

# JUDGES' RETIREMENT SYSTEM

# MEMBER HANDBOOK



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### 1.1 Judges Retirement System (JRS)

There are two plans in the Judges' Retirement System: the 1977 Judges' Retirement, Disability, and Death System ("77JRS") and the 1985 Judges' Retirement, Disability, and Death System ("85JRS"). The purpose of JRS is to provide retirement income for the exclusive benefit of eligible employees of participating employers and their designated beneficiaries subject to the conditions set forth herein. This Fund is intended to be a tax-exempt qualified trust under sections 401(a) and 501 of the Internal Revenue Code as sponsored by a governmental agency.

### 1.2 Indiana Code Governing JRS

The laws and regulations governing the Indiana Judges' Retirement System (JRS) may be found in Titles IC 33-38-6, IC 33-38-7, and IC 33-38-8 of Indiana Code (IC). The content of this member handbook does not constitute legal advice, and nothing herein should be considered a legal opinion. In the event of a discrepancy between information in this handbook and the laws of the State of Indiana, the applicable law shall apply.

### 1.3 Administration of System and Funds

Effective July 1, 2010, the board of trustees of the Indiana State Teachers' Retirement Fund ("TRF") and the Public Employees' Retirement Fund ("PERF") were required to appoint and compensate a common director for TRF and PERF. Effective July 1, 2011, the Indiana Public Retirement System ("INPRS") was established under Indiana law. INPRS administers and manages JRS.

INPRS administers sixteen funds of which eight are defined benefit (DB), five are defined contribution (DC), two are other post-employment benefit, and one is custodial. INPRS combined membership totals over 500,000 members representing more than 1,250 participating employers including public universities, school corporations, municipalities, and state agencies.

For a listing of all the funds and additional information about each fund, visit the Annual Reports page of the INPRS website.

### 1.4 Board of Trustees

INPRS is governed by a nine-member Board of Trustees, appointed by the Governor. Board members serve as "fiduciaries" of the Fund, which means they are legally bound to make investment decisions with your best interest in mind. The executive director carries out the policies set by the Board and administers the Fund on a daily basis (IC 5-10.5).

### 1.5 INPRS' Vision, Mission, and Values

Mission: Engaged members able to realize their retirement dreams.

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

Values: INPRS believes people are the foundation of our success. It takes people with different backgrounds, ideas, and strengths to be successful. Success is built upon accountability, commitment, constructive conflict, and trust.

## 1.6 Important Terms

- **Beneficiary** – a person or institution designated by the JRS member of the to receive all or part of a member’s retirement benefit after the death of a member. Beneficiaries are set by statute under the JRS plan.
- **Contributions** – funds paid to INPRS by employers and/or the employee/JRS member to fund future benefits.
- **Service Credit** – refers to the period of time you accumulate through continuous employment in a JRS-covered position. Service credit is important in determining your qualification for benefits.
- **Defined Benefit (DB)** – a pension benefit funded by your employer. This pension benefit is separate from the defined contribution account.
- **Mandatory Contributions** – State law requires that 6% of a JRS participant’s salary be contributed to the JRS for the first twenty-two (22) years of service.
- **Participant** – a judge who participates in the JRS Plan. After December 31, 2010, participant means a judge or full-time magistrate who participates in the JRS Plan.
- **Retirement Pension Benefit** – a lifetime monthly pension benefit paid either to a participant after retirement from JRS employment or to the participant’s designated survivor. This pension benefit is also known as the defined benefit (DB).
- **Retirement Effective Date** - the first day after you end employment in a JRS covered position. Your benefit may not begin more than 30 days before INPRS receives your retirement application.
- **Services** – the period beginning on the first day a person first becomes a judge or, after December 31, 2010, a judge or full-time magistrate, and ending on the date under consideration and includes all intervening employment as a judge, or after December 31, 2010, a judge or full-time magistrate.
- **Survivor** – the person or persons who may receive a pension benefit after the death of the participant.
- **Vesting/Vested** – the status of having earned services as a regular judge or justice for eight (8) years under the JRS plan.

## 1.7 Contacting INPRS

Information about JRS can be found on the INPRS website: [www.in.gov/inprs](http://www.in.gov/inprs). Go to Plan Info at the top of the navigation menu, and then select Judges Retirement System. You can review (frequently asked questions (FAQs), quick reference guides (QRGs), and more on the INPRS website.

If you need additional information, have questions, or need assistance, feel free to contact the Member Service Center at (844) GO-INPRS (844-464-6777). For TDD call (800) 579-5708. INPRS Member Advocates are available weekdays (excluding weekends and state-designated holidays) from 8 a.m. to 8 p.m. ET. You can also submit inquiries via email to [questions@inprs.in.gov](mailto:questions@inprs.in.gov).

Changes to your JRS account can be made by logging into your online account at [myINPRSretirement.org](http://myINPRSretirement.org).

Forms to complete and return can be found at <https://www.in.gov/inprs/forms/jrs-member-forms/>. You can send requests and/or completed forms to INPRS at One N. Capitol, Suite 001, Indianapolis, IN, 46204. INPRS lobby hours are 8:30 a.m. to 4:30 p.m. ET Monday through Friday.



