined Contributions

The following actuarial methods and assumptions were used to determine the Actuarially Determined Contribution Rates.

Description	PERF	TRF Pre-1996 Account	TRF 1996 Account	1977 Fund	JRS	EG&C Plan	PARF	LEDB Plan
Valuation Date	June 30, 2013							
Actuarial Cost Method (Funding)	Entry Age Normal (Level Percent of Payroll)							Traditional Unit Credit
Actuarial Amortization Method for Unfunded Liability	Level Dollar							
Actuarial Amortization Period for Unfunded Liability	30 Years, Closed							
Remaining Amortization Period in Years (Weighted)[1]	27	26	26	27	25	25	27	18
Asset Valuation Method	4-year smoothing of gains and losses on the Market Value of assets subject to a 20% corridor							
Investment Rate of Return (Funding)	6.75%, net of administrative and investment expense, including inflation							
Cost of Living Increases	1.0%	1.0%		2.25%	4.0%	1.00%	N/A	3.00%
Future Salary Increases, including Inflation	3.25% - 4.5%	3.0% - 12.5%		3.25%	4.0%	3.25%	4.0%	3.0%
Inflation	3.0%							

Trends

Contributions in fiscal year 2013 are higher than in fiscal year 2014 & 2015 for certain pension trust funds due to 2012 HB 1376, which appropriated additional monies for the following pension trust funds: Teachers' Retirement Fund Pre-1996 Account - $206,796 thousand, Judges' Retirement Fund - $90,187 thousand, State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan - $14,619 thousand, and the Prosecuting Attorneys' Retirement Fund - $17,363 thousand.

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[1] *The Actuarial and Remaining Amortization periods will both be "30 years, Open" when a plans reaches 100% funded status.*

Schedule of Pension Relief Changes in Assets and Liabilities

(dollars in thousands)

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Assets				
Cash	$ 1,243	$ 453,283	$ 454,326	$ 200
Short Term Investments	15,933	234,543	220,120	30,356
Contributions Receivable	-	2,500	-	2,500
Total Assets	**$ 17,176**	**$ 690,326**	**$ 674,446**	**$ 33,056**
Liabilities				
Accounts Payable	$ 4	$ 218,893	$ 218,882	$ 15
Due to Other Funds	5	24	27	2
Due to Other Governments	17,167	241,654	225,782	33,039
Total Liabilities	**$ 17,176**	**$ 460,571**	**$ 444,691**	**$ 33,056**

Schedule of Administrative and Project Expenses

(dollars in thousands)	Fiscal Year Ended June 30	
	2015	**2014[1]**
Personnel Services:		
Salaries and Wages	$ 11,737	$ 10,707
Employee Benefits	5,427	4,667
Temporary Services	5,141	8,749
Total Personnel Services	**22,305**	**24,123**
Contractual and Professional Services:		
Benefit Payment Processing Fees	2,942	2,698
Consulting Services	2,248	4,049
Actuarial Services	1,355	821
Legal Services	93	217
Total Contractual and Professional Services	**6,638**	**7,785**
Information Technology Services:		
Data Processing	2,692	3,021
Software and Licenses	1,624	1,698
Other Computer Services	1,261	700
Total Information Technology Services	**5,577**	**5,419**
Communications:		
Postage	724	708
Telephone	352	343
Printing	179	184
E-communications	130	96
Total Communications	**1,385**	**1,331**
Miscellaneous:		
Depreciation and Amortization	2,553	3,195
Office Rent and Expenses	1,433	992
Memberships and Training	201	142
Travel	98	87
Equipment Rental	72	72
Other Administrative Expenses	225	296
Total Miscellaneous	**4,582**	**4,784**
Subtotal Administrative and Project Expenses	**40,487**	**43,442**
Less Amount Allocated to Pension Relief Fund	(31)	(43)
Total Administrative and Project Expenses	**$ 40,456**	**$ 43,399**

[1] Schedule of Administrative Contractual and Professional Services Expenses as of June 30, 2014, has been restated to provide greater transparency and is reflected as comparable to INPRS' June 30, 2015, reporting classifications.

Schedule of Administrative and Project Contractual and Professional Services Expenses

(dollars in thousands)

	Fiscal Year Ended June 30		
Vendor Name	**2015**	**2014[1]**	**Nature of Services**
Xerox	$ 3,111	$ 2,908	Benefit Payment Services
PricewaterhouseCoopers LLP	1,165	684	Actuarial Services
RSM US LLP	490	-	Audit Services
CherryRoad Technologies Inc.	312	1,506	Strategic Assessment and IT Consulting
Nyhart, Inc.	190	137	Actuarial Services
iLab	190	-	Software Quality Assurance
Orion	115	112	Process Management
KPMG LLP	114	147	IT Strategy Dev Assistance & DB Consulting
Callan	89	140	ASA Annuity/Recordkeeper RFP Consulting
Loyalty Research Center	80	34	Research Services
Segal	80	-	Plan Document Consulting
Axia	80	-	Operations Performance Scorecard
FishNet	65	-	IT Security Services
AllClear	64	-	Identity Theft Protection Services
Gartner, Inc.	63	61	Project Research & Advisory Service
Level 3	61	-	Call Center Quality Management
Omkar Markand, M.D.	53	55	Medical Consulting
Automatic Data Processing, Inc.	50	42	Payroll Processing Services
AIRvan Consulting LLC	49	75	Survey Services
CEM Benchmarking, Inc.	45	40	Benchmarking Services
Ice Miller LLP	38	136	Legal Services
Funston Advisory Services	30	-	Board Governance Review & Analysis
Groom Law Group Chartered	24	-	Legal Services
Ernst & Young LLP	21	41	Management Consulting
Krieg DeVault LLP	14	13	Legal Services
Stephenson Morow & Semler	11	7	Legal Services
Briljent	6	409	Training Documentation Services
Gonzalez Saggio Harlan	2	30	Legal Services
Fleming Stage	1	12	Legal Services
Oracle America, Inc.	-	500	Application Tech License & Support Service
IBM Corporation	-	401	IT Consulting and Data Conversion
Indiana State Board of Accounts	-	233	Audit Services
United States Treasury	-	28	Cycle C Filings
ERP Control Specialists, LLC	-	21	Internal Audit Software
Protiviti Inc.	-	11	Enterprise Risk Management/Vendor Management
Other	25	2	Other Services
Total Administrative Contractual and Professional Services Expenses	**$ 6,638**	**$ 7,785**	

Fees paid to investment professionals can be found in the Investment Section.

[1] *Schedule of Administrative Contractual and Professional Services Expenses as of June 30, 2014, has been restated to provide greater transparency and is reflected as comparable to INPRS' June 30, 2015, reporting classifications.*

Schedule of Investment Expenses

(dollars in thousands)	Fiscal Year Ended June 30	
	2015	2014[1]
Investment Management Fees	**$ 177,673**	**$ 172,835**
Securities Lending Fees	**677**	**562**
Direct Investment Expenses		
Investment Consultants:		
Aksia	450	500
Wurts	400	-
TorreyCove	383	-
Strategic Investment Solutions	279	900
Mercer	216	-
ORG Portfolio Management LLC	140	330
Capital Cities	85	85
MSCI/ISS	52	50
Ernst & Young	42	19
CitiGroup	26	25
UBS Securities	-	9
Total Investment Consultants	2,073	1,918
Investment Custodian	459	515
Broker Commissions	4,747	3,463
Investment Recordkeeper Fees	5,439	5,562
Investment Staff Expenses	2,149	2,305
Investment Administrative Expenses	989	888
Subtotal Direct Investment Expenses	15,856	14,651
Less Amount Allocated to Pension Relief Fund	(8)	(6)
Total Direct Investment Expenses	**15,848**	**14,645**
Total Investment Expenses	**$ 194,198**	**$ 188,042**

[1] *Schedule of Investment Expenses as of June 30, 2014, has been restated to provide greater transparency and is reflected as comparable to INPRS' June 30, 2015, reporting classifications.*

Indiana Public Retirement System

INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2015

Investment Section

Investment Results – Consolidated Defined Benefit Assets

Investment Results – Annuity Savings Accounts and Legislators' Defined Contribution Plan

Verus

August 18, 2015

Board of Trustees
Indiana Public Retirement System
One North Capitol Avenue
Indianapolis, IN 46204

Dear Trustees:

Verus Advisory is pleased to provide the Board of Trustees of the Indiana Public Retirement System ("INPRS") with an overview of the market environment for the fiscal year ended June 30, 2015 as well as an update on performance and a summary of Portfolio changes.

Investment Landscape
Sluggish global growth, continued easy monetary policies and sharp declines in commodity markets created a challenging climate for most well diversified investment portfolios, INPRS being no exception.

The U.S. continued a moderate recovery during fiscal year 2015, with improving consumer confidence, unemployment and GDP growth rates, marking the U.S. as an outlier in the struggling global economy. Despite a challenging winter and west-coast port closures, real year-over-year GDP growth ended at 2.3 percent in the U.S., a rate that continued to outpace other developed economies. Sustained improvement in unemployment and payroll numbers also indicated a strengthening U.S. labor force as broad unemployment fell to 5.4 percent while consumer confidence reached levels not seen since 2005. Despite improving fundamental indicators, concerns remained that headline numbers are masking underlying structural issues in the United States; broad unemployment (U6) persisted at elevated levels and wage growth has remained stagnant.

Largely attributable to this improving economic backdrop at home and relative weakness globally, domestic equities led all major asset classes during the fiscal year returning 7.3 percent as proxied by the Russell 3000. Unlike past years, there was wide dispersion amongst market capitalization and style tilts during fiscal year 2015; small-cap growth assets as proxied by the Russell 2000 Growth returned 12.3 percent while large-cap value assets returned only 4.1 percent as measured by the Russell 1000 Value. Valuations continue to look rich in the U.S., suggesting strong earnings growth is needed to support equity markets; the S&P 500 Shiller P/E ratio rose 5 percent during fiscal year 2015, ending at 26.8 versus a 30 year average of 23.6.

Continued speculation around the timing of a Fed rate hike resulted in a modestly flattened U.S. Treasury yield curve compared to fiscal year end 2014. Broadly speaking, yields rose across the U.S. fixed income markets with credit spreads remaining at historically average levels. Global sovereign rates moved lower, with China being the only notable exception; this places the U.S. in the historically unusual position of being the high carry developed marketplace. Inflation expectations, while volatile, fell modestly over the course of the fiscal year with the five year U.S. implied inflation rate ending at 1.6 percent; CPI over the course of the fiscal year ended at 0.1 percent.

Quantitative easing across Europe and Japan, as well as a large decline in commodity prices, devalued many currencies relative to the U.S. dollar; over the course of the year the dollar appreciated 17 percent relative to a trade-weighted basket of currencies. The dollar's strength posed a challenge for many U.S. investors with international equity exposure as gains in many of these markets were significantly reduced or eliminated completely when converting returns back to the U.S. dollar. To illustrate, dollar based investors in the MSCI EAFE Index suffered a 3.6 percent loss while the local investors achieved an 11.2 percent return over the same timeframe. Geopolitical events across Europe, significant swings in commodity prices as well as currency headwinds resulted in significant emerging market equity volatility. Tensions in Greece mounted as financial austerity requirements met the opposition of the Greek people; while limited in its economic impact, contagion risk was elevated as markets closely observed the threat of a "Grexit." The MSCI Emerging Markets Index fell 4.8 percent over the course of the fiscal year 2015.

Plan Performance[1]

The INPRS investment portfolio ("the Portfolio") earned a 0.0 percent return net of fees for the fiscal year ending June 30, 2015. While this absolute return is materially below the 6.75 percent actuarial assumed rate of return, it was slightly higher than the policy return of (0.2) percent over the same time period.

The Portfolio's investments in global public equities, private equity, absolute return and commodities outperformed their respective benchmarks. In aggregate, real estate investments appreciated 10.6 percent, underperforming the benchmark by 1.8 percent. The private equity program exceeded its benchmark for the fiscal year, returning 10.9 percent, 0.6 percent above the benchmark return. The global public equity portfolio returned 2.4 percent, outperforming its respective benchmark by 1.6 percent. Global fixed income ex-inflation underperformed its index by 1.5 percent, returning 1.5 percent while the fixed income inflation linked bond portfolio returned (0.1) percent, underperforming the benchmark by 0.1 percent. The risk parity portfolio returned (3.1) percent, underperforming the benchmark by 4.9 percent while the absolute return portfolio outperformed the benchmark by 1.4 percent, returning 3.8 percent. The Plan's worst performing asset class was the commodities portfolio which lost 30.3 percent over the course of the fiscal year, slightly outperforming its custom benchmark by 0.3 percent.

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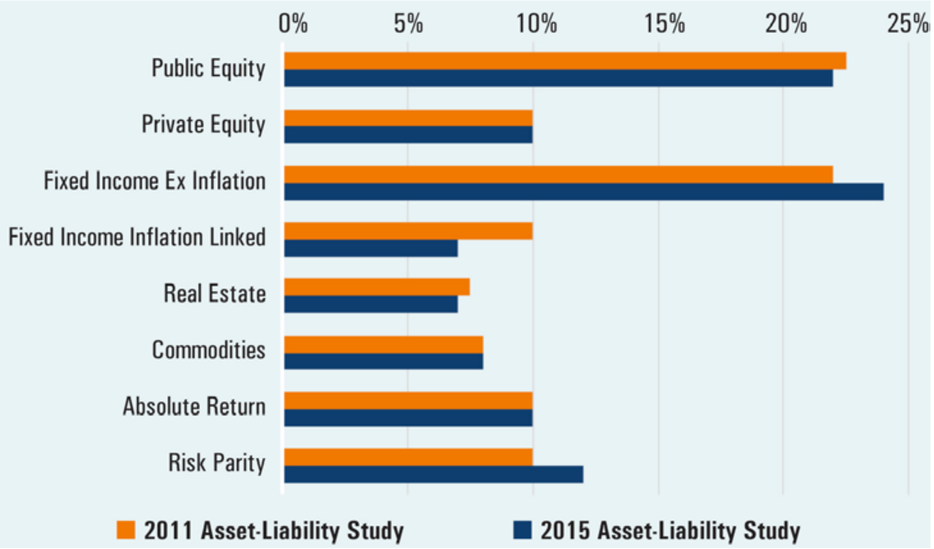
[1] *Rates of return are net of fees and based on calculations made by the System's custodian, Bank of New York Mellon, and are presented using a time weighted rate of return methodology based upon market value.*

For three years ending June 30, 2015, the Portfolio returned 6.4 percent net of fees on an annualized basis, outperforming its Policy benchmark by 0.2 percent. Over the five-year period ending June 30, 2015, the Portfolio returned 7.7 percent, outperforming its Policy benchmark by 0.3 percent. The trailing ten-year return for the Portfolio was 4.7 percent, which was relatively flat compared to its Policy benchmark.

Plan Activity

During fiscal year 2015, Verus performed an asset-liability study that resulted in an adjustment to the Plan's target asset allocation. The Portfolio's new allocation targets support the System's continued efforts to diversify by economic regime and thoughtfully manage risk, while balancing the need to take advantage of risk premia where it is prudent to do so. Notable changes to the portfolio include a reduction in real estate and inflation linked instruments (though increasing the duration), an increased allocation to private credit strategies, and a modest increase to risk parity. The resulting portfolio is expected to achieve higher risk-adjusted returns (Sharpe ratio) while maintaining diversification when compared to the previous targets (shown below).



All of us here at Verus appreciate the opportunity to assist the INPRS Board in meeting the Plan's investment objectives. We are confident in the direction of the portfolio given the System's demographics and fiscal strength. We look forward to continuing our partnership as we navigate ever-changing capital markets.

Sincerely,

Jeffrey J. MacLean
Chief Executive Officer

INPRS' Investment Imperatives[1]

There are three long-term imperatives that are vital for the continued health of the System. Every tactical and strategic decision that is made must have the expectation of positively contributing to those imperatives.

1. **Achieve the long term rate of return assumption.** Effective fiscal year 2013, INPRS' Board set the long-term rate of return assumption at 6.75 percent, and again this fiscal year, the Board reaffirmed 6.75 percent as the appropriate long-term assumption. In order for INPRS' Funds to maintain a healthy funded status, it is essential to achieve this rate of return over a long time period.

2. **Accomplish the first goal as effectively and efficiently as possible.** Not only is it important to achieve the long-term rate of return, or 6.75 percent; but as fiduciaries, it is also important to focus on return per unit of risk, diversification, and cost efficiency while generating a return equal to the long term rate of return assumption.

3. **Have sufficient liquidity on hand to pay beneficiaries.** INPRS is fortunate to have a highly liquid portfolio. The current liquidity profile is more than sufficient to match the beneficiary payment requirements of the Fund. Nevertheless, this is an imperative on which we will remain vigilant.

Year in Review[2]

Fiscal year 2015 differed from fiscal year 2014 in several ways. Overall, performance was basically flat, at 0.0 percent in fiscal year 2015 compared to 13.7 percent the previous fiscal year. Fittingly, the average of the two years was nearly equal to our long-term rate of return assumption of 6.75 percent. Not only was there a substantial difference in returns when comparing fiscal year 2014 to fiscal year 2015, but also a large disparity among the returns generated by the different asset classes exists. In fiscal year 2014, all asset classes were positive, and almost all exceeded 6.75 percent individually. By contrast, in fiscal year 2015, individual asset class returns varied significantly from positive to negative returns and above 6.75 percent to below 6.75 percent. This fiscal year, the markets demonstrated the need for diversification in an investment portfolio. Fiscal year 2015 was marked by global economic conditions that included:

- A strengthening U.S. dollar
- Fragile global growth
- The largest global Central Banks (excluding the United States) easing monetary policy
- Low inflation globally
- Substantial decline in energy prices
- The U.S. Federal Reserve ending quantitative easing and preparing markets for potential forthcoming interest rate increases
- A debt crisis in Greece reemerging as a concern

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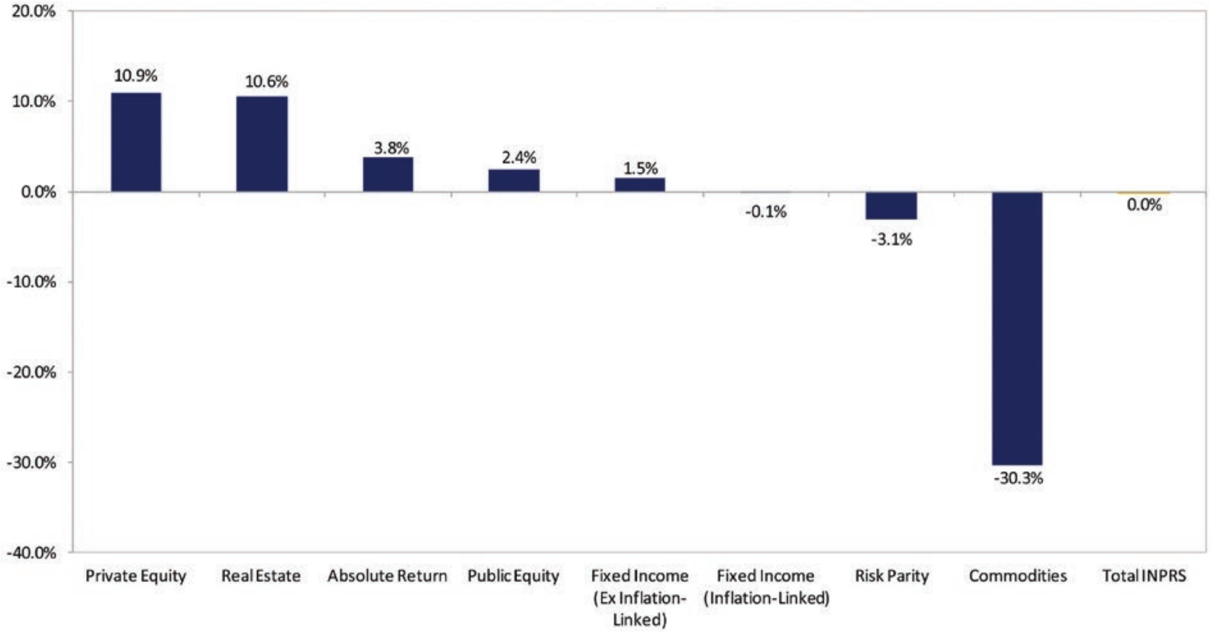
[1] For more detail, see the INPRS Investment Policy Statement, Section 4 – Guiding Principles.

[2] Rates of return are based on calculations made by the System's custodian, Bank of New York Mellon, and are presented using a time-weighted rate of return methodology based upon market value.

As a result of the aforementioned market conditions, the individual asset classes and INPRS Consolidated Defined Benefit plan in total generated the following returns:

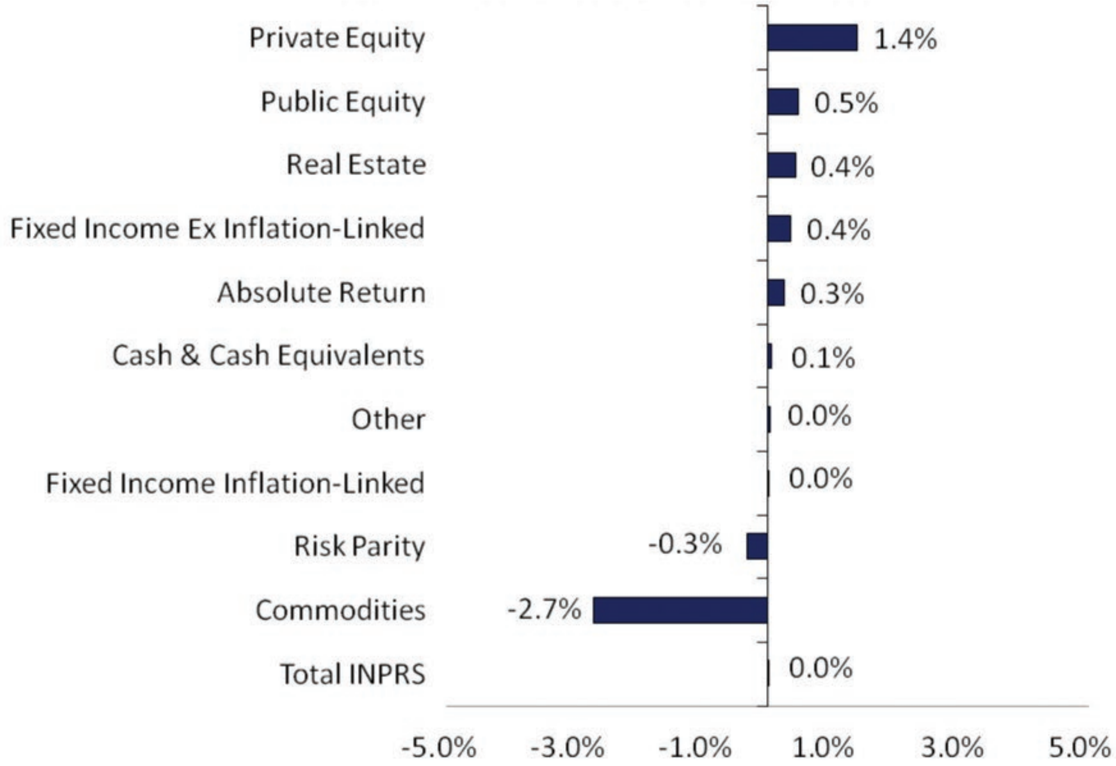
INPRS Fiscal Year 2015
Net of Fees Total Return



The best performing asset classes were the alternative investments led by Private Equity and Real Estate. The Absolute Return portfolio also managed to outperform all traditional asset classes. The traditional asset class returns that include Public Equity (stocks) and Inflation and Ex-Inflation Linked Fixed Income (bonds) were uninspiring given the global economic conditions previously discussed. Commodities were the worst performing asset class returning (30.3) percent after appreciating 12.8 percent last fiscal year. Commodities performed poorly due to a global oversupply of energy, the strengthening of the U.S. dollar (commodities are priced in dollars), and concerns regarding China's growth moving forward.

The chart above demonstrates the absolute return of each asset class; while the chart on the next page takes into account the weight of each asset class in the portfolio as well as its return in order to show the contribution to total return that each asset class provided. Despite the large negative return from Commodities, the flat overall performance of the Consolidated Defined Benefit is a result of the portfolio diversification INPRS employs.

Fiscal YTD Contribution to Total Return
As of June 30, 2015[1]



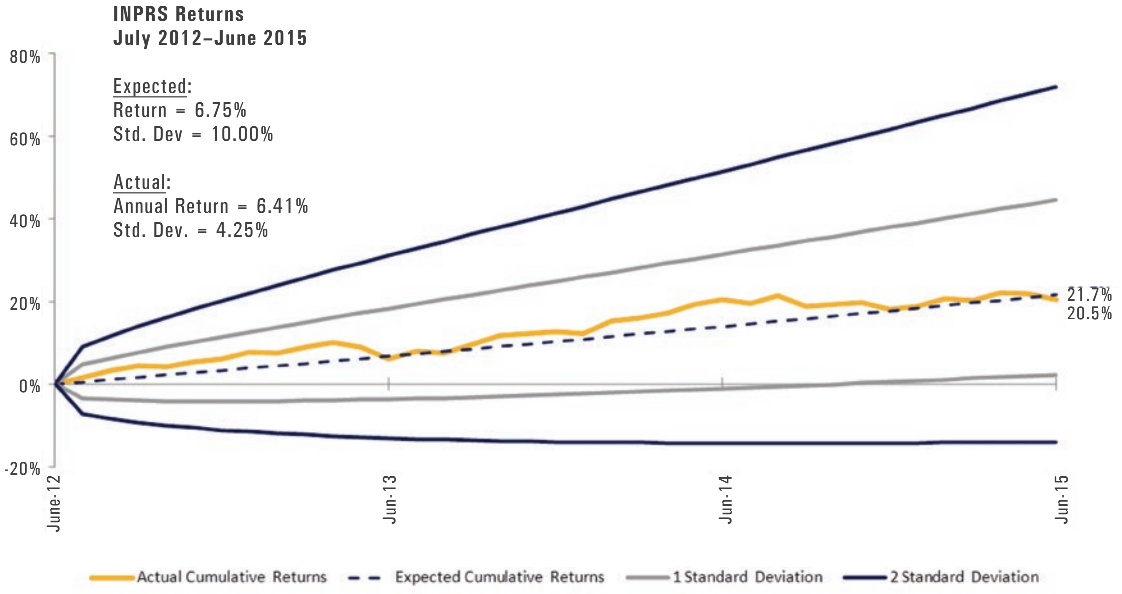
[1] The sum total of contribution to return at the asset class level may differ from the reported portfolio-level return due to rounding at the asset class level.

In fiscal year 2015, INPRS produced a return that was 0.2 percent above its dynamic benchmark, net of all fees. That equates to approximately $37 million of added value over a portfolio of merely passive investments. Outside of alternative investments, the Fixed Income portfolio did not exceed its dynamic benchmark, however, active management in the Public Equity portfolio contributed positively to performance.

Notwithstanding the tepid return this fiscal year, the Consolidated Defined Benefit assets exceeded the all-time high set in fiscal year 2014, ending the year at $24.6 billion.

In reflecting upon the first Investment Imperative and examining a longer time horizon, over the last three years INPRS has experienced a cumulative return of 20.5 percent versus a long-term rate of return target equivalent of 21.7 percent. The following chart shows the path of that cumulative return over the past three years as well as the range of outcomes that were possible given the projected volatility of INPRS portfolio. Not only has the market been less volatile than normal, but the diversified portfolio INPRS has built following the merger of PERF and TRF has also contributed to the muted volatility during this period. INPRS objective continues to be constructing a portfolio with an expected return of 6.75 percent annualized (the dotted line) with as little interim deviation around 6.75 percent annualized (movement around the dotted line) as possible. The less return volatility the portfolio incurs the more predictable and stable the contribution requirements will be for employers.

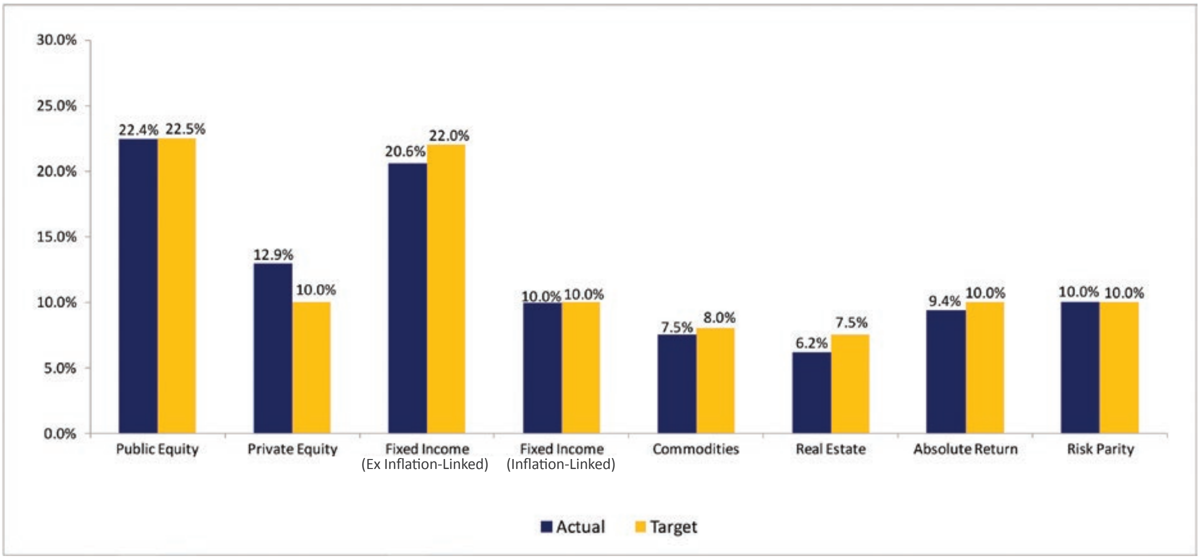
INPRS Net of Fees Cumulative Returns



With regard to the second Investment Imperative, effectiveness and efficiency, INPRS continued to negotiate fees and cut costs where possible. To that same end, INPRS is investigating the merits of managing assets internally. Currently, all assets are externally managed, but a study is underway to determine if the cost savings and other benefits of managing assets internally outweigh the potential risks of the same.

Another large part of effectively and efficiently generating the target long term rate of return is linked to diversification. INPRS became more risk-diversified than it has ever been as it moved closer to its target asset allocations.

INPRS Asset Allocation
As of June 30, 2015



Note: Fixed Income Ex Inflation-Linked is shown exclusive of Cash and Cash Equivalents

Report from the Chief Investment Officer, continued

Over the course of fiscal year 2015 INPRS, with the assistance of its general investment consultant, Verus, conducted an asset-liability study. The study culminated with the Board approving an asset allocation that incorporates only slight changes to the prior asset allocation targets. Despite the expectation that the new asset allocation will provide a slightly better expected return and Sharpe ratio, the outcome of the asset-liability study reaffirmed the path of economic diversification INPRS had previously chosen beginning in 2012 and continues to pursue.

Lastly and relative to the third Investment Imperative, liquidity, INPRS continues to hold a portfolio positioned to provide adequate liquidity. As of June 30, 2015 there were $4.0 billion identified as primary liquidity sources with investments in Money Market Sweep Vehicles and U.S. Government and Agency Securities and another $1.1 billion invested in highly liquid assets such as Large Cap Domestic Equities. Cash forecasting continued to improve in fiscal year 2015, as INPRS strives to employ greater precision in determining the optimal amount of cash to keep on-hand.

Despite a challenging global economic environment, INPRS managed to generate flat investment returns for the fiscal year, while simultaneously continuing to make ongoing strides to give itself the best opportunity to achieve its three imperatives and ensure the continued health and viability of the Fund.

Sincerely,

David C. Cooper
Chief Investment Officer

Outline of Investment Policies

The Indiana Public Retirement System's ("INPRS") Board of Trustees ("Board") serves as the ultimate fiduciary of INPRS. Indiana Code, Article 5-10.5 provides that a nine-member Board of Trustees will oversee INPRS. The nine trustees shall be appointed by the Governor, four of whom must be members of INPRS. The INPRS Board of Trustees appoints the executive director of INPRS.

The Board establishes investment policies; however, Indiana law establishes guidelines on the investment of the Fund's assets. At all times, INPRS must invest its assets in accordance with the "Prudent Investor" standard. Under this standard, investment decisions are based upon the same degree of care that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a similar character with similar aims.

The objective of the Board's Investment Policy Statement ("IPS") is to maintain adequate funding for each retirement fund and pension system in order to provide for the payment of such fund's actuarially determined liabilities over time in a cost-effective manner. The purpose of the IPS is to support this general objective by:

- Setting forth the investment policies which the Board judges to be appropriate and prudent, in consideration of the needs and legal requirements applicable to direct investment of the assets;
- Making a clear distinction between the roles and responsibilities of the Board, Staff, and each Service Provider;
- Establishing formalized criteria to measure, monitor and evaluate the performance results of the Investment Managers;
- Communicating the investment policies, objectives, guidelines, and performance criteria of the Board to the Staff, Investment Managers, Consultants, Service Providers, employers, members and all other interested parties; and
- Serving as a review document to guide the ongoing oversight of the investments by the System and demonstrating that the Board is fulfilling its fiduciary responsibilities in the administration and management of each Retirement Fund's assets solely in the interests of such Retirement Fund's members and beneficiaries.

The Board intends for the IPS to be a dynamic document, and, as such, expects to conduct periodic reviews utilizing input from INPRS staff, consultants and other knowledgeable parties. The Board anticipates approving changes from time to time to reflect changes in any or all of: economic and market conditions, investment opportunities, the System's investment strategy, benefit provisions, and the INPRS's governance.

The Board recognizes that the allocation of assets is the most important determinant of investment rates of returns over long periods of time. The procedure for determining the allocation will consider the relevant characteristics of the liabilities and the potential assets of the Fund. An asset liability study will be conducted no less than every three years and will analyze the expected returns of various asset classes, projected liabilities, risks associated with alternative asset mix strategies and their effect on the projected market value of assets, funded status, and contributions to the Fund.

The investment portfolio includes long-term commitments to the following asset classes: Public Equity, Private Equity, Fixed Income - Ex Inflation-Linked, Fixed Income - Inflation-Linked, Commodities, Real Estate, Absolute Return, and Risk Parity. The current asset allocation, approved by the Board on October 28, 2011 is as follows:

INPRS Asset Allocation:	Target Allocation	Target Range	Benchmark
Public Equity	22.5%	+/- 2.5%	MSCI All Country World
Private Equity	10.0%	+/- 3.0%	Russell 3000 + 300bps
Fixed Income – Ex Inflation-Linked	22.0%	+/- 3.0%	Barclays Global Aggregate (USDH)
Fixed Income – Inflation-Linked	10.0%	+/- 3.0%	Custom Benchmark
Commodities	8.0%	+/- 2.0%	Custom Benchmark
Real Estate	7.5%	+/- 3.5%	NCREIF NFI-ODCE
Absolute Return	10.0%	+/- 4.0%	HFRI Fund of Funds Composite
Risk Parity	10.0%	+/- 5.0%	Custom Benchmark

Outline of Investment Policies, continued

The Board employs investment managers to implement the asset allocation through a selective and thorough search process that embodies the principles of procedural due diligence. It is the intent of the Board to encourage the participation of all qualified organizations in this process. The Board encourages investment managers to develop long-term investment strategies consistent with the guidelines outlined in the IPS, as well as governing Indiana statutes. Additionally, investment managers will adhere to and comply with the CFA Institute Global Investment Performance Standards in calculating and reporting investment performance. Performance of each manager is measured against the rate of return associated with appropriate market index benchmarks and an appropriate universe or style peer group of investment managers.

Annuity Savings Accounts (ASA) are accounts established for each member of the Plans. A member's account is credited with the legislated 3% mandatory contribution (either paid by the member or "picked-up" by the employer). The member has investment direction to several alternative funds or may direct contributions to the Guaranteed Fund. The ASA produces an additional separate benefit from the fixed-formula employer funded pension benefit to the member. The ASA investment options currently include:

1. Large Cap Equity Index Fund;
2. Small/Mid Cap Equity Fund;
3. International Equity Fund;
4. Fixed Income Fund;
5. Inflation Linked Fixed Income Fund;
6. Target-Date Retirement Funds;
7. Money Market Fund;
8. Stable Value Fund (PERF ASA Only & Legislators' Plan only);
9. Consolidated Defined Benefit Assets (Legislators' Plan only);
10. Guaranteed Fund (excluding PERF ASA Only)

The Guaranteed Fund provides a guarantee of the value of an individual's contributions plus any interest credited. The INPRS Board of Trustees annually establishes the interest crediting rate for the Guaranteed Fund based on a uniform methodology. The interest crediting rate for the Guaranteed Fund during the last 10 years is included in the Investment Highlights of this section.

The number and types of investment funds offered will be periodically reviewed by the Board in order to ensure diversity of investment alternatives, adequate and reasonable availability of investment types, and clarity and usefulness of the investment choices. ASA performance data is included in the Investment Highlights of this section.

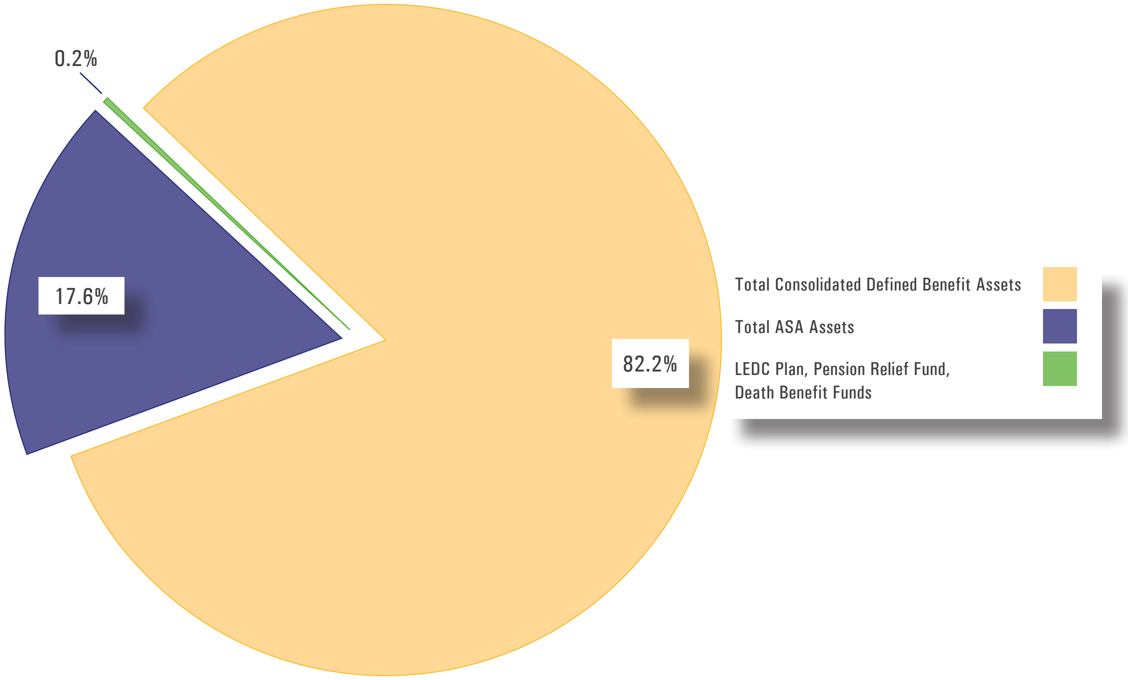
Fund Fact Sheets for the aforementioned ASA investment options, are available online at: http://www.in.gov/inprs/fundfactsheets.htm.

Investment Summary
Fiscal Year Ended June 30, 2015

(dollars in millions)

	Actual Assets	Percent
Consolidated Defined Benefit Assets:		
Defined Benefit Retirement Plans' Assets	$ 24,620.7	82.2 %
Legislators' Defined Contribution Plan (LEDC Plan)[1]	9.1	-
Total Consolidated Defined Benefit Assets	24,629.8	82.2
Annuity Savings Accounts (ASA) Assets[2]:		
Public Employees' Retirement Fund (PERF)	2,687.7	9.0
Teachers' Retirement Fund Pre-1996 Account (TRF Pre-1996)	1,419.6	4.7
Teachers' Retirement Fund 1996 Account (TRF 1996)	1,168.5	3.9
Total Annuity Savings Accounts Assets	5,275.8	17.6
Legislators' Defined Contribution Plan[3]	18.4	0.1
Pension Relief Fund[4]	30.4	0.1
Death Benefit Funds[5]	13.7	-
Total Investments[6]	**$ 29,968.1**	**100.0 %**

[1] Assets represent members of the LEDC Plan who have elected the Consolidated Defined Benefit Assets option.
[2] ASA assets are directed by PERF, TRF Pre-1996 and TRF 1996 members outside the Consolidated Defined Benefit Assets.
[3] Account balances directed outside the Legislators' Consolidated Defined Benefit Assets option.
[4] Assets are invested in a Money Market Fund with Bank of New York Mellon.
[5] Includes State Employees' Death Benefit Fund and Public Safety Officers' Special Death Benefit Fund.
[6] Includes Investment Receivables, Foreign Exchange Contracts Receivables, Interest and Dividend Receivables, Securities Lending Collateral, Investment Payables, Foreign Exchange Contracts Payables, Securities Lending Obligations, and Obligations Under Reverse Repurchase Agreements.

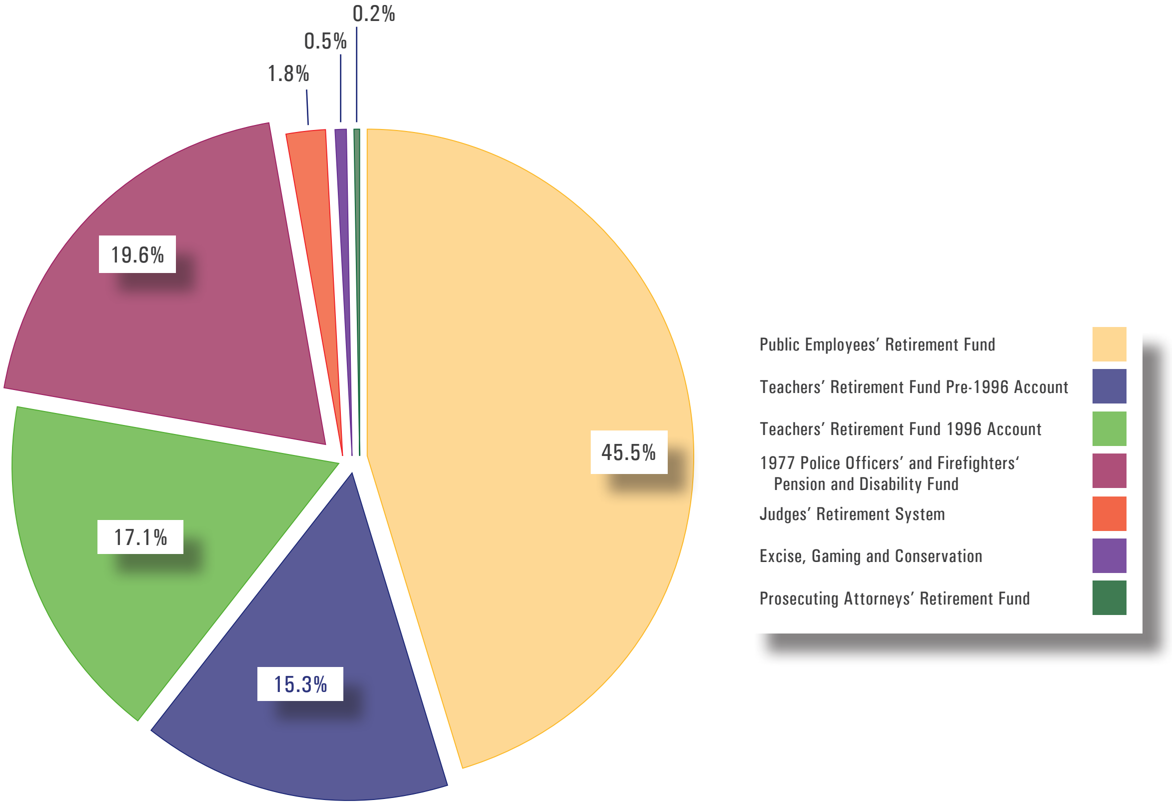


Retirement Plans in Consolidated Defined Benefit Assets Fiscal Year Ended June 30, 2015

(dollars in millions)

Retirement Plan	Amount	Percent
Public Employees' Retirement Fund	$ 11,210.3	45.5 %
Teachers' Retirement Fund Pre-1996 Account	3,766.7	15.3
Teachers' Retirement Fund 1996 Account	4,213.5	17.1
1977 Police Officers' and Firefighters' Pension and Disability Fund	4,826.2	19.6
Judges' Retirement System	437.3	1.8
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	110.1	0.5
Prosecuting Attorneys' Retirement Fund	53.4	0.2
Legislators' Retirement System – Defined Benefit Plan	3.2	-
Legislators' Retirement System – Defined Contribution Plan	9.1	-
Total Consolidated Defined Benefit Assets[1]	**$ 24,629.8**	**100.0 %**

[1] Includes Investment Receivables, Foreign Exchange Contracts Receivables, Interest and Dividend Receivables, Securities Lending Collateral, Investment Payables, Foreign Exchange Contracts Payables, Securities Lending Obligations, and Obligations Under Reverse Repurchase Agreements.



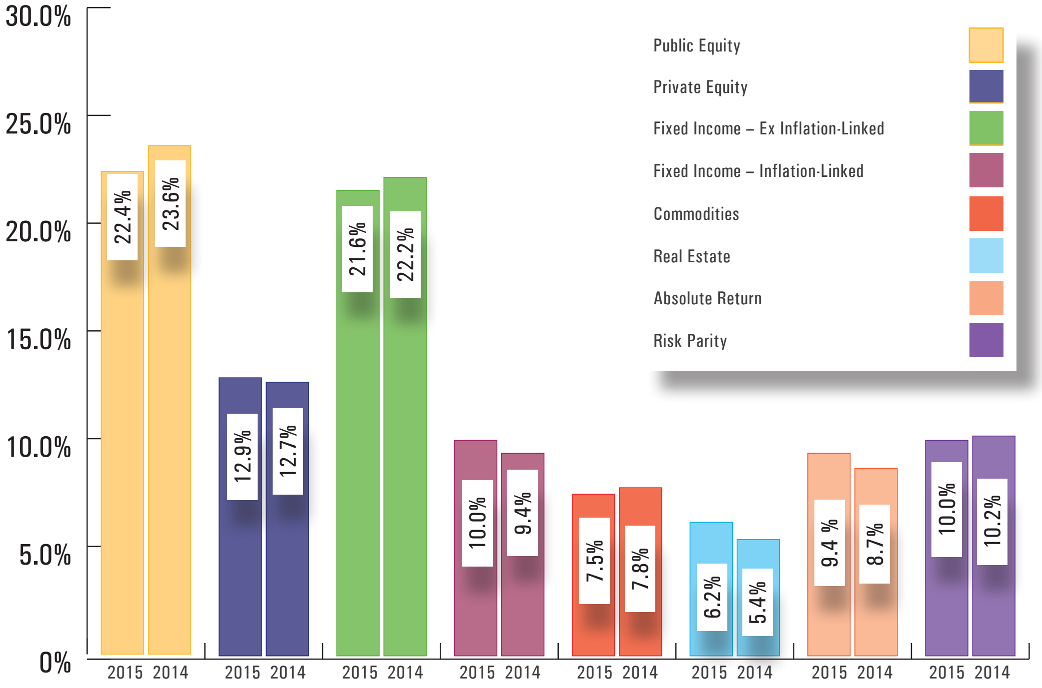
Asset Allocation Summary
June 30, 2015 Actual vs. June 30, 2014 Actual

(dollars in millions)

	June 30, 2015		June 30, 2014	
Asset Class	**Amount**	**Percent**	**Amount**	**Percent**
Public Equity	$ 5,521.0	22.4 %	$ 5,807.2	23.6 %
Private Equity	3,181.0	12.9	3,107.2	12.7
Fixed Income – Ex Inflation-Linked[1]	5,335.7	21.6	5,459.3	22.2
Fixed Income – Inflation-Linked	2,455.9	10.0	2,308.4	9.4
Commodities	1,850.5	7.5	1,913.4	7.8
Real Estate	1,518.9	6.2	1,338.0	5.4
Absolute Return	2,309.3	9.4	2,130.4	8.7
Risk Parity	2,457.5	10.0	2,496.4	10.2
Total Consolidated Defined Benefit Assets[2]	**$ 24,629.8**	**100.0 %**	**$ 24,560.3**	**100.0 %**

[1] *Includes Cash & Cash Equivalents*

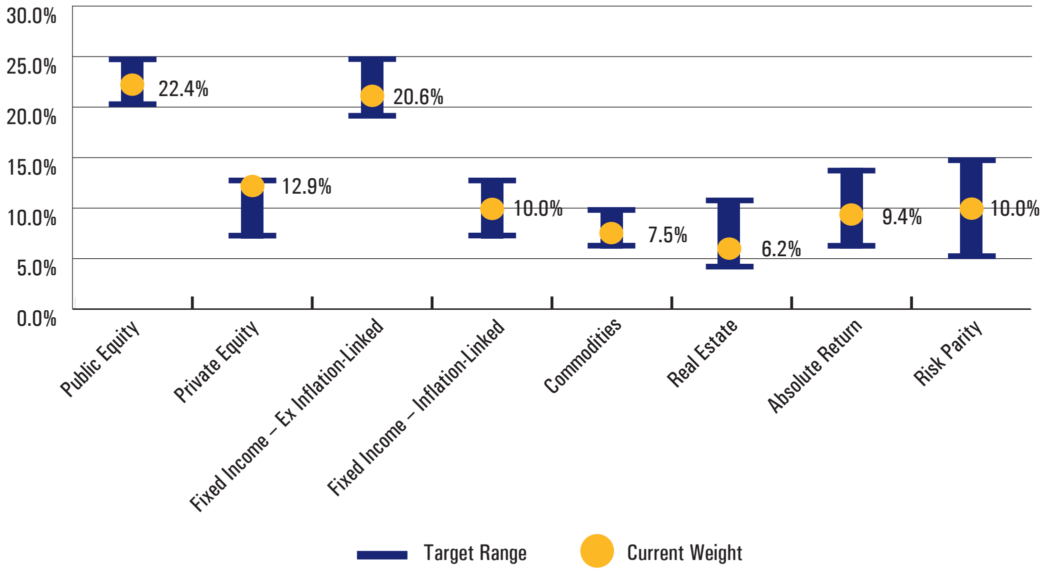
[2] *Amounts disclosed above will agree to the Pooled Unit Trust Investments in the Financial Section in Note 2 (H) Summary of Significant Accounting Policies. The amounts disclosed above are shown by investment strategy and will differ from the Statement of Net Position and the Summary of Investments Held in the Financial Section Note 3 (D) Cash and Investments, due to the investment strategy disclosure being related to a systematic plan to achieve returns and diversification and the Summary of Investments Held disclosure summarized by 1) the legal structure of the investments and 2) excluding Investment Receivables, Foreign Exchange Contracts Receivables, Interest and Dividend Receivables, Securities Lending Collateral, Investment Payables, Foreign Exchange Contracts Payables, Securities Lending Obligations, and Obligations Under Reverse Repurchase Agreements.*



Asset Allocation Summary
June 30, 2015 Actual vs. Target

Asset Class	June 30, 2015 Actual	Target	Allowable Range for Investments
Public Equity	22.4 %	22.5 %	20.0 to 25.0 %
Private Equity	12.9	10.0	7.0 to 13.0
Fixed Income – Ex Inflation-Linked[1]	21.6	22.0	19.0 to 25.0
Fixed Income – Inflation-Linked	10.0	10.0	7.0 to 13.0
Commodities	7.5	8.0	6.0 to 10.0
Real Estate	6.2	7.5	4.0 to 11.0
Absolute Return	9.4	10.0	6.0 to 14.0
Risk Parity	10.0	10.0	5.0 to 15.0
Total Consolidated Defined Benefit Assets	**100.0 %**	**100.0 %**	

[1] *Includes Cash & Cash Equivalents*



NOTE: Fixed Income – Ex Inflation-Linked is shown exclusive of cash and cash equivalents.

Annualized Time-Weighted Rate of Return by Asset Class vs. Benchmark Returns Fiscal Year Ended June 30, 2015 (percent return)[1]

	1-Year[2]			
Asset Class	**Actual Return**	**Benchmark Return**	**Actual Over / (Under) Benchmark (Pct. Points)**	**Benchmark**
Public Equity	2.4 %	0.8 %	1.6	MSCI All Country World IMI Index (MSCI ACWI)
Private Equity	10.9	10.3	0.6	Russell 3000 Index Plus 300 Basis Points
Fixed Income - Ex Inflation-Linked	1.5	3.0	(1.5)	Barclays Global Aggregate Index (USDH)
Fixed Income - Inflation-Linked	(0.1)	0.0	(0.1)	Custom Benchmark[3]
Commodities	(30.3)	(30.6)	0.3	Custom Benchmark[4]
Real Estate	10.6	12.4	(1.8)	NCREIF Open End Diversified Core Equity Index
Absolute Return	3.8	2.4	1.4	HFRI Custom Benchmark[5]
Risk Parity	(3.1)	1.8	(4.9)	Custom Benchmark[6]
Total Consolidated Defined Benefit Assets	**0.0 %**	**(0.2) %**	**0.2**	**Custom Benchmark**

[1] Net of fees.
[2] Based on calculations made by the System's custodian, Bank of New York Mellon. Time-weighted rates of return have been reported for fiscal year 2015.
[3] Custom benchmark is a Global Inflation 70/30 where there is a 70% weight to Global Inflation-Linked Bonds (including U.S.) and a 30% weight to U.S. Inflation-Linked Bonds
[4] 50% Bloomberg Commodity Index / 50% Goldman Sachs Commodity Index and a collateral component is a 75/25 blend of Global Inflation Linked Bonds (ILBs) and 90-day Treasury Bills respectively.
[5] HFRI Custom Benchmark is a weighted average of INPRS' exposure to representative HFRI sub-strategy indices
[6] 60% MSCI ACWI IMI Index (Equities) / 40% Barclays Global Aggregate Bond Index (Bonds)

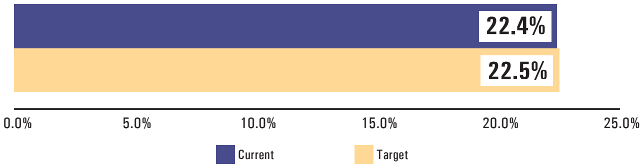
Asset Class Summary: Public Equity

Market Value as of 06/30/15	INPRS 1-Year Net Performance[1]	MSCI All Country World IMI Index 1-Year Performance
$5,521.0 Million	2.4%	0.8%

Portfolio Objective

The Public Equity portfolio seeks to provide long-term capital appreciation and income through exposure to public equity securities. INPRS uses a variety of external managers to create a globally diversified portfolio within the asset class. Historically, public equities have performed well in environments when actual economic growth came in higher than expectations and/or when actual inflation came in lower than expectations.

