Effective July 1, 2016, the My Choice: Retirement Savings Plan will be an option for PERF local units known as political subdivisions (PSDs). This means that PSDs will be 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 will be able to choose their default plan for new employees. PERF Hybrid will be the default if the PSD does not choose a default.

Who can offer the My Choice: Retirement Savings Plan?

What are the benefits of the plan?

- Employers will have more control over contribution rates, which may help to control costs.
- Employees will 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.

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.

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.

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.

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.