## 2.1 Eligibility

State employees are eligible for membership in the Judges' Retirement System (JRS) based on specific criteria. To be eligible for membership in either the 1977 or 1985 Systems, as a judge you must be performing services as a regular judge, paid by the State of Indiana, for any of the following courts:

- Supreme Court of the State of Indiana
- Court of Appeals of the State of Indiana
- Circuit Court of a Judicial Circuit
- Tax Court of the State of Indiana
- Superior Court of a county
- Criminal Court of a county having a separate criminal court
- Probate Court of a county having a separate probate court
- Juvenile Court of a county having a separate juvenile court
- Municipal Court of a county
- County Court of a county
- Full-Time Magistrate (effective January 1, 2011)
- Juvenile Magistrate (effective January 1, 2011)

### 2.1.1 Judges' Participation in the 1977 Judges' Retirement, Disability, and Death System ("77JRS")

Judges who serve in eligible courts and receive a state salary participate in the JRS. Only judges who served prior to September 1, 1985, can be members of the 77JRS unless you elected not to participate within 20 days after you began your term as a judge (IC 33-38-7-10).

If you terminated your employment as judge in 77JRS and returned to your position after August 31, 1985, you are still a member of the 77JRS.

### 2.1.2 Judges' Participation in the 1985 Judges' Retirement, Disability, and Death System ("85JRS")

A person who **begins** employment as a judge after August 31, 1985, is a participant of the 85JRS.

### 2.1.3 Magistrates

A person who is serving as a full-time magistrate on July 1, 2010, may elect to become a member of the 85JRS. To participate in the 85JRS, you need to submit the election form to INPRS on or after July 1, 2010, but no later than September 30, 2010. **That election is irrevocable.**

If you began employment as a full-time magistrate after July 1, 2010, you are automatically a participant in the 85JRS effective January 1, 2011. No election form is required.

## 2.2 Ineligibility

If you are serving as a senior judge under IC 33-23-3 or judge *pro tempore* you are not eligible for membership in the JRS. If you are a local (city or town) judge that is not paid by the State, you are not eligible for membership in the JRS.

## 2.3 Designating Beneficiaries

Beneficiaries for this plan are set by statute. See IC 33-38-8-17, IC 33-38-8-18, IC 33-38-8-19, IC 33-38-7-14, and IC 33-38-7-15. Eligible designated beneficiaries are your spouse or dependent children. If you have no surviving spouse or children, any payment due at time of death is payable to your estate. You can complete the *Application For Beneficiary Designation for Active Member* form located on the JRS Forms page of the INPRS website.

**NOTE:** As long as you have assets with the JRS, it is critical that you keep INPRS informed of any changes to your name, addresses, or beneficiaries.

It is your responsibility to notify INPRS of any address and beneficiary name changes and keep your personal information up to date with INPRS. To change your personal information or beneficiary name, you can log into your online account or submit the appropriate form located on the INPRS website. See section 1.7 of this handbook.



The State of Indiana is the primary employer of record for the members of the JRS.

### 3.1 Employer Contributions

Employer contributions fund the employer's benefit obligations. These contributions do not fund individual member accounts. The employer contributions are paid annually by the State of Indiana. The coverage of additional positions in the JRS would require action by the Indiana General Assembly.

#### 3.1.1 Contribution Rate

Employer contributions are not made on a payroll basis as with other retirement funds, but rather on an annual basis. The State credits the JRS each July with an amount determined by the INPRS Board, upon recommendation by the INPRS actuary. The amount to be credited to the JRS is included as a line item of the State general fund in the state budget. This changes each year after the INPRS actuary completes the valuation to address the biennial budget.

### 3.2 Member Contributions

State law requires that 6% of your salary be contributed to the JRS for the first 22 years of service. You must contribute to the system unless you are:

- not employed as a judge or magistrate, or
- currently serving as a senior judge or judge *pro tempore*

If you began employment before September 1, 1985, you made a one-time binding pay reduction agreement as of January 1, 1989.

As of October 1, 1989, in accordance with Section 414(h) of the Internal Revenue Service Code, the State of Indiana began to pay the 6% contributions for judges who started employment after August 31, 1985. Judges' salaries were reduced by 6% to fund the state contributions which are not taxed until paid as a distribution or monthly benefit.

The reduction in the amount of 6% of each pay is credited to the fund by the Indiana State Comptroller.

- For your State paid wages, the 6% is paid as a payroll deduction before taxes are calculated on wages.
- For county-reported juvenile magistrates, the 6% is deducted through payroll deduction, or the employer may pay all or part of this mandatory 6% contribution. The county council makes this decision and may change it at any time.

The salary for a juvenile magistrate is shared by the State and the County (IC 33-38-5-7). Wage and contribution reports are received from the State and the County for juvenile magistrates.

Regardless of whether you pay the 6% contribution, or the employer pays it on your behalf, those contributions are considered your contributions and are sent to INPRS for deposit in your account. These contributions are refundable to you should you terminate employment prior to becoming eligible for the defined benefit. While actively employed in a JRS-covered position, you are not permitted to withdraw funds.

If you have less than 8 years of service credit and no activity on your account after 10 years, you will not receive interest credit per 35 IAC 1.2-1-6.