INPRS Allocation



Performance Attribution

The Public Equity portfolio had a return of 2.4 percent for fiscal year 2015. The portfolio outperformed the benchmark by 1.6 percent as the outperformance from the international portfolio offset the underperformance from the domestic portfolio.

Market Overview

Over the past year, global equities, as represented by the MSCI All Country World IMI Index, were up 0.8 percent. Equity markets had a low-returning year after strong performance in the previous two years. Based on the Russell 3000 Index, domestic equities were up 7.3 percent over the fiscal year. International equities were down 5.0 percent based on the MSCI ACWI ex U.S. IMI Index.

For the first quarter of the fiscal year, global equities were down 2.8 percent. Global equity markets had negative returns due to unrest in the Middle East, a volatile situation in Ukraine, and weak economic growth data coming out of Europe and China.

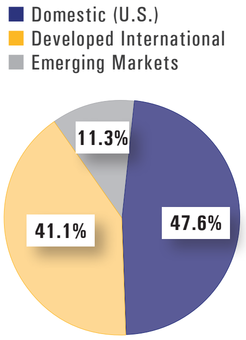
In the second quarter, global equities were up 0.6 percent, despite a farther fall in oil prices as well as concerns whether the Fed would raise interest rates. The Fed ended its quantitative easing program but still kept interest rates unchanged for the immediate term. Around the globe, central banks in most countries continued to ease monetary policy.

In the third quarter, global equities were up 2.6 percent. Central banks in the Eurozone and China eased monetary policy further and oil prices stabilized after the sharp drop in the last quarter. However, concern over the impact of the strong dollar was widely shared by CEOs and investors around the world.

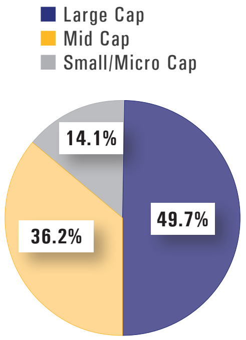
In the fourth quarter, global equities were up 0.5 percent. Economic data was mixed in the U.S. but improved toward the end of the quarter. The Eurozone came under pressure as the crisis in Greece escalated.

Portfolio Structure

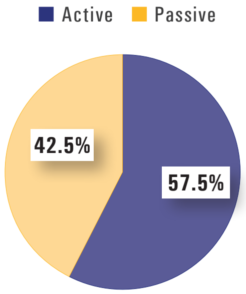
REGIONAL EXPOSURE



MARKET CAP EXPOSURE



MARKET CAP EXPOSURE



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[1] *Investment performance is based on calculations made by the system's custodian, BNY Mellon, and are time-weighted rates of return.*

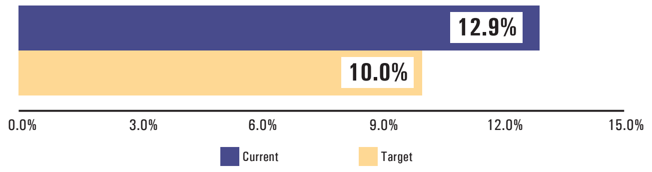
Asset Class Summary: Private Equity

Market Value as of 06/30/2015	INPRS 1-Year Net Performance[1]	Custom Benchmark 1-Year Performance[2]
$3,181.0 Million	10.9%	10.3%

Portfolio Objective

The Private Equity portfolio seeks to provide risk adjusted returns in excess of the public equity markets while simultaneously decreasing the volatility of the investment portfolio through diversification. The Private Equity portfolio is invested in the following sub-asset classes: venture and growth capital, buyout, energy, and debt related strategies.

INPRS Allocation



Performance Attribution

The Private Equity portfolio returned 10.9 percent for fiscal year 2015, outpacing its benchmark return of 10.3 percent by 0.6 percent. The Private Equity portfolio also outperformed the Cambridge Associates Pooled IRR for the one year period, 11 percent versus 10.6 percent, respectively, and since inception, 11.8 percent versus 10.7 percent, respectively.

Real assets (energy) led the way for the Private Equity portfolio returning 15.4 percent inception to date. Venture capital, buyouts, and special situations all proved to be accretive to the overall plan return generating 13.4 percent, 11.6 percent, and 10.9 percent, respectively.

The continuation of last year's supportive exit environment for private equity resulted in the Private Equity portfolio receiving positive net cash flows of $204 million. Distributions during the fiscal year totaled $750 million and contributions totaled $546 million.

Portfolio Overview

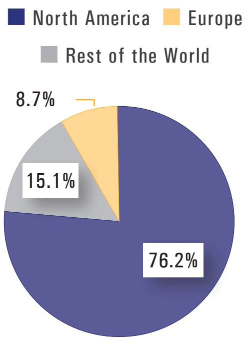
The Private Equity portfolio continues to maintain a home continent bias with 76 percent of portfolio net asset value located in North America. Investments are well diversified by sub-asset class with buyout and venture capital / growth accounting for the largest portions of the portfolio at 39 percent and 28 percent, respectively.

The portfolio continues to mature with only 4.1 percent of net asset value now coming from pre-2006 funds and a weighted average fund age of 6.5 years.

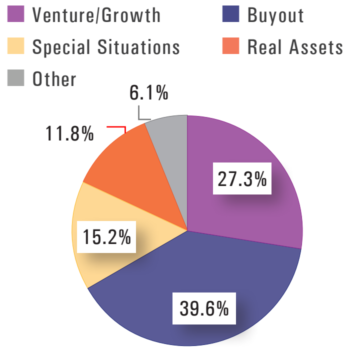
In fiscal year 2015, INPRS invested capital with six existing managers across eight investments, totaling $383.5 million of new commitments. Commitments were made to managers in the buyout, real assets, and special situations sub-asset classes.

Portfolio Structure

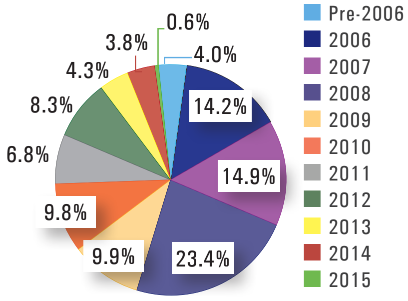
INVESTMENT BY REGION



INVESTMENT BY SUB-ASSET CLASS



INVESTMENT BY VINTAGE YEAR



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[1] *Investment performance is based on calculations made by the system's custodian, BNY Mellon, and are time-weighted rates of return.*
[2] *Custom Benchmark is the Russell 3000 Index plus 300 basis points.*

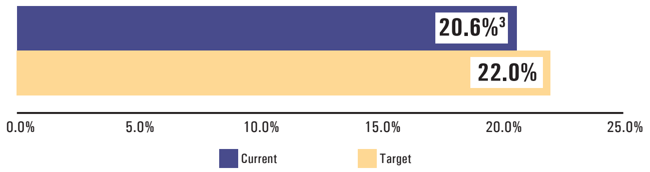
Asset Class Summary: Fixed Income – Ex Inflation-Linked

Market Value as of 6/30/2015[1]	INPRS 1-Year Net Performance[2]	Barclays Capital Global Aggregate Index 1-Year Performance
$5,335.7 Million	1.5%	3.0%

Portfolio Objective

The Fixed Income portfolio seeks to generate current income and long-term risk-adjusted return in excess of the Barclays Capital Global Aggregate Index ("Benchmark") through investment in debt securities. A focus is placed on preservation of capital. To minimize the probability of substantial principal loss over the investment horizon, the objective is to reduce portfolio volatility first and foremost while expecting to enhance portfolio returns.

INPRS Allocation



Performance Attribution

For fiscal year 2015, the Fixed Income portfolio returned 1.5 percent, underperforming its benchmark by 1.5 percent. The portfolio's overweight to longer duration government bonds and emerging markets debt were the main detractors from performance.

Market Overview

Fiscal year 2015 was a year of global growth divergence. Relative strength of the U.S. economy revived the discussion of a less accommodative Federal Reserve ("Fed") while weakness in European, Japanese and Chinese economies saw unprecedented accommodation by their respective central banks. Diverging global growth also led to significant supply and demand imbalance in the commodities markets where the likes of crude oil and copper experienced sharp decline in pricing that adversely affected commodity export countries. Continued geopolitical tension sparked by ideology and currency war further fueled market volatility.

For the first quarter, strong U.S. economic prints (e.g. increased consumer confidence, higher capacity utilization) fueled speculation of an earlier than expected Fed rate hike and significant strengthening of the U.S. Dollar against its major trading partners while the deteriorating European economy and weakening Japanese and Chinese economies drove further stimuli from their respective central banks to battle against deflation and slower growth. The Fixed Income portfolio returned 0.6% with longer duration U.S. government bonds as the main contributor to performance.

For the second quarter, crude oil price collapsed on intense competition between oil producing countries and weaker oil demand caused by diverging global growth. Global markets experienced episodes of elevated volatility with spreads of risk assets widened and currencies of emerging countries tumbling. The Fixed Income portfolio returned 2.0 percent with longer duration U.S. government bonds as the main contributor and emerging markets debt as the main detractor to performance.

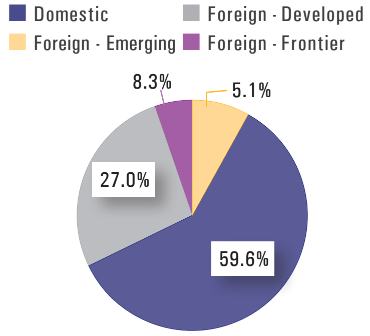
For the third quarter, over 20 central banks eased monetary policy (e.g. rate cut, QE) to battle against disinflationary pressures and stimulate economic growth, with the Fed being a rare outlier due to continued strength of the U.S. economy. Performance of risk assets (e.g. EMD, HY bonds) was choppy as market participants weighed the fallout from crude oil price decline and the prospect of Fed rate hike. The Fixed Income portfolio returned 1.9 percent with longer duration U.S. government bonds and core European sovereign bonds as the main contributors to performance.

For the fourth quarter, consistently strong U.S. economic prints and recovery in core European economic growth sparked a sell-off in U.S. Treasury and core European sovereign bonds. Uncertainty over the ramifications of a disorderly Greek exit from the Eurozone caused spreads of risk assets to widen. The Fixed Income portfolio declined 2.9 percent with longer duration U.S. government bonds and core European sovereign bonds as the main detractors to performance.

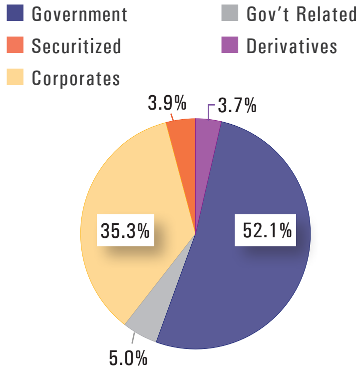
Portfolio Overview

	INPRS	Benchmark
Duration to worst:	8.7 yrs	6.6 yrs
Yield to worst:	3.0%	1.7%
Credit quality:	A2 / A-	Aa3 / AA-

REGIONAL EXPOSURE



SECTOR EXPOSURE



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[1] *Market Value includes Cash.*
[2] *Investment performance is based on calculations made by the system's custodian, BNY Mellon, and are time-weighted rates of return.*
[3] *Represents Fixed Income assets only, exclusive of cash.*

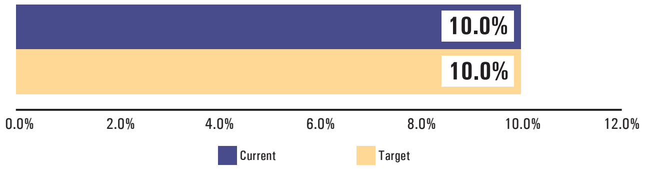
Asset Class Summary: Fixed Income – Inflation-Linked

Market Value as of 6/30/2015	INPRS 1-Year Net Performance[1]	Custom Benchmark[2] 1-Year Performance
$2,455.9 Million	(0.1)%	0.0%

Portfolio Objective

The Global Inflation-Linked Bonds ("ILBs") portfolio seeks to generate long-term risk-adjusted return in excess of the custom global inflation index ("Benchmark"), comprised of 70 percent Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index and 30 percent Barclays Capital Global Inflation-Linked Bond Index, through investment in inflation-linked securities as well as provide protection against unanticipated inflation.

INPRS Allocation



Portfolio Overview

	INPRS	Benchmark
Duration to worst:	9.7 yrs	9.1 yrs
Yield to worst:	2.0%	2.0%
Credit quality:	Aaa / AA+	Aaa / AA+

Performance Attribution

For fiscal year 2015, INPRS Global ILBs portfolio returned (0.1%) percent, underperforming its benchmark by 0.1 percent. The portfolio's overweight to U.S. TIPS was the main detractor to performance.

Market Overview

Fiscal year 2015 was a year of global growth divergence. Relative strength of the U.S. economy revived the discussion of a less accommodative Federal Reserve ("Fed") while weakness in European, Japanese and Chinese economies saw unprecedented accommodation by their respective central banks. Diverging global growth also led to significant supply and demand imbalance in the commodities markets where the likes of crude oil and copper experienced sharp decline in pricing that adversely affected commodity export countries. Continued geopolitical tension sparked by ideology and currency war further fueled market volatility. Global inflation and inflation expectations fluctuated but generally trended lower over this period.

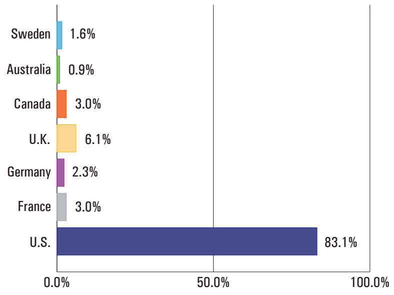
For the first quarter, strong U.S. economic prints (e.g. increased consumer confidence, higher capacity utilization) fueled speculation of an earlier than expected Fed rate hike and significant strengthening of the U.S. Dollar against its major trading partners while the deteriorating European economy and weakening Japanese and Chinese economies drove further stimuli from their respective central banks to battle against deflation and slower growth. TIPS and ILBs underperformed nominal government bonds due to decelerating global inflation and higher real yields. INPRS Global ILBs portfolio declined 1.5 percent with TIPS being the main detractor from performance.

For the second quarter, crude oil price collapsed on intense competition between oil producing countries and weaker oil demand caused by diverging global growth. Global markets experienced episodes of elevated volatility with spreads of risk assets widened and currencies of emerging countries tumbling. TIPS and ILBs underperformed nominal government bonds as breakevens narrowed. INPRS Global ILBs portfolio returned 0.5 percent with ILBs as the main contributor to performance.

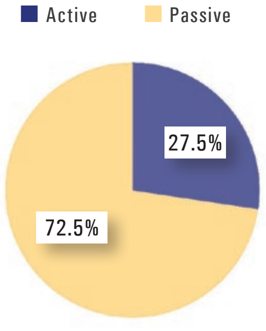
For the third quarter, over 20 central banks eased monetary policy (e.g. rate cut, QE) to battle against disinflationary pressures and stimulate economic growth, with the Fed being a rare outlier due to continued strength of the U.S. economy. While subdued global inflation expectations was a headwind for TIPS and ILBs, decrease in real yields was a tailwind. INPRS Global ILBs portfolio returned 2.7 percent with ILBs as the main contributor to performance.

For the fourth quarter, consistently strong U.S. economic prints and recovery in core European economic growth sparked a sell-off in U.S. Treasury and core European sovereign bonds and drove inflation expectations higher. Although TIPS and ILBs outperformed nominal government bonds, an increase in real yields hurt absolute returns. INPRS Global ILBs portfolio declined 1.7 percent with ILBs as the main detractor from performance.

COUNTRY EXPOSURE



MANAGEMENT EXPOSURE



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[1] *Investment performance is based on calculations made by the systems's custodian, BNY Mellon, and are time-weighted rates of return*

[2] *Custom benchmark is a Global Inflation 70/30 where there is a 70% weight to Global Inflation-Linked Bonds (including U.S.) and a 30% weight to U.S. Inflation-Linked Bonds*

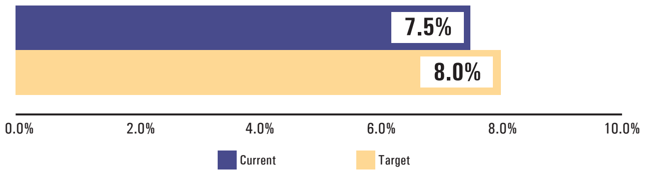
Asset Class Summary: Commodities

Market Value as of 6/30/2015	INPRS 1-Year Net Performance[1]	Custom Benchmark 1-Year Performance[2]
$1,850.5 Million	(30.3)%	(30.6)%

Portfolio Objective

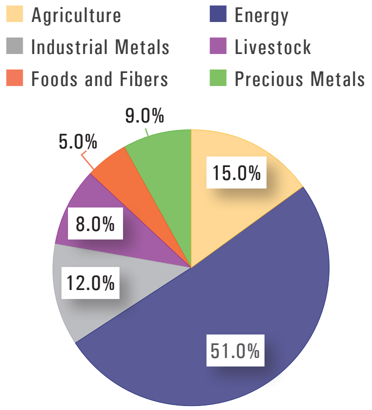
The purpose of the Commodities portfolio is to enhance long-term risk-adjusted returns by preserving investment capital and lowering overall volatility. The portfolio should also act as a hedge against unanticipated inflation. Commodity investments have historically delivered returns that are less correlated with equity and fixed income markets which may provide an opportunity to enhance returns and/or reduce volatility.

INPRS Allocation



Portfolio Structure

SECTOR WEIGHTS[3]



Performance Attribution

The Commodities portfolio one-year total return outperformed its benchmark by 0.3 percentage points. Commodities' total return is comprised of two components: 1) commodity futures return and 2) collateral return. The one-year return for each of these components was approximately (29.8) percent and (0.5) percent, respectively.

Market Overview

INPRS' commodity exposure is approximately equal to a 50/50 blend of the Bloomberg Commodity Index ("BCOM") and the S&P Goldman Sachs Commodity Index ("GSCI"). For the fiscal year, the two indices returned (23.7) percent and (36.8) percent, respectively.

Commodity prices experienced a significant decline during the first quarter on slack demand amid lower global growth expectations, improved outlook for supplies in several key markets, and the U.S. dollar outpacing foreign currencies. All sectors moved lower during the period. Agriculture experienced the steepest loss as a result of favorable weather conditions for crop harvests, falling nearly 22 percent during the quarter.

Following strong performance in the first half of 2014, commodity markets fell sharply during the second quarter of the fiscal year, led by the precipitous decline in the energy markets. The broadly diversified BCOM was down (12.1) percent for the quarter while the more energy-focused GSCI decreased (27.7) percent. Oil markets moved sharply lower following the Organization for Petroleum Exporting Countries' announcement that it would not curtail member production quotas.

Commodities continued their decline in the third quarter, with the BCOM and the GSCI returning (5.9) percent and (8.2) percent, respectively. Commodities were again pressured by a strengthening U.S. currency, as the dollar climbed 9 percent versus a basket of foreign currencies. Concerns over global GDP growth, notably in Europe and Asia, also weighed on commodity prices during the quarter.

Commodities performed well in the fourth quarter with broad strength in Energy and Agriculture offsetting weakness in the Industrial and Precious Metal sectors. The BCOM climbed 4.7 percent, while the GSCI gained 8.7 percent. Despite macroeconomic concerns including Greece's possible exit from the Eurozone and downward revised expectations for Chinese growth, WTI Crude Oil experienced a significant increase, recovering 25 percent from a six-year low.

[1] *Investment Returns are based on calculations made by the system's custodian, BNY Mellon, and are time-weighted rates of return.*

[2] *Custom Benchmark is a 50/50 blend of the Bloomberg Commodity Index and the Goldman Sachs Commodity Index. The collateral component is a 75/25 blend of Global ILB's and 90-day Treasury Bills, respectively.*

[3] *Approximate*

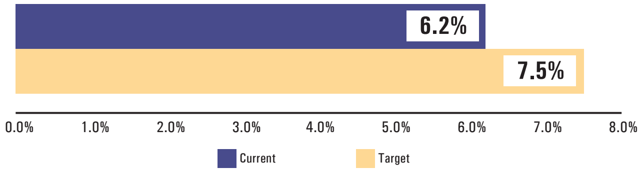
Asset Class Summary: Real Estate

Market Value as of 6/30/2015	INPRS 1-Year Net Performance[1]	NCREIF Open End Diversified Core Equity Index ("ODCE") 1-Year Performance
$1,518.9 Million	10.6%	12.4%

Portfolio Objective

The real estate portfolio is mostly comprised of investments in private real estate partnerships, and the underlying exposures are a mix of debt and equity holdings. The portfolio seeks to generate attractive risk-adjusted returns by providing stable current income and preserving investment capital. The portfolio should also reduce volatility by providing a hedge against inflation and through the diversification benefits provided by real estate investments.

INPRS Allocation



Performance Attribution

For fiscal year 2015, the real estate portfolio trailed its benchmark by 1.8 percentage points. INPRS' real estate debt portfolio accounted for all of the relative underperformance, as its real estate debt and equity portfolios returned 6.5 percent and 14.2 percent, respectively, for the period.

Market Overview

Capital continued to flow into private real estate during the fiscal year, as evidenced by a very strong year of performance. Historically low supply has aided real estate's recovery following the financial crisis, and recent tenant demand has outpaced construction with new development less than half of its historical average.

For the first quarter, the ODCE returned 3.2 percent. Positive momentum in the economy, including a strengthening U.S. labor market, contributed to optimism and above-average appreciation in private real estate during the quarter. Notwithstanding the looming prospect of higher interest rates, net operating income grew across each of the four major property types.

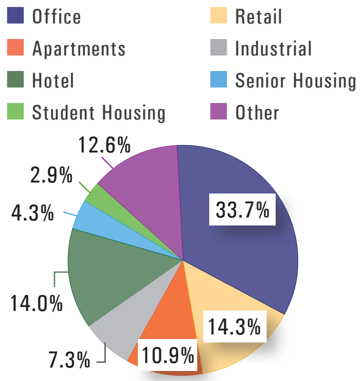
Job growth is critical for the success of all types of real estate, and the second quarter witnessed a significant increase in U.S. employment. The U.S. added an average of 324,000 jobs per month during the quarter, the best quarterly performance since 1999. Not surprising, the ODCE had another positive quarter, returning 3.3 percent. Among the major property types, Industrial was the top performer, increasing 3.9 percent during the quarter

For the third quarter, the ODCE was up 3.4 percent. Retail and Industrial were the top-performing property types, increasing 4.9 percent and 3.5 percent, respectively. The outlook for commercial real estate remained strong during the quarter, driving transaction volume up and yields on new acquisitions down. Major cities ("gateway markets"), such as New York and San Francisco, experienced the steepest declines in going-in yields.

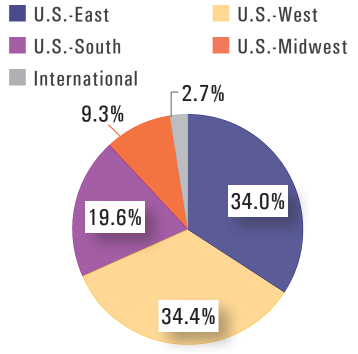
The ODCE finished the year with another strong quarter, up 3.8 percent. Industrial and Office each posted sizable gains, returning 3.8 percent and 3.1 percent, respectively. A significant contributor to Industrial's performance has been the rise of e-commerce. Increases in on-line shopping have spurred demand for warehouses and production facilities to meet the production, distribution, and shipping needs of internet retailers.

Portfolio Structure

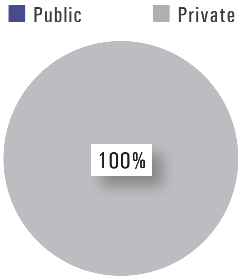
PROPERTY TYPE[2]



PROPERTY LOCATION[2]



MARKET TYPE



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[1] *Investment performance is based on calculations made by the system's custodian, BNY Mellon, and are time-weighted rates of return*

[2] *Estimated*

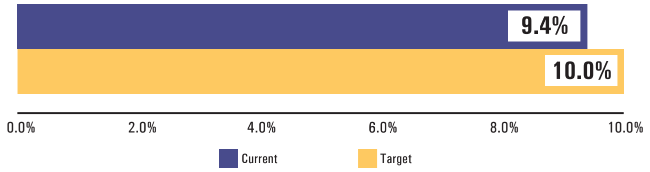
Asset Class Summary: Absolute Return

Market Value as of 6/30/2015	INPRS 1-Year Net Performance[1]	HFRI Custom[2]
$2,309.3 Million	3.8%	2.4%

Portfolio Objective

The purpose of the Absolute Return Strategies Program is to enhance the long-term risk adjusted returns by providing diversification benefits, preserving capital, and reducing volatility. Absolute Return Strategies generate returns by exploiting mispricing and inefficiencies in global capital markets, while attempting to reduce exposures to primary market factors (e.g., interest rates and equities) through various hedging techniques. These strategies have historically delivered returns that were lowly-correlated with traditional long-only investment strategies. It is important to maintain an appropriate level of diversification among investment strategies in order to most effectively meet these stated objectives. At the end of the fiscal year, the Absolute Return portfolio was comprised of 21 managers managing investments across the strategy spectrum.

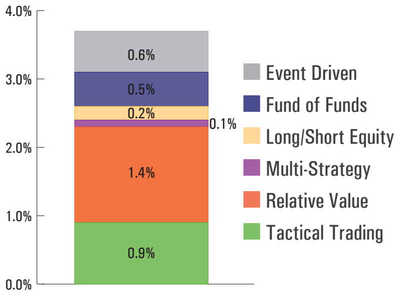
INPRS Allocation



Performance Attribution

INPRS outperformed the HFRI Custom benchmark for the following reasons:
1) outperformance by quantitative macro and relative value strategies; and
2) less liquid event-driven strategies outperformed liquid strategies.

Contribution to Performance by Strategy[4]



Market Overview

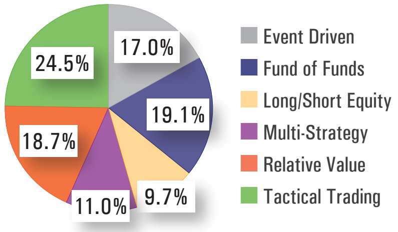
INPRS' absolute return portfolio returned 3.8 percent during fiscal 2015. The performance compares favorably to a 2.4 percent return for the custom benchmark and a 2.8 percent return for the HFRI FOF Conservative Index on an absolute basis and performed comparably on a risk-adjusted basis with a Sharpe ratio of 1.2.[2,3]

While global equities and corporate and sovereign credit in aggregate delivered low returns throughout the fiscal year, the headline story was the appreciation of the U.S. Dollar and declines across commodities markets. The speculation around the first rate hike in the U.S. amid a largely-easing rest of world sent the U.S. Dollar Index (DXY) up nearly 20.0 percent over the fiscal year. Global commodities, confronting dual headwinds on the back half of the commodities super cycle and an appreciating U.S. Dollar, lost nearly 24.0 percent.

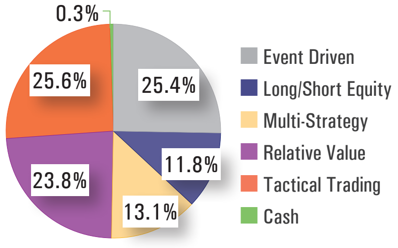
Several funds in INPRS' portfolio were able to take advantage of this dynamic either directly or via broader themes/trades linked to currency and commodity moves. Specifically, systematic macro, statistical arbitrage, and equity market neutral strategies performed well. Separately, taking advantage of greater market liquidity and search for yield, less liquid asset-backed strategies also performed well.

INPRS' fund-of-funds portfolio generated a rate of return of 2.9 percent for the fiscal year. In aggregate, these portfolios had significant tilts toward event-driven strategies, and there was significant outperformance by activist equity strategies compared to traditional event equity and credit strategies, with the latter more significantly represented in the portfolio.

Portfolio Composition



FUND OF FUNDS – LOOK-THROUGH



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[1] *Investment performance is based on calculations made by the systems custodian, BNY Mellon, and are time-weighted rates of return*
[2] *HFRI Custom benchmark is a weighted average of INPRS' exposure to representative HRFI sub-strategy indices*
[3] *Sharpe ratio measured performance in excess of 1-month LIBOR*
[4] *The sum total of sub-strategy returns may differ from the reported portfolio-level return due to rounding at the sub-strategy and portfolio levels*

Asset Class Summary: Risk Parity

Market Value as of 6/30/2015	INPRS 1-Year Net Performance[1]	Custom Benchmark 1-Year Performance[2]
$2,457.5 Million	(3.1)%	1.8%

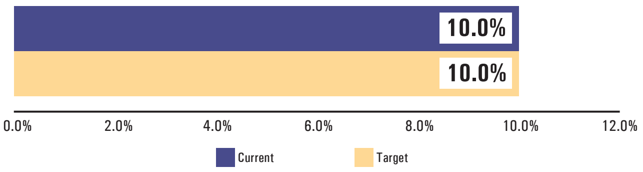
Portfolio Objective

The Risk Parity portfolio seeks to create risk balance that is capable of delivering consistent and high risk adjusted returns in several macro-economic environments. Unlike a traditional asset allocation that is highly dependent on positive equity returns, the Risk Parity portfolio is constructed to accrue various asset class risk premiums, including equity, without long-term dominance from any single asset class. As a result, the underperformance of a given asset class in a particular environment is expected to be offset by the outperformance of another asset with an opposing sensitivity to the environment.

The Risk Parity portfolio rests on the following key tenets:

1. Over a full market cycle, most asset classes carry a risk premium, and by investing in them, investors expect to earn a return higher than that offered by cash instruments.
2. The return of a particular asset class is proportional to its risk over long periods of time (i.e., different asset classes have similar Sharpe ratios).
3. True diversification goes beyond simple capital allocation and, instead, focuses on risk allocation.
4. The main drivers of returns are growth and inflation factors and changes in risk premiums; asset classes will perform differently depending on the particular combination of such factors.

INPRS Allocation



Performance Attribution

Lacking a passive market equivalent for the Risk Parity portfolio, INPRS continues to use the traditional portfolio of 60 percent global equities and 40 percent global bonds (“60/40 portfolio”) as a benchmark for long-term return and risk comparisons, despite expectations of significant tracking error. For fiscal year 2015, the Risk Parity portfolio underperformed a 60/40 portfolio by 4.9 percent. Diversification beyond U.S. equities and bonds were not rewarded during the year, which is not the expectation over long time periods.

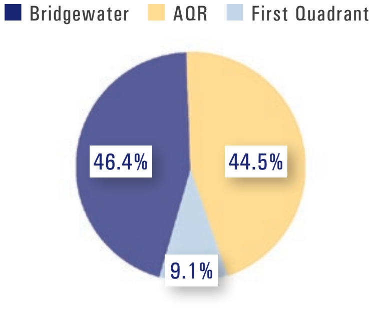
While equity returns have been a terrific benefit to most portfolios—including Risk Parity—over the past few years, it is worth noting the lack of volatility in equities. The S&P 500 had an intra-year decline greater than 10 percent in 17 of the 32 years prior to 2012 but has not experienced one since.[3] Given that the Risk Parity portfolio is constructed to avoid concentration in any single asset class, it is expected that the Risk Parity portfolio will typically lag a 60/40 portfolio that has concentrated equity risk during a period of such consistent equity returns.

Market Overview

In contrast to the 16 percent return from the Risk Parity portfolio last year, which benefited from positive returns across most asset classes, fiscal year 2015 was a difficult period for asset classes with a positive bias to inflation and, consequently, Risk Parity. With increasing oil supply, fears about slowing growth in China, and deflationary fears prevalent in many of the world's developed economies, commodities and U.S. TIPS struggled in 2015. These negative returns outweighed any benefit from asset classes expected to perform well in the opposing, deflationary environment (e.g. equities and nominal bonds).

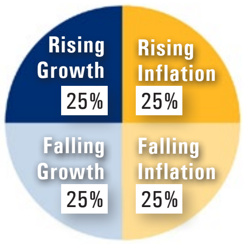
Portfolio Structure

MANAGER ALLOCATION



TARGET RISK ALLOCATION

Exposure to asset classes that perform well in the following economic environments



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[1] *Based on calculations made by the system’s custodian, BNY Mellon, and are time-weighted rates of return.*
[2] *Comprised of 60% MSCI ACWI IMI Index (equities) & 40% Barclays Global Aggregate Bond Index (bonds).*
[3] *Source: J.P. Morgan Asset Management.*

Historical Comparative Investment Results[1]
Fiscal Year Ended June 30, 2015
(percent return)[2]

		Annualized Time-Weighted Rates of Return		
	Percent of Portfolio	1-Year[3]	3-Year[3]	5-Year[3]
Total Consolidated Defined Benefit Assets	100.0 %	0.0 %	6.4 %	7.7 %
vs. BNY Mellon Public Universe Median[4]		3.1	10.8	11.0
Target Reference Index[5]		(0.2)	6.2	7.4
Total Domestic Equity	11.1	6.7	16.9	17.0
vs. BNY Mellon Public Universe Median		7.2	17.5	17.7
Russell 3000 Index		7.3	17.7	17.5
Total International Equity	11.3	(2.5)	10.9	8.8
vs. BNY Mellon Public Universe Median		(3.0)	11.4	9.5
MSCI ACWI ex U.S. IMI Net		(5.0)	9.8	8.0
Total Domestic Fixed Income	12.5	1.7	3.3	4.7
vs. BNY Mellon Public Universe Median		1.4	2.5	4.5
Barclays U.S. Aggregate Bond Index		1.9	1.8	3.3
Total International Fixed Income	6.5	(0.4)	(3.3)	(0.1)
vs. BNY Mellon Public Universe Median		(10.4)	1.8	3.5
Barclays Global Aggregate ex-USD (USDH)		3.7	4.2	3.9

[1] As the investment objectives and resulting portfolio construction of INPRS may differ from those in the listed peer universes, the most relevant evaluation of INPRS' performance will be against the investment imperatives outlined in the report from the Chief Investment Officer and the cited benchmarks for each asset class.

[2] Net of fees.

[3] Investment performance is based on calculations made by the system's custodian, BNY Mellon. The 1-year, 3-year, and 5-year performance returns are time-weighted rates of return based on the market rates of return.

[4] Universe of Public Funds.

[5] Benchmark history through December 31, 2011, represents composite returns for the legacy PERF and TRF dynamic policies and have been combined using dynamic market weights each month and are reported under the single Total Consolidated Defined Benefit Assets structure beginning January 1, 2012.

Ten-Year Time-Weighted Investment Rates of Return[1]

(dollars in millions)

Fiscal Year Ended June 30		Market Value of Assets	Rate of Return[2]	Actuarial Assumed Rate
2006	PERF CRIF[3]	$ 13,694.9	10.7 %	7.25 %
	TRF DB Assets[4]	4,521.0	11.2	7.50
2007	PERF CRIF	16,114.3	18.2	7.25
	TRF DB Assets	5,501.0	17.9	7.50
2008	PERF CRIF	14,851.0	(7.6)	7.25
	TRF DB Assets	5,252.0	(6.0)	7.50
2009	PERF CRIF	11,795.1	(20.6)	7.25
	TRF DB Assets	4,236.0	(18.0)	7.50
2010	PERF CRIF	13,314.0	13.9	7.25
	TRF DB Assets	5,073.0	14.8	7.50
2011	PERF CRIF	15,796.6	20.1	7.00
	TRF DB Assets	5,984.0	18.2	7.00
2012	INPRS[5]	19,708.9	0.7	7.00
2013	INPRS	21,488.7	6.0	6.75
2014	INPRS	24,560.3	13.7	6.75
2015	INPRS	24,629.8	0.0	6.75

[1] *Returns from 2006 - 2011 presented as previously reported; returns 2012 and thereafter are based on calculations made by the System's custodian, Bank of New York Mellon. All returns are time-weighted rates of return.*

[2] *Net of fees; 2006 - 2011 reported as Gross of fees.*

[3] *Public Employees' Retirement Fund Consolidated Retirement Investment Fund*

[4] *Teachers' Retirement Fund Defined Benefit Assets*

[5] *INPRS Consolidated Defined Benefit Assets*

Statistical Performance
Fiscal Year Ended June 30, 2015

Statistic	1-Year	3-Years	5-Years	10-Years
Annualized Time-Weighted Rate of Return	0.00 %	6.41 %	7.68 %	4.73 %
Annualized Standard Deviation	3.99	4.19	6.09	9.52
Annualized Sharpe Ratio	0.01	1.50	1.24	0.40
Beta	0.29	0.34	0.45	0.60
Annualized Alpha	0.16	(0.25)	0.02	(0.11)
Correlation	0.65	0.69	0.87	0.92

Market proxy is the S&P 500.
Risk Free Proxy is the Citigroup 3 Month T-Bill

Definition of Key Terms:

Standard Deviation: A statistic used to measure the dispersion in a distribution. Dispersion is measured relative to the mean, or average of the distribution. The greater the dispersion, the higher the risk associated with the pattern of observations. One standard deviation describes two-thirds of the observations in a normal, or bell-shaped distribution. In an asset allocation context, standard deviation is a conventional proxy for risk or volatility.

Sharpe Ratio: Ratio used to measure risk-adjusted performance. The Sharpe Ratio is calculated by subtracting a risk-free rate(proxy) from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. The Sharpe Ratio provides insight on excess risk held in the portfolio. The greater a portfolio's Sharpe Ratio, the better its risk-adjusted performance has been. A negative Sharpe Ratio indicates that a risk-less asset would perform better than the security being analyzed.

Beta: A measure of the volatility, or systematic risk, of a security or portfolio in comparison to the market as a whole. Beta is the tendency of a security's return to respond to swings in the market. A Beta of less than one (1) indicates less volatility than the market. A Beta of greater than one (1) indicates greater volatility than the market.

Alpha: A measure of performance on a risk-adjusted basis. Alpha is the difference between the actual performance of the fund and the performance which should have been achieved given the market's performance and the fund's risk posture.

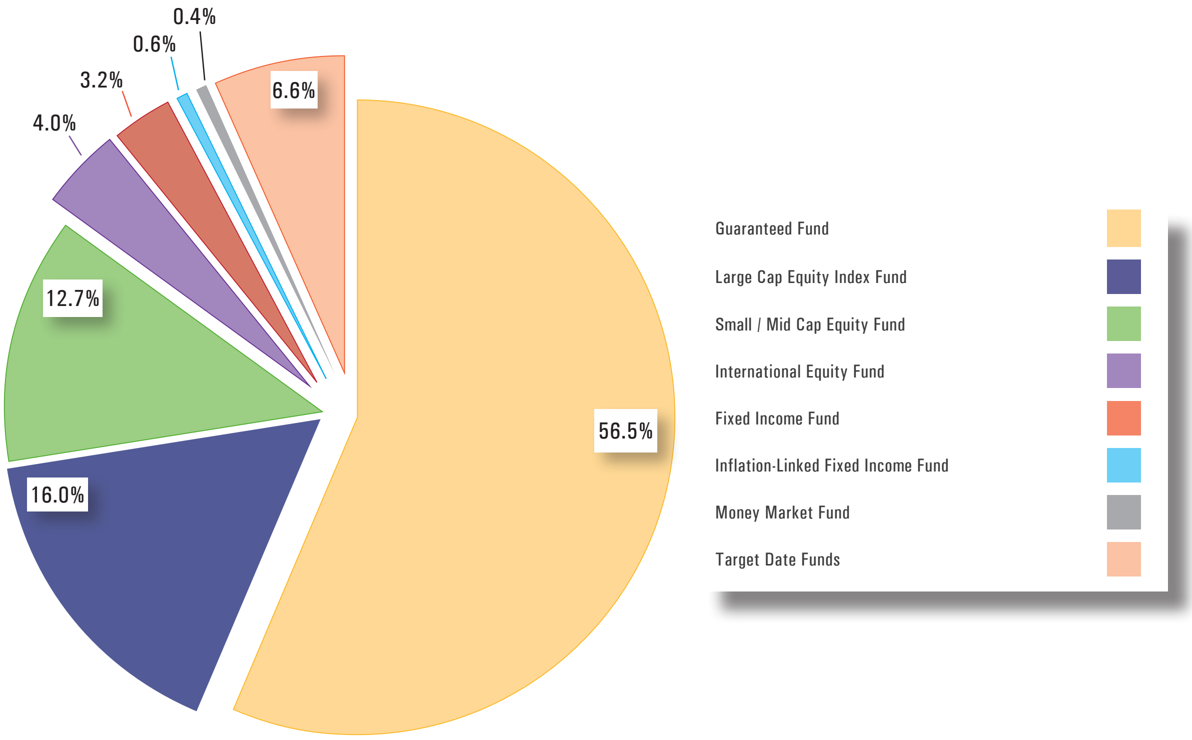
Correlation: A Statistical measure of how two (2) securities move in relation to each other. A correlation of positive 1.0 indicates similar magnitude and direction of change. A correlation of negative (1.0) indicates similar magnitude, but opposite direction. A correlation of zero indicates the relationship is purely random. Often, the correlation is squared and known as ***R-squared*** or the ***Coefficient of the Correlation.***

Assets by Investment Option
Fiscal Year Ended June 30, 2015

(dollars in millions)

Investment Option	ASA & LEDC Plan Assets[1]	Percent of Self-Directed Investments
Guaranteed Fund	$ 2,990.9	56.5 %
Large Cap Equity Index Fund	844.7	16.0
Small / Mid Cap Equity Fund	671.4	12.7
International Equity Fund	209.4	4.0
Fixed Income Fund	171.4	3.2
Inflation-Linked Fixed Income Fund	33.3	0.6
Money Market Fund	23.1	0.4
Stable Value Fund	1.1	-
Target Date Funds[2]	348.9	6.6
Total ASA and LEDC Plan Assets[3]	**$ 5,294.2**	**100.0 %**

[1] Assets include all PERF, TRF Pre-1996, and TRF 1996 ASA assets and the LEDC Plan account balances allocated outside of the Consolidated Defined Benefit Assets option.
[2] Consolidated market values of all Target Date Funds.
[3] Includes Investment Receivables, Foreign Exchange Contracts Receivables, Interest and Dividend Receivables, Investment Payables, Foreign Exchange Contracts Payables, and Obligations Under Reverse Repurchase Agreements.



Historical Annualized Rate of Return by Investment Option vs. Benchmark Returns Fiscal Year Ended June 30, 2015

(percent return)[1]

Investment Option	1-Year[2]	3-Year[2]	5-Year[2]
Guaranteed Fund	0.32 %	0.28 %	0.89 %
Large Cap Equity Index Fund	7.4	17.3	17.4
S&P 500 Index	*7.4*	*17.3*	*17.3*
Small / Mid Cap Equity Fund	4.8	18.2	17.5
Russell Small Cap Completeness Index	*6.1*	*19.2*	*18.0*
International Equity Fund	(3.3)	10.6	8.7
MSCI ACWI ex U.S. Index	*(5.3)*	*9.4*	*7.8*
Fixed Income Fund	1.3	2.3	3.9
Barclays U.S. Aggregate Bond Index	*1.9*	*1.8*	*3.4*
Inflation-Linked Fixed Income Fund	(1.8)	(0.5)	3.2
Barclays U.S. TIPS Index	*(1.7)*	*(0.8)*	*3.3*
Money Market Fund	0.1	0.1	0.2
Citigroup 3-Month T-Bill Index	*0.0*	*0.1*	*0.1*
Stable Value Fund[3]	1.3	2.7	2.9
Citigroup 3-Month T-Bill Index	*0.0*	*0.1*	*0.1*
Target Date Funds[4]:			
Retirement Fund	0.5	2.7	4.4
Retirement Fund Index	*0.3*	*1.8*	*3.4*
Retirement Fund 2020	0.8	4.8	6.2
2020 Fund Index	*0.6*	*4.1*	*5.5*
Retirement Fund 2025	1.0	6.4	7.5
2025 Fund Index	*0.9*	*5.9*	*7.0*
Retirement Fund 2030	1.1	8.6	9.1
2030 Fund Index	*0.8*	*8.1*	*8.7*
Retirement Fund 2035	1.3	9.9	9.9
2035 Fund Index	*0.8*	*9.4*	*9.5*
Retirement Fund 2040	1.3	10.1	10.0
2040 Fund Index	*0.7*	*9.6*	*9.5*
Retirement Fund 2045	1.3	10.1	10.0
2045 Fund Index	*0.7*	*9.6*	*9.5*
Retirement Fund 2050	1.3	10.1	10.0
2050 Fund Index	*0.7*	*9.6*	*9.5*
Retirement Fund 2055	1.3	10.1	10.0
2055 Fund Index	*0.7*	*9.6*	*9.5*
Retirement Fund 2060	1.2	10.2	10.3
2060 Fund Index	*0.7*	*9.6*	*9.6*

[1] *Net of fees.*

[2] *Based on performance calculations made by the system's recordkeeper, Xerox. The 1-year, 3-year, and 5-year performance returns are time-weighted rates of return for the fiscal year ended June 30, 2015. Prior to July 30, 2010, all data presented (excluding the Guaranteed Fund) is calculated from manager composite performance. After July 30, 2010, all performance presented consists of actual investment returns experienced by members.*

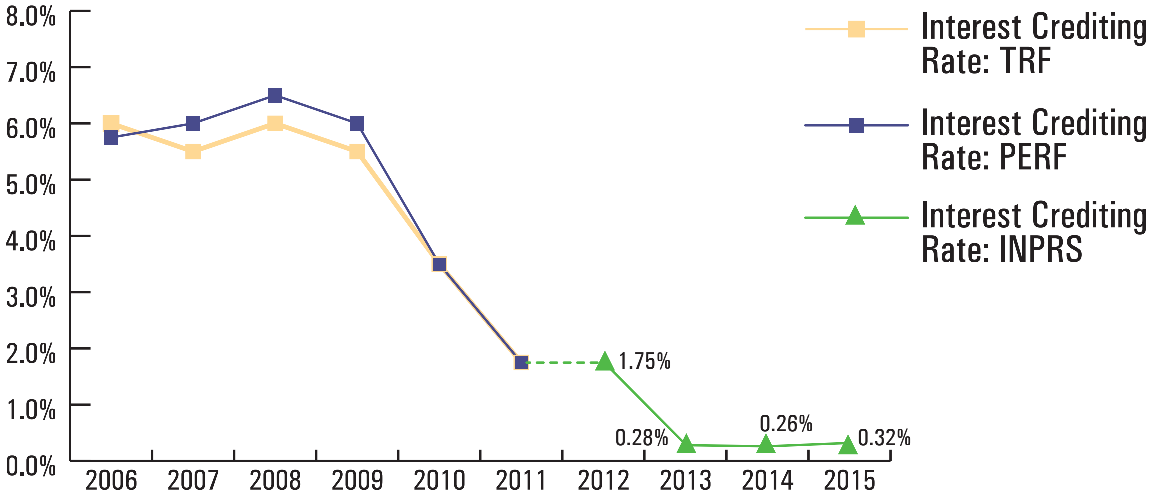
[3] *Investment Fund Option in the Legislators' Defined Contribution Plan and Public Employees' Retirement Fund ASA Only Plan.*

[4] *Target Date Fund benchmarks are comprised of performance data using a passive strategy with the same asset allocation of each Target Date Fund.*

Annuity Savings Accounts
Ten-Year Guaranteed Fund Interest Crediting Rates

	Interest Credit Rate		
Year	**INPRS**	**PERF**	**TRF**
2006	N/A	5.75 %	6.00 %
2007	N/A	6.00	5.50
2008	N/A	6.50	6.00
2009	N/A	6.00	5.50
2010	N/A	3.50	3.50
2011	N/A	1.75	1.75
2012[1]	1.75 %	N/A	N/A
2013	0.28	N/A	N/A
2014	0.26	N/A	N/A
2015	0.32	N/A	N/A

[1] *Guaranteed Fund assets of PERF, TRF Pre-1996 and TRF 1996 were unitized as of January 1, 2012.*



Top Ten Equity Holdings
Fiscal Year Ended June 30, 2015
(by Market Value)[1]

(dollars in thousands)

Company	Shares	Market Value
Apple Inc.	526,092	$ 65,985
Microsoft Corp.	1,093,395	48,273
Nestle SA	519,848	37,547
Visa Inc.	523,224	35,134
Qualcomm Inc.	494,192	30,951
Exxon Mobil Corp.	355,956	29,616
Allergan PLC	96,672	29,336
Taiwan Semiconductor Manufacturing	5,855,494	26,664
Celgene Corp.	229,483	26,559
Samsung Electronics Co, Ltd.	22,001	25,010

[1] *A complete list of portfolio holdings is available upon request.*

Top Ten Fixed Income Holdings
Fiscal Year Ended June 30, 2015
(by Market Value)[1]

(dollars in thousands)

Description	Coupon Rate	Maturity Date	Par Value	Market Value
U.S. Treasury Bond	2.500 %	2/15/45	$ 265,956	$ 234,063
U.S. Treasury - CPI Inflation Index Bond	0.125	4/15/18	190,092	193,077
U.S. Treasury - CPI Inflation Index Bond	0.125	4/15/17	149,148	151,175
U.S. Treasury - CPI Inflation Index Bond	0.250	1/15/25	153,240	150,307
U.S. Treasury - CPI Inflation Index Bond	0.625	1/15/24	139,383	141,757
U.S. Treasury - CPI Inflation Index Bond	0.125	1/15/23	136,718	134,304
U.S. Treasury - CPI Inflation Index Bond	0.125	4/15/19	131,539	133,244
U.S. Treasury - CPI Inflation Index Bond	0.375	7/15/23	130,172	130,640
U.S. Treasury - CPI Inflation Index Bond	0.125	7/15/22	128,558	127,583
U.S. Treasury - CPI Inflation Index Bond	1.125	1/15/21	112,380	118,868

[1] *A complete list of portfolio holdings is available upon request.*

Top Ten Brokers' Commission Fees
Fiscal Year Ended June 30, 2015

(dollars in thousands)

Broker		Amount Paid in Fees
Morgan Stanley & Co. Inc.	$	559
Goldman Sachs & Co.		408
Jefferies & Co. Inc., New York		395
Instinet Europe Limited, London		378
Newedge USA LLC		370
Credit Suisse, New York		151
UBS Securities LLC		131
Merrill Lynch International		109
UBS Warburg, London		95
Merrill Lynch Pierce Fenner Smith		70
Top Ten Brokers' Commission Fees		2,666
Other Brokers		2,081
Total Brokers' Commission Fees	**$**	**4,747**

Investment Management Fees
Fiscal Year Ended June 30, 2015

(dollars in thousands)

	Investment Management Fees
Consolidated Defined Benefit Assets	
Public Equity	$ 19,603
Private Equity	45,954
Fixed Income – Ex Inflation-Linked	9,818
Fixed Income – Inflation-Linked	8,530
Commodities	7,746
Real Estate	14,838
Absolute Return	59,294
Risk Parity	7,410
Total Consolidated Defined Benefit Assets	173,193
Special Death Benefit Fund Assets	20
Annuity Savings Account Assets	4,460
Total Investment Management Fees	**$ 177,673**

Fiscal Year Ended June 30, 2015

Consolidated Defined Benefit Assets

Custodian

Bank of New York Mellon

Consultants

Aksia (Absolute Return)
Mercer (Real Estate)
Verus (General: Defined Benefit)
Torrey Cove (Private Equity)

Public Equity

Altrinsic Global Advisors, LLC
Arrowstreet Capital, LP
Artisan Partners Limited Partnership
Baillie Gifford & Company
BlackRock Institutional Trust
Jackson Square Partners
Disciplined Growth Investors
Leading Edge Investment Advisors
Rhumbline Advisers
Schroders
Times Square Capital Management, LLC

Private Equity

A.M. Pappas & Associates, LLC
ABRY Partners
Accel Partners
Accent Equity Partners AB
Actis Capital LLP
Advanced Technology Ventures
Advent International Corporation
Aisling Capital
Alpinvest
American Securities Capital Partners, L.P.
AnaCap Financial Partners LLP
Apax Partners
Apollo Advisors
ARCH Venture Partners
Ares Commercial Real Estate Corporation
Austin Ventures
Avenue
Bain Capital
Baring Private Equity Asia Limited
Bay Partners
Bertram Capital
Black Diamond Capital Management, LLC
Brentwood Associates
Caltius Mezzanine
Candover Partners, Ltd.
Cardinal Partners
Carlye Solutions Group
Catterton Partners
Centerfield Capital Partners
Century Park Capital Partners
Cerberus Capital Management, LLC
Charterhouse Group International, Inc.
CID Capital
Cinven
Clarity China
Close Brothers Private Equity, Ltd.
Code Hennessy & Simmons LLC
Coller Investment Management
Columbia Capital LLC
Court Square Capital Partners
Crescent Capital Partners
Crestview Capital Funds
CVC Capital Partners
Doll Capital Management
Elevation Associates, L.P.
EnCap Investments
Energy Capital Partners
Enhanced Capital Partners
Escalate Capital Partners
Falcon Strategic Partners
First Reserve Corporation
Forbion Capital Partners
Fortress Investment Group LLC
Gilde Buy Out Partners
Globespan Capital Partners
Green Equity Partners
GSO Capital Partners
GTCR LLC
H2 Equity Partners BV
Hammond Kennedy Whitney & Co
Hellman & Friedman LLC
Herkules Capital

Fiscal Year Ended June 30, 2015

Consolidated Defined Benefit Assets

Private Equity, cont.

