

# 2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020



*INPRS is a component unit and a pension trust fund of the State of Indiana.*



Prepared through the joint efforts of INPRS's team members.  
Available online at [www.in.gov/inprs](http://www.in.gov/inprs)

# 2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020

INPRS is a component unit and a pension trust fund of the State of Indiana.

INPRS is a trust and an independent body corporate and politic. The system is not a department or agency of the state, but is an independent instrumentality exercising essential governmental functions (IC 5-10.5-2-3).

## FUNDS MANAGED BY INPRS

## ABBREVIATIONS USED

### Defined Benefit

1. Public Employees' Defined Benefit Account
2. Teachers' Pre-1996 Defined Benefit Account
3. Teachers' 1996 Defined Benefit Account
4. 1977 Police Officers' and Firefighters' Retirement Fund
5. Judges' Retirement System
6. Excise, Gaming and Conservation Officers' Retirement Fund
7. Prosecuting Attorneys' Retirement Fund
8. Legislators' Defined Benefit Fund

### Defined Contribution

9. Public Employees' Defined Contribution Account
10. My Choice: Retirement Savings Plan for Public Employees
11. Teachers' Defined Contribution Account
12. My Choice: Retirement Savings Plan for Teachers
13. Legislators' Defined Contribution Fund

### Other Postemployment Benefit

14. Special Death Benefit Fund
15. Retirement Medical Benefits Account Plan

### Custodial

16. Local Public Safety Pension Relief Fund

### DB Fund

- PERF DB  
TRF Pre-'96 DB  
TRF '96 DB  
'77 Fund  
JRS  
EG&C  
PARF  
LE DB

### DC Fund

- PERF DC  
PERF MC DC  
TRF DC  
TRF MC DC  
LE DC

### OPEB Fund

- SDBF  
RMBA

### Custodial Fund

- LPSPR

### Contact Information

INPRS | One North Capitol, Suite 001 | Indianapolis, IN, 46204  
Toll-free (844) GO - INPRS | [www.inprs.in.gov](http://www.inprs.in.gov) | [questions@inprs.in.gov](mailto:questions@inprs.in.gov)



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For the Fiscal Year Ended June 30, 2020

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### Vision

Engaged members able to realize their retirement dreams.

### Mission

As fiduciaries, educate stakeholders, collect necessary contributions, and prudently manage member assets to deliver promised defined benefit and defined contribution benefits and services.

**467,000+**

Members

**1,250+**

Participating employers

**\$36.9 Billion**

Total fund market value

**90.6% Funded**

Excluding TRF Pre-'96



## About INPRS

The Indiana Public Retirement System (INPRS) is an independent body corporate and politic of the state of Indiana, which currently consists of 16 funds (eight defined benefit, five defined contribution, two other postemployment benefits, and one custodial). The Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF), two largest retirement plans offered by the State of Indiana, trace their existence back to the early and middle parts of the 20th Century. TRF was established in 1921 and PERF in 1945. Pursuant to statute, the Indiana General Assembly integrated the management of the two systems in 2011, creating INPRS.

In accordance with Indiana Code (IC) 5-10.5, INPRS is governed by a nine-member Board of Trustees. The board is composed of:

- One trustee with experience in economics, finance, or investments;
- One trustee with experience in executive management or benefits administration;
- One trustee who is an active or retired member of the '77 Fund;
- Two trustees who are TRF members with at least 10 years of creditable service;
- One 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;
- Treasurer of State, or nominee.

### Indiana Public Pension Timeline (Calendar Year)

<b>1915</b>	Locally funded teachers retirement fund established.	<b>1980</b>	LPSPR created to support police and firefighter pension obligations of Indiana's cities and towns for plans under the "Old Funds".
<b>1921</b>	State funded Teachers' Retirement Fund created; a "pay-as-you-go", multiple-employer pension system.	<b>1983</b>	The 1977 and 1985 Judges' Benefits Fund System (now Judges' Retirement System) were created and administered by the PERF board and the 1953 JRS plan was eliminated and members were transferred to the 1977 Judges' Benefits Fund System.
<b>1945</b>	Public Employees' Retirement Fund created; a multiple-employer retirement system with a defined benefit component (DB).	<b>1989</b>	Legislators' Retirement System created. Participants in the DB plan limited to members serving as of April 30, 1989; otherwise, the plan is Defined Contribution only.
<b>1953</b>	JRS was created with its own board.	<b>1990</b>	PARF created. Members must also be members of PERF.
<b>1955</b>	Annuity Savings Accounts (ASA's) created to supplement PERF DB and TRF DB plans resulting in the nation's first pension changes to adopt a hybrid design.	<b>1995</b>	Closed TRF Pre-'96 to new entrants and created TRF '96. Also created the Pension Stabilization Fund (PSF) to partially fund TRF Pre-'96.
<b>1972</b>	EG&C created.	<b>1996</b>	Amendment to the Indiana Constitution approved allowing funds to invest in equities.
<b>1977</b>	'77 Fund created for local police officers and firefighters hired after April, 30 1977.	<b>2011</b>	Indiana General Assembly created the Board of Trustees of INPRS to administer public employee retirement plans.
		<b>2013</b>	ASA Only (now PERF MC DC) plan offered to state employees who joined after March 1, 2013. Default option remains as PERF Hybrid.
		<b>2016</b>	PERF MC DC offered to employees of political subdivisions who join after January 2, 2016. Default option remained as PERF Hybrid.
		<b>2017</b>	State Employees' Death Benefit Fund, Public Safety Officer's Death Benefit Fund, and the "in the line of duty" death benefit from the Local Public Safety Pension Relief Fund assets merged into SDBF.
		<b>2018</b>	ASA's previously reported within the DB Hybrid funds of PERF, TRF Pre-'96 and TRF '96, are segregated and administered as DC plans.
		<b>2018</b>	Supplemental Reserve Accounts (SRA's) established for PERF DB, TRF Pre-'96 DB, TRF '96 DB, EG&C, and LE DB to pay postretirement benefit increases after June 30, 2018.
		<b>2019</b>	TRF MC DC offered to new members of TRF.
		<b>2019</b>	RMBA was transferred to INPRS for administration.

# INPRS BELIEVES

**People are the foundation of our success. It takes people with different backgrounds, ideas, and strengths to be successful.**

## ▶ Our people are...

- ▶ **Models of Integrity** - hold themselves accountable to the highest standards of ethical and professional behavior.
- ▶ **Team Players** – encourage and support others for the success of the team breaking down silos and connecting with our shared vision.
- ▶ **Candid** - believe in direct, respectful, and honest communication.
- ▶ **Continuous Learners** – eager to improve while having an open-mind to feedback and new ideas.
- ▶ **Diligent** – well-researched, risk aware, and transparent.

## ▶ Success is built upon...

- ▶ **Trust** - empowering our people to successfully fulfill their duties while providing them with training, support, and mentorship.
- ▶ **Constructive Conflict** - encouraging debate around ideas to arrive at the best solution.
- ▶ **Commitment** – dedicated to decisions and action plans.
- ▶ **Accountability** - setting clear expectations for people, roles, and teams and holding ourselves and each other accountable for results.

**Balance in life is important. We strive to have a flexible and supportive environment while not sacrificing service to our members.**



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INDIANA PUBLIC RETIREMENT SYSTEM

ONE NORTH CAPITOL, SUITE 001 ▲ INDIANAPOLIS, IN 46204

December 10, 2020

Dear Board Members:

On behalf of all management and staff, we are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Indiana Public Retirement System (INPRS) for the year ended June 30, 2020. We are responsible for the accuracy of the content and the completeness and fairness of the presentation, including disclosures. A narrative overview and analysis to accompany the basic financial statements is presented as Management's Discussion and Analysis (MD&A); which can be found immediately following the Independent Auditor's Report in the Financial Section. This Letter of Transmittal is designed to complement the MD&A.

INPRS, an independent body corporate and politic of the state of Indiana, currently consists of 16 funds. As fiduciaries, our mission is to educate stakeholders, collect necessary contributions, and prudently manage member assets to deliver promised defined benefit and defined contribution benefits and services.

### Unprecedented Environment

The fiscal year (FY) 2020 marked a year of unprecedented transitions. The first two quarters of FY 2020 showed strong investment markets with a continuation of US history's longest economic expansion. All that momentum changed in March when the novel coronavirus disease 2019 (COVID-19) resulted in a market crash and rapid economic contraction.

Investments made in technology over the years allowed INPRS to swiftly transition to a predominantly remote workforce to protect our members, staff, and vendors. INPRS accomplished years' worth of digital adoption in a matter of weeks. The final quarter of FY 2020 showed a market recovery from March's lows, but the economic environment remained muted due to continued caution while the pandemic continued.

Despite the environment and challenges, for the 7th consecutive year, we improved service to our 467,337 members and 1,273 employers while decreasing cost. We delivered benefits and distributions of \$3.1 billion and collected \$2.6 billion in contributions.

### New Undertakings

Administration for Retiree Medical Benefits Account (RMBA) was successfully transferred from the State of Indiana (SOI) to INPRS. INPRS leveraged its investment management expertise by investing the \$436 million transferred from SOI to deliver investment income of \$22.1 million for the year. INPRS utilized its experience in benefits administration to streamline RMBA processes.

A year-long project to modify existing systems with a new set of rules for TRF My Choice Defined Contribution (TRF MC DC) plan was completed successfully. Effective July 1, 2019, new teachers could make an election between TRF MC DC and TRF Defined Benefit. 761 new teachers decided to select TRF MC DC plan in the first year of its offering.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted on March 27, 2020, included several provisions to help people receive a source of cash to get through the pandemic, if they met certain conditions. INPRS quickly modified its processes and systems to assist 1,162 participants in FY 2020 to withdraw monies without penalty and additional income tax.

### Helping Members Realize Their Retirement Dreams

Since the formation of INPRS in 2011, INPRS's vision focused on adequately funding the plans it managed and serving as a trusted and valued retirement system. Efficiently collecting contributions, effectively engaging members, and prudently investing stakeholder assets to pay for member benefits were the cornerstone of its activities. Having established itself as a trusted and valued retirement system, INPRS embarked on the next step of its journey. It determined that a stakeholder-focused Vision and Mission statement will align the organization's efforts with stakeholder engagement. Further, to guide the organization's effort, it replaced its Strategic Plan Principles with a Values Statement.

The reworded Vision and Mission statement will allow INPRS to demonstrate its commitment to engaging members and helping them realize their retirement dreams. The new Values Statement will help us focus on our people, who are the foundation of our success. By committing to building a workforce with different backgrounds and translating diverse ideas and strengths into executable plans, we will be able to model best practices in accountability and teamwork, make risk-aware decisions, hire and develop staff to meet the needs of our changing business models, and dedicate resources to increase our members' financial awareness and retirement security. Refer to the value statement in the Introductory Section.

PUBLIC EMPLOYEES ▲ TEACHERS ▲ JUDGES ▲ POLICE OFFICERS ▲ FIREFIGHTERS  
EXCISE, GAMING & CONSERVATION OFFICERS ▲ PROSECUTORS ▲ LEGISLATORS

## Progress on Funding of the Defined Benefit Program

INPRS's primary goal continues to be ensuring a financially sound retirement system. We establish a predictable schedule of contribution rates, which works with investment portfolio performance to advance us along the path of long-term sustainability. In FY 2020, we completed an actuarial experience study to update our assumptions about the future workforce, benefits, and contributions.

The aggregate funded status of the pre-funded defined benefit plans improved from 88.1 percent in FY 2019 to 90.6 percent in FY 2020. The funded status of Teacher Pre-'96 Pay-Go plan improved from 25.7 percent in FY 2019 to 26.5 percent in FY 2020 with \$10.3 billion in unfunded liabilities; the projected peak appropriations is in FY 2026, and the projected 100% funded status is in 2038. A snapshot of the Defined Benefit Plans' funding status is presented in the MD&A.

## Investment Overview

Due to the ongoing COVID-19 pandemic, INPRS's consolidated defined benefit assets returned 2.6 percent net of fees and held assets with a fair value of \$30.7 billion as of June 30, 2020. Given the organization's investment strategy, the consolidated defined benefit assets were still able to exceed specific industry benchmarks in many asset class categories and return a positive performance, which cannot be understated in these uncertain times. The investment portfolio is diversified by asset class, investment approach, and individual investments within each global asset class to reduce overall portfolio risk and volatility. In addition, INPRS administered defined contribution assets of \$5.8 billion.

Please refer to the Investment Section for more information on INPRS's portfolio performance, investment strategy, and policy.

## Major Initiatives

We have a fiduciary duty to be principled and effective within our operations, and we believe that an environment of continuous improvement is key to long-term value creation. Major initiatives with significant current and future impacts are summarized below.

**Complete and accurate member records** - Accurate data and complete reporting of member information is just as critical to secure retirement as the employer's role in educating employees about their benefits. For the past two years, we have increasingly focused on engaging with our members' employers in this responsibility to ensure that the quality of data received is not only accurate but complete and timely. Several controls are in place to sustain and improve member data accuracy. Further, an Information Management Program was established with a team of experts to manage data as an INPRS asset. We are confident that we will make further strides in improving data quality and integrity in the coming years.

**Leveraging technology** - Over the past decade, INPRS has been a strong leader amongst our peers in identifying and leveraging technology to innovate for our stakeholders. This year we replaced aging technology with a modern data visualization tool to upgrade our INPRS Reporting Portal (IRP) to a completely new data model and toolset. This new software makes information available more quickly and in a more user-friendly manner to allow faster and higher-quality service to our members and their employers. INPRS continued its focus with ongoing improvements in the cybersecurity space to protect and defend our stakeholder information.

**Member Experience and Engagement** - Our relationship with our members begins on their first day of employment and extends through their retirement years. Reflecting the longevity of our members' careers and their lifespans, this past year, we launched several initiatives to ensure that retirees and active employees are aware of their financial needs and have knowledge of retirement planning tools throughout their careers.

While we have been providing financial education to our members for several years, we focused on measuring and improving member engagement to empower our members to meet future retirement needs.

One of our goals has always been that members have a consistent and quality experience when interacting with us. An online focus group program was implemented to incorporate member insights into the strategic plan. The introduction of online focus groups provides INPRS a cost-effective way to receive direct input from members throughout the state without the inconvenience of traveling to a central focus group location. Later in the fiscal year, the need for social isolation added greater importance to the online focus group option. This platform was utilized to forecast pandemic-related changes in the number of retiring members, their demand for retirement counseling services, and preferences in the future for remote versus face-to-face retirement counseling and workshops.

Quality member experience requires a well-trained, and fully staffed call center. Several initiatives and programs were developed and implemented to focus on call center recruiting, employee satisfaction, retention and training.

## Strategic Plan

The INPRS strategic plan provides the foundation from which INPRS moves towards its vision to be a member-focused organization. A copy of the INPRS strategic plan that includes details of other key initiatives can be found on the INPRS website, [www.in.gov/inprs](http://www.in.gov/inprs).

## Legislative Changes

Several legislative changes were signed into law to improve the benefits of members and beneficiaries. Details can be found in Note 7 of the Financial Section.

## Economic Conditions

For the first half of the fiscal year, global economic conditions remained relatively healthy; buoyed by accommodative monetary policy, healthy labor markets, and modest inflation. During the second half of the fiscal year, COVID-19 spread globally, and governments overwhelmingly elected to close off vast segments of their economies to slow the spread of the virus which resulted in widespread unemployment. The combination of reduced economic mobility and high unemployment led to significant declines in global growth and inflation which forced policy makers, both central bankers and governments alike, to respond with an unprecedented policy response aimed at supporting lost income and preventing corporate defaults and bankruptcies.

The economic condition of INPRS is driven by investment results and contributions from members, employers, and non-employer contributing entities. Our Chief Investment Officer in partnership with Verus Consulting has evaluated INPRS's investments' economic conditions, the details of which can be found in the Investment Section. Total defined benefit contributions for the fiscal year 2020 have exceeded the actuarially determined contributions. A historical look at this activity is outlined in the Schedule of Contributions in the Required Supplementary Information.

## Management's Responsibility for Financial Reporting

INPRS management is responsible for establishing and maintaining a system of adequate internal accounting controls. A system of internal accounting controls ensures the security of member and employer contributions and provides a reasonable, but not absolute, assurance that assets are properly safeguarded, transactions are properly executed, and financial statements are reliable. Our independent external auditors have conducted an audit of the basic financial statements in accordance with auditing standards generally accepted in the United States of America. They have full and unrestricted access to the Board to discuss their audit and related findings concerning the integrity of financial reporting and adequacy of internal controls. The Independent Auditor's Report regarding the fair presentation of the financial statements is in the Financial Section.

## Awards and Acknowledgments

For the 8<sup>th</sup> consecutive year, INPRS received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA), the highest recognition in governmental accounting and financial reporting. For the 8<sup>th</sup> consecutive year, INPRS received a Public Pension Standards Award for Funding and Administration from the Public Pension Coordinating Council.

We express our gratitude to the staff, advisors, and all who have contributed to the preparation of this report. This report is intended to provide complete and reliable information as a basis for making management decisions, for determining compliance with legal provisions, and as a measurement of responsible stewardship of the assets. The INPRS staff also wishes to express our appreciation to Indiana Governor Eric Holcomb, 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.

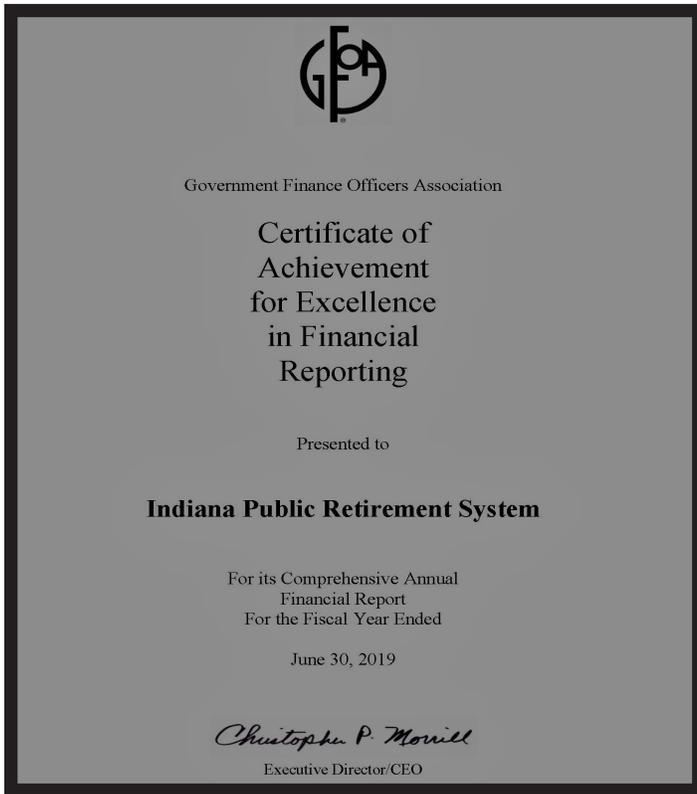
Sincerely,



Steve Russo  
Executive Director

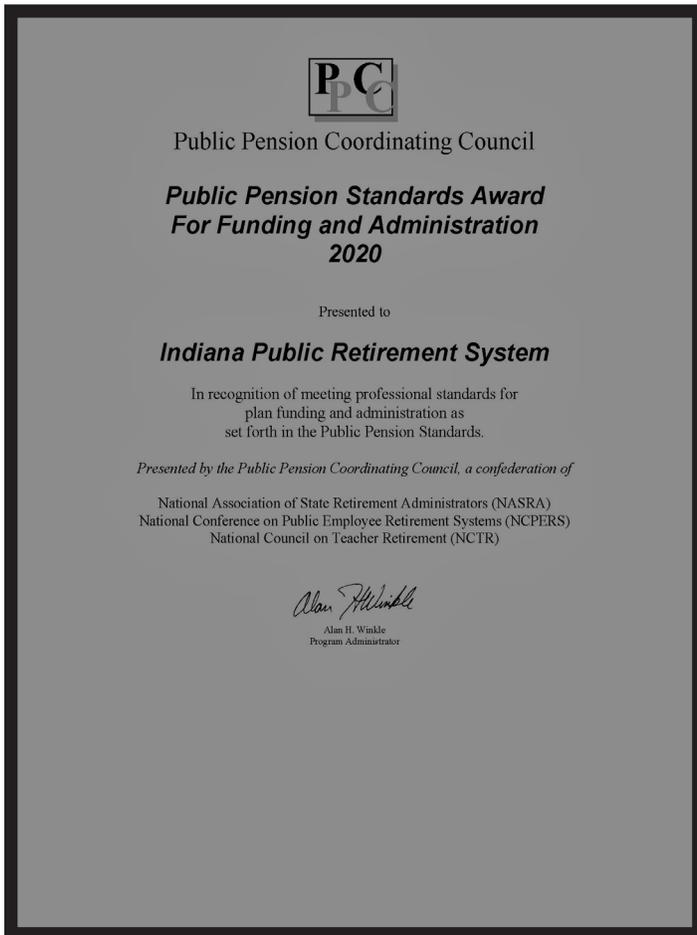


Donna Grotz  
Chief Finance and Administration Officer



**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to INPRS for its CAFR for the fiscal year ended June 30, 2019. This was the 8th consecutive year that INPRS has achieved this prestigious award. To be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements.



**PUBLIC PENSION STANDARDS AWARD**

The Public Pension Coordinating Council awarded the Public Pension Standards Award for Funding and Administration to INPRS for the fiscal year ended June 30, 2020. This is the 9th consecutive year that INPRS has achieved this prestigious award. In order to be awarded a Public Pension Standards Award, a public pension program must meet professional standards for plan design and administration as set forth in the Public Pension Standards. A Public Pension Standards Award is valid for a period of one year.

# Governance and Administrative Organization

## Executive Branch



Eric Holcomb  
Governor

Suzanne Crouch  
Lt. Governor

## Board of Trustees



Brian Abbott  
TRF Member  
Nomination/  
Appointment:  
Speaker of House/  
Governor  
Term Expiration:  
6/30/2022



David Frick  
Executive Management  
and Benefits  
Administration  
Nomination/  
Appointment:  
Governor  
Term Expiration:  
6/30/2021



Tera Klutz  
Auditor of State  
Nomination/Appointment:  
Self-nominated/Governor  
Term Expiration:  
6/30/2023



Justin McAdam  
OMB General Counsel  
& Policy Director  
Nomination/  
Appointment:  
Director of State Budget  
Agency/Governor  
Term Expiration:  
6/30/2023



Kelly Mitchell  
Treasurer of State  
Nomination/  
Appointment:  
Self-nominated/  
Governor  
Term Expiration:  
6/30/2023



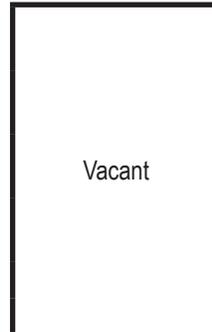
Mike Pinkham  
1977 Fund Member  
Nomination/Appointment:  
Speaker of House/  
Governor  
Term Expiration:  
6/30/2020



Connie Plankenhorn  
TRF Member  
Nomination/  
Appointment:  
Senate Pro Tempore/  
Governor  
Term Expiration:  
6/30/2022



Bret Swanson  
Economics, Finance,  
Investments  
Nomination/  
Appointment:  
Governor  
Term Expiration:  
6/30/2021



Vacant  
PERF Member  
Nomination/Appointment:  
Term Expiration:

## Governance and Administrative Organization, continued

### Executive Team



Steve Russo  
Executive Director



Steven Barley  
Chief  
Operations  
Officer and  
Deputy Director



Scott Davis  
Chief Investment  
Officer



Cheryl Drummer  
Director of Strategic  
Initiatives



Tony Green  
Chief Legal and  
Compliance Officer



Donna Grotz  
Chief Finance and  
Administration Officer



Mike Hinline  
Chief Information and  
Technology Officer



Jeffrey Hutson  
Chief  
Communication  
Officer



Teresa Snedigar  
Chief Audit and Risk  
Officer

### Professional Consultants <sup>1</sup>

Capital Cities, LLC  
426 East New York Street  
Indianapolis, IN 46202

Kutak Rock, LLP  
8601 North Scottsdale Road, #300  
Scottsdale, AZ 85253

Cavanaugh Macdonald Consulting, LLC  
3802 Raynor Parkway, Suite 202  
Bellevue, NE 68123

Foster Garvey PC  
1111 Third Avenue, Suite 3000  
Seattle, WA 98101

Verus  
800 Fifth Avenue, Suite 3900  
Seattle, WA 98104

<sup>1</sup> A complete list of investment professionals that have provided services to INPRS can be found beginning on page 122 of the Investment Section.

# 2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020

## Financial Section

- [18](#) Independent Auditor's Report
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- [24](#) Financial Statements
- [28](#) Notes to the Financial Statements
- [69](#) Required Supplemental Information (Unaudited)
- [90](#) Other Supplementary Schedules

**\$794.6 Million**

Increase in net position over the previous fiscal year

**\$3.1 Billion**

Benefits and distributions paid to members

**\$436 Million**

Received in RMBA assets to manage

**\$105.3 Million**

Earmarked to four supplemental reserve accounts





## Independent Auditor's Report

RSM US LLP

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, 2020, and the related Statement of Changes in its Fiduciary Net Position for the year then ended, and the related notes to the financial statements, which collectively comprise the System's basic 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, 2020, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matters**

##### *Prior-Year Comparative Information:*

We have previously audited the System's 2019 financial statements, and we expressed an unmodified opinion in our report dated November 22, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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## Independent Auditor's Report, continued

*Required Supplementary Information:*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 20 through 23 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 70 through 89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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, 2020 was conducted for the purpose of forming an opinion on the System's basic 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 basic financial statements.

The other supplementary information for the year ended June 30, 2020 (pages 90 through 92) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supporting schedules in the financial section have been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2020 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supporting schedules in the financial section, are fairly stated in all material respects, in relation to the basic financial statements as a whole as of and for the year ended June 30, 2020.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the System's basic financial statements as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated November 22, 2019 which contained an unmodified opinion on those basic financial statements. The accompanying supplementary information which consists of supporting schedules in the financial section, for the year ended June 30, 2019 is presented for purposes of additional analysis and is not a required part of the basic 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 2019 basic financial statements. The supporting schedules in the financial section have been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic 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 basic financial statements as a whole for the year ended June 30, 2019.

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 10, 2020

# Management's Discussion and Analysis (Unaudited)

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## Introduction

Management's Discussion & Analysis (MD&A) provides details of INPRS's financial performance during the fiscal year ended June 30, 2020. The MD&A is intended to serve as an introduction to INPRS's financial statements that we present in conjunction with the Letter of Transmittal included in the Introductory Section of this CAFR. Reviewing these statements, along with the accompanying notes, as well as the Investment, Actuarial and Statistical sections provide for a comprehensive understanding of INPRS's financial position.

The Statement of Fiduciary Net Position is a point-in-time snapshot of the amounts the plans have accumulated in net assets to pay for future benefits and any liabilities that are owed as of the statement date. The Statement of Changes in Fiduciary Net Position presents the additions and deductions for the fiscal year. Major sources of additions are contributions, net investment income and the transfer from the state of Indiana. Major sources of deductions are benefit disbursements, distributions of contributions and interest, and administrative expenses.

Notes to the Financial Statements provide additional analysis that are essential for complete understanding of the information provided in the financial statements. The notes describe the history and purpose of the plans, current information about accounting and investment policies, actuarial methods and assumptions, as well as subsequent events that may impact INPRS's financial position.

The Required Supplementary Information includes schedules about the changes in the net pension liability, employer contributions, actuarial assumptions used to calculate the actuarially determined contributions, historical trends, along with other information used in evaluating the financial condition of INPRS.

INPRS administers 16 funds consisting of eight defined benefit and five defined contribution retirement funds, two other postemployment benefit funds, and one custodial fund (refer to Note 1 for further details). PERF DC and PERF MC DC are consolidated on the financial statements for reporting purposes and shown as PERF DC. TRF DC and TRF MC DC are consolidated on the financial statements for reporting purposes and shown as TRF DC.

## Management Discussion

### Financial Highlights

The Fiduciary Net Position of INPRS held in trust to pay pension benefits and refund of contributions were \$36.9 billion as of June 30, 2020. The amount reflects an increase of \$0.8 billion from the prior year. This change is primarily the result of INPRS receiving the net assets of RMBA and the net appreciation of the fair value of the investment portfolio.

- INPRS's Net Investment Income for the years ended June 30, 2020 and June 30, 2019 was \$1.0 billion and \$2.3 billion, respectively. The decrease in Net Investment Income compared to prior year is due to a lower rate of return on investments as a result of COVID-19. The money-weighted rate of return for INPRS assets, net of investment expense, was 2.77 percent for the year ended June 30, 2020 and 6.84 percent for the year ended June 30, 2019.
- Contributions from employers, members, and appropriations were \$2.6 billion for the year ended June 30, 2020 compared to \$2.7 billion for the fiscal year ended June 30, 2019. The \$0.1 billion decrease was predominantly due to a reduction in TRF '96 DB contribution rates on account of a one-time supplemental \$150 million appropriation in the previous fiscal year.
- On July 1, 2019, the state of Indiana Budget Agency transferred administration, along with RMBA's net position of \$435.9 million to INPRS. The transfer of operations is considered a special item for financial reporting purposes under GASB Statement No. 69. During the fiscal year INPRS collected \$27.7 million in RMBA contributions.
- Supplemental Reserve Accounts at June 30, 2020 totaled \$105.3 million. These reserves were not utilized during the year to pay future postretirement benefit increases for PERF DB, TRF Pre-'96 DB, TRF '96 DB, EG&C and LE DB.
- Benefits and refunds of contributions and interest paid totaled \$3.2 billion for the year ended June 30, 2020 compared to \$3.1 billion for the year ended June 30, 2019. The \$0.1 billion increase was due to an increase in retirement payments. Benefits paid included a distribution of \$55 million as a 13th check to certain benefit recipients of PERF DB, TRF Pre-'96 DB, TRF '96 DB, and EG&C.

# Management's Discussion and Analysis (Unaudited), continued

## CONDENSED SUMMARY OF TOTAL FIDUCIARY NET POSITION RESTRICTED

(dollars in millions)	Defined Benefit		Defined Contribution		OPEB and Custodial		Total		Increase/(Decrease)	
	2020	2019	2020	2019	2020	2019	2020	2019	Amount	Percent
<b>Assets</b>										
Investments	\$ 40,307	\$ 40,054	\$ 5,847	\$ 5,767	\$ 401	\$ 31	\$ 46,555	\$ 45,852	\$ 703	1.5 %
Other Assets	24	36	3	5	76	4	103	45	58	128.9
<b>Total Assets</b>	<b>40,331</b>	<b>40,090</b>	<b>5,850</b>	<b>5,772</b>	<b>477</b>	<b>35</b>	<b>46,658</b>	<b>45,897</b>	<b>761</b>	<b>1.7</b>
<b>Liabilities</b>										
Investments	9,649	9,684	18	22	—	—	9,667	9,706	(39)	(0.4)
Other Liabilities	120	116	6	5	2	2	128	123	5	4.1
<b>Total Liabilities</b>	<b>9,769</b>	<b>9,800</b>	<b>24</b>	<b>27</b>	<b>2</b>	<b>2</b>	<b>9,795</b>	<b>9,829</b>	<b>(34)</b>	<b>(0.3)</b>
<b>Net Position</b>	<b>\$ 30,562</b>	<b>\$ 30,290</b>	<b>\$ 5,826</b>	<b>\$ 5,745</b>	<b>\$ 475</b>	<b>\$ 33</b>	<b>\$ 36,863</b>	<b>\$ 36,068</b>	<b>\$ 795</b>	<b>2.2 %</b>

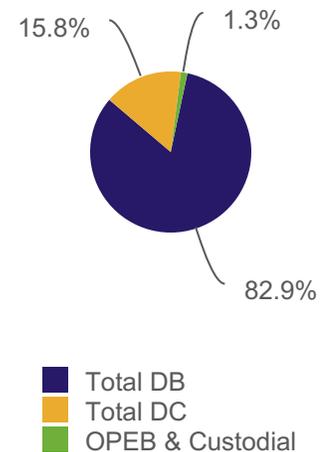
## CONDENSED SUMMARY OF CHANGES IN TOTAL FIDUCIARY NET POSITION RESTRICTED

(dollars in millions)	Defined Benefit		Defined Contribution		OPEB and Custodial		Total		Increase/(Decrease)	
	2020	2019	2020	2019	2020	2019	2020	2019	Amount	Percent
<b>Additions</b>										
Contributions	\$ 2,014	\$ 2,163	\$ 315	\$ 303	\$ 229	\$ 201	\$ 2,558	\$ 2,667	\$ (109)	(4.1)%
Net Investment Income	785	2,075	197	250	24	3	1,006	2,328	(1,322)	(56.8)
Other Additions	12	12	—	—	436	—	448	12	436	3,633.3
<b>Total Additions</b>	<b>2,811</b>	<b>4,250</b>	<b>512</b>	<b>553</b>	<b>689</b>	<b>204</b>	<b>4,012</b>	<b>5,007</b>	<b>(995)</b>	<b>(19.9)</b>
<b>Deductions</b>										
Benefits and Refunds	2,495	2,414	420	443	246	213	3,161	3,070	91	3.0
Other Deductions	44	41	11	11	1	—	56	52	4	7.7
<b>Total Deductions</b>	<b>2,539</b>	<b>2,455</b>	<b>431</b>	<b>454</b>	<b>247</b>	<b>213</b>	<b>3,217</b>	<b>3,122</b>	<b>95</b>	<b>3.0</b>
<b>Net Increase/(Decrease)</b>	<b>272</b>	<b>1,795</b>	<b>81</b>	<b>99</b>	<b>442</b>	<b>(9)</b>	<b>795</b>	<b>1,885</b>	<b>(1,090)</b>	<b>(57.8)</b>
Balance, Beginning of Year	30,290	28,495	5,745	5,646	33	42	36,068	34,183	1,885	5.5
<b>Balance, End of Year</b>	<b>\$ 30,562</b>	<b>\$ 30,290</b>	<b>\$ 5,826</b>	<b>\$ 5,745</b>	<b>\$ 475</b>	<b>\$ 33</b>	<b>\$ 36,863</b>	<b>\$ 36,068</b>	<b>\$ 795</b>	<b>2.2 %</b>

## FIDUCIARY NET POSITION RESTRICTED - SUMMARY BY FUND

(dollars in millions)	As of June 30		Increase/ (Decrease)	
	2020	2019	Amount	Percent
PERF DB	\$ 13,261	\$ 13,271	\$ (10)	(0.1)%
TRF Pre-'96 DB	3,661	3,759	(98)	(2.6)
TRF '96 DB	6,325	6,124	201	3.3
77 Fund	6,543	6,380	163	2.6
JRS	554	545	9	1.7
EG&C	147	142	5	3.5
PARF	68	66	2	3.0
LE DB	3	3	—	—
<b>Total DB</b>	<b>30,562</b>	<b>30,290</b>	<b>272</b>	<b>0.9</b>
PERF DC	2,977	2,927	50	1.7
TRF DC	2,813	2,784	29	1.0
LE DC	36	34	2	5.9
<b>Total DC</b>	<b>5,826</b>	<b>5,745</b>	<b>81</b>	<b>1.4</b>
SDBF	16	15	1	6.7
RMBA	449	—	449	100.0
LPSPR	10	18	(8)	(44.4)
<b>Total Fiduciary Net Position</b>	<b>\$ 36,863</b>	<b>\$ 36,068</b>	<b>\$ 795</b>	<b>2.2 %</b>

## Total Net Position by Plan Type



## Management's Discussion and Analysis (Unaudited), continued

### Investment Highlights

#### Defined Benefits

The consolidated defined benefit assets returned 2.6 percent (time-weighted) net of all fees over the past fiscal year, underperforming the 6.75 percent target rate of return, and ended with a fair value of \$30.7 billion. Market volatility and uncertainty related to COVID-19 and its overall impact on the global economy played a large role in overall investment performance. Despite the extraordinary impact of COVID-19, all asset classes, apart from commodities, posted positive returns for the fiscal year. The consolidated defined benefit portfolio also outperformed its passive benchmark by 0.5%, as a majority of asset classes outperformed their respective benchmarks.

The following table provides a comparison of time-weighted rates of return for the defined benefit assets for the year ended June 30, 2020 and June 30, 2019, with corresponding benchmarks for each asset class.

Global Asset Class	Target Allocation	1-Year Actual Return			1-Year Benchmark Return and Variance			
		2020	2019	Increase / (Decrease)	2020	Over/(Under) Performance	2019	Over/(Under) Performance
Public Equity	22.0 %	2.7 %	5.4 %	(2.7)%	1.2 %	1.5 %	4.6 %	0.8 %
Private Markets	14.0	2.3	20.4	19.5	(17.2)	19.5	3.7	16.7
Fixed Income - Ex Inflation-Linked	20.0	9.6	10.0	(0.4)	8.9	0.7	9.9	0.1
Fixed Income - Inflation-Linked	7.0	14.6	5.7	8.9	16.8	(2.2)	5.2	0.5
Commodities	8.0	(26.8)	(8.2)	(18.6)	(25.0)	(1.8)	(8.0)	(0.2)
Real Estate	7.0	2.6	8.7	(6.1)	(9.7)	12.3	16.1	(7.4)
Absolute Return	10.0	0.4	4.2	(3.8)	(1.2)	1.6	1.8	2.4
Risk Parity	12.0	3.2	8.4	(5.2)	3.7	(0.5)	6.2	2.2
Cash + Cash Overlay	N/A	9.9	5.6	4.3	4.3	5.6	6.9	(1.3)
<b>Total Consolidated Defined Benefit Assets</b>		<b>2.6 %</b>	<b>7.4 %</b>	<b>(4.8)%</b>	<b>2.1 %</b>	<b>0.5 %</b>	<b>6.7 %</b>	<b>0.7 %</b>

As of June 30, 2020, INPRS estimates 25 percent of the Consolidated Defined Benefit Assets could be liquidated in one week, 52 percent of the assets could be liquidated within one month, and 66 percent of the assets could be liquidated within six months without a significant market impact.

#### Defined Contribution

The consolidated defined contribution assets returned 3.5 percent and ended with a fair value of \$5.8 billion. All twelve target date funds had a positive return, with all returns exceeding benchmark, except Fund 2065, which was created in May. For the other eleven target date funds' performance, returns ranged from 4.3 percent to 8.0 percent. The more diversified and conservative the target date fund, the larger the returns given the volatility introduced into the marketplace since the inception of the COVID-19 pandemic. For non-target date funds, five of the seven investment options met or exceeded the benchmark (Large Cap, International Equity, Fixed Income, Inflation-Linked Fixed Income Fund and Stable Value). Equities performed well in the current year, for all except for five weeks, when the COVID-19 pandemic first took hold in the United States. Fixed Income, Inflation-Linked Fixed Income and Stable Value performed well given the uncertainty and the softened economic environment created by the pandemic.

#### Actuarial Highlights

In accordance with GASB Statement No. 67, the fair value of assets is used for financial reporting purposes; however, the actuarial value of assets will continue to be used for funding purposes as presented in the Actuarial Section. The Fair Value Funded Status improved for PERF DB, TRF Pre-'96 DB, JRS, PARF and LE DB, but declined for TRF '96 DB, '77 Fund, and EG&C. Funded status experience was a result of several offsetting factors which varied by fund. The actuarial experience study produced liability decreases for all but the '77 Fund, which had a small increase in liability. All funds except JRS and PARF contributed at least their Actuarially Determined Contribution (ADC). JRS and PARF set contribution amounts every other year in accordance with the biennial budget cycle, and the intermediate valuations result in ADCs that are above or below the level set for the biennium in even-numbered fiscal years. Liabilities decreased due to experience in all funds except '77 Fund and EG&C. EG&C had a benefit improvement that increased liabilities. Asset returns lower than the assumed 6.75% rate of return caused losses in all funds. These factors are offsetting and their overall impact varies by fund. See the Required Supplementary Information of the Financial Section for more information.

INPRS completed an actuarial experience study in February 2020. Cavanaugh Macdonald Consulting analyzed experience from 2014 - 2019 in order to examine the actuarial assumptions and methods currently used in the actuarial valuations. Assumption changes were recommended to the board and adopted in June 2020 for the June 30, 2020 actuarial valuations. Mortality rates were generally observed to be higher than previously assumed. Retirement rates were generally lower than previously assumed in PERF DB, TRF Pre-'96 DB, TRF '96 DB, JRS, and PARF, and higher than previously assumed in '77 Fund and EG&C. Assumptions for future DROP elections in the '77 Fund and EG&C were introduced. No changes in methods were recommended or adopted.

## Management's Discussion and Analysis (Unaudited), continued

The INPRS Funding Policy sets the employer contribution rates for PERF DB, TRF '96 DB, '77 Fund, and EG&C. The employer contribution rate is set to be at least the ADC, but per the funding policy, is not allowed to decrease until a fund reaches 105% funded. As a result, employers in these funds systemically contribute more than the ADC. TRF Pre-'96 DB, JRS, PARF, and LE DB are funded through appropriations. Due to the biennial budget cycle, these appropriations do not always match their corresponding ADC exactly.

An analysis of the funding progress, contributions, and a summary of actuarial assumptions and methods are outlined 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.

The following table provides a comparison of the defined benefit funding progress for each plan as of June 30, 2020 and June 30, 2019.

(dollars in millions)

Pre-Funded DB Pension Funds	Fair Value Funded Status		Net Pension Liability/ (Asset)	Contributions as a Percent of ADC
	2020	2019		
PERF DB	81.4 %	80.1 %	\$ 3,020.4	124.2 %
TRF '96 DB	98.8	102.4	77.9	116.5
77 Fund	96.4	99.9	242.8	177.8
JRS	93.5	93.0	38.4	93.6
EG&C	89.3	93.4	17.6	184.9
PARF	63.4	59.5	39.2	91.8
LE DB	93.5	90.0	0.2	96.3
<b>Pay-As-You-Go DB Pension Fund</b>				
TRF Pre-'96 DB	26.2 %	26.1 %	\$ 10,307.6	100.0 %

### Request For Information

This financial report is designed to provide the Board of Trustees, our membership, employers, rating agencies, and investment managers with a general overview of INPRS' finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to:

Indiana Public Retirement System  
 Finance Department  
 One North Capitol, Suite 001  
 Indianapolis, IN 46204

# Statement of Fiduciary Net Position

As of June 30, 2020 (with Comparative Totals as of June 30, 2019) <sup>1</sup>

(dollars in thousands)

	Pension Trust Funds <sup>2</sup>								
	Defined Benefit (DB)								
	PERF DB	TRF Pre-'96 DB	TRF '96 DB	77 Fund	JRS	EG&C	PARF	LE DB	Total DB
<b>Assets</b>									
Cash	\$ 1,185	\$ 56	\$ 500	\$ 495	\$ —	\$ —	\$ 2	\$ —	\$ 2,238
Receivables:									
Contributions and Miscellaneous	5,289	2,946	627	1,580	3,606	—	12	—	14,060
Investments	365,817	103,592	174,844	180,610	15,193	4,041	1,873	81	846,051
Foreign Exchange Contracts	3,108,666	880,304	1,485,796	1,534,794	129,104	34,336	15,916	686	7,189,602
Interest and Dividends	30,523	8,644	14,589	15,070	1,268	337	156	7	70,594
Due From Other Funds	3,227	—	320	—	—	—	—	—	3,547
<b>Total Receivables</b>	<b>3,513,522</b>	<b>995,486</b>	<b>1,676,176</b>	<b>1,732,054</b>	<b>149,171</b>	<b>38,714</b>	<b>17,957</b>	<b>774</b>	<b>8,123,854</b>
Investments:									
Repurchase Agreements	3,061	867	1,463	1,511	127	34	16	1	7,080
Short-Term	602,036	170,483	287,745	297,235	25,003	6,650	3,082	133	1,392,367
Fixed Income	4,582,284	1,297,600	2,190,117	2,262,342	190,305	50,613	23,461	1,011	10,597,733
Equities	2,940,672	832,733	1,405,504	1,451,854	122,128	32,481	15,056	649	6,801,077
Alternative	5,720,187	1,619,829	2,733,982	2,824,142	237,563	63,182	29,286	1,262	13,229,433
Derivatives	6,083	1,722	2,906	3,003	252	67	31	1	14,065
Pooled Synthetic GIC's at Contract Value	—	—	—	—	—	—	—	—	—
Securities Lending Collateral	68,600	19,426	32,788	33,869	2,849	758	351	15	158,656
<b>Total Investments</b>	<b>13,922,923</b>	<b>3,942,660</b>	<b>6,654,505</b>	<b>6,873,956</b>	<b>578,227</b>	<b>153,785</b>	<b>71,283</b>	<b>3,072</b>	<b>32,200,411</b>
Other Assets	229	—	—	—	—	—	—	—	229
Gross Capital Assets	21,259	—	—	—	—	—	—	—	21,259
Less: Accumulated Depreciation and Amortization	(16,659)	—	—	—	—	—	—	—	(16,659)
Net Capital Assets	4,600	—	—	—	—	—	—	—	4,600
<b>Total Assets</b>	<b>17,442,459</b>	<b>4,938,202</b>	<b>8,331,181</b>	<b>8,606,505</b>	<b>727,398</b>	<b>192,499</b>	<b>89,242</b>	<b>3,846</b>	<b>40,331,332</b>
<b>Liabilities</b>									
Administrative Payable	8,196	523	56	67	3	2	1	—	8,848
Retirement Benefits Payable	912	95,019	11,796	3,657	—	50	—	—	111,434
Investments Payable	819,907	232,180	391,878	404,801	34,051	9,056	4,198	181	1,896,252
Foreign Exchange Contracts Payable	3,115,936	882,363	1,489,272	1,538,385	129,407	34,417	15,953	688	7,206,421
Securities Lending Obligations	68,600	19,426	32,788	33,869	2,849	758	351	15	158,656
Obligations Under Reverse Repurchase Agreement	167,548	47,446	80,080	82,721	6,958	1,850	858	37	387,498
Due to Other Funds	—	94	—	205	9	8	5	1	322
Due to Other Governments	—	—	—	—	—	—	—	—	—
<b>Total Liabilities</b>	<b>4,181,099</b>	<b>1,277,051</b>	<b>2,005,870</b>	<b>2,063,705</b>	<b>173,277</b>	<b>46,141</b>	<b>21,366</b>	<b>922</b>	<b>9,769,431</b>
<b>Total Fiduciary Net Position Restricted</b>	<b>\$ 13,261,360</b>	<b>\$ 3,661,151</b>	<b>\$ 6,325,311</b>	<b>\$ 6,542,800</b>	<b>\$ 554,121</b>	<b>\$ 146,358</b>	<b>\$ 67,876</b>	<b>\$ 2,924</b>	<b>\$ 30,561,901</b>

<sup>1</sup> The accompanying notes are an integral part of the financial statements.

<sup>2</sup> Pension Trust Fund assets are restricted solely for qualifying member benefits.

# Statement of Fiduciary Net Position, continued

As of June 30, 2020 (with Comparative Totals as of June 30, 2019) <sup>1</sup>

(dollars in thousands)

	Pension Trust Funds <sup>2</sup>				OPEB DB	OPEB DC	Custodial	INPRS Totals	
	Defined Contribution (DC)				Fund <sup>3</sup>	Fund <sup>3</sup>	Fund	2020	2019
	PERF DC	TRF DC	LE DC	Total DC	SDBF	RMBA	LPSPR		
<b>Assets</b>									
Cash	\$ 338	\$ 50	\$ 15	\$ 403	\$ 87	\$ 1,339	\$ —	\$ 4,067	\$ 3,185
Receivables:									
Contributions and Miscellaneous	1,477	642	365	2,484	31	71,167	3,749	91,491	31,202
Investments	5,074	4,792	60	9,926	—	—	—	855,977	328,675
Foreign Exchange Contracts	1,624	1,534	19	3,177	—	—	—	7,192,779	8,384,829
Interest and Dividends	8,395	7,928	100	16,423	—	—	17	87,034	98,368
Due From Other Funds	—	—	—	—	—	—	—	3,547	3,995
Total Receivables	16,570	14,896	544	32,010	31	71,167	3,766	8,230,828	8,847,069
Investments:									
Repurchase Agreements	—	—	—	—	—	—	—	7,080	5,858
Short-Term	58,042	54,813	688	113,543	463	—	8,274	1,514,647	1,786,691
Fixed Income	187,890	177,436	2,225	367,551	15,162	376,831	—	11,357,277	10,759,224
Equities	1,474,459	1,392,428	17,462	2,884,349	—	—	—	9,685,426	9,200,946
Alternative	—	—	—	—	—	—	—	13,229,433	12,621,990
Derivatives	—	—	—	—	—	—	—	14,065	17,468
Pooled Synthetic GIC's at Contract Value	1,253,453	1,183,718	14,845	2,452,016	—	—	—	2,452,016	2,546,542
Securities Lending Collateral	—	—	—	—	—	—	—	158,656	102,422
Total Investments	2,973,844	2,808,395	35,220	5,817,459	15,625	376,831	8,274	38,418,600	37,041,141
Other Assets	—	—	—	—	—	—	—	229	201
Gross Capital Assets	—	—	—	—	—	—	—	21,259	21,259
Less: Accumulated Depreciation and Amortization	—	—	—	—	—	—	—	(16,659)	(16,348)
Net Capital Assets	—	—	—	—	—	—	—	4,600	4,911
<b>Total Assets</b>	<b>2,990,752</b>	<b>2,823,341</b>	<b>35,779</b>	<b>5,849,872</b>	<b>15,743</b>	<b>449,337</b>	<b>12,040</b>	<b>46,658,324</b>	<b>45,896,507</b>
<b>Liabilities</b>									
Administrative Payable	913	247	—	1,160	—	239	—	10,247	7,737
Retirement Benefits Payable	1,105	497	19	1,621	—	—	—	113,055	109,443
Investments Payable	7,645	7,220	91	14,956	—	12	—	1,911,220	540,272
Foreign Exchange Contracts Payable	1,624	1,534	19	3,177	—	—	—	7,209,598	8,428,187
Securities Lending Obligations	—	—	—	—	—	—	—	158,656	102,422
Obligations Under Reverse Repurchase Agreement	—	—	—	—	—	—	—	387,498	634,592
Due to Other Funds	2,011	852	1	2,864	38	172	151	3,547	3,995
Due to Other Governments	—	—	—	—	—	—	1,529	1,529	1,506
<b>Total Liabilities</b>	<b>13,298</b>	<b>10,350</b>	<b>130</b>	<b>23,778</b>	<b>38</b>	<b>423</b>	<b>1,680</b>	<b>9,795,350</b>	<b>9,828,154</b>
<b>Total Fiduciary Net Position Restricted</b>	<b>\$2,977,454</b>	<b>\$2,812,991</b>	<b>\$ 35,649</b>	<b>\$5,826,094</b>	<b>\$ 15,705</b>	<b>\$ 448,914</b>	<b>\$ 10,360</b>	<b>\$ 36,862,974</b>	<b>\$ 36,068,353</b>

<sup>1</sup> The accompanying notes are an integral part of the financial statements.

<sup>2</sup> Pension Trust Fund assets are restricted solely for qualifying member benefits.

<sup>3</sup> Other postemployment benefit trust fund.

# Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2020 (with Comparative Totals as of June 30, 2019) <sup>1</sup>

(dollars in thousands)

	Pension Trust Funds <sup>2</sup>								
	Defined Benefit (DB)								
	PERF DB	TRF Pre-'96 DB	TRF '96 DB	77 Fund	JRS	EG&C	PARF	LE DB	Total DB
<b>Additions</b>									
Contributions:									
Employer	\$ 599,100	\$ 2,356	\$ 188,789	\$ 162,302	\$ 18,167	\$ 6,742	\$ 4,232	\$ 208	\$ 981,896
Nonemployer Contributing Entity	—	971,132	—	—	—	—	—	—	971,132
Member	127	21	104	54,175	3,549	1,298	1,440	—	60,714
<b>Total Contributions</b>	<b>599,227</b>	<b>973,509</b>	<b>188,893</b>	<b>216,477</b>	<b>21,716</b>	<b>8,040</b>	<b>5,672</b>	<b>208</b>	<b>2,013,742</b>
Investment Income:									
Net Appreciation Fair Value of Investments	314,994	101,011	148,157	152,937	13,041	3,432	1,620	73	735,265
Other Net Investment Income	1,502	450	706	733	62	16	8	1	3,478
Net Interest and Dividends Income	110,687	33,646	51,782	53,817	4,570	1,200	557	25	256,284
Securities Lending Income	932	283	439	456	39	10	5	—	2,164
Total Investment Income	428,115	135,390	201,084	207,943	17,712	4,658	2,190	99	997,191
Less Direct Investment Expenses:									
Investment Management Fees	(86,584)	(25,888)	(40,810)	(42,332)	(3,589)	(944)	(440)	(20)	(200,607)
Securities Lending Fees	(214)	(64)	(100)	(104)	(9)	(2)	(1)	—	(494)
General Investment Expenses	(6,178)	(1,690)	(2,102)	(1,279)	(94)	(35)	(19)	(2)	(11,399)
Total Direct Investment Expenses	(92,976)	(27,642)	(43,012)	(43,715)	(3,692)	(981)	(460)	(22)	(212,500)
Net Investment Income	335,139	107,748	158,072	164,228	14,020	3,677	1,730	77	784,691
Other Additions:									
Member Reassignment Income	4,244	2,430	4,977	—	—	—	—	—	11,651
Special Item - Transfer from SOI	—	—	—	—	—	—	—	—	—
Miscellaneous Income	237	25	43	20	—	—	—	—	325
Total Other Additions	4,481	2,455	5,020	20	—	—	—	—	11,976
<b>Total Additions</b>	<b>938,847</b>	<b>1,083,712</b>	<b>351,985</b>	<b>380,725</b>	<b>35,736</b>	<b>11,717</b>	<b>7,402</b>	<b>285</b>	<b>2,810,409</b>
<b>Deductions</b>									
Pension, Disability and Survivor Benefits	922,189	1,174,419	143,372	211,605	26,799	7,270	4,809	349	2,490,812
Special Death Benefits	—	—	—	919	—	—	—	—	919
Retiree Health Benefits	—	—	—	—	—	—	—	—	—
Retiree Health Forfeitures	—	—	—	—	—	—	—	—	—
Distributions of Contributions and Interest	—	—	—	3,227	38	97	166	—	3,528
Distributions of Custodial Funds	—	—	—	—	—	—	—	—	—
Administrative Expenses	18,887	5,341	5,090	1,960	109	107	74	38	31,606
Member Reassignment Expenses	7,407	1,946	2,298	—	—	—	—	—	11,651
Miscellaneous Expenses	—	—	—	—	—	—	—	—	—
<b>Total Deductions</b>	<b>948,483</b>	<b>1,181,706</b>	<b>150,760</b>	<b>217,711</b>	<b>26,946</b>	<b>7,474</b>	<b>5,049</b>	<b>387</b>	<b>2,538,516</b>
<b>Net Increase / (Decrease)</b>	<b>(9,636)</b>	<b>(97,994)</b>	<b>201,225</b>	<b>163,014</b>	<b>8,790</b>	<b>4,243</b>	<b>2,353</b>	<b>(102)</b>	<b>271,893</b>
Beginning Fiduciary Net Position Restricted	13,270,996	3,759,145	6,124,086	6,379,786	545,331	142,115	65,523	3,026	30,290,008
<b>Ending Fiduciary Net Position Restricted</b>	<b>\$ 13,261,360</b>	<b>\$ 3,661,151</b>	<b>\$ 6,325,311</b>	<b>\$ 6,542,800</b>	<b>\$ 554,121</b>	<b>\$ 146,358</b>	<b>\$ 67,876</b>	<b>\$ 2,924</b>	<b>\$ 30,561,901</b>

<sup>1</sup> The accompanying notes are an integral part of the financial statements.

<sup>2</sup> Pension Trust Fund assets are restricted solely for qualifying member benefits.

# Statement of Changes in Fiduciary Net Position, continued

For the Year Ended June 30, 2020 (with Comparative Totals as of June 30, 2019) <sup>1</sup>

(dollars in thousands)

	Pension Trust Funds <sup>2</sup>				OPEB DB	OPEB DC	Custodial	INPRS Totals	
	Defined Contribution (DC)				Fund <sup>3</sup>	Fund <sup>3</sup>	Fund	2020	2019
	PERF DC	TRF DC	LE DC	Total DC	SDBF	RMBA	LPSPR		
<b>Additions</b>									
Contributions:									
Employer	\$ —	\$ —	\$ 1,419	\$ 1,419	\$ —	\$ 27,666	\$ —	\$ 1,010,981	\$ 1,161,582
Nonemployer Contributing Entity	—	—	—	—	457	—	201,135	1,172,724	1,145,125
Member	183,685	129,252	424	313,361	—	—	—	374,075	361,373
<b>Total Contributions</b>	<b>183,685</b>	<b>129,252</b>	<b>1,843</b>	<b>314,780</b>	<b>457</b>	<b>27,666</b>	<b>201,135</b>	<b>2,557,780</b>	<b>2,668,080</b>
Investment Income:									
Net Appreciation Fair Value of Investments	69,633	56,744	1,075	127,452	1,053	21,491	—	885,261	2,008,279
Other Net Investment Income	26	32	—	58	—	—	—	3,536	1,188
Net Interest and Dividends Income	35,423	45,282	540	81,245	4	722	947	339,202	525,518
Securities Lending Income	—	—	—	—	—	—	—	2,164	2,930
<b>Total Investment Income</b>	<b>105,082</b>	<b>102,058</b>	<b>1,615</b>	<b>208,755</b>	<b>1,057</b>	<b>22,213</b>	<b>947</b>	<b>1,230,163</b>	<b>2,537,915</b>
Less Direct Investment Expenses:									
Investment Management Fees	(4,648)	(4,326)	(53)	(9,027)	(4)	(35)	—	(209,673)	(197,497)
Securities Lending Fees	—	—	—	—	—	—	—	(494)	(605)
General Investment Expenses	(1,496)	(1,188)	(13)	(2,697)	(6)	(35)	(23)	(14,160)	(12,079)
<b>Total Direct Investment Expenses</b>	<b>(6,144)</b>	<b>(5,514)</b>	<b>(66)</b>	<b>(11,724)</b>	<b>(10)</b>	<b>(70)</b>	<b>(23)</b>	<b>(224,327)</b>	<b>(210,181)</b>
<b>Net Investment Income</b>	<b>98,938</b>	<b>96,544</b>	<b>1,549</b>	<b>197,031</b>	<b>1,047</b>	<b>22,143</b>	<b>924</b>	<b>1,005,836</b>	<b>2,327,734</b>
Other Additions:									
Member Reassignment Income	—	—	—	—	—	—	—	11,651	9,990
Special Item - Transfer from SOI	—	—	—	—	—	435,947	—	435,947	—
Miscellaneous Income	—	—	23	23	—	23	—	371	1,831
<b>Total Other Additions</b>	<b>—</b>	<b>—</b>	<b>23</b>	<b>23</b>	<b>—</b>	<b>435,970</b>	<b>—</b>	<b>447,969</b>	<b>11,821</b>
<b>Total Additions</b>	<b>282,623</b>	<b>225,796</b>	<b>3,415</b>	<b>511,834</b>	<b>1,504</b>	<b>485,779</b>	<b>202,059</b>	<b>4,011,585</b>	<b>5,007,635</b>
<b>Deductions</b>									
Pension, Disability and Survivor Benefits	—	—	—	—	—	—	—	2,490,812	2,408,830
Special Death Benefits	—	—	—	—	1,000	—	—	1,919	2,001
Retiree Health Benefits	—	—	—	—	—	17,306	—	17,306	—
Retiree Health Forfeitures	—	—	—	—	—	18,969	—	18,969	—
Distributions of Contributions and Interest	224,990	193,711	1,656	420,357	—	—	—	423,885	447,103
Distributions of Custodial Funds	—	—	—	—	—	—	209,167	209,167	212,239
Administrative Expenses	7,514	3,158	7	10,679	32	573	128	43,018	41,398
Member Reassignment Expenses	—	—	—	—	—	—	—	11,651	9,990
Miscellaneous Expenses	135	62	—	197	—	17	23	237	284
<b>Total Deductions</b>	<b>232,639</b>	<b>196,931</b>	<b>1,663</b>	<b>431,233</b>	<b>1,032</b>	<b>36,865</b>	<b>209,318</b>	<b>3,216,964</b>	<b>3,121,845</b>
<b>Net Increase / (Decrease)</b>	<b>49,984</b>	<b>28,865</b>	<b>1,752</b>	<b>80,601</b>	<b>472</b>	<b>448,914</b>	<b>(7,259)</b>	<b>794,621</b>	<b>1,885,790</b>
Beginning Fiduciary Net Position Restricted	2,927,470	2,784,126	33,897	5,745,493	15,233	—	17,619	36,068,353	34,182,563
<b>Ending Fiduciary Net Position Restricted</b>	<b>\$ 2,977,454</b>	<b>\$ 2,812,991</b>	<b>\$ 35,649</b>	<b>\$ 5,826,094</b>	<b>\$ 15,705</b>	<b>\$ 448,914</b>	<b>\$ 10,360</b>	<b>\$ 36,862,974</b>	<b>\$ 36,068,353</b>

<sup>1</sup>The accompanying notes are an integral part of the financial statements.

<sup>2</sup>Pension Trust Fund assets are restricted solely for qualifying member benefits.

<sup>3</sup>Other postemployment benefit trust fund.

# Notes to the Financial Statements

## Note 1. Descriptions of System and Funds

### Reporting Entity

The Indiana Public Retirement System (INPRS) is an independent body corporate and politic, a component unit, and is not a department or agency of the state of Indiana. INPRS exercises essential government functions as established by Indiana Public Law 23-2011, and is a pension trust fund for the state of Indiana for financial statement reporting purposes.

INPRS administers 16 funds consisting of eight defined benefit and five defined contribution retirement funds, two other postemployment benefit funds, and one custodial fund. PERF DC and PERF MC DC are consolidated on the financial statements for reporting purposes and shown as PERF DC. TRF DC and TRF MC DC are consolidated on the financial statements for reporting purposes and shown as TRF DC. These fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

In accordance with Indiana Code (IC) 5-10.5, INPRS is governed by a nine-member Board of Trustees. The Board approves an annual budget for general administrative and direct investment expenses. Expenses are paid from investment earnings and if necessary, plan assets. The Board is composed of:

- One trustee with experience in economics, finance, or investments;
- One trustee with experience in executive management or benefits administration;
- One trustee who is an active or retired member of the '77 Fund;
- Two trustees who are TRF members with at least 10 years of creditable service;
- One 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;
- Treasurer of State, or nominee.

### Demographic Information of Funds

DB member data shown below is based on census data as of June 30, 2019, and used in the actuarial valuations for June 30, 2020. DC member account data is as of June 30, 2020, based on information from the recordkeeper. Members of PERF DC and TRF DC are included in the PERF DB, TRF Pre-'96 DB and TRF '96 DB member count.

DB Fund	Number of DB Employers	Number of DB Members as of June 30, 2019				Total
		Active	Annuityants	Inactive Vested	Inactive Non-Vested With Balance	
PERF DB	1,214	125,780	92,436	33,575	—	251,791
TRF Pre-'96 DB	336	9,338	53,415	2,272	—	65,025
TRF '96 DB	376	58,450	7,596	6,609	—	72,655
77 Fund	174	14,242	5,581	283	1,307	21,413
JRS	1	458	396	24	33	911
EG&C	1	420	248	4	133	805
PARF	1	205	169	101	142	617
LE DB	1	7	79	6	—	92

DC Fund	Number of DC Employers	Number of DC Member Accounts as of June 30, 2020		
		Active	Inactive	Total
PERF DC	1,221	131,581	89,896	221,477
PERF MC DC	28	4,166	2,071	6,237
TRF DC	376	69,214	27,133	96,347
TRF MC DC	195	703	58	761
LE DC	1	150	71	221

## Description of Defined Benefit Funds

### Public Employees' Defined Benefit Account (PERF DB)

PERF DB is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability and survivor benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships and other governmental units) that elect to participate in the retirement fund. Administration of the fund is generally in accordance with IC 5-10.2, 5-10.3, 5-10.5, 35 IAC 1.2 and other Indiana pension law. PERF DB is a component of the Public Employees' Hybrid plan (PERF Hybrid).

PERF Hybrid consists of two components: PERF DB, the monthly employer-funded defined benefit component, along with the Public Employees' Hybrid Members Defined Contribution Account (PERF DC), a member-funded account. First time new employees hired by the State or a participating political subdivision who offers a choice, have a one-time election to join either the PERF Hybrid plan or PERF My Choice: Retirement Savings Plan for Public Employees (PERF MC DC). Refer to the Description of Defined Contribution Funds for discussion of both the PERF DC and PERF MC DC plans. A new hire that is an existing member of PERF Hybrid and was not given the option for the PERF MC DC plan is given the option to elect PERF MC DC or remain in PERF Hybrid.

Members who have at least one year of service in both PERF DB and the Teachers' Retirement Fund (TRF Pre-'96 DB or TRF '96 DB), have the option of choosing from which of these funds they would like to retire.

### Eligibility for Pension Benefit Payment

#### Full Retirement Benefit

- At age 65 with at least 10 years of creditable service (eight years for certain elected officials).
- At age 60 with at least 15 years of creditable service.
- At age 55 if age and creditable service total at least 85 ("Rule of 85").
- At age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position.
- At age 70 with 20 years of creditable service and still active in the PERF-covered position.

#### Early Retirement Benefit

Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59).

#### Disability Benefit

An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$180 per month).

#### Survivor Benefit

If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death.

If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

### Contribution Rates

Contributions are determined by the Board based on an actuarial valuation. Employers contribute 11.2 percent of covered payroll, with 0.43 percent from July 2019 to December 2019 and 0.44 percent from January 2020 to June 2020 funding a supplemental reserve account for postretirement benefits. Contributions from employers with PERF MC DC plan members, who either currently offer or have offered PERF Hybrid, fund PERF DB's unfunded liability at 8.0 percent of covered payroll for the State and 7.3 percent for political subdivisions. No member contributions are required.

### Benefit Formula & Postretirement Benefit Adjustment

Lifetime Annual Benefit = Years of Creditable Service x Average Highest Five-Year Annual Salary x 1.1 percent (minimum of \$180 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12.4 and administered by the Board. For the year ended June 30, 2020, postretirement benefits of \$30.6 million were issued to members as a 13<sup>th</sup> check.

### Description of Defined Benefit Funds (continued)

#### Teachers' Pre-1996 Defined Benefit Account (TRF Pre-'96 DB)

TRF Pre-'96 DB is a pay-as-you-go, cost-sharing, multiple-employer defined benefit fund providing retirement, disability and survivor benefits for teachers, administrators and certain INPRS personnel hired before July 1, 1996. Membership in TRF Pre-'96 DB is closed to new entrants. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14 and other Indiana pension law. TRF Pre-'96 DB is a component of the Teachers' Hybrid Plan.

The Teachers' Hybrid Plan consists of two components: TRF Pre-'96 DB, the monthly employer-funded defined benefit component, along with TRF DC, a member-funded account. Refer to the Description of Defined Contribution Funds for discussion of the TRF DC plan.

#### Eligibility for Pension Benefit Payment

##### Full Retirement Benefit

- At age 65 with at least 10 years of creditable service.
- At age 60 with at least 15 years of creditable service.
- At age 55 if age and creditable service total at least 85 ("Rule of 85").
- At age 55 with 20 years of creditable service and active as an elected official in the TRF- covered position.
- At age 70 with 20 years of creditable service and still active in the TRF- covered position.

##### Early Retirement Benefit

Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59).

##### Disability Benefit

An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$185 per month). Under certain conditions, active TRF members may qualify for a classroom disability benefit of at least \$125 per month.

##### Survivor Benefit

If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death.

If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100% Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

#### Contribution Rates

According to statute, the TRF Pre-'96 DB fund is funded primarily by appropriations from the state general fund and lottery proceeds. The Actuarially Determined Contribution (ADC) for TRF Pre-'96 DB was \$973.5 million. This includes a base appropriation of \$919.0 million, a special appropriation of \$22.1 million for 13th checks, \$30.0 million of lottery proceeds to fund the supplemental reserve account for postretirement benefits and \$2.4 million of employer contributions from grant monies. No member contributions are required.

#### Benefit Formula & Postretirement Benefit Adjustment

Lifetime Annual Benefit = Years of Creditable Service x Average Highest Five-Year Annual Salary x 1.1 percent (minimum of \$185 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12.4 and administered by the Board. For the year ended June 30, 2020, postretirement benefits of \$21.8 million were issued to members as a 13th check.

## Description of Defined Benefit Funds (continued)

### Teachers' 1996 Defined Benefit Account (TRF '96 DB)

TRF '96 DB is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability and survivor benefits. Membership in TRF '96 DB 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 personnel. Faculty members and professional employees at Ball State University and Vincennes University have the option of selecting membership in the Fund or an alternate university plan not administered by INPRS. Membership in TRF '96 DB is optional for teachers employed by charter schools, employees and officials of the Indiana State Board of Education who were Indiana licensed teachers before their employment with the Board, and teachers employed by special management teams as defined under IC 20-31. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14 and other Indiana pension law. TRF '96 DB is a component of the Teachers' Hybrid Plan.

The Teachers' Hybrid Plan consists of two components: TRF '96 DB, the monthly employer-funded defined benefit component, along with TRF DC, a member-funded account. Refer to the Description of Defined Contribution Funds for discussion of the TRF DC plan.

### Eligibility for Pension Benefit Payment

#### Full Retirement Benefit

- At age 65 with at least 10 years of creditable service.
- At age 60 with at least 15 years of creditable service.
- At age 55 if age and creditable service total at least 85 ("Rule of 85").
- At age 55 with 20 years of creditable service and active as an elected official in the TRF- covered position.
- At age 70 with 20 years of creditable service and still active in the TRF- covered position.

#### Early Retirement Benefit

Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59).

#### Disability Benefit

An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$185 per month). Under certain conditions, active TRF members may qualify for a classroom disability benefit of at least \$125 per month.

#### Survivor Benefit

If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death.

If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100% Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

### Contribution Rates

Contributions are determined by the Board based on an actuarial valuation. Employers contribute 5.5 percent of covered payroll, with 0.14 percent funding a supplemental reserve account for future postretirement benefit increases. No member contributions are required.

### Benefit Formula & Postretirement Benefit Adjustment

Lifetime Annual Benefit = Years of Creditable Service x Average Highest Five-Year Annual Salary x 1.1 percent (minimum of \$185 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12.4 and administered by the Board. For the year ended June 30, 2020, postretirement benefits of \$2.6 million were issued to members as a 13th check.

### Description of Defined Benefit Funds (continued)

#### 1977 Police Officers' and Firefighters' Retirement Fund ('77 Fund)

The '77 Fund is a cost-sharing, multiple-employer defined benefit fund for members hired (or rehired) after April 30, 1977. The fund provides retirement, disability and survivor benefits to full-time sworn officers of a police force of an Indiana city or eligible town, along with full-time firefighters employed by an Indiana city, town, township or county. Administration of the fund is generally in accordance with IC 36-8 and other Indiana pension law.

#### Eligibility for Pension Benefit Payment

##### Full Retirement Benefit

At age 52 with 20 years of creditable service.

##### Early Retirement Benefit

At age 50 and 20 years of creditable service (reduce full benefit by 7 percent for each year less than age 52).

##### Deferred Retirement Option Plan (DROP)

In accordance with IC 36-8-8.5, members eligible to retire with an unreduced benefit may elect to earn a DROP benefit while continuing to work. Members execute an irrevocable election to retire on a DROP retirement date and remain in active service while contributing to the fund until that date. The DROP retirement date must be no less than 12 months and not more than 36 months after their DROP entry date, and cannot be after the date the member reaches mandatory retirement age. The DROP and future retirement monthly benefit are calculated as of the member's DROP entry date. At retirement, members must choose among the available options for distribution of the accumulated benefit under the DROP. As of June 30, 2020, the amount held by the fund under the DROP is \$80.2 million.

##### Nonvested Termination

The sum total of the member's contributions plus interest at a rate set by the Board.

##### Disability Benefit

An active member may qualify for a benefit with the amount based on the class of impairment and other factors, as recommended by the local pension board with final determination by the Board.

##### Survivor Benefit

The eligible survivor of a member who dies in the line of duty receives 100 percent of member's benefit (the minimum benefit is calculated as if the member had at least 20 years of service and age 52). Otherwise, eligible survivors of members who die other than in the line of duty receive 70 percent of the member's benefit.

While receiving a benefit, a spouse or a wholly dependent parent (for their lifetimes) or dependent (until at least age 18) receives up to 70 percent of the member's benefit. Heirs or estate may be entitled to receive \$12,000.

#### Contribution Rates

Contributions are determined by the Board based on an actuarial valuation. Employers contribute 17.5 percent of the salary of a first-class officer or firefighter. Members are required to contribute six percent of the salary of a first-class officer or firefighter for the term of the member's employment up to 32 years. Employers may pay all or part of the member contribution for the member.

#### Benefit Formula & Postretirement Benefit Adjustment

Annual Benefit = 52 percent of first-class officer salary for 20 years of service. The percentage is increased by one percent for each six months of active service accumulated after 20 years of service to a maximum of 32 years, or 76 percent.

Postretirement benefit increases is a percentage determined by statute equal to the change in the Consumer Price Index but not in excess of a three percent increase. For the year ended June 30, 2020, an adjustment of 1.6 percent occurred and was administered by the Board.

### Description of Defined Benefit Funds (continued)

#### Judges' Retirement System (JRS)

JRS is a single-employer (State of Indiana) defined benefit fund providing retirement, disability and survivor benefits to members. Membership consists of individuals who served, are 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. Administration of the fund is generally in accordance with IC 33-38 and other Indiana pension law.

#### Eligibility for Pension Benefit Payment

##### Full Retirement Benefit

- At age 65 with at least eight years of creditable service.
- At age 55 if age and creditable service total at least 85 ("Rule of 85").

##### Early Retirement Benefit

At age 62 and at least eight years of creditable service (full benefit reduced by 0.1 percent for each month less than age 65).

##### Nonvested Termination

The sum total of the member's contributions plus interest at a rate set by the Board.

##### Disability Benefit

A qualified member with 22+ years of creditable service receives an unreduced benefit. Members with less than 22 years of creditable service receive the full benefit reduced by one percent for each year under 22 years of creditable service (benefit to be no lower than 50 percent).

##### Survivor Benefit

While in active service with 8+ years of service, or while receiving a benefit, a spouse or dependent child(ren) (for their lifetime) receive the greater of \$12,000 annually or 50 percent of benefit entitled at the date of death.

#### Contribution Rates

Employer contributions are determined by the Board based on an actuarial valuation and are received from the state general fund and certain court and docket fees. Employer contributions totaled \$18.2 million, with appropriations of \$11.0 million and \$7.2 million in docket and court fees. The Actuarially Determined Contribution (ADC) was \$19.4 million.

Members are required to contribute six percent of the member's salary for a maximum period of 22 years of creditable service. Employers may pay all or part of the member contribution for the member.

#### Benefit Formula & Postretirement Benefit Adjustment

Annual Benefit = Individual Salary, or Salary of Office at Retirement x Percentage for Years of Service: 24 percent at eight years of service; increased by three percent per year for years nine through 11; 50 percent at year 12; increased by one percent per year for years 13 through 22 with a maximum of 60 percent.

Postretirement benefit increases for JRS members (not survivors or disabled members) are equal to the change in the salary of the office at retirement. For the year ended June 30, 2020, a postretirement benefit adjustment of 2.7 percent occurred and was administered by the Board.

### Description of Defined Benefit Funds (continued)

#### Excise, Gaming and Conservation Officers' Retirement Fund (EG&C)

EG&C is a single-employer (State of Indiana) defined benefit fund providing retirement, disability and survivor benefits to certain employees of the: (1) the 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. Administration of the fund is generally in accordance with IC 5-10-5.5 and other Indiana pension law.

#### Eligibility for Pension Benefit Payment

##### Full Retirement Benefit

- At age 65 if members were employed by age 50 with 15 years of creditable service. Retirement is mandatory.
- At age 65 if employed after age 50 with 10 years of service. Mandatory retirement occurs on the first day of the month after age 65 or 15 years of creditable service.
- At age 55 if age and creditable service total at least 85 ("Rule of 85").
- At age 50 with 25 years of service.

##### Early Retirement Benefit

At age 45 and 15 years of creditable service (reduce full benefit by 0.25 percent for each month less than age 60).

##### Deferred Retirement Option Plan (DROP)

In accordance with IC 5-10-5.5-22, members eligible to retire with an unreduced benefit may elect to earn a DROP benefit while continuing to work. Members execute an irrevocable election to retire on a DROP retirement date and remain in active service while contributing to the fund until that date. The DROP retirement date must be no less than 12 months and not more than 36 months after their DROP entry date, and cannot be after the member reaches mandatory retirement age. The DROP and future retirement monthly benefit are calculated as of the members' DROP entry date. At retirement, members must choose among the available options for distribution of the accumulated benefit under the DROP. As of June 30, 2020, the amount held by the fund under the DROP is \$0.6 million.

##### Nonvested Termination

The sum total of the member's contributions plus interest at a rate set by the Board.

##### Disability Benefit

If disability occurs in the line of duty, the benefit is the member's salary times the degree of impairment without a reduction for early commencement. If not in the line of duty, the member's salary used to calculate the benefit is reduced 50 percent. A minimum benefit may apply.

##### Survivor Benefit

The eligible survivor of an active member who dies in the line of duty receives 100 percent of the member's benefit. Survivors of active members who die not in the line of duty or inactive members with more than 15 years of service who die receive 50 percent of the member's benefit. The minimum benefit is calculated as if the member had at least 25 years of service and age 50. For inactive members with less than 15 years of creditable service, the benefit consists of contributions plus interest.

While receiving a benefit, a spouse or parent (for their lifetime), or dependent(s) (until age 18) receives 50 percent of the member's benefit. If the spouse is more than five years younger than the member, the benefit is actuarially adjusted.

#### Contribution Rates

Contributions are determined by the Board based on an actuarial valuation. Employers contribute 20.75 percent, with 0.73 percent from July 2019 to December 2019 and 0.61 percent from January 2020 to June 2020 funding a supplemental reserve account for postretirement benefits administered by the Board. Members are required to contribute four percent of annual salary. Employers may pay all or part of the member contribution for the member.

#### Benefit Formula & Postretirement Benefit Adjustment

Annual Benefit = 25 percent x Average Annual Salary. Average annual salary = average annual salary of the five highest years in the 10 years immediately preceding an officer's retirement date. Percentage is increased by 1.66 percent for each completed year of creditable service after 10 years. Total percentage may not exceed 75 percent.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12.4 and administered by the Board. For the year ended June 30, 2020, postretirement benefits of \$96 thousand were issued to members as a 13th check.

### Description of Defined Benefit Funds (continued)

#### Prosecuting Attorneys' Retirement Fund (PARF)

PARF is a single-employer (State of Indiana) defined benefit fund that provides retirement, disability and survivor benefits to prosecuting attorneys. Members serve as a: (1) prosecuting attorney or chief deputy prosecuting attorney, (2) deputy prosecuting attorney, (3) executive director, or (4) assistant executive director of the Indiana Prosecuting Attorneys Council. Administration of the fund is generally in accordance with IC 33-39-7 and other Indiana pension law.

