**PERF MY CHOICE PLAN INFORMATION FOR EMPLOYERS**

### Who can offer the My Choice: Retirement Savings Plan?

Effective July 1, 2016, the My Choice: Retirement Savings Plan became an option for PERF local units known as political subdivisions (PSDs). This means that PSDs are able to offer the following plans:

- My Choice: Retirement Savings Plan,
- PERF Hybrid plan, or
- My Choice: Retirement Savings Plan and PERF Hybrid plan.

PSDs may choose their default plan for new employees. PERF Hybrid is the default if the PSD does not choose a default.

### What are the benefits of the plan?

- Employers have more control over contribution rates, which may help to control costs.
- Employees have a shorter vesting period and greater portability.

### Contribution to the plan

1. **Mandatory contributions for this plan**
   The mandatory 3 percent of gross wages may be paid by the:
   - employer,
   - employee, or
   - shared by the employer and employee.

2. **Additional employee contributions**
   Employees may be able to make additional (voluntary) contributions if this option is included in their employer’s resolution.
   - The maximum amount that an employee can contribute is 10 percent of gross wages.
   - The employer may choose to match 0 percent OR 50 percent of employee contributions.

3. **Normal cost**
   Effective Jan. 1, 2019 through Dec. 31, 2019, the normal cost of 4.2 percent is part of the rate employers will pay into the PERF Hybrid Plan. They can pay from 0 percent to 4.2 percent into an employee’s My Choice: Retirement Savings Plan. Effective Jan. 1, 2020, the normal cost will be 3.8 percent.

4. **Supplemental rate**
   The supplemental rate funds the unfunded liability in the PERF Hybrid plan. Employers pay this amount to INPRS, not the employee’s My Choice: Retirement Savings Plan account.
   - The current supplemental rate is 7.0 percent. Beginning Jan. 1, 2020, the supplemental rate will be 7.4 percent.

### Will the supplemental rate apply to new employers?

New employers who have never offered PERF, but who choose to offer only the My Choice: Retirement Savings Plan will not have to pay the supplemental rate.
Can political subdivisions offer other plans to their employees?

- Political subdivisions may not offer any alternative plans to PERF unless they did so before enrollment in PERF.
- Supplemental plans are allowed (e.g., 457(b)) if in addition to PERF participation.

When can employers submit a resolution for enrollment?

Employers may submit a resolution adopting the My Choice: Retirement Savings Plan during two annual enrollment periods. The deadlines are:

- May 31 for July 1 enrollment, and
- Nov. 30 for Jan. 1 enrollment.

FOR YOUR BENEFIT

This handout is an overview of PERF’s provisions for the My Choice: Retirement Savings Plan expansion for employers. More information is available at www.inprs.in.gov. If you have questions, please contact the Employer Pension Plan Administration (EPPA) team at (888) 876-2707.

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