High Road Capital Partners
Horsley Bridge
Insight Venture Partners
Institutional Venture Management, LLC
JFM Management Inc.
Khosla Ventures
KPS Special Situations Funds
Landmark Partners, Inc.
Lehman Brothers
Lexington Partners, L.P.
Lightyear Capital LLC
Lindsay Goldberg
Lion Capital
MBK Partners, GP, L.P.
Merit Capital Partners
Mill Road Capital
Neuberger Berman
New Enterprise Associates
New Mountain Capital, LLC
NGP Energy Capital Management
Oak Hill Advisors, L.P.
Oak Hill Capital Management, LLC
Oak Investment Partners
Oaktree Capital Management, LLC
Opus Capital
Panda Power Generation Infrastructure Fund, GP
PCP Managers,LLC
Peninsula Capital Partners L.L.C.
Permira Holdings Limited
Platinum Equity, LLC
Resolute Fund Partners, LLC
Rho Capital Partners, Inc.
RJD Partners Limited
SAIF Partners
Sankaty Advisors
Scale Management
Silver Cup
Silver Lake Partners, LLC
StepStone
Sun Capital Partners, Inc.
TA Associates
TCW/Crescent Mezzanine V
Technology Crossover Ventures
Terra Firma Capital Partners
The Blackstone Group
TowerBrook Investors GP
TP Management LLC
TPG Capital
Trilantic
Trinity Ventures
Triton
True Ventures
TSG6 Management, LLC
Veritas Capital
Veronis Suhler Stevenson
Vestar Capital Partners
Vintage Investment Partners
Vision Capital LLP
Vista Equity Partners
Walden Group of Venture Capital Funds
Warburg, Pincus LLC
Wayzata Investment Partners, LLC
Weston Presidio Capital Management
White Deer Management LLC
Windjammer Capital Investors
WL Ross & Company, LLC
Xenon Private Equity
York Capital Management

Fixed Income – Ex Inflation-Linked

Goldman Sachs Asset Management, LP
Income Research + Management
Oak Hill Advisors, LP
Oak Tree Capital Management, LP
Pacific Investment Management Company (PIMCO)
Reams Asset Management
Stone Harbor
TCW
Northern Trust Global Investments
Wellington

Fiscal Year Ended June 30, 2015

Consolidated Defined Benefit Assets

Fixed Income – Inflation-Linked

BlackRock Financial Management
Bridgewater Associates, Inc.
Northern Trust Global Investments

Commodities

CoreCommodity Management
Goldman Sachs Asset Management, LP
Gresham Investment Management, LLC

Real Estate

Abacus Capital Group, LLC
Blackstone Real Estate Partners
Colony Capital, LLC
Exeter Property Group, LLC
Greenfield Partners, LLC
H/2 Capital Partners
Harrison Street Real Estate Capital, LLC
House Investments
JDM Partners
LaSalle Investment Management
Lone Star Funds
Mesa West Capital
Prima Capital Advisors, LLC
Stockbridge Capital Group
TA Realty Associates
Walton Street Capital, LLC
WestRiver Capital, LLC

Absolute Return

AQR Capital Management
Aeolus Capital Management
Black River Asset Management
Blackstone Alternative Asset Management (BAAM)
Blackstone Tactical Opportunities Advisors
Brevan Howard Asset Management
Bridgewater Associates, Inc.
Davidson Kempner Capital Management
D.E. Shaw Multi-Asset Manager
Emerging Sovereign Group
Highfields Capital Management
Ionic Capital Management
Kepos Capital
King Street Capital Management
MKP Capital Management
Nephila Capital
Oceanwood
Oxford Asset Management
Pacific Alternative Asset Management Company (PAAMCO)
Perella Weinberg Partners
Pharo Global Advisors
Tilden Park Associates
Two Sigma Advisers

Risk Parity

AQR Capital Management
Bridgewater Associates, Inc
First Quadrant

Fiscal Year Ended June 30, 2015

Annuity Savings Account & Legislators' Defined Contribution Plan Assets

Public Employees' Retirement Fund (PERF)

Teachers' Retirement Fund Pre-1996 Account (TRF Pre-1996)

Teachers' Retirement Fund 1996 Account (TRF 1996)

Legislators' Defined Contribution Plan (LEDC Plan)

Consultant

Cap Cities (General: Defined Contribution)

Large Cap Equity Index Fund

BlackRock Institutional Trust

Small/Mid Cap Equity Fund

Artisan Partners Limited Partnership
Rhumbline Advisers
Times Square Capital Management, LLC

International Equity Fund

Altrinsic Global Advisors, LLC
Arrowstreet Capital, LP
Baillie Gifford & Company
BlackRock Institutional Trust

Fixed Income Fund

Loomis Sayles & Company
Northern Trust Global Investments
Pacific Investment Management Company (PIMCO)

Inflation-Linked Fixed Income Fund

BlackRock Institutional Trust

Money Market Fund

Bank of New York Mellon

Guaranteed Fund

Logan Circle
Reams Asset Management
State Street Global Advisors

Stable Value Fund (PERF ASA Only & Legislators' Plans only)

Galliard Capital Management

Pension Relief Fund

Bank of New York Mellon

Special Death Funds

PNC Institutional Investments

Indiana Public Retirement System

INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2015

Actuarial Section

Introduction

Prior to July 1, 2011, the Defined Benefit retirement plans for public employees in the State of Indiana were administered by independent instrumentalities governed by separate boards of appointed trustees, including the Public Employees' Retirement Fund and the Indiana State Teachers' Retirement Fund. Legislation adopted in 2010 called for a consolidation of these entities, which began with the appointment of a joint Executive Director in May 2010, and resulted in the creation of the Indiana Public Retirement System (INPRS) effective July 1, 2011.

The funding methods used for the Defined Benefit retirement plans administered by INPRS are not governed by and do not conform to GASB Statement No. 67, so the actuaries prepare two actuarial valuations for each of the pension plans. One is an actuarial valuation used for financial reporting purposes that conforms to GASB Statement No. 67 as disclosed in the Financial Section. The second is an actuarial valuation used for funding purposes as disclosed in the Actuarial Section, which follows generally accepted actuarial principles and practice and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. The actuarial methods and assumptions used to prepare the two actuarial valuations are nearly identical, with the primary difference being the method of valuation of the pension assets. For financial reporting purposes, the market value of the assets is used as of the fiscal year end. For funding purposes, a four (4) year smoothing of the gains or losses on the market value of assets is used for each year. Therefore, the amounts presented in the Actuarial Section may differ from the amounts presented for financial reporting purposes in the Financial Section.

There are two (2) actuaries providing the actuarial services for the eight (8) Defined Benefit retirement plans administered by INPRS as summarized below:

PricewaterhouseCoopers LLP

- Public Employees' Retirement Fund
- 1977 Police Officers' and Firefighters' Pension and Disability Fund
- Judges' Retirement System
- State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan
- Prosecuting Attorneys' Retirement Fund
- Legislators' Defined Benefit Plan

Nyhart

- Teachers' Retirement Fund Pre–1996 Account
- Teachers' Retirement Fund 1996 Account

Accordingly, the INPRS FY2015 CAFR Actuarial Section includes an Actuary Certification Letter from each actuary for the actuarial valuations prepared as of June 30, 2015.

pwc

October 29, 2015

Board of Trustees
Indiana Public Retirement System
1 North Capitol, Suite 001
Indianapolis, IN 46204

Re: Certification of the Actuarial Valuations of the Indiana Public Retirement System as of June 30, 2015

Dear Board of Trustees:

Actuarial valuations are performed annually for the Indiana Public Retirement System ("INPRS") defined benefit pension plans ("Plans"). The results of the June 30, 2015 actuarial valuations for all plans other than the Teachers' Retirement Fund are presented in individual valuation reports pursuant to the engagement letter between INPRS and PricewaterhouseCoopers LLP ("PwC"), originally executed on June 7, 2010, as amended through the date of this report. The reports are intended to provide the Board of Trustees ("Board") with information on the funded status of the Plans, development of the contribution rates, and certain financial statement disclosure information.

Under Indiana statutes, employer contribution rates and amounts, as applicable, are adopted annually for each Plan by the Board. The contributions are actuarially determined based on the funding policy, actuarial assumptions, and actuarial methods adopted by the Board. Contributions determined by the actuarial valuation become effective either twelve or eighteen months after the valuation date, depending on the applicable employer. Therefore, contribution rates and amounts determined by the June 30, 2015 actuarial valuation and adopted by the Board will become effective on either July 1, 2016 or January 1, 2017. If new legislation is enacted between the valuation date and the date the contributions become effective, the Board may adjust the recommended contributions before adopting them, in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

Financing Objectives and Funding Policy

In setting contribution levels, the Board's principal objectives have been:

- To set contributions such that the unfunded actuarial accrued liability ("UAAL") will be amortized over a period not greater than 30 years.
- To set contributions such that they remain relatively level over time.

To accomplish this, the Board's funding policy requires that employer contributions be equal to the sum of the employer normal cost (which pays the current year cost of benefits accruing) and an amortization of the UAAL in equal installments.

Progress Toward Realization of Financing Objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a Plan's funded status. In the absence of benefit improvements it should increase over time, until it reaches 100% if contributions equal or exceed the actuarially determined amount. The combined funded ratio for all Plans (excluding the Teachers' Retirement Fund) decreased by 2.7% from the preceding year to 84.3%, primarily due to changes in the actuarial assumptions pursuant to the experience study completed in April 2015, investment returns being less than the 6.75% assumed, and other adverse member experience.

Benefit Provisions

The benefit provisions reflected in the valuation reports are those which were in effect at June 30, 2015, as set forth in the related Indiana statutes. There were no material changes in benefit provisions since the 2014 valuations.

Assets and Member Data

The valuations were based on asset values of the trust funds as of June 30, 2015 and member census data as of June 30, 2014, adjusted for certain activity during fiscal year 2015. All asset information and member data were provided by INPRS. While certain checks for reasonableness were performed, the data was used unaudited. The accuracy of the results presented in the reports is dependent upon the accuracy and completeness of the underlying asset and census information.

pwc

Actuarial Assumptions and Methods
The actuarial assumptions used in the June 30, 2015 valuations were adopted by the Board pursuant to the experience studies completed in April 2015, which reflected the experience period from July 1, 2010 through June 30, 2014. The June 30, 2015 valuations incorporate member census data as of June 30, 2014, adjusted for certain activity during fiscal year 2015. Standard actuarial techniques were used to roll forward valuation results over one year.

The actuarial assumptions and methods are summarized in the Actuarial Assumptions and Methods section of each valuation report. We believe the actuarial assumptions and methods are reasonable for the purposes of the valuation reports and comply with the parameters set forth in Statements No. 67 and No. 68 of the Governmental Accounting Standards Board ("GASB"). Different assumptions and methods may be reasonable for other purposes. As such, the results presented in the valuation reports should only be relied upon for the intended purpose.

Certification
We certify that the information presented herein is accurate and fairly portrays the actuarial position of each Plan administered by INPRS (other than the Teachers' Retirement Fund) as of June 30, 2015, based on the underlying census data, asset information and selected assumptions and methods. This information is presented in several schedules and exhibits in this report, including the following:

Financial Section:
- Note 1 - Tables of Plan Membership (Included in the Historical Summary)
- Note 8 - Net Pension Liability and Actuarial Information - Defined Benefit Plans (Included in the Accounting Section)
- Schedule of Changes in Net Pension Liability and Plan Fiduciary Net Position
- Schedule of Contributions (Actuarially Determined Contribution)
- Schedule of Notes to Required Supplementary Information

Actuarial Section:
- Summary of INPRS Funded Status (Included in the Historical Summary)
- Historical Summary of Actuarial Valuation Results by Retirement Plan (Schedule of Funding Progress Included in the Historical Summary)
- Summary of Actuarial Assumptions, Methods and Plan Provisions
- Analysis of Financial Experience (Included in the Unfunded Actuarial Accrued Liability Reconciliation)
- Solvency Test (Included in the Historical Summary)
- Schedule of Active Member Valuation Data
- Schedule of Retirants and Beneficiaries

Statistical Section:
- Membership Data Summary (Included in the Historical Summary)
- Ratio of Active Members to Annuitants (Census Counts Included in the Historical Summary)
- Schedule of Benefit Recipients by Type of Benefit Option
- Schedule of Average Benefit Payments

This report contains certain accounting information required to be included in the System's Comprehensive Annual Financial Report. This information for the system has been prepared in accordance with our understanding of GASB No.67. This report also contains employer accounting information prepared in accordance with our understanding of GASB No. 68.

To the best of our knowledge this actuarial statement is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and practice and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with our understanding of the requirements of Indiana state law. The undersigned actuaries are members of the Society of Actuaries and other professional organizations, including the American Academy of Actuaries, and meet the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States relating to pension plans. There is no relationship between the PwC practitioners involved in this engagement and INPRS that may impair our objectivity.

pwc

This document has been prepared pursuant to an engagement letter between INPRS and PwC, and is intended solely for the use and benefits of INPRS and not for reliance by any other person.

Respectfully submitted,

Cindy Fraterrigo	Brandon A. Robertson
Ms. Cindy Fraterrigo Member, American Academy of Actuaries Fellow of the Society of Actuaries Enrolled Actuary (No. 14-06229)	Mr. Brandon Robertson Member, American Academy of Actuaries Associate of the Society of Actuaries Enrolled Actuary (No. 14-07568)

The content of this document is limited to the matters specifically addressed herein and does not address any other potential tax consequences, or the potential application of tax penalties, to any matter other than as set forth herein. Our conclusions are not binding upon any taxing authority or the courts and there is no assurance that any relevant taxing authority will not successfully assert a contrary position. In addition, no exceptions (including the reasonable cause exception) are available for any federal or state penalties imposed if any portion of a transaction is determined to lack economic substance or fails to satisfy any similar rule of law, and our advice will not protect you from any such penalties. This document supersedes all prior written or oral advice with respect to the issues addressed in this document and all such prior communications should not be relied upon by any person for any purpose.

November 1, 2015

The Board of Trustees
Indiana Public Retirement System
Indianapolis, IN

Dear Board Members:

An actuarial valuation is prepared annually for the Indiana State Teachers' Retirement Fund. Submitted in this report are the results of the June 30, 2015 actuarial valuation.

Census Data and Asset Information

The member census data and the asset information for this valuation were furnished by the Chief Financial Officer and Staff. Their efforts and cooperation in furnishing these materials are acknowledged with appreciation. We did not audit the information provided, but we did review it thoroughly for reasonableness and compared it with the prior year's submission for consistency.

Assumptions and Methods

The majority of the actuarial assumptions used in the June 30, 2015 valuation were adopted by the Board pursuant to the Experience Study completed in April 2015, which reflects the experience period from July 1, 2011 to June 30, 2014. The Board also adopted a change to the mortality basis effective with the June 30, 2015 valuation, and confirmed the 6.75% interest rate in use since 2012. Assumptions are summarized in the Assumptions and Methods section of this report. These assumptions and methods have been used to develop the Actuarially Determined Contribution and are consistent with the accounting requirements detailed in GASB Statements No. 67 and No. 68.

Benefit obligations in the June 30, 2015 valuation are determined using June 30, 2014 census data and rolled-forward to the June 30, 2015 measurement date at the valuation interest rate, using actual distributions and ASA account returns during that period. We are not aware of any material events that would require additional adjustments to the benefit obligations for changes to the population not anticipated in the demographic assumptions used in the valuation.

Funding Objectives

The Indiana State Teachers' Retirement Fund Pre-1996 Account is funded on a pay-as-you-go basis from the State of Indiana.

The funding objective of the Indiana State Teachers' Retirement Fund 1996 Account is to establish and receive contributions that, when invested at the assumed rate of return, will ultimately accumulate assets over each member's working lifetime that will be sufficient to pay expected retirement allowances. As such, an employer contribution rate is calculated each year. That rate is then considered in conjunction with the goal of maintaining a relatively stable contribution over time.

Fund Structure

The Indiana State Teachers' Retirement Fund (TRF) is one fund comprised of a two-account structure in compliance with Indiana Code Section 5-10.4-2-2.

The Pre-1996 Account consists of members who were hired prior to July 1, 1995, and who have maintained continuous employment with the same school corporation or covered institution since that date.

Characteristics of the Pre-1996 Account

1. Active membership in the Pre-1996 Account continues to decline as members quit, become disabled, die, or retire.

2. The Defined Benefits from the Pre-1996 Account are funded by State appropriations (including contributions of some revenue from the State Lottery). At the time of retirement, Annuity Savings Account (ASA) benefits payable from the Pre-1996 Account are funded by the annuitization of Pre-1996 Account member contributions.

The 1996 Account consists of members who were:

1. hired on or after July 1, 1995; or
2. hired before July 1, 1995, and prior to June 30, 2005:
    a. were either hired by another school corporation or institution covered by TRF, or
    b. were re-hired by a covered prior employer.

Characteristics of the 1996 Account

1. As members depart from active service in the Pre-1996 Account, their replacements will become members of the 1996 Account. If the 1996 Account were a stand-alone plan, this pattern of departures and hirings would produce a fairly constant population size.

2. Defined Benefits payable from the 1996 Account are funded by contributions from local school corporations or other institutions that employ covered members. At the time of retirement, ASA benefits payable from the 1996 Account are funded by the annuitization of 1996 Account member contributions.

Funding Arrangements

Prior to the legislation that established the two-account structure of TRF, the Defined Benefits of the Indiana State Teachers' Retirement Fund were funded with a pay-as-you-go method. Under this arrangement, amounts were appropriated to meet the current year's pension payment requirements. Defined Benefits payable from the Pre-1996 Account continue to be funded on this basis. In 1995, the Pension Stabilization Fund was set up for the Pre-1996 Account. Since then, some pre-funding progress has been made via State appropriations to this account.

Defined Benefits payable from the 1996 Account are funded through employer percent-of-pay contributions. The Board of the Indiana Public Retirement System sets this contribution rate after reviewing the most recent actuarial valuation report. The contribution rate of 7.50% for fiscal year 2016 was set by the Board in fiscal year 2015. The contribution rate of 7.50% for fiscal year 2017 was set by the Board in fiscal year 2016.

Progress Towards Realization of Financing Objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a Plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%.

The funded ratio of the Pre-1996 Account (pay-as-you-go) decreased to 30.4% from 32.8% for the preceding year. Based on the actuarial assumptions, it is anticipated that the Pre-1996 Account will attain 100% funded status on 6/30/2039.

The funded ratio of the 1996 Account decreased to 92.5% from 96.1% for the preceding year. Based on the actuarial assumptions, it is anticipated that the 1996 Account will attain 100% funded status on 6/30/2026.

Certification
We have included several schedules and exhibits in this report, including the following:

Financial Section
- Note 1 – Tables of Plan Membership
- Note 8 – Net Pension Liability and Actuarial Information – Defined Benefit Plans
- Schedule of Changes in Net Pension Liability and Net Pension Liability
- Schedule of Contributions (Actuarially Determined Contribution)
- Schedule of Notes to Required Supplementary Information

Actuarial Section
- Summary of INPRS Funded Status
- Historical Summary of Actuarial Valuation Results by Retirement Plan (Schedule of Funding Progress)
- Summary of Actuarial Assumptions, Methods and Plan Provisions
- Analysis of Financial Experience (Unfunded Actuarial Accrued Liability Reconciliation)
- Solvency Test
- Schedule of Active Member Valuation Data
- Schedule of Retirants and Beneficiaries

Statistical Section
- Membership Data Summary
- Ratio of Active Members to Annuitants
- Schedule of Benefit Recipients by Type of Benefit Option
- Schedule of Average Benefit Payments

To the best of our knowledge, this report presents a fair position of the funded status of the plan in accordance with the Actuarial Standards of Practice as described by the American Academy of Actuaries. In addition, information has been prepared in accordance with applicable government standards of financial reporting for defined benefit pension plans.

The actuarial valuation is prepared using information which has been reconciled and reviewed for reasonableness. We are not aware of any material inadequacy in employee census or asset values. The census information and the asset information have been provided to us by the Chief Financial Officer and Staff. We have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based.

In our opinion, the actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan.

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

Respectfully submitted,

Matt Sherertz

Michael Zurek, EA, MAAA

Matt Sherertz, ASA, EA

Tayt V. Odom, FSA, EA, MAAA

Summary of Funded Status

(dollars in millions)

	Actuarial Valuation as of June 30, 2015				Actuarial Valuation as of June 30, 2014			
Pre-Funded Defined Benefit Retirement Plans	**Actuarial Accrued Liability**	**Actuarial Value of Assets**	**Unfunded Actuarial Accrued Liability[1]**	**Actuarial Funded Status**	**Actuarial Accrued Liability**	**Actuarial Value of Assets**	**Unfunded Actuarial Accrued Liability[1]**	**Actuarial Funded Status**
Public Employees' Retirement Fund	$ 17,980.6	$ 14,131.9	$ 3,848.7	78.6%	$ 16,732.2	$ 13,791.3	$ 2,940.9	82.4%
Teachers' Retirement Fund 1996 Account	5,905.7	5,461.2	444.5	92.5	5,237.0	5,035.2	201.8	96.1
1977 Police Officers' and Firefighters' Pension and Disability Fund	4,680.7	4,939.3	(258.6)	105.5	4,707.0	4,625.5	81.5	98.3
Judges' Retirement System	468.9	447.5	21.4	95.4	464.9	419.6	45.3	90.3
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	132.8	112.8	20.0	84.9	123.6	107.6	16.0	87.0
Prosecuting Attorneys' Retirement Fund	77.9	54.9	23.0	70.4	65.3	52.9	12.4	81.0
Legislators' Defined Benefit Plan	4.3	3.3	1.0	77.1	4.2	3.5	0.7	83.1
Total Pre-Funded Defined Benefit Retirement Plans	$ 29,250.9	$ 25,150.9	$ 4,100.0	86.0%	$ 27,334.2	$ 24,035.6	$ 3,298.6	87.9%
Pay-As-You-Go Defined Benefit Retirement Plan								
Teachers' Retirement Fund Pre-1996 Account	17,017.7	5,171.6	11,846.1	30.4	16,355.2	5,358.3	10,996.9	32.8
Total Defined Benefit Retirement Plans	$ 46,268.6	$ 30,322.5	$ 15,946.1	65.5%	$ 43,689.4	$ 29,393.9	$ 14,295.5	67.3%

[1] *The Unfunded Liability is calculated using the Actuarial Value of Assets (AVA), which is different from the Net Pension Liability in the Financial Section that uses the Plan Fiduciary Net Position, also known as the Market Value of Assets (MVA).*

Analysis of Financial Experience

(dollars in thousands)

		(Gain) / Loss					
Defined Benefit Retirement Plans	**June 30, 2014 UAAL[1]**	**Actuarial Value of Assets Experience**	**Actuarial Accrued Liabilities Experience[2]**	**Amortization of Existing Bases**	**Actuarial Assumption & Methodology Changes[3]**	**Plan Provision Changes**	**June 30, 2015 UAAL[1]**
Public Employees' Retirement Fund	$ 2,940,962	$ 217,686	$ 247,978	$ (46,295)	$ 488,354	$ -	$ 3,848,685
Teachers' Retirement Fund Pre-1996 Account	10,996,865	32,776	(140,466)	(76,225)	1,033,157	-	11,846,107
Teachers' Retirement Fund 1996 Account	201,762	36,284	(40,857)	(16,661)	263,991	-	444,519
1977 Police Officers' and Firefighters' Pension and Disability Fund	81,522	33,100	(61,640)	(1,817)	(309,801)	-	(258,636)
Judges' Retirement System	45,287	644	8,411	(986)	(31,926)	-	21,430
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	16,037	775	846	(296)	2,669	-	20,031
Prosecuting Attorneys' Retirement Fund	12,400	1,045	4,551	(200)	5,216	-	23,012
Legislators' Defined Benefit Plan	706	63	(70)	(33)	325	-	991
Total INPRS	**$ 14,295,541**	**$ 322,373**	**$ 18,753**	**$ (142,513)**	**$ 1,451,985**	**$ -**	**$ 15,946,139**

[1] UAAL: Unfunded Actuarial Accrued Liabilities

[2] Actuarial Accrued Liabilities Experience represents actual experience versus expected experience of the actuarial census assumptions. A significant assumption is the Cost-of-Living Adjustment (COLA):

- *For PERF, TRF Pre-1996, TRF 1996, and EG&C, a one-time payment (i.e., 13th Check) for benefit recipients by October 1, 2015, rather than the assumed COLA of 1.00 percent.*
- *For 1977 Fund, no COLA for benefit recipients effective July 1, 2015, rather than the assumed COLA of 2.25 percent.*
- *For JRS, a 2.20 percent COLA for benefit recipients effective July 1, 2015, rather than the assumed COLA of 4.00 percent.*
- *For the LEDB Plan, no COLA for benefit recipients effective January 1, 2016, rather than the assumed COLA of 1.00 percent.*

[3] The mortality, retirement, termination, dependent, COLA, salary scale and other assumptions were updated pursuant to an experience study completed in April 2015.

Ten-Year Schedule of Participating Employers

Fiscal Year	Total[1]	PERF	TRF[2] (Consolidated)	TRF Pre-1996[2]	TRF 1996[2]	1977	JRS	EG&C	PARF	LEDB
2006[3]	1,691	1,169	358	N/A	N/A	160	1	1	1	1
2007[3]	1,663	1,138	360	N/A	N/A	161	1	1	1	1
2008	1,207	1,167	361	N/A	N/A	158	1	1	1	1
2009	1,220	1,179	360	N/A	N/A	160	1	1	1	1
2010	1,230	1,180	367	N/A	N/A	164	1	1	1	1
2011	1,182	1,132	369	N/A	N/A	166	1	1	1	1
2012[4]	1,170	1,122	364	N/A	N/A	162	1	1	1	1
2013[4]	1,171	1,121	365	N/A	N/A	161	1	1	1	1
2014	1,175	1,126	N/A	340	363	162	1	1	1	1
2015	1,212	1,167	N/A	339	360	165	1	1	1	1

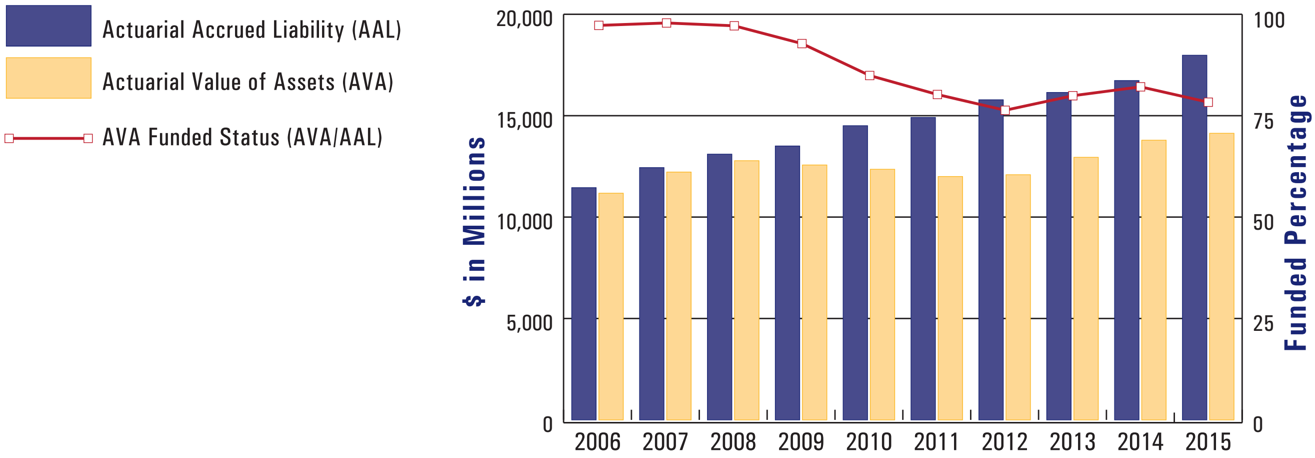
[1] *Sum of individual employers by retirement plan does not equal total employers, since one (1) employer may participate in multiple retirement plans.*

[2] *Prior to Fiscal Year 2013 participating employers for TRF were not split between the TRF Pre-1996 Account and the TRF 1996 Account.*

[3] *The total is the sum of each of the plans, so employers are duplicated if they participate in more than one plan.*

[4] *The total was adjusted to treat the State and its component units as one employer.*

Historical Summary of Actuarial Valuation Results



(dollars in millions)

Actuarial Valuation as of June 30	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability[1] (AAL – AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll[2]	Unfunded Liability[1] as a percentage of Covered Employee Payroll
2006	$ 11,450.9	$ 11,178.0	$ 272.9	97.6%	$ 4,600.0	5.9%
2007	12,439.8	12,220.9	218.9	98.2	4,325.0	5.1
2008	13,103.2	12,780.1	323.1	97.5	4,550.0	7.1
2009	13,506.2	12,569.3	936.9	93.1	4,850.0	19.3
2010	14,506.1	12,357.2	2,148.9	85.2	4,800.0	44.8
2011	14,913.1	12,000.6	2,912.5	80.5	4,500.0	64.7
2012	15,784.2	12,088.2	3,696.0	76.6	4,550.0	81.2
2013	16,145.7	12,947.3	3,198.4	80.2	4,700.0	68.1
2014	16,732.2	13,791.3	2,940.9	82.4	4,896.6	60.1
2015	17,980.6	14,131.9	3,848.7	78.6	4,804.1	80.1

[1] *The Unfunded Liability is calculated using the Actuarial Value of Assets (AVA), which is different than Net Pension Liability in the Financial Section that uses the Plan Fiduciary Net Position, also known as the Market Value of Assets (MVA).*

[2] *Covered Employee Payroll can also be found in the RSI Contribution Schedule in the Financial Section.*

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2015 valuation of the Public Employees' Retirement Fund were adopted by the INPRS Board in April 2015. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2010 through June 30, 2014, and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and updated the policy in October 2015 to address over funded plans.

Changes in Actuarial Assumptions

The inflation assumption changed from 3.00% to 2.25% per year.

The future salary increase assumption changed from an age-based table ranging from 3.25% to 4.50% to an age-based table ranging from 2.50% to 4.25%.

The mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report.

The retirement assumption was updated based on recent experience. Additionally, for actives who are eligible for early retirement (reduced benefit), 33% are assumed to commence benefits immediately and 67% are assumed to commence benefits at unreduced retirement eligibility. 100% of actives were assumed to commence benefits immediately upon early retirement eligibility in the prior year.

The termination assumption was updated based on recent experience. For members earning less than $20,000, the tables were updated from a select and ultimate table to just an ultimate table as there is little correlation with service. For members earning more than $20,000, the tables were updated from using a 5-year select period to a 10-year select period to correspond with the vesting schedule.

The disability assumption was updated based on recent experience.

The ASA Annuitization assumption was updated from 50% of members assumed to annuitize their ASA balance to 60% of members assumed to annuitize their ASA balance prior to January 1, 2017.

Changes in Actuarial Methods

There were no method changes for the June 30, 2015 valuation.

Changes in Plan Provisions

There were no changes to the plan provisions that impacted the pension benefits during the fiscal year.

Actuarial Assumptions

Except as noted below, actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting.

Economic Assumptions

Interest Rate / Investment Return:

Funding	6.75 percent (net of administrative and investment expenses)
Accounting & Financial Reporting	6.75 percent (net of investment expenses)
Cost of Living Increases:	1.00 percent per year in retirement
Future Salary Increases:	Based on 2010-2014 experience. Illustrative rates shown below:

Age	Inflation	Productivity, Merit, and Promotion	Total Individual Salary Growth
< 31	2.25%	2.00%	4.25%
31-45	2.25	1.50	3.75
46-55	2.25	1.00	3.25
56-60	2.25	0.50	2.75
> = 61	2.25	0.25	2.50

Inflation: 2.25 percent per year

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Demographic Assumptions: Based on 2010-2014 Experience

Mortality (Healthy and Disabled):	RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report.

Retirement:

	Years of Service						
Age	10-14	15-25	26	27	28	29	30+
50-54	- %	4 %	4 %	4 %	4 %	4 %	4 %
55	-	5	5	5	5	5	14
56	-	5	5	5	5	14	10
57	-	5	5	5	14	10	10
58	-	5	5	14	10	10	10
59	-	5	14	10	10	10	10
60	-	12	12	12	12	12	12
61	-	16	16	16	16	16	16
62	-	22	22	22	22	22	22
63	-	19	19	19	19	19	19
64	-	24	24	24	24	24	24
65-74	30	30	30	30	30	30	30
75+	100	100	100	100	100	100	100

Benefit Commencement Timing:

Active Members	If eligible for a reduced early retirement benefit upon termination from employment, 33% commence immediately and 67% defer to earliest unreduced retirement age. If eligible for an unreduced retirement benefit upon termination from employment, 100% commence immediately.
Terminated Vested Members	100% defer to earliest unreduced retirement age. If currently eligible for an unreduced retirement benefit, 100% commence immediately.

Termination: Ultimate tables illustrative rates shown below:

Earnings < $20,000

State			Political Subdivision		
Age	Male	Female	Age	Male	Female
20-24	32 %	34 %	20-24	31 %	36 %
25-29	32	33	25-29	31	34
30-34	32	30	30-34	26	25
35-39	29	30	35-39	22	18
40-44	29	24	40-44	21	15
45-49	26	24	45-49	18	12
50-54	25	22	50-54	14	11
55+	22	20	55+	14	11

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

State (Male)

Earnings >= $20,000

	Years of Service										
Age	0	1	2	3	4	5	6	7	8	9	10+
20-24	23%	23%	23%	20 %	20%	17%	17%	12%	12%	7%	7%
25-29	23	23	23	19	17	17	17	12	12	7	7
30-34	22	22	19	18	16	13	13	12	7	7	7
35-39	17	17	17	17	16	10	10	9	7	6	6
40-44	17	17	14	12	12	10	9	9	7	5	5
45-49	14	14	14	10	10	10	9	7	4	4	4
50-54	14	14	9	9	9	9	9	7	4	4	4
55+	13	13	7	7	7	7	7	7	4	4	4

State (Female)

Earnings >= $20,000

	Years of Service										
Age	0	1	2	3	4	5	6	7	8	9	10+
20-24	23%	23%	23%	23%	17%	17%	13%	12%	11%	8%	8%
25-29	23	23	22	21	17	17	13	12	11	8	8
30-34	21	21	21	17	15	14	12	12	11	8	8
35-39	19	19	16	16	12	12	12	12	9	8	7
40-44	18	18	16	13	12	12	9	9	8	8	6
45-49	16	16	16	13	10	10	9	9	8	8	6
50-54	16	16	15	12	10	9	9	9	6	6	6
55+	16	16	11	11	10	9	9	9	6	6	6

Political Subdivisions (Male)

Earnings >= $20,000

	Years of Service										
Age	0	1	2	3	4	5	6	7	8	9	10+
20-24	18%	18%	18%	18%	14%	12%	11%	11%	7%	7%	5%
25-29	18	18	18	16	14	12	11	11	7	7	5
30-34	16	16	16	15	13	11	11	11	7	7	5
35-39	15	15	12	12	12	10	9	9	7	7	5
40-44	13	13	11	11	10	10	9	9	7	7	4
45-49	11	11	11	11	9	7	7	7	7	7	4
50-54	11	11	9	9	9	7	7	6	6	4	4
55+	11	11	7	7	7	7	7	5	5	4	4

Political Subdivisions (Female)

Earnings >= $20,000

	Years of Service										
Age	0	1	2	3	4	5	6	7	8	9	10+
20-24	22%	22%	19%	16%	14%	14%	11%	11%	9%	7%	7%
25-29	21	21	18	16	14	14	11	11	9	7	7
30-34	16	16	16	14	14	14	11	11	9	7	7
35-39	14	14	14	12	12	12	9	9	9	7	6
40-44	13	13	12	11	10	8	8	8	8	7	4
45-49	12	12	12	10	8	8	8	7	6	6	4
50-54	11	11	10	8	8	6	6	6	6	5	4
55+	11	11	8	8	8	6	6	6	6	4	4

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Disability:

Age	Male	Female
20	0.0067 %	0.0050 %
30	0.0208	0.0158
40	0.0646	0.0496
50	0.2005	0.1556
60	0.5815	0.3751
70	0.1000	0.1000
80	0.0000	0.0000

Spouse/Beneficiary:

75 percent of male members and 60 percent of female members are assumed to be married and or to have a dependent beneficiary. Male members are assumed to be three (3) years older than their spouses and female members are assumed to be two (2) years younger than their spouses.

ASA Withdrawal:

Prior to January 1, 2017:
- 40% of active members who decrement while vested are assumed to withdraw their ASA balance immediately upon decrement.
- 40% of vested inactive members are assumed to withdraw their ASA balance immediately on the valuation date.
- 100% of active members who decrement prior to vesting are assumed to withdraw their ASA balance immediately upon decrement.
- 100% of non-vested inactive members are assumed to withdraw their ASA balance immediately on the valuation date.

Beginning January 1, 2017:
- 100% of active members are assumed to withdraw their ASA balance immediately upon decrement.
- 100% of inactive members are assumed to withdraw their ASA balance immediately.

ASA Annuitization:

Prior to January 1, 2017:
- 60% of active members who decrement while vested are assumed to annuitize their ASA balance at their assumed retirement age.
- 60% of vested inactive members are assumed to annuitize their ASA balance at their assumed retirement age.
- Between 10/1/2014 to 9/30/2015 the conversion rate is 5.75%, and between 10/1/2015 to 12/31/2016 the conversion rate is 4.5%.

Beginning January 1, 2017, assumed INPRS entered an agreement with a third party for all ASA annuitizations.

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Actuarial Methods

Funding uses the same Actuarial Methods as accounting and financial reporting, except where noted.

Actuarial Cost Method:	Entry Age Normal – Level Percent of Payroll The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date. This method produces a cost of future benefit accruals that is a level percent of pay over time, which is more desirable for employers from a budgeting standpoint. Other actuarial cost methods are more volatile in their allocation of cost for each year of member service.
Amortization Method:	For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 30-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 30-year period. However, when the plan is at or above 100% funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities. For accounting and financial reporting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants (actives and inactives). Gains and losses occurring from investment experience different than assumed are amortized into expense over a 5-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.
Actuarial (Liability) Valuation Method:	Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.
Asset Valuation Method:	Funding uses the Actuarial Value of Assets (AVA), which is equal to a four-year smoothing of gains and losses on the Market Value of Assets (MVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the MVA. Accounting and financial reporting uses the Market Value of Assets (MVA) in accordance with GASB Statement No. 67.

Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section.

Analysis of Financial Experience

(dollars in thousands)

	UAAL
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2014	**$ 2,940,962**
UAAL (Gain) / Loss	
Actuarial Value of Assets Experience	217,686
Actuarial Accrued Liabilities Experience[1]	247,978
Amortization of Existing Bases	(46,295)
Actuarial Assumption & Methodology Changes[2]	488,354
Plan Provision Changes	-
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2015	**$ 3,848,685**

[1] *Actuarial Accrued Liabilities Experience represents actual experience versus expected experience of the actuarial census assumptions. A significant assumption is the Cost-of-Living Adjustment (COLA), which is a gain of approximately $31,659 thousand for benefit recipients being provided a one-time (13th check) by October 1, 2015, rather than the assumed COLA of 1.00 percent.*

[2] *Several Assumptions were updated pursuant to an experience study completed in April 2015.*

Solvency Test

(dollars in thousands)

	Actuarial Accrued Liabilities					**Portion of Actuarial Accrued Liabilities Covered by Assets**			
Actuarial Valuation as of June 30	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
2006	$ 2,515,984	$ 3,648,764	$ 5,286,181	$ 11,450,929	$ 11,177,971	100.0 %	100.0 %	94.8 %	97.6 %
2007	2,707,176	4,007,389	5,725,233	12,439,798	12,220,934	100.0	100.0	96.2	98.2
2008	2,694,331	4,227,366	6,181,524	13,103,221	12,780,116	100.0	100.0	94.8	97.5
2009	2,669,318	4,611,257	6,225,705	13,506,280	12,569,336	100.0	100.0	85.0	93.1
2010	2,780,570	4,931,592	6,793,890	14,506,052	12,357,199	100.0	100.0	68.4	85.2
2011	2,805,023	5,370,786	6,737,338	14,913,147	12,000,586	100.0	100.0	56.8	80.5
2012	2,749,449	5,895,779	7,139,012	15,784,240	12,088,225	100.0	100.0	48.2	76.6
2013	2,796,103	6,367,819	6,981,759	16,145,681	12,947,283	100.0	100.0	54.2	80.2
2014	2,851,501	6,250,902	7,629,820	16,732,223	13,791,261	100.0	100.0	61.5	82.4
2015	2,717,173	6,981,308	8,282,087	17,980,568	14,131,884	100.0	100.0	53.5	78.6

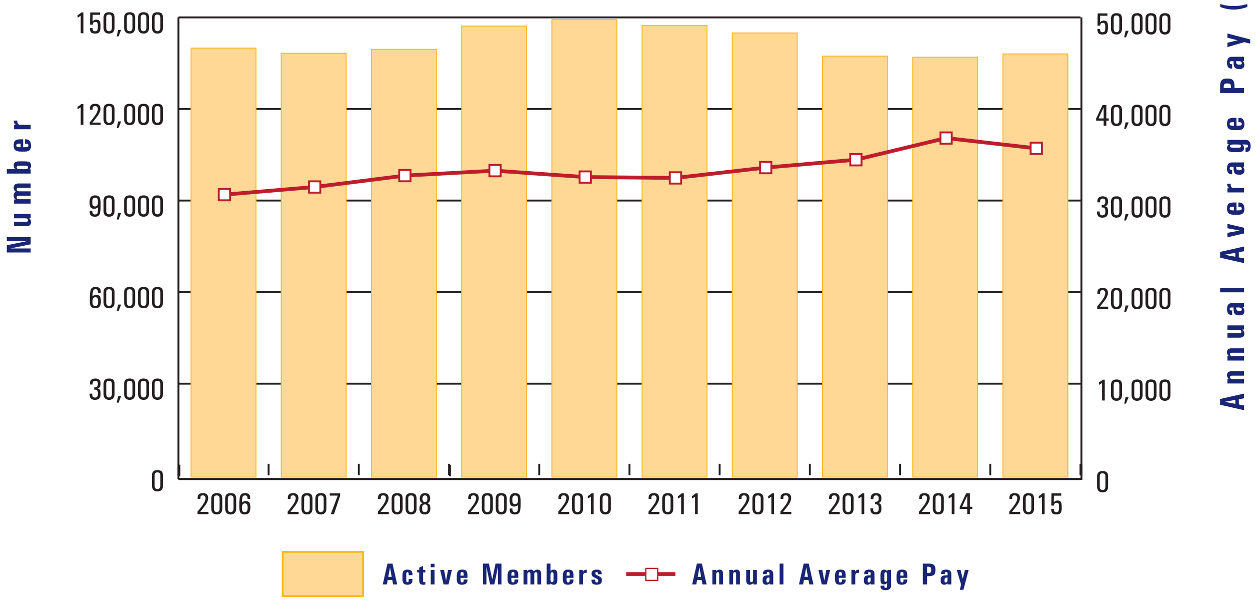
Schedule of Active Members Valuation Data

(dollars in thousands – except annual average pay)

Actuarial Valuation as of June 30	Active Members	Annual Payroll[1]	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2006	140,563	$ 4,322,180	$ 30,749	4.3%
2007	138,863	4,385,676	31,583	2.7
2008	140,146	4,600,354	32,825	3.9
2009	147,792	4,931,423	33,367	1.7
2010	149,877	4,896,013	32,667	(2.1)
2011	147,933	4,818,774	32,574	(0.3)
2012	145,519	4,904,052	33,700	3.5
2013	137,937	4,766,910	34,559	2.5
2014[2]	137,567	5,080,092	36,928	6.9
2015[2]	138,660	4,964,813	35,806	(3.0)

[1] *Figures shown are the anticipated pay for the one-year period following the valuation date.*
[2] *The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

Total Number of Active Members Per Year and Annual Average Pay



Schedule of Retirants and Beneficiaries

(dollars in thousands – except average annual benefit)

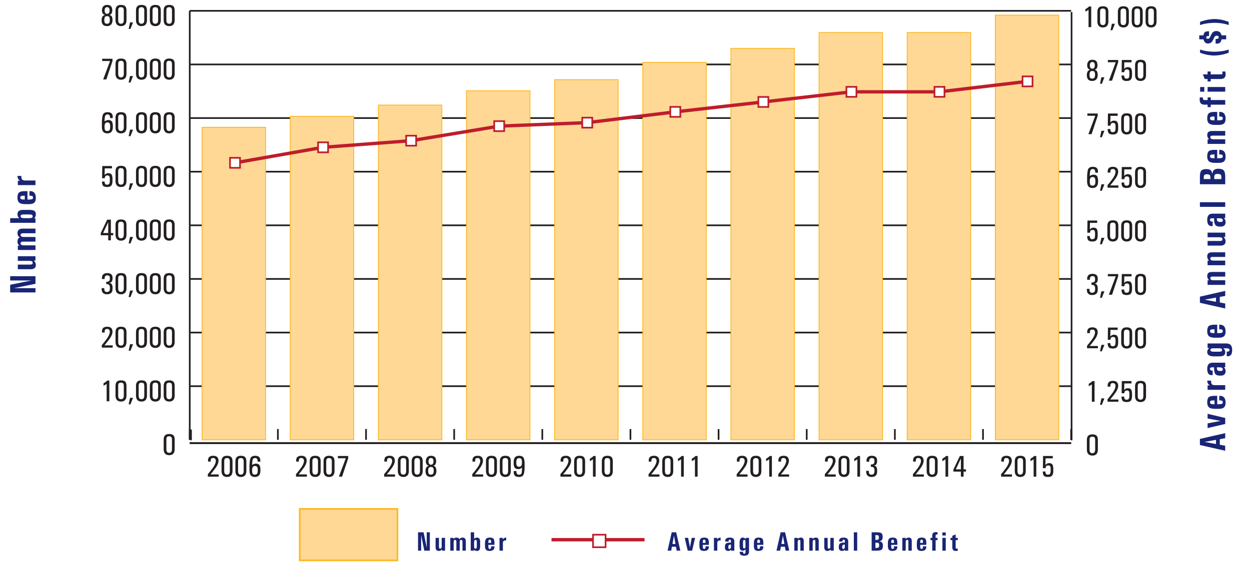
	Added to Rolls		Removed from Rolls		Rolls – End of Year				
Actuarial Valuation as of June 30	Number	Annual Benefits[1]	Number	Annual Benefits[1]	Number	Total Annual Benefits[1,2]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit[1]	Percent Increase/ (Decrease) in Average Annual Benefit
2006	3,403	$ 29,572	2,241	$ 14,440	58,283	$ 377,611	6.6%	$ 6,479	4.5%
2007	4,633	42,653	2,584	15,229	60,332	412,745	9.3	6,841	5.6
2008	5,376	43,915	3,284	18,022	62,424	436,749	5.8	6,996	2.3
2009	6,047	55,726	3,372	19,103	65,099	477,553	9.3	7,336	4.9
2010	4,827	39,214	2,760	19,022	67,166	498,199	4.3	7,417	1.1
2011	5,402	56,185	2,188	11,698	70,380	539,747	8.3	7,669	3.4
2012	4,751	49,766	2,139	12,540	72,992	576,678	6.8	7,901	3.0
2013	5,231	55,523	2,273	13,898	75,950	617,977	7.2	8,137	3.0
2014[3]	-	-	-	-	75,950	617,977	-	8,137	-
2015[3]	5,489	60,538	2,241	14,107	79,198	663,767	7.4	8,381	3.0

[1] *Annual benefits includes member annuities.*

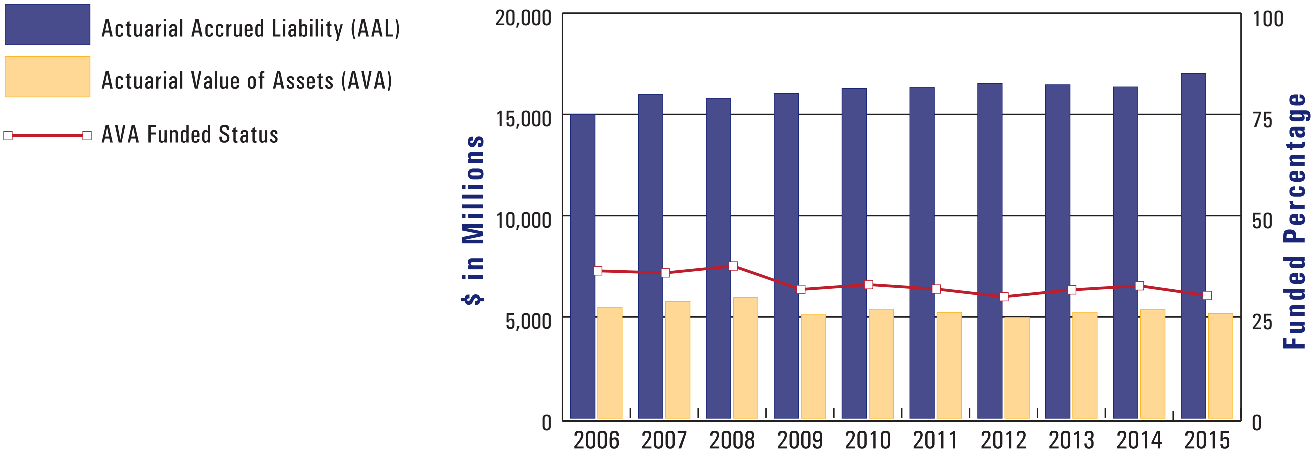
[2] *End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.*

[3] *The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



Historical Summary of Actuarial Valuation Results



(dollars in millions)

Actuarial Valuation as of June 30	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability[1] (AAL – AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll[2]	Unfunded Liability[1] as a percentage of Covered Employee Payroll
2006	$ 15,002.5	$ 5,477.2	$ 9,525.3	36.5%	$ 2,237.4	425.7%
2007	15,988.3	5,763.5	10,224.8	36.0	2,376.4	430.3
2008	15,792.3	5,954.0	9,838.3	37.7	2,295.8	428.5
2009	16,027.1	5,109.1	10,918.0	31.9	2,030.5	537.7
2010	16,282.1	5,382.4	10,899.7	33.1	1,865.1	584.4
2011	16,318.4	5,227.4	11,091.0	32.0	1,762.8	629.2
2012	16,522.0	4,978.1	11,543.9	30.1	1,637.1	705.2
2013	16,462.4	5,235.1	11,227.3	31.8	1,383.4	811.6
2014	16,355.2	5,358.3	10,996.9	32.8	1,262.8	870.8
2015	17,017.7	5,171.6	11,846.1	30.4	1,074.8	1102.2

[1] *The Unfunded Liability is calculated using the Actuarial Value of Assets (AVA), which is different than Net Pension Liability in the Financial Section that uses the Plan Fiduciary Net Position, also known as the Market Value of Assets (MVA).*

[2] *Covered Employee Payroll can also be found in the RSI Contribution Schedule in the Financial Section.*

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2015 valuation of the Teachers' Retirement Fund Pre-1996 Account were adopted by the INPRS Board in April 2015. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2011 through June 30, 2014, and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and updated the policy in October 2015 to address over funded plans.

Changes in Actuarial Assumptions

The inflation assumption changed from 3.00% to 2.25% per year.

The future salary increase assumption changed from a table ranging from 3.00% to 12.50% to a table ranging from 2.50% to 12.50%.

The mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006.

The retirement assumption was updated based on recent experience.

The termination assumption was updated based on recent experience.

Changes in Actuarial Methods

There were no method changes for the June 30, 2015 valuation.

Changes in Plan Provisions

There were no changes to the plan provisions that impacted the pension benefits during the fiscal year.

Actuarial Assumptions

Except as noted below, actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting.

Economic Assumptions

Interest Rate / Investment Return:

Funding	6.75 percent (net of administrative and investment expenses)
Accounting & Financial Reporting	6.75 percent (net of investment expenses)
Cost of Living Increases:	1.00 percent per year in retirement
Future Salary Increases:	Based on 2011-2014 experience. Illustrative rates shown below:

Years of Service	Inflation	Merit and Seniority	Total Individual Salary Growth
1	2.25%	10.25%	12.50%
5	2.25	2.75	5.00
10	2.25	2.75	5.00
15	2.25	1.50	3.75
20	2.25	0.25	2.50
25	2.25	0.25	2.50
30	2.25	0.25	2.50
35	2.25	0.25	2.50
40	2.25	0.25	2.50

Inflation: 2.25 percent per year

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Demographic Assumptions: Based on 2011-2014 Experience

Mortality (Healthy and Disabled): RP-2014 White Collar Mortality Table with Social Security Administration generational improvement scale from 2006.

Retirement:

Regular Retirement		Rule of 85 Retirement		Early Retirement	
Age	**Probability**	**Age**	**Probability**	**Age**	**Probability**
				50-53	2.0%
				54	5.0
		55	15.0%	55	5.0
		56	15.0	56	5.0
		57	15.0	57	6.5
		58	15.0	58	8.0
		59	20.0	59	12.0
60	20.0%	60	20.0		
61	25.0	61	25.0		
62	30.0	62	30.0		
63	35.0	63	35.0		
64	40.0	64	40.0		
65-69	45.0	65-69	45.0		
70+	100.0	70+	100.0		

Termination:

Service Based			Age Based[1]		
Years of Service	**Male**	**Female**	**Attained Age**	**Male**	**Female**
0	35.0%	35.0%	30	2.25%	3.0%
1	14.0	14.0	35	2.25	3.0
2	11.0	11.0	40	2.25	2.0
3	9.0	9.0	45	2.25	2.0
4	8.0	8.0	50	2.25	2.0
5	7.0	7.0	55	2.25	2.0
6	6.0	6.0	60	2.25	2.0
7	5.0	5.5			
8	4.5	5.0			
9	4.5	4.5			

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[1] *Age-based rates apply only if 10 or more years of service.*

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Disability:

Age	Male	Female
25	0.01%	0.01%
30	0.01	0.01
35	0.01	0.01
40	0.01	0.01
45	0.02	0.02
50	0.05	0.05
55	0.09	0.09
60	0.10	0.10

Spouse/Beneficiary:

100 percent of members are assumed to be married for purposes of valuing death-in-service benefits.

Male spouses are assumed to be three (3) years older than female spouses.

ASA Withdrawal:

Prior to January 1, 2017:
- 50% of active members who decrement while vested are assumed to withdraw their ASA balance immediately upon decrement.
- 50% of vested inactive members are assumed to withdraw their ASA balance immediately on the valuation date.
- 100% of active members who decrement prior to vesting are assumed to withdraw their ASA balance immediately upon decrement.
- 100% of non-vested inactive members are assumed to withdraw their ASA balance immediately on the valuation date.

Beginning January 1, 2017:
- 100% of active members are assumed to withdraw their ASA balance immediately upon decrement.
- 100% of inactive members are assumed to withdraw their ASA balance immediately.