PARF members are also members of the PERF Hybrid Plan. According to statute, benefits payable from PARF are reduced by any benefits payable from the PERF DB Fund.

#### Eligibility for Pension Benefit Payment

##### Full Retirement Benefit

- At age 65 with at least eight years of creditable service.
- At age 55 if age and creditable service total at least 85 ("Rule of 85").

##### Early Retirement Benefit

At age 62 and eight years of creditable service (reduce full benefit by 0.25 percent for each month less than age 65).

##### Nonvested Termination

The sum total of the member's contributions plus interest at a rate set by the Board.

##### Disability Benefit

A qualified member with 22+ years of creditable service receives full benefit. Less than 22 years of creditable service receives the full benefit reduced by one percent for each year under 22. Benefit to be no lower than 50 percent.

##### Survivor Benefit

While in active service, a spouse or dependent child(ren) receives the greater of \$12,000 annually or 50 percent of benefit for the later of age 62 or age the day before death.

While receiving a benefit, a spouse (for their lifetime), or dependent child(ren) (until age 18 unless disabled) receives the greater of \$12,000 annually or 50 percent of the member's benefit.

#### Contribution Rates

Employer contributions are determined by the Board based on an actuarial valuation and appropriations are received from the state's General Fund and totaled \$4.2 million. The Actuarially Determined Contribution (ADC) was \$4.6 million.

Members are required to contribute six percent of the state-paid portion of salary for a maximum period of 22 years of creditable service. In addition, members are required to contribute three percent as participants of the PERF DC plan. Employers may pay all or part of the member contributions for the member.

#### Benefit Formula & Postretirement Benefit Adjustment

Annual Benefit = Highest 12 consecutive months of salary (state-paid portion only) before separation from service x Percentage for Years of Service: 24 percent at eight years of service; increased by three percent per year for years nine through 11; 50 percent at year 12; increased by one percent per year for years 13 through 22 with a maximum of 60 percent, and reduced for any PERF DB benefit.

No postretirement benefit adjustment is provided.

### Description of Defined Benefit Funds (continued)

#### Legislators' Defined Benefit Fund (LE DB)

LE DB is a single-employer (State of Indiana) defined benefit fund providing retirement, disability and survivor benefits to members of the General Assembly who were serving on April 30, 1989, and filed an election under IC 2-3.5-3-1(b). The fund is closed to new entrants. Administration of the fund is generally in accordance with IC 2-3.5 and other Indiana pension law.

#### Eligibility for Pension Benefit Payment

##### Full Retirement Benefit

- At age 65 with at least 10 years of creditable service.
- At age 60 with at least 15 years of creditable service.
- At age 55 if age and creditable service total at least 85 ("Rule of 85").

##### Early Retirement Benefit

At age 55 and 10 years of creditable service (reduce full benefit by 0.1 percent per month between ages 60 and 65, and by 5/12 percent per month between ages 55 and 60). Early retirement benefits are applicable when the 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.

##### Disability Benefit

Any active member that qualifies for social security disability with at least five years of creditable service may receive an unreduced benefit for the duration of their disability.

##### Survivor Benefit

While in active service, a spouse or dependent child(ren) receives 50 percent of the benefit for the later of age 55 or age the day before the member's death.

While receiving a benefit, a spouse (for their lifetime), or dependent(s) (until age 18 unless disabled) receives 50 percent of the member's benefit.

#### Contribution Rates

Employer contributions are actuarially determined and derive from the state's General Fund, a portion of which will be allocated to fund a supplemental reserve account for postretirement benefits administered by the Board. Appropriations were \$0.2 million. The Actuarially Determined Contribution (ADC) was \$0.2 million.

#### Benefit Formula & Postretirement Benefit Adjustment

Annual Benefit = The lesser of \$40 x 12 months x years of service before November 8, 1989, or the highest consecutive three year average annual salary.

Postretirement adjustments are granted by the Indiana General Assembly on an ad hoc basis pursuant to IC 5-10.2-12.4 and administered by the Board. No postretirement adjustment occurred in the year ended June 30, 2020.

### Description of Defined Contribution Funds

#### Public Employees' Defined Contribution Account (PERF DC)

PERF DC is a multiple-employer defined contribution fund providing retirement benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships and other governmental units) that elected to participate in the retirement fund. Administration of the account is generally in accordance with IC 5-10.2, IC 5-10.3, 35 IAC 1.2 and other Indiana pension law.

PERF DC fund provides supplemental defined contribution benefits under the PERF Hybrid plan. Refer to the Description of Defined Benefit Funds for discussion of the PERF Hybrid plan.

First time new employees hired by the State of Indiana or a political subdivision that offers a choice have a one-time election to join either PERF Hybrid or PERF My Choice. A state rehire that is an existing member of PERF Hybrid plan and was not given the option for PERF My Choice is given the option to elect PERF My Choice or remain in PERF Hybrid.

#### Contribution Rates

Member contributions under PERF DC are set by statute and the Board at three percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary post-tax member contributions up to 10 percent of their compensation can be made solely by the member.

#### Retirement & Termination Benefit

Members are entitled to the sum total of vested contributions plus earnings 30 days after separation from employment (retirement, termination, disability or death). The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan or a monthly annuity (in accordance with INPRS requirements). PERF DC members are 100 percent vested in their account balance.

#### Disability Benefit

Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of contributions plus earnings. The amount can be paid in a full or partial withdrawal as a lump sum, direct rollover to another eligible retirement plan or a monthly annuity (in accordance with INPRS requirements).

#### Survivor Benefit

Beneficiary is entitled to the sum total of contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements). The amount a beneficiary is entitled to if a member dies after having selected an annuity or having withdrawn from the account depends upon the annuity option selected by the member and the amount of benefits the member received.

### Description of Defined Contribution Funds (continued)

#### My Choice: Retirement Savings Plan for Public Employees (PERF MC DC)

PERF MC DC is a multiple-employer defined contribution fund providing retirement benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships and other governmental units) that elected to participate in the retirement fund. PERF MC DC is a primary defined contribution benefit plan for members making this election. Administration of the account is generally in accordance with other Indiana pension law.

First time new employees hired by the State of Indiana or a political subdivision who offer a choice, have a one-time election to join either PERF Hybrid or PERF My Choice. A state hire that is an existing member of PERF Hybrid plan and was not given the option for PERF My Choice is given the option to elect PERF My Choice or remain in PERF Hybrid.

#### Contribution Rates

The PERF MC DC plan may be funded with an employer variable rate contribution. The variable rate contribution is three percent for state employees and up to 3.9 percent for political subdivision members. Political subdivisions may match 50 percent of a member's voluntary contributions.

Member contributions under the PERF MC DC are set by statute and the Board at three percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary member contributions up to 10 percent can be made solely by the member.

#### Retirement & Termination Benefit

Members are entitled to the sum total of vested contributions plus earnings 30 days after separation from employment (retirement, termination, disability, or death). The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements). PERF MC DC members are 100 percent vested in their member contributions. PERF MC DC members vest in employer contributions in increments of 20% for each full year of service until 100% is reached at 5 years.

#### Disability Benefit

Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

#### Survivor Benefit

Beneficiary is entitled to the sum total of vested contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

### Description of Defined Contribution Funds (continued)

#### Teachers' Defined Contribution Account (TRF DC)

TRF DC is a multiple-employer defined contribution fund providing supplemental retirement benefits to TRF Pre-'96 DB and TRF '96 DB members. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14 and other Indiana pension law. TRF DC is the defined contribution component of the Teachers' Hybrid Plan. Refer to the Description of Defined Benefit Funds for discussion of both Teachers' Defined Benefit plans.

#### Contribution Rates

Contributions are determined by statute and the Board at three percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

#### Retirement & Termination Benefit

Members are 100 percent vested in their account balance plus earnings and may take a distribution 30 days after separation from employment (retirement, termination, disability, or death). The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

#### Disability Benefit

Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

#### Survivor Benefit

Beneficiary is entitled to the sum total of vested contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements). The amount a beneficiary is entitled to if a member dies after having selected an annuity or having withdrawn from the account depends upon the annuity option selected by the member and the amount of benefits the member received.

### **My Choice: Retirement Savings Plan for Teachers (TRF MC DC)**

TRF MC DC is a multiple-employer defined contribution fund providing retirement benefits to eligible school corporation employees. New employees hired by a school corporation after June 30, 2019 have a one-time election to join either TRF Hybrid or TRF My Choice.

#### **Contribution Rates**

TRF MC DC plan is funded with employer contributions and member contributions. The employer contributions must equal the contribution rate for TRF Hybrid DB. The amount deposited into the employer contribution subaccount for the member is the normal cost of participation. The variable rate contribution can be no less than three percent. For fiscal year 2020 the rate was 5.3 percent.

Member contributions are determined by statute and the Board at three percent of covered payroll. The employer must make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

#### **Retirement & Termination Benefit**

Members are entitled to the sum total of vested contributions plus earnings 30 days after separation from employment (retirement, termination, disability or death). The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan or a monthly annuity (in accordance with INPRS requirements). TRF MC DC members are 100 percent vested in their member contributions. TRF MC DC members vest in employer contributions in increments of 20% for each full year of service until 100% is reached at 5 years. The variable employer rate contribution amount that is not vested remains in the account until the member either vests or forfeits the balance. The balance is forfeited by death, member withdrawal or a required minimum distribution occurs.

#### **Disability Benefit**

Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

#### **Survivor Benefit**

Beneficiary is entitled to the sum total of vested contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

### Description of Defined Contribution Funds (continued)

#### Legislators' Defined Contribution Fund (LE DC)

LE DC is a single-employer (State of Indiana) defined contribution fund that provides retirement benefits to members of the General Assembly. Administration of the fund is generally in accordance with IC 2-3.5 and other Indiana pension law. Effective January 1, 2019, members of the fund can no longer invest in the Consolidated Defined Benefit Assets.

#### Contribution Rates

Contributions are determined by and the Board and confirmed by the State Budget Agency. The employer contribution rate is 14.2 percent of covered payroll. This rate may not exceed the sum contribution rates for State of Indiana employer and member PERF Hybrid plans. The member contribution is five percent of member's salary. The employer may choose to make contributions on behalf of the member.

#### Retirement & Termination Benefit

Members are entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, monthly annuity, or installment options (in accordance with INPRS requirements).

#### Survivor Benefit

Beneficiary is entitled to the sum total of contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

## Description of Other Postemployment Benefit Fund

### Special Death Benefit Fund (SDBF)

SDBF is an other postemployment defined benefit fund and is generally administered in accordance with IC 5-10-10, IC 5-10-11, IC 35-33-8 and IC 36-8-8. The fund is a multiple-employer, cost-sharing plan with approximately 44,000 members. Funds are restricted for the purpose of providing surviving spouses, children, or parents a benefit of \$100,000 for state employees and \$150,000 for public safety officers or other eligible officers who die in the line of duty.

Funding is derived from bail bond fees, payments under IC 5-10-10-4.5 and investment income earned. 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.

### Retirement Medical Benefits Account Plan (RMBA)

RMBA is a single employer other postemployment benefit (OPEB) defined contribution plan and is generally administered in accordance with IC 5-10-8.5. RMBA allows for certain medical care expense premiums to be reimbursed from individual accounts established for retired participants under IC 5-10-8.5-9. RMBA became effective for participants who retired on or after July 1, 2007. The plan was administered by the State of Indiana until June 30, 2019. Effective July 1, 2019, the administration of the plan was transferred to INPRS.

Retired participants include:

- a. A participant who has applied to receive a normal, unreduced or disability retirement benefit.
- b. A participant who has completed at least ten years of service as an elected or appointed officer on their last day of service.

Individual account balances are comprised of annual contributions and earnings on investments after deduction of costs to manage the plan. Annual contributions range between \$500 and \$1,400, based on the participant's age while in service. IC 5-10-8.5-16 provides a one-time credit for an additional contribution to a participant's account, if, by June 30, 2017, the participant was eligible for an unreduced pension benefit and had completed at least 15 years of service or had completed 10 years of service as an elected or appointed officer. The one-time additional contribution is credited to a participant's account no later than 60 days after the participant's last day of service. Participants lose their right to one-time additional contributions if there is a break in service after July 1, 2007 and before June 30, 2017 for more than 30 days.

Contributions for self-funded agencies and employees not funded by the state budget is recovered by an annual charge per employee determined each year. The annual charge for FY 2020 was \$1,076, which is due by June 30. The remaining funding is through appropriation of cigarette taxes (IC 6-7-1-28.1(7)) received throughout the year.

Upon application, the Plan administrator reimburses premiums for medical, dental, vision and long term care for retired participants and their spouses and dependents. The reimbursements are deducted from the participant's individual account balance. When the participant's individual account balance is exhausted, any deductions from the participant's individual account end. If a retired participant dies without a surviving spouse or dependents, unused amounts credited to the retired participant's account is forfeited. Any forfeiture amount is used to reduce the contributions required from the employer.

The amount of reimbursed retiree medical expenses during the fiscal year ending June 30, 2020 was \$17.3 million. As of June 30, 2020, the employer owes contributions of \$57.2 million to the plan to fulfill its obligation towards additional contributions per IC 5-10-8.5-16. Forfeitures of retiree medical benefits for the fiscal year ending June 30, 2020 totaled \$19.0 million.

As of June 30, 2020 participation in the plan was as follows:

Active	29,086
Retired or beneficiaries	7,473
Total	<u>36,559</u>

### Description of Custodial Fund

#### Local Public Safety Pension Relief Fund (LPSPR)

LPSPR is a custodial fund and is generally administered in accordance with IC 5-10.3 and IC 36-8. Funds are restricted for the purpose of providing financial relief to pension funds maintained by units of local government for their police officers' and firefighters' retirement plan benefits.

Funding 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, investment income earned and appropriations from the General Assembly.

Distributions are made from LPSPR to units of local government in two equal installments before July 1 and before October 2 of each year. The distribution is determined by an estimate of the total amount of pension, disability, and survivor benefits paid by the local government units from the 1925 Police Pension Fund, the 1937 Firefighters' Pension Fund and the 1953 Police Pension Fund (before the establishment of the '77 Fund). The estimate is prepared by the actuary on a city-by-city basis and a departmental basis.

Local government units may deposit funds with INPRS and funds are maintained in separate accounts for each local governmental unit that made an election in 2001. As of June 30, 2020, the amount deposited with INPRS is \$1.5 million. These amounts are invested and are available for withdrawal at their request.

## Note 2. Summary of Significant Accounting Policies

### Basis of Presentation

The accompanying financial statements for the eight defined benefit funds (DB Funds), five defined contribution funds (DC Funds), two (OPEB Funds) and one custodial fund are prepared using the economic resources measurement focus. In the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position, PERF DC and PERF My Choice: Retirement Savings Plan for Public Employees are combined into PERF DC for the purposes of presentation. In the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position, TRF DC and TRF My Choice: Retirement Savings Plan for Teachers are combined into TRF DC for the purposes of presentation. INPRS's financial statements are not intended to present the financial position or results of operations for the state of Indiana or any other retirement and benefit plans administered by the state.

### Basis of Accounting

#### Accrual Basis

INPRS maintains records and prepares financial statements using the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as applied to governmental units.

#### Provision for Taxes

All defined benefit funds administered by INPRS are qualified under section 401(a) of the internal revenue code and are exempt from federal income taxes. Therefore, no provision for income taxes has been included in the financial statements.

#### Use of Estimates

In preparing the financial statements in conformity with GAAP, INPRS management makes estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent assets and liabilities, as well as the reported amounts of revenue and expenses at the date of the financial statements. Actual results could differ from those estimates and assumptions.

#### Contributions

Employer and member contributions are recognized when due, according to statutory requirements, in accordance with the terms of each plan. Nonemployer contributions are recognized when funds are received from the state of Indiana. Service purchase revenues are recognized in full when employers elect to participate in a fund or enlarge participation. As of June 30, 2020, \$1.1 million is outstanding for employer service purchase contracts. The payment terms of the contracts vary between five and 40 years.

#### Net Investment Income

Net appreciation (depreciation) is determined by calculating the change in the fair value of investments between the beginning of the year and the end of the year, less purchases of investments at cost, plus sales of investments at fair value. Other investment income is recognized when earned. Dividend income is recognized on the ex-dividend date. Investment expenses consist of external expenses directly related to INPRS's investment operations, as well as the internal administrative expenses associated with INPRS's investment program.

#### Other Additions

Member reassignments are recorded when a member is retiring with service credit in multiple funds. Applicable member and employer balances are transferred between funds as allowed by the statute. The transfer allows all benefits to be paid from the fund designated by the member.

#### Special Item

Transfer from SOI represents the transfer of the Retirement Medical Benefits Account Plan assets and administration from the state of Indiana Budget Agency to INPRS effective July 1, 2019. The transfer of operations is considered a special item for financial reporting purposes under GASB Statement No. 69 and resulted in net position of \$435.9 million being transferred to INPRS. Items transferred included investments of \$360 million and a receivable of \$75.9 million.

#### Deductions & Expenses

Benefit payments, including refunds and distributions of employee contributions, are recognized when due and payable in accordance with the benefit terms. Internal administrative expenses are recognized when due and payable. Retiree health benefits reimbursements are issued to qualified retirees to cover qualifying health insurance and medical cost. INPRS also acts as a custodian to receive and distribute funds on a biannual basis to specific pension plans of local government entities.

## Notes to the Financial Statements, continued

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Year-end expense accruals include compensated absences which are calculated for earned but unused vacation, compensatory and personal time of full-time INPRS employees.

### Net Investment Assets

Investments are recorded on a trade-date basis and reported at fair value. Fair value is defined as the amount that can reasonably be expected to be received for an investment in a current sale between a willing buyer and a willing seller. Certain INPRS investment assets, in particular, Global Real Assets, Global Private Equity, and Opportunistic Investments, use estimates in reporting fair value in the financial statements. These estimates are subject to uncertainty in the near term, which could result in changes in the values reported for those assets in the Statement of Fiduciary Net Position. See Note 3 for detailed information on the investment policy, valuation and methods used to measure the fair value of investments.

### Pool Accounting

All DB assets are pooled for the purpose of investments. Each DB fund holds units of the total investment pool. Units of participation are bought and sold as each plan contributes and withdraws cash or assets from the investment pool. The investment pool earnings are allocated to each fund with a change in the unit of participation price. The price is determined by dividing the net asset value of the investment pool by the total number of Master Trust Units held by funds. The price of one unit of the DB pool on June 30, 2020 was \$35.0596. The unit holdings of DB funds are shown below:

<u>DB Fund Name</u>	<u>Units</u>
PERF DB	378,006,192
TRF Pre-'96 DB	107,042,886
TRF '96 DB	180,669,271
77 Fund	186,627,332
JRS	15,698,815
EG&C	4,175,252
PARF	1,935,326
LE DB	83,422
<b>Total</b>	<b><u>874,238,496</u></b>

All DC assets are pooled for the purpose of investments. The DC pool consists of the asset class options offered to the DC members. Each DC fund holds units of each asset class option.

## Notes to the Financial Statements, continued

### Capital Assets

The cost of Building and Related Improvements, Equipment, and Software in excess of \$50 thousand is capitalized when the asset is put to use. Improvements that increase the useful life of the property are capitalized. Capital Assets are depreciated using the straight-line method. Land is not subject to depreciation. Depreciation expense of \$311 thousand is included in Administrative Expenses. A summary of Capital Assets is shown below:

(dollars in thousands)

Capital Assets (Useful Life)	June 30, 2019	Additions	Disposals	June 30, 2020
Software (5 years)	\$ 15,989	—	—	15,989
Building and Related Improvements (20 years)	4,414	—	—	4,414
Land	856	—	—	856
<b>Total Capital Assets</b>	<b>21,259</b>	<b>—</b>	<b>—</b>	<b>21,259</b>
Less: Accumulated Depreciation/Amortization				
Software	15,816	71	—	15,887
Building and Related Improvements	532	240	—	772
<b>Total Accumulated Depreciation/Amortization</b>	<b>16,348</b>	<b>311</b>	<b>—</b>	<b>16,659</b>
<b>Total Net Capital Assets</b>	<b>\$ 4,911</b>			<b>\$ 4,600</b>

### Reserves

The reserves required by Indiana Code are shown below for June 30, 2020:

- Member Reserves - The sum of member contributions and the investment earnings for the four DB funds listed below are set aside in a separate member's account. A member may withdraw the amounts before being vested.
- Supplemental Reserve Accounts - Amount set aside to pay future postretirement benefits.

(dollars in thousands)

Defined Benefit Pension Trust Fund	Member Reserves	Defined Benefit Pension Trust Fund	Supplemental Reserve Account
77 Fund	\$ 895,203	PERF DB	\$ 34,606
JRS	41,523	TRF Pre-'96 DB	63,019
EG&C	12,927	TRF '96 DB	7,357
PARF	27,768	EG&C	348
		LE DB	—

### RMBA Accounting

RMBA contributions are recognized when participant accounts are credited which will not be later than June 30<sup>th</sup> of each year. As of June 30, 2020, \$71.2 million is due as a contribution receivable. Retiree health benefits are recorded when participant claims are submitted for reimbursement. Forfeitures are shown as deductions when the retiree and any covered dependents are deceased. Investment earnings less administrative expenses are credited to the participant accounts annually.

### Due To/Due From

Interfund transfers are recorded in the applicable account. A surcharge of 6.75% (Long-Term Assumed Investment Rate of Return) is collected by the respective fund if the balance is not repaid within a year.

## Notes to the Financial Statements, continued

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### Due to Other Governments

Represents funds payable to local police and fire departments that are maintained in separate accounts. Interest is payable monthly to the local units based on current money market rates. Local government units may make deposits or withdraw all or part of the balance to pay contributions or pension benefits.

### Accounting Pronouncements Effective for the Year

Management has determined that GASB Statement No. 83 (Certain Asset Retirement Obligation) does not apply to the financial statements as presented. Management has implemented GASB No. 90 (Majority Equity) in the financial statements as presented.

GASB Statement No. 95 (Postponement of the Effective Date of Certain Authoritative Guidance) was issued in May of 2020 and is effective immediately.

## Note 3. Investment Policy, Valuation and Performance

### Investment Oversight and Policy

Oversight of INPRS assets is the fiduciary responsibility of the Board. As stated in IC 5-10.3-5-3(a) and IC 5-10.4-3-10(a) "The Board shall 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." Accordingly, the Board must sufficiently diversify the portfolio to minimize the risk of large losses unless, under the circumstances, it is clearly prudent not to do so. Primary risk measures are volatility in the plan's assets, funded status and contribution rates.

Indiana law permits 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. On June 30, 2020, cash and investments were held by banks or trust companies under custodial agreements with INPRS. The Investment Policy Statement, adopted by the Board, includes target asset allocation and allowable ranges that are expected to meet rates of return over a period while minimizing risk.

### Defined Benefit Assets

The following DB global asset classes, target allocations and target ranges were approved by the Board on October 23, 2015 based on a formal asset-liability study and shall remain in place until revised by the Board. An asset-liability study is conducted every five years. Further information regarding the Investment Policy Statement can be found in the Investment Section.

Global Asset Classes	Target Allocation	Target Range
Public Equity	22.0 %	19.5 to 24.5 %
Private Markets	14.0	10.0 to 18.0
Fixed Income - Ex Inflation-Linked	20.0	17.0 to 23.0
Fixed Income - Inflation-Linked	7.0	4.0 to 10.0
Commodities	8.0	6.0 to 10.0
Real Estate	7.0	3.5 to 10.5
Absolute Return	10.0	6.0 to 14.0
Risk Parity	12.0	7.0 to 17.0

### Defined Contribution Assets

The DC plans are structured to provide members with a choice of diverse investment options that offer a range of risk and return characteristics appropriate for members. Members can self-direct their investment options or leave their contributions invested in a default target date retirement fund. The offered investment options undergo periodic reviews by the Board. Detailed information of the funds is provided in the Investment Section.

### Other Funds Assets

The Special Death Benefit Fund (SDBF) and the Retirement Medical Benefits Account Plan (RMBA) are 100 percent invested in intermediate fixed income investments in a commingled fund. The Local Public Safety Pension Relief Fund (LPSPR) is invested 100 percent in high-quality, short-term money market instruments.

### Methods Used to Value Investments

Public Equity investments are comprised of domestic and international stocks as well as commingled equity instruments. Equity securities traded on a national or international exchange are valued at the official closing price or last reported sales price of the instrument. International equities are then adjusted to reflect the exchange rate as of June 30, 2020 of the underlying currency. Commingled equities are not traded on a national security exchange and are valued at the net asset value of the units held at June 30, 2020, based on the fair value of the underlying securities.

Private Market investments are valued using current estimates of fair value obtained from the general partner or investment manager. Holdings are generally valued by a general partner or investment manager on a quarterly or semi-annual basis. Investments in private markets are generally considered illiquid long-term investments. Due to the inherent uncertainty that exists in the valuation of alternative investments, the realized value upon sale of an asset may differ significantly from the fair value.

Fixed Income securities are comprised of U.S. Government, U.S. government-sponsored agencies, publicly traded debt and commingled debt instruments. Securities traded on national and international exchanges are valued based on published market prices and quotations.

## Notes to the Financial Statements, continued

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Securities that are not traded on a national security exchange are valued using a matrix pricing approach. Commingled securities are valued at the net asset value of the units held as of June 30, 2020 based on the fair value of the securities.

Commodities including derivative instruments are reported at fair value and involve, to varying degrees, elements of market risk to the extent of future market movements in excess of amounts recognized in the Financial Statements. Derivative instruments are considered investments and not hedges for accounting purposes. The fair value of all derivative financial instruments is reported in the Statement of Fiduciary Net Position. The change in the fair value is recorded in the Statement of Changes in Fiduciary Net Position as Net Investment Income (Loss). Gains and losses arising from this activity are recognized in the Statement of Changes in Fiduciary Net Position as incurred.

Real Estate, Absolute Return and Risk Parity investments are valued by the manager or independent appraiser based on reported net asset values, cash flow analysis, purchases and sales of similar investments, new financings, economic conditions, other practices used within the industry, or other information provided by the underlying investment advisors. Due to the inherent uncertainty in privately held securities, the fair value may differ from the values that would have been used if a ready market for such securities existed, and the differences can be material.

INPRS relies on third party resources to verify the methodology and calculation used for investment valuation and performance metric reported by the custodian.

### Fair Value Measurement

GASB Statement No. 72, requires investments measured at fair value to be categorized under a fair value hierarchy. The categorization of INPRS's investments within the hierarchy is based on the valuation transparency of the instrument and should not be perceived as the risk of the particular investment. The three-tier hierarchy is summarized as follows:

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 - Quoted prices in active markets; quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable.

Level 3 - Valuations reflect practices where significant inputs are unobservable.

The table on the next page presents the fair value hierarchy of the INPRS investment portfolio as of June 30, 2020.

U.S. Treasury Obligations generally include investments in money market securities that are reported at either fair value or at cost plus accrued interest, which approximates market or fair value.

U.S. Government, U.S. corporate obligations, Equity and Derivative securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt and Derivative securities classified in Level 2 are valued using either a bid evaluation or a matrix based pricing technique. Bid evaluations are typically based on market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Index linked debt securities are valued by multiplying the external market price by the applicable day's index ratio. Level 2 debt securities have non-proprietary information that is readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Equity and equity derivatives classified in Level 2 are securities whose values are derived daily from associated traded securities.

Investments classified as Level 3 are valued using best available sources such as property appraisals, discounted cash flow models and public market comparisons of similar assets where applicable. The values are supplied by advisors or general partners who hold those or similar assets in investment vehicles they oversee. These pricing sources may or may not be indicative of realizable exit values attainable for the assets.

The remaining investments not categorized under the fair value hierarchy are measured at the Net Asset Value (NAV). The NAV for these investments is provided by the investee and may be sold at an amount different than NAV. To manage risk relating to Absolute Return investments, assets are placed in limited liability vehicles to protect INPRS from losing more than its invested capital.

The table below summarizes INPRS's investment assets and liabilities measured at fair value as of June 30, 2020, presented in the fair value hierarchy. Also shown are investments at amortized cost, and NAV to allow reconciliation to the Total Pooled Investments in the Statement of Fiduciary Net Position.

## Notes to the Financial Statements, continued

(dollars in thousands)	Investment Type	June 30, 2020	Fair Value Measurements Using		
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>					
Short-Term Investments					
	BNY - Mellon Cash Reserves	20,255	\$ —	\$ 20,255	\$ —
	U.S. Treasury Obligations	196,088	196,088	—	—
	<b>Total Short-Term Investments</b>	<b>216,343</b>	<b>196,088</b>	<b>20,255</b>	<b>—</b>
Fixed Income Investments					
	U.S. Governments	4,481,443	4,481,160	283	—
	Non - U.S. Governments	3,439,282	664	3,426,947	11,671
	U.S. Agencies	398,559	—	398,559	—
	Corporate Bonds	1,051,686	6,682	809,607	235,397
	Asset - Backed Securities	224,668	—	224,668	—
	<b>Total Fixed Income Investments</b>	<b>9,595,638</b>	<b>4,488,506</b>	<b>4,860,064</b>	<b>247,068</b>
Equity Investments					
	Domestic Equities	4,624,660	4,619,692	4,968	—
	International Equities	3,139,479	3,138,329	1,150	—
	<b>Total Equity Investments</b>	<b>7,764,139</b>	<b>7,758,021</b>	<b>6,118</b>	<b>—</b>
	<b>Total Investments by Fair Value Level</b>	<b>\$ 17,576,120</b>	<b>\$ 12,442,615</b>	<b>\$ 4,886,437</b>	<b>\$ 247,068</b>
<b>Investments Measured at the Net Asset Value (NAV)</b>					
	Commingled Short-Term Funds	35,276			
	Commingled Fixed Income Funds	1,761,639			
	Commingled Equity Funds	1,921,287			
	Private Markets	4,045,075			
	Absolute Return	3,260,111			
	Real Estate	1,808,708			
	Risk Parity	4,115,539			
	<b>Total Investments Measured at the Net Asset Value (NAV)</b>	<b>16,947,635</b>			
<b>Investment Derivatives</b>					
	Total Futures	45,139	\$ 45,139	\$ —	\$ —
	Total Options	(177)	—	(177)	—
	Total Swaps	(30,897)	—	(30,897)	—
	<b>Total Investment Derivatives</b>	<b>14,065</b>	<b>\$ 45,139</b>	<b>\$ (31,074)</b>	<b>\$ —</b>
<b>Investments Not Subject to Fair Value Leveling</b> (at cost or amortized cost)					
	Cash at Brokers	\$ 456,152			
	Repurchase Agreements	7,080			
	Short-Term Investments	806,876			
	Pooled Synthetic GIC's at Contract Value	2,452,016			
	Securities Lending Collateral	158,656			
	<b>Total Investments Measured at Amortized Cost</b>	<b>3,880,780</b>			
	<b>Total Investments</b>	<b>\$ 38,418,600</b>			

## Notes to the Financial Statements, continued

The valuation method for investments measured at the NAV per share or equivalent, at June 30, 2020, is presented as follows:

(dollars in thousands)	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Commingled Short-Term Funds	\$ 35,276	\$ —	Daily	1 day
Commingled Fixed Income Funds	1,761,639	—	Daily	1 day
Commingled Equity Funds	1,921,287	—	Daily	1 day
Private Markets	4,045,075	3,365,752	Not Eligible	N/A
Absolute Return	3,260,111	—	Monthly, Quarterly, Semi-Annually	30-120 days
Real Estate Funds	1,808,708	866,021	Quarterly	30-90 days
Risk Parity	4,115,539	—	Daily, Weekly, Monthly	3-5 days
<b>Total</b>	<b>\$ 16,947,635</b>	<b>\$ 4,231,773</b>		

### Commingled Short-Term, Fixed Income, and Equity Funds

There are three short-term funds, 16 fixed income funds and three equity funds, which are considered to be commingled in nature. These investments are valued at the net asset value of the units held at June 30, 2020, based upon the fair value of the underlying securities.

### Private Markets

There are 277 funds that invest across a range of strategies, geographies, and industries within private equity and private credit. The underlying portfolio investments cannot be redeemed with each fund, but rather the fund will make distributions of capital as the fund liquidates the underlying portfolio investments over the typical 10 year term in the case of private equity, and the typical 7 year term in the case of private credit.

### Absolute Return

The portfolio consists of 34 fund holdings that cover a broad spectrum of investment strategies and investment horizons which result in distinct fund redemption terms to prevent asset-liability mismatches. These funds attempt to generate returns in excess of the plan's target actuarial rate of return over a full market cycle with minimal beta to the plan's primary long-only market exposures (equities, credit, rates, and commodities). Fund redemption periods range from weeks (alternative beta) to years (drawdown vehicles), but as a whole, on a weighted-average basis, the portfolio maintains a liquidity profile of less than one year. The valuation process for the funds are comparable to private markets, with quarterly valuations.

### Real Estate Funds

There are 42 funds invested primarily in U.S. commercial real estate, of which 36 funds are classified as illiquid, or approximately 57 percent of the value of the real estate fund investments. These funds have underlying portfolio investments that cannot be redeemed with the funds, but rather these funds will make distributions of capital as the funds liquidate their underlying portfolio investments over the average 10 year life of the funds. There are six real estate funds that have been classified as liquid due to the open-end structure of the fund. Open-end funds generally offer periodic distributions of net cash flow, which can be reinvested, as well as quarterly redemption windows.

### Risk Parity

This portfolio, which consists of three funds is constructed to accrue various asset class risk premiums, including equity, without long-term reliance on any single asset class. The structure of these investments provides a reasonable level of liquidity and investments may be redeemed in accordance to the terms set forth by each investment management agreement. Investments are considered to be liquid, market-priced instruments, and 100 percent of the NAV is independently calculated by the fund administrators. Fair values are reported as NAV per share.

It is probable that illiquid investments will be sold at an amount different from the NAV of the ownership interest in partners' capital. Therefore, the fair values of the investments in this type have been estimated using recent observable transaction information for similar investments and non-binding bids received from potential buyers of the investments (one quarter in arrears plus current quarter cash flows).

## Notes to the Financial Statements, continued

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### Investment Performance

The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts invested.

For the year ended June 30, 2020, the annual money-weighted rates of return for DB investments are as follows:

<u>Defined Benefit Pension Trust Funds</u>	<u>Annual-Money Weighted Rate of Return</u>
PERF DB	2.58 %
TRF Pre-'96 DB	2.76
TRF '96 DB	2.58
77 Fund	2.57
JRS	2.57
EG&C	2.57
PARF	2.60
LE DB	2.64

Time-Weighted Rates of Return for DB asset classes and DC investment options are detailed in the Investment Section.

## Notes to the Financial Statements, continued

### Note 4. Deposit and Investment Risk Disclosure

#### Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, INPRS's deposits may not be returned. 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, 2020, \$460 million of cash deposits were uninsured and uncollateralized and therefore exposed to credit risk. The following table shows cash deposits and short-term investments as of June 30, 2020.

(dollars in thousands)

Cash Deposits	Total
Demand Deposit Account – Bank Balances (Insured by FDIC up to \$250 thousand per financial institution)	\$ 4,067
Held with Custodian Bank (Uncollateralized)	456,152
Short-Term Investment Funds held at Bank (Collateralized)	862,407
<b>Total</b>	<b><u>\$ 1,322,626</u></b>

#### Custodial Credit Risk for Investments

Custodial credit risk for investments is a risk if the securities are uninsured, are not registered in the name of INPRS, and are held by either the counterparty or the counterparty's trust department or agent, but not in the name of INPRS. INPRS's custody agreement with the custodian requires the custodian to segregate the securities on the custodian's books and records from the custodian's property. In addition, investment managers are not allowed, under any circumstances, to take possession, custody, title, or ownership of any managed assets.

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates adversely affect the fair value of the investments. Duration is a measure of interest rate risk. Short-Term Investments excludes cash with custodian of approximately \$456 million. The longer a fixed-income investment is to maturity, the more susceptible the value of the fixed-income investment is to market interest rate changes. The Investment Policy Statement recognizes interest rate risk as a market risk factor. While INPRS does not have a formal stated policy regarding interest rate risk, it is monitored regularly at the Plan level, and within the fixed income asset classes, as part of achieving the long-term actuarial rate of return.

As of June 30, 2020, the duration of the fixed income portfolio is as follows:

(dollars in thousands)

Debt Security Type	Fair Value	% of All Debt Security	Portfolio Weighted Average Effective Duration (Years)
<b>Short-Term Investments</b>			
Short-Term Investment Fund	\$ 862,407	6.9 %	0.08
U.S. Treasury Obligations	196,088	1.6	0.19
<b>Total Short-Term Investments</b>	<b>1,058,495</b>	<b>8.5 %</b>	
<b>Fixed Income Investments</b>			
U.S. Governments	4,487,842	36.2	15.54
U.S. Agencies	402,207	3.2	4.47
Non-U.S. Government	3,020,863	24.3	9.08
Corporate Bonds	1,250,410	10.1	8.41
Asset-Backed Securities	161,905	1.3	4.33
Duration Not Available	2,034,050	16.4	N/A
<b>Total Fixed Income Investments</b>	<b>11,357,277</b>	<b>91.5</b>	
<b>Total Debt Securities</b>	<b><u>\$ 12,415,772</u></b>	<b><u>100.0 %</u></b>	

## Notes to the Financial Statements, continued

### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a plan's investment in a single issuer. As of June 30, 2020, INPRS does not have investments in any single issuer that represent 5 percent or more of the Fiduciary Net Position other than U.S. Government securities which are not subject to the GASB 40 disclosure requirements. To limit business and liquidity risk arising due to the allocation of a large percentage of assets to a single investment manager, the Board has placed an upper limit on the concentration of assets placed with an investment manager as follows:

- No investment manager shall manage more than 10 percent of the assets in actively managed portfolios at the time of funding. Through capital appreciation and additional purchases, no investment manager will be allowed to manage more than 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 assets in passively managed portfolios at the time of funding. Through capital appreciation and additional purchases, no investment manager will be allowed to manage more than 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 assets in a combination of actively and passively managed portfolios.

### Credit Quality Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with the Investment Policy Statement, when building the most diversified investment portfolio, emphasis is given to risk allocation, not capital allocation. As a result, INPRS regularly monitors success in achieving the targeted risk diversification that is inherent in the approved asset allocation. Credit ratings, obtained from several industry rating services for Fixed Income Securities and Short-Term Investments are shown in the table below. The most conservative rating of Standard and Poors, Moody's, and Fitch are utilized in the schedule below. Short-Term Investments excludes cash with custodian of approximately \$456 million. Unrated investments primarily consist of money market sweep vehicles, private placement, term loans and asset-backed securities, commercial mortgages, CMO/REMIC's, and commingled debt funds.

(dollars in thousands)

Credit Rating	Short-Term Investments	Fixed Income Securities	Total	% of All Debt Securities
AAA	\$ —	\$ 588,719	\$ 588,719	4.6 %
U.S. Government Guaranteed	—	4,901,909	4,901,909	39.5
AA	196,088	1,179,706	1,375,794	11.1
A	—	720,454	720,454	5.8
BBB	—	1,026,003	1,026,003	8.3
BB	—	309,861	309,861	2.5
B	—	242,144	242,144	2.0
Below B	—	246,391	246,391	2.0
Unrated	862,407	2,142,090	3,004,497	24.2
<b>Total</b>	<b>\$ 1,058,495</b>	<b>\$ 11,357,277</b>	<b>\$ 12,415,772</b>	<b>100.0 %</b>

## Notes to the Financial Statements, continued

### Custodial Credit Risk for Securities Lending

The Board has authorized the custodian to enter into a securities lending program agreement under which securities held by the custodian on behalf of INPRS may be loaned. The purpose of such a program is to provide additional revenue. The policy requires the following:

- Securities are loaned in exchange for cash or securities collateral equal to approximately 102 percent of the market value of domestic securities on loan and 105 percent of the market value of international securities on loan, with a simultaneous agreement to return the collateral for the same securities in the future. In no event shall the acceptable collateral be less than the total market value of loaned securities. Securities shall not be loaned in excess of 40% of the market value.
- The custodian and/or securities lending sub-agent is required to provide agreed upon indemnification to INPRS from and against any losses, damages, costs, and expenses which arise from a borrower defaulting on a loan or filing for bankruptcy.
- A maximum of 25 percent of the cash collateral may be invested with a single counterparty.
- All collateral investments have a maturity of the next business day.

As of June 30, 2020, there was no security lending credit risk exposure as the collateral pledged of \$473 million, exceeded the fair value of securities on loan, as shown below. All reinvested cash collateral investments consist of repurchase agreements which are not rated by any of the rating agencies.

(dollars in thousands)

Security Type	Fair Value of Securities on Loan
U.S. Government	\$ 127,245
Corporate Bonds	19,926
International Bonds	11,303
Domestic Equities	221,440
International Equities	77,175
<b>Total</b>	<b>\$ 457,089</b>

### Credit Risk for Repurchase Agreements

A repurchase agreement is an agreement in which cash is transferred to a broker-dealer or financial institution in return for transfer of security to the custodian and promise to repay cash plus interest. These repurchase agreements are assets whereby security collateral is held by the custodian. An obligation under a reverse repurchase agreement is the same as a repurchase agreement, but from the perspective of the buyer rather than a seller. Obligations under reverse repurchase agreements are liabilities whereby security collateral is held at the broker-dealer or financial institution's custodian.

INPRS's Investment Policy Statement allows prudent use of securities lending, repurchase and reverse repurchase agreements.

Repurchase agreements that may create explicit leverage in the portfolio are prohibited; however, repurchase transactions (including tri-party repurchase transactions) collateralized with U.S. Government securities are permitted. Repurchase transactions are required to be collateralized at 102 percent at time of purchase and marked to market on each business day.

Investments under Repurchase Agreements (exclusive of Securities Lending) as of June 30, 2020 are as follows. At June 30, 2020 there was no reverse repurchase risk as the cash collateral value posted was higher than the fair value of the liability held.

(dollars in thousands)

Repurchase Agreements by Collateral Type	Cash Collateral Received	Fair Value	Obligations Under Reverse Repurchase Agreements by Collateral Type	Cash Collateral Posted	Fair Value
U.S. Treasury	\$ 7,080	\$ 7,080	U.S. Treasury	\$ 387,498	\$ 381,665

## Notes to the Financial Statements, continued

### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. INPRS has defined a foreign exchange risk management policy to effectively manage the Fund's performance volatility associated with foreign currency risk.

Foreign investments included in the Fiduciary Net Position as of June 30, 2020 are below. Short-term, fixed income, and equity investments include income accruals. Other investments include foreign holdings of other investments, derivatives, and receivables/payables. The percentage shown in the table is with respect to DB pooled investments.

Currency	Investments Held in Foreign Currency					
	Short-Term	Fixed Income	Equity	Other Investments	Total	% of Total
Argentina Peso	\$ 2,307	\$ 381	\$ —	\$ —	\$ 2,688	— %
Australian Dollar	805	83,495	92,902	(81,899)	95,303	0.3
Brazil Real	(201)	15,775	55,911	18,501	89,986	0.3
Canadian Dollar	(3,837)	135,426	95,662	(129,772)	97,479	0.3
Chilean Peso	1	1,918	66	6,331	8,316	—
Chinese R Yuan Hk	—	—	—	14,770	14,770	—
Chinese Yuan Renminbi	84	374	62,302	(12)	62,748	0.2
Colombian Peso	531	22,333	—	(3,760)	19,104	0.1
Czech Koruna	416	11,710	108	9,019	21,253	0.1
Danish Krone	1,657	14,187	46,073	(14,574)	47,343	0.1
Dominican Rep Peso	—	3,698	—	—	3,698	—
Euro Currency Unit	12,003	1,249,433	607,145	(1,215,932)	652,649	1.8
Hong Kong Dollar	366	—	212,878	699	213,943	0.6
Hungarian Forint	(26)	10,592	206	3,006	13,778	—
Indian Rupee	39	34	59,727	(4,655)	55,145	0.2
Indonesian Rupiah	393	40,451	2,404	(1,679)	41,569	0.1
Israeli Shekel	1,236	6,197	2,429	(9,948)	(86)	—
Japanese Yen	11,927	434,473	471,276	(435,793)	481,883	1.3
Malaysian Ringgit	1,158	20,481	2,441	(7,559)	16,521	—
Mexican Peso	(564)	63,672	12,049	(19,425)	55,732	0.2
New Taiwan Dollar	163	—	75,760	(5,989)	69,934	0.2
New Zealand Dollar	102	4,958	1,995	(5,511)	1,544	—
Norwegian Krone	939	3,264	3,634	1,241	9,078	—
Peruvian Sol	259	28,600	—	(11,978)	16,881	0.1
Philippines Peso	—	377	305	—	682	—
Polish Zloty	1,022	32,332	3,229	301	36,884	0.1
Pound Sterling	4,057	522,584	231,706	(527,148)	231,199	0.6
Qatari Riyal	—	—	1,427	—	1,427	—
Romanian Leu	—	2,080	—	6,710	8,790	—
Russian Ruble (New)	53	36,047	—	5,335	41,435	0.1
Singapore Dollar	657	6,965	12,043	(8,148)	11,517	—
South African Rand	(40)	43,223	39,428	(10,092)	72,519	0.2
South Korean Won	1,296	—	117,696	1,173	120,165	0.3
Swedish Krona	1,260	68,406	51,537	(68,369)	52,834	0.1
Swiss Franc	4,534	—	189,589	212	194,335	0.5
Thailand Baht	44	20,006	7,479	5,556	33,085	0.1
Turkish Lira	109	8,089	8,673	(4,103)	12,768	—
UAE Dirham	—	—	877	—	877	—
Uruguayan Peso	—	619	—	—	619	—
<b>Held in Foreign Currency</b>	<b>\$ 42,750</b>	<b>\$ 2,892,180</b>	<b>\$ 2,468,957</b>	<b>\$ (2,493,492)</b>	<b>\$ 2,910,395</b>	<b>7.9 %</b>

# Notes to the Financial Statements, continued

## Note 5. Derivative Instruments - Activity and Risk

### Derivative Instruments - Activity

A derivative is a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (similar to a security) or set of assets (similar to an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes and stocks. The following derivative instruments are included in Investments:

#### 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.

#### Options

Options are agreements that give the owner of the option the right, but not the 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 an agreed price on or before the specified expiration date.

#### Swaps

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

#### Currency Exchange Forwards

A currency exchange forward 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.

The following table summarizes the derivative instruments outstanding as of June 30, 2020:

(dollars in thousands)

Investment Derivatives	Change in Fair Value	Fair Value	Notional
<b>Futures:</b>			
Index Futures - Long	\$ 355	\$ 355	\$ 26,664
Index Futures - Short	(1)	(1)	(2,085)
Commodity Futures - Long	41,094	41,094	2,158,061
Fixed Income Futures - Long	4,083	4,083	548,661
Fixed Income Futures - Short	(392)	(392)	(293,847)
<b>Total Futures</b>	<b>45,139</b>	<b>45,139</b>	<b>2,437,454</b>
<b>Options:</b>			
Currency Spot Options Bought	(222)	8	23,749
Interest Rate Options Bought	(33)	36	1,150
Interest Rate Options Written	44	(24)	3,270
Credit Default Index Swaptions Written	(36)	(197)	99,200
<b>Total Options</b>	<b>(247)</b>	<b>(177)</b>	<b>127,369</b>
<b>Swaps:</b>			
Interest Rate Swaps - Pay Fixed Receive Variable	(32,067)	(33,725)	302,831
Interest Rate Swaps - Pay Variable Receive Fixed	3,051	3,260	193,595
Inflation Swaps- Pay Fixed Receive Variable	353	326	4,600
Zero Coupon Swaps- Pay Fixed Receive Variable	(1,578)	(2,795)	91,034
Zero Coupon Swaps - Pay Variable Receive Fixed	997	1,001	43,688
Credit Default Swaps Single Name - Buy Protection	(360)	(262)	20,420
Credit Default Swaps Single Name - Sell Protection	(218)	(453)	67,462
Credit Default Swaps Index - Buy Protection	(222)	117	61,991
Credit Default Swaps Index - Sell Protection	2,002	1,634	246,809
<b>Total Swaps</b>	<b>(28,042)</b>	<b>(30,897)</b>	<b>1,032,430</b>
<b>Total Derivatives</b>	<b>\$ 16,850</b>	<b>\$ 14,065</b>	<b>\$ 3,597,253</b>

## Notes to the Financial Statements, continued

The table below summarizes the swap maturity profile of derivative instruments as of June 30, 2020:

(dollars in thousands)

Swap Type	Swap Maturity Profile					
	< 1 yr	1-5 yrs	5-10 yrs	10-20 yrs	20+ yrs	Total
Interest Rate Swaps - Pay Fixed Receive Variable	\$ —	\$ (3,457)	\$ (9,337)	\$ (301)	\$ (20,630)	\$ (33,725)
Interest Rate Swaps - Pay Variable Receive Fixed	—	1,501	1,693	66	—	3,260
Inflation Swaps- Pay Fixed Receive Variable	—	—	—	326	—	326
Zero Coupon Swaps- Pay Fixed Receive Variable	—	(992)	(1,757)	(46)	—	(2,795)
Zero Coupon Swaps - Pay Variable Receive Fixed	—	1,001	—	—	—	1,001
Credit Default Swaps Single Name - Buy Protection	—	(262)	—	—	—	(262)
Credit Default Swaps Single Name - Sell Protection	34	(487)	—	—	—	(453)
Credit Default Swaps Index - Buy Protection	—	117	—	—	—	117
Credit Default Swaps Index - Sell Protection	—	2,449	(833)	—	18	1,634
<b>Total Swap Fair Value</b>	<b>\$ 34</b>	<b>\$ (130)</b>	<b>\$ (10,234)</b>	<b>\$ 45</b>	<b>\$ (20,612)</b>	<b>\$ (30,897)</b>

### Derivative Instruments - Risk Management:

INPRS's Investment Policy Statement allows derivatives transactions by investment managers who possess recognized expertise in derivative overlay strategies to offset, or hedge, unintended market exposures in underlying funds that remain in a lock-up period. Direct purchases of physical commodities are prohibited; however, swaps and instruments that constitute a security or authorized derivatives are permitted.

INPRS effectively manages credit risk relating to derivative instruments by following the guidelines below:

- To avoid counterparty risk, derivative transactions are executed through the use of listed options and futures traded on registered exchanges, whenever possible. Non-exchange traded options, forwards, or swaps are executed only if the counterparty is rated "A" or better by at least one of the Nationally Recognized Statistical Rating Organizations ("NSRSOs").
- Exchange-traded commodity futures, options, and other instruments are traded on any exchange regulated by the Commodities Futures Trading Commission ("CFTC") of the United States and/or the Financial Services Authority ("FSA") of the United Kingdom.
- For non-exchange traded derivatives, counterparty creditworthiness is at a minimum of "A3" as defined by Moody's Investor Service, "A-" by Standard & Poor's, and/or "A-" by Fitch. Unrated counterparties are not selected unless such counterparty is a wholly-owned affiliate of a parent organization that guarantees payment and meets the above counterparty creditworthiness standards.
- Derivative instruments are standardized and exchange-traded (e.g., futures) and/or privately-negotiated and over-the-counter (e.g., swap agreements). Underlying risk exposures may be to cash commodities and/or commodity derivatives. Risk exposures for exchange-traded instruments shall lie with exchange clearinghouses and with approved counterparties for non-exchange traded transactions.
- The market value of commodities collateral is maintained at 100 percent or greater of the net option-adjusted notional value of any commodities overlay exposure at the consummation of any new commodities overlay position. If the collateral market value falls below the net option-adjusted value of the overlay, the investment manager(s) adjust their portfolio at the earliest feasible opportunity to bring the collateral value up to the notional value of the overlay.

## Notes to the Financial Statements, continued

### Derivative Instruments - Counterparty Credit Risk

Counterparty credit risk exists on all open over-the-counter positions. INPRS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, posting collateral exposure, and monitoring procedures, in addition to adherence to the standard International Swaps and Derivatives Association and Credit Support Annex agreements.

As of June 30, 2020, the aggregate fair value of investment derivatives in an asset position subject to counterparty credit risk was approximately \$15.3 million, of which \$15 million was uncollateralized.

The table below summarizes the counterparty positions as of June 30, 2020:

(dollars in thousands)

Swaps Counterparty	S&P Rating	Fair Value			Collateral	
		Receivable Unrealized Gain	Payable (Unrealized Loss)	Total Fair Value	Posted	Received
Bank of America	A-	\$ 24	\$ (2)	\$ 104	\$ —	\$ (150)
Banque Nationale De Paris	A+	4	—	—	370	(1,410)
Barclays	BBB	68	—	45	230	(250)
Chicago Mercantile Exchange	AA-	6,537	(29,399)	(25,276)	—	—
Citigroup	BBB+	90	(12)	18	740	—
Deutsche Bank	BBB+	143	(283)	(69)	60	—
Goldman Sachs	BBB+	178	(174)	(163)	346	(2,930)
HSBC Securities Inc.	A-	18	(18)	(18)	1,460	(2,400)
Intercontinental Exchange Inc.	A	4,693	(2,974)	(165)	551	—
JPMorgan Chase Bank	A-	3	(78)	(50)	790	(1,647)
London Clearing House	A	3,569	(10,106)	(6,914)	—	—
Morgan Stanley	BBB+	21	(345)	1,591	—	(2,800)
<b>Total</b>		<b>\$ 15,348</b>	<b>\$ (43,391)</b>	<b>\$ (30,897)</b>	<b>\$ 4,547</b>	<b>\$ (11,587)</b>

### Derivative Instruments - Foreign Currency Risk

Foreign currency forward contracts and futures contracts are exposed to foreign currency risk. At June 30, 2020, INPRS's investments included a foreign currency contract receivable balance of \$7.2 billion and an offsetting foreign currency contract payable of \$7.2 billion. In addition, the net loss for the year ended June 30, 2020, due to foreign currency transactions was \$18.4 million.

### Derivative Instruments - Synthetic Guaranteed Investment Contracts (GICs)

The Defined Contribution Stable Value Fund consists of fully benefit-responsive synthetic guaranteed investment contracts (GICs). The Stable Value Fund is an investment option that seeks to provide safety of principal and a stable credited rate of interest, while generating competitive returns over time compared to other comparable investments. As of June 30, 2020, the Stable Value Fund portfolio of well-diversified high-quality investment grade fixed income securities had a fair value of \$2.2 billion, which was \$246 million less than the fair value protected by the wrap contract.

## Notes to the Financial Statements, continued

### Derivative Instruments - Interest Risk

INPRS has exposure to interest rate risk due to investments in interest rate swaps, inflation swaps and forward mortgage-backed securities (TBAs). Reference Note 4 Interest Rate Risk for further analysis.

Derivative Instruments as of June 30, 2020, subject to interest rate risk are summarized below:

(dollars in thousands)

Reference Currency	Pays	Receives	Fair Value	Notional
<b>Interest Rate Swap - Pay Fixed Receive Variable</b>				
U.S. Dollar	0.40% to 2.75%	3M USD LIBOR BBA	\$ (33,102)	\$ 256,600
Euro Currency Unit	-0.25% to 0.75%	6M EURIBOR REUTERS	(666)	24,664
Japanese Yen	0.30%	6M JPY LIBOR BBA	(204)	10,845
Mexican Peso	7.35%	28D MXN TIIE BANXICO	577	4,458
Pound Sterling	0.75% to 2.00%	6M GBP LIBOR BBA	(116)	3,830
Czech Koruna	2.01%	6M CZK PRIBOR PRBO	(214)	2,433
Thailand Baht	1.25%	6M THB THBFIX REUTERS	—	1
			<b>\$ (33,725)</b>	<b>\$ 302,831</b>
<b>Interest Rate Swap - Pay Variable Receive Fixed</b>				
Chinese Yuan Renminbi	7D CHINA FIXING REPO RATES	2.50%	\$ 333	\$ 42,216
Malaysian Ringgit	3M MYR-KLIBOR-BNM	2.25%	115	34,861
Indian Rupee	1NR FBIL MIBOR OIS COM	3.75%	33	29,233
Mexican Peso	28D MXN TIIE BANXICO	4.50% to 5.70%	298	24,342
Chilean Peso	CLP CLICP BLOOMBERG	1.60% to 2.40%	331	18,268
Canadian Dollar	CAD-BA-CDOR 3M	1.22% to 1.50%	466	16,079
U.S. Dollar	3M US LIBOR BBA	1.66% to 2.70%	1,155	11,000
Brazil Real	1D BRL CDI	4.81% to 6.66%	422	10,701
Japanese Yen	6M JPY LIBOR BBA	-0.09% to -0.02%	(36)	5,237
Israeli Shekel	3M ILS TELBOR REFERENCE BANKS	1.41%	143	1,658
			<b>\$ 3,260</b>	<b>\$ 193,595</b>

### Note 6. Other Risk Management

INPRS is exposed to the following risks:

- Damage to INPRS property.
- Personal injury or property damage liabilities.
- Errors, omissions and employee theft.
- Employee death benefits.
- Certain employee health benefits, unemployment and worker's compensation costs for INPRS employees.
- Breach of fiduciary responsibility.
- Lawsuits.
- Unanticipated events.

INPRS purchases commercial insurance for property, general liability, employee crime, employee health and unemployment, and fiduciary responsibility. Settlements have not exceeded the insurance coverage for any of the past three years. INPRS records expenses for losses, if any, as the liabilities are incurred or replacement items are purchased.

During fiscal year 2019, INPRS identified inaccuracies with how the plan administered the tax-basis on a limited number of retirement accounts. As a result, form 1099-R submitted to the IRS showed incorrect taxable and non-taxable allocations for the calendar years 2014–2019. INPRS has submitted an application to the IRS under the Voluntary Correction Program to formally disclose and resolve the matter. Financial statements for fiscal year 2020 include an accrued liability to the IRS of \$872,911 bringing the Funds back into compliance.

### Note 7. Legislative Changes

The following legislative changes were signed into law which have a financial impact in the current and future years. These changes have been included in the actuarial valuations as of June 30, 2020.

#### House Enrolled Act (HEA) 1043

Allows a political subdivision served by a volunteer fire department to contribute to the Public Employee Retirement Fund Defined Contribution Plan (known as PERF MC DC) for the members of the volunteer fire department in an amount determined by the political subdivision's governing body. Provides that a unit's obligation to provide insurance coverage for a volunteer firefighter or a member of the emergency medical service supersedes the obligation of another medical insurance carrier. Modifies the maximum age for police officers to begin '77 Fund membership from 35 to 39 years.

#### House Enrolled Act (HEA) 1063

Modifies the special death benefit from \$150,000 to \$225,000 for public safety officers who die in the line of duty after June 30, 2020. INPRS shall determine contributions and the contribution rates for employers to adequately maintain SDBF.

#### House Enrolled Act (HEA) 1151

Modifies the definition of "public safety officer" to include a school resource officer who is not otherwise entitled to a line of duty benefit under the following: 1925 police pension fund, or the 1953 police pension fund (Indianapolis, or the '77 Fund).

#### Senate Enrolled Act (SEA) 10

Provides the following changes:

- PERF Hybrid and TRF Hybrid members who are 59 ½ years of age and are age and service eligible for normal retirement may withdraw all or part of their DC account balance without consequence to the member's pension benefit and without separating from a covered position.
- LE DC members who are 59 ½ years of age may withdraw all or part of their DC account balance without consequence to the member's pension benefit and without separating from a covered position.
- Removes the thirty day wait requirement for PERF DC, TRF DC, and LE DC members before a withdrawal can be made from the DC account.
- Provides that the INPRS Board may offer members an alternative option for the payment of the member's retirement benefits that does not include a minimum benefit option.

#### Senate Enrolled Act (SEA) 25

Pertains to mental health disability review panels for evaluation of '77 Fund members who have been determined to have a disability impairment for mental illness. Includes mental illness in the description of "occupational diseases" so that mental illness related disabilities are Class 1 impairments or Class 3 impairments. The panel will review all mental illness related disabilities that were determined after December 31, 2012 at a 2-year interval and, if applicable, a 4-year interval for the following:

- If the member remains impaired.
- If the panel determines the member remains impaired, a subsequent review will occur two years later to determine whether the member continues to remain impaired.
- If at the subsequent review the impairment exists, the member will be considered permanently impaired.
- If the panel determines that the member is no longer impaired at either the 2-year or the 4-year review, the member will return to duty.
- The disability benefit may be suspended by INPRS if the member fails to comply with reasonable requests by the panel.

## Notes to the Financial Statements, continued

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### Senate Enrolled Act (SEA) 50

Makes various changes to trust and probate laws concerning proof of title affidavits, small estate affidavits, execution of a trust by a third party, silent trusts, nonjudicial settlements of accounts, and legacy trusts, and makes technical corrections.

### Senate Enrolled Act (SEA) 181

Provides that if an EG&C participant dies in line of duty after January 31, 2018 the participant's nominated survivor will receive 100% of the entitled amount. If the participant dies while active but outside the line of duty, the nominated survivor receives 50% of the entitled amount. If the participant dies while inactive but with at least 15 years of service, the nominated survivor receives 50% of the entitled amount. The entitled amount totals what the participant would have received at 25 years of service and 50 years of age.

### Senate Enrolled Act (SEA) 406

Provides that if a public safety officer enters a deferred retirement option plan (DROP) for the public safety officer's respective pension plan and the public safety officer dies after June 30, 2020 and before the public safety officer's DROP exit date, the benefit options for the public safety officer's survivors are made similar, as applicable, to the DROP disability benefit options in: (1) the DROP applicable to EG&C; and (2) the DROP applicable to the 1925 police pension fund, the 1937 firefighters' pension fund, the 1953 police pension fund (Indianapolis), and the '77 Fund. If a member who entered the DROP dies with less than 12 months in DROP, then the survivor benefit is calculated as if the member never entered DROP. If a member who entered drop dies with at least 12 months in DROP, then the survivor benefit is based on DROP frozen benefit and an additional benefit based on the DROP frozen benefit multiplied by the number of months that the member was in DROP.

## Notes to the Financial Statements, continued

### 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, 2020:

(dollars in thousands)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Fiduciary Net Position as a Percent of Total Pension Liability (b) / (a)
<b>Pre-Funded Defined Benefit Pension Trust Funds</b>				
PERF DB	\$ 16,281,754	\$ 13,261,360	\$ 3,020,394	81.4 %
TRF '96 DB	6,403,252	6,325,311	77,941	98.8
77 Fund	6,785,608	6,542,800	242,808	96.4
JRS	592,510	554,121	38,389	93.5
EG&C	163,978	146,358	17,620	89.3
PARF	107,049	67,876	39,173	63.4
LE DB	3,126	2,924	202	93.5
<b>Total Pre-Funded DB</b>	<b>\$ 30,337,277</b>	<b>\$ 26,900,750</b>	<b>\$ 3,436,527</b>	<b>88.7</b>
<b>Pay-As-You-Go Defined Benefit Pension Trust Fund</b>				
TRF Pre-'96 DB	\$ 13,968,703	\$ 3,661,151	\$ 10,307,552	26.2 %
<b>Total DB</b>	<b>\$ 44,305,980</b>	<b>\$ 30,561,901</b>	<b>\$ 13,744,079</b>	<b>69.0 %</b>

Total Pension Liability is determined by the 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, etc.) and assumptions about the probability of occurrence of events in the future (e.g., mortality, disabilities, retirements, employment terminations, etc.). Actuarially determined amounts are subject to review and modifications, as actual results are compared with past expectations and new estimates are developed. INPRS completed an actuarial experience study in February 2020. Assumption changes were recommended to the board and adopted in June 2020 for the June 30, 2020 actuarial valuations. No changes in methods were recommended or adopted. See the Schedule of Notes to Required Supplementary Information for additional information.

The 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.

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. 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.

## Notes to the Financial Statements, continued

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

Description	PERF DB	TRF Pre-'96 DB	TRF '96 DB	77 Fund	JRS	EG&C	PARF	LE DB
Asset Valuation Date	June 30, 2020							
Liability Valuation Date	June 30, 2019 - Member census data as of June 30, 2019 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2019 and June 30, 2020. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2019 to the June 30, 2020 measurement date.							
Actuarial Cost Method (Accounting)	Entry Age Normal (Level Percent of Payroll)							
Actuarial Assumptions:								
Experience Study Date	Period of five years ended June 30, 2019							
Investment Rate of Return (Accounting)	6.75%, includes inflation and net of investment expenses							
Cost of Living Increases (COLA), see Note 1.	2020-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%		2.10%	2.75%	2020-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%	N/A	2020-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%	
Future Salary Increases, including Inflation	2.75% - 8.75%	2.75% - 12.00%		2.75%		2.75% - 5.00%	2.75%	2.75%
Inflation	2.25%							
Mortality - Healthy Employees and Retirees	Base Table	PubG-2010	PubT-2010	PubS-2010	PubG-2010	PubS-2010	PubG-2010	PubG-2010
	M/F Set Forward	+3/+1	+1/+1	+3/+0	-1/-1	+3/+0	-1/-1	-1/-1
Mortality - Disableds	Base Table	PubG-2010						
	Load	140%	140%	100%	140%	100%	140%	140%
Mortality - Beneficiaries	Base Table	PubCS-2010						
	M/F Set Forward	+0/+2						
Mortality - Improvement - All Tables	Generational Improvement Scale	MP-2019						

## Notes to the Financial Statements, continued

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. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.75% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change.

Global Asset Class	Long-Term Expected Real Rate of Return (Geometric Basis)	Target Asset Allocation
Public Equity	4.4 %	22.0 %
Private Markets	7.6	14.0
Fixed Income - Ex Inflation-Linked	1.9	20.0
Fixed Income - Inflation-Linked	0.5	7.0
Commodities	1.6	8.0
Real Estate	5.8	7.0
Absolute Return	2.9	10.0
Risk Parity	5.5	12.0

The Total Pension Liability (TPL) for each defined benefit pension plan was calculated using the long-term expected rate of return of 6.75%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from 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 nonemployer contributing entity) would be made as stipulated by Indiana statute. Projected inflows from investment earnings were calculated using the 6.75% long-term assumed investment rate of return. 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 TPL for each plan.

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

(dollars in thousands)

	Discount Rate		
	1% Decrease 5.75%	Current 6.75%	1% Increase 7.75%
<b>Pre-Funded Defined Benefit Pension Trust Funds</b>			
PERF DB	\$ 4,924,270	\$ 3,020,394	\$ 1,425,744
TRF '96 DB	1,191,567	77,941	(822,619)
77 Fund	1,293,167	242,808	(608,202)
JRS	106,797	38,389	(19,206)
EG&C	39,715	17,620	(624)
PARF	52,125	39,173	28,459
LE DB	405	202	24
<b>Pay-As-You-Go Defined Benefit Pension Trust Fund</b>			
TRF Pre-'96 DB	\$ 11,565,852	\$ 10,307,552	\$ 9,222,047

## Note 9. Subsequent Events

### Impact on the Financial Statements

Before the issuance of the financial statements, there were no known events or transactions that were material in nature that would have affected the financial results as of June 30, 2020. All events and transactions have been recognized or disclosed in the financial statements and notes as it pertains to the period ending June 30, 2020.

### Future GASB Pronouncements

#### **GASB Statement No. 87 - Leases**

Improves the accounting and financial reporting for leases by governments. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Management is currently evaluating GASB Statement No. 87 and if applicable, will implement in the appropriate period.

#### **GASB Statement No. 89 - Accounting for Interest Cost Incurred Before the End of a Construction Period**

Enhances the relevance and comparability of information on capital assets and the cost of borrowing for a reporting period and simplifies the accounting of interest cost incurred prior to the end of a construction period. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Management is currently evaluating GASB Statement No. 89 and if applicable, will implement in the appropriate period.

#### **GASB Statement No. 91 - Conduit Debt Obligations**

Commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. Management is currently evaluating GASB Statement No. 91 and if applicable, will implement in the appropriate period.

#### **GASB Statement No. 92 - Omnibus 2020**

Enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Management is currently evaluating GASB Statement No. 92 and if applicable, will implement in the appropriate period.

#### **GASB Statement No. 93 - Replacement of Interbank Offered Rates**

As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The requirements of this statement are effective in two parts: reporting periods beginning after June 15, 2020 and December 31, 2021 depending on the subject. Management is currently evaluating GASB Statement No. 93 and if applicable, will implement in the appropriate period.

#### **GASB Statement No. 94 - Public-Private and Public-Private Partnerships and Availability Payment Arrangements**

Improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating GASB Statement No. 94 and if applicable, will implement in the appropriate period.

#### **GASB Statement No. 96 - Subscription-Based Information Technology Arrangements**

Provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating GASB Statement No. 96 and if applicable, will implement in the appropriate period.

#### **GASB Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans**

GASB 97 provides for increased consistency and comparability related to reporting of fiduciary component units where the primary government performs the duties a governing board would perform. The standard seeks to mitigate costs associated with various DC and OPEB plans, and to enhance the relevance, consistency, and comparability of accounting and financial reporting pursuant to IRC Section 457 deferred compensation plans that meet the definition of a pension plan and the benefits provided through those plans. Management is currently evaluating the requirements of this statement which are effective for reporting periods beginning after June 15, 2021, and if applicable, will implement in the appropriate period.

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# Introduction to Required Supplementary Information (Unaudited)

## Purpose of Supplementary Information

Required Supplementary Information and the Other Supplementary Schedules consist of statistical data and other information to provide greater transparency and to enhance the usefulness of the financial statements.

### RSI Schedules (Unaudited)

- Schedule of Changes in Net Pension Liability and Net Pension Liability
- Schedule of Contributions
- Schedule of Investment Returns
- Schedule of Notes to Required Supplementary Information

### OSS Schedules

- Schedule of Administrative Expenses
- Schedule of Administrative Expenses - Vendors
- Schedule of Direct Investment Expenses

### Accompanying Notes to the RSI Schedules

The schedules currently reflect historical results for the years available within the last 10 years.

Schedules for Public Employees' Defined Benefit Account, Teachers' Pre-1996 Defined Benefit Account and Teachers' 1996 Defined Benefit Account were restated for fiscal years 2013-2017 to reflect the DB/DC split effective January 1, 2018.

The following details are intended to clarify results for selected categories in these schedules:

- **Benefit Payments** - includes pension, disability and survivor benefits, special death benefits, distributions of contributions and interest, and refund of employee contributions.
- **ASA Annuitizations** - include activity through December 31, 2017. Effective January 1, 2018, members can no longer annuitize their DC balances to increase their DB payments.
- **Net Member Reassignments** - includes net interfund transfers of employer contribution amounts.
- **Contributions** - include contributions from employers, members, a nonemployer contributing entity and additional one-time contributions as reflected in the table below. In accordance with statute, TRF Pre-'96 DB nonemployer contributing entity contributions increase three percent annually.

(dollars in thousands)	One-time Contributions			
	Fund	2019	2016	2013
TRF Pre-'96 DB	\$ —	\$ —	\$ 206,796	
TRF '96 DB	150,000	—	—	
JRS	—	—	90,187	
EG&C	—	70	14,619	
PARF	—	—	17,363	

- **Administrative Expenses** - include contributions by INPRS to PERF DB and TRF '96 DB for its employees in their respective funds. Administrative expenses use a predetermined allocation methodology.
- **Covered Payroll** - Excludes payroll corresponding to the contribution accrual. Payroll for 2011-2013 is estimated based on contributions received and the contribution rate. LE DB has no covered payroll. TRF Pre-'96 DB and LE DB are closed to new members and the population will continue to decline over time.
- **Actuarially Determined Contribution (ADC)** - Calculated using covered payroll at the applicable ADC rate. To determine the contribution deficiency/(excess), contributions in relation to ADC exclude service purchases and specific financed liabilities.

### Trends

In 2018, SEA 373 replaced the 1% COLA assumption for five funds (PERF DB, TRF Pre-'96 DB, TRF '96 DB, EG&C and LE DB) with a COLA of 0.4 percent beginning January 1, 2022, 0.5 percent beginning January 1, 2034, and 0.6 percent beginning January 1, 2039. As a result, the actuarial accrued liabilities were lowered for those respective funds. In 2020, an experience study was performed resulting in an update to several assumptions. These assumption changes included a change in the mortality assumptions, retirement assumptions, withdrawal assumptions, disability assumptions, dependent spouse assumptions and future salary increase assumptions. The COLA assumptions for the '77 Fund and JRS were changed. The line-of-duty death assumption and DROP election rate assumptions were changed for the '77 Fund and EG&C. For further details, refer to the Actuarial Section of the CAFR.

