



# RETIREE NEWS

INDIANA PUBLIC RETIREMENT SYSTEM

Spring 2020

## The impact of the CARES Act on your INPRS account

**I**F you still have a defined contribution account (formerly referred to as your annuity savings account or ASA) with INPRS, the recently-enacted CARES Act has some provisions about retirement accounts you should be familiar with.

If you received an RMD in 2020, you may be eligible to reinvest the distribution and avoid taxes on your RMD due to the recently-passed CARES Act. These distributions can be reinvested into a qualified account but may not be returned to your INPRS account due to INPRS's existing provisions. Visit our website at [www.in.gov/inprs/spring2020retireenews.htm](http://www.in.gov/inprs/spring2020retireenews.htm) for more information.

## Changing your pension beneficiary may change your monthly pension benefit

Sometimes, life may force you to change the survivor beneficiary on your INPRS pension. Other times, you just may want to change your survivor beneficiary to another individual. No matter the reason, changing your survivor beneficiary is an important decision that you should not take lightly. Any change to your survivor beneficiary will initiate a process at INPRS, where our team will re-evaluate your guaranteed monthly pension payment as it relates to your new beneficiary. This detail is important to understand because, often, a change in survivor beneficiary reduces your monthly pension amount. Typically, this reduction in benefit is driven by the age of your new beneficiary. If you replace an older beneficiary with a younger beneficiary, the likelihood that INPRS will need to pay your new beneficiary for a longer period of time increases, based on actuarial calculations.

After you have retired, changing your beneficiary on your online account will have no effect on your pension beneficiary. You must make the change to your pension beneficiary through INPRS using the form at [forms.in.gov/Download.aspx?id=5586](http://forms.in.gov/Download.aspx?id=5586). If you do change your beneficiary online and you are already retired, that change will only apply to your active defined contribution balance.

Each situation is unique, and you can get an estimate before you make an income-altering decision. To request an estimate, please call us at (844) GO-INPRS or go to [forms.in.gov/Download.aspx?id=8298](http://forms.in.gov/Download.aspx?id=8298) to complete the estimate request form. If you're ready to make this change, visit our website, select "Forms" from the dropdown menu, and select your fund.

## Legislative Updates

Changes made during the 2020 Legislative Session are effective soon. Visit [www.in.gov/inprs/2691.htm](http://www.in.gov/inprs/2691.htm) for a brief summary of the changes.

For all INPRS retired members



# Making sense of market movement

Depending on what your retirement looks like, market movement may have you wondering how changes in the stock market could impact your retirement income. While these market changes are concerning, please know that INPRS's defined benefit (DB) investments are diversified and designed to target a long-term 6.75 percent return over 30 years.

- As part of that diversification, INPRS's target investment allocation to public equities (the stock market) is just 22 percent.
- Events like the recent market swings are precisely why we are so diversified.

Here's some information to help you understand how you may, or may not, be impacted:

**Your INPRS pension** – Your INPRS pension is a guaranteed lifetime benefit. You can count on this monthly payment arriving to you in full, for life.\*

**Your INPRS-provided annuity** – Your INPRS annuity is also a lifetime benefit and will be paid to you at the same amount, for the entirety of your life.

**Your MetLife provided annuity** – If you purchased an annuity from our annuity provider, MetLife, rest assured that your income payments are fully guaranteed and unaffected by swings in the stock market. Immediate annuities are not investment products; they are insurance products designed to protect retirement savings and provide you with the peace of mind that your income is secure in retirement.

**Your Social Security benefit** – Your Social Security benefit is a lifetime benefit, paid at the same amount, for life.

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Stay updated on how INPRS is continuing to support you and other retirees. Visit our website at <https://bit.ly/getINPRStacts> for details.

## ... market movement, continued

**Your INPRS defined contribution (DC) account** – If you still have a DC account with INPRS, this amount is invested based on your selections. Your investments will be impacted by market fluctuations, both positive and negative.

**Your annuity provided by another institution** – Generally, annuities are lifetime monthly income products. Check with your issuer on your specific annuity details.

**Your outside investments** – Investment accounts from other employers and other independent investment accounts may be subject to market conditions. INPRS recommends you consult your trusted financial advisor to ensure all of your investments are in alignment with your unique financial strategy.

*\*Some exceptions include: if you change your beneficiary, you may have your pension amount adjusted. Additionally, if you've selected Social Security integration, your pension amount may be reduced or eliminated. If this is your situation, you would have agreed to these terms prior to accepting the benefit. If you have questions about your specific INPRS pension benefit, please contact us.*

## Important info for those receiving paper checks from INPRS

Soon, paper checks will no longer be an option for your monthly benefit. Your options will be direct deposit into your bank account or into your INPRS-issued stored value card. Please decide which option you'd like now. We encourage you to sign up for direct deposit today. Log on to your account at [www.myINPRSretirement.org](http://www.myINPRSretirement.org).

Phone: (844) GO-INPRS | Web: [www.inprs.in.gov](http://www.inprs.in.gov) | Email: [questions@inprs.in.gov](mailto:questions@inprs.in.gov)

Every attempt has been made to verify that the information in this newsletter is correct and up-to-date. Published content does not constitute legal advice. If a conflict arises between information in this publication and the law, the applicable law shall apply.

*The Indiana Public Retirement System (INPRS) is a trust and an independent body, corporate and politic. INPRS is not a department or agency of the state of Indiana, but is an independent instrumentality exercising essential government functions. (Indiana Code 5-10.5-2-3)*