ASA Annuitization:

Prior to January 1, 2017:
- 50% of active members who decrement while vested are assumed to annuitize their ASA balance at their assumed retirement age.
- 50% of vested inactive members are assumed to annuitize their ASA balance at their assumed retirement age.
- Between 10/1/2014 to 9/30/2015 the conversion rate is 5.75%, and between 10/1/2015 to 12/31/2016 the conversion rate is 4.5%.

Beginning January 1, 2017, assumed INPRS entered an agreement with a third party for all ASA annuitizations.

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Actuarial Methods

Funding uses the same Actuarial Methods as accounting and financial reporting, except where noted.

Actuarial Cost Method:	Entry Age Normal – Level Percent of Payroll The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date. This method produces a cost of future benefit accruals that is a level percent of pay over time, which is desirable for employers from a budgeting standpoint. Other actuarial cost methods are more volatile in their allocation of cost for each year of member service.
Amortization Method:	For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 30-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 30-year period. However, when the plan is at or above 100% funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities. For accounting and financial reporting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants (actives and inactives). Gains and losses occurring from investment experience different than assumed are amortized into expense over a 5-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.
Actuarial (Liability) Valuation Method:	Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.
Asset Valuation Method:	Funding uses the Actuarial Value of Assets (AVA), which is equal to a four-year smoothing of gains and losses on the Market Value of Assets (MVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the MVA. Accounting and financial reporting uses the Market Value of Assets (MVA) in accordance with GASB Statement No. 67.

Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section.

Analysis of Financial Experience

(dollars in thousands)

		UAAL
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2014	**$**	**10,996,865**
UAAL (Gain) / Loss		
Actuarial Value of Assets Experience		32,776
Actuarial Accrued Liabilities Experience[1]		(140,466)
Amortization of Existing Bases		(76,225)
Actuarial Assumptions & Methodology Changes[2]		1,033,157
Plan Provision Changes		-
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2015	**$**	**11,846,107**

[1] *Actuarial Accrued Liabilities Experience represents actual experience versus expected experience of the actuarial census assumptions. A significant assumption is the Cost-of-Living Adjustment (COLA), which is a gain of approximately $71,614 thousand for benefit recipients being provided a one-time (13th check) by October 1, 2015, rather than the assumed COLA of 1.00 percent.*

[2] *Several Assumptions were updated pursuant to an experience study completed in April 2015.*

Solvency Test

(dollars in thousands)

	Actuarial Accrued Liabilities					Portion of Actuarial Accrued Liabilities Covered by Assets			
Actuarial Valuation as of June 30	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
2006	$ 2,898,891	$ 6,238,115	$ 5,865,465	$ 15,002,471	$ 5,477,221	100.0 %	41.3 %	0.0 %	36.5 %
2007	3,016,052	7,063,889	5,908,318	15,988,259	5,763,508	100.0	38.9	0.0	36.1
2008	2,613,138	7,244,422	5,934,745	15,792,305	5,953,991	100.0	46.1	0.0	37.7
2009	2,389,886	7,891,346	5,745,861	16,027,093	5,109,086	100.0	34.5	0.0	31.9
2010	2,353,715	8,153,240	5,775,111	16,282,066	5,382,410	100.0	37.1	0.0	33.1
2011	2,015,580	8,776,916	5,525,908	16,318,404	5,227,402	100.0	36.6	0.0	32.0
2012	1,782,353	9,451,792	5,287,870	16,522,015	4,978,107	100.0	33.8	0.0	30.1
2013	1,636,978	10,254,953	4,570,448	16,462,379	5,235,104	100.0	35.1	0.0	31.8
2014	1,525,192	9,876,539	4,953,485	16,355,216	5,358,351	100.0	38.8	0.0	32.8
2015	1,303,468	10,606,053	5,108,225	17,017,746	5,171,639	100.0	36.5	0.0	30.4

Schedule of Active Members Valuation Data

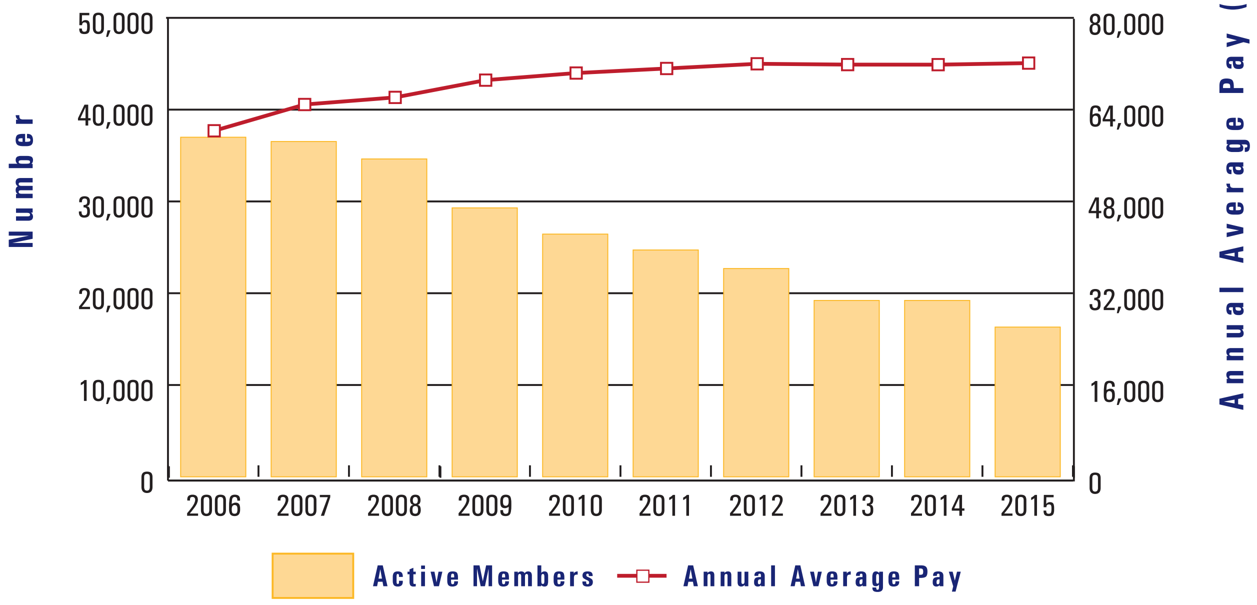
(dollars in thousands – except annual average pay)

Actuarial Valuation as of June 30	Active Members	Annual Payroll[1]	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2006	36,994	$ 2,237,380	$ 60,480	2.6 %
2007	36,526	2,376,390	65,060	7.6
2008	34,628	2,295,816	66,299	1.9
2009	29,297	2,030,484	69,307	4.5
2010	26,439	1,865,102	70,544	1.8
2011	24,710	1,762,750	71,338	1.1
2012	22,688	1,637,066	72,156	1.1
2013	19,210	1,383,428	72,016	(0.2)
2014[2]	19,210	1,383,242	72,006	(0.0)
2015[2]	16,310	1,178,846	72,277	0.4

[1] *Figures shown are the anticipated pay for the one-year period following the valuation date.*

[2] *The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

Total Number of Active Members Per Year and Annual Average Pay



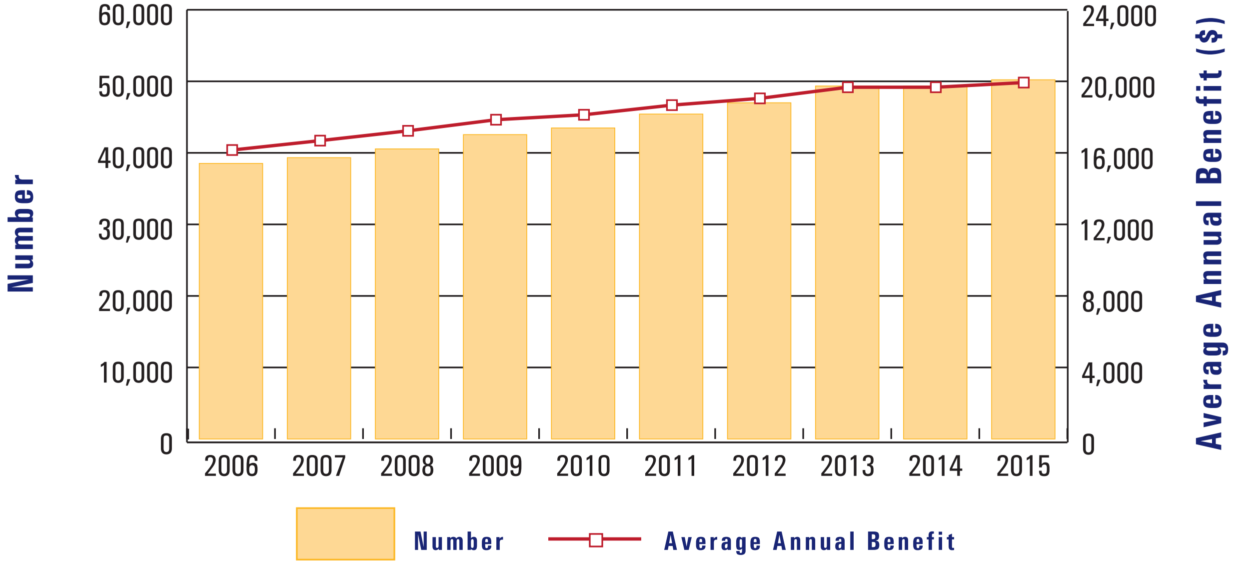
Schedule of Retirants and Beneficiaries

(dollars in thousands – except average annual benefit)

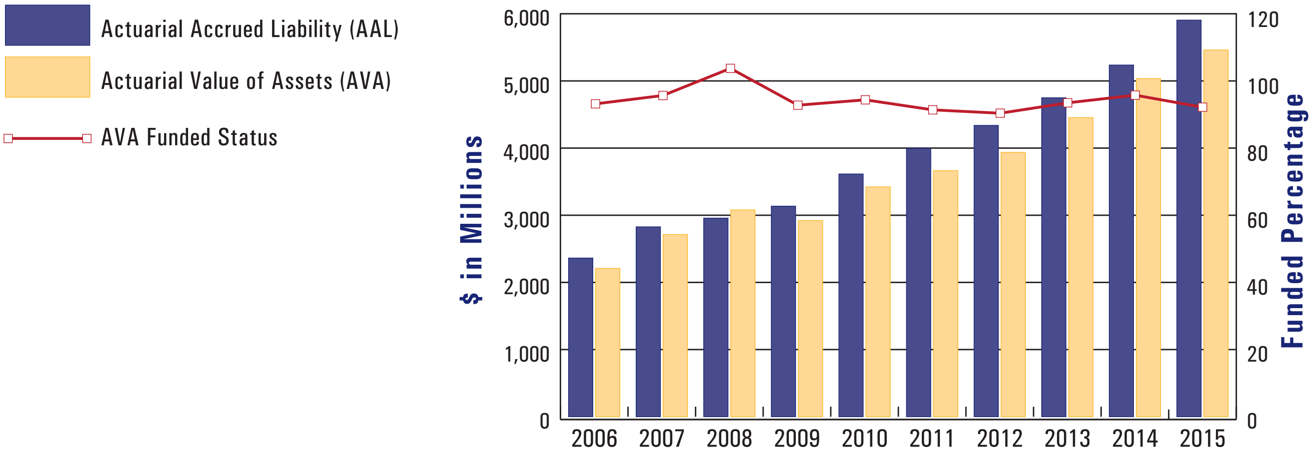
	Added to Rolls		Removed from Rolls		Rolls – End of Year				
Valuation Date	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits[1]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit[2]	Percent Increase/ (Decrease) in Average Annual Benefit
2006[3]					38,522	$ 624,573	6.5%	$ 16,213	3.4%
2007	2,292	$ 52,947	1,063	$ 12,167	39,328	658,297	5.4	16,739	3.2
2008	2,296	52,167	966	11,026	40,554	701,155	6.5	17,289	3.3
2009[4]	2,344	56,819	929	11,062	42,548	762,067	8.7	17,911	3.6
2010	1,940	47,657	1,010	11,982	43,478	790,773	3.8	18,188	1.5
2011	3,003	77,290	1,060	13,121	45,421	850,711	7.6	18,729	3.0
2012	2,541	63,923	962	12,216	47,000	898,006	5.6	19,107	2.0
2013	3,422	93,605	1,077	14,524	49,345	973,635	8.4	19,731	3.3
2014[5]	-	93,605	-	14,524	49,345	973,635	-	19,731	0.0
2015[5]	1,886	50,261	1,017	14,293	50,214	1,003,910	3.1	19,993	1.3

[1] End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.
[2] Average annual benefit includes member annuities.
[3] Adds & Drops prior to fiscal year 2007 are not available.
[4] The end of year number of benefit recipients are not equal to prior end of year number of benefit recipients plus additions less removals due to reclassifications between Pre-1996 Account and 1996 Account.
[5] The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



Historical Summary of Actuarial Valuation Results



(dollars in millions)

Actuarial Valuation as of June 30	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability[1] (AAL – AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll[2]	Unfunded Liability[1] as a percentage of Covered Employee Payroll
2006	$ 2,363.1	$ 2,209.5	$ 153.6	93.5 %	$ 1,425.0	10.8 %
2007	2,827.6	2,713.1	114.5	96.0	1,675.0	6.8
2008	2,957.8	3,080.1	(122.3)	104.1	1,825.0	(6.7)
2009	3,135.5	2,920.7	214.8	93.1	2,075.0	10.4
2010	3,614.6	3,422.6	192.0	94.7	2,200.0	8.7
2011	3,996.8	3,664.6	332.2	91.7	2,225.0	14.9
2012	4,338.3	3,936.4	401.9	90.7	2,400.0	16.7
2013	4,749.3	4,453.8	295.5	93.8	2,442.5	12.1
2014	5,237.0	5,035.2	201.8	96.1	2,598.1	7.8
2015	5,905.7	5,461.2	444.5	92.5	2,742.2	16.2

[1] *The Unfunded Liability uses the Actuarial Value of Assets (AVA), which is different than Net Pension Liability in the Financial Section that uses the Plan Fiduciary Net Position, also known as the Market Value of Assets (MVA).*

[2] *Covered Employee Payroll can also be found in the RSI Contribution Schedule in the Financial Section.*

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2015 valuation of the Teachers' Retirement Fund 1996 Account were adopted by the INPRS Board in April 2015. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2011 through June 30, 2014, and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and updated the policy in October 2015 to address over funded plans.

Changes in Actuarial Assumptions

The inflation assumption changed from 3.00% to 2.25% per year.

The future salary increase assumption changed from a table ranging from 3.00% to 12.50% to a table ranging from 2.50% to 12.50%.

The mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006.

The retirement assumption was updated based on recent experience.

The termination assumption was updated based on recent experience.

Changes in Actuarial Methods

There were no method changes for the June 30, 2015 valuation.

Changes in Plan Provisions

There were no changes to the plan provisions that impacted the pension benefits during the fiscal year.

Actuarial Assumptions

Except as noted below, actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting.

Economic Assumptions

Interest Rate / Investment Return:	
Funding	6.75 percent (net of administrative and investment expenses)
Accounting & Financial Reporting	6.75 percent (net of investment expenses)
Cost of Living Increases:	1.00 percent per year in retirement
Future Salary Increases:	Based on 2011-2014 experience. Illustrative rates shown below:

Years of Service	Inflation	Merit and Seniority	Total Individual Salary Growth
1	2.25%	10.25%	12.50%
5	2.25	2.75	5.00
10	2.25	2.75	5.00
15	2.25	1.50	3.75
20	2.25	0.25	2.50
25	2.25	0.25	2.50
30	2.25	0.25	2.50
35	2.25	0.25	2.50
40	2.25	0.25	2.50

Inflation:	2.25 percent per year

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Demographic Assumptions: Based on 2011-2014 Experience

Mortality (Healthy and Disabled): RP-2014 White Collar Mortality Table with Social Security Administration generational improvement scale from 2006.

Retirement:

Regular Retirement		Rule of 85 Retirement		Early Retirement	
Age	**Probability**	**Age**	**Probability**	**Age**	**Probability**
				50-53	2.0%
				54	5.0
		55	15.0%	55	5.0
		56	15.0	56	5.0
		57	15.0	57	6.5
		58	15.0	58	8.0
		59	20.0	59	12.0
60	20.0%	60	20.0		
61	25.0	61	25.0		
62	30.0	62	30.0		
63	35.0	63	35.0		
64	40.0	64	40.0		
65-69	45.0	65-69	45.0		
70+	100.0	70+	100.0		

Termination:

Service Based			Age Based[1]		
Years of Service	**Male**	**Female**	**Attained Age**	**Male**	**Female**
0	35.0%	35.0%	30	2.25%	3.0%
1	14.0	14.0	35	2.25	3.0
2	11.0	11.0	40	2.25	2.0
3	9.0	9.0	45	2.25	2.0
4	8.0	8.0	50	2.25	2.0
5	7.0	7.0	55	2.25	2.0
6	6.0	6.0	60	2.25	2.0
7	5.0	5.5			
8	4.5	5.0			
9	4.5	4.5			

[1] *Age-based rates apply only if 10 or more years of service.*

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Disability:

Age	Male	Female
25	0.01%	0.01%
30	0.01	0.01
35	0.01	0.01
40	0.01	0.01
45	0.02	0.02
50	0.05	0.05
55	0.09	0.09
60	0.10	0.10

Spouse/Beneficiary:

100 percent of members are assumed to be married for purposes of valuing death-in-service benefits.

Male spouses are assumed to be three (3) years older than female spouses.

ASA Withdrawal:

Prior to January 1, 2017:

- 50% of active members who decrement while vested are assumed to withdraw their ASA balance immediately upon decrement.
- 50% of vested inactive members are assumed to withdraw their ASA balance immediately on the valuation date.
- 100% of active members who decrement prior to vesting are assumed to withdraw their ASA balance immediately upon decrement.
- 100% of non-vested inactive members are assumed to withdraw their ASA balance immediately on the valuation date.

Beginning January 1, 2017:

- 100% of active members are assumed to withdraw their ASA balance immediately upon decrement.
- 100% of inactive members are assumed to withdraw their ASA balance immediately.

ASA Annuitization:

Prior to January 1, 2017:

- 50% of active members who decrement while vested are assumed to annuitize their ASA balance at their assumed retirement age.
- 50% of vested inactive members are assumed to annuitize their ASA balance at their assumed retirement age.
- Between 10/1/2014 to 9/30/2015 the conversion rate is 5.75%, and between 10/1/2015 to 12/31/2016 the conversion rate is 4.5%.

Beginning January 1, 2017, assumed INPRS entered an agreement with a third party for all ASA annuitizations.

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Actuarial Methods

Funding uses the same Actuarial Methods as accounting and financial reporting, except where noted.

Actuarial Cost Method:	Entry Age Normal – Level Percent of Payroll The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date. This method produces a cost of future benefit accruals that is a level percent of pay over time, which is desirable for employers from a budgeting standpoint. Other actuarial cost methods are more volatile in their allocation of cost for each year of member service.
Amortization Method:	For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 30-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 30-year period. However, when the plan is at or above 100% funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities. For accounting and financial reporting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants (actives and inactives). Gains and losses occurring from investment experience different than assumed are amortized into expense over a 5-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.
Actuarial (Liability) Valuation Method:	Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.
Asset Valuation Method:	Funding uses the Actuarial Value of Assets (AVA), which is equal to a four-year smoothing of gains and losses on the Market Value of Assets (MVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the MVA. Accounting and financial reporting uses the Market Value of Assets (MVA) in accordance with GASB Statement No. 67.

Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section.

Analysis of Financial Experience

(dollars in thousands)

	UAAL
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2014	**$ 201,762**
UAAL (Gain) / Loss	
Actuarial Value of Assets Experience	36,284
Actuarial Accrued Liabilities Experience[1]	(40,857)
Amortization of Existing Bases	(16,661)
Actuarial Assumptions & Methodology Changes[2]	263,991
Plan Provision Changes	-
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2015	**$ 444,519**

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[1] Actuarial Accrued Liabilities Experience represents actual experience versus expected experience of the actuarial census assumptions. A significant assumption is the Cost-of-Living Adjustment (COLA), which is a gain of approximately $6,373 thousand for benefit recipients being provided a one-time (13th check) by October 1, 2015, rather than the assumed COLA of 1.00%.

[2] Several Assumptions were updated pursuant to an experience study completed in April 2015.

Solvency Test

(dollars in thousands)

	Actuarial Accrued Liabilities					Portion of Actuarial Accrued Liabilities Covered by Assets			
Actuarial Valuation as of June 30	**Active Member Contributions**	**Retirees and Beneficiaries**	**Active Member (Employer Financed Portion)**	**Total Actuarial Accrued Liabilities**	**Actuarial Value of Assets**	**Active Member Contributions**	**Retirees and Beneficiaries**	**Active Member (Employer Financed Portion)**	**Total Actuarial Accrued Liabilities**
2006	$ 602,051	$ 282,638	$ 1,478,412	$ 2,363,101	$ 2,209,468	100.0 %	100.0 %	89.6 %	93.5 %
2007	656,918	449,452	1,721,184	2,827,554	2,713,052	100.0	100.0	93.3	95.9
2008	649,840	514,933	1,792,985	2,957,758	3,080,056	100.0	100.0	100.0	104.1
2009	655,843	432,942	2,046,748	3,135,533	2,920,735	100.0	100.0	89.5	93.1
2010	750,575	483,117	2,380,867	3,614,559	3,422,554	100.0	100.0	91.9	94.7
2011	840,341	562,445	2,594,053	3,996,839	3,664,657	100.0	100.0	87.2	91.7
2012	882,942	662,558	2,792,809	4,338,309	3,936,455	100.0	100.0	85.6	90.7
2013	975,309	798,486	2,975,573	4,749,368	4,453,828	100.0	100.0	90.1	93.8
2014	1,102,686	777,287	3,357,020	5,236,993	5,035,232	100.0	100.0	94.0	96.1
2015	1,159,597	908,353	3,837,741	5,905,691	5,461,172	100.0	100.0	88.4	92.5

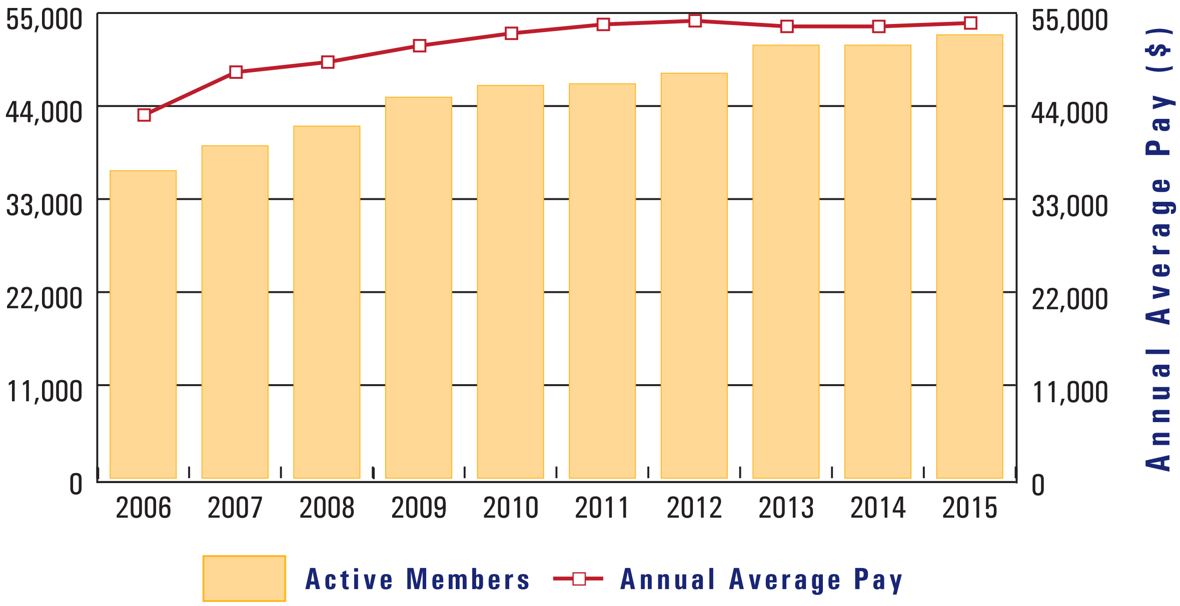
Schedule of Active Members Valuation Data

(dollars in thousands – except annual average pay)

Actuarial Valuation as of June 30	Active Members	Annual Payroll[1]	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2006	36,356	$ 1,565,341	$ 43,056	5.0 %
2007	39,307	1,891,605	48,124	11.8
2008	41,628	2,052,719	49,311	2.5
2009	45,046	2,308,548	51,249	3.9
2010	46,433	2,447,509	52,711	2.9
2011	46,633	2,507,193	53,764	2.0
2012	47,885	2,594,952	54,191	0.8
2013	51,204	2,740,940	53,530	(1.2)
2014[2]	51,204	2,740,661	53,524	(0.0)
2015[2]	52,424	2,827,311	53,932	0.8

[1] Figures shown are the anticipated pay for the one-year period following the valuation date.
[2] The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Total Number of Active Members Per Year and Annual Average Pay



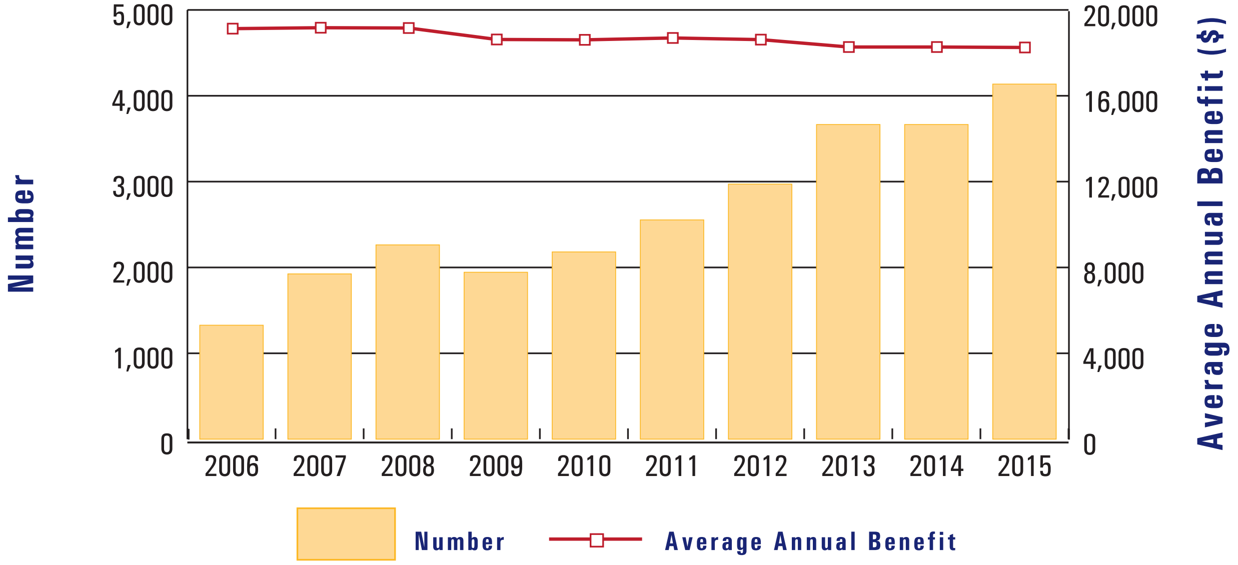
Schedule of Retirants and Beneficiaries

(dollars in thousands – except average annual benefit)

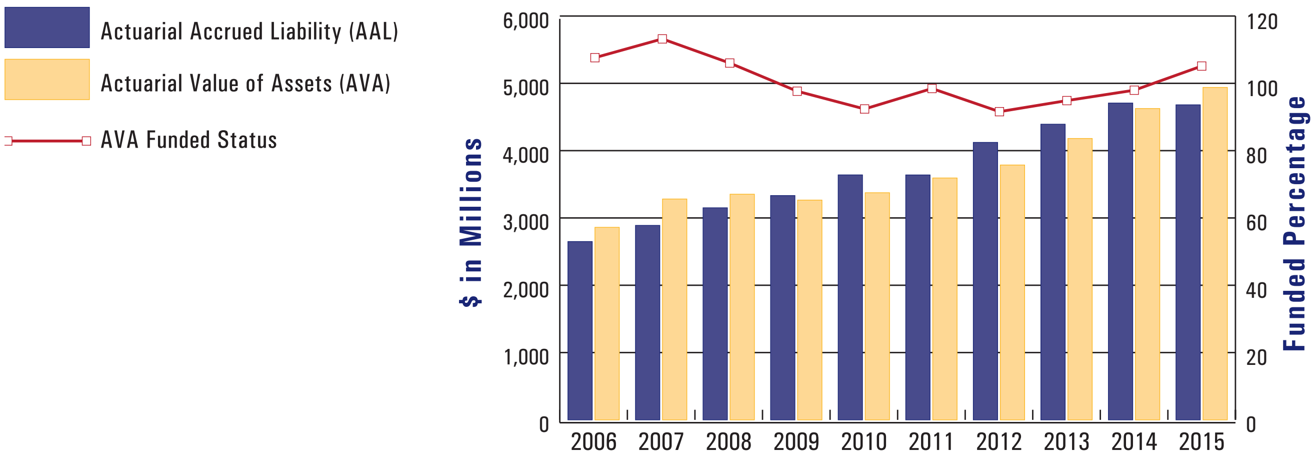
	Added to Rolls		Removed from Rolls		Rolls – End of Year				
Valuation Date	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits[1]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit[2]	Percent Increase/ (Decrease) in Average Annual Benefit
2006[3]	-	$ -	-	$ -	1,327	$ 25,459	23.7%	$ 19,185	1.7%
2007	197	3,658	22	416	1,925	37,013	45.4	19,228	0.2
2008	255	5,126	21	316	2,263	43,482	17.5	19,214	(0.1)
2009[4]	270	5,145	10	119	1,944	36,312	(16.5)	18,679	(2.8)
2010	249	4,859	12	129	2,181	40,701	12.1	18,662	(0.1)
2011	390	7,666	17	253	2,554	47,887	17.7	18,750	0.5
2012	433	8,132	16	236	2,971	55,475	15.8	18,672	(0.4)
2013	712	12,216	18	251	3,665	67,169	21.1	18,327	(1.8)
2014[5]	-	12,216	-	251	3,665	67,169	-	18,327	-
2015[5]	499	9,101	28	353	4,136	75,714	12.7	18,306	(0.1)

[1] End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.
[2] Average annual benefit includes member annuities.
[3] Adds & Drops prior to fiscal year 2007 are not available.
[4] The end of year number of benefit recipients are not equal to prior end of year number of benefit recipients plus additions less removals due to reclassifications between Pre-1996 Account and 1996 Account.
[5] The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



Historical Summary of Actuarial Valuation Results



(dollars in millions)

Actuarial Valuation as of June 30	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability[1] (AAL – AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll[2]	Unfunded Liability[1] as a percentage of Covered Employee Payroll
2006[3]	$ 2,649.5	$ 2,860.5	$ (211.0)	108.0%	$ 682.0	(30.9)%
2007[3]	2,889.3	3,281.5	(392.2)	113.6	585.0	(67.0)
2008[3]	3,150.8	3,352.7	(201.9)	106.4	635.0	(31.8)
2009[4]	3,332.7	3,265.6	67.1	98.0	330.0	20.3
2010	3,639.6	3,374.4	265.2	92.7	670.0	39.6
2011	3,639.0	3,593.8	45.2	98.8	687.0	6.6
2012	4,122.4	3,786.6	335.8	91.9	690.0	48.7
2013	4,392.9	4,180.7	212.2	95.2	695.0	30.5
2014	4,707.0	4,625.5	81.5	98.3	710.6	11.5
2015	4,680.7	4,939.3	(258.6)	105.5	745.3	(34.7)

[1] *The Unfunded Liability is calculated using the Actuarial Value of Assets (AVA), which is different than Net Pension Liability in the Financial Section that uses the Plan Fiduciary Net Position, also known as the Market Value of Assets (MVA).*

[2] *Covered Employee Payroll can also be found in the RSI Contribution Schedule in the Financial Section.*

[3] *Actuarial Valuations from 2006-2008 were based off of a December year end.*

[4] *Covered employee payroll represents only a half year of activity.*

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2015 valuation of the 1977 Police Officers' and Firefighters' Pension and Disability Fund were adopted by the INPRS Board in April 2015. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2010 through June 30, 2014, and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and updated the policy in October 2015 to address over funded plans.

Changes in Actuarial Assumptions

The inflation assumption changed from 3.00% per year to 2.25% per year.

The future salary increase rate assumption decreased from 3.25% to 2.50% per year.

The future COLA assumption decreased from 2.25% to 2.00% per year.

The mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) Blue Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

The termination assumption is a service-based table of rates. The rates at most years of service were decreased to reflect recent experience.

The disability assumption was adjusted to reflect recent experience.

Changes in Actuarial Methods

There were no method changes for the June 30, 2015 valuation.

Changes in Plan Provisions

There were no changes in plan provisions that impacted the pension benefits during the fiscal year.

Actuarial Assumptions

Except as noted below, actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting.

Economic Assumptions

Interest Rate / Investment Return:	
Funding	6.75 percent (net of administrative and investment expenses)
Accounting & Financial Reporting	6.75 percent (net of investment expenses)
Interest on Member Contributions:	3.50 percent per year
Cost of Living Increases:	2.00 percent per year in retirement
Future Salary Increases:	2.50 percent per year

Inflation: 2.25 percent per year

Demographic Assumptions: Based on 2010-2014 Experience

Mortality (Healthy and Disabled): RP-2014 (with MP-2014 improvement removed) Blue Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

Retirement:

Ages	Service <32	Service >=32
45-51	10%	100%
52-57	10	20
58-61	15	20
62-64	20	20
65-69	50	50
70+	100	100

Termination:

Service	Rate	Service	Rate
0	10.0%	6-8	2.0%
1	5.0	9-11	1.5
2	4.0	12-19	1.0
3-4	3.5	20+	2.0
5	2.5		

Disability:

Age	Rate	Age	Rate
<32	0.10%	48	0.42%
33	0.12	49	0.44
34	0.14	50	0.46
35	0.16	51	0.48
36	0.18	52	0.50
37	0.20	53	0.52
38	0.22	54	0.54
39	0.24	55	0.56
40	0.26	56	0.58
41	0.28	57	0.60
42	0.30	58	0.62
43	0.32	59	0.64
44	0.34	60	0.66
45	0.36	61	0.68
46	0.38	62+	0.70
47	0.40		

Spouse/Beneficiary: 80 percent of male members and 50 percent of female members are assumed to be married or to have a dependent beneficiary. Male members are assumed to be three (3) years older than females and female members are assumed to be the same age as males.

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Disability Retirement:	For members hired after 1989 that become disabled, impairments are assumed to be 45 percent Class 1 (at 65 percent of salary), 10 percent Class 2 (at 50 percent of salary), and 45 percent Class 3 (at 36 percent of salary).
Pre-Retirement Death:	Of active member deaths, 10 percent are assumed to be in the line of duty and 90 percent are other than in the line of duty. Additionally, all deaths among retired and disabled members are other than in the line of duty.

Actuarial Methods

Funding uses the same Actuarial Methods as accounting and financial reporting, except where noted.

Actuarial Cost Method:	Entry Age Normal – Level Percent of Payroll The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date. This method produces a cost of future benefit accruals that is a level percent of pay over time, which is desirable for employers from a budgeting standpoint. Other actuarial cost methods are more volatile in their allocation of cost for each year of member service.
Amortization Method:	For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 30-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 30-year period. However, when the plan is at or above 100% funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities. For accounting and financial reporting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants (actives and inactives). Gains and losses occurring from investment experience different than assumed are amortized into expense over a 5-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.
Actuarial (Liability) Valuation Method:	Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.
Asset Valuation Method:	Funding uses the Actuarial Value of Assets (AVA), which is equal to a four-year smoothing of gains and losses on the Market Value of Assets (MVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the MVA. Accounting and financial reporting uses the Market Value of Assets (MVA) in accordance with GASB Statement No. 67.

Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section.

Analysis of Financial Experience

(dollars in thousands)

		UAAL
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2014	**$**	**81,522**
UAAL (Gain) / Loss		
Actuarial Value of Assets Experience		33,100
Actuarial Accrued Liabilities Experience[1]		(61,640)
Amortization of Existing Bases		(1,817)
Actuarial Assumption & Methodology Changes[2]		(309,801)
Plan Provision Changes		-
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2015	**$**	**(258,636)**

[1] *Actuarial Accrued Liabilities Experience represents actual experience versus expected experience of the actuarial census assumptions. A significant assumption is the Cost-of-Living Adjustment (COLA), which is a gain of approximately $34,326 thousand as benefit recipients received 0.00% COLA effective July 1, 2015, rather than the assumed 2.25%.*
[2] *Several assumptions were updated pursuant to an experience study completed in April 2015.*

Solvency Test

(dollars in thousands)

	Actuarial Accrued Liabilities					Portion of Actuarial Accrued Liabilities Covered by Assets			
Actuarial Valuation as of June 30	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
2006[1]	$ 455,476	$ 546,628	$ 1,647,421	$ 2,649,525	$ 2,860,512	100.0%	100.0%	100.0%	108.0%
2007[1]	498,662	655,827	1,734,806	2,889,295	3,281,480	100.0	100.0	100.0	113.6
2008[1]	534,303	765,909	1,850,615	3,150,827	3,352,705	100.0	100.0	100.0	106.4
2009	571,534	793,167	1,967,985	3,332,686	3,265,598	100.0	100.0	96.6	98.0
2010	634,865	859,626	2,145,178	3,639,669	3,374,438	100.0	100.0	87.6	92.7
2011	679,849	970,676	1,988,431	3,638,956	3,593,787	100.0	100.0	97.7	98.8
2012	728,892	1,135,538	2,258,006	4,122,436	3,786,595	100.0	100.0	85.1	91.9
2013	782,124	1,288,457	2,322,366	4,392,947	4,180,704	100.0	100.0	90.9	95.2
2014	809,877	1,280,920	2,616,200	4,706,997	4,625,475	100.0	100.0	96.9	98.3
2015	832,760	1,362,021	2,485,913	4,680,694	4,939,330	100.0	100.0	110.4	105.5

[1] *As of December 31 instead of June 30*

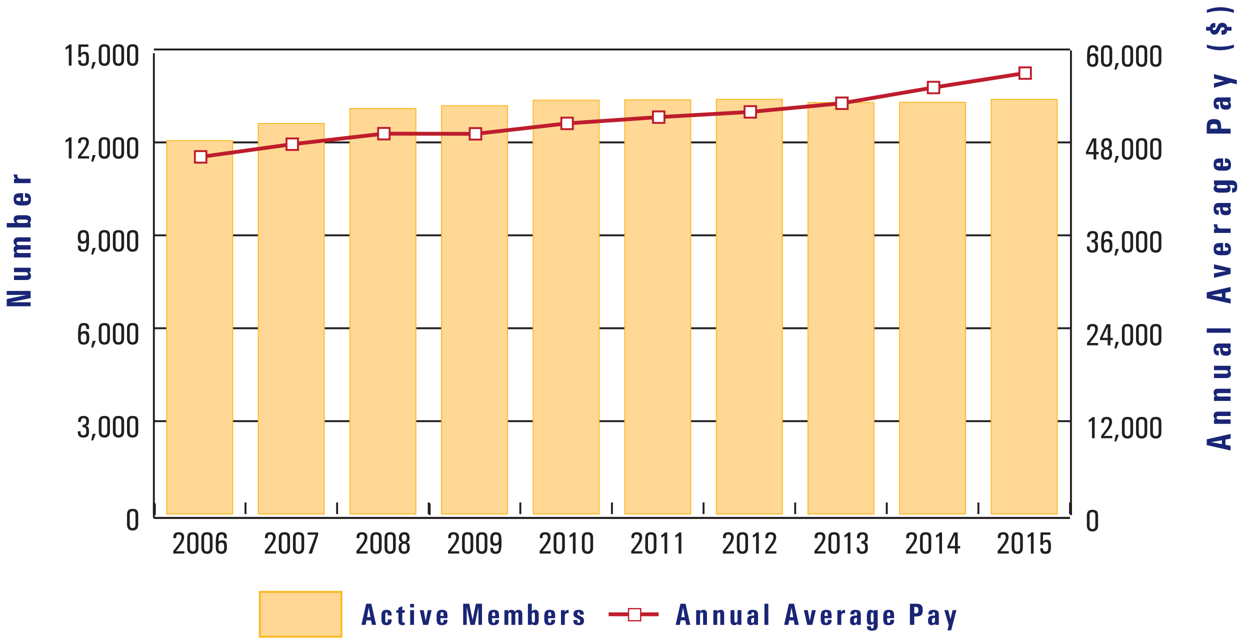
Schedule of Active Members Valuation Data

(dollars in thousands – except annual average pay)

Actuarial Valuation as of June 30	Active Members	Annual Payroll[1]	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2006[2]	12,056	$ 557,644	$ 46,254	3.9 %
2007[2]	12,611	603,963	47,892	3.5
2008[2]	13,095	644,936	49,251	2.8
2009	13,184	649,018	49,228	-
2010	13,362	675,797	50,576	2.7
2011	13,376	687,342	51,386	1.6
2012	13,390	697,111	52,062	1.3
2013	13,287	706,603	53,180	2.1
2014[3]	13,295	734,024	55,211	3.8
2015[3]	13,390	764,215	57,074	3.4

[1] Figures shown are the anticipated pay for the one-year period following the valuation date.
[2] As of December 31 instead of June 30.
[3] The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Total Number of Active Members Per Year and Annual Average Pay



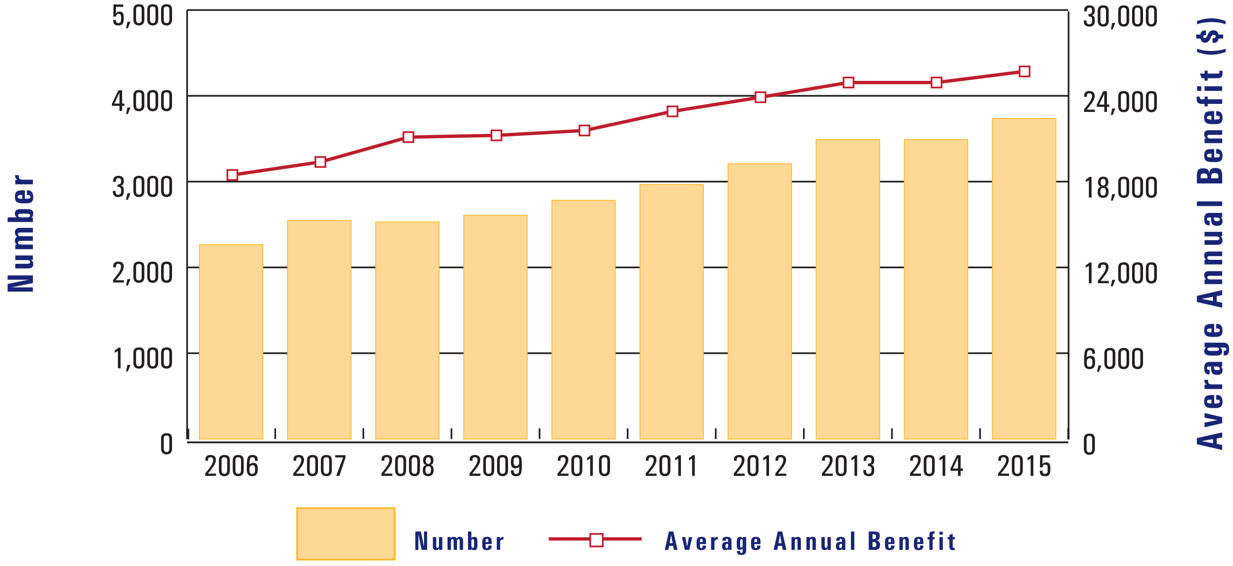
Schedule of Retirants and Beneficiaries

(dollars in thousands – except average annual benefit)

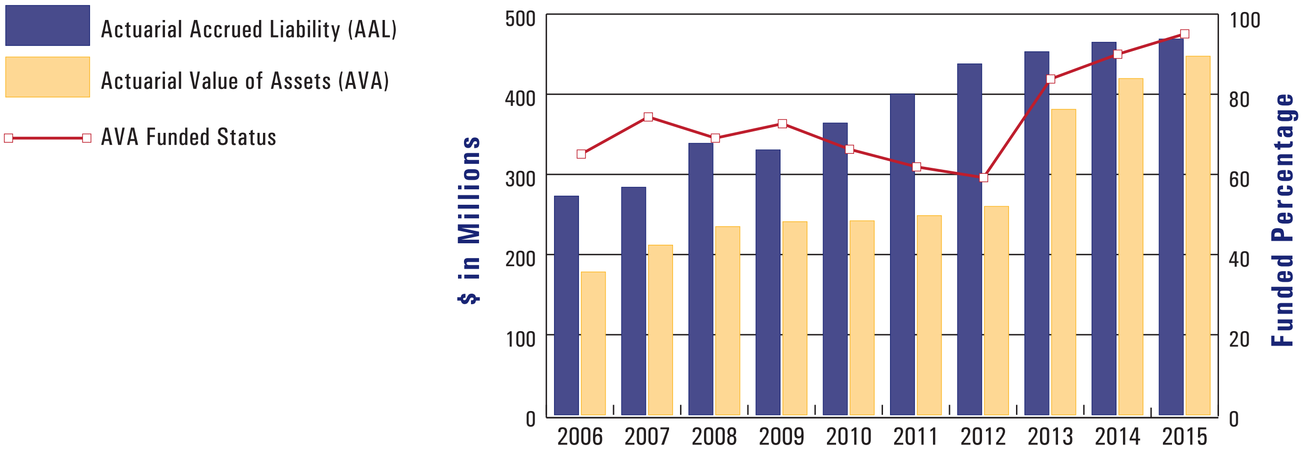
	Added to Rolls		Removed from Rolls		Rolls – End of Year				
Valuation Date	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits[1]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit	Percent Increase/ (Decrease) in Average Annual Benefit
2006[2]	172	$ 3,860	34	$ 592	2,265	$ 41,973	8.6%	$ 18,531	2.0%
2007[2]	333	8,101	50	886	2,548	49,537	18.0	19,442	4.9
2008[2]	255	5,861	273	4,565	2,530	53,588	8.2	21,181	8.9
2009	102	2,571	24	479	2,608	55,564	3.7	21,305	0.6
2010	208	4,918	34	641	2,782	60,220	8.4	21,646	1.6
2011	218	6,179	34	609	2,966	68,179	13.2	22,987	6.2
2012	281	7,900	39	814	3,208	76,917	12.8	23,977	4.3
2013	326	10,098	43	845	3,491	87,301	13.5	25,008	4.3
2014[3]	-	-	-	-	3,491	87,301	-	25,008	-
2015[3]	283	8,858	38	727	3,736	96,336	10.3	25,786	3.1

[1] *End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.*
[2] *As of December 31 instead of June 30.*
[3] *The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



Historical Summary of Actuarial Valuation Results



(dollars in millions)

Actuarial Valuation as of June 30	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability[1] (AAL–AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll[2]	Unfunded Liability[1] as a percentage of Covered Employee Payroll
2006	$ 273.0	$ 178.3	$ 94.7	65.3%	$ 34.1	277.7%
2007	284.0	211.8	72.2	74.6	29.7	243.0
2008	338.8	234.9	103.9	69.3	33.7	308.1
2009	330.6	241.0	89.6	72.9	36.2	247.5
2010	364.1	242.1	122.0	66.5	36.7	332.2
2011	400.3	248.6	151.7	62.1	45.8	331.5
2012	437.9	260.1	177.8	59.4	45.1	393.9
2013	453.1	381.2	71.9	84.1	47.6	151.1
2014	464.9	419.6	45.3	90.3	46.0	98.5
2015	468.9	447.5	21.4	95.4	48.6	44.1

[1] The Unfunded Liability uses the Actuarial Value of Assets (AVA), which is different than Net Pension Liability in the Financial Section that uses the Plan Fiduciary Net Position, also known as the Market Value of Assets (MVA).
[2] Covered Employee Payroll can also be found in the RSI Contribution Schedule in the Financial Section.

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2015 valuation of the Judges' Retirement System were adopted by the INPRS Board in April 2015. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2010 through June 30, 2014, and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and updated the policy in October 2015 to address over funded plans.

Changes in Actuarial Assumptions

The inflation assumption decreased from 3.00% to 2.25% per year.

The future salary increase assumption decreased from 4.00% to 2.50% per year.

The cost of living increase assumption decreased from 4.00% to 2.50% per year.

The mortality assumption changed from the 2013 IRS Statis Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

The retirement assumption changed from an age-based table to an age and service-based table, reflecting higher rates of retirement after 22 years of service.

The termination assumption changed from an age-based table to a constant 3% per year for all members.

The dependent assumption was adjusted to reflect recent experience.

Changes in Actuarial Methods

There were no method changes for the June 30, 2015 valuation.

Changes in Plan Provisions

There were no changes to the plan provisions that impacted the pension benefits during the fiscal year.

Actuarial Assumptions

Except as noted below, actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting.

Economic Assumptions

Interest Rate / Investment Return:	
Funding	6.75 percent (net of administrative and investment expenses)
Accounting & Financial Reporting	6.75 percent (net of investment expenses)
Interest on Member Contributions:	3.50 percent per year
Cost of Living Increases:	2.50 percent per year in deferral and retirement
Future Salary Increases:	2.50 percent per year
Inflation:	2.25 percent per year

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Demographic Assumptions: Based on 2010-2014 Experience

Mortality (Healthy and Disabled): RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

Retirement:

Age	Service <22	Age	Service >=22
62	25%	55-74	70%
63	15	75+	100
64	10		
65	50		
66-74	30		
75+	100		

Termination: 3 percent per year for all members prior to retirement eligibility.

Disability: 1964 OASDI Table. Illustrative rates shown below:

Age	Rate
20	0.060%
25	0.085
30	0.110
35	0.147
40	0.220
45	0.360
50	0.606
55	1.009
60	1.627
65+	0.000

Spouse/Beneficiary: 90 percent of members are assumed to be married or to have a dependent beneficiary. Male members are assumed to be three (3) years older than their spouses and female members are assumed to be two (2) years younger than their spouses.

Actuarial Methods

Funding uses the same Actuarial Methods as accounting and financial reporting, except where noted.

Actuarial Cost Method: Entry Age Normal – Level Percent of Payroll

The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

This method produces a cost of future benefit accruals that is a level percent of pay over time, which is desirable for employers from a budgeting standpoint. Other actuarial cost methods are more volatile in their allocation of cost for each year of member service.

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Amortization Method:	For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 30-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 30-year period. However, when the plan is at or above 100% funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities. For accounting and financial reporting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants (actives and inactives). Gains and losses occurring from investment experience different than assumed are amortized into expense over a 5-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.
Actuarial (Liability) Valuation Method:	Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.
Asset Valuation Method:	Funding uses the Actuarial Value of Assets (AVA), which is equal to a four-year smoothing of gains and losses on the Market Value of Assets (MVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the MVA. Accounting and financial reporting uses the Market Value of Assets (MVA) in accordance with GASB Statement No. 67.

Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section.

Analysis of Financial Experience

(dollars in thousands)

	UAAL
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2014	**$ 45,287**
UAAL (Gain) / Loss	
Actuarial Value of Assets Experience	644
Actuarial Accrued Liabilities Experience[1]	8,411
Amortization of Existing Bases	(986)
Actuarial Assumption & Methodology Changes[2]	(31,926)
Plan Provision Changes	-
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2015	**$ 21,430**

[1] Actuarial Accrued Liabilities Experience represents actual experience versus expected experience of the actuarial census assumptions. A significant assumption is the Cost-of-Living Adjustment (COLA), which is a gain of approximately $7,655 thousand as benefit recipients received 2.20% COLA effective July 1, 2015, rather than the assumed 4.00%.

[2] Several assumptions were updated pursuant to an experience study completed in April 2015.

Solvency Test

(dollars in thousands)

	Actuarial Accrued Liabilities					Portion of Actuarial Accrued Liabilities Covered by Assets			
Actuarial Valuation as of June 30	**Active Member Contributions**	**Retirees and Beneficiaries**	**Active Member (Employer Financed Portion)**	**Total Actuarial Accrued Liabilities**	**Actuarial Value of Assets**	**Active Member Contributions**	**Retirees and Beneficiaries**	**Active Member (Employer Financed Portion)**	**Total Actuarial Accrued Liabilities**
2006	$ 20,861	$ 134,272	$ 117,865	$ 272,998	$ 178,276	100.0%	100.0%	19.6%	65.3%
2007	21,276	143,645	119,074	283,995	211,747	100.0	100.0	39.3	74.6
2008	22,243	155,177	161,329	338,749	234,881	100.0	100.0	35.6	69.3
2009	21,649	170,962	137,940	330,551	240,954	100.0	100.0	35.0	72.9
2010	23,138	182,023	158,962	364,123	242,143	100.0	100.0	23.3	66.5
2011	24,359	198,797	177,118	400,274	248,623	100.0	100.0	14.4	62.1
2012	27,699	205,341	204,814	437,854	260,096	100.0	100.0	13.2	59.4
2013[1]	29,060	224,132	199,918	453,110	381,240	100.0	100.0	64.1	84.1
2014	32,060	216,044	216,751	464,855	419,568	100.0	100.0	79.1	90.3
2015	32,383	210,020	226,542	468,945	447,514	100.0	100.0	90.5	95.4

[1] In accordance with Legislation passed during March 2012, the State appropriated $90,187 thousand during FY2013 to reach a funded status of 80.0 percent based on the actuarial valuation as of June 30, 2012.

