

# 2025

For the Fiscal Year Ended  
June 30, 2025



INDIANA PUBLIC RETIREMENT SYSTEM



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

Prepared by INPRS's Finance Department in coordination with staff from other departments. Available online at [www.in.gov/inprs](http://www.in.gov/inprs)

*The Indiana Public Retirement System is a component unit and a pension trust fund of the State of Indiana.*

# 2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

INPRS is a component unit and a pension trust fund of the State of Indiana.

INPRS is a trust and an independent body corporate and politic. The system is not a department or agency of the state, but is an independent instrumentality exercising essential governmental functions (IC 5-10.5-2-3).

## **FUNDS MANAGED BY INPRS**

### **Defined Benefit**

1. Public Employees' Defined Benefit Account
2. Teachers' Pre-1996 Defined Benefit Account
3. Teachers' 1996 Defined Benefit Account
4. 1977 Police Officers' and Firefighters' Retirement Fund
5. Judges' Retirement System
6. Excise, Gaming and Conservation Officers' Retirement Fund
7. Prosecuting Attorneys' Retirement Fund
8. Legislators' Defined Benefit Fund

### **Defined Contribution**

9. Public Employees' Defined Contribution Account
10. My Choice: Retirement Savings Plan for Public Employees
11. Teachers' Defined Contribution Account
12. My Choice: Retirement Savings Plan for Teachers
13. Legislators' Defined Contribution Fund

### **Other Post Employment Benefit**

14. Special Death Benefit Fund
15. Retirement Medical Benefits Account Plan

### **Custodial**

16. Local Public Safety Pension Relief Fund

## **ABBREVIATIONS USED**

### **DB Fund**

- PERF DB  
TRF Pre-'96 DB  
TRF '96 DB  
1977 Fund  
JRS  
EG&C  
PARF  
LE DB

### **DC Fund**

- PERF DC  
PMCH  
TRF DC  
TMCH  
LE DC

### **OPEB Fund**

- SDBF  
RMBA

### **Custodial Fund**

- LPSPR

### **Contact Information**

Indiana Public Retirement System  
One North Capital, Suite 001  
Indianapolis, IN, 46204  
Toll Free (844) GO - INPRS  
[www.in.gov/inprs](http://www.in.gov/inprs) | [questions@inprs.in.gov](mailto:questions@inprs.in.gov)



# 2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

## Introductory Section

- [8](#) About INPRS
- [9](#) INPRS Believes
- [10](#) Letter of Transmittal
- [13](#) Professional Awards
- [14](#) Governance and Administrative Organization

### Vision

Engaged members able to realize their retirement dreams.

### Mission

As fiduciaries, educate stakeholders, collect necessary contributions, and prudently manage member assets to deliver promised DB and DC benefits and services.

**553,534**

Members

**1,340**

Participating employers

**\$54.9 Billion**

Total fund fair value

**85.6% Funded**



## About INPRS

The Indiana Public Retirement System (INPRS) is an independent body corporate and politic of the State of Indiana, which currently consists of 16 funds (eight defined benefit, five defined contribution, two other postemployment benefit, and one custodial). The Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF), the two largest retirement plans offered by the State of Indiana, trace their existence back to the early and middle parts of the 20th Century. TRF was established in 1921 and PERF in 1945. Pursuant to statute, the Indiana General Assembly integrated the management of the two systems in 2011, creating INPRS.

In accordance with Indiana Code (IC) 5-10.5, INPRS is governed by a nine-member Board of Trustees. The Board is composed of:

- One trustee with experience in economics, finance, or investments;
- One trustee with experience in executive management or benefits administration;
- One trustee who is an active or retired member of the 1977 Fund;
- Two trustees who are TRF members with at least 10 years of creditable service;
- One trustee who is a PERF member with at least 10 years of creditable service;
- Director of the Office of Management and Budget, or designee;
- State Comptroller, or nominee;
- Treasurer of State, or nominee.

### Indiana Public Pension Timeline (Calendar Year)

**1915** Locally funded teachers retirement fund established.

**1921** State funded Teachers' Retirement Fund created; a "pay-as-you-go", multiple-employer pension system.

**1945** PERF created; a multiple-employer retirement system with a defined benefit component (DB).

**1953** JRS was created with its own board.

**1955** Annuity Savings Accounts (ASA's) created to supplement PERF DB and TRF DB plans resulting in the nation's first pension systems to adopt a hybrid design.

