

## Congratulations on your new position!

You are now a member of the Indiana Public Retirement System's (INPRS) Teachers' Retirement Fund (TRF) and have some choices to make regarding your retirement benefits. We have provided some important information to make your selections as easy as possible.

You have an option between two benefit plans: the **TRF Hybrid Plan** and the **My Choice: Retirement Savings Plan**. The TRF Hybrid plan consists of two parts – a Defined Contribution (DC) Account and a Defined Benefit (DB). The TRF My Choice: Retirement Savings Plan is a Defined Contribution (DC) Account, which you can invest while working and use to purchase an annuity for lifelong retirement income. From your start date, you have 60 days to select your preferred plan. If you do not decide within 60 days, you will default into the TRF Hybrid Retirement Plan. Once you have made a choice or defaulted, you cannot change plans.

You may also want to review the “Which option is best for you?” side by side comparison in this enrollment package. For more information on DC accounts, watch our “What is a Defined Contribution (DC) Account?” video at <http://bit.ly/whatisINPRSDC>.

As you are looking over which plan is right for you, be sure to think about your investment options. From day one, *the money in your DC is yours to control*. Take our award-winning Investing 101 course at <http://bit.ly/INPRSInvesting101> to learn more about investing and find out what kind of investments match up with your goals.

In the coming weeks, you will receive your account login information in the mail. You will need this information in order to log on to your INPRS account and select your plan. When you log on, be sure to provide your email address and select the electronic communication option. This will allow you to receive our quarterly newsletters, account statements and other important information electronically.

We encourage you to look at all your retirement plan options before making a decision. If you have any unanswered questions after reviewing this information, please contact us at (844) GO-INPRS or (844) 464-6777 Monday through Friday from 8 a.m. to 8 p.m. EST.

Please follow us on social media to stay informed on what's new at INPRS. We're on [Facebook](#), [Twitter](#), [Instagram](#), [LinkedIn](#) and [YouTube](#).

*Again, congratulations on your new position and welcome to INPRS!*



# Which option is right for you? For TRF Members

As a new employee entering into TRF-covered employment, you have 60 days from your start date to choose between two retirement options. You will receive a PIN number in the mail with instructions on how to access your online account in order to make an election. If you do not make a choice within the 60 day election window, you will default to the TRF Hybrid plan. Your plan selection is irrevocable, regardless of whether you choose between the two options or default.

Plan Type	TRF Hybrid Plan Defined Benefit (DB) and Defined Contribution Account (DC)	My Choice: Retirement Savings Plan
Election	Default option if no election is made in 60 days	60 days to choose this plan
Contributions	DC (employee share): Fixed 3% of gross wages/May elect to make post-tax voluntary contributions not to exceed 10 percent of gross wages (100% vested from date of hire)	
	5.5% towards DB – effective July 1, 2020 to June 30, 2021* (employer share – funds the pension benefit obligations of the employer)	5.3% crediting rate– effective July 1, 2020 to June 30, 2021* (employer share toward DC account, requires vesting)
Vesting	For fixed DC contributions of 3% of gross wages: 100% vesting from date of hire	
	DB: 10 years of service	Variable DC percent: 20 percent vesting increases for every full year of participation up to 5 years
Benefit Eligible	For fixed contributions toward DC of 3% of gross wages (employee share): Available upon separation of employment subject to limitations.	
	DB: Available upon separation of employment and age and service requirements: <ul style="list-style-type: none"> <li>■ age 50 to 59 and 15 years of service (early retirement with reduced benefits)</li> <li>■ age 55 and 30 years of service</li> <li>■ age 60 and 15 years of service</li> <li>■ age 65 and 10 years of service</li> <li>■ age 70 and 20 years of service**</li> </ul>	Variable percent: Employer share available upon separation of employment and based on full years of participation: <ul style="list-style-type: none"> <li>1 year = 20%</li> <li>2 years = 40%</li> <li>3 years = 60%</li> <li>4 years = 80%</li> <li>5 years = 100%</li> </ul>
Retirement Options	DB is a lifetime retirement benefit that can be taken by itself. The DC is available as a lump sum, a direct rollover to another plan or used to purchase a lifetime monthly annuity.	Vested portion of account balance available as a lump sum, partial withdraw, or direct rollover or can be used to purchase a lifetime monthly annuity (minimum account balance required).