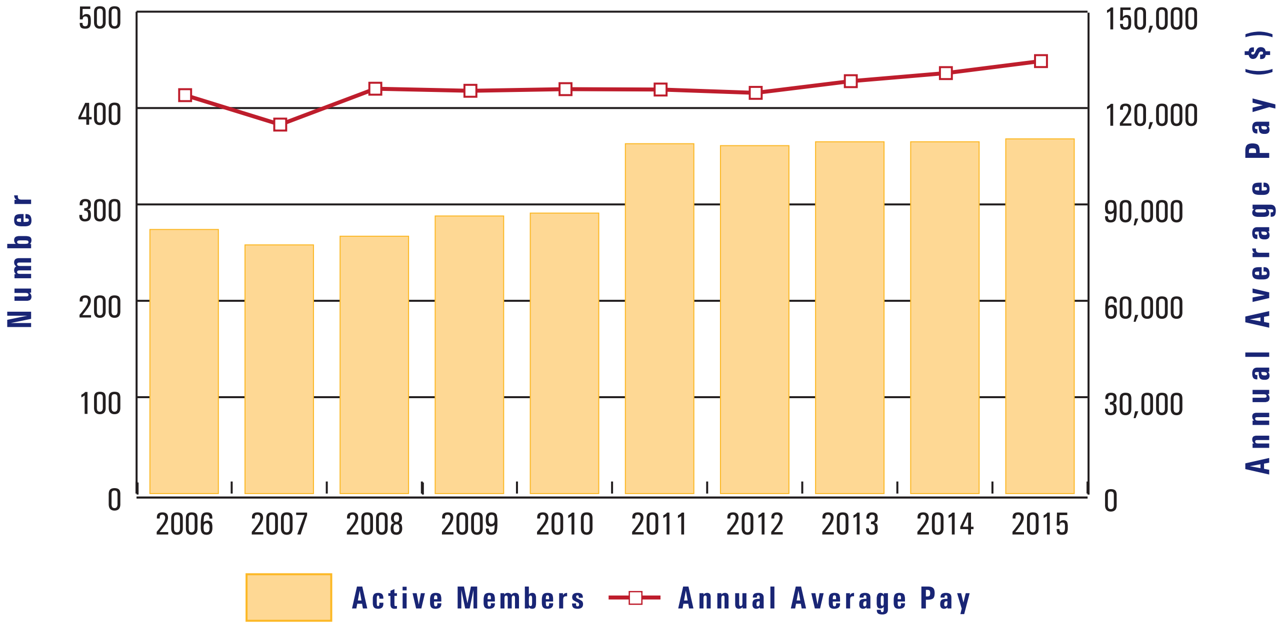
Schedule of Active Members Valuation Data

(dollars in thousands – except annual average pay)

Actuarial Valuation as of June 30	Active Members	Annual Payroll[1]	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2006	274	$ 34,065	$ 124,323	8.8%
2007	258	29,712	115,163	(7.4)
2008	267	33,729	126,327	9.7
2009	288	36,196	125,680	(0.5)
2010	291	36,722	126,192	0.4
2011	363	45,764	126,072	(0.1)
2012	361	45,138	125,036	(0.8)
2013	365	46,967	128,676	2.9
2014[2]	365	47,883	131,186	2.0
2015[2]	368	49,651	134,921	2.8

[1] *Figures shown are the anticipated pay for the one-year period following the valuation date.*
[2] *The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

Total Number of Active Members Per Year and Annual Average Pay



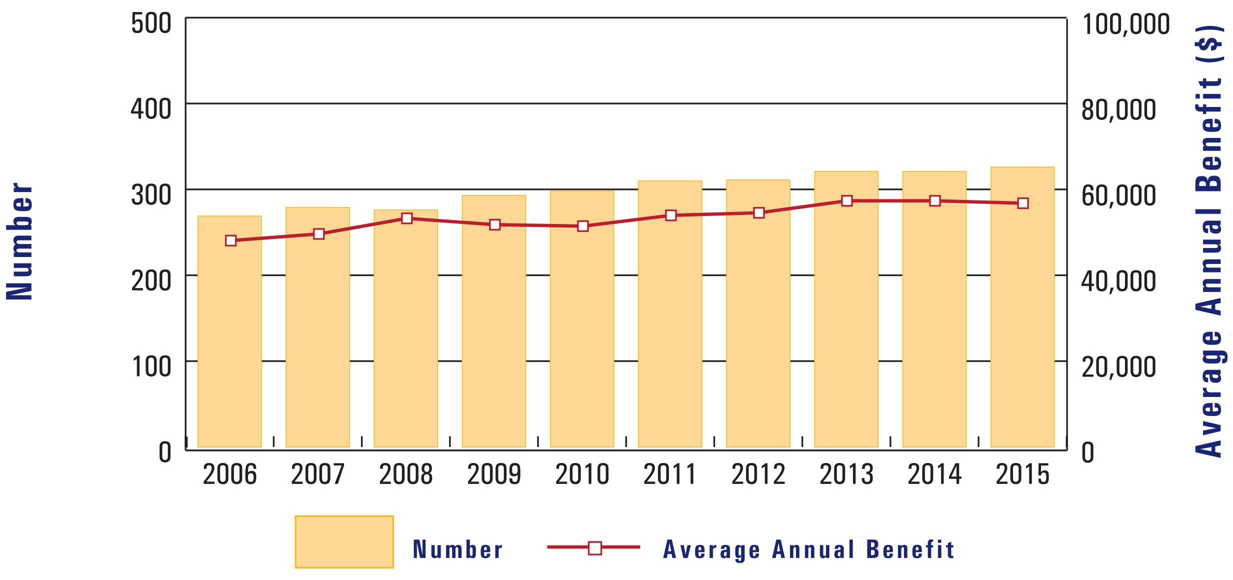
Schedule of Retirants and Beneficiaries

(dollars in thousands – except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year				
Actuarial Valuation as of June 30	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits[1]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit	Percent Increase/ (Decrease) in Average Annual Benefit
2006	12	$ 868	7	$ 474	269	$ 12,983	5.8%	$ 48,266	3.8%
2007	18	976	8	409	279	13,899	7.1	49,819	3.2
2008	23	1,257	26	991	276	14,754	6.1	53,455	7.3
2009	74	3,744	57	1,835	293	15,230	3.2	51,978	(2.8)
2010	11	627	6	339	298	15,390	1.1	51,644	(0.6)
2011	21	1,452	9	200	310	16,787	9.1	54,152	4.9
2012	7	444	6	194	311	17,028	1.4	54,751	1.1
2013	24	1,798	14	442	321	18,474	8.5	57,551	5.1
2014[2]	-	-	-	-	321	18,474	-	57,551	-
2015[2]	10	494	5	195	326	18,578	0.6	56,987	(1.0)

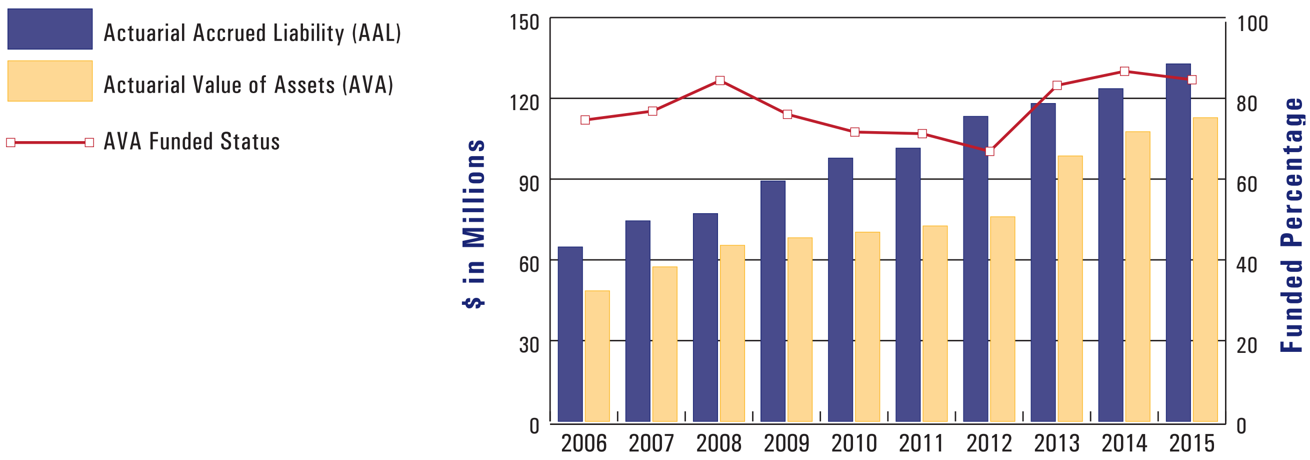
[1] *End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.*
[2] *The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



State Excise Police, Gaming Agent, Gaming Control Officer & Conservation Enforcement Officers' Retirement Plan

Historical Summary of Actuarial Valuation Results



(dollars in millions)

Actuarial Valuation as of June 30	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability[1] (AAL – AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll[2]	Unfunded Liability[1] as a percentage of Covered Employee Payroll
2006	$ 64.8	$ 48.5	$ 16.3	74.9%	$ 15.6	104.3%
2007	74.5	57.4	17.0	77.1	21.0	81.1
2008	77.2	65.4	11.8	84.7	23.7	49.8
2009	89.3	68.2	21.1	76.3	25.5	82.7
2010	97.8	70.3	27.5	71.9	25.3	108.7
2011	101.5	72.6	28.9	71.5	25.0	115.6
2012	113.3	76.0	37.3	67.1	24.3	153.5
2013	118.1	98.6	19.5	83.5	24.7	79.0
2014	123.6	107.6	16.0	87.0	25.8	62.1
2015	132.8	112.8	20.0	84.9	25.1	79.7

[1] The Unfunded Liability uses the Actuarial Value of Assets (AVA), which is different than Net Pension Liability in the Financial Section that uses the Plan Fiduciary Net Position, also known as the Market Value of Assets (MVA).

[2] Covered Employee Payroll can also be found in the RSI Contribution Schedule in the Financial Section.

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2015 valuation of the State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan were adopted by the INPRS Board in April 2015. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2010 through June 30, 2014, and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and updated the policy in October 2015 to address over funded plans.

Changes in Actuarial Assumptions

The inflation assumption decreased from 3.00% to 2.25% per year.

The future salary increase rate assumption decreased from 3.25% to 2.50% per year.

The mortality assumption changed from the 2013 IRS Static Mortality projected (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) Blue Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

The retirement assumption changed to reflect higher likelihood of retirement at certain ages.

The termination assumption changed from an age-based table to a service-based table.

The dependent assumption was adjusted to reflect recent experience.

Changes in Actuarial Methods

There were no method changes for the June 30, 2015 valuation.

Changes in Plan Provisions

There were no changes to the plan provisions that impacted the pension benefits during the fiscal year.

Actuarial Assumptions

Except as noted below, actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting.

Economic Assumptions:

Interest Rate / Investment Return:	
Funding	6.75 percent (net of administrative and investment expenses)
Accounting & Financial Reporting	6.75 percent (net of investment expenses)
Interest on Member Contributions:	3.50 percent per year
Cost of Living Increases:	1.00 percent per year in retirement
Future Salary Increases:	2.50 percent per year
Inflation:	2.25 percent per year

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Demographic Assumptions: Based on 2010-2014 Experience

Mortality (Healthy and Disabled): RP-2014 Blue Collar Set Mortality Table with mortality improvement since 2006 using scale MP-2014 removed and projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee report.

Retirement:

Age	Rate	Age	Rate
45	3%	51-59	15%
46-49	2	60-64	40
50	3	> = 65	100

Termination:

Years of Service	Rate
0-1	10.00%
2	9.00
3	8.00
4	7.00
5	6.00
6	5.00
7	4.00
8	3.00
9	2.00
> = 10	1.00

Disability: 150 percent of 1964 OASDI Table. Illustrative rates shown below:

Age	Rate
20	0.0900%
25	0.1275
30	0.1650
35	0.2205
40	0.3300
45	0.5400
50	0.9090
55	1.5135
60	2.4405
65+	0.0000

Spouse/Beneficiary: 90 percent of members are assumed to be married or to have a dependent beneficiary. Males are assumed to be three (3) years older than females.

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Actuarial Methods

Funding uses the same Actuarial Methods as accounting and financial reporting, except where noted.

Actuarial Cost Method:	Entry Age Normal – Level Percent of Payroll The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date. This method produces a cost of future benefit accruals that is a level percent of pay over time, which is desirable for employers from a budgeting standpoint. Other actuarial cost methods are more volatile in their allocation of cost for each year of member service.
Amortization Method:	For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 30-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 30-year period. However, when the plan is at or above 100% funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities. For accounting and financial reporting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants (actives and inactives). Gains and losses occurring from investment experience different than assumed are amortized into expense over a 5-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.
Actuarial (Liability) Valuation Method:	Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.
Asset Valuation Method:	Funding uses the Actuarial Value of Assets (AVA), which is equal to a four-year smoothing of gains and losses on the Market Value of Assets (MVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the MVA. Accounting and financial reporting uses the Market Value of Assets (MVA) in accordance with GASB Statement No. 67.

Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section.

Analysis of Financial Experience

(dollars in thousands)

	UAAL
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2014	**$ 16,037**
UAAL (Gain) / Loss	
Actuarial Value of Assets Experience	775
Actuarial Accrued Liabilities Experience[1]	846
Amortization of Existing Bases	(296)
Actuarial Assumption & Methodology Changes[2]	2,669
Plan Provision Changes	-
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2015	**$ 20,031**

[1] Actuarial Accrued Liabilities Experience represents actual experience versus expected experience of the actuarial census assumptions. A significant assumption is the Cost-of-Living Adjustment (COLA), which is a gain of approximately $597 thousand as benefit recipients being provided a one-time (13th check) by October 1, 2015, rather than the assumed 1.00%.

[2] Several assumptions were updated pursuant to an experience study completed in April 2015.

Solvency Test

(dollars in thousands)

	Actuarial Accrued Liabilities					Portion of Actuarial Accrued Liabilities Covered by Assets			
Actuarial Valuation as of June 30	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
2006	$ 3,644	$ 20,870	$ 40,251	$ 64,765	$ 48,496	100.0%	100.0%	59.6%	74.9%
2007	3,527	24,606	46,318	74,451	57,414	100.0	100.0	63.2	77.1
2008	4,314	28,902	43,961	77,177	65,375	100.0	100.0	73.2	84.7
2009	5,274	35,039	48,983	89,296	68,170	100.0	100.0	56.9	76.3
2010	6,220	36,044	55,598	97,862	70,327	100.0	100.0	50.5	71.9
2011	6,271	46,695	48,568	101,534	72,599	100.0	100.0	40.4	71.5
2012	6,532	53,929	52,822	113,283	76,007	100.0	100.0	29.4	67.1
2013[1]	7,494	56,028	54,575	118,097	98,608	100.0	100.0	64.3	83.5
2014	8,042	54,626	60,933	123,601	107,563	100.0	100.0	73.7	87.0
2015	8,456	61,503	62,837	132,796	112,765	100.0	100.0	68.1	84.9

[1] In accordance with Legislation passed during March 2012, the State appropriated $14,619 thousand during FY2013 to reach a funded status of 80.0 percent based on the actuarial valuation as of June 30, 2012.

Schedule of Active Members Valuation Data

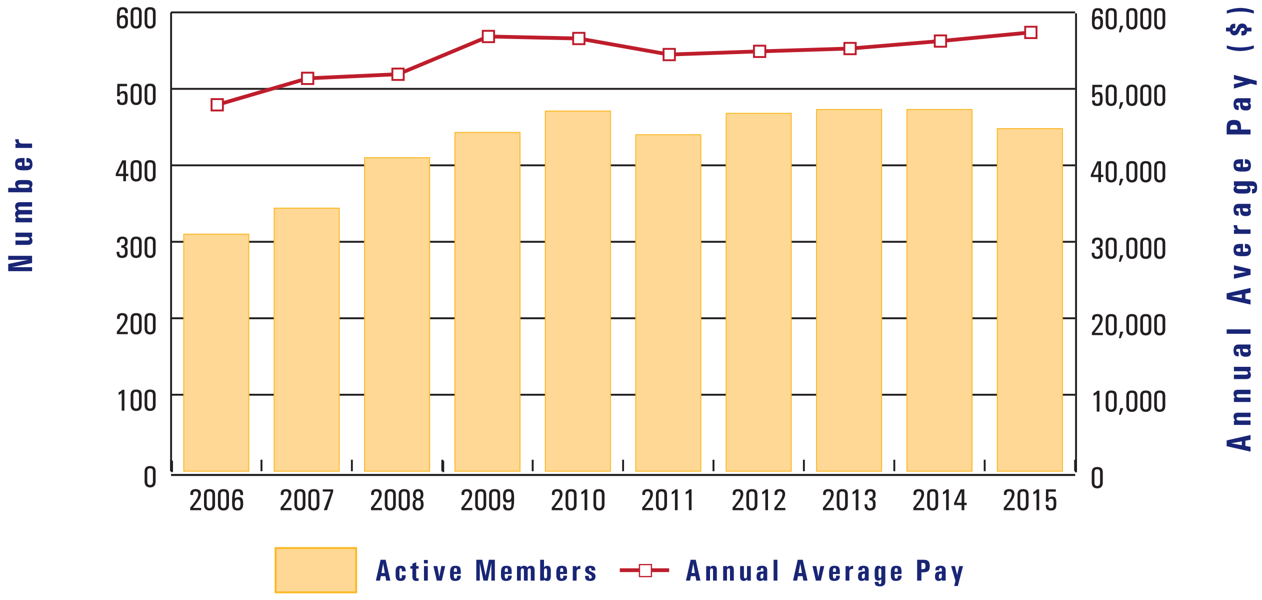
(dollars in thousands – except annual average pay)

Actuarial Valuation as of June 30	Active Members	Annual Payroll[1]	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2006	310	$ 14,892	$ 48,038	(4.8)%
2007	344	17,715	51,497	7.2
2008	410	21,333	52,033	1.0
2009	443	25,238	56,971	9.5
2010	471	26,709	56,707	(0.5)
2011	440	24,028	54,609	(3.7)
2012	468	25,752	55,026	0.8
2013	473	26,201	55,393	0.7
2014[2]	473	26,664	56,372	1.8
2015[2]	448	25,761	57,502	2.0

[1] *Figures shown are the anticipated pay for the one-year period following the valuation date.*

[2] *The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

Total Number of Active Members Per Year and Annual Average Pay



State Excise Police, Gaming Agent, Gaming Control Officer & Conservation Enforcement Officers' Retirement Plan

Schedule of Retirants and Beneficiaries

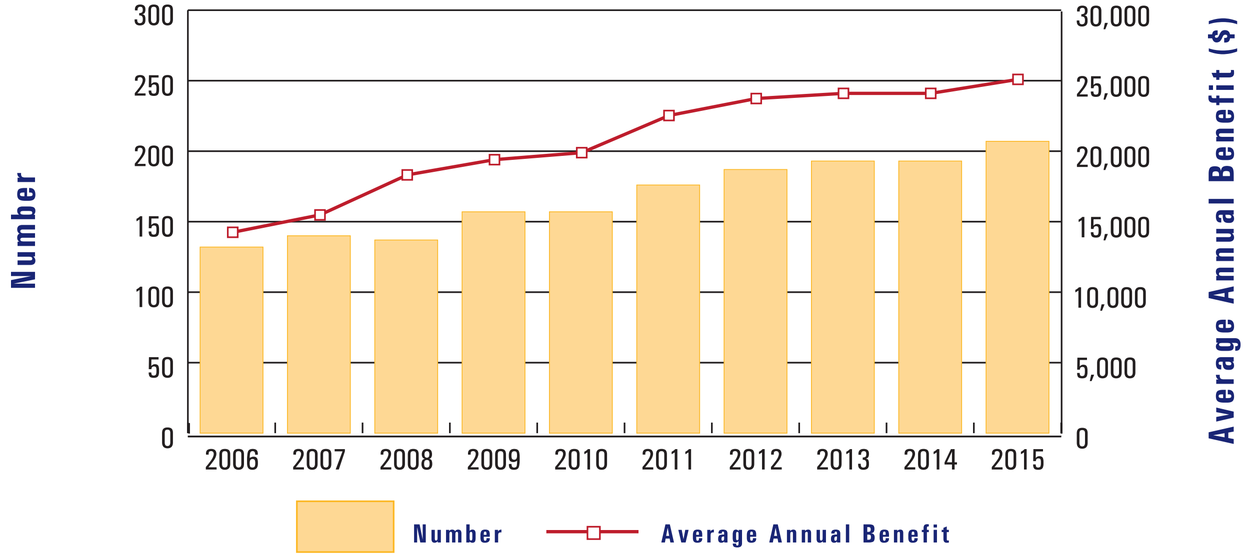
(dollars in thousands – except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year				
Actuarial Valuation as of June 30	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits[1]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit	Percent Increase/ (Decrease) in Average Annual Benefit
2006	5	$ 127	1	$ 26	132	$ 1,888	5.6%	$ 14,304	2.4%
2007	13	359	5	74	140	2,176	15.2	15,539	8.6
2008	9	302	12	119	137	2,518	15.8	18,382	18.3
2009	59	748	39	258	157	3,056	21.3	19,465	5.9
2010	6	136	6	49	157	3,134	2.6	19,962	2.6
2011	22	902	3	23	176	3,978	26.9	22,602	13.2
2012	14	495	3	14	187	4,452	11.9	23,810	5.3
2013	8	253	2	9	193	4,666	4.8	24,177	1.5
2014[2]	-	-	-	-	193	4,666	-	24,177	-
2015[2]	15	556	1	5	207	5,210	11.7	25,170	4.1

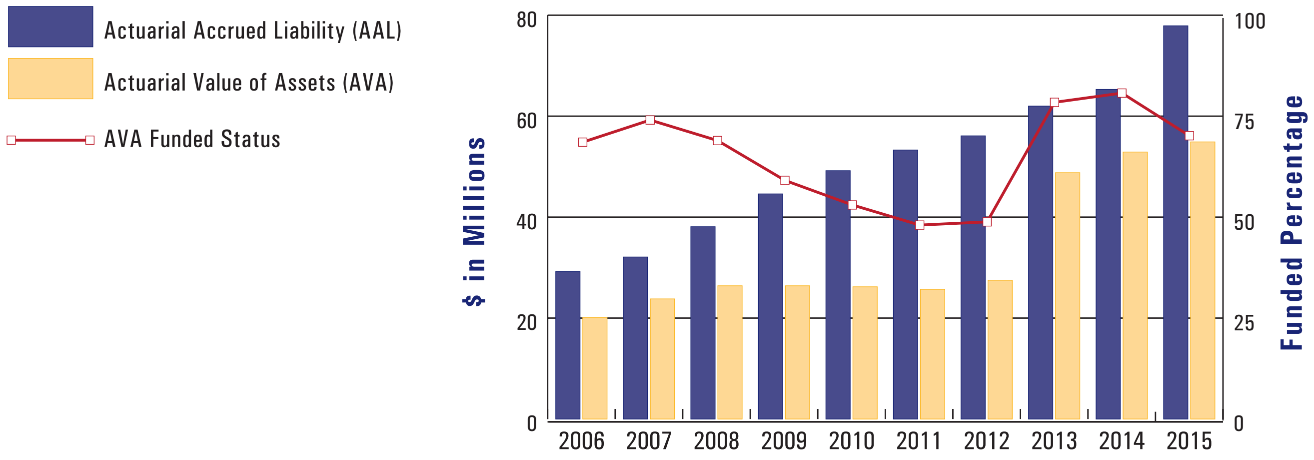
[1] *End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.*

[2] *The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



Historical Summary of Actuarial Valuation Results



(dollars in millions)

Actuarial Valuation as of June 30	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability[1] (AAL – AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll[2]	Unfunded Liability[1] as a percentage of Covered Employee Payroll
2006	$ 29.2	$ 20.1	$ 9.1	68.8%	$ 19.2	47.4%
2007	32.1	23.8	8.2	74.3	18.1	45.5
2008	38.1	26.4	11.7	69.2	20.6	56.8
2009	44.6	26.4	18.2	59.3	20.8	87.6
2010	49.2	26.2	23.0	53.2	21.0	109.4
2011	53.3	25.7	27.6	48.2	18.1	152.6
2012	56.1	27.5	28.6	49.0	21.7	131.8
2013	62.0	48.8	13.2	78.7	18.8	70.2
2014	65.3	52.9	12.4	81.0	20.6	60.2
2015	77.9	54.9	23.0	70.4	21.1	108.8

[1] *The Unfunded Liability uses the Actuarial Value of Assets (AVA), which is different than Net Pension Liability in the Financial Section that uses the Plan Fiduciary Net Position, also known as the Market Value of Assets (MVA).*

[2] *Covered Employee Payroll can also be found in the RSI Contribution Schedule in the Financial Section.*

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2015 valuation of the Prosecuting Attorneys' Retirement Fund were adopted by the INPRS Board in April 2015. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2010 through June 30, 2014, and were first used in the June 30, 2015 valuation. The INPRS Board also adopted the funding policy in April 2014. The INPRS Board adopted a funding policy in April 2014, and updated the policy in October 2015 to address over funded plans.

Changes in Actuarial Assumptions

The inflation assumption changed from 3.00% per year to 2.25% per year.

The mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

The retirement assumption changed from an age and points-based table to an age and service-based table, reflecting higher rates of retirement after 22 years of service.

Changes in Actuarial Methods

There were no method changes for the June 30, 2015 valuation.

Changes in Plan Provisions

There were no changes to the plan provisions that impacted the pension benefits during the fiscal year.

Actuarial Assumptions

Except as noted below, actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting.

Economic Assumptions

Interest Rate / Investment Return:	
Funding	6.75 percent (net of administrative and investment expenses)
Accounting & Financial Reporting	6.75 percent (net of investment expenses)
Interest on Member Contributions:	3.50 percent per year
Cost of Living Increases:	N/A
Future Salary Increases:	4.00 percent per year
Inflation:	2.25 percent per year

Demographic Assumptions: Based on 2010-2014 experience

Mortality (Healthy and Disabled): RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

Retirement:

Age	Service < 22	Service > = 22
55-61	0%	70%
62-64	20	70
> = 65	100	100

Termination: 10 percent per year for all members prior to retirement eligibility.

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Disability:

Age	Male	Female
20	0.0067%	0.0050%
30	0.0208	0.0158
40	0.0646	0.0496
50	0.2005	0.1556
60	0.6220	0.4881
70	0.1000	0.1000
71+	0.0000	0.0000

Spouse/Beneficiary:	90 percent of participants are assumed either to be married or to have a dependent beneficiary. Males are assumed to be three (3) years older than their spouses.

Actuarial Methods

Funding uses the same Actuarial Methods as accounting and financial reporting, except where noted.

Actuarial Cost Method:	Entry Age Normal – Level Percent of Payroll The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date. This method produces a cost of future benefit accruals that is a level percent of pay over time, which is desirable for employers from a budgeting standpoint. Other actuarial cost methods are more volatile in their allocation of cost for each year of member service.
Amortization Method:	For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 30-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 30-year period. However, when the plan is at or above 100% funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities. For accounting and financial reporting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants (actives and inactives). Gains and losses occurring from investment experience different than assumed are amortized into expense over a 5-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.
Actuarial (Liability) Valuation Method:	Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.
Asset Valuation Method:	Funding uses the Actuarial Value of Assets (AVA), which is equal to a four-year smoothing of gains and losses on the Market Value of Assets (MVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the MVA. Accounting and financial reporting uses the Market Value of Assets (MVA) in accordance with GASB Statement No. 67.

Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section.

Analysis of Financial Experience

(dollars in thousands)

	UAAL
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2014	**$ 12,400**
UAAL (Gain) / Loss	
Actuarial Value of Assets Experience	1,045
Actuarial Accrued Liabilities Experience	4,551
Amortization of Existing Bases	(200)
Actuarial Assumption & Methodology Changes[1]	5,216
Plan Provision Changes	–
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2015	**$ 23,012**

[1] Several assumptions were updated pursuant to the experience study completed in April 2015.

Solvency Test

(dollars in thousands)

	Actuarial Accrued Liabilities					Portion of Actuarial Accrued Liabilities Covered by Assets			
Actuarial Valuation as of June 30	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
2006	$ 14,893	$ 2,252	$ 12,039	$ 29,184	$ 20,053	100.0 %	100.0 %	24.2 %	68.7 %
2007	16,014	3,192	12,846	32,052	23,815	100.0	100.0	35.9	74.3
2008	17,428	5,173	15,468	38,069	26,350	100.0	100.0	24.2	69.2
2009	19,239	10,384	15,009	44,632	26,467	100.0	69.6	-	59.3
2010	20,999	12,557	15,618	49,174	26,166	100.0	41.1	-	53.2
2011	21,592	16,806	14,854	53,252	25,651	100.0	24.2	-	48.2
2012	23,406	18,660	14,014	56,080	27,501	100.0	21.9	-	49.0
2013[1]	25,371	22,004	14,565	61,940	48,762	100.0	100.0	9.5	78.7
2014	26,654	22,665	16,017	65,336	52,936	100.0	100.0	22.6	81.0
2015	25,479	26,636	25,746	77,861	54,848	100.0	100.0	10.6	70.4

[1] In accordance with Legislation passed during March 2012, the State appropriated $17,363 thousand during FY2013 to reach a funded status of 80.0 percent based on the actuarial valuation as of June 30, 2012..

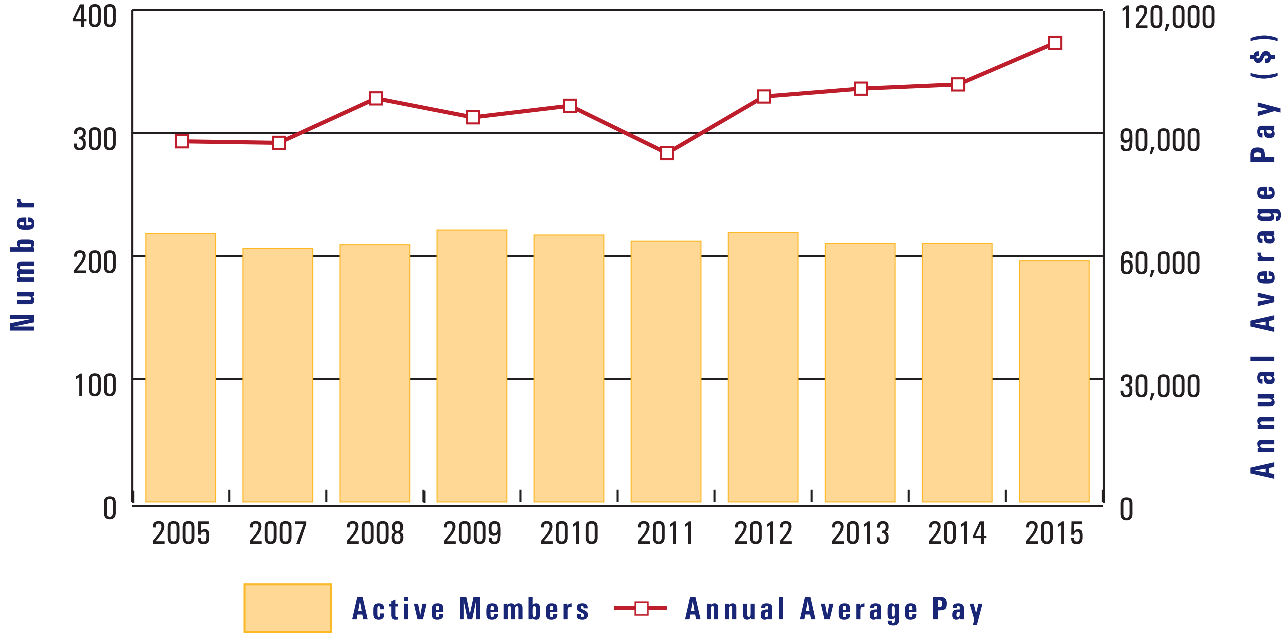
Schedule of Active Members Valuation Data

(dollars in thousands – except annual average pay)

Actuarial Valuation as of June 30	Active Members	Annual Payroll[1]	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2006	218	$ 19,225	$ 88,188	16.5 %
2007	206	18,092	87,825	(0.4)
2008	209	20,617	98,646	12.3
2009	221	20,782	94,037	(4.7)
2010	217	21,016	96,848	3.0
2011	212	18,082	85,292	(11.9)
2012	219	21,705	99,110	16.2
2013	210	21,217	101,033	1.9
2014[2]	210	21,432	102,057	1.0
2015[2]	196	21,991	112,198	9.9

[1] Figures shown are the anticipated pay for the one-year period following the valuation date.
[2] The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Total Number of Active Members Per Year and Annual Average Pay



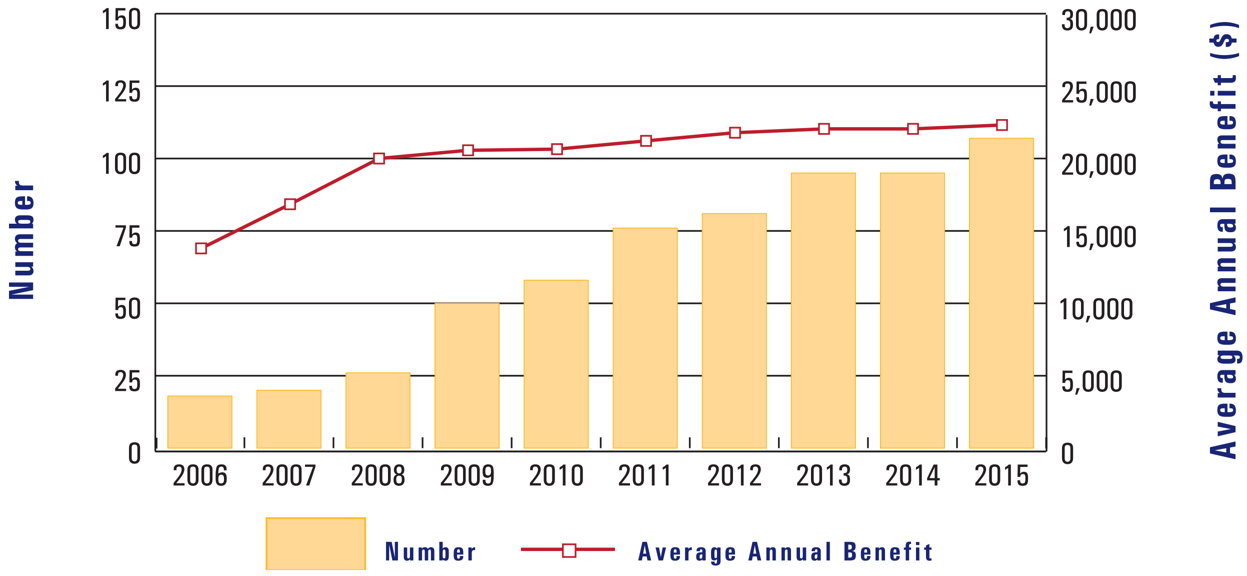
Schedule of Retirants and Beneficiaries

(dollars in thousands – except average annual benefit)

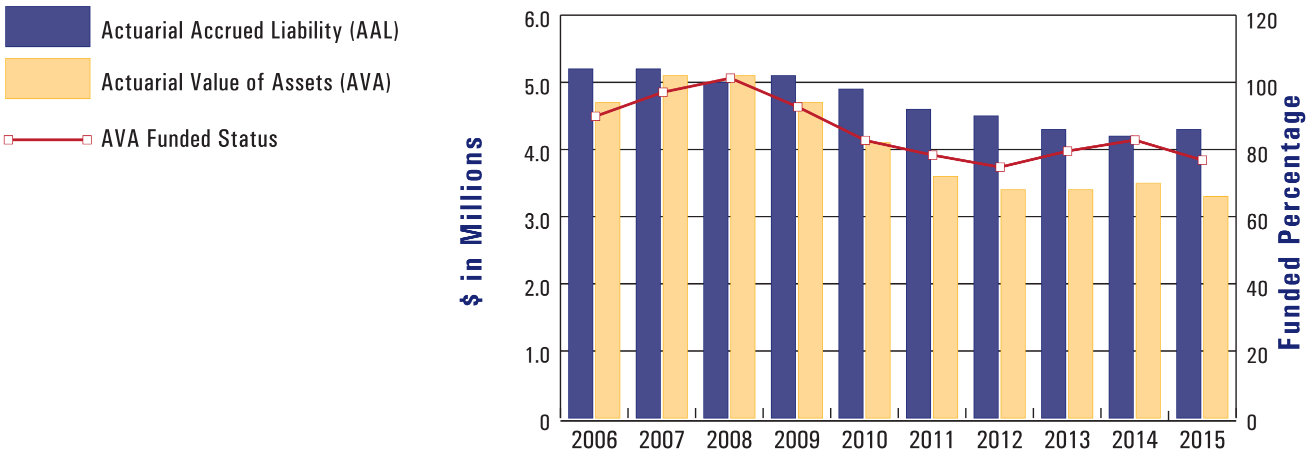
Actuarial Valuation as of June 30	Added to Rolls		Removed from Rolls		Rolls – End of Year		Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit	Percent Increase/ (Decrease) in Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits[1]			
2006	-	$ -	-	$ -	18	$ 249	0.1%	$ 13,850	0.1%
2007	4	121	2	32	20	338	35.6	16,905	22.1
2008	7	207	1	14	26	522	54.3	20,068	18.7
2009	26	536	2	26	50	1,032	97.8	20,636	2.8
2010	9	187	1	16	58	1,201	16.4	20,715	0.4
2011	19	473	1	16	76	1,618	34.7	21,288	2.8
2012	6	178	1	27	81	1,770	9.4	21,853	2.7
2013	15	362	1	27	95	2,101	18.7	22,118	1.2
2014[2]	-	-	-	-	95	2,101	-	22,118	-
2015[2]	14	319	2	14	107	2,395	14.0	22,385	1.2

[1] *End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.*
[2] *The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



Historical Summary of Actuarial Valuation Results



(dollars in millions)

Actuarial Valuation as of June 30	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability[1] (AAL – AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll[2]	Unfunded Liability[1] as a percentage of Covered Employee Payroll
2006	$ 5.2	$ 4.7	$ 0.5	90.2%	N/A	N/A
2007	5.2	5.1	0.1	97.4	N/A	N/A
2008	5.0	5.1	(0.1)	101.6	N/A	N/A
2009	5.1	4.7	0.4	93.0	N/A	N/A
2010	4.9	4.1	0.8	83.0	N/A	N/A
2011	4.6	3.6	1.0	78.6	N/A	N/A
2012	4.5	3.4	1.1	75.0	N/A	N/A
2013	4.3	3.4	0.9	79.8	N/A	N/A
2014	4.2	3.5	0.7	83.1	N/A	N/A
2015	4.3	3.3	1.0	77.1	N/A	N/A

[1] The Unfunded Liability uses the Actuarial Value of Assets (AVA), which is different than Net Pension Liability in the Financial Section that uses the Plan Fiduciary Net Position, also known as the Market Value of Assets (MVA).

[2] A closed plan with no Covered Employee Payroll.

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2015 valuation of the Legislators' Defined Benefit Plan were adopted by the INPRS Board in April 2015. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2010 through June 30, 2014, and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and updated the policy in October 2015 to address over funded plans.

Changes in Actuarial Assumptions

The salary increase and inflation assumptions changed from 3.00% to 2.25% per year.

The mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

Changes in Actuarial Methods

There were no method changes for the June 30, 2015 valuation.

Changes in Plan Provisions

There were no changes to the plan provisions that impacted the pension benefits during the fiscal year.

Actuarial Assumptions

Except as noted below, actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting.

Economic Assumptions

Interest Rate / Investment Return:	
Funding	6.75 percent (net of administrative and investment expenses)
Accounting & Financial Reporting	6.75 percent (net of investment expenses)
Cost of Living Increases:	1.00 percent per year in retirement
Future Salary Increases:	2.25 percent per year
Inflation:	2.25 percent per year

Demographic Assumptions: Based on 2010-2014 Experience

Mortality (Healthy and Disabled):	RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

Retirement:

Age	Rate
55	10%
56-57	8
58-61	2
62-64	5
65+	100

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Termination:

Sarason T-2 Tables. Illustrative rates shown below:

Age	Rate
20	5.4384%
25	5.2917
30	5.0672
35	4.6984
40	3.5035
45	1.7686
50	0.4048
55+	0.0000

Disability:

75 percent of 1964 OASDI Tables. Illustrative rates shown below:

Age	Rate
20	0.045%
25	0.064
30	0.083
35	0.111
40	0.165
45	0.270
50	0.454
55	0.757
60	1.220
65+	0.000

Spouse/Beneficiary:

90 percent of participants are assumed either to be married or to have a dependent beneficiary.

Males are assumed to be three (3) years older than their spouses.

Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions, continued

Actuarial Methods

Actuarial Cost & Amortization Methods:

Funding:	Traditional Unit Credit
	The normal cost is calculated separately for each active member and is equal to actuarial present value of additional benefits expected to be accrued during the year following the valuation date. The actuarial accrued liability on any valuation date is the actuarial present value of the benefits earned for service prior to the valuation date. Since the benefits for all members of the Legislator's Defined Benefit Plan are fixed and no longer increasing with future service credit or future salary increases, applying the Traditional Unit Credit cost method results in the Actuarial Accrued Liability being equal to the Present Value of Future Benefits (i.e. all benefits are treated as though they are attributable to past service) and the Normal Cost being equal to $0. This is consistent with the actual status of member benefit accruals.
	Gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 30-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 30-year period. However, when the plan is at or above 100% funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. The purpose of the method is to give a smooth progression of the costs from year to year and, at the same time, provide for an orderly funding of the unfunded liabilities
Accounting & Financial Reporting:	Entry Age Normal- Level Percent of Payroll
	The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.
	Gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants (actives and inactives). Gains and losses occurring from investment experience different than assumed are amortized into expense over a 5-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.
Actuarial (Liability) Valuation Method:	Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.
Asset Valuation Method:	Funding uses the Actuarial Value of Assets (AVA), which is equal to a four-year smoothing of gains and losses on the Market Value of Assets (MVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the MVA.
	Accounting and financial reporting uses the Market Value of Assets (MVA) in accordance with GASB Statement No. 67.

Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section.

Analysis of Financial Experience

(dollars in thousands)

		UAAL
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2014	**$**	**706**
UAAL (Gain) / Loss		
Actuarial Value of Assets Experience		63
Actuarial Accrued Liabilities Experience[1]		(70)
Amortization of Existing Bases		(33)
Actuarial Assumption & Methodology Changes[2]		325
Plan Provision Changes		-
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2015	**$**	**991**

[1] Actuarial Accrued Liabilities Experience represents actual experience versus expected experience of the actuarial census assumptions. A significant assumption is the Cost-of-Living Adjustment (COLA), which is a gain of approximately $36 thousand as benefit recipients received 0.00% COLA effective January 1, 2016, rather than the assumed 1.00%.

[2] Several assumptions were updated pursuant to an experience study completed in April 2015.

Solvency Test

(dollars in thousands)

	Actuarial Accrued Liabilities					Portion of Actuarial Accrued Liabilities Covered by Assets			
Actuarial Valuation as of June 30	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
2006	-	$ 2,270	$ 2,962	$ 5,232	$ 4,721	N/A	100.0%	82.8%	90.2%
2007	-	2,432	2,737	5,169	5,035	N/A	100.0	95.1	97.4
2008	-	2,258	2,781	5,039	5,120	N/A	100.0	100.0	101.6
2009	-	3,147	1,940	5,087	4,730	N/A	100.0	81.6	93.0
2010	-	3,017	1,892	4,909	4,075	N/A	100.0	55.9	83.0
2011	-	3,037	1,584	4,621	3,634	N/A	100.0	37.7	78.6
2012	-	3,031	1,472	4,503	3,377	N/A	100.0	23.5	75.0
2013	-	3,192	1,103	4,295	3,428	N/A	100.0	21.4	79.8
2014	-	3,076	1,097	4,173	3,467	N/A	100.0	35.7	83.1
2015	-	3,213	1,115	4,328	3,336	N/A	100.0	11.1	77.1

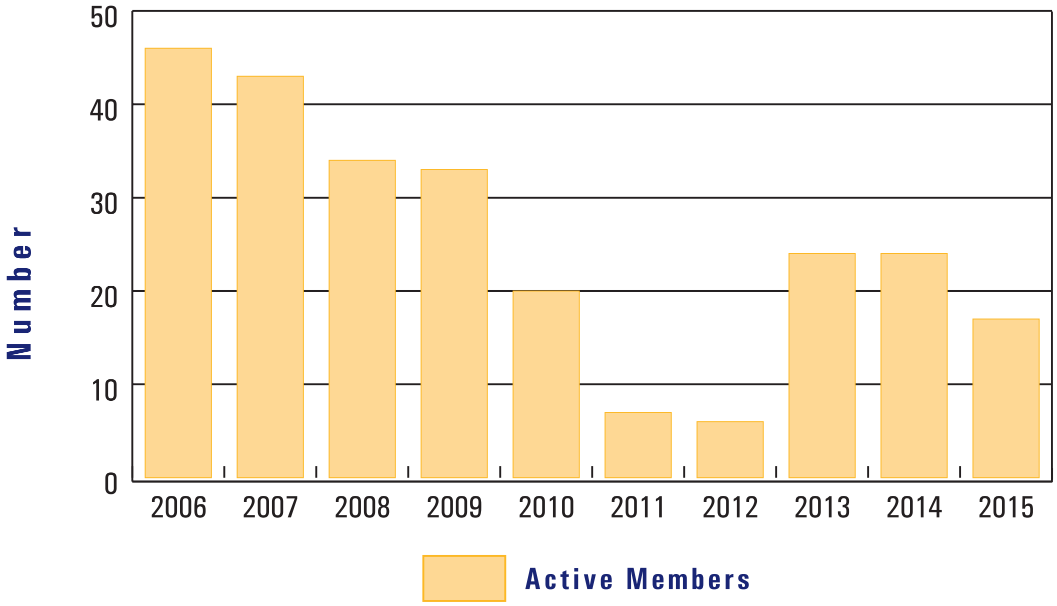
Schedule of Active Members Valuation Data

(dollars in thousands – except annual average pay)

Actuarial Valuation as of June 30	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2006	46	N/A	N/A	N/A
2007	43	N/A	N/A	N/A
2008	34	N/A	N/A	N/A
2009	33	N/A	N/A	N/A
2010	20	N/A	N/A	N/A
2011	7	N/A	N/A	N/A
2012	6	N/A	N/A	N/A
2013	24	N/A	N/A	N/A
2014[1]	24	N/A	N/A	N/A
2015[1]	17	N/A	N/A	N/A

[1] *The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

Total Number of Active Members Per Year



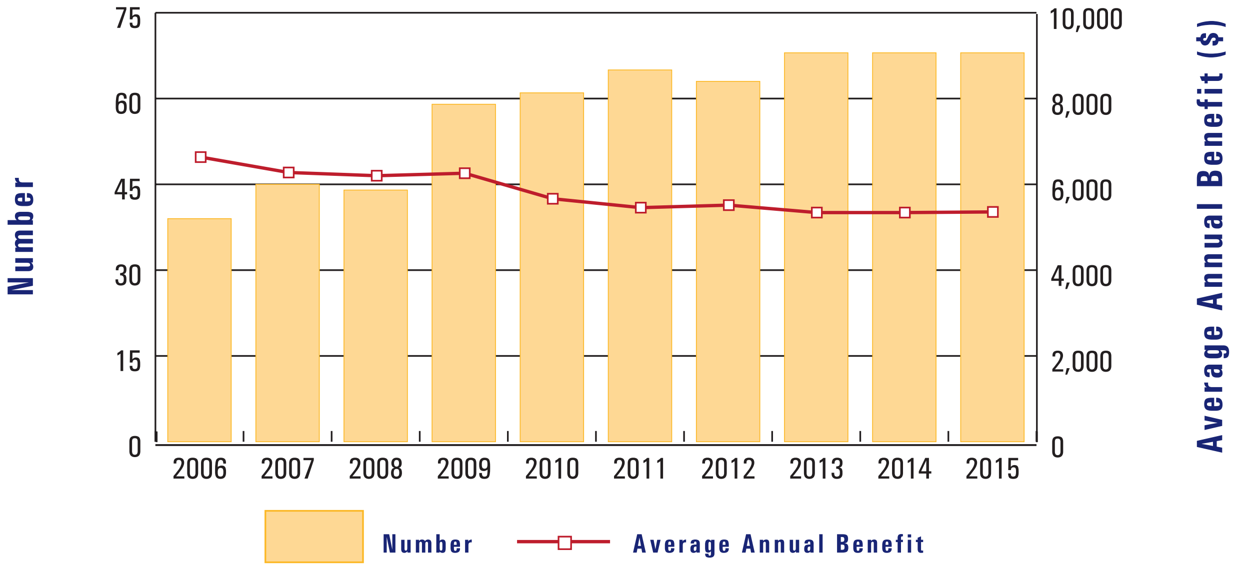
Schedule of Retirants and Beneficiaries

(dollars in thousands – except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year				
Actuarial Valuation as of June 30	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits[1]	Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit	Percent Increase/ (Decrease) in Average Annual Benefit
2006	2	$ 12	2	$ 9	39	$ 260	6.2%	$ 6,658	6.2%
2007	6	31	-	-	45	283	9.1	6,298	(5.4)
2008	1	-	2	10	44	274	(3.4)	6,223	(1.2)
2009	17	88	2	2	59	371	35.3	6,281	0.9
2010	5	9	3	27	61	347	(6.5)	5,685	(9.5)
2011	4	22	-	-	65	356	2.6	5,477	(3.7)
2012	2	13	4	20	63	349	(2.0)	5,536	1.1
2013	9	41	4	26	68	364	4.3	5,362	(3.1)
2014[2]	-	-	-	-	68	364	-	5,362	-
2015[2]	1	2	1	1	68	366	0.5	5,377	0.3

[1] *End of year annual benefits are not equal to prior end of year annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases.*
[2] *The valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



Indiana Public Retirement System

INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2015

Statistical Section

Summary of Statistical Section

This part of the Comprehensive Annual Financial Report contains more detailed information regarding the financial viability and pension benefit offerings for understanding the Financial Statements, Notes to the Financial Statements, and Required Supplementary Information.

Financial Trends

The following schedules contain trends to assist in understanding changes over time in financial performance of each retirement plan:

- Schedule of Changes and Growth in Fiduciary Net Position
- Schedule of Income Sources for a Ten-Year Period
- Schedule of Historical Contribution Rates

Demographic and Economic Information

The following schedules contain benefit and member data to provide a better understanding of the benefit offerings of each retirement plan:

- Summary of Participating Employers
- Membership Data Summary
- Ratio of Active Members to Annuitants
- Pension Benefits by Indiana County
- Retirees by Geographical Location
- Schedule of Benefit Recipients by Type of Benefit Option
- Schedule of Average Benefit Payments
- Schedule of Participating Employers: Top 10
- Schedule of Average Death Benefit Payments

Schedule of Changes and Growth in Fiduciary Net Position[1]

(dollars in thousands)

Fiscal Year Ended June 30

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Fiduciary Net Position - Beginning of Year	**$ 20,227,535**	**$ 22,176,884**	**$ 25,915,382**	**$ 24,128,622**	**$ 19,516,230**	**$ 22,083,460**	**$ 25,702,734**	**$ 25,545,715**	**$ 27,048,027**	**$ 30,197,152**
Contributions / (Benefits and Expenses)										
Member Contributions	312,918	312,488	322,060	332,959	335,244	330,314	335,548	326,518	341,609	348,789
Employer Contributions	467,369	532,143	609,138	636,164	648,470	677,385	749,439	933,719	894,851	923,759
Nonemployer Contributing Entity	585,187	618,658	653,981	693,140	717,932	739,846	756,116	1,004,140	826,142	846,122
Member Reassignments	6,606	6,965	9,608	7,662	8,176	15,410	13,025	14,759	15,582	17,591
Other	166	253	404	166	154	166	100	106	172	188
Total Contributions and Other	1,372,246	1,470,507	1,595,191	1,670,091	1,709,976	1,763,121	1,854,228	2,279,242	2,078,356	2,136,449
Pension Benefits	(1,215,172)	(1,379,511)	(1,477,798)	(1,494,247)	(1,623,749)	(1,889,792)	(1,976,672)	(2,070,025)	(2,144,854)	(2,365,724)
Disability Benefits	(39,079)	(45,094)	(47,079)	(51,326)	(55,554)	(53,608)	(57,239)	(60,664)	(71,202)	(64,172)
Death Benefits	(209)	(222)	(558)	(656)	(1,014)	(774)	(788)	(1,444)	(870)	(1,010)
Distributions of Contributions and Interest	(78,735)	(65,382)	(60,440)	(50,355)	(53,297)	(91,447)	(95,431)	(98,414)	(87,375)	(88,659)
Administrative and Project Expenses	(23,459)	(27,366)	(31,686)	(36,043)	(38,200)	(35,848)	(40,813)	(45,864)	(43,399)	(40,456)
Member Reassignments	(6,606)	(6,965)	(9,608)	(7,662)	(8,176)	(15,410)	(13,025)	(14,759)	(15,582)	(17,591)
Total Benefits, Administrative and Project Expenses	(1,363,260)	(1,524,540)	(1,627,169)	(1,640,289)	(1,779,990)	(2,086,879)	(2,183,968)	(2,291,170)	(2,363,282)	(2,577,612)
Net Contributions / (Benefits and Expenses)	**$ 8,986**	**$ (54,033)**	**$ (31,978)**	**$ 29,802**	**$ (70,014)**	**$ (323,758)**	**$ (329,740)**	**$ (11,928)**	**$ (284,926)**	**$ (441,163)**
Net Investment Income / (Loss)	1,940,363	3,792,531	(1,754,782)	(4,642,194)	2,637,244	3,943,032	172,721	1,514,240	3,434,051	105,000
Net Increase / (Decrease)	**$ 1,949,349**	**$ 3,738,498**	**$ (1,786,760)**	**$ (4,612,392)**	**$ 2,567,230**	**$ 3,619,274**	**$ (157,019)**	**$ 1,502,312**	**$ 3,149,125**	**$ (336,163)**
Fiduciary Net Position - End of Year	**$ 22,176,884**	**$ 25,915,382**	**$ 24,128,622**	**$ 19,516,230**	**$ 22,083,460**	**$ 25,702,734**	**$ 25,545,715**	**$ 27,048,027**	**$ 30,197,152**	**$ 29,860,989**

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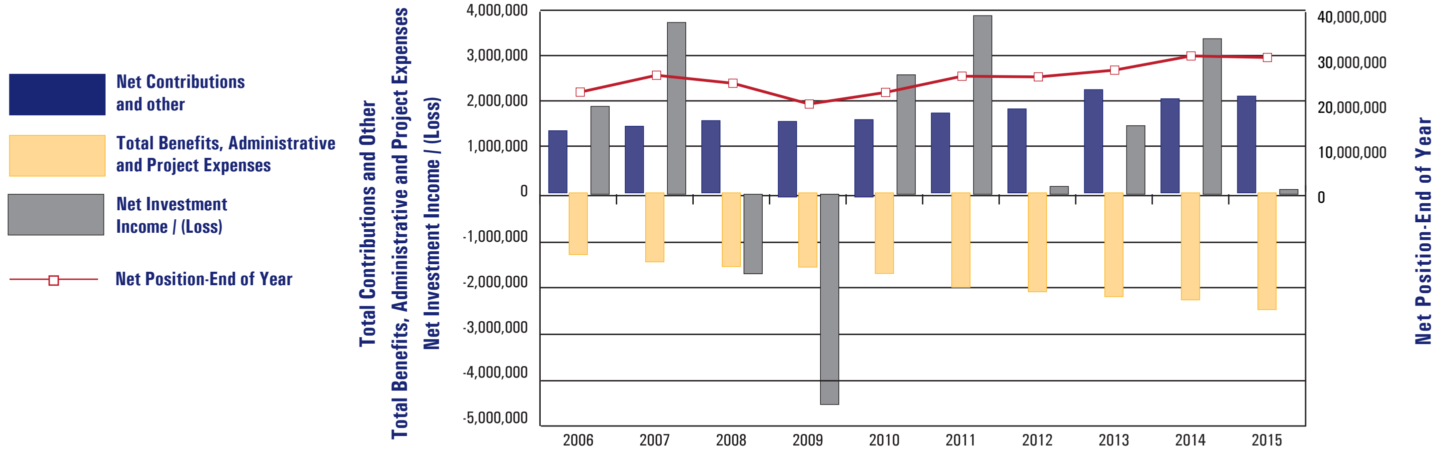
[1] Prior years (2006 through 2013) have been restated to reflect the exclusion of the Pension Relief Fund as an Agency Fund and the reclass of Nonemployer Contributing Entity contributions from Employer Contributions and Other.

