



LEGISLATORS' SYSTEM AT A GLANCE

LEGISLATORS' RETIREMENT SYSTEM

The Legislators' Defined Contribution Plan (LE DC)

Member Participation

The Legislators' Retirement System (LRS) was designed especially for the needs of State legislators. The LRS includes a Defined Benefit (LE DB) Plan and a Defined Contribution (LE DC) Plan.

The LE DC Plan applies only to legislators who:

- Were elected or appointed **after** April 30, 1989, or
- Were in service on this date and elected to participate in the LE DC, or
- LRS members who served in the General Assembly before April 30, 1989, terminated prior to that date, and then return to service after April 30, 1989.

Contributions

- Employer contributions: determined by multiplying your salary for that year by a percentage decided by the INPRS Board of Trustees and confirmed by the State Budget Agency.
- Member contributions: you must contribute 5% of your salary.
- Transfer contributions from PERF or TRF Hybrid. (On July 1 following the date you become a LE DC member, you can make a one-time irrevocable transfer of your Public Employees' Retirement Fund (PERF) or Teachers' Retirement Fund (TRF) defined contribution balance.)

Withdraw & Distribution Options

Your LE DC account balance may be withdrawn at any time following the separation of service from the General Assembly.

As of January 1, 2021, active members of LE DC can take in-service distributions of their DC account if they are at least age 59½ years of age.

INPRS offers 5 distribution options:

- A. Purchase of an annuity, or
- B. Total account balance paid in equal monthly installments, or
- C. Full distribution of account balance, or
- D. Partial distribution and purchase of an annuity, or
- E. Monthly installments over 60, 120, or 180 months.

Distribution Options for Payment Choices C, D, and E	Taxable Portion	Non-Taxable Portion
	Direct Rollover	Direct Rollover
	Paid directly to member (less withholding)	Paid directly to member
	Partial Rollover	Partial Rollover

For partial rollovers, you must indicate a percentage to be rolled over and the remaining amount is paid to you, less tax withholding.



LEGISLATORS' SYSTEM AT A GLANCE

Loans

You may apply for a loan from your account. The loan must meet all requirements of Treasury Code Section 72(p)(1) and is subject to minimum and maximum limits on amounts. Legislators may not take more than two loans each calendar year. Per 35 IAC 1.2-6-7, the amount of the loans may not exceed the lesser of the following:

- \$50,000
- One half the present value of your account within the plan, or
- Minimum of \$1,000

The loan must be repaid within 5 years, unless the loan is used to acquire a principal residence, and payments must be made at least quarterly.

Loans are subject to default provisions.

Income Tax Consequences

A rollover is a payment of all or part of your benefit to an eligible employer plan or an eligible IRA. Taxes are not paid on the benefit until it is paid to you from the respective plan. If you choose a direct rollover, your payment will not be taxed in the current year and no income tax will be withheld. An “eligible employer plan” includes a plan qualified under section 401(a) of the IRS Code, including:

- A 401(k) plan,
- Profit-sharing plan,
- Defined Benefit Fund,
- Stock bonus plan,
- A money purchase plan, a section 403(a) annuity plan, or a section 403(b) tax-sheltered annuity) or
- An eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

Be sure to check with your plan administrator prior to making the rollover. Even if a plan accepts rollovers, it might not accept certain types of distributions, such as after-tax amounts.

You may want to consult with a professional tax advisor before you elect a payment option from your LE DC account.

Death Benefits

Your account will be paid to your designated beneficiary or beneficiaries on file with INPRS if you die either while a member of the General Assembly, or after ending service without having withdrawn your account from the fund. If there is no beneficiary, or if the beneficiary precedes you in death, the account will be paid to your:

1. Surviving spouse,
2. Surviving dependent(s), if there is no surviving spouse, or,
3. Estate if there is no surviving spouse or surviving dependent.

INPRS offers 4 distribution options to your spouse or surviving dependent(s):

1. Purchase of an annuity, or
2. Total distribution of account balance, or
3. Partial distribution and purchase of an annuity, or
4. Monthly installments over 60 months.

FOR YOUR BENEFIT

This handout is an overview of the Legislators' Defined Contribution. Complete details are available in the Legislators' Defined Contribution [member handbook](#). You may read it and/ or print it from the INPRS website. You may also request a copy in writing or by calling our toll-free number, (844) GO-INPRS or 844-464-6777.

Keep your name, address, and beneficiary choices current. Visit your online account at myINPRSretirement.org to make changes. Without a current address, INPRS can't reach you when you may be retirement eligible. INPRS can pay death benefits to designated beneficiaries on file. Don't let death benefits go to the wrong person.

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 the information contained in this publication and the law, the applicable law shall apply.