

Excise, Gaming & Conservation Plan at a Glance

Indiana Public Employees' Retirement Fund

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan includes employees engaged exclusively in the performance of law enforcement duties of the (1) Indiana Department of Natural Resources, (2) Indiana Alcohol and Tobacco Commission and (3) any Indiana state excise police officer, Indiana state conservation enforcement officer or gaming agent.

Membership

If you were a state excise police, a conservation enforcement officer, a gaming agent or a gaming control officer on Sept. 2, 1971, you were required to participate in this plan unless you filed a written notice with the Public Employees' Retirement Fund Board of Trustees not to participate. If you became a state excise police officer, conservation enforcement officer, a gaming agent or a gaming control officer after Sept. 2, 1971, you are required to participate in the plan as a condition of employment.

Contributions

Employee: You are required to contribute 4 percent of your annual salary. The contribution is made through payroll deduction and is deposited in your account.

Employer: Employer contributions are adopted by the PERF Board of Trustees based on recommendations by PERF's actuary.

Benefits

The mandatory retirement age for participants of this plan is 65.

A normal retirement benefit is equal to 25 percent of your average annual salary, increased by 1.67 percent of your average annual salary for each completed year of creditable service more than 10 years. "Average annual salary" means the average annual salary of an officer during the five years of highest annual salary in the 10 years immediately preceding an officer's retirement date, determined without regard to any pre-tax salary reduction agreement.

Early Retirement

You are eligible for early retirement if you:

- Are age 45 with at least 15 years of creditable service (reduced benefit)
- Are at least age 55 and your age plus years of service equal 85 (unreduced benefit)
- Are at least age 50 with at least 25 years of service (unreduced benefit)

A reduced benefit is calculated the same as a regular retirement but is reduced by .25 percent for each full month that precedes the attainment of your 60th birthday.

The Board of Trustees of the Public Employees' Retirement Fund (PERF), or its designee, determines the degree of impairment of any officer determined to be disabled; and whether the disability arose in the line of duty (as defined in the statute).

Disability Benefits

Disability benefits may not be provided for any disability:

- Resulting from an intentional self-inflicted injury or attempted suicide.
- Resulting from the member's commission or attempted commission of a felony.
- That begins within two years after a member's entry or re-entry into active service on the force and which was caused or contributed to by a mental or physical condition, which existed before the member entered or re-entered active service.

Survivor benefits apply to the beneficiaries of members who die after accruing 15 or more years of creditable service. Any one of the following may be designated as your beneficiary:

Survivor Benefits

- Your spouse
- Your unmarried child or children under the age of 18
- Your surviving parent or parents

Survivor benefits equal 50 percent of the amount a member would have received from retirement under the plan. If an eligible beneficiary has not been nominated or if the beneficiary predeceases you, your estate will receive a lump sum payment of all funds standing to the credit of you in your savings fund plus accrued interest.

Service Credit

- Upon election to become a participant by any officer who is a member of the Public Employees' Retirement Fund, the board shall transfer all creditable service standing to the credit of the electing officer in PERF to the State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan.
- A participant in this plan is entitled to service credit for the time the participant receives state disability benefits, or serves in the military.
- A participant may purchase service credit under the terms of this plan.

Lump Sum Distributions

If you have less than 15 years of service when you terminate employment and you are less than 45 years old, you are not eligible for retirement benefits under this plan. You are entitled to a lump sum distribution of all contributions standing to your credit plus accumulated interest.



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Deferred Retirement Option Plan (DROP)

Effective July 1, 2008, a Deferred Retirement Option Plan (DROP) was established for all eligible plan participants.

A member may make a DROP election only if immediately upon termination he/she would be eligible to receive an unreduced annual retirement allowance under the provisions of the fund. An eligible member will elect a DROP retirement date which is not less than 12 and not more than 36 months after the member's entry date.

The DROP frozen benefit will be based on average annual salary and years of creditable service on the date you enter the DROP.

A member who retires on his/her DROP retirement date may elect to receive an annual retirement allowance:

- Computed as if the member had never entered the DROP; or
- Consisting of the DROP frozen benefit, plus an additional amount paid as the member elects, determined by multiplying the DROP frozen benefit by the number of months the member was in DROP.

Income Tax Consequences

Payment Directly to You

If you elect to withdraw your member contributions and you do not make a direct rollover of the distribution, it is subject to a mandatory 20 percent federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional Individual Retirement Account (IRA) or an eligible employer plan that accepts rollovers. If you receive a distribution of your member contributions before you reach age 55 and you do not roll it over, then, in addition to the regular income tax, you may have to pay an early distribution tax penalty equal to 10 percent of the taxable portion of the payment. The early distribution tax penalty equal to 10 percent does not apply to a distribution from a governmental defined benefit plan made to a qualified public safety employee who separates from service after reaching age 50.

Direct Rollover

A direct rollover is a direct payment of some or all of the amount of your distribution of your member contributions to a traditional IRA or an eligible employer plan (such as a 403(b) tax sheltered annuity, a 457 deferred compensation plan), or a 401(a) qualified plan that will accept it. You can choose a direct rollover of all or any portion of your payment that is an eligible rollover distribution. You are not taxed on any taxable portion of your payment for which you choose a direct rollover until you elect a distribution from that plan. In addition, there is no income tax withholding on the amount you roll over.



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Retirement Benefits

When you retire, you will be taxed on all of your benefit payments when they are received, except a portion attributable to your "tax basis" (the amount of your 4 percent member contributions that you were taxed on when the contributions were paid to the plan). A portion of your non-taxable amount will be recovered from each benefit payment over a pre-determined number of payments based on your age at the time your benefits start. This schedule is set by Internal Revenue Service (IRS) regulations. Once all non-taxable amounts have been excluded from your benefit payments, 100 percent of all remaining benefit payments will be included as taxable income. The plan will report to you each year on a form 1099-R the taxable and non-taxable (if any) portion of your benefits.

Tax Withholding

The plan is required to withhold income taxes on distributions. It is also required to withhold taxes on monthly payments unless you elect not to have taxes withheld. When applying for the benefits, make sure you complete the tax withholding forms.

CAUTION: You should consult the trustee of your qualified plan or IRA or your professional tax advisor if you need further information regarding the taxes on your distribution.

Please call us toll-free at (888) 526-1687 if you have specific questions regarding your retirement benefits.



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