

Congratulations on your new position!

As a full-time public employee, you are now a member of the Indiana Public Retirement System's (INPRS) Public Employees' Retirement Fund (PERF) 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 **PERF Hybrid plan** and the **My Choice: Retirement Savings Plan**. The PERF Hybrid plan consists of two parts – a Defined Contribution (DC) Account and a Defined Benefit. The 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 plan of your employers' choosing. To review the contributions your employer makes to your retirement plan and which default option your employer has selected, go to the Retirement Savings Plan fact sheet on [page five](#). Once you have made a choice or default, you cannot change it. The Retirement Savings Plan quiz on [page six](#) may help you decide which plan is best for you.

You may also want to review the "Which option is best for you?" side by side comparison of the two plans on [page seven](#). For more information on annuities, 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.

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 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 at www.facebook.com/INPRS, Twitter at www.twitter.com/INPRS, Instagram at www.instagram.com/indianapublicretirement, LinkedIn at www.linkedin.com/company/indiana-public-retirement-system, and YouTube at www.youtube.com/inprs.

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



PERF AT A GLANCE

FOR LOCAL GOVERNMENT EMPLOYEES

Eligibility for Plan Participation

You must be a new employee entering into a PERF-covered position. You will be able to choose membership in either the Hybrid or My Choice: Retirement Savings Plan if both plans are offered.

Vesting

Members are fully vested in their member contributions (employee share) upon hire.

The member must meet vesting requirements for employer share.

The vesting schedule for the employer share is based on full years of participation:

1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

Contributions

Mandatory 3% of gross wages paid by:

- Employer,
- employee, or
- shared by the employer and employee.

The employer share rate of DC is 0 to 4.4% through Dec. 31, 2024.

Effective Jan. 1, 2025, and through Dec. 31, 2025, the employer share rate will be 0 to 4.2%

Voluntary Contributions:

- Member can make a direct rollover from a qualified plan.
- Member can make additional post-tax contributions.

Investment Options

The default investment fund is the target date fund based on a member's estimated retirement date.

Members can make daily changes to their investment allocations.

Members can choose from 8 funds:

- Stable Value Fund
- Money Market Fund
- Fixed Income Fund
- Inflation-Linked Fixed Income Fund
- Large Cap Equity Index Fund
- International Equity Fund
- Target Date Funds

Eligibility for Disability Benefit

- Qualified for Social Security disability benefits and provided proof of qualification.
- Received a salary from a My Choice covered position within 30 days of the termination date.
- Minimum of 1 year of participation credit.

- Automatic eligibility to withdraw balance if receiving a disability benefit.
- Withdrawal is limited to the vested portion of the member's account balance.



PERF AT A GLANCE FOR LOCAL GOVERNMENT EMPLOYEES

Members who are **not** separated from employment may withdraw their DC account if the member is at least age 62 and has a minimum 5 years of participation credit.

Members who are disabled or with a rollover account balance are eligible to withdraw all or part of their DC balance.

Withdrawals

Members who are disabled or separated from employment:

- may leave the DC account invested in INPRS or receive a distribution, or
- may roll over the DC account to a qualified plan or other eligible retirement accounts.

With the disability option, the employer share withdrawal is limited to the vested portion of the member's balance.

Options at Retirement

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

The amount of distribution is determined by account balance, taxes withheld, and distribution option chosen.

Member chooses the form of payment.

- May defer payment until RMD (required minimum distribution) age
- May choose direct payment or rollover distribution
- May choose a partial withdrawal
- May choose a partial withdrawal with deferment until RMD age
- May choose to split DC and/or rollover pre-tax contribution balance
- May choose systematic withdrawal

Beneficiaries

If a member dies (1) while employed in a covered position but not in the line of duty; or (2) after terminating employment in a position covered by the plan but before withdrawing the member's account; to the extent that the member is vested, the member's account shall be paid to the beneficiary or beneficiaries designated by the member and on file with INPRS.

If the member fails to designate a beneficiary, or the beneficiary pre-deceases the member, the member's assets automatically pass to:

1. the surviving spouse,
2. surviving dependents in equal shares if there is no surviving spouse,
3. the member's estate.

The designated beneficiary or beneficiaries or a survivor (as determined herein) may elect to have the member's account paid as:

- a lump sum; or
- a direct rollover to another eligible retirement plan; or
- an annuity if the account balance is at least \$5,000 (for MetLife annuity) and the beneficiary or spouse is at least 62 years old; or
- installment payments for up to 5 years.

A death benefit may be forfeited if no person entitled to the benefit claims it within 3 years after the member's death.