Unless you are a Juvenile Magistrate, you may receive pay from the county and the state paid portion of your pay. You are not required to make contributions on any salary from the county. The county-paid portion of your pay is not used in the benefit calculation.

The interest rate is set at least annually when crediting interest on your contribution account. If you are an active member, your interest is credited at least annually based on the prior fiscal year end balance.

### 3.3 Investment Options

There are currently no investment options for members of the JRS. The credited interest rate for JRS member accounts is set annually by the INPRS Board.

### 3.4 Annual Member Statement

You will receive an annual statement about your member contribution account. The total will include any investment gains or losses and any investment fees.

Your statement will be mailed and posted online. To access your statement online, log on to your account, go to the **My Profile** link, and then select **Communications Preferences**.

If you have retired or withdrawn from the fund, you will not receive annual member statements.



Service credit refers to the period of time you accumulate through continuous employment in a JRS-covered position. Service credit is important in determining your qualification for benefits. There are other methods used to obtain service credit, some with cost associated and some without cost.

The most common form of service credit is earned in a position covered by the JRS. By statute, a participant who performs services in any fraction of a month earns a whole month of service credit. However, a judge is not entitled to more than one month of service credit for services performed in a calendar month. At the time of retirement, your service credit is prorated for partial years of service. See IC 33-38-6-25, IC 33-38-7-17 and IC 33-38-8-21.

## 4.1 Vested Status

As a judge, you become vested in retirement benefits after completing 8 years of JRS covered service.

## 4.2 Types of Service Credit

As a member of the JRS you may be able to add various types of service credit to enhance your defined benefit. For forms applicable to the JRS, visit the Judges' Retirement System Forms page of the INPRS website.

### 4.2.1 Military Service

Military service credit is administered in conjunction with the rights of veterans under the [Uniformed Services Employment and Re-employment Rights Act of 1994 \(USERRA\)](#). Conditions for USERRA eligibility are that you **must meet all of the following criteria**:

- You applied for or currently hold a civilian job,
- You gave written or verbal notice to the civilian employer prior to leaving the job for military training or service except when precluded by military necessity,
- You have not exceeded the five-year limit on periods of service, subject to certain exceptions,
- You have been released from service under honorable conditions, and
- You reported back to the civilian job in a timely manner or submitted a timely application for re-employment.

All your contributions for leaves must be paid upon return to JRS-covered position. Ultimately, INPRS relies on the assertions and verifications made by the plan's participating employer. Military service credit guidelines are governed by IC 33-38-6-15 in conjunction with Federal USERRA laws.

### 4.2.2 Family and Medical Leave Act (FMLA)

You may also receive credit for up to twelve weeks of leave taken during a twelve month period under [Family and Medical Leave Act \(FMLA\) \(29 USC 2601, et seq.\)](#). If this leave is in addition to the six months of unpaid authorized leave in a 4-year period, **it is considered service only for vesting and for the purpose of determining eligibility and not for calculating benefits** if the FMLA is for some reason other than those listed in this section of this handbook.

## 4.3 Purchasing Service

If you are a judge or magistrate, have at least 8 years of service credit in the JRS, and have prior unvested service in another Indiana Retirement Plan, you may purchase part or all of that service at actuarial cost.

#### 4.3.1 Prior PERF Hybrid Service as a Referee, Commissioner, or Magistrate

If you are a judge in the 1977 or 1985 JRS with PERF Hybrid service credit before becoming a judge or after leaving covered service, you may be given credit for that service in the JRS under certain conditions. For 1977 JRS members, the requirements for eligibility and the cost to purchase are found in IC 33-38-7-18. For 1985 JRS members, the requirements are found in IC 33-38-8-22.

You must be a judge who:

- was appointed to serve:
  - as a full-time referee or full-time commissioner, or
  - as a full-time magistrate before January 1, 2011
- was a PERF Hybrid member during that employment and received service credit under PERF Hybrid for that employment.

You will have to pay the amount that you would have contributed if you had been a member of the JRS during that employment, in a lump sum payment or no more than 5 annual payments with interest at a rate determined by the INPRS Board or designee.

If you are a magistrate in the 1985 JRS after December 31, 2010, with PERF Hybrid service credit, you may be given credit for that service in the JRS under certain conditions. The requirements for eligibility and the cost to purchase are found in IC 33-38-8-22.5.

You must be a magistrate who:

- is a full-time magistrate,
- was appointed to serve:
  - as a full-time referee or full-time commissioner, or
  - as a full-time magistrate before January 1, 2011
- was a PERF Hybrid member during that employment and received service credit under PERF Hybrid for that employment.

You will receive credit in the 1985 JRS if you pay in a lump sum or in a series of payments determined by the board, the total cost of the service as determined by the INPRS actuary. No more than 5 annual payments with interest at a rate determined by the INPRS Board or designee may be made to cover the costs.

You may use the balance of your member contribution account with PERF Hybrid to apply towards the cost of the purchased service. Any PERF DC balance left from the cost to purchase service remains in the PERF Hybrid account.

Judges and Magistrates who purchase service in the JRS using PERF Hybrid service waive only the amount of PERF Hybrid service used to purchase service in the JRS. You will not lose PERF Hybrid service that was not used to purchase service in the JRS. You must complete and submit the Request to Purchase Service form for the 1985 System available as of January 1, 2011, from the Judges' Retirement System Forms page on the INPRS website.