## Required Supplementary Information (Unaudited)

### Schedule of Changes in Net Pension Liability and Net Pension Liability

#### Public Employees' Defined Benefit Account <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2020	2019	2018	2017	2016
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 16,576,060</b>	<b>\$ 16,091,373</b>	<b>\$ 16,335,253</b>	<b>\$ 15,752,055</b>	<b>\$ 15,263,395</b>
Service Cost	201,143	195,383	202,324	194,101	191,055
Interest Cost	1,101,241	1,069,184	1,088,503	1,051,217	1,018,993
Experience (Gains) / Losses	(54,832)	101,180	20,103	82,964	(4,870)
Assumption Changes	(616,830)	—	(731,601)	22,809	—
Plan Amendments	—	12,920	—	(22,766)	—
Benefit Payments <sup>1</sup>	(922,189)	(888,512)	(860,613)	(820,721)	(786,607)
ASA Annuizations <sup>1</sup>	—	—	43,874	78,793	75,036
Net Member Reassignment <sup>1</sup>	(3,163)	(5,787)	(7,030)	(3,618)	(5,441)
Other	324	319	560	419	494
<b>Net Change in Total Pension Liability</b>	<b>(294,306)</b>	<b>484,687</b>	<b>(243,880)</b>	<b>583,198</b>	<b>488,660</b>
<b>Total Pension Liability - End of Year</b>	<b>\$ 16,281,754</b>	<b>\$ 16,576,060</b>	<b>\$ 16,091,373</b>	<b>\$ 16,335,253</b>	<b>\$ 15,752,055</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 13,270,996</b>	<b>\$ 12,694,328</b>	<b>\$ 11,873,709</b>	<b>\$ 11,213,610</b>	<b>\$ 11,190,493</b>
Employer Contributions <sup>1</sup>	599,100	581,873	571,374	558,891	615,773
Member Contributions <sup>1</sup>	127	296	708	590	443
Net Investment Income / (Loss)	335,139	906,388	1,093,094	870,592	147,106
Benefit Payments <sup>1</sup>	(922,189)	(888,512)	(860,613)	(820,721)	(786,607)
ASA Annuizations <sup>1</sup>	—	—	43,874	78,793	75,036
Net Member Reassignment <sup>1</sup>	(3,163)	(5,787)	(7,030)	(3,618)	(5,441)
Administrative Expenses <sup>1</sup>	(18,887)	(18,472)	(20,844)	(24,483)	(24,098)
Other	237	882	56	55	905
<b>Net Change in Fiduciary Net Position</b>	<b>(9,636)</b>	<b>576,668</b>	<b>820,619</b>	<b>660,099</b>	<b>23,117</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 13,261,360</b>	<b>\$ 13,270,996</b>	<b>\$ 12,694,328</b>	<b>\$ 11,873,709</b>	<b>\$ 11,213,610</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 16,281,754	\$ 16,576,060	\$ 16,091,373	\$ 16,335,253	\$ 15,752,055
Fiduciary Net Position	13,261,360	13,270,996	12,694,328	11,873,709	11,213,610
<b>Net Pension Liability</b>	<b>\$ 3,020,394</b>	<b>\$ 3,305,064</b>	<b>\$ 3,397,045</b>	<b>\$ 4,461,544</b>	<b>\$ 4,538,445</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>81.4 %</b>	<b>80.1 %</b>	<b>78.9 %</b>	<b>72.7 %</b>	<b>71.2 %</b>
Covered Payroll <sup>1</sup>	\$ 5,380,843	\$ 5,205,243	\$ 5,083,131	\$ 4,997,555	\$ 4,868,709
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>56.1 %</b>	<b>63.5 %</b>	<b>66.8 %</b>	<b>89.3 %</b>	<b>93.2 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability, continued

#### Public Employees' Defined Benefit Account<sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 13,880,722</b>	<b>\$ 13,349,578</b>	<b>\$ 13,034,791</b>
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 <sup>1</sup>	(752,896)	(680,203)	(662,283)
ASA Annuityizations <sup>1</sup>	196,788	119,094	107,520
Net Member Reassignment <sup>1</sup>	(8,155)	(3,125)	(5,083)
Other	290	—	—
<b>Net Change in Total Pension Liability</b>	<b>1,382,673</b>	<b>531,144</b>	<b>314,787</b>
<b>Total Pension Liability - End of Year</b>	<b>\$ 15,263,395</b>	<b>\$ 13,880,722</b>	<b>\$ 13,349,578</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 11,252,787</b>	<b>\$ 9,924,498</b>	<b>\$ 9,494,306</b>
Employer Contributions <sup>1</sup>	538,059	526,090	455,658
Member Contributions	—	—	—
Net Investment Income / (Loss)	(10,667)	1,393,814	563,530
Benefit Payments <sup>1</sup>	(752,896)	(680,203)	(662,283)
ASA Annuityizations <sup>1</sup>	196,788	119,094	107,520
Net Member Reassignment <sup>1</sup>	(8,155)	(3,125)	(5,083)
Administrative Expenses <sup>1</sup>	(25,506)	(27,433)	(29,181)
Other	83	52	31
<b>Net Change in Fiduciary Net Position</b>	<b>(62,294)</b>	<b>1,328,289</b>	<b>430,192</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 11,190,493</b>	<b>\$ 11,252,787</b>	<b>\$ 9,924,498</b>
<b>Net Pension Liability</b>			
Total Pension Liability	\$ 15,263,395	\$ 13,880,722	\$ 13,349,578
Fiduciary Net Position	11,190,493	11,252,787	9,924,498
<b>Net Pension Liability</b>	<b>\$ 4,072,902</b>	<b>\$ 2,627,935</b>	<b>\$ 3,425,080</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>73.3 %</b>	<b>81.1 %</b>	<b>74.3 %</b>
Covered Payroll <sup>1</sup>	\$ 4,804,145	\$ 4,896,635	\$ 4,700,000
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>84.8 %</b>	<b>53.7 %</b>	<b>72.9 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability

#### Teachers' Pre-1996 Defined Benefit Account <sup>1</sup>

#### For the Years Ended, June 30

(dollars in thousands)

Changes in Net Pension Liability	2020	2019	2018	2017	2016
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 14,389,164</b>	<b>\$ 14,583,189</b>	<b>\$ 15,494,539</b>	<b>\$ 15,575,072</b>	<b>\$ 15,596,292</b>
Service Cost	33,750	37,234	44,603	43,204	46,787
Interest Cost	933,928	947,607	1,010,565	1,016,915	1,019,403
Experience (Gains) / Losses	(43,562)	(15,073)	(162,414)	22,416	(5,794)
Assumption Changes	(170,663)	—	(668,484)	(61,548)	—
Plan Amendments	—	(190)	—	4,213	—
Benefit Payments <sup>1</sup>	(1,174,419)	(1,165,134)	(1,153,374)	(1,135,662)	(1,118,122)
ASA Annuizations <sup>1</sup>	—	—	16,301	30,502	35,185
Net Member Reassignment <sup>1</sup>	484	1,494	1,428	—	—
Other	21	37	25	(573)	1,321
<b>Net Change in Total Pension Liability</b>	<b>(420,461)</b>	<b>(194,025)</b>	<b>(911,350)</b>	<b>(80,533)</b>	<b>(21,220)</b>
<b>Total Pension Liability - End of Year</b>	<b>\$ 13,968,703</b>	<b>\$ 14,389,164</b>	<b>\$ 14,583,189</b>	<b>\$ 15,494,539</b>	<b>\$ 15,575,072</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 3,759,145</b>	<b>\$ 3,711,347</b>	<b>\$ 3,575,400</b>	<b>\$ 3,522,401</b>	<b>\$ 3,678,455</b>
Employer Contributions <sup>1</sup>	2,356	3,505	4,168	4,525	5,048
Nonemployer Contributing Entity Contributions <sup>1</sup>	971,132	943,900	917,900	871,000	887,500
Member Contributions <sup>1</sup>	21	36	156	10	132
Net Investment Income / (Loss)	107,748	269,009	354,639	288,850	40,767
Benefit Payments <sup>1</sup>	(1,174,419)	(1,165,134)	(1,153,374)	(1,135,662)	(1,118,122)
ASA Annuizations <sup>1</sup>	—	—	16,301	30,502	35,185
Net Member Reassignment <sup>1</sup>	484	1,494	1,429	—	—
Administrative Expenses <sup>1</sup>	(5,341)	(5,329)	(5,385)	(6,226)	(6,564)
Other	25	317	113	—	—
<b>Net Change in Fiduciary Net Position</b>	<b>(97,994)</b>	<b>47,798</b>	<b>135,947</b>	<b>52,999</b>	<b>(156,054)</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 3,661,151</b>	<b>\$ 3,759,145</b>	<b>\$ 3,711,347</b>	<b>\$ 3,575,400</b>	<b>\$ 3,522,401</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 13,968,703	\$ 14,389,164	\$ 14,583,189	\$ 15,494,539	\$ 15,575,072
Fiduciary Net Position	3,661,151	3,759,145	3,711,347	3,575,400	3,522,401
<b>Net Pension Liability</b>	<b>\$ 10,307,552</b>	<b>\$ 10,630,019</b>	<b>\$ 10,871,842</b>	<b>\$ 11,919,139</b>	<b>\$ 12,052,671</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>26.2 %</b>	<b>26.1 %</b>	<b>25.4 %</b>	<b>23.1 %</b>	<b>22.6 %</b>
Covered Payroll <sup>1</sup>	\$ 693,965	\$ 753,355	\$ 824,770	\$ 912,685	\$ 989,093
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>1,485.3 %</b>	<b>1,411.0 %</b>	<b>1,318.2 %</b>	<b>1,305.9 %</b>	<b>1,218.6 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability, continued

#### Teachers' Pre-1996 Defined Benefit Account <sup>1</sup>

For the Years Ended, June 30

(dollars in thousands)

Changes in Net Pension Liability	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 14,639,876</b>	<b>\$ 14,649,549</b>	<b>\$ 14,547,939</b>
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 <sup>1</sup>	(1,100,434)	(1,034,563)	(988,335)
ASA Annuityizations <sup>1</sup>	143,225	93,982	86,941
Net Member Reassignment <sup>1</sup>	3,266	(3,802)	—
Other	21	263	5,152
<b>Net Change in Total Pension Liability</b>	<b>956,416</b>	<b>(9,673)</b>	<b>101,610</b>
<b>Total Pension Liability - End of Year</b>	<b>\$ 15,596,292</b>	<b>\$ 14,639,876</b>	<b>\$ 14,649,549</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 3,786,527</b>	<b>\$ 3,401,153</b>	<b>\$ 3,084,834</b>
Employer Contributions <sup>1</sup>	5,811	6,325	9,484
Nonemployer Contributing Entity Contributions <sup>1</sup>	845,616	825,617	1,003,596
Member Contributions <sup>1</sup>	—	5	—
Net Investment Income / (Loss)	953	504,801	212,554
Benefit Payments <sup>1</sup>	(1,100,434)	(1,034,563)	(988,335)
ASA Annuityizations <sup>1</sup>	143,225	93,982	86,941
Net Member Reassignment <sup>1</sup>	3,266	(3,802)	—
Administrative Expenses <sup>1</sup>	(6,530)	(7,010)	(7,926)
Other	21	19	5
<b>Net Change in Fiduciary Net Position</b>	<b>(108,072)</b>	<b>385,374</b>	<b>316,319</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 3,678,455</b>	<b>\$ 3,786,527</b>	<b>\$ 3,401,153</b>
<b>Net Pension Liability</b>			
Total Pension Liability	\$ 15,596,292	\$ 14,639,876	\$ 14,649,549
Fiduciary Net Position	3,678,455	3,786,527	3,401,153
<b>Net Pension Liability</b>	<b>\$ 11,917,837</b>	<b>\$ 10,853,349</b>	<b>\$ 11,248,396</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>23.6 %</b>	<b>25.9 %</b>	<b>23.2 %</b>
Covered Payroll <sup>1</sup>	\$ 1,074,827	\$ 1,262,828	\$ 1,383,428
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>1,108.8 %</b>	<b>859.4 %</b>	<b>813.1 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability

#### Teachers' 1996 Defined Benefit Account <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2020	2019	2018	2017	2016
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 5,980,426</b>	<b>\$ 5,563,264</b>	<b>\$ 5,536,094</b>	<b>\$ 5,174,317</b>	<b>\$ 4,734,776</b>
Service Cost	183,633	180,559	182,558	168,651	167,836
Interest Cost	411,329	383,384	382,298	357,392	328,018
Experience (Gains) / Losses	(31,433)	(21,588)	(142,275)	46,460	29,876
Assumption Changes	(114)	—	(285,442)	(115,506)	—
Plan Amendments	—	2,939	—	1,353	—
Benefit Payments <sup>1</sup>	(143,372)	(132,572)	(122,239)	(109,335)	(99,507)
ASA Annuizations <sup>1</sup>	—	—	6,504	8,504	8,932
Net Member Reassignment <sup>1</sup>	2,679	4,293	5,601	4,258	4,370
Other	104	147	165	—	16
<b>Net Change in Total Pension Liability</b>	<b>422,826</b>	<b>417,162</b>	<b>27,170</b>	<b>361,777</b>	<b>439,541</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 6,403,252</b>	<b>\$ 5,980,426</b>	<b>\$ 5,563,264</b>	<b>\$ 5,536,094</b>	<b>\$ 5,174,317</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 6,124,086</b>	<b>\$ 5,452,352</b>	<b>\$ 4,873,897</b>	<b>\$ 4,393,797</b>	<b>\$ 4,208,198</b>
Employer Contributions <sup>1</sup>	188,789	393,172	235,819	227,207	215,626
Member Contributions <sup>1</sup>	104	127	130	58	43
Net Investment Income / (Loss)	158,072	411,147	457,708	354,927	61,722
Benefit Payments <sup>1</sup>	(143,372)	(132,572)	(122,239)	(109,335)	(99,507)
ASA Annuizations <sup>1</sup>	—	—	6,504	8,504	8,932
Net Member Reassignment <sup>1</sup>	2,679	4,293	5,601	4,258	4,370
Administrative Expenses <sup>1</sup>	(5,090)	(5,038)	(5,208)	(5,553)	(5,603)
Other	43	605	140	34	16
<b>Net Change in Fiduciary Net Position</b>	<b>201,225</b>	<b>671,734</b>	<b>578,455</b>	<b>480,100</b>	<b>185,599</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 6,325,311</b>	<b>\$ 6,124,086</b>	<b>\$ 5,452,352</b>	<b>\$ 4,873,897</b>	<b>\$ 4,393,797</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 6,403,252	\$ 5,980,426	\$ 5,563,264	\$ 5,536,094	\$ 5,174,317
Fiduciary Net Position	6,325,311	6,124,086	5,452,352	4,873,897	4,393,797
<b>Net Pension Liability / (Asset)</b>	<b>\$ 77,941</b>	<b>\$ (143,660)</b>	<b>\$ 110,912</b>	<b>\$ 662,197</b>	<b>\$ 780,520</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>98.8 %</b>	<b>102.4 %</b>	<b>98.0 %</b>	<b>88.0 %</b>	<b>84.9 %</b>
Covered Payroll <sup>1</sup>	\$ 3,465,728	\$ 3,257,918	\$ 3,129,070	\$ 3,020,463	\$ 2,881,397
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>2.2 %</b>	<b>(4.4)%</b>	<b>3.5 %</b>	<b>21.9 %</b>	<b>27.1 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability, continued Teachers' 1996 Defined Benefit Account <sup>1</sup> For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 4,116,264</b>	<b>\$ 3,757,444</b>	<b>\$ 3,438,970</b>
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 <sup>1</sup>	(90,267)	(77,253)	(68,793)
ASA Annuizations <sup>1</sup>	22,575	15,151	11,621
Net Member Reassignment <sup>1</sup>	4,890	6,922	—
Other	24	423	4,022
<b>Net Change in Total Pension Liability</b>	<b>618,512</b>	<b>358,820</b>	<b>318,474</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 4,734,776</b>	<b>\$ 4,116,264</b>	<b>\$ 3,757,444</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 4,068,713</b>	<b>\$ 3,442,972</b>	<b>\$ 3,118,810</b>
Employer Contributions <sup>1</sup>	205,763	194,751	180,714
Member Contributions	—	—	—
Net Investment Income / (Loss)	2,684	492,856	207,098
Benefit Payments <sup>1</sup>	(90,267)	(77,253)	(68,793)
ASA Annuizations <sup>1</sup>	22,575	15,151	11,621
Net Member Reassignment <sup>1</sup>	4,890	6,922	—
Administrative Expenses <sup>1</sup>	(6,184)	(6,707)	(6,482)
Other	24	21	4
<b>Net Change in Fiduciary Net Position</b>	<b>139,485</b>	<b>625,741</b>	<b>324,162</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 4,208,198</b>	<b>\$ 4,068,713</b>	<b>\$ 3,442,972</b>
<b>Net Pension Liability</b>			
Total Pension Liability	\$ 4,734,776	\$ 4,116,264	\$ 3,757,444
Fiduciary Net Position	4,208,198	4,068,713	3,442,972
<b>Net Pension Liability</b>	<b>\$ 526,578</b>	<b>\$ 47,551</b>	<b>\$ 314,472</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>88.9 %</b>	<b>98.8 %</b>	<b>91.6 %</b>
Covered Payroll <sup>1</sup>	\$ 2,742,187	\$ 2,598,115	\$ 2,442,496
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>19.2 %</b>	<b>1.8 %</b>	<b>12.9 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability

#### 1977 Police Officers' and Firefighters' Retirement Fund<sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2020	2019	2018	2017	2016
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 6,389,002</b>	<b>\$ 5,839,659</b>	<b>\$ 5,385,753</b>	<b>\$ 5,039,836</b>	<b>\$ 4,680,694</b>
Service Cost	162,497	150,289	136,640	134,489	129,369
Interest Cost	434,975	398,002	366,932	344,397	320,219
Experience (Gains) / Losses	11,694	31,019	123,069	33,409	41,723
Assumption Changes	2,278	—	—	(23,399)	—
Plan Amendments	—	157,278	—	1,323	—
Benefit Payments <sup>1</sup>	(215,751)	(189,951)	(172,908)	(148,865)	(132,746)
Net Member Reassignment <sup>1</sup>	—	—	—	—	(74)
Other	913	2,706	173	4,563	651
<b>Net Change in Total Pension Liability</b>	<b>396,606</b>	<b>549,343</b>	<b>453,906</b>	<b>345,917</b>	<b>359,142</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 6,785,608</b>	<b>\$ 6,389,002</b>	<b>\$ 5,839,659</b>	<b>\$ 5,385,753</b>	<b>\$ 5,039,836</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 6,379,786</b>	<b>\$ 5,927,570</b>	<b>\$ 5,401,179</b>	<b>\$ 4,950,999</b>	<b>\$ 4,828,415</b>
Employer Contributions <sup>1</sup>	162,302	155,051	147,094	150,857	151,674
Member Contributions <sup>1</sup>	54,175	52,811	48,839	51,521	44,918
Net Investment Income / (Loss)	164,228	436,229	504,991	398,196	60,320
Benefit Payments <sup>1</sup>	(215,751)	(189,951)	(172,908)	(148,865)	(132,746)
Net Member Reassignment <sup>1</sup>	—	—	—	—	(74)
Administrative Expenses <sup>1</sup>	(1,960)	(1,904)	(1,643)	(1,607)	(1,651)
Other	20	(20)	18	78	143
<b>Net Change in Fiduciary Net Position</b>	<b>163,014</b>	<b>452,216</b>	<b>526,391</b>	<b>450,180</b>	<b>122,584</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 6,542,800</b>	<b>\$ 6,379,786</b>	<b>\$ 5,927,570</b>	<b>\$ 5,401,179</b>	<b>\$ 4,950,999</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 6,785,608	\$ 6,389,002	\$ 5,839,659	\$ 5,385,753	\$ 5,039,836
Fiduciary Net Position	6,542,800	6,379,786	5,927,570	5,401,179	4,950,999
<b>Net Pension Liability / (Asset)</b>	<b>\$ 242,808</b>	<b>\$ 9,216</b>	<b>\$ (87,911)</b>	<b>\$ (15,426)</b>	<b>\$ 88,837</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>96.4 %</b>	<b>99.9 %</b>	<b>101.5 %</b>	<b>100.3 %</b>	<b>98.2 %</b>
Covered Payroll <sup>1</sup>	\$ 940,496	\$ 866,299	\$ 842,179	\$ 809,382	\$ 771,949
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>25.8 %</b>	<b>1.1 %</b>	<b>(10.4)%</b>	<b>(1.9)%</b>	<b>11.5 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability, continued

#### 1977 Police Officers' and Firefighters' Retirement Fund<sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 4,706,997</b>	<b>\$ 4,392,947</b>	<b>\$ 4,122,436</b>
Service Cost	138,204	133,074	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 <sup>1</sup>	(116,490)	(109,094)	(99,803)
Net Member Reassignment <sup>1</sup>	—	—	71
Other	295	—	—
<b>Net Change in Total Pension Liability</b>	<b>(26,303)</b>	<b>314,050</b>	<b>270,511</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 4,680,694</b>	<b>\$ 4,706,997</b>	<b>\$ 4,392,947</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 4,757,978</b>	<b>\$ 4,116,861</b>	<b>\$ 3,817,013</b>
Employer Contributions <sup>1</sup>	146,697	140,119	137,111
Member Contributions <sup>1</sup>	43,523	41,791	40,786
Net Investment Income / (Loss)	(1,600)	570,058	223,510
Benefit Payments <sup>1</sup>	(116,490)	(109,094)	(99,803)
Net Member Reassignment <sup>1</sup>	—	—	71
Administrative Expenses <sup>1</sup>	(1,708)	(1,787)	(1,845)
Other	15	30	18
<b>Net Change in Fiduciary Net Position</b>	<b>70,437</b>	<b>641,117</b>	<b>299,848</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 4,828,415</b>	<b>\$ 4,757,978</b>	<b>\$ 4,116,861</b>
<b>Net Pension Liability</b>			
Total Pension Liability	\$ 4,680,694	\$ 4,706,997	\$ 4,392,947
Fiduciary Net Position	4,828,415	4,757,978	4,116,861
<b>Net Pension Liability / (Asset)</b>	<b>\$ (147,721)</b>	<b>\$ (50,981)</b>	<b>\$ 276,086</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>103.2 %</b>	<b>101.1 %</b>	<b>93.7 %</b>
Covered Payroll <sup>1</sup>	\$ 745,336	\$ 710,581	\$ 695,000
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>(19.8)%</b>	<b>(7.2)%</b>	<b>39.7 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability

#### Judges' Retirement System <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2020	2019	2018	2017	2016
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 586,499</b>	<b>\$ 547,694</b>	<b>\$ 523,735</b>	<b>\$ 501,126</b>	<b>\$ 468,945</b>
Service Cost	19,567	18,230	14,886	14,762	13,870
Interest Cost	40,006	37,346	35,567	34,083	31,888
Experience (Gains) / Losses	(1,968)	8,527	(3,090)	(3,107)	7,182
Assumption Changes	(24,814)	—	—	(1,213)	—
Plan Amendments	—	—	—	—	—
Benefit Payments <sup>1</sup>	(26,837)	(25,391)	(23,623)	(22,099)	(20,922)
Net Member Reassignment	—	—	—	—	—
Other	57	93	219	183	163
<b>Net Change in Total Pension Liability</b>	<b>6,011</b>	<b>38,805</b>	<b>23,959</b>	<b>22,609</b>	<b>32,181</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 592,510</b>	<b>\$ 586,499</b>	<b>\$ 547,694</b>	<b>\$ 523,735</b>	<b>\$ 501,126</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 545,331</b>	<b>\$ 513,952</b>	<b>\$ 475,055</b>	<b>\$ 441,790</b>	<b>\$ 437,352</b>
Employer Contributions	18,167	16,031	15,117	16,824	16,946
Member Contributions	3,549	3,476	3,418	3,468	3,239
Net Investment Income / (Loss)	14,020	37,371	44,104	35,196	5,323
Benefit Payments <sup>1</sup>	(26,837)	(25,391)	(23,623)	(22,099)	(20,922)
Net Member Reassignment	—	—	—	—	—
Administrative Expenses <sup>1</sup>	(109)	(108)	(119)	(124)	(148)
Other	—	—	—	—	—
<b>Net Change in Fiduciary Net Position</b>	<b>8,790</b>	<b>31,379</b>	<b>38,897</b>	<b>33,265</b>	<b>4,438</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 554,121</b>	<b>\$ 545,331</b>	<b>\$ 513,952</b>	<b>\$ 475,055</b>	<b>\$ 441,790</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 592,510	\$ 586,499	\$ 547,694	\$ 523,735	\$ 501,126
Fiduciary Net Position	554,121	545,331	513,952	475,055	441,790
<b>Net Pension Liability</b>	<b>\$ 38,389</b>	<b>\$ 41,168</b>	<b>\$ 33,742</b>	<b>\$ 48,680</b>	<b>\$ 59,336</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>93.5 %</b>	<b>93.0 %</b>	<b>93.8 %</b>	<b>90.7 %</b>	<b>88.2 %</b>
Covered Payroll <sup>1</sup>	\$ 58,189	\$ 56,380	\$ 53,350	\$ 54,755	\$ 51,382
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>66.0 %</b>	<b>73.0 %</b>	<b>63.2 %</b>	<b>88.9 %</b>	<b>115.5 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability, continued

#### Judges' Retirement System <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 464,855</b>	<b>\$ 453,110</b>	<b>\$ 437,854</b>
Service Cost	15,283	15,302	16,084
Interest Cost	31,754	30,992	30,047
Experience (Gains) / Losses	8,411	(16,026)	(13,603)
Assumption Changes	(31,926)	—	186
Plan Amendments	—	—	—
Benefit Payments <sup>1</sup>	(19,432)	(18,527)	(17,579)
Net Member Reassignment <sup>1</sup>	—	4	121
Other	—	—	—
<b>Net Change in Total Pension Liability</b>	<b>4,090</b>	<b>11,745</b>	<b>15,256</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 468,945</b>	<b>\$ 464,855</b>	<b>\$ 453,110</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 432,730</b>	<b>\$ 375,752</b>	<b>\$ 262,326</b>
Employer Contributions <sup>1</sup>	21,020	20,895	111,419
Member Contributions <sup>1</sup>	3,292	2,856	2,631
Net Investment Income / (Loss)	(102)	51,890	16,955
Benefit Payments <sup>1</sup>	(19,432)	(18,527)	(17,579)
Net Member Reassignment <sup>1</sup>	—	4	121
Administrative Expenses <sup>1</sup>	(165)	(146)	(126)
Other	9	6	5
<b>Net Change in Fiduciary Net Position</b>	<b>4,622</b>	<b>56,978</b>	<b>113,426</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 437,352</b>	<b>\$ 432,730</b>	<b>\$ 375,752</b>
<b>Net Pension Liability</b>			
Total Pension Liability	\$ 468,945	\$ 464,855	\$ 453,110
Fiduciary Net Position	437,352	432,730	375,752
<b>Net Pension Liability</b>	<b>\$ 31,593</b>	<b>\$ 32,125</b>	<b>\$ 77,358</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>93.3 %</b>	<b>93.1 %</b>	<b>82.9 %</b>
Covered Payroll <sup>1</sup>	\$ 48,582	\$ 46,041	\$ 47,595
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>65.0 %</b>	<b>69.8 %</b>	<b>162.5 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability

#### Excise, Gaming and Conservation Officers' Retirement Fund<sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2020	2019	2018	2017	2016
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 152,207</b>	<b>\$ 140,056</b>	<b>\$ 142,603</b>	<b>\$ 138,965</b>	<b>\$ 132,796</b>
Service Cost	3,983	3,551	3,369	3,550	3,011
Interest Cost	10,294	9,448	9,619	9,389	8,955
Experience (Gains) / Losses	6,031	6,427	(587)	120	470
Assumption Changes	(1,984)	—	(8,015)	(2,578)	—
Plan Amendments	814	—	—	—	—
Benefit Payments <sup>1</sup>	(7,367)	(7,325)	(6,935)	(6,826)	(6,245)
Net Member Reassignment <sup>1</sup>	—	—	—	(26)	(21)
Other	—	50	2	9	(1)
<b>Net Change in Total Pension Liability</b>	<b>11,771</b>	<b>12,151</b>	<b>(2,547)</b>	<b>3,638</b>	<b>6,169</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 163,978</b>	<b>\$ 152,207</b>	<b>\$ 140,056</b>	<b>\$ 142,603</b>	<b>\$ 138,965</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 142,115</b>	<b>\$ 131,491</b>	<b>\$ 120,016</b>	<b>\$ 111,329</b>	<b>\$ 110,038</b>
Employer Contributions <sup>1</sup>	6,742	6,982	6,175	5,691	5,367
Member Contributions <sup>1</sup>	1,298	1,368	1,172	1,102	1,016
Net Investment Income / (Loss)	3,677	9,711	11,189	8,869	1,313
Benefit Payments <sup>1</sup>	(7,367)	(7,325)	(6,935)	(6,826)	(6,245)
Net Member Reassignment <sup>1</sup>	—	—	—	(26)	(21)
Administrative Expenses <sup>1</sup>	(107)	(112)	(136)	(123)	(139)
Other	—	—	10	—	—
<b>Net Change in Fiduciary Net Position</b>	<b>4,243</b>	<b>10,624</b>	<b>11,475</b>	<b>8,687</b>	<b>1,291</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 146,358</b>	<b>\$ 142,115</b>	<b>\$ 131,491</b>	<b>\$ 120,016</b>	<b>\$ 111,329</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 163,978	\$ 152,207	\$ 140,056	\$ 142,603	\$ 138,965
Fiduciary Net Position	146,358	142,115	131,491	120,016	111,329
<b>Net Pension Liability</b>	<b>\$ 17,620</b>	<b>\$ 10,092</b>	<b>\$ 8,565</b>	<b>\$ 22,587</b>	<b>\$ 27,636</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>89.3 %</b>	<b>93.4 %</b>	<b>93.9 %</b>	<b>84.2 %</b>	<b>80.1 %</b>
Covered Payroll <sup>1</sup>	\$ 32,491	\$ 33,272	\$ 29,387	\$ 27,428	\$ 25,526
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>54.2 %</b>	<b>30.3 %</b>	<b>29.1 %</b>	<b>82.4 %</b>	<b>108.3 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability, continued Excise, Gaming and Conservation Officers' Retirement Fund <sup>1</sup> For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 123,601</b>	<b>\$ 118,097</b>	<b>\$ 113,282</b>
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 <sup>1</sup>	(6,608)	(5,938)	(4,836)
Net Member Reassignment <sup>1</sup>	—	—	(15)
Other	—	—	—
<b>Net Change in Total Pension Liability</b>	<b>9,195</b>	<b>5,504</b>	<b>4,815</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 132,796</b>	<b>\$ 123,601</b>	<b>\$ 118,097</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 110,657</b>	<b>\$ 97,019</b>	<b>\$ 76,543</b>
Employer Contributions <sup>1</sup>	5,215	5,359	19,740
Member Contributions <sup>1</sup>	1,004	1,019	1,006
Net Investment Income / (Loss)	(71)	13,339	4,702
Benefit Payments <sup>1</sup>	(6,608)	(5,938)	(4,836)
Net Member Reassignment <sup>1</sup>	—	—	(15)
Administrative Expenses <sup>1</sup>	(159)	(141)	(121)
Other	—	—	—
<b>Net Change in Fiduciary Net Position</b>	<b>(619)</b>	<b>13,638</b>	<b>20,476</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 110,038</b>	<b>\$ 110,657</b>	<b>\$ 97,019</b>
<b>Net Pension Liability</b>			
Total Pension Liability	\$ 132,796	\$ 123,601	\$ 118,097
Fiduciary Net Position	110,038	110,657	97,019
<b>Net Pension Liability</b>	<b>\$ 22,758</b>	<b>\$ 12,944</b>	<b>\$ 21,078</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>82.9 %</b>	<b>89.5 %</b>	<b>82.2 %</b>
Covered Payroll <sup>1</sup>	\$ 25,133	\$ 25,825	\$ 24,675
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>90.6 %</b>	<b>50.1 %</b>	<b>85.4 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability

#### Prosecuting Attorneys' Retirement Fund <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2020	2019	2018	2017	2016
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 110,081</b>	<b>\$ 103,284</b>	<b>\$ 96,655</b>	<b>\$ 85,033</b>	<b>\$ 77,861</b>
Service Cost	2,068	2,031	1,947	1,650	1,626
Interest Cost	7,402	6,959	6,521	5,714	5,239
Experience (Gains) / Losses	(2,515)	2,240	2,156	1,996	4,058
Assumption Changes	(5,012)	—	—	(216)	—
Plan Amendments	—	—	—	6,547	—
Benefit Payments <sup>1</sup>	(4,975)	(4,433)	(3,995)	(4,069)	(3,747)
Net Member Reassignment	—	—	—	—	—
Other	—	1	—	—	(4)
<b>Net Change in Total Pension Liability</b>	<b>(3,032)</b>	<b>6,798</b>	<b>6,629</b>	<b>11,622</b>	<b>7,172</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 107,049</b>	<b>\$ 110,082</b>	<b>\$ 103,284</b>	<b>\$ 96,655</b>	<b>\$ 85,033</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 65,523</b>	<b>\$ 61,019</b>	<b>\$ 55,575</b>	<b>\$ 52,792</b>	<b>\$ 53,424</b>
Employer Contributions <sup>1</sup>	4,232	3,216	3,014	1,486	1,440
Member Contributions <sup>1</sup>	1,440	1,307	1,294	1,357	1,279
Net Investment Income / (Loss)	1,730	4,489	5,218	4,167	589
Benefit Payments <sup>1</sup>	(4,975)	(4,433)	(3,995)	(4,069)	(3,747)
Net Member Reassignment	—	—	—	—	—
Administrative Expenses <sup>1</sup>	(74)	(75)	(87)	(158)	(193)
Other	—	—	—	—	—
<b>Net Change in Fiduciary Net Position</b>	<b>2,353</b>	<b>4,504</b>	<b>5,444</b>	<b>2,783</b>	<b>(632)</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 67,876</b>	<b>\$ 65,523</b>	<b>\$ 61,019</b>	<b>\$ 55,575</b>	<b>\$ 52,792</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 107,049	\$ 110,082	\$ 103,284	\$ 96,655	\$ 85,033
Fiduciary Net Position	67,876	65,523	61,019	55,575	52,792
<b>Net Pension Liability</b>	<b>\$ 39,173</b>	<b>\$ 44,559</b>	<b>\$ 42,265</b>	<b>\$ 41,080</b>	<b>\$ 32,241</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>63.4 %</b>	<b>59.5 %</b>	<b>59.1 %</b>	<b>57.5 %</b>	<b>62.1 %</b>
Covered Payroll <sup>1</sup>	\$ 23,989	\$ 21,791	\$ 21,578	\$ 22,635	\$ 21,372
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>163.3 %</b>	<b>204.5 %</b>	<b>195.9 %</b>	<b>181.5 %</b>	<b>150.9 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability, continued Prosecuting Attorneys' Retirement Fund <sup>1</sup> For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 65,336</b>	<b>\$ 61,940</b>	<b>\$ 56,080</b>
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 <sup>1</sup>	(3,254)	(2,398)	(2,235)
Net Member Reassignment	—	—	—
Other	—	—	—
<b>Net Change in Total Pension Liability</b>	<b>12,525</b>	<b>3,396</b>	<b>5,860</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 77,861</b>	<b>\$ 65,336</b>	<b>\$ 61,940</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 54,507</b>	<b>\$ 47,920</b>	<b>\$ 27,689</b>
Employer Contributions <sup>1</sup>	1,063	1,174	19,443
Member Contributions <sup>1</sup>	1,269	1,334	1,271
Net Investment Income / (Loss)	(34)	6,581	1,897
Benefit Payments <sup>1</sup>	(3,254)	(2,398)	(2,235)
Net Member Reassignment	—	—	—
Administrative Expenses <sup>1</sup>	(127)	(108)	(145)
Other	—	4	—
<b>Net Change in Fiduciary Net Position</b>	<b>(1,083)</b>	<b>6,587</b>	<b>20,231</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 53,424</b>	<b>\$ 54,507</b>	<b>\$ 47,920</b>
<b>Net Pension Liability</b>			
Total Pension Liability	\$ 77,861	\$ 65,336	\$ 61,940
Fiduciary Net Position	53,424	54,507	47,920
<b>Net Pension Liability</b>	<b>\$ 24,437</b>	<b>\$ 10,829</b>	<b>\$ 14,020</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>68.6 %</b>	<b>83.4 %</b>	<b>77.4 %</b>
Covered Payroll <sup>1</sup>	\$ 21,145	\$ 20,608	\$ 18,805
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>115.6 %</b>	<b>52.5 %</b>	<b>74.6 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability

#### Legislators' Defined Benefit Fund <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2020	2019	2018	2017	2016
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 3,362</b>	<b>\$ 3,484</b>	<b>\$ 3,804</b>	<b>\$ 4,015</b>	<b>\$ 4,325</b>
Service Cost	—	—	—	1	2
Interest Cost	214	223	245	258	280
Experience (Gains) / Losses	(14)	10	(85)	(113)	(233)
Assumption Changes	(87)	—	(121)	—	—
Plan Amendments	—	—	—	—	—
Benefit Payments <sup>1</sup>	(349)	(356)	(359)	(357)	(359)
Net Member Reassignment	—	—	—	—	—
Other	—	1	—	—	—
<b>Net Change in Total Pension Liability</b>	<b>(236)</b>	<b>(122)</b>	<b>(320)</b>	<b>(211)</b>	<b>(310)</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 3,126</b>	<b>\$ 3,362</b>	<b>\$ 3,484</b>	<b>\$ 3,804</b>	<b>\$ 4,015</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 3,026</b>	<b>\$ 2,942</b>	<b>\$ 2,865</b>	<b>\$ 2,919</b>	<b>\$ 3,174</b>
Employer Contributions <sup>1</sup>	208	269	237	135	138
Member Contributions	—	—	—	—	—
Net Investment Income / (Loss)	77	209	263	221	27
Benefit Payments <sup>1</sup>	(349)	(356)	(359)	(357)	(359)
Net Member Reassignment	—	—	—	—	—
Administrative Expenses <sup>1</sup>	(38)	(38)	(64)	(53)	(61)
Other	—	—	—	—	—
<b>Net Change in Fiduciary Net Position</b>	<b>(102)</b>	<b>84</b>	<b>77</b>	<b>(54)</b>	<b>(255)</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 2,924</b>	<b>\$ 3,026</b>	<b>\$ 2,942</b>	<b>\$ 2,865</b>	<b>\$ 2,919</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 3,126	\$ 3,362	\$ 3,484	\$ 3,804	\$ 4,015
Fiduciary Net Position	2,924	3,026	2,942	2,865	2,919
<b>Net Pension Liability</b>	<b>\$ 202</b>	<b>\$ 336</b>	<b>\$ 542</b>	<b>\$ 939</b>	<b>\$ 1,096</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>93.5 %</b>	<b>90.0 %</b>	<b>84.4 %</b>	<b>75.3 %</b>	<b>72.7 %</b>
Covered Payroll <sup>1</sup>	N/A	N/A	N/A	N/A	N/A
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Changes in Net Pension Liability and Net Pension Liability, continued

#### Legislators' Defined Benefit Fund<sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

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

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Contributions

(dollars in thousands)

For the Years Ended June 30	Actuarially Determined Contribution (ADC) <sup>1</sup>	Contributions in Relation to ADC <sup>1</sup>	Contribution Deficiency (Excess)	Contributions as a Percentage of ADC	Covered Payroll <sup>1</sup>	Contributions as a Percentage of Covered Payroll
<b>PERF DB</b>						
2020	\$ 482,316	\$ 598,903	\$ (116,587)	124.2 %	\$ 5,380,843	11.1 %
2019	527,836	581,559	(53,723)	110.2	5,205,243	11.2
2018	502,206	571,099	(68,893)	113.7	5,083,131	11.2
2017	496,867	558,659	(61,792)	112.4	4,997,555	11.2
2016	492,000	547,684	(55,684)	111.3	4,868,709	11.2
2015	517,717	536,467	(18,750)	103.6	4,804,145	11.2
2014	528,562	519,576	8,986	98.3	4,896,635	10.6
2013	464,047	455,658	8,389	98.2	4,700,000	9.7
2012	449,388	397,843	51,545	88.5	4,550,000	8.7
2011	351,000	342,779	8,221	97.7	4,500,000	7.6
<b>TRF Pre-'96 DB</b>						
2020	\$ 973,488	\$ 973,488	\$ —	100.0 %	\$ 693,965	140.3 %
2019	947,405	947,405	—	100.0	753,355	125.8
2018	922,068	922,068	—	100.0	824,770	111.8
2017	875,525	875,525	—	100.0	912,685	95.9
2016	892,548	892,548	—	100.0	989,093	90.2
2015	851,427	851,427	—	100.0	1,074,827	79.2
2014	831,942	831,942	—	100.0	1,262,828	65.9
2013	1,013,080	1,013,080	—	100.0	1,383,428	73.2
2012	764,423	764,423	—	100.0	1,637,066	46.7
2011	748,978	748,978	—	100.0	1,762,750	42.5
<b>TRF '96 DB</b>						
2020	\$ 162,035	\$ 188,789	\$ (26,754)	116.5 %	\$ 3,465,728	5.4 %
2019	226,099	393,151	(167,052)	173.9	3,257,918	12.1
2018	210,586	235,675	(25,089)	111.9	3,129,070	7.5
2017	198,444	227,207	(28,763)	114.5	3,020,463	7.5
2016	180,375	215,626	(35,251)	119.5	2,881,397	7.5
2015	178,260	205,763	(27,503)	115.4	2,742,187	7.5
2014	177,711	194,751	(17,040)	109.6	2,598,115	7.5
2013	167,311	180,714	(13,403)	108.0	2,442,496	7.4
2012	154,800	181,067	(26,267)	117.0	2,400,000	7.5
2011	135,057	166,633	(31,576)	123.4	2,225,000	7.5
<b>77 Fund</b>						
2020	\$ 91,134	\$ 162,056	\$ (70,922)	177.8 %	\$ 940,496	17.2 %
2019	78,010	154,228	(76,218)	197.7	866,299	17.8
2018	74,491	147,074	(72,583)	197.4	842,179	17.5
2017	91,258	150,698	(59,440)	165.1	809,382	18.6
2016	113,438	151,299	(37,861)	133.4	771,949	19.6
2015	118,881	146,402	(27,521)	123.2	745,336	19.6
2014	103,425	140,119	(36,694)	135.5	710,581	19.7
2013	112,590	137,111	(24,521)	121.8	695,000	19.7
2012	132,549	135,605	(3,056)	102.3	690,000	19.7
2011	117,820	133,726	(15,906)	113.5	687,000	19.5

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

# Required Supplementary Information (Unaudited), continued

## Schedule of Contributions, continued

(dollars in thousands)

For the Years Ended June 30	Actuarially Determined Contribution (ADC) <sup>1</sup>	Contributions in Relation to ADC <sup>1</sup>	Contribution Deficiency (Excess)	Contributions as a Percentage of ADC	Covered Payroll <sup>1</sup>	Contributions as a Percentage of Covered Payroll
<b>JRS</b>						
2020	\$ 19,406	\$ 18,166	\$ 1,240	93.6 %	\$ 58,189	31.2 %
2019	14,862	16,031	(1,169)	107.9	56,380	28.4
2018	14,853	15,117	(264)	101.8	53,350	28.3
2017	14,335	16,824	(2,489)	117.4	54,755	30.7
2016	17,485	16,946	539	96.9	51,382	33.0
2015	18,865	21,020	(2,155)	111.4	48,582	43.3
2014	27,648	20,895	6,753	75.6	46,041	45.4
2013	25,458	111,419	(85,961)	437.7	47,595	234.1
2012	19,664	18,896	768	96.1	45,138	41.9
2011	18,910	19,200	(290)	101.5	45,764	42.0
<b>EG&amp;C</b>						
2020	\$ 3,647	\$ 6,742	\$ (3,095)	184.9 %	\$ 32,491	20.8 %
2019	4,874	6,982	(2,108)	143.2	33,272	21.0
2018	4,393	6,175	(1,782)	140.6	29,387	21.0
2017	4,033	5,691	(1,658)	141.1	27,428	20.7
2016	4,078	5,297	(1,219)	129.9	25,526	20.8
2015	4,820	5,215	(395)	108.2	25,133	20.7
2014	5,341	5,359	(18)	100.3	25,825	20.8
2013	4,794	19,740	(14,946)	411.8	24,675	80.0
2012	4,556	5,054	(498)	110.9	24,300	20.8
2011	4,112	5,197	(1,085)	126.4	25,000	20.8
<b>PARF</b>						
2020	\$ 4,608	\$ 4,232	\$ 376	91.8 %	\$ 23,989	17.6 %
2019	3,543	3,216	327	90.8	21,791	14.8
2018	2,533	3,014	(481)	119.0	21,578	14.0
2017	2,148	1,486	662	69.2	22,635	6.6
2016	1,381	1,440	(59)	104.3	21,372	6.7
2015	1,419	1,063	356	74.9	21,145	5.0
2014	2,345	1,174	1,171	50.1	20,608	5.7
2013	2,542	19,443	(16,901)	764.9	18,805	103.4
2012	2,037	1,839	198	90.3	21,705	8.5
2011	1,960	170	1,790	8.7	18,082	0.9
<b>LE DB</b>						
2020	\$ 216	\$ 208	\$ 8	96.3 %	N/A	N/A
2019	240	269	(29)	112.1	N/A	N/A
2018	237	237	—	100.0	N/A	N/A
2017	170	135	35	79.4	N/A	N/A
2016	138	138	—	100.0	N/A	N/A
2015	119	131	(12)	110.1	N/A	N/A
2014	138	138	—	100.0	N/A	N/A
2013	140	150	(10)	107.1	N/A	N/A
2012	113	112	1	99.1	N/A	N/A
2011	113	—	113	—	N/A	N/A

<sup>1</sup>For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information (Unaudited), continued

### Schedule of Investment Returns <sup>1</sup>

#### Annual Money-Weighted Rate of Return, Net of Investment Expense For the Years Ended, June 30

Defined Benefit Pension Trust Funds	2020	2019	2018	2017	2016	2015	2014	2013
PERF DB	2.58 %	7.32 %	9.33 %	7.60 %	1.11 %	0.32 %	12.33 %	5.79 %
TRF Pre-'96 DB	2.76	7.61	9.46	8.14	1.01	0.57	12.71	5.11
TRF '96 DB	2.58	7.47	9.28	8.14	1.01	0.57	12.71	5.11
77 Fund	2.57	7.34	9.30	7.97	1.22	(0.07)	13.70	5.85
JRS	2.57	7.31	9.32	7.96	1.18	(0.06)	13.69	5.24
EG&C	2.57	7.40	9.30	7.97	1.17	(0.09)	13.69	5.48
PARF	2.60	7.30	9.31	7.94	1.10	(0.08)	13.70	4.84
LE DB	2.64	7.19	9.39	7.91	0.84	(0.13)	13.65	6.16
<b>Total INPRS <sup>2</sup></b>	<b>2.77</b>	<b>6.84</b>	<b>8.88</b>	<b>7.85</b>	<b>1.10</b>	<b>0.44</b>	<b>12.69</b>	<b>5.57</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

<sup>2</sup> Rate of return includes DC, OPEB and custodial funds.

# Required Supplementary Information (Unaudited), continued

## Schedule of Notes to Required Supplementary Information

### Plan Amendments

In 2020, EG&C was modified pursuant to SEA 181. Previously, active members were required to have 15 years of service to qualify for death benefits. Statute now allows a qualifying spouse/dependent to receive a benefit regardless of the service credit of the deceased member.

### Assumption Changes

In 2020, an experience study was performed resulting in an update to several assumptions. These assumption changes included a change in the mortality assumptions, retirement assumptions, withdrawal assumptions, disability assumptions, dependent spouse assumptions, and future salary increase assumptions. The COLA assumptions for the '77 Fund and JRS were changed. The line-of-duty death assumption and DROP election rate assumptions were changed for the '77 Fund and EG&C. For further details, refer to the Actuarial Section of the CAFR.

### Methods and Assumptions Used in Calculating Actuarially Determined Contributions <sup>1</sup>

The following actuarial methods and assumptions were used to determine the ADC Rates for the Fiscal Year Ending June 30, 2020:

Description	PERF DB	TRF Pre-'96 DB	TRF '96 DB	77 Fund	JRS	EG&C	PARF	LE DB
Valuation Date:								
Assets	June 30, 2018							
Liabilities	June 30, 2017 - Member census data as of June 30, 2017 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2017 and June 30, 2018. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2017 to the June 30, 2018 measurement date.							
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	20 years, closed	5 years, closed	20 years, closed	30 years, open	20 years, closed			5 years, closed
Remaining Amortization Period in Years (Weighted) <sup>2</sup>	24	3	14	30 years, open	12	30	21	3
Asset Valuation Method	Five-year smoothing of gains and losses on the fair value of assets subject to a 20% corridor							
Investment Rate of Return (Funding)	6.75%, includes inflation, and net of administrative and investment expenses							
Cost of Living Increases	1.00%	1.00%		2.00%	2.50%	1.00%	N/A	1.00%
Future Salary Increases, including Inflation	2.50% - 4.25%		2.50% - 12.50%		2.50%		4.00%	2.25%
Inflation	2.25%							

<sup>1</sup> Differs from Note 8 schedule as this table is for funding purposes and Note 8 is for financial reporting purposes. Actuarially Determined Contributions in a given year are determined based on the actuarial valuation dated two fiscal years prior (i.e., rates effective 7-1-17 are based on the 6-30-16 valuation).

<sup>2</sup> The remaining amortization period becomes 30 years, open when a plan reaches 100% funded status.

## Other Supplementary Schedules

### Schedule of Administrative Expenses

#### For the Years Ended June 30

(dollars in thousands)	2020	2019
<b>Personnel Services</b>		
Salaries and Wages	\$ 14,645	\$ 13,976
Employee Benefits	7,173	6,219
Temporary Services	957	1,108
<b>Total Personnel Services</b>	<b>22,775</b>	<b>21,303</b>
<b>Professional Services</b>		
Benefit Payment Processing Fees	2,076	2,046
Consulting Services	1,836	1,876
Actuarial Services	462	430
Legal Services	90	57
Recordkeeper Services	6,250	6,272
<b>Total Professional Services</b>	<b>10,714</b>	<b>10,681</b>
<b>Information Technology Services</b>		
Data Processing	2,271	2,198
Software and Licenses	2,222	2,019
Other Computer Services	2,722	2,728
<b>Total Information Technology Services</b>	<b>7,215</b>	<b>6,945</b>
<b>Communications</b>		
Postage	205	193
Telephone	448	438
Printing	225	196
E-communications	13	11
<b>Total Communications</b>	<b>891</b>	<b>838</b>
<b>Miscellaneous</b>		
Depreciation and Amortization	311	432
Building and Facility Expenses	612	549
Memberships and Training	111	228
Travel	110	139
Equipment Rental	53	58
Other Administrative Expenses	226	225
<b>Total Miscellaneous</b>	<b>1,423</b>	<b>1,631</b>
<b>Total Administrative Expenses</b>	<b>\$ 43,018</b>	<b>\$ 41,398</b>

## Other Supplementary Schedules, continued

### Schedule of Administrative Expenses - Vendors

#### For the Years Ended June 30

INPRS elected to display vendors with administrative expenses of \$50 thousand or greater.

(dollars in thousands)

Vendor	2020	2019	Nature of Services
Voya Institutional Plan Services, Inc	\$ 8,442	\$ 8,871	Recordkeeper & Benefit Processing Services
Intervision Systems LLC	1,760	1,715	Servers - Offsite
iLab LLC	1,581	1,651	Quality Assurance
Mythics	1,388	1,339	Mythics Software Vendor and Support
Cherryroad Technologies Inc	1,007	1,015	INPAS Pension System Support
IOT	568	533	Desktop & Network Services, Software
JLL Property Management	478	400	Property Management
Cavanaugh Macdonald Consulting LLC	462	431	Actuarial Services
RSM US LLP	455	442	Auditing Services
Level 3 Communications LLC	395	388	Call Center Software and Phone Services
Key Benefit Administrators	339	—	RMBA Account Administrators
DAS	321	32	FileNet Managed Service Provider
Fineline Printing Group	199	149	Printing
Post Masters	189	71	Mail and Print Services
ServiceNow	170	170	IT Desktop Support Services
Brown & Brown of Indiana Inc.	103	99	Insurance
Dell Marketing LP	97	—	Application Monitoring Software
Loyalty Research Center	92	92	Research Services
Indiana State Personnel Department	85	80	HR Shared Services
Dr. Omkar N Markand, MD	76	89	Medical Consulting
Acorio LLC	75	—	IT Workforce Management Software
Experian Reserved Response Inc, (Allclear ID Inc)	75	64	Identity Theft Protection Services
Gartner Inc	74	71	IT Project Research & Advisory Services
Carahsoft Technology Corporation	74	8	IT Software
Looker Data Sciences Inc.	66	66	Data Analytics & Reporting Software
Conduent HR Services LLC	60	75	Historical Data Services
HP Inc.	55	24	Computer Hardware
Briljent	55	9	Training
Automatic Data Processing Inc.	53	46	Payroll Processing Services
Pension Benefit Information, LLC	53	—	Death Match Services
Cvent Inc.	52	47	Scheduling Application for Retirements
Ice Miller LLP	52	38	Legal Services
CEM Benchmarking Inc.	50	45	Benchmarking Services
Enterprise Rent-A-Car	50	53	Car Rental Services
Other	881	1,550	
<b>Total</b>	<b>19,932</b>	<b>19,663</b>	
Personnel Services	22,775	21,303	
Depreciation and Amortization	311	432	
<b>Total Administrative Expenses</b>	<b>\$ 43,018</b>	<b>\$ 41,398</b>	

## Other Supplementary Schedules, continued

### Schedule of Direct Investment Expenses

#### For the Years Ended June 30

(dollars in thousands)	2020	2019
<b>Investment Management Fees <sup>1</sup></b>	<b>\$ 209,673</b>	<b>\$ 197,497</b>
<b>Securities Lending Fees</b>	<b>494</b>	<b>605</b>
<b>General Investment Expenses</b>		
Investment Consultants:		
Verus	717	688
TorreyCove	694	575
Aksia	443	450
Mercer	382	366
Capital Cities	85	85
Other	265	208
<b>Total Investment Consultants</b>	<b>2,586</b>	<b>2,372</b>
<b>Investment Custodian (BNY Mellon)</b>	<b>1,380</b>	<b>1,362</b>
<b>Broker Commissions:</b>		
Morgan Stanley & Co. Inc.	1,064	1,007
Goldman Sachs & Co.	692	581
Newedge USA LLC	639	472
J P Morgan Secs Ltd.	215	86
Instinet Clearing Services Inc.	128	24
HSBC Securities Inc.	125	26
Sanford C Bernstein & Co Inc.	117	36
Merrill Lynch International Equities	86	101
Jefferies & Co Inc.	67	39
Royal Bank of Canada Europe Ltd.	67	4
Other Brokers	1,926	1,475
<b>Total Broker Commissions</b>	<b>5,126</b>	<b>3,851</b>
<b>Investment Staff Expenses</b>	<b>3,096</b>	<b>2,799</b>
<b>Investment Administrative Expenses:</b>		
Foster Garvey PLLC	631	400
Barra	447	428
Bloomberg	259	218
Paganelli Law Group LLC	172	137
Dynamo Software, Inc	144	—
Other	319	512
<b>Total Investment Administrative Expenses</b>	<b>1,972</b>	<b>1,695</b>
<b>Total General Investment Expenses</b>	<b>14,160</b>	<b>12,079</b>
<b>Total Direct Investment Expenses</b>	<b>\$ 224,327</b>	<b>\$ 210,181</b>

<sup>1</sup> A complete list of investment professionals that have provided services to INPRS can be found in the Schedule of Investment Professionals in the Investment Section.

# 2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020

## Investment Section

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**\$30.7 Billion**

Fair value of defined benefit assets

**\$5.8 Billion**

Fair value of defined contribution assets

**2.6%**

Time-weighted rate of return on defined benefit investments



August 7, 2020

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

Dear Trustees:

Verus is pleased to provide the Board of Trustees of the Indiana Public Retirement System (“INPRS”) with an overview of the market environment, an update on performance, and a summary of recent developments for the fiscal year ended June 30, 2020.

### Investment Landscape

- *Economy, COVID-19, Fiscal & Monetary Response*

During the latter half of 2019, global economies generally exhibited moderate and positive economic growth, inflation remained mild, central bank policies were accommodative to further growth, labor markets had fully recovered from the Global Financial Crisis, and economic surprises were few. Risk assets delivered robust performance during the second half of the year. The U.S. showed leadership (S&P 500 +10.9 percent) with International Developed and Emerging Market Equities close behind (MSCI EAFE +7.0 percent, MSCI Emerging Markets 7.1 percent). Sovereign bonds largely moved sideways outside of U.S. Treasuries (Bloomberg Barclays U.S. Treasury +1.6 percent) as longer-dated Treasury yields continued to trend lower. High-yield credit (Bloomberg Barclays Corporate High Yield +4.0 percent) posted solid performance, as credit spreads compressed modestly. Commodities posted solid performance as well (Bloomberg Commodity Index +2.5 percent), led by the precious metals (+9.2 percent) component as gold prices soared.

Investors’ main concerns in the market appeared to be around troubled U.S.-Chinese relations, the resulting trade conflict which could interrupt economic progress and corporate profits, and even the potential for military conflict. However, the relationship between the two superpowers was seemingly on a more conciliatory track. A series of meetings between the U.S. and Chinese officials culminated in a “phase one” deal addressing agricultural trade, intellectual property protections, and some loose agreements on how China would manage its currency.

In early 2020, the calm and relatively stable environment began to shift. A novel coronavirus (COVID-19) began spreading through Wuhan, the capital of China’s Hubei province. Though Wuhan ranks as the 9th largest city in China with nearly 12 million inhabitants, it is materially larger than New York City by population. As the virus began to spread, the Chinese government essentially locked down Wuhan, and implemented a series of rather draconian containment measures in an attempt to keep the virus within the city. Unfortunately, containment efforts were ineffective, and the virus continued to spread, from China to Italy to Europe more broadly, to the United States, and to the rest of the world. By the end of July, the virus had spread to over 17 million people in 213 countries and territories, resulting in over 660,000 deaths. The sudden impact of this global pandemic on economic activity and markets was unprecedented. News flow over the first half of 2020 was centered on the trajectory of the virus, the status of voluntary and

## Report on Investment Activities, continued

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involuntary social distancing controls, and fiscal and monetary policy support provided in efforts to mitigate the economic damage of the pandemic.

One of the most immediate effects of the forced closure of businesses around the world was an unparalleled shock to the global labor market, which had been chugging along through the second half of 2019. In the United States, approximately 10 million workers applied for unemployment benefits in the last two weeks of March alone. In the single week ending March 27th, nearly seven million people applied for those benefits. For context, during the Global Financial Crisis, the greatest number of Americans that applied for unemployment assistance in a single week was 665,000. The unemployment rate rose from a 50-year low of 3.5 percent in February to 14.7 percent in April—the worst level since the Great Depression.

U.S. real GDP contracted sharply on a quarter-over-quarter basis in Q2, falling -32.9 percent, and down -9.5 percent over the past year. The slowdown consisted of decreased consumer spending, exports, inventory investment, fixed investment, as well as state and local government expenditures. Federal government spending partly offset the deceleration. While significant, this shock to the economy was in line with expectations. Investors appear to expect GDP to bounce back partially in 2020 with a near full recovery in 2021, aided by vast government fiscal and monetary policy responses.

Between December 2015 and December 2018, the Federal Reserve hiked rates nine times to a range of 2.25-2.5 percent. In the second half of 2019, the Fed cut rates by 0.25 percent three times, and then COVID-19 hit. The size and pace of the shutdowns necessitated central bank intervention on a massive scale to prevent a possible breakdown in financial market functioning. The Federal Reserve cut its range for the federal funds rate by 1.50 percent to 0.0-0.25 percent, and dusted off a variety of global financial crisis-era liquidity facilities to help calm markets, which were posting consecutive days of high single-digit (even double-digit) percentage moves. The Federal Reserve's balance sheet swelled from around \$4.7 trillion to \$7.2 trillion between the end of March and the beginning of June as the New York Fed's trading desk purchased massive amounts of U.S. Treasuries and mortgage-backed securities. Additionally, the Fed opened facilities allowing it to buy corporate debt through ETFs, and even expanded eligibility for those programs to include junk bonds that had held investment-grade credit ratings prior to the onset of the pandemic. On the fiscal front, Congress passed the CARES Act, resulting in the distribution of \$1,200 checks to most Americans, the establishment of the Paycheck Protection Program, and the implementation of \$600 in weekly additional unemployment benefits.

### ▪ *Markets and asset class performance*

COVID-19 began to course through the U.S. in the first quarter, leading to a significant selloff in risk assets between February and March, though these assets went on to recoup most of those losses in the second quarter. The S&P 500 Total Return Index plunged -33.8 percent between February 19th and March 23rd, before rising +39.3 percent by the end of the second quarter. At quarter-end, the S&P 500 reached 3100—placing the index within 10 percent of the February high water mark of 3386.

Over the full trailing year, the S&P 500 (+7.5 percent) outperformed both emerging market equities (MSCI Emerging Markets Index -3.4 percent) and international developed equities (MSCI EAFE Index -5.1 percent) in U.S. dollar terms. China (MSCI China Index +13.1 percent) supported



## Report on Investment Activities, continued

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emerging market equity performance substantially, likely due to having moved into the recovery phase relatively quickly. The J.P. Morgan Emerging Market Currency Index, a basket of ten emerging market currencies, depreciated roughly -14.0 percent relative to the dollar, presenting material headwinds for U.S. investors in emerging market equities.

Bonds rallied for much of the fiscal year, and ten-year Treasury yields fell from 2.0 percent to 0.66 percent, establishing fresh all-time closing lows of 0.54 percent along the way. Holding duration in portfolios provided a significant downside ballast. The Bloomberg Barclays Long Duration Treasury Index returned 25.4 percent, topping the fixed income performance table over the one-year period. The rally in European sovereign bonds was more muted, as yields had less room to fall and the European Central Bank preferred not to push their main deposit rate below -0.50 percent.

Credit spreads jumped considerably in Q1, leading to poor performance in credit over the quarter. On March 23rd, the option-adjusted spreads of the Bloomberg Barclays Aggregate Corporate and Corporate High Yield indices topped out at 3.7 percent and 11.0 percent, respectively. From a sector perspective, stress in the energy market exacerbated the blowout in spreads as concerns over the crude oil outlook worked their way into debt pricing. In the second quarter, however, as corporate credit facilities announced by the Fed in March became operational, spreads fell—back down to 6.26 percent for high yield credit and 1.50 percent for investment grade credit—resulting in a performance comeback. Over the fiscal year, investment-grade credit posted performance of 9.5 percent while high-yield credit underperformed, returning 0.0 percent.

Exposure to commodities hurt investors over the fiscal year, but especially in the first half of 2020, primarily due to the precipitous decline in the oil market as demand dried up alongside the slowdown in global economic activity. The Bloomberg Commodity Index returned -17.4 percent over the fiscal year, and the Energy component of the index (Bloomberg Energy Sub-Index -45.7 percent) suffered far more severe losses. Precious metals, however, were a bright spot, and returning +24.2 percent over the fiscal year, primarily due to an incredible rally in gold prices. Spot gold prices rose from \$1410/oz to \$1781/oz, closing in on the prior all-time high level of \$1900 which was established in late 2011.

### ▪ *Outlook*

We will continue to monitor the progression of COVID-19 and its impacts on global health and economic activity, the shape and speed of the economic recovery here in the United States and elsewhere (which will likely determine the path of risk assets), central bank actions and the degree to which future support is offered to economies and markets, and, lastly, the evolving relationship between the world's two great superpowers—the United States and China—which will have far-reaching implications based on the path which this relationship takes. Knowing how all these interconnected issues resolve themselves is of course, impossible, and so prudent diversification continues to be the best course of action.

### **Plan Performance<sup>1</sup>**

The INPRS consolidated defined benefit investment portfolio (“the Portfolio”) earned a 2.6 percent return net of fees for the fiscal year ending June 30, 2020. This return outperformed the policy target index<sup>2</sup> return by 0.5 percent but underperformed the long-term actuarial assumed return (6.75 percent) by 4.2 percent.



## Report on Investment Activities, continued

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Portfolio risk as measured by standard deviation, increased modestly at the beginning of 2020. The trailing three-year annualized standard deviation of returns was 6.5 percent for the portfolio and 7.1 percent for the target index; this compares with 5.8 percent and 6.2 percent, respectively, over five years. Over the trailing 10-year period<sup>3</sup>, standard deviation for both the portfolio and the target index was 6.0 percent, resulting in a Sharpe Ratio of 0.8 for the portfolio and 0.6 for the target index.

### Plan Activity

During the 2020 fiscal year, Verus and INPRS' staff collaborated on a number of projects. Verus compiled a fee benchmarking study to assist in determining that the underlying investment management fees paid are reasonable. Together we worked with staff to administer and complete an RFP for several emerging markets equity and debt mandates, resulting in improved conviction with the underlying strategies utilized. Verus also collaborated with staff on an RFP for cash overlay and passive risk parity implementation services, resulting in the retention of a new investment manager and a lower cost method of obtaining market exposure to risk parity. Verus assisted the INPRS team in developing an active risk budget for the total plan as well as component asset classes. We conducted a strategic review of the commodities asset class considering historical performance, underlying drivers of go-forward return, diversification properties, varying sub-asset class compositions, and the asset class's interplay with expected and realized inflation. We also conducted a comprehensive structure review of INPRS' hedge fund program.

Ongoing work also involved the early steps of the asset-liability study, which include an enterprise risk tolerance study and asset-liability study education; we look forward to finalizing the asset-liability study during the 2021 fiscal year.

Verus values our relationship with INPRS and we appreciate the privilege of working with the Board and staff in designing policies and supporting decisions aimed at meeting the Plan's investment objectives. We remain confident in the direction of the Portfolio given the System's demographics, fiscal strength, and well-designed investment strategy. We look forward to continuing our partnership as we navigate ever-changing capital markets.

Sincerely,



Jeffrey J. MacLean  
Chief Executive Officer

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Verus 

## Report on Investment Activities, continued

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<sup>1</sup> 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 fair value.

<sup>2</sup> The target index weights for each asset class benchmark are set by the target asset allocation. The return for Risk Parity, Real Estate, and Private Equity are equal to the asset class returns and not the benchmark.

<sup>3</sup> The 10-year target index return reflects the current INPRS policy index history from July 2012 on. Prior to July 2012, this index reflects the average index return for the PERF & TERF plans.

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*Past performance is no guarantee of future results. This document is provided for informational purposes only and is directed to institutional clients and eligible institutional counterparties only and is not intended for retail investors. Nothing herein constitutes investment, legal, accounting or tax investment vehicle or any trading strategy. This document may include or imply estimates, outlooks, projections and other "forward-looking statements." No assurance can be given that future results described or implied by any forward looking information will be achieved. Investing entails risks, including possible loss of principal. Verus – also known as Verus Advisory™.*



# Report from the Chief Investment Officer

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## INPRS's Defined Benefit Investment Imperatives

Established in fiscal year 2012, three long-term imperatives that are vital to the continued health of the System's defined benefit plans have served as the guide for the investment team. Every strategic, tactical, and operational decision that is made must have the expectation of positively contributing to at least one of these imperatives.

- 1) **Achieve the long-term rate of return assumption.** Effective fiscal year 2013, INPRS's Board set the long-term rate of return assumption at 6.75 percent, and again in fiscal year 2015, the Board reaffirmed 6.75 percent as the appropriate long-term assumption. In order for the System to maintain a healthy funded status, it is essential to achieve this rate of return over the long-term (defined as 10+ years in INPRS's Investment Policy Statement).
- 2) **Accomplish the first imperative as effectively and efficiently as possible.** While it is important to establish an asset allocation that is expected to meet the target rate of return over a long time horizon, as fiduciaries, it is also important to maintain focus on maximizing the return per unit of risk, limiting return volatility, and maximizing cost efficiency.
- 3) **Maintain enough liquidity to make retirement payments on time.** As the System matures, retirement payments will be a greater cash outflow each year. As a result, it is critical to maintain an appropriate level of liquidity to ensure payments are made on time and without causing undue stress to the investment portfolio.

## The Fiscal Year in Review (Defined Benefit Portfolio)<sup>1</sup>

A year that started with little volatility and positive returns across the vast majority of markets in the first six months quickly turned sour as COVID-19 swept across the globe in the back half of the year. The virus caused countries to effectively shut down to help contain its spread, and as a result, global growth experienced a sharp slowdown. With questions around how long and how severe the outbreak would be, central banks and governments were forced to use various aggressive measures to provide a stop-gap for spiking unemployment, falling incomes, and extreme volatility across global markets. The size and speed of the stimulus from many countries was unprecedented and so too was the market's response. Despite experiencing a 38 percent drawdown at the beginning of the pandemic's spread, global equities still managed to finish the year with a positive 1.2 percent return.

The consolidated defined benefit assets returned 2.6 percent net of all fees over the fiscal year, underperforming the target rate of return, and ended with a fair value of \$30.7 billion. In the first half of the year, the portfolio continued to benefit from easy central bank policy that had started the prior fiscal year and had pushed interest rates to historically low levels. As a result, each asset class had a positive return over this time period, and the portfolio generated a 5.2 percent return. In the second half of the year, government bonds and inflation-linked bonds anchored the portfolio during the most severe weeks of the equity sell-off and set-up a scenario where the gains could be used to rebalance back into equities in mid-March. By limiting the severity of the losses, the portfolio earned a -2.5 percent return in the second half of the fiscal year.

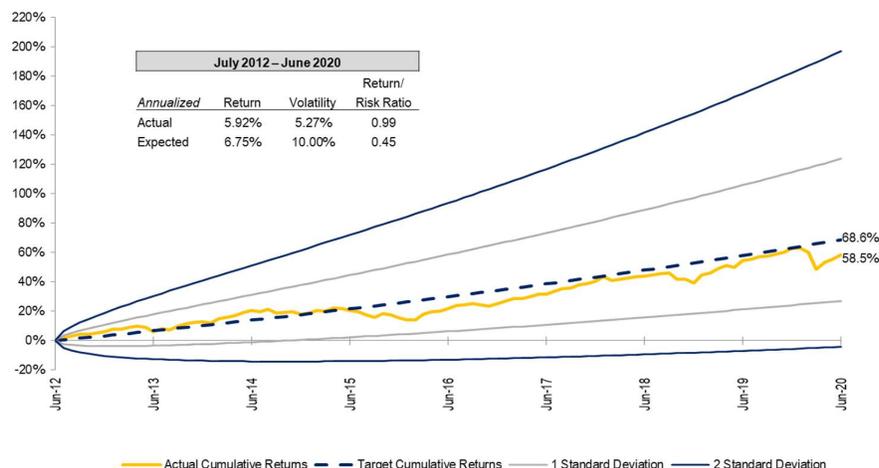
Based on extensive research of the various asset classes and their performance in different economic environments through time, it was determined starting in 2012 that a new risk-balanced framework better fit our first two imperatives. Developed from that research, the following chart illustrates the projected range of outcomes for INPRS's asset allocation around the 6.75 percent return target (blue dotted line). This visual is meant to track the cumulative performance of the actual portfolio (yellow solid line) versus those expectations along the way. Although the portfolio has underperformed the return target since adopting the new asset allocation strategy in 2012, the cumulative return is well within our range of expected outcomes.

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<sup>1</sup> Rates of return specific to INPRS's portfolio are based on calculations made by INPRS's custodian, Bank of New York Mellon, and are presented using a time-weighted rate of return methodology based upon fair value.

# Report from the Chief Investment Officer, continued

## INPRS Defined Benefit Net of Fee Cumulative Return



The following table shows INPRS’s annualized net-of-fees returns over the same time period. Since inception of the revised strategy, the portfolio has generated an annual return of 5.2 percent above the return of cash and outperformed the average historical spread for the asset allocation over cash by 0.7 percent annually<sup>2</sup>.

## INPRS Defined Benefit Annual Returns (Net of Fees)<sup>3</sup>

	FY2020	Since 7/2012
<b>PERFORMANCE (NET OF FEES)</b>		
<b>INPRS DB Total Return</b>	<b>2.56%</b>	<b>5.92%</b>
Target Rate of Return	6.75%	6.75%
<b>Cash Return (FTSE 3-Month Treasury)</b>	<b>1.56%</b>	<b>0.74%</b>
Projection for Cash Return	2.25%	2.25%
<b>INPRS DB Return in Excess of Cash</b>	<b>1.00%</b>	<b>5.18%</b>
Target Rate of Return in Excess of Cash	4.50%	4.50%

The prior charts highlight the recent challenges from the historically low interest rate environment. Due to the low return on cash since 2012, the portfolio’s total performance has fallen short of the target rate of return assumption of 6.75 percent thus far. However, the target rate of return was established based on a much longer time horizon. As such, the asset allocation that was constructed to meet the return objective will ultimately be measured over decades rather than a few years.

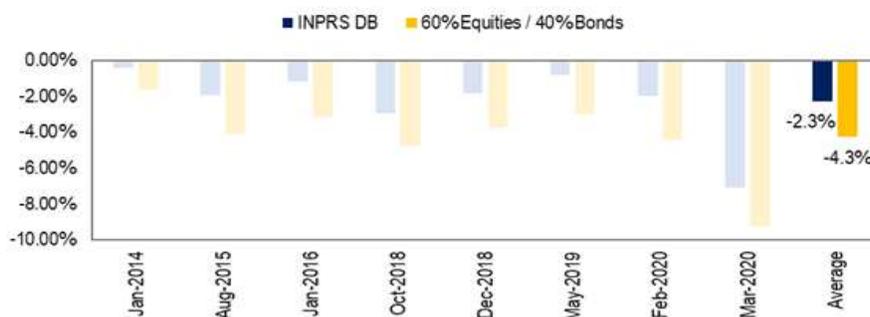
<sup>2</sup> Cash return based on Citigroup 3mo Treasury (Source: INPRS’s custodian, Bank of New York Mellon).

<sup>3</sup> Excess return presented by INPRS’s general consultant, Verus, at the June 2015 INPRS Board meeting. INPRS’s current target asset allocation was approximated historically using available indices. Cash return based on the one-month US Treasury bill return from 1937 - 2015 (source: Dimensional Fund Advisors’ Matrix Book 2016 of Historical Returns Data).

## Report from the Chief Investment Officer, continued

With this long-term focus in mind, it is important that we constantly monitor the portfolio over various market environments and evaluate whether it performed as we expected. One of the primary reasons for diversifying the portfolio was to be less impacted by the performance of equities. In the chart below, we evaluate this by looking at various historical months that global equities had a loss of 2 percent or worse since July 2012. As shown, INPRS's defined benefit portfolio continues to hold-up well on a relative basis during nearly all of these occurrences and, consistent with our expectations, has a materially lower loss on average than a portfolio with 60 percent equities and 40 percent bonds.

**Defined Benefit Performance During Equity Drawdowns Since July 2012**



### Performance Attribution

Looking closer at fiscal year 2020, the returns of INPRS's separate asset classes are shown on the following page. All asset classes, except commodities, had positive returns over the course of the year. One key theme, that has been a staple in supporting global markets since the 2008 financial crisis, re-appeared over the course of fiscal year 2020: easy monetary policy from major central banks. In the first half of the year, the Fed and other central banks reversed course after trying to "normalize" interest rates the few years prior and began to lower interest rates once again. This decline in interest rates along with the market pricing in lower interest rates going forward set the stage for stronger growth prospects and positive performance from all asset classes in the first half of the year. However, easier policy from the Federal Reserve and other central banks not only continued in the second half of the year but accelerated as COVID-19 swept across the globe.

With interest rates quickly moving back to historic lows and growth prospects in question due to the pandemic, various types of government bonds were the top performing asset classes in fiscal year 2020. Inflation-linked bonds led all public asset classes with a return of 14.6 percent. This strong performance was anchored by INPRS's exposure to long duration U.S. Treasury Inflation-Protected Securities or TIPS, which returned 21 percent. The fixed income asset class was also accretive to the plan's performance and produced a 9.6 percent return. INPRS's long duration exposure to the U.S. Treasury market was the primary driver of this strong performance, as the index produced over a 25 percent return.

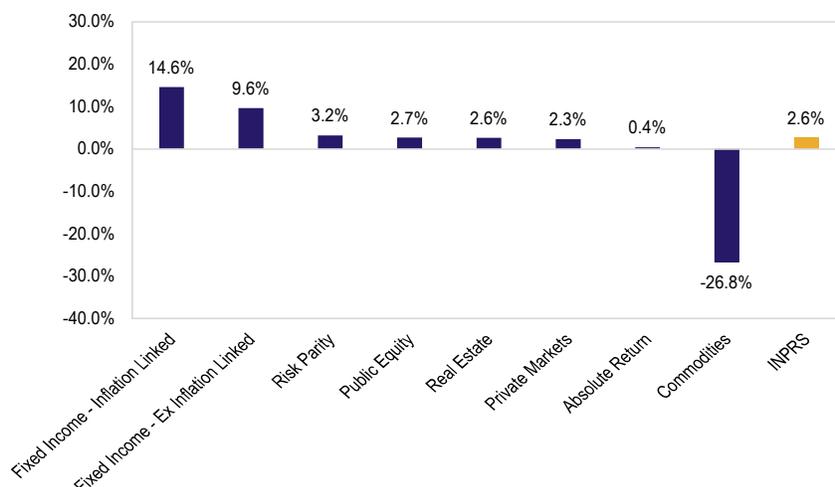
While interest rates remained supportive throughout the year, the COVID-19 shock caused declines in economic conditions that had not been seen since the Great Depression. Mass shutdowns across many countries brought income and spending to a halt, and all markets outside of government bonds sold-off sharply. INPRS's portfolio was not immune to these pressures. The public equity and commodities portfolios experienced a 34 percent and 46 percent drawdown, respectively, during this time period. However, in response to the crisis, swift action from central banks and governments around the globe produced massive monetary and fiscal stimulus packages that helped support income and spending. As a result, equities and other asset classes that benefit from positive growth surprises came roaring back toward the end of the fiscal year. INPRS's private markets, real estate, and public equity portfolios each finished the fiscal year with positive returns ranging from 2.3 to 2.7 percent. The commodities portfolio did not seem to benefit from the additional liquidity and stimulus as much as equity markets though and still ended the year with a negative 26.8 percent return.

The risk parity portfolio has been constructed with the most diversified collection of public markets exposure we can find. As a result, its performance is driven by the asset class performances mentioned above; however, the portfolio is designed to not be overly dependent on any single asset class. Given the positive returns across most public asset classes, the risk parity portfolio produced a 3.2 percent return this year.

The absolute return portfolio was constructed to limit correlation to equity, credit, and fixed income markets and help provide smoother performance for the overall portfolio during these difficult periods. While the portfolio did limit the drawdown in the peak of the equity sell-off in fiscal year 2020, it did not rebound as strongly as we saw in other asset classes and ended with a positive 0.4 percent return this year.

# Report from the Chief Investment Officer, continued

## 1-Year Defined Benefit Asset Class Returns as of June 30, 2020



The chart above provides an incomplete picture, though, as it does not reflect the modifications we have made to our allocation to better diversify across economic environments and across asset classes given their varying levels of risk. The following table adjusts for this by taking into account the weight of each asset class in the portfolio, each asset's sensitivity to different economic environments, and its return over the past year. By linking these components, we are able to observe how certain economic environments performed and the contribution to total return that each asset class provided.

In fiscal year 2020, assets that perform well when growth is lower than expected (e.g. government bonds) outperformed those that perform well when growth is higher than expected (e.g. equities, private markets), as the pandemic negatively affected growth versus what the market was anticipating to start the year. This was the opposite of the prevailing dynamic since 2012, as can be seen in the far-right column of the table. The generally pro-growth environment from 2012 through 2019 had been favorable for assets that perform well when growth is better than expected, including equities, private markets, real estate, and corporate credit.

## Contribution to Total Defined Benefit Return as of June 30, 2020

	% Exposure in INPRS Portfolio	FY2020	Since 7/2012
<b>PERFORMANCE (NET OF FEES)</b>			
INPRS DB Total Return		2.56%	5.92%
Cash Return (3m Treasury)		1.56%	0.74%
<b>INPRS DB Return in Excess of Cash</b>		<b>1.00%</b>	<b>5.18%</b>
<b>EXCESS RETURN CONTRIBUTION BY ECONOMIC ENVIRONMENT</b>			
Rising Growth	33.0%	-0.36%	2.02%
Falling Growth	17.0%	0.97%	0.60%
Rising Inflation	16.0%	-0.50%	0.08%
Falling Inflation	34.0%	1.11%	2.55%
Other <sup>1</sup>		-0.23%	-0.06%
<b>EXCESS RETURN CONTRIBUTION BY ASSET CLASS</b>			
Public Equity	21.9%	0.25%	2.01%
Fixed Income (ex Inflation-Linked)	19.4%	1.57%	0.87%
Private Equity	10.7%	0.03%	1.46%
Private Credit	1.5%	0.04%	0.01%
Risk Parity	13.4%	0.21%	0.44%
Absolute Return	10.6%	-0.12%	0.34%
Real Estate	6.8%	0.07%	0.52%
Fixed Income (Inflation-Linked)	7.3%	0.95%	0.28%
Commodities	6.6%	-1.98%	-0.76%
Cash	1.8%	0.21%	0.08%
Other <sup>1</sup>		-0.23%	-0.06%

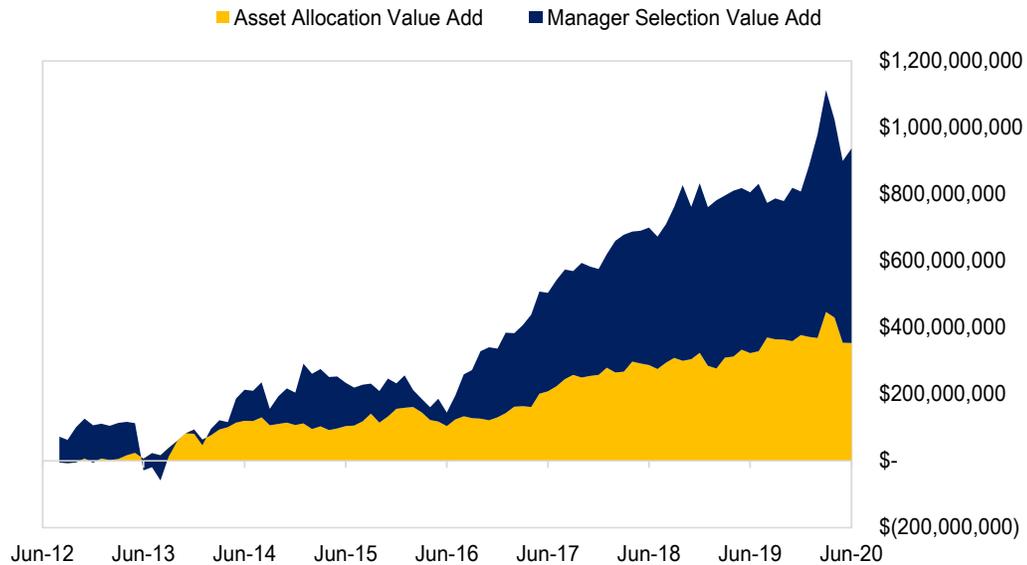
<sup>1</sup> Other results from the differences between the actual allocation through time relative to the average allocation over the period. The average allocation is used to estimate the contribution from the various factors shown.

# Report from the Chief Investment Officer, continued

## Performance Relative to the Benchmark

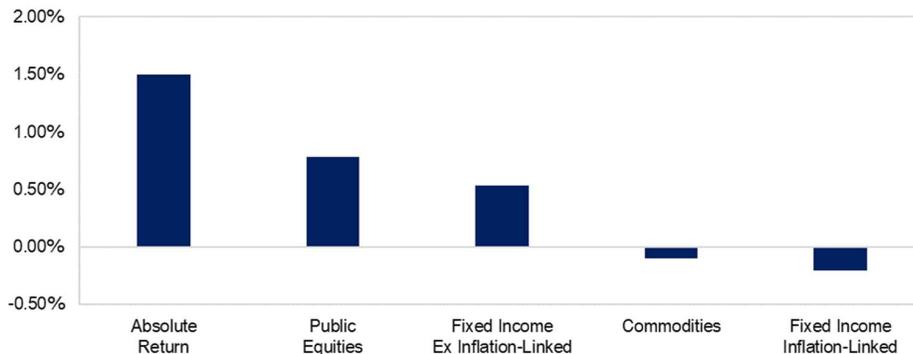
In fiscal year 2020, the investment team achieved a return that was 0.5 percent above the target asset allocation benchmark, net of all fees. The benchmark is meant to reflect what performance would have been had the portfolio been at target weights in each asset class the entire year and invested in passive strategies (e.g. index funds). Both the tactical asset allocation and manager selection decisions made by the team this year added value to the portfolio. This continued the positive trend of the past seven years as the outperformance generated by the investment team since July 2012 has produced approximately \$937 million in added value (asset allocation + manager selection) over a portfolio of merely passive investments. To put this into perspective, these additional returns have been large enough to cover all of the PERF retirement payments made in fiscal year 2020.

### Cumulative Excess Returns over the Defined Benefit Target Allocation (Net of Fees)



Breaking that result down further, you can see that manager selection has created a large portion of the outperformance over the past eight years because a majority of public asset classes have outperformed their benchmarks.

### Annualized Performance Relative to Benchmarks (Public Markets) July 2012-June 2020

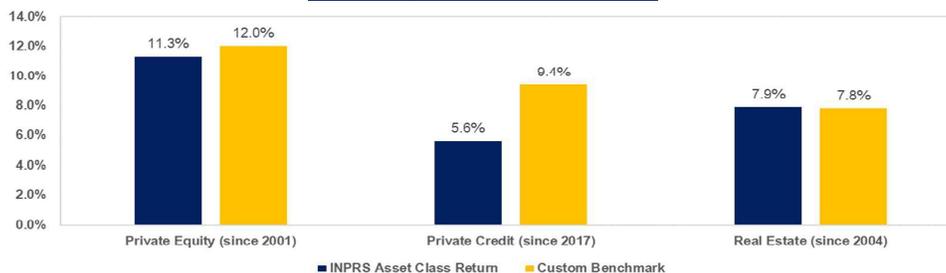


# Report from the Chief Investment Officer, continued

INPRS's investments in private markets and real estate are not included in the value-add chart above because the managers in these asset classes control the timing of cash flows and, thus, we believe a different measure better captures their performance relative to a benchmark (i.e. internal rate of return or IRR). However, the chart below gives some perspective on their outperformance since inception.