**1972** EG&C created.

**1977** 1977 Fund created for local police officers and firefighters hired after April 30, 1977.

**1980** LPSPR created to support police and firefighter pension obligations of Indiana's cities and towns for plans under the "Old Funds".

**1983** The 1977 and 1985 Judges' Benefits Fund Systems (now Judges' Retirement System) were created and administered by the PERF board, the 1953 JRS plan was eliminated and members were transferred to the 1977 Judges' Benefits Fund System.

**1989** Legislators' Retirement System created. Participants in the DB plan limited to members serving as of April 30, 1989; otherwise, the plan is Defined Contribution only.

**1990** PARF created. Members must also be members of PERF.

**1996** Closed TRF Pre-'96 to new entrants as of July 1, 1996, and created TRF '96. Also created the Pension Stabilization Fund (PSF) to partially fund TRF Pre-'96.

Amendment to the Indiana Constitution approved allowing funds to invest in equities.

**2011** Indiana General Assembly created the Board of Trustees of INPRS to administer public employee retirement plans.

**2013** ASA Only (now PMCH) plan offered to state employees who joined after February 28, 2013. Default option remains as PERF Hybrid.

**2016** PMCH offered to employees of political subdivisions who join after January 2, 2016. Default option remains as PERF Hybrid.

**2017** State Employees' Death Benefit Fund, Public Safety Officer's Death Benefit Fund, and the "in the line of duty" death benefit from the Local Public Safety Pension Relief Fund assets merged into SDBF.

**2018** ASA's previously reported within the DB Hybrid funds of PERF, TRF Pre-'96, and TRF '96 became segregated and administered as DC plans.

Supplemental Reserve Accounts (SRA's) established for PERF DB, TRF Pre-'96 DB, TRF '96 DB, EG&C, and LE DB to pay postretirement benefit increases after June 30, 2018.

**2019** TMCH offered to new members of TRF.

RMBA was transferred to INPRS for administration.



# INPRS BELIEVES...

**PEOPLE** ARE THE FOUNDATION OF OUR SUCCESS. IT TAKES PEOPLE WITH DIFFERENT BACKGROUNDS, IDEAS, AND STRENGTHS TO BE SUCCESSFUL.



## MODELS OF INTEGRITY

Hold themselves accountable to the highest standards of ethical and professional behavior.



## CONTINUOUS LEARNERS

Eager to improve while having an open mind to feedback and new ideas.



## TEAM PLAYERS

Encourage & support others for the success of the team, breaking down silos & connecting with our shared vision.



## DILIGENT

Well-researched, risk-aware, and transparent.



## CANDID

Believe in direct, respectful, and honest communication.

# SUCCESS IS BUILT UPON...

**Accountability-** *Setting clear expectations for people, roles, and teams and holding ourselves and each other accountable for results.*

**Commitment-** *Dedicated to decisions and action plans.*

**Constructive Conflict-** *Encouraging debate around ideas to arrive at the best solution.*

**Trust-** *Empowering our people to successfully fulfill their duties while providing them with training, support, and mentorship.*

BALANCE IN LIFE IS IMPORTANT. WE STRIVE TO HAVE A FLEXIBLE AND SUPPORTIVE ENVIRONMENT WHILE NOT SACRIFICING SERVICE TO OUR MEMBERS.



November 20, 2025

To the Board of Trustees, Employers, and Members of the Retirement Systems:

On behalf of all management and staff, we are pleased to submit the Annual Comprehensive Financial Report of the Indiana Public Retirement System (INPRS) for the year ended June 30, 2025. We are responsible for the accuracy of the content and the completeness and fairness of the presentation, including disclosures. A narrative overview and analysis to accompany the basic financial statements is presented as Management's Discussion and Analysis (MD&A); which can be found immediately following the Independent Auditor's Report in the Financial Section. This Letter of Transmittal is designed to complement the MD&A.

INPRS, an independent body corporate and politic of the State of Indiana, currently consists of 16 funds. As fiduciaries, our mission is to educate stakeholders, collect necessary contributions, and prudently manage member assets to deliver promised defined benefits and defined contribution benefits and services.