#### 4.3.2 Prior PERF Hybrid Service Not as a Referee, Commissioner, or Magistrate

If you have service credit in PERF Hybrid, not as a magistrate, referee, or commissioner, and are not vested in PERF Hybrid, you may purchase that service for use in the DB calculation. This service cannot be used until you are vested in the JRS. The types of service which can be purchased and the cost to purchase are different depending on whether you are a part of the 1977 or 1985 JRS. If you are a member of the 77JRS,

the requirements are found in IC 33-38-7-19. If you are a member of the 85JRS, the requirements are found in IC 33-38-8-23. As a member of the JRS you may use the balance of your PERF Hybrid DC account to apply towards the cost of the purchased service. Any PERF DC balance left from the cost to purchase service remains in the PERF Hybrid account.

If you have service credit as a judge *pro tempore* you may be eligible to purchase this service for use in the JRS DB calculation. Detailed requirements for eligibility and the cost to purchase are found in IC 33-38-6-26. As a member of the JRS you may use the balance of PERF Hybrid DC account to apply towards the cost of the purchased service. Any PERF DC balance left from the cost to purchase service remains in the PERF Hybrid account.

#### **4.4 Reinstatement of Service Credit**

If you forfeited service credit when terminating from the JRS fund you can now regain the lost service if you re-enter the JRS fund by repaying the full amount received at termination plus interest at a rate determined by INPRS.



This section addresses distribution of your JRS prior to retirement, death, or disability. You also have the option to leave your contributions invested with the JRS. They can be withdrawn at any time.

JRS statutes do not have provisions for loans. Therefore, loans are not permitted.

### 5.1 Distributions

If you leave your JRS-covered employment, you may be eligible to withdraw your member contribution account balance depending on which system you served as a judge.

It is very important to note that if you withdraw the balance in your member contribution account, you **forfeit** your years of service credit in the JRS. This means that you **forfeit the right to a future defined benefit** payment based on those years of service. If you previously forfeited your service credit, you can return to a JRS-covered position and return the amount you received plus interest at a rate determined by INPRS in order to regain the service credit. This applies to both the 1977 and 1985 JRS. See IC 33-38-7-13 and IC 33-38-8-12.

#### 5.1.1 1977 System

A judge in the 1977 JRS System may withdraw participation from the Fund if the judge terminates employment and has less than 12 years of service credit. Having met these requirements, the judge may request a distribution of his/her member contribution account balance.

#### 5.1.2 1985 System

If you cease employment (other than by death or disability) as a judge or magistrate under the 1985 JRS System, have less than 8 years of creditable service, and you are **not** eligible for a retirement benefit, then you may withdraw the total sum of your member contribution account.

#### 5.1.3 Distribution Request

To receive a distribution, you can log in to your online account to initiate your request for a distribution. You may also call INPRS.

### 5.2 Payment Options

If you are under the age of 59½ at the time your distribution is paid, you will be subject to an additional 10% federal tax penalty on the taxable amount. The 6% contributions that were withheld from your pay and included on your taxable income are not subject to further taxation. An explanation of the four distribution choices are listed below.

#### ***Choice A – Direct Payment***

You may have the total amount of your contributions (less the mandatory withholding for federal income tax) paid directly to you.

#### ***Choice B – Full Rollover***

You may have the entire taxable portion of your contributions paid in the form of a direct rollover to an Individual Retirement Account (IRA) or a qualified retirement plan with provisions to accept the rollover on your behalf. Any remaining non-taxable portion of your account is paid directly to you.

### ***Choice C – Partial Rollover***

This may be selected only if you want a partial rollover amount of at least \$500.

### ***Choice D – Monthly Installments***

You may have the total amount of your contributions paid to you in monthly installments.

#### **5.2.1 Direct Rollover**

A direct rollover is a direct payment of all or part of your 6% 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 the rollover.

You can choose a direct rollover for all or a portion of your eligible distribution. You will not be taxed on your direct rollover until you withdraw the funds from the rollover account. There is no income tax withholding on the amount you roll over.

If you elect Choices B or C, INPRS will mail a paper check **to you** payable to the trustee of the IRA or qualified retirement plan and a separate check payable **to you** representing your non-taxable portion and any taxable portion not directly rolled over. **You are responsible** for delivering the check to the trustee of the IRA or qualified retirement plan that you specified on the distribution form within 60 days of the date of the check.

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

**NOTE:** INPRS is required to withhold 20% federal tax of any taxable portion of judges' contributions which are paid directly to you and not paid in the form of a **direct rollover** to an IRA or a qualified retirement plan.



There are three types of benefits payable in the JRS, which are all funded by the employer-financed contribution and the employee mandatory contribution:

- Retirement Pension Benefits
- Survivor Benefits
- Disability Benefits

### 6.1 Retirement Eligibility & Options

You can be eligible for normal, early, or disability retirement as outlined in this section. If you are currently receiving or are entitled to receive any pay from the State for services performed as a judge or a magistrate under IC 33-23-5 (as defined in IC 33-38-6-7), you do not qualify for retirement.

