

2026 RMBA Election Options for Active State of Indiana Employees

Most State employees will be eligible to make a one-time, irrevocable election^{*} regarding their Retirement Medical Benefits Account (RMBA) participation during the 2026 Open Enrollment period that can impact their retirement and financial planning.

The RMBA is a health reimbursement account for medical, dental, vision, and long-term care insurance premiums available to qualifying state employees who are eligible for a normal, unreduced, or disability retirement on their last day of employment in an eligible position. **The RMBA was discontinued for State employees hired after March 14, 2026.**

- ▶ **Public Law 104 requires that the RMBA end on December 31, 2026, and the 2027 RMBA to be established by January 1, 2027.**
- ▶ **State employees that had 15 years of applicable service or were an elected official with at least 10 years of service and were eligible for full retirement as of June 30, 2017, will automatically be enrolled in the new 2027 RMBA.**
- ▶ **All other State employees eligible to make an election will be required to choose between two options during the 2026 Open Enrollment period. Read on to learn about the options.**

Make an Election

Receive One-Time, Non-Matching Employer Contribution to Hoosier START401(a)

- One-time, non-matching employer contribution will be equivalent to your RMBA contributions.
- This will end your RMBA participation.
- Interest earnings are excluded.
- You will be immediately vested in the contribution.

 This is the default if no election is made.

Participate in the 2027 RMBA

- Your entire RMBA balance including earnings will be transferred to the new 2027 RMBA.
- You will continue to receive annual contributions per plan rules.
- The 2027 RMBA balance is eligible for earnings.
- The 2027 RMBA will have the same requirements for participants as the original RMBA.

How to Make an Election

- ✓ All active RMBA participants eligible to make an election will be assigned a learning assignment through SuccessFactors during the State's 2026 Open Enrollment period.
- ✓ Submit your election through SuccessFactors by the listed due date and time.
- ✓ No access to SuccessFactors? You will be provided a paper form.

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^{*} The election referred to throughout this document is your decision to waive any and all rights to your RMBA account. If you elect to waive your participation in, and any rights to receive benefits under, the RMBA account, you will become eligible for a one-time, non-matching employer contribution to the Hoosier START 401(a) plan, as described within. **The one-time, non-matching employer contribution referred throughout may be reduced to comply with requirements imposed by the Tax Code.** In the event of a discrepancy between information in this handout and the laws of the State of Indiana, the applicable law shall apply.



Compare Key Differences

Receive One-Time, Non-Matching Employer Contribution to Hoosier START 401(a)	Important Considerations	Participate in 2027 RMBA
Contributions are pre-tax. Funds are subject to income tax rules.	Taxes	Contributions are not taxable, and reimbursements for healthcare insurance premiums are tax-free.
You receive a one-time, non-matching employer contribution, and will manage your investment allocations through Hoosier START.	Growth Potential	You receive annual contributions. INPRS directs investments.
The funds in Hoosier START are yours, even when you leave State employment.	Portability	If you leave State employment before you're eligible to retire, RMBA funds are forfeited.
You may name beneficiary(ies). When you pass away, the funds will follow your direction.	Beneficiaries	A qualifying dependent may use RMBA for healthcare insurance premiums. When they die, RMBA is forfeited. No dependents? Any remaining RMBA funds are forfeited upon your death.
Use for any purpose upon withdrawal.	Uses	Use for healthcare insurance premiums only.

Resources

RMBA Information: bit.ly/inprsrmba

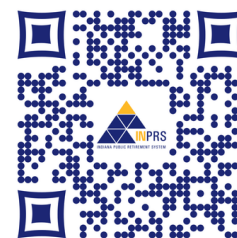
Schedule RMBA Education:

bit.ly/BookWithINPRS

Call INPRS: (844)464-6777

Hoosier START: bit.ly/hoosierstart

Scan the QR code or visit the URL to access "Your RMBA Balance" database, a simple & secure tool where you can check your contributions & earnings.



An Example Scenario

Nora is 40. She's worked for the State for 13 years, beginning her RMBA-eligible job in 2013. As of July 2026, she has received \$10,100 in contributions. She has also received \$854.47 in interest earnings, making her total RMBA balance as of July 2026 \$10,954.47.

If she elects the 2027 RMBA,

- ▶ and continues to work for the State until she becomes retirement eligible, she will continue to receive annual contributions. After retirement, Nora can use the balance to pay for health insurance premiums in retirement.
- ▶ However, if Nora decides to leave State employment before she reaches retirement eligibility, she will forfeit the entirety of her 2027 RMBA balance, including annual contributions and earnings. ⚠️

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If she elects to waive her RMBA participation and receive a one-time, non-matching employer contribution of \$10,100 to her Hoosier START 401(a) in early 2027,

- ▶ it can be invested per her direction within the fund menu.
- ▶ If she leaves State employment after January 1, 2027 and before reaching retirement eligibility, she will retain ownership of the funds in her Hoosier START 401(a), including the one-time, non-matching employer contribution.
- ▶ If she leaves State employment before January 1, 2027, as she is not eligible to retire, she will forfeit her election to receive a one-time, non-matching employer contribution to Hoosier Start 401(a) and will forfeit the balance of her RMBA. ⚠️