### **INPRS's Vision and Mission Inspire Us to Deliver and Serve**

Since the formation of INPRS in 2011, our Vision Statement has served as the guiding inspiration for our success. This statement provides direction and describes what our organization wants to achieve in the future. Our vision at INPRS remains the same - Engaged members able to realize their retirement dreams.

In support of our Vision Statement, the Mission Statement reflects a concise explanation of INPRS's reason for existence. This statement describes our purpose and overall intention in our role as a fiduciary. Our top priority is to keep our promise of a secure pension benefit for our members – We are trusted to pay. As fiduciaries, we educate stakeholders, collect necessary contributions, and prudently manage member assets to deliver promised defined benefit (DB) and defined contribution (DC) benefits and services.

Year-over-year, the INPRS team continues to deliver top-tier service levels as measured and reported by CEM Benchmarking, Inc. This independent research firm ranks pension plan performance in various service and cost categories. INPRS is focused on maintaining high levels of service and low-cost performance as participant experiences and expectations continue to evolve.

Additionally, our year-over-year internal strategic performance measures reflect consistent progress in achieving or exceeding our performance targets in all performance perspectives of customer, financial, process, and learning and growth.

INPRS is committed to maintaining the trust our members and stakeholders have placed in us. The executive and leadership staff have developed and will continue to implement strategic initiatives to accomplish the defined goals and objectives as outlined by our Strategic Plan. Driven by our Vision and Mission statements, our Strategic Plan Goals and Objectives are straightforward and tightly centered on improving our engagement and overall services to our members and employers.

The goals include:

- GOAL 1: Promote an engaged, high-performing, and agile workforce.
- GOAL 2: Deliver a quality member experience.
- GOAL 3: Deliver a quality employer experience.
- GOAL 4: Manage a financially secure retirement system.
- GOAL 5: Reduce complexity and optimize operational efficiency across the enterprise.

Over the last fiscal year (FY), our teams collaborated to achieve these objectives and leveraged critical thought processes and innovative technologies to assess the organization for improved services and operational efficiencies.

INPRS is proud to look back at the accomplishments and initiatives that helped us deliver benefits and distributions and provide high quality service at a low cost to members and employers. INPRS continues to adapt to unique challenges to deliver improved service to our 553,534 members and 1,340 employers. In FY 2025, we delivered benefits and distributions of \$3.8 billion and collected \$3.2 billion in contributions.

## Economic Conditions

During fiscal year 2025, the global economy was shaped by diverging central bank policies, tariff tensions, and cautious moves by the U.S. Federal Reserve. While other central banks cut interest rates more aggressively in response to slowing growth and easing inflation, the Federal Reserve ("Fed") began its own interest rate cutting cycle later in the year. Inflation in the U.S. moderated slightly but remained sticky, prompting the Fed to pause after three cuts to assess the economic impact of new tariffs. Despite a brief negative print in economic growth tied to trade distortions, the U.S. economy ended the year strong, with steady growth, low unemployment, and improving consumer sentiment. With inflation still slightly elevated and the economy showing resilience, the Fed remains in wait-and-see mode as markets look for clarity on the longer-term effects of trade policy.

The economic condition of INPRS is driven by investment results and contributions from members, employers, and nonemployer contributing entities. Our Chief Investment Officer, in partnership with Verus Consulting, has evaluated the economic conditions of INPRS's investments, the details of which can be found in the Investment Section. Total defined benefit contributions for FY 2025 have exceeded the actuarially determined contribution. A historical look at this activity is outlined in the Schedule of Contributions in the Required Supplementary Information.

## Funding of the Defined Benefit Program

INPRS's primary goal continues to be ensuring a financially sound retirement system. We establish a predictable schedule of contribution rates, which works with investment portfolio performance to advance our funds along the path of long-term sustainability. In FY 2025, INPRS completed an actuarial experience study to update our assumptions about the future workforce, benefits, and contributions. In FY 2021, INPRS completed an asset-liability study to update the actuarial assumptions about future investment returns and inflation. And in FY 2022, INPRS completed a study of our Funding Policy to assess the balance between contribution levels and stability, resulting in changes to how we will determine employer contribution rates going forward.