Your JRS DB is calculated using a percentage of salary as designated by statute. The percentage to be paid ranges from 24% to 60% of your salary and is based on years of service credit in the JRS.

#### 6.1.1 Regular Retirement with a Full (Unreduced) Pension Benefit

As a judge you are eligible for regular retirement with full benefits if you meet **one** of the following requirements:

- You are age 65 and have at least 8 years of service credit as a judge; or
- You are at least 55 years of age and your age in years plus years of creditable service is at least 85 (the Rule of 85).

#### 6.1.2 Early Retirement with a Reduced Pension Benefit

As a judge you may qualify for early retirement with reduced benefits if you are between the ages of 62 and 65 and have at least 8 years of service credit as a judge.

#### 6.1.3 Disability Retirement

A participant is considered to have a permanent disability if INPRS has received a written certification by at least two licensed and practicing physicians, appointed by the INPRS board, that the participant is (1) totally incapacitated, by reason of physical or mental infirmities, from earning a livelihood and (2) the condition is likely to be permanent.

For the administration of disability claims under the JRS, a licensed treating physician of the member may be designated by INPRS as a physician appointed by the board of trustees. However, such designation does not entitle the treating physician to remuneration or other compensation paid from INPRS unless there is an express written agreement signed by the parties in advance of any compensable services provided by the treating physician.

The participant must be reexamined by at least two physicians appointed by the INPRS board, at the times the board designates but at intervals not to exceed one year. If, in the opinion of these physicians, the participant has recovered from the participant's disability, then benefits must cease to be payable as of the date of the examination unless, on that date, the participant is at least 65 or 55 years of age plus the participant's years of service is at least 85.

#### ***Disability Retirement Benefit Calculation***

The annual benefit payable to a permanently disabled judge is the product of the salary you were receiving at the time you ended employment\*, as indicated by either IC 33-38-7-11(g) or IC 33-38-8-16(b), multiplied

by the percentage shown in Table 2. A partial year of service has the benefit percentage prorated accordingly.

**Table 2: Years of Service Credit for Disability Retirement**

Years of Service Credit	Percentage	Years of Service Credit	Percentage
0-12	50%	18	56%
13	51%	19	57%
14	52%	20	58%
15	53%	21	59%
16	54%	22 or more	60%
17	55%		

\*If you have at least 12 years of service credit plus a partial year of service credit, an additional percentage is calculated based on the number of months in the partial year.

## 6.2 Calculating Full & Early Retirement Pension Benefits

Your lifetime pension benefit will equal the salary being paid for the office you held at the time you ended employment multiplied by the percentage shown in Table 3 below.

**NOTE:** If you have at least 8 years of service credit plus a partial year of service, an additional percentage is calculated based on the number of months in the partial year service. The salary used in the retirement calculation is based on statute.

If a judge has a partial year of service, an additional percentage is calculated by prorating between the applicable percentages, based on the number of months in the partial year of service. Any partial years between 8 and 11 full years of service are worth 0.25% per month. Between years 11 and 12, each month is worth 1.42%, and over 12 years each additional month is entitled to 0.083%.

**Table 3: Years of Service Credit for Pension Benefit**

Years of Service Credit	Percentage	Years of Service Credit	Percentage
8	24%	16	54%
9	27%	17	55%
10	30%	18	56%
11	33%	19	57%
12	50%	20	58%
13	51%	21	59%
14	52%	22 or more	60%
15	53%		

- As a member of the 1977 JRS, the salary paid for the office you held at the time of separation from employment will be used. See IC 33-38-7-11(d).
- As a member of the 1985 JRS, the salary paid to you at the time of separation from employment will be used. See IC 33-38-8-14(e).



If you receive early retirement benefits between the ages of 62 and 65, your benefits are reduced by 0.1% for each month your retirement precedes your 65th birthday. This reduction does not apply if you are separated from employment because of permanent disability.

### 6.3 Retirement Effective Date

As a member of the JRS you may select any date of the month for retirement provided retirement eligibility requirements are met. Your pension benefit begins the day after you end employment in a JRS covered position. Your benefit may not begin more than 30 days before INPRS receives your retirement application.

### 6.4 Retirement Application Checklist

You will need to submit your retirement application to INPRS **at least 90 days before you plan to retire**. To complete your retirement application, access your online account and follow the prompts and instructions provided.

- **Confirm Personal Information** – your address and personal information as requested.
- **Choose Your Retirement Date and Plan** – provide your retirement date and retirement type as requested (options will be limited by the Plan and date entered). You cannot backdate your retirement date more than 30 days before the current date.
- **Survivor Designation** – enter your survivor information as requested.
- **Tax Notices** – enter information and make selections for state, federal, and local, as applicable.
- **Direct Deposit** – provide the requested information.
- **Required Documents** – upload any additional document as applicable or as required.

### 6.5 Direct Deposit

Direct deposit is the required method to distribute benefit payments. On the same day each month, your payment will be deposited directly into your specified account. You will receive an annual notice of deposits. You can update your direct deposit information online at any time. You must complete the Direct Deposit form from your online account.