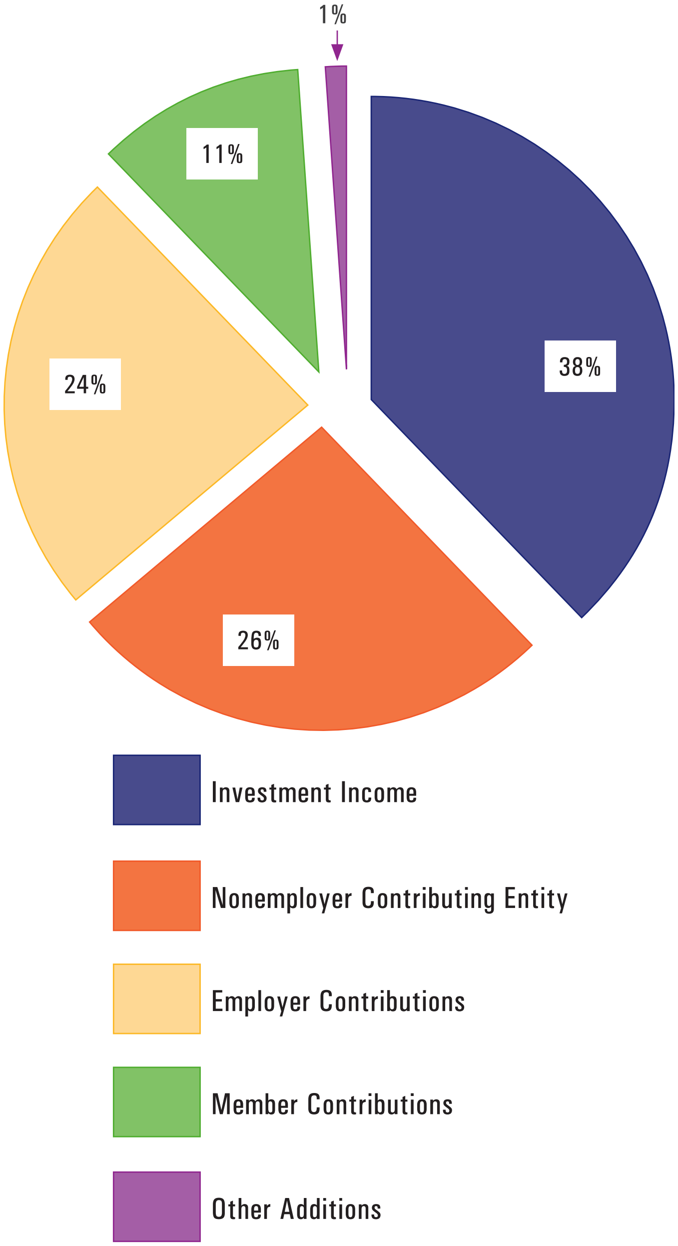
Ten-Year Comparison of Total Contributions and Other, Total Benefits, Administrative and Project Expenses and Net Position - End of Year (dollars in thousands)



Summary of Income Sources for a Ten-Year Period

Fiscal Year 2006 - Fiscal Year 2015

Investment Income	38%
Nonemployer Contributing Entity	26%
Employer Contributions	24%
Member Contributions	11%
Other Additions	1%

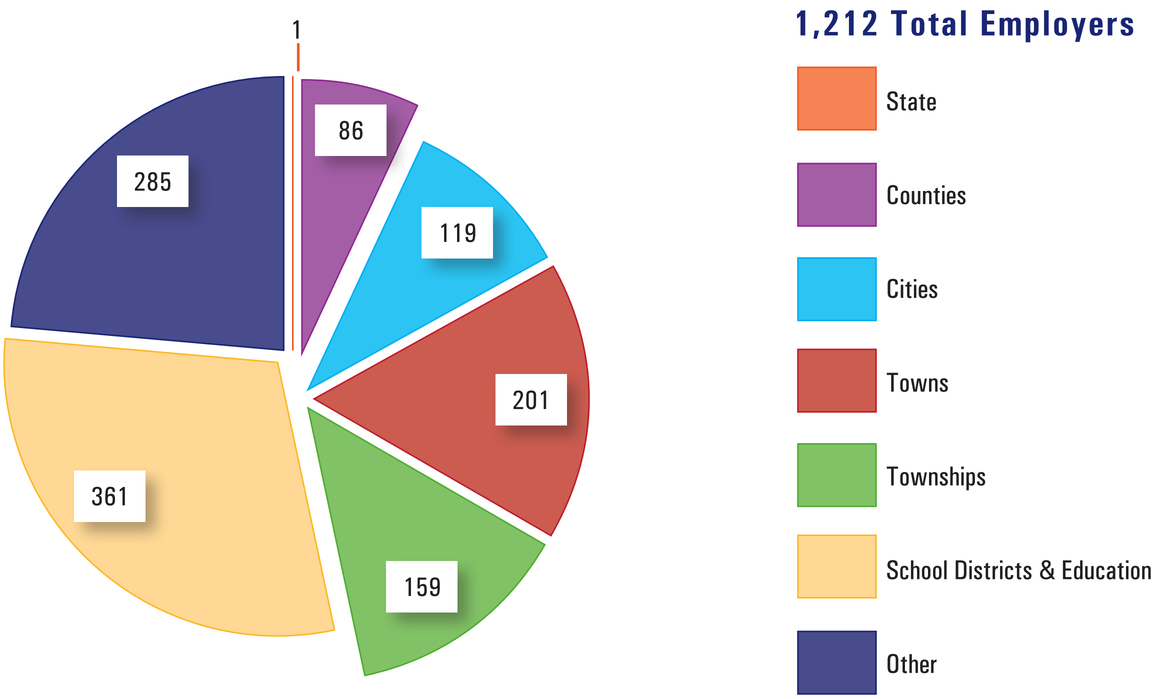


Summary of Participating Employers

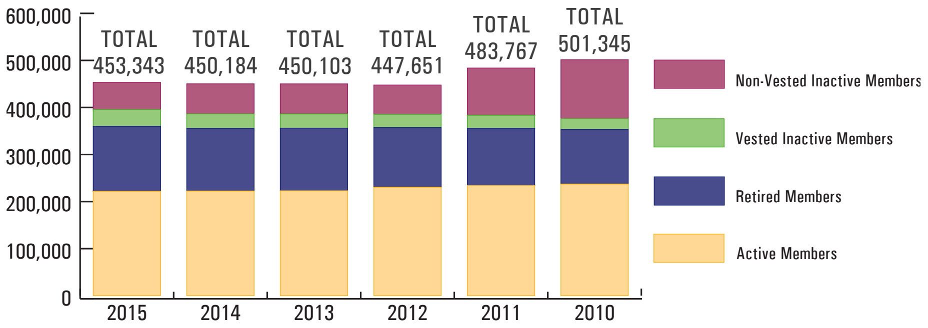
- PERF = Public Employees' Retirement Fund
- TRF Pre-1996 = Teachers' Retirement Fund Pre-1996 Account
- TRF 1996 = Teachers' Retirement Fund 1996 Account
- 1977 Fund = 1977 Police Officers' and Firefighters' Pension and Disability Fund
- JRS = Judges' Retirement System
- EG&C Plan = State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan
- PARF = Prosecuting Attorneys' Retirement Fund
- LE = Legislators' Retirement System

Employers	Total[1]	PERF	TRF Pre-1996	TRF 1996	1977 Fund	JRS	EG&C Plan	PARF	LE
State	1	1	1	1	-	1	1	1	1
Counties	86	86	-	-	-	-	-	-	-
Cities	119	112	-	-	118	-	-	-	-
Towns	201	198	-	-	32	-	-	-	-
Townships	159	155	-	-	13	-	-	-	-
School Districts & Education	361	330	338	359	-	-	-	-	-
Other	285	285	-	-	2	-	-	-	-
Total	**1,212**	**1,167**	**339**	**360**	**165**	**1**	**1**	**1**	**1**

[1] Sum of individual employers by retirement plan does not equal total employers, since one (1) employer may participate in multiple retirement plans.


1,212 Total Employers

Membership Data Summary[1]



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- JRS = Judges' Retirement System
- EG&C Plan = State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan
- PARF = Prosecuting Attorneys' Retirement Fund
- LEDB Plan = Legislators' Defined Benefit Plan
- LEDC Plan = Legislators' Defined Contribution Plan

Fiscal Year Ended June 30, 2015[2]

Retirement Plans	Active Members	Retirees, Disabilitants, & Beneficiaries	Inactive Vested Members	Inactive Non-Vested Members With Balance	Total Members
PERF	138,660	79,198	26,681	43,803	288,342
TRF Pre-1996	16,310	50,214	4,545	408	71,477
TRF 1996	52,424	4,136	4,132	12,292	72,984
1977 Fund	13,390	3,736	155	822	18,103
JRS	368	326	78	32	804
EG&C Plan	448	207	3	101	759
PARF	196	107	97	153	553
LEDB Plan	17	68	14	-	99
LEDC Plan	149	-	-	73	222
Total INPRS	221,962	137,992	35,705	57,684	453,343

Fiscal Year Ended June 30, 2014[2]

Retirement Plans	Active Members	Retirees, Disabilitants, & Beneficiaries	Inactive Vested Members	Inactive Non-Vested Members With Balance	Total Members
PERF	137,567	75,950	24,013	50,997	288,527
TRF Pre-1996	19,210	49,345	3,314	546	72,415
TRF 1996	51,204	3,665	3,103	11,147	69,119
1977 Fund	13,295	3,491	129	796	17,711
JRS	365	321	67	32	785
EG&C Plan	473	193	4	87	757
PARF	210	95	83	162	550
LEDB Plan	24	68	9	-	101
LEDC Plan	149	-	-	70	219
Total INPRS	222,497	133,128	30,722	63,837	450,184

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[1] *INPRS intends to make this schedule a 10-year schedule over time. Inactive Non-Vested Members With Balance data was not available for select retirement plans prior to fiscal year 2010.*
[2] *Calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

Membership Data Summary, continued[1]

Fiscal Year Ended June 30, 2013

Retirement Plans	Active Members	Retirees, Disabilitants, & Beneficiaries	Inactive Vested Members	Inactive Non-Vested Members With Balance	Total Members
PERF	137,937	75,950	23,504	51,057	288,448
TRF Pre-1996	19,210	49,345	3,314	546	72,415
TRF 1996	51,204	3,665	3,103	11,147	69,119
1977 Fund	13,287	3,491	129	796	17,703
JRS	365	321	67	32	785
EG&C Plan	473	193	4	87	757
PARF	210	95	83	162	550
LEDB Plan	24	68	9	-	101
LEDC Plan	167	-	-	58	225
Total INPRS	222,877	133,128	30,213	63,885	450,103

Fiscal Year Ended June 30, 2012

Retirement Plans	Active Members	Retirees, Disabilitants, & Beneficiaries	Inactive Vested Members	Inactive Non-Vested Members With Balance	Total Members
PERF	145,519	72,992	21,200	47,874	287,585
TRF Pre-1996	22,688	47,000	3,382	794	73,864
TRF 1996	47,885	2,971	2,985	12,528	66,369
1977 Fund	13,390	3,208	122	751	17,471
JRS	361	311	72	28	772
EG&C Plan	468	187	4	61	720
PARF	219	81	84	165	549
LEDB Plan	6	63	38	-	107
LEDC Plan	167	-	-	47	214
Total INPRS	230,703	126,813	27,887	62,248	447,651

Fiscal Year Ended June 30, 2011

Retirement Plans	Active Members	Retirees, Disabilitants, & Beneficiaries	Inactive Vested Members	Inactive Non-Vested Members With Balance	Total Members
PERF	147,933	70,380	20,634	72,105	311,052
TRF Pre-1996	24,710	45,421	3,921	3,595	77,647
TRF 1996	46,633	2,554	2,715	23,573	75,475
1977 Fund	13,376	2,966	126	791	17,259
JRS	363	310	66	31	770
EG&C Plan	440	176	5	59	680
PARF	212	76	85	177	550
LEDB Plan	7	65	40	-	112
LEDC Plan	171	-	-	51	222
Total INPRS	233,845	121,948	27,592	100,382	483,767

Fiscal Year Ended June 30, 2010

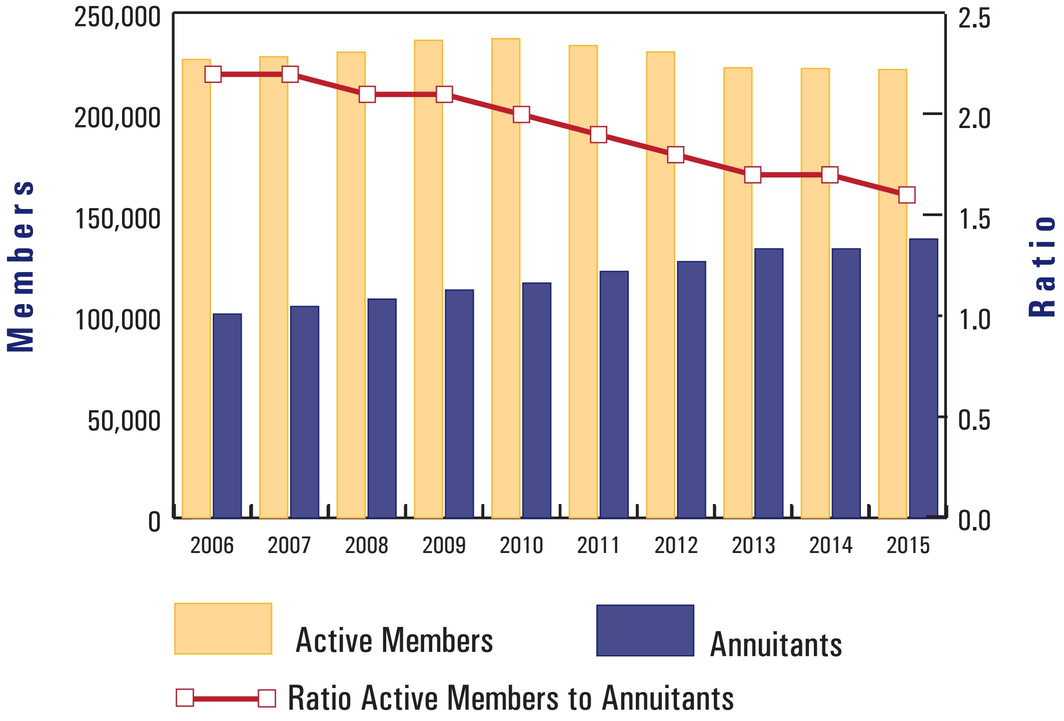
Retirement Plans	Active Members	Retirees, Disabilitants, & Beneficiaries	Inactive Vested Members	Inactive Non-Vested Members With Balance	Total Members
PERF	149,877	67,166	14,759	88,234	320,036
TRF Pre-1996	26,439	43,478	5,209	8,149	83,275
TRF 1996	46,433	2,181	2,461	27,698	78,773
1977 Fund	13,362	2,782	111	771	17,026
JRS	291	298	73	31	693
EG&C Plan	471	157	4	52	684
PARF	217	58	74	177	526
LEDB Plan	20	61	34	-	115
LEDC Plan	169	-	-	48	217
Total INPRS	237,279	116,181	22,725	125,160	501,345

[1] INPRS intends to make this schedule a 10-year schedule over time. Inactive Non-Vested Members With Balance data was not available for select retirement plans prior to fiscal year 2010.

Ratio of Active Members to Annuitants

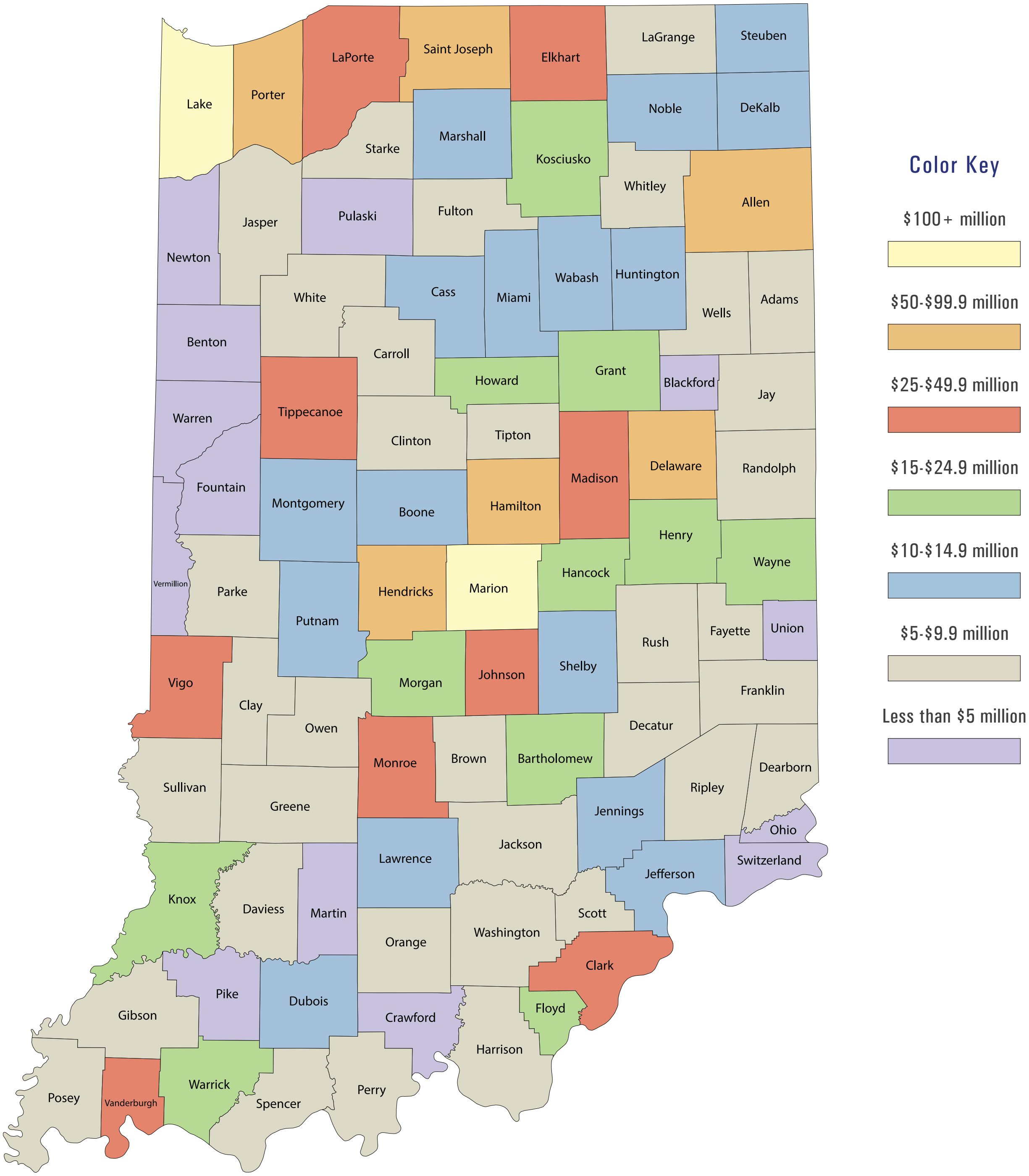
Fiscal Year Ended June 30	Active Members[1]	Annuitants[2]	Ratio Active Members To Annuitants
2006	226,817	100,855	2.2
2007	228,158	104,617	2.2
2008	230,417	108,254	2.1
2009	236,304	112,758	2.1
2010	237,110	116,181	2.0
2011	233,674	121,948	1.9
2012	230,536	126,813	1.8
2013	222,710	133,128	1.7
2014[3]	222,348	133,128	1.7
2015[3]	221,813	137,992	1.6

[1] Active Members exclude Legislators' Defined Contribution Plan.
[2] Annuitants includes retirees, disabilities, and beneficiaries.
[3] Calculated using the prior year census data, adjusted for certain activity during the fiscal year.



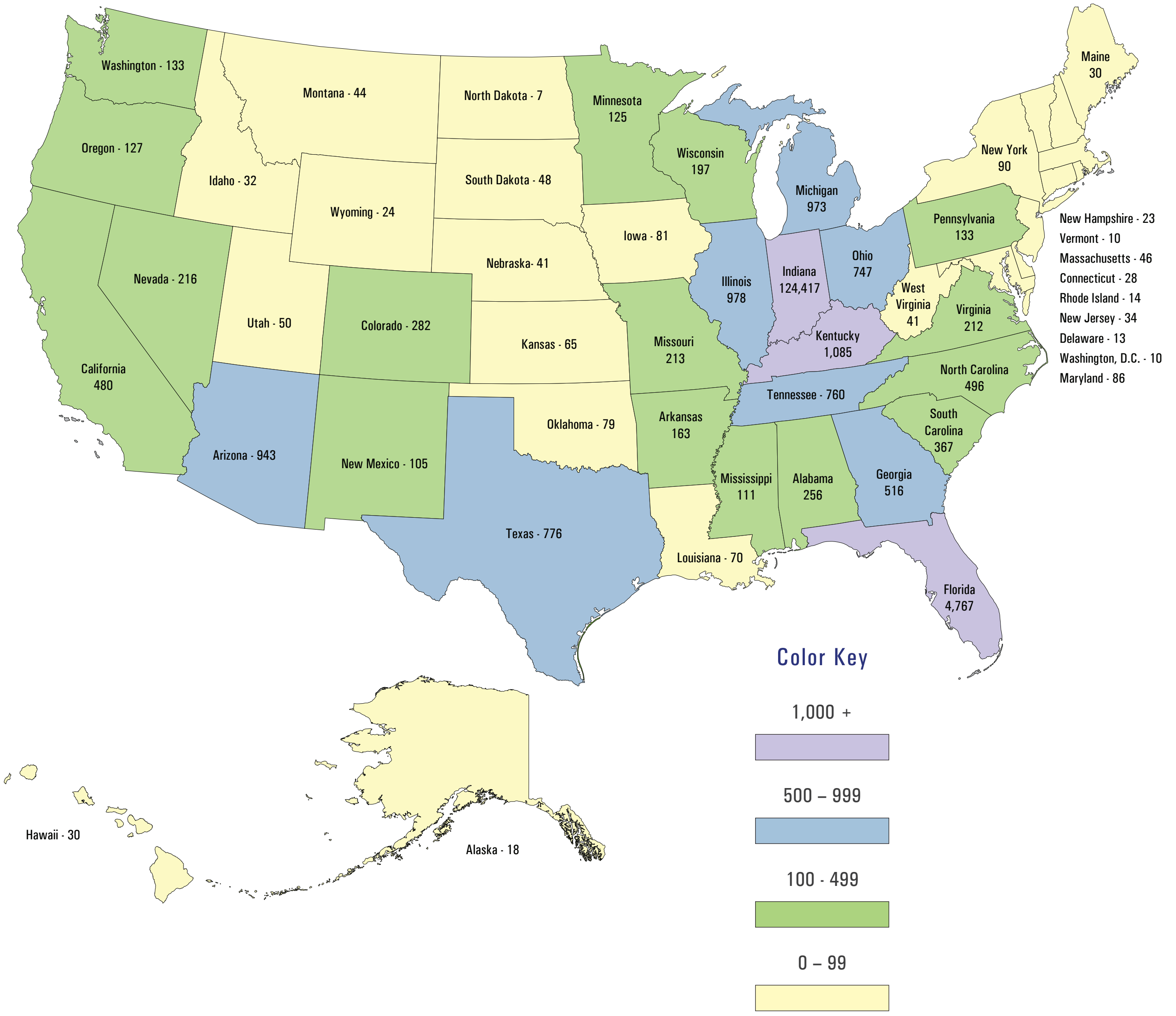
Pension Benefits by Indiana County (Jan-Dec 2014)

More than 88% of retirees or their beneficiaries reside in Indiana. This map illustrates how approximately $1.8 billion in pension benefit payments for calendar year 2014 were distributed amongst Indiana's counties, representing INPRS's economic impact on the state.



Retirees by Geographical Location (December 2014)

In the month of December 2014, there were more than 140,000 retirees paid by INPRS.



Retirees outside the United States:

Armed Forces, Europe – 1
Armed Forces, Pacific – 2
Australia – 2
Canada – 14
China – 1
Croatia – 2
Ecuador – 1
England – 2
France – 2
Germany – 5
Greece – 1
India – 1
Isle of Man – 1
Israel – 2
Jamaica – 1
Mexico – 1
Puerto Rico – 14
Romania – 1
Spain – 1
Switzerland – 1
Thailand – 2
Turkmenistan – 1

Public Employees' Retirement Fund

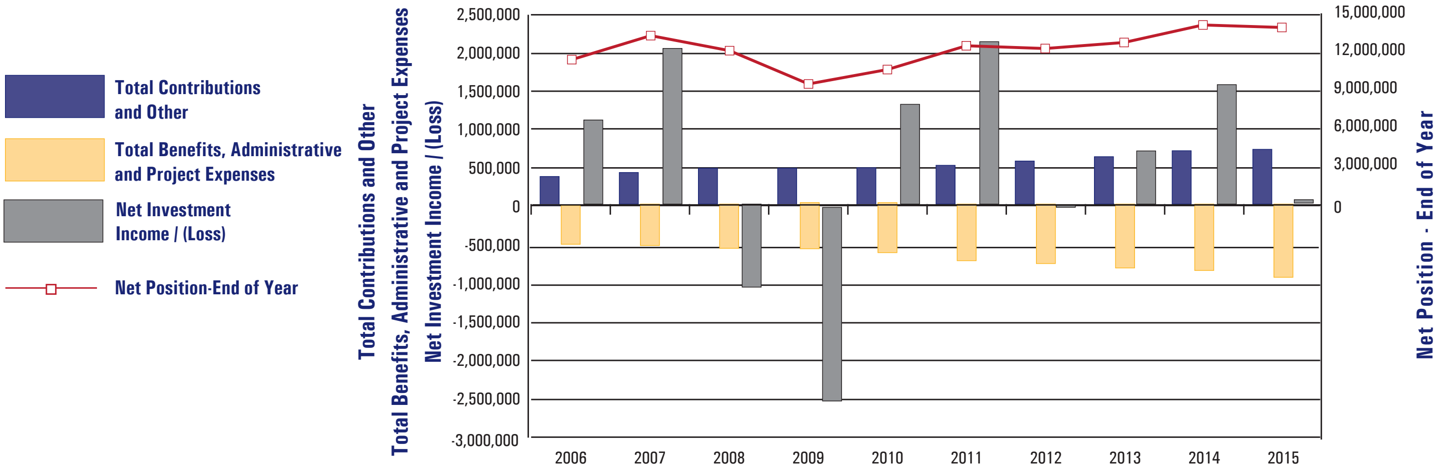
INDIANA PUBLIC RETIREMENT SYSTEM

Schedule of Changes and Growth in Fiduciary Net Position

(dollars in thousands)

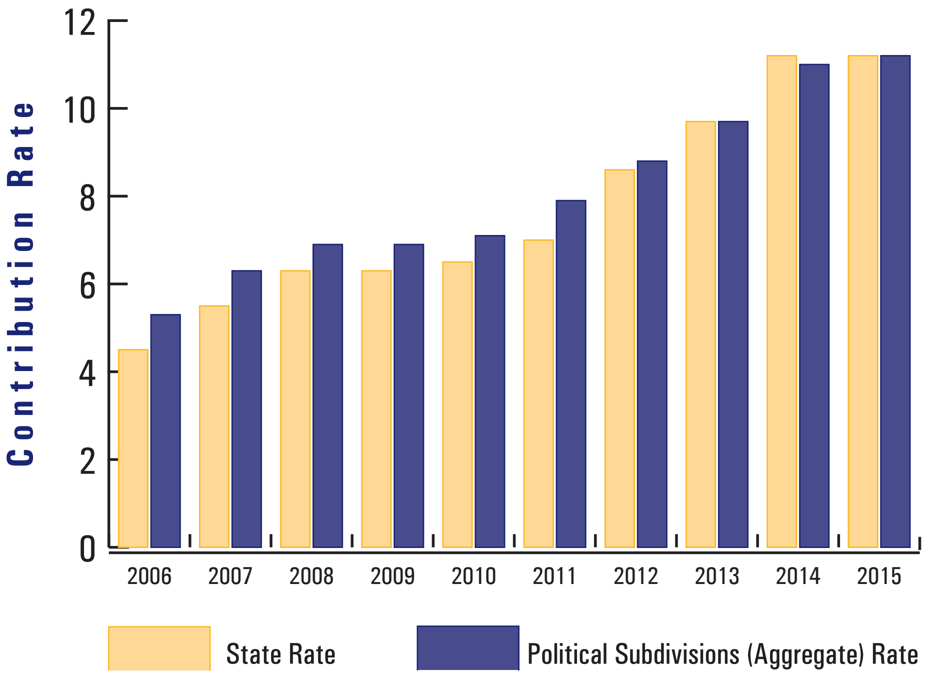
	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Position - Beginning of Year	$ 10,398,671	$ 11,366,226	$13,262,414	$ 12,073,470	$ 9,442,336	$ 10,581,319	$ 12,461,356	$ 12,243,755	$ 12,720,601	$ 14,104,288
Contributions / (Benefits and Expenses)										
Member Contributions	145,753	147,740	155,728	160,034	158,089	156,028	158,696	156,408	164,189	169,731
Employer Contributions	230,357	260,150	303,877	323,151	331,090	342,779	397,843	455,658	526,090	538,059
Member Reassignments	1,496	2,695	6,356	3,115	2,361	5,302	3,341	4,363	3,444	4,184
Other	45	145	287	32	39	15	8	31	52	83
Total Contributions and Other	377,651	410,730	466,248	486,332	491,579	504,124	559,888	616,460	693,775	712,057
Pension Benefits	(391,173)	(433,463)	(467,994)	(500,214)	(539,540)	(600,797)	(628,522)	(679,680)	(725,490)	(815,692)
Disability Benefits	(27,394)	(32,546)	(33,643)	(36,569)	(40,171)	(37,663)	(40,659)	(42,905)	(39,837)	(34,984)
Distributions of Contributions and Interest	(65,804)	(48,334)	(45,610)	(36,099)	(39,632)	(65,178)	(69,879)	(68,775)	(63,031)	(62,732)
Administrative and Project Expenses	(14,273)	(17,943)	(21,183)	(21,497)	(24,959)	(22,461)	(24,793)	(29,181)	(27,433)	(25,506)
Member Reassignments	(5,110)	(6,795)	(6,844)	(5,132)	(5,837)	(10,078)	(9,684)	(10,405)	(7,690)	(13,403)
Total Benefits, Administrative and Project Expenses	(503,754)	(539,081)	(575,274)	(599,511)	(650,139)	(736,177)	(773,537)	(830,946)	(863,481)	(952,317)
Net Contributions / (Benefits and Expenses)	$ (126,103)	$ (128,351)	$ (109,026)	$ (113,179)	$ (158,560)	$ (232,053)	$ (213,649)	$ (214,486)	$ (169,706)	$ (240,260)
Net Investment Income / (Loss)	1,093,658	2,024,539	(1,079,918)	(2,517,955)	1,297,543	2,112,090	(3,952)	691,332	1,553,393	43,638
Net Increase / (Decrease)	$ 967,555	$ 1,896,188	$ (1,188,944)	$ (2,631,134)	$ 1,138,983	$ 1,880,037	$ (217,601)	$ 476,846	$ 1,383,687	$ (196,622)
Net Position - End of Year	$ 11,366,226	$ 13,262,414	$ 12,073,470	$ 9,442,336	$ 10,581,319	$ 12,461,356	$ 12,243,755	$ 12,720,601	$ 14,104,288	$ 13,907,666

Ten-Year Comparison of Total Contributions and Other, Total Benefits, Administrative and Project Expenses and Net Position - End of Year (dollars in thousands)



Schedule of Historical Contribution Rates

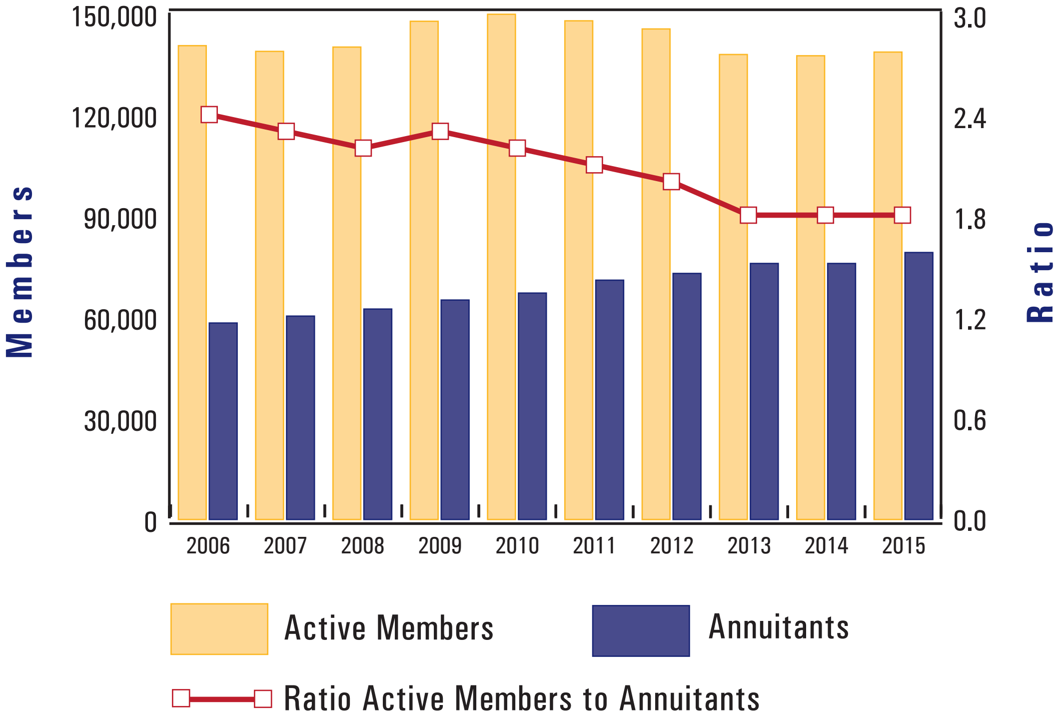
Fiscal Year Ended June 30	State Rate	Political Subdivisions (Aggregate) Rate
2006	4.5%	5.3%
2007	5.5	6.3
2008	6.3	6.9
2009	6.3	6.9
2010	6.5	7.1
2011	7.0	7.9
2012	8.6	8.8
2013	9.7	9.7
2014	11.2	11.0
2015	11.2	11.2
Memo: Effective Date	July 1	January 1



Ratio of Active Members to Annuitants

Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
2006	140,563	58,283	2.4
2007	138,863	60,332	2.3
2008	140,146	62,424	2.2
2009	147,792	65,099	2.3
2010	149,877	67,166	2.2
2011	147,933	70,380	2.1
2012	145,519	72,992	2.0
2013	137,937	75,950	1.8
2014[2]	137,567	75,950	1.8
2015[2]	138,660	79,198	1.8

[1] Annuitants includes retirees, disabilities, and beneficiaries.
[2] Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

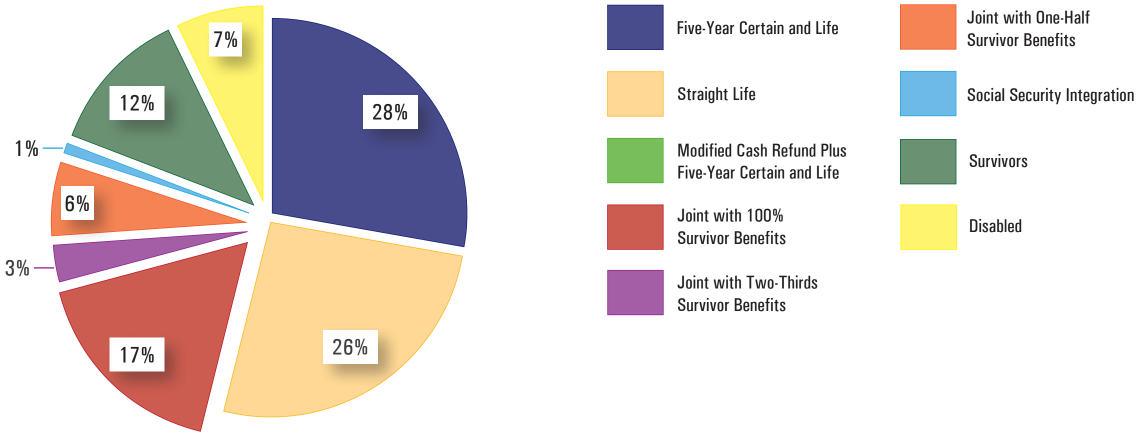


Schedule of Benefit Recipients by Type of Benefit Option

Fiscal Year Ended June 30, 2015[10]

Number of Benefit Recipients by Benefit Option

	1	2	3	4	5	6	7	8	9	
Amount of Monthly Benefit (in dollars)	**5-Year Certain & Life**	**Straight Life**	**Modified Cash Refund Plus 5-Year Certain & Life**	**Joint With 100% Survivor Benefits**	**Joint With Two-Thirds Survivor Benefits**	**Joint With One-Half Survivor Benefits**	**Social Security Integration**	**Survivors**	**Disability**	**Total Benefit Recipients**
$ 1 - 500	11,841	7,898	Incl.1	6,286	670	1,606	306	6,120	3,321	38,048
501 - 1,000	6,565	7,009	Incl.1	3,972	864	1,780	181	2,331	1,458	24,160
1,001 - 1,500	2,193	3,084	Incl.1	2,079	512	994	64	612	395	9,933
1,501 - 2,000	811	1,367	Incl.1	840	301	380	57	181	89	4,026
2,001 - 3,000	461	831	Incl.1	527	199	307	55	80	27	2,487
over 3,000	80	205	Incl.1	101	65	67	9	15	2	544
Total	**21,951**	**20,394**	Incl.1	**13,805**	**2,611**	**5,134**	**672**	**9,339**	**5,292**	**79,198**
Memo: Percent	**28%**	**26%**	**N/A**	**17%**	**3%**	**6%**	**1%**	**12%**	**7%**	**100%**



1 (5-Year Certain & Life) – Provides a monthly benefit for retiree's life. If retiree receives benefits for at least five (5) years prior to death, there is no benefit payable to a designated beneficiary. In the event the retiree dies before receiving five (5) years of payments, the beneficiary receives the remainder of those five (5) years of monthly benefits, or the present value of those remaining payments in a lump sum. Includes Modified Cash Refund Plus 5-Year Certain & Life.

2 (Straight Life) – Provides a monthly benefit for retiree's life. The benefit ceases upon the death of the retiree. If applicable, the balance of the retiree's Annuity Savings Account (ASA) is distributed to a designated beneficiary or estate if the remaining ASA is greater than the total payments previously paid to the retiree.

3 (Modified Cash Refund Plus 5-Year Certain & Life) – Provides a monthly benefit for retiree's life, including monthly annuitization of member's Annuity Savings Account (ASA). In the event the retiree dies before receiving five (5) years of payments, the beneficiary receives either a monthly benefit of the pension amount only for the remainder of the five (5) years of guaranteed pension payments, or the present value of those pension payments in a lump sum. If applicable, the balance of the retiree's ASA is distributed to a designated beneficiary or estate if the remaining ASA is greater than the ASA-related payments previously paid to the retiree. Incorporated with 5-Year Certain & Life.

4 (Joint With 100% Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 100 percent of the member's monthly benefit for the remainder of the survivor's life.

5 (Joint With Two-Thirds Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 66 2/3 percent of the member's monthly benefit for the remainder of the survivor's life.

6 (Joint With One-Half Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

7 (Social Security Integration) – Provides a higher monthly benefit for a retiree between the ages 50 and 62 who elects to integrate social security with the monthly benefit. For PERF retirees, the monthly benefit is reduced at age 62 to no less than $180 depending on the estimated monthly benefit from social security at age 62.

8 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

9 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For PERF, five (5) or more years of creditable service is required to be eligible for a disability benefit.

10 Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Schedule of Average Benefit Payments[1]

	Years of Credited Service						
Description	**< 10[2]**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+**	**Total**
Fiscal Year Ended June 30, 2015[3]							
Average Monthly Defined Benefit	$ 149	$ 293	$ 378	$ 525	$ 732	$ 1,182	$ 583
Average Monthly ASA Annuity[4]	$ 43	$ 116	$ 129	$ 187	$ 255	$ 443	$ 211
Average Final Average Salary	$ 23,480	$ 23,252	$ 25,678	$ 27,754	$ 30,842	$ 37,941	$ 28,714
Number of Benefit Recipients	2,775	14,087	20,210	16,141	11,503	14,482	79,198
Fiscal Year Ended June 30, 2014[3]							
Average Monthly Defined Benefit	$ 154	$ 269	$ 370	$ 515	$ 715	$ 1,160	$ 569
Average Monthly ASA Annuity[4]	$ 42	$ 94	$ 124	$ 180	$ 244	$ 425	$ 199
Average Final Average Salary	$ 22,762	$ 22,669	$ 25,080	$ 27,190	$ 30,044	$ 37,145	$ 28,019
Number of Benefit Recipients	2,670	12,866	19,825	15,757	11,079	13,753	75,950
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit	$ 154	$ 269	$ 370	$ 515	$ 715	$ 1,160	$ 569
Average Monthly ASA Annuity[4]	$ 42	$ 94	$ 124	$ 180	$ 244	$ 425	$ 199
Average Final Average Salary	$ 22,762	$ 22,669	$ 25,080	$ 27,190	$ 30,044	$ 37,145	$ 28,019
Number of Benefit Recipients	2,670	12,866	19,825	15,757	11,079	13,753	75,950
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 156	$ 265	$ 363	$ 504	$ 701	$ 1,139	$ 555
Average Monthly ASA Annuity[4]	$ 42	$ 89	$ 116	$ 171	$ 233	$ 407	$ 188
Average Final Average Salary	$ 22,105	$ 21,993	$ 24,513	$ 26,534	$ 29,347	$ 36,331	$ 27,306
Number of Benefit Recipients	2,523	12,369	19,361	15,258	10,589	12,892	72,992
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 159	$ 263	$ 358	$ 495	$ 687	$ 1,120	$ 542
Average Monthly ASA Annuity[4]	$ 39	$ 85	$ 110	$ 162	$ 223	$ 386	$ 176
Average Final Average Salary	$ 21,397	$ 21,487	$ 24,034	$ 25,883	$ 28,617	$ 35,542	$ 26,632
Number of Benefit Recipients	2,373	12,036	19,007	14,731	10,190	12,043	70,380

[1] INPRS intends to make this schedule a 10-year schedule over time.

[2] Members with less than 10 years of service are: (1) a member receiving a disability benefit from INPRS; (2) a member who has at least eight (8) years of creditable service as a county clerk, county auditor, county recorder, county treasurer, county sheriff or county coroner eligible for a normal retirement after reaching age 65 (applies to only members retiring after June 30, 2002); (3) a member who has at least eight (8) years of creditable service as a state auditor, state treasurer, or secretary of state (whose term commences after the November 5, 2002 election).

[3] Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

[4] This represents those retirees who elected to receive their ASA as a supplemental monthly payment in addition to the monthly Defined Benefit payment.

Note: The actuarial valuation as of June 30, 2015, assumes 60% of PERF members annuitize their ASA balances prior to 1/1/2017.

Schedule of Participating Employers: Top 10

	June 30, 2015			June 30, 2006		
Participating Employer	Covered Members	Rank	Percentage of Total PERF	Covered Members	Rank	Percentage of Total PERF
Top 10 Employers						
State of Indiana	41,163	1	29.7%	50,235	1	35.7%
Health & Hospital Corporation – Marion County	4,204	2	3.0	3,278	2	2.3
Marion County	2,641	3	1.9	2,835	3	2.0
Indianapolis Public Schools	1,951	4	1.4	2,443	4	1.7
City of Indianapolis	1,462	5	1.1	1,842	6	1.3
Lake County	1,453	6	1.0	1,832	7	1.3
South Bend Community School Corporation	1,333	7	1.0	1,502	8	1.1
Fort Wayne Community Schools	1,237	8	0.9	1,952	5	1.4
Evansville-Vanderburgh School Corporation	1,174	9	0.8	1,162	10	0.8
Allen County	1,165	10	0.8	1,287	9	0.9
Total – Top 10 Employers	**57,783**		**41.6**	**68,368**		**48.5**
All Other (1,157 Employers in 2015; 1,129 Employers in 2006)	80,877		58.4	72,195		51.5
Grand Total (1,167 Employers in 2015; 1,139 Employers in 2006)	**138,660**		**100.0%**	**140,563**		**100.0%**

Teachers' Retirement Fund (Pre-1996)

Schedule of Changes and Growth in Fiduciary Net Position[1]

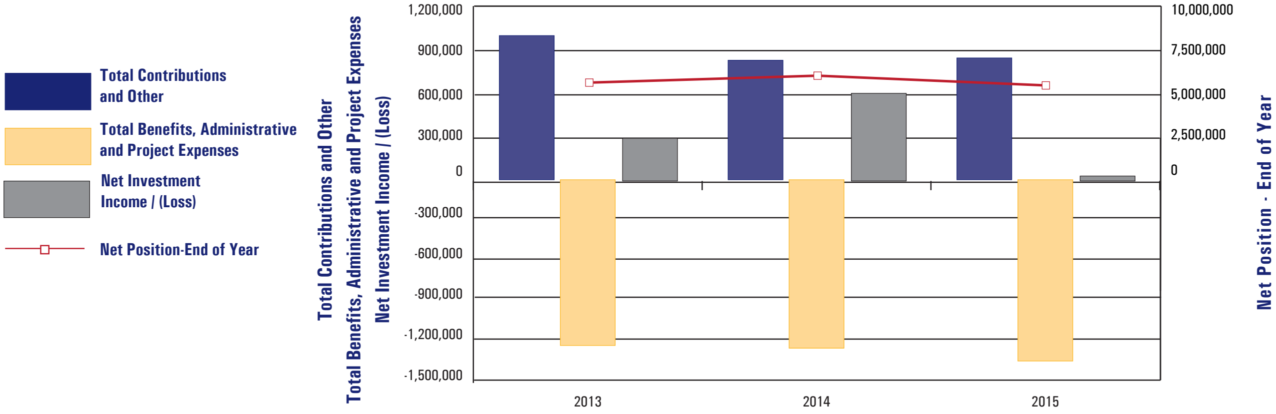
(dollars in thousands)

	Fiscal Year Ended June 30		
	2013	**2014**	**2015**
Net Position - Beginning of Year	**$ 5,058,910**	**$ 5,215,202**	**$ 5,501,867**
Contributions / (Benefits and Expenses)			
Member Contributions	45,421	47,028	41,740
Employer Contributions	9,484	6,325	5,811
Nonemployer Contributing Entity[2]	1,003,596	825,617	845,616
Member Reassignments	5,883	3,250	6,273
Other	5	19	21
Total Contributions and Other	1,064,389	882,239	899,461
Pension Benefits	(1,201,162)	(1,209,304)	(1,312,142)
Disability Benefits	(45)	(11,562)	(9,567)
Distributions of Contributions and Interest	(11,738)	(8,435)	(7,145)
Administrative and Project Expenses	(7,926)	(7,010)	(6,530)
Member Reassignments	(2,824)	(6,844)	(2,919)
Total Benefits, Administrative and Project Expenses	(1,223,695)	(1,243,155)	(1,338,303)
Net Contributions / (Benefits and Expenses)	**$ (159,306)**	**$ (360,916)**	**$ (438,842)**
Net Investment Income / (Loss)	315,598	647,581	36,885
Net Increase / (Decrease)	**$ 156,292**	**$ 286,665**	**$ (401,957)**
Net Position - End of Year	**$ 5,215,202**	**$ 5,501,867**	**$ 5,099,910**

[1] June 30, 2013 is the first year to split the Teachers' Retirement Fund (TRF) into two, TRF Pre-1996 and TRF 1996 Accounts. INPRS intends to make this schedule a 10-year schedule over time.

[2] In fiscal year 2013, the State of Indiana appropriated additional monies of $206,796 thousand.

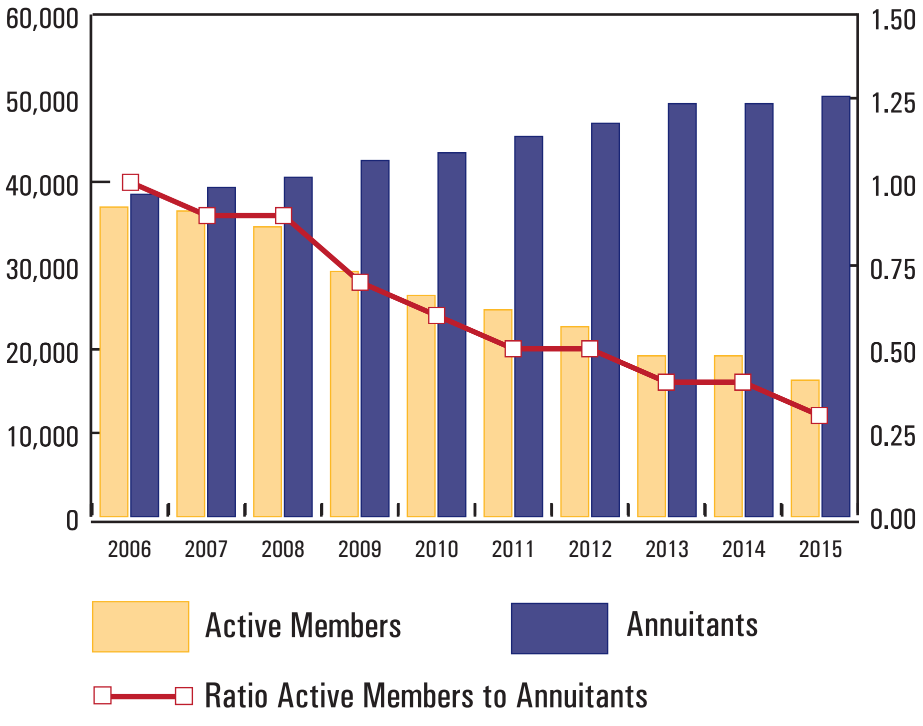
Ten-Year Comparison of Total Contributions and Other, Total Benefits, Administrative and Project Expenses and Net Position - End of Year (dollars in thousands)



Ratio of Active Members to Annuitants

Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
2006	36,994	38,522	1.0
2007	36,526	39,328	0.9
2008	34,628	40,554	0.9
2009	29,297	42,548	0.7
2010	26,439	43,478	0.6
2011	24,710	45,421	0.5
2012	22,688	47,000	0.5
2013	19,210	49,345	0.4
2014[2]	19,210	49,345	0.4
2015[2]	16,310	50,214	0.3

[1] *Annuitants includes retirees, disabilities, and beneficiaries.*
[2] *Calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

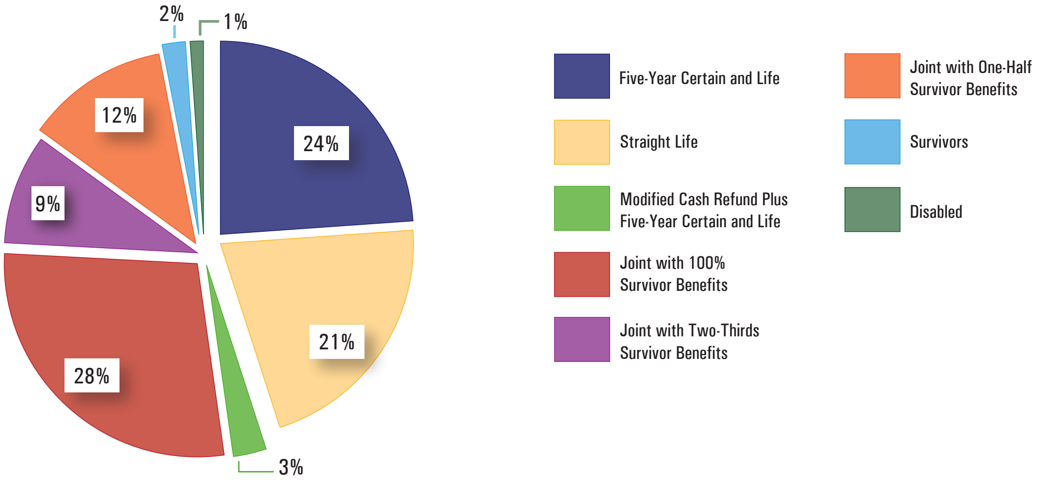


Schedule of Benefit Recipients by Type of Benefit Option

Fiscal Year Ended June 30, 2015[10]

Number of Benefit Recipients by Benefit Option

Amount of Monthly Benefit (in dollars)	1 5-Year Certain & Life	2 Straight Life	3 Modified Cash Refund Plus 5-Year Certain & Life	4 Joint With 100% Survivor Benefits	5 Joint With Two-Thirds Survivor Benefits	6 Joint With One-Half Survivor Benefits	7 Social Security Integration	8 Survivors	9 Disability	Total Benefit Recipients
$ 1 - 500	1,648	826	203	1,096	235	417	Incl. 1-6	458	78	4,961
501 - 1,000	2,005	1,391	295	1,909	677	932	Incl. 1-6	333	171	7,713
1,001 - 1,500	3,109	2,458	427	3,925	1,191	1,346	Incl. 1-6	141	223	12,820
1,501 - 2,000	3,045	2,943	349	4,300	1,413	1,685	Incl. 1-6	130	112	13,977
2,001 - 3,000	2,158	2,595	269	2,520	981	1,197	Incl. 1-6	53	27	9,800
over 3,000	226	256	19	240	99	103	Incl. 1-6	0	0	943
Total	**12,191**	**10,469**	**1,562**	**13,990**	**4,596**	**5,680**	**Incl. 1-6**	**1,115**	**611**	**50,214**
Memo: Percent	**24%**	**21%**	**3%**	**28%**	**9%**	**12%**	**N/A**	**2%**	**1%**	**100%**



1 (5-Year Certain & Life) –Provides a monthly benefit for retiree's life. If retiree receives benefits for at least five (5) years prior to death, there is no benefit payable to a designated beneficiary. In the event the retiree dies before receiving five (5) years of payments, the beneficiary receives the remainder of those five (5) years of monthly benefits, or the present value of those remaining payments in a lump sum.