The aggregate funded status of the defined benefit plans increased from 81.0% in FY 2024 to 83.3% in FY 2025. The funded status of the Teachers' Pre-1996 Defined Benefit Account (a pay-as-you-go plan) improved from 68.0% in FY 2024 to 75.8% in FY 2025, with \$3.1 billion in unfunded liabilities. TRF Pre-'96 is projected to reach 100% funded status on its base benefits in FY 2028. A snapshot of the Defined Benefit Plans' funding status is presented in the MD&A.

## Investment Overview

INPRS's consolidated defined benefit assets returned 11.0% net of fees and held assets with a fair value of \$53.0 billion as of June 30, 2025. Commodities posted a strong 16.1% gain for the year, outpacing equities, which also delivered a solid return of 15.0%. The rally in commodities was largely driven by gold, which surged 28.6%. Notably, international equities outperformed U.S. equities for the first time since 2017. Meanwhile, U.S. interest rates moved slightly higher as markets awaited further guidance from the Federal Reserve, and the government bond portfolio recorded a modest gain of 0.6%. The investment portfolio is diversified by asset class, investment approach, and individual investments within each global asset class to reduce overall portfolio risk and volatility. In addition, INPRS administered defined contribution assets of \$7.9 billion.

Please refer to the Investment Section for more information on INPRS's portfolio performance, investment strategy, and policy.

## The OneINPRS Culture

A strong organizational culture is the foundation of long-term success, and in FY2026, INPRS remains committed to fostering an environment that champions shared values, collaboration, and continuous improvement. Building on our momentum, we have enhanced cross-functional teamwork, encouraging employees to create meaningful connections that reinforce core values and drive excellence. In FY2025, our commitment to cultivating an outstanding workplace was recognized by the Indiana Chamber of Commerce, earning INPRS the Best Places to Work in Indiana designation for the second consecutive year. This is a testament to our ongoing efforts in creating a thriving workplace. As we entered FY2026, our focus remained steadfast. Through strategic leadership, improved skill-based hiring practices, employee development, and operational efficiencies, we continue fostering a positive, high-performing workplace that promotes collaboration, innovation, accountability, and fiduciary responsibility, ensuring we serve our members and employers with excellence.

## Transforming Service. Empowering Our Members and Employers

In Fiscal Year 2025, INPRS embarked on a bold transformation to elevate the experience of our members and employers. The first of three major phases went live in late September 2025, marking a pivotal shift in how we deliver service. This initial rollout introduced new technologies designed to streamline internal operations, reduce complexity, and ensure faster, more accurate, and higher-quality interactions.

Our Business Transformation and Technology Modernization initiatives laid the foundation for a more agile, responsive organization. These efforts were driven by cross-functional teams focused on enhancing operational efficiency, simplifying processes, and reducing risk, all with the goal of improving service delivery. We strengthened stakeholder collaboration through our inaugural Employer Engagement Seminar

and continued to prioritize feedback through our Voice of the Customer program. These initiatives reflect our commitment to listening, adapting, and delivering meaningful improvements.

FY2025 also saw the completion of two critical assessments: a Fraud Assessment Initiative to reinforce security and protect member assets, and a Targeted Operating Model Assessment to optimize performance and service outcomes. These efforts support our long-term vision of building a secure, resilient, and future-ready infrastructure.

As we look ahead to FY2026, INPRS will build on this momentum. The next phases of our transformation will expand and refine the systems introduced in FY2025, driving greater operational efficiency and reinforcing our core IT infrastructure. We remain focused on modernizing our technology, strengthening data governance, and delivering seamless, secure, and personalized experiences that evolve with the needs of our stakeholders.

INPRS is committed to innovation, excellence, and continuous improvement. Together, we are shaping a future where service is smarter, faster, and more responsive, empowering our members and employers every step of the way.

## Strategic Plan

The INPRS strategic plan provides the foundation from which INPRS moves towards its vision and mission. A copy of the INPRS strategic plan that includes details of other key initiatives can be found on the INPRS website, [www.in.gov/inprs](http://www.in.gov/inprs).

## Legislative Changes

Legislative changes were signed into law to improve the benefits of members and beneficiaries. Details can be found in Note 7 of the Financial Section.