The private equity portfolio has continued to be a strong performer since inception with an annualized return of 11.3 percent since 2001, outperforming a blend of comparable public market indices, which includes small-cap equities and high yield bond indices. The private equity benchmark shown below includes the returns of these public market equivalents plus an additional 3 percent return that is meant to factor-in the illiquidity and complexity that comes with investing in the asset class. While the private equity portfolio has not quite achieved this higher mark since inception, the performance is reported with a lag, and the benchmark return does not yet include the drawdown of equity and credit markets in the second half of the year. The private credit portfolio is also showing underperformance versus its benchmark below given it is subject to the same lag effect as private equity and because many of the investments have not had ample time to mature, as commitments to new funds only started a few years ago. Finally, the real estate portfolio continues to be accretive to the plan with an annualized return of 7.9 percent since 2004, outperforming its public market equivalent benchmark since inception.

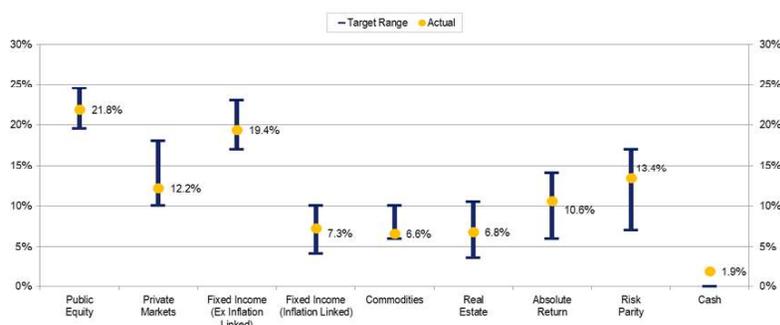
**Annualized Performance (IRR) Relative to Benchmarks (Private Markets)  
Since Inception of Each Asset Class<sup>4</sup>**



## Current Portfolio Exposures

As previously mentioned, INPRS set out on a course seeking more balance across economic and market environments starting in fiscal year 2012 with the approval of a new asset allocation strategy. Despite slight revisions to the asset allocation during the last asset-liability study in fiscal year 2015 that resulted in a marginally higher expected return and return-risk ratio, the outcome reaffirmed the path of diversification INPRS had previously chosen and continues to pursue. As such, INPRS rebalanced as needed over the course of fiscal year 2020 to stay within the Board-approved allocation bands for each asset class. The allocation as of June 30, 2020 can be found in the chart below.

**Defined Benefit Asset Allocation as of June 30, 2020**



<sup>4</sup> As of March 31, 2020. Based on the first capital calls made by INPRS: Private Equity inception date is 5/14/2001; Private Credit inception date is 10/17/2017; and Real Estate inception date is 2/26/2004. The Private Equity custom benchmark is comprised of the following components lagged one quarter plus 3.00%: 60% Russell 2000 Index, 20% EAFE Small Cap Index, 15% CS High Yield Index, and 5% CS Western European High Index (Hedged). The Private Credit custom benchmark is comprised of the following components plus 1.50%: 50% Credit Suisse Leveraged Loan Total Return, 33% Wells Fargo BDC Total Return, and 17% Credit Suisse Western European Leveraged Loan. The Real Estate custom benchmark is comprised of the following components lagged one quarter: 70% FTSE NAREIT All Equity REITS Index and 30% Barclays CMBS Index.

# Report from the Chief Investment Officer, continued

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## Liquidity

In fiscal year 2020, the pandemic and subsequent economic shock sent ripples through various markets. Liquidity tightened and trading costs increased materially as investors were factoring-in a wide range of potential outcomes and increasing intra-day volatility. Given this prevailing environment and the uncertainty of how long it may persist, INPRS raised liquid cash balances in March 2020 and maintained them the remainder of the fiscal year. We believed this was an important step to ensure the portfolio always had enough cash to make retirement payments over the next three months, regardless of what happened in markets, and to ensure the portfolio could adequately be rebalanced, if necessary.

As you can see from the chart above, INPRS also has meaningful exposure to less liquid asset classes with 28 percent allocated across private markets, real estate, and absolute return. We believe each of these asset classes serves a unique purpose within the construct of the allocation. However, with these benefits come other risks, namely a lack of liquidity (e.g. Many of these private market funds have a lock-up of ten years or longer, and many of the absolute return funds only allow for quarterly liquidity).

Regardless of how good we think these exposures are, we want to ensure the portfolio has enough liquidity to meet retirement payments as they come due without unnecessary fire-selling of assets in turbulent markets (see the third imperative listed above). As a result, the investment team developed and maintains a liquidity measure that assesses the System's ability to take on illiquidity risk at any point in time. The metric compares the amount of liquid assets and cash inflows available over the next five years to the expected cash outflows (e.g. retirement payments, plan expenses, etc.) over the same time frame. Through strenuous stress testing, the investment staff is comfortable that there is adequate liquidity in various negative market environments, and as of June 30, 2020, INPRS's liquid assets and projected inflows are 2.7 times the projected outflows over the next five years.

## INPRS's Defined Contribution Investment Imperatives

Known as the Annuity Savings Account ("ASA"), My Choice: Retirement Savings Plan ("My Choice"), and Legislators' Defined Contribution Plan, the defined contribution plans at INPRS provide members the ability to select their own asset allocation from a line-up of investment options approved by the Board. Established in fiscal year 2017, three long-term imperatives that are vital to the continued health of the System's defined contribution plans have served as the guide for the investment team.

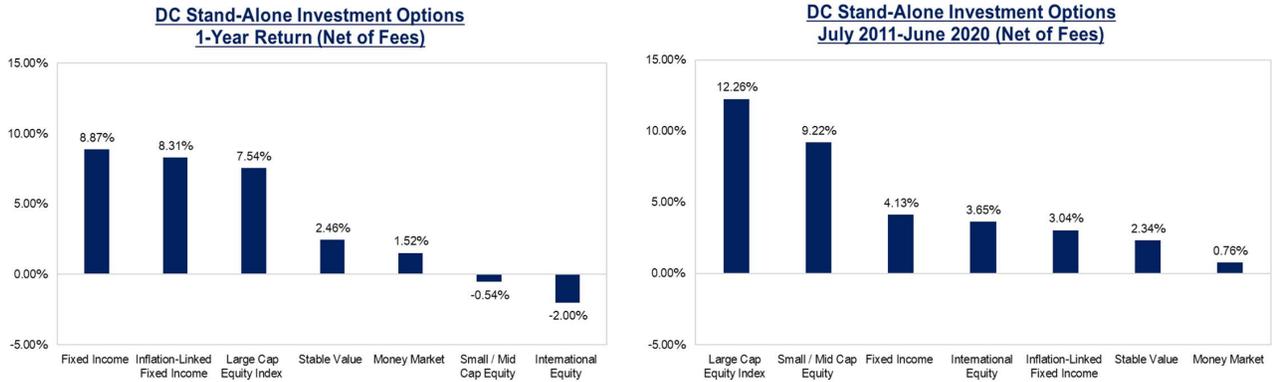
- 1) **Provide a simple and diversified default option ("Allocate it for me" – Target Date Options).** Effective fiscal year 2011, INPRS's Board changed the default investment option for the ASA and My Choice plans to target date funds. This fund line-up was established to provide members with an auto-pilot allocation that targets an appropriate risk and return profile for their particular time horizon and automatically becomes more conservative as they approach retirement. Given how many members rely on INPRS to manage their asset allocation for them by defaulting to this option, it is crucial that we construct a target date fund line-up that is easy to understand yet sophisticated enough to help members achieve their savings goals.
- 2) **Provide a simple and diversified menu of stand-alone options ("Allocate it myself" – Core and Specialty Options).** For those members that want to select an allocation that is different than those offered in the target date funds, INPRS offers investment options for individual asset classes. This line-up of options allows members to construct an asset allocation that better suits their specific needs and objectives.
- 3) **Leverage the defined benefit asset base to provide low cost investment options.** One reason the multiple retirement plans under INPRS's management were originally consolidated was to reduce fees for all plans. As a result, it is critical that we maintain focus on utilizing the large asset base across the defined benefit and defined contribution plans to continually drive costs lower.

## Performance Attribution

The defined contribution line-up is constructed using the basic building blocks of an asset allocation, including various equity and fixed income portfolios. As such, INPRS's investment options were influenced by the same forces mentioned in the defined benefit section above. A dramatic slowdown in growth caused by the pandemic hurt all equity-related investment options. However, the Large Cap Equity index managed to produce a positive 7.5% return, as the U.S. government provided more fiscal stimulus to support the economy and markets than most other countries. At the same time, the historic move lower in interest rates provided enough support for the Fixed Income and Inflation-Linked Fixed Income Funds that they were the top performers over the course of fiscal year 2020. Over a longer time period going back to July 2011, each stand-alone investment option has generated strong performance (right chart below). As expected, the higher-risk equity options have been the best performers while the fixed income related options have provided steady, positive returns.

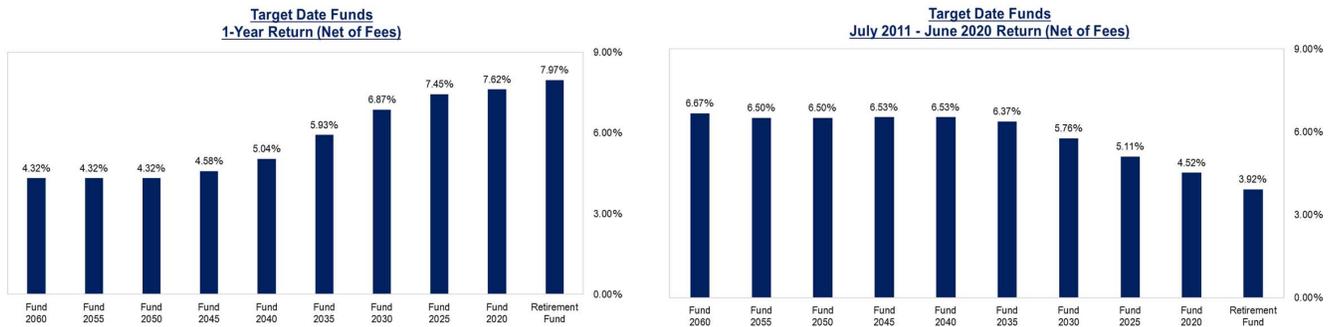
# Report from the Chief Investment Officer, continued

## Defined Contribution Investment Option Returns as of June 30, 2020



Given INPRS's target date funds are constructed using different mixes of the INPRS stand-alone investment options, their returns are merely an amalgamation of the returns shown above. The funds closer to retirement had stronger performance in fiscal year 2020 as they have a fixed income bias and fixed income options were the top performers. While, over a longer time period, the funds farther from retirement have had higher returns due to their equity bias. The following charts illustrate these performance differences since the target date funds became INPRS's default investment option in 2011.

## Defined Contribution Target Date Fund Returns as of June 30, 2020

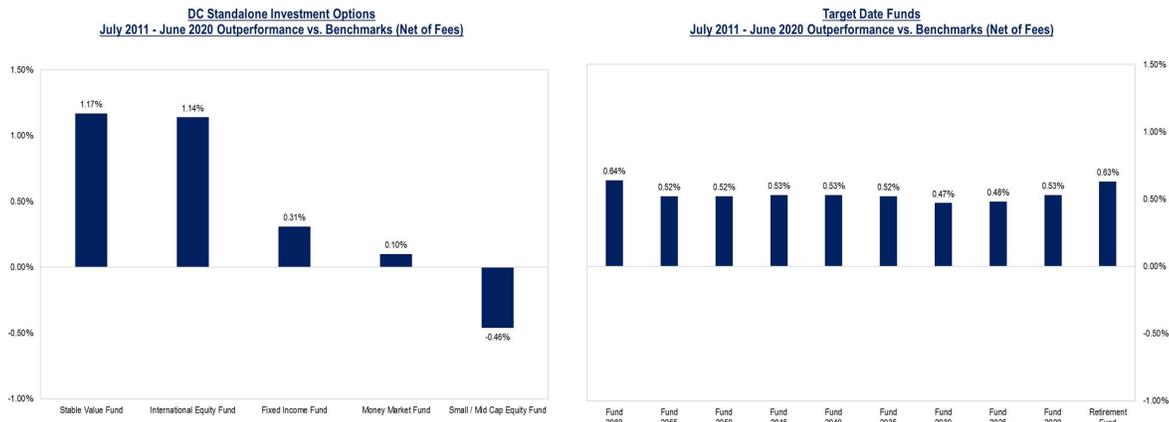


By including a moderate amount of active management within the fund line-up, the investment team was able to beat the benchmarks in four out of five of the stand-alone investment options with an active management component<sup>5</sup> over the past eight years by 0.12 to 1.15 percent annually, depending on the fund. The Small/Mid Cap Equity Fund had underperformance of 0.46 percent annually over this time frame due to an overweight to small cap equities, which have underperformed mid cap equities over this period. Given that the target date funds are constructed using the INPRS stand-alone investment options, this also translated into outperformance across the target date fund glide path of 0.47 to 0.64 percent over the past nine years.

<sup>5</sup> The following DC investment options are only passively managed: Large Cap Equity Index Fund and Inflation-Linked Fixed Income Fund.

# Report from the Chief Investment Officer, continued

## Defined Contribution Annualized Performance Relative to Benchmarks as of June 30, 2020



### No Crystal Ball to Be Found

If there has ever been a year to serve as the decisive evidence that it is extremely difficult to predict what is going to happen in economies and markets, fiscal year 2020 was it. At INPRS, we have continued to use this view as a staple in our long-term philosophy on how we were going to approach investing. While it is difficult to admit that we do not have the ability to predict market outcomes, we believe over-confidence in one's predictive abilities can give a false sense of security and can do far more damage than a strategic and diversified approach long-term. This does not mean we turn a blind-eye to what is going on in real-time and passively invest. Instead, it is quite the opposite. Our team is working diligently to re-evaluate economic and market linkages in real-time to build a better asset allocation in the defined benefit portfolio and better investment line-up in the defined contribution platform going forward. The team is also spending countless hours sourcing, deliberating, and deciding on which investment managers will be the best fit to execute within these portfolios. I am confident that, while economies and markets continue to provide surprise events, our team's dedication to doing what's best for our members long-term will be unwavering and will set-up our plan for continued success for years to come.

Sincerely,

Scott B. Davis, CFA  
Chief Investment Officer

# Asset Class Summaries

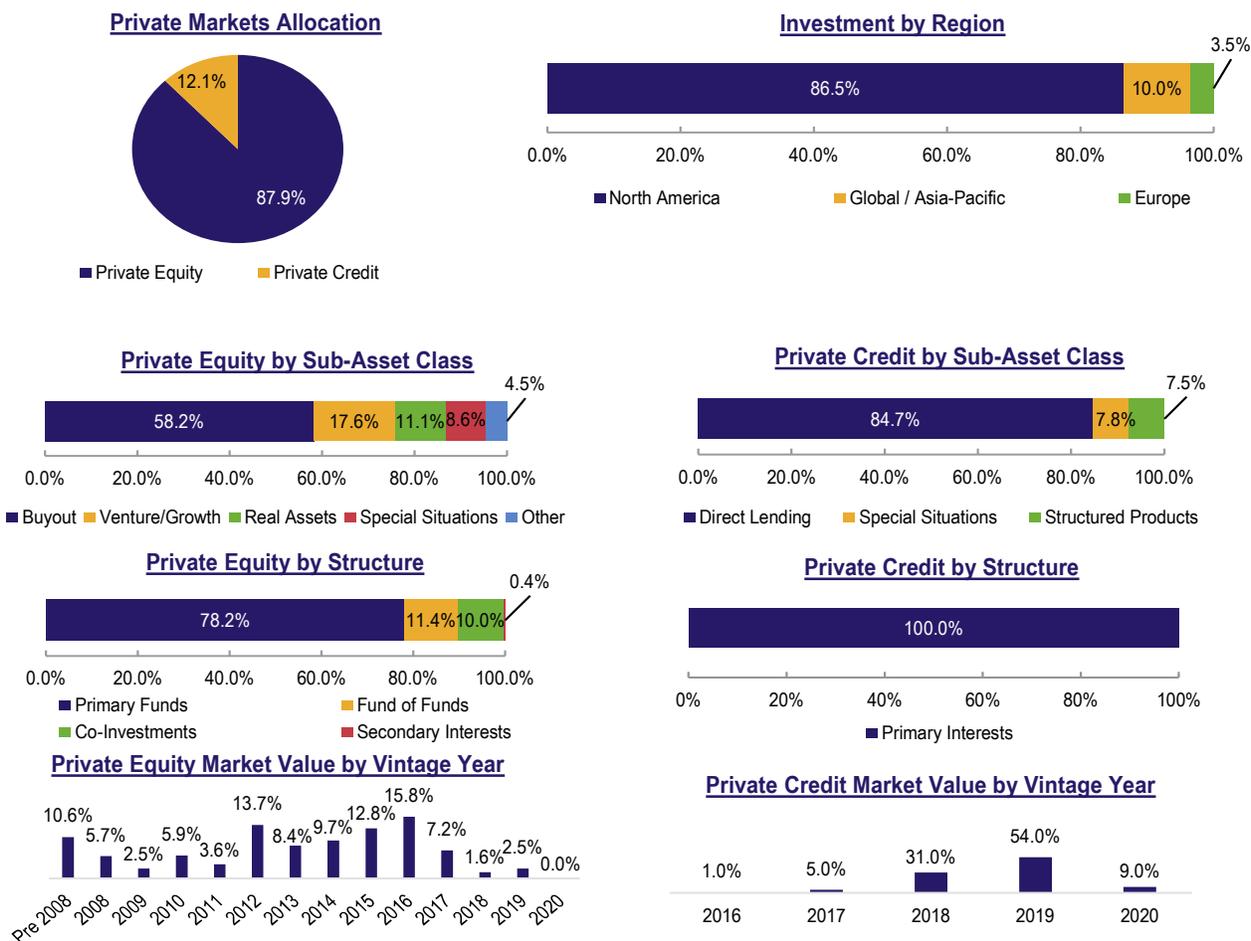
## Public Equity<sup>1</sup>

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.



## Private Markets<sup>2</sup>

The private markets portfolio, which includes private equity and private credit, seeks to provide risk-adjusted returns in excess of public markets while simultaneously decreasing the volatility of the investment portfolio through diversification.



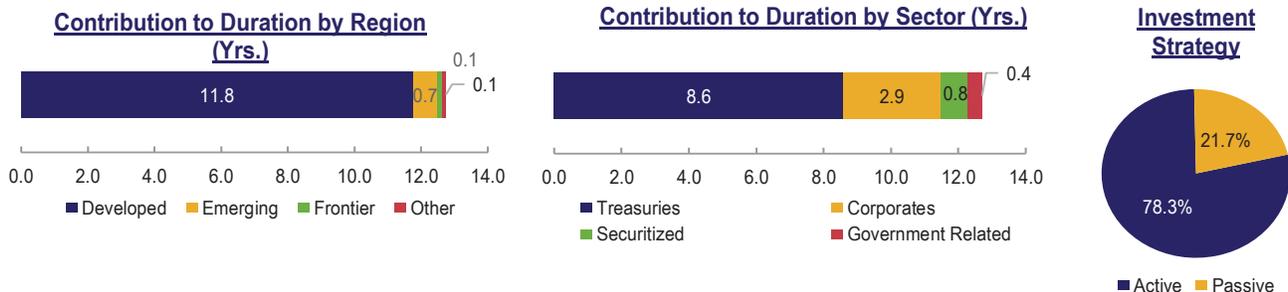
<sup>1</sup> Portfolio data as of 06/30/2020 provided by BNY Mellon, INPRS's Custodian

<sup>2</sup> Portfolio data as of 03/31/2020 provided by Aksia Torrey Cove, INPRS's Private Markets consultant

## Asset Class Summaries, continued

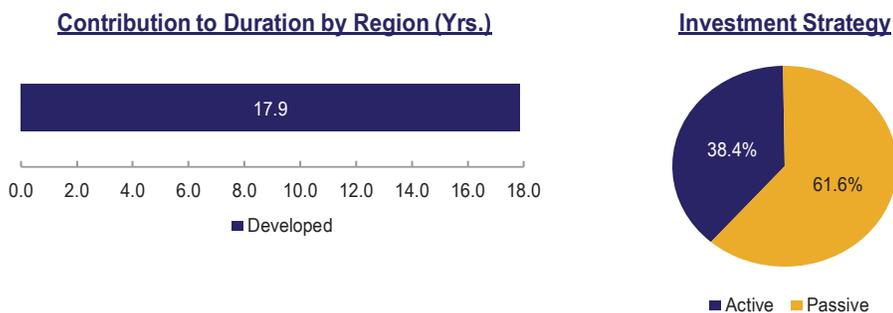
### Fixed Income (ex Inflation Linked)<sup>3</sup>

The fixed income - ex inflation-linked portfolio seeks to generate current income and long-term risk-adjusted return, in excess of the custom benchmark ("Benchmark"), through the investment in debt securities. A focus is placed on preservation of capital. To minimize the probability of substantial principal loss, INPRS staff seeks to reduce the volatility of the portfolio and enhance return from both contractual income and capital appreciation—in part, by investing in certain actively managed strategies.



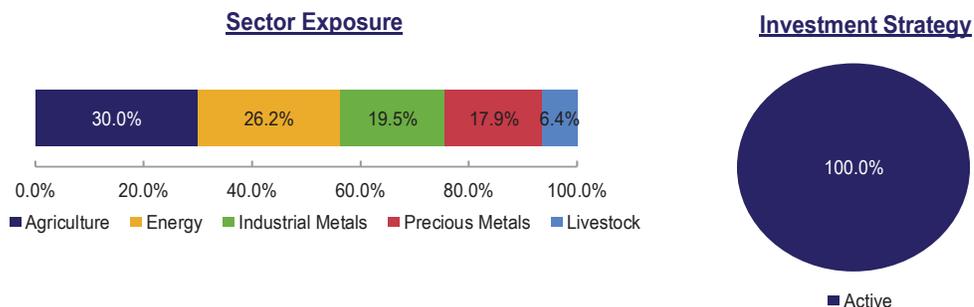
### Fixed Income (Inflation-Linked)<sup>3</sup>

The fixed income - inflation-linked portfolio seeks, primarily via passive management, to generate a long-term risk-adjusted return similar to that of the custom global inflation index ("Benchmark") and to, more broadly, provide protection against unanticipated inflation.



### Commodities<sup>4</sup>

The purpose of the commodity 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.



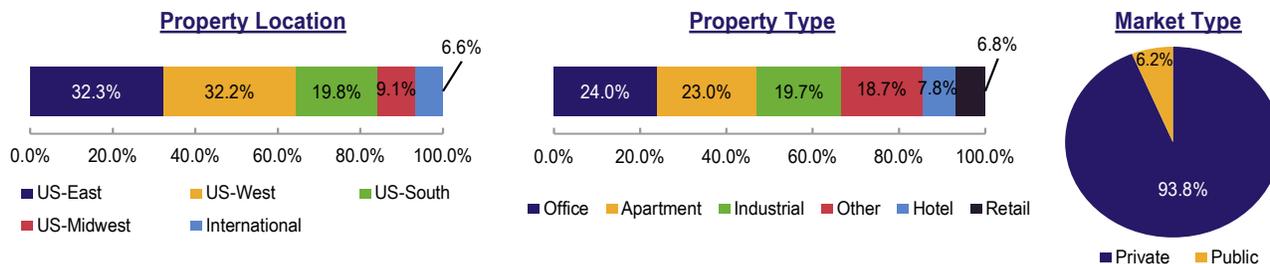
<sup>3</sup> Portfolio data as of 06/30/2020 provided by MSCI Barra One and BNY Mellon, INPRS's Custodian

<sup>4</sup> Portfolio data as of 06/30/2020 provided by portfolio managers

## Asset Class Summaries, continued

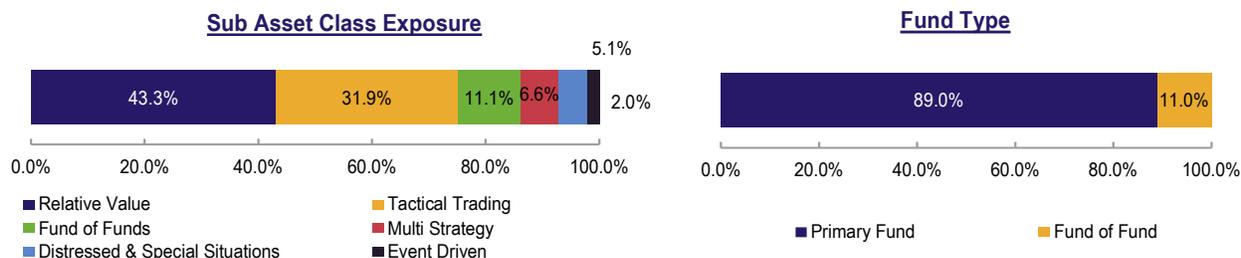
### Real Estate<sup>5</sup>

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.



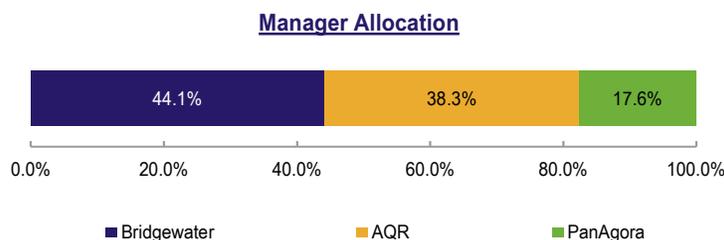
### Absolute Return<sup>6</sup>

The purpose of the absolute return strategies program is to enhance the long-term risk adjusted returns of the plan by delivering alpha, providing diversification benefits, and preserving capital. 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.



### Risk Parity<sup>7</sup>

The risk parity portfolio seeks to deliver consistent and high risk-adjusted rates of returns as a standalone investment through the allocation of capital that equalizes risks across a myriad of macroeconomic environments. While traditional asset allocation is highly dependent on favorable equity returns, risk parity can be considered an “all weather” portfolio to garner consistent, high returns from multiple asset classes without long-term inclination towards any single asset class.



<sup>5</sup> Portfolio data provided by Mercer, INPRS's Real Estate consultant

<sup>6</sup> Portfolio data provided by Aksia, INPRS's Absolute Return consultant

<sup>7</sup> Portfolio data provided by BNY Mellon, INPRS's Custodian

# Outline of Investment Policies

## Objective and Guiding Principles

The Indiana Public Retirement System's (INPRS) Board serves as the ultimate fiduciary of INPRS. The Board establishes investment policies while the State of Indiana enacts guidelines on the investment of the System's assets. At all times, INPRS must invest its assets according to the "Prudent Investor" standard.

The Investment Policy Statement (IPS) ensures that INPRS will maintain funding for each retirement fund to pay the benefits or actuarially determined liabilities over time in a cost-effective manner. It is a dynamic document and periodic reviews are undertaken. The Investment Policy Statement was last revised on June 28, 2019.

Core tenets of the IPS are:

- Set investment policies that the Board judges to be appropriate and prudent.
- Develop clear, distinctive roles and responsibilities of the Board, staff and each service provider.
- Serve as a guide for continual oversight of the invested assets.
- Establish formal criteria to measure, monitor and evaluate the performance results of the investment managers.
- Communicate investment policies, directives and performance criteria to the external and internal stakeholders.

## Consolidate Defined Benefit Assets Objectives and Structure

The Board recognizes that the allocation of defined benefit assets is the most important factor of investment returns over long periods of time. An asset liability study is conducted every five years to analyze the expected returns of various global asset classes, projected liabilities, risks associated with alternative asset mix strategies and their effect on the projected fair value of assets, funded status and contributions to the funds. With a long-term investment focus, the defined benefit portfolio is invested across diverse asset classes as shown and is periodically reviewed by the Board:

Defined Benefit Asset Allocation:	Target Allocation	Target Range
Public Equity	22.0 %	19.5 to 24.5 %
Private Markets	14.0	10.0 to 18.0
Fixed Income - Ex Inflation-Linked	20.0	17.0 to 23.0
Fixed Income - Inflation-Linked	7.0	4.0 to 10.0
Commodities	8.0	6.0 to 10.0
Real Estate	7.0	3.5 to 10.5
Absolute Return	10.0	6.0 to 14.0
Risk Parity	12.0	7.0 to 17.0

## Defined Contribution Assets Objectives and Structure

The defined contribution plans are structured to provide members with a choice of diverse investment options that offer a range of risk and return characteristics appropriate for members. Members can self-direct their investment options or leave their contributions invested in the default target date retirement fund. The investment options undergo periodic reviews by the Board. The defined contribution investments are outlined in the section Investment Results - Defined Contribution Assets. In addition, Fund Facts are available online at: <https://www.in.gov/inprs/fundfactsheets.htm>

## Other Funds

Other plans under the administration of the Board include the Special Death Benefit Fund (SDBF), Retirement Medical Benefits Account Plan (RMBA) and Local Public Safety Pension Relief Fund (LPSPR). The assets of SDBF and RMBA are invested in intermediate U.S. government and U.S. credit bonds. The assets of LPSPR are invested in short-term money market instruments, including but not limited to, commercial paper and securities issued or guaranteed by the U.S. government.

## Notes to the Investment Schedules

### Accompanying Notes to the Actual and Benchmark Returns

- Returns are time-weighted based on calculations made by the System's custodian, Bank of New York Mellon.
- Returns are net of fees. Prior to 2012, returns are presented as previously reported; gross of fees.
- Defined Benefit asset class custom benchmark descriptions are as follows:

Global Asset Class	Benchmark Description
Public Equity	MSCI All Country World Investable Market Net Index
Private Markets	Benchmark comprised of two custom benchmarks for Private Equity and Private Credit. 100% Private Equity from July 2008-September 2017 and 96% Private Equity and 4% Private Credit from October 2017-Present. October 2017 marked the inception of Private Credit. Private Equity Benchmark is comprised of the following components lagged one quarter: 60% Russell 2000 Index, 20% MSCI EAFE Small Cap Index, 15% CS High Yield Index, and 5% Credit Suisse Western European High Yield Index (Hedged) plus 3.00%. Private Credit Benchmark is comprised of the following components lagged one quarter: 50% CS Leverage Loan Index, 33% Wells Fargo BDC Index, and 17% CS Western European Leveraged Loan Index plus 1.50%.
Fixed Income - Ex Inflation-Linked	Benchmark comprised of 25% BB US Long Government, 25% BB Long US Credit, 25% WGBI ex-US 25% Japan Cap (USD Hedged), 7.5% JPM GBI EM, 7.5% JPM EMBI, 4.0% CS Leveraged Loan Total Return Index, 2.5% BofA ML US High Yield Total Return Index, 2.5% BofA ML Non-Financial Developed Markets High Yield Constrained Total Return Index, 1.0% CS Western Europe Leveraged Loan Total Return Index.
Fixed Income - Inflation-Linked	Benchmark comprised of 64% ICE BofA ML Treasury Inflation-Linked 15+ years, 36% Custom weighted mix of country indices within the Barclays Capital World Government Inflation-Linked Bond Index, 100% Hedged to USD (Country weights: 40% US, 30% Euroland, 15% UK, 10% Canada, 5% Sweden).
Commodities	Benchmark comprised of 50% Bloomberg Commodity Index / 50% Goldman Sachs Commodity Index and 75% Global Inflation Linked Bonds (ILB's) collateral component.
Real Estate	Benchmark comprised of Real Estate Custom PME made up of the following components lagged one quarter: 70% FTSE NAREIT All Equity REITS and 30% Barclays CMBS.
Absolute Return	Benchmark comprised of the weighted average of INPRS exposure to representative HFRI sub-strategy indices.
Risk Parity	Benchmark comprised of 60% MSCI ACWI IMI Index (equities) and 40% Barclays Global Aggregate Bond Index (bonds).
Cash + Cash Overlay	Benchmark comprised of the allocation to sub-asset class targets for the cash overlay starting in April 2016; prior to that, the 3-month LIBOR was the benchmark for cash.
Consolidated Defined Benefit Assets	The target index weights for each asset class benchmark are set by the target asset allocation. The return for Risk Parity, Real Estate, and Private Markets are equal to the asset class returns and not the benchmark.

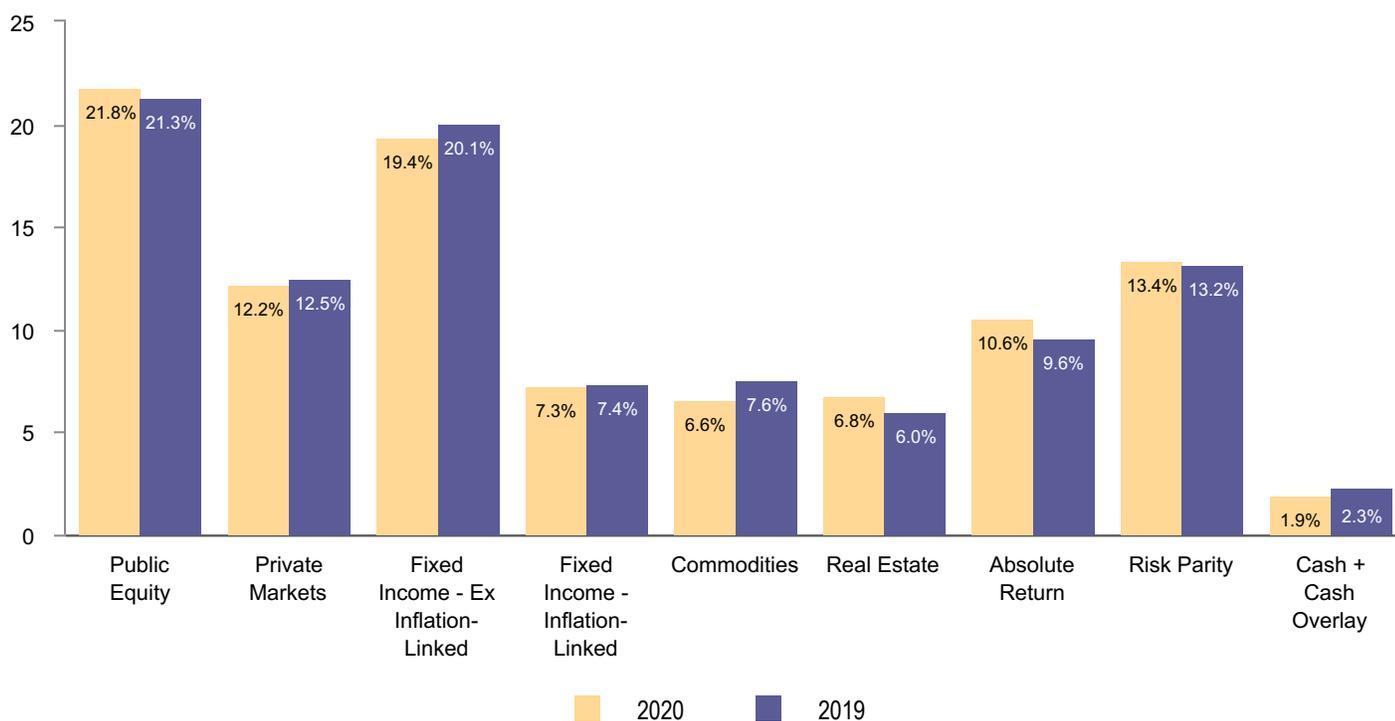
- Defined Contribution Target Date Fund benchmarks are comprised of performance data using a passive strategy with the same asset allocation glide path of each Target Date Fund.
- Defined Contribution Target Date Fund 2065 was added to the investment line-up May 1, 2020. Historical performance is not available.
- Defined Contribution Target Date Fund 2015 was added to the investment line-up July 1, 2019. Historical performance for 3-year and 5-year periods are not available.

## Investment Results - Consolidated Defined Benefit Assets

### Asset Allocation Summary: June 30, 2020 Actual vs. June 30, 2019 Actual

The Total Consolidated Defined Benefit Investments shown below are grouped by global asset classes approved in the Investment Policy Statement, whereas the investments in the Statement of Fiduciary Net Position are grouped in assets and liabilities according to GASB and the security type assigned to each investment.

Global Asset Class	June 30, 2020			Allowable Range for Investments	June 30, 2019	
	Amount	Percent	Target		Amount	Percent
Public Equity	\$ 6,698,898	21.8 %	22.0%	19.5 to 24.5 %	\$ 6,480,676	21.3 %
Private Markets	3,736,344	12.2	14.0	10.0 to 18.0	3,788,124	12.5
Fixed Income - Ex Inflation-Linked	5,941,606	19.4	20.0	17.0 to 23.0	6,116,645	20.1
Fixed Income - Inflation-Linked	2,233,102	7.3	7.0	4.0 to 10.0	2,241,789	7.4
Commodities	2,026,221	6.6	8.0	6.0 to 10.0	2,304,769	7.6
Real Estate	2,096,536	6.8	7.0	3.5 to 10.5	1,823,022	6.0
Absolute Return	3,240,716	10.6	10.0	6.0 to 14.0	2,905,873	9.6
Risk Parity	4,115,539	13.4	12.0	7.0 to 17.0	3,998,139	13.2
Cash + Cash Overlay	568,869	1.9	N/A		711,537	2.3
<b>Total Consolidated Defined Benefit Assets</b>	<b>\$ 30,657,831</b>	<b>100.0 %</b>	<b>100.0 %</b>		<b>\$ 30,370,574</b>	<b>100.0 %</b>



## Investment Results - Consolidated Defined Benefit Assets, continued

### Time-Weighted Rate of Return by Asset Class vs. Benchmark Returns <sup>1</sup>

For the Year Ended June 30, 2020

Global Asset Class	Actual Return	Benchmark Return	Actual Over / (Under) Benchmark
Public Equity	2.7 %	1.2 %	1.5 %
Private Markets	2.3	(17.2)	19.5
Fixed Income - Ex Inflation-Linked	9.6	8.9	0.7
Fixed Income - Inflation-Linked	14.6	16.8	(2.2)
Commodities	(26.8)	(25.0)	(1.8)
Real Estate	2.6	(9.7)	12.3
Absolute Return	0.4	(1.2)	1.6
Risk Parity	3.2	3.7	(0.5)
Cash + Cash Overlay	9.9	4.3	5.6
<b>Total Consolidated Defined Benefit Assets</b>	<b>2.6</b>	<b>2.1</b>	<b>0.5 %</b>

### Historical Time-Weighted Investment Rates of Return

For the Years Ended June 30

(dollars in thousands)		Fair Value of Assets	Rate of Return <sup>1</sup>	Target Return
2020	INPRS	\$ 30,657,831	2.6 %	6.75 %
2019	INPRS	30,370,574	7.4	6.75
2018	INPRS	28,475,760	9.3	6.75
2017	INPRS	26,364,510	8.0	6.75
2016	INPRS	24,775,551	1.2	6.75
2015	INPRS	24,629,820	—	6.75
2014	INPRS	24,560,323	13.7	6.75
2013	INPRS	21,488,715	6.0	6.75
2012	INPRS	19,708,900	0.7	7.00
2011	PERF CRIF <sup>2</sup>	15,796,600	20.1	7.00
	TRF DB Assets <sup>3</sup>	5,984,000	18.2	7.00

<sup>1</sup> See Accompanying Notes to the Actual and Benchmark Returns.

<sup>2</sup> PERF Consolidated Retirement Investment Fund (CRIF).

<sup>3</sup> TRF Defined Benefit Assets

## Investment Results - Consolidated Defined Benefit Assets, continued

### Time-Weighted Rates of Return by Asset Class vs Benchmark Returns <sup>1</sup>

As of June 30, 2020

Global Asset Class	1-Year	Annualized	
		3-Years	5-Years
<b>Public Equity</b>	2.7 %	6.5 %	7.0 %
Benchmark	1.2	5.6	6.1
<b>Private Markets</b>	2.3	12.6	11.5
Benchmark	(17.2)	(0.6)	3.3
<b>Fixed Income - Ex Inflation - Linked</b>	9.6	6.9	6.3
Benchmark	8.9	6.5	6.0
<b>Fixed Income - Inflation - Linked</b>	14.6	8.6	6.2
Benchmark	16.8	9.2	6.6
<b>Commodities</b>	(26.8)	(6.4)	(9.3)
Benchmark	(25.0)	(6.4)	(9.1)
<b>Real Estate</b>	2.6	7.7	8.3
Benchmark	(9.7)	1.5	2.6
<b>Absolute Return</b>	0.4	3.3	2.9
Benchmark	(1.2)	1.4	1.5
<b>Risk Parity</b>	3.2	6.6	5.2
Benchmark	3.7	5.7	5.7
<b>Cash + Cash Overlay</b>	9.9	8.2	7.1
Benchmark	4.3	6.4	6.0
<b>Consolidated Defined Benefit Assets</b>	2.6	6.4	5.6
Target Index	2.1	5.8	5.1

<sup>1</sup> See Accompanying Notes to the Actual and Benchmark Returns.

## Investment Results - Consolidated Defined Benefit Assets, continued

### Statistical Performance

As of June 30, 2020

Statistic	Annualized			
	1-Year	3-Years	5-Years	10-Years
Time-Weighted Rate of Return	2.6 %	6.4 %	5.6 %	6.7 %
Standard Deviation	8.7	6.5	5.8	6.0
Sharpe Ratio <sup>1</sup>	0.2	0.7	0.8	1.0
Beta <sup>2</sup>	0.4	0.4	0.3	0.4
Correlation <sup>2</sup>	0.9	0.9	0.9	0.9
Alpha <sup>3</sup>	0.4	0.5	0.5	0.3

<sup>1</sup> Risk Free Proxy is the Citigroup 3 Month T-Bill.

<sup>2</sup> Market Proxy is the S&P 500.

<sup>3</sup> Market Proxy is INPRS's Target Index. The 10-year benchmark only measured manager selection decisions prior to July 1, 2012. The index changed in 2012 to reflect both tactical asset allocation and manager selection decisions.

### 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 indicates less volatility than the market. A Beta of greater than one indicates greater volatility than the market.

**Correlation:** A statistical measure of how two 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.

**Alpha:** A measure of relative performance. Alpha is the difference between the actual performance of the assets and the performance which should have been achieved given the market's performance and the asset's risk posture.

# Investment Results - Consolidated Defined Contribution Assets

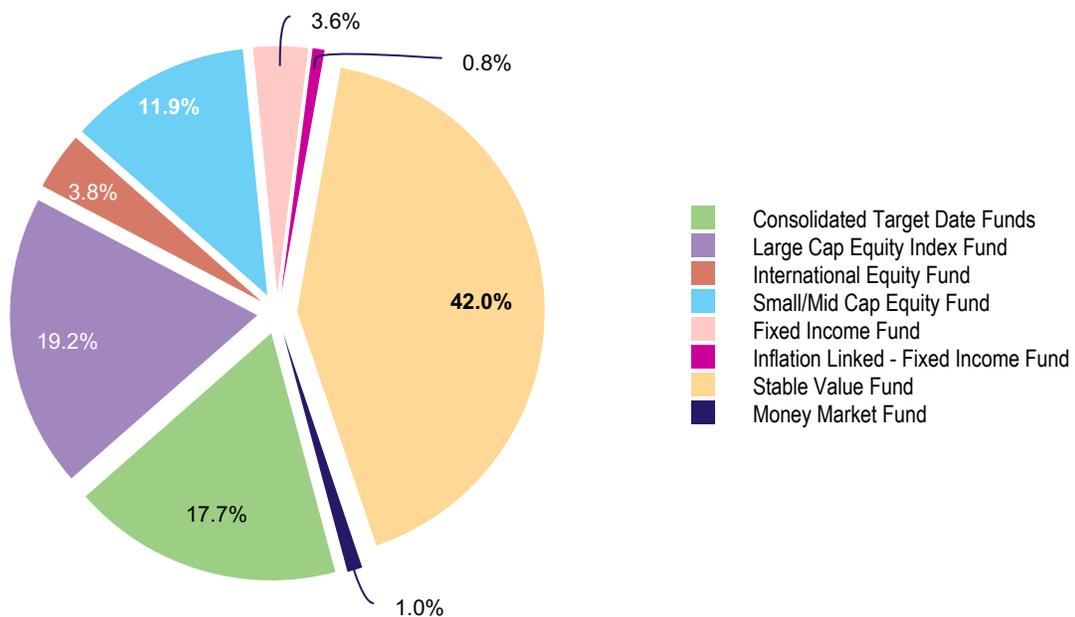
## Assets by Investment Option

As of June 30, 2020

The Total Consolidated Defined Contribution Investments shown below are grouped by asset classes approved in the Investment Policy Statement, whereas the investments in the Statement of Fiduciary Net Position are grouped in assets and liabilities according to GASB and the security type assigned to each investment.

(dollars in thousands)

Investment Option	Plan Assets	Percent of Total Self-Directed Investments
Consolidated Target Date Funds	\$ 1,032,864	17.7 %
Large Cap Equity Index Fund	1,120,573	19.2
International Equity Fund	223,534	3.8
Small/Mid Cap Equity Fund	693,232	11.9
Fixed Income Fund	208,641	3.6
Inflation Linked - Fixed Income Fund	43,224	0.8
Stable Value Fund	2,446,932	42.0
Money Market Fund	59,852	1.0
<b>Total Defined Contribution Assets</b>	<b>\$ 5,828,852</b>	<b>100.0 %</b>



## Investment Results - Consolidated Defined Contribution Assets, continued

### Time-Weighted Rate of Return by Investment Option vs. Benchmark Returns <sup>1</sup>

For the Year Ended June 30, 2020

Investment Option	1-Year	Annualized	
		3-Year	5-Year
<b>Target Date Funds: <sup>1</sup></b>			
Fund 2065 <sup>1</sup>	n/a	n/a	n/a
2065 Fund Index	2.3 %	5.8 %	6.1 %
Fund 2060	4.3	6.2	6.3
2060 Fund Index	2.7	5.5	5.6
Fund 2055	4.3	6.2	6.2
2055 Fund Index	2.7	5.5	5.6
Fund 2050	4.3	6.2	6.2
2050 Fund Index	2.7	5.5	5.6
Fund 2045	4.6	6.3	6.3
2045 Fund Index	2.9	5.6	5.6
Fund 2040	5.0	6.4	6.3
2040 Fund Index	3.3	5.7	5.6
Fund 2035	5.9	6.4	6.1
2035 Fund Index	4.1	5.7	5.4
Fund 2030	6.9	6.1	5.6
2030 Fund Index	5.1	5.4	5.0
Fund 2025	7.5	5.7	5.0
2025 Fund Index	5.7	5.0	4.5
Fund 2020	7.6	5.3	4.5
2020 Fund Index	6.0	4.7	4.0
Fund 2015 <sup>1</sup>	7.8	n/a	n/a
2015 Fund Index	6.5	4.7	3.7
Retirement Fund	8.0	5.2	4.2
Retirement Fund Index	6.9	4.8	3.8
<b>All Other Funds:</b>			
Large Cap Equity Index Fund	7.5	10.7	10.7
S&P 500 Index	7.5	10.7	10.7
International Equity Fund	(2.0)	2.6	3.7
MSCI ACWI ex US Index	(4.7)	1.1	2.2
Small/Mid Cap Equity Fund	(0.5)	6.0	6.6
Russell Small Cap Completeness Index	0.9	6.5	6.9
Fixed Income Fund	8.9	5.4	4.5
Barclays U.S. Aggregate Bond Index	8.7	5.3	4.3
Inflation - Linked Fixed Income Fund	8.3	5.1	3.7
Barclays U.S. TIPS Index	8.3	5.1	3.8
Stable Value Fund	2.5	2.3	2.0
Federal Reserve 3 Yr Constant Maturity	1.1	1.9	1.6
Money Market Fund	1.5	1.8	1.3
Citigroup 3 Month T-Bill Index	1.6	1.7	1.2

<sup>1</sup> See Accompanying Notes to the Actual and Benchmark Returns.

## Investment Results - Consolidated Defined Contribution Assets, continued

### Historical Annual Interest Crediting Rates

#### For the Years Ended June 30

Interest crediting rates are used to calculate a return on contributions made by members who are exiting the fund prior to attaining eligibility for a pension benefit payment. Interest rates are approved by the Board on an annual basis.

	Annual Interest Crediting Rate			
	77 Fund	JRS	EG&C	PARF
2020	2.6 %	2.6 %	2.6 %	2.6 %
2019	2.8	2.8	2.8	2.8
2018	2.4	2.4	2.4	2.4
2017	1.8	1.8	1.8	1.8
2016	1.9	1.9	1.9	1.9
2015	2.7	2.7	2.7	2.7
2014	1.9	1.9	1.9	1.9
2013	5.5	—	0.3	5.5
2012	5.5	—	3.5	5.5
2011	5.5	—	3.5	5.5

## Top 10 Holdings

For the Year Ended June 30, 2020

### Equity Holdings by Fair Value <sup>1</sup>

(dollars in thousands)

Company	Shares	Fair Value
Microsoft Corporation	902,564	\$ 183,681
Apple Inc.	488,130	178,070
Amazon.com Inc.	50,382	138,995
Facebook Inc.	285,314	64,786
Alphabet Inc. Class A Common Stock	36,093	51,182
Taiwan Semiconductor Manufacturing	4,807,000	50,995
Alphabet Inc. Class C Capital Stock	35,208	49,770
Samsung Electronics Co. Ltd.	1,082,274	47,507
Tencent Holdings Ltd.	716,800	46,113
SAP SE	328,969	45,934

### Fixed Income Holdings by Fair Value <sup>1</sup>

(dollars in thousands)

Description	Coupon Rate	Maturity Date	Par Value	Fair Value
U.S. Treasury - CPI Inflation Index Bond	2.125 %	2/15/41	\$ 133,551	\$ 199,440
U.S. Treasury Bond	1.250	5/15/50	197,100	189,378
U.S. Treasury Bond	3.125	8/15/44	129,920	177,153
U.S. Treasury - CPI Inflation Index Bond	1.375	2/15/44	120,433	164,357
U.S. Treasury - CPI Inflation Index Bond	0.750	2/15/42	125,087	149,672
U.S. Treasury - CPI Inflation Index Bond	0.625	2/15/43	124,961	146,951
U.S. Treasury - CPI Inflation Index Bond	0.750	2/15/45	119,080	145,683
U.S. Treasury - CPI Inflation Index Bond	0.875	2/15/47	106,443	135,593
U.S. Treasury - CPI Inflation Index Bond	1.000	2/15/46	104,643	135,532
U.S. Treasury - CPI Inflation Index Bond	2.125	2/15/40	85,605	126,224

<sup>1</sup> A complete list of portfolio holdings is available upon request.

## Investment Fees

### Investment Management Fees

#### For the Year Ended June 30, 2020

Private Markets and Real Estate managers provide account valuations on a net of fee basis. While management fees are disclosed in the Investment Management Fees schedule, for greater transparency, INPRS makes a good faith effort to provide realized carried interest and expenses that would not otherwise be disclosed. INPRS's consultants Aksia Torrey Cove and Mercer provided additional fee information on a calendar year basis as of December 31, 2019 resulting in reported realized carried interest and expenses for Private Markets of \$76.6 million and Real Estate of \$18.7 million. Reported realized carried interest and expenses exclude funds where data was not provided by the general partners.

(dollars in thousands)

Asset Class	Fees Paid
Consolidated Defined Benefit Assets	
Public Equity	\$ 16,290
Private Markets	41,939
Fixed Income - Ex Inflation-Linked	23,607
Fixed Income - Inflation-Linked	3,333
Commodities	5,824
Real Estate	20,588
Absolute Return	77,779
Risk Parity	10,870
Cash + Cash Overlay	377
<b>Total Consolidated Defined Benefit Assets</b>	<b>200,607</b>
Defined Contribution Assets	9,027
OPEB Assets	39
<b>Total Investment Management Fees</b>	<b>\$ 209,673</b>

### Top 10 Brokers' Commission Fees

#### For the Year Ended June 30, 2020

(dollars in thousands)

Broker	Fees Paid
Morgan Stanley & Co. Inc.	\$ 1,064
Goldman Sachs & Co.	692
Newedge USA LLC	639
J P Morgan Securities Ltd.	215
Instinet Clearing Services Inc.	128
HSBC Securities Inc.	125
Sanford C Bernstein & Co. Inc.	117
Merrill Lynch International Equities	86
Jefferies & Co. Inc.	67
Royal Bank of Canada Europe Ltd.	67
<b>Top Ten Brokers' Commission Fees</b>	<b>3,200</b>
Other Brokers	1,926
<b>Total Brokers' Commission Fees</b>	<b>\$ 5,126</b>

# Investment Professionals

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As of June 30, 2020

## Consolidated Defined Benefit Assets

### Custodian

Bank of New York Mellon

### Consultants

Aksia (Absolute Return)

Aksia Torrey Cove (Private Equity and Private Credit)

Mercer (Real Estate)

Verus (General: Defined Benefit)

### Public Equity Managers

Altrinsic Global Advisors, LLC

Arrowstreet Capital, LP

Artisan Partners Limited Partnership

Baillie Gifford & Company

BlackRock Institutional Trust

Disciplined Growth Investors

Leading Edge Investment Advisors

RhumbLine Advisers

Schroders

Times Square Capital Management, LLC

### Private Markets Managers

A.M. Pappas & Associates

ABRY Partners

Accel-KKR

Accent Equity Partners AB

Actis Capital

Advanced Technology Ventures

Advent International

Aisling Capital

AlpInvest Partners

Apax Partners

Apollo Management

ARCH Venture Partners

Ares Management

Ascribe Capital

Austin Ventures

Bain Capital Partners

Baring Private Equity Asia (BPEA)

Bay Partners

Bertram Capital

Black Diamond Capital Management

BlackFin Capital Partners

Blackstone Group

Bregal Sagemount

Brentwood Associates

Butterfly Equity Partners

Caltius Capital Management

Cardinal Partners

Carlyle Group

Centerfield Capital Partners

Cerberus Capital Management

Charterhouse Capital Partners

CID Capital

Cinven

Coller Capital

Columbia Capital

Crescent Capital Group

Crestview Partners

CVC Capital Partners

Doll Capital Management (DCM)

Elevation Partners

EnCap Investments

Energy Capital Partners

Escalate Capital Partners

Falcon Investment Advisors

First Reserve Corporation

Forbion Capital Partners

Fortress Investment Group

Francisco Partners

Gamut Capital Management

Gilde Buyout Partners

Globespan Capital Partners

GSO Capital Partners

GTCR Golder Rauner

H2 Equity Partners

Hammond Kennedy Whitney & Co

Hellman & Friedman

Herkules Capital

High Road Capital Partners

Horsley Bridge

HPS Investments Partners

Insight Partners

Institutional Venture Partners (IVP)

Intermediate Capital Group (ICG)

JFM Management

Jordan Company (TJC)

Kailai Investments

Khosla Ventures

Kohlberg Kravis Roberts & Co (KKR)

KPS Capital Partners

Landmark Partners

Leonard Green & Partners

Lexington Partners

Lightyear Capital

Lindsay Goldberg

Lion Capital

MBK Partners

Merit Capital Partners

Mill Road Capital

Neuberger Berman

New Enterprise Associates

New Mountain Capital

NGP Energy Capital Management

Oak Hill Advisors

Oak Hill Capital Management

Oak Investment Partners

Oaktree Capital Management

Opus Capital Venture Partners

Panda Power Funds

Parthenon Capital Partners

Pathlight Capital

Peninsula Capital Partners

Permira Advisers

Platinum Equity

Portfolio Advisors

Rho Capital Partners

RJD Partners

SAIF Management

Scale Venture Partners

Silver Cup

Silver Lake Partners

Sixth Street Partners (TSSP)

## Investment Professionals, continued

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Solar Capital Partners

### Private Markets Managers, continued

StepStone Group

Sumeru Equity Partners

Sun Capital Partners

TA Associates

TCW Capital Partners

Technology Crossover Ventures

Technology Partners

Terra Firma Capital Partners

TowerBrook Financial

TPG Capital

Trilantic Capital Partners

Trinity Ventures

Triton Partners

True Ventures

TSG Consumer Partners

Veritas Capital Management

Veronis Suhler Stevenson (VSS)

Vestar Capital Partners

Vintage Venture Partners

Vision Capital

Vista Equity Partners

Walden Group of Venture Capital Funds

Warburg Pincus

Warwick Energy Investment Group

Waterfall Asset Management

Wayzata Investment Partners

Weston Presidio Capital

White Deer Management

Windjammer

WL Ross & Co.

Xenon Private Equity

York Capital Management

### Fixed Income - Ex Inflation-Linked Managers

Goldman Sachs Asset Management, LP

Oak Hill Advisors, LP

Oak Tree Capital Management, LP

Pacific Investment Management Company (PIMCO)

State Street Global Advisors

Stone Harbor Investment Partners LP

### Fixed Income - Inflation-Linked Managers

Bridgewater Associates, Inc.

Northern Trust Global Investments

### Commodities Managers

Black Rock Institutional Trust <sup>1</sup>

CoreCommodity Management

Goldman Sachs Asset Management, LP

Gresham Investment Management, LLC

Northern Trust Global Investments <sup>1</sup>

### Real Estate Managers

Abacus Capital Group, LLC

Angelo Gordon LP

Asana Partners, LP

BlackRock Financial Management

Blackstone Group

Brigade Capital Management

Carlyle Group

Colony Capital, LLC

Exeter Property Group, LLC

Greenfield Partners, LLC

H/2 Capital Partners

Harrison Street Real Estate Capital, LLC

ICG

JDM Partners

LimeTree Capital Advisors

Kayne Anderson

Lone Star Management Co.

Mack Real Estate Group

Mesa West Capital

Noble Investment Group

Prologis

Related Fund Management LLC

Rockpoint Group LLC

Stockbridge Capital Group

TA Realty Associates

Walton Street Capital, LLC

WestRiver Capital, LLC

### Absolute Return Managers

AHL Partners (Man Group)

Aeolus Capital Management

AQR Capital Management

Blackstone Group

Bridgewater Associates, Inc.

Davidson Kempner Capital Management

D.E. Shaw & Co

Eisler Capital

Garda Capital Partners

Hudson Structured Capital Management

King Street Capital Management

Kirkoswald Capital Partners LLP

Mariner Investments Group LLC

Nephila Capital

Oxford Asset Management

Perella Weinberg Partners

Pharo Management

Rokos Global Macro

Tenaron Capital Management

Tilden Park Associates

Two Sigma Advisers

Voloridge

Whitebox

### Risk Parity Managers

AQR Capital Management

Bridgewater Associates, Inc

First Quadrant

PanAgora

### Cash Overlay Managers

Russell Investments

<sup>1</sup> Black Rock Institutional Trust and Northern Trust Global Investments manage inflation-linked collateral associated with the commodity mandates.

## Investment Professionals, continued

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As of June 30, 2020

### Defined Contribution Assets and Other Funds

#### Consultant

Capital Cities, LLC (General: Defined Contribution)

#### Retirement Medical Benefit Account

State Street Global Advisors

#### Large Cap Equity Index Fund Managers

BlackRock Institutional Trust

#### Special Death Benefit Fund Assets

Northern Trust Global Investments

#### International Equity Fund Managers

Altrinsic Global Advisors, LLC

Arrowstreet Capital, LP

Baillie Gifford & Company

BlackRock Institutional Trust

#### Local Public Safety Pension Relief Fund Assets

Bank of New York Mellon

#### Small/Mid Cap Equity Fund Managers

RhumbLine Advisers

Times Square Capital Management, LLC

#### Fixed Income Fund Managers

Loomis Sayles & Company

Northern Trust Global Investments

Pacific Investment Management Company (PIMCO)

#### Inflation-Linked Fixed Income Fund Managers

Northern Trust Global Investments

#### Stable Value Fund

Galliard Capital Management (Fund Advisor)

Income Research + Management (Fund Sub-Advisor)

Jennison Associates (Fund Sub-Advisor)

Dodge & Cox (Fund Sub-Advisor)

TCW (Fund Sub-Advisor)

#### Money Market Fund Manager

Bank of New York Mellon

# 2020 **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2020

## **Actuarial Section**

- [126](#) Introduction to Actuarial Information
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- [187](#) Legislators' Defined Benefit Fund

### **\$2.9 Billion Unfunded Actuarial Accrued Liability**

Excluding TRF Pre 96 DB

### **1.8 Million Life-Years**

Analyzed in the 2014-2019 actuarial experience study report published in 2020



## Purpose of the Actuarial Section

Funding methods used for the Defined Benefit retirement plans are not governed by and do not conform to GASB Statement No. 67, so the actuary prepares two actuarial valuations for each of the pension plans. One is an actuarial valuation used for financial reporting purposes, which conforms to GASB Statement No. 67 (Financial Section) and the second is an actuarial valuation used for funding purposes (Actuarial Section), which follows generally accepted actuarial principles and the Actuarial Standards of Practice issued by the Actuarial Standards Board. Actuarial methods and assumptions utilized to prepare the two actuarial valuations are nearly identical, with the primary difference being the method of valuation of the pension assets. In 2019, INPRS published an actuarial risk analysis report that highlights many of the actuarial-related risks faced by INPRS funds. It is available on the [actuarial reports page](#) of the INPRS website. Amounts presented in the Actuarial Section may differ from the amounts presented for financial reporting purposes in the Financial Section.

Actuarial services are provided by Cavanaugh Macdonald Consulting, LLC.

## Accompanying Notes to the Actuarial Schedules

The following details are intended to clarify certain values presented in the actuarial schedules:

- The Unfunded Actuarial Accrued Liability (UAAL) is calculated using the Actuarial Value of Assets (AVA), which is different from the Net Pension Liability in the Financial Section which uses the Plan Fiduciary Net Position, also known as the Fair Value of Assets (FVA).
- Actuarial Accrued Liabilities Experience represents actual experience versus expected experience of the actuarial census assumptions. One factor was the unanticipated changes to the member census data. In JRS there was a 3.3% COLA, rather than the assumed COLA of 2.75%.
- Covered Employee Payroll can also be found in the RSI Contribution Schedule in the Financial Section (LE DB is a closed plan with no Covered Employee Payroll).
- For years 2014 and later, the valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.
- End of year benefits are not equal to prior year end annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases on the Schedule of Retirants and Beneficiaries.
- Annual Payroll figures shown on the Schedule of Active Members Valuation Data are the anticipated pay for the one-year period following the valuation date.
- Beginning in 2018 there was a change in method impacting Average Annual Pay.

For PERF DB, TRF Pre-'96 DB, and TRF '96 DB the additional information should be considered:

- Annual benefits include amounts for members who selected annuity for their ASA (i.e. DC balance).
- Effective January 1, 2018, members can no longer use their DC balances to increase their DB payments. For the solvency test, DC account balances are treated as a separate DC plan.
- The end of year number of benefit recipients is not equal to the prior end of year number of benefit recipients plus additions less removals due to reclassifications between TRF Pre-'96 DB and TRF '96 DB.



## Cavanaugh Macdonald

CONSULTING, LLC

*The experience and dedication you deserve*

November 5, 2020

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

Dear Members of the Board:

At your request, we performed actuarial valuations of the eight defined benefit plans administered by the Indiana Public Retirement System (INPRS): the Public Employees' Retirement Fund (PERF DB), the Teachers' Pre-1996 Account (TRF Pre-'96 DB), the Teachers' 1996 Account (TRF '96 DB), the 1977 Police Officers' and Firefighters' Retirement Fund ('77 Fund), the Judges' Retirement System (JRS), the Excise, Gaming and Conservation Officers' Retirement Fund (EG&C), Prosecuting Attorneys' Retirement Fund (PARF), and the Legislators' Defined Benefit Fund (LE DB). These valuations are as of June 30, 2020, for the purpose of estimating the actuarial required contribution for the plan years ending in calendar year 2022 (either June 30 or December 31), along with the actuarial surcharge rate or equivalent amounts for applicable plans (PERF, TRF Pre-'96 DB, TRF '96 DB, EG&C, and LE DB) for the 2021 calendar year, and reflect the benefit and funding provisions in place on June 30, 2020.

The EG&C Fund results include changes in plan provisions resulting from the passage of Senate Enrolled Act No. 181 (SEA 181). This report also reflects the updated economic and demographic assumptions proposed in the 2014-2019 Experience Study that were adopted by the Board in June 2020, though there were no changes in the actuarial methods. Please refer to that Study (available on the INPRS web site) for complete details.

### **Basis of the Valuations**

In preparing our valuation, we relied, without audit, on information (some oral and some in writing) supplied by INPRS staff. This information includes, but is not limited to, statutory provisions, member data and financial information. We did review the data to ensure that it was reasonably consistent and comparable with data from prior years. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete, our results may be different and our calculations may need to be revised.

As noted above, the valuation reflects the provisions as of June 30, 2020, including the effects of SEA 181 for the EG&C Fund.

3802 Raynor Pkwy, Suite 202, Bellevue, NE 68123  
Phone (402) 905-4461 • Fax (402) 905-4464  
[www.CavMacConsulting.com](http://www.CavMacConsulting.com)  
Offices in Kennesaw, GA • Bellevue, NE



Board of Trustees  
November 5, 2020  
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We certify that all costs and liabilities for the funds have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the plan and reasonable expectations); and which, in combination, offer the best estimate of anticipated experience affecting the plan. The cost determinations and the contribution policies of the Board are anticipated to systematically fund the promised benefits. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions.

### **Actuarial Methods and Assumptions**

We believe the actuarial assumptions used herein are reasonable. The Board has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix C. Specifically, we presented the proposed assumptions for the 2020 valuations to the Board on February 21, 2020 based on our Experience Study for the period from July 1, 2014 to June 30, 2019, and the Board subsequently adopted their use. These assumptions are applicable to both the funding and Governmental Accounting Standards Board (GASB) Statement Number 67 valuation calculations, unless otherwise noted.

We note that as we are preparing this report, the world is in the midst of a pandemic. We have considered available information, but do not believe that there is yet sufficient data to warrant the modification of any of our assumptions. We will continue to monitor the situation and advise the Board in the future of any adjustments that we believe would be appropriate.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

Actuarial computations presented in this report are for purposes of determining the funding rates for the Plan. The calculations in the enclosed report have been made on a basis consistent with our understanding of the Plan's funding requirements and goals as adopted by the Board and satisfy the guidance set forth in the applicable Actuarial Standards of Practice. Additionally, we have included actuarial computations for use in preparing certain reporting and disclosure requirements under Governmental Accounting Standards Board Statements Number 67 and Number 68. Determinations for purposes other than meeting these funding and disclosure requirements may be significantly different from the results contained in this report and require additional analysis.

### **Certification**

We certify that the information presented herein accurately and fairly discloses the actuarial position of each fund and the System as a whole, based on the underlying census data and asset information provided by INPRS, using the assumptions and methods approved by the Board. This annual report, prepared as of June 30, 2020, provides data and tables that we prepared for use in the following sections of the CAFR:

#### 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 Plan Fiduciary Net Position
- Schedule of Contributions
- Schedule of Notes to Required Supplementary Information



Board of Trustees  
November 5, 2020  
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Actuarial Section:

- Summary of Funded Status
- Historical Summary of Actuarial Valuation Results by Retirement Plan
- Summary of Actuarial Assumptions, Methods and Plan Provisions
- Analysis of Financial Experience
- Solvency Test
- Schedule of Active Member Valuation Data
- Schedule of Retirants and Beneficiaries

Statistical Section:

- Membership Data 10-Year Summary
- Ratio of Active Members to Annuitants
- Schedule of Defined Benefit Recipients by Type of Benefit Option
- Schedule of Average Benefit Payments

The consultants who worked on this assignment are pension actuaries. Cavanaugh Macdonald's advice is not intended to be a substitute for qualified legal or accounting counsel.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and the assumptions and methods used meet the guidance provided in the applicable Actuarial Standards of Practice. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

The calculations were completed in compliance with applicable law and the calculations for GASB disclosure, in our opinion, meet the requirements of GASB 67 and GASB 68. We are available to answer any questions on the material contained in the report, or to provide explanations or further details as may be appropriate.

We respectfully submit the following exhibits.

Sincerely,

Handwritten signature of Brent A. Banister in blue ink.

Brent A. Banister, PhD, FSA, EA, FCA, MAAA  
Chief Actuary

Handwritten signature of Edward J. Koebel in blue ink.

Edward Koebel, FCA, EA, MAAA  
Chief Executive Officer

Handwritten signature of Virginia Fritz in blue ink.

Virginia Fritz, FSA, EA, FCA, MAAA  
Senior Actuary

## Combined Defined Benefit Funds

### Summary of Funded Status <sup>1</sup>

The following table shows the Actuarial Accrued Liabilities and Actuarial Value of Assets as of June 30, 2020 and June 30, 2019.

(dollars in thousands)

Pre-Funded Defined Benefit Retirement Plans	Actuarial Valuation as of June 30, 2020				Actuarial Valuation as of June 30, 2019			
	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Actuarial Funded Status	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Actuarial Funded Status
PERF DB	\$ 16,281,754	\$ 13,560,460	\$ 2,721,294	83.3 %	\$ 16,576,060	\$ 13,157,802	\$ 3,418,258	79.4 %
TRF '96 DB	6,403,252	6,460,070	(56,818)	100.9	5,980,426	6,056,317	(75,891)	101.3
77 Fund	6,785,608	6,670,034	115,574	98.3	6,389,002	6,299,749	89,253	98.6
JRS	592,510	564,741	27,769	95.3	586,499	538,600	47,899	91.8
EG&C	163,978	149,360	14,618	91.1	152,207	140,559	11,648	92.3
PARF	107,049	69,288	37,761	64.7	110,082	64,909	45,173	59.0
LE DB	3,127	2,986	141	95.5	3,362	3,026	336	90.0
<b>Total Pre-Funded DB Retirement Plans</b>	<b>30,337,278</b>	<b>27,476,939</b>	<b>2,860,339</b>	<b>90.6</b>	<b>29,797,638</b>	<b>26,260,962</b>	<b>3,536,676</b>	<b>88.1</b>
<b>Pay-As-You-Go DB Retirement Plan</b>								
TRF Pre-'96 DB	13,968,703	3,707,851	10,260,852	26.5	14,389,164	3,694,211	10,694,953	25.7
<b>Total Defined Benefit Retirement Plans</b>	<b>\$ 44,305,981</b>	<b>\$ 31,184,790</b>	<b>\$ 13,121,191</b>	<b>70.4 %</b>	<b>\$ 44,186,802</b>	<b>\$ 29,955,173</b>	<b>\$ 14,231,629</b>	<b>67.8 %</b>

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

## Combined Defined Benefit Funds, continued

### Reconciliation of the Change in the Unfunded Liability <sup>1</sup>

The following table reconciles the change in the unfunded liability from FY2019 to FY2020.

(dollars in thousands)

Defined Benefit Retirement Plans	June 30, 2019 UAAL	Normal Cost and Interest, less Expected Contributions	Expected June 30, 2020 UAAL	Actuarial Value of Assets Experience	(Gain) / Loss				Total UAAL (Gain) / Loss	June 30, 2020 UAAL
					Actuarial Accrued Liabilities Experience	Actuarial Assumption & Methodology Changes	Plan Provision Changes <sup>2</sup>			
PERF DB	\$ 3,418,258	\$ (38,794)	\$ 3,379,464	\$ 14,920	\$ (56,260)	\$ (616,830)	\$ —	\$ (658,170)	\$ 2,721,294	
TRF Pre-'96 DB	10,694,953	(255,121)	10,439,832	35,571	(43,888)	(170,663)	—	(178,980)	10,260,852	
TRF '96 DB	(75,891)	27,373	(48,518)	23,753	(31,939)	(114)	—	(8,300)	(56,818)	
77 Fund	89,253	(2,237)	87,016	14,601	11,679	2,278	—	28,558	115,574	
JRS	47,899	(1,878)	46,021	8,530	(1,968)	(24,814)	—	(18,252)	27,769	
EG&C	11,648	287	11,935	(2,178)	6,031	(1,984)	814	2,683	14,618	
PARF	45,173	(1,129)	44,044	1,263	(2,534)	(5,012)	—	(6,283)	37,761	
LE DB	336	(153)	183	59	(14)	(87)	—	(42)	141	
<b>Total INPRS</b>	<b>\$ 14,231,629</b>	<b>\$ (271,652)</b>	<b>\$ 13,959,977</b>	<b>\$ 96,519</b>	<b>\$ (118,893)</b>	<b>\$ (817,226)</b>	<b>\$ 814</b>	<b>\$ (838,786)</b>	<b>\$ 13,121,191</b>	

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> Plan Provision Changes include:

-In 2020, EG&C was modified pursuant to SEA 181. Previously, active members were required to have 15 years of service to qualify for death benefits. Statute now allows a qualifying spouse/dependent to receive a benefit regardless of the service credit of the deceased active member.

## Combined Defined Benefit Funds, continued

### 10-Year Schedule of Employer Counts

#### For the Years Ended June 30

The following table shows the historical number of employers by fund.

	<sup>1</sup> Total DB	<sup>1</sup> PERF DB	TRF Pre-'96 DB	<sup>2</sup> TRF '96 DB	<sup>2</sup> Total TRF DB	77 Fund	JRS	EG&C	PARF	LE DB
2020 <sup>3</sup>	1,267	1,214	336	376	N/A	174	1	1	1	1
2019	1,244	1,187	345	373	N/A	168	1	1	1	1
2018	1,244	1,187	345	373	N/A	168	1	1	1	1
2017	1,234	1,183	341	368	N/A	167	1	1	1	1
2016	1,224	1,177	337	362	N/A	165	1	1	1	1
2015	1,212	1,167	339	360	N/A	165	1	1	1	1
2014	1,175	1,126	340	363	N/A	162	1	1	1	1
2013 <sup>4</sup>	1,171	1,121	N/A	N/A	365	161	1	1	1	1
2012 <sup>4</sup>	1,170	1,122	N/A	N/A	364	162	1	1	1	1
2011	1,182	1,132	N/A	N/A	369	166	1	1	1	1

<sup>1</sup> Sum of employers does not equal total, as an employer may participate in multiple retirement funds.

<sup>2</sup> Prior to 2014 participating employers for TRF were not split between TRF Pre-'96 DB and TRF '96 DB.

<sup>3</sup> The 2020 employer count is as of the 2019 valuation date.

<sup>4</sup> The Total was adjusted to treat the State and its component units as one employer.

# Public Employees' Defined Benefit Account

## Historical Summary of Actuarial Valuation Results

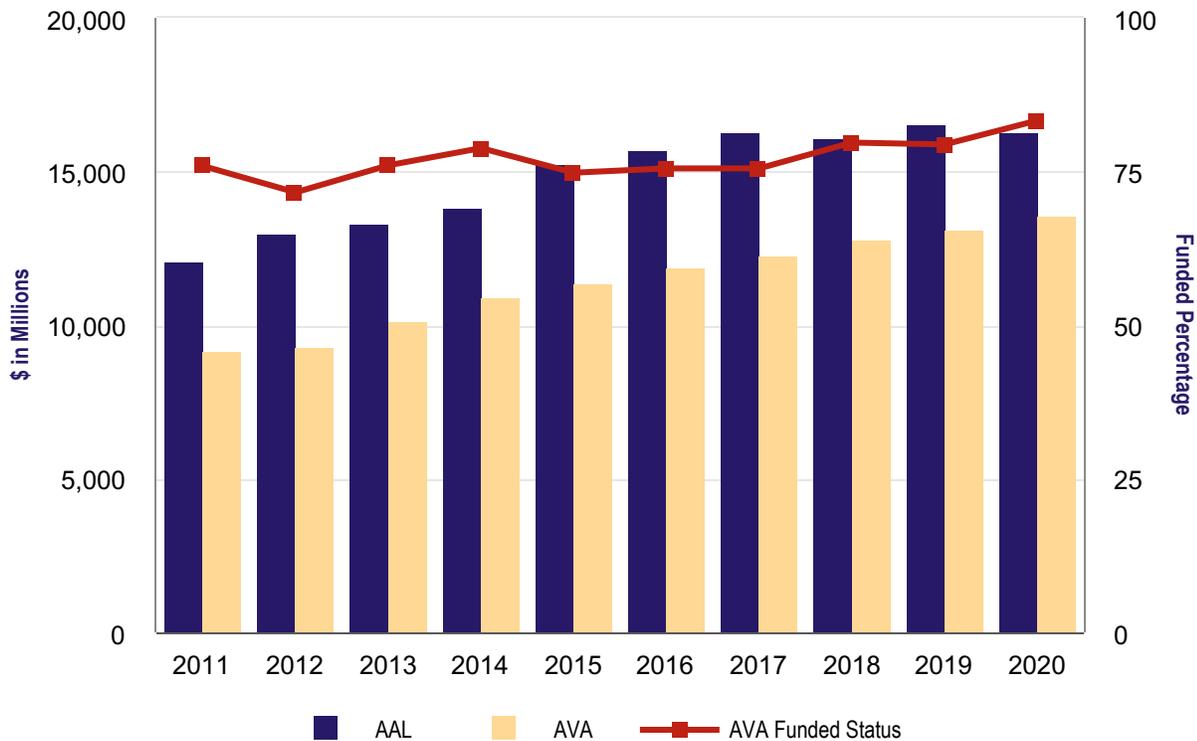
### Actuarial Valuation as of June 30 <sup>1</sup>

The following table shows the history of the Unfunded Liability as a percentage of Covered Employee Payroll for PERF DB.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll	Unfunded Liability as a percentage of Covered Employee Payroll
2020	\$16,281,754	\$13,560,460	<b>\$2,721,294</b>	<b>83.3%</b>	\$5,380,843	50.6%
2019	16,576,060	13,157,802	<b>3,418,258</b>	<b>79.4</b>	5,205,243	65.7
2018	16,091,373	12,823,930	<b>3,267,443</b>	<b>79.7</b>	5,083,131	64.3
2017	16,335,253	12,327,958	<b>4,007,295</b>	<b>75.5</b>	4,997,555	80.2
2016	15,752,055	11,896,167	<b>3,855,888</b>	<b>75.5</b>	4,868,709	79.2
2015	15,263,395	11,414,710	<b>3,848,685</b>	<b>74.8</b>	4,804,145	80.1
2014	13,880,722	10,939,760	<b>2,940,962</b>	<b>78.8</b>	4,896,635	60.1
2013	13,349,578	10,151,181	<b>3,198,397</b>	<b>76.0</b>	4,700,000	68.1
2012	13,034,791	9,338,776	<b>3,696,015</b>	<b>71.6</b>	4,550,000	81.2
2011	12,108,124	9,195,563	<b>2,912,561</b>	<b>75.9</b>	4,500,000	64.7

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# Public Employees' Defined Benefit Account, continued

## Summary of Actuarial Assumptions, Actuarial Methods, and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2020 valuation of the Public Employees' Defined Benefit Account were adopted by the INPRS Board in June 2020. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

The mortality assumption changed from 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience.

The disability assumption was updated based on recent experience.

The marital assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

There were no changes to the plan provisions during the fiscal year.