### 6.6 Re-Employment of Retired Members

If you are retired from a JRS-covered position and return to a JRS-covered position, the benefits being paid to you will be suspended. You will resume making contributions to the JRS and earn additional service credit. Upon separation of employment, you will need to initiate the retirement process. The new benefit will be calculated using the appropriate salary and all service credit you have earned, up to the maximum of 22 years.

**NOTE:** You may continue to receive retirement benefits if you are not re-employed as a judge or magistrate with the State of Indiana.

### 6.7 Benefit Overpayment and Underpayment

INPRS is required by federal and state law to correct any errors in benefit calculations. If you receive an overpayment because of an error, INPRS must recover the overpayment. If you are underpaid, you will receive another payment from INPRS.



## 7.1 Survivor Benefit

**NOTE:** Marriages are recognized regardless of gender.

Under the 1977 and 1985 Systems, as of July 1, 1985, the designated spouse, child, or children qualify for survivor benefits if you meet **one** of the following provisions:

- You died while receiving benefits (post-retirement); or
- You completed at least 8 years of service and were currently serving as a judge (pre-retirement); or
- You completed at least 8 years of service and were not still serving as a judge, but were entitled to a future benefit; or
- You were permanently disabled at the time of death (pre-retirement).

The survivor benefits are the greater of 50% of the amount you were drawing in retirement benefits at time of death (or would have been entitled to had you retired on the date of death), or the annual amount in Table 4.

**Table 4: Survivor Benefits**

Year	Minimum Annual Amount
7/1/95 - 6/30/96	\$10,000
7/1/96 - 6/30/97	\$11,000
7/1/97 - Present	\$12,000

The survivor benefit is payable to either the surviving spouse or surviving dependent child(ren) as designated by the member. If multiple dependent children are named as beneficiaries, the benefit will be divided equally.

- If your child is entitled to benefits, your child will receive the child’s share until age 18.
- If your child has a physical or mental disability, your child will receive the child’s share the entire period of the disability, or until the child turns 18, whichever period is longer. Acceptable proof of disability must be submitted to INPRS. When benefits end for a child with a disability, the remaining benefits will be shared equally among the remaining children who are 18 years or younger or are disabled.
- If your surviving spouse is living when benefits end for all selected children, your surviving spouse will receive the benefit for the remainder of your spouse’s life.
- If no benefits are payable to your surviving spouse or elected child or children, any dependent(s) may withdraw contributions plus interest at a rate set by the Board. If there are no surviving dependents, the benefits are payable to your estate.
- If you are not survived by a spouse, child or children, or other dependents, your contributions, plus interest at a rate set by the Board and minus any payments made to you, will be distributed to the executor or manager of your estate within 60 days of a request for the funds being properly filed with INPRS.

## 7.2 Survivor Benefit Application Requirements

To process the survivor benefit, your survivor must submit the following:

- survivor benefit application,
- copy of your marriage certificate and confirmation that the deceased was married to you at the time of death (for surviving spouse claims),
- birth certificates of any survivors,
- death certificate of deceased member,
- birth certificate of member, if not already on file at INPRS, and
- request for direct deposit of benefits.

To apply for survivor benefits or access forms associated with death and survivor benefits, visit the Judges' System Member forms page of the INPRS website or contact INPRS.



## 8.1 Tax Withholding

Your retirement distributions are subject to federal income tax withholding. INPRS can withhold federal, state, county, and local taxes from your monthly retirement pension benefit payments. If you did not complete tax withholding forms at the time of your retirement, you may do so at any time.

INPRS is required by law to withhold 20% for federal income taxes for any non-recurring, taxable lump sum distribution that is paid directly to you. You will have to pay federal, state, county, and local income taxes on this taxable portion.

If you would like more information about income tax regulations, refer to IRS Publication 575. If you need more help, you should contact your local IRS office or a tax consultant.

## 8.2 Tax Forms

Each year, INPRS mails 1099-R forms to all benefit recipients by January 31. The 1099-R form lists the total amount of benefits received during the year. It also shows the taxable and non-taxable amounts.

## 8.3 Taxation of Retirement Benefits

When you retire, you will be taxed on all the benefit payments you receive. Your "tax basis" portion will not be taxed. The tax basis is the 6% member contributions that were taxed when the contribution was paid into the plan. "Picked up" contributions, paid on your behalf by your employer, and your pre-tax contributions, are not included in tax basis because they are not considered income when the contribution was made.

Over a pre-determined number of payments, you may recover your non-taxable amount from each benefit payment. Your recovery amount is based on your age at the time your benefits start. The schedule for repayment is set by IRS regulations. After all the non-taxable amounts have been deducted from your benefit payments, 100% of the remaining payments will be considered taxable income.

## 8.4 Taxation of a Distribution

If you end employment before accruing enough service credit for a future retirement benefit and elect to receive a distribution of your member contributions, the 6% pre-tax contribution and earnings will be taxed. If you are less than age 59½ at the time your distribution is paid, you will be subject to an additional 10% federal tax penalty on the above taxable amount.

Federal income tax will not be withheld if you choose a direct rollover. The taxable portion of your direct rollover will not be taxed until you choose a distribution from that plan.

If you elect to have your contributions paid directly to you, INPRS is required to withhold 20% of all taxable portions for federal income taxes.