2 (Straight Life) – Provides a monthly benefit for retiree's life. The benefit ceases upon the death of the retiree. If applicable, the balance of the retiree's Annuity Savings Account (ASA) is distributed to a designated beneficiary or estate if the remaining ASA is greater than the total payments previously paid to the retiree.

3 (Modified Cash Refund Plus 5-Year Certain & Life) – Provides a monthly benefit for retiree's life, including monthly annuitization of member's Annuity Savings Account (ASA). In the event the retiree dies before receiving five (5) years of payments, the beneficiary receives either a monthly benefit of the pension amount only for the remainder of the five (5) years of guaranteed pension payments, or the present value of those pension payments in a lump sum. If applicable, the balance of the retiree's ASA is distributed to a designated beneficiary or estate if the remaining ASA is greater than the ASA-related payments previously paid to the retiree.

4 (Joint With 100% Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 100 percent of the member's monthly benefit for the remainder of the survivor's life.

5 (Joint With Two-Thirds Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 66 2/3 percent of the member's monthly benefit for the remainder of the survivor's life.

6 (Joint With One-Half Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

7 (Social Security Integration) – Provides a higher monthly benefit for a retiree between the ages 50 and 62 who elects to integrate social security with the monthly benefit. For TRF retirees, social security integration can be incorporated with options 1-6 and the number of retirees electing social security integration is included in the number of retirees electing options 1-6. For TRF retirees, the monthly benefit is reduced or terminated at age 62 depending on the estimated monthly benefit from social security at age 62.

8 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

9 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For TRF, five (5) or more years of creditable service is required to be eligible for a disability benefit. Includes Classroom Disability which provides a benefit of $125 per month plus $5 for each additional year of TRF-covered service over five (5) years.

10 Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Schedule of Average Benefit Payments[1]

	Years of Credited Service						
Description	**< 10[2]**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+**	**Total**
Fiscal Year Ended June 30, 2015[3]							
Average Monthly Defined Benefit	$ 449	$ 263	$ 530	$ 854	$ 1,214	$ 1,811	$ 1,471
Average Monthly ASA Annuity[4]	$ $73	$ 113	$ 106	$ 133	$ 163	$ 228	$ 195
Average Final Average Salary	$ 37,993	$ 23,424	$ 37,281	$ 45,256	$ 50,441	$ 56,938	$ 52,253
Number of Benefit Recipients	42	1,238	3,779	5,610	8,175	31,370	50,214
Fiscal Year Ended June 30, 2014[3]							
Average Monthly Defined Benefit	$ 405	$ 258	$ 517	$ 834	$ 1,187	$ 1,793	$ 1,453
Average Monthly ASA Annuity[4]	$ 57	$ 108	$ 104	$ 128	$ 159	$ 225	$ 191
Average Final Average Salary	$ 24,193	$ 22,426	$ 35,702	$ 43,604	$ 48,801	$ 55,636	$ 50,855
Number of Benefit Recipients	36	1,185	3,720	5,541	7,987	30,876	49,345
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit	$ 405	$ 258	$ 517	$ 834	$ 1,187	$ 1,793	$ 1,453
Average Monthly ASA Annuity[4]	$ 57	$ 108	$ 104	$ 128	$ 159	$ 225	$ 191
Average Final Average Salary	$ 24,193	$ 22,426	$ 35,702	$ 43,604	$ 48,801	$ 55,636	$ 50,855
Number of Benefit Recipients	36	1,185	3,720	5,541	7,987	30,876	49,345
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 311	$ 252	$ 503	$ 804	$ 1,150	$ 1,747	$ 1,405
Average Monthly ASA Annuity[4]	$ 14	$ 101	$ 101	$ 126	$ 156	$ 222	$ 187
Average Final Average Salary	$ 23,116	$ 21,575	$ 34,714	$ 41,788	$ 47,172	$ 54,014	$ 49,136
Number of Benefit Recipients	39	1,178	3,719	5,366	7,672	29,026	47,000
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 239	$ 250	$ 493	$ 785	$ 1,130	$ 1,722	$ 1,376
Average Monthly ASA Annuity[4]	$ 15	$ 99	$ 96	$ 125	$ 154	$ 220	$ 185
Average Final Average Salary	$ 20,085	$ 21,205	$ 33,684	$ 40,472	$ 45,837	$ 52,751	$ 47,787
Number of Benefit Recipients	37	1,170	3,735	5,252	7,467	27,760	45,421

[1] *INPRS intends to make this schedule a 10-year schedule over time.*

[2] *Members with less than 10 years of service are primarily members receiving a disability benefit from INPRS.*

[3] *Calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

[4] *This represents those retirees who elected to receive their ASA as a supplemental monthly payment in addition to the monthly Defined Benefit payment.*

Note: The actuarial valuation as of June 30, 2015, assumes 50% of TRF members annuitize their ASA balances prior to 1/1/2017.

Schedule of Participating Employers: Top 10

	June 30, 2015					June 30, 2006[1]		
Participating Employer	**Pre-1996 Account Covered Members**	**1996 Account Covered Members**	**Total TRF Covered Members**	**Rank**	**Percentage of Total TRF**	**Total TRF Covered Members**	**Rank**	**Percentage of Total TRF**
Top 10 Employers								
Indianapolis Public Schools	610	2,086	2,696	1	3.9%	3,588	1	4.9%
Fort Wayne Community Schools	569	1,704	2,273	2	3.3	2,240	2	3.1
Evansville-Vanderburgh School Corporation	496	1,004	1,500	3	2.2	1,611	3	2.2
South Bend Community School Corporation	349	1,029	1,378	4	2.0	1,599	4	2.2
Hamilton Southeastern Schools	168	1,072	1,240	5	1.8			
Wayne Township Metropolitan School District	157	926	1,083	6	1.6	1,154	7	1.6
Vigo County School Corporation	304	745	1,049	7	1.5	1,208	6	1.6
Elkhart Community Schools	187	825	1,012	8	1.5	1,085	9	1.5
Hammond Public Schools	247	734	981	9	1.4			
Carmel Clay Schools	157	811	968	10	1.4	1,048	10	1.4
Gary Community School Corporation						1,282	5	1.7
Lawrence Township Metropolitan School District						1,096	8	1.5
Total – Top 10 Employers	**3,244**	**10,936**	**14,180**		**20.6**	**15,911**		**21.7**
All Other (351 Employers in 2015; 343 Employers in 2006)	13,066	41,488	54,554		79.4	57,439		78.3
Grand Total (361 Employers in 2015; 353 Employers in 2006)	**16,310**	**52,424**	**68,734**		**100.0%**	**73,350**		**100.0%**

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[1] June 30, 2013 was the first year to split the Teachers' Retirement Fund (TRF) into two, TRF Pre-1996 and TRF 1996 Accounts. June 30, 2006 "Top 10" Employers information is only available for Total TRF.

Schedule of Changes and Growth in Fiduciary Net Position[1]

(dollars in thousands)

	Fiscal Year Ended June 30		
	2013	2014	2015
Net Position - Beginning of Year	$ **4,018,149**	$ **4,433,677**	$ **5,189,442**
Contributions / (Benefits and Expenses)			
Member Contributions	77,532	81,802	86,515
Employer Contributions	180,714	194,751	205,763
Member Reassignments	4,322	8,884	7,134
Other	4	21	24
Total Contributions and Other	262,572	285,458	299,436
Pension Benefits	(86,226)	(96,196)	(114,495)
Disability Benefits	(6)	(1,790)	(1,692)
Distributions of Contributions and Interest	(10,925)	(10,734)	(11,712)
Administrative and Project Expenses	(6,482)	(6,707)	(6,184)
Member Reassignments	(1,516)	(1,048)	(1,269)
Total Benefits, Administrative and Project Expenses	(105,155)	(116,475)	(135,352)
Net Contributions / (Benefits and Expenses)	$ **157,417**	$ **168,983**	$ **164,084**
Net Investment Income / (Loss)	258,111	586,782	25,587
Net Increase / (Decrease)	$ **415,528**	$ **755,765**	$ **189,671**
Net Position - End of Year	$ **4,433,677**	$ **5,189,442**	$ **5,379,113**

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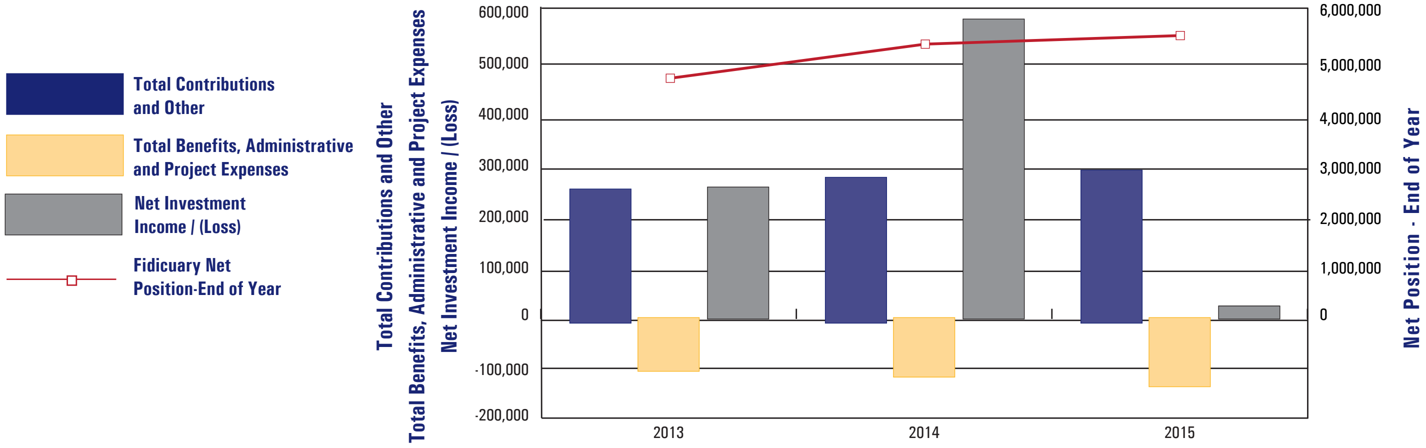
[1] *June 30, 2013 is the first year to split the Teachers' Retirement Fund (TRF) into two, TRF Pre-1996 and TRF 1996 Accounts. INPRS intends to make this schedule a 10-year schedule over time.*

Ten-Year Comparison of Total Contributions and Other, Total Benefits, Administrative and Project Expenses and Net Position - End of Year (dollars in thousands)

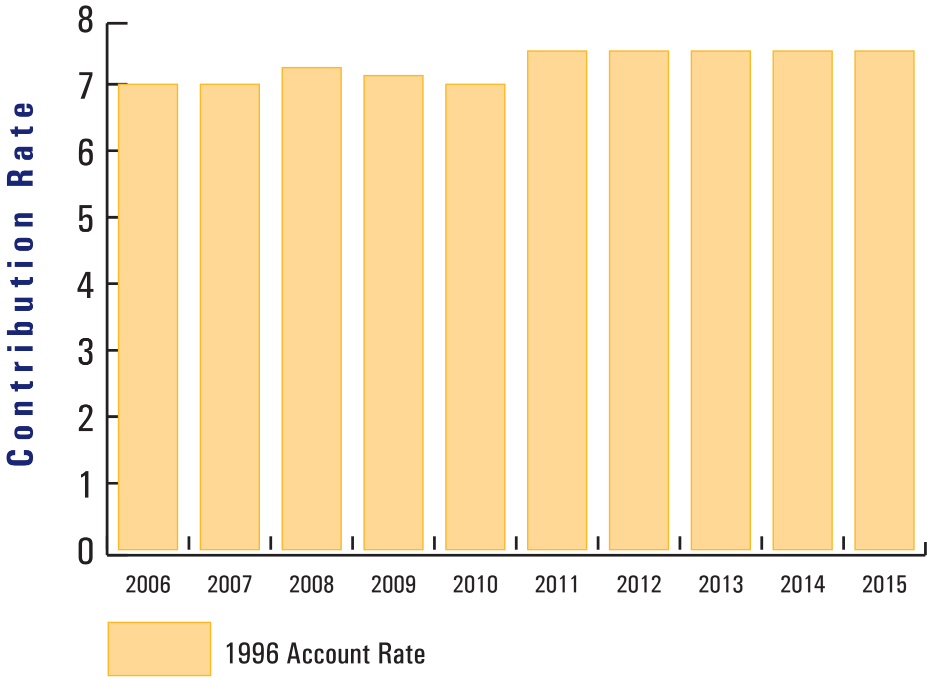


Schedule of Historical Contribution Rates

Fiscal Year Ended June 30	1996 Account Rate
2006	7.00%
2007	7.00
2008	7.25
2009[1]	7.13
2010	7.00
2011	7.50
2012	7.50
2013	7.50
2014	7.50
2015	7.50

Memo:	
Effective Date	July 1

[1] 7.25 percent from July 1 - Dec. 31, 2008; 7.0 percent from Jan. 1 - June 30, 2009.

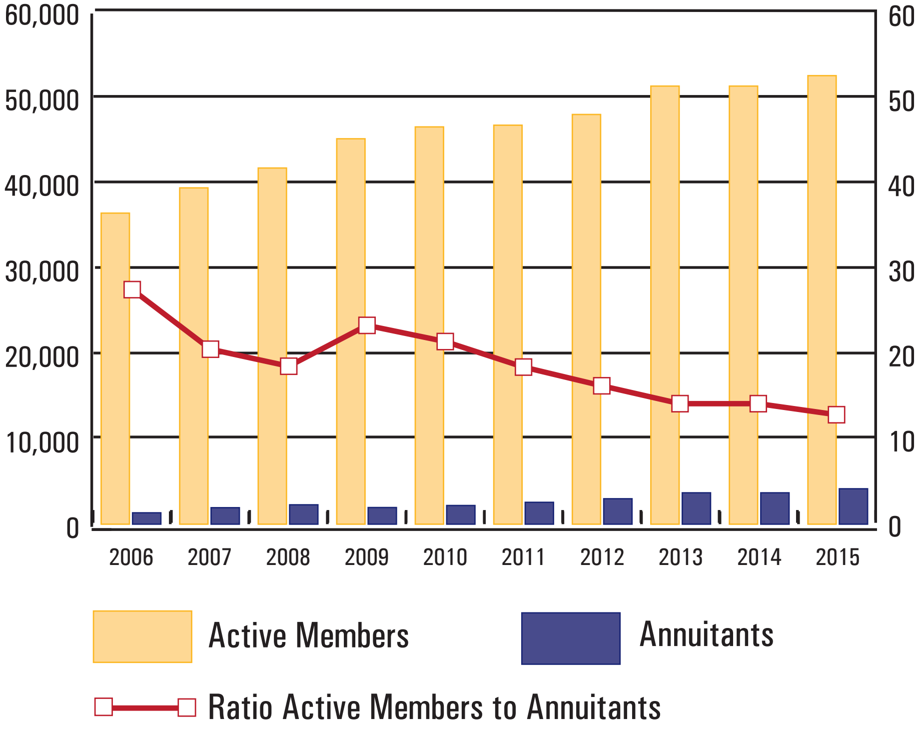


Ratio of Active Members to Annuitants

Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
2006	36,356	1,327	27.4
2007	39,307	1,925	20.4
2008	41,628	2,263	18.4
2009	45,046	1,944	23.2
2010	46,433	2,181	21.3
2011	46,633	2,554	18.3
2012	47,885	2,971	16.1
2013	51,204	3,665	14.0
2014[2]	51,204	3,665	14.0
2015[2]	52,424	4,136	12.7

[1] Annuitants includes retirees, disabilities, and beneficiaries.

[2] Calculated using the prior year census data, adjusted for certain activity during the fiscal year.



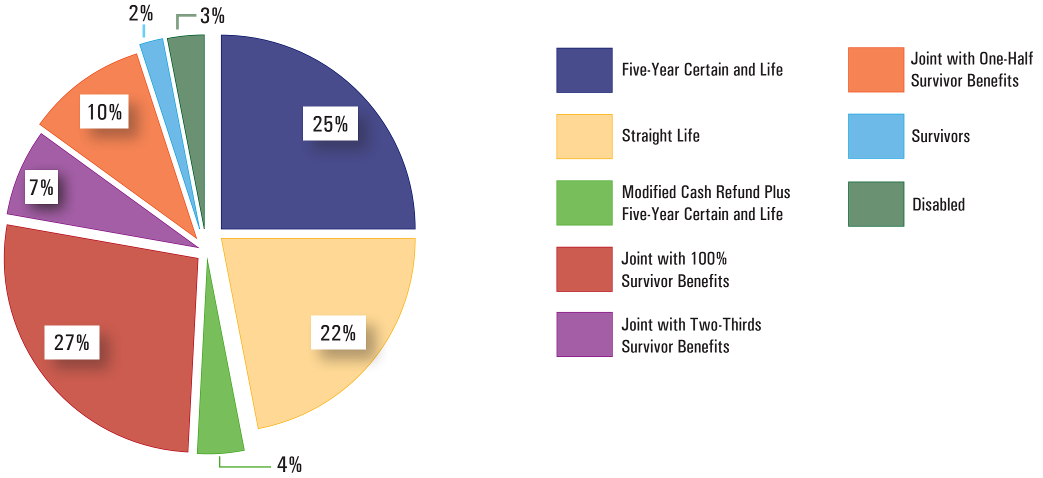
Teachers' Retirement Fund (1996)

Schedule of Benefit Recipients by Type of Benefit Option

Fiscal Year Ended June 30, 2015[10]

Number of Benefit Recipients by Benefit Option

Amount of Monthly Benefit (in dollars)	1 5-Year Certain & Life	2 Straight Life	3 Modified Cash Refund Plus 5-Year Certain & Life	4 Joint With 100% Survivor Benefits	5 Joint With Two-Thirds Survivor Benefits	6 Joint With One-Half Survivor Benefits	7 Social Security Integration	8 Survivors	9 Disability	Total Benefit Recipients
$ 1 - 500	188	122	19	129	21	37	Incl. 1-6	22	59	597
501 - 1,000	311	258	51	280	63	96	Incl. 1-6	24	55	1,138
1,001 - 1,500	231	202	43	229	72	75	Incl. 1-6	3	13	868
1,501 - 2,000	161	153	23	184	52	87	Incl. 1-6	4	7	671
2,001 - 3,000	117	131	20	233	61	94	Incl. 1-6	4	5	665
over 3,000	38	49	1	57	26	25	Incl. 1-6	1	0	197
Total	**1,046**	**915**	**157**	**1,112**	**295**	**414**	**Incl. 1-6**	**58**	**139**	**4,136**
Memo: Percent	**25%**	**22%**	**4%**	**27%**	**7%**	**10%**	**N/A**	**2%**	**3%**	**100%**



1 (5-Year Certain & Life) – Provides a monthly benefit for retiree's life. If retiree receives benefits for at least five (5) years prior to death, there is no benefit payable to a designated beneficiary. In the event the retiree dies before receiving five (5) years of payments, the beneficiary receives the remainder of those five (5) years of monthly benefits, or the present value of those remaining payments in a lump sum.

2 (Straight Life) – Provides a monthly benefit for retiree's life. The benefit ceases upon the death of the retiree. If applicable, the balance of the retiree's Annuity Savings Account (ASA) is distributed to a designated beneficiary or estate if the remaining ASA is greater than the total payments previously paid to the retiree.

3 (Modified Cash Refund Plus 5-Year Certain & Life) – Provides a monthly benefit for retiree's life, including monthly annuitization of member's Annuity Savings Account (ASA). In the event the retiree dies before receiving five (5) years of payments, the beneficiary receives either a monthly benefit of the pension amount only for the remainder of the five (5) years of guaranteed pension payments, or the present value of those pension payments in a lump sum. If applicable, the balance of the retiree's ASA is distributed to a designated beneficiary or estate if the remaining ASA is greater than the ASA-related payments previously paid to the retiree.

4 (Joint With 100% Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 100 percent of the member's monthly benefit for the remainder of the survivor's life.

5 (Joint With Two-Thirds Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 66 2/3 percent of the member's monthly benefit for the remainder of the survivor's life.

6 (Joint With One-Half Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

7 (Social Security Integration) – Provides a higher monthly benefit for a retiree between the ages 50 and 62 who elects to integrate social security with the monthly benefit. For TRF retirees, social security integration can be incorporated with options 1-6 and the number of retirees electing social security integration is included in the number of retirees electing options 1-6. For TRF retirees, the monthly benefit is reduced or terminated at age 62 depending on the estimated monthly benefit from social security at age 62.

8 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

9 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For TRF, five (5) or more years of creditable service is required to be eligible for a disability benefit. Includes Classroom Disability which provides a benefit of $125 per month plus $5 for each additional year of TRF-covered service over five (5) years.

10 Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Schedule of Average Benefit Payments[1]

Description	Years of Credited Service						
	< 10[2]	10 - 14	15 - 19	20 - 24	25 - 29	30+	Total
Fiscal Year Ended June 30, 2015[3]							
Average Monthly Defined Benefit	$ 437	$ 467	$ 740	$ 1,085	$ 1,458	$ 2,225	$ 1,360
Average Monthly ASA Annuity[4]	$ 80	$ 74	$ 102	$ 130	$ 214	$ 240	$ 165
Average Final Average Salary	$ 35,509	$ 45,483	$ 52,501	$ 58,946	$ 62,883	$ 72,912	$ 60,815
Number of Benefit Recipients	45	499	998	614	570	1,410	4,136
Fiscal Year Ended June 30, 2014[3]							
Average Monthly Defined Benefit	$ 263	$ 450	$ 730	$ 1,041	$ 1,426	$ 2,158	$ 1,366
Average Monthly ASA Annuity[4]	$ 23	$ 71	$ 102	$ 124	$ 200	$ 230	$ 162
Average Final Average Salary	$ 39,665	$ 44,142	$ 51,558	$ 57,665	$ 61,752	$ 70,633	$ 59,995
Number of Benefit Recipients	36	406	822	537	504	1,360	3,665
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit	$ 263	$ 450	$ 730	$ 1,041	$ 1,426	$ 2,158	$ 1,366
Average Monthly ASA Annuity[4]	$ 23	$ 71	$ 102	$ 124	$ 200	$ 230	$ 162
Average Final Average Salary	$ 39,665	$ 44,142	$ 51,558	$ 57,665	$ 61,752	$ 70,633	$ 59,995
Number of Benefit Recipients	36	406	822	537	504	1,360	3,665
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 274	$ 444	$ 682	$ 995	$ 1,401	$ 2,124	$ 1,391
Average Monthly ASA Annuity[4]	$ 29	$ 72	$ 97	$ 125	$ 207	$ 223	$ 165
Average Final Average Salary	$ 39,141	$ 43,284	$ 48,634	$ 55,970	$ 60,295	$ 69,381	$ 59,171
Number of Benefit Recipients	33	308	577	411	420	1,222	2,971
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 241	$ 419	$ 665	$ 963	$ 1,381	$ 2,080	$ 1,400
Average Monthly ASA Annuity[4]	$ 25	$ 76	$ 92	$ 122	$ 188	$ 216	$ 162
Average Final Average Salary	$ 37,883	$ 40,581	$ 47,337	$ 54,686	$ 59,531	$ 67,586	$ 58,202
Number of Benefit Recipients	27	247	453	341	363	1,123	2,554

[1] INPRS intends to make this schedule a 10-year schedule over time.

[2] Members with less than 10 years of service are primarily members receiving a disability benefit from INPRS.

[3] Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

[4] This represents those retirees who elected to receive their ASA as a supplemental monthly payment in addition to the monthly Defined Benefit payment.

Note: The actuarial valuation as of June 30, 2015, assumes 50% of TRF members annuitize their ASA balances prior to 1/1/2017.

Schedule of Participating Employers: Top 10

	June 30, 2015					June 30, 2006[1]		
Participating Employer	**Pre-1996 Account Covered Members**	**1996 Account Covered Members**	**Total TRF Covered Members**	**Rank**	**Percentage of Total TRF**	**Total TRF Covered Members**	**Rank**	**Percentage of Total TRF**
Top 10 Employers								
Indianapolis Public Schools	610	2,086	2,696	1	3.9%	3,588	1	4.9%
Fort Wayne Community Schools	569	1,704	2,273	2	3.3	2,240	2	3.1
Evansville-Vanderburgh School Corporation	496	1,004	1,500	3	2.2	1,611	3	2.2
South Bend Community School Corporation	349	1,029	1,378	4	2.0	1,599	4	2.2
Hamilton Southeastern Schools	168	1,072	1,240	5	1.8			
Wayne Township Metropolitan School District	157	926	1,083	6	1.6	1,154	7	1.6
Vigo County School Corporation	304	745	1,049	7	1.5	1,208	6	1.6
Elkhart Community Schools	187	825	1,012	8	1.5	1,085	9	1.5
Hammond Public Schools	247	734	981	9	1.4			
Carmel Clay Schools	157	811	968	10	1.4	1,048	10	1.4
Gary Community School Corporation						1,282	5	1.7
Lawrence Township Metropolitan School District						1,096	8	1.5
Total – Top 10 Employers	**3,244**	**10,936**	**14,180**		**20.6**	**15,911**		**21.7**
All Other (351 Employers in 2015; 343 Employers in 2006)	13,066	41,488	54,554		79.4	57,439		78.3
Grand Total (361 Employers in 2015; 353 Employers in 2006)	**16,310**	**52,424**	**68,734**		**100.0%**	**73,350**		**100.0%**

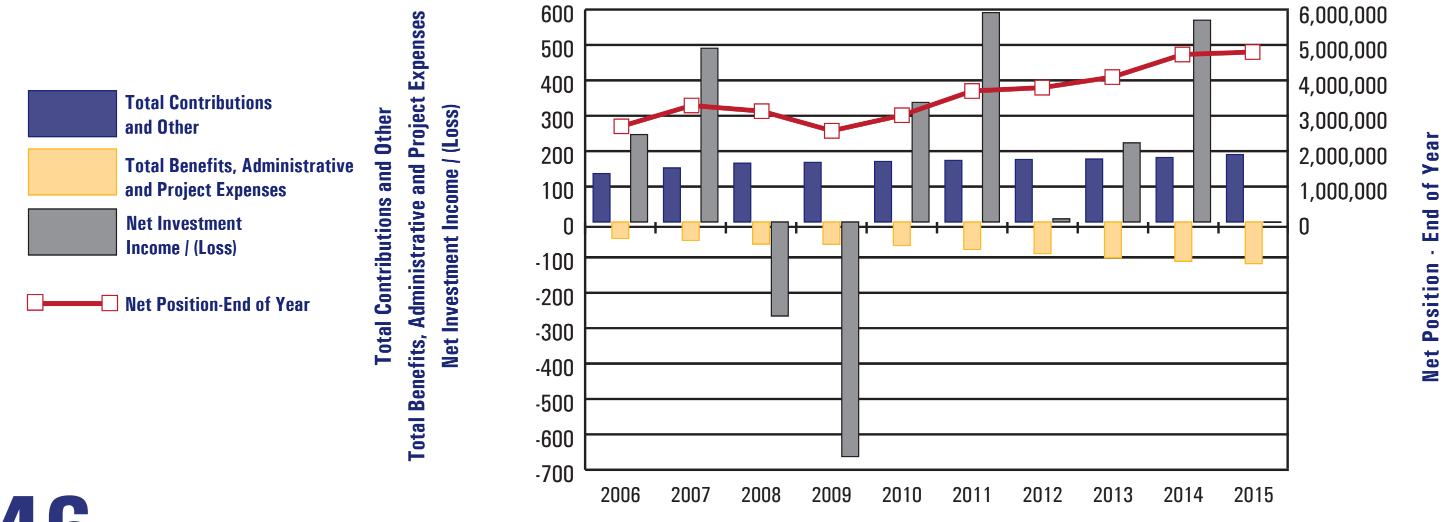
[1] *June 30, 2013 was the first year to split the Teachers' Retirement Fund (TRF) into two, TRF Pre-1996 and TRF 1996 Accounts. June 30, 2006 "Top 10" Employers information is only available for Total TRF.*

Schedule of Changes and Growth in Fiduciary Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Position - Beginning of Year	**$ 2,381,662**	**$ 2,718,365**	**$ 3,310,171**	**$ 3,148,396**	**$ 2,591,674**	**$ 3,033,285**	**$ 3,721,366**	**$ 3,817,013**	**$ 4,116,861**	**$ 4,757,978**
Contributions / (Benefits and Expenses)										
Member Contributions	32,231	33,898	36,787	38,520	39,826	40,532	40,870	40,786	41,791	43,523
Employer Contributions	104,247	118,816	129,553	130,002	130,774	133,726	135,605	137,111	140,119	146,697
Member Reassignments	-	-	-	131	237	-	123	71	-	-
Other	78	76	57	115	90	83	41	18	30	15
Total Contributions and Other	136,556	152,790	166,397	168,768	170,927	174,341	176,639	177,986	181,940	190,235
Pension Benefits	(30,427)	(33,661)	(42,790)	(41,019)	(47,150)	(56,503)	(67,920)	(78,506)	(87,035)	(94,395)
Disability Benefits	(11,389)	(12,256)	(13,184)	(14,541)	(15,199)	(15,710)	(16,288)	(17,429)	(17,767)	(17,620)
Death Benefits	(9)	(72)	(108)	(306)	(564)	(624)	(738)	(794)	(720)	(860)
Distributions of Contributions and Interest	(2,642)	(3,293)	(3,186)	(3,172)	(2,304)	(2,662)	(3,101)	(3,074)	(3,572)	(3,615)
Administrative and Project Expenses	(2,153)	(2,559)	(3,156)	(3,766)	(1,865)	(2,108)	(1,662)	(1,845)	(1,787)	(1,708)
Member Reassignments	-	-	(3)	(5)	-	(61)	(33)	-	-	-
Total Benefits, Administrative and Project Expenses	(46,620)	(51,841)	(62,427)	(62,809)	(67,082)	(77,668)	(89,742)	(101,648)	(110,881)	(118,198)
Net Contributions / (Benefits and Expenses)	**$ 89,936**	**$ 100,949**	**$ 103,970**	**$ 105,959**	**$ 103,845**	**$ 96,673**	**$ 86,897**	**$ 76,338**	**$ 71,059**	**$ 72,037**
Net Investment Income / (Loss)	246,767	490,857	(265,745)	(662,681)	337,766	591,408	8,750	223,510	570,058	(1,600)
Net Increase / (Decrease)	**$ 336,703**	**$ 591,806**	**$ (161,775)**	**$ (556,722)**	**$ 441,611**	**$ 688,081**	**$ 95,647**	**$ 299,848**	**$ 641,117**	**$ 70,437**
Net Position - End of Year	**$ 2,718,365**	**$ 3,310,171**	**$ 3,148,396**	**$ 2,591,674**	**$ 3,033,285**	**$ 3,721,366**	**$ 3,817,013**	**$ 4,116,861**	**$ 4,757,978**	**$ 4,828,415**

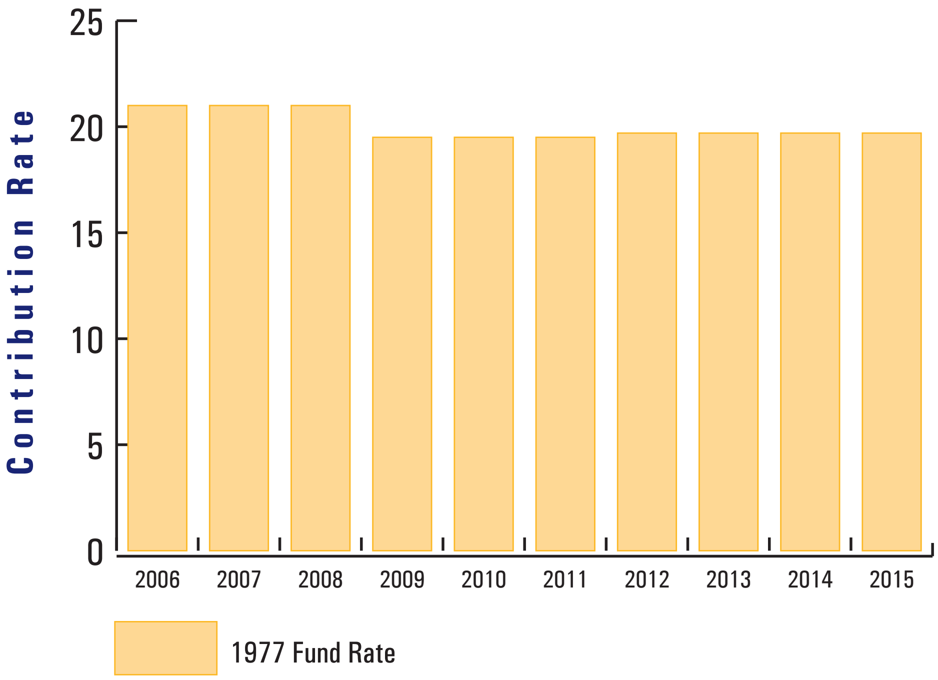
Ten-Year Comparison of Total Contributions and Other, Total Benefits, Administrative and Project Expenses and Net Position - End of Year (dollars in thousands)



Schedule of Historical Contribution Rates

Fiscal Year Ended June 30	1977 Fund Rate
2006	21.0%
2007	21.0
2008	21.0
2009	19.5
2010	19.5
2011	19.5
2012	19.7
2013	19.7
2014	19.7
2015	19.7

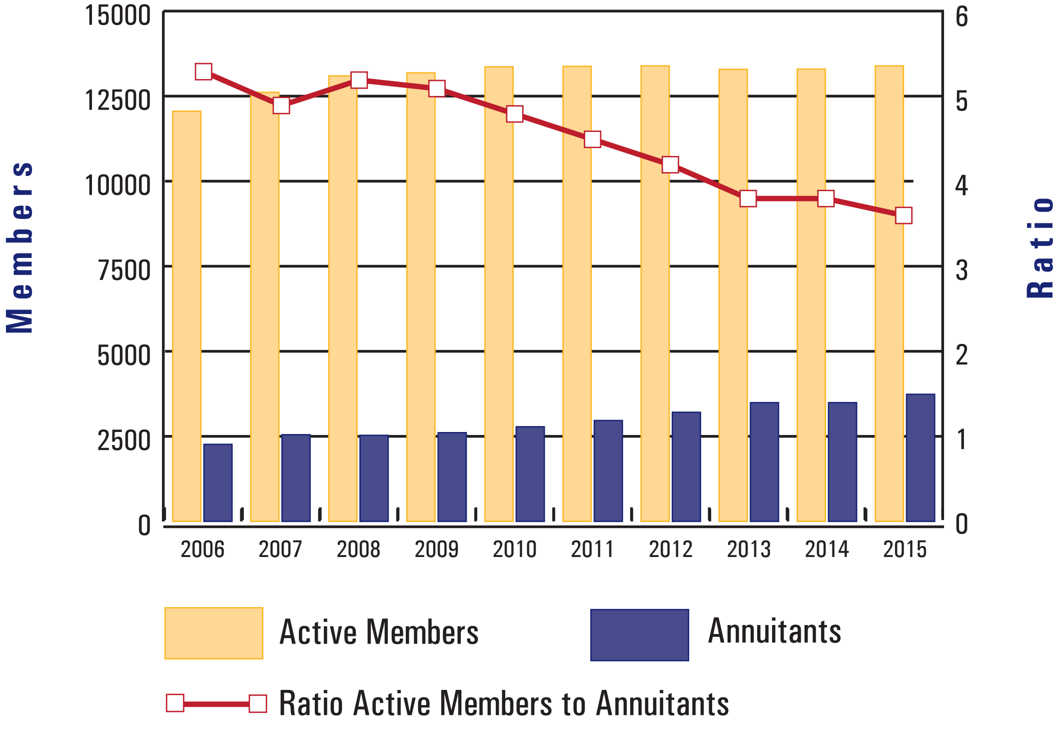
Memo:
Effective Date January 1



Ratio of Active Members to Annuitants

Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
2006[2]	12,056	2,265	5.3
2007[2]	12,611	2,548	4.9
2008[2]	13,095	2,530	5.2
2009	13,184	2,608	5.1
2010	13,362	2,782	4.8
2011	13,376	2,966	4.5
2012	13,390	3,208	4.2
2013	13,287	3,491	3.8
2014[3]	13,295	3,491	3.8
2015[3]	13,390	3,736	3.6

[1] Annuitants includes retirees, disabilities, and beneficiaries.
[2] As of December 31 instead of June 30.
[3] Calculated using the prior year census data, adjusted for certain activity during the fiscal year.



INDIANA PUBLIC RETIREMENT SYSTEM

Schedule of Benefit Recipients by Type of Benefit Option

Fiscal Year Ended June 30, 2015[4]

	Number of Benefit Recipients by Benefit Option			
Amount of Monthly Benefit (in dollars)	1 Joint With 60% Survivor Benefits	2 Survivors	3 Disability	Total Benefit Recipients
$ 1 - 500	0	14	0	14
501 - 1,000	11	129	31	171
1,001 - 1,500	143	314	98	555
1,501 - 2,000	468	117	221	806
2,001 - 3,000	1,375	43	354	1,772
over 3,000	370	9	39	418
Total	**2,367**	**626**	**743**	**3,736**

1 (Joint With 60% Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon retiree's death, surviving spouse receives 60 percent of the monthly benefit for life and each surviving child receives 20 percent of the monthly benefit until age 18 or 23 if enrolled in a secondary school or accredited college or university.

2 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

3 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For the 1977 Fund, there is no minimum creditable service requirement.

4 Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Schedule of Average Benefit Payments[1]

	Years of Credited Service						
Description	**< 10[2]**	**10 - 14[2]**	**15 - 19[2]**	**20 - 24**	**25 - 29**	**30+**	**Total**
Fiscal Year Ended June 30, 2015[3]							
Average Monthly Defined Benefit	$ 1,709	$ 1,862	$ 1,812	$ 1,953	$ 2,473	$ 2,714	$ 2,149
Average Final Average Salary	$ 40,564	$ 46,871	$ 44,876	$ 43,912	$ 47,030	$ 50,367	$ 45,862
Number of Benefit Recipients	421	222	256	1,361	963	513	3,736
Fiscal Year Ended June 30, 2014[3]							
Average Monthly Defined Benefit	$ 1,841	$ 1,748	$ 1,734	$ 1,864	$ 2,362	$ 2,553	$ 2,084
Average Final Average Salary	$ 42,408	$ 45,969	$ 44,636	$ 43,120	$ 46,421	$ 48,656	$ 45,245
Number of Benefit Recipients	290	226	273	1,243	883	576	3,491
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit	$ 1,841	$ 1,748	$ 1,734	$ 1,864	$ 2,362	$ 2,553	$ 2,084
Average Final Average Salary	$ 42,408	$ 45,969	$ 44,636	$ 43,120	$ 46,421	$ 48,656	$ 45,245
Number of Benefit Recipients	290	226	273	1,243	883	576	3,491
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 1,766	$ 1,685	$ 1,685	$ 1,815	$ 2,284	$ 2,396	$ 1,999
Average Final Average Salary	$ 40,609	$ 45,578	$ 43,738	$ 42,368	$ 45,510	$ 47,219	$ 44,173
Number of Benefit Recipients	251	215	266	1,178	822	476	3,208
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 1,708	$ 1,609	$ 1,636	$ 1,758	$ 2,206	$ 2,272	$ 1,916
Average Final Average Salary	$ 40,474	$ 44,601	$ 43,597	$ 41,438	$ 44,731	$ 47,365	$ 43,362
Number of Benefit Recipients	241	208	264	1,102	755	396	2,966

[1] INPRS intends to make this schedule a 10-year schedule over time.
[2] Members with less than 20 years of service are primarily members receiving a disability benefit from INPRS.
[3] Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Schedule of Participating Employers: Top 10

	June 30, 2015			June 30, 2006		
Participating Employer	**Covered Members**	**Rank**	**Percentage of Total 1977 Fund**	**Covered Members**	**Rank**	**Percentage of Total 1977 Fund**
Top 10 Employers						
City of Indianapolis	2,421	1	18.1%	1,693	1	14.0%
City of Fort Wayne	757	2	5.7	750	2	6.2
City of Evansville	549	3	4.1	503	4	4.2
City of South Bend	474	4	3.5	442	5	3.7
City of Gary	444	5	3.3	523	3	4.3
City of Hammond	359	6	2.7	371	6	3.1
City of Terre Haute	273	7	2.0	258	7	2.1
City of Lafayette	267	8	2.0	240	8	2.0
City of Carmel	263	9	2.0	240	8	2.0
City of Elkhart	237	10	1.8			
City of Anderson				222	10	1.8
Total – Top 10 Employers	**6,044**		**45.2**	**5,242**		**43.4**
All Other (155 Employers in 2015; 149 Employers in 2006)	7,346		54.8	6,814		56.6
Grand Total (165 Employers in 2015; 159 Employers in 2006)	**13,390**		**100.0%**	**12,056**		**100.0%**

Judges' Retirement System

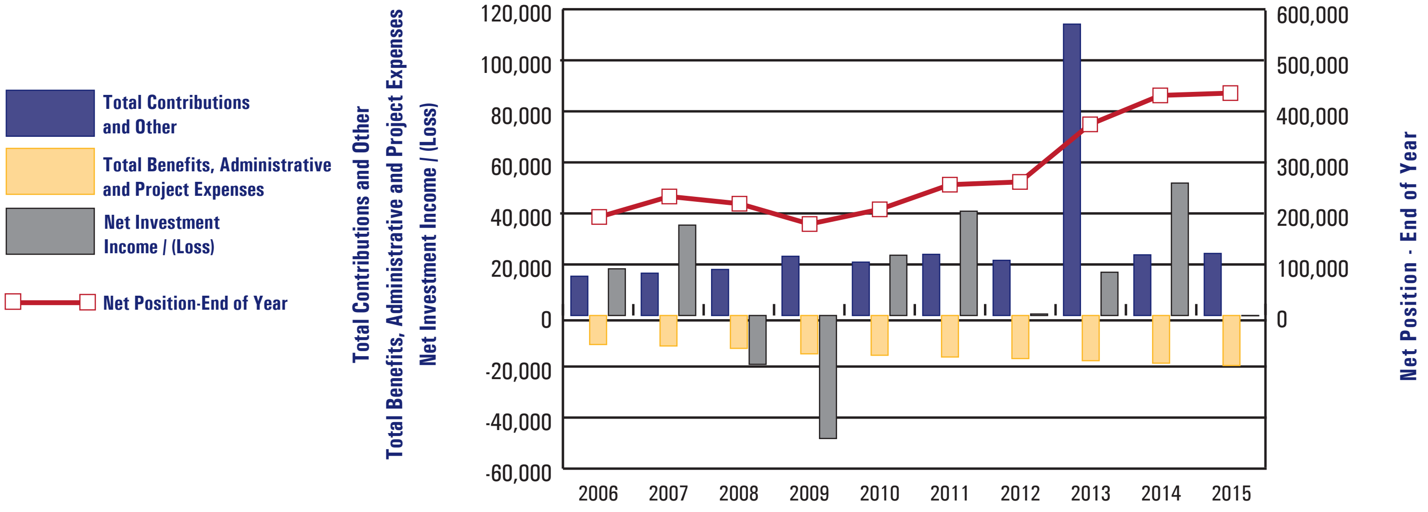
Schedule of Changes and Growth in Fiduciary Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Position - Beginning of Year	**$ 170,995**	**$ 193,310**	**$ 233,386**	**$ 219,426**	**$ 179,428**	**$ 208,395**	**$ 256,986**	**$ 262,326**	**$ 375,752**	**$ 432,730**
Contributions / (Benefits and Expenses)										
Member Contributions	1,839	1,925	2,062	2,196	2,229	3,492	2,468	2,631	2,856	3,292
Employer Contributions[1]	13,537	14,662	15,920	20,861	18,631	19,200	18,896	111,419	20,895	21,020
Member Reassignments	18	-	64	151	59	1,281	257	121	4	-
Other	-	-	-	-	-	-	2	5	6	9
Total Contributions and Other	15,394	16,587	18,046	23,208	20,919	23,973	21,623	114,176	23,761	24,321
Pension Benefits	(11,102)	(11,554)	(12,514)	(14,595)	(15,441)	(15,996)	(16,569)	(17,333)	(18,393)	(19,191)
Disability Benefits	(113)	(110)	(65)	(54)	(29)	(92)	(158)	(193)	(134)	(230)
Distributions of Contributions and Interest	(6)	(72)	(50)	(55)	-	(5)	(19)	(53)	-	(11)
Administrative and Project Expenses	(149)	(194)	(244)	(308)	(104)	(160)	(132)	(126)	(146)	(165)
Total Benefits, Administrative and Project Expenses	(11,370)	(11,930)	(12,873)	(15,012)	(15,574)	(16,253)	(16,878)	(17,705)	(18,673)	(19,597)
Net Contributions / (Benefits and Expenses)	**$ 4,024**	**$ 4,657**	**$ 5,173**	**$ 8,196**	**$ 5,345**	**$ 7,720**	**$ 4,745**	**$ 96,471**	**$ 5,088**	**$ 4,724**
Net Investment Income / (Loss)	18,291	35,419	(19,133)	(48,194)	23,622	40,871	595	16,955	51,890	(102)
Net Increase / (Decrease)	**$ 22,315**	**$ 40,076**	**$ (13,960)**	**$ (39,998)**	**$ 28,967**	**$ 48,591**	**$ 5,340**	**$ 113,426**	**$ 56,978**	**$ 4,622**
Net Position - End of Year	**$ 193,310**	**$ 233,386**	**$ 219,426**	**$ 179,428**	**$ 208,395**	**$ 256,986**	**$ 262,326**	**$ 375,752**	**$ 432,730**	**$ 437,352**

[1] *In fiscal year 2013, the State of Indiana appropriated additional monies of $90,187 thousand.*

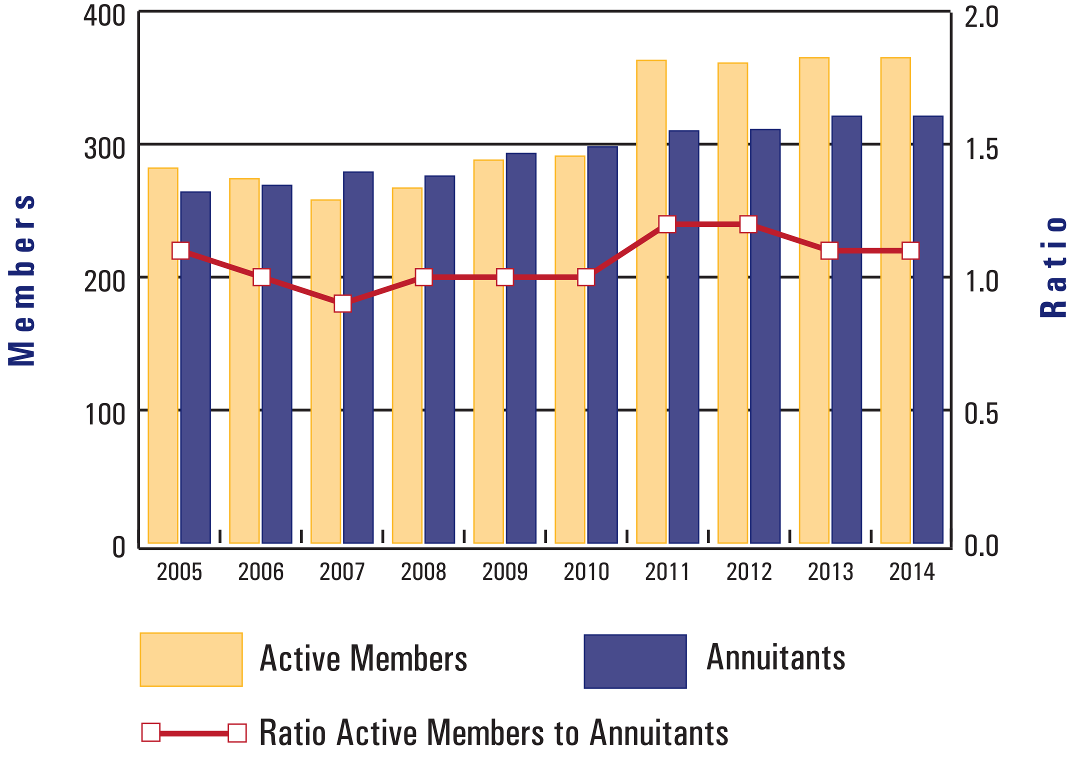
Ten-Year Comparison of Total Contributions and Other, Total Benefits, Administrative and Project Expenses and Net Position - End of Year (dollars in thousands)



Ratio of Active Members to Annuitants

Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
2006	274	269	1.0
2007	258	279	0.9
2008	267	276	1.0
2009	288	293	1.0
2010	291	298	1.0
2011	363	310	1.2
2012	361	311	1.2
2013	365	321	1.1
2014[2]	365	321	1.1
2015[2]	368	326	1.1

[1] Annuitants includes retirees, disabilities, and beneficiaries.
[2] Calculated using the prior year census data, adjusted for certain activity during the fiscal year..



Schedule of Benefit Recipients by Type of Benefit Option

Fiscal Year Ended June 30, 2015[4]

	Number of Benefit Recipients by Benefit Option			
Amount of Monthly Benefit (in dollars)	1 Joint With One-Half Survivor Benefits	2 Survivors	3 Disability	Total Benefit Recipients
$ 1 - 500	0	0	0	0
501 - 1,000	0	0	0	0
1,001 - 1,500	0	34	0	34
1,501 - 2,000	0	13	0	13
2,001 - 3,000	11	34	0	45
over 3,000	210	21	3	234
Total	**221**	**102**	**3**	**326**

1 (Joint With One-Half Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

2 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

3 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For the Judges' Retirement System, there is no minimum creditable service requirement.

4 Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Schedule of Average Benefit Payments[1]

	Years of Credited Service						
Description	**< 10**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+**	**Total**
Fiscal Year Ended June 30, 2015[2]							
Average Monthly Defined Benefit	$ 2,046	$ 4,145	$ 5,297	$ 5,479	$ 6,555	$ 6,558	$ 4,749
Average Final Average Salary	$ 59,251	$ 116,014	$ 117,354	$ 114,577	$ 112,207	$ 122,815	$ 114,494
Number of Benefit Recipients	57	75	61	69	38	26	326
Fiscal Year Ended June 30, 2014[2]							
Average Monthly Defined Benefit	$ 3,519	$ 4,090	$ 5,039	$ 5,544	$ 6,538	$ 6,545	$ 4,796
Average Final Average Salary	$ 108,307	$ 113,994	$ 113,254	$ 114,783	$ 111,708	$ 122,579	$ 114,885
Number of Benefit Recipients	88	66	47	62	34	24	321
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit	$ 3,519	$ 4,090	$ 5,039	$ 5,544	$ 6,538	$ 6,545	$ 4,796
Average Final Average Salary	$ 108,307	$ 113,994	$ 113,254	$ 114,783	$ 111,708	$ 122,579	$ 114,885
Number of Benefit Recipients	88	66	47	62	34	24	321
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 2,508	$ 4,006	$ 4,999	$ 5,265	$ 6,212	$ 6,230	$ 4,478
Average Final Average Salary	$ 73,561	$ 114,043	$ 112,826	$ 114,625	$ 111,708	$ 122,579	$ 112,885
Number of Benefit Recipients	74	67	48	63	34	25	311
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 2,495	$ 4,104	$ 5,043	$ 5,317	$ 6,337	$ 6,162	$ 4,513
Average Final Average Salary	$ 57,717	$ 113,387	$ 112,461	$ 113,606	$ 111,708	$ 120,715	$ 111,151
Number of Benefit Recipients	75	66	47	64	35	23	310

[1] INPRS intends to make this schedule a 10-year schedule over time.