## Actuarial Assumptions

Actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting, except where noted.

### 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)

Inflation: 2.25 percent per year

Cost of Living Increases: A service-based 13th check will be paid in the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, are assumed:

0.4 percent beginning on January 1, 2022
0.5 percent beginning on January 1, 2034
0.6 percent beginning on January 1, 2039

## Public Employees' Defined Benefit Account, continued

---

Future Salary Increases:

Based on 2015-2019 experience.

Service	Wage Inflation	Productivity, Merit, and Promotion	Total Individual Salary Growth
0	2.75 %	6.00 %	8.75 %
1	2.75	5.00	7.75
2	2.75	4.00	6.75
3	2.75	3.00	5.75
4	2.75	2.50	5.25
5	2.75	2.00	4.75
6	2.75	1.75	4.50
7	2.75	1.50	4.25
8	2.75	1.25	4.00
9	2.75	1.00	3.75
10	2.75	0.75	3.50
11	2.75	0.50	3.25
12	2.75	0.25	3.00
13+	2.75	—	2.75

### Demographic Assumptions: Based on 2015-2019 Experience

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy):	General Employee table with a 3 year set forward for males and a 1 year set forward for females.
Mortality (Retirees):	General Retiree table with a 3 year set forward for males and a 1 year set forward for females.
Mortality (Beneficiaries):	Contingent Survivor table with no set forward for males and a 2 year set forward for females.
Mortality (Disabled):	General Disabled table with a 140% load.

## Public Employees' Defined Benefit Account, continued

Retirement:	Age	Eligible for Reduced Benefit	Eligible for Unreduced Benefit
	50-54	4 %	N/A
	55	5	14 %
	56-59	5	10
	60	N/A	12
	61	N/A	16
	62	N/A	22
	63	N/A	19
	64	N/A	24
	65-74	N/A	30
	75+	N/A	100

### Benefit Commencement Timing:

#### Active Members

If eligible for a reduced early retirement benefit upon termination from employment, 30 percent commence immediately and 70 percent defer to earliest unreduced retirement age.

If eligible for an unreduced retirement benefit upon termination from employment, 100 percent commence immediately.

#### Terminated Vested Members

100 percent defer to earliest unreduced retirement age. If currently eligible for an unreduced retirement benefit, 100 percent commence immediately.

### Termination:

PSD, Salary <\$20,000			PSD, Salary <\$20,000		
Age	Male	Female	Age	Male	Female
15-22	34 %	40 %	35	25 %	22 %
23	34	38	36	25	21
24	34	36	37	25	20
25	34	34	38	25	19
26	34	32	39	25	18
27	34	30	40	24	17
28	34	29	41	24	16
29	34	28	42	24	15
30	29	27	43	24	14
31	29	26	44	24	13
32	29	25	45-49	21	12
33	29	24	50-60	17	12
34	29	23	61+	14	12

## Public Employees' Defined Benefit Account, continued

Termination, continued:

Service	State	PSD, Salary >\$20,000	Service	State	PSD, Salary >\$20,000
	Unisex	Unisex		Unisex	Unisex
0	24.00 %	18.00 %	14	5.50	5.50
1	20.00	16.00	15	5.25	5.25
2	18.00	14.00	16	5.00	5.00
3	16.00	12.00	17	4.75	4.75
4	14.00	10.00	18	4.50	4.50
5	12.00	8.00	19	4.25	4.25
6	11.00	7.50	20	4.00	4.00
7	10.00	7.00	21	4.00	3.75
8	9.00	6.50	22	4.00	3.50
9	8.00	6.50	23	4.00	3.25
10	7.00	6.50	24	4.00	3.00
11	6.50	6.25	25	4.00	3.00
12	6.00	6.00	26	4.00	3.00
13	5.75	5.75	27+	1.00	3.00

Disability:

Age	Sample Rates	
	Male	Female
20	0.004 %	0.003 %
25	0.008	0.006
30	0.014	0.010
35	0.024	0.018
40	0.042	0.032
45	0.080	0.061
50	0.160	0.124
55+	0.300	0.200

Spouse/Beneficiary: 80 percent of male members and 65 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.

Miscellaneous Adjustments: For active members, the Average Annual Compensation was increased by \$200 for additional wages received upon termination, such as severance or unused sick leave.

# Public Employees' Defined Benefit Account, continued

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## 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 20-year period with level payments each year. A new gain or loss base is established each year on the additional gain or loss during that year and that base is amortized over a new 20-year period. However, when the plan is at or above 100 percent 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. Effective June 30, 2018, the bases are calculated without regard to the COLA provisions. 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. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date:

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.

COLA Surcharge:

The COLA Surcharge is developed by determining the assets needed at the start of the next biennium to fund the post-retirement benefit increases anticipated to be granted in that biennium. This amount is divided by the present value of expected payroll over which the accumulations will occur.

Asset Valuation Method:

Funding uses the Actuarial Value of Assets (AVA), which is equal to a five-year smoothing of gains and losses on the Fair Value of Assets (FVA), 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 FVA.

Accounting and financial reporting uses the Fair Value of Assets (FVA) 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, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.

# Public Employees' Defined Benefit Account, continued

## Analysis of Financial Experience

(dollars in thousands)	<b>UAAL</b>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2019	\$3,418,258
Normal Cost and Interest, less Expected Contributions	<u>(38,794)</u>
Expected UAAL: June 30, 2020	3,379,464
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	14,920
Actuarial Accrued Liabilities Experience <sup>1</sup>	(56,260)
Actuarial Assumption & Methodology Changes	(616,830)
Plan Provision Changes	<u>—</u>
Total UAAL (Gain) / Loss	<u>(658,170)</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020</b>	<b><u><u>\$2,721,294</u></u></b>

## Solvency Test <sup>1</sup>

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(dollars in thousands)	Actuarial Accrued Liabilities				Portion of Actuarial Accrued Liabilities Covered by Assets		
	Actuarial Valuation as of June 30	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Retirees and Beneficiaries	Active Member (Employer Financed Portion)
2020	\$8,050,791	\$8,230,963	\$16,281,754	\$13,560,460	100.0%	66.9%	83.3%
2019	8,068,490	8,507,570	16,576,060	13,157,802	100.0	59.8	79.4
2018	7,768,231	8,323,142	16,091,373	12,823,930	100.0	60.7	79.7
2017	7,834,962	8,500,291	16,335,253	12,327,958	100.0	52.9	75.5
2016	7,595,089	8,156,966	15,752,055	11,896,167	100.0	52.7	75.5
2015	6,981,308	8,282,087	15,263,395	11,414,710	100.0	53.5	74.8
2014	6,250,902	7,629,820	13,880,722	10,939,760	100.0	61.5	78.8
2013	6,367,819	6,981,759	13,349,578	10,151,181	100.0	54.2	76.0
2012	5,895,779	7,139,012	13,034,791	9,338,776	100.0	48.2	71.6
2011	5,370,786	6,737,338	12,108,124	9,195,563	100.0	56.8	75.9

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

# Public Employees' Defined Benefit Account, continued

## Schedule of Active Members Valuation Data

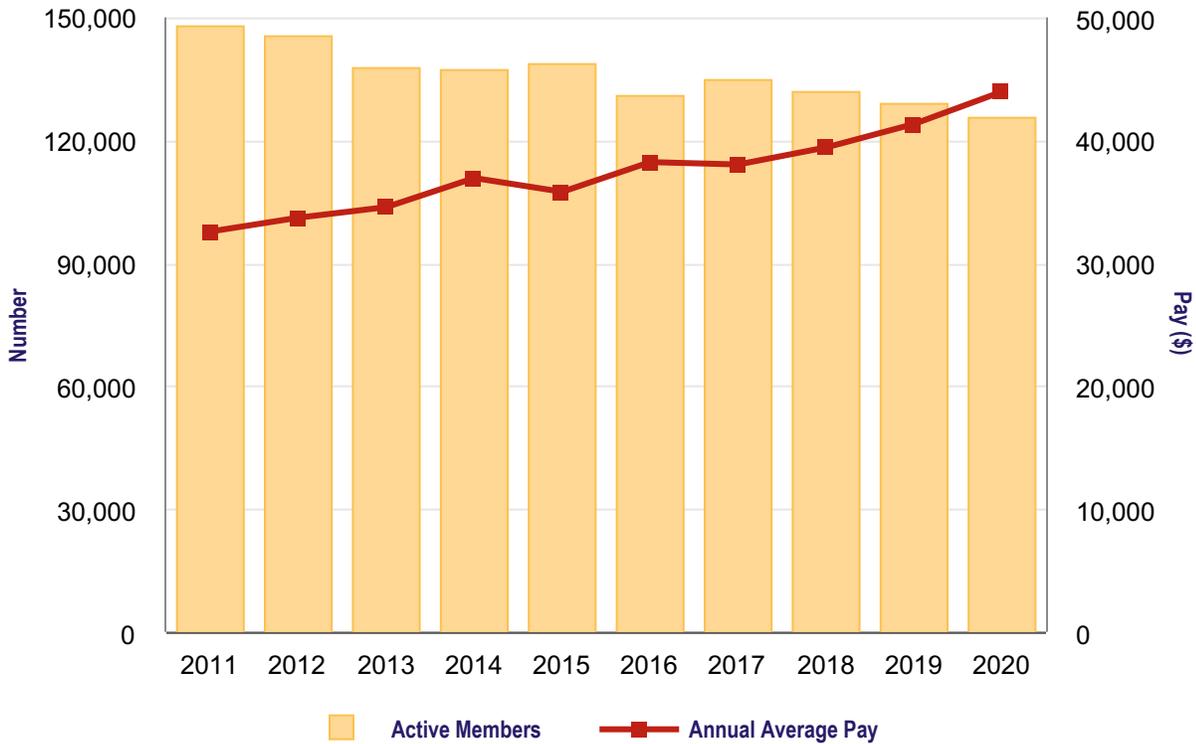
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase / (Decrease) in Average Pay
2020	125,780	\$5,528,816	\$43,956	6.4%
2019	129,099	5,335,374	41,328	4.8
2018	132,181	5,210,209	39,417	3.6
2017	134,909	5,130,437	38,029	(0.5)
2016	131,178	5,014,012	38,223	6.8
2015	138,660	4,964,813	35,806	(3.0)
2014	137,567	5,080,092	36,928	6.9
2013	137,937	4,766,910	34,559	2.5
2012	145,519	4,904,052	33,700	3.5
2011	147,933	4,818,774	32,574	(0.3)

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Active Members Per Year and Annual Average Pay



# Public Employees' Defined Benefit Account, continued

## Schedule of Retirants and Beneficiaries

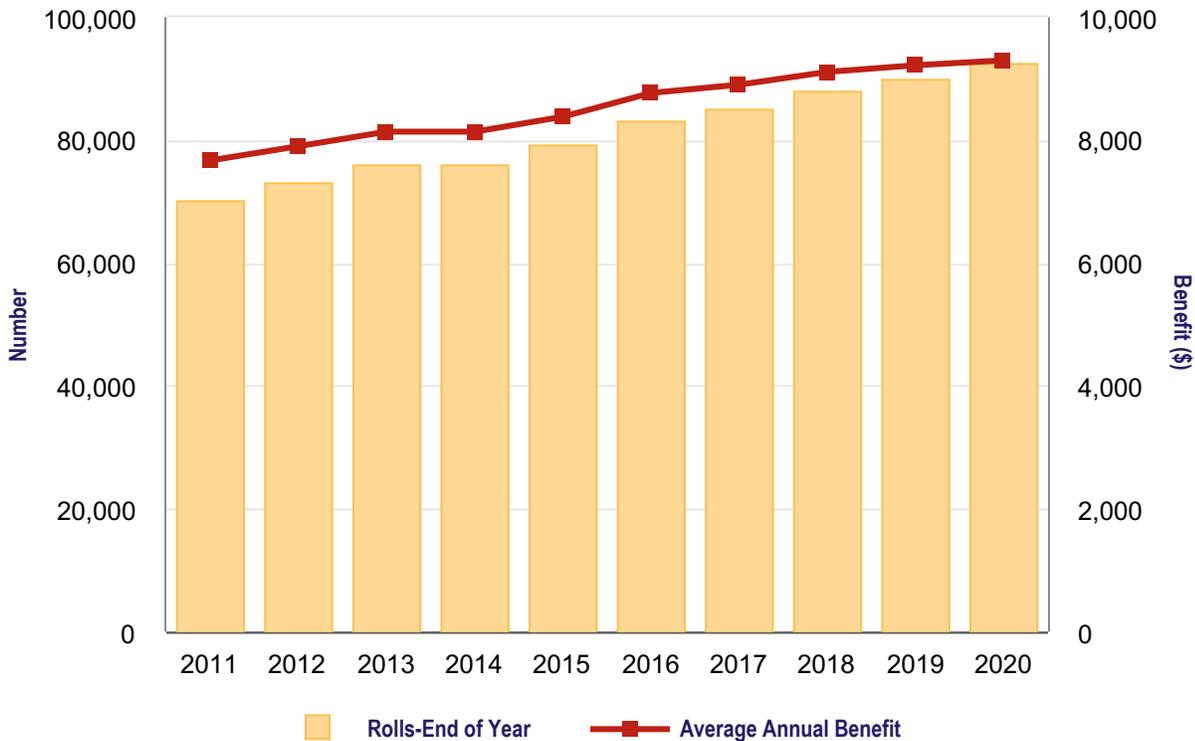
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	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			
2020	5,194	\$50,481	2,690	18,520	92,436	\$859,427	3.7%	\$9,298	0.9%
2019	5,077	50,319	3,135	21,565	89,932	829,035	3.4	9,218	1.2
2018	5,249	55,236	2,389	15,609	87,990	801,551	5.8	9,110	2.3
2017	4,855	49,980	2,913	18,808	85,130	757,851	3.9	8,902	1.5
2016	6,478	78,487	2,488	15,597	83,188	729,366	9.9	8,768	4.6
2015	5,489	60,538	2,241	14,107	79,198	663,767	7.4	8,381	3.0
2014	—	—	—	—	75,950	617,977	—	8,137	—
2013	5,231	55,523	2,273	13,898	75,950	617,977	7.2	8,137	3.0
2012	4,751	49,766	2,139	12,540	72,992	576,678	6.8	7,901	3.0
2011	5,402	56,185	2,188	11,698	70,380	539,747	8.3	7,669	3.4

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



# Teachers' Pre-1996 Defined Benefit Account

## Historical Summary of Actuarial Valuation Results

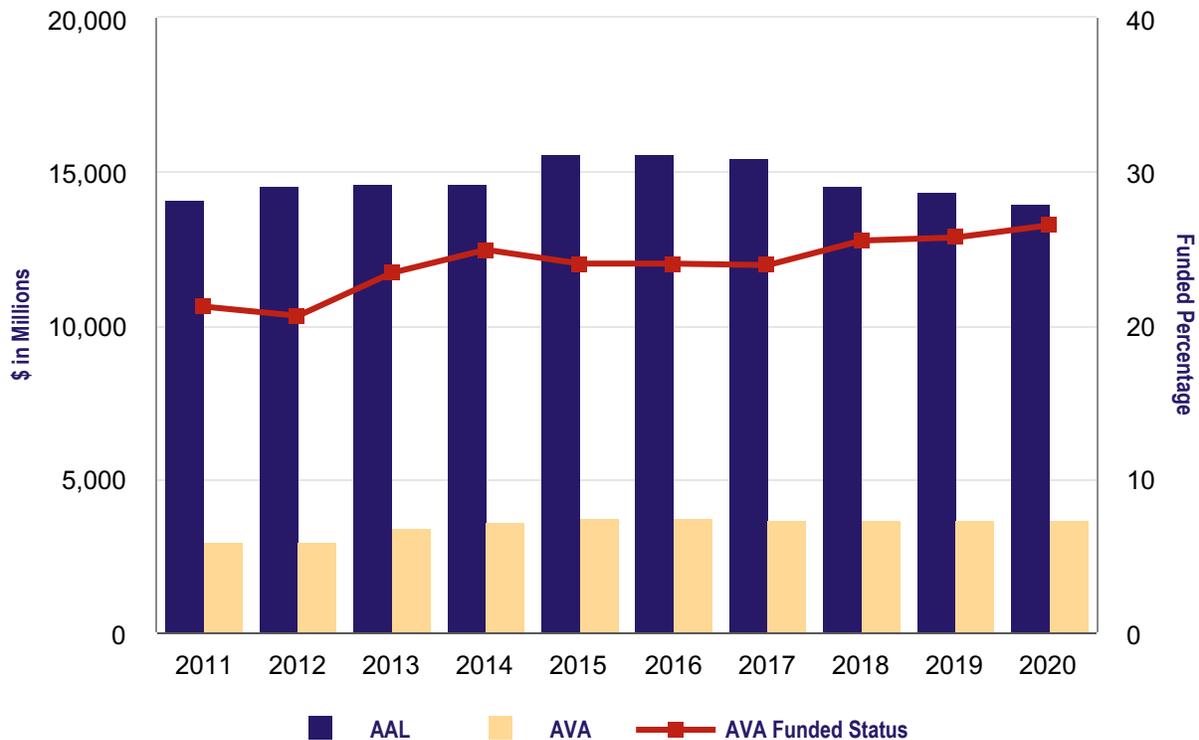
### Actuarial Valuation as of June 30 <sup>1</sup>

The following table shows the history of the Unfunded Liability as a percentage of Covered Employee Payroll for TRF Pre-'96 DB.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll	Unfunded Liability as a percentage of Covered Employee Payroll
2020	\$13,968,703	\$3,707,851	<b>\$10,260,852</b>	<b>26.5%</b>	\$693,965	1,478.6%
2019	14,389,164	3,694,211	<b>10,694,953</b>	<b>25.7</b>	753,355	1,419.6
2018	14,583,189	3,721,323	<b>10,861,866</b>	<b>25.5</b>	824,770	1,317.0
2017	15,494,539	3,708,870	<b>11,785,669</b>	<b>23.9</b>	912,685	1,291.3
2016	15,575,072	3,743,861	<b>11,831,211</b>	<b>24.0</b>	989,093	1,196.2
2015	15,596,291	3,750,183	<b>11,846,108</b>	<b>24.0</b>	1,074,827	1,102.2
2014	14,639,876	3,643,011	<b>10,996,865</b>	<b>24.9</b>	1,262,828	870.8
2013	14,649,549	3,422,274	<b>11,227,275</b>	<b>23.4</b>	1,383,428	811.6
2012	14,547,939	3,004,031	<b>11,543,908</b>	<b>20.6</b>	1,637,066	705.1
2011	14,081,878	2,990,877	<b>11,091,001</b>	<b>21.2</b>	1,762,750	629.2

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# Teachers' Pre-1996 Defined Benefit Account, continued

## Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2020 valuation of the Teachers' Pre-1996 Defined Benefit Account were adopted by the INPRS Board in June 2020. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The future salary increase assumption changed from a table ranging from 2.50 percent to 12.50 percent to a table ranging from 2.75 percent to 12.00 percent.

The mortality assumption changed from the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age-based table split by regular retirement, rule of 85 retirement, and early retirement to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously, all active retirements were assumed to commence benefits immediately.

The termination assumption was updated based on recent experience. The age-based table and service-based tables which were used previously were replaced by one service-based table.

The disability assumption was updated based on recent experience.

The marital assumption was updated based on recent experience. 80 percent of male members and 75 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 100 percent of members were assumed to be married or to have a dependent beneficiary. Additionally, for female members, the assumption for their spouse's age changed from 2 years older to 3 years older.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

There were no changes to the plan provisions during the fiscal year.

## Actuarial Assumptions

Actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting, except where noted.

### 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)

Inflation: 2.25 percent per year

Cost of Living Increases: A service-based 13th check will be paid in the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, are assumed:

0.4 percent beginning on January 1, 2022
0.5 percent beginning on January 1, 2034
0.6 percent beginning on January 1, 2039

## Teachers' Pre-1996 Defined Benefit Account, continued

Future Salary Increases:

Based on 2015-2019 experience. Illustrative rates shown below:

Years of Service	Merit	Wage Inflation	Total Individual Salary Growth
0-1	9.25 %	2.75 %	12.00 %
2	4.25	2.75	7.00
3	2.75	2.75	5.50
4-14	1.75	2.75	4.50
15	1.50	2.75	4.25
16	1.25	2.75	4.00
17	1.00	2.75	3.75
18	0.75	2.75	3.50
19	0.50	2.75	3.25
20	0.25	2.75	3.00
21+	—	2.75	2.75

### Demographic Assumptions: Based on 2015-2019 Experience

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy):	Teacher Employee table with a 1 year set forward for males and a 1 year set forward for females.
Mortality (Retirees):	Teacher Retiree table with a 1 year set forward for males and a 1 year set forward for females.
Mortality (Beneficiaries):	Contingent Survivor table with no set forward for males and a 2 year set forward for females.
Mortality (Disabled):	General Disabled table with a 140% load.

Retirement:

Age	Eligible for Reduced Retirement	Eligible for Unreduced Retirement
	Probability	Probability
50-53	2.0 %	N/A
54	5.0	N/A
55-56	5.0	15.0 %
57	6.5	15.0
58	8.0	15.0
59	12.0	15.0
60	N/A	15.0
61	N/A	20.0
62	N/A	25.0
63	N/A	30.0
64	N/A	35.0
65-74	N/A	40.0
75+	N/A	100.0

30% of active members are assumed to retire at their earliest retirement date. 70% of active members are assumed to defer to their earliest unreduced retirement date.

Inactive vested members are assumed to commence their retirement benefit at their earliest unreduced retirement date.

## Teachers' Pre-1996 Defined Benefit Account, continued

Termination:

Years of Service	Service Based	
	Male	Female
0	15.00 %	12.50 %
1	13.00	11.50
2	11.00	10.50
3	9.00	9.50
4	8.00	8.50
5	7.00	7.50
6	6.00	6.50
7	5.00	5.50
8	4.50	5.00
9	4.00	4.50
10	3.75	4.00
11	3.50	3.50
12	3.25	3.25
13	3.00	3.00
14	2.75	2.75
15	2.50	2.50
16+	2.25	2.25

Disability:

Age	Sample Rates
<=36	0.005 %
40	0.009
45	0.014
50	0.034
55	0.061
56-65	0.070
65+	0.000

Spouse / Beneficiary:

80% of male members and 75% of female members are assumed to be married. Males are assumed to be three (3) years older and females are assumed to be two (2) years younger than their spouses.

Miscellaneous Adjustments:

For active members, the Average Annual Compensation was increased by \$200 for additional wages received upon termination, such as severance or unused sick leave.

## Teachers' Pre-1996 Defined Benefit Account, continued

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### 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.

Actuarially Determined Contribution:

The Fund's actuarially determined contribution is based on the approach set out in IC - 5.10.4-2-5 that the Indiana Legislature has followed in actually appropriating funds. The basic contribution is the lesser of 3% above the prior year's basic contribution and the anticipated base benefit payments for the year. However, the contributed funds should not result in the funded ratio exceeding 100%.

Amortization Method:

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. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date:

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.

COLA Funding Amount:

The COLA Funding Amount is developed by determining the assets needed at the start of the next biennium to fund the post-retirement benefit increases anticipated to be granted in that biennium. This amount is divided by a present value factor to determine the needed annual contribution.

Asset Valuation Method:

Funding uses the Actuarial Value of Assets (AVA), which is equal to a five-year smoothing of gains and losses on the Fair Value of Assets (FVA), 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 FVA.

Accounting and financial reporting uses the Fair Value of Assets (FVA) 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, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.

## Teachers' Pre-1996 Defined Benefit Account, continued

### Analysis of Financial Experience

(dollars in thousands)	<u>UAAL</u>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2019	\$10,694,953
Normal Cost and Interest, less Expected Contributions	<u>(255,121)</u>
Expected UAAL: June 30, 2020	10,439,832
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	35,571
Actuarial Accrued Liabilities Experience <sup>1</sup>	(43,888)
Actuarial Assumption & Methodology Changes	(170,663)
Plan Provision Changes	<u>—</u>
Total UAAL (Gain) / Loss	<u>(178,980)</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020</b>	<b><u><u>\$10,260,852</u></u></b>

### Solvency Test <sup>1</sup>

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(dollars in thousands)	<u>Actuarial Accrued Liabilities</u>				<u>Portion of Actuarial Accrued Liabilities Covered by Assets</u>		
<b>Actuarial Valuation as of June 30</b>	<b>Retirees and Beneficiaries</b>	<b>Active Member (Employer Financed Portion)</b>	<b>Total Actuarial Accrued Liabilities</b>	<b>Actuarial Value of Assets</b>	<b>Retirees and Beneficiaries</b>	<b>Active Member (Employer Financed Portion)</b>	<b>Total Actuarial Accrued Liabilities</b>
2020	\$11,053,143	\$2,915,560	\$13,968,703	\$3,707,851	33.5%	—%	26.5%
2019	11,245,919	3,143,245	14,389,164	3,694,211	32.8	—	25.7
2018	11,160,975	3,422,214	14,583,189	3,721,323	33.3	—	25.5
2017	11,653,674	3,840,865	15,494,539	3,708,870	31.8	—	23.9
2016	11,358,156	4,216,916	15,575,072	3,743,861	33.0	—	24.0
2015	10,488,066	5,108,225	15,596,291	3,750,183	35.8	—	24.0
2014	9,686,391	4,953,485	14,639,876	3,643,011	37.6	—	24.9
2013	10,079,101	4,570,448	14,649,549	3,422,274	34.0	—	23.4
2012	9,260,069	5,287,870	14,547,939	3,004,031	32.4	—	20.6
2011	8,555,971	5,525,907	14,081,878	2,990,877	35.0	—	21.2

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

# Teachers' Pre-1996 Defined Benefit Account, continued

## Schedule of Active Members Valuation Data

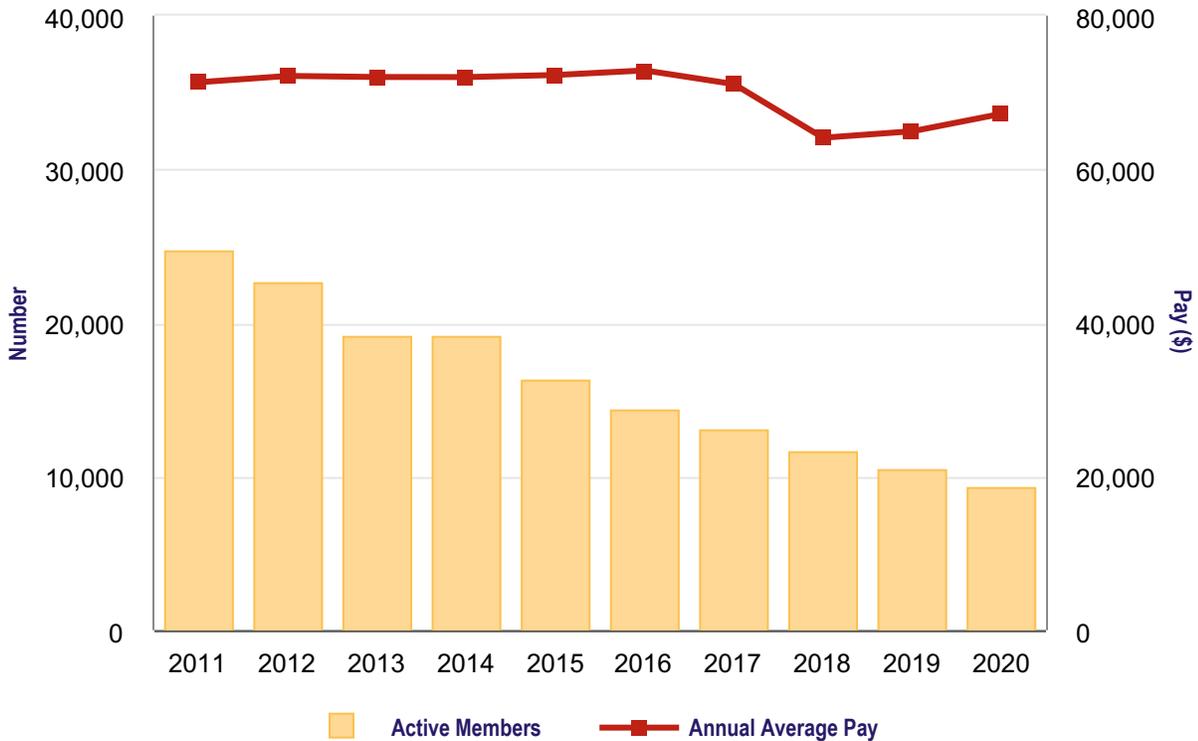
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2020	9,338	\$627,740	\$67,224	3.5%
2019	10,497	681,806	64,952	1.3
2018	11,710	750,691	64,107	(9.8)
2017	13,128	933,278	71,091	(2.4)
2016	14,327	1,044,096	72,876	0.8
2015	16,310	1,178,846	72,277	0.4
2014	19,210	1,383,242	72,006	—
2013	19,210	1,383,428	72,016	(0.2)
2012	22,688	1,637,066	72,156	1.1
2011	24,710	1,762,750	71,338	1.1

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Active Members Per Year and Annual Average Pay



# Teachers' Pre-1996 Defined Benefit Account, continued

## Schedule of Retirants and Beneficiaries

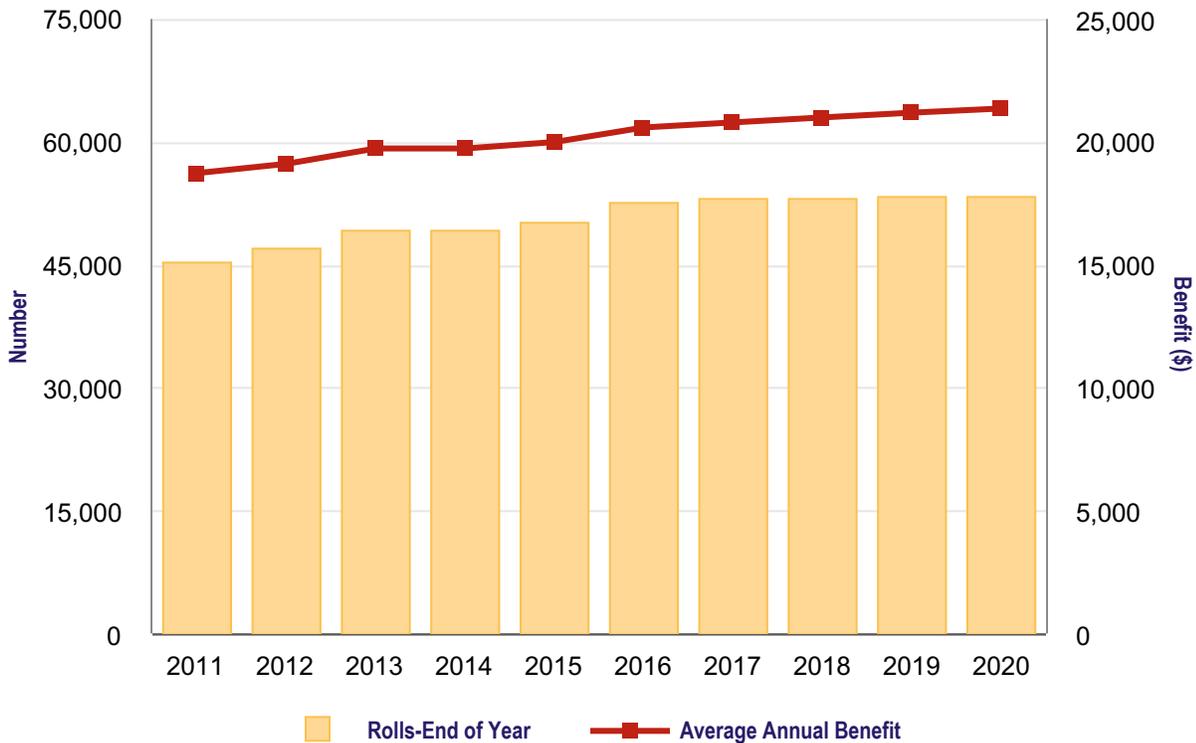
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	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			
2020	1,195	\$ 29,710	1,278	\$ 20,560	53,415	\$ 1,140,771	0.6 %	\$ 21,357	0.8 %
2019	1,514	37,102	1,243	19,005	53,498	1,133,528	1.4	21,188	0.9
2018	1,483	33,330	1,496	20,240	53,227	1,117,463	0.9	20,994	1.0
2017	1,953	47,305	1,288	18,257	53,240	1,106,961	2.3	20,792	1.0
2016	3,466	95,994	1,105	14,677	52,575	1,082,306	7.8	20,586	3.0
2015	1,886	50,261	1,017	14,293	50,214	1,003,910	3.1	19,993	1.3
2014	—	93,605	—	14,524	49,345	973,635	—	19,731	—
2013	3,422	93,605	1,077	14,524	49,345	973,635	8.4	19,731	3.3
2012	2,541	63,923	962	12,216	47,000	898,006	5.6	19,107	2.0
2011	3,003	77,290	1,060	13,121	45,421	850,711	7.6	18,729	3.0

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



# Teachers' 1996 Defined Benefit Account

## Historical Summary of Actuarial Valuation Results

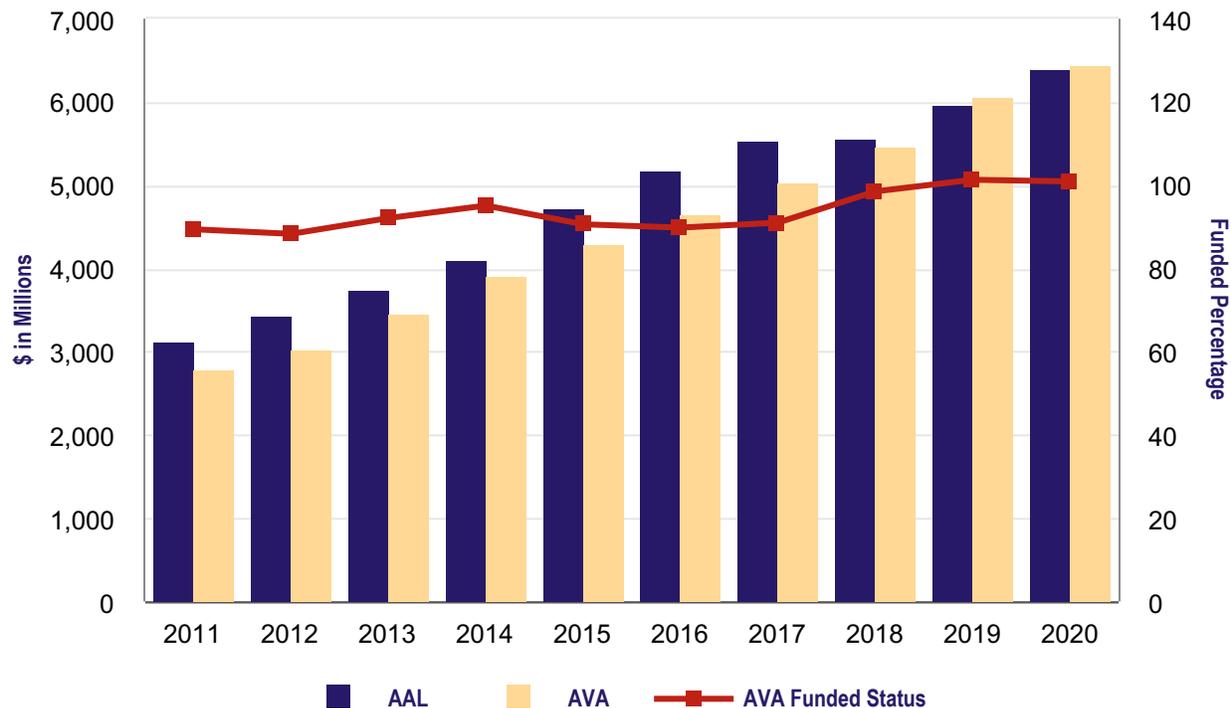
### Actuarial Valuation as of June 30 <sup>1</sup>

The following table shows the history of the Unfunded Liability as a percentage of Covered Employee Payroll for TRF '96 DB.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll	Unfunded Liability as a percentage of Covered Employee Payroll
2020	\$6,403,252	\$6,460,070	\$(56,818)	100.9%	\$3,465,728	(1.6)%
2019	5,980,426	6,056,317	(75,891)	101.3	3,257,918	(2.3)
2018	5,563,264	5,478,482	84,782	98.5	3,129,070	2.7
2017	5,536,094	5,035,991	500,103	91.0	3,020,463	16.6
2016	5,174,317	4,648,297	526,020	89.8	2,881,397	18.3
2015	4,734,777	4,290,258	444,519	90.6	2,742,187	16.2
2014	4,116,264	3,914,503	201,761	95.1	2,598,115	7.8
2013	3,757,444	3,461,904	295,540	92.1	2,442,496	12.1
2012	3,438,970	3,037,116	401,854	88.3	2,400,000	16.7
2011	3,138,568	2,806,386	332,182	89.4	2,225,000	14.9

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# Teachers' 1996 Defined Benefit Account, continued

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## Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2020 valuation of the Teachers' 1996 Defined Benefit Account were adopted by the INPRS Board in June 2020. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The future salary increase assumption changed from a table ranging from 2.50 percent to 12.50 percent to a table ranging from 2.75 percent to 12.00 percent.

The mortality assumption changed from the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age-based table split by regular retirement, rule of 85 retirement, and early retirement to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously, all active retirements were assumed to commence benefits immediately.

The termination assumption was updated based on recent experience. The age-based table and service-based tables which were used previously were replaced by one service-based table.

The disability assumption was updated based on recent experience.

The marital assumption was updated based on recent experience. 80 percent of male members and 75 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 100 percent of members were assumed to be married or to have a dependent beneficiary. Additionally, for female members, the assumption for their spouse's age changed from 2 years older to 3 years older.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

There were no changes to the plan provisions during the fiscal year.

## Actuarial Assumptions

Actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting, except where noted.

### 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)

Inflation: 2.25 percent per year

Cost of Living Increases: A service-based 13th check will be paid in the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, are assumed:

0.4 percent beginning on January 1, 2022
0.5 percent beginning on January 1, 2034
0.6 percent beginning on January 1, 2039

## Teachers' 1996 Defined Benefit Account, continued

Future Salary Increases:

Based on 2015-2019 experience. Illustrative rates shown below:

Years of Service	Merit	Wage Inflation	Total Individual Salary Growth
0-1	9.25 %	2.75 %	12.00 %
2	4.25	2.75	7.00
3	2.75	2.75	5.50
4-14	1.75	2.75	4.50
15	1.50	2.75	4.25
16	1.25	2.75	4.00
17	1.00	2.75	3.75
18	0.75	2.75	3.50
19	0.50	2.75	3.25
20	0.25	2.75	3.00
21+	—	2.75	2.75

### Demographic Assumptions: Based on 2015-2019 Experience

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy):	Teacher Employee table with a 1 year set forward for males and a 1 year set forward for females.
Mortality (Retirees):	Teacher Retiree table with a 1 year set forward for males and a 1 year set forward for females.
Mortality (Beneficiaries):	Contingent Survivor table with no set forward for males and a 2 year set forward for females.
Mortality (Disabled):	General Disabled table with a 140% load.

Retirement:

Age	Eligible for Reduced Retirement	Eligible for Unreduced Retirement
	Probability	Probability
50-53	2.0 %	N/A
54	5.0	N/A
55-56	5.0	15.0 %
57	6.5	15.0
58	8.0	15.0
59	12.0	15.0
60	N/A	15.0
61	N/A	20.0
62	N/A	25.0
63	N/A	30.0
64	N/A	35.0
65-74	N/A	40.0
75+	N/A	100.0

30% of active members are assumed to retire at their earliest retirement date. 70% of active members are assumed to defer to their earliest unreduced retirement date.

Inactive vested members are assumed to commence their retirement benefit at their earliest unreduced retirement date.

## Teachers' 1996 Defined Benefit Account, continued

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Termination:

Years of Service	Service Based	
	Male	Female
0	15.00 %	12.50 %
1	13.00	11.50
2	11.00	10.50
3	9.00	9.50
4	8.00	8.50
5	7.00	7.50
6	6.00	6.50
7	5.00	5.50
8	4.50	5.00
9	4.00	4.50
10	3.75	4.00
11	3.50	3.50
12	3.25	3.25
13	3.00	3.00
14	2.75	2.75
15	2.50	2.50
16+	2.25	2.25

Disability:

Age	Sample Rates
<=36	0.005 %
40	0.009
45	0.014
50	0.034
55	0.061
56-65	0.070
65+	0.000

Spouse / Beneficiary:

80% of male members and 75% of female members are assumed to be married. Males are assumed to be three (3) years older and females are assumed to be two (2) years younger than their spouses.

Miscellaneous Adjustments:

For active members, the Average Annual Compensation was increased by \$200 for additional wages received upon termination, such as severance or unused sick leave.

## Teachers' 1996 Defined Benefit Account, continued

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### 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 20-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 20-year period. However, when the plan is at or above 100 percent 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. Effective June 30, 2018, the bases are calculated without regards to the COLA provisions. 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. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date: 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.

COLA Surcharge: The COLA Surcharge is developed by determining the assets needed at the start of the next biennium to fund the post-retirement benefit increases anticipated to be granted in that biennium. This amount is divided by the present value of expected payroll over which the accumulations will occur.

Asset Valuation Method: Funding uses the Actuarial Value of Assets (AVA), which is equal to a five-year smoothing of gains and losses on the Fair Value of Assets (FVA), 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 FVA.

Accounting and financial reporting uses the Fair Value of Assets (FVA) 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, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.

## Teachers' 1996 Defined Benefit Account, continued

### Analysis of Financial Experience

(dollars in thousands)	<u>UAAL</u>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2019	\$(75,891)
Normal Cost and Interest, less Expected Contributions	<u>27,373</u>
Expected UAAL: June 30, 2020	(48,518)
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	23,753
Actuarial Accrued Liabilities Experience <sup>1</sup>	(31,939)
Actuarial Assumption & Methodology Changes	(114)
Plan Provision Changes	<u>—</u>
Total UAAL (Gain) / Loss	<u>(8,300)</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020</b>	<b><u><u>\$(56,818)</u></u></b>

### Solvency Test <sup>1</sup>

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(dollars in thousands)	<u>Actuarial Accrued Liabilities</u>			<u>Portion of Actuarial Accrued Liabilities Covered by Assets</u>			
	<u>Actuarial Valuation as of June 30</u>	<u>Retirees and Beneficiaries</u>	<u>Active Member (Employer Financed Portion)</u>	<u>Total Actuarial Accrued Liabilities</u>	<u>Actuarial Value of Assets</u>	<u>Retirees and Beneficiaries</u>	<u>Active Member (Employer Financed Portion)</u>
2020	\$1,454,955	\$4,948,297	\$6,403,252	\$6,460,070	100.0%	101.1%	100.9%
2019	1,371,702	4,608,724	5,980,426	6,056,317	100.0	101.6	101.3
2018	1,232,059	4,331,205	5,563,264	5,478,482	100.0	98.0	98.5
2017	1,213,780	4,322,314	5,536,094	5,035,991	100.0	88.4	91.0
2016	1,079,255	4,095,062	5,174,317	4,648,297	100.0	87.2	89.8
2015	897,036	3,837,741	4,734,777	4,290,258	100.0	88.4	90.6
2014	759,244	3,357,020	4,116,264	3,914,503	100.0	94.0	95.1
2013	781,870	2,975,574	3,757,444	3,461,904	100.0	90.1	92.1
2012	646,161	2,792,809	3,438,970	3,037,116	100.0	85.6	88.3
2011	544,515	2,594,053	3,138,568	2,806,386	100.0	87.2	89.4

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

# Teachers' 1996 Defined Benefit Account, continued

## Schedule of Active Members Valuation Data

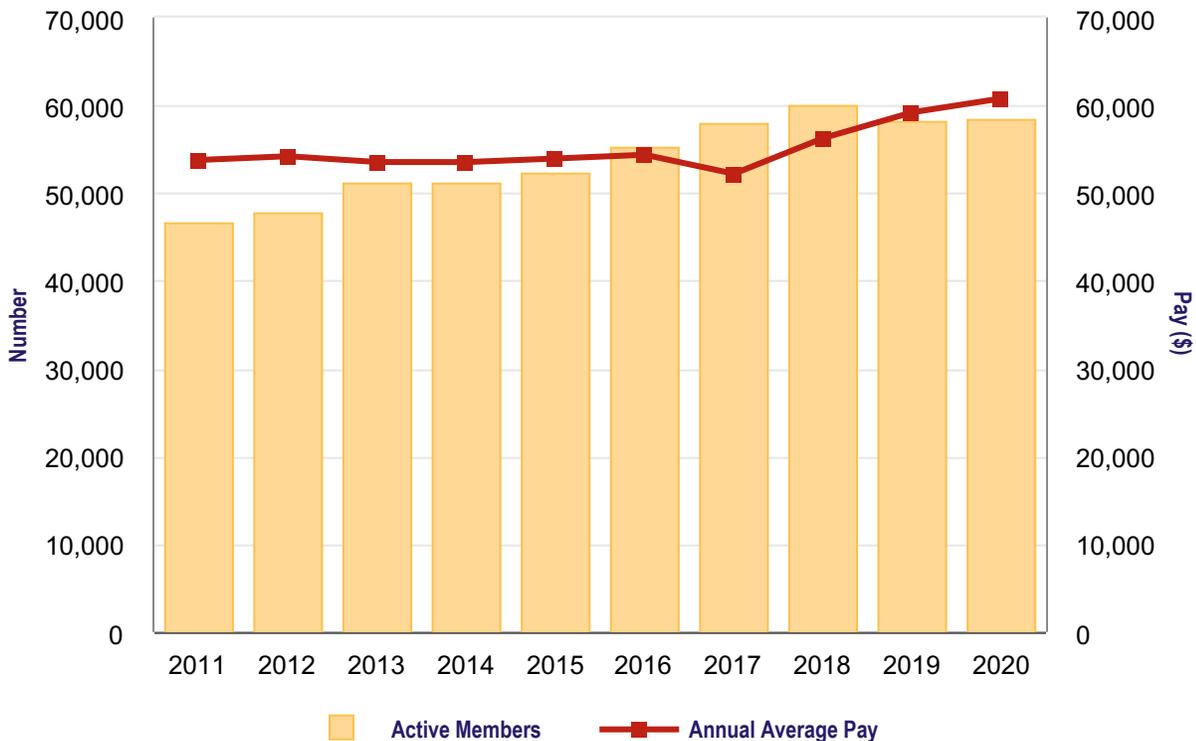
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2020	58,450	\$3,552,093	\$60,771	2.7%
2019	58,308	3,451,731	59,198	5.2
2018	59,996	3,374,943	56,253	7.8
2017	58,097	3,032,299	52,194	(4.0)
2016	55,265	3,004,169	54,359	0.8
2015	52,424	2,827,311	53,932	0.8
2014	51,204	2,740,661	53,524	—
2013	51,204	2,740,940	53,530	(1.2)
2012	47,885	2,594,952	54,191	0.8
2011	46,633	2,507,193	53,764	2.0

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Active Members Per Year and Annual Average Pay



# Teachers' 1996 Defined Benefit Account, continued

## Schedule of Retirants and Beneficiaries

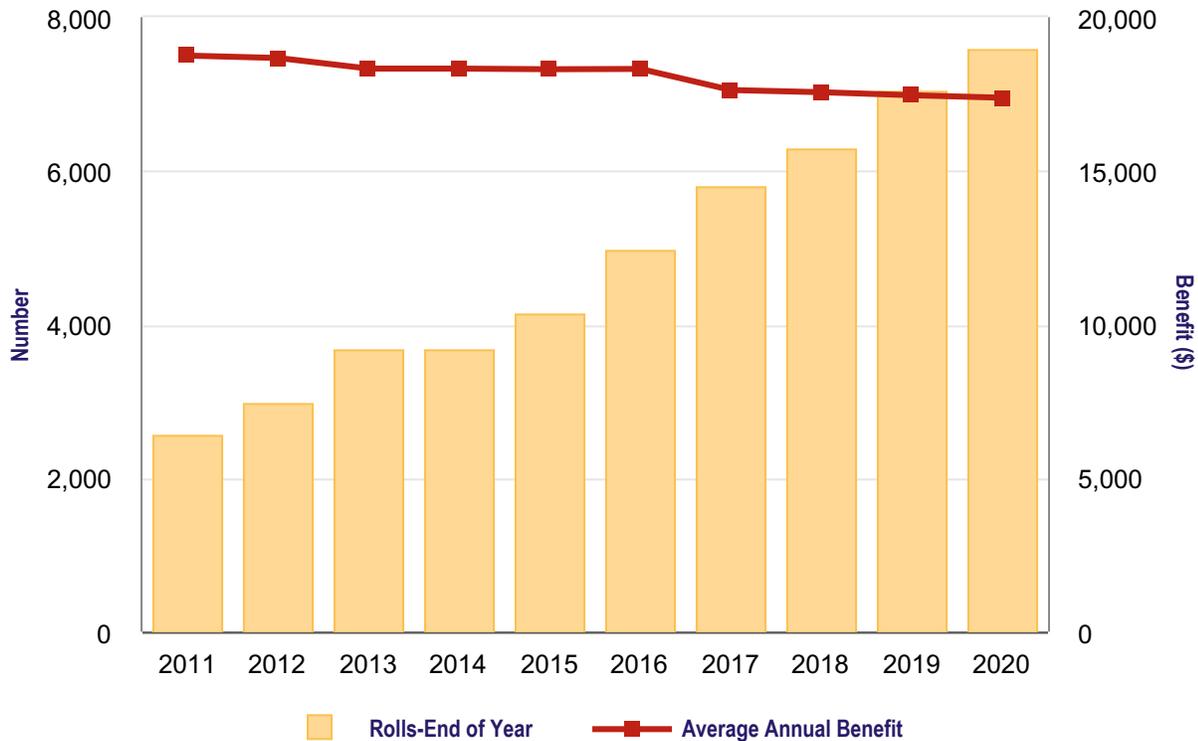
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	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			
2020	619	\$10,236	64	\$927	7,596	\$132,004	7.4%	\$17,378	(0.5)%
2019	798	13,285	46	566	7,041	122,935	11.3	17,460	(0.6)
2018	710	9,562	217	1,002	6,289	110,423	8.1	17,558	(0.4)
2017	855	12,106	36	564	5,796	102,178	12.1	17,629	(3.8)
2016	858	16,075	17	305	4,977	91,160	20.4	18,316	0.1
2015	499	9,101	28	353	4,136	75,714	12.7	18,306	(0.1)
2014	—	12,216	—	251	3,665	67,169	—	18,327	—
2013	712	12,216	18	251	3,665	67,169	21.1	18,327	(1.8)
2012	433	8,132	16	236	2,971	55,475	15.8	18,672	(0.4)
2011	390	7,666	17	253	2,554	47,887	17.7	18,750	0.5

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



# 1977 Police Officers' and Firefighters' Retirement Fund

## Historical Summary of Actuarial Valuation Results

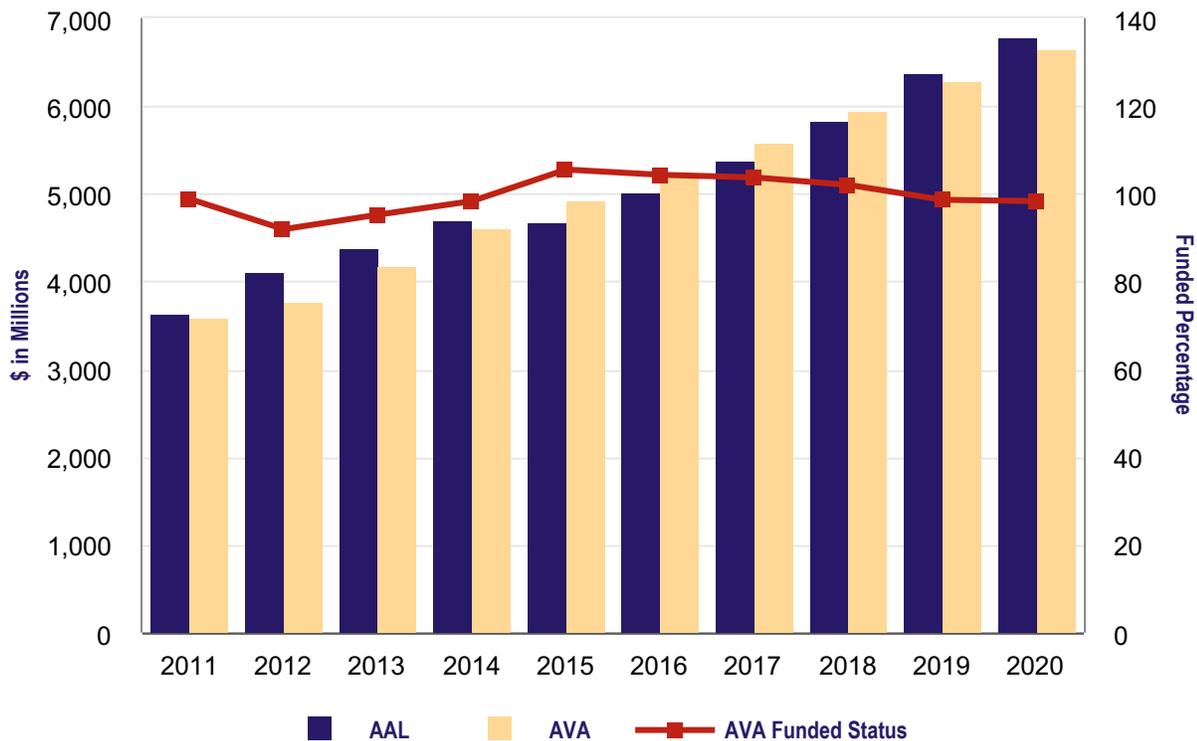
### Actuarial Valuation as of June 30 <sup>1</sup>

The following table shows the history of the Unfunded Liability as a percentage of Covered Employee Payroll for '77 Fund.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll	Unfunded Liability as a percentage of Covered Employee Payroll
2020	\$6,785,608	\$6,670,034	\$115,574	98.3%	\$940,496	12.3%
2019	6,389,002	6,299,749	89,253	98.6	866,299	10.3
2018	5,839,659	5,953,978	(114,319)	102.0	842,179	(13.6)
2017	5,385,753	5,587,551	(201,798)	103.7	809,382	(24.9)
2016	5,039,836	5,255,255	(215,419)	104.3	771,949	(27.9)
2015	4,680,694	4,939,330	(258,636)	105.5	745,336	(34.7)
2014	4,706,997	4,625,475	81,522	98.3	710,581	11.5
2013	4,392,947	4,180,704	212,243	95.2	695,000	30.5
2012	4,122,436	3,786,595	335,841	91.9	690,000	48.7
2011	3,638,956	3,593,787	45,169	98.8	687,000	6.6

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2020 valuation of the 1977 Police Officers' and Firefighters' Retirement Fund were adopted by the INPRS Board in June 2020. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The future salary increase assumption changed from 2.50 percent per year to 2.75 percent per year.

The cost of living increase assumption changed from 2.00 percent per year in retirement to 2.10 percent per year in retirement.

The mortality assumption changed from 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience. The split in service from less than 32 years of service to more than 32 years of service was removed and an assumption regarding the Deferred Retirement Option Plan (DROP) was added. Previously the DROP was not explicitly modeled through an assumption.

The assumptions regarding disability frequency and type were updated based on recent experience.

The marital assumption was updated based on recent experience. 80 percent of male members and 60 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 80 percent of male members and 50 percent of female members were assumed to be married or to have a dependent beneficiary. Additionally, for female members, the assumption for their spouse's age changed from 0 years older to 2 years older.

The line of duty death assumption was updated based on recent experience. 20 percent of active deaths are assumed to be in the line of duty. Previously, 10 percent of active deaths were assumed to be line of duty.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

There were no changes to the plan provisions during the fiscal year.

### Actuarial Assumptions

Actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting, except where noted.

#### Economic Assumptions

Interest Rate / Investment Return:

Funding	6.75 percent (net of administrative and investment expenses)
Account & Financial Reporting	6.75 percent (net of investment expenses)
Interest on Member Contributions	3.50 percent per year
Inflation	2.25 percent per year
Cost of Living Increases:	2.10 percent per year in retirement
Future Salary Increases:	2.75 percent per year

#### Demographic Assumptions: Based on 2015-2019 Experience

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

# 1977 Police Officers' and Firefighters' Retirement Fund, continued

Mortality (Healthy): Safety Employee table with a 3 year set forward for males and no set forward for females.

Mortality (Retirees): Safety Retiree table with a 3 year set forward for males and no set forward for females.

Mortality (Beneficiaries): Contingent Survivor table with no set forward for males and a 2 year set forward for females.

Mortality (Disabled): General Disabled table.

Retirement:	Retirement Rate		Of those who retire		
	Ages	Rate	Service	Enter DROP	Commence Immediately
	50-51	5.0%	<=20	35 %	65 %
	52-55	15.0	21	40	60
	56-58	20.0	22	45	55
	59	22.5	23	50	50
	60-64	25.0	24-26	55	45
	65-69	50.0	27	60	40
	70+	100.0	28	65	35
			29+	70	30

Active members who elect to enter DROP are assumed to be in DROP for a period of 3 years, upon which time they take the full lump sum and commence their annuity benefit.

Inactive vested members are assumed to commence their retirement benefit at their earliest eligible retirement date (age 50 or current age if greater).

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	Sample Rates
	<=30	0.10 %
	35	0.20
	40	0.30
	45	0.40
	50+	0.50

Rates for ages 30-50 increase by 0.02% per year.

Spouse / Beneficiary: 80 percent of male members and 60 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 their spouses and female members are assumed to be two (2) years younger than their spouses.

Disability Retirement: For members hired after 1989 that become disabled, impairments are assumed to be one percent catastrophic Class 1, 59 percent Class 1, 10 percent Class 2, and 30 percent Class 3.

Pre-Retirement Death: Of active member deaths, 20 percent are assumed to be in the line of duty and 80 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.

## 1977 Police Officers' and Firefighters' Retirement Fund, continued

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### 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 20-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 20-year period. However, when the plan is at or above 100 percent 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. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date:

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 five-year smoothing of gains and losses on the Fair Value of Assets (FVA), 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 FVA.

Accounting and financial reporting uses the Fair Value of Assets (FVA) 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, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.

# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Analysis of Financial Experience

(dollars in thousands)	<u>UAAL</u>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2019	\$89,253
Normal Cost and Interest, less Expected Contributions	<u>(2,237)</u>
Expected UAAL: June 30, 2020	87,016
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	14,601
Actuarial Accrued Liabilities Experience <sup>1</sup>	11,679
Actuarial Assumption & Methodology Changes	2,278
Plan Provision Changes	<u>—</u>
Total UAAL (Gain) / Loss	<u>28,558</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020</b>	<b><u><u>\$115,574</u></u></b>

## Solvency Test

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(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)
2020	\$895,203	\$2,377,937	\$3,512,468	\$6,785,608	\$6,670,034	100.0%	100.0%	96.7%	98.3%
2019	883,706	2,169,744	3,335,552	6,389,002	6,299,749	100.0	100.0	97.3	98.6
2018	866,551	1,910,154	3,062,954	5,839,659	5,953,978	100.0	100.0	103.7	102.0
2017	857,426	1,715,503	2,812,824	5,385,753	5,587,551	100.0	100.0	107.2	103.7
2016	843,628	1,532,936	2,663,272	5,039,836	5,255,255	100.0	100.0	108.1	104.3
2015	832,760	1,362,021	2,485,913	4,680,694	4,939,330	100.0	100.0	110.4	105.5
2014	809,877	1,280,920	2,616,200	4,706,997	4,625,475	100.0	100.0	96.9	98.3
2013	782,124	1,288,457	2,322,366	4,392,947	4,180,704	100.0	100.0	90.9	95.2
2012	728,892	1,135,538	2,258,006	4,122,436	3,786,595	100.0	100.0	85.1	91.9
2011	679,849	970,676	1,988,431	3,638,956	3,593,787	100.0	100.0	97.7	98.8

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Schedule of Active Members Valuation Data

### Actuarial Valuation as of June 30 <sup>1</sup>

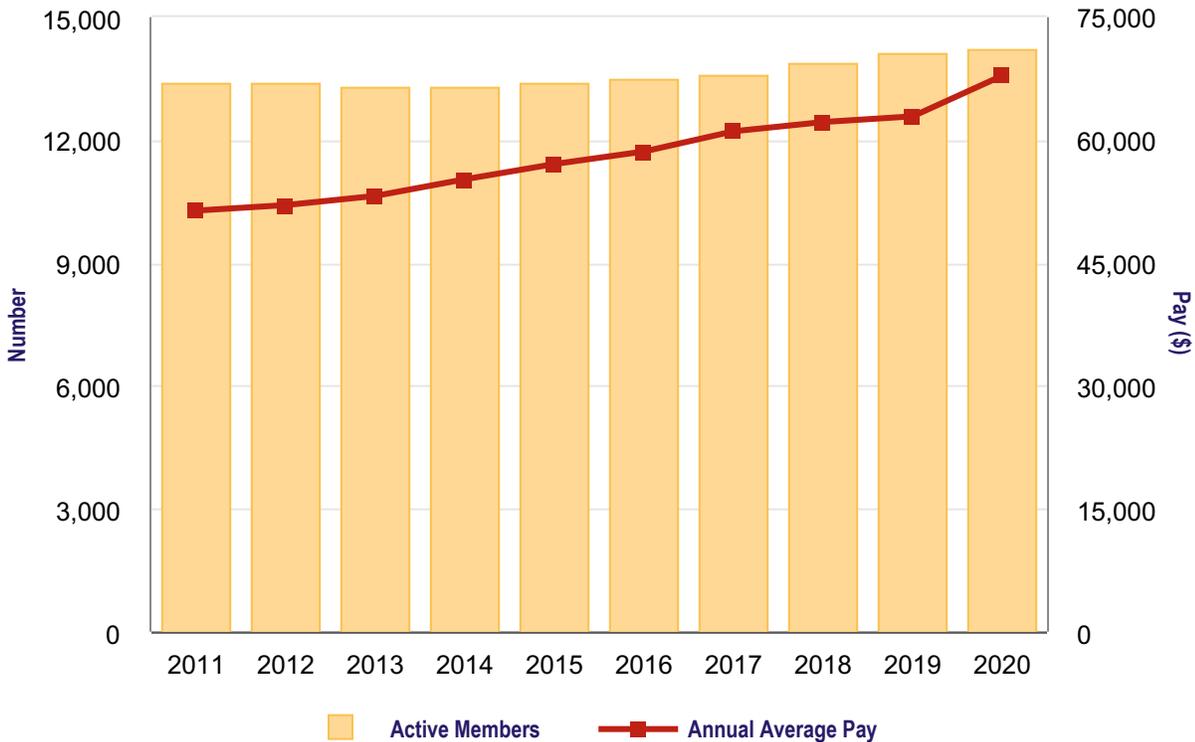
(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll <sup>2</sup>	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2020	14,242	\$966,359	\$67,853	7.9%
2019	14,119	887,957	62,891	1.1
2018	13,879	863,233	62,197	1.8
2017	13,587	829,736	61,068	4.2
2016	13,506	791,508	58,604	2.7
2015	13,390	764,215	57,074	3.4
2014	13,295	734,024	55,211	3.8
2013	13,287	706,603	53,180	2.1
2012	13,390	697,111	52,062	1.3
2011	13,376	687,342	51,386	1.6

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> Excludes payroll from members that are over the 32 year service cap.

### Total Number of Active Members Per Year and Annual Average Pay



# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Schedule of Retirants and Beneficiaries

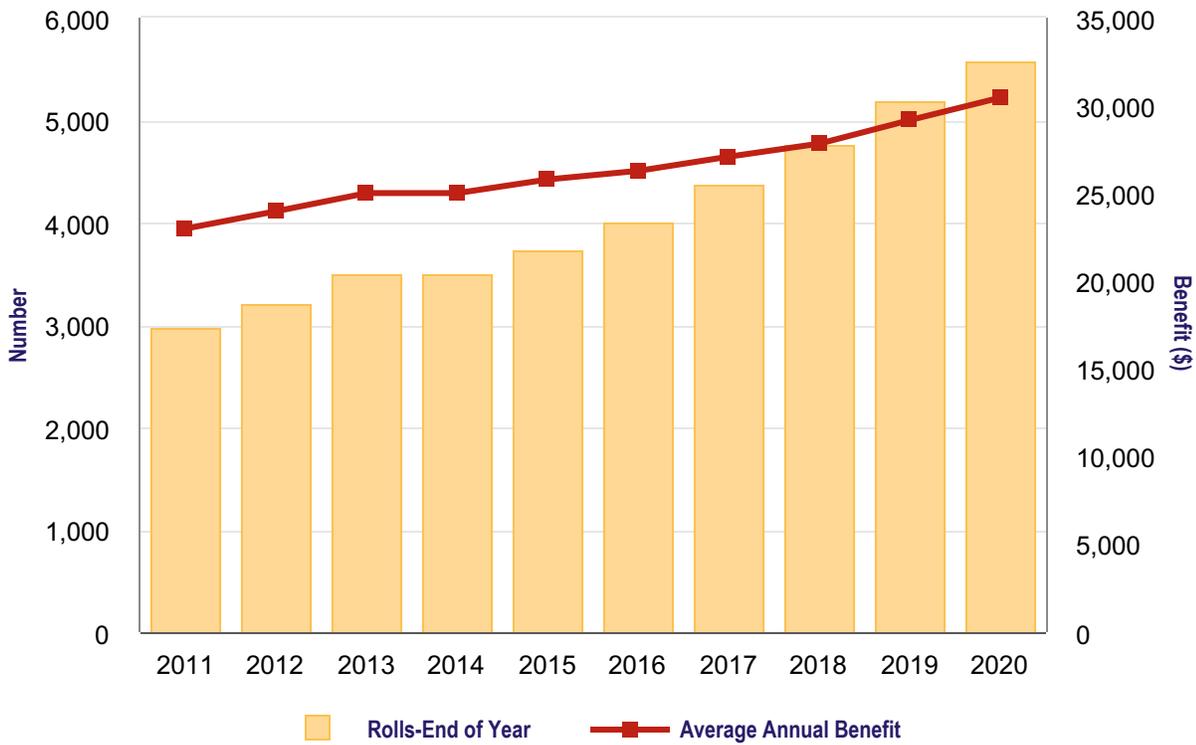
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	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			
2020	444	\$16,965	50	\$1,036	5,581	\$169,933	12.3%	\$30,449	4.4%
2019	476	17,344	40	803	5,187	151,305	14.4	29,170	4.8
2018	429	14,914	52	1,002	4,751	132,207	11.6	27,827	2.7
2017	407	13,321	37	642	4,374	118,472	12.6	27,086	3.1
2016	312	10,074	44	834	4,004	105,218	9.2	26,278	1.9
2015	283	8,858	38	727	3,736	96,336	10.3	25,786	3.1
2014	—	—	—	—	3,491	87,301	—	25,008	—
2013	326	10,098	43	845	3,491	87,301	13.5	25,008	4.3
2012	281	7,900	39	814	3,208	76,917	12.8	23,977	4.3
2011	218	6,179	34	609	2,966	68,179	13.2	22,987	6.2

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



# Judges' Retirement System

## Historical Summary of Actuarial Valuation Results

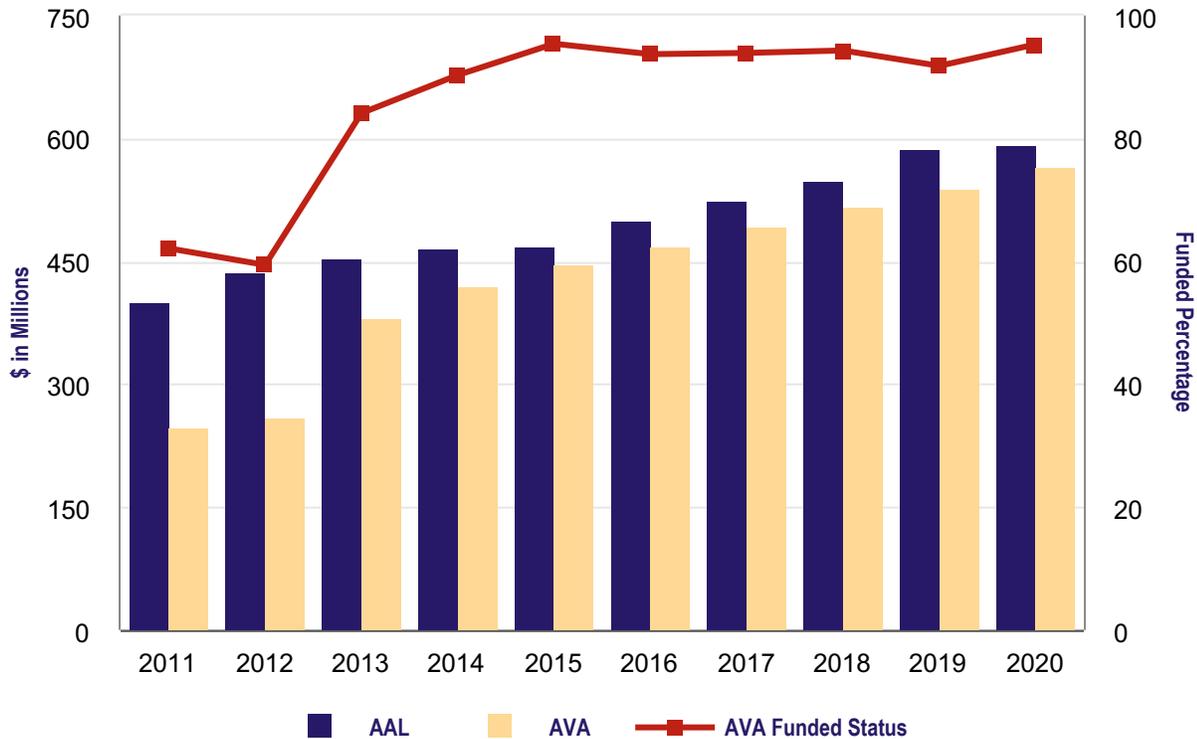
### Actuarial Valuation as of June 30 <sup>1</sup>

The following table shows the history of the Unfunded Liability as a percentage of Covered Employee Payroll for JRS.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll	Unfunded Liability as a percentage of Covered Employee Payroll
2020	\$592,510	\$564,741	\$27,769	95.3%	\$58,189	47.7%
2019	586,499	538,600	47,899	91.8	56,380	85.0
2018	547,694	516,749	30,945	94.4	53,350	58.0
2017	523,735	492,013	31,722	93.9	54,755	57.9
2016	501,126	469,378	31,748	93.7	51,382	61.7
2015	468,945	447,514	21,431	95.4	48,582	44.1
2014	464,855	419,568	45,287	90.3	46,041	98.5
2013	453,110	381,240	71,870	84.1	47,595	151.1
2012	437,854	260,096	177,758	59.4	45,138	393.9
2011	400,274	248,623	151,651	62.1	45,764	331.5

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# Judges' Retirement System, continued

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## Summary of Actuarial Assumptions, Actuarial Methods, and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2020 valuation of the Judges' Retirement System were adopted by the INPRS Board in June 2020. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The future salary increase assumption increased from 2.50 percent to 2.75 percent.

The cost of living increase assumption increased from 2.50 percent to 2.75 percent.

The mortality assumption changed from 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption changed from an age- and service-based table to an age-based table split by eligibility for reduced or unreduced benefits.

The disability assumption was updated based on recent experience.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

There were no changes to the plan provisions during the fiscal year.

### Actuarial Assumptions

Actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting, except where noted.

#### Economic Assumptions

Interest Rate / Investment Return:

Funding	6.75 percent (net of administrative and investment expenses)
Account & Financial Reporting	6.75 percent (net of investment expenses)
Interest on Member Contributions	3.50 percent per year
Inflation	2.25 percent per year
Cost of Living Increases:	2.75 percent per year in deferral and retirement
Future Salary Increases:	2.75 percent per year

#### Demographic Assumptions: Based on 2015-2019 Experience

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy):	General Employee table with a 1 year setback for males and a 1 year setback for females.
Mortality (Retiree):	General Retiree table with a 1 year setback for males and a 1 year setback for females.
Mortality (Beneficiaries):	Contingent Survivor table with no set forward for males and a 2 year set forward for females.
Mortality (Disabled):	General Disabled table with a 140% load.

## Judges' Retirement System, continued

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Retirement:

<u>Ages</u>	<u>Eligible for Reduced Benefit</u>	<u>Eligible for Unreduced Benefit</u>
55-61	N/A	20 %
62-64	8 %	20
65-74	N/A	30
75+	N/A	100

Inactive vested members are assumed to commence their retirement benefit at their earliest eligible retirement date.

Termination:

3 percent per year for all members prior to retirement eligibility.

Disability:

<u>Age</u>	<u>Sample Rates</u>
20	0.057 %
25	0.081
30	0.105
35	0.140
40	0.210
44-64	0.300
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.

## Judges' Retirement System, continued

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### 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 20-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 20-year period. However, when the plan is at or above 100 percent 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. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date:

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 five-year smoothing of gains and losses on the Fair Value of Assets (FVA), 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 FVA.

Accounting and financial reporting uses the Fair Value of Assets (FVA) 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, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.

# Judges' Retirement System, continued

## Analysis of Financial Experience

(dollars in thousands)	<u>UAAL</u>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2019	\$47,899
Normal Cost and Interest, less Expected Contributions	<u>(1,878)</u>
Expected UAAL: June 30, 2020	46,021
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	8,530
Actuarial Accrued Liabilities Experience <sup>1</sup>	(1,968)
Actuarial Assumption & Methodology Changes	(24,814)
Plan Provision Changes	<u>—</u>
Total UAAL (Gain) / Loss	<u>(18,252)</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020</b>	<b><u><u>\$27,769</u></u></b>

## Solvency Test <sup>2</sup>

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(dollars in thousands)	<u>Actuarial Accrued Liabilities</u>				<u>Portion of Actuarial Accrued Liabilities Covered by Assets</u>				
	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)
2020	\$41,523	\$299,146	\$251,841	\$592,510	\$564,741	100.0%	100.0%	89.0%	95.3%
2019	38,165	269,886	278,448	586,499	538,600	100.0	100.0	82.8	91.8
2018	38,541	258,255	250,898	547,694	516,749	100.0	100.0	87.7	94.3
2017	36,385	245,177	242,173	523,735	492,013	100.0	100.0	86.9	93.9
2016	34,804	244,484	221,838	501,126	469,378	100.0	100.0	85.7	93.7
2015	32,383	210,020	226,542	468,945	447,514	100.0	100.0	90.5	95.4
2014	32,060	216,044	216,751	464,855	419,568	100.0	100.0	79.1	90.3
2013	29,060	224,132	199,918	453,110	381,240	100.0	100.0	64.1	84.1
2012	27,699	205,341	204,814	437,854	260,096	100.0	100.0	13.2	59.4
2011	24,359	198,797	177,118	400,274	248,623	100.0	100.0	14.4	62.1

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> In accordance with Legislation passed during March 2012, the State appropriated \$90,187 thousand during 2013 to reach a funded status of 80.0 percent based on the actuarial valuation as of June 30, 2012.

# Judges' Retirement System, continued

## Schedule of Active Members Valuation Data

### Actuarial Valuation as of June 30 <sup>1</sup>

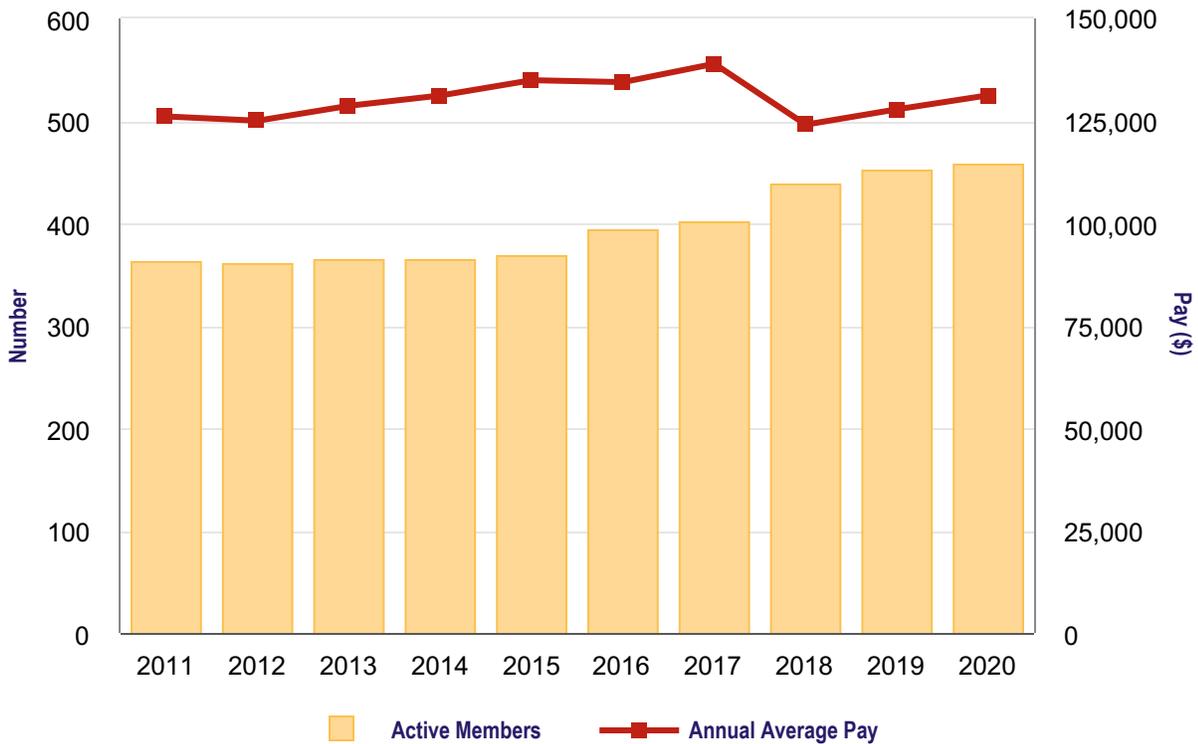
(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll <sup>2</sup>	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2020	458	\$60,109	\$131,242	2.7%
2019	453	57,902	127,819	3.0
2018	439	54,470	124,078	(10.7)
2017	402	55,850	138,931	3.3
2016	394	52,975	134,454	(0.3)
2015	368	49,651	134,921	2.8
2014	365	47,883	131,186	2.0
2013	365	46,967	128,676	2.9
2012	361	45,138	125,036	(0.8)
2011	363	45,764	126,072	(0.1)

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> Excludes payroll from members that are over the 22 year service cap.