### 9.1 Cost of Living Adjustment (COLA)

For the 1977 and 1985 JRS retirees, a Cost of Living Adjustment (COLA) is based on Indiana Codes 33-38-7-11, 33-38-8-24, and 33-38-8-25. A COLA is calculated as the same percentage by which active JRS member salaries are increased as defined by a letter from the Chief Justice of the Indiana Supreme Court. COLAs for survivor payees may be granted by the General Assembly but are not automatic.

### 9.2 13th Check Supplemental Payment

The 13th check is a supplemental payment that may be made to retired members. The General Assembly must pass legislation granting the 13th check. JRS members currently do not receive 13th Checks.

### 9.3 Required Minimum Distribution (RMD) Information

The Internal Revenue Service (IRS) requires you to take required minimum distribution (RMD) if you have an interest in a pension benefit. Section 401(a)(9) of the Internal Revenue code (IRC) requires INPRS to begin paying distributions of your benefit starting April 1 of the calendar year following the calendar year in which you attain the RMD age specified by the IRS:

RMD Age	Condition(s)	Source
70 1/2	Reach age 70 ½ before 01/01/2020	Pre Secure Acts
72	Turn 70 ½ on and after 01/01/2020	Secure 1.0
73	Turn 72 on and after 01/01/2023 & reaches 73 before 01/01/2033	Secure Act 2.0
75	Turn 74 on or after 01/01/2033	Secure Act 2.0

- Anyone who turned 72 in 2022 or earlier follows the old rules. Those who turned 72 in 2022 had to take their first RMD no later than April 1, 2023.
- Those who turn 72 in 2023 and any time through 12/31/2032 (born from 1951 to 1959) must take the first RMD by April 1 of the year after they turn age 73.
- Anyone born in 1960 or later must take their first RMD by April 1 of the year after they turn age 75.

If the benefit does not begin in a timely fashion, the IRS will impose a 25% penalty on the member due to a late distribution. The IRS could reduce that penalty to 10% if the member receives a distribution within a correction window.

You must complete the online retirement application through the Retirement Application Center (RAC) from your online account at [myINPRSretirement.org](https://myINPRSretirement.org). If the application is not completed on time, RMD payments will automatically begin if you have separated from employment and have not begun the distribution process. See 35 IAC 13-1-1 for more information regarding the INPRS RMD process.

### 9.4 Administrative Review

**NOTE:** This information is only a guide and neither a substitute for, nor intended as legal advice.

If INPRS staff have answered your questions regarding your account but you disagree with the action or determination, and no alternative resolution is available, you may request administrative review under the

Administrative Orders and Procedures Act (IC 4-21.5). You must have standing as a party or a right to intervention to request administrative review.

### ***Initial Determination***

You must petition INPRS in the form of a letter to request a review of the action or final determination with which you disagree. This letter should specifically state the basis of your disagreement and include sufficient facts so that INPRS can evaluate your request for review. You should include copies of any supporting documents. For a sample format of this member petition, see form Step 1: Member Petition for Administrative Review of Staff Action/Determination available on the INPRS website. You will need to complete the form and submit it to INPRS, Attn: Administrative Review, One North Capitol, Suite #001, Indianapolis, IN 46204, or by emailing the form to [AdministrativeReviews@INPRS.in.gov](mailto:AdministrativeReviews@INPRS.in.gov).

Once an evaluation has been completed, you will be notified with an initial or amended determination letter, sent by certified mail. The letter will indicate INPRS' initial or amended determination and provide supporting justification. In addition, INPRS will provide explicit instructions should you want to appeal. Indiana law sets forth specific timelines to appeal a decision. Should your appeal be received after the appeal deadline, under Indiana law, the initial or amended determination will become final, and you will forfeit any future claims specific to that particular outcome. As noted, many processes and procedures followed by INPRS are statutory, meaning INPRS does not have the discretion to act outside of the law in granting a benefit that federal and/or state law does not permit.

### **9.4.1 Administrative Law Judge**

If you disagree with the initial or amended determination and want to further challenge, you may bring the matter before an Administrative Law Judge (ALJ). To initiate this process, you must file a petition for review with the INPRS Executive Director. To initiate this process, you must file a petition for using the form available from the Your Right to Administrative Review page on the INPRS website.

These are the available forms and instructions:

1. Complete Member Petition for Administrative Review of Staff Action or Determination
2. Petition for Review by ALJ
3. General outline for ALJ review

Complete and return the form (Step 1 or Step 2) to INPRS at [AdministrativeReviews@INPRS.in.gov](mailto:AdministrativeReviews@INPRS.in.gov) or the address provided on the form. It is recommended that you retain copies of the submitted documents for your records.

The petition for review:

- Must meet the statutory requirements set forth in [IC 4-21.5-3-7\(a\)](#); AND
- Must be filed within 15 days after you have received the written notice of the INPRS initial determination letter. ([IC 4-21.5-3-7\(a\)](#)).

If your petition for review meets the statutory requirements, INPRS will arrange for an administrative hearing of your case, which is similar to a trial in a lawsuit, but is conducted in less formal manner ([IC 4-21.5-3-25\(b\)](#)). You may be represented by counsel, but there is no requirement that you obtain representation. INPRS is not responsible for costs associated with your representation. The ALJ who conducts the review will consider the evidence concerning the administrative action/decision. For a detailed outline of the ALJ review process, see the General Outline for Administrative Law Judge (ALJ) Review available on the INPRS website.