## Management's Responsibility for Financial Reporting and Internal Controls

INPRS management is responsible for establishing and maintaining a system of adequate internal accounting controls. A system of internal accounting controls ensures the security of member and employer contributions. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide a reasonable, but not absolute, assurance that assets are properly safeguarded, transactions are properly executed, and financial statements are free of any material misstatements. Our independent external auditors have conducted an audit of the basic financial statements in accordance with auditing standards generally accepted in the United States of America. They have full and unrestricted access to the Board to discuss their audit and related findings concerning the integrity of financial reporting and adequacy of internal controls. The Independent Auditor's Report regarding the fair presentation of the financial statements is in the Financial Section.

## Awards and Acknowledgments

For the 13<sup>th</sup> consecutive year, INPRS received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA), the highest recognition in governmental accounting and financial reporting. For the 14<sup>th</sup> consecutive year, INPRS received a Public Pension Standards Award for Funding and Administration from the Public Pension Coordinating Council.

We express our gratitude to the staff, advisors, and all who have contributed to the preparation of this report. This report is intended to provide complete and reliable information as a basis for making management decisions, for determining compliance with legal provisions, and as a measurement of responsible stewardship of the assets. The INPRS staff also wishes to express our appreciation to Indiana Governor Mike Braun, the Indiana General Assembly, members of the Indiana Committee on Pension Management Oversight, and the INPRS Board of Trustees who provided INPRS staff the privilege of serving the needs of our members and employers.