FOR YOUR BENEFIT

This handout is an overview of the PERF My Choice: Retirement Savings plan provisions for local government employees. Complete details are available in the member handbook. You may read it or print your own copy 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 6 months of retroactive pension benefits only. 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.



PERF Hybrid Plan or My Choice: Retirement Savings Plan?

As a new PERF employee, you have a choice between the PERF Hybrid plan or the My Choice: Retirement Savings Plan. You have 60 days from your start date to select your preferred plan. A big decision like this should be considered carefully based on your retirement goals. Your decision is irrevocable. Although the plans are similar, there are a few distinct differences. If you don't know where to start, take this short quiz to see which path may be best for you.

For more information about your options, visit www.in.gov/inprs/hybridvsmchoice.htm.

	YES	NO
Do you plan to spend your working career in a PERF-covered position?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want to be solely responsible for your retirement account?	<input type="checkbox"/>	<input type="checkbox"/>
Which is more important to you?	A guaranteed lifetime monthly retirement benefit based on salary and years worked <input type="checkbox"/>	A lump sum payout or monthly annuity based on contributions and investment earnings <input type="checkbox"/>
Do you plan to work until full retirement age?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want to be eligible for a reduced retirement benefit (i.e. retire at a younger age with specific age and service requirements)?	<input type="checkbox"/>	<input type="checkbox"/>

HOW DID YOU DO?

More yes than no? The PERF Hybrid plan may be the right choice for you.

More no than yes? The My Choice: Retirement Savings Plan may be the one for you.

To ensure you're making the best choice, review the resources for both plans before you make your election.

The results of this interactive tool are offered as suggestions only and not a formula for determining your actual selection of the PERF Hybrid plan or My Choice: Retirement Savings Plan. You should evaluate your short and long-term goals and carefully review all information related to both the PERF Hybrid plan and My Choice: Retirement Savings Plan before making an election decision. You may even wish to speak to a financial advisor about how each option would impact you long term. Your decision is irrevocable.



Which option is right for you?

For Local Government Employees

As a new employee entering PERF-covered employment, you may have a choice between two retirement plan options. Your employer can confirm if this choice is available to you. You will receive a PIN number with instructions on how to access your online account to make an election. If you do not make a choice, you will default to the plan your employer chooses. Your choice, or default is irrevocable. For more information about your options, visit www.in.gov/inprs/hybridvsmychoice.htm.

Plan Type	PERF Hybrid Plan Defined Contribution (DC) Account and Defined Benefit (DB)	My Choice: Retirement Savings Plan
Election	60 days to choose this plan	60 days to choose this plan
Contributions	Member contributions are a fixed, mandatory 3% of gross wages/ May elect to make post-tax voluntary contributions not to exceed 10 percent of gross wages ¹	Member contributions are a fixed, mandatory 3% of gross wages/ May elect to make post-tax voluntary contributions not to exceed 10 percent of gross wages ¹
	Employer contributions fund the DB at an actuarially determined rate and are separate from the fixed 3% of gross wages contributed to DC accounts ²	Normal cost employer contribution rate ranges from 0-4.2% effective Jan. 1, 2025, through Dec. 31, 2025, for participating employers.
Vesting	For mandatory contributions (3% of gross wages): 100% vesting from date of hire	
	DB: 10 years of service	Employer Contribution: 20% vesting increase for every full year of participation up to 5 years
Benefit Eligibility	DB: Available upon separation of employment and age and service requirements: <ul style="list-style-type: none"> age 50 to 59 with 15 years of service age 55 with 30 years of service (Rule of 85) age 60 with 15 years of service age 65 with 10 years of service age 65 with 20 years of service³ 	Employer Contribution: Available upon separation of employment and based on full years of participation: <ul style="list-style-type: none"> 1 year = 20% 2 years = 40% 3 years = 60% 4 years = 80% 5 years = 100%
Retirement Options	DB is a lifetime monthly retirement benefit that can be taken by itself. The DC account is available as a lump sum, a partial or systematic withdraw, a direct rollover to another plan, or a lifetime monthly annuity (minimum account balance required).	Available as a lump sum, partial or systematic withdraw, direct rollover, or a lifetime monthly annuity (minimum account balance required).
Disability	Payment of retirement benefit if disabled by Social Security Administration and have at least 5 years of service.	Full withdrawal of 3% mandatory contributions and vested percentage of employer contribution.

¹Voluntary post-tax contributions election is available immediately.

²For more information on employer contribution rates, visit <https://www.in.gov/inprs/employers/er-contribution-rate-info/>.

³See Millie Morgan information in the Public Employees' Retirement Fund Member Handbook.