### Total Number of Active Members Per Year and Annual Average Pay



# Judges' Retirement System, continued

## Schedule of Retirants and Beneficiaries

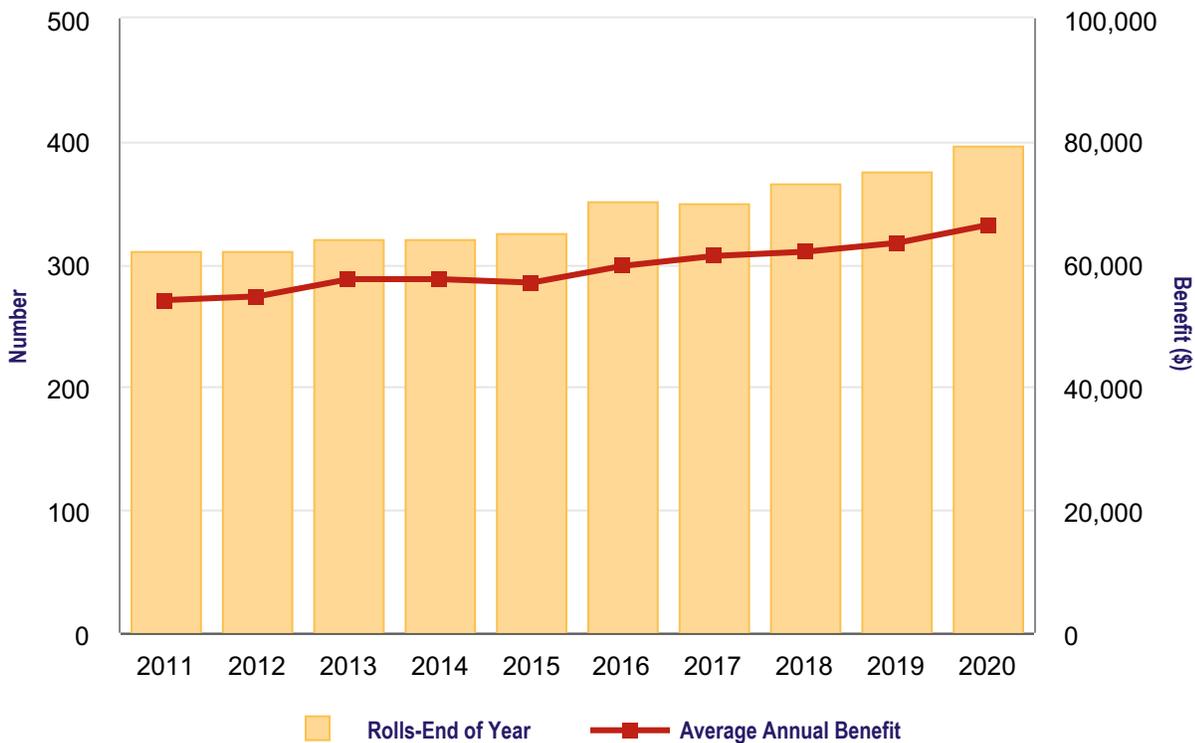
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	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			
2020	31	\$2,498	10	\$261	396	\$26,289	10.5%	\$66,387	4.6%
2019	18	1,340	8	191	375	23,794	5.1	63,450	2.3
2018	22	1,723	7	309	365	22,637	5.5	62,019	1.1
2017	9	696	10	509	350	21,465	2.4	61,329	2.7
2016	34	2,520	9	340	351	20,959	12.8	59,714	4.8
2015	10	494	5	195	326	18,578	0.6	56,987	(1.0)
2014	—	—	—	—	321	18,474	—	57,551	—
2013	24	1,798	14	442	321	18,474	8.5	57,551	5.1
2012	7	444	6	194	311	17,028	1.4	54,751	1.1
2011	21	1,452	9	200	310	16,787	9.1	54,152	4.9

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



# Excise, Gaming and Conservation Officers' Retirement Fund

## Historical Summary of Actuarial Valuation Results

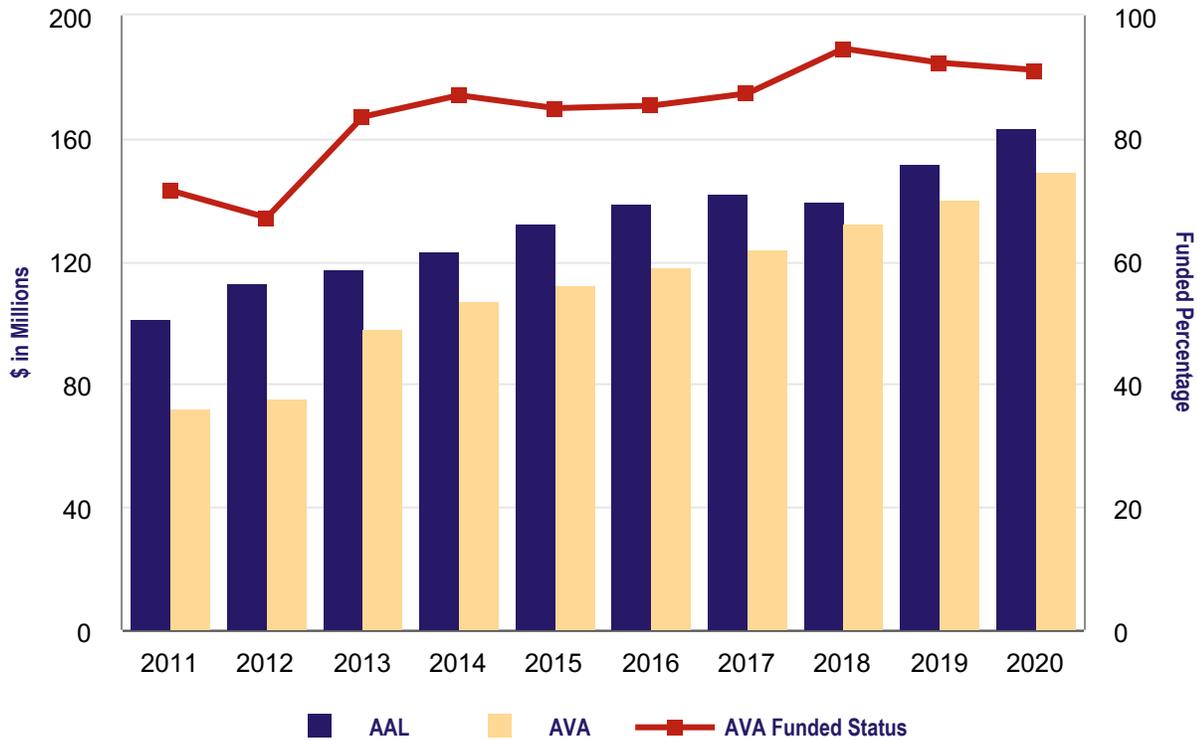
### Actuarial Valuation as of June 30 <sup>1</sup>

The following table shows the history of the Unfunded Liability as a percentage of Covered Employee Payroll for EG&C.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll	Unfunded Liability as a percentage of Covered Employee Payroll
2020	\$163,978	\$149,360	\$14,618	91.1%	\$32,491	45.0%
2019	152,207	140,559	11,648	92.3	33,272	35.0
2018	140,056	132,441	7,615	94.6	29,387	25.9
2017	142,603	124,531	18,072	87.3	27,428	65.9
2016	138,965	118,515	20,450	85.3	25,526	80.1
2015	132,796	112,765	20,031	84.9	25,133	79.7
2014	123,601	107,563	16,038	87.0	25,825	62.1
2013	118,097	98,608	19,489	83.5	24,675	79.0
2012	113,283	76,007	37,276	67.1	24,300	153.5
2011	101,534	72,599	28,935	71.5	25,000	115.6

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Summary of Actuarial Assumptions, Actuarial Methods, and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2020 valuation of the Excise, Gaming and Conservation Officers' Retirement Fund were adopted by the INPRS Board in June 2020. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The future salary increase assumption changed from a constant 2.50 percent per year to a service-based table ranging from 2.75 percent to 5.00 percent.

The mortality assumption changed from 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience. The age-based table was updated to break out separate rates for reduced benefit and unreduced benefit retirements and an assumption regarding the Deferred Retirement Option Plan (DROP) was added. Previously the DROP was not explicitly modeled through an assumption.

The disability assumption was updated based on recent experience.

The line of duty death assumption was added based on recent experience. 20 percent of active deaths are assumed to be in the line of duty. Previously this assumption was not set.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

SEA 181 changed the eligibility condition for active death member death benefits from 15 years of service to no service requirement. Death benefits were set to be a minimum of the benefit due as if the member had 25 years of service and was age 50. 100% of the death benefit is payable to an eligible spouse if the death occurs in the line of duty and 50% of the death benefit is payable to an eligible spouse if the death occurs other than in the line of duty.

## Actuarial Assumptions

Actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting, except where noted.

### 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

Inflation: 2.25 percent per year

Cost of Living Increases: A service-based 13th check will be paid in the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, are assumed:

0.4 percent beginning on January 1, 2022

0.5 percent beginning on January 1, 2034

0.6 percent beginning on January 1, 2039

## Excise, Gaming and Conservation Officers' Retirement Fund, continued

Future Salary Increases:

Based on 2015-2019 experience. Illustrative rates shown below:

Service	Wage Inflation	Merit	Salary Increase
0	2.75 %	2.25 %	5.00 %
1	2.75	2.00	4.75
2	2.75	1.75	4.50
3	2.75	1.50	4.25
4	2.75	1.25	4.00
5	2.75	1.00	3.75
6	2.75	0.75	3.50
7	2.75	0.50	3.25
8	2.75	0.25	3.00
9+	2.75	—	2.75

### Demographic Assumptions: Based on 2014-2019 Experience

Pub-2010 Public Retirement Plans Mortality tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy):	Safety Employee table with a 3 year set forward for males and no set forward for females.
Mortality (Retirees):	Safety Retiree table with a 3 year set forward for males and no set forward for females.
Mortality (Beneficiaries):	Contingent Survivor table with no set forward for males and a 2 year set forward for females.
Mortality (Disabled):	General Disabled table.

Retirement:

Age	Eligible for Reduced Benefit	Eligible for Unreduced Benefit
45-54	2 %	20 %
55-58	2	25
59	2	35
60	N/A	55
61	N/A	65
62-64	N/A	75
65+	N/A	100

Active members who retire are assumed to enter DROP 50 percent of the time and retire immediately 50 percent of the time. Those who elect to enter DROP are assumed to be in DROP for a period of 3 years, upon which time they take the full lump sum and commence their annuity benefit.

Inactive vested members are assumed to commence their retirement benefit at their earliest eligible retirement date (age 45, or current age if greater).

Termination:

Years of Service	Rate	Years of Service	Rate
0-1	10 %	6	5 %
2	9	7	4
3	8	8	3
4	7	9	2
5	6	10+	1

## Excise, Gaming and Conservation Officers' Retirement Fund, continued

Disability:

<u>Age</u>	<u>Sample Rates</u>
<=30	0.1 %
35	0.2
40	0.3
45	0.4
50+	0.5

Rates for ages 30-50 increase by 0.02 percent per year.

Active members who become disabled are assumed to receive 20% of their salary if they have less than five years of service and 40% of their salary if they have five or more years of service.

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 and females are assumed to be two (2) years younger than their spouses.

Pre-Retirement Death:

Of active member deaths, 20 percent are assumed to be in the line of duty and 80 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.

## Excise, Gaming and Conservation Officers' Retirement Fund, 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 20-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 20-year period. However, when the plan is at or above 100 percent 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. Effective June 30, 2018, the bases are calculated without regards to the COLA provisions. 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. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date: 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.

COLA Surcharge: The COLA Surcharge is developed by determining the assets needed at the start of the next biennium to fund the post-retirement benefit increases anticipated to be granted in that biennium. This amount is divided by the present value of expected payroll over which the accumulations will occur.

Asset Valuation Method: Funding uses the Actuarial Value of Assets (AVA), which is equal to a five-year smoothing of gains and losses on the Fair Value of Assets (FVA), 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 FVA.

Accounting and financial reporting uses the Fair Value of Assets (FVA) 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, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.

# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Analysis of Financial Experience

(dollars in thousands)	<u>UAAL</u>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2019	\$11,648
Normal Cost and Interest, less Expected Contributions	<u>287</u>
Expected UAAL: June 30, 2020	11,935
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	(2,178)
Actuarial Accrued Liabilities Experience <sup>1</sup>	6,031
Actuarial Assumption & Methodology Changes	(1,984)
Plan Provision Changes <sup>2</sup>	<u>814</u>
Total UAAL (Gain) / Loss	<u>2,683</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020</b>	<b><u><u>\$14,618</u></u></b>

## Solvency Test<sup>3</sup>

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(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
2020	\$12,927	\$70,363	\$80,688	\$163,978	\$149,360	100.0%	100.0%	81.9%	91.1%
2019	11,661	68,652	71,894	152,207	140,559	100.0	100.0	83.8	92.3
2018	10,715	68,750	60,591	140,056	132,441	100.0	100.0	87.4	94.6
2017	9,737	69,217	63,649	142,603	124,531	100.0	100.0	71.6	87.3
2016	9,085	67,424	62,456	138,965	118,515	100.0	100.0	67.3	85.3
2015	8,456	61,503	62,837	132,796	112,765	100.0	100.0	68.1	84.9
2014	8,042	54,626	60,933	123,601	107,563	100.0	100.0	73.7	87.0
2013	7,494	56,028	54,575	118,097	98,608	100.0	100.0	64.3	83.5
2012	6,532	53,929	52,822	113,283	76,007	100.0	100.0	29.4	67.1
2011	6,271	46,695	48,568	101,534	72,599	100.0	100.0	40.4	71.5

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> Plan Provision Changes include: In 2020, EG&C was modified pursuant to SEA 181. Previously, active members were required to have 15 years of service to qualify for death benefits. Statute now allows a qualifying spouse/dependent to receive a benefit regardless of the service credit of the deceased member.

<sup>3</sup> In accordance with Legislation passed during March 2012, the State appropriated \$14,619 thousand during 2013 to reach a funded status of 80.0 percent based on the actuarial valuation as of June 30, 2012.

# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Schedule of Active Members Valuation Data

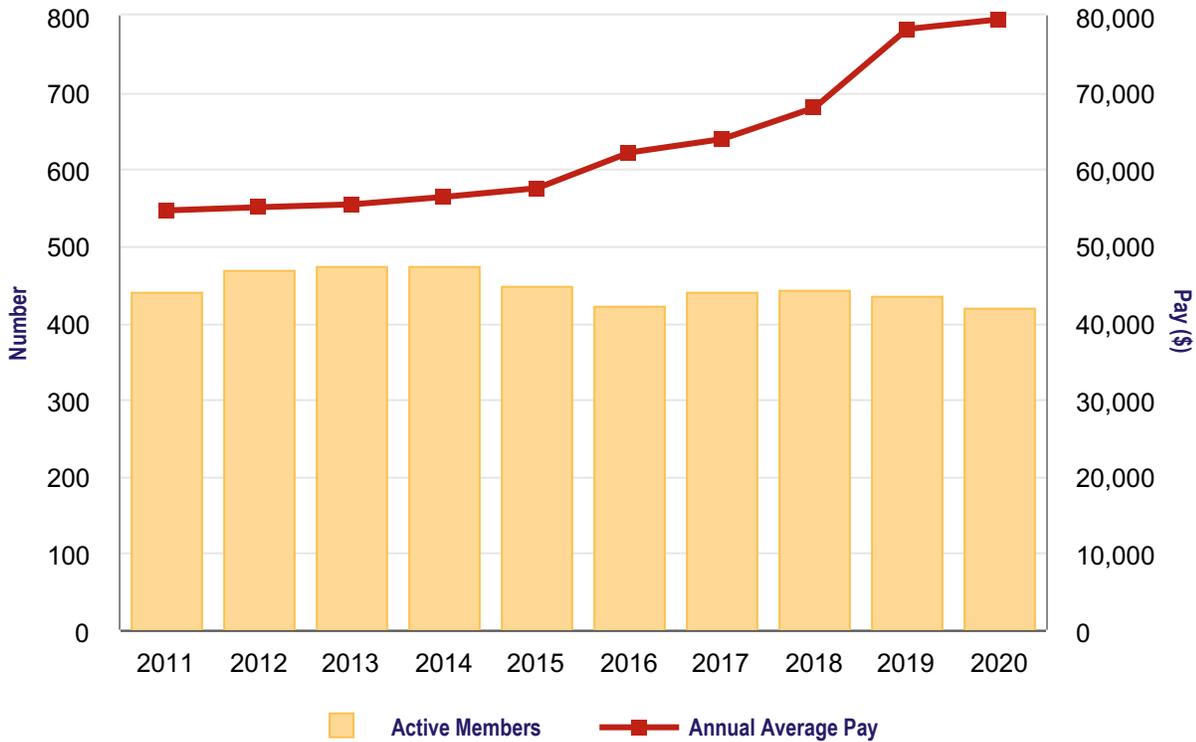
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2020	420	\$33,384	\$79,487	1.6%
2019	436	34,103	78,219	15.0
2018	443	30,121	67,994	6.4
2017	440	28,114	63,895	2.8
2016	421	26,164	62,147	8.1
2015	448	25,761	57,502	2.0
2014	473	26,664	56,372	1.8
2013	473	26,201	55,393	0.7
2012	468	25,752	55,026	0.8
2011	440	24,028	54,609	(3.7)

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Active Members Per Year and Annual Average Pay



# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Schedule of Retirants and Beneficiaries

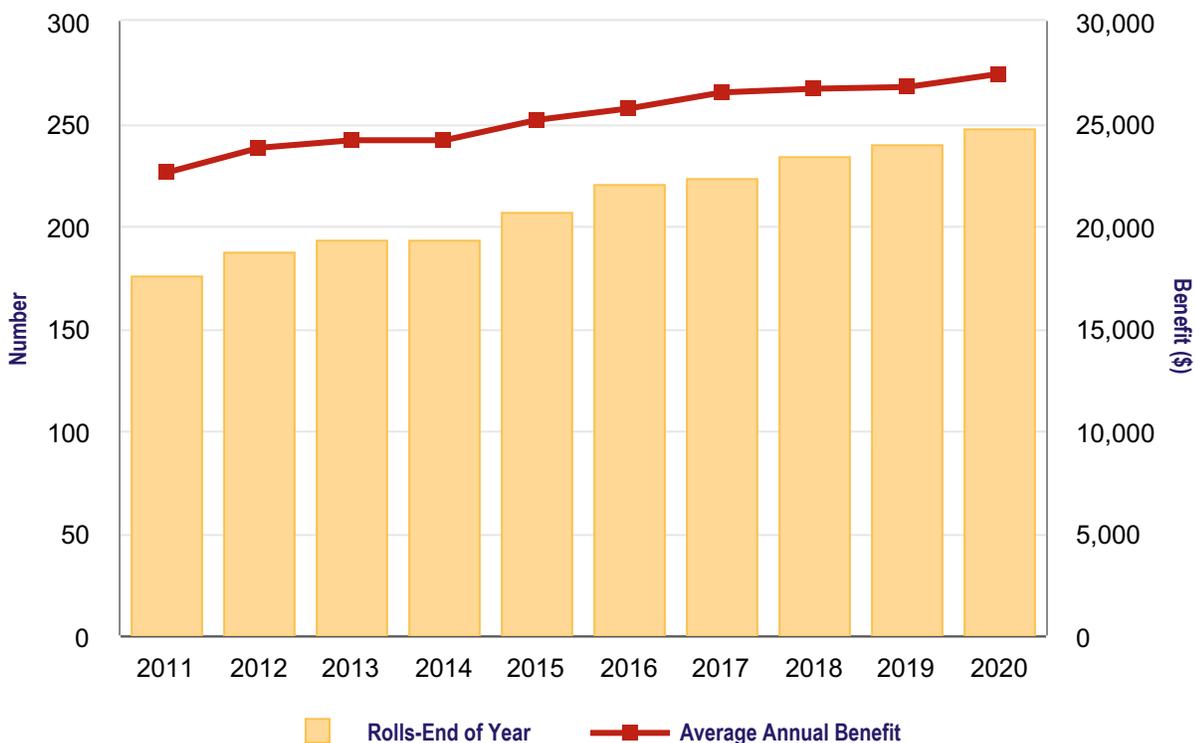
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	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			
2020	13	\$438	5	\$46	248	\$6,800	5.8%	\$27,421	2.4%
2019	9	216	3	19	240	6,426	2.9	26,776	0.3
2018	13	404	2	23	234	6,246	5.6	26,692	0.7
2017	8	314	5	60	223	5,912	4.4	26,512	3.0
2016	14	506	1	4	220	5,661	8.7	25,733	2.2
2015	15	556	1	5	207	5,210	11.7	25,170	4.1
2014	—	—	—	—	193	4,666	—	24,177	—
2013	8	253	2	9	193	4,666	4.8	24,177	1.5
2012	14	495	3	14	187	4,452	11.9	23,810	5.3
2011	22	902	3	23	176	3,978	26.9	22,602	13.2

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



# Prosecuting Attorneys' Retirement Fund

## Historical Summary of Actuarial Valuation Results

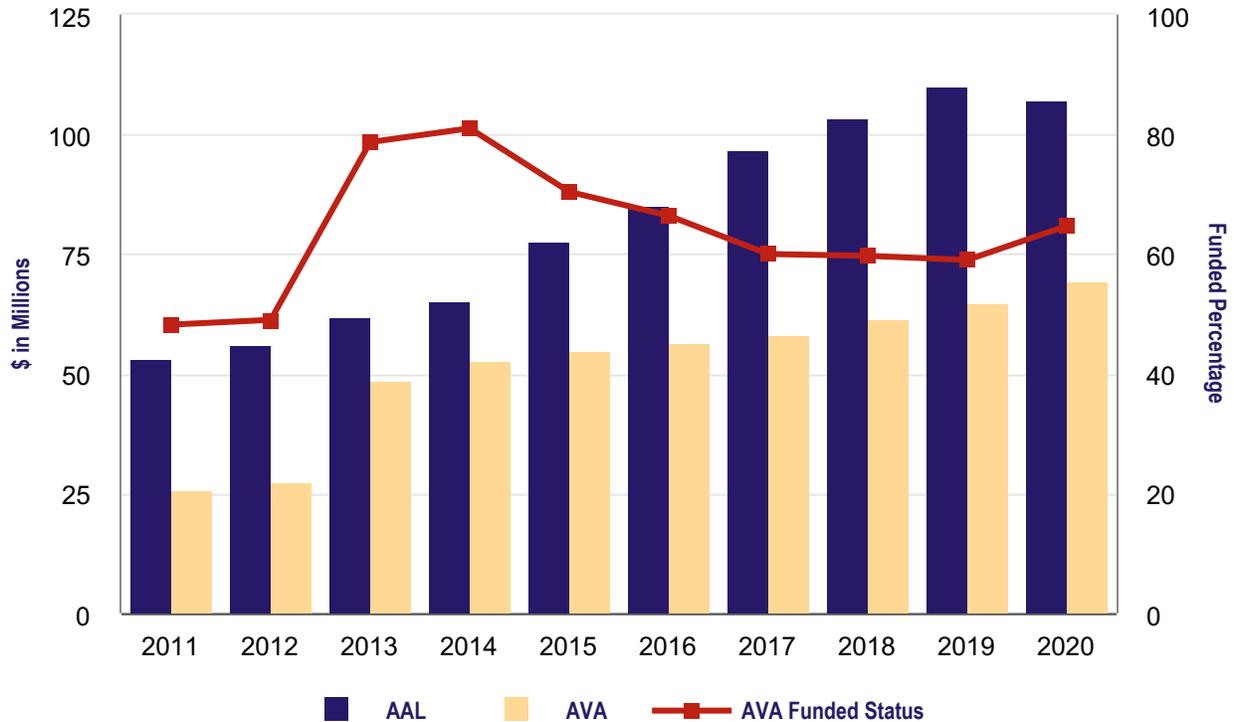
### Actuarial Valuation as of June 30 <sup>1</sup>

The following table shows the history of the Unfunded Liability as a percentage of Covered Employee Payroll for PARF.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll	Unfunded Liability as a percentage of Covered Employee Payroll
2020	\$107,049	\$69,288	<b>\$37,761</b>	<b>64.7%</b>	\$23,989	157.4%
2019	110,082	64,909	<b>45,173</b>	<b>59.0</b>	21,791	207.3
2018	103,284	61,665	<b>41,619</b>	<b>59.7</b>	21,578	192.9
2017	96,655	57,967	<b>38,688</b>	<b>60.0</b>	22,635	170.9
2016	85,033	56,472	<b>28,561</b>	<b>66.4</b>	21,372	133.6
2015	77,861	54,848	<b>23,013</b>	<b>70.4</b>	21,145	108.8
2014	65,336	52,936	<b>12,400</b>	<b>81.0</b>	20,608	60.2
2013	61,940	48,762	<b>13,178</b>	<b>78.7</b>	18,805	70.2
2012	56,080	27,501	<b>28,579</b>	<b>49.0</b>	21,705	131.8
2011	53,252	25,651	<b>27,601</b>	<b>48.2</b>	18,082	152.6

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# Prosecuting Attorneys' Retirement Fund, continued

## Summary of Actuarial Assumptions, Actuarial Methods, and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2020 valuation of the Prosecuting Attorneys' Retirement Fund were adopted by the INPRS Board in June 2020. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The future salary increase assumption decreased from 4.00 percent per year to 2.75 percent per year.

The mortality assumption changed from 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption changed from an age- and service-based table to an age-based table split by eligibility for reduced or unreduced benefits.

The disability assumption was updated based on recent experience.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

There were no changes to the plan provisions 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)
Account & Financial Reporting	6.75 percent (net of investment expenses)
Interest on Member Contributions	3.50 percent per year
Inflation	2.25 percent per year
Cost of Living Increases:	N/A
Future Salary Increases:	2.75 percent per year

#### Demographic Assumptions: Based on 2015-2019 Experience

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy):	General Employee table with a 1 year setback for males and a 1 year setback for females.
Mortality (Retirees):	General retiree table with a 1 year setback for males and a 1 year setback for females.
Mortality (Beneficiaries):	Contingent Survivor table with no set forward for males and a 2 year set forward for females.
Mortality (Disabled):	General Disabled table with a 140% load.

## Prosecuting Attorneys' Retirement Fund, continued

Retirement:

Ages	Eligible for Reduced Benefit	Eligible for Unreduced Benefit
55-61	N/A	40 %
62-64	20 %	40
65-69	N/A	50
70+	N/A	100

Inactive vested members are assumed to commence their retirement benefit at their earliest unreduced eligible retirement date (age 62, or current age if greater).

Termination:

10 percent per year for all members prior to retirement eligibility

Disability:

Age	Sample Rates	
	Male	Female
20	0.004 %	0.003 %
25	0.008	0.006
30	0.014	0.010
35	0.024	0.018
40	0.042	0.032
45	0.080	0.061
50	0.160	0.124
55+	0.300	0.200

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 their spouses and females are assumed to be two (2) years younger than their spouses.

## Prosecuting Attorneys' Retirement Fund, continued

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### 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 20-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 20-year period. However, when the plan is at or above 100 percent 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. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date:

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 five-year smoothing of gains and losses on the Fair Value of Assets (FVA), 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 FVA.

Accounting and financial reporting uses the Fair Value of Assets (FVA) 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, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.

# Prosecuting Attorneys' Retirement Fund, continued

## Analysis of Financial Experience

(dollars in thousands)	<u>UAAL</u>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2019	\$45,173
Normal Cost and Interest, less Expected Contributions	<u>(1,129)</u>
Expected UAAL: June 30, 2020	44,044
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	1,263
Actuarial Accrued Liabilities Experience <sup>1</sup>	(2,534)
Actuarial Assumption & Methodology Changes	(5,012)
Plan Provision Changes	<u>—</u>
Total UAAL (Gain) / Loss	<u>(6,283)</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020</b>	<u><u>\$37,761</u></u>

## Solvency Test <sup>2</sup>

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(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				
2020	\$	27,768	\$	44,410	\$	34,871	\$	107,049	\$	69,288	100.0 %	93.5 %	— %	64.7%
2019		27,471		39,607		43,004		110,082		64,909	100.0	94.5	—	59.0
2018		27,620		39,034		36,630		103,284		61,664	100.0	87.2	—	59.7
2017		26,327		38,504		31,824		96,655		57,967	100.0	82.2	—	60.0
2016		26,206		37,709		21,118		85,033		56,472	100.0	80.3	—	66.4
2015		25,479		26,636		25,746		77,861		54,848	100.0	100.0	10.6	70.4
2014		26,654		22,665		16,017		65,336		52,936	100.0	100.0	22.6	81.0
2013		25,371		22,004		14,565		61,940		48,762	100.0	100.0	9.5	78.7
2012		23,406		18,660		14,014		56,080		27,501	100.0	21.9	—	49.0
2011		21,592		16,806		14,854		53,252		25,651	100.0	24.2	—	48.2

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> In accordance with Legislation passed during March 2012, the State appropriated \$17,363 thousand during 2013 to reach a funded status of 80.0 percent based on the actuarial valuation as of June 30, 2012.

# Prosecuting Attorneys' Retirement Fund, continued

## Schedule of Active Members Valuation Data

### Actuarial Valuation as of June 30 <sup>1</sup>

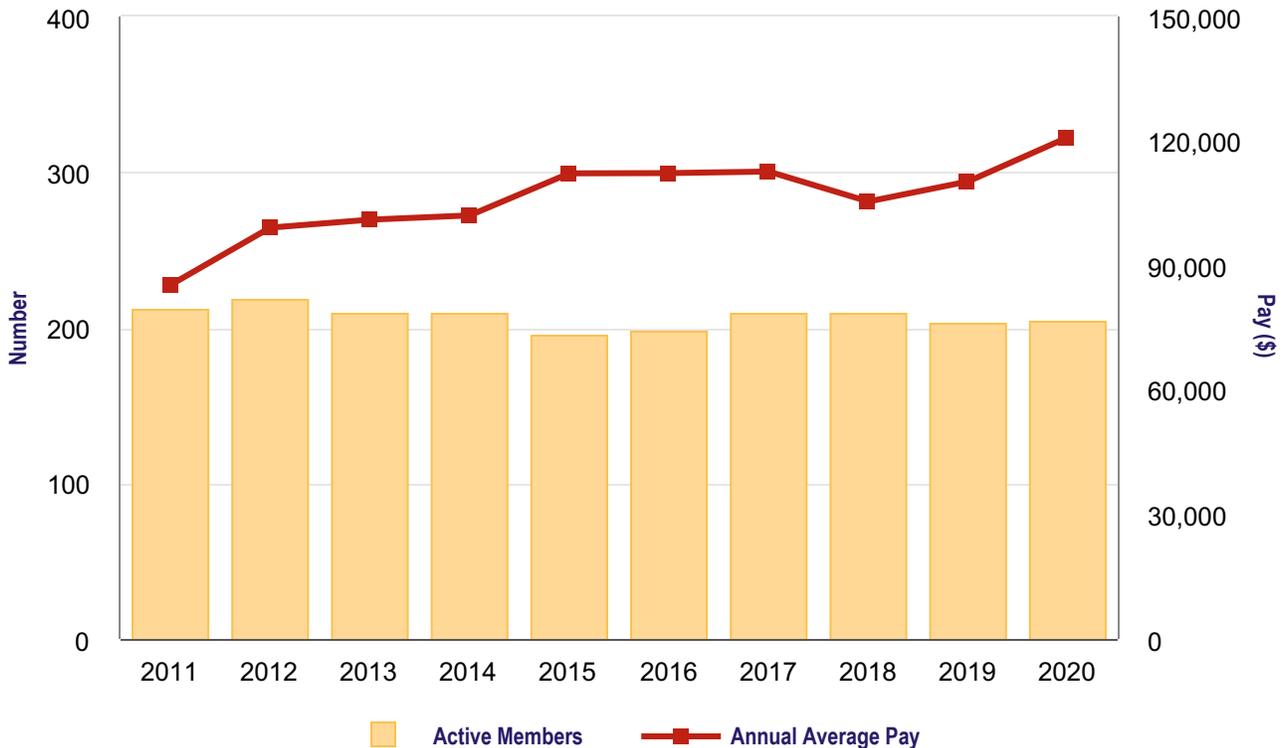
(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll <sup>2</sup>	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2020	205	\$24,781	\$120,881	9.7%
2019	203	22,379	110,242	4.6
2018	209	22,031	105,413	(6.4)
2017	209	23,540	112,632	0.3
2016	198	22,227	112,257	0.1
2015	196	21,991	112,198	9.9
2014	210	21,432	102,057	1.0
2013	210	21,217	101,033	1.9
2012	219	21,705	99,110	16.2
2011	212	18,082	85,292	(11.9)

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> Excludes payroll from members that are over the 22 year service cap.

### Total Number of Active Members Per Year and Annual Average Pay



# Prosecuting Attorneys' Retirement Fund, continued

## Schedule of Retirants and Beneficiaries

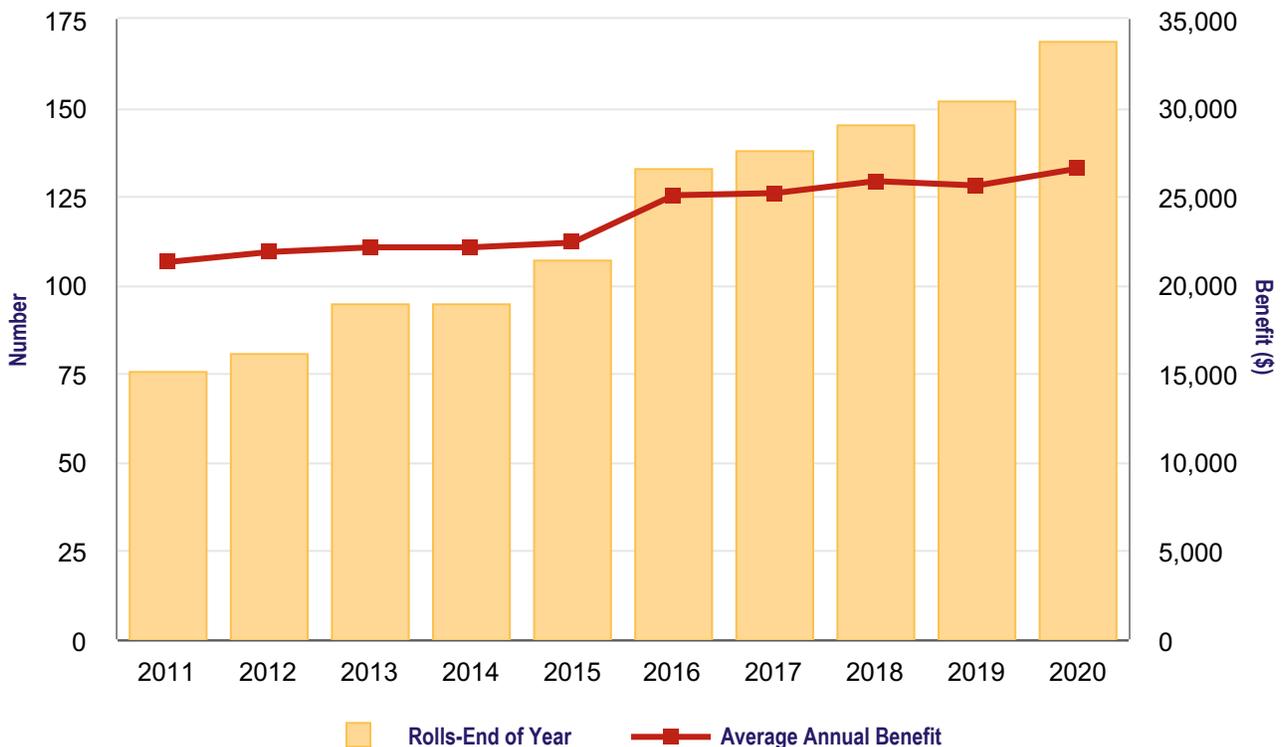
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	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			
2020	18	\$632	1	\$20	169	\$4,489	15.3%	\$26,563	3.7%
2019	9	168	2	25	152	3,892	3.8	25,605	(1.0)
2018	9	307	2	28	145	3,749	7.9	25,853	2.7
2017	5	140	—	—	138	3,474	4.3	25,176	0.5
2016	26	937	—	—	133	3,332	39.1	25,056	11.9
2015	14	319	2	14	107	2,395	14.0	22,385	1.2
2014	—	—	—	—	95	2,101	—	22,118	—
2013	15	362	1	27	95	2,101	18.7	22,118	1.2
2012	6	178	1	27	81	1,770	9.4	21,853	2.7
2011	19	473	1	16	76	1,618	34.7	21,288	2.8

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



# Legislators' Defined Benefit Fund

## Historical Summary of Actuarial Valuation Results

### Actuarial Valuation as of June 30 <sup>1</sup>

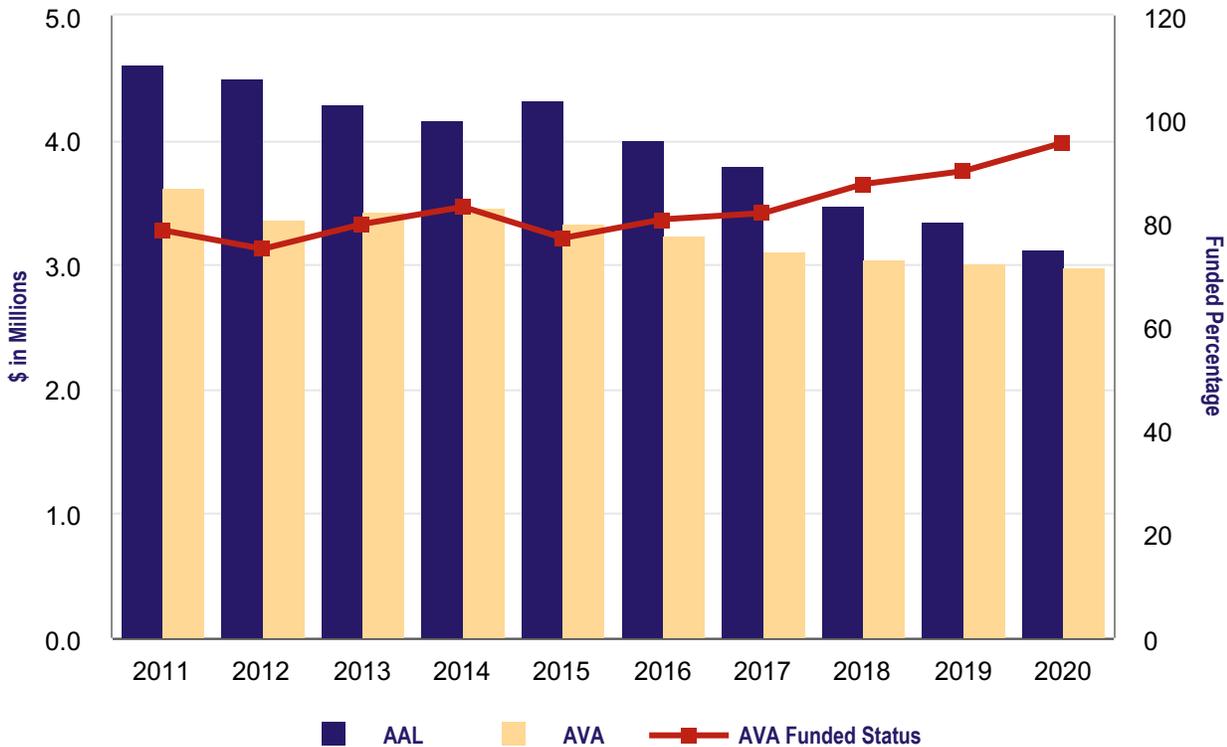
The following table shows the history of the Unfunded Liability for LE DB.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll <sup>2</sup>	Unfunded Liability as a percentage of Covered Employee Payroll
2020	\$3,127	\$2,986	\$141	95.5%	N/A	N/A
2019	3,362	3,026	336	90.0	N/A	N/A
2018	3,485	3,050	435	87.5	N/A	N/A
2017	3,804	3,114	690	81.9	N/A	N/A
2016	4,016	3,241	775	80.7	N/A	N/A
2015	4,328	3,336	992	77.1	N/A	N/A
2014	4,173	3,467	706	83.1	N/A	N/A
2013	4,295	3,428	867	79.8	N/A	N/A
2012	4,503	3,377	1,126	75.0	N/A	N/A
2011	4,621	3,634	987	78.6	N/A	N/A

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> LE DB is a closed plan with no Covered Employee Payroll.



# Legislators' Defined Benefit Fund, continued

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## Summary of Actuarial Assumptions, Actuarial Methods, and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2020 valuation of the Legislators' Defined Benefit Fund were adopted by the INPRS Board in June 2020. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The future salary increase assumption changed from 2.25 percent to 2.75 percent per year.

The mortality assumption changed from 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The disability assumption was removed.

The termination assumption was removed.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

There were no changes to the plan provisions.

### 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)

Inflation: 2.25 percent per year

Cost of Living Increases: No COLA or 13th check will be paid in the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, are assumed:

0.4 percent beginning on January 1, 2022

0.5 percent beginning on January 1, 2034

0.6 percent beginning on January 1, 2039

Future Salary Increases: 2.75 percent per year

#### Demographic Assumptions: Based on 2015-2019 Experience

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy): General Employee table with a 1 year setback for males and a 1 year setback for females.

Mortality (Retirees): General Retiree table with a 1 year setback for males and a 1 year setback for females.

Mortality (Beneficiaries): Contingent Survivor table with no set forward for males and a 2 year set forward for females.

Mortality (Disabled): General Disabled table with a 140% load.

## Legislators' Defined Benefit Fund, continued

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Retirement:

Age	Rate
55	10 %
56-57	8
58-61	2
62-64	5
65+	100

Inactive vested members are assumed to commence their retirement benefit at their earliest eligible retirement date.

Termination:

None

Disability:

None

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 their spouses and females are assumed to be two (2) years younger than their spouses.

# Legislators' Defined Benefit Fund, 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 Legislators' Defined Benefit Fund 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 five-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 five-year period. However, when the plan is at or above 100 percent 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 & Financing 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. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date: 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.

COLA Funding Amount: The COLA may be funded by either direct State appropriations or by allocation of a portion of the lottery proceeds. The COLA Funding Amount is developed by determining the assets needed at the start of the next biennium to fund the post-retirement benefit increases anticipated to be granted in that biennium. This amount is divided by a present value factor over which the accumulations will occur.

Asset Valuation Method: Funding uses the Actuarial Value of Assets (AVA), which is equal to a five-year smoothing of gains and losses on the Fair Value of Assets (FVA), 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 FVA.

Accounting and financial reporting uses the Fair Value of Assets (FVA) 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, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.

# Legislators' Defined Benefit Fund, continued

## Analysis of Financial Experience

(dollars in thousands)	<u>UAAL</u>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2019	\$336
Normal Cost and Interest, less Expected Contributions	<u>(153)</u>
Expected UAAL: June 30, 2020	183
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	59
Actuarial Accrued Liabilities Experience <sup>1</sup>	(14)
Actuarial Assumption & Methodology Changes	<u>(87)</u>
Total UAAL (Gain) / Loss	<u>(42)</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020</b>	<b><u><u>\$141</u></u></b>

## Solvency Test

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(dollars in thousands)	Actuarial Accrued Liabilities			Actuarial Value of Assets	Portion of Actuarial Accrued Liabilities Covered by Assets		
	Actuarial Valuation as of June 30	Retirees and Beneficiaries	Active Member (Employer Financed Portion) Total Actuarial Accrued Liabilities		Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
2020	\$2,655	\$472	\$3,127	\$2,986	100.0%	70.1%	95.5%
2019	2,747	615	3,362	3,026	100.0	45.3	90.0
2018	2,783	702	3,485	3,050	100.0	38.1	87.5
2017	3,013	791	3,804	3,114	100.0	12.9	81.9
2016	3,207	809	4,016	3,241	100.0	4.2	80.7
2015	3,213	1,115	4,328	3,336	100.0	11.1	77.1
2014	3,076	1,097	4,173	3,467	100.0	35.7	83.1
2013	3,192	1,103	4,295	3,428	100.0	21.4	79.8
2012	3,031	1,472	4,503	3,377	100.0	23.5	75.0
2011	3,037	1,584	4,621	3,634	100.0	37.7	78.6

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

# Legislators' Defined Benefit Fund, continued

## Schedule of Active Members Valuation Data

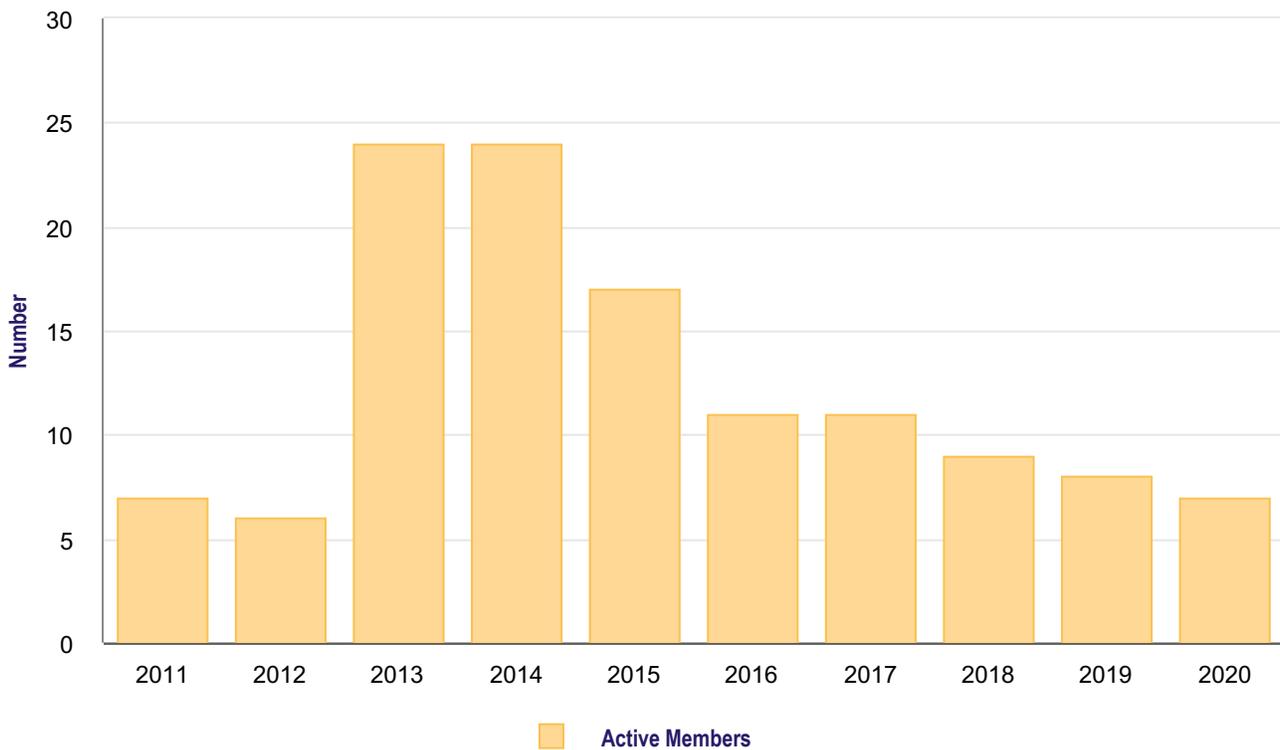
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2020	7	N/A	N/A	N/A
2019	8	N/A	N/A	N/A
2018	9	N/A	N/A	N/A
2017	11	N/A	N/A	N/A
2016	11	N/A	N/A	N/A
2015	17	N/A	N/A	N/A
2014	24	N/A	N/A	N/A
2013	24	N/A	N/A	N/A
2012	6	N/A	N/A	N/A
2011	7	N/A	N/A	N/A

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

## Total Number of Active Members Per Year



# Legislators' Defined Benefit Fund, continued

## Schedule of Retirants and Beneficiaries

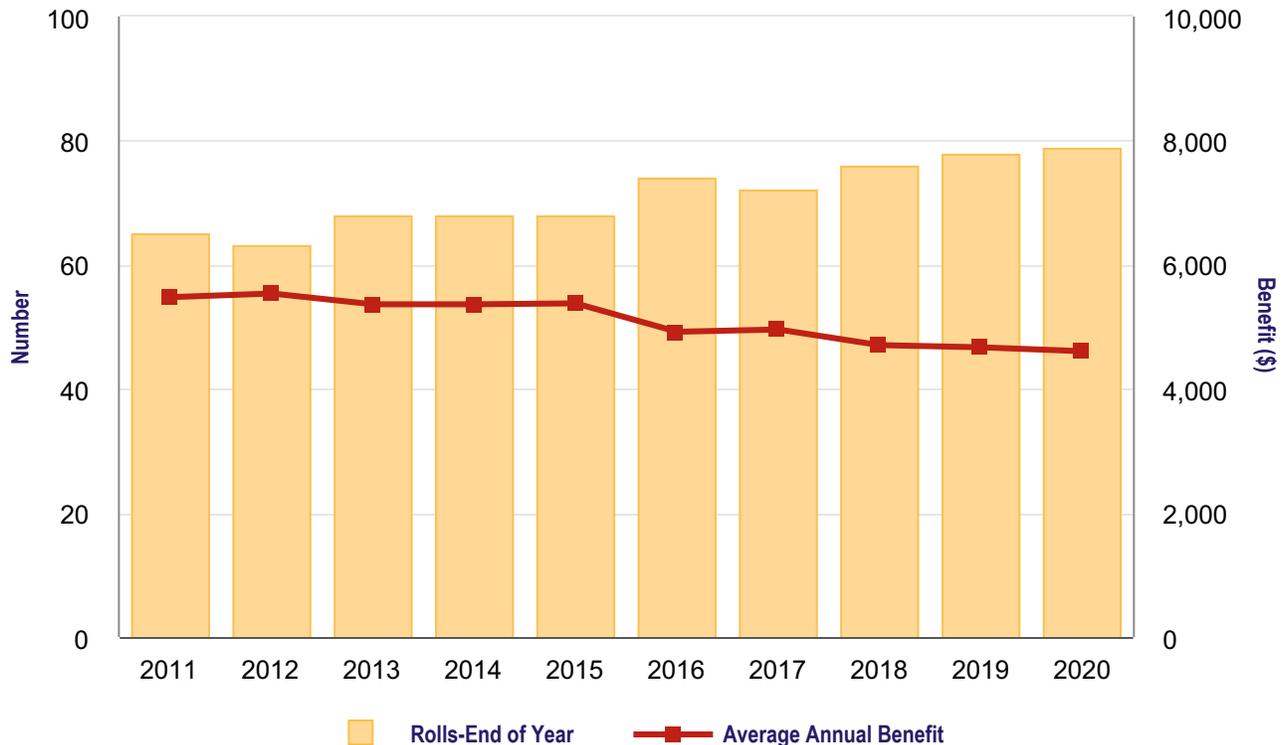
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	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			
2020	4	\$15	3	\$9	79	\$364	—%	\$4,606	(1.3)%
2019	2	7	—	—	78	364	2.0	4,669	(0.7)
2018	4	16	—	—	76	357	—	4,704	(5.1)
2017	—	—	2	7	72	357	(1.9)	4,956	0.8
2016	8	23	2	14	74	364	(0.5)	4,919	(8.5)
2015	1	2	1	1	68	366	0.5	5,377	0.3
2014	—	—	—	—	68	364	—	5,362	—
2013	9	41	4	26	68	364	4.3	5,362	(3.1)
2012	2	13	4	20	63	349	(2.0)	5,536	1.1
2011	4	22	—	—	65	356	2.6	5,477	(3.7)

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



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# 2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020

## Statistical Section

- [197](#) Introduction to Statistical Information
- [198](#) Combined Funds
- [208](#) Defined Benefit Funds
- [263](#) Defined Contribution Funds
- [272](#) OPEB and Custodial Funds

### 1.3 Active Members

To annuitants

### TRF '96 DB Contribution

Rate decreased 2%

### 32 thousand claims

Reimbursed under RMBA



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# Introduction to Statistical Information

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## Purpose of the Statistical Section

The objectives of the Statistical Section are to provide additional historical perspective, context, and relevant details to assist readers in using information in the financial statements, notes to the financial statements, and required supplementary information in order to understand and assess INPRS's overall financial condition.

## Accompanying Notes to the Statistical Schedules

The following notes are intended to clarify certain information presented in various schedules in the Statistical Section.

- For several funds, 10 years of historical information was not presented. INPRS intends to reflect 10 years of historical data as it becomes available.
- Beginning June 30, 2014 and years subsequent, defined benefit membership is calculated using the prior year census data, which is adjusted for certain activity during the year.
- Annuitant data includes retirees, beneficiaries, and disabled members. Survivor benefits are reported beginning fiscal year ended June 30, 2013.
- Prior to June 30, 2013, survivor benefits were included with pension benefits.
- Within the Schedule of Benefit Recipients by Type of Benefit Option, members of PERF DB, TRF Pre-'96 DB, and TRF '96 DB may choose social security integration as a retiree between the ages of 50 and 62. Social security integration can be incorporated with Five-Year Certain & Life, Straight Life, Modified Cash Refund Plus Five-Year Certain & Life, Joint With 100% Survivor Benefits, Joint With Two-Thirds Survivor Benefits, or Joint With One-Half Survivor Benefits. The number of retirees electing social security integration is included in the number of retirees of the selected benefit option. The monthly benefit is reduced or terminated at age 62 depending on the estimated monthly benefit from social security at age 62.

**Financial Schedules** present trend information about the change in INPRS's assets for the past 10 years, including key sources of asset additions and deductions, which assist in providing a context framing how INPRS's financial position has changed over time. Financial trend schedules presented include:

- Schedule of Changes and Growth in Fiduciary Net Position
- Summary of Income Sources for a 10-Year Period (combined funds)
- Summary of Benefit Payments, Distributions and Expenses for 10 Years
- Schedule of Historical Contribution Rates

**Demographic and Economic Information** is designed to assist in understanding the environment in which INPRS operates. The demographic and economic information presented include:

- Summary of Participating Employers
- Membership Data
- Ratio of Active Members to Annuitants
- Pension Benefits by Indiana County
- Retirees by Geographical Location
- Summary of Defined Benefit Retirement Benefits
- Schedule of Benefit Recipients by Type of Benefit Option
- Schedule of Average Benefit Payments
- Schedule of Participating Employers: Top 10
- Schedule of RMBA Reimbursements
- Schedule of Average Death Benefit Payments

# Combined Funds

## Schedule of Changes and Growth in Fiduciary Net Position

### For the Years Ended June 30

(dollars in thousands)	2020	2019	2018	2017	2016
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 36,068,353</b>	<b>\$ 34,182,563</b>	<b>\$ 31,847,149</b>	<b>\$ 29,900,278</b>	<b>\$ 29,892,379</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	1,010,981	1,161,582	984,332	967,011	1,012,012
Nonemployer Contributing Entity	1,172,724	1,145,125	1,124,814	1,088,559	1,100,433
Member Contributions	374,075	361,373	349,246	347,622	334,079
Member Reassignment Income	11,651	9,990	13,446	16,669	16,187
Transfer from SOI	435,947	—	—	—	—
Miscellaneous Income	371	1,831	695	185	1,078
<b>Total Contributions and Other</b>	<b>3,005,749</b>	<b>2,679,901</b>	<b>2,472,533</b>	<b>2,420,046</b>	<b>2,463,789</b>
Pension Benefits	(2,261,487)	(2,185,371)	(2,297,332)	(2,275,134)	(2,212,132)
Disability Benefits	(45,831)	(47,576)	(46,056)	(42,115)	(62,234)
Survivor Benefits	(183,494)	(175,883)	(171,381)	(163,155)	(154,804)
Special Death Benefits	(1,919)	(2,001)	(1,634)	(1,209)	(924)
Retiree Health Benefits	(17,306)	—	—	—	—
Retiree Health Forfeitures	(18,969)	—	—	—	—
Distributions of Contributions and Interest	(423,885)	(447,103)	(179,575)	(70,332)	(80,385)
Distributions of Custodial Funds	(209,167)	(212,239)	(212,634)	(213,256)	(215,816)
Administrative Expenses	(43,018)	(41,398)	(38,991)	(38,365)	(38,502)
Member Reassignment Expenses	(11,651)	(9,990)	(13,446)	(16,669)	(16,187)
Miscellaneous Expenses	(237)	(284)	(437)	(13)	—
<b>Total Benefits and Expenses</b>	<b>(3,216,964)</b>	<b>(3,121,845)</b>	<b>(2,961,486)</b>	<b>(2,820,248)</b>	<b>(2,780,984)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(211,215)</b>	<b>(441,944)</b>	<b>(488,953)</b>	<b>(400,202)</b>	<b>(317,195)</b>
Net Investment Income / (Loss)	1,005,836	2,327,734	2,824,367	2,347,073	325,094
<b>Net Increase / (Decrease)</b>	<b>794,621</b>	<b>1,885,790</b>	<b>2,335,414</b>	<b>1,946,871</b>	<b>7,899</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 36,862,974</b>	<b>\$ 36,068,353</b>	<b>\$ 34,182,563</b>	<b>\$ 31,847,149</b>	<b>\$ 29,900,278</b>

## Combined Funds, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

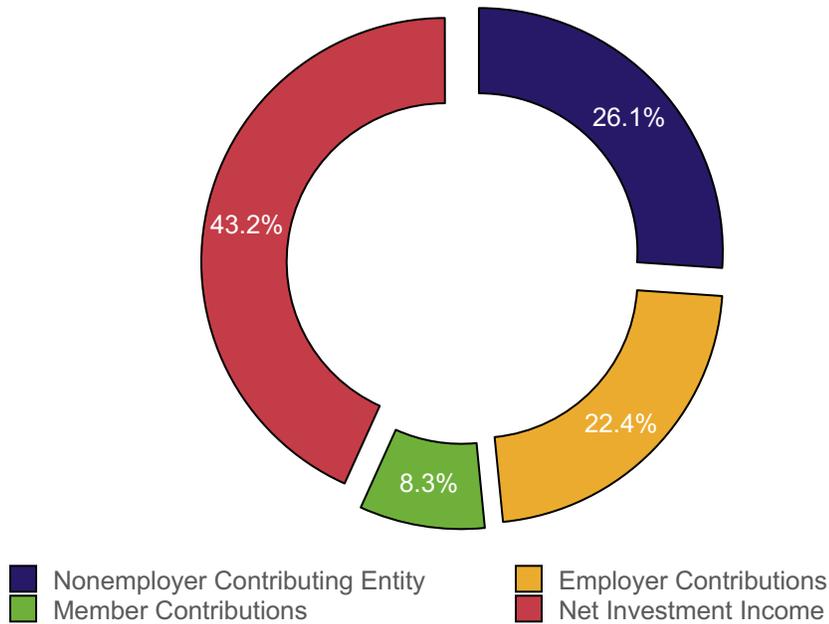
(dollars in thousands)	2015	2014	2013	2012	2011
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 30,212,225</b>	<b>\$ 27,080,402</b>	<b>\$ 25,559,605</b>	<b>\$ 25,750,906</b>	<b>\$ 22,174,510</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	923,759	894,851	933,719	749,439	677,385
Nonemployer Contributing Entity	1,080,665	1,028,579	1,242,728	946,163	916,754
Member Contributions	348,789	341,609	326,518	335,548	330,314
Member Reassignment Income	17,591	15,582	14,759	13,025	15,410
Transfer from SOI	—	—	—	—	—
Miscellaneous Income	188	172	106	100	166
<b>Total Contributions and Other</b>	<b>2,370,992</b>	<b>2,280,793</b>	<b>2,517,830</b>	<b>2,044,275</b>	<b>1,940,029</b>
Pension Benefits	(2,220,957)	(2,006,827)	(1,938,557)	(1,976,672)	(1,889,792)
Disability Benefits	(64,172)	(71,202)	(60,664)	(57,239)	(53,608)
Survivor Benefits	(144,767)	(138,027)	(131,468)	—	—
Special Death Benefits	(1,610)	(1,170)	(1,744)	(938)	(1,224)
Retiree Health Benefits	—	—	—	—	—
Retiree Health Forfeitures	—	—	—	—	—
Distributions of Contributions and Interest	(88,659)	(87,375)	(98,414)	(95,431)	(91,447)
Distributions of Custodial Funds	(217,663)	(219,440)	(219,814)	(224,220)	(219,425)
Administrative Expenses	(40,486)	(43,447)	(45,921)	(40,848)	(35,918)
Member Reassignment Expenses	(17,591)	(15,582)	(14,759)	(13,025)	(15,410)
Miscellaneous Expenses	—	—	—	—	—
<b>Total Benefits and Expenses</b>	<b>(2,795,905)</b>	<b>(2,583,070)</b>	<b>(2,511,341)</b>	<b>(2,408,373)</b>	<b>(2,306,824)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(424,913)</b>	<b>(302,277)</b>	<b>6,489</b>	<b>(364,098)</b>	<b>(366,795)</b>
Net Investment Income / (Loss)	105,067	3,434,100	1,514,308	172,797	3,943,191
<b>Net Increase / (Decrease)</b>	<b>(319,846)</b>	<b>3,131,823</b>	<b>1,520,797</b>	<b>(191,301)</b>	<b>3,576,396</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 29,892,379</b>	<b>\$ 30,212,225</b>	<b>\$ 27,080,402</b>	<b>\$ 25,559,605</b>	<b>\$ 25,750,906</b>

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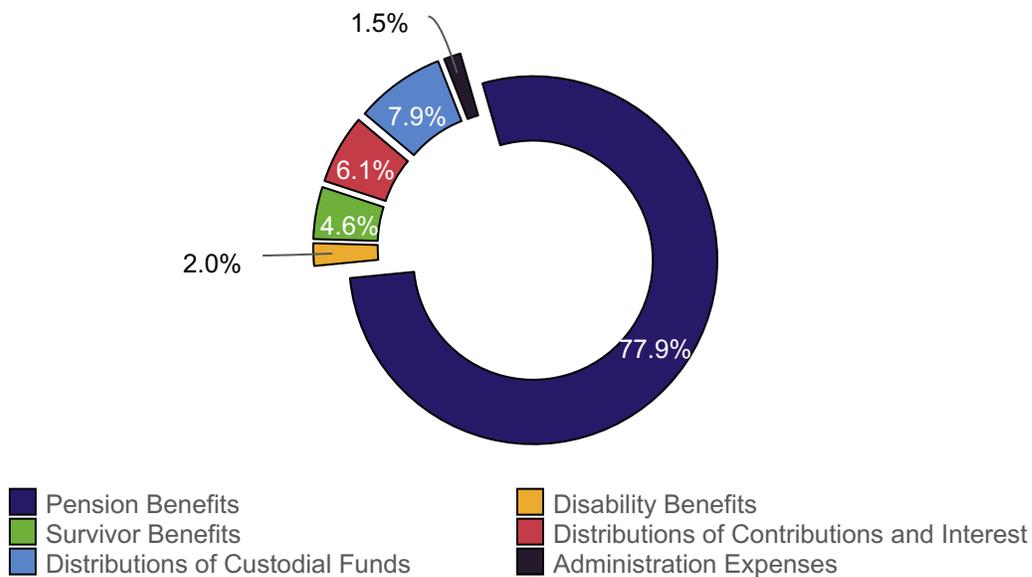
# Combined Funds, continued

## Summary of Income and Expense Sources for a 10-Year Period Fiscal Years 2011 - 2020

### Income Sources



### Summary of Benefit Payments, Distributions and Expenses

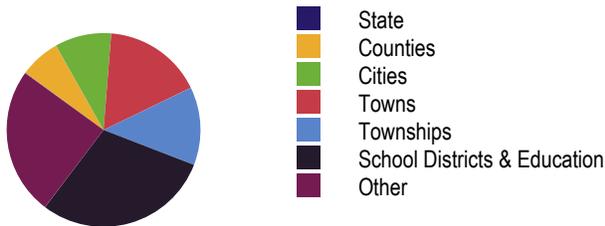


# Combined Funds, continued

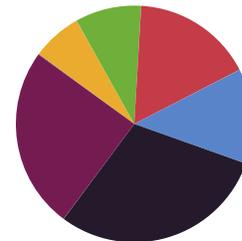
## Summary of Participating Employers For the Year Ended June 30, 2020

Employers	Total <sup>1</sup>	Defined Benefit (DB)								
		Total DB	PERF DB	TRF Pre-'96 DB	TRF '96 DB	77 Fund	JRS	EG&C	PARF	LE DB
State	1	1	1	1	1	—	1	1	1	1
Counties	86	86	86	—	—	—	—	—	—	—
Cities	120	120	113	—	—	119	—	—	—	—
Towns	211	209	206	—	—	37	—	—	—	—
Townships	166	166	164	—	—	15	—	—	—	—
School Districts & Education	375	375	335	335	375	—	—	—	—	—
Other	314	310	309	—	—	3	—	—	—	—
<b>Total</b>	<b>1,273</b>	<b>1,267</b>	<b>1,214</b>	<b>336</b>	<b>376</b>	<b>174</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

DB Participating Employers



DC Participating Employers



Defined Contribution (DC)

Employers	Total DC <sup>1</sup>	PERF DC	PERF MC DC	TRF DC	TRF MC DC	LE DC
State	1	1	1	1	1	1
Counties	86	86	1	—	—	—
Cities	114	114	3	—	—	—
Towns	208	208	5	—	—	—
Townships	164	164	4	—	—	—
School Districts & Education	375	335	5	375	194	—
Other	313	313	9	—	—	—
<b>Total</b>	<b>1,261</b>	<b>1,221</b>	<b>28</b>	<b>376</b>	<b>195</b>	<b>1</b>

<sup>1</sup> Sum of employers does not equal total, as an employer may participate in multiple retirement funds.

## Combined Funds, continued

### Membership Data Summary by Fund

As of June 30, 2020

2020					
Fund	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members
PERF DB	125,780	92,436	33,575	—	251,791
TRF Pre-'96 DB	9,338	53,415	2,272	—	65,025
TRF '96 DB	58,450	7,596	6,609	—	72,655
77 Fund	14,242	5,581	283	1,307	21,413
JRS	458	396	24	33	911
EG&C	420	248	4	133	805
PARF	205	169	101	142	617
LE DB	7	79	6	—	92
<b>Total DB</b>	<b>208,900</b>	<b>159,920</b>	<b>42,874</b>	<b>1,615</b>	<b>413,309</b>
PERF DC	131,581	—	89,896	—	221,477
PERF MC DC	4,166	—	2,071	—	6,237
TRF DC	69,214	—	27,133	—	96,347
TRF MC DC	703	—	58	—	761
LE DC	150	—	71	—	221
<b>Total DC</b>	<b>205,814</b>	<b>—</b>	<b>119,229</b>	<b>—</b>	<b>325,043</b>
<b>Total INPRS <sup>1,2</sup></b>	<b>213,919</b>	<b>159,920</b>	<b>95,263</b>	<b>1,615</b>	<b>467,337</b>

<sup>1</sup> Total number of members based on adjusted prior year DB member census data and prior year DC member data, excluding duplicates as members may participate in more than one fund.

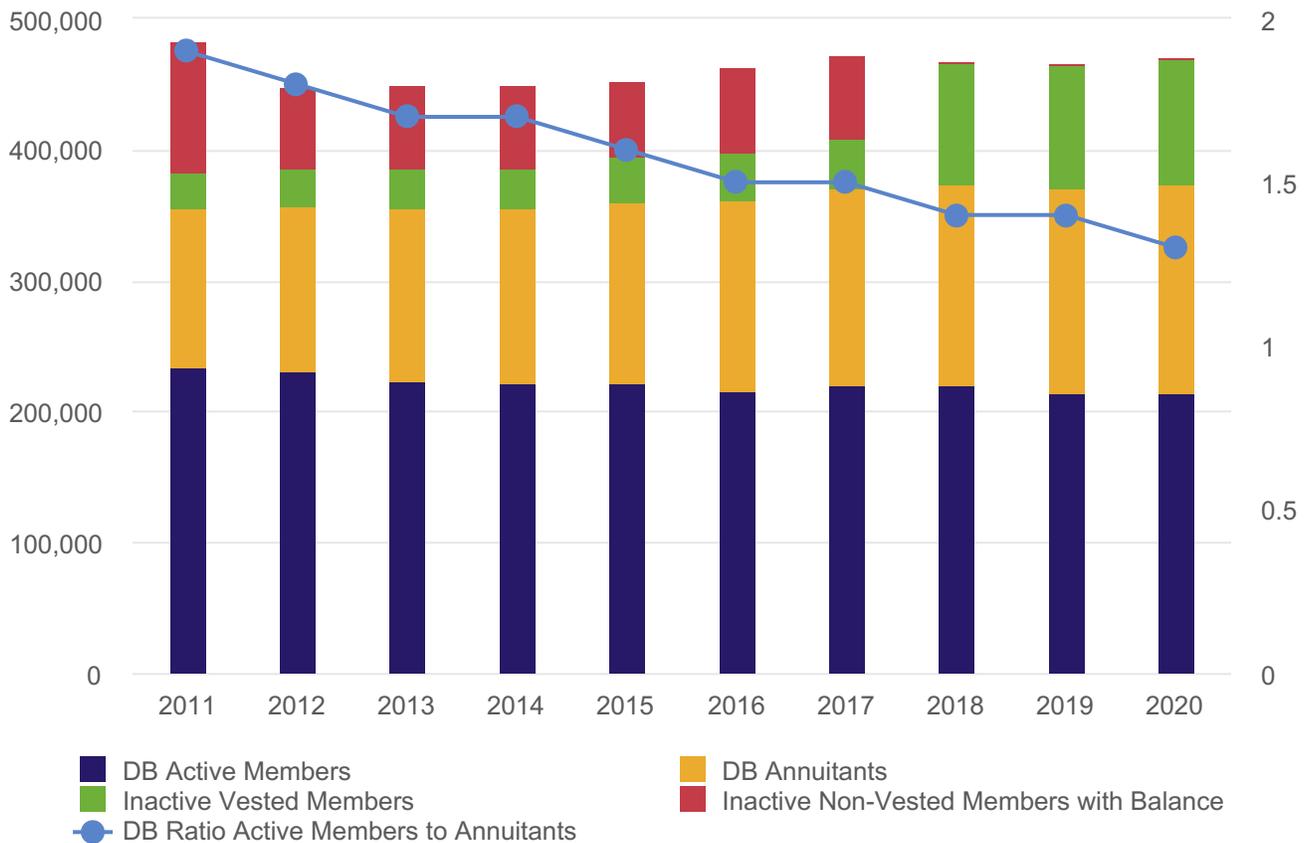
<sup>2</sup> DC member count is based on the DC recordkeeper account total as of June 30, 2020.

## Combined Funds, continued

### Ratio of Active Members to Annuitants For the Years Ended June 30

Active members and annuitants only include the DB membership, while the other information includes total INPRS membership (DB and DC).

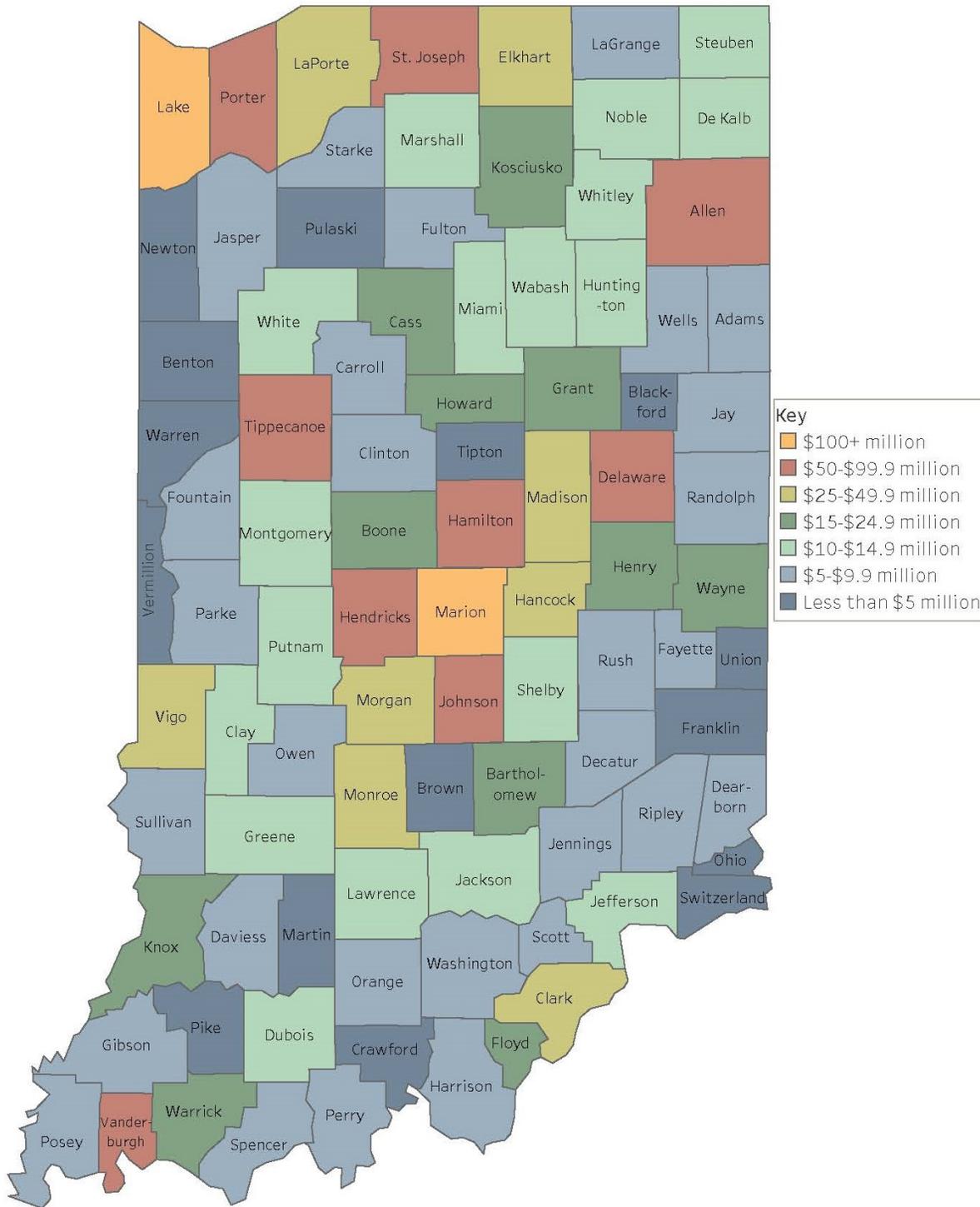
	DB Active Members	DB Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	DB Ratio Active Members to Annuitants
2020	208,900	159,920	95,263	1,615	467,337	1.3
2019	213,123	156,503	93,981	1,505	466,751	1.4
2018	218,866	153,077	92,297	1,453	467,332	1.4
2017	220,783	149,323	37,939	64,580	472,775	1.5
2016	215,300	145,522	37,526	64,447	462,945	1.5
2015	221,813	137,992	35,705	57,684	453,343	1.6
2014	222,348	133,128	30,722	63,837	450,184	1.7
2013	222,710	133,128	30,213	63,885	450,103	1.7
2012	230,536	126,813	27,887	62,248	447,651	1.8
2011	233,674	121,948	27,592	100,382	483,767	1.9



# Combined Funds, continued

## Pension Benefits by Indiana County

Approximately 133 thousand of the 151 thousand fiscal year 2020 pension benefit recipients reside in Indiana. Of the \$2.2 billion in pension benefit payments, 88.8% remained within Indiana and was able to impact local economies throughout the state.





# Combined Funds, continued

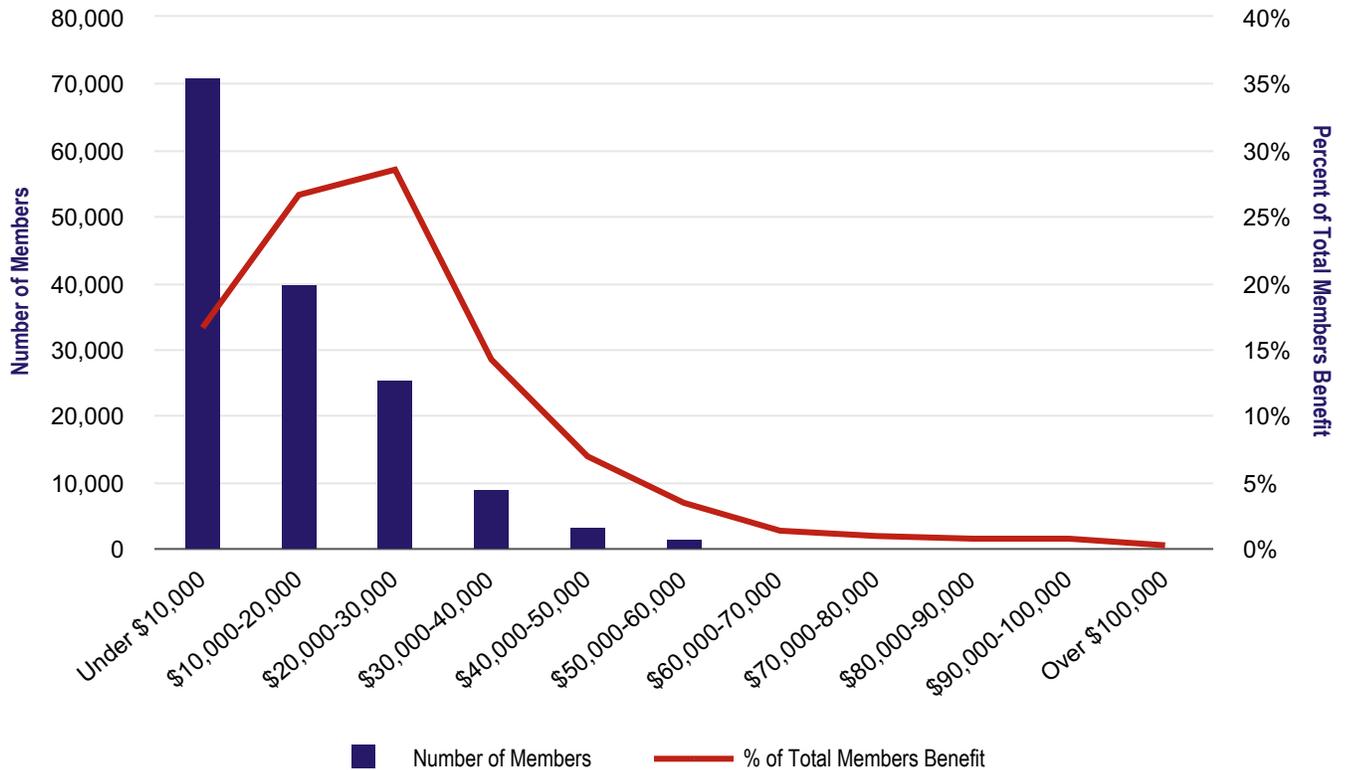
## Summary of Defined Benefit Retirement Benefits

As of June 30, 2020

For the year ending June 30, 2020, more than 151 thousand beneficiaries received benefits from INPRS administered defined benefit (DB) retirement plans with an average DB benefit of \$14,507 per year. The median DB benefit was \$10,996, which means half of all retirees receiving benefits are higher than \$10,996 and half are lower. Retirees may also be eligible for Social Security.