Sincerely,

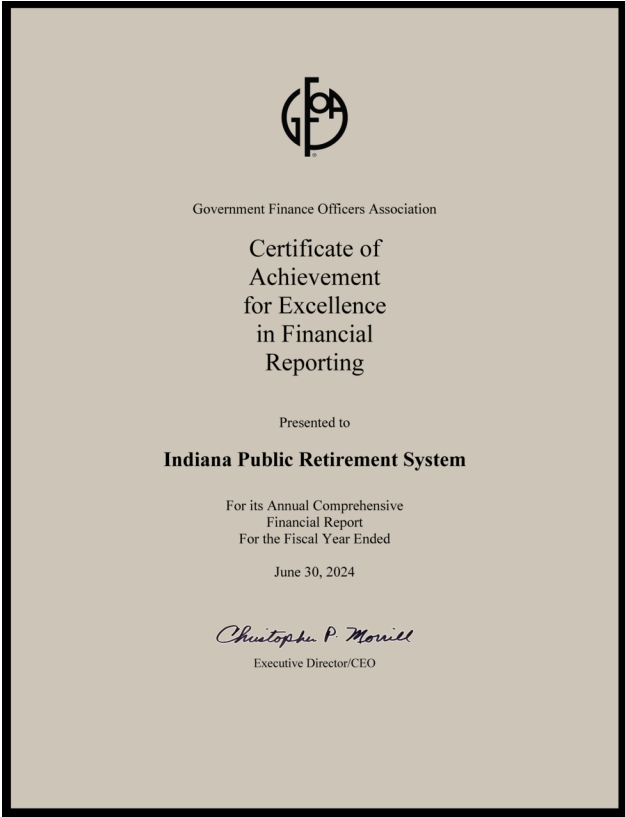


Steve Russo  
Executive Director



Robert Corne  
Chief Financial Officer

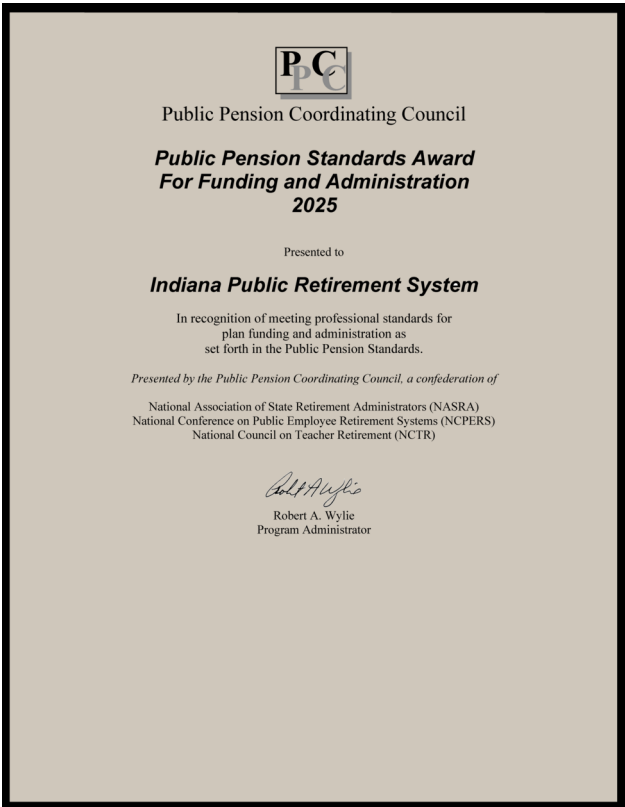




CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to INPRS for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This is the 13<sup>th</sup> consecutive year that INPRS has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.



PUBLIC PENSION STANDARDS AWARD

The Public Pension Coordinating Council awarded the Public Pension Standards Award for Funding and Administration to INPRS for the fiscal year ended June 30, 2025. This is the 14<sup>th</sup> consecutive year that INPRS has achieved this prestigious award. In order to be awarded a Public Pension Standards Award, a public pension program must meet professional standards for plan design and administration as set forth in the Public Pension Standards. A Public Pension Standards Award is valid for a period of one year.

# Governance and Administrative Organization

## Executive Branch

Mike Braun  
Governor



Micah Beckwith  
Lt. Governor



## Board of Trustees



Brian Abbott  
TRF Member  
Nomination/Appointment:  
Speaker of House/  
Governor  
Term Expiration:  
6/30/2026



Daniel Elliott  
Treasurer of State  
Nomination/Appointment:  
Self-nominated/Governor  
Term Expiration:  
6/30/2027



Barry Gardner  
TRF Member  
Nomination/Appointment:  
Senate Pro Tempore/  
Governor  
Term Expiration:  
6/30/2026



Elise Nieshalla  
State Comptroller  
Nomination/Appointment:  
Self-nominated/Governor  
Term Expiration:  
6/30/2027



Mike Pinkham  
1977 Fund Member  
Nomination/Appointment:  
Speaker of House/  
Governor  
Term Expiration:  
6/30/2028



Vivienne Ross  
PERF Member  
Nomination/Appointment:  
Senate Pro Tempore/  
Governor  
Term Expiration:  
6/30/2028



Vacant  
OMB General Counsel &  
Policy Director  
Nomination/Appointment:  
Director of OMB/  
Governor  
Term Expiration:



Vacant  
Executive Management  
and Benefits Administration  
Nomination/Appointment:  
Governor  
Term Expiration:



Vacant  
Economics, Finance,  
Investments  
Nomination/Appointment:  
Governor  
Term Expiration:

# Governance and Administrative Organization, continued

## Executive Team

Steve Russo  
Executive Director



Tony Green  
Deputy Executive Director



Matt Ackerman  
Chief Benefits Officer



Steven Barley  
Chief Information and  
Technology Officer



Derek Benson  
Chief Communications  
Officer



Robert Corne  
Chief Financial Officer



Scott Davis  
Chief Investment Officer



Jeff Gill  
Chief Legal,  
Procurement, and  
Compliance Officer



Keith Hall  
Chief Audit and Risk  
Officer



Cheryl Harding  
Chief Strategic Initiatives  
Officer



Joy Smith  
Chief Human Resource  
Officer



## Professional Consultants<sup>1</sup>

Capital Cities, LLC  
426 East New York Street  
Indianapolis, IN 46202

Ice Miller, LLP  
One American Square, Suite 2900  
Indianapolis, IN 46262

Cavanaugh Macdonald Consulting, LLC  
3906 Raynor Parkway, Suite 201  
Bellevue, NE 68123

Kutak Rock, LLP  
8601 North Scottsdale Road, #300  
Scottsdale, AZ 85253

Foster Garvey PC  
1111 Third Avenue, Suite 3000  
Seattle, WA 98101

Verus  
800 Fifth Avenue, Suite 3900  
Seattle, WA 98104

<sup>1</sup> Information regarding investment professionals that have provided services to INPRS can be found starting on page 120 in the Schedules of Investment Management Fees and Investments Professionals in the Investment Section.