At the conclusion of the administrative hearing process, the ALJ will issue a Finding of Facts and Conclusions of Law and written order concerning the action or decision that you are challenging ([IC 4-21.5-3-27](#)). The ALJ's order is then subject to review by the INPRS Executive Director. On behalf of the Board of Trustees, the Executive Director will issue a final order that affirms, modifies, or dissolves the ALJ's order ([IC 4-21.5-3-29\(b\)](#)).

### 9.4.2 Judicial Review

If you are still in disagreement at the conclusion of the administrative review, you may seek judicial review within thirty (30) days of receipt of the final order ([IC 4-21.5-5](#)). A reviewing court will examine only those disputed issues of fact that appear in the agency record of the appeal. The trial court may not retry the appeal or substitute its judgment for that of agency ([IC 4-21.5-5-11](#)). See the Administrative Review Regulations available on the INPRS website for a list of all relevant IAC references.

## 9.5 Power of Attorney

INPRS honors requests and directions from a lawful holder of a Power of Attorney document for you. This individual is known as the attorney-in-fact. The Power of Attorney must grant the attorney-in-fact the authority to transact business of the type requested. For instance, if the Power of Attorney document grants the attorney-in-fact broad discretion to handle all banking and financial transactions, INPRS will accept directions regarding benefit payments. If, on the other hand, you grant what is known as a Health Care Power of Attorney, the attorney-in-fact does not have the authority to direct INPRS on any matter, even something as simple as an address change.

If you want to name a Power of Attorney for fund business only, without incurring the expense of legal counsel, INPRS can provide a *Limited Power of Attorney for Members and Recipients* form. However, this Power of Attorney applies only to fund business and is not valid for general public use. To receive a copy of this form to be completed and returned to the address on the form, contact INPRS.

If an attorney-in-fact attempts to act on your behalf, INPRS will require a copy of the Power of Attorney. If a copy of the Power of Attorney is not in your file, the requested transaction will be denied. The denial will then be returned to the attorney-in-fact, requesting proof of legal authority to act on your behalf.

**NOTE:** Indiana law has very specific requirements for a Power of Attorney to be valid. Your signature must be witnessed and attested to by a Notary Public. Further, the Notary Public must sign the document along with the attorney's printed name and notarial seal.

## 9.6 Guardian

INPRS honors requests and directions from a legally appointed guardian of your estate. Before INPRS can recognize acts of a guardian, INPRS must receive copies of the Letters of Guardianship and/or other official court documents appointing the guardian. A guardian is appointed only when you are declared incompetent by a court of law while you are under an active guardianship and unable to act on your own behalf. INPRS will not recognize your acts until provided proof that your right to act on your own behalf has been restored.

## 9.7 Garnishments

Indiana law prevents assigning JRS benefits. Accordingly, INPRS cannot honor any divorce decree requiring INPRS to pay anyone other than the member or the member's designated beneficiary. To be consistent with the laws governing JRS, and to satisfy Indiana's domestic relations laws, divorce decrees should order you (or the legal beneficiary) to make payments to an ex-spouse rather than ordering INPRS to make such payments. In addition, Indiana law prohibits INPRS from garnishing a pension benefit for child support payments. However, INPRS must honor any IRS tax levy or court order for restitution when an employee/member has been convicted of a crime by their employer.

### 9.7.1 Qualified Domestic Relations Order (QDRO)

Under state law, benefits in the Fund are exempt from any legal process; therefore, INPRS cannot honor any QDRO. The JRS is a governmental plan exempt from the QDRO requirements. If you purchase an annuity or roll over funds to another plan outside of INPRS, this may not apply. Consult the administrator for the plan.

## 9.8 Access to Records

### 9.8.1 Member Records & Confidentiality

Your records are confidential by law. INPRS will only release your name, fund, and years of service. Member records are not public records.

INPRS can provide information from your records to you, or to one of the following:

- a guardian,
- a representative of your estate,
- an attorney-in-fact (aka Power of Attorney or POA),
- someone to whom you have given express permission, or
- someone named by a court order.

Indiana law, 35 IAC 1.2-1-5 and IC 5-10.5-6-4, outlines INPRS confidentiality rules and allows INPRS, at its discretion, to provide member information to:

- members of the Indiana General Assembly,
- state agencies,
- quasi-governmental agencies,
- any person with the member's written permission, including a Power of Attorney,
- an active member's employer,
- a deceased member's personal representative with Letters Testamentary or a beneficiary, according to a small estate affidavit,
- to follow state or federal law, a subpoena, legal discovery under the Indiana trial rules or Orders and Procedures Act or other court order.

### 9.8.2 Access to Public Records

INPRS is committed to making public records available upon request. To get information, you can:

- Call (844) GO-INPRS (844-464-6777),
- Submit your request through the online portal at: <https://in.accessgov.com/inprs-apra>; or
- Send a written request or stop by in person at: Indiana Public Retirement System, One North Capitol Avenue, Suite 001, Indianapolis, IN 46204.