[2] Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

State Excise Police, Gaming Agent, Gaming Control Officer & Conservation Enforcement Officers' Retirement Plan

INPRS
INDIANA PUBLIC RETIREMENT SYSTEM

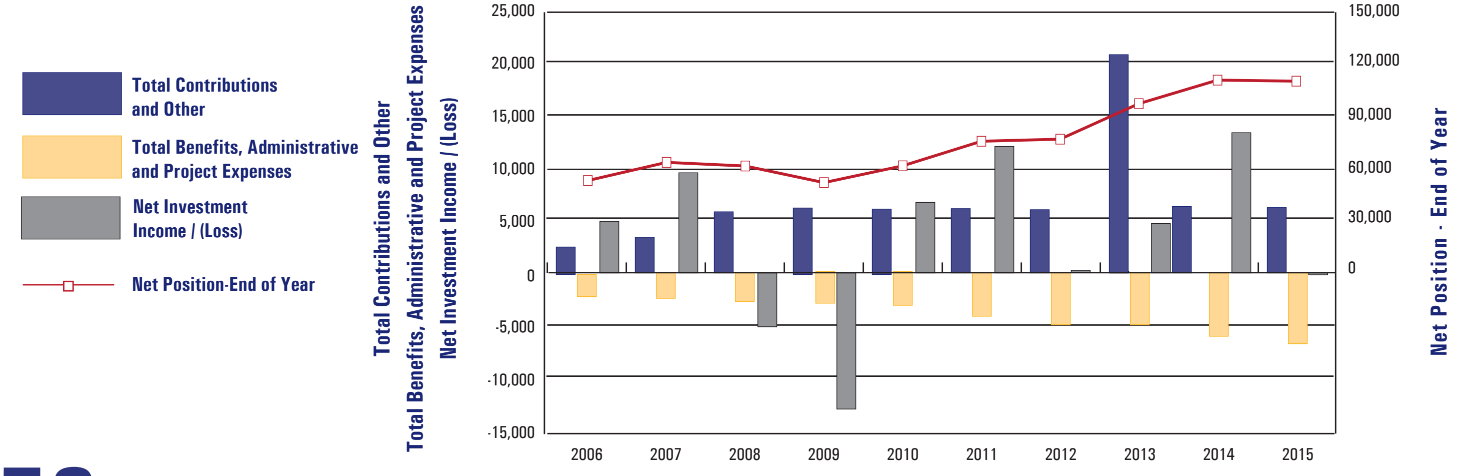
Schedule of Changes and Growth in Fiduciary Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Position - Beginning of Year	**$ 47,266**	**$ 52,616**	**$ 63,172**	**$ 61,076**	**$ 51,404**	**$ 61,174**	**$ 75,305**	**$ 76,543**	**$ 97,019**	**$ 110,657**
Contributions / (Benefits and Expenses)										
Member Contributions	96	129	981	1,025	1,010	1,002	972	1,006	1,019	1,004
Employer Contributions[1]	2,498	3,359	4,854	5,294	5,256	5,197	5,054	19,740	5,359	5,215
Member Reassignments	-	-	-	5	9	-	-	-	-	-
Other	10	-	-	-	-	-	-	-	-	-
Total Contributions and Other	2,604	3,488	5,835	6,324	6,275	6,199	6,026	20,746	6,378	6,219
Pension Benefits	(2,039)	(2,309)	(2,616)	(2,855)	(3,092)	(3,851)	(4,656)	(4,735)	(5,746)	(6,463)
Disability Benefits	(63)	(64)	(65)	(60)	(58)	(58)	(61)	(64)	(92)	(60)
Distributions of Contributions and Interest	-	(3)	(11)	(36)	(31)	(99)	(100)	(37)	(100)	(85)
Administrative and Project Expenses	(47)	(64)	(83)	(94)	(73)	(112)	(131)	(121)	(141)	(159)
Member Reassignments	(12)	-	-	-	-	-	-	(15)	-	-
Total Benefits, Administrative and Project Expenses	(2,161)	(2,440)	(2,775)	(3,045)	(3,254)	(4,120)	(4,948)	(4,972)	(6,079)	(6,767)
Net Contributions / (Benefits and Expenses)	**$ 443**	**$ 1,048**	**$ 3,060**	**$ 3,279**	**$ 3,021**	**$ 2,079**	**$ 1,078**	**$ 15,774**	**$ 299**	**$ (548)**
Net Investment Income / (Loss)	4,907	9,508	(5,156)	(12,951)	6,749	12,052	160	4,702	13,339	(71)
Net Increase / (Decrease)	**$ 5,350**	**$ 10,556**	**$ (2,096)**	**$ (9,672)**	**$ 9,770**	**$ 14,131**	**$ 1,238**	**$ 20,476**	**$ 13,638**	**$ (619)**
Net Position - End of Year	**$ 52,616**	**$ 63,172**	**$ 61,076**	**$ 51,404**	**$ 61,174**	**$ 75,305**	**$ 76,543**	**$ 97,019**	**$ 110,657**	**$ 110,038**

[1] *In fiscal year 2013, the State of Indiana appropriated additional monies of $14,619 thousand.*

Ten-Year Comparison of Total Contributions and Other, Total Benefits, Administrative and Project Expenses and Net Position - End of Year (dollars in thousands)

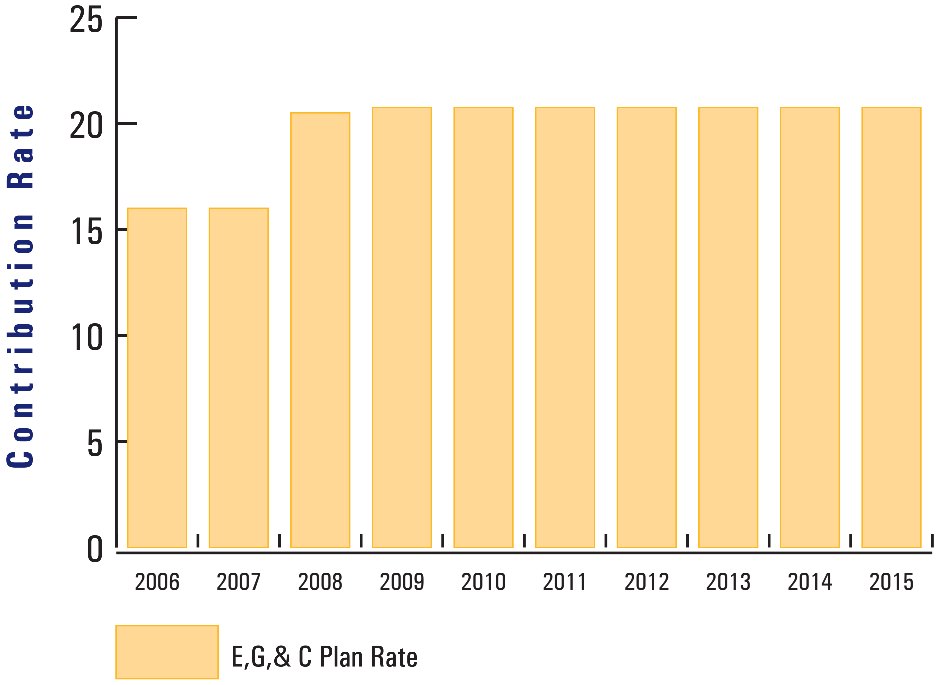


Schedule of Historical Contribution Rates

Fiscal Year Ended June 30	EG&C Plan Rate
2006	16.00%
2007	16.00
2008	20.50
2009	20.75
2010	20.75
2011	20.75
2012	20.75
2013	20.75
2014	20.75
2015	20.75

Memo:

Effective Date	January 1

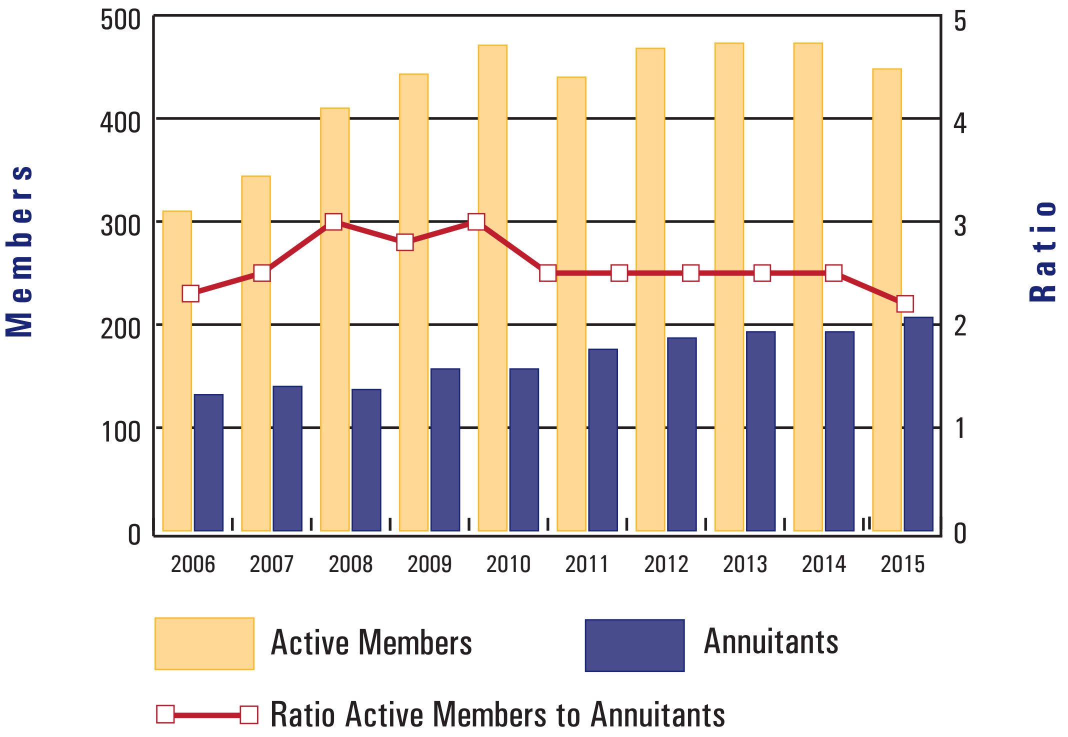


State Excise Police, Gaming Agent, Gaming Control Officer & Conservation Enforcement Officers' Retirement Plan

Ratio of Active Members to Annuitants

Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
2006	310	132	2.3
2007	344	140	2.5
2008	410	137	3.0
2009	443	157	2.8
2010	471	157	3.0
2011	440	176	2.5
2012	468	187	2.5
2013	473	193	2.5
2014[2]	473	193	2.5
2015[2]	448	207	2.2

[1] Annuitants includes retirees, disabilities and beneficiaries.
[2] Calculated using the prior year census data, adjusted for certain activity during the fiscal year.



Schedule of Benefit Recipients by Type of Benefit Option

Fiscal Year Ended June 30, 2015[4]

	Number of Benefit Recipients by Benefit Option			
Amount of Monthly Benefit (in dollars)	1 Joint With One-Half Survivor Benefits	2 Survivors	3 Disability	Total Benefit Recipients
$ 1 - 500	2	14	1	17
501 - 1,000	11	19	1	31
1,001 - 1,500	15	7	1	23
1,501 - 2,000	14	1	0	15
2,001 - 3,000	75	0	1	76
over 3,000	45	0	0	45
Total	**162**	**41**	**4**	**207**

1 (Joint With One-Half Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

2 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

3 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For the EG&C Plan, there is no minimum creditable service requirement.

4 Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Schedule of Average Benefit Payments[1]

	Years of Credited Service						
Description	**< 10**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+**	**Total**
Fiscal Year Ended June 30, 2015[2]							
Average Monthly Defined Benefit	$ 504	$ -	$ 562	$ 983	$ 2,031	$ 2,729	$ 2,097
Average Final Average Salary	$33,205	$ -	$ 26,025	$ 37,093	$ 48,424	$54,007	$49,010
Number of Benefit Recipients	15	-	9	21	59	103	207
Fiscal Year Ended June 30, 2014[2]							
Average Monthly Defined Benefit	$ 2,141	$ -	$ 439	$ 886	$ 1,816	$ 2,571	$ 2,015
Average Final Average Salary	$58,827	$ -	$ 22,436	$ 36,499	$ 45,830	$52,650	$47,776
Number of Benefit Recipients	14	-	11	22	54	92	193
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit	$ 2,141	$ -	$ 439	$ 886	$ 1,816	$ 2,571	$ 2,015
Average Final Average Salary	$58,827	$ -	$ 22,436	$ 36,499	$ 45,830	$52,650	$47,776
Number of Benefit Recipients	14	-	11	22	54	92	193
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 1,498	$ -	$ 439	$ 923	$ 1,791	$ 2,593	$ 1,984
Average Final Average Salary	$ -	$ -	$ 22,436	$ 37,858	$ 45,830	$52,589	$47,203
Number of Benefit Recipients	7	-	11	23	55	91	187
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 1,339	$ -	$ 439	$ 894	$ 1,757	$ 2,507	$ 1,884
Average Final Average Salary	$ -	$ -	$ 22,436	$ 35,889	$ 45,638	$50,797	$45,695
Number of Benefit Recipients	8	-	11	23	54	80	176

[1] *INPRS intends to make this schedule a 10-year schedule over time.*

[2] *Calculated using the prior year census data, adjusted for certain activity during the fiscal year.*

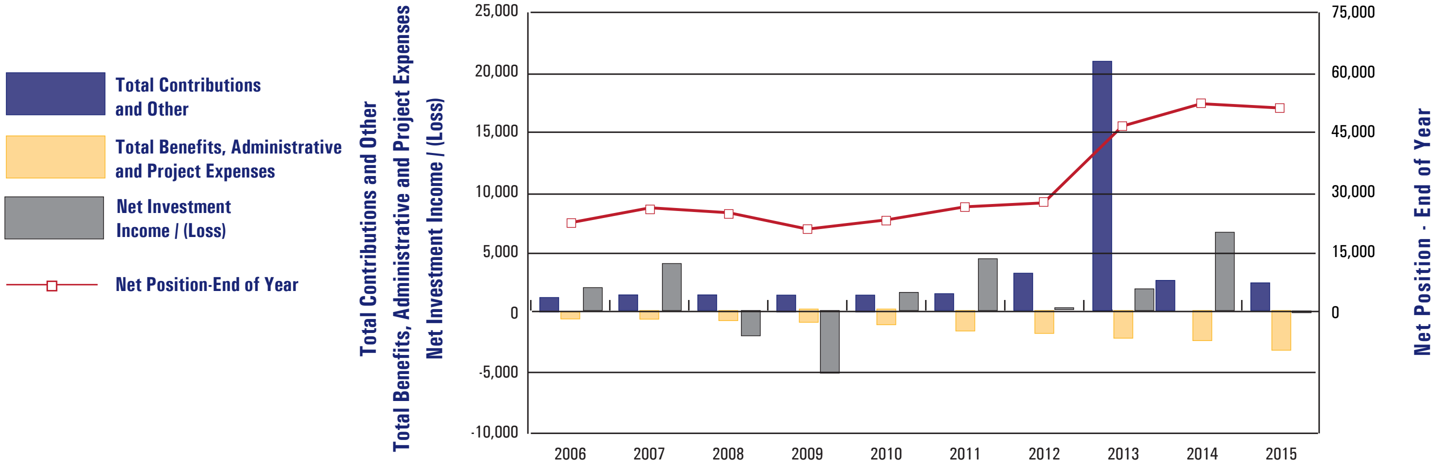
Schedule of Changes and Growth in Fiduciary Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Position - Beginning of Year	**$ 18,981**	**$ 21,645**	**$ 26,189**	**$ 24,613**	**$ 19,696**	**$ 22,431**	**$ 26,478**	**$ 27,689**	**$ 47,920**	**$ 54,507**
Contributions / (Benefits and Expenses)										
Member Contributions	1,089	1,133	1,208	1,274	1,268	1,271	1,277	1,271	1,334	1,269
Employer Contributions[1]	170	190	170	170	170	170	1,839	19,443	1,174	1,063
Other	-	-	-	-	-	-	-	-	4	-
Total Contributions and Other	1,259	1,323	1,378	1,444	1,438	1,441	3,116	20,714	2,512	2,332
Pension Benefits	(512)	(614)	(787)	(988)	(1,143)	(1,372)	(1,783)	(2,021)	(2,327)	(2,976)
Disability Benefits	(19)	(19)	(19)	(19)	(20)	(19)	(19)	(19)	(20)	(19)
Distributions of Contributions and Interest	(35)	(71)	(4)	(55)	(80)	(263)	(63)	(195)	(51)	(259)
Administrative and Project Expenses	(17)	(23)	(36)	(45)	(55)	(78)	(82)	(145)	(108)	(127)
Member Reassignments	-	-	-	-	-	(32)	-	-	-	-
Total Benefits, Administrative and Project Expenses	(583)	(727)	(846)	(1,107)	(1,298)	(1,764)	(1,947)	(2,380)	(2,506)	(3,381)
Net Contributions / (Benefits and Expenses)	**$ 676**	**$ 596**	**$ 532**	**$ 337**	**$ 140**	**$ (323)**	**$ 1,169**	**$ 18,334**	**$ 6**	**$ (1,049)**
Net Investment Income / (Loss)	1,988	3,948	(2,108)	(5,254)	2,595	4,370	42	1,897	6,581	(34)
Net Increase / (Decrease)	**$ 2,664**	**$ 4,544**	**$ (1,576)**	**$ (4,917)**	**$ 2,735**	**$ 4,047**	**$ 1,211**	**$ 20,231**	**$ 6,587**	**$ (1,083)**
Net Position - End of Year	**$ 21,645**	**$ 26,189**	**$ 24,613**	**$ 19,696**	**$ 22,431**	**$ 26,478**	**$ 27,689**	**$ 47,920**	**$ 54,507**	**$ 53,424**

[1] *In fiscal year 2013, the State of Indiana appropriated additional monies of $17,363 thousand.*

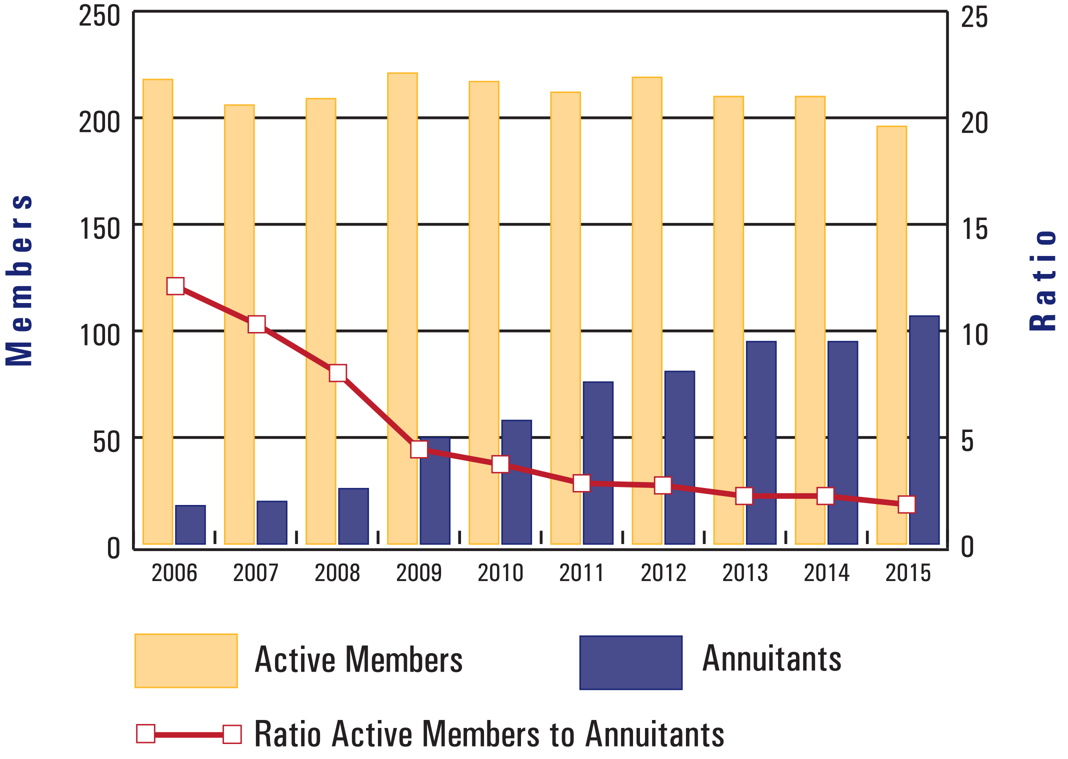
Ten-Year Comparison of Total Contributions and Other, Total Benefits, Administrative and Project Expenses and Net Position - End of Year (dollars in thousands)



Ratio of Active Members to Annuitants

Fiscal Year Ended June 30	Active Members	Annuitants[1]	Ratio Active Members To Annuitants
2006	218	18	12.1
2007	206	20	10.3
2008	209	26	8.0
2009	221	50	4.4
2010	217	58	3.7
2011	212	76	2.8
2012	219	81	2.7
2013	210	95	2.2
2014[2]	210	95	2.2
2015[2]	196	107	1.8

[1] Annuitants includes retirees, disabilities, and beneficiaries.
[2] Calculated using the prior year census data, adjusted for certain activity during the fiscal year.



Schedule of Benefit Recipients by Type of Benefit Option

Fiscal Year Ended June 30, 2015[4]

	Number of Benefit Recipients by Benefit Option			
Amount of Monthly Benefit (in dollars)	1 Joint With One-Half Survivor Benefits	2 Survivors	3 Disability	Total Benefit Recipients
$ 1 - 500	9	2	0	11
501 - 1,000	15	2	0	17
1,001 - 1,500	19	2	0	21
1,501 - 2,000	13	1	1	15
2,001 - 3,000	24	0	0	24
over 3,000	19	0	0	19
Total	**99**	**7**	**1**	**107**

1 (Joint With One-Half Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

2 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

3 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For PARF, five (5) or more years of creditable service is required to be eligible for a disability benefit.

4 Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Schedule of Average Benefit Payments[1]

	Years of Credited Service						
Description	**< 10**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+**	**Total**
Fiscal Year Ended June 30, 2015[2]							
Average Monthly Defined Benefit	$ 1,163	$ 1,498	$ 1,969	$ 2,467	$ 2,589	$ 1,693	$ 1,865
Average Final Average Salary	$ 83,896	$ 62,194	$ 73,614	$ 86,752	$ 99,686	$ 113,499	$ 76,315
Number of Benefit Recipients	8	38	27	20	8	6	107
Fiscal Year Ended June 30, 2014[2]							
Average Monthly Defined Benefit	$ 1,694	$ 1,445	$ 1,875	$ 2,340	$ 2,626	$ 2,187	$ 1,843
Average Final Average Salary	$ 77,001	$ 54,908	$ 71,821	$ 83,707	$ 103,220	$ 110,167	$ 72,709
Number of Benefit Recipients	28	22	22	14	5	4	95
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit	$ 1,694	$ 1,445	$ 1,875	$ 2,340	$ 2,626	$ 2,187	$ 1,843
Average Final Average Salary	$ 77,001	$ 54,908	$ 71,821	$ 83,707	$ 103,220	$ 110,167	$ 72,709
Number of Benefit Recipients	28	22	22	14	5	4	95
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit	$ 1,541	$ 1,421	$ 1,874	$ 2,283	$ 2,488	$ 2,496	$ 1,821
Average Final Average Salary	$ 63,714	$ 54,908	$ 72,709	$ 83,534	$ 103,220	$ 110,167	$ 72,130
Number of Benefit Recipients	17	21	21	13	5	4	81
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit	$ 1,541	$ 1,413	$ 1,831	$ 2,252	$ 2,219	$ 2,615	$ 1,774
Average Final Average Salary	$ 58,939	$ 55,721	$ 69,668	$ 79,113	$ 95,745	$ 101,967	$ 68,573
Number of Benefit Recipients	17	20	20	12	4	3	76

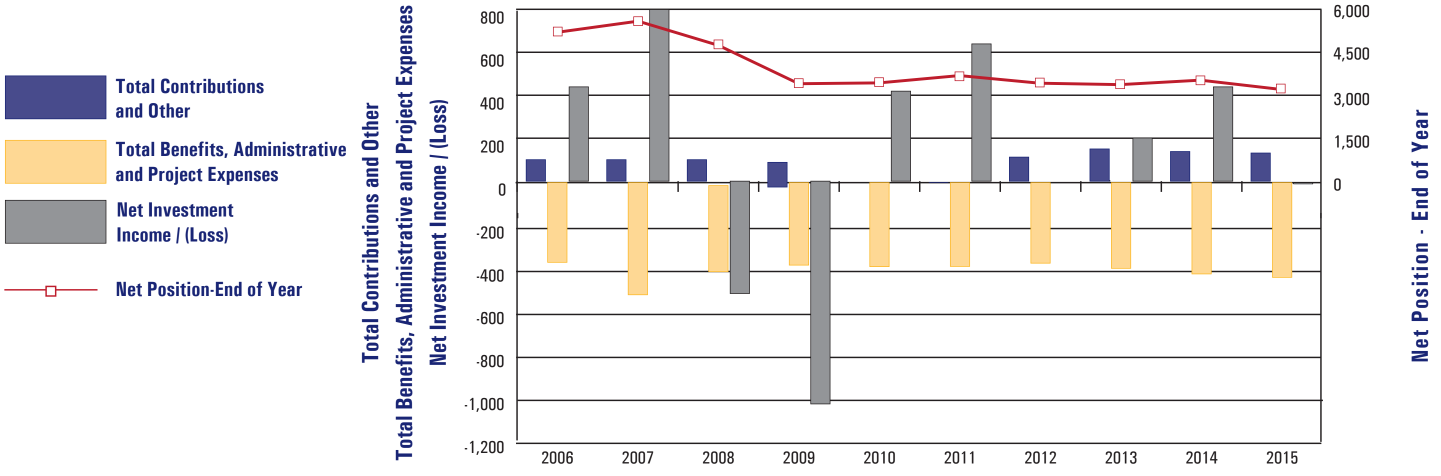
[1] INPRS intends to make this schedule a 10-year schedule over time.
[2] Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Schedule of Changes and Growth in Fiduciary Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Position - Beginning of Year	**$ 4,953**	**$ 5,121**	**$ 5,498**	**$ 4,674**	**$ 3,368**	**$ 3,396**	**$ 3,645**	**$ 3,385**	**$ 3,337**	**$ 3,489**
Contributions / (Benefits and Expenses)										
Employer Contributions	100	100	100	100	-	-	112	150	138	131
Other	-	-	-	15	-	-	-	-	-	-
Total Contributions and Other	100	100	100	115	-	-	112	150	138	131
Pension Benefits	(303)	(330)	(342)	(360)	(353)	(337)	(335)	(362)	(361)	(370)
Disability Benefits	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(2)	-
Administrative and Project Expenses	(65)	(56)	(56)	(21)	(35)	(50)	(37)	(34)	(62)	(71)
Member Reassignments	-	(133)	-	-	-	-	-	-	-	-
Total Benefits, Administrative and Project Expenses	(371)	(522)	(401)	(384)	(391)	(390)	(375)	(399)	(425)	(441)
Net Contributions / (Benefits and Expenses)	**$ (271)**	**$ (422)**	**$ (301)**	**$ (269)**	**$ (391)**	**$ (390)**	**$ (263)**	**$ (249)**	**$ (287)**	**$ (310)**
Net Investment Income / (Loss)	439	799	(523)	(1,037)	419	639	3	201	439	(5)
Net Increase / (Decrease)	**$ 168**	**$ 377**	**$ (824)**	**$ (1,306)**	**$ 28**	**$ 249**	**$ (260)**	**$ (48)**	**$ 152**	**$ (315)**
Net Position - End of Year	**$ 5,121**	**$ 5,498**	**$ 4,674**	**$ 3,368**	**$ 3,396**	**$ 3,645**	**$ 3,385**	**$ 3,337**	**$ 3,489**	**$ 3,174**

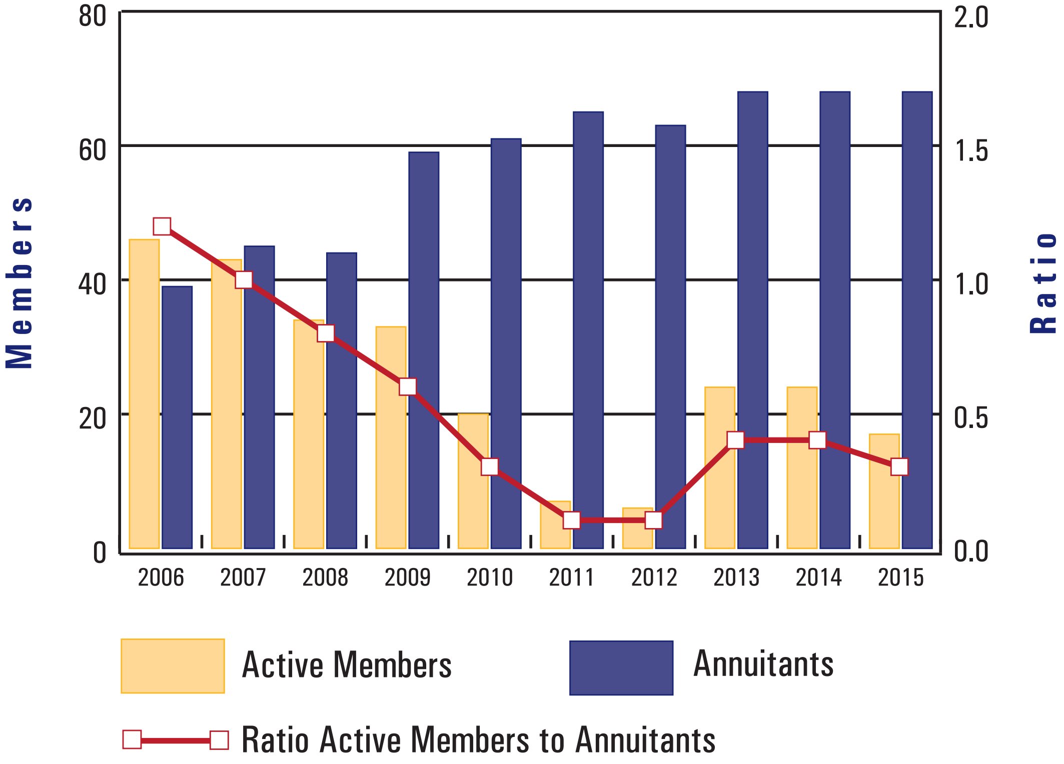
Ten-Year Comparison of Total Contributions and Other, Total Benefits, Administrative and Project Expenses and Net Position - End of Year (dollars in thousands)



Ratio of Active Members to Annuitants

Fiscal Year Ended June 30	Active Members[1]	Annuitants[2]	Ratio Active Members To Annuitants
2006	46	39	1.2
2007	43	45	1.0
2008	34	44	0.8
2009	33	59	0.6
2010	20	61	0.3
2011	7	65	0.1
2012	6	63	0.1
2013	24	68	0.4
2014[3]	24	68	0.4
2015[3]	17	68	0.3

[1] Active Members exclude Legislators' Defined Contribution Plan.
[2] Annuitants includes retirees, disabilities, and beneficiaries.
[3] Calculated using the prior year census data, adjusted for certain activity during the fiscal year.



Schedule of Benefit Recipients by Type of Benefit Option

Fiscal Year Ended June 30, 2015[4]

	Number of Benefit Recipients by Benefit Option			
Amount of Monthly Benefit (in dollars)	1 Joint With One-Half Survivor Benefits	2 Survivors	3 Disability	Total Benefit Recipients
$ 1 - 500	30	11	0	41
501 - 1,000	24	1	0	25
1,001 - 1,500	1	0	0	1
1,501 - 2,000	1	0	0	1
2,001 - 3,000	0	0	0	0
over 3,000	0	0	0	0
Total	**56**	**12**	**0**	**68**

1 (Joint With One-Half Survivor Benefits) – Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

2 (Survivors) – Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

3 (Disability) – Members receiving a disability benefit in accordance with the applicable statute. For the LEDB Plan, five (5) or more years of creditable service is required to be eligible for a disability benefit.

4 Calculated using the prior year census data, adjusted for certain activity during the fiscal year.

Schedule of Average Benefit Payments[1]

	Years of Credited Service						
Description	**< 10**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+**	**Total**
Fiscal Year Ended June 30, 2015[2]							
Average Monthly Defined Benefit[3]	$ 255	$ 443	$ 679	$ 1,008	$ 577	$ 1,568	$ 448
Average Final Average Salary	$ 25,872	$ 22,383	$ 24,244	$ -	$ -	$ -	$ 24,781
Number of Benefit Recipients	31	17	16	2	1	1	68
Fiscal Year Ended June 30, 2014[2]							
Average Monthly Defined Benefit[3]	$ 386	$ 351	$ 459	$ 629	$ 472	$ 669	$ 447
Average Final Average Salary	$ 12,154	$ 19,636	$ 29,430	$ 32,868	$ 27,614	$ 31,870	$ 24,372
Number of Benefit Recipients	17	21	14	7	2	7	68
Fiscal Year Ended June 30, 2013							
Average Monthly Defined Benefit[3]	$ 386	$ 351	$ 459	$ 629	$ 472	$ 669	$ 447
Average Final Average Salary	$ 12,154	$ 19,636	$ 29,430	$ 32,868	$ 27,614	$ 31,870	$ 24,372
Number of Benefit Recipients	17	21	14	7	2	7	68
Fiscal Year Ended June 30, 2012							
Average Monthly Defined Benefit[3]	$ 341	$ 356	$ 458	$ 629	$ 699	$ 669	$ 461
Average Final Average Salary	$ 7,078	$ 19,636	$ 27,391	$ 32,868	$ 27,614	$ 31,870	$ 27,195
Number of Benefit Recipients	8	22	16	7	3	7	63
Fiscal Year Ended June 30, 2011							
Average Monthly Defined Benefit[3]	$ 341	$ 348	$ 448	$ 563	$ 699	$ 645	$ 456
Average Final Average Salary	$ 7,078	$ 18,880	$ 30,641	$ 32,804	$ 27,614	$ 32,151	$ 28,439
Number of Benefit Recipients	8	21	15	10	3	8	65

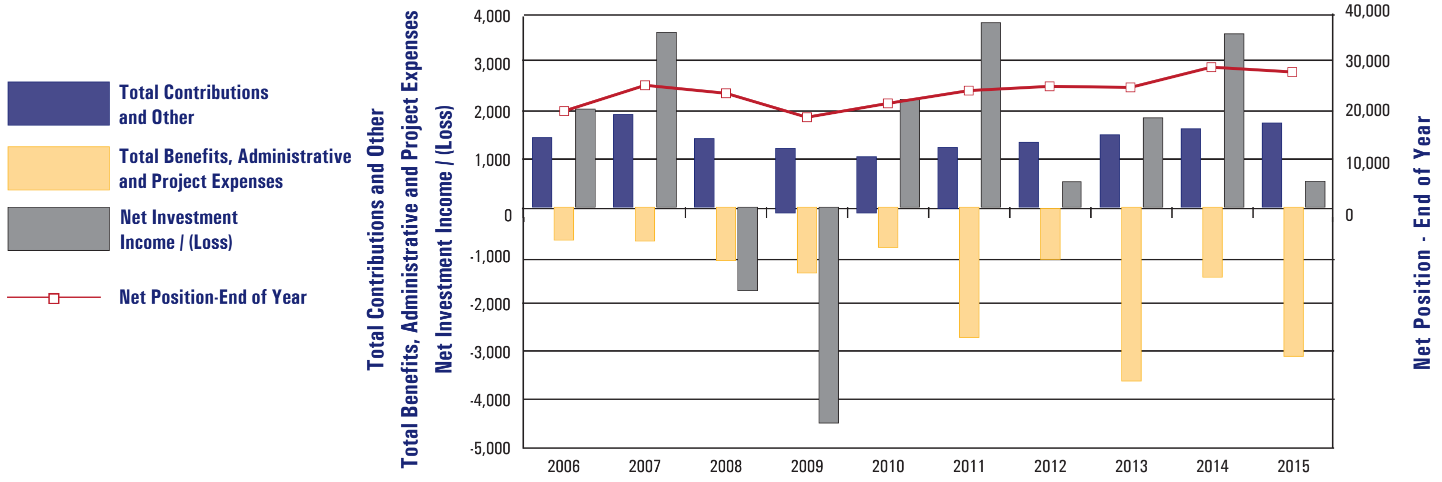
[1] INPRS intends to make this schedule a 10-year schedule over time.
[2] Calculated using the prior year census data, adjusted for certain activity during the fiscal year.
[3] Benefit calculations for the LEDB benefit recipients are based on years of service, not final average salary.

Schedule of Changes and Growth in Fiduciary Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Position - Beginning of Year	**$ 18,067**	**$ 20,869**	**$ 25,729**	**$ 24,298**	**$ 19,778**	**$ 22,356**	**$ 24,755**	**$ 25,579**	**$ 25,322**	**$ 29,103**
Contributions / (Benefits and Expenses)										
Member Contributions	1,414	1,468	1,366	1,342	1,146	1,205	1,303	1,463	1,590	1,715
Member Reassignments	-	429	-	-	-	-	-	-	-	-
Other	33	32	60	4	25	68	49	42	40	36
Total Contributions and Other	1,447	1,929	1,426	1,346	1,171	1,273	1,352	1,505	1,630	1,751
Distributions of Contributions and Interest	(686)	(708)	(1,116)	(1,325)	(803)	(2,675)	(1,033)	(3,616)	(1,452)	(3,100)
Administrative and Project Expenses	-	-	-	(46)	(33)	(39)	(22)	(4)	(5)	(6)
Total Benefits, Administrative and Project Expenses	(686)	(708)	(1,116)	(1,371)	(836)	(2,714)	(1,055)	(3,620)	(1,457)	(3,106)
Net Contributions / (Benefits and Expenses)	**$ 761**	**$ 1,221**	**$ 310**	**$ (25)**	**$ 335**	**$ (1,441)**	**$ 297**	**$ (2,115)**	**$ 173**	**$ (1,355)**
Net Investment Income / (Loss)	2,041	3,639	(1,741)	(4,495)	2,243	3,840	527	1,858	3,608	540
Net Increase / (Decrease)	**$ 2,802**	**$ 4,860**	**$ (1,431)**	**$ (4,520)**	**$ 2,578**	**$ 2,399**	**$824**	**$ (257)**	**$ 3,781**	**$ (815)**
Net Position - End of Year	**$ 20,869**	**$ 25,729**	**$ 24,298**	**$ 19,778**	**$ 22,356**	**$ 24,755**	**$ 25,579**	**$ 25,322**	**$ 29,103**	**$ 28,288**

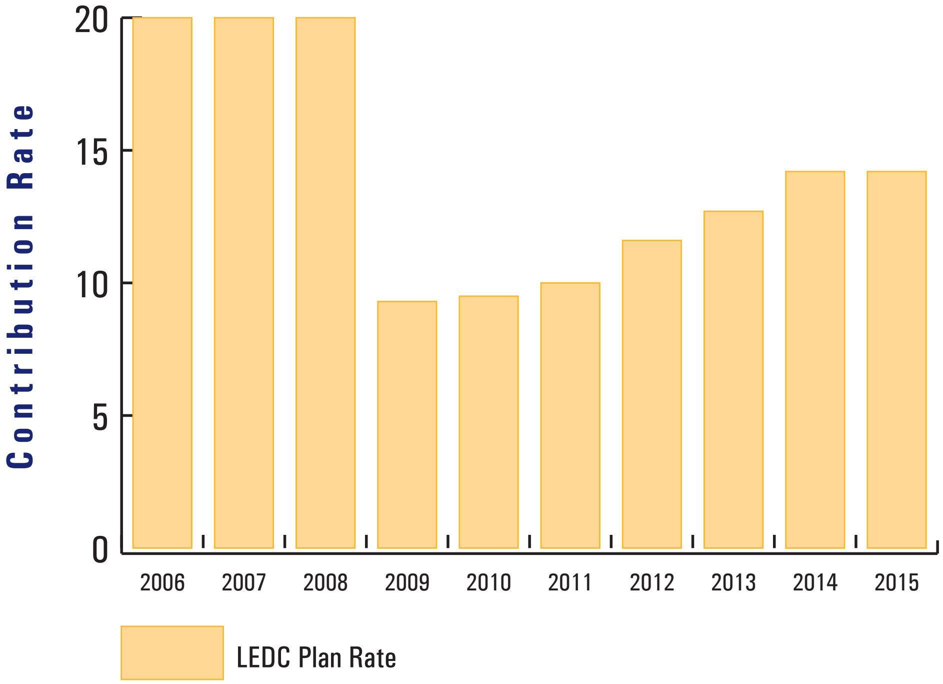
Ten-Year Comparison of Total Contributions and Other, Total Benefits, Administrative and Project Expenses and Net Position - End of Year (dollars in thousands)



Schedule of Historical Contribution Rates

Fiscal Year Ended June 30	LEDC Plan Rate
2006	20.0%
2007	20.0
2008	20.0
2009	9.3
2010	9.5
2011	10.0
2012	11.6
2013	12.7
2014	14.2
2015	14.2

Memo:
Effective Date January 1

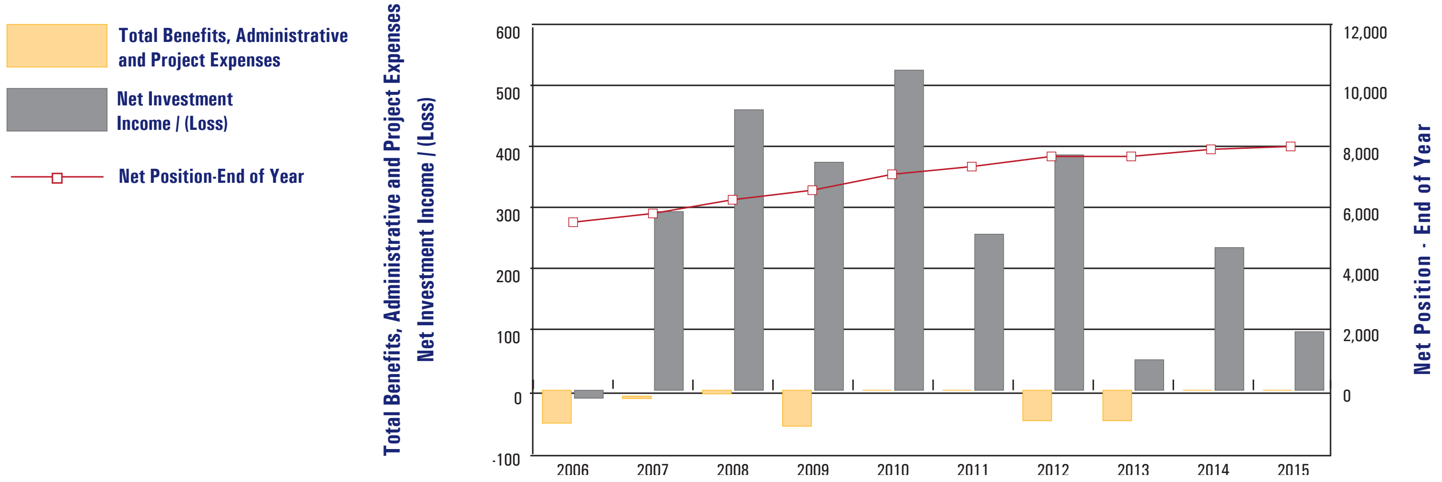


Schedule of Changes and Growth in Fiduciary Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Position - Beginning of Year	**$ 5,575**	**$ 5,508**	**$ 5,797**	**$ 6,251**	**$ 6,566**	**$ 7,091**	**$ 7,347**	**$ 7,683**	**$ 7,683**	**$ 7,917**
Contributions / (Benefits and Expenses)										
Death Benefits	(50)	-	-	(50)	-	-	(50)	(50)	-	-
Administrative and Project Expenses	(4)	(4)	(6)	(9)	-	-	-	-	-	-
Total Benefits, Administrative and Project Expenses	(54)	(4)	(6)	(59)	-	-	(50)	(50)	-	-
Net Contributions / (Benefits and Expenses)	**$ (54)**	**$ (4)**	**$ (6)**	**$ (59)**	**$ -**	**$ -**	**$ (50)**	**$ (50)**	**$ -**	**$ -**
Net Investment Income / (Loss)	(13)	293	460	374	525	256	386	50	234	96
Net Increase / (Decrease)	**$ (67)**	**$ 289**	**$ 454**	**$ 315**	**$ 525**	**$ 256**	**$ 336**	**$ -**	**$ 234**	**$ 96**
Net Position - End of Year	**$ 5,508**	**$ 5,797**	**$ 6,251**	**$ 6,566**	**$ 7,091**	**$ 7,347**	**$ 7,683**	**$ 7,683**	**$ 7,917**	**$ 8,013**

Ten-Year Comparison of Total Benefits, Administrative and Project Expenses and Net Position - End of Year (dollars in thousands)

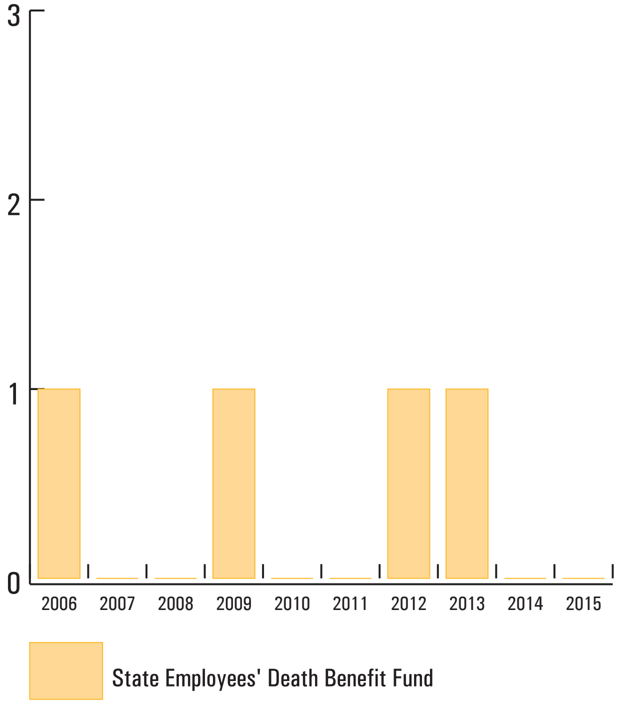


State Employees' Death Benefit Fund

Schedule of Average Death Benefit Payments[1]

Description		
Fiscal Year Ended June 30, 2006		
Average Death Benefit	$	50,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2007		
Average Death Benefit	$	-
Average Final Average Salary		N/A
Number of Benefit Recipients		-
Fiscal Year Ended June 30, 2008		
Average Death Benefit	$	-
Average Final Average Salary		N/A
Number of Benefit Recipients		-
Fiscal Year Ended June 30, 2009		
Average Death Benefit	$	50,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2010		
Average Death Benefit	$	-
Average Final Average Salary		N/A
Number of Benefit Recipients		-
Fiscal Year Ended June 30, 2011		
Average Death Benefit	$	-
Average Final Average Salary		N/A
Number of Benefit Recipients		-
Fiscal Year Ended June 30, 2012		
Average Death Benefit	$	50,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2013		
Average Death Benefit	$	50,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2014		
Average Death Benefit	$	-
Average Final Average Salary		N/A
Number of Benefit Recipients		-
Fiscal Year Ended June 30, 2015		
Average Death Benefit	$	-
Average Final Average Salary		N/A
Number of Benefit Recipients		-

Number of Benefit Recipients



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[1] *Lump sum death benefit of $50,000 paid to the surviving spouse or child(ren) of a state employee who dies in the line of duty as defined in statute (IC 5-10-11).*

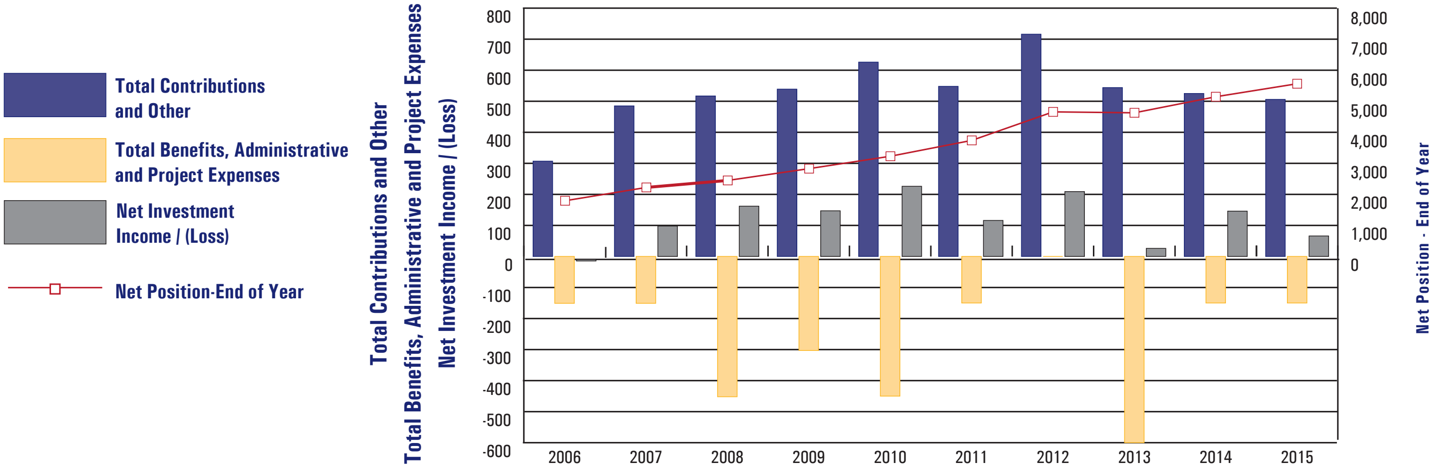
Public Safety Officers' Special Death Benefit Fund

Schedule of Changes and Growth in Fiduciary Net Position

(dollars in thousands)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Position - Beginning of Year	**$ 1,649**	**$ 1,800**	**$ 2,232**	**$ 2,459**	**$ 2,842**	**$ 3,244**	**$ 3,758**	**$ 4,683**	**$ 4,653**	**$ 5,174**
Contributions / (Benefits and Expenses)										
Nonemployer Contributing Entity	307	485	517	539	626	548	716	544	525	506
Total Contributions and Other	307	485	517	539	626	548	716	544	525	506
Death Benefits	(150)	(150)	(450)	(300)	(450)	(150)	-	(600)	(150)	(150)
Administrative and Project Expenses	(1)	(1)	(2)	(3)	-	-	-	-	-	-
Total Benefits, Administrative and Project Expenses	(151)	(151)	(452)	(303)	(450)	(150)	-	(600)	(150)	(150)
Net Contributions / (Benefits and Expenses)	**$ 156**	**$ 334**	**$ 65**	**$ 236**	**$ 176**	**$ 398**	**$ 716**	**$ (56)**	**$ 375**	**$ 356**
Net Investment Income / (Loss)	(5)	98	162	147	226	116	209	26	146	66
Net Increase / (Decrease)	**$ 151**	**$ 432**	**$ 227**	**$ 383**	**$ 402**	**$ 514**	**$ 925**	**$ (30)**	**$ 521**	**$ 422**
Net Position - End of Year	**$ 1,800**	**$ 2,232**	**$ 2,459**	**$ 2,842**	**$ 3,244**	**$ 3,758**	**$ 4,683**	**$ 4,653**	**$ 5,174**	**$ 5,596**

Ten-Year Comparison of Total Contributions and Other, Total Benefits, Administrative and Project Expenses and Net Position - End of Year (dollars in thousands)

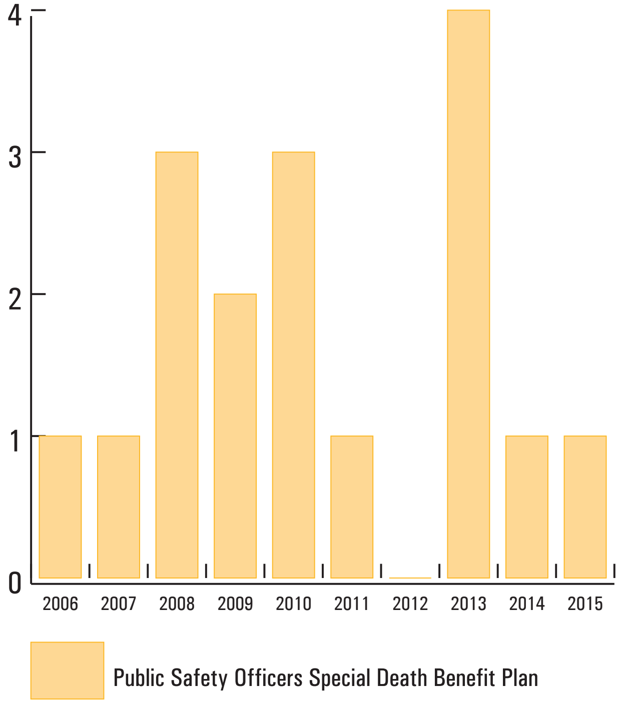


Public Safety Officers' Special Death Benefit Fund

Schedule of Average Death Benefit Payments[1]

Description		
Fiscal Year Ended June 30, 2006		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2007		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2008		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		3
Fiscal Year Ended June 30, 2009		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		2
Fiscal Year Ended June 30, 2010		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		3
Fiscal Year Ended June 30, 2011		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2012		
Average Death Benefit	$	-
Average Final Average Salary		N/A
Number of Benefit Recipients		-
Fiscal Year Ended June 30, 2013		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		4
Fiscal Year Ended June 30, 2014		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2015		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1

Number of Benefit Recipients



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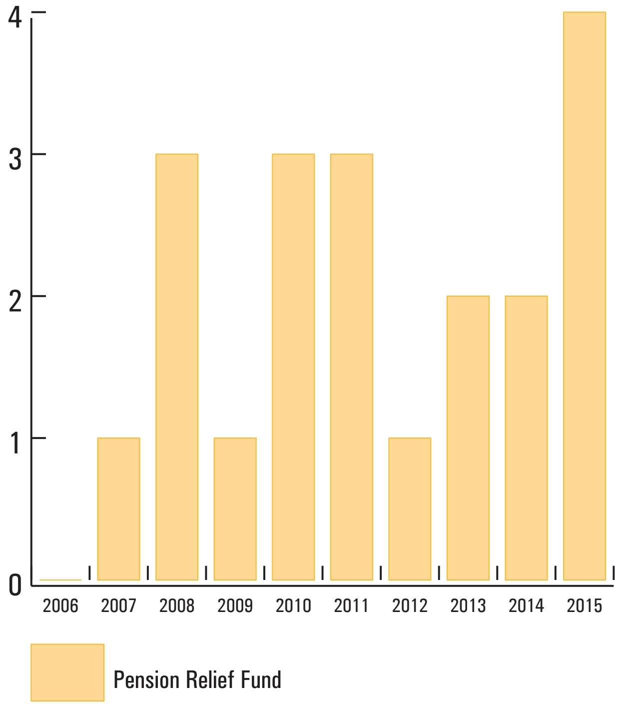
[1] Lump sum death benefit of $150,000 paid to the surviving spouse or child(ren) of a public safety officer who dies in the line of duty as defined in statute (IC 5-10-10) if there is no surviving spouse or child(ren), the benefit is paid to the parent(s).

Schedule of Average Death Benefit Payments[1]

Description		
Fiscal Year Ended June 30, 2006		
Average Death Benefit	$	-
Average Final Average Salary		N/A
Number of Benefit Recipients		-
Fiscal Year Ended June 30, 2007		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2008		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		3
Fiscal Year Ended June 30, 2009		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2010		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		3
Fiscal Year Ended June 30, 2011		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		3
Fiscal Year Ended June 30, 2012		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		1
Fiscal Year Ended June 30, 2013		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		2
Fiscal Year Ended June 30, 2014		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		2
Fiscal Year Ended June 30, 2015		
Average Death Benefit	$	150,000
Average Final Average Salary		N/A
Number of Benefit Recipients		4

Number of Benefit Recipients



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[1] *Lump sum death benefit of $150,000 paid to the surviving spouse or child(ren) of a member of the 1977 Fund who dies in the line of duty as defined in statute (IC 36-8-8-20). If there is no surviving spouse or child(ren), the benefit is paid to the parent(s).*