Annualized	Members		Amount (in thousands)	
	#	%	\$	%
Under \$10,000	70,925	46.9	363,836	16.6
\$10,001-20,000	39,771	26.3	583,510	26.6
\$20,001-30,000	25,615	16.9	625,020	28.5
\$30,001-40,000	9,138	6.0	311,169	14.2
\$40,001-50,000	3,413	2.3	151,266	6.9
\$50,001-60,000	1,380	0.9	74,450	3.4
\$60,001-70,000	429	0.3	27,502	1.3
\$70,001-80,000	255	0.1	19,060	0.9
\$80,001-90,000	173	0.1	14,604	0.7
\$90,001-99,000	158	0.1	14,573	0.7
Over \$100,000	78	0.1	10,414	0.2
<b>Grand Total</b>	<b>151,335</b>	<b>100.0</b>	<b>2,195,404</b>	<b>100.0</b>

Annual Member Defined Benefits



# Public Employees' Defined Benefit Account

## Schedule of Changes and Growth in Fiduciary Net Position

For the Years Ended June 30 <sup>1</sup>

(dollars in thousands)	2020	2019	2018 <sup>2</sup>	2017	2016
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 13,270,996</b>	<b>\$ 12,694,328</b>	<b>\$ 14,644,671</b>	<b>\$ 13,870,502</b>	<b>\$ 13,907,666</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	599,100	581,873	571,374	558,891	615,773
Member Contributions	127	296	83,112	168,112	161,905
Member Reassignment Income	4,244	2,101	3,208	6,118	5,543
Miscellaneous Income	237	882	121	55	905
<b>Total Contributions and Other</b>	<b>603,708</b>	<b>585,152</b>	<b>657,815</b>	<b>733,176</b>	<b>784,126</b>
Pension Benefits	(830,372)	(796,009)	(825,808)	(830,750)	(782,197)
Disability Benefits	(16,811)	(20,036)	(19,816)	(17,754)	(32,855)
Survivor Benefits <sup>1</sup>	(75,006)	(72,467)	(71,095)	(68,530)	(64,036)
Distributions of Contributions and Interest	—	—	(21,490)	(47,822)	(57,184)
Administrative Expenses	(18,887)	(18,472)	(20,844)	(24,483)	(24,098)
Transfer to Defined Contribution	—	—	(2,849,380)	—	—
Member Reassignment Expenses	(7,407)	(7,888)	(10,238)	(10,555)	(10,814)
Miscellaneous Expenses	—	—	(65)	—	—
<b>Total Benefits and Expenses</b>	<b>(948,483)</b>	<b>(914,872)</b>	<b>(3,818,736)</b>	<b>(999,894)</b>	<b>(971,184)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(344,775)</b>	<b>(329,720)</b>	<b>(3,160,921)</b>	<b>(266,718)</b>	<b>(187,058)</b>
Net Investment Income / (Loss)	335,139	906,388	1,210,578	1,040,887	149,894
<b>Net Increase / (Decrease)</b>	<b>(9,636)</b>	<b>576,668</b>	<b>(1,950,343)</b>	<b>774,169</b>	<b>(37,164)</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 13,261,360</b>	<b>\$ 13,270,996</b>	<b>\$ 12,694,328</b>	<b>\$ 14,644,671</b>	<b>\$ 13,870,502</b>

<sup>1</sup> See Introduction to Statistical Information.

<sup>2</sup> PERF DB and PERF DC were split effective January 1, 2018. As such, the Distribution of Contributions and Interest contains only six months of activity for fiscal year 2018.

## Public Employees' Defined Benefit Account, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)	2015	2014	2013	2012	2011
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 14,104,288</b>	<b>\$ 12,720,601</b>	<b>\$ 12,243,755</b>	<b>\$ 12,461,356</b>	<b>\$ 10,581,319</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	538,059	526,090	455,658	397,843	342,779
Member Contributions	169,731	164,189	156,408	158,696	156,028
Member Reassignment Income	4,184	3,444	4,363	3,341	5,302
Miscellaneous Income	83	52	31	8	15
<b>Total Contributions and Other</b>	<b>712,057</b>	<b>693,775</b>	<b>616,460</b>	<b>559,888</b>	<b>504,124</b>
Pension Benefits	(756,484)	(668,789)	(625,526)	(628,522)	(600,797)
Disability Benefits	(34,984)	(39,837)	(42,905)	(40,659)	(37,663)
Survivor Benefits <sup>1</sup>	(59,208)	(56,701)	(54,154)	—	—
Distributions of Contributions and Interest	(62,732)	(63,031)	(68,775)	(69,879)	(65,178)
Administrative Expenses	(25,506)	(27,433)	(29,181)	(24,793)	(22,461)
Transfer to Defined Contribution	—	—	—	—	—
Member Reassignment Expenses	(13,403)	(7,690)	(10,405)	(9,684)	(10,078)
Miscellaneous Expenses	—	—	—	—	—
<b>Total Benefits and Expenses</b>	<b>(952,317)</b>	<b>(863,481)</b>	<b>(830,946)</b>	<b>(773,537)</b>	<b>(736,177)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(240,260)</b>	<b>(169,706)</b>	<b>(214,486)</b>	<b>(213,649)</b>	<b>(232,053)</b>
Net Investment Income / (Loss)	43,638	1,553,393	691,332	(3,952)	2,112,090
<b>Net Increase / (Decrease)</b>	<b>(196,622)</b>	<b>1,383,687</b>	<b>476,846</b>	<b>(217,601)</b>	<b>1,880,037</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 13,907,666</b>	<b>\$ 14,104,288</b>	<b>\$ 12,720,601</b>	<b>\$ 12,243,755</b>	<b>\$ 12,461,356</b>

<sup>1</sup> See Introduction to Statistical Information.

# Public Employees' Defined Benefit Account, continued

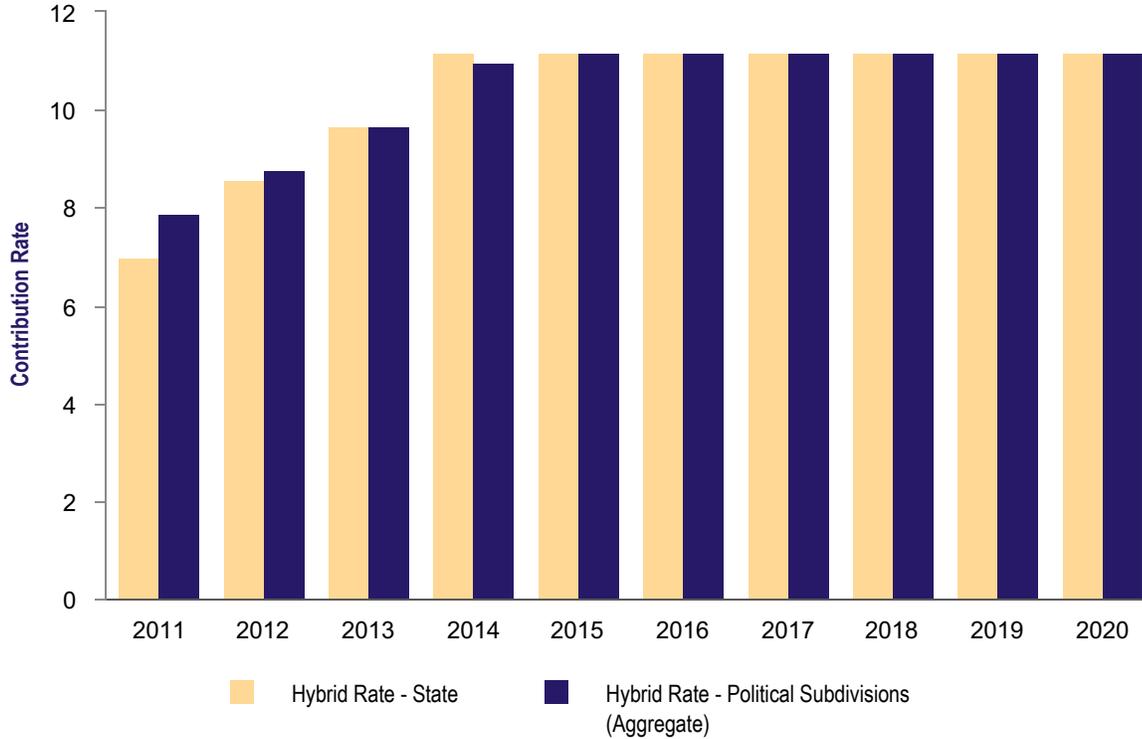
## Schedule of Historical Contribution Rates For the Years Ended June 30

	PERF Hybrid Rate		PERF MC DC Supplemental Rate <sup>1</sup>	
	State	Political Subdivisions (Aggregate)	State	Political Subdivisions (Aggregate)
2020	11.2 %	11.2 %	8.0 %	7.3 %
2019	11.2	11.2	8.2	7.4
2018	11.2	11.2	7.8	7.1
2017	11.2	11.2	7.9	7.2
2016	11.2	11.2	6.6	5.4
2015	11.2	11.2	6.6	—
2014	11.2	11.0	6.5	—
2013	9.7	9.7	6.5	—
2012	8.6	8.8	—	—
2011	7.0	7.9	—	—

Memo:

Effective Date                      July 1                      January 1                      July 1                      January 1

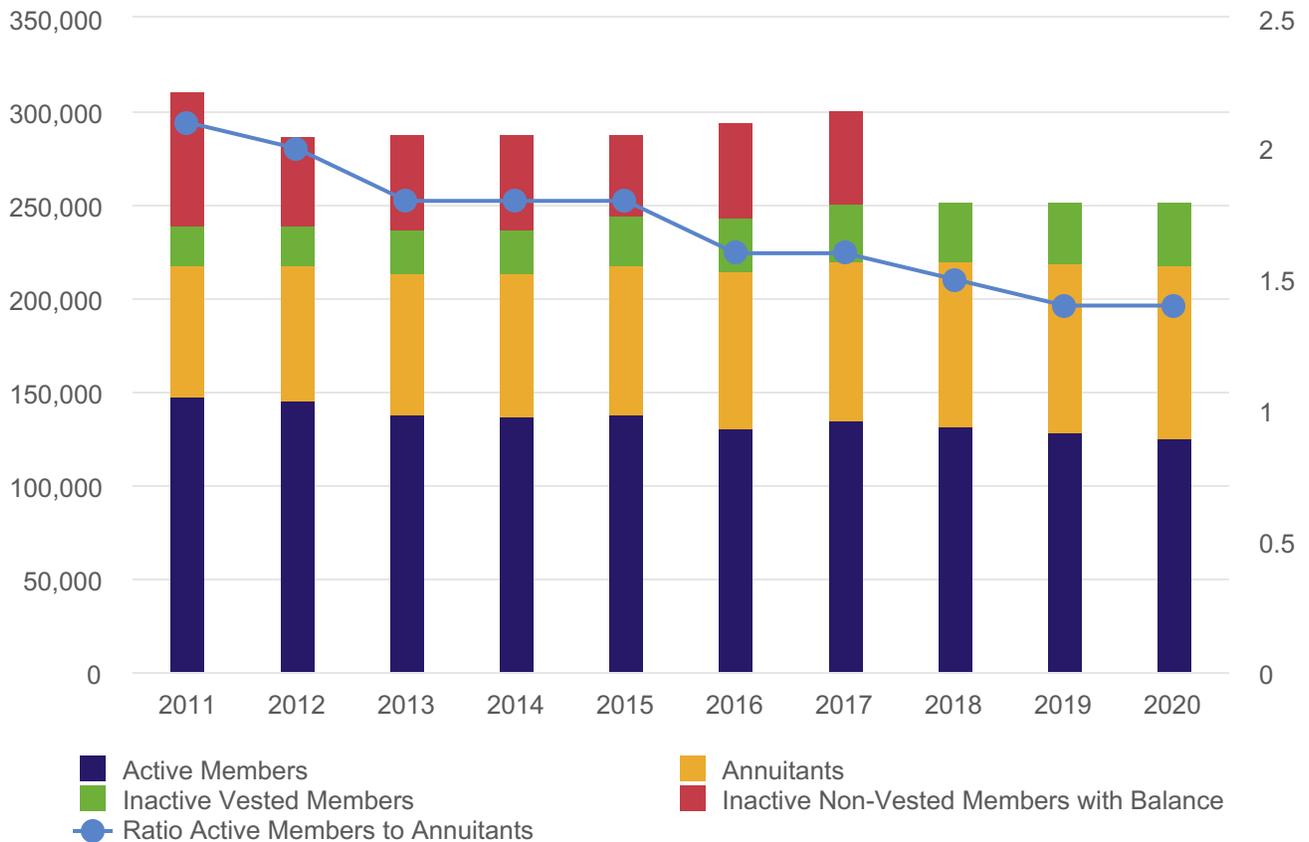
<sup>1</sup> Represents the portion of the Hybrid Rate that remains with PERF DB to cover the unfunded liability, with the difference potentially going to the member in PERF DC. New employers that participate in PERF My Choice are not required to pay the PERF My Choice Supplemental Rate.



# Public Employees' Defined Benefit Account, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	Ratio Active Members to Annuitants
2020	125,780	92,436	33,575	—	251,791	1.4
2019	129,099	89,932	33,062	—	252,093	1.4
2018	132,181	87,990	31,924	—	252,095	1.5
2017	134,909	85,130	30,816	50,312	301,167	1.6
2016	131,178	83,188	29,702	50,212	294,280	1.6
2015	138,660	79,198	26,681	43,803	288,342	1.8
2014	137,567	75,950	24,013	50,997	288,527	1.8
2013	137,937	75,950	23,504	51,057	288,448	1.8
2012	145,519	72,992	21,200	47,874	287,585	2.0
2011	147,933	70,380	20,634	72,105	311,052	2.1

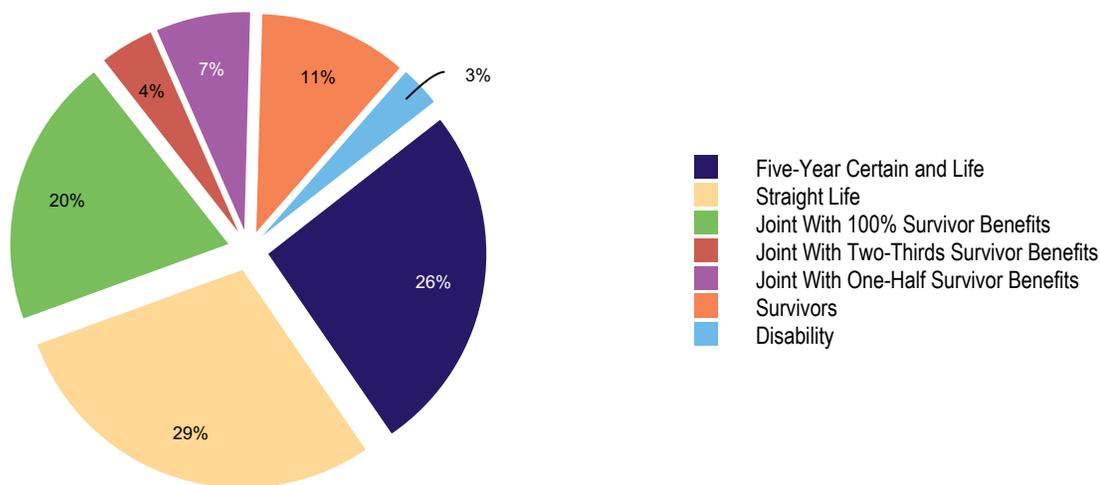


# Public Employees' Defined Benefit Account, continued

## Schedule of Benefit Recipients by Type of Benefit Option

For the Year Ended June 30, 2020

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option							Total Benefit Recipients
	Five-Year Certain & Life <sup>1</sup>	Straight Life <sup>1</sup>	Joint With 100% Survivor Benefits <sup>1</sup>	Joint With Two-Thirds Survivor Benefits <sup>1</sup>	Joint With One-Half Survivor Benefits <sup>1</sup>	Survivors	Disability	
\$ 1 - 500	11,618	9,426	7,737	878	1,937	6,205	1,912	39,713
501 - 1,000	7,523	9,360	5,319	1,101	2,318	2,859	503	28,983
1,001 - 1,500	2,746	4,317	3,030	703	1,235	935	137	13,103
1,501 - 2,000	1,109	2,001	1,308	422	561	285	50	5,736
2,001 - 3,000	678	1,396	922	279	466	144	9	3,894
Over 3,000	138	398	208	110	127	24	2	1,007
<b>Total</b>	<b>23,812</b>	<b>26,898</b>	<b>18,524</b>	<b>3,493</b>	<b>6,644</b>	<b>10,452</b>	<b>2,613</b>	<b>92,436</b>



Members applying for retirement benefits will receive a monthly benefit for the rest of their life. Survivors or qualified designated beneficiaries are subject to the provisions of the benefit option as follows:

**Five-Year Certain & Life** — Benefit ceases upon death of the retiree if the benefit has been received for five years; otherwise, the beneficiary continues to receive the benefit, monthly or lump sum, for the remainder of the five year period.

**Straight Life** — Benefit ceases upon the death of the retiree.

**Joint With 100% Survivor Benefits** — Survivor receives 100 percent of the member's monthly benefit for remainder of the survivor's life.

**Joint With Two-Thirds Survivor Benefits** — Survivor receives 66 2/3 percent of the member's monthly benefit for the remainder of the survivor's life.

**Joint With One-Half Survivor Benefits** — Survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. Benefit ceases upon death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. Member must have five or more years of creditable service to be eligibility.

<sup>1</sup> See Accompanying Notes to the Statistical Schedules for discussion on social security integration options.

# Public Employees' Defined Benefit Account, continued

## Schedule of Average Benefit Payments For the Years Ended June 30

	Years of Credited Service						Total
	< 10 <sup>1</sup>	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2020</b>							
Average Monthly Defined Benefit	\$ 152	\$ 299	\$ 415	\$ 580	\$ 813	\$ 1,308	\$ 658
Average Monthly DC Annuity <sup>2</sup>	\$ 48	\$ 109	\$ 149	\$ 206	\$ 279	\$ 483	\$ 239
Average Final Average Salary	\$ 25,808	\$ 26,557	\$ 28,596	\$ 30,912	\$ 34,538	\$ 42,235	\$ 32,285
Number of Benefit Recipients	3,207	15,984	22,572	18,140	13,905	18,628	92,436
<b>2019</b>							
Average Monthly Defined Benefit	\$ 151	\$ 293	\$ 407	\$ 570	\$ 799	\$ 1,287	\$ 646
Average Monthly DC Annuity <sup>2</sup>	\$ 47	\$ 107	\$ 147	\$ 204	\$ 276	\$ 480	\$ 235
Average Final Average Salary	\$ 25,474	\$ 25,891	\$ 28,012	\$ 30,306	\$ 33,884	\$ 41,510	\$ 31,643
Number of Benefit Recipients	3,144	15,439	22,063	17,764	13,538	17,984	89,932
<b>2018</b>							
Average Monthly Defined Benefit	\$ 150	\$ 288	\$ 400	\$ 558	\$ 784	\$ 1,265	\$ 633
Average Monthly DC Annuity <sup>2</sup>	\$ 46	\$ 106	\$ 144	\$ 201	\$ 273	\$ 477	\$ 232
Average Final Average Salary	\$ 25,035	\$ 25,253	\$ 27,427	\$ 29,637	\$ 33,189	\$ 40,726	\$ 30,974
Number of Benefit Recipients	3,113	14,854	21,774	17,528	13,272	17,449	87,990
<b>2017</b>							
Average Monthly Defined Benefit	\$ 155	\$ 282	\$ 392	\$ 548	\$ 765	\$ 1,241	\$ 618
Average Monthly DC Annuity <sup>2</sup>	\$ 45	\$ 104	\$ 142	\$ 199	\$ 273	\$ 478	\$ 230
Average Final Average Salary	\$ 24,719	\$ 24,631	\$ 26,902	\$ 29,142	\$ 32,445	\$ 39,990	\$ 30,347
Number of Benefit Recipients	3,077	14,268	21,252	17,139	12,718	16,676	85,130
<b>2016</b>							
Average Monthly Defined Benefit	\$ 153	\$ 278	\$ 385	\$ 537	\$ 751	\$ 1,218	\$ 604
Average Monthly DC Annuity <sup>2</sup>	\$ 46	\$ 103	\$ 140	\$ 197	\$ 274	\$ 479	\$ 229
Average Final Average Salary	\$ 24,269	\$ 24,024	\$ 26,337	\$ 28,523	\$ 31,831	\$ 39,261	\$ 29,693
Number of Benefit Recipients	2,951	13,952	20,992	16,918	12,346	16,029	83,188

<sup>1</sup> 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 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 years of creditable service as a state auditor, state treasurer, or secretary of state (whose term commences after the November 5, 2002 election).

<sup>2</sup> Represents those retirees who elected to receive their Defined Contribution Account as a supplemental monthly payment in addition to the monthly Defined Benefit payment. The option to annuitize the DC money with the monthly defined benefit is no longer available as of January 1, 2018.

# Public Employees' Defined Benefit Account, continued

## Schedule of Average Benefit Payments For the Years Ended June 30

	Years of Credited Service						Total
	< 10 <sup>1</sup>	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2015</b>							
Average Monthly Defined Benefit	\$ 149	\$ 293	\$ 378	\$ 525	\$ 732	\$ 1,182	\$ 583
Average Monthly DC Annuity <sup>2</sup>	\$ 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
<b>2014</b>							
Average Monthly Defined Benefit	\$ 154	\$ 269	\$ 370	\$ 515	\$ 715	\$ 1,160	\$ 569
Average Monthly DC Annuity <sup>2</sup>	\$ 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
<b>2013</b>							
Average Monthly Defined Benefit	\$ 154	\$ 269	\$ 370	\$ 515	\$ 715	\$ 1,160	\$ 569
Average Monthly DC Annuity <sup>2</sup>	\$ 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
<b>2012</b>							
Average Monthly Defined Benefit	\$ 156	\$ 265	\$ 363	\$ 504	\$ 701	\$ 1,139	\$ 555
Average Monthly DC Annuity <sup>2</sup>	\$ 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
<b>2011</b>							
Average Monthly Defined Benefit	\$ 159	\$ 263	\$ 358	\$ 495	\$ 687	\$ 1,120	\$ 542
Average Monthly DC Annuity <sup>2</sup>	\$ 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

<sup>1</sup> 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 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 years of creditable service as a state auditor, state treasurer, or secretary of state (whose term commences after the November 5, 2002 election).

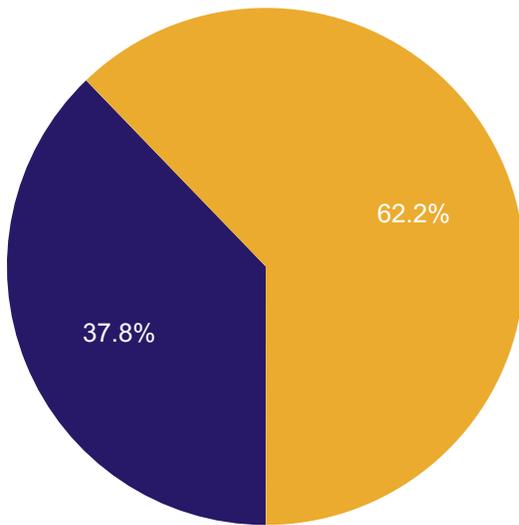
<sup>2</sup> Represents those retirees who elected to receive their Defined Contribution Account as a supplemental monthly payment in addition to the monthly Defined Benefit payment. The option to annuitize the DC money with the monthly defined benefit is no longer available as of January 1, 2018.

# Public Employees' Defined Benefit Account, continued

## Schedule of Participating Employers: Top 10

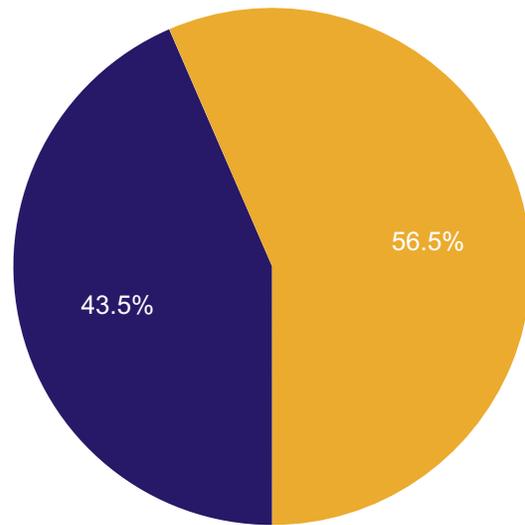
Top 10 Employers	June 30, 2020			June 30, 2011		
	Active Members	Rank	Percentage of Total	Active Members	Rank	Percentage of Total
State of Indiana	34,406	1	27.4%	45,312	1	30.6%
Health & Hospital Corporation of Marion County	2,599	2	2.1	4,781	2	3.2
Marion County	1,743	3	1.4	2,914	3	2.0
Lake County	1,518	4	1.2	1,501	8	1.1
Indianapolis Public Schools	1,440	5	1.1	2,212	4	1.5
Evansville-Vanderburgh School Corporation	1,334	6	1.1	1,265	9	0.9
City of Indianapolis	1,245	7	1.0	1,662	6	1.1
South Bend Community School Corporation	1,105	8	0.9	1,536	7	1.0
Fort Wayne Community Schools	1,042	9	0.8	1,886	5	1.3
St Joseph County	1,025	10	0.8	—	—	—
Allen County	—	—	—	1,251	10	0.8
<b>Total -- Top 10 Employers</b>	<b>47,457</b>		<b>37.8</b>	<b>64,320</b>		<b>43.5</b>
All Other	78,323		62.2	83,613		56.5
<b>Grand Total</b>	<b>125,780</b>		<b>100.0%</b>	<b>147,933</b>		<b>100.0%</b>

Active Members Breakout - 2020



■ Top 10 Employers    ■ All Other

Active Members Breakout - 2011



■ Top 10 Employer    ■ All Other

# Teachers' Pre-1996 Defined Benefit Account

## Schedule of Changes and Growth in Fiduciary Net Position

### For the Years Ended June 30

(dollars in thousands)	2020	2019	2018 <sup>1</sup>	2017	2016
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 3,759,145</b>	<b>\$ 3,711,347</b>	<b>\$ 4,817,630</b>	<b>\$ 4,787,529</b>	<b>\$ 5,099,910</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	2,356	3,505	4,168	4,525	5,048
Nonemployer Contributing Entity	971,132	943,900	917,900	871,000	887,500
Member Contributions	21	36	12,765	28,836	31,529
Member Reassignment Income	2,430	2,931	3,107	4,206	4,057
Miscellaneous Income	25	317	229	—	—
<b>Total Contributions and Other</b>	<b>975,964</b>	<b>950,689</b>	<b>938,169</b>	<b>908,567</b>	<b>928,134</b>
Pension Benefits	(1,087,928)	(1,081,875)	(1,167,057)	(1,175,344)	(1,185,321)
Disability Benefits	(1,862)	(2,143)	(2,463)	(2,412)	(8,505)
Survivor Benefits	(84,629)	(81,116)	(79,600)	(75,495)	(73,124)
Distributions of Contributions and Interest	—	—	(3,404)	(4,993)	(6,004)
Administrative Expenses	(5,341)	(5,329)	(5,385)	(6,226)	(6,564)
Transfer to Defined Contribution	—	—	(1,205,277)	—	—
Member Reassignment Expenses	(1,946)	(1,437)	(1,678)	(4,859)	(3,426)
Miscellaneous Expenses	—	—	(116)	—	—
<b>Total Benefits and Expenses</b>	<b>(1,181,706)</b>	<b>(1,171,900)</b>	<b>(2,464,980)</b>	<b>(1,269,329)</b>	<b>(1,282,944)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(205,742)</b>	<b>(221,211)</b>	<b>(1,526,811)</b>	<b>(360,762)</b>	<b>(354,810)</b>
Net Investment Income / (Loss)	107,748	269,009	420,528	390,863	42,429
<b>Net Increase / (Decrease)</b>	<b>(97,994)</b>	<b>47,798</b>	<b>(1,106,283)</b>	<b>30,101</b>	<b>(312,381)</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 3,661,151</b>	<b>\$ 3,759,145</b>	<b>\$ 3,711,347</b>	<b>\$ 4,817,630</b>	<b>\$ 4,787,529</b>

<sup>1</sup> TRF DB and TRF DC were split effective January 1, 2018. As such the Distribution of Contributions and Interest contains only six months of activity for fiscal year 2018.

## Teachers' Pre-1996 Defined Benefit Account, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)	2015	2014	2013 <sup>2</sup>
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 5,501,867</b>	<b>\$ 5,215,202</b>	<b>\$ 5,058,910</b>
<b>Contributions / (Benefits and Expenses)</b>			
Employer Contributions	5,811	6,325	9,484
Nonemployer Contributing Entity	845,616	825,617	1,003,596
Member Contributions	41,740	47,028	45,421
Member Reassignment Income	6,273	3,250	5,883
Miscellaneous Income	21	19	5
<b>Total Contributions and Other</b>	<b>899,461</b>	<b>882,239</b>	<b>1,064,389</b>
Pension Benefits	(1,242,792)	(1,143,154)	(1,137,783)
Disability Benefits	(9,567)	(11,562)	(45)
Survivor Benefits	(69,350)	(66,150)	(63,379)
Distributions of Contributions and Interest	(7,145)	(8,435)	(11,738)
Administrative Expenses	(6,530)	(7,010)	(7,926)
Transfer to Defined Contribution	—	—	—
Member Reassignment Expenses	(2,919)	(6,844)	(2,824)
Miscellaneous Expenses	—	—	—
<b>Total Benefits and Expenses</b>	<b>(1,338,303)</b>	<b>(1,243,155)</b>	<b>(1,223,695)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(438,842)</b>	<b>(360,916)</b>	<b>(159,306)</b>
Net Investment Income / (Loss)	36,885	647,581	315,598
<b>Net Increase / (Decrease)</b>	<b>(401,957)</b>	<b>286,665</b>	<b>156,292</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 5,099,910</b>	<b>\$ 5,501,867</b>	<b>\$ 5,215,202</b>

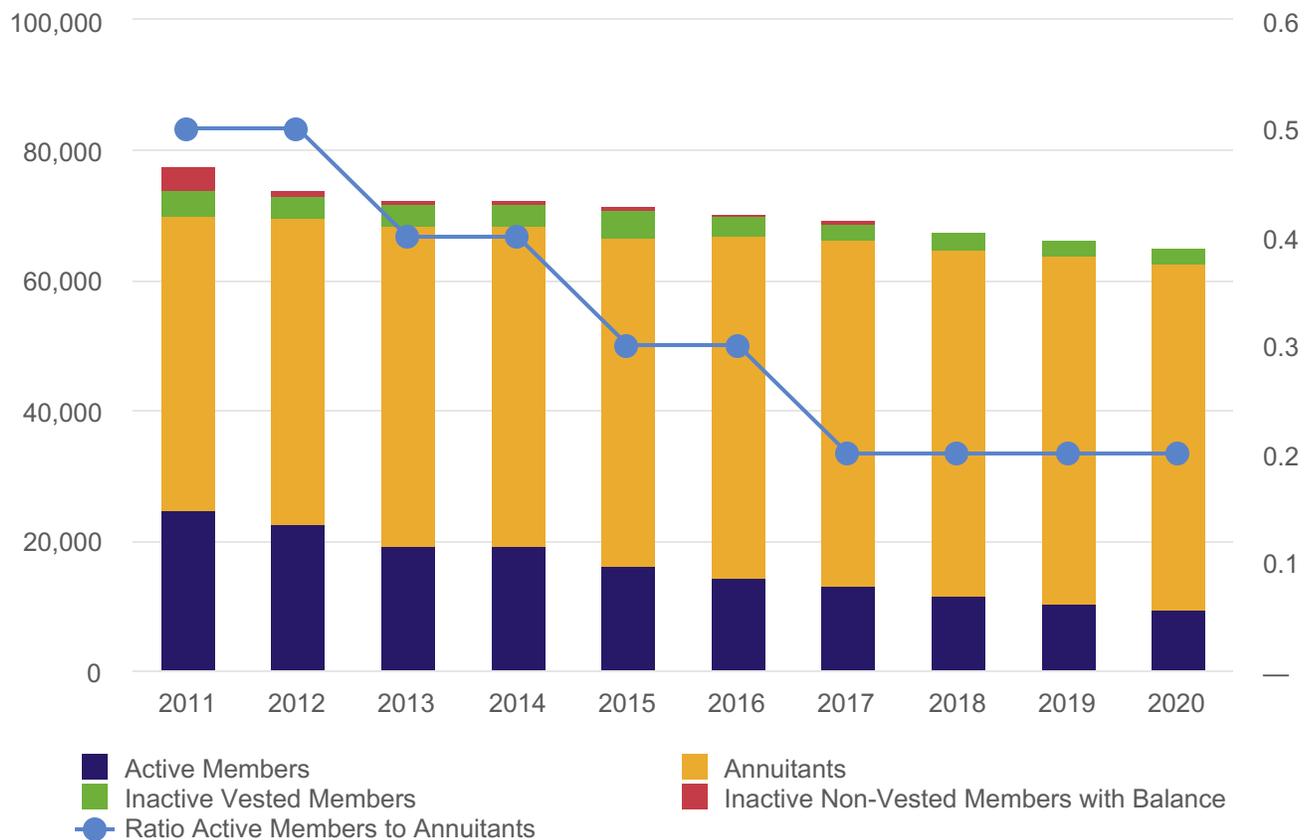
<sup>2</sup> June 30, 2013 was the first year where TRF Pre -'96 DB and TRF '96 DB were separately disclosed.

# Teachers' Pre-1996 Defined Benefit Account, continued

## Ratio of Active Members to Annuitants

For the Years Ended June 30

	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	Ratio Active Members to Annuitants
2020	9,338	53,415	2,272	—	65,025	0.2
2019	10,497	53,498	2,382	—	66,377	0.2
2018	11,710	53,227	2,635	—	67,572	0.2
2017	13,128	53,240	2,504	400	69,272	0.2
2016	14,327	52,575	3,119	394	70,415	0.3
2015	16,310	50,214	4,545	408	71,477	0.3
2014	19,210	49,345	3,314	546	72,415	0.4
2013	19,210	49,345	3,314	546	72,415	0.4
2012	22,688	47,000	3,382	794	73,864	0.5
2011	24,710	45,421	3,921	3,595	77,647	0.5

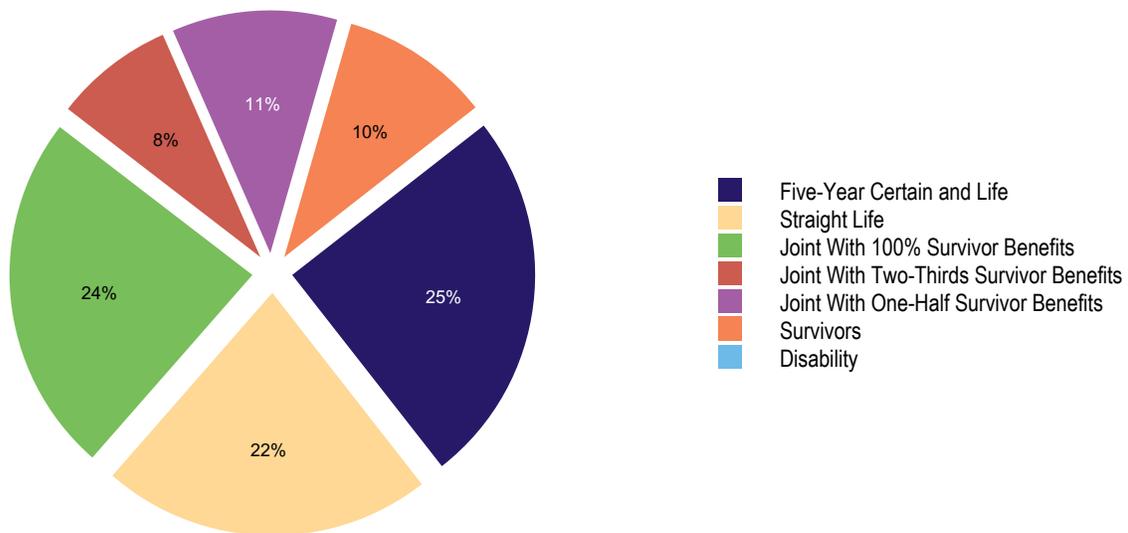


# Teachers' Pre-1996 Defined Benefit Account, continued

## Schedule of Benefit Recipients by Type of Benefit Option

For the Year Ended June 30, 2020

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option							Total Benefit Recipients
	Five-Year Certain & Life <sup>1</sup>	Straight Life <sup>1</sup>	Joint With 100% Survivor Benefits <sup>1</sup>	Joint With Two-Thirds Survivor Benefits <sup>1</sup>	Joint With One-Half Survivor Benefits <sup>1</sup>	Survivors	Disability	
\$ 1 - 500	1,077	567	554	68	125	769	34	3,194
501 - 1,000	1,572	995	1,092	245	370	1,409	17	5,700
1,001 - 1,500	2,810	1,889	2,595	724	1,035	1,355	28	10,436
1,501 - 2,000	3,473	3,008	3,820	1,373	1,633	1,031	19	14,357
2,001 - 3,000	3,620	4,157	4,059	1,510	2,041	638	4	16,029
Over 3,000	785	1,077	877	406	452	102	—	3,699
<b>Total</b>	<b>13,337</b>	<b>11,693</b>	<b>12,997</b>	<b>4,326</b>	<b>5,656</b>	<b>5,304</b>	<b>102</b>	<b>53,415</b>



Members applying for retirement benefits will receive a monthly benefit for the rest of their life. Survivors or qualified designated beneficiaries are subject to the provisions of the benefit option as follows:

**Five-Year Certain & Life** — Benefit ceases upon death of the retiree if the benefit has been received for five years; otherwise, the beneficiary continues to receive the benefit, monthly or lump sum, for the remainder of the five year period.

**Straight Life** — Benefit ceases upon the death of the retiree.

**Joint With 100% Survivor Benefits** — Survivor receives 100 percent of the member's monthly benefit for remainder of the survivor's life.

**Joint With Two-Thirds Survivor Benefits** — Survivor receives 66 2/3 percent of the member's monthly benefit for the remainder of the survivor's life.

**Joint With One-Half Survivor Benefits** — Survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. For TRF Pre-'96 DB, five or more years of creditable service is required to be eligible for a disability benefit. This includes the Classroom Disability which provides a benefit of \$125 per month plus \$5 for each additional year of TRF-covered service over five years.

<sup>1</sup> See Accompanying Notes to the Statistical Schedules for discussion on social security integration options.

# Teachers' Pre-1996 Defined Benefit Account, continued

## Schedule of Average Benefit Payments

### For the Years Ended June 30

	Years of Credited Service						Total
	< 10 <sup>1</sup>	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2020</b>							
Average Monthly Defined Benefit	\$ 89	\$ 406	\$ 561	\$ 932	\$ 1,324	\$ 1,918	\$ 1,589
Average Monthly DC Annuity <sup>2</sup>	\$ 23	\$ 212	\$ 212	\$ 289	\$ 390	\$ 634	\$ 496
Average Final Average Salary	\$ 30,831	\$ 25,809	\$ 40,335	\$ 50,316	\$ 56,106	\$ 61,436	\$ 57,105
Number of Benefit Recipients	149	1,425	3,388	5,539	8,599	34,315	53,415
<b>2019</b>							
Average Monthly Defined Benefit	\$ 136	\$ 388	\$ 556	\$ 922	\$ 1,306	\$ 1,901	\$ 1,571
Average Monthly DC Annuity <sup>2</sup>	\$ 23	\$ 210	\$ 208	\$ 284	\$ 382	\$ 624	\$ 488
Average Final Average Salary	\$ 31,009	\$ 25,539	\$ 39,796	\$ 49,609	\$ 55,172	\$ 60,697	\$ 56,339
Number of Benefit Recipients	154	1,379	3,474	5,621	8,636	34,234	53,498
<b>2018</b>							
Average Monthly Defined Benefit	\$ 169	\$ 309	\$ 550	\$ 910	\$ 1,286	\$ 1,884	\$ 1,550
Average Monthly DC Annuity <sup>2</sup>	\$ 47	\$ 205	\$ 202	\$ 278	\$ 374	\$ 615	\$ 478
Average Final Average Salary	\$ 31,463	\$ 25,025	\$ 39,194	\$ 48,790	\$ 54,160	\$ 59,913	\$ 55,486
Number of Benefit Recipients	167	1,294	3,551	5,675	8,638	33,902	53,227
<b>2017</b>							
Average Monthly Defined Benefit	\$ 122	\$ 270	\$ 542	\$ 897	\$ 1,270	\$ 1,869	\$ 1,532
Average Monthly DC Annuity <sup>2</sup>	\$ 31	\$ 198	\$ 196	\$ 270	\$ 366	\$ 604	\$ 468
Average Final Average Salary	\$ 28,702	\$ 23,692	\$ 38,245	\$ 47,641	\$ 53,051	\$ 59,073	\$ 54,482
Number of Benefit Recipients	160	1,291	3,648	5,769	8,630	33,742	53,240
<b>2016</b>							
Average Monthly Defined Benefit	\$ 577	\$ 268	\$ 539	\$ 884	\$ 1,247	\$ 1,849	\$ 1,512
Average Monthly DC Annuity <sup>2</sup>	\$ 249	\$ 190	\$ 191	\$ 263	\$ 357	\$ 592	\$ 458
Average Final Average Salary	\$ 23,593	\$ 23,432	\$ 37,605	\$ 46,482	\$ 51,701	\$ 58,014	\$ 53,393
Number of Benefit Recipients	49	1,279	3,755	5,766	8,540	33,186	52,575

<sup>1</sup> Members with less than 10 years of service are primarily members receiving a disability benefit.

<sup>2</sup> Represents the average of only the retirees who elected to receive their Defined Contribution Account as a supplemental monthly payment in addition to the monthly Defined Benefit payment.

# Teachers' Pre-1996 Defined Benefit Account, continued

## Schedule of Average Benefit Payments For the Years Ended June 30

	Years of Credited Service						Total
	< 10 <sup>1</sup>	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2015</b>							
Average Monthly Defined Benefit	\$ 449	\$ 263	\$ 530	\$ 854	\$ 1,214	\$ 1,811	\$ 1,471
Average Monthly DC Annuity <sup>2</sup>	\$ 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
<b>2014</b>							
Average Monthly Defined Benefit	\$ 405	\$ 258	\$ 517	\$ 834	\$ 1,187	\$ 1,793	\$ 1,453
Average Monthly DC Annuity <sup>2</sup>	\$ 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
<b>2013</b>							
Average Monthly Defined Benefit	\$ 405	\$ 258	\$ 517	\$ 834	\$ 1,187	\$ 1,793	\$ 1,453
Average Monthly DC Annuity <sup>2</sup>	\$ 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
<b>2012</b>							
Average Monthly Defined Benefit	\$ 311	\$ 252	\$ 503	\$ 804	\$ 1,150	\$ 1,747	\$ 1,405
Average Monthly DC Annuity <sup>2</sup>	\$ 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
<b>2011</b>							
Average Monthly Defined Benefit	\$ 239	\$ 250	\$ 493	\$ 785	\$ 1,130	\$ 1,722	\$ 1,376
Average Monthly DC Annuity <sup>2</sup>	\$ 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

<sup>1</sup> Members with less than 10 years of service are primarily members receiving a disability benefit.

<sup>2</sup> Represents the average of all retirees, regardless if they elected to receive their Defined Contribution Account as a supplemental monthly payment in addition to the monthly Defined Benefit payment.

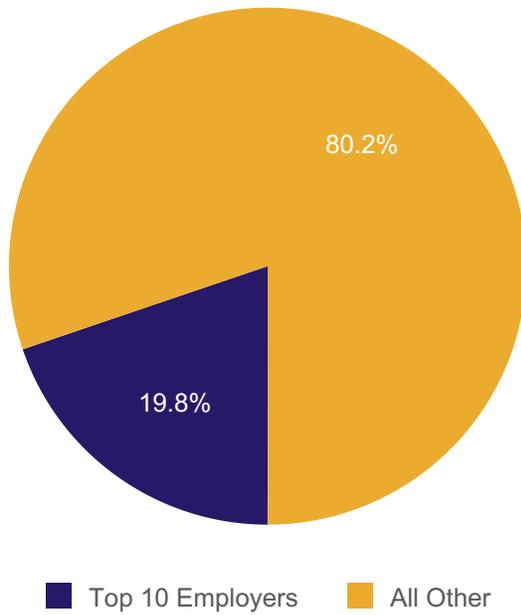
# Teachers' Pre-1996 Defined Benefit Account, continued

## Schedule of Participating Employers: Top 10

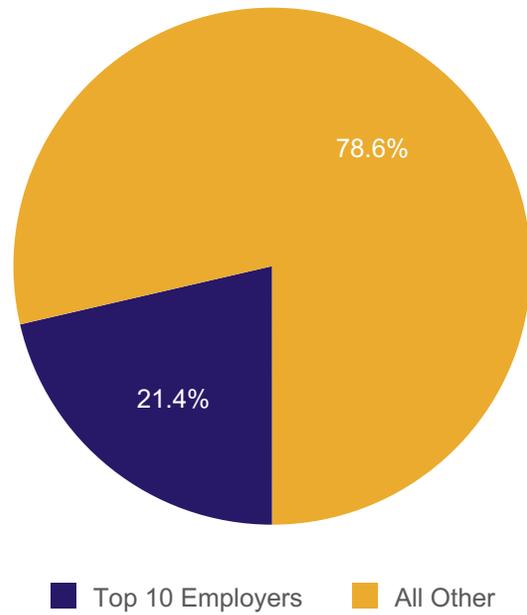
Top 10 Employers	June 30, 2020					June 30, 2011 <sup>1</sup>		
	Active Members					Total TRF Covered Members	Rank	Percentage of Total
	TRF Pre-'96 DB	TRF '96 DB	Total TRF	Rank	Percentage of Total			
Fort Wayne Community Schools	317	1,671	1,988	1	2.9%	2,348	2	3.3%
Indianapolis Public Schools	218	1,755	1,973	2	2.9	3,011	1	4.2
Evansville-Vanderburgh School Corporation	307	1,315	1,622	3	2.4	1,695	3	2.4
Hamilton Southeastern Schools	135	1,295	1,430	4	2.1	1,127	6	1.6
South Bend Community School Corporation	176	1,057	1,233	5	1.8	1,588	4	2.2
Wayne Township Metropolitan School District	105	1,037	1,142	6	1.7	1,106	8	1.6
Vigo County School Corporation	194	881	1,075	7	1.6	1,128	5	1.6
Carmel Clay Schools	87	943	1,030	8	1.5	1,122	7	1.6
Perry Township Metropolitan School District	100	903	1,003	9	1.5	—	—	—
Elkhart Community Schools	122	841	963	10	1.4	—	—	—
City of Hammond Schools	—	—	—	—	—	1,062	9	1.5
Gary Community School Corporations	—	—	—	—	—	1,033	10	1.4
<b>Total -- Top 10 Employers</b>	<b>1,761</b>	<b>11,698</b>	<b>13,459</b>		<b>19.8</b>	<b>15,220</b>		<b>21.4</b>
All Other	7,577	46,752	54,329		80.2	56,123		78.6
<b>Grand Total</b>	<b>9,338</b>	<b>58,450</b>	<b>67,788</b>		<b>100.0%</b>	<b>71,343</b>		<b>100.0%</b>

<sup>1</sup> June 30, 2013 was the first year to split the Teachers' Retirement Fund (TRF) into two, TRF Pre-'96 DB and TRF '96 DB Accounts.

Active Membership Breakout - 2020



Active Membership Breakout - 2011



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# Teachers' 1996 Defined Benefit Account

## Schedule of Changes and Growth in Fiduciary Net Position

### For the Years Ended June 30

(dollars in thousands)	2020	2019	2018 <sup>1</sup>	2017	2016
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 6,124,086</b>	<b>\$ 5,452,352</b>	<b>\$ 6,252,040</b>	<b>\$ 5,611,230</b>	<b>\$ 5,379,113</b>
Employer Contributions	188,789	393,172	235,819	227,207	215,626
Member Contributions	104	127	47,176	92,838	88,430
Member Reassignment Income	4,977	4,958	7,131	6,345	6,587
Miscellaneous Income	43	605	299	34	16
<b>Total Contributions and Other</b>	<b>193,913</b>	<b>398,862</b>	<b>290,425</b>	<b>326,424</b>	<b>310,659</b>
Pension Benefits	(137,082)	(126,636)	(140,199)	(127,618)	(119,754)
Disability Benefits	(1,887)	(1,805)	(1,700)	(1,717)	(1,942)
Survivor Benefits	(4,403)	(4,131)	(3,584)	(3,257)	(2,606)
Distributions of Contributions and Interest	—	—	(5,135)	(11,133)	(10,988)
Administrative Expenses	(5,090)	(5,038)	(5,208)	(5,553)	(5,603)
Transfer to Defined Contribution	—	—	(1,469,542)	—	—
Member Reassignment Expenses	(2,298)	(665)	(1,530)	(1,229)	(1,852)
Miscellaneous Expenses	—	—	(159)	—	—
<b>Total Benefits and Expenses</b>	<b>(150,760)</b>	<b>(138,275)</b>	<b>(1,627,057)</b>	<b>(150,507)</b>	<b>(142,745)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>43,153</b>	<b>260,587</b>	<b>(1,336,632)</b>	<b>175,917</b>	<b>167,914</b>
Net Investment Income / (Loss)	158,072	411,147	536,944	464,893	64,203
<b>Net Increase / (Decrease)</b>	<b>201,225</b>	<b>671,734</b>	<b>(799,688)</b>	<b>640,810</b>	<b>232,117</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 6,325,311</b>	<b>\$ 6,124,086</b>	<b>\$ 5,452,352</b>	<b>\$ 6,252,040</b>	<b>\$ 5,611,230</b>

<sup>1</sup> TRF DB and TRF DC were split effective January 1, 2018. As such the Distribution of Contributions and Interest contains only six months of activity for fiscal year 2018.

## Teachers' 1996 Defined Benefit Account, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)	2015	2014	2013 <sup>1</sup>
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 5,189,442</b>	<b>\$ 4,433,677</b>	<b>\$ 4,018,149</b>
<b>Contributions / (Benefits and Expenses)</b>			
Employer Contributions	205,763	194,751	180,714
Member Contributions	86,515	81,802	77,532
Member Reassignment Income	7,134	8,884	4,322
Miscellaneous Income	24	21	4
<b>Total Contributions and Other</b>	<b>299,436</b>	<b>285,458</b>	<b>262,572</b>
Pension Benefits	(112,533)	(94,615)	(84,814)
Disability Benefits	(1,692)	(1,790)	(6)
Survivor Benefits	(1,962)	(1,581)	(1,412)
Distributions of Contributions and Interest	(11,712)	(10,734)	(10,925)
Administrative Expenses	(6,184)	(6,707)	(6,482)
Transfer to Defined Contribution	—	—	—
Member Reassignment Expenses	(1,269)	(1,048)	(1,516)
Miscellaneous Expenses	—	—	—
<b>Total Benefits and Expenses</b>	<b>(135,352)</b>	<b>(116,475)</b>	<b>(105,155)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>164,084</b>	<b>168,983</b>	<b>157,417</b>
Net Investment Income / (Loss)	25,587	586,782	258,111
<b>Net Increase / (Decrease)</b>	<b>189,671</b>	<b>755,765</b>	<b>415,528</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 5,379,113</b>	<b>\$ 5,189,442</b>	<b>\$ 4,433,677</b>

<sup>1</sup> June 30, 2013 was the first year where TRF Pre-'96 DB and TRF '96 DB were separately disclosed.

# Teachers' 1996 Defined Benefit Account, continued

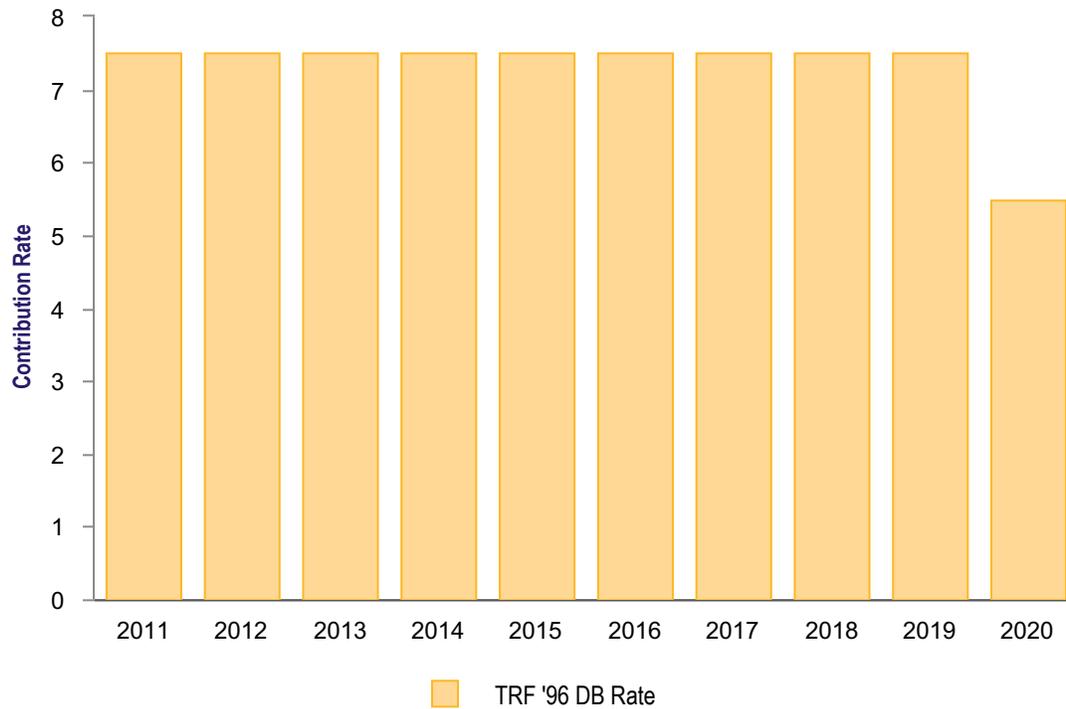
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## Schedule of Historical Contribution Rates For the Years Ended June 30

	<u>TRF '96 DB Rate</u>
2020	5.50 %
2019	7.50
2018	7.50
2017	7.50
2016	7.50
2015	7.50
2014	7.50
2013	7.50
2012	7.50
2011	7.50

Memo:

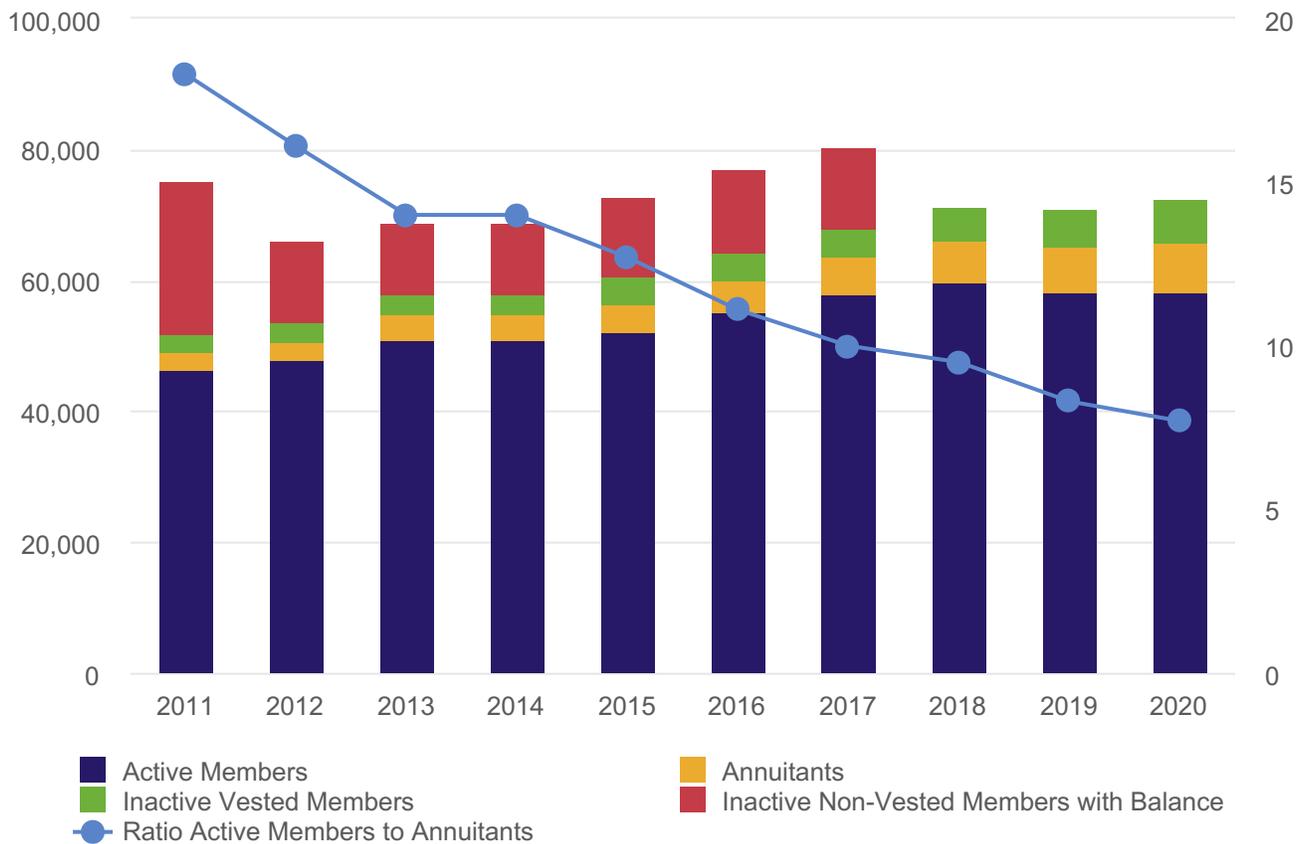
Effective Date            July 1



# Teachers' 1996 Defined Benefit Account, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

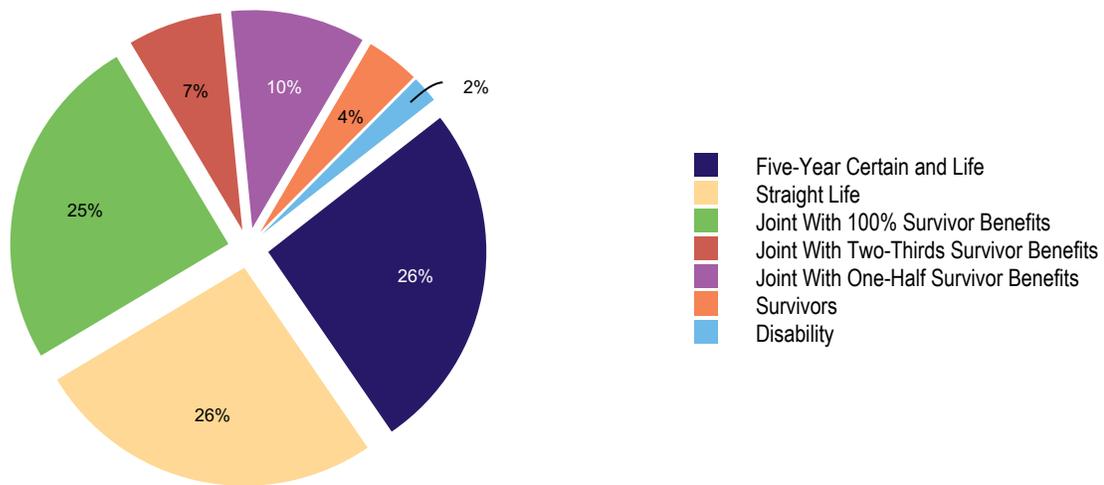
	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	Ratio Active Members to Annuitants
2020	58,450	7,596	6,609	—	72,655	7.7
2019	58,308	7,041	5,778	—	71,127	8.3
2018	59,996	6,289	4,996	—	71,281	9.5
2017	58,097	5,796	4,252	12,494	80,639	10.0
2016	55,265	4,977	4,335	12,529	77,106	11.1
2015	52,424	4,136	4,132	12,292	72,984	12.7
2014	51,204	3,665	3,103	11,147	69,119	14.0
2013	51,204	3,665	3,103	11,147	69,119	14.0
2012	47,885	2,971	2,985	12,528	66,369	16.1
2011	46,633	2,554	2,715	23,573	75,475	18.3



# Teachers' 1996 Defined Benefit Account, continued

## Schedule of Benefit Recipients by Type of Benefit Option For the Year Ended June 30, 2020

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option							Total Benefit Recipients
	Five-Year Certain & Life <sup>1</sup>	Straight Life <sup>1</sup>	Joint With 100% Survivor Benefits <sup>1</sup>	Joint With Two-Thirds Survivor Benefits <sup>1</sup>	Joint With One-Half Survivor Benefits <sup>1</sup>	Survivors	Disability	
\$ 1 - 500	271	233	163	32	44	81	51	875
501 - 1,000	598	533	457	109	177	101	54	2,029
1,001 - 1,500	467	502	413	128	170	46	23	1,749
1,501 - 2,000	320	318	304	99	135	38	3	1,217
2,001 - 3,000	248	301	358	100	157	32	2	1,198
Over 3,000	102	113	166	63	73	9	2	528
<b>Total</b>	<b>2,006</b>	<b>2,000</b>	<b>1,861</b>	<b>531</b>	<b>756</b>	<b>307</b>	<b>135</b>	<b>7,596</b>



Members applying for retirement benefits will receive a monthly benefit for the rest of their life. Survivors or qualified designated beneficiaries are subject to the provisions of the benefit option as follows:

**Five-Year Certain & Life** — Benefit ceases upon death of the retiree if the benefit has been received for five years; otherwise, the beneficiary continues to receive the benefit, monthly or lump sum, for the remainder of the five year period.

**Straight Life** — Benefit ceases upon the death of the retiree.

**Joint With 100% Survivor Benefits** — Survivor receives 100 percent of the member's monthly benefit for remainder of the survivor's life.

**Joint With Two-Thirds Survivor Benefits** — Survivor receives 66 2/3 percent of the member's monthly benefit for the remainder of the survivor's life.

**Joint With One-Half Survivor Benefits** — Survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. Benefit ceases upon death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. For TRF 1996 DB, five or more years of creditable service is required to be eligible for a disability benefit. This includes the Classroom Disability which provides a benefit of \$125 per month plus \$5 for each additional year of TRF-covered service over five years.

<sup>1</sup> See Accompanying Notes to the Statistical Schedules for discussion on social security integration options.

# Teachers' 1996 Defined Benefit Account, continued

## Schedule of Average Benefit Payments For the Years Ended June 30

	Years of Credited Service						Total
	< 10 <sup>1</sup>	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2020</b>							
Average Monthly Defined Benefit	\$ 157	\$ 525	\$ 794	\$ 1,163	\$ 1,566	\$ 2,314	\$ 1,321
Average Monthly DC Annuity <sup>2</sup>	\$ 68	\$ 151	\$ 241	\$ 337	\$ 495	\$ 741	\$ 391
Average Final Average Salary	\$ 38,301	\$ 46,690	\$ 56,139	\$ 63,083	\$ 68,055	\$ 76,919	\$ 62,982
Number of Benefit Recipients	181	986	1,989	1,383	1,036	2,021	7,596
<b>2019</b>							
Average Monthly Defined Benefit	\$ 150	\$ 505	\$ 788	\$ 1,151	\$ 1,546	\$ 2,302	\$ 1,317
Average Monthly DC Annuity <sup>2</sup>	\$ 63	\$ 151	\$ 241	\$ 336	\$ 493	\$ 741	\$ 390
Average Final Average Salary	\$ 38,401	\$ 46,618	\$ 55,639	\$ 62,384	\$ 67,164	\$ 76,355	\$ 62,506
Number of Benefit Recipients	181	907	1,845	1,218	957	1,933	7,041
<b>2018</b>							
Average Monthly Defined Benefit	\$ 175	\$ 493	\$ 779	\$ 1,133	\$ 1,530	\$ 2,278	\$ 1,312
Average Monthly DC Annuity <sup>2</sup>	\$ 67	\$ 150	\$ 243	\$ 334	\$ 494	\$ 742	\$ 393
Average Final Average Salary	\$ 38,058	\$ 46,696	\$ 55,207	\$ 61,506	\$ 66,412	\$ 75,286	\$ 61,952
Number of Benefit Recipients	181	790	1,645	1,019	873	1,781	6,289
<b>2017</b>							
Average Monthly Defined Benefit	\$ 153	\$ 484	\$ 775	\$ 1,131	\$ 1,512	\$ 2,266	\$ 1,312
Average Monthly DC Annuity <sup>2</sup>	\$ 71	\$ 151	\$ 248	\$ 343	\$ 498	\$ 745	\$ 404
Average Final Average Salary	\$ 35,860	\$ 44,235	\$ 54,609	\$ 61,152	\$ 65,476	\$ 74,829	\$ 61,121
Number of Benefit Recipients	179	748	1,478	898	794	1,699	5,796
<b>2016</b>							
Average Monthly Defined Benefit	\$ 403	\$ 478	\$ 760	\$ 1,113	\$ 1,481	\$ 2,263	\$ 1,355
Average Monthly DC Annuity <sup>2</sup>	\$ 162	\$ 152	\$ 247	\$ 346	\$ 507	\$ 735	\$ 417
Average Final Average Salary	\$ 35,250	\$ 45,420	\$ 52,554	\$ 59,740	\$ 64,060	\$ 73,994	\$ 61,008
Number of Benefit Recipients	59	611	1,267	764	688	1,588	4,977

<sup>1</sup> Members with less than 10 years of service are primarily members receiving a disability benefit.

<sup>2</sup> Represents the average of only the retirees who elected to receive their Defined Contribution Account as a supplemental monthly payment in addition to the monthly Defined Benefit payment.

# Teachers' 1996 Defined Benefit Account, continued

## Schedule of Average Benefit Payments For the Years Ended June 30

	Years of Credited Service						Total
	< 10 <sup>1</sup>	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2015</b>							
Average Monthly Defined Benefit	\$ 437	\$ 467	\$ 740	\$ 1,085	\$ 1,458	\$ 2,225	\$ 1,360
Average Monthly DC Annuity <sup>2</sup>	\$ 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
<b>2014</b>							
Average Monthly Defined Benefit	\$ 263	\$ 450	\$ 730	\$ 1,041	\$ 1,426	\$ 2,158	\$ 1,366
Average Monthly DC Annuity <sup>2</sup>	\$ 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
<b>2013</b>							
Average Monthly Defined Benefit	\$ 263	\$ 450	\$ 730	\$ 1,041	\$ 1,426	\$ 2,158	\$ 1,366
Average Monthly DC Annuity <sup>2</sup>	\$ 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
<b>2012</b>							
Average Monthly Defined Benefit	\$ 274	\$ 444	\$ 682	\$ 995	\$ 1,401	\$ 2,124	\$ 1,391
Average Monthly DC Annuity <sup>2</sup>	\$ 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
<b>2011</b>							
Average Monthly Defined Benefit	\$ 241	\$ 419	\$ 665	\$ 963	\$ 1,381	\$ 2,080	\$ 1,400
Average Monthly DC Annuity <sup>2</sup>	\$ 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

<sup>1</sup> Members with less than 10 years of service are primarily members receiving a disability benefit.

<sup>2</sup> Represents the average of all retirees, regardless if they elected to receive their Defined Contribution Account as a supplemental monthly payment in addition to the monthly Defined Benefit payment.

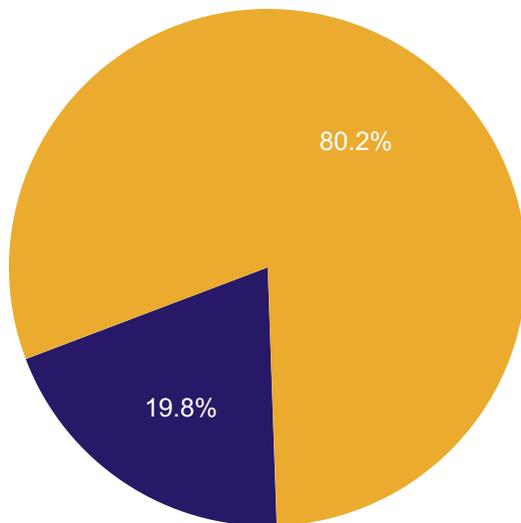
# Teachers' 1996 Defined Benefit Account, continued

## Schedule of Participating Employers: Top 10

Top 10 Employers	June 30, 2020					June 30, 2011 <sup>1</sup>		
	Active Members					Total TRF Covered Members	Rank	Percentage of Total
	TRF Pre-'96 DB	TRF '96 DB	Total TRF	Rank	Percentage of Total			
Fort Wayne Community Schools	317	1,671	1,988	1	2.9%	2,348	2	3.3%
Indianapolis Public Schools	218	1,755	1,973	2	2.9	3,011	1	4.2
Evansville-Vanderburgh School Corporation	307	1,315	1,622	3	2.4	1,695	3	2.4
Hamilton Southeastern Schools	135	1,295	1,430	4	2.1	1,127	6	1.6
South Bend Community School Corporation	176	1,057	1,233	5	1.8	1,588	4	2.2
Wayne Township Metropolitan School District	105	1,037	1,142	6	1.7	1,106	8	1.6
Vigo County School Corporation	194	881	1,075	7	1.6	1,128	5	1.6
Carmel Clay Schools	87	943	1,030	8	1.5	1,122	7	1.6
Perry Township Metropolitan School District	100	903	1,003	9	1.5	—	—	—
Elkhart Community Schools	122	841	963	10	1.4	—	—	—
City of Hammond Schools	—	—	—	—	—	1,062	9	1.5
Gary Community School Corporations	—	—	—	—	—	1,033	10	1.4
<b>Total -- Top 10 Employers</b>	<b>1,761</b>	<b>11,698</b>	<b>13,459</b>		<b>19.8</b>	<b>15,220</b>		<b>21.4</b>
All Other	7,577	46,752	54,329		80.2	56,123		78.6
<b>Grand Total</b>	<b>9,338</b>	<b>58,450</b>	<b>67,788</b>		<b>100.0%</b>	<b>71,343</b>		<b>100.0%</b>

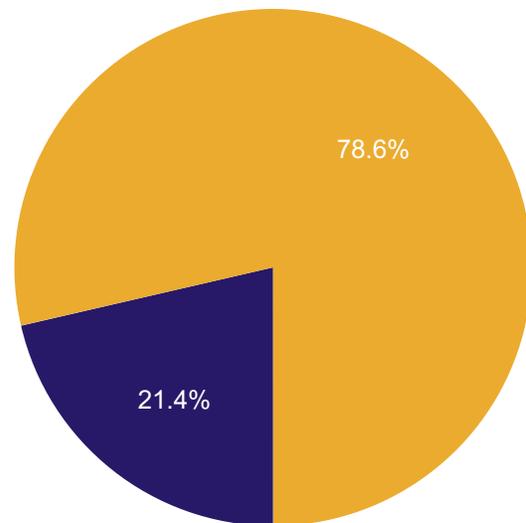
<sup>1</sup> June 30, 2013 was the first year to split the Teachers' Retirement Fund (TRF) into two, TRF Pre-'96 DB and TRF '96 DB Accounts.

Active Membership Breakout - 2020



■ Top 10 Employers ■ All Other

Active Membership Breakout - 2011



■ Top 10 Employers ■ All Other

# 1977 Police Officers' and Firefighters' Retirement Fund

## Schedule of Changes and Growth in Fiduciary Net Position

### For the Years Ended June 30

(dollars in thousands)	2020	2019	2018	2017	2016
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 6,379,786</b>	<b>\$ 5,927,570</b>	<b>\$ 5,401,179</b>	<b>\$ 4,950,999</b>	<b>\$ 4,828,415</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	162,302	155,051	147,094	150,857	151,674
Member Contributions	54,175	52,811	48,839	51,521	44,918
Member Reassignment Income	—	—	—	—	—
Miscellaneous Income	20	2	18	78	143
<b>Total Contributions and Other</b>	<b>216,497</b>	<b>207,864</b>	<b>195,951</b>	<b>202,456</b>	<b>196,735</b>
Pension Benefits	(170,944)	(147,752)	(133,791)	(112,282)	(97,445)
Disability Benefits	(24,978)	(23,328)	(21,805)	(19,950)	(18,647)
Survivor Benefits	(15,683)	(14,457)	(13,455)	(12,550)	(11,843)
Special Death Benefits	(919)	(951)	(884)	(809)	(774)
Distributions of Contributions and Interest	(3,227)	(3,463)	(2,973)	(3,274)	(4,037)
Administrative Expenses	(1,960)	(1,904)	(1,643)	(1,607)	(1,651)
Member Reassignment Expenses	—	—	—	—	(74)
Miscellaneous Expenses	—	(22)	—	—	—
<b>Total Benefits and Expenses</b>	<b>(217,711)</b>	<b>(191,877)</b>	<b>(174,551)</b>	<b>(150,472)</b>	<b>(134,471)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(1,214)</b>	<b>15,987</b>	<b>21,400</b>	<b>51,984</b>	<b>62,264</b>
Net Investment Income / (Loss)	164,228	436,229	504,991	398,196	60,320
<b>Net Increase / (Decrease)</b>	<b>163,014</b>	<b>452,216</b>	<b>526,391</b>	<b>450,180</b>	<b>122,584</b>
<b>Fiduciary Net Position Restricted- End of Year</b>	<b>\$ 6,542,800</b>	<b>\$ 6,379,786</b>	<b>\$ 5,927,570</b>	<b>\$ 5,401,179</b>	<b>\$ 4,950,999</b>

# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)	2015	2014	2013	2012	2011
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 4,757,978</b>	<b>\$ 4,116,861</b>	<b>\$ 3,817,013</b>	<b>\$ 3,721,366</b>	<b>\$ 3,033,285</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	146,697	140,119	137,111	135,605	133,726
Member Contributions	43,523	41,791	40,786	40,870	40,532
Member Reassignment Income	—	—	71	123	—
Miscellaneous Income	15	30	18	41	83
<b>Total Contributions and Other</b>	<b>190,235</b>	<b>181,940</b>	<b>177,986</b>	<b>176,639</b>	<b>174,341</b>
Pension Benefits	(83,239)	(76,462)	(68,622)	(67,920)	(56,503)
Disability Benefits	(17,620)	(17,767)	(17,429)	(16,288)	(15,710)
Survivor Benefits	(11,156)	(10,573)	(9,884)	—	—
Special Death Benefits	(860)	(720)	(794)	(738)	(624)
Distributions of Contributions and Interest	(3,615)	(3,572)	(3,074)	(3,101)	(2,662)
Administrative Expenses	(1,708)	(1,787)	(1,845)	(1,662)	(2,108)
Member Reassignment Expenses	—	—	—	(33)	(61)
Miscellaneous Expenses	—	—	—	—	—
<b>Total Benefits and Expenses</b>	<b>(118,198)</b>	<b>(110,881)</b>	<b>(101,648)</b>	<b>(89,742)</b>	<b>(77,668)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>72,037</b>	<b>71,059</b>	<b>76,338</b>	<b>86,897</b>	<b>96,673</b>
Net Investment Income / (Loss)	(1,600)	570,058	223,510	8,750	591,408
<b>Net Increase / (Decrease)</b>	<b>70,437</b>	<b>641,117</b>	<b>299,848</b>	<b>95,647</b>	<b>688,081</b>
<b>Fiduciary Net Position Restricted- End of Year</b>	<b>\$ 4,828,415</b>	<b>\$ 4,757,978</b>	<b>\$ 4,116,861</b>	<b>\$ 3,817,013</b>	<b>\$ 3,721,366</b>

# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Schedule of Historical Contribution Rates

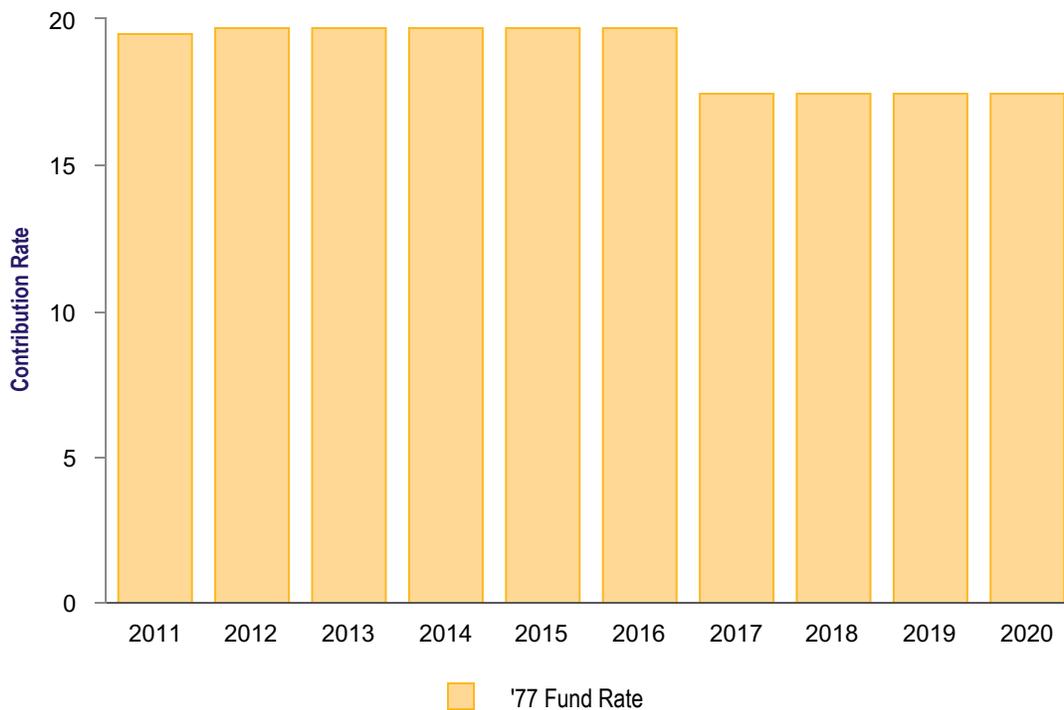
For the Years Ended June 30

	<u>'77 Fund Rate</u>
2020	17.5 %
2019	17.5
2018	17.5
2017	17.5
2016	19.7
2015	19.7
2014	19.7
2013	19.7
2012	19.7
2011	19.5

Memo:

Effective Date

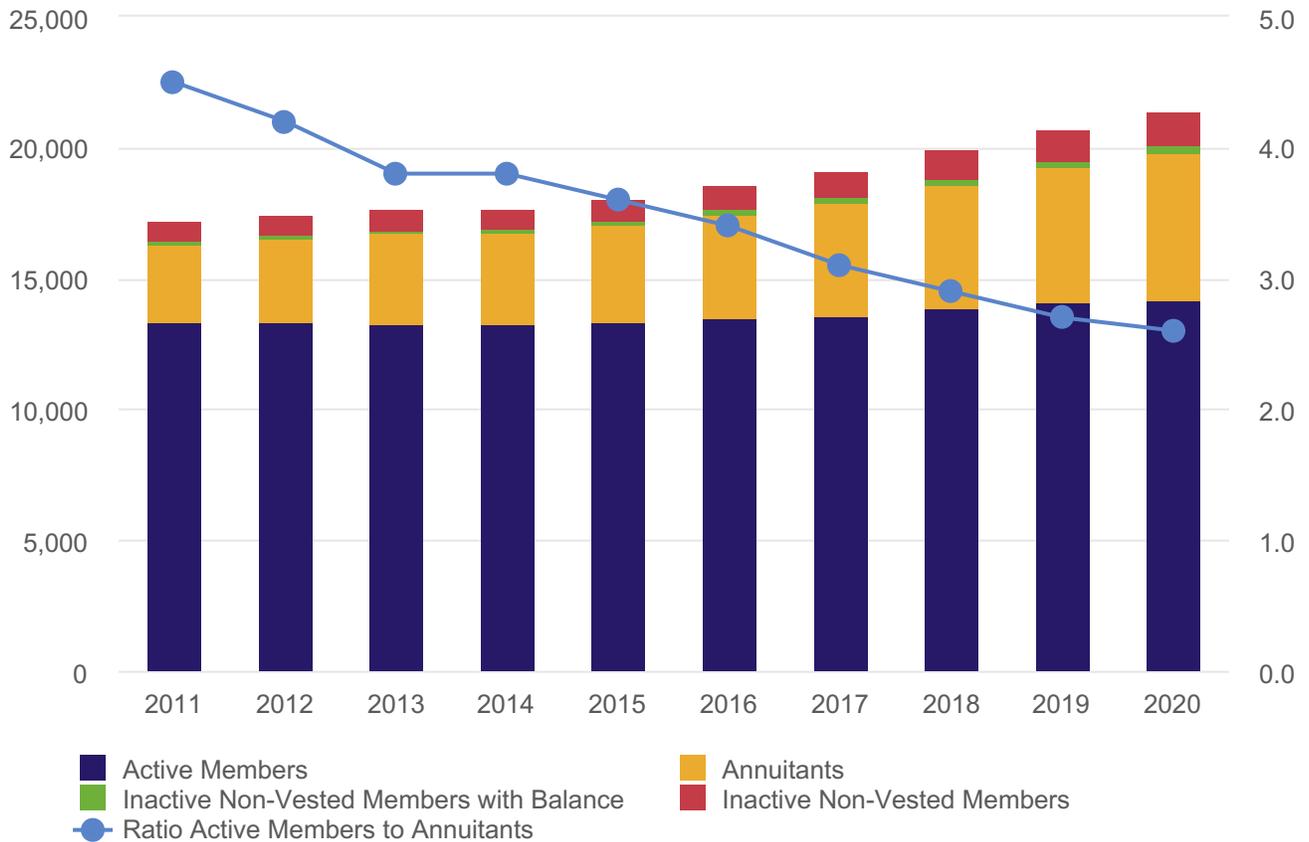
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# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	Ratio Active Members to Annuitants
2020	14,242	5,581	283	1,307	21,413	2.6
2019	14,119	5,187	243	1,200	20,749	2.7
2018	13,879	4,751	225	1,136	19,991	2.9
2017	13,587	4,374	195	1,005	19,161	3.1
2016	13,506	4,004	186	933	18,629	3.4
2015	13,390	3,736	155	822	18,103	3.6
2014	13,295	3,491	129	796	17,711	3.8
2013	13,287	3,491	129	796	17,703	3.8
2012	13,390	3,208	122	751	17,471	4.2
2011	13,376	2,966	126	791	17,259	4.5



# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Schedule of Benefit Recipients by Type of Benefit Option For the Year Ended June 30, 2020

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option			Total Benefit Recipients
	Retirees	Survivors	Disability	
\$ 1 - 500	—	7	—	7
501 - 1,000	2	114	20	136
1,001 - 1,500	72	392	61	525
1,501 - 2,000	409	206	174	789
2,001 - 3,000	2,016	94	446	2,556
Over 3,000	1,402	17	149	1,568
<b>Total</b>	<b>3,901</b>	<b>830</b>	<b>850</b>	<b>5,581</b>

**Retirees** — Provides a monthly benefit for the retiree's life. Upon the death of the retiree, a 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. If no eligible surviving spouse or children, a dependent parent(s) may receive 50 percent of the monthly benefit for life.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. For the '77 Fund, there is no minimum creditable service requirement.

# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Schedule of Average Benefit Payments

### For the Years Ended June 30

	Years of Credited Service						Total
	< 10 <sup>1</sup>	10 - 14 <sup>1</sup>	15 - 19 <sup>1</sup>	20 - 24	25 - 29	30+	
<b>2020</b>							
Average Monthly Defined Benefit	\$ 2,040	\$ 2,213	\$ 2,121	\$ 2,132	\$ 2,795	\$ 3,261	\$ 2,537
Average Final Average Salary	\$ 44,866	\$ 52,021	\$ 50,391	\$ 48,647	\$ 51,914	\$ 55,065	\$ 51,122
Number of Benefit Recipients	251	252	306	2,095	1,617	1,060	5,581
<b>2019</b>							
Average Monthly Defined Benefit	\$ 1,971	\$ 2,097	\$ 2,018	\$ 2,056	\$ 2,693	\$ 3,137	\$ 2,431
Average Final Average Salary	\$ 43,865	\$ 50,968	\$ 49,157	\$ 47,583	\$ 50,796	\$ 53,933	\$ 49,977
Number of Benefit Recipients	240	245	298	1,975	1,487	942	5,187
<b>2018</b>							
Average Monthly Defined Benefit	\$ 1,924	\$ 1,993	\$ 1,938	\$ 1,984	\$ 2,589	\$ 2,984	\$ 2,319
Average Final Average Salary	\$ 43,021	\$ 50,113	\$ 47,985	\$ 46,569	\$ 49,576	\$ 52,614	\$ 48,753
Number of Benefit Recipients	239	241	286	1,843	1,330	812	4,751
<b>2017</b>							
Average Monthly Defined Benefit	\$ 1,643	\$ 1,975	\$ 1,893	\$ 2,010	\$ 2,546	\$ 2,892	\$ 2,257
Average Final Average Salary	\$ 42,129	\$ 48,847	\$ 47,060	\$ 45,714	\$ 48,551	\$ 51,649	\$ 47,703
Number of Benefit Recipients	382	234	271	1,586	1,202	699	4,374
<b>2016</b>							
Average Monthly Defined Benefit	\$ 1,624	\$ 1,901	\$ 1,839	\$ 1,969	\$ 2,498	\$ 2,799	\$ 2,190
Average Final Average Salary	\$ 41,299	\$ 47,438	\$ 45,587	\$ 44,846	\$ 47,841	\$ 51,017	\$ 46,803
Number of Benefit Recipients	380	226	262	1,463	1,071	602	4,004
<b>2015</b>							
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
<b>2014</b>							
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
<b>2013</b>							
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
<b>2012</b>							
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
<b>2011</b>							
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

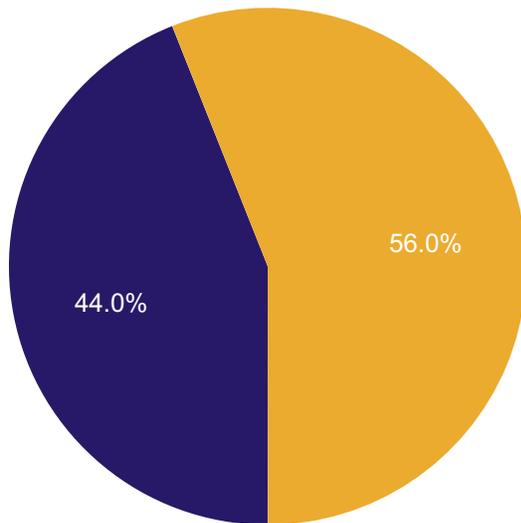
<sup>1</sup> Members with less than 20 years of service are primarily members receiving a disability benefit.

# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Schedule of Participating Employers: Top 10

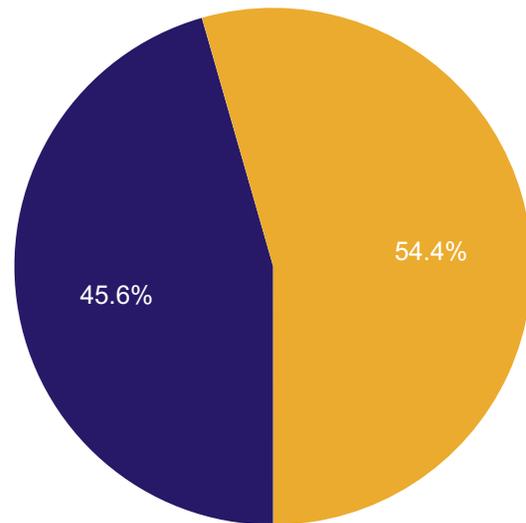
Top 10 Employers	June 30, 2020			June 30, 2011		
	Active Members	Rank	Percentage of Total	Active Members	Rank	Percentage of Total
City of Indianapolis	2,611	1	18.3%	2,460	1	18.4%
City of Fort Wayne	834	2	5.9	789	2	5.9
City of Evansville	535	3	3.8	546	3	4.1
City of South Bend	492	4	3.5	475	4	3.6
City of Hammond	361	5	2.5	367	6	2.7
City of Gary	345	6	2.4	422	5	3.2
City of Terre Haute	280	7	2.0	266	7	2.0
City of Lafayette	278	8	2.0	269	8	2.0
City of Carmel	267	9	1.9	259	9	1.9
City of Elkhart	262	10	1.8	—	—	—
City of Anderson	—	—	—	243	10	1.8
<b>Total -- Top 10 Employers</b>	<b>6,265</b>		<b>44.0</b>	<b>6,096</b>		<b>45.6</b>
All Other	7,977		56.0	7,280		54.4
<b>Grand Total</b>	<b>14,242</b>		<b>100.0%</b>	<b>13,376</b>		<b>100.0%</b>

Active Membership Breakout - 2020



■ Top 10 Employers    ■ All Other

Active Membership Breakout - 2011



■ Top 10 Employers    ■ All Other

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# Judges' Retirement System

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2020	2019	2018	2017	2016
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 545,331</b>	<b>\$ 513,952</b>	<b>\$ 475,055</b>	<b>\$ 441,790</b>	<b>\$ 437,352</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	18,167	16,031	15,117	16,824	16,946
Member Contributions	3,549	3,476	3,418	3,468	3,239
Member Reassignment Income	—	—	—	—	—
Miscellaneous Income	—	—	—	—	—
<b>Total Contributions and Other</b>	<b>21,716</b>	<b>19,507</b>	<b>18,535</b>	<b>20,292</b>	<b>20,185</b>
Pension Benefits	(23,614)	(22,107)	(20,312)	(19,223)	(18,194)
Disability Benefits	(142)	(115)	(126)	(136)	(90)
Survivor Benefits	(3,043)	(3,014)	(2,926)	(2,696)	(2,627)
Distributions of Contributions and Interest	(38)	(155)	(259)	(44)	(11)
Administrative Expenses	(109)	(108)	(119)	(124)	(148)
<b>Total Benefits and Expenses</b>	<b>(26,946)</b>	<b>(25,499)</b>	<b>(23,742)</b>	<b>(22,223)</b>	<b>(21,070)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(5,230)</b>	<b>(5,992)</b>	<b>(5,207)</b>	<b>(1,931)</b>	<b>(885)</b>
Net Investment Income / (Loss)	14,020	37,371	44,104	35,196	5,323
<b>Net Increase / (Decrease)</b>	<b>8,790</b>	<b>31,379</b>	<b>38,897</b>	<b>33,265</b>	<b>4,438</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 554,121</b>	<b>\$ 545,331</b>	<b>\$ 513,952</b>	<b>\$ 475,055</b>	<b>\$ 441,790</b>

## Judges' Retirement System, continued

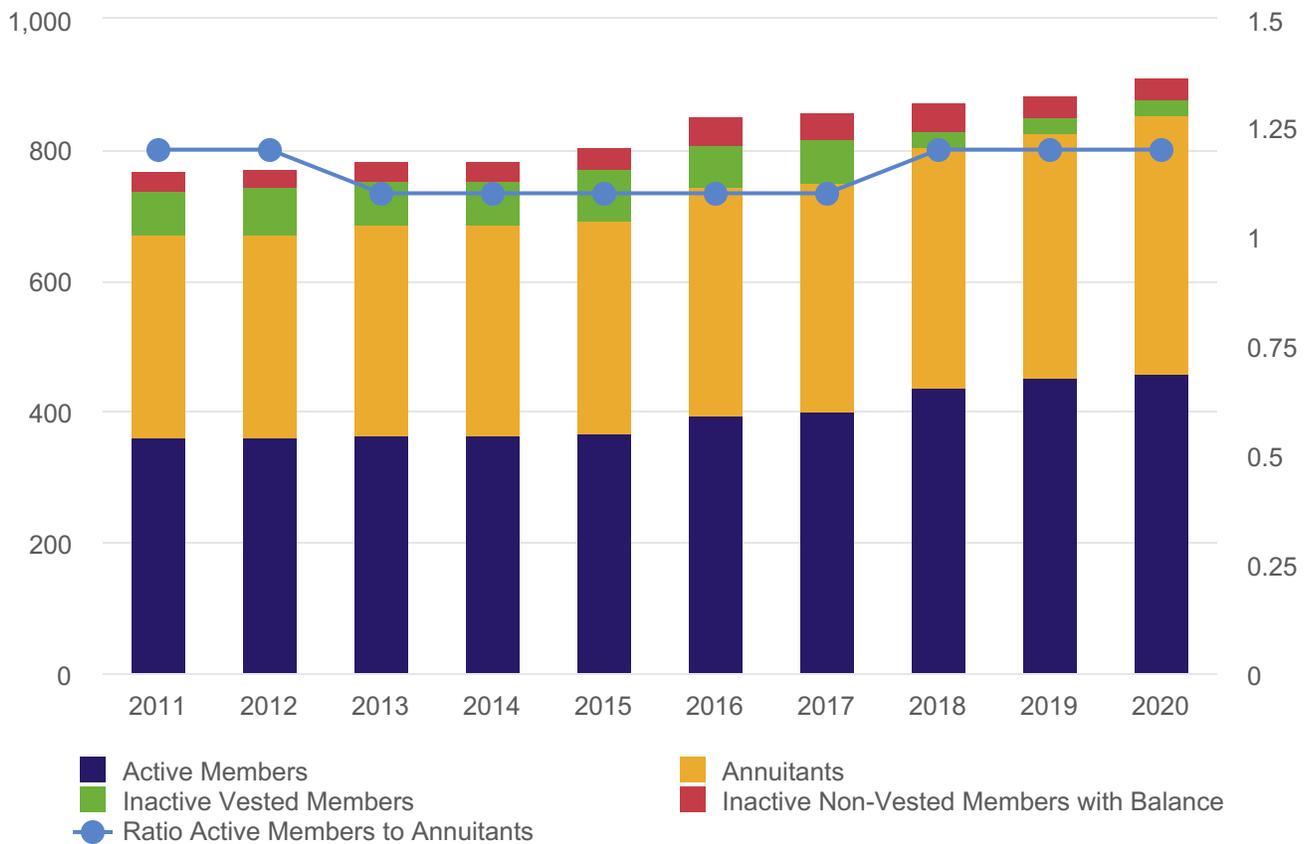
### Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)	2015	2014	2013	2012	2011
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 432,730</b>	<b>\$ 375,752</b>	<b>\$ 262,326</b>	<b>\$ 256,986</b>	<b>\$ 208,395</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	21,020	20,895	111,419	18,896	19,200
Member Contributions	3,292	2,856	2,631	2,468	3,492
Member Reassignment Income	—	4	121	257	1,281
Miscellaneous Income	9	6	5	2	—
<b>Total Contributions and Other</b>	<b>24,321</b>	<b>23,761</b>	<b>114,176</b>	<b>21,623</b>	<b>23,973</b>
Pension Benefits	(16,613)	(15,819)	(15,115)	(16,569)	(15,996)
Disability Benefits	(230)	(134)	(193)	(158)	(92)
Survivor Benefits	(2,578)	(2,574)	(2,218)	—	—
Distributions of Contributions and Interest	(11)	—	(53)	(19)	(5)
Administrative Expenses	(165)	(146)	(126)	(132)	(160)
<b>Total Benefits and Expenses</b>	<b>(19,597)</b>	<b>(18,673)</b>	<b>(17,705)</b>	<b>(16,878)</b>	<b>(16,253)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>4,724</b>	<b>5,088</b>	<b>96,471</b>	<b>4,745</b>	<b>7,720</b>
Net Investment Income / (Loss)	(102)	51,890	16,955	595	40,871
<b>Net Increase / (Decrease)</b>	<b>4,622</b>	<b>56,978</b>	<b>113,426</b>	<b>5,340</b>	<b>48,591</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 437,352</b>	<b>\$ 432,730</b>	<b>\$ 375,752</b>	<b>\$ 262,326</b>	<b>\$ 256,986</b>

# Judges' Retirement System, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	Ratio Active Members to Annuitants
2020	458	396	24	33	911	1.2
2019	453	375	22	36	886	1.2
2018	439	365	26	42	872	1.2
2017	402	350	67	39	858	1.1
2016	394	351	65	41	851	1.1
2015	368	326	78	32	804	1.1
2014	365	321	67	32	785	1.1
2013	365	321	67	32	785	1.1
2012	361	311	72	28	772	1.2
2011	363	310	66	31	770	1.2



## Judges' Retirement System, continued

### Schedule of Benefit Recipients by Type of Benefit Option For the Year Ended June 30, 2020

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option			Total Benefit Recipients
	Retirees	Survivors	Disability	
\$ 1 - 500	—	—	—	—
501 - 1,000	—	—	—	—
1,001 - 1,500	—	22	—	22
1,501 - 2,000	—	12	—	12
2,001 - 3,000	12	32	—	44
Over 3,000	278	38	2	318
<b>Total</b>	<b>290</b>	<b>104</b>	<b>2</b>	<b>396</b>

**Retirees** — Provides a monthly benefit for the 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.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. For the Judges' Retirement System, there is no minimum creditable service requirement.

# Judges' Retirement System, continued

## Schedule of Average Benefit Payments

### For the Years Ended June 30

	Years of Credited Service						Total
	< 10	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2020</b>							
Average Monthly Defined Benefit	\$ 2,035	\$ 4,804	\$ 5,807	\$ 6,565	\$ 6,651	\$ 6,739	\$ 5,532
Average Final Average Salary	\$ 108,475	\$ 123,809	\$ 128,881	\$ 131,607	\$ 117,627	\$ 128,801	\$ 126,008
Number of Benefit Recipients	43	89	88	102	41	33	396
<b>2019</b>							
Average Monthly Defined Benefit	\$ 2,017	\$ 4,500	\$ 5,619	\$ 6,279	\$ 6,775	\$ 6,541	\$ 5,288
Average Final Average Salary	\$ 107,961	\$ 122,249	\$ 126,629	\$ 128,644	\$ 117,627	\$ 125,976	\$ 123,747
Number of Benefit Recipients	44	90	79	92	41	29	375
<b>2018</b>							
Average Monthly Defined Benefit	\$ 2,035	\$ 4,437	\$ 5,613	\$ 6,180	\$ 6,640	\$ 6,656	\$ 5,168
Average Final Average Salary	\$ 108,346	\$ 120,668	\$ 124,939	\$ 126,707	\$ 116,646	\$ 125,976	\$ 122,254
Number of Benefit Recipients	51	85	74	86	40	29	365
<b>2017</b>							
Average Monthly Defined Benefit	\$ 2,095	\$ 4,416	\$ 5,589	\$ 5,945	\$ 6,804	\$ 6,788	\$ 5,130
Average Final Average Salary	\$ 98,954	\$ 117,996	\$ 120,010	\$ 121,926	\$ 113,184	\$ 124,489	\$ 117,814
Number of Benefit Recipients	52	81	72	81	37	27	350
<b>2016</b>							
Average Monthly Defined Benefit	\$ 2,158	\$ 4,308	\$ 5,125	\$ 5,959	\$ 6,695	\$ 6,707	\$ 4,989
Average Final Average Salary	\$ 98,226	\$ 117,568	\$ 119,378	\$ 120,551	\$ 113,184	\$ 123,658	\$ 117,193
Number of Benefit Recipients	57	79	71	80	37	27	351
<b>2015</b>							
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
<b>2014</b>							
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
<b>2013</b>							
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
<b>2012</b>							
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
<b>2011</b>							
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

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# Excise, Gaming and Conservation Officers' Retirement Fund

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2020	2019	2018	2017	2016
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 142,115</b>	<b>\$ 131,491</b>	<b>\$ 120,016</b>	<b>\$ 111,329</b>	<b>\$ 110,038</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	6,742	6,982	6,175	5,691	5,367
Member Contributions	1,298	1,368	1,172	1,102	1,016
Member Reassignment Income	—	—	—	—	—
Miscellaneous Income	—	—	10	—	—
<b>Total Contributions and Other</b>	<b>8,040</b>	<b>8,350</b>	<b>7,357</b>	<b>6,793</b>	<b>6,383</b>
Pension Benefits	(6,726)	(6,705)	(6,288)	(6,223)	(5,639)
Disability Benefits	(49)	(49)	(49)	(49)	(58)
Survivor Benefits	(495)	(495)	(483)	(437)	(435)
Distributions of Contributions and Interest	(97)	(76)	(115)	(117)	(113)
Administrative Expenses	(107)	(112)	(136)	(123)	(139)
Member Reassignment Expenses	—	—	—	(26)	(21)
<b>Total Benefits and Expenses</b>	<b>(7,474)</b>	<b>(7,437)</b>	<b>(7,071)</b>	<b>(6,975)</b>	<b>(6,405)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>566</b>	<b>913</b>	<b>286</b>	<b>(182)</b>	<b>(22)</b>
Net Investment Income / (Loss)	3,677	9,711	11,189	8,869	1,313
<b>Net Increase / (Decrease)</b>	<b>4,243</b>	<b>10,624</b>	<b>11,475</b>	<b>8,687</b>	<b>1,291</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 146,358</b>	<b>\$ 142,115</b>	<b>\$ 131,491</b>	<b>\$ 120,016</b>	<b>\$ 111,329</b>

# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)	2015	2014	2013	2012	2011
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 110,657</b>	<b>\$ 97,019</b>	<b>\$ 76,543</b>	<b>\$ 75,305</b>	<b>\$ 61,174</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	5,215	5,359	19,740	5,054	5,197
Member Contributions	1,004	1,019	1,006	972	1,002
Member Reassignment Income	—	—	—	—	—
Miscellaneous Income	—	—	—	—	—
<b>Total Contributions and Other</b>	<b>6,219</b>	<b>6,378</b>	<b>20,746</b>	<b>6,026</b>	<b>6,199</b>
Pension Benefits	(6,068)	(5,379)	(4,393)	(4,656)	(3,851)
Disability Benefits	(60)	(92)	(64)	(61)	(58)
Survivor Benefits	(395)	(367)	(342)	—	—
Distributions of Contributions and Interest	(85)	(100)	(37)	(100)	(99)
Administrative Expenses	(159)	(141)	(121)	(131)	(112)
Member Reassignment Expenses	—	—	(15)	—	—
<b>Total Benefits and Expenses</b>	<b>(6,767)</b>	<b>(6,079)</b>	<b>(4,972)</b>	<b>(4,948)</b>	<b>(4,120)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(548)</b>	<b>299</b>	<b>15,774</b>	<b>1,078</b>	<b>2,079</b>
Net Investment Income / (Loss)	(71)	13,339	4,702	160	12,052
<b>Net Increase / (Decrease)</b>	<b>(619)</b>	<b>13,638</b>	<b>20,476</b>	<b>1,238</b>	<b>14,131</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 110,038</b>	<b>\$ 110,657</b>	<b>\$ 97,019</b>	<b>\$ 76,543</b>	<b>\$ 75,305</b>

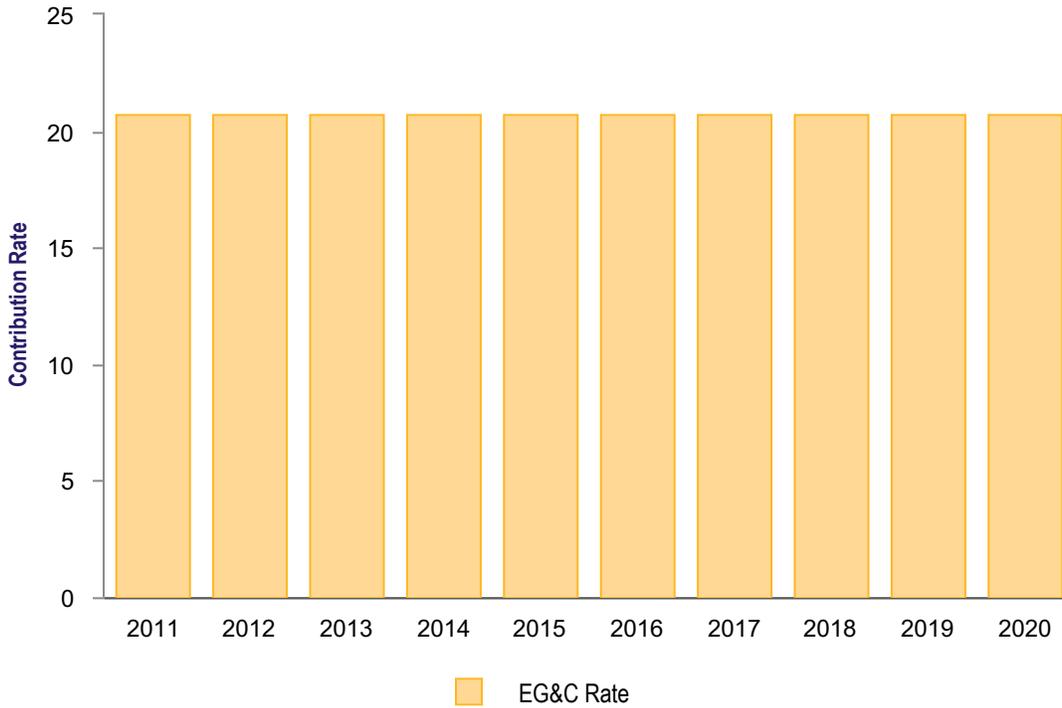
# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Schedule of Historical Contribution Rates For the Years Ended June 30

	<u>EG&amp;C Rate</u>
2020	20.75 %
2019	20.75
2018	20.75
2017	20.75
2016	20.75
2015	20.75
2014	20.75
2013	20.75
2012	20.75
2011	20.75

Memo:

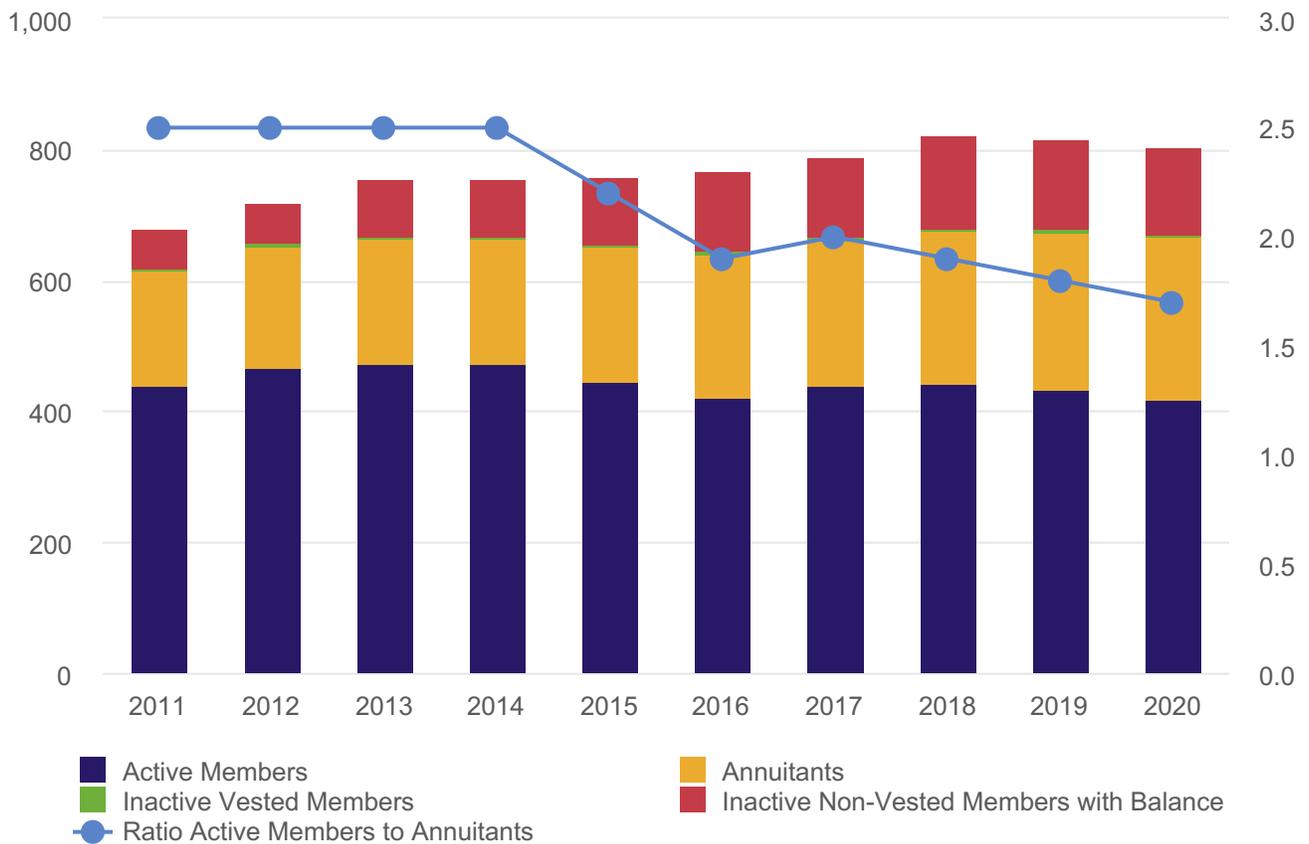
Effective Date            January 1



# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	Ratio Active Members to Annuitants
2020	420	248	4	133	805	1.7
2019	436	240	4	137	817	1.8
2018	443	234	5	141	823	1.9
2017	440	223	6	120	789	2.0
2016	421	220	7	121	769	1.9
2015	448	207	3	101	759	2.2
2014	473	193	4	87	757	2.5
2013	473	193	4	87	757	2.5
2012	468	187	4	61	720	2.5
2011	440	176	5	59	680	2.5



## Excise, Gaming and Conservation Officers' Retirement Fund, continued

### Schedule of Benefit Recipients by Type of Benefit Option For the Year Ended June 30, 2020

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option			Total Benefit Recipients
	Retirees	Survivors	Disability	
\$ 1 - 500	2	9	1	12
501 - 1,000	12	19	—	31
1,001 - 1,500	24	13	1	38
1,501 - 2,000	9	2	—	11
2,001 - 3,000	84	1	1	86
Over 3,000	70	—	—	70
<b>Total</b>	<b>201</b>	<b>44</b>	<b>3</b>	<b>248</b>

**Retirees** — Provides a monthly benefit for the 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.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. For EG&C, there is no minimum creditable service requirement.

# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Schedule of Average Benefit Payments

### For the Years Ended June 30

	Years of Credited Service						Total
	< 10	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2020</b>							
Average Monthly Defined Benefit	\$ 851	\$ 1,386	\$ 602	\$ 1,064	\$ 2,249	\$ 2,860	\$ 2,285
Average Final Average Salary	\$ 51,086	\$ 65,326	\$ 33,535	\$ 39,323	\$ 54,691	\$ 57,745	\$ 54,522
Number of Benefit Recipients	2	11	18	19	78	120	248
<b>2019</b>							
Average Monthly Defined Benefit	\$ 851	\$ 1,366	\$ 594	\$ 1,064	\$ 2,177	\$ 2,830	\$ 2,231
Average Final Average Salary	\$ 51,086	\$ 64,944	\$ 33,535	\$ 39,323	\$ 53,322	\$ 57,149	\$ 53,507
Number of Benefit Recipients	2	7	21	19	75	116	240
<b>2018</b>							
Average Monthly Defined Benefit	\$ 851	\$ 1,421	\$ 561	\$ 1,020	\$ 2,162	\$ 2,814	\$ 2,224
Average Final Average Salary	\$ 51,086	\$ 67,123	\$ 29,132	\$ 39,323	\$ 52,606	\$ 56,496	\$ 52,758
Number of Benefit Recipients	2	4	20	20	73	115	234
<b>2017</b>							
Average Monthly Defined Benefit	\$ 504	\$ 1,386	\$ 615	\$ 999	\$ 2,101	\$ 2,810	\$ 2,209
Average Final Average Salary	\$ 33,205	\$ 66,535	\$ 26,878	\$ 37,858	\$ 51,105	\$ 56,019	\$ 51,549
Number of Benefit Recipients	15	1	7	19	68	113	223
<b>2016</b>							
Average Monthly Defined Benefit	\$ 504	\$ —	\$ 589	\$ 983	\$ 2,073	\$ 2,746	\$ 2,144
Average Final Average Salary	\$ 33,205	\$ —	\$ 26,025	\$ 37,093	\$ 50,468	\$ 54,912	\$ 50,294
Number of Benefit Recipients	15	—	8	21	66	110	220
<b>2015</b>							
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
<b>2014</b>							
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
<b>2013</b>							
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
<b>2012</b>							
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
<b>2011</b>							
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	0	11	23	54	80	176

# Prosecuting Attorneys' Retirement Fund

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2020	2019	2018	2017	2016
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 65,523</b>	<b>\$ 61,019</b>	<b>\$ 55,575</b>	<b>\$ 52,792</b>	<b>\$ 53,424</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	4,232	3,216	3,014	1,486	1,440
Member Contributions	1,440	1,307	1,294	1,357	1,279
Miscellaneous Income	—	—	—	—	—
<b>Total Contributions and Other</b>	<b>5,672</b>	<b>4,523</b>	<b>4,308</b>	<b>2,843</b>	<b>2,719</b>
Pension Benefits	(4,528)	(3,985)	(3,575)	(3,390)	(3,270)
Disability Benefits	(102)	(97)	(97)	(97)	(136)
Survivor Benefits	(179)	(152)	(181)	(137)	(87)
Distributions of Contributions and Interest	(166)	(199)	(142)	(445)	(254)
Administrative Expenses	(74)	(75)	(87)	(158)	(193)
Member Reassignment Expenses	—	—	—	—	—
<b>Total Benefits and Expenses</b>	<b>(5,049)</b>	<b>(4,508)</b>	<b>(4,082)</b>	<b>(4,227)</b>	<b>(3,940)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>623</b>	<b>15</b>	<b>226</b>	<b>(1,384)</b>	<b>(1,221)</b>
Net Investment Income / (Loss)	1,730	4,489	5,218	4,167	589
<b>Net Increase / (Decrease)</b>	<b>2,353</b>	<b>4,504</b>	<b>5,444</b>	<b>2,783</b>	<b>(632)</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 67,876</b>	<b>\$ 65,523</b>	<b>\$ 61,019</b>	<b>\$ 55,575</b>	<b>\$ 52,792</b>

## Prosecuting Attorneys' Retirement Fund, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued

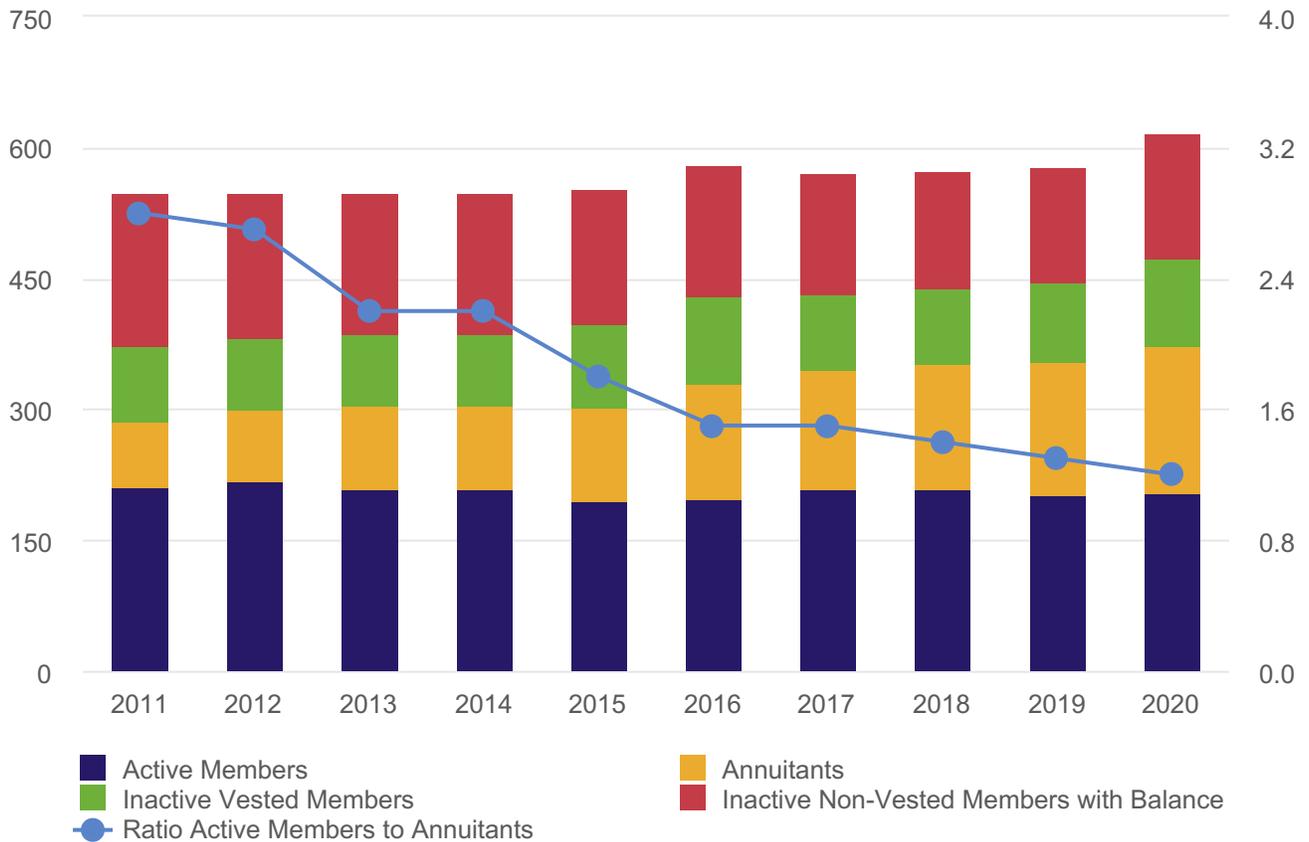
#### For the Years Ended June 30

(dollars in thousands)	2015	2014	2013	2012	2011
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 54,507</b>	<b>\$ 47,920</b>	<b>\$ 27,689</b>	<b>\$ 26,478</b>	<b>\$ 22,431</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	1,063	1,174	19,443	1,839	170
Member Contributions	1,269	1,334	1,271	1,277	1,271
Miscellaneous Income	—	4	—	—	—
<b>Total Contributions and Other</b>	<b>2,332</b>	<b>2,512</b>	<b>20,714</b>	<b>3,116</b>	<b>1,441</b>
Pension Benefits	(2,898)	(2,283)	(1,982)	(1,783)	(1,372)
Disability Benefits	(19)	(20)	(19)	(19)	(19)
Survivor Benefits	(78)	(44)	(39)	—	—
Distributions of Contributions and Interest	(259)	(51)	(195)	(63)	(263)
Administrative Expenses	(127)	(108)	(145)	(82)	(78)
Member Reassignment Expenses	—	—	—	—	(32)
<b>Total Benefits and Expenses</b>	<b>(3,381)</b>	<b>(2,506)</b>	<b>(2,380)</b>	<b>(1,947)</b>	<b>(1,764)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(1,049)</b>	<b>6</b>	<b>18,334</b>	<b>1,169</b>	<b>(323)</b>
Net Investment Income / (Loss)	(34)	6,581	1,897	42	4,370
<b>Net Increase / (Decrease)</b>	<b>(1,083)</b>	<b>6,587</b>	<b>20,231</b>	<b>1,211</b>	<b>4,047</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 53,424</b>	<b>\$ 54,507</b>	<b>\$ 47,920</b>	<b>\$ 27,689</b>	<b>\$ 26,478</b>

# Prosecuting Attorneys' Retirement Fund, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	Ratio Active Members to Annuitants
2020	205	169	101	142	617	1.2
2019	203	152	92	132	579	1.3
2018	209	145	87	134	575	1.4
2017	209	138	87	138	572	1.5
2016	198	133	100	151	582	1.5
2015	196	107	97	153	553	1.8
2014	210	95	83	162	550	2.2
2013	210	95	83	162	550	2.2
2012	219	81	84	165	549	2.7
2011	212	76	85	177	550	2.8



## Prosecuting Attorneys' Retirement Fund, continued

### Schedule of Benefit Recipients by Type of Benefit Option For the Year Ended June 30, 2020

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option			Total Benefit Recipients
	Retirees	Survivors	Disability	
\$ 1 - 500	7	3	—	10
501 - 1,000	20	6	—	26
1,001 - 1,500	24	3	—	27
1,501 - 2,000	18	3	1	22
2,001 - 3,000	40	—	—	40
Over 3,000	43	—	1	44
<b>Total</b>	<b>152</b>	<b>15</b>	<b>2</b>	<b>169</b>

**Retirees** — Provides a monthly benefit for the 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.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. For PARF, five or more years of creditable service is required to be eligible for a disability benefit.

# Prosecuting Attorneys' Retirement Fund, continued

## Schedule of Average Benefit Payments For the Years Ended June 30

	Years of Credited Service						Total
	< 10	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2020</b>							
Average Monthly Defined Benefit	\$ 1,432	\$ 1,805	\$ 2,321	\$ 2,802	\$ 3,030	\$ 2,463	\$ 2,214
Average Final Average Salary	\$ 76,775	\$ 74,449	\$ 83,521	\$ 94,117	\$ 115,215	\$ 127,002	\$ 86,535
Number of Benefit Recipients	12	64	38	29	14	12	169
<b>2019</b>							
Average Monthly Defined Benefit	\$ 1,193	\$ 1,776	\$ 2,284	\$ 2,705	\$ 2,977	\$ 2,307	\$ 2,134
Average Final Average Salary	\$ 73,391	\$ 72,191	\$ 81,704	\$ 91,833	\$ 108,040	\$ 124,231	\$ 83,509
Number of Benefit Recipients	12	57	34	27	11	11	152
<b>2018</b>							
Average Monthly Defined Benefit	\$ 1,277	\$ 1,802	\$ 2,202	\$ 2,651	\$ 2,977	\$ 2,307	\$ 2,154
Average Final Average Salary	\$ 69,684	\$ 71,503	\$ 81,176	\$ 92,089	\$ 108,040	\$ 124,231	\$ 83,440
Number of Benefit Recipients	9	51	36	27	11	11	145
<b>2017</b>							
Average Monthly Defined Benefit	\$ 1,013	\$ 1,735	\$ 2,128	\$ 2,704	\$ 2,977	\$ 2,423	\$ 2,098
Average Final Average Salary	\$ 64,922	\$ 69,798	\$ 77,790	\$ 91,342	\$ 108,040	\$ 126,756	\$ 81,499
Number of Benefit Recipients	10	50	32	25	11	10	138
<b>2016</b>							
Average Monthly Defined Benefit	\$ 1,013	\$ 1,729	\$ 2,136	\$ 2,665	\$ 2,901	\$ 2,423	\$ 2,088
Average Final Average Salary	\$ 64,922	\$ 68,303	\$ 77,439	\$ 90,943	\$ 108,734	\$ 126,756	\$ 80,869
Number of Benefit Recipients	10	47	31	24	11	10	133
<b>2015</b>							
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
<b>2014</b>							
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
<b>2013</b>							
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
<b>2012</b>							
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
<b>2011</b>							
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

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# Legislators' Defined Benefit Fund

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2020	2019	2018	2017	2016
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 3,026</b>	<b>\$ 2,942</b>	<b>\$ 2,865</b>	<b>\$ 2,919</b>	<b>\$ 3,174</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	208	269	237	135	138
Total Contributions and Other	208	269	237	135	138
Pension Benefits	(293)	(302)	(303)	(304)	(311)
Disability Benefits	—	(3)	—	—	—
Survivor Benefits <sup>1</sup>	(56)	(51)	(56)	(53)	(48)
Administrative Expenses	(38)	(38)	(64)	(53)	(61)
Total Benefits and Expenses	(387)	(394)	(423)	(410)	(420)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(179)</b>	<b>(125)</b>	<b>(186)</b>	<b>(275)</b>	<b>(282)</b>
Net Investment Income / (Loss)	77	209	263	221	27
<b>Net Increase / (Decrease)</b>	<b>(102)</b>	<b>84</b>	<b>77</b>	<b>(54)</b>	<b>(255)</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 2,924</b>	<b>\$ 3,026</b>	<b>\$ 2,942</b>	<b>\$ 2,865</b>	<b>\$ 2,919</b>

<sup>1</sup> See Introduction to Statistical Information.

## Legislators' Defined Benefit Fund, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

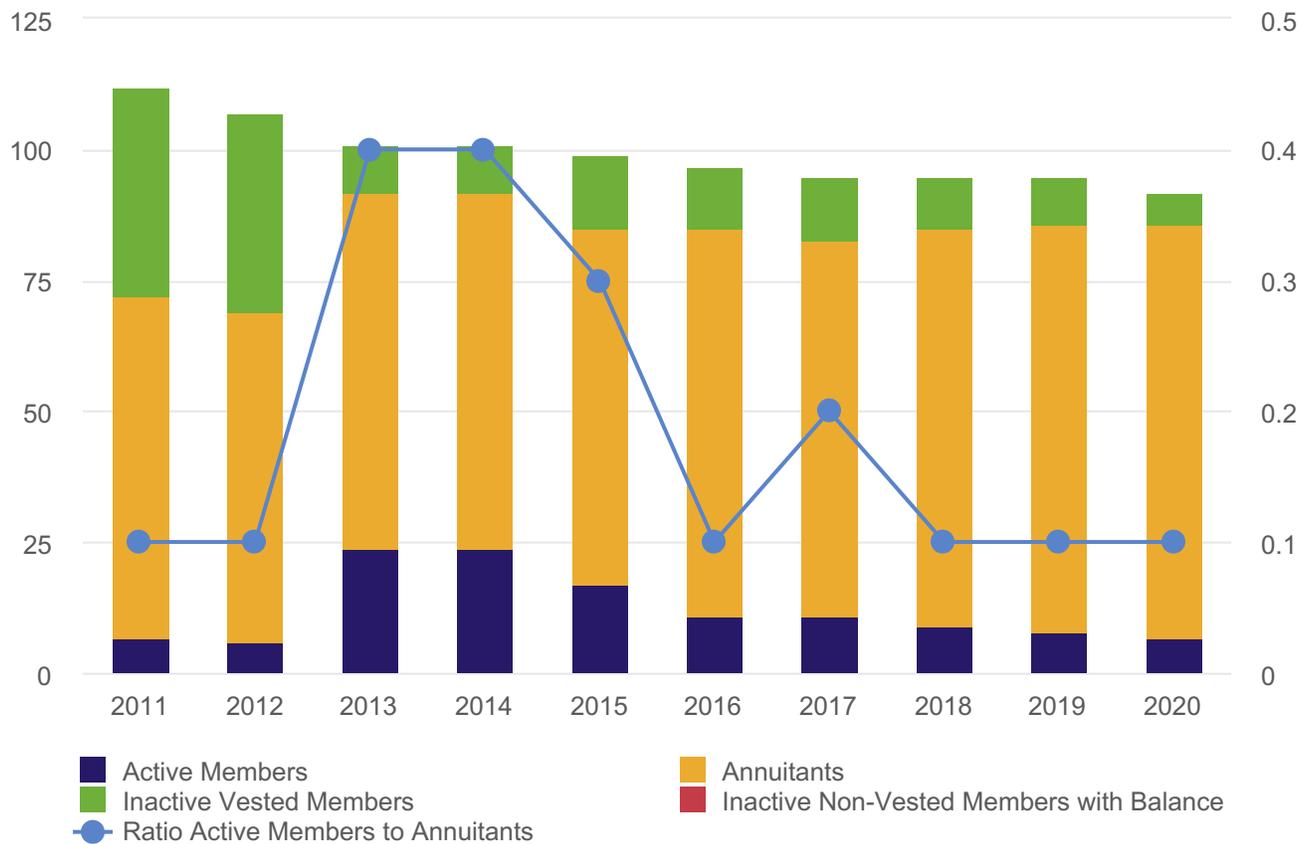
(dollars in thousands)	2015	2014	2013	2012	2011
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 3,489</b>	<b>\$ 3,337</b>	<b>\$ 3,385</b>	<b>\$ 3,645</b>	<b>\$ 3,396</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	131	138	150	112	—
Total Contributions and Other	131	138	150	112	—
Pension Benefits	(331)	(324)	(321)	(335)	(337)
Disability Benefits	—	(2)	(3)	(3)	(3)
Survivor Benefits <sup>1</sup>	(39)	(37)	(41)	—	—
Administrative Expenses	(71)	(62)	(34)	(37)	(50)
Total Benefits and Expenses	(441)	(425)	(399)	(375)	(390)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(310)</b>	<b>(287)</b>	<b>(249)</b>	<b>(263)</b>	<b>(390)</b>
Net Investment Income / (Loss)	(5)	439	201	3	639
<b>Net Increase / (Decrease)</b>	<b>(315)</b>	<b>152</b>	<b>(48)</b>	<b>(260)</b>	<b>249</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 3,174</b>	<b>\$ 3,489</b>	<b>\$ 3,337</b>	<b>\$ 3,385</b>	<b>\$ 3,645</b>

<sup>1</sup> See Introduction to Statistical Information.

# Legislators' Defined Benefit Fund, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Inactive Vested Members	Ratio Active Members to Annuitants
2020	7	79	6	—	92	0.1
2019	8	78	9	—	95	0.1
2018	9	76	10	—	95	0.1
2017	11	72	12	—	95	0.2
2016	11	74	12	—	97	0.1
2015	17	68	14	—	99	0.3
2014	24	68	9	—	101	0.4
2013	24	68	9	—	101	0.4
2012	6	63	38	—	107	0.1
2011	7	65	40	—	112	0.1



## Legislators' Defined Benefit Fund, continued

### Schedule of Benefit Recipients by Type of Benefit Option For the Year Ended June 30, 2020

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option			Total Benefit Recipients
	Retirees	Survivors	Disability	
\$ 1 - 500	39	16	—	55
501 - 1,000	21	2	—	23
1,001 - 1,500	1	—	—	1
1,501 - 2,000	—	—	—	—
2,001 - 3,000	—	—	—	—
Over 3,000	—	—	—	—
<b>Total</b>	<b>61</b>	<b>18</b>	<b>—</b>	<b>79</b>

**Retirees** — Provides a monthly benefit for the 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.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. For LE DB, five or more years of creditable service is required to be eligible for a disability benefit.

# Legislators' Defined Benefit Fund, continued

## Schedule of Average Benefit Payments For the Years Ended June 30

	Years of Credited Service						Total
	< 10	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2020</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 206	\$ 388	\$ 640	\$ 1,008	\$ 577	\$ 784	\$ 384
Average Final Average Salary	\$ 23,833	\$ 26,330	\$ 24,244	N/A	N/A	N/A	\$ 24,630
Number of Benefit Recipients	34	25	16	2	1	1	79
<b>2019</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 186	\$ 393	\$ 646	\$ 1,008	\$ 577	\$ 784	\$ 389
Average Final Average Salary	\$ 24,040	\$ 26,330	\$ 24,244	N/A	N/A	N/A	\$ 24,709
Number of Benefit Recipients	31	26	17	2	1	1	78
<b>2018</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 191	\$ 388	\$ 646	\$ 1,008	\$ 577	\$ 784	\$ 392
Average Final Average Salary	\$ 24,040	\$ 26,330	\$ 24,244	N/A	N/A	N/A	\$ 24,709
Number of Benefit Recipients	30	25	17	2	1	1	76
<b>2017</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 247	\$ 451	\$ 667	\$ 1,008	\$ 577	\$ 784	\$ 413
Average Final Average Salary	\$ 25,847	\$ 22,383	\$ 24,244	N/A	N/A	N/A	\$ 24,709
Number of Benefit Recipients	37	16	15	2	1	1	72
<b>2016</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 250	\$ 451	\$ 667	\$ 1,008	\$ 577	\$ 784	\$ 410
Average Final Average Salary	\$ 25,932	\$ 22,383	\$ 24,244	N/A	N/A	N/A	\$ 24,785
Number of Benefit Recipients	39	16	15	2	1	1	74
<b>2015</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 255	\$ 443	\$ 679	\$ 1,008	\$ 577	\$ 1,568	\$ 448
Average Final Average Salary	\$ 25,872	\$ 22,383	\$ 24,244	N/A	N/A	N/A	\$ 24,781
Number of Benefit Recipients	31	17	16	2	1	1	68
<b>2014</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 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
<b>2013</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 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
<b>2012</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 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
<b>2011</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 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

<sup>1</sup> Benefit calculations for the LE DB benefit recipients are based on years of service, not final average salary.

# Public Employees' Defined Contribution Account

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2020	2019	2018 <sup>1</sup>
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 2,927,470</b>	<b>\$ 2,867,731</b>	<b>\$ —</b>
<b>Contributions / (Benefits and Expenses)</b>			
Member Contributions	183,685	178,108	88,052
Transfer from Defined Benefit	—	—	2,849,380
Total Contributions and Other	183,685	178,108	2,937,432
Distributions of Contributions and Interest	(224,990)	(230,340)	(106,749)
Administrative Expenses	(7,514)	(7,186)	(3,839)
Miscellaneous Expenses	(135)	(155)	(50)
Total Benefits and Expenses	(232,639)	(237,681)	(110,638)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(48,954)</b>	<b>(59,573)</b>	<b>2,826,794</b>
Net Investment Income / (Loss)	98,938	119,312	40,937
<b>Net Increase / (Decrease)</b>	<b>49,984</b>	<b>59,739</b>	<b>2,867,731</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 2,977,454</b>	<b>\$ 2,927,470</b>	<b>\$ 2,867,731</b>

<sup>1</sup> PERF DC was split from PERF DB as of January 1, 2018. 2018 represents only a half year of activity.

## Membership Data

	PERF DC		PERF MC DC	
	Active Members	Inactive Vested Members	Active Members	Inactive Vested Members
2020	131,581	89,896	4,166	2,071
2019	127,189	87,128	1,489	1,846
2018	128,678	88,974	—	—

# Public Employees' Defined Contribution Account, continued

## Schedule of Historical Contribution Rates For the Years Ended June 30

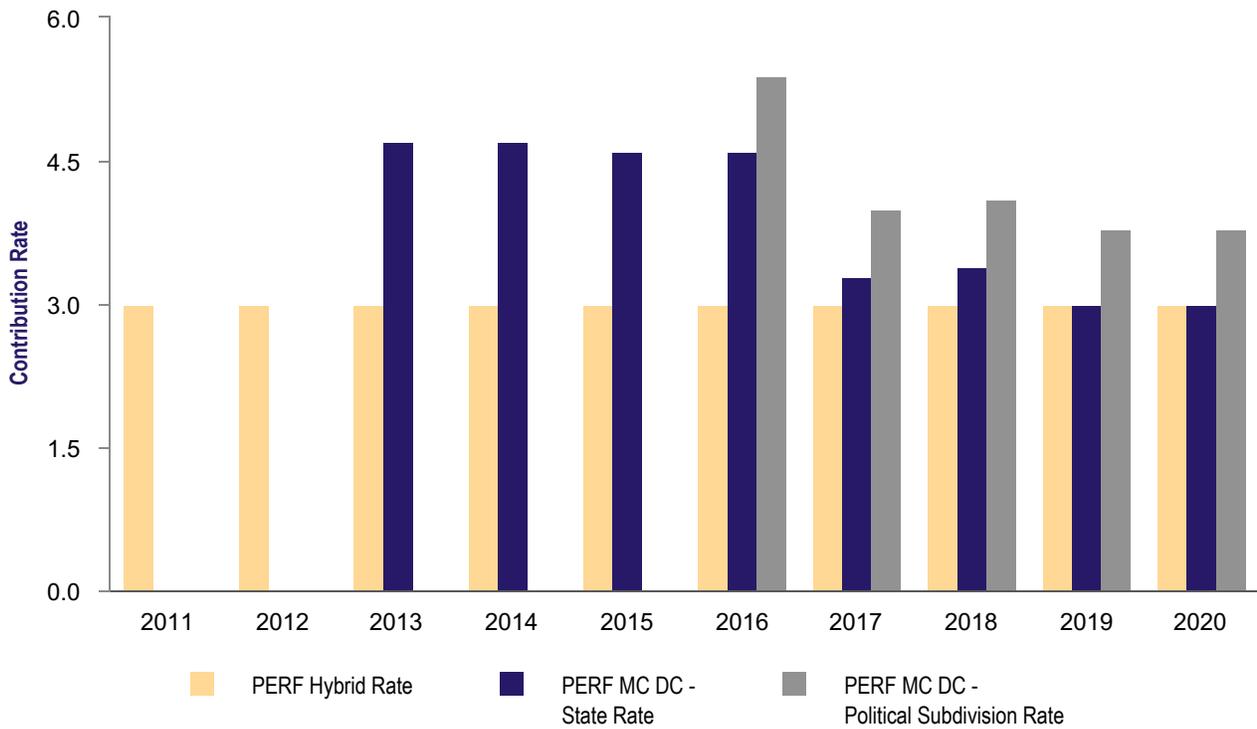
	PERF MC DC		
	PERF Hybrid <sup>1</sup>	State	Political Subdivision <sup>2</sup>
2020	3.0 %	3.0%	3.8%
2019	3.0	3.0	3.8
2018	3.0	3.4	4.1
2017	3.0	3.3	4.0
2016	3.0	4.6	5.4
2015	3.0	4.6	N/A
2014	3.0	4.7	N/A
2013	3.0	4.7	N/A
2012	3.0	N/A	N/A
2011	3.0	N/A	N/A

Memo:

Effective Date                                      July 1                                      July 1                                      January 1

<sup>1</sup> Represents the member's portion of the PERF Hybrid Rate.

<sup>2</sup> Represents the maximum rate employers may provide their member's.



# Teachers' Defined Contribution Account

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2020	2019	2018 <sup>1</sup>
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 2,784,126</b>	<b>\$ 2,744,103</b>	<b>\$ —</b>
<b>Contributions / (Benefits and Expenses)</b>			
Member Contributions	129,252	123,437	63,026
Transfer from Defined Benefit	—	—	2,674,819
<b>Total Contributions and Other</b>	<b>129,252</b>	<b>123,437</b>	<b>2,737,845</b>
Distributions of Contributions and Interest	(193,711)	(209,642)	(37,514)
Administrative Expenses	(3,158)	(3,127)	(1,652)
Miscellaneous Expenses	(62)	(70)	(22)
<b>Total Benefits and Expenses</b>	<b>(196,931)</b>	<b>(212,839)</b>	<b>(39,188)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(67,679)</b>	<b>(89,402)</b>	<b>2,698,657</b>
Net Investment Income / (Loss)	96,544	129,425	45,446
<b>Net Increase / (Decrease)</b>	<b>28,865</b>	<b>40,023</b>	<b>2,744,103</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 2,812,991</b>	<b>\$ 2,784,126</b>	<b>\$ 2,744,103</b>

<sup>1</sup> TRF DC was split from the TRF Pre-'96 DB and TRF '96 DB plans as of January 1, 2018, therefore 2018 represents only a half year of activity.

## Membership Data

	TRF DC		TRF MC DC	
	Active Members	Inactive Vested Members	Active Members	Inactive Vested Members
<b>2020</b>	69,214	27,133	703	58
<b>2019</b>	69,193	25,218	—	—
<b>2018</b>	69,193	25,218	—	—

# Teachers' Defined Contribution Account, continued

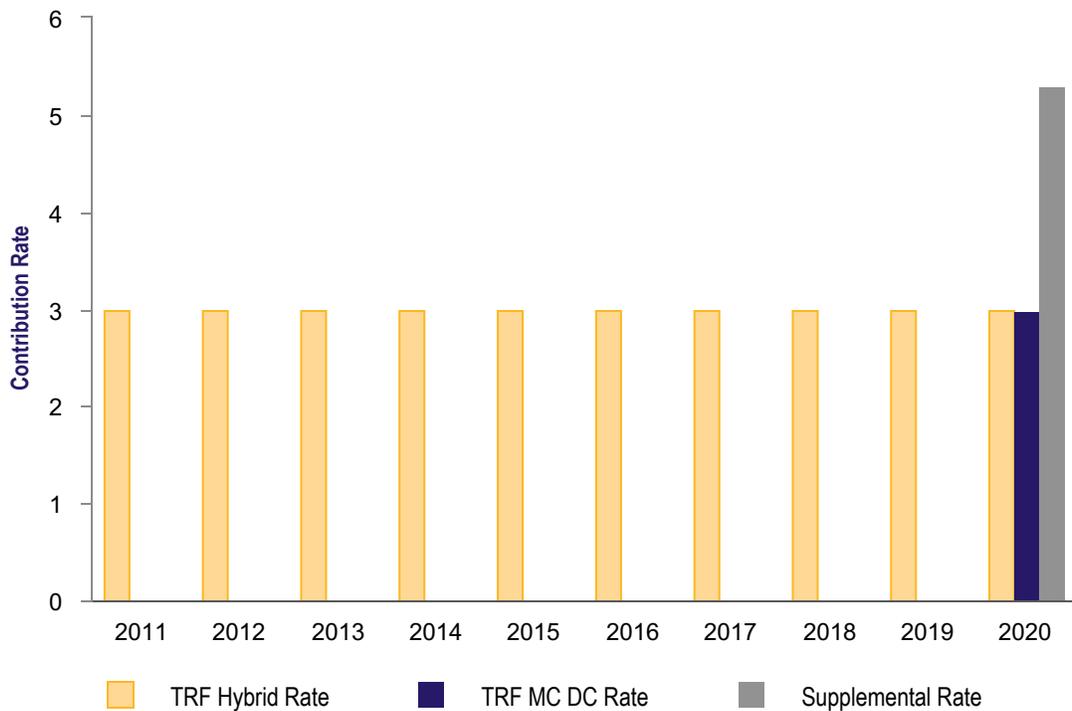
## Schedule of Historical Contribution Rates

For the Years Ended June 30

	TRF MC DC		
	TRF Hybrid	Member Rate	Supplemental Rate
2020	3.0%	3.0%	5.3%
2019	3.0	N/A	N/A
2018	3.0	N/A	N/A
2017	3.0	N/A	N/A
2016	3.0	N/A	N/A
2015	3.0	N/A	N/A
2014	3.0	N/A	N/A
2013	3.0	N/A	N/A
2012	3.0	N/A	N/A
2011	3.0	N/A	N/A

Memo:

Effective Date                      July 1                                      January 1                                      January 1



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# Legislators' Defined Contribution Fund

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2020	2019	2018	2017	2016
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 33,897</b>	<b>\$ 33,596</b>	<b>\$ 30,772</b>	<b>\$ 28,410</b>	<b>\$ 28,288</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	1,419	1,483	1,334	1,395	—
Member Contributions	424	407	392	388	1,763
Miscellaneous Income	23	25	18	18	14
<b>Total Contributions and Other</b>	<b>1,866</b>	<b>1,915</b>	<b>1,744</b>	<b>1,801</b>	<b>1,777</b>
Distributions of Contributions and Interest	(1,656)	(3,228)	(1,794)	(2,504)	(1,794)
Administrative Expenses	(7)	(8)	(12)	(7)	(12)
<b>Total Benefits and Expenses</b>	<b>(1,663)</b>	<b>(3,236)</b>	<b>(1,806)</b>	<b>(2,511)</b>	<b>(1,806)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>203</b>	<b>(1,321)</b>	<b>(62)</b>	<b>(710)</b>	<b>(29)</b>
Net Investment Income / (Loss)	1,549	1,622	2,886	3,072	151
<b>Net Increase / (Decrease)</b>	<b>1,752</b>	<b>301</b>	<b>2,824</b>	<b>2,362</b>	<b>122</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 35,649</b>	<b>\$ 33,897</b>	<b>\$ 33,596</b>	<b>\$ 30,772</b>	<b>\$ 28,410</b>

## Legislators' Defined Contribution Fund, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)	2015	2014	2013	2012	2011
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 29,103</b>	<b>\$ 25,322</b>	<b>\$ 25,579</b>	<b>\$ 24,755</b>	<b>\$ 22,356</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	—	—	—	—	—
Member Contributions	1,715	1,590	1,463	1,303	1,205
Miscellaneous Income	36	40	42	49	68
Total Contributions and Other	1,751	1,630	1,505	1,352	1,273
Distributions of Contributions and Interest	(3,100)	(1,452)	(3,616)	(1,033)	(2,675)
Administrative Expenses	(6)	(5)	(4)	(22)	(39)
Total Benefits and Expenses	(3,106)	(1,457)	(3,620)	(1,055)	(2,714)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(1,355)</b>	<b>173</b>	<b>(2,115)</b>	<b>297</b>	<b>(1,441)</b>
Net Investment Income / (Loss)	540	3,608	1,858	527	3,840
<b>Net Increase / (Decrease)</b>	<b>(815)</b>	<b>3,781</b>	<b>(257)</b>	<b>824</b>	<b>2,399</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 28,288</b>	<b>\$ 29,103</b>	<b>\$ 25,322</b>	<b>\$ 25,579</b>	<b>\$ 24,755</b>

# Legislators' Defined Contribution Fund, continued

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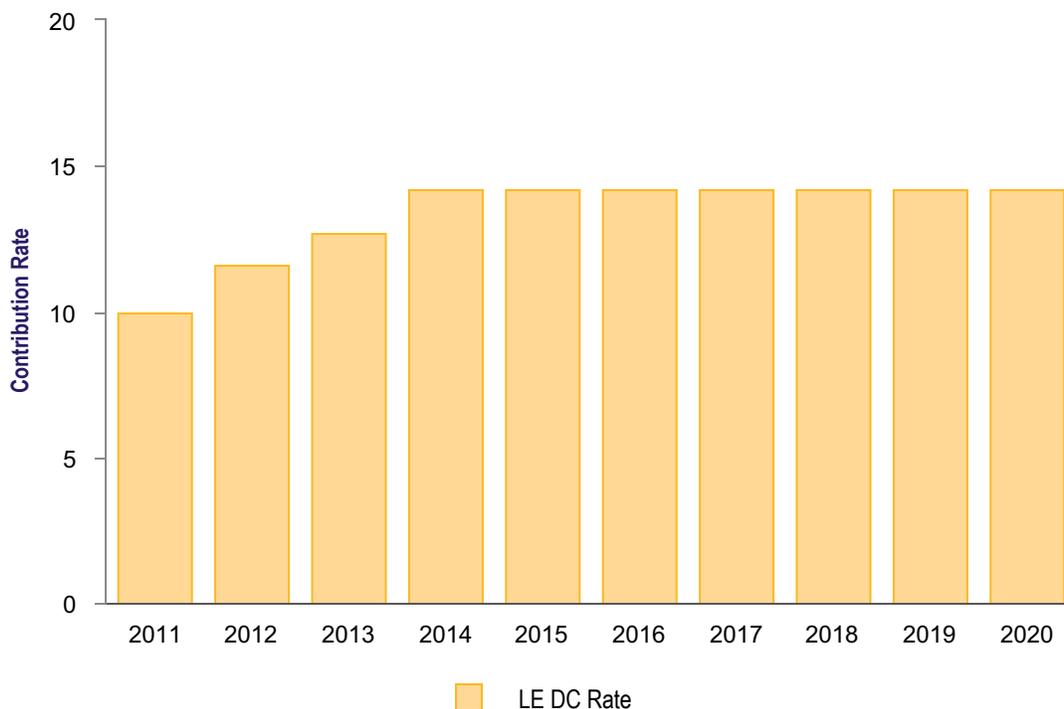
## Schedule of Historical Contribution Rates

For the Years Ended June 30

	<u>LE DC Rate</u>
2020	14.2%
2019	14.2
2018	14.2
2017	14.2
2016	14.2
2015	14.2
2014	14.2
2013	12.7
2012	11.6
2011	10.0

Memo:

Effective Date                      January 1



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# Special Death Benefit Fund

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30 <sup>1</sup>

(dollars in thousands)	2020	2019	2018	2017	2016
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 15,233</b>	<b>\$ 14,779</b>	<b>\$ 15,098</b>	<b>\$ 14,651</b>	<b>\$ 13,609</b>
<b>Contributions / (Benefits and Expenses)</b>					
Nonemployer Contributing Entity	457	515	506	564	611
Total Contributions and Other	457	515	506	564	611
Special Death Benefits	(1,000)	(1,050)	(750)	(100)	(150)
Administrative Expenses	(32)	(1)	—	—	—
Total Benefits and Expenses	(1,032)	(1,051)	(750)	(100)	(150)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(575)</b>	<b>(536)</b>	<b>(244)</b>	<b>464</b>	<b>461</b>
Net Investment Income / (Loss)	1,047	990	(75)	(17)	581
<b>Net Increase / (Decrease)</b>	<b>472</b>	<b>454</b>	<b>(319)</b>	<b>447</b>	<b>1,042</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 15,705</b>	<b>\$ 15,233</b>	<b>\$ 14,779</b>	<b>\$ 15,098</b>	<b>\$ 14,651</b>

<sup>1</sup> Effective July 1, 2017, the State Employees' Death Benefit and the Public Safety Officers' Special Death Benefit Fund were merged into the new Special Death Benefit Fund. The death benefit of the Local Public Safety Pension Relief Fund was also transferred to the Special Death Benefit Fund.

# Special Death Benefit Fund, continued

## Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30 <sup>1</sup>

(dollars in thousands)	2015	2014	2013	2012	2011
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 13,091</b>	<b>\$ 12,336</b>	<b>\$ 12,366</b>	<b>\$ 11,105</b>	<b>\$ 10,335</b>
<b>Contributions / (Benefits and Expenses)</b>					
Nonemployer Contributing Entity	506	525	544	716	548
Total Contributions and Other	506	525	544	716	548
Special Death Benefits	(150)	(150)	(650)	(50)	(150)
Administrative Expenses	—	—	—	—	—
Total Benefits and Expenses	(150)	(150)	(650)	(50)	(150)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>356</b>	<b>375</b>	<b>(106)</b>	<b>666</b>	<b>398</b>
Net Investment Income / (Loss)	162	380	76	595	372
<b>Net Increase / (Decrease)</b>	<b>518</b>	<b>755</b>	<b>(30)</b>	<b>1,261</b>	<b>770</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 13,609</b>	<b>\$ 13,091</b>	<b>\$ 12,336</b>	<b>\$ 12,366</b>	<b>\$ 11,105</b>

<sup>1</sup> Effective July 1, 2017, the State Employees' Death Benefit and the Public Safety Officers' Special Death Benefit Fund were merged into the new Special Death Benefit Fund. The death benefit of the Local Public Safety Pension Relief Fund was also transferred to the Special Death Benefit Fund.

# Special Death Benefit Fund, continued

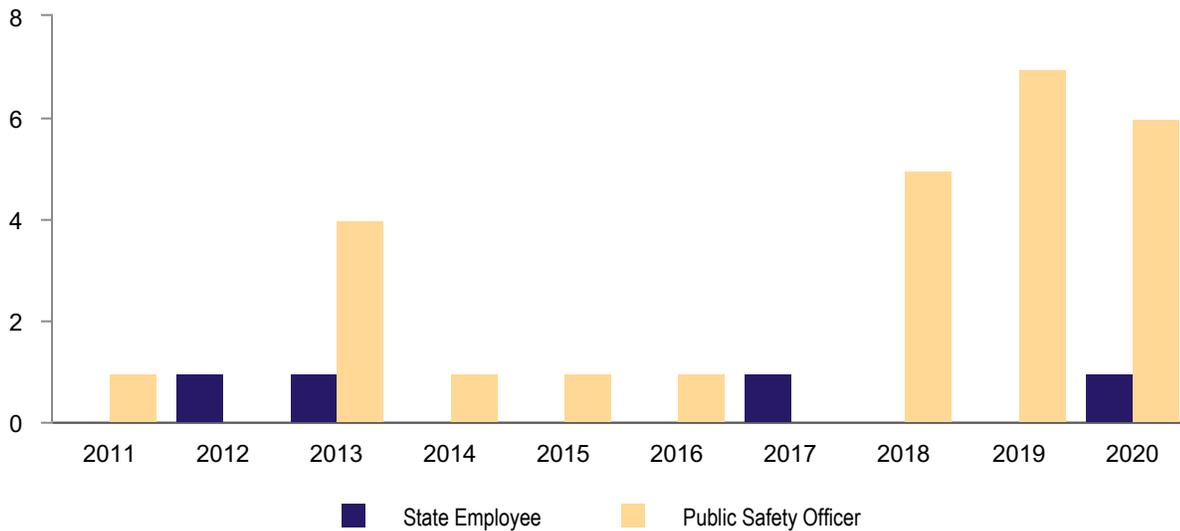
## Schedule of Average Death Benefit Payments

<u>For the Year Ended June 30, 2020</u>	<u>State Employee <sup>1</sup></u>	<u>Public Safety Officer <sup>2</sup></u>	<u>For the Year Ended June 30, 2015</u>	<u>State Employee <sup>1</sup></u>	<u>Public Safety Officer <sup>2</sup></u>
Average Death Benefit	\$ 100,000	\$ 150,000	Average Death Benefit	\$ —	\$ 150,000
Number of Benefit Recipients	1	6	Number of Benefit Recipients	—	1
<u>For the Year Ended June 30, 2019</u>			<u>For the Year Ended June 30, 2014</u>		
Average Death Benefit	\$ —	\$ 150,000	Average Death Benefit	\$ —	\$ 150,000
Number of Benefit Recipients	—	7	Number of Benefit Recipients	—	1
<u>For the Year Ended June 30, 2018</u>			<u>For the Year Ended June 30, 2013</u>		
Average Death Benefit	\$ —	\$ 150,000	Average Death Benefit	\$ 50,000	\$ 150,000
Number of Benefit Recipients	—	5	Number of Benefit Recipients	1	4
<u>For the Year Ended June 30, 2017</u>			<u>For the Year Ended June 30, 2012</u>		
Average Death Benefit	\$ 100,000	\$ —	Average Death Benefit	\$ 50,000	\$ —
Number of Benefit Recipients	1	—	Number of Benefit Recipients	1	—
<u>For the Year Ended June 30, 2016</u>			<u>For the Year Ended June 30, 2011</u>		
Average Death Benefit	\$ —	\$ 150,000	Average Death Benefit	\$ —	\$ 150,000
Number of Benefit Recipients	—	1	Number of Benefit Recipients	—	1

<sup>1</sup> Lump sum death benefit of \$100,000 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).

<sup>2</sup> 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).

### Number of Death Benefit Recipients



# Retirement Medical Benefits Account Plan

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## Schedule of Changes and Growth in Fiduciary Net Position For the Year Ended June 30

(dollars in thousands)	<u>2020</u>
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ —</b>
<b>Contributions / (Benefits and Expenses)</b>	
Employer	27,666
Nonemployer Contributing Entity	—
Transfer from SOI	435,947
Miscellaneous Income	<u>23</u>
Total Contributions and Other	463,636
Special Death Benefits	—
Retiree Health Benefits	(17,306)
Retiree Health Forfeitures	(18,969)
Distributions of Custodial Funds	—
Administrative Expenses	(573)
Miscellaneous Expenses	<u>(17)</u>
Total Benefits and Expenses	<u>(36,865)</u>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>426,771</b>
Net Investment Income / (Loss)	<u>22,143</u>
<b>Net Increase / (Decrease)</b>	<b><u>448,914</u></b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b><u><u>\$ 448,914</u></u></b>

## Schedule of Reimbursements

### For the Year Ended June 30, 2020

Average Reimbursement Amount	\$ 528
Number of Reimbursements	32,761

# Local Public Safety Pension Relief Fund

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2020	2019	2018	2017	2016
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 17,619</b>	<b>\$ 27,353</b>	<b>\$ 32,248</b>	<b>\$ 28,127</b>	<b>\$ 31,390</b>
<b>Contributions / (Benefits and Expenses)</b>					
Nonemployer Contributing Entity	201,135	200,710	206,408	216,995	212,322
Total Contributions and Other	201,135	200,710	206,408	216,995	212,322
Special Death Benefits	—	—	—	(300)	—
Distributions of Custodial Funds	(209,167)	(212,239)	(212,634)	(213,256)	(215,816)
Administrative Expenses	(128)	—	(2)	(31)	(33)
Miscellaneous Expenses	(23)	(37)	(25)	(13)	—
Total Benefits and Expenses	(209,318)	(212,276)	(212,661)	(213,600)	(215,849)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(8,183)</b>	<b>(11,566)</b>	<b>(6,253)</b>	<b>3,395</b>	<b>(3,527)</b>
Net Investment Income / (Loss)	924	1,832	1,358	726	264
<b>Net Increase / (Decrease)</b>	<b>(7,259)</b>	<b>(9,734)</b>	<b>(4,895)</b>	<b>4,121</b>	<b>(3,263)</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 10,360</b>	<b>\$ 17,619</b>	<b>\$ 27,353</b>	<b>\$ 32,248</b>	<b>\$ 28,127</b>

# Local Public Safety Pension Relief Fund, continued

## Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)

	2015	2014	2013	2012	2011
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 15,073</b>	<b>\$ 32,375</b>	<b>\$ 13,890</b>	<b>\$ 48,172</b>	<b>\$ 91,050</b>
<b>Contributions / (Benefits and Expenses)</b>					
Nonemployer Contributing Entity	234,543	202,437	238,588	190,047	176,908
Total Contributions and Other	234,543	202,437	238,588	190,047	176,908
Special Death Benefits	(600)	(300)	(300)	(150)	(450)
Distributions of Custodial Funds	(217,663)	(219,440)	(219,814)	(224,220)	(219,425)
Administrative Expenses	(30)	(48)	(57)	(35)	(70)
Miscellaneous Expenses	—	—	—	—	—
Total Benefits and Expenses	(218,293)	(219,788)	(220,171)	(224,405)	(219,945)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>16,250</b>	<b>(17,351)</b>	<b>18,417</b>	<b>(34,358)</b>	<b>(43,037)</b>
Net Investment Income / (Loss)	67	49	68	76	159
<b>Net Increase / (Decrease)</b>	<b>16,317</b>	<b>(17,302)</b>	<b>18,485</b>	<b>(34,282)</b>	<b>(42,878)</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 31,390</b>	<b>\$ 15,073</b>	<b>\$ 32,375</b>	<b>\$ 13,890</b>	<b>\$ 48,172</b>

# Local Public Safety Pension Relief Fund, continued

## Schedule of Average Death Benefit Payments <sup>1</sup>

<u>For the Year Ended June 30, 2020 <sup>2</sup></u>		<u>For the Year Ended June 30, 2015</u>	
Average Death Benefit	N/A	Average Death Benefit	\$ 150,000
Number of Benefit Recipients	N/A	Number of Benefit Recipients	4
<u>For the Year Ended June 30, 2019 <sup>2</sup></u>		<u>For the Year Ended June 30, 2014</u>	
Average Death Benefit	N/A	Average Death Benefit	\$ 150,000
Number of Benefit Recipients	N/A	Number of Benefit Recipients	2
<u>For the Year Ended June 30, 2018 <sup>2</sup></u>		<u>For the Year Ended June 30, 2013</u>	
Average Death Benefit	N/A	Average Death Benefit	\$ 150,000
Number of Benefit Recipients	N/A	Number of Benefit Recipients	2
<u>For the Year Ended June 30, 2017</u>		<u>For the Year Ended June 30, 2012</u>	
Average Death Benefit	\$ 150,000	Average Death Benefit	\$ 150,000
Number of Benefit Recipients	2	Number of Benefit Recipients	1
<u>For the Year Ended June 30, 2016</u>		<u>For the Year Ended June 30, 2011</u>	
Average Death Benefit	\$ —	Average Death Benefit	\$ 150,000
Number of Benefit Recipients	—	Number of Benefit Recipients	3

<sup>1</sup> 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).

<sup>2</sup> Effective July 1, 2017 the death benefit was combined into the Special Death Benefit Fund.

**Number of Death Benefit Recipients**