\*Regardless of the set annual rate, the TRF Hybrid defined benefit amount is an average of annual compensation based on 20 quarters, years of service and a multiplier of 1.1 percent. This rate is a variable percentage set annually by the INPRS board. Contribution amounts covering unfunded pension liability are not made to My Choice: Retirement Savings Plan accounts. For more information on employer contribution rates, visit [www.in.gov/inprs/ercontributionrates.htm](http://www.in.gov/inprs/ercontributionrates.htm).

\*\*See the Teachers' Retirement Fund Member Handbook.



## TRF AT A GLANCE

### Contributions

Mandatory 3 percent employee share of gross wages paid by employer.

Employer crediting rate portion of employer share is 5.5 percent. Members must meet vesting requirements.<sup>1, 2</sup>

#### Voluntary Contributions

- Employee may do direct rollovers from qualified plans

#### Voluntary Contributions, continued

- Employee can elect up to 10 percent of gross wages to contribute additional money
- Employee's voluntary contributions are post-tax.

The employee share is fully vested upon hire.

### Vesting

The employer share is based on full years of participation:

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

### Eligibility for Plan Participation

You must be a new TRF member entering into TRF-covered employment on or after July 1, 2019. You will be able to choose membership in either the Hybrid or My Choice: Retirement Savings Plan.<sup>3</sup>

### Eligibility for Disability Benefit Payment

- Qualified for Social Security disability benefits and furnished proof of qualification
- Received a salary from a position covered by the My Choice: Retirement Savings Plan within 30 days of social security eligibility date
- Vested in employer share beginning at one year of participation

After demonstrating disability, member can withdraw funds.

Withdrawal is limited to the vested portion of the employee's account balance with this option.

### Investment Options

Members direct their investments in a combination of any of eight funds (see list below). The default investment fund is the target date fund based on a member's estimated retirement date.

- Money Market Fund
- Fixed Income Fund

- Large Cap Equity Index Fund
- Small/Mid Cap Equity Fund
- International Equity Fund
- Inflation-Linked Fixed Income Fund
- Stable Value Fund
- Target Date Funds

<sup>1</sup>My Choice: Retirement Savings Plan employer contribution rates are effective July 1, 2020 to June 30, 2021.

<sup>2</sup>Contribution amounts covering unfunded pension liability are not made to My Choice: Retirement Savings Plan accounts.

<sup>3</sup>More information is available in the TRF My Choice: Retirement Savings Plan Handbook.



## TRF AT A GLANCE

### Account Information

Daily valuation allows members to manage their Defined Contribution Account investments on a daily basis.

### Withdrawals Before Retirement

Members who are actively employed in a covered position may not withdraw the account balance.

Members can withdraw their rollover account balance at any time.

Members who have demonstrated disability can withdraw the vested amount of their account balance.

#### Available only when disabled or separated from service

- May leave account invested in TRF, or receive a distribution
- Rollover to qualified plan or other eligible retirement account
- No loans

### Income and Options at Retirement

Members who meet the age and minimum balance requirements must make their distribution elections on the retirement application.

#### Choices determine payments

- May defer payment until April following age 72, if you are not actively employed in a covered position.
- May choose lump sum, partial withdrawal or rollover distribution
- Members who have reached age 62 may choose monthly payment for annuity
- Amount of distribution determined by account balance, taxes withheld, and distribution option chosen

### Beneficiaries/ Spousal survivors

#### Payment

- After death of a member, designated beneficiary(ies), or the estate if there are no designated beneficiaries, receives the vested portion of the member's account balance.

#### Balance payment

- Receives total accumulated amount after death of member.

## FOR YOUR BENEFIT

This handout is an overview of the TRF My Choice: Retirement Savings Plan provisions. Complete details of the plan's provisions are available in the current member handbook. You may read it or print your own copy from the INPRS website at [www.inprs.in.gov](http://www.inprs.in.gov). You may also request a copy in writing or by calling our toll-free number, (844) GO-INPRS.

Keep your information current. Report any changes in your name, address or beneficiary choices directly to INPRS. This is NOT something your employer can do for you. To change your beneficiary, name or address information, log on to your online member account by visiting [myINPRSretirement.org](http://myINPRSretirement.org).

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